



2026

Semi-annual Report of the
Capital Group of Bank
Handlowy w Warszawie S.A.



SELECTED FINANCIAL DATA	In PLN '000		In EUR '000	
	First half of 2026	First half of 2025	First half of 2026	First half of 2025
	01.01. - 30.06. 2026	01.01. - 30.06. 2025	01.01. - 30.06. 2026	01.01. - 30.06. 2025
condensed interim consolidated financial statements data				
Interest income and similar income	1,477,658	1,580,260	347,504	374,398
Fee and commission income	272,495	255,982	64,083	60,648
Profit before tax from continuing operations	998,085	1,091,202	234,722	258,530
Profit/(loss) from discontinued operations	38,447	(273,638)	9,042	(64,831)
Net profit from continuing and discontinued operations	706,403	600,530	166,126	142,279
Comprehensive income	552,582	701,607	129,952	166,226
Changes in net cash	(6,608,795)	5,390,692	(1,554,206)	1,277,173
Assets classified as held for sale	-	6,083,766	-	1,439,365
Total assets	72,571,643	78,849,009	16,891,661	18,654,981
Amounts due to banks	9,465,708	3,904,294	2,203,223	923,722
Amounts due to customers	48,211,691	38,429,419	11,221,677	9,092,062
Liabilities classified as held for sale	-	22,294,494	-	5,274,681
Equity	9,324,172	10,042,307	2,170,280	2,375,921
Share capital	522,638	522,638	121,648	123,652
Number of shares (in pcs)	130,659,600	130,659,600	130,659,600	130,659,600
Book value per share (PLN/EUR)	71.36	76.86	16.61	18.18
Total capital ratio (in %)	25.76	23.50	25.76	23.50
Earnings per ordinary share (PLN/EUR)	5.43	4.60	1.28	1.09
Diluted earnings per share (PLN/EUR)	5.43	4.60	1.28	1.09
condensed interim standalone financial statements data				
Interest income and similar income	1,477,669	1,580,260	347,507	374,398
Fee and commission income	272,503	255,992	64,085	60,650
Profit before tax	997,069	1,092,499	234,483	258,837
Profit/(loss) from discontinued operations	38,447	(273,638)	9,042	(64,831)
Net profit from continuing and discontinued operations	705,505	602,022	165,915	142,632
Comprehensive income	551,616	703,130	129,725	166,587
Changes in net cash	(6,608,795)	5,390,692	(1,554,206)	1,277,173
Assets classified as held for sale	-	6,083,766	-	1,439,365
Total assets	72,662,628	78,939,944	16,912,838	18,676,496
Amounts due to banks	9,465,708	3,904,294	2,203,223	925,013
Amounts due to customers	48,316,550	38,533,807	11,246,084	9,129,503
Liabilities classified as held for sale	-	22,294,494	-	5,282,054
Equity	9,311,252	10,030,353	2,167,272	2,376,410
Share capital	522,638	522,638	121,648	123,824
Number of shares (in pcs)	130,659,600	130,659,600	130,659,600	130,659,600
Book value per share (PLN/EUR)	71.26	76.77	16.59	18.19
Total capital ratio (in %)	25.50	23.30	25.50	23.30
Earnings per ordinary share (PLN/EUR)	5.42	4.61	1.28	1.09
Diluted earnings per share (PLN/EUR)	5.42	4.61	1.28	1.09
Declared dividends per share (PLN/EUR)	9.80	10.29	2.30	2.44

Explanations to the table:

1) The impact of the IFRS 5 reclassification on the table is the same as in the statement of financial position and income statement.

2) Comparative data according to balance sheet and total capital ratio as of 31 December 2025 after including retrospective correction. Additional information is presented in Note 6 in the capital adequacy section.

3) Additional information on capital ratio is included in the supplementary note no. 6 in the section "Capital Adequacy" and "Information on capital adequacy of Bank Handlowy w Warszawie S.A. as of 30 June 2025" ("Disclosures Pillar 3").

4) On June 27, 2026, the Ordinary General Meeting of Shareholders of the Bank Handlowy w Warszawie S.A. (hereinafter GM) adopted a resolution on distribution of the net profit for 2025. Additional information concerning dividend payout was presented in Note 31.

5) The following exchange rates were applied to convert PLN to EUR: for the statement of financial position items - average NBP exchange rate as at 30 June 2026 PLN 4.2963 (as at 31 December 2025: PLN 4.2267 and as at 30 June 2025: PLN 4.2419); for the income statement, the statement of comprehensive income and the cash flow statement items - the rate is calculated as the arithmetic mean of NBP exchange rates prevailing as at the last day of each month of the first half of 2026: PLN 4.2522 (in the first half of 2025: PLN 4.2208).



Condensed Interim Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A.

for the 6 month period ended
30 June 2026



This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

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Condensed consolidated income statement

	For the period	II quarter 01.04. – 30.06. 2026	I half of the year 01.01. – 30.06. 2026	II quarter 01.04. – 30.06. 2025	I half of the year 01.01. – 30.06. 2025
PLN '000	Note				
CONTINUING OPERATIONS					
Interest income	7	707,976	1,348,097	720,478	1,429,691
Similar income	7	51,753	129,561	98,471	150,569
Interest expense and similar charges	7	(300,314)	(546,969)	(288,820)	(502,645)
Net interest income	7	459,415	930,689	530,129	1,077,615
Fee and commission income	8	141,963	272,495	127,365	255,982
Fee and commission expense	8	(23,445)	(46,628)	(20,853)	(38,836)
Net fee and commission income	8	118,518	225,867	106,512	217,146
Dividend income		14,080	14,177	11,424	11,513
Net income on trading financial instruments and revaluation	9	81,051	283,426	92,493	174,759
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	28	27,383	222,121	105,348	145,415
Net gain/(loss) on equity and other instruments measured at fair value through income statement		(6,739)	(12,306)	(7,797)	(6,199)
Net gain/(loss) on hedge accounting	29	(1,135)	(5,053)	4,117	1,687
Other operating income	10	9,015	20,662	6,701	10,363
Other operating expense	10	(5,760)	(12,442)	(16,240)	(19,356)
Net other operating income and expense	10	3,255	8,220	(9,539)	(8,993)
General administrative expenses	11	(199,561)	(523,950)	(158,935)	(426,798)
Depreciation and amortization		(11,732)	(22,429)	(11,626)	(22,335)
Net impairment on non-financial assets					
Profit on sale of other assets	12	30,043	29,914	(569)	570
Provision for expected credit losses on financial assets and provisions for contingent commitments	13	(59,491)	(76,250)	(1,194)	(8,998)
Tax on some financial institutions		(43,576)	(76,341)	(35,890)	(64,180)
Profit before tax from continuing operations		411,511	998,085	624,473	1,091,202
Income tax expense	14	(135,812)	(330,129)	(110,262)	(217,034)
Net profit from continuing operations		275,699	667,956	514,211	874,168
Net profit/(loss) from discontinued operations	4	45,100	38,447	(348,661)	(273,638)
Net profit from continuing and discontinued operations		320,799	706,403	165,550	600,530
Including:					
Net profit attributable to Bank's shareholders (in PLN)			706,403		600,530
Weighted average number of ordinary shares (in pcs)			130,081,657		130,544,519
Earnings per share (in PLN)			5.43		4.60
Diluted net earnings per share (in PLN)			5.43		4.60

Explanatory notes are integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of comprehensive income

		II quarter I half of the year		II quarter I half of the year	
	For the period	01.04. – 30.06. 2026	01.01. – 30.06. 2026	01.04. – 30.06. 2025	01.01. – 30.06. 2025
PLN '000	Note				
Net profit from continuing and discontinued operations		320,799	706,403	165,550	600,530
Other comprehensive income, that is or might be reclassified to the income statement		192,459	(155,800)	51,191	101,077
Remeasurement of financial assets measured at fair value through other comprehensive income (net)	15	213,787	15,925	136,465	218,894
(Profit)/Loss reclassification to income statement after derecognition of financial assets measured at fair value through other comprehensive income (net)	15	(21,334)	(171,793)	(85,332)	(117,786)
Currency translation differences		6	68	58	(31)
Other comprehensive income, that cannot be subsequently reclassified to profit or loss		-	1,979	-	-
Net actuarial profits on specific services program valuation		-	1,979	-	-
Other comprehensive income net of tax		192,459	(153,821)	51,191	101,077
Total comprehensive income from continuing and discontinued activity		513,258	552,582	216,741	701,607
Including:					
Comprehensive income from parent entity attributable to Bank's shareholders		513,258	552,582	216,741	701,607

Explanatory notes are integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of financial position

PLN '000	As at Note	30.06.2026	31.12.2025
ASSETS			
Cash and cash equivalents		2,813,088	9,205,484
Amounts due from banks	16	10,445,545	8,245,819
Financial assets held-for-trading	17	4,575,288	4,823,372
Debt financial assets measured at fair value through other comprehensive income, including:	18	31,245,251	30,151,984
<i>Assets pledged as collateral</i>		3,021,158	49,130
Equity and other instruments measured at fair value through income statement		133,706	183,908
Amounts due from customers	19	21,143,932	18,222,892
Tangible fixed assets		330,193	446,980
Intangible assets	20	881,378	878,388
Current income tax		166,652	-
Deferred income tax asset	21	67,109	221,703
Other assets	22	769,501	384,713
Assets classified as held for sale	4	-	6,083,766
Total assets		72 571 643	78,849,009
LIABILITIES			
Amounts due to banks	23	9,465,708	3,904,294
Financial liabilities held-for-trading	17	2,927,767	2,690,099
Hedging derivatives	29	248,190	358,677
Amounts due to customers	24	48,211,691	38,429,419
Provisions		71,954	77,670
Current income tax liabilities		12	11,807
Deferred tax liabilities	21	1	-
Other liabilities	25	2,322,148	1,040,242
Liabilities classified as held for sale	4	-	22,294,494
Total liabilities		63,247,471	68,806,702
EQUITY			
Share capital		522,638	522,638
Supplementary capital		3,001,262	3,001,262
Treasury shares		(14,525)	(27,311)
Revaluation reserve		84,778	240,646
Other reserves		4,616,536	4,650,124
Retained earnings		1,113,483	1,654,948
Total equity		9,324,172	10,042,307
Total liabilities and equity		72,571,643	78,849,009

Explanatory notes are integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of changes in equity

PLN '000	Share capital	Supplementary capital	Treasury shares	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2026	522,638	3,001,262	(27,311)	240,646	4,650,124	1,654,948	10,042,307
Total comprehensive income, including:	-	-	-	(155,868)	2,047	706,403	552,582
Net profit	-	-	-	-	-	706,403	706,403
Other comprehensive income	-	-	-	(155,868)	2,047	-	(153,821)
Currency translation differences from the foreign operations' conversion	-	-	-	-	68	-	68
Net valuation of financial assets measured at fair value through other comprehensive income	-	-	-	(155,868)	-	-	(155,868)
Actuarial gains on valuation of defined benefit plan (net)	-	-	-	-	1,979	-	1,979
Capital rewards program	-	-	12,786	-	(4,430)	-	8,356
Dividends paid	-	-	-	-	(28,714)	(1,250,359)	(1,279,073)
Transfer to capital	-	-	-	-	(2,491)	2,491	-
Balance as at 30 June 2026	522,638	3,001,262	(14,525)	84,778	4,616,536	1,113,483	9,324,172

PLN '000	Share capital	Supplementary capital	Treasury shares	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2025	522,638	3,001,260	(20,577)	(64,868)	4,039,027	2,391,051	9,868,531
Total comprehensive income, including:	-	-	-	101,108	(31)	600,530	701,607
Net profit	-	-	-	-	-	600,530	600,530
Other comprehensive income	-	-	-	101,108	(31)	-	101,077
Currency translation differences from the foreign operations' conversion	-	-	-	-	(31)	-	(31)
Net valuation of financial assets measured at fair value through other comprehensive income	-	-	-	101,108	-	-	101,108
Capital rewards program	-	-	4,953	-	4,312	-	9,265
Dividends paid	-	-	-	-	-	(1,342,777)	(1,342,777)
Transfer to capital	-	-	-	-	1,059,397	(1,059,397)	-
Balance as of 30 June 2025	522,638	3,001,260	(15,624)	36,240	5,102,705	589,407	9,236,626

PLN '000	Share capital	Supplementary capital	Treasury shares	Revaluation reserve	Other reserves	Retained earnings	Total equity
Balance as at 1 January 2025	522,638	3,001,260	(20,577)	(64,868)	4,039,027	2,391,051	9,868,531
Total comprehensive income, including:	-	-	-	305,514	(8,973)	1,666,344	1,962,885
Net profit	-	-	-	-	-	1,666,344	1,666,344
Other comprehensive income	-	-	-	305,514	(8,973)	-	296,541
Currency translation differences from the foreign operations' conversion	-	-	-	-	(46)	-	(46)
Net valuation of financial assets measured at fair value through other comprehensive income	-	-	-	305,514	-	-	305,514
Net actuarial profits/(losses) on defined benefit program valuation	-	-	-	-	(8,927)	-	(8,927)
Capital rewards program	-	-	(6,734)	-	8,953	-	2,219
Dividends paid	-	-	-	-	(448,551)	(1,342,777)	(1,791,328)
Transfer to capital	-	2	-	-	1,059,668	(1,059,670)	-

Balance as of 31 December 2025	522,638	3,001,262	(27,311)	240,646	4,650,124	1,654,948	10,042,307
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Explanatory notes are integral part of the condensed interim consolidated financial statements.

Condensed consolidated statement of cash flows

	For the period	01.01.-30.06. 2026	01.01.-30.06. 2025
A. OPERATING ACTIVITIES			
I. Net profit from continuing and discontinued operations		706,403	600,530
II. Adjustments:		4,061,322	4,289,420
Current and deferred income tax recognized in income statement		375,046	147,050
Depreciation and amortization		22,933	27,508
Net impairment due to expected credit losses		73,592	3,120
Net provisions		1,238	11,140
Net interest income		(1,264,486)	(1,551,720)
Dividend income		(14,177)	(11,513)
Profit/loss on sale of fixed assets		(30,188)	(88)
Net unrealized exchange differences		21,575	236
Net gain/(loss) on equity and other instruments measured at fair value through income statement		12,306	6,199
Remeasurement of assets and liabilities to be disposed of at fair value less costs to sell		(94,717)	467,000
Other adjustments		20,957	24,211
Change in amounts due from banks		(2,119,869)	152,642
Change in amounts due from customers		(2,706,840)	(3,395,303)
Change in debt securities measured at fair value through other comprehensive income		(1,128,920)	(1,088,873)
Change in financial assets held-for-trading		(2,831,408)	(1,394,445)
Change in derivative securities		-	52,539
Change in other assets		(324,052)	(283,585)
Change in amounts due to banks		4,225,952	103,147
Change in amounts due to customers		8,400,104	9,712,967
Change in liabilities held-for-trading		237,667	336,360
Change in amounts due to hedging derivatives		(110,487)	144,812
Change in other liabilities		1,295,096	826,016
Interest received		1,720,540	1,533,213
Interest paid		(663,644)	(638,295)
Income tax paid		(334,264)	(348,502)
III. Net cash flows from operating activities - continuing and discontinued operations		5,490,357	5,436,366
B. INVESTING ACTIVITIES			
Inflows		119,831	30,279
Disposal of tangible fixed assets		114,641	27,190
Dividends received		5,118	3,089
Other inflows from investing activities		72	-
Outflows		(12,189,466)	(40,187)
Purchase of tangible fixed assets		(13,014)	(25,808)
Purchase of intangible assets		(7,455)	(14,379)
Settlement of retail banking business segment transaction		(12,168,997)	-
Net cash flows from investing activities - continuing and discontinued operations		(12,069,635)	(9,908)
C. FINANCING ACTIVITIES			
Inflows		1,270,440	-
Inflows from long-term loans from financial sector entities (subordinated loan)		1,270,440	-
Outflows		(1,303,567)	(27,113)
Dividends paid		(1,279,074)	-

	For the period	01.01.-30.06. 2026	01.01.-30.06. 2025
Outflows from long term credit payments from financial sector entities		(16,678)	(20,321)
Outflows from lease payments		(7,815)	(6,792)
Net cash flows from financing activities – continuing and discontinued operations		(33,127)	(27,113)
D. Exchange rates differences resulting from cash and cash equivalent calculation		3,610	(8,653)
E. Net increase/(decrease) in cash and cash equivalent		(6,608,795)	5,390,692
F. Cash and cash equivalent at the beginning of reporting period		9,421,899	5,794,361
G. Cash and cash equivalent at the end of reporting period		2,813,104	11,185,053

Explanatory notes are integral part of the condensed interim consolidated financial statements.

Supplementary notes to the condensed interim consolidated financial statements

1. General information about the Bank and the Capital Group of Bank Handlowy w Warszawie S.A. (“The Group”)

Bank Handlowy w Warszawie S.A. (“the Bank” or “parent entity”) has the registered office in Poland at Senatorska 16, 00-923 Warsaw. The Bank was established on the basis of Certificate of Incorporation of 13 April 1870 and is registered under entry No. KRS 0000001538 in the Register of Companies by the District Court for the capital city of Warsaw, XII Economic Department of the National Court Register. Bank operates as a joint-stock company. During reporting period, the name of entity has not changed.

The parent entity was granted statistical REGON No. 000013037 and tax identification No. (NIP) 526-030-02-91.

The parent entity and the entities of the Group were set up for an unspecified period, however, in the case of the subsidiaries: Handlowy Leasing Sp. z o.o. and Handlowy Financial Services Sp. z o.o., liquidation proceedings have commenced, as discussed below.

The share capital of the Bank equals PLN 522,638,400 and is divided into 130,659,600 common bearer shares, with par value of PLN 4.00 per share. The Bank is a listed company on the Warsaw Stock Exchange.

The majority and strategic shareholder of the Bank is Citibank Europe Plc based in Dublin, Ireland – a company in the Citi group that brings together foreign investments (parent company of the Bank). The ultimate parent is Citigroup Inc located in Wilmington, Delaware, United States.

Bank Handlowy w Warszawie S.A. is a commercial bank that offers a wide range of banking. Following the transaction described in Note 4, the Bank will focus on developing its core business – institutional banking.

The Group consists of the Bank and the following subsidiaries:

Subsidiaries	Registered office	% of votes at the General Meeting of Shareholders	
		30.06.2026	31.12.2025
Entities fully consolidated			
Handlowy Financial Services Spółka z ograniczoną odpowiedzialnością w likwidacji	Warsaw	100.00	100.00
Handlowy-Leasing Sp. z o.o.w likwidacji(<i>apart from indirect shareholding via Handlowy-Inwestycje Sp. z o.o. where the share in equity equals 2.53%</i>)	Warsaw	97.47	97.47
Handlowy Investments S.A.	Luxembourg	100.00	100.00
Handlowy-Inwestycje Sp. z o.o.	Warsaw	100.00	100.00

In the first half of 2026 the structure of the Group did not change in comparison to the end of 2025.

Due to the lack of further investment strategy of Bank Handlowy as the sole shareholder of subsidiaries: Handlowy Leasing Sp. z o.o. and Handlowy Financial Services Sp. z o.o., in the first quarter of 2026 the liquidation processes of both entities have begun and are planned for completion in 2026.

2. Declaration of conformity

The interim condensed consolidated financial statements of the Group cover the three- and six-month period ended June 30, 2026, and contain comparative data:

- for the three- and six-month periods ended June 30, 2025 – with respect to the consolidated income statement and consolidated statement of comprehensive income,
- or the six-month period ended June 30, 2025 – with respect to the consolidated statement of changes in equity and consolidated statement of cash flows,
- as at December 31, 2025 – with respect to the consolidated statement of financial position and consolidated statement of changes in equity.

The interim condensed consolidated financial statements are presented in PLN (currency of presentation), rounded to the nearest thousand.

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting', adopted by European Union.

The financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the financial year ended 31 December 2025.

These condensed consolidated interim financial statements were approved by the Management Board on 26 August 2026.

This interim condensed consolidated financial statement of the Group has been prepared with the assumption of going concern in the period of at least 12 months since the date of publication. As of the day of signing the consolidated financial statement, the Bank's Management does not identify facts and circumstances that would indicate threats to the Group's ability to operate as a going concern in the period of 12 months since the balance sheet date due to significant limitation of the Group's current activities despite that in the case of subsidiaries: Handlowy Leasing Sp. z o.o. i Handlowy Financial Services Sp. z o.o. the aforementioned liquidation proceedings were initiated.

3. Significant accounting policies

The interim condensed consolidated financial statements of the Group for the first half of 2026 has been prepared in accordance with accounting principles adopted and described in the annual consolidated financial statements of the Group for the financial year ended 31 December 2025, except for the income tax expense that was calculated according to the principles of IAS 34.30 (c).

The preparation of interim condensed consolidated financial statements of the Group with accordance with International Financial Reporting Standards requires that the Management should make certain estimates and adopt related assumptions that affect the amounts reported in the financial statements. The financial statements are based on the same estimation rules which were used in the annual consolidated financial statements of the Group for the financial year ended 31 December 2025.

The estimations and respective assumptions are made based on historical data available and other multiple factors which under given conditions are considered proper and which form the basis for estimation regarding balance sheet values of assets and liabilities whose value cannot be determined clearly based on other sources. However, actual values may differ from estimates.

The estimations and respective assumptions are subject to recurring reviews. Changes of estimations are recognized in the period in which the estimation was modified if the adjustment concerns only this period or in the period of the change and future periods if the adjustment concerns both this period and the future periods.

The key estimates were presented in the annual consolidated financial statements of the Group for 2025. Additionally, with respect to interim financial statements, the Group applies the principle of recognizing the financial result income tax charges based on the estimate of the annual effective income tax rate expected by the Group in the full financial year.

Standards applicable from 1 January 2026

- The amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" issued May 30, 2024, provide further clarification on:
 - ✓ The timing of discontinuation of recognition of financial liabilities from the balance sheet, introducing a possibility for early derecognition of financial liabilities that are settled through an electronic payment system that meets specified in the standard criteria,
 - ✓ How to assess the characteristics of contractual cash flows from "non-recourse" financial assets and financial assets in cases where contractual provisions refer to contingent events, including, for example, related to ESG objectives (for the purpose of classifying financial assets).

The amendments to the aforementioned standards also introduce additional disclosure requirements for financial

assets and liabilities whose contractual terms make cash flows contingent on contingent events and for equity instruments designated at fair value through other comprehensive income.

Since January 1, 2026, the Bank adjusted its approach to the amended standard for selected outgoing international transfers that are executed with a date later than the order date. In such cases, the liability will be reduced when the obligation is executed. This change affects the Liabilities and Cash and Cash Equivalents items in the Bank's statement of financial position. The impact of this change on the Bank's financial statements is variable and depends on the number and value of such transactions ordered on the balance sheet data (D) with an execution date after that date (D+1).

- Due to the growing role of Power Purchase Agreements (PPAs) in mitigating the effects of climate change and decarbonizing production processes, the International Accounting Standards Board has introduced amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" (issued on 18 December 2024), which are intended to help better reflect the impact of such agreements on financial statements. In the Group's opinion, the change in the standard does not have a material impact on the financial statements.
- On 18 July 2024, amendments to the International Financial Reporting Standards and International Accounting Standards (Volume 11) were issued, resulting from the annual review. These changes are intended to clarify the wording used in the standards, in order to improve their legibility, consistency and eliminate possible ambiguities. The changes introduced in this review relate to IFRS 1 'First-time Adoption of International Financial Reporting Standards', IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments', IFRS 10 'Consolidated Financial Statements', IAS 7 'Statement of Cash Flows'. "In the Group's opinion, the change in the standard does not have a material impact on the financial statements.

Standards and interpretations issued but awaiting endorsement by the European Union and not yet obligatory

- On May 9, 2024, the IASB issued IFRS 19 "Subsidiaries without Public Accountability: Disclosures", which allows eligible subsidiaries to apply reduced information disclosure requirements, instead of the requirements of other IFRS Accounting Standards. Amendments to this standard were published on August 21, 2025. The new standard will be applicable to the annual reporting periods beginning January 1, 2027, and the Group believes it will not have a significant impact on the financial statements.
- On November 13, 2025, the International Accounting Standards Board published amendments to IAS 21, "The Effects of Changes in Foreign Exchange Rates." The amendments apply to entities whose presentation currency is the currency of a hyperinflationary economy and whose functional currency or foreign operations currency is the currency of a non-hyperinflationary economy. The amendments provide guidance on the translation of assets, liabilities, equity items, and income and expenses from the functional currency of a non-hyperinflationary economy to the presentation currency of a hyperinflationary economy. The amendments will be effective for annual periods beginning on or after January 1, 2027. These amendments will have no impact on the Bank's financial statements.
- On May 27, 2026, IASB issued IFRS a new standard, IFRS 20 "Regulatory Assets and Regulatory Liabilities". The standard has been developed for companies engaged in rate-regulated activities and is intended to help investors in better understanding how rate regulation influences financial results, financial position and prospects for future cash flows of rate-regulated companies. IFRS 20 introduces uniform principles for recognizing the effects of timing differences in regulated rates, occurring in situations where the timing of supply of regulated services differs from the timing of charging customers. In such cases, the revenue previously presented may not have fully reflected the company's actual operating performance. The new standard requires disclosure of these differences in financial statements. The standard complements the requirements of IFRS 15 "Revenue from Contracts with Customers" and replaces the existing IFRS 14 "Regulatory Deferral Accounts", which has not been approved by European Union. The new standard is effective for annual reporting periods beginning on or after January 2029, with earlier application permitted. In Group's assessment it will not affect the financial statement.
- On the June 26, 2026, IASB published "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures" explaining, which entities are permitted to measure investments in associates and joint ventures at fair value in accordance with IAS 28 "Investments in Associates and Joint Ventures". The exemption from applying the equity method in IAS 28 permits eligible entities to elect to measure investments in associates and joint ventures at fair value through profit or loss ("the fair value option"). This election must be made separately for each associate or joint venture at initial recognition. These amendments address stakeholder concerns about diversity in practice when determining the scope of entities eligible to apply the fair value option. This diversity has become increasingly important because measurement at fair value versus the equity method affects the classification of income and expenses in the statement of profit or loss, in either the operating or investing category, in accordance with IFRS 18 "Presentation and Disclosure in Financial Statements". The new standard is effective for annual reporting periods beginning on January 1, 2027. In Group's assessment it will not affect the financial statement.

Standards and interpretations issued but awaiting endorsement by the European Union but not yet obligatory

- On 9 April 2024, the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements". The standard will be effective for annual reporting periods beginning on January 1, 2027. The new standard is intended to replace IAS 1 – "Presentation of Financial Statements" and will help to achieve comparability of the financial performance of similar entities. The new standard:
 - ✓ introduces a defined structure for the statement of profit or loss. Items in the statement of profit or loss will be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. The standard requires also to present totals and subtotals, including mandatory inclusion of "Operating profit or loss";
 - ✓ introduces an additional note presenting management-defined performance measures which are subtotals of income and expenses an entity uses in public communications outside financial statements, an entity uses to communicate to users of financial statements management's view of an aspect of the financial performance of the entity as a whole. The disclosure will have to contain a description of the aspects of financial performance that in management's view, is communicated by the management-defined performance measures, how the management-defined performance measure is calculated and reconciliation between the management-defined performance measure and the position form financial statement measured in accordance with other standards;
 - ✓ clarifies the guidelines for data aggregation and disaggregation which focus on grouping items based on their shared characteristics enabling entities to decide which items are presented in the primary financial statements and what information is disclosed in the notes.

The new IFRS 18 standard will also result in certain changes to the statement of cash flow and the statement of financial position, as well as changes to other standards harmonizing disclosure requirements. The implementation of the standard will impact on the presentation and scope of disclosure in the financial statement. The detailed impact will be confirmed during further work on the implementation of the new standard guidelines.

Income tax in interim financial statements

Income tax in interim financial statements is accrued in accordance with IAS 34. Interim period tax expense is accrued using the estimated average annual effective income tax rate applied to the pre-tax result of the interim period. The calculation of the average annual effective income tax rate requires the use of a pre-tax income forecast for the entire fiscal year and permanent differences between the carrying amounts of assets and liabilities and their tax base.

Foreign currency

The statement of financial position and contingent liabilities received and granted denominated in foreign currencies are converted to PLN equivalents using the average exchange rate of the currency determined by the Governor of the National Bank of Poland ("NBP") prevailing at the date of preparation of the condensed interim consolidated statement of financial position.

Foreign currency transactions are converted at initial recognition to the functional currency (PLN) using the exchange rates prevailing at the date of transactions.

Foreign exchange profits and losses resulting from revaluation of the statement of financial position items denominated in foreign currencies and settlement of transactions in foreign currencies are included in net profit on foreign exchange, within the Net income on trading financial instruments and revaluation.

The exchange rates of the major currencies applied in the preparation of these financial statements are:

PLN		30 June 2026	31 December 2025	30 June 2025
1	USD	3.7708	3.6016	3.6164
1	CHF	4.6585	4.539	4.5336
1	EUR	4.2963	4.2267	4.2419

4. Assets and liabilities classified as held for sale and profit from discontinued operations

On the June 12, 2026 („Division Date”) the competent registry court has made an entry in the Register of Entrepreneurs of the National Court Register („Division”) by demerger of Retail Banking Segment („Retail Banking”) to VeloBank S.A. („VeloBank”)

The division was carried out in form of separation in accordance with procedure described in Article 529 § 5 point 1 Code of

Commercial Companies.

As a result of the Division the Bank acquired 744,843 registered ordinary shares type C of the VeloBank. In accordance with the agreement concerning the Division entered into on May 27, 2025, between the Bank, VeloBank, Promontoria Holding 418 B.V (sole shareholder of VeloBank) ("Promontoria") and Citibank Europe Plc. the Bank without undue delay on June 12, 2026, sold 744,843 shares of VeloBank to Promontoria i.e. all of the shares acquired by the Bank as a result of the Division.

By virtue of the sale of VeloBank's shares, Promontoria has affected payment to the Bank in the amount of sale price including:

- (i) fixed price component equaling PLN 430 million, calculated based on Retail Business Segment net assets according to their estimated value on the division date, which was recognized in the Bank results for II quarter of 2025,
- (ii) the variable sale price component amounting to PLN 100 million, which was recognized in results of the Group for II quarter of 2026.

The sale agreement contains provisions for the granting of indemnities, up to specified caps, by the Bank in respect of certain identified risks, which in the future might result in creation of contingent liabilities or provisions.

The settlement of the sale transaction presented in herein financial statements is based on balance sheet position values from the day of the transfer. Due to the buyer's right to verify the closing balance and submitting remarks to the final transaction settlement, the final sale price (therefore the gain/loss on disposal) can be subject to adjustments. The Group assesses the risk of significant changes as low and monitors the process of agreements with the purchasing side.

In the result of the transaction the Group has derecognized assets and liabilities from the balance sheet that were previously categorized as held for sale. Assets and liabilities disposed of in accordance with the agreement on the Division as of the Division Date i.e. June 12, 2026, and as of December 31, 2025:

PLN '000	12.06.2026	31.12.2025
Cash and cash equivalents	160,390	216,403
Financial assets held-for-trading	-	3,731
Amounts due from customers	5,861,380	6,168,098
Tangible fixed assets	53,780	46,882
Deferred income tax asset	40,055	57,016
Other assets	46,338	58,636
Total assets	6,161,943	6,550,766
Amounts due to customers measured at amortized cost	20,746,544	22,152,903
Provisions	22,272	23,289
Other liabilities	118,874	118,302
Total liabilities	20,887,690	22,294,494
Net assets and liabilities (excluding surplus liquidity)	(14,725,746)	(15,743,728)
Surplus liquidity	15,621,207	16,642,728
Net assets and liabilities (including surplus liquidity)	895,460	899,000

The values do not include impairment related to the group of assets which were not allocated to specific assets held for sale. Revaluation of assets and liabilities held for sale to fair value in the amount PLN 467 million as per December 31, 2025, has been removed from the balance sheet as upon the sale of assets and liabilities held for sale.

The settlement of the transaction consists of:

- the surplus liquidity transferred as cash in the amount of PLN 12,538 million and debt instruments in the amount of PLN 3,082 million;
- received price of the sale in the amount of PLN 530 million;
- cash and cash equivalents transferred as part of net assets in the amount of PLN 160.4 million.

The cash transferred as well as the cash received from the future payment of the purchase price are presented in the cash flow statement under investing activities, whereas the value of the debt instruments transferred was recognized under operating activities.

The analysis of the results on discontinued operations is presented below:

	II quarter 01.01.- 31.03.2026	I half 01.01.- 30.06.2026	II quarter 01.04.- 30.06.2025	I half 01.01.- 30.06.2025
<i>In PLN thousand</i>				
Interest and	203,910	470,135	329,972	664,350
Similar income	11	45	72	162
Interest expense and similar expenses	(55,502)	(136,028)	(98,090)	(190,407)
Net interest income	148,419	334,152	231,954	474,105
Fee and commission income	44,859	97,224	54,035	106,490
Fee and commission expense	(11,548)	(24,656)	(13,721)	(26,043)
Net fee and commission income	33,311	72,568	40,314	80,447
Net income from trading financial instruments and revaluation	5,906	12,645	8,395	16,735
Other operating income	2,648	3,907	1,311	3,250
Other operating expenses	(7,800)	(12,979)	(6,199)	(12,163)
Net income from other operating income and expenses	(5,152)	(9,072)	(4,888)	(8,913)
General and administrative expenses	(179,214)	(393,179)	(220,031)	(415,093)
Depreciation of property, plant and equipment and intangible assets	(292)	(504)	(2,793)	(5,173)
Net income from the sale of other assets	294	274	(415)	(482)
Net income from expected credit losses on financial assets and provisions for contingent liabilities	(5,932)	(3,105)	1,446	11,685
Tax on some financial institutions	(12,372)	(25,132)	(14,793)	(26,796)
Profit/(loss) before tax	(15,032)	(11,353)	39,189	126,515
Income Tax	(6,630)	(16,962)	82,287	(19,342)
Net profit/(loss)	(21,662)	(28,315)	121,476	107,173
Remeasurement of assets and liabilities to be disposed of at fair value less costs to sell	94,717	94,717	(470,137)	(470,137)
Tax effect of remeasurement of assets and liabilities held for sale	(27,955)	(27,955)	-	89,326
Net profit/(loss) from discontinued operations	45,100	38,447	(348,661)	(273,638)
Including				
Net profit/(loss) from discontinued operations due to shareholders of the parent entity (in thousands)		38,447		(273,638)
Weighted average ordinal shares (in units)		130,081,657		130,544,519
Net profit/loss from discontinued operations per one share (in PLN)		0.30		(2.10)
Diluted earnings/loss from discontinued operations per one share (in PLN)		0.30		(2.10)

Revaluation of assets and liabilities held for sale to fair value reduced by the price of sale in the amount of PLN 95 million in the first half of 2026 include the variable component and correction of net assets resulting from sale transaction agreement.

The value of the interest income from discontinued operations includes interest income and expenses from transactions with Retail Segment clients. Due to the fact that in the Retail Banking Segment there was a surplus of deposits over the segment's assets, these funds were invested by Corporate Banking. After the transaction is settled and the Group exits Retail Banking, the Group will no longer have a surplus and thereby will not be able to invest it. In the Management Board's opinion, presenting the interest income on the excess of deposits over assets in Retail Banking as an element of discontinued operations provides information that is therefore relevant to the recipients of the financial statements. The Group eliminated internal transactions entered before the settlement of the exit transaction (internal interest income and interest expense) from continuing operations.

The Bank determined the level of interest income/net interest income generated by the Corporate Banking segment for the Retail Banking Segment based on this surplus using the formally adopted internal transfer rate methodology between the mentioned segments and presented it separately in Note 7 (Adjustment for excess liquidity related to discontinued operations). The internal transfer rate system is based on market rates at the relevant dates. For products with fixed maturities, rates corresponding to the maturities are selected, while for products with undefined schedules, these rates are adjusted based on behavioral assessments (primarily O/N or 1Y).

5. Segment reporting

An operating segment is a separable component of the Group engaged in business activity, generating income and expenses (including those on intragroup transactions), whose operating results are regularly reviewed by the Management Board of

parent entity, the chief operating decision maker of the Group, in order to allocate resources and assess its performance.

After the Retail banking sales transaction, the Group is managed in two main operating segments – Corporate Banking and Financial Markets. The valuation of segments' assets and liabilities as well as calculation of their financial results is based on the Group's accounting policies, including intragroup transactions between segments.

The allocation of Group's assets, liabilities, income and expenses to operating segments was made on the basis of internal information prepared for management purposes. Transfer of funding between the Group segments is based on prices derived from market rates. Transfer prices are calculated using the same rules for both segments and any difference results solely from maturity and currency structure of assets and liabilities. The basis for assessment of the segment's performance is gross profit or loss.

The Group conducts its operations solely on the territory of Poland.

Corporate Banking Segment

The Corporate Banking Segment includes the following areas of activity:

- **Transactional Banking and Custody Services:** Liquidity Management, Payments, Trade Finance and Working Capital, and Custody Services.
- **Relationship Banking:** Lending activities, excluding trade finance and products and investment activities.

Within the Institutional Banking segment, the Group offers products and provides services to commercial entities, municipalities and public sector. The offer in the Institutional Banking segment includes among others:

- Banking services covering credit and deposit activities,
- Cash management,
- Trade finance,
- Custody services,
- Treasury products on financial and commodity markets,
- Investment banking services on the local and international capital markets, including advisory services as well as obtaining and underwriting financing through public and non-public offerings.

The activities also comprise proprietary transactions in the equity, debt and derivative instruments' markets.

A shared characteristic of the institutional banking clients is that they need advanced financing products and advice relating to financial services. In this area, the Group ensures a coordinated offer of investment banking, treasury and cash management products and prepares loan proposals that cover differentiated forms of financing.

Financial Market Segment

The Financial Market Segment includes the following areas of activity:

- **Interbank Activities:** Debt instruments and derivatives,
- **Client Business:** Foreign exchange markets and capital markets (brokerage activities) and derivatives.

Consolidated income statement by business segment

For the period PLN '000	01.01 – 30.06.2026			01.01 – 30.06.2026		
	Financial Markets	Corporate Banking	Total	Financial Markets	Corporate Banking	Total
Net interest income	417,807	41,608	459,415	810,133	120,556	930,689
Internal interest income	(255,808)	255,808	-	(469,590)	469,590	-
Net fee and commission income	3,599	114,919	118,518	7,192	218,675	225,867
Dividend income	-	14,080	14,080	-	14,177	14,177
Net income on financial instruments and revaluation	81,051	-	81,051	283,426	-	283,426
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	27,383	-	27,383	222,121	-	222,121
Net gain/(loss) on equity and other instruments measured at	-	(6,739)	(6,739)	-	(12,306)	(12,306)

For the period	01.01 – 30.06.2026			01.01 – 30.06.2026		
PLN '000	Financial Markets	Corporate Banking	Total	Financial Markets	Corporate Banking	Total
fair value through income statement						
Net gain/(loss) on hedge accounting	(1,135)	-	(1,135)	(5,053)	-	(5,053)
Net other operating income	389	2,867	3,255	2,351	5,870	8,220
General administrative expenses	(53,396)	(146,165)	(199,561)	(132,026)	(391,924)	(523,950)
Depreciation and amortization	(3,436)	(8,296)	(11,732)	(6,415)	(16,014)	(22,429)
Profit on sale of other assets	8,014	22,029	30,043	7,979	21,935	29,914
Net impairment loss on financial assets and provisions for contingent commitments	(2,260)	(57,231)	(59,491)	1,660	(77,910)	(76,250)
Tax on some financial institutions	(10,740)	(32,836)	(43,576)	(19,378)	(56,963)	(76,341)
Operating income from continued operations	211,468	200,044	411,511	702,400	295,686	998,085
Income tax expense			(135,812)			(330,129)
Profit before tax from continued operations			275,699			667,956
Net gain/loss from discontinued operations			45,100			38,447
Net profit from continuing and discontinued operations			320,799			706,403

Information on discontinued operations is disclosed in Note 4 „Assets and liabilities classified as held for sale and profit from discontinued operations” „Assets and liabilities classified as held for sale and profit from discontinued operations”.

For the period	01.04 – 30.06.2025*			01.01 – 30.06.2025*		
PLN '000	Financial Markets	Corporate Banking	Total	Financial Markets	Corporate Banking	Total
Net interest income	469,889	60,240	530,129	942,024	135,591	1,077,615
Internal interest income	(285,428)	285,428	-	(547,704)	547,704	-
Net fee and commission income	1,468	105,044	106,512	4,635	212,511	217,146
Dividend income	-	11,424	11,424	-	11,513	11,513
Net income on financial instruments and revaluation	92,493	-	92,493	174,759	-	174,759
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	105,348	-	105,348	145,415	-	145,415
Net gain/(loss) on equity and other instruments measured at fair value through income statement	-	(7,797)	(7,797)	-	(6,199)	(6,199)
Net gain/(loss) on hedge accounting	4,117	-	4,117	1,687	-	1,687
Net other operating income	2,058	(11,597)	(9,539)	1,485	(10,478)	(8,993)
General administrative expenses	(42,994)	(115,941)	(158,935)	(108,236)	(318,562)	(426,798)
Depreciation and amortization	(3,125)	(8,501)	(11,626)	(6,019)	(16,316)	(22,335)
Profit on sale of other assets	(153)	(416)	(569)	153	417	570
Net impairment loss on financial assets and provisions for contingent commitments	(383)	(811)	(1,194)	(635)	(8,363)	(8,998)
Tax on some financial institutions	(11,119)	(24,771)	(35,890)	(19,857)	(44,323)	(64,180)
Operating income from continued operations	332,170	292,303	624,473	587,707	503,495	1,091,202
Income tax expense			(110,262)			(217,034)
Profit before tax from continued operations			514,211			874,168
Net gain/loss from discontinued operations			(348,661)			(273,638)

For the period	01.04 – 30.06.2025*			01.01 – 30.06.2025*		
PLN '000	Financial Markets	Corporate Banking	Total	Financial Markets	Corporate Banking	Total
Net profit from continuing and discontinued operations			165,550			600,530

*The comparative data has been restated due to sale of the Retail Banking business segment and resulting from those changes relating to operating segments.

Information on discontinued operations disclosed in Note 4 „Assets and liabilities classified as held for sale and profit from discontinued operations”.

As at	30.06.2026			31.12.2025		
PLN '000	Financial Markets	Corporate Banking	Total	Financial Markets	Corporate Banking	Total
Total assets	53,338,770	19,232,873	72,571,643	54,405,854	18,359,389	78,849,009
Total liabilities and shareholders' equity, including:	16,764,829	55,768,367	72,571,643	8,338,832	48,307,501	78,849,009
Liabilities	14,626,677	48,620,794	63,247,471	5,937,794	40,574,414	68,806,702

6. Risk Management

Credit Risk

The main purpose of risk management in the Group is to support a long-term plan for the stable development of the credit portfolio while maintaining its proper quality. Credit risk management is executed based on the policies and procedures that consistently and clearly define and communicate standards for risk identification, measurement, acceptance, control, monitoring and reporting.

In the current reporting period, the Group continued to perform activities related to credit risk management considering the external environment situation development, including in particular in particular, the effects of the introduction of tariffs by the US, the weakening economic situation in Germany, and the automotive industry. In both Corporate and Retail Banking, the Group did not observe a significant impact of these factors on the portfolio quality.

The Group reviewed loan portfolio in March 2026 due to the escalation of the conflict in Middle East and constantly is monitoring the impact of this situation on loan portfolio. Direct exposure to companies belonging to international entities from the Middle East is immaterial and as of June 30 amounted to PLN 38,9 million.

The Bank has not observed in the first half of the year significant negative impact on the quality of the loan portfolio due to conflict in the Middle East.

Following the finalization of selling the retail business to VeloBank S.A., the Bank retains a small number of mortgage loans in its portfolio that were excluded from the transfer and are of immaterial value. The remaining portfolio is subject to ongoing oversight in accordance with the Bank's established credit risk monitoring standards and does not generate significant exposures.

The Group manages its exposure by identifying and monitoring limits set within the capital limits and liquidity norms, taking into account the constraints of external regulations.

The Group monitors the concentration of credit exposures on an ongoing basis, in order to avoid a situation where the quality of the portfolio depends on a small number of clients. In the first half of 2026, the Group's credit exposure to non-bank entities did not exceed the limit of concentration specified by law.

In the practice of credit risk management in the Bank, grouping of financial assets takes place within groups representing the level of credit risk of a given instrument. Bank groups financial assets into risk rating ranges.

Concentration of exposures – non-bank clients*

PLN '000	30 Jun 2026			31 Dec 2025		
	Balance sheet exposure**	Exposure due to granted financial commitments and guarantees	Total exposure	Balance sheet exposure**	Exposure due to granted financial commitments and guarantees	Total exposure
CLIENT 1	1,813,797	-	1,813,797	1,408,710	-	1,408,710
GROUP 2	1,504,598	201,546	1,706,144	1,474,788	219,672	1,694,460
GROUP 3	1,402,599	-	1,402,599	1,002,149	-	1,002,149

PLN '000	Balance sheet exposure**	30 Jun 2026 Exposure due to granted financial commitments and guarantees	Total exposure	Balance sheet exposure**	31 Dec 2025 Exposure due to granted financial commitments and guarantees	Total exposure
CLIENT 4	1,069,106	30,000	1,099,106	766,096	30,000	796,096
GROUP 5	918,231	-	918,231	1,279,050	-	1,279,050
GROUP 6	675,596	20,898	696,494	567,361	23,933	591,294
CLIENT 7	652,563	23,832	676,395	652,880	23,334	676,214
GROUP 8	524,957	87,310	612,267	419,543	88,499	508,042
GROUP 9	497,237	136,911	634,148	213,392	434,358	647,750
GROUP 10	470,560	116,809	587,369	579,403	71,472	650,875
Total 10	9,529,244	617,306	10,146,550	8,363,372	891,268	9,254,640

*Data from 31.12.2025 are comparative for items illustrating the concentration of exposure as at June 30, 2025, i.e. they do not reflect the concentration of exposure as at December 31, 2025

**Excludes exposures due to shares and other securities.

"The Group" is understood as a capital group composed of entities in relation to which the Capital Group of Bank Handlowy w Warszawie S.A. has involvement.

Concentration of exposure to industries*

Industry according to NACE*	30 Jun 2026		31 Dec 2025	
	PLN'000	%	PLN'000	%
Wholesale trade, except motor vehicles	19,008,398	42.7%	14,785,832	36.8%
Financial service activities, except insurance and pension funds	3,570,308	8.0%	3,701,961	9.2%
Activities supporting financial services and insurance and pension funds	1,855,484	4.2%	1,980,679	4.9%
Generation and supply of electricity, gas, steam, hot water and air for air conditioning systems	1,434,882	3.2%	1,254,440	3.1%
Food production	1,431,817	3.2%	1,117,619	2.8%
Activities of head offices; management consulting	1,349,210	3.0%	1,383,230	3.4%
Manufacture of electrical equipment	1,293,529	2.9%	1,213,236	3.0%
Retail trade, except motor vehicles	1,205,740	2.7%	1,202,953	3.0%
Manufacture of motor vehicles, trailers and semi-trailers, except motorcycles	1,164,535	2.6%	2,068,880	5.1%
Beverage production	1,032,951	2.3%	920,921	2.3%
First „10" industries total	33,346,854	75.0%	29,629,751	73.7%
Other industries	11,130,379	25.0%	10,557,368	26.3%
Total	44,477,233	100.0%	40,187,119	100.0%

*Gross balance sheet and off-balance-sheet exposure to institutional customers (including banks) as of the day 30.06.2026 based on NACE Revision 2 (The Statistical Classification of Economic Activities in the European Community); data as at 31.12.2025 are comparative for items illustrating the concentration of exposure as at June 30, 2026 and do not illustrate concentration of exposures as at 31.12.2025.

The process of active portfolio quality management includes, depending on client type, assigning appropriate risk ratings and internal classification, monitoring days past due as well as application of the relevant remedial or debt collection actions. The Group has put in place a uniform internal system for classification of receivables based on predetermined criteria. Risk rating assignment and classification system are crucial in defining the level of impairment allowances.

The Group creates provisions for expected credit losses, for all financial assets, according to internal rules and methodologies. These provisions are created on an aggregated basis for each of 3 stages:

- Stage 1: Credit exposures that have not had a significant increase in credit risk since initial recognition,
 - For these assets, a 12-month ECLs are recognized (representing the portion of lifetime expected credit losses that result from default events that are possible within 12 months after the reporting date),
- Stage 2: Credit exposures that have experienced a significant increase in credit risk
 - For these assets, a lifetime ECLs are recognized,
- Stage 3: Credit exposures with credit loss that has already been suffered on the assets
 - For these assets, ECL is estimated for the whole period of exposure.

Assignment of the exposure to Stages takes place, depending on the approach to management over the client (individual vs. group approach), taking into account:

- the wide range of information obtained as part of standard risk management processes (including the Early Warning process) regarding both current and future events, including macroeconomic factors,

- the number of days past due (where days past due calculation, for the purpose of exposure assignment to Stages, is done in line with EBA/GL/2016/07 guidance and the regulation of Ministry of Finance, Investment and Development of October 3rd, 2019, on the significance level of overdue credit exposure).

Stage 1

All exposures not classified as Stage 2 and Stage 3 are classified as Stage 1.

Stage 2

For credit exposures, overdue by more than 30 days is taken into account when assessing the potential occurrence of a significant increase in credit risk, and the Group periodically, as per internal classification process and ongoing monitoring process, analyses changes in risk of default by comparing the current assessment of default with the assessment of default in the initial recognition.

Assessment of change in risk of default for given credit exposure is conducted during internal classification process and monitoring process and include:

- Qualitative indicators (including Early Warning System),
- Quantitative information (change of the Lifetime PD at the reporting date with the Lifetime PD at initial recognition above the relative and absolute threshold for a given sensitivity class, financial data),
- Expected exposure life period,
- Occurrence of economic or legal reasons related to the borrower's financial difficulties and granting to the borrower a concession to financial conditions that the lender would not otherwise consider (assuming that those changes do not imply deterioration in future payment flows).

Stage 3

The Group applies the general principle that the creditor's default occurs when one or both of the following events occur:

- a) delay in the debtor's repayment of any material loan obligations to the Group is 90 days or more,
- b) it is unlikely that the debtor will fully fulfill his credit obligations towards the Group, without the institution having to undertake activities such as collateral execution.

At each balance sheet date, the Group assesses whether there is objective evidence of impairment of a financial asset or a group of financial assets.

A financial asset or a group of financial assets lost their value and the impairment loss was incurred only when there is objective evidence of impairment resulting from one or more events taking place after the initial recognition of the asset (event causing the loss) and the event (or events) causing a loss has an impact on the expected future cash flows resulting from a financial asset or a group of financial assets whose reliable estimation is possible.

In the institutional banking area, materialization of credit exposure value loss takes place if there is objective evidence of impairment, which can be a result of, among others, events as below:

- obtaining information on significant financial difficulties of the client;
- reduction of the client credit rating by an accepted by the Group External Credit Assessment Institution¹;
- occurrence of economic or legal reasons related to the borrower's financial difficulties and granting to the borrower a concession to financial conditions that the lender would not otherwise consider, when it results in impairment (forborne non-performing exposure), including consents to a forbearance measure as referred to in Article 47b of the credit obligation where that measure is likely to result in a diminished financial obligation due to the material forgiveness, or postponement, of principal, interest or, where relevant, fees;
- bankruptcy or high likelihood of bankruptcy, gaining information on:
 - declaration of bankruptcy;
 - commencing bankruptcy proceedings or submitting a bankruptcy petition / petition for bankruptcy proceedings
 - putting the debtor into bankruptcy or liquidation;
 - dismissing the bankruptcy petition because the debtor's assets are insufficient or only sufficient to cover the costs of bankruptcy proceedings;
 - dissolution or liquidation or annulment of the company;
 - appointing a guardian;
 - establishing a trustee (bankruptcy administrator);
 - submitting an application for restructuring proceedings within the meaning of the Restructuring Law;
 - or granting to the obligor a similar protection if it would allow him to avoid or delay repayment of credit obligations;
- Group initiates procedure to obtain an enforcement title,

¹ Below risk level corresponding to internal 7- rating (i.e. to CCC- for Standard & Poor's, Caa3 Moody's)

- delay in payment equal to 90 days or more (where days past due are calculated in line with EBA/GL/2016/07 guidance and the regulation of Ministry of Finance, Investment and Development of October 3rd 2019 on the significance level of overdue credit exposure),
- default contagion in line with EBA/GL/2016/07 guidance,
- obtaining information from an external database about the delay in payment of debtor's financial liabilities in other financial institutions by 90 days or more in line with the materiality thresholds;
- status of exposure has been changed from "accrual" / "performing" to "non-accrual" / "non-performing",
- exposure has been classified (as per internal classification) to category: "Substandard-non-performing" / "non-accrual" and "Loss",
- Obligor Risk Rating (ORR) is worse than 7- which is applied for Obligors that are defaulted,
- justified suspicion of extorting a credit exposure, or identifying cases of a probable criminal act related to a credit exposure, documented by submitting a notification of suspected crime to the competent state authority,
- termination of the loan agreement due to high credit risk,
- obtaining information on the execution of a court judgment process against the debtor in an amount which, in the opinion of the Group, may result in the loss of creditworthiness,
- lack of payment by the debtor the amount of the realized Government guarantee,
- death, permanent disability or serious illness of the debtor (in the case of debtors running a company in the form of entrepreneurship), resulting in the inability to continue the activity,
- staying in custody or prison of the debtor (in the case of debtors running a company in the form of entrepreneurship), resulting in the inability to continue the activity
- obtaining information about a customer's default under agreements with other Citi group entities,
- in cease the Economic Loss (L) resulting from the sale of credit obligations is higher than 5%, all other remaining client exposures should be considered defaulted

and other events that may have an impact on the estimated future cash flows from the financial asset that can be reliably estimated.

The Group has established and applies a quarantine period for exposures that cease to be classified as Stage 3 assets.

A change in status may take place when there are no arrears to the Bank within a period of 12 months and the principal amount and related additional claims under the contract are recoverable in full. The main premise for changing the status from impairment to no impairment is complete recovery of creditworthiness.

The main sources of parameters included in the methodology of expected credit losses ('ECL') are the results of internal customer assessment processes and the results of loan models.

- The rate of impairment is derived from the client's rating determined based on internal rating models. The ECL methodology describes the process of applying existing migration ratings, expected in a given macroeconomic scenario, to migration schedules. In this way, in the following forecast periods, the probability of migration to a given rating range is obtained.
- The value of the LGD parameter results directly from the dedicated model for impaired clients.
- The exposure value for subsequent forecast periods is based on available repayment schedules as well as (for renewable products) on the expected change in exposure described by the value of the CCF parameter. The basis for estimating this parameter was internal data on amounts used by customers before the Group identified impairment of value.
- The assignment to the stage is based on the customer assessment process used in the Group to manage the client. This process includes both quantitative factors (e.g. customer rating) and a number of qualitative factors (e.g. Early Warning Signals).
- The maturity dates adopted by the Group result directly from agreements with customers and periods in which the Group is exposed to possible risks.

The Group takes into account macroeconomic information about the future in determining the expected credit losses. Scenarios are prepared by the Chief Economist of the Bank at least once a quarter in the three years horizon in division into quarters (based scenario with 60% weight and positive and negative variation from scenario with 20% weight).

The Group divided the loan portfolio into industries in terms of their sensitivity to macroeconomic conditions, identified macroeconomic variables that best explained the historical changes in credit quality and analyzed the dependence on macroeconomic factors using statistical methods. Finally, the Group has built a model for two classes with a higher level of industry sensitivity, allowing for the dependence of the coefficient determining the level of client migration between ratings from these factors. For the class with low sensitivity, the Group did not make the level of migration dependent on macroeconomic factors.

Macroeconomic scenarios comprise the following variables:

- annual amendment of index WIG,

- NBP reference rate,

The scenarios for the variables used to estimate ECL as at 30 June 2026 are presented below

Base economic scenario	2q26	3q26	4q26	1q27	2q27	3q27	4q27	1q28	2q28	3q28	4q28	1q29	2q29
NBP Reference rate	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
WIG (end of the period)	134,414	134,905	135,894	137,056	138,217	139,378	140,539	141,405	142,271	143,137	144,003	144,891	145,633

Pessimistic economic scenario	2q26	3q26	4q26	1q27	2q27	3q27	4q27	1q28	2q28	3q28	4q28	1q29	2q29
NBP reference rate	3.75	3.75	3.25	2.75	2.25	2.00	2.00	2.00	2.00	2.25	2.50	2.75	3.00
WIG (end of the period)	129,314	111,469	107,644	104,081	104,963	105,845	106,726	107,384	108,042	108,700	109,357	110,031	110,595

Optimistic economic scenario	2q26	3q26	4q26	1q27	2q27	3q27	4q27	1q28	2q28	3q28	4q28	1q29	2q29
NBP reference rate	3.75	4.25	4.75	5.00	5.25	5.50	5.75	5.75	5.75	5.75	5.50	5.25	5.00
WIG (end of the period)	139,515	152,810	160,295	168,340	169,766	171,193	172,619	173,683	174,746	175,810	176,874	177,964	178,876

Scenario for variables used to estimate expected credit losses at 31 December 2025 presented below.

Base economic scenario	4q25	1q26	2q26	3q26	4q26	1q27	2q27	3q27	4q27	1q28	2q28	3q28	4q28
NBP Reference rate	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
WIG (end of the period)	110,171	110,894	111,617	112,340	113,063	114,117	115,170	116,224	117,277	118,030	118,782	119,535	120,288

Pessimistic economic scenario	4q25	1q26	2q26	3q26	4q26	1q27	2q27	3q27	4q27	1q28	2q28	3q28	4q28
NBP reference rate	4.00	3.50	3.25	2.50	2.00	1.75	1.50	1.50	1.50	1.75	2.00	2.25	2.50
WIG (end of the period)	105,741	102,031	98,447	94,985	95,596	96,487	97,378	98,269	99,159	99,796	100,432	101,068	101,705

Optimistic economic scenario	4q25	1q26	2q26	3q26	4q26	1q27	2q27	3q27	4q27	1q28	2q28	3q28	4q28
NBP reference rate	4.00	4.00	4.50	5.00	5.50	5.75	6.00	6.00	6.00	5.75	5.50	5.25	5.00
WIG (end of the period)	114,601	120,126	125,912	131,971	132,821	134,058	135,296	136,534	137,771	138,655	139,540	140,424	141,308

As part of the assessment of the adequacy of the methodology used to determine expected credit losses, the Group regularly, on quarterly basis, carries out an analysis to verify to what extent the expected credit losses provisions were reflected in actual losses. In addition, the models used for determining reserves are subject to evaluation by an independent Model Risk Management and Validation Department.

The Group assesses sensitivity of expected credit losses with respect to applied methods and underlying assumptions, in particular concerning macroeconomic parameters. The table below presents change of expected credit losses for not impaired exposures that were determined as a difference between the expected credit losses estimated assuming one particular scenario and expected credit losses estimated using probability-weighted approach (the sign “-” means lower, the sign “+” means higher expected losses).

Change of expected credit losses for stage 1 and 2 assuming 100% scenario weight as at 30.06.2026	Optimistic scenario	Pessimistic scenario
Total	(1,320)	2,358
Stage 1	(822)	1,434
Stage 2	(498)	924
The value of write-downs for the portfolio to which the sensitivity analysis applies as of June 30, 2026, in thousands PLN	61,655	-

Change of expected credit losses for stages 1 and 2 assuming 100% scenario weight as at 31.12.2025	Optimistic scenario	Pessimistic scenario
Total	(844)	1,403
Stage 1	(420)	756
Stage 2	(424)	647
The value of write-downs for the portfolio to which the sensitivity analysis applies as of December 31, 2025, in thousands PLN	80,126	-

In the case of the retail CHF loan portfolio, due to its immaterial size which prevents the development of a standard calculation model, the Bank bases its determination of provisions on fixed predetermined coverage ratios. Under the adopted methodology, all Stage 1 exposures are classified as Stage 2, for which a provision coverage ratio is allocated at a specified level. For Stage 3 exposures, the Bank applies full coverage by impairment write-offs.

The Group identifies and manages counterparty credit risk in financial instruments transactions based on internal limits for pre-settlement and settlement commitment. These exposures are also assigned credit ratings.

The maximum Group's credit risk exposure is presented below.

PLN '000	Note	30.06.2026	31.12.2025
Gross receivables due from the Central Bank		2,585,078	9,421,899
Gross receivables due from banks	16	10,447,624	8,250,519
Gross receivables due from institutional customers*	(below)	21,441,759	18,481,621
Gross receivables due from individual customers*	(below)	-	6,432,345
Debt securities held-for-trading	17	2,493,351	2,294,275
Derivative instruments	17	2,046,357	2,497,556
Debt investment financial assets measured at fair value through other comprehensive income	18	31,245,251	30,151,984
Other financial assets	22	716,399	337,035
Contingent liabilities granted	34	13,858,560	18,735,331
		84,834,379	96,602,565

The table above with comparable data presents assets and liabilities in disposal groups held for sale.

As at June 30, 2026, the value of collateral reducing the maximum exposure to credit risk for receivables from clients amounted to PLN 1,664,366 thousand (31 December 2025: PLN 1,800,667 thousand)

The Group's portfolio is presented below, grouped into impaired receivables (stage 3) and receivables without impairment (stages 1 and 2).

The structure of the portfolio of exposures to banks and clients from the point of view of credit risk as at 30 June 2026:

PLN '000	Receivables from customers	Receivables from banks	Total
Receivables without recognized impairment (Stage 1)			
By risk rating			
Risk rating 1-4-	14,789,152	10,258,675	25,047,827
Risk rating +5-6-	4,312,289	188,949	4,501,238
Gross amount	19,101,441	10,447,624	29,549,065
Provision for expected credit losses	(23,829)	(2,079)	(25,908)
Net amount	19,077,612	10,445,545	29,523,157

PLN '000	Receivables from customers	Receivables from banks	Total
Receivables without recognized impairment (Stage 2)			
By risk rating			
Risk rating 1-4-	608,690	-	608,690
Risk rating +5-6-	964,856	-	964,856
Risk rating +7 and greater	144,075	-	144,075
Gross amount	1,717,621	-	1,717,621
Provision for expected credit losses	(21,527)	-	(21,527)
Net amount	1,696,094	-	1,696,094
Receivables with recognized impairment (Stage 3)			
By risk rating			
Risk rating +7 and greater	622,296	-	622,296
Gross amount	622,296	-	622,296
Provision for expected credit losses	(252,546)	-	(252,546)
Net amount	369,750	-	369,750
Receivables with recognized impairment			
By risk rating			
Risk rating +7 and greater	401	-	401
Gross amount	401	-	401
Provision for expected credit losses	75	-	75
Net amount	476	-	476
Total gross value	21,441,759	10,447,624	31,889,383
Provision for expected credit losses	(297,827)	(2,079)	(299,906)
Total net value	21,143,932	10,445,545	31,589,477

The increase in the receivables from clients with recognized value loss (Stage 3) results from worsening of the financial situation of two credit relationships respectively from metal processing industry and industrial machinery manufacturing. These are isolated non-systemic cases, and risks reducing actions were introduced. However, the need of reclassification of these individual exposures to Stage 3 and connected with it increase of the expected credit loss (ECL) allowance negatively influenced the Net expected credit loss and provision result on contingent liabilities of the Group in Q2 2026, overall credit portfolio quality remains fully stable. This is confirmed by the regulatory quality indicators including the impaired loan ratio, which conservatively remains at safe level below 5%.

The structure of the portfolio of exposures to banks and clients from the point of view of credit risk as at 31 December 2025:

PLN '000	Receivables from institutional customers	Receivables from individual customers	Receivables from banks	Total	Including receivables from assets held for sale
Not impaired receivables (Stage 1)					
By risk rating					
Risk rating 1-4-	12,938,453	-	8,059,475	20,997,928	32,233
Risk rating +5-6-	3,542,729	-	191,034	3,733,763	-
By delinquency					
No delinquency	-	5,413,725	-	5,413,725	5,393,121
1-30 days	-	26,736	-	26,736	26,736
31-90 days	-	38	-	38	38
Gross amount	16,481,182	5,440,499	8,250,509	30,172,190	5,452,128
Provision for expected credit losses	(25,562)	(14,007)	(4,461)	(44,030)	(14,854)
Net amount	16,455,620	5,426,492	8,246,048	30,128,160	5,437,274
Not impaired receivables (Stage 2)					
By risk rating					

PLN '000	Receivables from institutional customers	Receivables from individual customers	Receivables from banks	Total	Including receivables from assets held for sale
Risk rating 1-4-	402,183	-	-	402,183	1,332
Risk rating +5-6-	1,104,230	-	10	1,104,240	-
Risk rating +7 and greater	195,898	-	-	195,898	-
By delinquency					
No delinquency	-	581,570	-	581,570	581,570
1-30 days	-	81,007	-	81,007	81,007
31-90 days	-	12,822	-	12,822	12,822
Gross amount	1,702,311	675,399	10	2,377,720	676,731
Provision for expected credit losses	(48,257)	(30,697)	-	(78,954)	(31,132)
Net amount	1,654,054	644,702	10	2,298,766	645,600
Impaired receivables (Stage 3)					
By delinquency	-	299,441	-	299,441	298,050
By risk rating					
Risk rating +7 and greater	297,007	-	-	297,007	14,092
Gross amount	297,007	299,441	-	596,448	312,142
Provision for expected credit losses	(171,170)	(233,095)	-	(404,265)	(243,497)
Net amount	125,837	66,346	-	192,183	68,645
Purchased or originated credit-impaired receivables					
By delinquency	-	17,006	-	17,006	17,006
By risk rating					
Risk rating +7 and greater	1,121	-	-	1,121	-
Gross amount	1,121	17,006	-	18,127	17,006
Provision for expected credit losses	-	(426)	-	(426)	(426)
Net amount	1,121	16,580	-	17,701	16,580
Total gross value	18,481,621	6,432,345	8,250,519	33,164,485	6,458,007
Provision for expected credit losses	(244,989)	(278,225)	(4,461)	(527,675)	(289,909)
Total net value	18,236,632	6,154,120	8,246,058	32,636,810	6,168,098

Structure of derivatives in terms of credit risk:

PLN '000	30.06.2026		31.12.2025	
	Transactions with customers	Transactions with banks	Transactions with customers	Transactions with banks
Derivatives by risk rating				
Risk rating 1-4-	1,668,647	342,133	1,741,216	749,500
Risk rating +5-6-	35,345	227	6,554	-
Risk rating +7 and greater	5	-	286	-
Total	1,703,997	342,360	1,748,056	749,500

The breakdown of the exposures in the portfolio of debt securities held for trading in the portfolio of debt securities measured at fair value through other comprehensive income according to Fitch agency ratings is presented below.

PLN '000	30.06.2026		31.12.2025	
	Debt securities held-for-trading	Debt securities at fair value through other comprehensive income	Debt securities held-for-trading	Debt securities at fair value through other comprehensive income
Issuer rating by Fitch agency				
A (including from A- to AAA)	2,493,351	31,245,251	2,294,275	30,151,984
Total	2,493,351	31,245,251	2,294,275	30,151,984

Structure of the granted contingent liabilities from the credit risk point of view as at June 30, 2026:

PLN '000	Liabilities due to customers	Liabilities due to banks
Contingent liabilities granted (Stage 1)	12,797,887	309,316
by risk rating		
Risk rating 1-4-	10,064,474	309,283
Risk rating +5-6-	2,733,413	33
Risk rating +7 and greater	721,034	-
Contingent liabilities granted (Stage 2)		
by risk rating	224,990	-
Risk rating 1-4-	439,846	-
Risk rating +5-6-	56,198	-
Risk rating +7 and greater	3,410	-
Contingent liabilities granted (Stage 3)		
by risk rating	3,410	-
Risk rating +7 and greater	26,913	-
Contingent liabilities granted		
by risk rating	26,673	-
Risk rating +7 and greater	240	-
Total	13,549,244	309,316

Structure of the contingent liabilities granted from the credit risk point of view as at December 31, 2025:

PLN '000	31.12.2025			
	Liabilities due to institutional customers	Liabilities due to individual customers	Liabilities due to banks	Including assets held for sale
Contingent liabilities granted (Stage 1)	11,469,653	5,078,093	1,124,509	3,451,850
by risk rating				
Risk rating 1-4	9,076,934	-	1,124,475	-
Risk rating +5-6-	2,392,689	-	34	40,519
Risk rating +7 and greater	30	-	-	-
Contingent liabilities granted (Stage 2)	916,221	111,053	-	1,786,254
by risk rating				
Risk rating 1-4	282,859	-	-	-
Risk rating +5-6-	585,782	-	-	-
Risk rating +7 and greater	47,580	-	-	-
Contingent liabilities granted (Stage 3)	3,803	5,495	-	5,568
by risk rating				
Risk rating +7 and greater	3,803	-	-	-
Contingent liabilities granted	26,504	-	-	-

PLN '000	31.12.2025			
	Liabilities due to institutional customers	Liabilities due to individual customers	Liabilities due to banks	Including assets held for sale
by risk rating				
Risk rating 1-4-	870	-	-	-
Risk rating +7 and greater	25,634	-	-	-
Total	12,416,181	5,194,641	1,124,509	5,243,672

In addition to general principles of credit risk mitigation, the Group has defined rules for acceptance, assessment, establishment and monitoring of various types of collaterals, including warranties, guarantees and similar instruments of support (hereinafter called jointly: collaterals). These principles are used to minimize residual risk associated with taking collaterals.

Forborne exposures are identified in the Group within credit risk management. The Group takes into account "forborne" exposures according to the reporting requirements under the EBA/ITS/2013/03 Technical Standards and document 2012/852 issued by the ESMA. For non-performing and restructured exposures, the Group applies the EBA guidelines EBA/GL/2018/06

As "forborne" the Group considers exposures that are in the process of troubled debt restructuring. This is a situation when the debtor is experiencing financial difficulties and BHW grants preferential financing conditions to the debtor that it would not otherwise consider (i.e., off-market terms). Preferential financing conditions are considered situations in which for example the yield of the modified facility is lower than the contractual yield prior to the restructuring and/or the yield on the modified loan is below a market yield for the relevant tenor and credit risk.

The extent to which financing conditions are changed is set individually for each debtor affected by the situation. In particular, such activities include:

- modification of the conditions of the existing commitment, including changes to the repayment schedule (e.g. extension of the loan period), change in the interest rate on the receivable or repayment method, or reduction of the repayment amount (principal amount or accrued interest),
- providing new, restructured commitment to partially or fully repay the existing exposure,
- repossession of assets.

The process of assigning "forborne" status for exposures is closely related to the credit risk management process, including the impairment recognition process for exposures.

The "forborne" status may refer to both the exposures from the impaired portfolio and the portfolio without impairment. The Group treats exposures as "forborne" without impairment when restructuring activities were carried out, while the change in financing conditions did not imply a deterioration of future payment streams. In such cases, the change in the status of the "forborne" exposure is not evidence of impairment.

Exposures with modified conditions subject to forbearance rules (forborne exposures) are subject to regulatory and internal reporting.

.Exposure values in the "forborne" status:

PLN '000	As of	
	30.06.2026	31.12.2025
Receivables without recognized impairment	20,819,062	24,299,391
Receivables without recognized impairment (Stage 1), including	19,101,441	21,921,681
Institutional customers (financial and non-financial entities)	19,101,441	16,481,182
Individual customers	-	5,440,499
Receivables without recognized impairment (Stage 2), including:	1,717,621	2,377,710
institutional customers (financial and non-financial entities), including:	1,710,325	1,702,311
"forborne"	457,358	671,736
Individual customers	7,296	675,399
"forborne"	63	100
Receivables with recognized impairment (Stage 3), including:	622,296	596,448
Institutional customers (financial and non-financial entities) including:	620,936	297,007
„forborne"	298,952	98,085
Individual customers, including:	1,360	299,441
„forborne"	-	14,456
Purchased or originated credit-impaired receivables	401	18,127
Institutional customers (financial and non-financial entities), including:	401	1,121
„forborne"	401	1,121

PLN '000	As of 30.06.2026	31.12.2025
Individual customers, including: „forborne”	- -	17,006 10,879
Total gross amount, including:	21,441,759	24,913,966
Institutional customers (financial and non-financial entities), including: „forborne”	21,433,103 756,712	18,481,621 770,942
Individual customers, including: „forborne”	8,656 63	6,432,345 25,435
Provision for expected credit losses	(297,827)	(523,214)
On „forborne” receivables	(105,266)	(66,462)
Total net amounts due from customers, including: „forborne” receivables	21,143,932 651,509	24,390,752 729,915

The “forborne” exposures identification process has not undergone significant changes relative to the rules described in the Group’s consolidated financial statements for the year 2025.

The Group changed the presentation of “forborne” receivable and included receivables from financial sector entities.

Liquidity Risk

Liquidity risk is defined as the risk of Group’s lack of ability to meet its financial commitments to customers or counterparties when due.

The objective of liquidity risk management is to ensure that the Group can meet all commitments to customers when due and to secure liquidity necessary to clear all money market transactions when due.

In the period of first half of 2026 the Group did not make significant changes to liquidity risk management processes, procedures, systems, and policies..

In accordance with Regulation No. 575/2013, the Group monitors and maintains appropriate levels of the Liquidity Coverage Ratio (LCR) and the Non-Stable Funding Ratio (NSFR). As of June 30, 2026, the LCR was 152%, down 42 percentage points from December 31, 2025. The Non-Stable Funding Ratio reached 160%, down 35 percentage points from December 31, 2025.

The decrease in LCR is primarily due to finalization, in June 2026, of the sale transaction of the retail banking business segment to VeloBank S.A. The supervisory liquidity measures LCR and NSFR remained at safe levels and were as follows:

	30.06.2026	31.12.2025	Change
LCR	152%	194%	-42p.p.
NSFR	160%	195%	-35p.p.

The value of the NSFR indicator for December 31, 2025, was recalculated after retrospective inclusion of profits for year 2025 to the Tier 1 share capital.

Cumulative liquidity gap as at June 30, 2026

PLN '000	Up to 1 month	More than 1 to 3 months	More than 3 months to 1 year	More than 1 year to 2 years	More than 2 years
Assets	34,317,832	749,034	8,892,647	-	28,612,130
Liabilities	24,180,536	5,132,757	70,000	-	43,188,350
Balance-sheet gap in the period	10,137,296	(4,383,723)	8,822,647	-	(14,576,220)
Conditional derivative transactions – inflows	61,077,494	6,439,227	28,070,658	9,106,671	12,221,660
Conditional derivative transactions – outflows	61,018,916	6,406,285	28,109,388	9,201,105	12,955,241
Off-balance-sheet gap in the period	58,578	32,942	(38,730)	(94,434)	(733,581)
Potential utilization of credit lines granted	306,214	204,143	-	-	(510,357)
Cumulative gap	9,889,660	5,334,736	14,118,653	14,024,219	(775,225)

Cumulative liquidity gap as at December 31, 2025

PLN '000	Up to 1 month	More than 1 to 3 months	More than 3 months to 1 year	More than 1 year to 2 years	More than 2 years
Assets	37,604,782	528,099	8,781,667	-	32,034,562
Liabilities	11,752,944	6,037,586	21,077	-	61,137,503
Balance-sheet gap in the period	25,851,838	(5,509,487)	8,760,590	-	(29,102,941)

PLN '000	Up to 1 month	More than 1 to 3 months	More than 3 months to 1 year	More than 1 year to 2 years	More than 2 years
Conditional derivative transactions – inflows	42,116,517	16,263,134	31,613,061	9,027,013	11,642,399
Conditional derivative transactions – outflows	42,095,795	15,927,364	31,681,354	9,227,635	12,052,067
Off-balance-sheet gap in the period	20,722	335,770	(68,293)	(200,622)	(409,668)
Potential utilization of credit lines granted	711,105	474,070	(1,185,175)	-	-
Cumulative gap	25,161,455	19,513,668	29,391,140	29,190,518	(322,091)

Liquid assets and cumulative liquidity gap till 1 year:

PLN '000	30.06.2026	31.12.2025	Change
Liquid assets, including:	36,507,985	41,833,409	(5,325,424)
nostro account in NBP and stable part of cash	2,769,384	9,387,150	(6,617,766)
debt securities held-for-trading	2,493,350	2,294,275	199,075
debt financial assets measured at fair value through other comprehensive income*	31,245,251	30,151,984	1,093,267
Cumulative liquidity gap up to 1 year	14,118,653	29,391,140	(15,272,487)
Coverage of the gap with liquid assets	Positive gap	Positive gap	Positive gap

The decrease of the cumulative liquidity gap within the horizon of up to 1-year results primarily from the finalization of the sale of retail banking business segment to VeloBank S.A in June 2026.

Market risk

Market risk is the risk of negative impact on the Group's earnings and equity resulting from changes in market interest rates, foreign exchange rates, equity and commodity prices, as well as all volatilities of these rates and prices.

The objective of market risk management is to ensure that the extent of risk accepted within the Group corresponds to the level acceptable to the shareholders and banking supervision authorities and to ensure that all exposures to market risk are properly reflected in the calculated risk measures, communicated to relevant persons and bodies responsible for the management of the Group.

In the first half of 2026 the Group has not made any changes in market risk management processes, procedures, systems and policies.

In market risk management there are two types of portfolios: trading and bank portfolios.

The following risk measures are applied to non-trading portfolios:

- Interest rate gap analysis,
- Net interest income measures, economic value measures,
- Stress testing.

Interest rate gap analysis uses the schedule of maturities or revaluations of balance-sheet positions, and of derivative instruments used in hedge accounting or qualified as economic hedge for the purpose of establishing the differences between positions whose maturity or interest rate revaluation fall within a given time frame.

The general rule in the interest rate gap analysis is that of classifying transactions to respective bank portfolio position revaluation bands by the contracted or assumed transaction interest rate revaluation dates.

It is assumed that:

- transactions with a fixed interest rate (such as term deposits, interbank deposits, portfolio of debt securities at fair value through other comprehensive income with a fixed interest rate, granted loans both repaid in full at maturity and repaid in installments) are classified into appropriate revaluation bands in accordance with their maturity dates;
- transactions with a floating interest rate, updated on the regular basis (primarily, loans granted with interest set based on a specific rate such as, e.g., WIBOR 1M) are classified into appropriate revaluation bands in accordance with the nearest interest rate revaluation date;
- transactions with an administrated floating interest rate (i.e., any changes in the interest rate and its revaluation date are reserved to sole decision of the Bank) or undefined maturity or interest rate revaluation date are classified into appropriate revaluation bands in accordance with historically observed or expert assessed shifts in the moment and scale of change in the interest rate of given positions in relation to change in the market interest rates (model of minimizing product margin variability). This group of transactions / balance sheet positions include among others: current accounts, card loans, and overdraft facilities. Additionally, early loan repayments are taken into account based on analysis of actual

repayments made by customers before the due date and product interest rate revaluation profiles are set on that basis. This pertains particularly to installment loans;

- transactions insensitive to changes of interest rates, including cash, fixed assets, equity, other assets/liabilities, are classified into the longest revaluation band;
- transactions executed directly by the Financial Markets Sub Sector for the purpose of management of interest rate risk and liquidity risk (Financial Markets Sub-Sector's own portfolio) are always classified into appropriate revaluation bands in accordance with the contracted dates.

The measures of net interest income and economic value used in context of sensitivity to changes in interest rates serve to measure the potential impact of changes in interest rates or from changes in credit spreads for net interest rates in 12 months horizon and for changes in the net present value of interest rate-sensitive instruments.

Below the projected values for sensitivity of net interest income for the Group as for June 30, 2026, and December 31, 2025, in scenarios +/-100 bp +/-200bp are presented.

The statement is presented separately for main currencies PLN USD i EUR which represent in aggregate 90% of the Bank's balance sheet and together for all currencies.

Projections of sensitivity of net interest income to changes in interest rates for the Group.

PLN '000	30.06.2026				31.12.2025			
	+200 bp	+100 bp	-100 bp	-200 bp	+200 bp	+100 bp	-100 bp	-200 bp
PLN	69,129	34,486	(34,041)	(68,021)	149,466	75,994	(85,718)	(172,877)
USD	-	-	-	-	(14,406)	(7,203)	7,203	14,767
EUR	(3,292)	(1,747)	1,960	4,148	34,936	17,288	(17,288)	(35,296)
Total for all currencies	67,279	33,447	(32,832)	(65,141)	166,766	84,386	(93,722)	(189,538)

The reduction of sensitivity of net interest income as at 30.06.2026 in comparison to 31.12.2025 is primarily resulting from sale of retail banking business segment.

Stress tests measure the potential impact of material changes in the level or directionality of interest rate curves on open interest positions in the bank portfolio.

The Group runs stress tests of predefined interest rate movement scenarios, which represent combinations of market factor movements defined as large moves and stress moves occurring both in Poland and abroad. Values of the assumed market factor movements are revised at least once a year and adjusted as appropriate to changes in the market conditions of the Group's operation.

Activities relating to securities at fair value through other comprehensive income are the responsibility of the Assets and Liabilities Management Department within the Financial Markets and Corporate Banking Sector. Three basic goals of activities in the portfolio of securities at fair value through other comprehensive income have been defined as follows:

- management of the liquidity;
- hedging against the risk transferred to the Financial Markets and Corporate Banking Sector from other organizational units of the Bank or the Group's entities;
- opening of own interest rate risk positions on the Group's books by the Financial Markets and Corporate Banking Sector.

In order to avoid excessive fluctuations in the Bank's capital funds, caused by the revaluation of assets measured at fair value through other comprehensive income, the Bank sets the maximum limits of DV01 (Dollar Value of 1 basis point), that specify potential change of risk position's value for specific curve of interest rate in its specific node (into which are brought all of cash flows in set time interval), caused by movement of market's interest rate up by one basic point for this kind of portfolio. The limits also concern the open positions in derivatives (i.e. interest rate swap transactions), carried out to hedge the fair value of the portfolio.

The table below presents the risk measured with DV01 for the portfolio of securities at fair value through other comprehensive income, including the economic collateral contained in the hedge program (Fair Value Hedge Accounting Program), broken down by currency:

PLN '000	30.06.2026			Total in the period 01.01.2026 – 30.06.2026		
	Total	Securities	IRS	Average	Maximum	Minimum
PLN	(4,421)	(6,405)	1,984	(4,106)	(3,678)	(4,636)
USD	(266)	(266)	-	(269)	(259)	(281)
EUR	(219)	(219)	-	(238)	(219)	(259)

PLN '000	30.06.2025			Total in the period 01.01.2025 – 30.06.2025		
	Total	Securities	IRS	Average	Maximum	Minimum
PLN	(4,834)	(7,696)	2,861	(4,329)	(3,538)	(5,308)
USD	(414)	(414)	-	(344)	(312)	(426)
EUR	(279)	(279)	-	(128)	(41)	(280)

Both base risk and option risk of Bank's portfolio were considered as immaterial.

The following methods are applicable in measurement of the risk of the trading portfolios:

- Factor Sensitivity,
- Value at Risk (VaR),
- Stress testing.

Factor Sensitivity measures the change in the value of positions in an underlying instrument in the case of a specific change in a market risk factor (e.g., change of the interest rate by 1 basis point at a given point on the interest rate curve, change of the currency exchange rate or share price by 1%).

In the case of interest rates, the applicable sensitivity measure is DV01 (Dollar Value of 1 basis point), which determines the potential change in the value of risk positions on a given interest rate curve at a specific nodal point (which brings together all the cash flows in a given time horizon), caused by a shift in the market interest rate by 1 basis point upwards, is established for this kind of portfolio

In the case of exchange rate (FX) risk, the exposure measured using Factor Sensitivity method corresponds to the value of the FX position in a given currency.

In the case of positions held in equities, the exposure is equal to the net value of the positions held in the respective instruments (shares, indices, participation units).

Value at Risk (VaR) is the integrated measure of the market risk of trading portfolios which combines the impact of positions in respective risk factors and accounts for the effect of correlation between the fluctuations of different factors. VaR is applied for the purpose of measuring the potential decrease in the value of a position or portfolio under normal market conditions, at a specific confidence level and within a specific period. In the case of positions opened in the Group's trading portfolio, VaR is calculated at a 99% confidence level and a one-day holding period.

DV01 as well as VaR for the trading portfolio are calculated net of the economic hedge of the portfolio of securities at fair value through other comprehensive income, i.e., net of derivative instruments intended to hedge the fair value of the portfolio. The exposures to the risk of such transactions are mitigated through the application of relevant risk measurement methods and by the bank portfolio risk limits.

Each day, the Group runs stress tests on the assumption that the risk factors change by more than expected in the Value at Risk scenario, ignoring historical correlations of these factors.

The Group keeps records of exposures of the bank portfolios to market risk in over twenty currencies both for currency positions and exposures to interest rates risk. These exposures are significant only for a few currencies. For a large group of currencies, the exposures are the consequence of a gap between transactions executed on the customer's orders and closing transactions with other wholesale market counterparties. Significant exposures to market risk are opened for PLN, currencies of well-developed markets (predominantly USD and EUR with a lesser focus on GBP, CHF and JPY) and Central European currencies.

The values of significant exposures of the bank portfolios to the interest rates risk in terms of DV01 in the first half of 2026 are listed in the table below:

PLN '000	30.06.2026	31.12.2025	In the period 01.01.2026 – 30.06.2026			In the period 01.01.2025 – 30.06.2025		
			Average	Maximum	Minimum	Average	Maximum	Minimum
PLN	422	79	437	889	45	305	657	(58)
EUR	(3)	160	12	244	(314)	(20)	263	(483)
USD	105	(7)	17	113	(76)	-	47	(49)

The currency structure of the positions in the first half of 2026 has not changed in comparison with the year 2025, as positions in domestic currency USD and EUR were still the majority. The average exposure to PLN, EUR, and USD interest rates risk has remained at a similar level. The average risk level for instruments denominated in PLN amounted to PLN 422 thousand and in EUR it was PLN (3) thousand per basis point. The largest exposures in absolute value were taken in PLN and EUR and were respectively PLN 889 thousand and PLN (314) thousand.

The table below shows the level of risk measured using VaR (excluding hedges of securities at fair value through other comprehensive income portfolio's economic), divided into currency risk and interest rate risk positions in the first half of 2026:

PLN '000	30.06.2026	31.12.2025	In the period 01.01.2026 – 30.06.2025			In the period 1.01.2025 – 30.06.2025		
			Average	Maximum	Minimum	Average	Maximum	Minimum
FX risk	1,439	537	783	3,147	140	660	2,586	144
Interest rate risk	12,342	14,422	14,203	21,616	9,207	18,208	26,606	8,476
Spread risk	2,956	3,077	2,187	3,353	1,494	5,314	7,730	2,871
Overall risk	14,000	15,579	14,464	21,642	9,311	20,334	27,753	10,210

The main risk factor is the direct interest rate risk.

The overall average price risk (currency, interest rate, spread) of trade portfolios in the first half of 2026 decreased by 29% compared to the average price risk in the I half of 2025 and reached the level of PLN 14,464 thousand, mainly because of the spread risk and interest rate risk exposure decrease. Maximum price risk expressed as Total VaR (Overall risk) amounted to PLN 21,642 thousand, while in 2025 it settled at PLN 27,753 thousand.

Equity instruments risk

The Group is active in the field of trading in equity instruments through the Brokerage Department of Bank Handlowy (DMBH). In accordance with its core scope of activity, DMBH is entitled to take the price risk of the trading book of shares, rights to shares listed or to be traded on the Warsaw Stock Exchange (WSE) or BondSpot, Futures contracts on the WIG20 index and Indexed Equity Units, as well as shares on foreign exchanges of these companies that are listed simultaneously on the WSE. The price risk of a portfolio of DMBH instruments is limited by volume limits for individual types of financial instruments and concentration warning thresholds for individual issuers. DMBH is also subject to warning thresholds of potential loss for stress scenarios and cumulative realized loss on the trading book.

Among the equity instruments measured at fair value through profit and loss which are not subject to the Group's active trading are, i.a., Visa Inc. shares, the valuation method of which is presented in note no. 27.

Currency exposure

Currency exposure of Group's assets and liabilities is presented in main currencies in the following table:

30 June 2026

PLN '000	Balance-sheet transactions		Contingent derivative transactions		Net position
	Assets	Liabilities	Assets	Liabilities	
AUD	431	827	135,129	145,490	(10,757)
CAD	404	4,259	124,043	125,544	(5,356)
CHF	10,237	17,267	114,006	104,875	2,101
CNY	45,089	19,644	7,553	48,670	(15,671)
CZK	1,439	31,173	665,969	617,184	19,051
EUR	9,636,999	11,338,067	23,096,545	21,458,902	(63,426)
GBP	64,024	142,893	270,218	185,503	5,845
HUF	93	83,077	512,697	388,377	41,336
JPY	642	25,937	555,445	537,256	(7,106)
KZT	12	-	6,026	-	6,038
USD	3,132,666	3,030,924	27,231,692	27,400,855	(67,422)
ZAR	282	852	6,895	-	6,325
Other currencies	218,088	105,261	159,208	269,865	2,169
	13,110,406	14,800,180	52,885,424	51,282,523	(86,873)

*according to the current value that is the sum of discounted future cash flows.

31 December 2025

PLN '000	Balance-sheet transactions		Contingent derivative transactions		Net position
	Assets	Liabilities	Assets	Liabilities	
AUD	21	26,505	140,512	113,224	805
CAD	195	26,859	95,963	68,808	491
CHF	26,647	327,514	299,684	2,184	(3,366)
CNY	45,541	11,055	2,052	40,292	(3,754)
CZK	200	26,577	124,718	95,775	2,567
EUR	8,639,915	10,310,050	34,388,224	32,641,722	76,367

PLN '000	Balance-sheet transactions		Contingent derivative transactions		Net position
	Assets	Liabilities	Assets	Liabilities	
GBP	52,544	617,686	598,961	34,967	(1,148)
HUF	3	41,430	43,924	3,690	(1,193)
JPY	48	23,100	411,495	387,162	1,281
KZT	-	14,728	15,214	-	486
USD	3,315,970	6,162,839	18,133,485	15,307,109	(20,492)
ZAR	1,586	2,888	-	-	(1,301)
Other currencies	207,448	40,114	678,449	846,944	(1,162)
	12,290,120	17,631,344	54,932,682	49,541,876	49,582

*according to the current value that is the sum of discounted future cash flows.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition of operational risk includes legal risk - which is the risk of loss (including litigation costs, settlements and penalties) resulting from instable legal environment as well as wrongly defined contractual obligations in any aspect of the bank's business - but excludes strategic and reputation risks. Bank also recognizes the impact of Operational Risk on the reputation risk associated with Bank's business activities. Operational risk definition includes conduct risk and information, communication and technology risk (ICT risk).

The operational risk framework enables effective management of operational risks across the Bank, by amongst other things bringing or maintaining operational risk exposures within operational risk appetite and adhering to regulatory requirements.

In the area of operational risk, the strategic objective of operational risk management is to ensure a permanent and effective approach to the identification, measurement/assessment, mitigation, control, monitoring and reporting of the risk, as well as the effective reduction of the level of exposure to operational risk and, as a consequence, to reduce the number and scale of operational risk events (policy of low tolerance to operational losses).

In the first half of 2026, as part of material changes to the processes, procedures, policies, and systems for operational risk management, the change of IT system for risk self-assessment has been carried out (migration to the new version of the system).

Capital adequacy

Capital ratios have been calculated in accordance with the principles set out in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as amended ("CRR").

The table below presents financial data for the calculation of the Group's total capital ratio.

PLN '000	30.06.2026	31.12.2025
I Own funds	7,614,186	7,758,530
Common capital Tier I	7,614,186	7,758,530
II Total capital requirement of which:	2,364,707	2,641,161
Credit risk capital requirements	1,759,389	2,075,287
Counterparty capital requirements	97,123	78,697
Credit valuation adjustment capital requirements	17,395	10,026
Exceeding the limit of large exposures	-	-
Total market risk capital requirements	129,052	115,403
Operational risk capital requirements	361,748	361,748
Common Equity Tier 1 Capital ratio (%)	25.76%	23.50%
Total Capital ratio (%)	25.76%	23.50%

Own funds and total capital ratio as at 31 December 2025 were recalculated retrospectively, taking into account the profit for 2025 after its approval by the General Meeting of Shareholders.

On November 25, 2025, the Polish Financial Supervision Authority announced that in the supervisory assessment process, the Bank's sensitivity to the possible materialization of stress scenarios affecting the level of own funds and risk exposure was assessed as low and it did not set an additional capital charge (P2G) for the Bank to absorb potential losses resulting from the occurrence of stress conditions.

The Group's capital ratios remain above the minimum requirements under the CRR, the Act on Macroprudential Supervision and the recommendation of the supervisory authority.

The Group as a resolution entity that is part of a global systemically important institution outside the EU (Citigroup) entity that is part of a global systemically important institution in accordance with the definition contained in CRR and according to Art. 92a CRR must satisfy the following requirements for own funds and eligible liabilities:

- a risk-based ratio of 18%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total risk exposure amount (TLAC TREa);
- a non-risk-based ratio of 6.75%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total exposure measure (TLAC TEM).

Following the addition of applicable capital buffers, the amount of required minimal level of TLAC TREa for the bank as of June 30, 2026, was 21.73%, while the TLAC TREa indicator for the Bank on the consolidated level as of end of June 2026 was 33.75%. TLAC TEM indicator as of June 30, 2026, was 12.20%. Indicators TLAC TREa and TLAC TEM as of June 30, 2026, remain above than the minimal requirements set out in CRR regulations, considering the combined buffer requirements.

On the June 13, 2026, the Bank has received a notice from Bank Guarantee Fund ("BFG"), concerning a joint decision of forced restructuring authorities i.e. Restructuring and Orderly Liquidation Single Resolution Board and BFG, concerning the minimal level of own funds and eligible liabilities ("MREL"), detailed information are presented in Note 39 "Significant events after the balance sheet date"

Eligible liabilities counted towards meeting the TLAC requirement include loan provided by Citibank Europe PLC with registered office in Dublin according to the agreement entered into on June 6, 2024, which is presented in Note 23 "Amounts due to banks"

7. Net interest income

PLN '000	II quarter 01.04. - 30.06. 2026	I half of the year 01.01. - 30.06. 2026	II quarter 01.04. - 30.06. 2025	I half of the year 01.04. - 30.06. 2025
Interest income from:	808,387	1,581,972	885,730	1,758,254
Financial assets measured at amortized cost	396,848	764,298	423,307	813,720
Balances with the Central Bank and current accounts in other banks	30,548	57,707	33,882	90,312
Term deposits in banks	108,662	213,977	105,980	194,501
Amounts due from customers, in respect of:	257,638	492,614	283,445	528,907
financial sector entities	117,863	208,802	96,633	188,789
non-financial sector entities, including:	139,775	283,812	186,812	340,118
Financial assets measured at fair value through other comprehensive income	411,539	817,674	462,423	944,534
Debt investment financial assets measured at fair value through other comprehensive income	411,539	817,674	462,423	944,534
Similar income from:	51,753	129,561	98,471	150,569
Debt securities held-for-trading	23,540	40,996	46,720	67,093
Liabilities with negative interest rate	44	83	21	35
Derivatives in hedge accounting	28,169	88,482	51,730	83,441
Correction due to excess liquidity from discontinued operations	(100,411)	(233,875)	(165,252)	(328,563)
	759,729	1,477,658	818,949	1,580,260
Interest expense and similar charges for				
Financial liabilities measured at amortized cost	(259,003)	(436,468)	(247,050)	(443,017)
Balances with the Central Bank	(1)	(2)	(1)	(2)
Amounts due to banks	(27,043)	(41,489)	(14,524)	(34,786)
Amounts due to customers, in respect of:	(214,152)	(367,987)	(222,468)	(387,000)
amounts due to financial sector entities	(26,763)	(53,651)	(41,459)	(79,629)
amounts due to non-financial sector entities	(187,389)	(314,336)	(181,009)	(307,371)
Credits and deposits	(16,819)	(25,128)	(9,169)	(19,471)
Leasing liabilities	(988)	(1,862)	(888)	(1,758)
Derivatives in hedge accounting	(41,311)	(110,501)	(41,770)	(59,628)
	(300,314)	(546,969)	(288,820)	(502,645)
Net interest income	459,415	930,689	530,129	1,077,615

The table above does not present discontinued operations income in the amount of PLN 334,152 thousand for the I half of 2026 and in the amount of PLN 474,105 thousand for the I half of 2025. Information on discontinued operations disclosed in Note 4 „Assets and liabilities classified as held for sale and profit from discontinued operations”

In particular, Note 4 explains the methodology for calculating excess liquidity income attributed to discontinued operations, (included in the interest result on discontinued operations amounting to PLN (233,875) thousand for the first half of 2026 and PLN (328,563) thousand for the first half of 2025) which reduces the result from continuing operations, as disclosed in the table above in the line “Adjustment for excess liquidity connected to discontinued operations”.

8. Net fee and commission income

PLN '000	II quarter I half of the year		II quarter I half of the year	
	01.04. - 30.06. 2026	01.01. - 30.06. 2026	01.04. - 30.06. 2025	01.01. - 30.06. 2025
Fee and commission income				
Credit activity (other than included in the calculation of	8,634	17,731	10,007	21,104
Maintaining bank accounts	22,876	46,285	18,743	38,094
Payment and credit cards	3,218	6,180	3,208	6,311
Payment services	29,480	58,205	27,206	54,086
Custody services	46,247	88,710	41,828	75,866
Brokerage activity	14,321	22,577	9,588	26,467
Clients' cash on account management services	4,927	9,951	5,294	10,597
Financial liabilities granted	11,364	20,571	10,671	21,588
Other	896	2,285	820	1,869
	141,963	272,495	127,365	255,982
Fee and commission expense				
Payment and credit cards	(432)	(827)	(347)	(684)
Brokerage activity	(4,481)	(9,019)	(3,508)	(6,758)
Fees paid to the National Depository for Securities (KDPW)	(11,251)	(22,205)	(10,094)	(18,740)
Brokerage fees	(1,148)	(2,708)	(1,440)	(2,290)
Other	(6,133)	(11,869)	(5,464)	(10,364)
	(23,445)	(46,628)	(20,853)	(38,836)
Net fee and commission expense	118,518	225,867	106,512	217,146

The table above does not present discontinued operations income in the amount of PLN 72,568 thousand for the I half of 2026 and in the amount of PLN 80,447 thousand for the I half of 2025. Information on discontinued operations disclosed in Note 4 „Assets and liabilities classified as held for sale and profit from discontinued operations” „Assets and liabilities classified as held for sale and profit from discontinued operations”

9. Net income on trading financial instruments and revaluation

PLN '000	II quarter I half of the year		II quarter I half of the year	
	01.04. - 30.06. 2026	01.01. - 30.06. 2026	01.04. - 30.06. 2025	01.01. - 30.06. 2025
Net income on financial instruments valued at fair value through profit or loss				
Debt instruments	52,235	15,260	16,409	23,261
Equity instruments	1,175	1,215	938	3,579
Derivative instruments, including:	(83,167)	50,107	(38,254)	(82,742)
Interest rate derivatives	(81,861)	49,573	(38,009)	(80,882)
Equity	(1,306)	534	(245)	(1,861)
	(29,757)	66,582	(20,907)	(55,902)
Net income on FX operations				
Operations on FX derivative instruments	(30,809)	138,722	259,423	209,489
FX gains and losses (revaluation)	141,617	78,122	(146,023)	21,172
	110,808	216,844	113,400	230,661
Net income on trading financial instruments and	81,051	283,426	92,493	174,759

PLN '000	II quarter	I half of the year	II quarter	I half of the year
	01.04. - 30.06. 2026	01.01. - 30.06. 2026	01.04. - 30.06. 2025	01.01. - 30.06. 2025
revaluation				

The table above does not present discontinued operations income in the amount of PLN 12,645 thousand for the I half of 2026 and in the amount of 16,735 thousand for the I half of 2025. Information on discontinued operations disclosed in Note 4 „Assets and liabilities classified as held for sale and profit from discontinued operations”

Net income on trading financial instruments and revaluation for the first half of 2026 includes net change in the adjustment of the valuation of derivatives reflecting counterparty credit risk and in the adjustment of the valuation of derivatives reflecting own credit risk in the amount of PLN 923thousand (for the first half of 2025: PLN (471) thousand).

Net income on debt instruments includes the net result on trading in government securities, corporate debt securities, EBI securities (European Investment Bank) and money market instruments held-for-trading.

Net income on equity instruments includes the net result of shares in other entities.

Net income on derivative instruments comprises net income on transactions regarding interest rate swaps, options, futures and other derivatives.

Net profit on foreign exchange includes profit and losses on valuation of assets and liabilities denominated in foreign currency and foreign currency derivatives, such as forward, CIRS and option contracts. It additionally contains a margin realized on spot and forward currency transactions.

10. Net other operating income and expense

PLN '000	II quarter	I half of the year	II quarter	I half of the year
	01.04. - 30.06. 2026	01.01. - 30.06. 2026	01.04. - 30.06. 2025	01.01. - 30.06. 2025
Other operating income				
Income from provision of services for related parties outside	4,363	7,023	3,379	4,643
Release of provision for litigation, net	2,206	6,607	-	-
Income from office rental	154	311	151	518
Other	2,292	6,721	3,171	5,202
	9,015	20,662	6,701	10,363
Other operating expenses				
Amicable procedure and vindication expenses	-	(20)	-	-
Net provision for litigation*	-	-	(13,592)	(13,769)
Other**	(5,760)	(12,422)	(2,648)	(5,587)
	(5,760)	(12,422)	(16,240)	(19,356)
Net other operating income	3,255	8,220	(9,539)	(8,993)

*The item includes the (net) costs of provisions for litigation proceedings including those related to CJEU judgements

**The item "Other" includes i.e. operating losses and donation costs

The table above does not present discontinued operations income in the amount of PLN (9,072) thousand for the I half of 2026 and in the amount of PLN (8,913) thousand for the I half of 2025. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

11. General administrative expenses

PLN '000	II quarter	I half of the year	II quarter	I half of the year
	01.04. - 30.06. 2026	01.01. - 30.06. 2026	01.04. - 30.06. 2025	01.01. - 30.06. 2025
Staff expenses				
Remuneration costs, including:	(92,642)	(185,350)	(84,809)	(170,704)
Costs of retirement benefits	(7,513)	(14,391)	(6,488)	(13,201)
Bonuses and rewards	(14,680)	(30,488)	(7,473)	(21,522)
Social insurance costs	(15,513)	(34,302)	(13,511)	(30,096)
	(122,835)	(250,140)	(105,793)	(222,322)
Administrative expenses				

PLN '000	II quarter 01.04. - 30.06. 2026	I half of the year 01.01. - 30.06. 2026	II quarter 01.04. - 30.06. 2025	I half of the year 01.01. - 30.06. 2025
Communication costs and hardware purchase costs	(41,752)	(82,474)	(19,820)	(44,076)
Costs of external services, including advisory, audit, consulting services	(8,917)	(22,359)	(12,204)	(23,193)
Building maintenance and rent costs	(10,487)	(22,187)	(10,428)	(23,256)
Advertising and marketing costs	(1,273)	(2,077)	(1,078)	(2,317)
Costs of cash management services, costs of clearing services and other transaction costs	(8,309)	(16,298)	(8,972)	(16,018)
Costs of external services related to distribution of banking products	(943)	(2,164)	(1,352)	(2,518)
Postal services, office supplies and printmaking costs	(287)	(619)	(225)	(506)
Banking and capital supervision costs	-	(6,517)	-	(7,485)
Costs paid to Bank Guarantee Fund	-	(111,290)	(185)	(80,864)
Other expenses	(4,758)	(7,825)	1,122	(4,243)
	(76,726)	(273,810)	(53,142)	(204,476)
General administrative expenses, total	(199,561)	(523,950)	(158,935)	(426,798)

The table above does not present discontinued operations income in the amount of PLN (405,997) thousand for the I half of 2026 and in the amount of PLN (415,093) thousand for the II half of 2025. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations".

Staff expenses include costs of the following benefits paid and payable to current and former members of the Bank's Management Board:

PLN '000	01.01 – 30.06.2026	01.01 – 30.06.2025
Short-term employee benefits (services)	9,256	8,817
Long-term employee benefits (services)	5	61
Capital rewards, including:	6,074	5,906
settled in cash	515	896
settled in capital instruments	5,559	5,010
Total	15,335	14,784

12. Net income from disposal of remaining assets

In II quarter of 2026 the Group sold a real estate located on Goleszowska street in Warsaw. The net book value of sold real estate amounts to PLN 83 million (including the right-of-use asset and the liability arising from perpetual usufruct right to land) with the profit from sale amounts to PLN 30.2 million (including costs of sale).

13. Provision for expected credit losses on financial assets and provisions for contingent commitments

PLN '000	II quarter 01.04. - 30.06. 2026	I half of the year 01.01. - 30.06. 2026	II quarter 01.04. - 30.06. 2025	I half of the year 01.01. - 30.06. 2025
Provision for expected credit losses on amounts due from banks				
Provision creation	(2,856)	(3,949)	(877)	(1,325)
Provision reversal	1,283	6,106	664	1,466
	(1,573)	2,157	(213)	141
Provision for expected credit losses on amounts due from customers				
Provision creation and reversals	(65,478)	(83,553)	(10,898)	(12,588)
Provision creation	(117,325)	(164,730)	(47,225)	(96,374)

PLN '000	II quarter 01.04. - 30.06. 2026	I half of the year 01.01. - 30.06. 2026	II quarter 01.04. - 30.06. 2025	I half of the year 01.01. - 30.06. 2025
Provision reversal	54,034	85,939	39,491	89,993
Other	(2,187)	(4,762)	(3,164)	(6,207)
Recoveries from debt sold	(29)	8,178	10,125	10,134
	(65,507)	(75,375)	(773)	(2,454)
Provision for expected credit losses on debt investment financial assets measured at fair value through other comprehensive income				
Provision creation	(1,619)	(2,532)	(1,367)	(3,083)
Provision reversal	1,115	2,158	1,258	2,276
	(504)	(374)	(109)	(807)
Provision for expected credit losses on financial assets	(67,584)	(73,592)	(1,095)	(3,120)
Created provisions for granted financial and guarantee commitments	(7,117)	(20,116)	(4,241)	(9,832)
Release of provisions for granted financial and guarantee commitments	9,277	14,352	5,588	15,639
Provision for expected credit losses for contingent commitments	2,160	(5,764)	1,347	5,807
Provision for expected credit losses on financial assets and provisions for contingent commitments	(65,424)	(79,356)	252	2,687

The table above includes a provision from discontinued operations of (3,105) for the first half of 2026 and 11,685 for first half of 2025. Additional Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations".

In the II half of 2025 the Group sold a portfolio of retail non-performing credit exposures towards Retail Banking Segment clients, achieving a positive result on sale in the amount of PLN 8,258 thousand.

14. Income tax

Recognized in the income statement

PLN '000	II quarter 01.04. - 30.06. 2026	I half of the year 01.01. - 30.06. 2026	II quarter 01.04. - 30.06. 2025	I half of the year 01.01. - 30.06. 2025
Current tax				
Current year CIT	(32,434)	(152,939)	(192,529)	(296,142)
Adjustments for prior years	-	(3,304)	-	(1,449)
	(32,434)	(156,243)	(192,529)	(297,591)
Deferred tax				
Net changes on temporary differences	(137,964)	(218,803)	164,555	150,541
	(137,964)	(218,803)	164,555	150,541
Total income tax expense in income statement	(170,398)	(375,046)	(27,974)	(147,050)

Reconciliation of the effective tax rate

PLN '000	II quarter 01.04. - 30.06. 2026	I half of the year 01.01. - 30.06. 2026	II quarter 01.04. - 30.06. 2025	I half of the year 01.01. - 30.06. 2025
Profit before tax	491,197	1,081,449	193,524	747,580
Income tax at the domestic corporate tax rate	(147,277)	(324,323)	(36,770)	(142,041)
Provisions for impairment losses not tax deductible	(5,739)	(4,805)	(2,910)	(3,605)
Taxable income not recognized in the income statement	(157)	12,108	(55)	5,470
Non-taxable income	4,232	4,231	2,155	2,155

PLN '000	II quarter I half of the year		II quarter I half of the year	
	01.04. - 30.06. 2026	01.01. - 30.06. 2026	01.04. - 30.06. 2025	01.01. - 30.06. 2025
Tax on some financial institutions	(16,784)	(30,442)	(9,630)	(17,286)
Costs paid for Bank Guarantee Fund	-	(39,737)	(455)	(19,121)
Asset from average tax rate	(901)	14,591	(18,245)	(6,606)
Other permanent differences, including other expenses not deductible for income, including:	(3,772)	(6,669)	37,936	33,984
depreciation and amortization of fixed assets and intangible assets in retail activities*	(1,077)	(322)	39,262	41,451
Income tax expense	(170,398)	(375,046)	(27,974)	(147,050)
Effective tax rate	34.69%	34.68%	14.46%	19.67%

In 2025 the Bank received an individual tax interpretation confirming the possibility of including in tax-deductible costs the depreciation of fixed assets and intangible assets of the Retail Banking Segment covered by a write-off in 2024 resulting from the impairment test of the income-generating unit, which were not recognized in the deferred tax asset as at the date of the write-off.

The table above includes income tax income tax attributable to discontinued operations income in the amount of PLN (16,962) thousand for the first half of 2026 and amount of PLN 69,984 thousand for the first half of 2025. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

Deferred tax recognized directly in equity

Deferred tax recognized directly in equity covering the period of condensed interim consolidated financial statements for the first half of 2026 is related mainly to financial assets measured at fair value through other comprehensive income and valuation of defined benefit program. Details are presented in the "Statement of changes in other comprehensive income" Note.

15. Statement of changes in other comprehensive income

Deferred income tax and reclassification recognized in other comprehensive income relates to the valuation of financial assets measured at fair value through revaluation reserve and the valuation of defined benefit program recognized in the other reserves.

PLN '000	Gross amount	Deferred income tax	Net amount
Balance as at 1 January 2026	272,492	(63,796)	208,696
Remeasurement of financial assets measured at fair value through other comprehensive income (net)	20,590	(4,665)	15,925
(Profit) or loss reclassification to income statement after derecognition of financial assets measured at fair value through other comprehensive income (net)	(222,121)	50,328	(171,793)
Total comprehensive income connected with financial assets measured at fair value through other comprehensive income	70,961	(18,133)	52,828
Actuarial profits/(losses) on specific services program valuation*	-	1,979	1,979
Balance as at 30 June 2026	70,961	(16,154)	54,807

*The line item arises from tax adjustment due to change in tax rates

PLN '000	Gross amount	Deferred income tax	Net amount
Balance as at 1 January 2025	(108,508)	20,617	(87,891)
Remeasurement of financial assets measured at fair value through other comprehensive income (net)	270,239	(51,345)	218,894
(Profit)/Loss reclassification to income statement after derecognition of financial assets measured at fair value through other comprehensive income (net)	(145,415)	27,629	(117,786)
Total comprehensive income connected with financial assets measured at fair value through other comprehensive income	16,316	(3,099)	13,217
Balance as at 30 June 2025	16,316	(3,099)	13,217

16. Amounts due from banks

PLN '000	30.06.2026	31.12.2025
Deposits	188,948	211,796
Loans, placements and advances	5	419,467
Receivables due to purchased securities under repurchase agreement	9,714,146	7,581,815
Deposits pledged as collateral for derivative transactions and stock exchange transactions	544,525	25,946
Other receivables	-	11,495
Total gross value	10,447,624	8,250,519
Provision for expected credit losses	(2,079)	(4,461)
Total net value	10,445,545	8,246,058

*Bank clients can include banks, central banks, cooperative banks, cooperative savings and credit unions, and does not include flow-through funds managed by one of the state banks.

17. Financial assets and liabilities held-for-trading

Financial assets held-for-trading

PLN '000	30.06.2026	31.12.2025
Debt securities held-for-trading		
Bonds issued by:		
Banks and other financial entities*	74,356	259,761
Central governments	2,418,995	2,034,514
	2,493,351	2,294,275
Including:		
Listed on the active market	2,493,351	2,294,275
Equity instruments held-for-trading	35,580	35,272
Including:		
Listed on the active market	35,580	35,272
Derivatives	2,046,357	2,497,556
Financial assets held-for-trading, total	4,575,288	4,827,103

*As at 30 June 2026 securities (bonds) issued by banks in the amount of PLN 4,628 thousand are covered by the state guarantee (31 December 2025: PLN 259,761 thousand).

Data as at December 31, 2025, includes assets in disposal groups held for sale in the amount of PLN 3,731 thousand (embedded derivatives). Additional information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

Financial liabilities held-for-trading

PLN '000	30.06.2026	31.12.2025
Liabilities related to short sale of securities	265,855	8,880
Derivatives	2,661,912	2,681,219
Financial liabilities held-for-trading, total	2,927,767	2,690,099

As at 30 June 2026 and 31 December 2025 the Group did not hold any financial assets and liabilities designated at fair value through profit or loss initial recognition.

Derivative financial instruments as at 30 June 2026

PLN '000	Notional value of derivatives with remaining life of					Fair value	
	less than 3 months	between 3 months and 1 year	between 1 year and 5 years	more than 5 years	Total	Assets	Liabilities
Interest rate instruments	17,368,136	28,093,835	100,000,654	21,909,413	167,372,038	1,213,871	1,736,036
Currency instruments	66,992,141	24,705,450	7,264,289	79,577	99,041,457	831,927	924,822
Securities transactions	1,332,206	10,315	-	-	1,342,521	559	1,054
Derivative instruments total	85,692,483	52,809,600	107,264,943	21,988,990	267,756,016	2,046,357	2,661,912

Derivative financial instruments as at 31 December 2025

PLN '000	Notional value of derivatives with remaining life of					Fair value	
	less than 3 months	between 3 months and 1 year	between 1 year and 5 years	more than 5 years	Total	Assets	Liabilities
Interest rate instruments	8,716,614	36,393,216	84,846,131	23,526,467	153,482,428	1,384,056	2,006,245
Currency instruments	59,394,692	28,094,987	6,325,172	236,766	94,051,617	1,113,101	674,855
Securities transactions	784,744	8,893	-	-	793,637	399	119
Derivative instruments, total	68,896,050	64,497,096	91,171,303	23,763,233	248,327,682	2,497,556	2,681,219

Data as for December 31, 2025, including assets included in the groups held for sale classified as intended for sale in the amount PLN 3,731 thousand (embedded derivatives). Information regarding discontinued activities can be found in Note 4 „Fixed assets and assets and liabilities included in the groups held for sale classified as intended for sale and the result from discontinued operations”.

18. Debt investment financial assets measured at fair value through other comprehensive income

PLN '000	30.06.2026	31.12.2025
Bonds and notes issued by:		
Central Banks	2,498,178	-
Other banks*, including:	-	9,028,162
Covered bonds in fair value hedge accounting	-	1,904,233
Other financial sector entities, including:	1,647,909	1,756,978
Covered bonds in fair value hedge accounting	522,588	537,652
Central governments, including:	27,099,164	19,366,844
Covered bonds in fair value hedge accounting	3,361,992	2,427,315
Debt securities measured at fair value through other comprehensive income, total	31,245,251	30,151,984
Including:		
Instruments listed on the active market	28,747,073	30,151,984
Instruments unlisted on the active market	2,498,178	-

*Bank clients may include banks, cooperative banks, cooperative savings and credit unions.

**As at June 30, 2026, securities issued by BGK's flow-through funds amounted to PLN 6,528,610 thousand. As at December 31, 2025, securities issued by BGK's flow-through funds amounting to PLN 9,028,162 thousand were presented in line "Other banks".

19. Amounts due from customers

PLN '000	30.06.2026	31.12.2025
Amounts due from financial sector entities		
Loans, placements and advances	4,524,635	3,576,712
Unlisted debt financial assets	1,402,599	1,002,149
Receivables due to purchased securities with a repurchase agreement	1,584,120	10,880
Guarantee funds and deposits pledged as collateral	1,607,585	1,870,054
Other receivables	7,160	-

PLN '000	30.06.2026	31.12.2025
Total gross value	9,126,099	6,459,795
Provision for expected credit losses	(41,910)	(10,854)
Total net value	9,084,189	6,448,941

Amounts due from non-financial sector entities

Loans and advances	9,778,265	15,288,312
Purchased receivables	2,506,468	3,118,387
Realized guarantees	30,679	30,467
Other receivables	248	17,005
Total gross value	12,315,660	18,454,171
Provision for expected credit losses	(255,917)	(512,360)
Total net value	12,059,743	17,941,811

Total net value of receivables from customers	21,143,932	24,390,752
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Data as of December 31, 2025, includes assets included in the disposal group classified as held for sale in the amount of PLN 6,168,098 thousand. Information regarding discontinued operations is presented in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

Movement in provision for expected credit losses - amounts due from customers presents as follows:

PLN '000	Stage 1	Stage 2	Stage 3	Originated credit-impaired assets	Total
Provision for expected credit losses - amounts due from customers					
Provision for expected credit losses as of 1 January 2026	(39,569)	(78,955)	(404,264)	(426)	(523,214)
Transfer to Stage 1	(10,303)	10,021	282	-	-
Transfer to Stage 2	2,703	(3,939)	1,236	-	-
Transfer to Stage 3	147	31,355	(31,502)	-	-
Transfer to purchased or originated credit-impaired assets	-	-	3,864	(3,864)	-
(Creation)/Releases in the period though the income statement	10,746	(13,110)	(80,511)	(670)	(83,545)
Decrease in provisions due to write-offs	-	-	19,052	-	19,052
Decrease in provisions in connection with the sale of receivables	12,817	33,323	251,127	2,957	300,224
Changes in accrued interest in Stage 3 other than written off and sale of receivables	-	(1)	(9,123)	(1,339)	(10,463)
Decrease in provisions due to derecognition from the balance sheet as a result of significant change	-	-	-	3,316	3,316
Foreign exchange and other movements	(370)	(221)	(2,707)	101	(3,197)
Provision for expected credit losses as at 30 June 2026	(23,829)	(21,527)	(252,546)	75	(297,827)

*Including the effect of the sale transaction described in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations".

PLN '000	Stage 1	Stage 2	Stage 3	Originated credit-impaired assets	Total
Provision for expected credit losses - amounts due from customers					
Provision for expected credit losses as at 1 January 2025	(41,995)	(79,207)	(425,242)	733	(545,711)
Transfer to Stage 1	(12,153)	11,204	949	-	-
Transfer to Stage 2	3,192	(6,059)	2,867	-	-
Transfer to Stage 3	517	9,320	(9,837)	-	-

PLN '000	Stage 1	Stage 2	Stage 3	Originated credit-impaired assets	Total
Transfer to purchased or originated credit-impaired assets	-	55	9,080	(9,135)	-
recreation)/Releases in the period through the income statement	9,654	(17,533)	(26,926)	(930)	(35,735)
at changes resulting from an update of the estimation method	(1,190)	2,754	-	-	1,564
Decrease in provisions due to write-offs	-	-	7,710	-	7,710
Decrease in provisions in connection with the sale of receivables	-	-	68,344	3,180	71,524
Changes in accrued interest in Stage 3 other than written off	-	1	(30,234)	(3,055)	(33,288)
and sale of receivables	-	-	-	-	-
Decrease in impairment losses due to removal from balance sheet as a result of a material change	-	-	-	8,807	8,807
Foreign exchange and other movements	2,406	510	(975)	(26)	1,915
Provision for expected credit losses as at 31 December 2025	(39,569)	(78,955)	(404,264)	(426)	(523,214)

20. Intangible assets

Intangible assets in the amount of PLN 881,378 thousand as at 30 June 2026 (as at 31 December 2025: PLN 878,388 thousand) include goodwill in the amount of PLN 851,205 thousand (as at 31 December 2025: PLN 851,205 thousand). In Group's consolidated financial statement, goodwill arises as a result of the merger between Bank Handlowy w Warszawie S.A. and Citibank (Poland) S.A. which happened on 28 February 2001 and from acquisition of organized part of the banking enterprise ABN Amro Bank (Polska) S.A which happened on 1 March 2005.

The goodwill is stated at cost minus any accumulated impairment losses. Goodwill is not amortized but is only subject to impairment testing. Goodwill is tested for impairment at least annually, unless evidence of impairment is identified. Goodwill allocated to the Retail Banking Segment was fully written off in prior periods. The impairment loss related to goodwill is not subject to reversal.

After the sale of the Retail Banking Segment in June 2026, the Bank has conducted a revision of the structure of cash-generating units. On the basis of this review two cash-generating units have been identified: corporate banking segment and financial markets segment. To each of these identified units, according to the relative value approach, a separation of the firm has been carried out. As of June 30, 2026, PLN 404,388 thousand was assigned to corporate banking and PLN 446,817 thousand was assigned to financial markets. The Bank has conducted a test for the loss of value for the identified cash-generating units. No loss of value was identified.

21. Deferred income tax asset

PLN '000	30.06.2026	31.12.2025
Deferred income tax asset	936,585	1,311,333
Deferred income tax liability	(870,398)	(1,033,929)
Deferred income tax net asset	66,187	277,404

Data as of December 31, 2025, includes deferred income tax net assets in disposal groups held for sale in the amount of PLN 57,016 thousand. Information on discontinued operations is disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations".

Deferred income tax assets and liabilities are presented in the statement of financial position on net basis.

The interpretation that the Bank received in March 2026, regarding the possibility of recognition as a tax-deductible expense the assets transferred to the purchaser has partly contested the Bank approach. Therefore, the Bank has submitted an additional request for interpretation, aimed at clarifying the meaning of the original ruling.

As a result of resubmitting an application the Bank has received a positive tax interpretation, regarding the possibility of recognition as a tax-deductible expense the assets transferred to the purchaser as part of Retail Banking sale transaction, with respect to the amount reflecting the value of net assets which enabled the tax recognition of the economic loss arising from the sale of Retail Banking business segment.

The tax effect in the amount of PLN 141 million has been moved from deferred tax assets to current income tax.

22. Other assets

PLN '000	30.06.2026	31.12.2025
Settlements related to brokerage activity	558,943	147,277
Sundry debtors	102,195	45,308
Interbank settlements	55,261	140,450
Income to receive	41,237	39,681
Prepayments	11,865	7,997
Other assets, total	769,501	384,713
Including financial assets*	716,399	337,035

*Financial assets include all the positions "Other assets", except the positions "Income to receive" and "Prepayments".

23. Amounts due to banks

PLN '000	30.06.2026	31.12.2025
Current accounts	2,532,790	1,964,349
Time deposits	1,911,130	696,503
Loans received	2,375,282	1,060,443
Liabilities due to sold securities under repurchase agreements	2,460,483	-
Other liabilities, including:	186,023	183,212
Hedge deposits	184,737	182,553
Total amounts due to banks	9,465,708	3,904,507

The position in full represents the subordinated loan received from Citibank Europe PLC. On the April 14, 2026, the Bank's Management Board decided to use next part of the amount specified in the subordinated loan agreement dated June 6, 2024, concluded between the Bank and Citibank Europe PLC with registered office in Dublin, Ireland. The Bank included the funds from the loan drawn in eligible liabilities for the purposes of TLAC/MREL requirement.

24. Amounts due to customers

PLN '000	30.06.2026	31.12.2025
Deposits from financial sector entities		
Current accounts	3,629,866	3,356,648
Time deposits	3,073,876	2,657,059
	6,703,742	6,013,707
Deposits from non-financial sector entities		
Current accounts, including:	21,619,486	33,656,849
institutional customers	17,365,252	18,764,512
individual customers	-	11,695,551
budgetary units	4,254,234	3,196,786
Time deposits, including:	18,751,585	20,556,829
institutional customers	12,838,961	10,025,054
individual customers	-	8,877,509
budgetary units	5,912,624	1,654,266
	40,371,071	54,213,678
Total deposits	47,074,813	60,227,385
Other liabilities		
Liabilities arising from securities sold under repurchase agreements	576,338	-
Other liabilities, including:	560,540	354,724
cash collateral	259,653	238,743
hedging deposits	300,453	81,088
Total other liabilities	1,136,878	354,724

PLN '000	30.06.2026	31.12.2025
Total amounts due to customers	48,211,691	60,582,109

Data as of December 31, 2025, include liabilities in disposal groups held for sale in the amount of PLN 22,152,903 thousand.
Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

25. Other liabilities

PLN '000	30.06.2026	31.12.2025
Staff benefits	19,421	11,177
Interbank settlements	676,689	265,806
Settlements related to brokerage activity	549,943	165,430
Liabilities due to leasing assets	56,430	84,174
Sundry creditors	143,803	101,101
Accruals, including:	440,517	322,362
Provision for employee payments	73,801	117,463
Provision for employee retirement	92,508	86,686
IT services and bank operations support	64,855	55,498
Consultancy services and business support	21,760	7,530
Other	187,593	55,185
Deferred income	28,014	34,622
Settlements with Tax Office and National Insurance (ZUS)	407,331	55,570
Other liabilities, total	2,322,148	1,040,242
Including financial liabilities*	1,446,286	627,688

*Financial liabilities include all the positions "Other liabilities", except the positions "Settlements with Tax Office and National Insurance (ZUS)" and "Deferred income".

26. Financial assets and liabilities by maturity date/ due date

As at 30 June 2026

PLN '000	Note	Total	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Cash and cash equivalents		2,813,104	2,813,104	-	-	-	-
Amounts due from banks (Gross)	15	10,447,624	1,554,977	-	8,892,647	-	-
Financial assets held-for-trading							
Debt securities held-for-trading	16	2,493,351	2,051	-	91,909	1,755,335	644,056
Financial assets measured at fair value through other comprehensive income							
Debt securities measured at fair value through other comprehensive income	17	31,245,251	2,498,179	11,423	827,547	24,206,168	3,701,934
Amounts due from customers (gross)							
Amounts due from financial sector entities	18	9,126,099	3,486,700	257,650	100,705	3,881,044	1,400,000
Amounts due from non-financial sector entities	18	12,315,660	5,358,025	1,541,116	1,844,025	2,574,826	997,668
Amounts due to banks	22	9,465,708	5,293,203	1,739,540	70,000	2,362,965	-
Amounts due to customers							
Amounts due to financial sector entities:	23	7,557,877	7,497,884	57,525	2,468	-	-
Amounts due to non-financial sector entities	23	40,653,814	37,221,046	2,845,643	437,334	99,391	50,400

As at 31 December 2025

PLN '000	Note	Total	Up to 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years
Cash and balances with the Central Bank		9,421,899	9,421,899	-	-	-	-
Amounts due from banks (Gross)	15	8,250,519	108,362	-	7,723,821	-	418,336
Financial assets held-for-trading							
Debt securities held-for-trading	16	2,294,275	11,270	3,082	48,338	1,694,431	537,154
Financial assets measured at fair value through other comprehensive income							
Debt securities measured at fair value through other comprehensive income	17	30,151,984	1	-	119,312	25,358,871	4,673,800
Amounts due from customers (gross)							
Amounts due from financial sector entities	18	6,459,795	2,151,389	37,331	231,124	4,039,951	-
Amounts due from non-financial sector entities	18	18,454,171	6,498,679	1,565,954	2,791,149	5,100,069	2,498,320
Amounts due to banks	22	3,904,507	2,827,832	-	20,000	1,056,675	-
Amounts due to customers							
Amounts due to financial sector entities:	23	6,026,114	5,995,424	29,583	1,107	-	-
Amounts due to non-financial sector entities	23	54,555,995	46,940,798	5,486,879	1,974,056	104,130	50,132

The table above presents assets and liabilities in disposal groups held for sale. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

Maturity understood as the period remaining from the reporting date to the date of payment of receivables specified in the contract, for receivables repaid at one time it is the date of repayment of the entire debt specified in the contract, and for receivables repaid in installments it is the date of repayment of individual installments specified in the contract.

27. Financial instruments disclosures

Fair value of financial assets and liabilities

The summary below provides statement of financial position (by category) and fair value information for each category of financial assets and liabilities.

PLN '000	Note	30.06.2026		31.12.2025	
		Balance value	Fair value	Balance value	Fair value
Assets					
Amounts due from banks	16	10,445,545	10,436,887	8 246,058	8,250,663
Amounts due from customers	19	21,143,932	21,193,979	24,390,752	24,730,158
Liabilities					
Amounts due to banks	23	9,465,708	9,465,640	3,904,507	3,904,535
Amounts due to customers	24	48,211,691	48,221,781	60,582,109	60,556,172

Data as of December 31, 2025 presents assets and liabilities in disposal groups held for sale. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

The models used to determine fair value of financial instruments, which are not recognized at fair value in the balance sheet of the Group presented in the table above, employ valuation techniques based on non-market parameters and are therefore classified as fair value Level III.

Valuation methods and assumptions used for the purposes of measurement at fair value

Fair value of assets and financial liabilities are estimated as follows:

- The fair value of financial instruments not quoted on active markets is determined using valuation techniques. If valuation techniques are used to determine fair values, these methods are periodically assessed and verified. All the

models are tested and approved before application. As far as possible, only observable data is used in the models, although in some areas, the Bank's management must use estimates. Changes in the assumptions relating to the estimated factors may affect the fair value of financial instruments disclosed.

The Group applies the following methods of measurement of particular types of derivative instruments:

- FX forwards: discounted cash flow model;
 - options – option market-based valuation model;
 - interest rate transactions – discounted cash flow model;
 - futures – current quotations.
- For valuation of securities transactions current quotations are used. In case of lack of quotations, adequate models based on discount and forward curves, including decrease of credit spread, if needed, are used for valuation.
 - The fair value of other assets and financial liabilities (excluding described above) are estimated in accordance to commonly accepted models of valuation based on discounted cash flow analysis, taking into account fluctuations in market interest rates and changes in margins during the financial period.

Fair value included in consolidated statement of financial position

Depending on the method of determining fair value, individual financial assets or liabilities are classified into the following categories:

- Level I: financial assets / liabilities valued directly on the basis of prices from an active market where the regular quotations are available and turnover is sufficient.
The active market includes stock and brokerage quotes and quotes in pricing services type systems, such as Reuters and Bloomberg, which represent the actual market transactions concluded on the market conditions. Level I mainly include securities held-for-trading or measured at fair value through other comprehensive income.
- Level II: financial assets / liabilities valued on the basis of models based on input data from the active market, presented in Reuters and Bloomberg systems. Depending on financial instruments, the following specific valuation techniques are used:
 - listed prices for a given instrument or listed prices for an alternative instrument,
 - fair value of interest rate swaps and forward foreign exchange contracts is calculated as the current value of future cash flows based on the market yield curves and current NBP fixing exchange rate in case of foreign currency instruments,
 - other techniques, such as yield curves based on alternative prices for a given financial instrument.
- Level III: financial assets / liabilities valued on the basis of valuation techniques using relevant, non-market parameters.

The tables below present values of financial instruments in the consolidated statement of financial position, in accordance with a fair value classified by above levels.

As at 30 June 2026

PLN '000	Note	Level I	Level II	Level III	Total
Financial assets					
Financial assets held-for-trading	17	2,528,931	2,046,357	-	4,575,288
derivatives		-	2,046,357	-	2,046,357
debt securities		2,493,351	-	-	2,493,351
equity instruments		35,580	-	-	35,580
Debt financial assets measured at fair value through other comprehensive income	18	28,747,073	2,498,178	-	31,245,251
Equity and other investments measured at fair value through income statement		2,486	-	131,220	133,706
Financial liabilities					
Financial liabilities held-for-trading	17	265,855	2,661,912	-	2,927,767
short sale of securities		265,855	-	-	265,855
derivatives		-	2,661,912	-	2,661,912
Hedging derivatives		-	248,190	-	248,190

As at 31 December 2025

PLN '000	Note	Level I	Level II	Level III	Total
Financial assets					
Financial assets held-for-trading	17	2,330,267	2,496,836	-	4,827,103
Derivatives		720	2,496,836		2,497,556
Debt securities		2,294,275			2,294,275
Equity instruments		35,272			35,272
Debt investment financial assets measured at fair value through other comprehensive income	18	30,151,984	-	-	30,151,984
Equity and other instruments measured at fair value through income statement		45,632	-	138,276	183,908
Financial liabilities					
Financial liabilities held-for-trading	17	10,310	2,679,789	-	2,690,099
short sale of securities		8,880		-	8,880
derivatives		1,430	2,679,789	-	2,681,219
Hedging derivatives			358,677	-	358,677

The table above presents assets and liabilities in disposal groups held for sale. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

As at June 30, 2026 the structure of VISA stocks owned by the Bank has not been changed in relation to December 31, 2025.

As a result of conversion completed in I half of 2026 the Bank acquired series "A" VISA Inc. preferred shares of a value amounted to PLN 36,021 thousand, positive result of the transaction equated to PLN 1,875 thousand and was recognized as Net gain on equity and other instruments measured at fair value through income statement.

As at June 30, 2026, the amount of financial assets classified to level III includes the value of the share in Visa Inc. (preference series C) in the amount of PLN 4,750 thousand and the value of other minority shareholding in the amount of PLN 126,470 thousand (as of December 31, 2025 respectively PLN 4,534 thousand and PLN 133,742 thousand).

The sensitivity analysis for equity instruments classified to level III as at 30 June 2026 is presented in the table below:

PLN '000	Fair Value	Scenario	Fair value in positive scenario	Fair value in negative scenario
Equity instruments compulsorily measured at fair value through profit or loss	131,219	Change of the key parameter (cost of capital by - 10% / + 10% or conversion rate by + 10% / - 10%)	149,630	116,820

The method of estimating the fair value of series C Visa Inc preference shares takes into account the value of Visa Inc. shares and corrections resulting from disputes (current or potential) to which Visa or the Bank would be a party. Minority shareholding in structured companies is measured at fair value taking into account, inter alia, the expected discounted dividends using an assumed cost of capital and the history of profit distribution in the particular companies. Changes in the valuation are taken to the Income statement and presented in the Net gain/(loss) on equity and other instruments measured at fair value through income statement.

Changes in financial assets and liabilities, measured at a fair value that was estimated using relevant parameters not-market based are presented below:

PLN '000	Equity and other investments measured at fair value through income statement	
	01.01.-30.06.2026	01.01.-31.12.2025
As at the beginning of period	138,276	134,831
VISA stock conversion – transfer to Level I	-	(4,646)
Revaluation	(7,056)	8,091
As at the end of period	131,220	138,276

In the first half of 2026, the Group has not made any changes in classification criteria of financial instruments (presented in the consolidated statement of financial position at fair value) to each category reflecting the fair value (level I, level II, level III).

In the same period, the Group did not change the classification of financial assets as a result of a change in the purpose or use of the asset.

28. Net gain/(loss) on derecognition of asset from balance sheet

The net gain/(loss) on derecognition of financial assets in Group relates to the gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income.

	II quarter 01.04.- 30.06.2026	I half of the year 01.01. - 30.06. 2026	II quarter 01.04. - 30.06. 2025	I half of the year 01.01. - 30.06. 2025
PLN '000				
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income				
Polish treasury bonds	-	174,526	27,541	40,629
EIB securities	-	1,707	-	1,932
Others	27,383	45,888	77,807	102,854
	27,383	222,121	105,348	145,415

Due to specific activity of the Group, changes in debt investment financial assets measured at fair value through other comprehensive income are presented in operating activities in the statement of cash-flows.

29. Hedge accounting

The Group hedges the risk of change in fair value of fixed interest rate debt securities measured at fair value through other comprehensive income. The hedged risk results from changes in interest rates.

IRS is the hedging instrument denominated in the same currency as hedged instruments in which the Group receives variable inflows and pays fixed.

The gain or loss on the hedged item attributable to the hedged risk is recognized in result on hedge accounting in the income statement. The remainder of the change in the fair value of debt securities measured at fair value through other comprehensive income is recognized in other comprehensive income. Interest income on debt securities is recognized in net interest income.

Changes in the fair value of derivatives designated as qualifying hedging instruments are recognized in result on hedge accounting in the income statement. Interest income and interest expenses related to the hedging derivatives under fair value hedge are presented in the net interest income.

As at 30 June 2026 and as at 31 December 2025, the Group had active hedging relationships. Details of the positions designated as hedging instruments and the effectiveness of the designated hedging relationships are set out in the tables below:

As at 30 June 2026:

PLN '000	Notional value	Balance value		Listing in the statement of financial position	Change in fair value used to take hold of hedge ineffectiveness
		Assets	Liabilities		
Interest rate risk					
IRS Transactions	3,734,500	-	249,765	Hedging derivatives	73,425

Details of hedged items as at 30 June 2026 are presented in the table below:

PLN '000			Balance value		Cumulative amount of hedging fair value in balance value of hedged item corrections	Listing in the statement of financial position	Change in fair value used to take hold of hedge ineffectiveness
			Assets	Liabilities			
Interest rate risk							
Bond issued by governments			3,361,992	-	197,103	Debt investment securities measured at fair value through other comprehensive income	(71,961)

PLN '000	Balance value		Cumulative amount of hedging fair value in balance value of hedged item corrections	Listing in the statement of financial position	Change in fair value used to take hold of hedge ineffectiveness
	Assets	Liabilities			
Bond issued by financial institutions	522,588	-	19,159	Debt investment securities measured at fair value through other comprehensive income	(6,517)

The cumulative amount of fair value hedge adjustments remaining in the statement of financial position for all hedged items for which adjustments for fair value hedge gains and losses were discontinued as at 30 June 2026 amounted to PLN (74,636) thousand.

Information on the effectiveness of designated hedging relationships as at 30 June 2026 is presented in the table below:

	Hedge ineffectiveness recognized in income statement	Listing in the statement of financial position
Interest rate risk	(5,053)	Net income on hedge accounting

As at 31 December 2025:

PLN '000	Notional value	Balance value		Listing in the statement of financial position	Change in fair value used to take hold of hedge ineffectiveness
		Assets	Liabilities		
Interest rate risk					
IRS Transactions	4,848,500	-	358,677	Hedging derivatives	(332,939)

Details of hedged items as at 31 December 2025 are presented in the table below:

PLN '000	Balance value		Cumulative amount of hedging fair value in balance value of hedged item corrections	Listing in the statement of financial position	Change in fair value used to take hold of hedge ineffectiveness
	Assets	Liabilities			
Interest rate risk					
Treasury bonds	2,427,315	-	161,184	Debt investment securities measured at fair value through other comprehensive income	197,940
Bond issued by banks	2,441,885	-	130,541	Debt investment securities measured at fair value through other comprehensive income	136,817

The cumulative amount of fair value hedge adjustments remaining in the statement of financial position for all hedged items for which adjustments for fair value hedge gains and losses were discontinued as at 31 December 2025 amounted to PLN (73,078) thousand.

Information on the effectiveness of designated hedging relationships as at 31 December 2025 is presented in the table below:

	Hedge ineffectiveness recognized in income statement	Listing in the statement of financial position
Interest rate risk	1,817	Net income on hedge accounting

30. Seasonality or periodicity of business activity

The business activity of the Group does not involve significant events that would be subject to seasonal or cyclical variations.

31. Issue, redemption and repayment of debt and equity securities

In the first half of the year 2026 no issue or pay back of debt or equity securities took place.

The Group, in implementing the incentive programs referred to in the resolutions adopted by the Extraordinary General Meeting of the Bank on the December 16, 2022, in 2024 converted a specified portion of cash-settled awards into equity-settled awards of the Bank Handlowy w Warszawie S.A., which resulted in a change to the accounting treatment of certain equity awards in accordance with IFRS 2 "Share-based Payment".

On March 2, 2026 the Bank received decision from Polish Financial Supervision Authority ("KNF") dated February 27, 2026, in which the Bank was granted permission to begin purchasing its own shares for the purpose of offering them to eligible employees under the incentive program. Under the above authorization issued for the period until December 27, 2027, the Bank may acquire a maximum of 285,000 own shares and the price of the repurchased own shares of the Bank may not exceed a total of PLN 30,000,000.

In the first half of 2025, the Bank has not been purchasing own shares under the above authorization of Polish Financial Supervision Authority ("KNF").

On March 18, 2026, the Bank transferred free of charge (i.e. initiated the transfer to) eligible employees of the Bank a total of 98,837 shares previously acquired (Tranche I), while on March 23, 2026, the Bank transferred free of charge (i.e. initiated the transfer to) eligible employees of the Bank a total of 26,057 shares previously acquired (Tranche II), giving the total of 124,894 shares across both tranches. The shares transferred represent in total 0.095587% of the share capital of the bank and entitle their holders to 0.095587% of total number of votes at the General Meeting of the Bank.

As at the end of June 2026 the Bank retained 141,893 shares in total representing 0.1085975% of share capital of the Bank and carrying in aggregate the right to 0.1085975% of total votes at the General Meeting of the Bank.

In the period from July 17, 2026, till July 27, 2026, the Bank has acquired 55,815 own shares at the par value of one acquired share equaled to PLN 4.00, representing 0.0427179% the share capital of the Bank and entitling for 55,815 votes at the General Meeting of the Bank, which constitutes 0.0427179% of the total votes at the General Meeting of the Bank for the total price of PLN 6,809,009.20.

From the beginning of the execution of purchase of shares under the authorization of Polish Financial Supervision Authority ("KNF") from March 2, 2026, through the date of this report, the Bank has acquired 55,815 own shares at the par value of one acquired share equaled to PLN 4.00, representing 0.0427179% the share capital of the Bank and entitling for 55,815 votes at the General Meeting of the Bank, which constitutes 0.0427179% of the total votes at the General Meeting of the Bank. In the period when the shares were owned by the Bank, Bank did not exercise the voting rights attached to these shares.

32. Paid or declared dividends

On June 17, 2026, the Ordinary General Meeting of Shareholders ("GSM") of the Bank adopted a resolution on distribution of net profit for 2024. Pursuant to the resolution the net profit for 2025 in the amount of PLN 1,667,392,455.21 was distributed as follows:

- Dividend for shareholders: PLN 1,250,359 633.06,
- Reserve capital: PLN 417,032,822.15 was left undivided.

In addition, GSM decided to allocate for distribution among shareholders the amount of PLN 28,713,895.54 from the Dividend Capital established by the General Meeting Resolution No. 26/2025 of June 27, 2025, regarding the creation of a reserve capital for dividend payment, including advance payments for dividends.

GMS decided to allocate to distribution between shareholder amount equal to PLN 448,551,276.72 ("Interim Dividend", which was paid out to shareholders on October 28, 2025) derived from dividend capital created by General Meeting of Shareholders by resolution number 26/2025 from June 27, 2025, concerning creation of capital reserve for the purpose of dividend payout, including interim dividend payments.

The dividend per one ordinary share is PLN 9.80 gross. The number of shares entitled to dividends is 130,517,707. Simultaneously GMS resolved to determine the dividend record date as June 25, 2026 (dividend record date) and the dividend payment date as June 30, 2026 (dividend payment date).

The payments in this amount were in line with the individual recommendation of the Polish Financial Supervision Authority regarding fulfilling by the Bank of requirements for dividend payment from net profit generated in 2025 and decision of Bank Supervision Commission from May 18, 2026, issued on the bases of Article 129 paragraph 3 of banking law.

33. Changes in the Bank Capital Group's structure

In the first half of 2026 the structure of the Bank's Capital Group has not changed compared to the end of 2025.

34. Changes in granted and received financial commitments and guarantees

The table below presents granted and received financial commitments and guarantee as at 30 June 2026 and changes in comparison with the end of 2025:

PLN '000	State as at		Change	
	30.06.2026	31.12.2025	PLN '000	%
Contingent commitments and guarantees granted				
Letters of credit	156,545	159,738	(3,193)	(2.0%)
Guarantees granted	3,997,257	4,004,978	(7,721)	(0.2%)
Credit lines granted	9,704,758	14,547,861	(4,843,103)	(33.3%)
Other guaranteed liabilities	-	22,754	(22,754)	(100.0%)
	13,858,560	18,735,331	(4,876,771)	(26.0%)
Letters of credit				
Import letters of credit issued	145,664	159,738	(14,074)	(8.8%)
Export letters of credit issued	10,881	-	10,881	-
	156,545	159,738	(3,193)	(2.0%)

Data as of December 31, 2025, liabilities in disposal groups held for sale in the amount of PLN 55,235,160 thousand. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

The Group creates provisions for contingent commitments and guarantees granted by the Group. As at 30 June, 2026 the amount of provisions of granted contingent commitments and guarantees was PLN 22,333 (31 December 2025: PLN 25,767 thousand).

Guarantees granted include guarantees of credit repayment for payer, other guarantees of payment, guarantees on advance payments, guarantees on proper performance, tender guarantees and endorsements on bills.

PLN '000	State as at		Change	
	30.06.2026	31.12.2025	PLN '000	%
Contingent commitments and guarantees received				
Financial	2,466	-	2,466	-
Guarantees	16,232,076	14,881,119	1,350,957	9.1%
	16,234,542	14,881,119	1,353,423	9.1%

Data as of December 31, 2025, liabilities in disposal groups held for sale in the amount of PLN 496 thousand. Information on discontinued operations disclosed in Note 4 "Assets and liabilities classified as held for sale and profit from discontinued operations"

35. Contingent liabilities and litigation proceedings

No proceedings regarding receivables or liabilities of the Group conducted in the first half of 2026 in court, public administration authorities or an arbitration authority is of significant value. In Group's opinion no proceedings conducted in court, public administration authority or an arbitration authority pose a threat to the Group's financial liquidity, individually or in total.

In the case of legal proceedings involving the risk of cash outflow the Group has created appropriate provisions, in accordance with IAS 37.

The value of provisions for disputes as of June 30, 2026, and December 31, 2025, are presented in the table below:

PLN '000	30.06.2026	31.12.2025
Provisions for disputes, including:		
provisions for option cases on derivative instruments	17,850	17,506
provisions for individual cases relating to CJEU judgements	12,341	21,694
Other provisions	9,988	8,837
Provisions for disputes	40,179	48,037

The above values do not include portfolio provision created in connection with the CJEU judgments, which were presented in the consolidated financial statement as Reserves, position Others, and described below.

No significant settlements occurred in the first half of 2026 due to court cases concluded with a final judgment.

- On 27 May 2019 the Bank received a statement of claim submitted by Rigall Arteria Management spółka z ograniczoną odpowiedzialnością sp. k. for the payment of PLN 386,139,180.89 along with statutory interest for delay from the date of filing the claim to the payment date and the amount of PLN 50,017,463.89 including statutory interest for delay from the date of filing the claim to the date of payment. The statement of claim refers to the agency agreement, which covered intermediary services for the Bank's products and services, primarily in the segment of Retail Banking, and was terminated in 2014. The Court has referred the matter to mediation proceedings, which have not resulted in a mutual agreement, which has not resulted in an agreement. On December 16, 2025, the Regional Court in Warsaw has issued a first-instance judgment in which it awarded PLN 168,718 to Rigall Arteria Management and dismissed the claim in the remaining part.

On 10 February 2020 the Bank received a statement of claim submitted by Rotsa Sales Direct sp. z o.o. for the payment of PLN 419,712,468 along with statutory interest for delay from the date of filing the claim to the payment date and the amount of PLN 33,047,245 including statutory interest for delay from the date of filing the claim to the date of payment. The statement of claim refers to the agency agreement, which covered intermediary services for the Bank's products and services, primarily in the segment of Retail Banking, and was terminated in 2014. The court referred the matter to mediation proceedings, so the case has been brought to consideration the court of first instance.

In the Bank's opinion, the number of claims filed by the companies is not justified. The Bank's position is confirmed by legally binding resolutions of legal actions taken by the companies against the Bank, which are beneficial for the Bank, as well as by the judgement expressed in the proceedings with reference number C-64/21 pending before the Court of Justice of the European Union in connection with preliminary ruling from the Supreme Court of October 13, 2022, and Warsaw District Court verdict of December 16, 2025, in a case brought by Rigall Arteria Management.

As of May 25, 2026, Rotsa Sales Direct limited liability company (LLC) and the Bank reached a settlement based on which Rotsa Sales Direct LLC withdrew the lawsuit which resulted in termination of proceedings and closure of the case, without additional costs for the Group.

- As of June 30, 2026, the Bank was among others a party to 8 court proceedings associated with derivative transactions. Among these, 5 proceedings have not been terminated with a legally binding conclusion, in one case, the court of appeal issued a final judgment against which a cassation appeal may be lodged, and 2 have been terminated and cassation proceedings were pending. In 5 proceedings the Bank acted as a defendant and in 3 as a plaintiff. The claims and allegations in the individual cases against the Bank are based on various legal bases. The subject of the dispute refers mainly to the validity of the derivative transactions and clients' liabilities demanded by the Bank with respect to those derivative transactions, as well as potential claims regarding potential invalidation of such demands by court decisions. Clients try to prevent the Bank from seeking claims resulting from derivative transactions; they dispute their liabilities towards the Bank, question the validity of the agreements and, in some cases, demand payment from the Bank.
- The Bank was a party to proceedings initiated by the President of the Office of Competition and Consumer Protection (UOKiK) against the Visa and Europay payment system operators and banks - issuers of Visa cards and Europay/Eurocard/Mastercard cards. The Bank was one of the addressees of the President of UOKiK's decision in the case. The proceedings have concerned alleged practices limiting competition on the payment cards market in Poland consisting in the fixing of interchange fees for transactions made with Visa and Europay/Eurocard/Mastercard cards, as well as limiting access to the market for operators who do not belong to the unions of card issuers, against whom the proceedings were initiated. The President of UOKiK's decision was the subject of legal analyses in appeal proceedings. On April 22, 2010, the Appeal Court overturned the verdict of the Court of Competition and Consumer Protection (SOKiK) and referred the case back to the court of first instance. On 21 November 2013 SOKiK made a judgment, under which a penalty imposed on the Bank was modified and set in the amount of PLN 1,775,720. On October 6, 2015, the Appeal Court modified the verdict of the Competition and Consumer Protection Court and denied all appeals from the decision of the President of the Competition and Consumer Protection Office, including the changes of amounts of the fines that were imposed upon banks. As a result, the fine in the amount of 10,228,470 PLN that was originally imposed upon the Bank has been reinstated. As the Bank submitted extraordinary appeal on the 25 October 2017 the Supreme Court has overturned the Appeal Court's verdict, and the case has been returned to the Appeal Court for a second review. The appeals proceedings have begun again. In the first quarter of 2018, the Bank received the reimbursed. By the judgment of November 23, 2020, the Appeal Court set aside the judgment of November 21, 2013, and remitted the case to the court of first instance for reconsideration.
- The Bank is carefully following the changes of the legal environment arising out of the courts' case law regarding mortgage loans indexed to foreign currencies. As of June 30, 2026, the Bank had receivables from retail mortgage loan indexed to the CHF exchange rate at their net carrying amount PLN 9,7 million. Besides the provision for individual litigation cases, the Bank maintained portfolio provision on this account in the amount of PLN 10.4 million as of June 30, 2026 (compared to PLN 15,7 million as of December 31, 2025). Estimation of provisions assumes an expected probability of settlement or litigation and an estimate of loss of the Bank in case of resolution of the case in court. This

amount as well as the provisions for the individual litigation cases are recognized in the consolidated statement of financial position of the Group under Provisions.

As of June 30, 2026, the Bank was sued in 48 cases relating to a CHF-indexed loan for a total amount of approximately PLN 19.1 million. 63 cases were legally lost, and the Bank decided to file two cassation appeals (one appeal was rejected on formal grounds, as to the second the Supreme Court refused to accept the cassation appeals for consideration). Most of the cases are in the first instance.

- Below are presented key issues regarding retail business:
- On 22 June 2021, the President of the Office of Competition and Consumer Protection initiated explanatory proceedings to initially determine whether the Bank's actions taken after consumers reported unauthorized payment transactions may justify the initiation of proceedings regarding practices violating the collective interests of consumers or proceedings regarding to recognize the provisions of the standard contract as prohibited. On 8 February 2024, the President of the Office of Competition and Consumer Protection initiated proceedings (decision delivered on 13 February 2024) regarding practices violating the collective interests of consumers regarding unauthorized payment transactions. The charges brought are:
 - failure to refund the amount of an unauthorized payment transaction to the customer within the D+1 deadline despite the lack of premises for such refusal,
 - misleading consumers as to the Bank's obligations and the distribution of the burden of proving the authorization of a payment transaction.

The proceedings are the result of the explanatory proceedings of the President of the Office of Competition and Consumer Protection initiated in June 2021. As at June 30, 2025, the Bank did not create any provision in this respect because it is not possible to reliably estimate its potential outcome.

- As of June 12, 2026, the Bank was the defendant in a total of 402 court cases concerning claims arising from the free credit sanction related to consumer loans offered by the Bank. The total value of the dispute in these cases as of the above date was PLN 10.9 million. The Bank noted the preliminary questions submitted by Polish courts in cases concerning Polish financial market entities, which concern issues related to the free credit sanction, and is closely following the course of proceedings in which these questions are to be resolved. The Bank closely monitors court decisions in cases concerning the free credit sanction. The ruling in the Bank's cases issued during in the period previous to the business transfer transaction of Retail Segment to VeloBank was overwhelmingly favorable to the Bank.
- In its judgment issued on April 23, 2026, in case C-744/24, the Court of Justice of the European Union interpreted the provisions of Directive 2008/48/EC of the European Parliament and of the Council of April 23, 2008, on credit agreements for consumers, and stated that Article 3(g) and (j) of Directive 2008/48/EC of the European Parliament and of the Council of April 23, 2008, on credit agreements for consumers and repealing Council Directive 87/102/EEC, as amended by Directive (EU) 2021/2167 of the European Parliament and of the Council of November 24, 2021, in conjunction with Article 10(2) of that Directive, must be interpreted as precluding the inclusion in consumer credit agreements of terms providing for the application of an interest rate not only to the total amount of credit but also to amounts intended to cover costs associated with that credit and thus forming part of the total cost of credit borne by the consumer. In its judgment, the Court thus challenged the possibility of charging interest on credited costs related to consumer credit. The assessment of the impact of the ruling on customer claims requires further observation of trends in national case law and the Court of Justice of the European Union.

36. Transactions with the key management personnel

PLN '000	30.06.2026*		31.12.2025	
	Members of the Management Board	Members of the Supervisory Board	Members of the Management Board	Members of the Supervisory Board
Loans granted	-	-	3,377	51
Deposits				
Current accounts	-	-	12,964	3,895
Term deposits	-	-	556	29,227
Total Deposits	-	-	13,520	33,122

*According to contract signed on June 12, 2026, a transaction through bank has existed from the Retail Banking Segment.

As of December 31, 2025, no guarantees were granted to members of the Management Board and the Supervisory Board.

All transactions of the Bank with members of the Management Board and the Supervisory Board were concluded at arm's length.

Staff expenses for current and former members of the Management Board are presented in note 11.

Changes in the composition of the Management Board of the Bank

On June 8, 2026, the Bank received an information about resignation of Mr. Andrzej Wilk as of June 11, 2026, from the role of Vice President of the Bank's Management Board.

Changes in the composition of the Supervisory Board of the Bank

In the first half of 2026, the composition of the Supervisory Board did not change.

Among all employment contracts between the Bank and the members of the Management Board of the Bank, there is no contract that provides for financial compensation in the case of termination with prior notice or for reasons specified in Article 53 of the Labor Code.

A separate non-competition agreement conducted with the Bank applies to each member of the Bank's Management Board. According to its provisions, in case of termination of employment in the Bank, in the period of 12 months (in case of one member of the Management Board – of 6 months) from the date of employment termination, the member of the Management Board is obligated to refrain from competitive activities against the Bank. Due to limitations mentioned above, the Bank will be obliged to pay compensation to the member of the Management Board.

37. Related parties

Transactions with related parties

The Bank is a member of Citigroup Inc., which is the ultimate controlling party. The parent entity of the Bank is Citibank Europe PLC based in Ireland.

Within its normal course of business activities, the Group enters into transactions with related entities, in particular with entities of Citigroup Inc.

The transactions with related entities result from current activity of the Group, and mainly include deposits, guarantees and derivatives transactions.

Apart from the transactions described in this section, in the presented period neither the Bank nor the Bank's subsidiaries conducted any transactions with related entities, which would be individually or jointly significant. No transaction with related entities was concluded on terms other than market terms.

Transactions with Citigroup entities

The receivables and liabilities towards Citigroup Inc. companies are as follows:

PLN '000	30.06.2026	31.12.2025
Receivables	10,390,520	7,791,730
Liabilities, including:	5,404,794	2,623,925
Deposits*	733,492	500,112
Loans received**	2,375,282	1,060,443
Balance-sheet valuation of derivative transactions		
Assets held-for-trading	327,534	618,584
Liabilities held-for-trading	819,115	605,645
Contingent liabilities granted	276,153	248,245
Contingent liabilities received	125,728	131,871
Contingent derivative transactions (liabilities granted/received), including:	69,055,313	66,728,140
Interest rate instruments	12,950,386	12,855,786
Currency instruments	55,514,923	53,371,076
Securities transactions	590,004	501,278

*As for June 30, 2026, balance sheet liabilities of the Bank (Deposits) towards the parent entity Group (Citibank Europe PLC with headquarters in Ireland) and its subsidiaries amounted to PLN 462 million, while off-balance sheet liabilities amounted to PLN 95 million (31 December 2025, respectively PLN 1,623 million and PLN 102 million).

**utilization of part of amount specified in the subordinated loan agreement concluded between the Bank and parent entity, additional information in Note 23.

PLN '000	01.01. – 30.06. 2026	01.01. – 30.06. 2025
Interest and commission income*	173,567	186,351
Interest and commission expense*	31,606	35,127

General administrative expenses	55,152	104,434
Other operating income	7,023	4,643

**Interest and commission income in amount of PLN 9,630 thousand (for the first half of 2025: PLN 8,694 thousand) refer to parent entity Group (Citibank Europe PLC with headquarters in Ireland) undertaking, whereas interest and commission costs refer to parent entity Group (Citibank Europe PLC with headquarters in Ireland) undertaking in amount of PLN 26,276 thousand (for the first half of 2025: PLN 20,586 thousand).*

The Group receives income and incurs costs on derivative transactions with entities of Citigroup Inc. in order to hedge market risk. These are back-to-back derivative transactions with Group's other clients and closing Bank's own position. On 30 June 2026 net balance valuation of transactions on derivatives amounted to PLN (491,581) thousand (31 December 2025: PLN 12,939 thousand).

Furthermore, the Group incurs costs and receives income from agreements between Citigroup Inc. entities and the Bank, regarding the provision of mutual services.

The costs incurred and accrued (including VAT reflected in the Bank's costs) in the first half of 2026 and also in the first half of 2025, due to the concluded agreements were concerned, in particular, with costs of services regarding maintenance of the Bank's information systems and advisory support. The income was related to data processing and other services rendered by the Bank.

In the first half of 2026, same as in first half of 2025, capitalization of capital expenditures related to work on modifying the functionality of the Bank's IT systems did not take place.

Citibank Europe PLC absorbed interest rate exposures associated with the transferred assets and liabilities from the date of the Group entering into an agreement to sell its Retail Banking Business through to completion.

Additionally, the Group may incur certain migration costs from various Citigroup affiliates related to the transaction described in Note 4. Amounts will be billed at market rates by Citigroup. At the end of first half of 2026, there are no outstanding balances between the Group and its related parties related to the transaction.

No guarantees have been given to or received by the Group from its related parties in connection to the disposal of Retail Banking.

38. Interest Rate Benchmark Reform

For the past few years, on developed foreign markets, we observe activities involving the introduction of alternatives to the existing reference rates such as IBOR (Interbank Offered Rate), which also include the WIBOR index.

In Poland, a reform of reference rates has been underway since the middle of 2022, within the framework of which work of National Working Group on the Reform of Benchmark Reform (NGR) commenced. The main goal of NGR was, first, to prepare an action plan for the smooth and safe replacement (conversion) of the WIBOR and WIBID reference rates, which took the form of a so-called "Roadmap". The information on the topic of "Roadmap" and information concerning the realization of stages of NGR workings are being published on the Polish Financial Supervision Authority (KNF) website. Oversight of the work connected with the reform is provided by NGR Steering Committee (SC NGR). In 2025 the NGR Steering Committee chose the POLSTR index as a recommended benchmark rate RFR type, intended to replace WIBOR. The decisions of GPW Benchmark S.A. (the administrator of WIBOR and WIBID rates) from 2025 and 2026 are key for the reform. Based on the decision of GPW Benchmark S.A. announced on September 30, 2025, WIBOR and WIBID rates for the O/N, T/N, 2W and 1Y tenors will cease on the following dates: O/N on October 1, 2026, T/N on December 22, 2025, 2W on December 22, 2025, 1Y on December 22, 2025, based on current method, on December 22, 2026, concerning an obligation imposed on the administrator by the oversight entity to continuing publishing benchmark rate based on Article 21 benchmark rate regulation, after implementing a change in the development method of the benchmark rate WIBOR benchmark rate for 1Y. Based on the decision from May 18, 2026, GPW Benchmark S.A. decided to stop developing WIBOR and WIBID for 1M, 3M and 6M in the orderly liquidation process as of January 1, 2037. The above implies that December 31, 2036, will be the last day of development of WIBID and WIBOR for 1M, 3M, and 6M. Detailed information concerning above mentioned decisions is publicly available on the GPW Benchmark S.A website.

Since the start of the reform, the Bank has been actively participating in all of NGR activities, as well as for the purpose of preparing the Bank for the efficient and safe implementation of the new reference rate, planning the conversion and lead the internal key project, in which members of Bank's Management Board and representatives of organizational units important for the project implementation are actively participating.

39. Significant events after the balance sheet date

On the June 13, 2026, the Bank has received a notice from Bank Guarantee Fund ("BFG"), concerning a joint decision of forced restructuring authorities i.e. Restructuring and Orderly Liquidation Single Resolution Board and BFG, concerning the minimal level of own funds and eligible liabilities ("MREL")

For the group plan of forced restructuring a strategy has been envisaged of forced restructuring, assuming a Single Point of

Entry, SPE at the Citigroup Inc. level.

The Bank was not classified as an entity subject to forced restructuring within the meaning of Article 2 paragraph 41a of the BFG Act.

MREL requirement for the Bank has been established at individual level of 15.36% of total value of risk exposure ("TREA") and 5.91% of total exposure measure ("TEM") on individual level. The Bank has been obliged to fulfill the requirements immediately after receiving the notice.

The entirety of MREL requirement should be fulfilled in form of own funds and liabilities fulfilling the criteria specified in Article 98 paragraph 2l of the BFG Act, constituting a transposition of Article 45f paragraph 2 of BRRD Directive.

Simultaneously BFG, indicated that Common Equity Tier I ("CET1") instruments maintained for the purpose of combined buffer requirement cannot be included towards the MREL requirement expressed as a percentage of total amount of risk exposition.

In connection to Bank not being indicated as entity subject to forced restructuring within the meaning of Article 2 paragraph 41a of the BFG Act, the Bank is no longer obliged to follow the requirement concerning own funds and eligible liabilities specified in Article 92a of 575/2013 (TLAC) directive at level of 18% TREA and 6.75% TEM, meaning the minimal required level of Bank's own funds and eligible liabilities expressed as a percentage of TREA will reduce by 2.64 p.p.

After the balance sheet date, there were no other material events that should be additionally included in these financial statements.

Members of the Management Board

26 August 2026 Date	Elżbieta Światopełk- Czetwertyńska Name	President of the Management Board Position/Function
26 August 2026 Date	Maciej Kropidłowski Name	Vice-president of the Management Board Position/Function
26 August 2026 Date	Barbara Sobala Name	Vice-president of the Management Board Position/Function
26 August 2026 Date	Patrycjusz Wójcik Name	Vice-president of the Management Board Position/Function
26 August 2026 Date	Tomasz Dziurzyński Name	Member of the Management Board Position/Function
26 August 2026 Date	Sebastian Perczak Name	Member of the Management Board Position/Function