



Report on activities of the Capital Group of Bank Handlowy w Warszawie S.A. in the first half of 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.

TABLE OF CONTENTS

I.	INTRODUCTION.....	3
1.	CHARACTERISTICS OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A. ("THE GROUP")	3
2.	MAJOR ACHIEVEMENTS IN THE FIRST HALF OF 2026:	3
3.	STRATEGY OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A.	4
4.	AWARDS AND HONORS	5
II.	MARKET CONDITIONS OF FUNCTIONING OF POLAND'S BANKING SECTOR	6
1.	MACROECONOMIC CONDITIONS AND THE SITUATION IN MONEY AND FOREIGN EXCHANGE MARKETS	6
2.	MONEY AND FOREIGN EXCHANGE MARKETS	7
3.	CAPITAL MARKET	7
4.	BANKING SECTOR.....	9
5.	FACTORS THAT WILL AFFECT THE GROUP'S OPERATIONS IN THE FUTURE	10
III.	THE ORGANIZATIONAL STRUCTURE OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A.....	11
IV.	SELECTED FINANCIAL DATA OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A.....	11
1.	SUMMARY FINANCIAL DATA OF THE GROUP.....	11
2.	FINANCIAL RESULT OF THE GROUP FOR THE FIRST HALF OF 2026	11
V.	ACTIVITIES OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A. IN THE FIRST HALF OF 2026.....	19
1.	CORPORATE BANKING SEGMENT	19
2.	FINANCIAL MARKETS SEGMENT	23
3.	DISCONTINUED OPERATIONS	24
4.	CHANGES IN INFORMATION TECHNOLOGY	24
5.	EQUITY INVESTMENTS OF THE GROUP.....	26
VI.	KEY RISK FACTORS RELATING TO THE OPERATIONS OF THE CAPITAL GROUP OF BANK HANDLOWY W WARSZAWIE S.A.	26
1.	REGULATORY RISK.....	26
2.	RISK MANAGEMENT PRINCIPLES	41
VII.	INVESTOR INFORMATION.....	51
1.	THE BANK'S SHAREHOLDING STRUCTURE AND PERFORMANCE OF ITS SHARES ON THE WSE	51
2.	DIVIDEND	52
3.	INFORMATION ON OWN SHARES' BUY BACK PROCESS.....	53
4.	RATING.....	54
5.	INVESTOR RELATIONS	54
VIII.	CORPORATE GOVERNANCE RULES IN THE GROUP	55
1.	BEST PRACTICE AT THE BANK	55
2.	GOVERNING BODIES OF THE BANK.....	55
3.	OTHER PRINCIPLES.....	56
IX.	OTHER INFORMATION ON THE BANK'S GOVERNING BODIES AND MANAGEMENT PRINCIPLES	57
1.	INFORMATION ON THE TOTAL NUMBER OF THE SHARES OF THE BANK HELD BY MANAGEMENT BOARD OR SUPERVISORY BOARD MEMBERS	57
2.	INFORMATION ON ANY AGREEMENTS BETWEEN THE BANK AND THE MANAGEMENT BOARD MEMBERS THAT PROVIDE FOR COMPENSATION IN CASE OF RESIGNATION OR DISMISSAL OF SUCH MEMBERS WITHOUT A VALID REASON, OR WHEN SUCH DISMISSAL IS A RESULT OF A MERGER OR ACQUISITION OF THE BANK	58
X.	SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE NOT INCLUDED IN THE FINANCIAL STATEMENTS	58
XI.	STATEMENT OF THE BANK'S MANAGEMENT BOARD	58

I. Introduction

1. Characteristics of the Capital Group of Bank Handlowy w Warszawie S.A. ("the Group")

Bank Handlowy w Warszawie S.A. (further "Bank" or "Citi Handlowy") is a bank operating within the global Citi network and focuses on institutional clients, offering them a wide range of banking and brokerage services.

In mid-June 2026, Citi Handlowy's retail banking business was transferred to VeloBank. The transaction included the credit card portfolio, retail lending and credit services, including PLN mortgages, retail deposits and assets under management, wealth management (including retail brokerage services), and the micro-entrepreneur portfolio. The retail banking business included over 1,500 employees, 17 branches, over PLN 6 billion in loans, and nearly PLN 21 billion in deposits.

As a result of the aforementioned transaction, the Bank is no longer a universal bank and will be able to focus on developing Corporate Banking and Financial Markets, its core business. Within the Bank's remaining business, two new business lines have been established: the Corporate Banking Segment (comprising transaction and custody activities, as well as Relationship Banking) and the Financial Markets Segment (comprising interbank and client activities).

The Bank's broad range of transactional services provides key clients with comprehensive support: from liquidity management within the capital group, through trade receivables and payables management, to trade finance program management. The Bank also provides financing, trust, and custodian services. The Bank is a leader in the custodian services market, providing these services to domestic and international institutional investors, and custodian services to domestic pension and investment funds.

The Financial Markets Segment manages the Bank's current liquidity, enabling the efficient processing of money transfer orders, maintaining liquidity reserve requirements, and investing surplus funds. These objectives are achieved by concluding transactions on the domestic and international money, debt, foreign exchange, and derivatives markets, within assigned risk limits. The segment serves institutional clients by brokerage operations, concluding foreign exchange transactions, foreign exchange options, and other financial instruments tailored to the client's needs.

The sale of the retail banking business did not affect the segmentation of Corporate Banking customers. The three main customer portfolios remain unchanged: the Strategic Customer Segment (Corporate Bank), the Global Customer Segment (GNB), and the Commercial Banking Segment (CCB).

Bank's competitive position

The Bank belongs to the group of 10 largest banks in Poland in terms of balance sheet total, with a particularly strong competitive position in corporate banking and financial markets, in particular:

- providing services to global enterprises and Polish enterprises with international aspirations,
- foreign exchange products and trade finance products,
- securitization transactions,
- cash management,
- custody and brokerage services.

The Group boasts an above-average capital position, high liquidity, and a very good-quality loan portfolio, providing the Group with favorable conditions for undertaking further growth in key areas. Furthermore, a significant competitive advantage is its global reach and unique offering for institutional clients operating internationally. The Bank's strong position is also determined by its unique experience in handling even the most complex transactions and top-quality technological solutions, ensuring smooth and reliable service for demanding businesses.

2. Major achievements in the first half of 2026:

Major achievements in the first half of 2025 include:

- **in the Corporate Banking Segment:**
 - Continued growth in corporate client activity – loan volumes increased by 16% YoY (excluding reverse repo transactions and margin deposits), deposits increased by 12% YoY;
 - New financing granted to Institutional Banking clients totaling PLN 2.6 billion (including PLN 1.1 billion for corporate clients, PLN 0.8 billion for global clients, and PLN 0.7 billion for Commercial Banking clients);
 - Further growth in payment volumes – the Bank recorded a 6% increase in transaction volumes compared to the first half of 2025, while payment volumes from domestic clients from the "new economy" area (Digital Natives) increased by 21% YoY;
 - The value of trade finance assets, such as reverse factoring, trade credit, and supplier financing, increased by 34% compared to the same period in 2025;
 - The bank maintains a dominant position in the custody business and recorded a 22% YoY increase in assets under custody.

- **in the Financial Markets Segment:**
 - The Bank was active in the primary debt securities market, including by arranging bond issues for an international financial institution totaling PLN 1.25 billion;
 - FX volumes increased by 12% YoY;
 - The Bank served as Global Co-Coordinator for two accelerated offerings of shares in Allegro.eu with a total transaction value of PLN 6.1 billion;
 - The value of transactions concluded through Brokerage Department increased by 31% YoY.
- **Strong equity much above the regulatory requirement resulting from CRR Regulation¹** – TCR of 25.8%. At the same time liquidity remains at a high level – LCR of 152%;
- **Once again the Bank demonstrated its strong social responsibility** through global community day. As part of this initiative, Citi volunteers supported 117 organizations across Poland. They completed over 30 environmental projects, collecting a total of 850 kg of trash, preparing 550 packages for those in need, and 300 sandwiches for those experiencing homelessness. Three blood donation drives were also organized in Warsaw and Olsztyn. Aid reached over 24,000 beneficiaries.

3. Strategy of the Capital Group of Bank Handlowy w Warszawie S.A.

In December 2024, the Bank adopted a new Strategy of Bank Handlowy w Warszawie S.A. for 2025–2027. Thereafter, following the signing of the agreement on 27 May 2025 regarding its exit from Retail Banking, the Bank adopted new strategic directions for 2025–2027 – the “Global Business Bank.” Exiting Retail Operations will allow the Bank to focus on the dynamic development of its leading business area – Corporate Banking and Financial Markets. As part of the new strategic directions, the Bank will strive to achieve the revised financial goals in 2027, which have improved compared to the goals presented in the Bank's Strategy of 5 December 2024. The table below presents the updated financial goals along with their achievement status in the first half of 2026 (it should be noted, however, that the bank developed the targets before the introduction of the higher CIT rate for banks, which has a significant impact on the ability to achieve the targets describing profitability – ROE and ROA).

Strategic directions for 2025–2027 – financial goals:

	2027 goal	Realization (H1 2026)
Return on equity ROE	~19%	21%
Return on assets ROA	~2,6%	2.3%
Cost/Income ratio C/I	<30%	33%
Dividend payout, subject to regulatory approval	75%–100%	77%*

*The Bank paid out PLN 1,250 million (75%) of the net income for 2025 and an additional PLN 29 million from the dividend capital (excluding the advance dividend of PLN 448.6 million paid in 2025)

Leveraging the Bank's affiliation with the Citi Group, operating in nearly 100 countries worldwide, the Bank aims to become the number one choice for businesses with international needs and aspirations. In this regard, special attention will be paid to supporting foreign investors entering the Polish market, particularly within the emerging new trade corridors. The Bank can offer this group of clients a full range of trade finance solutions and a global online banking platform. The Bank is also able to deliver top-quality solutions that enable the integration of the systems of the client and the bank using open architecture and supporting transaction automation.

Another important area of the Bank's involvement will be initiatives that are in line with Poland's strategic priorities, such as energy transition and growing defense investments resulting from the geopolitical situation. The Bank can see significant growth opportunities in cooperation with international financial institutions, agencies of international organizations, and export support agencies, as well as domestic institutions interested in collaborating on obtaining financing (including through the issuance of debt instruments) and broadly defined supporting of increased investment in Poland's energy and defense sectors. Institutional clients involved in these areas will also be able to benefit from the Bank's extensive expertise and a range of hedging instruments, including against foreign exchange and interest rate risks.

The Bank will strive to strengthen its position in the foreign exchange area by utilizing a best-in-class FX platform, which provides access to global financial markets. The Bank also aims to maintain its leadership position in various areas, for example custody services.

The Bank also focuses on collaborating with new economy companies, such as fin-techs, payment operators, e-commerce companies (and IT companies), including those in the gaming industry. The Bank will offer clients in this sector solutions such as instant payments and high-volume transaction processing, while ensuring the highest level of security.

At the same time, the Bank will focus on supporting clients in transforming their business models towards sustainable development. Until 2027, the bank will lend PLN 2 billion for sustainable transformation of its clients, offering them a broad range of solutions and advisory services in this respect.

¹ 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").

4. Awards and honors

In the first half of 2026, the Bank received a number of prestigious titles and awards:

- **Ethical Company – Ethics Leader**

The Ethics Leader title, awarded to Citi Handlowy in the competition organized by "Puls Biznesu," is an important recognition of the bank's fundamental values and their combination with a modern approach to business. The twelfth edition of the competition recognized Citi Handlowy's traditional ethical values, as well as its activities in the field of sustainable development and social responsibility. This emphasized the continuous commitment to the highest standards and a transparent business environment that supports clients, partners, and the entire economy.

- **Adam Smith Award for P4 (Play)**

P4, the operator of the Play network, received the prestigious Adam Smith Award 2026 in the "Best Funding Solution" category. The award was granted for the implementation of the Export Agency Financing solution, prepared in cooperation with Citi Handlowy. This financing enabled the purchase of new equipment, guaranteed long-term stability, and eliminated currency risk. P4 is the only company from Poland to be awarded in this year's edition of the competition, which received 635 nominations from 42 countries.

- **Honorary Badge "For Merits to the Development of the Economy of the Republic of Poland"**

Elżbieta Czetwertyńska, President of the Management Board of Citi Handlowy since 2021, has received the honorary badge "For Merits to the Development of the Economy of the Republic of Poland," awarded by the Minister of Finance and Economy. For years, the President of the Bank has been combining her international experience with strategic action for the benefit of the Polish economy. Her commitment to the energy transition, strengthening national security, and fostering a culture of innovation, which has a lasting and positive impact on Poland's development, was recognized.

- **WSE Award for Citi Handlowy**

During the 2025 Stock Market Summary Gala, the Warsaw Stock Exchange (GPW) awarded Citi Handlowy the title of market maker with the largest share of trading volume in the EOB system for single-stock futures. The event brought together key representatives of the financial sector, who took part in discussions on the future of the capital market in Poland.

- **Elżbieta Czetwertyńska on the list of the most valued CEOs of listed companies**

Elżbieta Czetwertyńska took 5th place in the SEC Newgate CEE ranking, "Market Valuation of CEOs of the 30 Largest WSE-Listed Companies in 2025." This ranking presents the real market value of leaders of the largest companies listed on the Warsaw Stock Exchange. The list highlights the CEOs that have the greatest impact on the value of the shares of the companies they lead.

- **Citi Handlowy practices in the "Responsible Business in Poland 2025" report**

The "Responsible Business in Poland 2025" report by the Responsible Business Forum highlighted Citi Handlowy's initiatives for the environment and its commitment to local community development.

Among the best practices in environmental protection, several biodiversity activities were noted: the protection of peatlands and the European pond turtle. Through the Citi Handlowy Foundation, the bank joined the Re:Generation program by UNEP/GRID-Warsaw and, thanks to the involvement of volunteers, supported projects crucial for Polish nature, such as protecting ecosystems in the Kampinos National Park and protecting the European pond turtle at the Mazurian Turtle Refuge in Baranowo.

In the area of social engagement, the pioneering program "Food: The Most Important Human Need," run with the Food Bank in Olsztyn, was recognized. It was the first Polish project funded by the Citi Foundation under the Global Innovation Challenge. This initiative, supported by the Citi Handlowy Foundation, transformed ad-hoc food aid into a systemic cooperation model. A key achievement was the establishment of five social consortia in the Warmia region and providing support to 70 non-governmental organizations. As a result, over 1.9 million kg of food was saved, from which over 835,000 meals were prepared for 32,451 people.

II. Market conditions of functioning of Poland's banking sector

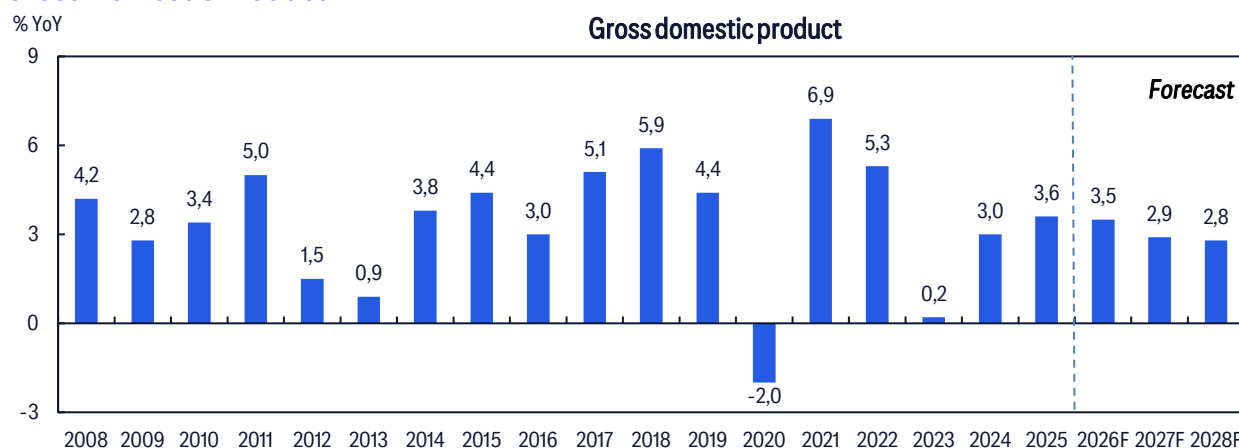
1. Macroeconomic conditions and the situation in money and foreign exchange markets

External environment

The first half of 2026 was marked by heightened geopolitical uncertainty related to the outbreak of war in the Middle East. The blockade of the Strait of Hormuz led to a sharp increase in energy commodity prices, including crude oil, which reached USD 120/bbl at the end of April. In the face of mounting inflationary pressures, central banks adopted a more restrictive stance. The European Central Bank raised interest rates by 25 bps in June. The Fed, meanwhile, kept interest rates unchanged throughout the first half of 2026. At the same time, the hawkish rhetoric of the new Fed Chair led to a significant revision of market expectations, which began to price in an interest rate hike in the second half of 2026. Although the agreement reached between the United States and Iran in mid-June temporarily eased market concerns, the renewed escalation of the conflict increased the risk of persistently elevated inflation and weaker global economic growth.

For the full year 2026, global economic growth is likely to be below the level recorded in 2025 and thus remain below the medium-term growth rate of approximately 3%. This will be driven primarily by continued restrictive monetary policy and elevated geopolitical uncertainty.

Gross Domestic Product

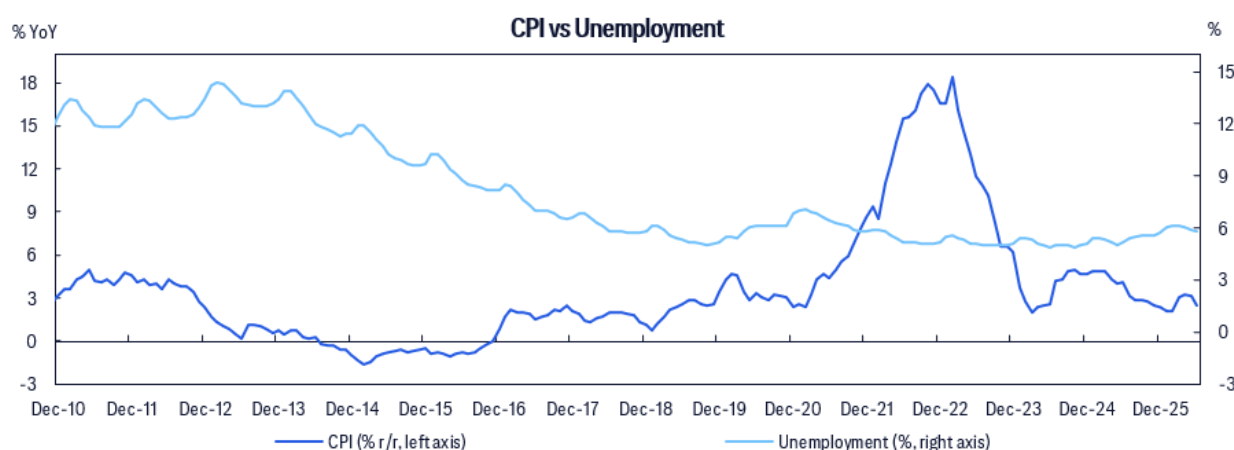


Source: Chief Statistical Office, Citi Handlowy forecasts

In the first quarter of 2026, Poland's GDP increased by 3.5% compared to the same quarter of the previous year, while the quarter-on-quarter growth was 0.6%. Private consumption remained the main growth driver of the Polish economy. Net exports continued to have a negative impact on GDP growth, due to imports growing faster than exports.

The Group expects that throughout 2026 Poland's GDP will increase by 3.5% YoY, which would represent a slight slowdown from the 3.6% YoY growth recorded in the previous year. Current monthly data releases indicate that private consumption continues to show solid growth, accompanied by an improvement in conditions in the industrial sector.

Inflation



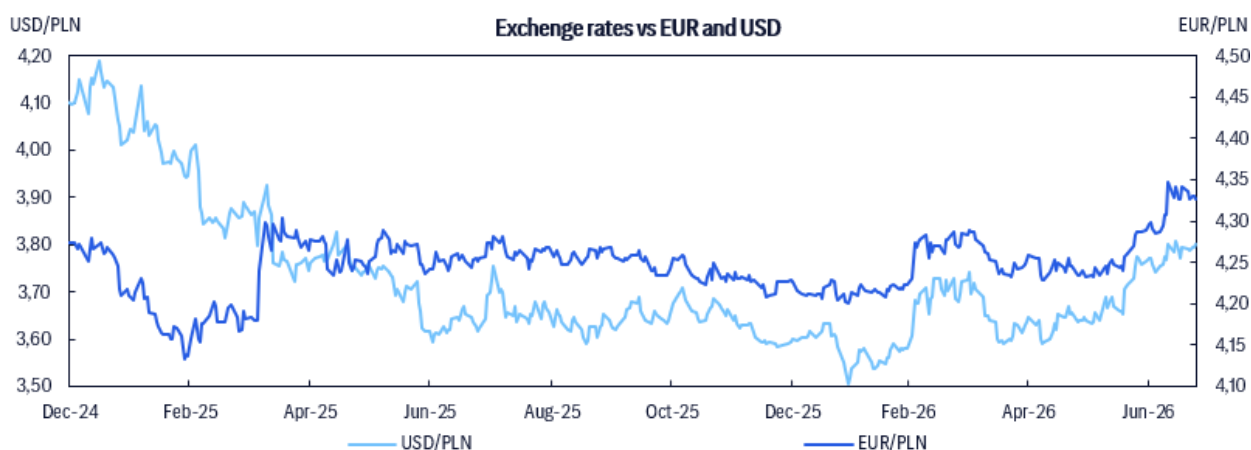
Source: NBP, Chief Statistical Office, Citi Handlowy

In the second quarter of 2026, the growth of consumer prices accelerated to 2.9% YoY, compared to 2.4% YoY in the previous quarter. The main pro-inflationary factor was the increase in fuel prices, although its impact was partially mitigated by the CPN ("Fuel Prices Down") protective package. The increase in inflation in the second half of 2026 was partly offset by lower food prices. Core inflation also increased in the second quarter of 2026, averaging 3.0% YoY compared with 2.6% YoY in the first quarter of 2026. Persistently elevated oil prices, combined with the expiry of the CPN protective package from the third quarter onwards, may contribute to increased inflationary pressures. Consequently, the Group expects inflation to rise to approximately 3.8% YoY by the end of the year.

In the face of heightened uncertainty, the Monetary Policy Council (RPP) paused its interest rate-cutting cycle, leaving the reference rate unchanged at 3.75% during the second quarter of 2026. The Group's forecasts assume that interest rates will remain unchanged over the medium term.

2. Money and foreign exchange markets

Exchange rates



Source: Reuters, Citi Handlowy

In the first half of 2026 the zloty depreciated against the euro by approximately 1.7% and against the U.S. Dollar by 4.7%. The main factor was the strengthening of the U.S. currency, supported by a revision of expectations regarding the Fed's interest rate path and an increase in global risk aversion. The EUR/PLN exchange rate rose to 4.30 at the end of June 2026, from 4.23 at the end of 2025, while the USD/PLN exchange rate increased to 3.77 from 3.60.

The money market rates decreased in the second half of 2026. The 3-month WIBOR rate was 3.85% at the end of June 2026, as compared with 3.99% at the end of 2025. At the same time, yields on Polish government bonds increased, reflecting higher inflation expectations associated with rising energy commodity prices. The yield on Polish 2-year bonds increased by 29 bps, to 4.06%, as at the end of June 2026 from 3.77% as at the end of 2025. The yield on 10-year bonds increased by 12 bps, to 5.30%, as at the end of June 2026 from 5.18% as at the end of 2025.

3. Capital market

Large- and mid-cap companies recorded solid quarter-on-quarter gains in the second quarter of 2026: WIG20 rose by 7.38% and mWIG40 by 11.55%, while sWIG80 gained only 3.28%. WIG20 is already very close to its all-time high from 2007. The peak and the 4,000-point level may represent a psychological barrier; however, if positive sentiment persists throughout the second half of the year, the index should have little difficulty breaking through 4,000 points and moving into new all-time highs. Meanwhile, mWIG40, sWIG80, as well as broader indices such as WIG and WIG140, have already broken through to new all-time highs.

The conflict in the Middle East has led to significant increases in oil prices. Initially, the conflict triggered declines across all indices. However, the fuel sector benefited from the war. Ultimately, WIG-Paliwa (fuels) gained 39.73% in the first half of 2026 compared with the end of 2025. The increase in fuel prices quickly translated into higher inflation, which rose from 2.1% in February to 3.0% in March, 3.2% in April and 3.1% in May, measured in terms of year-on-year CPI. The government introduced price caps and reduced excise duty, which lowered prices at gas stations. Over time, the conflict lost intensity and oil prices declined. As a result, inflation returned to the 2.5% central bank target in June. In the second quarter of 2026, the stock market not only recovered its losses but also moved above pre-war levels. However, continued uncertainty related to the conflict in the Middle East raises questions about the potential for further interest rate cuts.

At the sector level, the strongest growth was recorded by mining companies (WIG-Górnictwo (mining) +145.44% YoY), fuel companies (WIG-Paliwa (fuels) +75.16% YoY) and banks (WIG-Banki (banks) +44.72% YoY). The particularly impressive performance of the mining index was driven by gains achieved by KGHM, which accounts for over 95% of the entire index and whose share price increased by 157% YoY. At the other end of the spectrum, the weakest performance was recorded by the chemical sector (WIG-Chemia -15.77% YoY) and the pharmaceutical sector (WIG-Leki -14.23% YoY).

The Polish market nevertheless underperformed other major markets. In the second quarter of 2026, the S&P 500 rose by 14.87%, while the Nasdaq Composite posted an impressive 27.53% gain. In Europe, the Euro Stoxx 50 increased by 13.62%

and the STOXX Europe 600 by 10.05%. Emerging and developed markets also recorded impressive gains. The MSCI Emerging Markets Index increased by 21.67%, while the MSCI World Index rose by 12.08%.

Warsaw Stock Exchange (WSE) Equity Indices as of June 30, 2026

Index	30.06.2026 (1)	31.12.2025 (2)	Change (%) (1)/(2)	30.06.2025 (3)	Change (%) (1)/(3)
WIG	135,646.96	117,240.24	15.7%	104,691.71	29.6%
WIG-PL	140,905.31	122,274.86	15.2%	109,407.90	28.8%
WIG-div	2,811.27	2,496.12	12.6%	2,335.71	20.4%
WIG20	3,587.42	3,184.02	12.7%	2,845.37	26.1%
WIG20TR	8,137.14	7,038.61	15.6%	6,108.37	33.2%
WIG30	4,556.97	4,086.60	11.5%	3,697.59	23.2%
mWIG40	9,445.48	8,182.06	15.4%	7,978.82	18.4%
sWIG80	30,586.39	29,590.15	3.4%	28,794.99	6.2%
Sector sub-indices					
WIG-Banks	23,779.17	19,177.37	24.0%	16,431.56	44.7%
WIG-Construction	10,341.11	9,368.31	10.4%	8,248.40	25.4%
WIG-Chemicals	7,824.00	7,671.46	2.0%	9,288.45	(15.8%)
WIG- Energy	4,227.39	3,984.22	6.1%	4,354.43	(2.9%)
WIG-Games	19,420.85	20,689.27	(6.1%)	18,330.89	5.9%
WIG- Mining	10,447.53	8,851.11	18.0%	4,256.57	145.4%
WIG-IT	9,079.33	10,010.73	(9.3%)	9,753.56	(6.9%)
WIG-Medicines	2,877.82	2,852.26	0.9%	3,355.24	(14.2%)
WIG-Media	7,225.88	6,701.20	7.8%	7,190.52	0.5%
WIG-Motorisation	11,351.74	8,034.67	41.3%	8,445.31	34.4%
WIG- Developers	6,110.23	5,606.96	9.0%	5,304.20	15.2%
WIG-Clothing	11,212.91	12,682.47	(11.6%)	11,271.92	(0.5%)
WIG- Fuel	15,741.55	11,265.42	39.7%	8,987.06	75.2%
WIG- Food	3,229.55	2,936.56	10.0%	3,093.36	4.4%

Source: WSE, Brokerage Department of Bank Handlowy

In the second quarter of 2026, the IPO market was characterized by high activity. The following companies debuted on the Main Market of the Warsaw Stock Exchange: SYN2BIO, CREOTECH QUANTUM, REX CONCEPTS, LUMINA METALS CORP. The number of companies listed on the Warsaw Stock Exchange stands at 402, including 19 foreign entities. This clearly indicates an outflow of foreign companies in favor of domestic ones (at the end of June 2025, 408 companies were listed, including as many as 43 foreign entities).

Total capitalization of companies listed on the main floor reached PLN 2,753.87 billion, 46.1% of which was represented by domestic companies (PLN 1,483.13 billion in nominal terms).

Equity, bond and derivatives trading volumes on WSE in the first half of 2026

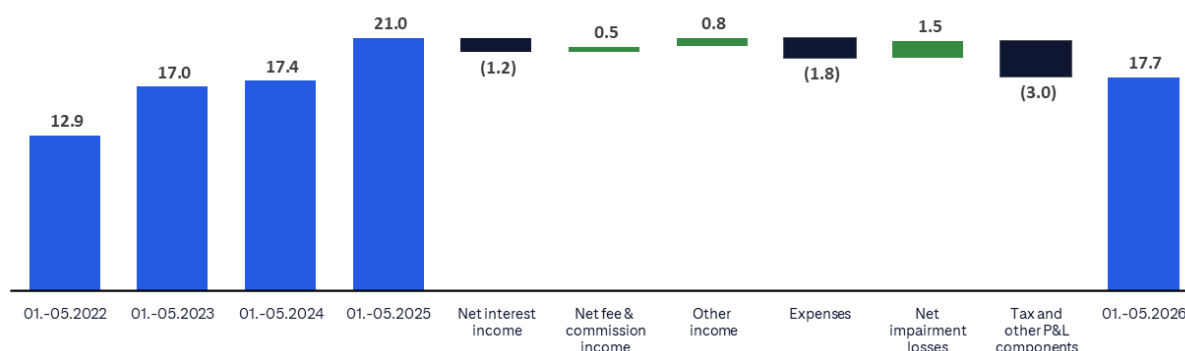
	1st half of 2026 (1)	2nd half of 2025 (2)	Change (%) (1)/(2)	1st half of 2025 (3)	Change (%) (1)/(3)
Equity (PLN million)*	619,107	455,095	36.0%	505,268	22.5%
Bonds (PLN million)	7,841	8,372	(6.3%)	5,376	45.9%
Futures ('000 contracts)	11,711	9,504	23.2%	13,175	(11.1%)
Options ('000 contracts)	197	182	8.2%	223	(11.7%)

* figures excluding calls

Source: WSE, Brokerage Department of Bank Handlowy

4. Banking sector

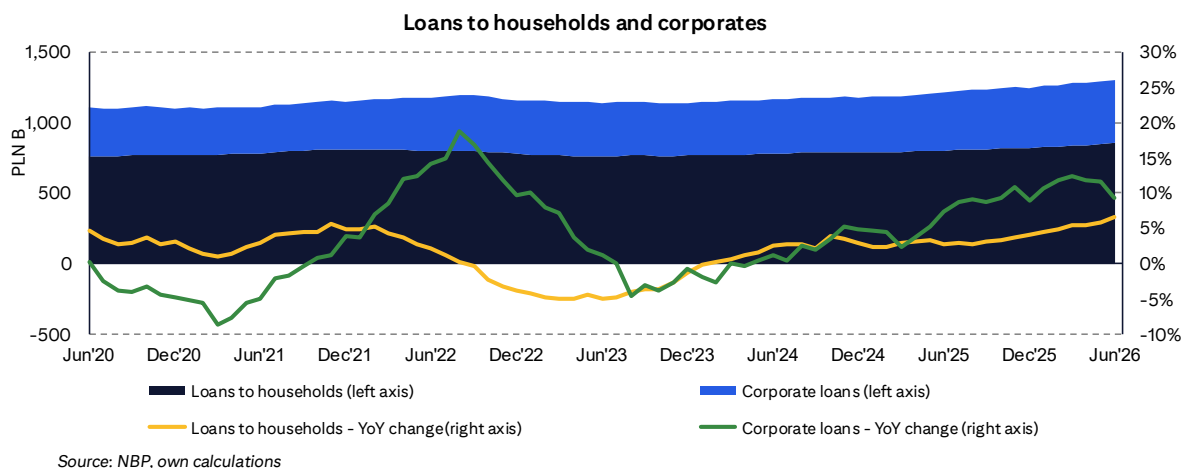
Net profit of the banking sector (PLN billion)



Financial results

According to the data from the Polish Financial Supervision Authority (“KNF”), the banking sector generated a net profit of PLN 17.7 billion between January and May 2026, i.e. PLN 3.3 billion (15.6% YoY) less than in the same period of the previous year. Total revenue remained unchanged at PLN 58.4 billion. The 2.6% YoY decline in net interest income, amounting to PLN 1.2 billion, was offset by higher fee and commission income (+5.8% YoY, PLN 475 million) and, above all, higher other income (+22.7% YoY, PLN 764 million). During the first five months of 2026, the banking sector incurred higher operating expenses (+8.2% YoY, PLN 1.7 billion), as well as slightly higher depreciation and amortization expenses (+2.1% YoY, PLN 48 million). As a result, efficiency deteriorated, as measured by the cost-to-income ratio, which increased from 39% to 42%.

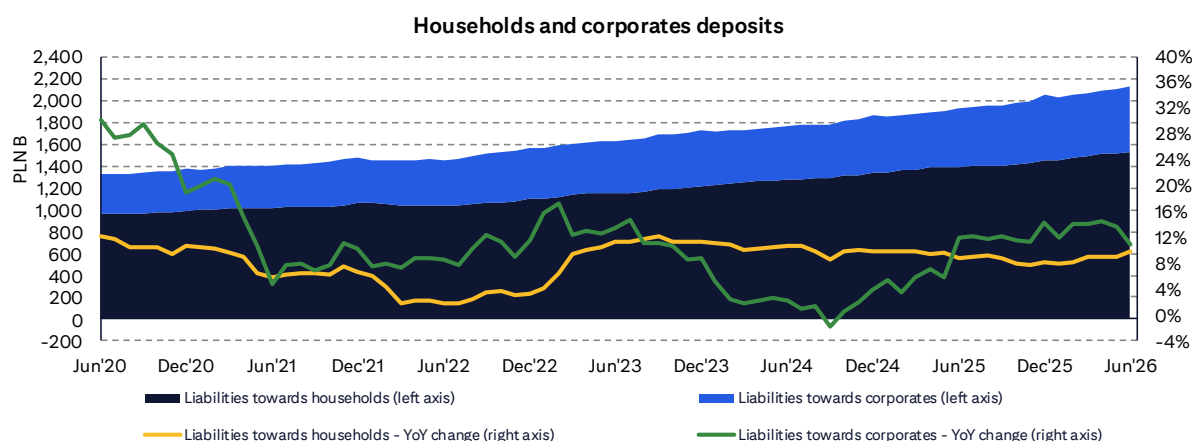
Between January and May 2026, banks in Poland recognized nearly one-third fewer provisions and impairment charges than in the corresponding period of the previous year, with costs related to these items falling by 32.4% YoY, or PLN 1.5 billion. On the other hand, the bank levy paid increased by approximately 7% YoY. The increase in the corporate income tax (CIT) rate applicable to banks had the greatest impact on the sector’s net result, leading to a 50.4% YoY increase in the tax burden, amounting to PLN 3.4 billion.



Data from the National Bank of Poland (NBP) shows that the year-on-year growth rate of loans granted by the banking sector to non-financial customers declined from +4.2% at the end of the first half of 2025 to +2.9% at the end of June 2026. This was, however, attributable to classification changes introduced by the NBP with respect to public-sector loans, while the growth rate of loans to non-financial companies and households increased significantly. As a result, the volume of loans and other receivables exceeded the level of PLN 1,409 billion (an increase of over PLN 40 billion YoY). The volume of receivables from non-financial companies went up by 9.0% YoY, or PLN 39 billion. Unlike in previous years, the strongest growth, both in terms of growth rate and absolute value, was recorded in real estate loans (+25.0% YoY, PLN 16 billion), followed by investment loans (+8.0% YoY, PLN 13 billion). Current loans performed relatively weakest, with growth of +4.9% YoY, or PLN 10 billion. By contract currency, foreign-currency loans grew at more than twice the rate of PLN-denominated loans, although their absolute increase was slightly lower than that of PLN loans. The term structure confirms the trends described above. Long-term loans (for over 5 years) increased by 12.6% YoY, while medium-term loans grew by 9.5% YoY. Short-term loans recorded the weakest growth (+2.5% YoY).

The volume of loans to households reached nearly PLN 853 billion as at the end of June 2026 (+6.6% YoY, or PLN 53 billion). By type, consumer loans showed the greatest growth (+9.8% YoY, or PLN 21 billion), followed by residential real estate loans (+5.9% YoY, or PLN 29 billion). In this case, the strong downward trend in the volume of foreign currency loans (-30.6% YoY, or PLN 15 billion) was still visible, with their share falling to 6.5% of the total housing loan portfolio. At the same time, there was some acceleration in PLN-denominated lending (+9.9% YoY, PLN 44 billion). The total growth in the volume of loans granted to households was also affected by a slight increase in the volume of current loans to sole proprietors and individual farmers (+2.2% YoY, or PLN 1 billion), as well as investment loans (+3.2% YoY, below PLN 1 billion). In terms of maturity, a slight decline occurred in the segment of loans up to 1 year (including current accounts), the volume of which decreased by 0.3% YoY, or PLN 0.1 billion. However, loans with medium maturities (1 to 5 years, inclusive) stood out definitely positively, with a trend of +8.3% YoY, or PLN 8 billion. As a result of the already mentioned differences in the development of the portfolios of PLN and foreign currency housing loans, the trend of long-term loans (over 5 years) was only +6.8% YoY, or PLN 45 billion.

Data related to quality of the loan portfolio as at the end of May 2026 show improvement in the ability of customers to service their debts. The share of stage 3 loans (more than 90 days past due) fell to 4.4%. On the side of household loans, there was a significant improvement in the quality of the portfolio (-0.7 pp YoY to 3.4%), especially in the category of consumer loans, where the share of Stage 3 loans decreased by 1.5 pp YoY to all-time low level of 5.5%. The timeliness of repayment of the mortgage loan portfolio also improved significantly (-0.5 percentage points YoY to 1.2%). The situation is completely different in the corporate loan portfolio, where the quality deteriorated by 0.6 percentage points YoY to 6.5%, due to significant changes in the loan portfolio for large enterprises, where the share of stage 3 loans increased by as much as 3.3 percentage points YoY to 7.0%. At the same time, the timeliness of servicing SME loans has improved, with the share of past due loans falling by 0.9 percentage points YoY, resulting in a level below that of loans to large enterprises, i.e. 6.2%.



At the end of the first half of 2026, the year-on-year growth rate of deposits of non-financial customers decreased slightly, from +12.8% YoY, or PLN 266 billion, at the end of June 2025 to +9.6% YoY, or PLN 227 billion, reaching a total volume of nearly PLN 2,579 billion. In this case as well, methodological changes introduced by the NBP, mainly concerning the public sector, had a significant impact. Meanwhile, the sector of non-financial companies maintained a very high rate of deposit growth (+10.7% YoY, PLN 60 billion). Funds held in current accounts grew at a lower rate (+9.6% YoY, PLN 34 billion), but recorded a higher absolute increase than term deposits (+13.5% YoY, PLN 25 billion). Over the same period, the growth rate of deposits and other liabilities to households accelerated to +9.8% YoY, or PLN 135 billion. In this case, however, the growth in current deposits (+13.1% YoY, PLN 129 billion) fully accounted for the increase in the overall portfolio. The volume of term deposits increased by only +1.7% YoY, i.e. PLN 7 billion. The total liabilities of the banking sector to households reached PLN 1,523 billion.

5. Factors that will affect the Group's operations in the future

Trends in the Polish and global economy in 2026

The outlook for the global economy remains moderately favorable, although elevated uncertainty related to the geopolitical situation and energy commodity prices persists. Despite periodic increases in oil prices, global economic activity remains relatively resilient, supported by sustained demand and high levels of investment, particularly in the area of artificial intelligence. At the same time, ongoing geopolitical tensions and the risk of renewed increases in energy prices remain the key risk factors for inflation and economic growth.

In Poland, economic growth is expected to remain relatively solid, supported by domestic demand and the inflow of EU funds. Simultaneously, higher energy commodity prices and the gradual rebuilding of inflationary pressures may limit the scope for monetary policy easing. An additional source of uncertainty is the external environment, particularly the growth outlook for the euro area and persistent geopolitical tensions.

Legal and regulatory risks

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 as a result of meeting the Group's commitments, the appropriate provisions are created. A detailed description of the ongoing legal proceedings and the amount of provisions is presented in Note 35 of the 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.

The above factors may affect the financial performance of the Group in the future.

III. The organizational structure of the Capital Group of Bank Handlowy w Warszawie S.A.

The Capital Group of Bank Handlowy w Warszawie S.A. ("Group") consists of a parent company and subsidiaries:

Entity	Capital relationship	% of authorized capital held	Accounting method
Bank Handlowy w Warszawie S.A.	parent	-	-
Handlowy Financial Services Sp. z o.o. (former Dom Maklerski Banku Handlowego S.A.) in liquidation	subsidiary	100.00%	full consolidation
Handlowy - Leasing Sp. z o.o. in liquidation	subsidiary	100.00%*	full consolidation
Handlowy Investments S.A.	subsidiary	100.00%	full consolidation
Handlowy - Inwestycje Sp. z o.o.	subsidiary	100.00%	full consolidation

*including indirect participations

In the first half of 2026 there was no change in the structure of Group's entities comparing to the end of 2025.

IV. Selected financial data of the Capital Group of Bank Handlowy w Warszawie S.A.

1. Summary financial data of the Group

PLN million	30 Jun 2026	31 Dec 2025
Total assets	72,571.6	78,849.0
Total equity	9,324.2	10,042.3
Amounts due from customers*	21,143.9	24,390.8
Customer deposits*	47,074.8	60,227.4
Net profit**	706.4	600.5
Total capital ratio	25.8%	23.5%

* Amounts due from and deposits of non-banking entities of the financial sector, entities of the non-financial sector, including the public sector (as of December 31, 2025, the line Amounts due from customers and Customer deposits also includes receivables and deposits from individual customers).

** Net profit for the first half of adequately 2026 and 2025.

2. Financial result of the Group for the first half of 2026

The following financial results are presented on the basis of the abridged semi-annual financial statement of the Group for the period of the first 6 months of the year ended June 30, 2026.

2.1 Income statement

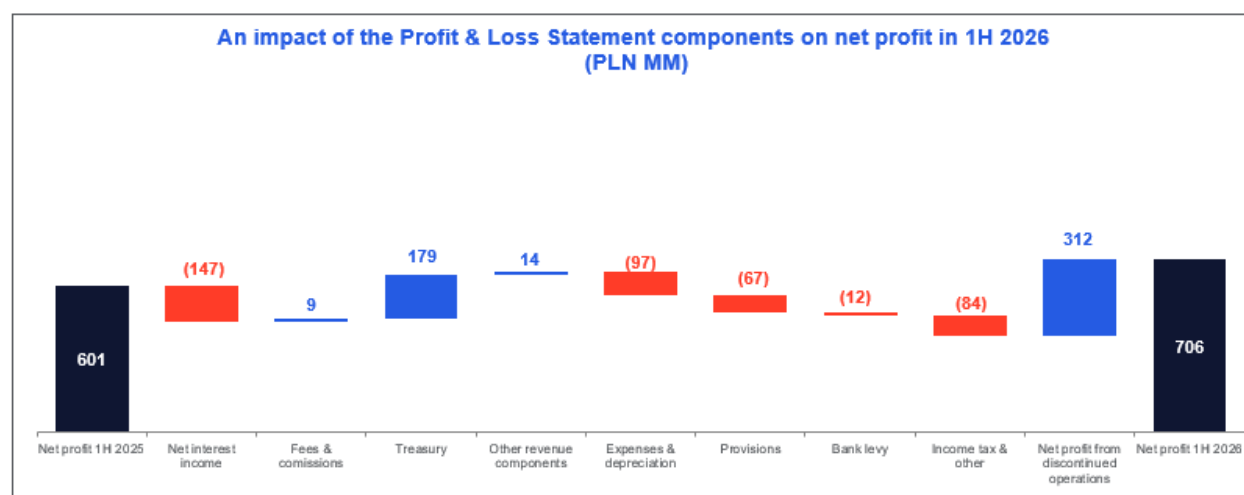
In the first half of 2026 the Group delivered a consolidated net profit of PLN 706.4 million compared to PLN 600.5 million in the first half of 2025 (increase by PLN 105.9 million, i.e. 17.6% YoY), mainly due to the increase in the result on treasury activities and the positive result on discontinued operations in the amount of PLN 38.4 million, compared to a net loss of PLN 273.6 million in the same period of the previous year. The above increase was partially offset by an increase in the tax charge due to the increased income tax rate from 19% to 30%. The result on discontinued operations is presented in detail in Note 4 in the Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the first half of 2026.

In the first half of 2026 the Group recorded an increase in income from continuing operations by PLN 54.2 million, i.e. 3.4% YoY due to higher net fee and commission income and higher other operating income (including primarily the result on trading

financial instruments and revaluation, and the result on debt investment financial assets measured at fair value through other comprehensive income), which was offset by a decrease in net interest income, resulting from the decline in interest rates (reduction of the reference rate from 5.75% in the first half of 2025 to 3.75% at the end of the first half of 2026).

Selected income statement items

PLN'000	1st half of		Change	
	2026	2025	PLN'000	%
CONTINUING OPERATIONS				
Net interest income	930,689	1,077,615	(146,926)	(13.6%)
Net fee and commission income	225,867	217,146	8,721	4.0%
Dividend income	14,177	11,513	2,664	23.1%
Net income on trading financial instruments and revaluation	283,426	174,759	108,667	62.2%
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	222,121	145,415	76,706	52.7%
Net gain/(loss) on equity and other instruments measured at fair value through income statement	(12,306)	(6,199)	(6,107)	98.5%
Net gain/loss on hedge accounting	(5,053)	1,687	(6,740)	(399.5%)
Net other operating income	8,220	(8,993)	17,213	(191.4%)
Total income	1,667,141	1,612,943	54,199	3.4%
General administrative expenses and depreciation:	(546,379)	(449,133)	(97,246)	21.7%
General administrative expenses	(523,950)	(426,798)	(97,152)	22.8%
Depreciation and amortization	(22,429)	(22,335)	(94)	0.4%
Profit on sale of other assets	29,914	570	29,344	5 148.1%
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(76,250)	(8,998)	(67,252)	747.4%
Tax on some financial institutions	(76,341)	(64,180)	(12,161)	18.9%
Profit before tax from continuing operations	998,085	1,091,202	(93,117)	(8.5%)
Income tax expense	(330,129)	(217,034)	(113,095)	52.1%
Net profit from continuing operations	667,956	874,168	(206,212)	(23.6%)
Net profit from discontinued operations	38,447	(273,638)	312,085	(114.1%)
Net profit from continuing and discontinued operations	706,403	600,530	105,873	17.6%



2.1.1 Revenues

Net interest income from continuing operations

accounted for 56% of the Group's total revenues in the first half of 2026. It amounted to PLN 930.7 million, which means a decrease by PLN 146.9 million (or 13.6%) compared to the same period of the previous year (i.e. PLN 1,077.6 million) mainly due to a decrease in the NBP reference rate by 150 basis points (from 5.25% at the end of June 2025 to 3.75% at the end of June 2026).

Interest income in the first half of 2026 amounted to PLN 1,477.7 million (i.e. decreased by PLN 102.6 million or 6.5% as compared to the same period of the previous year).

The largest share in interest income in the first half of 2026 was interest income on debt investment financial assets measured at fair value through other comprehensive income (share of 55%) which amounted to PLN 817.7 million (i.e. decreased by 126.9 million or 13.4% YoY) mainly, due to the realization of profits resulting from their sale in the first half of 2026.

Interest income from amounts due from customers also decreased by PLN 36.3 million, i.e. 6.9% YoY, as a result of the above-mentioned decline in interest rates, which was partially offset by higher loan volumes in corporate banking, which increased by 13.4% YoY (16.1% YoY excluding reverse repo transactions and collateral deposits).

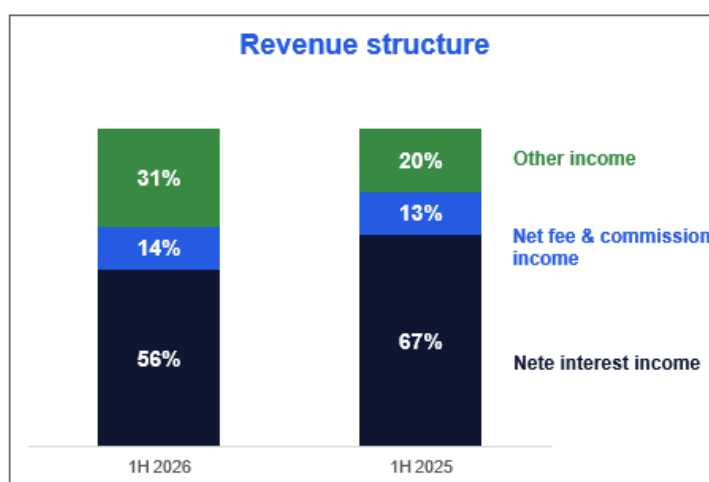
In turn, interest expenses in the first half of 2026, excluding derivative instruments in hedge accounting, were at a stable level (PLN 436.5 million in the first half of 2026 compared to PLN 443.0 in the corresponding period of 2025).

Net fee and commission income in the first half of 2026 amounted to PLN 225.9 million compared to PLN 217.1 million in the corresponding period of 2025 – up by PLN 8.7 million (or 4.0%) due to higher income on custody activities due to higher activity of the Bank's clients (an increase of PLN 12.8 million or 16.9% YoY. Income on transactional activities also increased, mainly commission income from maintaining bank accounts by PLN 8.2 million (i.e. 21.5% YoY) and income on payment orders by PLN 4.1 million (i.e. 7.6% YoY).

On the other hand, the bank observed a decline in commission income from its brokerage operations by PLN 3.9 million (i.e. 14.7% YoY) due to a one-off transaction – IPO taking place in the first half of 2025.

Fee and commission expenses in the first half of 2026 amounted to PLN 46.6 million, up by PLN 7.8 million (i.e. 20.1% YoY). This increase concerned all lines of commission costs, mainly KDPW fees (cost increase of PLN 3.5 million, (i.e. 18.5% YoY) resulting from higher volumes of activity related to the capital market.

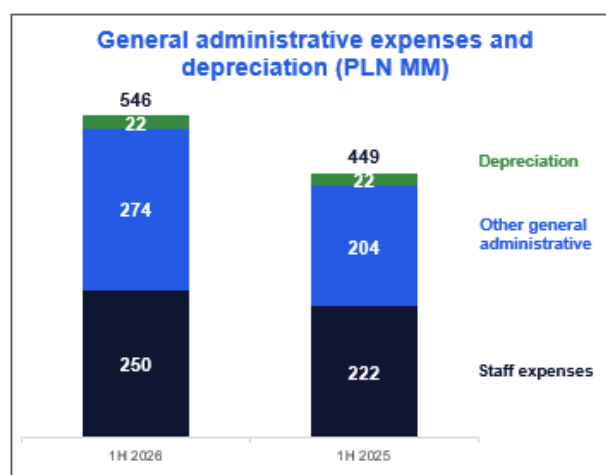
Other operating income (i.e. non-interest and non-commission income) in the amount of PLN 510.6 million compared to PLN 318.2 million in the first half of 2025 – an increase by PLN 192.4 million (or 60.5% YoY). The increase mainly concerns the result on trading financial instruments and revaluation which increased by PLN 108.7 million or 62.2% YoY thanks to the higher valuation of derivatives and higher result on investment debt financial assets measured at fair value through other comprehensive income by PLN 76.7 million or 52.7% YoY.



2.1.2 Expenses

In the first half of 2026 the Group's general administrative and depreciation expenses for continuing operations amounted to PLN 546.4 million vs. PLN 449.1 million in the corresponding period of the previous year, up by PLN 97.2 million (or 21.7% YoY).

An increase was generally due to increase in general administrative expenses by PLN 69.3 million or 33.9% YoY (mainly due to higher investments in IT infrastructure by PLN 38.4 million or 87.1% and higher regulatory expenses – higher contribution to the compulsory bank restructuring fund under the BFG (an increase of PLN 30.4 million, i.e. 37.6%). Staff expenses also increased by PLN 27.8 million, i.e. 12.5% YoY) mainly due to higher remuneration costs by PLN 14.6 million, i.e. 8.6% YoY.



Employment within the Group

FTEs	1st half of 2026	1st half of 2025	Change	
			FTEs	%
Average no. of jobs in the period	2,896	3,057	(161)	(5.3%)
No. of jobs at the end of the period	1,456	3,052	(1,596)	(52.3%)

In the first half of 2026, average employment in the Group amounted to 2,896 FTEs, i.e. decreased by 5.3% compared to the first half of 2025. As at June 30, 2026, employment in the Group amounted to 1,456 FTEs, of which 829 in Corporate Banking and Financial Markets and 627 in support units. As compared with the same period last year, the number of FTEs at the end of the period decreased by 1,596 (i.e. 52.3%) as a result of a decrease in the number of employees assigned to the sold retail banking business.

2.1.3 Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments

Net impairment and provisions

PLN'000	1st half of		Change	
	2026	2025	PLN'000	%
Net impairment allowances for receivables, including	(73,218)	(2,313)	(70,905)	3065.5%
Net impairment allowances for financial assets – Stage 1	12,895	4,673	8,222	175.9%
Net impairment allowances for financial assets – Stage 2	(13,110)	(10,527)	(2,583)	24.5%
Net impairment allowances for financial assets – Stage 3	(72,333)	3,308	(75,641)	(2286.6%)
Net impairment allowances for financial assets – Purchased or originated credit-impaired loans (POCI)	(670)	233	(903)	(387.6%)
Net provisions for granted financial and guarantee commitments	(5,764)	5,807	(11,571)	(199.3%)
Net impairment allowances for debt investment financial assets measured at fair value through other comprehensive income	(374)	(807)	433	(53.7%)
Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments	(79,356)	2,687	(82,043)	(3053.3%)

Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments amounted to PLN 79.4 million (negative impact) in the first half of 2026 compared to PLN 2.7 million (positive impact) in the first half of 2025 and results primarily due to an increase in receivables from impaired customers (Stage 3) due to the deterioration in the financial condition of two credit relationships in the metal processing and industrial machinery industries, respectively. These are isolated cases, not systemic in nature, and risk mitigation measures have been implemented. The quality of the Bank's loan portfolio remains stable, as reflected in the impaired loan ratio, which consistently remains at a safe level below 5%.

2.1.4 Tax on certain financial institutions

The total charge to the income statement of Bank Handlowy w Warszawie S.A. Capital Group due to the tax on certain financial institutions for the first half of 2026 amounted to PLN 76.3 million compared to PLN 64.2 million in the first half of 2025.

2.1.5 Ratio analysis

Selected financial ratios

	1st half of 2026	1st half of 2025
Return on equity (ROE) *	21.0%	17.9%
Return on assets (ROA) **	2.3%	2.0%
Margin on interest-bearing assets	3.6%	4.4%
Earnings per share in PLN	5.43	4.60
Cost/Income (C/I)	33%	28%
Loans/Deposits***	38%	37%
Loans/Total assets****	25%	20%
Net interest income to total revenue	56%	67%
Net fee and commission income to total revenue	14%	13%

ROE, ROA, margin on interest-bearing assets and net earnings per share are calculated for continuing and discontinued operations, the remaining indicators are calculated only for continuing operations.

* Net profit to average equity (excluding net profit for the current year) calculated on a quarterly basis.

** Net profit to average total assets calculated on a quarterly basis.

***Amounts due from customers (excluding reverse repo transactions and security deposits) to deposits from institutional customers

****Amounts due from customers (excluding reverse repo transactions and security deposits) to total assets

2.2 Consolidated statement of financial position

As of June 30, 2026, total assets of the Group stood at PLN 72.6 billion and was lower by PLN 6.3 billion or 8.0% as compared to the end of 2025.

In terms of assets, the biggest nominal changes in the balance sheet took place in the line: cash and cash equivalents, which decreased by PLN 6.4 billion (or 69.4%) compared to the end of 2025 and assets held-for-sale and assets in disposal groups held-for-sale which decreased by PLN 6.1 billion (i.e. 100.0%) due to the completion of retail sales transaction.

The largest share in total assets at the end of the first half of 2026, amounting to 43.1%, had investment debt financial assets, the balance of which increased by PLN 1.1 billion (i.e. 3.6%) compared to the end of 2025.

Consolidated statement of financial position

PLN'000	As of		Change	
	30 Jun 2026	31 Dec 2025	PLN'000	%
ASSETS				
Cash and cash equivalents	2,813,088	9,205,484	(6,392,396)	(69.4%)
Amounts due from banks	10,445,545	8,245,819	2,199,726	26.7%
<i>Assets pledged as collateral</i>	124,878	-	124,878	-
Financial assets held-for-trading	4,575,288	4,823,372	(248,084)	(5.1%)
Debt financial assets measured at fair value through other comprehensive income, including:	31,245,251	30,151,984	1,093,267	3.6%
<i>Assets pledged as collateral</i>	3,021,158	49,130	2,972,028	6049.3%
Equity and other investments measured at fair value through the income statement	133,706	183,908	(50,202)	(27.3%)
Amounts due from customers	21,143,932	18,222,892	2,921,040	16.0%
Tangible fixed assets	330,193	446,980	(116,787)	(26.1%)
Intangible assets	881,378	878,388	2,990	0.3%
Current income tax receivables	166,652	-	166,652	-
Deferred tax asset	67,109	221,703	(154,594)	(69.7%)
Other assets	769,501	384,713	384,788	100.0%
Non-current assets held-for-sale and assets in disposal groups held-for-sale	-	6,083,766	(6,083,766)	(100.0%)
Total assets	72,571,643	78,849,009	(6,277,366)	(8.0%)
LIABILITIES				
Amounts due to banks	9,465,708	3,904,294	5,561,414	142.4%
Financial liabilities held-for-trading	2,927,767	2,690,099	237,668	8.8%
Hedging derivatives	248,190	358,677	(110,487)	(30.8%)
Amounts due to customers	48,211,691	38,429,419	9,782,272	25.5%
Provisions	71,954	77,670	(5,716)	(7.4%)
Current income tax liabilities	12	11,807	(11,795)	(99.9%)
Deferred tax liabilities	1	-	1	-
Other liabilities	2,322,148	1,040,242	1,281,906	123.3%
Liabilities in disposal groups held-for-sale	-	22,294,494	(22,294,494)	(100.0%)
Total liabilities	63,247,471	68,806,702	(5,559,231)	(8.1%)
EQUITY				
Share capital	522,638	522,638	-	-
Supplementary capital	3,001,262	3,001,262	-	-
Treasury shares	(14,525)	(27,311)	12,786	(46.8%)
Revaluation reserve	84,778	240,646	(155,868)	(64.8%)
Other reserves	4,616,536	4,650,124	(33,588)	(0.7%)
Retained earnings	1,113,483	1,654,948	(541,465)	(32.7%)
Total equity	9,324,172	10,042,307	(718,135)	(7.2%)
Liabilities and equity	72,571,643	78,849,009	(6,277,366)	(8.0%)

2.2.1 Assets (including assets held for sale)

Customer net receivables

PLN '000	As of		Change	
	30 Jun 2026	31 Dec 2025*	PLN '000	%
Receivables from financial sector entities	9,084,189	6,448,941	2,635,248	40.9%
Loans*	7,500,069	6,438,061	1,062,008	16.5%
Reverse Repo	1,584,120	10,880	1,573,240	14459.9%
Receivables from non-financial sector entities, including:	12,059,743	17,941,811	(5,882,068)	(32.8%)
Total net customer receivables	21,143,932	24,390,752	(3,246,820)	(13.3%)

*Comparative data as of 31 December 2025 also include assets held for sale.

In the first half of 2026 total **net amounts due from customers** constituted the second largest share in the Group's asset structure, their share in total assets was 29.1%.

The net value of loans, being a sum of amounts due from financial sector entities and non-financial sector entities – institutional clients, amounted to PLN 21.1 billion, up by PLN 2.9 billion (or 15.9%) compared to the end of 2025 (9.7% excluding reverse repo transactions and collateral deposits) due to higher loan volumes. The largest increase in loans was recorded in financial sector.

A detailed breakdown of assets by individual segments in management view is provided in Chapter V.

Gross receivables to customers

PLN'000	As of		Change	
	30 Jun 2026	31 Dec 2025	PLN'000	%
Receivables in PLN	17,005,322	20,980,856	(3,975,534)	(18.9%)
Receivables in foreign currency	4,436,437	3,933,110	503,327	12.8%
Total	21,441,759	24,913,966	(3,472,207)	(13.9%)

Loans to customers by portfolio with/without recognized credit losses

PLN'000	As of		Change	
	30 Jun 2026	31 Dec 2025	PLN'000	%
Loans without recognized impairment (Stage 1), including:	19,101,441	21,921,681	(2,820,240)	(12.9%)
financial sector entities	8,966,547	6,290,291	2,676,256	42.5%
non-financial sector entities	10,134,894	15,631,390	(5,496,496)	(35.2%)
Loans without recognized impairment (Stage 2), including:	1,717,621	2,377,710	(660,089)	(27.8%)
financial sector entities	2,420	169,504	(167,084)	(98.6%)
non-financial sector entities	1,715,201	2,208,206	(493,005)	(22.3%)
Loans with recognized impairment (Stage 3), including:	622,296	596,448	25,848	4.3%
financial sector entities	157,132	-	157,132	-
non-financial sector entities	465,164	596,448	(131,284)	(22.0%)
Purchased or originated credit-impaired loans (POCI), including:	401	18,127	(17,726)	(97.8%)
financial sector entities	-	-	-	-
non-financial sector entities	401	18,127	(17,726)	(97.8%)
Total gross loans to customers, including:	21,441,759	24,913,966	(3,472,207)	(13.9%)
financial sector entities	9,126,099	6,459,795	2,666,304	41.3%
non-financial sector entities	12,315,660	18,454,171	(6,138,511)	(33.3%)
Provision for expected credit losses	(297,827)	(523,214)	225,387	(43.1%)
Total net amounts due from customers	21,143,932	24,390,752	(3,246,820)	(13.3%)
Impairment provisions coverage ratio*	40.6%	65.9%		
Non-performing loans ratio (NPL)	2.9%	2.5%		

*NPL ratio means the share of loans with recognized impairment, including purchased or originated credit-impaired loans in the gross loans to customers

In the first half of 2026, the non-performing loans ratio (NPL) amounted to 2.9% mainly due to the reclassification of two exposures to Stage 3 and the related increase in provisions for expected credit losses and was significantly below the regulatory level.

Debt securities portfolio

PLN '000	As at		Change	
	30.06.2026	31.12.2025	PLN '000	%
Government bonds*, including:	29,518,159	21,401,358	8,116,801	37.9%
Bonds hedged in the fair value hedge accounting	3,361,992	2,427,315	934,677	38.5%
Bonds issued by banks, including:	-	9,287,923	(9,287,923)	(100.0%)
Bonds hedged in the fair value hedge accounting	-	1,904,233	(1,904,233)	(100.0%)
Bonds issued by financial institutions	1,722,265	1,756,978	(34,713)	(2.0%)
Bonds hedged in the fair value hedge accounting	522,588	537,652	(15,064)	(2.8%)
NBP bills	2,498,178	-	2,498,178	-
Debt securities portfolio, total	33,738,602	32,446,259	1,292,343	4.0%

* securities issued by BGK for cash flow funds as of June 30, 2026, amounting to PLN 6,533,238 thousand, are presented as issued by central government institutions, not as issued by banks.

The debt securities portfolio increased as of the end of the first half of 2026 by PLN 1.3 billion (or 4.0%).

2.2.2. Liabilities

Liabilities due to customers (including liabilities held for sale)

PLN'000	As of		Change	
	30 Jun 2025	31 Dec 2024	PLN'000	%
Deposits from financial sector entities	6,703,742	6,013,707	690,035	11.5%
Deposits of non-financial sector entities, including:	40,371,071	54,213,678	(13,842,607)	(25.5%)
Non-financial sector entities	29,810,680	28,501,621	1,309,059	4.6%
Non-commercial institutions	393,533	287,945	105,588	36.7%
Public sector units	10,166,858	4,851,052	5,315,806	109.6%
Other liabilities	1,136,878	354,724	782,154	220.5%
Liabilities towards customers, total	48,211,691	60,582,109	(12,370,418)	(20.4%)
Deposits of financial and non-financial sector entities, including:				
in PLN	37,702,445	44,503,761	(6,801,316)	(15.3%)
in foreign currency	9,372,368	15,723,624	(6,351,256)	(40.4%)
Deposits from financial and non-financial sector entities, total	47,074,813	60,227,385	(13,152,572)	(21.8%)

In the first half of 2026 **total liabilities** amounted to PLN 63.2 billion, down by PLN 5.6 billion (or 8.1%) compared to the end of 2025. The largest nominal decrease was recorded in liabilities in disposal groups held-for-sale (decrease of PLN 22.3 billion compared to the end of 2025 due to the realization of the sale of retail banking).

In the first half of 2026, **amounts due to customers** constituted the dominant source of financing of the Group's activity (66.4% of the Group's liabilities and equity). Total amounts due to customers as of the end of June 2026 amounted to PLN 48.2 billion, up by PLN 9.8 billion (or 25.5%) compared to the end of 2025.

The deposit volumes amounted to PLN 47.1 billion at the end of the first half of 2026 and increased by PLN 7.4 billion (or 18.7%) as compared to the end of 2025. The above increase concerned mainly time deposits of corporate clients. A detailed breakdown of liabilities by individual segments in management view is provided in Chapter V.

2.3 Contingent liabilities

As at June 30, 2026, exposure from contingent liabilities granted by the Group amounted to PLN 13.9 billion, up by PLN 358.4 million (or 2.7%) compared to the end of 2025. Promised loan commitments represent the largest share in total contingent liabilities granted (i.e. 70.0%). Promised loan commitments consist of committed but currently unutilized credit lines and unutilized overdraft facilities and credit card limits.

Contingent off-balance sheet liabilities granted (excluding liabilities held-for-sale)

PLN'000	As of		Change	
	30 Jun 2026	31 Dec 2025	PLN'000	%
Guarantees	3,997,257	4,004,978	(7,721)	(0.2%)
Import letters of credit issued	145,664	159,738	(14,074)	(8.8%)
Export letters of credit confirmed	10,881	-	10,881	-
Credit commitments*	9,704,758	9,312,701	392,057	4.2%
Other	-	22,754	(22,754)	(100.0%)
Total	13,858,560	13,500,171	358,389	2.7%
Provisions for contingent liabilities granted	22,333	25,767	(3,434)	(13.3%)
Provisions coverage ratio	0.16%	0.19%		

* as of December 31, 2025, the value of credit commitments does not include liabilities classified as held for sale

2.4 Equity and total capital ratio

As compared to the end of 2025 the value of equity of the Group as of the end of the first half of 2026 decreased by PLN 718.1 million, i.e. by 7.2%.

Equity

PLN'000	As of		Change	
	30 Jun 2026	31 Dec 2025	PLN'000	%
Ordinary shares	522,638	522,638	-	-
Share premium	3,001,262	3,001,262	-	-
Own shares	(14,525)	(27,311)	12,786	(46.8%)
Revaluation reserve	84,778	240,646	(155,868)	(64.8%)
Other reserves	4,616,536	4,650,124	(33,588)	(0.7%)
Retained earnings	1,113,483	1,654,948	(541,465)	(32.7%)
Total equity	9,324,172	10,042,307	(718,135)	(7.2%)

Total capital ratio

As at the end of the first half of 2026 the total capital ratio (TCR) amounted to 25.8%, compared to 23.5% as at the end of 2025. The level of the total capital ratio in the first half of 2026 was influenced by the sale of the retail business, which ultimately contributed to a decrease in exposure to credit risk.

The profit for 2025 after deducting the dividend was included in the calculation of regulatory own funds.

The Bank's capital ratio values take account of:

- The minimum capital adequacy requirement set out in the Capital Requirement Regulation (CRR): a total capital ratio of 8% and a Tier 1 capital ratio of 6% and the CET1 capital ratio of 4.5%,
- The combined buffer requirement – 3.73% on a consolidated basis, consisting of:
 - conservation capital buffer – 2.5%
 - O-SII capital buffer – 0.25%
 - systemic risk buffer – 0.00% (according to the Regulation of the Minister of Finance of March 18, 2020 on the systemic risk buffer liquidation, the obligation to maintain the systemic risk buffer has been abolished);
 - countercyclical capital buffer – 0.98%

The Bank, as a resolution entity that is part of a global systemically important institution (G-SII) outside the EU (Citigroup) within the meaning of the definition in Article 4(136) of the CRR, must meet the following requirements regarding own funds and eligible liabilities in accordance with Article 92a of the CRR:

- 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).

The TLAC TREA and TLAC TEM ratios as at the end of June 2026 meet the requirements of Article 92a of the CRR after increasing the combined buffer requirement.

The Group's MREL requirement was set in accordance with the BFG decision of November 29, 2023, at 15.36% of TREA and 5.91% of TEM and should be met by own funds and eligible liabilities that meet the subordination requirement. The Group meets the MREL requirements as of 30 June 2026.

Detailed information on capital adequacy of the Group in the first half of 2026 is included in the document *Information on capital adequacy of Bank Handlowy w Warszawie S.A. Group as at 30 June 2026* which is disclosed on the Bank's website.

The equity level is fully sufficient to ensure the financial security of the company and the security of funds deposited in the Bank as well as it fully supports growth opportunities of the Group.

2.5 Earnings forecast for 2026

The Bank as the parent entity did not publish earnings forecast for 2026.

V. Activities of the Capital Group of Bank Handlowy w Warszawie S.A. in the first half of 2026

1. Corporate Banking Segment

The Corporate Banking Segment encompasses the following business areas:

- **Transaction and Custody (Services):** liquidity management, payments, trade finance and working capital, and custody
- **Relationship Banking (Banking):** lending activities excluding trade finance products, and investment activities

1.1 Segment results summary

PLN'000	1st half of 2026	1st half of 2025	Change	
			PLN'000	%
Net interest income	590,146	683,295	(93,149)	(13.6%)
Net fee and commission income	218,675	212,511	6,164	2.9%
Dividend income	14,177	11,513	2,664	23.1%
Net income on trading financial instruments and revaluation	-	-	-	-
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	-	-	-	-
Net gain/(loss) on equity and other instruments measured at fair value through income statement	(12,306)	(6,199)	(6,107)	98.5%
Net gain/(loss) on hedge accounting	-	-	-	-
Net other operating income	5,870	(10,478)	16,348	(156.0%)
Total income	816,562	890,642	(74,080)	(8.3%)
General administrative expenses and depreciation	(407,938)	(334,878)	(73,060)	21.8%
Profit on sale of other assets	21,935	417	21,518	5160.2%
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	(77,910)	(8,363)	(69,547)	831.6%
Tax on some financial institutions	(56,963)	(44,323)	(12,640)	28.5%
Profit before tax	295,686	503,495	(207,809)	(41.3%)
Cost/Income	50%	38%		

The key highlights that impacted the gross profit of the Corporate Banking segment in the first half of 2026 when compared to the corresponding period of 2025 were as follows:

- **decrease in net interest income** by 13.6% YoY as a result of the decline in interest rates (reduction of the reference rate from 5.75% in the first half of 2025 to 3.75% at the end of the first half of 2026),
- **increase in net fee and commission income** by 2.9% YoY due to higher income from custody activity and transactional banking, mainly in the area of banking account maintenance;
- **decrease in equity investments** and other instruments measured at fair value through income statement by 98.5% YoY as a result of changes in the valuation of equity exposures
- **increase in operating expenses** by 23.0% YoY due to higher IT, staff and regulatory costs (higher contribution to the compulsory bank restructuring fund under the Bank Guarantee Fund).
- **deterioration of provisions for expected credit losses on financial assets and provisions for off-balance sheet** due (an increase in write-offs by PLN 69.5 million YoY) due to the reclassification of two exposures to Stage 3 and the related increase in provisions for expected credit losses,
- **increase in net other operating income** by PLN 16.3 million YoY,
- **increase in the result on the sale of other assets** by PLN 21.5 million YoY as a result of the sale of real estate,
- **increase in bank levy** by PLN 12.6 million, i.e. 28.5% YoY.

1.2 Transaction Banking and Custody

1.2.1 Transaction Banking

In the first half of 2026, the Bank continued to implement its strategy as planned. This is directly reflected in growing volumes and values of transactions related to the servicing and financing of foreign trade. The Bank also recorded higher payment volumes, particularly in the key “new economy” segment.

These results confirm the continued expansion of the Bank’s business scale and its stronger position in servicing customer transactions.

At the same time, the Bank completed a comprehensive transformation of its corporate card offering, simplifying its product portfolio and modernizing its service model.

Electronic Banking 	In the first half of 2026, Citi Handlowy implemented further refinements aimed at improving the quality of customer service and operational efficiency. Through the partnership between Citi and DigiCert, the Bank enabled its clients to order and renew, free-of-charge, the certificates required for CitiConnect API integration directly through the Developer Portal. The change enables faster implementation of CitiConnect API and integration with the Bank, while making the process of providing certificates more convenient. In the first half of 2026, over 19.6 million transactions were processed via CitiDirect, which means an increase of 6% compared to the first half of 2025.
Payments 	In the first half of 2026, the Bank recorded a further 6% increase in transaction volumes compared with the same period in the previous year. At the same time, domestic payment volumes generated by customers in the “new economy” (Digital Natives) segment increased by 21% compared with the first half of the previous year. Clients from the “new economy” category use the full range of the Bank’s payment solutions, however their demand for domestic payments seems to be greater than for foreign payments when juxtaposed against the Bank’s total number of clients, showing that the Bank plays an important role as a local partner in the context of Citi’s global knowledge and geographical footprint. Taking into account the growing needs of clients regarding process automation, agility of transaction execution, access to data at the right time, with the right coverage and structure, the Bank continued to revamp the architecture of its systems with a focus on domestic payments. The investments made in the platforms are aimed at standardizing formats, higher bandwidth and compatibility, also in terms of the ISO 20022 requirements. In the first half of 2026, the Bank maintained a strong market position in direct debit services, achieving a high market share of 35.4%
Corporate cards 	In the first half of 2026, the Bank implemented a number of changes announced to clients in the second half of the previous year. One of these changes, introduced by leveraging Citi’s resources, concerned the operation of the helpline for Corporate Cardholders. This enabled the Bank to extend hotline opening hours and increase the number of languages in which customer support is provided. As part of other changes, insurance packages were also standardized and pricing for monthly credit card servicing was standardized and updated in order to improve product profitability. The card offering was also simplified by introducing a single card type. The design of corporate cards was standardized as well and is now consistent across both debit and credit cards. The card delivery process was also optimized, further strengthening its operational resilience. For debit cards, the number of cashless transactions and activated cards increased by 1% YoY, while the total value of cashless transactions decreased by 4% YoY. In the case of credit cards, changes in payment trends, the Bank’s revised approach to the target market, client attrition and shifts between solutions resulted in a decline in the number and value of cashless transactions by 11% and 15% YoY, respectively, accompanied by a 4% YoY decrease in the number of activated cards.

Trade finance products



Trade Finance

At the end of the first half of 2026, **the value of assets in the Trade Finance area increased by 34%** compared with the first half of the previous year.

In an era of global supply chains and rapid market changes, financing flexibility is no longer a competitive advantage — it has become a necessity. At the same time, companies' appetite for diversified and flexible financing of their day-to-day operations is growing.

Citi Handlowy responds to these developments with a comprehensive ecosystem of solutions, including reverse factoring, trade finance and supplier financing programs. Access to the global financial infrastructure offered by the Bank is becoming a key driver of its clients' business expansion.

Trade Service

The value of guarantees issued by the Bank increased by 12% in the first half of 2026, and their volume by 14%, compared to the first half of 2025. Electronic guarantees accounted for over 70% of all guarantees issued in the first half of 2026. **The value of export letters of credits advised in the first half of 2026 increased by nearly 224%** compared to the same period of the previous year. Products that support the security and settlement of transactions, both domestic and international, are an important element of cooperation with clients of the Bank.

1.2.2. Custody services

The Bank provides custody services for domestic and foreign institutional investors and services of a custodian bank for domestic pension funds and investment funds. For many years, Citi Handlowy has been a leader in the Polish market of custodian banks.

As at 30 June 2026, the Bank maintained in total over 17 thousand of securities accounts and collective accounts.

In the reporting period, the Bank was the depository for open-end pension fund Nationale – Nederlanden OFE (Open Pension Funds), voluntary pension funds: Nationale – Nederlanden DFE, Generali DFE and Employee Pension Fund Orange Polska.

The Bank was also the depository of investment funds managed by the following investment fund companies: Erste TFI S.A., PKO TFI S.A., mTFI S.A. and ING TFI S.A.

Moreover, the Bank was servicing an investment funds and pension funds operating under the Employee Capital Plans programme: PKO Emerytura SFIO, Erste PPK SFIO, Nationale – Nederlanden DFE Nasze Jutro and ING Emerytura SFIO.

Acting as the liquidator of an investment fund, the Bank continued the liquidation process of Fraxinus Open-End Investment Fund, which commenced on 1 March 2026. Until 27 February 2026, the fund operated under the name Franklin Templeton Open-End Investment Fund.

In view of the European Union's planned conversion of the securities settlement cycle from T+2 to T+1 on 11 October 2027, the Bank's experts are working, through their participation in national and regional consultation groups, to prepare market participants for the planned shortening of the settlement cycle.

1.3 Relationship banking

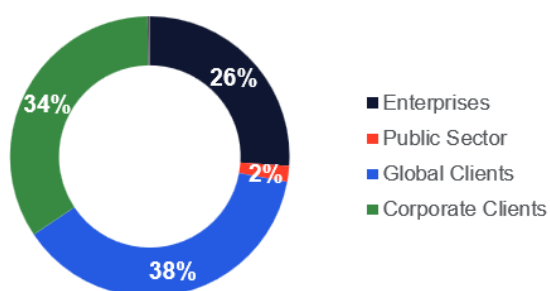
In the area of Relationship Banking, the Group provides comprehensive financial services to the largest Polish companies and strategic companies with a large potential of growth, and also to the largest financial institutions and to companies from the public sector.

A shared characteristic of the Relationship 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. The innovativeness and competitiveness of offered modern financing structures is achieved by combining the knowledge and experience of the Group and thanks to cooperation within the global structure of Citigroup.

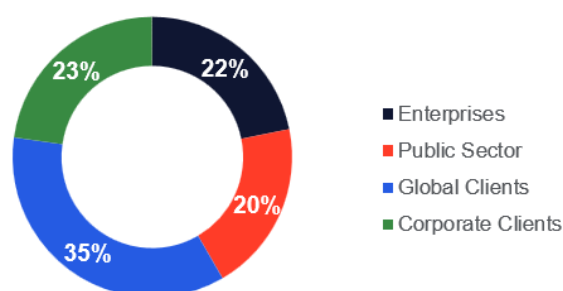
At the end of the first half of 2026 there were slightly below 5,600 corporate customers (including strategic, global and commercial banking customers) i.e. the same level as in the first half of 2025.

In terms of client acquisition in the Commercial Bank segment the Bank attracted 75 new customers in the first half of 2026, including 7 Large Companies, 13 Small and Medium-Sized Companies, 51 International Commercial Bank Clients, 1 Digital and 3 public sector entities. Within the Strategic and Global Client segments, the Bank acquired 17 new customer relationships.

Structure of assets as of 30.06.2026



Structure of liabilities as of 30.06.2026



Key transactions and achievements in the first half of 2026:

Credit activity 	<u>Granting new financing or increasing/extending existing ones in the amount of PLN 2.6 billion</u> • PLN 1.1 billion for corporate clients including: a client from the fuel and energy industry, one of the largest banks in Poland and a financial institution that supports the development of the private sector and the market economy in countries undergoing free market transformation; • PLN 0.8 billion for global clients including a leader in the telecommunications industry, a client offering diverse leasing and loan options, and an international company operating in the food industry. • PLN 0.7 billion for Commercial Banking clients including a client from the tourism industry, a leading manufacturer and distributor of professional medical equipment in Poland, a client operating in the tool industry, specializing in the distribution of machines, power tools and hand tools, a client specializing in clinical trials, especially in the field of oncology, a client operating in the medical industry, one of the most well-known European manufacturers of cables and wires, and one of the most dynamically developing companies in the construction industry in Poland.
Transactional Banking 	<u>Increasing shares in banking services and transaction banking</u> • Winning 31 mandates for comprehensive banking services or extending the Bank's cooperation with its clients; • Signing new agreements or increasing the amounts of existing agreements regarding letters of credit, promises, factoring and bank guarantees for a total amount of PLN 1.4 billion.
Investment Banking 	<u>The Brokerage Department of Bank Handlowy participated in the following transactions:</u> • Accelerated Equity Offering (AEO) of Allegro.eu, in which DMBH acted as Global Co-Coordinator, valued at nearly PLN 1.7 billion (April 2026), • Accelerated Equity Offering (AEO) of Allegro.eu, in which DMBH acted as Global Co-Coordinator, valued at nearly PLN 4.4 billion (June 2026).

2. Financial Markets Segment

The Financial Markets Segment encompasses the following areas of activity:

- **Interbank activity:** debt financial instruments and derivatives
- **Client activity:** foreign exchange (FX) and capital markets (brokerage) and derivatives

2.1 Segment results summary

PLN'000	1st half of 2026	1st half of 2025	Change	
			PLN'000	%
Net interest income	340,543	394,320	(53,777)	(13.7%)
Net fee and commission income	7,192	4,635	2,557	55.2%
Dividend income	-	-	-	-
Net income on trading financial instruments and revaluation	283,424	174,759	108,665	62.2%
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	222,121	145,415	76,706	52.7%
Net gain/(loss) on hedge accounting	(5,053)	1,687	(6,740)	(399.5%)
Net other operating income	2,351	1,485	866	58.3%
Total income	850,578	722,301	128,277	17.8%
General administrative expenses and depreciation	(138,440)	(114,255)	(24,185)	21.2%
Profit on sale of other assets	7,979	153	7,826	5115.0%
Provisions for expected credit losses on financial assets and provisions for off-balance sheet commitments	1,660	(635)	2,295	(361.4%)
Tax on some financial institutions	(19,378)	(19,857)	479	(2.4%)
Profit before tax	702,399	587,707	114,692	19.5%
Cost/Income	16%	16%		

2.1.1. Activity and business achievements of the Financial Market and Corporate Banking Sector

The Sales Division of the Financial Markets and Corporate Banking Sector is regarded by clients as a trusted partner and key expert, responding to the challenges posed by the global economy to Polish and international businesses. In the first half of 2026, in response to the continued trends in the global economy, the Division further strengthened its position by focusing on delivering unique value added and proactively supporting clients in managing financial risks.

During the period under review, the Sales Division's efforts focused in particular on the following areas:

- **Strategic Support in FX Risk Management:** the Bank actively supported clients in developing, optimizing and establishing policies for managing foreign exchange risk exposures. The Bank's engagement and expertise helped companies navigate more effectively during heightened market volatility.
- **Development of Digital Tools and Technologies:** efforts focused on developing tools for electronic and automated foreign exchange transactions in order to reduce the operating involvement of the clients in FX risks mitigation processes. The gradual rollout to clients of the new, advanced Citi Velocity foreign exchange platform was also initiated.
- **Access to Expertise and Market Analysis:** clients were provided with continuous and proactive access to key market data and up-to-date economic analyses. Regular meetings and webinars with the Bank's Chief Economist and financial market experts attracted record interest, serving as a valuable source of knowledge and support for the Bank's clients in making strategic decisions.

These activities confirm the consistent implementation of the Bank's strategy of providing clients with advanced solutions and expert knowledge in the area of treasury operations, further strengthening the Bank's position as a leader in this field.

The Investor Services Department and the Structured Finance Department in the Financial Markets and Corporate Banking Sector were active in the primary market for debt securities by arranging issues for the European Investment Bank (EIB) in the amount of PLN 1.25 billion for general purposes related to operations.

Foreign exchange (FX) transaction volumes increased by 11.9% in the first half of 2026 compared to the same period of the previous year.

2.1.2. Brokerage activities

The Group pursues brokerage activity on the capital market via a separate organizational unit which is a brokerage house – the Brokerage Department of Bank Handlowy.

As at the end of the first half of 2026, DMBH was the market maker for 71 companies listed on the Warsaw Stock Exchange (of which 20 companies from the WIG20 index), i.e. 17.6% of the shares listed in its main equity market.

In the first half of 2026, DMBH was the intermediary in in-session transactions accounting for 4.9% of equity turnover in the secondary market. The value of the in-session transactions concluded via DMBH in the equity market on the WSE was PLN 30.2 billion. After the first half of 2026, DMBH was ranked eight in terms of session turnovers on the WSE Main Market and second as a local WSE member.

3. 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 („Divison”) by demerger of Retail Banking Segment („Retail Banking”) to VeloBank („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, has 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 the second quarter of 2025;
- (ii) variable price component of PLN 100 million, which was recognized in the Group's results for the second quarter of 2026.

The sale agreement includes provisions concerning the Bank granting release from legal liability in area of specified identified risks with designated constrained amount, which in the future might result in creation of contingent liabilities or provisions.

Detailed information on assets and liabilities previously classified as held for sale, as well as an analysis of the result on discontinued operations in the amount of PLN 38.5 million for the first half of 2026 and in the amount of PLN -273.6 million for the first half of 2025, can be found in note 4 of the 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.

4. Changes in information technology

In the first half of 2026, a strategic goal of the Bank in the area of IT technology was to continue increasing the competitiveness of the Bank by providing top quality products and services with the extensive use of innovative solutions, digitization and automation and concurrently with cost optimization. In accordance with prevailing market trends, the technology of the Bank is based, to a large extent, on centralized services and outsourcing. The services centralization processes enable the Bank to generate savings, improve quality, standardize processes and ensure a high level of control and information security. The Technology Division of the Bank focused its activities on the development and implementation of solutions which promote an electronic distribution the channels based on the most advanced online and mobile solutions. Projects supporting the automation and digitization of the Bank's internal processes as well as projects using AI were important.

IT processes of the Bank are executed in accordance with international standards, i.e. ISO 20000 (information technology – service management).

The most crucial modifications and improvements implemented in the first half of 2026 included:

- **in corporate banking and financial markets:**
 - modernization of front-office systems;
 - introduction of a new brokerage platform;
 - introduction of a CRM platform for institutional advisors;
 - adaptation of the Bank's systems to support the new POLSTR reference index;
 - implementation of solutions supporting digitization and automation of back-office processes. As a result of implementing the subsequent automation of back-office processes, the Bank expects increased reliability and efficiency in the area of automated processes;
- **in the scope of adaptation of systems of the Bank to ensure their compliance with regulatory requirements:**
 - adaptation of the Bank to the changed EMIR (Emir Refit) reporting requirements to ensure compliance with regulatory requirements;

- introducing standards for managing tools based on artificial intelligence, compliant with the requirements of the AI Act;
- implementation of changes related to the introduction of the National e-Invoice System (KSeF);
- **in the area of information and communication technology infrastructure of the Bank and information security:**
 - introducing a new version of the Data Leakage Prevention system, which consistently strengthens mechanisms protecting against data leaks;
 - adapting processes related to handling information security incidents to DORA requirements;
 - implementing a key indicator reporting scheme in line with the CRI (Cyber Risk Institute) standard.

Technology units proactively develop and improve their portfolios of services to fully meet both current and future business needs of the Bank. They deliver to their business partners optimal technology solutions used to build competitive advantage. Technology units actively support initiatives which enable a broader use of information technologies that automate processes at the Bank and increase the services digitization level.

Pending and not completed initiatives and modifications of systems which will affect the operations of the Bank in the near future are presented below:

- **in corporate banking and financial markets**
 - modernization of the IT system architecture for Elixir and Express Elixir payments, and implementation of a new SEPA instant payments product
 - for the payment and trade finance sectors, adapting the bank's systems to exchange messages in the SWIFT network in accordance with the requirements for structured addresses
 - implementation of solutions for robotization and automation of operating processes of the Bank;
 - ongoing identification and elimination of safety gaps in used systems;
 - optimization of the technology services portfolio through the elimination and consolidation of obsolete IT architecture elements;
 - introduction of new platforms supporting advisors of institutional clients;
 - implementation of a new electronic banking platform for institutional clients of Corporate Banking, facilitating clients' access to all products.
 - expansion of the ICT environment for financial reporting – by automating current processes, this implementation will ensure greater cost efficiency and reliability of financial and supervisory reporting processes;
- **in the area of information and communication technology infrastructure of the Bank and information security:**
 - implementation of additional new-generation security solutions in banking systems;
 - continued modernization of the architecture of network infrastructure of the Bank's main locations using SDN technology (software defined network) including the implementation of encryption between the Bank's main locations in Poland (MACSEC) and logical network segmentation;
 - preparation works before using AWS cloud and GCP services for data processing (in the first stage for data classified as internal);
 - migration of servers and systems to a shared colocation with the Warsaw Stock Exchange;
 - migration of the production computing center and IT infrastructure from the building at Goleszowska 6 to a new colocation;
 - implementation of AI-based services, including solutions developed by the Citi group as well as M365 Copilot and Zoom AI Companion solutions.

The Bank developed, implemented and has maintained a business continuity management system (BCMS), which is oriented to achieving results reflecting the core principles and values of the Bank in line with the Bank's strategy. The Bank designed business continuity plans and contingency plans for critical processes and functions, which ensure continuity of processes during an emergency. The plans ensure an efficient and well-balanced continuity of critical services and products of the Bank in the required time. The plans are subject to periodic reviews and tests, and the test results are used to improve the plans and the entire BCMS. The Bank maintains the BCMS in line with the international ISO22301.

5. Equity investments of the Group

Equity investments of the Bank (excluding the DMBH trading portfolio) are divided into the strategic investment portfolio and the portfolio of investments intended for sale. In the first half of 2026, the Bank continued to pursue its earlier equity investment policy. The Bank managed the strategic investment portfolio in order to maximize profits in the long term, increase its market share, stimulate development of the Bank's relations and expand the Bank's offering; the Bank managed the divestment portfolio in order to optimize gains on equity transactions and minimize the risk inherent in such transactions.

5.1 Strategic investment portfolio

This portfolio includes companies running a business in the financial sector which contribute to the Bank's product offering, bring prestige to the Bank's operations and strengthen its competitive position in the Polish financial services market.

Strategic holdings also include infrastructure providers operating for the benefit of the financial sector. The Bank holds minority interest in such companies but they are of strategic importance to the Bank in view of their operations as well as their cooperation with the Bank.

The Bank intends to retain its strategic holdings in infrastructure providers and play an active role in defining the strategic directions of their development by exercising its right of vote. The overall aim of the Bank when exercising corporate governance over such companies is to maintain their development without affecting their business operations, which is taken advantage of by the Bank as well as other financial market participants.

VI. Key risk factors relating to the operations of the Capital Group of Bank Handlowy w Warszawie S.A.

1. Regulatory risk

In the first half of 2026, the financial and organizational situation of the Group was affected, among other things, by:

Legal acts / regulations	Effective date and summary of new requirements
EBA Guidelines on the management of ESG risks	• Date: 11 January 2026 • The guidelines concern management of the environmental, social and governance risks and set out the management rules to be implemented by institutions pursuant to Article 87a (1) and Article 74 of the CRD Directive (Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms). • The EBA Guidelines refine the above provisions of the CRD as regards: a) the minimum standards and reference methodologies for the identification, measurement, management and monitoring of environmental, social and governance risks (ESG) b) qualitative and quantitative criteria for the assessment of the impact of ESG risks on the risk profile and solvency of institutions in the short, medium and long term, c) the content of plans to be prepared in accordance with Article 76(2) of the CRD by the management body.
Judgment of the Court of Justice of the European Union of 3 October 2019 on the interpretation of Article 1(2), Article 4, Article 6(1) and Article 7(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ 1993 L 95, p. 29) concerning clauses in foreign currency indexed mortgage contracts	• Announcement date: 3 October 2019 • According to the CJEU ruling, if Polish courts find that indexation clauses in foreign currency indexed mortgage loan agreements are abusive: a) courts may assume that the contract cannot continue to operate without such clauses because this would change the nature of the contract, b) as a rule, the consequences of contract invalidation for the consumer must be assessed as at the moment the dispute arose (not as at the time the contract was made), c) courts cannot freely supplement their terms based on equity principles (e.g. by introducing settlements based on NBP exchange rates into contracts), d) courts cannot uphold the indexation even if the contract has to be invalidated and such invalidation is disadvantageous to the client if the client does not agree to maintain the indexation. • As a result of this judgment, a case law unfavorable for banks has developed, affirming the ability to invalidate mortgage loan contracts indexed to a foreign currency.

Regulation on operational resilience to digital threats ("DORA" – Digital Operational Resilience Act).	• DORA – The regulation will apply to entities such as: investment funds, payment and credit institutions, ASI managers, insurance companies, audit companies, ICT service providers (Information and communication technologies), crypto-asset service providers, securities depositories. The DORA Regulation aims at harmonizing the provisions regarding the digital resilience of the financial sector in the EU and at boosting the digital and operational resilience of the financial sector organizations. The regulation entered into force on January 17, 2025.
DIRECTIVE (EU) 2022/2464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD) Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU as regards sustainability reporting standards (ESRS) Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the deferral of the date of application of disclosure requirements for certain undertakings Act of 29 September 1994 on accounting (consolidated text: Journal of Laws of 2023, item 120, as amended) – in the scope of CSRD implementation	• The CSRD Directive makes, among other things, changes to a bank's existing non-financial reporting by introducing sustainability reporting. Pursuant to the amended regulations, a bank is obliged to present in its activity reports the information necessary for recipients to understand the bank's impact on sustainability issues, as well as to present how the presented information affects the development, results and situation of the bank. The CSRD applies to a bank for financial years beginning on or after 1 January 2024. • The ESRS Regulation introduces standards as to the information that obliged entities should report as part of sustainability reporting together with a regulation postponing the dates of application of certain requirements.
Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ("EU Taxonomy") Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Text with EEA relevance) Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening	• The EU Taxonomy is the foundation of the EU's sustainable finance framework and an important tool for ensuring market transparency. It helps direct investments towards the economic activities most needed for transformation, in line with the objectives of the European Green Deal. The Taxonomy is a classification system that defines criteria for economic activities that align with the net zero emissions by 2050 pathway and broader environmental goals beyond climate. To achieve the EU's 2030 climate and energy targets and the objectives of the European Green Deal, it is crucial to direct investments towards sustainable projects and activities. To achieve this, a common language and a clear definition of "sustainability" are needed. Therefore, the action plan for sustainable finance calls for the creation of a common classification system for sustainable economic activities, or "EU Taxonomy." The EU Taxonomy allows financial and non-financial companies to use a shared definition of economic activities that can be considered environmentally sustainable. As such, it plays a vital role in helping the EU increase sustainable investment, while ensuring security for investors, protecting private investors from greenwashing, helping companies become more climate-friendly, and mitigating market fragmentation. The Taxonomy Regulation entered into force on 12 July 2020. It establishes the foundations of the EU taxonomy by defining four overarching conditions that an economic activity must meet to qualify as environmentally sustainable. Under the Taxonomy Regulation, the Commission had to develop an actual list of environmentally sustainable activities, defining technical screening criteria for each environmental objective through delegated and implementing acts.

criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities	
Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849	- The Regulation takes effect on 30 December 2024 and Regulation (EU) 847/2015 of the European Parliament and of the Council will cease to apply on the above effective date. The draft introduces: 1) amendments to the obligations of payment service providers to provide information on payers and payees accompanying transfers of funds, 2) obligations of crypto-asset service providers involved in the transfer of crypto-assets to provide information on the originators and beneficiaries accompanying transfers of crypto-assets; 3) obligations to implement internal policies, procedures and controls to ensure that restrictive measures are applied.
Regulation on Artificial Intelligence (AI Act)	- The regulation is to ensure that AI systems introduced in the EU market and used in the EU are safe and in compliance with the law in the area of fundamental rights and EU values. The regulation introduces comprehensive requirements for the so-called high-risk Artificial Intelligence systems, which include creditworthiness assessment systems for individuals, but also other systems that may be used in the banking system. The regulation defines prohibited AI practices – the AI systems using such practices will be prohibited, - The regulation was published in the Official Journal of the EU. The regulation came into force 20 days after publication and, as a general rule, becomes applicable 24 months after its entry into force, i.e. from 2 August 2026. The application timetable was partially amended by the amending regulation adopted in June 2026 as part of the Digital Omnibus on AI package and is as follows: 1. Chapter I concerning general provisions and Chapter II concerning prohibited AI practices have been in force since 2 February 2025 (unchanged); 2. Chapter III, Section 4, concerning market surveillance authorities; Chapter V concerning general-purpose AI models; Chapter VII concerning governance at Union level; and Chapter XII concerning

	penalties for infringements of the regulation (except Article 101), as well as Article 78 concerning confidentiality have been in force since 2 August 2025 (unchanged); 3. Requirements for high-risk AI systems — the original deadline of 2 August 2026 have been postponed under the Digital Omnibus package to 2 December 2027.
Regulation (EU) 2024/2987 of the European Parliament and of the Council of 27 November 2024 amending Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets (EMIR 3.0)	• Its effective date is 24 December 2024, • Requirements for financial and non-financial counterparties subject to the central clearing obligation, to clear at least some derivatives indicated in the legal act as being of systemic importance in active accounts at Union CCP (CCP – central counterparty), are one of the key changes introduced by EMIR 3.0, • The above requirement refers to the obligation of counterparties to have the so-called active account, which meets specific requirements, at a Union CCP, and to clear in that account a specific number of interest rate derivatives denominated in EUR and PLN deemed to be of substantial systemic importance.
Commission Delegated Regulation (EU) of 29 October 2025 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council (EMIR) with regard to regulatory technical standards specifying operational conditions, the representativeness obligation, and reporting requirements related to the active account requirement	The regulation entered into force on 26 February 2026 and specifies in detail: • The operational conditions for an active account, • The representativeness requirement (a minimum number of transactions in the “most relevant” sub-categories within each asset class), • Semi-annual reporting to the supervisory authority.
Regulation (EU) No 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements on credit risk, credit valuation adjustment risk, operational risk, market risk and the minimum capital threshold (CRR 3)	• CRR3 published in the Official Journal of the EU on June 19, 2024, entered into force on July 9, 2024, effective from January 1, 2025. • Regulations amending Regulation (EU) No 575/2013 implementing a reform of the prudential framework for institutions aimed at increasing the resilience of the EU banking sector - implementing the Basel III reform.
Recommendations of the National Working Group on Benchmark Reform (NGR) regarding new contracts for PLN products	• Deadline: end of 2027, • The purpose of this recommendation is to guide financial market entities on practices for using the POLSTR (Warsaw Interest Rate Overnight) interest rate benchmark or indices from the POLSTR Composite Index Family in financial contracts and financial instruments. The practices outlined in the recommendation are not mandatory and may be applied on a discretionary basis, taking into account the specific characteristics of the given financial market entity and the clients with whom the contracts are concluded.
Decisions of GPW Benchmark S.A. on the discontinuation of the provision of WIBOR and WIBID benchmarks for specific fixing tenors: I. Decision of 30 September 2025 concerning the discontinuation of the provision of: • Overnight (O/N): effective 1 October 2026; • Tomorrow/Next (T/N): effective 22 December 2025; • 2 Weeks (2W): effective 22 December 2025; • 1 Year (1Y): - effective 22 December 2025 under the existing methodology; and - effective 22 December 2026, in connection with the obligation imposed on the administrator by the supervisory authority to continue publishing the benchmark pursuant	• Decisions of GPW Benchmark S.A. affect the use of the WIBOR and WIBID benchmarks by the Bank. In connection with the ongoing benchmark reform and the decisions of GPW Benchmark S.A., the Bank is carrying out advanced work to introduce the POLSTR benchmark, which will replace WIBOR and WIBID for a number of products. Following the decision of GPWB Benchmark S.A., legislative work is currently underway to introduce, subject to certain exceptions, a statutory prohibition on the use of WIBOR and WIBID in new products and financial instruments effective 1 January 2027.

to Article 21 of the Benchmark Regulation (BMR) after changing the methodology for providing the 1Y WIBOR benchmark. The 1-week tenor (WIBOR/WIBID SW) remains a point on the money market yield curve, but will be calculated as an index within the meaning of the Benchmark Regulation (BMR) in order to ensure information transparency. In accordance with the decision of GPW Benchmark S.A., the values of the index calculated for the SW tenor may not be applied and used in financial contracts or instruments. On 19 May 2026, GPW Benchmark S.A. announced that the WIBID SW and WIBOR SW benchmarks would cease to be published effective 1 October 2026. II. Decision dated 18 May 2026 to discontinue the provision of the key WIBOR and WIBID benchmarks through an orderly wind-down process, effective 1 January 2037. As a result of this decision, 31 December 2036 will be the final publication date for the 1-month (1M), 3-month (3M) and 6-month (6M) WIBID and WIBOR benchmarks.	
Draft Act amending the Banking Law Act and certain other acts (implementation of CRD IV)	• Effective date: after 14 days from the date of publication in the Journal of Laws, with exceptions,, • Changes in the processes used for assessing the suitability of members of the Management Board, Supervisory Board and persons holding key functions at the Bank, as well as in the process of appointing members of the Management Board and the Chairman of the Supervisory Board (requirement to obtain prior consent from the Polish Financial Supervision Authority), • Disclosure obligations related to the acquisition and disposal of the Bank's shares or a planned merger or division or transfer of assets or liabilities of significant value, • Expanding the tasks of the risk management system to include environmental, social and corporate governance (ESG) risks in the short, medium and long term, • Strengthening the powers of the Polish Financial Supervision Authority.
The ruling of the Court of Justice of the European Union of 11 September 2019 on the interpretation of Article 16.1 of the Directive of the European Parliament and of the Council 2008/48/EC of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, concerning the settlement of cost of borrowing in the case of an earlier repayment.	• Announcement date: 11 September 2019 • The position of the UOKiK (Office of Competition and Consumer Protection) clearly shows how the conclusions from the judgment should be taken into account in activities of lenders. • The expected response is a proportionate, i.e. in accordance with the so-called straight-line method, return of part of the commission on early repaid consumer loans. • As revealed in an official communiqué published on the UOKiK's website, the majority of banks have promised to use practice in line with the UOKiK's expectations.
Draft Act amending the Act on crisis management and certain other acts	• The purpose of the amendment is to strengthen the crisis management system by introducing solutions aimed at ensuring effective risk management, taking into account the provisions of the decision of the European Parliament and of the Council concerning the Union Civil Protection Mechanism (UCPM). • New criteria are planned to enable the identification of facilities, installations and devices as critical infrastructure, and thus the selection of critical infrastructure operators (the owner or holder of such infrastructure). • In order to ensure an appropriate level of critical infrastructure protection, it is planned to introduce minimum standards in the areas of physical, technical, personal, ICT and legal security, as well as business

	continuity and recovery plans, introducing requirements aimed at enhancing operational resilience. • New organizational roles have been introduced: a critical infrastructure protection coordinator and an essential service security officer. Persons performing these functions must meet personnel-related security requirements for access to classified information. • The role of the Polish Financial Supervision Authority (KNF) has been strengthened. The KNF will identify entities and critical infrastructure, determine confidentiality classifications for information provided, and supervise compliance with statutory obligations.
The Act of 14 April 2023 Amending the Goods and Services Tax Act and Certain Other Acts	• Effective date – 01 January 2024, • a new requirement for individual payment service providers participating in cross-border transactions to report certain cross-border transactions to the Head of the National Revenue Administration. Data collected at the national level are provided to the Central Electronic System of Payment Information (CESOP); payment service providers are obliged to keep electronic records, on a quarterly basis, of payment recipients and cross-border payments as regards the payment services provided. The obligation arises when the number of services provided by the service provider during a given quarter exceeds 25 cross-border payments to the same recipient.
The Act of 16 June 2023 Amending the Goods and Services Tax Act and Certain Other Acts (implementing the National System of e-Invoices, the so-called KSeF)	• KSeF, i.e. the National System of e-Invoices, is mandatory from February 1, 2026 for the largest taxpayers (with annual sales value exceeding PLN 200 million gross), the final deadline for the smallest entities is January 1, 2027. • The National System of e-Invoices (KSeF) is a system that enables the generation and sharing of structured invoices. The aim of KSeF is to centralize the process of registering invoices in business transactions by directing them to one central facility.
The act of 6 November 2024 on top-up taxation of component units of international and domestic groups	• The Act is an implementation of the EU Directive which introduces the concept of the so-called global minimum tax (Pillar 2), • Pillar 2 is, in simple terms, a set of rules that impose an obligation on large multinational enterprise groups to pay a top-up tax so that the group's effective tax rate in a given country is not lower than 15%, • The Act entered into force on 1 January 2025, with the possibility of using the so-called safe harbor until the end of 2026, which, when certain conditions are met, excludes the requirement to prepare a full calculation of the top-up tax.
Resolution of 29 October 2021 amending the Personal Income Tax Act, the Corporate Income Tax Act and certain other acts (amended by the Act of 26 May 2023)	• On 1 January 2025, an obligation came into effect to maintain accounting books only in electronic form and to send the JPK-CIT structure to the tax authorities on an annual basis. • The largest CIT taxpayers (with revenues exceeding the equivalent of EUR 50 million) and tax capital groups are the first to be required to submit JPK-CIT for 2025. • The deadline for JPK-CIT reporting has been extended to the end of the seventh month following the end of the tax year.
The Act of 12 April 2024 Amending the Accounting Act and Certain Other Acts	• The Act implements the EU Directive and obliges large multinational companies to publicly disclose reports related to income tax paid in the countries in which they operate, • If the parent company in a group is based outside the EEA and certain thresholds are exceeded, the reporting obligation falls on its subsidiaries based in the EEA, • If the parent company publishes a report and meets certain requirements, subsidiaries will be exempt from this obligation, • The first report for 2025 will have to be published by the end of 2026.
The Act of 25 June 2025 Amending the Corporate Income Tax Act	• The Act repealed the obligation to prepare and publish information on tax strategy.
Act of 6 November 2025 amending the Corporate Income Tax Act and the Act on Tax on Certain Financial Institutions	• The Act introduced a higher corporate income tax rate, including for banks. It will be increased from 19% to 30% in 2026. In subsequent years, these rates will be 26% (in 2027) and 23% (from 2028), respectively.

	In 2027, changes will come into effect reducing the corporate income tax rate for certain financial institutions (from 0.0366% to 0.0329% in 2027 and 0.0293% from 2028).
The Act of 29 May 2026 amending the Tax Ordinance Act and certain other Acts	- Effective date: 1 October 2026 - The key changes include: abolishing the concept of an “assistant” role and appropriately expanding the definition of a promoter to include activities previously assigned to the assistant; abolishing the obligation to report domestic tax arrangements — only cross-border arrangements will be subject to reporting; and removing the so-called other specific hallmarks.
Draft Act on Credit Servicers and Credit Purchasers	- The act was passed by the Sejm on 20 December 2024. The Senate adopted it on 8 January 2025 without amendments. On 30 January it was signed by the President, - Regulation of credit management activities (supervision, register, permits, capital requirements, requirements regarding policies and internal procedures), - The Directive lays down the rules of national supervision over the above-mentioned entities (including but not limited to, supervision of individual categories of entities and establishment of a procedure for granting authorization to credit servicers), including in terms of cross-border trade in receivables, - Amendment to the Consumer Credit and Mortgage Credit Act with respect to mandatory information provided before the agreement is amended, - Amendments to the Banking Act consisting in, among others, adding a possibility to divide a bank being a joint-stock company by separation (<i>podział przez wyodrębnienie</i>) (apart from the already existing option of partial division (<i>podział przez wydzielenie</i>)).
Financial data access and payments package (PSR/PSD3/FIDA) REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on payment services in the internal market (PSR) DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on payment services and electronic money services in the internal market (PSD3) Regulation of the European Parliament and of the Council on a Framework for Financial Data Access (FIDA)	- Date of entry into force of the PSR: the Regulation enters into force on the twentieth day following its publication in the Official Journal of the European Union. It applies 18 months after the date of entry into force of the Regulation, - Date of entry into force of PSD3: the Directive enters into force on the twentieth day following its publication in the Official Journal of the European Union and needs to be transposed into national law. - FIDA effective date: The Regulation is to enter into force on the twentieth day following its publication in the Official Journal, and is to be applied after twenty four months following the date of entry into force, with the proviso that data holders and data users must become members of financial data sharing schemes within eighteen months following the entry into force of the Regulation, - PSR – the establishment of uniform requirements for the provision of payment services and electronic money services in relation to the following matters: - transparency of the reporting conditions and requirements for payment services and electronic money services; - the rights and obligations of users of payment services and electronic money services and of payment service and electronic money service providers with regard to the provision of payment services and electronic money services. - PSD3 – the establishment of the provisions concerning: - the admission of payment institutions to an activity consisting of the provision of payment services and electronic money services within the Union; - supervisory powers and tools for the supervision of payment institutions. - FIDA – the extension of the “open banking” principle by allowing access to data to which access has not been granted yet under the PSD2 directive. This includes access to data on mortgage loans, loans, savings, non-payment accounts, and even access to data that constitute the basis for assessing a customer’s creditworthiness, which is collected as part of a loan application or credit rating.
A package of AML regulations: Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024	The AML Regulation defines a common legal framework for anti-money laundering and combating financing of terrorism (AML/CFT) for the EU. It specifies, in particular, a catalogue of obliged entities (such that are required to comply with AML/CFT regulations), indicates the scope of

on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ("AML Regulation") Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 ("AMLA Regulation") Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 ("AML Directive") and draft act amending the Act on Anti-Money Laundering and Combating the Financing of Terrorism	procedures, policies and controls to be adopted by obliged entities, and describes the principles of application of financial security measures, such as client identification or verification. Obligated entities will be required to apply EU harmonized rules to identify a client and a beneficial owner and to verify their identity, obtain information about the purpose and nature of business relations, monitor clients' business relations and transactions, and verify whether a client or a beneficial owner are subject to financial sanctions. The AML Regulation also regulates the rules of applying simplified and enhanced due diligence measures, • The AML Regulation will come into effect on 10 July 2027. • The purpose of the AML Regulation is the establishment of the Authority for Anti-Money Laundering and Countering the Financing of Terrorism ("AMLA"), as well as definition of its structure, role, tasks and competences. The AMLA will be based in Frankfurt am Main, Germany, and should begin operations mid-2025. • In principle, the AML Regulation will be effective from 1 July 2025, • The AML Directive establishes the provisions regarding, among others, the identification of risk of money laundering and terrorist financing at the level of the EU and Member States, establishment of central registers of beneficial owners, registers of bank accounts and electronic data search and access to information systems kept in these registers, as well as points of access to real estate information. The directive also sets out the obligations and tasks of financial intelligence units (FIUs) and bodies involved in supervising obliged entities, • According to the AML Directive, Member States have, in principles, 3 years to prepare provisions transposing this directive, with some exceptions.
The Act of 26 April 2024 on ensuring compliance with the requirements of accessibility of certain products and services by business entities	• Effective date: 28 June 2025, • It introduces a requirement for the accessibility of retail banking products and services to persons with technical difficulties or disabilities, as well as the comprehensibility and provision of information about them at the B2 language level.
Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity (eIDAS 2.0)	• Development of digital identity for citizens throughout the European Union, in particular through the introduction of the European Digital Identity Wallet (EUDI – EU Digital Identity Wallet) and new trust services. EUDI is intended to allow for the secure storage of various digital identity data, such as driving licenses, permits, health cards, diplomas, etc. In addition to identity management, the EUDI wallet is intended to offer a payment solution.
Regulation (EU) of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro ("IPR")	• Obligation for payment service providers (in practice, banks) to offer instant credit transfers (24/7) in EUR. • Fee for an instant credit transfer in EUR (for non-eurozone countries) – in principle, according to the Regulation on equivalence of fees and charges (Regulation 2021/1230), that is, the same as their equivalent domestic fee in PLN, provided that it cannot be higher than the fee for a standard transfer in EUR (SEPA). • Obligation to provide a matching verification service (accompanying the instant credit transfer service) allowing the payer to verify whether the IBAN matches the name of the payee, and allowing the user to resign from such service. • Introduction of an obligation to check users of payment services, on an ongoing basis (at least daily), against the sanction lists. • The Regulation shall come into effect on 8 April 2024. • Pursuant to Article 5a(8) inserted in Regulation 260/2012, the adjustment deadlines for introducing instant credit transfers in EUR by payment service providers outside of the eurozone are as follows: 1. 9 January 2027 – adjustment deadline for offering the payment service of receiving instant credit transfers in euro as laid down in the inserted Article 5a 2. 9 July 2027 – adjustment deadline for offering the payment service of sending instant credit transfers in euro as laid down in the inserted Article 5a.
Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and	• CSDDD establishes companies' obligations as regards identifying, preventing and mitigating the adverse impacts of their operations on human rights and the environment. Its goal is to promote sustainable

amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (CSDDD)	and responsible business conduct. It also provides for monitoring the effectiveness of the measures taken and communicating the implemented procedures. The regulation applies to big companies operating in the European Union, regardless of whether they are domiciled in or outside the EU.
Directive (EU) 2025/794 of the European Parliament and of the Council (so called "stop-the-clock" directive) amending Directives (EU) 2022/2464 (CSRD) and (EU) 2024/1760 (CSDDD) as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements.	- The Directive extends reporting deadlines for entities that are in the second and third reporting groups under the CSRD, - The Directive changes the deadline for transposition of the CSDDD from 26 July 2026 to 26 July 2027, and also postpones its application by 1 year for the first group of companies falling within the scope of the Directive (i.e. until 26 July 2028).
Draft Delegated Regulation of the European Commission of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the postponement of the date of application of disclosure requirements for certain undertakings	The European Commission has adopted targeted "quick-fix" amendments to the first set of European Sustainability Reporting Standards (ESRS). They will reduce burdens and increase certainty for companies that had to start ESG reporting for the 2024 financial year (commonly referred to as "first wave" companies). Under the current ESRS, undertakings reporting for the 2024 financial year can omit information on, among other things, the expected financial impact of certain sustainability risks. The quick-fix that applies from the 2025 financial year will allow them to omit the same information in the 2025 and 2026 financial years.
Draft Delegated Regulation of the European Commission of 4 July 2025 amending Commission Delegated Regulation (EU) 2021/2178 as regards simplifying the content and presentation of information to be disclosed in relation to environmentally sustainable activities and Commission Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplifying certain technical screening criteria for determining whether an economic activity causes no significant harm to environmental objectives	The European Commission has adopted a set of measures aimed at simplifying the application of the EU taxonomy "quick-fix", i.e. the EU's classification system for sustainable economic activities and investments. These changes will reduce administrative burdens imposed on businesses while preserving the framework's core objectives. These changes were adopted in the form of a delegated act amending the delegated acts on taxonomy-related disclosures and the delegated acts on climate and environment. The simplification measures set out in this Delegated Act will apply from 1 January 2026 and cover the 2025 financial year. However, undertakings have an option to apply the measures from the 2026 financial year onwards if they find it more convenient.
Regulation (EU) 2025/914 of the European Parliament and of the Council of 7 May 2025 amending Regulation (EU) 2016/1011 as regards the scope of the rules for benchmarks, the use in the Union of benchmarks provided by an administrator located in a third country, and certain reporting requirements	- The Regulation was promulgated on 19 May 2025 and enters into force on the twentieth day following its publication, and applies from 1 January 2026, - Amendments to the Regulation streamline the existing assumptions regarding the application of a nearly identical regime of requirements for critical and significant benchmarks, as well as other benchmarks that are not included in the first two groups. The changes, among other things, largely reduce the scope of application of the Regulation to critical and significant benchmarks. Additionally, the provisions regarding significant benchmarks have been clarified. Additional regulations have been introduced regarding climate transition benchmarks and alignment with the Paris Agreement. The benchmark requirements for third-country administrators have also been amended accordingly. - Amendments to Article 28(2) (concerning contingency plans) and Article 29 in conjunction with Article 24a of the Regulation (e.g. actions required in the event of a declaration that a significant benchmark does not comply with the Regulation) and the aforementioned Article 29 in relation to the obligation to monitor the status of benchmark administrators' authorizations.
Regulation of 17 July 2025 amending Regulation of the Minister of Finance of 20 September 2024 on the submission of information to the Polish Financial Supervision Authority by investment firms, state-owned banks running brokerage activity, banks referred to in Article 70(2) of	- The amendment entered into force on 19 July 2025, - A significant change for the Bank is the extension of the deadline for investment firms to submit a quarterly report on sales activity to the Polish Financial Supervision Authority (KNF) from 20 days to one month (§ 1(4)(b) and (c) of the proposed Regulation). The current deadline overlaps with the obligation to prepare and submit three other reports to the KNF (MDF, PORTFOLIO, LIQUIDITY GAP), leading to excessive reporting obligations. Furthermore, a sales report requires data from

the Act on Trading in Financial Instruments, and custodian banks	external entities, which typically submit it only after the 15th day of a month.
Draft Regulation of the European Parliament and of the Council amending Regulation (EU) No 909/2014 with regard to a shorter settlement cycle in the Union	- The regulation entered into force on 12/09/2025 and is to apply from 11/10/2027. - The change concerns the execution of orders and settlement of transactions in transferable securities in the trading system - shortening the settlement date to one business day.
COMMISSION IMPLEMENTING REGULATION (EU) 2024/3117 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Commission Implementing Regulation (EU) 2021/451	- The Regulation will apply from 28 June 2025, - Establishment of a coherent reporting framework, including reporting requirements for own funds and own funds requirements (minimum capital threshold, credit and counterparty credit risk, credit valuation adjustments, market risk, operational risk, loss coverage for non-performing exposures and crypto-assets), reporting requirements for losses from real estate-secured loans, and reporting requirements on the leverage ratio.
Regulation of the Minister of Finance and Economy of 28 October 2025 on information concerning the characteristics of portfolios of receivables sold by banks to other entities	- This Regulation specifies the detailed scope of data to be included in the information referred to in Article 139a(1) of the Act of 29 August 1997 – the Banking Law (hereinafter: the “information”), as well as the manner and deadlines for submitting the information to the Polish Financial Supervision Authority (KNF), - The Regulation entered into force on 19 November 2025, and its provisions apply for the first time to information submitted by banks for the first half of 2025.
Judgment of the Court of Justice of the European Union (CJEU) in Case C-280/24 (MalicniĹ) of 5 June 2025	- The judgment is of significant importance for the method of calculating fees charged in connection with granting consumer credit, - The judgment concerns a contractual clause providing for an “administrative fee” without specifying which services it covers, - The CJEU ruled that such clauses must meet the transparency requirement, meaning that the consumer must clearly understand which specific services they are paying for. A statement showing only the name of the fee and its amount is insufficient. The bank must specify the services provided and justify their cost, - The judgment may lead to a significant limitation of lenders’ freedom in shaping the content of credit agreements in relations with consumers (including with respect to the main obligations of the parties, such as commissions).
Judgment of the Court of Justice of the European Union (CJEU) in Case C-744/24 of 23 April 2026	- The CJEU ruled that charging interest on non-interest costs of consumer credit is not permissible. - The Court indicated that a bank may in fact obtain remuneration for funds allocated to cover the costs of credit through a proportionally higher interest rate on the credit, reflecting the cost of not charging interest on amounts corresponding to the cost of credit. This higher rate may apply to the interest charged on the total amount of the credit. - The Court did not address the application of the statutory free-credit sanction, however, the judgment may affect the risks associated with claims brought on this basis.

In addition, the Bank's activities the first half of 2026 was affected by the following EBA Guidelines:

AML and Sanctions Risk:

- EBA Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures.

Corporate Governance:

- EBA Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures
- Joint guidelines on templates for explanations and opinions and on a harmonized crypto-asset classification test under MiCAR (EBA, ESMA, EIOPA).

The following factors, among others, will affect the financial and organizational situation of the Group of Bank Handlowy w Warszawie S.A. in the second half of 2026:

Legal acts / regulations	Effective date and summary of new requirements
Recommendations of the National Working Group for Benchmark Reform (NGR) on new agreements for PLN products	• Date: end of 2027 • These recommendations are to present to financial market entities the best practices relating to the use of the WIRON interest rate benchmark (Warsaw Interest Rate Overnight) or rates from the WIRON composite index family for determination of variable interest rates when concluding new agreements with customers for benchmark-based PLN products. The recommendations include recommended interest calculation guidelines. • The guidelines specified in the recommendations are not mandatory and may be applied voluntarily taking into account the specific characteristics of a financial market participant and of customers with whom agreements are made.
Regulation on Artificial Intelligence (AI Act)	• The regulation is to ensure that AI systems introduced in the EU market and used in the EU are safe and in compliance with the law in the area of fundamental rights and EU values. The regulation introduces comprehensive requirements for the so-called high-risk Artificial Intelligence systems, which include creditworthiness assessment systems for individuals, but also other systems that may be used in the banking system. The regulation defines prohibited AI practices – the AI systems using such practices will be prohibited, • The Regulation generally becomes applicable 24 months after its entry into force (i.e., from August 2, 2026). The timetable for its application was partially amended by the amending Regulation adopted in June 2026 as part of the Digital Omnibus on AI package and is as follows: • 1. Chapter I on general provisions and Chapter II on prohibited practices in the field of artificial intelligence – applicable from February 2, 2025 (unchanged); • 2. Chapter III, Section 4 on supervisory authorities, Chapter V on general-purpose models, Chapter VII on Union-level governance, and Chapter XII on penalties for infringements of the Regulation (with the exception of Article 101), as well as Article 78 on confidentiality – applicable from August 2, 2025 (unchanged); • 3. Requirements for high-risk AI systems – the original deadline of August 2, 2026 was postponed to December 2, 2027 under the Digital Omnibus package.
The Act of July 3, 2026 amending the Act on Public Offering and Terms of Introduction of Financial Instruments to an Organized Trading System and on Public Companies and the Act on Implementing Some EU Regulations Concerning Equal Treatment	• This regulation implements the Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, • The objective of the directive is to facilitate the application of the principle of equal opportunities of women and men in leadership positions, by determining the requirements of the selection process of candidates for these roles, • The provisions refer to the underrepresented sex in corporate bodies.
The Act of April 17, 2026 amending certain acts with regard to provision of information to the European Single Access Point (ESAP).	• The Act entered into force on 29 May 2026, subject to certain provisions entering into force on 10 July 2026, 10 January 2028 and 10 January 2030, • The Act implements the ESAP package into Polish law, comprising Regulation (EU) 2023/2859 establishing the European Single Access Point (ESAP), Omnibus Directive 2023/2864 and Omnibus Regulation 2023/2869 and introduces amendments to a number of legal acts, including the Commercial Companies Code, the Banking Law and the Public Offering Act (...), as well as • amendments to the Act on Trading in Financial Instruments resulting from amendments to MiFID 2.
Draft Act amending the Banking Law Act and certain other acts (implementation of CRD IV)	• Effective date: after 14 days from publication in the Journal of Laws, with certain exceptions, • Changes in the processes used for assessing the suitability of members of the Management Board, Supervisory Board and persons holding key functions at the Bank, as well as in the process of

	appointing members of the Management Board and the Chairman of the Supervisory Board (requirement to obtain prior consent from the Polish Financial Supervision Authority), • Disclosure obligations related to the acquisition and disposal of the Bank's shares or a planned merger or division or transfer of assets or liabilities of significant value, • Expanding the tasks of the risk management system to include environmental, social and corporate governance (ESG) risks in the short, medium and long term, • Strengthening the powers of the Polish Financial Supervision Authority.
Commission Delegated Regulation (EU) 2024/2795 of 24 July 2024 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the date of application of the own funds requirements for market risk	• It defers until 1 January 2027 the date of application in the EU of the CRR provisions relating to FRTB (regulations based on the principles adopted under Basel III). • The current deferral applies until 1 January 2026. Postponing the application of the FRTB provisions by a further year will give the Commission time to assess international developments and to carry out further work on the next steps for implementing FRTB in the EU, with a view to ensuring a level playing field for EU banks internationally.
The Act of 17 October 2025 amending the Act on the handling of complaints by financial market entities, on the Financial Ombudsman and on the Financial Education Fund;	• The Act came into effect on 13 February 2026, • Amendments to the procedures and methods for submitting complaints and providing responses to complaints from customers who are natural persons.
Draft Act on Personal Investment Accounts (PIA)	• The Act was passed by the Sejm on July 3, 2026. According to the Act, it is to enter into force on January 1, 2027. • The draft Act provides for the creation of Personal Investment Accounts (PIAs) intended for natural persons, with a tax exemption up to a specified value of assets.
Commission Delegated Regulation (EU) of 29 October 2025 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council (EMIR) with regard to regulatory technical standards specifying operational conditions, the representativeness obligation, and reporting requirements related to the active account requirement	The Regulation enter into force on February 26, 2026 and it sets out in detail: • The operational conditions for an active account, • The representativeness requirement (a minimum number of transactions in the "most relevant" sub-categories within each asset class), • Semi-annual reporting to the supervisory authority.
Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives	• The changes to reporting include the introduction of a materiality threshold and amendments to the reporting templates. The changes to the Technical Screening Criteria (TSC) of the EU Taxonomy include amendments to the "Do No Significant Harm" (DNSH) criteria in relation to the environmental objective of pollution prevention and control, • This Delegated Regulation will enter into force on 28 January 2026 and will apply retroactively from 1 January 2026, covering financial year 2025 for undertakings already subject to the EU Taxonomy framework. Undertakings may, however, opt to defer application by one year and apply the previous framework in financial year 2025 if this is more convenient, provided that the reporting rules are applied in full, • Reporting entities should include, in the contextual information of their sustainability report, a statement specifying which set of reporting standards was applied in preparing the CSRD report for the financial year 2025.
Draft act amending the Labor Code	• Effective date: 3 months after the date of publication, • It provides for significant changes in the scope of counteracting mobbing and discrimination, including: 1) the addition of definitions of 'discrimination by assumption' and 'discrimination by association', 2) the introduction of a new definition of mobbing, among others, by recognizing as its primary characteristic the fact of persistent harassment of an employee, while at the same time clarifying

	that incidental behaviors do not constitute mobbing, even if they amount to an infringement of the employee's personal rights, 3) an expansion of employers' obligations concerning the prevention of violations of dignity and other personal rights, discrimination and mobbing.
Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro ("IPR")	• Obligation for payment service providers (in practice, banks) to offer instant credit transfers (24/7) in EUR, • Fee for an instant credit transfer in EUR (for non-eurozone countries) – in principle, according to the Regulation on equivalence of fees and charges (Regulation 2021/1230), that is, the same as their equivalent domestic fee in PLN, provided that it cannot be higher than the fee for a standard transfer in EUR (SEPA). • Obligation to provide a matching verification service (accompanying the instant credit transfer service) allowing the payer to verify whether the IBAN matches the name of the payee, and allowing the user to resign from such service. • Introduction of an obligation to check users of payment services, on an ongoing basis (at least daily), against the sanction lists, • The Regulation shall come into effect on 8 April 2024. • Pursuant to Article 5a(8) inserted in Regulation 260/2012, the adjustment deadlines for introducing instant credit transfers in EUR by payment service providers outside of the eurozone are as follows: 1) 9 January 2027 – adjustment deadline for offering the payment service of receiving instant credit transfers in euro as laid down in the inserted Article 5a, 2) 9 July 2027 – adjustment deadline for offering the payment service of sending instant credit transfers in euro as laid down in the inserted Article 5a.
The Act of 16 June 2023 Amending the Goods and Services Tax Act and certain other acts (implementing the National System of e-Invoices, the so-called KSeF)	• Pursuant to the Act of 9 May 2024 amending the Act amending the Goods and Services Tax Act and certain other acts, the effective date for the mandatory KSeF (e-invoicing) system has been postponed to 1 February 2026, • In the first half of 2025, the Ministry of Finance published the latest version of the draft Act implementing mandatory invoicing in the KSeF system, • The National System of e-Invoices (KSeF) is a system that enables the generation and sharing of structured invoices. The aim of KSeF is to centralize the process of registering invoices in business transactions by directing them to one central facility.
Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity (eIDAS 2.0)	• Development of digital identity for citizens throughout the European Union, in particular through the introduction of the European Digital Identity Wallet (EUDI – EU Digital Identity Wallet) and new trust services. EUDI is intended to allow for the secure storage of various digital identity data, such as driving licenses, permits, health cards, diplomas, etc. In addition to identity management, the EUDI wallet is intended to offer a payment solution.
Regulation of the European Parliament and of the Council amending Regulations (EU) 2024/1689 and (EU) 2018/1139 as regards the simplification of the implementation of harmonized rules on artificial intelligence (Digital Law Omnibus on AI).	• The Digital Omnibus package is a European Commission legislative initiative (published on 19 November 2025) aimed at simplifying, consolidating and updating the body of EU digital regulations (the so-called "digital rulebook"). The objective is to reduce administrative burdens, limit overlapping obligations, and increase the predictability of digital legislation. The package consists of two separate amending regulations: Digital Omnibus on AI (concerning the AI Act – formally adopted in June 2026; and Digital Omnibus on data and cybersecurity, which remains under negotiation in the European Parliament and the Council of the EU. • Data-related regulations, including: 1) GDPR – simplification of certain administrative obligations, incorporation of rules concerning cookies into the GDPR and narrowing of the definition of personal data; 2) Data Governance Act – the proposal provides for its repeal and incorporation of amended provisions into the Data Act; 3) Free Flow of Non-Personal Data Regulation – also proposed for repeal and integration into the Data Act;

	4) Open Data Directive – also proposed for repeal as part of the consolidation process. 5) Electronic communications and privacy regulations, including the ePrivacy Directive – in the context of cookies and tracking technologies; 6) Artificial intelligence regulations, including the AI Act, addressed through the separate Digital Omnibus on AI regulation, formally adopted in June 2026; 7) Digital identity frameworks, including the concept of the EU Business Wallet (a digital identity wallet for businesses in the EU) – intended to support identification and authentication in digital services, 8) Consolidation of data-related rules and data-sharing frameworks – the Commission plans to integrate these rules within a single legislative instrument. • The introduction of a single reporting point for breaches/incidents under the following acts: Directive 2022/2555 (NIS2), Regulation 2022/2554 (DORA), Regulation 910/2014 (eIDAS). Personal data breach notification forms under the GDPR are likely to be integrated into a common interface together with ICT incident notifications (DORA).
The Act of 05 July 2018 on the national cybersecurity system	• The Act implemented Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972 and repealing Directive (EU) 2016/1148 (NIS2 Directive) (OJ EU L 333 of 27.12.2022, p. 80). • The new provisions provide, among other things, for: the extension of the list of entities covered by the national cybersecurity system to include new economic sectors; the procurement of equipment and modernization of infrastructure, as well as the establishment of cybersecurity incident response teams; the increased liability of persons managing enterprises and institutions covered by the national cybersecurity system; the introduction of an obligation to report network incidents.
Judgment of the Court of Justice of the European Union (CJEU) in Case C-280/24 (Malicník) of 5 June 2025	• The judgment is of significant importance for the method of calculating fees charged in connection with granting consumer credit, • The judgment concerns a contractual clause providing for an “administrative fee” without specifying which services it covers, • The CJEU ruled that such clauses must meet the transparency requirement, meaning that the consumer must clearly understand which specific services they are paying for. A statement showing only the name of the fee and its amount is insufficient. The bank must specify the services provided and justify their cost, • The judgment may lead to a significant limitation of lenders’ freedom in shaping the content of credit agreements in relations with consumers (including with respect to the main obligations of the parties, such as commissions).
The Act amending the Act on crisis management and certain other acts	• The Act has been in force since 4 July 2026. Its purpose is to strengthen national resilience and implement EU regulations, including Directive (EU) 2022/2557 on the resilience of critical entities (CER Directive). • The purpose of the amendment is to strengthen the crisis management system by introducing solutions aimed at ensuring effective risk management, taking into account the provisions of the decision of the European Parliament and of the Council concerning the Union Civil Protection Mechanism (UCPM). • New criteria were planned to enable the identification of facilities, installations and devices as critical infrastructure, and thus the selection of critical infrastructure operators (the owner or holder of such infrastructure). • In order to ensure an appropriate level of critical infrastructure protection, it is planned to introduce minimum standards in the areas of physical, technical, personal, ICT and legal security, as well as business continuity and recovery plans, introducing requirements aimed at enhancing operational resilience.

	- The Act requires essential entities to appoint new organizational roles: a critical infrastructure protection coordinator and an essential service security officer. Persons performing these functions must meet personnel-related security requirements for access to classified information. - The role of the Polish Financial Supervision Authority (KNF) has been strengthened. The KNF will be responsible for identifying essential entities and critical infrastructure, determining confidentiality classifications for information provided, and supervising compliance with statutory obligations.
Draft Act amending the Accounting Act and certain other Acts	- narrowing the scope of entities subject to reporting obligations under the CSRD to entities employing more than 1,000 employees and generating annual net revenues exceeding PLN 1.9 billion. In Poland, this would reduce the number of entities required to prepare ESG reports by approximately 90% compared with the scope originally introduced by the CSRD; - exempting financial holding companies from ESG reporting at group level; - exempting large issuers listed on regulated markets from preparing their own ESG reports where they are covered by consolidated reporting prepared by their parent company; - introducing a limit on the information that entities preparing ESG reports may request from specified entities within their value chain (the so-called value chain cap); - abandoning the target requirement for reasonable assurance and retaining the assurance requirement solely at the limited assurance level.
Draft simplified European Sustainability Reporting Standards (ESRS 2.0)	- a significant reduction in mandatory data points: the number of mandatory data points to be disclosed has been reduced by more than 61%, while the total number of data points, including voluntary disclosures, has been reduced by more than 70%; - shorter standards and a new, more flexible approach to the application of materiality assessments by companies; - a narrower scope of reporting on human rights and social matters: companies will now be required to report only substantiated cases of human rights violations and discrimination; - climate transition plans — the requirement remains in place: companies publishing climate transition plans under the CSRD will still be required to disclose cases where such plans are inconsistent with limiting global warming to 1.5°C; - voluntary early adoption — companies covered by the first wave may opt to apply ESRS 2.0 in 2027 for the 2026 reporting year, allowing them to access the simplified framework before its mandatory application date.

In addition, the Bank's activities in 2026 may be affected by the following EBA Guidelines:

AML and Sanctions Risk

- EBA Guidelines amending Guidelines EBA/GL/2021/02 on customer due diligence and the factors credit and financial institutions should consider when assessing the money laundering and terrorist financing risk associated with individual business relationships and occasional transactions ('ML/TF risk factors Guidelines') under Articles 17 and 18(4) of Directive (EU) 2015/849

Corporate Governance:

- EBA Guidelines on amending the guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013
- EBA Guidelines for institutions and resolution authorities complementing the assessment of resolvability regarding transfer strategies
- Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing EBA/CP/2025/21
- Updated Guidelines on internal governance EBA/CP/2025/20
- Guidelines on third-party provider risk management (EBA/CP/2025/12)
- Joint EBA and ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU

2. Risk management principles

The Group carries out risk management by implementing cohesive rules, controls and tools through the Group, taking into account supervisory requirements and best market practices.

The risk management system used in the Group, which is based on the shared responsibility concept, is arranged on three independent levels ("three lines of defense"):

- Level 1, i.e. organizational units responsible for the activity which results in taking risks and responsible for risk management in the Bank's operational activity, as well as for risk identification and reporting to the second-line units,
- Level 2, i.e. risk management at organizational units, regardless of the first-line risk management, and the activity of the compliance unit – units or persons responsible for setting risk management standards in identifying, measuring or assessing, limiting, controlling, monitoring and reporting and for supervising control mechanisms applied by other organizational units of the Bank to mitigate risk – organizational units of the Risk Management Sector, Compliance Department, Finance Management Sector, Legal Division, Human Resources Division;
- Level 3, i.e. Audit Department which ensures independent assessment of both risk management processes and internal control system.

When organizing its risk management processes, the Group takes into account its risk profile, strategic and business objectives, available capital and liquidity resources, macroeconomic environment and regulatory requirements – these factors make up the framework of the risk control and management system.

Risk management processes are implemented on the basis of documented policies and rules relating to identification, measurement, mitigation, control, monitoring and reporting of risks to which the Group is exposed, approved by the Management Board, authorized persons in accordance with the rules of issuance of legislative acts at the Bank or duly established Committees, including:

- Asset and Liability Committee (ALCO);
- Risk and Capital Management Committee, supervising the Risk Models Commission;
- New Products Committee;
- Operational Risk, Control and Compliance Committee supervising the Sustainable Growth Commission.

The risks connected with activities of the Group are mitigated by a system of limits arising from risk appetite and the management information system used by the Bank enables it to monitor risk levels by providing management with portfolio information on a regular basis.

The Group carries out the management of all significant risk families arising from the execution of its business strategy. As part of the process initiated in 2026 to identify key risk families, the Management Board of the Bank concluded that the following risk families were significant for the purposes of risk management and the internal capital estimation and maintenance process:

- Credit risk;
- Counterparty credit risk;
- Risk of credit concentration on a single debtor/group of related debtors;
- Market risk for the trading portfolio and banking book;
- Liquidity risk;
- Operational risk;
- Compliance risk;
- Strategic risk including capital risk;
- Climate risk for credit, strategic and compliance risk;

Credit risk (consumer and corporate) and counterparty risk

Definition	• Credit risk is a potential loss resulting from the breach of a contract by the client or their insolvency, taking into account loss reduction methods used for a product or given funding. • Corporate client credit risk is the risk of loss resulting from a deterioration in credit quality (rating reduction) or a breach of contract by a corporate banking client, business banking client or securities issuer. • Counterparty credit risk is the risk of loss resulting from deterioration of credit quality (downgrade) or a breach of contract by the counterparty resulting from activities on the financial instruments market as part of transactions concluded with counterparties for trading, hedging and liquidity management purposes, in particular derivative transactions, repo/reverse repo transactions and securities-based financing. • Concentration risk on a single debtor/group of related debtors is the risk resulting from excessive concentration of exposures to a single debtor, entities belonging to the Bank's Capital Group (both cross-border and domestic) or a group of clients related by capital or economic means, with the potential to generate losses large enough to threaten the Bank's financial condition, affect the ability to carry out key operations, or lead to significant changes in the Bank's risk profile.
Risk management strategy	• The primary objective of credit risk management is to support the long-term plan of stable growth of the credit portfolio, while maintaining appropriate quality. The credit process is based on a number of fundamental principles, such as: – Business and independent risk management units share responsibility for quality of the credit portfolio and credit process and for any credit losses; – Conduct must be in compliance with the guidelines on the portfolio structure to ensure its diversification and to keep balance between risk and capital; – A system of credit-related authorizations must be implemented which assumes that authorization to make credit decisions may only be granted to properly trained and experienced employees of Risk Management Sector and Operation Division, taking into account their track record and risk assessment skills and abilities; – Acceptance level must depend on assumed risk – higher-risk exposures (defined taking into account both amount and level of risk) require higher-level approval; – Diversified and adequate risk assessment standards must be used for each borrower and each commitment, including as part of corrective actions; – A consistent rating process is required, which is based, <i>inter alia</i>, on results produced by rating or scoring models; – Periodic, regular monitoring of results of a client's activities and identification of adverse changes in their situation which require immediate activities to classify receivable or corrective actions are necessary; – External environment must be monitored to ensure early detection of economic threats which may adversely affect particular portfolios; – The credit policy rules must be complied with and, in special cases, approval of exceptions is required at higher management levels in order to ensure control of implementation of its principles in compliance with internal regulations applicable at the Bank, generally applicable laws and regulations and regulations issued by competent regulators.
Risk measurement	• Risk measurement is carried out using: rating models, scoring models and scorecards at the level of a client and provision models for portfolio risk assessment and an integrated ICAAP process, both at aggregate level and by business line.
Monitoring	• Credit risk exposures are monitored and managed at two levels: client level and portfolio level. Tools used to monitor the current creditworthiness of a borrower include: – annual comprehensive review of limits, exposures, financial situation of and cooperation with borrowers, – tools and reports used in the Early Warning process, – periodic financial reviews of borrowers, – periodic reviews of negatively classified credit exposures, – periodic visits to clients, – analysis and assessment of external information (rating reports, analytical reports, press, sector sources, etc.), – internal classification system.

- Portfolio-level monitoring
 - monitoring of utilization of risk concentration limits in the credit portfolio on the basis of appropriate reports,
 - regular periodic reviews of the credit portfolio,
 - “ad hoc” portfolio reviews due to sudden important external information,
 - monitoring of indicators determined for the retail exposure portfolio.
- The monitoring of portfolio performance and the identification of trends in the portfolio are carried out using regular management information and control reports taking into account, *inter alia*, analysis of pace of changes in value and segmentation (sectors) of the credit portfolio, client risk (rating), quality of credit exposure collateral and exposures affected by non-performance, departures from applicable risk acceptance rules and limit utilization level.
- The package of control reports for each portfolio is prepared on a regular basis and delivered to unit heads responsible for the client segment in question, the Risk and Capital Management Committee and the Management Board of the Bank.

Market risk for the trading portfolio

Definition	• Trading portfolio market risk is defined as the risk of loss resulting from a potential negative change in the market value of an exposure due to changes in market factors such as interest rates, foreign exchange rates, equity and commodity prices, interest rate, currency or credit spreads.
Risk management strategy	• Market risk management is to ensure that the amount of risk accepted in the Group is consistent with the level acceptable for the shareholders and banking supervision authorities and to ensure that all market risk exposures are adequately reflected in calculated risk measures notified to relevant managers and governing bodies. • Adopted market risk measures and limits should prevent excessive concentrations of exposures to a single risk factor or a group of related risk factors and should enable determination of the maximum level of the risk accepted in the trading book or the banking book. • Market risk management at the Bank is based on: – applicable Polish laws and regulations, in particular the Banking Act, – applicable EU regulations, in particular the 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 (CRR), – requirements of Polish and EU regulatory institutions and especially resolutions of the Polish Financial Supervision Authority (KNF), – principles of prudent and stable risk management at the Group and the general risk level accepted by the Supervisory Board of the Bank, taking into account best practices applied in the market. • Market risk management covers all portfolios that generate incomes which are exposed to an adverse impact of market factors, such as interest rates, currency rates, stock prices, commodity prices and parameters of volatility of those factors. • Trading portfolio includes transactions in financial instruments (on- and off-balance sheet ones) the purpose of which is to earn income connected with a change of market parameters in a short period. Trading portfolios cover on-balance sheet items, such as debt securities, categorized as held for trading, i.e. purchased for trading purposes and meeting specified liquidity criteria, and any positions in derivative instruments, provided that in this case portfolios are divided into those acquired for purely trading purposes and those created as hedging against the risk of positions included in a banking portfolio (so-called economic hedge). Valuation of trading portfolios is carried out either directly on the basis of market prices or by using valuation models that make use of price parameters quoted in the market. Activities on trading portfolios are carried out by the Interbank Transaction Division in the Financial Markets and Corporate Banking Sector for those portfolios which cover interest rate risk and currency risk. Trading portfolios also include options, including currency option transactions, interest rate options and option structures, which reflect the economic nature and risk arising from products offered to clients of the Bank. The operations of the Bank in that area are carried out so that they ensure the simultaneous (each time and immediate) conclusion of a counter transaction having the same parameters, as a result of which the option transaction portfolio generates no open market risk exposure. The only factor connected with the conclusion of option transactions which is taken into account in measurement of market risk, and specifically currency risk, is the amount of the premium paid/received in the foreign currency.

Risk measurement	- The following risk measurement methods are applied to trading portfolios: factor sensitivity (DVO1/CRO1) method, value at risk (VaR) method and stress tests. - Sensitivity factors measure the change in the value of the position in a given underlying instrument in the case of a specified change of the market risk factor (for example a change of the interest rate in a given point on the interest rate curve by 1 basis point or a change of the currency rate or stock price by 1%). - For interest rates/credit spreads, the sensitivity measure is DVO1/CRO1; - For currency risk the sensitivity factor is equal in value to the position in a given currency; - For positions in equity securities, the sensitivity factor is equal in value to the net position in a given instrument (stocks, index, participation unit). - The integrated measure of market risk for trading portfolio, which combines the impact of the positions in particular risk factors and takes into account the correlation effect between volatilities of individual factors, is value at risk (VaR). VaR is used to estimate the potential decline in value of a position or portfolio in normal market conditions, for a fixed confidence level and in a specified period. For positions opened in a trading portfolio of the Bank, VaR is calculated using the 99% confidence level and one-day holding period. - Both DVO1 and VaR for a trading portfolio are calculated as net amounts without any economic hedging of the portfolio of securities available for sale, i.e. excluding any derivative instruments which are to secure the fair value of the portfolio. The risk exposure of such transaction is controlled by using appropriate risk measurement methods and mitigated with risk limits adopted for banking portfolios. - On a daily basis, the analysis of stress test scenarios is carried out, while assuming risk factor changes higher than those adopted for VaR measurement and ignoring any observed historical correlations between those factors. - The Bank has market risk exposures of trading portfolios in more than twenty currencies, both for currency positions and exposures to interest rate risk, but only exposures to a few currencies are significant. For a large group of currencies, exposures arise from the imperfect match of the transactions concluded upon the client's order and the counter transactions with other counterparties from wholesale markets. Significant exposures to market risk are opened for PLN, developed market currencies (mainly USD and EUR and less frequently GBP, CHF or JPY) and even currencies from Central European countries.
Monitoring	- The Market Risk Department by the dedicated IT system provides the relevant executives and managers, on a regular basis, with reports on portfolio sensitivity, value at risk (VAR), securities positions, stress test results for market risk, allocation of capital requirements relating to market risk and utilization of Trading MAT and Trading Stop Loss limits (warning thresholds). - In addition, market risk analyses are presented systematically to the following committees: the Asset and Liability Committee, the Risk and Capital Management Committee and the Risk and Capital Committee of the Supervisory Board.
Market risk for banking book	
Definition	Market risk in the banking book (related to non-trading portfolios) is the risk of the potential negative impact of changes in market factors such as interest rates, foreign exchange rates, and credit spreads on net interest income (NII), economic value of equity (EVE), or accumulated other comprehensive income (AOCI). The types of interest rate risk in the banking book include: repricing date mismatch risk, yield curve risk, basis risk, and client option risk.
Risk management strategy	- The purpose of managing market risk related to non-trading portfolios is primarily to minimize the risk connected with the possibility of occurrence of adverse changes in market interest rates and with a negative impact of those changes on the net interest rate and, subsequently, financial result of the Group. - Market risk management at the Bank is based on: the requirements of Polish and European regulatory institutions, and especially resolutions of the Polish Financial Supervision Authority (KNF) and the EBA; and the principles of prudent and stable risk management at the Group and the general risk level accepted by the Supervisory Board of the Bank, taking into account best practices applied in the market. - Management of market risk related to non-trading portfolios is carried out both at strategic and operational level. Division into particular risk management levels depends on the nature and type of decisions made by particular decision-making fora at the Bank which affect the profile and level of interest rate risk.

	– The strategic risk management perspective is covered by the decision-making powers of the Asset and Liability Committee (ALCO) of the Bank, which carries out interest rate management by setting risk limits for banking portfolios and by conducting monthly reviews of exposures and results of management of those portfolios. – The operational management of market risk related to non-trading portfolios is carried out by the Asset and Liability Management Department, which is authorized to open risk positions within the framework of adopted limits.
Risk measurement	• The following risk measurement methods apply to non-trading portfolios (bank book portfolios): interest rate gap analysis, method based on costs of closure of open interest positions (Value-at-Close) / total return on portfolio (Total Return), method based on interest income exposed to risk (Interest Rate Exposure, IRE) and stress tests. • The interest rate gap analysis uses the schedule of maturity or revaluation of on-balance sheet positions and derivatives recognized using hedge accounting or categorized as economic hedge in order to determine differences between positions whose maturity date or interest rate update date is in the subject time interval. • As a general rule applied in the interest rate gap analysis, transactions are allocated to particular bands of revaluation of positions in banking portfolios on the basis of contractual or assumed dates of change of transaction interest rates. • The Value-at-Close method determines the economic or “fair” value of positions, corresponding to market valuation of a trading portfolio. Total return on a portfolio is the sum of changes of value-at-close, accrued interest and gains/losses on sale of assets or cancellation of liabilities. • The Interest Rate Exposure (IRE) method, based on the revaluation gap method, is used for measurement of the potential impact of a pre-determined parallel shift of interest rate yields on pre-tax interest income on the banking book which may be earned in a specified time interval. This is a prospective measure. In addition, it is assumed that in standard conditions interest rate moves are identical for each currency and equal to 100 basis points up. The IRE measure is calculated separately for the position in each currency over a 10-year time horizon, provided, however, that 1-year and 5-year IRE measures are mainly used for the purposes of day-to-day monitoring and limitation of interest rate risk positions for banking portfolios. Additionally, the Bank measures the interest rate risk using the income method (cash flow net interest revenue NIR/IRE). This measure, like the IRE calculated using the gap method, determines the potential pre-tax impact on net interest income for banking book items due to specific changes in interest rates over a specific reporting period – generally 12 months. NIR is the difference between accrued interest income earned on assets (e.g. loans to customers) and the cost of interest paid on liabilities (e.g. customer deposits). NIR/IRE is the delta between the Baseline NIR and NIR in the interest rate shock scenario (e.g. + 100 bp, + 200 bp, - 100 bp, -200 bp) • Stress tests measure a potential impact of significant changes in the level or shape of interest rate yields on the positions opened in a banking portfolio. • The Bank carries out stress tests for pre-defined scenarios of movements of interest rates, which are combinations of moves of market factors, both defined as significant changes (large move) and crisis changes (stress move), which occur both in Poland and abroad. The extent of assumed shifts of market factors are reviewed at least annually and adjusted as appropriate to changes in the market conditions in which the Bank operates. • Bank calculates also the change to capital value (EVE) and NIR as the result of fluctuations of interest rates for the individual currencies, under scenarios consistent with requirements of the EBA. • The Asset and Liability Management Department in the Interbank Transaction Division carries out activities relating to securities available for sale. Three key objectives have been adopted for activities relating to the portfolio of securities available for sale: – carrying out financial liquidity management, – hedging against the risk taken over by the Interbank Transaction Division from other organizational units of the Bank – opening own interest rate risk positions in portfolios of the Bank by the Interbank Transaction Division. • In order to avoid excessive fluctuations of capital funds of the Bank, caused by revaluation of assets held for sale, maximum limits are set for the DV01/CRO1 (Dollar Value of 1 basis point) position, which determines the potential change in the value of risk position for a given interest rate curve on a specified nodal point (to which all cash flows in a given period are brought) caused by a shift of the market interest rate by 1 basis point up for such portfolios. Limits also cover open derivative

	instrument positions (for example interest rate swaps) established to hedge the fair value of a portfolio.
Monitoring	- The Market Risk Department and a dedicated reporting unit in the Risk Management Sector provide the relevant executives and managers with reports on portfolio sensitivity, securities positions, stress test results for interest rate risk of the banking book. - In addition, market risk analyses are presented systematically to the following committees: the Asset and Liability Committee and the Risk and Capital Committee of the Supervisory Board.
Liquidity risk	
Definition	The risk that the Bank will be unable to effectively meet both expected and unexpected current and future cash flows and collateral needs without adversely affecting the Bank's daily operations or financial position. This risk may be exacerbated by the Bank's inability to access funding sources or monetize assets, as well as the structure of its liquid liabilities and assets.
Risk management strategy	- The overriding goal of liquidity risk management is to ensure that the Bank and other companies from the Group have access to liquid funds sufficient to meet their financial liabilities when due (also in the event of probable extreme crisis situations). - Liquidity risk management is based on: - applicable Polish laws and regulations, in particular the Banking Act; - applicable provisions of EU law, in particular 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 (CRR), - requirements of Polish regulatory institutions and especially resolutions of the Polish Financial Supervision Authority (KNF); - principles of prudent and stable risk management at the Group and the general risk level accepted by the Supervisory Board of the Bank; - taking into account best practices applied in the market. - The Group analyses and manages liquidity risk in different time horizons and, to this end, distinguishes between current, short term, medium term and long term liquidity and applies adequate risk measurement and limitation methods. The adopted measures and limits are to limit excessive concentrations with respect to the assumed structure of the balance sheet or sources of funding. - The management of long-term liquidity is a task of Assets & Liabilities Committee (ALCO) and is covered by the strategy of the Bank. It is carried out on the basis of monitoring of structural relations of the balance sheet and on the basis of regulatory long-term liquidity measures, and covers the liquidity gap analysis and the possibilities of obtaining sufficient financing sources in the future, as well as the analysis of funding costs in the context of the impact on the profitability of business operations. - The management of medium-term liquidity, within the 1-year time horizon, is a task of Assets & Liabilities Committee and is carried out on the basis of annual financing plans, which determine the levels of internal limits, plans prepared by business units of the Bank concerning changes in assets and liabilities, elaborated within the framework of financial plans for the next budget year. - The management of short-term liquidity, within the 3-month time horizon, is a task of the Financial Markets Sector and Corporate Banking Sector, and is carried out on the basis of both regulatory measures of short-term liquidity and internal limits. The Bank also analyses the liquidity level in emergency situations, assuming, as a must, that there will be no negative gap in all time brackets in a 12-month time horizon. - Current liquidity management is a task of the Financial Markets and Corporate Banking Sector and is carried out on the basis of nostro accounts of the Bank, including in particular the mandatory reserve account with the National Bank of Poland, using available products offered by the money market and the central bank.
Risk measurement	- Liquidity risk measurement is carried out by using external supervisory measures (M3-M4, LCR/NSFR and additional liquidity monitoring indicators – ALMM) and additional measures and tools developed internally: - gap analysis – MAR/S2 - crisis/stress scenarios,

	– structural liquidity ratios, – market warning signals, – significant sources of financing, – emergency financing plan, – intra-day liquidity management process, – short-term liquidity gap – M1, – short-term liquidity ratio – M2, – illiquid assets with own funds coverage ratio – M3, – illiquid assets and assets of limited liquidity with own funds and stable external funds coverage ratio – M4.
Monitoring	• Liquidity risk monitoring and management are carried out using: supervisory liquidity risk limits determined by the Office of the Polish Financial Supervision Authority and internal prudential limits and thresholds determined for liquidity risk by the Asset and Liability Committee (ALCO): – limits for the S2 Report – for pre-determined currencies and time ranges; – warning thresholds for structural liquidity ratios; – warning threshold for tests of stress scenarios. • On a regular basis, the Market Risk Department and a dedicated reporting unit in the Risk Management Sector provide the relevant executives and managers with reports on the liquidity position, stress test results for liquidity risk and allocation of capital requirements relating to liquidity risk. • In addition, liquidity risk analyses are presented systematically to the following committees: the Asset and Liability Committee, and the Risk and Capital Committee of the Supervisory Board.
Operational risk	
Definition	• Operational risk should be understood as a possibility of loss as a result of application of inappropriate or defective internal processes, human, systems or external events. The definition of operational risk also includes legal risk, i.e. the risk of loss (including litigation, settlements and penalties costs) resulting from the instability of the legal environment as well as incorrect shaping of legal relations in every aspect of the Bank's business activity, excluding strategic and reputational risk. The Bank recognises the impact of operational risk on the possibility of loss of reputation associated with its business activities. The definition of operational risk includes conduct risk and information, communication and technology (ICT) risk; • For the purposes of the ICAAP process, the compliance risk is also included in the operational risk (i.e. the risk of negative effects of non-compliance with legal provisions, supervisory regulations, internal normative acts of the bank and the practices and standards available on the market).
Risk management strategy	• In terms of operational risk, the strategic goal of operational risk management is to ensure a permanent and effective approach to identification, measurement/assessment, limitation, control, monitoring and reporting of risk, as well as effective reduction of the level of exposure to operational risk, and as a consequence limiting the number and scale of events of an operational risk (policy of low level of tolerance to operational losses). • The main assumptions of the operational risk strategy focus on increasing the Group's capacity to early identifying areas of increased system risk and reduction of exposure areas resulting from the risk resulting from human errors. • When organizing the operational risk management process the Group takes into account the business strategy, risk profile of the Group, macroeconomic environment, available capital and liquidity resources and regulatory requirements, which make up the framework of preparation of the system used to control and manage operational risk at the Group. • The Group's operational risk management system is built to ensure proper risk management at every stage, i.e. identification, assessment/measurement, mitigation, monitoring and reporting.
Risk measurement	• In the risk assessment process, the Group uses combinations of various risk measurement or estimation methods. – Risk assessment is to determine the probability of occurrence and the amount of future losses attributable to operational risk. To this end both quantitative and qualitative indicators are used (such as risk appetite, capital

	requirements, KRIs, data about losses and operational risk events, control issues and corrective actions, self-assessment process, risk concentration areas and rising-risk areas, scenario analysis, stress tests, changes in processes and products, information from internal and external reviews and audits and information reported to Commissions and Committees). – Such assessment also includes an analysis of both internal and external threats. A correct assessment of operational risk enables the Group to properly determine and manage the risk profile.
Monitoring	• As part of consolidated supervision, operational risk data relating to the Bank and subsidiaries are presented to Commissions and Committees that support the Management Board and Supervisory Board of the Bank in the operational risk management process. • The ongoing monitoring of operational risk is the responsibility of the Operational Risk Committee, the Control and Compliance System, the Risk and Capital Management Committee, the New Products Committee and the various Commissions supporting the Committees. • Quality of the operational risk management process (including the self-assessment process) in particular units of the Group is checked and assessed by the Internal Audit function. • The Supervisory Board oversees the operational risk management system and assesses its adequacy and effectiveness. The Supervisory Board is supported by its committees: Audit Committee, Risk and Capital Committee and Remuneration Committee. • On the basis of synthetic reports which present the scale and types of operational risk to which the Group is exposed, risk concentration areas, operational risk management methods, probability of occurrence of operational risk events, assessment of potential adverse impact of the operational risk management methods, results of operational risk profile monitoring and operational risk appetite, submitted by the Management Board at least semiannually, the Supervisory Board, supported by the Audit Committee and the Risk and Capital Committee, assesses the implementation of the assumptions of the strategy by the Management Board (including with respect to the operational risk management principles) and may order a review of the strategy if it deems it necessary.
Strategic risk	
Definition	• Strategic risk is defined as the risk of a permanent (not episodic) impact on the achievement of the Bank's key strategic objectives, measured by the impact on projected revenues and/or market capitalization, resulting from external factors affecting the Group's operating environment, as well as risk related to the definition and implementation of the strategy. It may materialize directly in the Group's financial results or in the core risk categories (credit risk, counterparty credit risk, market risk, liquidity risk, or operational risk) as a result of the effects of so-called transmission channels. Strategic risk includes operational environment risk (including geopolitical risk and other operational environment risks), financial performance risk and capital risk.
Management strategy	• Strategic risk can manifest itself or be amplified by existing risks within the risk taxonomy. Therefore, the risk management strategy encompasses processes applicable to other types of risk, including a comprehensive risk management cycle that includes risk identification, measurement, monitoring, control, and reporting, as well as monitoring the operational environment.
Risk measurement	• The Bank measures strategic risk using metrics and key indicators that align with various stakeholders and reflect business growth goals, financial objectives, regulatory obligations, and other stakeholder needs. Strategic risk is incorporated into the ICAAP process. • In the event of a transmission channel effect, strategic risks are included in the measurement of the appropriate risk category.

Monitoring	- Strategic risk is regularly monitored based on the methodology and measures described in the Principles of strategic/business risk analysis at Bank Handlowy w Warszawie S.A. - The level of strategic risk is assessed based on operating environment indicators, financial performance indicators, capital position indicators and the quality of the Bank's loan portfolio. - Additionally, strategic risk management is integrated with the following processes: Risk Appetite, stress testing, and the overall financial planning. Scenarios are used to conduct "what-if" analysis for stress testing purposes. The analysis and stress test results are used to identify key risk factors for the development and implementation of business lines' strategies to assess the materiality of strategic risks. Where the transmission channel effect occurs, strategic risks are incorporated into monitoring activities for a given primary risk category to the appropriate extent.
Capital risk (subcategory of strategic risk)	
Definition	Capital risk is a subcategory of strategic risk and is the risk resulting from failure to provide sufficient capital to absorb unexpected losses.
Management strategy	- Capital management covers ensuring the level of capital that is adequate to the risk of the business, as well as the strategy in terms of planning, structure and sources of capital acquisition, and the risk of its improper implementation (including failure to achieve an appropriate financial result). - The formal framework of the capital risk management process supports the Risk and Capital Management Committee (RCMC) and the Bank's Management Board in the allocation, measurement, management, monitoring and control of the Bank's capital position. - The level of own funds and qualifiable liabilities should provide coverage for risks identified as significant in the Bank's operations, while meeting supervisory standards in terms of total capital ratio (TCR), requirement for own funds and qualifiable liabilities (TLAC) and minimum requirement for own funds and qualifiable liabilities (MREL). - The bank mitigates capital risk by implementing a process for assessing internal capital adequacy, which combines elements of internal capital estimation, capital planning and capital management, and constitutes an integral part of BHW's management process. The Group has a number of capital planning tools, applied depending on the adopted scenario. - Capital risk management also includes the management of the risk of excessive financial leverage. The Group manages the risk of excessive financial leverage as part of a coherent risk management policy. - The key elements of capital management and the directional definition of capital needs are specified in the Bank's Strategy. Information on capital goals and the expected capital structure is also included in the ICAAP document.
Risk measurement	- TCR, LR, MREL TEM, MREL TREA, TLAC TEM, TLAC TREA are regulatory measures of capital. The TLAC TREA requirement was designated as a strategic limit due to its most severe impact and as it is, in the Bank's opinion, the first requirement that can adversely affect the strategic assumptions of the Bank. - Capital risk is measured using, among other things, processes such as assessment of internal capital adequacy, stress tests and reverse stress tests in BHW's capital planning activities.
Monitoring	- The Bank's capital ratios are monitored at least monthly and reported quarterly by the Financial Reporting, Control and Tax Department to the Risk and Capital Strategy Department. - In addition, the results of capital risk monitoring are presented systematically to the following committees: the Assets and Liabilities Committee, the Risk and Capital Committee and the Risk and Capital Management Committee. - All results of stress tests, reverse stress tests and capital adequacy assessment are presented to dedicated committees.

ESG risk

Definition

- ESG risk (environmental, social, and governance risk) is the risk of negative financial consequences for the Bank resulting from the current or potential impact of environmental, social, and governance issues on Bank's counterparties or on the assets in which the Bank invests. Subcategories of ESG risk include environmental (including climate), social, and governance risks.
- Environmental risk means the risk of losses resulting from negative financial consequences for the Bank caused by the current or future impact of environmental issues on the Bank's counterparties or assets in which the Bank invests, including those related to the transformation process aimed at achieving the following environmental goals: a) mitigation of climate change; b) adaptation to climate change; c) sustainable use and protection of water and marine resources; d) transition to a circular economy; e) pollution prevention and control; f) protection and restoration of biodiversity and ecosystems.
- Environmental risk includes climate risk (defined as the negative financial impacts resulting from climate change) and is divided into two primary risk factors: physical risk and transition risk:
 - *Physical risk* – the consequences of a changing climate, including the increased occurrence of extreme weather conditions, gradual climate change and environment degradation (i.e. air, water and soil pollution, drinking water shortages and deforestation).
 - *Transition risk* – losses resulting from the process of adapting to a low-emission and more environment friendly economy.
- Social risk means the risk of losses resulting from negative financial consequences for the Bank caused by the current or future impact of social issues on the Bank's counterparties or on the assets the Bank invests. Social issues include, among others, labor rights, working conditions, and equal treatment and opportunities for employees and workers in the value chain; the economic, social, cultural, civil, and political rights of affected communities; and information security, social inclusion, and the impact of information on consumers or end users.
- Governance risk refers to the risk of losses resulting from negative financial consequences for the Bank, caused by the current or future impact of corporate governance issues on the Bank's counterparties or assets in which the Bank invests. Corporate governance issues include, among others, corporate culture and business ethics standards, whistleblower protection, prevention and detection of corruption or bribery, tax compliance, and transparency and building trust.
- ESG risk is considered a cross-cutting risk, which means that it may manifest itself within existing basic risk categories (i.e. credit risk, market risk, strategic risk, etc.). As part of the 2026 risk materiality assessment process, ESG risk materiality was assessed over the short-term (less than 1 year), medium-term (1-5 years), and long-term (greater than 5 years) horizons. In the ICAAP horizon (short and medium term perspective) the following was considered:
 - the materiality of climate risk for strategic, credit and compliance risks,
 - irrelevance of social risk and governance risk.

Management strategy

- The main objective of climate and environmental risk management is to effectively integrate these risk factors into existing risk management processes to ensure the effectiveness of the Group's risk profile in the short, medium and long term.
- Due to the cross-cutting nature of ESG risks and the dynamic development of regulatory expectations and good practices, the Group has developed the document "Principles of ESG Risk Management", which is one of the documents describing the risk management strategy of the Group. This document:
 - describes the key elements of the organizational structure and processes used by the Bank to identify, measure, monitor, control and report ESG risk;
 - clarifies the roles and responsibilities in the area of ESG risk management at the levels of the Bank's Management Board and each of the three Lines of Defense.
- ESG risk management is consistently developed within the framework of policies and procedures that govern the management of particular risk categories.
- In 2024, the Bank introduced a Policy defining a framework for the classification of sustainable products in the Bank Handlowy w Warszawie S.A. Group, used by the Bank to classify transactions concluded on the products it offers based on three possible classification paths. A detailed description of the aforementioned Policy and sustainable finance classification process can be found in the Sustainability Statement of Bank Handlowy w Warszawie S.A. and the Bank Handlowy w Warszawie S.A. Group for the year 2025 (<https://www.citibank.pl/poland/files/2025-annual-report.pdf>)
- In 2025, in response to the requirements of Article 76(2) of Directive 2013/36/EU and the European Banking Authority's Guidelines on ESG Risk Management (EBA/GL/2025/01), the Bank developed a transition plan – a strategic document aimed at preparing the Bank for ESG risks in the short, medium, and long term. The transition plan includes specific timeframes and

	measurable targets for responding to financial risks arising from ESG risk factors, including those related to European Union and national regulatory objectives, in particular the goal of achieving climate neutrality by 2050.
Risk measurement	- In the risk assessment process, the Group applies a combination of various methods of risk measuring or estimating using a number of measures adapted to the risk category for which ESG risk is measured, including: - determining KRI indicators as part of the risk appetite covering priority portfolios, as well as types of risks having a significant impact of ESG factors, - monitoring credit exposure to transactions with increased environmental and social risk, - using an industry climate and environmental risk map at the portfolio and client level to identify and measure these risks, - conducting stress tests for significant ESG risks identified as part of the risk materiality assessment process, - conducting a quantitative analysis of the impact of climate threats on the continuity of the Bank's operations as part of the risk materiality assessment process, - conducting a quantitative climate risk assessment for key market risk and liquidity risk indicators/limits as part of the risk materiality assessment process, - analysis of portfolio alignment with emission reduction pathways resulting from the regulatory targets of the Paris Agreement and regional climate policies.
Monitoring	- The Bank uses risk appetite metrics and key risk indicators (KRIs), which cover priority portfolios and risks with a significant ESG risk impact. These KRIs are used to monitor the Bank's ESG risk profile and indicate changes in risk factors, concentrations, and trends. - Monitoring the correctness and ensuring the effectiveness of ESG risk management is the responsibility of the Bank's Management Board and is delegated to individual Management Board Committees in accordance with their competences. - A set of ESG risk analysis reports is prepared periodically and submitted to the Bank's Management Board, including the Risk and Capital Management Committee, and the Supervisory Board, including the Risk and Capital Committee. The full range of metrics and indicators is reported as part of a dedicated ESG Risk Report. This report is submitted quarterly to Management Board meetings and distributed to senior management.

VII. Investor information

1. The Bank's shareholding structure and performance of its shares on the WSE

1.1 Shareholders

The Bank's share capital amounts to PLN 522,638,400 and is divided into 130,659,600 bearer shares with a nominal value of PLN 4 each.

The majority and strategic shareholder of Citi Handlowy is Citibank Europe Plc based in Dublin, Ireland – a company in the Citi group that brings together foreign investments.

As at the date of publication of this semi-annual report of the Capital Group for the first half of 2026, in accordance with the information held by the Bank on shareholders holding, directly or indirectly, through subsidiaries, at least 5% of the total number of votes at the General Meeting or at least 5% of the Bank's share capital, the following entities were:

	Number of shares	% Shares	Number of votes at GM	% votes at GM
Citibank Europe Plc	97,994,700	75.00	97,994,700	75.00
Other shareholders	32,664,900	25.00	32,664,900	25.00
	130,659,600	100.00	130,659,600	100.00

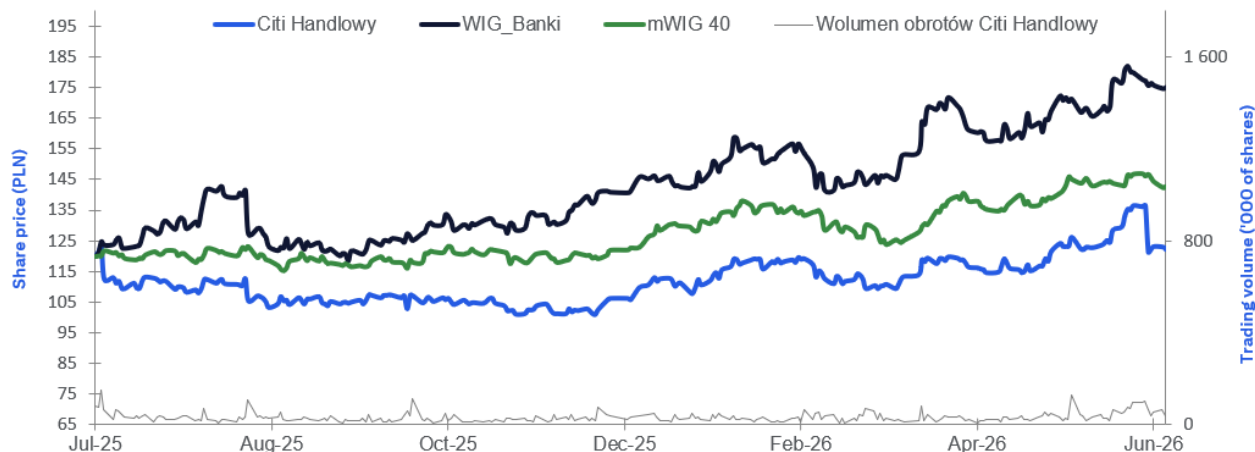
Citibank Europe Plc is a part of the Citi Group – the largest global financial institution in the world, which has a physical presence in 95 countries and territories and supports its clients in nearly 160 countries and jurisdictions. Citi group of companies provides services to individual, corporate, public sector and institutional clients while providing them with a broad range of financial products and services in the retail, corporate and investment banking segments, brokerage services, Treasury and Trade Solutions and wealth management.

The parent company in the Citi Group is the American financial institution Citigroup Inc. More information about the Citi Group can be found on its website www.citigroup.com

1.2 Performance of the Bank's shares on the WSE

The Bank's share price was PLN 122.00 at the end of the first half of 2026, an increase of 2% within the last 12 months (i.e. compared to the closing price of PLN 119.40 as at 30 June 2025). During the same time, the WIG-Banks index grew by 45% YoY, while the mWIG 40 index recorded a year-on-year increase by 18%.

The Bank's share price and trading volume vs. selected indices brought to comparability
(30/06/2026 = PLN 122.00)



The Bank's highest share price since the end of the first half of 2025 was reached on June 19 and June 23, 2026 and amounted to PLN 136.40 while the lowest level was achieved on November 21, 2025 and December 18, 2025 and amounted to PLN 100.80. The average share price of the Bank in the last 12 months was PLN 111.88 and the average daily turnover value in the Bank's shares was approximately PLN 3.6 million.

As at the end of June 2026, the Bank's capitalization was PLN 15.9 billion (compared to PLN 13.8 billion as at 31 December 2025 and PLN 15.6 billion as at end of the first half of 2025). As at the end of June 2026, stock exchange ratios were as follows: P/E (price/earnings) – 11.3 (compared to 8.3 as at 31 December 2025 and 13.0 as at the end of the first half of the previous year), P/B (price/book) – 1.7 (compared to 1.4 as at 31 December 2025 and 1.7 as at the end of June 2025).

The current consensus on the expected results of the Group is available on the Citi Handlowy's website at: <http://www.citibank.pl/poland/homepage/english/consensus.htm>

2. Dividend

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

- Dividend: PLN 1,250,359,633.
- Net profit in the amount of 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.

Also, GSM decided to allocate for distribution among shareholders the amount of PLN 448,551,276.72 ("Advance Dividend Payment", which has already been paid to shareholders on October 28, 2025) originating 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.

The dividend per one ordinary share is PLN 9.80 gross. The number of shares entitled to dividend is 130,517,707. Simultaneously, the GSM resolved to set the day of the right to the dividend for June 25, 2026 (dividend date) and the day of the dividend payment for June 30, 2026 (dividend payment date).

The dividend payout was 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 the decision of the PFSA of 18 May 2026 issued under Article 129 section 3 of the Banking Law.

The table below presents the history of dividend payments since 1997 when the Bank was floated on the Warsaw Stock Exchange.

Financial year	Dividend (PLN)	Earnings per share (PLN)	Dividend per share (PLN)	Dividend payout ratio
1997	130,000,000	6.21	1.40	22.5%
1998	93,000,000	3.24	1.00	30.8%
1999	186,000,000	5.08	2.00	39.4%
2000	130,659,600	1.57	1.00	63.8%
2001	163,324,500	1.25	1.25	99.8%
2002	241,720,260	1.86	1.85	99.6%
2003	241,720,260	1.86	1.85	99.7%
2004	1,563,995,412	3.17	11.97	¹⁾
2005	470,374,560	4.51	3.60	79.8%
2006	535,704,360	4.75	4.10	86.4%
2007	620,633,100	6.19	4.75	76.8%
2008 ²⁾	-	4.94	-	-
2009	492,586,692	4.02	3.77	94.0%
2010	747,372,912	5.72	5.72	99.9%
2011	360,620,496	5.52	2.76	50.0%
2012	756,519,084	7.72	5.79	75.0%
2013	934,216,140	7.15	7.15	99.9%
2014	970,800,828	7.43	7.43	99.9%
2015	611,486,928	4.75	4.68	98.6%
2016	591,887,988	4.62	4.53	98.0%
2017	537,010,956	4.11	4.11	100.0%
2018	488,666,904	5.00	3.74	74.8%
2019 ³⁾	-	3.66	-	-
2020	156,791,520	1.21	1.20	99.2%
2021	714,708,012	5.48	5.47	99.8%
2022	1,175,936,400	12.01	9.00	74.9%
2023	1,454,930,607	17.28	11.15	64.5% ⁴⁾
2024	1,342,776,932	13.73	10.29	100.0% ⁵⁾
2025	1,279,073,529	12.78	9.80	76.7%

1) Dividend-payout ratio for 2004 - 100% plus prior year profits.

2) On June 18, 2009, the Bank's Ordinary General Meeting decided to pay no dividend for 2008 following the recommendation of the Polish Financial Supervision Authority (KNF) for the whole banking sector.

3) On June 4, 2020, the Bank's Ordinary General Meeting decided to pay no dividend for 2019 following the recommendation of the Polish Financial Supervision Authority (KNF) for the whole banking sector.

4) On September 29, 2023, the Bank got a decision of the Polish Financial Supervision Authority on the consent for recognition part of first half of 2023 net profit (PLN 800,000,000) in Tier 1 capital

5) The dividend payout ratio for 2024 also takes into account the advance dividend in the amount of PLN 448.6 million paid in October 2025.

3. Information on own shares' buy back process

In the first half of 2026 no issue, pay back or equity securities had place.

On March 2, 2026, the Bank received a decision of the Polish Financial Supervision Authority dated February 27, 2026, in which the PFSA granted the Bank permission to buy-back own shares for the purpose of offering them by the Bank to eligible employees under the incentive program. Under the above permission issued for the period until February 27, 2026, the Bank may acquire a maximum of 285,000 own shares, and the price of the own shares purchased by the Bank may not exceed PLN 30,000,000 in total.

In the first half of 2026, the Bank didn't buy back its own shares under the above-mentioned PFSA permission

On 18 March 2026 the Bank initiated the transfer to the Bank's eligible employees, free of charge, of 98,837 own shares previously bought back by the Bank (I tranche), while on 23 March 2026 the Bank initiated the transfer to the Bank's eligible employees, free of charge, of 26,057 own shares previously bought back by the Bank (II tranche), which gives 124,894 shares in both tranches. The transferred shares represent 0.095587% of the Bank's share capital and authorize to 0.095587% of the total number of votes at the Bank's General Meeting.

As at the end of June 2026, the Bank retained a total of 141,893 treasury shares representing in total 0.1085975% of the Bank's share capital and entitling to a total of 0.1085975% of the total number of votes at the General Meeting of Shareholders of the Bank.

In the period from 17 July 2026 to 27 July 2026, the Bank acquired a total of 55,815 own shares with a nominal value of PLN 4 per share, representing 0.0427179% of the Bank's share capital and entitling to 55,815 votes at the General Meeting of the Bank, which constitutes 0.0427179% of the total number of votes at the General Meeting of the Bank, for a total price of PLN 6 809 009,20.

Since the beginning of the share buy-back under the KNF permit of 2 March 2026, until the date of submission of this report to the date of this report, the Bank has acquired a total of 55,815 own shares with a nominal value of PLN 4 per share, representing 0.0427179% of the Bank's share capital and entitling to 55,815 votes at the Bank's General Meeting, which constitutes 0.0427179% of the total number of votes at the Bank's General Meeting. During the period in which the Bank owned its own shares, the Bank did not exercise the voting rights attached to these shares.

4. Rating

As of end of the first half of 2026, the Bank had full ratings awarded by Fitch Ratings ("Fitch").

On 17 June 2026, after the annual rating review, Fitch has upgraded Bank Handlowy w Warszawie S.A.'s (Handlowy) Long-Term Issuer Default Rating (IDR) to 'A+' from 'A-', Shareholder Support Rating (SSR) to 'a+' from 'a-' and Short-Term IDR to 'F1+' from 'F1'. The Outlook on the Long-Term IDR is Negative. The Bank's Viability Rating (VR) was affirmed at 'bbb+'.

The Bank's current ratings are as follows:

Long-term entity ranking	A+
Long-term rating outlook	negative
Short-term entity ranking	F1+
Viability rating*	bbb+
Support rating	a+
National long-term rating	AAA (pol) stable
National short-term rating	F1+ (pol)
Long-term deposits	A+
Short-term deposits	F1+

* Viability rating is the view of the intrinsic creditworthiness of an institution, independent of external factors.

The Bank's Ratings (IDRs) are driven by its intrinsic strength (as reflected in Viability rating ("VR") and potential parental support.

In the justification for the rating, the rating agency stated that the upgrades of Handlowy's IDRs and SSR reflect the support from its direct parent, Citibank Europe Plc (AA-/Positive), leading to the revision of the anchor for Handlowy's SSR to Citibank Europe's IDR from Citibank N.A.'s (Citi; AA-/Positive/a) VR. This results in increased protection for Handlowy's creditors from the parent's resolution funds.

The Negative Outlook reflects the Negative Outlook on Poland's sovereign rating (A-/Negative) and the constraint of Polish country risk on the support-driven IDR.

For the full announcement published by Fitch please visit: <https://www.fitchratings.com/research/banks/fitch-upgrades-handlowy-to-a-outlook-negative-17-06-2026>

5. Investor relations

Investor relations, which ensure information to existing and prospective investors, capital market analysts and rating agencies, are an integral element of the Bank's information policy, the purpose of which is to cater for information needs of all persons and institutions interested in corporate information. In terms of investor relations, the main information policy tools are:

- regular contacts with investors and analysts in the form of conference calls and meetings, also at the Bank's premises, attended by members of the Bank's Management Board;
- support of the Press Office during quarterly press conferences for the media held after the publication of interim reports;
- publishing on the website current information on the Bank and its projects, and all current and interim reports. The website also enables contacts with the Investor Relations Office which has a broad knowledge of the Bank and its Group of Companies.

In the first half of 2026, the Bank organized meetings regarding the publication of financial results after each quarter with capital market analysts and representatives of investors.

VIII. Corporate governance rules in the Group

1. Best practice at the Bank

Corporate Governance Principles applied in the Group of the Bank are described in the Report of the Management Board on the activities in 2025.

2. Governing bodies of the Bank

2.1 Changes in the composition of the Management Board and Supervisory Board during the first half of 2026

2.1.1 Changes in the composition of the Management Board during the first half of 2026

In the first half of 2026, the Bank's Management Board consisted of:

Elżbieta Świątopełk-Czetwertyńska	President of the Bank's Management Board
Patrycjusz Wójcik	Vice-President of the Bank's Management Board
Andrzej Wilk	Vice-President of the Bank's Management Board (until June 11, 2026)
Maciej Kropidłowski	Vice-President of the Bank's Management Board
Barbara Sobala	Vice-President of the Bank's Management Board
Tomasz Dziurzyński	Member of the Bank's Management Board
Sebastian Perczak	Member of the Bank's Management Board

In the first half of 2026, there was a change in the composition of the Bank's Management Board – Mr. Andrzej Wilk responsible for Consumer Banking resigned from the position of Vice-President of the Management Board of the Bank effective as of June 11, 2026.

2.1.2 Changes in the composition of the Supervisory Board during the first half of 2026

In the first half of 2026, the composition of the Supervisory Board did not change and as at 30 June 2026 was as follows:

Sławomir S. Sikora	Chairman of the Supervisory Board
Ignacio Gutierrez – Orrantia	Vice Chairman of the Supervisory Board
Fabio Lisanti	Member of the Supervisory Board
Natalia Bożek	Member of the Supervisory Board
Marek Kapuściński	Member of the Supervisory Board
Andras Reiniger	Member of the Supervisory Board
Anna Rulkiewicz	Member of the Supervisory Board
Barbara Smalska	Member of the Supervisory Board

2.2 Rules of appointing and dismissing members of the Management Board

The Management Board consists of five to nine members. Each member of the Bank's Management Board is appointed by the Supervisory Board for a four-year term. The term is calculated in financial years, with the first financial year of each term being the financial year in which the member began serving in office, even if this did not occur at the beginning of that financial year. At least half of the members of the Management Board should be of Polish nationality. The term of appointment of a Management Board member expires:

- 1) on the day of the General Meeting of Shareholders approving the Management Report on the activities of the Bank and financial report for the full past year of the term of office of the Management Board member;
- 2) upon death of the Management Board member;
- 3) upon dismissal of the Management Board member;
- 4) upon resignation of the Management Board member, submitted in writing or electronically to the Chair of the Supervisory Board.

The powers of the Supervisory Board also include the dismissal of members of the Management Board, which takes place by secret ballot. When dismissing a member of the Management Board, the Supervisory Board takes into account the assessment of compliance with the requirements referred to in Article 22aa of the Banking Law. The Supervisory Board immediately informs the Polish Financial Supervision Authority about including an item on the board's agenda concerning:

- 1) dismissal of the President of the Management Board,
- 2) dismissal of the member of the management board who oversees the management of risks that are material to the bank's business or the delegation of his/her duties to another member of the management board.

2.3 Rights of the Management Board

The Management Board makes decisions in matters concerning the Bank by way of resolutions, provided that decisions in such matters are not reserved for other governing bodies of the Bank by law or the Articles of Association.

By way of resolutions, the Management Board in particular:

- 1) defines the Bank's strategy;
- 2) establishes and abolishes the committees supporting the work of the Bank and defines their mandates;
- 3) decides the Management Board's bylaws and submits them to the Supervisory Board for approval;
- 4) decides the rules of handling special purpose funds created from net profit and submits them to the Supervisory Board for approval;
- 5) decides on the date of payment of dividend within the time limits defined by the General Meeting of Shareholders;
- 6) appoints holders of general commercial power of attorney, attorneys and attorneys with powers of substitution;
- 7) decides in matters defined in Management Board bylaws;
- 8) makes decisions on matters brought by the President, Vice-President or Member of the Management Board;
- 9) passes a resolution on the Bank's annual financial plan, accepts investment plans and reports of implementation of such plans;
- 10) accepts reports on the Bank's operations and financial reports;
- 11) formulates decisions regarding distribution of profit or coverage of losses;
- 12) approves the Bank's human resources policy, credit policy and legal principles of its operations;
- 13) approves the rules of the Bank's equity management;
- 14) approves the employment structure;
- 15) establishes the basic structure of the Bank's organization, appoints and dismisses Heads of Sectors, appoints and dismisses Heads of Divisions, and makes decisions on their competences;
- 16) establishes the audit plan at the Bank and accepts audit reports;
- 17) resolves other issues which, according to the Articles of Association, are submitted to the Supervisory Board or the General Meeting of Shareholders;
- 18) makes decisions on contracting liabilities or disposing of assets, when the total value of such liabilities or assets in relation to a single entity exceeds 5% of the Bank's own funds, or appoints authorized persons to make such decisions; however, in matters within the powers of Committees appointed by the Bank the decisions are made after consulting the relevant Committee.

The acquisition and transfer of ownership or the right of perpetual usufruct of a real estate property or a share in those rights by the Bank shall not require a resolution by the General Meeting. Decisions in these matters shall be taken independently by the Management Board of the Bank by way of resolution. However, in matters including acquisition and transfer of ownership or the right of perpetual usufruct of a real estate property or a share in those rights by the Bank, if the value of those rights in the individual case does not exceed PLN 500,000.00 and the acquisition or transfer is connected with the Bank's seeking collection of debts resulting from banking operations, such acquisition or transfer can be made also without the resolution of the Management Board.

The Bank's Management Board designs, implements, and ensures the operation of, the Bank's management system as well as designs, implements and updates written strategies and procedures, and undertakes actions relating to the system of risk management, internal controls and internal capital assessment as well as reviews of the internal capital assessment and maintenance processes.

3. Other principles

3.1 Information on owners of securities with special control rights towards the Bank

All shares issued by the Bank are common bearer shares and have no special control rights related to them.

3.2 Limitations regarding transfer of ownership of the Bank's shares or exercising the voting rights relating to the Bank's shares

The Bank's Articles of Association do not provide for restrictions on the transfer of ownership of the Bank's shares and restrictions on the exercise of voting rights attached to the Bank's shares. Restrictions related to the acquisition of significant blocks of shares in banks and public companies are specified in Art. 25 of the Act of August 29, 1997, the Banking Law and Art. 69 et seq. of the Act of 29 July 2005 on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and on Public Companies.

IX. Other information on the Bank's governing bodies and management principles

1. Information on the total number of the shares of the Bank held by Management Board or Supervisory Board members

Information on the total number and nominal value of the Bank's shares held by members of the Management Board and Supervisory Board at the end of the first half of 2026 is presented in the table below:

	Shares of Bank Handlowy w Warszawie S.A.	
	Number of shares (units)	Nominal value (PLN)
Management Board Members		
Elżbieta Światopełk-Czetwertyńska	9	36
Maciej Kropidłowski	-	-
Patrycjusz Wójcik	-	-
Barbara Sobala	-	-
Sebastian Perczak	-	-
Tomasz Dziurzyński	-	-
Supervisory Board Members		
Sławomir Sikora	27,104	108,416
Ignacio Gutierrez-Orrantia	-	-
Natalia Bożek	-	-
Fabio Lisanti	-	-
Marek Kapuściński	-	-
Andras Reiniger	-	-
Anna Rulkiewicz	-	-
Barbara Smalska	-	-

Information on the total number and nominal value of the Bank's shares held by members of the Management Board and Supervisory Board at March 31, 2026 is presented in the table below:

	Shares of Bank Handlowy w Warszawie S.A.	
	Number of shares (units)	Nominal value (PLN)
Management Board Members		
Elżbieta Światopełk-Czetwertyńska	9	36
Maciej Kropidłowski	-	-
Patrycjusz Wójcik	1,325	5,300
Barbara Sobala	-	-
Andrzej Wilk	13,311	53,244
Sebastian Perczak	-	-
Tomasz Dziurzyński	-	-
Supervisory Board Members		
Sławomir Sikora	27,104	108,416
Ignacio Gutierrez-Orrantia	-	-
Natalia Bożek	-	-
Fabio Lisanti	-	-
Marek Kapuściński	-	-
Andras Reiniger	-	-
Anna Rulkiewicz	-	-
Barbara Smalska	-	-

Managing and supervising officers have not declared any options for Bank's shares.

2. Information on any agreements between the Bank and the Management Board members that provide for compensation in case of resignation or dismissal of such members without a valid reason, or when such dismissal is a result of a merger or acquisition of the Bank

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 Labour Code.

Each member of the Management Board of the Bank has signed a separate non-competition agreement with the Bank. In accordance with this agreement, if the employment relationship with the Bank is terminated, the member of the Management Board is obliged to refrain from undertaking any competitive activities in a period of 12 months (or 6 months in the case of one of the Management Board members). On account of this restriction, the Bank will be obliged to pay compensation to a terminated member of the Management Board.

X. Significant events after the balance sheet date not included in the financial statements

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 this Report on activities of the Capital Group.

XI. Statement of the Bank's Management Board

Accuracy and fairness of the statements presented

To the best knowledge of the Management Board of the Bank, composed as at the date of preparation of the financial statements of: Ms. Elżbieta Świątopęk - Czetwertyńska - President of the Management Board, Mr. Patrycjusz Wójcik - Vice-President, Mr. Maciej Kropidłowski - Vice-President, Ms. Barbara Sobala - Vice-President and Mr. Tomasz Dziurzyński - Member, Mr. Sebastian Perczak - Member, the semi-annual financial data and comparative data presented in the "Interim Condensed Stand-alone Financial Statements of Bank Handlowy w Warszawie S.A. for the six-month period ended 30 June 2026" and the "Interim Condensed Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the six-month period ended 30 June 2026" were prepared in accordance with the applicable accounting principles and give a true, fair and clear picture of the assets and the financial standing of the Bank and the Group as well as the financial result of the Bank and the Group. The "Report on activities of the Capital Group of Bank Handlowy w Warszawie S.A. in the first half of 2026", contained in the semi-annual consolidated report, gives a true picture of developments, achievements and situation (and describes major risk) of the Group in the first half of 2026.

Other information required by the Regulation of the Minister of Finance of 6 June 2025 on current and periodic information published by issuers of securities and on the conditions under which such information may be recognized as equivalent to information required by the law of a non-Member State (Journal of Laws [Dz. U.] of 2025 item 755, as amended) was provided in the Condensed Interim Consolidated Financial Statements of Capital Group of the Bank.

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