INTERIM CONSOLIDATED REPORT

FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2025

BNP Paribas Bank Polska S.A. Capital Group

BNP PARIBAS

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SELECTED FINANCIAL DATA

Selected consolidated financial data		in PLN '000	in PLN '000	in EUR '000	in EUR '000
Statement of profit or loss	**Note**	**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024	**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024
Net interest income	8	**2,967,667**	2,621,519	**703,105**	608,114
Net fee and commission income	9	**655,611**	622,570	**155,329**	144,418
Profit before tax		**1,929,454**	1,410,200	**457,130**	327,124
Profit after tax		**1,475,294**	1,213,566	**349,529**	281,511
Total comprehensive income		**1,621,434**	1,249,391	**384,153**	289,821
Statement of cash flows		**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024	**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024
Total net cash flows		**(2,586,135)**	11,147	**(612,712)**	2,586
Ratios		**30.06.2025**	30.06.2024	**30.06.2025**	30.06.2024
Number of shares (items)	47	**147,880,491**	147,799,870	**147,880,491**	147,799,870
Earnings per share	18	**9.91**	8.21	**2.35**	1.90
Statement of financial position		**30.06.2025**	31.12.2024	**30.06.2025**	31.12.2024
Total assets		**168,548,558**	167,539,589	**39,734,213**	39,208,890
Loans and advances to customers measured at amortised cost	23	**86,546,644**	85,401,516	**20,402,802**	19,986,313
Loans and advances to customers measured at fair value through profit or loss	24	**360,834**	452,506	**85,064**	105,899
Total liabilities		**152,720,339**	152,145,533	**36,002,815**	35,606,256
Amounts due to customers	33	**129,261,652**	130,924,754	**30,472,584**	30,640,008
Share capital	47	**147,880**	147,800	**34,862**	34,589
Total equity		**15,828,219**	15,394,056	**3,731,398**	3,602,634
Capital adequacy		**30.06.2025**	31.12.2024	**30.06.2025**	31.12.2024
Total own funds		**17,112,200**	15,962,074	**4,034,088**	3,735,566
Total risk exposure		**98,100,861**	92,814,926	**23,126,632**	21,721,256
Total capital ratio		**17.44%**	17.20%	**17.44%**	17.20%
Tier 1 capital ratio		**14.34%**	13.80%	**14.34%**	13.80%

Selected separate financial data	in PLN '000	in PLN '000	in EUR '000	in EUR '000
Statement of profit or loss	**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024	**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024
Net interest income	**2,908,985**	2,566,613	**689,202**	595,378
Net fee and commission income	**617,553**	592,930	**146,312**	137,542
Profit before tax	**1,887,671**	1,378,851	**447,231**	319,852
Profit after tax	**1,441,285**	1,188,352	**341,472**	275,662
Total comprehensive income	**1,587,425**	1,224,177	**376,096**	283,972
Statement of cash flows	**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024	**HY 2025 from 01.01.2025 to 30.06.2025**	HY 2024 from 01.01.2024 to 30.06.2024
Total net cash flows	**(2,589,696)**	16,371	**(613,556)**	3,798
Ratios	**30.06.2025**	30.06.2024	**30.06.2025**	30.06.2024
Number of shares (items)	**147,880,491**	147,799,870	**147,880,491**	147,799,870
Earnings per share	**9.69**	8.04	**2.30**	1.87
Statement of financial position	**30.06.2025**	31.12.2024	**30.06.2025**	31.12.2024
Total assets	**164,349,299**	163,087,501	**38,744,265**	38,166,979
Loans and advances to customers measured at amortised cost	**82,617,592**	81,189,258	**19,476,553**	19,000,528
Loans and advances to customers measured at fair value through profit or loss	**360,834**	452,506	**85,064**	105,899
Total liabilities	**148,637,236**	147,775,592	**35,040,250**	34,583,569
Amounts due to customers	**129,214,293**	130,830,128	**30,461,419**	30,617,863
Share capital	**147,880**	147,800	**34,862**	34,589
Total equity	**15,712,063**	15,311,909	**3,704,015**	3,583,410
Capital adequacy	**30.06.2025**	31.12.2024	**30.06.2025**	31.12.2024
Total own funds	**17,030,927**	15,916,910	**4,014,929**	3,724,996
Total risk exposure	**95,691,334**	90,554,074	**22,558,602**	21,192,154
Total capital ratio	**17.80%**	17.58%	**17.80%**	17.58%
Tier 1 capital ratio	**14.61%**	14.10%	**14.61%**	14.10%

For purposes of data translation into EUR, the following exchange rates are used by the Group:

For items of the statement of financial position, rates of the National Bank of Poland are applied:

- as at 30.06.2025 – EUR 1 = PLN 4.2419

- as at 31.12.2024 – EUR 1 = PLN 4.2730

For items of the statement of profit or loss and the statement of cash flows, the EUR exchange rate is calculated as the arithmetic average of the rates published by the National Bank of Poland as at the last day of each month in the period:

- for the period from 1.01.2025 to 30.06.2025 - EUR 1 = PLN 4.2208

- for the period from 1.01.2024 to 30.06.2024 - EUR 1 = PLN 4.3109

For details on calculation of profit (loss) per share please refer to Note 18.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024 restated	HY 2024 from 01.01.2024 to 30.06.2024 restated
Interest income	8	2,491,735	5,005,943	2,347,687	4,853,405
Interest income calculated with the use of effective interest rate method		2,292,137	4,601,356	2,128,082	4,462,083
interest income on financial instruments measured at amortised cost		2,071,818	4,155,899	1,942,489	4,091,171
interest income on financial instruments measured at fair value through other comprehensive income		220,319	445,457	185,593	370,912
Income of a similar nature to interest on instruments measured at fair value through profit or loss		199,598	404,587	219,605	391,322
Interest expenses	8	(1,018,394)	(2,038,276)	(1,128,144)	(2,231,886)
Net interest income		**1,473,341**	**2,967,667**	**1,219,543**	**2,621,519**
Fee and commission income	9	390,035	781,170	364,707	767,633
Fee and commission expenses	9	(61,913)	(125,559)	(77,222)	(145,063)
Net fee and commission income		**328,122**	**655,611**	**287,485**	**622,570**
Dividend income		4,217	4,389	4,566	5,352
Net trading income (including result on foreign exchange)	10	318,080	603,001	201,047	417,019
Result on investment activities	11	(596)	(2,970)	4,960	8,789
Result on hedge accounting	22	(238)	(2,829)	440	5,561
Result on derecognition of financial assets measured at amortised cost		663	(986)	(2,114)	(5,524)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	12	18,239	(9,004)	8,280	(88,085)
Result on legal risk related to foreign currency loans	50	(249,358)	(314,263)	(189,772)	(210,772)
General administrative expenses	13	(658,080)	(1,506,926)	(675,389)	(1,470,662)
Depreciation and amortization	14	(128,338)	(255,754)	(128,014)	(253,818)
Other operating income	15	69,421	200,200	57,049	106,831
Other operating expenses	16	(98,815)	(211,911)	(78,984)	(143,969)
Operating result		**1,076,658**	**2,126,225**	**709,097**	**1,614,811**
Tax on financial institutions		(95,329)	(196,771)	(99,412)	(204,611)
Profit before tax		**981,329**	**1,929,454**	**609,685**	**1,410,200**
Income tax expenses	17	(247,483)	(454,160)	13,293	(196,634)
Net profit		**733,846**	**1,475,294**	**622,978**	**1,213,566**
attributable to equity holders of the Group		733,846	1,475,294	622,978	1,213,566
Earnings (loss) per share (in PLN per one share)					
Basic	18	4.93	9.91	4.22	8.21
Diluted	18	4.93	9.91	4.22	8.21

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Net profit for the period		**733,846**	**1,475,294**	**622,978**	**1,213,566**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss upon fulfilment of certain conditions		**80,611**	**146,615**	**1,585**	**36,410**
Measurement of financial assets measured at fair value through other comprehensive income, gross	27	72,562	135,071	2,665	60,677
Deferred income tax on the valuation of financial assets measured through other comprehensive income		(13,787)	(25,664)	(506)	(11,529)
Measurement of cash flow hedge accounting derivatives, gross	22	26,960	45,937	(709)	(15,726)
Deferred income tax on valuation of derivatives hedging cash flows		(5,124)	(8,729)	135	2,988
Items that will not be reclassified to profit or loss		**(257)**	**(475)**	**415**	**(585)**
Actuary valuation of employee benefits, gross	7e	(318)	(587)	512	(722)
Deferred income tax on actuary valuation of employee benefits		61	112	(97)	137
Other comprehensive income (net)		**80,354**	**146,140**	**2,000**	**35,825**
Total comprehensive income for the period		**814,200**	**1,621,434**	**624,978**	**1,249,391**
attributable to equity holders of the Group		814,200	1,621,434	624,978	1,249,391

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 June 2025	31 December 2024
Cash and balances at Central Bank	19	7,556,716	11,325,551
Amounts due from banks	20	9,392,969	7,872,375
Derivative financial instruments	21	2,719,323	2,440,116
Fair value adjustment of hedged and hedging items	22	134,140	230,658
Loans and advances to customers measured at amortised cost	23	86,546,644	85,401,516
Loans and advances to customers measured at fair value through profit or loss	24	360,834	452,506
Securities measured at amortised cost	25	36,479,945	32,364,550
Securities measured at fair value through profit or loss	26	357,813	321,434
Securities measured at fair value through other comprehensive income	27	21,352,388	23,027,454
Intangible assets	28	928,489	975,114
Property, plant and equipment	29	907,842	946,971
Deferred tax assets		746,694	859,567
Current tax assets		71	1,515
Other assets	31	1,064,690	1,320,262
Total assets		**168,548,558**	**167,539,589**

LIABILITIES	Note	30 June 2025	31 December 2024
Amounts due to other banks	32	10,614,897	9,994,802
Derivative financial instruments	21	2,369,359	2,311,741
Fair value adjustment of hedged and hedging items	22	276,193	260,025
Amounts due to customers	33	129,261,652	130,924,754
Debt securities issued	34	680,709	-
Subordinated liabilities	35	3,413,087	3,420,128
Lease liabilities	30	580,900	606,306
Other liabilities	36	3,316,891	2,296,756
Current tax liabilities		109,261	361,641
Provisions	37	2,097,390	1,969,380
Total liabilities		**152,720,339**	**152,145,533**

EQUITY	Note	30 June 2025	31 December 2024
Share capital	47	147,880	147,800
Supplementary capital		9,180,883	9,155,136
Other reserve capital		4,695,800	4,042,815
AT1 capital bonds		650,000	650,000
Revaluation reserve		(394,705)	(540,845)
Retained earnings		1,548,361	1,939,150
retained profit		73,067	(419,118)
net profit for the period		1,475,294	2,358,268
Total equity		**15,828,219**	**15,394,056**
Total liabilities and equity		**168,548,558**	**167,539,589**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings: Retained profit	Retained earnings: Net profit for the period	Total
Balance as at 1 January 2025	**147,800**	**9,155,136**	**4,042,815**	**650,000**	**(540,845)**	**(419,118)**	**2,358,268**	**15,394,056**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**146,140**	**-**	**1,475,294**	**1,621,434**
Net profit for the period	-	-	-	-	-	-	1,475,294	1,475,294
Other comprehensive income for the period	-	-	-	-	146,140	-	-	146,140
Distribution of retained earnings	**-**	**25,747**	**663,427**	**-**	**-**	**506,753**	**(2,358,268)**	**(1,162,341)**
Distribution of earnings intended for capital	-	25,747	663,427	-	-	506,753	(1,195,927)	-
Dividends paid	-	-	-	-	-	-	(1,162,341)	(1,162,341)
Issuance of shares	**80**	**-**	**-**	**-**	**-**	**-**	**-**	**80**
Payment of interest on AT1 capital bonds	**-**	**-**	**(14,118)**	**-**	**-**	**(14,568)**	**-**	**(28,686)**
Management stock options*	**-**	**-**	**3,676**	**-**	**-**	**-**	**-**	**3,676**
Balance as at 30 June 2025	**147,880**	**9,180,883**	**4,695,800**	**650,000**	**(394,705)**	**73,067**	**1,475,294**	**15,828,219**

* for details on the management stock options programme please refer to Note 39

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings: Retained profit	Retained earnings: Net profit for the period	Total
Balance as at 1 January 2024	**147,677**	**9,110,976**	**3,525,056**	**-**	**(566,754)**	**(368,226)**	**1,012,546**	**12,861,275**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**25,909**	**-**	**2,358,268**	**2,384,177**
Net profit for the period	-	-	-	-	-	-	2,358,268	2,358,268
Other comprehensive income for the period	-	-	-	-	25,909	-	-	25,909
Distribution of retained earnings	**-**	**45,963**	**511,362**	**-**	**-**	**(48,777)**	**(1,012,546)**	**(503,998)**
Distribution of earnings intended for capital	-	45,963	511,362	-	-	(48,777)	(508,548)	-
Dividends paid	-	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	**123**	**-**	**-**	**-**	**-**	**-**	**-**	**123**
Issuance of AT1 capital bonds	**-**	**-**	**-**	**650,000**	**-**	**-**	**-**	**650,000**
Management stock options*	**-**	**-**	**6,397**	**-**	**-**	**-**	**-**	**6,397**
Other adjustments	**-**	**(1,803)**	**-**	**-**	**-**	**(2,115)**	**-**	**(3,918)**
Balance as at 31 December 2024	**147,800**	**9,155,136**	**4,042,815**	**650,000**	**(540,845)**	**(419,118)**	**2,358,268**	**15,394,056**

* for details on the management stock options programme please refer to Note 39

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings: Retained profit	Retained earnings: Net profit for the period	Total
Balance as at 1 January 2024	**147,677**	**9,110,976**	**3,525,056**	**-**	**(566,754)**	**(368,226)**	**1,012,546**	**12,861,275**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**35,825**	**-**	**1,213,566**	**1,249,391**
Net profit for the period	-	-	-	-	-	-	1,213,566	1,213,566
Other comprehensive income for the period	-	-	-	-	35,825	-	-	35,825
Distribution of retained earnings	**-**	**-**	**511,363**	**-**	**-**	**(2,815)**	**(1,012,546)**	**(503,998)**
Distribution of earnings intended for capital	-	-	511,363	-	-	(2,815)	(508,548)	-
Dividends paid	-	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	**123**	**-**	**-**	**-**	**-**	**-**	**-**	**123**
Management stock options*	**-**	**-**	**3,597**	**-**	**-**	**-**	**-**	**3,597**
Other adjustments	**-**	**-**	**-**	**-**	**-**	**(1,338)**	**-**	**(1,338)**
Balance as at 30 June 2024	**147,800**	**9,110,976**	**4,040,016**	**-**	**(530,929)**	**(372,379)**	**1,213,566**	**13,609,050**

* for details on the management stock options programme please refer to Note 39

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

CASH FLOWS FROM OPERATING ACTIVITIES:	Note	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Net profit (loss)		**1,475,294**	**1,213,566**
Adjustments for:		**(546,725)**	**3,454,188**
Income tax expenses		454,160	196,634
Depreciation and amortization	14	255,754	253,818
Dividend income		(4,389)	(5,352)
Interest income	8	(5,005,943)	(4,853,405)
Interest expenses	8	2,038,276	2,231,886
Change in provisions		127,343	97,548
Change in amounts due from banks		(334,598)	4,730,220
Change in assets due to derivative financial instruments		(182,689)	244,378
Change in loans and advances to customers measured at amortised cost		(1,161,834)	121,700
Change in loans and advances to customers measured at fair value through profit or loss		91,672	106,093
Change in amounts due to banks		514,862	(193,687)
Change in liabilities due to derivative financial instruments		119,723	(293,699)
Change in amounts due to customers		(1,615,907)	(1,553,427)
Change in other assets and deferred tax assets		238,148	153,137
Change in other liabilities and current tax liabilities		1,012,668	175,938
Other adjustments	40	(48,626)	75,541
Interest received		5,510,047	4,788,889
Interest paid		(1,953,154)	(2,289,840)
Tax paid		(601,481)	(531,958)
Lease payments for short-term leases not included in the lease liability measurement		(757)	(226)
Net cash flows from operating activities		**928,569**	**4,667,754**

*information on the transformation is described in Note 3.3.

CASH FLOWS FROM INVESTMENT ACTIVITIES:		HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Inflows		**86,380,910**	**85,795,963**
Sale of debt securities		86,338,202	85,787,163
Sale of intangible assets and property, plant and equipment		37,283	2,547
Dividends received and other inflows from investing activities		5,425	6,253
Outflows		**(89,276,224)**	**(89,752,795)**
Purchase of debt securities		(89,117,934)	(89,542,544)
Purchase of intangible assets and property, plant and equipment		(158,290)	(210,251)
Net cash flows from investment activities		**(2,895,314)**	**(3,956,832)**

CASH FLOWS FROM FINANCING ACTIVITIES:		HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Inflows		**1,557,980**	**701,897**
Long-term loans and subordinated liabilities received		879,196	701,774
Issuance of debt securities		678,704	-
Net inflows from issuance of shares and return of capital contributions		80	123
Outflows		**(2,177,370)**	**(1,401,672)**
Repayment of long-term loans received		(907,629)	(825,689)
Repayment of lease liability		(71,949)	(71,927)
Repayment of interest on AT1 capital bonds		(35,415)	-
Other financial expenses		(36)	(58)
Dividents paid		(1,162,341)	(503,998)
Net cash flows from financing activities		**(619,390)**	**(699,775)**
TOTAL NET CASH AND CASH EQUIVALENTS		**(2,586,135)**	**11,147**
Cash and cash equivalents at the beginning of the period		**18,292,929**	**15,874,526**
Cash and cash equivalents at the end of the period:	38	**15,706,794**	**15,885,673**
Effect of exchange rate fluctuations on cash and cash equivalents		(66,729)	(20,955)

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. IDENTIFICATION DATA

BNP Paribas Bank Polska S.A. („Bank" or „BNP Paribas") is the parent company in the Capital Group of BNP Paribas Bank Polska S.A. („Group").

The registered office of the Bank is located at Marcina Kasprzaka 2, 01-211 Warsaw. The Bank is registered in Poland, by the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000011571. The duration of the parent and the Group companies is unlimited.

2. DESCRIPTION OF THE CAPITAL GROUP

As of 30 June 2025, the BNP Paribas Bank Polska S.A. Capital Group comprised BNP Paribas Bank Polska S.A. as the parent and its subsidiaries. The Bank's share in the equity of subsidiaries is presented in brackets:

1) BNP PARIBAS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A. („TFI" 100%),
2) BNP PARIBAS LEASING SERVICES SP. Z O.O. („LEASING" 100%),
3) BNP PARIBAS GROUP SERVICE CENTER S.A. („GSC" 100%).

In accordance with the principles of International Financial Reporting Standards, the interim condensed consolidated financial statements cover all subsidiaries as at 30 June 2025.

BNP Paribas Bank Polska S.A. operates within the BNP Paribas Capital Group with its registered office in Paris.

3. ACCOUNTING PRINCIPLES APPLIED FOR THE PURPOSE OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Interim condensed consolidated financial statements for the first half of 2025 ended 30 June 2025 were prepared in accordance with the requirements of International Financial Reporting Standards, as adopted by the European Union ("EU IFRS"), in particular, in accordance with IAS 34.

The accounting principles applied in the first half of 2025 do not differ from the principles applicable in 2024, which are described in detail in the Consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2024, taking into account new standards, interpretations and amendments to published standards issued by the International Accounting Standards Board (IASB), approved by the European Union, effective from 1 January 2025 and applied by the Group.

The Interim condensed consolidated financial statements do not include all information and disclosures required in annual consolidated financial statements, and, therefore, should be read in conjunction with the Consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2024.

The interim condensed consolidated financial statements have been prepared in Polish zloty and all values, unless otherwise indicated, are given in thousands of zlotys (PLN thousand).

The present interim condensed consolidated financial statements include the requirements of all International Accounting Standards approved by the European Union ("IAS"), International Financial Reporting Standards ("EU IFRS") and interpretations related to these standards, except for the standards and interpretations listed below that are awaiting approval by the European Union or have been approved, but entered into or will enter into force only after the balance sheet date.

In the period covered by the interim condensed consolidated financial statements, the Group did not use the option of earlier application of standards and interpretations, which were approved by the European Union, but will enter into force only after the balance sheet date.

3.1. Issuance of AT1 capital bonds

AT1 Capital Bonds issued by the Bank in 2024 are instruments without a specified redemption date, entitling to receive interest for an indefinite period, provided that the Bank will be able to redeem them earlier on the terms specified in the terms of issue. The terms and conditions of the issue of the Capital Bonds do not provide for the possibility of conversion into Bank shares, but only the possibility of their redemption in the form of a temporary write-down in the event of the CET1 ratio falling below the contractual reference value.In accordance with the provisions of IAS 32, the AT1 Capital Bonds were classified as an element of the Bank's equity, and the payment of interest on these bonds is also recognized in the Bank's equity

3.2. New standards, interpretations and amendments to published standards that have been issued by the International Accounting Standards Board (IASB), have been endorsed by the European Union, are effective and have been applied by the Group

Standards / Interpretations	Date of issue/ publication	Date of entry into force in EU	Approved by the EU	Description of changes
Amendments to IFRS 21: „Effects of changes in foreign exchange rates”: Lack of currency conversion	15.08.2023	01.01.2025	12.11.2024	The amendments specify how an entity should assess whether a currency is convertible into another currency and how it should determine the spot exchange rate if conversion is not possible. The amendments do not have a material impact on the Group's financial statements.

3.3. New standards, interpretations and amendments to these standards that have already been issued by the International Accounting Standards Board (IASB) and approved by the European Union but still not effective

Standards / Interpretations	Date of issue/ publication	Date of entry into force in EU	Approved by the EU	Description of changes
Amendments to IFRS 9 and IFRS 7: Changes to the classification and measurement of financial instruments	30.05.2024	01.01.2026	27.05.2025	The amendments clarify, among others, that the financial liability is derecognised on the settlement date and introduce an accounting policy choice to derecognise financial liabilities settled by means of an electronic payment system before the settlement date. The amendments will not have a material impact on the Group’s financial statements.
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	18.12.2024	01.01.2026	30.06.2025	The amendments include: ● clarifying the application of the ‘own-use’ requirements; ● permitting hedge accounting if these contracts are used as hedging instruments; and ● adding new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. The amendments will not have a material impact on the Group’s financial statements.
Annual Improvements to IFRS – Volume 11	18.07.2024	01.01.2026	09.07.2025	The IASB's annual amendment cycle process concerns non-urgent but necessary clarifications and amendments to IFRS. In July 2024, the International Accounting Standards Board issued “Annual Improvements to IFRS – Volume 11”. The amendments will not have a material impact on the Group's financial statements.

3.4. New standards, interpretations and amendments to these standards that have already been issued by the International Accounting Standards Board (IASB) but not yet approved by the European Union

Standards / Interpretations	Date of issue/ publication	Date of entry into force in EU	Approved by the EU	Description of changes
IFRS 18 Presentation and Disclosure of Information in Financial Statements	09.04.2024	01.01.2027	No	IFRS 18 introduces new presentation and disclosure requirements in the financial statements for all entities applying IFRS standards. The Group is currently analysing the impact of the standard on the financial statements.
IFRS 19: Subsidiaries without Public Accountability: Disclosures	09.05.2024	01.01.2027	No	IFRS 19 allows eligible entities to apply limited disclosure requirements while applying the recognition, measurement and presentation requirements of other IFRS accounting standards. The amendments will not have a material impact on the Group's financial statements.

3.5. Changes in presentation of financial data

In comparison to the Interim condensed consolidated financial statements prepared for the first half of 2024 ended 30 June 2024, the Group has changed the presentation of the following financial data:

- gain/loss on sale of securities measured at amortised cost

Prior to the change, the result on sale of such instruments was presented in net trading income, after the change, it is a part of the result on derecognition of financial assets measured at amortised cost, as presented in detail in the table below.

Consolidated statement of profit or loss	HY 2024 from 01.01.2024 to 30.06.2024 before adjustment	adjustment	HY 2024 from 01.01.2024 to 30.06.2024 after adjustment
Net trading income (including result on foreign exchange)	414,300	2,719	417,019
Result on derecognition of financial assets measured at amortised cost	(2,805)	(2,719)	(5,524)

In the opinion of the Group, the presentation changes outlined above better reflect the economic nature of the above items and therefore provide more useful information to the recipients of the financial statements.

4. GOING CONCERN

The present Interim condensed consolidated financial statements have been prepared assuming that the companies within the Group will continue as a going concern in substantially the same scope, in the foreseeable future, i.e. within at least 12 months from the date of the reporting period end.

5. APPROVAL OF THE FINANCIAL STATEMENTS

The Interim condensed consolidated report of the BNP Paribas Bank Polska S.A. Capital Group for the first half of 2025 ended 30 June 2025 was approved by the Management Board on 11 August 2025 for publication.

6. SEASONAL AND CYCLICAL NATURE OF BUSINESS

There are no significant seasonal or cyclical phenomena in the Group's operations.

7. ESTIMATES AND JUDGEMENTS

The Group makes judgements, estimates and assumptions that affect the values of assets and liabilities reported in the subsequent period. Judgements, estimates and assumptions, which are subject to ongoing assessment, are based on historical experience and other factors, including expectations of future events that appear reasonable under the circumstances.

a. Impairment of financial assets

The assessment of impairment of financial assets in accordance with IFRS 9 requires estimates and assumptions, especially in the areas of estimates of the value and timing of future cash flows, the value of collaterals established, or the assessment of a significant increase in credit risk.

The assessment of impairment in accordance with IFRS 9 covers financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income as well as contingent liabilities. The recognition of expected credit losses depends on the change in the level of credit risk recorded since the moment of initial recognition of the financial asset. Financial assets are subject to the assessment as to whether there are any events of default.

The requirements of IFRS 9 relating to impairment are based on the model of expected credit loss.

Financial instruments subject to the assessment in terms of impairment are classified into one of three stages based on the assessment of changes in credit quality observed since initial recognition:

- Stage 1: An allowance due to expected credit losses in 12-month horizon

If the credit risk did not increase significantly from the date of the initial recognition, and the event of default did not occur from the moment of granting the financial instrument, the Group recognises an allowance for the expected credit loss within the next 12-month horizon.

- Stage 2: An allowance due to expected credit losses for the entire lifetime – no event of default identified

In the case of financial instruments, whose credit risk has increased significantly since the moment of their initial recognition, but no event of default occurred, an impairment allowance is created for the entire remaining financing period, considering the probability of the occurrence of the event of default.

- Stage 3: An allowance due to expected credit losses for the entire lifetime – event of default

In the case of financial instruments for which the event of default occurred, an allowance for the expected credit loss is created for the entire remaining financing period.

Criteria for stage classification

In order to assess whether there has been a significant increase in credit risk since the initial recognition of the financial instrument (Stage 2), the Group compares the risk of default during the expected period of financing granted as at the balance sheet date and the date of initial recognition.

The assessment consists in verifying whether the ratio of the cumulative PD as at the report date determined for the period from the report date to the maturity date and the cumulative PD as at the initial recognition date determined for the period from the report date to the maturity date exceeds the relative threshold for the change in the PD lifetime parameter. Exceeding the threshold results in classification into Stage 2. PD lifetime weighted by the probability of occurrence of individual macroeconomic scenarios is used for comparison.

The threshold amount is set at the level of homogeneous portfolios based on an analysis of loss levels for historical data. The analysis is designed to ensure high discriminatory power of the introduced allocation and its results are subject to verification for intuitiveness. The thresholds adopted at the Group range from 1.8 to 2.7 times PD lifetime growth relative to initial recognition, depending on the segment.

An important element of the allowance estimation process affecting both the stage classification and the parameters used in the allowance estimation process is the internal credit risk rating system. The rating reflects an assessment of asset quality and key related risks, including an assessment of refinancing risk.

Refinancing risk is assessed by the Group on a regular basis, both during the process of granting financing and as part of cyclical monitoring carried out throughout the financing period.

In the commercial real estate segment, among other things, the quality of the asset is examined, including: attractiveness of the location, age of the property, occupancy rate, terms and duration of leasing contracts, value of the property, LTV (Loan to Value) and DSCR (Debt Service Coverage Ratio) parameters.

In addition, in order to assess a material increase in credit risk, the Group applies e.g.: information on delay in repayments (over 30 days of delay) and information from internal credit risk monitoring systems, such as warning letters and information about restructuring.

For exposures classified as Stage 2, if in subsequent periods the credit quality of the financial instrument improves and previous conclusions regarding a significant increase in credit risk since initial recognition are reversed, the exposure is reclassified from Stage 2 to Stage 1 and the allowance for expected credit losses for these financial instruments is calculated over a 12-month horizon.

For the purpose of identifying exposures eligible for Stage 3, the Group uses a single definition of defaulted exposures and a definition of impaired exposures, and classification is based on the principles of the default triggers.

The principal event of default is a delay in repayment of more than 90 days (or more than 30 days for exposures with granted facilities) of a material amount of a past due credit obligation. In addition, other indications are taken into account, including in particular:

- restructuring,
- granting of a facility where the exposure is granted a facility or restructured,
- granting of a facility without significant economic loss where at least one of the following conditions is met:
    - a large lump sum payment towards the end of the repayment schedule;
    - irregular repayment schedule, with significantly lower payments at the beginning of the repayment schedule;
    - significant grace period at the beginning of the repayment schedule;
    - exposures to an obligor that are subject to distress restructuring on more than one occasion.
- suspicion of fraud (including economic crime or any other criminal offence related to the credit exposure),
- information has been received about the submission of an application for restructuring proceedings within the meaning of the Act on Restructuring Law,
- filing of an application for commencing enforcement proceedings by the Group or becoming aware of the fact that enforcement proceedings against the debtor are being conducted in the amount which, in the opinion of the Group, may result in the loss of creditworthiness,
- becoming aware of the fact of filing of an application for declaring the debtor bankrupt (liquidation, consumer), putting the debtor into liquidation, dissolution or cancellation of the company, appointment of a curator, appointment of a receiver over the debtor's activity,
- filing of an application for bankruptcy proceedings, a declaration of bankruptcy or becoming aware of the dismissal of the bankruptcy application due to the fact that the debtor's assets are insufficient or sufficient only to meet the costs of the bankruptcy proceedings,
- termination of the credit agreement,
- submission of an application to initiate enforcement proceedings against the customer,
- granting of a public moratorium under Article 31fa of the Act of 2 March 2020, on special arrangements for the prevention, counteracting and control of covid-19, other infectious diseases and emergencies caused by them,
- financial difficulties identified during the customer monitoring/review process or on the basis of information obtained from the customer in the course of other activities,
- significant deterioration in customer rating.

In determining the materiality level of a past due credit obligation, the Group takes into account the thresholds contained in the "Regulation of the Minister of Finance, Investment and Development dated 3 October 2019 on the materiality level of a past due credit obligation".

A past due credit obligation is considered material when both materiality thresholds are exceeded together:

1) the amount of past due liabilities exceeds PLN 400 for retail exposures or PLN 2.000 for non-retail exposures, and
2) the share of past due liabilities in the exposure is greater than 1%.

Accordingly, the calculation of the number of overdue days for the purpose of determining a default event starts once both of the aforementioned thresholds are exceeded.

While reclassifying the exposure from Stage 3 to Stage 2 or Stage 1, the Group considers quarantine period, according to which a credit exposure with recognised objective trigger of impairment may only be reclassified into Stage 2 or Stage 1 if the customer has been servicing the receivable on time for a specified number of months. The required quarantine period differs depending on the customer type. Its length is determined by the Group on the basis of historical observations which allow for determining the period after which the probability of default decreases to the level comparable to that of other exposures classified to the portfolio with no indications of impairment.

With regard to the criteria for stage classification, the Group implemented an indication based on the assessment of the relative change in the PD lifetime parameter.

The Group monitors the sensitivity of customer groups/segments to risk factors in the economic and geopolitical environment on an ongoing basis.

Due to the ongoing war in Ukraine and the economic sanctions issued against Russia and Belarus, the Group analysed credit exposures directly related to these countries and, based on this, did not identify any significant exposures both in the portfolio of business and retail clients.

The Group also reviewed customers operating in sectors most exposed to the introduction of new US customs tariffs. The review did not identify any significant threat to the quality of the Group's loan portfolio.

At the same time, the Group monitors the situation of customers on an ongoing basis with a view to securing the credit portfolio by adequately reflecting the level of risk on these customers in the amount of allowances. The Group has identified institutional customers who are vulnerable to the effects of these risk factors. Detailed assumptions of the analyses performed were described in Note 51 Credit risk.

As at 30 June 2025, these customers accounted for PLN 1,187,599 thousand of exposure and were classified as Stage 2 customers, i.e. customers with a significant increase in credit risk. The total allowances for these customers amounted to PLN 69,073 thousand. As at 31 December 2024, the Bank was not identifying customers exposed to changes in US customs tariffs, the key factor assessed was the impact of the war in Ukraine. At that time, the balance of sensitive customers amounted to PLN 286,246 thousand, while the balance of impairment allowances for these customers amounted to PLN 7,808 thousand.

With regard to the remaining segments, in the process of stage classification, the Group took into account the increased risk associated with customers with the greatest exposure to turbulence in the economic environment by transferring these exposures to Stage 2. The basis for identifying sensitive customers was:

- for the portfolio of loans secured by real estate in PLN, results of surveys carried out among customers using credit holidays,
- for the segment of other retail customers, available indicators that are indicative of the level of debt burden and the timeliness of servicing obligations with other institutions,
- for the portfolio of micro-entrepreneurs, the level of the customer's rating, or for a selected group of customers, borrowing to a degree that threatens the proper servicing of the credit/loan.

As at 30 June 2025, these customers represented PLN 522,977 thousand of exposure, while as at 31 December 2024, the balance amounted to PLN 628,057 thousand. In addition to identifying exposures in Stage 2, for the PLN mortgage loan portfolio the Bank applies an additional adjustment of parameters for sensitive customers using credit holidays (for details, see the table regarding Post Model Adjustments).

Description of the methods used to determine the allowances for expected credit losses

The individual valuation is performed by the Group for individually significant financial assets, for which the event of default was identified. It consists in the individual determination of the allowance for expected credit losses. During the individual valuation, the Group determines expected future cash flows and impairment allowances are calculated as the difference between the present value (balance sheet amount) of a financial asset which is individually significant and the value of future cash flows generated by that asset, discounted using the effective interest method. Cash flows from collateral are taken into account for purposes of estimating future cash flows.

The following assets are measured collectively:

- classified as individually insignificant,
- classified as individually significant, for which the event of default was not identified.

The amount of collective impairment allowances is determined with the application of statistical methods for defined exposure portfolios which are homogenous from the perspective of credit risk. Homogeneous exposure portfolios are defined based on, among others, customer segment and type of credit products.

The criteria applied by the Group to define homogeneous portfolios are aimed at grouping exposures so that the credit risk profile is reflected as accurately as practicable and, consequently, so as to estimate the level of allowances for the expected credit losses on financial assets as objectively and adequately as possible. The amount of the allowance for expected credit losses in the collective method is determined under four macroeconomic scenarios. The final value of the allowance is determined as the average of these four calculations weighted by the probability of occurrence of a given scenario.

The weight of the base scenario is 50%, the weights of the negative and severe scenarios are estimated based on the ratio of the current projected loss to the long-term average for the segment, the weight of the positive scenario is determined by the weight of the severe and pessimistic scenarios. As at 30 June 2025, the weight of the severe scenario ranged from 0% to 6.20%, depending on the portfolio, and the pessimistic scenario from 0% to 24.80%.

In the process of calculating the amount of allowances, the following parameters are used:

1) probability of default (PD)

The amount of the parameter for individual exposures is estimated using a model based on Markov chains. For its estimation, historical matrices of migration of exposures between risk classes are used. Risk classes are determined based on internal ratings. Migrations are determined within homogeneous portfolios defined by customer segment and product type.

The parameter values resulting from the above model are through-the-cycle. In order to ensure the point-in-time nature required by the IFRS9 standard, they are subsequently adjusted based on current forecasts of the macroeconomic environment. The adjustment made is based on econometric models built for individual segments based on time series. If it is not possible to build a model for a particular segment, a simplification based on the Box-Cox transformation is applied.

2) loss given default (LGD)

The amount of the parameter for individual exposures is determined based on the probability of occurrence of individual recovery paths (return to regular repayments, full repayment of the obligation, commencement of hard recovery) and the expected levels of loss if a given path occurs. The probabilities of occurrence of individual paths are determined based on a Markov chain-based model and estimation based on historical data.

Loss levels are determined based on historically observed recoveries. They take into account recoveries linked to collateral allocated to a given exposure, repayments not linked to collateral, and recoveries expected from the sale of receivables.

The assignment of specific components is based on customer segment, product type, exposure characteristics, current number of days in default, contract status and number of months since the commencement of hard recovery. The parameters for recovery from the collateral are based on customer segment, type of collateral and number of months since the commencement of hard collection.

The parameter values resulting from the above model are through-the-cycle. In order to ensure the point-in-time nature required by the IFRS9 standard, they are adjusted based on current forecasts of the macroeconomic environment. The adjustment made is based on econometric models built for individual segments, based on time series. If it is not possible to build a model for a particular segment, a simplification based on the Box-Cox transformation is applied - this does not apply to portfolios where expert values are used for parameter estimation due to the lack of sufficient historical observations.

3) the conversion factor of granted off-balance sheet liabilities to on-balance sheet receivables (CCF - credit conversion factor)

The amount of the parameter is determined based on average observed historical values. The parameter is estimated within homogeneous portfolios defined by customer segment and product type. For segments where there are not enough observations to determine the parameter, expert values are adopted.

For the CCF parameter, the Group demonstrated its lack of dependence on macroeconomic factors based on historical data.

4) expected prepayment factor (PPF)

The amount of the parameter is determined based on the prepayment curve assigning dependence on the months of existence of the credit exposure. The prepayment curve is estimated based on historical data by customer segment and product type. When calculating the expected credit loss, prepayment factor adjusts the balance sheet exposure resulting from the loan repayment schedule.

For the PPF parameter, the Group demonstrated its lack of dependence on macroeconomic factors based on historical data.

5) expected behavioural lifetime of the loan (BRL)

For exposures for which there is no contractual existence life-time, the behavioural lifetime of the loan is estimated. This value is assigned by customer segment and credit product type. The estimation of the behavioural life of a loan is based on building a profile of historically observed existence length in an exposure of a given type and fitting a logistic regression function to it. This function is then used to estimate the final value in a given segment.

In the first half of 2025, the Group introduced the following significant changes to the IFRS 9 model:

- change in the granularity of EAD amortisation in the ECL calculation formula. Following the change, ECL for Stage 1 and Stage 2 portfolios is calculated on a quarterly basis instead of annually, and then aggregated to the appropriate horizon, taking into account the discounting effect. The change resulted in a decrease in the level of write-offs by PLN 46,226 thousand,
- update of the PD model for the portfolio for fully reporting entities, resulting in the reversal of PLN 18,889 thousand write-offs. The change involves calibrating the model that estimates the impact of macroeconomic factors on the level of credit losses based on observations from June 2023 to June 2024. Its introduction has allowed for a more accurate representation of the dependencies and the elimination of unrealized conservatism contained in previous forecasts.

In the first half of 2025, there was no significant update to the Post Model Adjustments maintained in connection with the risk of customers highly sensitive to changes in the economic environment and adjustments to parameters for sensitive customers using credit holidays – the Group released PLN 2,672 thousand net of allowances created for this purpose.

The details are presented in the table below.

Type of Post Model Adjustment	31.12.2024	Change	30.06.2025
Clients highly sensitive to changes in the economic environment	13,605	(1,656)	11,949
Farmers whose crops were affected by adverse weather events	51,258	-	51,258
Adjustment of parameters for sensitive customers using credit holidays	19,168	(1,016)	18,152
Adjustment for sensitive customers in commercial real estate segment	31,500	-	31,500
Adjustment for customers operating in sectors exposed to the German economy	72,800	-	72,800
Adjustment for changes in the LGD model estimated and planned for implementation	43,700	-	43,700
Total	**232,031**	**(2,672)**	**229,359**

In the first half of 2025, as part of adjusting the level of allowances to reflect expectations for future macroeconomic conditions, the level of allowances increased by PLN 5,679 thousand, which resulted from updating the forecasts of macroeconomic variables included in the IFRS 9 model used. In the second quarter of 2025, due to high market uncertainty, the Group decided not to recognise the impact of changes in macroeconomic projections in the Bank's results, thus maintaining more conservative assumptions for estimating allowances.

Sensitivity of allowances

Allowances for expected credit losses on financial assets are back-tested on a regular basis. The models of risk parameters used for purposes of estimating impairment allowances are covered by the model management process, which specifies the principles of their development, approval and monitoring (including model back-testing). Additionally, there is a validation unit in the Group, which is independent of the owners and users of the models. The tasks of the unit include: annual validation of risk parameters considered to be significant. The process of validation covers both qualitative and quantitative approach. The process of estimating impairment allowances is subject to periodic functional control and verified independently by the internal audit.

In order to calculate the sensitivity of the level of allowances, estimated using the collective method, related to the realisation of macroeconomic scenarios, the Bank used the method of changing the weights of the severe, pessimistic, baseline and optimistic scenarios in accordance with their application consistent with IFRS 9.

The impact of particular scenarios is presented in the table below.

Analysis/scenario	Change in the amount of allowances 30.06.2025	Percentage change in the amount of allowances 30.06.2025	Change in the amount of allowances 31.12.2024	Percentage change in the amount of allowances 31.12.2024
Pessimistic scenario – considering pessimistic and baseline scenarios only (optimistic scenario 0%, baseline scenario 50%, pessimistic scenario 40%, severe scenario 10%)	205,227	12%	153,455	8%
Optimistic scenario – considering optimistic and baseline scenarios only (optimistic scenario 50%, baseline scenario 50%, pessimistic scenario 0%, severe scenario 0%)	(69,248)	-4%	(64,098)	-3%
Baseline scenario – uniform distribution of optimistic and pessimistic scenarios(optimistic scenario 25%, baseline scenario 50%, pessimistic scenario 15%, severe scenario 10%)	75,462	5%	52,086	3%

The sensitivity of the level of allowances results directly from the counter-cyclical nature of the calculation of weights assigned to individual macroeconomic scenarios. Countercyclicality is expressed in reducing the weight for the pessimistic scenario as the recession deepens, and in reducing the impact of the optimistic scenario in the event of an "overheating" of the economy.

In addition, the impact of the estimated change in the level of allowances due to scenarios of changes in risk parameters is presented below.

Analysis/scenario	Change in the amount of allowances 30.06.2025	Percentage change in the amount of allowances 30.06.2025	Change in the amount of allowances 31.12.2024	Percentage change in the amount of allowances 31.12.2024
PD decrease by 10%	(72,517)	-4%	(84,835)	-5%
PD increase by 10%	72,517	4%	84,835	5%
LGD decrease by 10%	(165,106)	-10%	(184,501)	-10%
LGD increase by10%	140,640	9%	158,799	9%

The following table considers the impact of a change in the present value of estimated future cash flows for exposures subject to individual valuation.

Analysis/scenario	Change in the amount of allowances 30.06.2025	Percentage change in the amount of allowances for individually measured exposures 30.06.2025	Change in the amount of allowances 31.12.2024	Percentage change in the amount of allowances for individually measured exposures 31.12.2024
Decrease in present value of estimated future cash flows for exposures subject to individual assessment by 10%	99,562	14%	89,941	13%
Increase in present value of estimated future cash flows for exposures subject to individual assessment by 10%	(96,388)	-14%	(86,362)	-12%

Climate issues

When considering the need to disclose climate-related risks, the Group takes into account the requirements for determining materiality of financial information in paragraph 7 of IAS 1. According to these requirements, the Group should consider both quantitative factors and qualitative factors, as well as the interactions between the factors, when assessing whether or not the information is material.

The Group treats ESG risks, including climate risk, as cross-cutting risks that affect traditional types of risk, including credit, liquidity and operational risks. As part of the risk identification and assessment principles developed by the Group, a separate group of risk factors related to environmental, social and corporate governance factors has been defined. In the risk identification process the impact of ESG factors on credit risk was recognized as significant. As a result, ESG risks were incorporated into the internal risk management framework by including ESG risks as a subtype of credit risk in the Risk Management Strategy and Risk Appetite. In order to mitigate and control the risk, a framework for measuring ESG risks in the Bank's Internal Capital Adequacy Assessment Process (ICAAP) has been also developed. The capital plan for 2022-2025 was updated providing limits covering ESG risk, determined on the basis of the risk measurement performed. ESG risk management principles have also been developed, which include, inter alia, rules for risk monitoring and reporting, as well as stress testing.

In response to the requirements of the EBA/GL/2020/06 Guideline on lending and monitoring, the Group developed ESG assessment questionnaires, which were implemented in the lending process. The assessment is carried out for Customers for whom new financing and an increase in financing is being processed as well as in the process of Customer review. The purpose of the assessment is to identify any risks related to ESG factors affecting the financial position of the customers, as well as the impact of the customers' business activities on ESG factors (double materiality principle). Environmental risks, which are subject to special analysis by the Group, may materialise through:

1) physical risks related to environmental degradation, as well as climate change, including the occurrence of:
    a) long-term climate change,
    b) extreme weather events,

2) transition (transformation) risks resulting from the need to adapt the economy to gradual climate change, in particular to the use of low-carbon and more environmentally sustainable solutions, including the occurrence of:
   a) regulatory risk (changes in climate and environmental policies),
   b) technological risks (a technology with a less damaging effect on the climate or the environment replaces a more damaging technology, making it outdated),
   c) changes in market sentiment and social norms,
3) liability risk arising from the Group's exposure to counterparties that could potentially be held liable for the negative impact of their activities on environmental, social and corporate governance factors.

The assessment of the impact of long-term climate change and extreme weather events on the activities carried out by customers, is taken into account by the Group, in the process of granting and monitoring loans, in accordance with the following systematics:

Long-term climate changes:	Extreme weather events:
impact of higher temperatures	impact of heat waves
impact of temperature shocks	impact of cold waves
impact of changing wind patterns	impact of fires
impact of changing rain/snow-fall patterns and types	impacts of storms, tornadoes, etc.
impact of sea level rise	impact of droughts
impact of water stress (reduced access to water)	impact of heavy rain/snow-falls
impact of soil and coastal erosion	impact of floods
impact of soil degradation	impact of landslides

ESG risk assessment is one of the elements of a customer's credit risk assessment. The result of the ESG risk analysis is taken into account in the credit decision and in the review of the customer and, in situations of high risk identification, in the rating assignment and update process.

The process of selecting counterparties with which the Group enters into business relationships also makes it possible to limit negative impacts in terms of ESG areas through, among other things, the sector policies in place, watch lists and exclusions and the KYC (know-your-customer) tool. The established sector policies enable the Group to control the impact of its financing and support customers operating in sensitive sectors. The purpose of the sector policies is to encourage customers to follow best practices and respect the social and environmental criteria set by the Group. At the same time, the Group has for a long time, through the policies in place and verification of negative information related to the activity of Clients in the ESG area, introduced restrictions in its activities by avoiding material exposures to the sectors and Customers that will be most affected by climate change, e.g. through the materialisation of physical and transition risks.

However, the Group recognises that climate and environmental risks may represent a material risk to businesses and a systemic risk to the economy, so it is taking steps to collect relevant data on these risks.

Issues related to climate change were presented in more detail in the *Management Board Report on the activities of BNP Paribas Bank Polska S.A. Group*.

b. Classification of financial instruments

When classifying financial instruments in accordance with IFRS 9, the Group used the assessment of business models for maintaining financial assets and assessing whether the contractual terms related to a financial asset resulted in cash flows that were solely payment of principal and interest on the principal amount remaining to be repaid.

c. Fair value of financial instruments

The fair value measurement of financial instruments classified as level 2 or 3 in the fair value hierarchy is estimated using valuation techniques (mark-to-model) that are in line with market practice and are parameterised based on reliable sources of market data obtained, among others, from Refinitiv and Bloomberg information systems.

For linear and non-linear OTC derivatives, valuation methods are used based on replicating the payoffs of valued instruments with other instruments with similar characteristics for which market quotes are available from an active market.

A Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) are also determined for this category of instruments, which are estimated based on the projected future exposure resulting from the transaction, the Bank's and the counterparty's credit ratings and the collateral submitted/accepted. In addition, the materiality of other fair value adjustments (X-Value Adjustments, XVA) is verified.

The fair value measurement of debt instruments not listed in an active market and loans and advances is determined using a method based on the present value of projected future cash flows or a method based on the expected recovery of a given exposure, which take into account estimates of unobservable risk factors, i.e. the size of the credit spread, the probability of the debtor's insolvency, the recovery rate.

For equity instruments not quoted in an active market, fair value measurements are determined using a method based on market multiples or a method based on the present value of projected future cash flows, which take into account estimates of unobserved risk factors, i.e. limited liquidity of the instrument, uncertainty related to the realization of assumed financial projections, market risk premium associated with an investment in a particular category of financial instruments.

d. Impairment of fixed assets

At the end of each reporting period, the Group verifies whether there is any objective impairment trigger concerning its fixed assets (including investments in subsidiaries). If such triggers have been identified, the Group estimates the recoverable amount. Recoverable amount corresponds to fair value less costs to sell or value in use of the asset or cash-generating unit, whichever is higher. Determination of the value in use of a fixed asset requires the Group to make assumptions as to the estimated amounts and dates of future cash flows that may be generated by the Group on the fixed asset. When estimating the fair value less costs to sell, the Group relies on available market data or valuations of independent appraisers, which generally are also based on estimates.

e. Provisions for retirement, disability and post-mortem severance

The Group creates provisions for retirement, disability and post-mortem severance pay ("severance"), in accordance with IAS 19. The provisions are calculated for each employee separately, using the actuarial method of projected unit credit as at the date of valuation. The calculations take a number of factors into account, including macroeconomic conditions, employee turnover, risk of death and others. The basis for calculating the provision for employees is the anticipated value of severance pay which the Group is to pay pursuant from the Remuneration Regulations in force at the Group.

The anticipated severance pay is calculated as the resultant of:

- the expected severance base, in accordance with the provisions of the Collective Bargaining Agreement,
- the expected increase in the severance base from the moment of valuation until the payment of severance,
- the expected entitlement to an individual benefit for each employee.

The projected value is discounted actuarially at the end of each reporting period. In accordance with the requirements of IAS 19, the financial discount rate for calculating the current value of liabilities related to employee benefits is determined on the basis of market yields on treasury bonds whose currency and maturity date are consistent with the currency and the estimated date of the benefit obligations.

The actuarial discount is the product of the financial discount, the probability of a person's continued employment at the Group until the severance is required, and the probability of the need for a particular benefit (e.g. the probability of acquiring a disability). The value of annual write-offs and the probability are projected with the use of models which take the following three risks into account:

- possibility of dismissal from work,
- risk of inability to work,
- risk of death.

The possibility of termination of employment by the employee is estimated trough a probability distribution, based on the Group's statistical data. The likelihood of dismissal depends on the age of the employee and is constant throughout each year of work. The risks of death and disability were estimated based on analyses of the latest statistical data on life expectancy in Poland (for men and women) as well as historical data published by the Central Statistical Office and the Social Security Office.

Provisions resulting from actuarial valuation are updated quarterly.

f. Restructuring provision

Continuing the Bank's adaptation to the changing business environment, on 13 December 2023, another agreement was signed with the trade unions on the principles of conducting collective redundancies for 2024-2026. Accordingly, in 2023, a provision for liabilities to employees due to restructuring was created in the amount of PLN 48,446 thousand, as at 30 June 2025 the value of the provision amounted to PLN 23,668 thousand (as at 31 December 2024 the provision amounted to PLN 35,704 thousand).

g. Deferred tax assets and liabilities

The deferred income tax liability is recognised in the full amount using the balance sheet method, due to positive temporary differences between the tax value of assets and liabilities, and their balance sheet value in the financial statements. Deferred tax assets are recognised for all negative temporary differences, as well as unused tax credits and unused tax losses carried forward to the subsequent years, in the amount in which it is probable that taxable income will be generated that will allow the use of the above mentioned differences, assets and losses.

Deferred income tax is determined using tax rates (and regulations) in force or at the end of the reporting period, which are expected to be effective at the time of realization of the related assets due to deferred income tax or settlement of liabilities due to deferred income tax.

If the temporary differences arose as a result of the recognition of an asset or liability resulting from a transaction that is not a business combination and which at the time of the conclusion did not affect the tax or accounting result, the deferred tax is not recognised.

In addition, a deferred tax provision is created for positive temporary differences arising from investments in subsidiaries or associates and investments in joint ventures - except the situations when the timing of temporary differences reversal is subject to control by the entity and when it is probable that in the foreseeable future, temporary differences will not be reversed. Deferred tax assets are recognised in the event of negative temporary differences from investments in subsidiaries or associates and investments in joint ventures, only to the extent that it is probable that in the foreseeable future the abovementioned temporary differences will be reversed and taxable income allowing to offset any negative temporary differences will be generated.

However, deferred tax assets are recognized for deductible temporary differences on investments in subsidiaries or associates and interests in joint ventures, only to the extent that it is probable that the aforementioned temporary differences will reverse in the foreseeable future and taxable income will be generated to offset the deductible temporary differences.

The balance sheet amount of the deferred tax asset is reviewed at the end of each reporting period and is reduced accordingly, and so far as it is no longer probable that taxable income sufficient for partial or total realization of the deferred tax asset will be realized. An unrecognised deferred tax asset is subject to reassessment at the end of each reporting period and is recognised up to an amount that reflects the probability of achieving future taxable income that will allow recovery of that asset. The Group offsets deferred tax assets with deferred tax provisions if and only if it has an enforceable legal title to compensate corresponding receivables and liabilities due to current tax and deferred income tax is related to the same taxpayer and the same tax authority.

Income tax related to the items recognised directly in equity is recognised in equity and in the statement of comprehensive income.

The Bank continues to hold deferred tax assets in relation to provisions set up in connection with:

- the settlement process regarding CHF-denominated loan agreements and the possibility of benefiting from a tax preference (waiver of CIT collection on redeemed loans under the Decree of the Minister of Finance of 11 March 2022, as amended).
- the cancellation of CHF-denominated loan agreements.

For details, see Note 50 Litigation, claims and administrative proceedings.

In the first half of 2025 and in 2024, current income tax and deferred tax liabilities were calculated using the 19% rate.

The Group applies an exception to the recognition and disclosure of information on deferred tax assets and liabilities related to income tax arising from Pillar II, in accordance with the update to IAS 12 issued in May 2023.

Global minimum level of taxation

In connection with the obligation to implement into the Polish legal order the provisions of Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring the global minimum level of taxation of multinational enterprise groups and large-scale domestic groups in the Union, the aim of which is to reduce corporate tax competition by establishing a global minimum tax, Poland passed the Act dated 6 November 2024 on top-up taxation of members of multinational and domestic enterprise groups (hereinafter: the 'Act'). The Act entered into force on 1 January 2025.

The new tax is to be levied on constituent entities of international and domestic groups which have an annual revenue of EUR 750 million or more in their ultimate parent entity's consolidated financial statements in at least two of the four fiscal years immediately preceding the tested fiscal year

Groups of companies subject to the global top-up tax will be required to calculate an Effective Tax Rate (ETR) on income for each jurisdiction in which they operate. In the event this rate is lower than 15%, an obligation to pay the top-up tax will arise.

As a result of the above, the Bank's foreign ultimate parent entity analyses previous years' data to allow for the calculation of the ETR for each jurisdiction in which its group operates.

In parallel with the aforementioned activities, a project has also been initiated in the Bank Capital Group to assess the impact of the provisions of the Act on the Bank's obligations in the Bank Capital Group, in particular the applicability of the so-called transitional safe harbours allowing the application of simplified rules for the calculation of the top-up tax, as well as the administrative obligations under the Act.

The Group is covered by this legislation and has carried out an assessment of its potential impact based on its financial statements.

In the Group's assessment, the top-up tax legislation will not result in the additional tax charge in 2025.

h. Provision for the return of commission due to early repayment of the loan

On 11 September 2019, the CJEU issued a judgment in which it was stated that Article 16 paragraph 1 of the Directive No. 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on consumer loan agreements which repealed Council Directive No. 87/102/EEC should be interpreted in the following way: the consumer's right to reduce the total cost of a loan in the event of earlier repayment includes all costs that have been imposed on the consumer. The CJEU pointed out that a comparative analysis of the different language versions of Article 16 clause 1 of the Directive does not allow to clearly determine the exact scope of the reduction of the total cost of a loan envisaged by this provision, because some language versions of this provision suggest reducing the costs related to the remaining period of the contract, others suggest that the costs associated with this period constitute an indication for calculating the reduction, others still only refer to interest and costs due for the remaining period of the contract.

The judgment was issued following a question referred for a preliminary ruling by the Lublin-Wschód District Court based in Świdnik, which examined three disputes between the company Lexitor, which acquired the claims of three clients, and SKOK Stefczyka, Santander Consumer Bank and mBank, regarding the reduction of the total cost of consumer loans due to their earlier repayment. The Polish court had doubts about the interpretation of Article 16 paragraph 1 of Directive No. 2008/48/EC of the European Parliament and of the Council of 23 April 2008, and therefore asked the CJEU whether this provision concerns all costs or only those related to the duration of the contract.

As a result of the analysis concerning the impact of the judgment on the Group’s revenues, in particular on relations expired before the judgment was issued, in 2019 the Group decided to create a provision for a proportional refund of commission in the event of early repayment of the loan in the amount of PLN 48,750 thousand. As of 30 June 2025 the provision amounted to PLN 8,887 thousand (as at 31 December 2024 the provision amounted to PLN 10,023 thousand). The provision was estimated based on the estimation of the total amount of the provision for the early repaid loans and the expected percentage of customers who will claim for a refund of the due part of the commission. Assuming that the percentage of customers would be 5 p.p. higher than the assumed level, the amount of the provision would be higher by PLN 12,500 thousand.

Simultaneously, the Group recognises its liability due to the proportional reimbursement of commissions in the event of their early repayment in the period from the date of the judgment of the CJEU on 11 September 2019 to 31 December 2019. As of 30 June 2025, this liability amounted to PLN 2,219 thousand (PLN 2,242 thousand as at 31 December 2024).

Additionally, the Group creates a provision to cover the partial reimbursements of loan commissions in the event of their early repayment. The estimate of the provision is based on the difference between the value of commissions to be reimbursed and the balance of unsettled commissions as at the expected date of early loan repayment. This provision is calculated as a percentage of commissions charged to the customer, which reflects the expected average difference between the amounts of commissions to be refunded to customers and the balance of outstanding commissions at the expected time of early repayment of the loan. This percentage is calculated based on the estimated level of early repayments and the expected timing of repayment.

In the event of early loan repayment, this provision is released and for newly sold loans a provision will be created on an ongoing basis. As of 30 June 2025, the provision amounted to PLN 34,958 thousand (PLN 39,810 thousand as at 31 December 2024).

The total amount of provisions and liabilities related to the CJEU judgment as at 30 June 2025 was PLN 46,064 thousand (as at 31 December 2024, the provision was PLN 52,074 thousand).

The created provision level is based on estimates and may be changed.

The above provisions are presented by the Group under in Note 37 Provisions: Provision for litigation, while the Group presents the liability under in Note 36 Other liabilities: Sundry creditors.

i. Impact of legal risk arising from court proceedings concerning CHF mortgage loans

The impact of legal risk arising from court proceedings concerning CHF mortgage loans and the model used by the Group were described in Note 50 Litigation, claims and administrative proceedings.

8. NET INTEREST INCOME

Interest income	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Amounts due from banks	134,867	287,615	89,819	185,692
Loans and advances to customers measured at amortised cost, including:	1,607,739	3,238,864	1,502,692	3,204,890
non-banking financial institutions	61,584	123,438	38,588	72,618
retail customers	659,463	1,324,931	498,783	1,201,554
economic operators	774,781	1,562,198	822,719	1,674,241
including retail farmers	163,409	329,745	171,311	339,434
public sector institutions	1,121	2,259	1,014	2,039
leasing receivables	110,790	226,038	141,588	254,438
Loans and advances to customers measured at amortised cost through profit or loss	8,273	17,683	13,047	27,130
Debt instruments measured at amortised cost	328,572	628,271	235,315	453,980
Debt instruments measured at fair value through profit or loss	1,502	2,907	1,465	2,931
Debt instruments measured at fair value through other comprehensive income	220,319	445,457	185,593	370,912
Derivative instruments as part of fair value hedge accounting	178,522	367,538	202,202	355,479
Derivative instruments as part of cash flow hedge accounting	11,301	16,459	2,891	5,782
Securities purchased under repurchase agreements	640	1,149	114,663	246,609
Total interest income	**2,491,735**	**5,005,943**	**2,347,687**	**4,853,405**

Interest expenses	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Amounts due to banks	(153,309)	(317,973)	(188,408)	(373,632)
Debt securities issued	(1,795)	(1,795)	-	-
Amounts due to customers, including:	(593,567)	(1,176,593)	(601,575)	(1,223,178)
non-banking financial institutions	(39,871)	(77,084)	(40,693)	(76,933)
retail customers	(295,349)	(597,177)	(282,612)	(585,369)
economic operators	(217,234)	(425,984)	(240,522)	(496,962)
including retail farmers	(2,111)	(4,149)	(2,464)	(5,578)
public sector institutions	(41,113)	(76,348)	(37,748)	(63,914)
Lease liabilities	(5,252)	(10,538)	(5,812)	(11,858)
Derivative instruments as part of fair value hedge accounting	(245,231)	(498,940)	(321,042)	(602,092)
Derivatives under cash flow hedge accounting	(18,662)	(30,381)	(9,083)	(18,136)
Securities sold subject to repurchase agreements	(578)	(2,056)	(2,224)	(2,990)
Total interest expenses	**(1,018,394)**	**(2,038,276)**	**(1,128,144)**	**(2,231,886)**
Net interest income	**1,473,341**	**2,967,667**	**1,219,543**	**2,621,519**

9. NET FEE AND COMMISSION INCOME

Fee and commission income	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Loans, advances and leases	79,470	144,243	66,768	142,343
Account maintenance	55,039	111,754	58,903	114,895
Cash service	7,901	15,485	7,963	15,171
Cash transfers and e-banking	25,495	50,705	27,458	53,763
Guarantees and documentary operations	17,995	36,127	17,572	39,713
Asset management and brokerage operations	39,577	78,498	33,311	71,880
Payment and credit cards	109,341	231,259	96,431	214,803
Insurance mediation activity	41,359	86,317	46,151	88,670
Product sale mediation and customer acquisition	3,354	6,343	4,002	7,374
Other commissions	10,504	20,439	6,148	19,021
Total fee and commission income	**390,035**	**781,170**	**364,707**	**767,633**

Fee and commission expenses	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Loans, advances and leases	63	(556)	(674)	(926)
Account maintenance	(2,634)	(4,753)	(2,368)	(5,042)
Cash service	(8,231)	(15,980)	(7,160)	(13,575)
Cash transfers and e-banking	(907)	(1,597)	(611)	(1,510)
Guarantee obligations and documentary operations	(1,232)	(2,676)	(2,762)	(3,220)
Asset management and brokerage operations	(1,389)	(3,489)	(1,243)	(3,459)
Payment and credit cards	(27,874)	(51,755)	(35,189)	(64,913)
Insurance mediation activity	(1,761)	(10,044)	(7,442)	(13,198)
Product sale mediation and customer acquisition	(5,171)	(10,307)	(5,034)	(12,990)
Other commissions	(12,777)	(24,402)	(14,739)	(26,230)
Total fee and commission expenses	**(61,913)**	**(125,559)**	**(77,222)**	**(145,063)**
Net fee and commission expenses	**328,122**	**655,611**	**287,485**	**622,570**

10. NET TRADING INCOME (INCLUDING RESULT ON FOREIGN EXCHANGE)

Net trading income	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Equity instruments measured at fair value through profit or loss	21,942	50,233	(6,633)	6,295
Debt instruments measured at fair value through profit or loss	509	974	1,675	2,565
Derivative instruments and result on foreign exchange transactions	295,629	551,794	206,005	408,159
Result on financial instruments measured at fair value through profit or loss and result on foreign exchange, total	**318,080**	**603,001**	**201,047**	**417,019**
including margin on foreign exchange and derivative transactions with customers	**235,336**	**436,909**	**171,424**	**355,155**

11. RESULT ON INVESTMENT ACTIVITIES

Result on investment activities	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Debt instruments measured at fair value through other comprehensive income	39	(655)	1,643	1,643
Loans and advances to customers measured at fair value through profit or loss	(635)	(2,315)	3,317	7,146
Result on investment activities, total	**(596)**	**(2,970)**	**4,960**	**8,789**

During the first half of 2025, the Group has not reclassified any financial assets measured at amortised cost to financial assets measured at fair value through other comprehensive income.

12. NET ALLOWANCES FOR EXPECTED CREDIT LOSSES OF FINANCIAL ASSETS AND PROVISIONS ON CONTINGENT LIABILITIES

Net allowances for expected credit losses on financial assets and provisions for contingent liabilities

HY 2025 from 01.01.2025 to 30.06.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(239)	(1,385)	-	-	(1,624)
Loans and advances to customers measured at amortised cost	12,146	65,455	(75,910)	(92)	1,599
Contingent commitments granted	(8,783)	6,496	(6,655)	(16)	(8,958)
Securities measured at amortised cost	(21)	-	-	-	(21)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	**3,103**	**70,566**	**(82,565)**	**(108)**	**(9,004)**

Net allowances for expected credit losses on financial assets and provisions for contingent liabilities

HY 2024 from 01.01.2024 to 30.06.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(29)	-	-	-	(29)
Loans and advances to customers measured at amortised cost	7,952	(8,811)	(37,118)	(34,208)	(72,185)
Contingent commitments granted	(1,197)	(16,856)	1,994	219	(15,840)
Securities measured at amortised cost	(31)	-	-	-	(31)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	**6,695**	**(25,667)**	**(35,124)**	**(33,989)**	**(88,085)**

13. GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Personnel expenses	(407,353)	(808,785)	(387,088)	(766,214)
Marketing expenses	(33,826)	(60,514)	(31,547)	(48,553)
IT and telecom expenses	(81,123)	(152,655)	(74,490)	(144,899)
Short-term lease and operating costs	(22,149)	(45,387)	(20,831)	(41,066)
Other non-personnel expenses	(55,083)	(101,964)	(59,202)	(110,909)
External services from other contracts and consulting	(35,029)	(115,206)	(82,536)	(174,434)
Business travels	(4,542)	(7,232)	(3,125)	(5,291)
ATM and cash handling expenses	(7,871)	(15,546)	(7,871)	(15,463)
Costs of outsourcing services related to leasing operations	(455)	(733)	(325)	(644)
Bank Guarantee Fund fee	(10,063)	(176,482)	(8,292)	(143,992)
Polish Financial Supervision Authority fee	(586)	(22,422)	(82)	(19,197)
Total general administrative expenses	**(658,080)**	**(1,506,926)**	**(675,389)**	**(1,470,662)**

The total costs of legal services related to CHF loan litigation amounted to PLN 26,489 thousand in the first half of 2025 (in the first half of 2024: PLN 59,674 thousand) and were included in the following lines: External services from other contracts and consulting in the amount of PLN 2,119 thousand in the first half of 2025 (PLN 34,899 thousand in the first half of 2024) and Other non-personnel expenses in the amount of PLN 24,370 thousand in the first half of 2025 (PLN 24,775 thousand in the first half of 2024).

14. DEPRECIATION AND AMORTIZATION

Depreciation and amortization	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Property, plant and equipment	(51,582)	(103,292)	(53,919)	(108,439)
Intangible assets	(76,756)	(152,462)	(74,095)	(145,379)
Total depreciation and amortization	**(128,338)**	**(255,754)**	**(128,014)**	**(253,818)**

15. OTHER OPERATING INCOME

Other operating income	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Sale or liquidation of property, plant and equipment and intangible assets	11,807	31,613	6,379	7,017
Release of impairment allowances on other receivables	897	2,229	2,592	3,437
Sale of goods and services	3,021	5,972	3,174	5,327
Release of provisions for litigation, claims and other liabilities	11,288	73,474	8,801	10,801
Recovery of debt collection costs	5,749	10,334	5,784	11,323
Recovered indemnities	71	142	33	64
Income from leasing operations	11,648	28,564	12,701	28,916
Other operating income	24,940	47,872	17,585	39,946
Total other operating income	**69,421**	**200,200**	**57,049**	**106,831**

In the line Release of provisions for litigation, claims and other liabilities have been included income from the decrease of provisions for legal risk related to relations with the Bank's Partners and provisions for potential litigation costs in the processes of revoking loan agreements in the amount of PLN 34 million and provisions for other liabilities in the amount of PLN 37 million, whereas in the line other operating income have been included income from refacturing of IT service costs in the amount of PLN 23 million.

The bank has adopted a principle of presenting income and expense from the release of provisions on a gross basis, separately presenting the release of provisions in other operating income, whereas payment or settlement of the liability for which the provision was created is presented in other operating expenses.

16. OTHER OPERATING EXPENSES

Other operating expenses	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Loss on sale or liquidation of property, plant and equipment and intangible assets	(4,414)	(7,914)	(2,861)	(7,204)
Impairment allowances on other receivables	(1,510)	(2,657)	(3,178)	(5,542)
Recognition of provisions for litigation, claims and other liabilities	(17,506)	(33,962)	(16,148)	(24,962)
Debt collection	(9,106)	(17,829)	(9,153)	(18,453)
Donations granted	(1,862)	(7,538)	(1,480)	(5,908)
Costs of leasing operations	(7,521)	(21,067)	(4,687)	(15,996)
Indemnities, penalties and fines	(321)	(658)	(310)	(917)
Other operating expenses	(56,575)	(120,286)	(41,167)	(64,987)
Total other operating expenses	**(98,815)**	**(211,911)**	**(78,984)**	**(143,969)**

Other operating expenses included costs of provisions for unauthorised transactions in the amount of PLN 48.9 million, costs of settlements and enforcement of court rulings paid to the Bank's Partners in the amount of PLN 34 million and the expense of refacturing of IT services in the amount of PLN 23 million.

The bank has adopted a principle of presenting income and expense from the release of provisions on a gross basis, separately presenting the release of provisions in other operating income, whereas payment or settlement of the liability for which the provision was created is presented in other operating expenses.

17. INCOME TAX EXPENSE

	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Current income tax	(246,302)	(375,565)	(178,282)	(284,232)
Deferred income tax	(1,181)	(78,595)	191,575	87,598
Total income tax expense	**(247,483)**	**(454,160)**	**13,293**	**(196,634)**
Profit before income tax	981,329	1,929,454	609,685	1,410,200
Statutory tax rate	19%	19%	19%	19%
Effective tax rate	25%	24%	-2%	14%
Income taxes on gross profit	**(186,453)**	**(366,596)**	**(115,840)**	**(267,938)**
Taxable permanent differences, including:	**(61,030)**	**(87,564)**	**(6,402)**	**(64,231)**
Receivables written-off	(4,707)	(5,029)	(2,978)	(12,308)
Representation costs	(389)	(612)	(153)	(342)
PFRON	(584)	(1,105)	(503)	(973)
Bank Guarantee Fund fee	(1,912)	(33,532)	(7,364)	(27,359)
Tax on financial institutions	(18,112)	(37,386)	(13,093)	(38,876)
Research and development relief	1,418	13,674	-	12,502
Provision for claims on CHF loans	(25,751)	(20,028)	(1,697)	(5,776)
Provision for legal risk	896	5,595	(16)	(237)
Other differences	(11,889)	(9,141)	19,402	9,138
Other amounts affecting the effective tax rate	-	-	**135,535**	135,535
Change in estimate of deferred tax created based on provisions for future disbursements related to the CHF loan cancellation process*	-	-	135,535	135,535
Total income / tax expense of the Group	**(247,483)**	**(454,160)**	**13,293**	**(196,634)**

* For details, see Note 50 Litigation, claims and administrative proceedings.

18. EARNINGS PER SHARE

	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Basic		
Net profit	1,475,294	1,213,566
Weighted average number of ordinary shares (units)	148,796,900	147,735,706
Basic earnings (loss) per share (in PLN per one share)	9.91	8.21
Diluted		
Net profit used in determining diluted earnings per share	1,475,294	1,213,566
Weighted average number of ordinary shares (units)	148,796,900	147,735,706
Adjustments for:		
- stock options	103,437	132,279
Weighted average number of ordinary shares for the diluted earnings per share (units)	148,900,337	147,867,985
Diluted earnings (loss) per share (in PLN per one share)	9.91	8.21

In accordance with IAS 33 the Bank prepares the calculation of diluted net profit per share, taking into account the shares issued conditionally under incentive schemes described in Note 39. The calculation does not take into account those elements of the incentive schemes which had antidilutive effect in the presented reporting periods, and which may potentially affect the dilution of profit per share in the future.

The basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares during the period.

The diluted earnings per share is calculated based on the ratio of net profit to the weighted average number of ordinary shares adjusted as if all potential dilutive ordinary shares had been converted to shares. The Bank has one category of dilutive potential ordinary shares: share options. Dilutive shares are calculated as the number of shares that would be issued if all share options were exercised at the market price determined as the average annual closing price of the Bank's shares.

19. CASH AND CASH BALANCES AT CENTRAL BANK

Cash and cash equivalents	30.06.2025	31.12.2024
Cash and other balances	2,498,070	2,382,814
Account in the National Bank of Poland	5,058,870	8,943,135
Total cash and cash equivalents, gross	**7,556,940**	**11,325,949**
Allowances for expected credit losses	(224)	(398)
Total cash and cash equivalents, net	**7,556,716**	**11,325,551**

Change in allowances for expected credit losses on amounts due from Central Bank	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**(398)**	**(790)**
Changes in credit risk (net)	174	(228)
Closing balance	**(224)**	**(1,018)**

20. AMOUNTS DUE FROM BANKS

Amounts due from banks	30.06.2025			31.12.2024		
	Gross carrying amount	Allowance	Net carrying amount	Gross carrying amount	Allowance	Net carrying amount
Current accounts	8,023,929	(497)	8,023,432	6,824,686	(391)	6,824,295
Interbank deposits	237,587	(32)	237,555	142,509	-	142,509
Loans and advances	304,166	(784)	303,382	203,173	(105)	203,068
Other receivables	829,454	(854)	828,600	702,534	(31)	702,503
Total amounts due from banks	**9,395,136**	**(2,167)**	**9,392,969**	**7,872,902**	**(527)**	**7,872,375**

Other receivables as at 30 June 2025 also included receivables from cash collateral related to derivative settlements in the amount of PLN 791,929 thousand (PLN 701,960 thousand as at 31 December 2024).

Change in allowances for expected credit losses on amounts due from banks	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**(527)**	**(729)**
Increase due to acquisition or origination	(3,387)	(2,795)
Decrease due to derecognition	1,759	3,231
Changes resulting from the change in credit risk (net)	(170)	(237)
Other changes (including foreign exchange differences)	158	(4)
Closing balance	**(2,167)**	**(534)**

As at 30 June 2025 amounts due from other banks were classified as Stage 1 and Stage 2 (as at 31 December 2024 as Stage 1).

21. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments	Nominal value	Fair value	Fair value
30.06.2025		Assets	Liabilities
Currency derivatives			
Foreign Exchange Forward (FX Forward + NDF)	14,954,683	145,018	1,043,901
Currency Swap (FX Swap)	29,660,090	1,632,314	510,395
Currency Interest Rate Swap (CIRS)	5,127,649	72,920	54,451
OTC currency options	7,192,824	26,737	78,739
Total currency derivatives:	**56,935,246**	**1,876,989**	**1,687,486**
Interest rate derivatives			
Interest Rate Swap	79,968,701	790,070	631,577
OTC interest rate options	7,158,222	17,671	17,881
Total interest rate derivatives:	**87,126,923**	**807,741**	**649,458**
Other derivatives			
OTC commodity swaps	1,104,307	34,593	32,415
Currency Spot (FX Spot)	1,210,807	-	-
Total other derivatives:	**2,315,114**	**34,593**	**32,415**
Total trading derivatives:	**146,377,283**	**2,719,323**	**2,369,359**
including: derivative financial instruments measured using models	146,377,283	2,719,323	2,369,359

Derivative financial instruments	Nominal value	Fair value	Fair value
31.12.2024		Assets	Liabilities
Currency derivatives:			
Foreign Exchange Forward (FX Forward + NDF)	14,469,317	37,255	906,062
Currency Swap (FX Swap)	32,426,711	1,271,409	302,283
Currency Interest Rate Swap (CIRS)	5,326,035	44,928	26,099
OTC currency options	5,830,272	15,179	66,341
Total currency derivatives:	**58,052,335**	**1,368,771**	**1,300,785**
Interest rate derivatives:			
Interest Rate Swap	73,389,031	1,002,488	944,444
FRA contracts	1,922,850	22	159
OTC interest rate options	9,492,475	40,739	41,417
Total interest rate derivatives:	**84,804,356**	**1,043,249**	**986,020**
Other derivatives			
OTC commodity swaps	1,167,654	28,096	24,936
Currency Spot (FX Spot)	1,243,941	-	-
Total other derivatives:	**2,411,595**	**28,096**	**24,936**
Total trading derivatives	**145,268,286**	**2,440,116**	**2,311,741**
including: derivative financial instruments measured using models	145,268,286	2,440,116	2,311,741

22. HEDGE ACCOUNTING

As at 30 June 2025, the Group used fair value hedge accounting **(macro fair value hedge)**.

Hedging relationship description	The hedges are used against interest rate risk, specifically changes in the fair value of fixed-rate assets and liabilities resulting from changes in a specific reference rate.
Hedged items	Fixed-rate PLN, EUR and USD current accounts are the hedged items.
Hedging instruments	Hedging instruments include standard IRS transactions, i.e. plain vanilla IRS in PLN, EUR and USD, in which the Bank receives a fixed interest rate and pays a floating rate based on WIBOR 6M, WIBOR 3M, EURIBOR 6M, EURIBOR 3M, EUR ESTR, USD SOFR.

Hedged item	Nominal value	Fair value	
		Assets	Liabilities
30.06.2025	18,268,346	-	18,112,082
31.12.2024	18,848,110	-	18,603,684

IRS	Nominal value	Fair value	
		Assets	Liabilities
30.06.2025	18,268,346	99,541	402,184
31.12.2024	18,848,110	128,395	560,884

Presentation of result on the hedged and hedging transactions	The change in fair value of hedging instruments is recognised in the Result on hedge accounting. Interest on IRS transactions and current accounts is recognised in Interest income.

The liabilities in the item "Fair value adjustment of hedged and hedging items" include the adjustment of the value of hedged instruments (deposits) amounting to:

30.06.2025 -PLN 298,374 thousand

31.12.2024 -PLN 482,813 thousand

and the difference in valuation to fair value of hedged items for which the hedging relationship was terminated during its term, amounting to:

30.06.2025 -PLN 46,455 thousand

31.12.2024 -PLN 98,875 thousand

The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 30 June 2025 and 31 December 2024:

30.06.2025

Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	99,540	402,184	452,050	1,569,503	5,363,652	6,733,840	4,149,301	18,268,346
Hedging derivatives - total	**99,540**	**402,184**	**452,050**	**1,569,503**	**5,363,652**	**6,733,840**	**4,149,301**	**18,268,346**

31.12.2024

Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	128,395	560,884	977,636	3,653,415	3,739,030	6,941,727	3,536,302	18,848,110
Hedging derivatives - total	**128,395**	**560,884**	**977,636**	**3,653,415**	**3,739,030**	**6,941,727**	**3,536,302**	**18,848,110**

In the first half of 2025 and 2024, the hedging relationships presented proved effective.

As at 30 June 2025, the Group does not apply fair value hedge accounting for PLN fixed-rate loans (**macro fair value hedge**).

The hedging relationship that existed as at 31 December 2024 expired in March 2025.

Hedging relationship description	The hedges are used against interest rate risk, specifically changes in the fair value of fixed-rate assets and liabilities resulting from changes in a specific reference rate
Hedged items	The hedged items were fixed-rate loans in PLN.
Hedging instruments	Hedging instruments were the standard IRS transactions, i.e. plain vanilla IRS, denominated in PLN, in which the Bank received a floating rate based on WIBOR 3M and paid a fixed interest rate.

Hedged item	Nominal value	Fair value	
		Assets	Liabilities
31.12.2024	1,025,000	1,075,119	-

IRS	Nominal value	Fair value	
		Assets	Liabilities
31.12.2024	1,025,000	-	46,206

Presentation of result on the hedged and hedging transactions	The change in fair value of hedging transactions was recognised in the Result on hedge accounting. Interest on IRS transactions and hedged items were recognised in Interest income.

Also included in assets under "Fair value adjustment of hedged and hedging items" was an adjustment to the value of hedged instruments (loans) amounting to:

31.12.2024 -PLN 367 thousand

The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 31 December 2024:

31.12.2024

Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	-	46,206	275,000	750,000	-	-	-	1,025,000
Hedging derivatives - total	**-**	**46,206**	**275,000**	**750,000**	**-**	**-**	**-**	**1,025,000**

In 2024, the hedging relationships presented proved effective.

Additionally, the Group applies **micro fair value hedge** accounting as at 30 June 2025.

Hedging relationship description	The hedges are used against interest rate risk, specifically changes in the fair value of fixed-rate assets and liabilities resulting from changes in a specific reference rate.
Hedged items	The hedged items are: fixed coupon bonds in EUR and USD.
Hedging instruments	Hedging instruments are the standard IRS transactions, i.e. plain vanilla IRS, denominated in EUR and USD, in which the Bank pays a fixed interest rate and receives a floating rate based on EURIBOR 3M, EUR ESTR and USD SOFR.

Hedged item	Nominal value	Fair value	
		Assets	Liabilities
30.06.2025	11,215,805	10,454,355	-
31.12.2024	9,319,699	9,362,899	-

IRS	Nominal value	Fair value	
		Assets	Liabilities
30.06.2025	11,215,805	20,028	140,192
31.12.2024	9,319,699	102,630	120,190

Presentation of result on the hedged and hedging transactions	The change in fair value of hedging transactions is recognised in the Result on hedge accounting. Interest on IRS transactions and hedged items is recognised in Interest income.

The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 30 June 2025 and 31 December 2024:

30.06.2025

Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	20,028	140,192	-	-	-	4,671,516	6,544,289	11,215,805
Hedging derivatives - total	**20,028**	**140,192**	**-**	**-**	**-**	**4,671,516**	**6,544,289**	**11,215,805**

31.12.2024

Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	102,630	120,190	-	-	562,175	3,110,437	5,647,087	9,319,699
Hedging derivatives - total	**102,630**	**120,190**	**-**	**-**	**562,175**	**3,110,437**	**5,647,087**	**9,319,699**

Amounts recognised in the profit or loss account under **fair value hedge** accounting:

	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Net interest income on hedging derivative instruments	367,538	355,479
Net interest expenses on hedging derivative instruments	(498,940)	(602,092)
Change in fair value measurement of hedging transactions presented in the Result on hedge accounting, including:	(2,735)	5,545
change in fair value of hedging instruments	139,947	32,075
change in fair value of hedged instruments	(142,682)	(26,530)

In the first half of 2025 and 2024, the hedging relationships presented proved effective.

Additionally, the Group applies **cash flow hedge** accounting as at 30 June 2025.

Hedging relationship description	The hedges are used against interest rate risk, specifically no changes in the interest cash flows on the hedged item, resulting from the changes in a specific reference rate.
Hedged items	The hedged items are: Floating rate bond WZ1131 and WZ0330.
Hedging instruments	Hedging instruments include standard IRS transactions, i.e. plain vanilla IRS in which the Bank receives a fixed rate and pays a floating rate based on WIBOR 6M.

Hedged item	Nominal value	Fair value	
		Assets	Liabilities
30.06.2025	1,325,000	1,286,508	-
31.12.2024	625,000	602,037	-

IRS	Nominal value	Fair value	
		Assets	Liabilities
30.06.2025	1,325,000	14,571	78,646
31.12.2024	625,000	-	114,433

Presentation of result on the hedged and hedging transactions	The change in fair value of derivative hedging instruments designated as hedging of cash flows is recognised directly in the Revaluation reserve in the part constituting the effective part of the hedge. The ineffective part of the hedge is recognised in the statement of profit or loss in the Result on hedge accounting.

The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 30 June 2025 and 31 December 2024:

30.06.2025

Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	14,571	78,646	-	-	-	700,000	625,000	1,325,000
Hedging derivatives - total	**14,571**	**78,646**	**-**	**-**	**-**	**700,000**	**625,000**	**1,325,000**

31.12.2024

Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	-	114,433	-	-	-	-	625,000	625,000
Hedging derivatives - total	**-**	**114,433**	**-**	**-**	**-**	**-**	**625,000**	**625,000**

Amounts recognised in the profit or loss account under **cash flow hedge** accounting.

	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Net interest income on hedging derivative instruments	16,459	5,782
Net interest expenses on hedging derivative instruments	(30,381)	(18,136)
Change in fair value measurement of hedging transactions presented in the Result on hedge accounting, including:	(94)	16
change in fair value of hedging instruments	(94)	16

Changes in revaluation reserve due to valuation of derivative hedging instruments in **cash flow hedge** accounting.

	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**(112,125)**	**(101,987)**
Hedging gains or losses recognised in other comprehensive income during the reporting period	45,937	(15,726)
Closing balance	**(66,188)**	**(117,713)**

In the first half of 2025 and 2024, the hedging relationships presented proved effective.

23. LOANS AND ADVANCES TO CUSTOMERS MEASURED AT AMORTISED COST

30.06.2025			
Loans and advances to customers measured at amortised cost	Gross carrying amount	Allowance	Net carrying amount
Loans and advances to:			
Non-banking financial entities	**3,572,033**	**(21,833)**	**3,550,200**
current account loans	2,654,334	(15,237)	2,639,097
investment loans	577,254	(6,046)	571,208
other loans	340,445	(550)	339,895
Retail customers	**32,829,939**	**(724,531)**	**32,105,408**
mortgage loans	20,000,709	(259,989)	19,740,720
other loans	12,829,230	(464,542)	12,364,688
Corporate customers	**45,966,351**	**(1,429,230)**	**44,537,121**
current account loans	20,651,891	(755,470)	19,896,421
investment loans	17,864,584	(493,485)	17,371,099
other loans	7,449,876	(180,275)	7,269,601
including retail farmers	**7,323,226**	**(293,319)**	**7,029,907**
current account loans	4,733,153	(156,614)	4,576,539
investment loans	2,581,492	(135,602)	2,445,890
other loans	8,581	(1,103)	7,478
Public sector institutions	**72,185**	**(1,295)**	**70,890**
current account loans	49,473	(967)	48,506
investment loans	22,507	(327)	22,180
other loans	205	(1)	204
Lease receivables	**6,402,833**	**(119,808)**	**6,283,025**
Total loans and advances to customers measured at amortised cost	**88,843,341**	**(2,296,697)**	**86,546,644**

31.12.2024			
Loans and advances to customers measured at amortised cost	Gross carrying amount	Allowance	Net carrying amount
Loans and advances to:			
Non-banking financial entities	**3,770,228**	**(28,960)**	**3,741,268**
current account loans	2,955,015	(23,666)	2,931,349
investment loans	428,858	(4,786)	424,072
other loans	386,355	(508)	385,847
Retail customers	**32,858,093**	**(763,594)**	**32,094,499**
mortgage loans	20,207,062	(271,971)	19,935,091
other loans	12,651,031	(491,623)	12,159,408
Corporate customers	**44,643,855**	**(1,537,878)**	**43,105,977**
current account loans	19,592,707	(822,522)	18,770,185
investment loans	18,002,369	(528,263)	17,474,106
other loans	7,048,779	(187,093)	6,861,686
including retail farmers	**7,769,080**	**(361,727)**	**7,407,353**
current account loans	5,028,136	(197,256)	4,830,880
investment loans	2,730,561	(163,321)	2,567,240
other loans	10,383	(1,150)	9,233
Public sector institutions	**67,960**	**(516)**	**67,444**
current account loans	44,577	(453)	44,124
investment loans	23,165	(60)	23,105
other loans	218	(3)	215
Lease receivables	**6,519,624**	**(127,296)**	**6,392,328**
Total loans and advances to customers measured at amortised cost	**87,859,760**	**(2,458,244)**	**85,401,516**

Net loans and advances to customers by stages are presented below.

30.06.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers measured at amortised cost, gross	**76,739,694**	**9,256,797**	**2,718,317**	**128,533**	**88,843,341**
Non-banking financial entities	3,553,999	8,831	9,022	181	3,572,033
Retail customers	29,973,413	2,141,542	681,833	33,151	32,829,939
Corporate customers:	38,228,110	5,787,947	1,855,093	95,201	45,966,351
including retail farmers	6,263,524	733,650	309,014	17,038	7,323,226
Public sector entities	41,571	30,614	-	-	72,185
Lease receivables	4,942,601	1,287,863	172,369	-	6,402,833
Allowances for expected credit losses on loans and receivables for:	**(339,640)**	**(495,055)**	**(1,443,800)**	**(18,202)**	**(2,296,697)**
Non-banking financial entities	(14,254)	(378)	(7,184)	(17)	(21,833)
Retail customers	(88,671)	(168,679)	(464,613)	(2,568)	(724,531)
Corporate customers:	(222,392)	(279,032)	(912,189)	(15,617)	(1,429,230)
including retail farmers	(69,428)	(36,776)	(184,490)	(2,625)	(293,319)
Public sector entities	(151)	(1,144)	-	-	(1,295)
Lease receivables	(14,172)	(45,822)	(59,814)	-	(119,808)
Total loans and advances to customers measured at amortised cost, net	**76,400,054**	**8,761,742**	**1,274,517**	**110,331**	**86,546,644**

31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers measured at amortised cost, gross	**75,613,352**	**9,366,867**	**2,763,641**	**115,900**	**87,859,760**
Non-banking financial entities	3,656,211	104,738	9,070	209	3,770,228
Retail customers	29,641,536	2,477,237	704,447	34,873	32,858,093
Corporate customers:	37,108,525	5,592,195	1,862,317	80,818	44,643,855
including retail farmers	6,466,106	896,275	391,583	15,116	7,769,080
Public sector entities	58,752	9,208	-	-	67,960
Lease receivables	5,148,328	1,183,489	187,807	-	6,519,624
Allowances for expected credit losses on loans and receivables for:	**(355,893)**	**(565,099)**	**(1,510,780)**	**(26,472)**	**(2,458,244)**
Non-banking financial entities	(10,238)	(11,463)	(7,152)	(107)	(28,960)
Retail customers	(87,484)	(196,969)	(476,276)	(2,865)	(763,594)
Corporate customers:	(240,467)	(308,767)	(965,144)	(23,500)	(1,537,878)
including retail farmers	(74,904)	(47,840)	(236,922)	(2,061)	(361,727)
Public sector entities	(252)	(264)	-	-	(516)
Lease receivables	(17,452)	(47,636)	(62,208)	-	(127,296)
Total loans and advances to customers measured at amortised cost, net	**75,257,459**	**8,801,768**	**1,252,861**	**89,428**	**85,401,516**

30.06.2025	Stage 2	Stage 3	Total
POCI loans and advances to customers measured at amortised cost, gross	**33,309**	**95,224**	**128,533**
Non-banking financial entities	3	178	181
Retail customers	23,153	9,998	33,151
Corporate customers:	10,153	85,048	95,201
including retail farmers	3,610	13,428	17,038
Allowances for expected credit losses on loans and advances to:	**(147)**	**(18,055)**	**(18,202)**
Non-banking financial entities	-	(17)	(17)
Retail customers	(58)	(2,510)	(2,568)
Corporate customers:	(89)	(15,528)	(15,617)
including retail farmers	-	(2,625)	(2,625)
Total POCI loans and advances to customers measured at amortised cost, net	**33,162**	**77,169**	**110,331**

31.12.2024	Stage 2	Stage 3	Total
Gross POCI loans and advances to customers measured at amortised cost	**31,942**	**83,958**	**115,900**
Non-banking financial entities	4	205	209
Retail customers	23,907	10,966	34,873
Corporate customers:	8,031	72,787	80,818
including retail farmers	1,261	13,855	15,116
Allowances for expected credit losses on loans and advances to:	**(190)**	**(26,282)**	**(26,472)**
Non-banking financial entities	-	(107)	(107)
Retail customers	(87)	(2,778)	(2,865)
Corporate customers:	(103)	(23,397)	(23,500)
including retail farmers	-	(2,061)	(2,061)
Total POCI loans and advances to customers measured at amortised cost, net	**31,752**	**57,676**	**89,428**

Allowances for expected credit losses on loans and advances measured at amortised cost.

Change in allowances for expected credit losses	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2025	**(355,893)**	**(565,099)**	**(1,510,780)**	**(26,472)**	**(2,458,244)**
Increase due to acquisition or origination	(84,112)	(53,164)	(53,005)	-	(190,281)
Decrease due to derecognition	38,188	22,493	83,147	1,541	145,369
Changes resulting from the change in credit risk (net)	61,777	97,387	(178,846)	2,043	(17,639)
Use of allowances	-	39	207,814	4,641	212,494
Other changes (including foreign exchange differences)	400	3,289	7,870	45	11,604
Balance as at 30 June 2025	**(339,640)**	**(495,055)**	**(1,443,800)**	**(18,202)**	**(2,296,697)**

Change in allowances for expected credit losses	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	**(331,889)**	**(603,475)**	**(1,543,091)**	**(38,862)**	**(2,517,317)**
Increase due to acquisition or origination	(77,461)	(60,317)	(38,501)	-	(176,279)
Decrease due to derecognition	14,398	18,953	65,715	63	99,129
Changes resulting from the change in credit risk (net)	71,012	32,555	(180,561)	(26,449)	(103,443)
Use of allowances	-	368	202,905	25,630	228,903
Other changes (including foreign exchange differences)	507	295	6,484	44	7,330
Balance as at 30 June 2024	**(323,433)**	**(611,621)**	**(1,487,049)**	**(39,574)**	**(2,461,677)**

Gross amount of foreign currency mortgage loans for retail customers (in PLN ‘000).

Loans by currency	30.06.2025	31.12.2024
CHF	330,770	406,207
EUR	19,371	20,928
PLN	19,650,442	19,779,708
USD	126	219
Total	**20,000,709**	**20,207,062**

30.06.2025

Value of loan portfolio including CHF exposures	Gross carrying amount	including CHF exposures	Allowance	including CHF exposures
Loans and advances to:				
Non-banking financial entities	**3,572,033**	**294**	**(21,833)**	**-**
current account loans	2,654,334	-	(15,237)	-
investment loans	577,254	294	(6,046)	-
other loans	340,445	-	(550)	-
Retail customers	**32,829,939**	**336,886**	**(724,531)**	**(117,789)**
mortgage loans	20,000,709	330,770	(259,989)	(114,201)
other loans	12,829,230	6,116	(464,542)	(3,588)
Corporate customers	**45,966,351**	**29,859**	**(1,429,230)**	**(9,264)**
current account loans	20,651,891	22,857	(755,470)	(2,472)
investment loans	17,864,584	7,002	(493,485)	(6,792)
other loans	7,449,876	-	(180,275)	-
including retail farmers	**7,323,226**	**157**	**(293,319)**	**(12)**
current account loans	4,733,153	157	(156,614)	(12)
investment loans	2,581,492	-	(135,602)	-
other loans	8,581	-	(1,103)	-
Public sector institutions	**72,185**	**-**	**(1,295)**	**-**
current account loans	49,473	-	(967)	-
investment loans	22,507	-	(327)	-
other loans	205	-	(1)	-
Lease receivables	**6,402,833**	**22,894**	**(119,808)**	**(14,725)**
Total loans and advances	**88,843,341**	**389,933**	**(2,296,697)**	**(141,778)**

31.12.2024

Value of loan portfolio including CHF exposures	Gross carrying amount	including CHF exposures	Allowance	including CHF exposures
Loans and advances to:				
Non-banking financial entities	**3,770,228**	**-**	**(28,960)**	**-**
current account loans	2,955,015	-	(23,666)	-
investment loans	428,858	-	(4,786)	-
other loans	386,355	-	(508)	-
Retail customers	**32,858,093**	**413,149**	**(763,594)**	**(126,534)**
mortgage loans	20,207,062	406,207	(271,971)	(122,514)
other loans	12,651,031	6,942	(491,623)	(4,020)
Corporate customers	**44,643,855**	**32,485**	**(1,537,878)**	**(9,964)**
current account loans	19,592,707	24,742	(822,522)	(2,930)
investment loans	18,002,369	7,743	(528,263)	(7,034)
other loans	7,048,779	-	(187,093)	-
including retail farmers	**7,769,080**	**212**	**(361,727)**	**(20)**
current account loans	5,028,136	212	(197,256)	(20)
investment loans	2,730,561	-	(163,321)	-
other loans	10,383	-	(1,150)	-
Public sector institutions	**67,960**	**-**	**(516)**	**-**
current account loans	44,577	-	(453)	-
investment loans	23,165	-	(60)	-
other loans	218	-	(3)	-
Lease receivables	**6,519,624**	**23,156**	**(127,296)**	**(14,329)**
Total loans and advances	**87,859,760**	**468,790**	**(2,458,244)**	**(150,827)**

24. LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.06.2025	31.12.2024
Subsidised loans	360,834	452,506
Total loans and advances to customers measured at fair value through profit or loss	**360,834**	**452,506**

The table below presents a comparison of the fair value of subsidised loans with their gross carrying amount, which would have been recognised if the Group - in accordance with the requirements of IFRS 9 – did not measure these portfolios at fair value through profit or loss.

	Gross carrying amount	Fair value
30.06.2025	436,323	360,834
31.12.2024	527,495	452,506

Subsidised loans measured at fair value	Stage 1	Stage 2	Stage 3	Total
30.06.2025	283,707	65,554	11,573	360,834
31.12.2024	347,269	86,634	18,603	452,506

25. SECURITIES MEASURED AT AMORTISED COST

30.06.2025

Securities	Gross carrying amount	Allowance	Net carrying amount
issued by domestic banks	5,240,810	(62)	5,240,748
issued by other financial entities	8,694,981	(21)	8,694,960
issued by central governments – treasury bonds	22,510,521	(82)	22,510,439
issued by non-financial entities – bonds	4,155	(4,155)	-
issued by local governments – municipal bonds	33,827	(29)	33,798
Total securities measured at amortised cost	**36,484,294**	**(4,349)**	**36,479,945**

31.12.2024

Securities	Gross carrying amount	Allowance	Net carrying amount
issued by domestic banks	4,312,778	(55)	4,312,723
issued by other financial entities	7,270,226	(20)	7,270,206
issued by central governments – treasury bonds	20,747,460	(81)	20,747,379
issued by non-financial entities – bonds	4,155	(4,155)	-
issued by local governments – municipal bonds	34,265	(23)	34,242
Total securities measured at amortised cost	**32,368,884**	**(4,334)**	**32,364,550**

30.06.2025	Stage 1	Stage 2	Stage 3	**Total**
Securities	**36,480,139**	**-**	**4,155**	**36,484,294**
issued by domestic banks	5,240,810	-	-	5,240,810
issued by other financial entities	8,694,981	-	-	8,694,981
issued by central governments – treasury bonds	22,510,521	-	-	22,510,521
issued by non-financial entities – bonds	-	-	4,155	4,155
issued by local governments – municipal bonds	33,827	-	-	33,827
Impairment allowances on securities	**(194)**	**-**	**(4,155)**	**(4,349)**
issued by domestic banks	(62)	-	-	(62)
issued by other financial entities	(21)	-	-	(21)
issued by central governments – treasury bonds	(82)	-	-	(82)
issued by non-financial entities – bonds	-	-	(4,155)	(4,155)
issued by local governments – municipal bonds	(29)	-	-	(29)
Total net securities measured at amortised cost	**36,479,945**	**-**	**-**	**36,479,945**

31.12.2024	Stage 1	Stage 2	Stage 3	Total
Securities	**32,364,729**	**-**	**4,155**	**32,368,884**
issued by domestic banks	4,312,778	-	-	4,312,778
issued by other financial entities	7,270,226	-	-	7,270,226
issued by central governments – treasury bonds	20,747,460	-	-	20,747,460
issued by non-financial entities – bonds	-	-	4,155	4,155
issued by local governments – municipal bonds	34,265	-	-	34,265
Impairment allowances on securities	**(179)**	**-**	**(4,155)**	**(4,334)**
issued by central governments – treasury bonds	(81)	-	-	(81)
issued by non-financial entities – bonds	-	-	(4,155)	(4,155)
issued by local governments – municipal bonds	(23)	-	-	(23)
Total net securities measured at amortised cost	**32,364,550**	**-**	**-**	**32,364,550**

26. SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Securities measured at fair value through profit or loss	30.06.2025	31.12.2024
Bonds convertible for non-financial entities bonds	94,739	80,284
Equity instruments	262,085	239,821
Units	507	509
Certificates issued by non-financial entities	482	820
Total securities measured at fair value through profit or loss	**357,813**	**321,434**

27. SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Securities	30.06.2025	31.12.2024
NBP bills	-	4,997,605
Bonds issued by banks	2,696,133	2,629,766
Treasury bonds issued by central governments	6,748,570	4,303,712
Bonds issued by other financial institutions	11,907,685	11,096,371
Securities measured at fair value through other comprehensive income	**21,352,388**	**23,027,454**

The valuation of debt securities measured at fair value through other comprehensive income is based on the discounted cash flow model using current market interest rates, taking into account the issuer's credit risk in the amount corresponding to the parameters observed on the market for transactions with similar credit risk parameters and similar time horizon. The measurement does not take into account assumptions that cannot be observed directly on the market.

28. INTANGIBLE ASSETS

Intangible assets	30.06.2025	31.12.2024
Licenses	680,625	702,525
Other intangible assets	97,357	95,671
Expenditure on intangible assets	150,507	176,918
Total intangible assets	**928,489**	**975,114**

In the first half of 2025, the net carrying amount of "Intangible assets" acquired by the Group amounted to PLN 116,695 thousand (in the first half of 2024: PLN 151,830 thousand), while the net carrying amount of the disposed of and liquidated components amounted to PLN 8,737 thousand (in the first half of 2024: PLN 519 thousand).

The Group identifies impairment triggers for intangible assets which are not transferred to utilisation yet, i.e. those under development, on an ongoing basis.

As at 30 June 2025, the Group had significant contractual obligations incurred in connection with the acquisition of intangible assets in the amount of PLN 6,563 thousand (PLN 17,506 thousand as at 31 December 2024).

29. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	30.06.2025	31.12.2024
Fixed assets, including:	377,009	377,685
land and buildings	66,610	71,366
IT equipment	146,812	139,677
office equipment	34,167	35,448
other, including leasehold improvements	129,420	131,194
Fixed assets under construction	4,884	28,006
Right of use, including:	525,949	541,280
land and buildings	499,207	508,669
cars	25,800	31,406
IT equipment	839	1,084
other, including leasehold improvements	103	121
Total property, plant and equipment	**907,842**	**946,971**

In the first half of 2025, the net balance sheet amount of the components included in property, plant and equipment acquired by the Group was PLN 41,057 thousand (in the first half of 2024 it amounted to PLN 58,060 thousand), while the net balance sheet value of sold and liquidated components amounted to PLN 4,545 thousand (in the first half of 2024 it amounted to PLN 2,100 thousand).

As of 30 June 2025, the Group had significant contractual liabilities incurred in connection with the acquisition of property, plant and equipment in the amount of PLN 21,062 thousand (PLN 541 thousand as at 31 December 2024).

30. LEASES

Group as a lessee

The Group is a party to lease agreements with respect to underlying asset components such as:

- real estate,
- motor vehicles,
- land, including the right of perpetual usufruct of land,
- CDMs,
- equipment items,
- IT equipment.

The lease period of motor vehicles ranges from 1 to 5 years. The contracts contain extension options. The Group also concludes leaseback agreements for motor vehicles.

The Group is a party to real estate lease agreements. The contracts are concluded for a definite period from 1 to 30 years and for an indefinite period. The lease term is determined as the irrevocable lease term together with any periods during which there is an option to extend the lease, if the exercise of such option is sufficiently probable, and any periods during which there is an option to terminate the lease, if the exercise of such option is sufficiently probable.

When determining the irrevocable lease term, in the case of an indefinite term agreement, the Bank takes into account, as one of the conditions, the depreciation period of adaptations in third-party fixed assets related to the leased asset.

The agreements provide for variable lease fees depending on the index (e.g. GUS, HICP).

The Group is a party to land lease agreements for an indefinite period, and the right of perpetual usufruct of land received for a period of 40 to 100 years. Lease payments are valorised in accordance with the Land Management Act.

	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Lease expenses recognised in the statement of profit or loss	**(65,908)**	**(67,998)**
interest on lease liabilities	(10,538)	(11,858)
depreciation of right of use assets	(54,355)	(55,797)
expenses related to short-term lease (recognised in general administrative expenses)	(1,015)	(343)

Undiscounted lease payments by maturity	30.06.2025	31.12.2024
< 1 year	131,713	137,633
1-5 years	391,325	404,965
> 5 years	142,231	151,812
Total	**665,269**	**694,410**

	30.06.2025	31.12.2024
Book value of liabilities due to discounted lease payments	**580,900**	**606,306**

31. OTHER ASSETS

Other assets:	30.06.2025	31.12.2024
Receivables from contracts with customers:		
sundry debtors	535,990	629,661
accrued income	93,435	101,494
payment card settlements	66,417	27,250
social insurance settlements	1,112	1,841
Other:		
interbank and intersystem settlements	107,438	373,626
deferred expenses	116,666	103,577
tax and other regulatory receivables	26,161	21,399
other lease receivables	85,216	63,857
other	85,780	64,638
Total other assets, gross	**1,118,215**	**1,387,343**
Impairment allowances on other receivables from sundry debtors	(53,525)	(67,081)
Total other assets, net	**1,064,690**	**1,320,262**
including financial assets*	**742,648**	**1,029,154**

* Financial assets include all items of Other Assets except: Accrued income, Deferred expenses, Tax and other regulatory receivables, Other

32. AMOUNTS DUE TO OTHER BANKS

Amounts due to other banks	30.06.2025	31.12.2024
Current accounts	580,174	619,766
Interbank deposits	629,408	-
Loans and advances received	8,040,296	8,300,332
Other liabilities	1,365,019	1,074,704
Total amounts due to other banks	**10,614,897**	**9,994,802**

Also presented under Other liabilities are liabilities to banks from cash collateral in the amount of PLN 1,334,742 thousand (PLN 1,038,897 thousand as at 31 December 2024) and liabilities from securities sold subject to repurchase agreements that did not occur as of 30.06.2025 (as of 31.12.2024 they occurred in the amount of PLN 23,722 thousand).

In the first half of 2025 and in the entire 2024, there were no breaches of contractual provisions and covenants related to the Group's financial position and disclosure obligations. Inflation and changes in interest rates did not create a risk of breach of contractual provisions in the long-term contracts the Group has signed.

33. AMOUNTS DUE TO CUSTOMERS

Amounts due to customers	30.06.2025	31.12.2024
Non-banking financial institutions	**6,175,909**	**5,433,611**
Current accounts	2,345,415	2,561,846
Term deposits	3,354,070	2,412,093
Loans and advances received	450,070	449,955
Other liabilities	26,354	9,717
Retail customers	**56,267,831**	**55,184,397**
Current accounts	30,611,634	29,692,494
Term deposits	24,884,069	24,966,589
Other liabilities	772,128	525,314
Corporate customers	**63,363,431**	**66,970,279**
Current accounts	47,248,463	51,165,328
Term deposits	15,472,255	15,238,714
Other liabilities	642,713	566,237
including retail farmers	**3,792,168**	**4,318,283**
Current accounts	3,572,123	4,119,103
Term deposits	191,721	179,281
Other liabilities	28,324	19,899
Public sector customers	**3,454,481**	**3,336,467**
Current accounts	2,152,026	2,881,865
Term deposits	1,299,163	452,788
Other liabilities	3,292	1,814
Total amounts due to customers	**129,261,652**	**130,924,754**

Also presented under Other liabilities are liabilities from securities sold subject to repurchase agreements in the amount of PLN 14,790 thousand (PLN 0 as at 31 December 2024).

34. DEBT SECURITIES ISSUED

	30.06.2025	31.12.2024
Debt securities issued	680,709	-

Change in the balance of debt securities issued	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**-**	**-**
Issuance of debt securities	678,704	-
Change due to discount, interest, commission and fees on debt securities settled using EIR, foreign exchange differences	2,005	-
Closing balance	**680,709**	**-**

In June 2025, the Bank issued bonds for the total amount of EUR 160,000 thousand with the maximum original redemption date by 6 June 2040 described in more detail in Note 54 Major events in the BNP Paribas Bank Polska S.A. Capital Group in the first half of 2025.

35. SUBORDINATED LIABILITIES

Subordinated liabilities	30.06.2025	31.12.2024
	3,413,087	**3,420,128**

Change in the balance of subordinated liabilities	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**3,420,128**	**4,336,072**
Change due to interest, commission and fees settled using EIR	(3,406)	23
Foreign exchange differences	(3,635)	(37,225)
Closing balance	**3,413,087**	**4,298,870**

36. OTHER LIABILITIES

Other liabilities	30.06.2025	31.12.2024
Liabilities due to contracts with customers		
Sundry creditors	233,511	568,811
Payment card settlements	431,473	210,545
Deferred income	85,701	83,825
Escrow account liabilities	574	544
Social insurance settlements	22,315	23,324
Other liabilities		
Interbank and intersystem settlements	1,300,915	232,555
Provisions for non-personnel expenses	822,173	690,230
Provisions for other employees-related liabilities	174,212	264,665
Provision for unused annual holidays	45,614	40,794
Other regulatory liabilities	72,844	76,324
Other lease liabilities	11,849	7,200
Other	115,710	97,939
Total other liabilities	**3,316,891**	**2,296,756**
including financial liabilities*	**2,000,637**	**1,042,979**

*Financial liabilities include all items of Other liabilities except: Deferred income, Provisions for non-personnel expenses, Provisions for other employees-related liabilities, Provision for unused annual holidays, Other regulatory liabilities, Other.

37. PROVISIONS

	30.06.2025	31.12.2024
Provision for restructuring	28,401	41,825
Provision for retirement benefits and similar obligations	26,614	24,841
Expected credit losses on contingent liabilities	170,774	156,861
Provision for litigation and claims	1,809,546	1,696,299
Other provisions	62,055	49,554
Total provisions	**2,097,390**	**1,969,380**

Change in provision for restructuring	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**41,825**	**64,050**
Provisions utilisation	(13,424)	(14,451)
Closing balance	**28,401**	**49,599**

Change in provision for retirement benefits and similar obligations	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**24,841**	**20,783**
Provisions recognition	2,297	2,713
Provisions utilisation	(524)	(474)
Provisions release	-	(545)
Closing balance	**26,614**	**22,477**

Change in expected credit losses on contingent liabilities	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**156,861**	**141,931**
Provisions recognition	61,371	26,137
Provisions release	(37,674)	(5,868)
Changes resulting from the change in credit risk (net)	(8,663)	(4,353)
Other changes	(1,121)	362
Closing balance	**170,774**	**158,209**

Change in provision for litigation and claims	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**1,696,299**	**1,282,655**
Provisions recognition	286,276	219,720
Provisions utilisation	(163,907)	(77,178)
Provisions release	(6,966)	(6,789)
Other changes, including foreign exchange differences	(2,156)	(40,589)
Closing balance	**1,809,546**	**1,377,819**

As of 30 June 2025 the balance of provision for litigation and claims consisted of the following: provision for litigation related to CHF mortgage loans in the amount of PLN 1,712,662 thousand, provision for reimbursement of commissions for early repayment of loans in the amount of PLN 43,846 thousand and provision for other litigation and claims in the amount of PLN 53,038 thousand.

As of 31 December 2024 the balance of provision for litigation and claims consisted of the following: provision for litigation related to CHF mortgage loans in the amount of PLN 1,564,168 thousand, provision for reimbursement of commissions for early repayment of loans in the amount of PLN 49,832 thousand and provision for other litigation and claims in the amount of PLN 82,300 thousand.

Change in other provisions	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**49,554**	**31,951**
Provisions recognition	48,998	21
Provisions utilisation	(10,152)	(436)
Provisions release	(26,345)	-
Closing balance	**62,055**	**31,536**

38. CASH AND CASH EQUIVALENTS

For the purpose of preparation of the statement of cash flows, the balance of cash and cash equivalents comprises the following balances with maturity shorter than three months.

Cash and cash equivalents	30.06.2025	31.12.2024
Cash and balances at Central Bank (Note 19)	7,556,716	11,325,551
Current accounts of banks and other receivables	8,024,738	6,824,869
Interbank deposits	125,340	142,509
Total cash and cash equivalents	**15,706,794**	**18,292,929**

39. SHARE BASED PAYMENTS

The Bank has adopted the “Remuneration policy for individuals with a material impact on the risk profile of Bank BNP Paribas S.A.".

The principles and assumptions contained in the Policy guarantee the existence of a rational, balanced and controllable remuneration policy, consistent with the accepted risk level, standards and values of the Bank and relevant laws and regulations, in particular the Minister of Finance, Funds and Regional Policy Regulation dated 8 June 2021 on the risk management system, internal control system and remuneration policy in banks and recommendations included in the CRD5 Directive.

Pursuant to the Remuneration policy for individuals with a material impact on the risk profile of Bank BNP Paribas S.A. applied in the Bank, from 2020 (excluding persons who have terminated their cooperation with the Bank) the applicable financial instrument in which part of the variable remuneration is paid is ordinary shares (change from phantom shares).

The 2022 variable remuneration convertible into a financial instrument was granted in actual shares of the Bank.

On 9 December 2021, the Supervisory Board approved a modified Remuneration Policy for persons with material impact on the risk profile of the Bank. The changes consisted mainly in adjusting the provisions of the Policy to the Ordinance of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks and the guidelines contained in the CRD5 Directive and consisted, among others, in extending the deferral period.

Programme based on the Bank's shares

There is variable remuneration scheme in place for the Bank's employees with a material impact on risk profile under the Bank's share-based programme. The variable remuneration is divided into a part granted in the form of a financial instrument (Bank shares) and the remaining part granted in cash.

The right to variable remuneration expressed in the form of the Bank's shares is granted by issuing subscription warrants in a number corresponding to the number of shares granted, one warrant entitles to acquire one share. The payment of the variable remuneration expressed in the form of the Bank's shares, i.e. taking up the Bank's shares through the exercise of rights from subscription warrants, takes place after the expiry of the retention period.

The Bank will grant the participants of the Incentive Scheme subscription warrants, which will result in the right to acquire a new Series M and Series N shares issued by the Bank under the conditional share capital increase. The rights to acquire Series M and Series N shares shall be granted taking into account the principles of dividing the variable remuneration into the non-deferred and deferred portions, as defined in the Remuneration Policy and the regulations adopted on its basis. Series M and Series N shares will constitute a component of variable remuneration for persons having a material impact on the Bank's risk profile within the meaning of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021.

In order to implement the Incentive Programme, the Extraordinary General Meeting of Shareholders of the Bank also adopted resolutions on the issuance of subscription warrants and conditional increase of the share capital through the issuance of Series M shares and Series N shares, depriving the existing shareholders of the subscription right to warrants and to Series M and Series N shares, amending the Bank's Articles of Association and dematerialising and applying for the admission of Series M and Series N shares to trading on a regulated market.

The amount and the division into the non-deferred and deferred portions of variable remuneration for employees identified as MRT is determined in accordance with the Bank's Remuneration Policy and regulations adopted on its basis. The regulations contain information on the annual bonus levels assigned to particular appraisals:

1. the part constituting at least 50% is assigned in the form of the Bank's shares (which will be acquired by exercising rights from subscription warrants);
2. the part of variable remuneration not less than 40% of that remuneration is deferred. The deferral period is at least 5 years for Senior Management and a minimum of 4 years and a maximum of 5 years for employees other than Senior Management. The maximum deferral period of 5 years is applied in the case of an assignment of Variable Remuneration that exceeds a particularly high amount.

In order to ensure uniform and lawful conditions for the acquisition of the right to remuneration and its payment, remuneration shall be paid to persons having a material impact on the risk profile of the Bank taking into account the principles of suitability, proportionality and non-discrimination.

The Bank's rules include the possibility to withhold or limit the payment of variable remuneration where the Bank does not meet the combined buffer requirement:

1. The Bank shall be prohibited from paying assigned variable remuneration in excess of the maximum amount to be paid (the so-called MDA) in a situation where the Bank does not meet the combined buffer requirement within the meaning and under the rules set out in Articles 55 and 56 of the Act on macro-prudential supervision.
2. In the event when the Bank does not meet the combined buffer requirement, then before the MDA is calculated, the Bank:

- does not undertake commitments to pay variable remuneration or discretionary pension benefits;
- does not make variable remuneration payments if the obligation to pay them arose during the period in which the Bank did not meet the combined buffer requirement.

If the legal relationship between the Bank and a given person having a material impact on the Bank's risk profile ceases to exist or if the position is excluded from the list, the remuneration is paid provided that the requirements specified in the Remuneration Policy for persons having a material impact on the risk profile of BNP Paribas Bank Polska S.A. are met.

A person is entitled to variable remuneration, provided that he/she has not been charged and is not subject to criminal or disciplinary sanctions.

In 2025, for the variable remuneration granted for 2020 - 2024 and in connection with the forecast of the variable remuneration for 2025, which will be granted in 2026, in the part concerning shares to be issued in the future, the Bank has recognised in the capitals an amount of PLN 3,676 thousand. At the same time, an amount of PLN 32,443 thousand (recognised in the previous years) is presented in capital.

Financial instruments (shares - deferred portion) changes in 2025 and 2024 determined in relation to the deferred part of the variable remuneration for 2020 - 2024 are presented in the table below.

	HY 2025 from 01.01.2025 to 30.06.2025		HY 2024 from 01.01.2024 to 30.06.2024	
	units	value (PLN '000)	units	value (PLN '000)
Opening balance	**131,976**	**9,087**	**142,158**	**8,750**
granted in the period	30,539	3,035	34,426	3,412
executed during the period	(33,651)	(1,856)	(44,608)	(3,075)
Closing balance	**128,864**	**10,267**	**131,976**	**9,087**

The table below presents the terms and conditions of the Share/Warrants Purchase Plan for 2025.

Type of transaction under IFRS 2	Share-based payments
Program announcement date	31 January 2020 – the Resolution of the Supervisory Board approving the Remuneration Policy.
The commencement date for granting of shares	12 March 2025
The end date for granting shares	8 April 2025

40. ADDITIONAL INFORMATION REGARDING THE STATEMENT OF CASH FLOW

Cash flows from operating activities – other adjustments	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
FX differences from subordinated loans	(3,635)	(37,225)
Securities measurement through profit or loss	(53,654)	104,738
Allowance for securities	16	30
Other adjustments	8,647	7,998
Cash flows from operating activities – total other adjustments	**(48,626)**	**75,541**

41. CONTINGENT LIABILITIES

The following table presents the value of liabilities granted and received by the Bank.

Contingent liabilities	30.06.2025	31.12.2024
Contingent commitments granted	**39,201,786**	**36,666,533**
financial commitments	26,485,708	23,269,197
guarantees	12,716,078	13,397,336
Contingent commitments received	**55,079,667**	**55,172,867**
financial commitments	20,000	551,870
guarantees	55,059,667	54,620,997

42. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Based on the methods used to determine fair value, the Group classifies particular assets and liabilities into the following categories:

Level 1

Assets and liabilities measured on the basis of market quotations available on active markets for identical instruments.

Level 2

Assets and liabilities measured using valuation techniques based on directly or indirectly observed market quotations or other information based on market quotations.

Level 3

Assets and liabilities measured using valuation techniques where input data is not based on observable market data.

The Group periodically (at least quarterly) assigns individual assets and liabilities to particular levels of the fair value hierarchy. The basis for classification to particular levels of the valuation hierarchy is the input data used for the valuation, i.e. market quotes or other information. The lowest level of input data used for the valuation, having a material impact on determining the fair value, determines the classification of an asset or liability to a particular hierarchy level.

If the input data is changed to data classified to another level, e.g. as a result of changes in the valuation methodology or changes in market data sources, the Group transfers the asset or liability to the appropriate level of measurement in the reporting period in which the change occurred.

In the first half of 2025 and in 2024, no changes were made to the rules for classification into valuation levels.

As at 30 June 2025, particular instruments were included in the following valuation levels:

1) the first level: Treasury bonds and bonds issued by European Investment Bank (fair value is determined directly by reference to published active market quotations), quoted shares;

2) the second level: bonds issued by PFR, interest rate options in EUR, USD and GBP, FX options maturing within 2 years, base interest rate and FX swaps denominated in G7 currencies maturing within 15 years, and base interest rate and FX swaps denominated in other currencies maturing within 10 years, FRA maturing within 2 years, FX Forward, NDF and FX swaps denominated in G7 currencies maturing within 10 years, FX Forward transactions, NDF and FX swaps denominated in other currencies maturing within 3 years, commodity swaps maturing within 1 year, interest rate swaps denominated in G7 currencies, interest rate swaps denominated in other currencies maturing within 10 years, structured instruments (whose fair value is determined using measurement techniques which are based on available, verifiable market data);

3) the third level: interest rate options in PLN, FX options maturing over 2 years, base interest rate and FX swaps denominated in G7 currencies maturing over 15 years, base interest rate and FX swaps denominated in other currencies maturing over 10 years, FRA contracts maturing over 2 years, FX Forward transactions, NDF and FX swaps denominated in G7 currencies maturing over 10 years, FX Forward transactions, NDF and FX swaps denominated in other currencies maturing over 3 years, commodity swaps maturing over 1 year, interest rate swaps denominated in other currencies than G7 currencies maturing over 10 years, structured instruments (whose fair value is determined using measurement techniques (models) which are not based on available, verifiable market data), derivatives for which significant Fair Value Correction or Credit Value Adjustment was created and corporate bonds other than CATALYST-listed ones, shares which are not listed on the WSE and other exchanges, subsidised loans (fair value determined using measurement techniques which are not based on available, verifiable market data, i.e. in cases other than those described in 1 and 2).

The table below presents classification of assets and liabilities measured at fair value in the consolidated financial statements into three categories:

30.06.2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value:	**21,405,697**	**2,602,503**	**916,298**	**24,924,498**
Derivative financial instruments	-	2,437,026	282,297	2,719,323
Hedging instruments	-	134,140	-	134,140
Financial instruments measured at fair value through other comprehensive income	21,352,388	-	-	21,352,388
Financial instruments measured at fair value through profit or loss	53,309	31,337	273,167	357,813
Loans and advances to customers measured at fair value through profit or loss	-	-	360,834	360,834
Liabilities measured at fair value	**-**	**2,833,045**	**157,336**	**2,990,381**
Derivative financial instruments	-	2,212,023	157,336	2,369,359
Hedging instruments	-	621,022	-	621,022

31.12.2024	Level 1	Level 2	Level 3	Total
Assets measured at fair value:	**23,028,600**	**2,607,196**	**836,739**	**26,472,535**
Derivative financial instruments	-	2,297,901	142,215	2,440,116
Hedging instruments	-	231,025	-	231,025
Financial instruments measured at fair value through other comprehensive income	23,027,454	-	-	23,027,454
Financial instruments measured at fair value through profit or loss	1,146	78,270	242,018	321,434
Loans and advances to customers measured at fair value through profit or loss	-	-	452,506	452,506
Liabilities measured at fair value:	**-**	**3,015,629**	**137,825**	**3,153,454**
Derivative financial instruments	-	2,173,916	137,825	2,311,741
Hedging instruments	-	841,713	-	841,713

In the first half of 2025, no events of a change in valuation level from 1 to 2, 1 to 3, 2 to 1 and 2 to 3 were recorded.

Changes from level 3 to 2 and from level 3 to 1 were recorded.

In the corresponding period of 2024, no events of change in valuation level from 1 to 2, 1 to 3, 2 to 1, and 3 to 1. Changes from level 3 to 2 and one event of a change in valuation level from 2 to 3 were recorded. The reason was an increase in the BCVA adjustment.

The following table shows the valuation of these transactions at the beginning and end of the reporting period:

HY 2024 from 01.01.2024 to 30.06.2024	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	25,576	-
Closing balance	8,146	-

In the first half of 2025, there were 76 events of derivatives for which the valuation level changed from 3 to 2. In all cases, this was due to a shortening of the time to maturity of the transaction.

The following table shows the valuation of these transactions at the beginning and end of the reporting period:

HY 2025 from 01.01.2025 to 30.06.2025	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	87,677	78,726
Closing balance	118,675	110,353

In the corresponding period of 2024, there were 95 events of derivatives for which the valuation level changed from 3 to 2. In all cases, this was due to a shortening of the time to maturity of the transaction.

The following table shows the valuation of these transactions at the beginning and end of the reporting period:

HY 2024 from 01.01.2024 to 30.06.2024	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	152,228	177,064
Closing balance	161,502	201,052

In the first half of 2025, there was one event of a change in valuation level from 3 to 1. The change in a valuation level results from the conclusion of a share sale transaction with a settlement date after the reporting date. As at 30 June 2025, the transaction was valued at PLN 7,000 thousand (as at 31 December 2024, the transaction was valued at PLN 593 thousand).

In the corresponding period of 2024, no events of a change in valuation level from 3 to 1 were recorded.

The above described transfers relate to the Bank, such transactions did not occur in the subsidiaries covered by these consolidated financial statements.

The fair value of level 2 and 3 financial instruments is determined using the measurement techniques consistent with market practice, the parameterisation of which is carried out on the basis of reliable data sources. Valuation techniques used include valuation models (e.g., Black-Scholes), cash flow discounting, and estimation of volatility planes.

The input data used for purposes of valuation of level 2 and 3 instruments include foreign exchange rates, yield curves, reference rates, changes in foreign exchange rates, reference rates, stock market indices and stock prices, swap points, basis spreads, stock market index values and futures prices.

For financial instruments classified as level 3, unobservable parameters are estimates including market quotes that are not observable and cannot be corroborated by observable data in commonly quoted ranges, margins for credit risk and liquidity risk, probabilities of default, recovery rates, and premiums and discounts covering other risks specific to the instrument being valued.

The table presented below shows changes in the measurement of level 3 assets and liabilities as well as amounts charged to profit and loss account.

HY 2025 from 01.01.2025 to 30.06.2025	Derivative financial instruments – assets	Financial assets measured at fair value	Derivative financial instruments – liabilities	Hedging instruments – liabilities
Opening balance	**142,215**	**694,524**	**137,825**	**-**
Total gains/losses recognised in:	140,082	5,231	19,511	-
statement of profit or loss	140,082	5,231	19,511	-
Purchase	-	32,000	-	-
Sale	-	(8,001)	-	-
Settlement / Expiry	-	(89,753)	-	-
Closing balance	**282,297**	**634,001**	**157,336**	**-**
Unrealized gains/losses recognised in profit or loss related to assets and liabilities at the end of the period	**140,082**	**5,231**	**19,511**	**-**

HY 2024 from 01.01.2024 to 30.06.2024	Derivative financial instruments – assets	Financial assets measured at fair value	Derivative financial instruments – liabilities	Hedging instruments – liabilities
Opening balance	**501,891**	**885,166**	**365,888**	**73,721**
Total gains/losses recognised in:	(166,045)	16,206	(108,204)	(14,724)
statement of profit or loss	(166,045)	16,206	(108,204)	(14,724)
Purchase	-	2,258	-	-
Settlement / Expiry	-	(113,616)	-	-
Closing balance	**335,846**	**790,014**	**257,684**	**58,997**
Unrealized gains/losses recognised in profit or loss related to assets and liabilities at the end of the period	**(166,045)**	**16,206**	**(108,204)**	**(14,724)**

The table presented below shows the effect of unobservable factors on the value of financial instruments classified to level three.

Type of instrument	30.06.2025 fair value according to		31.12.2024 fair value according to	
	positive scenario	negative scenario	positive scenario	negative scenario
Derivatives[1]	126,616	124,308	5,347	10,588
Commercial bonds[2]	79,767	78,288	66,323	65,658
Stocks and shares[3]	184,978	167,361	169,605	153,452
Loans[4]	365,783	355,882	457,479	447,578

[1]scenario: rating change of +3/-3 notches

[2]scenario: change in credit spread by -50bp/+50bp

[3]scenario: change in valuation of +5%/-5%

[4]scenario: change in discount rate by -50bp/+50bp

The Group measures the fair value by discounting all contractual cash flows related to transactions, with the use of yield curves characteristic of each transaction group. Where no repayment schedule is agreed for a product, it is assumed that the fair value is equal to the carrying amount of the transaction, or, in case of revolving products, the curves derived from the liquidity profile of these products and the expected behavioural duration of these exposures are used.

The yield curve used for fair value measurement of liabilities (such as customer and interbank deposits) and receivables (such as loans to customers and interbank deposits) of the Group comprises:

- the credit risk free yield curve,
- the cost of obtaining financing above the credit risk free yield curve,
- the market margin that reflects credit risk for receivables.

The yield curve for fair value measurement of loans is constructed through classification of loans into sub-portfolios depending on the product type and currency as well as customer segmentation. A margin is determined for each sub-portfolio taking into account credit risk. The margin is determined with the use of credit risk parameters of a given customer determined in the process of calculating the impairment of financial instruments.

The current credit risk margin and the current liquidity margin, the values of which are not quoted on an active market, are the non-observable parameters for all the categories.

The following table presents the book value and fair value of those financial assets and liabilities that are not reported in the Group's statement of financial position at their fair value, as well as the level of valuation classification.

30.06.2025	Book value	Fair value	Level
Financial assets			
Cash and cash balances at Central Bank	7,556,716	7,556,716	3
Amounts due from banks	9,392,969	9,002,561	3
Loans and advances to customers measured at amortised cost	86,546,644	86,257,145	3
Securities measured at amortised cost	36,479,945	35,311,066	1.3
Other financial assets	742,648	742,648	3
Financial liabilities			
Amounts due to banks	10,614,897	10,673,006	3
Amounts due to customers	129,261,652	128,529,156	2.3
Subordinated liabilities	3,413,087	3,764,114	3
Lease liabilities	580,900	580,900	3
Other financial liabilities	2,000,637	2,000,637	3

31.12.2024	Book value	Fair value	Level
Financial assets			
Cash and cash balances at Central Bank	11,325,551	11,325,551	3
Amounts due from banks	7,872,375	7,496,612	3
Loans and advances to customers measured at amortised cost	85,401,516	84,899,593	3
Securities measured at amortised cost	32,364,550	30,365,556	1.3
Other financial assets	1,029,154	1,029,154	3
Financial liabilities			
Amounts due to banks	9,994,802	10,554,417	2.3
Amounts due to customers	130,924,754	130,219,390	3
Subordinated liabilities	3,420,128	3,879,943	3
Lease liabilities	606,306	606,306	3
Other financial liabilities	1,042,979	1,042,979	3

1) Amounts due from banks and amounts due to banks

   Amounts due from banks and amounts due to banks include interbank deposits and interbank settlements. The fair value of fixed and floating rate deposits/placements is based on discounted cash flows determined by reference to money market interest rates for items with similar credit risk and residual maturity.

2) Loans and advances to customers

   The estimated fair value of loans and advances is the discounted value of future cash flows to be received, using the current market rates adjusted by financing cost and by actual or estimated credit risk margins.

   The fair value of loans and advances covered by the Law on Community Financing for Business Ventures and Borrower Assistance takes into account the impact of changes in repayment schedules resulting from the introduction of loan vacations.

3) Securities measured at amortised cost

   The fair value of securities measured at amortised cost was determined by reference to the published quoted prices in an active market for quoted securities (first level of measurement or a second level in case of reduced liquidity). However, for unquoted securities, fair value was determined using valuation techniques not based on available market data (third level of measurement).

4) Subordinated liabilities

Liabilities include subordinated loans. The fair value of the floating rate loan is based on discounted cash flows determined by reference to money market interest rates for items with similar credit risk and residual maturity.

5) Liabilities due to customers

The fair value of fixed and floating rate deposits is based on discounted cash flows determined by reference to money market interest rates adjusted by the actual cost of securing funds over the past three months. For demand deposits, it is assumed that the fair value is equal to their carrying amount.

6) Lease liabilities

The fair value of lease liabilities was determined as equal to their balance sheet value.

43. LOAN PORTFOLIO SALE

In the first half of 2025, the Bank concluded agreements for the sale of the retail loan portfolio.

Under the provisions of IFRS 9, the sale of a financial asset due to an increase in credit risk does not result in a change of the business model.

As a consequence, the Bank continues to maintain the portfolio of these loans under a business model that aims to hold the financial asset to generate contractual cash flows.

The gross carrying amount of the sold portfolio measured at amortised cost was PLN 113,924 thousand (PLN 182,777 thousand in the first half of 2024), the amount of impairment allowances created was PLN 85,977 thousand (PLN 122,007 thousand in the first half of 2024).

The contractual price for the sale of these portfolios was set at PLN 32,970 thousand (PLN 85,140 thousand in the first half of 2024). The net impact on the Bank's result due to the sale of portfolios amounted to PLN 5,023 thousand (PLN 24,370 thousand in the first half of 2024) and is presented in the line Net allowances for expected credit losses on financial assets and provisions for contingent liabilities.

44. SECURITIZATION

On 28 March 2024, the Bank entered into an agreement with the International Finance Corporation (“IFC”, “Investor”) for a synthetic securitization transaction executed on a portfolio of corporate loans/loans with a total value of PLN 2,180,097 thousand as at 31 December 2023. The main purpose of the transaction was to release capital that the Bank was used to finance climate projects (climate change mitigation projects focusing mainly on renewable energy, energy efficiency and green project financing).

As part of the transaction, the Bank transferred a significant part of the credit risk from the selected securitised portfolio to the Investor. The securitised selected loan portfolio remains on the Bank's books.

As at 30 June 2025, the value of the transaction portfolio included in the balance sheet and off-balance sheet amounted to PLN 603,722 thousand.

The closing date of the transaction according to the agreement is 31 December 2031.

The risk transfer of the securitised portfolio is implemented through a credit protection instrument in the form of a financial guarantee issued by the Investor up to PLN 58,780 thousand as at 30 June 2025. Costs on account of this guarantee are presented in Commission expenses - Guarantee commitments and documentary operations.

As at 30 June 2025, the conclusion of the transaction has the effect of increasing the consolidated Common Equity Tier 1 (CET1) ratio by 0.05 p.p., Tier 1 capital ratio by 0.05 p.p. and the consolidated total capital ratio (TCR) by 0.07 p.p. in relation to the BNP Paribas Bank Polska S.A. Capital Group reported data.

The transaction meets the material risk transfer requirements of the CRR Regulation and has been structured as meeting the STS criteria (simple, transparent and standard securitization) under Regulation 2021/557.

The Bank acted as facilitator of the transaction.

45. RELATED PARTY TRANSACTIONS

BNP Paribas Bank Polska S.A. operates within the BNP Paribas Bank Polska S.A. Capital Group.

BNP Paribas Bank Polska S.A. is the parent in the BNP Paribas Bank Polska S.A. Capital Group.

The ultimate parent company is BNP Paribas S.A., based in Paris.

As of 30 June 2025, the Capital Group of BNP Paribas Bank Polska S.A. comprised BNP Paribas Bank Polska S.A. as the parent company, and its subsidiaries:

1. BNP PARIBAS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A. („TFI").
2. BNP PARIBAS LEASING SERVICES SP. Z O.O. („LEASING").
3. BNP PARIBAS GROUP SERVICE CENTER S.A. („GSC").

All transactions between the Bank and its related parties were entered into as part of daily operations and included mainly loans, deposits, transactions with reference to derivative instruments as well as income and expenses related to advisory and financial intermediation services.

Transactions with shareholders of BNP Paribas Bank Polska S.A. and related parties

30.06.2025	BNP Paribas S.A. Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Total
Assets	**10,705,397**	**73**	**213,403**	**1,459**	**10,920,332**
Receivables on current accounts, loans and deposits	8,695,072	73	178,916	1,419	**8,875,480**
Derivative financial instruments	1,876,168	-	1,101	-	**1,877,269**
Derivative hedging instruments	134,140	-	-	-	**134,140**
Other assets	17	-	33,386	40	**33,443**
Liabilities	**13,494,529**	**38,945**	**883,489**	**3,345**	**14,420,308**
Loans and advances received	3,194,882	-	275,613	-	**3,470,495**
Current accounts and deposits	5,611,550	38,894	587,440	3,345	**6,241,229**
Subordinated liabilities	3,413,087	-	-	-	**3,413,087**
Derivative financial instruments	591,235	51	137	-	**591,423**
Derivative hedging instruments	621,022	-	-	-	**621,022**
Other liabilities	62,753	-	20,299	-	**83,052**
Contingent liabilities					
Financial commitments granted	-	-	231,635	2,057	**233,692**
Guarantee commitments	256,033	77,613	502,615	-	**836,261**
Commitments received	248,587	112,300	2,232,592	-	**2,593,479**
Derivative instruments (nominal value)	65,013,866	60,947	22,589	-	**65,097,402**
Hedging derivative instruments (nominal value)	30,809,150	-	-	-	**30,809,150**
Statement of profit or loss	**285,476**	**(449)**	**(7,301)**	**33**	**277,759**
HY 2025 from 01.01.2025 to 30.06.2025					
Interest income	144,518	156	8,853	70	**153,597**
Interest expenses	(309,633)	(554)	(13,996)	(37)	**(324,220)**
Fee and commission income	-	-	987	-	**987**
Net trading income	482,237	(51)	(320)	-	**481,866**
Other operating income	-	-	55,096	-	**55,096**
Other operating expenses	-	-	(14,508)	-	**(14,508)**
General administrative expenses	(31,646)	-	(43,413)	-	**(75,059)**

31.12.2024	BNP Paribas S.A. Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Total
Assets	**9,367,983**	**1,663**	**194,294**	**2,584**	**9,566,524**
Receivables on current accounts, loans and deposits	7,466,281	1,663	167,344	2,520	**7,637,808**
Derivative financial instruments	1,670,668	-	8,614	-	**1,679,282**
Derivative hedging instruments	231,025	-	-	-	**231,025**
Other assets	9	-	18,336	64	**18,409**
Liabilities	**13,396,820**	**26,789**	**1,033,503**	**1,973**	**14,459,085**
Loans and advances received	3,363,979	-	278,432	-	**3,642,411**
Current accounts and deposits	5,020,715	26,789	722,019	1,973	**5,771,496**
Subordinated liabilities	3,420,128	-	-	-	**3,420,128**
Derivative financial instruments	750,285	-	2,356	-	**752,641**
Derivative hedging instruments	841,713	-	-	-	**841,713**
Other liabilities	-	-	30,696	-	**30,696**
Contingent liabilities					
Financial commitments granted	-	-	294,101	1,145	**295,246**
Guarantee commitments	430,288	86,650	662,905	-	**1,179,843**
Commitments received	440,132	121,264	2,270,042	-	**2,831,438**
Derivative instruments (nominal value)	75,378,215	-	184,840	-	**75,563,055**
Hedging derivative instruments (nominal value)	29,817,809	-	-	-	**29,817,809**
Statement of profit or loss	**353,002**	**(680)**	**(71,727)**	**15**	**280,610**
HY 2024 from 01.01.2024 to 30.06.2024					
Interest income	259,681	-	2,165	71	**261,917**
Interest expenses	(337,993)	(680)	(24,083)	(56)	**(362,812)**
Fee and commission income	-	-	1,220	-	**1,220**
Net trading income	487,947	-	-	-	**487,947**
Other operating income	-	-	29,414	-	**29,414**
Other operating expenses	-	-	(38,185)	-	**(38,185)**
General administrative expenses	(56,633)	-	(42,258)	-	**(98,891)**

Remuneration of the Management Board and Supervisory Board

Management Board	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Short-term employee benefits	9,833	10,938
Long-term benefits	3,864	2,853
Share-based payments*	3,945	3,840
Issued shares**	2,096	1,855
Total	**19,738**	**19,486**

*includes an amount recognised in the Bank's capital linked to the Bank's shares taken up in the future (in accordance with the variable remuneration policy)
**value of shares issued based on actuarial valuation

Supervisory Board	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Short-term employee benefits	884	883
Total	**884**	**883**

46. OPERATING SEGMENTS

Segment reporting

The Bank has divided its activities and applied the identification of income and expenses and assets and liabilities into the following reportable operating segments:

- Retail and Business Banking,
- Small and Medium-Sized Enterprises (SME),
- Corporate Banking,
- Corporate and Institutional Banking (CIB),
- Other Operations, including ALM Treasury and the Corporate Centre.

In addition, it has been presented performance related to:

- Agro customers, i.e. individual farmers and agro-food sector enterprises,
- the Personal Finance.

Although the aforesaid segment performance overlaps with that of the basic operating segments, it is additionally monitored separately for purposes of the Group's management reporting.

The abovementioned segmentation reflects the principles of customer classification to each segment in line with the business model adopted by the Group, which are based on entity and financial criteria (in particular the amount of turnover, level of credit exposure and assets collected) and the type of business. The detailed rules for assigning customers to specific segments are governed by the Group's internal regulations.

The Group's management performance is monitored by considering all items of the statement of profit or loss of the particular segment, to the level of gross profit, i.e. for each segment revenue, expenses and net impairment losses are reported. Management revenue takes into account cash flows between customer segments and the asset liability management unit, measured by reference to internal transfer prices of funds based on market prices and liquidity margins for each maturity and currency. Management expenses of the segments include direct operating expenses and expenses allocated using the allocation model adopted by the Group. Additionally, the management performance of the segments take into account amounts due to each business line for services between such lines.

The Group's operations are conducted in Poland only. As no considerable differences in the risks, which might be affected by the geographical location of the Bank's branches, can be identified, no geographical disclosures have been presented.

The Group applies consistent, detailed principles to all identified segments. As regards the revenue, in addition to standard items, components of the net interest income of the segments have been identified, to include external and internal revenue and expenses. As regards operating expenses, the Group's indirect expenses are allocated to each segment in the Expense allocation (internal) item. Considering the profile of the Group's business, no material seasonal or cyclical phenomena are identified. The Group provides financial services, the demand for which is stable, and the effect of seasonality is immaterial.

Characteristics of operating segments

Retail and Business Banking Segment covers comprehensive services to retail customers, including private banking customers, as well as business clients (microenterprises). The scope of financial services offered by this area includes maintenance of current and deposit accounts, acceptance of term deposits, granting mortgage loans, cash loans, mortgage advances, overdrafts, loans to microenterprises, issuing debit and credit cards, cross-border cash transfers, foreign exchange transactions, sale of insurance products as well as other services of lesser importance to the Group's income. Additionally, the performance of the Retail and Business Banking Segment includes: performance of brokerage services and distribution and storage of investment fund units.

Retail and Business Banking customers are served through the Bank's branches and alternative channels, i.e. online banking, mobile banking and telephone banking, the Premium Banking channel and Wealth Management. In addition, sales of selected products is carried out through financial intermediaries both nationwide and locally.

Personal Finance Segment is responsible for development of product offering and management of financial services provided to consumers, with the following major products: cash loans, car loans, instalment loans and credit cards. The aforesaid products are distributed through the Retail and Business Banking branch network as well as external distribution channels.

SME Banking Segment and Corporate Banking Segment provide services to business customers and offer a wide range of services to companies, as well as corporate clients, financial institutions and public sector entities. Distribution network for Corporate Banking is based on Regional Corporate Banking Centres located in Warsaw, Łódź, Gdańsk, Poznań, Wrocław, Katowice, Kraków and Lublin. As part of the Regional Corporate Banking Centers, there are Corporate Banking Centers located in the largest business centres in Poland, ensuring a wide geographical and sector coverage. After-sales service for the clients of the Corporate Banking segment is also carried out by the Telephone Business Service Center and in the online banking system.

The main products provided to Business Customers include cash management and global trade finance services – comprehensive services related to import and export LCs, bank guarantees and documentary collection, supply chain and exports financing, acceptance of deposits (from overnight to term deposits), financing in the form of, inter alia, overdrafts, revolving and investment loans, loans from the group of agribusiness financing products, financial market products, including the conclusion of customer foreign exchange and derivative transactions, leasing and factoring products, as well as specialised services such as real estate financing, structured financing for mid-caps, investment banking and related services for public sector entities: organisation of municipal bond issues, forfaiting, dedicated cash management solutions.

The Corporate and Institutional Banking (CIB) Segment supports sales of products of the Group, dedicated to the largest Polish enterprises including services provided to key clients.

Other Banking Operations of the Group are performed mainly through the Asset and Liability Management Division (ALM Treasury). The main objective of the Division is ensuring an appropriate and stable level of funding to guarantee the security of the Bank's operations and compliance with the standards defined in the applicable laws. The ALM Treasury assumes responsibility for liquidity management at the Bank, setting internal and external reference prices, management of the interest rate risk inherent in the Group's balance sheet as well as the operational and structural currency risk. The ALM Treasury focuses on both prudential (compliance with external and internal regulations) and optimisation aspects (financing cost management and generating profit on management of the Group's items from the statement of financial position).

The Other Operations segment includes also direct costs of the support functions, which have been allocated to segments in the Expense allocation (internal) item, as well as results that may not be assigned to any of the aforementioned segments (to include equity investment, gains/losses on own accounts and customer accounts not allocated to a specific segment).

30.06.2025	Retail and Business Banking	SME Banking	Corporate Banking	CIB	Other Operations	Total	including Agro customers	including Personal Finance
Statement of profit or loss for the period of 6 months ended 30 June 2025*								
Net interest income	1,632,178	298,020	744,919	48,331	244,220	**2,967,667**	354,257	354,814
external interest income	1,865,516	243,990	878,068	189,442	1,828,927	**5,005,943**	558,980	747,767
external interest expenses	(803,174)	(149,800)	(269,012)	(4,909)	(811,380)	**(2,038,276)**	(77,228)	(98,677)
internal interest income	1,781,934	370,928	839,148	7,191	(2,999,200)	**-**	255,858	-
internal interest expenses	(1,212,098)	(167,098)	(703,285)	(143,392)	2,225,874	**-**	(383,353)	(294,276)
Net fee and commission income	374,071	63,957	196,160	24,068	(2,647)	**655,611**	62,457	80,390
Dividend income	-	-	1,696	-	2,693	**4,389**	541	-
Net trading income (including result on foreign exchange)	56,401	45,744	208,499	188,815	103,542	**603,001**	36,872	(76)
Result on investment activities	-	-	(1)	-	(2,969)	**(2,970)**	-	-
Result on hedge accounting	-	-	-	-	(2,829)	**(2,829)**	-	-
Other operating income and expenses	(39,420)	1,019	(778)	1,345	26,123	**(11,711)**	(260)	(93)
Result on derecognition of financial assets measured at amortised cost	(964)	(1,560)	1,567	-	(30)	**(986)**	301	(1,805)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(2,180)	41,241	(42,164)	(4,614)	(1,288)	**(9,004)**	30,566	(21,857)
Result on legal risk related to foreign currency loans	(314,263)	-	-	-	-	**(314,263)**	-	-
General administrative expenses	(612,689)	(63,194)	(249,422)	(54,274)	(527,347)	**(1,506,926)**	(8,726)	(165,198)
Depreciation and amortization	(58,569)	(735)	(37,273)	(8,794)	(150,384)	**(255,754)**	(119)	(8,710)
Expense allocation (internal)	(444,358)	(116,945)	(104,509)	1,433	664,379	**-**	-	(51,501)
Operating result	**590,207**	**267,547**	**718,694**	**196,310**	**353,463**	**2,126,225**	**475,889**	**185,964**
Tax on financial institutions	(107,063)	(16,830)	(64,357)	(11,806)	3,286	**(196,771)**	-	(26,194)
Profit before income tax	**483,144**	**250,717**	**654,337**	**184,504**	**356,749**	**1,929,454**	**475,889**	**159,770**
Income tax expense	-	-	-	-	-	**(454,160)**	-	-
Net profit for the period						**1,475,294**		
Statement of financial position as at 30 June2025*								
Segment assets	44,155,830	6,479,591	33,531,740	7,088,508	77,292,890	**168,548,558**	13,643,557	15,296,832
Segment liabilities	77,843,721	16,990,785	41,568,017	-	16,317,815	**152,720,339**	12,418,726	-

* As the figures have been rounded and presented in PLN '000, in some cases their total may not correspond to the exact grand total.

30.06.2024	Retail and Business Banking	SME Banking	Corporate Banking	CIB	Other Operations	Total	including Agro customers	including Personal Finance
Statement of profit or loss for the period of 6 months ended 30 June 2024* restated								
Net interest income	1,379,142	308,890	783,190	54,120	96,177	**2,621,519**	369,148	372,747
external interest income	1,968,470	280,925	921,327	200,076	1,482,606	**4,853,405**	622,782	740,578
external interest expenses	(978,487)	(179,432)	(337,978)	(7,100)	(728,889)	**(2,231,886)**	(85,678)	(93,633)
internal interest income	1,648,639	398,429	933,928	7,944	(2,988,941)	**-**	261,941	-
internal interest expenses	(1,259,481)	(191,031)	(734,087)	(146,801)	2,331,400	**-**	(429,897)	(274,198)
Net fee and commission income	347,434	66,809	184,886	24,820	(1,377)	**622,570**	68,618	74,940
Dividend income	-	-	1,963	-	3,389	**5,352**	184	-
Net trading income (including result on foreign exchange)	58,031	41,081	180,450	100,980	36,476	**417,019**	36,052	(14)
Result on investment activities	-	-	-	-	8,789	**8,789**	-	-
Result on hedge accounting	-	-	-	-	5,561	**5,561**	-	-
Other operating income and expenses	(31,360)	(277)	(279)	(13)	(5,212)	**(37,138)**	(877)	(3,690)
Result on derecognition of financial assets measured at amortised cost	(2,006)	(630)	(169)	-	(2,719)	**(5,524)**	769	(2,882)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(23,296)	3,091	530	(67,921)	(488)	**(88,085)**	25,595	(32,668)
Result on legal risk related to foreign currency loans	(210,772)	-	-	-	-	**(210,772)**	-	-
General administrative expenses	(576,358)	(72,499)	(228,924)	(55,166)	(537,715)	**(1,470,662)**	(8,844)	(152,969)
Depreciation and amortization	(63,355)	(1,045)	(35,576)	(9,535)	(144,307)	**(253,818)**	(139)	(8,463)
Expense allocation (internal)	(442,560)	(111,775)	(108,879)	(1,479)	664,693	**-**	-	(64,120)
Operating result	**434,900**	**233,645**	**777,192**	**45,806**	**123,267**	**1,614,811**	**490,506**	**182,881**
Tax on financial institutions	(92,916)	(12,933)	(62,282)	(13,299)	(23,180)	**(204,611)**	**-**	(26,660)
Profit before income tax	**341,984**	**220,712**	**714,910**	**32,507**	**100,087**	**1,410,200**	**490,506**	**156,221**
Income tax expense	-	-	-	-	-	**(196,634)**	-	-
Net profit for the period						**1,213,566**		
Statement of financial position as at 31 December 2024*								
Segment assets	44,241,900	6,745,374	31,188,298	5,089,125	80,274,894	**167,539,589**	14,475,650	15,135,293
Segment liabilities	76,154,055	17,670,878	45,168,667	-	13,151,934	**152,145,533**	12,650,778	-

* As the figures have been rounded and presented in PLN '000, in some cases their total may not correspond to the exact grand total.

47. THE SHAREHOLDER'S STRUCTURE OF BNP PARIBAS BANK POLSKA S.A.

The table below shows the Bank's shareholding structure as at 30 June 2025, including those holding at least 5% of the total number of votes at the General Meeting of Shareholders:

Shareholder	Number of shares	Percentage interest in share capital	Number of votes at the General Meeting of Shareholders	Percentage share in the total number of votes at the general shareholders' meeting
BNP Paribas, total:	120,124,392	81.23%	120,124,392	81.23%
BNP Paribas directly	84,634,166	57.23%	84,634,166	57.23%
BNP Paribas Fortis SA/NV directly	35,490,226	24.00%	35,490,226	24.00%
Other shareholders	27,756,099	18.77%	27,756,099	18.77%
Total	**147,880,491**	**100.00%**	**147,880,491**	**100.00%**

* Due to rounding, individual values may not add up.

As of 30 June 2025, the Bank's share capital amounted to PLN 147,880,491.

The share capital is divided into 147,880,491 shares with the par value of PLN 1.00 each, including: 15,088,100 A series shares, 7,807,300 B series shares, 247,329 C series shares, 3,220,932 D series shares, 10,640,643 E series shares, 6,132,460 F series shares, 8,000,000 G series shares, 5,002,000 H series shares, 28,099,554 I series shares, 2,500,000 J series shares, 10,800,000 K series shares, 49,880,600 L series shares, 322,859 M series shares and 138,714 N series shares.

Four B series registered shares in the Bank are preference shares with respect to payment of the full par value per share in the event of the Bank's liquidation, once the creditors' claims have been satisfied, with priority over payments per ordinary shares, which, after the rights attached to the preference shares have been exercised, may be insufficient to cover the total par value of those shares.

The total number of votes resulting from all the Bank's shares was 147,880,491 votes. The number of votes resulting from the M series shares granted in 2025 was 20,223 votes and from the N series shares 60,398 votes respectively.

Changes in the shareholder's structure in the first half of 2025

On 7 April 2025, the Bank's share capital was increased from PLN 147,799,870 to PLN 147,820,093 as a result of the subscription of 20,223 series M shares in execution of rights from previously subscribed registered subscription warrants of series A5.

On 8 April 2025, the Bank's share capital was increased from PLN 147,820,093 to PLN 147,880,491 as a result of the subscription of 60,398 series N shares in execution of rights from previously subscribed registered subscription warrants of series B2.

Intention of BNP Paribas regarding the liquidity of the Bank's shares

In accordance with the information received from BNP Paribas S.A. - the Bank's main shareholder – BNP Paribas S.A. declares its intention to increase the number of the Bank's free float shares to at least 25% in the future.

BNP Paribas Bank Polska shares held by the members of the Bank's Management Board and Supervisory Board

Summary of the holdings of Bank shares and share entitlements by members of the Bank's Management Board and Supervisory Board as at the date of submission of the Financial Statements for the first quarter of 2025 (14 May 2025) and the Report for the first half of 2025 (12 August 2025) is presented below.

MEMBER OF THE BANK'S MANAGEMENT BOARD	SHARES	SUBSCRIPTION WARRANTS[1]	SALE OF SHARES	SHARES	SUBSCRIPTION WARRANTS[1]
	14.05.2025	14.05.2025		12.08.2025	12.08.2025
Przemysław Gdański	47,646	8,203	-	47,646	8,203
André Boulanger	-	5,163	-	-	5,163
Małgorzata Dąbrowska	-	1,208	-	-	1,208
Wojciech Kembłowski	-	3,590	-	-	3,590
Piotr Konieczny	455	1,571	-	455	1,571
Magdalena Nowicka	2,392	2,632	-	2,392	2,632
Volodymyr Radin	1,364	2,333	-	1,364	2,333
Agnieszka Wolska	6,538	2,905	-	6,538	2,905

MEMBER OF THE BANK'S SUPERVISORY BOARD	SHARES	SUBSCRIPTION WARRANTS[1]	SALE OF SHARES	SHARES	SUBSCRIPTION WARRANTS[1]
	14.05.2025	14.05.2025		12.08.2025	12.08.2025
Jean-Charles Aranda	1,828	770	-1,828	-	770

1) Subscription warrants taken up on 24.03.2025: series A6 - one series A6 warrant entitles to take up one series M ordinary bearer share of BNP Paribas Bank Polska S.A., at the issue price of PLN 1.00 per share; and series B3 - one series B3 warrant entitles to take up one series N ordinary bearer share of BNP Paribas Bank Polska S.A., at the issue price of PLN 1.00 per share.

The other members of the Supervisory Board did not declare their ownership of the Bank's shares/entitlements as at 12 August 2025, which has not changed since the date of the submission of the financial report for the first quarter of 2025 i.e.14 May 2025.

48. DIVIDENDS PAID

The Annual General Meeting of Shareholders of the Bank on 15 April 2025 adopted a resolution on the payment of a dividend from the net profit made in 2024. Based on that, the Bank paid a dividend on 9 May 2025 in the amount of PLN 1,162,340,659.26, i.e. PLN 7.86 per share. The dividend covers all shares issued by the Bank, i.e. 147,880,491 shares.

49. DISTRIBUTION OF RETAINED EARNINGS

In accordance with the Resolution No. 7 of the Annual General Meeting of Shareholders of the Bank dated 15 April 2025 on distribution of the profit of BNP Paribas Bank Polska Spółka Akcyjna and payment of a dividend for the financial year 2024 from the net profit generated in 2024 in the amount of PLN 2,320,797,922.26 (two billion three hundred twenty million seven hundred ninety seven thousand nine hundred and twenty two zlotys and twenty six groszy) the Bank paid a dividend in the amount of PLN 1,162,340,659.26, PLN 658,457,263.00 was allocated to the reserve capital and remaining part remained undistributed profit.

50. LITIGATION, CLAIMS AND ADMINISTRATIVE PROCEEDINGS

Legal risk

As of 30 June 2025, there were no proceedings in the court, arbitration tribunal or state administration authorities regarding liabilities or receivables of the Bank, the value of which would exceed 10% of the Bank's equity.

Court decision regarding calculation of the interchange fee

On 6 October 2015, the Court of Appeals issued a decision regarding calculation of the interchange fee by banks acting in agreement. Thus, the decision of the first instance (Regional) Court of 2013 was changed by dismissing the banks' appeals in whole, while upholding the appeal brought by the Office of Competition and Consumer Protection (UOKiK), which had questioned a considerable reduction in the fines by the first instance court. This denotes that the penalty imposed under the first decision of the President of UOKiK of 29 December 2006 was upheld. It involved a fine levied on 20 banks, including Bank BGŻ S.A. and Fortis Bank Polska S.A., for practices limiting competition by calculating interchange fees on Visa and MasterCard transactions in Poland in agreement.

The total fine levied on Bank BGŻ BNP Paribas S.A. (presently BNP Paribas Bank Polska S.A.) amounted to PLN 12,554 thousand and included:

- a fine for the practice of Bank Gospodarki Żywnościowej in the amount of PLN 9,650 thousand; and
- a fine for the practice of Fortis Bank Polska S.A. (FBP) in the amount of PLN 2,895 thousand.

The penalty was paid by the Bank on 19 October 2015. The Bank prepared a last resort appeal against the aforesaid court decision and brought it on 25 April 2016. On 25 October 2017, the Supreme Court overruled the judgment of the Court of Appeal and remitted the case. Acquisition of the core business of RBPL did not change the situation of the Bank as RBPL was not a party to this claim.

On 23 November 2020, the Court of Appeal quashed the judgment of the first instance court and remitted the case for re-examination. In November 2022, the first hearing was held. The case is pending.

Corporate claims against the Bank (interchange fee)

As of 30 June 2025 the Bank received:

- 33 requests for settlement from companies (merchants), due to interchange fees paid in relation to the use of payment cards, (two from companies which submitted their requests twice and, one from the company which submitted its request three times and one from a company which submitted two requests for different payment methods). The total amount of these claims was PLN 1,028,020 thousand, including PLN 1,018,050 thousand where the Bank had joint responsibility with other banks.
- 4 requests for mediation before the PFSA. The requests were sent to the Bank by the same entrepreneurs who had previously submitted requests for a settlement attempt. The total value of claims arising from the above applications amounts to PLN 40,290 thousand, of which PLN 37,790 thousand relates to joint liability with other banks.
- Most of the settlement requests after the Bank's refusal to enter into negotiations did not end up in court.

Litigation and claims of investment fund participants in connection with the performance of the function of investment fund depositary.

As of 30 June 2025, the Bank had received a total of 185 individual lawsuits and 6 collective lawsuits by investment fund participants, related to the performance of the function of investment fund depositary (including the performance of this function by Raiffeisen Bank Polska S.A.).

The total amount of claims under the above-mentioned lawsuits is PLN 208,936 thousand. The total amount of provision is PLN 3,322 thousand.

The first two group lawsuits were filed by participants of the Retail Parks Fund Closed Investment Fund of Non-Public Assets in Liquidation (hereinafter RPF Fund), respectively: on behalf of 397 participants, value of claims: PLN 96,221 thousand and on behalf of 181 participants, value of claims: PLN 25,302 thousand.

Other group lawsuits concern the determination of the Bank's liability for the Bank's operations as depositary of the following funds: 3) PSF 2 Closed Investment Fund of Non-Public Assets (on behalf of 17 fund participants; no indication of the amount of claims), 4) PSF Closed Investment Fund of Non-Public Assets (on behalf of 81 fund participants; no indication of the amount of claims), 5) EPEF Closed Investment Fund of Non-Public Assets (lawsuit filed on behalf of 42 fund participants; the amount of claims – PLN 128 thousand) and 6) PSF Lease Closed Investment Fund of Non-Public Assets (on behalf of 38 fund participants; the amount of claims: PLN 8,988 thousand).

The allegations raised in the lawsuits focus, in particular, on the improper performance by Raiffeisen Bank Polska S.A., and then the Bank, of its obligations to ensure that the value of an investment fund's net assets and the value of net assets per investment certificate are calculated in accordance with the law and the investment fund's statute, and the obligation to verify the compliance of an investment fund's operations with the law governing investment funds or with the statute. The Bank's position is that the claims of fund participants against the Bank are unfounded.

By 30 June 2025, there were a total of **20 non-final judgments of the courts** of first instance:

- 1 judgment unfavourable to the Bank (the Court in the case concerning the InMedica fund awarded the amount of: PLN 64 thousand in favour of the plaintiff due to improper diversification of the fund's assets);
- 19 judgments in favour of the Bank (actions of individual fund participants dismissed due to lack of prerequisites for the Bank's liability for damages).

Administrative proceedings of the Polish Financial Supervision Authority for the imposition of a penalty in connection with the performance of the function of depositary of investment funds

On 28 September 2022 the Polish Financial Supervision Authority initiated administrative proceedings for the imposition of an administrative penalty against the Bank pursuant to Article 232(1a) of the Act on Investment Funds and Management of Alternative Investment Funds, in connection with the Bank's suspected breach of the provisions of the aforementioned Act during the period 31 January 2017 to 31 August 2019, by failing to exercise due diligence on the factual and legal acts carried out by two investment funds, PSF Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych and PSF 2 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, to ensure that the net asset value of these funds and the net asset value per investment certificate were calculated in accordance with the law and the statutes of these funds.

By decision of 14 June 2024, the Polish Financial Supervision Authority imposed a fine of PLN 1,000 thousand on the Bank for breach of obligations related to ensuring that the net asset value of the funds and the net asset value per investment certificate are calculated in accordance with the law, for valuation dates falling between 31 October 2018 and 31 July 2019. In its rationale for the decision, the PFSA indicated that the breach of the aforementioned depositary duties consisted mainly of: i.) not obtaining full information on the financial situation of the issuers of the bonds that the funds were purchasing, which resulted in the Depositary not being able to fully assess the bond issuers' ability to redeem the bonds, ii.) not performing an analysis of the impact of circumstances regarding the financial situation of bond issuers on the rationale for impairment losses on bonds and the final fair value measurement of bonds, iii.) fail to investigate the reasons for negative capital on the part of bond issuers and the possible impact of these circumstances on the bond issuers' ability to repay their bond redemption obligations. The PFSA dismissed the proceedings in part to ensure that the net asset value of these funds and the net asset value per investment certificate are calculated in accordance with the statutes of these funds for the asset valuation days falling between 31 October 2018 and 31 July 2019, and in part to ensure that the net asset value of these funds and the net asset value per investment certificate are calculated in accordance with the law and the statutes of these funds for the asset valuation days falling between 31 January 2017 and 30 October 2018 (acting as depositary by Raiffeisen Bank Polska S.A.) and from 1 August 2019 to 31 August 2019.

On 4 July 2024 the Bank applied for reconsideration of the case by the Polish Financial Supervision Authority.

The Bank has created a provision in the amount of the penalty imposed.

The Polish Financial Supervision Authority has informed the Bank that the proceedings to determine the aforementioned application are scheduled to be completed in August 2025.

On 7 December 2022, the Polish Financial Supervision Authority initiated administrative proceedings for the imposition of a penalty under Article 232(1a) of the Act on Investment Funds and Management of Alternative Investment Funds, in connection with the Bank's suspected breach of the provisions of the aforementioned Act in the years 2017 - 2019, by failing to exercise continuous control over the factual and legal actions carried out Retail Parks Fund Non-Public Assets Closed-End Investment Fund, in connection with the valuation of the fund's assets, aimed at ensuring that the net asset value of the fund and the net asset value per investment certificate are calculated in accordance with the law.

By decision of 14 June 2024, the Polish Financial Supervision Authority imposed a fine of PLN 500 thousand on the Bank for breach of duties related to ensuring that the fund's net asset value and the net asset value per investment certificate were calculated in accordance with the law, for the valuation days falling on 30 November 2018 and 28 February 2019.

In the justification for the decision, the PFSA indicated that the breach of the above-mentioned duties of the Depositary consisted primarily in the failure to conduct a thorough analysis of the circumstances affecting the determination of the situation of the issuers of the bonds purchased by the fund and to obtain sufficient information on the circumstances affecting this situation.

As a result the Depositary did not recognise the legitimacy of making impairment allowances for the bonds in an appropriate amount and the valuation of the bonds was inadequate to their actual value. The PFSA dismissed the proceedings in the part concerning the suspected breach in the period from 1 January 2017 to 30 October 2018.

On 4 July 2024 the Bank has applied for reconsideration of the case by the Polish Financial Supervision Authority.

The Bank has created a provision in the amount of the penalty imposed.

The Polish Financial Supervision Authority informed the Bank that the proceedings for the recognition of the aforementioned application are scheduled to be completed in July 2025. As of the date of publication of this report, the Bank has not received a decision or information on the extension of the proceedings.

Proceedings on practices violating collective consumer interests - unauthorised transactions

On 8 July 2022, the Office of Competition and Consumer Protection (UOKiK) initiated proceedings related to the practices violating the collective interests of consumers. The UOKiK alleges that the Bank, upon receipt of a consumer complaint regarding an unauthorised transaction, does not automatically return funds to customers within the D+1 deadline, but instead conducts an initial clarification procedure to determine whether the transaction in question should be considered as accepted/conducted by the customer. The second allegation of the UOKiK relates to the Bank providing inappropriate information to customers when rejecting complaints about the disputed transaction. When rejecting such complaints, the Bank explained that, according to its systems, the transaction is considered authorised, because it has been confirmed in accordance with the provisions of the contract applicable to the customer, including through elements that only he/she should be aware of, and thus, if the customer questions this the situation should be considered as customer negligence.

The UOKiK made similar allegations against more than a dozen other banking sector entities.

In August and December 2024 as well as in March 2025, the UOKiK requested additional information. The proceedings were extended until 11 August 2025.

Information regarding costs of provisions for unauthorized client transactions are described in Note 16 Other operating costs.

Proceedings for practices violating the collective interests of consumers - credit holidays

On 5 September 2022, the Bank received the UOKiK's decision to initiate proceedings against practices that violate the collective interests of consumers by limiting the possibility to apply for a mortgage loan withholding by limiting one application to 2 months, whereas the customer should be able to apply for all periods at the same time (up to 8 months).

The Bank disagreed with the allegations and has sent its reply to UOKiK, in which it pointed that the Bank accepted and processed all individual applications applied by customers (for any number of months). Thus, there was no violation of the collective interests of consumers, as the Bank did not deprive customers of their rights, but only failed to fully automate the electronic application as at the effective date of the law. At the same time, the Bank informed UOKiK that it had changed the questioned practice by launching a new application form in GOonline e-banking on 8 September 2022, allowing customers to apply for any/all periods simultaneously (up to 8 months).

<u>On 17 January 2023, the Bank received the Decision of the UOKiK, in which:</u>

- it recognised the questioned practice as violating the collective interests of consumers;
- the practice was found to be abandoned;
- it ordered publication of the decision;
- it imposed a penalty on the Bank in the amount of PLN 2,721 thousand (reduced by 50% (30% - for cessation of the practice, 20% as a result of initiating a meeting and expressing willingness to cooperate).

On 17 February 2023, the Bank has appealed the decision to the Competition and Consumer Protection Court. On 8 December 2023, the court delivered to the Bank the UOKiK's response to the Bank's appeal, filed with the UOKiK on 28 August 2023.

The Bank has created a provision in the amount of the penalty imposed.

On 24 March 2025, the Court announced its judgment dismissing the Bank's appeal.

The bank has appealed the judgment.

Court proceedings concerning the institution of free credit sanctions referred to in Article 45 of the Consumer Credit Act of 12 May 2011 (“u.k.k.”)

The institution of the sanction of free credit is regulated in Article 45 of the Consumer Credit Act, according to which, in the event of a breach by the creditor of the provisions of the Act listed therein, the consumer, after submitting a written statement to the creditor, shall repay the credit without interest and other credit costs due to the creditor within the time limit and in the manner agreed in the credit agreement, and if no such manner has been agreed, shall repay the credit in equal instalments, payable monthly, from the date of the conclusion of the credit agreement. Pursuant to Article 45(5) of the Consumer Credit Act., the entitlement to the sanction of free credit expires one year after the execution of the credit agreement.

The first lawsuits related to customers' use of the free credit sanction institution started to be received by the Bank in 2021. As at 30 June 2025, the Bank had received 1,093 lawsuits with a total litigation value of PLN 23,474 thousand.

As at 30 June 2025, the value of recognised provisions amounted to PLN 1,320 thousand.

The Bank disputes the validity of the claims raised in these cases. The jurisprudence to date is overwhelmingly in favour of the Bank.

Out of all the cases pending against the Bank: 743 are at first instance, 161 are at the second instance stage, while 189 have been finalised.

The use of the sanction of free credit is also alleged in the Bank's debt collection proceedings. As at 30 June 2025, the plea in question has been raised in 46 such cases.

Legal issues concerning the institution of the sanction of free credit are the subject of numerous preliminary questions addressed by Polish courts to the Court of Justice of the European Union (CJEU), concerning:

- the admissibility of interest on non-interest credit costs and the information obligations incumbent on financial institutions in this regard (C-566/24 and C-744/24),
- the interpretation of the one-year time limit for declaring the sanction of free credit (Case C-566/24),
- the scope of the consumer's information on the early repayment procedure (Cases C-566/24, C-831/24) and the consumer's right of withdrawal (Case C-566/24),
- examination by the court of its own motion of the creditor's infringement of provisions other than those specified in the declaration of free credit (Case C-831/24),
- the admissibility of the assignment of claims arising from a consumer credit agreement and the obligation of the court to examine the assignment agreement ex officio from the point of view of the abusive nature of the provisions contained therein (C-80/24)
- the permissible method of determining the consideration to which a consumer is entitled under an assignment agreement (Case C-600/24),
- the application of the sanction of free credit in the light of the principle of proportionality (C-566/24, C-831/24).

On 24 October 2024, the Court of Justice (EU) handed down its judgment in Case C-339/23 (Horizon). The CJEU ruled that the provisions of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC allow the Member States to introduce various sanctions for failure to carry out a consumer credit assessment and for breach of the information obligations set out in the Directive. The CJEU did not analyse the Polish legislation or identify a specific sanction for breaching the obligation to carry out a consumer creditworthiness assessment, noting that the choice of sanctions is up to the Member State, provided that they are effective, proportionate and dissuasive. In Article 45 u.k.k., the legislator did not provide for the possibility of applying a free credit sanction for a bank's breach of its obligation to examine the consumer's creditworthiness.

On February 13, 2025, the CJEU issued a judgment in case C-472/23, concerning the impact of overstating the annual percentage rate of charge, i.e., APR (as a result of provisions providing for interest on non-interest costs being declared unlawful), on the breach of the information obligation by the lender, which may result in the application of the free credit sanction, the principles of formulating clauses providing for the conditions for changing fees and commissions, and the proportionality of national regulations providing for a uniform sanction for each breach of information obligations. The CJEU ruled:

1. the fact that the value of the APR quoted in the credit agreement was inflated as a result of the recognition of certain contractual terms as abusive does not in itself constitute a breach of the information obligation imposed on the lender which may result in the application of the free credit sanction,

2. clauses in a credit agreement which provide for a change in the amount of charges payable under the agreement shall be set out in a clear and comprehensible manner, so that a reasonably well-informed and reasonably observant and diligent consumer is able to ascertain the circumstances justifying any increase in charges and the effect of such circumstances on the change in charges,

3. the principle of the proportionality of penalties does not preclude national legislation which, in the event of a breach of an information obligation imposed on the lender, provides for a unified penalty consisting in the removal of the lender's right to interest and charges, irrespective of the individual gravity of such a breach, in so far as that breach is likely to affect the consumer's ability to assess the extent of his obligation.

The interpretation of the provisions on the institution of free credit sanctions is also the subject of legal issues referred for consideration by the Supreme Court, concerning: the obligation of the adjudicating court to examine all of the circumstances justifying the application of the free credit sanction (including those not mentioned in the consumer's declaration in respect of the free credit sanction), the interpretation of the one-year time limit for the submission of the declaration on the use of free credit sanctions, the interaction between the abusiveness regime and the free credit sanction, as well as the admissibility of interest on non-interest costs and the possibility of applying free credit sanctions on this account (ref. III CZP 3/25 and III CZP15/25).

Lawsuits concerning mortgage loan agreements with interest rates based on WIBOR

In the first quarter of 2022, the first media reports of lawsuits against banks challenging WIBOR in loan agreements (with allegations that clauses relating to WIBOR are abusive, or alternatively that the agreement is invalid) appeared in Poland. These lawsuits seek to challenge WIBOR as the basis for variable interest rates. In addition, the extent to which and the manner in which consumers are provided with instructions and information about the volatility of the index as well as the methods of calculating the index and the factors influencing its change are undermined.

In January 2023, the Bank received the first lawsuits challenging the WIBOR and variable interest rate clauses based on the WIBOR benchmark in the mortgage loan agreements.

By 30 June 2025, the Bank had received a total of 89 lawsuits (two lawsuit was withdrawn). The lawsuits were filed on behalf of consumers and relate to mortgage loan agreements in PLN, only 1 lawsuit was filed by an entrepreneur and relates to a revolving credit agreement.

In the case of the Bank's products offered to consumers, only mortgage loans and certain products for Wealth customers are based on the WIBOR reference rate. The total value of the subject of litigation in ongoing court proceedings is PLN 21,986 thousand. Most of the court proceedings are pending before the courts of first instance. In five cases, judgments of the court of first instance favourable to the bank were issued, two of which is legally binding

Arguments challenging WIBOR as a reference index also arise in debt collection cases brought by the Bank.

The vast majority of lawsuits are submitted along with applications for injunctive relief by i.a. withholding the interest portion of the instalment based on the WIBOR interest rate for the duration of the lawsuit. The majority of applications are dismissed by the courts.

As at 30 June 2025, there is only one ruling granting the application for security after the Bank's appeal was dismissed.

The Bank's position is that the clients' claims are unjustified, in particular in view of the fact that WIBOR is an official index whose administrator has received the relevant approvals required by law, among others from the Polish Financial Supervision Authority, and the process of its determination, carried out by the administrator (an independent entity not affiliated with the Bank), is in accordance with the law and is also subject to supervisory assessment by the Polish Financial Supervision Authority. The Commission confirmed WIBOR's compliance with the requirements of the law. An analogous position was also presented by the Financial Stability Committee, which comprises representatives of: the National Bank of Poland, the Polish Financial Supervision Authority, the Ministry of Finance and the Bank Guarantee Fund.

According to data from the Polish Bank Association (ZBP) (as at the end of June 2025), there are currently 2,200 court proceedings underway in which customers are appealing against contractual provisions providing for interest rates based on the WIBOR reference rate. In 203 judgments out of 210 passed, the courts of first instance have issued rulings in favour of the banks. 128 proceedings have been finally concluded, including one final judgment unfavourable to the bank (however, the invalidity of the agreement was due to reasons other than the WIBOR index).

In an order of 31 May 2024 in a case brought by borrowers against PKO BP SA, the Regional Court of Częstochowa addressed legal questions to the CJEU concerning the possibility of examining contractual provisions concerning variable interest rates based on the WIBOR index, the bank's information obligations regarding variable interest rate risk and the possibility of continuing a loan agreement based on a fixed margin if contractual provisions concerning variable interest rates based on the WIBOR are considered unfair.

In the case registered under case number C-471/24, there is still no ruling.

On 30 June 2025, in the case for the revocation of an enforcement title brought against PKO BP (case number II C 1440/24), the Warsaw-Praga Court decided to refer the additional questions to the CJEU for a preliminary ruling regarding i.a.:

1) Can a term of a loan agreement - concluded prior to the entry into force of Regulation 2016/1011 (BMR) - introducing a variable interest rate clause, which includes the WIBOR reference rate, be considered to be expressed in “plain and understandable language”?
2) Does a term of a loan agreement concluded with a consumer – specifying that the WIBOR reference rate, which on the date of conclusion of the loan agreement by the parties was not regulated by generally applicable law but was determined by a third party and the bank had an indirect influence on the level of that rate, is a factor influencing the change in the interest rate – causes a significant imbalance in the rights and obligations of the contractual parties to the detriment of the consumer?
3) If a term determining a variable interest rate is deemed unfair due to its reference to the WIBOR reference rate, is it possible for the parties to remain bound by the loan agreement on the assumption that it is a fixed-rate loan with a fixed bank margin, or does the consequence of the lack of fairness necessitate the agreement to be deemed invalid ex tunc?

Administrative proceedings of the Polish Financial Supervision Authority regarding the imposition of a penalty

On 22 November 2023 the Polish Financial Supervision Authority initiated administrative proceeding against BNP Paribas Bank Polska S.A. in respect of the imposition of a penalty under Article 176i(1)(4) of the Act on Trading in Financial Instruments.

On 9 May 2025, the Polish Financial Supervision Authority discontinued entirely the administrative proceedings in question.

On 24 January 2025, the Polish Financial Supervision Authority initiated administrative proceedings against BNP Paribas Bank Polska S.A. for the imposition of a penalty under Article 138, section 3, item 3a or Article 138, section 7aa, point 1 of the Banking Law due to a breach of the provisions of the Act on Trading in Financial Instruments.

The proceedings are pending.

Litigation concerning CHF credit agreements in the banking sector

According to data from the Polish Bank Association (ZBP), the number of pending lawsuits relating to CHF-indexed/denominated loan agreements at the end of June 2025 was over 162 thousand compared to over 169 thousand at the end of 2024.

Proceedings instigated by the Bank's customers being parties to CHF denominated loan agreements

The gross carrying amount of residential mortgage loans granted to retail customers in CHF as at 30 June 2025 amounted to PLN 330,770 thousand, compared with PLN 406,207 thousand at the end of 2024.

As at 30 June 2025, the number of active foreign currency and CHF-denominated loans amounted to 6.5 thousand.

As at 30 June 2025, the Bank was a defendant in 6,285 (840 new cases in 2025) pending court proceedings (including legally finalised cases, customers brought a total of 10,431 claims against the Bank), in which they demand either that a foreign currency or CHF-denominated mortgage loan agreement be declared invalid or that the agreement be declared permanently ineffective and the amounts paid to date be repaid. The claims are based on the presence of abusive provisions in the agreement which do not allow the agreement to be sustained (Article 3851 of the Civil Code); the Bank is not a party to any collective claim involving such loan agreements.

The total value of the claims asserted in the currently pending cases as at 30 June 2025 amounted to PLN 3,363,863 thousand (PLN 3,495,835 thousand as at 31 December 2024), and in the legally concluded cases to PLN 1,631,192 thousand (PLN 1,141,019 thousand as at 31 December 2024).

By 30 June 2025, in 4,146 finalised proceedings, there were 1,188 judgments in favour of the Bank, including 770 in connection with court settlements, and 380 in connection with discontinuation of the proceedings. In 2,958 cases the courts ruled against the Bank, declaring the loan agreement invalid or permanently ineffective.

The Bank continuously assesses the impact of legal risk related to pending court proceedings involving denominated or foreign currency loans, taking into account the current status of judgments in cases against the Bank and the line of jurisprudence.

The Polish courts, despite the different indications resulting from the rulings of Court of Justice (EU) (C-19/20 and C-932/19), in the vast majority rule on the invalidity or ineffectiveness of credit agreements.

The total impact of legal risk related to litigation recognised in the Bank's statements as at 30 June 2025 was PLN 3,088,731 thousand (PLN 3,238,760 thousand as at 31 December 2024), with an impact of PLN 314,263 thousand on the Bank's statement of profit or loss in the first half of 2025 (PLN 795,728 thousand in 2024).

Changes in the total impact of legal risk related to litigation in the first half of 2025 are presented in the table below (in PLN thousand):

Total impact of legal risk	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Opening balance	**3,238,760**	**3,404,016**
Increase in the profit and loss account	314,263	210,772
Utilisation	(458,058)	(410,388)
Foreign exchange differences	(6,234)	(136,308)
Closing balance	**3,088,731**	**3,068,092**

In the first half of 2025, the Bank used PLN 179,295 thousand from the estimated impact of legal risk of CHF loans in connection with settlements reached (in the first half of 2024, the Bank used PLN 182,311 thousand on this account).

In the first half of 2025, the Bank used PLN 278,763 thousand from the estimated impact of legal risk of CHF loans in connection with final judgments received declaring loan agreements invalid (in the first half of 2024, the Bank used PLN 228,077 thousand on this account).

The total impact of legal risk related to litigation is presented in the table below (in PLN thousand):

30.06.2025	Gross carrying amount (before adjustment for legal risk)	Impact of legal risk	Gross carrying amount (after adjustment for legal risk)
CHF mortgage loans for individuals	1,706,839	1,376,069	330,770
Impact of legal risk recognised as provisions for litigation	-	1,712,662	-
Total impact of legal risk		**3,088,731**	

31.12.2024	Gross carrying amount (before adjustment for legal risk)	Impact of legal risk	Gross carrying amount (after adjustment for legal risk)
CHF mortgage loans for individuals	2,080,799	1,674,592	406,207
Impact of legal risk recognised as provisions for litigation	-	1,564,168	-
Total impact of legal risk		**3,238,760**	

In estimating the impact of legal risk, the Bank takes into account, among other things, the estimated number of future lawsuits, the number of lawsuits filed, the probability of losing the case, and the Bank's estimated loss in the event of an unfavourable judgment. In addition, the Bank included in the model the estimated number of settlements that will be made with customers. The amount of the estimated impact of the legal risk associated with the settlements was PLN 150,375 thousand from the total impact estimate.

The Bank estimates the probability of losing a case based on historical judgments, separately for the foreign currency and denominated loan portfolios. Due to the observed volatility in case law, the Bank, when estimating the probability of an adverse judgment, takes into account judgments made after 31 December 2020.

In estimating the loss in the event of a judgment declaring the loan invalid, the Bank assumes that the customer is obliged to return the capital paid out without taking into account other benefits from the consumer (remuneration for the use of the capital or valorisation), that the Bank is obliged to return the sum of the capital and interest instalments repaid together with the statutory default interest awarded and that the Bank writes off the credit exposure. The loss estimate takes into account the time value of money.

The accounting effect of signing a settlement agreement with a customer is the derecognition of a CHF loan, recognition of a new loan in PLN and the recognition of a result on the derecognition and the recording of settlements with customers.

The accounting effect of the final judgment declaring the loan agreement invalid is the derecognition of CHF loan exposure and the recording of settlements with customers due to the declaration of invalidity of the agreement.

Should the assumed average loss change by +/- 5%, with all other significant assumptions unchanged, the amount of the estimated impact would change by +/- PLN 94,277 thousand.

The Bank conducted a sensitivity analysis of the model used to estimate the number of lawsuits lost. A change in this estimate would have the following impact on the estimated loss due to legal risk related to CHF loans.

Parameter	Scenario	Impact on Bank's loss due to legal risk
Percentage of lost cases	+5 p.p.	+PLN 72,602 thousand
	-5 p.p.	-PLN 96,670 thousand

The Bank conducted a sensitivity analysis of the model used to estimate the number of future lawsuits.

A change in the number of future lawsuits would have the following impact on the estimated loss due to legal risk related to CHF loans.

Parameter	Scenario	Impact on Bank's loss due to legal risk
Number of future lawsuits	+20%	+PLN 52,104 thousand
	-20%	-PLN 52,104 thousand

Additionally, according to the Bank's assessment if 1% of customers with CHF loans filed a lawsuit against the Bank, the loss due to legal risk would increase by approx. PLN 34,118 thousand.

When calculating the expected loss on legal risk related to CHF loans, the Bank takes into account the available historical data, including the content of judgments in concluded cases. The Bank monitors the number of collected certificates and the changing number of lawsuits in order to update the estimated impact of legal risk of foreign currency loans accordingly

The current line of jurisprudence in cases involving actions by CHF borrowers is unfavourable to banks, but nevertheless some legal issues are still not clarified, in particular the qualification of loans as foreign currency loans. The above issues are relevant to the assessment of the risks associated with proceedings involving part of the Bank's portfolio

The Bank monitors the courts' rulings on an ongoing basis and will adjust the level of estimated impact of legal risk to the current case-law. At the same time, the Bank is aware that the assumptions made are subject to a subjective assessment of the current situation, which may change in the future. In determining the value of the estimated impact of legal risk, the Bank relies on all information available at the date of signing the financial statements.

At the same time, the Bank has taken into account the right to recognise a deferred tax asset in connection with the entitlement to apply a tax preference in respect of settlements falling within the scope of the Ordinance of the Minister of Finance of 11 March 2022, as amended by the Ordinance of 20 December 2022, in force until the end of 2024, on the abandonment of the collection of income tax on certain income (revenue) related to a residential mortgage loan.

As at 31 December 2024, the Bank held assets of PLN 38,165 thousand, of which PLN 26,037 thousand was realized in the first half of 2025. At the end of June 2025, based on the current estimate of the impact of the legal risk associated with foreign currency loans, the Bank recognises PLN 24,286 thousand in assets with an expected realisation by the end of 2025.

In addition, the Bank based on:

- the ruling of the Supreme Administrative Court on the tax treatment of returned interest related to cancelled foreign currency loan agreements and the foreign exchange differences arising in relation to these loans, recognised in previous years, as well as the individual interpretation, according to which statutory interest for late payment ordered by the court consists of a tax-deductible cost for the Bank on the date of payment and
- analyses made of the impact of the above items on the estimate of deferred income tax,

recognised deferred tax assets.

As at 31 December 2024, the amount of this asset was PLN 143,911 thousand. As at 30 June 2025, the value of the asset in connection with anticipated cancellations is PLN 155,096 thousand.

Case law of the Court of Justice (EU) in 2025

On 19 June 2025, the CJEU issued its ruling in Case C-396/24 (Lubreczlik) in the mBank S.A. case. The request for a preliminary ruling concerned primarily the issue of the rules for the settlement of restitution claims after the cancellation of a credit agreement, in particular the admissibility of the Bank's claiming from the consumer the repayment of the whole of the loan principal disbursed, irrespective of the amount of repayments made by the consumer. In the CJEU's view, the provisions of Directive 93/13 must be interpreted as precluding national case law, when:

1) a term of a credit agreement which has been found to be unfair leads to the invalidity of that agreement, the credit institution is entitled to demand from the consumer to repay the entire nominal amount of credit granted, irrespective of any repayments made by the consumer under that agreement and irrespective of the amount still outstanding.
2) recognition by the consumer of a claim brought by the trader for reimbursement of sums paid under a credit agreement which has been declared void on account of an unfair term contained therein, the court hearing the case is required of its own motion to make the judgment allowing the claim immediately enforceable, unless national law allows it to take all necessary measures to protect the consumer against particularly harmful consequences which might be caused to him by the imposition of such a judgment.

Supreme Court case law on CHF denominated and foreign currency loans

On 25 April 2024, the entire Civil Chamber of the Supreme Court adopted the so-called 'large resolution on Swiss franc loans issue', resolving the key legal issues, file III CZP 25/22 according to which:

1) If a provision of an index-linked or denominated loan agreement relating to the method of determining the foreign currency exchange rate consists of an unauthorised contractual term and is not binding, that provision cannot, in the current state of the law, be regarded as being replaced by another method of determining the foreign currency exchange rate which results from legal or customary provisions.
2) If it is not possible to establish a foreign currency exchange rate that is binding on the parties in an indexed or denominated loan agreement, the agreement shall also not be otherwise binding.
3) Where, in the execution of a loan agreement which is not binding due to the illegal nature of its terms, the bank has provided the borrower with all or part of the amount of the loan and the borrower has made repayments of the loan, independent claims for the repayment of the wrongful performance arise in favour of each party.
4) If a loan agreement is not binding because of the illegal nature of its terms, the limitation period for the bank's claim for repayment of sums paid out in respect of the loan begins, as a general rule, from the day following the day on which the borrower questioned the bank about its bindingness to the terms of the agreement.
5) If a loan agreement is not binding because of the illegal nature of its terms, there is no legal basis for either party to claim interest or other remuneration for the use of its funds during the period between the time when the wrongful service was provided and the time when repayment of that service is delayed.

The resolution was passed by a majority. There were separate dissenting opinions from 6 of the 17 judges, primarily as to whether the agreement should be upheld after the elimination of the conversion clauses. In its wording, the resolution refers only to the effects of declaring conversion clauses in indexed or denominated loan agreements abusive (without prejudging the abusiveness of such clauses). The resolution does not apply to foreign currency loans, where the conversion clauses are of an optional nature and as such are not necessary for the execution of the loan agreement.

In the justification for the resolution, published in September 2024, the Supreme Court:

1) distinguished between indexed, denominated and foreign currency loans, indicating that a foreign currency loan should refer to a loan whose amount is denominated in a foreign currency, with disbursement by the bank and repayment by the borrower in the same currency. This type of loans is not the subject of the resolution,
2) confirmed that the limitation period of the bank's claims does not start to run on the date of disbursement of the loan, but only from the date on which the consumer challenged the validity of the agreement with the bank,
3) stated that the consumer's will not to be bound by an illicit provision may be expressed in any way, including by implication,
4) pointed out that exercising the right of set-off makes it possible, partially, to prevent the negative consequences of the limitation period for claims, since, according to Article 502 of the Civil Code, the limitation of a claim does not exclude its set-off if, at the time when the set-off became possible, the limitation period had not yet expired,
5) pointed out that if the defendant has not yet taken action to actualise the claim, raising a plea of set-off may take place not only in the first phase of the trial: the legislator takes into account the necessity of addressing an appropriate request for payment, and then only after the expiry of two weeks from the receivable becoming due, the subject loses the right to raise a plea of set-off. Finally, the defendant may defend himself or herself by filing a counterclaim or by making use of the institution of an anti-enforcement action.

It should be emphasised that the position of the Supreme Court expressed in the justification does not unequivocally resolve previous divergences in case law regarding the definition of a foreign currency loan[1].

However, as the Supreme Court indicated in its reasons for the resolution, this type of credit is not subject to questions from the First President of the Supreme Court.

The Supreme Court noted that in the case of foreign currency loans in which there is no problem of abusiveness in determining the exchange rate at the time of disbursement of the loan by the bank, or in which, as a result of the removal of this abusiveness, the agreement is still in force in a form in which, in principle, repayment of the loan in foreign currency is possible, it may be assumed that Article 358 § 2 of the Civil Code, as the relevant dispositive provision, applies to the conversion of the exchange rate (i.e. the agreement may be continued using the average exchange rate of the National Bank of Poland).

[1] Cf. Supreme Court judgment of 20 May 2022, ref. II CSKP 713/22, Supreme Court order of 24 June 2022, ref. I CSKP 2822/22, Supreme Court judgment of 26 January 2023, ref. II CSKP 408/22, Supreme Court judgment of 31 January 2023, ref. II CSKP 334/22, Supreme Court judgment of 15 September 2023, ref. II CSKP 1356/22, Supreme Court judgment of 9 May 2024, ref. II CSKP 2416/22 and Supreme Court judgment of 25 July 2024, ref. II CSKP 1424/22.

The above approach of the full Chamber of the Supreme Court was reflected in the separate opinion submitted by SSN Dariusz Pawłyszcze to the judgment of the Supreme Court of 25 June 2024, ref. II CSKP 1765/22 (in the Bank case). In the grounds for the separate opinion, published in February 2025, the judge drew attention to the different construction of the Bank's loan agreements and indicated that Resolution III CZP 25/22 does not apply to foreign currency loans, since under such agreements the possibility of repayment in PLN (using the exchange rate tables of the bank concerned) constitutes only an entitlement of the borrower.

In the case law of common courts, there are also statements which draw attention to the different nature of foreign currency loans and the impact of this qualification on the validity of the agreements. This was stated, i.a., by the Court of Appeal in Warsaw in its final judgment of 5 June 2025, favourable to the Bank, ref. no. VIII ACa 2851/25. The Court emphasised the foreign currency nature of the Bank's loan agreement, stated that there was no violation of consumer interests and confirmed the validity of the loan agreement. At the same time, it pointed out that foreign currency loans (where repayment was possible directly in foreign currency) were not the subject of the Supreme Court's resolution of 25 April 2024, III CZP 25/22.

On 28 February 2025, a seven-judge panel of the Civil Chamber of the Supreme Court issued a resolution in Case III CZP 126/22, in which it indicated that a bank loan agreement (Article 69(1) of the Act of 29 August 1997. - Banking Law, consolidated text: Journal of Laws 2024, item 1646), is a mutual agreement within the meaning of Article 487 § 2 of the Civil Code.

On 5 March 2025, a seven-judge panel of the Civil Chamber of the Supreme Court issued a resolution in Case III CZP 37/24, in which it indicated that, in the case of claiming from a bank the return of a benefit made on the basis of a credit agreement that turned out to be unbinding, the bank is not entitled to the right of retention under Article 496 in connection with Article 497 of the Civil Code. The Supreme Court in this formation has assumed that a credit agreement is not a mutual contract. This indicates an internal divergence in the jurisdiction of the Supreme Court, as one composition considers a credit agreement to be a mutual contract, while another composition of the same Chamber considers the opposite.

As of the end of June 2025, 268 cassation appeals have been filed with the Supreme Court in cases of CHF loans granted by the Bank, 47 appeals have been accepted by the Supreme Court for examination and are awaiting substantive decision, as to 145 cassation appeals, the Supreme Court has issued a decision on refusal to accept for examination. Seven cases have been sent back for examination, while in 14 it dismissed the cassation appeal.

Proposed legislation on specific arrangements for the resolution of matters concerning consumer loan agreements denominated or indexed to CHF

On 30 January 2025, the Ministry of Justice published a draft of an Act on special solutions for the recognition of cases concerning loan agreements denominated or indexed to CHF concluded with consumers. Following the comments submitted during public consultations and the CJEU judgment of 19 June 2025 in case C-396/24 (Lubreczlik), a new draft Act was published on 30 June 2025.

The aim of the proposed Act is to accelerate court proceedings concerning loans denominated or indexed to CHF. The key mechanisms provided for in the draft Act include:

- securing consumer claims (Article 3 of the draft Act) – upon delivery of the statement of claim filed by the consumer to the defendant or upon delivery of the counterclaim filed by the consumer to the claimant, the consumer's obligation to perform under the credit agreement shall be suspended by operation of law until the proceedings are finally concluded,
- set-off defence (Articles 5 and 18 of the draft Act) – change in the time limit for raising a set-off defence in proceedings (until the conclusion of proceedings at second instance),
- counterclaim (Article 8 of the draft Act) – changes the time limits applicable in civil proceedings (in accordance with the general procedure – no later than in the response to the statement of claim) – allows a counterclaim to be filed until the conclusion of the hearing before the court of first instance.

The new draft Act abandons the following regulations that were included in the original draft:

- counterclaim – if the claimant is seeking payment of claims arising from the invalidity of the loan agreement, the defendant may assert a counterclaim in the event that the agreement turns out to be invalid,
- enforceability of a first instance court judgment – a first instance court judgment ordering a monetary payment to a consumer becomes enforceable upon its announcement, and if it was issued in closed session – upon its delivery to the defendant.

According to announcements, the act is expected to come into force in the fourth quarter of 2025.

Individual settlements offered by the Bank

Since December 2021, the Bank is involved in individual negotiation processes with its customers with whom the Bank is in dispute or about whom there is a reasonable risk of entering into a dispute. The Bank took this parameter into account when updating the total impact of legal risk.

As of 30 June 2025, the Bank has made individual settlement proposals to 14,155 customers (13,915 customers as at 31 December 2024) and 6,782 customers accepted the terms of the proposals presented (6,202 in 2024) out of which 6,348 settlements were signed (5,550 in 2024).

51. FINANCIAL RISK MANAGEMENT

CREDIT RISK

Credit risk is inherent in the core financial operations of the Group, the scope of which includes both lending and providing funding with the use of capital market products. Consequently, credit risk is identified as the risk with the highest potential to affect the present and future profits and equity of BNP Paribas. Proof of the key nature of credit risk is its 57% share in the total economic capital estimated by the Group for purposes of covering major risks involved in the Bank's operations, in addition to its 86% share in the total value of regulatory capital.

Credit risk management is primarily aimed at implementation of the Group's strategy through a harmonious increase in the loan portfolio, accompanied by maintenance of the credit risk appetite at an acceptable level.

Credit risk management principles adopted by the Group include:

- each credit transaction requires comprehensive credit risk assessment expressed in internal rating or scoring;
- in-depth and careful financial analysis serves as the basis for regarding the customer's financial information and collateral-related data as reliable; prudential analyses performed by the Group always take into account a safety margin;
- as a rule, financing is provided based on the customer's ability to generate cash flows that ensure payment of liabilities to the Group;
- credit risk assessment is additionally verified by credit risk assessment personnel, independent of the business;
- pricing terms of a credit transaction have to take account of the risk involved in such a transaction;
- credit risk is diversified with regard to geographical regions, industries, products and customers;
- credit decisions may only be taken by competent employees;
- the Group enters credit transactions only with known customers and long-term relationships are the basis for cooperation with customers;
- the customer and the transactions made with the customer are monitored transparently from the perspective of the customer, in a manner strengthening the relationship between the Bank and the customer;

Concentration risk is the Bank's risk inherent to its statutory operations, which is appropriately defined and managed.

The Management Board assesses the concentration risk policy in terms of its application. In particular, it analyses the efficiency and adequacy of the principles applied in the context of the current and planned operations and risk management strategy. The adequacy of the concentration risk management is reviewed if any material changes are observed in the Group's environment or if the risk management strategy is modified. The appropriate assessment of the concentration risk of the Group is highly dependent on correct identification of all key concentration risks.

In justified cases, the Group identifies concentration risk when planning its new activities involving the development and launch of new products, services, expansion to new markets, considerable alterations of products and services or market changes.

Credit portfolio diversification is one of the key credit risk management tools. The Group avoids excessive credit concentration, as it increases the risk. Possible losses pose a considerable threat, and therefore the concentration level should be monitored, controlled and reported to the Group's management. Key concentration risk mitigation tools include risk identification and measurement mechanisms and exposure limits in individual Bank portfolio segments and in subsidiaries. These tools enable internal differentiation of the loan portfolio and mitigation of negative effects of adverse changes in the economy.

A significant concentration area (aspect) is the one whose share in the Group's balance sheet total is equal or higher than 10% or 5% of the net profit planned for a given year. In such cases, a given concentration area (aspect) is subject to analyses, reporting and management under the concentration risk management process.

An important potential source of credit risk is the high concentration of the Bank's credit exposures in individual entities or groups of entities with capital and organisational links. In order to mitigate it, EU Regulation No 575/2013 sets a limit on the Bank's maximum exposure. In accordance with Article 395 of EU Regulation No 575/2013: An institution shall not take on an exposure to a client or group of connected clients the value of which, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403, exceeds 25% of its Tier 1 capital. If such a client is a credit institution or if the group of connected clients includes one or more credit institutions, the value shall not exceed 25% of the credit institution's Tier 1 capital or EUR 150 million, whichever is higher, provided that the sum of the exposure values to all connected clients that are not credit institutions, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403, does not exceed 25% of the credit institution's Tier 1 capital.

As at the end of June 2025: the limits set out in Article 395 of the EU Regulation No. 575/2013 with respect to BNP Paribas S.A Group entities - were not exceeded, the Bank's exposure represented 9.53% of Tier 1 capital on a consolidated basis.

With regard to the limit of exposure to entities outside the BNP Paribas S.A. Group, the limits were not exceeded, the largest exposure represented 18.92% of Tier 1 capital on a consolidated basis.

Concentration risk tolerance in the Group is determined by a system of internal limits, including both assumed development directions and speed of the Group’s business, an acceptable level of credit risk and liquidity, as well as external conditions, macroeconomic and sectoral perspective. Among others, internal limits for credit concentration risk are determined for:

- selected sectors / industries;
- exposures denominated in foreign currencies;
- customer segments (intra-bank customer segmentation);
- loans secured with a given type of collateral;
- geographical regions;
- average probability of default;
- exposures with a specified rating (the Group’s internal rating scale);
- exposures with a specified debt-service-to-income ratio;
- exposures with a specified loan-to-value ratio.

Activities that limit Group’s exposure to concentration risk may include systemic measures and one-off / specific decision and transactions. Systemic measures that limit concentration risk include:

- reduction of the scope of crediting of determined customer types through credit policy adjustment;
- reduction of limits charged with concentration risk;
- diversification of asset types on the level of the Group’s statement of financial position;
- change of business strategy to ensure prevention of excessive concentration;
- diversification of accepted collateral types.

The Group's concentration risk mitigation activities of a single/specific decision and transaction nature include the following:

- reduction of further transactions with a given customer or a group of related customers;
- sale of selected assets/loan portfolios;
- securitization of assets;
- establishing of new collateral types (e.g. credit derivatives, guarantees, sub-participation, and insurance contracts) for existing or new credit exposures.

The industry concentration analysis covers all the Group’s credit exposures to institutional customers. The Group defines industries based on the Polish Classification of Business Activities. The structure of the Group's exposure to industries analysed at the end of June 2025, is characterised by concentration towards the following industries: Agriculture, Forestry, Hunting and Fishing, Industrial Processing and Wholesale and Retail Trade. At the end of June 2025, the share of Industrial Processing reached 20.9% and decreased by 1.3 p.p. compared to the end of 2024 while the share of the Agriculture, Forestry, Hunting and Fishing industry decreased by 0.6 p.p. compared to the end of 2024 and amounted to 16.2% of industry exposure. In addition, the share of the Wholesale and Retail Trade, including Car Repair industry at the end of June 2025 remained at the same level as at the end of 2024 and amounted to 10.9%.

A table showing the breakdown of loans measured at amortised cost and those measured at fair value through profit or loss by industry of activity (gross carrying amount at 30 June 2025 and 31 December 2024) is presented below.

	Gross carrying amount*	Gross carrying amount*	Share of impaired loans	Share of impaired loans
Industry	30.06.2025	31.12.2024	30.06.2025	31.12.2024
INDIVIDUAL CLIENTS	**32,830,139**	**32,858,354**	**2.2%**	**2.3%**
CORPORATE CLIENTS:	**56,374,036**	**55,453,912**	**3.8%**	**3.9%**
AGRICULTURE, FORESTRY, HUNTING AND FISHING	9,123,743	9,320,401	4.1%	4.8%
MINING AND QUARRYING	40,807	51,861	0.3%	0.2%
MANUFACTURING	11,773,413	12,310,338	7.2%	5.8%
PRODUCTION AND SUPPLY OF ELECTRICITY, GAS, STEAM, HOT WATER AND AIR CONDITIONING SUPPLY	1,211,294	961,471	0.2%	0.2%
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	149,976	150,724	0.8%	1.9%
CONSTRUCTION	2,836,615	2,369,279	6.0%	6.9%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	8,460,522	7,916,807	3.0%	3.7%
TRANSPORTATION AND STORAGE	2,979,814	2,829,260	3.4%	3.6%
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	387,748	391,006	10.1%	12.4%
INFORMATION AND COMMUNICATION	3,206,552	2,962,091	0.5%	0.6%
FINANCIAL AND INSURANCE ACTIVITIES	3,348,358	3,111,541	0.4%	0.4%
REAL ESTATE ACTIVITIES	6,159,593	6,059,204	3.3%	3.7%
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL ACTIVITIES	3,168,581	3,421,499	2.3%	2.3%
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	1,655,885	1,729,697	1.3%	1.4%
PUBLIC ADMINISTRATION AND DEFENSE; COMPULSORY SOCIAL SECURITY	64,363	59,098	0.0%	0.0%
EDUCATION	166,708	151,045	3.1%	2.6%
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	1,417,821	1,448,251	1.3%	1.4%
ARTS, ENTERTAINMENT, AND RECREATION	32,829	33,657	4.0%	3.0%
OTHER ACTIVITIES	189,414	176,682	3.5%	4.5%
Total	**89,204,175**	**88,312,266**	**3.2%**	**3.3%**

*Financial data have been rounded and presented in PLN ‘000, and therefore, in some cases, the totals may not correspond exactly to the total sum.

The Group manages the risk of collateral concentration. For this purpose, the Group introduced limits for the involvement of particular types of collateral, ensuring their appropriate diversification. As at the end of June 2025 and at the end of 2024 the limits were not exceeded.

The structure of overdue receivables

The structure of the loan portfolio (measured at amortised cost and measured at fair value through profit or loss) divided into impaired exposures and not impaired exposures along with the level of arrears in repayment are presented in the tables below.

30.06.2025

Structure of overdue receivables (net balance sheet value)*	without impairment				with impairment	Total
	0 days	1-30 days	31-60 days	61-90 days		
Current account loans	30,495,777	1,135,960	19,441	14,582	670,253	32,336,013
Investment loans	17,794,718	174,153	3,151	4,716	347,069	18,323,807
Real estate loans for individual customers	19,559,983	67,974	4,569	3,707	104,487	19,740,720
Other loans	9,989,638	63,844	4,013	4,361	162,057	10,223,913
Lease receivables	6,005,032	135,477	16,824	13,137	112,555	6,283,025
Total	**83,845,148**	**1,577,408**	**47,998**	**40,503**	**1,396,421**	**86,907,478**

*Financial data have been rounded and presented in PLN ‘000, and therefore, in some cases, the totals may not correspond exactly to the total sum.

31.12.2024

Structure of overdue receivables (net balance sheet value)	without impairment				with impairment	Total
	0 days	1-30 days	31-60 days	61-90 days		
Current account loans	28,580,038	2,191,968	28,600	10,298	571,444	31,382,348
Investment loans	17,639,868	345,646	3,738	2,034	380,194	18,371,480
Real estate loans for retail customers	19,730,330	85,924	6,570	3,061	109,206	19,935,091
Other loans	9,541,295	50,922	4,794	1,315	174,449	9,772,775
Lease receivables	6,196,303	62,499	5,014	2,913	125,599	6,392,328
Total	**81,687,834**	**2,736,959**	**48,716**	**19,621**	**1,360,892**	**85,854,022**

*Financial data have been rounded and presented in PLN ‘000, and therefore, in some cases, the totals may not correspond exactly to the total sum.

With regard to the mortgage loan portfolio, the Bank defines the DSTI (debt service to income) ratio as the ratio of the total annual cost of servicing credit and non-credit financial commitments (from which the retail customer cannot withdraw, i.e. arising, inter alia, from legislation or having a permanent and irrevocable nature) to the total annual income of the retail customer. In accordance with its mortgage lending policy, the Bank sets maximum levels for the DSTI ratio by following the requirements of Recommendation S. The Bank monitors the level of the DSTI ratio during annual credit policy reviews, as well as in dedicated ad hoc analyses.

At the end of June 2025, the Bank does not observe increased credit risk for new loan production as well as the existing mortgage loan portfolio. Both Vintage ratios and NPL (non performing loan) levels in the mortgage segment are stable at levels no higher than those observed in the Polish banking market.

Due to the ongoing war in Ukraine and the economic sanctions issued against Russia and Belarus, the Bank analysed credit exposures directly related to these countries and, on this basis, did not identify significant exposures in both the corporate and retail portfolios.

At the same time, the Bank monitors the situation of customers on an ongoing basis with a view to securing the loan portfolio and maintaining its high quality. Preventive actions taken in the first quarter of 2022 are continued. As part of these activities, institutional customers whose business activity is:

- linked to the economies of the above countries and thus may be vulnerable to war and imposed sanctions;
- particularly vulnerable to inflation;
- vulnerable to the Russian gas embargo;
- exposed to tightening of the US trade policy.

For the selection of the war-exposed loan portfolio, the Bank takes into account, inter alia, the following factors:

- export/import to/from countries at risk;
- capital or organisational links with Russian or Belarusian citizens;
- transport services provided in countries at risk or logistic channels passing through countries at risk;
- production carried out in countries at risk;
- investments in fixed assets and capital investments in countries at risk;
- existence of commercial contracts in countries at risk (especially construction contracts);
- employment of workers from Russia, Ukraine or Belarus;
- distribution of Russian and Belarusian goods or services (risk of boycott of goods).

In the case of inflation, on the basis of information provided by the Economic and Sectoral Analysis Department, the Bank selected industries that were particularly sensitive. The share of energy and material in operating costs and share of exports in revenue were taken into account. An increased risk threshold was defined for each of these factors. Information on the possibility of passing on price increases to customers was also included in the sensitivity assessment.

For the assessment of the impact of tariffs imposed by the US, the Bank conducted a sectoral analysis based on public data on exports to the US. As a result of this analysis, sensitive sectors were identified and divided into 4 categories: high impact, moderately high impact, moderately low impact, low impact.

The group of customers selected on this basis was subject to further detailed analysis in order to identify activities with a higher level of risk. The risk assessment is updated on a semi-annual basis.

Forbearance practices

The Group treats its exposures as forborne if the obligor is provided with a forbearance due to economic reasons (financial difficulties), including any forbearance granted for exposures with identified impairment triggers. In case the forbearance is granted for a customer with a material economic loss, the Bank classifies such a customer as default.

A facility is understood as the occurrence of at least one of the following events:

- a change to the repayment schedule, especially extending the loan maturity date;
- cancellation of overdue amounts (e.g. capitalization of an overdue amount, which can be repaid at a later date);
- redemption of principal, interest or fees;
- consolidation of loans into one new product, if the amounts of payments of the consolidated loan are lower than the sum of payments of these loans separately before the consolidation occurred;
- decrease of the base interest rate or margin;
- originating a new loan to repay the existing debt;
- conversion of an existing credit;
- amendment or waiver of significant provisions of the agreement (e.g. a condition of the agreement that was breached as a result of financial difficulties);
- additional collateral presented by the Borrower (if present together with another event meeting the definition of a facility) or sale of the collateral agreed with the Bank, with the proceeds from the repayment of the collateral being used to repay the Bank's loan obligation.

The above events are treated as facilities granted for economic reasons only in the situation of customer's current financial difficulties or, in the event of changes on the market environment, or such difficulties may occur in the future.

For retail customers, non-reporting individual farmers and companies with simplified accounting, the event of financial difficulties is identified in a situation when:

- the exposure is subject to debt collection; or
- the exposure is not subject to debt collection but there is evidence (provided by the customer or obtained in the decision-making process) that the customer is facing financial difficulties or may be facing them in the near future.

For other customers:

- the client with the default status, or
- the client with the indicated rating meeting the defined financial criteria.

The Bank also has dedicated criteria regarding financial difficulty for clients from the Real Estate segment.

A material economic loss is defined by the Bank as the drop of present value of expected cash flows, resulting from forbearance granted, equal or higher than 1%. The drop of the present value is calculated in accordance with the below formula:

$$\frac{NPV_0 - NPV_1}{NPV_0}$$

where:

NPV0 – the present value of expected cash flows (including interest and fees / commissions) prior to the introduction of changes in loan terms, discounted with the original effective interest rate,

NPV1 – the present value of expected cash flows (including interest and fees / commissions), after the introduction of changes in the loan terms, discounted using the original effective interest rate. In the case of consolidation of many loans for the original interest rate for the purpose of assessing the significance of economic loss, the average EIR weighted with the exposure's gross carrying amount at the moment of granting the facility is assumed.

The change in the present value of expected cash flows shall be calculated at the level of single exposure.

In justified cases resulting from complex restructuring measures for a given client (e.g. priority repayment of loans with a collateral of a low value), it is permissible to calculate NPV at the level of a client.

The forborne status is no longer assigned if the following conditions have been satisfied:

- exposure reclassified to performing portfolio as a result of the analysis of financial situation (in case of corporate portfolio), which proved that the customer does not meet the criteria for being classified to the impaired portfolio;
- the exposure has not been considered impaired for 24 months in a row;
- none of the exposures to the customer are past due by more than 30 days;
- the obligor has been making regular and considerable payments for at least a half of the trial period.

The revocation of forborne status shall take place in accordance with the aforementioned conditions, while the extension of the period of exit from forborne status shall require a credit decision by the competent credit decision-makers, in other cases the status shall be revoked automatically.

COUNTRY RISK

Within credit risk, the Bank additionally distinguishes country risk, which covers all risks related to conclusion of financial agreements with foreign parties, assuming that it is possible that economic, social or political events will have an adverse effect on creditworthiness of the Bank's obligors in that country or where intervention of a foreign government could prevent the obligor (which could also be the government itself) from discharging his liabilities.

The Bank's policy concerning country risk has been conservative. Country limits have been reviewed periodically and the limit level modified to precisely match the anticipated business needs and risk appetite of the Bank.

As at the end of June 2025, 81% of the Bank's exposures to countries other than Poland were transactions related to the Bank's foreign lending activities, treasury transactions (including placement and derivative transactions) amounted to 13% and the remainder (6%) was foreign trade transactions (letters of credit and guarantees). France concentrated 44% of exposures, Italy 17%, Luxembourg 12%, the Netherlands, Germany and Spain 7% each. The remaining exposures were concentrated around Austria, Turkey, Belgium and Mexico.

The Bank had no material credit exposures in Russia, Ukraine and Belarus.

COUNTERPARTY RISK

Counterparty risk is the credit risk concerning the counterparty transactions in case of which the amount of liability may change in time depending on market parameters. Therefore, the counterparty risk is related to transactions on instruments whose value may change over time depending on such factors as interest rates or foreign exchange rates.

The counterparty risk was calculated for the following types of transactions included in the Bank's trading book: foreign exchange transactions, interest rate swap transactions, FX options, interest rate options and commodity derivatives.

At the end of June 2025, the Bank's exposure to the counterparty risk due to concluded derivative transactions was PLN 3.3 billion. Corporate clients constituted 80% of the exposure, while the remaining 20% were banks.

In connection with the ongoing war in Ukraine and the economic sanctions issued against Russia and Belarus, the Bank observes increased volatility in market risk parameters, which translates into fluctuations in counterparty risk exposure. The Bank assesses counterparty risk on an ongoing basis by conducting reviews of the portfolio of clients in case of whom this risk exists. The Bank maintains the application of its basic principle of "Know Your Customer". Due to the non-standard situation, some clients were asked for additional information related to the change in business. The Bank also takes into account the higher volatility of the above parameters in risk assessment when entering into new transactions.

INTEREST RATE RISK IN THE BANKING PORTFOLIO

As part of interest rate risk management in the banking portfolio, the Group distinguishes structural elements consisting of interest-free current accounts and the Bank's capital as well as other commercial items. In terms of structural elements, the Group secures a significant portion of them by long-term positions (bonds, interest rate exchange transactions). Regarding other commercial items, the Group's intention is to reduce interest rate risk.

Thanks to the medium- and long-term investments of the structural elements, the Group's supervisory outlier test of interest income sensitivity (SOT NII) remains below 5% of Tier1 capital. At the end of June 2025, the SOT NII stood at 3.51%. At the same time, the supervisory outlier test for the economic value of equity (SOT EVE) remains significantly below the regulatory limit of 15% of Tier1 capital. At the end of June 2025, the maximum SOT EVE was 6.55%.

The use of interest rate limits remained stable in the first half of 2025.

In order to limit the volatility of the Bank's result, fair value hedge accounting and cash flow hedge accounting are applied. The type of hedging relationship depends on the current balance sheet structure and the interest rate risk profile of the banking book.

The table below presents - in PLN thousand - the sensitivity of interest income over a one-year period to an immediate shift in market rates by 100 basis points, assuming lack of shifts between deposit products.

Immediate shift of interest rates for all currencies by 100 bps:	30.06.2025	31.12.2024
Up	303,679	318,327
Down	(307,199)	(321,877)

Immediate shift of interest rates for PLN by 100 bps:	30.06.2025	31.12.2024
Up	202,918	239,631
Down	(206,481)	(243,182)

The war in Ukraine did not generally affect the way interest rate risk is managed in the banking book.

Impact of the benchmark reform on BNP Paribas Bank Polska S.A.

In connection with the plan to replace the WIBOR interest rate benchmark with a new reference index, the Polish Financial Supervision Authority established the National Working Group ("NGR") at the request of financial market participants. The work of the NGR is supervised and coordinated by the NGR Steering Committee.

According to the information from the NGR Steering Committee of 25 October 2023, the conversion conversion to a new reference index will be carried out at the end of 2027.

As a result of the review and analysis of alternative indicators for WIBOR carried out in 2024, on 18 December 2024, the NGR Steering Committee identified an index with the technical name WIRF- as the target reference index. Participants in the consultation as justification for the high ratings for the WIRF- index proposal mainly pointed to: the homogeneity of the trading resource, the relatively low volatility of this index proposal and the highest probability, in their opinion, of creating a derivatives market for such a target index and plotting a forward curve. In addition, it was noted that the WIRF- index proposal is characterised by the lowest but sufficient trading resource.

In line with the decision of the NGR Steering Committee on 24 January 2025, the technical name WIRF- has been changed to the target name POLSTR (Polish Short Term Rate). POLSTR represents the volume-weighted average level of interest rates on PLN deposit transactions concluded at O/N maturity in the wholesale money market, defined as the market for unsecured deposits placed by credit and financial institutions.

The administrator of POLSTR, within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016. (BMR Regulation), is a subsidiary of the Warsaw Stock Exchange S.A. - WSE Benchmark S.A., which has been entered in the register of the European Securities and Markets Authority. Ultimately, POLSTR is expected to become a key interest rate benchmark within the meaning of the BMR Regulation. On 2 June 2025, WSE Benchmark S.A. started publishing POLSTR and the compound indices based on it, i.e. the single base index and the compound historical POLSTR values for 1M, 3M and 6M predefined terms.

The NGR Steering Committee on 28 March 2025 updated the Roadmap for the process of replacing the WIBOR and WIBID benchmarks (the "Roadmap"). The Roadmap assumes comprehensive application of POLSTR in the Polish financial market. In parallel, standards for the use of POLSTR in banking products, debt instruments and derivatives will be defined.

In 2026, the rationale for the occurrence of a regulatory event[2] is planned to be reviewed. The occurrence of a regulatory event will result in the issuance of a Regulation of the Minister of Finance indicating the substitute for the key reference index WIBOR and the corrective spread and the date of their application. The Regulation of the Minister of Finance will apply to contracts and financial instruments not subject to contractual conversion. The Roadmap assumes readiness to discontinue the development and publication of WIBID and WIBOR from the beginning of 2028.

Structured work is underway at the Bank to adapt its operations to the changes associated with the replacement of the WIBOR interest rate benchmark. This work is supervised and coordinated by the relevant steering committee. Internal work includes activities related to the planned implementation of the new index in terms of documentation, communication and the Bank's IT systems. Persons designated by the Bank also participate directly in the work of the NGR. Following the decisions of the NGR Steering Committee, the Bank decided to withdraw the WIRON / WIRON compound rate from the Bank's product offering.

As at 31 March 2025 the Bank has identified:

- WIBOR-based financial assets in PLN million by index tenor:

ON	1W	1M	3M	6M	1Y	Total
107	48	13,669	30,624	10,803	15	55,266

- financial liabilities based on WIBOR and WIBID in PLN million, broken down by index tenor:

ON	1W	1M	3M	6M	1Y	Total
3,333	122	3,998	5,623	5	5	13,086

The Bank also had interest rate swaps (CIRS/IRS/FRA) on its banking book based on WIBOR 3M with a total nominal value of PLN 2,355 million, of which PLN 2,355 million under fair value hedge accounting, and based on WIBOR 6M with a total nominal value of PLN 8,938 million, of which PLN 7,788 million under hedge accounting.

The Bank also had financial liabilities based on WIRON of PLN 0.003 million.

In the Bank's assessment, the actions outlined in the Roadmap will enable the reform to be carried out in an orderly manner, in line with the formal requirements of the BMR Regulation and the relevant Polish regulations.

In the Bank's perspective, the establishment of an appropriate method for determining spread adjustment and its application, the development of an efficient derivatives market and the issuance of Treasury debt based on a new benchmark are very important elements of the Roadmap. The Bank assumes that the implementation of the Roadmap will significantly reduce the risks related to the reforms that may materialise over time:

- high uncertainty regarding the valuation of on-balance sheet and off-balance sheet items,
- early closure of IRS contracts by central clearing houses in the case of absence of valuation options,
- abrupt and difficult to manage changes in financial institutions' interest rate risk exposures,
- questioning of flows arising from the application of spread adjustments that do not ensure economic equivalence in settlements between parties.

At present, it is not possible to identify any rationale for ending the publication of the EURIBOR index. Thus, the flows resulting from this index are exchanged between the counterparties under the current rules.

MARKET RISK

Market risk exposure in the trading book during the first half of 2025 was maintained at a relatively low level. Interest rate risk in the trading book, measured by the sensitivity to a 1 basis point movement in interest rate curves, was at a maximum of PLN 74 thousand and PLN 92 thousand for EUR exposures in the reported period. The average VaR measure for interest rate risk in first half of 2025 remained at the same level as in the previous period at approximately PLN 2.3 million. The average utilisation of the VaR limit for the open interest rate position in the trading book was at 31% of the allocated limit.

[2] as defined in Article 23c(1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or for measuring the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

Foreign exchange risk was kept at a low level, i.e. an average of 12% utilisation of the allocated VaR limit, and, as with interest rate risk, did not make a significant contribution to the overall risk level, which shows that the Bank maintains a relatively low market risk profile. The Bank maintained a small open position in foreign exchange and interest rate options to ensure the serviceability of customer transactions.

LIQUIDITY RISK

During the first half of 2025, the Group maintained supervisory measures of short- and long-term liquidity significantly above regulatory and internal limits. The Group’s LCR averaged 266.9% during the first half of 2025. The maximum LCR was 286.8% and the minimum was 241.4%.

The Bank's main sources of funding are liabilities to customers and the Bank's capital. To a lesser extent, medium and long-term credit lines received, including subordinated loans, mainly from the BNP Paribas Group.

Throughout the period, the Group's liquidity ratios were at a very safe level. At the end of the first half of 2025, the Group recorded a decrease in corporate deposits of PLN 1.1 billion and an increase in retail deposits of PLN 0.9 billion (from the end of 2024). The Bank's net loans increased by PLN 1.1 billion. In the case of retail customers, there was a slight assets increase and this was mainly due to a small production of mortgage loans.

The Group's objective was to optimise its portfolio of non-bank customer deposits, which are still its primary source of funding.

The impact of the war in Ukraine has not affected the Bank's liquidity position.

OPERATIONAL RISK

The Bank’s operational risk is defined in accordance with the requirements of the Polish Financial Supervision Authority included in Recommendation M and the requirements of the CRR Regulation[3] , as the risk of loss resulting from inadequate or failed internal procedures, human resources and systems or from external events, which includes - but is not limited to - legal risk, model risk or information and communication technology (ICT) risk, but excludes strategic and reputational risk. The Bank also recognises as operational risk events and losses the consequences of the materialization of compliance risk[4]. Operational risk as such is inherent in any banking operations. The Bank identifies the operational risk as permanently significant.

Operational risk management strategy and policy

Operational risk management consists in employment of measures aimed at operational risk identification, analysis, monitoring, control, reporting and mitigating. Such measures take into account the structures, processes, resources and scopes of responsibilities for the said processes at various organizational levels, at three lines of defence. The operational risk management strategy has been described in the Operational Risk and Internal Control Management Strategy of BNP Paribas Bank Polska S.A., which is reviewed annually and approved by the Management Board of the Bank and accepted by the Supervisory Board. The Operational Risk Policy of BNP Paribas Bank Polska S.A., adopted by the Risk Committee of the Bank, constitutes organizational framework and standards for operational risk management. It addresses all aspects of the Bank’s operations in addition to defining the Bank’s objectives and the methods of their achievement as regards the quality of operational risk management as well as compliance with legal requirements set out in the recommendations and resolutions issued by national financial supervision authorities and applicable legislation at both national and European Union level. The Bank’s operational risk management objectives include, in particular, compliance with high operational risk management that guarantee security of customer deposits, the Bank’s equity, stability of its financial performance as well as maintenance of the operational risk level within the range of the operational risk appetite and tolerance defined by the Bank. When developing the operational risk management system, the Bank complies with the applicable legal requirements, in particular, with the recommendations and resolutions of the Polish Financial Supervision Authority and the standards adopted by the BNP Paribas Group.

In accordance with the Policy, the Bank’s operational risk management instruments include:

- identification and assessment of operational risk, including through gathering information on operational events, assessment of the risk in processes and products, operational risk and control self-assessment, operational risk assessment for contracts with external suppliers (outsourcing) and determination of key risk indicators;
- setting the operational risk appetite and limits at the level of the whole Bank and individual business areas; analysing operational risk, including analysis of operational risk scenarios, its monitoring and ongoing control;
- operational risk reporting.

[3] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012.

[4] Compliance risk refers to the risk of the consequences of non-compliance with laws, internal regulations and market standards in the processes operating at the Bank.

Compliance with the operational risk strategy is verified by the Bank's Management Board periodically and, if necessary, the required adjustments are made in order to improve the processes of operational risk management. To this end, the Management Board of the Bank is regularly provided with information concerning the scale and types of operational risk to which the Bank is exposed, its effects and methods of operational risk management. In particular, both the Bank's Management Board and Supervisory Board are informed on a regular basis of the development of the operational risk appetite measures set out in the Operational Risk Management Strategy.

As part of the implementation of the Operational Risk Management and Internal Control Strategy, the Bank undertook new initiatives and continued a number of operational risk mitigation activities in the first half of 2025. Actions were taken to strengthen and improve the quality of processes and to optimise and increase the effectiveness of the internal control environment, including the control mechanisms and processes assigned to this type of risk. In particular, the Bank focused on strengthening processes and tools for preventing and combating fraud against the Bank, including cybercrime. The measures implemented served, inter alia, on combating credit fraud and reducing the risk of unauthorised transactions, as well as continuing the programme to raise awareness of fraud risks in order to reduce them. The Bank monitored its exposure to legal risk on an ongoing basis, including risks arising from pending litigation on CHF-denominated loans, in order to respond adequately to changes in the level of risk.

Due to the ongoing military conflicts, the Bank monitored potential risks to the Bank on an ongoing basis, including those relating to security and ensuring business continuity.

The Bank's Management Board and the Risk Committee of the Supervisory Board are informed about the effectiveness of the solutions implemented by the Bank in this regard.

Internal environment

The Bank precisely defines the division of responsibilities for operational risk management, which is adapted to the organisational structure. As part of the second line of defence, comprehensive supervision of the organisation of operational risk management standards and methods is exercised by the Operational Risk, Internal Control and Anti-Fraud Division operating within the Risk area. The Division's responsibilities include operational risk management, anti-fraud issues against the Bank and the supervision of internal controls, including the control of personal data protection processes.

Development and implementation of the Bank's strategy with respect to insurance as a risk mitigation technique is the responsibility of the Bank's Internal Services Division, while the Security and Management of Business Continuity Division is in charge of business continuity management.

As part of the legal risk management process, the Legal Division monitors, identifies and performs analyses of changes to laws of general application and their effect on the Group's operations and is involved in court and administrative proceedings which affect the Group. The Compliance Monitoring Division is responsible for daily non-compliance risk analysis in addition to development of appropriate risk controls and their improvement.

Risk management

The Bank places a strong focus on identification and assessment of the factors that trigger its present exposure to operational risk in relation to banking products. It is the Bank's objective to reduce the operational risk level through improvement of its internal processes as well as mitigating the risk inherent in the process of launching new products and services and outsourcing operations to third parties.

In accordance with the Operational Risk Management Policy of BNP Paribas Bank Polska S.A., the operational risk analysis is aimed at acquiring an understanding of the interdependence between the risk generating factors and operational event types, and it is performed primarily with the objective to define the operational risk profile.

The operational risk profile is an assessment of the level of significance of this risk, understood as the scale and structure of operational risk exposures, determining the exposure levels to this risk (i.e. operational losses), expressed in the structural dimensions selected by the Bank and the scale dimensions. Periodic assessment and review of the Bank's operational risk profile is based on an analysis of the Bank's current risk parameters, changes and risks occurring in the Bank's environment, implementation of the business strategy, as well as the adequacy of the organizational structure and the effectiveness of the risk management and internal control system. The analysis of the operational risk profile also considers the Bank's subsidiaries.

Internal control system

The purpose of internal control is effective risk control, including risk prevention or early detection. The role of the internal control system is to achieve general and specific objectives of the internal control system, which should be considered at the design stage of control mechanisms. The principles of the internal control system are described in the "Policy on internal control at BNP Paribas Bank Polska S.A." document, approved by the Bank's Management Board. This document describes the main principles, organizational framework and standards for the functioning of the control environment at the Bank, complying with the PFSA requirements provided in Recommendation H and the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and the internal control system, the remuneration policy in banks. Detailed internal regulations concerning specific areas of the Bank's activity are adapted to the specifics of the Bank's operations. The appropriate organizational units of the Bank, in accordance with the scope of the tasks assigned to them, are responsible for developing detailed regulations relating to the area of internal control.

The internal control system at the Bank is based on the 3 defence lines model, which consists of:

- 1st line of defence, which consists of organizational units from particular areas of banking and support areas,
- 2nd line of defence, which consists of organizational units responsible for risk management, regardless of the risk management related to the first line defence, and the compliance unit,
- 3rd line of defence, which is independent and objective internal audit unit.

The Bank ensures internal control through independent monitoring of compliance with control mechanisms, including on-going verification and testing.

Monitoring and reporting

The Bank periodically monitors the efficiency of the operational risk management system and its appropriateness for its current risk profile. The organization of the operational risk management system is reviewed as part of audits exercised by the Internal Audit Division, which is not directly involved in the operational risk management process but provides professional and unbiased opinions supporting achievement of the Bank's objectives. The operational risk management system is overseen, and its appropriateness and efficiency are assessed by the Supervisory Board.

Capital requirements due to operational risk

In accordance with the requirements of the CRR3 Regulation, the Bank determines regulatory capital for operational risk on a consolidated basis, based on the new standardised approach for operational risk.

Subsidiaries

In accordance with supervisory regulations, the Bank oversees the operational risks associated with the activities of its subsidiaries, covering them with an Operational risk management strategy and periodically assessing the consistency of the operational risk management strategies and policies of the entities within the Group. Operational risk management in subsidiaries is carried out within dedicated units/persons appointed for this purpose. The manner and methods of operational risk management in subsidiaries are organised adequately to the scope of activity of an entity and its business profile, in accordance with the rules in force in the Group.

Risks arising from the ongoing military conflicts

In terms of operational risk management, the Bank analyses the risks related to the consequences of the military actions in Ukraine as well as growing geopolitical tensions in the Middle East on a regular basis. These events may lead to increased cybercrime activity, physical attacks and disruptions to global supply chains and critical infrastructure, including payment and banking infrastructure. The Bank is taking appropriate measures to ensure the safety of both its employees and customers, as well as to ensure business continuity and the uninterrupted execution of processes related to its operations.

52. CAPITAL ADEQUACY MANAGEMENT

Capital adequacy management is aimed to ensure the Bank's compliance with macro-prudential regulations defining capital requirements related to the risks incurred by the Bank, quantified in the form of the capital ratio.

Since 1 January 2014, banks have been subject to new principles applicable to calculation of capital ratios, following the implementation of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on macro-prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2) in relation to leverage ratio, net stable funding ratio, own funds and eligible liabilities requirements, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements as amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of May 31, 2024 (CRR3) amending Regulation (EU) No. 575/2013 with respect to requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and minimum capital threshold.

Starting in January 2025, the Bank uses the following methods for determining the capital requirement under Pillar I: the updated standardised approach for credit risk, the new standardised approach for operational risk, and the standardised approach for market risk.

As part of the realized implementation project, the Bank made the necessary adjustments to the calculation of the capital requirement for credit risk, as mentioned below.

- Under the new class of exposures secured by real estate mortgages and ADC exposures, the Bank:
  - implemented new definitions, in particular the concept of exposure related to income-generating real estate (known as IPRE exposure) and exposure related to the acquisition, development and construction of land (known as ADC exposure);
  - developed a data collection process for determining eligibility criteria for mortgage collateral;
  - updated the rules for assigning risk weights and segmenting individual exposures within an exposure class;
  - adjusted the process for the new property valuation rules and updated the internal model for their valuation.
- Under off-balance sheet exposures, the Bank:
  - implemented a process related to the identification of obligations with contractors, according to the new definitions;
  - updated the segmentation of off-balance sheet exposures into new stages and the credit conversion factors (CCFs) assigned to them.
- Under exposures to institutions, the Bank:
  - implemented a new SCRA method for institutions for which it does not have external rating information;
  - updated the rules for assigning risk weights to externally rated institutions.
- Under the specialised financing exposures, the Bank:
  - implemented a process for segmenting specialised finance exposures into appropriate subcategories;
  - adjusted the rules for assigning risk weights and developed a process for collecting project information.
- Under retail exposures, the Bank:
  - identified exposures to the transactor for which it assigns a preferential risk weight;
  - adapted the classification of retail exposures to the updated definition.
- Under equity exposures, the Bank:
  - considered the new treatment of equity exposures in terms of assigning risk weights.

The Bank considers the transitional legislation that allows for a preferential approach for specific exposure classes and rules for assigning a credit conversion factor for off-balance sheet exposures. In addition, the Bank monitors on an ongoing basis the register of documents published by the EBA, which clarify individual issues related to the changes arising from the CRR3 Regulation.

The Bank has also made changes in the area of operational risk, including the implementation of a new standardised method for calculating the operational risk requirement and updating the operational risk management framework by making the necessary regulatory and definition adjustments to the requirements set out in the CRR3 Regulation.

As a result of the postponement of the entry into force of the modified rules for determining the capital requirement for the trading book, under the so-called FRTB (Fundamental Review of Trading Book), the standardised approach will be used for market risk under the rules in force before 1 January 2025. This means that for interest rate risk the requirement is determined on the basis of the maturity approach, the requirement for foreign exchange risk on the basis of the standardised approach and for non-linear risk arising from holding positions in option instruments on the basis of the delta-plus approach.

The implementation of the aforementioned changes to the rules for determining capital requirements (based on data as at 31 December 2024 for the purposes of the calculation) increased risk-weighted assets by PLN 3,340,004 thousand and changed the Group's capital ratios by -46 bps for CET1, -48 bps for Tier 1 and by -60 bps for Total Capital Ratio.

On 23 December 2020, Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020, amending Delegated Regulations (EU) No 241/2014 as regards the deduction of software assets from Common Equity Tier 1 items, entered into force. As at 30 June 2025 the adjustment in Common Equity Tier 1 capital related to other intangible assets amounted to PLN 461,598 thousand.

The capital ratios, capital requirements and equity have been calculated in accordance with the aforesaid Regulation with the use of national options.

Pursuant to the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial sector (Journal of Laws 2015, item 1513, as amended), an additional buffer of 2.5% was introduced starting from 1 January 2019.

The Polish Financial Supervision Authority, in a release dated 20 November 2023, announced that, based on the provisions of the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial system and after taking into account the opinion of the Financial Stability Committee, it confirmed the identification of ten banks as other systemically important institutions (O-SII).

On 16 September 2024, the Bank received for information a request from the Polish Financial Supervision Authority regarding the expression of an opinion by the Financial Stability Committee regarding the amendment of the Commission's decision of 4 October 2016, as amended by the Commission's decision of 19 December 2017, to impose on the Bank (on a consolidated and individual basis) a buffer of another systemically important institution equivalent to 0.25% of the total risk exposure amount calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013. By its decision of 6 December 2024, the Polish Financial Supervision Authority amended the decision of 4 October 2016 imposing on the Bank a buffer of another systemically important institution in an amount equivalent to 0.50% of the total risk exposure amount calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

The Polish Financial Supervision Authority, by letter dated 16 December 2024, informed that in the supervisory assessment process the Bank's sensitivity to the possible materialisation of stress scenarios affecting the level of own funds and risk exposures was evaluated as low. On the basis of the 2024 supervisory stress tests conducted by the Polish Financial Supervision Authority and in accordance with the instruction, the total capital charge recommended under Pillar II offset by the capital buffer requirement was set at 0.00 p.p. on a separate and on a consolidated basis.

The Bank-specific countercyclical buffer rate, determined in accordance with the provisions of the Act of 5 August 2015 on macro-prudential supervision of the financial system and crisis management in the financial system, as a weighted average of the countercyclical buffer rates applicable in the jurisdictions where the Bank's relevant credit exposures are located, was 0 bps at 30 June 2025. The value of the ratio was affected by the application of Article 2.5(b) of Commission Delegated Regulation (EU) No 1152/2024 according to which foreign exposures, whose aggregate does not exceed 2% of the aggregate of the general credit, trading book and securitisation exposures of that institution are allocated to the institution's home Member State. The countercyclical buffer rate for credit exposures in the territory of the Republic of Poland that applied at the end of 30 June 2025 was 0%.

By a decision dated 31 December 2024, the Polish Financial Supervision Authority approved the Bank's classification of capital instruments constituting series A capital bonds with ISIN code PLO164300017, in the number of 1,300 (in words: one thousand three hundred) units, with a nominal value of PLN 500,000 each, and with a total value of PLN 650,000,000, as Additional Tier 1 (AT1) equity instruments. The Capital Bonds issued by the Bank on 28 November 2024 are instruments with no fixed maturity date, entitling the Bank to receive interest for an indefinite period, subject to the Bank's ability to redeem them early under the terms and conditions of issue. The Capital Bonds have been acquired exclusively by BNP Paribas S.A., based in Paris.

The level of Tier 1 capital ratio and total capital ratio (TCR) on a consolidated basis were above the requirements applicable to the Group as at 30 June 2025. Pursuant to the Resolution of the Bank's Annual General Meeting of Shareholders of 15 April 2025, the net profit generated in 2024 in the amount of PLN 2,320,798 thousand was allocated to the payment of dividend in the amount of PLN 1,162,341 thousand, PLN 658,457 thousand was allocated to the reserve capital and remaining part in the amount of PLN 500,000 thousand remained undistributed profit.

At the same time, the Capital Group complies with the legal requirements under the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial sector.

30.06.2025	The minimum supervisory consolidated solvency ratios of the Group	Consolidated capital adequacy ratios of the Group
CET I	7.50%	13.67%
Tier I	9.00%	14.34%
Total Capital Ratio	11.00%	17.44%
31.12.2024		
CET I	7.50%	13.10%
Tier I	9.00%	13.80%
Total Capital Ratio	11.00%	17.20%

Requirement of a minimum level of own funds and eligible liabilities (MREL)

On 20 June 2023, the Bank received a letter from the BGF regarding the joint decision of the resolution authorities, i.e. the Single Resolution Board (“SRB”) and the BGF on the minimum level of own funds and eligible liabilities ("MREL").

The joint decision indicates that the Group's restructuring plan envisages a Single Point of Entry (SPE) strategy for the mandatory restructuring. The Group’s preferred tool for mandatory restructuring is the open bank bail-in tool).

On 8 May 2025 the Bank received an updated letter from the BGF regarding the MREL requirement. The MREL requirement for the Bank has been set at an individual level at 15.93% of the total risk exposure ("TREA") and 5.91% of the total exposure measure ("TEM"). This requirement is binding from 8 May 2025.

MREL requirement applies at individual level.

The entire MREL requirement should be met in the form of own funds and liabilities meeting the criteria set out in Article 98 of the BGF Act, which transposes Article 45f(2) BRRD. According to the BGF's expectations, the part of MREL corresponding to the recapitalisation amount ("RCA") will be met in the form of AT1, T2 instruments and other subordinated eligible liabilities acquired directly or indirectly by the parent company. The Bank meets the mentioned requirement.

At the same time, the BGF indicated that Common Equity Tier 1 ("CET1") instruments held by the Bank for the purposes of the combined buffer requirement cannot be counted towards the MREL requirement expressed as a percentage of TREA. This rule does not apply to the MREL requirement expressed as a TEM percentage.

As of 30 June 2025, the Bank meets the defined requirements of MREL-TREA and MREL-TEM.

53. MANAGEMENT OF BNP PARIBAS BANK POLSKA S.A.

Composition of the Bank's Supervisory Board as at 30 June 2025:

FULL NAME	OFFICE HELD IN THE SUPERVISORY BOARD OF THE BANK
Lucyna Stańczak-Wuczyńska	Chairman of the Supervisory Board independent member
Francois Benaroya	Vice-Chairman of the Supervisory Board
Jean – Charles Aranda	Member of the Supervisory Board
Małgorzata Chruściak	Independent Member of the Supervisory Board
Sophie Heller	Member of the Supervisory Board
Monika Kaczorek	Independent Member of the Supervisory Board
Bożena Leśniewska	Independent Member of the Supervisory Board
Vincent Metz	Member of the Supervisory Board
Piotr Mietkowski	Member of the Supervisory Board
Khatleen Pauwels	Member of the Supervisory Board
Jacques Rinino	Independent Member of the Supervisory Board
Mariusz Warych	Member of the Supervisory Board

Changes in the composition of the Supervisory Board in the period from 1 January to 30 June 2025:

- On 15 April 2025, the Bank's Annual General Meeting of Shareholders appointed Ms Bożena Leśniewska as an independent member of the Bank's Supervisory Board, with effect from 15 April 2025 until the end of the current five-year joint term of office of the Supervisory Board members.
- On 28 April 2025, Mr Mariusz Warych resigned from the position of a Chairman of the Audit Committee of the Supervisory Board as of 28 June 2025.
- On 6 May 2025, Mr Francois Benaroya resigned from the position of a Member of the Audit Committee of the Supervisory Board as of 28 June 2025.
- On 7 May 2025, the Bank's Supervisory Board appointed Mr Jacquesa Rinino as a Member of the Audit Committee of the Supervisory Board as of 28 June 2025.
- On 7 May 2025, the Bank's Supervisory Board appointed Mrs Monika Kaczorek to act as a Chairman of the Audit Committee of the Supervisory Board as of 28 June 2025.

Composition of the Bank's Management Board as at 30 June 2025:

FULL NAME	OFFICE HELD IN THE MANAGEMENT BOARD OF THE BANK
Przemysław Gdański	President of the Management Board
André Boulanger	Vice-President of the Management Board
Małgorzata Dąbrowska	Vice-President of the Management Board
Wojciech Kembłowski	Vice-President of the Management Board
Piotr Konieczny	Vice-President of the Management Board
Magdalena Nowicka	Vice-President of the Management Board
Volodymyr Radin	Vice-President of the Management Board
Agnieszka Wolska	Vice-President of the Management Board

There were no changes to the composition of the Bank's Management Board in the period of 1 January - 30 June 2025 and until the publication of this report.

54. MAJOR EVENTS IN THE BNP PARIBAS BANK POLSKA S.A. CAPITAL GROUP IN THE FIRST HALF OF 2025

14.03.2025

Individual Recommendation from the Polish Financial Supervision Authority (PFSA) regarding the fulfilment of criteria for the payment of a dividend up to 50% of the net profit generated in 2024.

Additionally, due to the good quality of the loan portfolio, the potential dividend payout rate was increased to 75%.

27.03.2025

Information on the amount of the annual contribution to the bank resolution fund for 2025, set **by the Bank Guarantee Fund** (BGF) for the BNP Paribas Bank Polska S.A., **in the amount of PLN 156,118 thousand.**

7.04.2025

Issuance of Series M shares under conditional share capital increase and change in the value of share capital of BNP Paribas Bank Polska S.A.

Pursuant to the relevant statements of the National Securities Depository (KDPW) and resolutions of the Management Board of the Warsaw Stock Exchange (WSE) - the Bank's current report No. 9/2025 – on 7 April 2025, the following registration with the KDPW and the admission to trading by the WSE took place:

- 20,223 ordinary bearer shares of the Bank, series M (Series M Shares) with a nominal value of PLN 1 each and the recording of these shares in the securities accounts of the entitled persons.

Series M shares were issued as part of a conditional increase in the Bank's share capital pursuant to Resolution No. 5 of the Bank's Extraordinary General Meeting of Shareholders of 31 January 2020, as amended by Resolution No. 37 of the Bank's Annual General Meeting of Shareholders of 29 June 2020. Series M shares were subscribed for in exercise of the rights under Series A5 registered subscription warrants subscribed for earlier, each of which entitled to subscribe for one Series M share.

Pursuant to the second sentence of Article 451 § 2 of the Commercial Companies Code, the award of Series M Shares became effective upon their entry in the securities accounts of the entitled persons.

Accordingly, pursuant to Article 451 § 2 in conjunction with Article 452 § 1 of the Commercial Companies Code, the rights were acquired from 20,223 Series M Shares with a nominal value of PLN 20,223 and **an increase in the Bank's share capital** from PLN 147,799,870 **to PLN 147,820,093** which is divided into 147,820,093 shares with a nominal value of PLN 1 each.

8.04.2025

Issuance of Series N shares under conditional share capital increase and change in the value of share capital of BNP Paribas Bank Polska S.A.

Pursuant to the relevant statements of the National Securities Depository (KDPW) and resolutions of the Management Board of the Warsaw Stock Exchange (WSE) - the Bank's current report No. 11/2025 – on 8 April 2025, the following registration with the KDPW and the admission to trading by the WSE took place:

- 60,398 ordinary bearer shares of the Bank, series N (Series N Shares) with a nominal value of PLN 1 each and the recording of these shares in the securities accounts of the entitled persons.

Series N shares were issued as part of a conditional increase in the Bank's share capital pursuant to Resolution No. 39 of the Bank's Annual General Meeting of Shareholders of 27 June 2022. Series N shares were subscribed for in exercise of the rights under Series B2 registered subscription warrants subscribed for earlier, each of which entitled to subscribe for one Series N share.

Pursuant to the second sentence of Article 451 § 2 of the Commercial Companies Code, the award of Series N Shares became effective upon their entry in the securities accounts of the entitled persons.

Accordingly, pursuant to Article 451 § 2 in conjunction with Article 452 § 1 of the Commercial Companies Code, the rights were acquired from 60,398 Series N Shares with a nominal value of PLN 60,398 and **an increase in the Bank's share capital** from PLN 147,820,093 **to PLN 147,880,491** which is divided into 147,880,491 shares with a nominal value of PLN 1 each.

15.04.2025	**The Annual General Meeting of Shareholders of BNP Paribas Bank Polska S.A.** Adoption of a resolution regarding, among others, the dividend payment for 2024 in the amount of PLN 1,162,340,659.26, i.e. PLN 7.86 per share. The dividend covers all shares issued by the Bank, i.e. 147,880,491 shares. Dividend date: 22 April 2025, dividend payment date: 9 May 2025.
29.04.2025	**Entry into the National Court Register of amendments to the Articles of Association of BNP Paribas Bank Polska S.A. i.e. increase of the Bank's share capital up to PLN 147,880,491** as a result of subscription of Series M shares and Series N shares by eligible persons under the conditions specified in § 29a Section 2 item d) and § 29b Section 2 item a) of the Articles of Association of BNP Paribas Bank Polska S.A.
9.05.2025	**Determination of the minimum level of own funds and eligible liabilities (MREL) for BNP Paribas Bank Polska S.A.** The MREL requirement for the Bank has been set at an individual level at 15.93% of the total risk exposure (TREA) and 5.91% of the total exposure measure (TEM). The Bank was required to meet the requirement immediately upon receipt of the information. As of the date of receipt of the BGF's letter, the Bank was in compliance with the MREL requirements set forth in the body of the letter.
2.06.2025	**Issuance of Tier 2 Capital Bonds** BNP Paribas S.A., Paris, has accepted the proposal to purchase capital bonds referred to in Article 27a of the Act of 15 January 2015 on the bonds (the 'Bonds') presented by BNP Paribas Bank Polska S.A. The total nominal value of the Bonds is EUR 160,000,000, and the nominal value of one Bond is EUR 100,000. The redemption date of the Bonds will be 6 June 2040. The interest rate on the Bonds was determined based on the cumulative daily €STR rate plus a margin. The interest rate was determined on market terms. The terms and conditions of the Bonds provide for the possibility of their early redemption by the Bank after 10 years from the date of issue, subject to obtaining the relevant approval of the Polish Financial Supervision Authority (PFSA). The Bonds will be classified as additional Tier 2 capital instruments in the Bank's own funds, subject to prior approval by the Polish Financial Supervision Authority (PFSA). The Bank's intention is to use the proceeds from the Bonds issue to replace the funds obtained by the Bank from subordinated loans in the amounts of EUR 60,000,000, CHF 60,000,000 and EUR 40,000,000, as of which the Bank informed in current reports 'RB 24/2017' of 20 November 2017 and 'RB 76/2018' of 10 December 2018, and which are subject to prudential amortisation. Early repayment of these loans, subject to prior approval by the Polish Financial Supervision Authority, is planned for the third quarter of 2025.

Changes in the composition of the Bank's Supervisory Board in 2025 were described in Note 53 Management of BNP Paribas Bank Polska S.A.

55. SUBSEQUENT EVENTS

The Group has not identified any subsequent events.

II INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Interim condensed separate statement of profit or loss

	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024 restated	HY 2024 from 01.01.2024 to 30.06.2024 restated
Interest income	2,417,679	4,852,096	2,260,825	4,678,229
Interest income calculated with the use of effective interest rate method	2,218,081	4,447,509	2,041,220	4,286,907
interest income on financial instruments measured at amortised cost	1,997,762	4,002,052	1,855,627	3,915,995
interest income on financial instruments measured at fair value through other comprehensive income	220,319	445,457	185,593	370,912
Income of a similar nature to interest on instruments measured at fair value through profit or loss	199,598	404,587	219,605	391,322
Interest expenses	(973,249)	(1,943,111)	(1,068,567)	(2,111,616)
Net interest income	**1,444,430**	**2,908,985**	**1,192,258**	**2,566,613**
Fee and commission income	371,411	742,624	349,150	737,447
Fee and commission expenses	(62,181)	(125,071)	(76,725)	(144,517)
Net fee and commission income	**309,230**	**617,553**	**272,425**	**592,930**
Dividend income	4,217	4,389	4,566	5,352
Net trading income (including result on foreign exchange)	317,567	602,682	201,216	417,326
Result on investment activities	(596)	(2,970)	4,960	8,789
Result on fair value hedge accounting	(238)	(2,829)	440	5,561
Result on derecognition of financial assets measured at amortised cost	663	(986)	(2,114)	(5,524)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	24,384	(5,832)	11,777	(83,081)
Result on legal risk related to foreign currency loans	(249,358)	(314,263)	(189,772)	(210,772)
General administrative expenses	(626,036)	(1,443,469)	(645,276)	(1,411,610)
Depreciation and amortization	(128,330)	(255,697)	(128,169)	(253,985)
Other operating income	43,517	146,514	33,107	58,589
Other operating expenses	(78,791)	(169,635)	(61,893)	(106,726)
Operating result	**1,060,659**	**2,084,442**	**693,525**	**1,583,462**
Tax on financial institutions	(95,329)	(196,771)	(99,412)	(204,611)
Profit before tax	**965,330**	**1,887,671**	**594,113**	**1,378,851**
Income tax expenses	(246,516)	(446,386)	16,247	(190,499)
Net profit	**718,814**	**1,441,285**	**610,360**	**1,188,352**
attributable to equity holders of the Bank	718,814	1,441,285	610,360	1,188,352
Earnings (loss) per share (in PLN per one share)				
Basic	4.86	9.69	4.13	8.04
Diluted	4.86	9.68	4.13	8.04

Interim condensed separate statement on comprehensive income

	2Q 2025 from 01.04.2025 to 30.06.2025	HY 2025 from 01.01.2025 to 30.06.2025	2Q 2024 from 01.04.2024 to 30.06.2024	HY 2024 from 01.01.2024 to 30.06.2024
Net profit for the period	**718,814**	**1,441,285**	**610,360**	**1,188,352**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss upon fulfilment of certain conditions	**80,612**	**146,615**	**1,585**	**36,410**
Measurement of financial assets measured at fair value through other comprehensive income, gross	72,562	135,071	2,665	60,677
Deferred income tax on the valuation of financial assets measured through other comprehensive income	(13,787)	(25,664)	(506)	(11,529)
Measurement of cash flow hedge accounting derivatives, gross	26,960	45,937	(709)	(15,726)
Deferred income tax on valuation of derivatives hedging cash flows	(5,123)	(8,729)	135	2,988
Items that will not be reclassified to profit or loss	**(258)**	**(475)**	**415**	**(585)**
Actuary valuation of employee benefits, gross	(318)	(587)	512	(722)
Deferred income tax on actuary valuation of employee benefits	60	112	(97)	137
Other comprehensive income (net)	**80,354**	**146,140**	**2,000**	**35,825**
Total comprehensive income	**799,168**	**1,587,425**	**612,360**	**1,224,177**
attributable to equity holders of the Bank	799,168	1,587,425	612,360	1,224,177

Interim condensed separate statement on financial position

ASSETS	30 June 2025	31 December 2024
Cash and balances at Central Bank	7,556,716	11,325,551
Amounts due from banks	9,306,330	7,789,297
Derivative financial instruments	2,719,323	2,440,116
Fair value adjustment of hedged and hedging items	134,140	230,658
Loans and advances to customers measured at amortised cost	82,617,592	81,189,258
Loans and advances to customers measured at fair value through profit or loss	360,834	452,506
Securities measured at amortised cost	36,479,945	32,364,550
Securities measured at fair value through profit or loss	357,306	320,925
Securities measured at fair value through other comprehensive income	21,352,388	23,027,454
Investments in subsidiaries	108,426	108,426
Intangible assets	931,079	978,163
Property, plant and equipment	907,173	946,796
Deferred tax assets	564,636	685,634
Other assets	953,411	1,228,167
Total assets	**164,349,299**	**163,087,501**
LIABILITIES	30 June 2025	31 December 2024
Amounts due to other banks	6,634,593	5,757,872
Derivative financial instruments	2,369,359	2,311,741
Fair value adjustment of hedged and hedging items	276,193	260,025
Amounts due to customers	129,214,293	130,830,128
Debt securities issued	680,709	-
Subordinated liabilities	3,413,087	3,420,128
Lease liabilities	580,703	606,204
Other liabilities	3,274,568	2,262,300
Current tax liabilities	103,008	358,468
Provisions	2,090,723	1,968,726
Total liabilities	**148,637,236**	**147,775,592**
EQUITY	30 June 2025	31 December 2024
Share capital	147,880	147,800
Supplementary capital	9,110,976	9,110,976
Other reserve capital	4,672,220	4,024,205
AT1 capital bonds	650,000	650,000
Revaluation reserve	(394,944)	(541,084)
Retained earnings	1,525,931	1,920,012
retained profit	84,646	(400,786)
net profit for the period	1,441,285	2,320,798
Total equity	**15,712,063**	**15,311,909**
Total liabilities and equity	**164,349,299**	**163,087,501**

Interim condensed separate statement of changes in equity

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings		Total
						Retained profit	Net profit for the period	
Balance as at 1 January 2025	**147,800**	**9,110,976**	**4,024,205**	**650,000**	**(541,084)**	**(400,786)**	**2,320,798**	**15,311,909**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**146,140**	**-**	**1,441,285**	**1,587,425**
Net profit for the period	-	-	-	-	-	-	1,441,285	1,441,285
Other comprehensive income for the period	-	-	-	-	146,140	-	-	146,140
Distribution of retained earnings	**-**	**-**	**658,457**	**-**	**-**	**500,000**	**(2,320,798)**	**(1,162,341)**
Distribution of earnings intended for capital	-	-	658,457	-	-	500,000	(1,158,457)	-
Dividends paid	-	-	-	-	-	-	(1,162,341)	(1,162,341)
Issuance of shares	**80**	**-**	**-**	**-**	**-**	**-**	**-**	**80**
Payment of interest on AT1 capital bonds	**-**	**-**	**(14,118)**	**-**	**-**	**(14,568)**	**-**	**(28,686)**
Management stock options*	**-**	**-**	**3,676**	**-**	**-**	**-**	**-**	**3,676**
Balance as at 30 June 2025	**147,880**	**9,110,976**	**4,672,220**	**650,000**	**(394,944)**	**84,646**	**1,441,285**	**15,712,063**

* for details on the management stock options programme please refer to Note 39 in the Interim condensed consolidated financial statements for the first half of 2025.

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings		Total
						Retained profit	Net profit for the period	
Balance as at 1 January 2024	**147,677**	**9,110,976**	**3,513,978**	**-**	**(566,964)**	**(400,786)**	**1,007,828**	**12,812,709**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**25,880**	**-**	**2,320,798**	**2,346,678**
Net profit for the period	-	-	-	-	-	-	2,320,798	2,320,798
Other comprehensive income for the period	-	-	-	-	25,880	-	-	25,880
Distribution of retained earnings	**-**	**-**	**503,830**	**-**	**-**	**-**	**(1,007,828)**	**(503,998)**
Distribution of earnings intended for capital	-	-	503,830	-	-	-	(503,830)	-
Dividends paid	-	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	**123**	**-**	**-**	**-**	**-**	**-**	**-**	**123**
AT1 capital bonds issue	**-**	**-**	**-**	**650,000**	**-**	**-**	**-**	**650,000**
Management stock options*	**-**	**-**	**6,397**	**-**	**-**	**-**	**-**	**6,397**
Balance as at 31 December 2024	**147,800**	**9,110,976**	**4,024,205**	**650,000**	**(541,084)**	**(400,786)**	**2,320,798**	**15,311,909**

* for details on the management stock options programme please refer to Note 39 in the Interim condensed consolidated financial statements for the first half of 2025.

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings		Total
						Retained profit	Net profit for the period	
Balance as at 1 January 2024	**147,677**	**9,110,976**	**3,513,978**	**-**	**(566,964)**	**(400,786)**	**1,007,828**	**12,812,709**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**35,825**	**-**	**1,188,352**	**1,224,177**
Net profit for the period	-	-	-	-	-	-	1,188,352	1,188,352
Other comprehensive income for the period	-	-	-	-	35,825	-	-	35,825
Distribution of retained earnings	**-**	**-**	**503,830**	**-**	**-**	**-**	**(1,007,828)**	**(503,998)**
Distribution of earnings intended for capital	-	-	503,830	-	-	-	(503,830)	-
Dividends paid	-	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	**123**	**-**	**-**	**-**	**-**	**-**	**-**	**123**
Management stock options*	**-**	**-**	**3,598**	**-**	**-**	**-**	**-**	**3,598**
Balance as at 30 June 2024	**147,800**	**9,110,976**	**4,021,406**	**-**	**(531,139)**	**(400,786)**	**1,188,352**	**13,536,609**

* for details on the management stock options programme please refer to Note 39 in the Interim condensed consolidated financial statements for the first half of 2025.

Interim condensed separate statement on cash flows

CASH FLOWS FROM OPERATING ACTIVITIES:	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Net profit (loss)	**1,441,285**	**1,188,352**
Adjustments for:	**(437,340)**	**3,361,218**
Income tax expenses	446,386	190,499
Depreciation and amortization	255,697	253,985
Dividend income	(4,389)	(5,352)
Interest income	(4,852,096)	(4,678,229)
Interest expenses	1,943,111	2,111,616
Change in provisions	121,410	97,932
Change in amounts due from banks	(334,598)	4,730,220
Change in assets due to derivative financial instruments	(182,689)	244,378
Change in loans and advances to customers measured at amortised cost	(1,445,040)	(39,786)
Change in loans and advances to customers measured at fair value through profit or loss	91,672	106,093
Change in amounts due to banks	850,318	(124,174)
Change in liabilities related to derivative financial instruments	119,723	(293,699)
Change in amounts due to customers	(1,568,640)	(1,554,843)
Change in other assets and deferred tax assets	264,593	163,815
Change in other liabilities and current income tax liabilities	1,015,474	158,464
Other adjustments	(48,782)	74,450
Interest received	5,357,236	4,614,614
Interest paid	(1,858,040)	(2,169,639)
Tax paid	(607,929)	(518,900)
Lease payments with reference to short-term leases not included in the lease liability measurement	(757)	(226)
Net cash flows from operating activities	**1,003,945**	**4,549,570**

CASH FLOWS FROM INVESTING ACTIVITIES:	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Inflows	**86,379,872**	**85,795,062**
Sale and redemption of securities	86,338,202	85,787,163
Sale of intangible assets and property, plant and equipment	37,281	2,547
Dividends received and other inflows from investing activities	4,389	5,352
Outflows	**(89,275,686)**	**(89,752,433)**
Purchase of securities	(89,117,934)	(89,542,544)
Purchase of intangible assets and property, plant and equipment	(157,752)	(209,889)
Net cash flows from investing activities	**(2,895,814)**	**(3,957,371)**

CASH FLOWS FROM FINANCING ACTIVITIES:	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Inflows	**678,784**	**123**
Issuance of debt securities	678,704	-
Net inflows from share issues and return of capital contributions	80	123
Outflows	**(1,376,611)**	**(575,951)**
Repayment of long-term loans received and subordinated liabilities	(107,263)	(306)
Repayment of leasing liabilities	(71,592)	(71,647)
Interest payment on AT1 capital bonds	(35,415)	-
Dividends paid	(1,162,341)	(503,998)
Net cash flows from financing activities	**(697,827)**	**(575,828)**
TOTAL NET CASH AND CASH EQUIVALENTS	**(2,589,696)**	**16,371**
Cash and cash equivalents at the beginning of the period	**18,209,851**	**15,801,272**
Cash and cash equivalents at the end of the period	**15,620,155**	**15,817,643**
Effect of exchange rate fluctuations on cash and cash equivalents	(66,729)	(20,955)

EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES APPLIED FOR THE PURPOSE OF PREPARATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

The Interim condensed separate financial statements for the first half of 2025 ended 30 June 2025 were prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as adopted by the European Union as well as in accordance with other applicable regulations.

The accounting policies applied in the first half of 2025 are no different from those in force in 2024, which are described in details in the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2024, considering new standards, interpretations and amendments to published standards that have been issued by the International Accounting Standards Board (IASB), have been approved by the European Union, became applicable from 1 January 2025 and have been applied by the Bank.

The interim condensed separate financial statements have been prepared in Polish zloty and all values, unless otherwise indicated, are given in thousands of zlotys (PLN '000).

The interim condensed separate financial statements do not include all information and disclosures required for the annual financial statements, and therefore should be read in conjunction with the Interim condensed consolidated financial statements for the first half of 2025 and with the Separate financial statements of the BNP Paribas Bank Polska S.A. for the year ended 31 December 2024, which was approved by the Management Board of the Bank on 11 March 2025.

The accounting principles and methods of performing accounting estimates adopted in the preparation of the interim condensed separate financial statements of the Bank are consistent with the accounting principles adopted for the Group's interim condensed consolidated financial statements, which are described in Notes 3 and 7 in the Interim condensed consolidated financial statements for the first half of 2025.

Compared to the Interim condensed separate financial statements prepared for the first half ended 30 June 2024, the Bank has changed the presentation:

- gain/loss on sale of securities measured at amortised cost

Prior to the change, the result on sale of such instruments was presented in net trading income, after the change, it is a part of the result on derecognition of financial assets measured at amortised cost, as presented in detail in the table below.

Separate statement of profit or loss	HY 2024 from 01.01.2024 to 30.06.2024 before adjustment	adjustment	HY 2024 from 01.01.2024 to 30.06.2024 after adjustment
Net trading income (including result on foreign exchange)	414,607	2,719	417,326
Result on derecognition of financial assets measured at amortised cost	(2,805)	(2,719)	(5,524)

In the opinion of the Bank, the presentation changes outlined above better reflect the economic nature of the above items and therefore provide more useful information to the recipients of the financial statements.

2. GOING CONCERN

The present interim condensed separated financial statements have been prepared assuming that the Bank will continue as a going concern in substantially the same scope, in the foreseeable future, i.e. within at least 12 months from the date of the reporting period end.

3. NET ALLOWANCES FOR EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND PROVISIONS FOR CONTINGENT LIABILITIES

Net allowances for expected credit losses on financial assets and provisions for contingent liabilities

HY 2025 from 01.01.2025 to 30.06.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(239)	(1,385)	-	-	(1,624)
Loans and advances to customers measured at amortised cost	12,633	67,405	(75,175)	(92)	4,771
Contingent liabilities granted	(8,783)	6,496	(6,655)	(16)	(8,958)
Securities measured at amortised cost	(21)	-	-	-	(21)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	**3,590**	**72,516**	**(81,830)**	**(108)**	**(5,832)**

Net allowances for expected credit losses on financial assets and provisions for contingent liabilities

HY 2024 from 01.01.2024 to 30.06.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(29)	-	-	-	(29)
Loans and advances to customers measured at amortised cost	9,794	(13,215)	(29,552)	(34,208)	(67,181)
Contingent liabilities granted	(1,197)	(16,856)	1,994	219	(15,840)
Securities measured at amortised cost	(31)	-	-	-	(31)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	**8,537**	**(30,071)**	**(27,558)**	**(33,989)**	**(83,081)**

4. LITIGATION AND ADMINISTRATIVE PROCEEDINGS

Legal risk

As at 30 June 2025, there were no proceedings pending in any court, arbitration authority or state administration bodies concerning the Bank's liabilities or receivables, whose value would exceed 10% of the Bank's equity.

The following litigation and administrative proceedings in which the Bank is a party are currently pending:

- interchange fees-related claims from entrepreneurs,
- claims from investment fund participants related to the performance of the investment fund depositary function
- litigation concerning claims from investment fund participants related to the performance of the investment fund depositary function
- administrative proceedings of the Polish Financial Supervision Authority for the imposition of a penalty in connection with the performance of the function of depositary for investment funds,
- proceedings for practices in violation of the collective interests of consumers - unauthorised transactions,
- proceedings for practices in violation of the collective interests of consumers – credit holidays,
- proceedings concerning the institution of the free credit sanction referred to in Article 45 of the Act of 12 May 2011, on Consumer Credit (“the Consumer Credit Act”).
- litigation relating to mortgage loan agreements with interest rates based on WIBOR,

- administrative proceedings of the Polish Financial Supervision Authority for the imposition of a penalty,
- litigation concerning CHF loan agreements in the banking sector.

Details of litigation and administrative proceedings are presented in Note 50 in the Interim condensed consolidated financial statements for the first half of 2025 ended 30 June 2025.

5. OTHER SIGNIFICANT DISCLOSURES

The following significant disclosures related to the Interim condensed separate financial statements for the first half of 2025 are described in the Interim condensed consolidated financial statements for the first half ended 30 June 2025:

1) Information on the restructuring provision recognised by the Bank in Notes 7 f and 37,
2) Disclosures on debt securities issued in Note 34,
3) Disclosures on fair value in Note 42,
4) Disclosures on significant estimates, judgements and events affecting the statement of financial position and the Bank's results, in particular the impact of legal risk arising from litigation relating to CHF mortgages and the securitisation transaction in Notes 44 and 50,
5) Significant events in the BNP Paribas Bank Polska S.A. Group in the first half of 2025 in Note 54.

6. RELATED PARTY TRANSACTIONS

BNP Paribas Bank Polska S.A. is a member of the BNP Paribas Bank Polska S.A. Capital Group.

BNP Paribas Bank Polska S.A. is the parent company of the BNP Paribas Bank Polska S.A. Capital Group.

The ultimate parent company is BNP Paribas S.A. based in Paris.

As of 30 June 2025 the Capital Group of BNP Paribas Bank Polska S.A. comprised BNP Paribas Bank Polska S.A. as the parent company and its subsidiaries:

1. BNP PARIBAS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A. („TFI"),
2. BNP PARIBAS LEASING SERVICES SP. Z O.O. („LEASING"),
3. BNP PARIBAS GROUP SERVICE CENTER S.A. („GSC").

All transactions between the Bank and its related parties were entered into as part of its daily operations and included mainly loans, deposits, transactions in derivative instruments as well as income and expenses related to advisory and financial intermediation services.

Transactions with shareholders of BNP Paribas Bank Polska S.A. and related parties.

30.06.2025	BNP Paribas S.A., Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Subsidiaries	Total
Assets	**10,705,397**	**73**	**160,870**	**1,459**	**2,936,388**	**13,804,187**
Receivables on current accounts, loans and deposits	8,695,072	73	134,582	1,419	2,934,076	**11,765,222**
Derivative financial instruments	1,876,168	-	1,101	-	-	**1,877,269**
Hedging derivative instruments	134,140	-	-	-	-	**134,140**
Other assets	17	-	25,187	40	2,312	**27,556**
Liabilities	**10,299,647**	**38,945**	**607,437**	**3,345**	**33,372**	**10,982,746**
Current accounts and deposits	5,611,550	38,894	587,440	3,345	33,084	**6,274,313**
Subordinated liabilities	3,413,087	-	-	-	-	**3,413,087**
Derivative financial instruments	591,235	51	137	-	-	**591,423**
Hedging derivative instruments	621,022	-	-	-	-	**621,022**
Other liabilities	62,753	-	19,860	-	288	**82,901**
Contingent liabilities						
Financial commitments granted	-	-	231,635	2,057	-	**233,692**
Guarantees granted	256,033	77,613	502,615	-	890,799	**1,727,060**
Commitments received	248,587	112,300	2,232,592	-	627,028	**3,220,507**
Derivative financial instruments (nominal value)	65,013,866	60,947	22,589	-	-	**65,097,402**
Derivative hedging financial instruments (nominal value)	30,809,150	-	-	-	-	**30,809,150**
Statement of profit or loss	**355,184**	**(449)**	**25,697**	**33**	**133,232**	**513,697**
HY 2025 from 01.01.2025 to 30.06.2025						
Interest income	144,518	156	7,470	70	94,011	**246,225**
Interest expenses	(239,925)	(554)	(5,161)	(37)	-	**(245,677)**
Fee and commission income	-	-	-	-	6,852	**6,852**
Fee and commission expenses	-	-	-	-	(905)	**(905)**
Net trading income	482,237	(51)	(320)	-	-	**481,866**
Other operating income	-	-	46,581	-	33,495	**80,076**
Other operating expenses	-	-	(14,508)	-	(120)	**(14,628)**
General administrative expenses	(31,646)	-	(8,365)	-	(101)	**(40,112)**

31.12.2024	BNP Paribas S.A., Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Subsidiaries	Total
Assets	**9,367,983**	**1,663**	**103,956**	**2,584**	**2,716,736**	**12,192,922**
Receivables on current accounts, loans and deposits	7,466,281	1,663	84,274	2,520	2,714,035	**10,268,773**
Derivative financial instruments	1,670,668	-	8,614	-	-	**1,679,282**
Hedging derivative instruments	231,025	-	-	-	-	**231,025**
Other assets	9	-	11,068	64	2,701	**13,842**
Liabilities	**10,032,841**	**26,789**	**753,218**	**1,973**	**35,259**	**10,850,080**
Current accounts and deposits	5,020,715	26,789	722,019	1,973	34,772	**5,806,268**
Subordinated liabilities	3,420,128	-	-	-	-	**3,420,128**
Derivative financial instruments	750,285	-	2,356	-	-	**752,641**
Hedging derivative instruments	841,713	-	-	-	-	**841,713**
Lease liabilities	-	-	-	-	-	**-**
Other liabilities	-	-	28,843	-	487	**29,330**
Contingent liabilities						
Financial commitments granted	-	-	294,101	1,145	-	**295,246**
Guarantees granted	430,288	86,650	662,905	-	897,330	**2,077,173**
Commitments received	440,132	121,264	2,270,042	-	857,821	**3,689,259**
Derivative financial instruments (nominal value)	75,378,215	-	184,840	-	-	**75,563,055**
Derivative hedging financial instruments (nominal value)	29,817,809	-	-	-	-	**29,817,809**
Statement of profit or loss	**448,957**	**(680)**	**(34,220)**	**15**	**101,151**	**515,223**
HY 2024 from 01.01.2024 to 30.06.2024						
Interest income	259,681	-	1,083	71	74,815	**335,650**
Interest expenses	(242,038)	(680)	(11,942)	(56)	-	**(254,716)**
Fee and commission income	-	-	-	-	337	**337**
Fee and commission expenses	-	-	-	-	(1,648)	**(1,648)**
Net trading income	487,947	-	-	-	-	**487,947**
Other operating income	-	-	22,442	-	30,144	**52,586**
Other operating expenses	-	-	(38,135)	-	(120)	**(38,255)**
General administrative expenses	(56,633)	-	(7,668)	-	(2,377)	**(66,678)**

Remuneration of the Management Board and Supervisory Board.

Management Board	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Short-term employee benefits	9,123	9,210
Long-term benefits	3,474	2,853
Share-based payments*	3,945	3,840
Shares issued**	2,096	1,855
Total	**18,638**	**17,758**

*includes an amount recognised in the Bank's capital linked to the Bank's shares taken up in the future (in accordance with the variable remuneration policy)
**value of shares issued based on actuarial valuation

Supervisory Board	HY 2025 from 01.01.2025 to 30.06.2025	HY 2024 from 01.01.2024 to 30.06.2024
Short-term employee benefits	884	883
Total	**884**	**883**

7. SEASONAL OR CYCLICAL NATURE OF BUSINESS

There are no significant seasonal or cyclical phenomena in the Bank's operations.

8. DIVIDENDS PAID

The Annual General Meeting of Shareholders of the Bank on 15 April 2025 adopted a resolution on the payment of a dividend from the net profit made in 2024. Based on that, the Bank paid a dividend on 9 May 2025 in the amount of PLN 1,162,340,659.26, i.e. PLN 7.86 per share. The dividend covers all shares issued by the Bank, i.e. 147,880,491 shares.

9. DISTRIBUTION OF RETAINED EARNINGS

In accordance with the Resolution No. 7 of the Annual General Meeting of Shareholders of the Bank dated 15 April 2025 on distribution of the profit of BNP Paribas Bank Polska Spółka Akcyjna and payment of a dividend for the financial year 2024 from the net profit generated in 2024 in the amount of PLN 2,320,797,922.26 (two billion three hundred twenty million seven hundred ninety seven thousand nine hundred and twenty two zlotys and twenty six groszy) the Bank paid a dividend in the amount of PLN 1,162,340,659.26, PLN 658,457,263.00 was allocated to the reserve capital and remaining part remained undistributed profit.

10. CONTINGENT LIABILITIES

The following table presents the value of liabilities granted and received.

Contingent liabilities	30.06.2025	31.12.2024
Contingent liabilities granted	**37,155,884**	**34,611,132**
financial commitments	25,330,605	22,111,126
guarantees	11,825,279	12,500,006
Contingent liabilities received	**55,079,667**	**55,172,867**
financial commitments	20,000	551,870
guarantees	55,059,667	54,620,997

11. SUBSEQUENT EVENTS

Subsequent events are described in Note 55 of the Interim consolidated report for the first half of 2025 ended 30 June 2025.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS OF BNP PARIBAS BANK POLSKA S.A.

11.08.2025	**Przemysław Gdański** President of the Management Board	qualified electronic signature
11.08.2025	**André Boulanger** Vice-President of the Management Board	qualified electronic signature
11.08.2025	**Małgorzata Dąbrowska** Vice-President of the Management Board	qualified electronic signature
11.08.2025	**Wojciech Kembłowski** Vice-President of the Management Board	qualified electronic signature
11.08.2025	**Piotr Konieczny** Vice-President of the Management Board	qualified electronic signature
11.08.2025	**Magdalena Nowicka** Vice-President of the Management Board	qualified electronic signature
11.08.2025	**Volodymyr Radin** Vice-President of the Management Board	qualified electronic signature
11.08.2025	**Agnieszka Wolska** Vice-President of the Management Board	qualified electronic signature

Warsaw, 11 August 2025