Management Board's Report on the activities of the BNP Paribas Bank Polska S.A. Group

for the first half of 2025

#BankDobrychDecyzji

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

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About us

Key data: 2021-30.06.2025

	30.06.2025	2024	2023	2022	2021
Statement of financial data (PLN million)					
Total assets	168,549	167,540	161,026	150,109	131,777
Loans and advances to Customers*	86,907	85,854	86,248	88,631	86,299
Total equity	15,828	15,394	12,861	11,262	11,362
Amounts due to Customers	129,262	130,925	127,175	120,021	101,093
Statement of profit or loss (PLN million)					
Net profit	1,475	2,358	1,013	441	176
Normalised net profit**	1,475	2,415	967	1,166	176
Net interest income	2,968	5,741	5,225	3,493	3,141
Net fee and commission income	656	1,264	1,211	1,137	1,049
Net income on banking activity	4,212	7,753	7,283	5,352	4,809
Result on legal risk related to foreign exchange loans	(314)	(796)	(1,978)	(740)	(1,045)
Net impairment allowances on financial assets and contingent liabilities	(9)	(246)	(34)	(275)	(266)
General administrative expenses, depreciation and amortization	(1,763)	(3,352)	(3,096)	(3,038)	(2,544)
Financial indicators (%)					
Net ROE	18.8%	16.9%	8.2%	3.9%	1.5%
Net ROA	1.8%	1.5%	0.7%	0.3%	0.1%
Costs/Income (C/I)	41.8%	43.2%	42.5%	56.8%	52.9%
Normalised net ROE**	18.8%	17.3%	7.7%	10.2%	1.5%
Normalised net ROA**	1.8%	1.5%	0.6%	0.8%	0.1%
Normalised Cost / Income (C/I) without BFG and IPS**	37.7%	41.0%	41.1%	42.9%	49.9%

	30.06.2025	2024	2023	2022	2021
Net interest margin	3.58%	3.56%	3.43%	2.46%	2.51%
Share of NPLs in gross loans and advances portfolio***	3.2%	3.2%	3.0%	3.3%	3.6%
Cost of risk	(0.02%)	(0.28%)	(0.04%)	(0.30%)	(0.32%)
Total capital ratio	17.44%	17.20%	16.67%	15.55%	16.91%
Tier I capital ratio	14.34%	13.80%	12.51%	11.28%	12.33%
Information on shares					
Stock market capitalisation (PLN million)	15,749	12,593	12,641	8,265	13,454
Number of shares (million pcs.)	148	148	148	148	148
Period-end share price (PLN)	107	85	86	56	91
Business information (thousand)****					
Number of Bank's Customers:	3,855	4,001	4,186	4,227	4,117
Retail Customers	3,502	3,638	3,831	3,877	3,810
Institutional Customers	353	363	356	350	307
ESG					
Value of sustainable financing (PLN billion)	10.9	10.2	9.6	6.5	3.1
Number of active employees in the Group	7,392	7,512	7,740	8,020	8,048
Number of Customer Centres with "Barrier-Free Facility" certification	143	143	131	103	77

Note: due to the change made from 1 January 2023, in accordance with IFRS 9, in the presentation of the impact of legal risk arising from court proceedings related to CHF mortgage loans, in the case of the Net Assets category, Loans and advances granted to Customers and Share of loans and advances with loss of value (Stage 3), the column for 2022 presents converted values. For indicators for which we use quarterly averages, the converted amounts were adopted for all quarters of 2023. No recalculation of average values was made for previous years. Average values were not recalculated for earlier years. Details of the definitions and assumptions used are presented in the Alternative Performance Measures chapter.

** Net values, including loans measured at amortised cost and at fair value.*
*** Normalised values calculated without the impact of credit holidays in 2022-2024.*
**** Refers to the portfolio measured at amortised cost.*
***** Number of Customers in 2022-2023 in accordance with the new definition adopted 2Q 2023.*

The Group and the Bank characteristics

BNP Paribas Bank Polska S.A. (the Bank) is a universal Bank.

Retail Customers are offered a selection of savings and investment products as well as a wide range of loans, including housing and Customer loans. For private banking segment Customers, we propose a comprehensive offer in the area of protection, optimisation and growth of wealth. The Bank's Customers can also take advantage of investment advisory services.

We provide micro, small and medium-sized enterprises as well as corporations with local and international financing solutions. Our services are also addressed to enterprises from the agri-food sector. We specialize in financing agriculture, the food economy and regional infrastructure.

We have been active in the Polish market for over a hundred years. Our ties with the global BNP Paribas financial group enable us to apply the best international practices. Thus, we can meet the needs of the local market and the expectations of the Bank's Customers. We provide our services all over the country through a network of Bank branches, partner branches, as well as online and mobile banking. We also cooperate with partner stores and selected car dealers.

As the Bank of Green Changes, we support our Customers' transition to a low-carbon economy and inspire them to make responsible financial decisions. We consistently pursue a strategy of financing investments with a positive social, economic, and environmental impact.

The Bank is part of the international BNP Paribas banking group (BNP Paribas Group).

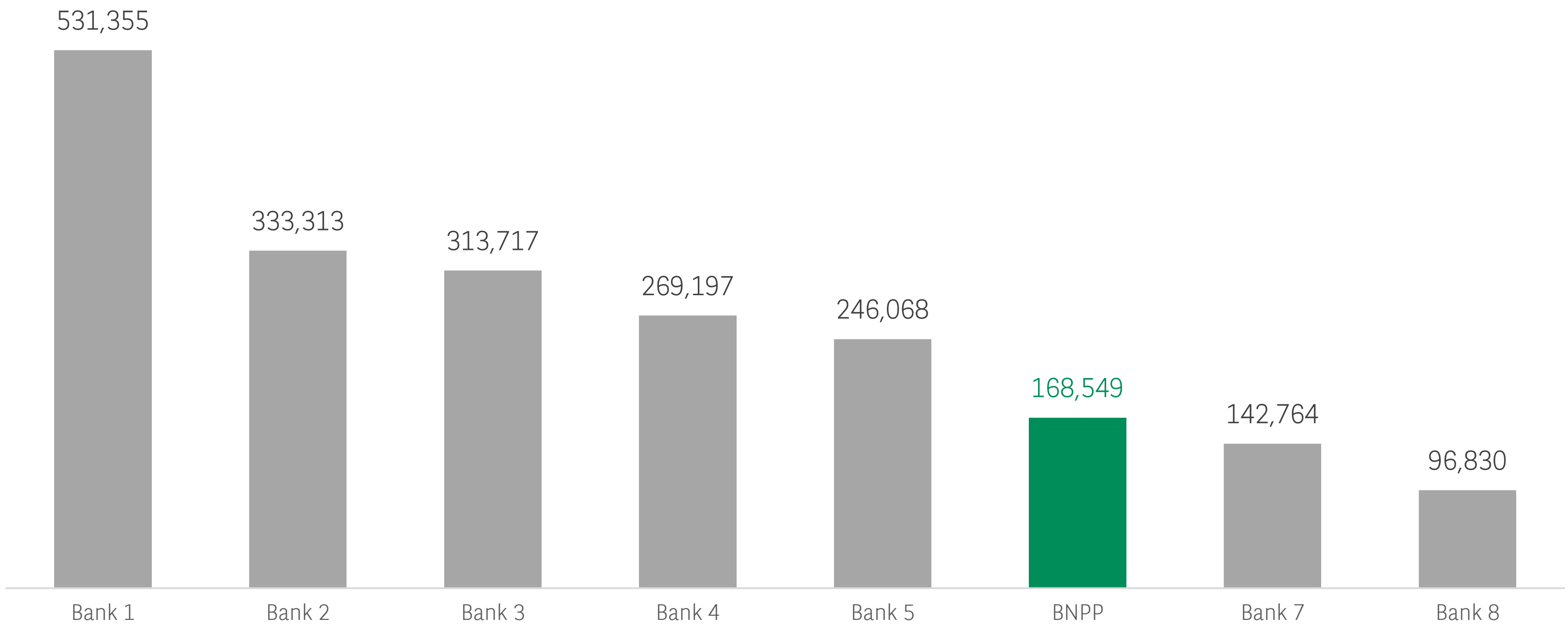
The Bank and its subsidiaries form the BNP Paribas Bank Polska S.A. Group (the Group), which ranks sixth regarding balance sheet size in the domestic banking sector. Employment in the Group expressed in terms of the number of active persons is – 7.4 thousand.

The shares of BNP Paribas Bank Polska S.A. are listed on the Warsaw Stock Exchange.

The Bank's head office is located in Warsaw, at 2 Marcina Kasprzaka Street.

Position of the Bank and the Group in the Polish banking sector and market shares

Chart 1. Total assets of the BNP Paribas Bank Polska S.A. Group on 30.06.2025 compared to the largest banks (PLN million)



Assets of the largest banks on 31.03.2025, assets of BNP Paribas Bank Polska on 30.06.2025

According to the interim reports, which were the most up-to-date source of comparable performance information for the banks listed on the WSE at the date the Management Report was approved for publication, BNP Paribas Bank Polska S.A. Group was the sixth largest banking group in Poland in terms of total assets.

Table 1. Market shares of BNP Paribas Bank Polska

	30.06.2025	31.12.2024
Loans to non-Bank Customers including, i.a.:	5.6%	5.7%
Loans for retail Customers	4.7%	4.8%
Non-financial business entities	8.7%	8.8%
Deposits from non-Bank Customer including, i.a.:	5.2%	5.7%
Deposits from retail Customers	4.3%	4.4%
Non-financial business entities	8.8%	9.3%

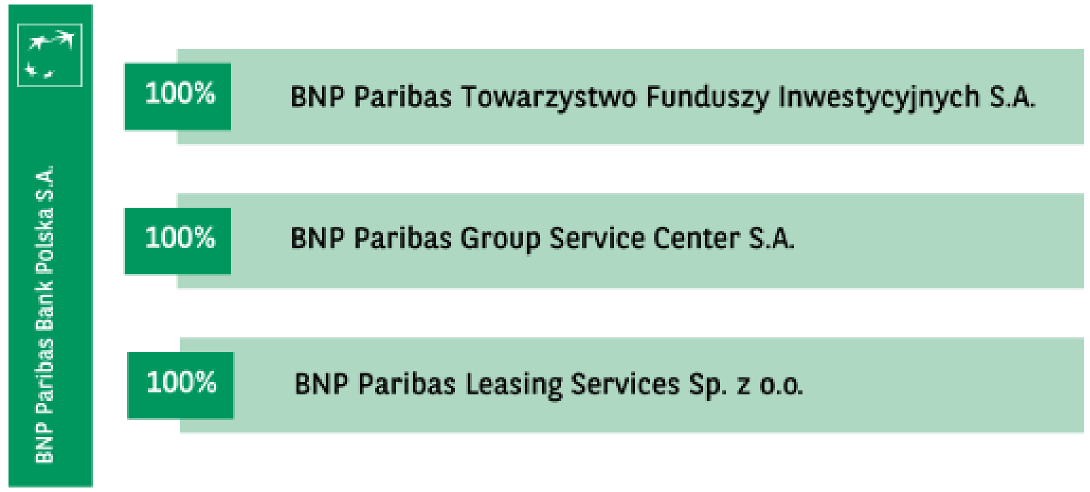
In the "loans to non-Bank Customers" category, the Bank's share in the sector stood at 5.6% at the end of H1 2025, compared with 5.7% at the end of 2024. There was a slight decrease in market shares in both loans to retail Customers and loans to non-financial economic entities. The lower market shares in loans for retail Customers were due in particular to a decline in the share of PLN housing loans. This occurred as a consequence of the decrease in the Bank's volumes (compared to the end of 2024) against the increase observed in the banking sector. In 2023 the Bank adopted a more conservative and selective housing lending policy and, at the same time, did not join the government's "Safe Credit 2%" programme to support the purchase of the first flat. In Q2 2024, the Bank relaxed its lending policy in the area of housing loans, which had the effect of gradually slowing down the decline in market shares in this market segment. The decline in market shares in loans to non-financial economic entities was the result of slower growth in volumes at the Bank (compared to the end of 2024) against their growth in the banking sector.

The Bank's share of "non-Bank Customer deposits" decreased to 5.2% from 5.7% at the end of 2024. This was determined by a decrease in the Bank's share of non-financial economic entities Banking business deposits resulting from a decrease in their volume at the Bank.

Group structure and subsidiaries subject to consolidation

BNP Paribas Bank Polska S.A. (the Bank) is the parent company of the BNP Paribas Bank Polska Group (the Group) operating in Poland. The subsidiaries that are part of the Group at the end of June 2025 (fully consolidated) are listed below. The Bank's share in the equity of each subsidiary is presented in percentages.

Structure of the BNP Paribas Bank Polska S.A. Group as at 30.06.2025



In addition to Group companies, the Bank held equity investments in infrastructure companies at the end of June 2025, including Credit Information Bureau S.A., National Clearing House S.A., VISA Inc., Mastercard Inc. and SWIFT. We also held minority, non-controlling interests, shares or convertible bonds in over a dozen medium-sized Polish companies. The value of investments in stocks and minority shares is not material in terms of the scale of the Bank's and the Group's business and financial performance. These investments are financed from own resources.

All transactions between the Bank and related entities resulted from ongoing operational activities and mainly included loans, deposits, derivative transactions, income, expenses from advisory services and financial intermediation. Detailed information on transactions with related parties is provided in Note 45 of the Consolidated Half-Yearly Report of the BNP Paribas S.A. Group Bank Polska S.A. for the six months ended 30 June 2025.

BNP Paribas Group worldwide

The Bank's strategic shareholder is the leading international banking group BNP Paribas, which operates in three key areas:

- Corporate & Institutional Banking - services for corporate and institutional Customers,
- Commercial, Personal Banking & Services - services provided by the sales network and specialised business units,
- Investment & Protection Services - savings, investment and insurance services.

The BNP Paribas Group supports its retail Customers, entrepreneurs, local governments, small and medium-sized enterprises, corporates and institutions in the implementation of projects by offering them a range of financial, investment, savings and insurance products.

BNP Paribas Group operates in 64 countries and employs almost 178 thousand people, including 144 thousand in Europe.

In 2022, the Group began implementing the GTS strategic plan for 2022-2026. The strategy is built on three pillars – growth technology, and sustainability.

BNP Paribas Group's GTS strategy ambitions:

- GROWTH – further development of a profitable business based on leading position of the BNP Paribas Group's in Europe,
- TECHNOLOGY – technology supporting Customer experience and operational efficiency,
- SUSTAINABILITY – the Group's business activities on supporting the financing of sustainable development.

The Bank on the Warsaw Stock Exchange Shareholding structure

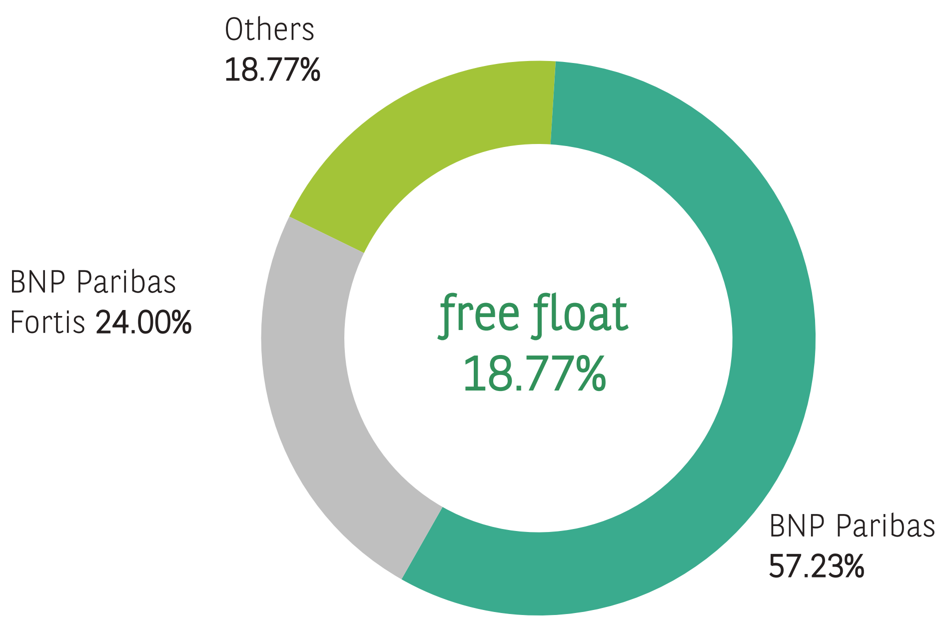
30 June 2025, the Bank's shareholders included two shareholders holding at least 5% of the total number of votes at the General Meeting of Shareholders: BNP Paribas and BNP Paribas Fortis SA/NV. In total, they held 81.23% of the votes. The remainder of the Bank's shares, i.e. 18.77% were in free float.

The Bank's shares are listed on the Main Market of the Warsaw Stock Exchange since 27 May 2011 (the debut of Bank Gospodarki Żywnościowej S.A.).

PLBGZ0000010 ISIN code	BNP WSE Ticker
BNPPPL Abbreviation	mWIG40 and mWIG40TR Index membership

Chart 2. Shareholder structure as of 30.06.2025

Total number of shares - 147,880,491



The table below shows the Bank's shareholding structure as at 30 June 2025, identifying shareholders who held at least 5% of the total number of votes at the General Meeting of Shareholders.

Table 2. Shareholding structure

shareholder	number of shares	% share in the share capital	number of votes at the General Meeting of Shareholders	% share in the total number of votes at the General Meeting of Shareholders
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	27,756,099	18.77%	27,756,099	18.77%
Total	147,880,491	100.00%	147,880,491	100.00%

As at 8 April 2025, the Bank's share capital is PLN 147,880,491. The capital comprises PLN 147,880,491 shares with a nominal value of PLN 1 each, including:

- A series – 15,088,100 shares,
- B series – 7,807,300 shares,
- C series – 247,329 shares,
- D series – 3,220,932 shares,
- E series – 10,640,643 shares,
- F series – 6,132,460 shares,
- G series – 8,000,000 shares,
- H series – 5,002,000 shares,
- I series – 28,099,554 shares,
- J series – 2,500,000 shares,
- K series – 10,800,000 shares,
- L series – 49,880,600 shares,
- M series – 322,859 shares,
- N series – 138,714 shares.

The four series B shares are preference shares. This privilege includes the right to receive payment of the full nominal amount per share in the event of the Bank's liquidation after satisfying creditors, in priority to payments due on ordinary shares, which may not cover the nominal amount of those shares due to the exercise of the privilege.

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

Changes in the shareholding structure in H1 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 acquisition of 20,223 series M shares in the Bank in exercise of rights attached to previously acquired series A5 registered subscription warrants.

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

Details of the subscription for M and N shares are presented in the section: Key Corporate Events.

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

According to information received from BNP Paribas SA – the Bank's main shareholder – BNP Paribas SA declares its intention to increase the number of the Bank's free float shares to at least 25% in the future.

Ownership of Bank shares by members of the Management Board and members of the Supervisory Board

A summary of the Bank's shareholdings and share entitlements of the members of the Bank's Management Board and Supervisory Board as at the date of submission of the Financial Statements for Q1 2025 (14 May 2025) and the Report for H1 2025 (12 August 2025) is presented below.

Table 3. Number of shares and subscription warrants held by members of the Bank's Management Board and Supervisory Board

member of the Management Board	shares 14.05.2025	subscription warrants[1] 14.05.2025	Sale of shares	shares 12.08.2025	subscription warrants[1] 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 Supervisory Board of the Bank	shares 14.05.2025	subscription warrants[1] 14.05.2025	Sale of shares	shares 12.08.2025	subscription warrants[1] 12.08.2025
Jean-Charles Aranda	1,828	770	-1,828	-	770

1) Subscription warrants taken up on 24.03.2025: series A6 - one A6 series warrant entitles the holder to subscribe for one ordinary bearer share of series M of BNP Paribas Bank Polska S.A., at an issue price equal to PLN 1.00 per share; and series B3 - one series B3 warrant entitles the holder to subscribe for one ordinary bearer share of series N of BNP Paribas Bank Polska S.A., at an issue price equal to 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 submission of the Financial Statements for Q1 2025, i.e. 14 May 2025.

Share quotations

At the session of 30 June 2025, the closing price of the Bank's shares was PLN 106.50, and was higher by 5.45% compared to 28 June 2024 (PLN 101.00). During the same period, the value of the WIG-Banks index increased by 18.91% to 16,431.56 points (maximum at 16,891.71 points at the close of the session on 14 May 2025).

After a very good situation for companies listed on the Warsaw Stock Exchange in the first half of 2024 (WIG-Banks rose by 24.9%), in the second half of 2024 a deterioration in the sentiment of the Bank stock market could be observed (WIG-Banks fell by 10.7%), caused by, among other things:

- continuing geopolitical risks in the region due to the war in Ukraine,
- the strengthening of the dollar and expectations regarding the outcome of the US presidential election and the new president's trade policy resulting in a weakening of foreign capital inflows to the Polish market,
- weaker-than-expected macroeconomic data, which translated into revisions of economic growth dynamics,
- concerns about interest rate cuts in Poland in 2025.

The absence of the government's new "Start-Up Loan" programme to stimulate demand for mortgage loans, the continuing legal risk of the foreign exchange mortgage portfolio, as well as interest rate cuts in Europe (ECB, Czech Republic, Hungary, Sweden and Switzerland) in September 2024 negatively impacted Bank share prices in Q3 2024. This was reflected in a 9.84% decline in the WIG-Banks and a 6.93% decline in the Bank's shares to PLN 94.0. The Bank's shares recorded a maximum for Q3 2024 at PLN 106.50 on 12 July 2024 and a minimum on 11 September 2024 (PLN 93.20).

After declines in Bank share prices in the first two months of Q4, there was a positive turnaround in December triggered by a lower risk of interest rate reductions in the first half of 2025 in Poland, projected credit growth, planned high dividend payments in 2025 and increasing inflows of funds to the WSE from Employee Capital Plans. The decline in the WIG-Banks index was negligible at 0.90% in Q4 this year, while the price of the Bank's shares fell by 9.36% compared to the end of Q3 (PLN 85.20). The minimum for the Bank's shares in Q4 2024 was recorded on 4 December 2024 (PLN 81.20), the maximum on 18 and 21 October 2024 (PLN 95.80).

After declines in the second half of 2024, there was a recovery in the first half of 2025 and the WIG-Banks index gained 33.09%. The factors that had a positive impact on Bank share prices were:

- high interest rates, which remained in place until May this year, allowing for high interest income,
- observed improvement in sentiment among foreign investors,
- dividend payments by banks.

In Q1 2025, three Banks outperformed the WIG-Banks index. The increase in share prices of all Banks was due to stable interest rates, good financial results, planned record dividends and the return of foreign investors to the domestic equity market. The WIG-Banks index rose by 29.84% throughout Q1 2025, while the Bank's share price rose by 29.11% to PLN 110.0.

In Q2 2025, Bank share prices were impacted by, among other things, the first interest rate cut since October 2023, uncertainty arising from potential further interest rate cuts (the second cut occurred on 2 July 2025) and geopolitical conditions. As a result, the WIG-Banks rose by only 2.51% in Q2 2025 and the Bank's share price fell by 3.18% to PLN 106.50.

Following the quarterly revision of stock index portfolios on 5 June 2025, the Bank's shares are listed in the mWIG 40 index. The minimum for the Bank's shares in the first half of 2025 was recorded on 30 December 2024 (PLN 85.20) and 2 January 2025 (PLN 86.40), and the maximum (PLN 113.0) on 1 and 2 April this year.

Chart 3. Quotations and trading value of the Bank's shares from 28.06.2024 to 30.06.2025

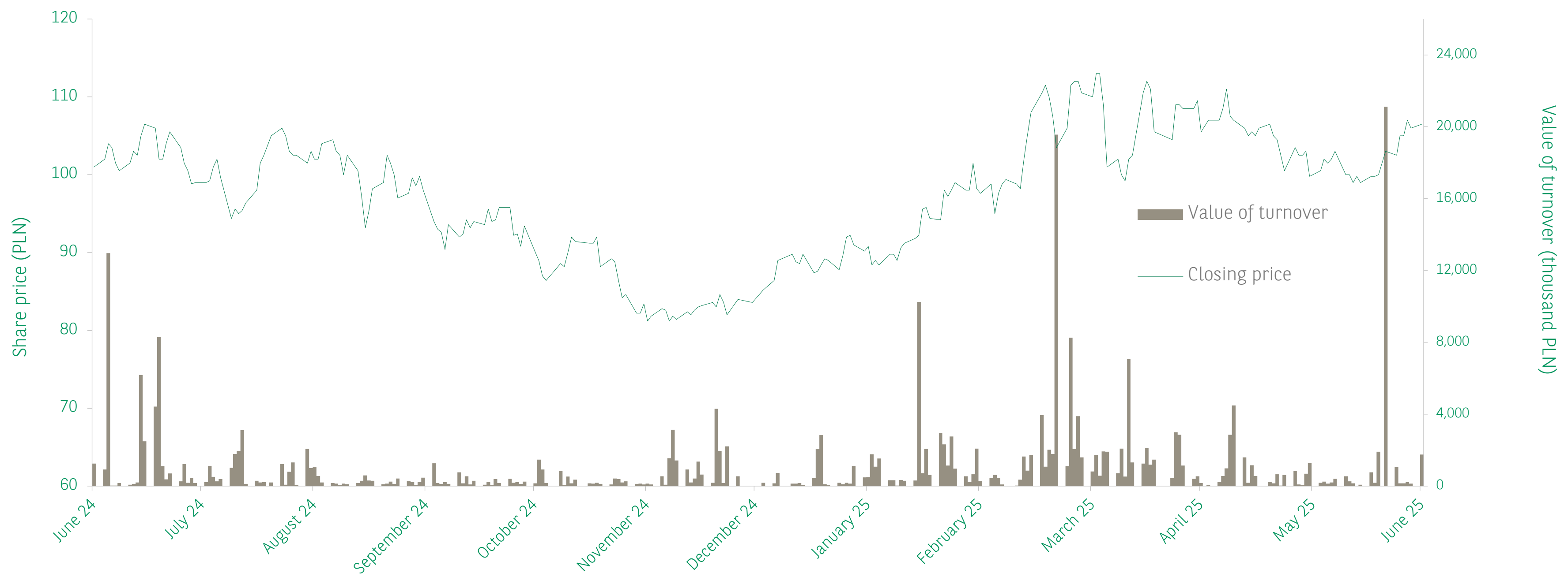
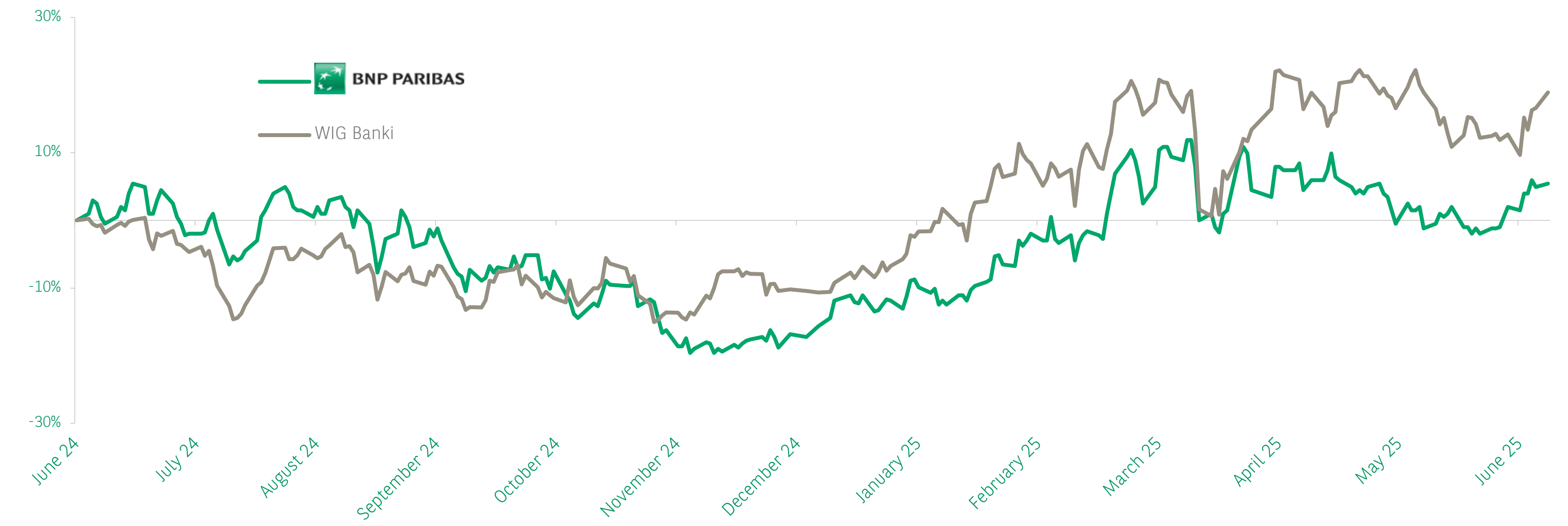


Chart 4. Change in share price of the Bank vs. WIG-Banks from 28.06.2024 to 30.06.2025 (28.06.2024 = 100%)



The average daily share price for the following quarters was: Q3 2024: PLN 97.59, Q4 2024: PLN 96.82, Q1 2025: PLN 96.27, Q2 2024: PLN 104.72.

The average daily volume was 5,101 shares in Q3 2024 (down from 30,620 shares in Q2) and 12,528 shares in Q4. The first half of 2025, with the continued good stock market, brought an increase in investor activity. The average daily trading volume increased to 15,329 shares in Q1 2025 and reached 12,411 shares in Q2 2025. Overall, the average trading volume in H1 2025 was 35.5% lower compared to the same period in 2024 (13,934 shares vs. 21,605 shares).

Combined with the increase in the share price, this was reflected in changes in the average daily trading value, which in the analysed quarters amounted to: PLN 494.1 thousand, PLN 1,239.4 thousand, PLN 1,521.8 thousand and PLN 1,297.5 thousand. On 20 June 2025, the maximum trading volume (205,017 shares) and maximum trading value (PLN 21,114.4 thousand) for the analysed period were recorded.

Table 4. Key information on BNP Paribas Bank Polska S.A.

	30.06.2025	31.12.2024	30.06.2024	YoY change
Share price at the end of the year (PLN)	106.50	85.20	101.00	5.4%
Average share price (PLN)	100.38	95.88	97.13	3.3%
Maximum share price (PLN)	113.00	112.00	112.00	0.9%
Minimum share price (PLN)	85.20	81.00	81.00	5.2%
WIG-Banks value at year-end (points)	16,431.56	12,345.94	13,817.94	18.9%
Number of shares at year end (units)	147,880,491	147,799,870	147,799,870	0.1%
Capitalisation at year-end (PLN thousand)	15,749,272	12,592,549	14,927,787	5.5%
Average trading volume per session (units)	13,933.89	14,889.66	21,605.10	(35.5%)
Average value of trading per session (PLN thousand)	1,415.38	1,482.14	2,182.09	(35.1%)
Earnings per share (PLN)*	17.71	15.96	8.65	104.8%
P/E* ratio	6.01	5.34	11.68	(48.5%)
Book value per share (PLN)*	107.03	104.15	92.08	16.2%
P/BV* ratio	1.00	0.82	1.10	(9.5%)

** calculation based on consolidated data*

Ratings

At the end of June 2025, the Bank had a rating from the rating agency Fitch Ratings (commissioned by the Bank). The history of rating changes assigned by the agency can be found on the Bank's page: https://www.bnpparibas.pl/en/investor-relations/about-the-bank/ratings.

The last rating update took place in November 2024. The Bank's credit ratings confirmed in the Fitch Ratings communication of 20 November 2024 are presented below:

Fitch Ratings	Rating
Long-Term Issuer Default Rating (LT IDR)	"A+" with a stable outlook
Short-Term Issuer Default Rating (ST IDR)	"F1"
National Long-Term Rating (Natl LT)	"AAA(pol)" with stable outlook
National Short-Term Rating (Natl ST)	"F1+(pol)"
Viability Rating (VR)	"bbb-"
Shareholder Support Rating (SSR)	"a+"

The Bank's IDR and SSR ratings reflect Fitch Ratings' belief in the potential support of the Bank's parent company, BNP Paribas S.A. (BNPP, IDR of "A+", outlook stable). According to Fitch Ratings, the Bank's VR rating of "bbb-" reflects the Bank's moderate franchise in the competitive Polish banking market, as well as its traditional, well-balanced business model.

Investor relations

The Bank pursues a transparent information policy aimed at guaranteeing high communication standards that take into account the information needs of capital market participants.

The Bank, as a public company and a supervised institution, follows the principles of corporate governance when providing information, in compliance with the applicable laws and regulations, and ensures that participants in the capital market have equal access to information on the company's current operations, activities undertaken by the company or financial results, by fulfilling information obligations in a manner that allows a fair valuation of the Bank's shares.

Relations with shareholders, investors and other participants of the capital market are managed by a dedicated organisational unit at the Bank – Investor Relations Office. Important information for investors, the Bank's shareholders and analysts is available on the Investor Relations website https://www.bnpparibas.pl/en/investor-relations.

In 2025, the Bank made the digital version of annual report available for the sixth time. The report for 2024 is available at: https://raportroczny.bnpparibas.pl/en/.

At the end of July 2025, the Bank had 7 recommendations from financial institutions: 6 "Buy" ("Overweight", "Accumulate"), 1 "Hold". The median target price from the recommendations was PLN 121.0 and the average target price was PLN 128.2; these were higher than the share price at 31 July 2025 (PLN 103.5) by 16.9% and 23.9%, respectively.

Statutory bodies of the Bank

General Meeting of Shareholders

The Extraordinary General Meeting of Shareholders was held **on 15 April 2025,** which in addition to resolutions of a procedural nature:

- approved the annual reports and statements submitted by the Management Board and the Supervisory Board, as required by law, inter alia the Financial Statements, the Management Report on the Bank's activities (including the BNP Paribas Bank Polska S.A. Group Sustainability Report 2024),
- approved the distribution of profit for 2024 in the amount of PLN 2,320,798 thousand, of which PLN 1,162,341 thousand was allocated to the payment of dividends, PLN 658,457 thousand to the increase of the reserve capital, and the remaining part was left as undistributed profit,
- granted discharge to members of the Management Board and Supervisory Board for the performance of their duties in 2024,
- adopted a resolution on the periodic assessment of the individual and collective suitability of the members of the Supervisory Board,
- adopted a resolution on the assessment of the adequacy of the Bank's internal regulations concerning the functioning of the Supervisory Board and the effectiveness of the Supervisory Board's activities,
- adopted a resolution on the adoption of an independent evaluation of the application of the remuneration policy at BNP Paribas Bank Polska S.A. in 2024, submitted by the Bank's Supervisory Board,
- adopted a resolution on the opinion on the Supervisory Board's report on the remuneration of the members of the Supervisory Board and the members of the Management Board of BNP Paribas Bank Polska S.A. in 2024,
- adopted resolutions on approval of an individual assessment of the suitability of a candidate for a member of the Supervisory Board of BNP Paribas Bank Polska S.A. and on changes in the composition of the Supervisory Board of BNP Paribas Bank Polska S.A,
- adopted a resolution on the collective assessment of the suitability of the Supervisory Board of BNP Paribas Bank Polska S.A. in relation with changes in the composition of the Supervisory Board,
- adopted a resolution regarding determination of remuneration for the Supervisory Board members of BNP Paribas Bank Polska S.A.,
- adopted resolutions on amendments to the Bank's Articles of Association and the adoption of the consolidated text of the Articles of Association of BNP Paribas Bank Polska S.A.,
- adopted a resolution regarding use of the reserve capital of BNP Paribas Bank Polska S.A.

The text of the resolutions adopted by the General Meeting of Shareholders is available on the website of BNP Paribas Bank Polska S.A. at: https://www.bnpparibas.pl/en/investor-relations/general-meeting and https://www.bnpparibas.pl/en/investor-relations/general-meeting/bank-bnp-paribas-general-meeting-archives

Supervisory Board

Changes in the composition and functions of the Bank's Supervisory Board members in 2025:

- on 15 April 2025 the Extraordinary General Meeting of Shareholders of the Bank appointed Mrs Bożena Leśniewska as an independent member of the Bank's Supervisory Board, effective from 15 April 2025 until the end of the current five-year joint term of office of the members of the Supervisory Board,
- on 28 April 2025 Mr Mariusz Warych announced his resignation as Chairman of the Audit Committee, effective 28 June 2025,
- on 6 May 2025 Mr Francois Benaroya announced his resignation as a member of the Audit Committee, effective 28 June 2025,
- on 7 May 2025 the Supervisory Board appointed as of 28 June 2025 Mrs Monika Kaczorek as Chair of the Audit Committee and Mr Jacques Rinino as a member of the Audit Committee.

The competences and professional experience of the individual members of the Bank's Supervisory Board are presented on the Bank's website https://www.bnpparibas.pl/en/english-info/bank-autorithies.

Table 5. Composition of the Bank's Supervisory Board and Board Committees as at 30.06.2025, together with information on the independence of the members

			COMMITTEES OF THE SUPERVISORY BOARD			
No.	Name and surname	Function on the Supervisory Board	Audit Committee	Risk Committee	Remuneration Committee	Nominations Committee
1.	Lucyna Stańczak-Wuczyńska	Chairman of the Supervisory Board *Independent member*	Member	Member	Chairman	Chairman
2.	Francois Benaroya	Vice-Chairman of the Supervisory Board		Member	Member	Member
3.	Jean Charles Aranda	Member	Member			
4.	Małgorzata Chruściak	Independent member		Member	Member	Member
5.	Sophie Heller	Member				
6.	Monika Kaczorek	Independent member	Chairman			
7.	Bożena Leśniewska	Independent member				
8.	Vincent Metz	Member				
9.	Piotr Mietkowski	Member				
10.	Khatleen Pauwels	Member				
11.	Jacques Rinino	Independent member	Member	Chairman		
12.	Mariusz Warych	Member	Member	Member		

Bank's Management Board

Table 6. Composition of the Bank's Management Board as at 30.06.2025, together with the division of functional responsibility of individual members

name and surname	function on the Bank's Management Board	supervised area
Przemysław Gdański	President	Area of Bank Management, Strategy and Agricultural Markets Area, Area of Human Resources Management, Area of Transformation, Area of Sustainability
André Boulanger	Vice-President	Corporate and Institutional Banking
Małgorzata Dąbrowska	Vice-President	Operations and Business Support Area
Wojciech Kembłowski	Vice-President	Risk Area
Piotr Konieczny	Vice-President	Finance Area
Magdalena Nowicka	Vice-President	New Technologies and Cyber Security Area
Volodymyr Radin	Vice-President	Personal Finance Area (PF) Retail and Business Banking Area
Agnieszka Wolska	Vice-President	SME and Corporate Banking Area

The competences and professional experience of the individual members of the Bank's Management Board are presented on the Bank's website https://www.bnpparibas.pl/en/english-info/bank-autorithies.

Key events in the first half of 2025

Key corporate events

March 2025

- **14.03 - Individual recommendation of the Polish Financial Supervision Authority (PFSA) to meet the criteria for dividend payment of up to 50% of the net profit generated in 2024.** Additionally, due to the good quality of the Bank's loan portfolio, the rate of possible dividend payment has been increased to 75%.
- **27.03 - Information on the amount of the annual contribution to the compulsory Bank restructuring fund for 2025 set by the Bank Guarantee Fund** (BFG) for BNP Paribas Bank Polska S.A. **in the amount of PLN 156,118 thousand.**

April 2025

- **7.04 - Issue of series M shares under conditional share capital increase and change in the value of share capital of BNP Paribas Bank Polska S.A.**

In accordance with the relevant statements of the National Securities Depository S.A. (KDPW) and resolutions of the Management Board of the Warsaw Stock Exchange S.A. (WSE) – current report of the Bank No. 9/2025 – on 7 April 2025, the following were registered with the National Securities Depository S.A. (KDPW) and admitted to trading on the Warsaw Stock Exchange:

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

Series M Shares were issued as part of the 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 General Meeting of Shareholders held on 29 June 2020. The Series M Shares were acquired in exercise of rights attached to previously acquired Series A5 registered subscription warrants, each of which entitled the holder to acquire one Series M Share.

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

Therefore, pursuant to Article 451 § 2 in conjunction with Article 452 § 1 of the Code of Commercial Partnerships and Companies, the rights to 20,223 Series M Shares with a nominal value of PLN 20,223 were acquired and **the Bank's share capital was increased** 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.

April 2025

- **8.04 - Issue 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 statement of the National Securities Depository S.A. (KDPW) and a resolution of the Management Board of the Warsaw Stock Exchange S.A. (WSE) – the Bank's current report No. 11/2025 – on 8 April 2025, registration in the KDPW and admission to trading by the WSE took place:

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

The Series N Shares were issued as part of the conditional increase of the Bank's share capital pursuant to Resolution No. 39 of the Bank's General Meeting of Shareholders of 27 June 2022. The Series N Shares were acquired in exercise of the rights attached to previously acquired Series B2 registered subscription warrants, each of which entitled the holder to acquire one Series N Share.

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

Therefore, pursuant to Article 451 § 2 in conjunction with Article 452 § 1 of the Code of Commercial Partnerships and Companies, the rights to 60,398 Series N Shares with a nominal value of PLN 60,398 were acquired **and the Bank's share capital was increased** 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.

April 2025

- **15.04. - Extraordinary General Meeting of Shareholders of BNP Paribas Bank Polska S.A.**
- Adoption of a resolution, inter alia, on the payment of a dividend for 2024 in the amount of PLN 1,162,340,659.26, i.e. in the amount of 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 - Entry in the National Court Register of amendments to the Articles of Association of BNP Paribas Bank Polska S.A., i.e. an increase in the Bank's share capital up to PLN 147,880,491** as a result of the acquisition of series M shares and series N shares by eligible persons on the terms specified in § 29a para. 2 point d) and § 29b para. 2 point a) of the Articles of Association of BNP Paribas Bank Polska S.A.

May 2025

- **9.05. - Minimum level of own funds and eligible liabilities (MREL) set for BNP Paribas Bank Polska S.A.**

  The MREL requirement for the Bank was 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 comply with the requirement immediately upon receipt of the information. As at the date of receipt of the BFG's letter, the Bank was in compliance with the MREL requirements as set out in the letter.

June 2025

- **2.06. - Issuance of Tier 2 Capital Bonds**

  BNP Paribas S.A. with its registered office in Paris, accepted the proposal for the acquisition of the capital bonds referred to in Article 27a of the Bond Act of 15 January 2015 (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 per Bond is EUR 100,000. The redemption date of the Bonds is 6 June 2040.

  The interest rate on the Bonds was determined based on the cumulative daily rate of €STR plus a margin. The interest rate has been set at market conditions.

  The terms and conditions of the issue of the Bonds provide for the possibility of their early redemption by the Bank after the expiry of 10 years from the date of issue, subject to the relevant approval of the Polish Financial Supervision Authority (PFSA).

  The Bonds will be classified in the Bank's own funds as additional instruments in Tier 2 capital, upon obtaining the relevant consent of the PFSA.

  It is the Bank's intention that the funds raised from the issue of the Bonds will replace the funds raised by the Bank from subordinated liabilities in the amounts of EUR 60,000,000, CHF 60,000,000 and EUR 40,000,000, which the Bank reported in current reports RB 24/2017 of 20 November 2017 and RB 76/2018 of 10 December 2018 and which are subject to prudential depreciation and amortization.

  Early repayment of these loans, subject to prior approval by the PFSA, is planned for the III quarter of 2025.

Changes to the composition of the Bank's Supervisory Board in the first half of 2025 are described in section: Statutory bodies of the Bank.

Awards and distinctions

January 2025

- **Top Employer** title - received it for the 12. time in a row, achieving a score of 95.93% in this year's certification. This is proof of the Bank's adoption of the right strategy as an employer and its genuine concern for positive relations with its employees.
- In the Rzeczpospolita ranking **"Ranking of Customer Satisfaction of Banks"**, the Bank came top of the list, taking 4th place, which confirms the high level of satisfaction and special care for the comfort of the Bank's Customers.
- The Bank's Economic and Sector Analysis Department has won the **LSEG StarMine Award in the "Most Accurate Forecasters in Reuters Polls"** category for the 3. time in the last 5 years – for the most accurate forecasts of the Polish economy in 2024. The Bank achieved the highest score in the market (4.17 points). 1. place in the ranking of economic forecasts for Poland - the Bank received for the second year in a row.
- The Bank's Brokerage Office team took the first three places **in the "Parkiet" rankings** for technical, investment and dividend portfolios, confirming its ability to make effective investment decisions in a volatile and demanding market environment.
- The Bank won 3rd place in the **OLX KNOW HOW 2025 competition for its #UnexpectedJobs campaign – we know that good decisions are not always obvious.** The competition recognised HR campaigns that draw attention to issues of social importance.
- **Józef Wancer**, the Honorary Chairman of the Bank's Supervisory Board was **awarded the Officer's Cross of the Order of Rebirth of Poland by the President of the Republic of Poland.** Przemek Gdański, the President of Management Board - **Golden Cross of Merit** for outstanding achievements in promoting innovation and increasing the competitiveness of the Polish banking sector.

March 2025

- **Global Finance,** an international magazine and portal for the financial industry, named BNP Paribas Bank as **the best Bank in Poland for small and medium-sized enterprises.** The Bank maintained the first position achieved a year ago.
- For the fourth time in a row, the Bank won the title of **Ethical Company in the Puls Biznes ranking.** The competition recognises the best role models in business. The jury rewards companies for which the ethical code is not merely an element of image-building, but a benchmark for conduct.
- In the International **WealthBriefing European Awards** BNP Paribas Wealth Management was the winner in the **Wealth Management Business** category in the **Central and Eastern European region.** The competition jury particularly appreciated the unique approach to Customer relations, professionalism and extensive experience in private and business asset management, as well as the expert knowledge and support that BNP Paribas provides to its Customers at every stage of cooperation.
- At the **European Agribusiness Finance Forum 2025**, the Bank won 1. place in the **National Agribusiness Finance Leader** category.
- In the report, which is an annual summary of various sectors of the financial industry published by **Home&Market**, the Bank was awarded in the "Credit card" and "Private banking" categories. These awards were given for the best financial products available on the market.

March 2025

- The Bank won awards in four categories of the **Institution of the Year** competition organised by the **My Banking** portal, including **two categories inaugurated in the 10th edition of the ranking.** 21 of the Bank's Customer Centres from fifteen cities received individual distinctions and the title of **Best Banking Facility in Poland.** The Bank was awarded the title of Institution of the Year in the categories of **"Security", "Voice of the Customer", as well as "Best Internet banking" and "Best personal banking - service at the branch".** In the last category, the Bank has been the winner since 2023.
- The Bank received the **ISO 14001:2015** and **ISO 50001:2018 certificates,** which means that the Bank's Petrus head office and 10 Customer Centres comply with international standards for environmental and energy management. In the coming years, the Bank plans to implement these principles in its other branches as well.

April 2025

- The Bank triumphed in the 16th edition of the **Golden Banker** poll in the **"Cash credit"** category and won the **Golden Cybersecurity Shield** – a new award given for exemplary standards in data protection and digital security. In the main ranking, which assesses the quality of multichannel Customer service, the Bank came **fourth place** (one position higher than in 2024).
- As part of the **Paperless Hero** competition, the Bank received the **Digital Transformation of the Decade** award. This aims to recognise the leaders of digital change among **Autenti's** Customers. Meanwhile, the Bank's CEO Przemek Gdański was awarded the title of **Digital Evangelist.**
- **Magdalena Nowicka**, Vice-President of the Bank's Management Board, was awarded the title of **Innovator of the Year 2024** as part of the **Leaders of the Financial World** competition for implementing a comprehensive digital resilience strategy. In response to growing threats and regulatory pressures, the Bank conducted a detailed assessment of the organisation's resilience, covering IT architecture, SDLC processes and cost management. As part of this strategy, the Bank effectively combines cyber-security, risk management, cost efficiency and agile, strengthening protection and the ability to respond quickly to changes.

May 2025

- The Bank won an award at the **SS&C Blue Prism Customer Excellence Awards 2025.** It was recognised in the **Operational Ingenuity** category – **Operational Ingenuity** in EMEA. The category assessed implementations that stood out for their operational ingenuity in intelligent automation. Bank submitted the concept, which it has been developing for 7 years of implementing robotisation, managing a robot farm (Master & Workers concept), monitoring, collecting ideas for automation, building competence in the team, the most interesting implementations and the results achieved.
- The Bank was once again among the finalists of the **PSIK 2025 Award** Competition, in the **Financing Bank of the Year** category. For many years, the competition has promoted the highest professional standards in the industry and appreciated institutions that support the development of Polish companies.
- For the fifth time in a row, the Bank was included in the **Diversity IN Check** list, which recognises the employers most advanced in diversity and inclusion management in Poland. This list, created by the **Responsible Business Forum,** the coordinator of the Diversity Charter in Poland, shows the maturity of organisations in terms of building inclusive work environments. This year, 75 employers qualified, of which 15, including BNP Paribas Bank Polska, achieved a perfect score, exceeding 80% of the possible points.
- For equal opportunities for people of different genders in business and society, the Bank was nominated in the **Gender category of the Polish Diversity Awards 2025.** The awards and nominations were awarded by the editors of "My Company Poland".

June 2025

- BNP Paribas Wealth Management - for the fifth consecutive year - has been recognised as the best private banking in the international **Global Private Banking Innovation Awards.** In its justification, the jury emphasised that BNP Paribas Wealth Management is a pioneer in providing Customers with the highest quality services and tailor-made solutions. It is also characterised by an individual approach to Customer service and strategic wealth management and multiplication.
- Once again, the Bank was the leader in the **ESG Stars** category in the prestigious ranking **"Banking Stars" by Dziennik Gazeta Prawna and the Boston Consulting Group**.
- The Bank was honoured with **third place** within the **Banks For Climate 2025 category** in the debut edition of the **Ranking of Banks Supporting the Transformation of the Polish Economy** - organised by the Bank Financial Monthly. The list includes banks that not only declare pro-climate actions, but are involved in specific projects: financing RES, green bonds, loans linked to sustainable development.
- As one of the first financial institutions in the country, Bank was awarded the **"Neuro-Diversity Friendly Workplace"** certificate by **the asperIT Foundation.** This distinction certifies the Bank's readiness to employ neurodiverse individuals between 2025-2027.
- **The Compliance Institute** awarded the **Bank the Compliance Awards 2024** in the category **Compliance Idea!** for Robotisation and Automation of Compliance.
- At the **Employer Branding Excellence Awards 2025,** the Bank received the top award in the "Image Film" category for the #UnexpectedJobs campaign – Good decisions are not always obvious and the award in the "Internal Campaign" category for the campaign Such Feedback that it makes MiSię!

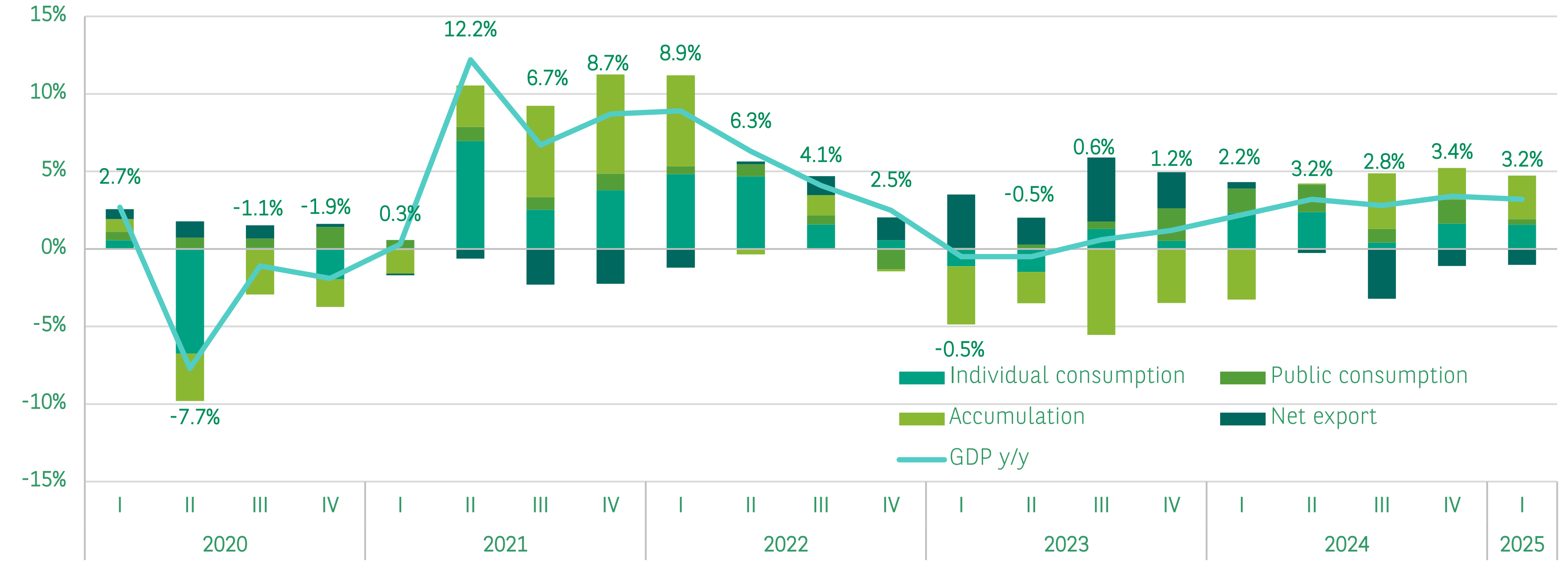
The Bank in its environment

Macroeconomic situation

GDP

In the first quarter of 2025, GDP grew by 3.2% compared to the same period of 2024 and by 0.7% QoQ (after adjusting for seasonal factors). The growth rate was slightly lower than in the previous quarter, when the Polish economy grew by 3.4% YoY. The structure of GDP shows that the largest contribution to growth came from household consumption, which grew by 2.5% YoY adding 1.6 p.p. to the total GDP result. An increase in inventories (+1.5 p.p. to GDP growth) also made a significant contribution to growth in the January-March period. Gross fixed assets also increased significantly (by 6.3% YoY). With exports growing by 1.1% YoY and imports up by 3.5% YoY, the foreign trade balance reduced economic growth in Q1 2025 by 1.1 p.p. The weak external environment, mainly related to the mediocre performance of European industry, was the main reason for limited foreign sales. Based on monthly economic activity data, it can be assumed that GDP dynamics accelerated slightly in the spring, and the volume of goods and services produced in the April-June period may have increased by around 3.5% YoY. In the second half of the year, the economic growth rate may approach 4.0%. This will be largely influenced by the disbursement of funds from the National Recovery Plan. In the Bank's opinion, GDP growth for the whole year will amount to 3.5%.

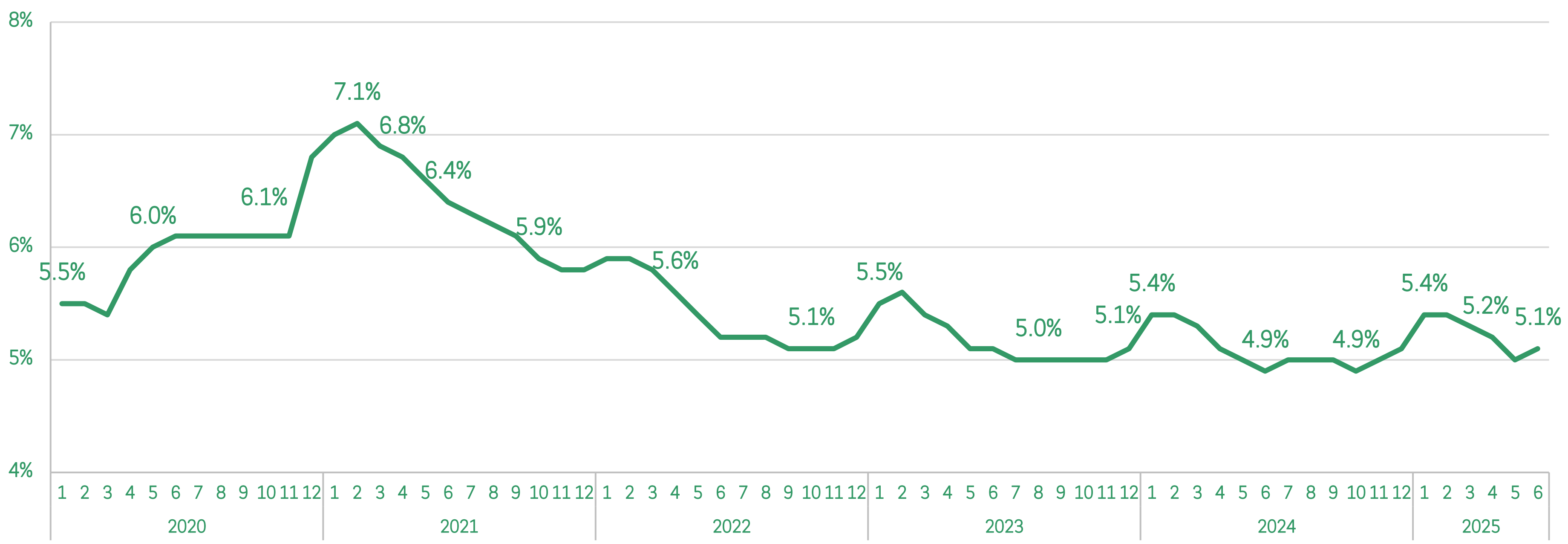
Chart 5. GDP growth



Business activity

According to available data for the April-June period, economic activity in Poland was higher than in the first quarter. The dynamics of industrial production increased by +1.7% YoY and retail sales in real terms grew by 4.7% - faster than in January-March (+1.4% YoY). Construction and assembly production resumed its decline after a temporary rebound in the first quarter. In Q2, activity in this sector contracted by more than 1.6% YoY. However, this is a much smaller reduction than that recorded at the end of 2024, when the decline in work volumes reached almost 9% YoY. Consumption in Q2 was supported by wage growth. In the April-June period, the dynamics of average wages in the enterprise sector broke out of the downward trend and amounted to 8.9%. Taking inflation into account, wages in companies employing more than 9 people increased by around 4.8% YoY in real terms. The registered unemployment rate remains in the region of 5% and employment in the business sector is falling at a rate of around 0.8% YoY. Leading indicators suggest that further economic recovery will be driven mainly by industries benefiting from the inflow of new capital in the form of NRP funds. However, a more pronounced recovery in industry and exports will be hampered by relatively weak foreign demand.

Chart 6. Registered unemployment rate



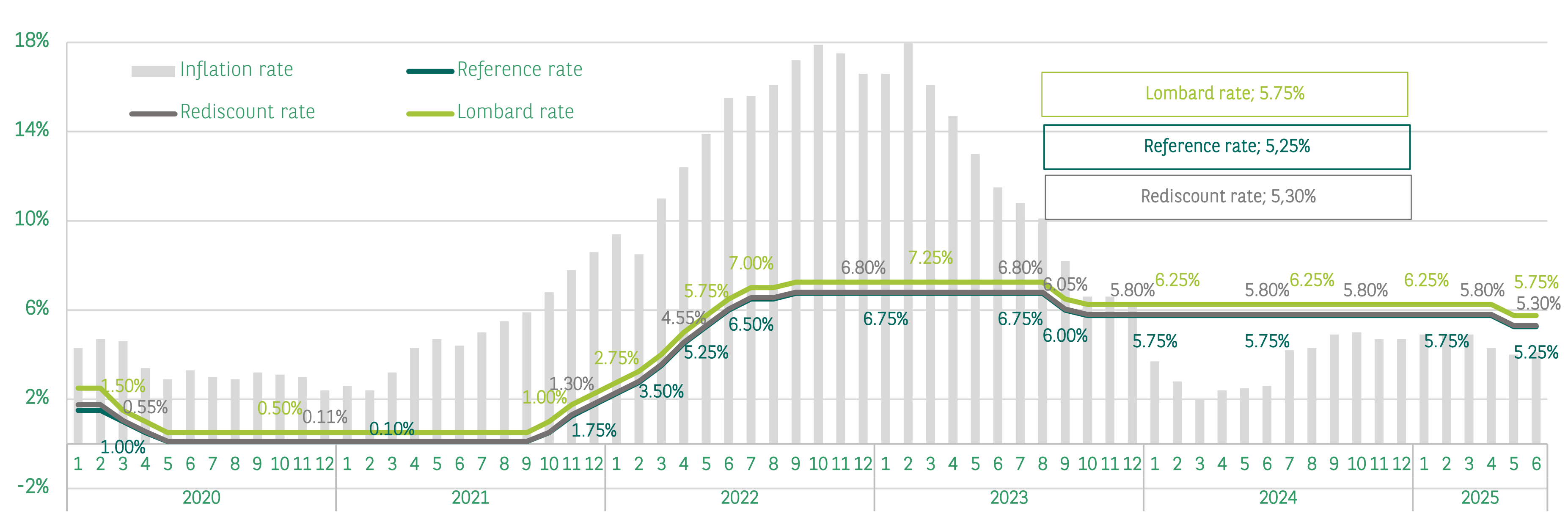
Inflation

CPI inflation in Poland continued to slow gradually in the second quarter of 2025. In the April-June period, price dynamics stood at 4.1%, compared to 4.9% in the January-March period. Core inflation will continue to decelerate gradually in the coming months, supported by solid but not very fast GDP growth and slowing wage dynamics. Labour costs will rise at a slower pace in the coming months, as indicated, among other things, by business surveys. As for CPI inflation, the recent decision by the Energy Regulatory Office to reduce gas tariffs for households from July has had a positive impact on the inflation outlook. Forecasts assume that overall inflation will average 3.7% this year. In the second half of 2025, the annual rate of price growth will be around 3%.

Monetary policy

The Monetary Policy Council (MPC) decided in May to adjust the reference rate and reduced its level by 50 bps to 5.25%. Another adjustment took place in July, when the MPC decided to lower the reference rate by 25 bps to 5.00%. The members of the Council, led by President Adam Glapiński, clearly emphasise that the decisions taken are not the beginning of a cycle, but an adjustment to the current macroeconomic conditions. However, taking into account the forecasts prepared by NBP analysts and presented in July, we see room for further interest rate cuts. The main factor in favour of continuing monetary easing is the optimistic inflation outlook. According to the new projection of the NBP analysts, the dynamics of consumer prices is expected to average 3.9% this year, 3.1% next year and 2.4% in 2027. At the same time, this means that from July this year until the end of the projection period, CPI inflation will be within a range of 2.5% +/-1 p.p. of the inflation target set by the Central Bank. Although the exact path of interest rate cuts from the current level is subject to considerable uncertainty, we estimate that at the end of the year the main interest rate will be in the range of 4-4.50%. Next year, we expect the reference rate to be lowered to 3.50%.

Chart 7. Inflation and interest rates



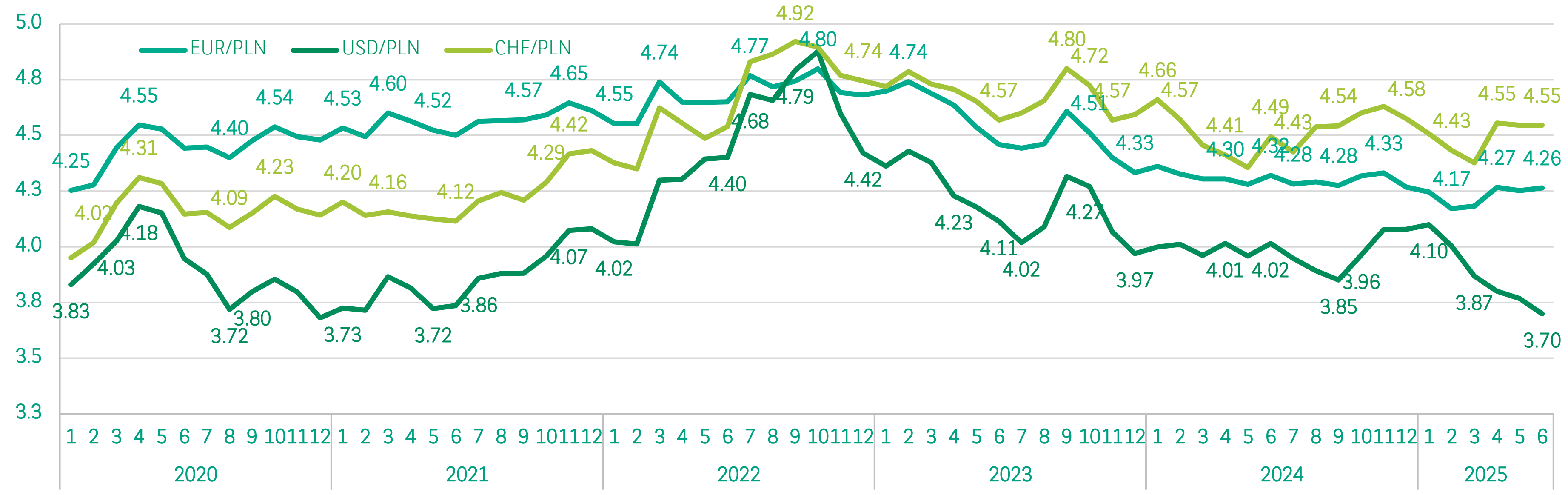
Bond market

In recent months, the yield on 10-year Polish government bonds has gradually declined, reaching approximately 5.4% in July, compared to 6% at the beginning of the year. This decline was mainly due to the improving macroeconomic situation, including a slowdown in inflation dynamics while maintaining stable economic growth. In addition, the National Bank of Poland began easing monetary policy by lowering interest rates, which naturally translated into lower expectations for future state financing costs. However, the fiscal premium factored into yields remains high. The significant budget deficit and the associated significant borrowing needs of the state – and thus the large supply of bonds on the market – contribute to the increase in interest rates on government debt.

Currency market

At the beginning of April, the zloty weakened visibly and its exchange rate in relation to the euro rose from 4.17 to around 4.28-4.30. Such a significant scale of the zloty's weakening was influenced, among other things, by weak global market sentiment, associated with the tightening of trade policy by the USA and a marked softening of rhetoric on the part of the MPC, which in previous periods had been a strong support for the zloty. In the rest of the second quarter, the EUR/PLN exchange rate moved within a narrow range of 4.22-4.28. At the end of June, the EUR/PLN exchange rate was near the level of 4.25 and was close to the quotations at the end of May. In our opinion, solid economic growth should support the zloty in the coming months. As a result, we forecast a decline in the EUR/PLN exchange rate to the level of 4.20 in the second half of this year. However, given the likely continuation of the cycle of interest rate cuts in Poland, we believe that the balance of risk for the pair's quotations is more towards higher levels.

Chart 8. PLN exchange rate (monthly average)



Performance of the banking sector

Basic categories of the banking sector profit or loss account

In the first half of 2025, the net result of the banking sector in Poland, according to preliminary data from the National Bank of Poland, (NBP) amounted to PLN 23.3 billion and was higher YoY by PLN 3.6 billion, i.e. by 18.2%, than the result achieved in the corresponding period of the previous year.

The increase in the sector's net financial result was driven by a strong improvement in net interest income, supported by a more than double increase in other net income (from banking activities). A significant positive impact was also made by the improvement in other result as well as in the negative result from the impairment of financial assets and total provisions. of the result of the remaining and a marked improvement in other income. The increase in total operating costs (including depreciation and amortization, as well as the Bank tax) and the increase in the nominal amount of income tax (whose growth rate was significantly higher than the growth rate of profit before tax) had a negative impact on the sector's net financial result YoY.

Total net interest income rose by PLN 3.5 billion, i.e. by 6.8%, YoY. This was driven – apart from business factors – by the recognition of the negative impact of the credit holiday programme in interest income for May 2024. On the business side, the banks were particularly favoured by the sector's continued high excess liquidity, which allowed them to effectively reduce average deposit rates on an annual basis. This is confirmed by NBP data on average interest rates on PLN contract balances (in the non-financial segment) in the first four months of 2025 i.e. before the NBP's interest rates cut by 50 basis points made by Monetary Policy Council in May 2025. The above-mentioned interest rate cut did not yet have a significant impact on slowing down the YoY growth rate of net interest income given the delayed effect of the revaluation of loan interest rates, particularly in the retail segment.

More than double increase in other net income (from banking activities), by PLN 2.8 billion YoY resulted in particular from a decrease in provisions for legal risk related to foreign currency housing loans, recorded by some banks in this item.

Bank operating costs (including depreciation and amortization as well as Bank tax) increased by PLN 2.6 billion, i.e. by 9.2% YoY, mainly as a result of relatively comparable increases in volume of general administrative expenses by PLN 1.3 billion, i.e. by 11.1% YoY and personnel expenses by PLN 1.1 billion, i.e. by 8.4% YoY. This was accompanied by a considerably slower (by 5.5%) and insignificant in volume terms (PLN 0.1 billion) increase in depreciation and amortization costs. The fastest growth in general administrative expenses was determined by a strong increase in – which form an integral part thereof – regulatory costs. It was related to the reinstatement – starting from Q1 2025 – of the banks' obligation to pay fee to the Guarantee Fund under the Bank Guarantee Fund ("BGF"; banks were obliged to pay ½ of the annual contribution of PLN 893 million in H1 2025) and an increase in the contribution for BGF Resolution Fund (as a rule paid in total in Q1 2025) by PLN 250 million to PLN 1,813 million.

The aforementioned significant improvement in the strongly negative H1 2024 other result resulted from a significant increase (by PLN 1.0 billion YoY) in the result on modifications. This was related mainly to the recognition in this category of the part of credit holiday negative impact in May 2024.

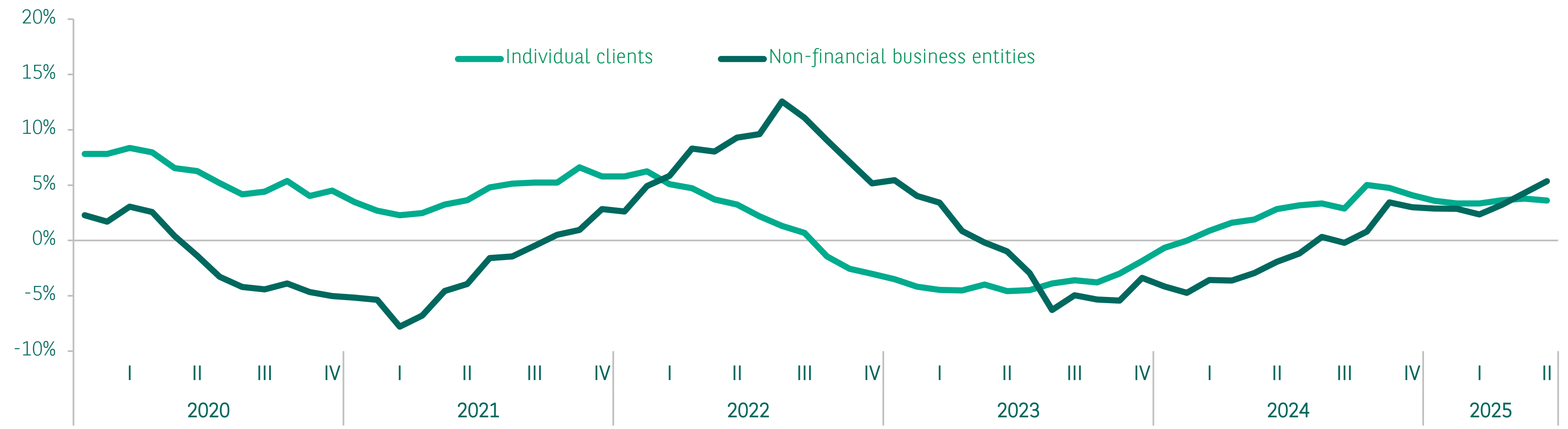
The negative result from impairment of financial assets and total provisions impact on the net result of the banking sector decreased significantly YoY (improvement by PLN 0.9 billion, i.e. 10.6%), to which both its components contributed. The negative result from impairment of financial assets improved by PLN 0.6 billion YoY, while the less significant negative provision balance by PLN 0.3 billion.

Chart 9. Selected elements of the profit or loss account of the banking sector (PLN billion)

Basic balance sheet categories of the banking sector

According to data from the NBP (based on the MONREP methodology), the total volume of loans to non-bank Customers at the end of the first half of 2025 amounted to PLN 1,519 billion, and recorded a YoY increase of PLN 72.9 billion, i.e. 5.0% (at the end of 2024, the volume increased slightly faster on an annual terms, i.e. by 5.3%). Volume growth was recorded in each of the four main Customer segments analysed. In the segment of loans to non-financial economic entities, growth accelerated significantly and amounted to PLN 26.2 billion YoY, i.e. 5.3% (with YoY growth in 2024 of PLN 14.5 billion, i.e. 3.0%). Growth in the retail loan segment was similar in terms of volume (PLN 25.1 billion YoY), but less dynamic (+3.6% YoY) and slowed down compared to the end of 2024 (when it amounted to 4.1%, or PLN 27.9 billion). Loan volumes in the government and local government segments and non-banking financial institutions increased in the first half of 2025 by: PLN 11.2 billion YoY, i.e. 11.1% (compared to a YoY increase in 2024 of PLN 10.6 billion, i.e. 10.3%) and PLN 10.4 billion YoY, i.e. 6.6% (compared to a YoY increase in 2024 of PLN 21.0 billion, i.e. 15.5%).

Chart 10. Loans to non-financial sector Customers (YoY dynamics)

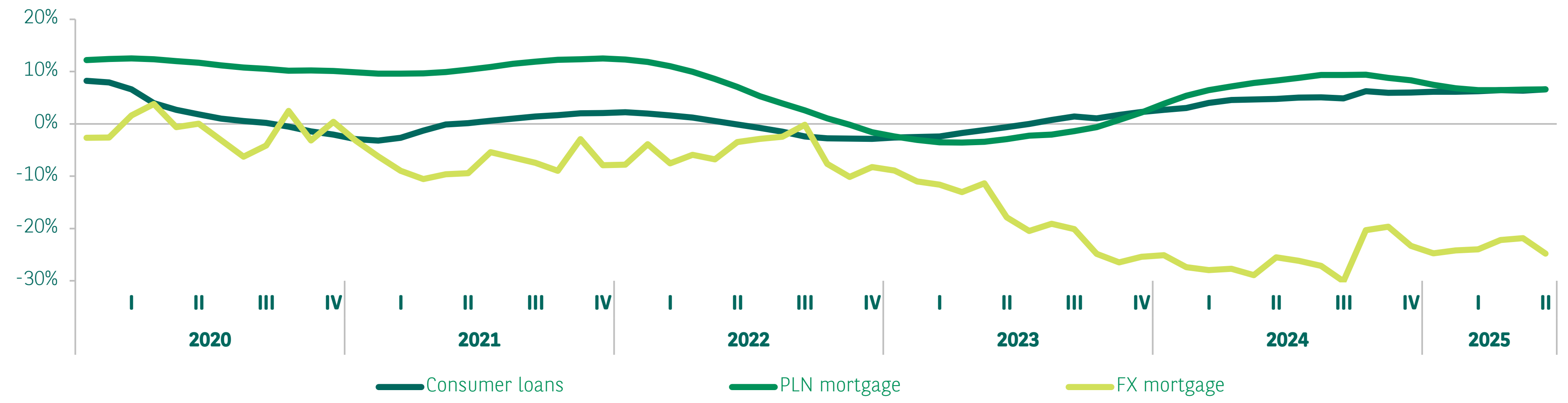


Source: NBP

The high growth rate of loans to non-financial economic entities at the end of the first half of 2025 was driven by a significant increase in loans to enterprises, which amounted to PLN 30.6 billion YoY, i.e. 7.7%, clearly accelerating compared to the end of 2024 (+5.4% YoY). On the other hand, growth in lending to non-financial economic entities was substantially limited as a result of another significant, though slowing annual decline in lending to individual entrepreneurs (by PLN 4.3 billion, i.e. 8.3%). The volume of loans to farmers, remained at a level similar to that achieved at the end of 2024 (a YoY decrease by PLN 0.3 billion, i.e. 0.9%). On the other hand, the insignificant share of loans to non-commercial institutions in the total loan volume increased slightly (by PLN 0.2 billion, i.e. by 2.6%). However, neither of these changes had a noticeable impact on the growth rate of loans to non-financial economic entities in general.

The increase in corporate loans occurred in both current and investment loans. Current loans recorded dynamic YoY growth of PLN 16.4 billion, i.e. 10.1% (compared to an increase of PLN 10.7 billion, i.e. 6.9% at the end of 2024). The growth of investment loans also accelerated. They increased by PLN 11.1 billion, i.e. 5.2%, at the end of H1 2025, against an increase of PLN 7.5 billion, i.e. 3.6% at the end of 2024.

Chart 11. Loans to retail Customers (YoY dynamics)



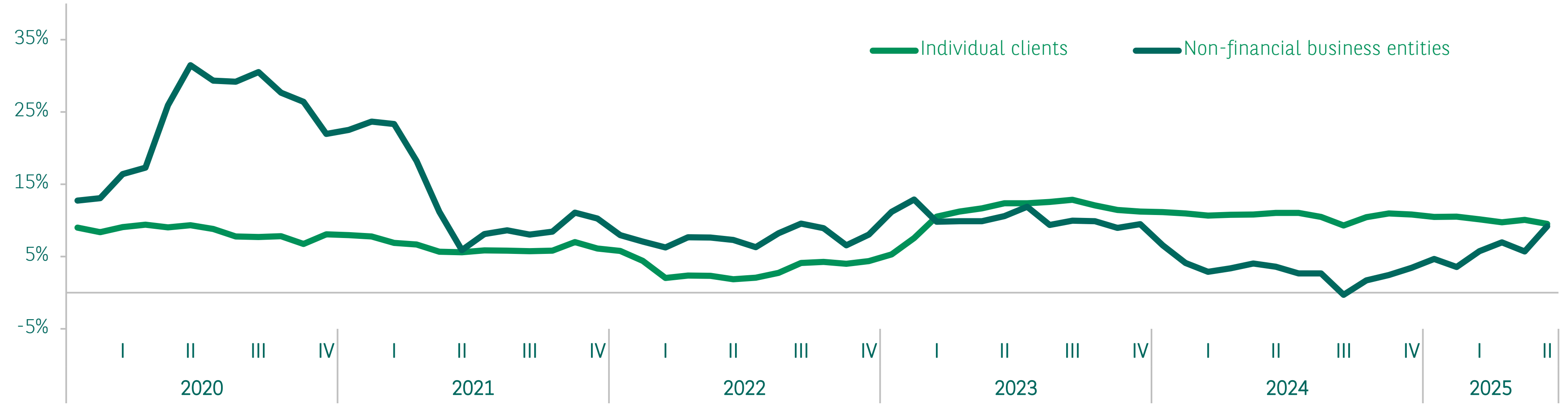
Source: NBP

The volume of loans to retail Customers increased YoY by PLN 25.1 billion, i.e. 3.6%, which is slightly slower than at the end of 2024 (by PLN 27.9 billion, i.e. 4.1%). The slight slowdown in growth in the retail segment was mainly due to the decelerating growth in the volume of PLN housing loans – by PLN 28.0 billion, i.e. 6.6% (with an increase at the end of 2024 YoY by PLN 33.8 billion, i.e. by 8.3%). Their growth was accompanied by a less significant in terms of volume, although comparable in terms of pace, increase in the volume of consumer loans – by PLN 13.5 billion, i.e. 6.6% (with an increase at the end of 2024 YoY by PLN 11.9 billion, i.e. 6.0%). Foreign-currency housing loans (volume before write-downs for legal risk provisions) recorded a YoY decrease of PLN 16.4 billion, i.e. 24.8% (with a YoY decrease of PLN 17.8 billion, i.e. 23.3%, at the end of 2024), accompanied by a slight weakening of the PLN against the CHF by 1.2% at the end of H1 2025 (with a moderate appreciation of 3.1% at the end of 2024). The persistently, deep, consecutive annual decline in the volume of foreign exchange housing loans – apart from the ongoing repayments of these loans (with practically zero new sales) – was mainly related to their write-offs – resulting from an increasing number of court cases that ended with the banks losing, and voluntary conversions to PLN loans – resulting from settlements concluded by banks with borrowers.

The gradual deceleration, starting from Q4 2024, of the growth in the volume of PLN housing loans was related, among other things, to the expiry of the last effects (actual disbursements of tranches) of the government's programme "Safe Credit 2%". During the period under review, there were no other significant alternative housing support programmes operating on the market. A certain slowdown in the housing loan market (lasting until the end of the first quarter of 2025), is also confirmed by sales data from the Credit Information Bureau (BIK) - in the first half of 2025, new housing loan sales fell by 1.7% YoY.

The increase in the volume of consumer loans at the end of the first half of 2025 was mainly due to an increase in cash loans. According to BIK data, their volume (as at the end of first half of 2025) increased YoY by PLN 15.4 billion, i.e. 9.2% (with an increase of PLN 13.0 billion, i.e. 8.1% at the end of 2024).

Chart 12. Deposits from Customers of non-financial sector (YoY dynamics)

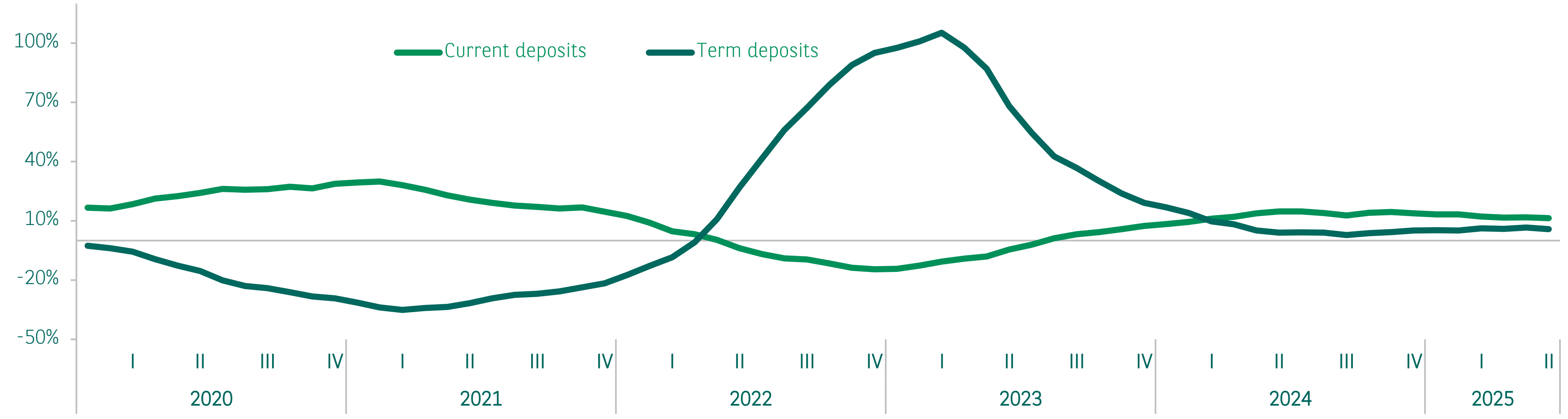


Source: NBP

The volume of deposits of non-bank Customers at the end of the first half of 2025 amounted to PLN 2,384 billion and increased YoY by PLN 275.3 billion, i.e. by 13.1%. At the end of 2024, the YoY growth was PLN 202.0 billion, with a noticeably lower growth rate to the current one of 10.0%. A factor that contributed to the acceleration of total deposit dynamics – despite the effect of a rising base – was the comparable, rising growth in the volume of deposits in two of the segments analysed: government and local government institutions and non-financial economic entities. The high growth in deposits of government and local government institutions amounted to PLN 99.1 billion at the end of the first half of 2025, i.e. 40.0%, while at the end of 2024 it was PLN 64.1 billion, i.e. 35.1%. In turn, in the non-financial economic entities, the volume of deposits increased more than 2.5 times (PLN 58.6 billion, i.e. 9.2%) compared to the end of 2024 (PLN 23.0 billion, i.e. 3.4%). A positive, significantly higher contribution to the growth in total deposit volume was also made by private Customers, but they slowed down the pace of this growth slightly compared to December 2024. The increase in deposits in the retail segment at the end of the first half of 2025 YoY amounted to PLN 110.6 billion (i.e. 9.5%), compared to an increase at the end of 2023 of PLN 118.1 billion (i.e. 10.8%). In the least significant segment in terms of volume, non-banking financial institutions, deposits in the first half of 2025 grew (YoY increase of PLN 7.0 billion, i.e. 11.2%), following a moderate decline at the end of 2024 (YoY by PLN 3.1 billion, i.e. 4.0%).

The acceleration in the growth of non-financial economic entities deposits, in terms of product, was mainly due to the significant, more than 9-fold increase in the volume of their current deposits, YoY by PLN 37.1 billion (i.e. 8.1%) at the end of H1 2025. However, the YoY increase in the volume of term deposits in this Customer segment was higher in terms of value (PLN 21.5 billion) and slightly faster (11.9%) than at the end of 2024 (PLN 19.0 billion and 11.4% YoY, respectively). In terms of entities, the strong acceleration in the growth of non-financial economic entities deposits was determined by the nearly 3-fold YoY increase in the deposits of the corporate sub-segment, which is dominant in terms of size (by PLN 57.3 billion, compared to PLN 19.6 billion in 2024).

Chart 13. Deposits for retail Customers (YoY dynamics)



Source: NBP

The continuing high growth in nominal income (with falling inflation) and stable, low registered unemployment, combined with banks maintaining some promotional offers – mainly on savings accounts, contributed to an increase in current deposits by retail Customers. At the end of H1 2025, it amounted to PLN 88.7 billion (i.e. 11.4%) YoY, compared to PLN 98.7 billion (i.e. 13.8%) at the end of 2024. In terms of value, the increase in current deposits of retail Customers was 4 times higher than the annual increase in term deposits at the end of the first half of 2025 (which amounted to PLN 21.9 billion, compared to PLN 19.4 billion at the end of 2024). The limited interest in term deposits translated into continued high demand for capital market investment fund units (excluding PPK funds). The positive balance of payments and redemptions to these funds for the period July 2024 – June 2025 amounted to PLN 34.1 billion, compared to PLN 36.9 billion for the whole of 2024.

Stock market and investment situation

In the first half of 2025, the WIG stock market index, representing all listed companies on the Warsaw Stock Exchange (WSE), recorded its highest level ever in June. After declines in the second half of 2024, the first three months of 2025 brought a more than 20% increase in prices. However, in April there was a V-shaped stock price correction with a range of more than 15% from the levels at the end of March. Still in April, the WIG quotations were at levels higher than those before the aforementioned correction. The last two months of the first half of the year were marked by a broad sideways trend, with the WIG index ultimately rising by an additional few per cent, ending June at historic highs of around 105,000 points. Ultimately, the WIG index ended the first half of 2025 with a return of 31.6% compared to levels at the end of 2024. The six months of 2025 brought mixed returns across company segments, although previous periods were characterised by greater variation in performance. Between 31 December 2024 and 30 June 2025, the three main indices of the Warsaw Stock Exchange showed positive returns at a similar level of approx. 30.0%. The broad WIG index performed relatively well, gaining nearly 31.6%. The index of the smallest companies (sWIG80) performed the worst, recording a 22.0% increase.

The indices of the Warsaw Stock Exchange did not match the behaviour of foreign stock markets. For example, the US S&P500 index recorded a positive return of 5.5% in the first six months of 2025, while the French CAC40 gained 3.9%. Among the underlying indices, the German DAX was the relative best performer, rising 20.1% over the stated period.

Table 7. Value of the main indices on the WSE

Index	30.06.2025	31.12.2024	30.06.2024	change in H1 2025	change YoY
WIG	104,692	79,577	88,614	31.6%	18.1%
WIG20	2,845	2,192	2,561	29.8%	11.1%
mWIG40	7,979	6,122	6,517	30.3%	22.4%
sWIG80	28,795	23,595	25,279	22.0%	13.9%

Source: Bloomberg

The following factors, among others, influenced the H1 2025 picture on the Warsaw Stock Exchange:

- persistent geopolitical risks in the region in an environment of continued hostilities in Ukraine and estimating scenarios for the end of the war;
- continued slightly weaker-than-expected macroeconomic data, including PMI advance indexes, which translated into revisions to economic growth dynamics;
- expectations of the Fed and ECB interest rate path in the face of differing inflation conditions and macroeconomic data in the region;
- the expected policy of the Polish Monetary Policy Committee (MPC) and comments from its members;
- capital inflows into the domestic equity market in the first few months of 2025, together with reduced aversion to risky assets and the rotation of funds from the United States to other regions in response to the Donald Trump administration's trade policies;
- capital inflows into the debt market, together with improved performance of funds investing in this area and expectations of interest rate cuts by the MPC;
- low valuations of domestic companies relative to emerging and developed markets, accompanied by dynamic improvement in results, as well as increased interest in the capital market following the successful debut of Diagnostyka;
- uncertainty surrounding to the outcome of the presidential election in Poland.

The first half of 2025 saw a downward trend in the yields of Polish government bonds. Ultimately, yields on Polish 10-year government bonds ended the period at around 5.45%, compared to around 5.90% at the beginning of January. It is worth noting that the fluctuations in yields were significant. In the first days of April alone, yields fell from around 5.75% to 5.20%. On the one hand, this was the result of an influx of funds into the Old Continent due to uncertainty about the trade policy of the US president's administration, coupled with the dovish stance of the European Central Bank. On the other side, the above coincided with a fundamental change in the attitude of Monetary Policy Council members towards interest rate cuts from hawkish to dovish. After reaching 5.15% in April, domestic 10-year government bond yields rose again over the next two months to around 5.65%. This was due to both global factors, namely the postponement of interest rate cuts by the Fed, and internal factors in the form of rationalisation of expectations regarding the scale of monetary easing by the MPC in the current year. At the end of the reporting period, the reference rate stood at 5.25%.

Table 8. Number of companies, market capitalisation and trading volume at the WSE

	30.06.2025	31.12.2024	30.06.2024	change in H1 2025	change YoY
Number of companies	408	411	410	(0.7%)	(0.5%)
Capitalisation of domestic companies (PLN million)	951,016	731,906	825,442	29.9%	15.2%
Value of share trading (PLN million)	288,774	169,438	175,319	70.4%	64.7%
Futures contracts trading volume (thousand pcs.)	6,588	6,104	7,263	7.9%	(9.7%)

*Source: WSE, *data for H2 2025*

In the first half of 2025, three new companies appeared on the WSE's main market, one of which was transferred from the NewConnect market, while six entities left the trading floor. In the first six months of 2025, five issuers made their debut on the NewConnect organised market, while six entities were delisted. On the Catalyst bond market, a total of 875 bond series were listed, with the value of issues exceeding PLN 1,584 billion.

Strategy and perspectives

Business strategy GObeyond 2022-2025

The main goal of the GObeyond new strategy for 2022-2025, adopted by the Bank's Management Board and Supervisory Board in March 2022, is to continue the dynamic growth of the Bank, which will be an institution that operates efficiently, with committed employees and satisfied Customers, while being a leader in the area of sustainable development. GObeyond's strategy, following a multi-stage build-up of scale through acquisitions in previous years, focuses on organic growth, while maintaining a responsible approach to risk management.

Although the volatile environment may affect the Group's financial performance in the future, our ambition is to achieve the following targets by 2025:

- **Return on equity (ROE): ~12%**
- **Cost-to-income ratio: max. 48%**
- **Share of sustainable financing: 10%**

The strategic directions contained in GObeyond's strategy are based on solid foundations and the Bank's sustainable and diversified business model. The directions set are valid despite the volatile environment we face. The strategy was developed internally, by a broad group of Bank employees representing all key areas and by representatives of the subsidiaries.

GObeyond's strategy is based on 4 pillars:

PILLAR UP

The GObeyond strategy is a growth strategy. Our aim is to increase the number of Customers, the revenues, and to strengthen our market position.

Retail Banking and Personal Finance

We plan to increase the number of Customers (by 0.5 million to 4.5 million). It can be achieved through innovative products (not just in banking), personalised communication and wide accessibility to the Bank's products via remote channels.

SME, Corporate and CIB Banking

We are going to strengthen our position among the international and local companies, including supporting their international expansion. We want to increase the base of active digitally served Customers. The key aim is to optimise and shorten the crediting process.

PILLAR POSITIVE

The Bank wants to be a leader in sustainable finance by developing a range of dedicated products and services offered for all business lines. It will consistently strive for its own climate neutrality and support its Customers in doing so. Responsibility, accessibility, transparency and ethics will dominate the relationship with Customers. Activities for local communities and involvement in education and public debate will support the building of the Bank's brand.

PILLAR STRONGER

The Bank considers it important to improve internal processes, transform its IT area using state-of-the-art technologies and accelerate the pace of implementing new solutions. Planned investments in this area are expected to reach a total of PLN 1.5 billion by 2025. Fast and effective scalability is to be the foundation of a modern digital bank. The goal is to support business development through advanced analytical tools, maintain a secure and optimal capital and liquidity position, and begin paying dividends during the term of the current strategy.

PILLAR TOGETHER

The Bank is convinced that committed and satisfied employees guarantee a high level of Customer satisfaction. The new organisational culture, which supports employee development, activity and creativity, encourages bold decision-making. In 2022, the Bank began operating under the Agile@Scale work model. The Bank's important activities include: ensuring a balance between professional and private life, caring for the mental health of employees, supporting the development of women and promoting diversity.

Strategy execution in H1 2025

In H1 2025, the banking sector steadily continued to build net profit (PLN 23.3 billion, +18.2% YoY, according to the NBP) based on a still solid interest income (+6.8% YoY, according to the NBP) generated in a period of still relatively high interest rates. In the reporting period, there was no negative effect from the start of the monetary policy easing cycle in May this year (-50 bp to 5.25% for the reference rate), which according to forecasts and macroeconomic comments is to continue in the second half of 2025 (after another reduction of -25 bp to 5.00% for the reference rate in July this year), which is to be in line with the NBP's inflation projection. The pace of this process may be counteracted by the uncertainty of inflation factors and loose fiscal policy. The unprecedented global trade and geopolitical instability is not without influence. It should be emphasised that the reported results, together with the level of financing of the economy, although reflecting the strength and potential of the Polish sector in the long term, are disproportionately low compared to the size of the economy when compared to the banking sector in the European Union. This state of affairs is due to a number of factors, ranging from burdens imposed on the sector, such as the tax on certain financial institutions, to the impact of a prolonged period of low demand for external financing of investment in the corporate sector. The sector, despite the pressure from the cost of provisions for CHF loans, rising wage costs and contributions to guarantee funds, managed to make effective use of the reported period, which also confirms the effectiveness of the continued focus on improving operational efficiency. Business development in the first six months of 2025 was positively influenced by the continuing upward trend in demand for cash loans from households (+31.9% YoY, PLN 58.3 billion according to the BIK), thanks to their stable economic situation, greater capacities and the prospects of lower borrowing costs. Therefore, it is also worth noting is the recovery in the mortgage market, where BIK, points to further records such as the amount of liabilities granted in June at PLN 8.61 billion – the highest since October 2021 (excluding the period of the "Safe Credit 2%" programme) and the average amount of a loan granted at PLN 477.01 thousand.

The Bank maintained its full mortgage offer also for new Customers, which it returned to in 2024, while maintaining a selective approach to acquisition (the Debt-To-Income ratio of 35% remains in force). Despite offering only fixed-rate mortgages, the Bank recorded further growth in mortgage sales in line with the market recovery. Representing a universal profile, the Bank focused in the first half of 2025 on building relationships with affluent and private banking Customers and large companies in the corporate segment. The Bank's activities have been recognised in the market with numerous accolades, such as winning four awards in the Institution of the Year ranking organised by the MojeBankowanie.pl portal, in the categories: Voice of the Customer, Best Personal Banking – service at the branch, Best Internet banking and Security. From the portfolio of Accounts Open to You, Customers were still able to choose from an account offering with the Card for Influentials, the Film Card and the new iteration of the Tennis Card. A new GOdreams service was also introduced, with flexible savings plans and the Full Dreams Account. GOdreams is a combination of savings tools and support for Customers to achieve their financial goals. The value of the offer targeted at higher Customer segments has been confirmed by recent rankings – the credit card offer in both the Premium and Wealth Management segments has been rated as the best in the market (1st place according to money.pl in the ranking of premium credit cards with the best bonuses for travellers and 1st place in the ranking of black credit cards according to Forbes).

In the area of Corporate Banking, the transformation of the service model continued with the implementation of the lean operating model in SME and Corporate Banking and the simplification of the sales network structure. Developing the corporate offering, the Bank introduced the Green Investment Loan, available to existing and new Customers in the microenterprise segment. New product packages (Classic, Comfort and Premium) were introduced for SME companies, reflecting the modern management of the Cash Management offering. In addition, e-commerce companies, which from the end of 2024 can integrate their business on the Shoper platform with the Axepta BNP Paribas payment gateway, received a new functionality – as part of the further development of the Bank's cooperation with Shoper, the possibility for sellers to enable instalment payments with the Bank was made available. Invariably, the Bank is committed to strengthening its relationship with the innovation community and in H1 2025 became a partner in the Startup Booster by Huge Thing accelerator programme as part of the Industry Test path, which allows new technology companies to test their solutions in collaboration with large organisations. The challenges set by the Bank are to create an AI tool (an agent supporting SME Customer analysis) as well as an anti-fraud and KYC solution. In addition to the six-month acceleration process, participants in the programme can receive grants of up to EUR 80,000.

The Bank is continuously automating and introducing modern technologies to improve efficiency and process integrity in the organisation. A significant process implementation to support business activity was the introduction of a decision engine into the SME lending process in all SME Customer Centres. During the reporting period, the One Click cloud computing service was launched, which speeds up and facilitates database space management, as well as the Autenti mass qualified signature service, which makes it possible to sign dozens of documents in a single session. The Bank also continued to research and develop solutions based on artificial intelligence. A solution that cross-cuttingly supports all employees is the Knowledge Chatbot tool called "GENiusz". The tool based on GenAI technology has been enriched with HR, ESG and Customer Care knowledge. For its automation and technology development activities, the Bank was recognised, among other things, as the winner of the Blue Prism Customer Excellence Awards 2025, in the Operational Ingenuity category in the EMEA region.

At the end of June 2025, the volume of sustainable financing amounted to PLN 10.9 billion. In the first half of the year, in addition to further syndicated transactions, including Sustainability-Linked Loans, the Bank strengthened its capacity to grant loans and credits for investments in energy efficiency and renewable energy up to a total value of EUR 100 million as a result of receiving unlimited portfolio guarantees from the EBRD. The signed agreement represents the first EBRD transaction in the financial sector in Poland implemented under the EU's InvestEU programme. The Bank also signed an agreement with the Polish Academy of Sciences to jointly promote regenerative agriculture and support the agricultural transition process. The agreement includes joint activities in the field of education and promotion of regenerative practices by farmers, including the Bank's Customers. These activities are in line with the policy to support transformational change in the Food&Agro sector. In the area of combating social exclusion, the Bank is steadily increasing the number of Customer Centres with the "Barrier-Free Facility" certificate (a building standard for accessibility for people with limited mobility), and at the end of the first half of 2025, their share in the Bank's own retail and business banking network reached 41%. Once again, our commitment to socially and environmentally relevant issues has been recognised through a number of awards and accolades, including being named a leader in the ESG Stars category of the "Banking Stars" ranking by Dziennik Gazeta Prawna and the Boston Consulting Group.

"People First: we put people first" is the main principle guiding the Bank's actions. In the first half of 2025, the Bank has been developing its programme offerings and running campaigns to improve employee wellbeing. An important aspect of the organisation is the strong emphasis placed on unlocking the potential of employees by developing diversity in teams and adapting to the needs of people with disabilities and neuroatypicals. The commitment and positive effects of activities in these areas have been confirmed by the receipt of the "Neurodiversity Friendly Workplace" certificate from the asperIT Foundation and the presence on the Responsible Business Forum's Diversity IN Check list, as well as being awarded, among other things, the title of Ethical Company in the Puls Biznesu listing. Following the development and transformation in terms of organisation and working models, the Bank also implemented new Beyond Agile management style in the Retail and Business Banking and Personal Finance networks, which combines Agile practices with self-organisation in teams.

In April 2025, the Extraordinary General Meeting of Shareholders of BNP Paribas Bank Polska S.A. adopted a resolution on the payment of a dividend for 2024, which was paid on 9 May 2025, thus fulfilling the Bank's strategic objective set out in the GObeyond strategy for 2022-2025.

Table 9. Achieving the strategic financial targets in H1 2025

Indicator	2025 strategic target	30.06.2025 execution
Return on equity ratio (ROE)	~12%	18.8%
Cost/income ratio (C/I)	max. 48%	41.8%
Share of sustainable funding	10%	12.3%

Outlook 2025+

The key external factors that, in the eyes of the Bank, may influence the Group's results in the nearest years are:

- **Tightening of US trade policy.** Since the start of Donald Trump's US presidency, the issue of tariffs has remained a central theme. Originally, reciprocal tariffs were announced at the beginning of April this year, resulting in additional tariffs on imports from 75 countries. The tariff rate for the European Union was set at 20%. The final deadline for the introduction of tariffs has been postponed several times, which was aimed at working out new trade agreements with the USA. At the end of July, President Donald Trump announced that the United States had reached a trade agreement with the European Union after a key conversation with the President of the European Commission Ursula von der Leyen a few days before the deadline for the introduction of tariffs 1 August. The agreement imposes a 15% tariff on the majority of EU exports to the United States, including the automotive, semiconductor and pharmaceutical industries. The achieved compromise allowed to avoid the worst scenario, i.e. a trade war. Nevertheless, its uneven character may weaken the competitiveness of the European economy. Indeed, the United States is the largest foreign buyer of goods produced in the Union, accounting for about 20% of non-EU exports. In 2024 alone, EU exports to the US amounted to almost EUR 600 billion. At the same time, sales across the Atlantic account for only 3% of the GDP of the EU as a whole. This means that a 10% decline in US demand could directly reduce the volume of goods and services produced in the EU by only 0.3%. Although, ultimately, the impact of a fall in US demand on this scale would probably be greater, due to its impact on employment or corporate profits in Europe, it would probably not threaten a deep recession on the Old Continent. Among the countries most exposed to the negative impact of US tariffs are Ireland, Belgium, Slovakia, the Netherlands and Germany. Poland is not in this group. The United States is only the eighth largest recipient of domestic exports, accounting for approximately 3% of total foreign sales. As a result, American demand accounts for only 1.5% of Poland's generated GDP.
- **War in Ukraine.** Initially, the war in Ukraine strongly shook the Polish economy, mainly through increased energy prices, trade disruptions and a massive influx of refugees. It now appears that the direct effects of the war are gradually fading. Energy prices, although still higher than before the war, are already more stable, and Polish industry and the labour market have adapted to the new operating conditions. However, the war is still affecting fiscal policy. This year, defence outflows is expected to oscillate around 5% of GDP.
- **Global economic situation.** According to the April edition of the International Monetary Fund's (IMF) World Economic Outlook, global economic growth will be 2.8% in 2025, and 3.0% YoY in 2026, which is below the historical average (2000-19) of 3.7%. The Fund forecasts a significant slowdown in United States growth from 2.8% in 2024 to 1.8% in 2025 and a slight recovery in the euro area and an acceleration in real GDP growth from 0.8% to 0.9%. At the same time, the IMF assesses that inflation will continue to fall towards the Central Banks' targets. Price dynamics are projected to return to the levels desired by monetary authorities sooner in advanced economies than in emerging and developing economies. For Poland, the IMF predicts that GDP will grow by 3.2% in 2025. At the same time, average annual inflation will remain relatively high this year - in the region of 4.3%.
- **Monetary policy by major Central Banks.** Apart from the geopolitical situation, the main factor influencing the global pace of recovery is the policies of the major Central Banks. In 2025, European Central Bank continues its monetary easing cycle. In June, the ECB Governing Council decided to cut interest rates again by 25 bps, bringing the deposit rate down to 2.00%. The statement accompanying the ECB's June decision seems to suggest that after eight interest rate cuts totalling 200 bps, the cycle of monetary policy easing in the eurozone is coming to an end. In the United States, on the other hand, the Federal Open Market Operations Committee (FOMC) is keeping monetary policy parameters unchanged. Changes in Donald Trump's trade policy have significantly increased uncertainty about the pace of economic growth and price levels in the US. FOMC members currently remain divided on the appropriate timing of the monetary easing cycle. One part of the members argues that inflation is already under control and there is room to cut interest rates. The other part thinks otherwise and maintains its readiness to keep the cost of money unchanged even until the end of the year.
- **National Bank of Poland's actions.** The Monetary Policy Council (MPC) decided in May to adjust the reference rate and lowered its level by 50 bps to 5.25%. Another adjustment took place in July, when the MPC decided to cut the reference rate by 25 bps to 5.00%. Council members, led by President Adam Glapiński, clearly emphasise that the decisions taken are not the beginning of a cycle, but an adjustment to the current macroeconomic conditions. However, taking into account the forecasts prepared by NBP analysts and presented in July, we see room for further interest rate cuts. The main factor in favour of continuing monetary easing is the optimistic inflation outlook. According to the new projection of the NBP analysts, the dynamics of Customer prices is expected to average 3.9% this year, 3.1% next year and 2.4% in 2027. At the same time, this means that starting from July this year until the end of the projection, CPI inflation will be within the 2.5% +/-1pp band of deviations from the inflation target set by the Central Bank. Although the exact path of interest rate decreases from the current level is subject to great uncertainty, we estimate that at the end of the year the main interest rate will be in the range of 4-4.50%, Next year, we expect the reference rate to be lowered to 3.50%.
- **Behaviour of the zloty against key currencies.** At the beginning of April, the zloty weakened significantly and its exchange rate in relation to the euro rose from 4.17 to approximately 4.28-4.30. Such a significant scale of the zloty's weakening was influenced, inter alia, by weak global market sentiment, related to the tightening of trade policy by the US and a marked softening of rhetoric from the MPC, which in previous periods had been a strong support for the zloty. In the remainder of the second quarter, the EUR/PLN exchange rate moved in a narrow range of 4.22-4.28. At the end of June, the EUR/PLN exchange rate was near the level of 4.25 and was close to quotations from the end of May. In our opinion, solid economic growth should be a factor supporting the zloty in the coming months. As a result, we forecast a decline in the EUR/PLN rate to the level of 4.20 in the second half of this year. However, given the likely continuation of the cycle of interest rate cuts in Poland, we believe that the balance of risk for the pair's quotations is more towards higher levels.
- **Development of economic activity in Poland.** In the first quarter of 2025, Poland's Gross Domestic Product grew by 0.7% QoQ (net of the impact of seasonal factors) and by 3.2% YoY. Household consumption grew by 2.5% YoY and was an important factor behind economic growth earlier this year. An increase in inventories (+1.5 p.p. to GDP growth) also contributed significantly to economic growth in the January-March period. Gross fixed assets also increased significantly (by 6.3% YoY). With exports growing up by 1.1% YoY and imports up by 3.5% YoY, the foreign trade balance reduced economic growth in Q1 2025 by 1.1 p.p. Based on monthly economic activity data, it can be assumed that GDP dynamics accelerated slightly in the spring, and the volume of goods and services produced in the April-June period may have increased by around 3.5% YoY. In the second half of the year, the economic growth rate may approach 4.0%. This will be largely influenced by the disbursement of funds from the National Recovery Plan. For the year as a whole, we believe GDP growth will be 3.5%.
- **Inflation trajectory.** CPI inflation in Poland continued to gradually decelerate in the second quarter of 2025. In the April-June period, price dynamics stood at 4.1%, compared to 4.9% in the January-March period. Core inflation will continue to decelerate gradually in the coming months, supported by solid but not very fast GDP growth and slowing wage dynamics.

Labour costs will rise at a slower pace in the coming months, as indicated, among other things, by business surveys. As regards CPI inflation, the outlook for inflation has been favourably influenced by the recent decision of the Energy Regulatory Office to reduce the tariff for the sale of gas to households from July. Overall inflation is forecast to average 3.7% this year. By contrast, the annual rate of price increases will be around 3% in the second half of 2025.

- **Imbalances in public finances.** According to the Central Statistical Office (CSO), Poland's public finance sector deficit will increase to 6.6% of GDP in 2024, against a deficit of 5.3% of GDP in 2023. The increase in the deficit compared to previous years is due to, among other things, an increase in defence spending, higher outlays for social benefits and salary increases in the budget area. The excessive deficit procedure imposed on Poland by the European institutions obliges Poland to reduce the budget gap to 3% of GDP by 2028. According to the European Commission, the accumulated high fiscal deficits and lower nominal GDP growth rate will increase the public debt-to-GDP ratio in the following years from 55.3% in 2024 to 62.4% in 2025. The increase in the debt ratio will be an additional argument in favour of budgetary discipline in the coming years.
- **Sentiment on the main financial markets.** Over the past few months, the factor that has determined the sentiment on equity markets has been US trade policy and the successive new information emerging on the level of tariffs for individual countries Currently, it seems that the markets are no longer as sensitive to further reports of tariff increases. Nevertheless, if actions from the Donald Trump’s administration contribute to an exacerbation of relations or even a trade conflict, this will have an impact on both stock and FOREIGN EXCHANGE markets. The next steps of the ECB and the Federal Reserve will also be important from the point of view of the financial markets. The continuation of the cycle of interest rate cuts in the euro area and the start of the cycle in the USA may stimulate risk appetite, also having a positive impact on the markets of Central and Eastern Europe, including the zloty.
- **WIBOR-based loans.** The dispute over WIBOR-based loans gained media exposure in late 2022. In July 2023, the Office of the Polish Financial Supervision Authority (PFSA) published a position paper in which it emphasised that, in the PFSA's view, there are no grounds to question the credibility and legality of WIBOR, in the context of the application of this index in mortgage loan agreements in Polish currency. According to the Polish Bank Association (ZBP, as at the end of June 2025), there are currently 2.2 thousand court proceedings in which Customers are challenging contractual provisions providing for interest rates based on the WIBOR reference index. The most important interest rate indicator for PLN loans with variable interest rates was removed from the loan agreement for the first time ever by the court in Suwałki on 4 October 2024 (non-final judgment). According to experts, including the ZBP, this ruling does not pose a risk to the existing line of case law. In all finalised proceedings, there have been rulings in favour of the banks.
- **Draft new CHF law.** On 30 January 2025, the Ministry of Justice published a draft Act on special solutions for the recognition of cases concerning loan agreements denominated or indexed to CHF concluded with Customers. Following comments made during the public consultation and the CJEU judgment of 19 June 2025 in Case C-396/24 (Lubreczlik), a new draft Act of 30 June 2025 was published. The purpose of the draft Act is to accelerate court proceedings concerning loans denominated or indexed to CHF. The key mechanisms provided for in the draft law include:
  - security of Customer's claims (Article 3 of the draft) – as soon as a lawsuit brought by the Customer is served on the defendant, or a counterclaim brought by the Customer is served on the plaintiff, the Customer's obligation to perform under the loan agreement is suspended by operation of law until the legal conclusion of the proceedings,
  - plea of set-off (Articles 5 and 18 of the draft) – amendment of the temporal limitation on the use of a plea of set-off in proceedings (until the end of the proceedings at second instance),
  - counterclaim (Article 8 of the draft) – changes the temporal limitation applicable in civil proceedings (in accordance with the general procedure – no later than in the statement of defence) – allows the filing of a counterclaim until the conclusion of the trial before the court of first instance.

  The following regulations, which were provided for in the original bill, have been dropped in the new bill:
  - counterclaim for mutual settlement – if the plaintiff is claiming claims arising from the invalidity of a credit agreement, the defendant may assert a counterclaim if the agreement turns out to be invalid,
  - enforceability of the judgment of the court of first instance – a judgment of the court of first instance adjudicating a monetary benefit in favour of a Customer becomes enforceable as soon as it is announced, and if it was issued in closed session – upon its delivery to the defendant.

  As announced, the law will enter into force in the fourth quarter of 2025.
- **Operational digital resilience.** According to a report by Check Point Software Technologies, the financial sector ranks second in terms of the frequency of hacking attacks in Poland. Due to the growing importance of digital channels in dealing with Customers, banks are particularly vulnerable to cyber risks. This risk has been exacerbated as a consequence of the outbreak of war in Ukraine in February 2022. In response to the growing cyber risks, the European Commission's "DORA" (Digital Operational Resilience Act) regulation came into force in 2023. The main objective of the regulation is to address the systemic risks posed by providers of key ICT services in the financial sector. The regulation consolidates regulatory requirements and introduces direct supervision of ICT providers by European financial supervisors. According to analysis conducted by the Polish Bank Association, it appears that the banking sector is well prepared for the entry into force of the regulation. The obligations imposed on the sector by DORA became effective on 17 January 2025.
- **Reserve requirement tax.** The Ministry of Finance is working on a draft of a new tax on the interest earned by banks from maintaining a mandatory reserve with the National Bank of Poland. The aim of the envisaged regulation is to reduce so-called systemic inefficiencies, which according to the Ministry are based on interest on these funds at the reference rate, which is a deviation from the solutions adopted in most European countries. According to the announcements, inflows to the state budget from the new tax may amount up to PLN 2 billion. However, as the Polish Bank Association stresses, interest on the reserve is already subject to CIT, and the reserve itself is a regulatory requirement on the amount and interest rate of which banks have no influence. According to the words of the Minister of Finance, the new tax is being created independently of the work on the new form of Bank tax, with no work being carried out on the tax on excess profits.

Strategy implementation

Pillar UP

Pillar description

The GObeyond strategy is a growth strategy. Our aim is to increase the number of Customers served, strengthen our market position and increase revenue. The Bank sees potential for development in all Customer segments.

Retail Banking and Personal Finance

The priority of retail banking and PF is to achieve high Customer satisfaction (NPS Top 3 in the market), thanks to which the Bank will increase the number of Customers (by 0.5 million to 4.5 million) and increase their engagement in the relationship with the Bank. Listening to the opinions of its Customers and employees, the Bank will implement innovative products and services, often in cooperation with internal (companies from the BNP Paribas Group) and external partners, and plans to make even greater use than before of personalised communication based on advanced CRM and data analytics. Further digitalization of Customer processes is planned, together with remote access to the Bank's experts as part of a newly created omnichannel sales and Customer service model (over 90% of key processes for retail Customers are to be available in remote channels, and sales via digital channels are expected to exceed 50%). The Bank will also offer Customers services that go beyond traditional banking, such as open banking solutions, contextual financing in e-commerce, or offering products and services related to Sustainable Development Goals. Finally, the Bank plans active but sustainable growth in the main areas of retail banking, i.e. achieving a 7% share in the market of new sales of accounts, cash loans, and mortgage loans.

SME, Corporate and CIB Banking

The Bank aims to be number 1 for international Customers (increase in the number of active Customers by over 22% vs. 2021) by utilising the position of the BNP Paribas Group as a leader in Europe with a broad global presence, and global solutions, products and expert knowledge. The Bank strives to be the first-choice bank for large corporations with tailored solutions and an excellent service model. The Bank will provide service to Customers from the Polish corporations and SME segment using remote and digital solutions, while supporting the international expansion of our Customers based on experiences from 65 countries. The Bank wants to increase the base of active Customers served in the SME and corporate banking segment by over 18% compared to 2021. It will also strive for operational excellence to build positive Customer experiences. One of the key goals in this area is to optimise and shorten the credit process. The Bank will leverage its leading market position in the agricultural segment and its unique competencies in this area to strengthen its market position among food processors.

Activities under the GObeyond strategy objectives in H1 2025

PILLAR	KEY ACHIEVEMENTS IN THE FIRST HALF OF 2025
#UP The offer of high-quality banking and non-banking products and services is key to increasing the Customer base in an omnichannel world. Creating an excellent Customer experience by designing personalised paths for them.	• New products on offer: – **VISA tennis card –** new launch of a special offer for tennis fans – **GOdreams –** a new service with flexible fundraising plans together with the Full Dreams Account with interest rates of up to 8% per annum, a combination of savings tools and support for Customers to achieve their financial goals – **Loan for green investments –** available to new and existing Customers in the micro-enterprise segment – new product packages for SMEs (Classic, Comfort and Premium) • New financing – as part of consortia: Empik Group (PLN 350 million); LCP Properties (EUR 62 million); Tonsa Group (PLN 74.6 million); financing for SPEEDWELL Development (PLN 100 million); investment loan for POSCO International Poland E-Mobility (construction of a production plant); investment financing for Panattoni (EUR 40 million); acquisition financing for Prime Label Group (expansion into CEE markets) • As part of the expansion of **Shoper's** cooperation with the Bank, launch of the possibility for sellers to include instalment payments with the Bank • The Bank is a financial partner of AFG Electric Motors Sp. z o. o., a Chinese automotive company responsible for the distribution and sale of vehicles in Poland • Establishment of a strategic financial partnership with TERG S.A., owner of the consumer electronics store chain – Media Expert • The Bank is a partner in the Startup Booster by Huge Thing acceleration programme as part of the Industry Test path, which allows new technology companies to test their solutions in collaboration with large organisations. • Implementation of **a lean operating model in SME and Corporate Banking** and simplification of the sales network structure • Introduction of **a decision engine** into the SME lending process **in all SME Customer Centres** • Development of the GO Biznes ecosystem: providing Customers **with a new version of the** GOmobile Biznes **mobile application** with new functionality – a card module for handling debit, multicurrency, charge and credit cards • Implementation of **Kantox Dynamic Hedging®** – an innovative and unique solution on the Polish market for Corporate Banking Customers with cross-border operations, enabling automation of currency and currency risk management processes • Selected awards and distinctions: – four awards in the **Institution of the Year** ranking – **Golden Banker 2025** – 1. place in the categories "Cash Loan" and "Golden Cybersecurity Shield"

PILLAR	KEY ACHIEVEMENTS IN THE FIRST HALF OF 2025
	– the best Bank in the Wealth Management segment in Central and Eastern Europe – award at the **WealthBriefing European Awards 2025** – the **Best Private Bank-Eastern Europe** title for best private banking in the Global Private Banking Innovation Awards – Mastercard World Elite black credit card offer ranked best on the market by Forbes magazine – Global Finance's Best SME Bank Awards – for the quality of services and commitment to the development of the Polish SME sector

Segment description

Retail and Business Banking & Personal Finance Area

Characteristics of the area

The Retail and Business Banking area provides services to retail Customers, Private Banking services, and serves corporate Customers (micro-businesses). The following Customer segments are served within Retail and Business Banking:

Retail Customers:

- Mass Customers,
- Premium Banking Customers, i.e. placing assets of at least PLN 100,000 in the Bank or through its intermediation, or having the inflows of funds of at least PLN 10,000 per month,
- Private Banking (Wealth Management) Customers, i.e. placing assets of at least PLN 1 million through the Bank. A "Family Fortunes" sub-segment is identified under Private Banking – Customers who place assets of at least PLN 10 million through the Bank.

Corporate Customers:

- non-Agro, not keeping full financial reporting according to the principles defined in the Accounting Act, meeting the criterion of net annual income for the previous year below 2 million euro,
- non-Agro, keeping full financial reporting, whose net sales income for the previous financial year was less than PLN 4 million, and credit engagement does not exceed PLN 1.2 million,
- Agro, not conducting full financial reporting, meeting the criterion of net annual income for the previous financial year below 2 million euros, conducting activities classified according to selected PKD 2007 codes,
- professionals: entrepreneurs not conducting full financial reporting in accordance with the principles of the Accounting Act, conducting professions defined in a separate internal document,
- retail farmers, for whom the Bank's credit commitment to the Customer is less than PLN 3 million,
- retail farmers, for whom the Bank's credit commitment to the Customer is in the range of PLN 3 million and below PLN 4 million, when the collateral on agricultural land covers at least 50% of the credit commitment,
- on-profit organisations (e.g. foundations, associations, trade unions, etc.),
- cooperatives, housing communities, property managers.

Private Banking – BNP Paribas Wealth Management offers an individual approach to each Customer and additional holistic and relational approach, i.e. the "family approach", which also includes close family members or assets gathered in private companies and other investment vehicles. BNP Paribas Wealth Management benefits from 40 years of experience in serving affluent Customers, market position and best practices of the BNP Paribas Group, which is number 1 in Wealth Management in the Eurozone.

For over 10 years, BNP Paribas Wealth Management in Poland has been supporting Customers in matters related to estate planning and collaborates with Customers' legal and tax advisers in succession planning – it can boast the title of a precursor of the family office service on the Polish market. It offers one of the richest products and services portfolio available for Family Foundations – including entities in the organisation, i.e. yet to be registered by the court.

Customers of BNP Paribas Wealth Management are served by an experienced and qualified team - all advisers are EFPA certified at the EFA level and the highest – EFP. Holding an EFPA certificate is crucial and required for a Wealth Management adviser position. At the same time, Wealth Management advisers are the first in Poland to achieve EFPA ESG certification in the area of sustainable development.

The Personal Finance Banking area is responsible for product offer and management of consumer loans distributed through the Retail and Business Banking branch network and external distribution channels. This area offers Customers the following product groups: cash loans, credit cards, instalment loans, car loans, leasing (operational and financial) and leasing loans (mainly in cooperation with BNP Paribas Leasing Services Sp. z o.o.) and long-term vehicle rental (offered in cooperation with Arval Service Lease Polska Sp. z o.o.).

Implementation of key strategic initiatives in the first half of 2025

INITIATIVE	BNP Paribas - my main Bank
INITIATIVE DESCRIPTION	**More attractive products, implementation of an omnichannel environment and changes in the approach to building lasting relationships. Optimisation of digital UX, enhanced personalisation of Customer experiences and synchronisation of data source use. Increase in BNP Paribas brand awareness among Customers**
ACHIEVEMENTS	• New services and offers made available to Customers: - **"Pay conveniently and win prizes"** competition – for holders of Mastercard debit cards, in which one can win a voucher for the purchase of a ring for contactless payments and 1% cashback on completed mobile transactions for a period of 9 months - information on fees for debit card in online banking - **GOmobile application** - possibility to add BNP Visa cards to a digital wallet (for iOS phone users), - **possibility to block and unblock payments for subscription transactions** made using a payment card during a phone call or a visit to the Customer Centre • **Improvements in the remote account opening process** in terms of the system supporting the execution of ID card images and video verification
KEY FIGURES	• increase in the share of mobile transactions in card transactions by 4.57 p.p. YoY • 49.1 thousand – sales of a personal account with an offer of 8% on a placement account • 18.9 thousand – sale of account with Visa Film card • 12.8 thousand – sale of account with Visa Tennis card • 10.2 thousand – sales of "Account with Card for Influencers" • 7.3 thousand – number of accounts opened with diia.pl as the second identification document

INITIATIVE	Development of sales in the digital and omni-channel model
INITIATIVE DESCRIPTION	**Sale of all consumer loans and mortgages through digital channels or omni-channel model. Widespread use of "pre-approved" offers and open banking solutions. Increase sales to the Customer base based on data analytics, AI and personalisation. Expansion of product offerings available in digital channels**
ACHIEVEMENTS	• Establishing a partnership with **Media Expert** – making the financial offer available in 150 physical shops of this brand (target: 600 stores) • Making the cash loan application process available using Open Banking for new Customers for mobile devices and in the application path by phone and GOonline • **Extending** of the Green Change **Cash Loan offer** to include, among other things, electromobility targets • **Improving the efficiency of the mortgage process** by simplifying and standardising: the documentary requirements in the loan application process, the execution of partial and full repayment in GOonline, and the process of updating insurance policies in GOonline • Making **new processes** available for the mortgage loan **in remote channels**: shortening the loan period after overpayment and the tranche payment to the developer

INITIATIVE	Development of sales in the digital and omni-channel model
	• Introduction of a new product **"Good card"** with very attractive price conditions related to its service and the cost of instalment plans • **Improvements to the instalment loan agreement signing process in GOmobile** in order to make the solution more accessible to Customers and increase x-sell levels • Making **the instalment loan agreement signing process paperless** for Customers who do not have an email address in order to fully reduce the conclusion of paper agreements • **Optimisation of the process of launching leasing agreements for car financing** – reducing the time from verification of lease documentation to activation of the agreement by 22%
KEY FIGURES	• 2. 6 thousand Customers took advantage of the new mortgage prepayment solution made available on 17 June this year • **Mastercard Priceless Moments programme** – growth in the first half of 2025: by more than 18% in the number of Customers enrolled in the programme, 19% increase in the number of cards enrolled in the programme. There are currently more than 160 thousand cards in the programme • **cash loan** – record sales results in Q2 of this year – nearly PLN 400 million of new volume per month

INITIATIVE	Convenient platform for entrepreneurs using API solutions
INITIATIVE DESCRIPTION	**Bank as a modern platform using APIs to offer products and services from external partners. Supporting the creation of sustainable, secure and innovative services tailored to Customers' needs. The API enables contextual services to be offered at selected Customer touch points outside the banking ecosystem**
ACHIEVEMENTS	• **Start YourGo Business –** an offer for Customers entering the market available from May 2024. A programme of comprehensive support in every aspect of setting up a business, it includes, among others, assistance in registering for VAT and ZUS, access to professional business and accounting tools in the GOaccounting service and training with a market value of PLN 5,000 • **GOaccounting**– online accounting services for Customers running their own business (including a debt collection services module). The service is available 24/7 and registration and signing of the contract can be done without a visit to an accountant's office or office. • **GOdealer** – a currency exchange application with 24/7 transaction processing. Corporate Customers can also benefit from a dual-currency depository • **Axepta** – a payment gateway for Customers, with access to various forms of payment, i.e. quick transfer, BLIK, card payments, including electronic wallets (Apple Pay and Google Pay) • **Cooperation with BNP Paribas Leasing Solutions –** a wide range of financing based on fixed or variable interest rates, enabling projects using subsidy programmes from the European Union (photovoltaics, heat pumps, charging stations and energy storage). • **Cooperation with BNP Factoring and fintech partner Monevia** (leader in online micro factoring) – offering complete factoring solutions on preferential terms, regardless of the industry, size or market seniority of the company. Holders of a corporate account with the Bank benefit, among other things, a free factoring limit of up to PLN 100 thousand to start, no preparation fee or no penalties for late payment by the counterparty – up to 30 days after the due date.

INITIATIVE	Convenient platform for entrepreneurs using API solutions
	• **Cooperation with Elavon** – a wide range of payment terminals (including the softPOS application). Possibility to order terminals from GOonline • **Carbon footprint calculator** – an innovative service made available in partnership with Envirly, supported by artificial intelligence algorithms - enables easy calculation and management of carbon footprints and streamlines organisations' ESG reporting processes. From 1 July 2024, micro-enterprises that are Customers of the Bank can use this Scope 1 and 2 reporting tool free of charge
KEY FIGURES	• GOdealer - activation of the system by more than 1.4 thousand Micro Customers in H1 2025; execution of more than 34 thousand transactions with a total volume of PLN 451 million • Micro Leasing - PLN 223 million of contracts financed in H1 2025

INITIATIVE	New distribution model - the foundation for omnichannel Customer service
INITIATIVE DESCRIPTION	**Transformation of the distribution model – a key element in building an omnichannel Customer service model. Integration of front-end systems with a single view of the Customer. Relationship management supported by personalised CRM-based communication. New organisation of autonomous, self-organised Customer Service teams.**
ACHIEVEMENTS	• **Key sales and after-sales processes available in digital channels** – current availability level: 87% for retail Customers and 66% for micro-entrepreneurs • **Optichannel** solutions **in Customer Centres and Contact Centres,** including Customer service on Customers' mobile devices. In the Bank's outlets, approximately 70% of the activities performed have a paperless digital path, including the recently implemented: Customer onboarding and remote recertification processes; which improves the Customer service process (improving NPS, eNPS), while reducing the operational costs of the processes and supporting sustainability objectives. At the same time, more than 15 thousand incoming phone calls to the contact centre are effectively redirected to self-service in mobile banking, which significantly increasing the efficiency of handling such Customer needs • Improving the efficiency of service models as measured by cost-to-serve methodology and optimising the distribution model by increasing the role of digital channels in the value of generating new banking income • **Centralisation of processes in the virtual branch** for handling mortgage sales and after-sales processes and handling savings products • Use of **voicebot for Customer NPS surveys** in the branch network and virtual branch with quality monitoring of sales and after-sales processes

INITIATIVE	New distribution model - the foundation for omnichannel Customer service
KEY FIGURES	• 1.4 million Customers/users using mobile banking, +5% YoY • increase in the number of mobile banking logins +7% YoY (174.3 million in the first half of 2025) • increase in the number of BLIK payments +21% YoY (33.7 million in the first half of 2025) • increase in mobile payments for tickets and parking +11% YoY (1.5 million in the first half of 2025) • increase in GOmobile transactions +15% YoY (58.1 million in the first half of 2025) • increase in the share of digital channels in new NBI value generation to 54.9% +3.4 p.p. YoY

Brokerage Office of BNP Paribas Bank Polska S.A.

The BNP Paribas Bank Polska S.A. Brokerage House (Brokerage House) mainly serves retail Customers. The Brokerage House's services complement the Bank's range of investment products. It also has an offering for selected institutional Customers, including Open Pension Funds (OFE), Investment Fund Companies (TFI) and other entities that manage assets entrusted to them. In addition, the Brokerage House manages portfolios and provides investment advice for Customers of the Premium Banking and Wealth Management segments.

The Brokerage House offers a wide selection of investment funds managed by reputable Polish and foreign investment fund companies.

Brokerage Office in numbers for H1 2025:

- conducting sales of 731 funds managed by 21 companies,
- PLN 12 billion – the value of Customers' assets in investment funds distributed through the Brokerage Office at the end of June 2025,
- PLN 523 million – the value of investment certificates issued in H1 2025 for the Brokerage's Customers in cooperation with BNP Paribas Group (+8% YoY),
- PLN 69 million – total revenue from brokerage services and distribution of investment products (+19% YoY),
- a 23% YoY increase in assets under portfolio management services for Wealth Management Customers,
- a 5% YoY decrease in commission income from stock exchange transactions of Brokerage’s Customers,
- results from investment advisory services as well as portfolio management have risen well above their benchmark indices.

Table 10. Share of the Bank's Brokerage Office in the turnover on the WSE

		30.06.2025		30.06.2024	
		volume	share	volume	share
Shares	PLN million	2,599.12	0.51%	2,671.91	0.76%
Bonds	PLN million	299.27	5.57%	153.77	3.25%
Contracts	units	119,778	0.91%	98,250	0.68%
Investment certificates	PLN million	0.15	0.50%	0.11	0.25%
Options	units	7,822	3.51%	6,880	3.65%
Structured products	PLN million	89.00	2.59%	187.66	7.79%

SME and Corporate Banking area

Characteristics of the area

The Corporate Banking area directs its offer to large and medium-sized enterprises and local government units with annual net sales revenues equal to or greater than PLN 60 million, or to companies in which the Bank's lending commitment to the Customer is greater than or equal to PLN 22 million, and also to entities that are part of international capital groups.

Corporate Banking Customers are divided into four basic groups:

- Polish corporations with annual net sales revenues from PLN 60 million to PLN 600 million or with a credit commitment greater than or equal to PLN 22 million (or for economic entities operating in the agricultural sector with a credit commitment greater than or equal to PLN 50 million),
- International Customers (companies belonging to international capital groups),
- the largest Polish corporations with net sales revenues exceeding PLN 600 million,
- public sector entities and financial institutions.

Within these groups, Agro and non-Agro Customer subsegments operate.

The Small and Medium Enterprise (SME) Banking area serves three main Customer subsegments:

- Agro Customers who maintain full financial reporting with net sales revenues for the previous financial year from PLN 4 million to PLN 60 million and the Bank's credit commitment to the Customer not exceeding PLN 22 million. This subsegment also includes groups of agricultural producers (towards which the Bank's credit commitment does not exceed PLN 50 million),
- Non-Agro Customers – a sub-segment for entities with full financial reporting and net sales revenues for the previous financial year of PLN 4 million to PLN 60 million and the Bank's credit engagement not exceeding PLN 22 million, as well as public finance units with a budget of up to PLN 100 million. This sub-segment also includes churches and other religious organisations and their subsidiaries,
- Farmers (i.e. economic entities running agricultural production) maintaining full financial reporting, with net revenues for the previous financial year between PLN 0 to 60 million and a credit commitment not exceeding PLN 50 million, as well as retail farmers, if their credit commitment is between PLN 4 million to PLN 50 million, and between PLN 3 to 4 million, if the agricultural land collateral covers less than 50% of the credit commitment.

Implementation of key strategic initiatives in the first half of 2025

Corporate Banking

INITIATIVE	New approach to the Customer using the strength and potential of the Group
INITIATIVE DESCRIPTION	A leader in the international Customer sector and in developing cooperation with largest Polish corporations. Unique approach based on the strong position of the BNP Paribas Group, especially in terms of global relations and product platform
ACHIEVEMENTS	• strengthening the Bank's position on the international Customer market (second place on the market in terms of the number of international Customers serviced • acquisition of new international Customers in cooperation with BNP Paribas Group • increase in the share of revenues from cooperation with international Customers in the total revenues • supporting Customers in their green transformation through an ecosystem of products and services as part of a beyond banking offering featuring innovative sustainability solutions including, among others, a carbon footprint calculator or ESG rating
KEY FIGURES	• increase in the number of active international Customers by 3% YoY (+120 Customers) • dynamic growth in loans to international Customers of 11% YoY • 23% YoY increase in the value of the portfolio under sustainable financing

INITIATIVE	New model of Customer service
INITIATIVE DESCRIPTION	Sales area transformation by providing Customers with the widest range of self-service solutions and providing a centralised and dedicated after-sales service
ACHIEVEMENTS	• increasing the level of automation and use of the GO Biznes ecosystem in relations with Customers; new functionalities: the Cards module in GOmobile Biznes, improved performance of immediate mass payments • for Customers in the Polish corporate segment (up to PLN 600 million turnover) - implementation of changes to the operating model (including centralisation of support functions) and a new model for handling the KYC process

INITIATIVE	New model of Customer service
	• further specialisation in servicing sector Customers (food & agro, public sector entities), optimisation of sales network
KEY FIGURES	• increase in the number of active Customers by 3% YoY • increase in loan volumes by 5% YoY • increase in commission income by 6% YoY

Small and Medium Enterprises

INITIATIVE	New model of Customer service
INITIATIVE DESCRIPTION	Sales area transformation by providing Customers with the widest range of self-service solutions and providing centralised and dedicated after-sales service

INITIATIVE	New model of Customer service
ACHIEVEMENTS	• YoY increase in profit before tax of the SME Banking area thanks to maintaining good quality of the loan portfolio and low cost of risk with a slight decline in revenues due to lower interest income • for SME segment Customers: continuation of changes to the operating model in terms of sales support (including development of the digital Customer portfolio), implementation of a new model for handling the KYC process, centralisation of support functions • specialisation of sector Customer servicing, optimisation of the sales network • further increase in the scale of operations of the Digital Customers Team dedicated to Customers who prefer active remote contact with the Bank
KEY FIGURES	• 23% of Customers served in the Digital Customer Team

Other business unit initiatives

INITIATIVE	ACHIEVEMENTS	INNOVATIVE PRODUCTS AND SERVICES	KEY FIGURES
CASH MANAGEMENT	• development of cash management product and service offering • continuation of work on the migration to the new payment communication format XML_ISO20022	• payments: improving the efficiency of Express Elixir instant mass transfers • cards: launch of the new prestigious Mastercard Business World Elite business card offering advanced features and benefits, while being environmentally friendly (card made of biodegradable plastic) • new product packages (Classic, Comfort, Premium) designed to meet the different needs and stages of development of companies in the SME segment	• 1% YoY increase in the number of incoming transactions (incoming transfers + cash deposits) • 2% YoY increase in the volume of incoming transactions (incoming transfers + cash deposits)
E-BANKING	• development of the GO Biznes ecosystem: launch of a new version of the GOmobile Business mobile application with a new functionality - a card module for handling debit, multicurrency, charge and credit cards • increasing the level of automation and use of the GO Business ecosystem in relations with Customers	• a Cards module has been launched within GOmobile Business (card list, card details, transaction history, card management). Customers can now manage their cards directly from the app. The Cards module allows: - view the list of cards, card transactions, available limits - card management (activating a card, blocking a card, setting a PIN code, etc.)	• 16% YoY increase in mobile banking users
CUSTOMER LIFECYCLE	• continued automation of onboarding and post-sales processes	• further expansion of the range of Customers eligible for fully digital onboarding (increase in the number of countries covered by remote onboarding) • significant increase in the use of fully digital self-service debit card application for new users • improvements in the account closure process	• 60% of corporate Customers and 37% of SME Customers acquired through the fully digital onboarding process in H1 2025

INITIATIVE	ACHIEVEMENTS	INNOVATIVE PRODUCTS AND SERVICES	KEY FIGURES
		• automation of foreign payments	
FINANCING CORPORATE CUSTOMERS	• continued improvements to the credit process through further development of an automated credit workflow that supported loan growth and asset enhancement with optimal credit risk levels • extending the implementation of the SME Customer credit process using the automated decisioning engine to all SME Customer Centres • implementation of regulatory and sales process changes resulting from the CRR3 directive	• changes in the credit workflow for SME Customers, including retail farmers, and for Corporate Customers (excluding the credit process for specialised financing) • implementation in April of the automatic import of companies' annual financial statements from eKRS into the Bank's systems • changes and automations in the eCredit Application	• more than 5 thousand credit decisions made in the new credit process and 30.3 thousand orders for credit administration • 1.4 thousand financial statements obtained automatically from eKRS and published internally (verified and approved as a source for further internal processes)

Food & Agro area

Area description

BNP Paribas Bank Polska S.A. (the Bank) for the agri-food sector has a comprehensive product offering, including: current accounts, term deposits, loans and insurance for farmers (voluntary and mandatory).

Micro Customers and Small and Medium Enterprise Banking

In terms of lending activities, the Bank's offering includes loans:

- operational, including the Agro Express secured overdraft and the loan with a BGK guarantee and interest rate subsidies,
- investment loans for farmers and Agro companies, including Agro Progres, Unia+ (to co-finance EU projects),
- preferential loans with interest rate subsidy or partial capital repayment (thanks to the agreement with the Agency for Restructuring and Modernisation of Agriculture).

In addition to its own offerings, the Bank, in cooperation with external companies, prepares dedicated offers for farmers concerning additional services, such as Generali Agro insurance and runs sales campaigns.

Corporate Banking Customers

The Bank's activities for Corporate Banking Customers focus on:

- business development by utilising unique knowledge and a precise understanding of the entire sector value chain (farmer, processor, distributor, consumer) and sector ecosystem (macro environment, policy, technology, international trade, suppliers, Customers), including the development of cross-segment financing (value chain financing),
- preparation of sector analysis, including changes in industry trends,
- initiating cooperation with the BNP Paribas Group in the field of agri-food sector Customers,
- sector recommendations for significant credit transactions (company positioning in the industry and peer group),
- operation and development of the Agronomist platform providing reliable knowledge and useful tools for the digital and sustainable transformation of the agri-food sector.

Implementation of key strategic initiatives in the first half of 2025

INITIATIVE	Agronomist - an innovative way to build relationships and sharing knowledge
INITIATIVE DESCRIPTION	Creation of a portal for farmers and entrepreneurs from the Food & Agro (F&A) sector wishing to develop in line with market trends. Providing knowledge and tools to support both the transformation towards sustainable agriculture and digital transformation. The portal's content covers the entire F&A value chain with special attention to local communities
ACHIEVEMENTS	Unique tools and functionalities on the market that respond to the needs of agri-food sector: • **Agroemission** – greenhouse gas emissions calculator at farm level for dairy, animal and plant production, taking into account its water footprint • **Regagri Explorer** – a professional tool for estimating the level of CO2 absorption in soil, • a nitrogen calculator or agricultural weather service with SMS alerts • **Creditomat** – a simple and user-friendly search engine for banking offers, facilitating the selection of products best suited to the needs of farm management • **ESG materials** – preparation and publication of materials related to environmental and social impact reporting in accordance with the CSRD for the food production value chain • **PULS AGRO** – video materials prepared together with experts about the current situation in the fields in various regions of Poland
KEY FIGURES	In the first half of 2025: • 120 thousand unique users visiting the portal • 308 thousand visits

INITIATIVE	Knowing the Customer as the basis for building profitable relationships and increasing their satisfaction
INITIATIVE DESCRIPTION	Further, industry knowledge-based expansion in the area of the food production value chain. Adapted service model for current and future key F&A sector Customers. Improvements in the credit process
ACHIEVEMENTS	• analysis of markets and selected sub-sectors of the agri-food industry, organisation of sessions on specific areas of the food market for Customers and prospects • development and publication of industry overviews of the agri-food segment for broad use of the business and credit risk side • analyses and publications with regard to the market implications of the war in Ukraine • active and substantive participation in numerous economy-wide and industry events, close cooperation with a number of organisations from the agri-food sector
KEY FIGURES	• 4.8% YoY increase in the average annual balance of farmers' deposits

Other business line actions

Investment loans with Agromax guarantee - in August 2024, the Bank's offer was extended to include a loan with an interest subsidy secured by an Agromax guarantee from the Fund for Agricultural Guarantees Plus (FGR Plus). This financing is available thanks to an agreement with Bank Gospodarstwa Krajowego, which allows us to act as an intermediary for the public support provided for in the Strategic Plan for the Common Agricultural Policy 2023-2027.

The following changes have been made to this product in 2025:

- In March, we launched the financing of investments made by pig producers with the security of an Agromax guarantee and preferential interest subsidy terms. This applies to Customers who will be implementing investments consisting, among others, in the construction, expansion, modernisation of a pig farm and its equipment. The indicated Customers will be able to receive a subsidy for 4 consecutive years from the date of starting the loan in the amount of:
  - 100% for the first two years, max. 8 p.p.,
  - 50% for the next two years, max. 4 p.p.

  The same subsidy amount will also apply to working capital financing related to the investment.
- In June, we extended the possibility of applying for the loan with Agromax guarantee and interest subsidy to producers linked to an agricultural product (e.g. bakeries, manufacturers of sweets, pasta, ready meals), and companies providing services to agriculture or forestry.

Sales of FGR Plus Guarantees until 30 June 2025 place the Bank in first place among all banks offering this product. Our market share exceeds 40%.

Insurance – cross-sell

Spring crop insurance sales campaign with premium subsidies from the state budget in H1 2025 (March-June):

- number of policies concluded – 2.9 thousand (+8% YoY),
- premium paid by the Customer (without surcharge) – PLN 13.4 million (+9% YoY).

Cooperation with the Polish Federation of Cattle Breeders and Milk Producers

The Polish Federation of Cattle Breeders and Milk Producers (PFHBiPM, Federation) is an industry-wide organisation with over 11 thousand members. These include individual breeders, state-owned farms, state-owned and private companies, cooperative farms and leased farms.

As the Bank, we have been cooperating with the Federation for many years and, thanks to the cooperation agreement signed in 2025, we have the opportunity to reach out and establish contacts with an even larger group of breeders.

As part of the agreement:

- we carry out promotional and advertising activities, including the Bank's logo on the PFHBiPM website and in the jubilee album, dedicated mailing to the PFHBiPM contact base, advertising banners and sponsored articles on the holstein.pl portal,
- the Bank's representatives have the opportunity to participate in meetings and conferences and organise advertising stands, e.g. we participated, as a Platinum Partner of the 30th anniversary of the Federation, in 10 regional conferences with milk producers – Milk Laurels. On this occasion, a promotional offer was prepared for the awarded farmers – 0% preparatory commission on selected loans related to their agricultural activities.

Corporate and Institutional Banking area

Area description

The Corporate and Institutional Banking (Corporate and Institutional Banking, CIB Area) provides a broad product offering aimed at both the largest Polish enterprises and medium-sized companies. The Trust Services Department also addresses its offer to insurance companies as well as pension and investment funds.

The CIB Area provides Customers with comprehensive BNP Paribas Group solutions in terms of financing and risk management, including:

- mergers and acquisitions and restructuring advisory,
- capital market transaction advice and arrangement,
- FOREIGN EXCHANGE and money market transaction arrangement,
- working capital financing,
- acquisition and investment project financing,
- cash flow, financial liquidity, and working capital optimisation management,
- sales of financial market products, hedging currency, interest rate, and commodity price risks.

In addition, tasks are carried out in the field of market risk management in the trading book, quotation of prices of foreign exchange market instruments and interest rate market instruments (including derivative instruments market transactions), as well as determining the Bank's foreign exchange rates table and structuring risk management associated with the Bank's offering of structured products.

Implementation of key strategic initiatives in the first half of 2025

INITIATIVE	New approach to the Customer leveraging the strength and potential of the Group
INITIATIVE DESCRIPTION	Leader in the international Customer sector and in developing cooperation with the largest Polish corporations. A unique approach based on the strong position of the BNP Paribas Group, especially in terms of global relationships and product platforms.
ACHIEVEMENTS	• increase in cross-sell with international Customers through sales activities aimed at decentralising market risk management competencies • leveraging the BNP Paribas Group's position and developing global relationships resulting in closer cooperation with international Customers • increase interest in services provided by the Kantox platform (tools for automating foreign exchange risk management)
KEY FIGURES	• significant increase in the volume of transactions executed through electronic channels (+18% YoY) • significant increase in NBI on transactions executed through electronic channels (+17% YoY)

INITIATIVE	New Customer service model
INITIATIVE DESCRIPTION	Transformation of sales area by providing Customers with the widest range of self-service solutions and ensuring centralised and dedicated post-sales service.
ACHIEVEMENTS	• changes in the sales network, adapting its structure to the evolving model of corporate Customer service, and to the specificity of the conducted business
KEY FIGURES	• increase in the number of active Customers (+3% YoY) • increase in the volume of transactions executed via FOREIGN EXCHANGE Pl@net application (+18% YoY)

Other banking activity

The remaining banking activity of BNP Paribas Bank Polska S.A. (hereinafter: the Bank) is operationally carried out mainly within the Asset and Liability Management Division (hereinafter: ALM Treasury Division). The task of the ALM Treasury Division is to ensure the proper and stable level of financing that allows the Bank to operate safely while complying with the legal norms and limiting the Bank's interest result sensitivity to the volatility of market interest rates.

The ALM Treasury Division combines the function of a business line and a competence centre responsible for managing:

- interest rate risk,
- the current and structural liquidity of the Bank,
- structural foreign exchange risk,
- internal transfer prices for all deposit and loan products offered by the Bank (including their determination).

Tasks carried out within the ALM Treasury Division include both a prudential aspect (compliance with external regulations and internal directives) and an optimisation aspect (managing financing costs and generating results from managing positions in the Bank's balance sheet).

One of the key risk management mechanisms in the Bank is the systemic transfer of structural risks from all business lines to the ALM Treasury Division. Structural risks are: currency, liquidity and interest rate risks in the banking book. The ALM Treasury Division centrally manages these risks. Risk transfer is primarily carried out within the transfer pricing system, which reflects the strategy of financing the Bank's activities and developing the Bank's balance sheet.

The main duties of the ALM Treasury Division include ensuring: a balanced liquidity position while optimising the cost of financing the Bank's operations, and an appropriate structure of assets and liabilities, including sensitivity to changes in interest rates. Other functions of the ALM Treasury Division include:

- management of the internal transfer pricing system,
- balancing analysis,
- modelling and monitoring of liquidity and interest rate risks for the banking book,
- issuance of the Bank's debt securities,
- organising long-term credit lines,
- raising financing sources,
- cooperation with business lines supporting sustainable development,
- coordination of the securitisation transactions of the non-bank Customer's loan portfolio,
- organisation of the Asset and Liability Management Committee (ALCO) operations.

The Bank adjusts internal product behavioural models affecting the Bank's interest rate and liquidity risk profiles on an ongoing basis. The ALM Treasury Division cooperates with business lines by organising regular meetings and consultations to optimise the Bank's product structure and maintain the Bank's profitability at the highest possible level in current macroeconomic conditions.

Cooperation with financial institutions

As at 30 June 2025, the Bank maintained correspondent relationships with approximately 1 thousand banks, including 63 NOSTRO accounts in other banks for 21 major currencies.

The Bank operates 46 LORO accounts exclusively in PLN for foreign banks in the BNP Paribas Group. LORO accounts operated in the Bank's books represent an external source of obtaining free operating funds for the Bank's operational needs. Above all, these accounts are used to make Customer transfers and bank-to-bank transfers.

In the first half of 2025, the Bank continued its cooperation with other domestic and foreign financial institutions, brokers and banks, which allowed for a wide range of treasury and deposit transactions. A few agreements with new and existing contractors from these segments were signed, and steps were taken to introduce new agreements, in line with ISDA and 2023 ZBP recommendations.

Distribution channels

Bank branches

As at 30 June 2025, the Bank had 358 Customer centres (including 9 partner outlets). The network of Customer centres was complemented by 16 Wealth Management Centres.

In 179 Customer centres (including 1 partner branch), cash service was provided exclusively by self-service devices.

All the Bank's Customer centres have the OK SENIOR® Certificate, confirming that senior Customers (60+) are serviced in branches in a safe, understandable and accessible manner; and 143 outlets - hold the "Barrier-free Facility" Certificate, issued by the Integration Foundation for good practices in servicing disabled people.

In the first half of 2025, the sales network in Corporate Banking and SMEs comprised:

- Strategic Customers Division, organised within the head office structure, which is responsible for relations with international Customers, Poland's largest corporations (with net sales revenue more than PLN 600 million), as well as financial institutions and selected public sector entities,
- SME and Corporate Customers division, which manages the regional sales network for Corporate Customers with net sales revenues of between PLN 60 and 600 million (Commercial Customers) and the regional sales network for SME Customers. Within this Division, the sales network:

- for Corporate Customers consists of two Corporate Banking Regions: Eastern and Western, bringing together a total of 10 Corporate Banking Centres in the largest cities.
- for SME Customers comprises two SME Banking Regions: Eastern and Western, bringing together a total of 19 specialised SME Business Centres, in cities with the greatest economic potential.

The SME and Corporate Customers Division also includes the Sector Customers Department, established in January 2024, which is responsible for relations with Customers in the agricultural sector, public sector companies and innovative Customers, and the Digital Customers Team, which develops cooperation with Customers who prefer remote service using online and mobile banking channels.

This sales network structure enables greater specialisation in serving different Customer groups and thus improve the quality of the products and services offered and better tailor them to the specific needs of Customers in particular for companies in the agricultural and public sectors.

The Bank's service model for Corporate and SME Customers is a relationship model. At its core is individual service and care from the Advisor, who is responsible for the entire relationship and cooperation of the Customer with the Bank. Furthermore, in order to fully meet the needs of Customers, as part of the Bank's wide range of products and services, dedicated teams of specialists offer a high standard of sales service and product advice, based on knowledge and experience in cash management, treasury, leasing, factoring and trade services and financing.

An important element of access to the products and services offered is the state-of-the-art online and mobile banking systems offered as part of the GO Biznes ecosystem dedicated to SME and Corporate Customers.

The distribution channels of the sales network are complemented by after-sales Customer service, which is provided through dedicated Customer Service Offices.

Cooperation with brokers

At the end of June 2025, in the Retail and Business Banking Division, the Bank collaborated in the acquisition of banking products based on:

- outsourcing contracts – 14 external outsourcing intermediaries, 1 outsourcing broker acting exclusively for the Bank and 10 franchise partners,
- marketing contracts – with 103 counterparts.

In the B2C Sales Development Division, on the other hand, with regard to the acquisition of banking products, the Bank cooperated, on the basis of outsourcing agreements, with 17 external brokers.

Automated teller machine (ATM) and cash deposit machine (CDM) network

As at 30 June 2025, the Bank's Customer centres were operating:

- 592 dual-function devices carrying out contactless deposits and withdrawals with the Bank's cards and using BLIK, as well as cash withdrawals using Google Pay and Apple Pay, and
- 1 ATM handling only standard withdrawals and transactions provided by the VISA and Mastercard systems.

In addition, 10 dual-function machines and 2 ATMs were operating outside the Bank's Customer Centres.

Operations and business support area

Implementation of key strategic initiatives in the first half of 2025

INITIATIVE	Process excellence
INITIATIVE DESCRIPTION	Optimisation, automation and digitalisation of all key processes, thus enhancing Customer service quality and cost efficiency. Developing process mining to assist process owners in process management. Promoting Lean culture and continuous process improvement by creating a dedicated training programme and Lean community
ACHIEVEMENTS	• improving process efficiency, implementation of a model based on outcome dashboards and process efficiency tools (Kaizen, Problem Solving) through the New Operating Model supporting the Bank's strategy. Focusing on measurable value delivered to the Customer, thanks to the organisation of work in product/process circles and the consolidation of the operational area of Customer financial security management • implementation of solutions based on artificial intelligence improving the operational handling of processes – models classifying and extracting data from documents provided by Customers, increasing cost and resource efficiency • increase in automation thanks to the implementation of robotic processes at the Bank increasing efficiency: e.g. in retail and corporate processes • implementation of a new workflow management and efficiency monitoring tool • optimisation of the portfolio of supported products in the Bank – start of work on reducing the number of retail and corporate products • implementation of a culture of continuous improvement in the area through development of lean competencies, eliminating waste in daily work and increasing the level of process efficiency • advanced work on the implementation of a purchasing and accounting platform tool
KEY FIGURES	• increase in multiskilling of employees (acquisition of new skills and functions and expansion of those already acquired by developing the scope and level of competence) – 40% of multiskilling employees • 245 active robots, 22 new implementations in the first half of 2025 • increase in operational efficiency by 5% YoY

Entities of BNP Paribas Bank Polska S.A.

BNP Paribas Towarzystwo Funduszy Inwestycyjnych S.A.

BNP Paribas Towarzystwo Funduszy Inwestycyjnych S.A. (hereinafter: BNPP TFI, the Company) has been operating in the financial services sector since 1992, previously functioning on the Polish capital market as a brokerage house.

BNPP TFI operates based on the permission of the Polish Financial Supervision Authority in the field of creating and managing investment funds, as well as intermediation in selling and repurchasing units and shares of foreign funds.

In the first half of 2025, the following significant events took place in the Company's operations:

- 29% YoY increase in assets under management;
- the most popular sub-funds in the TFI's offer were: BNPP Short-Term Treasury Debt Securities (net inflows of PLN 285 million) and BNP Paribas Treasury Bonds (net inflows of PLN 71.5 million).

As at 30 June 2025, the Company managed the following funds with a total value of PLN 8,905 million:

- BNP Paribas FIO – launched in March 2016. This fund comprises 7 sub-funds (including two sub-funds applying an investment policy based on ESG principles) with diversified investment policies that enable Customers to invest in various asset classes both locally and globally. The BNP Paribas FIO also includes an Individual Retirement Account: BNP Paribas - IKE and an Individual Retirement Security Account: BNP Paribas - IKZE. The value of the fund's assets as at 30 June 2025 was PLN 1,517.2 million.
- BNP Paribas Parasol SFIO – there are 9 sub-funds within the fund, including 6 sub-funds applying an investment policy based on ESG principles. The value of the fund's assets as at 30 June 2025 amounted to PLN 2,376.5 million.
- BNPP FIO – established in 2005. This fund comprises 3 sub-funds (including one sub-fund applying an ESG-based investment policy). The value of the fund's assets as at 30 June 2025 was PLN 4,512.7 million.
- BNP Paribas PPK SFIO – created to offer Customers employee capital plans, with 9 sub-funds (so-called defined date) separated. The value of the fund's assets as at 30 June 2025 was PLN 498.9 million.
- BNP Paribas Premium SFIO in liquidation – created in July 2014, with 4 sub-funds separated. The management of the fund was taken over as a result of the merger with Riviera TFI.
- FWR Selective FIZ in liquidation – created in May 2014, the management of the fund was taken over as a result of the merger with Riviera TFI.

BNPP TFI cooperates with the Bank in the distribution of units of funds offered by the Company under an agreement between the Bank's Brokerage Office and the Company.

In H1 2025, the Company recorded net inflows of funds of PLN 407.9 million.

Table 11. Basic financial data of BNP Paribas Towarzystwo Funduszy Inwestycyjnych S.A.

PLN thousand	30.06.2025	31.12.2024	30.06.2024
Total assets	55,289	48,992	47,911
Long-term investments	507	509	493
Equity, including:	36,121	38,886	34,339
net profit	5,581	8,465	3,948

BNPP TFI has share capital of PLN 16,692.9 thousand divided into 695,538 shares with a nominal value of PLN 24 each. The level of equity as of 30 June 2025 amounted to PLN 36.1 million and is sufficient to safely conduct day-to-day operations.

The company achieved a net profit of PLN 5.6 million in the first half of 2025 (against a profit of PLN 3.9 million in H1 2024).

BNP Paribas Leasing Services Spółka z o.o.

BNP Paribas Leasing Services Sp. z o.o. (hereinafter: the Company), in cooperation with the Bank, offers Customers from micro-enterprises, Personal Finance, SME and corporate Customers a full range of leasing products. Since 2018, based on the decision of the Bank's Management Board, the Company has taken on the role of the only entity in the BNP Paribas Bank Polska Group that provides leasing services for Customers in the above-mentioned segments, dynamically increasing the scale of its operations each year.

Table 12. Basic financial data of BNP Paribas Leasing Services Spółka z o.o.

PLN thousand	30.06.2025	31.12.2024	30.06.2024
Total assets	7,171,957	7,207,866	7,016,791
Long-term investments*	6,885,185	6,939,722	6,788,289
Equity, including:	134,209	109,900	103,306
net profit	24,308	25,741	19,146

** receivables from granted financing*

The first half of 2025 was a continuation of the previous year's sales challenges for the Company. The micro-enterprise segment in particular recorded very good results, achieving significantly higher sales compared to the first half of 2024. In Personal Finance, after a good start to the year, a visible reduction in sales dynamics was observed in the following months. The Corporate Customers and Small and Medium-sized Enterprises segments saw a noticeable decrease in sales volumes compared to the same period in 2024, while the end of the first half of 2025 saw the first signs of a recovery in dynamics in the Small and Medium-sized Enterprises segment.

The portfolio of financed assets reached PLN 6.9 billion at the end of June 2025 (an increase 1% compared to June 2024). In the first half of 2025, the Company concluded 10,000 new contracts for PLN 1,607 million (volume decrease of 24% YoY) and recorded a net profit of PLN 24,308 thousand, consistently increasing the level of equity.

At the same time, the Company's administrative costs remained at a similar level to the corresponding period in 2024, despite inflation, which affects employees' costs and the costs of external suppliers. Good cost management is influenced by the Company's consistent implementation of its efficiency improvement strategy. The portfolio's credit risk is stable, generating a charge to the bottom line below forecasts. In the first half of 2025, the quality of the loan portfolio remained very good, despite continued high interest rates and reduced ability of Customers to settle their receivables.

Initially, the Company's activities were financed by BNP Paribas S.A. in Paris. In December 2021, an additional loan agreement was signed with BNP Paribas Bank Polska S.A. for PLN 1 billion. In November 2023, an annex was signed increasing the limit to PLN 2.5 billion and then in July 2024 to PLN 3.5 billion. In addition, in June 2021 the Company signed an agreement with the European Investment Bank for a financing amount of EUR 200 million using the entire available line by the end of 2024. Negotiations with the EIB are currently being finalised regarding the launch of another non-revolving credit line and an increase in the limit at BNP Paribas Bank Polska S.A.

Table 13. Financing structure of BNP Paribas Leasing Services Spółka z o.o. as of 30.06.2025

PLN million	amount in PLN	PLN	EUR
BNP Paribas S.A.	3,189	1,011	513
BNP Paribas Bank Polska S.A.	2,934	2,805	30
BNP Paribas S.A. Branch in Poland	275	275	-
European Investment Bank	506	473	8

BNP Paribas Group Service Center S.A.

The business areas of BNP Paribas Group Service Center S.A. consist of:

- providing IT services in the development of banking and financial applications and systems and IT support for entities from the BNP Paribas Group,
- providing electronic equipment rental services for retail Customers,
- comprehensive management of loyalty programmes for entities related to the Bank and for the Bank's Customers,
- providing marketing services on behalf of the Bank for employees of the Bank's partners, Customers or the Bank's employees,
- developing scoring models as well as their verification and monitoring on behalf of the BNP Paribas Group entities,
- providing financial intermediation services through the mamgo.pl platform, where financial products of companies from the BNP Paribas Group focused on financing cars for retail and corporate Customers are available,
- providing auxiliary services to insurance mediation activities, consisting of administering and executing group insurance contracts concluded by the Bank,
- providing agency services in the field of insurance services.

Table 14. Basic financial data of BNP Paribas Group Service Center S.A.

PLN thousand	30.06.2025*	31.12.2024	30.06.2024
Balance sheet total	73,620	71,504	69,713
Long-term investments	50,069	50,527	35,000
Equity, including:	59,852	56,854	55,223
net profit	2,998	4,123	2,492

** data non audited*

Pillar POSITIVE

Pillar description

The Bank wishes to be a leader in sustainable finance by developing a portfolio of products and services for all business lines. The Bank's aim is their dynamic sales, leading to an increase in sustainable finance from 4.5% at the end of 2021 to 10.0% in 2025. The goal was achieved in 2023 and at the end of 2025 the share was 12.3%. The Bank is implementing the highest ESG risk management standards and constantly improving the ESG risk profile of its loan portfolio. Additionally, the Bank measures and limits its carbon footprint by supporting Customers in their transition. The Bank also seeks to reduce resource usage and implement responsible purchasing practices. By 2025, the Bank plans to reduce CO2 emissions from its operations by 55% (vs. 2019) and paper usage by 80% (vs. 2019).

In relationships with Customers, the key factors are responsibility, availability, transparency and ethics. The overriding aim is to make Customers buy consciously what they need and not to be surprised by hidden clauses in contracts. Our Customer Centers will continue to be modernised to cater to the special needs of older people and people with disabilities. We assume that by 2025, 50% of the network will be certified as a 'Barrier-free facility' by the end of 2025. The Bank does not plan to introduce solutions that would force Customers to give up their visits to the outlets. Instead, it will actively support Customers in their digital transformation.

The Bank will continue its commitment to local communities through the development of employee volunteering or further support of the initiatives of the BNP Paribas Foundation. The Bank is initiating public debate, providing educational activities, and establishing sectoral and cross-sector partnerships, thus building a brand that is closely associated with caring for the environment and issues important to society.

Activities under the GObeyond strategy objectives in H1 2025

PILLAR	KEY ACHIEVEMENTS IN H1 2025
#POSITIVE A responsible and trusted financial partner supporting the positive and sustainable development of Clients, business and society. A guide for Clients in a world of digital and sustainable transformation.	• **PLN 10.7 billion of sustainable financing** at the end of June 2025. • **a guarantee agreement with the European Bank for Reconstruction and Development**, through which the Bank will provide loans with **a total value of EUR 100 million** for green investments of retail Customers (the first EBRD transaction in the financial sector in Poland implemented under the EU InvestEU programme) • support for sustainable investments: – syndicated agreement for the Woodeco Group for EUR 155 million under the Sustainability-Linked Loan formula; the Bank in the role of coordinator of sustainable financing – together with BNP Paribas Factoring, increase in the amount of financing for the CCC Group to PLN 3.66 billion under the Sustainability-Linked Loan formula as part of a banking syndicate – financing under a consortium for the R.Power Group in the amount of PLN 321 million (~60% share of the Bank), for the construction of photovoltaic projects with a total capacity of 139 MWp – Poland's first loan of PLN 100 million for the MILESTONE Warsaw Mokotow project for SPEEDWELL • **ISO 14001:2015** and **ISO 50001:2018** certificates for Bank Petrus' head office and 10 Customer Centres confirming the bank's compliance with international environmental and energy management standards • **143** Customer **Centres** certified as "**Barrier-free facilities**" • Selected awards and recognitions, – the title of **leader in the ESG Stars category** in the "Stars of Banking" Ethical Company – 3rd place in the Banks for Climate 2025 Ranking of BANK Monthly – **the Digital Transformation of the Decade award** in the Paperless Hero

ESG governance

The role of administrative, management and supervisory bodies in the field of ESG

Oversight of environmental, social and governance - ESG (E - environmental, S - social, G - governance) issues and the implementation of the strategic sustainability goals included in the GObeyond strategy is carried out by the Supervisory Board, led by the President. The Management Board approves the direction and scope of activities, as well as gives its opinion and supervises the integration of sustainability activities into the Bank's business activities. As part of its oversight and management of ESG issues, the Board takes into account the voices and opinions of stakeholders resulting from reports received, Customer and employee surveys and information from ongoing partnerships with NGOs. Reports and research are presented, among others, at Management Board meetings.

Sustainability area

The Bank's strategic approach to ESG issues is reflected in the separation of sustainability competences in the organisational structure. Sustainability tasks are coordinated by **the Sustainability Area**. The Executive Director of the Area reports directly to the President of Management Board. His role is also to inform the Management Board and Supervisory Board about: ESG issues, related risks and opportunities, the implementation of due diligence and the results and effectiveness of ESG policies and activities. In addition, the Executive Director of the Sustainability Area heads the cross-cutting structure of the Sustainability Community, acting as Chief Sustainability Officer.

The mission of the Sustainability Area is to:

- developing strategies and implementing the Bank's ESG and sustainability activities,
- planning and managing the Bank's budget for the implementation of ESG and sustainability initiatives,
- initiating, implementing and reporting on ESG and sustainability initiatives, projects and programmes,
- initiating the development of sustainable products and services with a positive impact offered by the Bank, with a particular focus on supporting the energy transition (including: RES and energy efficiency),
- collaborate with international and national financial institutions and organisations, rating agencies, clients and other external stakeholders,
- liaising with other units and organisational units and internal stakeholders of the Bank,
- coordinating the work of the Sustainability Community,
- monitoring and analysing ESG aspects of the Bank's clients and transactions, and coordinating corporate social responsibility policies and analyses, especially in sustainability-sensitive sectors,
- building the Bank's position as a leader in ESG and sustainability,
- conducting dialogue with stakeholders on ESG and sustainability.

Sustainable financing

The Bank is committed to offering responsible and sustainable products that have a positive impact on the environment. We ensure that our products are accessible to people from groups at risk of exclusion. With our range of products and services, we want to support entrepreneurial development and social innovation. We want to contribute to the energy transition and popularise solutions that foster environmental protection.

Value of sustainable financing (sustainable loans and advances) as at 30 June 2025 was PLN 10.9 billion, representing 12.3% of the gross portfolio of loans and advances measured at amortised cost (the gross portfolio of loans and advances measured at amortised cost is presented in Note 23. of the Consolidated Half-Yearly Report of the BNP Paribas Bank Polska Group for the six months ended 30 June 2025).

Table 15. Value of sustainable financing provided by the Bank (as at 30.06.2025)

Category	PLN million
Value of sustainable financing, including:	10,931
with a positive environmental impact	6,550
with a positive social impact	484
ESG performance-linked financing	3,897

Key transactions linked with Sustainable Development in H1 2025

Our key commitment to environmental responsibility is to support Customers in their energy transition. The Bank is continually developing its range of products and services to help Customers make the transition to a low-carbon economy and develop their sustainable and green investments.

Sustainability-Linked Loans

Example realisations in the first half of 2025:

- **Woodeco Group** (producer of wood-based panels) - the Bank together with a consortium of banks provided EUR 155 million in financing. The Bank, as Sustainability Coordinator, and Woodeco jointly agreed on indicators on reducing the intensity of direct greenhouse gas emissions, increased use of recycled wood raw material in the particleboard production process, ESG assessment of suppliers, improvement of the ESG EcoVadis rating score.
- **Fibre Optic Investments** – The Bank participated in a consortium providing a PLN 3.7 billion loan to refinance existing debt and increase network coverage to 3.1 million households by the end of 2032. The sustainable financing structure takes into account indicators based on circularity, digital exclusion and the GRESB indicator.

The Bank also participated in the increase in SLL financing - for CCC Group and for WP Group.

ESG Rating-Linked Loan

The ESG Rating-Linked Loan is a financing in which the pricing terms are partly linked to the improvement of the ESG rating score. In H1 2025, the Bank completed the following transactions:

- PLN 103 million - for a flour producer (in total, several contracts);
- PLN 99 million - for a manufacturer of cleaning and hygiene papers,
- PLN 91 million - for a cosmetics manufacturer (in total, several agreements);
- PLN 35 million - for an IT company specialising in cyber security;
- PLN 34 million - for a coffee producer (2 agreements);
- PLN 7 million - for a company specialising in waste processing;
- PLN 3.5 million - for an SME client from the automotive sector;
- EUR 1 million - for a transport company.

ESG-Linked Factoring

ESG-Linked Factoring is a transaction in which the pricing terms are partly linked to the achievement of strategic ESG objectives. In 2025, BNP Paribas Factoring Sp. z o.o., in cooperation with the Bank, introduced the ESG-linked formula into the existing supplier financing structure of Raben Logistics Polska Sp. z o.o. with a value of PLN 140 million. The indicators used in the transaction relate to the highest standards of the hauliers' truck fleet, the calculation by the hauliers of their carbon footprint and the provision by the hauliers of information on sustainability policies and practices.

Supporting Customers in their energy transition

InvestEU guarantees from the European Bank for Reconstruction and Development (EBRD)

On 12 May 2025, the Bank signed a guarantee (risk sharing) agreement with the European Bank for Reconstruction and Development (EBRD) with the support of the InvestEU Fund. With this agreement, the Bank will provide loans totalling up to EUR 100 million to retail Customers (natural persons) to finance the installation of renewable energy sources or the replacement of outdated heating systems in single-family homes or the purchase of sustainable means of transport.

Ecological loan

Based on its cooperation with Bank Gospodarstwa Krajowego within the framework of the FENG Operational Programme (European Funds for a Modern Economy 2021-2027, Priority 3 Greening of Enterprises, Measure 3.01 Green Credit), the Bank offers a product called the Green Credit. In the first half of 2025, the Bank worked with Customers in the next call for applications.

The product is aimed at SMEs, Small Mid-Cap and Mid-Cap companies, intended for the implementation of an ecological investment aimed at modernising the enterprise leading to a minimum 30% reduction in primary energy consumption. If the project is implemented correctly, the entrepreneur can obtain an environmental bonus from BGK, earmarked for partial repayment of a loan of up to 80% of the project's eligible costs. The programme covers, among other things, the modernisation of production infrastructure, e.g. process lines or building infrastructure, thermo-modernisation, replacement of the heat source and modernisation of other installations. It is also possible to install renewable energy sources, such as photovoltaic panels, which will contribute to the reduction of CO_2 emissions and limit the negative impact on the environment. The basis document for the project is an energy audit. The minimum level of eligible costs is PLN 2 million.

Ekomax loan

Based on cooperation with Bank Gospodarstwa Krajowego, the Bank offers a product called Ekomax aimed at companies in the SME sector for the implementation of ecological investments aimed at modernising the enterprise leading to a minimum 30% reduction in primary energy consumption. The Ekomax loan is covered by a free guarantee from BGK and entitles the borrower to a grant of 20% of the loan used, once the investment has been implemented.

Loan with a grant from the “Clean Air” priority programme

The Clean Air Programme is Poland's largest and most important project to effectively improve air quality and reduce greenhouse gas emissions, dedicated to owners/co-owners of single-family houses or separate dwellings in single-family buildings. The loans are covered by a free guarantee from Bank Gospodarstwa Krajowego, allowing Customers to benefit from higher maximum loan amounts, extended financing periods and lower interest rates.

In March 2025, the National Fund for Environmental Protection and Water Management resumed the Clean Air Programme (after its suspension in November 2024) in a revised form. The Bank continued its dialogue to make the changes necessary to increase the distribution of funds from this programme to the Bank's Customers, but the banking path was not restarted.

By the end of the first half of 2025, no banks had started offering the programme.

Support for regenerative agriculture

In 2024, the Bank started working with KLIM, which offers the only systemic solution in Europe for decarbonising the value chain of food sector. It is based entirely on a nature-based solution based on regenerative agriculture practices. The solution is based on a scientifically and business-verified model that aligns activities flexibly with the client's decarbonisation goals and the activities of suppliers (the farmers). The farmer decides the scale of entry into the project and the type of practices they will use on the farm. The project is implemented on an insetting basis, i.e. by generating carbon credits in the value chain, which the client purchases through KLIM from farmers. On average, of every 1t of eCO_2on the certificate, up to 75% goes as additional income to the farmer. The funds generated in this way can be used for further measures to reduce environmental impact.

In H1 2025, 8 projects were launched in cooperation with KLIM by our clients on an area of almost 11,000 ha and involving 132 supplier-farmers. The outlook is much broader, with the launch or expansion of current projects to an acreage of almost 90,000 ha by the end of 2025.

Technologies for Customers' energy transition

AgroEmissions carbon footprint calculator and RegAgri Explorer tool

As part of the www.agronomist.pl platform, we are continuing to strengthen the Bank's position as a leader in agricultural financing and a promoter of sustainable and digital transformation of the agri-food sector. We are providing tools to support Customers in analysing the environmental impact of their operations, including AgroEmissions (a calculator for counting the carbon footprint of farms) and RegAgri Explorer (a tool for assessing soil regeneration practices). Education and outreach activities are also carried out through the platform, including regular industry articles and videos supporting responsible business practices (including: the new series Puls Agro).

In parallel, work is underway to implement a new Field Card tool (estimated for H2 2025). This tool will make it easy to document agro-technical treatments at field level, collect data that in the future can help the user assess the profitability of the crop, and will also be used to assess alignment with environmental requirements at the crop level.

Collaboration with Envirly

In line with its strategy, the Bank is consistently strengthening its position as one of the leaders in the provision of ESG-related services and green transformation financing. In 2025, the Bank is continuing its collaboration with Envirly by making the platform available free of charge to micro-entrepreneurs to measure environmental impact in Scopes 1 and 2 and has started preparations to make the platform available to entities in the SME sector in Q3 2025.

Through this initiative, we are enabling clients to report according to international standards and norms such as GHG Protocol and ISO 14064-1.

Barrier-free bank

An ecosystem of solutions that provide every Customer with equal access to banking services and the utmost comfort and simplicity in their use. We operate in line with the GObeyond strategy for 2022-2025, in which accessibility is one of our key commitments in the POSITIVE pillar. We place particular emphasis on facilitating the use of banking services by people from groups at risk of social exclusion. People with disabilities or seniors can count on finding products and services tailored to their needs, both stationary and online. We regularly analyse all channels of access to our offering for functionality and friendliness in accordance with the best WCAG (Web Content Accessibility Guidelines) guidelines.

We adapt its Customer Centres architecturally to persons with reduced mobility. Our efforts are confirmed by the Integration Foundation, which awards the "Barrier Free Facility" certificate to facilities that have implemented facilities for people in wheelchairs, with mobility impairments, who are blind, partially sighted or deaf, and are adapted to the needs of the elderly and people with young children.

The bank is also simplifying communication with Customers. Those who have received advanced training in the principles of plain language are now plain language consultants and simplify messages, text messages, marketing texts and other materials addressed to Customers on a daily basis. What is more, any employee can receive training in plain language, as well as attend a webinar or conference on the subject. In 2024, the Bank received a certificate of simple Polish language awarded by the Prostej Polszczyzny Laboratory of the University of Wrocław.

Key achievements in H1 2025:

- 143 Customer Centres and the Bank's Head Office building in Warsaw with the 'Barrier-Free Facility' certificate,
- 195 Customer Centres with induction loops,
- 218 sign language interpreter calls - call time 14 hours.

Social involvement

For years, we have been systemically involved in philanthropic activities and local community affairs. In line with the pillar POSITIVE of the GObeyond Strategy 2022-2025, we aim to ensure that all the Bank's activities have a positive impact on the social and environmental environment, among others. We want the Bank to be an agent of positive change and a good neighbour, close to local needs. We focus on tackling social exclusion, supporting diversity and financial education. Our social impact is strengthened by the BNP Paribas Foundation and the initiatives it implements in three areas: educational programmes, environmental philanthropy and employee volunteering.

Our plans and activities:

- to continue long-term programmes to reduce inequalities, strengthen the capacity of young people, solidarity initiatives and partnerships in the area of environmental philanthropy,
- strengthening cooperation with NGOs and experts working on reducing inequalities, combating climate change, promoting strategic philanthropy and employee volunteering. The Foundation will work to strengthen the role of NGOs, mainly by promoting business-NGO partnerships and membership of the Donors Forum,
- strengthening employee social engagement through volunteering and individual philanthropy and financial education initiatives,
- developing tools to support employees' social engagement, e.g. salary deductions for social organisations, volunteering platform.

Activities taken in H1 2025:

- Action #EM4Inclusion implemented as part of BNP Paribas Group's employee volunteering project #1MillionHours2Help, aimed at counteracting social exclusion - local activities in Warsaw, Stronie Śląskie, Świętochłowice
- maintaining a high level of involvement of people working at BNP Paribas Group in the employee volunteering programme - continuation of long-standing initiatives, such as:
  - Volunteer Projects competition,
  - eco-volunteering, including the "2 hours for Earth" action (131 volunteers, 452 hours spent on environmental activities),
  - the "Good Kilometres" campaign (almost 215,000 km covered, donation of PLN 70,000 to the Elephants on the Balcony Foundation),
- completion of the pilot 1st edition of the new development programme "I CAN", strengthening social-emotional competences of children and young people, and beginning preparations for the next edition,
- the launch of a charitable transfer for the "Knowledge to Power" programme, carried out in cooperation with the Ocalenie Foundation, which aims to involve the Bank's Clients in supporting the education of children and young people with refugee and migration experience,
- 20 meetings with property managers across Poland - 15 of which were regional conferences organised by the Polish Institute for Market Development. The topics of the meetings were devoted to the issue of professional management of

multi-family buildings and the presentation of solutions dedicated to the sector. During the conference, the Bank was the only speaker from the banking sector,

- the involvement of people working at the Bank in activities for local communities - continuing the Local Grants Programme initiative and financial education through the Mission Education programme.

Mission Education

We continue its interdisciplinary banking project Mission Education, which spreads knowledge in the community on the topics of finance, cyber-security, ecology, entrepreneurship and psychology, with Bank employees having the opportunity to conduct classes in educational institutions or for kids and young adults or for senior citizens.

Within the framework of the financial education programme Mission Education in primary schools, teachers using prepared teaching materials build valuable competences for the future in children and young people: developing financial responsibility, building the habit of saving, knowing how to plan spending, preventing financial problems, making informed decisions and better understanding of economics. In H1 2025, we continued the new Mission to Save, which fills a gap in the education system by providing children, parents and teachers with valuable and engaging financial education content in the form of practical expert advice, podcasts, developmental games, quizzes, lesson plans. The project is dedicated to educators of children in primary school grades I-VI and parents.

Key achievements of the 'Mission Education' campaign:

- more than 25,000 students from local kindergartens, primary and secondary schools participated in financial education lessons delivered by our employees (January 2021-June 2025),
- 2,900 female teachers involved in the project,
- more than 99,000 financially educated children in the school programme (March 2022-June 2025).

We are continuing our partnership with the minicity learning town, in February 2025 we engaged over 1,200 children in tasks teaching them to put aside for their dreams).

Sponsorship activities

Our sponsorship policy is designed to build the brand and strengthen brand awareness. Through the sponsorship policy, we create a positive image of the Bank. The direction of sponsorship activities is determined by the BNP Paribas Group's global sponsorship strategy. As part of this strategy, we promote tennis, additionally culture - especially cinema. We sponsor tennis events in Poland, film festivals, cultural, economic and technological events.

Tennis events

BNP Paribas Group is the world's largest sponsor of tennis, having supported the sport for more than 50 years. Therefore, the Bank prioritises sponsorship offers for tennis events in Poland.

In the first half of 2025:

- a series of qualifiers for the Bank's employees in the We Are Tennis Cup series was held in major Polish cities, ending with a final tournament in Warsaw. The winning team continued the competition on the Roland Garros courts in Paris;
- the first part of the series of BNP Paribas Business Cup tournaments - for amateur business people - was held in Krakow, Katowice, Częstochowa and Wrocław;
- the Bank was a partner of many local tournaments - for amateurs, children and business people - organised, among others, in Wrocław, Łaziska Górne, Chorzów, Gdynia, Leżajsk, Łochów.

Film events

Along with tennis, the film theme is one of the most important pillars of BNP Paribas Group's sponsorship strategy, implemented under the #WeLoveCinema slogan.

In 2019, we have established a partnership with the largest multiplex chain in Poland - Cinema City. As part of the cooperation, we are a partner of all IMAX cinemas in Poland and eight cinema halls in multiplexes in Poland's largest cities. The Bank is also a partner of a series of special film screenings addressed to women called "Ladies Nights", which is organised in selected 19 Cinema City cinemas in the country.

The Mastercard OFF Camera International Festival of Independent Cinema - Central Europe's largest festival of independent cinema - took place from 25 April to 4 May 2025. This was the seventh time the Bank was a partner of the event. This year, we were a partner of the outdoor cinema in the Botanical Garden and (together with Mastercard) the Female Voice Award for female filmmakers breaking barriers in Polish cinema. In 2025, the award went to Dominika Montean-Pańków for the direction and screenplay of the film "Crossing the Public".

Economic events

In the first half of 2025, the Bank was a partner of the conference:

- XVII European Economic Congress (EEC) in Katowice,
- XVI European Financial Congress in Sopot.

The Bank of Green Changes

Environmental responsibility is one of the Bank's commitments under the GObeyond strategy in the POSITIVE pillar. For years, we have been committed to minimising the impacts of and addressing climate change. The Bank of Green Changes programme aggregates all the organisation's environmental activities.

The Bank of Green Changes programme consists of:

- monitoring Customers and investments from an ESG perspective and implementing CSR policies, with a particular focus on decarbonisation processes,
- continuously developing our range of products and services to help our Customers make the transition to a low-carbon economy and green investments,
- real changes in the functioning of the organisation (so-called eco-improvements), leading to the minimisation of the negative impact of operations on the environment,
- educational activities aimed at employees in all areas of the Bank and external stakeholders, and establishing partnerships and supporting pro-environmental initiatives.

As part of minimising the environmental impact of our operational activities, our priorities are to reduce CO2 emissions, implement new eco-efficiencies in the workplace, use energy from renewable sources and increase the proportion of hybrid and electric cars in the banking fleet.

Selected initiatives:

- photovoltaic panels - installed from October 2021 at the Bank's own sites; we currently have 23 sites up and running with a total capacity of 392 kWp, which produced around 700 MWh by the end of June 2025; further installations are in the pipeline,
- LED lighting - 90% of lighting replaced in Customer Centres and 100% in head offices,
- waste segregation - at 90%,
- certification for standards: ISO 50001 energy management and ISO 14001 environmental management,
- miniBMS (Building Management System) management systems, which control the scheduling of the most energy-intensive installations, in 5 locations of the network,
- greenification of the vehicle fleet - as part of the implementation of the ESG objectives of the GObeyond strategy and the updated objectives of the electrification strategy of the entire BNP Paribas Group. The locally implemented car fleet transformation plan aims to eliminate standard diesel and petrol powertrains by the end of 2025,
- in support of sustainable employee mobility, the first phase of testing of a new application that enables the use of public transport to meet local business objectives was implemented. In addition, the offering of alternative modes of transport for longer distances and the demonstration of the carbon footprint of air travel has been updated,
- The BNP Paribas Safe Driving Academy programme, aimed at company car users, is being implemented in a new extended formula, under which we are educating employees in the context of road safety and empathy while maintaining and building eco-friendliness behind the wheel,
- 800 trees planted in cooperation with the Katowice Forestry Commission,
- fourth edition of making 150 birdhouses prepared in cooperation with the SPES Association for the Disabled,
- third edition of the "Commute to work by bike" competition,
- Bank Zielonej Wymiany (Green Exchange Bank) - dedicated space in the Bank's head offices in Warsaw, Ruda Śląska and Kraków for the exchange of books and potted plants,
- continuation of the closed loop economy, including the donation and resale of 823 pieces of furniture for a symbolic zloty to public benefit institutions in the first half of 2025,
- a family picnic in the spirit of zero waste - education on practical solutions for reducing waste and making more sustainable decisions in everyday life,
- the Bank was the winner of this year's Polish Vehicle Rental and Leasing Association Award, we won the Eco Fleet award in the "Most Environmentally Friendly Fleet" category.

Pillar STRONGER

Pillar description

Dynamic and, above all, effective growth will not be achieved without improving internal processes and a large-scale transformation of the IT area, using modern information technologies, such as cloud computing or open banking. The Bank plans to invest a total of approx. PLN 1.5 billion in technological improvements, aimed at supporting business development and doubling the pace of implementing new solutions. A thorough change of the technology used in the Bank will enable business scaling, as fast and cost-effective scalability is the basis of a modern digital bank and allows to go beyond the framework of traditional banking services.

The Bank is implementing an operational model focused on quality and is stirring to optimize all key end-to-end processes. For this purpose, process mining tools, robotic process automation (RPA) and artificial intelligence are used.

The Bank also increases the use of the potential of the data. With the aid of advanced analytical tools that utilize modern technologies such as cloud computing, big data, and artificial intelligence in decision-making processes, the Bank aims to support its business development, enhance service quality, and bolster operational efficiency.

The fundamental assumption of the strategy is to maintain a safe and optimal capital and liquidity position and to meet the minimum regulatory requirements.

The Bank's intention, as defined in the GObeyond Strategy, to pay a dividend of 50% of net profit in 2025 has been realised. Pursuant to Resolution 7 of the Annual General Meeting of 15 April 2025, the Bank allocated ~50% of 2024 net profit to dividend payment (DPS: PLN 7.86).

Activities under the GObeyond strategy objectives in H1 2025

PILLAR	KEY ACHIEVEMENTS IN H1 2025
#STRONGER BNP Paribas Group's global strength and dynamic technological development combined with E2E process optimisation underpin organic growth and high Customer satisfaction.	• Automation and cutting-edge technologies to improve the Bank's operational efficiency: – implementation of **One Click cloud computing** - database space management tool – launch of **mass qualified signature service on Autenti platform** – **GENiusz - bank chatbot** for employees, used in the areas of HR, ESG and Customer Care • First implementation of e-receipts on the market - available at Planet Cash ATMs / cash deposit machines in Customer Centres • **245 active supporting robots** the implementation of processes in the areas of Customer Care, Risk and Compliance, HR and the Bank's internal services (22 new implementations in 2025) • **50% of the Bank's net profit for 2024 earmarked for dividend payment**, DPS: PLN 7.86 • Selected awards and recognitions: – **Winning the global Blue Prism Customer Excellence Awards 2025,** in the Operational Ingenuity category in the EMEA region - Europe, Middle East and Africa – Compliance Awards 2024 from the Compliance Institute in the Compliance Idea category for Robotisation and Automation of Compliance

Digitalisation and innovation - IT strategy

In 2022, the Bank began the implementation of the GObeyond strategy, aiming to become the digital Bank of the future; it initiated wide-ranging actions in the technological field, formulating them within the program of strategic actions named IT@Scale.

The IT@Scale strategy addresses both strictly infrastructural and process areas, including those related to strengthening cybersecurity, as well as issues related to the development of employee competencies and the recruitment of IT experts from a demanding external market. All actions are subordinated to the idea of IT and business unit partnership in an agile model of operation, addressing a flexible way of product development and modern, multi-channel Customer service.

As part of the IT@Scale strategy, the Bank is modernising the environment of the Bank's central system (GOcore initiative), which is the centre of the corporate architecture, providing services to the entire Bank in a 24/7 working model. In the first half of 2025, the main focus is on the development of new solutions in the area of payments: the provision of BLIK cheque payments, the development of the SEPA Instant product (instant transfers in EUR), as well as the next stage of the expansion of the internal Customer 360 application, involving the integration of the new solution with existing banking applications. At the same time, work is well advanced on a long-term strategy for the Bank's central system, taking into account scenarios for upgrading or replacing the system in its entirety in the future.

The application of generative artificial intelligence to banking processes continues to be one of the main areas of focus for the New Technologies and Cyber Security (NT&CS) area. Following the production deployment of four solutions using genAI technology, ongoing efforts are focused on increasing their adoption and increasing process efficiency across the organisation. We are proud to say that since the beginning of the year, the genAI-based solutions deployed in the IT area have already generated almost one million responses for 3,300 unique users.

In 2025, strategic activities have a strong focus on strengthening the Bank's digital resilience (Digital Resilience) to ensure that the organisation is as ready as possible for the challenges of a dynamic geopolitical environment, increasing regulatory requirements and escalating cyber threats. The bank is conducting a comprehensive exercise covering, among other areas, cyber security, IT architecture and infrastructure. Recommendations resulting from the Bank's 2024 digital resilience assessment by an external consultancy are addressed and monitored on an ongoing basis.

The New Technologies and Cyber Security area won two awards in the first half of the year in prestigious competitions for the Polish financial sector: the Golden Cyber Security Shield award in the Golden Banker 2025 competition, the Bank's Vice-President and CIO of the area was the Winner of the Finance World Leaders Competition in the Innovator of the Year category.

Implementation of the IT@Scale Strategy in the first half of 2025.

INITIATIVE	Deep transformation of the core banking ecosystem (GOcore)
INITIATIVE DESCRIPTION	The transformation of the core banking ecosystem entails a comprehensive overhaul of the Bank's application architecture concerning the central system and systems directly associated with it. The purpose of this transformation is to shorten the time-to-market, enhance the efficiency of IT solutions and decrease the operational risk by doing the following: • implementing IT platforms - scalable and reusable across various business domains (in the areas of payments, products and Customer data). Reducing the business logic and dependencies between the central system and other IT systems
ACHIEVEMENTS	• preparing the Bank for the upcoming SORBNET3 and SWIFT regulatory change in the area of payments - the Bank has successfully passed business tests with the NBP and is ready for the production launch of SORBNET3 in September 2025. • provision of a new product - BLIK cheque payment capability for the first corporate Customers (functionality that allows the generation of a one-time code for cash withdrawal or payment and enables the transaction to be made without the need for internet, telephone or bank account access) • ensuring readiness for technical certification of the new SEPA Instant product (instant transfers in EUR) • provision of new Customer business attributes in the Customer 360 application and significant progress in integration with the Bank's internal systems - ensuring a single source of information about the Customer • developing assumptions for a long-term strategy and scenarios for upgrading or potentially replacing the core banking system in the future

INITIATIVE	Hyperautomation/ DevOps Platform & Agile Way
INITIATIVE DESCRIPTION	Improving the maturity of IT management processes and services through optimization, standardization and automation
ACHIEVEMENTS	• introduction of automation in the production process and supplementing them with cost data - full transparency and more effective management of infrastructure costs of individual systems, reduction of manual work • implementation of the first scope of new functionality for tracking the carbon footprint of individual systems

INITIATIVE	Building a data platform (GOdata)
INITIATIVE DESCRIPTION	Improving and implementing solutions in the data area to create a scalable and secure platform ready to work in the cloud, providing consistent and integrated data and offering analysis capabilities available to the entire Bank
ACHIEVEMENTS	• leading efforts to successfully adopt the generative AI-based solutions implemented in 2024: – a Copilot-type tool to support programming work – a text2SQL-type tool, allowing data sets to be processed using natural language – a personal assistant-type tool • consistent building of AI competences and strengthening of operational efficiency in the organisation

INITIATIVE	Building digital competencies (Engineering Culture)
INITIATIVE DESCRIPTION	Building the Bank's digital competencies through innovative reskilling and upskilling programs and promoting knowledge about new trends and technologies
ACHIEVEMENTS	• UniversITy - 7th edition of the in-house upskilling programme offering training in new technologies for Bank employees. Since the beginning of the programme (2022), more than 5,000 employees have benefited from the training courses • GOtech Week - 6th edition of the largest technology event for Bank employees to promote knowledge of trends and new technologies within the organisation, dedicated to the theme of digital resilience

INITIATIVE	Building digital competencies (Engineering Culture)
	• GOtech Excellence Awards - 1st edition of the internal competition for employees of the NT&CS Area. The aim of the competition is to internally promote teams implementing innovative solutions that have a strategic impact on the development of the entire organisation

INITIATIVE	Elimination of technological debt (GOmodulo)
INITIATIVE DESCRIPTION	Ensuring business units are supported in providing modern, scalable, and cost-effective system architecture
ACHIEVEMENTS	• improve processes and tools for managing the Bank's IT ecosystem architecture, including the identification and management of technology debt within the implemented concept: Architecture as a Product • modernising the Bank's IT ecosystem by decommissioning a further five obsolete production applications and one classified as critical technology debt

INITIATIVE	Cloud transformation (GOcloud)
INITIATIVE DESCRIPTION	Building and consistently implementing a hybrid-multi-cloud environment based on the benefits of private and public clouds, in order to ensure IT service scalability and access to the latest tools and technologies.
ACHIEVEMENTS	• launch of further services on the One Click platform, implemented in 2024, based on the private cloud - a significant reduction in manual work and acceleration of processes related to the management of the Bank's infrastructure resources

Internet and mobile banking

In the first half of 2025, the Bank continued intensive development of remote channels, implementing a series of functionalities aimed at strengthening its competitive position, lowering the cost of service delivery and raising the level of Customer service quality while ensuring the highest security standards.

The Bank's activities in the field of internet and mobile banking focused on providing maximum support to Customers in remote access to banking services and products. The Bank consistently introduces additional self-service processes to its electronic banking offer, enabling Customers to meet their most important needs daily without the need to visit a branch - from applying for additional products to after-sales service - from any device and at a time convenient for them.

The most important changes in the systems and offerings for retail Customers in H1 2025
Payments • the ability to save phone top-up templates • the option to perform a transfer after 3:00 pm in the D+1 mode for SORBNET type transfers
Loans and cards • Post-transaction balance available on transaction history for credit cards • Changes to applications for mortgage loans: – application for partial repayment of a loan – application for total loan repayment – additional information on card fee details
Investment and savings • New FATCA questionnaire • Addition of key information documents for investment portfolios • New ESG survey for Micro clients
Customer Data / Customer • A questionnaire to confirm client data so that we can maintain the quality of our databases • Addition of the option to make an appointment at the Client Centre under the Services tab for retail Customers under Services - All services • Adjustment of digital channels to digital medium availability
Accounts and cards • Implementation of Dreams module and new savings account
Security • Activation of the GOmobile application with additional Voicebot security • Improved management of the number of apps and activation of mobile authorisation. • Upgrade of the account opening process remotely with new module functionality for Customer data verification

The basis for building development plans in the field of internet and mobile banking is the voice of the Customer. Regular feedback, for example, through a Customer satisfaction survey, allows us to more efficiently identify the advantages and disadvantages of the services offered and better understand retail Customer needs.

The security of Customers is a fundamental element of the Bank's electronic banking development strategy, which is why the GOonline system has been enriched with additional mechanisms to prevent the potential effects of unauthorized access and campaigns promoting modern methods of authorization and responsible use of remote channels.

Table 16. Data concerning Retail Customers

Detailed list	System name	30.06.2025	30.06.2024	change %
Number of Customers / users using internet banking	GOonline	675,318	689,683	(2.1%)
Average monthly number of transactions in the Internet channel	GOonline	2,602,734	2,829,588	(8.0%)
Number of Customers / users using the mobile application (GOmobile)	GOmobile	1,288,924	1,215,353	6.1%
Number of Customers / users using mobile banking (mobile devices)	GOmobile+ GOonline	1,377,968	1,317,266	4.6%
Number of Customers / users using only the mobile application (GOmobile)	GOmobile	884,002	825,520	7.1%
Number of Customers / users using only mobile banking (mobile devices)	GOmobile+ GOonline	1,019,045	951,709	7.1%

The most important changes in the systems and offerings for corporate Customers in H1 2025.

Further development of the GOonline Biznes/GOmobile Biznes modules:

- addition of a tab on account details presenting balance interest history
- making a debit card application available
- implementation of a card module in GOmobile Business

Table 17. Data concerning Corporate and Small-Medium Enterprise Customers

Detailed list	System name	30.06.2025	30.06.2024	change %
Number of Customers actively logging in	GOonline Business	114,513	117,452	(2.5%)
Average monthly number of transactions	GOonline Business	6,634,990	6,605,245	0.5%
Number of Customers/users of the mobile application	GOmobile Business	38,056	32,060	18.7%

Bank cards

BNP Paribas Bank Polska S.A. collaborates with Mastercard and Visa organizations in the context of issuing and servicing payment cards. The card portfolio includes debit cards, credit cards, and cards with a delayed payment date.

As at 30 June 2025, the number of cards issued amounted to 2,061 thousand and was 330.4 thousand lower than in the same period last year. The recorded decrease is mainly related to the need to terminate inactive contracts on a cyclical basis and the implementation of the FSA's recommendations (AML and KYC processes) on updating ID cards. This applies to both credit cards and debit card accounts.

Simultaneously, the Bank is pursuing acquisition activities to increase the number of cards and accounts. Current promotions require Customers to participate transactively in order to meet bonus sales. Participation in card payments is also supported by the Priceless Moments programme, through which Customers earn points for each card payment and can then redeem them for rewards.

Under the current debit card account offer, Customers may:

- open a My Premium Account with a dedicated My Premium Card or Multi-Currency Card,
- open an Open to You Account with the possibility of issuing four cards (Open to Today Card, Open to eWorld Card, Open to World Card and Multicurrency Card),
- take advantage of the Family Banking offer with the Adult Card issued to 13–18-year-olds, the Selfie Card and the Selfie Micro Card issued to children aged 7-13,
- benefit from the dedicated offers of two new cards, the Visa Film Card and the Visa Tennis Card.

As part of My Premium Account and Open Account for You, in addition to the physical version of the card, it is also possible to receive a mobile card.

In the case of credit cards in H1 2025, the Bank offered a full range of products for each business segment.

The following deserve special mention:

- canvassing campaigns with the benefit of gift codes (Allegro, Biedronka), which yielded measurable sales results;
- the "Good Card" promotion based on the best price conditions in the market (promotional instalment plans, card without fees, reduced interest rates), the sales of which accounted for nearly 50% of new acquisition and had a positive impact on the achievement of sales targets;
- portfolio campaigns aimed at activating and increasing turnover realised with credit cards.

Table 18. Number of bank cards issued by the Bank

Thousand pcs.	30.06.2025	30.06.2024	change YoY	
			thousand pcs.	%
Retail Customers' debit cards	1,412	1,571	(159)	(10.1%)
Retail Customers' credit cards	444	603	(159)	(26.4%)
Business debit cards	193	205	(11)	(5.6%)
Business cards with deferred payment	8	8	(0)	(1.2%)
Business credit cards	4	4	(1)	(18.6%)
Total	2,061	2,391	(330)	(13.8%)

Support for innovation

The Bank has an Open Innovation Office that supports product development and increasing innovation and technological sophistication. It looks for interesting solutions, follows market trends and then proposes interesting solutions.

The main tasks of the team are:

- supporting the Bank's units in obtaining and testing innovative solutions from start-ups and scale-ups,
- evaluating the potential and possibilities of implementing innovations,
- identifying new business models,
- educating and inspiring the Bank's units in terms of innovative solutions,
- implementing and conducting banking for innovative companies.

The Open Innovation Office collaborates with all units of the Bank, particularly with:

- the New Technologies and Cybersecurity Area - jointly developing new products and promoting the spirit of innovation,
- the Sustainability Area and the Sustainability Community - so that new products and services respond to sustainable development challenges both in environmental and social aspects,
- Sales Area for SME and Corporate Banking - with the Banking for Innovative Companies project.

In 2025, the Bank joined the Startup Booster programme funded by the Polish Agency for Enterprise Development, under which it will conduct several so-called Proof of Concepts with startups from selected sectors to test cooperation with them and, after possible positive tests, start permanent cooperation. An internal call for start-up challenges was conducted among the Bank's departments, 15 teams applied and five were selected to be recruited together with the programme operator. The selected start-ups will receive a grant financed by European funds of up to PLN 350,000 for testing and adapting.

Actions taken in H1 2025

Education and learning about the latest technological trends

In H1 2025, the activity of promoting and educating around the latest trends from the world of innovation that are able to support the strategy.

„Startup Coffee" – a series of events, thanks to which sales network employees and risk area employees can meet the most attractive and technologically advanced companies in Poland and their creators, our "Customers of tomorrow", who are changing the world and at the same time can support our transformation. So far this year, there have been 6 meetings with the founders of companies such as: Envirly, Zowie, Nudelta, as well as the Tangent Line fund and the Huge Thing accelerator. On average, the meetings are attended by between 50 and 100 people and a recording of the meeting is available on echonet.

„UX Guild" – a regular meeting during which a variety of topics related to UX design, user research and discovering new trends in the area of Customer and user experience design for digital products are discussed. Expert guest speakers, often industry leaders, share their experiences and knowledge, supporting guild participants in developing their skills and understanding of the latest challenges in UX design.

„Startup Lovers Community" –an initiative that follows the Startup Coffee series of events launched in 2024, bringing together people interested in startups and the world of innovation. Dedicated, monthly newsletters are created for the community based on information, articles and industry reports selected by the Office Team. Special offers are also made for the community, such as entries to conferences and industry events.

Promoting an innovation ecosystem

Positive Impact Ecosystem

For years, the Bank has been co-creating the "Positive Impact Ecosystem" project with Koźmiński Business Hub. In June 2025, Koźmiński Business Hub published another report "Positive Impact Startups".

The objectives of these reports include highlighting companies carrying out the most interesting activities. The reports contain experts' statements on the Polish positive impact ecosystem, as well as descriptions of the activities of the most interesting start-ups of the given year. They also show innovative solutions proposed by positive impact start-ups in selected industries - from construction to education and sustainable fashion to health and responsible tourism.

We support innovative companies with financial products and a dedicated team of experts

The Open Innovation Office team continues to acquire and provide banking services to innovative companies at different stages of development in cooperation with the SME and Corporate Clients Division. In addition to financing offers, we offer young, dynamically growing companies a full range of banking products - so far available only as part of Corporate Banking. We focus primarily on building long-term relationships - both with innovative companies and their investors and looking for new development opportunities for them and a holistic support for development, which is why private and investment banking experts also joined the team. We already cooperate with over 200 innovative companies and their founders. Our goal is to make the Bank the financial institution of first choice for fast-growing innovative companies.

Start of cooperation with the Polish Development Fund

In H1 2025, a cooperation agreement was signed between the Bank and the PFR in the framework of the Digital Journey programme, which aims to increase the level of digitisation of Polish SMEs. It is measured through a test individually completed by companies, which shows to what extent a company is using digital tools, and is then shown a list of tools that can be used to increase the level of digitalisation.

Partnerships

In H1 2025, the Office of Open Innovation has been establishing new partnerships and continuing previously initiated collaborations, making the Bank one of the most recognisable financial institutions in the startup ecosystem, which translates into attracting potential Customers among technology companies.

Partnership	Description
Evolution Meetup & Showcase	The Bank joined the group of partners of the event organised by Startup Wrocław, bringing together the largest startup ecosystem in Wrocław. The conference took place on 24-25 June 2025, as the Bank we led a training for startups on the potential of cooperation with the bank, moderated a panel on startups with large investment rounds and sat on the jury in a competition evaluating startups.
Endeavor Poland	Endeavor is a non-profit organisation that brings together technology entrepreneurs from around the world. It provides entrepreneurs with strategic support in the development of their companies, as well as a platform through which they can transfer their knowledge to help other Polish companies grow. Endeavor also invests in entrepreneurs through the co-investment-based Endeavor Catalyst fund. In June, a meeting of the entire organisation was held in Warsaw, attended by both external participants and new Endeavor members.
Carpathian Startup Fest	In 2025, the Bank cooperated for the first time with the Rzeszów Regional Development Agency, organising the largest startup-focused conference in Poland, which was attended by 1,200 people. The Bank was a partner of the event and organised workshops for participants about the potential of cooperation with the Bank and its impact on the business development of companies.
Emerging Founders	The Bank joined as a partner in a series of events for founders of technology companies who are looking for growth opportunities in foreign markets.

Cybersecurity

n H1 2025, the Bank consistently developed the area of cyber-security, focusing on education and awareness-building - both among employees and Customers. This included a number of webinars, online courses and in-house training sessions that increased the teams' competence in protecting themselves against cyber threats. At the same time, awareness campaigns were run for Customers - through the website, social media, the educational series "Be one step ahead of a hacker", as well as messages in the electronic banking system.

The Bank won the competition - Golden Banker 2025 by winning the Golden Cyber Security Shield - a new award given for exemplary standards in data protection and digital security. The competition was based on the RiskRecon index (scanning banks' web domains for vulnerabilities to hacking attacks).

The security page, available on the Bank's official website https://www.bnpparibas.pl/bezpieczenstwo, continues to be developed as the main source for the publication of the Bank's cyber-security recommendations also in response to risks arising from international conflicts and global instability, following a major overhaul in 2024. The Bank consistently maintained increased oversight of its IT infrastructure, implementing modern technologies to ensure the highest level of data and system protection.

Implementation of the Strategy in H1 2025

INITIATIVE	Secure Tomorrow
INITIATIVE DESCRIPTION	Strengthening cybersecurity
ACHIEVEMENTS	• continued development of the art anti-fraud systems that use advanced technologies, including artificial intelligence and machine learning mechanisms. The aim of these activities was primarily to increase the level of security of Customers in online channels through more effective detection of suspicious activities, fraud attempts and identification of false alarms. • enhancing the security of IT infrastructure, through the development of the Threat Intelligence tool and strengthening network security, also using cloud technologies; deepening cooperation with the BNP Paribas Group on knowledge sharing and common standards in the area of cyber security. • expansion of technological systems to prevent telephone phishing and fraud incidents in the SMS area. • the successful execution of a series of tests including the relocation of resources, notification systems, crisis simulations and the reproduction of the operation of key systems - together with verification of their cooperation with other electronic banking channels. • further development of the PenTest Competence Centre to carry out internal penetration tests for critical banking applications • maintaining Moody's "BitSight" high security rating and Mastercard RiskRecon

Pillar TOGETHER

Pillar description

The Bank believes that an engaged and satisfied employee guarantees a high level of Customer satisfaction. Hence, it is crucial to provide an environment that supports the development of employees, their activity and creativity, but also accepts mistakes resulting from testing bold, non-standard solutions. To this end, the Bank promotes among employees' values (Transparency, Simplicity, Courage, Cooperation, Empowerment), the use of which in everyday work will allow us to dynamically respond to changing market conditions and contribute to the effective implementation of our strategic ambitions.

To ensure greater operational flexibility and better alignment of products and services to Customer expectations, the Bank began operating in an agile working model, Agile@Scale, at the beginning of 2022, with a high level of independence and decision-making power for employees.

Activities under the GObeyond strategy objectives in H1 2025

PILLAR	KEY ACHIEVEMENTS IN H1 2025
#TOGETHER People first: we put people first. An engaged and satisfied employee guarantees a high level of Customer satisfaction. Agile@Scale and a new organisational culture the foundation for a diverse and inclusive working environment based on trust, courage and creativity.	• Over 3 years of working in an Agile@Scale model; tribe objectives integrated with strategy directions • Implementation of Beyond Agile working model in Retail and Business Banking and Personal Finance networks, which combines Agile practices with self-organisation in teams • Seventh edition of the internal knowledge-sharing programme #UniversITy - training in new technologies, programming, agile project management, use of AI. In total, training in this area has already benefited approx. 4,500 people • The fourth edition of the financial education programme Misja Edukacja conducted in primary schools, which has helped around 100,000 children gain financial knowledge • Selected awards and distinctions: – the title of Top Employer Poland 2025 – certificate "Diversity-friendly workplace" of asperIT Foundation – Bank on the Diversity IN Check list (for the fifth time in a row), honouring employers who are most advanced in DEI activities

Good workplace

Agile@Scale operating model

The Agile@Scale transformation covers the part of the organization responsible for developing and implementing products (business, IT, support roles). The Bank is currently organized around products responsible for comprehensive processes and IT systems.

The Agile@Scale operational model was implemented in January 2022 and covers 16 Tribes, 5 IT areas, 60 Products and 58 Chapters and 168 Squads. As of January 2025, the Beyond Agile way of working (a model that goes beyond Agile) has been extended to the retail distribution network and the Personal Finance area. At the end of Q2 2025, , these two working models Agile@Scale and Beyond Agile included almost 4,800 employees (about 65% of all employees).

By implementing the Agile approach, the Bank aims to achieve the following goals:

- FASTER – by reacting more quickly to changing Customer needs and market conditions, measured by a change in the Time to Market indicator, which shows how fast we can implement new solutions. In H1 2025, the speed of solution delivery increased by 20% YoY.

- BETTER – by delivering innovative, high-quality products and services based on Customer needs, measured by an increase in the NPS indicator, which shows how Customers recommend the Bank. In addition, the quality of the production process has improved through a significant reduction in critical errors, as well as improved systems availability.

- HAPPIER – through employee engagement, raising their competencies, and attracting and retaining talent. The Pulse Check employee opinion survey shows a significant improvement at the Bank level for almost all metrics, and Agile@Scale contributes to this. Index eNPS improved by 36 points from -9 in 2021 to 27 in 2024 (+4 points YoY) and the engagement index from 63% to 81% in 2024 respectively.

As in previous periods, in 2025 we will continue our efforts focused on optimising and making more efficient our manufacturing processes and making our ways of working more consistent between Tribe and other units in the Bank.

Employee relations

We want to build an organisation that is an exceptional place to work, one that provides a high standard of leadership and where employees are aligned around the organisation's core competencies and values. While attracting the best candidates from the market, we also nurture motivation and performance among existing employees. We develop leadership and future competences among our employees, enabling them to find their way and continuously develop in digital and changing times.

The most important documents formally defining the Bank's HR policy are:

- Company Collective Labour Agreement for Employees of BNP Paribas Bank Polska S.A.
- BNP Paribas Bank Polska S.A. Employee Remuneration Policy,
- Work Regulations of BNP Paribas Bank Polska S.A.,
- Remuneration policy for persons with a material impact on the risk profile of BNP Paribas Bank Polska S.A.

The projects and initiatives implemented in the area of human resources management are monitored through cyclical reviews with the area's management team, and all projects have indicators that are audited. In addition, key projects in the area of human resources management are presented and discussed by the Bank's Management Board on an ongoing basis. Activities are also subjected to employee feedback through company-wide surveys and polls. The Bank's employees are informed a minimum of two weeks in advance of major operational changes that may have a significant impact on them.

In connection with the ongoing measures to improve operational and cost efficiency, including further technological transformation in sales, after-sales and support processes, as well as the continued implementation of a new working model based on the agile methodology in the Bank's structures, the Bank's Management Board decided in 2023 to continue the employment restructuring process.

In December 2023, as a result of negotiations with the trade unions, the Agreement on the rules for carrying out group layoffs and on the Voluntary Redundancy Programme was signed. The Agreement was concluded for the period 2024-2025. The group redundancies will involve the termination of employment contracts with up to 800 employees. This number also includes employees who will be offered new terms and conditions of employment though change notices and who refuse to accept them. As part of the collective redundancy programme, 164 employees were terminated in 2024 and 89 in the first half of 2025. - with 89 persons.

99% of the Bank's employees are covered by a collective agreement. The application of the collective agreement was excluded in its entirety with regard to: members of the Bank's Management Board and employees seconded to work abroad, persons taking up employment at the Bank on the basis of secondment from other BNP Paribas Group entities and persons employed under management contracts. The working and employment conditions of these employees are not determined on the basis of other collective agreements. They are determined by individual agreements.

7,223
employment at the Bank (active FTEs)

7,357
employment in the Group (active FTEs)

Table 19. Employment structure of the Bank and the Group

Employment	Number of active staff		Number of active FTEs	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Capital Group - total	**7,392**	**7,632**	**7,357**	**7,596**
Bank, including:	**7,248**	**7,500**	**7,223**	**7,472**
Head Office	4,540	4,655	4,519	4,629
Customer Centres	2,597	2,732	2,593	2,730
Mobile advisors	70	73	70	73
Brokerage Office	36	35	36	35
Trade Unions	5	5	5	5
BNP Paribas Towarzystwo Funduszy Inwestycyjnych Investment Funds S.A.	45	39	45	38
BNP Paribas Leasing Services Sp. z o.o.	10	13	6	7
BNP Paribas Group Service Center S.A.	89	80	83	79

Data expressed in FTEs have been rounded to the nearest whole unit

Dialogue with employees

We maintain an open, honest, ethical and respectful dialogue with employees. We ensure the timely flow of information and encourage dialogue. We also use internal communication to promote and reinforce the values we live by every day. The high standards for communication with the Bank's employees are set out, among others, in the BNP Paribas Group Code of Conduct and the GObeyond Strategy 2022-2025.

The priorities of the Bank's internal communication are:

- simple and understandable communications,
- transparent communication, especially on difficult topics,
- the principle: "employees are the first to know about everything",
- ethical conduct and consistency with the Bank's values,
- employee development and involvement.

For the convenience of employees and the effectiveness of communication activities, there are more than a dozen communication channels in the Bank: Echonet - the Bank's intranet, which contains a wealth of useful, continuously updated information, mailings, the Hello newsletter (weekly online magazine), Bonjour magazine (monthly online magazine), webinars, employees meetings with the Board of Directors, Town hall (also online), screens in head offices, wallpapers, screensavers, pop-ups, videos, podcasts, surveys, polls, opinion polls, quizzes and competitions.

Listening to the voice of employees and opinion surveys

A very important aspiration of the Bank is to continually build a friendly and engaging workplace. A key part of nurturing such an environment is regularly listening to the voice of employees and responding to the feedback provided. We listen to the voice of employees through the MiSie platform implemented and the weekly Friday6 surveys that take place. In the first half of the year, we completed nine major opinion surveys within the organisation. The results and recommendations following the surveys are regularly made available to everyone working at the Bank through the Employee Voice website, where everyone can check the status of changes implemented based on the employee voice.

Employees' salaries

We implement in the Bank a rational, balanced and controlled remuneration policy, which is in line with our strategy, accepted level of risk, standards and key values. The policy is based on clear principles and addresses good market practices in terms of salaries. Formally, the rules related to salaries are set by the "Collective Labour Agreement" and the "Remuneration Policy for Employees of BNP Paribas Bank Polska S.A.". In addition, the Bank also operates a remuneration policy for persons who have a significant impact on the Bank's risk profile.

The employee bonus system is based on the Management by Objectives (MbO) formula or the OKR (Objectives and Key Results) methodology. In practice, this means that an employee's individual bonus is linked to the level of achievement of objectives or OKRs - both quantitative and qualitative. The combination of individual and team objectives illustrates the level of expected performance, taking into account the Bank's risk profile and attention to activities in line with Customer interests.

The Remuneration Committee and the Nominations Committee support the Supervisory Board in fulfilling supervisory duties in management of human resources. They monitor and supervise the most important processes - succession plans, employee career development, remuneration policy. The committees prepare opinions and recommendations for the Supervisory Board, which concern, among others, the assessment of candidates for members of the Management Board and candidates for members of the Supervisory Board, the terms of employment of members of the Management Board, including the amount of fixed and granted variable remuneration. The Bank carries out an annual wage regulation process (Compensation Review Process) - one of the significant criteria taken into account in this process is reducing the wage gap, for which dedicated funds are allocated.

Wellbeing and employee health

The Bank's employees are offered attractive benefits and participation in initiatives to look after their health, develop their sporting skills and pursue their passions. We have designed our benefits offer so that relatives of employees can also benefit from them. The benefits offered at the Bank are grouped into four pillars, and their large number and wide range allow us to tailor benefits to the individual needs of each person.

The benefit offers for Bank employees (full-time employees, unless otherwise indicated) includes:

- In the "Security" pillar: Employee Capital Plans, life and accident and health insurance for employees and their relatives (also for part-time and temporary employees), additional insurance for school-age children, discounts on travel insurance and motor third-party liability/AC insurance, insurance - oncology and cardiology package, financial assistance from the Company Social Benefits Fund (also for part-time and temporary employees), housing loans from the Company Social Benefits Fund.
- In the "Health" pillar: Lux Med healthcare programme for employees and their relatives (also for part-time and temporary employees), MultiSport Plus cards (Employee, Accompanying Person, Kids, Kids Aqua, Student, Senior), Worksmile application, which brings employees together around their passions and sports activities (also for part-time and temporary employees), the "Health starts with the head" action for all Bank employees, during which we promote mental health care - educational webinars on mental resilience, workshops with well-being-building and well-being-enhancing games, individual consultations with psychologists, relaxation sessions and the "Move for Health 2025" sports challenge.
- In the "Work-life balance" pillar: the Two Hours for Family/for the Man campaign, the Good Kilometres campaign, the MyBenefit Cafeteria system (cyclical point top-ups for employees), holiday subsidies for employees and their children, actions and activities under the Bank Close to the Bliskim programme - e.g. parental week, an intranet site for parents, flexible working hours, additional leave days (extension of basic benefits for people in informal relationships and social parents, additional compassionate leave, an additional leave day for taking all current leave in a calendar year, leave for volunteering), promotion of parental leave.
- In the Friendly Working Environment pillar: the Wellbeing programme (also for part-time and temporary employees), personalised Shumis teddy bears for newborn children of employees, occasional recharges for employees and their children, an offer of discounts and banking products for Bank employees.

As part of the Lux Med healthcare programme, we pay for employees (employed for at least 0.3 FTE) with a healthcare package including, among others, immunizations, occupational medicine examinations, specialist doctor consultations, laboratory tests and outpatient procedures, diagnostic tests, dental prophylaxis, emergency dental care, rehabilitation, and a package of examinations without a referral. In addition, as part of the contract with Lux Med, employees can choose from several packages with a wider range of available services.

We develop the competence of our employees from day one. Newly hired employees undergo basic general training - "Nice to see you" - as well as initial training in the product range and the use of operating systems.

The Bank's flagship wellbeing programme is the Wellbeing programme, which aims to improve awareness of caring for a good quality of life and taking care of oneself, strengthening mental and physical wellbeing, reducing stress, quieting the mind, working with one's emotions, taking care of the immune system and eating healthily. Employees can access wellbeing activities in the Well programme via the Health Nation mobile app, and these include health and stress webinars, psychological support, meetings with nutritionists, as well as talks with a mental coach and massages. In the first half of 2025, we organised the event "Health starts with the head" popularising mental health care, during which we offered concrete solutions for mental health prevention and building daily habits for mental wellbeing.

Development of competencies in the organisation

We are building a competent organisation at the Bank. The premise that - the right competence in the right people in the right place at the right time is a prerequisite for business effectiveness - forms the basis of the Bank's development and training policy. We invest in the competencies of leaders, talents, experts and employees by addressing diagnosed skills needs. We strive to make the Bank an attractive place of development for every employee.

An important pillar in the development policy is the development of effective leadership and effective leaders managing business areas in line with the BNP Paribas leadership competence model.

At BNP Paribas, we have long worked in the spirit of our values: simplicity, empowerment, transparency, courage and collaboration. These values are the foundation on which we consistently build the leadership competency model - LeaderUP.

The leadership competences are:

- Us over Me,
- Empower Others,
- Infect with Positive Energy,
- Act Courageously,
- Shape a Strategy for the Future,
- Realise Goals,
- Focus on People Development,
- Adopt and Implement Sustainable Development Principles.

In H1 2025, we focused on the development of the two competences that were rated lowest in the 360 Survey carried out in November 2024.These competences are "Us above Me" and "Act Courageously". As part of the development activities, we offered 2 forms of activities to male and female leaders: dedicated trainings for selected teams and inspirational webinars. 14 trainings were held, with a total of 196 employees participating. 4 out of 6 webinars were conducted, attended by a total of 728 male and female managers (379 unique participants, meaning that 44% of male and female managers attended a minimum of one meeting) and the meetings had an NPS score of 85.

Leader Development Academy (New Born Leaders) - training for people with less than one year of managerial experience. The Academy shapes the leadership attitude desired in the Bank, develops leadership competences and supports the building of an organisational culture and attitudes in line with our values. A new version of the programme was developed and launched in the first half of this year.

Another of the key groups in whose competencies the Bank invests are high-potential individuals known as talents. In the first half of 2025, development activities continued for our employees and leaders identified as individuals with high leadership potential. Individuals identified as '**Leaders for Tomorrow**' take part in an international training offer prepared by BNP Paribas' EM Talent Development. In addition, a local initiative of a 12-month programme for the youngest group of talent (Emerging) was created in 2024 and continued until June 2025. During January-June, training sessions were held in the modules "I know, understand and incorporate ESG principles" and "I implement Business Projects", as well as a closing ceremony for the entire programme (workshop NPS score: 88).

We also want every person employed at the Bank to feel responsible for their professional development. To meet this goal, we have launched a wide range of training courses and webinars under the '**MyWay**' umbrella. In addition to job-related mandatory training, which we primarily deliver in the form of e-learning, we offer an extensive package of individual training courses and the possibility of subsidising language learning or studies.

We are also open to people who are just considering their career direction. We target our **Summer Internship Programme** at the Bank to students in at least their second year of study. We want to break down the stereotypes associated with working in the banking industry and show what an exciting place to work can be in a modern, contemporary bank. During the internship, trainees gain knowledge of banking, customer service, new technologies and marketing. We invite students to participate - remotely, on-site or hybrid - in engaging tasks and projects. For students: 3rd and 4th year and graduates, we have prepared internship programmes. Their aim is to prepare interns to join our organisation.

For employees who are parting ways with the Bank, we offer programmes to help them find their way in the labour market: an outplacement programme for employees offering support in finding a job, defining a professional profile, assistance in preparing a CV, preparing for a job interview.

Other training initiatives at the Bank in H1 2025

- Re- and upskilling programmes: upskilling AI, 5th edition of "Innovative Thinking",
- Circle of internal experts #MyWay (formerly #MamToDamTo) - a programme aimed at building a culture of knowledge sharing. It helps develop skills in using MS Office tools and operating banking applications. Training also provided knowledge in the areas of Agile and Lean management. The programme provides employees with the opportunity to share knowledge, experiences and ideas to support the development process. In H1 2025, more than 1,000 participants attended 88 training courses on 26 topics,

- UniversITy - IT training, which between April and June 2025 involved 633 participants in 26 training courses on 20 different topics expanding their knowledge of modern technology
- Women Up - continuation of the Future UP development programme for women as part of the "Women Changing BNP Paribas" employee network,
- Future UP - mentoring programme within the "Women Changing BNP Paribas" employee network - completion of the 3rd edition and recruitment for the 4th edition.

H1 2025 in numbers:

- 4,393 people participated in 284 group training sessions,
- 331 individual training sessions,
- 66 people learnt a foreign language,
- 31 people benefited from study funding,
- 7,352 people completed at least one e-learning course from the 429 different topics available.

Table 20. Average number of training hours

	30.06.2025	30.06.2024
Average number of training hours received by employees	15.3	16.7
By gender		
women	14.8	17.4
men	14.0	16.7
By employment category		
management	18.4	12.8
key managers	14.7	10.6
managers	18.7	17.4
other employees	14.0	17.7

Approximately 50% of the Bank's annual training budget is made available to individual business areas. We believe that by decentralising some of the funds, better decisions are made when it comes to selecting topics for participants and trainees.

The Learning & Development team has been working since January this year under a new model based on building partnerships with business lines, new L&D Partner roles and newly recruited experts, reflecting a systematically built approach of proactively identifying the skills needs for effective business.

Diverse and inclusive workplace

At the Bank, we create a diverse community for many talents. The inclusive organizational culture, which has been consistently built for years, increases creativity, drives innovation, opens new ideas, markets, Customers, builds a business advantage, and thus contributes to the development of employees and the success of the entire organization. We base daily cooperation on trust and respect - we want everyone in our Bank to be able to express themselves, realize their career aspirations, passions, feel appreciated and have a sense of influence.

83 years
age of the oldest employee

42 years
average age of employees

20 years
age of the youngest employee

42 years
the longest service

Diversity management policy

Since 2016, the Bank's "Diversity Management Policy" has been in force, which promotes a work environment focused on respecting and optimally utilizing the potential inherent in the differences between employees. According to the provisions of the Policy, diversity is respected in every aspect of workplace management. We strictly adhere to these principles during the recruitment process, career development, and during training.

Employees who have experienced a lack of respect for themselves or others should primarily contact their supervisor or HR Business Partner in this matter. If for various reasons this is not possible, they can also use other channels (described in the Policy on dealing with violations in respect for others at BNP Paribas Bank Polska S.A.):

- mailbox: sprawypracownicze@bnpparibas.pl,
- anonymous reporting (whistleblowing).

All reports are considered by the Employee Relations Team, while cases involving behaviors that may indicate the occurrence of mobbing, discrimination, harassment or sexual harassment - are directed for consideration by the Employee Behavior Standards Committee.

In H1 2025, eight cases referred by employees were handled. The complaints investigated mainly concerned inappropriate relationships with a supervisor or between colleagues.

All reports were analysed with due seriousness, reliability, fairness and with full discretion. In line with the latter principle, these cases were not publicised at the Bank and only those directly involved in their clarification had access to them.

The perpetrators of all misconduct suffered consequences appropriate to the misconduct, and those affected received the necessary support.

Diversity and inclusion (D&I) management is part of the GObeyond business strategy for 2022-2025. In the PILLAR TOGETHER, we focus on a culture of courage, agency, and diversity, as a basis for supporting efficiency and creativity. We have also made specific commitments to, among other things, a percentage of women on the Management Board of 30%, a gender pay gap of less than 4% by 2025. As a result of the changes made to the composition of the Bank's bodies, the proportion of women on the Management Board at the end of June 2025 is 37.5%, while on the Supervisory Board it is 50%.

Supporting diversity is one of the commitments in the global BNP Paribas Group strategy. The Group's Management Board is also involved, with measurable goals set in this area, cascaded down to individual countries. With the help of Group leaders and Diversity Officers, countries implement their local challenges respecting local conditions and supporting the potential of grassroots employee initiatives.

Bank activities that promote diversity

Since 2016, we have signed and adhered to the Diversity Charter, an international initiative under the auspices of the European Commission that commits to prohibiting discrimination and promoting diversity. We have also signed the 'BNP Paribas Agreement on Fundamental Rights and Global Social Solutions together with the ILO (International Labour Organisation) Global Business and Disability Network Charter'. The document commits us to respecting human rights in our business activities and promoting diversity, gender equality and protecting health and quality of life at work. The respect for diversity is overseen and coordinated by a person appointed to a dedicated Diversity and Inclusion Management position as well as two Diversity Officers in our Bank.

We subject our diversity actions to external evaluation. In 2025, for the fifth consecutive year, we were among the leaders (score above 80%) in diversity management in the Diversity In Check survey organised by the Responsible Business Forum.

We always demonstrate respect for diversity and an inclusive organisational culture - not only towards existing employees, but also towards candidates, in line with the "Principles for the recruitment of employees at BNP Paribas Bank Polska S.A." as well as during the onboarding process. We actively support, including with a dedicated budget, grassroots employee initiatives working for gender equality, equal parental rights, intergenerational dialogue for people 50+, people with disabilities, neurodiversity, LGBT+ communities. We regularly conduct anti-discrimination activities and promote D&I standards in the workplace. We have developed an Equal Treatment Decalogue - "See differences, don't discriminate". - a set of principles against discrimination, micro-discrimination and exclusion in the workplace prepared on the basis of a survey exploring perceptions of equal treatment.

Initiatives to promote diversity and inclusivity in the workplace:

- events initiated and co-organised by employee networks. In H1 2025, we implemented: "Health starts with the head" (mental health education), built awareness in the area of neurodiversity, organised Parenting Days, celebrated Pride month. We are preparing for further regular events such as Diversity Days or Health Days,
- participation in the development and promotion of the "Finance of Tomorrow 2025" conference and the report "Good Practice Guide for Equal Opportunities, Inclusion and Social Responsibility in the Banking Sector" of the DEI Committee of the Polish Bank Association.

Initiatives promoting equal opportunities for women and men:

- partnership with the Share the Care Foundation, projects: "Equal at home, equal at work", "Proud to be a working mum", "Man at 100 pro",
- Partnership in programmes "Success To Ja", "What about this money", Businesswoman of the Year of the Sukces Pisany Szminką Foundation,
- support for the initiatives of 30% Club Poland, #JamaisSansElles, Champions of Change Club,
- partnership in Women in IT Day Future Collars events,
- original development programmes Women Up and Future UP,
- "Just a word" campaign promoting femininities - received an honourable mention in the age category of the Polish Diversity Awards 2025).

Initiatives for parents:

- Parents' Days is a cyclical event where children get to know their parents' workplace and participate in a variety of workshops promoting values important to the Bank, linked to the Sustainable Development Goals and employees can improve their parenting competences during webinars, workshops, meetings with expert speakers. Topics and activities covered include support for neuroatypical children, confidence building, new technologies, environmental protection, first aid, relationships with teenagers, amp football workshops,
- a partnership with the Share the Care Foundation, which promotes the equalisation of both parents' right to childcare and the building of committed fatherhood,
- a series of webinars "Health starts with the head" addressing prevention and mental health issues for children and adults.

Initiatives to promote equal opportunities for people with disabilities:

- on the occasion of the European Day against Disability Discrimination and the Day of Dignity of Persons with Intellectual Disabilities, we invited to a webinar series on the inclusion of persons with disabilities dedicated to managers as well as a webinar on the procedure for applying for a disability certificate and other types of support available,
- another episode in the series of "People with experience" video-interviews presenting interviews with employees who face the challenge of disability or health problems and want to share this experience with the banking community, this time we addressed the topic of obesity-related illness,
- the Inclusion partnership of the Aktywizacja Foundation, which aims to facilitate the entry of people with disabilities into the Polish labour market.

Initiatives to promote equal opportunities for neuroatypical people:

- as part of World Autism Awareness Day, as a sign of solidarity with people on the autism spectrum, we lit up our buildings in blue, displaying the rainbow infinity symbol, and organised webinars on psychotherapy on the autism spectrum and ADHD and building a supportive workplace,
- the Bank's efforts to date to build a neurodiversity-friendly work environment have been recognised by the AperIT Foundation by awarding the Bank the Neurodiversity Friendly Workplace Certificate for 2025-2027.

Initiatives supporting the LGBT+ community:

- We organised the BNP PARIBAS GLOBAL LGBT+ BUSINESS CONFERENCE, during which we hosted several dozen people from the Pride employee network from across the BNP Paribas Group. Our speakers included male and female leaders from various business sectors, as well as expert speakers from NGOs. We discussed how to build a supportive and safe environment for groups at risk of exclusion from employee, client and business perspectives,
- The Bank joined the Warsaw Equality Parade 2025,
- We again received the maximum number of points in the ranking of financial institutions caring for professional and social equality for LGBT+ people "Cashless for Equality" 2025.

Initiatives to support age diversity:

- Developed and published the 'Intergenerational Manifesto #BeyondGenerations' with specific tips, behaviours and attitudes to support collaboration in multi-generational teams as a culmination of the Agave Age employee network's proprietary 'Intergenerational Tandem' programme.

Financial results

Group financial results

Consolidated statement of profit or loss

The BNP Paribas Bank Polska Group generated a net profit of PLN 1,475,294 thousand in the first half of 2025, higher by PLN 261,728 thousand (i.e. by 21.6%) than that achieved in the first half of 2024. Excluding the impact of loan holidays, the net profit for the first half of 2025 would have been higher by 7.1% YoY.

The Group's net banking income in the analysed period amounted to PLN 4,212,172 thousand and was higher YoY by PLN 574,024 thousand, i.e. by 15.8% (excluding the impact of credit holidays, it would have been higher by 9.7% YoY).

Significant factors influencing the level of the net banking income in H1 2025 and its comparability with the first half of the previous year were the macroeconomic conditions and the central banks' policy in the area of interest rates, affecting, among others. the economic activity and the situation on the financial markets. The most significant for the Group's results were:

- the level of interest rates of the National Bank from October 2023 until the beginning of May 2025, NBP interest rates remained unchanged (5.75% for the reference rate). The Monetary Policy Council cut rates by 50 bps to 5.25% for the reference rate on 7 May 2025. This reduction influenced a slight decrease in the profitability of floating rate PLN loans in the second quarter of 2025. Any continuation of the rate cuts will have a negative impact on PLN margins realised by banks in 2025, compared to 2024,
- continuation of the European Central Bank's monetary easing cycle, which began in June 2024. By the end of June 2025, eight interest rate cuts had taken place, resulting in a 200 bps decline in the deposit rate. (to the level of 2.0% at the end of Q2 2025). These changes had a narrowing effect on margins realised in EUR,
- no burden on the interest result of H1 2025 from the impact of the amendment to the law regulating the so-called statutory credit moratoria made in mid-May last year. In H1 2024, the Bank recognised a negative impact of PLN 203 million.
- A lower compared to H1 2024, negative result on derivative instruments under hedge accounting related to the scale and structure of hedging transactions and the expected pace and direction of interest rate movements. Interest income from hedge accounting improved in H1 2025 by PLN 113 643 thousand YoY (total on derivative instruments as part of fair value and cash flow hedge accounting). The change in fair value measurement of hedging transactions recognised separately in the profit or loss amounted in H1 2025 to PLN -2,829 thousand (compared to PLN 5,561 thousand in H1 2024),
- an increase in the value of deposits enabling further growth in the scale of operations and income from investing excess liquidity in the securities portfolio and financial market instruments,

The net interest income realised in H1 2025 was higher by PLN 346,148 thousand, i.e. by 13.2%, compared with the same period of the previous year. The net interest income in H1 2025, excluding the impact of loan holidays, would have been higher by PLN 143,148 thousand, i.e. by 5.1% YoY.

In H1 2025, the Group executed several large derivative instruments transactions with Corporate and Institutional Banking Clients. These results, together with the relatively high volatility in the financial markets resulting from geopolitical conditions (including exchange rate volatility), allowed for a significantly higher net trading income compared to the same period of the previous year (an increase of PLN 185,982 thousand, i.e. 44.6% YoY).

The level of administrative expenses in H1 2025 was positively influenced by the review of the cost base carried out at the turn of 2024 and 2025, particularly in the area of consulting services. The level of administrative expenses and depreciation and amortization incurred in H1 2025 increased compared with H1 2024 only by PLN 38,200 thousand (i.e. by 2.2%), despite an increase of PLN 32,490 thousand in the total costs of the Bank Guarantee Fund (increase in the annual contribution to the banks' resolution fund and restoration of the quarterly contribution to the banks' guarantee fund).

In H1 2025, the good quality of the loan portfolio resulting from the prudent and conservative lending policy and the absence of significant non-recurring events had a positive impact on net allowances on expected credit losses of financial assets and provisions for contingent liabilities (result of PLN -9,004 thousand, an improvement of PLN 79,081 thousand. compared to H1 2024).

A factor significantly affecting the Group's net result remains the impact of legal risk related to litigation concerning residential foreign exchange loans. In H1 2025, it burdened the Group's results with an amount of PLN 314,263 thousand (higher by PLN 103,491 thousand YoY).

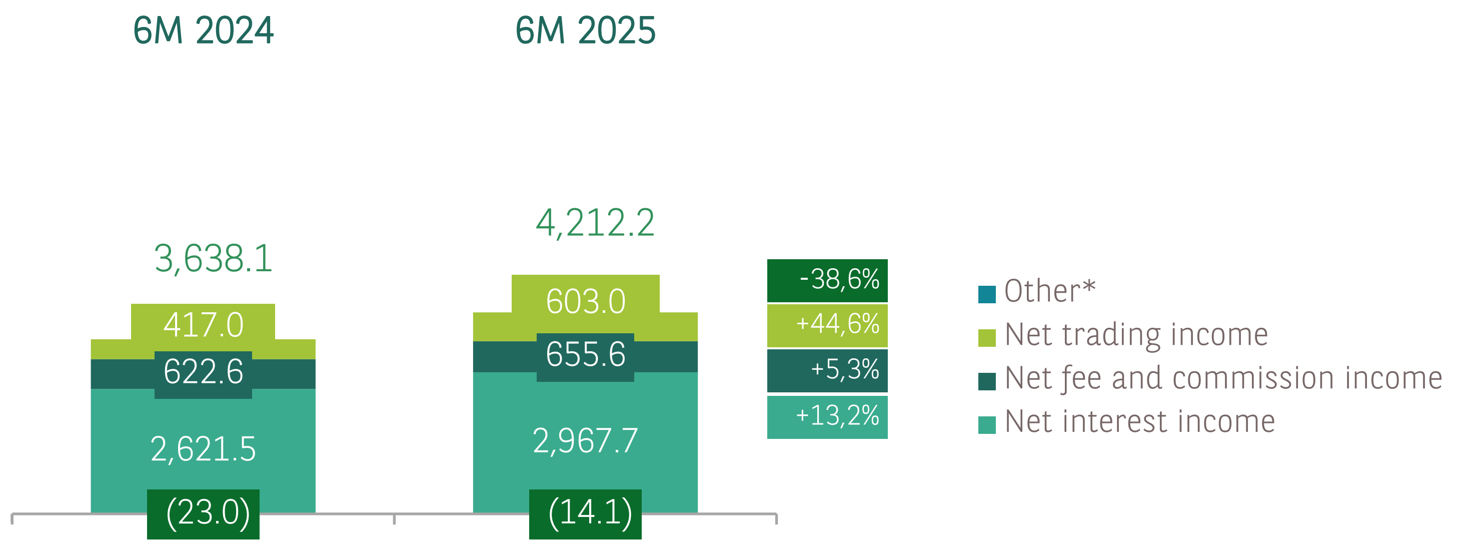
In addition, as at 30 June 2024, a positive impact on the financial result of deferred income tax created based on provisions for future disbursements related to the process of cancellation of CHF loans in the amount of PLN 135,535 thousand was recognised.

Table 21. Statement of profit or loss

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change YoY PLN thousand	change YoY %
Net interest income	2,967,667	2,621,519	346,148	13.2%
Net fee and commission income	655,611	622,570	33,041	5.3%
Dividend income	4,389	5,352	(963)	(18.0%)
Net trading income	603,001	417,019	185,982	44.6%
Result on investment activities	(2,970)	8,789	(11,759)	-
Result on hedge accounting	(2,829)	5,561	(8,390)	-
Result on derecognition of financial assets measured at amortised cost	(986)	(5,524)	4,538	(82.2%)
Other operating income and expenses	(11,711)	(37,138)	25,427	(68.5%)
Net banking income	**4,212,172**	**3,638,148**	**574,024**	**15.8%**
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(9,004)	(88,085)	79,081	(89.8%)
Result on legal risk related to foreign exchange loans	(314,263)	(210,772)	(103,491)	49.1%
General administrative expenses	(1,506,926)	(1,470,662)	(36,264)	2.5%
Depreciation and amortization	(255,754)	(253,818)	(1,936)	0.8%
Operating result	**2,126,225**	**1,614,811**	**511,414**	**31.7%**
Tax on financial institutions	(196,771)	(204,611)	7,840	(3.8%)
Profit before tax	**1,929,454**	**1,410,200**	**519,254**	36.8%
Income tax expenses	(454,160)	(196,634)	(257,526)	131.0%
Net profit	**1,475,294**	**1,213,566**	**261,728**	21.6%
Net profit excluding the impact of credit moratoria	1,475,294	1,377,996	97,298	7.1%

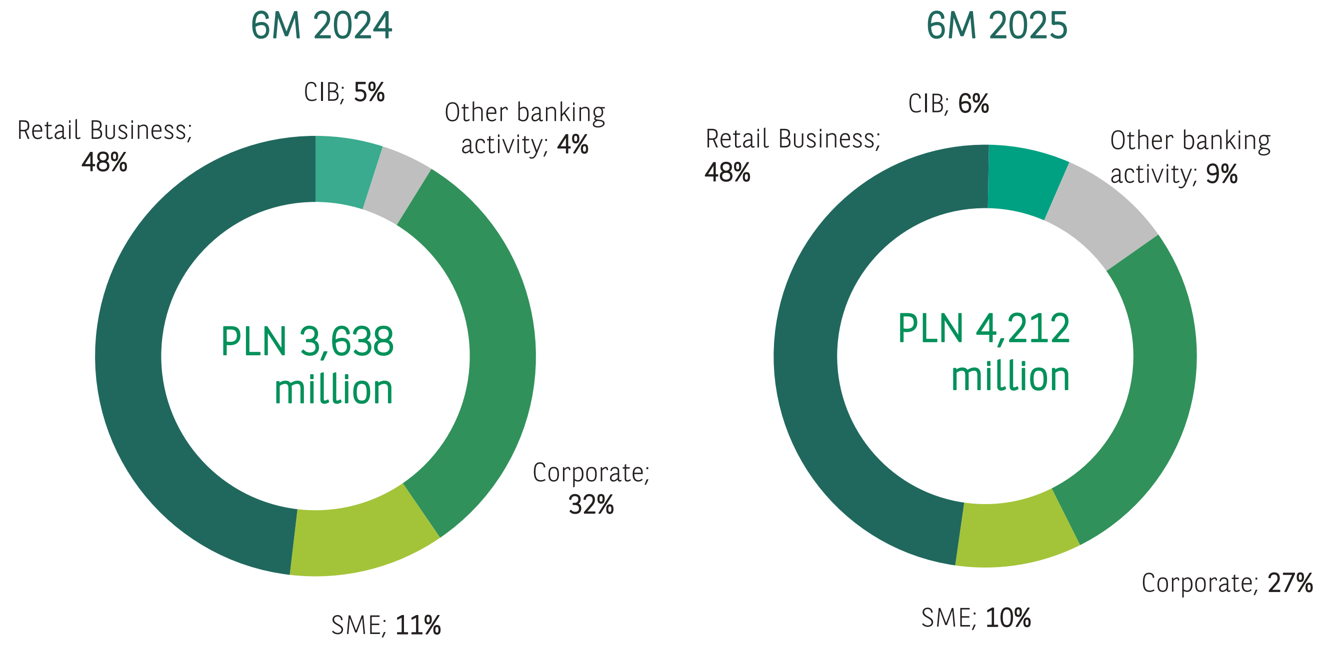
Note: Due to rounding the individual values in the tables and charts in this Report may not sum up correctly.

Chart 14. Structure of the net banking income (PLN million)



** 'Other' category includes result on investment activities, result on hedge accounting, dividend income and other operating income and expenses*

Chart 15. Net banking income by segment



The changes in the structure of net banking income by segment shown in the above charts are, among others, the result of a significant improvement in net trading income in the ALMT division (Other Activities), with a simultaneous deterioration in net interest income and net allowances in the Corporate Banking division.

Net interest income

Net interest income, which is the Group's main source of revenue, amounted in H1 2025 to PLN 2,967,667 thousand and was higher YoY by PLN 346,148 thousand, i.e. by 13.2%. In the first half of 2025, compared with the first half of 2024, total interest income was higher by PLN 152,538 thousand, i.e. by 3.1%, while interest expense decreased by PLN 193,610 thousand, i.e. by 8.7%. The net interest income in H1 2025, excluding the impact of credit moratoria, would have been higher by PLN 143,148 thousand, i.e. by 5.1% YoY.

An important external factor affecting net interest income is the central banks' interest rate policy. During the period under review, at its meeting on 6-7 May this year, the Monetary Policy Council cut NBP interest rates by 50 bps. (to 5.25% for the reference rate). At the same time, the European Central Bank continued the monetary easing cycle started in June 2024. By the end of June 2025, eight interest rate cuts had taken place, resulting in the deposit rate falling by 200 bps. (to 2.0% at the end of June 2025). As a result of the lower average level of interest rates, the average yield on PLN and EUR loan products in H1 2025 was lower compared with H1 2024.

An estimate of the sensitivity of the Group's interest income to interest rate changes is presented in Note 51 Financial Risk Management of the Interim Consolidated Report for the period of six months ended 30 June 2025.

Table 22. Net interest income

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	PLN thousand	change YoY %
Amounts due from banks	287,615	185,692	101,923	54.9%
Loans and advances to Customers measured at amortised cost	3,238,864	3,204,890	33,974	1.1%
Loans and advances to Customers measured at fair value through profit or loss	17,683	27,130	(9,447)	(34.8%)
Debt instruments measured at amortised cost	628,271	453,980	174,291	38.4%
Debt instruments measured at fair value through profit or loss	2,907	2,931	(24)	(0.8%)
Debt instruments measured at fair value through other comprehensive income	445,457	370,912	74,545	20.1%
Derivative instruments as part of fair value hedge accounting	367,538	355,479	12,059	3.4%
Derivative instruments as part of cash flow hedge accounting	16,459	5,782	10,677	184.7%
Purchased repo transactions	1,149	246,609	(245,460)	(99.5%)
Total interest income	**5,005,943**	**4,853,405**	**152,538**	**3.1%**
Amounts due to banks	(317,973)	(373,632)	55,659	(14.9%)
Debt securities issued	(1,795)	-	(1,795)	-
Amounts due to Customers	(1,176,593)	(1,223,178)	46,585	(3.8%)
Leasing liabilities	(10,538)	(11,858)	1,320	(11.1%)
Derivative instruments as part of fair value hedge accounting	(498,940)	(602,092)	103,152	(17.1%)
Derivative instruments as part of cash flow hedge accounting	(30,381)	(18,136)	(12,245)	67.5%
Repo transactions	(2,056)	(2,990)	934	(31.2%)
Total interest expense	**(2,038,276)**	**(2,231,886)**	**193,610**	**(8.7%)**
Net interest income	2,967,667	2,621,519	346,148	13.2%

An additional factor that affected the comparability of interest income on loans and advances in the periods under review was the absence of the negative impact of the so-called statutory loan holidays in H1 2025. Due to the enactment of the Act of 12 April 2024 amending the Act on support for borrowers who have taken out a home loan and are in financial difficulty and the Act on community financing for economic ventures and assistance to borrowers (the "Act"), the Group recognised 203 million of the negative impact of the Act in H1 2024 results.

The total net interest income on loans and advances to Customers measured at amortised cost and at fair value through profit or loss amounted to PLN 3,256,547 thousand in H1 2025 and was higher by PLN 24,527 thousand, i.e. by 0.8%, from the income realised in the first half of 2024. Without taking into account the impact of loan holidays, the total net interest income on loans and advances in the first half of 2025 would be by PLN 178,473 thousand, i.e. by 5.2% lower compared with the first half of 2024.

The over-liquidity of the banking sector and changes in the level of market interest rates contributed to a decrease in the cost of deposits during the period under review. Moderate credit demand from corporate and retail Customers in 2024 and 2025 and the Group's comfortable liquidity position (the net loans/deposits ratio at the end of H1 2025 was 67.47% compared with 68.77% at the end of H1 2024) favoured the optimisation of deposit margins. As a result, interest expenses on amounts due to Customers amounted in H1 2025 PLN 1,176,593 thousand and were lower by PLN 46,585 thousand, or 3.8%, than the costs incurred in H1 2024.

Among the factors that positively influenced the level of net interest income in H1 2025 compared to H1 2024 were the continued very good liquidity situation and the increase in the scale of the Group's operations reflected, among others, in the increase in the average value of the securities portfolio. Depending on the market situation and existing opportunities, the Group adjusts the structure of its liquid assets and its interbank operations. As a result, the Group recorded an increase in interest income from debt instruments measured at amortised cost and at fair value by a total of PLN 248,812 thousand, i.e. by 30.1%, and an increase in interest income from amounts due from banks by PLN 101,923 thousand with a decrease in costs from amounts due to banks by PLN 55,659 thousand. The level of net interest income in H1 2025 was negatively affected by a decrease in interest income from reverse repo transactions by PLN 245,460 thousand (interest expense on repo transactions was lower by PLN 934 thousand YoY). This decrease was the result of a change in the approach to the investment of existing excess liquidity.

The level of net interest income is affected by the fact that the Group applies fair value hedge accounting and (to a much lesser extent) cash flow hedge accounting. The change in the fair value measurement of hedging transactions is recognised in the result on hedge accounting. Interest on IRS transactions and hedged items is recognised in net interest income. Net interest income on hedging relationships (the sum of interest income and interest expense on derivative instruments as part of fair value hedge accounting and cash flow) in H1 2025 was negative at PLN 145,324 thousand, compared with a negative result of PLN 258,967 thousand in H1 2024 (a decrease in the negative impact of PLN 113,643 thousand YoY).

Net fee and commission income

The Group's net fee and commission income in H1 2025 amounted to PLN 655,611 thousand and was by PLN 33,041 thousand (i.e. by 5.3%) higher than that achieved in H1 2024. This was mainly a result of higher commission income from payment and credit cards and in the area of asset management and brokerage operations.

Fee and commission income amounted to PLN 781,170 thousand and was higher by PLN 13,537 thousand (i.e. by 1.8%) compared with H1 2024, while commission expenses amounted to PLN 125,559 thousand and decreased by PLN 19,504 thousand, i.e. by 13.4%.

The increase in fee and commission income was mainly related to:

- payment and credit card by PLN 16,456 thousand, i.e. by 7.7%, mainly due to higher revenues from cooperation with Mastercard and Euronet and higher revenues generated from card transactions in the form of transfers. In addition, revenues from interchange fees increased as a result of the growing number of card transactions.
- asset management and brokerage operations by PLN 6,618 thousand, i.e. by 9.2% (primarily due to higher revenues from the sale and management of investment funds),
- loans, advances and leases by PLN 1,900 thousand, i.e. by 1.3% (mainly due to higher revenues from transactions with large Customers in CIB and Corporate Banking),

The decrease in fee and commission income related primarily to:

- guarantees and documentary operations by PLN 3,586 thousand, i.e. by 9.0% (as a result of lower commission income from corporate Customers),
- account maintenance by PLN 3,141 thousand, i.e. 2.7% (among others due to lower cash management fees and lower fees related to bailiff seizures),
- cash transfers and e-banking by PLN 3,058 thousand i.e. 5.7% (as a result of lower income from commissions on domestic outgoing payments in the Retail and Corporate Banking segment and on foreign payments),

The decrease in net fee and commission income was mainly related to:

- costs on payment and credit cards by PLN 13,158 thousand, i.e. by 20.3%,
- costs from insurance mediation activity products by PLN 3,154 thousand, i.e. by 23.9%,
- costs from product sale mediation and Customer acquisition by PLN 2,683 thousand, i.e. by 20.7%.

Table 23. Net fee and commission income

PLN thousand	6 months ended	6 months ended	change YoY	
	30.06.2025	30.06.2024	PLN thousand	%
Fee and commission income				
loans, advances and leases	144,243	142,343	1,900	1.3%
account maintenance	111,754	114,895	(3,141)	(2.7%)
cash service	15,485	15,171	314	2.1%
cash transfers and e-banking	50,705	53,763	(3,058)	(5.7%)
guarantees and documentary operations	36,127	39,713	(3,586)	(9.0%)
asset management and brokerage operations	78,498	71,880	6,618	9.2%
payment and credit cards	231,259	214,803	16,456	7.7%
insurance mediation activity	86,317	88,670	(2,353)	(2.7%)
product sale mediation and Customer acquisition	6,343	7,374	(1,031)	(14.0%)
other commissions	20,439	19,021	1,418	7.5%

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change YoY PLN thousand	change YoY %
Total fee and commission income	**781,170**	**767,633**	**13,537**	**1.8%**
Fee and commission expense				
loans, advances and leases	(556)	(926)	370	(40.0%)
account maintenance	(4,753)	(5,042)	289	(5.7%)
cash service	(15,980)	(13,575)	(2,405)	17.7%
cash transfers and e-banking	(1,597)	(1,510)	(87)	5.8%
guarantees and documentary operations	(2,676)	(3,220)	544	(16.9%)
asset management and brokerage operations	(3,489)	(3,459)	(30)	0.9%
payment and credit cards	(51,755)	(64,913)	13,158	(20.3%)
insurance mediation activity	(10,044)	(13,198)	3,154	(23.9%)
product sale mediation and Customer acquisition	(10,307)	(12,990)	2,683	(20.7%)
other commissions	(24,402)	(26,230)	1,828	(7.0%)
Total fee and commission expenses	**(125,559)**	**(145,063)**	**19,504**	**(13.4%)**
Net fee and commission income	655,611	622,570	33,041	5.3%

Dividend income

Dividend income in the first half of 2025 totalled PLN 4,389 thousand and came from the profits of companies for 2024 in which the Bank held a minority interest, i.e.: among others, Krajowa Izba Rozliczeniowa S.A. (PLN 2,473 thousand), VISA (PLN 155 thousand), Mastercard (PLN 65 thousand).

Dividend income in the first half of 2024 totalled PLN 5,352 thousand and came from the profits of companies for 2023 in which the Bank held a minority interest, i.e.: among others, Krajowa Izba Rozliczeniowa S.A. (PLN 2,125 thousand) VISA (PLN 1,207 thousand), Mastercard (PLN 58 thousand).

Net trading income and result on investments activities

Net trading income in H1 2025 amounted to PLN 603,001 thousand and was higher by PLN 185,982 thousand, i.e. by 44.6% YoY. The level and volatility of this result are mainly shaped by the result on foreign exchange and derivative transactions with clients, the result on transactions concluded by CIB and the Asset and Liability Management Division and the valuation of equity instruments.

The increase in the net trading income in H1 2025 compared to the same period of the previous year was related, among other things, to an improvement in the margin on foreign exchange and derivative transactions with clients (H1 2025: PLN 436,909 thousand, an increase of PLN 81,753 thousand, or 23.0% YoY). This increase was due to the execution of several large one-off transactions in the CIB area in H1 2025 and to the higher scale of foreign exchange transactions with clients.

The high volatility observed in the financial markets translated into an increase in the result on financial instrument transactions in the ALMT and CIB area, and there was also a higher result on IRS hedging the portfolio of loans and advances to Customers measured at fair value through profit or loss.

In addition, an improvement in the result on net trading income measured at fair value through profit or loss contributed to the increase in the net trading result, which amounted to PLN 50,233 thousand in H1 2025 and was higher by PLN 43,938 thousand, i.e. by 698.0% compared with the same period of the previous year (PLN 6,295 thousand). The increase concerned both the valuation of infrastructure companies (Visa MC, BIK, KIR) and the Group's equity investments.

The result on investment activities in H1 2025 was negative at PLN -2,970 thousand compared to a positive result of PLN 8,789 thousand in the corresponding period of the previous year (a deterioration of PLN 11,759 thousand).

The decrease in the result on investment activities was mainly related to the negative result on valuation of the portfolio of loans and advances to Customers measured at fair value through profit or loss, which was lower by PLN 9,461 thousand compared to the corresponding period of the previous year).

Other operating income

Other operating income in H1 2025 amounted to PLN 200,200 thousand and was higher by PLN 93,369 thousand, i.e. by 87.4% compared with H1 2024.

The change in the level of other operating income was mainly influenced by:

- higher by PLN 62,673 thousand (i.e. by 580.3%) income from the release of provisions for litigation and claims and other liabilities (e.g. the release of the existing provision for the penalty imposed by the GIIF due to, inter alia, the failure to comply with the obligations under the Anti-Money Laundering and Terrorist Financing Act, reduction of provisions for legal risk related to relations with the Bank's Partners and provisions for potential litigation costs in the processes of annulment of loan agreements),
- higher by PLN 24,596 thousand (i.e. 350.5%) income from sale or liquidation of property, plant and equipment and intangible assets, related to the sale of real estate in Gdańsk and Łódź.
- higher by PLN 7,926 thousand (i.e. 19.8%) other operating income.

Table 24. Other operating income

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change YoY PLN thousand	%
Sale or liquidation of property, plant and equipment and intangible assets	31,613	7,017	24,596	350.5%
Impairment allowances on other receivables	2,229	3,437	(1,208)	(35.1%)
Sale of goods and services	5,972	5,327	645	12.1%
Release of provisions for litigation and claims and other liabilities	73,474	10,801	62,673	580.3%
Recovery of debt collection costs	10,334	11,323	(989)	(8.7%)
Recovered indemnities	142	64	78	121.9%
Leasing operations	28,564	28,916	(352)	(1.2%)
Other operating income	47,872	39,946	7,926	19.8%
Total other operating income	200,200	106,831	93,369	87.4%

Other operating expenses

Other operating expenses in the first half of 2025 amounted to PLN 211,911 thousand and were higher by PLN 67,942 thousand (i.e. by 47.2%) compared with the same period in 2024.

The level of other operating expenses was mainly influenced by:

- higher by PLN 55,299 thousand (i.e. 85.1%) other operating expenses (e.g. costs of settlements and enforcement of court judgments paid to the Bank's Partners and provisioning for costs related to unauthorised Customer transactions),
- higher by PLN 9,000 thousand (i.e. by 36.1%) costs of creating provision for litigation and claims and other liabilities (i.e. costs of a penalty imposed by the General Inspectorate of Financial Information (GIIF) for, inter alia, failing to comply with the obligations under the Anti-Money Laundering and Terrorist Financing Act),
- higher by PLN 5,071 thousand (i.e. by 31.7%) costs from leasing operations,
- lower by PLN 2,885 thousand (i.e. by 52.1%) costs due to impairment allowances on other receivables.

Table 25. Other operating expenses

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change YoY PLN thousand	%
Loss on sale or liquidation of property, plant and equipment and intangible assets	(7,914)	(7,204)	(710)	9.9%
Impairment allowances on other receivables	(2,657)	(5,542)	2,885	(52.1%)
Provisions for litigation and claims and branches restructuring	(33,962)	(24,962)	(9,000)	36.1%
Debt collection	(17,829)	(18,453)	624	(3.4%)
Donations made	(7,538)	(5,908)	(1,630)	27.6%
Costs of leasing operations	(21,067)	(15,996)	(5,071)	31.7%
Costs of compensations, penalties and fines	(658)	(917)	259	(28.2%)
Other operating expenses	(120,286)	(64,987)	(55,299)	85.1%
Total other operating expenses	(211,911)	(143,969)	(67,942)	47.2%

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

Net allowances on expected credit losses of financial assets and provisions for contingent liabilities in H1 2025 was negative in the amount of PLN 9,004 thousand. compared to a negative result of PLN 88,085 thousand in H1 2024 (an improvement of PLN 79,081 thousand).

Considering the main operating segments:

- Retail and Business Banking segment the negative result improved by PLN 21,116 thousand (PLN -2,180 thousand),
- the SME Banking segment recorded a positive result and an improvement of the result by PLN 38,150 thousand (PLN 41,241 thousand),
- the Corporate Banking segment (including CIB) a negative result and an improvement of the result by PLN 20,613 thousand (PLN -46,778 thousand),
- the Other Banking Activities segment recorded a negative result and a deterioration of the result by PLN 800 thousand (PLN -1,288 thousand).

The difference in the cost of risk in the compared years was influenced in particular by the creation of provisions realised in H1 2024 for the large Customer loans in the Corporate Banking segment in the working portfolio.

In H1 2025, the good quality of the loan portfolio reflected in the low entries into Stage 3 and recoveries from the non-working portfolio continued. At the same time, the development of the cost of risk during the period was influenced by the following one-off events, among others:

- IFRS9 model adjustment involving a change in the granularity of EAD depreciation and amortization in the ECL calculation formula. Following the change, ECL for the portfolio in Stage 1 and Stage 2 is calculated on a quarterly basis instead of annually and then aggregated to the appropriate horizon taking into account the effect of discounting. The change resulted in the release of write-downs of PLN 46,226 thousand,
- updating the PD model for the portfolio of economic entities on full reporting which resulted in the release of PLN 18,889 thousand of write-downs,
- adjustment of the level of write-downs to the expectations of the future macroeconomic situation, resulting in the adjustment of PLN 5,679 thousand of provisions, which resulted from the update of forecasts of macroeconomic variables included in the IFRS9 model used,

In H1 2025, the Bank entered into agreements regarding the sale from the retail portfolio. The gross carrying amount of the sold portfolio valued at amortised cost was PLN 113,924 thousand, the amount of impairment losses created was PLN 85,977 thousand. The contractual price for the sale of these portfolios was set at PLN 32,970 thousand. The net impact on the Bank's result from the sale of the portfolios amounted to PLN 5,023 thousand and is presented in the line Net impairment allowances on financial assets and provisions on contingent liabilities.

In H1 2024, the Group entered into agreements for sales from the retail, SME and corporate portfolios. The gross carrying amount of the sold portfolio valued at amortised cost was PLN 182,777 thousand, the amount of impairment losses recognised was PLN 122,007 thousand. The contractual price for the sale of these portfolios was set at PLN 85,140 thousand. The net impact on the Group's result from the sale of the portfolios amounted to PLN 24 370 thousand and is presented in the line Net impairment allowances on financial assets and provisions on contingent liabilities.

The cost of credit risk, expressed as the ratio of the result from impairment losses to the average gross loans and advances to Customers measured at amortised cost (calculated on the basis of balances at the end of the quarters) in H1 2025 was equal to -0.02% compared to: -0.20% in H1 2024. It is estimated that, excluding the impact of the sale of receivables, the cost of risk would have been equal to: -0.03% in H1 2025 and -0.26% in H1 2024.

General administrative expenses and depreciation and amortization

The Group's general administrative expenses (including depreciation and amortization) for H1 2025 amounted to PLN 1,762,680 thousand and were higher by PLN 38,200 thousand, or 2.2%, compared with the same period last year.

Table 26. General administrative expenses and depreciation and amortization

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change YoY PLN thousand	%
Personnel expenses	(808,785)	(766,214)	(42,571)	5.6%
Marketing expenses	(60,514)	(48,553)	(11,961)	24.6%
IT and telecom expenses	(152,655)	(144,899)	(7,756)	5.4%
Short-term lease and operation	(45,387)	(41,066)	(4,321)	10.5%
Other non-personnel expenses	(101,964)	(110,909)	8,945	(8.1%)
External services under other contracts and consulting	(115,206)	(174,434)	59,228	(34.0%)
Business travels	(7,232)	(5,291)	(1,941)	36.7%
ATM and cash handling expenses	(15,546)	(15,463)	(83)	0.5%
Costs of outsourcing services related to leasing operations	(733)	(644)	(89)	13.8%
Bank Guarantee Fund fee	(176,482)	(143,992)	(32,490)	22.6%
Commercial Bank Protection Scheme fee	-	-	-	-
Polish Financial Supervision Authority fee	(22,422)	(19,197)	(3,225)	16.8%
Total general administrative expenses	**(1,506,926)**	**(1,470,662)**	**(36,264)**	**2.5%**
Depreciation and amortization	(255,754)	(253,818)	(1,936)	0.8%
Total costs	(1,762,680)	(1,724,480)	(38,200)	2.2%

An increase in the level of costs YoY was recorded in the following categories:

- personnel expenses - increased by PLN 42,571 thousand, i.e. by 5.6%, as a result of a PLN 25,671 thousand increase in salaries (annual increase in basic salaries from March), PLN 5,517 thousand in payroll charges, and PLN 4,342 thousand higher costs of provisions for future liabilities arising from unused annual leave and retirement benefits. The increase in personnel expenses related to the increase in salaries was partly offset by a YoY decrease in the Group's employment by 239 active FTEs.
- Bank Guarantee Fund fee - an increase of PLN 32,490 thousand, i.e. by 22.6%:

- the contribution to the banks' guarantee fund amounted to PLN 20,364 thousand in H1 2025 (in the period from Q2 2022 to Q4 2024, the Bank did not incur the cost of this contribution, in accordance with the BFG's decision to suspend its collection),
- annual contribution to the banks' resolution fund increased by PLN 12,126 thousand; in H1 2025, an amount of PLN 156,118 thousand was booked.

- marketing expenses - an increase of PLN 11,961 thousand, i.e. by 24.6%, mainly due to a higher number and more intensive campaigns in H1 2025 (Daily Banking - GOdreams campaign and tennis card, business account with fuel card, 9% savings account, cash loan), which translated into an increase in promotion and media advertising costs. In addition, the costs of event organisation increased (due to an increase in the market prices of these services and the number of events organised) and the costs of sponsorship activities (e.g. IMAX cinema chain, BNP Paribas Kino Letnie Sopot-Zakopane festival):
- IT and telecom expenses - an increase of PLN 7,756 thousand, i.e. by 5.4%, resulting from higher costs of software maintenance agreements, costs of BNP group systems and Contact Centre Customer service costs. At the same time, service costs of IT equipment and costs in BNP Paribas Group Service Center S.A. decreased.
- short-term lease and operation expenses - increased by PLN 4,321 thousand, which was influenced by higher cleaning costs and repairs, inspections and maintenance
- Polish Financial Supervision Authority fee - an increase by PLN 3,225 thousand, the amount of costs in the first half of 2025 in accordance with the announcement of the Chairman of the FSA of February this year.

A decrease in the level of costs in H1 2025 compared to the same period last year was recorded in the following categories:

- external services under other contracts and consulting - a decrease in costs by PLN 59,228 thousand, or 34.0%, including:
  - services provided by the Group - lower costs by PLN 30,672 thousand, thousand as a result of the partial release of provisions set up in 2023 and 2024,
  - a decrease of PLN 29,472 thousand in legal advisory costs, mainly related to court proceedings concerning CHF loans,
- other non-personnel expenses - a drop by PLN 8,945 thousand, i.e. by 8.1%, of which:
  - costs of contractors employed to support the day-to-day work of the Bank decreased by PLN 4,390 thousand
  - costs related to bank cards lower PLN 1,537 thousand, influenced by changes in the card renewal process introduced in the second half of 2024, lower number of renewals and activities related to termination of inactive cards/current accounts,
  - the costs of working and integration meetings were lower by PLN 1,500 thousand compared to H1 2024.

Total costs related to legal services for CHF loan litigation in H1 2025 amounted to PLN 26,489 thousand (H1 2024: PLN 59,674 thousand) and are included in the lines: external services under other contracts and consulting and other non-personnel expenses (notary and court fees).

Depreciation and amortization expenses in H1 2025 amounted to PLN 255,754 thousand and were higher than in H1 2024 by PLN 1,936 thousand. Depreciation and amortization expenses in Group companies remained at a comparable YoY level.

The Bank's **capital expenditure** for six months of 2025 amounted to PLN 136,749 thousand and was down by PLN 30,769 thousand, or 18.4%, compared with the same period last year. The decrease mainly related to computer hardware and software, as well as expenses relating to the personnel expenses of external employees. The volume of capital expenditure is adapted to the Bank's current needs and capabilities. All projects are analysed from the point of view of rationality and impact on the financial and business situation of the Bank and the Group.

Statement of other comprehensive income

The Group's total income in H1 2025 amounted to PLN 1,621,434 thousand, up by PLN 372,043 thousand, or 29.8%, compared with H1 2024 (PLN 1,249,391 thousand).

This was mainly due to an increase of PLN 261,728 thousand (i.e. 21.6%) in realised net profit and a change in the valuation of financial assets measured by other comprehensive income (PLN 74,394 thousand) and a change in the valuation of cash flow hedging derivatives (PLN +61,663 thousand).

Table 27. Statement of other comprehensive income

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change YoY PLN thousand	change YoY %
Net profit	**1,475,294**	**1,213,566**	**261,728**	**21.6%**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss upon fulfilment of certain conditions	**146,615**	**36,410**	**110,205**	**302.7%**
Measurement of financial assets measured at fair value through other comprehensive income, gross	135,071	60,677	74,394	122.6%
Deferred income tax on the valuation of financial assets measured through other comprehensive income	(25,664)	(11,529)	(14,135)	122.6%
Measurement of cash flow hedge accounting derivatives, gross	45,937	(15,726)	61,663	-
Deferred income tax on valuation of derivatives hedging cash flows	(8,729)	2,988	(11,717)	-
Items that will not be reclassified to profit or loss	**(475)**	**(585)**	**110**	**(18.8%)**
Actuarial valuation of employee benefits, gross	(587)	(722)	135	(18.7%)

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change YoY PLN thousand	%
Deferred income tax on actuarial valuation of employee benefits	112	137	(25)	(18.2%)
Other comprehensive income (net)	**146,140**	**35,825**	**110,315**	**307.9%**
Total comprehensive income	1,621,434	1,249,391	372,043	29.8%

Statement of financial position

Assets

The Group's total assets as at the end of H1 2025 amounted to PLN 168,548,558 thousand, an increase of PLN 1,008,969 thousand, or 0.6%, compared with the end of 2024.

The most significant changes in the Group's asset structure compared to year-end 2024 were an increase in the share of the securities portfolio by 1.3 p.p., amounts due from banks by 0.9 p.p. and the loan portfolio by 0.3 p.p. (sum of portfolios measured at amortised cost and at fair value). The share of cash and balances at the Central Bank decreased by 2.3 p.p.

The Group's asset structure was dominated by loans and advances to Customers (the sum of portfolios measured at amortised cost and at fair value), which accounted for 51.6% of total assets at the end of H1 2025, compared to 51.2% at the end of 2024. Net loans and advances volumes amounted to PLN 86,907,478 thousand at the end of H1 2025 and increased by PLN 1,053,456 thousand, or 1.2%, compared to the end of 2024 The Retail Customers' portfolio remained unchanged compared to the end of 2024 (with a slight decrease of 1.0% in mortgage loans). The Institutional Customers' loan portfolio increased by 1.9% compared to the end of 2024 (mainly as a result of a 3.3% increase in loans and advances to business entities).

The second largest asset item was securities, which accounted for 34.5% of total assets at the end of H1 2025 (end 2024: 33.3%). As at 30 June 2025, their value increased by PLN 2,476,708 thousand (i.e. by 4.4%) compared to the end of 2024. The largest increase (by PLN 4,115,395 thousand, i.e. by 12.7%) concerned the portfolio of securities valued at amortised cost (primarily government bonds and securities issued by other financial institutions). The portfolio of securities measured at fair value through other comprehensive income decreased in the period under review by PLN 1,675,066 thousand, i.e. by 7.3%, (mainly a decrease in the portfolio of NBP bills partially offset by an increase in treasury bonds issued by governments).

The share of amounts due from banks (the third largest asset item) was 5.6% (at the end of 2024: 4.7%). Their value increased compared to the end of 2024 by PLN 1,520,594 thousand (i.e. by 19.3%) and amounted to PLN 9,392,969 thousand. The share of the cash and balances at the Central Bank decreased from 6.8% to 4.5% (in value by PLN 3,768,835 thousand, i.e. by 33.3%).

Table 28. Assets

PLN thousand	30.06.2025	31.12.2024	change PLN thousand	change %
Cash and balances at the Central Bank	7,556,716	11,325,551	(3,768,835)	(33.3%)
Amounts due from banks	9,392,969	7,872,375	1,520,594	19.3%
Derivative financial instruments	2,719,323	2,440,116	279,207	11.4%
Adjustment of fair value of hedging and hedged item	134,140	230,658	(96,518)	(41.8%)
Loans and advances to Customers measured at amortised cost	86,546,644	85,401,516	1,145,128	1.3%
Loans and advances to Customers measured at fair value through profit or loss	360,834	452,506	(91,672)	(20.3%)
Securities measured at amortised cost	36,479,945	32,364,550	4,115,395	12.7%
Securities measured at fair value through profit or loss	357,813	321,434	36,379	11.3%
Securities measured at fair value through other comprehensive income	21,352,388	23,027,454	(1,675,066)	(7.3%)
Intangible assets	928,489	975,114	(46,625)	(4.8%)
Property, plant and equipment	907,842	946,971	(39,129)	(4.1%)
Deferred tax assets	746,694	859,567	(112,873)	(13.1%)
Current tax assets	71	1,515	(1,444)	(95.3%)
Other assets	1,064,690	1,320,262	(255,572)	(19.4%)
Total assets	168,548,558	167,539,589	1,008,969	0.6%

Loan portfolio

Loan portfolio structure

At the end of June 2025, gross loans and advances to Customers (the sum of portfolios measured at amortised cost and measured at fair value) amounted to PLN 89,279,664 thousand and increased by PLN 892,409 thousand, or 1.0%, compared with the end of 2024.

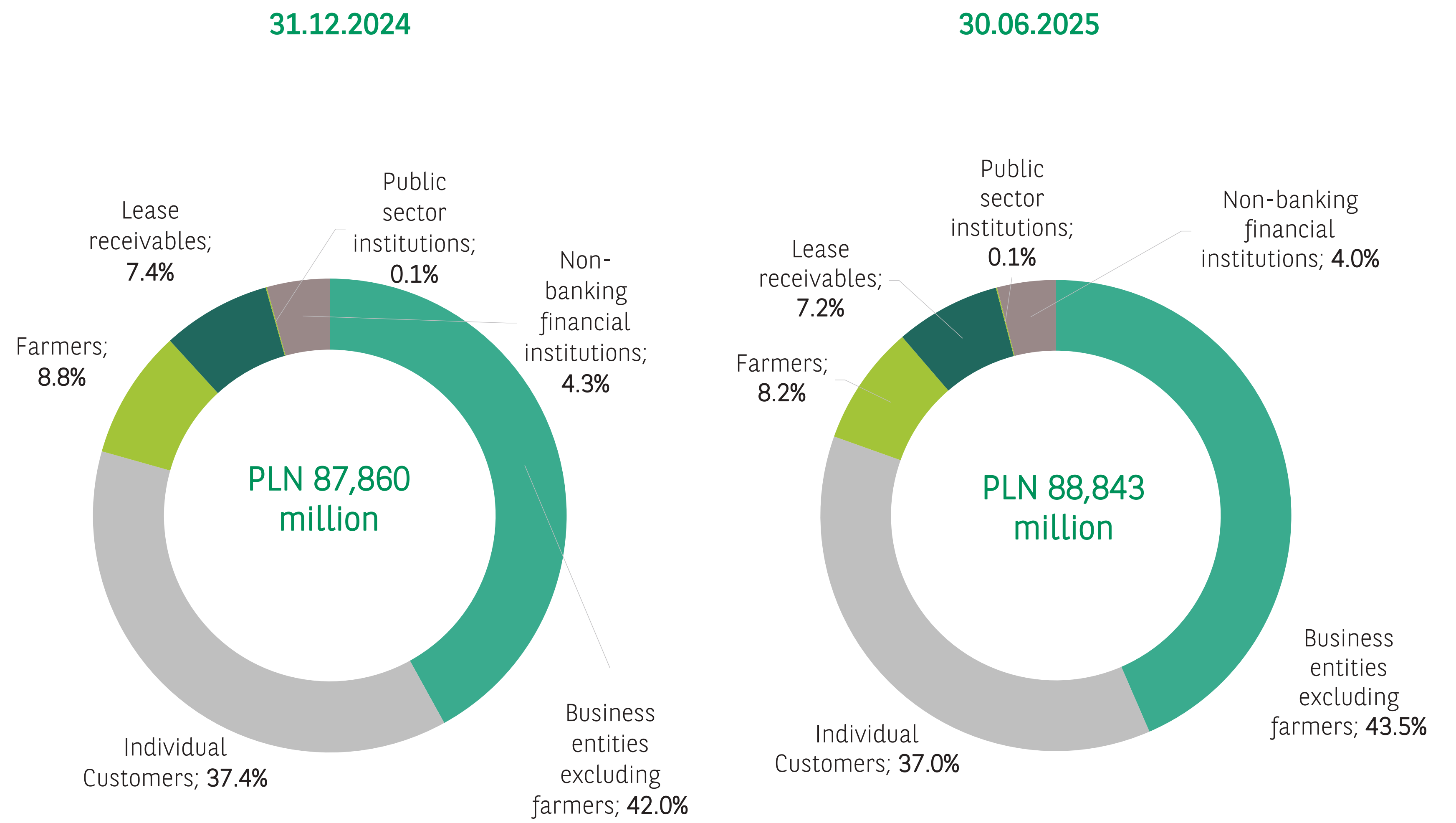
The gross portfolio of loans and advances measured at amortised cost in the period under review amounted to PLN 88,843,341 thousand (up by PLN 983,581 thousand, or 1.1%).

Table 29. Structure of the loan portfolio measured at amortised cost

PLN thousand	30.06.2025	31.12.2024	change	
			PLN thousand	%
Corporate Customers excluding farmers	38,643,125	36,874,775	1,768,350	4.8%
Farmers	7,323,226	7,769,080	(445,854)	(5.7%)
Retail Customers	32,829,939	32,858,093	(28,154)	(0.1%)
- mortgage loans	20,000,709	20,207,062	(206,353)	(1.0%)
PLN	19,650,442	19,779,708	(129,266)	(0.7%)
Currency	350,267	427,354	(77,087)	(18.0%)
- cash loans	8,706,578	8,487,233	219,345	2.6%
- other retail loans	4,122,652	4,163,798	(41,146)	(1.0%)
Leasing receivables	6,402,833	6,519,624	(116,791)	(1.8%)
Public sector institutions	72,185	67,960	4,225	6.2%
Other financial institutions	3,572,033	3,770,228	(198,195)	(5.3%)
Gross loans and advances	88,843,341	87,859,760	983,581	1.1%

The gross portfolio of loans and advances to corporate Customers (excluding farmers) amounted to PLN 38,643,125 thousand (up by PLN 1,768,350 thousand, or 4.8%, compared with the end of 2024). Their share in the analysed loan portfolio at the end of H1 2025 was 43.5% (+1.5 p.p. compared with the end of 2024). Overdrafts represent 41.2% of this portfolio (+1.7 p.p. vs. 2024).

Chart 16. Loans and advances gross measured at amortised cost – entity structure



Gross loans and advances to retail Customers at the end of June 2025 amounted to PLN 32,829,939 thousand (a slight decrease of PLN 28,154 thousand, i.e. 0.1% vs. the end of 2024). Their share in the loan portfolio measured at amortised cost during the period under review was 37.0% (down by 0.4 p.p. compared with the end of 2024). Mortgage loans, which amounted to PLN 20,000,709 thousand at the end of June 2025, accounted for 60.9% of the credit exposure of retail Customers. In the structure of housing loans, 98.2% were loans granted in PLN, while 1.7% were loans granted in CHF (compared to the end of last year, the share of CHF fell by 0.4 p.p.).

The volume of loans granted to individual farmers at the end of June 2025 amounted to PLN 7,323,226 thousand, recording a decrease of 5.7% compared to December 2024.

Lease receivables amounted to PLN 6,402,833 thousand (down 1.8% compared to the end of 2024). Their share in the loan portfolio measured at amortised cost in the period under review was 7.2% (compared with 7.4% at the end of 2024).

The volume of loans granted to non-banking financial institutions and public sector institutions totalled PLN 3,644,218 thousand (down 5.1% compared to December 2024).

Quality of the loan portfolio

The ratio of Stage 3 qualifying exposures and POCI non-performing to gross loans and advances to Customers measured at amortised cost remained unchanged compared to the end of 2024 and amounted to 3.2% at the end of June 2025. The provision coverage of these exposures at the end of June 2025 was 52.0%, down 2.0 p.p. compared to the end of 2024.

Table 30. Coverage of the loan portfolio measured at amortised cost with impairment losses

PLN thousand	30.06.2025	31.12.2024	change PLN thousand	change %
Gross loans and advances to Customers, total	88,843,341	87,859,760	983,581	1.1%
Allowance for receivables	(2,296,697)	(2,458,244)	161,547	(6.6%)
Net loans and advances to Customers, total	**86,546,644**	**85,401,516**	**1,145,128**	**1.3%**
Gross loans and advances granted to Customers in Stage 1 & 2, and POCI performing				
Gross balance sheet exposure	86,029,800	85,012,162	1,017,638	1.2%
Allowance	(834,841)	(921,184)	86,343	(9.4%)
Net balance sheet exposure	**85,194,959**	**84,090,978**	**1,103,981**	**1.3%**
Gross loans and advances granted to Customers in Stage 3, and POCI non-performing				
Gross balance sheet exposure	2,813,541	2,847,598	(34,057)	(1.2%)
Impairment allowance	(1,461,856)	(1,537,060)	75,204	(4.9%)
Net balance sheet exposure	**1,351,685**	**1,310,538**	**41,147**	**3.1%**

Indicators	30.06.2025	31.12.2024	change
Share of Stage 3 and POCI non-performing loans and advances in the gross portfolio	3.2%	3.2%	(0.1 p.p.)
Provision coverage of Stage 3 and POCI non-performing loans and advances	52.0%	54.0%	(2.0 p.p.)

Table 31. Quality of the loan portfolio measured at amortised cost

PLN thousand	30.06.2025 total gross	30.06.2025 NPL*	30.06.2025 share %	31.12.2024 total gross	31.12.2024 NPL*	31.12.2024 share %
Economic entities excluding farmers	38,643,125	1,617,699	4.2%	36,874,775	1,529,666	4.1%
Farmers	7,323,226	322,442	4.4%	7,769,080	405,438	5.2%
Retail Customers	32,829,939	691,831	2.1%	32,858,093	715,412	2.2%
- mortgage loans	20,000,709	277,325	1.4%	20,207,062	288,465	1.4%
PLN	19,650,442	167,164	0.9%	19,779,708	172,862	0.9%
currency	350,267	110,162	31.5%	427,354	115,603	27.1%
- cash loans	8,706,578	311,027	3.6%	8,487,233	320,712	3.8%
- other retail loans	4,122,652	103,479	2.5%	4,163,798	106,235	2.6%
Leasing receivables	6,402,833	172,369	2.7%	6,519,624	187,807	2.9%
Public sector institutions	72,185	-	-	67,960	-	-
Other financial entities	3,572,033	9,200	0.3%	3,770,228	9,275	0.2%
Gross loans and advances	88,843,341	2,813,541	3.2%	87,859,760	2,847,598	3.2%

Securitisation of the loan portfolio

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

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

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

The transaction completion date under the agreement is 31 December 2031.

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

As at 30 June 2025, the conclusion of the Transaction increases the consolidated Common Equity Tier I (CET1) ratio by 0.05 p.p., the Tier I capital ratio by 0.05 p.p. and the consolidated total capital adequacy ratio TCR by 0.07 p.p. in relation to the reported data of the BNP Paribas Bank Polska Group.

The transaction meets the requirements for significant risk transfer set out in the CRR Regulation and has been structured as meeting the STS criteria (simple, transparent and standardised securitisation) in accordance with Regulation 2021/557.

The Bank acted as the arranger of the Transaction.

Liabilities and equity

As at 30 June 2025, the Group's total liabilities amounted to PLN 152,720,339 thousand, which was PLN 574,806 thousand or 0.4% higher than at the end of 2024. The share of liabilities in the Group's total liabilities and equity amounted to 90.6% in the period under review (compared with 90.8% at the end of 2024).

The structure of liabilities is dominated by amounts due to Customers. Their share as at 30 June 2025 was 84.6% and decreased by 1.4 p.p. compared to the end of 2024. In value terms, their volume decreased by PLN 1,663,102 thousand, i.e. by 1.3% compared to December 2024, and amounted to PLN 129,261,652 thousand. The second item is amounts due to banks, whose share as at 30 June 2025 amounted to 7.0% and increased by 0.4 p.p. compared to the end of 2024 (in value by PLN 620 095 thousand, i.e. by 6.2%). A new item in the structure of liabilities are debt securities issued (T2 capital bonds issued in June 2025). The value of which as at 30 June 2025 amounted to PLN 680,709 thousand.

The Group's equity as at 30 June 2025 amounted to PLN 15,828,219 thousand and increased by 2.8%, or PLN 434,163 thousand, compared with 31 December 2024. The share of total equity in the Group's total liabilities and equity stood at 9.4% on 30 June 2025 (compared to 9.2% at the end of 2024).

Table 32. Liabilities and equity

PLN thousand	30.06.2025	31.12.2024	change	
			PLN thousand	%
Amounts due to the Central Bank	-	-	-	-
Amounts due to other banks	10,614,897	9,994,802	620,095	6.2%
Derivative financial instruments	2,369,359	2,311,741	57,618	2.5%
Differences from hedge accounting	276,193	260,025	16,168	6.2%
Amounts due to Customers	129,261,652	130,924,754	(1,663,102)	(1.3%)
Debt securities issued	680,709	-	680,709	-
Subordinated liabilities	3,413,087	3,420,128	(7,041)	(0.2%)
Leasing liabilities	580,900	606,306	(25,406)	(4.2%)
Other liabilities	3,316,891	2,296,756	1,020,135	44.4%
Current tax liabilities	109,261	361,641	(252,380)	(69.8%)
Provisions	2,097,390	1,969,380	128,010	6.5%
Total liabilities	**152,720,339**	**152,145,533**	**574,806**	**0.4%**
Share capital	147,880	147,800	80	0.1%
Supplementary capital	9,180,883	9,155,136	25,747	0.3%
Other reserve capital	4,695,800	4,042,815	652,985	16.2%
AT1 Capital bonds	650,000	650,000	-	0.0%
Revaluation reserve	(394,705)	(540,845)	146,140	(27.0%)
Retained earnings	1,548,361	1,939,150	(390,789)	(20.2%)
- retained profit	73,067	(419,118)	492,185	(117.4%)
- net profit for the period	1,475,294	2,358,268	(882,974)	(37.4%)
Total equity	**15,828,219**	**15,394,056**	**434,163**	**2.8%**
Total liabilities and equity	168,548,558	167,539,589	1,008,969	0.6%

Amounts due to Customers

At the end of June 2025, amounts due to Customers amounted to PLN 129,261,652 thousand and were lower by PLN 1,663,102 thousand, or 1.3%, compared to the end of 2024.

By entity, the decrease mainly concerned amounts due to corporates (as at 30 June 2025, they amounted to PLN 63,363,431 thousand), the volume of which decreased by PLN 3,606,848 thousand, i.e. by 5.4%, compared with the end of 2024, mainly as a result of a decrease in current accounts (by PLN 3,916,865 thousand). The share of this segment in the structure of total amounts due to Customers was 49.0% compared with 51.2% at the end of December 2024.

The largest increase in deposit volumes by value was in Retail Customers (by PLN 1,083,434 thousand, i.e. 2.0%) compared with the end of 2024. The share of Retail Customer deposits in total amounts due to Customers was 43.5% compared with 42.1% at the end of 2024.

There was also an increase in the volumes of non-banking financial institutions (by PLN 742,298 thousand, i.e. 13.7%) and public sector customers' liabilities (by PLN 118,014 thousand, i.e. 3.5%) in relation to the end of 2024. Their share in total amounts due to Customers was 4.8% and 2.7%, respectively, against 4.2% and 2.5% at the end of 2024.

Chart 17. Amounts due to Customers - entity structure

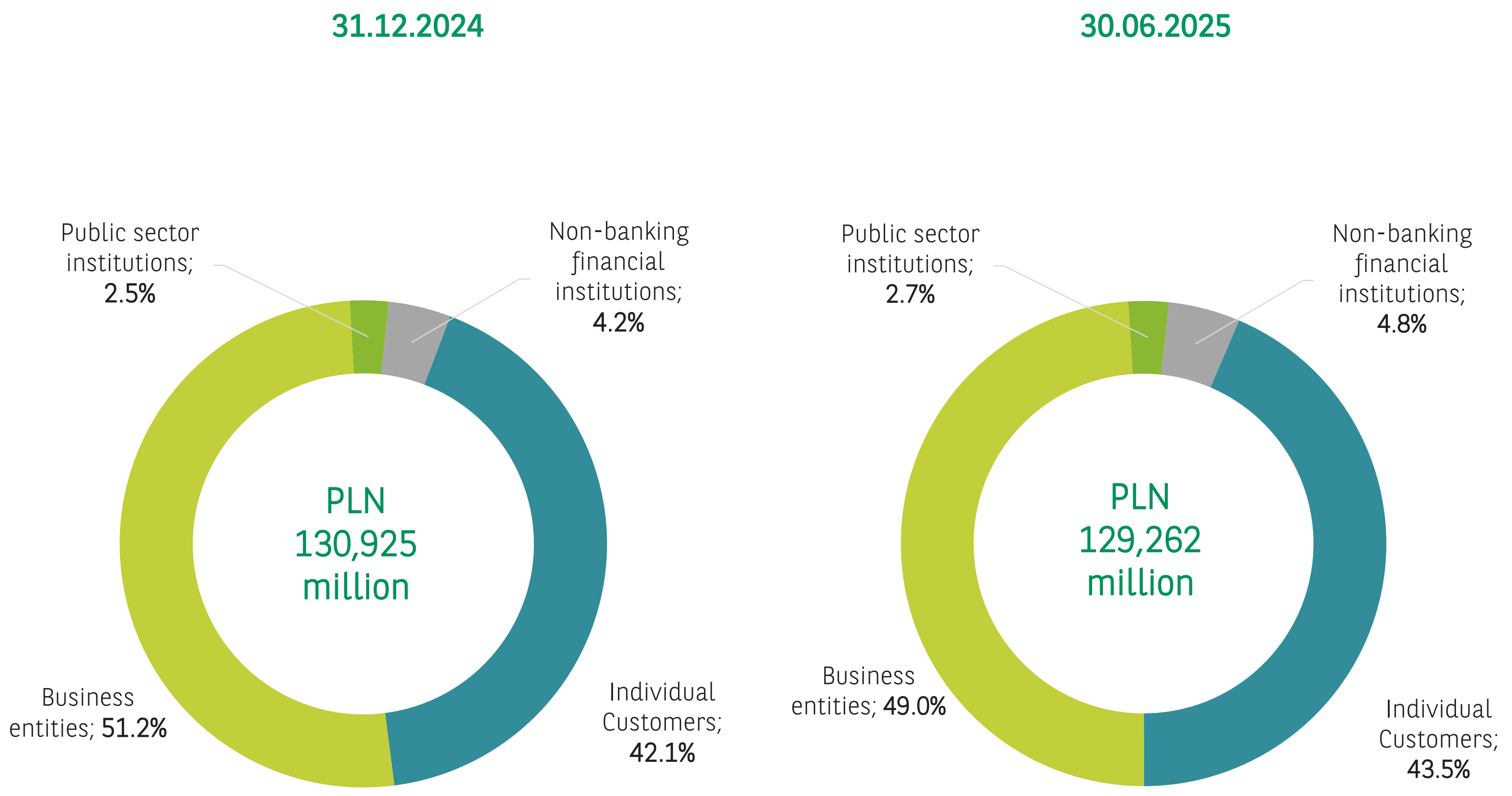


Table 33. Amounts due to Customers by product

	30.06.2025		31.12.2024	
	PLN thousand	share %	PLN thousand	share %
Current accounts	82,357,538	63.7%	86,301,533	65.9%
Term deposits	45,009,557	34.8%	43,070,184	32.9%
Loans and advances received	450,070	0.3%	449,955	0.3%
Other liabilities	1,444,487	1.1%	1,103,082	0.8%
Amounts due to Customers, including	129,261,652	100.0%	130,924,754	100.0%
Deposits	128,811,582	99.7%	130,474,799	99.7%

The share of current accounts in total amounts due to Customers stood at 63.7% at the end of June 2025, a decrease of 2.2 p.p. compared to the end of 2024. Funds deposited in current accounts amounted to PLN 82,357,538 thousand and decreased by PLN 3,943,995 thousand, or 4.6%. This decrease was influenced by a decrease in the volume of corporates (by PLN 3,916,865 thousand, i.e. by 7.7%) and public sector institutions (by PLN 729,839 thousand, i.e. by 25.3%), partially offset by an increase in the volume of Retail Customers (by PLN 919,140 thousand, i.e. by 3.1%).

The share of term deposits in the structure of amounts due to Customers in the analysed period amounted to 34.8% and increased by 1.9 p.p. compared to the end of 2024. In value terms, term deposits increased by PLN 1,939,373 thousand to PLN 45,009,557 thousand, i.e. by 4.5% compared to December 2024.

The share of other liabilities and loans and advances received in total in the structure of amounts due to Customers amounted to 1.1% and increased by 0.3 p.p. compared with the end of 2024. Their total volume amounted to PLN 1,894,557 thousand.

Equity

As at 30 June 2025, the Group's equity amounted to PLN 15,828,219 thousand, which was PLN 434,163 thousand or 2.8% higher than at the end of 2024.

In accordance with the Resolution No. 7 of the Annual General Meeting of BNP Paribas Bank Polska S.A. dated 15 April 2025 on distribution of profit of BNP Paribas Bank Polska SA and payment of a dividend for the 2024 financial year, the Bank paid a dividend of PLN 1,162,341 thousand out of the net profit earned in 2024 in the amount of PLN 2,320,798 thousand, PLN 658,457 thousand was allocated to the reserve capital and remaining part remained undistributed profit.

Contingent liabilities

The table below presents the value of liabilities granted and received.

Table 34. Contingent liabilities

PLN thousand	30.06.2025	31.12.2024	change PLN thousand	change %
Contingent liabilities granted	**39,201,786**	**36,666,533**	**2,535,253**	**6,9%**
financial commitments	26,485,708	23,269,197	3,216,511	13.8%
guarantees	12,716,078	13,397,336	(681,258)	(5.1%)
Contingent liabilities received	**55,079,667**	**55,172,867**	**(93,200)**	**(0.2%)**
financial commitments	20,000	551,870	(531,870)	(96.4%)
guarantees	55,059,667	54,620,997	438,670	0.8%

Own funds and capital ratios

The calculation of the capital adequacy of the Bank and the Group as at 30 June 2025 was made in accordance with the provisions of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) on 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) and the amendments introduced by, among others, Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR3) amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the minimum capital threshold.

The Group's own funds as at 30 June 2025 consisted of:

- Common Equity Tier I capital of PLN 13,415,258 thousand against PLN 12,162,053 thousand at the end of 2024,
- Tier I capital of PLN 14,065,258 thousand against PLN 12,812,053 thousand at the end of 2024,
- Tier II capital of PLN 3,046,942 thousand against PLN 3,150,021 thousand at the end of 2024.

Key factors that affected the level of own funds in 2025:

- inclusion in the consolidated Common Equity Tier I capital of the revised consolidated net profit generated in the period from 1 January 2024 to 31 December 2024 in the amount of PLN 1,197,365 thousand (as a consequence of the decision of the Annual General Meeting of the Bank of 15 April 2025 on the distribution of the profit of BNP Paribas Bank Polska S.A. for the financial year 2024);
- an improvement in the result from unrealised profit or losses at fair value through other comprehensive income by PLN 61,824 thousand;
- a decrease in the adjustment of PLN 23,842 thousand (increase in the level of own funds) in Common Equity Tier I capital related to the deduction of intangible assets, taking into account the Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020 with regard to the deduction of software assets from Common Equity Tier I capital items;
- an increase in the depreciation and amortization of instruments included in Tier II capital by PLN 108,301 thousand.

Total risk exposures as at 30 June 2025 amounted to PLN 98,100,861 thousand, an increase of PLN 5,285,935 thousand compared to the end of 2024. The increase in total risk-weighted assets for credit and operational risk due to the entry into force of the provisions of the CRR3 Regulation from 01 January 2025 had the greatest impact on abovementioned change.

As a result of the above changes, the Group's capital ratios improved. The Group's total capital ratio as at 30 June 2025 was 17.44%, increasing by 0.24 p.p. compared to 31 December 2024. The consolidated common equity Tier I (CET I) capital ratio as at 30 June 2025 was 13.67% (up 0.57 p.p. compared to the end of 2024) and the Group's consolidated Tier I capital ratio as at 30 June 2025 was 14.34% (up 0.54 p.p. compared to the end of 2024).

Table 35. Own funds and capital ratios of the Group

PLN thousand	30.06.2025	31.12.2024	change	
			PLN thousand	%
Share capital (CET I)				
- share capital	147,880	147,800	81	0.1%
- supplementary capital	7,259,316	7,259,316	0	0.0%
- reserve capital	5,846,726	5,198,711	648,015	12.5%
- general banking risk fund	627,154	627,154	0	0.0%
- intangible assets	(466,890)	(490,732)	23,842	(4.9%)
- other components of own funds, included in the calculation of basic capital (CET 1)	1,072	(580,196)	581,268	-
Total share capital (CET I)	**13,415,258**	**12,162,053**	**1,253,205**	**10.3%**
Additional Tier I capital	650,000	650,000	0	0.0%
Total Tier I capital	**14,065,258**	**12,812,053**	**1,253,205**	**9.8%**
Supplementary funds (Tier II)		-		
- subordinated liabilities included in own funds	3,046,942	3,150,021	(103,079)	(3.3%)
Total own funds	**17,112,200**	**15,962,074**	**1,150,126**	**7.2%**
Risk exposure amount due to		-		
- credit risk	84,570,821	80,634,295	3,936,526	4.9%
- market risks	1,398,771	1,338,766	60,005	4.5%
- operational risks	12,051,424	10,791,753	1,259,671	11.7%
- credit valuation adjustments	79,846	50,112	29,733	59.3%
Total risk exposure amount	**98,100,861**	**92,814,926**	**5,285,935**	**5.7%**

Capital ratios of the Group	30.06.2025	31.12.2024	change
Common Equity Tier I (CET I) Ratio	13.67%	13.10%	+0.57 p.p.
Tier I Capital Ratio	14.34%	13.80%	+0.54 p.p.
Total Capital Ratio (TCR)	17.44%	17.20%	+0.24 p.p.

Minimum capital requirements

The minimum levels of capital adequacy ratios of the Bank and the Group result from the following external regulations:

- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013: 4.5% for CET1, 6% for Tier I and 8% for TCR,
- The Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management in the financial sector (Journal of Laws 2025, item 819):
  - conservation buffer of 2.5% (unchanged compared to 2023),
  - buffer of another systemically important institution of 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. 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 on the amendment of the Commission's decision of 4 October 2016, as amended by the Commission's decision of 19 December 2017 on the imposition on the Bank (on a consolidated and individual basis) of a buffer of another systemically important institution of an amount equivalent to 0.25% of the total risk exposure amount. By its decision of 6 December 2024, the FSC 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,
  - countercyclical buffer rate - the countercyclical buffer rate specific for Bank, determined in accordance with the provisions of the Act of 5 August 2015 on macroprudential 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 in which 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 general credit exposures that in aggregate do not exceed 2% of the institution's total general credit exposures, trading book exposures and securitisation exposures are attributable to the institution's home Member State. The countercyclical buffer rate for credit exposures in the territory of the Republic of Poland which was applicable as of 30 June 2025 was 0%.
- Act of 29 August 1997 - Banking Act (Journal of Laws 2024, item 1646): capital charge recommended under Pillar II (P2G) - The FSC, by letter dated, 16 December 2024, reported that the Bank's sensitivity to the possible materialisation of stress scenarios affecting the level of own funds and risk exposure was assessed as low in the Bank's supervisory assessment process. Based on the 2024 Supervisory Stress Tests conducted by the Office of the Financial Supervision Authority and in accordance with the instruction, the total capital charge recommended under Pillar II offset by a capital buffer requirement of 0.00 p.p. on a separate basis and 0.00 p.p. on a consolidated basis was determined.

As a result of the requirements described above, the minimum levels of capital adequacy ratios resulting from the provisions of law and administrative decisions issued by the PFSA on a consolidated basis are:

Minimum levels of the Group's capital ratios	30.06.2025	31.12.2024	change
Common Equity Tier I (CET I) Ratio	7.50%	7.50%	0.00 p.p.
Tier I Capital Ratio	9.00%	9.00%	0.00 p.p.
Total Capital Ratio (TCR)	11.00%	11.00%	0.00 p.p.

At the end of June 2025, all capital adequacy ratios of the Group were higher than the minimum requirements by:

- 6.17 p.p. for the Common Equity Tier I Capital Ratio,
- 5.34 p.p. for the Tier I Capital Ratio,
- 6.44 p.p. for the Total Capital Ratio.

Capital position management

The Bank monitors and manages its capital position on an ongoing basis, including the level of subordinated liabilities included in own funds, taking into account current needs and the degree of depreciation and amortization of individual loans.

By a decision dated 31 December 2024, the Polish Financial Supervision Authority approved the Bank's classification of equity instruments constituting series A capital bonds with ISIN code PLO164300017, in the number of 1,300 units, with a nominal value of PLN 500,000 each, and with a total value of PLN 650,000,000, as Additional Tier I (AT1) capital instruments. The Capital Bonds issued by the Bank on 28 November 2024 are instruments without a fixed maturity date, entitling the Bank to receive interest for an indefinite period of time, subject to the Bank being able to redeem them early under the terms and conditions of the issue. The Capital Bonds were acquired exclusively by BNP Paribas S.A., Paris.

On 6 June 2025, the Bank issued Series B Capital Bonds in the amount of EUR 160 million. The maturity date of the Bonds is 6 June 2040. On 9 June 2025, the Bank applied to the FSA for approval to qualify the capital bonds as TIER II capital instruments. The application is pending so the instruments have not yet been recognised in TIER II, but have been qualified as eligible liability instruments in MREL.

The Bank's assumption is that the funds raised from the issue of the Bonds will replace the funds raised by the Bank from the subordinated loans in the amounts of EUR 60,000,000, CHF 60,000,000 and EUR 40,000,000 reported by the Bank in current reports RB 24/2017 of 20 November 2017 and RB 76/2018 of 10 December 2018, which are subject to prudential depreciation and amortization. The early repayment of these loans, subject to prior approval of the FSA, is planned for the III quarter of 2025.

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

On 20 June 2023, the Bank received a letter from the BFG regarding the joint decision of the forced restructuring authorities, i.e. the Single Resolution Board and the BFG, on the amount of the minimum level of own funds and eligible liabilities (MREL). The joint decision indicates that the group compulsory restructuring plan provides for a compulsory restructuring strategy involving a Single Point of Entry (SPE). The preferred coercive restructuring tool for the Bank is the open bank bail-in facility.

The MREL requirement for the Bank was set at an individual level at 16.11% of the Total Risk Exposure Amount (TREA) and 5.91% of the Total Exposure Measure (TEM). This requirement was effective from 31 December 2023.

On 8 May 2025, the Bank received an updated letter from the BFG regarding the MREL requirement. This requirement for the Bank was set at an individual level at 15.93% of the Total Risk Exposure Amount (TREA) and 5.91% of the Total Exposure Measure (TEM). This requirement is effective from 8 May 2025.

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) BRRD2. According to the Decision, the part of MREL corresponding to the recapitalisation amount (CAR) 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 complies with this requirement. At the same time, the BFG indicated that Common Equity Tier I (CET1) instruments held by the Bank for the combined buffer requirement (CBR) 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 percentage of TEM.

The Bank meets the defined MREL requirements as at.30 June 2025.

MREL ratios	requirement as at 30.06.2025	requirement as of 30.06.2025 including CBR	30.06.2025	31.12.2024
TREA	15.93%	18.93%	23.56%	22.83%
TEM	5.91%	5.91%	12.39%	11.61%

Financial ratios

The Group's return on equity (ROE), calculated on a reported basis, stood at 18.8% in H1 2025 and was 0.5 p.p. higher than in H1 2024. Return on assets (ROA) calculated in a similar manner was 1.8% and increased by 0.3 p.p. compared with H1 2024. The improvement in the return ratios was mainly driven by an increase in the net banking result, with a reduction in the growth of operating expenses and no significant increase in the sum of credit and legal risk costs. The Group's return on equity (ROE) ratio calculated excluding the impact of credit moratoria (normalised) would be in H1 2025. 18.8% and would be 1.9 p.p. lower compared to H1 2024 (20.7%). For return on assets (ROA), the ratio would be 1.8%, 0.05 p.p. higher than in H1 2024.

The cost/income ratio calculated on the basis of reported volumes was 41.8% (a level 5.6 p.p. lower than in H1 2024). This change was made the possible by a significant reduction in the growth of operating expenses, while core income grew dynamically.

The net interest margin calculated in relation to average assets was 3.6% (up 0.3 p.p. compared to H1 2024). Without taking into account the impact of credit moratoria, the net interest margin would have remained at a level similar to H1 2024.

Changes in the values of the ratios representing the ratio of net and gross loans to deposits and funding sources reflect the good liquidity situation observed in H1 2025.

Table 36. Financial ratios

	30.06.2025	31.12.2024	30.06.2024	change YoY
Return on capital	18.8%	16.9%	18.3%	+0.5 p.p.
Normalised return on capital	18.8%	17.3%	20.7%	(1.9 p.p.)
Return on assets	1.8%	1.5%	1.5%	+0.3 p.p.
Normalised return on assets	1.8%	1.5%	1.7%	+0.0 p.p.
Net interest margin	3.6%	3.6%	3.3%	+0.3 p.p.
Cost/Income	41.8%	43.2%	47.4%	(5.6 p.p.)
Cost/Income excluding the Bank Guarantee Fund, IPS, integration costs and the impact of credit moratoria	37.7%	41.0%	41.1%	(3.5 p.p.)
Credit risk costs	(0.02%)	(0.28%)	(0.20%)	+0.18 p.p.
Normalised credit risk costs	(0.03%)	(0.35%)	(0.26%)	+0.22 p.p.
Net loans/Deposits	67.5%	65.8%	68.8%	(1.3%)
Gross loans/Total sources of financing	63.1%	62.0%	64.7%	(1.5%)

Alternative Performance Measurements

The presented ratios and categories belong to the group of standard and commonly used in financial analysis. They allow for the assessment and comparison of the Group's profitability and financial situation. The presentation of the level of net profit and ratios on a normalised basis, i.e. calculated excluding the impact of unusual events, is intended to provide additional information allowing for a more adequate assessment of changes in the long term and for assessing the impact of various factors on the Group's results and financial position.

Table 37. Alternative Performance Measurements

PLN thousand / %	30.06.2025	31.12.2024	30.06.2024	Definitions and assumptions
Net profit	1,475,294	2,358,268	1,213,566	Profit or loss category from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group for the relevant periods
Total average equity	**15,802,577**	**13,931,570**	**13,318,903**	**Average calculated on the basis of balances at the end of the last 3 quarters for the half year and the last 5 quarters for the full year (category of the statement of financial position from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group)**
Return on capital	18.8%	16.9%	18.3%	Total net profit to average equity ratio
Net profit normalised	**1,475,294**	**2,414,542**	**1,377,996**	**Category of the Consolidated statement of profit or loss adjusted for the negative impact of credit moratoria (2024: PLN -69,474 thousand, H1 2024: PLN -203,000 thousand; see chapter Consolidated statement of profit or loss). Impact of credit moratoria on net profit estimated using the 19% income tax rate**
Total average equity normalised	15,821,335	13,983,442	13,358,668	Average total equity adjusted as well as net profit normalised, adjustments made for each quarter
Normalised return on capital	**18.8%**	**17.3%**	**20.7%**	**Ratio of net profit normalised to average equity total normalised**
Total average assets	167,034,460	161,180,334	159,802,371	Average calculated on the basis of balances at the end of the last 3 quarters for the half year and the last 5 quarters for the full year (category of the statement of financial position from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group)
Return on assets	**1.8%**	**1.5%**	**1.5%**	**Ratio of net profit to average total assets**
Average assets normalised	167,053,218	161,232,207	159,842,136	Total average assets adjusted as well as net profit normalised, adjustments made for each quarter
Normalised return on assets	**1.8%**	**1.5%**	**1.7%**	**Ratio of net profit normalised to average assets total normalised**
Net interest income	2,967,667	5,741,006	2,621,519	Category of the profit or loss from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group for the relevant periods
Net interest margin	**3.6%**	**3.6%**	**3.3%**	**Ratio of net interest income to average total assets**
Costs	1,762,680	3,351,809	1,724,480	Sum of general administrative expenses and depreciation and amortization (categories of profit or loss from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group)
Net banking income	**4,212,172**	**7,752,716**	**3,638,148**	**Sum of net interest income, net fee and commission income, dividend income, net trading income, result on investment activities, result on hedge accounting, result on derecognition of assets/liabilities, other operating income and expenses (categories of profit or loss from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group)**
Cost/Income	41.8%	43.2%	47.4%	Cost-to-income ratio
Cost/Income excluding the Bank Guarantee Fund, IPS and impact of credit moratoria	**37.7%**	**41.0%**	**41.1%**	**The costs were adjusted by the costs of fees for the Bank Guarantee Fund and the Commercial Bank Protection Scheme (see Note General administrative expenses from the Consolidated Financial Statements of the BNP Paribas Bank Polska S.A. Group. (H1 2025: PLN 176,482 thousand, 2024: PLN 143,992 thousand, H1 2024: PLN 143,992 thousand). Income in 2024 was adjusted by PLN 69,474 thousand and in H1 2024 by PLN 203,000 thousand of the negative impact of credit moratoria; (see chapter Consolidated profit or loss).**

PLN thousand / %	30.06.2025	31.12.2024	30.06.2024	Definitions and assumptions
Net allowances on expected credit losses of financial assets and provisions for contingent liabilities	(9,004)	(246,192)	(88,085)	Category of the profit or loss from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group for the relevant periods
Average gross loans and advances to Customers measured at amortised cost	**88,621,152**	**88,195,764**	**88,069,833**	**Average calculated on the basis of balances at the end of the last 3 quarters for the half year and the last 5 quarters for the full year (category from the note Loans and advances to Customers measured at amortised cost from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group)**
Credit risk costs	(0.02%)	(0.28%)	(0.20%)	Relation of net allowances on expected credit losses of financial assets and provisions for contingent liabilities to the average gross loans and advances to Customers measured at amortised cost
Net allowances on expected credit losses of financial assets and provisions for contingent liabilities normalised	**(14,027)**	**(305,458)**	**(112,455)**	**Net allowances on expected credit losses of financial assets and provisions for contingent liabilities adjusted for the impact of sales of receivables (H1 2025: PLN 5,023 thousand, 2024: PLN 59,266 thousand, H1 2024: PLN 24,370 thousand)**
Normalised credit risk costs	(0.03%)	(0.35%)	(0.26%)	Ratio of the result of allowances on expected credit losses of financial assets and provisions for normalised contingent liabilities to the average balance of gross loans and advances to Customers, measured at amortised cost
Net Credits	**86,907,478**	**85,854,022**	**86,035,788**	**The sum of net loans and advances to Customers, measured at amortised cost and net loans and advances to Customers, measured at fair value through profit statement – from the notes to the Consolidated Financial Statements of the BNP Paribas Bank Polska Group. Balances at the end of period**
Deposits	128,811,582	130,474,799	125,112,186	Difference between Amounts due to Customers and loans and advances received from other financial entities – from the Note Amounts due to Customers from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group. Balances at the end of period
Net loans/Deposits	**67.5%**	**65.8%**	**68.8%**	**Net loan-to-deposit ratio**
Loans and advances to Customers Stage 3 and POCI non-performing	2,813,541	2,847,598	2,639,701	Categories from the note: Loans and advances to Customers measured at amortised cost from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group (Tables of Loans and advances granted to Customers broken down by Stages and segmentation of POCI loans and advances - gross presentation)
Gross loans and advances to Customers measured at amortised cost	**88,843,341**	**87,859,760**	**87,949,976**	**Category from the note: Loans and advances to Customers measured at amortised cost from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group**
Share of Stage 3 and POCI non-performing in the gross portfolio	3.2%	3.2%	3.0%	Ratio of Stage 3 and POCI non-performing loans and advances to gross loans and advances to Customers measured at amortised cost, at the end of the period
Impairment allowances (for Stage 3 receivables and POCI non-performing)	**1,461,856**	**1,537,060**	**1,526,303**	**Categories from the note: Loans and advances to Customers measured at amortised cost from the Consolidated Financial Statements of the BNP Paribas Bank Polska Group (Tables of Loans and advances granted to Customers broken down by Stages and segmentation of POCI loans and advances)**
Coverage with Stage 3 allowances and POCI non-performing	52.0%	54.0%	57.8%	Ratio of Impairment allowances (for Stage 3 receivables and POCI non-performing) to Loans and advances to Customers Stage 3 and POCI non-performing

Business segment performance

Retail and Business Banking Area

Commercial volumes

As at 30 June 2025, deposits from Customers of the Retail and Business Banking segment, on a consolidated basis, amounted to PLN 74,279,894 thousand and increased by PLN 1,616,964 thousand (i.e. by 2.2%) compared with the end of 2024. The increase concerned all major product groups. The largest increase in value was recorded by funds deposited in current accounts, which increased by PLN 754,301 thousand (i.e. by 2.3%).

The term structure of the deposit portfolio is dominated by current accounts, whose share amounted to 45.3% at the end of H1 2025 and remained unchanged compared to the end of 2024. The share of term deposits decreased by 0.4 p.p. to 36.1% and savings accounts by 0.2 p.p. to 17.4%.

The value of the Retail and Business Banking segment's net loans and advances portfolio on a consolidated basis as at 30 June 2025 amounted to PLN 42,169,180 thousand, a decrease of PLN 259,567 thousand, or 0.6%, compared with the end of 2024. In value terms, the largest decrease was observed in housing loans and overdrafts by PLN 203,035 thousand (-1.0%) and PLN 137,417 thousand (-3.5%), respectively: Consumer loans increased by PLN 201,706 thousand or 1.8% compared to the end of 2024.

The volume of gross foreign currency mortgage loans (withdrawn from the offer in 2008-2009) in the analysed period amounted to PLN 350,267 thousand (PLN 427,354 thousand at the end of 2024). Loans granted in CHF accounted for 94.4% of this portfolio. The decrease in the value of the portfolio was mainly the result of repayments and settlements with Clients. The value of the portfolio expressed in CHF decreased by 18.5% compared to the end of 2024.

Table 38. Retail and Business Banking Deposits and Loans [1]

PLN thousand	30.06.2025	31.12.2024	change PLN thousand	change %
Current accounts	33,613,298	32,858,997	754,301	2.3%
Savings accounts	12,917,836	12,747,065	170,771	1.3%
Term deposits	26,800,529	26,498,676	301,853	1.1%
Overnight	948,232	558,192	390,040	69.9%
Accounts and deposits	**74,279,894**	**72,662,930**	**1,616,964**	**2.2%**
Consumer loans	11,544,948	11,343,241	201,706	1.8%
Investment loans	4,459,017	4,502,047	(43,029)	(1.0%)
Overdrafts	3,797,666	3,935,083	(137,417)	(3.5%)
Mortgage loans	19,722,155	19,925,190	(203,035)	(1.0%)
Leasing receivables	1,832,831	1,894,859	(62,028)	(3.3%)
Credit cards	810,884	826,376	(15,492)	(1.9%)
Other loans	1,679	1,951	(272)	(13.9%)
Loans and advances (net)	**42,169,180**	**42,428,747**	**(259,567)**	**(0.6%)**

Profit before tax

In H1 2025, the Retail and Business Banking segment generated a profit before tax of PLN 483,144 thousand (compared with PLN 341,984 thousand in H1 2024), an increase of PLN 141,160 thousand, or 41.3% YoY. Excluding the negative impact of legal risk related to foreign exchange loans (which was PLN 103,491 thousand higher than in H1 2024) and credit moratoria (negative impact of PLN 203,000 thousand in H1 2024), the gross result of the segment would have been PLN 797,407 thousand, higher than in the corresponding period of the previous year by PLN 41,651 thousand. (i.e. by 5.5%).

In H1 2025, the net banking result amounted to PLN 2,022,266 thousand and was by PLN 271,025 thousand, i.e. by 15.5%, higher than in the corresponding period of 2024. The largest increase in value terms concerned net interest income (by PLN 253,036 thousand, i.e. by 18.3% YoY, excluding credit moratoria by PLN 50,036 thousand, i.e. by 3.2%) and net fee and commission income (by PLN 26,637 thousand, i.e. by 7.7% YoY).

The net banking result accounted for 48.0% of the Group's result in the analysed period. The Personal Finance area generated 21.4% of the net banking result of the Retail and Business Banking segment (down 3.8 p.p. YoY).

The Retail Banking segment recorded a decrease of 145,200 Customers in H1 2025, i.e. by 3.7% YoY.

[1] Deposit and loan volumes of selected segments have been presented on the basis of data from management information systems, due to the availability of more detailed product information. For comparability, data as at 31.12.2024 have been presented in accordance with the segmentation in force in 2025. Deposit volumes do not include balances of certain credit institutions, which are treated as interbank deposits in management reporting, but are included in Customer deposits in financial reporting; in addition, balances do not include accrued unmatured interest.

Table 39. Profit before tax of the Retail and Business Banking segment [2]

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change PLN thousand	%
Net interest income	1,632,178	1,379,142	253,036	18.3%
Net fee and commission income	374,071	347,434	26,637	7.7%
Net trading and other income	16,017	24,665	(8,648)	(35.1%)
Net banking income	**2,022,266**	**1,751,241**	**271,025**	**15.5%**
Net allowances on expected credit losses	(2,180)	(23,296)	21,116	(90.6%)
Result on legal risk related to foreign exchange loans	(314,263)	(210,772)	(103,491)	49.1%
Operating expenses and depreciation and amortization	(671,258)	(639,713)	(31,545)	4.9%
Cost allocation	(444,358)	(442,560)	(1,798)	0.4%
Operating result	**590,207**	**434,900**	**155,307**	**35.7%**
Tax on financial institutions	(107,063)	(92,916)	(14,147)	15.2%
Segment profit before tax	483,144	341,984	141,160	41.3%

Bank guarantees

In H1 2025, the Bank issued 5 bank guarantees on the orders of Customers of the Retail and Business Banking Area for a total amount of PLN 0.9 million.

Corporate Banking and Small and Medium-sized Enterprises

Commercial volumes

Corporate banking

As at 30 June 2025, deposits from Corporate Banking Customers amounted to PLN 38,102,759 thousand and were by PLN 3,153,255 thousand, i.e. 7.6% lower than at the end of 2024. In the structure of the portfolio, the share of term deposits increased significantly (from 22.1% at the end of 2024 to 27.7% at the end of H1 2025) with a simultaneous decrease in the share of current accounts (from 77.0% at the end of 2024 to 70.3% at the end of H1 2025).

The net loans and advances portfolio of the Corporate Banking segment on a consolidated basis amounted to PLN 30,354,318 thousand at the end of H1 2025 and increased by PLN 1,339,065 thousand, i.e. by 4.6%, compared with the end of 2024. The largest increase in terms of value concerned overdrafts (by PLN 985,193 thousand) and investment loans (by PLN 530,075 thousand).

Table 40. Corporate Banking Deposits and Loans [3]

PLN thousand	30.06.2025	31.12.2024	change PLN thousand	%
Current accounts	26,772,268	31,785,313	(5,013,045)	(15.8%)
Savings accounts	6,351	2,416	3,935	162.8%
Term deposits	10,569,651	9,097,787	1,471,864	16.2%
Overnight	754,489	370,497	383,992	103.6%
Accounts and deposits	**38,102,759**	**41,256,014**	**(3,153,255)**	**(7.6%)**
Investment loans	17,684,227	17,154,152	530,075	3.1%
Overdrafts	10,677,076	9,691,883	985,193	10.2%
Leasing receivables	1,744,285	1,926,914	(182,629)	(9.5%)
Factoring	247,558	239,727	7,831	3.3%
Other loans	1,172	2,578	(1,405)	(54.5%)
Loans and advances (net)	**30,354,318**	**29,015,254**	**1,339,065**	**4.6%**

Small and Medium Enterprise Banking

As at 30 June 2025, deposits of Small and Medium Enterprise Banking Customers on a consolidated basis amounted to PLN 16,144,255 thousand and were by PLN 381,413 thousand, i.e. by 2.3%, lower than at the end of 2024. The largest decrease in value concerned current accounts by PLN 556,637 thousand, i.e. by 4.3%, compared with the end of 2024, partially offset by an increase of PLN 186,743 thousand, i.e. by 5.1%, in term deposits. Current accounts accounted for 76.0% of deposits of

[2] Data based on the segmentation note included in the Consolidated Half-Yearly Report of the BNP Paribas Bank Polska S.A. Group for the six months ended 30 June 2025.

[3] Deposit and loan volumes of selected segments have been presented on the basis of data from management information systems due to the availability of more detailed product information. For comparability, data as at 31.12.2024 have been presented in accordance with the segmentation in force in 2025. Deposit volumes do not include balances of certain credit institutions, which are treated as interbank deposits in management reporting, while in financial reporting they are included in Customer deposits; in addition, balances do not include accrued interest not matured

SME Banking Customers (77.6% at the end of 2024). The share of term deposits increased from 21.9% at the end of 2024 to 23.6% at the end of H1 2025.

The net loans and advances portfolio of the SME Banking segment on a consolidated basis amounted to PLN 5,852,204 thousand as at 30 June 2025 and decreased by PLN 244,269 thousand, i.e. by 4.0%, compared with the end of 2024. The largest decrease in value concerned overdrafts (by PLN 154,586 thousand) and leasing receivables (by PLN 49,358 thousand).

Table 41. Deposits and loans of Small and Medium-sized Enterprise Banking [4]

PLN thousand	30.06.2025	31.12.2024	change	
			PLN thousand	%
Current accounts	12,273,357	12,829,993	(556,637)	(4.3%)
Savings accounts	41,662	53,756	(12,095)	(22.5%)
Term deposits	3,812,867	3,626,124	186,743	5.1%
Overnight	16,370	15,795	576	3.6%
Accounts and deposits	**16,144,255**	**16,525,668**	**(381,413)**	**(2.3%)**
Investment loans	2,949,393	2,989,406	(40,013)	(1.3%)
Overdrafts	2,435,654	2,590,239	(154,586)	(6.0%)
Leasing receivables	465,547	514,905	(49,358)	(9.6%)
Factoring	247	249	(1)	(0.5%)
Other Loans	1,362	1,673	(311)	(18.6%)
Loans and advances (net)	**5,852,204**	**6,096,472**	**(244,269)**	**(4.0%)**

Profit before tax

Corporate Banking

The Corporate Banking segment generated a profit before tax of PLN 654,337 thousand in H1 2025 (compared to PLN 714,910 thousand in H1 2024, a decrease of 8.5% YoY). The decrease in profit before tax was mainly due to negative net allowances on expected credit losses (PLN -42,164 thousand vs. PLN 530 thousand in H1 2024), lower net interest income (by PLN 38,271 thousand, or 4.9% YoY) and higher operating expenses and depreciation and amortization (by PLN 22,195 thousand, or 8.4% YoY).

The net banking result of Corporate Banking amounted to PLN 1,152,062 thousand and was slightly higher by PLN 2,021 thousand, i.e. 0.2%, compared to the corresponding period of 2024.

This result accounted for 27.4% of the Group's banking result in the period under review.

Table 42. Profit before tax of the Corporate Banking segment [5]

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change	
			PLN thousand	%
Net interest income	744,919	783,190	(38,271)	(4.9%)
Net fee and commission income	196,160	184,886	11,274	6.1%
Net trading and other income	210,983	181,965	29,018	15.9%
Net banking income	**1,152,062**	**1,150,041**	**2,021**	**0.2%**
Net allowances on expected credit losses	(42,164)	530	(42,694)	-
Operating expenses and depreciation and amortization	(286,695)	(264,500)	(22,195)	8.4%
Cost allocation	(104,509)	(108,879)	4,370	(4.0%)
Operating result	**718,694**	**777,192**	**(58,498)**	**(7.5%)**
Tax on financial institutions	(64,357)	(62,282)	(2,075)	3.3%
Segment profit before tax	654,337	714,910	(60,573)	(8.5%)

Small and Medium Enterprise Banking

The Small and Medium Enterprise Banking Customers segment generated a profit before tax of PLN 250,717 thousand in H1 2025 (compared to PLN 220,712 thousand in H1 2024, an increase of PLN 30,005 thousand or 13.6% YoY).

[4] The deposit and loan volumes of selected segments were presented on the basis of data from management information systems, due to the availability of more detailed product information. For comparability, data as at 31.12.2024 have been presented in accordance with the segmentation in force in 2025. Deposit volumes do not include balances of certain credit institutions, which are treated as interbank deposits in management reporting, while in financial reporting they are included in Customer deposits; in addition, balances do not include accrued unmatured interest

[5] Data based on the segmentation note included in the Consolidated Half-Yearly Report of the BNP Paribas Bank Polska S.A. Group for the six months ended 30 June 2025.

There was an improvement in the result from net trading and other income by PLN 5,029 thousand, i.e. by 12.5% YoY, while net interest income and net fee and commission income were lower by PLN 10,870 thousand, i.e. by 3.5%, and PLN 2,852 thousand, i.e. by 4.3%, respectively, compared with the corresponding period of 2024.

The profit before tax was positively affected by lower operating expenses and depreciation and amortization (by PLN 9,615 thousand, i.e. 13.1%) and an increase in positive net allowances on expected credit losses (by PLN 38,150 thousand, i.e. 1,234.2%).

The net banking income of Small and Medium-sized Enterprises Banking in the first half of 2025 amounted to PLN 407,180 thousand and was 2.1% lower than in the corresponding period of 2024. This result accounted for 9.6% of the Group's net banking income in the analysed period.

Table 43. Profit before tax of the Small and Medium-sized Enterprises Banking segment[6]

PLN thousand	6 months ended 30.06.2025	6 months ended 30.06.2024	change PLN thousand	change %
Net interest income	298,020	308,890	(10,870)	(3.5%)
Net fee and commission income	63,957	66,809	(2,852)	(4.3%)
Net trading and other income	45,203	40,174	5,029	12.5%
Net banking income	**407,180**	**415,873**	**(8,693)**	**(2.1%)**
Net allowances on expected credit losses	41,241	3,091	38,150	1234.2%
Operating expenses and depreciation and amortization	(63,929)	(73,544)	9,615	(13.1%)
Cost allocation	(116,945)	(111,775)	(5,170)	4.6%
Operating result	**267,547**	**233,645**	**33,902**	**14.5%**
Tax on financial institutions	(16,830)	(12,933)	(3,897)	30.1%
Segment profit before tax	250,717	220,712	30,005	13.6%

Bank guarantees

In the field of guarantees and letters of credit, the Bank offers fast and comprehensive services based on dedicated IT solutions.

In the first half of 2025, The Bank, at the request of Customers:

- **Corporate Banking Area**: issued 2,887 bank guarantees for a total of PLN 1,388.2 million, opened 462 import letters of credit for a total of PLN 294.8 million and handled 139 export letters of credit for a total of PLN 323.6 million issued by third-party banks in favour of these Customers;
- **SME Banking Area**: issued 323 bank guarantees totalling PLN 88.2 million, opened 47 import letters of credit totalling PLN 14.0 million and handled 21 export letters of credit totalling PLN 17.1 million issued by third-party banks in favour of these Customers.

[6] Data based on the segmentation note included in the Consolidated Semi-Annual Report of the BNP Paribas Bank Polska S.A. Group for the six months ended 30 June 2025.

Risk management

Risk Management System

The risk management system is an integrated set of principles, mechanisms and tools (including policies and procedures) relating to risk processes. Risk management is part of the overall Bank management system. In addition to regulatory requirements, the Bank takes into account the specific nature, scale and complexity of its business activities and the associated risk. The main objectives of the risk management system:

- ensuring early identification and appropriate management of all significant types of risk associated with the conducted activity,
- supporting the implementation of the business strategy through effective risk control and maintaining it within the accepted risk appetite,
- reflecting the Bank's adopted risk attitude and risk culture,
- measurement or estimation and monitoring of risk, including securing potential losses through appropriate control mechanisms,
- limiting risk by determining a system of limits and procedures to be followed in case of their exceedance,
- defining an organizational structure adapted to the size and profile of the risk incurred.

The risk management system operating in the Bank is organized based on the three independent lines of defense scheme, used to define roles and scopes of responsibility for effective supervision and organization of risk management in the Bank:

- **first line of defence** is made up of business units, which are responsible for managing risk in the Bank's operational activity, including compliance with control mechanisms,
- **second line of defence** is made up of designated organizational units of the Risk Area, Finance Area, Compliance Monitoring Division, and Legal Division, which are responsible for managing individual risks, including measuring, monitoring, controlling, and reporting risks, independently of the first line,
- **third line of defence** is the activity of the Internal Audit Division, which makes independent assessments of actions related to risk management carried out by both the first and second line of defense.

The supreme role in the risk management system in the Bank is played by the Bank's Management Board, which sets the risk management strategy, risk appetite, and adopts risk management policies, and sets limits for significant types of risk and risk control procedures. The principles of risk management originate from the Risk Management Strategy document in BNP Paribas Bank Polska S.A. defined by the Bank's Management Board and approved by the Supervisory Board.

The organization of the risk management system in the Bank primarily takes into account the role of the Supervisory Board, the Bank's Management Board, dedicated committees (Audit Committee and Risk Committee at the Supervisory Board level, Asset and Liability Management Committee (ALCO), Risk Management Committee, Retail Banking Committee, Personal Finance Risk Committee, Credit Committee, Difficult Loans Committee, TAC/NAC Committee and Internal Control Committee), Risk Area, Compliance Monitoring Division, and Security and Business Continuity Management Division.

Assessment of the adequacy of internal capital

The purpose of the internal capital adequacy assessment process is to monitor and control the level of the Bank's internal capital. The implementation of the ICAAP process is dictated by the desire to maintain the Bank's stable financial situation, guaranteeing the Bank's operation despite incurring unexpected losses. The Bank has a duty to ensure that the risk management process is consistent with the Bank's risk profile and that it limits excessive risk in its operation. The details of the process are defined in the Policy for estimating internal capital at BNP Paribas Bank Polska S.A.

The Bank has developed comprehensive principles for identifying and assessing risks in response to the requirements of the supervisory review and evaluation process. The principles aim to identify and assess all risks to which the Bank is or may be exposed, taking into account regulatory requirements, best practices, and the use of the Bank's proven existing risk management processes. The Bank takes into account the specific nature, scale, and complexity of its business activity and the associated risk, ensuring that all significant types of risk in the Bank's activity are measured and limited. The Bank seeks to identify and assess threats from both the internal and external environment that could have a significant impact on the Bank's financial stability.

The identification of potentially material risks involves distinguishing threats and potential risks that may occur in the future with an appropriate degree of probability.

The risk management process is tasked with:

- protecting the Bank from risk materialization,
- ensure an adequate assessment of capital needs necessary for identified risks.

The risk identification process is conducted annually at the Bank.

The assessment of the significance level of the risks identified in the identification process includes:

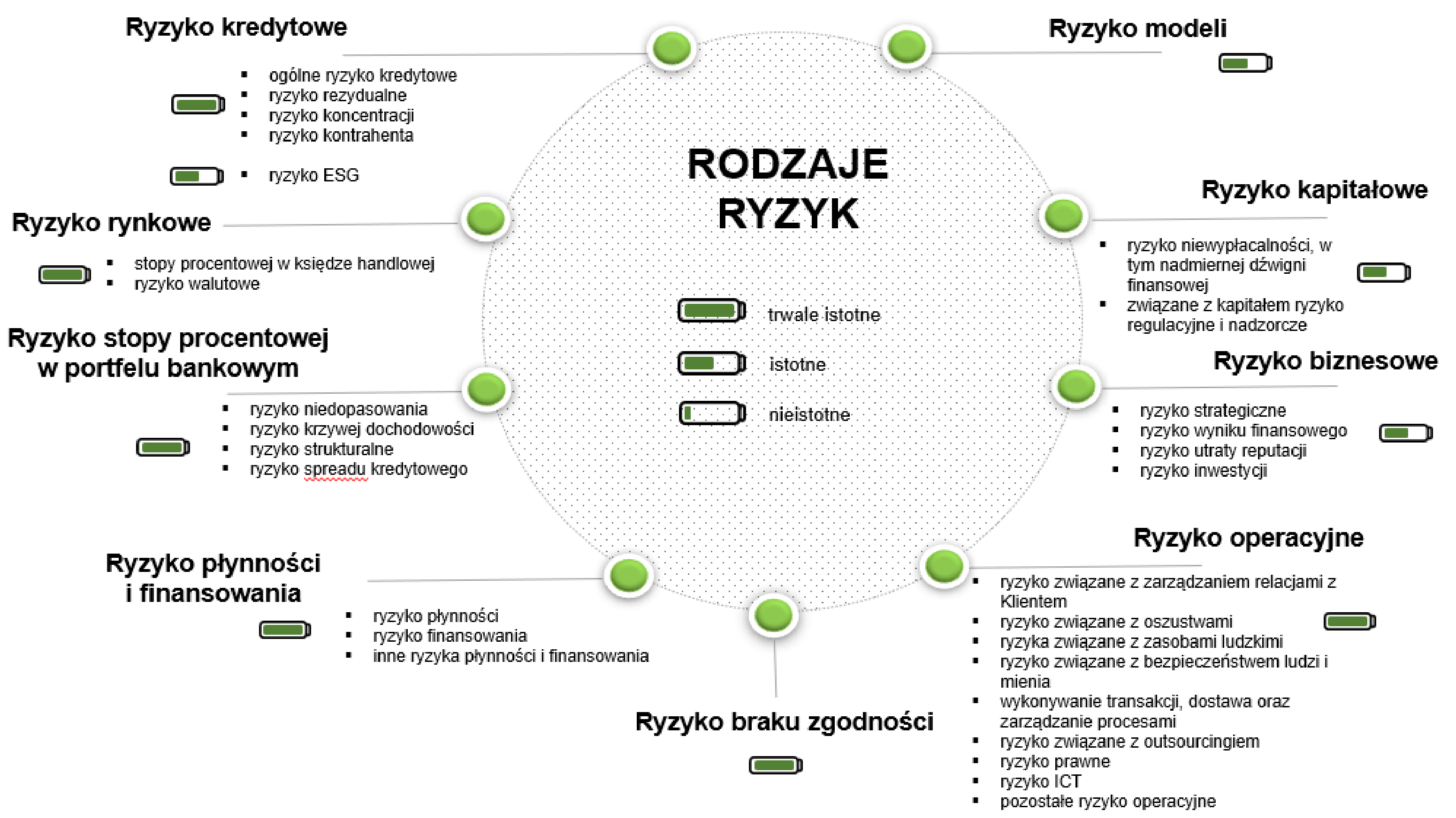
- defining the concept of risk significance,
- defining the factors determining the significance of risks,
- carrying out a risk materiality assessment,
- preparing a report from the conducted assessment.

The process of assessing the significance of risks is carried out annually in the Bank.

The Bank identifies the following types of risks:

- permanently significant - inherently linked to the profile of the activity carried out (do not require periodic significance assessment),
- significant:
- risks for which the Bank has incurred costs related to their realization in the past,
- exposure to risk, the severity of losses and the lack of adequate risk mitigation processes and procedures expose the Bank to unexpected financial losses (risks for which the significance assessment is at least medium),
- immaterial - risks for which the materiality assessment is at a low level.

As a result of the risk identification process and materiality assessment conducted in 2024, the structure of identified risks is as follows:



Internal capital reporting focuses on presenting the results of monitoring the level of internal capital and the main factors determining its level. The Bank reports capital on a monthly basis both in separate terms and on a consolidated basis. The reports are presented at the Risk Management Committee meeting on a monthly basis and on a quarterly basis for the Bank's Management Board and Supervisory Board.

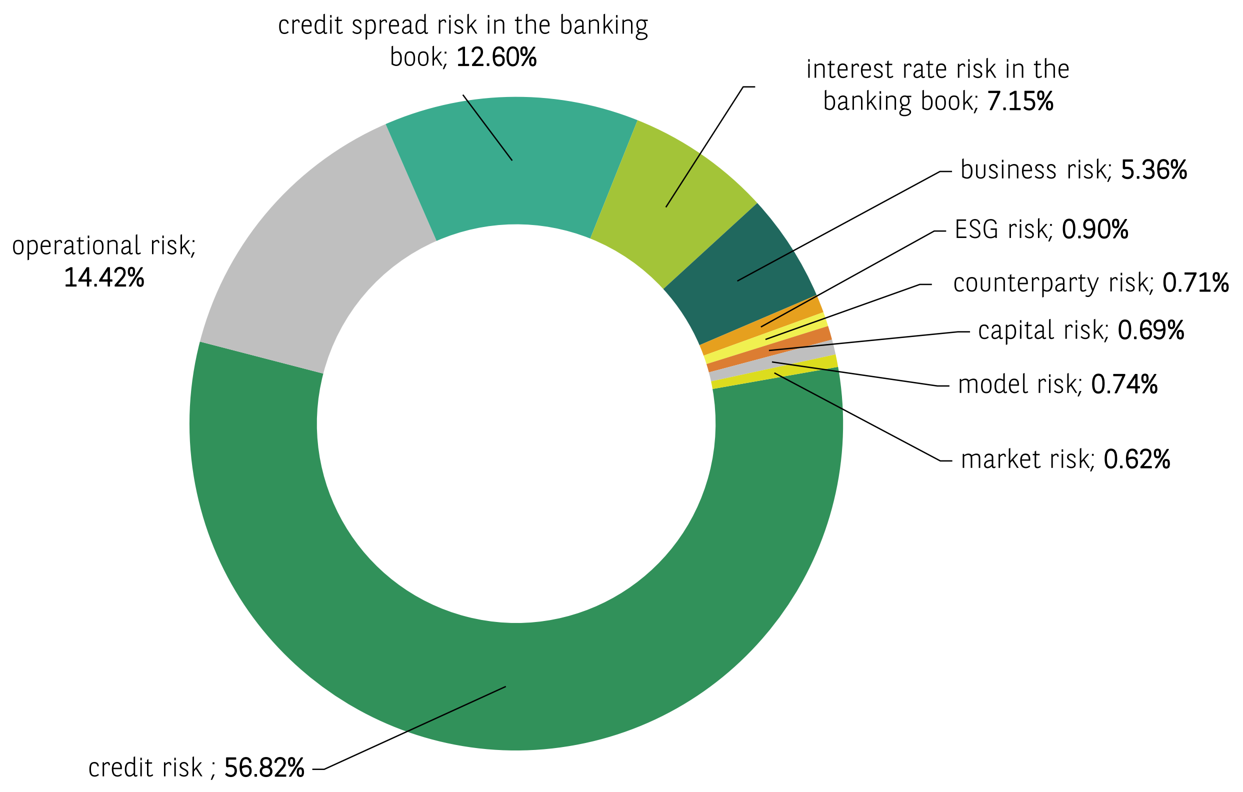
A review of the capital adequacy process is conducted once a year, and the review report is submitted to the Bank's Management Board and Supervisory Board. In addition, internal audit regularly conducts an independent review of the ICAAP process.

In order to measure risk, the Bank uses two approaches: quantitative and qualitative. The use of a particular approach is related to the characteristics of the risk.

Risk measurement methods:

- quantitative methods - are used when the Bank has information about the realization of risk and is able to measure a quantitative feature,
- qualitative methods - are used when the Bank does not have accumulated information on the historical realization of risk or the effect of risk measure variability is determined by many risk factors, from which the Bank cannot distinguish the effect related to the source of the assessed risk. The Bank considers the risk to be difficult to measure and conducts an assessment using a qualitative method, presenting qualitative characteristics of risk realization.

Chart 18. The structure of the internal capital in the BNP Paribas Bank Polska S.A. as of 30.06.2025



Risk appetite

For identified significant risks, the Bank defines the risk appetite. By setting the level of risk appetite, the Bank defines its risk profile and adopted risk posture. Risk appetite specifies the maximum level of risk that the Bank is ready to accept in pursuing the assumptions of the business strategy and financial plan.

Risk appetite, within the boundaries set by risk tolerance, determines how the Bank uses its ability to take on risk by specifying for each type of risk the degree of exposure that a given area can take. The Bank sets the level of risk appetite in the form of risk measures that reflect the Bank's current and future readiness to take on risk. All methods and procedures are subject to periodic reviews for their adequacy and accuracy. The level of risk appetite is set by the Bank's Management Board, requiring approval from the Supervisory Board.

Additionally, the Bank monitors individual types of risks using a formal limit system, which is set in such a way to:

- ensure the Bank complies with supervisory standards,
- maintain the desired risk profile defined in the business strategy and risk management strategy of the Bank,
- the limits do not exceed the level of risk acceptable by BNP Paribas Group.

In case of limit exceedances, corrective actions are taken to reduce the value of a given risk in line with existing procedures in the Bank. The information system used in risk management ensures the collection of data on operations and transactions and their impact on the Bank's risk profile. The Bank has rules for risk control and risk management that include procedures for dealing with crisis events.

Stress tests

In accordance with the Methodology of the stress test program in BNP Paribas Bank Polska S.A. The Bank performs, among others, the following types of bottom-up tests:

- stress tests based on the recommendations of the Financial Supervision Authority,
- business model stress tests,
- internal capital stress tests,
- recovery plan stress tests.

Stress tests are an important tool in the risk management process. They allow extending risk measurement to sensitivity to non-standard changes in market parameters, significantly deviating from changes observed during normal functioning of financial markets. The aim of the stress test program is to estimate potential risks to which the Bank is exposed under hypothetical market conditions. Macroeconomic assumptions are developed by the Bank's Chief Economist. The stress test program fulfils the requirements of EBA/GL/2018/04 guidelines dated July 19, 2018, concerning stress tests.

The stress testing program includes:

- sensitivity analysis,
- scenario analysis,
- reverse stress testing.

The Bank conducts tests referring to the level of risk appetite expressed in the form of risk appetite measures and capital targets set out in the Capital Management Policy in BNP Paribas Bank Polska S.A. Through stress tests, the Bank assesses the credibility of its financial plan and capital plan under extreme conditions, to ensure that the Bank meets the capital requirements that apply to it. The Bank's Management Board approves the stress test program and supervises its implementation and results.

Principal types of risk

Credit risk

Credit risk is the risk of the Bank incurring a loss due to a failure to fulfil obligations within the time specified in the agreement as a result of a deterioration or loss of creditworthiness by the Customer.

The Bank's credit risk management system has been specified in the Credit Policy of BNP Paribas Bank Polska S.A. adopted by the Management Board. Detailed rules and criteria for financing within the product offer of a given business line, types of available loans, financing objectives, conditions and limits are specified in the credit policies for individual business lines. The Bank's intention, in accordance with the criteria of the credit policy, is to cooperate with Customers characterized by a good reputation and a good economic and financial situation.

Credit policies also establish detailed rules for identifying, measuring, and accepting risk, securing the repayment of the loan, and monitoring Customers during the term of the loan agreement.

The credit risk management process is organizationally adapted to the business line structure adopted in the Bank. A key role in the credit risk management system is played by the organizationally distinct Risk Area, which is headed by a member of the Management Board (Chief Risk Officer). Activities in the area of credit risk management are supported by the Risk Management Committee and the Retail Banking & Personal Finance Risk Committees.

The Bank assesses the risk of borrowers using rating and scoring classification systems and risk classification according to IFRS standards.

Credit decisions are made in accordance with the decision-making model approved by the Bank's Management Board and adapted to the standards applicable in the BNP Paribas group. The decision-making model takes into account the structure of business lines, establishes the number of decision-making levels, the scope of their competences, and the rules, criteria, and conditions for making credit decisions. The thresholds for decision-making powers depend on criteria such as the Customer segment, Customer risk profile, and loan period. At all competency levels, credit decisions are made in a two-person mode (the "four eyes" principle) by a representative of the business line and a representative of the organizational unit responsible for an independent assessment of the Customer's risk and transaction. For Customers whose credit risk assessment is made using simplified risk assessment rules or risk assessment models, including scoring models approved by the Risk Management Committee or Retail Banking Committee, Personal Finance Committee, credit decisions can be made unilaterally by representatives of business lines.

In terms of credit risk management, the Bank follows the following principles:

- each credit transaction requires a comprehensive assessment of credit risk, the result of which is an internal rating or scoring assessment,
- thorough and careful financial analysis forms the basis for recognizing the credibility of the Customer's financial data and information about the value of security; the Bank's prudent analyses always take into account the necessary safety margin,
- as a general rule, the basis for financing a Customer is their ability to generate cash flows that ensure repayment of obligations to the Bank,
- the prepared credit risk assessment is subject to additional verification by credit risk assessment services independent of business services,
- the pricing conditions of the credit transaction must cover the risk of this transaction,
- credit risk is diversified in terms of geographical areas, economic sectors, products, and Customers,
- only authorized persons can make credit decisions,
- the Customer and the transactions concluded with him are monitored in a manner transparent to the Customer and strengthening relations with the Customer.

Credit risk management in the Bank's subsidiaries

Principles of credit risk management are defined in the Credit Policy of BNP Paribas Bank Polska SA.

The Bank recommends, reviews, and accepts the policies, principles, and methodologies used by the companies in managing credit risk.

In the Bank and its subsidiaries, methods of credit risk management are used in parallel, including:

- a rating system for Corporate Banking and Small and Medium Enterprises Banking Customers,
- risk classification system according to IFRS standards,
- assessment of the creditworthiness of the Bank's and subsidiaries' common Customers,
- credit decision-making model,
- the Bank's internal limit system for concentration risk, including limits on receivables portfolios of subsidiaries.

Measurement of impairment of financial assets

The principles used by the Group in measuring impairment are described in Note 3a. Impairment of financial assets within the Consolidated Half-Yearly Report for the six months ended 30 June 2025.

In H1 2025, as part of the adjustment of the level of write-downs to expectations of the future macroeconomic situation, the level of write-downs increased by PLN 5,679 thousand, stemming from the update of forecasts for macroeconomic variables included in the utilized IFRS9 model. In Q2 2025, due to significant market uncertainty, the Group decided not to include the impact of changes in projections of macroeconomic variables in the Bank's result, thereby maintaining more conservative assumptions for the estimation of write-downs.

In H1 2025, the Group introduced the following significant changes to the IFRS9 model:

- adjustment in the granularity of EAD depreciation and amortization in the ECL calculation formula. After the change, ECL for the portfolio in Stage 1 and Stage 2 is calculated on a quarterly basis instead of annually and then aggregated to the appropriate horizon considering the effect of discounting. The change resulted in a decrease in the level of write-downs by PLN 46,226 thousand,
- update to the PD model for the portfolio of economic entities with full reporting, which resulted in the release of PLN 18,889 thousand of write-downs. The change involved calibrating the model to estimate the impact of macroeconomic factors on the level of credit losses, based on the inclusion of observations from June 2023 to June 2024. Its introduction allowed for a more accurate representation of dependencies and the elimination of unrealised conservatism included in previous forecasts.

In H1 2025, the Group did not recognise any significant movements in the level of Post Model Adjustments held for risks not directly reflected in the IFRS9 model. The level of Post Model Adjustments in the form of PMAs as at 30 June 2025 amounted to PLN 229,359 thousand compared to PLN 232,031 thousand as at 31 December 2024.

Debt restructuring and recovery

In H1 2025, a total of PLN 827.6 million of receivables were collected, of which:

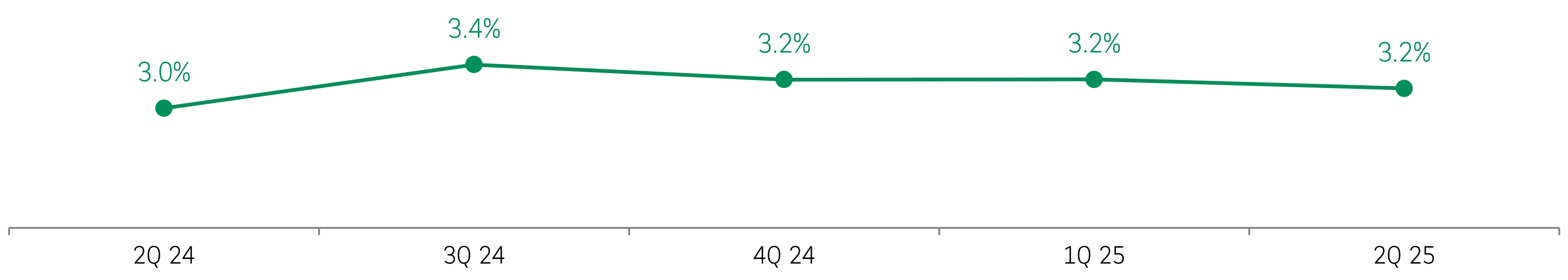
- PLN 245.9 million - as a result of portfolio restructuring (corporate entities PLN 169.5 million, SMEs PLN 71.8 million, micro-enterprises PLN 2.6 million, retail Customers PLN 1.5 million, mortgage loans PLN 0.6 million),
- PLN 550.8 million - as a result of debt collection activities (retail Customers PLN 269.1 million, micro-enterprises PLN 162.3 million, mortgage loans PLN 73.3 million, corporate entities PLN 23.1 million, SMEs PLN 23.0 million),
- PLN 30.9 million - as a result of the sale of the impaired portfolio.

Loan portfolio quality

Structure of loans by stage

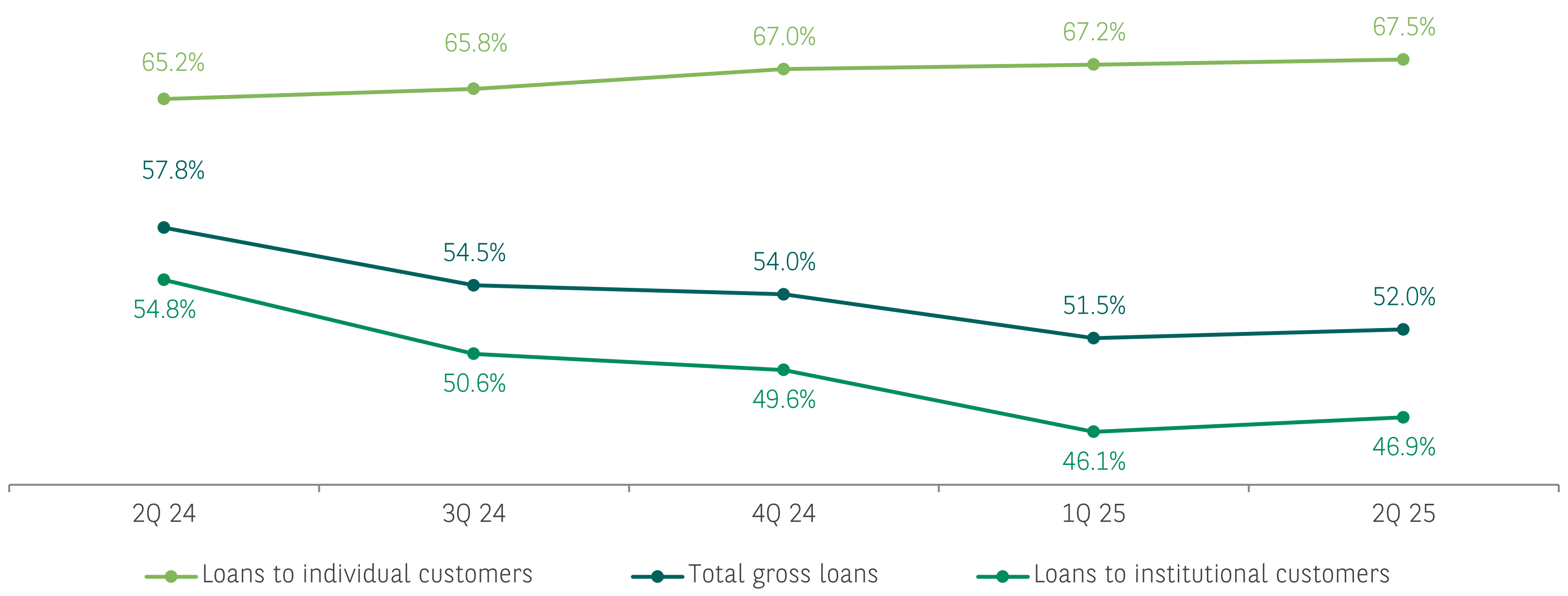
The share of loans measured at amortised cost classified as Stage 3 and non-performing POCI as at 30 June 2025 remained at 3.2%. Maintaining the ratio at a low level was made possible by the high efficiency of actions at the various stages of non-performing loans in the process of active NPL portfolio management, particularly due to effective monitoring of customers potentially at risk of entering Stage 3 and the high efficiency of debt recovery actions.

Chart 19. Share of receivables measured at amortised cost classified into Stage 3 and non-performing POCI



As at 30 June 2025, the write-down coverage of the portfolio classified as Stage 3 and non-performing POCI was 52.0%, a slight decrease from the coverage level observed at the end of 2024.

Chart 20. Provisioning coverage of the portfolio classified as Stage 3 and non-performing POCI



Detailed information on the quality of the portfolio is presented in the financial performance section of the loan portfolio section of this Report.

The Group also actively monitors the structure of the loan portfolio, including in particular the industry structure. Details are described in the subsection Concentration risk.

Concentration risk

Concentration risk is an inherent risk that the Bank takes as part of its statutory activities and is subject to a specific process and management rules.

The Management Board assesses the adopted concentration risk management policy in terms of how it is applied, particularly in terms of checking its effectiveness and adequacy of the implementation of principles in the context of current and planned activities and taking into account the risk management strategy. In the event of significant changes in the Bank's environment or risk management strategy, the adequacy of the concentration risk management process is reviewed immediately after this event occurs.

To limit concentration risk, mechanisms for identifying and measuring concentration risk and concentration limits, including large exposure limits, are used. They allow for monitoring and maintaining diversification of the credit portfolio at levels consistent with the Bank's strategy and risk appetite. The Bank's limit system also takes into account external conditions and macroeconomic and sector perspectives.

As at the end of June 2025: the limits on a consolidated and separate approach as defined in Article 395 of the EU Regulation No. 575/2013 were not exceeded with respect to BNP Paribas S.A. Group entities and amounted to 9.53% of Tier 1 capital on a consolidated approach.

In the case of the exposure limit to entities outside the BNP Paribas S.A. Group, the limits were also not exceeded, the largest exposure constituted 18.92% of Tier 1 capital on a consolidated approach.

Internal limits for credit concentration risk are set, among others, for:

- selected business sectors/industries,
- exposures denominated in foreign exchange
- Customer segment (internal Customer segmentation),
- loans secured by a particular type of security,
- geographic regions,
- average probability of default (PD),
- exposures with a specific rating (the Bank's internal rating scale),

- exposures with a specific debt-service-to-income ratio,
- exposures with a specific loan-to-value ratio.

Actions limiting the Bank's exposure to concentration risk can include system-wide actions as well as actions related to individual/specific decisions and transactions. The Bank includes the following in system-wide actions:

- limiting the scope of lending to a particular type of Customer, by modifying the conducted credit policy,
- reducing limits on concentration risk,
- diversification of asset types at the level of the Bank's financial statement,
- changing the business strategy in such a way as to counteract excessive concentration,
- diversification in terms of the types of accepted securities.

The Bank categorizes actions limiting single / specific decisions and transactions as follows:

- limiting further transactions with a given Customer or group of related Customers,
- sale of selected assets / credit portfolios,
- securitisation of assets,
- establishing new security for existing or new credit exposures.

The industry concentration analysis conducted by the Bank covers all of the Bank's credit exposures to institutional Customers.

Chart 21. Industry participation in the portfolio of institutional Customers' loans (industries above 5%)

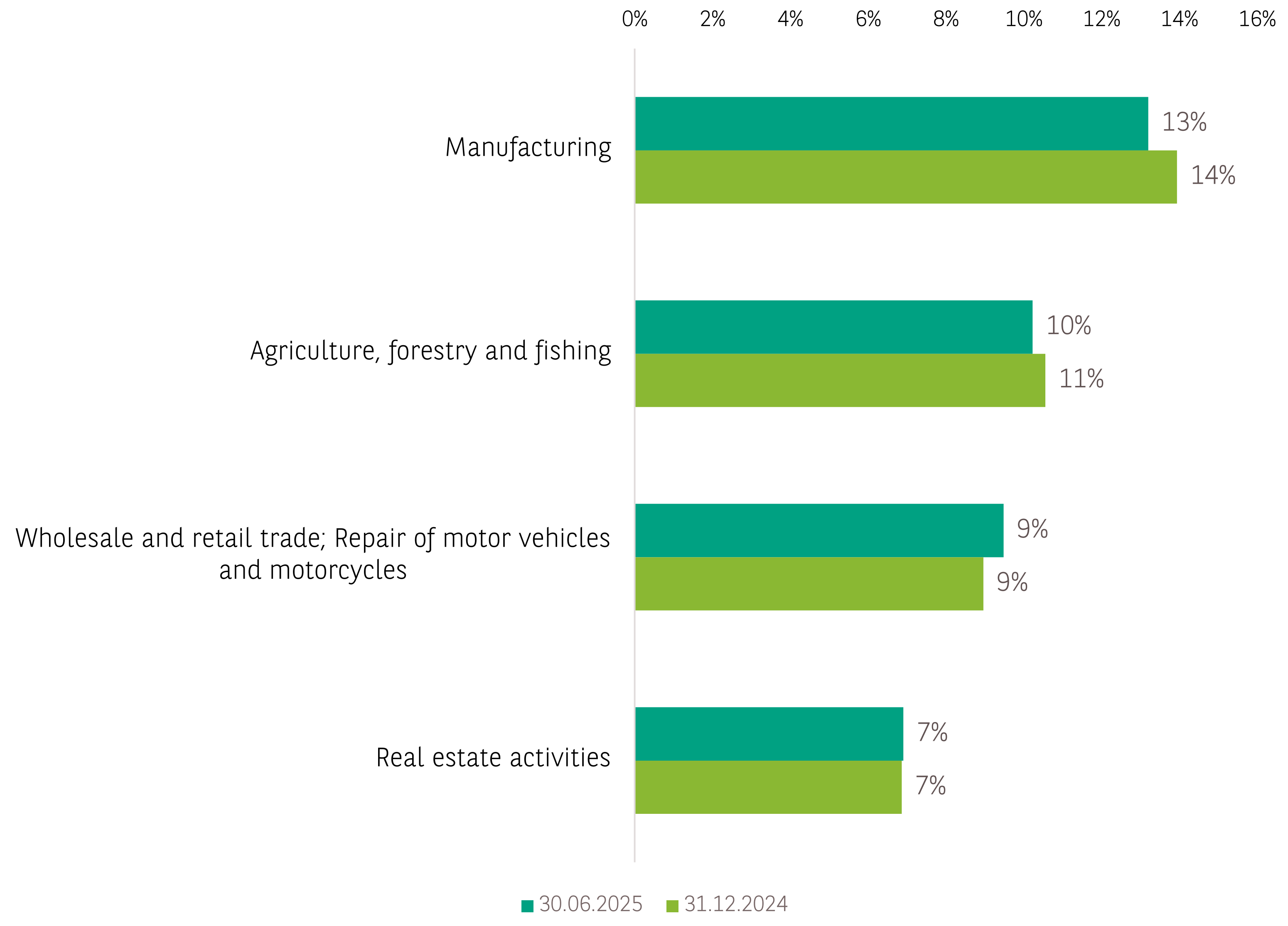
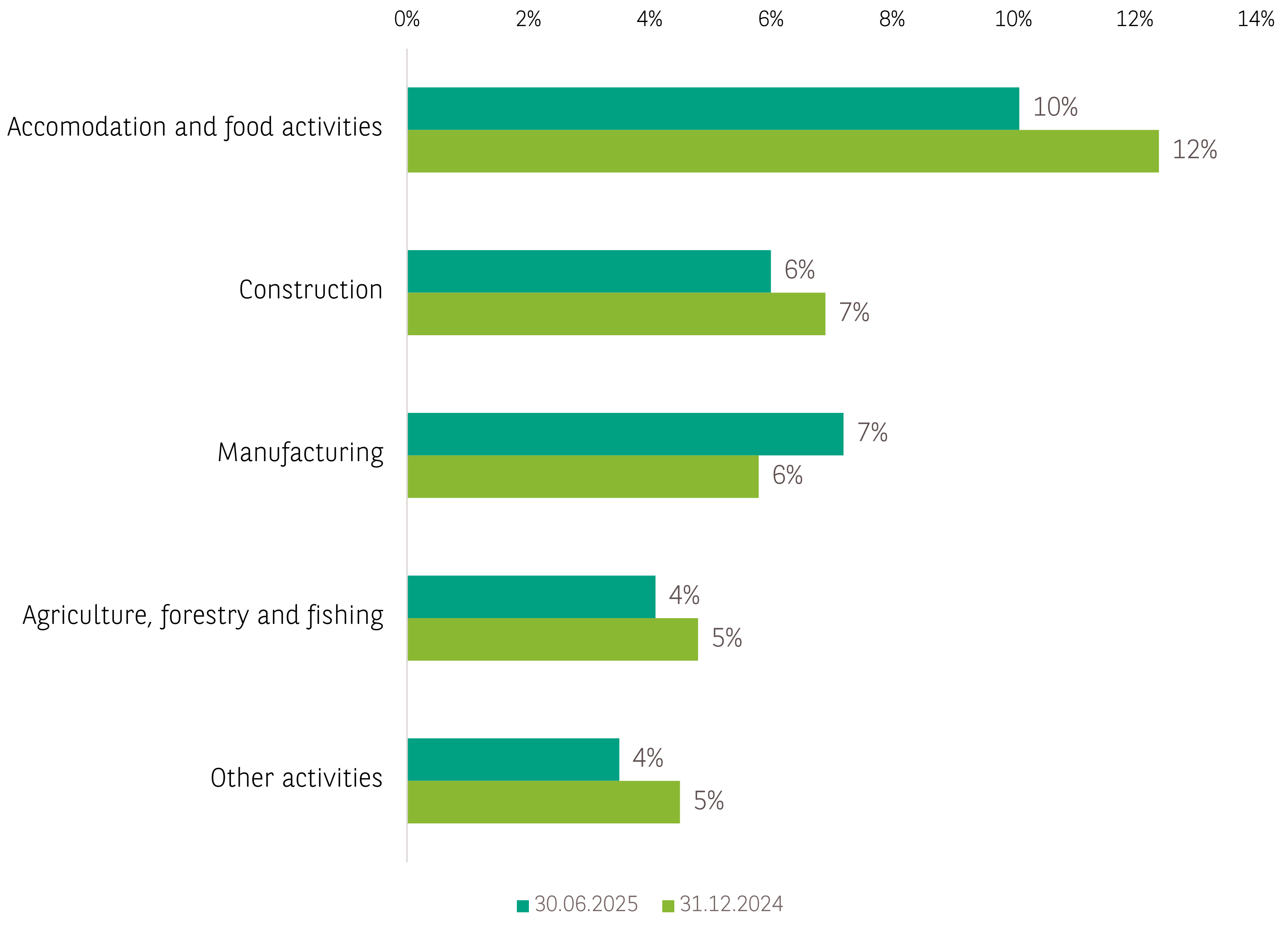


Chart 22. The share of loans with recognized loss of value (over 5%) in the portfolio of a given industry



The highest share in the portfolio has the "Industrial Processing" sector, where the share of risky loans is 7%. Meanwhile, the industry with the highest share of risky loans is "Accommodation and catering services", which constitutes only 1% of the balance sheet exposure to Institutional Customers.

More detailed information on industry engagement can be found in Note 51 of the Interim Consolidated Report for the period of 6 months ended 30 June 2025.

In connection with the ongoing war in Ukraine and economic sanctions issued against Russia and Belarus, the Bank has analysed credit exposures directly related to these countries and on this basis has not identified significant exposures in both the Institutional Customers and Retail Customers portfolios.

Counterparty risk

Counterparty risk is a credit risk relating to the counterparty with which financial market transactions are entered into and for which the amount of the obligation can assume different values over time, depending on market parameters. Therefore, counterparty risk is associated with transactions whose value can change over time depending on factors such as interest rates or exchange rates. A different exposure value can affect the counterparty's solvency and is crucial for the counterparty's ability to fulfil its obligations at the time of transaction settlement. The Bank determines the level of exposure based on the current valuation of contracts and the potential future change in exposure value, which depends on the type of transaction, the type of counterparty, and settlement dates.

As of the end of June 2025, the counterparty risk calculation included the following types of transactions: foreign exchange transactions, interest rate swaps, currency options, interest rate options, and commodity derivatives.

The assessment of counterparty credit risk for transactions generating counterparty risk is analogous to granting credit products. This means that these transactions are covered by limits whose value directly results from the assessment of Customers' creditworthiness, carried out similarly to the needs of offering credit products. The assessment also takes into account the specific nature of the transactions, especially their variable value over time, or their direct dependence on market parameters.

The rules for concluding foreign exchange transactions, derivative transactions, and granting, utilizing, and monitoring credit limits for transactions covered by counterparty risk limits are regulated by dedicated procedures. According to the adopted policy, the Bank concludes all transactions based on individually granted limits and takes into account its knowledge of the Customer. The Bank has defined product groups which are offered to Customers depending on their knowledge, experience, and risk tolerance. The Bank has transparent rules for securing counterparty risk exposure.

ESG risk

ESG risk management principles

As part of the Bank's risk identification and evaluation principles, a separate group of risk factors related to environmental, social, and governance factors was defined. In the process of identifying risks, the significant impact of ESG factors on credit risk was recognized. Given that ESG factors are not yet comprehensively covered within the quantitative measurement of credit risk, it was decided to separate ESG risk as a category of difficult to measure risk until ESG factors are included in credit parameters. As a result, the Bank included ESG risk in the internal risk management framework by recognizing ESG risk as a subtype of credit risk in the Risk Management Strategy and Risk Appetite. To limit and control the risk, principles for measuring ESG risk were also developed in the process of determining the Bank's internal capital (ICAAP). The capital plan for 2022-2025 was supplemented with limits to cover ESG risk, determined based on the conducted risk measurement. ESG risk management principles were also developed, which include provisions on risk monitoring and reporting, and stress tests.

Factors considered in ESG risk analysis

Environmental factors:

- greenhouse gas emissions,
- energy consumption and efficiency,
- water, air and soil pollution,
- efficient management of water consumption (risk of freshwater scarcity),
- soil degradation,
- deforestation,
- consumption of natural resources,
- waste management,
- biodiversity and ecosystem protection,
- risk of not transitioning to renewable energy sources,
- developments in the field of low-emission technologies and other environmental technologies (transition risk),
- regulatory restrictions, including additional taxes and fees e.g., carbon tax (transition risk),
- physical risks related to climate change (extreme weather events and gradually deteriorating climatic conditions), including the effects of natural disasters that may result in, among others, a decrease in asset values,
- changes in consumer attitudes and preferences related to growing awareness of environmental risk,
- risk of financial liability for the negative impact of activities (compensation, penalties).

Social factors:

- social inclusion,
- supporting social cohesion,
- respect for diversity,
- protection of whistleblowers,
- investments in human and social capital,
- counteracting discrimination of any kind
- combating inequality and promoting equality of opportunity,
- safe and healthy working environment,
- Health and safety of Customers, local communities, surroundings,
- Protection of Customer privacy,
- training and development,
- disregard for human rights (forced labor, child labor, modern slavery),
- violation of labor rights: the right to associate, the right to strike, the right to collective agreements, ethical standards of employment,
- risk of lack of prevention against terrorism and cybercrime,
- infectious diseases (affecting humans or animals),
- financial liability risk for negative impact of operations (compensation, penalties).

Governance factors:

- unethical and unfair business practices,
- non- alignment with corporate governance standards (code of ethics, complaint and irregularity reporting mechanisms, transparency of information),
- gender diversity in corporate bodies,
- internal Audit,
- independence of the board,
- executive compensation,
- abuses and corrupt practices,
- shareholder rights,
- stakeholder engagement,
- faulty ESG risk control systems,
- supply chain requirements,
- alignment with non-financial sector regulations,

- financial liability risk for negative impact of operations (compensation, penalties).

The Bank recognizes that risks related to environmental protection, social policy and corporate governance can pose a significant risk to businesses and a systemic risk to the economy. In order to manage this risk, the Bank monitors the work of supervisory bodies and legislative proposals concerning the financial sector.

ESG analysis in the credit process

In 2021, in response to the requirements of the EBA/GL/2020/06 Guidelines of 29 May 2020 on loan origination and monitoring, the Bank developed ESG assessment questionnaires that have been implemented in the credit process for corporate, SME and Micro corporate Customers. The aim of the assessment is to identify any risks associated with ESG factors affecting Customers' financial situation, as well as the impact of Customers' business activities on ESG factors.

The Bank also uses a comprehensive assessment of the level of sophistication of its Customers' sustainability practices (ESG Assessment). The analysis is carried out on the basis of questionnaires that correspond to EU regulations in the area of sustainable development and focus on ESG factors relevant to the industry concerned. Thanks to the comprehensiveness of the issues analysed, the Bank.:

- assesses the scale of Customers' engagement in key areas of their social and environmental impact,
- determines whether Customers are aware of sustainability challenges and what commitments and actions they are taking,
- monitors progress in the implementation of ESG practices.

The ESG Assessment process involves both strategic Customers and selected corporate Clients with credit commitments.

The Bank also follows the Equator Principles (EP), which serve to identify, assess, and manage the risks associated with financing a given project and its impact on the natural environment and society. The Principles provide minimum standards for conducting project due diligence.

The Bank, like the entire BNP Paribas Group, also adheres to the following:

- **Ocean protection policy** which establishes criteria for financing activities deemed risky for the environment and oceanic biodiversity,
- **Human Rights Policy,** which sets ethical standards and ensures respect for human rights in all actions taken by the Bank.

Sector policies

The sector policies applied by the Bank identify nine sectors as particularly sensitive due to ESG risks. These are the coal energy, mining, oil and natural gas, nuclear, forest - pulp, forest - palm oil, tobacco, agri-food, defense and security sectors.

All entities operating in these sectors that wish to become a Bank Customer or obtain financing are obliged to fulfill the requirements described in the Bank's sector policies. At the same time, the Bank made a strategic decision to stop servicing the sectors most harmful in terms of sustainable development.

as of 2018

The Bank is implementing an exit process from tobacco financing.
No new Customers from this sector will receive financing from the Bank

in 2020

The bank has tightened its policy towards Customers whose business involves thermal coal

as of 2020

Bank to discontinue financing of fur farming sector

in 2023

The Bank has tightened its policy towards the oil and gas sector. The bank does not finance the development of new oil and gas fields

Table 44. Sector policies

Sector	The Bank's commitments
Coal energy sector	• the Bank will not start cooperation with any new Customer who obtains more than 25% of its revenue from coal energy and coal-based activities. • the Bank will only cooperate with coal energy companies that have a coal exit strategy by 2030, both for their owned and operated coal-fired power plants. • the Bank will not provide financial products or services for new coal energy projects, regardless of their location, or for the modernization of existing coal power/heat plants aimed at extending their usage period or increasing their production capacity.
Mining sector	• the Bank will not provide any financial products or services to infrastructure companies significantly involved in the coal energy industry. • the Bank will not provide any financial products or services to entities belonging to mining groups that produce over 10 million tons of coal energy annually or obtain over 20% of their revenue from coal energy.

	• the Bank will not provide any financial products or services for thermal coal or metallurgical coal mining projects.
Oil and gas sector	• the Bank will not finance the development of new oil and gas deposits. • the Bank does not provide financing for investments related to the exploration and extraction of oil and gas from unconventional deposits, nor for pipelines and export terminals primarily fuelled by unconventional LNG. • the Bank does not finance any oil and gas projects or infrastructure related to such projects in the Arctic and Amazon regions and the Esmeraldas province in Ecuador.
Nuclear sector	• as a financial institution, the Bank can offer its products and financial services to government entities supporting businesses developing non-military nuclear energy. The Bank believes that for countries planning to develop nuclear energy or new power plants, as well as for the international community, it is not only necessary to act in accordance with safety requirements and population protection, but also to act with regard for environmental protection for future generations. • through the application of the Sector Policy, the Bank wants to ensure that the projects it could finance are in line with the principles of monitoring and mitigating the social and environmental impact of the nuclear energy sector.
Forestry sector - tree pulp	• the Bank has noted that due to the process of tree pulp production, the heavy industry activity has a significant impact on the environment, pollution of water, soil and air, as well as on the health and safety of pulp mill workers and the surrounding communities. • the Bank wants to support responsible producers who implement sustainable development practices in the tree pulp production sector.
Forestry sector - palm oil	• the Bank refrains from financing or investing in businesses that actively contribute to deforestation or violate the rights of local communities. • the Bank wants to support responsible producers who implement sustainable development practices in the palm oil production sector.
Tobacco sector	• the Bank is in the process of exiting financing for tobacco product manufacturers, as well as growers and wholesalers whose main business is related to tobacco.
Agri-food sector	• the Bank provides a wide range of financial products and services for the agri-food sector across the value chain. The Bank's partners are distinguished by a high level of responsibility, which is reflected in the commitment to feed people with healthy and safe products in a way that does not threaten food supplies for future generations. • since 2021, the Bank has introduced new criteria for companies engaged in activities related to soy and beef in the Brazilian Amazon and Cerrado. The Bank will offer financial products or services exclusively to companies that have adopted a zero-deforestation strategy in their production and supply chains no later than 2025.
	• for the Amazon, the Bank will not finance Customers producing or purchasing beef and soy from areas cleared or converted after 2008, in the case of Cerrado, in areas cleared or converted after January 1, 2020, in accordance with global standards. • for all Customers, the Bank will require full traceability of beef and soy supply chains (direct and indirect) by 2025. • the Bank encourages Customers to engage in transitioning to systems that include cage-free infrastructure for broilers and laying hens by 2025, and to implement the Responsible Minimum Standards of the FARMS Initiative by encouraging all poultry companies (broilers and laying hens) to adhere to a maximum stocking density of 30 kg/m^2.
Defence and security sector	• the Bank finances defence and security-related entities only if they comply with their obligations under current legislation and concessions, as well as ratified international conventions. The Bank requires such entities to be transparent about the nature of their activities, control structure and ownership, down to the level of the beneficial owner. • the Bank does not provide products or any services to entities that have been assessed as having any links with controversial weapons.

Market risk (including interest rate risk in the trading book and currency risk)

The process of managing market risk in the Bank is divided into managing interest rate risk in the trading book and currency risk. The process is centralized, which means that all transactions exposing the Bank to the above-mentioned risks are transferred to the Financial Markets Division, which is the unit responsible for operational risk management within the granted limits. The unit responsible for measuring and monitoring the level of market risk is the Market and Counterparty Risk Department, organizationally separate up to the level of the Bank's Management Board from the units conducting activities exposing the Bank to risk. The key participants in the market risk management process are the Risk Management Committee, the Management Board and the Supervisory Board, which, within the competences and responsibilities set out in written regulations, grant and allocate amounts of market risk limits, the level of risk appetite and monitor their use and the compliance of the conducted activities with the adopted strategy.

In measuring market risk, the Bank uses, among other methods, the Value at Risk (VaR) method. This is the change in the market value of an asset component or asset portfolio under specific assumptions regarding market parameters, in a specified time period and with a given probability. It is assumed that VaR for currency risk monitoring purposes is determined with a 99% confidence level in a one-day time horizon. The VaR methodology is subject to at least an annual process of evaluating the quality of the implemented models, including by performing a test that involves comparing forecast values and values determined based on actual changes in risk factors, assuming a constant open position (historical verification or "back testing").

In addition to VaR, in the process of managing market risk, the Bank used a number of other measures, such as open position limits for a given risk factor, loss limits, the analysis of the results of stress tests, as well as gamma and vega limits for option instruments.

Interest rate risk in the trading book is the risk of adverse changes in the Bank's financial result or the value of the Bank's capital, due to one of the following reasons:

- differences in the timing of interest rate changes on the Bank's assets and the liabilities financing them (mismatch risk),
- differences in the base rates that form the basis for determining the interest rate on positions with the same revaluation term (basis risk),
- changes in market interest rates, which affect the fair value of the Bank's open positions (interest rate volatility risk).

Interest rate risk in the trading book has been classified as significant, while the economic capital allocated to this type of risk constitutes less than 1% of the Bank's total economic capital.

Exposures to interest rate risk were the main source of risk in the trading book. The Bank assesses this risk level as moderate. In addition to linear risk instruments, the Bank maintained a small open position in interest rate options to ensure the possibility of servicing Customer transactions at more favorable pricing conditions.

The following table shows the level of interest rate risk in the trading book in terms of Value at Risk with a 99% confidence level in a one-day time horizon, allowing to estimate the sensitivity of the Bank's result to changes in market interest rates, including in particular potential losses.

Table 45. Level of interest rate risk in the trading book in terms of VaR with a 99% confidence level over a one-day time horizon

IR VaR (PLN thousand)	H1 2025	H2 2024
Medium	2,299	2,272
Maximum	2,969	3,179
Minimum	1,939	1,951

Foreign exchange risk is the risk of adverse changes to the Bank's financial result due to changes in market exchange rates.

The Bank conducts activities resulting in currency positions sensitive to changes in exchange rates. At the same time, it strives to limit exposure to foreign exchange risk arising from offering Customers products in foreign currencies. The Bank conducts limited activity on the foreign exchange market aimed at realizing the financial result from short-term arbitrage positions. In addition to instruments with linear risk characteristics, the Bank maintained a small open position in currency options to ensure the possibility of servicing Customer transactions at more favorable pricing conditions.

Foreign exchange risk has been classified as significant, while the economic capital allocated to this type of risk constitutes less than 1% of the Bank's total economic capital.

The following table presents the level of currency risk in terms of Value at Risk with a 99% confidence level in a one-day time horizon, allowing to estimate the sensitivity of the Bank's result to changes in market interest rates, including in particular potential losses.

Table 46. The level of foreign exchange risk in terms of Value at Risk with a 99% confidence level in a one-day time horizon

FX VaR (PLN thousand)	H1 2025	H2 2024
Medium	290	278
Maximum	1,693	953
Minimum	25	21

Interest rate risk in the Banking portfolio

The Group's core business activity - granting loans and accepting deposits from Customers - results in the creation of open interest rate risk positions, which are transferred from business lines to portfolios managed by the Asset and Liability Management Division through a transfer pricing system.

Structural elements (a stable part of current accounts insensitive to interest rate changes and capital) are hedged with transactions with longer maturities. The Group's intention for the remaining portfolio is to close the interest rate risk.

When defining the interest rate risk profile, the Group takes into account not only contractual parameters, but also the actual characteristics of products resulting from Customer behaviors and embedded options using models e.g., for current accounts, savings accounts, fixed-rate loans, credit cards.

Modeling product behavior divided into business lines allows for the separation of stable and unstable parts, responding in different ways to interest rate changes.

The Group's policy on interest rate risk defines the following basic types of interest rate risk analysis (combined and broken down into major currencies):

- mismatches mismatch in the revaluation terms of assets and liabilities in individual terms (so-called "gapping") for a Banking portfolio,
- interest income sensitivity outlier test (SOT NII) in accordance with regulatory guidelines,
- outlier test for the economic value of capital (SOT EVE) in accordance with regulatory guidelines,

- sensitivity of interest income to defined - expected and crisis - scenarios of shifts in interest rate curves, assuming different scenarios of interest rate curves (EaR),
- the amount of interest income under defined scenarios of changing interest rate curves for the position effectively managed by the Asset and Liability Management Division (NII),
- sensitivity due to different reference rates (base risk),
- average duration of capital investment and non-interest bearing current accounts (so-called structural elements),
- sensitivity of fair value to parallel shift in interest rate curves by 1 basis point and to shift in interest rate curves by 1 basis point at a selected curve node,
- sensitivity of fair value, expressed in the form of notional amount of an annual transaction (position) with the same sensitivity (OYE).

The above analyses are a fundamental part of the system for limiting interest rate risk in the Banking book. Individual analyses are carried out on a daily, monthly or quarterly basis. In addition, the Group conducts sensitivity analyses for extreme conditions for the Banking portfolio, using significantly larger changes in interest rates than those usually observed (extreme condition tests).

The table below presents the interest rate gap for the Banking portfolio as of 30 June 2025. The gap shows net revaluation amounts in individual time intervals for positions, broken down by product. The use of established limits is below the maximum values.

Table 47. Interest rate gap

PLN thousand	to 1 month	1-3 months	3-12 months	1-5 years	above 5 years	Total
Cash and Balances at Central Bank	7,556,716	-	-	-	-	7,556,716
Amounts due from Banks	9,195,330	-	111,000	-	-	9,306,330
Loans granted to Customers	31,271,073	28,687,422	12,480,176	12,002,612	1,606,517	86,047,800
Securities	136,806	4,141,200	3,484,406	29,783,035	20,326,958	57,872,405
Other assets	343,167	125,224	306,715	1,640,918	771,322	3,187,346
Total assets	**48,503,092**	**32,953,846**	**16,382,297**	**43,426,565**	**22,704,797**	**163,970,597**
Amounts due to Banks	(6,407,418)	(6,323,648)	(551,861)	(271,540)	(4,093)	(13,558,560)
Amounts due to Customers	(44,011,908)	(20,381,578)	(27,123,329)	(23,236,147)	(14,032,570)	(128,785,532)
Other loans	(678,704)	(650,000)	-	-	-	(1,328,704)
Capital	(187,816)	(351,782)	(2,508,310)	(8,442,771)	(4,221,385)	(15,712,064)
Other liabilities	(6,106,029)	(72,999)	(13,979)	(24,578)	(612)	(6,218,197)
Total liabilities	**(57,391,875)**	**(27,780,007)**	**(30,197,479)**	**(31,975,036)**	**(18,258,660)**	**(165,603,057)**
Net off-balance-sheet liabilities	(1,921,756)	(2,680,206)	6,011,090	781,688	(1,738,215)	452,601
Interest rate gap	**(10,810,539)**	**2,493,633**	**(7,804,092)**	**12,233,217**	**2,707,922**	**(1,179,859)**

The average investment period of capital and non-interest-bearing current accounts as of 30 June 2025 was 4.6 years.

The sensitivity of the interest result with shifts in interest rate curves largely depends on the share of non-interest-bearing and low-interest-bearing deposits in the total deposit base, assumptions about the behaviour of the volatile part of the deposit base and assumptions made about changes in the balance sheet structure.

The table below shows the sensitivity of the interest income as at 30 June 2025 with an immediate 100 bps change in interest rates in all currencies over a 12-month horizon. Given the behaviour of customer deposits during the period of high interest rates, in the sensitivity analysis of the interest result, the assumption of no shift between non-interest-bearing current accounts and interest-bearing deposits was retained as the most likely assumption. The assumption of an increase/decrease in business margins in the event of an increase/decrease in interest rates was also retained. A factor that has a significant impact on the sensitivity of interest income is the large proportion of non-interest-bearing current accounts, some of which, for prudential reasons, are hedged (from the point of view of interest rate risk) with short-term (O/N/1M) financial transactions. The impact of maturity mismatches between assets and liabilities on the sensitivity of the interest result is at a low level.

The impact of maturity mismatches between assets and liabilities on the sensitivity of interest income is at a low level.

Table 48. Interest income sensitivity as of 30.06.2025

Change in interest rates (PLN million)	+100 bps	-100 bps
For PLN	203	(206)
For all currencies combined	304	(307)

The Bank performs the supervisory outlier test of net interest income in the Banking book (SOT NII) in full compliance with the guidelines of the EU Commission Delegated Regulation 2024/856 (the volatile part of deposits negatively affects the measure). The value of the measure as at 30 June 2025 was 3.51% of Tier1 capital and is below the applicable regulatory limit of 5% of Tier1 capital.

The supervisory outlier test for the Group's economic value of capital (SOT EVE) (the change in fair value of the Group's assets and liabilities excluding own funds, at internal prices, with assumed changes in interest rate curves) remains materially below the regulatory limit of 15% of Tier1 capital. At the end of June 2025, the maximum SOT EVE was 6.55%.

As at 30 June 2025, the Group applies hedge accounting:

- macro fair value hedge - the hedged risk is interest rate risk, in particular changes in the fair value of fixed-rate assets and liabilities, due to changes in certain reference rates. The hedged items are current accounts with a fixed interest rate in PLN, EUR and USD. The hedging instruments are standard interest rate swap (IRS) transactions, so-called plain vanilla IRS in PLN, EUR and USD, under which the Bank receives a fixed interest rate and pays a variable rate based on WIBOR 6M, WIBOR 3M, EURIBOR 6M, EURIBOR 3M, EUR ESTR, USD SOFR rates.
- micro fair value hedge - the hedged risk is interest rate risk, in particular changes in the fair value of fixed-rate assets and liabilities, due to changes in a certain reference rate. The hedged items are fixed-coupon bonds in EUR and USD currencies. The hedging instruments are standard interest rate swap (IRS) transactions, so-called plain vanilla IRS in EUR and USD, under which the Bank pays a fixed interest rate and receives a variable rate based on EUR ESTR and USD SOFR rates.
- cash-flow hedge - The hedged risk is interest rate risk, in particular the lack of variability of interest flows on the hedged paper, caused by changes in a certain reference rate. The hedged items are: variable-coupon bonds WZ1131. The hedging instruments are standard interest rate swap (IRS) transactions, so-called plain vanilla IRS in PLN, under which the Bank receives a fixed interest rate and pays a variable rate based on the WIBOR 6M rate.

The war in Ukraine has essentially not affected the way interest rate risk is managed in the banking portfolio.

Liquidity risk

Liquidity risk is defined as the risk that the Bank loses its ability to meet its financial obligations, with liquidity defined as the ability to:

- o financing assets and meeting obligations on time in the course of the Bank's normal operations or under other conditions, without incurring a loss, where - given that maintaining liquidity is a priority for the Bank - optimizing liquidity costs is a factor considered last,
- obtaining alternative and supplementary funds to those currently held, in case of their non-renewal and/or early withdrawal, to meet the current or potential demand for funds from current depositors, to cover lending actions and other potential liabilities associated with, among others, settlement of derivative transactions or securities established by the Bank,
- generating a positive cash flow balance by the Bank over a certain time horizon, regardless of macroeconomic developments, the implementation of business plans, and changes in the regulatory environment.

The Bank operates in an environment based on free market rules as a participant in the financial market, in particular the retail, corporate and interbank markets. This means a wide spectrum of possibilities for regulating the level of liquidity, but at the same time makes the Bank sensitive to crises in any of these environments. The Bank has an automated risk monitoring system that allows daily information to be obtained about the current level of future liquidity risk and online information about the level of intraday liquidity risk.

The Bank distinguishes the following types of liquidity:

- immediate (intraday) liquidity - during the current day,
- future liquidity - in the period beyond the current day, with an additional breakdown into:
- current liquidity - in a period up to 7 days,

- short-term liquidity - in a period longer than 7 days up to 1 month,
- medium and long-term liquidity - in a period longer than 1 month.

The Bank defines liquidity risk as the risk of losing its ability to:

- settle payment obligations on time,
- obtain alternative and supplementary funds to those currently held,
- generate a positive cash flow balance over a certain time horizon.

The Bank's policy in terms of liquidity risk management involves:

- balanced, organic balance sheet growth (asset growth must be linked to a corresponding increase in financing these assets with stable liabilities) and off-balance-sheet transactions and liabilities;
- limiting the Bank's dependence on volatility of external conditions and ensuring that in a crisis situation - local, global, or directly affecting the Bank - the Bank will be able to meet its obligations in the short term without limiting the spectrum of services provided and initiating changes in the basic business profile. In the case of a longer-term crisis situation, the Bank's policy assumes maintaining liquidity, but allows for changes in development directions and the introduction of costly processes to change the business profile;
- actively reducing the likelihood of adverse events that may affect the Bank's liquidity situation. This applies in particular to events that may affect reputation risk. In such a case, the Bank will take action to restore the trust of Customers and financial institutions as quickly as possible;
- ensuring high-quality standards for liquidity management processes. Activities aimed at improving the quality of liquidity management processes are of the highest priority in the Bank.

The main sources of funding are amounts due to Customers, supplemented by medium and long-term received credit lines and capital. Medium- and long-term received credit lines, taking into account subordinated liabilities and funds obtained in the securitization process of the loan portfolio, mainly come from the BNP Paribas group, as well as the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Council of Europe Development Bank (CEB) and other financial institutions. The Bank's policy also allows for other sources of financing, such as the issuance of own debt securities or structured transactions.

Loan financing structure

The Group limits financing risk, which is associated with the threat of having insufficient stable sources of financing in the medium and long term and the need to incur an unacceptable level of losses.

The Bank mainly finances loans using funds collected by Customers in the form of current and term deposits, striving to maintain a stable relationship between these positions, and funds collected on the accounts of non-Banking financial institutions, as shown in the table below:

Table 49. The structure of the Group's loan portfolio financing

PLN thousand	30.06.2025	30.06.2024
Net loans	86,907	86,036
Total financing sources	143,971	138,604
Customer deposits, including:	129,262	125,565
- Retail Customers	56,268	51,388
- Economic entities	63,363	65,438
- Other Non-Banking financial institutions	6,176	5,123
- Public sector customers	3,454	3,616
Amounts due to Banks*	14,028	13,039
Debt securities issued	681	-

** including subordinated liabilities related to the BNP Paribas Group*

At the end of June 2025, compared to June 2024, the amount of wholesale funding received from the BNP Paribas Group increased by EUR 448 million and decreased by the partially repaid subordinated liabilities of PLN 38 million. At the end of H1 2025, the Bank issued own bonds in the amount of EUR 160 million as an equity instrument, which, subject to approval, will qualify as a Tier II instrument. The Bank's intention is for the funds raised from the issuance of Bonds to replace the funds obtained from subordinated liabilities in the amounts of EUR 60,000,000, CHF 60,000,000, and EUR 40,000,000. These loans were reported in current reports RB 24/2017 dated 20 November 2017 and RB 76/2018 dated 10 December 2018 and are subject to prudential depreciation and amortization. The early repayment of these loans, subject to prior approval from the Polish Financial Supervision Authority (PFSA), is planned for the third quarter of 2025.

The Bank finances its loans in foreign currencies with deposits accepted from Customers using, where necessary, foreign exchange transactions. If necessary, the Bank may use funds from medium and long-term loans from the BNP Paribas Group, which provides stable funding to cover shortfalls in currencies: EUR, USD, CHF. At the end of June 2025, the CHF mortgage portfolio, in the part not covered by the provisions made, was financed by a subordinated liabilities from the BNP Group and by Customer deposits in CHF.

On 30 June 2025, the structure of the Group's committed long-term credit lines was as follows:

Table 50. Structure of BNP Paribas Group loans in original currency

PLN million	30.06.2025	30.06.2024
CHF	150	150
EUR	1,825	1,377
PLN	6,854	6,816

Table 51. Structure of loans from EBRD, EIB and CEB

PLN million	30.06.2025	30.06.2024
PLN	481	342
EUR	8	12

The net liquidity coverage ratio (LCR) for the Group was 247.2% at the end of June 2025, an increase of 8.8 p.p. compared to the end of 2024 (238.4%). LCR measures were maintained at similar levels during the half-year.

The Net Stable Funding Ratio (NSFR) for the Bank stood at 162.5% at the end of June 2025 and 160.4% for the Group, representing a decrease over the end of 2024 of 0.4 p.p. and 0.6 p.p., respectively.

The ongoing war in Ukraine did not affect the Bank's overall liquidity situation. Maintaining high NBP interest rates in H1 2025 and macroeconomic factors (e.g., gradually declining inflation but with continued uncertainty, moderate pace of economic growth, wage pressure) translated into lower demand for loans among Customers and lower loan sales in H1 2025.

Operational risk

The Bank defines operational risk, in accordance with the requirements of the Polish Financial Supervision Authority included in Recommendation M, as the risk of suffering a loss caused by inappropriate or failed internal processes, people, technical systems or the influence of external factors. This term includes legal risk but does not cover strategic risk. The Bank also recognizes the consequences of materializing compliance risk as operational risk events and losses. Operational risk accompanies every type of Banking activity. The Bank identifies operational risk as permanently significant.

Goals of operational risk management

The Bank's goals in operational risk management are, in particular, to maintain a high standard of operational risk management, ensuring the security of Customer deposits, bank capital, stability of the Bank's financial result, and keeping operational risk within the accepted operational risk appetite and tolerance. The basic measure used to assess risk within the accepted operational risk appetite is the indicator of operational losses recorded by the Bank over a given period of time. In developing the operational risk management system, the Bank follows legal requirements, including in particular the recommendations and resolutions of the national financial supervision and the standards of the BNP Paribas Group.

Operational risk management strategy and policy

The operational risk management strategy is described in the document "Operational Risk Management and Internal Control Strategy at BNP Paribas Bank Polska S.A." approved by the Bank's Management Board and accepted by the Supervisory Board. The Strategy is reviewed at least once a year, and the results of the review are reported to the Bank's Supervisory Board by the Bank's Management Board. Changes to the Strategy require the acceptance of the Supervisory Board, which assesses the implementation of the Strategy's assumptions and its compliance at least once a year.

The priority of the Strategy is to ensure that the Bank achieves its business objectives in a safe manner, accepting a level of risk only within the accepted risk appetite, eliminating unacceptable events, limiting the possibility of unexpected events with severe consequences for the Bank, and actively responding and addressing identified events that could cause such consequences. Achieving the above priority also includes promoting an appropriate operational risk management culture within the Bank. The objectives of the Strategy, which the Bank implemented in the first half of 2025 related to activities reducing the risk of abuse, including cybercrime, as well as mitigating the materialization of other risks and optimizing the internal control environment.

The Bank's Management Board is regularly informed about 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 the Supervisory Board are regularly informed about the shaping of operational risk appetite measures defined in the Operational Risk Management Strategy.

The Operational risk management strategy also includes the Bank's subsidiaries. According to supervisory regulations, the Bank supervises the operational risk associated with the activities of its subsidiaries. Operational risk management in subsidiaries is carried out within the framework of dedicated units/people appointed for this purpose. The way and methods of managing operational risk in subsidiaries are organized adequately to the scope of the entity's operation and the profile of its activity, in accordance with the principles applicable in the Bank.

The organizational framework and standards for operational risk management are defined in the "Operational Risk Policy of BNP Paribas Bank Polska S.A.", adopted by the Bank's Risk Management Committee. According to the "Operational Risk Policy of BNP Paribas Bank Polska S.A.", the operational risk management processes include, among others:

- identification and assessment of operational risk. Including gathering information about operational events, assessing risk in processes and products, and determining key risk indicators,
- setting the appetite and limits for operational risk at the level of the entire Bank and individual business areas, analysis of operational risk and its monitoring and ongoing control,
- counteracting an elevated level of operational risk, including risk transfer.

Operational risk management organization

The Bank maintains and develops an operational risk management system that comprehensively integrates the management of individual types of operational risk in all areas of the Bank's activity. The aim of the operational risk management system is to ensure the safety of the Bank's operational activity by implementing effective mechanisms for identifying, assessing and quantifying, monitoring, controlling, reporting, and taking actions to limit operational risk. These actions take into account structures, processes, resources, and scopes of responsibility at various organizational levels of the Bank.

The Bank precisely defines the division of responsibilities for operational risk management, which is adapted to its organizational structure. The operational risk management process is carried out within three lines of defense. The first line of defense is the management of risk in the Bank's operational activity. The second line of defense consists, in particular, of risk management by employees specifically appointed to this organizational units, independently of risk management on the first line of defense and the compliance unit's activity. The third line of defense consists of the internal audit unit's activity.

As part of the second line of defense, comprehensive supervision over the organization of standards and methods of operational risk management is exercised by the Operational Risk, Internal Control and Anti-Fraud Division operating within the Risk area. The Division's responsibilities include, among others, issues related to operational risk management, combating abuses against the Bank, and supervision of internal control, including control of personal data protection processes.

The determination and implementation of the Bank's strategy regarding insurance as a method of risk limitation is the competence of the Real Estate and Administration Department. On the other hand, continuity management, including issues related to continuity plans ensuring continuous and undisturbed operation of the Bank and emergency plans ensuring the possibility of conducting the Bank's current operations, is the responsibility of the Security and Continuity Management Division.

As part of legal risk management, the Legal Division monitors, identifies, and analyses changes in common law, their impact on the Bank's operations, and court and administrative proceedings concerning the Bank. The Compliance Monitoring Department is responsible for the ongoing examination of the risk of non-compliance and the development and improvement of adequate control techniques.

Other significant areas of operational risk management also include:

- HR risk management,
- risk management of entrusting tasks to external entities (outsourcing risk),
- model risk management,
- IT systems risk management and cyber-security (ICT risk) management),
- conduct risk management,

for which risk management policies and procedures are defined - in accordance with the scope of competences - by designated organizational units of the Bank.

The Bank periodically verifies the functioning of the implemented operational risk management system and its adequacy to the current risk profile of the Bank. Reviews of the organization of the operational risk management system are carried out as part of regular control by the Internal Audit Division, which does not directly participate in the operational risk management process, but provides a professional and independent opinion, supporting the achievement of the Bank's goals.

Supervision over the control of the operational risk management system is exercised by the Bank's Supervisory Board, which assesses its adequacy and effectiveness.

Risk identification and assessment tools

The Bank places particular emphasis on the processes of identifying and assessing the causes of current exposure to operational risk within Banking products. The Bank aims to reduce the level of operational risk by improving internal processes and also to limit the operational risk associated with the introduction of new products and services, and outsourcing).

According to the “Operational Risk Policy of BNP Paribas Bank Polska S.A.”, operational risk analysis aims to understand the relationships between the factors generating this risk and the types of operational events, and its most important result is the determination of the operational risk profile.

The Bank manages operational risk using, among others, the following tools:

TOOL	MAIN PURPOSE OF TOOL APPLICATION
OPERATIONAL RISK EVENT REGISTRATION	• Effective analysis and monitoring of operational risk • Responding to disclosed vulnerabilities to operational risk
SELF-ASSESSMENT OF OPERATIONAL RISK AND CONTROL (RCSA)	• Building awareness about operational risk • Identification of operational risk, determination of threats and identification of their sources, as well as determination of the size and potential consequences of threats • Evaluation of control mechanisms used to limit identified threats • Improving processes and reducing identified operational risks • Ensuring adequate risk control in processes exposed to operational risk

TOOL	MAIN PURPOSE OF TOOL APPLICATION
OPERATIONAL RISK SCENARIO ANALYSIS (SA)	• Identifying events characterized by low frequency but high losses • Assessing the impact of possible extreme events on the Bank's operations by estimating the probability of occurrence and the anticipated severity of the scenarios under consideration • Raising the Bank's awareness by providing information about possible operational risk scenarios • Supporting the process of creating action plans for identified risks
KEY RISK INDICATORS (KRIS).	• Continuous monitoring and reporting of exposure to operational risk • Providing warning signals about the functioning and exposure to operational risk of processes and areas of the Bank's activities • Monitoring changes in risk level over time
RISK ASSESSMENT OF ONGOING PROJECTS	• Identification and assessment of operational risk associated with projects undertaken by the Bank, including implemented or modified products • Independent verification and checking with the second line of defense of the correctness of risk identification and limitation by the first line of defense units • Recommending actions to reduce risk
OPERATIONAL RISK IDENTIFICATION FOR CONTRACTS WITH EXTERNAL SUPPLIERS (OUTSOURCING)	• Ensure operational risks are correctly identified and assessed, controlled and monitored and mitigated • Ensuring that regulatory requirements are met for the Bank's outsourcing process to external suppliers
OPERATIONAL RISK REPORTING	• Providing current and periodic, management-tailored information on operational risk: to the Bank's Management Board, Committees responsible for risk management, Supervisory Board, and other members of the Bank's management, according to the scope of responsibility • Allowing for the assessment of the Bank's exposure to operational risk and the effectiveness of its management • Disclosure of information about operational risk in accordance with Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on the conditions for the admission of credit institutions to business and prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended (CRD IV Directive) and the standards required by the institutions supervising the Bank's activities.

The operational risk profile is an assessment of the level of significance of this risk, understood as the scale and structure of exposure to operational risk, determining the degree of exposure to this risk (i.e., operational losses), expressed in dimensions of structure and scale chosen by the Bank. The periodic evaluation and review of the Bank's operational risk profile are conducted based on an analysis of the Bank's current risk parameters, changes and risks occurring in the Bank's environment, the implementation of business strategy, as well as an assessment of the adequacy of the organizational structure and the effectiveness of the risk management system and internal control functioning in the Bank.

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

Operational risk control and monitoring

The purpose of internal control is effective risk control, including preventing the emergence of risk or its early detection. The role of the internal control system is to achieve the general and specific objectives of the internal control system, which should be taken into account when designing control mechanisms. The principles of the internal control system have been defined in the "Policy on Internal Control in BNP Paribas Bank Polska S.A.", approved by the Bank's Management Board. This document defines the main principles, organizational framework, and standards for the functioning of the Bank's control environment, maintaining compliance with the requirements of the PFSA as defined in Recommendation H. Detailed internal regulations related to specific areas of the Bank's operations are adapted to the specifics of the Bank's operations. The appropriate organizational units of the Bank are responsible for developing detailed regulations relating to the area of internal control, in accordance with the scope of tasks assigned to them.

The Bank's internal control system is based on the 3 lines of defense model.

The Bank ensures the exercise of internal control through independent monitoring of compliance with control mechanisms, including ongoing verification and testing.

Limiting operational risk

In H1 2025, the Bank undertook and continued several actions limiting operational risk and strengthening the control mechanisms and processes over this type of risk. In particular, processes and tools for countering and combating abuse to the Bank's detriment were strengthened, including, among others, combating credit abuse and phishing. The Bank's fraud risk mitigation programme continued. The Bank monitored its exposure to legal risks on an ongoing basis, including those arising from pending litigation concerning CHF-denominated loans, in order to respond adequately to changes in the level of risk. The Bank continued a program to reduce the risk of abuse. The Bank constantly monitored exposure to legal risk, including the risk arising from ongoing court cases related to CHF-denominated loans, in order to adequately respond to changes in the level of risk. In view of the ongoing war in Ukraine, the Bank monitored potential risks to the Bank on an ongoing basis, including those relating to security and ensuring business continuity.

The effectiveness of the solutions implemented by the Bank is periodically informed, in particular, to the Bank's Management Board and the Risk Committee at the Supervisory Board.

Risks arising from the war in Ukraine

In terms of operational risk management, the Bank continuously analyses the risks associated with the consequences of military actions in Ukraine, as well as the increasing geopolitical tensions in the Middle East. These events may lead to increased cybercriminal activity, physical attacks and disruption of global supply chains and critical infrastructure, including payment and Banking infrastructure. The Bank takes appropriate measures to ensure the security of both the Bank's employees and customers and to ensure business continuity and the uninterrupted execution of business-related processes.

Compliance risk

The Bank defines compliance risk as the risk of adverse effects, including legal and regulatory sanctions, financial penalties, and reputation loss, in connection with the Bank's non-compliance with laws, supervisory standards and recommendations, ethical and market standards, and internal regulations applicable in the Bank.

Compliance assurance system

The compliance assurance system consists of organizational solutions, processes, and control mechanisms aimed at ensuring the Bank's compliance with laws, internal regulations, and market standards. This system operates within the internal control system and is implemented on three lines of defense:

- first line of defense includes all organizational units responsible for the Bank's operational functioning. These units are obliged to comply with internal regulations, apply the control mechanisms and compliance risk control mechanisms established in the Bank, and ensure independent horizontal monitoring of compliance with control mechanisms aimed at ensuring compliance,
- second line of defense consists of managing compliance risk by independent organizational units appointed for this purpose - the Compliance Monitoring Division responsible for implementing the compliance risk management process and other organizational units of the Bank responsible for ensuring compliance in their areas of competence (e.g., risk monitoring cells, legal cell, and regulatory inspectors for brokerage and custody activities),
- third line of defense includes the activity of internal audit responsible for examining the adequacy and effectiveness of the internal control system.

The Compliance Monitoring Division assists, in terms of compliance risk, the Bank's Management Board in introducing and ensuring the operation of an adequate and effective internal control system and the Supervisory Board in supervising its introduction.

The manner of organisation and operation of the compliance system at the Bank, including the rules of compliance risk management, is governed by the Compliance Policy at BNP Paribas Bank Polska S.A. (the Policy). All employees of the Bank are obliged to comply with the law, internal regulations and market standards adopted by the Bank. The conduct of employees should be consistent with the provisions of the Policy and the BNP Paribas Group Code of Conduct. To strengthen the Bank's compliance culture, the Compliance Division ensures training of the Bank's employees in the scope covered by the Policy, according to the reported needs and as part of training for newly hired employees.

Role of the Compliance Unit

The Bank there is a separate, independent compliance unit - the Compliance Monitoring Division. The activity of this unit aims to implement the process of managing the risk of non-compliance i.e., introducing solutions that allow for the identification, assessment, control and monitoring of this risk. This unit is also responsible for reporting in this area to the Bank's Management Board and the Supervisory Board, including the Audit Committee.

As part of the compliance assurance system, the activities of the Compliance Monitoring Division also include: designing and implementing internal regulations, consulting, conducting explanatory proceedings, shaping compliance risk control mechanisms, vertical ongoing verifications, and vertical and horizontal testing of the effectiveness of control mechanisms ensuring the Bank's compliance with laws, internal regulations and market standards, including their adherence by the Bank's first line of internal control defense, with particular emphasis on the following areas:

- counteracting money laundering and terrorist financing,
- compliance with international embargoes and sanctions,
- protection of Customer interests,
- professional ethics and anti-corruption,
- conducting on financial markets,
- counteracting market manipulations and the use of confidential information,
- managing conflicts of interest,
- compliance by the Bank and its Customers with regulations on tax avoidance and those related to financial markets, with a transnational scope Appropriate mechanisms have been implemented in the Bank to ensure the independence of the compliance unit and to enable it to perform its assigned tasks.

Appropriate mechanisms have been put in place at the Bank to ensure the independence of the compliance function and to enable it to perform the tasks assigned to it.

As part of the Bank's organizational structure, the Director of the Compliance Monitoring Division reports directly to the President of the Bank's Management Board, and the regulations governing the operation of this Division and the necessary mechanisms to ensure its independence are approved by the Bank's Supervisory Board. Furthermore, there is a special procedure in the Bank for appointing and dismissing the person leading the compliance unit, and necessary rules are in place to protect the employees of this unit from unjustified termination of employment.

Actions to mitigate compliance risk

The Bank invariably improves its processes to ensure the effectiveness of the compliance risk management system

In H1 2025, the Bank has implemented/continued solutions including but not limited to the following:

- strengthened the control environment in the area of AML and sanctions monitoring, through the use of robotisation, as well as the strengthening of the KYC process, in particular with regard to the frequency of updating customer knowledge, including the frequency of updating the AML risk assessment and taking action against customers for whom financial security measures are not feasible,
- carried out several educational campaigns related to ethical standards breach issues to raise employees awareness and remind them of the process for reporting fraud and protecting whistleblowers,
- implemented employee certification on ethical issues, including conflict of interest screening,
- implemented controls for the input process of the new POLSTR indicator, in accordance with the Code of Conduct for the Family of Transactional Reference Indicators.

Additional information

Litigation 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 November 23, 2020. The Court of Appeal reversed the judgment of the Court of First Instance and remanded the case for a new trial, and the first hearing was held in November 2022. The case is ongoing.

Business claims against the Bank (interchange fee)

By 30 June 2025, the Bank has received a total of:

- 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 Polish Financial Supervision Authority. 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 attempts after the Bank's refusal to enter into discussions did not reach 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 the provisions of PLN 3,322 thousand

The first two class actions 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, the value of claims PLN 96.2 million, and on behalf of 181 participants, the value of claims: PLN 25,302 thousand.

Other lawsuits in the class actions concern the determination of the Bank's liability for the Bank's actions as depositary of the following funds: 3) PSF 2 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (on behalf of 17 fund participants; no indication of the amount of claims), 4) PSF Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (on behalf of 81 fund participants; no indication of the amount of claims), 5) EPEF Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (lawsuit filed on behalf of 42 fund participants; value of claims - PLN 128 thousand) and 6) PSF Lease Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (on behalf of 38 fund participants; value 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 subsequently the Bank, of its obligations to ensure that the net asset value of an investment fund and the net asset value per investment certificate are calculated in accordance with the law and the investment fund's statutes, and the obligation to verify the compliance of an investment fund's operations with the law governing investment funds or with the statutes. 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 by first-instance courts:

- 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 by individual fund participants dismissed due to lack of prerequisites for the Bank's liability for damages, in one case a request was made to justify the judgment).

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 on the Bank pursuant to Article 232(1a) of the Act on Investment Funds and Management of Alternative Investment Funds, in connection with a suspected violation by the Bank, in the period 31 January 2017 to 31 August 2019. of the provisions of the aforementioned Act, by failing to properly control the factual and legal actions carried out by the 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 provisions of the law and the statutes of these funds.

In its decision of 14 June 2024, the Polish Financial Supervision Authority imposed a fine of PLN 1,000 thousand on the Bank for breaching its obligations related to ensuring that the net asset value of the funds and the net asset value per investment certificate were calculated in accordance with the law, for valuation days falling between 31 October 2018 and 31 July 2019. In its reasoning for the decision, the Polish Financial Supervision Authority indicated that the breach of the aforementioned duties of the Depositary consisted mainly in: i.) failing to obtain full information on the financial situation of the issuers of the bonds that the funds purchased, which resulted in the Depositary not being able to fully assess the bond issuers' ability to redeem the bonds, ii.) failing to analyse the impact of the circumstances concerning the financial situation of the bond issuers on the reasonableness of impairment losses on the bonds and the final valuation of the fair value of the bonds, iii.) failing to investigate the reasons for the occurrence of negative capitals on the part of the bond issuers and the possible impact of these circumstances on the bond issuers' ability to repay their bond redemption obligations. The Polish Financial Supervision Authority discontinued 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.

The Bank has applied for reconsideration by the Polish Financial Supervision Authority.

The Bank has set up a provision for the penalty imposed.

The Polish Financial Supervision Authority has informed the Bank that the proceedings for the review of the aforementioned application are scheduled to be concluded in August 2025.

On 7 December 2022, the Polish Financial Supervision Authority initiated administrative proceedings for the imposition of a penalty 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 in 2017-2019, by failing to exercise continuous control over the factual and legal actions carried out by Retail Parks Fund Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, 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 provisions of 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 and 28 February 2019.

In the justification for the decision, the PSFA indicated that the breach of the above-mentioned duties of the Depositary consisted primarily in failing to thoroughly analyse the circumstances affecting the determination of the situation of the issuers of the bonds purchased by the fund and in failing to obtain sufficient information on the circumstances affecting that situation.

As a result, the Depositary failed to see the justification for making write-downs of the bonds in an appropriate amount and the valuation of the bonds was inadequate. The PSFA dismissed the proceedings in part relating to the suspected breach between 1 January 2017 and 30 October 2018.

The Bank has applied for reconsideration by the FSC.

The Bank has set up a provision for the penalty imposed.

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 UOKiK has initiated proceedings for practices that violate 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/accepted by the Customer. The second allegation of the UOKiK concerns the Bank's provision of incorrect 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 was confirmed in accordance with the provisions of the contract applicable to the Customer, including through elements that only he/she should have been aware of, thus its questioning indicates a case of gross negligence on the part of the Customer.

Similar allegations have been made by the UOKiK 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 and extended the proceedings until 11 August 2025.

Information regarding costs of provisions for unauthorized client transactions are described in Note 16 Other operating costs of the Interim Consolidated Report for the period of 6 months ended 30 June 2025.

Proceedings for practices violating the collective interests of consumers - suspension of performance of mortgage contracts (moratorium)

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).

In addition, the Bank disagreed with the allegations and has sent its reply to UOKiK, in which it pointed that BNP 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 of 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).

On 17 January 2023, the Bank received the Decision of the UOKiK, in which:

- it recognized the questioned practice as violating the collective interests of consumers;
- the practice was found to be discontinued;
- 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 OCC's response to the Bank's appeal, filed with the OCC 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 the sanction of free credit referred to in Article 45 of the Act of 12 May 2011 on consumer credit ("u.k.k.")

The institution of the sanction of free credit is regulated in Article 45 of the u.k.k., according to which, in the event of a breach by the creditor of the provisions of the u.k.k. 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 by the date and in the manner agreed in the credit agreement, and if such manner has not been agreed, shall repay the credit in equal instalments, payable monthly, from the date of conclusion of the credit agreement. Pursuant to Article 45(5) of the u.k.k., 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 of 30 June 2025, the Bank had received 1,093 such lawsuits with a total litigation value of PLN 23 474 thousand.

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

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

Of the total cases pending against the Bank: 743 are at first instance, 161 are at the stage at the second instance and 189 have been finalised.

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

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

- the admissibility of interest on non-interest credit costs and the disclosure obligations on financial institutions in this context (Cases C-472/23, C-566/24 and C-744/24),
- the interpretation of the one-year time limit for making a declaration to benefit from 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),
- the examination by the court of its own motion of the creditor's infringement of provisions other than those indicated in the declaration to benefit from the sanction of free credit (Case C-831/24),
- the admissibility of an assignment of claims under a consumer credit agreement and the duty of the court to examine the assignment agreement of its own motion from the point of view of the abusive nature of the provisions contained therein (Case C-80/24),
- the permissible method of determining the remuneration 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 (Cases C-472/23, 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 Member States to introduce different sanctions for failure to carry out a consumer credit assessment and for breaching the information obligations set out in the Directive. The CJEU did not analyse the Polish legislation or indicate a specific sanction for a breach of 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 the sanction of free credit for the Bank's breach of the obligation to examine the consumer's creditworthiness.

On 13 February 2025, the CJEU issued a judgment in Case C-472/23, concerning the impact of the overstatement of the annual percentage rate of charge (APR) due to provisions that deemed interest on non-interest costs as illicit. This breach of the creditor's duty to inform could result in applying the sanction of free credit. The principles for drafting clauses specify, conditions for changes in fees and commissions, and the proportionality of national provisions mandating a uniform sanction for each breach of information obligations. The CJEU held:

1.The fact that the APR stated in a credit agreement has been inflated due to certain contractual terms being deemed abusive does not on its own constitute a breach of the information obligation required of the creditor that may lead to the application of the sanction of free credit.

2. Provisions within a credit agreement providing for a change in the charges must be detailed clearly and understandably so that a well-informed and observant consumer can ascertain the circumstances justifying the increase and their effect on the charge alterations.

3.The principle of proportional penalties does not object to national legislation that provides, in the event of a breach of the duty to inform by the creditor, a uniform penalty involving the loss of the creditor's right to interest and charges, regardless of the individual severity of such a breach, if the breach undermines the consumer's ability to assess the extent of their obligation.

The interpretation of the provisions on the institution of free credit sanctions is also the subject of legal issues referred to the Supreme Court for consideration, concerning: the obligation of the adjudicating court to examine on its own initiative all reasons justifying the application of the free credit sanction (including those not specified in the consumer's declaration for the use of the free credit sanction), the interpretation of the annual deadline for submitting the declaration on the use of the free credit sanction, the mutual relationship between the regime of abusiveness and the free credit sanction, as well as the admissibility of interest on non-interest costs, and the possibility of applying the free credit sanction for that reason (case numbers III CZP 3/25 and III CZP 15/25).

WIBOR 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 were instructed and informed about the volatility of the index, as well as the methods of its calculation and the factors influencing its change are challenged.

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 lawsuits were withdrawn). The lawsuits were filed on behalf of consumers and relate to PLN mortgage loan agreements, only 1 lawsuit was filed by a trader 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 index. The total value of the subject matter of the dispute in the pending court proceedings is PLN 21 986 thousand. Most of the court proceedings are pending before courts of first instance. In five cases, judgments of the court of first instance favourable to the Bank have been issued, two of which are final.

Arguments challenging WIBOR as a benchmark also appear in debt collection cases brought by the Bank.

In the vast majority, motions to secure the claim are filed together with the lawsuits by, among other things, withholding the interest portion of the instalment based on the WIBOR interest rate for the duration of the lawsuit. Most of the applications are dismissed by the courts

As of 30 June 2025, there is one order granting the application for security after the Bank's complaint was dismissed.

The Bank's position is that the Customers' 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 Polish Financial Supervision Authority 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 Association of Polish Banks (as at the end of June 2025), there are currently 2,200 court proceedings underway in which Customers are challenging contractual provisions providing for interest rates based on the WIBOR reference rate. In 203 judgements, out of 210 passed, the courts of first instance ruled in favour of the Banks. The 128 proceedings have been finally concluded, including one final judgment against the Bank (however, the invalidity of the agreement was due to reasons other than the WIBOR index).

By decision 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 on 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 on variable interest rates based on the WIBOR are considered unfair.

The case registered under case number C-471/24 has not yet been decided.

On 30 June 2025, in the case for deprivation of enforceability of the enforceable title brought against PKO BP (ref. no. II C 1440/24), The Warsaw-Prague Court decided to refer additional preliminary questions to the CJEU, including:

1)Can a term of a credit agreement - concluded prior to the entry into force of Regulation 2016/1011 (BMR) - introducing a variable interest rate clause, of which the WIBOR reference index is an element, be regarded as expressed in 'plain and intelligible language'?

2)Does a term of a credit agreement concluded with a consumer - stipulating that the factor influencing the change in interest rate is the WIBOR reference index, which, on the date the parties to the credit agreement entered into, was not governed by generally applicable law but was set by a third party, with the Bank having an indirect influence on the level of that index - give rise to a significant imbalance in the rights and obligations of the parties to the agreement to the detriment of the consumer?

3)If a term indicating a variable interest rate is regarded as unfair by reference to the WIBOR reference index, is it possible for the parties to continue to be bound by the credit agreement on the assumption that it is a credit with a fixed interest rate in the amount of the Bank's fixed margin, or is it necessary to regard the agreement as void ex tunc?

Administrative proceedings of the PFSA to impose a fine

On 22 November 2023, the Polish Financial Supervision Authority started administrative proceeding against BNP Paribas Bank Polska S.A. that might result in a penalty being imposed on the Bank under Article 176i(1)(4) of the Act on trading in financial instruments.

On 9 May 2025, the Financial Supervision Authority discontinued the administrative proceedings in question in their entirety.

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, item 1 of the Banking Law Act, due to violations 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, the number of pending lawsuits relating to CHF-indexed/denominated loan agreements at the end of June 2025 was 162 thousand compared to over 169 thousand at the end of 2024.

Proceedings initiated by the Bank's Customers who entered into foreign exchange and CHF-denominated loan agreements

The gross carrying amount of residential mortgages granted to individuals in CHF as at 30 June 2025 was PLN 330,770 thousand, compared to PLN 406,207 thousand at the end of 2024.

As at 30 June 2025, the number of active foreign exchange and CHF-denominated loans was 6.5 thousand.

As at 30 June 2025, the Bank was the defendant in 6,285 (840 new cases in 2025) pending court proceedings (including validly closed cases, Customers brought a total of 10,431 claims against the Bank), in which the Bank's Customers demanded the annulment of mortgage loan agreements regarding foreign exchange loans or loans denominated in CHF, or declare the contract permanently ineffective and pay the amounts hitherto paid. The claims are based on the occurrence of abusive clauses which cause the contract cannot be remained in force (article 3851 of the Civil Code.). The Bank is not a party to any collective claim regarding these loans.

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

As of 30 June 2025, the following judgments have been issued in 4,146 proceedings that have been legally concluded: 1,188 judgments in favour of the Bank, including 770 proceedings in case of which a court settlement agreement was concluded and 380 in connection with the discontinuation of proceedings. In 2,958 cases the courts ruled against the Bank by declaring the loan agreement invalid or permanently ineffective.

The Bank continuously assesses the impact of legal risks related to pending court proceedings involving denominated or foreign exchange 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 the CJEU (EU) (C-19/20 and C-932/19), overwhelmingly rule that loan agreements are invalid or ineffective.

The total impact of legal risks related to lawsuits recognised in the Bank's statements as at 30 June 2025 amounted to PLN 3,088,731 thousand (PLN 3,238,760 thousand as at 31 December 2024), with an impact on the Bank's profit or loss in H1 2025 of PLN 314,263 thousand (PLN 795,728 thousand in 2024).

In H1 2025, the Bank utilised PLN 179,295 thousand from the estimated impact of the legal risk of CHF loans in connection with the concluded settlements (in H1 2024, the Bank utilised PLN 182,311 thousand on this account).

In H1 2025, the Bank used PLN 278,763 thousand from the estimated impact of legal risk of CHF loans in connection with final judgements received stating the invalidity of loan agreements (in the first half of 2024, the Bank used PLN 228,077 thousand on this account).

In estimating the impact of legal risk, the Bank takes into account, inter alia, 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 has included in the model the estimated number of settlements to 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 exchange and denominated loan portfolios. Due to the observed volatility in case law, the Bank only takes into account judgments made after 31 December 2020 when estimating the probability of an adverse judgment.

When estimating the loss in the case of a judgment declaring a loan invalid, the Bank assumes that the customer is obliged to return the principal paid out without taking into account other benefits from the consumer (remuneration for the use of the principal or valorisation), that the Bank is obliged to return the sum of the principal and interest instalments repaid together with the adjudicated statutory interest for delay, and that the Bank writes off the loan 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 cessation of recognition of a CHF loan, the recognition of a new loan in PLN, the recognition of the result from the cessation of recognition and the recording of settlements with customers.

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

If the assumed average loss were to change by +/- 5 per cent, with all other relevant assumptions unchanged, the impact estimate would change by +/- PLN 94,277 thousand.

The Bank conducted a sensitivity analysis of the model on the estimate of the number of lost cases. A change in this estimate would have the following impact on the value of the estimated loss from legal risk on CHF loans.

parameter	scenario	impact on the Bank's loss due to legal risk
Percentage of cases lost	+5 p.p.	PLN 72.6 million
	-5 p.p.	PLN -99.7 million

The Bank carried out 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 value of the estimated legal risk loss on CHF loans.

parameter	scenario	impact on the Bank's loss due to legal risk
Number of future lawsuits	+20%	PLN 52.1 million
	-20%	PLN -52.1 million

The Bank also estimated that if the estimated number of lawsuits against the Bank were increased by lawsuits filed by an additional 1% of clients holding CHF loans, the loss from legal risk would increase by approximately PLN 34,118 thousand.

The Bank, in calculating the expected loss from legal risk relating to CHF loans, takes into account available historical data, including the content of judgments made in completed cases. The Bank monitors the number of certificates collected and the change in the number of lawsuits in order to update the estimate of the impact of legal risk of foreign exchange loans accordingly.

The current line of jurisprudence in lawsuits by CHF borrowers is unfavourable to Banks, but some legal issues are still unclear, in particular the classification of loans as foreign exchange loans. The aforementioned issue is important for assessing the risk of proceedings related to part of the Bank's portfolio.

The Bank monitors on an ongoing basis the pending judgments and will adapt the level of the legal risk impact estimate to the current jurisprudence line. At the same time, the Bank is aware that the assumptions made are subjective assessments of the current situation, which may change in the future. In estimating the amount of the impact of legal risk, the Bank relies on all information available as at the date of signing the report.

At the same time, the Bank has taken into account the right to recognise a deferred tax assets in connection with the entitlement to apply a tax preference to settlements covered by the scope, in force until the end of 2024, of the Ordinance of the Minister of Finance of 11 March 2022, as amended by the Ordinance of 20 December 2022, 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 were realised 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 exchange loans, the Bank recognises PLN 24,286 thousand in assets with an expected realisation date by the end of 2025.

In addition, the Bank based on:

- the judgment of the Supreme Administrative Court on the tax treatment of returned interest related to cancelled foreign exchange loan agreements and the exchange differences arising in relation to these loans, recognised in previous years, and the individual interpretation, according to which statutory interest for late payment adjudged by a court constitutes a tax deductible cost for the Bank on the date of payment; and
- performed analyses of the impact of the aforementioned titles on the estimation of deferred income tax, recognised deferred tax assets,

As at 31 December 2024, the amount of such assets was PLN 143,911 thousand. As at 30 June 2025, the value of the asset in relation to anticipated cancellations is PLN 155,096 thousand.

Individual settlements offered by the Bank

From December 2021. The Bank conducts individual negotiations with customers with whom it is in dispute or for whom there is a reasonable risk of entering into a dispute. The Bank has taken this parameter into account when updating the total impact of legal risk.

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

Court of Justice (EU) case law in 2025

On 19 June 2025, the CJEU handed down its judgment in Case C-396/24 (Lubreczlik) in the mBank S.A. case. The reference for a preliminary ruling focused on the issue of the rules for the settlement of restitution claims following 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, regardless 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 according to which, where:

1) where a term of a credit agreement which has been declared unfair leads to the invalidity of that agreement, the trader is entitled to require the consumer to repay the entire nominal amount of the credit granted, irrespective of the amount of the repayments made by the consumer in performance of that agreement and irrespective of the amount still outstanding.

2) where a consumer relies on a claim brought by a trader for reimbursement of sums disbursed pursuant to a credit agreement which has been declared void on account of an unfair term contained therein, the court seised of the matter is required of its own motion to make the judgment allowing the claim immediately enforceable, in so far as national law does not permit that court to take all necessary measures to protect the consumer against particularly harmful consequences which might arise for him if the judgment is enforced.

Supreme Court case law on CHF denominated and foreign exchange loans

On 25 April 2024, the entire Civil Chamber of the Supreme Court adopted the so-called "large franking resolution", deciding on key legal issues, ref. III CZP 25/22, according to which:

1) In the event that a provision of an indexed or denominated credit agreement relating to the manner of determining the foreign exchange rate constitutes an illicit contractual provision and is not binding, in the current state of the law it cannot be assumed that another manner of determining the foreign exchange rate resulting from law or custom takes its place.

2) If it is not possible to establish a foreign exchange rate binding on the parties in an indexed or denominated credit agreement, the agreement shall not be binding in the remainder either.

3) If, in the performance of a credit agreement which is not binding due to the illicit nature of its provisions, the Bank has disbursed all or part of the amount of the credit to the borrower and the borrower has made repayments of the credit, independent claims for repayment of the wrongful performance arise in favour of each party.

4) If the credit agreement is not binding due to the illicit nature of its provisions, the limitation period of the Bank's claim for the reimbursement of the amounts paid under the credit begins, as a rule, from the day following the day on which the borrower challenged the Bank on the binding nature of the provisions of the agreement.

5) If a credit agreement is not binding due to the illicit nature of its provisions, there is no legal basis for either party to claim interest or any other remuneration for the use of its funds during the period from the time when the wrongful performance was made until the time when the repayment of that performance is delayed.

The resolution was passed by a majority. There were dissenting opinions from 6 of the 17 judges, primarily as to whether the contract 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 exchange loans, where conversion clauses are optional and, as such, are not necessary for the performance of the contract.

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

1) distinguished between indexed, denominated and foreign exchange loans, indicating that a foreign exchange loan should refer to a loan the amount of which is expressed in a foreign exchange, with payment by the Bank and repayment by the borrower in the same currency. This type of credit is not the subject of the resolution,

2) confirmed that the limitation period for a Bank's claims does not begin to run on the date of disbursement of the loan, but only from the date on which the consumer challenges the validity of the agreement with the Bank,

3) stated that the will of the consumer 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, in part, to prevent the negative consequences of the statute of limitations, since pursuant to Article 502 of the Civil Code, the statute of limitations does not preclude a claim from being set off if, at the time when the set-off became possible, the statute of limitations had not yet expired

5) pointed out that if the defendant has not yet taken action to make the claim contestable, the right to claim a set-off may be raised not only at the first stage of the proceedings: the legislator takes into account the necessity of addressing an appropriate request for payment, in which case only upon the expiry of a fortnight after the claim has become due, does the defendant lose the right to claim a set-off. Finally, the defendant may defend himself or herself by bringing a counterclaim or making use of the institution of an anti-enforcement action.

It should be emphasised that the position of the Supreme Court expressed in the grounds does not unequivocally resolve the existing divergences in case law regarding the definition of foreign exchange credit.

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

The Supreme Court noted that in the case of foreign exchange loans in which there is no problem of abusiveness in determining the exchange rate when the Bank disburses the loan, 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, it is possible to repay the loan in foreign exchange, it may be assumed that Article 358 § 2 of the Civil Code applies to the conversion of the exchange rate, as the relevant dispositive provision (i.e. the agreement may be continued using the average exchange rate of the National Bank of Poland).

The above position of the full Chamber of the Supreme Court was reflected in the dissenting 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's case). In the grounds for the dissenting opinion, published in February 2025, the judge drew attention to the different construction of the Bank's loan agreements and pointed out that Resolution III CZP 25/22 does not apply to foreign exchange 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.

Also, in the jurisprudence of the common courts there are positions of the courts that draw attention to the different nature of foreign exchange loans and the impact of this qualification on the validity of the agreements. This was held, inter alia, 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 currency nature of the Bank's loan agreement, found 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 exchange loans (where repayment directly in foreign exchange was possible) were not the subject of the Supreme Court's resolution of 25 April 2024, III CZP 25/22.

On 28 February 2025, a seven-member composition 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 of 2024, item 1646), is a reciprocal 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 if a Bank seeks reimbursement of a performance made under a credit agreement that has turned out to be non-binding, the Bank is not entitled to a 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 reciprocal contract. This indicates an internal divergence in the jurisprudence of the Supreme Court, as one composition considers a credit agreement to be a reciprocal contract, while another composition of the same Chamber considers the opposite.

As at the end of June 2025, 268 cassation appeals have been submitted to the Supreme Court in cases of CHF loans granted by the Bank, 47 appeals have been accepted by the Supreme Court for cognisance and are awaiting substantive decision, as to 145 cassation appeals the Supreme Court has issued a decision on refusal of acceptance for cognisance. In 7 cases, the Court referred the cases for re-examination, while in 14 cases it dismissed the cassation appeal.

Draft Act on special solutions for the recognition of cases concerning credit agreements denominated or indexed to CHF concluded with consumers

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

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

- security of consumer's claims (Article 3 of the draft) - as soon as a lawsuit brought by the consumer is served on the defendant, or a counterclaim brought by the consumer is served on the plaintiff, the consumer's obligation to perform under the loan agreement is suspended by operation of law until the legal conclusion of the proceedings,
- plea of set-off (Articles 5 and 18 of the draft) - amendment of the temporal limitation on the use of a plea of set-off in proceedings (until the end of the proceedings at second instance),
- counterclaim (Article 8 of the draft) - changes the temporal limitation applicable in civil proceedings (in accordance with the general procedure - no later than in the statement of defence) - allows the filing of a counterclaim until the conclusion of the trial before the court of first instance.
- The following regulations, which were provided for in the original draft, have been dropped in the new bill:
- counterclaim - if the plaintiff is claiming a debt arising from the invalidity of a credit agreement, the defendant may assert a counterclaim in the event that the agreement turns out to be invalid,
- enforceability of a judgment of a court of first instance - a judgment of a court of first instance awarding a monetary benefit to a consumer becomes enforceable upon announcement, and if it was issued in closed session - upon delivery to the defendant.

As announced, the law will enter into force in the fourth quarter of 2025.

Events after the balance sheet date

The Group did not identify any significant events after the balance sheet date.

Statements of the Management Board of BNP Paribas Bank Polska S.A.

Truthfulness and reliability of the presented statements

The Board of Executives of BNP Paribas Bank Polska S.A. declares that to the best of its knowledge:

- The Consolidated Half-Year Report of the BNP Paribas Bank Polska S.A. Group for the six-month period ended 30 June 2025, including the Interim Consolidated Separate Financial Statements of BNP Paribas Bank Polska S.A. and the comparative data have been prepared pursuant to the binding accounting principles and they give a true, fair and clear view of the property and financial situation and the financial result of the Bank and the Bank Group;
- The Board of Executives' Report on the Activities of the BNP Paribas Bank Polska S.A. Group in the First Half of 2025 presents a true picture of the development, achievements and situation of the Bank's Capital Group, including a description of the key risks and threats.

Position of the Bank's Board of Executives regarding the feasibility of earlier published result forecasts for a given year

- The Bank has not published financial performance forecasts for 2025.

SIGNATURES OF THE MEMBERS OF THE MANAGEMENT BOARD OF BNP PARIBAS BANK POLSKA S.A.

11.08.2025	**Przemysław Gdański** President of the Management Board	*signed with qualified electronic signature*
11.08.2025	**André Boulanger** Vice-President of the Management Board	*signed with qualified electronic signature*
11.08.2025	**Małgorzata Dąbrowska** Vice-President of the Management Board	*signed with qualified electronic signature*
11.08.2025	**Wojciech Kembłowski** Vice-President of the Management Board	*signed with qualified electronic signature*
11.08.2025	**Piotr Konieczny** Vice-President of the Management Board	*signed with qualified electronic signature*
11.08.2025	**Magdalena Nowicka** Vice-President of the Management Board	*signed with qualified electronic signature*
11.08.2025	**Volodymyr Radin** Vice-President of the Management Board	*signed with qualified electronic signature*
11.08.2025	**Agnieszka Wolska** Vice-President of the Management Board	*signed with qualified electronic signature*