

Report on the activities of Bank Pekao S.A. Group for the first half of 2025



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Warsaw, August 2025

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1. Highlights of Bank Pekao S.A. Group

	1 HALF 2025	1 HALF 2024	2024	2023
INCOME STATEMENT – SELECTED ITEMS (in PLN million)				
Operating income	8,501	7,678	16,049	15,200
Operating costs	(2,705)	(2,579)	(5,244)	(4,631)
Profit before income tax	4,286	3,760	8,123	8,565
Net profit attributable to equity holders of the Bank	3,286	2,936	6,376	6,659
PROFITABILITY RATIOS				
Return on average equity (ROE) – nominally	20.6%	19.9%	21.2%	25.0%
Return on assets (ROA)	2.0%	1.9%	2.0%	2.2%
Net interest margin	4.3%	4.0%	4.2%	4.2%
Cost / income (including to contributions to the BFG)	35.7%	36.7%	34.2%	31.7%
Costs of risk	0.40%	0.46%	0.48%	0.36%
STATEMENT OF FINANCIAL POSITION – SELECTED ITEMS (in PLN million)				
Total assets	339,634	316,046	334,242	305,789
Customers' financing ^(*)	188,434	176,764	182,158	171,140
Amounts due to customers ^(**)	264,449	245,461	259,034	232,078
Debt securities issued and subordinated liabilities	19,643	16,080	18,949	12,739
Equity	31,160	28,223	31,914	30,428
STATEMENT OF FINANCIAL POSITION STRUCTURE RATIOS				
Customers' financing ^(*) / total assets	55.5%	55.9%	54.5%	56.0%
Securities / total assets	33.7%	32.9%	35.8%	32.7%
Deposits ^(***) / total assets	83.6%	82.8%	83.2%	80.1%
Customers' financing ^(*) / deposits ^(***)	66.3%	67.6%	65.5%	69.9%
Equity / total assets	9.2%	8.9%	9.5%	10.0%
Total capital ratio ^(****)	17.2%	17.1%	16.1%	17.5%
EMPLOYEES AND NETWORK				
Total number of employees	15,027	15,064	15,212	14,922
Number of outlets	566	572	573	574
Number of ATMs	1,323	1,297	1,314	1,306

^(*) Including net investments in financial leases to customers, non-treasury debt securities and excluding reverse repo transactions.

^(**) Excluding repo transactions and lease liabilities.

^(***) Deposits include amounts due to customers, debt securities issued and subordinated liabilities.

^(****) Data for June 30, 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2024 after GSM, in accordance with the EBA position expressed in Q&A 2018_3822 and Q&A 2018_4085.

2. Highlights of Bank Pekao S.A.

	1 HALF 2025	1 HALF 2024	2024	2023
INCOME STATEMENT – SELECTED ITEMS (in PLN million)				
Operating income	8,153	7,418	15,290	14,657
Operating costs	(2,478)	(2,369)	(4,794)	(4,230)
Profit before income tax	4,188	3,773	8,105	8,643
Net profit	3,241	2,986	6,425	6,799
PROFITABILITY RATIOS				
Return on average equity (ROE) - nominally	20.5%	20.5%	21.7%	26.0%
Return on assets (ROA)	2.0%	2.0%	2.1%	2.4%
Net interest margin	4.3%	4.1%	4.2%	4.3%
Cost / income (including to contributions to the BFG cost and fee paid for the Protection Schemes)	34.4%	35.1%	32.9%	30.1%
Costs of risk	0.44%	0.46%	0.38%	0.32%
STATEMENT OF FINANCIAL POSITION – SELECTED ITEMS (in PLN million)				
Total assets	326,390	302,552	319,251	294,552
Customers' financing ^(*)	173,014	161,877	165,435	157,406
Amounts due to customers ^(**)	264,814	245,756	259,523	232,307
Debt securities issued and subordinated liabilities	11,503	7,409	9,324	6,859
Equity	30,709	27,823	31,516	29,987
STATEMENT OF FINANCIAL POSITION STRUCTURE RATIOS				
Customers' financing ^(*) / total assets	53.0%	53.5%	51.8%	53.4%
Securities / total assets	35.5%	34.6%	37.9%	34.5%
Deposits ^(**) / total assets	84.7%	83.7%	84.2%	81.2%
Customers' financing ^(*) / deposits ^(**)	62.6%	63.9%	61.5%	65.8%
Equity / total assets	9.4%	9.2%	9.9%	10.2%
Total capital ratio ^(****)	19.8%	19.7%	18.7%	20.1%
EMPLOYEES AND NETWORK				
Total number of employees	13,778	12,534	12,626	12,470
Number of outlets	566	572	573	574
Number of ATMs	1,323	1,297	1,314	1,306

^(*) Including non-treasury debt securities and excluding reverse repo transactions.

^(**) Excluding repo transactions and lease liabilities.

^(***) Deposits include amounts due to customers, debt securities issued and subordinated liabilities.

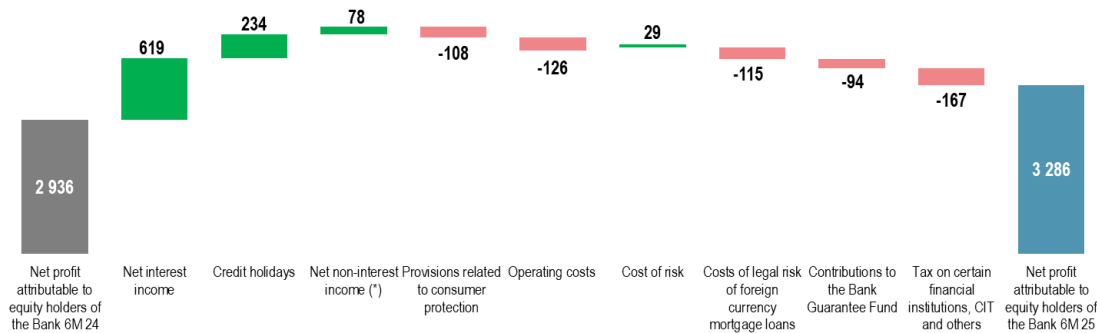
^(****) Data for June 30, 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2024 after GSM, in accordance with the EBA position expressed in Q&A 2018_3822 and Q&A 2018_4085.

^(*****) The increase in employment results from the consolidation of customer contact channels within the Group - the Bank's takeover of Pekao Direct employees under Article 231 of the Labor Code.

3. Summary of Performance

Main P&L items

In the first half of 2025, we generated a net profit of the Bank Pekao S.A. Group attributable to the Bank's shareholders in the amount of PLN 3,286 million and was higher by PLN 350 million, i.e. 11.9% compared to the result achieved in the first half of 2024.



The ROE ratio was at the level of 20.6%.

The Group's operating income in the first half of 2025 amounted to PLN 8,501 million and was higher by 10.7% than in the first half of 2024, mainly due to net interest income and net fee and commission income.

- Net interest income achieved in the first half of 2025 amounted to PLN 6,860 million and was higher by PLN 853 million, i.e. 14.2% compared to the result achieved in the first half of 2024, mainly due to higher volumes and higher interest margin. The results of the first half of 2024 include the costs of credit holidays in the amount of PLN 234 million.
- Net fee and commission income generated in the first half of 2025 amounted to PLN 1,497 million and was higher by PLN 132 million, i.e. 9.7% compared to the result achieved in the first half of 2024, thanks to increases in all main business areas.

Operating expenses in the first half of 2025 amounted to PLN 2,705 million and were higher by PLN 126 million, i.e. 4.9% compared to the first half of 2024, which is an increase close to inflation.

The net allowances for expected credit losses in the first half of 2025 amounted to PLN 384 million and was lower by PLN 29 million, i.e. 7.0%, than in the first half of 2024.

Contributions to the Bank Guarantee Fund in the first half of 2025 amounted to PLN 333 million and were higher by PLN 94 million, i.e. 39.3%, than in the first half of 2024 due to the restoration of contributions to the bank guarantee fund, which had not been collected for the last two years, and an increase in the volume of guaranteed funds.

The tax on certain financial institutions in the first half of 2025 amounted to PLN 431 million and was lower by PLN 17 million, i.e. 3.8%, than in the first half of 2024 due to a higher share of non-taxable assets in the balance sheet structure.

Volumes

At the end of June 2025, loans and advances at nominal value amounted to PLN 192,951 million and were higher by PLN 11,741 million, i.e. 6.5%, than at the end of June 2024. At the end of June 2025, the volume of retail loans amounted to PLN 85,906 million and were higher by PLN 4,027 million, i.e. 4.9%, than at the end of June 2024. As at the end of June 2025, corporate loans, including non-Treasury debt securities, amounted to PLN 107,045 million and were higher by PLN 7,714 million, i.e. 7.8%, compared to the end of June 2024.

As at the end of June 2025, amounts due to the Group's Customers and Debt securities issued amounted to PLN 284,092 million and were higher by PLN 22,551 million, i.e. 8.6%, than at the end of June 2024.

As at the end of June 2025, the value of net assets of investment funds managed by Pekao TFI S.A. amounted to PLN 36,513 million and were higher by PLN 8,277 million, i.e. 29.3% compared to the end of June 2024

In the first half of 2025, we increased our commercial activity, actively supported our clients in maintaining financial liquidity, continued to digitize and automate processes and implement advanced digital solutions.

In the first half of 2025, we opened a total of 258.8 thousand accounts for individual clients, maintaining high results of new customer acquisition.

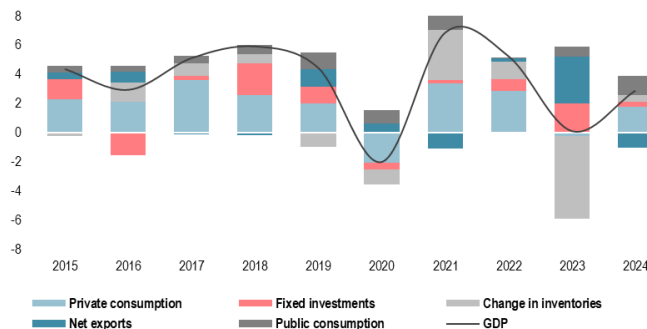
In the first half of 2025, the number of active mobile banking customers increased by 160 thousand to 3.6 million, i.e. +9% more than a year ago and as much as +21% more than two years ago.

We offered a wide range of deposit options to individual clients, including an interest rate of 6.0% per annum on Savings Accounts or Deposit with Fund at 6.5% per annum for a period of 6 months.

We have extended a special offer for individual and corporate customers from Ukraine.

4. External Activity Conditions

Economic growth



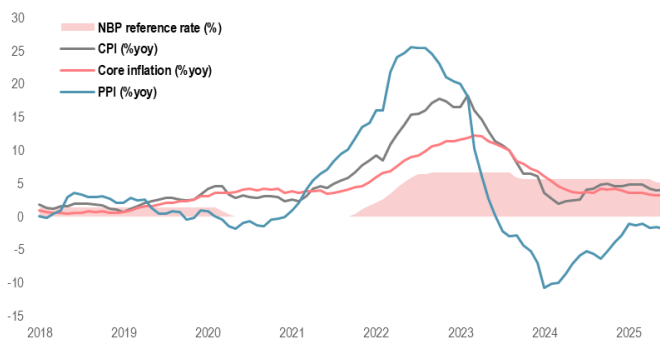
After the acceleration of economic growth in 2024, the beginning of 2025 indicates a further recovery of the Polish economy.

In the first quarter of 2025, GDP grew by 3.2% y/y compared to 3.4% a quarter earlier. The structure of growth points to a strong increase in investments (+6.3% y/y) and, at the same time, a slight slowdown in the growth rate of consumption (+2.5% y/y) and the contribution of inventories (+1.5 p.p.). Conducive to a decline in GDP was the negative contribution of net exports (-1.1 p.p.), which is unlikely to reach

positive values in the coming quarters. The following quarters of the year will bring a further recovery in economic activity, driven mainly by the acceleration of investment growth.

Macroeconomic data for the second quarter of 2025 suggest that the Polish economy grew by 3.5% y/y. We expect that the economic recovery will continue in the second half of the year, mainly due to the acceleration of the investment growth rate, supported by EU funds. At the same time, we expect a slight acceleration in consumption (up to 3.2% YoY) and a constantly non-positive contribution of net exports (-0.7 p.p.) As a result, we forecast GDP growth of around 4% for the whole of 2025 and stabilisation in the following year (3.7%).

Inflation and monetary policy



The second quarter of 2025 brought a planned, marked decline in consumer inflation (CPI) to nearly 4% y/y (from almost 5% in the first quarter), which was influenced by the high reference base effect from the previous year (on food prices). Core inflation (excluding food and energy prices) decreased much more slowly, to 3.4% y/y in June from 3.6% in March.

Recent months have brought high volatility in commodity and energy prices. At the beginning of the second quarter of 2025, commodity prices fell

sharply due to growing uncertainty and concerns about the scale of the slowdown in global economic growth as a result of the US-initiated trade war. However, in June, due to the escalation of the conflict between Israel and Iran, the market prices of raw materials, especially the prices of oil, which translated into an increase in retail prices at petrol stations.

Food prices in the second quarter of 2025 continued to rise faster than the seasonality pattern. Food is one of those few categories that has the potential to sustain inflation. The increase in prices was largely due to supply-side factors, such as the avian influenza epidemic, which significantly increased the prices of eggs and poultry, and global droughts, which increased the price of fruit and vegetables. Taking into account the poor harvest of domestic agricultural products last year and the expected low supply this year due to adverse weather conditions, we assume that the dynamics of food prices will be elevated throughout 2025.

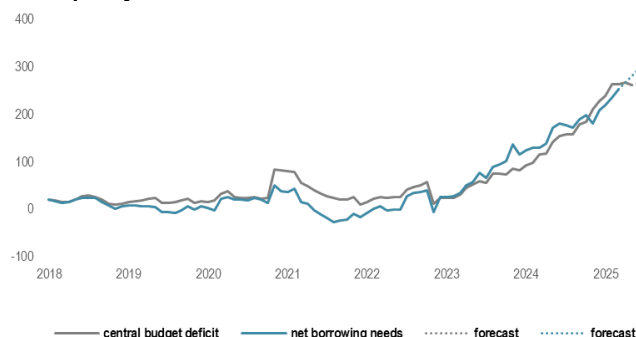
The beginning of the second half of 2025 will bring a sharp change in inflation levels. Mainly due to high reference base effects (this time on energy carriers), inflation will decrease to levels close to the NBP inflation target (2.5%) and will remain in the range of 2.5-3.0% YoY at least until the end of the year. Core inflation will decline more slowly. Average annual CPI inflation in 2025 will be close to 3.5%, which is close to the level observed in 2024.

In the second quarter of 2025, the Monetary Policy Council (MPC) surprised the markets strongly and repeatedly with its decisions and communication on monetary policy. At the beginning of April, the MPC signalled a change in monetary policy towards a much more dovish stance. The NBP Governor announced that if the slowdown in wage growth and a further decline in inflationary pressure are confirmed, space for interest rate cuts will open up at the coming meetings, even twice by 50 bps in May and June. At the May meeting, the MPC cut interest rates by 50 bps to 5.25%. However, after the May meeting, at a press conference, the NBP Governor spoke in a much more hawkish tone. Instead of confirming another reduction in June, the NBP Governor suggested the need to analyse additional data. As a result, interest rates remained unchanged.

The June conference of the NBP Governor was also maintained in a hawkish tone, drawing attention to the risks to the inflation outlook (continued high wage growth, lack of fiscal consolidation, unfreezing of energy prices). However, at the July meeting, the MPC unexpectedly cut interest rates by 25 bps (reference rate 5.00%). The MPC justified its decision by a significant revision of inflation forecasts as part of the July NBP projection. The average annual inflation forecast for 2025 has been revised by 1 p.p., from 4.9% to 3.9%, and inflation in the medium term is expected to be in line with the NBP inflation target.

Another interest rate cut in September seems very likely and will not be the last this year. We expect the MPC to cut rates by another 50 bps this year. Therefore, the total scale of monetary policy easing in 2025 will amount to 125 bps. As for the coming years, we would assume that the pace of monetary policy easing will be maintained gradually and that it will reach 3.50% in 2027 (we have long seen this level as the target).

Fiscal policy

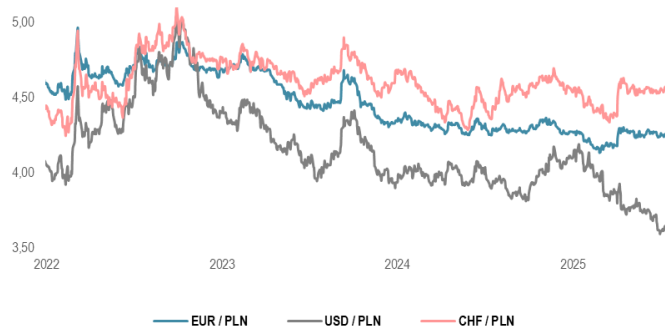


Following the release of the budget data for the first half of 2025, it can be confidently stated that this year in the public finance sector will be characterized by weak budget revenue performance, reflected in a slightly lower expenditure trajectory. In particular, it is already evident that the budget assumptions overestimated VAT revenues by approximately PLN 20 billion; moreover, assuming typical seasonal patterns, the budget will fall short by several billion zlotys in CIT revenues by year-end. Concurrently, in the first half of the year, the budget executed only 42% of the planned annual expenditures, suggesting

that despite the usual acceleration of spending in the final quarter, the budget deficit will remain within the targeted threshold of below PLN 290 billion. It should also be noted that, due to reforms in local government financing, year-on-year comparisons of PIT and CIT revenues (which are shared between the central budget and local government units) have become particularly challenging.

The outlook for Polish public finances remains expansionary, with a very low probability of fiscal consolidation at a scale consistent with the requirements of the EU excessive deficit procedure. Unless the government decides to implement additional discretionary spending cuts or increases in taxes or contributions—which currently appears unlikely—the budget deficit for next year is expected to approximate 7% of GDP, with the overall general government deficit (including central and local government institutions) reaching 6.8% of GDP (whereas the fiscal path agreed with the European Commission under the excessive deficit procedure, accounting for the general escape clause, would permit a maximum deficit of 6.0% of GDP). Consequently, the debt-to-GDP ratio is expected to exceed 60% in 2026. However, we believe that such fiscal expansion is unlikely to trigger significant reactions from the EU, as the acceptance level among EU authorities for a more expansionary fiscal policy has clearly strengthened in recent years.

Exchange rate

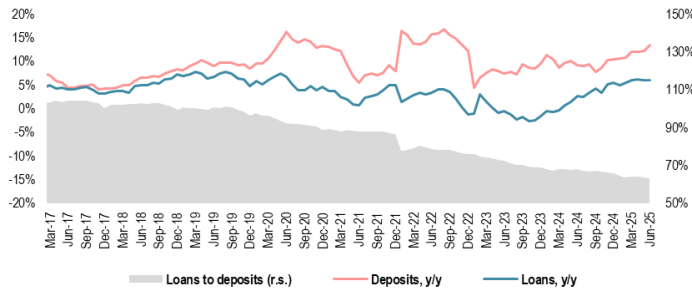


The largest contributors to volatility in the Polish zloty currency market in the second quarter were domestic monetary policy and geopolitics, including market concerns about the scale of the slowdown in global economic growth resulting from the US-initiated trade war and the escalation of the conflict in the Middle East. In April, the NBP President made a dovish turn in his rhetoric, and the escalation of trade wars by the US President triggered a global flight from risk. Although Poland is not significantly exposed to the negative effects of trade wars, this did not encourage investment in emerging markets.

As a result, the zloty quickly weakened, returning to the autumn 2024 levels of the EUR/PLN (around 4.30). In turn, the USD/PLN remained low, primarily due to dollar weakness rather than the zloty's strength. Following the Monetary Policy

Council's interest rate cut in May, and however, the NBP President's strongly hawkish forecast, the zloty gained strength. Global market sentiment also improved. The appreciation of the zloty against the euro was gradual, lowering the EUR/PLN from 4.28 to 4.24. In June, the EUR/PLN remained at these levels, but the continued weakening of the dollar allowed the USD/PLN to fall to levels last seen in 2018 (around 3.60).

Banking sector



According to the available PFSA data on the aggregate results of the banking sector, at the end of May the net profit in the banking sector amounted to PLN 21.0 billion and was higher by PLN 3.6 billion than in the corresponding period of the previous year (+20.4% y/y). On the revenue side, the main driver of profit growth was interest income, which increased by PLN 5.4 billion y/y. It is worth noting, however, that despite the 50 bps cut in interest rates compared to last year's level, interest expenses increased, which reduced the sector's net result by

PLN 1.6 billion year-on-year. The increase in interest costs is probably the result of a lower propensity of households to save, although it should be remembered that the elasticity of the supply of deposits due to interest rates in Poland is extremely low. Also noteworthy was the increase in the item "costs and depreciation" (by PLN 2.3 billion y/y), which is the largest annual change on the cost accounting side. This change mainly reflects the cumulative effects of sustained elevated wage growth, which has a negative impact on the operating costs of the banking sector.

The balance sheet total of the banking sector amounted to PLN 3,528.1 billion in May, representing an increase of +13.7% y/y. Loans and advances continued to be the most important item on the assets side, accounting for 49.0% of the total balance sheet total. On the liabilities side, the volume of deposits had the highest value (70.2%). Capital ratios remained at levels similar to those observed in the last 12 months, although it is worth noting that after a sudden increase in March, the share of equity in the balance sheet total returned to 8.5%.

The loan-to-deposit ratio continued its downward trend, reaching a historic low of 63.2% in June. This is a direct result of the more than twice higher growth rate of deposits (13.5% y/y) than loans (6.2% y/y). Focusing solely on these aggregates could lead to an incomplete assessment of the real situation in the banking sector. On the credit side, PLN housing loans maintained a solid growth rate (6.6% y/y), and the slowdown in the dynamics of the volume of total housing loans resulted from faster repayment of foreign currency receivables, especially in CHF (-24.9% y/y). On the other hand, the portfolio of current loans to companies increased by 10.1% y/y, which is the first double-digit growth in two years. The growth of investment loans was also solid (6.5% y/y), recording a growth rate of over 6% for the second time in a row. The above figures indicate an increasingly strong momentum in the credit market, largely related to the investment recovery forecast for this year. It should also be noted that the strong sales of loans to companies are associated with a symmetrical increase in their deposits (the loan granted appears on the company's bank account), which explains the sharp increase in banks' receivables to non-financial corporations (11.9% YoY in June vs. 5.9% YoY in May). The quality of the loan portfolio continues to improve. The NPL ratio remained at 3.6% in the first quarter of 2025, while it fell to 3.5% for the first time in April and remained at this level until May. The share of non-performing loans in the consumer loan portfolio decreased (6.3% in May vs. 6.5% in April), while the housing loan portfolio stabilized (1.5% in May). The quality of the corporate loan portfolio reached its lowest level this year of 6.7%, with little differentiation due to the size of the company (large companies 6.8%, SMEs 6.6%). In the case of large companies, this level is much higher than a year ago (3.5%), but this is mainly due to the problems of a small number of large SSPs and is not widely spread throughout the economy.

5. Important Events and Achievements

5.1 Description of the Group

The composition of Bank Pekao S.A. Group is presented in the Notes to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025.

5.2 Changes in the Group's structure

On 8 April 2025, "FPB-Media" Sp. z o.o. was deleted from the register of entrepreneurs in National Court Register. The decision to delete the company became final on 24 April 2025.

On 4 June 2025, the Extraordinary General Meeting of Shareholders of Pekao Fundusz Kapitałowy Sp. z o.o. w likwidacji revoked the liquidation of the Company as of 1 July 2025 and amended the Company Agreement. The purpose of these activities is to use the Company's potential to implement projects carried out for the Pekao Group.

5.3 Changes in the Statutory Bodies of the Bank

Supervisory Board

The composition of the Supervisory Board of Bank Pekao S.A. has as follows:

AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST HALF OF 2025	30 JUNE 2025	AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST QUARTER OF 2025
Andrzej Klesyk Chairman of the Supervisory Board	Andrzej Klesyk Chairman of the Supervisory Board	Andrzej Klesyk Chairman of the Supervisory Board
Bartosz Grześkowiak Deputy Chairman of the Supervisory Board	Bartosz Grześkowiak Deputy Chairman of the Supervisory Board	Bartosz Grześkowiak Deputy Chairman of the Supervisory Board
Artur Nowak-Far Deputy Chairman of the Supervisory Board	Artur Nowak-Far Deputy Chairman of the Supervisory Board	Artur Nowak-Far Deputy Chairman of the Supervisory Board
Magdalena Joanna Dziewguć Secretary of the Supervisory Board	Magdalena Joanna Dziewguć Secretary of the Supervisory Board	Magdalena Joanna Dziewguć Secretary of the Supervisory Board
Krzysztof Czeszejko-Sochacki Member of the Supervisory Board	Krzysztof Czeszejko-Sochacki Member of the Supervisory Board	Krzysztof Czeszejko-Sochacki Member of the Supervisory Board
Radosław Niedzielski Member of the Supervisory Board	Radosław Niedzielski Member of the Supervisory Board	Radosław Niedzielski Member of the Supervisory Board
Jacek Nieścior Member of the Supervisory Board	Jacek Nieścior Member of the Supervisory Board	Jacek Nieścior Member of the Supervisory Board
Witold Walkowiak Member of the Supervisory Board	Witold Walkowiak Member of the Supervisory Board	Witold Walkowiak Member of the Supervisory Board
Mariusz Jaszczyk Member of the Supervisory Board	Mariusz Jaszczyk Member of the Supervisory Board	Mariusz Jaszczyk Member of the Supervisory Board

Management Board of the Bank

The composition of the Management Board of Bank Pekao S.A. has as follows:

AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST HALF OF 2025	30 JUNE 2025	AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST QUARTER OF 2025
Cezary Stypułkowski President of the Bank's Management Board	Cezary Stypułkowski President of the Bank's Management Board	Cezary Stypułkowski President of the Bank's Management Board
Marcin Gadomski Vice President of the Bank's Management Board	Marcin Gadomski Vice President of the Bank's Management Board	Marcin Gadomski Vice President of the Bank's Management Board
Robert Sochacki Vice President of the Bank's Management Board	Robert Sochacki Vice President of the Bank's Management Board	Robert Sochacki Vice President of the Bank's Management Board
Błażej Szczecki Vice President of the Bank's Management Board	Błażej Szczecki Vice President of the Bank's Management Board	Błażej Szczecki Vice President of the Bank's Management Board
Dagmara Wojnar Vice President of the Bank's Management Board	Dagmara Wojnar Vice President of the Bank's Management Board	Dagmara Wojnar Vice President of the Bank's Management Board
Marcin Zygmantowski Vice President of the Bank's Management Board	Marcin Zygmantowski Vice President of the Bank's Management Board	Marcin Zygmantowski Vice President of the Bank's Management Board

On 9 April 2025 the Supervisory Board of the Bank in an selection process and after assessing suitability, effective from 1 September 2025 in the Bank's Management Board of the current joint term of office Mr. Michał Panowicz for the position of Vice President of the Management Board of the Bank.

In accordance with the submitted declaration, Mr. Michał Panowicz, from the date of taking up the function, conducts any activity competitive to the Bank, in particular is not going to hold the status of a partner in a civil partnership, partnership or capital company competitive to the Bank, nor act as a member of the governing body of another legal person competing with the Bank or run his own business activity competitive with the Bank. Mr. Michał Panowicz is not entered in the Register of Insolvent Debtors kept pursuant to the Act of 20 August 1997 on the National Court Register.

On 29 April 2025 the Supervisory Board of the Bank in a selection process and after assessing suitability, effective from 1 September 2025 in the Bank's Management Board of the current joint term of office Mr. Łukasz Januszewski for the position of Vice President of the Management Board of the Bank.

In accordance with the submitted declaration, Mr. Łukasz Januszewski, from the date of taking up the function, conducts any activity competitive to the Bank, in particular is not going to hold the status of a partner in a civil partnership, partnership or capital company competitive to the Bank, nor act as a member of the governing body of another legal person competing with the Bank or run his own business activity competitive with the Bank. Mr. Łukasz Januszewski is not entered in the Register of Insolvent Debtors kept pursuant to the Act of 20 August 1997 on the National Court Register.

5.4 The Bank's share capital and share ownership structure

As at 30 June 2025, the share capital of Bank Pekao S.A. amounted to PLN 262,470,034 and remained unchanged until the date of submitting the report. The Bank's share capital was divided into 262,470,034 shares in the following series:

- 137,650,000 Series A bearer shares with a par value of PLN 1.00 per share,
- 7,690,000 Series B bearer shares with a par value of PLN 1.00 per share,
- 10,630,632 Series C bearer shares with a par value of PLN 1.00 per share,
- 9,777,571 Series D bearer shares with a par value of PLN 1.00 per share,
- 373,644 Series E bearer shares with a par value of PLN 1.00 per share,
- 621,411 Series F bearer shares with a par value of PLN 1.00 per share,
- 603,377 Series G bearer shares with a par value of PLN 1.00 per share,
- 359,840 Series H bearer shares with a par value of PLN 1.00 per share,
- 94,763,559 Series I bearer shares with a par value of PLN 1.00 per share.

All the existing shares are ordinary bearer shares. There are no special preferences or limitations connected with the shares, or differences in the rights attached to them. The rights and obligations related to the shares are defined by the provisions of the Polish Commercial Companies Code and other applicable law.

Shareholders of Bank Pekao S.A., holding directly or indirectly, through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Bank, are as follows:

SHAREHOLDER'S NAME	NUMBER OF SHARES AND VOTES AT THE GENERAL MEETING	SHARE IN SHARE CAPITAL AND TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	NUMBER OF SHARES AND VOTES AT THE GENERAL MEETING	SHARE IN SHARE CAPITAL AND TOTAL NUMBER OF VOTES AT THE GENERAL MEETING
	AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST HALF OF 2025		AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST QUARTER OF 2025	
Powszechny Zakład Ubezpieczeń S.A.	52,494,007	20.00%	52,494,007	20.00%
Polski Fundusz Rozwoju S.A.	33,596,166	12.80%	33,596,166	12.80%
Nationale-Nederlanden Otwarty Fundusz Emerytalny	16,807,000	6.40%	16,807,000	6.40%
Allianz Polska Otwarty Fundusz Emerytalny	14,140,661	5.39%	14,140,661	5.39%
Other shareholders (below 5%)	145,432,200	55.41%	145,432,200	55.41%
Total	262,470,034	100.00%	262,470,034	100.00%

Until the date of submitting the report the Bank has not received any other notifications regarding changes in the ownership structure in accordance with par. 69 of the Act of July 29, 2005 on Public Offerings and Conditions Governing the Introduction of Financial Instruments to an Organized System of Trading, and on Public Companies.

5.5 Financial credibility ratings

Bank Pekao S.A. financial credibility ratings

Bank Pekao S.A. co-operates with three leading credit rating agencies: Fitch Ratings (the Fitch), S&P Global Ratings (S&P), and Moody's Investors Service. In the case of the first two agencies, the ratings are provided on a solicited basis under relevant agreements and with respect to Moody's Investors Service the ratings are unsolicited and they are based on publicly available information and review meetings.

As of 30 June 2025, Bank Pekao S.A. had assigned following financial credibility ratings:

FITCH RATINGS	BANK PEKAO S.A.	POLAND
Long-Term Default rating (IDR)	BBB+	A-
Short-Term Default Rating	F2	F1
Viability Rating	bbb+	-
Government Support Rating	No support	-
Outlook	Stable	Stable
National Long-Term Rating	AA(pol) (stable outlook)	-
National Short-Term Rating	F1+(pol)	-
S&P GLOBAL RATINGS	BANK PEKAO S.A.	POLAND
Long-term rating in foreign currencies	A-	A-
Long-term rating in domestic currency	A-	A
Short-term rating in foreign currencies	A-2	A-2
Short-term rating in domestic currency	A-2	A-1
Stand-alone credit profile	bbb+	-
Outlook	Stable	Stable
Rating of Senior Preferred series SP2 bonds	A-	-
Rating of Senior Non-Preferred series ESN1 eurobonds	BBB	-
Rating of Senior Non-Preferred series ESN2 eurobonds	BBB	-
Rating of Senior Non-Preferred series ESN3 eurobonds	BBB	-
Rating of Senior Non-Preferred series SN3 bonds	BBB	-
S&P GLOBAL RATINGS (RESOLUTION COUNTERPARTY RATING)	BANK PEKAO S.A.	POLAND
Long - term RCR in foreign currencies	A	-
Short - term RCR in foreign currencies	A-1	-
Long - term RCR in domestic currency	A	-
Short - term RCR in domestic currency	A-1	-
MOODY'S INVESTORS SERVICE (UNSOLICITED RATING)	BANK PEKAO S.A.	POLAND
Long-term foreign-currency deposit rating	A2	A2
Short-term deposit rating	Prime-1	Prime-1
Baseline Credit Assessment	baa2	-
Long-term counterparty risk assessment	A2(cr)	-
Short-term counterparty risk assessment	Prime-1(cr)	-
Outlook	Stable	Stable
Long-term Counterparty Risk Rating (CRR)	A2	-

The history of rating changes is available on the Bank's website: <https://www.pekao.com.pl/en/investors-relations/bonds-and-ratings/ratings.html>

Pekao Bank Hipoteczny S.A. financial credibility ratings

Pekao Bank Hipoteczny S.A. (Pekao BH) cooperates with the international rating agency Fitch Ratings. Fitch emphasizes that Pekao BH's rating is linked to that of Bank Pekao S.A., which holds 100% of Pekao BH shares. According to Fitch, Pekao BH is influenced by the level of integration with the parent company and the scale of the Bank's operations and capital. As at 30 June 2025, Pekao BH's long-term rating by Fitch was BBB+ with a "Stable" outlook. Covered bonds issued by Pekao BH were rated "BBB+".

More information is available on the Pekao Bank Hipoteczny website: <https://www.pekaobh.pl/relacje-inwestorskie/raporty-ratingi.html>

6. Activity of Bank Pekao S.A. Group

6.1 Development directions of Bank Pekao S.A. Group - Strategy for 2025-2027

Taking advantage of trends and opportunities and drawing on the Bank's strengths, we intend to strengthen our market position and maintain high shareholder value. The activities carried out will be in line with the bank's mission and vision.

Our ambition for 2027 is to become one of the most profitable and efficient institutions in the Polish banking sector.

The strategy of Bank Pekao **"...the only way is up!"** for the years 2025-2027 is based on three pillars: Growth, Accessibility and Efficiency, within which we have defined 9 strategic directions. In these pillars, we address the strategic adaptation to identified market trends that we want and need to utilize in our daily operations.

The Growth pillar, we will focus on development in key segments and products, which will improve our results and market share.

1. Supporting the activity of our clients with sensitivity to changes occurring in the human life cycle.
2. Using the partnership with the PZU Group and building a position of a growth leader in the bancassurance market.
3. Integrating products from the Pekao Group (leasing, factoring) with responsibility for customer relations - especially in small, medium and microenterprises.
4. Growth of the corporate banking business by taking advantage of the economic momentum and the bank's industry expertise.

The Accessibility pillar, we will make banking services more modern, convenient, and tailored to the customer's style.

5. Integrated customer service model with top-quality conversational banking and optimized branch format.
6. Customer and quality of service at the center of our attention to make contact with the bank a friendly experience.

The Efficiency pillar, we will enhance operational efficiency through fast and modern processes and an aspirational organizational culture.

7. Building an effective data ecosystem – integrated and effective management and financial reporting.
8. Ergonomics of key processes based on continuous improvement.
9. Aspirational organizational culture supported by dynamism of attitudes, decisiveness and the willingness to reach for new solutions.

6.2 Achievements of Bank Pekao S.A

Bank Pekao S.A. is a universal commercial bank offering all financial services available in Poland for individual and institutional clients. A wide range of products, innovative solutions and individual approach ensure comprehensive financial support for clients and an integrated customer service model is a guarantee of the highest quality of services and optimal adjustment to changing customer needs. Since 2017, Bank Pekao S.A. is part of the PZU S.A. capital group, the largest financial institution in Central and Eastern Europe.

A wide product offer, innovative solutions and individual approach provide comprehensive financial service to clients and the integrated customer service model provides the highest quality of services and their optimal adaptation to changing needs. The Bank has measurable advantages that allow it to compete effectively on the market and strengthen its market position in the strategic areas of the Bank's operations. The Bank offers competitive products and services on the Polish market, and high level of customer service and a well-developed distribution network.

BUSINESS MODEL

The Bank's business model is based on customer segmentation with the following groups of customers:

- **RETAIL BANKING AND PRIVATE BANKING** – serving individual clients, including affluent private banking clients and micro enterprises. Private banking clients are offered investment advisory through private banking centers and remote channels, while all individual clients and micro-enterprises are served through a wide network of branches and partner outlets supported by market-leading remote service channels, including digital channels,
- **ENTERPRISE BANKING** – providing financial services to clients from small and medium-sized enterprises sector that are served by relationship managers with the support of product specialists. The service is carried out in specialized Business Customer Centers, Corporate Centers and universal retail branches. Customers are offered with products and services tailored to their individual needs based on solutions proven in corporate banking and adapted to the needs of the enterprise segment,
- **CORPORATE AND INVESTMENT BANKING** – providing financial services to large enterprises (segmentation by revenues of companies), public sector entities, financial institutions and entities from the commercial real estate financing sector. Corporate and investment banking clients are served by relationship managers with the support of product specialists.

Distribution channels

The Bank offers to its clients a broad distribution network with ATMs and outlets conveniently located throughout Poland as well as a professional call center and a competitive online and mobile banking platform for individual, corporate and micro-enterprises.

	30.06.2025	30.06.2024
Total number of outlets	566	572
own outlets	474	485
partner branches	92	87
Total number of own ATMs	1,322	1,297

The number of accounts

At the end of June 2025, the Bank maintained 8,835 thousand PLN denominated current accounts, 340 thousand mortgage loan accounts and 576 thousand "Pożyczka Ekspresowa" (Express Loan) accounts.

(in thousand)

	30.06.2025	30.06.2024
Total number of PLN current accounts (*)	8,835	8,377
of which packages	6,110	5,868
Number of mortgage loans accounts (**)	340	362
of which PLN mortgage loans accounts	326	345
Number of Pożyczka Ekspresowa loan accounts (***)	576	578

(*) Number of accounts including accounts of prepaid cards.

(**) Retail customers accounts.

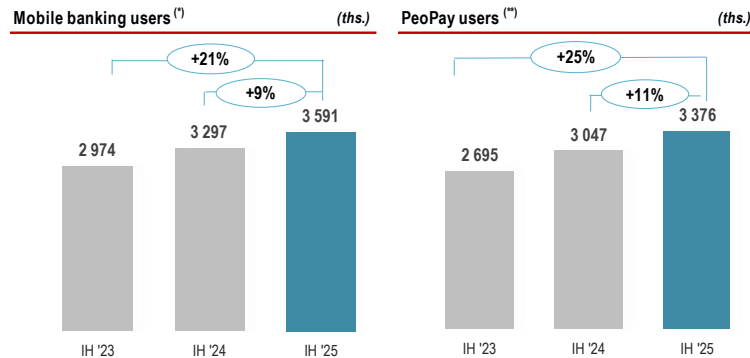
(***) Pożyczka Ekspresowa, Pożyczka Ekspresowa Biznes.

The data presented according to the business model based on the managerial model in which the main criterion for dividing the Group's reporting is the classification of the client depending on his profile and service model.

Retail banking and private banking

Development of electronic and mobile banking

In the first half of 2025, the number of active mobile banking customers increased by 160 thousand to 3.6 million, i.e. +9% more than a year ago and as much as +21% more than two years ago. The number of active mobile customers using the PeoPay application increased by 175 thousand to 3.4 million and was +11% higher than a year ago and +25% higher than two years ago.



(*) Unique user actively using electronic banking is a user who logged in to the system and the mobile service m.pekao24.pl. at least once during the last quarter (in case of using different mobile channels the client is counted only once).

(**) Unique user PeoPay application who logged in to the system PeoPay at least once during the last quarter.

The most important projects implemented in the first half of 2025 in Pekao24 electronic banking included, among others, the introduction of:

- Payment rings – enabling payments to be made with them, thanks to the tokenization of Bank Visa and Mastercard cards (both debit and credit),
- E-vignettes – the function of purchasing electronic vignettes for motorways and roads in Bulgaria, the Czech Republic, Slovakia, Slovenia, Switzerland and Hungary,
- Extension of payments for motorways by a new section – enabling the payment of tolls on the A2 motorway on the Poznań-Konin section,
- Restrictions on the transfer of funds abroad – a function that allows the customer to independently enable or disable the blocking of foreign transfers,
- Consent to the processing of behavioural data – enabling customers to consent to the collection of behavioural data in order to increase security,
- Serial transfers – enabling the execution of many transfers at the same time in the Pekao24 service,
- Improvements to remote identity verification – changes aimed at increasing the effectiveness and shortening the time of the verification process,
- Changes in the appearance and ergonomics of electronic channels to increase the intuitiveness of operation.

Number of clients and accounts

In the first half of 2025, thanks to a marketing campaign conducted on TV, online and social media, promoting the "Konto Przekorzystne" Account and the Savings Account with an attractive interest rate and the "Promocje z Żubrem" program, we maintained a high level of account sales. We opened a total of 258.8 thousand accounts for individual clients, maintaining high results of new customer acquisitions.

We offered our customers a wide and comprehensive package of solutions "Supermoce w podróży", the biggest novelty introduced was a payment ring to which you can attach the Bank's card and make contactless payments without a wallet, without a phone and without the need to charge the device. The package also includes the possibility of purchasing vignettes available in the PeoPay mobile application, eSIM (free 3GB internet data package in over 120 countries), refunds for non-cash transactions on the go, collecting miles in the Miles&More program. The Bank has launched mobile service points at the six largest airports in Poland, i.e. Warsaw Okęcie, Kraków Balice, Katowice, Gdańsk, Wrocław and Poznań, enabling customers to open a "Konto Przekorzystne", also while travelling.

We encouraged parents to set up their child's first account when applying for the 800+ child benefit. We continued our promotions with attractive interest rates on the Mój Skarb savings account. On the occasion of Children's Day, we ran a campaign promoting conversations about finances and learning how to save from an early age.

On the occasion of the 5th birthday of the PeoPay KIDS application, together with Empik we have prepared "BajkiOszczędzajki" - a series of stories that tell children and their parents about finances in a simple and accessible way. The audiobooks are available on the Bank's YouTube channel and in the Empik Goapp.

For customers aged 18-26, we continued to work with the Gaming Ambassador and develop the Money Tycoon map in Fortnite, which was released to players in December 2024. The combination of entertainment and financial education in an accessible form supports the interests of young people and encourages conscious financial management. As a result, 84 thousand accounts were sold to the age group up to 26 years old, which accounted for about 33% of total sales.

We actively promoted the sale of cards and the PeoPay application among young customers, introducing new card images inspired by passions: sports, music, gaming, and offering a special catalogue of prizes and a promotion for registering with a card with such an image as part of the Mastercard Priceless Moments program.

We carried out subsequent editions of the online account opening promotion, under which customers who met the conditions of the promotion, i.e. actively used their debit card and gave marketing consents, could receive a bonus of up to PLN 300.

In the first half of 2025, we opened a record number of over 21 thousand new "Kont Świat Premium", which was an increase of +9% compared to the same period of 2024. The sale of new accounts was supported by an attractive interest rate of 6% for 5 months up to PLN 200 thousand on Premium Savings Accounts and a promotion of 10,000 miles as part of the Miles&More program for opening a new "Kont Świat Premium" along with the purchase of a "Karta Kredytowa z Żubrem" and active use of it.

For Private Banking clients, we have modified the method of connection to the Mastercard Concierge and introduced direct redirects to a Polish-speaking Concierge consultant, omitting the indirect verification in English.

In the Pekao24 website and the PeoPay application, as part of the "Okazje z Żubrem" loyalty program, we have prepared an extended package of benefits for new and existing customers actively using cards. Customers gained access to attractive offers in popular online stores and retail and service outlets.

Payment cards

In the first half of 2025, we continued our efforts to support the sale of the "Karta Kredytowa z Żubrem", which is already used by over 240 thousand customers.

As part of our cooperation with LOT Polish Airlines and Miles & More, we continued our efforts to promote the collection of miles for transactions made with the "Karta Kredytowa z Żubrem". Customers could redeem their miles for e.g. airline tickets, upgrades and other awards. We have launched the Miles & More promotion supporting the sale of credit cards for Private Banking customers: Pekao VISA Infinite and Pekao World Elite Mastercard. Customers who register these cards in the program can count on a very favorable conversion rate in the form of 1 mile for every PLN 5 spent.

For Private Banking customers, we have launched a promotion „Płatności w wyjątkowo dobrym stylu z Bankiem Pekao”. As part of the promotion, we have provided customers with a modern form of making payments through payment rings and cashback up to PLN 600 for payments on the go (5% refund for 6 months, up to a maximum of PLN 100 per month).

Lending products

In the first half of 2025, we achieved very good sales results in the area of cash loans. The value of cash loans granted increased to PLN 3.7 billion in net volumes, i.e. by +19% compared to the same period of 2024, the gross value of signed agreements increased to PLN 4.3 billion. i.e. by +24% compared to the first half of 2024. In the second quarter of 2025 alone, we recorded the highest quarterly net sales of loans to date, at nearly PLN 2 billion, and PLN 2.3 billion in the value of contracts concluded with customers.

As at the end of June 2025, the cash loan portfolio increased to PLN 13.5 billion, i.e. +11.0% y/y and +6.5% compared to December 2024, which translated into higher portfolio growth dynamics compared to the banking sector.

In the first half of 2025, we achieved a record-breaking, highest quarterly sales of cash loans concluded electronically at nearly PLN 3.0 billion, i.e. +37% y/y, and in the second quarter alone, the volume of electronic sales amounted to PLN 1.6 billion. We are consistently increasing the share of loans granted remotely using the Pekao24 service, in the PeoPay mobile application and via the Bank's hotline, in the first half of 2025 it reached 89% (compared to 80% in the same period of 2024). By developing electronic sales processes, we care about the safety and comfort of our customers by implementing solutions that increase security and reduce the scale of fraud. In March, the advertising campaign "Śmiało realizuj plany" was launched on TV, VOD, the Internet, social media and the Bank's electronic channels, which supports the sale of cash loans by promoting the attractive offer of Pierwsza Pożyczka at Bank Pekao S.A.

Mortgage loans

We have updated and adapted our mortgage loan offer on an ongoing basis to changing market conditions and customer needs, consistently maintaining it among the three best offers on the TOP3 market, which allowed us to achieve high sales volumes. We have expanded our price offer with additional preferences for loans above PLN 500 thousand, opening up to acquire wealthier customers from larger cities, with specific financial needs and interested in a long-term relationship with the Bank.

In the first half of 2025, sales of housing loans reached PLN 5.2 billion. Despite the growing competition on the market, we still maintain a strong market position in terms of mortgage loan sales volume.

The achieved sales results translated into an increase in the housing loan portfolio, which at the end of June reached PLN 68.6 billion, i.e. an increase of +4.0% compared to the end of June 2024 and +1.6% compared to December 2024.

The Bank's activities have been recognised in the prestigious "Złoty Bankier" ranking. We won the first place in the category of mortgage loans, receiving the title of "Mortgage multitool". We have been recognised as a versatile home loan provider, offering a wide range of interest rates, flexible down payment requirements, and competitive pricing and tailored financing amounts. The ranking jury also drew attention to the high level of electronic service, emphasizing that the Bank is at an advanced stage of implementing full digitization of the credit process.

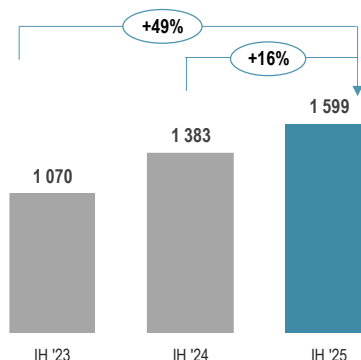
In the first half of 2025, we launched another edition of the settlement programme for borrowers with active housing loans denominated in CHF, which are in the Bank's portfolio almost entirely by way of joining a separated part of Bank BPH SA in 2007. We have extended the availability of the offer to more customers, aiming to cover all customers. By the end of June, more than 42% of clients had received settlement proposals, and more than 7.9 thousand settlements had been signed.

In the first half of 2025, we transferred part of our mortgage loan receivables to Pekao Bank Hipoteczny. The total number of loans transferred so far is 16.6 thousand with a value of over PLN 3.4 billion.

Business clients loans

In the first half of 2025, new sales of financing to business customers in total (loans, leasing and factoring) amounted to PLN 1.6 billion and were higher by +15.6% y/y. Sales of bank loans in the business clients segment amounted to PLN 713 million. The sale was supported by the possibility of repayment of liabilities from another bank, an attractive "Winter" offer, "Spring cheaper online" and an offer of cooperation with sales partners. Optimisation and digitisation work carried out in the business customer segment translates into a simplified, fast credit process also available in remote channels.

Sale of financing for business clients (PLN million)



Development in the area of insurance products

In the first half of 2025, in the bancassurance area, we focused on informing customers about the scope and benefits of the Bank's insurance offer, using intensive marketing activities and personalized communication within CRM systems. We have also carried out projects that will significantly expand the range of available insurance products offered by the Bank in the coming quarters.

We significantly increased the number of consultants offering insurance in the Contact Center, which, combined with intensive sales support activities carried out in all distribution channels, contributed to the achievement of good results and high dynamics y/y. The Bank's share in the bancassurance market in the field of protection insurance reached a record level of 14.5% in the first half of 2025.

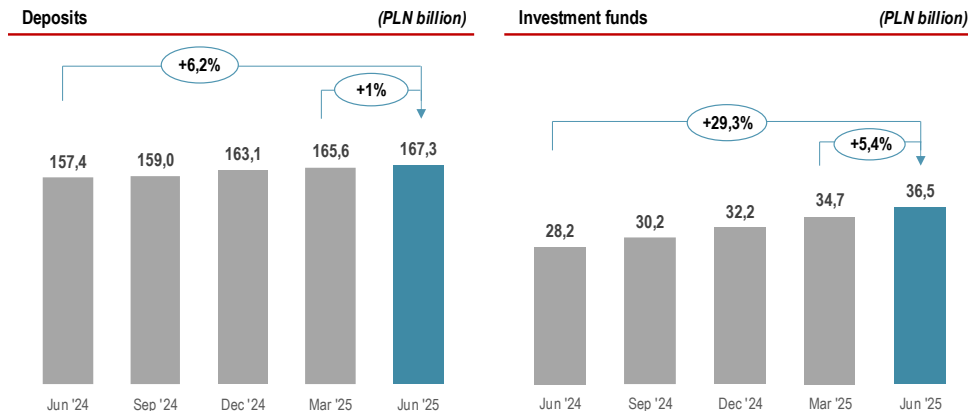
The collected premium from protection insurance was higher by +34% y/y, after taking into account investment products by +58% y/y.

A large increase in sales was recorded in insurance not related to banking products. The number of motor insurance policies sold in the first half of 2025 was over 80% higher y/y, and the number of travel policies was higher by 76% y/y.

The share of the number of mortgage loans sold with insurance (for which insurance could be offered) remained at a stable high level of 95%, and in the case of the number of cash loans sold it was 34%.

Deposit, brokering activity and sale of investment products

At the end of the first half of 2025, the total value of deposits held by individual customers (including Private Banking customers) and business customers amounted to PLN 167.3 billion, i.e. an increase of PLN +9.2 billion (+6.2%) compared to the first half of 2024 and PLN +5.1 billion, i.e. +3% compared to the end of 2024. The value of assets deposited in TFI Pekao increased to PLN 36.5 billion, i.e. PLN +8.3 billion (+29.3%) more than in the first half of 2024 and +PLN 4.3 billion (+13.3%) compared to the end of 2024.



In the first half of 2025, we continued to offer attractive promotions on savings accounts addressed to new customers and customers with small balances, 6% for 5 months on Savings Accounts and Premium Savings Accounts, 5% for 5 months on My Treasury accounts and 5% for 3 months on Piggy Bank accounts. The interest in promotions translated into an increase in the total balance on savings accounts by PLN +1.4 billion, i.e. +4.8% compared to the end of March 2025.

In the first half of 2025, we recorded a further increase in the number of customers opening new term deposits exclusively through the remote channels of the PeoPay application and the Pekao24 service.

We offered attractive solutions to clients interested in investing part of their savings in investment products, including, above all, Pekao TFI funds and products combining the advantages of deposits and investments, i.e. Deposit with a Fund and Investing Deposit. The offer also includes retail Treasury Bonds. In addition, we have introduced 5 new structured products with full capital protection available in three currencies: PLN, EUR and USD.

In the first half of 2025, sales of investment products in the retail segments amounted to PLN 10.2 billion net, i.e. +11% more than in the same period last year.

The Bank continued to offer preferential pricing terms to customers using remote channels when purchasing investment products, which translated into an increase in the number of transactions carried out in these channels.

ENTERPRISE BANKING

Enterprise Banking consists of two segments: Small and Medium Enterprises (SME) and Medium Enterprises (MID) segments.

In the first half of 2025, we continued our activities in the field of automation and digitalization of the credit process and the development of electronic banking functionalities enabling customer self-service.

Lending activities and customer financing

In the first half of 2025, the value of new loans sold (excluding renewals) in the SME segment reached PLN 3.7 billion and was 9% higher compared to the first half of 2024. In the MID segment, the value of new loans sold amounted to PLN 7.1 billion (13% higher than in the corresponding period of 2024).

Customer acquisition

In the first half of 2025, we acquired 1.5 thousand new customers in the SME segment and 579 new customers in the MID segment.

Implementations and product changes

In the second quarter of 2025, we expanded the availability of the SMEX mortgage loan and express loan for customers from the small and medium-sized enterprise sector, thanks to which more companies gained the opportunity to take advantage of flexible forms of financing.

In addition, we increased the limit for guarantees under the Investmax programme, which allowed SME clients to obtain higher credit collateral and increase the scale of their investments.

We have also introduced a new application in the Self-Service Zone in PekaoBiznes24, enabling SME customers to change the limits for credit and charge cards on their own, which has significantly improved the convenience of managing card products.

We have started a pilot project of revitalization of the PekaoBiznes24 system, the aim of which is to improve the ergonomics, functionality and modernity of the online banking platform for companies.

We have launched a pilot process of onboarding corporate clients via the website, which is an important step towards full digitization of the process of establishing a relationship with the Bank.

We continued a series of meetings with clients in the form of webinars devoted to education in the area of cybersecurity.

CORPORATE AND INVESTMENT BANKING

The Corporate Banking includes corporate segments and significant capital groups (the so-called large corporations), public sector clients, financial institutions as well as commercial real estate and specialized financing. The Pekao Group is a leader in these segments. It has a competitive advantage resulting from experience, unique staff, specialized knowledge and processes and the potential to co-finance large projects based on a very strong liquidity and capital position. The Bank provides both the comprehensive services of a universal bank and the services in such areas as leasing, factoring, investment advisory services, advisory in M&A as well as highly advanced treasury, capital market products and custody services. A wide range of products and services, innovative solutions, customised approach and the comprehensive financial services for the largest enterprises, institutions and public sector units are appreciated by clients and decide about the strength of corporate banking of Bank Pekao S.A.

Clients

At the end of the first half of 2025, we served 6.9 thousand clients. We cooperate with the largest companies. We provide support in the substantive, operational and financial development of our clients, both in the day-to-day business and in large strategic projects.

Investment banking, Structured Finance & Commercial Real Estate

We offer our clients services in the field of investment banking, structured finance and financing of commercial real estate projects, including financing the construction of warehouse space.

The most important financing projects in the first half of 2025 include:

- co-financing the construction of further wind farms in the Baltic Sea. The amount of funding amounted to more than EUR 6 billion,
- financing provided to a European leader in the e-commerce and courier industry. The syndicated loan amounted to EUR 4.2 billion,
- syndicated financing granted for the development of fibre optic infrastructure. The financing amounted to PLN 3.7 billion,
- syndicated financing arranged for the refinancing and development of the retail network in Central and Eastern Europe. The funding amounted to EUR 300 million,
- a syndicated loan granted to a leader in the retail industry. The amount of financing amounted to PLN 875 million,
- participation in a syndicated financing for a leading European glass processing company. Total funding of around EUR 480 million,
- a syndicated loan granted to a technology company that provides companies of all sizes with comprehensive solutions needed to run a business on the Internet on a daily basis. The loan amounted to PLN 354 million,
- a syndicated loan granted to a leader of the energy industry in Poland. The amount of financing amounted to PLN 300 million. This is yet another transaction with our participation in energy transition,
- an investment loan for financing a portfolio of five existing retail parks. The amount of funding amounted to EUR 69 million,
- financing provided to a company that is a highly specialized provider of diagnostic and health services, focusing on the markets of Central and Eastern Europe. The funding amounted to EUR 50 million,
- financing the construction of dormitories for rent in two Polish cities. The construction is being carried out by a developer with experience in this market segment. The amount of financing amounted to PLN 177 million,
- granting a loan to a leading player on the commercial real estate market for the refinancing of an office building in Warsaw. The total amount of the loan amounted to EUR 31.3 million,
- financing the construction of modular warehouses. It is a dynamically developing segment of the commercial real estate market. The amount of financing amounted to PLN 126 million,
- granting an investment loan to a leading developer of warehouse space. The amount of financing amounted to EUR 19.5 million.

Issuance of debt securities

In the first half of 2025, the Bank issued non-Treasury debt securities (of enterprises, banks and local governments) for the total amount of over PLN 22.9 billion, among which the following transactions deserve special attention:

- issue of 5-year bonds for a company operating in the additional employee benefits sector in the amount of PLN 1 billion, in which the Bank acted as a co-arranger and dealer,
- issue of 8 series of Pekao Leasing bonds for a total amount of over PLN 4 billion and the issue of 18 series of Pekao Faktoring bonds for a total amount of PLN 12.4 billion, in which the Bank acted as the sole arranger and dealer,
- issue of 5-year green bonds for a company from the telecommunications industry in the amount of PLN 700 million, in which the Bank acted as the arranger and dealer,
- issue of two series of 4-year bonds for a company from the development industry for a total amount of PLN 400 million, in which the Bank acted as a co-arranger and dealer,
- issue of 2.5-year bonds of a leasing company belonging to an international financial group in the amount of PLN 200 million, in which the Bank acted as the sole arranger and dealer,
- issue of 2 series of bonds of Pekao Bank Hipoteczny for the total amount of PLN 320 million for Pekao Bank Hipoteczny, in which the Bank acted as the sole arranger and dealer,
- issue of 4-year mortgage covered bonds of Pekao Bank Hipoteczny in the amount of PLN 350 million for Pekao Bank Hipoteczny, in which the Bank acted as the sole arranger and dealer,
- issue of two series of own bonds, including subordinated Tier 2 equity bonds in the amount of PLN 750 million in the 10nc5 format on the domestic market and the privileged non-senior bonds in the 6nc5 format in the amount of EUR 500 million on the international market; in both transactions, the Bank acted as a coordinator and dealer,
- issue of 2-year bonds in the amount of PLN 400 million for a leasing company belonging to an international banking group, in which the Bank acted as a dealer,
- issue of 7-year bonds for a leading company operating in the Polish debt collection industry for a total amount of PLN 400 million, in which the Bank acted as a dealer in a consortium,
- issue of 5-year bonds linked to sustainable development for a company from the retail trade industry in the amount of PLN 1 billion, in which the Bank acted as the arranger, issue coordinator and dealer.

Cooperation with financial institutions and custody services

We hold a leading position in rendering services to domestic financial institutions, focusing on providing the highest quality services to insurance companies, investment funds, brokerage houses, financial sector infrastructure entities, cooperative banks and savings and credit unions. Our offer includes modern transactional banking products, clearing and treasury products, custody services and depositary bank services.

We cooperate with banks all over the world. We have exchanged over 1.3 thousand SWIFT keys. We have a direct or indirect access to the most important settlement systems, we maintain nostro and loro accounts for a very large group of foreign banks and we have an infrastructure that ensures efficient foreign settlements in 21 major currencies.

Brokerage activities

In the first half of 2025, the Pekao Brokerage House maintained a total number of over 205 thousand investment accounts and 162 thousand accounts for servicing retail treasury bonds, including over 326 thousand accounts with active access to services via remote channels. Direct service was provided as part of a nationwide network of 410 brokerage outlets in 378 locations.

As at 30 June 2025, the value of assets of Pekao Brokerage House amounted to PLN 72 billion.

Transactional Banking

In the first half of 2025, in the area of transaction banking:

- we recorded an increase in the number of domestic transfers by +2% y/y. We maintain about +20% market share for domestic payments,
- we recorded an increase in the number of outgoing foreign transactions by +15% y/y and incoming transactions by +7% y/y,
- we recorded an increase in the number of processed Direct Debit transactions by +5% y/y – up to over 3 million transactions, with a simultaneous increase in the volume of transactions by +21.0% to a total amount of almost PLN 1.2 million,
- we recorded an increase in the number of transactions received in Pekao Collect by +7% with a simultaneous increase in the volume of such transactions by +3%.

In the PekaoBiznes24 Self-Service Zone, we have made available new functionalities that increase the convenience and safety of service:

- the "Change card settings" application which allows you to assign or change your phone number to the 3D Secure service and apply for an e-PIN code for online transactions,
- a new version of the application: "Change of account statement settings" which replaces the existing functionality and allows you, among other things, to specify the frequency of generating statements from current accounts and VAT accounts, enable or disable the provision of separate statements for VAT accounts, and change the form of providing account statements from paper to electronic form,
- the application "Change of limits for credit and charge cards" which allows you to change the card limit for cash and non-cash transactions, as well as to change the limit for online transactions,
- we have added a feature to the Direct Debit (DD) service that streamlines authorizations, payment processing, and consent management. Consents are handled digitally (e.g. through scans of documents without paper versions). The first time the customer is charged, he receives a message about the consent being created and the DD is charged.

We have implemented support for cash payments with the use of QR code readers. The new solution reduces manual data entry in the Bank's branches for both open and closed deposits in favor of automatic reading of information from QR codes. As a result, the service process is faster and more effective, which translates into optimization of the time and cost of execution of cash transactions.

Since June, the Bank's clients have been able to deposit cash in PLN using debit cards and the Cash Card deposit cards in the Euronet ATM network. The service is also available for those cards linked to PLN accounts.

Trade finance

In the first half of 2025, we recorded an increase in both active guarantees and sureties as well as debt financing. The exposure to guarantees and sureties increased by more than +9%, while the value of invoices financed under financing products increased by +8% as compared to the same period last year.

The Open Financing Platform (OPF), which supports the operation of products based on the purchase of receivables, enabled the financing of over 43 thousand invoices with a total value of almost PLN 1.5 billion. In comparison with the same period of the year before, the number of transactions increased by +46% and their value by +14%.

Cooperation with international clients

We support the expansion of Polish companies into European markets and developing countries. We have prepared comprehensive offers of short- and long-term financing, as well as hedging the risk of international transactions. The Bank's clients can benefit from a package of the most advantageous financial solutions, tailored to their business model.

We also provide solutions for companies that are looking for opportunities to finance investments in green transformation. Bank Pekao's clients can take advantage of the KUKI guarantee program, which will facilitate the financing of expenditures related to the energy transition and the implementation of investment projects aimed at achieving climate neutrality by the economy.

Comprehensive cooperation with public finance sector entities

Financing the public sector and municipal projects is an important part of our strategy. We actively participate in activities related to the building and development of Polish infrastructure, as well as supporting the sustainable development of the economy and environmental protection. We provide services and financing to local government units, municipal enterprises, universities, and entities established as part of public-private partnerships.

We cooperate with 11 out of 12 Polish metropolises (we provide services to 92% of them) and we provide ongoing budget services for 6 of them. We cooperate with every fifth municipality in Poland. We have business relations with 75% of cities with county rights, and we provide ongoing services for every fifth of them. We also cooperate with every fourth county (25%) and more than half of the provinces (56%). We are a leading bank for state universities - more than 50 of them use our services.

In the first half of 2025, we concluded financing agreements for the public finance sector for a total amount of over PLN 1.3 billion. A significant part of this amount was the financing of the current operations of local government units, including the issue of bonds of the city of Łódź (PLN 300 million) and the city of Lublin (PLN 100 million). An important element was also the financing of investment projects of municipal companies, such as the issue of bonds of the Municipal Cleaning Company in Warsaw in the amount of PLN 101 million.

One of the Bank's key achievements in the first half of 2025 was the signing of an agreement for comprehensive services for the budget of the city of Rzeszów, covering 113 organizational units and 6 cultural institutions. As part of the cooperation, the bank granted an overdraft facility to the city in the amount of PLN 50 million and provides full operational services – from account management, through the provision of advanced transaction services, to financing current activities.

6.3 Achievements of subsidiaries

Banking activity

Pekao Bank Hipoteczny S.A. – Pekao Bank Hipoteczny

[Pekao Bank Hipoteczny \(pekaobh.pl\)](https://pekaobh.pl)

Pekao Bank Hipoteczny S.A. is a specialist bank, focused on granting mortgage loans and servicing assets, using the issue of covered bonds to finance them. As part of the Group's cooperation, portfolios of mortgage loans and bonds of local government units (LGUs) are transferred to Pekao BH, which may be used as collateral for covered bonds issued by Pekao BH.

In the first half of the year, Bank BH, on the basis of the "Planned Demerger of Pekao Bank Hipoteczny S.A." signed between Bank Pekao S.A. and Bank BH, separated loans with a high risk profile (in particular CHF loans) and significant labor intensity from the balance sheet. Then, as part of the process of dividing the company, he separated the Organized Part of the Enterprise (ZCP). This is an element of the Plan, on the basis of which part of its assets (ZCP) is to be transferred to Bank Pekao S.A. Details of the project are described in Current Report 14/2025 of 21 March 2025 and 33/2025 of 4 July 2025.

In the first half of 2025, Pekao Bank Hipoteczny continued the purchase and transfer of mortgage receivables from Bank Pekao S.A. The transferred portfolio of mortgage receivables, for a total amount of PLN 712 million, included loans granted in PLN, which were intended to finance the housing needs of natural persons.

As at the end of June 2025, the net value of the loan portfolio (including the bond portfolio of local government units) amounted to PLN 3,955 million and was higher by PLN 810 million (i.e. 25.8%) compared to June 2024. Loans granted to individual customers accounted for 78.9% of the portfolio, while loans granted to enterprises and local government units accounted for 5.9% and 15.2% of the loan portfolio, respectively.

In the first half of 2025, Pekao Bank Hipoteczny S.A. completed one issue of mortgage covered bonds. As at 30 June 2025, the total value of covered bond liabilities amounted to PLN 2,687 million. As part of the diversification of financing sources, Pekao BH issues bonds. As at 30 June 2025, liabilities under the issued bonds amounted to PLN 443 million.

Assets management

Pekao Investment Management S.A. – Pekao IM

<https://pekaotfi.pl/o-nas/pekao-investment-management>

Pekao IM, in which Bank Pekao S.A. holds 100% of shares, is the owner of Pekao Towarzystwo Funduszy Inwestycyjnych S.A. (Pekao TFI). Pekao TFI is the longest-operating investment fund company in Poland, offering clients modern financial products, providing the opportunity to invest on the Polish market as well as on global capital markets. The company develops solutions in the field of savings programs, including voluntary retirement savings, offering products under the third pillar of the pension system.

Pekao TFI's offer also includes portfolio management services and Employee Capital Plans (PPK). The Society is included in the ECP register, and its offer is also available through the website: www.mojeppk.pl.

As at 30 June 2025, the net asset value of Pekao TFI investment funds (including PPK) amounted to PLN 36,513 million and was higher by PLN 8,277 million, i.e. by 29.3% compared to the end of June 2024. The higher value of assets was driven by the continued favourable situation on the capital markets.

Leasing activity

Pekao Leasing Sp. z o.o. – Pekao Leasing

[Pekao Leasing - Pekao Leasing Sp. z o.o.](https://pekaoleasing.pl)

Pekao Leasing provides financial services supporting the sale and purchase of fixed assets, i.e. means of transport, machinery and equipment, as well as office real estate – both through operating and financial leases.

The Company cooperates with Bank Pekao S.A. in the sale of leases to customers who are also the Bank's customers. Pekao Leasing offers financing for small and medium-sized enterprises under agreements with the European Investment Bank, the Council of Europe Development Bank and the European Bank for Reconstruction and Development. The company also cooperates with Bank Gospodarstwa Krajowego S.A. (BGK) by offering financing of vehicles as well as machinery and equipment with a BGK guarantee. Particularly noteworthy is the financing of environmental assets, including means of transport: vehicles weighing up to 3.5 tonnes with electric drive and over 3.5 tonnes meeting at least the Euro VI emission standard. It is also worth highlighting the funding intended to support women's entrepreneurship.

In the first half of 2025, Pekao Leasing concluded approximately 12 thousand new contracts. The value of assets leased by the Company amounted to PLN 3,793 million (it was higher by 10.9% than in the first half of 2024), including: 6.9% were means of transport, 31.8% - machinery and equipment, 5.6% - real estate, 1.7% - other.

As part of the diversification of financing sources, Pekao Leasing issues bonds. As at 30 June 2025, liabilities under the issued bonds amounted to PLN 6,828 million.

Factoring activity

Pekao Faktoring Sp. z o.o. - Pekao Faktoring

Pekao Faktoring Sp. z o.o.

The company offers a full range of factoring services (including non-recourse and non-recourse factoring), as well as services accompanying factoring, which include: collection of information on the financial situation of debtors, debt collection, accounting for settlements and ongoing monitoring of payments. The Company's offer is complemented by settlement of mass transactions, financial advisory and consulting in the selection of the method of financing operations, as well as granting loans and advances related to factoring agreements.

In cooperation with the Bank, Pekao Faktoring is developing a range of services for customers and new sales channels for products and services. As part of this cooperation, a factoring service is offered for micro-entrepreneurs – clients of Bank Pekao S.A., based on a fully automated decision-making process.

Pekao Faktoring ranks 2nd on the Polish factoring market with a 16.8% market share.

Transactional advisory

Pekao Investment Banking S.A. – Pekao IB

Pekao Investment Banking S.A. (pekaoib.pl)

Pekao IB provides highly specialized services for large and medium-sized enterprises and financial institutions. The scope of services provided by Pekao IB includes, in particular, brokerage services: receiving and transmitting orders to purchase or sell financial instruments, offering financial instruments, as well as advising companies on capital structure, enterprise strategy or other issues related to such structure or strategy, as well as advice and other services in the field of mergers, divisions and acquisitions of enterprises.

In the first half of 2025, Pekao IB acted as a joint bookrunner in five transactions on the Warsaw Stock Exchange, provided bond issue services for one entity, and successfully closed two financing advisory transactions and a M&A advisory project. During this period, the Company also conducted a number of transactions on the private and public capital markets, as well as in the field of debt advisory with a plan to implement them in the coming time.

Centrum Kart S.A. - CK S.A.

Centrum Kart S.A. - O nas

The Card Center provides comprehensive services related to, the operation of payment card management systems, transaction authorization and card personalization, ensuring high quality of services in the face of increasing complexity of business and technological environments and increasing transaction volumes. The Company provides services mainly for the needs of Bank Pekao S.A. and in cooperation with the Bank, aimed at expanding the Bank's product offer and transaction security.

In the first half of 2025, the Card Centre carried out several projects related to the introduction of new functionalities in payment terminals and ATMs – expanding the range of services they support. One of the projects was the implementation of support for additional functionalities for settling payments, including wearable devices, such as payment rings. The company has also expanded its functionality in the area of transaction security, in the area of detecting fraudulent transactions.

Pekao Financial Services Sp. o.o. – PFS

<https://www.pekao-fs.com.pl>

PFS provides outsourcing services as a transfer agent to financial institutions in the field of operational and technological solutions.

PFS specialises in providing services to domestic and foreign investment funds, general and occupational pension funds, as well as entities offering insurance products. The group of fourteen clients served by the Company includes companies with an established market position. PFS is the only company that handles open-ended pension funds using the services of an external transfer agent.

PeUF Sp. z o.o. – PEUF

PeUF is a company 100% owned by Pekao Leasing Sp. z o.o. and acts as an insurance agent, providing services in the field of insurance sales.

PeUF supports Pekao Leasing's portfolio of newly concluded insurance contracts. PeUF's activities include agency services, insurance services for newly concluded lease transactions, as well as service for policy renewals. In addition to agency services, the activities include: monitoring of policies, handling claims settlements, as well as insurance terminations. In the first half of 2025, PeUF provided intermediary services to seven insurance companies, and the value of commissions from policies sold amounted to over PLN 23 million and was higher by 17.5% than in the first half of 2024.

Krajowy Integrator Płatności S.A. – KIP

Szybkie przelewy i płatności online | Tpay

Bank Pekao S.A. owns 38.33% of shares in Krajowy Integrator Płatności S.A., the owner of the Tpay fast online payment system (formerly Transferuj.pl).

The company has the status of a national payment institution and is supervised by the Polish Financial Supervision Authority. The activity of KIP consists in intermediating in the transfer of payments between the payer and the recipient. In the first half of the year, the Company continued to invest in increasing the scale of its operations in the area of online and mobile payments. It was looking for new areas for the development of services, acquiring new customers and developing cooperation with existing ones, also as part of a strategic partnership with the Bank. As a result of the cooperation, the Bank's customers receive access to modern and secure payment services, while the Company's customers can take advantage of an attractive and comprehensive offer of banking services.

6.4 Awards and distinctions

The activities of Bank Pekao S.A. gained wide recognition by clients, industry specialists, the market and the media, as evidenced by numerous awards and distinctions granted by Polish and foreign institutions. Measures aimed at providing customers with the highest quality products and services, innovation of the proposed solutions have been appreciated.

The most important awards and distinctions received in the first half of 2025:

2025 EU-Wide Stress Test Results

In this year's edition of the pan-European stress tests conducted by the European Banking Authority (EBA), Bank Pekao S.A. turned out to be the most resilient bank in Europe to negative macroeconomic scenarios, out of 64 banks surveyed.

According to this year's results of the stress tests, the consolidated CET1 without the application of Bank Pekao's transitional provisions would be at the level of 20.03% in the baseline scenario in 2027 with a 3-year profit of EUR 3.78 billion and 17.03% in the extreme scenario with a 3-year profit of EUR 2.02 billion. Both capital ratios are significantly above the levels and target capital ratios required by the regulator.

Investor Relations of Bank Pekao among the best companies from WIG30

In the ranking prepared by the Parkiet editorial team. Institutional investors and analysts recognized Pekao as one of the companies from the WIG30 index that communicates best with the market and classified it in second place in the annual investor relations survey.

Best Trade Finance Survey

For the fourth time in a row, we were among the winners of the prestigious ranking "Best Trade Finance Survey" prepared by Euromoney magazine. The bank took first place in the general classification in the area of trade finance services and also won in the technology subcategory, confirming its position as the leader of this market segment in Poland.

Best Trade Finance Provider in Poland

For the seventh time, we received the prestigious distinction "The Best Trade Finance Provider in Poland" from Global Finance magazine. The knowledge of local economic conditions, adjustment to customer needs and innovativeness of products and services were appreciated.

The Best Bank for Sustainable Finance in Poland for 2025

Once again, we were recognized as the best bank in Poland in terms of sustainable financing and awarded the title of "The Best Bank for Sustainable Finance in Poland for 2025".

Złoty Bankier

In the 16th edition of the "Złoty Bankier" ranking, organized by Bankier.pl and Puls Biznesu, we were recognized 5 times. The highest, first place was awarded to the mortgage loan offered by the Bank, we took second place in the Personal Account and Child Account categories and third in the Premium Account category. The Bank also found itself on the podium for its communication in social media.

Biuro Maklerskie Pekao - the best Investment Analysis Team

In the 23rd edition of the analyst ranking of Gazeta Giełdy i Inwestorów "Parkiet", Biuro Maklerskie Pekao once again outclassed the competition, taking the title of the best Investment Analysis Team for the second time in a row. Thanks to the votes of investors, the Team was once again recognized as the best and most effective in the country.

„Byki i niedźwiedzie" for Bank Pekao Group

Pekao TFI was awarded the Bulls and Bears statuette in the TFI of the Year category by the Stock Exchange and Investors Gazette Parkiet, and two Pekao TFI funds received the Golden Portfolios for their results in 2024.

6.5 Factors which will affect the results of the Group

The activity of Bank Pekao S.A. and the Group's companies is in majority conducted on the Polish territory, therefore the Group's performance will be mainly affected by economic situation in the country and international events that have influence on domestic economy.

Our macroeconomic scenario assumes a gradual acceleration of economic growth from 3.2% YoY and 3.5% YoY in the first and second quarters of 2025, respectively, to over 4% in the second half of the year. In the third quarter of 2025, the growth rate is likely to reach the highest level (4.8% y/y), mainly due to the statistical base effect. Solid consumption growth will be accompanied by investments (8.4% y/y on average annually) as the second driver of economic growth, and their dynamics in the fourth quarter of 2025 will be double-digit (11% y/y). A clear increase in fixed capital formation will be associated with an increase in the volume of loans to enterprises, especially investment loans, which should grow by 7.5% y/y this year. However, the contribution of foreign trade will remain negative and will improve only slightly (from -1.0 p.p. in 2024 to -0.7 p.p. in 2025), as the cyclical economic recovery in Europe will be compounded by the chilling effects of the trade war with the US. At the same time, we are observing an improvement in the outlook for the German economy, a faster pace of recovery may pose a positive risk factor to our forecast.

The June CPI growth reading (4.1% YoY) marked the end of a 12-month period of elevated inflation, which began with the partial release of energy tariffs in July 2024. Therefore, we expect that inflation in July 2025 will enter the range of deviations from the target (2.7% YoY) and in August it will be within the NBP inflation target (2.5% YoY). We expect inflation to anchor around the target, while core inflation, despite persistent increases in prices of services, will also approach this level (3.2% y/y and 2.6% y/y on average annually in 2025 and 2026, respectively). According to the long-term NBP projection, inflation in the forecast horizon, i.e. in 2027, should even fall below the inflation target and reach 2.4% y/y.

After the 50 bps interest rate cut in May, the June break and a clear tightening of the MPC's communication tone, we assumed that the holiday period would pass without further easing of the monetary policy. We assumed that the MPC would return to interest rate cuts only in the autumn, which would lead to a reduction in the reference rate to 4.75% at the end of the year. However, the positive latest inflation projection prompted the MPC to carry out an additional interest rate cut by 25 bps already in July.

In connection with the July decision of the Monetary Policy Council, we need to update our forecast of the path of interest rates. We assume that the total scale of cuts in 2025 will be 125 bps and in 2026 75 bps. This means that the reference rate will reach 4.50% at the end of 2025 and 3.75% at the end of 2026. At the same time, we maintain our view that the target interest rate level for the current adjustment cycle is around 3.50%, which means that room for further monetary easing remains open.

An update of the forecast, assuming earlier and more decisive actions (the so-called frontloading), may translate into lower interest income of the Group. Nevertheless, in the medium term, we expect that the positive impact of lower interest rates on loan sales dynamics will more than compensate for potential negative effects on net interest income, especially in the context of achieving the objectives of the Group's Strategy, which assumes an increase in the share of fee and commission income.

The total volume of loans in the sector's portfolio will grow by 6.7% y/y in 2025 vs. 5.2% y/y in 2024. An almost 10% increase in the portfolio of PLN housing loans will be a joint effect of the continuing housing shortages in Poland and a more expansionary monetary policy. It is worth noting that mortgages denominated in PLN grew by as much as 8.4% y/y in 2024 despite the lack of government support and interest rates remaining elevated. On the other hand, the growth rate of deposits will slow down as a result of the growing propensity of domestic households to consume, as well as the beginning of business investments. In 2026, the growth rate of the loan portfolio is expected to peak, which will be the result of the expanding involvement of enterprises – including private enterprises – in transformation projects financed from the NRP funds.

After several months of ongoing tightening of the US trade policy, we believe that its impact on the Group's business prospects remains limited. So far, there has been no transmission of tariffs on the prices of consumer goods and services on a scale that would force the Fed to significantly tighten monetary policy, and we have not seen a collapse in the volume of global trade. Nevertheless, the ongoing U.S. trade negotiations with foreign partners (especially the EU, which are delayed) continue to be a significant source of uncertainty for the Polish economy and the Group's business operations.

It is also worth noting the planned merger of PZU and Bank Pekao S.A. into one Group. Thanks to the application of the so-called Danish compromise, this transaction could free up from PLN 15 to 20 billion of capital. Such a solution would create conditions for the Group to finance large transformation projects and increase the maximum value of individual transactions that are acceptable from a risk perspective. The increased ability to handle large-scale projects may prove to be crucial for the achievement of the Group's strategic objectives, in particular in terms of volume growth and market share in areas identified as priorities, including projects supporting the transformation of the Polish economy.

6.6 Description of major sources of risk and threats relating to the remaining months of 2025

Risk management

Effective risk management is a prerequisite for maintaining a high level of security of the funds entrusted to the Group, and for achieving a sustainable and balanced profit growth within the Group's risk appetite.

The key risks material for the Group include credit risk, liquidity and market risks and operational risk. Moreover, the Group identifies the following risks as material in its business activity: business, reputation, compliance, excessive leverage, bancassurance, model risks and ESG risk (risk caused by the impact of environmental, social or governance factors).

The Group has adopted a comprehensive and consolidated approach to risk management. It extends to all units of the Bank and subsidiaries. Risks are monitored and managed taking into account business profitability and the capital required to cover the losses resulting from these risks.

The Management Board of the Bank is responsible for achieving the strategic risk management goals. The Management Board designs, implements and ensures the operation of the risk management system which covers all material risks. The Management Board develops the risk management strategy and defines the Group's risk appetite. The Supervisory Board of the Bank, supported by the Risk Committee and Audit Committee, oversees whether the Group's policy of taking various risks is compliant with the overall strategy and financial plan. The Supervisory Board approves the risk management strategy and risk appetite of the Group and evaluates the adequacy and efficiency of the risk management system. The Credit Committee and Credit Risk Committee play an important role in the credit risk management, the Asset, Liability and Risk Committee and Liquidity and Market Risk Committee in market and liquidity risk management, the Operational Risk Committee and the Bank Security Committee in the management of the operational risk and the Model Risk Committee in model risk management.

The rules of managing each of the risks are defined in the guidelines set up by the credit risk strategy and policy, financial risk and investment activity strategy and investment and market risk policy and the operational risk management strategy and policy approved annually by the Management Board (policies) and by the Supervisory Board (strategies) as well as in internal procedures.

Detailed reports on credit, liquidity, market, operational and model risks are presented to the Management Board and the Supervisory Board on a regular basis.

The rules and instruments of managing each of the risks and information on the risk exposure are included in Note 32 to the Condensed Interim Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025 and in the document "Information in respect to capital adequacy of Bank Pekao S.A. Group as at 30 June 2025" published on the Bank's website.

Risks related to the remaining months of 2025

In the second half of 2025, the Bank will continue its strategy focused on keeping credit risk at adequate and safe level through prudent policy of credit portfolio development. Prudent credit risk management at Bank Pekao S.A. is based on the Credit Risk Strategy and Credit Risk Policy, which take into account, among the others, measures reducing the threats coming from macroeconomic factors related to the armed conflict in Ukraine and their impact on the quality of credit portfolio. The same approach is applied to the performance of the Bank's subsidiaries. Regardless of the measures taken, the credit risk of the entire sector depends on the development of the macroeconomic situation.

In the case of interest rate risk the prospect of further interest rate cuts has a negative impact on the Bank's net interest income due to the repricing profile of assets and liabilities. Additionally, it implies an increase of prepayment risk of loans based on temporary fixed interest rates. The Bank plans to continue hedging the interest rate exposure with linear instruments, as well as with swaptions limiting negative effects of prepayments of loans based on temporary fixed interest rates. Regulatory changes including an introduction of the IRRBB SOT requirements or the reform of interest rate benchmarks are also significant challenges. In the case of market risk, the Bank continues its policy of strict control over its exposures.

In the area of liquidity risk, the Bank is characterized by a well-diversified, stable deposits base with low concentration and manages a substantial liquidity buffer of eligible and marketable government securities. The cautious liquidity risk management policy enables to expect stable liquidity situation and safe liquidity level in the second half of 2025. As to market risk, the Bank is to keep the level of its exposure strictly under control.

The Bank does not identify any new significant factors implying change of operational risk profile, which could occur in the second half of 2025.

7. Human Resources Management

Human Capital as a key asset

The principles of the Bank's policy in the area of Human Resources (HR) development are set by its mission and values considered as the key for the Bank sustainable growth.

The Bank invests in training, professional development, cares for the well-being of employees, and creation of a friendly work environment and it conducts questionnaire surveys on employees opinion and engagement as well as satisfaction. Significant area of the Bank's HR policy is outstanding talents spotting within the organization and investing in development of their skills.

People are our most important asset

The Bank's new strategy for 2025–2027 focuses on employee development and building a modern, dynamic work environment that fosters innovation, collaboration, and openness to new challenges. A key element of this strategy is a newly defined organizational culture, based on clearly defined values and an ambitious approach to both individual and organizational development.

In our daily work, we strengthen attitudes and behaviors consistent with our values, and we aspire to act: **SIMPLY, TOGETHER, BRAVELY, RESPONSIBLY, WITH DETERMINATION, OPENLY and HONESTLY.**

The commitment, competence, and way of working of our employees are of key importance to our Bank. Therefore we focus on developing future-oriented skills, invest in training, and create a work environment conducive to unlocking each team member's potential. We regularly survey opinions and satisfaction levels, care for employee well-being, and support talent development.

Training and professional development

We provide employees with access to various forms of development and education, including the LinkedIn Learning platform, classroom, remote, and hybrid trainings, on-the-job training, e-learning, coaching, and the Virtual Classes system.

In the first half of 2025, the main training priorities included:

- implementation of the LinkedIn Learning platform and launching trainings for Bank employees,
- supporting the rollout of M365 and Copilot in the Bank,
- sales training dedicated to Business Divisions,
- expanding employees' specialist knowledge,
- implementation of cybersecurity trainings,
- implementation of mandatory training programs resulting from internal and external regulations.

We continued the implementation of training projects related to the implementation of the adopted business strategies. We conducted training dedicated to employees with high potential and introductory training for new employees.

In the first half of 2025, the following training projects were continued:

- ESG Academy – a program carried out jointly with an external partner,
- Bank Sales School – a program dedicated to sales employees,
- "Leadership Network" – a series of inspiring events dedicated to managers,
- "Innovation Laboratory", the aim of which is to actively build a culture of innovation at the Bank and support digital transformation,
- "Robotic Academy" - a proprietary training program developed by our practitioners in cooperation with an external company. The program allows you to develop digital competences and use automation on a daily basis, thanks to the acquired competences you can independently build robots that will perform the most repetitive tasks,
- Forge of Agility - a program thanks to which each employee has the opportunity to gain specialist knowledge in the field of agile methodologies (Agile path) and process optimization (Lean path).

In the first half of 2025, more than 116 thousand of hours of synchronous training (classroom and virtual classes) were delivered, with over 9,3 thousand of employees participating. This demonstrates our commitment to effective regulatory implementation and customer care.

E-learning courses and trainings amounted to over 170 thousand hours, of which more than 31 thousand hours were completed via the LinkedIn Learning platform. Topics covered included, among others, issues related to supporting people with diverse needs in accessing banking services.

Development programs and initiatives

In the first half of 2025, are consistently implemented development programs and initiatives were provided for the Bank employees, aimed at providing support in the development of managerial and interpersonal skills.

The Bank also offers the development initiatives focused on supporting the employees in their professional career development and improvement of their skills, knowledge, and competencies as well as a number of initiatives strengthening the employees' engagement. The priority of development programs in the Bank is identification, review, verification and development of current and future leaders of the Bank.

We are implementing the following processes related to this issue:

- Succession Plans,
- Annual Employee Appraisal System,
- Assessment Centre/Development Centre session.

In the first half of 2025, we carried out a series of workshops called "A Month with Feedback," dedicated to managers developing the ability to give and receive feedback. As part of this initiative, a total of 9 workshop sessions were held.

We continued:

- implementation of the CliftonStrengths® development tool, as part of which we launched a team coaching process based on strengths for 16 teams,
- the process of team coaching to support teams in building effective relationships and achieving business goals,
- implementation of the Mission: Development program for employees with the greatest potential,
- Development Snacks for employees and Managerial Shots, cyclical, short online workshops shaping the most key competencies.

"Without Sugar" – program for Women

The "Without Sugar" program is an initiative supporting the professional development of women at the Bank, where nearly 66% of employees are women. The program offers opportunities to develop competencies, build self-confidence, and pursue ambitions. In the first half of 2025, we continued the second edition of the "Conscious Leader" development program, through which participants strengthened their leadership skills and carried out projects supporting female managerial staff in the regions.

We implemented the "Excelentni" program focused on developing competencies in conducting workshops, as well as a variety of educational initiatives: webinars and trainings covering topics in technology, psychology, parenting, and diversity and inclusion in the workplace. In the first half of 2025, we conducted 13 webinars, attended by 2,500 people, achieving an NPS of as much as 94 points. We placed particular emphasis on the development of digital competencies, including webinars on cybersecurity. The "Excel isn't scary" trainings were especially popular, attended by 408 people, with an NPS of 91.7 points.

An important part of our activities is also promoting women and supporting their development outside the organization. On June 4-5, 2025, women from the Bank working in STEM, Tech, and IT fields participated as speakers and mentors at the "Women In Tech Summit," the largest technology event for women in Europe. Over 70 Bank representatives showcased their skills and inspired other participants from outside the industry.

Pro-Wellness activities

On the website "Take your health by the horns!" we support and educate employees on comprehensive health care.

In the first half of 2025, we prepared a series of initiatives related to health. The most important include:

- The "Spring Awakening with Żubr" campaign, in which we encouraged employees to engage in physical activity and achieve daily step goals, as well as (new this year) participate in stationary training sessions.
- Memory Academy 2 – a series of meetings aimed at acquainting employees with information about factors influencing brain function, memory, concentration, and learning memory techniques.
- Resilience Academy – a series of meetings focused on building resilience based on five superpowers, developing skills that support mental resilience, stress management, as well as strategic and innovative thinking, and seeking meaning and deeper purpose in work.

- Access to free and anonymous psychological consultations, both with the bank's psychologist and as part of the medical services offered, as well as free consultations with a dietitian included in the medical services package.
- Providing a video course and a one-pager on melanoma prevention, containing recommendations on skin protection, safe sun exposure, and self-examination of moles. Additionally, pilot Health Days with videodermatoscopy examinations were conducted.
- Regular encouragement of employees to pursue physical activity, offering both in-person classes, such as yoga, and online options, like active online breaks.

Caring for both professional and family relationships is an important element of the Bank's organizational culture, supporting the building of engagement and pride in belonging to the organization. In June, in 49 locations across Poland, we organized an educational event series called "Family at the Bank," attended by almost 2,000 employees and their children. The youngest participants had the opportunity to visit the Bank's branches and the Management Board's headquarters, learn about the specifics of working at the Bank, and take part in financial-themed games and competitions.

Banking Champions – developing the Bank's future experts

In the first half of 2025, we carried out another edition of the Banking Champions program, aimed at attracting and developing talented students and graduates. The program is a key component of the talent management strategy and the long-term development of the future leadership pipeline.

This year's edition offered over 70 internship positions, including as many as 25 in the Retail Banking units. The duration of the program was extended to 6 months, enabling participants to deepen their competencies and better prepare for potential employment after completion. Program participants can develop their skills in areas such as risk management, corporate banking, data analytics, settlement operations, IT technologies, and digital transformation. In Retail Banking, the focus was placed on preparing for sales and advisory roles, with particular emphasis on customer service quality and understanding branch processes.

Each program participant is supported by a mentor and supervisor, with a comprehensive onboarding process preceding the start of the internship—this includes granting access to work tools and providing dedicated introductory materials. The program is based on close cooperation between the Recruitment Team, HR Business Partners, IT, and substantive business units.

The Banking Champions program represents a strategic investment in the Bank's future staff, highly valued by both participants and management.

Recruitment process and talent acquisition

Work on the new Employee Selection Procedure has been completed and formally implemented in July 2025. This document organizes the principles, roles, and responsibilities within the recruitment process, including cooperation with recruitment agencies, internship programs, and the employee referral system. The procedure applies to all organizational units of the Bank and establishes a unified standard for candidate selection.

In the first half of 2025, numerous recruitment processes were carried out for positions key to the Bank's strategy, including director, expert, and specialist roles in IT, data, risk management, and corporate banking. We also conducted regular recruitment rounds for the Contact Centre, implementing a hiring cycle model with pre-boarding elements and an improved onboarding plan, which helped reduce turnover and enhancing the candidate experience.

Compensation policy

The compensation strategy was developed in line with the business standards and values underlying the Bank's mission and reflected in the internal regulations as well as it constitutes the basis for enhancing and protecting the Bank's reputation and creating long term value for all the stakeholders. The key regulation in this area is the *Remuneration Policy of Bank Polska Kasa Opieki Spółka Akcyjna*, the last update of which entered into force by the Ordinance of January 5, 2023 and the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board, the last update of which entered into force by the Order of January 11, 2023. Remuneration Policy reflects the mission and values in the Bank's approach to remuneration systems. The main changes in the Remuneration Policy concern in particular the introduction of provisions emphasizing the gender-neutral nature of the policy as well as detailing the provisions regarding the part of variable remuneration in terms of deferral periods, by extending them.

Incentive systems

In the Bank, there are three main incentive systems: an Executive Variable Compensation System, a System based on Management by Objectives (MBO), and a System based on provisions of Corporate Collective Labour Agreement, which is based on quarterly bonuses and incentive reward.

The Variable Remuneration System for the Management Staff is dedicated to persons holding managerial positions who have a significant impact on the Bank's risk profile. The purpose of the system is to support the implementation of the Bank's strategy and to limit excessive risk and conflicts of interest. Under the system, the participant may receive variable remuneration based on the bonus pool concept. The system provides a comprehensive measurement of the achievement of results at the individual level, organizational unit level and the results of the entire Bank, taking into account the assessment of the participant's compliance with the law, risk assessment and standards adopted by the Bank.

MBO system covers employees employed under the management contract and refers in particular to the positions in the front-office sales and to the managerial positions, which play a significant role in achieving the Bank's commercial goals. The employees covered by the MBO system receive individual goals resulting from the strategy and activity directions of the Bank approved for a particular year, the annual bonus value is conditioned by completion level of those tasks. Starting from 2018, the possibility of settling bonuses on a quarterly basis and the advance payment of bonuses for the achievement of individual annual goals was introduced, which it was restarted after a period determined by the epidemic situation affecting the way of setting and accounting for individual goals.

According to the provisions of the Corporate Collective Labour Agreement the basis of the system is a quarterly bonus which is discretionary and depends on evaluation of employee's performance, the level of commitment and the results achieved by the Bank in a given year, as well as the incentive bonus, which is granted for outstanding work achievements. Sales function employees receive an individual settlement of the objectives, including monitoring of the compliance and the quality of sales activities undertaken. As a result of negotiations with trade unions, a new bonus system for retailers was implemented from January 2023. The system addresses business needs, introduces transparent criteria for acquiring bonuses, supports the motivation and commitment of employees to take actions aimed at increasing sales, and promotes high standards of work quality and customer service.

Additional benefits for employees

As part of non-wage benefits the Bank provides its employees with medical care in domestic network of private medical clinics. The Bank's employees have the opportunity to take advantage of a renovation or housing loan on preferential terms, as well as co-financing for holidays, cultural, educational, sports or recreation activities (including sports cards).

Selections and Suitability Assessment Policy

The Bank has a *Policy of selecting candidates for the position of a member of the Management Board and the key function as well as assessing the suitability of proposed and appointed members of the Management Board, Supervisory Board and persons holding key functions at Bank*. In the first half of 2025, the General Meeting assessed suitability by approving the self-assessments submitted by the Members of the Supervisory Board as part of the secondary individual suitability assessment together with the collective self-assessment of the Supervisory Board. The suitability assessment included the evaluation of individual professional qualifications, reputation, and additional criteria related to management, in accordance with the aforementioned policy.

Management Position Identification Policy

The policy of identifying managerial positions was announced in the Bank by the Ordinance of January 11, 2022.

The purpose this Policy is to communicate the tasks performed by individual units and Bank authorities in the identification process, the course of the process and the procedure for updating the list of identified positions, as well as to indicate the criteria used by the Bank in the process of determining which positions have a significant impact on the Bank's risk profile. The Bank's Management Board approved the list of management positions for 2025.

Gender equality and Diversity policy

The Bank has a *Gender equality and diversity policy with regard to members of the Supervisory Board, members of the Management Board and persons holding Key Functions at Bank Polska Kasa Opieki Spółka Akcyjna*, which defines the strategy in the scope of managing diversity of the Bank's employees, including diversity with regard to the appointment of members of the Supervisory Board, members of the Management Board and persons performing Key Functions at the Bank. The gender equality and diversity policy defines guidelines aimed at ensuring that the Bank's employees can manage their careers, achieve success and evaluate their work on the basis of individual achievements, regardless of gender.

Relations with Trade Union Organizations

In the first half of the year 2025, 18 meetings took place (including 11 two-day meetings).

Talks and agreements of the parties mainly concerned salary increases for Bank employees, incentive awards for special achievements in professional work in 2024 and social benefits. As a result of the talks, in the first half of 2025, four agreements were concluded with the majority of the Trade Union Organizations, including the following: the amount of funds for the redeployment of Bank Polska Kasa Opieki S.A. employees covered by the Bank Pekao S.A. Collective Labour Agreement; the principles of distribution of the incentive rewards fund referred to in § 19 of the Collective Labour Agreement for the year 2024; determination of the plan of expenditure from the Company Social Benefits Fund for 2025. In addition, in connection with the transfer to the Bank as of May 1, 2025 of the employees of Pekao Direct Sp. z o.o. on April 3, 2025 an Agreement was concluded on actions concerning the terms and conditions of employment of the employees taken over from Pekao Direct Sp. z o.o.

In the first half of 2025, there were four industrial disputes at the Bank, initiated successively in 2016, 2019, 2021 and 2024 by one Trade Union Organization. Within the framework of the collective dispute initiated in 2016, it was signed on April 13, 2022.

Relations with the Works Council

On February 21, 2025, the term of office of the Employee Council ended. In the first half of the year, the Bank did not receive a written request from a group of 10% of employees to elect the Council for another term.

Workforce in number

As at the end of June 2025 the Group employed 14 948 employees (in the Bank and the companies consolidated under full consolidation method) as compared to 15 101 employees as at the end of 2024.

As at the end of June 2025, the Bank employed 13 714 employees as compared to 12 602 employees as at the end of 2024.

The average age of the employees was 44,7 years, 76,1 % of the employees are university graduates, women represent 66,3 % of the total workforce.

8. Statement of Financial Position and Financial Results

Consolidated income statement containing cumulated items for the period from 1 January to 30 June, 2025 and 2024 respectively is presented in Interim Condensed Separate Financial Statements of Bank Pekao S.A. for the first half of 2025

The Report on activities of Bank Pekao S.A. Group for the first half of 2025, includes statement of financial position in a short form and income statement in a presentation form as well as the key, selected items from these statements are discussed.

8.1 The consolidated income statement – presentation form

In the first half of 2025, we generated a net profit of the Bank Pekao S.A. Group attributable to the Bank's shareholders in the amount of PLN 3,286 million and was higher by PLN 350 million, i.e. 11.9% compared to the result achieved in the first half of 2024.

	1 HALF OF 2025	1 HALF OF 2024	CHANGE
(in PLN million)			
Net interest income	6,860	6,007	14.2%
Net fee and commission income	1,497	1,365	9.7%
Dividend, income	33	30	10.0%
Trading result	221	209	5.7%
Net other operating income and expenses	(110)	67	x
Net non-interest income	1,641	1,671	(1.8%)
Operating income	8,501	7,678	10.7%
Operating costs	(2,705)	(2,579)	4.9%
Gross operating profit	5,796	5,099	13.7%
Net allowances for expected credit losses	(384)	(413)	(7.0%)
Costs of legal risk of foreign currency mortgage loans	(358)	(243)	47.3%
Net operating profit	5,054	4,443	13.8%
Contributions to the Bank Guarantee Fund	(333)	(239)	39.3%
Tax on certain financial institutions	(431)	(448)	(3.8%)
Share in profit on associates	(4)	4	x
Profit before tax	4,286	3,760	14.0%
Income tax expense	(998)	(822)	21.4%
Net profit	3,288	2,938	11.9%
Attributable to equity holders of the Bank	3,286	2,936	11.9%
Attributable to non-controlling interest	2	2	0.0%

Operating income

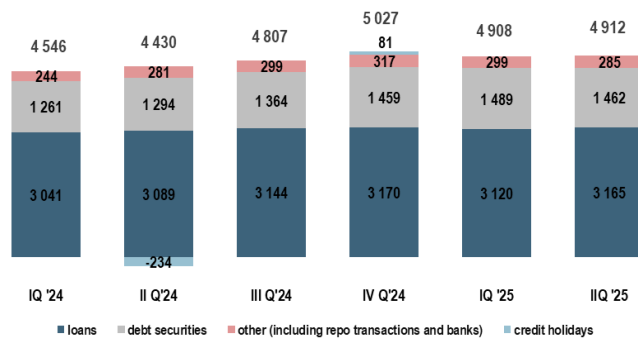
The Group's operating income in the first half of 2025 amounted to PLN 8,501 million and was higher by 10.7% than in the first half of 2024, mainly due to net interest income and net fee and commission income.

Total net interest income

	1 HALF OF 2025	1 HALF OF 2024	CHANGE
(in PLN million)			
Interest income and similar to interest	9,820	8,976	9.4%
Interest expense	(2,960)	(2,969)	(0.3%)
Net interest income	6,860	6,007	14.2%

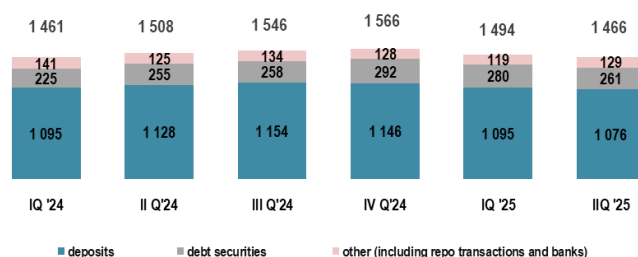
Net interest income achieved in the first half of 2025 amounted to PLN 6,860 million and was higher by PLN 853 million, i.e. 14.2% compared to the result achieved in the first half of 2024, mainly due to higher volumes and higher interest margin. The results of the first half of 2024 include the costs of credit holidays in the amount of PLN 234 million.

Interest income and similar to interest



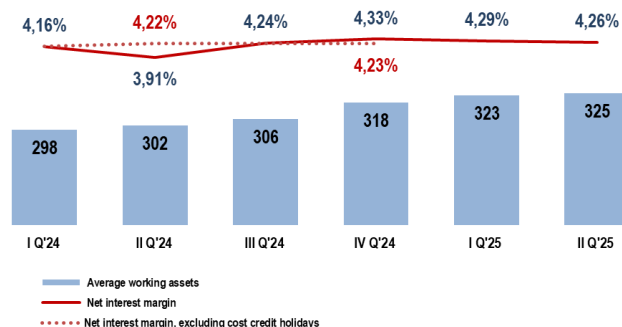
In the first half of 2025, interest income and similar to interest amounted to PLN 9,820 million and was higher by PLN 844 million y/y, thanks to higher volumes. The results of the first half of 2024 include the costs of credit holidays in the amount of PLN 234 million.

Interest expense



Interest expense in the first half of 2025 amounted to PLN 2,960 million and was lower by PLN 9 million y/y, despite higher volumes of liabilities to customers and from the issue of debt securities.

Interest margin



The interest margin achieved in the first half of 2025 amounted to 4.27% and was higher by 0.08 p.p. than the margin excluding the costs of recognizing credit holidays, achieved in the first half of 2024, thanks to the adjustment of the offer to changing market conditions.

Net non-interest income

(in PLN million)

	1 HALF OF 2025	1 HALF OF 2024	CHANGE
Fee and commission income	1,941	1,782	8.9%
Fee and commission expense	(444)	(417)	6.5%
Net fee and commission income	1,497	1,365	9.7%
Dividend income	33	30	10.0%
Trading result	221	209	5.7%
Net other operating income and expense	(110)	67	x
Net non-interest income	1,641	1,671	(1.8%)

The non-interest income generated in the first half of 2025 amounted to PLN 1,641 million and was lower by PLN 30 million, i.e. 1.8% compared to the result achieved in the previous year, due to the recognition of provisions related to consumer protection in other net operating expenses in the amount of PLN 108 million.

Net fee and commission income generated in the first half of 2025 amounted to PLN 1,497 million and was higher by PLN 132 million, i.e. 9.7% compared to the result achieved in the first half of 2024, thanks to increases in all main business areas.

The table below presents the Group's net fee and commission income divided according to the main areas of the activity.

(in PLN million)

	1 HALF OF 2025	1 HALF OF 2024	CHANGE
Net fee and commission income	1,497	1,365	9.7%
on loans	309	292	5.8%
on cards	159	156	1.9%
on mutual funds	255	202	26.2%
on brokerage activate	106	79	34.2%
on margins on foreign exchange transactions with clients	367	344	6.7%
other	301	292	3.1%

Operating costs

Operating expenses in the first half of 2025 amounted to PLN 2,705 million and were higher by PLN 126 million, i.e. 4.9% compared to the first half of 2024, which is an increase close to inflation.

(in PLN million)

	1 HALF OF 2025	1 HALF OF 2024	CHANGE
Personnel expenses	(1,632)	(1,616)	1.0%
General administrative expenses and depreciation	(1,073)	(963)	11.4%
Operating costs	(2,705)	(2,579)	4.9%

The cost/income ratio in the first half of 2025 was 31,8% compared to 33,6% in the same period of 2024.

Contributions to the Bank Guarantee Fund

Contributions to the Bank Guarantee Fund in the first half of 2025 amounted to PLN 333 million and were higher by PLN 94 million, i.e. 39.3%, than in the first half of 2024 due to the restoration of contributions to the bank guarantee fund, which had not been collected for the last two years, and an increase in the volume of guaranteed funds.

Tax on certain financial institutions

The tax on certain financial institutions in the first half of 2025 amounted to PLN 431 million and was lower by PLN 17 million, i.e. 3.8%, than in the first half of 2024 due to a higher share of non-taxable assets in the balance sheet structure.

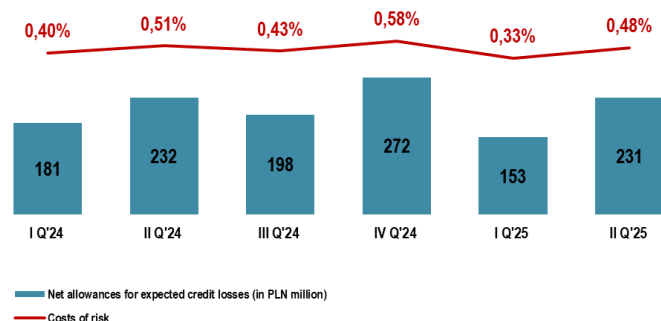
8.2 Net allowances for expected credit losses

(in PLN million)

	GROUP		BANK PEKAO S.A.	
	1 HALF OF 2025	1 HALF OF 2024	1 HALF OF 2025	1 HALF OF 2024
financial assets measured at amortized cost	(408)	(372)	(407)	(342)
financial assets measured at fair value through other comprehensive income	(13)	(2)	(13)	6
financial liabilities measured at amortized cost	37	(39)	36	(42)
Net allowances for expected credit losses	(384)	(413)	(384)	(378)

The net allowances for expected credit losses in the first half of 2025 amounted to PLN 384 million and was lower by PLN 29 million, i.e. 7.0%, than in the first half of 2024.

Costs of risk



The Group's cost of risk in the first half of 2025 amounted to 0.40% and was lower by 0.06 p.p. than in the previous year and is in line with the strategic assumptions and the adopted risk appetite.

8.3 The structure of the net profit

(in PLN million)

	1 HALF OF 2025	1 HALF OF 2024	CHANGE
Net profit of Bank Pekao S.A.	3,241	2,986	8.5%
Entities consolidated under full method			
Pekao Investment Management S.A. ^(*)	87	59	47.5%
Pekao Leasing Sp. z o.o.	69	55	25.5%
Pekao Faktoring Sp. z o.o.	34	10	> 100%
Pekao Financial Services Sp. z o.o.	6	6	0.0%
PEUF Sp. z o.o.	6	3	100.0%
Centrum Kart S.A.	5	4	25.0%
Pekao Investment Banking S.A.	5	(3)	x
Pekao Bank Hipoteczny S.A.	3	(22)	x
Pekao Fundusz Kapitałowy Sp. z o.o. w likwidacji	1	1	x
Pekao Property S.A. w likwidacji	-	-	x
Pekao Direct Sp. z o.o. ^(**)	-	6	x
FPB "MEDIA" Sp. z o.o. w upadłości ^(***)	-	-	-
Entities valued under the equity method			
Krajowy Integrator Płatności S.A.	(4)	4	x
<i>Exclusions and consolidation adjustments^(*)</i>	<i>(167)</i>	<i>(173)</i>	<i>(3.5%)</i>
Net profit of the Group attributable to equity holders of the Bank	3,286	2,936	11.9%

(*) Consolidated profit - Pekao Investment Management S.A. prepares consolidated financial statements with Pekao TFI S.A. for the purposes of consolidation of the Pekao S.A. Group.

(**) In the second quarter of 2025, there was a change in the organization of call center services. The Bank acquired an organized part of the enterprise from Pekao Direct and incorporated it into the Bank's structures.

(***) In April 2025, FPB - Media Sp. z o.o. (in bankruptcy) was removed from the National Court Register.

(****) They include, intra-Group transactions (including dividends paid by subordinated entities for previous years) and profit attributable to non-controlling interests.

Results of the Bank's major related entities

Pekao Investment Management S.A. – Pekao IM

Pekao IM's consolidated net profit in the first half of 2025 amounted to PLN 87 million, compared to PLN 59 million in the first half of 2024. The result was influenced by the favourable situation on the capital market, which encouraged clients to invest in investment funds, which resulted in an increase in the value of assets managed by Pekao TFI and an increase in the consolidated result of Pekao IM.

Pekao Leasing Sp. z o.o. – Pekao Leasing

In the first half of 2025, Pekao Leasing generated a net profit of PLN 69 million, compared to a profit of PLN 55 million in the first half of 2024. Pekao Leasing's higher result was achieved with a 10.9% increase in the value of leased assets.

Pekao Faktoring Sp. z o.o. – Pekao Faktoring

In the first half of 2025, Pekao Faktoring generated a net profit of PLN 34 million, compared to PLN 10 million in the first half of 2024. The result of the first half of 2024 was burdened by a higher level of credit risk costs. Pekao Faktoring ranks second in turnover on the Polish factoring market.

PeUF Sp. z o.o. – PeUF

In the first half of 2025, PeUF generated a net profit of PLN 6 million, compared to PLN 3 million in the first half of 2024. The result of the first half of 2025 is due to higher revenues, caused by an increase in policies sold by 17.5% than in the first half of 2024.

Centrum Kart S.A. – Centrum Kart

In the first half of 2025, Centrum Kart generated a net profit of PLN 5 million compared to PLN 4 million generated in the first half of last year. The result was achieved by increasing revenues from services provided to Bank Pekao S.A. and optimising costs.

Pekao Investment Banking S.A. – Pekao IB

In the first half of 2025, Pekao IB generated a net profit of PLN 5 million, compared to a loss of PLN -3 million in the first half of 2024. The result was influenced by a higher number and value of finalized transactions in the area of advisory services on the private and public capital markets compared to the previous year.

Pekao Financial Services Sp. z o.o. – PFS

In the first half of 2025, PFS generated a net profit of PLN 6 million (including the Bank's share of PLN 4 million) and was similar to the result achieved in the first half of 2024.

Pekao Bank Hipoteczny S.A. – Pekao Bank Hipoteczny

In the first half of 2025, Pekao Bank Hipoteczny generated a net profit of PLN 3 million, compared to a loss of PLN -22 million in the first half of 2024. The loss in the previous period was affected by costs related to the modification of PLN mortgage loan agreements granted to consumers due to their suspension of loan repayments (credit holidays) and the revaluation of the provision for legal risk related to the CHF-denominated mortgage loan portfolio. In the current period, as a result of the pooling operations of loans from Pekao S.A. to Pekao Bank Hipoteczny, the loan portfolio (including the portfolio of local government bonds) increased by 25.8% compared to the first half of 2024.

Krajowy Integrator Płatności S.A.

In the first half of 2025, KIP ended with a net loss of PLN -7 million (the Group's result included PLN -4 million), compared to a profit of PLN 12 million achieved in the first half of 2024. The loss is mainly due to the implementation of several large investment projects supporting the dynamic development of KIP and the costs resulting from the increase in the customer base. The results of Bank Pekao S.A.

The main items from the Bank's income statement in presentation form are as follows:

(in PLN million)

	1 HALF OF 2025	1 HALF OF 2024	CHANGE
Net interest income	6,626	5,832	13.6%
Net fee and commission income	1,224	1,132	8.1%
Dividend, income	206	190	8.4%
Trading result	224	200	12.0%
Net other operating income and expenses	(127)	64	x
Net non-interest income	1,527	1,586	(3.7%)
Operating income	8,153	7,418	9.9%
Operating costs	(2,478)	(2,369)	4.6%
Gross operating profit	5,675	5,049	12.4%
Net allowances for expected credit losses	(384)	(378)	1.6%
Costs of legal risk of foreign currency mortgage loans	(342)	(213)	60.6%
Net operating profit	4,949	4,458	11.0%
Contributions to the Bank Guarantee Fund	(330)	(237)	39.2%
Tax on certain financial institutions	(431)	(448)	(3.8%)
Profit before tax	4,188	3,773	11.0%
Income tax expense	(947)	(787)	20.3%
Net profit	3,241	2,986	8.5%

The net profit of Bank Pekao S.A. in the first half of 2025 amounted to PLN 3,241 million and was higher by PLN 255 million, i.e. 8.5%, than the result achieved in the first half of 2024.

The main Bank's financial information are as follows:

	30.06.2025	30.06.2024	CHANGE
STATEMENT OF FINANCIAL POSITION – SELECTED ITEMS			
<i>(in PLN million)</i>			
Loans and advances at nominal value ^(*)	176,990	165,992	6.6%
Amounts due to customers	264,814	245,756	7.8%
Senior bonds	7,785	4,500	73.0%
Subordinated bonds	3,500	2,750	27.3%
Repo transactions	906	1,192	(24.0%)
Total assets	326,390	302,552	7.9%
Investment funds distributed through the Bank's network	30,729	23,710	29.6%
Total capital ratio in % ^(**)	19.8%	19.7%	0.1 p.p.

^(*) Including loans and non-treasury debt securities.

^(**) The data for 30 June 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2024 after the General Meeting, in accordance with the EBA's position expressed in Q&A 2018_3822 and Q&A 2018_4085.

Loans and advances at nominal value at the end of June 2025 amounted to PLN 176,990 million and were higher by PLN 10,999 million, i.e. 6.6%, than at the end of June 2024. At the end of June 2025, retail loans amounted to PLN 82,834 million and corporate loans amounted to PLN 79,540 million.

As at the end of June 2025, liabilities to customers, Senior Bonds and Subordinated Bonds amounted to PLN 276,099 million and were higher by PLN 23,093 million, i.e. 9.1%, compared to the end of June 2024.

As at the end of June 2025, the net assets of investment funds managed by Pekao TFI S.A. distributed through the Bank's network amounted to PLN 30,729 million and were higher by PLN 7,019 million, i.e. 29.6%, compared to the end of June 2024.

8.4 Structure of the consolidated statement of financial position – short form

The balance sheet of Bank Pekao S.A. determines the amount of total assets in balance sheet and the structure of the assets and liabilities of the Group. As at the end of June 2025, the total assets of Bank Pekao S.A. constitutes 96.1% of the total assets of the whole Group.

The table below presents the Group's statement of financial position – short form.

ASSETS	30.06.2025		30.06.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Cash and cash equivalents ^(*)	17,932	5.3%	15,523	4.9%	15.5%
Loans and advances to banks ^(**)	609	0.2%	325	0.1%	87.4%
Loans and advances to customers ^(***)	188,434	55.5%	176,764	55.9%	6.6%
Reverse repo transactions	4,837	1.4%	3,054	1.0%	58.4%
Securities ^(****)	114,564	33.7%	104,064	32.9%	10.1%
Investments in associates	54	0.0%	57	0.0%	(5.3%)
Property, plant and equipment and intangible assets	4,551	1.3%	4,401	1.4%	3.4%
Other assets	8,653	2.5%	11,858	3.8%	(27.0%)
Total assets	339,634	100.0%	316,046	100.0%	7.5%

^(*) Cash and cash equivalents include cash in hand, amounts due from the National Bank of Poland, as well as amounts due from banks with a maturity of up to 3 months.

^(**) Including net investments in financial leases to banks.

^(***) Including net investments in financial leases to customers and non-treasury debt securities.

^(****) Including financial assets held for trading, other financial instruments at fair value through profit and loss and excluding non-treasury debt securities.

EQUITY AND LIABILITIES	30.06.2025		30.06.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Amounts due to other banks	7,562	2.2%	6,572	2.1%	15.1%
Amounts due to customers	264,449	77.9%	245,461	77.7%	7.7%
Debt securities issued	16,100	4.7%	13,298	4.2%	21.1%
Subordinated liabilities	3,543	1.0%	2,782	0.9%	27.4%
Repo transactions	906	0.3%	1,192	0.4%	(24.0%)
Lease liabilities	701	0.2%	692	0.2%	1.3%
Other liabilities	15,213	4.5%	17,826	5.6%	(14.7%)
Total equity including non-controlling interests	31,160	9.2%	28,223	8.9%	10.4%
Total liabilities	339,634	100.0%	316,046	100.0%	7.5%

Customers' Financing

Customer structure of loans and advances

(in PLN million)

	30.06.2025	30.06.2024	CHANGE
Loans and advances at nominal value ^(*)	192,951	181,210	6.5%
Loans and investments in financial leases	181,017	169,805	6.6%
Retail	85,906	81,879	4.9%
Corporate	95,111	87,926	8.2%
Non-treasury debt securities	11,934	11,405	4.6%
Other ^(**)	1,697	1,789	(5.1%)
Impairment allowances	(6,214)	(6,235)	(0.3%)
Total net receivables	188,434	176,764	6.6%
Reverse repo transactions	4,834	3,051	58.4%
Total Customers' financing ^(***)	197,785	184,261	7.3%

^(*) Excluding reverse repo transactions.

^(**) Including interest and receivables in transit.

^(***) Total customers' financing includes loans and advances at nominal value, securities issued by non-monetary entities and reverse repo transactions.

At the end of June 2025, loans and advances at nominal value amounted to PLN 192,951 million and were higher by PLN 11,741 million, i.e. 6.5%, than at the end of June 2024.

At the end of June 2025, the volume of retail loans amounted to PLN 85,906 million and were higher by PLN 4,027 million, i.e. 4.9%, than at the end of June 2024.

As at the end of June 2025, corporate loans, including non-Treasury debt securities, amounted to PLN 107,045 million and were higher by PLN 7,714 million, i.e. 7.8%, compared to the end of June 2024.

Receivables and impairment losses ^(*)

(in PLN million)

	30.06.2025	30.06.2024	CHANGE
Gross receivables	194,648	182,999	6.4%
Stage 1	166,796	157,081	6.2%
Stage 2	19,067	18,234	4.6%
Stage 3	8,785	7,684	14.3%
Impairment allowances	(6,214)	(6,235)	(0.3%)
Stage 1	(702)	(878)	(20.0%)
Stage 2	(841)	(1,053)	(20.1%)
Stage 3	(4,671)	(4,304)	8.5%
Total net receivables	188,434	176,764	6.6%

^(*) Including net investments in financial leases to customers, non-treasury debt securities, interest and receivables in transit and excluding reverse repo transactions.

As at the end of June 2025 the ratio of impaired receivables (stage 3) to the gross receivables amounted to 4.5%.

Loans and advances to customers by currency ^(*)

	30.06.2025		30.06.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Denominated in PLN	157,991	81.2%	147,566	80.6%	7.1%
Denominated in foreign currencies ^(**)	36,657	18.8%	35,433	19.4%	3.5%
Total	194,648	100.0%	182,999	100.0%	6.4%
Impairment allowances	(6,214)	x	(6,235)	x	(0.3%)
Total net	188,434	x	176,764	x	6.6%

^(*) Including net investments in financial leases to customers, non-treasury debt securities, interest and receivables in transit and excluding reverse repo transactions.

^(**) Including indexed loans.

The currency structure of loans and advances to customers is dominated by amounts expressed in the Polish zloty, as at the end of June 2025 their share was 81.2%. The largest portion of foreign currency loans and advances to customers were represented by those denominated in EUR (93.2%),

Loans and advances to customers by contractual maturities ^(*)

	30.06.2025		30.06.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Current and up to 1 month	23,571	12.1%	20,901	11.4%	12.8%
1 to 3 months	7,735	4.0%	7,492	4.1%	3.2%
3 months to 1 year	20,828	10.7%	18,322	10.0%	13.7%
1 to 5 years	63,476	32.6%	61,060	33.4%	4.0%
Over 5 years	73,882	38.0%	70,046	38.3%	5.5%
Past due	3,459	1.8%	3,389	1.9%	2.1%
Other	1,697	0.9%	1,789	1.0%	(5.1%)
Total	194,648	100.0%	182,999	100.0%	6.4%
Impairment allowances	(6,214)	x	(6,235)	x	(0.3%)
Total net	188,434	x	176,764	x	6.6%

^(*) Including net investments in financial leases to customers, non-treasury debt securities, interest and receivables in transit and excluding reverse repo transactions.

As at the end of June 2025 loans and advances with maturity over 5 years represents 38.0% of total loans and advances (mainly attributed to mortgage loans, investment loans and non-treasury debt securities).

External sources of financing

(in PLN million)

	30.06.2025	30.06.2024	CHANGE
Amounts due to other banks	7,562	6,572	15.1%
Amounts due to customers	264,449	245,461	7.7%
Debt securities issued	16,100	13,298	21.1%
Subordinated liabilities	3,543	2,782	27.4%
Repo transactions	906	1,192	(24.0%)
Total external sources of financing	292,560	269,305	8.6%

The deposit base is widely diversified and is sourced from retail and corporate customers. In addition, the Group uses also funds borrowed on the interbank market. The Group is not dependent on any single customer nor group of customers.

Amounts due to customers and debt securities issued

(in PLN million)

	30.06.2025	30.06.2024	CHANGE
Corporate deposits	110,377	100,104	10.3%
Non-financial entities	77,992	72,167	8.1%
Non-banking financial entities	10,107	8,110	24.6%
Budget entities	22,278	19,827	12.4%
Retail deposits	153,039	144,355	6.0%
Other ^(*)	1,033	1,002	3.1%
Amounts due to customers^(**)	264,449	245,461	7.7%
Debt securities issued of which	19,643	16,080	22.2%
Senior bonds	7,785	4,500	73.0%
Subordinated bonds	3,500	2,750	27.3%
Pekao Bank Hipoteczny S.A. covered bonds	1,479	1,019	45.1%
Pekao Bank Hipoteczny S.A. bonds	405	384	5.5%
Pekao Leasing Sp. z o.o. bonds	3,237	2,787	16.1%
Pekao Faktoring Sp. z o.o. bonds	2,998	4,430	(32.3%)
Interest	239	210	13.8%
Amounts due to customers and debt securities issued ^(**)	284,092	261,541	8.6%
Lease liabilities	701	692	1.3%
Repo transactions	906	1,192	(24.0%)
Amounts due to customers and debt securities issued total ^(***)	285,699	263,425	8.5%
Investment funds of Pekao TFI S.A. (ex. Pioneer Pekao TFI)	36,513	28,236	29.3%
Bond and money market funds	26,046	19,907	30.8%
Balanced funds	6,007	4,627	29.8%
Equity funds	2,306	2,245	2.7%
PPK	2,154	1,457	47.9%
including distributed through the Group's network	31,803	24,564	29.5%

(*) Other item includes interest and funds in transit.

(**) Excluding repo transactions and lease liabilities.

(***) Including repo transactions and lease liabilities.

As at the end of June 2025, amounts due to the Group's Customers and Debt securities issued amounted to PLN 284,092 million and were higher by PLN 22,551 million, i.e. 8.6%, than at the end of June 2024.

Retail deposits and other at the end of June 2025 amounted to PLN 153,973 million and were higher by PLN 8,750 million, i.e. 6.0%, compared to the end of June 2024.

As at the end of June 2025, corporate deposits, including Subordinated Bonds, Senior Bonds, Covered Bonds and Bonds of Pekao Bank Hipoteczny S.A., Bonds of Pekao Leasing Sp. z o.o., Bonds of Pekao Faktoring Sp. z o.o., interest and other, amounted to PLN 130,118 million and were higher by PLN 13,802 million, i.e. 11.9%, compared to the end of June 2024.

As at the end of June 2025, the value of net assets of investment funds managed by Pekao TFI S.A. amounted to PLN 36,513 million and were higher by PLN 8,277 million, i.e. 29.3% compared to the end of June 2024.

Amounts due to customers by currency ^(*)

	30.06.2025		30.06.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Denominated in PLN	220,909	83.5%	203,521	82.9%	8.5%
Denominated in foreign currencies	43,540	16.5%	41,939	17.1%	3.8%
Total	264,449	100.0%	245,461	100.0%	7.7%

^(*) Including interest and amounts due in transit and excluding repo transactions and lease liabilities.

The bulk of the amounts due to customers are denominated in the Polish currency and its share as at the end of June 2025 amounted to 83.5%. The majority of amounts due to customers denominated in foreign currencies were in EUR (66.3%) and USD (27.8%).

Amounts due to customers by contractual maturities ^(*)

	30.06.2025		30.06.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Current accounts and overnight deposits	194,295	73.8%	177,759	71.8%	9.3%
Term deposits	69,121	26.2%	66,700	28.2%	3.6%
Total deposits	263,416	100.0%	244,459	100.0%	7.8%
Interest accrued	493	x	672	x	(26.6%)
Funds in transit	540	x	330	x	63.6%
Total	264,449	x	245,461	x	7.7%

^(*) Excluding repo transactions and lease liabilities.

8.5 Provisions, deferred tax assets and liabilities

(in PLN million)

	GROUP		BANK PEKAO S.A.	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
Total provisions	2,642	2,087	2,495	1,973
provisions for off-balance sheet commitments and guarantees given	436	541	479	593
provisions for defined benefit plans	318	409	313	399
other provisions	1,888	1,137	1,703	981
Deferred tax liabilities	17	20	-	-
Deferred tax assets	1,226	1,196	832	855

8.6 Off-balance sheet items

Bank Pekao S.A. Group - Statement of Off-balance sheet items

(in PLN million)

	30.06.2025	30.06.2024	CHANGE
Contingent liabilities granted and received	119,726	105,121	13.9%
Liabilities granted:	75,059	72,352	3.7%
financial	63,673	60,734	4.8%
guarantees	11,386	11,615	(2.0%)
Liabilities received:	44,667	32,770	36.3%
financial	1,768	713	>100%
guarantees	42,899	32,057	33.8%
Derivative financial instruments	515,969	510,865	1.0%
interest rate transactions	399,819	416,607	(4.0%)
transactions in foreign currency and in gold	107,529	89,206	20.5%
transactions based on commodities and equity securities	8,622	5,052	70.7%
Total off-balance sheet items	635,695	615,986	3.2%

8.7 Capital adequacy

Bank Pekao S.A. Group and Bank Pekao S.A.

Capital ratios are the basic measure applied for the measurement of capital adequacy according to Regulation of the European Parliament and of the Council (EU) No 575/2013 of June 26, 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, which entered into force since January 1, 2014 together with further amendments, as well as Commission Implementing Regulations or Delegated Regulations (EU) (CRR Regulation).

Capital ratios, capital requirements and own funds have been calculated in accordance with the above mentioned CRR Regulation using national options defined in article 171a of The Banking Act, Act of 5 August 2015 on macro-prudential supervision over financial system and crisis management in financial system (Act on macro-prudential supervision), as well as regulations of minister in charge of the finance institutions.

According to law, Bank Pekao S.A. Group and Bank Pekao S.A. are required to maintain minimal values of capital ratios resulting from Pillar I level (CRR Regulation), capital requirement of Pillar II resulting from The Banking Act and combined buffer requirement resulting from Act on macro-prudential supervision.

Minimal value of capital ratios on Pillar I level are:

- Total capital ratio (TCR) in amount of 8%,
- Tier I capital ratio (T1) in amount of 6%,
- Common Equity Tier I capital ratio (CET 1) in amount of 4.5%.

Combined buffer requirement as at 30 June 2025 consists of:

- Capital conservation buffer in amount of 2.50%,
- Countercyclical capital buffer in amount of 0.05%¹ for Bank Pekao S.A. Group and 0,04% for Bank Pekao S.A.,
- Other systemically important institution buffer in amount of 1.00%,
- Systemic risk buffer in amount of 0.00%².

On Pillar II, Bank Pekao S.A. and Bank Pekao S.A. Group have no additional capital requirement (P2R).

Together, Bank Pekao S.A. Group is obliged to maintain:

- Total capital ratio (TCR) in amount of 11.55%,
- Capital ratio Tier I (T1) in amount of 9.55%,
- Common Equity Tier (CET 1) in amount of 8.05%.

Together, Bank Pekao S.A. is obliged to maintain:

- Total capital ratio (TCR) in amount of 11.54%,
- Capital ratio Tier I (T1) in amount of 9.54%,
- Common Equity Tier (CET 1) in amount of 8.04%.

The capital ratios of Bank Pekao S.A. Group and Bank Pekao S.A. were significantly above the minimum required by the law.

¹ Countercyclical capital buffer was calculated as of June 30, 2025 at the level 0,0444% for Bank Pekao S.A. and 0,0453% for Bank Pekao S.A. Group.

² According to the Regulation of the Minister of Finance, the systemic risk buffer was abolished on March 19, 2020. The buffer value applicable until that date was 3% of the total risk exposure amount for all exposures located only in the territory of the Republic of Poland.

Bank Pekao S.A. Group

As of 30, June, 2025 Bank Pekao S.A. Group total capital ratio amounted to 17.2% and common equity Tier I ratio amounted to 15.6%.

The table below presents the basic information concerning Bank Pekao S.A. Group capital adequacy as of 30 June, 2025 and 30 June, 2024.

CAPITAL REQUIREMENT (mln PLN)	30.06.2025	30.06.2024^(*)
Credit Risk	11,286	10,794
Market Risk	98	102
Counterparty credit risk including CVA	238	157
Operational risk	1,608	1,680
Total capital requirement	13,230	12,733
OWN FUNDS (PLN mln)		
Common Equity Tier I Capital	25,797	24,901
Tier II Capital	2,645	2,254
Own funds for total capital ratio	28,442	27,155
Common Equity Tier I Capital ratio (%)	15.6%	15.6%
Total capital ratio (%)	17.2%	17.1%

(*) Data for June 30, 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2024 after GSM, in accordance with the EBA position expressed in Q&A 2018_3822 and Q&A 2018_4085.

Total Capital Ratio of Pekao S.A. Group as at the end of March 2025 was higher by 0.1 p.p. compared to the end of June 2024, mainly due increase of own funds by 4.7% despite increase of total capital requirement by 3.9%. Common equity Tier 1 Capital Ratio of Bank Pekao S.A. Group as at the end of June 2025 remained unchanged compared to the end of June 2024.

Increase of Tier II Capital at the end of June 2025 compared to the end of June 2024 results from issuance of subordinated bonds E series partially compensated by amortization of subordinated bonds A series and B series (during final 5 years of maturity of the instrument).

9. Other Information

9.1 Management Board position regarding the possibility of achieving previously published forecasts

The Bank has not published the forecast of the financial results for 2025.

9.2 Seasonality or cyclical nature of the Bank's activity

The demand for the financial services offered by the Bank is stable with no material impact of seasonal changes. Due to the nature of the Bank's activity, it is not subject to seasonal or cyclical changes. Activities of other companies of the Bank Pekao S.A. Capital Group also does not show significant seasonal or cyclical characteristics.

9.3 Information on dividend and appropriation of profit achieved

Information on dividends paid and appropriation of profit achieved, in total and per share, with a division into ordinary and preference shares, is included in Explanatory Note 16 of the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025.

9.4 Shares in the Bank and related entities held by the Bank's Directors

According to the information held by the Bank, as of the date of submission of the report, the Bank's management and supervisory personnel held 400 shares of Bank Pekao S.A.

The number of shares held by management personnel is presented below:

	ON THE DATE OF SUBMITTING THE REPORT		CHANGE
	FOR THE FIRST HALH OF 2025	FOR THE FIRST QUARTER OF 2025	
Andrzej Klesyk	400	400	-
Total	400	400	-

9.5 Pending litigations

Information on significant legal proceedings pending before courts, arbitration bodies or public administration authorities in respect of liabilities and receivables of the Bank and its subsidiaries is included in Note 30 to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025.

9.6 Related party transactions

In the first half of 2025, the Bank and its subsidiaries have not concluded any significant transactions (single or aggregate) with related entities other than those executed on arm's length.

In the first half of 2025, the Bank and its subsidiaries did not provide any sureties in respect of loans or advances or did not provide any guarantees to an entity or a subsidiary of such entity, which the total value would be significant.

Detailed information on related party transactions is included in Note 31 to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025.

9.7 Accounting principles adopted in the preparation of the report

Accounting principles adopted in the preparation of the report are described in Note 4 to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025.

9.8 Issuance, redemption and repayment of debt Issuance, redemption and repayment of debt securities

Senior bonds

On July 28, 2023, the Bank issued senior non-preferred bonds with a maturity of 4 years and the total nominal value amounted to PLN 0.35 billion ("SNP bonds"). The SNP bonds have an option giving the Bank the right to early redemption of the bonds within 2 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP bonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On November 23, 2023, the Bank issued senior non-preferred eurobonds ("SNP eurobonds") with a maturity of 4 years and the total nominal value amounted to EUR 0.5 billion. The SNP bonds have an option giving the Bank the right to early redemption of the bonds within 4 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP eurobonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The SNP eurobonds were issued under the Euro Medium Term Note Programme ("EMTN Programme") and were admitted to trading on the regulated market of the Luxembourg Stock Exchange and the Warsaw Stock Exchange S.A.

On April 26, 2024, the Bank issued senior non-preferred bonds with a maturity of 5 years and the total nominal value amounted to PLN 0.5 billion. The SNP bonds have an option giving the Bank the right to early redemption of the bonds within 4 years or 4.5 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP bonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 18 June 2024 the Management Board of the Bank adopted a resolution to use the option of early redemption of senior preferred bonds issued by Bank on 28 July 2023 with a total nominal value of PLN 0.75 billion. The early redemption took place on 28 July 2024 and in accordance with the regulations of the Central Securities Depository of Poland (KDPW).

On July 30, 2024, the Bank issued senior preferred bonds ("SP bonds") with a maturity of 2.5 years and the total nominal value amounted to PLN 0.6 billion. The SP bonds have an option giving the Bank the right to early redemption of the bonds within 1.5 or 2 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SP bonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On September 24, 2024, the Bank issued senior non-preferred eurobonds with a maturity of 6 years and the total nominal value amounted to EUR 0.5 billion. The SNP eurobonds have an option giving the Bank the right to early redemption of the bonds within 5 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP eurobonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The SNP eurobonds were issued under the EMTN Programme and were admitted to trading on the regulated market of the Luxembourg Stock Exchange and on the regulated market of the Warsaw Stock Exchange S.A.

On 4 March 2025 the Management Board of the Bank adopted a resolution to use the option of early redemption of senior non-preferred bonds issued by Bank on 3 April 2023 with a total nominal value of PLN 0.75 billion. The early redemption took place on 3 April 2025 and in accordance with the regulations of the Central Securities Depository of Poland (KDPW).

On June 4, 2025, the Bank issued senior non-preferred eurobonds with a maturity of 6 years and the total nominal value amounted to EUR 0.5 billion. The SNP eurobonds have an option giving the Bank the right to early redemption of the bonds within 5 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP eurobonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The SNP eurobonds were issued under the EMTN Programme and were admitted to trading on the regulated market of the Luxembourg Stock Exchange and on the regulated market of the Warsaw Stock Exchange S.A.

Subordinated bonds

On 30 October 2017 the Bank issued 10 years subordinated bonds with a total nominal value of PLN 1.25 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 21 December 2017 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 15 October 2018 the Bank issued 10 years subordinated bonds with a total nominal value of PLN 0.55 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 16 November 2018 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 15 October 2018 the Bank issued 15 years subordinated bonds with a total nominal value of PLN 0.20 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 18 October 2018 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 4 June 2019 the Bank issued 12 years subordinated bonds with a total nominal value of PLN 0.35 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 8 July 2019 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 4 December 2019 the Bank issued 12 years subordinated bonds with a total nominal value of PLN 0.40 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 10 December 2019 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 3 August 2022 the Management Board of the Bank adopted a resolution not to use the option of early redemption of subordinated bond issued by Bank on 30 October 2017 with a total nominal value of PLN 1.25 billion.

On 29 August 2023 the Management Board of the Bank adopted a resolution not to use the option of early redemption of subordinated bond issued by Bank on 15 October 2018 with a total nominal value of PLN 0.55 billion.

On 4 April 2025 the Bank issued 10 years subordinated bonds with a total nominal value of PLN 0.75 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 23 April 2025 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

Pekao Bank Hipoteczny S.A. covered bonds

The total value of the company's liabilities due to covered bonds amounted to PLN 1,479 million (principal value) as at the end of June 2025. Liabilities from covered bonds with maturity, up to 3 months account for 4%, up to 1 years account for 7%, up to 3 years account for 50%, up to 5 years account for 28%, up to 10 years account for 11%, total nominal value.

Pekao Bank Hipoteczny S.A. bonds

The total value of the company's liabilities under bonds amounted to PLN 405 million (principal value) as at the end of June 2025 with maturity to 6 months.

Pekao Leasing Sp. z o.o. bonds

The total value of the company's liabilities under bonds amounted to PLN 3,237 million (principal value) as at the end of June 2025 with maturity date up to 3 months account for 19%, up to 6 months account for 15%, up to 1 year for 41%, up to 2 years for 25%.

Pekao Faktoring Sp. z o.o. bonds

As at the end of June 2025, the total value of the company's liabilities under the issue of own bonds (principal value) amounted to PLN 2,998 million, with a maturity of up to 1 month.

9.9 Subsequent events

Announcement on convening the Extraordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna

On 15 July 2025, in Current Report 35/2025, the Bank informed about convening the Extraordinary General Meeting of Bank Polska Kasa Opieki Spółka Akcyjna for September 3, 2025 at 10:00 a.m. in Warsaw, at 1 Żubra Street in Pekao Tower, located in the Forest building complex.

The second notification of planned demerger of Pekao Bank Hipoteczny Spółka Akcyjna, with Bank Pekao Spółka Akcyjna as the acquiring company

Information on the above information can be found in the information provided here: [Report 33/2025 - Investor relations - Bank Pekao S.A.](#)

10. Representations of the Bank's Management Board on reliability of the presented financial statements

The Management Board of Bank Pekao S.A. declares to the best of its knowledge that:

- the Condensed Interim Separate Financial Statements of Bank Pekao S.A. for the first half of 2025 and Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025 and comparative figures have been prepared in accordance with applicable accounting policies and that they reflect in a true, fair and clear manner the Bank's and the Group's financial position and their results,
- the Report on the activities of Bank Pekao S.A. Group for the first half of 2025 provides a true picture of Bank Pekao S.A. Group's development, achievements and situation, including the main threats and risks.

The Management Board of Bank Pekao S.A. declares that the registered audit company performing the review of the Condensed Interim Separate Financial Statements of Bank Pekao S.A. for the first half of 2025 and Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the first half of 2025 has been selected in pursuance of applicable provisions of law. The company and the registered auditors performing the review meet the requirements indispensable for issuing an objective and independent report on the review concerning condensed interim unconsolidated financial statements and condensed interim consolidated financial statements, in accordance with applicable provisions of law and professional standards.

06.08.2025 Date	Cezary Stypułkowski Name/Surname	President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
06.08.2025 Date	Marcin Gadomski Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
06.08.2025 Date	Robert Sochacki Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
06.08.2025 Date	Błażej Szczecki Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
06.08.2025 Date	Dagmara Wojnar Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
06.08.2025 Date	Marcin Zygmantowski Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature