

**THE SECOND SUPPLEMENT DATED 30 AUGUST 2024
TO THE BASE PROSPECTUS DATED 15 MARCH 2024 AS SUPPLEMENTED BY THE
FIRST SUPPLEMENT DATED 7 JUNE 2024**

Powszechna Kasa Oszczędności Bank Polski S.A.

(incorporated as a joint stock company in the Republic of Poland)

**EUR 4,000,000,000
Euro Medium Term Note Programme**

This Supplement (the **Supplement**) to the Base Prospectus dated 15 March 2024, as supplemented by the first supplement dated 7 June 2024 (the **Base Prospectus**) which comprises a base prospectus for the purposes of the Prospectus Regulation constitutes a supplement to the prospectus for the purposes of Article 23(1) of the Prospectus Regulation and is prepared in connection with the EUR 4,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by Powszechna Kasa Oszczędności Bank Polski S.A. (the **Issuer** or the **Bank**).

Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy since the publication of the Base Prospectus. If there has been an inconsistency between any information included in the Supplement and information included in the Base Prospectus, the information included in the Supplement should prevail.

This Supplement has been published on the website of the Luxembourg Stock Exchange website www.luxse.com.

Purpose of the Supplement

The purpose of this Supplement is to:

- (a) update certain risk factors in the "Risks relating to the Bank's business activity and industry" section of the Base Prospectus;
- (b) add a risk factor relating to the Bank issuing Notes labelled as "Green Bonds";
- (c) incorporate by reference the Group's consolidated financial statements and the Issuer's separate financial statements for the first half of 2024;
- (d) amend the form of the Final Terms in the Base Prospectus;
- (e) update the "Use of Proceeds" section of the Base Prospectus;
- (f) update the "Selected financial information of the Issuer and overview of the Group's financial condition" section of the Base Prospectus;

- (g) update the "Litigation" section of the Base Prospectus;
- (h) update the information on the members of the Bank's Management Board and Supervisory Board; and
- (i) include a new "Significant or Material Change" statement.

AMENDMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in the Base Prospectus shall be amended and/or supplemented in the manner described below.

Risks relating to the Bank's business activity and industry

1. *The following paragraph shall be added after the last paragraph in the risk factor under the heading "The regulatory intervention concerning borrowers under mortgage loans may have an adverse effect on the Group's financial condition":*

The amendment to the Act on Supporting Borrowers was approved on 12 April 2024 and came into force on 15 May 2024. As a result of this amendment coming into force, in May 2024, the Group adjusted the gross carrying amount of mortgage loans for PLN 488 million (of which PLN 427 million relates to the Bank), recognising it as a reduction of interest income. The value of the adjustment was determined as the difference between the present value of the estimated cash flows resulting from the loan agreements, taking into account the suspension of payment of instalments, discounted at the pre-modification effective interest rate and the current gross carrying amount of the loan portfolio. The loss estimate was based on the assumption that 24 per cent. of the Group's customers will be eligible for and benefit from credit holidays (customer participation rate).

By the end of June 2024, 21.3 thousand of the Group's customers applied for a suspension of repayment of one or more instalments on their mortgage loans, which represents 4 per cent. of the number of mortgage loans advanced by the Group and 8 per cent. of the total value of mortgage loans advanced by the Group. The aggregate number of applications for suspension of repayment of mortgage loans as at 30 June 2024 was 81.2 thousand.

2. *The following paragraph shall be added after the last paragraph in the risk factor under the heading "Claims of borrowers under loans with interest rates based on WIBOR may affect the Group's financial performance":*

As at 30 June 2024 there were 245 pending court proceedings against the Group in which the Group's customers challenge their mortgage loan agreements for floating rate loans denominated in PLN. Until 30 June 2024 the courts' decisions issued in these proceedings were in favour of the Group.

In May 2024, a court hearing a dispute concerning a loan agreement with interest rate based on WIBOR decided to ask the CJEU preliminary questions concerning the loan agreement. As of 30 August 2024 it is not certain how and when the CJEU will respond to the preliminary questions. The CJEU's responses will be an important guidance for all Polish courts hearing disputes concerning loan agreements with floating interest rate based on WIBOR.

Risks related to Notes generally

The following risk factor shall be added on page 34 the Base Prospectus, after the risk factor: "Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued":

In respect of Notes issued as Green Bonds there can be no assurance that the particular use of proceeds will be suitable for the investment criteria of an investor

The Issuer may issue Notes under the Programme which are specified to be "Green Bonds" in the applicable Final Terms. It will be the Issuer's intention to apply an amount equal to the net proceeds

from an offer of Green Bonds specifically for a portfolio of assets determined to be eligible (the **Eligible Assets Portfolio**), as described in the Issuer's "PKO Bank Polski S.A. Group Green Bond Framework" (as amended, supplemented or replaced from time to time, the **Green Bond Framework**) which is available for viewing on the Issuer's website at https://www.pkobp.pl/media_files/76d44986-c3cd-41c5-8ac4-6558c6144d13.pdf. The Green Bond Framework is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. The Green Bond Framework may be amended at any time without the consent of Noteholders and none of the Issuer, the Arranger or the Dealers assumes any obligation or responsibility to release any update or revision to the Green Bond Framework and/or information to reflect events or circumstances after the date of publication of the Green Bond Framework.

No assurance is given by the Issuer, the Arranger, any Dealer or any other person that the use of such proceeds for the Eligible Assets Portfolio will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of the Eligible Assets Portfolio. Neither the Arranger nor any Dealer shall be responsible for the ongoing monitoring of the use of proceeds in respect of any such Notes. Prospective investors should consult with their legal and other advisers before making an investment in any such Notes and must determine for themselves the relevance of the information set out in this Base Prospectus and the applicable Final Terms for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

It should be noted that the definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes or may be classified as, a "green", "sustainable", "social" or equivalently-labelled project or investment that may finance such project is evolving. No assurance can be given that a clear definition, consensus or label will develop over time or that, if it does, any Green Bonds will comply with such definition, market consensus or label. In addition, no assurance can be given by the Issuer, the Arranger, any Dealer or any other person to investors that any Green Bonds will comply with any future standards or requirements regarding any "green", "environmental", "sustainable" or other equivalently-labelled performance objectives, including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called **EU Taxonomy Regulation** including the supplemental delegated regulations related thereto) or Regulation (EU) 2020/852 as it forms part of domestic law in the United Kingdom by virtue of the EUWA), and, accordingly, the status of any Notes as being "green", or "sustainable" (or equivalent) could be withdrawn at any time.

No assurance or representation is given by the Issuer, the Arranger, any Dealer or any other person as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with the Eligible Assets Portfolio to fulfil any environmental, social and/or other criteria. For the avoidance of doubt, any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion, report or certification is not, nor should it be deemed to be, a recommendation by the Issuer, the Arranger, any Dealer, or any other person to buy, sell or hold any such Notes. Any such opinion, report or certification is only current as at the date that opinion, report or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions, reports and certifications are not subject to any specific regulatory or other regime or oversight. Investors in such Notes shall have no recourse against the Issuer, the Arranger, the Dealers or the provider of any such opinion, report or certification for the contents of any such opinion, report or certification.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, any Dealer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arranger, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Whilst it is the intention of the Issuer to apply the proceeds of any Notes so specified for the Eligible Assets Portfolio in, or substantially in, the manner summarised in this Base Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, the Eligible Assets Portfolio will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for the Eligible Assets Portfolio. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes or otherwise result in the Notes being redeemed prior to their maturity date.

Any such event or failure to apply the proceeds of any issue of Notes for the Eligible Assets Portfolio as mentioned in the previous paragraph and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as mentioned above may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance the Eligible Assets Portfolio and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

There is no direct contractual link between any Green Bonds and any green or sustainability targets of the Issuer. Therefore, payments of interest, principal or other amounts, as applicable payable in respect of any Notes and rights to accelerate under the Notes will not be impacted by the performance of the Eligible Assets Portfolio funded out of the proceeds of issue (or amounts equal thereto) of the Notes or by any other green, social or sustainable assets of the Issuer.

Further, the tenor of the amounts advanced by the Issuer to customers for the purposes of financing or refinancing the Eligible Assets Portfolio may not match the maturity date of the Notes issued to fund such advances. The subsequent redemption of relevant loans advanced by the Issuer, or the project(s) or use(s) the subject of, or related to, the Eligible Assets Portfolio before the maturity date of any Notes issued to fund such advances shall not lead to the early redemption of such Notes nor create any obligation or incentive of the Issuer to redeem the Notes at any time or be a factor in the Issuer's determination as to whether or not to exercise any early redemption rights it may have from time to time.

Any event or failure by the Issuer to apply an amount equal to the net proceeds of any issue of Notes to advance loans to customers to finance and/or refinance the Eligible Assets Portfolio, and/or any failure by any such customer to apply those funds to the Eligible Assets Portfolio as mentioned above, and/or withdrawal of any opinion or certification in connection with any Notes, or any opinion or certification attesting that the Issuer or any of its customers is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any Notes no longer being listed or admitted to trading on any stock exchange or securities market or any particular segment of any exchange or market as described above and/or any failure by the Issuer to provide or publish any

reporting or any impact assessment on the use of proceeds (or amounts equal thereto) from any issue of Notes will not:

- (a) give rise to any claim of a Noteholder against the Issuer, the Arranger and/or any Dealer;
- (b) constitute an Event of Default under the Notes or a breach or violation of any term of the Notes, or constitute a default by the Issuer for any other purpose, or permit any Noteholder to accelerate the Notes or take any other enforcement action against the Issuer;
- (c) lead to a right or obligation of the Issuer to redeem the Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes or give any Noteholder the right to require redemption of its Notes;
- (d) affect the qualification of Notes as Tier 2 Capital or as eligible liabilities (as applicable) or impact the features relating to such Notes, including but not limited to their loss absorbing capacity, ranking, applicability of the Bail-in and Loss Absorption Powers;
- (e) otherwise affect or impede the ability of the Issuer to apply the proceeds of such Notes to cover losses; or
- (f) result in any step-up or increased payments of interest, principal or any other amounts, as applicable in respect of any Notes, or otherwise affect the terms and conditions of any Notes.

However, such event or failure may adversely affect the reputation of the Issuer and could have a material adverse effect on the value of the Notes and also potentially the value of any other notes, including (without limitation) notes which are intended to finance the Issuer's lending for the Eligible Assets Portfolio and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The proceeds of issue of Notes which are eligible to count as Tier 2 capital and/or MREL of the Issuer will be available to absorb losses of the Issuer to the same degree and in the same manner as Tier 2 and/or MREL notes that are not issued as Green Bonds. Notes issued as Green Bonds will be subject to write down and conversion of capital instruments and eligible liabilities and/ or other non-viability loss absorption actions in the same way as any other Notes issued under the Programme. Further, investors should note that where Green Bonds qualify for inclusion in the own funds and eligible liabilities of the Issuer, the prudential and resolution rules, including the Bail-in and Loss-Absorption Powers as defined in Condition 21 will apply to those Green Bonds in the same way as they apply to other Notes issued under the Programme. Green Bonds intended to form part of the own funds and eligible liabilities of the Issuer will not be issued with any features which undermine their ability to absorb losses in compliance with the prevailing prudential and resolution rules, and neither the Green Bonds nor the proceeds of issue of the Notes will be afforded any special treatment or enhanced protections as a result of them being Green Bonds. Subordinated Notes and Senior Non-Preferred Notes will continue to be subject to lower priority ranking than other senior-ranking debts of the Issuer, and the other risks applicable to Senior Preferred Notes, Senior Non-Preferred Notes and Subordinated Notes, including with respect to loss absorption as a result of bail-in or write down shall apply to such Notes irrespective of whether or not such Notes are Green Bonds.

The proceeds of issue of Notes that qualify as own funds and eligible liabilities of the Issuer will be available to cover all losses of the Issuer, regardless of whether such Notes are Green Bonds and regardless of whether the losses stem from the loans advanced by the Issuer out of the proceeds of issue of such Green Bonds or under any other green, social or sustainable assets of the Group.

Documents incorporated by reference

The following shall be added on page 37 of the Base Prospectus:

- (i) the English translation of the Group's condensed interim consolidated financial statements for the six-month period ended 30 June 2024, prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, published on the Issuer's website: https://www.pkobp.pl/media_files/eab8b1af-f0e6-4d05-af0e-1ef4119bfc5f.pdf including in particular:

The Group's consolidated income statement	Page 4
The Group's consolidated statement of comprehensive income	Page 5
The Group's consolidated statement of financial position	Page 6
The Group's consolidated statement of changes in equity	Pages 7-8
The Group's consolidated statement of cash flows	Pages 9-10
Notes to the Group's consolidated financial statements	Pages 11-72

- (j) the English translation of the independent auditor's report on review of the Group's condensed interim consolidated financial statements for the six-month period ended 30 June 2024, published on the Issuer's website: https://www.pkobp.pl/media_files/c5885c39-c6df-4181-bcae-6f603ca270d6.pdf, incorporated by reference in its entirety;

- (k) the English translation of the Issuer's condensed interim separate financial statements for the six-month period ended 30 June 2024, prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, published on the Issuer's website: https://www.pkobp.pl/media_files/36783c3d-597d-4ca3-84da-d9e7c16476b1.pdf including in particular:

The Issuer's separate income statement	Page 4
The Issuer's separate statement of comprehensive income	Page 5
The Issuer's separate statement of financial position	Page 6
The Issuer's separate statement of changes in equity	Pages 7-8
The Issuer's separate statement of cash flows	Pages 9-10
Notes to the Issuer's separate financial statements	Pages 11-22

- (l) the English translation of the independent auditor's report on review of the Issuer's condensed interim separate financial statements for the six-month period ended 30 June 2024, published on the Issuer's website: https://www.pkobp.pl/media_files/401f131d-96fa-4f4a-8307-da16aac99eaf.pdf incorporated by reference in its entirety.

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Commission Delegated Regulation (EU) No. 2019/980.

Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement.

Final Terms

Section 4(i) in Part B of the form of the Final Terms on page 53 of the Base Prospectus shall be amended to read as follows:

- (i) Reasons for the offer:

The net proceeds from the issue of Notes will be applied by the Issuer for [General Corporate Purposes]/[Green Bonds]/[specify use of proceeds].

Use of Proceeds

The "Use of Proceeds" section of the Base Prospectus shall be deemed deleted and replaced with the following:

The net proceeds from each issue of Notes will, unless otherwise specified in the applicable Final Terms, be applied by the Bank as follows:

- (a) where "General Corporate Purposes" is specified in the applicable Final Terms, for its general corporate purposes; or
- (b) where "Green Bonds" is specified in the applicable Final Terms, the allocation of an amount equal to the net proceeds from such issue of Notes will be to finance the Eligible Assets Portfolio under the Green Bond Framework published on the Bank's website https://www.pkobp.pl/media_files/76d44986-c3cd-41c5-8ac4-6558c6144d13.pdf.

If, in respect of any particular issue, there is a particular identified use of proceeds other than "General Corporate Purposes" or "Green Bonds" (as applicable), then this will be stated in the relevant Final Terms.

As at the date of this Base Prospectus, the Green Bond Framework describes the Eligible Assets Portfolio as a portfolio of loans financing assets which have been identified as having a positive environmental impact and falling within one of the Eligible Categories, as further set out (and defined) in the Green Bond Framework. As at the date of this Base Prospectus the Eligible Categories are based on subchapters of Annex to the Delegated Regulation (EU) 2021/2139 and include the following categories: (i) financing buildings; (ii) clean transportation; (iii) renewable energy; (iv) sustainable water supply management; (v) sustainable waste water management; and (vi) sustainable waste management.

The Issuer intends to select assets to be included in the Eligible Assets Portfolio based on compliance with certain eligibility criteria, including certain national and international environmental standards and local laws and regulations, as further described in the Green Bond Framework.

The Issuer intends to manage the net proceeds from each issue of Green Bonds through a "portfolio approach" by allocating an amount equivalent to such proceeds to the Eligible Assets Portfolio, as further described in the Green Bond Framework. The Issuer intends to publish an allocation report and impact report with respect to the Eligible Assets Portfolio from one year from the issue date of the first tranche of Green Bonds. Such reports will be published annually until the net proceeds of any such Green Bonds have been allocated in full. The Issuer may appoint an external expert to provide a limited assurance report on the impact and allocation reports.

The Issuer may, in the future, update the Green Bond Framework in line with developments in the market.

The Issuer has obtained a second-party opinion from Morningstar Sustainalytics (the **Second Party Opinion**), an external environmental, social and corporate governance research and analysis provider, to confirm the Green Bond Framework's alignment with the International Capital Market Association Green Bond Principles 2021. The Second Party Opinion is available for viewing on the Issuer's website https://www.pkobp.pl/media_files/6e3cbaf9-2c7a-436c-a5ad-8ba39f2c7401.pdf.

For the avoidance of doubt, other than in relation to the documents which are deemed to be incorporated by reference (see "Documents Incorporated by Reference"), the information on the websites to which this Base Prospectus refers (including the Green Bond Framework, any report (including the allocation report and impact report referred to above), assessment, opinion or certification in relation thereto (including the Second Party Opinion)) shall not be incorporated by reference in, and does not form part of, this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds and in particular with any assets in the Eligible Assets Portfolio to fulfil any environmental, sustainability, social and/or other criteria. Neither such opinion or certification nor the Green Bond Framework are, nor should be deemed to be, a recommendation by the Issuer or any of the Dealers or any other person to buy, sell or hold any such Green Bonds. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Bonds. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors in any Green Bonds should also refer to the risk factor above headed "*In respect of Notes issued as Green Bonds there can be no assurance that the particular use of proceeds will be suitable for the investment criteria of an investor.*"

Selected financial information of the Issuer and overview of the Group's financial condition

The following text shall be added on page 122 of the Base Prospectus:

Selected financial information for the six-months period ended 30 June 2024

For the six months ended 30 June 2024, the Group's consolidated net profit attributable to equity holders of the parent company was PLN 4,395 million, and was higher by PLN 2,354 million than the Group's consolidated net profit attributable to equity holders of the parent company for the six months ended 30 June 2023. The increase was mainly driven by increased results on the Group's business activities and lower costs of legal risk associated with mortgage loans in convertible currencies. The result on the Group's business activities was PLN 13,581 million and was higher by PLN 2,271 million, i.e. 20.1 per cent. than in the six months period ended 30 June 2023. The increase was mainly a result of an increase in net interest income.

As in the six-months period ended 30 June 2023, net interest income was the Group's largest income source. In the six-months period ended 30 June 2024, net interest income reached PLN 10,246 million, an increase of PLN 1,667 million compared to first six months of 2023. The increase was a result of a decrease in hedge accounting expenses and increase in sales of the Group's products. The Group's net interest income was affected by lower interest rates caused by the decrease in reference rates conducted by the MPC.

Interest income in the first six months of 2024 was PLN 15,360 million and increased by PLN 206 million compared to the first six months of 2023. Interest income was affected by lower revenues from financing granted by the Group to its clients and recognition of the costs of credit holidays of PLN 488 million. On the other hand, the volume of loans and advances to customers and the Group's interest income on debt securities increased as compared to the first six months of 2023.

In the six-months period ended 30 June 2024, interest expenses were PLN 5,114 million, a PLN 1,461 million decrease compared to the six-months period ended 30 June 2023. The main factors that led to this decrease were a decrease in interest costs on derivative hedging instruments and a decrease in deposit base costs resulting from lowering the interest rates on deposits.

The Group's net fee and commission income increased by PLN 344 million to PLN 2,558 million in the first six months of 2024 as compared to the six-month period ended 30 June 2023. The increase was mainly the result of a higher net income on cards, higher net income from investment funds, pension funds and brokerage activities and higher net income on loans, insurance, operating leases and fleet management.

Net other income in the six-months period ended 30 June 2024 was PLN 777 million and was PLN 260 million higher than in the six-months period ended 30 June 2023. This increase was caused by higher net foreign exchange gains, higher gains on financial transactions, an increase in net other operating income and expenses, higher net income from insurance business and higher dividend income.

In the six-months period ended 30 June 2024 administrative expenses were PLN 4,141 million and were PLN 410 million higher than in the six-months period ended 30 June 2023. This increase was mainly driven by an increase in the cost of employee benefits, an increase in depreciation and amortisation expense and an increase in regulatory charges.

In the first six months of 2024, the net write-downs and impairments (calculated as the sum of net allowances for expected credit losses, net impairment losses on non-financial assets, gains/(losses) on financial transactions on loans and advances to customers measured at fair value through profit or loss and cost of legal risk of mortgage loans in convertible currencies) were PLN 3,096 million and decreased by PLN 938 million compared to the first six months of 2023. This decrease is attributable mainly to lower costs of legal risk related to mortgage loans in convertible currencies and improved result on credit risk.

The share of impaired loans as at 30 June 2024 (calculated as gross carrying amount of impaired exposures classified to stage 3 divided by gross carrying amount of loans and advances to customers, including loans measured at fair value through profit or loss, and corporate and municipal bonds (excluding those guaranteed by the State Treasury) presented in securities) was 3.54 per cent., a decrease of 0.10 percentage points compared to 30 June 2023.

As at 30 June 2024, the Group's total assets were PLN 507 billion and increased by PLN 6 billion as compared to 31 December 2023.

As at 30 June 2024, the amount of financing granted to the Group's customers (calculated as the sum of loans and advances to customers and municipal and corporate bonds (excluding bonds of international financial organisations) presented in securities, other than securities held for trading) was PLN 271 billion, a PLN 8 billion increase compared to 31 December 2023.

As at 30 June 2024 the amount of retail and private banking loans increased by PLN 7 billion and the amount of corporate loans decreased by PLN 1 billion as compared with 31 December 2023. As at 30 June 2024 amounts due to customers by the Group remained stable and were PLN 398.8 billion. The outstanding amount of external financings granted to the Group (being the sum of loans and advances received, liabilities in respect of debt securities in issue and subordinated liabilities) as at 30 June 2024 was PLN 26 billion, an increase of PLN 4 billion as compared to 31 December 2023.

Group financial information for the six-months periods ended 30 June 2024 and 30 June 2023

Consolidated Income Statement information

	Six-months period ended 30 June	
	2024	2023
	<i>(PLN million)</i>	
Net interest income	10,246	8,579
Interest income	15,360	15,154
<i>of which calculated under the effective interest rate method</i>	<i>15,137</i>	<i>14,863</i>
Interest expense	(5,114)	(6,575)
Net fee and commission income	2,558	2,214
Fee and commission income	3,304	3,021
Fee and commission expense	(746)	(807)
Net other income	777	517
Net income from insurance business, of which:	366	353
<i>Insurance revenue (net of reinsurance)</i>	<i>715</i>	<i>582</i>

<i>Cost of insurance activities (net of reinsurance)</i>	(272)	(169)
Dividend income	22	12
Gains/(losses) on financial transactions	102	28
Net foreign exchange gains/(losses)	147	12
Gains/(losses) on derecognition of financial instruments	40	27
<i>including measured at amortized cost</i>	18	9
Net other operating income and expense	100	85
<i>other operating income</i>	209	204
<i>other operating expenses</i>	(109)	(119)
Result on business activities	13,581	11,310
Net allowances for expected credit losses	(453)	(543)
Impairment of non-financial assets	(313)	(22)
Cost of legal risk of mortgage loans in convertible currencies	(2,320)	(3,441)
Administrative expenses	(4,141)	(3,731)
<i>of which net regulatory charges</i>	(457)	(429)
Tax on certain financial institutions	(626)	(610)
Share in profits and losses of associates and joint ventures	61	36
Profit before tax	5,789	2,999
Income tax expense	(1,395)	(957)
Net profit (including non-controlling shareholders)	4,394	2,042
Profit (loss) attributable to non-controlling shareholders	(1)	1
Net profit attributable to equity holders of the parent company	4,395	2,041
Earnings per share		
– basic earnings per share for the period (PLN)	3.52	1.63
– diluted earnings per share for the period (PLN)	3.52	1.63
Weighted average number of ordinary shares during the period (in million)	1,250	1,250

Source: The Group's condensed interim consolidated financial statements for the six-month period ended 30 June 2024.

Consolidated statement of comprehensive income information

	Six-months period ended 30 June	
	2024	2023
	<i>(PLN million)</i>	
Net profit (including non-controlling shareholders)	4,394	2,042
Other comprehensive income	548	3,376
Items which may be reclassified to profit or loss	548	3,376
Cash flow hedges (net)	211	2,054
<i>Cash flow hedges (gross)</i>	260	2,537
<i>Deferred tax</i>	(49)	(483)
Fair value of financial assets measured at fair value through other comprehensive income (net)	341	1,418
<i>Remeasurement of fair value, gross</i>	440	1,765
<i>Gains /losses transferred to the profit or loss (on disposal)</i>	(22)	(18)
<i>Deferred tax</i>	(77)	(329)
Currency translation differences on foreign operations	(24)	(66)
Share in other comprehensive income of associates and joint ventures	18	(15)
Finance income and costs from insurance business, net	2	(15)
<i>Finance income and costs from insurance business, gross</i>	2	(18)
<i>Deferred tax</i>	-	3
Total net comprehensive income, of which attributable to:	4,942	5,418
<i>equity holders of the parent</i>	4,943	5,417
<i>non-controlling interest</i>	(1)	1

Source: The Group's condensed interim consolidated financial statements for the six-month period ended 30 June 2024.

Consolidated statement of financial position information

	30 June 2024	31 December 2023
	<i>(PLN million)</i>	
ASSETS	507,258	501,516
Cash and balances with the Central Bank	17,514	17,813
Amounts due from banks	11,330	14,438
Hedging derivatives	653	1,174
Other derivative instruments	6,654	8,406
Securities	200,995	197,484
Reverse repo transactions	493	372
Loans and advances to customers	253,270	245,776
Assets in respect of insurance activities	65	90
Property, plant and equipment under operating lease	2,370	2,117
Property, plant and equipment	3,172	3,203
Assets held for sale	19	19
Intangible assets	3,882	3,918
Investments in associates and joint ventures	284	284
Current income tax receivable	6	6
Deferred tax assets	4,059	4,000
Other assets	2,492	2,416
LIABILITIES AND EQUITY	507,258	501,516
Liabilities	460,326	456,289
Amounts due to the Central bank	11	10
Amounts due to banks	3,397	3,423
Hedging derivatives	2,691	2,992
Other derivative instruments	7,055	9,291
Repo transactions	10	-
Amounts due to customers	398,833	399,193
Liabilities in respect of insurance activities	2,953	2,915
Loans and advances received	1,422	1,489
Liabilities in respect of debt securities in issue	21,616	17,201
Subordinated liabilities	2,767	2,774
Other liabilities	12,933	11,007
Current income tax liabilities	766	1,117
Deferred tax liabilities	769	712
Provisions	5,103	4,165
EQUITY	46,932	45,227
Share capital	1,250	1,250
Reserves and accumulated other comprehensive income	29,978	27,676
Unappropriated profits	11,321	10,810
Net profit or loss for the period	4,395	5,502
Capital and reserves attributable to equity holders of the parent company	46,944	45,238
Non-controlling interests	(12)	(11)

Source: The Group's condensed interim consolidated financial statements for the six-month period ended 30 June 2024.

Litigation

- The following shall be added after the last paragraph of section of Base Prospectus under the heading "Disputes relating to mortgage loans in foreign currencies":

As at 30 June 2024, there were 35,207 lawsuits pending against the Group over loans indexed to, or denominated in, a foreign currency, with the disputed amount totalling PLN 14,255 million. This included a class action against the Bank in respect of 47 loan agreements. As at 30 June 2024, 3,987 final rulings have been issued by the courts in cases against the Bank. 170 of these rulings are favourable for the Bank.

2. *The following shall be added after the last paragraph of section of Base Prospectus under the heading "Disputes relating to loans with interest rates based on WIBOR":*

As at 30 June 2024 there were 245 pending court proceedings against the Group in which the Group's customers challenge their mortgage loan agreements for floating rate loans denominated in PLN. Until 30 June 2024 the courts' decisions issued in these proceedings were in favour of the Group.

In May 2024, a court hearing a dispute concerning a loan agreement with interest rate based on WIBOR decided to ask the CJEU preliminary questions concerning the loan agreement. As of 30 August 2024 it is not certain how and when the CJEU will respond to the preliminary questions. The CJEU's responses will be an important guidance for all Polish courts hearing disputes concerning loan agreements with floating interest rate based on WIBOR.

3. *The following shall be added after the last paragraph of section of Base Prospectus under the heading "Disputes relating to the "free loan" sanction":*

As at 30 June 2024, there were 1,975 court proceedings pending against the Group relating to the "free loan" sanction, with a total value of PLN 41.2 million. Up to 30 June 2024, most of the judgments issued in these cases were in favour of the Bank.

Management and Supervisory Bodies

1. *The table with the members of the Bank's Management Board and their biographies (on pages 145-147 of the Base Prospectus) shall be deemed deleted and replaced with the following:*

The members of the Management Board are set out below:

Name	Position
Szymon Midera	President of the Management Board
Krzysztof Dresler	Vice President of the Management Board in charge of the Finance and Accounting Area
Ludmiła Falak-Cyniak	Vice President of the Management Board in charge of the Corporate and Investment Banking Area
Piotr Mazur	Vice President of the Management Board in charge of the Risk Management Area
Marek Radzikowski	Vice President of the Management Board in charge of the Retail and Business Banking, Operations and International Banking Area
Michał Sobolewski	Vice President of the Management Board in charge of the Administration Area
Mariusz Zarzycki	Vice President of the Management Board in charge of IT Area

Szymon Midera

Szymon Midera graduated from the International Economic and Political Relations at the University of Lodz and the Advanced Management Programme at INSEAD in Fontainebleau. He also completed the Executive MBA Programme at the Faculty of Management of University of Łódź, organised in partnership with Towson University and Robert H. Smith School of Business.

Since 2016, he has been the founder, co-owner and CEO of Shumee S.A., an e-commerce platform. He was also a member of supervisory boards of several companies and has significant experience in the area of professional corporate governance standards.

Until June 2016, he served as President and Vice-President of the Management Board of Bank Pocztowy. Previously, for seven years, he was associated with mBank, where he managed, among other things, the areas of marketing, online sales and business development. He is the Chairman of the Entrepreneurship Council at the University of Łódź on a voluntary basis.

Krzysztof Dresler

Krzysztof Dresler graduated from the Warsaw School of Economics and completed post-graduate studies at Collegium Civitas, the Erasmus University in Rotterdam, the University of Pennsylvania and the Wharton School.

He is a founder of a financial advisory boutique, BAAK Structured Finance, and throughout his career supported companies at various stages of development and was involved in the banking and financial institutions, green energy and real estate sectors.

Ludmila Falak-Cyniak

Ludmiła Falak-Cyniak graduated from the University of Łódź. She also completed post-graduate studies and a doctoral programme at the Warsaw School of Economics as well as graduated from the INSEAD Global Management Programme. She is also a licensed investment advisor, a stockbroker, a Chartered Financial Analyst and a Professional Risk Manager.

She has over 25 years of experience in the finance industry, including 17 years in management positions. She worked in both established institutions as well as start-ups. She held senior managerial roles in Aegon, Amundi, Skarbiec, KBC and Warta.

Piotr Mazur

Piotr Mazur graduated from the University of Economics in Wrocław and majored in Organization and Management. He has over thirty years of experience in banking, mainly in the areas of risk, restructuring, loans, and in international financial groups operating in Europe, USA and South America. He gained experience as a member of supervisory boards, boards of creditors, member and chairperson of key risk management committees. He participated in creating the strategy of Bank Zachodni WBK S.A. where he held a position of a deputy chief risk officer and a chief credit officer. Piotr Mazur was a chairperson of the BZ WBK Credit Committee, a deputy chairperson of the credit risk forum and a deputy chairperson of the risk models forum. He is a member of the supervisory board of Biuro Informacji Kredytowej S.A.

Marek Radzikowski

Marek Radzikowski is a doctor of economics, the head of the Economic Growth Research Department of the Warsaw School of Economics, a lecturer on data science subjects and the author of many economic publications, including two books.

He completed his master's degree with distinction at the Warsaw School of Economics, majoring in finance and banking, and then completed MBA studies as part of The Community of European Management Schools (CEMS) program. He also studied at the Department of Economics of the Massachusetts Institute of Technology (MIT) in Cambridge and at the Erasmus University Rotterdam School of Management. He is a scholarship holder of Fulbright, the Socrates-Erasmus program, the Minister of National Education, Dr. Irena Eris, and a winner of awards and distinctions of among others, President's of Warsaw, Top Ten, PwC and Europrimus.

He started his professional career as a leader of projects improving management processes in international corporations, and later as a senior economist and secretary of the Macroeconomic Council at the National Bank of Poland. He co-founded the Civic Development Forum (FOR) as deputy director of the analytical department and deputy chief economist, and then worked as head of the cabinet (head of advisors) of the Minister of Finance. He was also an advisor to the

management board of the Polish Bank Association, a President of the Warsaw Banking Institute, and in recent years he worked as Vice President at J.P. Morgan.

He is a member of the Society of Polish Economists and an expert at the Institute of Public Finance.

Michał Sobolewski

Michał Sobolewski graduated from the Faculty of Foreign Trade and World Economy of the Lazarski University of Commerce and Law in Warsaw.

He has more than 20 years of experience in the financial sector, including banks and leasing companies. For 11 years he worked in the sales department at Banque PSA and PSA Finance. From 2018 to 2024 he worked in the Polish Branch of CA Auto Bank (formerly known as FCA Bank) as the Sales and Marketing Director. From 2022 to 2024 he was also a member of the management board of Drivalia Lease. He joined the Bank's Management Board in 2024.

Mariusz Zarzycki

Mariusz Zarzycki graduated from the University of Łódź and the University of Stockholm. He also completed management programmes at INSEAD and IESE.

His areas of focus are technology and digital transformation. He was a board member responsible for technology, procurement and administration at the Bank and the Polish Post Office. He was a director of the IT department and the Chief Information Officer at mBank S.A. He was also an IT director at PBG Bank S.A. and Bank Przemysłowy. He was also the Chief Operations Officer in a global digital bank start-up and an executive director in the EY's IT Advisory department.

The business address of all Management Board members is ul. Puławska 15, 02-515 Warsaw, Poland.

Szymon Midera owns 25 per cent of shares of Shumee S.A. and 25 per cent of shares of Greatstore sp. z o.o. Both of these companies are clients of the Group, however the respective agreements were concluded before Szymon Midera was appointed to the Management Board. This means that there is a risk of a potential conflict of interest if decisions regarding cooperation between any of these companies and the Bank are the subject of the Management Board's decisions. Any potential conflict of interest is appropriately managed by the Bank in accordance with its internal regulations. Any other social and business activities performed by members of the Management Board do not affect their duties to the Bank.

2. *The table with the members of the Bank's Supervisory Board and their biographies (on pages 147-151 of the Base Prospectus) shall be deemed deleted and replaced with the following:*

The table below sets out information on the members of the Supervisory Board.

<u>Name</u>	<u>Position</u>
Katarzyna Zimnicka-Jankowska	Chairperson of the Supervisory Board
Paweł Waniowski	Deputy Chairperson of the Supervisory Board
Marek Panfil	Secretary of the Supervisory Board
Maciej Cieślukowski	Member of the Supervisory Board
Jerzy Kalinowski	Member of the Supervisory Board
Hanna Kuzińska	Member of the Supervisory Board
Andrzej Oślizło	Member of the Supervisory Board

Katarzyna Zimnicka-Jankowska

Katarzyna Zimnicka-Jankowska is a graduate of the Faculty of Organisation and Management of the Lodz University of Technology. She also holds a Chartered Financial Analyst (CFA) certificate.

She is an independent member of the Supervisory Board and the Audit Committee at cyber_Folks S.A., a WSE-listed company. Previously, she served on the supervisory boards of companies such as IDS-BUD S.A., DiM Construction sp. z o.o. i Piastowskie Przedsiębiorstwo Usług Komunalnych sp. z o.o.

Since 2012, she has run her own business, providing strategic and financial advisory services, including advice on mergers and acquisitions, finance raising, valuation and analysis of effectiveness of investment projects. Between 2010 and 2012, she was a Member of the Management Board of PKP Intercity S.A., where her responsibilities included among others the creation and implementation of strategy as well as the planning and implementation of key investment processes. Prior to that, she was a director in corporate finance consulting companies, such as KPMG or Pekao Access.

She is an independent member of the Supervisory Board.

Paweł Waniowski

Paweł Waniowski is a professor at the Faculty of Management of the Wrocław University of Economics, habilitated doctor of economic sciences in the discipline of management science. Currently, he is the head of the Department of Marketing Research. His scientific interests focus on marketing, public relations, price management and customer communication. In addition to working at the Wrocław University of Economics, he also lectured at other universities, conducted training or was a consultant and expert for various public institutions (including the National Labour Inspectorate and the Provincial Police Headquarters in Wrocław) and enterprises in the field of marketing strategies, marketing research and the process of creating brand. He conducted various research and educational projects, was the originator and director of postgraduate studies and a lecturer at MBA studies. He participated in over 100 scientific conferences, chairman and participant of numerous scientific and science popularization sessions. He is an appraiser of the Ministry of National Education in the field of giving opinions on teaching programs and expert of the National Science Centre.

He is an author or co-author of approximately 120 scientific and popular science publications, including 12 books, a supervisor of over 650 master's and diploma theses and numerous studies, expert opinions and reviews.

He is an independent member of the Supervisory Board.

Marek Panfil

Marek Panfil is a graduate of the Warsaw School of Economics and a senior lecturer in the Department of Finance at Kozminski University.

He is an experienced expert in the valuation of enterprises and intangible assets. He is also a strategic advisor in the field of building company value for shareholders. He is an author or co-author of 11 books and 45 articles in the area of corporate finance and valuation.

He gained over 25 years of professional experience in Canada (KGHM International - as an Internal Audit Manager and in EY as a manager in Transaction Advisory Service Valuation and Business Modeling), in Poland in consulting companies and as an independent member of

supervisory boards in KGHM Polska Miedź S.A., Interferie S.A., NDM S.A., and also as a lecturer, mentor, and head of postgraduate studies in the field of business valuation.

For many years, he has been training managers during postgraduate studies, currently at the Kozminski University, and previously also at the Warsaw School of Economics. He cooperates as an instructor with the EY Academy of Business and the French Economic Institute, conducting training in financial liquidity management and working capital, business valuation, assessment of profitability of investment projects.

He is a member of the Management Board of the Polish Association of Certified Business Valuators in Poland.

He is an independent member of the Supervisory Board.

Maciej Cieślukowski

Maciej Cieślukowski holds of a post-doctoral degree in economics in the field of finance and is a professor at the Poznań University of Economics and Business. He is a member of the Management Board of the Polish Economic Society (Poznań Branch). He graduated from the Poznań Academy of Economics, majoring in Finance and Banking. From 2016 to 2020, he was the Head of the Department of Public Finance at the Poznań University of Economics and Business.

His area of research is finance, in particular public finances, EU finances, tax systems, corporate and bank taxation and finance in sustainable development economics. He is the author of more than 60 scientific publications and a lecturer at many foreign universities.

For several years, he has cooperated with selected Marshal's Offices and the National Centre for Research and Development as an expert evaluating applications for EU funding. He has experience in the preparation and implementation of scientific and investment projects in cooperation with companies and public sector entities. He is an author of expert opinions for the Senate of the Republic of Poland.

He is an independent member of the Supervisory Board.

Jerzy Kalinowski

Jerzy Kalinowski graduated from the Warsaw University of Technology and the University of Rochester. He holds a Ph.D. in technical sciences from Warsaw University of Technology and completed Management Development course at the IMD in Lausanne.

He is an experienced management consultant and was a director at PwC and a partner at KPMG. He was also a member of supervisory boards of several companies, including the Warsaw Stock Exchange, Onet.pl S.A. and Lockheed Martin ITG S.A.

He is an independent member of the Supervisory Board.

Hanna Kuzińska

Hanna Kuzińska completed a Master's programme at the Faculty of Economics and Sociology of the University of Lodz, majoring in trade economics. From 1974 to 1982 she worked in the trade, construction, IT and tourism sectors.

She started her academic work in 1982 at the Institute of Finance, where she received a PhD in finance. She earned a post-doctoral degree in economic sciences in 2007, after defending her thesis "The role of indirect taxes in Poland" at the Faculty of Economic Sciences of the University of Warsaw.

She has been employed at the Department of Finance of Kozminski University since 1997, and since 2007 she worked there as an associate professor. From 2006 to 2007 she also worked at the Faculty of Management of the University of Warsaw, and from 2007 to 2009, at the School of Banking and Finance in Bielsko-Biala. She worked as an expert at the Research and Survey Office of the Chancellery of Sejm and at the Chancellery of Senate. From 2006 to 2007, she was a vice-president of an interbank company: System Pozagieldowego Obrotu Instrumentami Finansowymi. From 2002 to 2005, she was an Undersecretary of State at the Ministry of National Education and Sport. From 2008 to 2011, she was an advisor to the Minister of National Defence.

She is the author of numerous academic publications in the field of finance and economics.

She is an independent Member of the Supervisory Board.

Andrzej Oślizło

Andrzej Oślizło is a graduate of the University of Economics in Katowice (majoring in Economics) and the Silesian University of Technology in Gliwice (majoring in Computer Science). He also completed MBA studies at the European University in Montreux, Switzerland.

For over 25 years, he has been managing business ventures in Poland and on the foreign markets. He specializes in business management, investments, mergers and acquisitions, as well as strategies, in particular concerning foreign expansion. During his career, he was the president and a member of the Management Board of companies from the following industries: ICT, TSL, aviation, finance and banking.

His professional experience also includes cooperation with private equity funds, including Trinity Management and Innova Capital, on behalf of which he held supervisory and management functions in the bodies of portfolio companies, as well as was responsible for their value growth and capital exits.

He is an independent member of the Supervisory Board.

The business address of all of the Supervisory Board members is ul. Puławska 15, 02-515 Warsaw, Poland. No Supervisory Board member has any actual or potential conflict of interest between his/her duties to the Bank and his/her private interests and other duties.

Significant or Material Change

The paragraph "Significant or Material Change" on page 176 of the Base Prospectus shall be deleted and replaced with the following:

Subject as set out in the following Risk Factors: "The regulatory intervention concerning borrowers under mortgage loans may have an adverse effect on the Group's financial conditions" and "Claims of borrowers under mortgage loans denominated in CHF or indexed to CHF may adversely affect the Group's financial performance", there has been no significant change in the financial performance or financial position of the Group since 30 June 2024 and there has been no material adverse change in the prospects of the Group since 31 December 2023.

