



Bank Polski



FINANCIAL RESULTS 1H 2024

Warsaw, 22nd of August 2024



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Key achievements

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Key financial highlights for 1H 2024

KEY FINANCIAL HIGHLIGHTS

Increase of financing to customers by 9.3% y/y and savings by 14.4% y/y

Number of customers increased to 12.0 mln

CET1 17.15%

NPL ratio at 3.54%

TOTAL ASSETS

PLN 507 bn

+10.1% y/y
+2.1% q/q

CUSTOMERS' FINANCING

PLN 279 bn⁽¹⁾

+9.3% y/y
+1.0% q/q

NUMBER OF CUSTOMERS

12.0 mln

+236 ths y/y
+51 ths q/q

CET1=T1

17.15%

619 bp
above the dividend criterion
661 bp
above the regulatory min

CUSTOMERS' SAVINGS

PLN 562 bn⁽²⁾

+14.4% y/y
+2.7% q/q

NPL

3.54%

-10 bp y/y
+20 bp q/q

(1) - Gross customer financing excluding FX mortgage loans

(2) - including deposits, investment funds, State Treasury bonds and retail savings bonds of the bank and other entities of the bank's Group accumulated on the clients' bank accounts



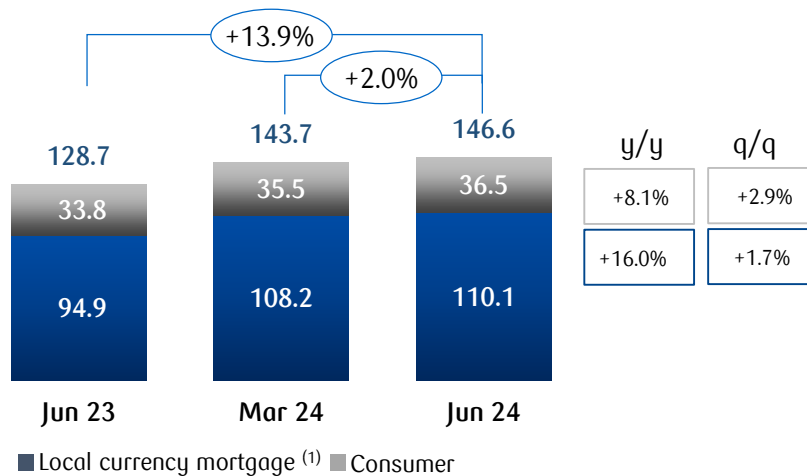
Key financial highlights for 1H 2024

KEY FINANCIAL HIGHLIGHTS	NET PROFIT		ROE		CORE INCOME ⁽¹⁾
<p>PLN 4.4 bn of reported net profit, PLN 6.8 bn excluding extraordinary events</p> <p>Core revenues growth by 18.1% y/y</p> <p>Further improvement of comparable net interest margin</p> <p>High level of operating efficiency with C/I at 30.5%</p> <p>Decrease of CoR to 39 bp</p>	<p>PLN 4.4bn</p> <p>+115.3% y/y</p>	<p>PLN 6.8bn</p> <p>(excl. extraordinary events)</p>	<p>19.0%</p> <p>+8.3 p.p. y/y</p>	<p>28.6%</p> <p>(excl. extraordinary events)</p>	<p>18.1% y/y</p>
	NIM		COST/INCOME		COR
	<p>4.48%</p> <p>+0.17 p.p. y/y⁽²⁾</p>		<p>30.5%</p> <p>-2.4 p.p. y/y</p>		<p>39 bp</p> <p>-15 bp y/y</p>

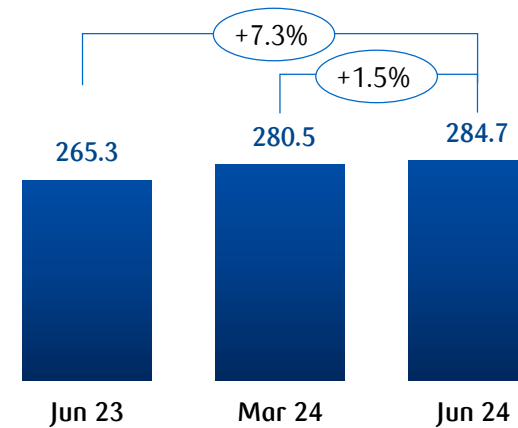


Retail banking: solid growth of loans and investment funds y/y, excellent sales of consumer loans in Q2

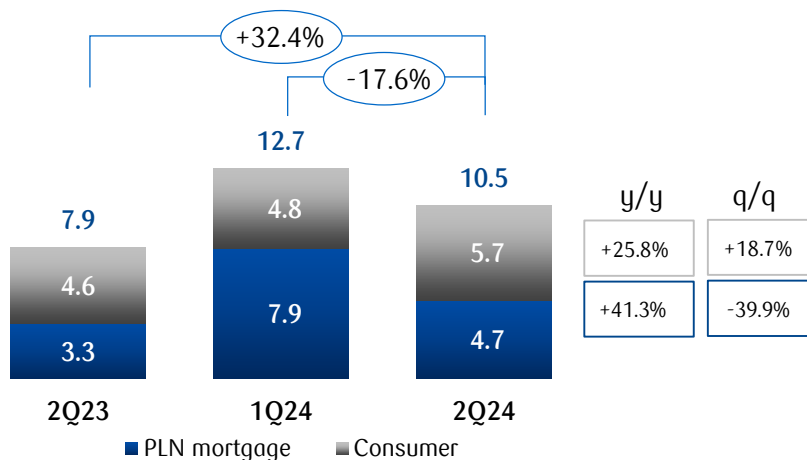
Loans volume outstanding [PLN bn]



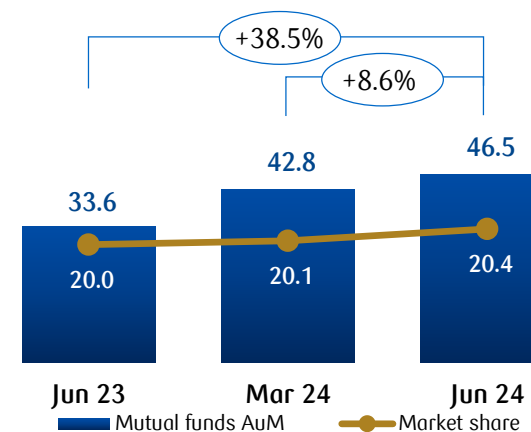
Deposits⁽²⁾ [PLN bn]



New loan sales [PLN bn]



Mutual funds' AuM [PLN bn]⁽³⁾
Market share [%]



(1) - The position incl. UAH loans (2) - Retail deposits (3) - Retail funds



We have completed a digital mortgage pilot



DIGITAL MORTGAGE is a new PKO mortgage product and process - the first holistic digital solution for mortgage loans in Poland, enabling fully remote process from the moment the customer is interested in a mortgage product (e.g. checking creditworthiness) to signing the contract

PILOT

The first agreement signed on 8 April



EXTENSION OF THE PILOT

July 2024 - 10 regions, including 89 branches and 167 retail network consultants



CUSTOMERS OF THE PILOT

Unmarried persons who plan to buy an apartment on the secondary market



EXTENSION OF THE GROUP OF CUSTOMERS

In the following quarters, the target group of clients and crediting purposes will be expanded



New PKO Życie life insurance in the bank's offer



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22 ths
the number of policies sold
since April

350 contracts
average daily sale

Life package*

Health Package

Accident
Package

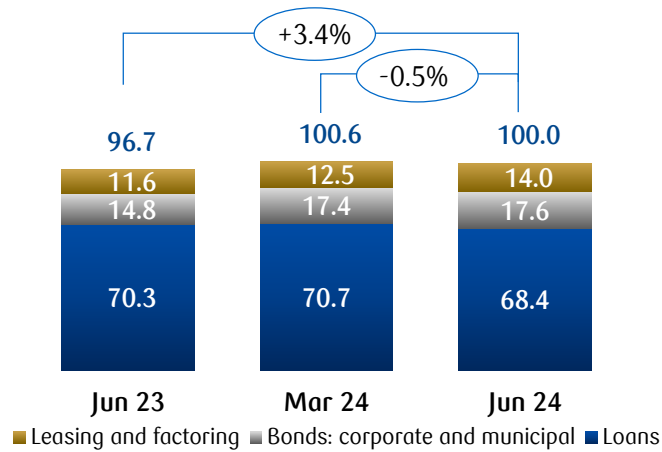
Temporary
Incapacity to
Work Package

- New life insurance is offered as a standalone once or within offering Cash Loan process
- PKO Życie is insurance granting coverage in the event of death and additionally serious illness, accident-induced injuries and temporary incapacity to work
- Customers can tailor-build their coverage by selecting the following packages in addition to the Life Package (which is the basic one): Health, Accident or Temporary Incapacity to Work. Customers usually choose the life package and accident package

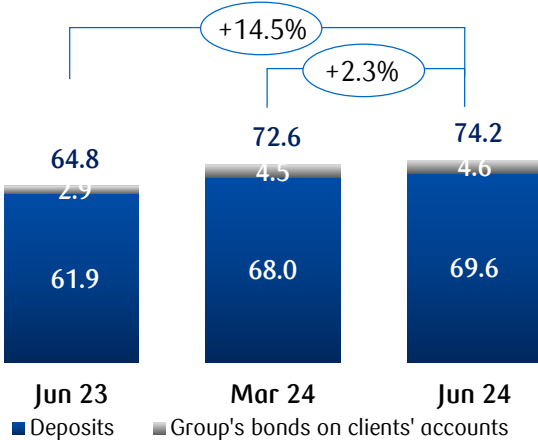


Corporate and investment banking – stable volume of customers financing

Corporate customers financing [PLN bn]



Corporate customers savings [PLN bn]



 Investor Loan New Home PLN 229,700,000 Stage II of the investment in Warsaw	 CF - syndicated New transaction: EUR 240,000,000 Share of PKO BP SA: EUR 42,000,000	 Investment loan EUR 19,590,522 PLN 55,340,352	 Syndicated loan - new tranche under facility agreement in the total amount of PLN 365,000,000 Original Lender, Mandated Lead Arranger, Agent	 Syndicated Loan PLN 263,300,000 Original Lender, Arranger	 LBO - syndicated including trade finance (borrowing base) New transaction: EUR 43,000,000 Share of PKO BP SA: EUR 21,500,000
 Corporate bonds issue PLN 1,000,000,000 Joint Lead Manager, Dealer, Calculation Agent, Documentation Agent, Issue Agent	 3Y & 6Y sustainability-linked corporate bonds issue PLN 2,000,000,000 Joint Lead Manager, Dealer, Issue Agent	 11 agreements for municipal bonds issues in the total amount exceeding PLN 760,000,000 Lead Manager, Issue Agent	 Multipurpose credit facility PLN 100,000,000 Lender	 Syndicated loan EUR 125,000,000 Original Lender, Arranger	



Consolidation of customer financing volumes while expecting investment growth in the economy

Leasing and factoring growth by 20.6% y/y



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Financial results

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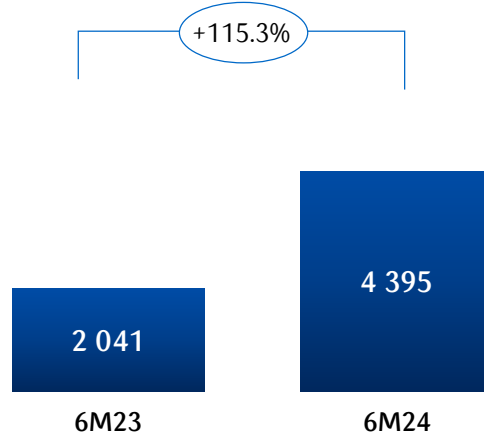
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Note: Any differences in specific items, totals, shares and growth rates result from rounding off amounts to millions of PLN and rounding off percentages in the presented structures to one and/or two “decimal” places

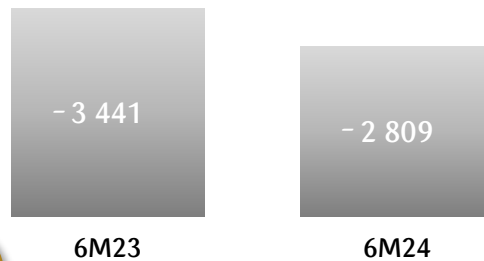


Net profit

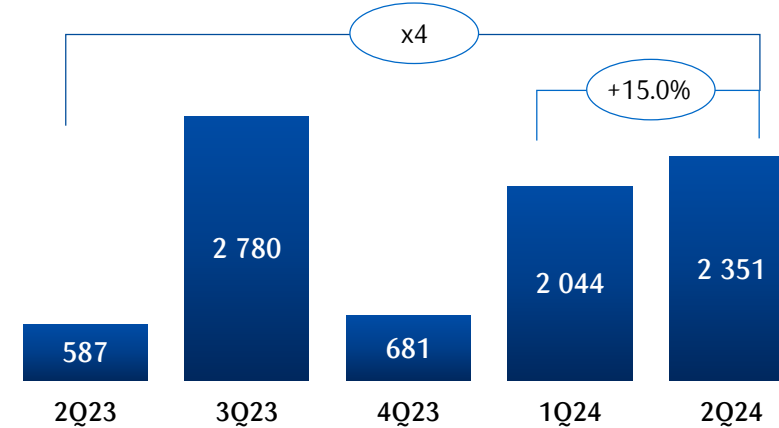
Net profit [PLN mln]



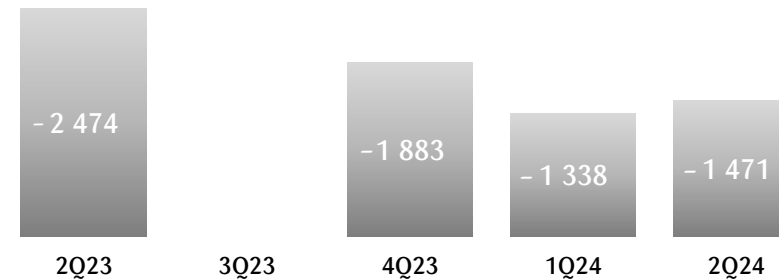
Extraordinary items⁽¹⁾ [PLN mln]



Quarterly net profit [PLN mln]



Quarterly extraordinary items⁽¹⁾ [PLN mln]



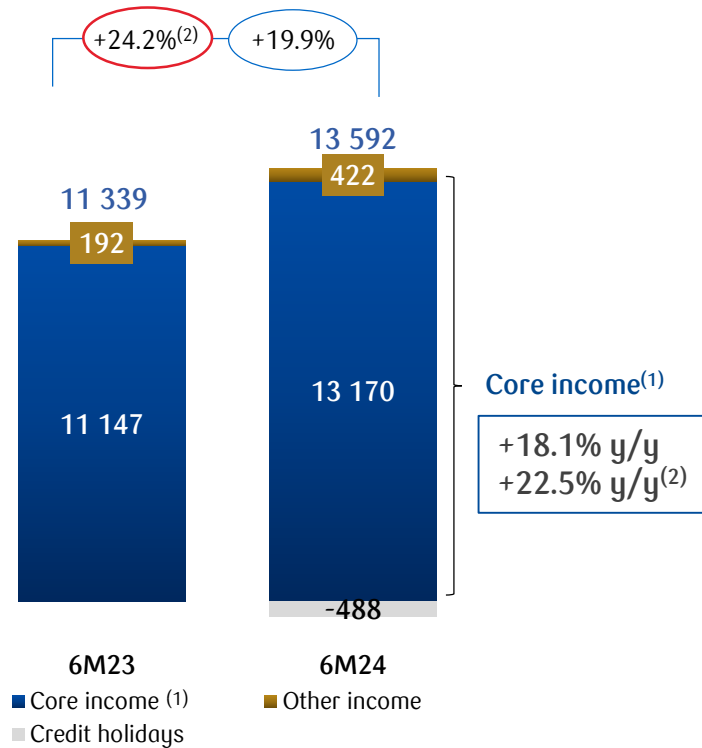
- Increase of net profit to PLN 4 395 million in 1H 2024 thanks to improved income from core income and despite significant CHF legal risk provisions and credit holiday
- Reported ROE for 1H 2024 at 19.0%, 28.6% excl. extraordinary events

(1) - Extraordinary items (gross) in 2023: costs of legal risk related to CHF-denominated and indexed mortgage loans (PLN +3 441 mln), in 2024: costs of legal risk related to CHF-denominated and indexed mortgage loans (PLN +2 321 mln) and credit holidays (PLN +488 mln)

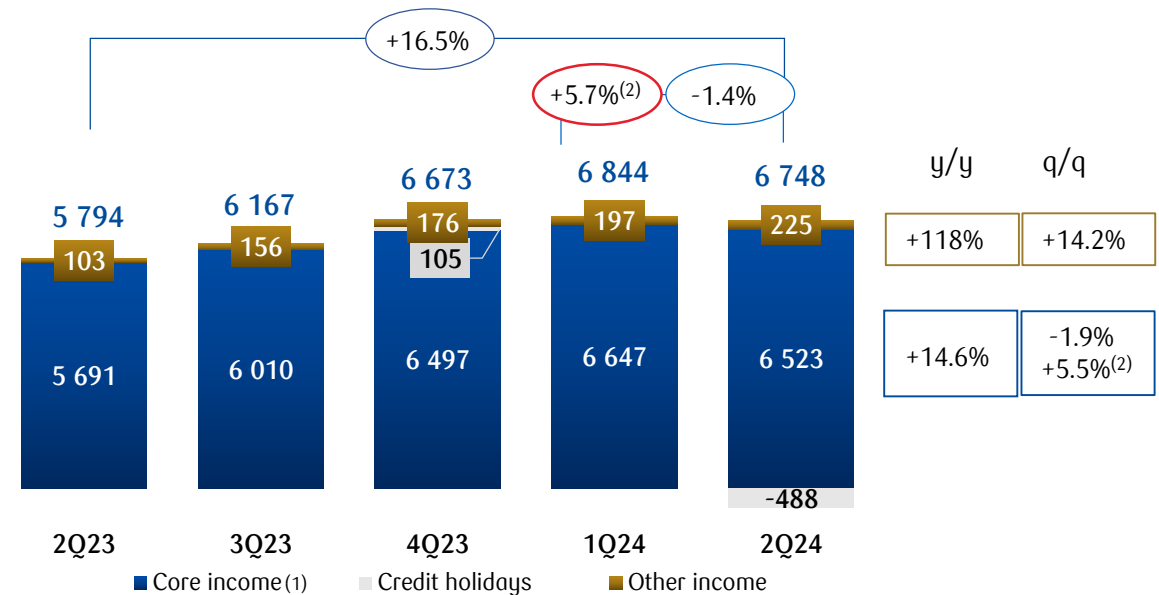


Income growth driven by core income dynamic

Result on business activity [PLN mln]



Quarterly result on business activity [PLN mln]



- Results on banking activities for 1H 2024 at the level of PLN 13.6 bn, +19.9% y/y
- Core income growth by 22.5% y/y on comparable basis

Note: Result on business activity for Q2 24 includes PLN 488 million the initial loss on credit holidays

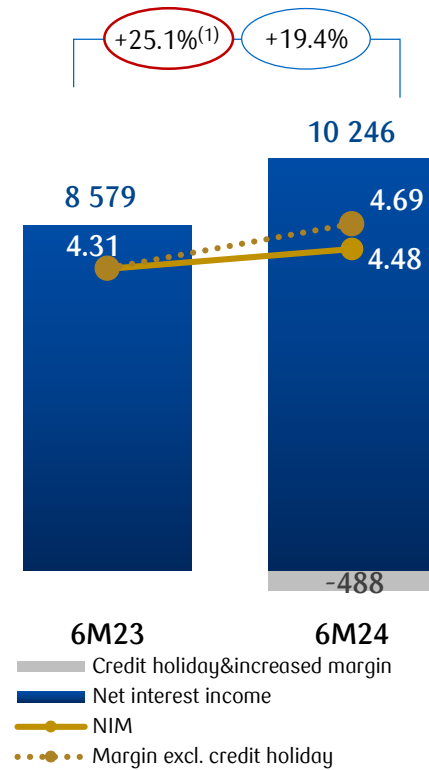
(1) - NII, commission income and insurance income (2) - on comparable basis



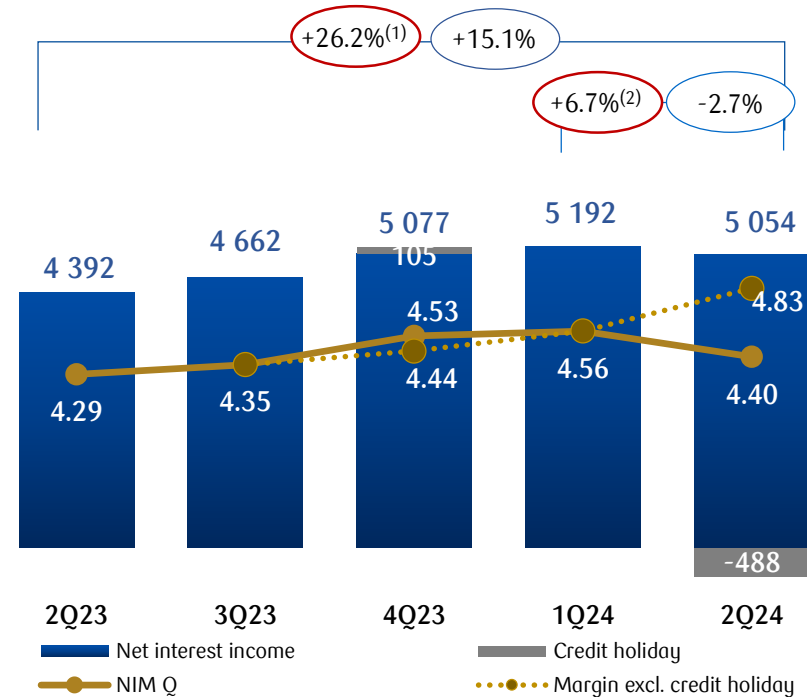
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Net interest income - further improvement of net interest margin y/y

Net interest income [PLN mln]



Quarterly net interest income [PLN mln]



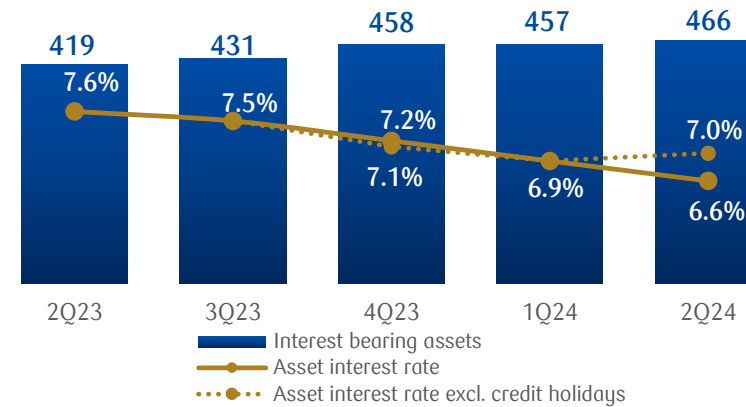
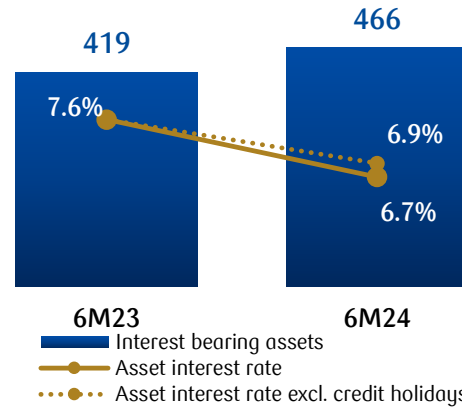
Continuation of net interest income growth in 1H (+25.1% y/y) on comparable basis, thanks to both volumes growth and further improvement of net interest margin

(1) - on comparable basis

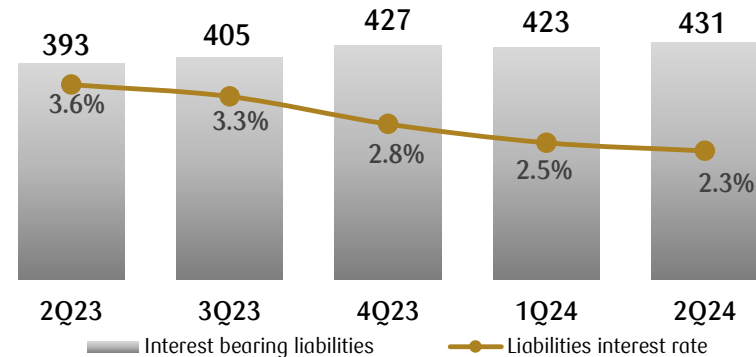
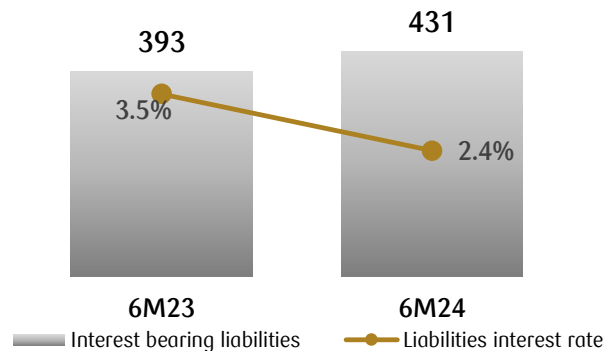


Interest on assets and liabilities

Interest bearing assets and their yield [PLN bn]



Interest bearing liabilities and their cost [PLN bn]



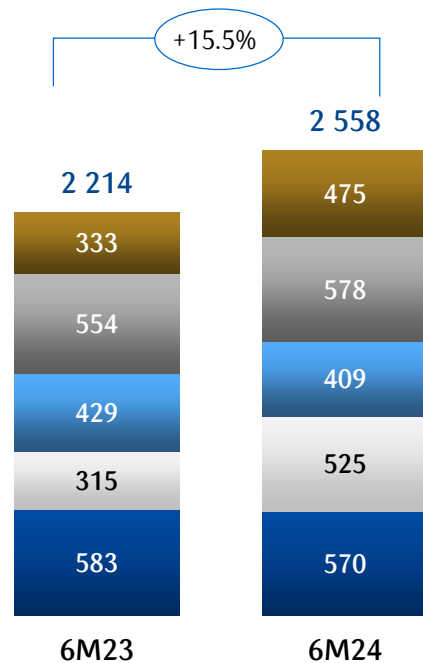
Increase in interest bearing assets by 11.3% y/y and stabilization of the average interest rate on assets in 1H after excluding the effect of credit holidays

Continuation of the reduction of the average interest rate on liabilities thanks to a significant reduction of costs of hedges and deposits



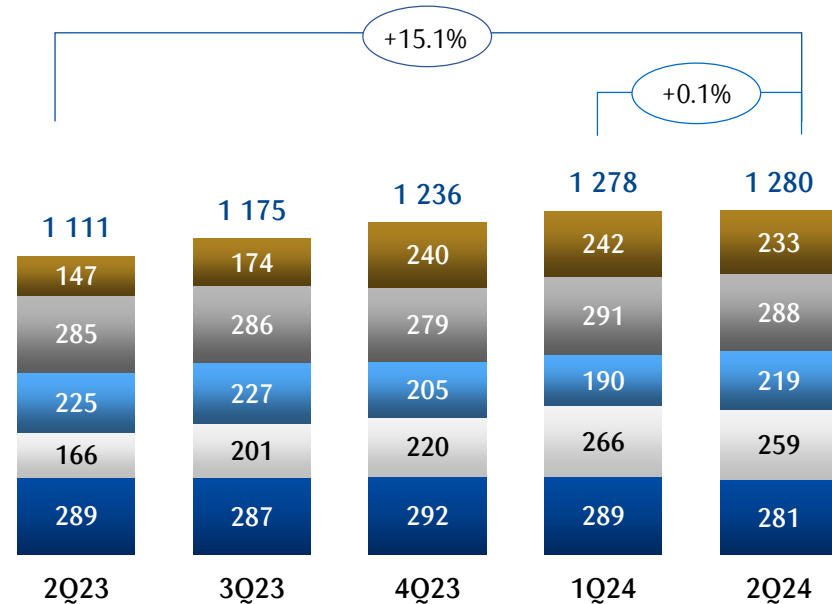
Growth of fees and commissions income

Fees and commissions income [PLN mln]



- Mutual funds & brokerage
- Loans, insurance and operational leasing
- Currency exchange
- Cards
- Customer accounts & other

Quarterly fees and commissions income [PLN mln]



- Customer accounts & other
- Cards
- Loans, insurance and operational leasing
- FX exchange
- Mutual funds & brokerage

	y/y	q/q
Mutual funds & brokerage	+58.4%	-3.8%
Loans, insurance and operational leasing	+1.1%	-1.1%
Currency exchange	-2.7%	+1.4%
Cards	+56.4%	-2.6%
Customer accounts & other	-2.8%	-2.9%



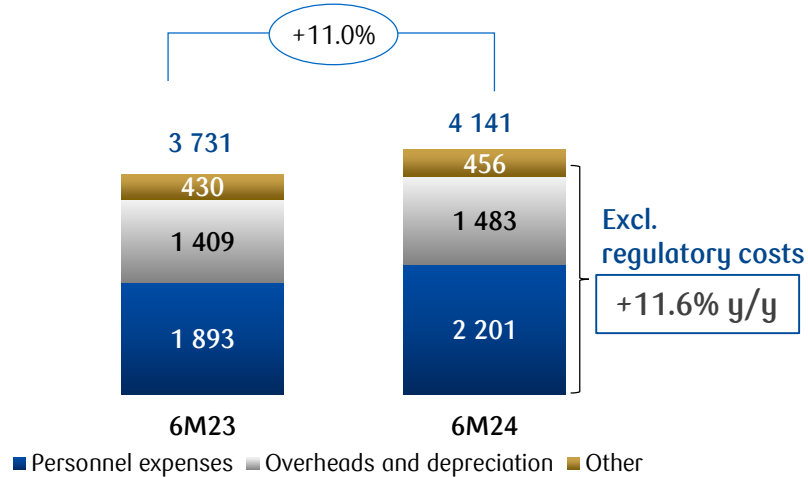
● Increase of half year result by 15.5% y/y thanks to improved results from cards, capital market, loans and leasing

● Third consecutive quarterly result with double-digit growth y/y

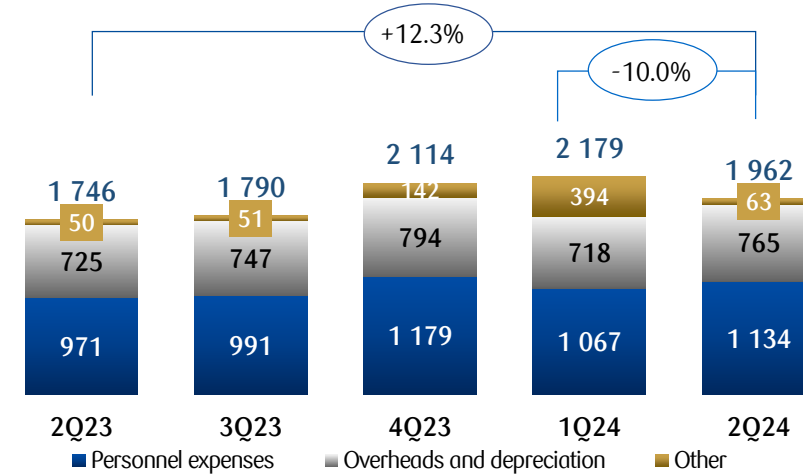


High level of cost efficiency – C/I in 1H 2024 at 30.5%

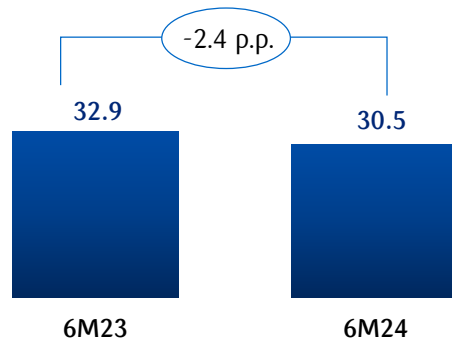
Operating expenses [PLN mln]



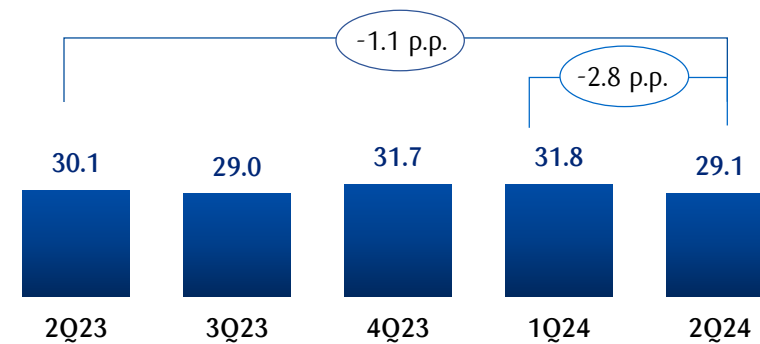
Quarterly operating expenses [PLN mln]



Cost/Income ratio [%]



Quarterly Cost/Income ratio [%]



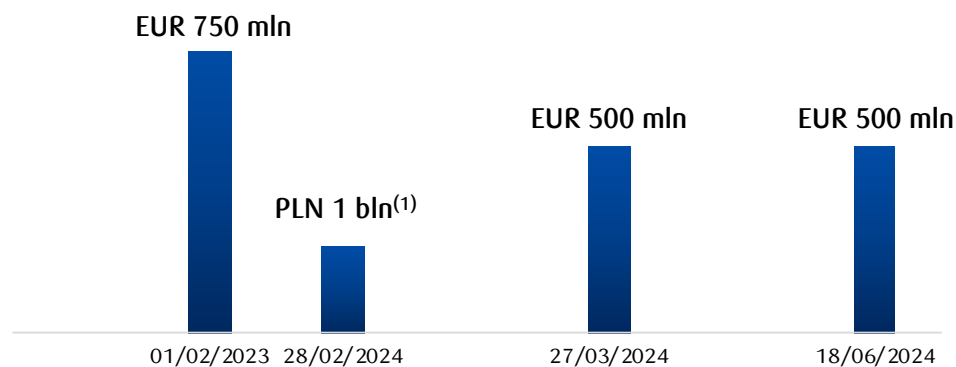
- Total costs dynamic +11.0% y/y, determinate by personnel costs growth and price pressure in the economy
- Excellent C/I ratio level in 1H 2024 at the level of 30.5%

MREL requirements

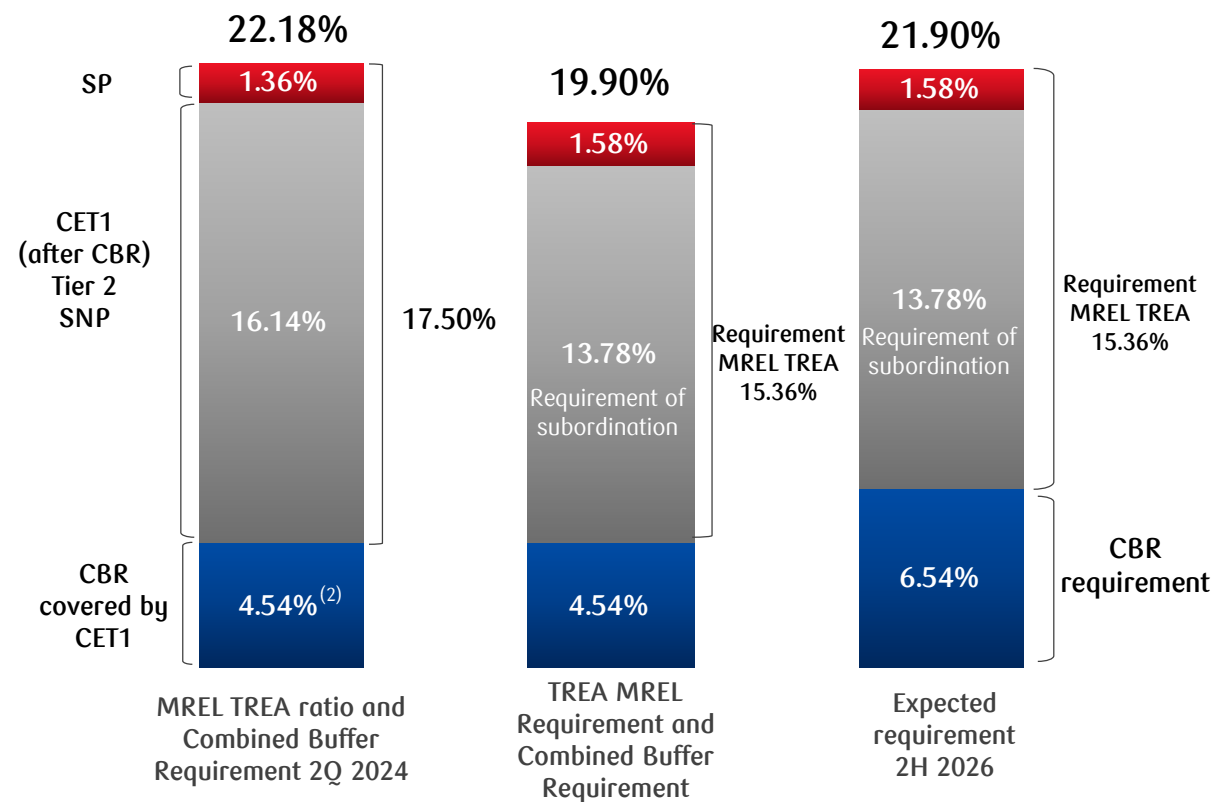


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Outstanding SNP and SP bond issues



Type of notes	Issue date	Maturity date	Call option date	Principal	Coupon
Senior non preferred	18.06.2024	18.06.2029	18.06.2028	EUR 500 mln	first 4 years - 4,50% floating, EURIBOR 3M + 1,55%
Senior non preferred	27.03.2024	27.03.2028	27.03.2027	EUR 500 mln	first 3 years - 4,50% floating, EURIBOR 3M + 1,60%
Senior non preferred	28.02.2024	28.02.2029	28.02.2028 28.08.2028	PLN 1 bln	floating, WIBOR 6M + 1,59%
Senior preferred	01.02.2023	01.02.2026	01.02.2025	EUR 750 mln	first 2 years - 5,625% EURIBOR 3M + 2,50%



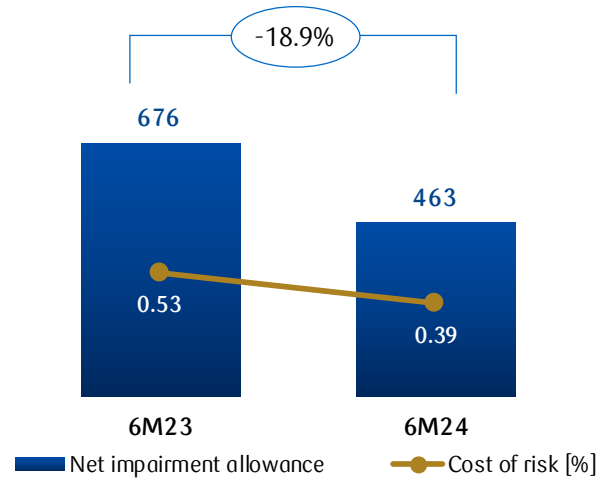
(1) - EUR/PLN = 4.3116 as at issue day (2) - Combined buffer requirement for prudential consolidation

CBR - Combined Buffer Requirement, SNP - Senior Non-Preferred, SP - Senior Preferred

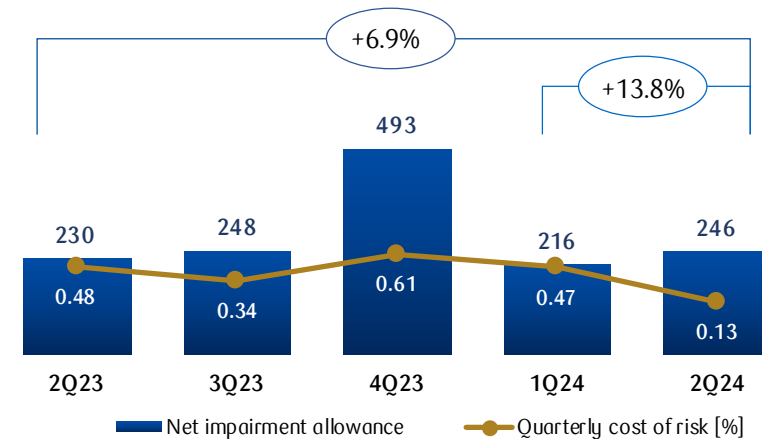


Cost of risk

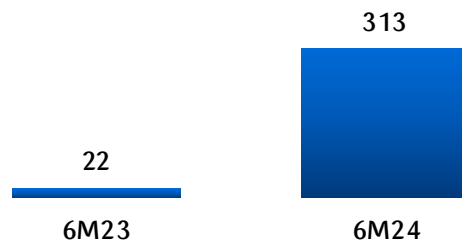
Net impairment allowance [PLN mln]



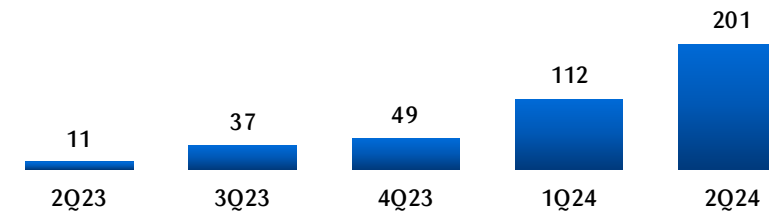
Quarterly net impairment allowance [PLN mln]



Net impairment for non-financial assets [PLN mln]



Quarterly net impairment for non-financial assets [PLN mln]



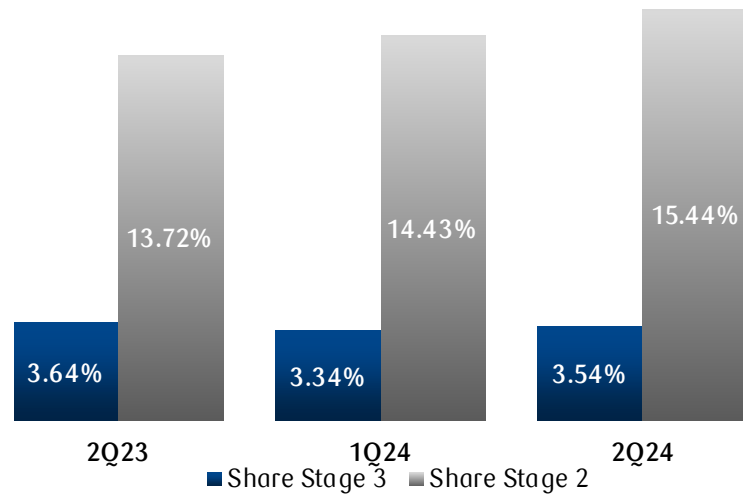
Further reduction of cost of credit risk for 1H 2024 to 39 bps reflects lack of pressure on asset quality

Increase in net impairment for non-financial assets mainly due to delays in capital repayments following court invalidation of CHF loan agreements

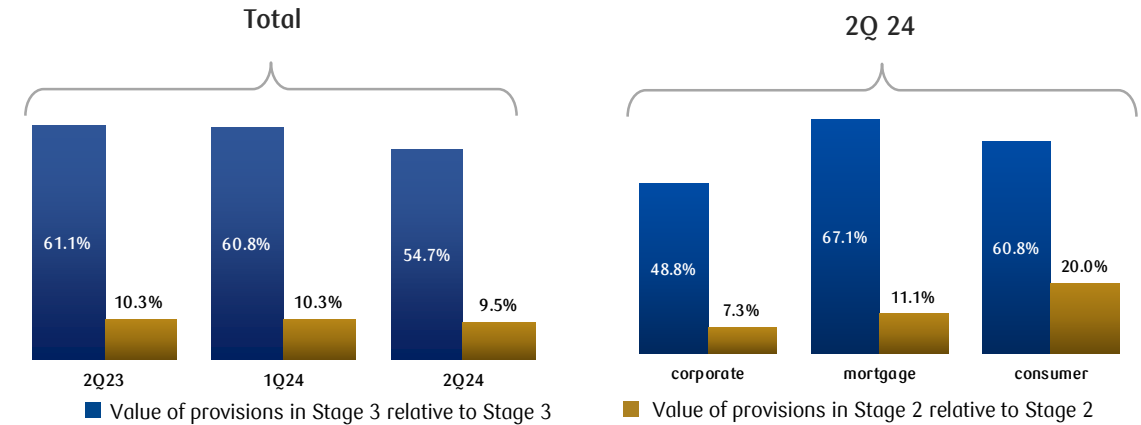


Improved quality in the retail segment, lower classification of individual customers in the corporate segment

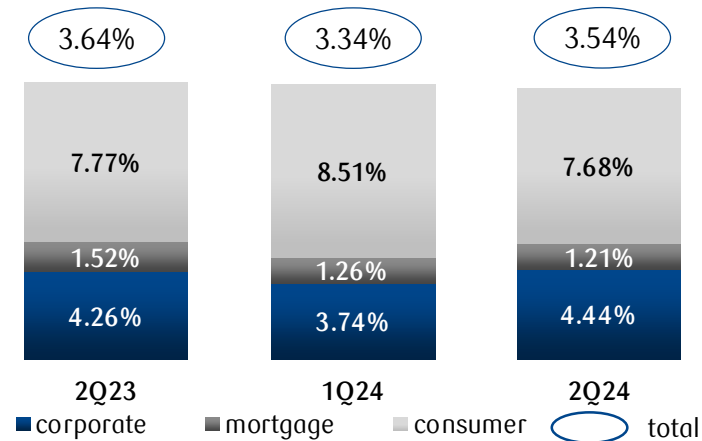
Share of receivables in stage 2 and 3 [%]



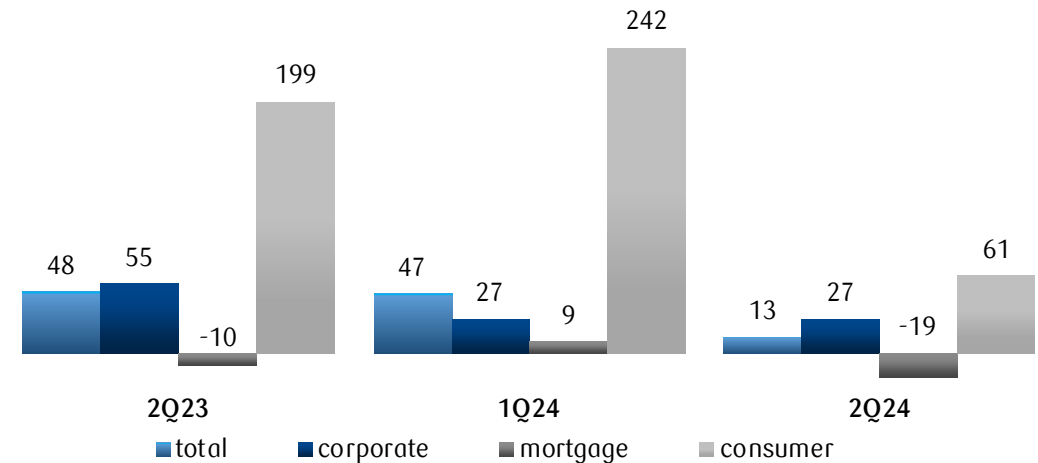
Provision coverage of receivables in stage 2 and 3 [%]



Share of receivables in stage 3 [%]



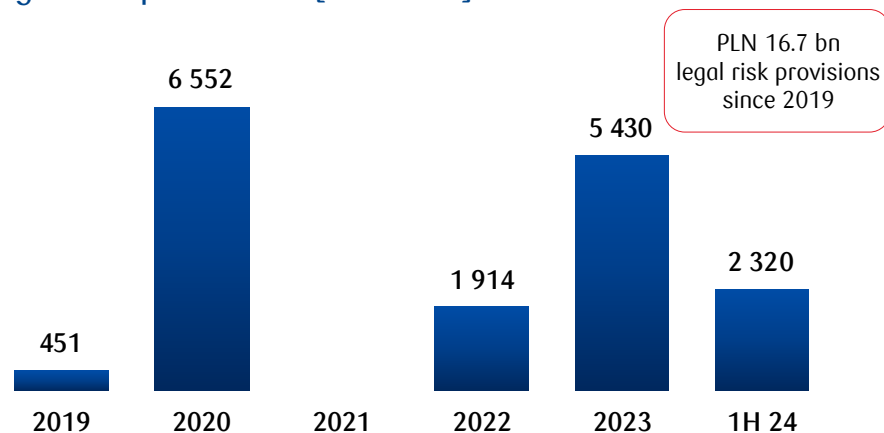
Quarterly cost of credit risk [bps.]



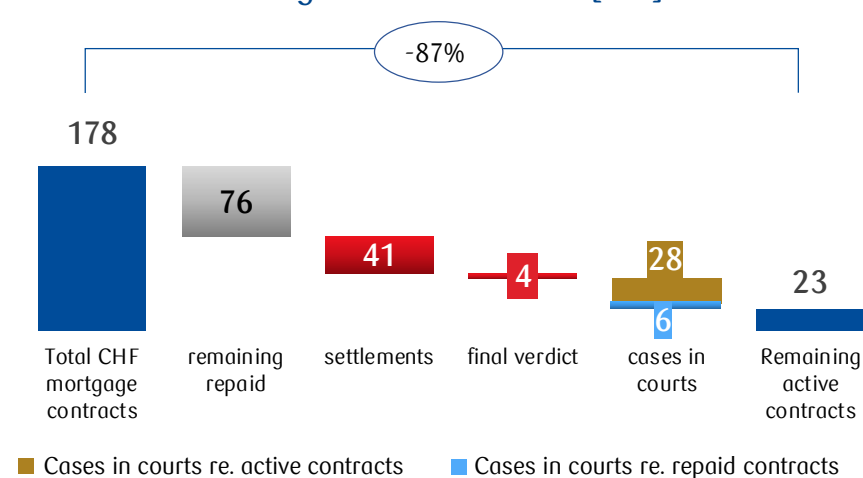


Legal risk provisions for mortgages loans in CHF

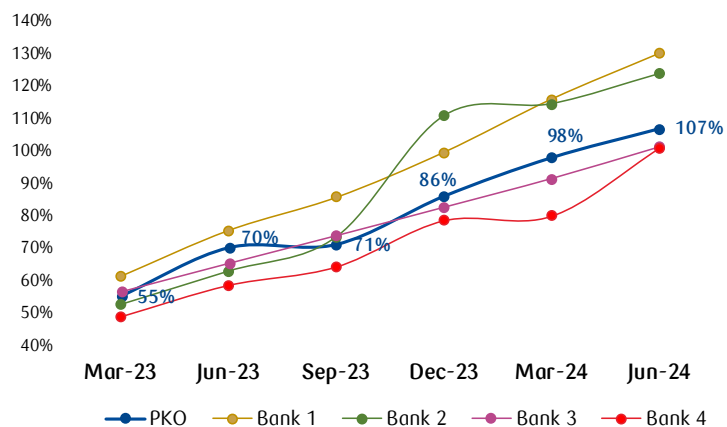
Legal risk provisions [mln PLN]



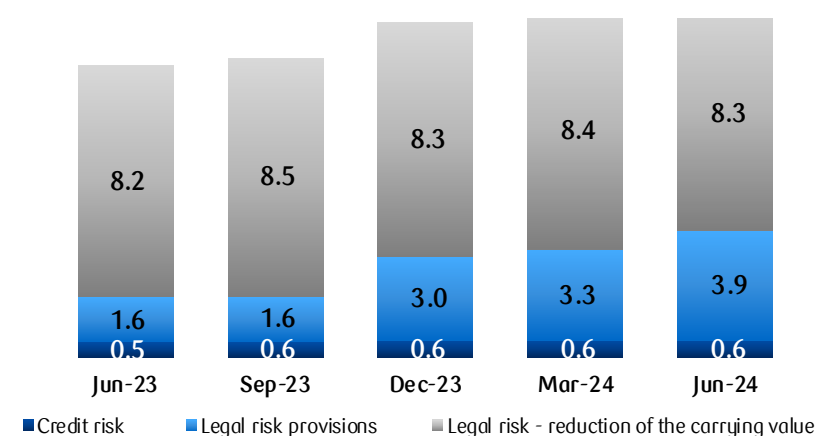
Status of credit agreements in CHF [ths]



Coverage of mortgage loans in CHF [%]⁽¹⁾



Provisions for mortgage loans in CHF [PLN bn]



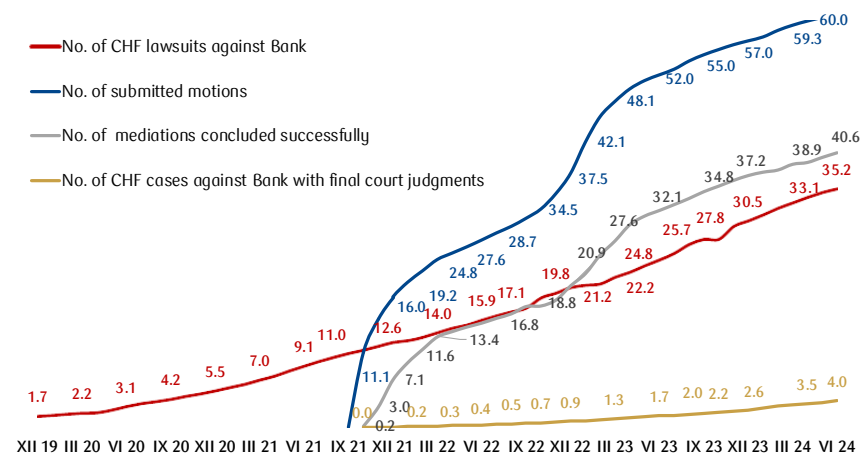
(1) - Mortgage loan provision coverage - Legal risk provisions and legal risk - reduction of the carrying value to the gross carrying value of FX mortgage loans incl. cost of legal risk

CHF mortgage settlement program

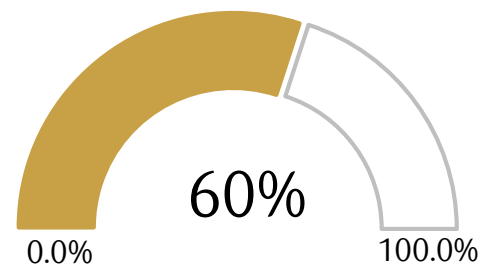


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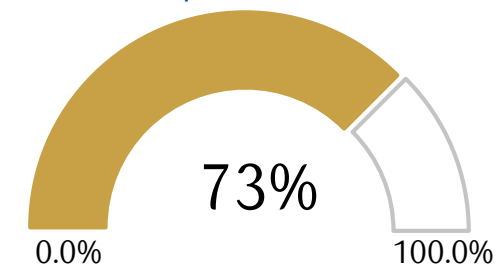
Number of cases regarding settlements of CHF borrowers



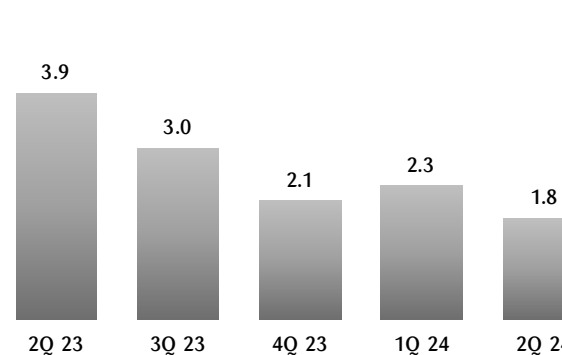
Share of motions submitted to the total no. of entitled CHF customers



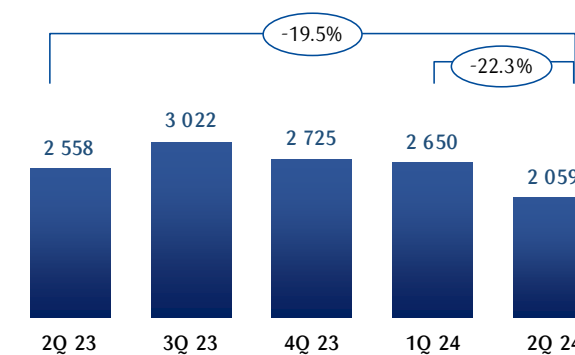
Share of successfully completed cases in total completed cases



New mediation motions submitted [ths Items]



Change in the number of court proceedings during the quarter [Items]





Large scale of AI/ML implementation in risk management

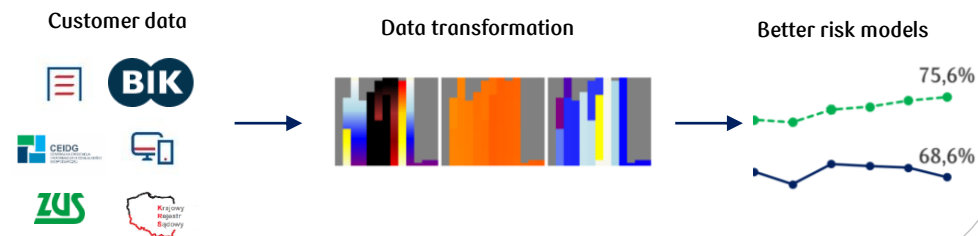
Good risk performance thanks to investments in analytics and cloud- MLOps

Increase of customer ratings' precision thanks to ML models

- New ML models for retail loans use **20 times more information**
- Improvement of risk models' quality translates into **additional sales of PLN 380 million of cash loans per year**

Further development

- We test deep-learning methods. We encode data about customer and their behaviour into an image, so we can use AI techniques to create competitive models

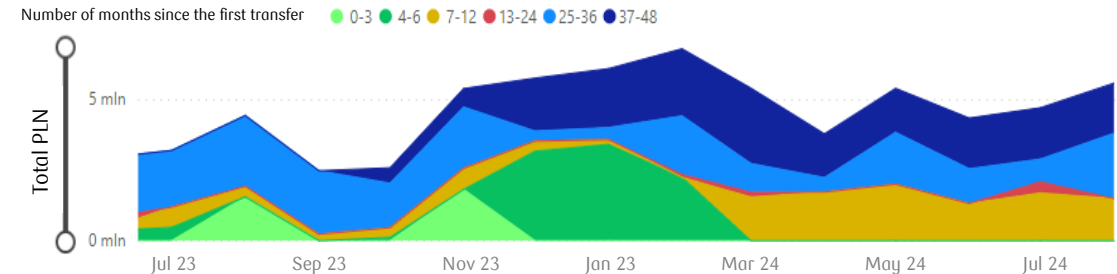


Precise analysis of corporate customers

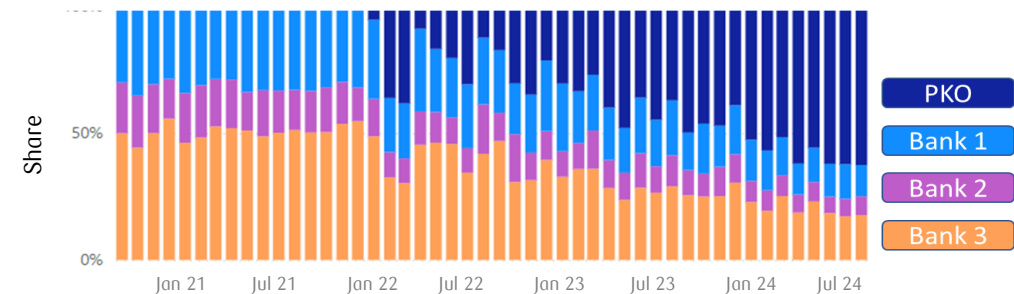
Decisions regarding ~PLN 60 bn corporate portfolio are made using transaction analysis based on the full scope of data available in the bank. Thanks to large market share, we can see the picture of the client not only through the accounts maintained for them, but also through the transactions of their contractors

We research, e.g.: customer loyalty of the analysed entities, shares in banking services, tax payments, remuneration, etc.

Total number of transactions by the length of the relationship between a client and their contractors (example)



Estimated share of banks in the transaction volume of a customer (example)

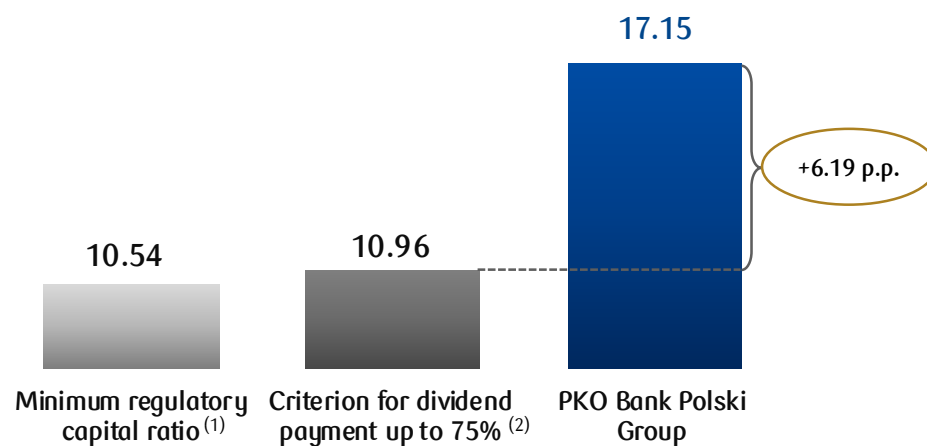


Solid capital position

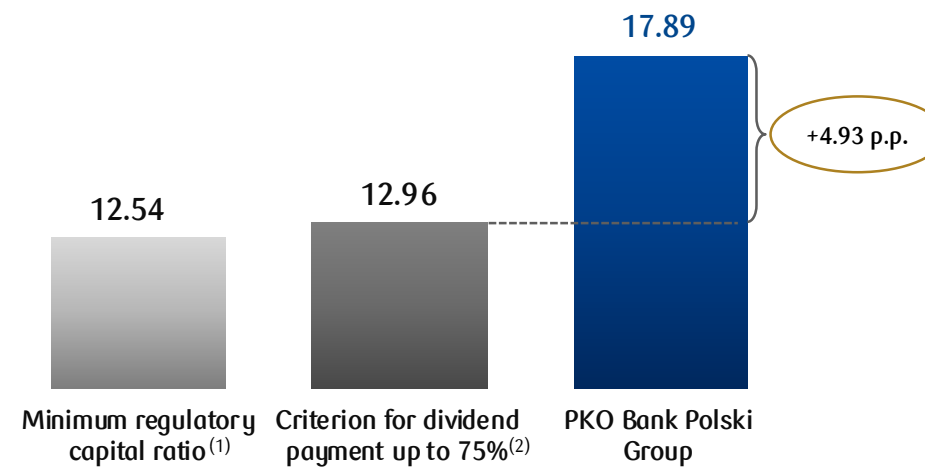


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CET1 = Tier1 capital ratio [%]



Total capital ratio (TCR) [%]



(1) – Tier 1: CRR 6% + conservation buffer 2.5% + OSII buffer 2% + countercyclical buffer 0.04% (Bank: 0.05%)

TCR: CRR 8% + conservation buffer 2.5% + OSII buffer 2% + countercyclical buffer 0.04% (Bank: 0.05%)

2) – Minimum regulatory capital ratio + PFSA's buffer for Group's sensitivity to an adverse macroeconomic scenario recommended in Pillar II is 0.42% (Bank: 0.48%)
+additional requirement: good credit quality of the portfolio of receivables from the non-financial sector, both in the Group and the Bank level (NPL share <5%)



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Conclusion

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PLN 4.4 billion of net profit, further income growth, stable credit risk cost

- Continuation of dynamic core income growth, increase of fees and commissions income by 15.5% y/y
- Further increase of CHF legal risk provisions (+PLN 2.3 bn)
- PLN 4.4 bn of net profit including PLN 2.3 bn CHF legal risk provisions and PLN 0.5 bn credit holiday
- Further improvement C/I ratio to 30.5%
- Decrease of CoR to 39 bps and NPL at level of 3.54%
- Solid capital base with Tier 1 at the level of 17.15%

NEW STRATEGY – AUTUMN 2024



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Supplementary information



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Macroeconomic and banking sector forecasts

		2022	2023	2024P	2025P
GDP	% y/y	5.6	0.2	3.5	3.8
Consumption	% y/y	5.4	-1.0	4.7	3.6
Investments	% y/y	2.7	13.1	2.5	9.6
Fiscal balance ¹⁾	% GDP	-3.4	-5.1	-5.3	-4.9
Public debt ¹⁾	% GDP	49.2	49.6	52.3	54.6
Inflation CPI (av)	%	14.4	11.4	3.6	4.7
LFS unemployment rate (av)	%	2.9	2.8	2.9	2.8
NBP reference rate	% eop	6.75	5.75	5.75	5.00
WIBOR 3M	% eop	7.02	5.88	5.85	5.02
EUR/PLN	PLN eop	4.69	4.35	4.30	4.22
CHF/PLN	PLN eop	4.77	4.68	4.62	4.31

		2022	2023	2024P	2025P
Loans total	% y/y	1.1	1.3	5.7	6.5
Mortgage loans PLN	% y/y	-1.6	2.2	8.0	8.1
New sales of mortgage loans	% y/y	-43.6	20.2	39.7	-7.0
Consumer loans	% y/y	-3.3	2.1	6.3	7.2
Nonfinancial economic entities loans	% y/y	4.8	-1.5	2.6	6.3
Deposits total	% y/y	5.6	10.6	7.5	6.6
Deposits for private individuals	% y/y	4.1	12.3	11.1	7.8
Net assets of private individuals (TFI)	% y/y	-20.5	32.7	29.8	15.7
Nonfinancial economic entities deposits	% y/y	8.0	10.5	2.6	4.8

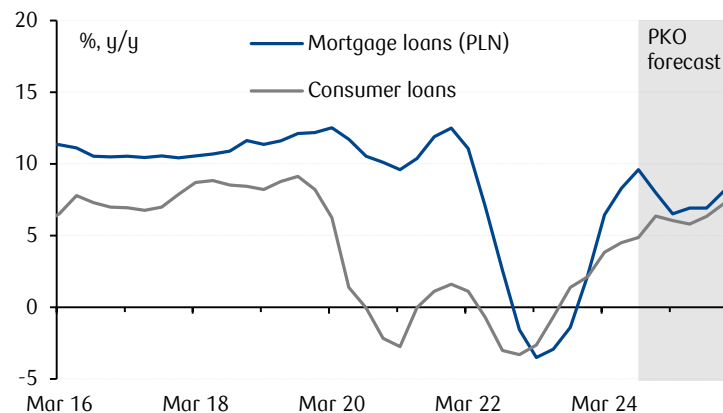
Source: Statistics Poland, Ministry of Finance, National Bank of Poland, PKO Bank Polski forecasts

1) General government In ESA2010 terms

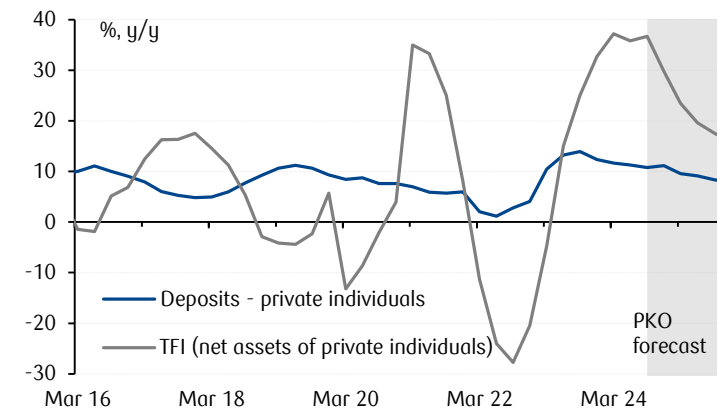


Loan and deposit market (FX adjusted)

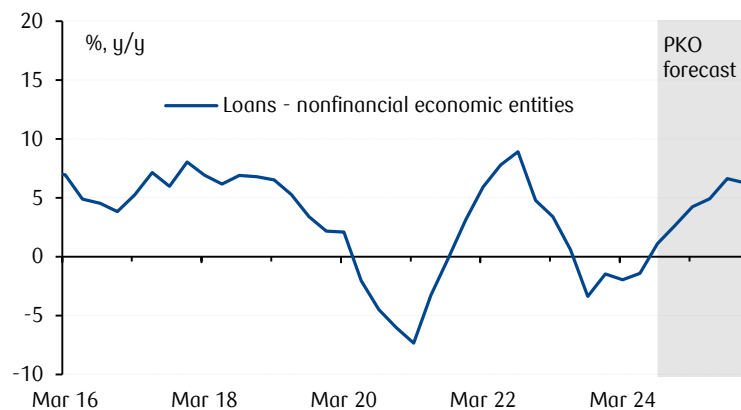
Mortgage and consumer loans



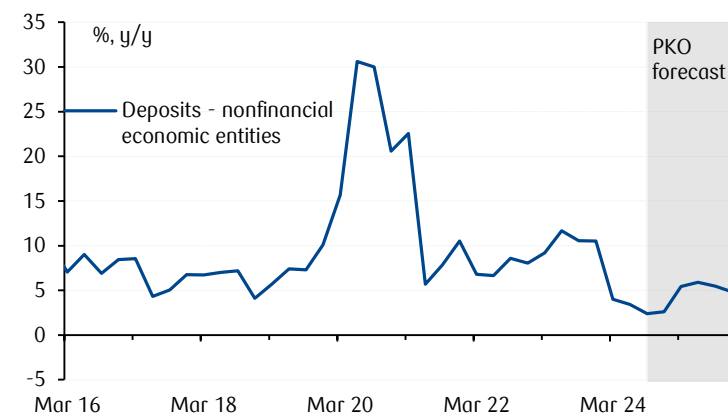
Private individuals' deposits and net assets (TFI)



Loans for nonfinancial economic entities



Deposits of nonfinancial economic entities

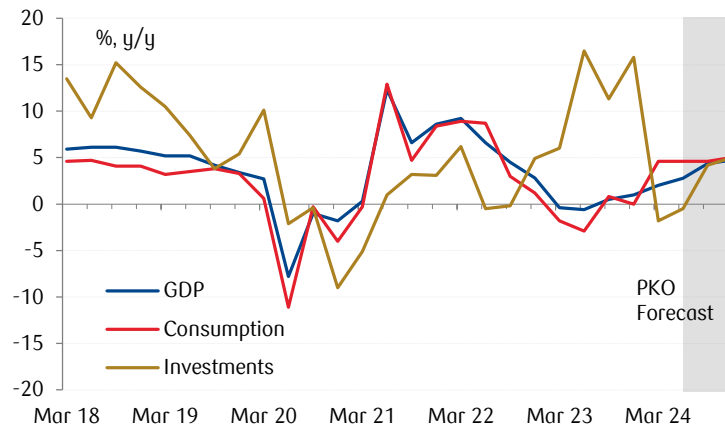




Bank Polski

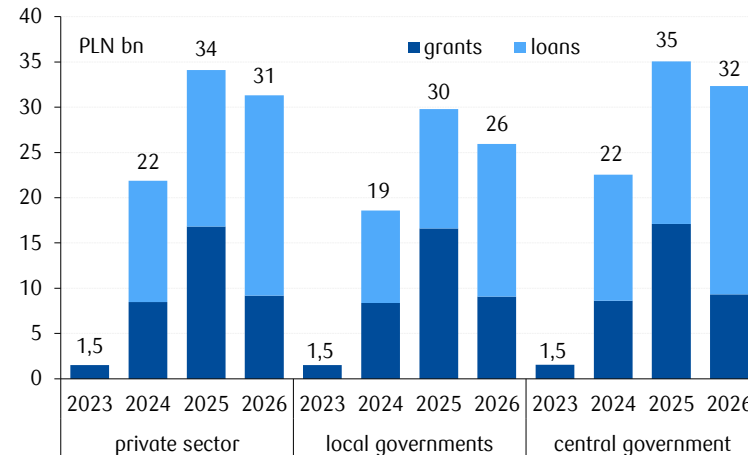
The economy remains on a growth path

GDP and its main components



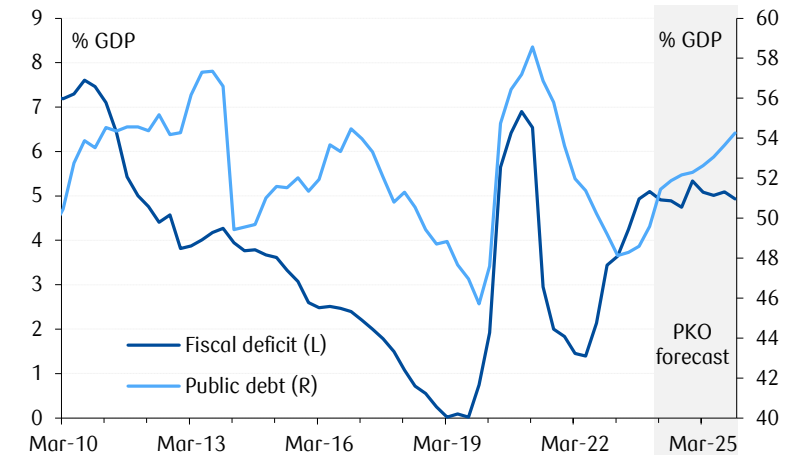
Source: Statistics Poland, PKO Bank Polski

Planned payments under the RRF



Source: MFiPR, PKO Bank Polski

Public finances



Source: Statistics Poland, Eurostat, PKO Bank Polski

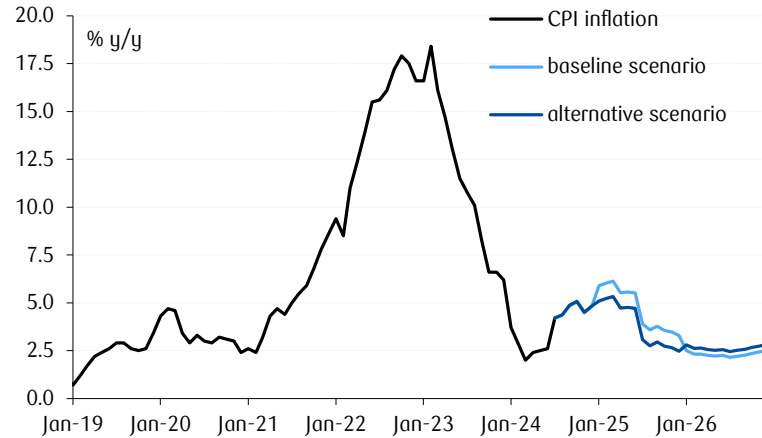
- **The economy remains on the path of recovery. After a GDP growth of 2% y/y in 1q24, its dynamics accelerated again in 2q24, to 3.2% y/y.** The recovery continues to be concentrated on the side of private consumption, while the propensity of consumers to save remains elevated. Consumer sentiment has been gradually improving. Real incomes are rising at the record pace. Demand for consumer credit is increasing.
- **The first half of 2024 saw a decline in investments, but according to economic surveys, this is temporary.** In the second half of the year, we expect a gradual recovery in investment demand, culminating in 2025. A significant factor supporting investment (and economic) activity will be the intensification of disbursements from the Recovery and Resilience Facility. The two main areas of investment are energy transformation and automation.
- **Poland has been placed under the excessive deficit procedure, but due to its low public debt compared to the EU average and lower than the European Commission's requirement, the scale of adjustments required of Poland will not be large and will not have a restrictive impact on the economy.**



Bank Polski

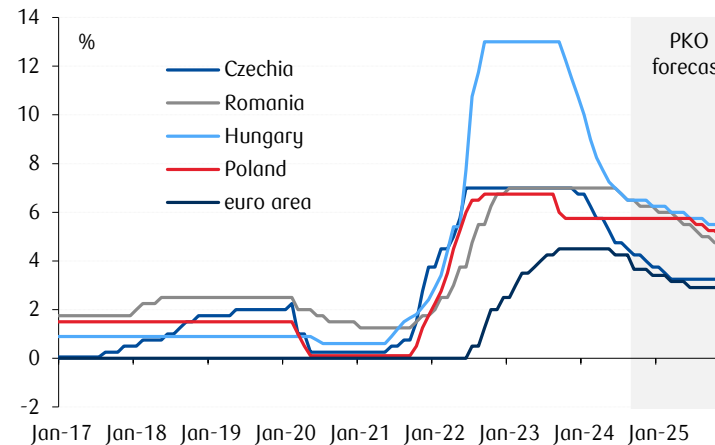
Stable rates despite the global shift towards monetary policy easing

CPI inflation



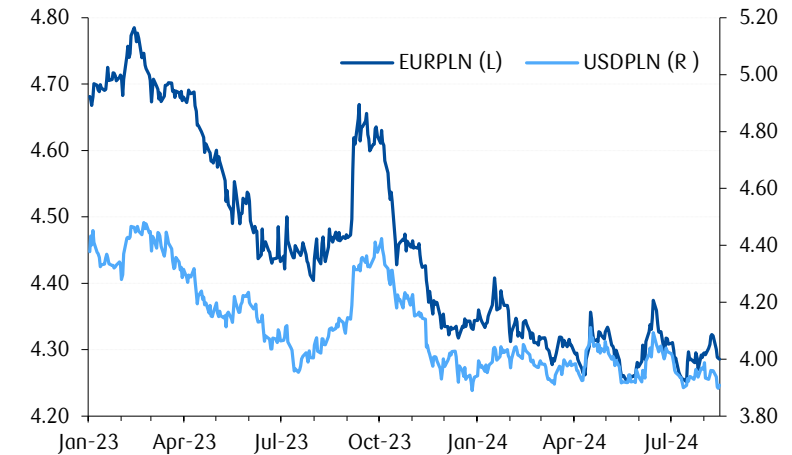
Source: Statistics Poland, PKO Bank Polski; alternative scenario assumes full unfreezing of Energy prices in Jan 2026 instead of 2025

Central bank rates



Source: Macrobond, PKO Bank Polski

PLN exchange rate



Source: Macrobond, PKO Bank Polski

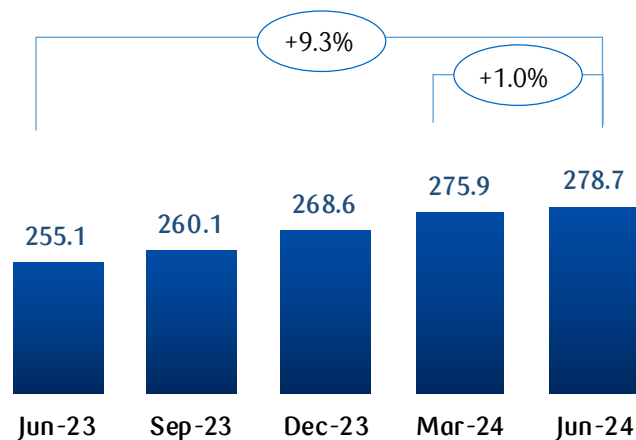
- **From February to June 2024, CPI inflation was in line with the inflation target.** Another phase of unfreezing energy carrier prices caused inflation to rise again above 3.5% y/y in July 2024, and it is expected to remain above this level at least until mid-2025 (depending on the timing of the full liberalization of electricity prices, a decision on which has not yet been made). Aside from regulatory changes, the inflation outlook is improving, and **the risk of inflation and inflation expectations permanently detaching from the target has drastically decreased.**
- **The Monetary Policy Council has kept the NBP interest rates unchanged since October 2023 (reference rate: 5.75%).** Several MPC members see room to consider rate cuts in the second quarter of 2025, but the NBP Governor has suggested they might remain unchanged until 2026. According to the MPC, the condition for initiating rate cuts is a sustained return of inflation to the target. **The currently observed global trend of rate cuts will occur in Poland with a significant delay, likely not before the third quarter of 2025.** Therefore, **the banking sector will benefit from higher credit volumes, stimulated by the economic recovery, in an environment of still-high nominal rates, which will support interest margins.**



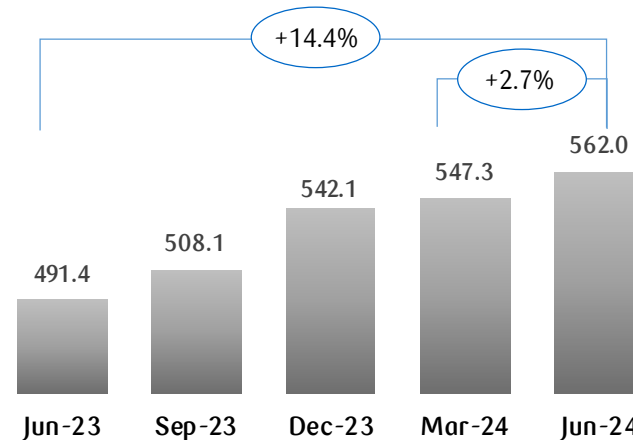
Bank Polski

The increase in customers' financing and savings

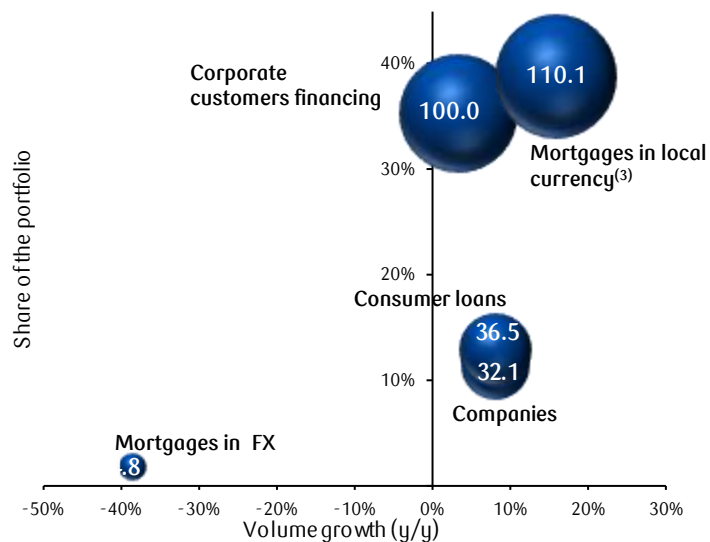
Gross customer financing [PLN bn]⁽¹⁾



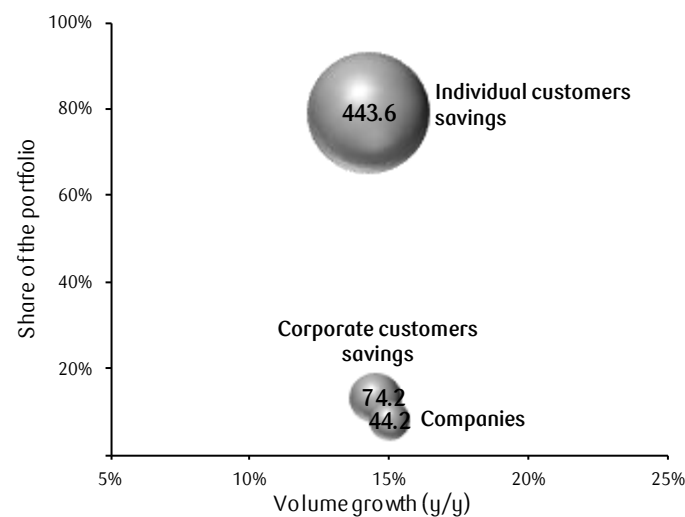
Customer savings [PLN bn]⁽²⁾



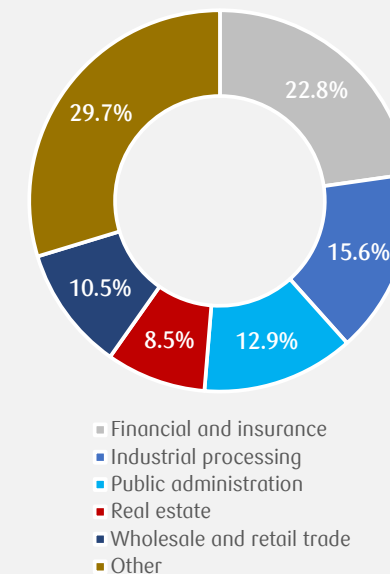
Gross customer financing [PLN bn]⁽¹⁾



Customer savings [PLN bn]⁽²⁾



Concentration by industry [%]



As a 31st of December, 2023

(1) - Includes loans (excluding FX mortgage loans), corporate and municipal bonds (excluding PFR, BGK, EIB corporate bonds), leasing and factoring (but excludes repo transactions).

(2) - Includes deposits, TFI (mutual funds) assets and treasury savings bonds of the bank and other entities of the bank's Group accumulated on the clients' bank accounts.

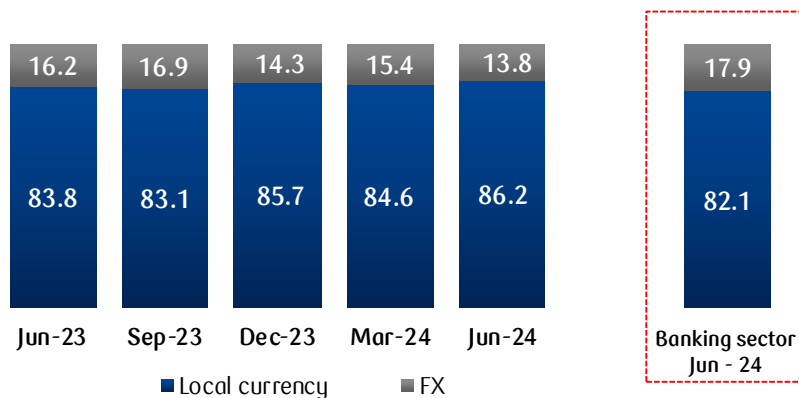
(3) - The position covers UAH loans.



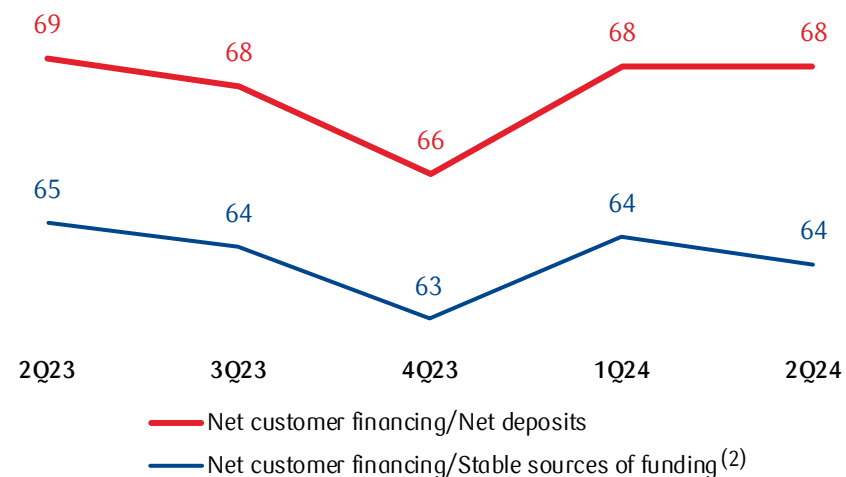
Bank Polski

Structure of loans and deposits and liquidity

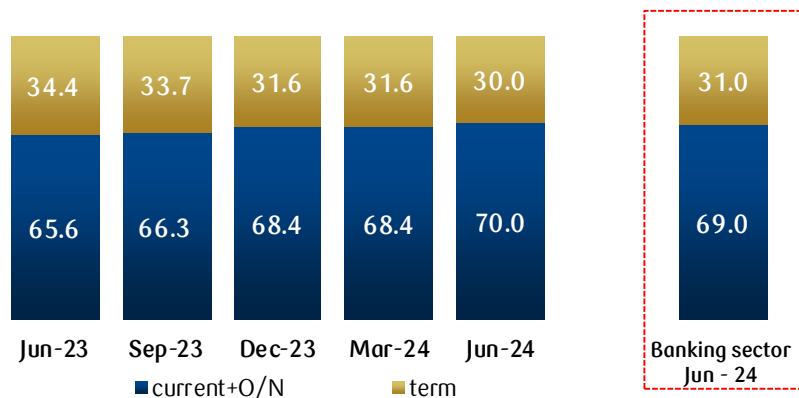
Currency structure of gross loans portfolio [%]



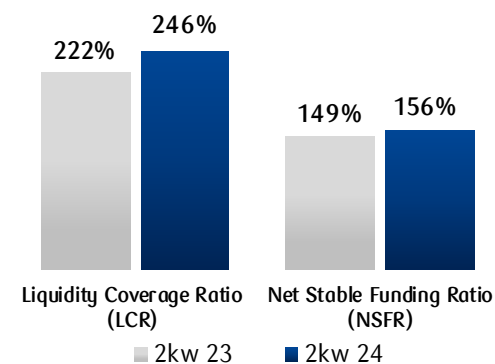
Structure of funding [%]



Term structure of total deposits⁽¹⁾ [%]



LCR and NSFR ratio [%]



(1) Amounts due to customers.

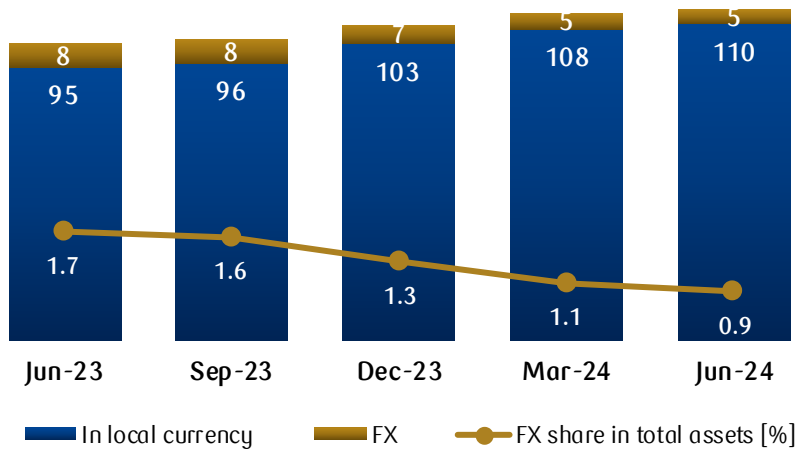
(2) Amounts due to customers and long-term sources of external funding: issuance of covered bonds, securitization, unsecured obligations, subordinated liabilities, loans from financial institutions



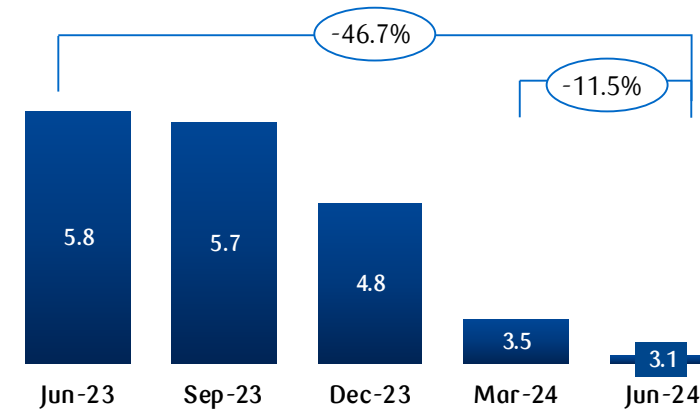
Bank Polski

Gross mortgage loans

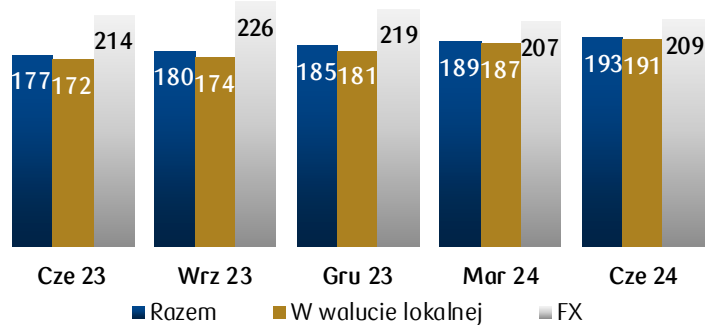
Volume of mortgage loans [PLN bn] ⁽¹⁾



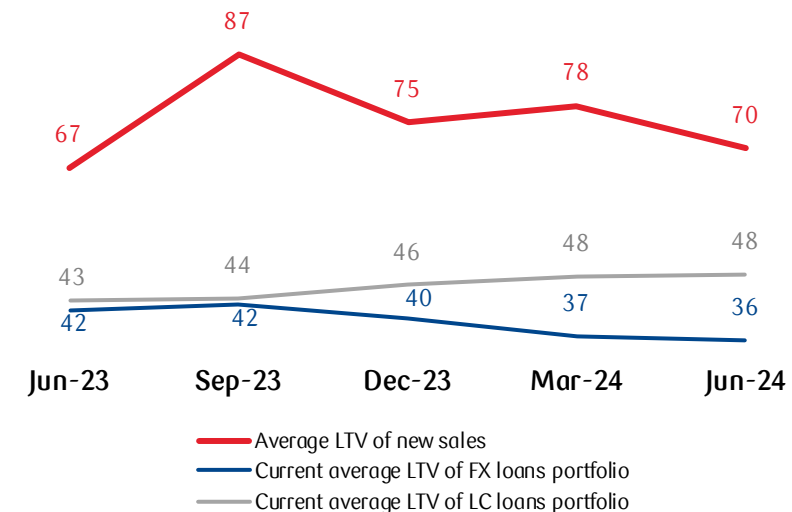
Volume of CHF mortgage loans, net [PLN bn]⁽²⁾



Average carrying value of mortgage loan to be repaid [PLN ths]



Average LTV [%]



(1) - Includes data for PKO Bank Polski, PKO Bank Hipoteczny and Kredobank,

(2) - Gross carrying amount - excl. cost of legal risk



Bank Polski

Retail customers - new products on offer

11.4 mln

Retail customers

+ 201 ths y/y

NEW FACILITIES FOR CUSTOMERS:

- We have launched a digital mortgage pilot process
- Implementation of the new PKO Życie life insurance as a standalone policy and as a policy accompanying the Cash Loan process
- We increased the maximum limit amount from PLN 1 ths to PLN 2 ths in PKO Pay Later. ~238 thousand customers were active users of the service, and the total amount of limits granted reached PLN 205 mln
- Implementation of a solution enabling individual customers to have immediate access to a digital credit card
- We are working on introduction the PKO Bonus discount programme discount program. In June 2024, bank made the first partner's promotional offer available in the IKO app
- We are developing a value-added services. Customers can use the offer through IKO and iPKO that goes beyond the world of banking. They buy an average of 4 mln services per month in all electronic banking channels

8.1 mln

Number of IKO applications

+ 557 ths y/y

SELECTED NEW IKO MOBILE BANKING SERVICES



- Purchase and preview of the new PKO Życie insurance policies
- Hiding product balances on the home screen and when purchasing public transport tickets
- Making available an instruction to withdraw from a cash loan
- Payment of parking fees in Android Auto
- Complaint filing
- Application for a corporate credit card
- Verification of a withheld PESEL number
- redirection of caller from the voice assistant to the chat consultant directly in the IKO app

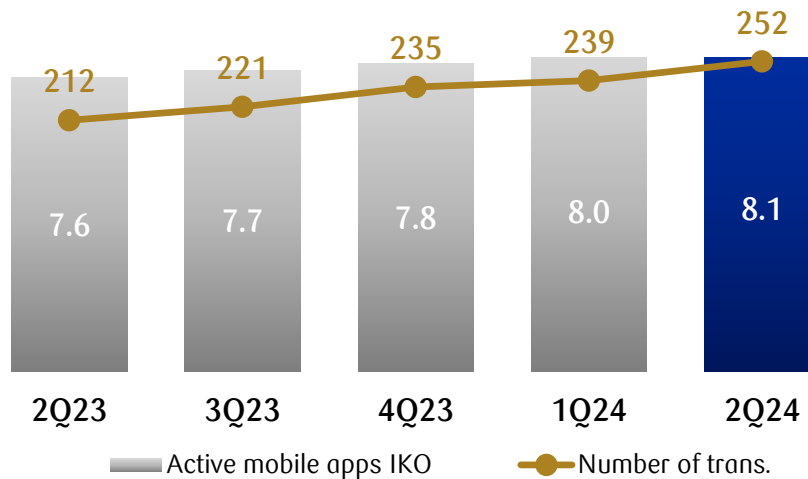
We are constantly improving existing functions to make them more convenient to use and to meet customer expectations.



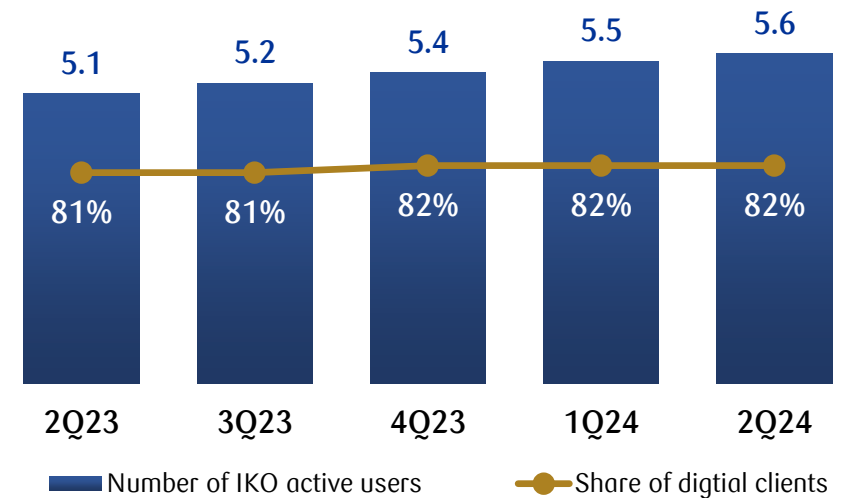
Bank Polski

Leader in mobile banking

Number of IKO applications and number of transactions quarterly [mln]



Number of clients logging into IKO [mln]⁽¹⁾
Share of digital clients in active clients' base [%]



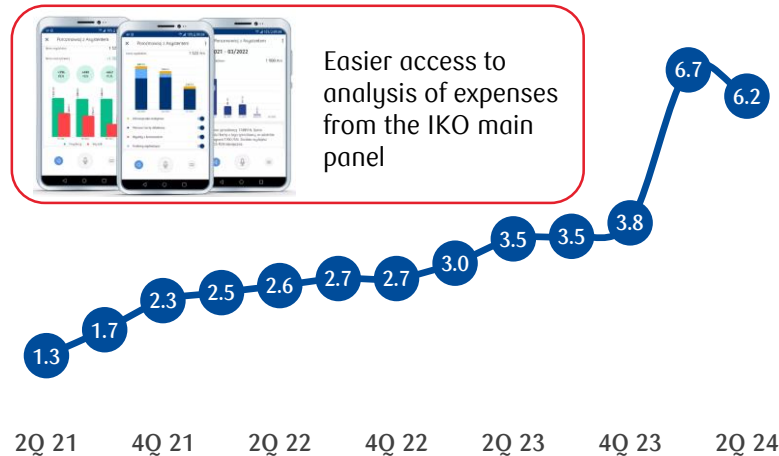
(1) - According to PRNews definition: a client who logged into IKO application at least once a month in a given quarter (2) - Share of digital customers in total number of customers



Bank Polski

Increased use of AI in customers service and sales

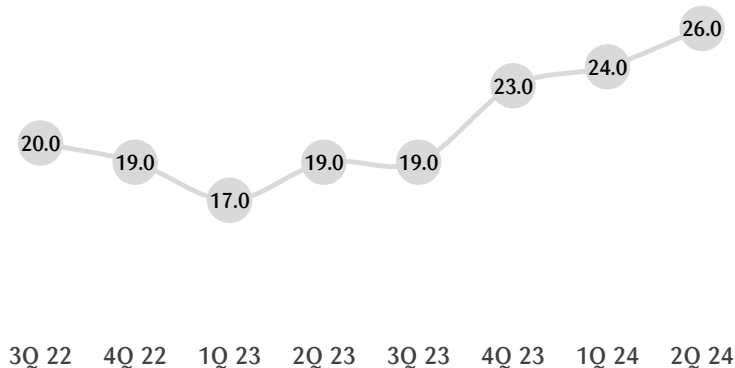
Calls with customers completed by bots [mln]



- In the first half of the year, all bots conducted nearly 13 mln conversations
- We are systematically improving the quality of bot conversations with customers, e.g. we have simplified the process of assigning a PIN number to a card. We ask customers for the last 6 digits of the card number instead of the full 16-digit number. Customers are informed about possible accesses that they can block when they reporting a suspicion of fraud
- We are working on using the potential of Generative Artificial Intelligence. The first AI-based search engine for HDIT has been made available to employees. At the same time, we are working on the development of search engines enriched with an AI component in other business areas of the Bank.

17 bots
Supports our work

Robotic Process Automation, tasks completed by robots [mln]



- Only in the area of bank's operations, 116 processes were robotized, 204 processes in other bank's units and the whole Group

320
robotic processes

SELECTED, IMPLEMENTED TASKS;

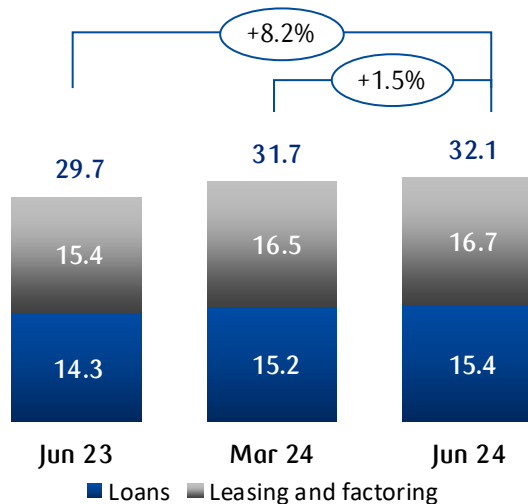
- sending correspondence to contractors about timely repayment of receivables, shortening the time of execution of 1 case from 60 min. to ~3 sec.
- robotization of the process of verifying parameters of the mortgage loan agreement, shortening the time for 1 case from 8 min. to ~6 sec.
- adding comments to complaint notifications, e.g. information about sending an SMS to the customer about the need to pay the fee, shortening the time for 1 case from 2 min. to ~3 sec.



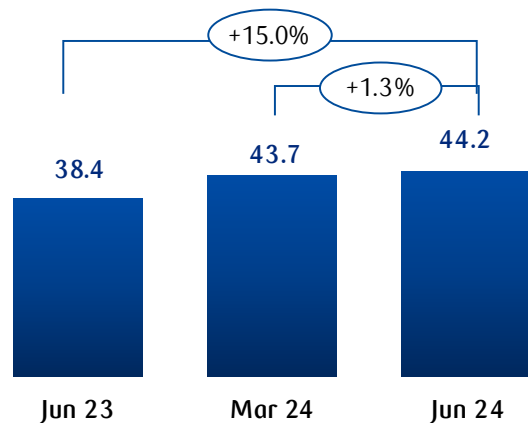
Bank Polski

Companies and entrepreneurs banking

Loans volume for companies outstanding [PLN bn]



Deposits of companies [PLN bn]



NEW PRODUCTS AND SUPPORT FOR CUSTOMERS

- Promotion for company and enterprise accounts with 20% refund for purchases at petrol stations with a VISA card
- Promotion on accounts with a VISA card and payment terminal
- New premium deposit
- Credit promotion for new and existing clients, with the possibility of reducing the commission
- Increase in the amount of the SME loan from PLN 500,000 to PLN 1 million for a period of up to 69 months for SME clients
- Preferential loans in cooperation with ARIMR - continued sale of liquidity loans for Farmers and purchase loans for corporate clients from the AGRO segment
- Implementation of a new free guarantee in cooperation with Bank Gospodarstwa Krajowego under the FG FENG program (Biznesmax Plus and Ekamax). The program is dedicated to SME clients interested in working capital and investment loans
- Provision of an account dedicated to Payment Services Offices
- New product for local government units: Loan for local government units
- Nasz Remont investor loan with the OZE Grant for Housing Communities and Housing Cooperatives and promotion with the OZE Grant

609 ths CUSTOMERS

20 ths OPEN ACCOUNTS IN Q2 2024

DEVELOPMENT OF DIGITAL CHANNELS

- Possibility of submitting a Short Bank Application for leasing for any purpose via iPKO electronic banking
- Increase in maximum limits for Expres Eliksir transfers in iPKO biznes

512 ths CUSTOMERS WITH ACCESS TO iPKO

72 ths CUSTOMERS WITH ACCESS TO iPKO BIZNES



Corporate customers - new products on offer

32 ths

Corporate customers
(corporate and enterprises)

+ 7.1% y/y corporate customers

BUSINESS DEVELOPMENT

- We have provided to our clients a pilot of a carbon footprint calculator, enabling the calculation of CO2 emissions related to the company's operations
- We are increasing the awareness of our clients of ESG - we organize meetings for clients with bank experts
- We have started cooperation with the WeGrant startup, we provide to our clients an advanced tool supporting the process of applying for EU grants and subsidies

CHANGES IN THE SIMPLE CREDIT PATH

- We have increased the maximum limit for a client from PLN 8 mln to PLN 15 mln

23 ths

Active users iPKO business

NEW PRODUCTS IN DIGITAL BANKING

- Further financial and accounting systems have been integrated within iPKO biznes Integra: Comarch ERP XL, Comarch EEP XT, Simple.ERP
- Possibility to open and close a Payroll Account in electronic banking - customers can now apply for opening a Payroll Account in iPKO biznes on their own in the Applications tab. The process is easy, intuitive and takes a few minutes

DEVELOPMENT OF DIGITAL CHANNELS

New features of the iPKO biznes mobile application:

- Repeating and returning a transfer from the account history
- Generating immediate confirmation of the transfer execution

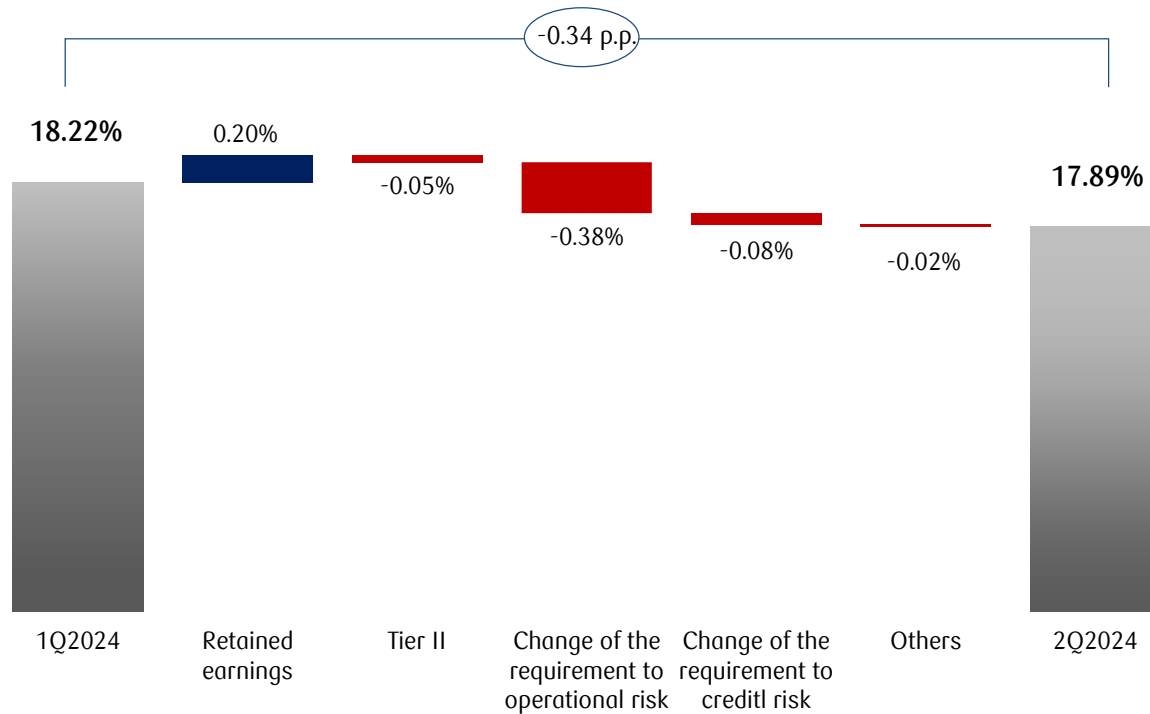
New features in iPKO biznes:

- In the account details, we have added a new option - a short printout, which presents basic information about the account, such as: IBAN number, account currency, account manager, BIC code.
- Ability to add a user to multiple contexts
- New way of searching for statements - we have added quick filters: 3, 30 or 90 days, from the current year and statements from a given date range
- New section "Closed accounts" enabling: viewing the history of closed accounts, downloading statements and standard reports for closed accounts
- Changes improving the use of iPKO biznes in the scope of contractors, i.e.: saving the contractor when creating a transfer and adding a field on the contractor's screen for the e-mail address to which confirmations of completed transfers will be automatically sent
- Additional authorization of orders

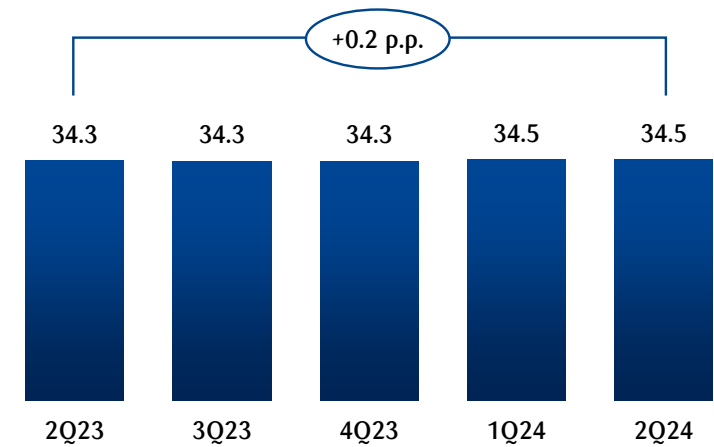


Capital adequacy

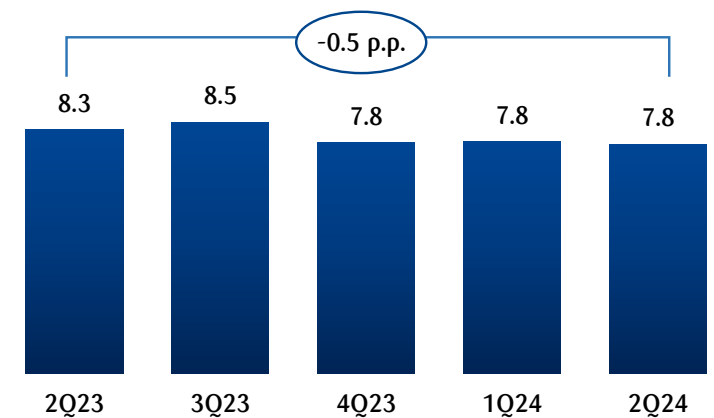
Quarterly change of the consolidated total capital ratio (TCR) [p.p.]



Effective risk weight [%]⁽¹⁾



Leverage ratio [%]⁽¹⁾



(1) - Share of risk-weighted assets related to credit risk and counterparty risk in relations to their respective net exposure values

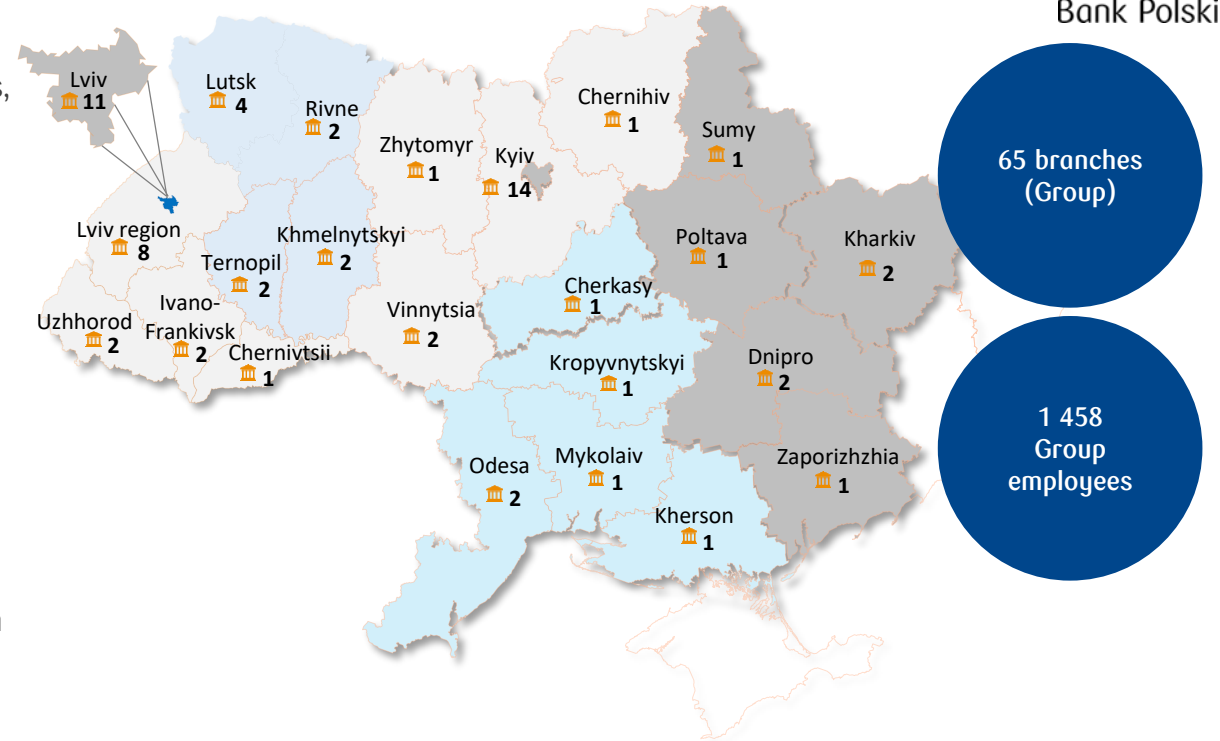


Bank Polski

KREDOBANK S.A.

KREDOBANK S.A. is an universal bank servicing both retail and SME clients, operating mainly in western part of Ukraine and Kiev region

- A crucial development of the first half of 2024 was, once again, the inclusion of KREDOBANK S.A. in the list of systemically important banks, which covers the 15 largest Ukrainian banks. Systemically important banks are characterized by the need to demonstrate greater stability than the rest of the banking sector
- KREDOBANK S.A. maintains normal, stable and profitable operations and has adequate asset quality
- In the first half of 2024, KREDOBANK S.A. and BGK signed an annex to an agreement with the European Commission concerning cooperation in support of business lending
- In the second quarter of 2024, an agreement was also signed with the European Fund for Southeast Europe “EFSE” concerning a grant for KREDOBANK S.A. for the implementation of a remote onboarding and service project for SME and corporate customers

65 branches
(Group)1 458
Group
employees

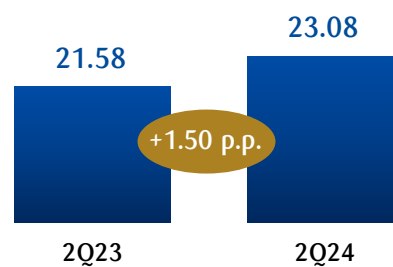
KREDOBANK S.A. GROUP (mln PLN)	Jun 30, 2024	Jun 30, 2023	Δ
Gross loans	1 403	1 573	-11%
Gross deposits	4 750	4 369	9%
Total assets	5 595	5 064	10%
Equity	688	557	23%
	6M 2024	6M 2023	Δ
Net income	97	110	-11%



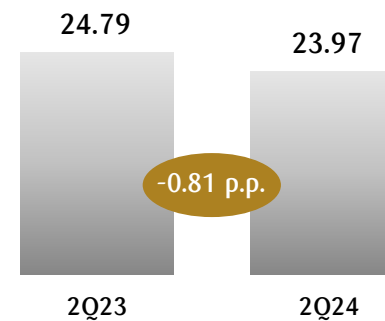
Bank Polski

Market share

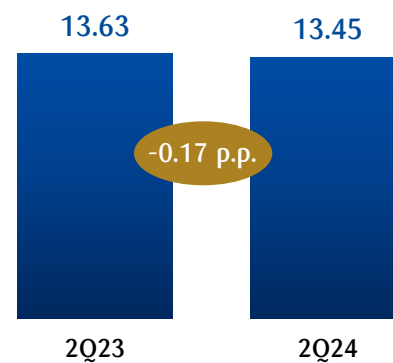
Retail loans [%]



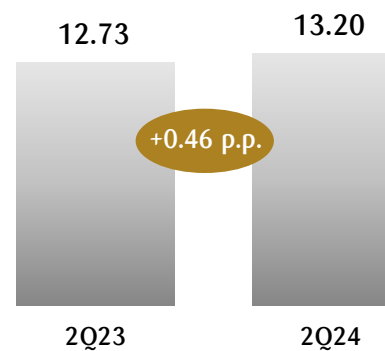
Retail deposits [%]



Loans of non-financial corporate entities [%]



Deposits of non-financial corporate entities [%]

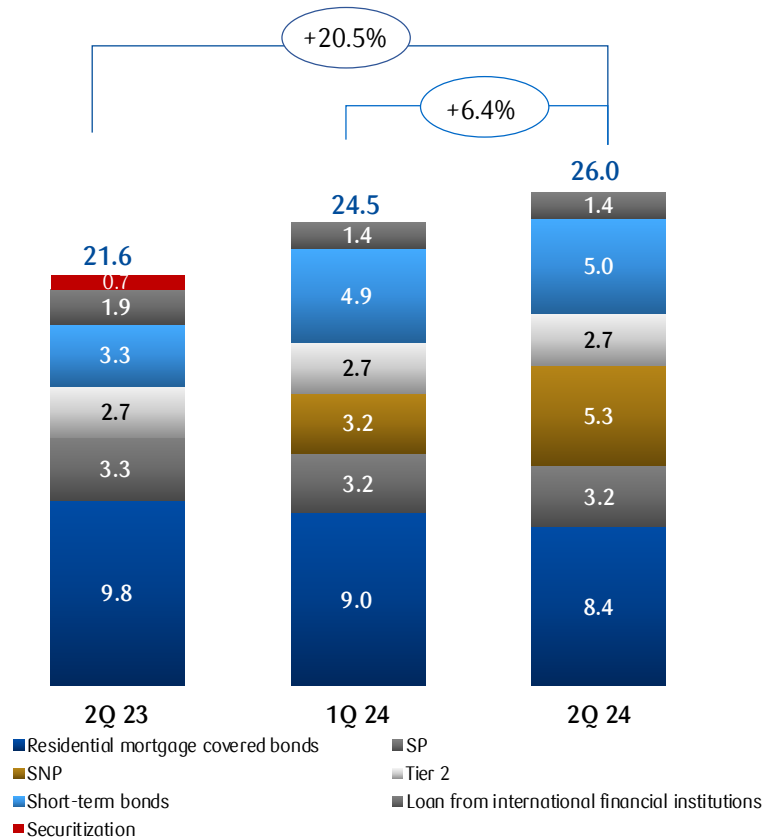




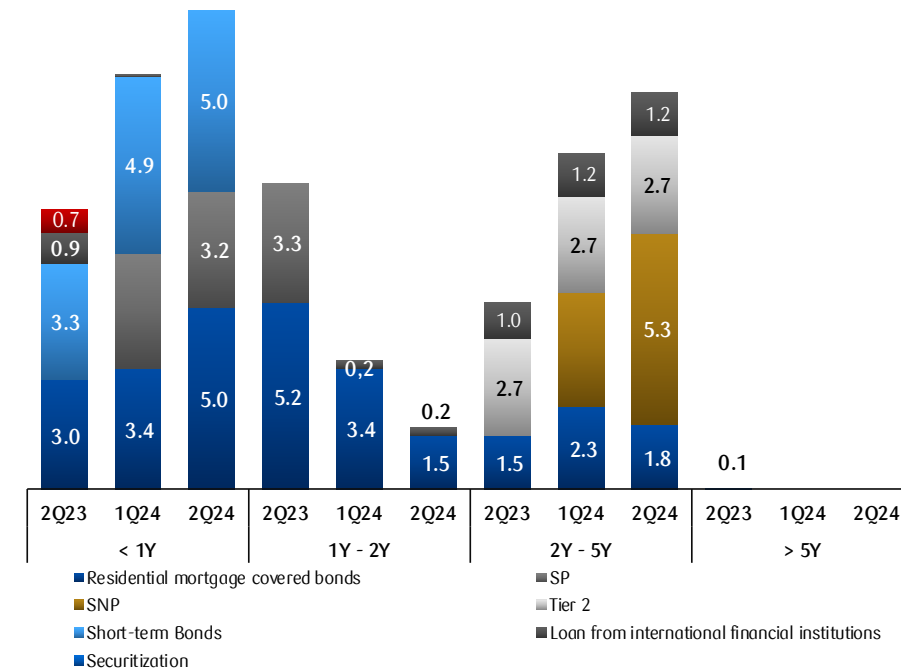
Bank Polski

Wholesale financing

PKO BP financing structure by instrument type [bn PLN]



Maturity profile by instrument type [bn PLN]





The balance sheet of PKO Bank Polski Group

Assets (PLN billion)	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	y/y	q/q
Cash and balances with the Central Bank	13.9	16.5	17.8	15.9	17.5	+25.7%	+9.5%
Amounts due from other banks	14.1	15.2	14.4	11.2	11.3	-19.8%	+1.5%
Reverse repo transactions	5.14	0.1	0.4	0.5	0.5	-90.4%	-6.5%
Net customer financing	250.9	255.7	262.9	268.5	270.9	+8.0%	+0.9%
Securities ¹⁾	148.6	159.7	180.3	177.0	183.4	+23.4%	+3.6%
Other assets	28.2	25.9	25.6	23.9	23.7	-15.8%	-0.6%
TOTAL ASSETS	460.8	472.9	501.5	497.0	507.3	+10.1%	+2.1%

Liabilities and equity (PLN billion)	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	y/y	q/q
Total equity	41.1	45.4	45.2	47.6	46.9	+14.1%	-1.5%
Amounts due to the central bank and due to banks	4.9	5.4	4.9	4.3	4.8	-1.5%	+12.1%
Loans and advances received	2.0	1.8	1.5	1.4	1.4	-28.1%	-1.6%
Subordinated liabilities and debt securities in issue	19.5	20.2	20.0	22.7	24.4	+24.8%	+7.4%
Amounts due to customers	366.1	376.5	399.2	392.6	398.8	+9.0%	+1.6%
Liabilities of insurance activities	2.9	2.9	2.9	2.9	3.0	+3.2%	+1.0%
Other liabilities	26.4	22.6	29.3	26.8	29.3	+11.2%	+9.4%
TOTAL EQUITY AND LIABILITIES	460.8	472.9	501.5	497.0	507.3	+10.1%	+2.1%

¹⁾ - excl. municipal and corporate securities



The profit and loss account of PKO Bank Polski Group

Profit and loss account (PLN million)	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	y/y	q/q	6M 23	6M 24	y/y
Net interest income	4 392	4 662	5 077	5 192	5 054	+15,1%	-2,7%	8 579	10 246	19,4%
Net fee and commission income	1 111	1 175	1 236	1 278	1 280	+15,1%	+0,1%	2 215	2 558	15,5%
Other income	290	329	360	373	414	+42,7%	+10,9%	545	788	44,5%
Insurance income	187	173	184	176	189	+1,2%	+7,3%	353,3	365,6	3,5%
Dividend income	11,7	1,7	0,2	0	22	+89,4%	>100%	12,3	22,4	83,0%
Trading income	9	68	90	76	36	>100%	-52,4%	55,8	112,7	>100%
Net foreign exchange gains	7	26	61	66	80	>100%	+20,9%	11,5	146,6	>100%
Gains/(losses) on derecognition on financial assets and liabilities	10	13	18	20	20	+97,1%	+2,4%	26,8	39,9	49,1%
Net other operating income and expense	65	48	6	34	66	+1,9%	+92,2%	85,2	100,4	17,8%
Total income items	5 794	6 167	6 673	6 844	6 748	+16,5%	-1,4%	11 339	13 592	19,9%
Total operating expenses	(1 746)	(1 790)	(2 114)	(2 179)	(1 962)	12,3%	-10,0%	(3 731)	(4 141)	11,0%
result on regulatory charges	(50)	(51)	(142)	(394)	(63)	24,4%	-84,1%	(430)	(456)	6,3%
Allowances for expected credit losses	(230)	(248)	(493)	(216)	(246)	6,9%	13,8%	(571)	(463)	-18,9%
Net impairment allowances on non-financial assets	(11)	(37)	(49)	(112)	(201)	>100%	78,3%	(22)	(313)	>100%
Cost of risk on FX mortgages	(2 474)	(0)	(1 989)	(1 338)	(982)	-60,3%	-26,6%	(3 441)	(2 320)	-32,6%
Tax on certain financial institutions	(312)	(302)	(319)	(303)	(323)	3,5%	6,4%	(610)	(626)	2,6%
Share in net profit (losses) of associates and jointly controlled entities	13	46	17	41	20	58,2%	-50,7%	36	61	69,2%
Profit before income tax	1 034	3 836	1 726	2 736	3 054	>100%	+11,6%	2 999	5 790	93,0%
Income tax expense	(444)	(1 057)	(1 043)	(693)	(703)	+58,1%	+1,4%	(957)	(1 395)	45,8%
Net profit attributable to non-controlling shareholders	2	(1)	3	(1)	0	-90,0%	-	1	(1)	-
Net result attributable to the parent company	587	2 780	681	2 044	2 351	>100%	+15,0%	2 041	4 395	>100%



Key ratios

Key ratios (%)	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	y/y	q/q	6M 23	6M 24	y/y
ROE net	5,9	25,5	6,0	17,7	20,0	+14,1 p.p.	+2,3 p.p.	10,6	19,0	+8,3 p.p.
ROTE net	6,4	27,9	6,5	19,3	21,8	+15,4 p.p.	+2,5 p.p.	11,7	20,7	+9,0 p.p.
ROA net	0,52	2,4	0,6	1,65	1,88	+1,36 p.p.	+0,23 p.p.	0,92	1,76	+0,84 p.p.
C/I	30,1	29,0	31,7	31,8	29,1	-1,1 p.p.	-2,8 p.p.	32,9	30,5	-2,4 p.p.
NIM	4,29	4,4	4,4	4,56	4,83	+0,54 p.p.	+0,27 p.p.	4,31	4,69	+0,38 p.p.
NPL ratio	3,64	3,6	3,4	3,34	3,54	-0,10 p.p.	+0,20 p.p.	3,64	3,54	-0,10 p.p.
Coverage ratio	111,5	111,1	113,5	117,0	107,8	-3,7 p.p.	-9,1 p.p.	111,5	107,8	-3,7 p.p.
Cost of risk ⁽¹⁾	0,48	0,3	0,6	0,47	0,13	-0,35 p.p.	-0,35 p.p.	0,53	0,39	-0,14 p.p.
TCR	19,83	20,2	18,7	18,22	17,89	-1,94 p.p.	-0,34 p.p.	19,83	17,89	-1,94 p.p.
Tier 1 capital ratio	18,75	19,25	17,77	17,41	17,15	-1,59 p.p.	-0,26 p.p.	18,75	17,15	-1,59 p.p.

Ratios presented in the period

(1) - 6M 23 and 6M 24 - net impairment allowances on loans and advances to customers for the last 12 months to the average gross amounts due to customers at the beginning and end of the reporting period and interim quarterly periods



Key operational data

PKO Bank Polski operating data (eop)	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	y/y	q/q
Current accounts ('000)	9 183	9 236	9 279	9 316	9 361	+1,9%	+0,5%
Banking cards ('000)	10 420	10 532	10 680	10 875	10 852	+4,1%	-0,2%
of which: credit cards	942	939	927	926	930	-1,3%	+0,4%
Active mobile banking applications IKO ('000)	7 580	7 700	7 797	7 992	8 137	+7,3%	+1,8%
Active mobile banking users ('000) ⁽¹⁾	5 602	5 720	5 858	5 994	6 070	+8,3%	+1,3%
Number of corporate customers with access to e-banking (000)	22,9	23,3	23,8	22,9	23,3	+1,8%	+1,9%
Number of companies customers with access to e-banking (000)	67,2	68,2	69,0	71,2	71,8	+6,9%	+0,9%
Branches:	959	958	945	945	945	-1,5%	0,0%
- retail	914	913	900	900	900	-1,5%	0,0%
- corporate	45	45	45	45	45	0,0%	0,0%
Agencies	298	297	286	280	277	-7,0%	-1,1%
ATMs	3 034	3 042	3 056	3 044	3 064	+1,0%	+0,7%
Number of customers ('000)	11 791	11 852	11 911	11 975	12 027	+2,0%	+0,4%
- retail	11 185	11 239	11 290	11 343	11 386	+1,8%	+0,4%
- corporate	34	34	35	31,8	32,3	-5,3%	+1,4%
- companies	571	579	587	601	609	+6,5%	+1,3%
Employment eop (FTEs '000) Group	25,3	25,4	25,6	25,7	25,7	+1,8%	+0,3%
Number of operations performed by robots (in '000)	18 174	18 762	22 357	25 221	25 707	+41,5%	+1,9%

(1) - The number of mobile banking users who log into the bank from their mobile device at least once a month



Customer financing

PLN billion	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	y/y	q/q
Financing	248,1	251,9	258,1	263,8	266,0	+7,2%	+0,8%
mortgages	102,7	104,1	109,6	113,4	114,9	+11,8%	+1,3%
mortgages in local currency	94,9	96,4	103,0	108,2	110,1	+16,0%	+1,7%
FX mortgages	7,8	7,7	6,6	5,3	4,8	-38,6%	-8,6%
consumer loans	33,8	34,6	35,0	35,5	36,5	+8,1%	+2,9%
companies	29,7	29,8	30,0	31,7	32,1	+8,2%	+1,5%
corporate	81,9	83,4	83,5	83,2	82,4	+0,7%	-0,9%
Debt securities	14,8	15,9	17,1	17,4	17,6	+18,5%	+1,1%
municipal bonds ⁽¹⁾	11,5	12,4	13,8	14,0	13,8	+19,4%	-1,5%
corporate bonds	3,3	3,6	3,4	3,4	3,8	+15,1%	+11,5%
Gross customer financing	263,0	267,8	275,2	281,2	283,6	+7,8%	+0,8%
Net customer financing	250,9	255,7	262,9	268,5	270,9	+8,0%	+0,9%

(1) - Bonds issued by PFR, BGK and EIB were excluded from the volume of corporate bonds.



Customer savings

PLN billion	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	y/y	q/q
Retail and private banking⁽¹⁾	388,1	397,3	415,5	431,1	443,6	+14,3%	+2,9%
deposits	265,3	268,5	275,5	280,5	284,7	+7,3%	+1,5%
retail mutual funds	33,6	35,4	39,0	42,8	46,5	+38,6%	+8,6%
saving treasury bonds	89,2	93,4	101,0	107,8	112,4	+26,0%	+4,3%
Own bonds on clients' accounts	2,9	3,3	3,4	4,5	4,6	+60,1%	+2,5%
Corporate	61,9	65,8	78,4	68,0	69,6	+12,4%	+2,2%
Companies	38,4	41,7	44,7	43,7	44,2	+15,0%	+1,3%
Customer savings	491,4	508,1	542,1	547,3	562,0	+14,4%	+2,7%

(1) - Volume of bonds accumulated by retail customers has been included in the Retail and private banking savings presented in the first line.



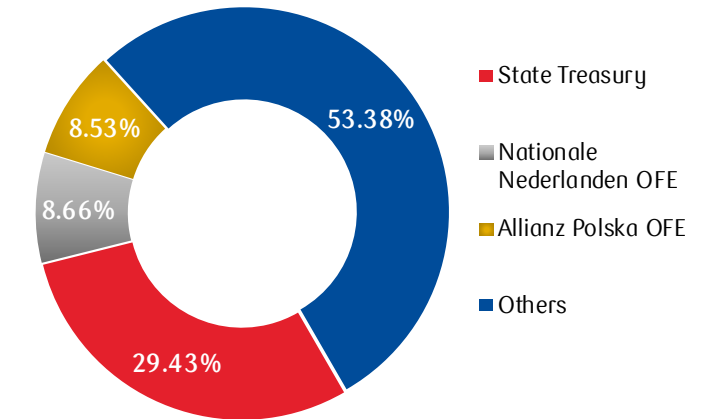
Bank Polski

Credit / ESG ratings and ownership

Credit Ratings

Moody's Investors Service	Long-term rating	
	Deposits	A2
	Liabilities	A3
	Counterparty risk	A2
	Outlook	Stable
	Short-term rating	
	Deposits	P-1
	Liabilities	(P)P-2
	Counterparty risk	P-1
	Baseline Credit Assessment	baa2

Shareholder structure (number of shares: 1 250 mln)



- The Bank's shares have been listed on the Warsaw Stock Exchange since November 10, 2004.
- Largest domestic bank on the WSE in terms of capitalization PLN 79 billion (as at 30/06/2024)
- Bank PKO BP is included in the following indices: WIG, WIG20, WIG30, WIG Banki, WIG-ESG, FTSE Russell, Stoxx 600
- ISIN: PLPKO0000016; Bloomberg: PKO PW; Reuters: PKOB WA

ESG Ratings

MSCI

A ↔

(A in 2023)

CCC B BB BBB **A** AA AAA

SUSTAINALYTICS

23,9 Medium Risk ↓

(23,5 in 2023)

Severe High **Medium** Low Negligible

**FTSE
Russell**

3.3 ↔

(3.3 in 2023)

0 **3.3** 5

MOODY'S
ANALYTICS

46 ↔

(46 in 2023)

0 **46** 100



Investor Relations Office. Contact and Calendar



Bank Polski

Contact

Investor Relation Office

Dariusz Choryło
15 Puławska Str.
02-515 Warsaw

Tel: +48 604 050 796
e-mail: dariusz.chorylo@pkobp.pl
e-mail: ir@pkobp.pl

www.pkobp.pl/investor-relations

Calendar

7th of March, 2024	Annual report for FY2023
9th of May, 2024	Quarterly report for Q1 2024
22nd of August, 2024	Semi-annual report for 1H 2024
7th of November, 2024	Quarterly report for Q3 2024



Glossary

Customers' financing - Loans (excluding FX mortgage loans), corporate and municipal bonds (excluding PFR, BGK, EIB corporate bonds), leasing and factoring (excl. repo transactions)

Customers' savings - Deposits, TFI (mutual funds) assets and treasury savings bonds of the bank and other entities of the bank's Group accumulated on the clients' bank accounts

C/I ratio (Cost/Income ratio) - Operating expenses (including net regulatory charges) to the result on business activities in a given period

COR (Cost of risk indicator) - Net write-downs and impairment of financing granted to customers for the last 12 months to the average balance of gross financing granted to customers at the beginning and end of the reporting period and interim quarterly periods (for cumulative ratio), quarterly - net write-downs and impairment of financing granted to customers to the average balance of gross financing granted to customers in given period

NIM (Net interest margin ratio) - Net interest income, to the average balance of interest-bearing assets (including amounts due from banks, securities and loans and advances to customers) in given period,

Net ROA (Net Return on Asset) - Net profit to the average balance of assets in given period

Net ROE (Net Return on Equity) - Net profit to the average balance of equity in given period

Net ROTe (Net Return on Tangible Equity) - Net profit to the average balance of equity less intangible assets in given period

L/D (Loans/Deposits) - Net customer financing/net deposits

NPL (Net write-downs and impairment) - Result on allowances for expected credit losses, result on impairment of non-financial assets and cost of legal risk associated with mortgage loans in convertible currencies and result on loans measured at fair value through profit or loss

Tier 1 capital ratio - Tier 1 capital to the total capital requirement multiplied by 12.5

TCR (Total Capital Ratio)- Own funds to the total capital requirement multiplied by 12.5



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