

REPORT

on the activities of the Supervisory Board of Bank Handlowy w Warszawie S.A. for 2024

1. Members of the Supervisory Board

1.1. In the reporting period, the Supervisory Board was composed of:

Mr. Sławomir S. Sikora	Chairperson	entire reporting period
Ignacio Gutierrez-Orrantia	Vice Chairperson of the Board	from 19 June 2024
	from 20 June 2024	
Natalia Bożek	Member of the Board	from 19 June 2024
Ms. Silvia Carpitella	Member of the Board	until 19 June 2024
Fabio Lisanti	Member of the Board	from 19 June 2024
Ms. Helen Hale	Member of the Board	until 19 June 2024
Mr. Marek Kapuściński	Member of the Board	entire reporting period
Mr. Andras Reiniger	Member of the Board	entire reporting period
Ms. Anna Rulkiewicz	Member of the Board	entire reporting period
Ms. Barbara Smalska	Member of the Board	entire reporting period

1.2. Independent Members of the Supervisory Board

In the opinion of the Supervisory Board, the Independent Members of the Supervisory Board meeting the independence criteria specified in: (i) Article 129 of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and Public Oversight, (ii) Article 14.4 of the Articles of Association of Bank Handlowy w Warszawie S.A. include:

Mr. Marek Kapuściński	Member of the Board,
Ms. Barbara Smalska	Member of the Board,
Ms. Anna Rulkiewicz	Member of the Board.

In addition, the above members of the Supervisory Board and Mr. Sławomir S. Sikora have no actual and significant connections with any shareholder holding more than 5% of total votes in Bank Handlowy w Warszawie S.A.

1.3. Assessment of suitability and independence of members of the Supervisory Board

The Supervisory Board wants to emphasize that, during the entire reporting period, it was composed of persons demonstrating the extensive knowledge of economics, banking, management and finance. Members of the Supervisory Board have practical knowledge acquired as managers in international economic institutions. Members of the Supervisory Board have adequate knowledge, skills and experience. In the Supervisory Board's opinion, the expertise of its Members ensures due performance of its tasks resulting from applicable laws and regulations and the composition of the Bank's Supervisory Board accommodates a broad range of competencies required to govern all material areas of the Bank's activity. In addition, the Supervisory Board positively assesses the composition of the Supervisory Board taking into account the principles of diversity in areas such as gender, education, special knowledge, age and professional experience, which principles have been implemented to ensure the appropriate level of collective supervision over management of the Bank.

The Supervisory Board positively assesses the structure of the Supervisory Board, including its committees, which could make the most of the experience and expertise of its Members contributing to the accomplishment of goals and objectives assigned to the Supervisory Board.

1.4. Self-assessment of the effectiveness of activities of the Supervisory Board and the adequacy of the regulations concerning its functioning in 2024

The Supervisory Board positively assesses the effectiveness of activities of the Supervisory Board and the adequacy of the internal regulations concerning its functioning in the reporting period.

As part of the process used to assess the adequacy of internal regulations concerning the functioning of the Supervisory Board, the Supervisory Board assessed, in particular, the following regulations ("Regulations"):

- 1) Articles of Association of Bank Handlowy w Warszawie S.A.,
- 2) Regulations of the Supervisory Board of Bank Handlowy w Warszawie S.A.,
- 3) Regulations of the Audit Committee of the Supervisory Board,
- 4) Regulations of the Nomination and Remuneration Committee of the Supervisory Board,
- 5) Regulations of the Risk and Capital Committee of the Supervisory Board,
- 6) Regulations of the Strategy and Management Committee of the Supervisory Board,
- 7) Qualification assessment policy for members of the Supervisory Board at Bank Handlowy w Warszawie S.A. along with the Principles of Diversity of Supervisory Board Members included therein.

The Supervisory Board concludes that:

- 1) The Regulations are comprehensive and enable the Supervisory Board to conduct its activities effectively and efficiently, which, in the Supervisory Board's view, confirms their adequacy. In particular, in the period covered by the assessment, the Supervisory Board performed its tasks set out in the Regulations of the Supervisory Board, which is reflected by the resolutions it passed and the minutes it prepared;
- 2) The Regulations ensure the appropriate functioning of the Supervisory Board, which is organized in a transparent and properly structured manner, taking into account the size and profile of risks and the nature and scale of operations of the Bank, and in a manner that ensures supervision over the accomplishment of the defined objectives of operations and proper response to changes in the external environment, including sudden and unexpected events. The Regulations ensure the efficient flows and protection of information and, by this, contribute to the effective performance of tasks of the Supervisory Board;
- 3) The Supervisory Board ensures effective supervision, including through its committees, over all the areas of operation of the Bank, including the risk management system and the internal control system;
- 4) Solutions adopted in the Regulations ensure the appropriate composition of the Supervisory Board, in accordance with the adopted criteria of diversity of membership of governing bodies of the Bank. At present, the Supervisory Board consists of 8 members and this number is considered appropriate from the perspective of the size, internal organization (organizational structure) and nature, scope and complexity of activities and tasks of the Supervisory Board. The Supervisory Board includes 3 women and 5 men, which means that both genders have sufficient representation on the Supervisory Board of the Bank;
- 5) Solutions adopted in the Regulations ensure that members of the Supervisory Board meet the suitability requirement. In particular, they ensure the appropriate selection of members of the Supervisory Board (selected from a sufficiently broad group of candidates) in terms of qualifications, skills and experience, as well as the ethical norms and standards of conduct, taking into account the diversity strategy in accordance with the "Qualification Assessment Policy for Members of the Supervisory Board at Bank Handlowy w Warszawie S.A." and the principles of diversity of the members of the Supervisory Board this Policy contains;
- 6) Members of the Supervisory Board are assessed in accordance with the above Policy and as part of such assessment the General Meeting of Shareholders of the Bank considered they are appropriate persons to perform functions on the Supervisory Board of the Bank;
- 7) In 2024, the Supervisory Board as a whole and each of its members individually performed their duties actively and with proper care and commitment. In their activities including decision making, they followed their independent opinions and judgement, and acted in the best interest of the Bank. Members of the Supervisory Board were ensured freedom to conduct open discussions and, during those discussions, they were able to present their views to constructively challenge solutions implemented and decisions made at the Bank. The Regulations also ensure that members of the Supervisory Board have enough time to get prepared for meetings;

- 8) The adopted rules of management of conflicts of interest ensure, in particular, that the time resources available in connection with performance of one's function are proportionate to the scope of tasks and duties associated with such function. Members of the Supervisory Board dedicate sufficient time to work for the Bank and their functions in other entities do not collide with their activities as members of the Bank's Supervisory Board;
 - 9) Members of the Supervisory Board correctly understand the rules of supervision applicable at the Bank, their roles and the risk culture developed at the Bank.
- 1.5. Assessment of the methods of preparation or submission by the Management Board to the Supervisory Board of information, documents, reports or explanations requested as set out in Article 382 § 4 of the Act of 15 September 2000 – Commercial Companies Code (the "CCC"):

In order to perform its duties, the Supervisory Board may examine any documents of the company, audit the assets and liabilities of the company and request the management board, general proxies and persons employed by the company under a contract of employment or performing for the company, on a regular basis, specified activities under a contract for specified work, a contract of mandate or a similar contract to prepare or submit any information, documents, reports or explanations concerning the company, and in particular its activities or assets and liabilities. Such a request may also cover information or reports in the possession of the obliged body or person or their explanations concerning subsidiaries or affiliates.

In the reporting period the Supervisory Board made no such request.

- 1.6. Information on the total remuneration payable by the Bank in connection with all the examinations ordered by the Supervisory Board in 2024 under Article 382(1) of the CCC:

The Supervisory Board may adopt a resolution to have a matter that is related to activities or assets of the Bank examined by a chosen adviser (adviser to the Supervisory Board), at the expense of the Bank. An adviser to the Supervisory Board may also be appointed to prepare some analyses or opinions.

In the reporting period, the Supervisory Board did not order any examinations under the above procedure.

- 1.7. Assessment of performance by the Management Board of the duty to inform the Supervisory Board on the current situation of the company in accordance with Article 382(1) of the CCC.

The Supervisory Board positively assesses the performance by the Management Board of the above duty, which covers the submission of information on:

- a) the resolutions of the Management Board and their subject-matter,
- b) the Bank's situation, including the information on its assets as well as material circumstances of the conduct of the Bank's affairs, in particular in the areas of operations, investment and HR,
- c) proceedings to implement the determined directions of development of the Bank's activities, provided that the Management Board should indicate departures from the pre-determined directions along with justification of such departures,
- d) transactions and other events or circumstances that significantly affect or may affect the assets and liabilities of the Bank, including its profitability or liquidity,
- e) changes in any information submitted previously to the Supervisory Board, if such changes have or may have a significant impact on the Bank's situation.

- 1.8. During the reporting period, the Committees of the Supervisory Board were composed of:

1.8.1. Audit Committee

Ms. Barbara Smalska	Chairperson of the Committee	entire reporting period
Ms. Silvia Carpitella	Vice Chairperson of the Committee	until 19 June 2024
Ms. Natalia Bożek	Vice Chairperson of the Committee	from 20 June 2024
Ms. Anna Rulkiewicz	Member of the Committee	entire reporting period

The following persons were considered to be members of the Audit Committee of the Supervisory Board of Bank Handlowy w Warszawie S.A. having knowledge and skills in accounting and audit of financial accounts as well as having knowledge and skills with respect to the industry in which Bank Handlowy w Warszawie S.A. operates:

- 1) Ms. Barbara Smalska due to her professional experience: Ms. Smalska was a Vice President of the Management Board of Alior Bank S.A., held various managerial positions in PZU Group and was also on supervisory boards of various insurance companies.
- 2) Ms. Silvia Carpitella due to the following: (i) education – she has a graduate degree in Management from the University of Florence (Italy); (ii) professional experience: Ms. Silvia Carpitella is the Chief Executive Officer (CEO) of Citigroup Global Markets Europe AG, previously she was the Chief Financial Officer (CFO) and a member of the Board of Citibank Europe plc in Dublin, and previously she held various managerial positions in the area of finance management;
- 3) Ms. Natalia Bożek due to the following: (i) education - she has a master's degree in economics obtained at the Private College of Business and Administration in Warsaw; (ii) professional experience; Ms. Natalia Bożek is currently the Chief Financial Officer (CFO) and Executive Director at Citibank Europe plc, previously she was the Vice President of the Management Board of Bank Handlowy w Warszawie S.A. in charge of finance;
- 4) Ms. Anna Rulkiewicz due to the following: (i) education – completed the Stanford Executive Program at the Stanford University's Graduate School of Business; (ii) professional experience: Ms. Anna Rulkiewicz is the President of the Management Board of Lux Med sp. z o.o., she is also the member of supervisory boards of subsidiaries of Lux Med sp. z o.o.

The following members of the Audit Committee are independent within the meaning of Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and Public Oversight and within the meaning of Article 14.4 of the Articles of Association of Bank Handlowy w Warszawie S.A. Ms. Barbara Smalska and Ms. Anna Rulkiewicz.

The Supervisory Board positively assesses the composition and functioning of the Audit Committee.

1.8.2. Nomination and Remuneration Committee

Ms. Anna Rulkiewicz	Chairperson of the Committee	entire reporting period
Ms. Helen Hale	Vice Chairperson of the Committee	until 19 June 2024
Ms. Natalia Bożek	Vice Chairperson of the Committee	from 20 June 2024
Mr. Marek Kapuściński	Member of the Committee	entire reporting period
Mr. Sławomir S. Sikora	Member of the Committee	entire reporting period
Ms. Barbara Smalska	Member of the Committee	entire reporting period

The following members of the Nomination and Remuneration Committee are independent within the meaning of Article 14.4 of the Articles of Association of Bank Handlowy w Warszawie S.A.: Ms. Anna Rulkiewicz, Mr. Marek Kapuściński and Ms. Barbara Smalska.

The Supervisory Board positively assesses the composition and functioning of the Nomination and Remuneration Committee.

1.8.3.Strategy and Management Committee

Mr. Sławomir S. Sikora	Chairperson of the Committee	entire reporting period
Mr. Marek Kapuściński	Vice Chairperson of the Committee	entire reporting period
Ms. Silvia Carpitella	Member of the Committee	until 19 June 2024
Fabio Lisanti	Member of the Committee	from 20 June 2024
Ms. Helen Hale	Member of the Committee	until 19 June 2024
Ms. Natalia Bożek	Member of the Committee	from 20 June 2024
Mr. Andras Reiniger	Member of the Committee	entire reporting period
Ms. Anna Rulkiewicz	Member of the Committee	entire reporting period
Ms. Barbara Smalska	Member of the Committee	entire reporting period

The Supervisory Board positively assesses the composition and functioning of the Strategy and Management Committee.

1.8.4.Risk and Capital Committee

Mr. Marek Kapuściński	Chairperson of the Committee	entire reporting period
Mr. Andras Reiniger	Vice Chairperson of the Committee	entire reporting period
Ms. Barbara Smalska	Member of the Committee	entire reporting period

The following members of the Risk and Capital Committee are independent within the meaning of Article 14.4 of the Articles of Association of Bank Handlowy w Warszawie S.A.: Mr. Marek Kapuściński and Ms. Barbara Smalska.

The Supervisory Board positively assesses the composition and functioning of the Risk and Capital Committee.

2. ASSESSMENT OF THE FINANCIAL RESULTS AND GENERAL CONDITION OF THE COMPANY

The year 2024 in Poland was a year of return to economic growth. GDP increased by 2.9%, compared to 0.1% in 2023. The main driver of GDP growth was strong private consumption (it rose by 3.1% y/y compared to a decrease of 0.3% y/y in 2023). At the same time, inflationary pressure gradually weakened over 2024 and average annual net inflation increased to 4.3% from 10.1% in 2023. The Monetary Policy Council kept interest rates unchanged in 2024, and the reference rate was 5.75% throughout 2024. On the other hand, the European Central Bank, in response to receding inflation and economic woes in the largest economies of the eurozone, ended the year with a refinancing rate of 3.15% compared to 4.5% at the beginning of 2024. As a result, the year 2024 was mainly the time of a strong zloty.

The persistently high interest rates had a positive impact on the financial results of the banking sector in Poland. As a whole, the sector generated record revenues, which exceeded PLN 131 billion. The main growth driver was net interest income, which rose by 12% y/y versus 2023. While the growth of operating expenses reached a double-digit level (+11% y/y), it was still half the revenue trend. As a result, the net profit of the banking sector amounted to PLN 42 billion. Nevertheless, the banking sector remained under strong pressure from legal costs related to the ongoing proceedings regarding Swiss franc loans.

The Bank's net profit was PLN 1,792 million in 2024.

Operating revenues of the Bank amounted to PLN 4,483 million in 2024 and were comparable to 2023 level. Net interest income accounted for 72% of operating revenues. Fee and commission income increased by 1.7% from 2023 and this increase was generated mainly by the Institutional Banking segment. The positive trends prevailing in the capital market in 2024 contributed to the increase in revenues from brokerage and custody activities. The value of in-session transactions concluded through the Bank's Brokerage Department in the equity market amounted to PLN 27.5 billion and increased by 29.7% compared to 2023. The above increases were partially offset by the Consumer Banking segment and higher acquisition costs in the area of payment and credit cards.

In 2024, operating and general administrative expenses and depreciation & amortization amounted to PLN 1.546 million and were higher by PLN 113 million (i.e. 7.5%) compared to 2023. The increase in costs was primarily due to higher costs related to remuneration due to the prevailing wage pressure and higher employment. The Bank also incurred higher regulatory costs arising from a higher contribution to the compulsory bank restructuring fund under the Bank Guarantee Fund.

In 2024, the result on expected credit losses stood at PLN 16.5 million (positive impact on the profit and loss account) compared to PLN 18.1 million (negative impact) in 2023. The decrease in net impairment losses concerned the Consumer Banking segment primarily due to the reversal of the management adjustment made during the outbreak of the COVID pandemic and the refreshing of model parameters (including primarily the LGD parameter due to higher recoveries on the impaired portfolio).

The Bank's lending increased by 6.5% y/y in 2024, thanks to a higher amount of the loans taken by clients of the Institutional Banking segment. Clients of Commercial Bank and Corporate Clients showed the greatest demand for funding. In 2024, the value of loans granted by Institutional Banking increased by 23% y/y, which shows that the Bank is well prepared to support clients implementing their strategic plans. A slight increase in loan volumes also occurred in the Consumer Banking segment, as a result of higher balances of mortgage loans and cash loans.

At the same time, in the Consumer Banking segment, the Bank achieved significant growth in the strategic area of Wealth Management. The number of Citigold Private Clients rose by 7% y/y, while the average Total Relationship Balance level increased by 8% y/y.

Capital ratios of the Bank are maintained at levels significantly above the regulatory requirements: Total Capital Ratio (TCR) and TLAC TREA are 20.9% and 24.4%, respectively. The Supervisory Board believes that the level of capitals maintained by the Bank is sufficient to ensure its financial security, as well as the security of deposits entrusted to it, and to stimulate its further growth.

The most significant risk driver in 2024 is still the armed conflict between Russia and Ukraine. Any escalation or extension of the conflict could lead to a depreciation of the zloty and other emerging market currencies, as well as it could result in raising again commodity prices, predominantly of oil and gas. Such conditions could have a negative impact on the operations of clients in energy-intensive industries. A source of substantial risk is the persisting uncertainty regarding the scale and sustainability of the economic recovery in the eurozone, as Poland's primary trading partner. A sluggish production activity in the western part of Europe could have a negative impact on Polish industry, curbing demand for Polish exports.

The Bank also monitors changes in the legal environment resulting from court decisions concerning, among other things, mortgage loans indexed to foreign currencies, refunds of commissions on prepaid consumer loans and claims arising from the free credit sanction related to consumer loans.

In connection with the above, the Supervisory Board will continue to cooperate closely with the Management Board to examine the impact of the above-mentioned risk factors on the situation of the Bank.

Taking into consideration the financial results achieved, the business profile of the Bank and the stable capital and liquidity ratios, as well as the consistent and coherent strategy of the Bank, the Supervisory Board's assessment of the activities of the Bank in 2024 is positive. Simultaneously, the Supervisory Board is convinced that both already started and planned initiatives will contribute to an increase in shareholder value by allowing the Bank to achieve optimal financial results and reinforce its market position despite a challenging market environment.

3. ASSESSMENT OF RATIONALITY OF THE BANK'S POLICY IN THE AREA OF CORPORATE SOCIAL RESPONSIBILITY AND SPONSORING

3.1. Corporate social responsibility of the Bank

The Bank is an institution which, since the beginning of its 150-year history, has considered social and environmental aspects in its decisions, and which follows the expectations of both its business and social partners.

The Citi Handlowy Leopold Kronenberg Foundation is an entity which comprehensively implements the Bank's Corporate Social Responsibility strategy.

The Citi Handlowy Leopold Kronenberg Foundation pursues its goals by conducting its own initiatives and provides substantive support for projects funded by the Citi Foundation. Among the Foundation's own initiatives implemented in 2024, the following ones are especially worth mentioning:

Support for Ukraine

In 2024, the Support Ukraine program continued activities to integrate the Ukrainian community into Polish society, especially persons affected by the migration crisis. Projects aimed at professional activation of people from Ukraine were also implemented. The program covers the full range of activities of the Citi Handlowy Foundation: skill-improvement volunteering, sports volunteering, support for entrepreneurs, support for women, education and support for children and teenagers. Those activities are carried out in cooperation with Citibank Ukraine, as part of projects financed by the Citi Foundation and the Citi Handlowy Foundation.

In 2024, a number of activities were implemented in cooperation with the "Ukrainian Home" Foundation, Polish Center for International Aid and the "Mamo Pracuj" (Work, Mom) Foundation, which support the integration of Ukrainian citizens with the Polish society. Thanks to the commitment of #CitiVolunteers, a meeting took place at Citi Handlowy for children from the PCPM Educational Center with the Bank's experts, as well as training sessions regarding the Polish labor

market were arranged. #CitiVolunteers also helped by offering consultation about the process of looking for a job in Poland.

Volunteering

In 2024, the Citi Employee Volunteering Program included two projects where #CitiVolunteers were encouraged to get involved: Citi Global Community Day (GCD) and “Become Santa’s Helper.” Additionally, both the Citi Handlowy Foundation and Citi volunteers got involved in supporting flood victims.

GCD in 2024 in Poland brought record-high results in the 19-year history of the initiative. In under 50 days, 160 projects were organized, with volunteers engaging 3,686 times together with their families and friends. The efforts encompassed a wide scope of activities: cleaning and physical works, sharing knowledge, sports activities, packing packages and preparing thousands of sandwiches for those in need.

This year’s celebrations were organized with an even greater involvement from the partners – both business and social ones. Many projects were implemented in cooperation with other companies and clients of Citi in Poland, as well as organizations financed by the Citi Foundation. Involved in the activities were also members of the Citi Alumni network, who contributed to the diversity of the undertaken initiatives.

An important element of the GCD 2024 was sports volunteering, which combined physical activity with helping others. Participants in the IRONMAN Warsaw relays included both volunteers and business partners and Paralympians, supported by Citi as a partner of the Polish Paralympic Committee. The fan zone at the races became a space for building relationships and educating children in the spirit of cooperation and help.

2024 in Poland saw one of the major humanitarian challenges of recent years – the flood in September, which devastated the regions of Nysa and Kłodzko, leaving thousands of people in need. In the face of this disaster, the Citi Handlowy Foundation, with the support of #CitiVolunteers, immediately took action to help the victims. The comprehensive support included collections of gifts as well as specific activities in the field.

As a first response measure, a collection of gifts was organized for the charges of the St. Brother Albert Aid Society in Kłodzko. With a joint effort, we managed to collect the most essential items, such as towels, disposable tableware, rain boots and cleaning products. The collections organized in Warsaw, Łódź and Olsztyn resulted in a full truck of gifts being delivered to Kłodzko, which allowed the Society to quickly resume its operation and support people affected by homelessness and poverty.

In Olsztyn, volunteers answered the plea of the Food Bank, which was struggling with an abundance of gifts that needed packaging. Throughout week 26 #CitiVolunteers sorted and arranged packages with the most essential items, thus helping speed up the process of sending help to the most suffering regions.

The Nursing Home in Nysa received special attention of the volunteers – 14 of them worked really hard to prepare the Home for the return of its residents. They cleaned rooms and medical beds, removed debris and mud, as well as painted walls and ceilings, thus creating safe and friendly conditions for the residents. Helping flood victims also became an integral part of the Become Santa’s Helper project.

In 2024, the Become Santa’s Helper project focused primarily on supporting people from Ukraine and survivors of the flood in Poland. Owing to the engagement of #CitiVolunteers, a unique platform was designed to allow everyone to find their own unique way of helping others in the spirit of Christmas solidarity.

Special attention under the project was devoted to those most in need. The packages for the flood survivors went to the Order of Malta's Assistance Foundation and the St. Brother Albert Aid Society in Kłodzko, which provide products necessary to rebuild people's everyday life. As part of these activities, it was also possible to donate gifts to organizations providing direct support to people from Ukraine – St. Jan Bosko Oratory Association in Warsaw and the Warsaw Family Assistance Center.

The Professor Aleksander Gieysztor Award

On 14 March 2024, a ceremonious Gala was held at the Royal Castle in Warsaw for the 25th Aleksander Gieysztor Award granted by the Citi Handlowy Leopold Kronenberg Foundation for outstanding achievements in the field of protection of the cultural heritage. The anniversary ceremony was an opportunity to summarize the achievements made so far and honor people and institutions which, through their activities, contribute to preserving and promoting Polish cultural heritage, while inspiring future generations to take similar initiatives.

The winner of the 25th edition of the Award was Professor Andrzej Rottermund for his lifetime achievements in cultivating and protecting cultural heritage in Poland and abroad, and for his efforts to preserve and revitalize Warsaw's monuments over several decades.

Toward the end of 2024, new submissions were received for the 26th edition of the Award. The awards gala took place on 18 March 2025.

Enterprise support programs

With funds from Citi Foundation, 5 social programs to support enterprise development and social integration of refugees were carried out in cooperation with the Foundation:

- **Business in Women's Hands** – a comprehensive program supporting entrepreneurship among women carried out in partnership with the Foundation for Female Entrepreneurship. The 10th edition of the Business in Women's Hands program was attended by 65 women who took advantage of comprehensive support.
- **Entrepreneurship Development Program** – program carried out in partnership with THINK! Foundation. Its purpose is to strengthen the entrepreneurial potential of persons aged 18-35; the program covers meetings with business practitioners and experts, mentoring and networking. In 2024, the EDP activities had as many as 700 participants, 80% of whom were people aged 18-30. More importantly, half of the participants were women. As a result, 20 new businesses were established and 25 new jobs were created, as well as 40 existing companies received support in their development activities.
- **Shesnnovation Academy** – a program implemented in partnership with the *Perspektywy* Educational Foundation. This is a six-month start-up program for women in the new technologies sector. The program attempts to combine the scientific, technological and business communities. In 2024, the 5th edition was attended by 35 program participants. The 5th edition of the program resulted in 16 new tech startups being established by participants.
- **Hello Entrepreneurship** – a program carried out in partnership with ASHOKA Foundation. The program aims to support social entrepreneurship run by people with migrant experience. Under the fifth edition of the program, 10 social and business initiatives of people with a migrant or refugee background were supported.
- **WELCOME!** – a program carried out in partnership with the Mamo Pracuj Foundation. In 2024, 306 women took part in the program, including 153 Polish women and 153 Ukrainian women, who participated in:
 - 10 in-person meetings – 5 inauguration meetings and 5 summary meetings,
 - 22 webinars developing professional and linguistic competences,
 - language courses – 304 participants participated in Polish or English courses (48 hours per participant),

- workshops based on the Gallup test – 237 women drafted their plans of professional development based on the identified talents and strengths.

Financial Education

In 2024, the Citi Handlowy Foundation played an important role in promoting financial education in Poland, by becoming actively involved in the celebrations of the Year of Economic Education. It was a nationwide initiative aimed at raising awareness and financial competences of Poles as well as building good practices in managing finances.

The Foundation submitted its projects within the activities undertaken as part of the Year of Economic Education, underlining its experience in developing economic competences in the society. These initiatives encompassed both educational projects and participation in key business and economic events, such as the European Financial Congress (EFC) and the European Forum for New Ideas (EFNI).

The involvement of the Citi Handlowy Foundation in the Year of Economic Education manifests its long-term involvement in building financial competences as a key aspect of a sustainable economic growth of Poland. Thanks to its active presence in the public debate, the Foundation emphasized its leading role in promoting economic education as the foundation of a conscious society.

Food Bank in Olsztyn

In 2024, the Citi Handlowy Foundation continued the strategic cooperation with the Food Bank in Olsztyn, implementing a number of initiatives supporting the fight against poverty and improvement of the food security. The Foundation provided substantive support to the program “Food Is the Greatest Human Need”, which received a grant in 2023 in the competition Global Innovation Challenge organized by the Citi Foundation.

It is a program implementing the assumptions of social economics, the goal of which is not only to support people in need, but also to build local communities that can be self-sufficient in the future. The program will run until the end of 2025. Under the program, the Food Bank in Olsztyn, in cooperation with its local partners, started activities aimed at establishing social enterprises such as social shops and culinary social cooperatives. The initiative is also about placing foodsharing fridges in the public space to support people at risk of social exclusion.

As a result, cooperation was established with four social consortia, which signed agreements and understandings for providing substantive support:

- Smaki Spółdzielnia Socjalna (“Flavors” Social Cooperative) from Olsztyn
- Konsorcjum Wspólna Kuchnia (Common Kitchen Consortium)/Mazurski Bank Żywności Fundacja IC (Mazurski Food Bank Foundation IC) from Pisz
- Fundacja Archipelag Marzeń (“Achipelago of Dreams” Foundation) from Tolkmicko
- Food Bank from Olsztyn

Full description of its activities is available in the Bank’s Annual Report and on the website www.kronenberg.org.pl

3.2. Sponsorship activities

For the sixth consecutive year, Citi Handlowy was a partner of the Polish Paralympic Committee to jointly implement activities conducive to building a more integrated society. In 2024, we supported the “Be Active” project implemented by the Polish Paralympic Committee Foundation, thanks to which 300 young people with disabilities from all over Poland could participate in training and sports camps throughout the year under the care of specially trained certified coaching staff. The project guaranteed a total of 75,000 hours of sports training in 75 sports sections. To support this project, Citi Handlowy employees in the Live Well at Citi team covered a distance of a total of 12,500 km during various sports events.

The Bank joined the promotion of social spots prepared by Citi in connection with the Paralympic Games in Paris. The aim of the *What happened* campaign was to show remarkable para-athletes who amaze and surprise the world with their sports results. At the same time, Citi Handlowy encouraged people to support them during the Paralympic Games in Paris. As part of the promotion of Paralympic movement, the Bank also funded prizes for participation in the ORLEN Paralympic Run – a run that brings together all those who want to do sports, regardless of their level of fitness. The Bank's employees were participants and volunteers during this event.

For the seventh time, the Bank was a committed sponsor, partner and active participant of the prestigious IRONMAN triathlon competition, which took place in 3 Polish cities: Warsaw, Gdynia and Poznań. This year, Citi employees in Poland, corporate clients and Paralympic champions took part in the 5150 relay races in an unusual line-up. On the 40th anniversary of triathlon in Poland, more than 30 teams and more than 100 competitors of the Live Well at Citi team took part to combine sports struggles with support for people with disabilities. Citi Handlowy's employees and customers were joined by titled paraathletes – multi-medalists of the European Championships, the World Championships and the Paralympic Games. The president of the Polish Paralympic Committee Łukasz Szeliga, the Paralympic athlete Wojtek Makowski – silver medalist of the Paralympic Games in Rio de Janeiro in swimming and the Polish champion in paratriathlon Natasza Jaworska took part wearing blue jerseys. In Gdynia, the relay team at the cycling stage was joined by Witold Skupień, a Paralympic athlete, multi-medalist of the World Championships in cross-country skiing and World Champion in the 18 km classic technique race.

Citi Handlowy for Olsztyn – support for the city and the region

Together with the Citi business services center and as one of the region's largest employers, Citi Handlowy has been supporting the Olsztyn community and issues important to the residents of the Warmia-Mazury region for more than 20 years. In 2024 the Bank was, once again, a strategic partner of the Most Popular Athlete of Warmia and Mazury Award, and the Bank's representatives presented awards in the Athlete of the Year and Athlete without Barriers categories.

Citi Handlowy, together with Citi Solutions Center, was the title partner of the Citi Warmia Run Challenge 2024 Olsztyn for the second time. In the competition at Koszary Park in Olsztyn, 118 Live Well at Citi competitors took part in three distances: 5, 10 and 21.1 kilometers. The event promoted an active lifestyle combined with a social goal: supporting the Polish Paralympic Committee's project, "Be Active" ("Bądź Aktywny").

The Bank was also a partner of the European Financial Congress, where, among other events, Citi experts together with Polish business leaders discussed the challenges of the energy transformation in Poland and Europe. As inspiration, the Bank presented a *case study* of a company it supported during a full-scope energy transformation.

The Bank also continued its cooperation with the American Chamber of Commerce (Amcham) to share knowledge from the global Citi organization with members of the Chamber at expert meetings, discuss American investments in Poland during the Economic Forum in Karpacz, and organize network meetings for clients.

The Supervisory Board assesses that the Bank's policy in the field of social responsibility and sponsorship activities is rational, supports the Bank's mission and strategy, builds a positive brand image and takes into account the needs of various stakeholders of the Bank.

4. REPORT ON REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD AND THE MEMBERS OF THE SUPERVISORY BOARD OF BANK HANDLOWY W WARSZAWIE S.A.

The Supervisory Board of Bank Handlowy w Warszawie S.A. is required to draw up the report on the remuneration of members of the Management Board and members of the Supervisory Board of the Bank pursuant to Article 90g(1) of the Act of 29 July 2005 on public offerings, conditions governing the introduction of financial instruments into organized trading, and on public companies ("Act").

The principles for remunerating members of the Management Board and members of the Supervisory Board of the Bank are provided for in the "Remuneration Policy for Management Board and Supervisory Board Members of Bank Handlowy w Warszawie S.A." ("Policy"), adopted by way of the resolution of

the General Meeting of Shareholders dated 4 June 2020 and published on the official website of the Bank. The Policy implements provisions on shaping the rules of remuneration set forth in the Act.

This report presents a comprehensive overview of remuneration, including all benefits, regardless of their form, received by individual members of the Management Board and the Supervisory Board of the Bank or due to individual members of the Management Board and Supervisory Board of the Bank, and covers the year 2024. It should be noted this report presents remuneration in various ways (i.e. paid out in a given year or awarded in a given year), depending on the requirements of the Act. In particular, remuneration paid in 2024 could have been awarded in the years preceding the year of payment. On the other hand, it is possible that remuneration granted in 2024 is subject to partial deferral, i.e. it will be paid in future reporting periods.

On 19 June 2024, the General Meeting of Shareholders adopted a resolution expressing a positive opinion on the remuneration report for 2023.

1) Total remuneration of the members of the Management Board and Supervisory Board of the Bank broken down into components and the relative proportions between those components

The table below presents the amount of total remuneration (in PLN thousand) including compensation for the non-competition clause after the termination of the employment relationship of Members of the Management Board paid in 2024, broken down into components and into fixed and variable remuneration and the relative proportions between those components (as %):

	Total remuneration including compensation for non-competition clause, of which:	Fixed remuneration including compensation for non-competition clause		Variable remuneration			
		Base salary and Other benefits*	Share of fixed remuneration	Total variable remuneration	Variable remuneration in the form of cash awards	Variable remuneration in the form of share-based awards	Share of variable remuneration
Elżbieta Światopełk-Czetwertyńska	4,586	3,110	68%	1,476	633	843	32%
Maciej Kropidłowski	7,372	3,207	44%	4,165	1,525	2,640	56%
Barbara Sobala	1,948	1,191	61%	757	265	492	39%
Patrycjusz Wójcik	1,267	1,047	83%	220	30	190	17%
Katarzyna Majewska	1,838	1,177	64%	661	230	431	36%
Ivan Vrhel	1,770	1,560	88%	210	210	0	12%
Andrzej Wilk	2,588	1,606	62%	982	479	503	38%
<i>Former Management Board members</i>							
Natalia Bożek	667	135	20%	532	183	349	80%
Dennis Hussey	657	0	0%	657	183	474	100%
James Foley	481	0	0%	481	129	352	100%
Sławomir S. Sikora	1,942	56	3%	1,886	476	1,410	97%
	25,116	13,089	52%	12,027	4,343	7,684	48%

The table below presents the amount of fixed remuneration components (in PLN thousand) including compensation for non-competition clause paid in 2024 to the members of the Management Board of the Bank and share of those components in the total remuneration (as %).

	Base salary		Other benefits		Total fixed remuneration components
	value	share	value	share	value
Elżbieta Światopełk-Czetwertyńska	2,784	61%	326	7%	3,110
Maciej Kropidłowski	2,750	37%	457	6%	3,207

Barbara Sobala		1,035	53%	156	8%	1,191
Patrycjusz Wójcik	- from 01/02/2024	949	75%	98	8%	1,047
Katarzyna Majewska		1,035	56%	142	8%	1,177
Ivan Vrhel		1,110	63%	450	25%	1,560
Andrzej Wilk		1,440	56%	166	6%	1,606
Former Management Board members						
Natalia Bożek	- until 31/01/2024	86	13%	49	7%	135
Dennis Hussey	- until 30/06/2022	0	0%	0	0%	0
James Foley	- until 28/02/2022	0	0%	0	0%	0
Sławomir S. Sikora	- until 17/06/2021	0	0%	56	3%	56
		11,189	45%	1,900	8%	13,089

The aggregate amount of Other benefits provided in the table above consist of: pension plan (PPE) benefits, additional benefits including life insurance, relocation package, the value of the medical insurance for an employee and family members, holiday allowance and compensation paid under non-competition agreements after the termination of employment. The detailed breakdown of Other benefits into particular components is presented below:

		Other benefits							
		Pension plan (PPE)	Additional benefits	Relocation package	Medical insurance for:		Holiday allowance	Compensation for non-competition clause	Total
					a Member of the Management Board	Family Members			
Elżbieta Światopelk-Czetwertyńska		300	12	0	5	9	0	0	326
Maciej Kropidłowski		435	12	0	5	4	0	0	457
Barbara Sobala		127	12	0	5	11	0	0	156
Patrycjusz Wójcik	- from 01/02/2024	72	11	0	5	10	0	0	98
Katarzyna Majewska		120	12	0	4	5	0	0	142
Ivan Vrhel		0	251	183	5	10	0	0	450
Andrzej Wilk		142	13	0	5	6	0	0	166
Former Management Board members									
Natalia Bożek	- until 31/01/2024	47	1	0	0	0	49	0	99
Dennis Hussey	- until 30/06/2022	0	0	0	0	0	0	0	0
James Foley	- until 28/02/2022	0	0	0	0	0	0	0	0
Sławomir S. Sikora	- until 17/06/2021	56	0	0	0	0	0	0	56
		1,301	326	183	35	55	49	0	1,949

The table below presents the amount of variable remuneration components in the form of cash awards (in PLN thousand) paid in 2024 to members of the Management Board of the Bank and the share of these components in the total remuneration (as %).

Cash awards for:													
	2023		2022		2021		2020		2019		2018		Total
	value	share	value	share	value	share	value	share	value	share	value	share	
Elżbieta Światopelk-Czetwertyńska	598	13%	0	0%	35	1%	0	0%	0	0%	0	0%	633
Maciej Kropidłowski	1019	14%	0	0%	229	3%	277	4%	0	0%	0	0%	1525
Barbara Sobala	197	10%	0	0%	28	1%	40	2%	0	0%	0	0%	265
Patrycjusz Wójcik	0	0%	0	0%	13	1%	17	1%	0	0%	0	0%	30
Katarzyna Majewska	171	9%	0	0%	25	1%	33	2%	0	0%	0	0%	230
Ivan Vrhel	210	12%	0	0%	0	0%	0	0%	0	0%	0	0%	210
Andrzej Wilk	450	17%	0	0%	13	1%	16	1%	0	0%	0	0%	479

Former Management Board members														
Natalia Bożek	- until 31/01/2024	137	21%	0	0%	20	3%	26	4%	0	0%	0	0%	183
Dennis Hussey	- until 30/06/2022	0	0%	0	0%	85	13%	99	15%	0	0%	0	0%	183
James Foley	- until 28/02/2022	0	0%	0	0%	48	10%	81	17%	0	0%	0	0%	129
Sławomir S. Sikora	- until 17/06/2021	0	0%	0	0%	0	0%	158	8%	156	8%	162	8%	476
		2,783	11%	0	0%	496	2%	746	3%	156	1%	162	1%	4,343

The table below presents the amount of variable remuneration components in the form of share-based awards (in PLN thousand) paid in 2024 to members of the Management Board of the Bank and the share of these components in the total remuneration (as %).

Share-based awards for:														
		2023		2022		2021		2020		2019		2018		Total
		value	share	value	share	value	share	value	share	value	share	value	share	value
Elżbieta Światopełk-Czetwertyńska		0	0%	782	17%	60	1%	0	0%	0	0%	0	0%	843
Maciej Kropidłowski		0	0%	1,319	18%	395	5%	927	13%	0	0%	0	0%	2,640
Barbara Sobala		0	0%	310	16%	49	3%	133	7%	0	0%	0	0%	492
Patrycjusz Wójcik	- from 01/02/2024	73	6%	36	3%	24	2%	57	5%	0	0%	0	0%	190
Katarzyna Majewska		0	0%	278	15%	43	2%	110	6%	0	0%	0	0%	431
Ivan Vrhel		0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Andrzej Wilk		0	0%	426	16%	25	1%	52	2%	0	0%	0	0%	503
Former Management Board members														
Natalia Bożek	- until 31/01/2024	0	0%	227	34%	35	5%	87	13%	0	0%	0	0%	349
Dennis Hussey	- until 30/06/2022	0	0%	0	0%	146	22%	328	50%	0	0%	0	0%	474
James Foley	- until 28/02/2022	0	0%	0	0%	83	17%	268	56%	0	0%	0	0%	352
Sławomir S. Sikora	- until 17/06/2021	0	0%	0	0%	0	0%	532	27%	332	17%	246	13%	1,410
		73	0%	3,378	13%	859	3%	2,495	10%	332	1%	246	1%	7,683

The table below presents the amount of total remuneration (in PLN thousand) paid in 2024 to members of the Supervisory Board of the Bank broken down into components and the relative proportions of these components (as % of total remuneration).

	Remuneration for function on the Supervisory Board		Remuneration for participation in Supervisory Board committees		Return of social insurance contributions		Total remuneration
	value	share	value	share	value	share	value
Sławomir S. Sikora	235	61%	150	39%	0	0%	385
Marek Kapuściński	118	36%	210	63%	4	1%	332
Anna Rulkiewicz	118	35%	210	63%	5	2%	333
Barbara Smalska	118	30%	270	70%	0	0%	388
	589	41%	840	58%	9	1%	1438

In 2024, members of the Supervisory Board were not granted any variable remuneration. The remaining members of the Supervisory Board did not receive remuneration in 2024.

2) Total remuneration of the members of the Management Board and Supervisory Board of the Bank versus the adopted Policy

The Bank differentiates the amount of fixed remuneration of Management Board members taking into account professional experience, requirements in terms of competencies and the role in the management process, which allows the Bank to attract and retain talented managers who support its development and success.

The variable remuneration granted to members of the Management Board in 2024 was determined in a way that promotes prudent management of the Bank, is based on financial and non-financial results and does not reward inappropriate decisions. The pool for variable remuneration of the members of the Management Board was verified to determine whether the Bank has a sound and strong capital base justifying the payment of variable remuneration at the proposed level, that it does not limit the Bank's ability to enlarge its capital base. and that it is adequately justified by the financial standing of the Bank.

In order to align decisions regarding remuneration of Management Board members with the interests of shareholders, effective management of risks and ensuring compliance with regulatory requirements, part of the variable remuneration:

- was granted in financial instruments, i.e. existing shares of the Bank or phantom shares linked to the value of the Bank's shares on the Warsaw Stock Exchange, and
- was subject to deferral for 4 or 5 years, i.e. proportionately divided into 4 or 5 tranches respectively with the possibility to acquire the rights to a given tranche after each year of deferral; payment is made no sooner than after a 6 or 12-month retention period from the moment of acquiring the rights to a given deferred tranche.

The acquisition of rights to deferred variable remuneration in 2024 was subject to verification, in particular, in terms of the Bank's financial condition and compliance of individual members of the Management Board with the standards concerning the guarantee of safe and prudent management of the Bank, i.e.:

- The Head of the Human Resources Management Division confirmed the issues related to employment and potential breach of employee duties,
- The Vice-President of the Bank's Management Board who oversees the Financial Management Sector confirmed the information on the financial standing of the Bank and the financial statements,
- The Vice-President of the Bank's Management Board who oversees the Risk Management Sector confirmed the information on the risk management processes.

In order to avoid a conflict of interest, for the Vice-President of the Bank's Management Board who oversees the Financial Management Sector and the Vice-President of the Bank's Management Board who oversees the Risk Management Sector, the above-mentioned information, which is within the scope of their responsibility, was confirmed on behalf of the President of the Management Board by the authorized Vice-President of the Management Board.

In 2024, decisions regarding the granting of variable remuneration and the acquisition of rights to deferred variable remuneration for previous years were made by the Supervisory Board of the Bank based on the recommendations and opinions of the Nomination and Remuneration Committee of the Supervisory Board, arising from the prudent and stable management of risks, capital and liquidity, as well as special care for the long-term good of the Bank and the interests of the Bank's shareholders, investors and stakeholders.

In order to avoid a conflict of interest, no variable remuneration (related to performance) was awarded to members of the Supervisory Board in 2024.

3) Application of the performance criteria in the remuneration of members of the Management Board and Supervisory Board

The results are verified before variable remuneration is awarded (ex-ante) and at the stage of making decisions on vesting of deferred variable remuneration (ex-post).

In 2024, the Bank applied the following ex-ante verification criteria:

The criteria related to the Bank's results applied to determine the pool allocated for variable remuneration for members of the Management Board awarded in 2024 are described in point 2) of this report.

The variable remuneration of individual members of the Management Board was awarded on a discretionary basis, taking into account financial and non-financial criteria, such as approach to risk-taking and compliance with regulations, in order to reflect the performance of members of the Management Board and to limit the incentive to take risks that go beyond the overall risk appetite adopted by the Bank.

The amount of variable remuneration granted depends on the assessment of individual performance and the financial results of the Bank or the relevant organizational unit. The performance assessment is based on the data for three financial years, which takes into account the economic cycle and the risk related to the business activity of the Bank. In the case of persons employed for less than 3 years, the assessment of performance at the Bank covers the data from the moment the employment relationship was established.

In 2024, the Bank applied the following ex-post verification criteria:

Variable remuneration is vested and paid out if the criteria are met at the individual level and depending on the financial standing of the Bank.

The amount of the deferred portion of the award to be paid out may have been decreased or completely reduced by the Supervisory Board if:

- the standards concerning the guarantee of safe and prudent management of the Bank have not been met, which is verified by checking whether:
 - members of the Management Board grossly violated their employee obligations, and in particular they were involved in activities that resulted in significant losses for the Bank or were responsible for such activities; or
 - members of the Management Board knowingly participated in providing materially inaccurate information regarding the financial statements of the Bank; or
 - a material failure in risk management has occurred; or
 - members of the Management Board have materially infringed any risk limits;
- the situation referred to in Article 142(1) of the Banking Law has occurred; or
- it was established that members of the Management Board received variable remuneration based on materially inaccurate financial statements; or
- the Bank has suffered a material downturn in its financial performance; or
- a net loss, threat of insolvency or loss of liquidity by the Bank has occurred.

The rights to each tranche of deferred award were vested depending on the Bank's results in the calendar year directly preceding the date of acquisition of the rights to a given tranche ("Relevant Performance Year").

If the Bank incurred a loss calculated as a pre-tax loss for the Relevant Performance Year, then the tranche of deferred variable remuneration distributed as financial instruments that could have been vested during the calendar year following the end of the Relevant Performance Year would be reduced (but not below zero) by the percentage determined as:

(i) the absolute value of the pre-tax loss incurred by the Bank in the given Relevant Performance Year, divided by

(ii) the absolute value of the highest pre-tax profit achieved by the Bank in the period of three calendar years before that Relevant Performance Year. Irrespective of the above, if the Bank suffered a loss calculated as a pre-tax loss for the Relevant Performance Year in any amount, the minimum percentage reduction of 20% would apply.

The amount of pre-tax profit (or loss) for each applicable Relevant Performance Year is the total amount of pre-tax profit (loss) from the current operations of the Bank. The results for 2024 were determined on the basis of the financial statements prepared in accordance with IFRS, covering the audited results for the first three quarters (as reported to the WSE and relevant public authorities), and the last quarter of the year covered the actual results for the first two months of that quarter and the estimates for the last month. The estimates were determined by the Finance Department of the Bank and they were final and binding regardless of the actual final results.

If the absolute value of the pre-tax loss incurred by the Bank for a given Relevant Performance Year were equal to or higher than the total value of the highest pre-tax profit in the Bank's calendar year in the Measurement Period, then the Management Board members would not be entitled to receive the tranche in question.

In 2024, there were no reductions of variable remuneration in connection with performance-related adjustment for any of the Management Board members.

In accordance with the Policy, the Supervisory Board members were only granted fixed remuneration in 2024, and its value does not depend on the Bank's performance. They received no variable remuneration, therefore no performance-related criteria were applied to remuneration of members of the Supervisory Board.

4) Changes in the remuneration of members of the Management Board and Supervisory Board of the Bank, the Bank's results and the average remuneration of the Bank's employees who are not members of the Management Board or Supervisory Board, over the last five financial years

The table below presents a summary of changes, between 2020 and 2024, in remuneration of members of the Management Board and Supervisory Board holding their functions in 2024, in the results of the Bank and in the average remuneration of employees other than members of the Management Board and Supervisory Board.

		2020		2021		2022		2023		2024	
Change in remuneration of Management Board members		Value	Change %	Value	Change %	Value	Change %	Value	Change %	Value	Change %
Elżbieta Światopełk-Czetwertyńska	- from 18/06/2021	0	n/a	1,665	n/a*	2,536	52%	3,650	44%	4,586	26%
Maciej Kropidłowski	- from 19/03/2014	3,872	-8%	4,596	19%	5,004	9%	6,823	36%	7,372	8%
Barbara Sobala	- from 16/10/2013	1,491	1%	1,605	8%	1,491	-7%	1,989	33%	1,948	-2%
Katarzyna Majewska	- from 11/01/2016	1,387	-1%	1,493	8%	1,380	-8%	1,871	36%	1,838	-2%

Patrycjusz Wójcik	- from 01/02/2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,267	n/a*
Ivan Vrhel	- from 29/09/2022	0	n/a	0	n/a	416	n/a*	1,939	366%	1,770	-9%
Andrzej Wilk	- from 01/07/2022	0	n/a	0	n/a	812	n/a*	1,779	119%	2,588	45%
Former Management Board members											
Natalia Bożek	- until 31/01/2024	1,122	-4%	1,286	15%	1,292	0%	1,703	32%	667	-61%
Dennis Hussey	- until 30/06/2022	2,686	n/a*	3,327	24%	1,835***	-45%	1,285***	-30%	657	-49%
James Foley	- until 28/02/2022	1,996	47%	2,390	20%	996***	-58%	1,048***	5%	481	-54%
Sławomir S. Sikora	- until 17/06/2021	4,576	-12%	3,017**	-34%	2,206	-27%	1,773	-20%	1,942	10%
David Mouillé	- until 31/01/2020	1,718***	-53%	686***	-60%	538	-22%	358	-33%	0	-100%
Czesław Piasek	- until 31/03/2018	187	-52%	111	-41%	27	-75%	0	n/a**	0	n/a
Witold Zieliński	- until 19/02/2018	172	-46%	84	-51%	0	n/a**	0	n/a	0	n/a
Change in remuneration of Supervisory Board members											
Sławomir S. Sikora	- from 18/06/2021	0	n/a	155	n/a*	325	110%	312	-4%	385	23%
Marek Kapuściński	- from 22/09/2016	279	-1%	266	-5%	284	7%	287	1%	332	16%
Anna Rulkiewicz	- from 05/06/2019	224	225%	245	9%	301	23%	314	4%	333	6%
Barbara Smalska	- from 05/06/2019	306	258%	306	0%	339	11%	366	8%	388	6%
Former Supervisory Board members											
Andrzej Olechowski	- until 17/06/2021	402	0%	220	-45%	0	n/a**	0	n/a	0	n/a
Igor Chalupec	- until 17/06/2021	285	700%	155	-46%	0	n/a**	0	n/a	0	n/a
Stanisław Sołtysiński	- until 17/06/2021	216	0%	119	-45%	0	n/a**	0	n/a	0	n/a
Shirish Apte	- until 01/12/2020	216	0%	0	n/a**	0	n/a	0	n/a	0	n/a
Change in average remuneration of other employees***											
		127	7%	130	2%	139	7%	159	14%	171	8%
The Bank's results		158,085	-67%	715,972	353%	1,569,310	110%	2,255,190	44%	1,791,979	-21%

Explanations and comments to the table:

- 1) Values are presented in thousands of PLN.
- 2) Data indicated for a given year refer to the percentage change in value between the year for which the data is presented and the preceding year.
- 3) The calculation of changes in the average remuneration of other employees was made on the basis of the gross income of these employees in a given year and the total number of full-time equivalents (FTEs) of these employees; remuneration and other benefits of members of the Management Board and Supervisory Board are shown only on an individual basis. The values presented in the table above do not include compensation for the non-competition clause in accordance with the explanation marked with "****" in point 8) below.
- 4) Calculation of changes in the Bank's results was made based on the Bank's net result for the relevant years.
- 5) Payments to former members of the Management Board made after the termination of the contract are related to the payments of deferred tranches of variable remuneration in cash and phantom shares of the Bank.
- 6) "***" means the first year of holding a function in the Bank; for persons not employed for the entire year, significant % increases in remuneration in the following year are largely due to a comparison of the full period of holding the function to the incomplete base reference year.
- 7) "****" means the first year in which the member of the Management Board or Supervisory Board Member did not receive remuneration after such member ceased to hold the function.
- 8) "****" values presented in the table do not cover the compensation paid for non-competition clause to: Mr. Witold Zieliński in 2019 in the amount of PLN 151,000, Mr. David Mouillé in 2020 in the amount of 903,000 and in 2021 in the amount of PLN 181,000, Mr. Sławomir S. Sikora in 2021 in the amount of PLN 3,248,000, Mr. James

Foley in 2022 in the amount of PLN 600,000 and in 2023 in the amount of PLN 300,000, and Mr. Dennis Hussey in 2022 in the amount of PLN 451,000 and in 2023 in the amount of PLN 632,000. PLN.

5) Remuneration of members of the Management Board and Supervisory Board from entities from the same capital group

Members of the Bank's Management Board seating on supervisory bodies of the Bank's subsidiaries did not receive remuneration for their services in 2024.

Members of the Bank's Supervisory Board did not hold any functions on management or supervisory bodies of the Bank's subsidiaries and therefore did not receive remuneration from those entities in 2024.

6) Remuneration of members of the Management Board and Supervisory Board in the form of financial instruments

Members of the Management Board receive variable remuneration in the form of financial instruments. On 16 December 2022, the Extraordinary General Meeting of Shareholders decided to implement incentive programs that are based on existing shares of the Bank. In the event that the Bank is unable to transfer a sufficient number of its shares in relation to the number that must be transferred to the Eligible Persons, adopted amendments to the Policy allow for the continuation of remuneration of members of the Management Board based on phantom shares or, depending on the Bank's situation and decision, on the basis of phantom shares and shares of the Bank. The Policy allows for 1:1 conversion of phantom shares granted before the adoption of the amendments, provided that an appropriate agreement is signed with the employees concerned. On 29 December 2023, the Polish Financial Supervision Authority (KNF) has granted the Bank the permission, referred to in Article 77 and Article 78(1) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, regarding the buy-backs of treasury shares by the Bank. The Bank's share buybacks commenced in January 2024.

On 26 June 2024, the Bank made an offer to members of the Management Board to acquire shares of the Bank. By 22 July 2024, the Bank started a transfer of the Offer Shares to those members of the Management Board who had accepted the offer. Those members of the Management Board who had not accept the offer to acquire shares received phantom shares.

Phantom shares are financial instruments the value of which is linked to the value of the Bank's shares; they are not actual shares, are not redeemable for actual shares of the Bank, and are not entitled to vote or receive dividends or other distributions from the Bank which holders of actual shares of the Bank may be entitled to receive; they do not represent an ownership interest of any kind in the Bank, any other entity or any assets; they have no independent value and they only stand as a measure of the cash value of variable remuneration by reference to the market price of the Bank's shares.

On the settlement date, members of the Management Board are paid the amount of cash which is the product of the number of the phantom shares vested and the mean value of the high and low price of the Bank's shares on the Warsaw Stock Exchange on the award maturity date (end of retention period). Each time, vesting is confirmed by a decision of the Supervisory Board. For the financial instruments granted until 2022, during the deferral period and retention period members of the Management Board are entitled to receive dividend equivalents in respect of any dividends that are declared and paid to holders of ordinary shares of the Bank. For financial instruments awarded from 2023 on, dividend equivalents are due only during the retention period.

The table below presents information on the financial instruments granted (including conditionally) to members of the Management Board in 2024 (for 2023) which may be paid out in 2024-2030.

	Number of financial instruments	Grant date	Grant price
Elżbieta Światopełk-Czetwertyńska	22,826.32	15/02/2024	104.84
Maciej Kropidłowski	38,890.96	15/02/2024	104.84
Barbara Sobala	4,388.02	15/02/2024	104.84
Katarzyna Majewska	3,816.35	15/02/2024	104.84
Andrzej Wilk	10,015.26	15/02/2024	104.84
Ivan Vrhel	4,673.79	15/02/2024	104.84
<i>Former Management Board members</i>			
Natalia Bożek – until 31/01/2024	3,052.65	15/02/2024	104.84

As for the shares presented in the table above, only the part paid out in 2024 is included in point 1) of this report in the table presenting share-based awards paid in 2024. The remaining shares may be distributed in subsequent reporting periods.

In 2024, members of the Supervisory Board were not granted any remuneration in the form of financial instruments.

7) Information on the use of the possibility to reclaim variable remuneration

The Remuneration Policy for Management Board and Supervisory Board Members of Bank Handlowy w Warszawie S.A. does not provide for the possibility to reclaim variable remuneration.

According to this Policy, the amount of the deferred portion of the variable remuneration to be paid to members of the Management Board may be decreased or completely reduced by a decision of the Supervisory Board using the ex-post verification criteria described in point 3) of this report. In 2024, no reductions in the variable remuneration of any of the Management Board members were made as part of a performance-related adjustment.

In 2024, members of the Supervisory Board were not awarded any variable remuneration.

8) Deviations from the procedure for the implementation of the Policy and from the application of the Policy

The Remuneration Policy for Management Board and Supervisory Board Members of Bank Handlowy w Warszawie S.A. was approved by the Supervisory Board after considering the opinion of the Nomination and Remuneration Committee of the Supervisory Board, and afterwards it was adopted upon a resolution of the General Meeting of Shareholders dated 4 June 2020. The Policy was updated on 14 November 2022 due to the introduction of the option to pay remuneration granted in financial instruments in the form of existing shares of the Bank.

The remuneration of members of the Management Board and Supervisory Board of the Bank was awarded and paid in accordance with the Policy.

Since the adoption of the Policy on 4 June 2020, there have been no deviations from the procedure for implementing the Policy or from the application of the Policy.

5. THE ASSESSMENT OF FUNCTIONING OF REMUNERATION POLICY AT BANK HANDLOWY W WARSZAWIE S.A.

The obligation of the Supervisory Board to assess the functioning of the remuneration policy at Bank Handlowy w Warszawie S.A. results from § 28 (3) of the Principles of Corporate Governance for

Supervised Institutions issued by the Polish Financial Supervision Authority (KNF) on 22 July 2014 and effective from 1 January 2015.

In 2024 remuneration-related issues in Bank Handlowy w Warszawie S.A. (the “Bank”) were governed by:

- the Remuneration Policy for Management Board and Supervisory Board Members of Bank Handlowy w Warszawie S.A. (“Remuneration Policy for Management Board and Supervisory Board Members”) adopted by way of resolution of the General Meeting of Shareholders dated 4 June 2020, as amended,
- the Remuneration Policy for employees of Bank Handlowy w Warszawie S.A. (“Remuneration policy for employees of the Bank”) adopted by way of resolution of the Bank’s Supervisory Board dated 22 December 2017, as amended, and
- the Remuneration Policy for Persons whose Professional Activity Significantly Influences the Risk Profile of Bank Handlowy w Warszawie S.A. (“Eligible Persons Remuneration Policy”) dated 22 December 2017, as amended,
- Transaction-related Award Policy dated 16 June 2021, as amended

jointly referred to as the “Remuneration Policy”.

Remuneration Policy for Management Board and Supervisory Board Members implements provisions regarding shaping of the rules of remuneration set forth in the Act of 29 July 2005 on public offering, conditions governing the introduction of financial instruments to organized trading, and on public companies. It sets out the principles for remunerating Members of the Management Board and Members of the Supervisory Board of the Bank, contributing to implementation of the strategy of the Bank, effective risk management, its long-term interest and stability.

Remuneration policy for employees of the Bank implements requirements regarding structuring of the remuneration principles in banks provided for in the provisions of law, the Principles of Corporate Governance for Supervised Institutions adopted by the Polish Financial Supervision Authority (“Principles of Corporate Governance”), Best Practice for WSE Listed Companies 2021, recommendations of the Polish Financial Supervision Authority covering banking sector, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector and takes into account Guidelines of the European Banking Authority on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013, Guidelines of the European Banking Authority on remuneration policies and practices related to the sale and provision of retail banking products and services, Guidelines of the European Securities and Markets Authority on remuneration policies and practices (MiFID). It covers remuneration procedures and rules in the Bank and sets out the principles for remunerating other employees of the Bank, including in particular persons holding key functions at the Bank identified pursuant to the “Qualification Assessment Policy for Members of the Management Board and Key Function Holders of Bank Handlowy w Warszawie S.A.” (hereinafter Key Persons), persons whose professional activities have a material impact on the risk profile of the Bank, employees involved in selling Bank’s products and services and persons employed in control functions.

Eligible Persons Remuneration Policy implements the provisions regarding the shaping of the rules of remuneration set forth in the Act of 29 August 1997 Banking Law (as amended), in the Regulation of the Minister of Development and Finance of 8 June 2021 on the risk management system and the system of internal control and remuneration policy in banks, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial

services sector as well as other generally applicable provisions of law and takes into account the Guidelines of the European Banking Authority on sound remuneration policies under Directive 2013/36/EU, as amended, and EBA Guidelines on internal governance. It covers persons whose professional activities have a material impact on the risk profile of the Bank and specifies the rules of remunerating this category of staff provided for in the Remuneration policy for employees of the Bank.

From the 2022 annual award onwards, all deferred variable remuneration is conditionally awarded in a financial instrument. Simultaneously, the above policies were amended and enhanced by an option to pay remuneration awarded in a financial instrument in existing stocks of the Bank. The remuneration policies allow a 1:1 conversion of phantom stocks granted before the changes were made, provided that a relevant agreement is signed with eligible employees. On 29 December 2023, the Polish Financial Supervision Authority (KNF) has granted the Bank the permission, referred to in Article 77 and Article 78(1) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, regarding the buy-backs of treasury shares by the Bank. The Bank's share buybacks commenced in January 2024. On 26 June 2024, the Bank made an offer to eligible employees to acquire the Bank's shares. By 22 July 2024, the Bank initiated the transfer of the offered shares to those of the above-mentioned employees who had accepted the offer to acquire them. Phantom shares were paid to those employees who did not accept the offer to acquire shares.

After Citigroup announced, on 15 April 2021, planned changes in the GCB strategy (retail banking), the Management Board of the Bank adopted a policy that allows granting awards for the to-date contribution of employees whose support will be crucial in implementing changes in the strategy for the separated part of Bank Handlowy w Warszawie S.A. (retail segment) – Transaction-related Award Policy. In 2024, under this Policy, the Bank conditionally granted two awards. One of them to an employee who had the status of Eligible Person.

The Remuneration Policy is assessed as follows:

- 1) According to the requirements, the Remuneration Policy covers all employees of the Bank.
- 2) The Remuneration Policy appropriately defines the rules of remuneration of persons covered by the Policy (also its Key Persons), including the form, structure and method of their determination.
- 3) The method of implementing the Remuneration Policy at the Bank and the supervision exercised over the Remuneration Policy ensure that the structure of remuneration of persons covered by it, including Key Persons, supports the long-term stability of the Bank and is in conformity with the strategy, goals and objectives, values and long-term interests of the Bank, specifically such as sustainable growth, and allows for eliminating any potential adverse impact of remuneration systems on adequate risk management.
- 4) The Bank properly implemented all the rules applicable to fixed remuneration included in the Remuneration Policy. In particular, the Bank diversifies amounts paid to persons covered by Remuneration Policy, including Key Persons, as their fixed remuneration taking into consideration their professional experience, requirements concerning competences and functions in the management process of the Bank.
- 5) The Bank ensures appropriate remuneration for internal audit employees and compliance employees so that highly qualified specialists could be hired and retained in those units. The Audit Committee of the Supervisory Board approved the analysis of remuneration for the Audit and Compliance employees at Bank Handlowy w Warszawie S.A.

- 6) The Bank uses the Remuneration Policy, in addition to other measures, to promote reasonable and effective risk management and to prevent risk taking going beyond an acceptable level. Consequently, the remuneration system based on financial and non-financial performance which is used by the Bank does not reward excessive risk taking in decision making. In particular, the remuneration of each of the Members of the Management Board is determined to promote the prudent management of the Bank and on the basis of financial and non-financial performance without rewarding inappropriate decisions taken by employees.
- 7) While designing and approving the funds allocated to variable remuneration of the Bank's employees for 2024, including Key Persons, the Bank performed their respective verification. It confirmed that the Bank had an appropriate and solid capital base which justified the proposed value of variable remuneration and that it did not limit the Bank's ability to increase its capital base and that it was justified by the financial situation of the Bank.
- 8) The detailed rules applicable to variable remuneration granted to employees having a significant impact on the risk profile of the Bank ("Eligible Persons"), including Key Persons, are regulated by the "Eligible Persons Remuneration Policy." Those rules were properly applied to grant the Eligible Persons, including Key Persons, variable remuneration in Q1 2025 (variable remuneration for their work in 2024), i.e.:
 - a) the Nomination and Remuneration Committee of the Bank's Supervisory Board recommends and justifies the amounts and conditions of variable remuneration for persons covered by the Eligible Persons Remuneration Policy. It also expresses an opinion on the amendments to the Eligible Persons Remuneration Policy, including the amounts of components of remuneration, following the rules of prudent and stable management of risk, capital and liquidity and with special care of long-term interests of the Bank and its shareholders, investors and stakeholders. In 2024, the Nomination and Remuneration Committee of the Supervisory Board held seven meetings.
 - b) The level of variable remuneration for work in 2024 was determined on the basis of financial and non-financial criteria, taking into account the costs of risk, costs of capital and liquidity risk of the Bank in the long term. Such defined variable remuneration was granted on 14 January 2025. For Eligible Persons the variable remuneration was split into immediate and deferred award. Short-term financial instrument award is subject to 6- or 12-month retention period and is paid out after its expiry. Deferred variable remuneration is divided into four or five tranches, which may be vested in employees respectively in years 2025-2028 or in years 2025-2029. The tranches of the long-term award in financial instruments (provided that they have been vested) are paid after the end of the 12-month retention period.
- 9) In 2024, in respect of one Eligible Person, the Bank's Management Board, after obtaining a positive opinion from the Nomination and Remuneration Committee of the Supervisory Board, decided to deprive the person of the right to deferred variable remuneration which had been granted conditionally to that person during the employment relationship but had not vested before the employment contract termination date.
- 10) In 2024, the Bank properly analyzed the roles and the responsibilities of its employees in relation to the key risks managed by the Bank as well as quantitative and qualitative criteria described in Commission Delegated Regulation (EU) No 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility,

control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive, in relation to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile and on this basis established a list of employees whose professional activities have a material impact on the risk profile of the Bank and therefore should be subject to the provisions of the Eligible Persons Remuneration Policy. In 2024, the list of staff covered by the Eligible Persons Remuneration Policy included 97 persons at the end of the year.

- 11) The Remuneration Policy adopted at the Bank ensures an appropriate method for remuneration of employees involved in the sales of the Bank's products and services, which encourages them to act in an honest, impartial, transparent and professional way, taking into consideration the rights and interests of all Clients of the Bank in the short, medium and long term.
- 12) In 2024, the Bank enhanced those provisions of the Remuneration Policy that ensure compliance with the sustainability risk strategy of the Bank (ESG).
- 13) The Remuneration Policy assumes differentiation of the remuneration of selected employees on the basis of quantitative and qualitative criteria such as approach to taking risk and ensuring compliance with the regulations.

The Supervisory Board positively assesses functioning of the Remuneration Policy applied at the Bank.

6. THE SUPERVISORY BOARD'S ASSESSMENT OF APPLICATION BY THE BANK OF THE CORPORATE GOVERNANCE PRINCIPLES AND OF CONFORMITY WITH DISCLOSURE REQUIREMENTS CONCERNING THE APPLICATION OF THE CORPORATE GOVERNANCE PRINCIPLES, SET OUT IN THE RULES OF GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. AND IN THE REGULATIONS CONCERNING CURRENT AND PERIODIC DISCLOSURES PROVIDED BY ISSUERS OF SECURITIES

- 6.1. The Supervisory Board's assessment of application by the Bank of the corporate governance principles and of conformity with disclosure requirements concerning the application of the corporate governance principles set out in the Rules of Giełda Papierów Wartościowych w Warszawie S.A.

On 29 July 2021, the Supervisory Board of the Bank decided that the Bank would comply with the corporate governance principles contained in the document "Best Practice for GPW Listed Companies 2021", adopted by the Supervisory Board of the Warsaw Stock Exchange by Resolution no. 13/1834/2021 of 29 March 2021, with the exception of principles 5.6 and 5.7, which are not applicable to the Bank.

In connection with the Bank's accepting the corporate governance principles prescribed in the document "Best Practice for GPW Listed Companies 2021", with the exception of principles 5.6 and 5.7, which are not applicable to the Bank, on 30 July 2021 the Bank submitted to Giełda Papierów Wartościowych w Warszawie S.A. a report (EBI Report no. 1/2021) concerning the status of application by the company of the principles included in the set "Best Practice for GPW Listed Companies 2021", fulfilling the obligation resulting from § 29(3) of the Rules of Giełda Papierów Wartościowych w Warszawie S.A.

In the event of a change in the status of application of the principles or the occurrence of circumstances justifying a change in the content of explanations regarding non-application or the manner of application of a principle, the issuer must immediately update the previously

published information, however no such situation occurred in the reporting period. Furthermore, in the event of an incidental breach of the principles, companies are obliged to immediately inform about this fact, however in the reporting period the Bank did not identify either a permanent or incidental breach of the principles that apply to the Bank.

The statement of compliance with the principles of corporate governance prescribed by the “Best Practice for GPW Listed Companies 2021” is reported by publishing the “Statement of Bank Handlowy w Warszawie S.A. on its application of corporate governance principles in 2024” within the framework of the “Report on the operations of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2024.” The Bank conducted a review of application in 2024 of the corporate governance principles arising from the “Best Practice for GPW Listed Companies 2021,” as a result of which it was confirmed in the above-mentioned statement that those principles were applied in the scope as previously reported to Giełda Papierów Wartościowych w Warszawie S.A. (WSE).

Taking the foregoing into account, in the opinion of the Supervisory Board in the period covered by the assessment the Bank correctly met its disclosure obligations related to application of the corporate governance principles prescribed in the Rules of Giełda Papierów Wartościowych w Warszawie S.A..

- 6.2. Assessment of the manner of fulfilment by the Bank of its disclosure obligations related to corporate governance set forth in the provisions regarding current and periodic information provided by issuers of securities.

Pursuant to the Regulation of the Minister of Finance of 29 March 2018 on the Current and Periodic Information Provided by Issuers of Securities and on the Conditions for Recognizing the Information Required by Legal Regulations of a Non-Member State as Equivalent, the Bank is obliged to include in its annual report a statement that it applies the corporate governance principles. The above statement is included in the “Report on the operations of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2024”, which contains all the elements required by the aforementioned Regulation.

The Supervisory Board positively assessed the fulfilment by the Bank of its disclosure obligations set out in the Rules of Giełda Papierów Wartościowych w Warszawie S.A. and in the regulations concerning current and periodic information, and concluded that the information presented above shows the true status of application of the corporate governance principles.

7. ASSESSMENT OF THE INTERNAL CONTROL SYSTEM AND THE RISK MANAGEMENT SYSTEM OF THE BANK, TAKING INTO ACCOUNT THEIR ADEQUACY AND EFFECTIVENESS

The primary objective of the internal control system is to support the decision-making processes that are to ensure the effectiveness and efficiency of the Bank’s operations, the reliability of its financial reporting and the compliance of the Bank’s activities with applicable laws and internal regulations and the compliance with risk management rules in the Bank. The internal control system consists of a control function, a compliance unit and an internal audit unit.

The internal control system and the risk management system in place at the Bank are organized in three independent levels:

- Level 1 – organizational units responsible for the activity which results in taking risks and for risk management in the Bank’s operational activity, as well as for risk identification and reporting to the second-line units,
- Level 2 – risk management at organizational units, regardless of the first-line risk management, and the activity of the compliance unit; units or persons responsible for setting risk management standards in identifying, measuring or assessing, limiting, controlling, monitoring, reporting and supervising control mechanisms applied by other organizational units of the Bank to mitigate risk – organizational units of the Risk Management Sector, Compliance Division, Finance

- Management Sector, Legal Division, Human Resources Management Division as well as the Supervision and Internal Control Unit of the Brokerage Department of Bank Handlowy;
- Level 3 – internal audit unit, responsible for an independent assessment of the risk management and internal control systems – Audit Department.

The Audit Department is supervised by the Supervisory Board via the Audit Committee composed of its Members. Organizationally, the Audit Department reports to the President of the Bank's Management Board.

The Audit Department submits, on a regular basis, but at least annually, to the Supervisory Board and Management Board, its reports on any identified irregularities and deficiencies, as well as recommendations formulated after internal audits, and activities initiated to rectify such irregularities and to implement such recommendations. The head of the Audit Department is invited to participate in all meetings of the Management Board and Supervisory Board.

The Audit Committee's powers and duties include oversight over financial reporting, internal control, risk management and internal & external audits. The Committee submits annual reports on its activities to the Supervisory Board.

The Supervisory Board has established a permanent Risk and Capital Committee. The tasks of the Committee include supervising the risk management system used by the Bank and recommending an assessment of its effectiveness, which is ultimately given by the Supervisory Board. The Committee submits annual reports on its activities to the Supervisory Board. The powers of the Committee in the scope of supervision over the risk management system include, without limitation, verifications of compliance of the Bank's policy in the scope of assumed risks with the strategy and financial plan of the Bank, verifications and recommendations to the Supervisory Board in respect of risk management system assessment, the overall risk level of the Bank, and reviews of periodic reports on the types and amounts of risks connected with the Bank's activities.

The Supervisory Board monitored any identified irregularities, including those identified by units responsible for vertical monitoring and for coordination of the control function matrix.

In accordance with the "Internal Control Rules of Bank Handlowy w Warszawie S.A.," the Supervisory Board conducted the annual assessment of adequacy and effectiveness of the internal control system, including the adequacy and effectiveness of the control function related to compliance risk management on the basis of reports provided by the Compliance Division, the Supervision and Internal Control Unit of the Brokerage Department and the Internal Audit Department. The Supervisory Board assessed the internal control system as adequate and effective. The assessment was made taking into account management information, reports on the self-assessment process, reports on the control environment submitted by Internal Audit in the Report of the Internal Audit Department to the Audit Committee of the Supervisory Board of Bank Handlowy w Warszawie S.A. and recommendations of the Audit Committee. At the end of 2024, the residual risk estimated under MCA was at the Tier 4-5 level in 84.35%, and the assessment by Internal Audit was "Needs Moderate Improvement".

The Bank includes the Brokerage Department of Bank Handlowy ("DMBH"), which is a separate organizational unit of the Bank (brokerage unit), performs internal control and legal compliance functions of the 1st and 2nd Line of Defense via:

- 1) first-level supervision and audits performed within the DMBH organizational unit and within supervision exercised by DMBH head,
- 2) second-level supervision and audits performed by the Supervision and Internal Control Unit via the Compliance and AML Unit and the Internal Control and Complaint Processing Unit,
- 3) second-level supervision and audits performed by the Risk Division of BHW,
- 4) third-level supervision and audits performed by the Audit Department of the Bank.

The head of the Supervision and Internal Control Unit is a Supervision Officer within the meaning of the law and, as regards this function, reports to the head of DMBH.

At least annually, the Supervision Officer prepares and submits, simultaneously, to the Member of the Bank's Management Board who supervises brokerage activities and to the Supervisory Board

of the Bank a report on the functioning of the system used to supervise legal compliance and the internal control system. Such reports are also submitted to the Polish Financial Supervision Authority (KNF). The report for 2024 was received by the Supervisory Board on 28 February 2025.

Simultaneously, taking into consideration recommendations of the Risk and Capital Committee, the Supervisory Board assessed the risk management system as effective and adequate to the scale and complexity of activities of the Bank, including DMBH. That assessment was made taking into account management information that covered quantitative and qualitative criteria of management of particular risk categories. The Supervisory Board reviewed and raised no objections to the assessment of adequacy and effectiveness of the risk management policies implemented by the Bank, and covered by management information reports.

The Bank has implemented procedures of anonymous notification by employees of infringements of law and policies and ethical standards applied at the Bank. The Bank introduced the process of reporting infringements to the Supervisory Board when they concern a member of the Management Board, and of presenting information on significant ethical matters to the Supervisory Board. The Supervisory Board assesses, at least annually, the adequacy and effectiveness of the procedure for anonymous reporting of irregularities by employees. At the meeting held on 21 March 2024, on the basis of the information provided by the Member of the Management Board appointed to accept anonymous notifications, on the basis of the "Report of the Compliance Division concerning the operation of the Procedure of Anonymous Notification by Employees of Infringements of Law and the assessment of compliance with the Code of Conduct in 2023", and on the basis of a positive recommendation of the Audit Committee of the Supervisory Board, the Supervisory Board assessed positively the adequacy and effectiveness of the procedure of anonymous notification by employees of infringements of law and the compliance with the Code of Conduct for 2023.

8. A SUMMARY OF THE ACTIVITIES OF THE SUPERVISORY BOARD AND ITS COMMITTEES

8.1. Meetings of the Supervisory Board and its Committees

In 2024, the Supervisory Board held nine meetings, and its Committees: Audit Committee – 4, Risk and Capital Committee – 4, Nomination and Remuneration Committee – 7, Strategy and Management Committee – 2.

In the reporting year, the Supervisory Board adopted a total of 83 resolutions.

Attendance at meetings of the Supervisory Board in the reporting period was as follows:

- 1) at the meeting of the Supervisory Board on 11 January 2024: 100%,
- 2) at the meeting of the Supervisory Board on 15 February 2024: 71.4%,
- 3) at the meeting of the Supervisory Board on 19-21 March 2024: 100%,
- 4) at the meeting of the Supervisory Board on 21 May 2024: 100%,
- 5) at the meeting of the Supervisory Board on 19 June 2024: 100%,
- 6) at the meeting of the Supervisory Board on 30 July 2024: 100%,
- 7) at the meeting of the Supervisory Board on 19 September 2024: 100%,
- 8) at the meeting of the Supervisory Board on 04 October 2024: 100%,
- 9) at the meeting of the Supervisory Board on 05 December 2024: 100%.

Additional information on activities of committees of the Supervisory Board is included in their respective reports, which are available on the website.

8.2. Information on the progress of implementation of the diversity policy towards the Management Board and Supervisory Board of the Bank

In accordance with Article 9ce of the Banking Law Act, the "Diversity Policy for Members of the Management Board of Bank Handlowy w Warszawie S.A." was adopted by the Supervisory Board's Nomination and Remuneration Committee.

The purpose of the Policy is to determine the Bank's strategy on diversity management, consisting in the promotion of diversity to ensure that the process of selection of Members of the Management Board involves candidates that are diverse in terms of their gender, age, education, and professional experience. This is to allow different points of view and

experiences and to enable independent opinions to be given as well as reasonable decisions to be made as part of the functions held by them, and to obtain support for the implementation of the Bank's strategic goals by ensuring high-quality performance of the Management Board's role. The Bank's Diversity Strategy embraces the differences stemming from areas of education, experience, gender and age and uses them to achieve the best results. The Bank strives to ensure sufficient representation of both genders on the Management Board. If during the recruitment process for the post of a Management Board Member the Nomination and Remuneration Committee of the Supervisory Board identifies the possibility of a case of under-represented gender on the Management Board, the Committee shall set a target value for the representation of such under-represented gender. The Bank strives to ensure that the Management Board is composed of members with diverse knowledge and experience. Under the annual assessment of the members of the Management Board, the Nomination and Remuneration Committee of the Supervisory Board assesses and documents compliance with the Policy.

As part of the assessment of the structure, size, composition and effectiveness of activities of the Management Board, conducted at least annually, the Nomination and Remuneration Committee of the Supervisory Board positively assessed compliance with the Policy on 20 March 2025 for the year 2024. In 2024, the Bank's Management Board consisted of 4 women and 3 men until 31 January 2024 and 4 men and 3 women from 1 February 2024, which means sufficient gender representation on the Bank's Management Board. The age of Management Board members and their experience in financial institutions and in management are varied.

In accordance with the Rules of the General Meeting of Shareholders of Bank Handlowy w Warszawie S.A., when recommending candidates for members of the Supervisory Board, shareholders should follow the guidelines included in the "Qualification Assessment Policy for Members of the Supervisory Board at Bank Handlowy w Warszawie S.A.", which includes the Principles of Diversity of Supervisory Board Members.

Pursuant to the Policy, during an election of members of the Supervisory Board, the General Meeting should take into account the principles of diversity, i.e. it should ensure equal opportunity in those processes for women and men, regardless of the declared gender or age, who have diverse individual knowledge, skills and experience which are at the same time adequate to the positions of members of the Supervisory Board entrusted to them and which complement each other to ensure an appropriate level of collective supervision over management of the Bank, which is verified in a collective assessment of suitability of the Supervisory Board as a whole. Reasonable effort should be made to ensure that, when implementing the diversity assumptions, appropriate standards are complied with, such as equal treatment or combating discrimination or unethical conduct. Ensuring the need for diversity on the Supervisory Board shall not impair proper supervision over the management of the Bank. On 05 December 2024, the Nomination and Remuneration Committee of the Supervisory Board adopted a resolution on the annual evaluation of suitability of Members of the Supervisory Board of Bank Handlowy w Warszawie S.A. In the reporting period, the Supervisory Board of the Bank included 5 women and 5 men in total (taking into account resignations and appointments, the Supervisory Board has included 3 women and 5 men since 19 June 2024).

8.3. Corporate Governance

As part of the implementation for application, in 2014 by the Management Board and Supervisory Board of the Bank and, next, in 2015 by the General Meeting of Shareholders, of the document Principles of Corporate Governance for Supervised Institutions, issued by the Polish Financial Supervision Authority (KNF), the Supervisory Board read, at its meeting on 20 March 2025, the "2024 Report – Assessment of Application of the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority at Bank Handlowy w Warszawie S.A.", prepared by the Compliance Department for Regulations and Regulatory Relations in the Compliance Division (Compliance Department) and including an independent assessment of application of the "Principles of Corporate Governance for Supervised Institutions."

On the basis of the above Report of the Compliance Department containing an independent assessment of the application of the “Principles of Corporate Governance for Supervised Institutions” and taking into consideration a positive recommendation issued by the Audit Committee of the Supervisory Board, the Supervisory Board assessed independently and found that in 2024 the Bank applied the rules resulting from the Principles of Corporate Governance for Supervised Institutions, with the exception of principles § 11.2, § 16.1 that the Bank decided not to apply. With respect to the principle defined in § 8.4 (electronic General Meeting) of the Principles of Corporate Governance, the principle was applied in 2024 provided that before each General Meeting the Management Board of the Bank decided how the shareholders would participate in the General Meeting of the Bank, on a case by case basis.

The resolution was adopted unanimously.

In 2024, the Bank upheld its decision on the exclusion of the following three principles:

1. Article 8.4 (electronic General Meeting) – currently available IT solutions do not guarantee a secure and efficient electronic form of holding a General Meeting. However, the Management Board does see the importance of such form of shareholders’ participation in the Bank's General Meeting, and therefore a separate decision on that matter shall be made before each General Meeting.
2. § 11.2 (transactions with related parties) – this principle shall not be applied with respect to contracts tied to day-to-day operations, in particular to contracts tied to liquidity, due to the nature of transactions and the number of contracts being concluded, and with respect to transactions executed on the basis of a brokerage contract for fulfilment of orders, concluded with Clients of CGML and CGME, as these transactions are concluded under market terms.
3. § 16.1 (meetings of the Management Board of the Bank held in the Polish language) – meetings of the Management Board attended by foreigners, especially foreigners who are members of the Management Board and do not speak Polish, are held in the English language. Simultaneously, any motions submitted to the Management Board, any materials and minutes of meetings are prepared and kept in Polish and in English.

Pursuant to the requirements of the Principles of Corporate Governance for Supervised Institutions and the information policy adopted by the Bank, after the Supervisory Board of Bank Handlowy S.A. performed an independent assessment of the application of the Principles of Corporate Governance for Supervised Institutions, the Bank makes available on its website the information on the application of the Principles, and on the non-application of specific Principles.

8.4. Settlements between the Bank and Citigroup

In the reporting period, the Supervisory Board’s business included issues related to the outsourcing of actual operation in the area of banking outsourcing. Such supervision covered payments resulting from agreements for the provision of operational support, production support and IT application development services to the Bank.

8.5. Amendments to the Articles of Association of the Bank and the Regulations of the Management Board and the Regulations of the Supervisory Board of the Bank:

On 7 August 2024, the Court entered in the Register of Entrepreneurs of the National Court Register the amendments to the Articles of Association of Bank Handlowy w Warszawie S.A. (hereinafter: the Articles of Association) adopted by the Annual General Meeting of the Bank on 19 June 2024 by Resolution No. 39/2024, described in detail, among other documents, in the Bank’s current report no. 33/2024 of 9 August 2024.

The justification for the amendments was in particular the Act of 16 August 2023 on amending certain acts in connection with ensuring the development of the financial market and the protection of investors in this market (hereinafter: the Act), which has introduced the obligation to amend the Articles of Association as follows:

- 1) listing the activities that the Bank intends to perform as part of its brokerage activities – before the amendment, the Articles of Association only set out that the Bank may conduct brokerage activities, and the individual activities are listed in the KNF permit. The proposed

amendment to § 5(4)(21) of the Articles of Association introduced a list of activities that the Bank intends to perform via its brokerage unit,

- 2) listing the so-called activities other than brokerage activities, i.e. activities under Article 69(2)(1) - (7) of the Act of 29 July 2005 on trading in financial instruments (hereinafter: the Trading Act), which the Bank intends to perform under Article 70(2) of the Trading Act. Before the amendment, the Articles of Association set out, in § 5(4)(23), the scope of activities other than brokerage activities that may be performed by the Bank, and the Bank intends to continue to perform these activities. The amendment to § 5(4)(23)(f) of the Articles of Association (standby and firm-commitment underwriting agreements have been changed to issue guarantee agreements) is the result of adjustment to the current definitions from the Trading Act,
- 3) deleting activities that are not performed from the Articles of Association in the event that the Bank ceases to perform activities specified in the Articles of Association for an uninterrupted period of 12 months, i.e.: a) providing safe deposit boxes; b) issuing an electronic money instrument; c) organizing and servicing financial lease; d) acting as a representative within the meaning of the Bonds Act.

Moreover, in the section regulating the Bank's activities (§ 5(3) and (4) of the Articles of Association), the activities that were removed from the Act of 29 August 1997 – Banking Law – were removed and changes were made to adapt it to the currently applicable nomenclature.

The proposed amendments to the Articles of Association, apart from adapting them to the above-mentioned requirements resulting from the Act (§ 5(3) and (4) of the Articles of Association), also included clarifying changes, in particular those concerning the members of the Supervisory Board and the Management Board that are related to:

- 1) principles for calculating the term of office of members of the Supervisory Board and the Management Board (§ 14(1) and § 21(1)) - the Commercial Companies Code lays down that: "the term of office shall be calculated in full financial years unless the company's articles of association provide otherwise". The introduction of changes to § 14(1) and § 21(1), according to which: "the first financial year of the term of office is each time the financial year in which the performance of the function began, even if it did not occur at the beginning of that financial year", is intended to explain how years are counted within the term of office. The 4-year term of office is within the time frame specified by the Commercial Companies Code (up to 5 years),
- 2) independence criteria for members of the Supervisory Board (§ 14(4)) - the purpose of the amendment is to clarify the independence criteria for members of the Supervisory Board who are not members of the Audit Committee in terms of remuneration received from the Bank or companies associated with the Bank and the status of a shareholder of the Bank or a company associated with the Bank,
- 3) the possibility of submitting resignation by members of the Supervisory Board and the Management Board in electronic form (§ 15 and § 21(2)) - the aim of the amendment is to digitize the process to the extent permitted by generally applicable laws and regulations.

In the above-mentioned reporting period, the Supervisory Board of the Bank did not made any changes to the "Regulations of the Supervisory Board of Bank Handlowy w Warszawie S.A." and made changes to the "Regulations of the Management Board of Bank Handlowy w Warszawie S.A." taking into account the responsibilities of the Management Board in the area of sustainability concerning environmental, social and governance (ESG) topics resulting from generally applicable laws or guidelines issued by regulators, taking into account the obligation to disclose various information from the ESG area as part of sustainability reporting.

8.6. Miscellaneous

The Supervisory Board, within its competences, reviewed the reports of the Audit Department for subsequent reporting periods and the reports of the Team of Supervisors on the functioning of the supervision system and the legal compliance of the Bank's custody activities, as well as the Supervision Inspector of the Brokerage Department of Bank Handlowy. In addition, the Supervisory Board dealt with issues related to the acquisition of the right to Deferred Variable Remuneration of members of the Management Board of the Bank, the offers to acquire shares of the Bank by members and former members of the Bank's Management Board under the incentive program, examined cyclical reports of the Management Board of the Bank on the

implementation of the bancassurance policy, the reports on the level of the retail credit risk incurred by the Bank (unsecured and mortgage secured), the reports on concentration risk and limit utilization and the reports on the findings of historical verification of the level of anticipated credit losses (backtesting) and the reports on the progress of activities to implement the strategy of management of the Bank and the key related issues, in particular information on the progress of implementation of the adopted development activities of the Bank and departures from the adopted directions, including justification.

The Supervisory Board approved updates of the "Stand-Alone Recovery Plan for Bank Handlowy w Warszawie S.A." and the "Group Recovery Plan for the Capital Group of Bank Handlowy w Warszawie S.A."

Additionally, the Supervisory Board continued to perform its duties under the project related to the decision of Citigroup Inc., which announced that it was planning changes to its global retail banking strategy, which would also have an impact on retail banking activities in Poland.

At the meeting of the Supervisory Board held on 19-21 March 2024, the Supervisory Board approved the acceptable general risk appetite level for the Bank for 2024 and approved the amended document "Rules of prudent and stable management of risk at Bank Handlowy w Warszawie S.A. Group". Next, the Supervisory Board assessed the effectiveness and adequacy of the risk management system, taking into account the implementation of selected risk management policies. The Supervisory Board also approved the annual "Report on compliance risk at Bank Handlowy w Warszawie S.A. in 2023" and the "Annual Plan of the Bank's Operations Compliance in 2024." As the next items on the agenda, the Supervisory Board adopted a resolution on the functioning of the Procedure of Anonymous Notification by Employees of Infringements of Law and the assessment of compliance with the Code of Conduct in 2023", and acknowledged the information on the summary of significant reports of violations of ethical standards at the Bank in 2023. Moreover, the Supervisory Board adopted a resolution on the approval of changes to the "Rules of conduct for employees of Bank Handlowy w Warszawie S.A." and the "Policy for managing conflicts of interest at Bank Handlowy w Warszawie S.A." The Supervisory Board also made a positive assessment of the adequacy and effectiveness of the Bank's internal control system in 2023 and accepted amendments to the "Internal Control Rules of Bank Handlowy w Warszawie S.A.," and passed a resolution on the periodic assessment of compliance with internal governance at the Bank. The Supervisory Board reviewed a report on complaints and grievances examined by the Bank in 2023. The Supervisory Board then assessed the effectiveness of the Management Board's activities in 2023 and assessed the adequacy of internal regulations applicable to the functioning of the Management Board in that period.

Between meetings, the Supervisory Board acknowledged the report on the functioning of the DMBH compliance supervision system for 2024 and the "Management information on the process of selling investment products by the Consumer Banking Sector for the period from 1 January 2023 to 31 December 2023".

At the next meeting on 21 May 2024, the Supervisory Board accepted amendments to the "Business Activity Management Policy at Bank Handlowy w Warszawie S.A.", then acknowledged information on the annual report on the management of the risk related to the outsourcing of performance of activities to third party entities under critical or important agreements, including banking or investment outsourcing agreements in 2023. Later in the meeting, the Supervisory Board adopted a resolution on convening the Annual General Meeting of Bank Handlowy w Warszawie S.A. in 2024, reviewed information on the Sustainable Finance Framework, and approved the internal division of responsibilities in the Bank's Management Board.

During the meeting on 19 June 2024, the Supervisory Board discussed the applications for the position of Vice Chairpersons of the Supervisory Board and the applications of candidates for Committees of the Supervisory Board and consulting services for the Supervisory Board. On 20 June 2024, the Supervisory Board appointed the Vice Chairperson of the Supervisory Board and decided the composition of the Board Committees.

Between meetings, the Supervisory Board reviewed management information on the derivatives sales process and information on the adoption by the Bank of internal regulations regarding the protection of flows of confidential information and professional secrets.

During the meeting held on 19 September 2024, the Supervisory Board examined the information on the fulfillment of agreements for outsourcing of the critical or important functions in the Bank in the first half of 2024. In the subsequent agenda item, the Supervisory Board discussed the information regarding Significant reports of violations of ethical standards at the Bank during the period January through June 2023. Subsequently, the Supervisory Board adopted information on the Condensed consolidated interim financial statements of Bank Handlowy w Warszawie S.A. Group for the period of 6 month ended 30 June 2024, the condensed stand-alone interim financial statements of Bank Handlowy w Warszawie S.A. for the period of 6 months ended 30 June 2024 and the Report on the activity of Bank Handlowy w Warszawie S.A. Capital Group in the first half of 2024. After making an appropriate assessment, the Supervisory Board approved changes to the internal division of responsibilities in the Bank's Management Board.

Between its meetings, the Supervisory Board approved the amended "Regulations of granting loans, cash loans, bank guarantees and sureties to special clients of the Bank".

During the meeting on 5 December 2024, the Supervisory Board adopted a resolution on the approval of amendments to the "Rules of conduct for employees of Bank Handlowy w Warszawie S.A. (Code of Conduct)" and the "Policy for managing conflicts of interest at Bank Handlowy w Warszawie S.A." and a resolution on the approval of the "Audit Plan at Bank Handlowy w Warszawie S.A. for 2025." As next items on the agenda, the Supervisory Board acknowledged information on the Financial Plan of the Bank for 2025 and approved and the Strategy of Bank Handlowy w Warszawie S.A. Group for 2025 – 2027 and the Technology Strategy of Bank Handlowy w Warszawie S.A. for 2025-2027. After that, the Supervisory Board acknowledged information on modification of the "Procedure for the notification of and restrictions for transactions concluded by managers and persons closely associated with them at Bank Handlowy w Warszawie S.A." and information on the sustainability reporting process. The Supervisory Board also adopted amendments to the "Remuneration Policy for Employees of Bank Handlowy w Warszawie S.A." and the "Remuneration Policy for Persons whose Professional Activity Significantly Influences the Risk Profile of Bank Handlowy w Warszawie S.A." Finally, after making an appropriate assessment, the Supervisory Board approved changes to the internal division of responsibilities in the Bank's Management Board.

At the meeting on 20 March 2025, the Supervisory Board adopted the following resolutions concerning events that occurred in 2024. After having examined the self-assessment of the Management Board, made by a resolution of the Management Board of 4 March 2025, and upon a recommendation of the Nomination and Remuneration Committee, the Supervisory Board positively assessed the Adequacy of the internal regulations concerning the functioning of the Management Board and the effectiveness of its activities in 2024.

9. THE RESULTS OF ASSESSMENTS OF THE FINANCIAL STATEMENTS OF THE BANK AND THE REPORT OF THE MANAGEMENT BOARD ON THE ACTIVITIES OF THE BANK WITH RESPECT TO THEIR COMPLIANCE WITH ACCOUNTING RECORDS, DOCUMENTS AND ACTUAL STATUS AND THE RESULTS OF ASSESSMENT OF THE MANAGEMENT BOARD'S MOTIONS CONCERNING THE DIVISION OF THE PROFIT

At the meeting held on 21 March 2024, the Bank's Supervisory Board, acting in accordance with the provisions of Article 382(3) of the Commercial Companies Code and in accordance with the provisions of Article 70.1(14) and Article 71.1(12) of the Regulation of the Finance Minister of 29 March 2018 regarding current and periodic information provided by issuers of securities and the conditions for recognizing the information required by legal regulations of a non-member state as equivalent, assessed positively:

- 1) annual consolidated financial statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ending 31 December 2023,

- 2) annual stand-alone financial statements of Bank Handlowy w Warszawie S.A. for the financial year ending 31 December 2023,
- 3) report of the Management Board of Bank Handlowy w Warszawie S.A. on the activity of the Capital Group of Bank Handlowy w Warszawie S.A. in 2023 prepared together with the report of the Management Board of Bank Handlowy w Warszawie S.A. on the activity of Bank Handlowy w Warszawie S.A. together with the Non-Financial Report of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ending 31 December 2023,

with respect to their compliance with accounting records, documents and the actual status.

The assessment of the Supervisory Board was made on the basis of contents of financial accounts presented by the Management Board of Bank Handlowy w Warszawie S.A., statutory auditor's reports from the audit of stand-alone financial statements and consolidated financial statements, and recommendations of the Audit Committee of the Supervisory Board.

The financial statements were audited by an audit firm KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Warsaw. In the statutory auditor's opinion, both stand-alone financial statements and consolidated financial statements of Bank Handlowy w Warszawie S.A. and of Bank Handlowy w Warszawie S.A. Capital Group, present a fair and clear view of the economic and financial situation as of 31 December 2023, financial performance, and cash flows for the financial year ended that day and they were prepared in accordance with International Financial Reporting Standards adopted by the European Union and in accordance with the adopted accounting principles (policy). In addition, stand-alone financial statements and consolidated financial statements comply, in all material aspects, as to their form and content, with applicable legal provisions and with the Articles of Association of Bank Handlowy w Warszawie S.A.

Furthermore, in the statutory auditor's opinion, also the Report of the Management Board of Bank Handlowy w Warszawie S.A. on the activity of the Capital Group of Bank Handlowy w Warszawie S.A. in 2023 prepared together with the Report of the Management Board of Bank Handlowy w Warszawie S.A. on the Activity of Bank Handlowy w Warszawie S.A., was prepared in all material aspects in accordance with the applicable legal provisions and it complies with the information contained in the consolidated financial statements.

The Supervisory Board positively assessed the recommendation concerning the distribution of profits for the financial year 2023, submitted by the Management Board.

Taking the above into consideration, the Supervisory Board finds that in the reporting period it accomplished its goals, assigned to it under applicable laws and regulations.

This report was examined and accepted by way of resolution on 29 May 2025 in order to submit it to the Annual General Meeting of Shareholders of the Bank.