

Information regarding the WIBOR and WIBID Benchmark Reform

1. Reform of the WIBOR and WIBID benchmarks

1.1. Works of the National Working Group for Benchmarks Reform.

In connection with the planned reform of the WIBOR and WIBID benchmarks, the National Working Group for Benchmarks Reform (NWG) commenced its work in July 2022. The NWG is attended by representatives of the Ministry of Finance, the National Bank of Poland, the Polish Financial Supervision Authority, the Bank Guarantee Fund, the Warsaw Stock Exchange, the National Depository for Securities, GPW Benchmark, Bank Gospodarstwa Krajowego, as well as commercial banks, cooperative banks, investment funds companies, insurances companies and industry organizations representing financial market entities. The NWG is overseen by a Steering Committee, which includes among others, the following members - The Ministry of Finance, the Polish Financial Supervision Authority, GPW Benchmark and a representative of the financial sector.

1.2. Roadmap for Benchmarks Reform.

As part of the NWG's work, a Roadmap and a Timetable were developed for the efficient and safe implementation of individual elements of the process leading to the replacement of the WIBOR interest rate benchmark with a new benchmark. During the course of work, the Roadmap and Timetable were changed accordingly.

The current Roadmap, which was made publicly available on the Polish Financial Supervision Authority website on April 18, 2025, indicates, among other things, the following key milestones of the reform:

- **2025** - selection of the POLSTR index as the recommended RFR benchmark to replace the WIBOR benchmark and preparation of the financial market institutions for the implementation of POLSTR, including the first issues of treasury bonds based on POLSTR
- **2026** – gradual introduction of the newly selected index to financial agreements and financial instruments - building a real foundation for redesign of the financial system.
- **2027** – creating space for phasing out of WIBOR and WIBID products in favor of agreements and instruments referencing POLSTR.
- **From 2028** – cessation of WIBOR development and publication; application of POLSTR.

Note: Detailed information regarding the planned actions as part of the reform is included in the *“Updated Roadmap for the Process of cessation of WIBID and WIBOR reference benchmarks development and implementation of POLSTR index”* published on April 18, 2025 on the Polish Financial Supervision Authority website: <https://www.knf.gov.pl>, in the tab Benchmarks/ News. The website also provides valuable information regarding the implementation of individual milestones of the benchmark reform, as well as general information on benchmarks.

2. The POLSTR Index as the Recommended Benchmark to replace WIBOR.

2.1. The POLSTR Index

The POLSTR is a type of Risk-Free Rate (RFR) (close to risk – free rate). POLSTR is the average interest rate weighted by the volume of PLN deposit transactions concluded with an O/N maturity on the wholesale money market (the market for unsecured deposits placed by credit institutions and financial institutions).

2.2. POLSTR Index Administrator

The Administrator of POLSTR index (entity responsible for POLSTR development) is GPW Benchmark S.A.

2.3. Calculation and Publication of the POLSTR index value

The POLSTR index value is determined and published on the business day following the date of the deposit transactions constituting the input data for the index calculation. This means that POLSTR is a backward-looking index, gradually taking into account changing economic conditions, including changes in the National Bank of Poland (NBP) interest rates.

2.4. POLSTR Compound Indices Family based on historical POLSTR values.

The Administrator also develops indices constituting the POLSTR Family of Compound indices: POLSTR 1M Compound Rate, POLSTR 3M Compound Rate and POLSTR 6M Compound Rate.

Compound Rates reflect an interest rate calculated using the compound interest method, derived by combining overnight interest rates expressed by POLSTR values for a specific predefined maturity date.

2.5. POLSTR single-Base Index

The Administrator also develops the POLSTR single-based index expressed in index points as the cumulative value of an investment earning interest according to POLSTR. The starting date for this index was set at January 4, 2021, and the starting value was set at 100 points.

On June 2, 2025, GPW Benchmark S.A. began developing the POLSTR Interest Rate Index and the POLSTR Compound Indices Family.

On June 30, 2025, the GPW Benchmark S.A. Management Board adopted, the Statement of Administrator of the POLSTR Interest Rate Index and the Statement of the Administrator of the POLSTR Compound Indices Family. Both documents are effective from July 2, 2025, and can be viewed on the Administrator's website at <https://gpwbenchmark.pl>, in the tab POLSTR and WIRON / Documentation. These documents constitute benchmark statements referred to in Article 13 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "BMR"), presented by GPW Benchmark S.A. (Administrator) as the entity exercising control over the POLSTR, authorized by the Polish Financial Supervision Authority to act as a benchmark administrator. These statements summarize the key elements of the methodology for the provision of POLSTR (the "Methodology") and the key procedures related thereto. The Methodology and the

accompanying procedures are described in detail in the documentation published on the Administrator's website.

Note: Detailed information about the POLSTR Interest Rate Index and the POLSTR Compound Indices Family (including indices documentation, values and statistics) can be found on the Administrator's website: <https://gpwbenchmark.pl>, in the tab POLSTR and WIRON.

2.6. Adjustment Spread

To meet the benchmark reform obligations, the Administrator has also provided a simulation of the POLSTR history dating back to 2019. This simulation is necessary to calculate the adjustment spread, based on the 5-year median difference between historical values of the replaced and replacement benchmarks, if the WIBID and WIBOR benchmarked are discontinued.

The use of adjustment spread is crucial when converting from the replaced benchmark to the replacement benchmark, as its purpose is to even out interest rate differences to ensure neutrality for both parties to the contract.

3. Bank Handlowy w Warszawie S.A. – preparations for the reform.

Bank Handlowy w Warszawie S.A. is participating in the works of the National Working Group for Benchmarks Reform and is preparing to implement products solutions related to the conversion to the new benchmark.