2024
Report on activities

citi handlowy

This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

In accordance with § 71 item 8 of the Ordinance of the Minister of Finance on current and periodical information provided by issuers of securities and the conditions for regarding information required by the law of non-member state as equivalent dated 29 March 2018 (Journal of Laws of 2018, item 757, as amended), report on activities of the Bank and the Group was prepared in the single report. The information in the report refer to the Group (including the Bank) or only to the Bank as specified in the individual chapters, tables or descriptions.

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I. Basic information about the Capital Group of Bank Handlowy w Warszawie S.A.

1. History of the Capital Group of Bank Handlowy w Warszawie S.A.

Founded in 1870, Bank Handlowy w Warszawie S.A. is the oldest commercial bank in Poland today and one of the oldest continuously operating banks in Europe. After 150 years in the market, Bank Handlowy has developed a strong brand. Since 2001, the Bank has been a part of Citigroup, a global financial institution, and has since operated in Poland under the brand name of Citi Handlowy.

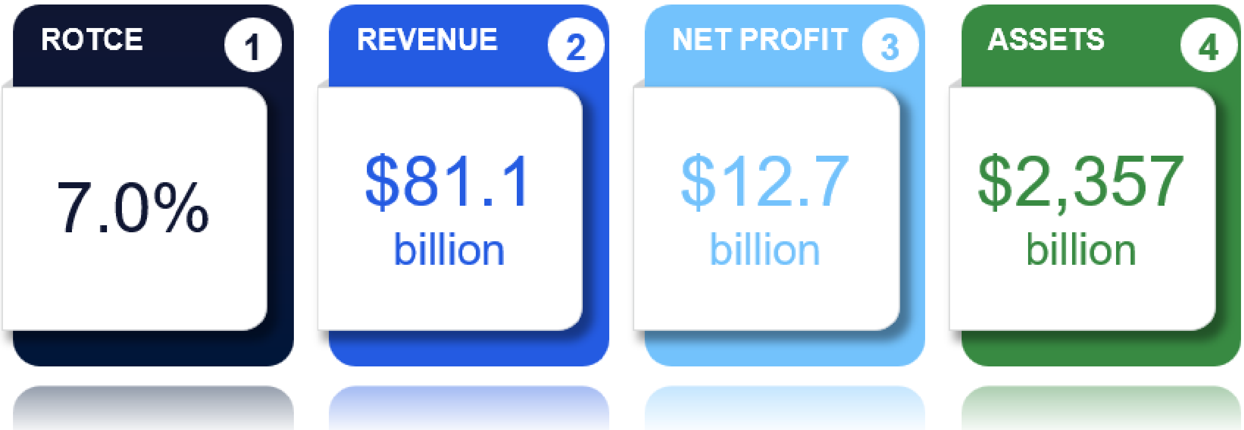
Today, under the brand name Citi Handlowy, Bank Handlowy w Warszawie SA offers a broad and modern range of products and services of corporate, investment and retail banking. Affiliation with Citi, the leading global financial institution, ensures that clients of Citi Handlowy have access to financial services in almost 100 countries. For more information, please visit https://www.citibank.pl/poland/homepage/english/history.htm

2. Ownership structure

The majority and strategic shareholder of the Bank is Citibank Europe Plc based in Dublin, Ireland – a company in the Citi group that brings together foreign investments.

Citi is a leading global provider of a wide range of financial services and products for corporations, institutional investors, public administration and individual clients, operating in more than 160 countries and jurisdictions. Citi provides services to business entities with international ambitions and is also a global leader in the field of wealth management services. Also, Citi offers banking services for individual clients in the United States. For more information, please visit website: https://www.citigroup.com/global/about-us

The Citi Capital Group in numbers for 2024 *(Citi financial data for 2024)*



Detailed information on the Bank's shareholding structure and changes in the shareholding structure made in 2024 can be found in Chapter VII Investor Information.

3. Business profile of Bank Handlowy w Warszawie S.A.

Bank Handlowy w Warszawie S.A. ('Bank','Citi Handlowy') is strategically focused on its defined target market.

In the institutional client segment, Citi Handlowy focuses on fostering its leading position among banks which provide services to international corporations and the largest local companies. Small and medium enterprises sector (SME) especially enterprises with international needs and aspirations, are another group of significant clients. In addition, the bank focuses on the acquisition of new clients (including so-called new economics participants – software producing companies) and active strengthening relations with the existing clients from selected industries. These elements are the key for further building the market advantage of the Capital Group of Bank Handlowy w Warszawie S.A.

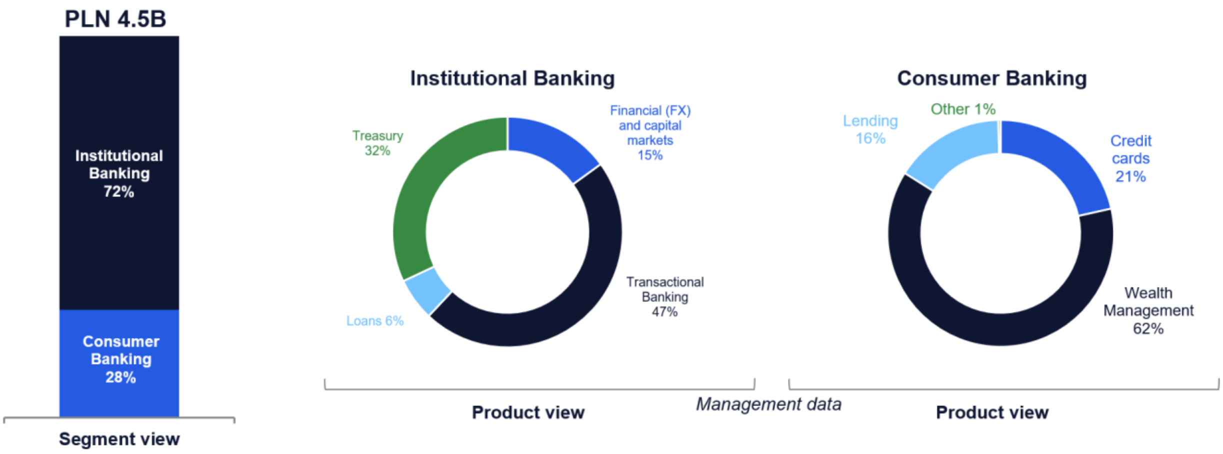
The Group's objective is to play the role of Strategic Partner to Polish enterprises, who actively supports the expansion of the Polish industry. This is tangibly reflected in the Bank's product offer with foreign exchange transactions and products associated with trade finance and secure trade transactions being its important and inextricable part. Furthermore, the Bank strives to maintain the status of one of the safest venue for keeping institutional clients' savings, which delivers many state-of-the art and useful solutions in operational accounts and day-to-day cash management.

The Bank's sound capital position and its landmark network of international connections, is also appreciated by consumer banking clients. The Bank uses its competitive edge in this regard to foster its leader position in net worth clients banking. Aim-driven, the Bank is constantly developing its offer for Citigold clients and a unique offer - Citigold Private Client, which was launched at the end of 2015 for the most affluent clients. In the retail segment, the Bank focuses on investment products and special rewards for clients who decide to use the Bank's online wealth management products. The Bank's geographic breadth thanks to its international connections, makes the offer for individual clients more attractive and a unique experience in global banking.

Moreover, Citi Handlowy is an undisputed industry leader in credit cards with access to products from Citi global product range, accepted worldwide and providing exceptional value to the client, such as, among other rewards, loyalty reward schemes.

The Brokerage Department of Bank Handlowy ("DMBH") is one of the most active actors in Poland's capital market among local members of a stock exchange and provides a wide range of brokerage services to both individual and institutional clients.

The structure of the Group's revenues in 2024 (the product view presents the management view).



4. Strategy 2025-2027 - development prospects for the Bank Handlowy w Warszawie S.A.

4.1 Bank's competitive position

The Bank is in the group of 10 largest banks in Poland in terms of balance sheet total and it holds a special strong competitive position in institutional client banking and, specifically in:

- providing services to global enterprises and Polish enterprises with international aspirations;
- foreign exchange products and trade finance products;
- securitization transactions;
- cash management;
- custody and brokerage services.

In consumer banking, the Bank retains its strong market position:

- on the credit card market ;
- in a complex Wealth Management offer for affluent clients (Citi Private Client - CPC, Citigold segments).

The group is characterized by above-average strong capital position, high liquidity and good-quality credit portfolio, which offers a convenient environment for the Group to take actions aimed at driving increases in key areas. Moreover, its global reach and unique offer for institutional clients running international business activity give the Bank a crucial competitive edge. The strong position of the Bank also results from its unique experience in handling even the most complex transactions and top-quality technology solutions, which ensure smooth and solid provision of services to demanding businesses.

The year 2024 was the last year of the 2022-2024 Strategy execution. The table below presents the implementation of the main objectives:

Strategy for 2022-2024 – financial goals:

	Goal	Implementation (2024)
Client revenue compound annual growth rate including:	CAGR +9%	+15%
institutional clients	+8%	*+8%*
Individual clients	+12%	*+26%*
Return on equity (ROE in 2024)	>12%	21,1%
Maintaining cost discipline (C/I ratio)	<50%	35%
Customer assets compound annual growth rate (% in three years)	+6%	0%
Green asset portfolio	PLN 1 billion	PLN 1.3 MM
Continuation of dividend payment , subject to regulatory approvals (% of net profit)	min. 75%	65% (of net profit for 2023)

4.2 Development prospects

In December 2024, the Bank adopted a new Strategy for 2025-2027 assuming the development of business activities and the achievement of the following financial objectives:

- Return on equity (ROE) >15% over the entire period covered by the Strategy
- Maintained cost discipline (C/I < 45%)
- Increase in institutional client's assets by an average of 7% annually over 3 years
- Continued dividend payout of at least 75% of net profit, subject to regulatory approval.

In connection with the ongoing process of exiting the Consumer Banking Segment and the absence of final decisions in this regard as at the date of adoption of the Strategy, it assumes the continuation of the Bank's operations based on two business segments – Institutional Banking and Consumer Banking.

The business activities will be developed based on the competitive advantages of Institutional Banking by, including but not limited to, using a global network (the implementation of modern payment solutions that meet the requirements of clients referred to as Digital Natives, dynamic growth in the area of trade finance and products optimizing the use of working capital). The Bank focuses on dynamic development in the Commercial Banking segment through, including but not limited to, the development of the offer for clients conducting cross-border operations. In addition, the Bank will develop initiatives that are in line with the national strategic priorities, such as energy transition and growing defense investments resulting from the geopolitical situation. The Bank will support enterprises in their pursuit of a more sustainable business model and participate in clients' transactions in investment banking. An important element will also be the acquisition of new clients, specifically in the segment of international companies and Commercial Banking. Invariably, the Bank wants to maintain its leading position in the segment of global companies.

In the Consumer Banking Segment, the Bank will continue to offer clients the best service and products. The Bank will focus on maintaining the value and profitability of this segment.

At the same time, an integral part of the Bank's Strategy is the sustainable development strategy. As part of the implementation of activities in this area, the Bank will focus on supporting its clients in the process of sustainable transformation (by, among other things, providing PLN 2 billion of financing classified as sustainable), improving ESG risk management processes and continuing the transformation of its own operations.

4.3 Institutional banking

The Bank is invariably focused on the largest international corporations, capital groups investing in Poland and Polish enterprises actively participating in international transactions, or operating or planning to move some of their operations abroad. At the same time, financial sector entities, central institutions of the public sector, as well as local governments play an important role in the Bank's client portfolio. In terms of sectors, the Bank is particularly interested in cooperation with enterprises involved in Poland's energy transition, modern services in the digital sector and e-commerce.

Taking advantage of the global reach of the Citi Group, extensive experience and a wide range of modern solutions, the Bank strives to establish extensive cooperation with clients, offering them not only comprehensive services in the financial domain (by, among other things, offering products in the field of treasury and trade solutions, trade finance, cash and working capital management, risk-hedging financial instruments, ending with the most complex transactions on the capital and debt markets), but also partnership in the transformation of the business model, enabling development in a dynamically changing operational and regulatory environment. Being aware of a number of regulatory and business challenges faced by companies operating in Poland, the Bank wants to share its expertise with regard to obtaining financing, operating on global markets, and last but not least a deep understanding of ESG topics, with both private and public entities in order to enhance their innovation and competitiveness.

Through the Brokerage Department, the Bank plans to develop long-term cooperation with institutional clients interested in transactions on domestic and foreign capital markets, by actively participating in conducting initial public offerings (IPOs), secondary public offerings (SPOs), accelerated equity offerings (AEOs) and tender offers to subscribe for the sale or exchange of shares. The Group provides its customers with access to foreign capital through Citi's global distribution network and enables them to conclude investment banking transactions and offers its clients a wide range of capital market transactions, both in terms of products and geography, which is an unquestionable competitive advantage. The Group aims to further support its institutional clients and develop cooperation regarding products of investment banking and capital markets.

As part of efforts taken to enhance the attractiveness of the Bank's offer, further investments are planned in digitization and automation of processes, as well as leveraging new technologies, such as artificial intelligence and data analytics – to enable the deepest possible integration of the Bank's infrastructure with clients' systems and to provide easy-to-use solutions while maintaining the highest level of cybersecurity.

4.4 Consumer banking

In accordance with the Strategy for 2025-2027, the Bank will continue to offer services to individual clients broken down into the segment of affluent clients (Citigold and Citigold Private Client), mass banking clients and card clients, or those who only use unsecured products.

Taking into account the current market conditions in Poland, namely the high level of competition, high supply of banking services on the mass market, characterized by an aggressive pricing policy, the Bank will remain focused on segments in which it can achieve an advantage. The Consumer Banking Segment will strive to leverage its competitive advantages, specifically in wealth management and customer experience. Further growth of the market share in the Citigold and Citigold Private segments is planned, supported by a wealth management offering based on an expanded open platform and advisory in a high-trust and commitment model. In addition, the Bank plans to maintain the highest quality of customer service in all channels and segments in order to continuously improve the Bank's reputation as the best institution in terms of service quality. At the same time, timely and effective handling of all types of complaints and issues that can affect the Bank's reputation will be ensured.

Where possible, it is planned to introduce intuitive, digital solutions that embrace customer self-service in order to provide them with free access to the Bank's products and services anywhere and at any time. At the same time, the highest standards of security and fraud prevention will be ensured. The Bank also plans to develop brokerage services provided under an integrated model within the Bank, providing access to the global market as well as to the domestic market.

5. Major results and developments in 2024

5.1 Summary financial data of the Bank and the Group in 2024

In 2024 the Group recorded net profit amounting to PLN 1,760,5 million, which was lower by PLN 495,9 million (i.e. 22.0%) comparing to the profit for 2023. The decrease in net profit resulted mainly from the impairment losses on assets in the Consumer Banking segment in the total amount of PLN 432.5 million, which consists of impairment loss reducing goodwill by PLN 180 million and impairment loss reducing the value of non-current assets by PLN 252 million. At the same time, the Bank recorded higher operating costs, which increased by PLN 107.8 million (i.e. 7.5% YoY) due to wage and inflation pressures.

The stand-alone net profit of the Bank (distributable) for 2024 amounted to PLN 1,792.0 million and was lower by PLN 463.2 million than the profit for 2023.

At the same time, in 2024, the Group maintained a strong and safe capital position, achieving a total capital ratio of 21.2% and TLAC TREA ratio of 24.4% as at the end of December 2024. TLAC TREA ratio is 3.2 p.p. above the TLAC capital requirement.

PLN million	Bank		Capital Group	
	2024	2023	2024	2023
Total assets	72,569.2	72,664,8	72,478.1	72,573.3
Equity	9,855.5	9,668,0	9,868.5	9,729.5
Amounts due from customers*	21,367.2	20,054,5	21,367.2	20,054.5
Deposits *	53,542.8	53,347.3	53,437.2	53,192.8
Net profit	1,792.0	2,255.2	1,760.5	2,256.3
Capital adequacy ratio	20.9%	23.2%	21.2%	23.6%

** Amounts due from and deposits of non-banking entities of the financial sector, entities of the non-financial sector, including the public sector.*

5.2 Key achievements in 2024

2024 was the year of implementing the growth strategy in the key areas for the Group, which is confirmed by the following achievements and events:

- **The Bank granted a total of PLN 5.2 billion in financing for clients of Institutional Banking**, of which PLN 2.2 billion for Global Clients, PLN 2.2 billion for Commercial Banking Clients and PLN 0.8 billion for Corporate Clients;
- **The volume of loans granted to Institutional Banking clients increased by 8.5% compared to 2023**;
- **The Bank organized a bond issues for international financial institution in the total amount of PLN 3.6 billion and and the issue of Eurobonds for BGK in the total amount of €1.05 billion;**
- **The Bank carried out an Accelerated Share Sale transactions in the company Allegro.eu S.A. in the amount of PLN 1.9 billion and Santander Bank Polska S.A. with a value of PLN 2.46 billion** - DMBH acted as the Global Coordinator in this transactions;
- **The Bank granted sustainable financing in the amount of PLN 1.3 billion and thus achieved its strategic goal for 2022–2024, which was set at PLN 1 billion;**
- Also, **the Bank supported initiatives in the area of sustainable growth**, among others by signing a factoring agreement with a company from the retail sales industry, based on the implementation of goals in the area of responsible business and sustainable growth;
- The Bank developed its platforms and conducted extensive commercialization of the **CitiDirect electronic banking system - as a result, an increase in transactions processed electronically by 3% YoY was recorded;**
- The Bank's focus on automating processes and settlements in real time resulted in **increase in the volumes of Express Elixir instant payments by 25%** compared to 2023;
- In the Consumer Banking area, the Group continued its **growth in the Wealth Management area,** as evidenced by an **increase in the number of affluent clients (Citigold Private Client) by 7% YoY and number of CitiGold Clients by 9% YoY**;
- **Deposits from individual customers increased by 5% YoY, while the balances of savings accounts and term deposits increased by 12% YoY,** which shows that the Bank has built an attractive offer for it's strategic group of clients;
- Increases were also observed in the area of investment products **- the total value of funds managed in investment products** purchased by individual clients through the Bank **was 16% higher** than the value at the end of the corresponding period in 2023;
- The observed return of **customer interests in cash loans resulted in an increase in sales of these products by 27% YoY,** while the continuing demand on the real estate market resulted in **an increase in sales of mortgage products by 34% YoY;**
- The Bank also focused on improving customer experience, incl. digital tools such as CitiKantor. **In the Consumer Banking segment the number of FX transactions processed via CitiKantor increased by 12% YoY.**

6. Awards and honors

In 2024, Citi Handlowy was recognized for its business activities and ESG activities. The Bank received many prestigious awards and distinctions:

Citi Handlowy with the award from Krajowy Depozyt Papierów Wartościowych (the Central Securities Depository)

The Bank was awarded by KDPW for its activity on the regulated spot market – active support for investors, flexible approach to changing market conditions and high quality of customer service. The awards were granted during the ceremony summarizing the 30th anniversary of the Central Securities Depository.

Citi Handlowy wins "ESG Eagles" award from "Rzeczpospolita" daily

The jury awarded the Bank for diversity and equal participation of women and men on the Management Board and Supervisory Board of Citi Handlowy. Citi Handlowy was among the first companies listed on the Warsaw Stock Exchange that achieved a parity on its most important corporate bodies. The jury also appreciated actions for equality and diversity, activities of employee networks, including the Citi Women Network, Disability Network, and Citi Pride, charitable activities and joint sports activities as part of Live Well at Citi, and many years of activities in cooperation with the Polish Paralympic Committee to support a more integrated society. It was also emphasized that the "pay gap" ratio at the Bank is 93%, and the Bank's credit policy takes into account environmental and social factors in its lending processes.

Citi Handlowy with the Ethical Company title

For another year in a row, Citi Handlowy was awarded the title of Ethical Company by Puls Biznesu. The award promotes the principles of ethical business and distinguishes the best practices on the market. The awards are given to companies that can boast an untarnished reputation, transparency of business activities, fairness and responsibility.

WELCOME! social project wins Diversity Charter Award

The second edition of the WELCOME! Program, which supports Polish and Ukrainian women, was recognized in the 2023 Diversity Charter Awards of the Responsible Business Forum for projects that promote diversity at work. WELCOME! is a project that supports the professional development of Polish and Ukrainian women, both in effectively searching for a stable job, raising their competences, building a mutual support network and/or developing their own business. 308 women from Poland and Ukraine took part in this edition of the program. The project was implemented by the "Work, Mom" Foundation with professional and financial support from the Citi Handlowy Foundation and the Citi Foundation.

Citi Olsztyn with the Diamond Laurel from the Region's Marshal

The Diamond Laurel was awarded to Citi Olsztyn for special contribution to promotion of the Warmia and Mazury region in Poland and abroad in 2023. "The Best of the Best" Laurels awarded by the Warmia-Mazury Marshal is a plebiscite to select the most committed ambassadors of the region.

Citi Group named Employer of the Year by "Gazeta Olsztyńska" daily

Citi Group – Citi Handlowy and Citi Solutions Center – is the Employer of the Year 2023 according to *Gazeta Olsztyńska*. Citi has been developing its operations in the city of Olsztyn for nearly 25 years, including involvement in projects and activities that are important to the local community.

Citi Handlowy makes the Forbes ranking "Poland's Best Employers 2024"

Citi Handlowy was among the companies recognized in the Forbes magazine's ranking of top employers in 2024. It was ranked 4th in the "Banks and Financial Services" category. It was the fourth edition of this ranking of the best employers in Poland. According to the jury, the awarded institutions moved swiftly from managing people in a crisis environment to operating in a market where technologies are gaining strength and employees are becoming more and more empowered. The report covered several hundred best employers from 25 industries.

Citi Handlowy Cash Loan in Top 3 in the Golden Banker contest

Citi Handlowy took the third place in the Golden Banker contest. The Bank performed very well in financing cost comparisons in almost every scenario and achieved an excellent result in terms of the process and e-service.

Citi Handlowy once again with the maximum score in the Cashless.pl ranking of financial institutions that care about LGBT+ professional and social equality.

In the ranking featuring companies caring about professional and social equality of LGBT+ people, prepared by Cashless.pl, Citi Handlowy together with Citi Solutions Center received the maximum result of 100 points. The ranking is part of the Cashless for Equality project, during which surveys are sent out to dozens of companies in the financial industry. Surveys include questions about initiatives supporting the LGBT+ community, such as anti-discrimination training, additional social benefits and advertising activities.

Honorary distinction from the Polish Bank Association "Leaders and Partners of Management and Finance of Local Government Entities"

For many years, Citi Handlowy acting as a partner has been supporting local governments in building modern solutions in the field of finance. The Polish Bank Association awarded the Bank with the honorary distinction "Leaders and Partners of Management and Finance of Local Government Entities" for the effects of activities on the banking and local government market, building cross-sectoral dialogue and facilitating access to banking finance for local government entities. The Badge of Honor was awarded by the Polish Bank Association to Citi Handlowy's employees for their outstanding contribution to the development of Polish banking, work for the development of the local government organization of Polish banks, implementation of the latest technological solutions and raising the economic knowledge in the society.

Citi Handlowy headquarters were distinguished during the World Architecture Festival in the office space category

The renovated Citi Handlowy office in the Jabłonowski Palace at 16 Senatorska Street in Warsaw was recognized as one of the most beautiful office spaces in the world during the World Architecture Festival 2024. The Bank's headquarters were appreciated for innovation and successful combination of modern solutions with the architectural spirit of the premises. The result of the revitalization are spaces fully adapted to the dynamic nature of work of a financial institution, ensuring comfort for both employees and customers.

II. Poland's economy in 2024

1. Main macroeconomic trends

1.1 External environment

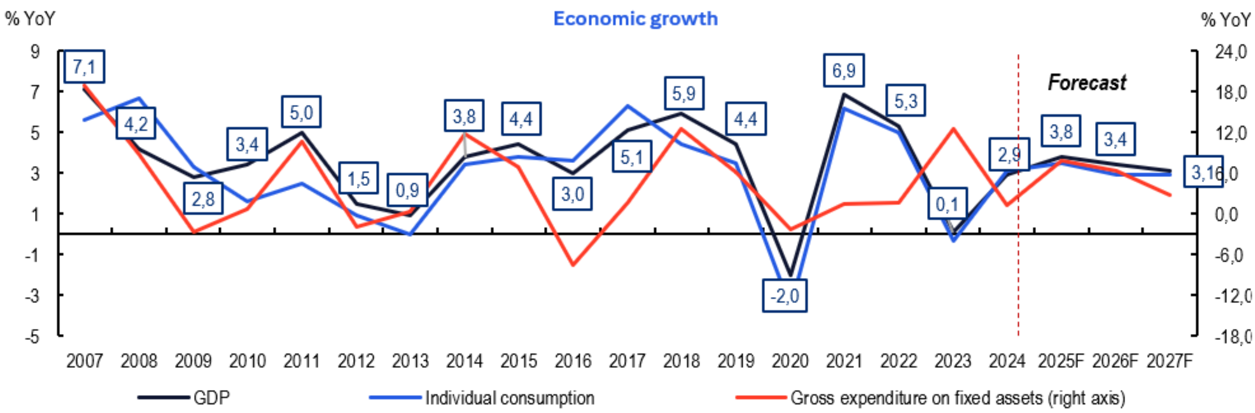
Economic growth in 2024, despite elevated inflation and higher interest rates, remained close to the long-term trend in many economies. Global GDP in 2024 is likely to have slowed down slightly to around 2.7% YoY compared to a 2.8% YoY increase in 2023.

In 2024, inflationary pressures gradually eased, which allowed major central banks to start easing monetary policy. 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. The Federal Reserve rate at the end of 2024 stood at 4.25 – 4.5%.

In 2025, global economic growth is likely to be around 2.6% of the GDP. In the eurozone, growth is likely to accelerate slightly, but it is likely to remain below the long-term average. We expect that there will be room for further interest rate cuts. A factor that raises uncertainty for global economic activity is the foreign policy of the new US administration and the possible consequences of the imposition of import tariffs. In the United States itself, this could result in intensified inflationary pressures and therefore a more restrictive monetary policy of the Federal Reserve, while for the rest of the world it poses a risk of lower growth.

1.2 Gross Domestic Product („GDP")

Contribution to GDP growth (%) – forecast of January 31, 2025



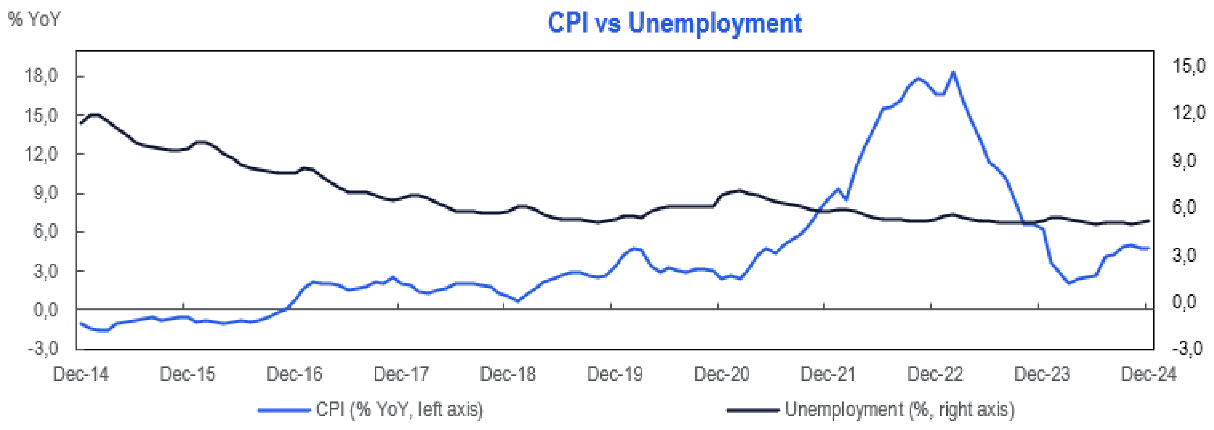
Source: Chief Statistical Office, Citi Handlowy forecasts

Gross Domestic Product rose 2.9% in 2024, as compared to 0.1% in 2023. The GDP data turned out to be slightly weaker than the forecasts made at the beginning of 2024, but at the same time were above expectations from the end of the year. Private consumption increased by 3.1% YoY vs. a 0.3% YoY decline in 2023, while fixed capital formation increased by 1.3% YoY vs. a 12.6% YoY increase a year earlier. The annual GDP data are the harbinger of a better-than-expected growth in the fourth quarter of 2024. The biggest surprise turned out to be inventories, with a better result of fixed capital formation and consumption at the same time. The unemployment rate at the end of 2024 did not change compared to 2023 and levelled at 5.1%. Employment, on the other hand, declined by 0.4% YoY during 2024.

The year 2024 was characterized by a strong labor market. Average nominal salary in the enterprise sector grew at a double-digit rate and only slowed down to 9.8% YoY in December compared to 9.6% YoY at the end of 2023. The relatively large minimum pay raise in January 2024 contributed to the strong salary growth. Industrial output growth rose slightly to 0.9% YoY from -2% YoY in 2023, and construction output slowed down to -7.4% YoY from 4.3% YoY in 2023.
Economic growth in 2025 in Poland will be boosted by an increase in investments as a result of the inflow of EU funds and private consumption.

1.3 Inflation

CPI vs Unemployment



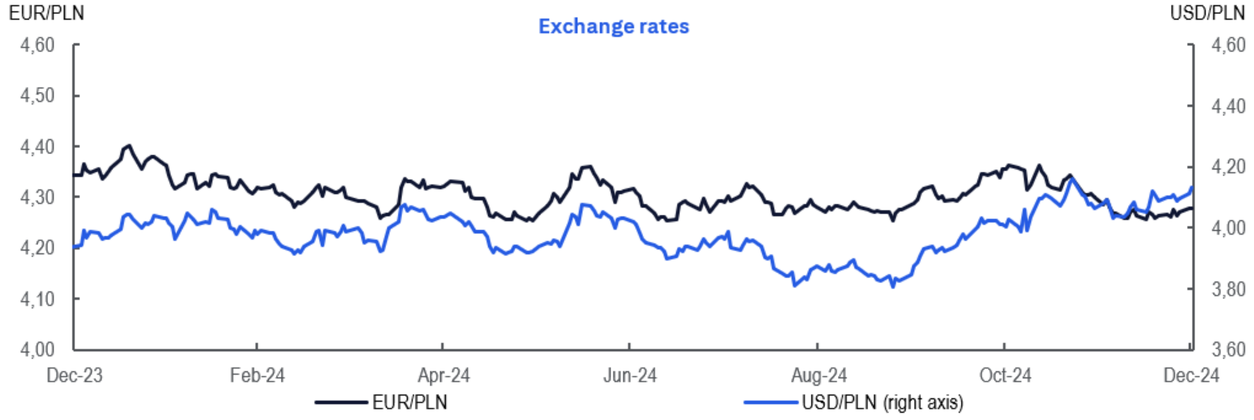
Source: *NBP, Chief Statistical Office, Citi Handlowy*

Price levels of consumer goods and services in 2024 rose on average by 3.6%, as compared with 11.5% in 2023. In the first six months, inflation turned out to be lower than forecast and ran close to the inflation target of the National Bank of Poland, on average levelling at 2.7% YoY. The partial deregulation of energy prices in July resulted in an increase in the consumer price index in the second half of the year to around 5%. The year-average net inflation went up to 4.3% in 2024 from 10.1% in 2023. We expect inflation to peak at around 5% in the first few months of 2025, partly due to the planned hikes in indirect taxes. From the second quarter of 2025, the inflation rate is likely to start to gradually fall to around 3.5% by the end of the year, thus approaching the upper limit of deviations from the target set by the National Bank of Poland.

Since October 2023, the Monetary Policy Council has not decided to change interest rates. As a result, the reference rate stayed at 5.75% throughout 2024.

2. Money and forex markets

2.1 Exchange rates



Source: *Reuters, Citi Handlowy*

In 2024, the Polish zloty appreciated by about 1.8% versus the euro but declined by about 3.9% to the U.S. dollar (vs. the end of 2023). The overwhelming part of 2024 was characterized by a strong zloty, which was related, among other things, to the start of interest rate cut cycles by the world's major central banks, while interest rates in Poland remained unchanged. The EUR/PLN rate decreased from 4.34 as at the end of December 2023 to around 4.28 as at the end of the year 2024 and the USD/PLN rate increased from 3.94 to 4.10.

The money market rates were marked by low volatility in 2024. The WIBOR 3M rate was 5.84% at the end of December 2024, compared to 5.88% at the end of December 2023. In 2024, the yield on 2-year T-bonds increased to 5.10% as at the end of 2024 from 5.06% as at the end of 2023. The yield on 10-year bonds increased by 64 bps, to 5.89% as at the end of 2024 from 5.25% as at the end of 2023.

3. Capital market

The year 2024 was marked by stabilizing inflation and the continuation of prudent policy of central banks. In Poland, after the 2023 election, the market reacted with big optimism, expecting quick reforms and an improvement in the economic situation. In 2024, when it turned out that it was more difficult to deliver on promises than expected, sentiment stalled and indices saw their lows.

In such an environment, some of the main GPW (WSE) indices showed single-digit losses, while others showed gains. In 2024, the broadest market index, WIG, gained 1.4% YoY. The index of the biggest companies, WIG20, recorded the most significant fall by 6.4% YoY. The highest growth was seen in the dividend companies index WIG-div, with its value change hitting 10.8% YoY. The mWIG40 index recorded the second highest growth, ending 2024 at a level by 5.8% higher than the end of 2023.

In terms of sectors, the following sub-indices showed the largest gains: The WIG-Odzież (WIG-Clothes) gained 23.4% YoY, the WIG-Spożywczy (WIG-Food) grew by 22.3% YoY and the WIG-Informatyka (WIG-Info) rose by 22.9% YoY. On the other hand, the greatest depreciation was recorded by WIG-Chemia (WIG-Chemistry), which lost 26.8% YoY. In addition, pressure on the quotations was observed in WIG-Paliwa (WIG-Fuel) (-22.0% YoY) and in WIG-Media (-17.6% YoY).

2024 saw a low activity level in the IPO market. Over the last 12 months, stocks of 1 company went public on the main floor of the WSE (as in 2023), but 8 companies were moved from the New Connect market. The value of the offering amounted to PLN 6.45 billion, which makes it one of the largest offerings completed on the WSE in recent years. Simultaneously, the delisting of companies from the WSE also continued. In 2024, the shares of 10 companies were removed from the WSE main floor (against 12 in 2023). Consequently, at the end of December 2024, 409 companies were traded on the WSE (compared to 413 a year before), including 43 foreign ones. Total capitalization of companies listed on the main floor reached PLN 1,496.6 billion (+3.9% YoY), 48.6% of which was represented by domestic companies (PLN 727.3 billion in nominal terms).

Stock market indices, as at 31 December 2024

Index	2024 (1)	2023 (2)	Change (%) (1)/(2)	2022 (3)	Change (%) (2)/(3)
WIG	79,577.32	78,459.91	1.4%	57,462.68	38.5%
WIG-PL	83,145.56	81,539.59	2.0%	58,864.46	41.2%
WIG-div	1,712.82	1,545.59	10.8%	1,088.23	57.4%
WIG20	2,192.01	2,342.99	(6.4%)	1,792.01	22.3%
WIG20TR	4,615.99	4,678.55	(1.3%)	3,465.54	33.2%
WIG30	2,805.76	2,907.55	(3.5%)	2,187.63	28.3%
mWIG40	6,122.32	5,785.21	5.8%	4,154.32	47.4%
sWIG80	23,594.64	22,904.49	3.0%	17,496.16	34.9%
Sector sub-indices					
WIG-Banks	12,345.94	11,062.01	11.6%	6,251.97	97.5%
WIG- Construction	6,786.32	7,628.56	(11.0%)	4,081.96	66.3%
WIG-Chemicals	7,642.64	10,434.67	(26.8%)	10,887.39	(29.8%)
WIG-Energy	2,491.54	2,806.75	(11.2%)	2,108.92	18.1%
WIG-Games	14,000.06	15,669.10	(10.7%)	16,816.67	(16.7%)
WIG-Mining	3,822.78	4,315.32	(11.4%)	4,612.64	(17.1%)
WIG-IT	5,673.05	4,616.29	22.9%	3,974.54	42.7%
WIG-Medicines	3,134.33	2,768.40	13.2%	2,923.20	7.2%
WIG-Media	6,863.45	8,328.80	(17.6%)	6,032.39	13.8%
WIG-Automotive	7,946.26	9,254.33	(14.1%)	6,485.02	22.5%
WIG-Developers	4,148.98	3,545.06	17.0%	2,624.35	58.1%
WIG-Clothing	11,063.68	8,962.90	23.4%	5,889.48	87.9%
WIG-Oil & Gas	5,222.62	6,697.89	(22.0%)	6,010.43	(13.1%)
WIG-Food	2,692.89	2,202.63	22.3%	2,016.48	33.5%

Source: WSE, Dom Maklerski Banku Handlowego S.A.

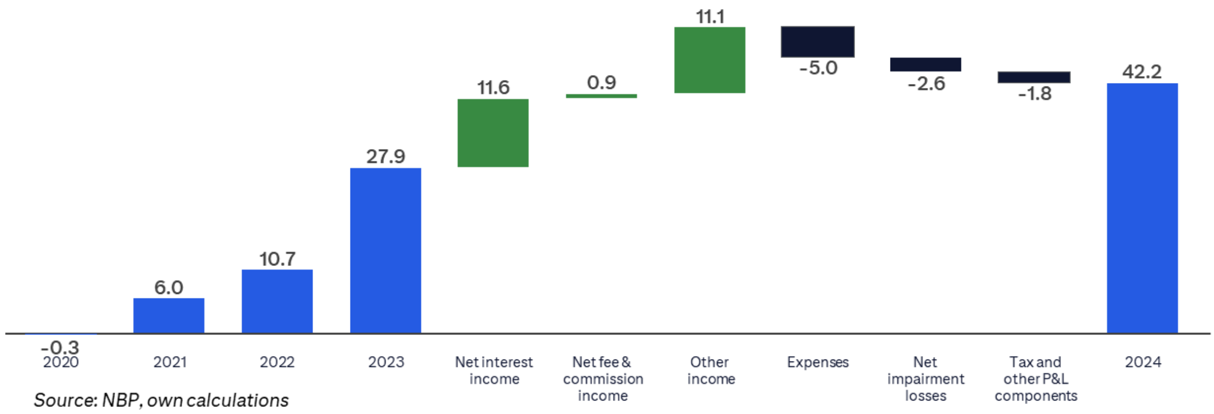
Value of trading in shares and bonds, volume of trading in derivatives on WSE, as at 31 December 2024

	2024 (1)	2023 (2)	Change (%) (1)/(2)	2022 (3)	Change (%) (2)/(3)
Shares (PLN million)*	689,516	564,122	22.2%	586,221	17.6%
Bonds (PLN million)	9,659	8,071	19.7%	11,802	(18.2%)
Futures (‘000 contracts)	26,733	28,835	(7.3%)	30,560	(12.5%)
Options (‘000 contracts)	423	520	(18.6%)	628	(32.6%)

*Source: WSE, Brokerage Department of Bank Handlowy, *data including session and block transactions.*

4. Banking sector

Net profit of the banking sector (PLN billion)



Source: NBP, own calculations

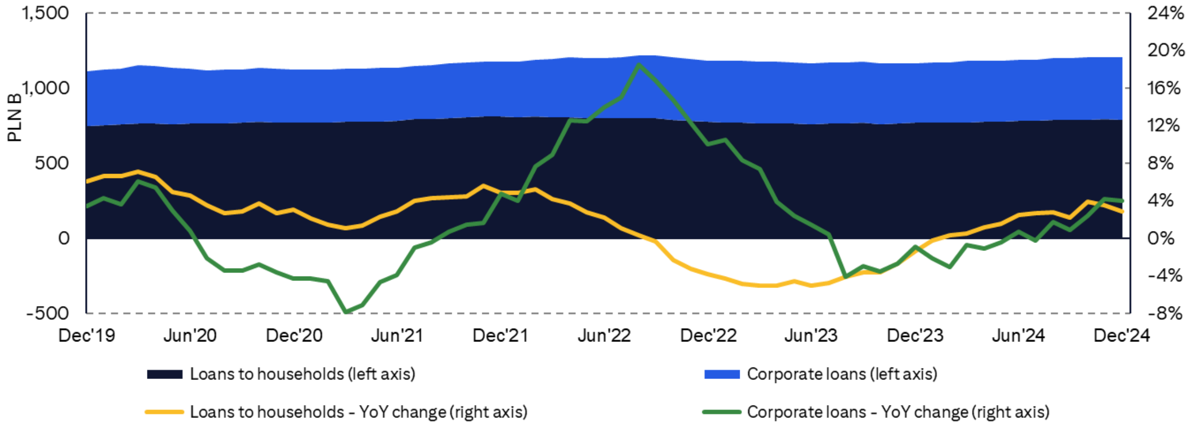
4.1 Financial results

According to data published by the Polish Financial Supervision Authority (“KNF”), the banking sector generated a net profit of PLN 42.2 billion in 2024, i.e. higher by +51% YoY, or PLN 14.2 billion, than in the previous year. Such a significant increase was due to, above all, record-high revenues, which exceeded PLN 131.2 billion (+22% YoY, or PLN 23.6 billion). On the one hand, they resulted from a steady increase in the net interest income (+12% YoY, or PLN 11.6 billion, up to PLN 107.1 billion) driven by both growing interest income and declining interest expenses. On the other hand, other revenues had a similar impact (nearly PLN 4.5 billion in revenues in 2024 vs. a loss of PLN -6.6 billion posted for 2023), having been under strong pressure from legal costs related to the ongoing CHF loan litigations in 2023. Meanwhile, net commission income recorded a much lower increase (+5% YoY, or PLN 862 million, to PLN 19.6 billion).

In 2024, the banking sector significantly improved its cost effectiveness (cost/income ratio of 39%). While the cost dynamic reached a double-digit value (+11% YoY), it was half the revenue dynamic. Administrative costs reached almost PLN 45.2 billion (+11% YoY, PLN 4.5 billion), driven by the continuously high wage pressure, which was reflected in the rising personnel costs (+13% YoY, with employment growth of 1% YoY), and inflation-related costs. The zero contribution to the Bank Guarantee Fund collected by the BFG for a second consecutive year was a visible relief, despite the simultaneous increase in the contribution to the Compulsory Resolution Fund (+7% YoY). Depreciation and amortization expenses also increased significantly (+10% YoY, or PLN 485 million, to nearly PLN 5.5 billion).

Meanwhile, higher net impairment write-offs and provisions posted in 2024 (+16% YoY, or PLN 2.6 billion, up to PLN 18.8 billion) had a negative impact on the result. The estimated amount of the bank levy paid by the banking sector amounted to PLN 5.8 billion, which also marks a significant increase (+10% YoY or PLN 544 million). At the same time, the banking sector paid PLN 13.4 billion on account of income tax.

Loans to households and corporates

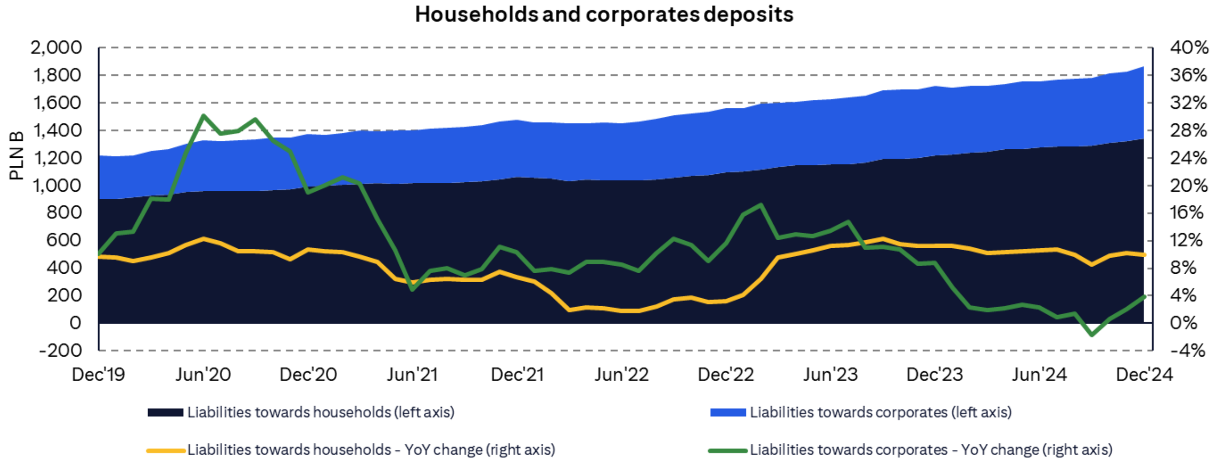


Source: NBP, own calculations

In 2024, a rebound in the dynamics of the volume of loans in the non-financial sector was seen, amounting to -1.9% YoY at the end of December 2023, and as much as +3.9% YoY a year later (an increase by PLN 51 billion). The improvement in growth was possible both thanks to higher growth rates in loans to households (+2.9% YoY, PLN 22 billion at the end of 2024 to PLN 789 billion, compared to -1.3% YoY at the end of 2023) and to non-financial enterprises (+4.9% YoY, PLN 18 billion at the end of 2024 to PLN 391 billion, compared to -0.7% YoY at the end of 2023). At the same time, while the segment of loans to households still showed a significant decline in the volume of loans in foreign currencies, and an improvement was recorded only in the area of PLN loans, in the segment of loans to non-financial enterprises the growth rate was almost identical for both loans in the domestic currency and in foreign currencies. In terms of loan category, the highest growth rate in loans to non-financial enterprises was seen in the current loans category (+6.9% YoY, PLN 11 billion), but a high growth rate was also recorded in investment loans (+5.8% YoY, PLN 9 billion), while volumes contracted only in the real estate loans category (-2.2% YoY, PLN 1 billion). In terms of the maturity structure, the highest growth rate was seen in the group of loans with the shortest maturity (up to one year) amounting to +7.9% YoY, PLN 8 billion, followed by long-term loans with maturities above 5 years (+5.2% YoY, PLN 9 billion), while the volume of loans with a maturity of 1 to 5 years grew with a relatively low growth rate by 3.5% YoY (PLN 4 billion).

In the consumer segment, there was a visible recovery in demand for mortgage loans. The volume of PLN-denominated mortgage loans increased by 8.4%, or PLN 34 billion, year over year as at the end of December 2024, while foreign currency loans fell by 23.4% YoY (PLN 18 billion). Growth was also observed in the segment of consumer loans, with their volume increased by 6.0% YoY (PLN 12 billion). However, negative dynamics occurred for the portfolio of current loans to sole proprietor firms and private farmers (by -5.0%, or PLN 3 billion, YoY), as well as in the category of investment loans (by -13.6%, or PLN 2 billion, YoY). In terms of time to maturity, the largest growth was in the segment of loans with time to maturity between 1 and 5 years (by +11.7%, or PLN 10 billion, YoY). The volume of loans with maturities above 5 years was growing much less dynamically (+2.3% YoY, PLN 15 billion), while in loans granted for less than a year a decrease of 7.2% YoY (PLN 3 billion) was recorded.

Data related to quality of the loan portfolio as at the end of December 2024 show further improvement in the ability of customers to service their debts in most portfolios. The share of Stage 3 loans of non-financial clients together with public sector (more than 90 days past due) fell from 5.0% at the end of 2023 to the all-time low of 4.7%. The greatest improvement (-1.6 p.p. YoY) was recorded in the portfolio of household consumer loans, which accounted for 6.4% of Stage 3 loans at the end of December. The same indicator for mortgage loans fell to merely 1.6%, primarily due to improvement in FX loans, and also due to a positive trend in PLN loans. Meanwhile, we saw an unprecedented event of this indicator being the same for loans to big companies and to SMEs, at 6.9%. As much as in the latter category it resulted from a long-term positive trend (-1.3 p.p. YoY), in the category of loans to big companies Q4 2024 saw events that contributed to a higher share of NPLs (+3.5% YoY).



Source: NBP, own calculations

In 2024, the rate of inflow of deposits from non-financial entities increased from +8.9% YoY (PLN 162 billion) as at the end of 2023 to +10.3% YoY (PLN 204 billion) as at the end of December 2024. This was mainly due to an increase in the volume of public sector deposits (both central government institutions and local government institutions and social security funds), which increased by a total of +35.1% YoY (PLN 64 billion). At the same time, the growth rate of household deposits slightly waned levelling at +9.9% YoY, PLN 121 billion, while in absolute terms it mainly concerned current deposits (+12.1% YoY, PLN 101 billion), while the increase in the volume of term deposits was significantly weaker (+5.2% YoY, PLN 20 billion). The entire portfolio reached PLN 1,339 billion.

In the corporate segment, a much larger slowdown in deposit growth was recorded (+3.9% YoY, PLN 20 billion at the end of 2024, compared to +8.7% YoY at the end of 2023), with the growth rate in current deposits close to zero, and the volume of term deposits increased by 12.6% YoY (PLN 19 billion). In total, the volume of deposits of non-financial enterprises approached the level of almost PLN 525 billion.

Higher dynamic of deposits than that of loans translated into further increase in liquidity in the banking sector. The loan-to-deposit ratio of non-financial clients fell by 3.7 p.p. YoY, setting its new all-time low at the level of 61%.

5. Factors with an impact on the financial results of the Bank's Group in 2025

5.1 War in Ukraine

On February 24, 2022, an unprecedented event took place – the invasion of the independent state of Ukraine by Russian troops. The ongoing war in a country neighboring Poland has a significant impact on the economic and operational environment in which the Bank operates. The Management Board of the Bank monitors the situation of the war in Ukraine and its direct impact on the Bank's operational activity, including the quality of the credit portfolio, which was described in the note "Risk management" in the Annual Consolidated Financial Statement of the Capital Group Bank Handlowy w Warszawie S.A. for the financial year ending on December 31, 2024.

The operating activity of the Bank

The Bank's Management Board monitors the situation of the war in Ukraine and its direct impact on lending activities and operational risk (mainly threats in cyberspace). In the case of lending activities, the Bank does not operate in Ukraine, Russia or Belarus, and the Bank's credit exposure to companies significantly involved in these countries is insignificant.

5.2 Trends in the Polish and global economy

The armed conflict between Russia and Ukraine remains the most serious risk factor in the coming quarters. 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 breakdown of the ceasefire agreement in the Middle East and a possible escalation of the conflict could have similar implications.

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.

5.3 Legal and regulatory risks

Legal risk related to the portfolio of loans indexed to foreign currencies

The Bank is carefully following the changes of the legal environment arising out of the courts' case law regarding mortgage loans indexed to foreign currencies. On 15 June 2023, the Court of Justice of the European Union (CJEU) in case C 520/21 ruled that only the consumer may demand additional benefits resulting from the cancellation of the Swiss franc loan agreement. The Bank may only demand the return of the loan capital together with statutory interest for delay without the possibility of demanding remuneration from the customer (consumer) for non-contractual use of capital. It has been held that Directive 93/13 does not directly govern the consequences of the invalidity of a contract concluded between a seller or supplier and a consumer after the unfair terms have been removed. It is for the Member States to determine the consequences of such a finding and the measures which they adopt in that regard must comply with EU law and, in particular, with the objectives of that directive. It will be for the national courts to assess, in the light of all the circumstances of the dispute, whether the acceptance of such consumer claims is compatible with the principle of proportionality.

When estimating the risk resulting from court litigations regarding indexation clauses in mortgage loan agreements, Bank Handlowy w Warszawie S.A. continuously did not factor in receivables under its claims against borrowers for the payment of amounts equivalent to a fee for using the loan capital, therefore, the Bank does not have to revise its assumptions.

As at December 31, 2024, the Bank had receivables under CHF-indexed retail mortgage loans at the gross carrying amount of PLN 27.2 million. In addition to the provisions for individual disputes the Bank maintained a collective provision in the amount of PLN 22.8 million as at December 31, 2024 (compared to PLN 10.2 million as at December 31, 2023). Estimation of the provision assumes the expected level of probability of settlement or litigation resolution and an estimate of the Bank's loss should a dispute be settled in court. This value, as well as provisions for individual litigation cases, is included in the group's consolidated semi-annual financial statement under Provisions.

As at December 31, 2024, the Bank was sued in 85 cases relating to a CHF-indexed loan for a total amount of approximately PLN 40.2 million. 42 cases were legally lost, and the Bank decided to file two cassation appeals (one appeal was rejected on formal grounds, as to the second the Supreme Court refused to accept the cassation appeals for consideration). Most of the cases are in the first instance.

Commission refunds on prepaid consumer loans

On September 11, 2019, CJEU passed a ruling in the case C 383/18, indicating the following interpretation of Article 16(1) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers (Directive): "the right of the consumer to a reduction in the total cost of the credit in the event of early repayment of the credit includes all the costs imposed on the consumer." Hence, according to the provisions of the Directive, the above-mentioned right of the consumer includes costs both related and not related to the duration of the contract.

Starting from 28 September 2020, the Bank has been reimbursing fees using the "straight-line method" to all the consumers who repaid their consumer loans before the contractual deadline, after 11 September 2019, provided that the fee was charged during the term of the consumer loan act.

On 13 November 2020, the Bank received a decision initiating proceedings by the UOKiK (Office for Competition and Consumer Protection) regarding the practice of non-lowering the total loan cost by the prorated costs (calculated by the straight-line method) attributable to the period by which the term of the consumer loan agreement is reduced in the event of total or partial loan prepayment.

Proceeding has been closed by means of a UOKiK's binding decision from 6 May 2021 after Bank made commitments to change that practice. In accordance with the decision, consumers who repaid their cash or card loans before contractual maturity date in the period between 18 December 2011 and 10 September 2019 may apply for recalculating the commission indicating the product, agreement and bank account number for which repayment is due. The Bank is obligated to close all the legal proceedings regarding the recalculation of the commission in which consumers are a party, and to inform about the decision as described, in particular through e-mail communication and publication of a statement on the website. Decision is implemented in accordance with its terms.

After the decision was issued, the President of the UOKiK asked the Bank to provide explanations regarding the manner in which the Bank reimburses a proportional part of the commission in the case where customer takes out another loan with the Bank in such a way that it replaces the original agreement ("Increase agreement"). The Bank decided to align its practice with the position of the UOKiK President and decided to settle the proportionate part of the commission in relation to clients who entered into the Increased agreement after 11 September 2019.

The Group constantly monitors and estimates provisions for legal risk resulting from the ruling of the CJEU regarding the reimbursement of commissions for prepaid consumer loans and updates the possible amount of cash outflow as reimbursement of consumer loan commissions.

Until December 31, 2024, the Bank was sued in 978 cases concerning the return of a part of commission for granting a consumer credit for the total amount of PLN 4.4 million. At that date, there were 85 pending cases with a total value of PLN 0.4 million.

The above factors may affect the financial performance of the Group in the future.

III. The organizational structure of the Capital Group of Bank Handlowy w Warszawie S.A.

The Capital Group of Bank Handlowy w Warszawie S.A. (the "Group") consists of a parent company and subsidiaries.

Group entities fully consolidated

Entity	Core business	Capital relationship	% of authorized capital held	Accounting method	Equity (PLN '000)
Bank Handlowy w Warszawie S.A.*	Banking	parent	-	-	9 855,5
Handlowy Financial Services Sp. z o. o. (previously Dom Maklerski Banku Handlowego S.A.)**	Investing activity	subsidiary	100.00%	full consolidation	73,335
Handlowy - Leasing Sp. z o.o.**	Leasing	subsidiary	100.00%***	full consolidation	16,404
Handlowy Investments S.A.**	Investing activity	subsidiary	100.00%	full consolidation	4,351
Handlowy-Inwestycje Sp. z o.o.**	Investing activity	subsidiary	100.00%	full consolidation	10,738

** Equity of Bank Handlowy w Warszawie S.A. as per the statement of the financial position of the Bank for 2023*
*** Pre-audit data*
****Including indirect share*

Changes in Group's structure

In the 2024 the structure of the Bank's Capital Group has not changed compared to the end of 2023.

IV. Selected financial data of the Capital Group of Bank Handlowy w Warszawie S.A.

1. Financial results of the Bank and the Group in 2024

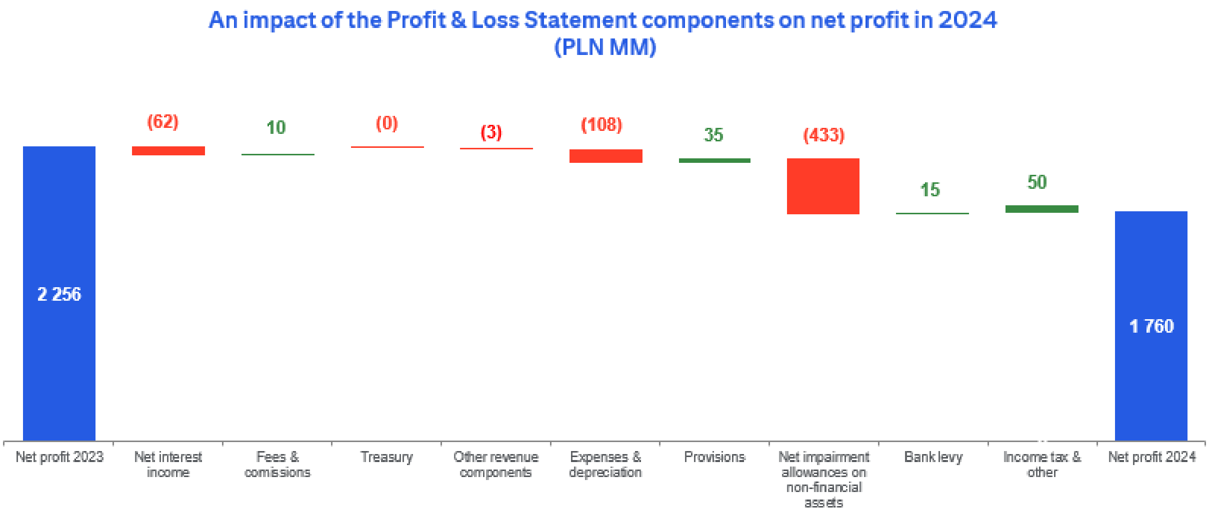
This document presents financial data for both Bank and Group. As activities of the Bank account for the vast majority of operations of the Group (equity of the Bank account for 99.9% of the equity of the Group), both results and financial situation are discussed on the basis of consolidated data, except where it is expressly indicated that the data of the Bank are discussed.

1.1. *Income statement*

Selected income statement items

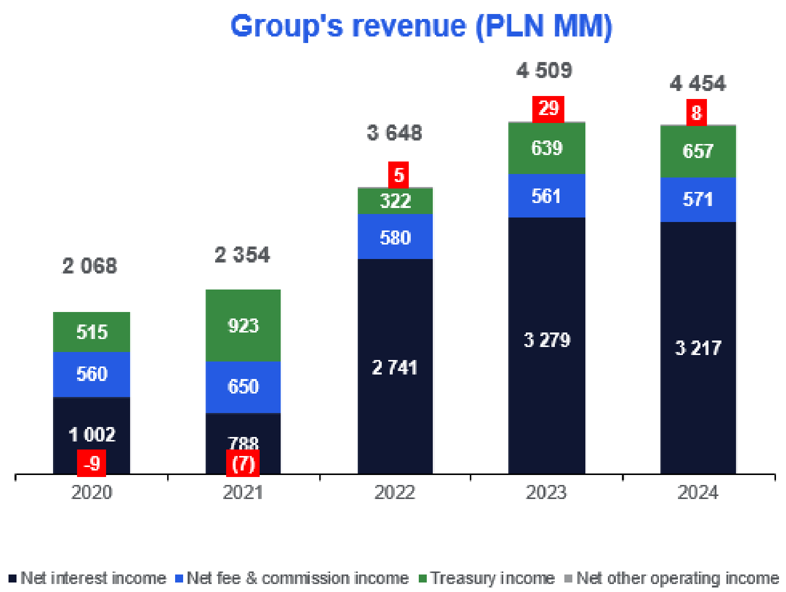
PLN '000	Bank		Capital Group			
					Change	
	2024	2023	2024	2023	PLN '000	%
Net interest income	3,212,064	3,271,208	3,216,967	3,278,718	(61,751)	(1.9%)
Net fee and commission income	571,388	561,774	571,360	561,499	9,861	1.8%
Dividend income	45,970	15,026	11,508	11,410	98	0.9%
Net income on trading financial instruments and revaluation	597,757	796,460	597,877	796,754	(198,877)	(25.0%)
Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income	50,652	(147,758)	50,652	(147,758)	198,410	(134.3%)
Net gain/(loss) on equity and other instruments measured at fair value through income statement	31,517	35,351	31,517	35,351	(3,834)	(10.8%)
Net gain on hedge accounting	8,874	(10,067)	8,874	(10,067)	18,941	(188.1%)
Net other operating income	(35,153)	(17,166)	(35,250)	(17,352)	(17,898)	103.1%
Total income	**4,483,069**	**4,504,828**	**4,453,505**	**4,508,555**	**(55,050)**	**(1.2%)**
Overheads and general administrative expenses and depreciation, including	(1,545,984)	(1,437,694)	(1,547,380)	(1,439,548)	(107,832)	7.5%
Overheads and general administrative expenses	(1,426,646)	(1,326,659)	(1,428,042)	(1,328,513)	(99,529)	7.5%
Depreciation/amortization of tangible and intangible fixed assets	(119,338)	(111,035)	(119,338)	(111,035)	(8,303)	7.5%
Net impairment on non-financial assets	(432,512)	-	(432,512)	-	(432,512)	-
Profit/loss on sale of other assets	585	(123)	585	(123)	708	(575.6%)
Net impairment on financial assets and provisions for off–balance sheet commitments	16,522	(18,130)	16,557	(18,006)	34,563	(192.0%)
Tax on some financial institutions	(175,250)	(190,255)	(175,250)	(190,255)	15,005	(7.9%)
Profit before tax	**2,346,430**	**2,858,626**	**2,315,505**	**2,860,623**	**(545,118)**	**(19.1%)**
Income tax expense	(554,451)	(603,436)	(555,048)	(604,275)	49,227	(8.1%)
Net profit	**1,791,979**	**2,255,190**	**1,760,457**	**2,256,348**	**(495,891)**	**(22.0%)**

The impact of individual items of the income statement on net profit is shown on the graph below:



1.1.1 *Revenue*

In 2024, revenues from operating activities amounted to PLN 4,453,5 million as compared to PLN 4,508.6 million in 2023, i.e. slightly decreased by PLN 55.0 million, i.e. 1.2%.



The operating result generated by the Group in 2024 was influenced in particular by:

- **Net interest income** amounted to PLN 3 217.0 million in comparison to PLN 3,278.7 million in 2023, which means a decrease by PLN 61.8 million (which is 1.9% YoY).

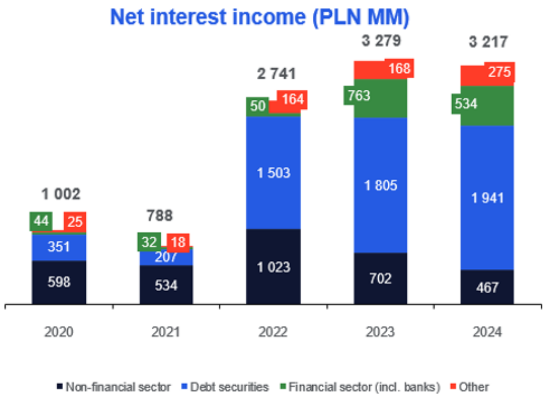
  Interest income amounted to PLN 4,420.0 million in 2024 and remained almost unchanged (a slight increase of PLN 20.4 million, i.e. 0.5%) compared to 2023. After excluding "interest income from hedge accounting instruments", interest income decreased by PLN 126 million i.e. 2.9% YoY primarily in the line of amounts due from non-financial sector customers (a decrease by 15.2% YoY). Lower interest income in this area is the result of a decrease in average NBP interest rates, as a result of which the average interest rate on amounts due from non-financial sector customers decreased to 7.83% in 2024 from 9.45% in 2023. The above decrease was partially offset by interest income from investment debt financial assets (an increase by 6.1% YoY) inter alia, thanks to the increase in the balance of these assets by 1.8% YoY.

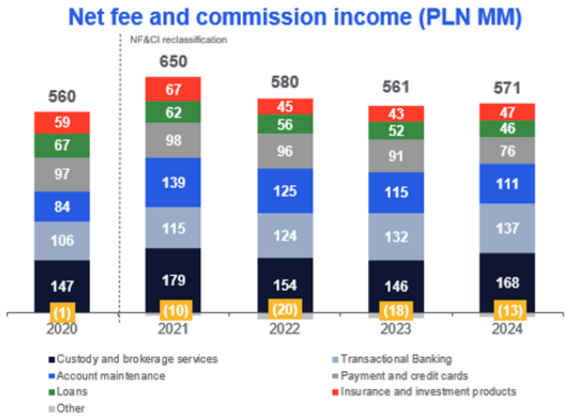
  Interest expenses in 2024 amounted to PLN 1,203.0 million and were higher by PLN 82.1 million (i.e. 7.3%) compared to 2023. After excluding “interest expenses on hedge accounting instruments”, interest expenses decreased by 2.7% YoY. The largest share in interest expenses are amounts due to customers, which recorded a slight decrease by 0.7% YoY. Despite the decline in average NBP interest rates, the Bank maintained promotional interest rates on term deposits in the Consumer Banking segment in order to increase the customer base in strategic areas.

Net fee and commission income in the amount of PLN 571.4 million compared to PLN 561.5 million in 2023 - an increase by PLN 9.9 million (i.e. 1.8% YoY). The increase in the net fee and commission income was mainly due to the Institutional Banking segment (an increase by PLN 26.4 million, i.e. at 6.6% YoY) and resulted primarily from the Bank's activity in the area of brokerage activities (increase in income by PLN 13.5 MM, i.e. 31.2% YoY) and custody services (increase in income by PLN 10.9 MM, i.e. 9.3% YoY) which is the result of the Bank taking advantage of the strong trends prevailing on the capital market in 2024

In the area of Consumer Banking segment, net fee and commission income decreased by PLN 16.5 million i.e. 10.2% YoY mainly due to higher acquisition costs in the area of payment and credit cards. On the other hand, this decrease was partially offset by higher income from the sale of insurance and investment products (increase by PLN 3.7% million, i.e. 8.4% YoY) due to higher sales of investment products – increase in the investment fund portfolio by 12.7% YoY.

- **Other operating income (i.e. non-interest and non-commission income)** amounting to PLN 665.2 million in comparison to PLN 668.3 million in 2023 which means maintaining the previous year's level (a slight decrease of PLN 3.2 million, i.e. 0.5% YoY).



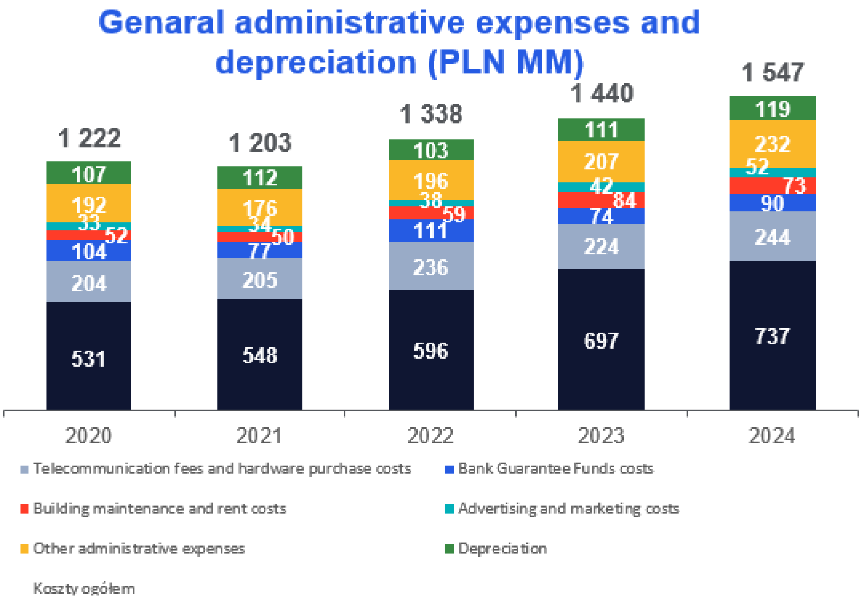


1.1.2 *Expenses*

General expenses & depreciation

PLN '000	Bank 2024	Bank 2023	Capital Group 2024	Capital Group 2023	Change PLN '000	Change %
Personnel costs	**(736,648)**	**(696,694)**	**(737,381)**	**(697,495)**	**(39,886)**	**5.7%**
General administrative expenses, including:	**(689,998)**	**(629,965)**	**(690,661)**	**(631,018)**	**(59,643)**	**9.5%**
Telecommunication fees and IT hardware	(244,227)	(224,276)	(244,292)	(224,344)	(19,948)	8.9%
Bank Guarantee Funds costs	(89,850)	(73,791)	(89,850)	(73,791)	(16,059)	21.8%
Building maintenance and rent	(72,759)	(83,827)	(72,759)	(83,827)	11 068	(13.2%)
Total overheads	**(1,426,646)**	**(1,326,659)**	**(1,428,042)**	**(1,328,513)**	**(99,529)**	**7.5%**
Depreciation	(119,338)	(111,035)	(119,338)	(111,035)	(8,303)	7.5%
Total general expenses & depreciation	**(1,545,984)**	**(1,437,694)**	**(1,547,380)**	**(1,439,548)**	**(107,832)**	**7.5%**

General administrative and depreciation expenses amounted to of PLN 1,547,4 million in 2024, which means an increase in expenses by PLN 107.8 million (i.e. 7.5% YoY). The largest increase was recorded in remuneration costs (increase by PLN 38.5 million, i.e. 7.5% YoY) due to the prevailing inflation pressure and employment growth. Inflation also had an impact on general and administrative costs, including primarily the costs of telecommunications fees and hardware purchase costs (an increase of PLN 19,9 million, or 8.9% YoY), higher costs of advisory, auditing and consulting services (an increase of PLN 24.5 million, or 44.1% YoY). An increase was also recorded in regulatory expenses (an increase of PLN 16.1 million, or 21.8%) due to a higher contribution to the compulsory bank restructuring fund under the Bank Guarantee Fund. The above increases were partially offset by a decrease in the costs of building maintenance by PLN 11.1 million, or 13.2% YoY due to the completion of the renovation of the Bank's headquarters.



Employment of the Group*

FTEs	2024	2023
Average employment during the year	3,038	3,002
Employment at the end of the year	3,050	3,023
Headcount	**2024**	**2023**
Average employment during the year	3,122	3,077
Employment at the end of the year	3,143	3,107

In 2024 average employment in the Group amounted to 3,038 FTEs, thus being by 1.2% higher than in 2023. The number of FTEs at the end of the period amounted to 3,050 i.e. increased by 0,9% as compared with the same period of 2023.

As of December 31, 2024 employment in the Group (headcount) amounted to 3 143 employees, of which 1,575 in Consumer Banking, 735 in Institutional Banking and 833 in support units.

*In 2024, the Bank changed the methodology for calculating average employment and employment at the end of the period. In previous periodic reports, both average employment and employment at the end of the period were calculated excluding employees absent due to illness, parenthood or unpaid leave. Currently, the Bank does not apply this exclusion. Comparative data has been changed accordingly.

1.1.3 *Provision for expected credit losses on financial assets and provisions for off–balance sheet commitments*

Net impairment and provisions

PLN '000	Bank		Capital Group			
	2024	2023	2024	2023	Change PLN '000	Change %
Provision for expected credit losses on receivables, including	15,258	(29,565)	15,258	(29,565)	44,823	(151.6%)
Provision for expected credit losses on financial assets – Stage 1	24,437	31,996	24,437	31,996	(7,559)	(23.6%)
Provision for expected credit losses on financial assets – Stage 2	(8,350)	(21,999)	(8,350)	(21,999)	13,649	(62.0%)
Provision for expected credit losses on financial assets – Stage 3	(2,790)	(42,607)	(2,790)	(42,607)	39,817	(93.5%)
Provision for expected credit losses - assets granted with impairment	1,961	3,045	1,961	3,045	(1,084)	(35.6%)
Provision for expected credit losses for granted off-balance sheet commitments	1,688	9,371	1,688	9,371	(7,683)	(82.0%)
Provision for expected credit losses on equity investments	(35)	(124)	-	-	-	-
Provision for expected credit losses on debt investment financial assets measured at fair value through other comprehensive income	(389)	2,188	(389)	2,188	(2,577)	(117.8%)
Provision for expected credit losses	**16,522**	**(18,130)**	**16,557**	**(18,006)**	**34,563**	**(191.9%)**

Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments amounted to PLN 16.6 million (positive impact on P&L) versus PLN 18.0 million (negative impact on P&L) in 2023. The largest nominal change in the amount of net write-offs concerned the Consumer Banking segment (improvement by PLN 90.0 million YoY), primarily as a result of resolving the management provision (made during the outbreak of the COVID pandemic in the amount of PLN 17 million) and refreshing the model parameters (including, in particular, the LGD parameter due to higher recoveries on the impaired portfolio). The decrease in net write-offs in Consumer Banking was partially offset by their increase in the Institutional Banking segment (deterioration of the provision for expected credit losses by PLN 55.5 million YoY) due to provisions releases in 2023 reflecting the improving macroeconomic situation at that time.

1.1.4 *Ratio analysis*

The Group's efficiency ratios

	2024	2023
Return on equity (ROE)*	21.1%	29.6%
Return on assets (ROA)**	2.4%	3.1%
Net interest margin (NIM)***	4,4%	4.5%
Margin on interest-bearing assets	4,7%	5.0%
Earnings per share in PLN	13.48	17.27
Cost/income****	35%	32%
Loans/Deposits	40%	38%
Loans/Total assets	29%	28%
Net interest income to total revenue	72%	73%
Net fee and commission income to total revenue	13%	12%

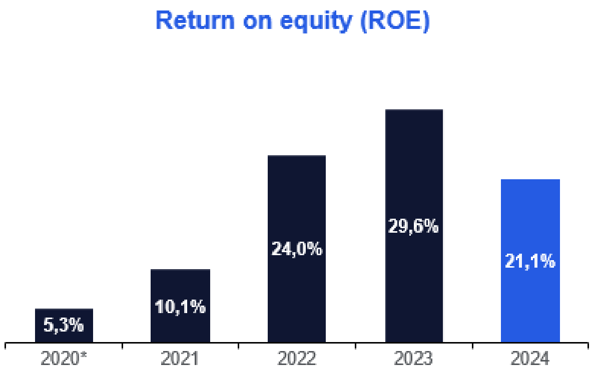
** Net profit to average equity (excluding net profit for the current year) calculated on a quarterly basis;*
*** Net profit to average total assets calculated on a quarterly basis;*
**** Net interest income to average total assets calculated on a quarterly basis;*
***** Overheads, general administrative expenses, depreciation and amortization to operating income.*

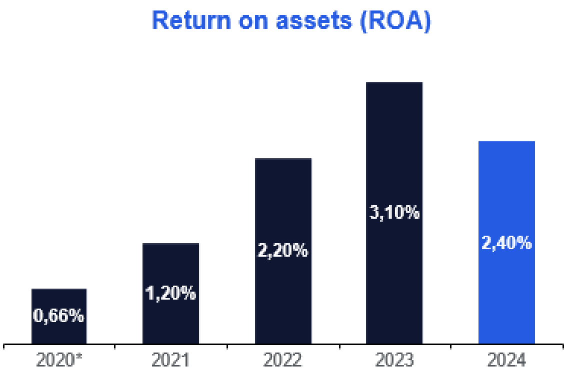
The Bank's efficiency ratios

	2024	2023
Return on equity (ROE)*	20,1%	29.2%
Return on assets (ROA)**	2,4%	3.1%
Net interest margin (NIM)***	4,4%	4.5%
Earnings per ordinary share in PLN	13.72	17.26
Cost/Income****	35%	32%

** Net profit to average equity (including net profit for the current year) calculated on a quarterly basis*
*** Net profit to average total assets calculated on a quarterly basis*
**** Net interest income to average total assets calculated on a quarterly basis*
***** Overheads, general administrative expenses, depreciation and amortization to operating income*

In 2024, the Group's returns on equity and assets remained at levels of respectively 21.1% and 2.4% which means a decrease compared to the previous year due to the lower net profit. In turn, in the area of cost-effectiveness, the cost/income ratio was 35% due to higher operating expenses.





**Net profit for 2020 was adjusted by net impairment allowances on non-financial assets in the amount of PLN 215 million.*

1.2 Consolidated statement of financial position

As of December 31, 2024, the total assets of the Group amounted to PLN 72.5 billion and remained at almost the same level as at the end of 2023. Simultaneously, total liabilities amounted to PLN 62.6 billion, slightly down by PLN 234.3 million (or 0.4%) compared to the end of 2023.

The loan-to-deposit ratio increased to 40% at the end of December 2024 (up by 2 percentage points compared to the end of December 2023).

Consolidated statement of financial position

PLN '000	Bank		Capital Group			
	As at		As at		Change	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	PLN'000	%
ASSETS						
Cash and cash equivalents	5,794,345	1,241,724	5,794,345	1,241,724	4,552,621	366.6%
Amounts due from from banks	8,787,780	15,371,552	8,787,780	15,371,552	(6,583,772)	(42.8%)
Financial assets held for trading	4,436,319	4,061,146	4,436,319	4,061,146	375,173	9.2%
Assets pledged as collateral	-	-	-	-	-	-
Hedging derivatives	54,140	6,731	54,140	6,731	47,409	704.3%
Debt financial assets measured at fair value through other comprehensive income	30,088,771	29,560,292	30,088,771	29,560,292	528,479	1.8%
Assets pledged as collateral	*200,309*	*697,771*	*200,309*	*697,771*	*(497,462)*	*(71.3%)*
Equity investments valued at equity method	91,299	91,639	-	-	-	-
Equity and other instruments measured at fair value through income statement	172,948	141,495	172,948	141,495	31,453	22.2%
Amounts due from customers	21,367,246	20,054,454	21,367,246	20,054,454	1,312,792	6.5%
Tangible fixed assets	521,131	508,403	521,131	508,403	12,728	2.5%
Intangible assets	872,875	1,285,314	872,875	1,285,314	(412,439)	(32.1%)
Current income tax receivables	-	-	-	9	(9)	(100.0%)
Deferred income tax asset	82,273	115,401	82,284	115,413	(33,129)	(28.7%)
Other assets	300,066	217,366	300,264	217,535	82,729	38.0%
Non-current assets held-for-sale	-	9,266	-	9,266	(9,266)	(100.0%)
Total assets	**72,569,193**	**72,664,783**	**72,478,103**	**72,573,334**	**(95,231)**	**(0.1%)**
LIABILITIES						
Liabilities due to banks	4,435,817	3,375,687	4,435,817	3,375,687	1,060,130	31.4%
Financial liabilities held for trading	2,755,905	3,522,203	2,755,905	3,522,203	(766,298)	(21.8%)
Hedging derivatives	72,737	92,869	72,737	92,869	(20,132)	(21.7%)
Amounts due to customers	54,090,588	54,343,400	53,985,032	54,188,815	(203,783)	(0.4%)
Provisions	120,529	111,011	120,992	111,689	9,303	8.3%
Current income tax liabilities	99,568	457,871	99,600	457,871	(358,271)	(78.2%)
Deferred tax provision	-	-	13	94	(81)	(86.2%)
Other liabilities	1,138,566	1,093,722	1,139,476	1,094,615	44,861	4.1%
Total liabilities	**62,713,710**	**62,996,763**	**62,609,572**	**62,843,843**	**(234,271)**	**(0.4%)**
EQUITY						
Share capital	522,638	522,638	522,638	522,638	-	-
Supplementary capital	2,944,585	2,944,585	3,001,260	3,001,260	-	-
Own shares	(20,577)	-	(20,577)	-	(20,577)	-

PLN '000	Bank		Capital Group			
	As at		As at		Change	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	PLN'000	%
Revaluation reserve	(64,868)	128,406	(64,868)	128,406	(193,274)	(150.5%)
Other reserves	4,039,644	3,191,946	4,039,027	3,190,659	848,368	26.6%
Retained earnings	2,434,061	2,880,445	2,391,051	2,886,528	(495,477)	(17.2%)
Total equity	**9,855,483**	**9,668,020**	**9,868,531**	**9,729,491**	**139,040**	**1.4%**
Total liabilities and equity	**72,569,193**	**72,664,783**	**72,478,103**	**72,573,334**	**(95,231)**	**(0.1%)**

1.2.1 Assets

The largest share in the Group's asset structure at the end of 2024 was held by **investment debt financial assets**. Their share in total assets amounted to 41.5%. The balance of investment debt financial assets increased by PLN 528.5 million (i.e. 1.8%) compared to the end of 2023, as a result of a higher volume of bonds guaranteed by the State Treasury.

Debt securities portfolio of the Bank

PLN '000	As at		Change	
	31.12.2024	31.12.2023	PLN '000	%
Treasury bonds, including:	14,194,980	12,518,748	1,676,232	13.4%
covered bonds in fair value hedge accounting	2,836,707	-	2,836,707	-
Bank bonds, including:	14,846,629	10,737,222	4,109,407	38.3%
covered bonds in fair value hedge accounting	3,225,777	2,595,263	630,514	24.3%
Bonds issued by financial entities	1,849,864	2,099,422	(249,558)	(11.9%)
covered bonds in fair value hedge	505,371	236,733	268,638	113.5%
NBP bills	999,202	4,996,012	(3,996,810)	(80.0%)
Total	**31,890,675**	**30,351,404**	**1,539,271**	**5.1%**

In turn, the second largest share in the structure of the Group's assets at the end of 2024 was **amounts due from customers**, their share in total assets was 29.5%. The value of amounts due from customers at the end of 2024 amounted to PLN 21.4 billion and was higher by PLN 1.3 billion (i.e. 6.5%) compared to the end of 2023 as a result of a significant increase in loan volumes in the Institutional Banking segment.

The value of amounts due from clients in the Institutional Banking segment, representing the sum of amounts due from both financial sector and non-financial sector entities (i.e. excluding individual clients), amounted to PLN 15.3 billion, up by PLN 1.2 billion (i.e. 8.5%) compared to the end of 2023. This increase concerned both financial sector clients – mainly short-term loans – and the non-financial sector – including primarily the strategic segment of client asset growth – Commercial Banking.

The volume of amounts due from clients granted to individual customers slightly increased by PLN 109.7 million (i.e. 1.9%) compared to the end of 2023 and amounted to PLN 6.0 billion mainly as a result of increase in the balance of mortgage loans by PLN 134.4 million (i.e. 6.1% YoY) and cash loans (up by PLN 107.9 million, i.e. 7.3% YoY). The above increase was offset by a decrease in unsecured receivables due to lower credit card balances (down by PLN 123.5 million, i.e. 5.6% YoY).

Net amounts due from clients

PLN '000	Bank		Capital Group			
	As at		As at		Change	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	PLN '000	%
Receivables from financial sector entities	**5,107,751**	**4,175,333**	**5,107,751**	**4,175,333**	**932,418**	**22.3%**
loans	4,804,343	3,993,717	4,804,343	3,993,717	810,626	20.3%
Reverse repo	303,408	181,616	303,408	181,616	121,792	67.1%
Receivables from non-financial sector entities, including:	**16,259,495**	**15,879,121**	**16,259,495**	**15,879,121**	**380,374**	**2.4%**
Corporate clients*	10,221,799	9,951,131	10,221,799	9,951,131	270,668	2.7%
Individuals, including:	6,037,696	5,927,990	6,037,696	5,927,990	109,706	1.9%
Unsecured loans	3,691,071	3,715,799	3,691,071	3,715,799	(24,728)	(0.7%)
Mortgage loans	2,346,625	2,212,191	2,346,625	2,212,191	134,434	6.1%
Total net receivables from clients	**21,367,246**	**20,054,454**	**21,367,246**	**20,054,454**	**1,312,792**	**6.5%**

**Corporate clients include enterprises, public sector, state-owned and private companies, co-operatives, individual enterprises, non-commercial institutions acting for the benefit of households*

Loans to customers per portfolio with not recognized credit losses vs. portfolio with recognized credit losses

PLN'000	As at		hange	
	31 Dec 2024	31 Dec 2023	PLN'000	%
Loans without recognized impairment (Stage 1), including:	**18,569,574**	**17,683,703**	**885,871**	**5.0%**
financial institutions	5,110,359	4,178,181	932,178	22.3%
non-financial sector entities	13,459,215	13,505,522	(46,307)	(0.3%)
institutional clients*	8,878,518	8,795,125	83,393	0.9%
individual customers	4,580,697	4,710,397	(129,700)	(2.8%)
Loans without recognized impairment (Stage 2), including:	**2,702,016**	**2,286,856**	**415,160**	**18.2%**
financial institutions	15	25	(10)	(40.0%)
non-financial sector entities	2,702,001	2,286,831	415,170	18.2%
institutional clients*	1,282,206	1,075,188	207,018	19.3%
individual customers	1,419,795	1,211,643	208,152	17.2%
Loans with recognized impairment (Stage 3), including:	**622,047**	**793,882**	**(171,835)**	**(21.6%)**
financial institutions	-	-	-	-
non-financial sector entities	622,047	793,882	(171,835)	(21.6%)
institutional clients*	280,708	379,303	(98,595)	(26.0%)
individual customers	341,339	414,579	(73,240)	(17.7%)
Purchased or originated credit-impaired loans, including:	**19,320**	**27,205**	**(7,885)**	**(29.0%)**
financial sector entities	-	-	-	-
non-financial sector entities	19,320	27,205	(7,885)	(29.0%)
institutional clients*	875	8,936	(8,061)	(90.2%)
individual customers	18,445	18,269	176	1.0%
Total gross loans to customers, including:	**21,912,957**	**20,791,646**	**1,121,311**	**5.4%**
financial institutions	5,110,374	4,178,206	932,168	22.3%
non-financial sector entities	16,802,583	16,613,440	189,143	1.1%
institutional clients*	10,442,307	10,258,552	183,755	1.8%
individual customers	6,360,276	6,354,888	5,388	0.1%
Impairment, including:	**(545,711)**	**(737,192)**	**191,481**	**(26.0%)**
Total net amounts due from customers	**21,367,246**	**20,054,454**	**1,312,792**	**6.5%**
Impairment provisions coverage ratio	**66.2%**	**71.3%**		
institutional clients*	58.9%	68.9%		
individual customers	73.7%	75.1%		
Non-performing loans ratio (NPL)	**2.9%**	**4.0%**		

** Institutional clients include enterprises, the public sector, state-owned and private companies, co-operatives, individual* *enterprises, non-commercial institutions acting for the benefit of households.*

Gross loans to customers of the Group

PLN'000	As at		Change	
	31 Dec 2024	31 Dec 2023	PLN'000	%
Loans in PLN	18,143,952	17,177,473	966,479	5.6%
Loans in foreign currency	3,769,005	3,614,173	154,832	4.3%
Total	**21,912,957**	**20,791,646**	**1,121,311**	**5.4%**

1.2.2 Liabilities

As of the end of 2024 **amounts due to customers** were the dominant source of financing of the Group's activity (they accounted for 74.5% of the Group's liabilities and equity) and amounted to PLN 54.0 billion at the end of December 2024, which means maintaining the 2023 level (a slight decrease by PLN 203.8 million (i.e. 0.4%) as compared to the end of 2023. At the same time, funds on current accounts were a dominant position in amounts due to customers with a share of 66.1%, however their balance remains at a level similar to the end of last year (a slight decrease by PLN 87.9 million, i.e. 0.2% YoY). The previously observed upward trend for term deposits also slowed down and at the end of 2024 the balance of term deposits increased slightly by PLN 332.4 million or 2.0%) mainly among individual clients due to attractive interest rates on this deposits.

The deposit volumes in the Institutional Banking segment as of the end of 2024 amounted to PLN 33.4 billion, slightly down by PLN 665.2 million (i.e. 2.0%) compared to the end of 2023. The above decrease concerned mainly Global Clients and financial institutions.

The deposit volumes in the Consumer Banking segment amounted to PLN 20.1 billion and increased by PLN 909.7 million (i.e. 4.7%) compared to the end of December 2023 as a consequence of the higher balance of time deposits by 8.8% YoY due to the attractive interest rates on these deposits for clients from the strategic client group (Citigold Private Client and Citigold).

Amounts due to customers

PLN '000	Bank		Capital Group			
	As at		As at		Change	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	PLN '000	%
Deposits of financial sector entities	**4,103,592**	**3,942,528**	**3,998,036**	**3,787,943**	**210,093**	**5.5%**
Deposits of non-financial sector entities, including	**49,439,196**	**49,404,816**	**49,439,196**	**49,404,816**	**34,380**	**0.1%**
Non-financial sector entities	25,789,871	27,320,481	25,789,871	27,320,481	(1,530,610)	(5.6%)
Non-commercial institutions	337,944	382,432	337,944	382,432	(44,488)	(11.6%)
Individuals	20,079,674	19,169,969	20,079,674	19,169,969	909,705	4.7%
Public sector entities	3,231,707	2,531,934	3,231,707	2,531,934	699,773	27.6%
Other liabilities	**547,800**	**996,056**	**547,800**	**996,056**	**(448,256)**	**(45.0%)**
Total liabilities towards customers	**54,090,588**	**54,343,400**	**53,985,032**	**54,188,815**	**(203,783)**	**(0.4%)**
Deposits of financial and non-financial sector entities, including:						
Liabilities in PLN	37,210,932	36,810,244	37,105,376	36,655,659	449,717	1.2%
Liabilities in foreign currency	16,331,856	16,537,100	16,331,856	16,537,100	(205,244)	(1.2%)
Total deposits of financial and non-financial sector entities	**53,542,788**	**53,347,344**	**53,437,232**	**53,192,759**	**244,473**	**0.5%**

1.2.3 Source and use of funds

PLN '000	Bank		Capital Group	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Source of funds				
Funds of banks	4,435,817	3,375,687	4,435,817	3,375,687
Funds of customers	54,090,588	54,343,400	53,985,032	54,188,815
Own funds with net income	9,855,483	9,668,020	9,868,531	9,729,491
Other funds	4,187,305	5,277,676	4,188,723	5,279,341
Total source of funds	**72,569,193**	**72,664,783**	**72,478,103**	**72,573,334**
Use of funds				
Receivables from banks	8,787,780	15,371,552	8,787,780	15,371,552
Receivables from customers	21,367,246	20,054,454	21,367,246	20,054,454
Securities, shares and other financial assets	34,843,477	33,861,303	34,752,178	33,769,664
Other uses of funds	7,570,689	3,377,474	7,570,899	3,377,664
Total use of funds	**72,569,192**	**72,664,783**	**72,478,103**	**72,573,334**

1.2.4 Equity and the capital adequacy ratio

As compared to 2023, total equity increased by PLN 139.0 million (i.e. 1.4%) mainly due to allocation of PLN 805 million to reserve capital from the net profit reached in 2023.

The capital is fully sufficient to ensure financial security of the institution and client deposits and to support the future growth of the Group.

Group's equity*

PLN '000	As at		Change	
	31.12.2024	31.12.2023	PLN '000	%
Share capital	522,638	522,638	-	-
Supplementary capital	3,001,260	3,001,260	-	-
Own shares	(20,577)	-	(20,577)	-
Revaluation reserve	(64,868)	128,406	(193,274)	(150.5%)
Other reserves	4,039,027	3,190,659	848,368	26.6%
Retained earnings	2,391,051	2,886,528	(495,477)	(17.2%)
Total equity	**9,868,531**	**9,729,491**	**139,040**	**1.4%**

** Equity net of net profit /(loss)*

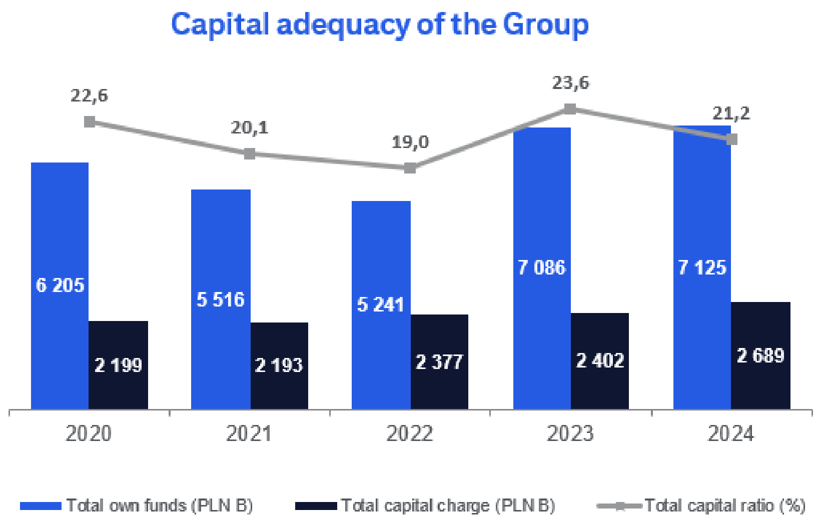
The following table shows the financial data used for calculation of the capital adequacy ratio on the basis of the consolidated financial statements of the Bank and the Group.

Capital adequacy ratio*

PLN'000	31.12.2024	31.12.2023**
I Common Equity Tier 1 Capital	**7,124,915**	**7,086,384**
II Total capital requirements, including:	**2,687,736**	**2,401,607**
credit risk capital requirements	1,751,377	1,624,282
counterparty risk capital requirements	101,817	102,614
Credit valuation correction capital requirements	8,688	5,533
excess concentration and large exposures risks capital requirements	0	0
total market risk capital requirements	113,887	105,048
operational risk capital requirements	711,967	564,130
Common Equity Tier 1 Capital ratio	**21.2%**	**23.6%**
Total Capital Ratio*	**21.2%**	**23.6%**

**Capital Adequacy Ratio was calculated according to the rules stated in the Regulation no 575/2013 of the European Parliament and of the Council (EU) of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation (EU) no 648/2012. Data as at respective reporting dates includes profits included in own funds, taking into account*

the applicable EBA guidelines.
***In connection with the above, the capital ratio presented in the table takes into account the position of the European Banking Authority (EBA) regarding the inclusion of audited financial data and retrospective adjustments (Q&A 2018_4085 and 2018_3969).*



The Bank as a resolution entity that is part of a global systemically important institution outside EU (Citigroup) in accordance with the definition contained in Art. 4 (136) of the CRR, shall meet the following requirements for own funds and eligible liabilities in accordance with Art. 92a CRR:

a) a risk-based ratio of 18%, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total risk exposure amount (TLAC TREA);
b) a non-risk-based ratio of 6,75 %, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total exposure measure (TLAC TEM).

In accordance with the CRR regulations, after increasing by the combined buffer requirement, the required minimum level of TLAC TREA for the Bank as at 31 December 2024 is 20.81% while Bank's TLAC TREA ratio at the consolidated level at the end of December 2024 amounted to 24.39%.

The level of the required Capital ratios encompasses:

- The basic requirement for capital ratios resulting from the CRR Regulation: 8% at the own funds level, 6% at the Tier I level and TLAC TREA at the level of 18%
- The combined buffer requirement - 2.81% on consolidated basis, which consists of:
  - The capital conservation buffer – 2.50%
  - The other systemically important institution's buffer – 0.25%
  - Countercyclical capital buffer – 0.06%
  - Systemic risk buffer – 0.00% (due to the regulation of the Minister of Finance of March 18 on the solution of the systemic risk buffer in order to limit the impact of the coronavirus on the domestic banking sector).

As at 31 December 2024, the capital adequacy ratio of the Group amounted to 21.21% and TLAC TERA ratio amounted to 24.39% and this value enables the Group to develop its lending activities.

The decrease in the total capital ratio in 2024 compared to 2023 was caused by: an increase of total risk-weighted exposure for operational and credit risk. The ratio impact also came from increase of own funds, resulting from a decrease in the value of deductions from own funds and a decrease of revaluation capital were recognized.

The increase in the level of TLAC TREA measures is due to the above-described factors affecting the level of funds and total risk exposure as well as the use of a subordinated loan in the amount of PLN 250 EUR.

On 6 June 2024, Bank concluded a subordinated loan agreement with Citibank Europe PLC with the registered office in Dublin. On 19 November 2024, in in accordance with the information presented in current announcement No. 37/2024 of 19 November 2024, the Management Board of the Bank decided to use EUR 250 million of the subordinated loan from the total amount granted in the framework subordinated loan agreement. Information on the implementation of the provisions of the subordinated framework loan agreement was made public in the current announcement. The amount of the loan used is EUR 250 million, its Value of the loan drawn at the equivalent according to the average exchange rate quoted by the National Bank of Poland as at 31 December 2024 is approximately PLN 1,068 million. The loan is classified as eligible liabilities, credited towards meeting the TLAC and MREL requirements. The inclusion of the loan in the TLAC TREA indicator resulted in an increase in the ratio by 3.18 p.p. (to the level of: 24.39%) compared to the situation in which the loan would not be recognized as eligible for TLAC calculation.

01 January 2025 came into force the main changes resulting from Regulation CRR3 (i.e. Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor) which has impact on Group capital adequacy.

These changes of law are intended to make standard methods of calculating requirements more sensitive and to increase the comparability of capital requirements between institutions using different calculation methods (including by using the output floor for credit risk in advanced methods or implement one common method for operational risk). The CRR3 regulations are being implemented in stages, with the largest scope of changes coming into force on 1 January 2025. In some situations, a transitional period has been established for the implementation of the target principles.

The Group estimates that on a consolidated basis, the impact of the new regulations will result in an increase in capital ratios of approximately +1.54 p.p., i.e. an increase in TCR from 21.21% as at 31 December 2024 to 22.75% as at 1 January 2025 (unaudited data). The positive impact results mainly from a change in the method for the capital requirements calculation for operational risk, with a simultaneous increase in the capital requirements for credit risk and CVA.

The change of methods for calculating the capital requirement for market risk will come into force on 1 January 2026.

The banking sector is still waiting for the finalization of legislative changes, including the adoption of regulatory technical standards for selected articles of the CRR regulation and the adoption of guidelines which may have a potential impact on the selected rules interpretation.

2. Interest rates

The table below presents weighted average effective interest rates of receivables and payables by the respective business segments of the Group:

As at 31 December 2024

in %	Institutional Bank			Consumer Bank		
	PLN	EUR	USD	PLN	EUR	USD
ASSETS						
Receivables from banks and customers						
- fixed term	7.77	4.42	6.48	8.08	-	-
Debt securities	5.96	3.89	4.48	-	-	-
LIABILITIES						
Liabilities towards banks and customers						
- fixed term	4.39	0.26	3.62	4.68	0.85	1.49

As at 31 December 2023

in %	Institutional Bank			Consumer Bank		
	PLN	EUR	USD	PLN	EUR	USD
ASSETS						
Receivables from banks and customers						
- fixed term	7.64	5.46	7.70	7.64	-	-
Debt securities	6.26	3.47	5.32	-	-	-
LIABILITIES						
Liabilities towards banks and customers						
- fixed term	4.56	1.56	3.78	5.23	0.80	1.74

3. Institutional Banking Segment

3.1 Summary of segment's results

Institutional Banking Segment –
an impact of the Profit & Loss Statement components on EBIT in 2024 (PLN MM)

In 2024, the pre-tax profit of the Institutional Banking segment decreased by PLN 95.4 million, i.e. 3.9%. The following factors affected the pre-tax profit of the Institutional Banking segment in 2024 as compared to the previous year:

- **Net interest income** of PLN 2,109.7 million compared to PLN 2,193.2 million in 2023 - a decrease of PLN 83.5 million, due to lower average NBP interest rates, which resulted in lower interest income from loan receivables;
- **Net commission income** of PLN 426.8 million compared to PLN 400.4 million in 2023, i.e. upby PLN 26.4 million, i.e. 6.6% YoY) thanks to the good economic situation on the capital market. As a result, high revenue growth was recorded in the area of brokerage and custody services;
- Profit on **investment debt financial assets measured at fair value through other comprehensive income** in the amount of PLN 50.7 million compared to the loss of PLN 147.8 million in 2023, i.e. improvement by PLN 198.4 million;
- **General and administrative expenses and depreciation** in the amount of PLN 698.1 million compared to PLN 672.1 million in 2023 - an increase of PLN 26.0 million YoY (i.e. 3.9% YoY) caused by higher technological and regulatory expenses (increase in contributions to the bank restructuring fund within the Bank Guarantee Fund);
- **Provision for expected credit losses on financial assets and provisions for off-balance sheet commitments** amounted to PLN 18.9 million (negative impact on the P&L) compared to PLN 36.6 million (positive impact on P&L) in 2023, due to the release of model provisions in 2023;
- Decrease in **bank levy** by PLN 12.4 million as a result of change in Bank's balance structure.

3.2 Institutional Bank

In the area of institutional banking, the Group provides comprehensive financial services to the largest Polish companies and strategic companies with a large potential of growth, and also to the largest financial institutions and to companies from the public sector.

A shared characteristic of the institutional banking clients is that they need advanced financing products and advice relating to financial services. In this area, the Group ensures a coordinated offer of investment banking, treasury and cash management products and prepares loan proposals that cover differentiated forms of financing. The innovativeness and competitiveness of offered modern financing structures is achieved by combining the knowledge and experience of the Group and thanks to cooperation within the global structure of Citigroup.

As at the end of 2024, the number of institutional clients (which include strategic clients, global clients and commercial bank clients) stood at slightly below 5,400, i.e which means maintaining the 2023 level.

In terms of client's acquisition in the Commercial Bank segment the Bank attracted 290 new clients in 2024, including 25 Large Companies, 87 Small and Medium-Sized Companies, 77 International Clients of Commercial Banking Segment, 41 Digital and 60 Public Sector Entities. In the strategic and global client segments, the Bank established 32 new client relationships.

The table below shows the assets and liabilities by segment in the management accounting approach.

Assets

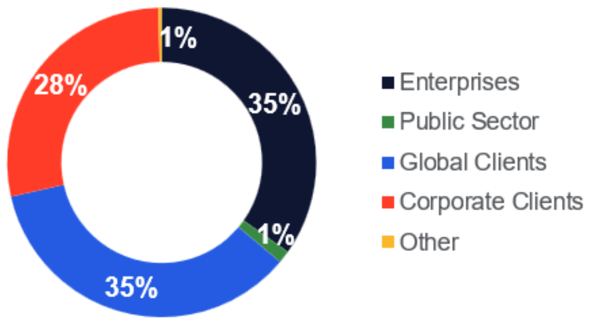
PLN million	31.12.2024	31.12.2023	Change	
			PLN million	%
Enterprises, including:	4,771	3,984	787	20%
SMEs	1,749	1,749	(0)	(0%)
Large enterprises	3,022	2,235	787	35%
Public Sector	180	1	179	17900%
Global Clients	4,843	5,180	(337)	(7%)
Corporate Clients	3,868	3,193	675	21%
Other*	47	47	0	0%
Total Institutional Bank	**13,709**	**12,405**	**1,304**	**11%**

Liabilities

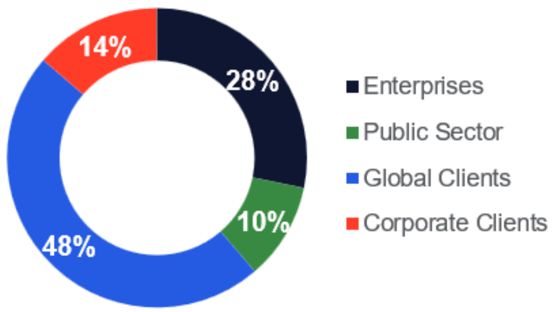
PLN million	31.12.2024	31.12.2023	Change	
			PLN million	%
Enterprises, including:	9,079	8,815	264	3%
SMEs	6,590	5,693	897	16%
Large enterprises	2,489	3,122	(633)	(20%)
Public Sector	3,367	2,765	602	22%
Global Clients	15,314	16,226	(912)	(6%)
Corporate Clients	4,384	5,035	(651)	(13%)
Other*	17	46	(29)	(63%)
Total Institutional Bank	**32,162**	**32,887**	**(725)**	**(2%)**

** 'Other' include, among others, clients subject to restructuring and clients of Handlowy-Leasing Sp. z o.o., who are not clients of the Bank.*

Structure of the Institutional Bank assets as of 31.12.2024



Structure of the Institutional Bank liabilities as of 31.12.2024



Key transactions and achievements in Institutional Banking in 2024:

Credit activity	**<u>Granting new financing or increasing or extending existing ones in the amount of PLN 5.2 B</u>** • PLN 2.2 billion for Global Clients, among others, for a leading manufacturer of carbonated drinks, for an American company producing corn crisps, crisps and other snacks, for a leading company in the construction industry, for a company supporting financing of car purchases, for a leading manufacturer of lithium-ion batteries for the automotive industry and for a non-profit organization created by the company of the largest Polish breweries to run the Direct Recycling Program for aluminum and glass packaging; • PLN 2.2 billion for Commercial Banking Clients, among others, for one of the largest operators of terrestrial radio and television infrastructure in Poland, for a large manufacturer of wood-based panels in Poland, for one of the largest industrial construction groups in Poland, for a network of departments of interventional cardiology, cardiac surgery and vascular surgery, for an energy company that is the first electricity seller in Poland to offer its customers a 100% green energy mix from renewable sources such as: sun, wind, water and biogas, and for a dynamically developing company specializing in the production and craft production of foam elements; • PLN 0.8 billion for Corporate Clients, among others, for a client from the fuel and energy industry, for a leading chemical company on the European market, for the operator of the Armed Forces Support Fund and for two companies from an international capital group operating in the pharmaceutical industry.
Transactional Banking	**<u>Increasing shares in banking services and transaction banking</u>** • Winning 25 mandates for comprehensive banking services or extending the Bank's cooperation with its clients; • Signing agreements for the purchase of trade and service receivables, commitment letters and bank guarantees for a total amount of PLN 1.8 billion.

3.3 Treasury Activity

The continuation of the implementation of the long-term strategy of the Sales Division brought measurable results in 2024. At the time of constant geopolitical tensions and uncertainty in financial markets, the Sales Division in the Financial Markets and Corporate Banking Sector enjoys the confidence of corporate clients and is constantly improving its offering.

The following activities were particularly appreciated by and popular with clients:

- conducting a series of interactive workshops on the process of managing FX exposure, organized across Poland,
- expanding the product offer by adding solutions combining traditional finance with elements of ESG,
- regular meetings and seminars with the Bank's economists and financial market experts,
- continuously striving to refine technological solutions enabling automation of FX exchange processes,
- constant access to expertise, market data, economic forecasts and analyses.

Financial Markets and Corporate Banking Sector was also active on the primary market of debt securities by way of orchestrating the following transactions:

- bond issues for an international financial institution in the total amount of PLN 3.6 billion, for general purposes related to operations (including those related to the implementation of sustainable development goals),
- issues of Eurobonds for BGK in the total amount of EUR 1.05 billion to support, including but not limited to, the Ukraine Assistance Fund and the Road Fund,
- participation in public issues for a client from the automotive sector – in the total amount of PLN 950 million.

In 2024, the Bank remained among the top banks in terms of spot trading, being one of the leaders in Treasury BondSpot.

3.4 Transactional banking

In 2024, the Bank actively supported its clients' growth strategy, leveraging the potential of the Citi group, which resulted in significant increases in the Bank's revenues in the Treasury and Trade Solutions area.

Moreover, Citi Handlowy completed the migration of clients to a higher version of the electronic banking system, enhanced the quality of data presented on bank statements, and began the digitization of the process of onboarding new clients and services. Thus, it delivered the assumptions of elevating the comfort and efficiency of using the services. At the same time, initiatives were taken to standardize and streamline the offer, including by the revamping of the Bank's system architecture.

Current account	Citi Handlowy aims to digitize processes and continuously improve *customer experience*. In 2024, the Bank embarked on the implementation of the **CitiDirect® Digital Onboarding** platform, which will ultimately allow clients to launch new services directly in a specially developed system module. **CitiDirect Digital Onboarding** will enable the client to apply for an additional account, treasury and trade products, and to manage a list of persons authorized to act on behalf of the client, through the CitiDirect portal, in a self-service mode. The implementation is divided into phases. In 2024, the Bank completed the first phase, which consisted in automating back-end processes. The digitization of processes was also reflected in the **number of documents signed using a qualified electronic signature**. In 2024, it reached **56%** of all documents. As a result, the percentage of documents signed in this way increased by 10 percentage points compared to 2023, when documents signed with a qualified electronic signature accounted for 46%. In 2024 (data until the end of November 2024), the share of **audit certificates sent by the confirmation.com platform accounted for 14%** of all documents issued, the same level as in 2023.
Electronic Banking	In 2024, in the area of electronic banking, the Bank continued the development of its platforms to provide its clients with greater transparency, efficiency and control.

	As part of the commercialization of **the modern version of the CitiDirect** system, the Bank continued to introduce more intuitive versions of the functionalities for a greater user experience. The new modules save time when entering transfer orders, provide a convenient overview and administration of payments. The updated new start page secures quick access to the main functions and allows the user to customize it. **The new release of the system has been made available to all active users.** With their comfort in mind, the Bank conducted regular training sessions for users and collected their feedback. In 2024, the Bank introduced a number of alterations in the area of bank statements and reports, improved the quality of the presented data, ensuring compliance with standards. Caring about the client's security and comfort, the Bank actively encouraged clients to self-manage CitiDirect user privileges on their end by designated **system administrators.** A new Mobile Token was promoted, which, in combination with biometric authentication (fingerprints or facial recognition), is a convenient way to log in to the system. The Bank on a regular basis shared its knowledge and provided practical guidance in the field of cybersecurity. In 2024, the **Bank processed over 36.4 million transactions via electronic channels**, which represents an **increase by 3%** vs. the prior year period.
Payment processing	Payment volumes continued to increase also throughout 2024. In the area of domestic transactions, the Bank recorded a **25% increase in Express Elixir instant payment volumes** compared to the prior year. The growing popularity of Express Elixir among the clients corroborates the Bank's strategic assumption to focus its support on the need to automate processes and settlements in real time, in particular from the perspective of entities using the Bank's services in the *Banking as a Service* (BaaS) model and entities making urgent payments to their consumers. In 2024, the Bank further strengthened its suite of payment solutions prepared for clients in the Digital Natives segment, as reflected in the **19 percent increase in domestic payment volumes of "new economy" clients** versus prior year. Clients from the "new economy" category use the full range of the Bank's payment solutions, however their demand for domestic payments seems to be greater than for foreign payments when juxtaposed against the Bank's total number of clients, showing that the Bank plays an important role as a local partner in the context of Citi's global knowledge and geographical footprint. Taking into account the growing needs of clients regarding process automation, agility of transaction execution, access to data at the right time, with the right coverage and structure, the Bank revamped the architecture of its systems. The investments made in the platforms are aimed at standardizing formats, higher bandwidth and compatibility, also in terms of the ISO 20022 requirements. While pursuing its strategy of providing flexible and intelligent treasury and trade solutions, the Bank offered and developed **Citi Payment Insights**, which, among other things, allows for tracking the status of payments or generating confirmations at the beneficiary's request. The Bank also actively offered **Citi Payment Outlier Detection**, which, thanks to advanced analytics and algorithms, enables real-time monitoring and control of the company's payments, as well as the identification of transactions that differ significantly from previous trends. In 2024 the Bank maintained a high share in the **Direct Debit** market at 36% (data as at the end of December 2024).
Corporate cards	After a very good year in 2023 in the area of corporate cards, in 2024 **the number of cards activated** at the end of the year was **higher by 5% YoY for credit cards and by 4% YoY for debit cards.** At the same time, the number of **cashless transactions made with credit cards increased by 3% YoY and the number of transactions with debit cards decreased by 18% YoY. The value of cashless transactions increased by 2% for credit cards, and for debit cards it decreased by 6%** compared to 2023. The main reasons for the decrease in the number and value of transactions in debit cards are related to the decrease in the number of transactions involving typical expenses incurred on employees' business trips. This change results from the transition of this type of employee activity to a "remote" meeting mode as well as changes in

	business expense policies. In the area of product functionality, in 2024 the Bank focused on continuing its efforts to increase the convenience of corporate card service and reducing the formalities, by promoting tools enabling self-management in corporate card programs based on the **CitiManager platform**. At the same time, the Bank was gearing up for the changes it plans to implement in the next year, which will improve the efficiency of processes and business resilience, taking advantage of the opportunities resulting from the strength of the Citi group.
Trade Finance and Service	To address the clients' needs in the area of security of trade transactions and smooth settlements, in 2024 the Bank's revenues in the area of trade finance and services were growing while assets in this area hit new highs. Relying on Citi's global knowledge and geographical reach, the Bank shared with clients its knowledge of the mechanisms taking place on the markets and possible scenarios in case of geopolitical turmoil, showing effective tools that allow clients not only to maintain stability, but also to take advantage of new opportunities for business development. The value of purchased invoices under trade and service receivables purchases in 2024 was **higher by more than 30%** compared to the previous year, and as at the end of the fourth quarter of 2024, the value of the portfolio of transactions concluded under trade finance products, such as reverse factoring, trade credit or supplier financing, **increased by 58%** compared to the same period of 2023. The increase in the value of financing granted reflects invariably high interest in the products offered, and the possibility of using Citi's global network further enhances the attractiveness and flexibility of the Bank's offer. The current macroeconomic conditions make the enterprises still look for diversified sources of financing for their day-to-day operations. In 2024, the value of guarantees granted by the Bank **increased by 37%** compared to 2023, while the value of open letters of credit **increased by nearly 7%** compared to 2023. The increased demand for guarantees results primarily from the growing needs of companies to secure transactions and contracts. Clients appreciated the possibility of issuing guaranties electronically, which was reflected in the share of e-guaranties in the total guaranties issued, **maintained at more than 72%**.

3.5 Custody and depositary services

The Bank runs its custody operations under Polish law and in accordance with international standards of custody services offered to investors and intermediaries active in international securities markets. The Bank can meet the requirements of the largest and most demanding institutional clients.

The Bank provides custody services for domestic and foreign institutional investors and services of a custodian bank for domestic pension and investment funds. For many years, Citi Handlowy has been a leader in the Polish market of depository banks.

As part of its statutory activities, under a license issued by the Polish Securities and Exchange Commission (at present, the Polish Financial Supervisory Authority (KNF)), the Bank maintains securities accounts, settles securities transactions, processes dividend and interest payments, provides valuations of asset portfolios, delivers individual reports and arranges representation at general meetings of shareholders of listed companies. The Bank keeps collective accounts for authorized foreign entities. In addition, the Bank provides services consisting in maintenance of registers of foreign securities, under which it acts as intermediary in settlements of transactions executed by domestic clients in foreign markets.

The Bank also provides services as operator of accounts kept in the name of a client at the KDPW S.A. (Polish central depository and clearing institution), under which the Bank passes client's orders to KDPW and vice versa, as well as settlement confirmations and statements to accounts opened at KDPW to the client of the Bank. This service is dedicated to foreign financial institutions, in particular depository and settlement ones (financial entities classified as *ICSD – International Central Securities Depository)* and covers the management of securities accounts and collective accounts of such entities.

The Bank maintained its leading position in the market of securities transaction settlements carried out for remote members of the Warsaw Stock Exchange. In addition, the Bank was still the active participant of settlements of transactions concluded by foreign institutional clients on the Treasury BondSpot Poland debt securities electronic platform, managed by BondSpot S.A.

As at 31 December 2024, the Bank maintained more than 16.8 thousand securities accounts (including collective accounts).

Simultaneously, the Bank acted as depositary of open-end pension fund Nationale - Nederlanden OFE, two voluntary pension funds: Nationale - Nederlanden DFE, Generali DFE, and the Employee Pension Fund Orange Polska.

The Bank was also the depository of investment funds managed by the following Investment Fund Companies: Santander TFI S.A., PKO TFI S.A., Templeton Asset Management (Poland) TFI S.A., mTFI S.A. and Goldman Sachs TFI S.A.

The Bank continued servicing investment funds and pension funds operating under the Employee Capital Plans program: PKO Emerytura SFIO, Santander PPK SFIO, Nationale - Nederlanden DFE Nasze Jutro and Goldman Sachs Emerytura SFIO.

At the same time, the Bank continued its activities to help refine legal regulations applicable to the securities market. A representative of the Bank was the Chairman of the Steering Committee of the Council of Depository Banks at the Polish Bank Association ("Council") for the nine consecutive term of office. In the reporting period, the Council was involved in providing opinions on draft regulations affecting activities of domestic custodian banks and depositary activity. With the use of its own resources, experience and competences, employees of the Bank, in cooperation with the Polish Financial Supervision Authority, Ministry of Finance, KDPW, KDPW_CCP and the Warsaw Stock Exchange, participated in consultations about the implementation of new solutions in the Polish capital market, and in projects carried out by market working parties.

3.6 Brokerage Activity

The Group runs brokerage activities in the capital market via Brokerage Departament of Bank Handlowy w Warszawie ("DMBH").

As at the end of 2024, DMBH was the market maker for 71 companies listed on the Warsaw Stock Exchange (of which 20 from the WIG20 index), i.e. 17.3% of the shares listed in its main equity market.

In 2024, DMBH was the intermediary in in-session transactions accounting for 4.2% of equity turnover in the secondary market. The value of the in-session transactions concluded via DMBH in the equity market on the WSE was PLN 27.5 billion and increased by 29.7% as compared to last year, with increase in turnovers on the WSE by 20.7%.

In 2024, DMBH was on a 10. position in the session trading on the WSE Main Market, and 4. as a local Exchange Member.

The number of investment accounts maintained by DMBH was 15.2 thousand as at the end of 2024 and increased by 15% compared to 2023. The change is a consequence of ongoing acquisition processes in DMBH, taking into account the synergy effect of distribution processes at the Bank.

In 2024, DMBH carried out an Accelerated Share Sale transaction in the company Allegro.eu S.A. in the amount of PLN 1.9 billion – DMBH acted as the Global Coordinator in this transaction (April 2024) and also participated in Accelerated Shares Sale transaction in Santander Bank Polska S.A. with a value of PLN 2.46 billion – DMBH acted as the Global Coordinator in this transaction (September 2024).

Furthermore, DMBH worked on preparing transactions of initial and secondary public offerings.

Summary financial data as at 31 December 2024*

Company	Headquarter	% of authorized Capital/votes in GM held by the Bank	Balance sheet total	Equity	Net financial result for 2024
		%	PLN '000	PLN '000	PLN '000
Handlowy Financial Services Sp. z o.o. (previously Dom Maklerski Banku Handlowego S.A.)	Warsaw	100.00	73,987	73,335	2,384

**preliminary data*

Summary financial data as at 31 December 2023

Company	Headquarter	% of authorized Capital/votes in GM held by the Bank	Balance sheet total	Equity	Net financial result for 2023
		%	PLN '000	PLN '000	PLN '000
Handlowy Financial Services Sp. z o.o. (previously Dom Maklerski Banku Handlowego S.A.)	Warsaw	100.00	118,440	117,526	3,573

3.7 Leasing

The leasing products are still offered by the Bank's Group as part of the so-called "open architecture", which is a partnership cooperation with entities not being part of the Bank's Group.

Summary financial data as at 31 December 2024*

Company	Headquarter	% of authorized Capital/votes in GM held by the Bank	Balance sheet total	Equity	Net financial profit/loss for 2024
		%	PLN '000	PLN '000	PLN '000
Handlowy-Leasing Sp. z o.o.	Warsaw	100.00**	17,108	16,404	273

**pre-audit data*
***Including indirect share*

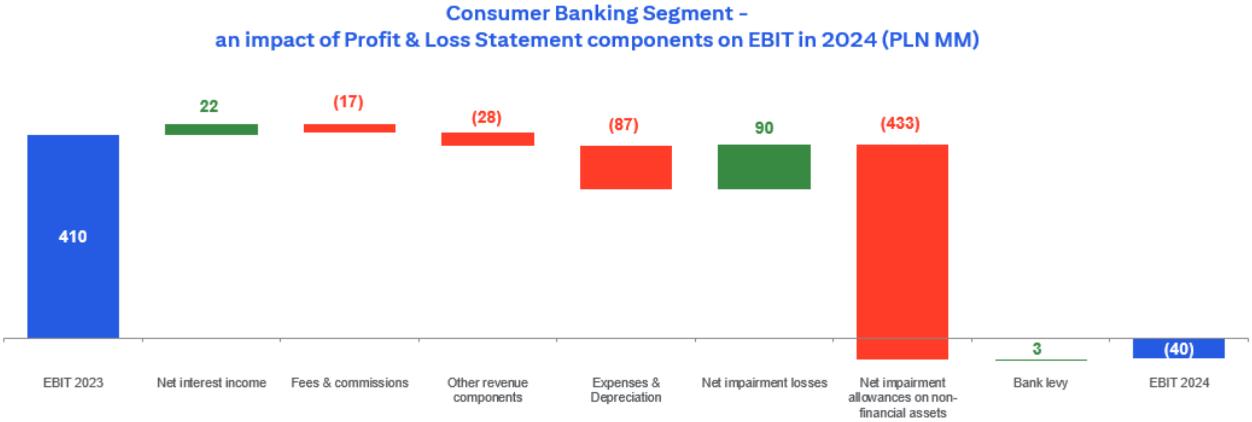
Summary financial data as at 31 December 2023

Company	Headquarter	% of authorized Capital/votes in GM held by the Bank	Balance sheet total	Equity	Net financial profit/loss for 2023
		%	PLN '000	PLN '000	PLN '000
Handlowy-Leasing Sp. z o.o.	Warsaw	100.00*	21,662	20,971	574

***Including indirect share*

4. Consumer Banking Segment

4.1 Summary of the segment's results



The following factors affected the pre-tax profit of the Consumer Bank segment in 2024:

- higher **interest income** by 2% YoY supported by higher loan and deposit balances in 2024 in an environment of still relatively high interest rates;
- **net fee and commission income** – lower by 10% mainly due to higher acquisition costs and costs of additional credit card services, lower income on additional fees (including: operational fees for maintaining accounts, ATM withdrawals, currency conversion) and commissions (including the sale of insurance products); additionally, the result was affected by the amount of settlements with card issuers;
- lower net income on **financial instruments and revaluation** by PLN 7% YoY results largely from historically higher revenues in previous periods, which were supported by greater market volatility, as well as stabilisation of exchange rates in 2024 (strengthening of the PLN in relation to the main currency pairs), which affects the formation of exchange rate differences from revaluation;
- **net other operating income** lower by 55% YoY mainly caused by provisions for legal proceedings concerning CHF mortgage loans
- **an increase in operating expenses** by 11% YoY, mainly due to following: increase in remuneration expenses and employee benefits (salaries, commissions, incentive and pension programs), increase in sales agency costs, increase in online sales costs, sales support, as well as higher expenses related to consulting services;
- **an increase in depreciation and amortization** by 5% YoY due to periodically amortized software-related costs;
- **net impairment allowances on non-financial assets** - correction as a result of the goodwill impairment test (write-off);
- **a decrease in provisions (net)** YoY due to: the release of the management provision, the sale of the portfolio, improved customer retention, fewer impaired customers and better loan repayment.
  A lower level compared to the previous year is mainly due to higher income on the release of provisions.

4.2 Selected business data

	2024	2023	Change PLN '000	%
Number of individual customers	564.5	565.3	(0.8)	(0.1%)
Number of current accounts	529.2	516.0	13.2	2.6%
Number of savings accounts	121.0	117.5	3.5	3.0%
Number of credit cards	461.8	466.4	(4.6)	(1.0%)
Number of debit cards	270.8	264.0	6.8	2.6%

4.3 Key business achievements

Bank accounts	**Current accounts** The total balance on the accounts **amounted to PLN 8.7 billion** as at the end of 2024, i.e. **decreased by 4%** as compared to 2023. The decrease in the balance is a consequence of the transfer of funds accumulated on current accounts to the accounts of the time deposits and savings accounts. The number of personal accounts was **529,000** as at the end of 2024, i.e. **increased by 3%** as compared to 2023. Of that number, 285,000 were PLN accounts and 244,000 accounts in foreign currencies. **Savings accounts and time deposits** The number of savings accounts was **121,000** as at the end of 2024 and **increased by 3%** as compared to 2023, with a simultaneous their total balance of **PLN 2.4 billion, i.e. up by 12% YoY**. The increase in the balance on savings accounts is due to the great interest in the welcome offer for customers opening a Gold or CitiKonto account. The balance accumulated in time deposit accounts **increased by 12%** from PLN 5.8 billion at the end of 2023 to nearly **PLN 6.5 billion** at the end of December 2024. **Changes in the offer** In 2024, the Bank still provided the special offer for deposits up to PLN 20 thousand with an attractive interest rate of up to 5.6% per annum for a 3-month term. In addition, the Bank offered attractive interest rates on term deposits as part of the offer for new Citigold Clients and Citigold Private Clients. In response to the foreign currency market rates cuts, in October 2024, the Bank changed the interest rate on selected deposits in EUR and USD for individual clients. The standard interest rate on Savings and Super Savings Accounts did not change in 2024. The Bank's mix included numerous special offers with the possibility of obtaining promotional interest on the Savings Account in PLN. Clients who opened a CitiKonto account could obtain interest of up to 7.5% per annum, and Clients who opened a Gold Account up to 7% per annum on the Savings Account. **Awards and Honorable mentions** In the last year edition of the prestigious **Euromoney Global Private Banking Awards 2023**, the private banking offered by Citigold Private Client was awarded the title of **Best for Digital in Poland.** The jury recognized the achievements in the development of the digital channel, such as the innovative Total Wealth Advisor tool and Citibank Global Wallet, as well as the security of clients and their assets.
Credit Cards	As at the end of 2024, the number of credit cards was **461,800**. The total debt on credit cards amounted to **PLN 2.0 billion** as at the end of 2024 and decreased by 6.2% from the end of 2023. The Bank's share on the credit card market, measured by the value of loans granted on credit cards, was 16.0% according to the data at the end of December 2024. In 2024, the **acquisition of credit cards amounted to approximately 36,100 cards, which means a decrease by 3% as compared to 2023**. In 2024, the high quality of the acquired cards was maintained, which translates into a high level of activation and usability in transactions by newly acquired clients. The Bank consistently diversifies its acquisition channels while continuously optimizing its sales processes.
Cash loans and installment products on credit card accounts	In 2024, the bank observed an increase in customer interest in cash loans mainly in high-value loans. As a result, at the end of 2024, the sales volume of unsecured loans (cash loans and loans on credit card) amounted to **PLN 906 million** and was **higher by 27 YoY.** The balance of the above-mentioned cash loans amounted to **PLN 1.7** at the end of 2024 billion, which means an **increase of 3%** compared to the end of 2023.
Mortgage products	As at the end of 2024, the **mortgage loan portfolio balance** amounted to **PLN 2.3**

	billion, i.e. **up by 6% YoY.** This increase was mainly a result of the continuing demand on the real estate market driven by the "2% loan". The Bank, while maintaining operating liquidity in servicing other clients (not interested in the above-mentioned offer), significantly boosted sales in 2024. In 2024, **sales of mortgage products** amounted to **PLN 490 million**, i.e. **increased by 34%** compared to the sales results recorded in 2023.
Investment and insurance products	As at the end of 2024, **the funds under management as part of investment products** (including investment insurance products, without dual currency investments) acquired by retail clients via the Bank were **16% higher** as compared to the same period in 2023. This increase is attributable mainly to the increase of assets and valuations of stocks and bonds listed on foreign markets, which have the largest share in the asset portfolio, and to an increase in the valuation of investment units in investment funds. The asset portfolio for the local stock and bond market at the end of 2024 **grew by 78%, and for investment funds – by 28%** compared to the end of 2023. In 2024, the volume of foreign exchange (FX) transactions in the Consumer Banking segment decreased by 12% compared to 2023, while **the number of foreign exchange transactions increased by 2%** compared to 2023. As regards structured products, throughout 2024 the Bank successfully completed the offer of **13 subscriptions for structured bonds denominated in the Polish zloty** and **5 subscriptions in the US dollar**. As regards open-end investment funds, in 2024 the Bank added to the offer 12 new investment units in open-end investment funds in various currencies – PLN, USD and EUR, including hedge units against foreign exchange risk. The Bank still offered insurance in a multi-channel distribution model – both at branches and in remote channels. In the case of Citigold branches, the products were offered under the model where clients are served by insurance specialists who provide their clients with expert support in the area of financial planning using insurance products.

5. Development of distribution channels

5.1 Branch network

Citigold and Citigold Private Client outlets

In 2024, the branch network remained unchanged. As at 31 December 2024, the structure of customer service outlets included 9 Hub Gold branches, 8 Smart branches and 1 corporate branch.

The present structure of the network allows for the effective implementation of sales and operational assumptions and is a well-tailored response to customer needs. As a result of the Bank's efforts focused on the optimization of internal processes and refining the quality of service, strategic goals were achieved and the adequacy of the structure to the current market requirements was ensured.

In 2024, activities were focused on the maintenance of the ATM network as a key element of support for branch-based operational processes and on the modernization of selected branches, which was an important factor supporting the improvement of the efficiency of the teams' work and building a positive customer experience during the implementation of the sales and operational platform. The most comprehensive renovation works were carried out in the Hub Gold branch located in Warsaw at 16 Senatorska street. The office space in the branch was fully modernized, in accordance with modern standards dedicated to the Bank's headquarters, and the spaces intended for direct customer service were partially refreshed.

A downturn in the number of transactions processed in the branch network continues to be observed. A rising percentage of operations are carried out via remote channels and ATM networks. The changes are attributable to the observed dynamics of service digitization and reflect the ongoing transformation of the service model towards self-service solutions.

Number of branches (at the end of period)

	December 31, 2024	December 31, 2023	Change
Number of branches:	**18**	**18**	**-**
- HUB Gold	9	9	-
- Smart Branches	8	8	-
- Corporation Branches	1	1	-

5.2 Internet and telephone banking

Online banking

The online platform for retail clients is built in a responsive technology, i.e. it can adapt itself to the device used by a client. The design responds to customer expectations, and the extensive functionality means that customers increasingly choose to manage their products themselves via the Internet. One of the improvements is for credit card holders, which can manage their card limit, define transaction limits, convert transactions into installments. The clients can construct and update their investment profile coherent with the MiFID II regulation.

Electronic banking also includes a transaction module for investment funds and a Citi Kantor currency exchange module, enabling, among others, placing a conditional order and setting a currency alert.

The number of active users of Citibank Online, i.e. those who logged in to the online or mobile banking service via a browser or the Citi Mobile application at least once in every 90-day period, was **348,000** as at the end of 2024. The share of active Citibank Online users in the entire client portfolio of the Bank was 64% as at the end of 2024, i.e. down by 1 p.p. as compared to the end of 2023.

At the same time, as at the end of 2024, **digital users accounted for 90% of all transactionally active clients,** which means **an increase by 6 p.p.** compared to the end of 2023.

Mobile Banking

Responsive technology gives the client access to all functionalities in Citibank Online on any device they may use. The mobile application Citi Mobile also has a following features: free Push notifications, which keep the client updated of changes on the account or card, and login activation with the use of a fingerprint or face map, which makes access to the application even easier. The clients also use a simplified and intuitive navigation, a modernized layout and a mobile authorization service - Citi Mobile Token. The application also offers a currency exchange module, Citi Kantor, and a multi-currency service, Citibank Global Wallet, which permits automatic currency account alignment with the transaction currency without manually reassigning the card. The application presents offers of products and services tailored to the needs of customers and enables convenient recommendation of the Bank to friends. It also provides the possibility of updating contact details, including phone number and email address.

As at the end of the 2024, the **number of active users of mobile banking**, i.e. those who used mobile banking at least once in every 90-day period via the application or Citibank online in responsive technology, **amounted to 259,000**, i.e. **increased by 2%** as compared to the end of 2023.

As at the end of 2024 **the share of active users of mobile banking in the retail client portfolio** of Citi Handlowy was **48%**, i.e**. increased by 1 p.p.** as compared to the same period in 2023.

At the same time, at the end of 2024, **mobile users accounted for 67%** of all active transactional customers, which is an **increase of 3 p.p.**compared to the end of 2023.

With the popularity of mobile applications, electronic payment methods gather momentum. One of the selected payment methods that has been gaining the most popularity recently is BLIK. This service allows clients to make payments in online stores, stationary stores and service points, and to withdraw money from ATMs, as well as instant BLIK Phone Transfers between customers of different banks.

The number of transactions using the BLIK code made by the Bank's clients in 2024 **was almost 3 million** , which means **an increase by 141%** compared to 2023. And **the number of BLIK transfers by phone was 1,5 million,** which is an **increase by 164%** compared to 2023.

Other payment methods have also enjoyed undiminished popularity, among others: **Apple Pay** and **Google Pay**. These are virtual wallets in clients' phones that give them independence and possibility to make payments anywhere in the world. In 2024, clients made a total of **over 23,5 million transactions using these payment methods, which represents a growth by 16% as compared to 2023 (including an increase by 18% YoY for Apple Pay and an increase by 13% YoY for Google Pay).**

Social media

In 2024, Citi Handlowy continued its activities in social media. The platforms on which the Bank has a presence represent an important channel of communication with customers. In 2024, Citi Handlowy conducted active communication in this form regarding products, special offers prepared for the Bank's clients, and educated them on the use of its solutions. Social media also served as one of the new client acquisition channels.

In 2024, the content published by the Bank in social media (Meta) reached 7.2 million unique users, which means an increase in unique reach by 5.8% compared to the previous year. This result is higher, despite a slightly lower number of posts: in 2024, there were 211 publications (namely 12.4% less than in the previous period). The content was viewed 43.7 million times (-6.4% YoY).

Thanks to paid activities, users left 12,457 reactions (+185% YoY), 1,209 comments (+789% YoY) under all of the Bank's publications in 2024, and content was shared by them 330 times (+95% YoY), and links were clicked 80,766 times (-16% YoY). The strong increase in user activity is due to the implementation of additional publications targeted at user engagement.

6. Changes in IT technologies

In 2024, a strategic goal of the Bank in the area of IT technology was to continue increasing the competitiveness of the Bank by providing top quality products and services with the extensive use of innovative solutions, digitization and automation and concurrently with cost optimization. In accordance with prevailing market trends, the technology of the Bank is based, to a large extent, on centralized services and outsourcing. The services centralization processes enable the Bank to generate savings, improve quality, standardize processes and ensure a high level of control and information security. The Technology Division of the Bank focused its activities on the development and implementation of solutions which promote an electronic distribution the channels based on the most advanced online and mobile solutions. Projects supporting the automation and digitization of the Bank's internal processes as well as projects using AI were important.

IT processes of the Bank are executed in accordance with international standards, which was confirmed, in the first half of 2024, by the positive outcome of recertification/supervisory audits of compliance with ISO 20000 (information technology – service management), ISO22301 (continuity of business) and ISO 27001 (information security management).

The most crucial modifications and improvements implemented in 2024 included:

- **in institutional banking:**
  - implementation of reporting within the Central Electronic System of Payment Information (CESOP);
  - implementation of solutions supporting digitization and automation of back-office processes. As a result of implementing the automation of subsequent back-office processes, the Bank expects increased reliability and efficiency in the area of automated processes;
  - completion of the first phase of implementation of solutions supporting the processing of incoming foreign SWIFT payments in the new ISO 20022 format;
  - adaptation of payment systems to changes in the SEPA payment settlement standard.
- **in consumer banking:**
  - implementation of a functionality enabling verification whether the PESEL number is blocked for the purposes of concluding loan agreements or cash withdrawals;
  - use of Open API for direct sale of banking products by third party providers (e.g. product comparison websites);
  - implementation of a new solution that strengthens client protection against social engineering attacks;
  - adaptation of consumer banking systems to the new requirements of the GDPR;
  - strengthening the security of debit card transactions.
- **in the scope of adaptation of systems of the Bank to ensure their compliance with regulatory requirements:**
  - adaptation of the Bank to the changed EMIR (Emir Refit) reporting requirements to ensure compliance with regulatory requirements;
  - adaptation of the Bank to the changed CRR3 reporting requirements in order to ensure the Bank’s compliance with the regulatory requirements;

  - adaptation of the Bank to the requirements of the DORA regulation in order to ensure the Bank's compliance with the regulatory requirements.

- **in the area of information and communication technology infrastructure of the Bank and information security:**
  - implementation of the Microsoft365 office suite in order to improve the efficiency of the Bank's employees with the possibility of processing banking data;
  - implementation of a new solution to increase the availability and redundancy of mobile phone recordings and recording of short messages (SMS/MMS)
  - continued implementation of improvements to increase the security of use of the CitiBank Online platform, including the implementation of additional authentication mechanisms at the server level to secure the systems against possible attacks and manipulation of data of defined customers of the client;
  - implementation of improvements in the data leakage prevention (Data Leakage prevention systems), which have significantly mitigated the risks connected with data leaks;

Technology units proactively develop and improve their portfolios of services to fully meet both current and future business needs of the Bank. They deliver to their business partners optimal technology solutions used to build competitive advantage. Technology units actively support initiatives which enable a broader use of information technologies that automate processes at the Bank and increase the services digitization level.

Pending and not completed initiatives and modifications of systems which will affect the operations of the Bank in the near future are presented below:

- **in institutional banking:**
  - integration with the National e-Invoice System;
  - implementation of the second phase of the solutions to support SWIFT payments in the new ISO 20022 format – implementation of the solution enables SWIFT payments to be supported in the new global ISO format. As part of the second phase, the Bank is adapting settlements to the exchange of messages in the new format with the Sorbnet 3 system;
  - implementation of solutions for robotization and automation of operating processes of the Bank;
  - expansion of the ICT environment for financial reporting – by automating current processes, this implementation will ensure greater cost efficiency and reliability of financial and supervisory reporting processes;
  - ongoing identification and elimination of safety gaps in used systems;
  - optimization of the technology services portfolio through the elimination and consolidation of obsolete IT architecture elements.
- **in consumer banking:**
  - implementation of a number of solutions increasing the security of client transactions and eliminating fraud transactions;
  - implementation of solutions for robotization and automation of the Bank's operational processes;
  - continuation of automation and digitization of sales processes (straight through processing);
  - further improvement of the online and mobile banking platform (addition of new functionalities and products);
  - ongoing identification and elimination of security gaps and IT risks in the systems used.
- **in the area of information and communication technology infrastructure of the Bank and information security:**
  - implementation of additional new-generation security solutions in banking systems;
  - continued modernization of the architecture of network infrastructure of the Bank's main locations using SDN technology (software defined network) including the implementation of encryption between the Bank's main locations in Poland (MACSEC) and logical network segmentation;
  - continued migration of the IT infrastructure management system, ServiceNow 3.0, to the cloud;

- preparation works before using AWS cloud and GCP services for data processing (in the first stage for data classified as internal).

The Bank developed, implemented and has maintained a business continuity management system (BCMS), which is oriented to achieving results reflecting the core principles and values of the Bank in line with the Bank's strategy. The Bank designed business continuity plans and contingency plans for critical processes, which ensure continuity of processes during an emergency. The plans ensure an efficient and well-balanced continuity of critical services and products of the Bank in the required time. The plans are subject to periodic reviews and tests, and the test results are used to improve the plans and the entire BCMS. The Bank maintains the BCMS in line with the international ISO22301 standard – in the first quarter of 2024 the Bank passed the periodic audit for ISO22301 recertification.

7. Equity investments

The investments of the Bank are divided between the portfolio of strategic companies and the portfolio of companies held for sale. In 2024, the Bank continued the investment policy it had decided to adopt earlier. Its objectives for the strategic companies portfolio were: to maximize profits in the long run, to increase market shares, to develop cooperation with the Bank and to expand the product range of the Bank; and for the portfolio of companies held for sale: to optimize the financial result of capital transactions and to minimize the risk in the areas arising from those transactions.

7.1 Strategic portfolio

Strategic portfolio includes entities which conduct their activities in the financial sector and through which the Bank enlarges its product offer, raises prestige and fosters its competitive position on the Polish financial services market.

Strategic portfolio also includes infrastructural companies which operate for the financial sector. The Bank holds non-controlling interest in such companies but they are of strategic importance for the Bank given their operations and collaboration with the Bank.

For its strategic investments in the so-called infrastructural companies, the Bank is going to retain its share and to participate proactively in decision making to determine strategic directions of their development to the extent of the options the Bank may pursue with the voting rights it holds. As its overriding goal when exercising corporate oversight over those companies, the Bank has chosen to support their growth insofar as the continuation of their current operations utilized by financial market participants, including the Bank, is not put in jeopardy. Simultaneously, in order to ensure that the Bank's proposal is innovative and comprehensive and that it meets diverse product needs and expectations of clients, the Bank may consider an expansion of its strategic companies portfolio by those which will complement its own proposal and make it more attractive, while ensuring that all offered services are safe. To this end, the Bank may opt for an acquisition, create a new company or use a special purpose investment vehicle it already has in its portfolio.

7.2 Divestment portfolio

Companies held for sale are entities in which the Bank's involvement is not of strategic nature. They include both companies held by the Bank directly and indirectly as well as special purpose investment vehicles. Some of the companies held for sale are restructuring commitments taken over by the Bank as a result of debt-to-equity conversion.

Strategic assumptions of the Bank regarding companies held for sale provide for gradual reduction of the Group's exposure in these companies. It is assumed that the individual entities shall be sold at the most favorable moment, determined on the basis of market conditions. The held-for-sale portfolio covers investments without a pre-determined rate of return. The Bank does not plan any new investments that would be held for sale in the future. The portfolio of companies which are held for sale may be enlarged by adding new companies taken over in the course of debt-to-equity conversions or as a result of takeover/enforcement of a pledge established on shares during the lending process or other processes aimed at securing or enforcing receivables of the Bank, and by investments which the Bank may take over in the course of its operations. Investment resulting from restructuring activities will be sold in accordance with the restructuring plan created individually for each company.

Special purpose investment vehicles companies

As at 31 December 2024, the Group included two investment special purpose vehicles. Their activities were financed with reverse capital contributions of the shareholder and with their profits. As the Bank continues its strategy which assumes that its activities carried out via special purpose vehicles should be trimmed down, it is expected that its special purpose vehicles will be gradually sold or liquidated.

According to information available as the date of preparation of the (preliminary and unaudited) financial statements, the key financials of those companies as at 31 December 2024 were as follows:

Entity	Headquarter	Authorized capital/votes in GM held by the Bank	Balance sheet	Equity	Net financial profit/loss for 2024
		%	PLN ‘000	PLN ‘000	PLN ‘000
Handlowy-Inwestycje Sp. z o.o.	Warsaw	100.00	10,801	10,738	278
Handlowy Investments S.A.*	Luxemburg	100.00	4,302	4,351	277

* Financial data of Handlowy Investments S.A. originate from the financial statements prepared as at 28 February 2024 (pre-audit data), which is the entity’s balance sheet date.

V. Significant risks related to the activities of the Capital Group of Bank Handlowy w Warszawie S.A.

1. Significant risks and threats related to the Group's operating environment

1.1 Regulatory and legal risks

In 2024 the financial and organizational situation of the Group was affected, among other things, by:

Legal acts / regulations	Effective date and summary of new requirements
Announcement of the UKNF (Office of the Polish Financial Supervision Authority) of 28 February 2022 on supporting solidarity of the financial sector Announcement of the UKNF of 4 March 2022 on the product offer for refugees from the areas of military operations in Ukraine	• Date: February/March 2022 • The UKNF has said it appreciates and supports the ethical and responsible approach as well as the solidarity of many institutions of the Polish financial sector in the face of the ongoing humanitarian crisis caused by the aggression of the Russian Federation against Ukraine, • The Polish watchdog expects supervised entities to display exceptional business ethics during this difficult time for everyone and to actively counteract any practices consisting in abusing and exploiting the tragedy of the Ukrainian nation to achieve non-standard benefits. • The UKNF said it expected banks to implement offers addressed to the group of refugees from Ukraine as soon as possible, in order to grant them access to the basic payment services and facilitate the distribution of the financial support among them. The Office also emphasized the need to help them easily satisfy their everyday life needs that require standard payment transactions.
Announcement of the European Banking Authority (EBA) on ensuring compliance with sanctions against Russia following the invasion of Ukraine	• Date: 11 March 2022 • The EBA has called on financial institutions to ensure compliance with sanctions against Russia following the invasion of Ukraine and emphasized that it will continue to closely monitor and assess the situation. • The EBA underscored that financial institutions are required to assess the adequacy and effectiveness of internal controls and governance to ensure compliance with restrictive measures adopted in response to the above-mentioned crisis. They should also adapt or enhance systems and processes as appropriate. • Moreover, the EBA called on them to facilitate access to basic payment accounts for refugees. • The EBA's announcement was also locally supported by the UKNF through its published stances and communiqués.
Recommendations of the National Working Group for Benchmark Reform (NGR) on new agreements for PLN products	• Date: 2023/2024 • The purpose of the recommendation is to identify best practice for financial market participants in the use of the WIRON (Warsaw Interest Rate Overnight) benchmark or the indices from the WIRON Family of Composite Indices to determine variable interest rates when entering into new contracts with customers for gold products based on the benchmark. The recommendations include recommended interest calculation guidelines, • The guidelines specified in the recommendations are not mandatory and may be applied voluntarily taking into account the specific characteristics of a financial market participant and of customers with whom agreements are made.
Position of the Polish Financial Supervision Authority (KNF) concerning	• Date: 2024 • The Office of the Polish Financial Supervision Authority (*UKNF*) expects all supervised entities granting consumer credit to

the application by supervised entities of the provisions and principles regarding non-interest costs of consumer credit	comply with the principle of proportional, rational and justified charging of borrowers with costs related to granting consumer loans. • The limits specified in Article 36a(1) of the Consumer Credit Act apply to the non-interest costs of a consumer loan that is not a payment loan, but is granted by a lending institution that also has the status of an NBPSP (non-bank payment service provider), if, in order to administer funds from this loan, such an entity, acting as an NBPSP, issues a payment instrument in the form of a card. • In its position, the UKNF also provided an interpretation in relation to interpretative doubts regarding the application of the provisions regulating limits and the principles of determining non-interest costs of a payment loan being a consumer loan granted by an NBPSP in connection with the issuance of a credit card.
Circular of the Polish Financial Supervision Authority (KNF) concerning the obligations of supervisory boards in the event of dismissal of management board members	• Date: 2024 • The KNF, in a letter addressed to banks, reminded them of the obligation imposed on a bank's supervisory board under point 5.6 of Recommendation Z issued by the KNF to notify the KNF of the inclusion in the board's agenda of an item regarding: – dismissal of the president of the management board, – dismissal of the member of the management board who oversees the management of risks that are material to the bank's business or the delegation of his/her duties to another member of the management board, together with the reasons for the proposed decision. • This information should be provided immediately and in sufficient time to enable the KNF to review it and respond to it, before the supervisory board adopts appropriate resolutions.
Position of the Office of the Polish Financial Supervision Authority (UKNF) concerning limiting certain effects of identity theft (PESEL blocking)	• Date: 2024 • In a letter addressed to the financial market, the UKNF emphasized that on 1 June 2024 the provisions of the Act of 7 July 2023 amending certain acts in order to limit certain effects of identity theft will come into force. It was noted that this is one of the last stages of implementation of the regulation, which is a response to the increasingly common phenomenon of identity theft and the use of personal data in an unlawful manner, including to the detriment of financial market participants and their clients. • The KNF expects the full implementation of the mechanisms specified in the above-mentioned Act and the proper fulfilment of the obligations imposed therein.
Position of the Office of the Polish Financial Supervision Authority (UKNF) concerning the notification of a change in the share in the total number of votes in connection with an increase or decrease in the share capital of a public company	• Date: 2024 • The position emphasized that the notification obligation may result from a change in the share capital of a public company. Shareholders of public companies should monitor and verify on an ongoing basis whether an increase (both ordinary and conditional) or decrease in the share capital has led to a change in their shares in the total number of votes. • Shareholders are not released from the obligation to monitor their ownership status, even if a change is the result of activities in which they were not personally involved. • In the event of a change (increase or decrease) in the share capital of a public company, resulting in a change in the shareholder's share in the total number of votes, leading to reaching or exceeding (up or down) statutory thresholds, such shareholder is obliged to submit a notification to the Polish Financial Supervision Authority within 4 business days from the date of change in the share in the total number of votes.

Amendment to Recommendation U on good bancassurance practices (KNF's Resolution No. 243/2023) The position of the PFSA on uniform rules for the application of point 20 of the U. Recommendation	• Date: 1 July 2024 (deadline for adjusting activity), • The Polish Financial Supervision Authority (KNF) published an amendment to Recommendation U on good bancassurance practices that will replace the current Recommendation U of 2014. • The aim of Recommendation U is to improve the standards of bancassurance business and to set the conditions for the stable development of the bancassurance market, The adopted Recommendation U introduces new provisions concerning in particular: a) ensuring that the insurance products offered through bancassurance, including in credit or loan repayment insurance (so-called CPI products), provide adequate value for the customer, b) the way insurance products are offered in bancassurance, c) the relationship of a bank, operating in the field of bancassurance, with an insurance financier who, on the basis of a contract concluded with the bank, is obliged to cover the costs of the bank's insurance cover, d) monitoring, as part of the bank's internal control and risk management system and by the audit committee, of the processes involved in the offering of insurance products by these entities. • The UKNF's position refers to Recommendation 20, which contains the Commission's expectation that the insurance products offered will provide adequate value for the client, and that the remuneration of the entity received for insurance intermediation will be determined taking into account the client's interest and the amount of insurance cover costs.
Amendment to Recommendation S on good practices for management of credit exposures secured with mortgages (KNF's Resolution No. 242/2023)	• Date: 1 July 2024 (deadline for adjusting activity), • The adoption of the amendment is dictated by the need to adapt Recommendation S to changing legislation and to implement the regulatory and supervisory policy of the Financial Supervision Commission, • The changes introduced in Recommendation S relate to: a) the inclusion in Recommendation S of a guaranteed housing loan covered by a government program, b) the inclusion in Recommendation S of a housing loan covered by the government's interest rate subsidy program, c) a buffer against rising interest rates, which is taken into account in determining a customer's creditworthiness, d) the introduction of new expectations regarding the inclusion of models estimating the risk of early repayment of loans (prepayment models), • the introduction of new expectations regarding the information on mortgage risks that should be provided to customers.
The ruling of the Court of Justice of the European Union of 11 September 2019 on the interpretation of Article 16.1 of the Directive of the European Parliament and of the Council 2008/48/EC of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, concerning the settlement of cost of borrowing in the case of an earlier repayment.	• Announcement date: 11 September 2019 • The position of the UOKiK (Office of Competition and Consumer Protection) clearly shows how the conclusions from the judgment should be taken into account in activities of lenders. • The expected response is a proportionate, i.e. in accordance with the so-called straight-line method, return of part of the commission on early repaid consumer loans. • As revealed in an official communiqué published on the UOKiK's website, the majority of banks have promised to use practice in line with the UOKiK's expectations.
Judgment of the Court of Justice of the European Union of 3 October 2019 on the interpretation of Article 1(2), Article	• Announcement date: 3 October 2019

4, Article 6(1) and Article 7(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ 1993 L 95, p. 29) concerning clauses in foreign currency indexed mortgage contracts	• According to the CJEU ruling, if Polish courts find that indexation clauses in foreign currency indexed mortgage loan agreements are abusive: 1) courts may assume that the contract cannot continue to operate without such clauses because this would change the nature of the contract, 2) as a rule, the consequences of contract invalidation for the consumer must be assessed as at the moment the dispute arose (not as at the time the contract was made), 3) courts cannot freely supplement their terms based on equity principles (e.g. by introducing settlements based on NBP exchange rates into contracts), 4) courts cannot uphold the indexation even if the contract has to be invalidated and such invalidation is disadvantageous to the client if the client does not agree to maintain the indexation. • As a result of this judgment, a case law unfavorable for banks has developed, affirming the ability to invalidate mortgage loan contracts indexed to a foreign currency.
Regulation of the Minister of Finance of 6 May 2024 on the detailed rules for the organizational separation of the bank's brokerage activities and the activities that may be performed by the organizationally separated unit or other organizational units of the bank	• Effective date: 28 May 2024 • The specification of detailed rules for the organizational separation of the bank's brokerage activities, • The specification of the scope of activities that may be performed by a brokerage house or organizational units of the bank other than a brokerage house in connection with the bank's brokerage activities and other activities of the bank, and the method of determining the conditions for performing these activities.
The Act of 24 June 2024 on the protection of whistleblowers	• Effective date: 25 September 2024, subject to the external reporting regulations, which are scheduled to enter into force on 25 December 2024. • The Act specifies, among other things: a) the scope and definition of reportable breaches of law, b) the conditions required to provide protection for the reporting persons and protection measures, c) rules for establishing an internal procedure for reporting violations of law and taking follow-up actions, including the obligation to consult the procedure with trade unions, d) the rules of public disclosures of violations of law.
EMIR Refit Regulation 2019/834 and the technical standards issued thereunder, approved by the European Parliament on 7 October 2022, concerning the implementation of changes to the EMIR regulatory system specified in EMIR Refit, including in particular: Commission Delegated Regulation (EU) 2022/1855 of 10 June 2022 supplementing regulation (EU) 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards specifying the minimum details of the data to be reported to trade repositories and the type of reports to be used Commission Implementing Regulation (EU) 2022/1860 of 10 June 2022 laying down implementing technical standards for the application of Regulation (EU) No	• These standards came into force at the end of April 2024. • These standards are to significantly affect the obligations of derivative market participants arising from EMIR, and in particular their reporting requirements.

648/2012 of the European Parliament and of the Council with regard to the standards, formats, frequency and methods and arrangements for reporting	
DIRECTIVE (EU) 2022/2464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD) Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU as regards sustainability reporting standards (ESRS) Act of 29 September 1994 on accounting (consolidated text: Journal of Laws of 2023, item 120, as amended) – in the scope of CSRD implementation	• The CSRD Directive makes, among other things, changes to a bank's existing non-financial reporting by introducing sustainability reporting. Pursuant to the amended regulations, a bank is obliged to present in its activity reports the information necessary for recipients to understand the bank's impact on sustainability issues, as well as to present how the presented information affects the development, results and situation of the bank. The CSRD applies to a bank for financial years beginning on or after 1 January 2024. • The ESRS Regulation introduces standards as to the information that obliged entities should report as part of sustainability reporting.
The Act of 12 April 2024 amending the Act on Support for Borrowers Who Have Taken a Housing Loan and Are in a Difficult Financial Situation and the Act on Crowdfunding for Business Ventures	• Effective date: 15 May 2024, • The act envisages an amendment to the existing provisions of the Act of 9 October 2015 on Support for Borrowers Who Have Taken a Housing Loan and Are in a Difficult Financial Situation in terms of, including but not limited to, reducing, as one of the conditions for obtaining support, the size of the Installment to Income ratio, increasing the amount of income entitling to obtain support or a loan for debt repayment, extending the possible period of granting support from 36 to 40 months, increasing the value of the maximum support from the current level of PLN 2,000 to PLN 3,000, • The draft introduces amendments to the Act of 7 July 2022 on Crowdfunding for Business Ventures and assistance to borrowers by extending the credit holiday mechanism for 2024 for loans amounting up to PLN 1,200,000.00, which provides for a criterion according to which the consumer will be entitled to suspend the repayment of the loan if the arithmetic average of the value of the Installment to Income ratio (the Installment to Income ratio within the meaning of the Act of 9 October 2015 on Support for Borrowers Who Have Taken a Housing Loan and Are in a Difficult Financial Situation), for the period of the last three months preceding the month of submitting the request exceeds 40% or the borrower has at least three dependent children referred to in Article 4(2)(3) of the Act of 5 December 2014 on the Large Family Card.
The Act of 07 July 2023 on the amendment of certain acts to reduce certain effects of identity theft	• Date: 01 June 2024, • The Act provides for an obligation for banks to check the PESEL register before concluding and amending certain contracts with consumers and an obligation to check the register of blocked PESEL numbers before disbursing funds exceeding three times the minimum wage, • If a contract is concluded with a consumer with a blocked PESEL number, claims arising from the contract may not be enforced or sold.
Regulation of the Minister of Finance of 12 November 2024 on the procedure	• Effective date: 27 November 2024

and conditions of conduct of investment firms, state-owned banks running brokerage activity, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks	• The new Regulation will replace the current Regulation of the Minister of Finance of 30 May 2018 on the procedure and conditions of conduct of investment firms, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks, • It specifies the procedure and conditions of conduct in the field of brokerage, custody and banking activities pursuant to Article 70(2) of the Act on Trading in Financial Instruments.
Regulation of the Minister of Finance of 24 September 2024 on the detailed technical and organizational rules for investment firms, state-owned banks running brokerage activity, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks	• Effective date: 28 September 2024, with the exception of § 21(3), which enters into force on 17 January 2025, • The new Regulation will replace the current Regulation of the Minister of Finance of 29 May 2018 on the detailed technical and organizational rules for investment firms, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks, • It specifies the technical and organizational conditions for conducting brokerage, custody and banking activities pursuant to Article 70(2) of the Act on Trading in Financial Instruments.
Regulation of the Minister of Finance of 20 September 2024 on the submission of information to the Polish Financial Supervision Authority by investment firms, state-owned banks running brokerage activity, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks	• Effective date: 28 September 2024 • The new Regulation will replace the current regulation of the Minister of Finance of 22 February 2019 on the scope, procedure, form and deadlines for submitting information to the Polish Financial Supervision Authority by investment firms and banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks, • It specifies the scope, mode and form as well as the deadlines and manner of submitting information to the Polish Financial Supervision Authority by investment firms, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks.
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises – the so-called “Listing Act”	• Effective date: 24 December 2024 (with exceptions) • The Regulation has amended the following regulations: 1) Prospectus Regulation (EU 2017/1129) 2) Market Abuse Regulation (“MAR”) (EU 596/2014) 3) Markets in Financial Instruments Regulation (“MiFIR”) (EU 600/2014)
REGULATION (EU) 2024/2987 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2024 amending Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets (EMIR 3.0)	• Its effective date is 24 December 2024, • Requirements for financial and non-financial counterparties subject to the central clearing obligation, to clear at least some derivatives indicated in the legal act as being of systemic importance in active accounts at Union CCP (CCP – central counterparty), are one of the key changes introduced by EMIR 3.0, • The above requirement refers to the obligation of counterparties to have the so-called active account, which meets specific requirements, at a Union CCP, and to clear in that account a specific number of interest rate derivatives denominated in EUR and PLN deemed to be of substantial systemic importance.

In addition, the Bank's activity in of 2024 was affected by the following European Banking Authorities' Guidelines:

AML and Sanctions Risk:

- EBA Guidelines amending Guideline EBA/2021/02 Guidelines on Money Laundering and Terrorist Financing Risk Factors

- EBA Guidelines on Principles and Controls for the Effective Management of Money Laundering and Terrorist Financing Risks when Providing Access to Financial Services
- EBA Guidelines on information requirements in relation to transfers of funds and certain crypto-assets transfers under Regulation (EU) 2023/1113

Product and Customer Relationship Management:

- ESMA Guidance on Specific Aspects of MiFID II Suitability Requirements
- EBA Guidelines on the Use of Remote Customer Onboarding Solutions

Corporate Governance:

- EBA Guidelines on Improving Resolvability for Institutions and Resolution Authorities (EBA/GL/2022/01)
- EBA guidelines on benchmarking of diversity practices under CRD and IFD
- ESMA guidelines on the EMIR reporting requirements
- EBA Guidelines amending Guideline EBA/GL/2022/01 on Improving Resolvability for Institutions and Resolution Authorities to Introduce a New Section on Resolvability Testing
- EBA Guidelines on Transferability in the Context of the Resolvability Assessment for the Purposes of the Transfer Strategy
- EBA Guidelines on General Resolvability in Recovery and Resolution Planning
- EBA Guidelines on resubmission of historical data under the EBA reporting framework
- EBA, ESMA and EIOPA Guidelines on estimation of aggregated annual costs and losses caused by major ICT-related incidents under regulation (EU) 2022/2554 (DORA)

In 2025, the financial and organizational situation of the Group will be affected, among other things, by:

Legal acts / regulations	Effective date and summary of new requirements
Amendment to Recommendation G concerning interest rate risk management at banks (Resolution of the KNF No. 60/2024)	• Date: 31 December 2024 (deadline for adapting the activities), • The Polish Financial Supervision Authority (KNF) adopted an amendment to Recommendation G concerning interest rate risk management at banks (Resolution No. 60/2024 of 26 February 2024). The new Recommendation G replaces the Recommendation concerning interest rate risk management at banks issued in 2002. • The final shape of the new Recommendation G was influenced by both the regulations contained in national law and the recently developed package of EU regulations in the area of interest rate risk management. Recommendation G takes into account, in particular, the provisions of Guidelines on IRRBB and CSRBB, i.e. EBA Guidelines specifying criteria for the identification, evaluation, management and mitigation of the risks arising from potential changes in interest rates and of the assessment and monitoring of credit spread risk, of institutions' non-trading book activities (EBA/GL/2022/14). • The new Recommendation G is a set of good practices in managing interest rate risk at banks and maintaining the risk-sensitive variability of financial results and economic value measures within limits that do not threaten the bank's security. The recommendation takes into consideration current conditions for products generating interest rate risk and techniques to manage this risk.
EBA Guidelines on the management of ESG risks	• Date: 11 January 2026 • The guidelines concern management of the environmental, social and governance risks and set out the management rules to be implemented by institutions pursuant to Article 87a (1) and Article 74 of the CRD Directive (Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms). • The EBA Guidelines refine the above provisions of the CRD as regards: a) the minimum standards and reference methodologies for the identification, measurement, management and

	monitoring of environmental, social and governance risks (ESG) b) qualitative and quantitative criteria for the assessment of the impact of ESG risks on the risk profile and solvency of institutions in the short, medium and long term, c) the content of plans to be prepared in accordance with Article 76(2) of the CRD by the management body.
UKNF's position on the application of the DORA by financial entities	• Date: 17 January 2025 • This position specifies, among others, the KNF's expectations as to compliance resulting from the implementation of the DORA requirements by 17/01/2025 and as to the compliance with the manner and mode of fulfilling disclosure and reporting obligations in accordance with the position, as regards: – the obligation to have a Legal Entity Identifier (LEI) – the first reporting obligations – reporting major ICT-related incidents and significant cyberthreats – keeping and providing a register of information on contracts with ICT third-party service providers. • In the position, the KNF again raises the fact of repealing the soft-law regulations, including recommendation D and the cloud communication.
Position of the UKNF on the entry into force of the Listing Act	• In the position, the UKNF points out that on 14 November 2024, the EU published in the Official Journal of the European Union a package of provisions constituting the so-called Listing Act, including Regulation 2024/2809, which enters into force on the twentieth day after its publication in the OJEU, that is, on 4 December 2024. Some of its regulations will be implemented at a later date, that is, on 5 March 2026 and on 5 June 2026. • The provisions of Regulation 2024/2809, effective since 4 December 2024, include Article 1(1)(A). It repeals Article 1(3) of the Prospectus Regulation (Regulation of the European Parliament and of the Council (EU) 2017/1129). • The position of the UKNF concerns the consequences of the entry into force of the above-mentioned provision of Regulation 2024/2809 for offers of securities to the public with a total consideration referred to in the repealed Article 1(3) of the Prospectus Regulation, made on or after 4 December 2024.
Resolution no. 243/2024 of the Polish Financial Supervision Authority (KNF) of 15 July 2024 on the issuance of the WFD Recommendation on the Long-Term Financing Ratio (LTF).	• Effective date: 18 July 2024 (applicable from 2026) • The Recommendation describes the definition of the Long-Term Financing Ratio and refers to the application and level of the LTF requirement and the reporting of the LTF Ratio.
KNF CSIRT good practices concerning preventing and responding to ransomware attacks	• Date: not specified • The good practices published by the KNF are intended to help protect organizations against ransomware attacks. These good practices include proposals for responding to the possible occurrence of such an incident in the organization. • The document is intended as help both when preparing for such attacks and in the event of a ransomware incident. However, it should be noted that the scope of activities and the shape of internal procedures should be prepared in accordance with the specific nature of the organization's operations. • In the announcement regarding the publication of the above-mentioned Good Practices, the KNF emphasizes that each organization should conduct a risk analysis in the area of ransomware attacks on its ICT infrastructure and, based on its results, prepare appropriate processes and procedures and

	select appropriate tools and technical solutions so that the risk of a ransomware incident is minimized.
Recommendations of the National Working Group for Benchmark Reform (NGR) on new agreements for PLN products	• Date: end of 2027 • These recommendations are to present to financial market entities the best practices relating to the use of the WIRON interest rate benchmark (Warsaw Interest Rate Overnight) or rates from the WIRON composite index family for determination of variable interest rates when concluding new agreements with customers for benchmark-based PLN products. The recommendations include recommended interest calculation guidelines. • The guidelines specified in the recommendations are not mandatory and may be applied voluntarily taking into account the specific characteristics of a financial market participant and of customers with whom agreements are made.
REGULATION (EU) 2024/1623 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor	• Effective date: 09 July 2024 • Most changes will apply from 1 January 2025, whereas some of them became effective as early as 9 July 2024. • The Regulation has a significant impact on the bank's operations, including in the area of calculation of capital requirements, credit, operational and market risk, ESG reporting. the obligation to include in the calculation of capital requirements contracts that have been offered by the institution but have not yet been accepted by the client. • An important change among the changes applicable since 9 July 2024 was the amendment to Article 500a regarding temporary treatment of public debt issued in the currency of another Member State.
Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (CRD VI)	• Effective date: Member States shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI and should apply those measures from 11 January 2026, • CRD VI introduced an obligation to consider ESG Risks in risk assessment and prudential supervision. Financial institutions are obliged to analyze climate-related risks and risks arising from environmental degradation and biodiversity loss in the short, medium and long term. ESG Risks should be managed in a time horizon of at least 10 years, in compliance with the EU climate objectives, such as achieving climate neutrality by 2050.
The ruling of the Court of Justice of the European Union of 11 September 2019 on the interpretation of Article 16.1 of the Directive of the European Parliament and of the Council 2008/48/EC of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC, concerning the settlement of cost of borrowing in the case of an earlier repayment.	• Announcement date: 11 September 2019 • The position of the UOKiK (Office of Competition and Consumer Protection) clearly shows how the conclusions from the judgment should be taken into account in activities of lenders. • The expected response is a proportionate, i.e. in accordance with the so-called straight-line method, return of part of the commission on early repaid consumer loans. • As revealed in an official communiqué published on the UOKiK's website, the majority of banks have promised to use practice in line with the UOKiK's expectations.
Judgment of the Court of Justice of the European Union of 3 October 2019 on the interpretation of Article 1(2), Article 4, Article 6(1) and Article 7(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ 1993 L 95, p. 29) concerning clauses in foreign currency indexed mortgage	• Announcement date: 3 October 2019 • According to the CJEU ruling, if Polish courts find that indexation clauses in foreign currency indexed mortgage loan agreements are abusive: a. courts may assume that the contract cannot continue to operate without such clauses because this would change the nature of the contract,

contracts	b. as a rule, the consequences of contract invalidation for the consumer must be assessed as at the moment the dispute arose (not as at the time the contract was made), c. courts cannot freely supplement their terms based on equity principles (e.g. by introducing settlements based on NBP exchange rates into contracts), d. courts cannot uphold the indexation even if the contract has to be invalidated and such invalidation is disadvantageous to the client if the client does not agree to maintain the indexation. • As a result of this judgment, a case law unfavorable for banks may develop, affirming the ability to invalidate mortgage loan contracts indexed to a foreign currency.
Regulation on operational resilience to digital threats ("DORA" – Digital Operational Resilience Act).	• DORA – The regulation will apply to entities such as: investment funds, payment and credit institutions, ASI managers, insurance companies, audit companies, ICT service providers (Information and communication technologies), crypto-asset service providers, securities depositories. The DORA Regulation aims at harmonizing the provisions regarding the digital resilience of the financial sector in the EU and at boosting the digital and operational resilience of the financial sector organizations. The regulation entered into force on January 17, 2025.
Bill amending the Act on crisis management and certain other acts	• Implementation of solutions included in the CER directive, • The Bill assumes not only that the current level of protection of critical infrastructure will be maintained, but also that protection will be extended to include the protection of "critical infrastructure under construction" and the protection of critical infrastructure that is of key importance for local communities, • The designed solutions are aimed at strengthening the mechanisms for protecting critical infrastructure, taking into account that it is the core for providing services to the state and citizens. They also result from the analysis of the course of the war in Ukraine and the emerging sabotage and hybrid activities, • New criteria are planned to enable the identification of facilities, installations and devices as critical infrastructure, and thus the selection of critical infrastructure operators (the owner or holder of such infrastructure). Simultaneously to the criteria, the ministers in charge of government administration departments will be indicated who will be responsible for critical infrastructure in particular sectors, • A division will be made into critical infrastructure, the destruction or disruption of which will have an adverse impact, • In order to ensure an appropriate level of critical infrastructure protection, it is planned to introduce minimum standards in the areas of physical, technical, personal, ICT and legal security, as well as business continuity and recovery plans. • As part of the personal safeguards, it provides for, among others, a possibility for a critical entity to carry out background checks on employees or candidates who hold or might hold sensitive roles in the organizational structures of the critical entity or perform tasks for its benefit, and on persons who are or may be authorized to directly or remotely access its premises, information or control systems, including in connection with the security of the critical entity.
Regulation on Artificial Intelligence (AI Act)	• The regulation is to ensure that AI systems introduced in the EU market and used in the EU are safe and in compliance with the law in the area of fundamental rights and EU values. The regulation introduces comprehensive requirements for the so-

	called high-risk Artificial Intelligence systems, which include creditworthiness assessment systems for individuals, but also other systems that may be used in the banking system. The regulation defines prohibited AI practices – the AI systems using such practices will be prohibited, • The regulation was published in the Official Journal of the EU. The regulation comes into force 20 days after publication in the Official Journal and will become generally applicable 24 months after its entry into force, with the following exceptions: a) Chapter I – General Provisions and Chapter II – Prohibited AI Practices will enter into force on February 2, 2025, b) Section 4 of Chapter III on supervisory authorities, Chapter V on general purpose AI models, Chapter VII on governance at Union level and Chapter XII on penalties for infringements of the regulation (except Article 101) and Article 78 regarding confidentiality will come into force on August 2, 2025, c) Article 6(1) regarding high-risk systems and the corresponding obligations described in the regulation will enter into force on August 2, 2027.
The Act of 14 April 2023 Amending the Goods and Services Tax Act and Certain Other Acts	• Effective date – 01 January 2024, • a new requirement for individual payment service providers participating in cross-border transactions to report certain cross-border transactions to the Head of the National Revenue Administration. Data collected at the national level are provided to the Central Electronic System of Payment Information (CESOP); payment service providers are obliged to keep electronic records, on a quarterly basis, of payment recipients and cross-border payments as regards the payment services provided. The obligation arises when the number of services provided by the service provider during a given quarter exceeds 25 cross-border payments to the same recipient.
The Act of 16 June 2023 Amending the Goods and Services Tax Act and Certain Other Acts (implementing the National System of e-Invoices, the so-called KSeF)	• Pursuant to the Act of 9 May 2024 amending the Act amending the Goods and Services Tax Act and certain other acts, the effective date was postponed to 1 February 2026, • The National System of e-Invoices (KSeF) is a system that enables the generation and sharing of structured invoices. The aim of KSeF is to centralize the process of registering invoices in business transactions by directing them to one central facility,
Bill of 25 April 2024 on top-up taxation of component units of international and domestic groups	• The Bill is an implementation of the EU Directive which introduces the concept of the so-called global minimum tax (Pillar 2), • Pillar 2 is, in simple terms, a set of rules that impose an obligation on large multinational enterprise groups to pay a top-up tax so that the group's effective tax rate in a given country is not lower than 15%, • The Act entered into force on 1 January 2025, with the possibility of using the so-called safe harbor until the end of 2026, which, when certain conditions are met, excludes the requirement to calculate the top-up tax.
Resolution of 29 October 2021 amending the Personal Income Tax Act, the Corporate Income Tax Act and certain other acts (amended by the Act of 26 May 2023)	• On 1 January 2025, an obligation came into effect to maintain accounting books only in electronic form and to send the JPK-CIT structure to the tax authorities on an annual basis. • The largest CIT taxpayers (with revenues exceeding the equivalent of EUR 50 million) and tax capital groups are the first to be required to submit JPK-CIT for 2025.

The Act of 12 April 2024 Amending the Accounting Act and Certain Other Acts	• The Act implements the EU Directive and obliges large multinational companies to publicly disclose reports related to income tax paid in the countries in which they operate, • If the parent company in a group is based outside the EEA and certain thresholds are exceeded, the reporting obligation falls on its subsidiaries based in the EEA, • If the parent company publishes a report and meets certain requirements, subsidiaries will be exempt from this obligation, • The first report for 2025 will have to be published by the end of 2026.
Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets and amending Directive (EU) 2015/849	• The Regulation takes effect on 30 December 2024 and Regulation (EU) 847/2015 of the European Parliament and of the Council will cease to apply on the above effective date. • The draft introduces: a) amendments to the obligations of payment service providers to provide information on payers and payees accompanying transfers of funds, b) obligations of crypto-asset service providers involved in the transfer of crypto-assets to provide information on the originators and beneficiaries accompanying transfers of crypto-assets; c) obligations to implement internal policies, procedures and controls to ensure that restrictive measures are applied.
Draft Act on Credit Servicers and Credit Purchasers	• The act was passed by the Sejm on 20 December 2024. The Senate adopted it on 8 January 2025 without amendments. On 30 January it was signed by the President, • Regulation of credit management activities (supervision, register, permits, capital requirements, requirements regarding policies and internal procedures), • The Directive lays down the rules of national supervision over the above-mentioned entities (including but not limited to, supervision of individual categories of entities and establishment of a procedure for granting authorization to credit servicers), including in terms of cross-border trade in receivables, • Amendment to the Consumer Credit and Mortgage Credit Act with respect to mandatory information provided before the agreement is amended, • Amendments to the Banking Act consisting in, among others, adding a possibility to divide a bank being a joint-stock company by separation (*podział przez wyodrębnienie*) (apart from the already existing option of partial division (*podział przez wydzielenie*).
Financial data access and payments package (PSR/PSD3/FIDA) REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on payment services in the internal market (PSR) DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on payment services and electronic money services in the internal market (PSD3) Regulation of the European Parliament and of the Council on a Framework for Financial Data Access (FIDA)	• Date of entry into force of the PSR: the Regulation enters into force on the twentieth day following its publication in the Official Journal of the European Union. It applies 18 months after the date of entry into force of the Regulation, • Date of entry into force of PSD3: the Directive enters into force on the twentieth day following its publication in the Official Journal of the European Union and needs to be transposed into national law. • FIDA effective date: The Regulation is to enter into force on the twentieth day following its publication in the Official Journal, and is to be applied after twenty four months following the date of entry into force, with the proviso that data holders and data users must become members of financial data sharing schemes within eighteen months following the entry into force of the Regulation,

	• PSR – the establishment of uniform requirements for the provision of payment services and electronic money services in relation to the following matters: (a) transparency of the reporting conditions and requirements for payment services and electronic money services; (b) the rights and obligations of users of payment services and electronic money services and of payment service and electronic money service providers with regard to the provision of payment services and electronic money services. • PSD3 - the establishment of the provisions concerning: (a) the admission of payment institutions to an activity consisting of the provision of payment services and electronic money services within the Union; (b) supervisory powers and tools for the supervision of payment institutions. • FIDA - the extension of the "open banking" principle by allowing access to data to which access has not been granted yet under the PSD2 directive. This includes access to data on mortgage loans, loans, savings, non-payment accounts, and even access to data that constitute the basis for assessing a customer's creditworthiness, which is collected as part of a loan application or credit rating.
MP draft act amending the Labor Code	• The draft act is now in the Sejm, and its planned effective date is 6 months after the publication date. • The draft act should serve as partial implementation of the Directive of the European Parliament and of the Council (EU) 2023/970 of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms, the purpose of which is to reduce the pay gap between men and women and which sets forth the following, among others: a) pay and pay levels should be transparent during the employment relationship and before establishing such relationship, b) workers will have the right to obtain information, upon their request, on their individual pay level and on the average pay levels, broken down by sex, for the category of workers performing the same work as them or work of equal value to theirs, provided that they can request the same through their representatives, c) employers will be obliged to state the minimum and maximum pay for a given position in the vacancy notices. It will be possible to add a note that the amount is negotiable, d) employers will not be allowed to prohibit their workers from disclosing information about their pay, e) the failure by the employer to meet the obligations imposed by the act is subject to a fine referred to in Article 281 of the Labor Code (PLN 1,000 – 30,000).
Draft act amending the Labor Code	• The draft act is now in public consultation, it is planned to be adopted by the Council of Ministers in Q3 2025. • It provides for significant changes in the scope of counteracting mobbing and discrimination, including: a) introduction of a new definition of mobbing, among others, by recognizing as its primary characteristic the fact of persistent harassment of an employee, b) imposition of an obligation on employers to counteract violations of the equal treatment principles and mobbing by applying preventive measures, detection and quick and proper response, as well as by implementing corrective

	actions and supporting people affected by unequal treatment. c) employers will be able to be released from the responsibility for mobbing if they can demonstrate that they duly fulfilled their obligation referred to in letter (b), and the questionable behaviors were displayed by a person who did not manage the employee or did not hold a position superior to the employee in the work establishment, d) expansion of the catalogue of employer's obligations by adding counteracting violation of an employee's dignity and other personal rights, e) specification of reparation for an employee who has suffered mobbing in the amount not lower than the amount of remuneration for 6 months or compensation.
A package of AML regulations: Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ("AML Regulation") Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 ("AMLA Regulation") Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive(EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 ("AML Directive") and draft act amending the Act on Anti-Money Laundering and Combating the Financing of Terrorism (at the moment, only assumptions to the draft act have been published)	• The AML Regulation defines a common legal framework for anti-money laundering and combating financing of terrorism (AML/CFT) for the EU. It specifies, in particular, a catalogue of obliged entities (such that are required to comply with AML/CFT regulations), indicates the scope of procedures, policies and controls to be adopted by obliged entities, and describes the principles of application of financial security measures, such as client identification or verification. Obliged entities will be required to apply EU harmonized rules to identify a client and a beneficial owner and to verify their identity, obtain information about the purpose and nature of business relations, monitor clients' business relations and transactions, and verify whether a client or a beneficial owner are subject to financial sanctions. The AML Regulation also regulates the rules of applying simplified and enhanced due diligence measures, • The AML Regulation will come into effect on 10 July 2027. • The purpose of the AML Regulation is the establishment of the Authority for Anti-Money Laundering and Countering the Financing of Terrorism ("AMLA"), as well as definition of its structure, role, tasks and competences. The AMLA will be based in Frankfurt am Main, Germany, and should begin operations mid-2025. • In principle, the AML Regulation will be effective from 1 July 2025, • The AML Directive establishes the provisions regarding, among others, the identification of risk of money laundering and terrorist financing at the level of the EU and Member States, establishment of central registers of beneficial owners, registers of bank accounts and electronic data search and access to information systems kept in these registers, as well as points of access to real estate information. The directive also sets out the obligations and tasks of financial intelligence units (FIUs) and bodies involved in supervising obliged entities, • According to the AML Directive, Member States have, in principles, 3 years to prepare provisions transposing this directive, with some exceptions.
Amendments to MIFID Directive and MIFIR Regulation Directive (EU) 2024/790 of the European Parliament and of the Council of 28 February 2024 amending Directive 2014/65/EU on markets in financial instruments Regulation of the European Parliament and of the Council amending Regulation (EU) No 600/2014 as regards increasing	• Local regulations implementing changes to the MIFID Directive have not been prepared yet. • The initiative is part of the Capital Markets Union package of measures which also includes: a) legislative proposal to establish a European Single Access Point (ESAP), b) legislative proposal for the review of the European Long-Term Investment Fund (ELTIF) Regulation, c) legislative proposal for the review of the Alternative Investment Fund Managers Directive.

data transparency, removing obstacles to the establishment of systems for the publication of consolidated information, optimizing trading obligations and prohibiting the receipt of payments for order flow	• The proposal aims to improve the quality of market data and consolidate market data by amending the market data rules included in MiFIR.
Draft Delegated Regulation amending the MIFIR Regulation (600/2014)	• This initiative will define a unique identifier and additional reference identification data to be used for the purposes of transparency requirements for OTC derivatives as set out in the Markets in Financial Instruments Regulation, • This Delegated Regulation specifies the identification reference data to be used for OTC interest rate swaps and OTC credit default swaps for the purposes of the transparency requirements set out in Articles 8a(2), 10 and 21 MiFIR.
Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 648/2012, (EU) No 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets	• The proposed changes provide, among other things, that financial or non-financial counterparties that are subject to the clearing obligation under Regulation (EU) No 648/2012 must settle at least part of the contracts (e.g. interest rate derivatives denominated in PLN and EUR) through accounts maintained by a CCP based in the EU.
The Act of 26 April 2024 on ensuring compliance with the requirements of accessibility of certain products and services by business entities	• Effective date: 28 June 2025, • It introduces a requirement for the accessibility of retail banking products and services to persons with technical difficulties or disabilities, as well as the comprehensibility and provision of information about them at the B2 language level.
Regulation of the European Parliament and of the Council amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity (eIDAS 2.0)	• Development of digital identity for citizens throughout the European Union, in particular through the introduction of the European Digital Identity Wallet (EUDI – EU Digital Identity Wallet) and new trust services. EUDI is intended to allow for the secure storage of various digital identity data, such as driving licenses, permits, health cards, diplomas, etc. In addition to identity management, the EUDI wallet is intended to offer a payment solution.
Draft act on instruments of supported decision-making	• The aim of the draft act is to introduce new solutions into the legal system based on replacing guardianship with a supported decision-making model. The draft act provides for introducing the following instruments: • Legal assistance: Written agreement between the person in need of support and legal assistant to obtain support in performing legal activities. • Supporting guardian: For a person in need of support the court may appoint a supporting guardian for a maximum period of 5 years. The court will determine the scope of their responsibilities. However, a supporting guardian may not make declarations of intent on behalf of the person they are supporting. • Representing guardian: Is appointed when the person in need of support is unable to make certain decisions themselves. The court will detail the scope of the guardian’s responsibilities, including the possibility to perform legal activities and give consent to the decisions made by the supported person. • Registered attorney: This is a type of security for the future. A person may draft a power of attorney in advance in case they lose the ability to handle their own affairs themselves. The draft act also provides for creating a Register of Powers of

	Attorney to make it easier for institutions and interested parties to confirm the validity and scope of the power of attorney granted.
Regulation (EU) of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro (“IPR”)	• Obligation for payment service providers (in practice, banks) to offer instant credit transfers (24/7) in EUR. • Fee for an instant credit transfer in EUR (for non-eurozone countries) – in principle, according to the Regulation on equivalence of fees and charges (Regulation 2021/1230), that is, the same as their equivalent domestic fee in PLN, provided that it cannot be higher than the fee for a standard transfer in EUR (SEPA). • Obligation to provide a matching verification service (accompanying the instant credit transfer service) allowing the payer to verify whether the IBAN matches the name of the payee, and allowing the user to resign from such service. • Introduction of an obligation to check users of payment services, on an ongoing basis (at least daily), against the sanction lists. • The Regulation shall come into effect on 8 April 2024. • Pursuant to Article 5a(8) inserted in Regulation 260/2012, the adjustment deadlines for introducing instant credit transfers in EUR by payment service providers outside of the eurozone are as follows: a) 9 January 2027 – adjustment deadline for offering the payment service of receiving instant credit transfers in euro as laid down in the inserted Article 5a b) 9 July 2027 – adjustment deadline for offering the payment service of sending instant credit transfers in euro as laid down in the inserted Article 5a.
Draft act on consumer credit and amending the consumer rights act	• Implementation of the Directive of the European Parliament and of the Council (EU) 2023/2225 of 18 October 2023 on credit agreements for consumers and repealing Directive 2008/48/EC, and • Directive of the European Parliament and of the Council (EU) 2023/2673 of 22 November 2023 amending Directive 2011/83/EU as regards financial services contracts concluded at a distance and repealing Directive 2002/65/EC.
Draft act amending the Act on Public Offering and Terms of Introduction of Financial Instruments to an Organized Trading System and on Public Companies and the Act on Implementing Some EU Regulations Concerning Equal Treatment	• This regulation implements the Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, • The objective of the directive is to facilitate the application of the principle of equal opportunities of women and men in leadership positions, by determining the requirements of the selection process of candidates for these roles, • The provisions refer to the underrepresented sex in corporate bodies.
Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (CSDDD)	• CSDDD establishes companies’ obligations as regards identifying, preventing and mitigating the adverse impacts of their operations on human rights and the environment. Its goal is to promote sustainable and responsible business conduct. It also provides for monitoring the effectiveness of the measures taken and communicating the implemented procedures. The regulation applies to big companies operating in the European Union, regardless of whether they are domiciled in or outside the EU.
Draft act amending certain acts with regard to provision of information to the European Single Access Point (ESAP).	• The draft has been submitted for consultation, planned effective date: 10 July 2025 • The draft act transposes to the national law the ESAP Package (Regulation (EU) 2023/2859 establishing the ESAP, omnibus

	directive 2023/2864, omnibus regulation 2023/2869), and directive amending MiFID II. The drafted act provides for amendment of a number of legal acts, including the act on trading in financial instruments and banking law.

In addition, the Bank's activities in the second half of 2025 may be affected by the following EBA Guidelines:

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- EBA Guidelines on information requirements in relation to transfers of funds and certain crypto-assets transfers under Regulation (EU) 2023/1113
- EBA Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures
- EBA Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures under Regulation (EU) 2023/1113

Corporate Governance:

- EBA Guidelines on Improving Resolvability for Institutions and Resolution Authorities (EBA/GL/2022/01)
- EBA Guidelines amending Guideline EBA/GL/2022/01 on Improving Resolvability for Institutions and Resolution Authorities to Introduce a New Section on Resolvability Testing
- EBA Guidelines on Transferability in the Context of the Resolvability Assessment for the Purposes of the Transfer Strategy
- EBA Guidelines on General Resolvability in Recovery and Resolution Planning
- EBA Guidelines on resubmission of historical data under the EBA reporting framework
- EBA Guidelines on arrears and foreclosure (amending Guidelines EBA/GL/2015/12)
- EBA, ESMA and EIOPA Guidelines on estimation of aggregated annual costs and losses caused by major ICT-related incidents under regulation (EU) 2022/2554 (DORA)

2. Significant risks and threats related to the Group and its activity

2.1 Risk management principles

The Group carries out risk management by implementing cohesive rules, controls and tools through the Group, taking into account supervisory requirements and best market practices.

The risk management system used in the Group, which is based on the shared responsibility concept, is arranged on three independent levels ("three lines of defense"):

- Level 1, i.e. organizational units responsible for the activity which results in taking risks and responsible for risk management in the Bank's operational activity, as well as for risk identification and reporting to the second-line units,
- Level 2, i.e. 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 and reporting and for supervising control mechanisms applied by other organizational units of the Bank to mitigate risk – organizational units of the Risk Management Sector, Compliance Department, Finance Management Sector, Legal Division, Human Resources Division;
- Level 3, i.e. Audit Department which ensures independent assessment of both risk management processes and internal control system.

When organizing its risk management processes, the Group takes into account its risk profile, strategic and business objectives, available capital and liquidity resources, macroeconomic environment and regulatory requirements – these factors make up the framework of the risk control and management system.

Risk management processes are implemented on the basis of documented policies and rules relating to identification, measurement, mitigation, control, monitoring and reporting of risks to which the Group is exposed, approved by: the Management Board, authorized persons in accordance with the rules of issuance of legislative acts at the Bank or duly established Committees, including:

- Asset and Liability Committee (ALCO);
- Risk and Capital Management Committee, supervising the Risk Models Commission, the Consumer Bank Risk Commission and Sustainable Products Commission;
- New Products Committee;
- Operational Risk, Control and Compliance Committee.

The risks connected with activities of the Group are mitigated by a system of limits arising from risk appetite and the management information system used by the Bank enables it to monitor risk levels by providing management with portfolio information on a regular basis.

The Group carries out the management of all significant risk families arising from the execution of its business strategy. As part of the process initiated in 2024 to identify key risk families, the Management Board of the Bank concluded that the following risk families were significant for the purposes of risk management and the internal capital estimation and maintenance process:

- Credit risk (consumer and corporate);
- Counterparty credit risk;
- Market risk for the trading portfolio;
- Market risk for non-trading portfolio
- Liquidity risk;
- Operational risk;
- Compliance risk;
- Capital risk;
- Environmental and climate risks for strategic, credit and compliance risks.

Credit risk (consumer and corporate) and counterparty risk

Definition	• Credit risk is a potential loss resulting from the breach of a contract by the client or their insolvency, taking into account loss reduction methods used for a product or given funding. • Counterparty credit risk is the risk of loss resulting from deterioration of credit quality (downgrade) or a breach of contract by the counterparty.
Risk management strategy	• The primary objective of credit risk management is to support the long-term plan of stable growth of the credit portfolio, while maintaining appropriate quality. The credit process is based on a number of fundamental principles, such as: – Business and independent risk management units share responsibility for quality of the credit portfolio and credit process and for any credit losses; – Conduct must be in compliance with the guidelines on the portfolio structure to ensure its diversification and to keep balance between risk and capital; – A system of credit-related authorizations must be implemented which assumes that authorization to make credit decisions may only be granted to properly trained and experienced employees of Risk Management Sector and Operation Division, taking into account their track record and risk assessment skills and abilities; – Acceptance level must depend on assumed risk – higher-risk exposures (defined taking into account both amount and level of risk) require higher-level approval; – Diversified and adequate risk assessment standards must be used for each borrower and each commitment, including as part of corrective actions; – A consistent rating process is required, which is based, *inter alia*, on results produced by rating or scoring models; – Periodic, regular monitoring of results of a client's activities and identification of adverse changes in their situation which require immediate activities to classify receivable or corrective actions are necessary; – External environment must be monitored to ensure early detection of economic threats which may adversely affect particular portfolios; – The credit policy rules must be complied with and, in special cases, approval of exceptions to the Credit Policy is required at higher organizational levels in order to ensure control of implementation of its principles in compliance with internal regulations applicable at the Bank, generally applicable laws and regulations and regulations issued by competent regulators.
Risk measurement	• Risk measurement is carried out using: rating models, scoring models and scorecards at the level of a client and provision models for portfolio risk assessment and an integrated ICAAP process, both at aggregate level and by business line.
Monitoring	• Credit risk exposures are monitored and managed at two levels: client level and portfolio level. Tools used to monitor the current creditworthiness of a borrower include: – annual comprehensive review of limits, exposures, financial situation of and cooperation with borrowers, – reports generated in the Early Warning process, – periodic financial reviews of borrowers, – periodic reviews of negatively classified credit exposures, – periodic visits to clients, – reports on ongoing contacts of employees of business units/bankers with clients, – analysis and assessment of external information (rating reports, analytical reports, press, sector sources, etc.), – internal classification system.

- Portfolio-level monitoring
  - monitoring of utilization of risk concentration limits in the credit portfolio on the basis of appropriate reports,
  - regular periodic reviews of the credit portfolio,
  - "ad hoc" portfolio reviews triggered by an external risk factor that may potentially have a negative impact on the portfolio.
  - monitoring of indicators determined for the retail exposure portfolio.
- The monitoring of portfolio performance and the identification of trends in the portfolio are carried out using regular management information and control reports taking into account, *inter alia*, analysis of pace of changes in value and segmentation (sectors) of the credit portfolio, client risk (rating), quality of credit exposure collateral and exposures affected by non-performance, departures from applicable risk acceptance rules and limit utilization level.
- The package of control reports for each portfolio is prepared on a regular basis and delivered to unit heads responsible for the client segment in question, the Risk and Capital Management Committee and the Management Board of the Bank.

Market risk for the trading portfolio

Definition	• The market risk of a trading portfolio is defined as the risk of loss resulting from a potential change in the market value of the exposure due to changes in market factors such as interest rates, stock and commodity prices or currency or credit spreads. Market (trading portfolio) risk is based on mark-to-market risk indicators rather than the AOCI, EVE and NIR indicators associated with non-trading portfolios.
Risk management strategy	• Market risk management is to ensure that the amount of risk accepted in the Group is consistent with the level acceptable for the shareholders and banking supervision authorities and to ensure that all market risk exposures are adequately reflected in calculated risk measures notified to relevant managers and governing bodies. • Adopted market risk measures and limits should prevent excessive concentrations of exposures to a single risk factor or a group of related risk factors and should enable determination of the maximum level of the risk accepted in the trading book or the banking book. • Market risk management at the Bank is based on: – applicable Polish laws and regulations, in particular the Banking Act, – applicable EU regulations, in particular 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 (CRR), – requirements of Polish and EU regulatory institutions and especially resolutions of the Polish Financial Supervision Authority (KNF), – principles of prudent and stable risk management at the Group and the general risk level accepted by the Supervisory Board of the Bank, taking into account best practices applied in the market. • Market risk management covers all portfolios that generate incomes which are exposed to an adverse impact of market factors, such as interest rates, currency rates, stock prices, commodity prices and parameters of volatility of those factors. • Trading portfolio includes transactions in financial instruments (on- and off-balance sheet ones) the purpose of which is to earn income connected with a change of market parameters in a short period. Trading portfolios cover on-balance sheet items, such as debt securities, categorized as held for trading, i.e. purchased for trading purposes and meeting specified liquidity criteria, and any positions in derivative instruments, provided that in this case portfolios are divided into those acquired for purely trading purposes and those created as hedging against the risk of positions included in a banking portfolio (so-called economic hedge). Valuation of trading portfolios is carried out either directly on the basis of market prices or by using valuation models that make use of price parameters quoted in

	the market. Activities on trading portfolios are carried out by the Interbank Transaction Division in the Financial Markets and Corporate Banking Sector for those portfolios which cover interest rate risk and currency risk. Trading portfolios also include options, including currency option transactions, interest rate options and option structures, which reflect the economic nature and risk arising from products offered to clients of the Bank. The operations of the Bank in that area are carried out so that they ensure the simultaneous (each time and immediate) conclusion of a counter transaction having the same parameters, as a result of which the option transaction portfolio generates no open market risk exposure. The only factor connected with the conclusion of option transactions which is taken into account in measurement of market risk, and specifically currency risk, is the amount of the premium paid/received in the foreign currency.
Risk measurement	• The following risk measurement methods are applied to trading portfolios: factor sensitivity (DV01) method, value at risk (VaR) method and stress tests. • Sensitivity factors measure the change in the value of the position in a given underlying instrument in the case of a specified change of the market risk factor (for example a change of the interest rate in a given point on the interest rate curve by 1 basis point or a change of the currency rate or stock price by 1%). – For interest rates, the sensitivity measure is DV01; – For currency risk the sensitivity factor is equal in value to the position in a given currency; – For positions in equity securities, the sensitivity factor is equal in value to the net position in a given instrument (stocks, index, participation unit). • The integrated measure of market risk for trading portfolio, which combines the impact of the positions in particular risk factors and takes into account the correlation effect between volatilities of individual factors, is value at risk (VaR). VaR is used to estimate the potential decline in value of a position or portfolio in normal market conditions, for a fixed confidence level and in a specified period. For positions opened in a trading portfolio of the Bank, VaR is calculated using the 99% confidence level and one-day holding period. • Both DV01 and VaR for a trading portfolio are calculated as net amounts without any economic hedging of the portfolio of securities available for sale, i.e. excluding any derivative instruments which are to secure the fair value of the portfolio. The risk exposure of such transaction is controlled by using appropriate risk measurement methods and mitigated with risk limits adopted for banking portfolios. • On a daily basis, the analysis of stress test scenarios is carried out, while assuming risk factor changes higher than those adopted for VaR measurement and ignoring any observed historical correlations between those factors. • The Bank has market risk exposures of trading portfolios in more than twenty currencies, both for currency positions and exposures to interest rate risk, but only exposures to a few currencies are significant. For a large group of currencies, exposures arise from the imperfect match of the transactions concluded upon the client's order and the counter transactions with other counterparties from wholesale markets. Significant exposures to market risk are opened for PLN, developed market currencies (mainly USD and EUR and less frequently GBP, CHF or JPY) and even currencies from Central European countries.
Monitoring	• The Market Risk Department by the dedicated IT system provides the relevant executives and managers, on a regular basis, with reports on portfolio sensitivity, value at risk (VAR), securities positions, stress test results for market risk, allocation of capital requirements relating to market risk and utilization of Trading MAT and Trading Stop Loss limits. • In addition, market risk analyses are presented systematically to the following committees: the Asset and Liability Committee, the Risk and

	Capital Management Committee and the Risk and Capital Committee of the Supervisory Board.

Market risk for non-trading portfolios

Definition	• Market risk associated with non-trading portfolios (banking book portfolios) is the risk of the potential negative impact of changes in market factors such as interest rates, exchange rates, credit spreads and stock prices on net interest income (NIR), economic value of equity (EVE) or accumulated other comprehensive income (AOCI). Changes in the value of other comprehensive income are generally influenced by available-for-sale (AFS) securities investment portfolios and related hedges used under a hedge accounting program. • Interest rate risk for the banking book is the risk of an adverse impact of interest rate changes on the interest income and capital of the Group. • Interest rate risk may occur if assets and liabilities (including capital and derivative instruments that meet the requirements of hedge accounting) have different maturity dates or if their interest rates change on different dates or their interest rates are connected with different interest rate curves (basis risk), or if they include options.
Risk management strategy	• The purpose of managing market risk related to non-trading portfolios is primarily to minimize the risk connected with the possibility of occurrence of adverse changes in market interest rates and with a negative impact of those changes on the net interest rate and, subsequently, financial result of the Group. • Market risk management at the Bank is based on: the requirements of Polish and European regulatory institutions, and especially resolutions of the Polish Financial Supervision Authority (KNF) and the EBA; and the principles of prudent and stable risk management at the Group and the general risk level accepted by the Supervisory Board of the Bank, taking into account best practices applied in the market. • Management of market risk related to non-trading portfolios is carried out both at strategic and operational level. Division into particular risk management levels depends on the nature and type of decisions made by particular decision-making fora at the Bank which affect the profile and level of interest rate risk. – The strategic risk management perspective is covered by the decision-making powers of the Asset and Liability Committee (ALCO) of the Bank. which carries out interest rate management by setting risk limits for banking portfolios and by conducting monthly reviews of exposures and results of management of those portfolios. – The operational management of market risk related to non-trading portfolios is carried out by the Asset and Liability Management Department, which is authorized to open risk positions within the framework of adopted limits.
Risk measurement	• The following risk measurement methods apply to non-trading portfolios (banking book portfolios): net interest income measures, economic value measures, interest rate gap analysis, Interest Rate Exposure (IRE) method, stress tests • Net interest income (NII) measures are measures of changes in expected future profitability within a given time horizon resulting from interest rate movements or from credit spread changes; they encompass interest income and interest expenses. • Economic value (EV) measures are measures of changes in the net present value of interest rate sensitive instruments over their remaining life resulting from interest rate movements, in case of IRRBB, or from credit spread movement, in case of CSRBB. • The Bank calculates:

  - SOT_NII, which means a decline in the one-year net interest income from Tier 1 Capital, resulting from a sudden and unexpected movement in interest rates specified in any of the two supervisory shock scenarios referred to in Article 1(2) of the Commission Delegated Regulation (EU) 2024/856 of 1 December 2023.
  - SOT_EVE, which means a decline in the economic value of equity from Tier 1 Capital, resulting from a sudden and unexpected movement in interest rates specified in any of the six supervisory shock scenarios referred to in Article 1(1) of the Commission Delegated Regulation (EU) 2024/856 of 1 December 2023.
- The interest rate gap analysis uses the schedule of maturity or revaluation of on-balance sheet positions and derivatives recognized using hedge accounting or categorized as economic hedge in order to determine differences between positions whose maturity date or interest rate update date is in the subject time interval.
- As a general rule applied in the interest rate gap analysis, transactions are allocated to particular bands of revaluation of positions in banking portfolios on the basis of contractual or assumed dates of change of transaction interest rates.
- The Interest Rate Exposure (IRE) method, based on the revaluation gap method, is used for measurement of the potential impact of a pre-determined parallel shift of interest rate yields on pre-tax interest income on the banking book which may be earned in a specified time interval. This is a prospective measure. In addition, it is assumed that in standard conditions interest rate moves are identical for each currency and equal to 100 basis points up. The IRE measure is calculated separately for the position in each currency over a 10-year time horizon, provided, however, that 1-year and 5-year IRE measures are mainly used for the purposes of day-to-day monitoring and limitation of interest rate risk positions for banking portfolios. Additionally, the Bank measures the interest rate risk using the income method (cash flow net interest revenue NIR/IRE). This measure, like the IRE calculated using the gap method, determines the potential pre-tax impact on net interest income for banking book items due to specific changes in interest rates over a specific reporting period – generally 12 months. NIR is the difference between accrued interest income earned on assets (e.g. loans to customers) and the cost of interest paid on liabilities (e.g. customer deposits). NIR/IRE is the delta between the Baseline NIR and NIR in the interest rate shock scenario (e.g. + 100 bp, + 200 bp, -100 bp, -200 bp)
- Stress tests measure a potential impact of significant changes in the level or shape of interest rate yields on the positions opened in a banking portfolio.
- The Bank carries out stress tests for pre-defined scenarios of movements of interest rates, which are combinations of moves of market factors, both defined as significant changes (large move) and crisis changes (stress move), which occur both in Poland and abroad. The extent of assumed shifts of market factors are reviewed at least annually and adjusted as appropriate to changes in the market conditions in which the Bank operates.
- The Asset and Liability Management Department in the Interbank Transaction Division carries out activities relating to securities available for sale. Three key objectives have been adopted for activities relating to the portfolio of securities available for sale:
  - carrying out financial liquidity management,
  - hedging against the risk taken over by the Interbank Transaction Division from other organizational units of the Bank
  - opening own interest rate risk positions in portfolios of the Bank by the Interbank Transaction Division.
- In order to avoid excessive fluctuations of capital funds of the Bank, caused by revaluation of assets held for sale, maximum limits are set for the DV01 (Dollar Value of 1 basis point) position, which determines the potential change in the value of risk position for a given interest rate curve on a specified nodal point (to which all cash flows in a given period are brought)

	caused by a shift of the market interest rate by 1 basis point up for such portfolios. Limits also cover open derivative instrument positions (for example interest rate swaps) established to hedge the fair value of a portfolio.
Monitoring	• The Market Risk Department and a dedicated reporting unit in the Risk Management Sector provide the relevant executives and managers with reports on portfolio sensitivity, securities positions, stress test results for interest rate risk of the banking book. • In addition, market risk analyses are presented systematically to the following committees: the Asset and Liability Committee and the Risk and Capital Committee of the Supervisory Board.

Liquidity risk

Definition	• Liquidity risk is the risk of the Bank's inability to meet its obligations in a timely manner and without incurring financial losses if such inability results from a mismatch of cash flows (flow gap), limited marketability of assets or market changes.
Risk management strategy	• The overriding goal of liquidity risk management is to ensure that the Bank and other companies from the Group have access to liquid funds sufficient to meet their financial liabilities when due (also in the event of probable extreme crisis situations). • Liquidity risk management is based on: – applicable polish laws and regulations, in particular the Banking Act; – applicable provisions of EU law, in particular 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 (CRR), – requirements of Polish regulatory institutions and especially resolutions of the Polish Financial Supervision Authority (KNF); – principles of prudent and stable risk management at the Group and the general risk level accepted by the Supervisory Board of the Bank; – taking into account best practices applied in the market. • The Group analyses and manages liquidity risk in different time horizons and, to this end, distinguishes between current, short term, medium term and long term liquidity and applies adequate risk measurement and limitation methods. The adopted measures and limits are to limit excessive concentrations with respect to the assumed structure of the balance sheet or sources of funding. • The management of long-term liquidity is a task of Assets & Liabilities Committee (ALCO) and is covered by the strategy of the Bank. It is carried out on the basis of monitoring of structural relations of the balance sheet and on the basis of long-term liquidity measures (incl. regulatory) , and covers the liquidity gap analysis and the possibilities of obtaining sufficient financing sources in the future, as well as the analysis of funding costs in the context of the impact on the profitability of business operations. • The management of medium-term liquidity, within the 1-year time horizon, is a task of Assets & Liabilities Committee and is carried out on the basis of annual financing plans, which determine the levels of internal limits, plans prepared by business units of the Bank concerning changes in assets and liabilities, elaborated within the framework of financial plans for the next budget year. • The management of short-term liquidity, within the 3-month time horizon, is a task of the Financial Markets Sector and Corporate Banking Sector, and is carried out on the basis of both regulatory measures of short-term liquidity and internal limits. The Bank also analyses the liquidity level in emergency situations, assuming, as a must, that there will be no negative gap in all time brackets in a 12-month time horizon.

	• Current liquidity management is a task of the Financial Markets and Corporate Banking Sector and is carried out on the basis of nostro accounts of the Bank, including in particular the mandatory reserve account with the National Bank of Poland, using available products offered by the money market and the central bank.
Risk measurement	• Liquidity risk measurement is carried out by using external supervisory measures (M3-M4, LCR/NSFR and additional liquidity monitoring indicators – ALMM) and additional measures and tools developed internally: – gap analysis – MAR/S2 – crisis/stress scenarios, – structural liquidity ratios, – market warning signals, – significant sources of financing, – emergency financing plan, – intra-day liquidity management process, – short-term liquidity gap – M1, – short-term liquidity ratio – M2, – illiquid assets with own funds coverage ratio - M3, – illiquid assets and assets of limited liquidity with own funds and stable external funds coverage ratio - M4.
Monitoring	• Liquidity risk monitoring and management are carried out using: supervisory liquidity risk limits determined by the Office of the Polish Financial Supervision Authority and internal prudential limits and thresholds determined for liquidity risk by the Asset and Liability Committee (ALCO): – limits for the S2 Report – for pre-determined currencies and time ranges; – warning thresholds for structural liquidity ratios; – warning threshold for tests of stress scenarios. • On a regular basis, the Market Risk Department and a dedicated reporting unit in the Risk Management Sector provide the relevant executives and managers with reports on the liquidity position, stress test results for liquidity risk and allocation of capital requirements relating to liquidity risk. • In addition, liquidity risk analyses are presented systematically to the following committees: the Asset and Liability Committee, and the Risk and Capital Committee of the Supervisory Board.

Operational risk

Definition	• Operational risk should be understood as a possibility of loss as a result of application of inappropriate or defective internal processes, human, systems or external events. The definition of operational risk also includes legal risk, i.e. the risk of loss (including litigation costs, settlements and penalties imposed by the regulator) resulting from non-compliance with the law, prudent ethical standards and contractual obligations in every aspect of the Bank's business, excluding strategic and reputational risk. The Bank recognises the impact of operational risk on the possibility of loss of reputation associated with its business activities; • For the purposes of the ICAAP process, the compliance risk is also included in the operational risk (i.e. the risk of negative effects of non-compliance with legal provisions, supervisory regulations, internal normative acts of the bank and the practices and standards available on the market).
Risk management strategy	• In terms of operational risk, the strategic goal of operational risk management is to ensure a permanent and effective approach to identification, measurement/assessment, limitation, control, monitoring

	and reporting of risk, as well as effective reduction of the level of exposure to operational risk, and as a consequence limiting the number and scale of events of an operational risk (policy of low level of tolerance to operational losses). • The main assumptions of the operational risk strategy focus on increasing the Group's capacity to early identifying areas of increased system risk and reduction of exposure areas resulting from the risk resulting from human errors. • When organizing the operational risk management process the Group takes into account the business strategy, risk profile of the Group, macroeconomic environment, available capital and liquidity resources and regulatory requirements, which make up the framework of preparation of the system used to control and manage operational risk at the Group. • The Group's operational risk management system is built to ensure proper risk management at every stage, i.e. identification, assessment/measurement, mitigation, monitoring and reporting.
Risk measurement	• In the risk assessment process, the Group uses combinations of various risk measurement or estimation methods. – Risk assessment is to determine the probability of occurrence and the amount of future losses attributable to operational risk. To this end both quantitative and qualitative indicators are used (such as risk appetite, capital requirements, KRIs, data about losses and operational risk events, control issues and corrective actions, self-assessment process, risk concentration areas and rising-risk areas, scenario analysis, stress tests, changes in processes and products, information from internal and external reviews and audits and information reported to Commissions and Committees). – Such assessment also includes an analysis of both internal and external threats. A correct assessment of operational risk enables the Group to properly determine and manage the risk profile.
Monitoring	• As part of consolidated supervision, operational risk data relating to the Bank and subsidiaries are presented to Commissions and Committees that support the Management Board and Supervisory Board of the Bank in the operational risk management process. • The ongoing monitoring of operational risk is the responsibility of the Operational Risk Committee, the Control and Compliance System, the Risk and Capital Management Committee, the New Products Committee and the various Commissions supporting the Committees. • Quality of the operational risk management process (including the self-assessment process) in particular units of the Group is checked and assessed by the Internal Audit function. • The Supervisory Board oversees the operational risk management system and assesses its adequacy and effectiveness. The Supervisory Board is supported by its committees: Audit Committee, Risk and Capital Committee and Remuneration Committee. • On the basis of synthetic reports which present the scale and types of operational risk to which the Group is exposed, risk concentration areas, operational risk management methods, probability of occurrence of operational risk events, assessment of potential adverse impact of the operational risk management methods, results of operational risk profile monitoring and operational risk appetite, submitted by the Management Board at least semiannually, the Supervisory Board, supported by the Audit Committee and the Risk and Capital Committee, assesses the implementation of the assumptions of the strategy by the Management Board (including with respect to the operational risk management principles) and may order a review of the strategy if it deems it necessary.

Capital risk

Definition	• Risk arising from failure to provide sufficient capital to absorb unexpected losses.
Management strategy	• Capital management covers ensuring the level of capital that is adequate to the risk of the business, as well as the strategy in terms of planning, structure and sources of capital acquisition, and the risk of its improper implementation (including failure to achieve an appropriate financial result). • The formal framework of the capital risk management process supports the Risk and Capital Management Committee (RCMC) and the Bank's Management Board in the allocation, measurement, management, monitoring and control of the Bank's capital position. • The level of own funds and qualifiable liabilities should provide coverage for risks identified as significant in the Bank's operations, while meeting supervisory standards in terms of total capital ratio (TCR) and the requirement for own funds and qualifiable liabilities (TLAC). • The bank mitigates capital risk by implementing a process for assessing internal capital adequacy, which combines elements of internal capital estimation, capital planning and capital management, and constitutes an integral part of BHW's management process. The Group has a number of capital planning tools, applied depending on the adopted scenario. • Capital risk management also includes the management of the risk of excessive financial leverage. The Group manages the risk of excessive financial leverage as part of a coherent risk management policy, which also covers capital risk management, including the risk of excessive financial leverage. • The key elements of capital management and the directional definition of capital needs are specified in the Bank's Strategy. Information on capital goals and the expected capital structure is also included in the ICAAP document.
Risk measurement	• TCR, LR, MREL TEM, MREL TREA and TLAC TEM, and TLAC TREA are regulatory measures of capital. The TLAC TREA requirement was designated as a strategic limit due to its most severe impact and as it is, in the Bank's opinion, the first requirement that can adversely affect the strategic assumptions of the Bank. • Capital risk is measured using, among other things, processes such as assessment of internal capital adequacy, stress tests and reverse stress tests in BHW’s capital planning activities.
Monitoring	• The Bank's capital ratios are monitored at least monthly and reported quarterly by the Financial Reporting, Control and Tax Department to the Risk and Capital Strategy Department. • In addition, the results of capital risk monitoring are presented systematically to the following committees: the Assets and Liabilities Committee, the Risk and Capital Committee and the Risk and Capital Management Committee. • All results of stress tests, reverse stress tests and capital adequacy assessment are presented to dedicated committees.

Climate and Environmental (C&E) Risks

Definition	• Climate and environmental (C&E) risk is a type of ESG risk (environmental, social and governance risk). • Climate and environmental risk should be understood as the risk of adverse financial effects resulting from climate change and environment degradation on clients, contractors or assets of the Bank. There are two main risk factors: – *Physical risk* – the consequences of a changing climate, including the increased occurrence of extreme weather conditions, gradual climate change and environment degradation (i.e. air, water and soil pollution, drinking water shortages and deforestation). – *Transition risk* – losses resulting from the process of adapting to a low-emission and more environment friendly economy. • C&E risk is considered a cross-cutting risk that may manifest itself within traditional risk categories (i.e. credit risk, market risk, strategic risk, etc.). As part of the process of assessing the materiality of risks in 2024, in the short term (1-3 years), materiality was indicated for three types of risks – strategic risk, credit risk and compliance risk.
Management strategy	• The main objective of climate and environmental risk management is to effectively integrate these risk factors into existing risk management processes to ensure the effectiveness of the Group's risk profile in the short, medium and long term. • Due to the cross-cutting nature of ESG risks and the dynamic development of regulatory expectations and good practices, the Group has developed the document - Principles of ESG Risk Management in the Capital Group of Bank Handlowy w Warszawie S.A. "Principles of ESG Risk Management", which is one of the documents describing the risk management strategy of the Group. This document: – describes the key elements of the organizational structure and processes used by the Bank to identify, measure, monitor, control and report ESG risk; – clarifies the roles and responsibilities in the area of ESG risk management at the levels of the Bank's Management Board and each of the three Lines of Defense. • ESG risk management is consistently developed within the framework of policies and procedures that govern the management of particular risk categories. • A detailed description of the ESG Risk Management Principles can be found in the Sustainability Statement of Bank Handlowy w Warszawie S.A. and the Bank Handlowy w Warszawie S.A. Group for the year 2024.
Risk measurement	• In the risk assessment process, the Group applies a combination of various methods of risk measuring or estimating using a number of measures adapted to the risk category for which ESG risk is measured, including: – determining KRI indicators as part of the risk appetite covering priority portfolios, as well as types of risks having a significant impact of ESG factors, – monitoring credit exposure to transactions with increased environmental and social risk, – using an industry climate risk map at the portfolio and client level to identify and measure these risks, – conducting stress tests for credit exposures (sensitivity analysis) and compliance risk (analysis of operational risk scenarios).
Monitoring	• Monitoring the correctness and ensuring the effectiveness of ESG risk management, and ensuring appropriate consideration of ESG risks in the Bank's risk profile and risk appetite are the tasks of the Risk and Capital Management Committee of the Bank's Management Board. • A package of ESG risk analysis reports is prepared periodically and submitted to the Bank's Management Board, including the Risk and Capital Management Committee, and the Supervisory Board, including the Risk and Capital Committee.

VI. Sustainability Statement of Bank Handlowy w Warszawie S.A. and Capital Group of Bank Handlowy w Warszawie S.A.

1. General information

1.1 About Bank Handlowy w Warszawie S.A.

1.1.1 *General presentation of the Group [SBM-1]*

Bank Handlowy w Warszawie S.A., operating under the brand name of Citi Handlowy ("Bank" or "Citi Handlowy Bank") is Poland's oldest commercial bank and one of the oldest banks continuously operating in Europe. The Bank offers banking and investment products and services to businesses, local governments and the central government sector, as well as to individual customers, micro-enterprises and sole proprietors. The Bank operates in accordance with applicable laws and supervisory regulations.

The Bank's registered office is located in Warsaw with part of operational processes carried out also in operational centers located in Olsztyn and Łódź. At the end of 2024, the Bank had 3,143 employees. For more information on the employees, see the Employees section of this Statement.

The Bank wants to be a strategic partner of Polish companies by proactively supporting the foreign expansion of Poland's economy. With its diverse product range, the Bank supports entrepreneurs, including those with international needs and aspirations. The Bank is a leader in providing banking services to global companies operating in Poland in the area of investment banking, including brokerage, custody and cash management services. At the same time, the Bank serves as a Treasury Securities Dealer (DSPW) and is among the leading banks as regards trading in the Treasury BondSpot cash market. The Bank is also a depositary for investment and pension funds. In the consumer banking segment, it is the leader in the areas of credit cards and wealth management services. Citi Handlowy Bank also strives to maintain its status as one of the safest venues for keeping institutional clients' savings – it provides state-of-the art solutions that cover operational accounts and day-to-day cash management.

In 2024, the Bank provided services to:

- Financial institutions – domestic and foreign;
- Multinational corporations and largest domestic companies;
- SME companies, especially those with international needs and aspirations;
- Public sector entities;
- Consumer banking clients, including primarily the affluent customer segment.

In 2021, the Bank's majority shareholder (Citigroup Inc.) decided to change its consumer banking strategy, including an exit from consumer banking in several markets, including Poland. The divestment process for consumer banking in Poland is still ongoing.

1.1.2 *Business model [SBM-1]*

The business model of Citi Handlowy Bank is built on dedicated employees who, through their knowledge and experience, support clients in meeting their financial needs and creating stakeholder value. The bank strengthens its market position by continuously developing its employees, fostering innovation and leveraging technology to enhance the customer experience and maintain flexibility in an ever-changing financial environment.

Citi Handlowy Bank runs its operations in Poland and has no branches or subsidiaries abroad. The Bank offers its products and services to clients through:

- A network of 18 branches in nine major Polish cities;
- Online and mobile banking;
- Telephone banking;
- A network of 35 own ATMs (including 28 multi-currency ATMs) and approximately 21,000 ATMs of other operators nationwide, including more than 3,300 deposit machines owned by Euronet Poland.

In the area of Institutional Banking, the Bank provides comprehensive financial services to the largest Polish companies and strategic companies with a large potential of growth, and also to the largest financial institutions and to companies from the public sector.

The Bank's offer for institutional clients includes:

- deposits and current accounts,
- credits, loans,
- cross border (international) transfers,
- card products,
- liquidity management products,
- payments and receivables management,
- currency exchange on the CitiFX Pulse platform available 24/7,
- electronic banking via the CitiDirect BE platform,
- cash products,
- European Advisory Program,
- trade finance products,
- transaction activity on financial instruments,
- custody activities,
- depositary activities for investment funds and pension funds,
- brokerage activities.

The Bank's competitiveness, resulting from its network of international connections, allows it to build a leading position in the area of banking services for affluent clients. The proposal for Citi Private Client and Citigold clients is continuously being developed.

The Bank's offer for individual customers includes:

- wealth management services,
- intermediation in the sale of investment and insurance products,
- credit cards,
- deposits and current accounts,
- cash loans,
- mortgage products,
- online and mobile banking.

Net revenues of the Group

	Capital Group			
	2024	2023	Change	
			In PLN '000	%
Net revenues[1]	5,331,255	4,805,579	525,676	10.9%

The Bank also offers financial products that address sustainability issues and help implement the Bank's sustainability strategy (see Sustainability Strategy):

- Green loan – a loan granted through cooperation with Bank Gospodarstwa Krajowego and financed by the European Funds for a Modern Economy program. This product is intended for, among others, small and medium-sized enterprises, which can apply for a redeemable subsidy for carrying out certain ecological investments to modernize their infrastructure and reduce primary energy consumption.
- Technology loan – a loan granted through cooperation with Bank Gospodarstwa Krajowego and financed by the European Funds for a Modern Economy program. This product is intended for, among others, small and medium-sized enterprises, which can apply for a redeemable subsidy for the purchase and implementation of a new, breakthrough technology or the implementation of their own new technology to produce new or significantly improved goods, processes or services. The technology loan allows clients to implement ecological innovations and to invest in renewable energy sources and processes to improve the energy efficiency of businesses.

The European Advisory Program is a wide range of advisory products that help clients obtain funding and implement and manage such a project. The Program is dedicated to entrepreneurs who intend to make good use of development opportunities created by the European Union.

[1] Net revenues was calculated as a sum of: 1) Net interest income, 1) Net fee and commission income, 3) Dividend income, 4) Net income on trading financial instruments and revaluation (excluding Net income on FX operations), 5) Net gain/(loss) on debt investment financial assets measured at fair value through other comprehensive income, 6) Net gain/(loss) on equity and other instruments measured at fair value through income statement, 7) Net gain on hedge accounting, 8) Net other operating income,

In 2024, the Bank introduced a *Policy defining a framework for the classification of sustainable products in the Bank Handlowy w Warszawie S.A. Group*, used by the Bank to classify transactions concluded on the products it offers based on three possible classification paths:

- Path A. Financing for clients carrying out activities having a positive environmental impact;
- Path B. Financing of pro-environmental investments;
- Path C: Financing of client transformation based on ESG key performance indicators (KPIs).

Individual transactions are classified as sustainable by business and credit decision-makers taking into consideration the opinion of the Sustainability Product Commission (ESG Commission).

1.1.3 *Value Chain [SBM-1]*

Upstream	Own operations	*Downstream*
Entities positioned upstream in relation to the entity (e.g. suppliers) provide products or services that are used to develop the entity's products or services. • **Purchase of** products (e.g. paper and office furniture) and services (professional services, marketing communications, *bodyleasing*, IT, etc. • **Logistics –** storage and transportation of purchased products to the bank's branches and head office • **Real estate** (including certification of facilities accessible to persons with special needs) and ATMs of other operators	*Significant activities, resources and relationships within the entity's own operations, such as human resources* • **Operations at the bank's headquarters** • **Sales of services at branches** – Operations within two areas of banking services: consumer and institutional • Business partnerships (industry organizations) • **Activities within the initiatives Citi Women, Citi Pride, Families Matter and Citi DisAbility Network Poland** • **Regulatory environment**	*Entities positioned downstream in the value chain in relation to the entity (e.g. distributors, customers) receive products or services from the entity.* • **Customer service** (after-sales activities) – Individual client service – Institutional client service • **Clients' activities** (within the Bank's portfolio) – Investment projects – Loans granted (financing the economy and the needs of individual clients) – Securitization, syndications, etc.
Stakeholders (value chain actors)		
• Employees of vendors, certification bodies • Employment agencies/*bodyleasing*	• Employees (persons employed under employment contracts) and non-employees (B2B, contracts of mandate, etc.). • Social and business partners (investors, institutional environment) • Citigroup	• Individual and institutional clients • Local communities (around own and partner facilities) • Shareholders • Citigroup

1.1.4 *Sustainability Strategy [SBM-1]*

The Bank recognizes its role as a supporter of global and domestic efforts to fuel the transformation towards sustainability, the importance of which is constantly growing. As a public trust institution, the Bank is obliged not only to act transparently and in accordance with evolving ESG standards, but also to actively participate in transforming the economy to make it environmentally neutral.

Sustainability Strategy for 2022-2024

In recent years, the Bank was implementing the *Sustainability Strategy for 2022-2024*, which was an integral part of its business strategy. The Bank's main ambition was to support clients in transforming their business models to make them sustainable, and to integrate social and environmental aspects into funding-related decisions. To achieve this goal, the Bank carried out activities on three levels (pillars). It was:

1. offering ESG products and solutions to clients to support them in their quest for low carbon,
2. managing ESG risks and, in particular, incorporated environmental and social factors into lending processes,
3. reducing its carbon footprint and supporting activities towards social responsibility so that the Bank's activities are sustainable.

Sustainability Strategy for 2025-2027

The Bank continues its sustainability efforts and in December 2024 adopted a new strategy for 2025-2027. It expands on the goals set in the Bank's previous strategy and expands its strategic directions. By including a long-term horizon of new ESG regulations, business strategy goals, results of the double materiality assessment, material ESG topics, as well as the results of the dialogue with stakeholders, the new *Sustainability Strategy* will strengthen the resilience of the Bank's business model, and will help it seize new business opportunities and manage risks and impacts.

The *Sustainability Strategy for 2025-2027* is based on three pillars:

Pillar 1: Sustainable Finance

The Bank wants to improve sustainable finance solutions, increase the share of green assets in the portfolio, share its knowledge and experience with clients to support them in their transformation, expand sustainability to include social aspects and support the development of new technologies.

To this end, the Bank will focus on three main strategic directions:

- continuing development of sustainable financial services,
- using its knowledge and experience to support clients in their sustainable transformation,
- including social aspects in credit decisions.

Progress in implementing the strategy will be measured by the following indicators:

- PLN 2 billion in financing classified as sustainable until 2027,
- At least 10% of the share of sustainable financing in the loan portfolio of institutional clients,
- 100% of ESG sales and consulting employees will complete ESG training by 2027.

Pillar 2: ESG Risk Management

The Bank wants to integrate ESG risk management across the organization, better understand and assess the physical and transition risks associated with the financed loan portfolio, and reduce the financing of high-emission projects.

To this end, the Bank will focus on three main strategic directions:

- developing a transition plan for climate change mitigation,
- reduction of the share of financing related to greenhouse gas emissions in the Bank's own loan portfolio,
- improving ESG risk management.

Progress in implementing the strategy will be measured by the following indicators:

- Collecting information for at least 60% of the credit exposure on their Scope 1 and 2 emission reduction targets and transformation plans and using this data in the credit process.

Pillar 3: Sustainable Own Operations

The Bank wants to reduce its own emissions and effectively manage resources, support employees and initiate socially responsible activities.

To this end, the Bank will focus on four main strategic directions:

- achieving climate neutrality of own operations by 2030 while reducing indirect emissions among others by switching to 100% renewable energy,
- including ESG aspects comprehensively in own operations mainly through the implementation of the CSDDD directive,

- continuing support for the development and well-being of employees among others by obtaining a level of employee engagement in the VOE survey of at least 80%,
- continuing socially responsible activities among others through the engagement of employees and other stakeholders of the Bank in the employee volunteering program.

The main assumptions of the current strategy, including the sustainability strategy, is available on the Bank's website: https://www.citibank.pl/poland/homepage/english/files/strategy_of_the_bank.pdf

1.1.5 *Dialogue with stakeholders [SBM-2]*

The Bank works closely with key stakeholders, and tailors the frequency, channels and topics of communication to their needs. The Bank wants, first and foremost, to provide stakeholders with information about its operations, market environment, regulatory requirements and future challenges, but also to listen to their voices – to study their needs, receive feedback and look for areas for improvement.

Stakeholder involvement

Key stakeholder group	Form of dialogue	Specific objectives	Building on the results of dialogue
Investors and shareholders	• individual and group meetings with the President of the Management Board or the Vice President for Finance, • teleconferences related to the publication of results, • conferences with investors organized by other banks or brokerage firms, or by investors and advisory firms themselves,	• answering questions from investors and shareholders, • learning the opinions of investors and shareholders on issues that are important to them and related to the Bank's activities.	The Bank takes investors' expectations into account when determining its dividend policy and relevant topics for non-financial reporting or setting strategic goals.
Employees	• internal intranet network, • newsletters "Puls Citi Handlowy"', • emails, • letters from the President of the Management Board to employees, • *town hall* meetings with employees, • survey *Voice of the Employee*, • People Board activities – representatives elected by employees who present proposals, ideas and other issues raised by employees to the Management Board and implement them, • HR newsletters: "Manager Monthly" and "Employee Monthly", • *orientation* training for new employees.	• providing information about employees, including benefits, goals, evaluation process, remuneration policy, development, training, etc., • answering employees' questions, including anonymously, • learning the opinions of employees on issues that are important to them and related to the Bank's activities, • familiarizing new employees joining the organization with the organizational culture, company values and key employee-related processes.	The Bank takes into account the expectations of employees by setting strategic goals regarding labor issues and determining, among other things: • expense budget, • employee work model (flexible conditions, hybrid work), • the amount and method of distribution of funds from the Company Social Benefits Fund, • employee benefits, • relevant topics for non-financial reporting. • activities for diversity, work-life balance, training, employee development, equal rights for men and women and minority rights.
Clients	• surveys, • individual meetings between relationship managers and clients, • contact form on the website, • social media, • branch network, • *Citi Handlowy* magazine, • group meetings, workshops and webinars, • client advocates,	• presenting the offered product, • acquiring new clients, • expanding current banking services, • improving the clients' knowledge of secure banking, cybersecurity, data protection and financial education, • answering questions,	The Bank takes into account the expectations of clients by setting strategic goals and determining, among other things: • product offering, • new services or changes to existing processes, • relevant topics for non-financial reporting.

		• learning the opinions of clients on issues that are important to them and related to the Bank's activities.	
Regulators and central administration	• meetings with representatives of authorities and regulators, • regulatory reporting, • written and electronic correspondence, • responses to surveys sent by regulators,	• learning about the expectations of the authorities and regulators regarding the Bank's activities.	The Bank takes into account the expectations of authorities and regulators by setting strategic goals and determining, among other things: • dividend policy, • how to implement legal and supervisory regulations, • relevant topics for sustainability reporting.
Banking sector	• participation in joint working groups, including within the framework of the Polish Bank Association.	• maintaining relationships with other banks and working together to develop and implement sector solutions for banking.	The Bank monitors the activities of the Polish banking sector, and solutions developed during the joint activities of banking working groups are implemented in the activities of Citi Handlowy Bank.
Vendors and business partners	• meetings with vendors at the business unit level, • *vendor manager* function for each vendor contract, • annual reviews of collaboration with vendors, • internal regulations regarding vendors,	• maintaining relationships with vendors and business partners, • establishing new business relationships, • providing information on procurement policy, • learning the opinions of vendors on issues that are important to them and related to the Bank's activities.	When defining its procurement policy, vendor management policy or relevant topics for sustainability reporting, the Bank takes into account the expectations of its business partners and the Bank's strategy, as well as the capabilities of its vendors.
Community	• activities of the Citi Handlowy Leopold Kronenberg Foundation,	• maintaining relationships with local communities, • help for those in need, • promoting volunteering among employees, • learning the opinions of local communities on issues that are important to them and related to the Bank's activities.	The Citi Handlowy Foundation, being the Bank's platform for dialogue with local communities, takes into account the expectations of such communities when planning the projects in the field of corporate social responsibility. When determining relevant topics for sustainability reporting, the Bank takes into account the expectations of local communities.
Non-governmental organizations	• activities of the Citi Handlowy Leopold Kronenberg Foundation,	• maintaining relationships with the local communities and non-governmental organizations, • helping those in need jointly with non-governmental organizations, • encouraging social engagement among employees, building a culture of community	The Citi Handlowy Foundation, being the Bank's platform for dialogue with non-governmental organizations, takes into account the expectations of such organizations when planning CSR partnerships and projects.

		involvement and volunteer activity, • learning the opinions of non-governmental organizations on issues that are important to them and related to the Bank's activities.	When determining relevant topics for sustainability reporting, the Bank takes into account the expectations of non-governmental organizations.

Understanding the interests and views of key stakeholders and how they relate to the strategy and business model

The views and opinions of stakeholders, both internal and external, as well as the feedback they provide, are an important part of the process of identifying important topics (see Topics relevance analysis) and of defining the strategic areas and objectives for the Bank's operations and day-to-day planning and management.

The Management Board and Supervisory Board are informed of the opinions and interests of key stakeholders through the Bank's organizational units that have direct contact with key stakeholders. These units take into account, among other things, their opinions and demands when setting strategic goals for individual business areas.

The new Sustainability Strategy of the Bank for 2025-2027 (see Sustainability Strategy)) has been designed taking into account the results of the double materiality assessment, including the opinions of the Bank's key stakeholders. The stakeholders' opinions were presented to the Management Board and Supervisory Board as part of the presentation of the results of the double materiality assessment. Their content influenced the design and ambitions for the Bank's sustainable growth.

Citi Handlowy Bank treats its employees as key stakeholders. In order to take into account their opinions on its efforts, the Bank conducts a *Voice of Employee* (VOE) survey every year, in which employees can speak freely and anonymously on topics related to creating a work environment where every employee can be themselves. In the VOE, employees rate their involvement, the processes that affect them, ethical issues, managerial effectiveness and other areas that have an impact on employee-related issues. The VOE results are analyzed by the Bank's management and can influence decisions taken by the Bank's management bodies on the strategy, changes to the business model, remuneration policy, benefits or employee development. An important voice that management takes into account in various projects implemented in the Bank are the demands submitted by trade unions operating in the Bank. In 2024, there was an initiative at the bank called People Board – representatives elected by employees supported communication on labor issues between the Management Board and employees.

Citi Handlowy Bank's clients are also a very important group of stakeholders. In order to consider their opinions on initiated activities, the Bank regularly conducts an NPS (Net Promoter Score) survey to measure individual clients' satisfaction with banking services. Individual clients can also comment anonymously commenting, among others, in mobile application stores on the service model they would like to see or provide other comments and suggestions, which are then analyzed by the Bank's management. In this way, they can influence the decisions of the Bank's management bodies regarding the strategy or business model, in particular the functionalities of mobile tools and the service model in remote channels.

1.2 Sustainability management

1.2.1 *Structure of the Management Board and Supervisory Board [GOV-1]*

Management Board of the Bank	
Executive members[2]	7
Non-executive members	0
Representatives of employees and other work providers	0
Female	3 (43%)
Male	4 (57%)

Supervisory Board of the Bank	
Executive members	0
Non-executive members[3]	8
Representatives of employees and other work providers	0
Female	3 (38%)
Male	5 (62%)
Independent members	3 (38%)

Other aspects of diversity

Age	Management Board of the Bank	Supervisory Board of the Bank
30 – 50 years	2	2
50 – 60 years	4	4
Over 60 years	1	2

When describing the experience and responsibilities of members of the Management Board and Supervisory Board [ESRS 2 GOV-1 21c], incorporation by reference was used, i.e. they are described in section 11 of Chapter VIII of the Report on the Activities of Bank Handlowy w Warszawie S.A. and Bank Handlowy w Warszawie S.A. Group in 2024.

[2] All members of Citi Handlowy's Management Board are executive directors.

[3] All members of the Supervisory Board are non-executive directors

1.2.2 *Role of the Management Board and Supervisory Board [GOV-1]*

Management Board of the Bank

The Bank's Management Board consists of seven persons and is the executive body responsible for representing the Bank and managing its affairs, including sustainability matters. The Management Board makes decisions on matters that are not within the exclusive powers of other bodies of the Bank. In accordance with relevant regulations applicable at the Bank, including the order *Internal division of powers within the Management Board of Bank Handlowy w Warszawie S.A.*, particular members of the Management Board have been assigned specified roles within the body, including roles related to sustainability matters. With regard to sustainability matters, Members of the Bank's Management Board perform, in particular, the following roles:

- The President of the Bank's Management Board oversees the development and implementation of the Bank's strategy, including a sustainability strategy covering environmental, social and corporate governance issues, oversees the Bank's compliance risk with regard to laws, internal regulations and market standards, supervises the assurance of corporate governance, and oversees the Bank's security function for the protection of persons and property;
- The Vice President of the Bank's Management Board in charge of Management of Significant Risks is responsible for the risk management system that covers ESG risks and for coordinating activities related to the implementation of the Bank's requirements arising from regulations in the area of risk management, including recommendations of supervisory authorities, providing the Bank's Management Board and Supervisory Board with comprehensive information on risk, and is responsible for adjusting the Bank's organizational structure to the size and profile of risks incurred by the Bank, accepts anonymous reports of violations of the law or violations of the Bank's ethical procedures and standards, and is responsible for the ongoing functioning of the anonymous reporting procedures, including providing the Supervisory Board with information, at least once every six months, on significant ethical issues occurring in the Bank, takes the required actions to implement the Bank's strategy, including the sustainability strategy; and actively participates in the activities of the ESG Steering Committee;
- The Vice President of the Bank’s Management Board in charge of Finance oversees the area of sustainability reporting, takes the required actions to implement the Bank’s strategy, including the sustainability strategy, and actively participates in the activities of the ESG Steering Committee;
- The Vice President of the Management Board in charge of Financial Markets and Corporate Banking is responsible for the day-to-day operation of anonymous violation reporting procedures in the Brokerage Department of Bank Handlowy and for receiving anonymous reports of violations of the law or the procedures and ethical standards in force in the Brokerage Department of Bank Handlowy, takes the required actions to implement the Bank's strategy, including the sustainability strategy, and actively participates in the activities of the ESG Steering Committee;
- The Vice President in charge of Operations and Technology oversees the Bank's information security management, implementation and security in the area of operations and technology, management and effective use of the Bank's real estate, assurance of optimal working conditions, including environmental and energy initiatives, selection of service and product vendors that meet the criteria required by the Bank, and also supervises matters of occupational health and safety, ensures the implementation of operational risk management principles in supervised business units in relation to their activities, takes the required actions to implement the Bank's strategy, including the sustainability strategy, and actively participates in the activities of the ESG Steering Committee;
- The Vice President in charge of Consumer Banking is responsible for the standard of quality of banking services for consumers, as well as for ensuring the implementation of appropriate principles of operational risk management in the supervised units, taking the required actions to implement the Bank's strategy, including the sustainability strategy, and actively participating in the activities of the ESG Steering Committee;
- The Member of the Management Board in charge of the Transactional Banking Sector is responsible for overseeing services, products and operations related to the sector's activities, and takes the required actions to implement the Bank's strategy, including the sustainability strategy, and actively participates in the activities of the ESG Steering Committee.

The Management Board of Citi Handlowy Bank reviews relevant topics arising from the analysis of the Bank's impacts, risks and opportunities related to environmental, social and corporate governance topics, and prepares a plan for related activities and periodically carries out their evaluations and reviews. The above powers of the Management Board are reflected in the Regulations of the Management Board of Bank Handlowy w Warszawie S.A. The materiality of an issue within the ESG topics is determined through a double materiality assessment based on an assessment of ESG impacts, risks and opportunities. In the process of overseeing relevant ESG topics resulting from the double materiality assessment, the Management Board is supported by the Bank's Strategy and Investor Relations Department, which manages the process of preparing and providing information that is necessary for the Management Board to properly conduct verifications and evaluations and prepare relevant plans, as well as provides the required analyses and undertakes actions necessary for the verification and creation of the Bank's sustainability strategy, among other things. The Bank's Management Board also prepares, approves and monitors the implementation of transformation plans that take into account ESG factors.

All members of the Bank's Management Board are on the Steering Committee that oversees and makes decisions in the process of implementing the Bank's key project covering the following areas of sustainability: strategy, risk, corporate governance and sustainability disclosures. The project was established on 15 December 2023, and its initiator and sponsor is the President of the Bank's Management Board. During regular meetings of the ESG Steering Committee, members of the Management Board and representatives of the Bank's senior management select the tasks to be performed in the area of sustainability. In 2024, the ESG Steering Committee, among other things:

- defined the scope of work and responsibility for their implementation within the project *(ESG Governance Model*),
- discussed and approved the results of the double materiality assessment,
- identified the activities and resources needed to prepare the sustainability report,
- performed regulatory analyses for the ESG area,
- discussed and defined a new way for the Bank to finance sustainability activities – product classification,
- discussed and took further steps to prevent the occurrence of *greenwashing* risk at the Bank,
- discussed the required ESG training and made decisions in this regard,
- defined roles and responsibilities in the area of sustainability reporting,
- analyzed and set the direction of the Bank's long-term ESG activities,
- discussed the issue of necessary resources to properly address the ESG matters at the Bank and made decisions in this regard,
- analyzed the results of the review and classification of selected transactions from the loan portfolio in accordance with the adopted sustainable finance criteria,
- discussed the impact of ESG regulations on the Bank's vendors (*vendor management*),
- discussed the Bank's sustainability strategy and approved the strategy, which is an integral part of the Bank's business strategy for 2025-2027.

The key project dedicated to ESG implementation at the Bank and the ESG Steering Committee operate on the basis of the Bank's *Project Management Procedure*, under which the project has the special "key project" status, as it relates to the Bank's strategic goals. The ESG Steering Committee makes binding decisions on the implementation of the project and ESG at the Bank. Important decisions require the involvement of managers from various areas/units of the Bank, and some matters are decided by the Bank's corporate bodies.

The Management Board is responsible for the design and implementation of the Bank's organization, including the establishment of the organizational structure and the division of responsibilities, including with regard to sustainability and ESG risk aspects. Members of the Management Board are appointed by the Supervisory Board, which takes into account the criteria set out in the *Policy for Assessment of Qualifications of Members of the Management Board and Persons Holding Key Functions in Bank Handlowy w Warszawie S.A."*, and one of the criteria it assesses is competence in managing ESG risks understood as risks related to environmental, social and corporate governance factors. All members of the Bank's Management Board have appropriate qualifications in the field of sustainability and, as a result, can independently set goals and develop strategies in this area. These include education, titles, professional certificates, many years of practical professional experience and skills acquired while performing specific functions and holding various positions, and training. The Supervisory Board considered the qualifications and experience of the Management Board as a whole sufficient for the collective management of the Bank.

In addition, in accordance with the Training Program for the Management Board of Bank Handlowy w Warszawie S.A., the Bank provides sustainability training to members of the Management Board. Such training courses are designed to support the Management Board in managing significant sustainability-related impacts, risks and opportunities. In 2024, members of the Bank's Management Board participated in a series of "ESG Training for Management Boards" provided by a third party advisor. The training was completed by all members of the Management Board and covered the following topics: the roles and responsibilities of the Management Board under the new ESG regulations and requirements, in particular: aspects of reporting in accordance with the EU Directive on Corporate Sustainability Reporting (so-called "CSRD") , the management of ESG risks, current ESG risk requirements under Pillar III, current responsibilities under the EU Regulation on the Establishment of a Framework to Facilitate Sustainable Investment and the EU Regulation on Sustainability-related Disclosures in the Financial Services Sector, CSRD due diligence requirements, roles and responsibilities related to ESG aspects in employment, addressing greenwashing risk, and green bond topics. The Management Board also benefits from the substantive support of the Bank's ESG Working Group. The Group consists of individuals (so-called ESG Champions) representing all key organizational units of the Bank, and its purpose is to implement ESG initiatives and popularize ESG issues through employee conferences and training.

Supervisory Board

The Bank's Supervisory Board is composed of eight persons and exercises continuous supervision over all areas of the Bank's operations, including sustainability. The supervisory duties of the Board are also performed by its dedicated committees: Audit Committee, Nomination and Remuneration Committee, Risk and Capital Committee and Strategy and Management Committee.

In order to efficiently monitor and oversee the Bank's activities in the area of sustainability, the Supervisory Board uses information provided by the Strategy and Investor Relations Department. It includes the results of the double materiality assessment of sustainability impacts, risks and opportunities, as well as the implementation of the key project dedicated to ESG implementation. Members of the Supervisory Board are appointed by the General Meeting of Shareholders on the basis of the *Qualification Assessment Policy for Members of the Supervisory Board at Bank Handlowy w Warszawie S.A.*, and one of the criteria it assesses is competence in managing ESG risks understood as risks related to environmental, social and corporate governance factors. In addition, given the Supervisory Board's role in the process of overseeing the Bank's sustainability-related activities, the Bank provides sustainability training to Supervisory Board members. In 2024, members of the Supervisory Board participated in the “ESG Training: Social & Governance Risk Trends” and “ESG Training: Citi ESG Report”, which are part of the *Training Program for Members of the Supervisory Board of Bank Handlowy w Warszawie S.A.*

1.2.3 *Processes for managing material sustainability issues*

Responsibilities and roles [GOV-1]

Management Board of the Bank

All members of the Bank's Management Board collectively manage important issues resulting from the analysis of the Bank's impacts, risks and opportunities in the area of environmental, social and governance topics. The Management Board is additionally supported in this respect by the Strategy and Investor Relations Department (Financial Management Sector), which, among other things, manages the process of preparing and providing the Management Board with information necessary for proper management of the area of sustainability, supervising and assuming responsibility for that area, as well as for making the right decisions in this area. In order to ensure the highest quality of support, the Strategy and Investor Relations Department collaborates with the Bank's organizational units dealing with significant sustainability-related issues and selected ESG-related issues.

ESG Steering Committee

The ESG Steering Committee of the Bank is an important element of the management structure for material sustainability topics within the key project dedicated to ESG implementation, which was initiated by the Bank's President in December 2023. That key ESG project, managed and supervised by the ESG Steering Committee, was divided into four modules - risk, strategy, corporate governance and sustainability reporting (CSRD). At the end of 2024, in connection with the approval of the Bank's new strategy, the tasks carried out under the project were reorganized, which will continue to be implemented in the following modules: E - environmental issues, S - social issues, G - corporate governance issues and sustainability reporting development (CSRD). The ESG Steering Committee, which includes all members of the Management Board and representatives of the Bank's senior management, meets regularly to oversee the implementation of and make decisions related to the project.

Sustainable Products Commission

In 2023, the Management Board established the Sustainability Products Commission (ESG), which develops rules for the classification of sustainable products at the Bank, issues opinions on the classification of the Bank's products as sustainable products, and provides support on other sustainability issues. The Commission performs consultative, opinion-giving, monitoring and advisory functions for the Bank's organizational units that create, implement and sell sustainable products. The tasks carried out by the Commission are supervised by the Risk and Capital Management Committee.

Supervisory Board

The Supervisory Board oversees the operation of the Bank's risk management system, including processes related to ESG risk management. In particular, it supervises whether ESG risks are taken into account in the development of the Bank's business model and strategy. When creating the Bank's strategy and then monitoring its implementation, the Supervisory Board takes into account the impacts, risks and opportunities identified in the double materiality assessment process.

The Bank sets its business objectives, including those related to significant impacts, risks and opportunities, during the preparation and approval of its three-year strategy. This process includes approval by the Management Board and the recommendation by the Strategy and Management Committee of the Supervisory Board and then the Supervisory Board. A report on progress in achieving the strategy objectives is presented quarterly at

Supervisory Board meetings. The Risk and Capital Committee operates at the Supervisory Board and verifies whether the Bank's risk-taking policy is consistent with the adopted strategy and financial plan.

The Management Board, the Supervisory Board and their committees also have certain advisory, decision-making or supervisory roles with respect to specific topics described in this Statement, e.g. diversity policy, ethical issues or corporate governance.

Particular units of the Bank perform specific, important tasks related to sustainability, including:

- **Strategy and Investor Relations Department:**
  - manages the process of preparing and providing information that is necessary for the Management Board to oversee and make decisions on important sustainability issues,
  - leads and manages the work carried out within the framework of the key project dedicated to ESG implementation,
  - monitors the status of projects related to ESG goals,
  - develops a sustainable development strategy that is an integral part of the Bank's strategy. As part of the sustainable development strategy, it implements and monitors goals over the period of the strategy,
  - develops long-term goals reflecting the Bank's ambitions in the area of counteracting climate change and develops a path to achieve these goals,
  - regularly reviews the *Policy* setting out the principles for classifying sustainable products to ensure that it is aligned with the Bank's business profile and scale of operations, external regulations and the macroeconomic environment,
  - manages the preparation of the sustainability report and the double materiality assessment process,
  - prepares sectoral analyses and participates in interbank forums in order to improve ESG process management at the Bank.
- **Risk Management Sector:**
  - manages ESG risks,
  - develops and implements internal regulations for the management of environmental and social risks for clients to ensure the effective identification, assessment and management of potential social and environmental risks associated with the Bank's clients,
  - prepares regular updates for the Risk and Capital Management Committee necessary to monitor the Bank's risk profile at the aggregate level, including the profiles of individual risk categories.
- **Human Resources Management Division** implements human resources policies in accordance with the *ESG Strategy* adopted by the Bank's Management Board – the HR Division develops HR procedures and practices, actively participates in or supports activities promoting diversity, work-life balance, employee training and development and ensuring that compensation policies are consistent with the Bank's approach to ESG risks.
- **Procurement Department** is responsible for compliance with the vendor selection principles described in the Purchasing Policy, including the use of environmental criteria in the evaluation of offers.. The **Vendor Management Unit** is responsible for coordinating processes related to monitoring the implementation of contracts and cooperation with suppliers.

Informing the Management Board and Supervisory Board about ESG issues [GOV-2]

The Strategy and Investor Relations Department (Finance Management Sector) manages the process of preparing and providing the Management Board and Supervisory Board with sustainability-related information to enable them to monitor, manage and oversee these issues at the Bank. Sustainability-related issues are regularly presented to the ESG Steering Committee, which includes all members of the Management Board, and, when necessary, appropriate decisions are made.

As part of the main topics related to the ESG Key Project presented and discussed in 2024 in relation to its decisions, the ESG Steering Committee:

- defined the scope of project-related activities and management *(ESG Governance Model*),
- discussed and approved the results of the double materiality assessment,
- identified the activities and resources required to prepare the sustainability report,
- performed regulatory analyses for the ESG area,
- discussed and defined a new way for the Bank to finance sustainability activities – product classification,
- discussed the status and further activities to prevent *greenwashing* risk at the Bank,
- discussed the required ESG training and made decisions in this regard,
- defined the roles and responsibilities in the area of sustainability reporting,
- reviewed and set the direction of the Bank's long-term ESG activities,
- discussed the issue of necessary resources to properly address the ESG matters at the Bank and made decisions in this regard,
- carried out a review of the loan portfolio for sustainable financing,
- discussed the impact of ESG regulations on vendors of the Bank (*vendor management*),
- discussed the Bank's sustainability strategy.

The Management Board, Supervisory Board, Risk and Capital Management Committee and Risk and Capital Committee receive regular summaries from the Bank's Risk Management Sector regarding monitored KRIs established within the strategic limits of the Bank's risk appetite covering climate risk factors deemed material. The Audit Department provides the Management Board, Supervisory Board and Audit Committee with independent, objective and relevant information on the effectiveness of ESG risk management and related controls.

When creating the Bank's strategy and then monitoring its implementation, the Management Board and Supervisory Board take into account the impacts, risks and opportunities identified in the double materiality assessment process. The Bank assesses climate risk, among other things. To carry out this process, among other things, a map of environmental risk factors has been prepared for various industries to which the Bank has credit exposures.

Management Body	Selected resolutions of the Supervisory Board and the Management Board relating to sustainability issues adopted in 2024:
Supervisory Board	• Approval of the Bank Handlowy Group Strategy for 2025-2027, • Information about the sustainability reporting process, • Resolution on the Overall Risk Appetite (including strategic limits for significant risks) together with supplementary Risk Appetite measures for 2024,, • Resolution on approval of the ESG Risk Management Framework in the Capital Group of Bank Handlowy w Warszawie S.A., • Resolution on the evaluation of implementation by the Bank of the rules contained in the Principles of Corporate Governance for Supervised Institutions, issued by the Polish Financial Supervision Authority, • Resolution on the evaluation of functioning of the Procedure for Anonymous Reporting of Violations by Employees and Assessment of Compliance with the Code of Conduct in 2023, • Information on the summary of material notifications concerning violations of ethical standards at the Bank in 2023, • Resolution on approval of amendments to the Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. and the Policy for Managing Conflicts of Interest, • Resolution on periodic assessment of compliance with internal governance rules at the Bank, • Information on the status of implementation of the Bank's management strategy and the key related issues, in particular the information on the progress in pursuit of the set growth directions of the Bank's activities and departures from the previously set directions, with statement of grounds, • Information on grievances and complaints processed at Bank Handlowy w Warszawie S.A. in 2023;
Management Board	• Resolution on the evaluation of the Bank's application of the Principles of Corporate Governance for Supervised Institutions, • Resolution on the Overall Risk Appetite (including strategic limits for significant risks) together with supplementary Risk Appetite measures for 2024, • Resolution on the evaluation of functioning of the *Procedure for Anonymous Reporting of Violations by Employees* and acceptance of the information on the verification of the assessment of Bank's Management Board with respect to compliance with the *Code of Conduct* in 2023. • Resolution on acknowledging the information on complaints and claims handled at the Bank, • Resolution on approval of the *ESG Risk Management Framework in the Capital Group of Bank Handlowy w Warszawie S.A.*, • Resolution on approval of the *Policy defining a framework for the classification of sustainable products in the Bank Handlowy w Warszawie S.A. Group*, • Information on significant ethical issues in January – June 2024, • Resolution on approval of amendments to the *Rules of Conduct for Employees of Bank Handlowy w Warszawie S.A.* ("Code of Conduct"), • Report on significant ethical issues, • Resolution on approval of the program and financial activities of the Citi Handlowy Leopold Kronenberg Foundation for the period from 1 January to 31 December 2023, and program and financial assumptions for 2024.

1.2.4 *Sustainability-related incentive schemes [GOV-3].*

The Bank has not implemented any incentive systems in the form of variable remuneration directly related to sustainability or climate. In 2024, it was not required to include sustainability goals in employee assessment, but such goals were set for senior managers. Depending on the area, such goals were related to client or employee satisfaction as measured by the *Voice of Employee* survey, ESG risk reporting and measuring, strengthening an organizational culture based on responsibility and self-reliance, and developing a diverse talent pool within the organization. The assessment result therefore indirectly affects the variable remuneration of employees, including senior management. In December 2024, the Bank added a requirement to its remuneration policy that at least one ESG-related objective would be taken into account in the annual evaluation of the President of the Management Board. This new requirement came into force in 2025. Remuneration policies are adopted by the Bank's Management Board, reviewed by the Nomination and Remuneration Committee of the Supervisory Board and approved by the Bank's Supervisory Board.

1.2.5 *ESG risk management [GOV-1]*

Citi Handlowy Bank identifies, measures, monitors, controls and reports ESG risks, and the key elements of the organizational structure and processes used for this purpose are described in the *ESG Risk Management Framework*. The document was adopted by the Management Board and approved by the Supervisory Board in 2024, with a 12-month transition period before full implementation.

The Bank's Management Board is responsible for implementing the ESG risk management processes. As part of these activities, the Management Board:

- Integrates ESG risks into the overall business strategy and risk management principles,
- Assigns clearly defined roles and responsibilities for ESG risk management to Board members or committees,
- Ensures a clear and consistent allocation of responsibilities related to ESG risks,
- Develops the business model and business strategy of the Bank taking into account short-, medium- and long-term ESG risks,
- Ensures the accuracy of reports and disclosures containing sustainability-related information and their compliance with regulatory requirements,
- Sets measurable targets, develops specific plans and processes to monitor and address financial risks generated by ESG risks in the short, medium and long term, including risks arising from transition to a low-carbon economy as defined by EU and national targets and regulations, and particularly by European climate law,
- Decides on the materiality of risks and monitors exposure to ESG risks,
- Monitors progress of activities carried out to integrate ESG risks into standard risk management processes,
- Monitors the misconduct, litigation and reputational risks associated with lending to and investing in companies whose activities may be controversial from an ESG perspective or which use *greenwashing*.

The *ESG Risk Management Framework* also describes the roles of the Supervisory Board, which, among other things, approves the strategy and oversees the implementation of the risk management system, including processes related to ESG risk management. In particular, this includes consideration of ESG risks in the Bank's work on its business model and business strategy.

The Bank's Management Board may delegate ESG risk management tasks to individual committees appointed by the Management Board, in particular to the Risk and Capital Management Committee, the Business Risk, Compliance and Controls Committee (BRCC) of Bank Handlowy w Warszawie S.A. and the New Products Committee.

To manage ESG risks, Citi Handlowy Bank uses three lines of defense:

- The first line of defense – the organizational units responsible for carrying out operational activities. They:
    - Identify, measure, monitor, control and report ESG risks and risks relating to the business operations of the organizational unit,
    - Ensure compliance with rules arising from regulatory ESG requirements, policies and standards, including the *ESG Risk Management Framework*,
    - Implement the sustainability strategy,
    - Develop and offer sustainable products and cooperate with customers on sustainability-related issues,
    - Identify clients' sustainability needs and financing options,
    - Support communication activities so that employees of the Bank and investors receive transparent and reliable information about sustainable products and services.

- Second line of defense:
    - Risk Management Sector:
        - Develops frameworks, policies, standards and procedures for effective ESG risk management and integrates them into the existing risk management system,
        - Independently identifies, measures, monitors and controls ESG risks and reports them to the Bank's Management Board and relevant committees,
        - Determines the level of ESG risk appetite and limits, and submits them to the Bank's Management Board for approval,
        - Provides independent information, analysis and expertise on ESG risk exposures,
        - Incorporates ESG risks into capital and liquidity planning processes in cooperation with the Finance Management Sector,
        - Ensures compliance with ESG regulations.
    - Compliance Division:
        - Identifies and provides information on regulatory requirements for ESG risks, advises on regulatory changes at the Bank and the implementation of these changes,

        - Complements the compliance risk management framework and monitors the alignment of the Bank's operations with ESG regulations,
        - Assesses the risk of non-compliance with ESG regulations, recommends corrective actions, and reports the assessment results to the Management Board and relevant committees,
        - Ensures compliance with ESG regulations,
        - Supports the Risk Management Sector in managing reputational risks arising from ESG risks (in particular, greenwashing risks),
        - Participates in the approval process for sustainable products.
    - Legal Division:
        - Identifies and provides information on changes in ESG regulations,
        - Prepares opinions and legal advice on ESG issues,
        - Reports on the ESG-related legal risks,
        - Manages and supervises litigation.
- The third line of defense – audit units:
    - Conduct independent and objective assessments of the adequacy and effectiveness of the risk management and internal control system in managing ESG risks, and integrate ESG risks into strategic planning,
    - Provide the Management Board, Supervisory Board and Audit Committee and banking supervision authorities with independent, objective and relevant information on the effectiveness of ESG risk management and related controls,
    - Provide support in identifying ESG risks and establishing an effective internal control system for ESG risks, with the nature and scope of support agreed with the Bank's units and approved by the Supervisory Board.

The Strategy and Investor Relations Department systematically monitors the degree to which ESG goals set in the Bank's Strategy are achieved. It reports the results to the Management Board, which reports them to the Supervisory Board. Managers in individual areas implementing the strategy manage opportunities within their units and report their activities to the Strategy and Investor Relations Department and committees operating in the Bank.

1.2.6 *Management of the risk of the sustainability reporting process [GOV-5]*

The process of preparing sustainability information (previously: reports on non-financial information) is covered by the Bank's internal control system, which ensures the effectiveness and efficiency of the Bank's operations, the reliability of reporting, compliance with risk management principles, and compliance with laws, internal regulations and market standards.

Formalized work on the sustainability statement of Citi Handlowy Bank was conducted by the ESG Working Group. The group met periodically, and was composed of the so-called ESG Champions representing both business units and the Finance Management Sector, Strategy and Investor Relations Department, Risk Management Sector, Corporate Communications and Marketing Department, Legal Division, Compliance Division, Support Division, Services Division, Human Resources Management Division, Citi Handlowy Leopold Kronenberg Foundation and Client Advocates.

The main risk in the area of sustainability reporting at Citi Handlowy Bank is the risk of not disclosing some of the data subject to mandatory disclosure due to difficulties in obtaining the data or the lack of adequate experience in preparing comprehensive sustainability disclosures and the time needed to implement ESG guidelines into the Bank's business model. To mitigate these risks, the Bank has launched a key project relating to ESG implementation, which is overseen by a Steering Committee. At monthly meetings, the Committee monitors the various phases of the project's implementation, checks the prepared gap analyses, decides on the order of implementation of the necessary changes at the Bank, and appoints the persons responsible for their implementation.

Data collection for the 2024 Statement was managed in a structure that reflects the stages of control. The key roles in this process included:

- Accountable Executives – those members of the Management Board and direct reports to the President of the Management Board who make final decisions and final approval of disclosures,
- Accountable Executives Delegates – persons who verify disclosures for their areas,
- Data Owner Checkers – persons who check data accuracy,
- Data Owner Makers – persons who prepare data.

The ESG reporting preparation process is subject to self-assessment (MCA), and the results are reported to the Operational Risk, Control System and Compliance Committee and approved by the Board member in charge of finance. If irregularities are identified in the sustainability reporting process, a corrective action plan is prepared, the implementation of which is monitored at the Management Board level.

This statement has been approved by the Bank's Management Board, presented to the Supervisory Board, and will be subject to approval by the General Meeting of Shareholders as part of the Bank's annual report for 2024.

1.3 Statement on due diligence [GOV-4]

The Bank runs its business in a responsible manner, taking into account due diligence risk, following the principles specified in the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and other regulations. As part of conducting responsible business, the Bank implements and executes appropriate risk-based due diligence procedures by, among other things, appropriately considering due diligence risks in the Bank's risk management systems, in order to identify, mitigate and prevent actual and potential negative effects, and to be accountable for how it deals with such effects. When creating procedures, the Bank works with relevant stakeholders to ensure that their views can be taken into account. The procedures and processes performed by the Bank to conduct responsible business define the approach, among other things, in the following areas:

- Identifying and assessing actual and potential negative effects related to the Bank's activities, products or services;
- Stopping, preventing or mitigating negative effects;
- Monitoring the implementation of processes and achieved results;
- Providing information on how to proceed in the event of negative effects and, where appropriate, enabling appropriate remedial action or cooperation in remedial action.

The due diligence process for individual issues related to conducting responsible business (e.g., Employment and Employee Relations, Products and Services, Consumer Interest, Environment) is overseen within the Bank's units dedicated to the respective issues, while significant issues related to the due diligence process in each area are reported to the Management Board and the Supervisory Board as appropriate.

Elements of the distributed due diligence process and their disclosure in this report are presented in the table below

Element of the due diligence process	Disclosure
Integrating due diligence in corporate governance, strategy and business model	ESRS 2 GOV-1,GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
Collaborating with affected stakeholders at all key stages of the organization's due diligence process	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS 2 MDR-P
Identifying and assessing negative impacts	ESRS 2 IRO-1, ESRS 2 SBM-3
Taking actions to mitigate identified negative impacts	ESRS 2 MDR-A
Monitoring the effectiveness of these efforts and providing relevant information in this regard	ESRS 2 MDR-M, ESRS 2 MDR-T

1.4 Basis for preparation of the statement [BP-1]

This *Sustainability Statement of Bank Handlowy w Warszawie S.A.* has been prepared in consolidated form[4]. The Bank has taken the opportunity to prepare the report on activities and the consolidated report on activities as a single document.

The *statement* covers the entire value chain of the Bank, both the Bank's own operations and the upstream and downstream value tiers.

[4] Bank Handlowy w Warszawie S.A. is the parent company of the Group. The Bank’s subsidiaries, whose activity is influenced by the Bank as their parent company, do not carry out any active operations. Those subsidiaries will be successively sold or liquidated. The Bank has no control over the operating activities of companies in which it is a minority shareholder.

The Bank has exercised its option to omit information regarding intellectual property, know-how or innovation results. The Bank has exercised its exemption from disclosure of information regarding expected events or matters covered by ongoing negotiations.

1.5 Special circumstances affecting disclosures [BP-2]

For reporting purposes, the Bank does not depart from the definition of time perspectives specified in ESRS 1[5] standard. The short-term time perspective at the Bank means a one-year reporting horizon. The medium-term, three-year perspective is used for strategy and financial planning. The long-term perspective, for the Bank's business model transformation plans that take into account ESG risk factors, is at least five years.

Information on value chain estimation is described in the Environmental Chapter, Disclosures E1-6, Gross Scope 1, 2 and 3 GHG Emissions and Total GHG Emissions.

The Bank does not identify in this Statement quantitative measures and amounts that are subject to a high level of measurement uncertainty, apart from those resulting from estimating the value chain, i.e. the value of scope 3 greenhouse gas emissions.

In this Statement, the Bank has included the information referred to in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments. These disclosures are included in the Taxonomy-Related Disclosures section.

1.5.1 *Incorporation by reference*

Information point incorporated by reference	Location
ESRS 2 GOV-1 21c	The report on activities of Bank Handlowy w Warszawie S.A. and the Group of Bank Handlowy w Warszawie S.A. for 2024. Chapter IX, section 11

1.5.2 *Taking advantage of gradually implemented regulations*

The ESRS standard allows disclosure of certain information as part of gradually implemented regulations. The Bank benefited from progressive disclosure regarding the breakdown of total revenues into ESRS sectors (ESRS 2 SMB-1 40b, 40c); expected financial effects of significant risks and opportunities, including those related to climate (ESRS 2 SMB-3 48e, ESRS E1 E1-9) and to the characteristics of non-employees constituting own employee resources (ESRS S1 S1-7).

1.6 Topics materiality analysis

1.6.1 *Double materiality assessment process [IRO-1]*

The double materiality assessment process was conducted for the first time at the Bank in 2024, to identify material impacts, risks and opportunities related to sustainability issues.

Introduction to double materiality assessment

Citi Handlowy conducted a double materiality assessment to identify material sustainability issues upstream and downstream its value chain and in its own operations. Sustainability issues include topics, sub-topics and sub-sub-topics related to the environment, social matters and corporate governance, which are defined in ESRS 1, in Appendix A, as well as organization-specific topics.

Citi Handlowy's approach to identifying significant sustainability issues is based on the concept of “double materiality” in accordance with the European Sustainability Reporting Standards. The double materiality perspective consists of two dimensions: impact materiality (the perspective of the Bank's impact on external factors) and financial materiality (the impact of external factors causing financial implications for the Bank). According to the ESRS, sustainability issues can be material for the Bank from an impact materiality perspective, a financial materiality perspective or both perspectives simultaneously.

The process included consultation with the stakeholders impacted by the Bank. Through internal and external research, and drawing on experience from previous reports on non-financial information, the Bank identified key

[5] European Sustainability Reporting Standard (ESRS) included in the framework of Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards.

stakeholder groups divided into proprietary operations and upstream and downstream in the value chain. Additionally, when defining the upstream value chain, the Bank used internal vendor selection procedures and policies to identify indirect impacts between the value chain and the organization. For the downstream value chain, the Bank conducted a qualitative analysis based on the experience of the first line of defense, which is working with clients on a daily basis. Information from specialist reports and publications from international institutions (including the UN) on the specifics of particular industries was also used. Therefore, the double materiality assessment included both the Bank's own operational activities and its value chain (described in subchapter 1.3. Value chain), including the specifics of location (mainly in Poland) and the sector and nature of the business (described in subchapter 1.2. Business model).

To assess the impact of external factors and their materiality in relation to the identified impacts, Citi Handlowy defined qualitatively the scale, scope, reversibility and probability in the short, medium and long term. The impacts were rated on a scale of 1 to 4 using the criteria defined by the ESRS:

	Scale	Scope	Reversibility	Probability
1	Minimum	Restricted	Easy to repair	Very unlikely
2	Low	Distributed	Repairable	Rather likely
3	Average	Widespread	Difficult to repair	Likely
4	High	Global	Irreversible	Very likely

Impact of the Bank's portfolio

In order to meet the requirements of the ESRS standard, which stipulate that a double materiality assessment must be conducted for the Group's entire value chain, a portfolio materiality analysis was conducted as the second dimension of the impact materiality analysis. For this purpose, the United Nations Environment Programme Finance Initiative (UNEP FI) methodology was used, using the Portfolio Impact Analysis Tool for Banks. The UNEP FI - ESRS Conversion Tool module was then used to translate the results of the analysis into a preliminary mapping to particular ESRS topics and sub-topics. In the analysis, the tool uses a 4-point scale (Low, Medium, High, Very High) and preliminarily identifies topics material for the actual impact (positive and negative). The results of the analysis were evaluated by the Bank in terms of assigning sectors from the portfolio and the actual impact. The analysis was based on financial data for 2023.

Financial materiality analysis

To assess the impact of external factors and their materiality in relation to risks and opportunities, Citi Handlowy defined qualitatively the probability and potential scale of financial effects in the short, medium and long term. Risks and opportunities were rated on a scale of 1 to 4:

	Financial effects	Probability
1	Negligible – negligible negative/positive impact on the Bank's operations	Very unlikely
2	Low – limited negative/positive impact on the Bank's operations	Rather likely
3	Medium – moderate impact that may worsen/improve the Bank's operating results	Likely
4	High – strong impact that may jeopardize the resilience of the Bank's business model / strong impact that may significantly improve the Bank's operating results	Very likely

In its internal risk identification processes, the Bank identifies climate risk as a cross-cutting risk that materializes in traditional risk categories (i.e. credit risk, market risk, strategic risk, reputational risk, operational risk, liquidity risk and compliance risk). In addition, the materiality of climate and environmental risks was assessed in the internal capital adequacy assessment process in 2024.

Climate scenarios, including a high emissions scenario and a scenario consistent with limiting global warming to 1.5° C, were not used in the process of identifying climate-related risks and opportunities for 2024. The Bank did not analyze climate risks taking into account spatial data specific to locations and supply chains. As part of building its Transition Plan, the Bank plans gradually enhance its approach to scenario analysis in the following years, including conducting more detailed analyses that take into account the perspective of physical risks and transition events to better identify and manage climate-related risks and opportunities.

Materiality assessment

Impacts, risks and opportunities were analyzed and assessed against all thematic standards, including pollution, water and marine resources, biodiversity and ecosystems, resource use and circular economy and business conduct. Based on the assessment of impact and financial significance, the materiality threshold was set in the next step. To supervise, control, calibrate and approve the double materiality assessment process, the Bank used the expertise of employees representing all areas of the Bank involved in the implementation of ESG at the Bank.

The results of the double materiality assessment were appropriately presented to and approved by the Steering Committee (which also includes members of the Bank's Management Board).

1.6.2 *Selected material topics [SBM-3]*

The material impacts, risks and opportunities identified as a result of the double materiality assessment were mapped to the corresponding material topics (within the ESRS listed below: E1, S1, S4 and G1), which influenced the shape and content of this Statement. Descriptions of particular impacts, risks and opportunities, as well as information on the corresponding stages of the value chain, are included in the thematic chapters:

- Chapter on the environment (ESRS E1)
  - Climate in own operations
  - Climate in the financed loan portfolio,
  - Energy
- Chapter on the social matters – Employees (ESRS S1)
  - Work-life balance
  - Training and skills development
  - Diversity
- Chapter on the social matters – Clients (ESRS S4)
  - Cybersecurity and information security
  - Client inclusiveness
  - Client education
  - Responsible market practices
- Chapter on corporate governance (ESRS G1)
  - Business conduct and corporate culture
  - Whistleblower protection
  - Combating corruption and money laundering.

An integral part of the Bank's business strategy is its sustainability strategy. In its activities in this area, the Bank will focus on supporting its clients in their sustainable transformation, improving its ESG risk management processes and continuing the transformation of its own operations. The impacts identified by the Bank result from the business strategy and sustainability strategy, and from the adopted business model, and occur in the short, medium and long term.

The Bank believes that the financial effects of the risks and opportunities are difficult to estimate, however their transmission channels can be identified. In the case of risks, these are primarily higher costs related to financing clients with a high risk of transition to the zero-emission economy or other operating costs related to the costs of court proceedings. Higher costs of risk have a negative impact on the Bank's financial result, which in turn is related to the inability to build the Bank's capital base.

The identified risks are not treated as a separate type of risk, but as so-called cross-cutting risks that affect the Bank's existing financial and non-financial risks to varying degrees and through different transmission channels. Transmission channels are cause-and-effect chains that explain how sustainability risks can materialize within the existing risks present at the Bank. The identified sustainability risks were integrated into the risk management framework, including strategic planning, risk appetite setting, and risk identification, measurement, monitoring, control and management.

Information on the resilience of the strategy and business model with respect to significant risks related to climate change is included in the subchapter Climate risks and Citi Handlowy's strategy. Material negative impacts of the Bank were identified in the area of climate change. Information on the Bank's approach to counteracting its significant negative impacts on the loan portfolio and on energy consumption in its own operations is described in the Climate in the financed loan portfolio and Energy subsections. The Bank intends to capitalize on the opportunities identified in the double materiality assessment, primarily through the implementation of newly adopted ESG Strategy for 2025-2027, which takes into account opportunities in the area of climate change (Climate in the financed loan portfolio), employee training (Training and skills development) and diversity (Diversity). The opportunity related to financial education of customers will be developed through the continuation of the Bank's comprehensive activities in this area (Customer education).

Material topics based on ESG impacts, opportunities and risks, analyzed through the lens of ESRS standards, are considered by Citi Handlowy as an integral part of the topics related to its core business activities.

1.6.3 *Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2].*

In this Statement for 2024, the Bank has met the requirements for disclosing information required for the sustainability statement in accordance with the Act of 6 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Supervision and certain other acts (Journal of Laws of 2024, item 1863).

The list of the disclosure requirements fulfilled when preparing the sustainability statement is presented below.

Disclosure requirement	Page
ESRS 2 General disclosures	
BP-1	Basis for preparation of the statement [BP-1]
BP-2	Special circumstances affecting disclosures [BP-2]
GOV-1	Structure of the Management Board and Supervisory Board [GOV-1] Role of the Management Board and Supervisory Board [GOV-1] Responsibilities and roles [GOV-1]
GOV-2	Informing the Management Board and Supervisory Board about ESG issues [GOV-2]
GOV-3	Sustainability-related incentive schemes [GOV-3]
GOV-4	Statement on due diligence [GOV-4]
GOV-5	Management of the risk of the sustainability reporting process [GOV-5]
SBM-1	General presentation of the Group [SBM-1] Business model [SBM-1] Value Chain [SBM-1] Sustainability Strategy [SBM-1]
SBM-2	Dialogue with stakeholders [SBM-2]
SBM-3	Selected material topics [SBM-3] Climate-related risks, opportunities and impacts [SBM-3] Climate risk and Citi Handlowy's strategy [SBM-3] The Group's impact and opportunities in the employee area and strategic approach [SBM-3] Impacts of the Bank on clients and strategic approach [SBM-3] Impacts related to business conduct [SBM-3]
IRO-1	Double materiality assessment process [IRO-1]
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement [IRO-2]
ESRS E1 Climate change	
ESRS 2 GOV-3	Sustainability-related incentive schemes [GOV-3]
E1-1	Transition plan for climate change mitigation [E1-1]
ESRS 2 SBM-3	Climate-related risks, opportunities and impacts [SBM-3] Climate risk and Citi Handlowy's strategy [SBM-3]
ESRS 2 IRO-1	Double materiality assessment process [IRO-1]
E1-2	Policies related to own operations [E1-2 MDR-P] Policies related to climate change in the loan portfolio [E1-2 MDR-P] Policy related to energy use in the Bank [E1-2 MDR-P]
E1-3	Activities related to own operations [E1-3 MDR-A] Activities related to the financed loan portfolio [E1-3 MDR-A] Actions to manage impacts related to the use of energy at the Bank [E1-3 MDR-A]
E1-4	Targets related to own operations [E1-4 MDR-T] Targets related to the financed loan portfolio [E1-4 MDR-T]
E1-5	Energy consumption and mix indicators [E1-5]
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]
E1-7	GHG removals and GHG mitigation projects financed through carbon credits [E1-7]
E1-8	Internal carbon pricing [E1-8]
ESRS S1 Own workforce	
ESRS 2 SBM-2	Dialogue with stakeholders [SBM-2]
ESRS 2 SBM-3	The Group's impact and opportunities in the employee area and strategic

	approach [SBM-3]
S1-1	Employees and human rights [S1-1] Work-life balance policies [S1-1 MDR-P] Training and development policies [S1-1 MDR-P] Diversity Policies [S1-1 MDR-P]
S1-2	Work-life balance collaboration [S1-2]
S1-4	Work-life balance activities [S1-4 MDR-A] Training and skills development activities [S1-4 MDR-A] Activities in the area of diversity [S1-1 MDR-A]
S1-5	Work-life balance targets [S1-5, MDR-T] Goals for training and skills development [S1-5, MDR-T] Diversity targets [S1-5, MDR-T]
S1-6	Characteristics of employees [S1-6]
S1-9	Diversity at Citi Handlowy in figures [S1-9]
S1-13	Employee training and development figures [S1-13]
S1-15	Citi Handlowy work-life balance figures [S1-15]
S1-16	Pay indicators [S1-16]
S1-17	Incidents and complaints [S1-17]
ESRS S4 Consumers and end users	
ESRS 2 SBM-2	Dialogue with stakeholders [SBM-2]
ESRS 2 SBM-3	Impacts of the Bank on clients and strategic approach [SBM-3]
S4-1	Cybersecurity Management Policies [S4-1 MDR-P] Client inclusiveness policies [S4-1 MDR-P] Policies related to increasing financial knowledge of clients through education [S4-1 MDR-P] Policies related to responsible market practices [S4-1 MDR-P]
S4-2	Cooperation for cybersecurity [S4-2] Collaboration for Inclusiveness [S4-2] Cooperation for responsible market practices [S4-2]
S4-3	Channels for reporting irregularities and the complaint handling process [S4-3]
S4-4	Cybersecurity activities [S4-4 MDR-A] Client inclusiveness actions [S4-4 MDR-A] Actions taken to increase financial knowledge of clients through education [S4-4 MDR-A] Activities related to responsible market practices [S4-4 MDR-A]
S4-5	Cybersecurity targets [S4-5, MDR-T] Client inclusiveness targets [S4-5, MDR-T] Client education targets [S4-5, MDR-T] Targets for responsible market practices [S4-5, MDR-T]
ESRS G1 Business conduct	
ESRS 2 GOV-1	Role of the Management Board and Supervisory Board [GOV-1] Responsibilities and roles [GOV-1]
ESRS 2 IRO-1	Double materiality assessment process [IRO-1]
G1-1	Business conduct and corporate culture [G1-1 MDR-P]
G1-3	Prevention and detection of corruption and bribery [G1-3 MDR-A]
G1-4	Cases of corruption or bribery [G1-4]

Below is a list of data points that arise from other EU legislation

List of all data points that are derived from other EU regulations used in the sustainability statement, based on Appendix B of ESRS 2

Disclosure Requirement and related datapoint	Reference to the Sustainable Finance Disclosure Regulation (SFDR)	Reference to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS 2 GOV-1 Management Board's gender diversity paragraph 21 (d)	Indicator 13 of Table # 1 of Annex I		Annex II of Commission Delegated Regulation (EU) 2020/1816		Structure of the Management Board and Supervisory Board [GOV-1]
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Annex II of Delegated Regulation (EU) 2020/1816		Structure of the Management Board and Supervisory Board [GOV-1]
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator 10 of Table # 3 of Annex I				Statement on due diligence [GOV-4]
ESRS 2 SBM-1 Involvement in activities related to fossil fuels activities paragraph 40 (d) (i)	Indicator 4 of Table # 1 of Annex I	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Annex II of Delegated Regulation (EU) 2020/1816		not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) (ii)	Indicator 9 of Table # 2 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816		not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) (iii)	Indicator 14 of Table # 1 of Annex I		Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816		not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) (iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816		not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	Transition plan for climate change mitigation [E1-1]
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1) (d)-(g) and Article 12(2) of Commission Delegated Regulation (EU) 2020/1818		Transition plan for climate change mitigation [E1-1]
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator 4 of Table # 2 of Annex I	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		Transition plan for climate change mitigation [E1-1] Targets related to own operations [E1-4 MDR-T] Targets related to the financed loan portfolio [E1-4 MDR-T]
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator no. 5 in Table # 1 and indicator no 5 in Table # 2 of Annex I				not applicable
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator 5 of Table # 1 of Annex I				Energy consumption and mix indicators [E1-5]
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40–43	Indicator 6 of Table # 1 of Annex I				not applicable

ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 in Table #1 of Annex I	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]
ESRS E1-6 Gross GHG emissions intensity paragraphs 53–55	Indicator 3 of Table # 1 of Annex I	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]
ESRS E1-7 GHG removals and carbon credits paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	GHG removals and GHG mitigation projects financed through carbon credits [E1-7]
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816		The option of gradual disclosure was used
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a of Regulation (EU) no. 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			The option of gradual disclosure was used
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a of Regulation (EU) no. 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			The option of gradual disclosure was used
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Annex II of Delegated Regulation (EU) 2020/1818		The option of gradual disclosure was used
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 in Table # 1 of Annex I, indicator number 2 in Table #2 of Annex I, indicator number 1 in Table # 2 of Annex I and indicator number 3 in Table # 2 of Annex I				Topic deemed irrelevant
ESRS E3-1 Water and marine resources paragraph 9	Indicator 7 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E3-1 Dedicated policy paragraph 13	Indicator 8 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E3-1 Practices related to sustainable oceans and seas paragraph 14	Indicator 12 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator 6.2 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator 6.1 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS 2 SBM 3-E4 paragraph 16 (a) (i)	Indicator 7 of Table # 1 of Annex I				Topic deemed irrelevant
ESRS 2 SBM 3-E4 paragraph 16 (b)	Indicator 10 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS 2 SBM 3-E4 paragraph 16 (c)	Indicator 14 of Table # 2 of Annex I				Topic deemed irrelevant

ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator 11 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator 12 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator 15 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator 13 of Table # 2 of Annex I				Topic deemed irrelevant
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator 9 of Table # 1 of Annex I				Topic deemed irrelevant
ESRS 2 SBM-3-S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator 13 of Table # 3 of Annex I				Employees and human rights [S1-1]
ESRS 2 SBM-3-S1 Risk of incidents of child labor paragraph 14 (g)	Indicator 12 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator no. 9 in Table # 3 and indicator no 11 in Table # 1 of Annex I				Topic deemed irrelevant
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 paragraph 21			Annex II of Delegated Regulation (EU) 2020/1816		Employees and human rights [S1-1]
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator 11 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator 1 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator 5 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator 2 of Table # 3 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816		Topic deemed irrelevant
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator 3 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator 12 of Table # 1 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816		Pay indicators [S1-16]
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator 8 of Table # 3 of Annex I				Pay indicators [S1-16]
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator 7 of Table # 3 of Annex I				Incidents and complaints [S1-17]
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator no. 10 in Table # 1 and indicator no 14 in Table # 3 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Incidents and complaints [S1-17]
ESRS 2 SBM-3-S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and 13 in Table # 3 of Annex I				Topic deemed irrelevant
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator no. 9 in Table # 3 and indicator no 11 in Table # 1 of Annex I				Topic deemed irrelevant
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators number 11 and 4 in Table #3 of Annex I				Topic deemed irrelevant
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator 10 of Table # 1 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Topic deemed irrelevant

ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 paragraph 19			Annex II of Delegated Regulation (EU) 2020/1816		Topic deemed irrelevant
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator 14 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 in Table # 3 of Annex I and indicator number 11 in Table # 1 of Annex I				Topic deemed irrelevant
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator 10 of Table # 1 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Topic deemed irrelevant
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator 14 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator no. 9 in Table # 3 and indicator no 11 in Table # 1 of Annex I				Cybersecurity Management Policies [S4-1 MDR-P] Client inclusiveness policies [S4-1 MDR-P] Policies related to increasing financial knowledge of clients through education [S4-1 MDR-P] Policies related to responsible market practices [S4-1 MDR-P]
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator 10 of Table # 1 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Policies related to responsible market practices [S4-1 MDR-P]
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator 14 of Table # 3 of Annex I				Topic deemed irrelevant
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator 15 of Table # 3 of Annex I				not applicable
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator 6 of Table # 3 of Annex I				not applicable
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator 17 of Table # 3 of Annex I		Annex II of Delegated Regulation (EU) 2020/1816		Cases of corruption or bribery [G1-4]
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator 16 of Table # 3 of Annex I				Cases of corruption or bribery [G1-4]

The ratings of sustainability issues analyzed for materiality were in the range of 1 to 4. The materiality threshold was adopted as a result of numerous internal consultations at the Bank as part of a comprehensive double materiality assessment process, taking into account the views and interests of external stakeholders. The impacts, risks and opportunities that were assessed as material were those that were rated at or above the threshold of 3.5 in the materiality assessment.

2. Chapter on the environment

2.1 Climate change

Society around the world is increasingly understanding and analyzing global climate change and its consequences. The scientific community agrees that human activities (including the exploitation of fossil fuels) increase greenhouse gas emissions and directly contribute to the gradual destabilization of the climate, which is already manifested by extreme weather phenomena, among other things.

Humans and organizations they create play a key role in efforts to overcome the global challenge of climate change. In order to minimize its negative impact, mitigate its risks, and take advantage of emerging opportunities, a company must first identify the stages of its value chain and their emissions. Financial institutions, including banks, affect the climate mainly through their loan portfolios, which carry both financial risks and opportunities.

As a responsible financial institution, Citi Handlowy Bank supports clients in achieving their sustainability goals. An effective response to the global climate crisis requires collaboration and a long-term approach. The Bank engages in dialogue, adapts its product offerings and invests in reducing emissions, thereby supporting the commitment of Citigroup Inc. to achieve net zero emissions in 2050. The Bank adopted the ESG Strategy of Bank Handlowy w Warszawie S.A. in December 2024. It sets out key targets for the Bank's own sustainable operations and for its financed loan portfolio. The Bank is also working on a comprehensive decarbonization strategy covering all three emissions scopes according to the GHG Protocol[6]. This strategy will set measurable targets and actions to achieve the Paris Agreement goals.

2.1.1 *Transition plan for climate change mitigation [E1-1]*

Citi Handlowy Bank is taking a responsible approach to transformation of its business and had taken the first significant steps in 2024 to develop a transition plan until the end of 2027. At the time this Statement was prepared, the Bank did not have a transition plan that would take into account the transition to a sustainable economy and limiting global warming to 1.5°C.

In 2024, the Bank took significant steps to support its efforts to prepare a transition plan: it started calculating greenhouse gas emissions in three scopes according to the GHG Protocol, began work on a comprehensive decarbonization strategy, and strengthened its governance over the area of the ESG risk area (see ESG risk management). These activities are feasible under the policies described below and due to the tasks assigned internally to senior managers and executives.

[6] https://ghgprotocol.org/sites/default/files/ghgp/standards_supporting/Diagram%20of%20scopes%20and%20emissions%20across%20the%20value%20chain.pdf

2.1.2 *Climate-related risks, opportunities and impacts [SBM-3]*

Significant climate risks

The Bank conducted a double materiality assessment, in which it deemed climate risks to be material from the perspective of both its own operations and value chain. As a result of the double materiality assessment, the following climate risks were identified:

Material topic	Material risk description	Place of concentration	Type	Time perspective
Climate in the financed loan portfolio	**Credit risk** – the transition to a low-carbon economy is connected with significant challenges for the Bank's clients as it affects regulatory compliance costs, creditworthiness and access to capital. Climate-related factors affect the value of collateral (including primarily environmental and atmospheric factors), default risk and losses on default (higher capital requirements), access to and cost of capital and reduced liquidity.	Downstream value chain	Transition risk and physical risk	Short-, medium- and long-term
Climate in own operations **and** Climate in the financed loan portfolio	**Compliance risk** – increased compliance risk is associated with changing environment and climate-related regulations. This may have significant financial consequences for the Bank in the form of legal or regulatory sanctions, financial losses and reputational damage.	The entire value chain	Transition risk	Short-, medium- and long-term
Climate in own operations **and** Climate in the financed loan portfolio	**Strategic risk** – the possibility of strategic risk arising from various sources related to climate change and affecting Citi Handlowy's market position, operating costs and business model. Regulatory changes, technological risks, stakeholder concerns and social trends must be taken into account in a comprehensive strategic approach to ensure financial stability and strong financial performance. The described risk may negatively affect the Bank's financial position, for example by increasing operating or regulatory costs or capital expenditures.	The entire value chain	Transition risk	Short-, medium- and long-term

Materiality was indicated for three types of risk – strategic, credit and compliance. In all cases, this was determined by factors related to transition risk:

- materiality for credit risk involves large credit exposure to industries with a high and medium climate risk indicator, which may increase the probability of default and the expected loss from such default,
- materiality for compliance risk arises from the Bank's need to comply with numerous and complex ESG regulations,
- materiality for strategic risk stems from the increasing regulatory pressure on financial institutions and their clients, and from the peculiarities of Poland's economy – high energy intensity and greenhouse gas emission intensity – as a result of which high expenditures will be required to achieve climate policy goals.

Each identified significant climate risk was categorized as a physical risk and a transition risk:

- **physical risk** – the consequences of a changing climate, including the increased occurrence of extreme weather conditions, gradual climate change and environment degradation,
- **transition risk** – losses resulting from the process of adapting to a low-emission and more environment friendly economy.

In its internal analyses to date, including its double materiality assessment, the Bank has not performed a process to identify assets and business activities that are incompatible with a climate-neutral economy.

Significant climate-related opportunities

In the double materiality assessment, the Bank considered climate-related opportunities to be significant from the perspective of both its own operations and the entire value chain. The Bank discerns the following opportunities for its operations:

Material topic	Description of a significant opportunity	Place of concentration	Time perspective
Climate in the financed loan portfolio	**Opportunity to adapt the strategy of investing, financing and supporting industries and companies that are an integral part of the low-carbon economy**. Smart financing mechanisms thanks to which the Bank has the opportunity to develop transformation can contribute to the growth of revenues.	Downstream value chain	Short-, medium- and long-term
Climate in the financed loan portfolio	**Opportunity to finance low-carbon products due to changing customer preferences**. The Bank has an opportunity to increase revenues related to environmental services within banking: sustainable finance, renewable energy financing, and ESG consulting and financial solutions.	Downstream value chain	Short-, medium- and long-term
Climate in the financed loan portfolio	**Opportunity to help clients achieve net zero emissions, identify opportunities and allocate capital to achieve sustainability goals**. By working with clients in areas where they need support, the Bank has the opportunity to increase its market share and revenues, and ensure responsible growth.	Downstream value chain	Short-, medium- and long-term
Climate in the financed loan portfolio	**Opportunity to invest in industries, companies and technologies for a low-carbon economy,** such as renewable energy, water conservation and sustainable transportation, which support innovation and collective action. By increasing its participation in the financing of low-carbon products, the Bank reduces emissions financing and can move closer to achieving the UN Sustainable Development Goals (SDGs) and meeting the requirements of the European Banking Authority (EBA).	Downstream value chain	Short-, medium- and long-term
Climate in the financed loan portfolio	**Opportunity to assess and mitigate risks** by regularly assessing climate change risks and integrating them into risk management programs. This will enable early detection of climate-related risks or opportunities that would affect revenues, operating costs and other expenses. This may also affect the ability to create and develop analytical tools exploring sustainability and climate issues, including portfolio management, quantitative modelling, climate exposure analysis as part of client reporting.	Downstream value chain	Short-, medium- and long-term
Climate in the financed loan portfolio	**Opportunity to finance disruptive low-carbon technologies**, such as renewable energy, battery storage or hydrogen. The Bank can leverage increased revenues related to the financing of products and solutions in the area of energy demand resulting from increased demand, regulatory pressure related to new energy sources and other solutions.	Downstream value chain	Short-, medium- and long-term
Climate in the financed loan portfolio	**Opportunity to support clients committed to energy transformation and sustainability** with products, services and advisors that facilitate capital raising, implementation of business plans and scaling.	Downstream value chain	Short-, medium- and long-term
Climate in own operations	**Opportunity to align transition pathways with governmental climate policies** to obtain fiscal incentives, including subsidies, tax credits or grants.	Own operations	Short-, medium- and long-term
Climate in own operations	**Opportunity to improve reputation** by demonstrating commitment to addressing climate change and other environmental issues, which can result in new partnerships, lower costs and increased revenue in the long term.	Own operations	Short-, medium- and long-term

Significant climate-related impacts

In the double materiality assessment, the Bank also identified impacts related to climate change. They concern the energy area at the Bank:

Material topic	Description of a significant impact	Place of concentration	Type	Time perspective
Climate in the financed loan portfolio	The Bank's positive impact on climate change mitigation is driven by **clients who, through their activities, can have a direct and indirect impact on the green transition and climate stability.**	Downstream value chain	Real positive impact	Short-, medium- and long-term
Climate in the financed loan portfolio	**The Bank's loan portfolio is partially linked to sectors that have a negative impact on climate stability.**	Downstream value chain	Real negative impact	Short-, medium- and long-term
Energy	**The bank is working toward the goal set by Citigroup Inc.: to source 100% of the energy used in its own buildings from renewable sources**, thereby reducing greenhouse gas emissions associated with electricity generated from fossil fuels.	Own operations	Real positive impact	Long-term
Energy	**The Bank's facilities** (offices, branches, data centers and operational centers) **require energy** for lighting, heating, cooling and operating electronic equipment, which contributes to greenhouse gas emissions.	Own operations	Real negative impact	Long-term

2.1.3 *Climate risk and Citi Handlowy's strategy [SBM-3]*

To assess the resilience of its business strategy and business model to climate change, the Bank conducted stress tests for climate risks in 2024. The exposure of loan portfolios to climate risk was assessed using climate risk indicators, which separately assess transition risk and physical risk at the industry level, taking into account relevant industry factors, including but not limited to greenhouse gas emission intensity, availability of low-carbon substitutes or technologies, and dependence on weather and chain vulnerability to disruptions related to climate change. Loan portfolio exposures as of the end of December 2023 were divided into groups of industries exposed to transition risk and physical risk, as well as ultimate climate risk. For industries susceptible to the effects of climate risk, the impact of climate risk factors on clients' credit ratings in the short-, medium- and long-term horizons was analyzed using projected migrations of indicators. In addition, with the expertise of risk managers, individual exposures were reviewed to take into account individual and client-specific factors, and, where necessary, individual assessments were made for potential impact on ratings.

The results of the stress tests showed that the Bank's portfolio is resilient to climate factors. It was assessed that in 2024 and 2025 climate risk will not have a significant impact on the level of clients' ratings, and thus on the expected losses and internal capital requirements related to climate risk. A deterioration in clients' ratings as a result of the materialization of climate risk is expected in 2026 and in the medium and long term.

For all risk categories for which climate risk factors are deemed significant, the Bank has set strategic limits within the Bank's risk appetite and established KRIs. The indicators are monitored and reported on a regular basis. Reports are submitted to the Bank's Management Board, the Risk and Capital Management Committee, and to the Supervisory Board, including the Risk and Capital Committee.

The resilience assessment of the business strategy and model did not use scenario analyses assuming high emissions or a climate scenario consistent with limiting global warming to 1.5°C. The bank focused on the analysis of significant climate risks for the loan portfolio (downstream value chain), without taking into account the perspective of the upstream value chain and its own operations. As the Bank prepares to develop its Transition Plan for climate change mitigation, it will conduct a more comprehensive resilience analysis that incorporates the conclusions from scenario analyses for its value chain.

2.1.4 *Anticipated financial effects from climate-related risks and opportunities [E1-9]*

In the *Sustainability Statement for 2024*, the Bank is taking the opportunity to gradually disclose information on the anticipated financial effects of climate-related risks and opportunities.

2.2 Climate in own operations

The Bank identifies climate-related risks and opportunities in its own operations (section Climate-related risks, opportunities and impacts). In order to properly manage them, the Bank has implemented special policies, set targets and takes appropriate actions.

2.2.1 *Policies related to own operations [E1-2 MDR-P]*

Environmental policy

The *Environmental Policy* defines the Bank's objectives related to the environmental impact of its activities (the areas of climate change mitigation, adaptation to climate change, energy efficiency, and responsible resource and waste management). In accordance with the *Policy*, the Bank:

- reduces greenhouse gas emissions:
    - strives to decarbonize (offset) its operations and to maximize the use of renewable energy,
    - operates in facilities with a multi-criteria certification system (BREEAM),
- manages utilities consumption, in particular energy, as efficiently as possible,
- minimizes its consumption of natural resources,
- conducts rational waste management in accordance with the hierarchy of procedures:
    - waste prevention,
    - proper waste selection,
    - transfer of waste for recycling or recovery,
- controls noise emissions,
- predicts trends and implements innovative solutions in the area of pro-environmental management.

The *Environmental Policy* is compliant with ISO 14001 and covers the four buildings owned by the Bank – three in Warsaw and one in Olsztyn. Monitoring the effectiveness of the activities covered by the *Policy* involves monitoring environmental activities, including:

- waste management,
- consumption and cost of utilities,
- internal audits,
- assessments of compliance with legal requirements and regulations,
- analysis of the carbon footprint of the Bank's operations.

The provisions of the *Environmental Policy* were consulted with internal stakeholders from selected units – its co-authors. The document is available on Citi Handlowy Bank's website and intranet. The Citi Realty Services Department is responsible for implementing this regulation.

In the *Environmental Policy*, approved by the Bank's management, the Bank made a commitment that it will:

- minimize its environmental impact by identifying and measuring the direct and indirect environmental impact of its activities,
- disseminate knowledge about ecology – by conducting educational and awareness-raising activities for its employees,
- reduce greenhouse gas emissions and electricity consumption by taking actions to obtain renewable energy in the Bank's facilities and by implementing good energy conservation practices,
- properly segregate waste, manage it responsibly and strive to achieve a circular economy,
- control noise emissions with regular measurements,
- obtain BREEAM certifications at certain levels,
- strive to achieve emission reduction targets for the entire organization, and ISO targets only for its own buildings.

Sustainability Strategy for 2025-2027

The *Sustainability Strategy for 2025–2027*, which is described in the general information part (see Sustainability Strategy) is focused on issues relevant to climate change in the Bank's own operations and sets directions in the areas of climate change mitigation, energy efficiency or renewable energy use. In the new *Strategy*, the Bank has committed itself to making its own operations climate neutral by 2030. The Bank intends to reduce direct emissions (Scope 1) and indirect emissions (Scope 2 and 3, categories 1-14) and compensate for emissions through so-called offsets[7].

Responsibility for implementation of the *Strategy*, which takes into account emission reductions in Scope 1 and 2, will rest with the Citi Realty Services Department, and in Scope 3 (categories 1-14) with the relevant business units. The indicator monitoring process will also be handled by the Citi Realty Services Department and relevant business units. The provisions of the Strategy are available to employees in the Bank's intranet system.

2.2.2 *Targets related to own operations [E1-4 MDR-T]*

The Bank has set the following goals for sustainable own operations under the Environmental Policy:

- reduce the Bank's CO_2 emissions (Scope 1 and Scope 2) by at least 50% between 2022 and 2024 (vs. base year 2019),
- maintain noise below acceptable levels and conduct noise monitoring every two years,
- reduce electricity consumption by 40% in 2022–2024 (vs. base year 2012),
- BREEAM certification – currently held certificates: Warsaw, Traugutta – *Very Good*, Warsaw, Senatorska 16 – *Good*, Olsztyn, Pstrowskiego 16 – *Very Good*, Warsaw, Goleszowska 6 – Pass.

In 2022, the Bank reduced its own Scope 1 and Scope 2 greenhouse gas emissions by 64% compared to 2019 and reduced electricity consumption in its own buildings by 42% compared to 2012, thus achieving 100% of its target adopted in the emission reduction strategy and 100% of its electricity consumption reduction target.

Citi Handlowy Bank monitors targets in accordance with ISO 14001 requirements and strategy goals, and results are recorded and monitored as part of an internal system.

As part of the newly adopted Sustainability Strategy for 2025-2027, the Bank has also set the following targets for sustainable own operations:

- gradual optimization of electricity consumption: in particular by 2027 energy consumption in own properties is to be reduced by 20% (base year – 2022, base value – 7829 MWh),
- by 2030, 100% of the electricity used is to be from renewable energy sources (planned progress: 2021 – 50%, 2025 – 75%, 2026 – 80%).

The greenhouse gas emission reduction targets for own operations in absolute values (in tons of CO_2 equivalent) will be set in the following years as part of the Bank's Decarbonization Strategy. An additional level of ambition in the area of sustainable own operations is to ensure compliance with ESG regulations by making the necessary changes to internal policies. The Bank's internal stakeholders were involved in setting the adopted targets.

2.2.3 *Activities related to own operations [E1-3 MDR-A]*

In order to reduce its emissions, in 2024 the Bank gradually improved the energy efficiency of its buildings, increased the share of renewable energy and purchased guarantees of origin.

In 2023-2024, the Bank upgraded its headquarters building at 16 Senatorska Street in Warsaw and carried out projects that have increased the energy efficiency of that building:

- Construction of bio-adaptive LED lighting throughout the building,
- Upgrade of the air conditioning system and replacement of 400 fan coil units,
- Replacement of air handling units with heat recovery,
- Expansion of the automation system in own buildings (by more than four thousand measurement points).

The above projects were not analyzed in terms of the amount of GHG emission reduction.

[7] A term describing a voluntary mechanism used by organizations to offset their emissions by investing in projects that reduce or remove an equivalent amount of emissions outside the company's value chain.

In line with the new *Sustainability Strategy for 2025–2027*, in the coming years the Bank will in particular implement projects that will allow it to improve energy efficiency and fully switch to renewable energy by 2030. In addition, the Bank will support the decarbonization of its business operations and will take into account indirect emissions from business travel and the supply chain. The Bank will gradually optimize electricity consumption, in particular to reduce its use of electricity in its own buildings by 20% by 2027 (compared to 2022).

The implementation of the above plans will depend on the technical capabilities of the buildings to implement innovative technologies, the adaptation and optimization of specific processes, the availability of services to implement compensatory measures and the availability of skilled workforce in the relevant fields.
The implemented and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

2.3 Climate in the financed loan portfolio

The Bank, as a financial institution, has an impact on the climate mainly through its loan portfolio. The Bank has implemented policies, set targets and is conducting activities to mitigate risks, minimize negative impact, develop positive impact and seize opportunities related to the sustainable transformation of its clients (Climate-related risks, opportunities and impacts section).

2.3.1 *Policies related to climate change in the loan portfolio [E1-2 MDR-P]*

ESG Risk Management Framework in the Capital Group of Bank Handlowy w Warszawie S.A.

The *ESG Risk Management Framework* (also described in the ESG Risk Management section of this *Statement*) promote a consistent and effective approach to the management of ESG risks at the Bank, including risks related to climate change (areas: climate change mitigation and adaptation). That document is part of the Bank's risk management strategy and describes key elements of the organizational structure and processes used to identify, measure, monitor, control and report ESG risks. The *ESG Risk Management Framework* also clarify the roles and responsibilities of the Bank's Management Board and employees with respect to ESG risk management – including climate risk – across three lines of defense.

The *ESG Risk Management Framework* apply throughout the Bank and apply to those business units and employees of the Bank that identify, measure, monitor, control and report ESG risks across all lines of defense. The document – as an element of the risk management strategy – was approved by the Bank's Management Board and Supervisory Board. The Bank has entrusted the Vice President in charge of the Risk Management Sector with responsibility for the risk management system covering ESG risks. The ESG Risk Management Manager, acting as a representative of the Risk Management Process Quality Assurance Department within the Risk Management Sector, is responsible for overseeing the implementation of the *Framework*. The provisions of the Policy are available to employees in the Bank's intranet system.

Environmental and Social Risk Management Regulations for Corporate Banking Clients

The *Environmental and Social Risk Management Regulations for Corporate Banking Clients (“ESRM Regulations”)* are intended to provide the effective identification, assessment and management of potential social and environmental risks (focusing primarily on the area of climate change mitigation) associated with the Bank's clients. The *Regulations* provide guidelines for working with clients and allow for mitigation of environmental and social risks associated with the financial activities of the organization. The document creates a framework for managing the impacts and risks associated with financing high-emission industries or industries exposed to transition risk, such as coal mining, coal-fired power generation and oil and gas.

The document assigns a special role in monitoring environmental and social risks to the Risk and Capital Management Committee, which monitors the Bank's risk profile at an aggregate level, including the profile of individual risk categories, to ensure compliance with the approved risk appetite. Violations, i.e. any instance of non-compliance with that policy, must be reported and escalated in accordance with the internal regulations of the Bank.

The *Regulation* applies to business units and Risk Management Sector employees that prepare, review and approve client transactions, manage such transactions and perform their periodic reviews. Prior to engaging with clients, employees in the first and second line of defense of business units conduct preliminary analyses to identify transactions and clients subject to the *Environmental and Social Risk Management Regulations.* This is to identify the need for additional *due diligence* analyses. Some industries are particularly sensitive to environmental and social risks and therefore require an in-depth analysis that takes into account industry specifics:

- agriculture – crops, livestock and processing, among others in terms of forestry subsector
- coal mining,
- coal-fired power generation,

- non-coal mining,
- oil and gas,
- defence sector.

The Policy refers to global standards and initiatives, including the Washington Convention and the International Finance Corporation (IFC) Performance Standards.

ESRM regulations must be approved by the member of the Management Board in charge of the Risk Management Sector, acting as the owner of the document. The provisions of the Policy are available to employees in the Bank's intranet system.

Policy defining the framework for the classification of sustainable products in the Capital Group of Bank Handlowy w Warszawie S.A.

The *Policy defining the framework for the classification of sustainable products in the Capital Group of Bank Handlowy w Warszawie S.A.* is a set of principles for identifying, assessing, classifying and monitoring sustainable products (products that support, among others, the areas of climate change mitigation, climate change adaptation, energy efficiency or renewable energy use). The document contains, including but not limited to:

- sustainable finance definition applied by the Bank,
- rules for classifying products as sustainable,
- client eligibility conditions and criteria for financing,
- monitoring requirements for the financing provided,
- scope of duties, responsibilities and roles of the Bank's organizational units in assessing the classification and monitoring of products qualified as sustainable.

The *Policy* applies to all products that can be classified as sustainable. The provisions of the Policy are available to employees in the Bank's intranet system.

Currently, the Bank has implemented an operational process according to which it classifies transactions into credit products, receivables and liquidity financing products, and trade finance products.[8]

Opinions on the classification of sustainable products are provided by the Sustainability Products Committee, which also monitors product compliance with the *Policy*. Monitoring results are reported to the Risk and Capital Management Committee. The Policy refers to international standards and regulations, including the European Union Taxonomy, LMA Sustainability-Linked Loan Principles, LMA Green Loan Principles and LMA Social Loan Principles.

The Bank may classify financing as sustainable based on the client's business or a specific investment project. It uses three paths for this purpose:

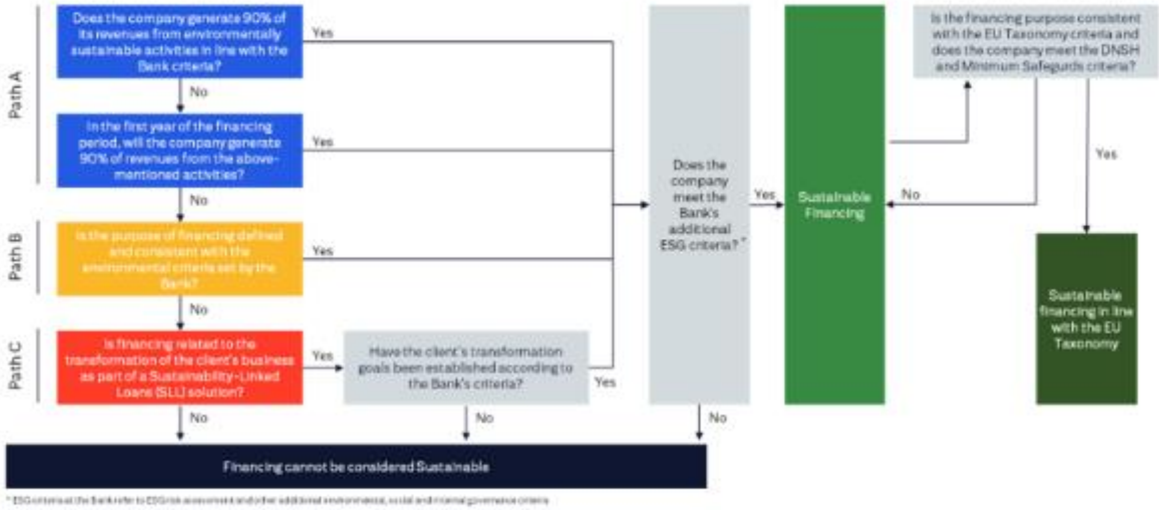
A. Financing clients who conduct activities that have a positive environmental impact

B. Financing clients' environment-friendly investments

C. Financing a client's transformation based on ESG KPIs

[8] The product range includes overdrafts; revolving loans; long-term loans; bridge loans, syndicated loans, income-generating property financing loans, trade service products (bank guarantees, documentary letters of credit), factoring, and trade credit.

***Overall scheme for the classification of sustainable finance in accordance with* the Bank's Sustainability Strategy**



A. Financing clients who conduct activities having a positive environmental impact

The Bank attaches great importance to promoting and supporting businesses that conduct activities that have a positive impact on the environment. In accordance with its *Sustainability Strategy,* the Bank provides financing to clients that meet the following criteria:

1a. the company derives at least 90% of its revenues from activities that meet the criteria of a substantial contribution or activities that comply with the EU Taxonomy[9]; or

1b. at least 90% of the company's revenues, within one year from the date financing is granted, will come from activities that meet the criteria of a substantial contribution or activities compliant with the EU Taxonomy[1] and

2. the company does not operate in sectors excluded from financing under the ESRM Regulations.

B. Financing pro-environmental investments

In a situation where the client does not meet the requirements specified for financing any activities that have a positive environmental impact, but the purpose of financing can be precisely defined and concerns investments that have a positive environmental impact, the financing is classified as sustainable on the basis of environmental criteria coinciding with the criteria for substantial contribution specified for environmental purposes in the EU Taxonomy. The investment assessment process is based on widely recognized market standards for green loans – Green Loan Principles.

C. Financing a client's transformation based on ESG KPIs

In line with its *Sustainability Strategy,* the Bank supports clients in transforming their businesses. One form of such support is sustainability-linked financial products, which the Bank offers in accordance with generally accepted market standards (*sustainability-linked loans*).

To determine whether a client's transformation is sustainable, the Bank analyzes ESG KPIs.

In accordance with the provisions of the Policy, the clients have developed a plan to transform their activities (or part of their activities) in terms of improving energy efficiency, reducing carbon footprint or adapting to the criteria set out in the EU Taxonomy. ESG KPIs measure the effectiveness of the transformation process and are:

1. material for the client's business activities;

2. measurable and comparable to best market practices;

[9] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

3. compliant with generally recognized environmental science initiatives and standards (e.g. decarbonization pathways established under the Paris Agreement).

The cost of financing incurred by the client is dependent on the extent to which the client has achieved the agreed ESG KPIs related to its transformation. In addition, to ensure the credibility and transparency of transformation activities, the achievement of KPIs is confirmed by independent third parties.

By the end of 2024, thanks to the implementation of the *Policy*, the Bank had provided sustainable financing in the amount of PLN 1.3 billion (of which PLN 1.0 billion under Path C and PLN 0.3 billion under Path A) and thus achieved its target for 2022-2024, which was set at PLN 1 billion.

Sustainability Strategy for 2025-2027

The *Sustainability Strategy for 2025–2027*, which is described in the general information part (see Sustainability Strategy) is focused on issues relevant to climate change in the Bank's financed loan portfolio and sets directions in the areas of climate change mitigation, energy efficiency or renewable energy. In line with the new *Strategy*, the Bank will continue to use its knowledge and experience to be a trusted partner for its clients in the ESG transformation process. The Bank wants to improve sustainable finance solutions, create products to support clients in their sustainable transformation and meet their individual needs, expand its product offering with additional sustainable products (FX, deposits) and classify new products as sustainable, increase the share of green assets in the portfolio, use its extensive knowledge to support clients in their transformation, refine the principles of sustainable finance and support the development of new technologies.

The responsibility for the implementation and monitoring of the implementation of the *Strategy* in the area of the financed loan portfolio will belong to the Strategy and Investor Relations Department. The provisions of the Strategy are available to employees in the Bank's intranet system.

2.3.2 *Targets related to the financed loan portfolio [E1-4 MDR-T]*

The Bank has set the following quantitative targets for the sustainable loan portfolio as part of its newly adopted Sustainability Strategy for 2025-2027:

Goal	Base value	Base year	Result
Allocating PLN 2 billion to finance the sustainability of its clients by 2027[10]	PLN 0	2025	Goal effective from the beginning of 2025
At least 10% share of sustainable finance in the institutional client loan portfolio by 2027[11]	5.3%	2025	Goal effective from the beginning of 2025
Obtaining information on the Scope 1 and 2 emission reduction targets and transition plans of at least 60% of borrowers and using this data in the lending process [12]	27%	2025	Goal effective from the beginning of 2025
Completion of ESG training by 100% of employees responsible for ESG sales and consulting by 2027[13]	0	2025	Goal effective from the beginning of 2025

An additional level of ambition in the area of the sustainable loan portfolio is to set a decarbonization path for the Bank's portfolio by 2027 and put in place measures to effectively reduce the share of Scope 3 emissions in the Bank's portfolio. GHG reduction targets in absolute value (in tons of CO_2 equivalent and as a percentage of base year emissions) will be set in subsequent years as part of the Bank's Decarbonization Strategy. The Bank's internal stakeholders were involved in setting the adopted targets.

[10] In 2022–2024, the Bank allocated PLN 1.3 billion for the green transformation of its clients and exceeded the previously applicable goal set in the Sustainability Strategy for 2022–2024 by almost PLN 300 million. The current goal means allocating an additional PLN 2 billion for sustainable financing in line with the definition contained in the Policy defining the framework for the classification of sustainable products in the Capital Group of Bank Handlowy w Warszawie S.A. described earlier. The target is not based on specific scientific evidence.

[11] The total value of sustainable finance granted in 2025-2027 in relations to the institutional client loan portfolio at the end of 2027. The goal does not include any specific milestones and is not based on specific scientific evidence.

[12] Obtaining from the clients transition plans or at least GHG emissions reduction plans. The goal is supposed to be achieved at the end of 2027. The goal is not based on specific scientific evidence .

[13] The bank has been taking action in the field of ESG training, but the new goal concerns directly dedicated and structured training for all sales department employees, so that all units present the same information to potential customers in a uniform manner. The goal is not based on specific scientific evidence.

2.3.3 *Activities related to the financed loan portfolio [E1-3 MDR-A]*

Citi Handlowy Bank is taking steps to reduce emissions from its financed loan portfolio, which constitute the largest part of the Bank's greenhouse gas emissions. This is the central tenet of the *Sustainability Strategy for 2025-2027*.

In 2022-2024, the Bank allocated PLN 1.3 billion for the green transformation of its clients and exceeded the target set in the *Strategy* by almost PLN 300 million. In 2024, the Bank began calculating emissions from its loan portfolio for the first time (Scope 3, Category 15 of the GHG Protocol). The Bank's emissions analysis will be performed on a cyclical basis, which will allow the Bank to assess the reduction of financed emissions in subsequent years.

The bank has included the climate change finance initiatives in its new *Sustainability Strategy for 2025-2027*, in Pillar 1 “Sustainable Finance” and Pillar 2 “ESG Risk Management.” In the coming years, Citi Handlowy will continue to offer products and services that promote sustainability, encourage its clients to take sustainable actions, and work with them to accelerate the transformation of their business models and reduce greenhouse gas emissions. To achieve this goal, the Bank will take greater account of ESG risks and factors in its analysis of clients, while supporting them with dedicated financial products and its extensive expertise. In particular, the Bank will:

- establish portfolio decarbonization pathways and reduce Scope 3 emissions by 2027,
- refine the Bank's climate risk analysis and scenario-based portfolio assessment,
- collect information on Scope 1 and 2 emission reduction targets and transformation plans of at least 60% of borrowers and use this data in the lending process,
- work with clients from the Bank's portfolio to accelerate their sustainable transformation and GHG emissions,
- provide ESG training to sales and consulting staff,
- maintain reviews and updates of policies and procedures to support the implementation of sustainable products and services.

The implementation of these activities by the Bank will largely depend on the needs and goals established in this regard by the Bank's clients.

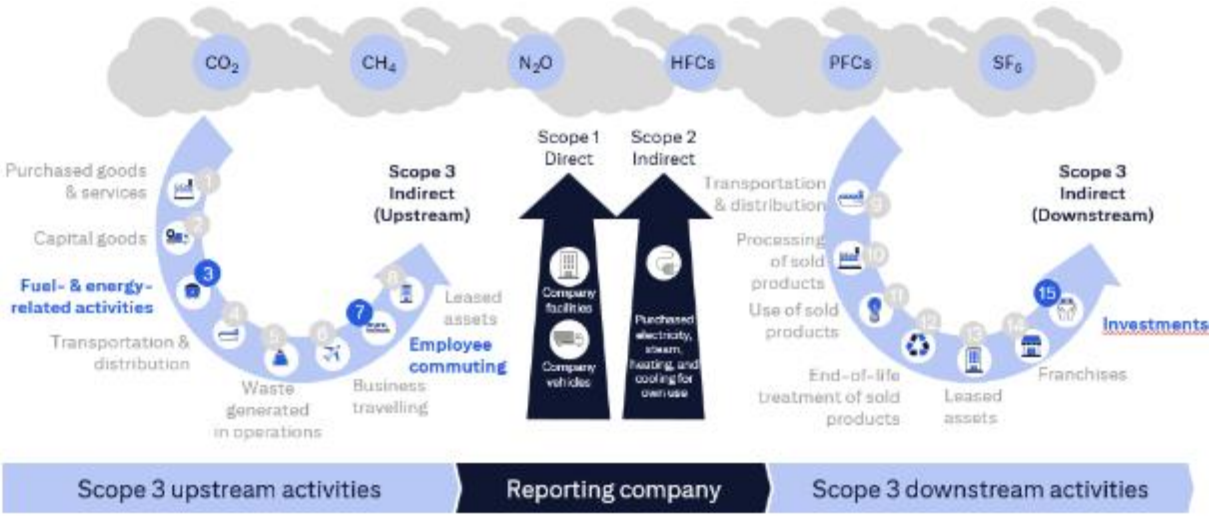
2.3.4 *Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]*

Methodology

The calculations of greenhouse gas (GHG) emissions, which include carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O), are based on the global GHG Protocol standards developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol methodology distinguishes greenhouse gas emissions divided into:

- Scope 1 – direct emissions associated with the combustion of energy carriers in stationary and mobile sources owned or managed by the organization,
- Scope 2 – indirect emissions related to the consumption of purchased electricity, steam, heat and cooling,
- Scope 3 – other indirect emissions in the value chain.

Potential sources of corporate emissions as defined by the GHG Protocol



Scope 3 category numbers that are appropriate for the Bank are marked in blue.

Scope 3 category 15 calculations are additionally prepared in accordance with the *Global GHG Accounting and Reporting Standard for the Financial Industry*, developed by the international organization *Partnership for Carbon Accounting Financials* (PCAF). PCAF has created a standard for calculating the carbon footprint resulting from portfolio and investment activities for financial institutions. This approach ensures consistency, transparency and compliance with best practices in terms of data on financed emissions.

In order to determine the scope of calculations of direct and indirect emissions that will be reported as the Bank's emissions, it is necessary to define the organizational boundaries of the activities in accordance with the GHG Protocol methodology. The operational control criterion was adopted as the method of determining the organizational boundaries according to which the organization accounts for 100% of the GHG emissions resulting from the Bank's activities and the functioning of the assets that the Bank can influence by making decisions, e.g. decisions on investments in a given building or decisions on the use of a given asset in a specific way.

The calculations of Scope 1 and 2 GHG emissions were based on the consumption of individual energy carriers used by Citi Handlowy in 2024, i.e. fuels for heating purposes (natural gas), liquid fuels for the car fleet and generators (petrol and diesel fuel), electricity and heat, and the size of refrigerant leaks.

Scope 3 emissions arise throughout a company's value chain and include both upstream and downstream activities. For financial institutions, the most significant source of Scope 3 emissions are financed emissions that result from investments, loans and other financial services. These emissions are classified as Scope 3 category 15 under the GHG Protocol and represent the largest share of the Bank 's total emissions. The calculations of the Scope 3 category 15 GHG emissions included significant assets for which PCAF provides a calculation methodology, as well as assets covered by Article 449a of the Capital Requirements Regulation (CRR)[14]: corporate loans and equity other than those held for trading or held for sale.

Categories 1, 2, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14 of scope 3 were considered inadequate or immaterial. The Bank considered categories 3, 7, 15 as material:

- category 3 - fuel and energy-related activities (not included in Scope 1 or 2) – material category due to the reduction possibilities and the real impact on the consumption of energy and fuel in own operations;
- category 7 - employee commuting - material category due to the necessity to assure human resources to perform the fundamental activities of the Bank;
- category 15 - investments - material category due to the scope of activities of the Bank as a financial institution.

[14] Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards set out in Implementing Regulation (EU) 2021/637 with regard to disclosure of environmental, social and corporate governance risks.

Input data description by GHG Protocol scope and category

Scope of the GHG Protocol	Input data description
Scope 1	The calculations of Scope 1 GHG emissions were based on the consumption of individual energy carriers used by Citi Handlowy in 2024, i.e. fuels for heating purposes (natural gas), liquid fuels for the car fleet and generators (petrol and diesel fuel), and the size of refrigerant leaks. To calculate the emissions, the values of GWP-100 factors (*Global Warming Potential*) were used from the latest report of the Intergovernmental Panel on Climate Change (IPCC), Climate Change 2021: IPCC Sixth Assessment Report (AR6), and factors published in the DEFRA database: Greenhouse gas reporting: conversion factors 2024.
Scope 2	The calculations of Scope 2 GHG emissions were based on the consumption of electricity from the power grid and heating from the district heating network, the values of which were determined based on relevant invoices. In the event that invoices for last months of 2024 were not available, consumption was estimated based on consumption levels in previous months . For those energy consumption points for which consumption was not known, an estimate was made based on surface area. The emissions resulting from electricity consumption were calculated using the location-based and market-based method. The location-based calculations of GHG emissions used the emission factor published by KOBIZE: CO_2, SO_2, NOx, CO and total dust emission factors for electricity based on information contained in the National database on emissions of greenhouse gases and other substances for 2023. For calculations using the market-based method, factors made available on the websites of electricity producers whose services are used by a given energy consumption point were applied, as well as documents confirming the origin of the purchased energy from renewable sources. For consumption points for which the producer of the purchased electricity was unknown or the factor from the producer was not available, the "Residual mix" factor designated by the Association of Issuing Bodies was used: European Residual Mixes Results of the calculation of Residual Mixes for the calendar year 2023. CO_2 emission factors for district heating were adopted in accordance with the information published on the websites of heating companies distributing heat in individual locations. In a case where the producer of purchased heat energy was unknown or the factor from the producer was not available, the factor published in the following URE report was used: Thermal energy in numbers – 2022.
Scope 3 category 3 **Fuel and energy-related activities (not included in Scope 1 or 2)**	In category 3, emissions related to the production and supply of fuels (diesel fuel, petrol, natural gas) and electricity used by the Bank were analyzed. To avoid double counting, emissions resulting from losses in the transmission and distribution of purchased electricity were not included in the calculations, because these losses were included in the factor published by KOBiZE, used to calculate Scope 2 emissions. Emission factors for diesel fuel, petrol and natural gas were adopted based on the DEFRA database: Greenhouse gas reporting: conversion factors 2024. The CO_2e emission factor for electricity was adopted based on the online CaDI database. The percentage of the emissions that were calculated on the basis of actual data for category 3 is 94.84%.
Scope 3 category 7 **Employee commuting**	Within category 7, emissions related to employees' commuting to work by means of transport such as bus, private car, train, taxi, tram, motorcycle, electric scooter and subway were analyzed. Data on employees' commuting were obtained from a survey completed by 905 employees (29% of the annual average employee headcount). The results from the sample were extrapolated to the total annual average headcount. CO_2e emission factors for a given means of transport were adopted based on the DEFRA database: Greenhouse gas reporting: conversion factors 2024. For electric scooters, our own emission factor was used, obtained on the basis of the electric energy consumption factor for the scooter available on the vendor's website and the emission factor for electricity published by KOBIZE: CO_2, SO_2, NOx, CO and total dust emission factors for electricity based on information contained in the National database on emissions of greenhouse gases and other substances for 2023. 100% of emissions in this category were estimated.
Scope 3 category 15 **Investments**	The Bank calculated absolute financed emissions in accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by *the Partnership for Carbon Accounting Financials* (PCAF). In this work, the calculations focused on business loans and unlisted equity, listed equity and corporate bonds, as these asset classes within the assets

	covered by Article 449a of the Capital Requirements Regulation (CRR) constitute the core business of the Bank. Category 15 emissions were calculated using customer-provided emissions data, where available (16.26% of the calculated category 15 emissions) or, where not available, a sector expenditure approach, using NAICS (*North American Industry Classification System*) codes associated with the company's activities and the relevant sector emission factors from the PCAF database (83.74% of the calculated category 15 emissions). Share of the actual data and the calculations made on the basis of expenditure has an impact on the assessment of data quality according to the PCAF methodology (tier 1 includes verified data on a client's emissions with available financial data of the client, and tier 5 includes emissions estimated on the basis of sector factors). The average data quality score according to the PCAF approach for the analysis performed is 3.39. Considering that a significant part of the selected assets (46.11%) is short-term financing for fewer than 365 days, an approach proportionate to the financing duration was applied for these financings. This method takes into account the financing duration when calculating emissions. Given that emissions data are typically reported on an annual basis, the emissions resulting from financing granted for a period shorter than one year were included *pro rata* to the financing duration. **Loans and unlisted equity** The calculation of absolute financed emissions related to loans or equity is based on the Bank's loan portfolio and the statement of equity investments as at the end of the year. The Bank decided to expand the scope of the calculation beyond standard loans to include other financial products such as credit cards, factoring, credit lines and revolving finance. Emissions were estimated based on the breakdown of loan credit portfolio by industry, using emission factors from the PCAF database. In such cases, a data quality score of 4 was assigned, in line with the PCAF methodology. Where business-reported emissions were available, these were used as the most accurate representation of the entity's environmental impacts – for such cases a data quality score of 2 was assigned. Emission calculations include Scope 1 and 2 emissions and, where possible, Scope 3 emissions, in the upstream value chain. **Equity investments – listed and unlisted equity** Absolute emissions financed from equity investments, including listed and unlisted equity, were calculated based on the Bank's ownership interest in other entities, including subsidiaries in which the Bank holds equity interests. For listed equity, GHG emissions data from Refinitiv and company reports (e.g. non-financial or sustainability reports) were used. In these cases, a data quality score of 2 was assigned. For unlisted equity, emission factors were sourced from the PCAF database, and a data quality score of 4 was assigned. Emission calculations include Scope 1 and 2 emissions and, where possible, Scope 3 emissions in the upstream value chain.

Gross Scopes 1, 2, 3 and Total GHG emissions

Greenhouse gas emissions (in tons of CO_2eq)[15]	Comparative information – 2023[16]	2024	% 2024 / 2023
Scope 1			
Gross Scope 1	566.81	795.15	40%
Scope 2			
Scope 2 by location-based method	6,604.95	6,239.08	-6%
Scope 2 by market-based method	4,017.00	3,603.41	-10%
Scope 3			
Gross Scope 3	-	3,251,268.84	-
1 222,331 182,79-3%-1 272,94-3 Fuel and energy-related activities (not included in Scope 1 or 2)	1,222.33	1,182.79	-3%
-3 251 268,84-1 222,331 182,79-3%-1 272,94-7 Employee commuting	-	1,272.94	-
-3 251 268,84-1 222,331 182,79-3%15 Investments	-	3,248,813.11	-
Total GHG emissions			
Total GHG emissions by location-based method	-	3,258,303.07	-
Total GHG emissions by market-based method	-	3,255,667.40	-

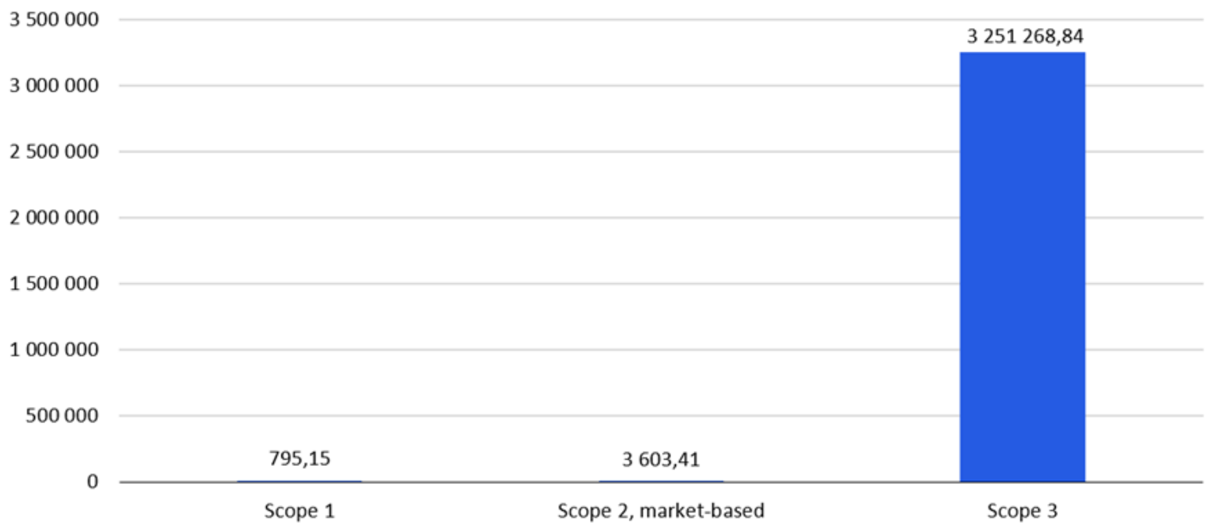
GHG intensity per net revenue[17] (tons of CO_2eq/PLN 1,000)	2024
Total GHG emissions (location-based) per net revenue	0.6112
Total GHG emissions (market-based) per net revenue	0.6107

[15] Tonne of carbon dioxide equivalent (t CO_2e) is the standard unit used to compare emissions of different greenhouse gases based on their global warming potential.

[16] The differences in the emission data for 2023 compared to the data provided in the 2023 report result from the recalculation of emissions due to the increase in certain media noted by the Bank on the basis of invoices after the date of publication of the non-financial data report for 2023.

[17] It is not possible to present complete comparative data for 2023 due to the full emission calculation being made for the first time in 2024.

Gross Scopes 1, 2, 3 and Total GHG emission [t CO_2e]



Total emissions of the Bank and their intensity

In 2024, total GHG emissions amounted to 3,258,303.07 tCO_2e for the location-based method and 3,255,667.40 tCO_2e for the market-based method.

The GHG emission intensity, expressed as emissions per net revenues (net revenues: 5,331,255 thousand PLN), was 0.6112 tCO_2e/PLN 1,000 for the location-based method and 0. 6107 tCO_2e/PLN 1,000 for the market-based method.

Emissions from own operations

The Bank's direct GHG emissions result from its operational activities, including the use of company cars, power generators and fire pumps, gas boilers, and refrigeration and air conditioning systems, and are calculated under Scope 1. In 2024, the Bank's own Scope 1 GHG emissions amounted to 795.15 tCO_2e. An analysis of the Scope 1 emissions structure showed that the percentage of direct emissions increased by 40% compared to 2023. This increase in emissions is a consequence of refrigerant leaks in refrigeration and air conditioning systems at the Bank's locations and the recorded gas consumption for heating purposes in the newly leased space.

Indirect emissions related to electricity consumption and district heating are calculated under Scope 2. Indirect emissions related to energy use under Scope 2 amounted to 6,239.08 tCO_2e for the location-based method and 3,603.41 tCO_2e for the market-based method. By comparing the Scope 2 carbon footprint result in 2024 versus 2023, it can be seen that the Bank's emissions decreased by approximately 6% for the location-based method and 10% for the market-based method, which can be explained by a change in its demand for energy (electricity and heat) and by an update of energy suppliers with emission factors.

In 2024, biogenic emissions resulting from the combustion or biodegradation of biomass amounted to 35.64 tCO_2. These emissions resulted from the combustion of biocomponents contained in petrol and diesel fuel used for the needs of the Bank's car fleet, power generators and fire pumps.

Emissions from relevant categories for the value chain

In 2024, the Bank made for the first time calculations or modifications to the current calculation methodology in all relevant Scope 3 categories. Of the relevant categories, three categories were deemed material, including two – categories 3 and 7 – related to the value chain outside the financed loan portfolio and investments which are covered by category 15. The emissions in categories 3 and 7 totaled 2,455.73 tCO2e in 2024.

The decrease in category 3 emissions (Fuel and energy-related activities) in 2024 versus 2023 can be explained by an update of sources used to obtain relevant factors.

Emissions from the financed loan and investment portfolios

The Bank's total carbon footprint is dominated by Scope 3 category 15, which is related to activities in the area of financed loan and investment portfolios. In 2024, these emissions amounted to 3,248,813.11 tCO_2e, constituting 99.79% of the Bank's total emissions from 3 scopes.

Emissions from financed loan and investment portfolios (tCO_2e):

	Scope 1	Scope 2	Scope 3	Total Scope
Emissions from financed loan and investment portfolios (tCO_2e)	1,822,265.31	286,183.66	1,140,364.14	3,248,813.11

Additional contextual information

Government bonds

In addition, The Bank calculated financed emissions from government bonds held, excluding the trading portfolio. In accordance with the PCAF standard, the absolute emissions financed from investments in government bonds were calculated based on the carrying value of the Bank's position for a given country, divided by the adjusted purchasing power parity (PPP) Gross Domestic Product (GDP). Then, the obtained value was multiplied by the reported emmissions for the corresponding country. The calculation took into account exposures to countries, excluding supranational entities.

The carbon footprint calculations of government bonds include only emissions from Scope 1 so called production emissions, i.e. greenhouse gas emissions occurring within a given country's borders, covering both domestic consumption and exports. This definition is consistent with the approach to territorial emissions used by the United Nations Framework Convention on Climate Change (UNFCCC) in its annual national inventories and is widely used by governments in their Nationally Determined Contributions (NDCs)[18]. Emissions from scopes 2 and 3 are not taken into consideration due to the lack of unified and reliable data.

The reported GHG emissions from government bonds are presented both including and excluding LULUCF[19] (emissions resulting from land use, land use change and forestry). Emissions from financed government bonds amounted to 1,020,623.60 t CO2e (excluding LULUCF) and 968,946.15 t CO2e (including LULUCF). In case of this category the data quality assessment at the level of 1 was assigned. All data regarding the emissions reported by the countries comes from UNFCCC[20] and are based on the most recent available data. The data related to the GDP adjusted by PPP GDP comes from the World Bank database[21].

Total greenhouse gas emissions including government bonds are as follows:

Greenhouse gas emissions (tCO_2e)	excluding LULUCF	including LULUCF
Total GHG emissions including government bonds (location-based)	4,278,926.67	4,227,249.22
Total GHG emissions (market-based)	4,276,291.00	4,224,613.55

[18] See more: Nationally Determined Contributions (NDCs): https://unfccc.int/process-and-meetings/the-paris-agreement/nationally-determined-contributions-ndcs.

[19] LULUCF sector is related to land use, land use change and forestry https://unfccc.int/topics/land-use/workstreams/land-use--land-use-change-and-forestry-lulucf.

[20] Greenhouse Gas Inventory Data - GHG Profiles - Annex I. The most recent available data covering the year 2021 were taken into account when preparing the statement.

[21] World Development Indicators | DataBank. GDP adjusted by PPP (current international $). The most recent available data covering the year 2023 were taken into account when preparing the statement.

2.3.5 *GHG removals and GHG mitigation projects financed through carbon credits [E1-7]*

In 2024, the Bank did not engage in GHG removals and GHG mitigation projects financed through carbon credits.

2.3.6 *Internal carbon pricing [E1-8]*

In 2024, the Bank did not use internal carbon pricing and did not assign a specific financial value to its CO_2 emissions as part of its decision-making processes.

2.4 Energy

The Bank affects the climate through the use of energy in its own operations (section Climate-related risks, opportunities and impacts). The policies implemented, targets set and activities carried out support the Bank in its own energy transformation.

2.4.1 *Policy related to energy use in the Bank [E1-2 MDR-P]*

Energy Policy

The *Energy Policy* governs the Bank's use and management of energy in its own operations, focusing on the areas of energy efficiency and the use of renewable energy. The *Policy* sets the following tasks for the organization:

- strive for the most efficient energy management,
- minimize the consumption of energy and non-renewable energy resources,
- support the purchase of energy-efficient products and services and ensure an improved energy performance,
- reduce GHG emissions among others thanks to decarbonization and the greatest possible use of energy from renewable sources,
- conduct business in facilities with a multi-criteria certification system (BREEAM),
- anticipate trends and implement innovative energy solutions.

The *Energy Policy* provisions are compliant with ISO 50001 standard and, like the *Environmental Policy,* apply to the Bank's four own buildings.

The Bank's compliance with the regulations is monitored through:

- control of energy consumption and costs,
- monitoring energy performance,
- gradual transition to energy from renewable sources,
- monitoring the condition of buildings in accordance with BREEAM certification,
- projects aimed at improving the energy efficiency of buildings,
- internal audits,
- annual supervision by the accreditation body,
- assessments of compliance with legal requirements and regulations.

The provisions of the *Energy Policy* were consulted with internal stakeholders from selected units – its co-authors. The document is available on Citi Handlowy Bank's website and intranet. The Citi Realty Services Department is responsible for implementing this regulation.

Sustainability Strategy for 2025-2027

The *Sustainability Strategy for 2025-2027*, which is described in the general information part (see Sustainability Strategy), also refers to energy used by the Bank (the areas of energy efficiency and renewable energy use). The implementation of appropriate goals and their monitoring will be a responsibility of the Citi Realty Services Department. The provisions of the Strategy are available to employees in the Bank's intranet system.

2.4.2 *Targets related to energy use [E1-4 , MDR-T]*

The Bank has set the following quantitative targets for energy use as part of its newly adopted Sustainability Strategy for 2025-2027:

Goal	Base value	Base year	Result
Gradual optimization of electricity consumption, in particular by 2027 energy consumption in own properties is to be reduced by 20%[22]	7,829 MWh	2022	6,972MWh (2024) -11% (2024/2022)
By 2030, 100% of the electricity used will be from renewable sources (according to the progress: 2025 – 75%, 2026 – 80%, 2027 – 85%)[23]	0%	2020	60% (2024)

The Bank's internal stakeholders were involved in setting the adopted targets. The goals were set based on the Bank's internal analysis and forecasting of possible reduction in the value and are not based on specific scientific evidence.

2.4.3 *Actions to manage impacts related to the use of energy at the Bank [E1-3 MDR-A]*

Starting in 2021, 50% of the total energy the Bank uses in its own buildings comes from renewable sources. For 2025, renewable energy has been contracted for own buildings covering 75% of their needs. By 2030, the Bank plans to purchase 100% of its energy from renewable sources.

In 2024, 75% of the energy contracted by the Bank for its own buildings was produced by renewable electricity generation units . The contract covers the period from 1 January to 31 December 2025. The Bank also implemented projects to build photovoltaic installations in buildings in Warsaw (ul. Senatorska and ul. Traugutta), and also started a project to build a photovoltaic installation in its building in Olsztyn, to be completed in 2025.

The implementation of energy projects will depend on the technical capabilities of buildings to implement innovative technologies and the availability of green energy on the market.

The implemented and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

[22] Monitoring of the target will be the responsibility of the Citi Realty Services Department. Electricity consumption will be calculated for the properties owned by the Bank in accordance with the methodology adopted for the purposes of disclosing indicators on energy consumption and energy mix [E1-5].

[23] Data regarding the progress are based on the value of contracted electricity from renewable sources. Monitoring of the target will be the responsibility of the Citi Realty Services Department. The share of energy from renewable sources will be calculated in accordance with the methodology adopted for the purposes of disclosing indicators on energy consumption and energy mix [E1-5].

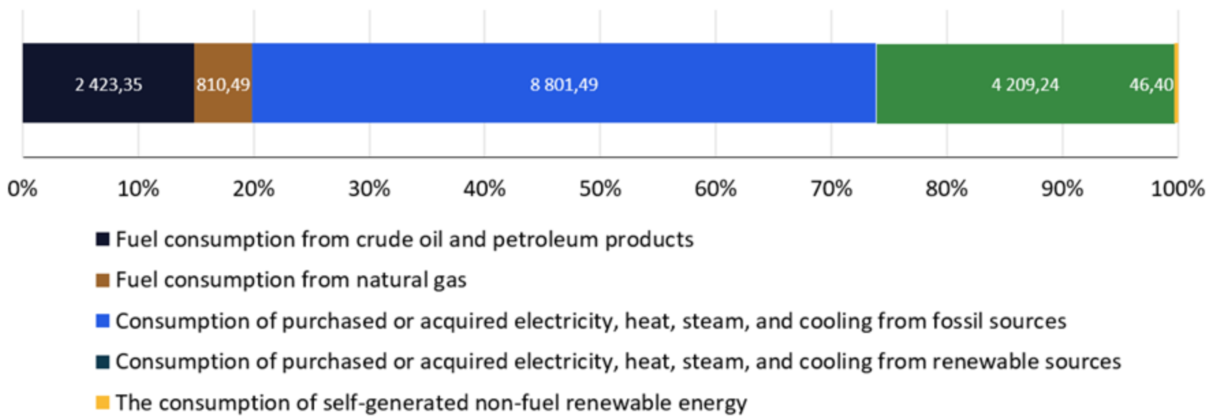
2.4.4 *Energy consumption and mix indicators [E1-5]*

The table below presents data on energy consumption in the Bank's own operations for 2024[24].

Energy consumption	Value
Fuel consumption from coal and coal products (MWh)	0
Fuel consumption from crude oil and petroleum products (MWh)	2,423
Fuel consumption from natural gas (MWh)	810
Fuel consumption from other fossil sources (MWh)	0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	8,801
Total energy consumption from fossil sources (MWh)	12,035
Share of fossil sources in total energy consumption (%)	74
Energy consumption from nuclear sources (MWh)	0
Share of energy consumption from nuclear sources in total energy consumption (%)	0
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	4,209
Consumption of self-generated non-fuel renewable energy (MWh)	46
Total consumption of renewable and low-carbon energy (MWh)	4,256
Share of fossil sources in total energy consumption (%)	26%
Total energy consumption [kWh]	16,291
Production of own energy from non-renewable sources (MWh)	0

The greatest use is made of electricity to power own premises, branches and ATMs, the consumption of which accounts for 47.08% of the total consumption of energy carriers. The second largest use is district heat, used for heating own premises and branches, the share of which is 33.02%. Also important are the consumption of gasoline in the company's car fleet, accounting for 14.59% of the total consumption, and natural gas used for heating several departments, the consumption of which accounts for 4.99% of the structure. Diesel fuel consumption is low and amounts to 0.32% in total.

Energy consumption split by sources [MWh]



[24] For the purposes of presentation in this table, individual data on energy consumption in own operations have been rounded to whole numbers.

2.5 Taxonomy-related disclosures

Pursuant to Art. 8 sec. 1 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (**„Taxonomy”**), undertaking which is subject to an obligation to publish non-financial information shall include in its non-financial statement on how and to what extent the undertaking's activities are associated with economic activities that qualify as „environmentally sustainable” („Taxonomy”).

In the light of Taxonomy, an economic activity shall qualify as „environmentally sustainable” if all of the following conditions are met: (i) contributes substantially to one or more of the environmental objectives set out in Taxonomy, (ii) does not significantly harm any of the environmental objectives set out in Taxonomy, (iii) is carried out in compliance with the minimum safeguards i.e. procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and (iv) complies with technical screening criteria that have been indicated in the relevant regulations delegated to taxonomy. In this respect, at the end of 2024, the following European Commission regulations were in force, which specified the scope of taxonomic disclosures:

- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended by Commission Delegated Regulation (EU) 2023/2485;
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, as amended by Commission Delegated Regulation (EU) 2022/1214 and 2023/2486;
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023

Bank Handlowy w Warszawie S.A. is obliged to publish a non-financial statements in accordance with the requirements of Directive 2022/2464/EU (Corporate Sustainable Reporting Directive - "CSRD"). Bank is obliged to report taxonomic disclosures as a credit institution.

The detailed scope and dates of presentation of information on environmentally sustainable economic activities, which should be disclosed under the Taxonomy, are indicated in the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 **("Regulation 2021/2178"):** delegated act specifying taxonomy reporting obligations.

Pursuant to Art. 10 sec. 7 of Regulation 2021/2178, from 1 January 2024 to 31 December 2025 credit institutions are obliged to report information on financed Taxonomy non-eligible and Taxonomy-eligible economic activities for all Taxonomy aligned environmental purposes for climate change mitigation and adaptation purposes. The scope and structure of the disclosure of the above information are defined in Annexes V, VI and XII (quantitative information) and Annex XI (qualitative information).

In order to meet the above regulatory obligation, the Bank made quantitative disclosures in accordance with templates 0-5 (for the purposes of disclosing key indicators - "KPIs") included in Annex VI of Regulation 2021/2178 for the state of the Bank's assets as at the balance sheet date of December 31, 2024 and the Bank's assets flow in the financial year ended December 31, 2024. At the same time, in accordance with Annex XII of Regulation 2021/2178, the Bank disclosed information related to nuclear energy and natural gas.

Description of the methodology for preparing disclosures according to Annex VI of Regulation 2021/2178

Disclosures required by the Taxonomy were prepared on the basis of data provided by the Credit Information Bureau in terms of turnover KPI and capital expenditure KPI (CAPEX) reported by enterprises obliged to disclose non-financial information in accordance with the NFRD Directive for 2023, which includes:

1. Financial enterprises: asset managers, credit institutions, investment companies, insurance and reinsurance companies;
2. Non-financial enterprises;
3. Households: only loans granted for residential properties and consumer loans for the purchase of cars;
4. Financing of local governments: only financing of public housing and other types of specialized lending for local governments.

When preparing taxonomic disclosures, the Bank used consolidated data, both in the case of credit exposures that the Bank had and taxonomic disclosures of its clients.

Quantitative disclosure tables 1, 2 and 3 (in accordance with templates 0-5) contain information according to the number of loans held, table 4 contains flows in the scope of granting new loans, while table 5 in terms of off-balance sheet exposures in accordance with the indicated regulator's template includes information in terms of state and flow. At the same time, the Bank does not report a table of disclosures regarding revenues from fees and commissions from services other than lending and asset management (template 6) and the trading portfolio (template 7[25]), because it will be reported from January 1, 2026.

[25] For the trading portfolio, the Bank is not subject to the exception resulting from Article 94 section 1 of the CRR Regulation. The Bank is not subject to the so-called "small trading activity".

In order to determine the amount of the Bank's exposures eligible and ineligible for the taxonomy for financial and non-financial enterprises, the Bank identified its clients subject to the obligation to disclose non-financial information in accordance with the CSRD Directive.

Financial companies

The analysis included financial enterprises that published the green assets ratio in relation to turnover and capital expenditure at consolidated level.

Non-financial companies

For non-financial enterprises, in the field of general financing, the analysis in terms of assigning identified exposures as eligible and compliant with the Taxonomy was determined by multiplying the exposure value with the percentage indicators of eligibility and compliance to the Taxonomy in relation to turnover and capital expenditure based on information provided by the Credit Information Bureau based on all goals specified in the Taxonomy, i.e. climate change mitigation, adaptation to climate change, the sustainable use and protection of water and marine resources, transition to a circular economy and pollution prevention and control. Additionally, the above analysis takes into account only general financing, excluding special-purpose loans.

Households

The Bank has limited credit exposure to housing loans (they constitute 11% of all net loans of the Bank as at the end of 2024). Additionally, on April 15, 2021, the Bank received information from the strategic shareholder - Citigroup about a change in the strategy in the area of Consumer Banking i.e. sale of this business. As a result, the Bank is focusing on adapting the Wealth Management offer (distribution of investment products) and maintaining the first position in terms of the value of loans granted on credit cards, as a result, the Bank decided not to test Taxonomy-alignment for mortgage loans.

Exposures to local government units

The Bank did not identify exposures to local government units that could be recognized as eligible or consistent with the Taxonomy, as a result, in the completed tables, the Bank entered 0 for activities qualifying for the Taxonomy.

Description of the methodology for preparing disclosures according to Annex XI of Regulation 2021/2178

The Bank prepared Green Asset Ratio disclosures using indicators reported by the Bank's clients, excluding environmental purposes loans defined in the Taxonomy concerning climate change mitigation and adaptation. Taxonomic goals were not taken into account when designing products for the Bank's clients and implementing the Sustainable Strategy. On the other hand, in order to increase customer engagement and promote taxonomic goals among them, the Bank developed a questionnaire in the sustainable financing criteria (in accordance with the Policy defining the framework for the classification of sustainable products in the Capital Group of Bank Handlowy w Warszawie S.A.) that facilitates the identification of a given financing that may be Taxonomy-eligible or Taxonomy-aligned. Thanks to this tool, the Bank will be able to disclose Taxonomy-eligible and Taxonomy-aligned special purposes loans defined in the Taxonomy in subsequent Sustainable Statements.

Description of the methodology for preparing disclosures according to Annex XII of Regulation 2021/2178

The analysis of activity indicators related to nuclear energy and natural gas took into account the exposures of Bank customers that were covered by NFRD reporting for 2023. For this purpose, data from the Credit Information Bureau were used. As a result of the above taxonomic KPI analysis, the Bank identified insignificant exposures to the fossil gas business. Exposures are presented based on turnover and capital expenditure (CAPEX) metrics, which qualify for the taxonomy but do not meet the technical criteria. Therefore, the Bank only discloses tables based on template 4 in accordance with Annex XII. The Bank does not disclose the remaining formulas set out in Annex XII because in each of them the exposure related to the financing of nuclear energy and natural gas activities would be 0.

The tables below present data as of December 31, 2024.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation (2024)

		Total environmentally sustainable assets - turnover	Total environmentally sustainable assets - CAPEX	KPI Turnover****	KPI CAPEX****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	38	203	0,08%	0,42%	64,65%	52,80%	35,35%

		Total environmentally sustainable activities - turnover	Total environmentally sustainable activities - CAPEX	KPI Turnover****	KPI CAPEX****	% coverage (over total assets)***	% of assets excluded from the numerator when calculating the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPI's	GAR (flow)	18	118	0,45%	2,93%	46,45%	15,52%	53,55%
	Trading book*	n/d	n/d	n/d	n/d			
	Financial guarantees	0	0	0,00%	0,00%			
	Assets under management	n/d	n/d	n/d	n/d			
	Fee & Commission Income**	n/d	n/d	n/d	n/d			

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation (2023)

		Total environmentally sustainable assets - turnover	Total environmentally sustainable assets - CAPEX	KPI Turnover****	KPI CAPEX****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	148	183	0.31%	0.39%	60.22%	50.33%	39.78%

		Total environmentally sustainable activities - turnover	Total environmentally sustainable activities - CAPEX	KPI Turnover****	KPI CAPEX****	% coverage (over total assets)***	% of assets excluded from the numerator when calculating the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPI's	GAR (flow)	4	35	0.04%	0.63%	7.45%	5.34%	0.00%
	Trading book*	n/d	n/d	n/d	n/d	[redacted]		
	Financial guarantees	0	0	0.00%	0.00%			
	Assets under management	n/d	n/d	n/d	n/d			
	Fee & Commission Income**	n/d	n/d	n/d	n/d			

1. Assets for the calculation of GAR – Turnover based (2024)

	million PLN	Total gross carrying amount	31.12.2024 Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which adaptation	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional/adaptation	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**																																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8 856	279	13	0	0	7	25	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	304	38	0	0	7
3	**Financial corporations**	**1 037**	**243**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**244**	**4**	**0**	**0**	**0**
4	Credit institutions	1 037	243	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	244	4	0	0	0
5	Loans and advances	34	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0
6	Debt securities, including UoP	1 003	236	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	236	4	0	0	0
7	Equity instruments																																
8	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	of which investment firms																																
10	Loans and advances	0																															
11	Debt securities, including UoP																																
12	Equity instruments																																
13	of which management companies	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Loans and advances	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Debt securities, including UoP																																
16	Equity instruments																																
17	of which insurance undertakings	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Loans and advances	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Debt securities, including UoP																																
20	Equity instruments																																
21	**Non-financial corporations**	**1 459**	**36**	**9**	**0**	**0**	**7**	**24**	**24**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**60**	**34**	**0**	**0**	**7**
22	Loans and advances	1 459	36	9	0	0	7	24	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60	34	0	0	7
23	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Equity instruments	0	0	0		0	0	0	0		0	0																	0	0		0	0
25	**Households**	**6 360**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**																	**0**	**0**	**0**	**0**	**0**
26	of which loans collateralised by residential immovable property	2 357	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
27	of which building renovation loans																																
28	of which motor vehicle loans																																
29	**Local governments financing**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
30	Collateral obtained by taking possession: residential and commercial immovable properties																																
31	Other local government financing																																
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	39 446	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Non-financial and financial corporations**	22 016																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	12 678																															
35	Loans and advances	12 678																															
36	of which loans collateralised by commercial immovable property																																
37	of which building renovation loans																																
38	Debt securities																																
39	Equity instruments																																
	Financial corporations	9 281																															
40	Non-EU country counterparties not subject to NFRD disclosure obligations	56																															
41	Loans and advances	56																															
42	Debt securities																																
43	Equity instruments																																
44	**Derivatives**	55																															
45	**On demand interbank loans**	12																															
46	**Cash and cash-related assets**	498																															
47	**Other assets (e.g. Goodwill, commodities etc.)**	16 865																															
48	**Total GAR assets**	48 302	279	13	0	0	7	25	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	304	38	0	0	7
49	**Other assets not covered for GAR calculation**	26 409																															
50	**Sovereigns**	13 536																															
51	**Central banks exposure**	6 295																															
52	**Trading book**	6 577																															
53	**Total assets**	74 710																															
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management																																
56	Of which debt securities																																
57	Of which equity instruments																																

1. Assets for the calculation of GAR - (turnover KPI) - 2023

	million PLN	Total gross carrying amount	31.12.2023														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
1	GAR - Covered assets in both numerator and denominator																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7 713	117	104	0	52	48	43	43	0	43	0	161	148	0	96	48
3	**Financial corporations**	**165**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**9**	**0**	**0**	**0**	**0**
4	Credit institutions	70	13	0	0	0	0	0	0	0	0	0	13	0	0	0	0
5	Loans and advances	70	13	0	0	0	0	0	0	0	0	0	13	0	0	0	0
6	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
8	Other financial corporations	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
13	of which management companies	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Loans and advances	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
17	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
21	**Non-financial corporations**	**987**	**109**	**104**	**0**	**52**	**48**	**43**	**43**	**0**	**43**	**0**	**152**	**148**	**0**	**96**	**48**
22	Loans and advances	987	109	104	0	52	48	43	43	0	43	0	152	148	0	96	48
23	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
25	**Households**	**6 552**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
26	of which loans collateralised by residential immovable property	2 213	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	**Local governments financing**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
30	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	39 258	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Non-financial and financial corporations**	17 088															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	11 814															
35	Loans and advances	11 814															
36	of which loans collateralised by commercial immovable property	0															
37	of which building renovation loans	0															
38	Debt securities	0															
39	Equity instruments	0															
	Financial corporations	3 900															
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1 374															
41	Loans and advances	1 374															
42	Debt securities	0															
43	Equity instruments	0															
44	**Derivatives**	4 083															
45	**On demand interbank loans**	15 370															
46	**Cash and cash-related assets**	574															
47	**Other assets (e.g. Goodwill, commodities etc.)**	2 144															
48	**Total GAR assets**	72 796	117	104	0	52	48	43	43	0	43	0	161	148	0	96	48
49	Other assets not covered for GAR calculation	31 027															
50	**Sovereigns**	29 562															
51	**Central banks exposure**	665															
52	**Trading book**	800															
53	Total assets	103 823	510	454	0	227	208	189	189	0	189	0	699	643	0	416	208
	Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d
56	Of which debt securities																
57	Of which equity instruments																

1. Assets for the calculation of GAR - CAPEX based - 2024

	million PLN	31.12.2024																															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**																																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8 856	584	174	0	26	39	42	29	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	626	203	0	26	41
3	**Financial corporations**	**1 037**	**263**	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**264**	**5**	**0**	**0**	**0**
4	Credit institutions	1 037	263	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	264	5	0	0	0
5	Loans and advances	34	8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	0	0
6	Debt securities, including UoP	1 003	256	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	256	5	0	0	0
7	Equity instruments																																
8	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	of which investment firms																																
10	Loans and advances	0																															
11	Debt securities, including UoP																																
12	Equity instruments																																
13	of which management companies	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Loans and advances	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Debt securities, including UoP																																
16	Equity instruments																																
17	of which insurance undertakings	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Loans and advances	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Debt securities, including UoP																																
20	Equity instruments																																
21	**Non-financial corporations**	**1 459**	**321**	**169**	**0**	**26**	**39**	**42**	**28**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**362**	**198**	**0**	**26**	**41**
22	Loans and advances	1 459	321	169	0	26	39	42	28	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	**362**	**198**	**0**	**26**	**41**
23	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Equity instruments	0	0	0		0	0	0	0		0	0																	0	0		0	0
25	**Households**	**6 360**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**																	**0**	**0**	**0**	**0**	**0**
26	of which loans collateralised by residential immovable property	2 357	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
27	of which building renovation loans																																
28	of which motor vehicle loans																																
29	**Local governments financing**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
30	Collateral obtained by taking possession: residential and commercial immovable properties																																
31	Other local government financing																																
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	39 446	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Non-financial and financial corporations**	22 016																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	12 678																															
35	Loans and advances	12 678																															
36	of which loans collateralised by commercial immovable property																																
37	of which building renovation loans																																
38	Debt securities																																
39	Equity instruments																																
	Financial corporations	9 281																															
40	Non-EU country counterparties not subject to NFRD disclosure obligations	56																															
41	Loans and advances	56																															
42	Debt securities																																
43	Equity instruments																																
44	**Derivatives**	55																															
45	**On demand interbank loans**	12																															
46	**Cash and cash-related assets**	498																															
47	**Other assets (e.g. Goodwill, commodities etc.)**	16 865																															
48	**Total GAR assets**	48 302	584	174	0	26	39	42	29	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	626	203	0	26	41
49	**Other assets not covered for GAR calculation**	26 409																															
50	**Sovereigns**	13 536																															
51	**Central banks exposure**	6 295																															
52	**Trading book**	6 577																															
53	**Total assets**	74 710																															
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management																																
56	Of which debt securities																																
57	Of which equity instruments																																

1. Assets for the calculation of GAR - CAPEX based - 2023

	Million EUR	Total gross carrying amount	31.12.2023														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling
1	**GAR - Covered assets in both numerator and denominator**																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7 713	161	139	0	48	78	43	43	0	0	0	204	183	0	48	78
3	**Financial corporations**	**165**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**9**	**0**	**0**	**0**	**0**
4	Credit institutions	70	9	0	0	0	0	0	0	0	0	0	9	0	0	0	0
5	Loans and advances	70	9	0	0	0	0	0	0	0	0	0	9	0	0	0	0
6	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
8	Other financial corporations	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
13	of which management companies	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Loans and advances	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
17	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
21	**Non-financial corporations**	**987**	**152**	**139**	**0**	**48**	**78**	**43**	**43**	**0**	**0**	**0**	**196**	**183**	**0**	**48**	**78**
22	Loans and advances	987	152	139	0	48	78	43	43	0	43	0	196	183	0	48	78
23	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Equity instruments	0	0	0		0	0	0	0		0	0	0	0		0	0
25	**Households**	**6 552**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
26	of which loans collateralised by residential immovable property	2 213	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	**Local governments financing**	**9**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
30	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	**Other assets excluded from the numerator for GAR calculation (covered in the denominator)**	39 258	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Non-financial and financial corporations**	17 088															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	11 814															
35	Loans and advances	11 814															
36	of which loans collateralised by commercial immovable property	0															
37	of which building renovation loans	0															
38	Debt securities	0															
39	Equity instruments	0															
	Financial corporations	3 900															
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1 374															
41	Loans and advances	1 374															
42	Debt securities	0															
43	Equity instruments	0															
44	**Derivatives**	4 083															
45	**On demand interbank loans**	15 370															
46	**Cash and cash-related assets**	574															
47	**Other assets (e.g. Goodwill, commodities etc.)**	2 144															
48	**Total GAR assets**	46 971	161	139	0	48	78	43	43	0	0	0	204	183	0	48	78
49	**Other assets not covered for GAR calculation**	31 027															
50	**Sovereigns**	29 562															
51	**Central banks exposure**	665															
52	**Trading book**	800															
53	**Total assets**	77 999	161	139	0	48	78	43	43	0	0	0	204	183	0	48	78
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	148
55	Assets under management	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d
56	Of which debt securities																
57	Of which equity instruments																

2. GAR sector information (turnover) - 2024

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to		Non-Financial corporates (Subject to		SMEs and other NFC not subject to	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (WTR)	Mn PLN	Of which environmentally sustainable (WTR)	Mn PLN	Of which environmentally sustainable (CE)	Mn PLN	Of which environmentally sustainable (CE)	Mn PLN	Of which environmentally sustainable (PPC)	Mn PLN	Of which environmentally sustainable (PPC)	Mn PLN	Of which environmentally sustainable (BIO)	Mn PLN	Of which environmentally sustainable (BIO)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	24,42	2	0			0	0			0	0			0	0			0	0			0	0			0	0		
2	25,11	85	0			0	0			0	0			0	0			0	0			0	0			85	0		
3	25,94	38	0			0	0			0	0			0	0			0	0			0	0			0	0		
4	27,51	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
5	29,1	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
6	35,11	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
7	35,13	28	5			0	0			0	0			0	0			0	0			0	0			28	5		
8	46,39	0	0			0	0			0	0			227	0			0	0			0	0			227	1		
9	46,47	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
10	46,71	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
11	46,74	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
12	47,3	83	7			0	0			0	0			0	0			0	0			0	0			0	7		
13	47,71	108	0			0	0			0	0			108	0			0	0			0	0			108	0		
14	47,72	204	0			204	0			0	0			204	0			0	0			0	0			204	0		
15	47,91	41	0			0	0			0	0			41	0			0	0			0	0			41	0		
16	52,2	19	7			0	0			0	0			0	0			0	0			0	0			19	7		
17	58,13	96	2			96	24			0	0			0	0			0	0			0	0			96	26		
18	61,1	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
19	62,01	21	3			21	0			21	0			21	0			0	0			0	0			21	3		

2. GAR sector information (CAPEX) – 2024

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (WTR)	Mn PLN	Of which environmentally sustainable (WTR)	Mn PLN	Of which environmentally sustainable (CE)	Mn PLN	Of which environmentally sustainable (CE)	Mn PLN	Of which environmentally sustainable (PPC)	Mn PLN	Of which environmentally sustainable (PPC)	Mn PLN	Of which environmentally sustainable (BIO)	Mn PLN	Of which environmentally sustainable (BIO)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	24,42	2	0			0	0			0	0			0	0			0	0			0	0			2	0		
2	25,11	85	8			0	0			0	0			0	0			0	0			0	0			85	8		
3	25,94	38	4			0	0			0	0			0	0			0	0			0	0			38	4		
4	27,51	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
5	29,1	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
6	35,11	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
7	35,13	28	23			0	0			0	0			0	0			0	0			0	0			28	23		
8	46,39	227	44			0	0			0	0			227	0			0	0			0	0			227	44		
9	46,47	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
10	46,71	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
11	46,74	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
12	47,3	83	9			0	0			0	0			0	0			0	0			0	0			83	9		
13	47,71	108	2			0	0			0	0			108	0			0	0			0	0			108	2		
14	47,72	204	44			204	14			0	0			204	0			0	0			0	0			204	58		
15	47,91	41	2			0	0			0	0			41	0			0	0			0	0			41	2		
16	52,2	19	1			0	0			0	0			0	0			0	0			0	0			19	1		
17	58,13	96	29			96	27			0	0			0	0			0	0			0	0			96	57		
18	61,1	0	0			0	0			0	0			0	0			0	0			0	0			0	0		
19	62,01	21	8			21	0			21	0			21	0			0	0			0	0			21	8		

3. GAR KPI stock (turnover) – 2024

	% (compared to total covered assets in the denominator)	31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**																															
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%	0%	12%
3	**Financial corporations**	**23%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**23%**	**0%**	**0%**	**0%**	**0%**	1%
4	Credit institutions	23%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	23%	0%	0%	0%	0%	1%
5	Loans and advances	22%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	22%	0%	0%	0%	0%	0%
6	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
7	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
8	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
13	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
17	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
21	**Non-financial corporations**	2%	1%	0%	0%	0%	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	2%	0%	0%	0%	2%
23	Loans and advances	2%	1%	0%	0%	0%	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	2%	0%	0%	0%	2%
24	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
26	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%
27	of which loans collateralised by residential immovable property	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
28	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
49	**Total GAR assets**	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	65%

3. GAR KPI stock (turnover) - 2023

	% (compared to total covered assets in the denominator)	31.12.2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	GAR - Covered assets in both numerator and denominator																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2%	1%	0%	1%	1%	1%	1%	0%	1%	0%	2%	2%	0%	1%	1%	10%
3	**Financial corporations**	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%
4	Credit institutions	19%	0%	0%	0%	0%	0%	0%	0%	0%	0%	19%	0%	0%	0%	0%	0%
5	Loans and advances	19%	0%	0%	0%	0%	0%	0%	0%	0%	0%	19%	0%	0%	0%	0%	0%
6	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
8	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
13	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
17	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
21	**Non-financial corporations**	11%	11%	0%	5%	5%	4%	4%	0%	4%	0%	15%	15%	0%	10%	5%	1%
23	Loans and advances	11%	11%	0%	5%	5%	4%	4%	0%	4%	0%	15%	15%	0%	10%	5%	1%
24	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
26	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%
27	of which loans collateralised by residential immovable property	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
28	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
33	**Total GAR assets**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	60%

3.GAR KPI stock (CAPEX) – 2024

	% (compared to total covered assets in the denominator)	31.12.2024																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**																																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	2%	0%	0%	0%	12%
3	**Financial corporations**	**25%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**25%**	**1%**	**0%**	**0%**	**0%**	1%
4	Credit institutions	25%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	1%	0%	0%	0%	1%
5	Loans and advances	22%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	23%	1%	0%	0%	0%	0%
6	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
7	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
8	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
13	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
17	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
21	**Non-financial corporations**	22%	12%	0%	2%	3%	3%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	14%	0%	2%	3%	2%
23	Loans and advances	22%	12%	0%	2%	3%	3%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	14%	0%	2%	3%	2%
24	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		0%	0%
26	**Households**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%
27	of which loans collateralised by residential immovable property	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
28	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
49	**Total GAR assets**	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	65%

3.GAR KPI stock (CAPEX) - 2023

	% (compared to total covered assets in the denominator)	31.12.2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2%	2%	0%	1%	1%	1%	1%	0%	0%	0%	3%	2%	0%	1%	1%	10%
3	**Financial corporations**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**	0%	**0%**	**0%**	**0%**	**5%**	**0%**	**0%**	**0%**	**0%**	**0%**
4	Credit institutions	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%	0%	0%	0%
5	Loans and advances	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%	0%	0%	0%
6	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
8	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
13	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
17	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
20	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
21	**Non-financial corporations**	**15%**	**14%**	**0%**	**5%**	**8%**	**4%**	**4%**	**0%**	**0%**	**0%**	**20%**	**19%**	**0%**	**5%**	**8%**	**1%**
22	NFCs subject to NFRD disclosure obligations	15%	14%	0%	5%	8%	4%	4%	0%	4%	0%	20%	19%	0%	5%	8%	1%
23	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
26	**Households**	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**8%**
27	of which loans collateralised by residential immovable property	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
28	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	**Local governments financing**	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
33	**Total GAR assets**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**60%**

4.GAR KPI flow (% turnover KPI) – 2024 r.

% (compared to flow of total eligible assets)	Disclosure reference date T																															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1 **GAR - Covered assets in both numerator and denominator**																																
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0,76%	0,17%	0,00%	0,00%	0,13%	0,51%	0,51%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	1,27%	0,68%	0,00%	0,00%	0,13%	3,68%
3 **Financial corporations**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
4 Credit institutions	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
5 Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
6 Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
7 Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
8 Other financial corporations	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
9 of which investment firms	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
10 Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
11 Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
12 Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
13 of which management companies	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
14 Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
15 Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
16 Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
17 of which insurance undertakings	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
18 Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
19 Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
20 Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
21 **Non-financial corporations**	2,75%	0,61%	0,00%	0,00%	0,47%	1,85%	1,85%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	4,59%	2,45%	0,00%	0,00%	0,47%	1,02%
23 Loans and advances	2,75%	0,61%	0,00%	0,00%	0,47%	1,85%	1,85%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	4,59%	2,45%	0,00%	0,00%	0,47%	1,02%
24 Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
25 Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
26 **Households**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%					0,00%	0,00%	0,00%	0,00%									0,00%	0,00%	0,00%	0,00%	0,00%	2,66%
27 of which loans collateralised by residential immovable property	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%					0,00%	0,00%	0,00%	0,00%									0,00%	0,00%	0,00%	0,00%	0,00%	0,68%
28 of which building renovation loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%					0,00%	0,00%	0,00%	0,00%									0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
29 of which motor vehicle loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%																	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
30 **Local governments financing**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
31 Collateral obtained by taking possession: residential and commercial immovable properties	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
32 Other local government financing	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
49 **Total GAR assets**	0,51%	0,11%	0,00%	0,00%	0,09%	0,34%	0,34%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,85%	0,45%	0,00%	0,00%	0,09%	5,53%

4. GAR KPI flow (% CAPEX) – 2024

	% (compared to flow of total eligible assets)	Disclosure reference date T																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	**GAR - Covered assets in both numerator and denominator**																															
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6,79%	4,08%	0,00%	0,71%	0,36%	0,51%	0,04%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	7,30%	4,12%	0,00%	0,71%	0,36%	3,93%
3	**Financial corporations**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
4	Credit institutions	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
5	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
6	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
7	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
8	Other financial corporations	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
9	of which investment firms	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
10	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
11	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
12	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
13	of which management companies	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
14	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
15	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
16	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
17	of which insurance undertakings	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
18	Loans and advances	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
19	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
20	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
21	**Non-financial corporations**	26,16%	15,72%	0,00%	2,75%	1,40%	1,98%	0,16%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	28,14%	15,88%	0,00%	2,75%	1,40%	1,02%
23	Loans and advances	26,16%	15,72%	0,00%	2,75%	1,40%	1,98%	0,16%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	28,14%	15,88%	0,00%	2,75%	1,40%	1,02%
24	Debt securities, including UoP	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
25	Equity instruments	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%		0,00%	0,00%	0,00%	0,00%		0,00%	0,00%
26	**Households**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%					0,00%	0,00%	0,00%	0,00%									0,00%	0,00%	0,00%	0,00%	0,00%	2,66%
27	of which loans collateralised by residential immovable property	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%					0,00%	0,00%	0,00%	0,00%									0,00%	0,00%	0,00%	0,00%	0,00%	0,68%
28	of which building renovation loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%					0,00%	0,00%	0,00%	0,00%									0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
29	of which motor vehicle loans	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%																	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
30	**Local governments financing**	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,25%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
32	Other local government financing	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
49	**Total GAR assets**	4,83%	2,90%	0,00%	0,51%	0,26%	0,36%	0,03%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	5,19%	2,93%	0,00%	0,51%	0,26%	5,53%

5. KPI off-balance sheet exposures Turnover based - 2024

	% (compared to total eligible off-balance sheet assets)	31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	Assets under management (AuM KPI)	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d

5. KPI off-balance sheet exposures - Capex based - 2024

	% (compared to total eligible off-balance sheet assets)	31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	Assets under management (AuM KPI)	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d

5. KPI off-balance sheet flow exposures - Turnover based

	% (compared to total eligible off-balance sheet assets)	31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	Assets under management (AuM KPI)	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d

5. KPI off-balance sheet flow exposures - CAPEX based

	% (compared to total eligible off-balance sheet assets)	31.12.2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2	Assets under management (AuM KPI)	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d

1.Nuclear and fossil gas related activities (turnover) – 2024

	Nuclear Energy Activities	
1	The company conducts research, development, demonstration, and deployment of innovative power generation facilities that produce energy through nuclear processes with minimal fuel cycle waste, finances such activities, or has exposure to them	No
2	The company engages in the construction and safe operation of new nuclear facilities for electricity or industrial heat production, including district heating systems or processes such as hydrogen production, as well as their safetyoriented modernisation using best available technologies, finances such activities, or has exposure to them.	No
3	The company engages in the safe operation of existing nuclear facilities generating electricity or industrial heat, including district heating systems or processes such as hydrogen production from nuclear energy, as well as their safety-oriented modernisation, finances such activities, or has exposure to them.	No
	Natural Gas Activities	
4	The company engages in the construction or operation of power generation facilities using gaseous fossil fuels, finances such activities, or has exposure to them.	Yes
5	The company engages in the construction, modernisation, and operation of cogeneration plants producing heat/cooling and electricity using gaseous fossil fuels, finances such activities, or has exposure to them.	Yes
6	.The company engages in the construction, modernisation, and operation of heat production facilities generating thermal/cooling energy using gaseous fossil fuels, finances such activities, or has exposure to them.	Yes

1.Nuclear and fossil gas related activities (CAPEX) – 2024

	Nuclear Energy Activities	
1	The company conducts research, development, demonstration, and deployment of innovative power generation facilities that produce energy through nuclear processes with minimal fuel cycle waste, finances such activities, or has exposure to them	No
2	The company engages in the construction and safe operation of new nuclear facilities for electricity or industrial heat production, including district heating systems or processes such as hydrogen production, as well as their safetyoriented modernisation using best available technologies, finances such activities, or has exposure to them.	No
3	The company engages in the safe operation of existing nuclear facilities generating electricity or industrial heat, including district heating systems or processes such as hydrogen production from nuclear energy, as well as their safety-oriented modernisation, finances such activities, or has exposure to them.	No
	Natural Gas Activities	
4	The company engages in the construction or operation of power generation facilities using gaseous fossil fuels, finances such activities, or has exposure to them.	Yes
5	The company engages in the construction, modernisation, and operation of cogeneration plants producing heat/cooling and electricity using gaseous fossil fuels, finances such activities, or has exposure to them.	Yes
6	.The company engages in the construction, modernisation, and operation of heat production facilities generating thermal/cooling energy using gaseous fossil fuels, finances such activities, or has exposure to them.	Yes

2: Taxonomy-Aligned Business Activities (Denominator) [PLN million] - (turnover)

No.	Type of Business Activity	Amount and Share					
		(CCM+CCA)		Climate Change Mitigation		Climate Change Adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**38**	**0,08%**	**13**	**0,03%**	**25**	**0,05%**
8.	**Total applicable key performance indicator**	**38**	**0,08%**	**13**	**0,03%**	**25**	**0,05%**

2: Taxonomy-Aligned Business Activities (Denominator) [PLN million] – (CAPEX)

No.	Type of Business Activity	Amount and Share					
		(CCM+CCA)		Climate Change Mitigation		Climate Change	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**203.1**	**0.42%**	**174.5**	**0.36%**	**28.6**	**0.06%**
8.	**Total applicable key performance indicator**	**203.1**	**0.42%**	**174.5**	**0.36%**	**28.6**	**0.06%**

3. Taxonomy-Aligned Business Activities (Numerator) [PLN million] – (turnover)

No.	Type of Business Activity	Amount and Share					
		(CCM+CCA)		Climate Change		Climate Change	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**38**	**100.0%**	**13**	**34.9%**	**25**	**65.1%**
8.	**Total applicable key performance indicator**	**38**	**100.0%**	**13**	**34.9%**	**25**	**65.1%**

3: Taxonomy-Aligned Business Activities (Numerator) [PLN million] – (CAPEX)

No.	Type of Business Activity	Amount and Share					
		(CCM+CCA)		Climate Change		Climate Change	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**203,1**	**100,0%**	**174,5**	**85,9%**	**28,6**	**14,1%**
8.	**Total applicable key performance indicator**	**203,1**	**100,0%**	**174,5**	**85,9%**	**28,6**	**14,1%**

4: Taxonomy-Eligible but Not Taxonomy-Aligned Business Activities [PLN million] - (turnover)

No.	Type of Business Activity	Amount and Share					
		(CCM+CCA)		Climate Change		Climate Change	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%	0,0	0,0%	0,0	0,0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	1,2	0,0%	1,2	0,0%	0,0	0,0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,1	0,0%	0,1	0,0%	0,0	0,0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**265,0**	**1,08%**	**264,8**	**1,08%**	**0,0**	**0,0%**
8.	**Total applicable key performance indicator**	**266,3**	**0,13%**	**266,1**	**0,55%**	**0,1**	**0,00%**

4: Taxonomy-Eligible but Not Taxonomy-Aligned Business Activities [PLN million] - (CAPEX)

No.	Type of Business Activity	Amount and Share					
		(CCM+CCA)		Climate Change		Climate Change	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%	0.0	0.0%	0.0	0.0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	7.4	0.0%	7.4	0.0%	0.0	0.0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.8	0.0%	0.8	0.0%	0.0	0.0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	1.2	0.0%	1.2	0.0%	0.0	0.0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**413.8**	**1.69%**	**400.0**	**1.63%**	**13.8**	**0.06%**
8.	**Total applicable key performance indicator**	**423.2**	**0.88%**	**409.4**	**0.85%**	**13.8**	**3.25%**

5.Non-Taxonomy-Eligible Business Activities [PLN million] (turnover)

No.	Type of Business Activity	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	4,5	0,0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,0	0,0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**24 460**	**99,7%**
8.	**Total applicable key performance indicator**	**24 465**	**99,7%**

5.Non-Taxonomy-Eligible Business Activities [PLN million] (CAPEX)

No.	Type of Business Activity	Amount	%
1.	Amount and share of taxonomy-aligned business activities referred to in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%
2.	Amount and share of taxonomy-aligned business activities referred to in section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%
3.	Amount and share of taxonomy-aligned business activities referred to in section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%
4.	Amount and share of taxonomy-aligned business activities referred to in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	1.2	0.0%
5.	Amount and share of taxonomy-aligned business activities referred to in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	1.2	0.0%
6.	Amount and share of taxonomy-aligned business activities referred to in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0.0	0.0%
7.	**Amount and share of other taxonomy-aligned business activities not listed in rows 1-6 above in the denominator of the applicable key performance indicator**	**24 159**	**98.5%**
8.	**Total applicable key performance indicator**	**24 162**	**98.5%**

3. Chapter on the social matters

3.1 Employees of Citi Handlowy

3.1.1 *The Group's impact and opportunities in the employee area and strategic approach [SBM-3]*

The double materiality assessment carried out at the Bank indicated three significant topics in the employee area: work-life balance, training and development, and diversity.

Material topic	Description of a significant impact or opportunity	Place of concentration	Type	Time perspective
Work-life balance	**The Bank positively influences its employees – it provides them with theoretical knowledge and practical tips on how to maintain a work-life balance.** This is supported by networks operating in the Bank: Women's Network Poland, Families Matter Network Poland, Disability Network Poland, Pride Network Poland, Live Well at Citi initiative, and the People Board group, which was the link in communication between employees and the Bank's Management Board until the end of 2024. People Board and VOE Ambassadors led a number of joint bank-wide projects to meet the expectations expressed by employees in the VOE survey. One of such projects in 2024 were *Let's get together* meetings, during which employees could be together, celebrate successes and spend time talking together.	Own operations	Real positive impact	Short-, medium- and long-term
Training and skills development	**The Bank runs programs that allow employees to develop their careers and help the Bank create a sustainable work environment.** The goals that employees set in this area are part of the employee development strategy. Those programs have long-lasting, positive effects – they encourage employees to stay with the organization, help reduce operating costs, and can translate into higher productivity and revenue. **Another area offering great opportunities for employee development is climate. Higher qualifications in this area help the Bank meet the changing needs of its clients.** It is also an opportunity to increase revenue, as with more competent workforce the Bank can easier increase its market share in this growing market.	Own operations	Opportunity	Short-, medium- and long-term
Diversity	**The Bank's employees are a diverse group, with each person having their own strengths. The Bank can leverage these strengths and thus create a more inclusive, equitable and productive workplace.** As a result the Bank can reduce employee turnover and, in consequence, operating costs, and provide better service to diverse client and vendor segments.	Own operations	Opportunity	Short-, medium- and long-term

In line with the *Sustainability Strategy for 2022-2024,* the Bank is building an organizational culture based on promoting and developing talent and supporting diversity. In the previous *Strategy,* the Bank set as one of its goals efforts to support employee mobility within the global structure of Citi. Within its hybrid work model and culture of change, the Bank provided training to employees and introduced solutions to increase work comfort (see Work-Life Balance). In accordance with the new Sustainability Strategy for 2025-2027, the Bank will continue to promote initiatives supporting diversity and inclusion (DEI), ensuring that these values are rooted in its organizational culture. By actively monitoring and expanding such initiatives, Citi Handlowy wants to create a workplace where every employee feels appreciated and supported so that they can use their full potential. In addition to fostering development, the Bank will also actively respond to the evolving needs and requirements of its staff. The Bank's strategic goal is to achieve an employee engagement rate of 80% or higher in the VOE survey. Tackling pay inequality will also be a priority – the bank wants the adjusted gender pay gap to be below 5%. In addition, in the following years employees involved in the implementation of the sustainability strategy will be encouraged to include ESG KPIs in their annual objectives. To support employee development in the area of ESG, the Bank will organize at least 6 educational initiatives covering sustainability each year.

The HR policies in force at the Bank apply solely to employees of Bank Handlowy w Warszawie S.A., i.e. persons hired under an employment contract. The Bank does not apply the policies, goals and actions described in this chapter directly to non-employees[26], as it has a different type of legal relationship with this group.

The Bank does not have any operations that, due to their type and geographic area, would be exposed to the risk of forced/compulsory labor or child labor. At the Bank, people with special characteristics are not at greater risk of harm.

As presented in the section Transition plan for climate change mitigation, the Bank did not have a specific transition plan in place as of the date of this *Statement*, but when preparing the Statement, it considered the impacts, risks and opportunities that may affect its employees.

3.1.2 *Characteristics of employees [S1-6]*

As at 31 December 2024, the Bank had 3,050 employees[27], of which 62% were females and 38% were males.

Number of employees as of December 31, 2024 (full-time equivalents - FTE)

	Female	Male	Other	Total
All employees[28]:	1,892	1,159	0	3,050
Number of permanent employees	1,742	1,051	0	2,794
Number of temporary employees[29]	149	108	0	257
Number of full-time employees	1,857	1,144	0	3,001
Number of part-time employees	35	15	0	49
Number of persons who left the Bank in the reporting year	162	130	0	292
Employee turnover rate[30]	8.56%	11.19%	0	9.56%

[26] Non-employees:
- Natural persons cooperating with the Bank under civil law contracts, including contracts of mandate and contracts for specific work,
- Other persons who:
  - run a sole proprietorship and, on the basis of contracts concluded directly with the Bank, personally provide the Bank with services related to the Bank's financial activities, particularly in the Bank's buildings, on a continuous basis, for an agreed number of hours each business day; otherwise, such services would be performed by an employee of the Bank under an employment contract,
  - are employed by third parties whose business includes predominantly employment-related activities (code NACE N78). These are, in particular, temporary employment agencies or entities that provide employees to replace temporarily absent employees or perform additional work.

Employees and non-employees do not include persons performing work in the value chain as defined in ESRS S2 AR 3:
- employees performing specific services commissioned to third parties, working at the Bank (e.g. employees of external security or catering companies, translators, photographers),
- employees of vendors cooperating with the Bank working on the vendor's premises and using the vendor's work methods,
- employees of equipment suppliers to the Bank who perform regular maintenance work at the Bank, in accordance with the contract with the supplier.

[27] The value is given in full-time equivalents [FTE].

[28] Data based on reports from the Bank's TETA HR payroll system cover persons under an employment contract (FTE - in full-time equivalents).

[29] Including substitution contracts.

[30] Number of persons who left the Bank in the reporting year / number of all employees at the end of the reporting period

Number of employees in relation to the total revenue achieved in 2024: 3,050 employees / PLN 5,331,255 (thousands).

Number of employees as of December 31, 2024 (number of people - headcount)

	Female	Male	Other	Total
Number of all employees [31]	1,944	1,199	0	3,143

Total employees in 2024 by gender, region and full-time/part-time status

City/town	Working time basis	Female	Male	Total
Warsaw	Full time	1,014	756	1,770
	Part-time	22	12	34
Olsztyn	Full time	466	147	613
	Part-time	5	3	7
Łódź	Full time	198	95	293
	Part-time	3	0	3
Katowice	Full time	31	32	63
	Part-time	0	0	0
Kraków	Full time	35	34	69
	Part-time	1	0	1
Poznań	Full time	36	23	59
	Part-time	0	0	0
Gdańsk	Full time	26	22	48
	Part-time	3	0	3
Wrocław	Full time	24	19	43
	Part-time	1	0	1
Szczecin	Full time	11	4	15
	Part-time	1	0	1
Gdynia	Full time	7	4	11
	Part-time	0	0	0
Others	Full time	9	8	17
	Part-time	0	0	0
Total		1,892	1,159	3,050

[31] Data based on reports from the HR and payroll system of TETA HR Bank concern people employed under an employment contract (number of people as of December 31, 2024 – headcount including part-time employees).

3.1.3 *Employees and human rights [S1-1]*

One of the Bank's main social goals is to protect human rights – the Bank adheres to the fundamental principles enshrined in the Universal Declaration of Human Rights of the United Nations, Declaration on Fundamental Principles and Rights at Work of the International Labor Organization and the United Nations Guiding Principles on Business and Human Rights.

In accordance with the adopted regulations, only adults can work at the Bank, and the primary form of employment is an employment contract.

Human rights issues are not regulated in a separate policy, but are part of more general internal regulations governing the Bank's operations in Poland: *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Ethics), Work Regulations* and *Corporate Collective Labor Agreement (CCLA)*. The Bank respects the human rights described in those documents. Employees learn about those documents during training and onboarding procedures, and they are also available on the intranet. The Bank's Management Board is responsible for implementing the policies. The *Work Regulations* and the *CCLA* have been agreed with the trade unions operating in the Bank, and the *Code of Conduct* with the units responsible for standards of operation in a given area.

The Bank works with employees to ensure that human rights are respected, implements corrective measures and has procedures in place for reporting possible irregularities, including internal grievance procedures.

Each employee of Citi Handlowy Bank may report a breach of ethical standards – anonymously (anonymous report) or by providing their personal data (confidential report). Employees of the Bank may anonymously report any violations of law, ethical standards as well as procedures in force at the Bank via the Ethical Helpline of the Member of the competent Management Board. It is a special, independent and autonomous communication channel in the form of a separate, dedicated telephone line of the Board Member and a postal address for correspondence. Anonymous reports are directed to the relevant Member of the Management Board in charge of the Risk Management Sector or the Financial Markets and Corporate Banking Sector (in the case of employees of the Bank's Brokerage Department) – by phone or by letter via the Ethical Helpline. Reports concerning a Member of the Management Board may be directed to the Supervisory Board – by letter or electronically. Each employee of Citi Handlowy Bank is obliged to report immediately any unethical behavior. *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Ethics)* sets out the violation reporting methods and channels.

The Bank has implemented the *Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)* , which describes the principles under which employees and former employees of Citi Handlowy Bank and job candidates may report undesirable behaviors in the work environment: discrimination, mobbing, harassment, sexual harassment and any other unequal treatment in connection with employment, as well as the procedure for handling such complaints.

Confidential reports may be delivered directly to the following persons or business units:

- the immediate line manager or a higher-level manager,
- the Head of the Brokerage Department of Bank Handlowy or employees of the Internal Supervision and Control Bureau – in the case of employees of the Brokerage Department of Bank Handlowy,
- a representative of the Human Resources Division,
- an employee of the Citi Security and Investigative Services Department (CSIS).

Employees are obliged to report any business issues that may pose a potential threat to the interests or reputation of the Bank to their managers, employees of the Independent Control and Operational Risk Department, employees of the Legal Division or employees of the Compliance Division, and in cases that cover employee-related issues – in accordance with the *Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)*.

An employee who has any questions concerning proper conduct in a given situation should contact one of the persons or organizational units mentioned below:

- the immediate line manager or a higher-level manager,
- the Head of the Brokerage Department of Bank Handlowy or an employee of the Internal Supervision and Control Bureau – in the case of employees of the Brokerage Department of Bank Handlowy,
- an employee of the Compliance Division,
- a representative of the Human Resources Division,
- an employee of the Audit Department,
- an employee of the Legal Division if legal provisions are infringed,
- an employee of the Citi Security and Investigative Services Department (CSIS),
- the Member of the Bank's Management Board in charge of the Risk Management Sector or the Financial Markets and Corporate Banking Sector – in the case of employees of the Brokerage Department of Bank Handlowy,
- the Supervisory Board to the email address or by letter, in case the report concerns a Member of the Supervisory Board.

The Bank conducts a thorough investigation regardless of whom the questions and doubts raised concern.

The Bank has an Ethics and Disciplinary Commission. The Commission performs consultative and advisory functions towards the Bank's Management Board and supports the Supervisory Board and Members of the Management Board responsible for receiving anonymous reports of violations of law and ethical procedures and standards in force at the Bank. The Commission monitors whether tasks are performed properly and ensures the effectiveness of supervision and control over compliance with ethical standards at the Bank.

3.1.4 *Work-life balance*

The Bank has a positive impact on its employees by offering stable yet flexible employment conditions and by building a workplace where each person can balance their personal commitments and aspirations with professional development. This action is part of diversity strategy for the Bank's employees.

Work-life balance policies [S1-1 MDR-P]

The work-life balance policies of Citi Handlowy Bank include in particular:

- *Corporate Collective Labor Agreement (CCLA)* and *Work Regulations,*
- *Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.,*
- *Remote work agreement,*
- *Policy on eligibility for additional paternity care,*
- *Regulations concerning occasional days off in relation to employees' anniversaries,*
- *Regulations of the Company Social Benefit Fund.*

The above documents apply to all Bank employees[32][33] and are available on the intranet.

Those documents are in line with the UN Guiding Principles on Business and Human Rights.

Corporate Collective Labor Agreement and Work Regulations

The *CCLA* and the *Work Regulations* establish the most important rules related to work at the Bank. They concern, among other things, working hours, vacations, sick leave and absence rules. They also set protective standards limiting the time an employee remains at the employer's disposal and thus support the work-life balance. Both policies – fully compliant with the Labor Law – apply throughout the organization. Their content has been agreed with the trade unions operating at the Bank and the Management Board and the Human Resources Management Division are responsible for implementing those regulations. The Bank obligatorily familiarizes new employees with the *Work Regulations*, and all[34] employment contracts are concluded on the terms resulting from the *Corporate Collective Labor Agreement.*

The *CCLA* and the *Work Regulations* applicable at the Bank are intended to help employees maintain a work-life balance. This goal is consistent with the Bank's Strategy for 2022-2024 and 2025-2027, which in the employee relations area indicates the need to take actions to support the well-being of employees.

Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.

The *Diversity policy for employees of Bank Handlowy w Warszawie S.A.* is consistent with the Bank's diversity strategy and introduces HR procedures and practices that are intended, among other things, to help all employees maintain a work-life balance. The *Policy* was adopted by a resolution of the Management Board in 2021 and implemented in 2022. The Management Board and the Human Resources Management Division are responsible for implementing its provisions.

[32] The provisions of the CCLA do not apply to members of the Bank's Management Board and persons on unpaid leave lasting more than three months.

[33] Remote work is not available to employees in direct customer service roles in dedicated organizational units and employees supporting direct customer service in branches whose physical presence is necessary to perform such work.

[34] Members of the Management Board are excluded.

The Bank, in accordance with the *Policy*, strives to ensure that all employees can enjoy a work-life balance and therefore:

- promotes and supports employee networks: Citi Women Network, Families Matter Network Poland, Disability Network, Citi Pride Network, charitable activities or joint sports activities (Live Well at Citi initiative),
- allows employees to freely express their opinions in the *Voice of Employee* survey,
- creates space for sharing feedback with the People Board group operating at the Bank,
- employees leaving the Bank can provide feedback in the *exit interview* survey,
- ensures equal pay for employees, including equal access to various benefits other than pay,
- ensures equal access for employees to development projects and training available at the Bank,
- takes care of ensuring friendly work environment and organizational culture based on mutual respect.

The policy of Citi Handlowy prohibits retaliation towards whistleblowers who have reported undesirable events in the work environment or persons participating in investigations conducted in accordance with the *Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)*.

Remote work agreement

The *Agreement on the principles of remote work (remote work agreement)* has been in force at the Bank since 2023 and regulates how work is to be performed at a place indicated by the employee other than the employer's premises. The *Agreement* supports the Bank in the implementation of the remote work model called *How We Work* and the implementation of the Bank's Strategy for 2022-2024. The *Agreement* is intended to combine efficiency in achieving business goals with work flexibility. Remote work – according to the *Agreement* – is not an option available to persons who provide direct customer service in certain units of the Bank, as well as employees supporting this service whose physical presence at the employer's premises is required.

The *Agreement* provides that the Bank's employees are entitled to 24 days of occasional work, in accordance with the law, and additional six days of remote work offered by the employer, i.e. a total of 30 days of remote work per year. The remote work rules have been agreed with the trade unions operating in the Bank. The employer covers, as a lump sum, the costs of electricity consumption in the room where the employee performs remote work and telecommunications services necessary to perform it. The Human Resources Management Division is responsible for implementing the *Agreement*.

Policy on eligibility for additional paternity care

The *Policy on eligibility for additional paternity care*, introduced by the Bank in 2021, offers father-employees additional paid time off from work to take care of their child. The procedure was issued as a decision of the Head of the Human Resources Management Division to make it easier for employed men raising a child to reconcile their work with the role of a parent. The Bank offers them two weeks of additional paid paternity care, provided that paternity leave has been used before.

The *Policy on eligibility for additional paternity care* was not consulted with employees. It is a result of the Bank's pursuit of balance (*well-being*) and inclusiveness. The HR Management Division is responsible for implementing the *Policy*.

Regulations concerning occasional days off in relation to employees' anniversaries

The Bank has introduced the *Regulations concerning occasional days off in relation to employees' anniversaries* to recognize employees for their length of service. In accordance with the provisions of the Regulations, the Bank offers persons celebrating round anniversaries (5, 10, 15, 20... years) of work in Citi Group additional paid days off they can spend as they like. The Regulations have been agreed with the trade unions representing all employees of the Bank and take into account the expectations expressed by employees to the People Board group, which collected proposals from employees how to celebrate work anniversaries and submitted them to the Bank's Management Board for approval. The Human Resources Management Division is responsible for implementing the Regulations.

Regulations of the Company Social Benefit Fund

The *Regulations of the Company Social Benefit Fund* specify the conditions and principles under which employees may use the Company Social Benefit Fund. The Regulations support the work-life balance of persons employed by the Bank – the Fund subsidizes, among other things, holidays for employees and their children, sports, recreational and cultural activities, child care in nurseries and kindergartens. In addition, employees can apply for non-repayable financial assistance and repayable loans for housing purposes.

The *Regulations* were issued as an order of the President of the Management Board, and their provisions meet the requirements of the Company Social Benefit Fund Act. The *Regulations* have been agreed with the trade unions operating in the Bank. In accordance with the *Regulations*, the benefits from the Fund may be used by all employees[35] and former employees – retirees, pensioners and persons using pre-retirement benefits for whom the Bank was the

[35] Employees on parental leave may use the Social Benefit Fund to a limited extent.

last place of employment, and their designated family members, including life partners. The Human Resources Management Division is responsible for implementing the Regulations. The *Regulations* are available on the intranet, and information on the principles and procedure for obtaining social benefits is provided by the Employee Service Centre. The Employee Relations, Compliance and Human Resources Project Management Department monitors the *Regulations* and implements changes agreed with the trade unions operating in the Bank.

Work-life balance targets [S1-5, MDR-T]

The Bank has not set quantitative targets for work-life balance; instead, the Bank monitors progress in this area through designated ambition levels derived from the policies described above.

Work-life balance activities [S1-4 MDR-A]

The Bank works to ensure a work-life balance through the regular efforts of its employees, who are of key importance in this process – not only they report their needs, but also analyze the requests and laws and, on their basis, make the necessary improvements in their daily work.

- In 2023, the Bank implemented changes resulting from amendments to the Labor Law regarding work-life balance and remote work. For example, work began on the *How We Work* model, which gives many employees the opportunity to work in a hybrid model – three days a week in the office and two days of remote work. In addition, in the second half of December 2023 and 2024, employees who can perform their tasks remotely were allowed to work from outside the office.
- Employees of the Bank can benefit from additional 6 days of occasional remote work, for a total of 30 days per year (24 + 6 Citi Handlowy days),
- In 2024, 50 employees of the Bank took additional paternity leave. Over the past four years, more than 70% of employees on parental leave returned to work each year. Of the employees who returned in 2023, 82% of them worked another 12 months after their return (including 76% of women and 94% of men).
- Since 2024, employees have earned the right to additional days off after every five years of work at the Bank, with the number of days off from one to four depending on seniority. In 2024, the right to an additional day off was exercised by 301 employees.
- The Families Matter Network Poland initiative brings together employees who are familiar with the subject of parenting, family and bringing up children as well as challenges faced nowadays by all generations, including the generation that must support both their parents and adolescent children. In 2024, the network actively supported employees – parents and their families, helping them find a work-life balance in the face of the various challenges we meet. The main cyclical event was Family Day, organized in June to celebrate Mother's Day, Father's Day and Children's Day, at three locations in Poland (Warsaw, Olsztyn and Łódź). During picnics for employees and their children, fun, animations, integration games, sports competitions and volunteer activities were organized.
  In cooperation with Live Well at Citi, during the IRONMAN 70.3 Warsaw event, children could also take part in the IRONKIDS running competition as part of the promotion of physical activity and healthy eating. Additionally, in the fan zone, animations were organized for children and parents in the form of planting flowers for the beneficiaries of the Warsaw Family Assistance Center, as well as making "tugs" for dogs from the Dog Angel's Asylum Foundation.
- The retirement benefits the Bank grants are higher than required by the labor law. Their amount depends on the length of employment and ranges from 300% of the base amount after five years of service to 1100% after 20 years of service.
- In the case of termination of the employment contract for reasons not attributable to the employee, Citi Handlowy guarantees a higher severance payment than the amount required by law. This principle is reflected in the *Corporate Collective Labor Agreement (CCLA)* in force at Citi Handlowy Bank. The Bank has also added two more days to job search leave for those dismissed for reasons not attributable to the employee.
- The Bank offers special support in various areas under the EAP (Employee Assistance Program), available to employees 24/7.
- In 2024, employees and managers could participate in webinars on building mental resilience and stress management. The Bank organized 2 sessions for managers and 2 sessions for employees (4 sessions in total), addressing issues related to building mental resilience that are important for each employee group.
- Each of the Bank's locations has a room where employees can rest and regenerate, known as a *chillout room* or *energy room*. Active rest rooms – Energy Rooms – created in three locations are equipped with cardio equipment (treadmills, exercise bikes, ergometers) and equipment for general training. Employees can use them individually or in groups: yoga, Zumba and stretching. As part of Live Well at Citi, employees can also join Energy Online relaxation sessions from any location. Such sessions take place twice a week and include mindfulness training and exercises to prevent posture defects and ailments associated with a sedentary work style.
- The Bank also operates *Live Well at Citi* – an initiative that holds an important place in the Bank's overall activities to take care of the work-life balance of employees. This program combines social activities with the promotion of a healthy and active lifestyle. Employees, together with the Bank's clients, participate as the Live Well at Citi team in sports competitions, and in return for their efforts the Bank provides financial support for a selected social purpose. In 2024, thanks to the kilometers covered together, Citi Handlowy co-financed

the *Be Active* project of the Polish Paralympic Committee. This project ensures up to 60,000 hours of sports training per year for children and young people with disabilities from all over Poland, with access to special infrastructure and with the support of coaches and assistants trained to work with athletes with disabilities. In 2024, the Live Well at Citi team represented the Bank in 8 sports events: the 18th Warsaw Half Marathon, three editions of the IRONMAN triathlon competition in Warsaw, Gdynia and Poznań, the Citi Warmia Run Challenge and Ukiel Half Marathon running events in Olsztyn, the 4th edition of the Orlen Paralympic Run charity event and the 34th Warsaw Independence Run. Employees of the Bank can also pursue their sports passions by participating in team tennis training and business tennis league competitions. In 2024, the Live Well at Citi team became the champion of the Business Tennis League tournament. Runners, in turn, participate in weekly workouts at Agricola Stadium, where they train under the guidance of a professional coach. The activities and events offered as part of Live Well at Citi are co-created by employees and successively developed.

The implemented and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

Work-life balance collaboration [S1-2]

The Bank works with employees to better manage work-life balance. An important element of this collaboration is the annual VOE survey, in which employees express their opinions on issues related to their work, including work-life balance. The survey consists of closed-ended questions and open-ended comments in which survey participants can offer their opinions and ideas. The results are analyzed and discussed by the Bank's top management, VOE ambassadors and the People Board group, who initiate specific actions at the level of both the entire Bank and individual units. The VOE survey is anonymous and voluntary. It is conducted by an external company. Managers of teams in which at least six employees have expressed their opinion in the survey receive an individual report. For years, the turnout for the VOE survey has been very high: 93% in 2024 and 92% in 2023.

The Bank informs employees about the goals achieved and actions taken. Employees learn about important topics at *Town Hall* meetings with the participation of the President of the Bank's Management Board, the Head of the Human Resources Management Division and other senior executives, and from newsletters: “Manager Monthly”, “Employee Monthly”, “Puls Citi Handlowy” and letters from the President of the Management Board and the Head of the HR Management Division to employees. Both VOE Ambassadors and People Board operate under the leadership of senior managers reporting directly to the President of the Bank. In both groups, HR representatives designated for cooperation by the Head of the HR Management Division play an important role. The teams meet regularly and work on specific initiatives in working groups. The results of their work are presented to the Bank's Management Board and employees at dedicated *Town Halls* summarizing VOE activities.

Citi Handlowy work-life balance figures [S1-15]

	Female	Male	Total
Percentage of eligible employees who took family leave[36]	8%	6%	7%

In the 2024 *Voice of Employee* survey, 93% of employees positively assessed the support they receive from their direct manager in maintaining work-life balance. As many as 91% of employees agreed with the statement: “My direct manager cares about my well-being."

[36] According to ESRS standards, family leave includes maternity leave, paternity leave, parental leave or family leave and caregiving leave that are available under the law or collective agreements. At Citi Handlowy Bank, family leave is available to all (100%) employees under an employment contract.

3.1.5 *Training and skills development*

The Bank is committed to the continuous development of its employees. This enables it to create a sustainable work environment and respond to changing market needs on an ongoing basis. The bank has implemented policies, set goals and takes actions that ensure good professional preparation of employees.

Training and development policies [S1-1 MDR-P]

At Citi Handlowy Bank, all employees can develop their competencies, acquire new skills on the job, learn from others and participate in training. Some training is mandatory for all employees. The Bank has implemented the following Policies related to training and development of employee skills:

- *Rules of Improving Professional Qualifications of Employees of Bank Handlowy w Warszawie S.A. – Training Procedure,*
- *Performance management procedure,*
- *Training program for the Management Board.*

Those documents are in line with the UN Guiding Principles on Business and Human Rights.

Rules of Improving Professional Qualifications of Employees of Bank Handlowy w Warszawie S.A. – Training Procedure

Rules of Improving Professional Qualifications of Employees of Bank Handlowy w Warszawie S.A. – training procedure describe the Bank's approach to professional development of employed persons. At the Bank, the basis for training includes:

- equal development opportunities for leaders and line workers who co-decide on the available development offer, a flexible approach to creating educational content that allows for quick response to changing employee needs, improving the experience of stakeholders using Citi's educational resources,
- continuous adaptation of educational content to the dynamically changing market reality and the Bank's business priorities.

The *Rules of improving professional qualifications* are intended to ensure that the professional development of employees takes place in accordance with the Bank's top priority business goals and strategy. In particular, the Bank wants to create conditions in which all employees can develop their strengths and potential. Citi Handlowy Bank's human resources management strategy encompasses the entire employee life cycle and is fully consistent with the leadership strategy, annual assessment process, and the diversity management and engagement policies. Every year, the Bank analyzes the potential of employees in the formal *Talent Review* process – it conducts a review of critical roles, assesses the potential of their holders and plans their succession, and also identifies and analyzes gaps and plans the actions necessary to ensure business continuity at the highest level.

According to the procedure, the Bank's employees can participate in the following training:

- Internal training to develop professional, managerial and soft skills,
- English language courses offered by a provider selected by the Bank,
- individual and group training courses organized by external companies supplementing the internal training proposal, organized with the employer's consent.

During external training, employees can also improve their skills in the field of climate change and ESG consulting. The Bank is prioritizing this area as an opportunity to prepare staff for the changing needs of the market and clients.

The Human Resources Management Division is responsible for implementing the *Rules of improving professional qualifications of employees of Bank Handlowy w Warszawie S.A.* The document is available to employees on the intranet.

Performance management procedure

The *Performance management procedure* specifies in particular the goal setting method and the employee evaluation rules. According to the *Procedure*, managers at each organizational level can monitor these processes and manage performance on an ongoing basis. The *Procedure* is designed to implement the Bank's strategy and enable employees to achieve their individual professional and personal development goals. At the Bank, it is the employee who sets development goals and determines how they intend to achieve them, e.g. through training. The performance management process starts with defining individual goals in two areas: *What* and *How*. The goals set by the employee are then accepted by their manager in the system.

In accordance with the *Procedure*, the goal achievement level is verified twice a year. The first evaluation – descriptive – takes place in the middle of the year and consists of summarizing the results achieved so far and planning activities for the second part of the year. If necessary, the goals can be updated and priorities can be redefined. In the second summary, in the fourth quarter, the employee receives a numerical rating and descriptive feedback on the goal achievement level. The annual evaluation summarizes the employee's performance throughout the year.

Both mid-year and annual evaluations include the following:

- feedback from co-workers provided at the request of the employee or manager,
- employee self-assessment,
- assessment by the manager,
- the employee evaluation interview with the manager,
- confirmation by the employee that the manager conducted an evaluation interview with the employee

According to the *Procedure*, managers and employees receive information on the rules and deadlines for the performance management process from the Human Resources Management Division. It is the responsibility of the manager and the employees to carry out the entire process.

The document is available to employees on the intranet.

Training program for the Management Board

The *Training program for the Management Board* defines the process of induction of members of the Bank's Management Board and their training. It has been prepared under the *Policy for Assessment of Qualifications of Members of the Management Board and Persons Holding Key Functions at Bank Handlowy w Warszawie S.A.*, adopted by the Management Board and approved by the Supervisory Board. The *Program* specifies, among other things:

- onboarding of members of the Management Board,
- rules for establishing a training plan for members of the Management Board,
- rules under which any member of the Management Board may request onboarding or training,
- principles and criteria for evaluating onboarding and training, including the quality of such onboarding.

Members of the Bank's Management Board may improve their qualifications, in particular by participating in general training and training tailored to their individual needs. The *Training program for the Management Board* is established by the Head of the Human Resources Management Division in consultation with the Legal Division, Compliance Division, Organizational Bureau, and Business Planning and Analysis Department, and after consulting the Management Board. The Head of the Human Resources Management Division is responsible for the implementation of the Program.

The *Program* is designed to expand the skills, knowledge and competences of members of the Management Board. The effects of the *Program* are evaluated by the Nomination and Remuneration Committee of the Supervisory Board as part of the periodic evaluation of the Management Board. The document is made available to members of the Management Board by the Head of the Human Resources Management Division as a Memorandum.

Sustainability Strategy for 2025-2027

In the social area, the *Sustainability Strategy for 2025-2027* (see Sustainability Strategy) is focused on improving the skills of employees. This becomes particularly important in the case of ESG consulting for the Bank's clients. In the coming years, the Bank will offer products and services that promote sustainability, encourage its clients to take sustainable actions, and work with them to accelerate the transformation of their business models and reduce greenhouse gas emissions. Business units will be responsible for implementing the *Strategy* in this area and the Strategy monitoring process will be a responsibility of the Strategy and Investor Relations Department. The provisions of the Strategy are available to employees in the Bank's intranet system.

Goals for training and skills development [S1-5, MDR-T]

Progress in the area of training and development is monitored at the Bank through designated ambition levels derived from the policies described above.

The Bank has additionally set a quantitative target for training and development as part of its newly adopted Sustainability Strategy for 2025-2027:

Goal	Base value	Base year	Result
Completion of ESG training by 100% of employees responsible for ESG sales and consulting by 2027	0	2025	Target effective from the beginning of 2025.

The Bank's internal stakeholders were involved in setting the adopted target.

Training and skills development activities [S1-4 MDR-A]

- Each new employee of the Bank participates in an induction training (*Orientation),* during which they learn about the Bank's structure, values, culture, leaders, and ethical and development aspects. In 2024, 266 newly hired employees participated in the training. In addition, within a few days of starting work at the Bank, employees are invited to participate in the *Hello Citi!* development program, which allows them to become familiar with, among other things, all relevant aspects of the Bank's operations, its business units and clients. After completing the orientation program, those hired participate in an e-learning program for several weeks, where learning takes place in groups. It enables the employees to establish relationships and learn from other Citi employees from all over the world. Participation in the program is voluntary.
- The bank monitors employee development through individual development plans (IDPs). Each employee has their own individual profile, which they complete in the HR system. The profile summarizes the employee's professional experience, education, competencies and skills. Once a year, employees are also asked to update their individual development plan (IDP), in which they describe their strengths and the development activities they plan to undertake to develop their competencies. Employees plan development activities in three areas that are the basis of the Bank's development philosophy: experience, learning from others and training. The Bank encourages employees to discuss with their managers their individual development plans, including internal or external training needed for their development. The IDP prepared by the employee in the system is the basis for discussions with the manager and for planning the employee's development. During the conversation, the employee discusses their development goals, strengths and development areas, and agrees with the manager on the actions they intend to take and the support they need to implement the development plan. The plan enables the employee to use an approach based on the 70-20-10 development model: gaining experience (70%), interacting and learning from others (20%), and education (10%). The employee can update their development plan throughout the year. Once a year, in the first half, after defining annual goals, employees are asked to update their individual development plan in preparation for a development conversation with their manager. Information on updates to individual development plans goes to top management.
- During the annual assessment, employees receive information about their strengths and the areas they should develop. In 2024, such assessment was obtained by 88% of employees.[37]
- Employees can participate in various training and development projects – including educational laboratories, sessions that will allow them to change their role or place in the Bank's structure, internal conferences during which employees share knowledge and build a collaboration network, coaching, and mentoring. In addition, every employee has access to learning platforms, including *Leadership Development Catalogue* and *Degreed*.
- Specialists and experts in the relevant areas participate in mandatory specialist training as part of their professional development (e.g. *compliance,* risk or business).
- Internal training includes an evaluation survey, in which participants provide feedback on the training. Employees benefit from general training and also participate in training tailored to their specific needs. In 2024, Consumer Banking managers participated in a series of soft skill training sessions, “Managerial Communication during Change,” to better communicate and manage change. After the trainings, participants were asked for feedback on the skills they would like to develop in subsequent training courses. Citi Handlowy Bank promotes development and encourages discussion on learning in the organization and its impact on work results. Development programs for managers are tailored to their level of managerial sophistication. Development is divided into several stages. At each stage, managers can choose from a range of development activities:
  - *Welcome to Citi Management* , *Management Essentials* , *Managing at Citi* for new managers and *Human Centered Leadership* ,
  - *Management Development* programs for experienced managers,
  - special prepared training for *executive* level managers, including several-week international programs conducted in cooperation with the largest universities in the world,
  - *Citi New Way* special training in the organizational culture for all employees. These training activities are to embed employees in the change of organizational culture and organizational values that are an important part of such change.
- ESG risks training for members of the Management Board.

In March 2024, the Nomination and Remuneration Committee positively assessed the introduction to the duties of and the training for members of the Management Board in 2023 and their quality.

The implemented and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

[37] Annual assessment does not cover employees with long-term absences during the year or employees for whom an annual assessment is not possible due to a short length of service at the Bank.

Employee training and development figures [S1-13]

Employee training and development figures by gender

	Female	Male	Total
All employees	1,944	1,199	3,143
Employees who participated in regular performance and career development reviews[38]	1,691	1,085	2,776
Percentage of employees who participated in regular performance and career development reviews[39]	87%	90%	88%
Number of employee training hours by gender	86,515.31	57,634.04	144,149.35
Average training hours per employee (full-time position)	44.5	48.07	45.86

Employee training and development figures by position

	Manageme nt Board	Senior manageme nt	Managers	Other employees	Total
Number of employees	7	150	350	2,636	3,143
Number of training hours	323.71	5,884.20	15,478.64	122,462.80	144,149.35
Average training hours per employee (full-time position)	46.24	39.23	44.22	46.46	45.86

In the VOE survey, employees positively assess the support they receive from their direct managers in the area of training and development. 92% of employees participating in the 2024 survey were satisfied with the conversation they had with their direct manager to discuss their career aspirations and further development. 93% of employees were positive about the feedback they received from their manager to improve their performance.

90% of employees are satisfied with how they use their skills and abilities at work, and 81% have a good understanding of what they need to do to manage their careers. 86% of employees positively assess their development opportunities at the Bank.

3.1.6 *Diversity*

Citi Handlowy Bank has implemented policies, set goals and is taking steps to create a work environment that fosters diversity and inclusion, and where every employee can be proud of what makes them different – their backgrounds, views, experiences and ideas. In the Bank's opinion, this may constitute a competitive advantage: the diversity of teams, ideas and opportunities in the Bank supports growth and development, and the multitude of perspectives results in innovation and strengthens ethical conduct in business.

- For employees, the culture of diversity and inclusion means that they feel comfortable in the workplace, are eager to engage in their tasks and can be themselves.
- For the Bank, belonging to a global financial group brings benefits resulting from its global reach and diversity of views.

[38] As part of cyclical evaluation conversations.

[39] The percentage of employees participating in periodic evaluations was calculated using the total number of employees from Disclosure S1-6. This metric also includes employees who do not qualify for ratings, so the disclosed metric cannot reach 100%.

Diversity Policies [S1-1 MDR-P]

Employees of Citi Handlowy Bank have the right to be in a safe and healthy work environment, where personal talents and merits are appreciated, diversity is valued, privacy is respected and work-life balance is supported. Under a resolution of the Bank's Management Board, the Bank adopted a separate and formalized *Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.*, which defines the Bank's diversity management strategy. The *Policy* applies to all employees and every employee must comply with it and act to implement the diversity strategy.

Citi Handlowy Bank prohibits all discrimination and this applies to managers, colleagues, clients or vendors. Such behaviors are incompatible with the organizational culture of Citi Handlowy Bank, in which mutual respect and professionalism are the foundation of employee relations. Employees who commit sexual harassment or any other form of harassment or discrimination face immediate consequences.

Citi Handlowy Bank's *Policy* prohibits retaliation against those who report undesirable events in the work environment or those who participate in investigations.

Citi Handlowy Bank's approach to diversity is governed by the following policies aimed at eliminating discrimination, promoting equal opportunities and enhancing diversity and inclusion:

- *Diversity Policy for Members of the Management Board of Bank Handlowy w Warszawie S.A.*
- *Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.*
- *Work Regulations for Employees of Bank Handlowy w Warszawie S.A.*
- *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Ethics).*

Those documents are in line with the UN Guiding Principles on Business and Human Rights.

Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.

The *Diversity policy for employees of Bank Handlowy w Warszawie S.A.* defines the Bank's strategy for managing diversity among its employees. The Bank believes that workforce diversity has a positive impact on the organization, its culture and values. The Bank prohibits any discrimination in employment, in particular with regard to gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, denomination, sexual orientation, employment for a definite or indefinite term, or full or part-time employment.

The Bank cares about diversity and therefore:

- takes HR actions and decisions based on the results achieved by employees, their knowledge and professional experience, skills and competences, so that all employees have equal opportunities in the workplace,
- respects and promotes the principles of equal treatment and anti-discrimination,
- ensures equal pay for employees,
- ensures equal access to training,
- builds diverse employee teams,
- ensures a friendly working environment and an organizational culture based on mutual respect,
- promotes and supports employee initiatives, in particular the Citi Women, Citi Disability and Citi Pride networks,
- uses an internal system for providing early warnings and reporting ethical concerns;

The *Policy* applies to all employees of the Bank. The document does not contain any provisions regarding the monitoring of compliance of activities with its assumptions – these issues have been regulated at the level of individual HR procedures and practices, including the *Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A.*

The *Policy* was adopted under an order of the President of the Management Board, issued on the basis of a resolution of the Management Board, and its provisions are consistent with Recommendation Z of the Polish Financial Supervision Authority. The *Policy* was not consulted with employees. The Human Resources Management Division is responsible for its implementation. The document is available to employees on the intranet.

Diversity Policy for Members of the Management Board of Bank Handlowy w Warszawie S.A.

The *Policy* ensures diversity of the Management Board and its principles are applied when appointing all members of the Management Board and during succession planning. The *Policy* counters discrimination on the basis of, among other things, racial and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political views, national or social origin and other forms thereof covered by the European Union and national laws. The *Policy* is intended to ensure that persons elected as members of the Management Board are diverse in terms of gender, age, education and professional experience. The Bank prepared the document jointly with a specific group of employees.

Diversity Policy for Members of the Management Board of Bank Handlowy w Warszawie S.A:

- defines the Bank's diversity management strategy, which promotes diversity of the Management Board so that people with different qualifications and competencies are reached during recruitment and succession planning,
- is intended to ensure that persons elected as members of the Management Board are diverse in terms of gender, age, education and professional experience, have different views, present independent opinions and make sound decisions,
- is intended to ensure that competent persons are appointed to the Management Board – selected on the basis of criteria arising from the *Policy for Assessment of Qualifications of Members of the Management Board and Persons Holding Key Functions at Bank Handlowy w Warszawie S.A.*, taking into account the benefits of diversity – as a result of which the Management Board properly fulfils its role and performs its tasks, and the Bank can achieve its strategic goals.

In 2024, there was no gender under-representation in the composition of the Bank's Management Board – therefore, the target gender under-representation ratio was not determined. In accordance with the *Diversity Policy for Members of the Management Board of Bank Handlowy w Warszawie S.A.*: the Nomination and Remuneration Committee of the Supervisory Board will determine the representation ratio if, in the course of recruiting for the position of a member of the Management Board, it determines that a particular gender may be under-represented on the Management Board.

The *Diversity Policy for Members of the Management Board of Bank Handlowy w Warszawie S.A.* was adopted by the Nomination and Remuneration Committee of the Supervisory Board, and its content is consistent with the Banking Law. The Human Resources Management Division, the Nomination and Remuneration Committee and the Supervisory Board are responsible for implementing the *Policy*. Annually, the Nomination and Remuneration Committee of the Supervisory Board evaluates whether the composition of the Management Board complies with the principles arising from the *Diversity Policy for Members of the Management Board*. The evaluation documentation is collected and kept by the Organizational Bureau. The *Diversity Policy for Members of the Management Board of Bank Handlowy w Warszawie S.A.* can be provided by the Human Resources Management Division.

Work Regulations for Employees of Bank Handlowy w Warszawie S.A.

The *Work Regulations for Employees of Bank Handlowy w Warszawie S.A.* provide that in its ongoing activities the Bank respects human dignity and counteracts discrimination and mobbing. The *Regulations* define the employer's expectations towards employees, including expectations related to countering mobbing, define undesirable events in the work environment and show the consequences of unethical conduct. The *Regulations* clearly prohibit all discrimination, in particular on the basis of racial and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political views, national or social origin and other forms of discrimination covered by the European Union and national laws.

The provisions of the *Regulations* apply to all employees and compliance with the *Regulations* is overseen by the Bank's Management Board and managers of employees. The *Regulations* are consistent with the Labor Code and do not contain any specific obligations regarding social inclusion. The *Regulations* have been agreed with the trade unions operating at the Bank. All newly hired employees are informed of the *Regulations* and this document is also permanently available to employees on the intranet and is part of the training attended by all persons hired by the Bank.

Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Ethics)

Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Ethics) was adopted by the Management Board of the Bank and approved by the Supervisory Board. The *Code* is a collection of best practices that are intended to guarantee that employees act ethically, in accordance with the law, principles of social coexistence and the values of Citi Handlowy Bank. In the *Code*, the Bank makes a commitment that it will implement appropriate HR procedures and practices that will allow it to continually nurture diversity throughout the organization. The Bank wants to create and promote a work environment that embraces the principles of equal treatment, that is free from discrimination of any kind, and that ensures equal opportunities. An overarching goal of the Bank is balanced gender representation, which the Bank is particularly concerned about when selecting individuals for executive positions and which manifests itself in equal development opportunities and equal access to training. Also, the *Code of Ethics* explicitly states that the Bank treats staff diversity as a value and values and respects differences among employees.

The provisions of the *Code of Ethics* apply to all employees, and they were not consulted with the Bank's employees. The document is available on the intranet and all persons starting work at Citi Handlowy Bank are required to read it.

Sustainability Strategy for 2025-2027

The *Sustainability Strategy for 2025–2027* (see Sustainability Strategy) outlines the specific goals the Bank has set: implement new and monitor existing diversity, equality and inclusion programs to create a sustainable work environment; conduct an analysis of pay inequalities and take appropriate measures to reduce them. In the *Strategy,* the Bank declares that it wants to keep the adjusted gender pay gap below 5%. The HR Division will be responsible for implementing the *Strategy* in this area and monitoring its implementation. The provisions of the Strategy are available to employees in the Bank's intranet system.

Diversity targets [S1-5, MDR-T]

The diversity area is monitored at the Bank through designated ambition levels derived from the policies described above.

The Bank has additionally set a quantitative target for diversity as part of its newly adopted Sustainability Strategy for 2025-2027: maintaining an adjusted gender pay gap below 5%.

In 2024 (adopted as the base year), the ratio was maintained below 5% and amounted to 1.47%.[40]

The Bank's internal stakeholders were involved in setting the adopted target.

Activities in the area of diversity [S1-1 MDR-A]

The Bank undertakes various activities to counteract discrimination, by educating on discrimination, unequal treatment and mobbing and creating an appropriate organizational climate that supports fair play in the workplace. The Bank’s activities include:

- regular training on the rules of conduct for employees of Bank Handlowy in Warsaw – in 2024, 2972 employees of Citi Handlowy completed the training, which means that the target achievement rate was 99,23%,
- regular training on undesirable events in the work environment – in 2024, 2,980 persons completed the training, which means that the target achievement rate was 99.07%.

Such training is held annually and is mandatory for all employees. The Bank checks whether employees have completed the training, and information about failure to complete is sent to the Business Risk, Compliance and Controls Committee (BRCC).
The Bank promotes diversity by ensuring adequate participation of women also during the recruitment process. Women's representation is required both among candidates and in the evaluation panel, which includes at least two women. The Bank, through the Leopold Kronenberg Citi Handlowy Foundation, also supports the professional activation and professional development of women, for example through cooperation with non-governmental organizations:

- *Welcome* program implemented jointly with the Mamo Pracuj Foundation,
- *Shesnnovation Academy* program carried out with the *Perspektywy* Foundation.
- *Business in Women's Hands* program implemented in cooperation with the Foundation for Female Entrepreneurship.

Anti-discrimination activities also include information, education and diagnostic activities. Diagnostics include in particular the VOE survey, the Early Warning System and the activities of the Ethics and Disciplinary Commission.

The Bank also conducts a survey of employee satisfaction – in 2024, the value of the Belonging index (DEI, *Diversity, Equity & Inclusion)* was 88%, and the ethical index – 93%.

The Bank also has networks in place to support diversity activities:

- The Citi Women Network Poland has been operating at Citi Handlowy Bank since 2004 and is part of the broader Citi Inclusion Networks program implemented by Citi worldwide. Citi Women Network Poland draws attention to the situation of women who work in Citi Handlowy and strives to ensure that they have equal opportunities for professional development and the possibility of realizing their career ambitions at the Bank. The network carries out regular activities.
  Citi Women Network Poland mission:
  - creating encouraging professional development conditions for women and support in overcoming barriers;
  - ensuring that women can realize their ambitions while maintaining work-life balance.

  Citi Women Network inspires women to invest in themselves – it offers training, mentoring, meetings with successful people and integration meetings. It organizes inspirational meetings (e.g. with leaders from Citi) and various workshops or sessions to support women’s development (e.g. in the IT area). Citi Women Network also conducts mentoring for women who need friendly advice in professional career development.

[40] Progress is measured in accordance with the methodology described in the Remuneration Indicators section [S1-16].

It supports women in establishing new and close contacts, promotes a pro-woman approach inside and outside the Bank and helps women find a work-life balance.

- Citi Pride Network Poland involves all employees in its actions, attempting to create and reinforce a safe space, and also works together with non-profit organizations. It is one of the most active employee initiatives within the company in the context of promoting diversity and inclusiveness. Its activities are furthered by all employees of Citi Handlowy Bank, who acknowledge the great value of diverse work environment for the organization. The network carries out regular activities.
- In 2024 Pride Network organized training in cooperation with non-governmental organizations such as Lambda ("Inclusive Language" and "Inclusive HR") and Love Doesn't Exclude ("Why is it worth talking about LGBTQ+ issues in the workplace?"). The training was attended by over 200 people. It also organized regular meetings with a psychologist to discuss issues related to the LGBTQ+ community and online meetings for LGBTQ+ people and their Allies called *Lunch with Pride*. During Coming Out Day, a panel discussion was held where employees of the Bank talked about their coming-outs.
- As an inclusive employer, Citi Handlowy participated in the Olsztyn Equality Parade, during which the Bank's employees expressed their support for diversity. We were also one of the main sponsors of the 2024 LBGTQ+ Diamond Awards Gala. As part of a charity campaign organized during the holiday season, Citi Handlowy supported initiatives for the LGBTQ+ community organized by Stonewall. Members of the employee network and Management Board collaborated within the LGBTQ+ Reverse Mentoring program.
- The Citi Disability Network creates a space open to disabilities in all their forms – both for employees and their loved ones, as well as for the Bank's clients.
  The Citi Disability Network raises awareness about the situation of disabled people – inside and outside the organization – so that everyone feels respected and understood at work, and teaches how to talk about their needs and properly understand the needs of others. The network carries out regular activities.

  The mission of Citi Disability Network:
  - to spread knowledge about disability,
  - to initiate conversations about taboo topics and create experience-sharing platforms,
  - to organize meetings and workshops,
  - to promote a healthy lifestyle and regular check-ups.

The implemented and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

Diversity at Citi Handlowy in figures[41] [S1-9]

Number of employees	2024
Number of employees under 30 years of age	400
Percentage of employees under 30 years of age	13%
Number of employees aged 30 to 50	2,239
Percentage of employees aged 30 to 50	73%
Number of employees over 50 years of age	412
Percentage of employees over 50 years of age	13%

Gender distribution by number in top management[42]	2024
Female	6
Male	7
Other	0
Total	13
Percentage gender distribution in top management	**2024**
Female	46%
Male	54%
Other	0%

The Bank conducts a regular *Voice of Employee* survey to examine the effectiveness of its activities, including in the area of diversity. In the survey, employees respond to the following statements: “The atmosphere in my team is supportive and appreciative of diverse perspectives,” “People with diverse backgrounds have an equal opportunity to succeed at the Bank,” “I can be myself at work,” “I feel I belong at Citi,” “Leaders demonstrate support for diverse backgrounds and ideas through their decisions and actions,” and “I feel appreciated as a Citi employee.” In 2024, 92% of employees declared that their direct manager promoted diversity and inclusiveness in the team.

Pay indicators [S1-16]

When building its remuneration policy, Citi Handlowy Bank hinges it on the best market practices and takes into consideration corporate governance requirements, market trends and the organization's standing and potential.

The Bank determines the level of employee remuneration based on the experience and competencies required for a given position, performance assessment, present remuneration, and the position against a new group of employees and the market.

The Bank understands the market as data from reports of the consulting firm that cover positions in other organizations that are similar to positions in the Bank in terms of duties, skills and responsibilities.

Levels of remuneration are reviewed on an annual basis taking into account the employee’s annual assessment, skills and responsibilities versus data from market research concerning the level of remuneration in the industry.

[41]These indicators include all employees of Bank Handlowy w Warszawie S.A. on the last day of the year (reporting period).

[42] President of the Bank’s Management Board and Managers reporting directly to the President of the Bank’s Management Board.

As defined by the ESRS S1-16 standard, the pay gap between female and male employees based on the arithmetic mean and the ratio of the highest earner's pay to the median employee pay is:

The percentage gender pay gap between female and male employees – an indicator based on the arithmetic mean calculated on the basis of average gross hourly rates, determined on the basis of the annual total gross remuneration[43]	32,36 % (i.e. the average remuneration of women was 67,64 % of the average remuneration of men).
The ratio of the highest earner's remuneration to the median employee remuneration	27.0

As the pay gap based on the arithmetic mean is predominantly driven by the employment structure, the Bank also presents, as contextual information, the adjusted pay gap that allows for a more accurate verification of potential remuneration inequality and identification of areas that need attention.

The percentage gender pay gap between female and male employees – an adjusted indicator calculated on the basis of average gross hourly rates, determined on the basis of total gross annual remuneration[44]	1.47% (i.e. the average remuneration of women was 98.53% of the average remuneration of men).
The percentage gender pay gap between female and male employees – an adjusted indicator calculated on the basis of average gross hourly rates, determined on the basis of annual gross base remuneration[45]	1.56% (i.e. the average remuneration of women was 98.44% of the remuneration of men).

Every year, during the annual remuneration review, the Bank analyzes remuneration in terms of pay equality and does not rule out allocating additional funds for this purpose in subsequent years. In previous years, as well as during the annual remuneration review in 2024, the Bank analyzed and indicated areas that require special attention when planning pay increases in order to gradually increase pay equality between women and men.

[43] All employees employed by the Bank as of 31 December 2024 were included in the calculations.
The analysis excludes employees hired after 1 October 2024 (i.e. those recruited during the three months before the end of the year for which the variable remuneration was awarded) and employees who did not work for at least three consecutive months in 2024. The calculations were made based on the remuneration awarded for 2024 (and not the remuneration paid in 2024). Part-time employees were converted to full-time equivalents and the remuneration of employees who did not work the full year was annualized for the purposes of further calculations.
The gross hourly rate for individual employees was determined by dividing the total annual gross remuneration by 252 working days in 2024, and then by 8 working hours resulting from full-time work, to which all rates were previously converted.
The pay gap ratio based on the arithmetic mean was calculated according to the following formula: (average gross hourly rate of men – average gross hourly rate of women) / average gross hourly rate of men.

[44] Both the population covered by the analysis and the hourly rate for individual employees were calculated in a similar way to the pay gap based on the arithmetic mean.
The adjusted pay gap ratio was calculated using the weighted method as described below:

- The Bank's employee population was divided into groups describing the assignment of employees to pay grade levels, a given location and the appropriate family for a given position (Job Family), according to the organizational structure as of 31 December 2024,
- for each such group of employees, the average pay of women and the average pay of men were calculated, converted to the average hourly rate, and then the pay gap ratio was calculated according to the following formula: (average gross hourly rate of men – average gross hourly rate of women) / average gross hourly rate of men,
- if, for the purposes of calculating the ratio, there were no women or men employed in any of the distinguished groups, this group was excluded from further analyses,
- for each group, a weight was determined, i.e. the share of this group in the population of the entire Bank that was the subject of the analysis,
- the ratio for the entire Bank was calculated as the sum of the products of the ratios of each group and the weight of a given group.

[45] The calculation process for determining the adjusted pay gap based on the annual gross base salary is the same as that for determining the adjusted wage disparity based on the annual gross base remuneration. The annual gross base remuneration used to calculate the hourly rate was determined by annualizing the employees' December pay, previously adjusted to the full-time level.

3.1.7 *Incidents and complaints [S1-17]*

Each employee of the Bank may anonymously report a violation of ethical standards via the Ethical Helpline of the competent member of the Management Board. It is a special, independent and autonomous communication channel in the form of a separate telephone line of a member of the Management Board and postal address for correspondence. Anonymous reports are directed to the relevant member of the Management Board in charge of the Risk Management Sector or the Financial Markets and Corporate Banking Sector (in the case of employees of the Bank's Brokerage Department) – by phone or by letter via the Ethical Helpline. Reports concerning a member of the Management Board may be directed to the Supervisory Board – by letter or electronically.

Each employee of Citi Handlowy Bank is obliged to report immediately any unethical behavior. The rules for reporting violations are described in the *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Ethics)*.

The Bank has implemented the *Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)* , which describes the principles under which employees and former employees of Citi Handlowy Bank and job candidates may report undesirable behaviors in the work environment: discrimination, mobbing, harassment, and sexual harassment, as well as the procedure for handling such complaints.

Employees are obliged to report any business issues that may pose a potential threat to the interests or reputation of the Bank to their managers, employees of the Independent Control and Operational Risk Department, employees of the Legal Division or employees of the Compliance Division, and in cases that cover employee-related issues – in accordance with the *Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)*.

The Bank conducts a thorough investigation regardless of whom the questions and doubts raised concern.

In 2024, through the channels for reporting problems by employees, Citi Handlowy Bank received one complaint subject to examination in accordance with the employee complaint procedure, which allows for reporting undesirable events. In accordance with the procedure, undesirable events include unequal treatment, discrimination, including mobbing, and harassment. The investigation revealed no undesirable events, in particular those indicating discrimination, including harassment.

In 2024, there were two incidents concerning employees and potential violations of human rights. These were two lawsuits filed by employees in labor law cases. According to the ESRS definition, they do not concern serious incidents concerning respect for human rights. As of the date of this statement, both lawsuits are pending. In 2024, the Bank did not record any complaints filed with the OECD National Contact Points for Responsible Business Conduct handling notifications of violations of the OECD Guidelines for Multinational Enterprises, including in the labor area.

In 2024, the total amount of fines, penalties and compensation for damages resulting from incidents that took place in previous reporting periods amounted to PLN 36,537.42 – this is the amount of compensation awarded in employee-related court cases. This amount is not material compared to the most adequate amount disclosed in the financial statements for 2024, i.e. "Other costs", which amounted to PLN 45,220,000 (the amount is 0.08% of Other costs). During the entire reporting period, the Bank was not punished for violations of employee rights.

3.2 Clients of Citi Handlowy Bank

3.2.1 *Impacts of the Bank on clients and strategic approach [SBM-3]*

Through its activities, the Bank affects all client groups:

- Consumer Banking Segment:
  - Citigold Private Client (CPC) clients – clients with a net balance of at least PLN 4 million and a CPC account,
  - Citigold clients – clients with a net balance of at least PLN 400,000 and a Gold account,
  - other clients.
- Institutional Banking Segment:
  - corporate clients – the largest local corporations of great strategic importance and annual turnover exceeding PLN 2 billion, the largest financial institutions and public sector clients (including key ministries) with needs in the area of capital transactions,
  - global clients – subsidiaries of all international corporations and financial institutions that are global clients of Citi,
  - commercial banking clients – clients with turnover from PLN 40 million to PLN 2 billion.

The double materiality assessment identified four important topics in the client area: cybersecurity and information security, inclusiveness towards clients, financial education for clients, and responsible market practices:

Material topic	Description of a significant impact or opportunity	Place of concentration	Type	Time perspective
Cybersecurity and information security	**The Bank has a positive impact on cybersecurity and information security – it designs and maintains physical, electronic and procedural safeguards that protect client information.** The Bank requires its vendors to meet security standards and follow procedures, and in this way protects its physical and digital assets, including client data.	Downstream value chain	Real positive impact	Short-, medium- and long-term
Client inclusiveness	**The Bank has a positive impact on its clients – it establishes rules, organizes training and develops systems to prevent discrimination**, thus promoting financial inclusion and equal access to financial products and services. Supporting inclusiveness towards clients creates **an opportunity to diversify the client base**, which can translate into higher revenues of the organization.	Downstream value chain	Real positive impact and an opportunity	Short-, medium- and long-term
Client education	Direct and indirect educational programs through which clients can enhance their financial knowledge are **an opportunity for the Bank to increase retention, maintain client confidence** and for ongoing growth in financial value through the potential growth of acquisition and revenues.	Downstream value chain	Opportunity	Short-, medium- and long-term
Responsible market practices	**The Bank has clear and transparent product and service policies**, which give clients and counterparties the confidence that the organization actively prevents improper use of its services and products. This **increases trust in the Bank and can enhance its reputation as a responsible business partner,** which can also have a positive impact on the Bank's revenues.	Downstream value chain	Real positive impact and an opportunity	Short-, medium- and long-term

The description of the approach to managing client-related topics presented in this chapter covers primarily individual clients of the Bank. This is due to the definition of the term “consumers and end-users” in the ESRS S4 standard, which defines this group as individuals. Individual clients are an important group of the Bank's stakeholders, which is why both the Bank's Strategy for 2022–2024 and the new Strategy for 2025–2027 set goals for this group of clients. Due to the fact that when the Strategy for 2025-2027 was adopted no further decisions were taken regarding implementation of the potential sale of Consumer Banking, the Bank's Strategy assumes further functioning of the segment within the Bank’s structures and, therefore, focuses on efforts aimed at maintaining the segment’s value and profitability and on offering clients the highest quality of customer service in all channels and segments.

3.2.2 *Cybersecurity and information security*

The role and obligation of the Bank, as a public trust institution, is to protect information entrusted to it by its individual clients, including individuals employed by institutional customers but using Citi Handlowy's banking services. The Bank has implemented policies, set goals and takes actions to meet its obligations in the area of cybersecurity and information security.

Cybersecurity Management Policies [S4-1 MDR-P]

Information security and protection of personal data of the Bank's clients have been regulated in adopted, implemented and strictly observed policies and standards. The most important of them are:

- *Information Security Rules,*
- *IT Security Standards,*
- *Principles of Conduct in Case of Information Security Breach Incidents,*
- *Rules for Personal Data Protection at Bank Handlowy w Warszawie S.A.,*
- *Client protection from fraud – the process of monitoring and blocking suspicious transactions.*

Those documents are in line with the UN Guiding Principles on Business and Human Rights. No significant changes were made to these regulations in 2024.

The Bank's approach to human rights – including those particularly important to clients – is regulated in the *Code of Conduct for Employees (Code of Ethics).* The *Code of Ethics* is in line with the principles set out in the United Nations Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. The *Code* describes, among other things, the obligation of employees to comply with the principles of protecting bank secrecy, including client data. Employees have an obligation to protect all personal data and confidential information from misuse by third parties, not to disclose them to any unauthorized persons and to use them and permit their use only for permitted purposes. The *Code* does not describe how the Bank cooperates with clients to protect their personal data (this issue is regulated in separate *Rules for personal data protection at Bank Handlowy w Warszawie S.A.*). In accordance with the regulations, in the event of irregularities concerning personal data employees are obliged to inform their manager, the Data Protection Bureau and the Information Security Bureau.

When setting the objectives for the adopted regulations, the Bank was guided by applicable legal provisions, regulatory guidelines, the current and expected geopolitical situation, plans for technologies implemented around the world and knowledge obtained from business partners, including Citi Group.

Information Security Rules

The *Information Security Rules* are the basic standards of information security. They apply to all units of the Bank and concern employees, contractors, vendors and clients. The *Rules* are the basis for the functioning of the Information Security Management System and cover, among other things:

- human resources security,
- asset management,
- access control,
- cryptography,
- physical and environmental safety,
- safe operation of equipment,
- communication security,
- incident management,
- information security in business continuity management.

The *Rules* ensure an appropriate level of security and define the requirements and standards that apply throughout the Bank. Their content is consistent with the elements of the ISO 27001 standard – the Bank has a certificate of compliance with this standard, as well as with ISO 22301 and 20000. Oversight over compliance with the *Information Security Rules* is carried out by the Information and Communications Technology and Information and Communications Security Committee, and the Head of the Information Security Management Division is responsible for their implementation. The *Rules* are available to all employees on the intranet and are part of mandatory training for all employees.

IT Security Standards

The *IT Security Standards* overlap with elements of ISO 27001 and refine the cybersecurity guidelines determined in the *Information Security Rules*. They are designed to ensure a sound level of IT security – they describe the scope of requirements and technology standards for Citi Handlowy Bank's systems, in particular regarding, among other things, authentication, cryptography, key and certificate management, event logging standards, and data security and protection. They introduce a number of processes that are monitored on an ongoing basis by the teams of the Information Security Management Division. The Head of the Technology Division is responsible for the implementation of the *Standards*, and the ICT and ICT Security Committee oversees the implementation of their provisions.

The provisions regarding the protection of data and information of clients and the Bank apply in particular to employees of the Technology Division and the Information Security Management Division. They also affect the business partners and vendors of Citi Handlowy Bank both in Poland and other countries. Indirectly, the policy also affects some stakeholder groups, including business application owners, systems control teams and control units. The *Standards* are available to employees on the Bank's intranet and are part of mandatory training for all employees.

Principles of Conduct in Case of Information Security Breach Incidents

The *Principles of Conduct in Case of Information Security Breach Incidents* have been developed to ensure confidentiality, integrity (including authenticity) and availability of information and systems and thus guarantee an appropriate level of security. The *Principles* introduce a coherent process for identifying, reporting, explaining, recovering and resolving information security issues. They describe how to identify and mitigate the risk of information security breaches and how to effectively respond to events. The *Principles* specify how the Bank analyzes individual incidents to check whether regulatory reporting is necessary and include requirements for the process of reporting to the competent authorities. The Bank monitors incoming reports so that it can respond appropriately to incidents. In addition, reports are periodically reviewed for quality and timely handling.

The requirements of the *Principles* overlap with the incident management elements of ISO 27001. The Policy introduces a number of processes that are monitored on an ongoing basis by the teams of the Information Security Management Division. The results of their activities are presented at a meeting of the ICT and ICT Security Committee.

The *Principles* apply to all business units and all employees. They also affect business partners, vendors and other stakeholders in identifying, reporting and managing security incidents.

The Head of the Information Security Management Division is responsible for implementing the *Principles of conduct in case of information security breach incidents*. The document is available to employees on the Bank's intranet and its regulations are part of mandatory employee training.

Rules for Personal Data Protection at Bank Handlowy w Warszawie S.A.

The *Rules for Personal Data Protection at Bank Handlowy w Warszawie S.A.* are intended to ensure that the Bank operates in compliance with the regulations concerning the protection of personal data. They define all aspects related to the processing of all personal data in each organizational unit of the Bank, regardless of the physical location of the processing equipment. The *Rules* are applied to data located, for example, in IT systems, files, indexes, books, lists, forms and agreements. The *Rules* are there to help prevent:

- undesirable modification of data,
- unauthorized or accidental destruction of data,
- unauthorized or accidental access to data,
- obtaining or disclosing data against the law,
- other cases of processing in violation of personal data protection regulations.

The policy is a manifestation of the Bank's determination to ensure compliance with legal regulations and the regulator's recommendations, as well as to identify and assess risks. The regulation applies to all employees without exception and concerns the processing of personal data both at the Bank and third parties, and applies to various stakeholder groups. Its content refers in particular to the Regulation of the European Parliament and of the Council (EU) on the protection of individuals with regard to the processing of personal data and on the unrestricted movement of such data and the national Personal Data Protection Act. Its provisions also coincide with the elements of the ISO 27001 standard in the scope of security control at vendors.

Once every three months, the Bank reviews the *Rules* and, if necessary, modifies their content to take into account legal changes and the guidelines and decisions of the regulator. The document and the introduced changes require an opinion and all relevant stakeholders in Citi Handlowy Bank are informed about their content. Once a year, the Management Board receives a report describing possible cases of personal data breaches.

Rules for Personal Data Protection at Bank Handlowy w Warszawie S.A. are available to employees on the Bank's intranet. They are also part of mandatory training for all employees. The Data Protection Bureau is responsible for the policy and the Bank's units are responsible for implementing its principles in the processes. The relevant Personal Data Processing Coordinators oversee the process of collecting full and uniform information on the processing of personal data in the Bank's organizational units and their further transfer to the Data Protection Bureau.

Client protection from fraud – the process of monitoring and blocking suspicious transactions

Client protection from fraud – the process of monitoring and blocking suspicious transactions is a set of operational procedures that are intended to reduce the number of fraudulent transactions and protect the funds of clients of Citi Handlowy Bank. The Bank monitors alerts from internal systems, analyzes transaction data in search of chains of suspicious events and updates prevention and detection rules. This is carried out throughout the Bank's value chain. Procedures restricting suspicious transactions are applied without exception, and they refer, among other things, to regulations on the protection of consumer interests and PSD2 – the EU Payment Services Directive.

Protection procedures take into account the interests of all clients and minimize the likelihood of transactional fraud and the use of stolen personal data by criminals, for example to take a loan. Client protection rules are confidential and the Bank does not reveal them to the public. In addition, the Bank works with a wide range of stakeholders (external suppliers of technological security, suppliers from the Citi Group and CSIRT KNF[46]) to improve its protection policies and techniques. Reviews of protection procedures take place periodically in accordance with internal regulations. Information on the effectiveness of the process is presented to the Risk Committee and the Business Risk, Compliance and Controls Committee (BRCC).

The Bank informs its clients about threats and safe use of payment instruments – it publishes newsletters, announcements on the Bank's website, on social media and in the online banking system. This information is also sent to employees. The procedures and their changes require an opinion and all relevant stakeholders in the Bank are informed about their content.

Cybersecurity targets [S4-5, MDR-T]

The Bank has not set quantitative cybersecurity targets; instead, the Bank monitors progress in this area through designated ambition levels derived from the policies described above.

Cybersecurity activities [S4-4 MDR-A]

The Bank undertakes cybersecurity activities thanks to the involvement of employees who use their knowledge and experience, systems and applicable regulations to manage significant impacts. Cybersecurity activities include:

- weekly meetings of employees of the Information Security Management Division with employees of the Technology Division. Meeting participants analyze the extent to which individual requirements have been met, discuss key changes in processes, and escalate issues that require such action. Qualitative and quantitative information is compiled in the form of minutes after such meetings and in the form of records used in control processes.
- regular security checks at selected vendors of the Bank. Such checks are visits to vendors or online meetings during which the Bank's requirements and the degree to which the vendor meets them are discussed. Qualitative and quantitative information from such checks is presented at a meeting of the ICT and ICT Security Committee. Those activities are financed from the budget of the Information Security Management Division.
- mandatory training for new employees and annual, comprehensive information security training for all employees, and:
    - annual "Information Security Week" for all employees,
    - meetings with information security experts, depending on the needs of particular units,
    - a special page on Citi Handlowy Bank's intranet dedicated to information security, along with specially prepared guidelines for all employees,
    - quarterly phishing tests covering all employees of the Bank.

    Information on the conducted trainings, the "Information Security Week" and the results of phishing tests are presented at a meeting of the ICT and ICT Security Committee. Training is financed in accordance with the standard budgeting process.
- educational and information activities and monitoring of transactions involving all payment instruments to counteract fraudulent transactions. Technology projects that improve client security and the effectiveness of transaction monitoring are financed in accordance with the standard budgeting process.

The executed and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

Cooperation for cybersecurity [S4-2]

The Bank cooperates with its clients to increase information security. An important part of this process is cooperation with authorities representing the interests of consumers (including the Office of Competition and Consumer

[46] Computer Security Incident Response Team of the Polish financial sector

Protection, consumer ombudsmen and the Financial Ombudsman), as well as with regulators (including the Polish Financial Supervision Authority – PFSA and the Personal Data Protection Authority). In addition, Citi Handlowy Bank responds directly to reports or requests and recommendations from authorities and regulators. In addition, every year the Bank undergoes a supervisory review and evaluation process during which the PFSA evaluates the Bank's operations and recommends necessary changes. The Compliance Department for Regulations and Regulatory Relations is responsible for this cooperation.

Cooperation with clients is carried out at the Bank through complaint handling processes, satisfaction surveys, Citiphone, branches and online and mobile banking systems. If submitted comments concern cybersecurity, the Bank checks whether policies and processes require modifications. Citiphone Managers are responsible for this cooperation.

3.2.3 *Client inclusiveness*

The Bank treats relations with stakeholders as a priority and actively counteracts discrimination of clients. Through its policies, goals and actions, it creates an inclusive business environment.

Client inclusiveness policies [S4-1 MDR-P]

Citi Handlowy Bank has regulated inclusive banking in the *Procedure for handling requests for providing documents to persons with special needs.*

That document is in line with the UN Guiding Principles on Business and Human Rights. No significant changes were made to it in 2024.

A description of other policies relating to the proper conduct of the Bank's employees towards clients is included in the subchapter Responsible Market Practices.

The Bank's approach to human rights – including those relating to clients – is regulated in the *Code of Conduct for Employees (Code of Ethics)*. The *Code of Ethics* expressly prohibits discrimination against prospective or actual clients on the basis of race, gender, religion or other factors (which are not credit risk factors). Any reports on violations of ethical principles and cases of discrimination are thoroughly examined by the Bank.

Procedure for handling requests for providing documents to persons with special needs

The *Procedure* specifies the principles and method of making bank documents available to persons with special needs. The *Procedure* is consistent with the *Act on ensuring accessibility for persons with special needs* and the *Banking Law* and specify the categories of documents that the Bank makes available to persons with special needs. These are general terms and conditions of agreements, including model agreements and regulations, and documents listed in Article 111 of the Banking Law. Every person with special needs – whether a client or not – may ask the Bank for documents in the form of:

- Braille printout,
- recordings in Polish sign language,
- audio recordings,
- print with font size adjusted to their needs.

In the *Procedure,* the Bank undertakes to prepare and deliver such documents within seven calendar days of the request.

This regulation applies to all employees of the Consumer Banking Segment and employees serving clients or prospective clients with special needs, as well as to regulators and supervisory bodies, as it takes into account supervisory requirements and mandatory provisions of law. The purpose of the *Procedure*, which is to increase the availability of services for people with special needs, was not consulted with clients and was determined on the basis of mandatory provisions of law.

The Electronic Banking Development and Customer Experience Management Department is responsible for preparing, distributing and monitoring the policy. The Procedure is available to employees in an internal IT system. The Bank does not make the Procedure available to clients; however, they can find information on the application process on the Bank's website. In 2024, the Bank did not receive any request for access to documents in accordance with the *Procedure for handling requests for providing documents to persons with special needs.*

Client inclusiveness targets [S4-5, MDR-T]

The Bank has not set quantitative targets for client inclusiveness; instead, the Bank monitors progress in this area through designated ambition levels derived from the policy described above.

Client inclusiveness actions [S4-4 MDR-A]

The Bank's employees monitor actions related to inclusiveness on an ongoing basis and the Bank adapts its branches to meet the needs of its clients. The vast majority of the Bank's branches are located in large commercial centers equipped with a lift and infrastructure to facilitate access for clients with disabilities. The vast majority of the Bank's ATMs have free[47] architectural access – without barriers for clients in wheelchairs. ATMs are equipped with functions that make them more accessible to clients with visual or hearing impairments and with impaired motor skills, as well as to clients with epilepsy.

The implemented and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

Collaboration for Inclusiveness [S4-2]

The Bank works with its clients to increase its inclusiveness. A key element of this process is the Net Promoter Score (NPS) client survey. During a phone call, clients can provide comments on any area of interaction with the Bank, including its potential non-inclusive approach. In addition, clients can provide feedback as complaints or inquiries addressed directly to the Bank.

Client opinions and problems reported in NPS surveys are discussed at regular meetings of the Consumer Banking Customer Experience Council with the participation of management and at working group meetings attended by the Marketing Research Bureau, a representative of the unit responsible for a given contact channel or product and representatives of the Customer Experience Management Bureau. Comments and remarks made by clients often become the basis for decisions to implement improvements and changes.

NPS surveys are done in a continuous process. The Bank sends questionnaires to persons selected based on specific criteria (*top-down research*) or asks clients about their last interaction with the Bank (*bottom-up research*). This cooperation is supervised by senior managers supported by the Consumer Banking Customer Experience Council, which summarizes the activities and their results. The effectiveness of the actions taken is assessed based on the number of complaints reported to the Bank.

3.2.4 *Client education*

The Bank is aware of its responsibility associated with providing financial services. Proper education of clients about finance and the economy may be an opportunity for the Bank to increase their trust and, as a result, to improve the security of management of the Bank's capital.

Policies related to increasing financial knowledge of clients through education [S4-1 MDR-P]

Financial and economic client education policy

In 2024, the Bank adopted its *Financial and economic client education,* which is implemented in the Consumer Banking Sector by the Internet Marketing Department. The *Policy* describes the Bank's approach to expanding client's knowledge of available financial solutions and safe use of electronic and mobile banking and online payments, and also defines the Bank's responsibility in this regard. Proper education of clients about finance and the economy is an opportunity for the Bank to increase their trust and, as a result, to improve the security of management of the Bank's capital. That document is in line with the UN Guiding Principles on Business and Human Rights.

The Bank shares its knowledge with individual clients so that they can better understand financial concepts, learn the essence of the products and services offered by the Bank and be aware of both financial opportunities and risks. Such knowledge will make it easier for them to make financial decisions.

[47] Free access means no steps, no thresholds, a flat floor, the ability to directly approach and manoeuvre a wheelchair (no doors, tight spaces, etc.), as well as placing key contact points on the ATM (keyboard, card slots, banknote slots) at a height that allows for use by a wheelchair user.

The Bank has adopted the following guidelines for responsible education and communication:

- disseminate knowledge of electronic banking, cybersecurity and available financial solutions,
- build the image of the Bank as a public trust institution,
- promote informed financial decisions and a responsible approach to risk,
- provide clients using financial services with the access to basic and up-to-date information, and therefore provide them with information that is clear, understandable and free of specialist jargon.

In accordance with the *Policy*, financial education programs conducted by the Bank are fair, transparent and objective, respond to the needs of consumers and are consistent with the *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A.* (*Code of Ethics*).

At least once a quarter, the Internet Marketing Department prepares financial education materials and publishes them on social media, on the website or in the banking application, sends it by email or organizes special webinars. The Department, in consultation with the Customer Experience Management Bureau, prepares an action plan, the execution of which in the past year is reported to the Vice President of the Management Board of Bank Handlowy for Consumer Banking in December.

The *Financial and economic client education policy*, which is implemented in the Consumer Banking Sector by the Internet Marketing Department, is binding on all employees participating in the preparation of educational materials addressed to individual clients. The *Policy* is developed, issued and monitored by the Internet Marketing Department, which is also responsible for the implementation of its provisions. The *Policy* is available to employees on the Bank's intranet. The *Policy* and any changes to it are reviewed by all relevant stakeholders in the Bank. The document will be updated in connection with changes in legal regulations, supervisory requirements and market standards. The objectives of the *Policy* have not been consulted with consumers or end-users.

Client education targets [S4-5, MDR-T]

The Bank has not set quantitative targets for client education; instead, the Bank monitors progress in this area through designated ambition levels derived from the policy described above.

Actions taken to increase financial knowledge of clients through education [S4-4 MDR-A]

- Organizing online educational meetings, open to everyone – both clients and people not associated with the Bank. Those meetings cover topics related to banking, the current market situation and wealth management, and topics of public interest. The overarching goal of the meetings is to educate and build client awareness; references to the Bank's products may appear during such meetings. In 2024, nine meetings were held with Citi Handlowy Bank's experts and external specialists (including Professor Witold Orłowski), attended by 3,742 persons. The meetings covered, among other things:
  - *family foundations and succession,*
  - *trends in the economy predicted for 2025 related to the use of the potential of investing in real estate, and forecasts for the foreign exchange market,*
  - *innovations related to the use of artificial intelligence,*
  - *online security news.*
- "Investment Barometer", which is a monthly publication describing the situation in global financial markets prepared by experts from the Investment Advisory and Mutual Funds Bureau. The "Investment Barometer" is sent to more than 30,000 clients of the Bank.
- Cyclic information campaigns for clients on cybersecurity, which provide them with access to current knowledge on potential threats and safe online behavior patterns. Activities carried out through various communication channels include:
  - *sending four newsletters containing information on online security and cyberattacks,*
  - *publishing 7 news items on the website on threats and frauds and infographics for download,*
  - *creating a new section on the Security page dedicated to the possibility of restricting the PESEL number,*
  - *distributing a security leaflet via the Bank's branches,*
  - *cybersecurity banners in the Citi Mobile application and on the Citibank Online platform,*
  - *publishing 26 different information materials on current threats on social media – all these publications generated reach to over 1.6 million unique users, who viewed them over 2.9 million times and clicked on the link over 5,000 times;*
  - *organizing a contest on online safety. Clients who correctly answered questions about safety could receive an Allegro voucher worth PLN 50. 6,015 clients participated in the contest.*
- In 2024, six video materials were produced as part of the campaign to raise awareness of the features and functions of a credit card. The campaign included materials explaining:
  - *financial flexibility provided by a credit card*;
  - *how to use a credit cards when travelling*;
  - *interest free period*;
  - *how to use a credit card as a credit history building tool.*

Those materials were promoted on YouTube, TikTok and Facebook. Each of those materials reached an average of 3 million unique users.

- Educational activities of the Leopold Kronenberg Citi Handlowy Foundation – the foundation focused on activities related to financial education and entrepreneurship, including:
    - cooperation with the ASHOKA Foundation, the THINK! Foundation, the Mamo Pracuj Foundation, the Entrepreneurial Women Network Foundation, the Perspektywy Foundation and the Olsztyn Food Bank. Its elements included educational meetings for young women who want to develop their own businesses and establish start-ups in the STEM industry,
    - preparation, together with the THINK! Foundation, of the annual research report "Poles' Attitudes Towards Finance,"
    - participation in business and economic conferences dedicated to financial education (EFNI and EFC) and ESG or partnership with their organizers (ESG FOB Ideas Fair Conference),
    - cooperation with the Nasz Wybór Foundation in organizing webinars prepared by Citi volunteers for refugees from Ukraine.

  In addition, the foundation conducted activities financed globally by the Citi Foundation as part of the programs Business in Women's Hands, Hello Entrepreneurship, Welcome, Shesnnovation Academy, Entrepreneurship Development Program, and Food is the Greatest Human Need. In 2024, the foundation hosted two discussion panels on youth entrepreneurship and financial education during the European Financial Congress and the European Forum for New Ideas. Additionally, in June 2024, during the European Financial Congress, the foundation, together with the Think! Foundation, organized a panel "Euro or Zloty – what do young people prefer?"

  In 2024, Citi volunteers carried out webinars for beneficiaries of the Nasz Wybór Foundation, including on the topic of professional development in the IT industry.

The implemented and planned activities do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

3.2.5 *Responsible market practices*

The market practices applied by the Bank as a financial institution, including client-related practices, are strictly regulated by Polish and European law. Thanks to the proper application of this law, as well as internally implemented policies, goals and actions, the Bank has the opportunity to build long-term relationships with its clients.

Policies related to responsible market practices [S4-1 MDR-P]

The Bank follows responsible market practices. It is supported in this by the regulations it has implemented and complies with, for example:

- *Rules of proper treatment of clients at Bank Handlowy w Warszawie S.A.*
- *Conduct Risk Management Policy at Bank Handlowy w Warszawie S.A.*
- *Business Activity Management Policy at Bank Handlowy w Warszawie S.A.*
- *Rules for development of Special Offers for Consumer Bank Sector Customers of Bank Handlowy w Warszawie S.A.*
- *Rules of creating marketing materials and assessing the suitability of marketing campaigns at Bank Handlowy w Warszawie S.A.*
- *Rules for the preparation of marketing materials in connection with the provision of investment or investment-linked insurance services by the Bank.*

Those documents are in line with the UN Guiding Principles on Business and Human Rights. No significant changes were made to these regulations in 2024.

The Bank's approach to human rights – important for clients in the context of responsible market practices – is regulated in the *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A.* (*Code of Ethics*). The document refers to the principles set out in the United Nations Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

Under the *Code*, employees are required to escalate issues that pose or may pose a risk to the Bank's operations, including identified activities that may have negative impacts on human rights, taking into account the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, so that the Bank can effectively manage emerging issues.

The *Code* also stipulates that the Bank supports free trade and fair competition in the financial markets. The Bank does not engage in any practices that are deceptive, misleading, fraudulent or unfair.

In terms of respect for clients, the Bank declares that it conducts its business activities responsibly, which is achieved, for example, by respecting and caring for human rights and preventing negative human rights impacts in caring for and considering the interests of its clients. In its activities, the Bank takes into account internationally recognized standards set by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. When applying the principles of respect for clients, the Bank takes into account the needs of consumers, especially those who may be vulnerable or in a disadvantaged situation, and also recognizes the challenges that e-commerce may pose to consumers. The Bank implements the due diligence process in relation to human rights through an adequate management system, meeting the requirements of regulations dedicated to entities in the financial sector, while declaring the inclusion, in the processes of adapting to legal and regulatory requirements, of the expectations arising from the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises in the Bank's management processes.

The Bank makes every effort to ensure that its operations are consistent with fair business, marketing and advertising practices and that all reasonable steps are taken to ensure the quality and reliability of the products it offers.

Rules of proper treatment of clients at Bank Handlowy w Warszawie S.A.

The *Rules of proper treatment of Customers at Bank Handlowy w Warszawie S.A.* apply to all employees of the Bank and set out the principles for analyzing products and their matching to a client's needs, as well as marketing materials and advertising messages[48] . The *Rules* are intended to ensure that:

- each product has been developed with the needs of a specific client group in mind and is dedicated to a target market and target client group,
- product information in offers and advertisements is understandable and appropriate,
- products are as intended in their description, client contract and marketing materials,
- agreements contain general terms and conditions for offering products and clear provisions regarding product features, conditions for making changes and – in the case of consumers – clauses regarding the complaint and grievance process,
- clients are treated and served appropriately, in accordance with the principles of due diligence.

In accordance with the *Rules*, all organizational units of the Bank providing services or serving clients are required to exercise due diligence at all levels of the Bank's operations, including when creating new business activities and marketing materials. In particular, they are required to ensure that:

- products meet potential needs of clients,
- characteristics of products, transactions and services are transparent and employees demonstrate extensive knowledge of counteracting greenwashing,
- the Bank thoroughly examines ESG preferences of clients,
- sustainability statements, declarations, commitments, information of the Bank are verifiable, transparent, restrained, proportionate and in line with the Bank's sustainability strategy,
- the Bank analyzes the actual value of the product for the client, including the costs and risks associated with the offered product,
- prices, contractual penalties and other fees related to the product are adequate and proportionate,
- nature and design of the product take into account the needs of clients, in particular their individual situation, knowledge and experience in the financial market and, where justified, the desired duration of the contract and the level of acceptable risk,
- employees of the Bank who are offering the product undergo the required training,
- rules apply that allow the client to withdraw from or terminate the product agreement,
- clients have the right to file complaints and grievances and to receive responses containing full and exhaustive factual and legal justification,
- persons offering products are properly prepared for this – among other things, thanks to the training they participate in – so that the information they provide is reliable and the explanations are understandable.

The Compliance Division is responsible for developing, issuing and monitoring the policy, while the first line of defense units are responsible for its execution and implementation. Once a quarter, the Product Compliance Bureau tests the implementation of and compliance with the guidelines for marketing materials and special offers that are not subject to ongoing verification. The Bank has an escalation and monitoring system for possible irregularities. The Compliance Division also conducts training on the *Rules* and decisions issued on their basis. Such training is mandatory for all employees. The *Rules* apply without exception.

[48]Excluding investment products and investment-linked insurance products for which the MIFID appropriateness test is mandatory.

The *Rules* contain references to many external standards, including:

- Banking Law,
- Act on combating unfair competition,
- Act on preventing dishonest market practices,
- Act on the protection of competition and consumers,
- Civil Code,
- Telecommunications Law,
- Act on the provision of services by electronic means,
- Recommendation S of the Polish Financial Supervision Authority regarding good practices in managing mortgage-secured credit exposures,
- Recommendation T of the Polish Financial Supervision Authority on good practice related to the management of risk of retail credit exposures,
- Recommendation U of the Polish Financial Supervision Authority on good bancassurance practices,
- approach of regulators, in particular decisions of the President of the Office of Competition and Consumer Protection regarding the infringement of the collective interests of consumers and the approach of the Polish Financial Supervision Authority, the Office of the Polish Financial Supervision Authority and the Financial Ombudsman,
- The Code of Good Practices, to which Citi Handlowy Bank has acceded, in particular the Corporate Governance Principles, Good Practices for consumer credit advertising standards and the Advertising Code of Ethics.

The *Rules* take into account the interests of clients to ensure that they are treated professionally and equally. They obligate all employees of the Bank to eliminate any activities that may be misleading, inconsistent with due diligence standards or laws, or abusive.

The *Rules* are available to employees on the Bank's intranet. The regulation and its amendments are reviewed by all relevant stakeholders in the Bank. Its objectives are established on the basis of legal regulations and supervisory guidelines as well as good market practices. In addition, Citi Handlowy Bank regularly analyzes consumer opinions expressed, for example, in complaint notifications and customer satisfaction surveys and if it finds any irregularities or reservations concerning the areas regulated by the *Rules*, it modifies their provisions accordingly.

Conduct Risk Management Policy at Bank Handlowy w Warszawie S.A.

The *Conduct Risk Management Policy* describes how the Bank manages the risk of misconduct – how it identifies, assesses, monitors, controls and reports it. This risk is related to the Bank's activities and in particular results from the fact that employees or persons associated with the Bank who are not its employees – intentionally or through negligence – may do harm to clients or endanger the integrity of financial markets, and thus the integrity of the Bank.

In accordance with the *Policy*, the Bank limits activities and behaviors that may generate conduct risk, including:

- violations of ethical standards, including corruption-related activities,
- improper preparation, sale or advertising of the Bank's products and services, including proposing to clients the purchase of financial services that do not meet their needs or in a manner inadequate to their nature (*misselling*), selling products and services only in a package, insufficient information about products or adding prohibited (abusive) provisions or clauses to agreements,
- unfair treatment of the Bank's clients, including improper management of complaints,
- unauthorized transactions carried out in the name and on behalf of clients,
- inadequate protection of data of the Bank's clients.

Persons designated by the relevant Management Board members monitor the established indicators and provide information on risk to bodies involving the relevant Members of the Management Board, the Compliance Division and the operational risk unit. Once a quarter, information and escalations in the area of conduct risk are provided to the Business Risk, Compliance and Controls Committee (BRCC) of Bank Handlowy w Warszawie S.A. The *Conduct Risk Management Policy at Bank Handlowy w Warszawie S.A.* applies to all employees of the Bank with respect to products, services and opportunities under partnership agreements intended for clients, counterparties and business partners. The regulation contains no exemptions. The Compliance Division is responsible for its development, issuance and monitoring. The first line of defense units are responsible for the implementation and execution of the Policy.

The Policy is available on the Bank's intranet. Once a year, all employees are required to complete training on the rules, which also includes the provisions of the Policy.

The Policy and any changes to it are reviewed by all relevant stakeholders in the Bank. The document is updated in connection with changes in legal regulations, regulatory requirements and market standards.

Business Activity Management Policy at Bank Handlowy w Warszawie S.A.

The *Business Activity Management Policy at Bank Handlowy w Warszawie S.A.* establishes coherent principles for reviewing business activities at the Bank, approving them and supervising them on an ongoing basis. The *Policy* concerns, among other things, the inventory of products and services and monitoring of risks, roles and responsibilities of the Bank's organizational units. The objectives of the *Policy* refer to significant risks related to business activities and their:

- proper identification and assessment,
- approval at the appropriate level,
- control using defined mechanisms.

The designated target level is absolute in nature, i.e. the Bank wants to ensure that all key risks present in business activities are properly identified and assessed.

At least once a year, the Risk Management Process Quality Assurance Department conducts a review of the *Policy* to ensure that it is adequate to the profile and scale of the Bank's operations, external regulations and the macroeconomic environment. The Bank has a system for escalating and monitoring any non-compliances. The Department also ensures that any changes to the regulations are approved by the Management Board and the Supervisory Board.

The *Business Activity Management Policy at Bank Handlowy w Warszawie S.A.* is addressed to all employees who participate in the implementation of business activities, and in relation to products and services and situations resulting from partnership agreements, also to clients, counterparties and business partners. The regulation also covers regulators and supervisory bodies – it applies regulatory requirements and mandatory provisions of law and obliges the Bank to apply them.

The Risk Management Process Quality Assurance Department is responsible for the development, issuance and monitoring of the *Policy* and the first line of defense units are responsible for its implementation and execution.

The *Policy* refers to legal provisions and regulatory recommendations and guidelines, including:

- Banking Law,
- Regulation of the Ministry of Finance, Funds and Regional Policy on the risk management system, the internal control system and remuneration policy,
- Recommendation A of the Polish Financial Supervision Authority on the management by banks of the risks associated with operations on derivative instruments,
- Recommendation D of the Polish Financial Supervision Authority concerning good practices in, among other things, data management,
- Recommendation M of the Polish Financial Supervision Authority concerning operational risk management at banks,
- Recommendation S of the Polish Financial Supervision Authority regarding good practices in managing mortgage-secured credit exposures,
- Recommendation T of the Polish Financial Supervision Authority on good practice related to the management of risk of retail credit exposures,
- Recommendation U of the Polish Financial Supervision Authority on good bancassurance practices,
- Recommendation Z of the Polish Financial Supervision Authority on corporate governance at banks,
- EBA Guidelines on:
  - product oversight and governance arrangements for the consumer banking products,
  - internal governance,
  - loan origination and monitoring,
- European Central Bank guide on climate-related and environmental risks,
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU,
- Insurance Distribution Act,
- International Accounting Standards and International Financial Reporting Standards,
- Accounting Act,
- Regulation of the European Parliament and of the Council (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

The Policy is available to employees on the Bank's intranet.

Rules for development of Special Offers for Consumer Banking Sector Customers of Bank Handlowy w Warszawie S.A.

The *Rules for development of Special Offers for Consumer Bank Sector Customers of Bank Handlowy w Warszawie S.A.* are intended to protect consumer rights by standardizing the process of developing special offers so that:

- they meet the needs of clients,
- the terms & conditions are clear, unambiguous, standardized and in line with the regulations,
- clients receive accessible and reliable information about the nature and structure of the offer, the benefits and the conditions for receiving them.

When developing special offers, the Bank aims to ensure that all terms & conditions documents of these offers are in compliance with the law, regulatory guidelines and internal standards. The policy does not cover special offers addressed to employees of the Bank, its subsidiaries and entities cooperating with the Bank in the direct sale of Bank products.

The Policy takes into account the needs of key stakeholders – it assumes an analysis of guidelines issued by regulators representing consumer interests, as well as complaints, grievances and opinions of clients related to special offers. The *Rules* monitoring process covers changes in the regulatory and legal environment and potential submissions by clients. It includes both ongoing verification and quarterly checks of compliance of the terms & conditions of special offers with the assumptions of the policy, the results of which are presented at the meeting of the Business Risk, Compliance and Controls Committee (BRCC) of Bank Handlowy w Warszawie S.A.

The *Rules* cover all employees of Citi Handlowy Bank involved in the process of creating special offers for consumers, as well as those who order the preparation of such offers externally. They also apply to clients or prospective clients – they ensure that the provisions of the offers are understandable to them and developed to address their needs. The *Rules* also relate to regulators and supervisory authorities, as they apply supervisory requirements and obligate the Bank to apply them.

Once a year, the Compliance Division organizes training on the *Rules* for those employees of the Bank who prepare special offers and direct them to consumers. The *Rules* are appropriately modified if there are irregularities or reservations in the areas regulated by the *Rules*. Changes require the opinion of all relevant stakeholders in the Bank. The objectives of the regulations have not been consulted with clients.

The Compliance Division is responsible for developing, issuing and monitoring the *Rules*, while the first line of defense units are responsible for their implementation and execution.

The *Rules* refer to external regulations:

- Act on combating unfair competition,
- Act on preventing dishonest market practices,
- Act on the protection of competition and consumers,
- Civil Code,
- approach of regulators, including decisions of the President of the Office of Competition and Consumer Protection regarding the infringement of the collective interests of consumers and the approach of the Polish Financial Supervision Authority, the Office of the Polish Financial Supervision Authority and the Financial Ombudsman,
- Codes of good practice to which Citi Handlowy Bank has acceded.

The Policy is available to the Bank's employees on the intranet.

Rules of creating marketing materials and assessing the suitability of marketing campaigns at Bank Handlowy w Warszawie S.A.

All marketing materials published by the Bank should comply with applicable legal regulations, internal regulations of the Bank and good market practices. Marketing information of the Bank must also be transparent, reliable and not misleading (also in relation to the sustainable nature of the Bank's products or activities). The *Rules* ensure compliance of marketing content with the recommendations of supervisory authorities and chambers of commerce, and also introduce the obligation to examine whether given materials are appropriate for the group of recipients to which they are directed. The policy applies to marketing activities both at the Bank level and at the level of third parties that distribute marketing materials of the Bank. The policy affects vendors (advertising agencies cooperating with the Bank) and clients.

The *Rules* ensure that information directed to clients is reliable and transparent, protects them from misleading marketing practices, and allows the Bank to eliminate the risk of greenwashing (pseudo-ecological marketing). Through such actions, the Bank protects the client's interests. Employees of the Compliance Division and the Legal Division verify on an ongoing basis whether marketing materials comply with the *Rules* and check:

- marketing materials used in advertising campaigns targeted at consumers,
- first marketing creations for new credit, deposit and insurance products,
- materials related to sustainable products.

On a quarterly basis, the Compliance Department for Regulations and Regulatory Relations checks whether other marketing materials[49] are in compliance with the *Rules*, and any non-compliance is escalated and monitored in accordance with the system that is in place at the Bank. The results of these activities are presented at a meeting of the Business Risk, Compliance and Controls Committee. The *Rules* relate to individual and institutional clients and, in the scope of compliance with guidelines and recommendations, to regulators and supervisory authorities.

The Compliance Division is responsible for developing, issuing and monitoring the *Rules*, while the first line of defense units are responsible for their implementation and execution. The *Rules of creating marketing materials and assessing the suitability of marketing campaigns at Bank Handlowy w Warszawie S.A.* refer to:

- Act on combating unfair competition,
- Act on preventing dishonest market practices,
- Act on the protection of competition and consumers,
- Civil Code,
- approach of regulators – the President of the Office of Competition and Consumer Protection, the Polish Financial Supervision Authority, the Office of the Polish Financial Supervision Authority and the Financial Ombudsman,
- Codes of good practice to which Citi Handlowy Bank has acceded.

The *Rules* are available to employees on the Bank's intranet. Additionally, once a quarter, the Bank's Compliance Division organizes workshops for employees of the Internet Marketing Department to discuss the results of the quarterly monitoring of marketing materials.

The Policy and its changes – introduced in response to changes in legal regulations, the positions of regulators or chambers of commerce – are reviewed by all relevant stakeholders in the Bank. The objectives of the *Rules* have not been consulted with consumers or end-users.

Rules for the preparation of marketing materials in connection with the provision of investment or investment-linked insurance services by the Bank

The *Rules for the preparation of marketing materials in connection with the provision of investment or investment-linked insurance services by the Bank* protect consumers from misleading marketing practices and ensure that the Bank's marketing materials are in compliance with the law and market standards, as well as the recommendations of the PFSA. The *Rules* ensure that marketing materials are up-to-date, reliable and clear and avoid greenwashing in information on investment and investment-linked insurance products and services.

In accordance with the *Rules*, marketing materials for these products must be agreed with the product unit responsible for the product, the Legal Division, the Compliance Division and, as appropriate, the Communication and Media Relations Department or the Internet Marketing Department. The policy objectives are monitored by, among others, the Insurance and Investment Commission. The Bank has a system for escalating and monitoring any irregularities.

The policy applies to individual clients of the Bank and external partners – advertising agencies, marketing services providers and other organizations cooperating with the Bank to create and distribute marketing materials.

The Internet Marketing Department is responsible for developing, issuing and monitoring the policy, while the first line of defense units are responsible for its implementation and execution. The provisions of the regulations refer to the principles of directing information and marketing materials to clients specified in MIFID, the Act on Trading in Financial Instruments and the Directive of the European Parliament and of the Council on markets in financial instruments, together with implementing acts and approach of regulators.

The *Rules* are available in an internal IT system of the Bank. The policy and its changes – introduced in response to changes in legal regulations or internal regulations of Citi Handlowy Bank – are reviewed by all relevant stakeholders in the Bank. The objectives of the *Policy* have not been consulted with consumers or end-users.

[49] The policy does not apply to investment products or investment-linked insurance products.

Targets for responsible market practices [S4-5, MDR-T]

The Bank has not set quantitative targets for responsible market practices; instead, the Bank monitors progress in this area through designated ambition levels derived from the policies described above.

Activities related to responsible market practices [S4-4 MDR-A]

The Bank applies responsible market practices through the regular efforts of its employees, who are of key importance in this process. Responsible market practices are dealt with on a daily basis by the relevant departments and bodies, including :

- Compliance Division,
- Customer Experience Management Bureau,
- Internet Marketing Department,
- product teams responsible for preparing special offers,
- Consumer Banking Customer Experience Council,
- Client Advocate in the Consumer Banking Sector (Client Advocate).

Key activities regarding responsible market practices include:

- determining target groups and distribution strategies in accordance with the Product Management Policy and the rules of defining target groups and distribution strategies for instruments of the Consumer Banking Sector of Bank Handlowy w Warszawie S.A.,
- determining the so-called client profile, which allows for matching the client with financial instruments and investment services that will be appropriate for the client, as well as assessing the affiliation of a given financial instrument to the target group,
- implementing a control process for the sale of credit and deposit products by phone, which allows for monitoring telephone conversations and checking whether they are in compliance with the regulations in force at the Bank, including whether the offered products are in line with the needs of clients. The process involves, among other things:
    - listening to sales calls,
    - giving employees grades for the quality of their telephone conversations with clients, the use of applicable procedures, the correct execution of instructions, the information provided and verification performed,
    - monitoring employees and informing their managers about recurring irregularities and recommending actions to improve the quality of customer service.

  Every month, such checks cover, on average, about 1,700 calls in 40 teams in different locations. Approximately 450 lines are recorded, and calls for 16% of products sold on recorded lines are verified
- activities of the Investment and Insurance Product Sales Control Bureau, including:
    - control of employees selling and servicing products, services and insurance offered by the Bank on recorded lines,
    - listening to sales and non-sales calls – to check whether they meet the requirements of the MIFID II regulations, and in the case of conversations regarding insurance – whether they are in line with the principles of selling insurance products,
    - control of security of information and data provided by clients for verification,
    - control of SMS/MMS correspondence,
    - control of risky transactions – whether they meets the requirements of the MIFID II regulations,
    - control of email correspondence – whether it meets the requirements of the MIFID II regulations and regulatory requirements related to processes used for sales of insurance products,
    - control of notes made by employees after meetings with clients – whether they meet the requirements of the MIFID II regulations,
- mandatory training for employees in the Rules of Sales of Insurance Products in the Consumer Banking Sector,
- training for employees in the Rules of Sales of Investment Products and Investment-Linked Insurance Products in the Consumer Banking Sector at Bank Handlowy w Warszawie S.A. and the introduction of general principles of sales and communication with clients,
- periodic training of all employees of the Bank in the *Rules of proper treatment of clients,*
- ongoing verification and quarterly monitoring of compliance with the terms and conditions of special offers, and periodic training of employees responsible for preparing such offers.
- In addition, Citi Handlowy Bank introduced plain language rules to the terms and conditions for special offers and responses to complaints and inquiries (in line with the recommendations of the Polish Bank Association), making them more understandable to consumers. Employees participated in workshops during which best practices were analyzed in terms of accessibility, comprehensibility and transparency of communication directed to clients via responses to chat inquiries or instructions. A total of 400 employees took part in the workshops in 2024.

The implemented and planned activities related to responsible market practices do not involve the need to incur operating expenses or capital expenditures that the Bank considers significant.

Cooperation for responsible market practices [S4-2]

The Bank cooperates with its clients on an ongoing basis to better manage the area of responsible market practices. A key element of this process is indirect cooperation with authorities representing the interests of clients, including the President of the Office of Competition and Consumer Protection, the Financial Ombudsman, the President of the Office for Personal Data Protection and the Office of the Polish Financial Supervision Authority. The Bank cooperates directly with clients – it analyzes complaints and grievances and conclusions from satisfaction surveys, and then takes them into account in actions affecting clients.

These activities are supervised by the Vice President of the Bank's Management Board – Head of the Consumer Banking Sector, and their effectiveness is assessed based on the number of complaints and grievances, the results of customer satisfaction surveys, guidelines and recommendations of regulators and the number of lawsuits.

The Bank's clients are not directly involved in the process of creating or improving financial products, but their complaints and grievances as well as opinions expressed in the NPS survey are taken into account in the analyses.

3.2.6 *Channels for reporting irregularities and the complaint handling process [S4-3]*

The Bank examines complaints and grievances of clients promptly, reliably, thoroughly and objectively, in compliance with applicable laws and regulations. This issue is regulated by the *Rules of Handling Client Complaints and Grievances at Bank Handlowy w Warszawie S.A.* Information on the possibility of filing complaints by individual clients of Citi Handlowy Bank is available on the Bank's website, in the agreements templates and at branches.

Individual clients can submit complaints:

- in writing – in person at the Bank's organizational units, by mail or to the Bank's electronic delivery address,
- orally – by telephone or in person for the record during the client's visit at the Bank's branch;
- electronically – via the Citibank Online banking service or to the Bank's email address.

The Bank examines client complaints submitted via the Office of the Polish Financial Supervision Authority, the Office for Personal Data Protection, the Office of Competition and Consumer Protection, the Commissioner for Human Rights, the Polish Bank Association and the Financial Ombudsman. Every year, the Compliance Division provides the Financial Ombudsman with information on the handling of complaints and the number of cases brought to court by clients after the Bank rejected their requests.

Additionally, clients can contact the Bank via Facebook Messenger and express their opinion on the functionality of the mobile application in mobile application stores.

In order to ensure proper cooperation with clients, the Bank has appointed a Client Advocate through via whom clients can also submit complaints and raise concerns. The Client Advocate:

- coordinates, analyzes and monitors the process of handling complaints and grievances filed by clients,
- provides the Bank's Management Board with annual information on the number of and topics covered by complaints and grievances,
- cooperates with the Bank's organizational units to improve the quality of services and products and to improve the satisfaction and loyalty of the Bank's clients,
- participates in projects and work aimed at improving the quality of service provided to the Bank's clients.

In addition, the Bank has established the Consumer Banking Customer Experience Council, which, among other things, monitors complaints, grievances and irregularities reported by clients. The Council members meet periodically and provide the Business Risk, Compliance and Controls Committee with information on:

- areas affected by the highest number of customer complaints and grievances, with information on actions taken or recommended,
- complaints and grievances indicating the possibility of a critical irregularity that prevents the achievement of the objectives of the internal control system.

The Bank also has:

- the Investment and Insurance Commission, which analyzes the complaints and grievances report, reasons behind and trends of complaints and grievances and the manner and timeliness of their handling during its meeting.
- the Consumer Banking Branch and Remote Channel Quality and Control Council, which reviews and monitors the control environment for sales processes; checks key quality indicators and sales process control results; monitors the quality of corrections of sales processes and significant operational problems and irregularities in sales processes, as well as conclusions from proceedings conducted by the Citi Security and Investigative Services Department (CSIS) and counteracting abuse proceedings.

The Bank continuously monitors signals from clients and the scope of irregularities reported to the appropriate units in order to fix errors and develop solutions to avoid complaints in the area in question in the future. The Bank runs the *Client Obsession* program, where any employee can provide comments, reports or ideas for improvement. They are recorded and then discussed in order to provide the Bank's clients with increasingly improved service.

Each client who has filed a complaint is informed of the outcome in the manner they have chosen. If the proceedings are conducted by supervisory bodies, the Financial Ombudsman or the Banking Arbiter, clients are informed about any irregularities in accordance with the scope of the proceedings and in a manner consistent with the provisions of law applicable to the specific path of proceedings.

Citi Handlowy Bank does not have any data that would allow it to determine the level of knowledge of clients about the channels for reporting complaints and grievances. The Bank never retaliates against clients who file complaints and grievances.

Individual clients can also provide information about irregularities in the Bank's activities during regular NPS surveys, by phone or online. Client opinions and problems reported in NPS surveys are discussed at regular meetings with the participation of management and at working group meetings attended by the Marketing Research Bureau, a representative of the unit responsible for a given contact channel and representatives of the Customer Experience Management Bureau. Comments were taken into account by product teams in implementations. The Bank intends to conduct customer experience research based on the NPS top-down survey on an annual basis.

3.2.7 *Numerical indicators for complaints [MDR-M]*

The Bank, aiming to provide the best customer experience, has set internal standards for the complaint response time. For complaints that do not require in-depth analysis or consultation, and when they are submitted by key clients, the standard is to respond within 1 business day. In other cases, the internal standard is 4 business days.

- number of complaints from individual clients of Citi Handlowy Bank in 2024: 35,039[50] (14% were considered justified),
- number of submissions to the Client Advocate in 2024: 255,
- 94% of individual client complaints in 2024 were resolved within the designated four-day period, of which as many as 35% were resolved within one day,
- 99.60% of individual client complaints were resolved within the statutory 30 days; 99.59% of complaints were resolved within 15 days.

In 2024, the Bank did not record any complaints submitted by clients to the OECD National Contact Points for Responsible Business handling notifications of violations of the *OECD Guidelines for Multinational Enterprises*. The above indicators have not been approved by an external body other than the assurance provider.

[50]Including appeals (3,430), chargebacks (5,255) and complaints to supervisory authorities (163)

4. Business conduct

4.1 Impacts related to business conduct [SBM-3]

As a result of the double materiality assessment, the following climate-related risks were identified, for which appropriate policies, actions, targets and measures are described in the following subsections:

Material topic	Description of a significant impact	Place of concentration	Type	Time perspective
Business conduct and corporate culture	**The Bank has a Code of Conduct that integrates its values into its business activities and presents best practices in management reporting, compliance with regulations, audits**, etc., which contributes to transparency and responsible business practices. In addition, **the Bank has established robust ESG governance roles and procedures** that drive increased oversight, expand ESG expertise across functional areas and help integrate ESG principles and practices into its operations.	Own operations	Real positive impact	Short-, medium- and long-term
Whistleblower protection	**The Bank has a policy that prohibits retaliation against whistleblowers** who report cases of undesirable irregularities in the work environment. This approach encourages people to report suspicious or illegal activities.	Own operations	Real positive impact	Short-, medium- and long-term
Counteracting corruption and money laundering	**The Bank has implemented the Anti-Corruption Program** to define procedures and controls that prevent the facilitation of corruption and illegal financial activities in the global financial system. As part of the program, the Bank has adopted a zero tolerance policy towards corruption in all aspects of business activities among employees and vendors. **The Bank cooperates with vendors who adhere to responsible and lawful business practices**, which contributes to the elimination of exploitation or unethical labor practices as non-compliant vendors will be excluded from cooperation.	Own operations and upstream value chain	Real positive impact	Short-, medium- and long-term

4.2 Business conduct and corporate culture [G1-1 MDR-P]

The corporate culture of Citi Handlowy Bank is based on standards that combine ethical values with business activities and represent best practices in management, application of regulations and auditing (positive impact identified in own operations).

In response to market changes, the Bank has also established appropriate ESG management roles and procedures that support improved oversight, expand expertise and help integrate ESG principles and practices into internal operations (positive impact identified in own operations).

Compliance with the principles of professional ethics in everyday activities is one of the basic duties of every employee, and the basis of employee relations in the Bank are mutual respect and professionalism. Another element of the organizational culture is respect for diversity and support for work-life balance. The Bank expects its employees to act in a certain way, and devotes a separate module to ethical issues during the training organized for newly hired employees on their first day of work. In addition, all employees participate in annual mandatory training on the *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A.* (*Code of Ethics*), during which they learn about the Bank's basic internal regulations regarding professional conduct in the workplace and how to recognize situations that need to be reported as questionable conduct.

The main documents that make up the organization's culture are:

- *Code of Conduct for Employees of Bank Handlowy w Warszawie S.A. (Code of Ethics)*
- *Regulations of the Management Board of Bank Handlowy w Warszawie S.A.*

Documents that complement the Bank's organizational culture are:

- *Procedure for handling anonymous reports of violations of law, ethical standards and procedures in force at Bank Handlowy w Warszawie S.A.,*
- *Policy for Managing Conflicts of Interest at Bank Handlowy w Warszawie S.A.*
- *Principles of Selection of Vendors of Goods and Services and of Procurement in Bank Handlowy w Warszawie S.A.,*
- *Principles of Management of Cooperation with Vendors of Goods and Services in Bank Handlowy w Warszawie S.A.,*
- *Escalation Policy of Bank Handlowy w Warszawie S.A.,*
- *Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.,*
- *Conduct Risk Management Policy at Bank Handlowy w Warszawie S.A.*

Those documents are in line with the UN Guiding Principles on Business and Human Rights. All documents are available to employees in the Bank's intranet system.

Code of conduct for employees of the Bank (Code of Ethics)

In accordance with the *Code of Conduct for Employees of the Bank (Code of Ethics)*, Citi Handlowy Bank requires all employees to adhere to the highest ethical standards and act professionally. This allows the Bank to fulfil its mission, provide better services to clients, ensure good cooperation with counterparties and engage in the community life.

All employees of the Bank must:

- see actual or potential problems of ethical nature,
- report and respond to problems,
- eliminate factors that may discourage employees from reporting ethical issues.

The *Code* also supports the Bank in protecting and upholding human rights and preventing discrimination. For more information, see the *Human Rights in the Employee Context* and *Diversity* sections of this *Statement.*

Every employee of Citi Handlowy Bank can anonymously report a breach of ethical standards. The Bank has implemented an effective procedure for handling reports while maintaining independence and confidentiality (*Procedure for handling anonymous reports of violations of law, ethical standards and procedures in force at Bank Handlowy w Warszawie S.A.*). Once a year, the Supervisory Board assesses the adequacy and effectiveness of the procedure, while its implementation is supervised by the member of the Management Board in charge of the Risk Management Sector. For more information on the possible ways to report violations and the number of incidents investigated in 2024, see the *Incidents and complaints* section of this *Statement.*

The Bank has also defined the rules of internal escalation of non-ethical business issues, such as violations resulting in reputational or financial losses. The *Escalation Policy of Bank Handlowy w Warszawie S.A.* allows the entire organization to recognize such situations early and to quickly notify the appropriate persons in the management hierarchy, which is of key importance for risk mitigation. The *Policy* defines who and what is to be escalated, how quickly, to whom and how.

Part of the corporate culture of Citi Handlowy Bank is also counteracting conflicts of interest. This issue is regulated by the *Policy for Managing Conflicts of Interest at Bank Handlowy w Warszawie S.A.* Its provisions define the general principles of preventing, identifying, reporting and assessing conflicts of interest, as well as managing all conflicts of interest, potential and actual. During dedicated training, employees confirm that they are not in a conflict of interest. The statuses of training and confirmations are monitored monthly.

Citi Handlowy Bank wants to promote ethical principles, which are particularly important to it, in its supply chain. In accordance with the *Principles of Selection of Vendors of Goods and Services and of Procurement in Bank Handlowy w Warszawie S.A.,* the Bank expects its vendors to meet the highest ethical standards in their business practices. The *Principles of Management of Cooperation with Vendors of Goods and Services in Bank Handlowy w Warszawie S.A.* specify how the Bank monitors relations with vendors to ensure that they are in compliance with the terms of the agreement, the Bank's internal regulations, legal regulations and regulatory requirements, and to limit the risk of cooperation and ensure its continuity. Ethical business practices, which are part of the list of clauses used by the Bank in contracts with vendors, specify the Bank's expectations towards vendors, and the Bank strives to ensure that contracts with contractors contain ethical and environmental clauses. The main guidelines arising from the *Ethical Business Practices* of the Bank include:

- business honesty, including compliance with the principles of anti-bribery policy;
- respect for human rights in the workplace,
- counteracting discrimination and behaviors of violent nature,
- respecting the ban on child and forced labor,
- environmental protection – environmental policy, optimized use of materials and goods, prevention of environmental pollution, recycling, reduction of pollutant emissions, sustainable management of resources, protection against hazardous materials and forest protection,
- commitment to act in a socially responsible manner and to observe the laws of the country in which business is conducted.

The Bank has also implemented animal welfare practices. In accordance with the *Environmental and Social Risk Management Regulations for Corporate Banking Clients*, the Bank does not finance projects related to the production of and trade in products classified as wild fauna and flora species protected by the Washington Convention (CITES) or other activities inconsistent with national regulations. Additionally, in the *Commercial Banking Credit Procedures*, the Bank declares that it does not financially support sea fishing using drift nets longer than 2.5 km.

Regulations of the Management Board of Bank Handlowy w Warszawie S.A.

The *Regulations of the Management Board of Bank Handlowy w Warszawie S.A.* define the scope and methods of work of the Management Board, and also specify the roles and responsibilities of individual members of the Management Board in the area of sustainability. In accordance with the *Regulations*, the President of the Management Board oversees the development and implementation of the Bank's strategy, including the sustainability strategy covering environmental, social and corporate governance issues. The Vice President of the Management Board of the Bank in charge of managing significant risks is responsible for the risk management system covering ESG risks.

In December 2024, the *Regulations* were updated to adapt them to new challenges and increase the Board's responsibility for sustainability. Significant changes were made that expand the scope of the Board's responsibilities, including the need to regularly review material topics identified in the double materiality assessment. The Management Board will systematically identify, analyze and monitor material topics and develop related action plans. The Management Board will also be responsible for periodical assessment of progress in implementing these actions and their verification, as well as for developing, approving and monitoring the implementation of the transformation plan, taking into account ESG factors.

As a result of these changes, the Management Board's responsibility for sustainability becomes an integral part of the Management Board's daily work and a permanent element of the Bank's management structure. These activities are not only to ensure compliance with applicable regulations, but also to reflect the Bank's aspiration to achieve its goals in the area of social and environmental responsibility.

In 2024 and early 2025, in parallel with the update of the *Regulations*, the Bank carried out intensive work to create an internal ESG operating model, which will be the foundation for the daily management of sustainability issues. This model specifies in detail the scope of operational responsibility – it assigns appropriate roles and responsibilities to specific business units and defines the key processes that must be implemented in response to the increasing sustainability requirements. With the adopted model, the Bank will be able to effectively manage ESG aspects, monitor its progress and take action to continue its transformation in the spirit of sustainability.

The organizational culture of Citi Handlowy Bank also consists of other key documents. One of them is the sustainability strategy. The strategy development process is structured and described in the *Planning Principles at Bank Handlowy w Warszawie S.A.* It is monitored by the Strategy and Investor Relations Department. Particular organizational units of the Bank responsible for dialogue with external stakeholders participate in the preparation of the strategy for their scope of activities, set financial, market and qualitative targets, and sustainability goals, and define main business initiatives. The organizational units of the Bank whose scope of authorization includes individual goals set in the strategy are responsible for achieving ESG goals. At least twice a year, the Bank's Management Board and the Strategy and Management Committee of the Bank's Supervisory Board evaluate the execution of the strategy, including the achievement of ESG goals. In addition, the strategic goals are also monitored during the analysis of business risk that is performed by the Strategy and Investor Relations Department, which reviews on a regular basis the level of business risk based on the analysis of competitive position, financial performance and macroeconomic environment. In addition, a review of the status of projects related to the applicable strategy is carried out monthly.

One of the ways used by the Bank to assess its corporate culture is the *Voice of Employee* survey, which examines employee satisfaction and engagement. The survey is voluntary and anonymous and the questions answered by employees concern communication, professional development opportunities, meritocracy, relations with the manager and co-workers, participation in a decision making process, work-life balance, diversity, and values promoted by the Bank.

4.3 Whistleblower protection

The Bank introduces appropriate procedures and actions to protect whistleblowers, and in this way has a positive impact on its business activities (positive impact identified throughout the value chain).

Citi Handlowy Bank takes seriously all reports of violations of ethical principles. The whistleblower protection conditions are specified in the Bank's *Internal Reporting Procedure at Bank Handlowy w Warszawie S.A.* The Head of the Compliance Division is responsible for its implementation, and its provisions are consistent with the Whistleblower Act (transposing Directive (EU) 2019/1937 of 23 October 2019), which is binding on the Bank. The procedure includes:

- method of submitting internal reports,
- follow-up actions taken by the Bank,
- conditions for whistleblower protection,
- data protection.

A whistleblower is a natural person who reports or publicly discloses information on a breach of law acquired in the context of their work. In accordance with the *Procedure*, no retaliatory actions may be taken against such individuals at Citi Handlowy Bank. Attempts or threats to use such actions are also prohibited. In particular, the Bank prohibits the following actions against whistleblowers:

- termination of employment with or without notice,
- pay reduction,
- suspension of or omission for promotion,
- transfer to a lower-level position,
- suspension from the performance of employment or official duties,
- transfer of the whistleblower's duties to another employee,
- an unfavorable change in the place of work or working time schedule;
- intimidation and mobbing,
- discrimination.

In accordance with the *Internal Reporting Procedure at Bank Handlowy w Warszawie S.A.*, whistleblowers who are not full-time employees of the Bank and provide work or services on the basis of a legal relationship other than an employment contract are also protected, in particular against termination of their contracts.

The whistleblower protection procedure covers all employees of the Bank and it has been consulted with trade unions. In 2024, the whistleblower protection rules at Citi Handlowy Bank were included in annual training for all employees. The provisions of the procedure are available to employees in the Bank's intranet system.

4.4 Counteracting corruption and money laundering

The Bank implements appropriate programs and training related to the prevention of corruption and money laundering that may occur throughout the value chain and thus the Bank exerts a positive impact on its business operations (positive impact identified throughout the value chain).

The Bank categorically opposes any corruption-related activities and fraud. These issues are regulated by:

- *Anti-Corruption Program at Bank Handlowy w Warszawie S.A.*
- *Program of Anti-Money Laundering and Counteracting the Financing of Terrorism at Bank Handlowy w Warszawie S.A.*

Both documents are available to employees in the Bank's intranet system.

Potential cases of corruption at Citi Handlowy Bank are investigated in accordance with: *Procedure for handling anonymous reports of violations of law, ethical standards and procedures in force at Bank Handlowy w Warszawie S.A.*, *Procedure for reporting by employees infringements of laws, ethical standards and procedures applicable at the Brokerage Department of Bank Handlowy* and *Internal reporting procedure at Bank Handlowy w Warszawie S.A.* During and after investigations, the Bank follows applicable laws, supervisory regulations, internal procedures and accepted standards of conduct.

4.4.1 *Prevention and detection of corruption and bribery [G1-3 MDR-A]*

Anti-Corruption Program at Bank Handlowy w Warszawie S.A.

Citi Handlowy has adopted a zero tolerance policy towards corruption in all areas of business activities. This approach applies to all employees and business partners acting on behalf of the Bank. The *Anti-Corruption Program at Bank Handlowy S.A.* defines the rules for giving and receiving benefits, hiring employees, cooperating with third parties, carrying out charitable activities and conducting employee training in this area. The Anti-Money Laundering and Terrorist Financing Department in the Compliance Division is responsible for implementing the *Program*. The *Program* is reviewed by the units involved in the process and approved by the Head of the Compliance Division.

The *Program* defines the principles that the Bank applies to manage corruption risk in both external and internal relations. The *Program* covers:

- giving and receiving gifts,
- participating in meals and events,
- recording the benefits received/given and their approval,
- rules of conduct (reporting fraud),
- cooperation with vendors,
- making donations to charity,
- training programs,
- information activities.

Citi Handlowy Bank monitors whether the provisions of the *Program* are observed: it regularly checks all benefits entered in the Register of Benefits, and periodically the limits of benefits given and received. In the event of a significant violation of the *Program*, persons independent of the management structures involved in the case conduct internal investigations. Based on the evidence collected, they conduct a case analysis and prepare a draft report containing a description of the factual situation and proposed conclusions and recommendations. The results of the proceedings are approved by the Head of Citi Security and Investigative Services Department (CSIS), who previously verifies the evidence collected and the adequacy of the conclusions.

After approval by the CSIS Head, the results of the investigation, presented in a report, are forwarded to, among others, the President of the Management Board and the Vice-President of the Management Board in charge of the Risk Management Sector. Every six months, the Bank Crime Combating Team (BCCT) submits information on significant ethical issues to the Compliance Department for Regulations and Regulatory Relations. This information is then presented to the designated member of the Management Board, who forwards it to the Supervisory Board.

According to the Bank, all employees (100%) are equally exposed to the risk of corruption. Statistics and system data, including the results of audits, do not confirm that increased corruption risks materialize for specific positions. The Bank mitigates the risk of corruption and money laundering related to employees through appropriate HR processes, as part of which the Bank:

- confirms the clean criminal record of job applicants and periodically checks the clean criminal record of employees,
- checks sanctions lists,
- verifies reasonable suspicions of a crime being committed to the detriment of banks or other financial institutions.

Anti-Money Laundering and Terrorist Financing Program at Bank Handlowy w Warszawie S.A.

The *Anti-Money Laundering and Terrorist Financing Program* establishes principles that protect the Bank from being used for money laundering and terrorist financing. The provisions of this regulation are consistent with the applicable laws and regulations.

All employees of the Bank are required to make every effort to prevent the use of the Bank's products and services for money laundering and terrorist financing. Any suspicious activities must be reported immediately to the Anti-Money Laundering and Terrorist Financing Department in the Compliance Division. The President of the Bank's Management Board is responsible for implementing these regulations.

All employees of the Bank are required to comply with anti-money laundering regulations and procedures of their organizational unit in this regard.

The *Anti-Money Laundering and Terrorist Financing Program* specifies the activities and actions that the Bank undertakes to limit the risk of money laundering and terrorist financing, as well as the principles for recognizing and assessing this risk. The provisions of the *Program* cover in particular:

- financial security measures as appropriate to client-related risk,
- obligation to notify the General Inspector of Financial Information about transactions,
- rules for organizing employee training and the principle of reporting violations,
- principles for ensuring protection against repressive actions for employees involved in counteracting money laundering and terrorist financing,
- internal control and supervision rules,
- principles for recording discrepancies between information collected in the Central Register of Beneficial Owners and information on the client's beneficial owners obtained in connection with the application of the Act,
- principles for documenting difficulties in verifying the identity of the beneficial owner and actions taken in connection with the identification of an individual person holding a senior management position as the beneficial owner.

The Program is reviewed by the units involved in the process and approved by the President of the Management Board.

Anti-corruption and anti-money laundering training

All employees of Citi Handlowy Bank are required to complete annual anti-corruption training, during which they familiarize with the rules of conduct in business relations, giving and receiving gifts, and participating in meals and events. The Bank requires employees to record all benefits they have received and given. The training also covers reporting fraud, cooperation with vendors, and making charitable donations. The training ends with a test. The Bank also conducts regular information campaigns refreshing the knowledge about the anti-corruption rules, especially during periods of increased relational activity, e.g. during the holiday season. The Bank's anti-corruption rules are available to all employees on the intranet site and to other stakeholders also on the Bank's public website.

Once a year, all employees of the Bank also participate in anti-money laundering training. Additional training is conducted if it is justified. Training completion is monitored on a monthly basis.

99% of the Bank's employees completed the training "Rules for giving and accepting gifts, participating in events and counteracting corruption practices at Bank Handlowy w Warszawie S.A." for 2024. The training did not require escalation.

Activities related to preventing and detecting corruption and bribery do not require operating expenses or capital expenditures that the Bank considers significant.

4.4.2 *Cases of corruption or bribery [G1-4]*

In 2024, no cases of corruption were identified at Citi Handlowy Bank.

VII. Cultural patronage and sponsorship

For the sixth year, Citi Handlowy was a partner of the **Polish Paralympic Committee (PKPar)** to jointly implement activities conducive to building a more integrated society. In 2024, we supported the "Be Active" project implemented by the PKPar, 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.

Together with the Citi group, the Bank also carried out a social campaign for the extraordinary achievements of the Paralympic athletes **"What happened"** and encouraged them to cheer them on during the Paralympic Games in Paris. To promote inclusive attitudes, we 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 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 we were, 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").

Expenses for social purposes and other

	2024 PLN '000	2023 PLN '000
Cultural patronage, sponsorship and media	448	612
Social involvement (charitable and social institutions)	3,637	3,567

VIII. Investor information

1. Ownership structure and stock prices on the Warsaw Stock Exchange

1.1 Shareholders

The Bank's share capital amounts to PLN 522,638,400 and is divided into 130,659,600 bearer shares with a nominal value of PLN 4 each.

The majority and strategic shareholder of Citi Handlowy is Citibank Europe Plc based in Dublin, Ireland – a company in the Citi group that brings together foreign investments.

Shareholding structure of Bank Handlowy w Warszawie S.A.

Shareholder	No. of shares	% equity
Citibank Europe Plc	97,994,700	75.00%
Other shareholders with the share below 5%	32,664,900	25.00%
Total	**130,659,600**	**100.00%**

Citibank Europe Plc is a part of the Citi Group - the largest global financial institution in the world, which has a physical presence in 95 countries and territories and supports its clients in nearly 160 countries and jurisdictions. Citi group of companies provides services to individual, corporate, public sector and institutional clients while providing them with a broad range of financial products and services in the retail, corporate and investment banking segments, brokerage services, Treasury and Trade Solutions and wealth management.

The parent company in the Citi Group is the American financial institution Citigroup Inc. More information about the Citi Group can be found on its website www.citigroup.com

Investors holding the Bank's shares include open-end pension funds (OFE), which - according to available annual reports on their asset structure - held, as at 31 December 2024, 17.19% of the Bank's shares, i.e. 0.35 p.p. less than as at 31 December 2023.

OFE investments in the Bank's shares were as follows:

Shareholder	31.12.2024		31.12.2023	
	Number of shares and votes in GSM	% of total number of shares and votes in GSM	Number of shares and votes in GSM	% of total number of shares and votes in GSM
OFE Allianz Polska	6,173,576	4.72%	6,173,576	4.72%
OFE Nationale Nederlanden	6,142,812	4.70%	6,580,376	5.04%
OFE PZU	2,918,803	2.23%	2,918,803	2.23%
OFE Generali	2,278,346	1.74%	2,278,346	1.74%
OFE UNIQA	1,967,476	1.51%	1,967,476	1.51%
OFE VIENNA (były Aegon)	1,592,823	1.22%	1,550,166	1.19%
OFE PKO BP Bankowy	880,157	0.67%	886,374	0.68%
OFE Pocztylion Arka	512,489	0.43%	560,766	0.43%
Total	**22,466,482**	**17.19%**	**22,915,883**	**17.54%**

Source: Annual information about the structure of assets of Open Pension Funds; Bank share closing price at the end of the period.

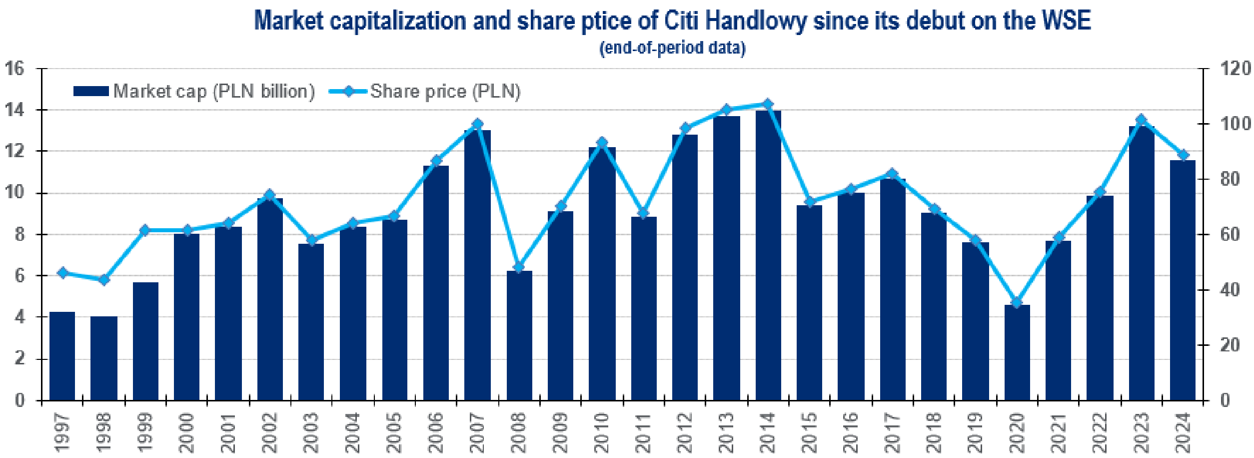
1.2 Changes in the shareholding structure in 2023

In 2024, the shareholding structure changed. On 21 November 2024, the Bank received a notification from Nationale – Nederlanden Powszechne Towarzystwo Emerytalne S.A. ("NN PTE") on the decrease of shares in the Bank's share capital and in the total number of votes below 5% in the share capital and in the total number of votes. According to the notification of NN OFE, as a result of the sale of the Bank's shares in transactions on the Warsaw Stock Exchange concluded on 19 November 2024, its shareholding at the Bank decreased. After the transaction settlement, NN OFE holds 6,529,671 shares of the Bank, representing 4.997% of the Bank's share capital, which gives the right to exercise 6,529,671 votes attached to the shares, accounting for 4.997% of the total number of votes.

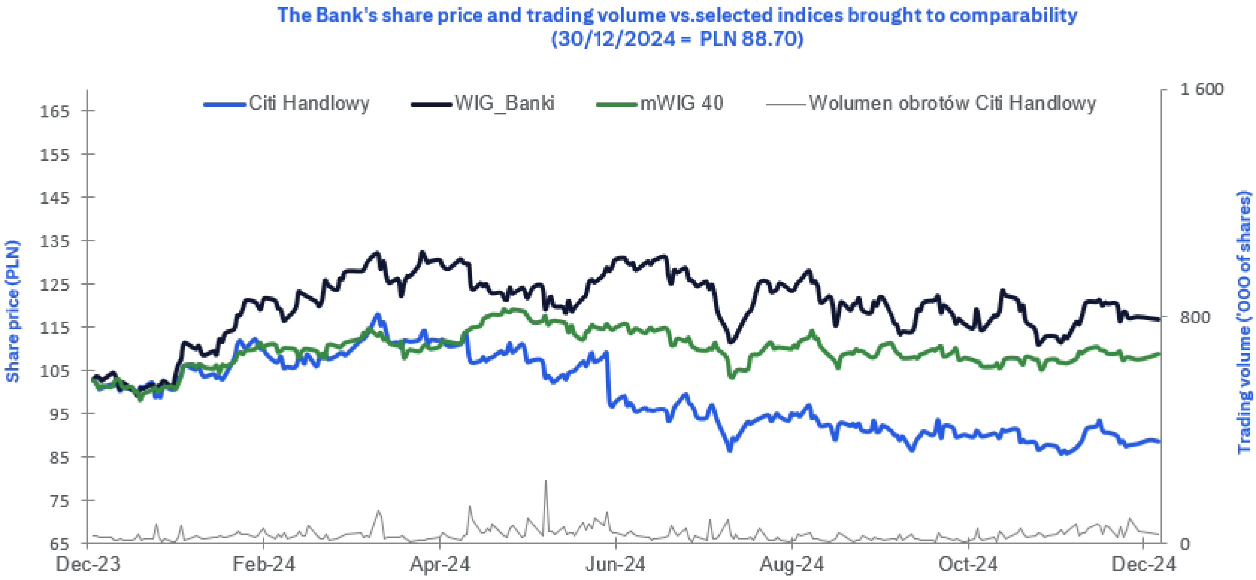
At the same time, NN PTE informed the Bank that as a result of the same transaction, the funds managed by NN PTE: NationaleNederlanden Otwarty Fundusz Emerytalny (an open-end pension fund) and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (a voluntary pension fund) reduced the total number of shares in the Bank below 5% of votes at the Bank's General Meeting of Shareholders. After the transaction settlement, these funds hold 6,529,838 shares of the Bank, representing 4.998% of the Bank's share capital, which gives the right to exercise 6,529,838 votes attached to the shares, accounting for 4.998% of the total number of votes.

1.3 Performance of the Bank's shares on the WSE

In 2024, the Bank's shares were part of the following indices: WIG, mWIG40, WIG Banks and WIG-ESG (until the end of June 2024, when WIG-ESG ceased to be published). At the last session in 2024 (i.e. on 30 December 2024), the price of the Bank's shares was PLN 88.70, i.e. 13% below the level of 29 December 2023 (PLN 101.4). In the same period, mWIG40 recorded an increase by 5.8%, and WIG-Banks was up 11.6%.



As at the end of 2024, the capitalization of the Bank was PLN 11.8 billion (as compared to PLN 13.2 billion at the end of 2023). The stock market ratios were: price/earnings (P/E): 6.6 (versus 5.9 in 2023); price/book value (P/BV): 1,2 (versus 1.4 in 2023).



Throughout the first quarter of 2024, the Bank's share price showed an upward trend (average price at that time was PLN 105.13). The highest share price of the Bank in 2024 was reached on 8 April 2024 (PLN 117.80), whereas the lowest price was recorded on 27 November 2024 (PLN 85.90). The average price of the Bank's shares in the last 12 months was PLN 99.32, with the average daily turnover above 31,000 shares.

2. Information on own shares buy-back

January 2024, the Bank began implementing the program of buy-backs of treasury shares adopted under resolution no. 5/2022 of the Extraordinary General Meeting of Shareholders of the Bank of 16 December 2022 on authorizing the Bank's Management Board to purchase treasury shares by the Bank and the establishment of reserve capital for the purposes of the treasury shares buy-back program.

The Bank had been purchasing treasury shares to transfer them to eligible employees of the Bank as indicated in the incentive programs referred to in the resolutions adopted by the Extraordinary General Meeting of Shareholders of the Bank on 16 December 2022.

As part of the treasury shares buy-back program referred to above, in 2024 the Bank purchased a total of 335,901 treasury shares with the face value of one purchased share being PLN 4, representing 0.2570810% of the Bank's share capital and authorizing to 335,901 votes at the General Meeting of Shareholders of the Bank, which constitutes 0.2570810% of the total number of votes at the General Meeting of Shareholders of the Bank, provided that in the period when treasury shares are owned by the Bank, the Bank may not exercise its voting rights attached to these shares.

The total price of purchase by the Bank of own shares referred to above amounted to PLN 33,332,962.20.

On 22 July 2024, the Bank issued (i.e. initiated the transfer of), against no consideration, a total of 116,994 treasury shares previously purchased by the Bank, to the eligible employees of the Bank and thus closed the process of transferring treasury shares in 2024. The shares issued represent a total of 0.0895411% of the share capital of the Bank and entitle to 0.0895411% of the total number of votes at the General Meeting of Shareholders of the Bank.

As at the end of December 2024, the Bank retained a total of 218,907 treasury shares representing in total 0.1675399% of the Bank's share capital and entitling to a total of 0.1675399% of the total number of votes at the General Meeting of Shareholders of the Bank.

3. Dividend payment history

On June 19, 2024, the Annual General Meeting of the Bank adopted a resolution on distribution of net profit for 2023. Pursuant to the resolution the net profit for 2023 in the amount of PLN 2,255,190,345.46 was distributed as follows:

- Dividend: PLN 1,454,930,607.50, i.e. PLN 11.15 per share,
- Reserve capital: PLN 800,259,737.96

Dividend day was set for June 27, 2024, and the dividend payment date for July 4, 2024. The number of shares covered by dividend was 130,487,050.

The dividend accounted for 65% of the net profit for 2023, and the payment of funds in this amount was in line with the individual recommendation of the Polish Financial Supervision Authority regarding fulfilling by the Bank of requirements for dividend payment from net profit generated in 2023.

The table below presents the history of dividend payments since 1997 when the Bank was floated on the Warsaw Stock Exchange.

The table below shows a history of dividends since 1997, i.e., since the floatation of the Bank on the WSE.

Financial year	Dividend (PLN)	EPS (PLN)	Dividend per share (PLN)	Dividend pay-out ratio
1997	130,000,000	6.21	1.40	22.5%
1998	93,000,000	3.24	1.00	30.8%
1999	186,000,000	5.08	2.00	39.4%
2000	130,659,600	1.57	1.00	63.8%
2001	163,324,500	1.25	1.25	99.8%
2002	241,720,260	1.86	1.85	99.6%
2003	241,720,260	1.86	1.85	99.7%
2004	1,563,995,412	3.17	11.97	377.6%*
2005	470,374,560	4.51	3.60	79.8%
2006	535,704,360	4.75	4.10	86.4%
2007	620,633,100	6.19	4.75	76.8%
2008	-	4.94	-	-**
2009	492,586,692	4.02	3.77	94.0%
2010	747,372,912	5.72	5.72	99.9%
2011	360,620,496	5.52	2.76	50.0%
2012	756,519,084	7.72	5.79	75.0%
2013	934,216,140	7.15	7.15	99.9%
2014	971,422,828	7.43	7.43	99.9%
2015	611,486,928	4.75	4.68	98.6%
2016	591,887,988	4.62	4.53	98.0%
2017	537,010,956	4.11	4.11	100.0%
2018	488,666,904	5.00	3.74	74.8%
2019	-	3.66	-	-***
2020	156,791,520	1.21	1.20	99.2%
2021	714,708,012	5.48	5.47	99.8%
2022	1,175,936,400	12.01	9.00	74.9%
2023	1,454,930,607	17.28	11.15	64.5%****

** Dividend-payout ratio for 2004 - 100% plus prior year profits*
*** On 18 June 2009, the Bank's Ordinary General Meeting decided to pay no dividend for 2008 following the recommendation of*

the Polish Financial Supervision Authority (KNF) for the whole banking sector.
**** On June 4, 2020, the Ordinary General Meeting of the Bank decided to pay no dividend for 2019 following the recommendation of the Polish Financial Supervision Authority (KNF) for the whole banking sector.*
***** On September 29, 2023, the Bank got a decision of the Polish Financial Supervision Authority on the consent for recognition part of first half of 2023 net profit (PLN 800,000,000) in Tier 1 capital*

4. Rating

As at the end of 2024, the Bank had a full rating from the international rating agency: Fitch Ratings ("Fitch").

On 17 July 2024, after the annul rating review, Fitch maintained VR on Rating Watch Negative (RWN). Simultaneously, Fitch affirmed the other ratings of the Bank as follows:

Long-term entity ranking *Long-term rating outlook*	A- *stable*
Short-term entity ranking	F1
Viability rating*	bbb+ Rating Watch Negative
Support rating	a-
National long-term rating	AA+ (pol) stable
National short-term rating	F1+ (pol)

** Viability rating is the view of the intrinsic creditworthiness of an institution, independent of external factors.*

In the justification for the rating, the rating agency stated that the Bank's VR balances a low-risk business model, solid capital and liquidity buffers and the Bank's moderate risk appetite. The fact that VR is kept on the watch list reflects the risks to the Bank's business and financial profile resulting from the planned exit from the retail business. A lower share of retail activities could impact the assessment of the Bank's financing and liquidity, as well as its business model. VR can be kept on the watch list longer than six months. The Bank's VR may be removed from the watch list if Fitch believes that the retail banking divestment will have only a moderate adverse impact on the Bank's business and financial profile or if the transaction is cancelled.

Fitch believes that the operating environment for banks in Poland balances a relatively resilient, sizeable and diversified European Union-based economy with increased legal and governmental risks in the banking sector. Revenue levels are adequate, while a gradually improving overall economic backdrop should support banks' ability to generate good quality new business. However, intervention and legal risks make it difficult for banks to strategically plan and achieve their goals.

For the full announcement published by Fitch please visit:
Fitch Affirms Bank Handlowy's IDR at 'A-'; Maintains VR on RWN (fitchratings.com)

5. Investor relations

Investor relations, which provide existing and prospective investors, capital market analysts and rating agencies with necessary information, are an integral component of the information policy of the Bank, which is to meet the information needs of all persons and institutions searching for information on the Company. The information policy tools used in investor relations are:

- regular contacts with investors and analyst during conference calls and meetings, also at the Bank's seat, with participation of members of the Bank's Management Board;
- support by the Press Office during quarterly press conferences for the media, held after publication of periodic reports;
- the website of the Bank where information on the Bank and its activities and all periodic and current reports are published; the website is also a convenient venue for contacting the Investor Relations Unit (BRI), which is a source of comprehensive information on the Bank and the Group.
- presence of the media at General Meetings of Shareholders of the Bank.

In 2024, after each quarter the Bank organized meetings regarding the publication of financial results with capital market analysts and representatives of investors.

IX. Statements of Bank Handlowy w Warszawie S.A. concerning application of corporate governance standards in 2024

1. Corporate governance standards applied by Bank Handlowy w Warszawie S.A.

Since 2003, Bank Handlowy w Warszawie S.A. ("Bank" or "Company") has been adhering to the corporate governance standards adopted by the Warsaw Stock Exchange, initially as the "Best practices of public companies 2002"and subsequently replaced by: "Best practices of public companies 2005", "„Best Practice of GPW Listed Companies 2008", „Best Practice of GPW Listed Companies 2016" and from 1 July 2021 by „Best Practice of GPW Listed Companies 2021" ("BPLC"). This document is available on the website of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) (http://www.gpw.pl) in the section dedicated to corporate governance of listed companies.

The primary goal of the decision to adopt the corporate governance principles of the Warsaw Stock Exchange as the standard of the Bank was and is the intention to build transparent relations between all the bodies and entities involved in the functioning of the Company and to ensure that the management of the Company and its undertaking is carried out in a proper and prudent manner, with loyalty to all shareholders. The willingness to ensure transparency of the Bank's activities, in particular with respect to relations and processes between statutory bodies of the Company, also resulted in the adoption of best practices covered by the latest, 2021 amendment to the document for application at the Bank.

On 28 July 2021, the Management Board of the Bank decided that the Bank would comply with the corporate governance rules contained in the document "Best Practice for WSE 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 shall not apply to the Bank.

On 29 July 2021, the Supervisory Board of the Bank decided that the Bank would comply with the corporate governance rules contained in the document "Best Practice for WSE 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 shall not apply to the Bank.

2. Information on the application of Corporate Governance Principles for Supervised Institutions

The Polish Financial Supervision Authority in a resolution of 22 July 2014 issued a document entitled Principles of Corporate Governance for Supervised Institutions ("Principles"), which came in force on 1 January 2015. The Principles are available on the official website of the Polish Financial Supervision Authority:
https://www.knf.gov.pl/knf/pl/komponenty/img/knf_140904_Zasady_ladu_korporacyjnego_22072014_38575.pdf

The principles are a set of rules governing internal and external relations of institutions supervised by the KNF, including their relationships with shareholders and customers, their organization, the operation of internal oversight as well as of key internal systems and functions, and of corporate bodies and their cooperation. The purpose of the Principles is to enhance corporate governance in financial institutions and transparency of their operations, which is designed to promote public confidence in the Polish financial market. Bank Handlowy w Warszawie S.A. performs a regular assessment of the application of the Principles of Corporate Governance for Supervised Institutions.

On 30 January 2024, the Management Board of Bank Handlowy w Warszawie S.A. approved the "2023 Report – Assessment of the 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 Regulations and Cooperations with Regulatory Institutions' Compliance Department including an independent assessment of application at the Bank of the "Principles of Corporate Governance for Supervised Institutions" for 2023 made by Compliance Department. The Management Board of the Bank submitted to the Audit Committee of the Supervisory Board and, next, to the Supervisory Board of the Bank a Report of the Compliance Department in order to enable the Audit Committee of the Supervisory Board and the Supervisory Board to make their own assessments of application of the "Principles of Corporate Governance for Supervised Institutions" for 2023.

On 20 March 2024 the Audit Committee, pursuant to the provision of Article 3.1 (b) of the Regulations of the Audit Committee, after becoming familiar with the "2023 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, recommended that the Supervisory Board ought to assess that in 2023 the Bank applied rules stemming from the Principles of Corporate Governance for Financial Institutions, with the exception of those principles that the Bank decided not to apply.

The Supervisory Board of the Bank performs a periodic, annual, independent assessment of the application of the Principles at the Bank.

On 21 March 2024 The Supervisory Board of Bank Handlowy w Warszawie S.A. became familiar with the "2023 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 Regulations and Cooperations with Regulatory Institutions' Compliance Department and containing an independent assessment of the 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 2023 Bank Handlowy w Warszawie S.A. 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 specified in § 8.4 (electronic General Meeting) of the ZŁK, in 2023 the principle was applied, with the Bank's Management Board each time deciding on the method of shareholder participation in the Bank's General Meeting before each General Meeting. The resolution was adopted unanimously.

The Annual General Meeting of Bank Handlowy w Warszawie S.A.by Resolution No. 13/2024 of 19 June 2024, considered and approved the Report of the Supervisory Board of Bank Handlowy w Warszawie SA on the operations of the Supervisory Board in the period from the date of the Annual General Meeting of the Bank in 2023 to the date of the Annual General Meeting of the Bank in 2024, containing: the Report and an assessment specified in the Principles of Corporate Governance for Supervised Institutions, adopted by the Bank for application.

With regard to three Principles, the decision not to apply them was upheld in 2024:

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) Article 11.2 (transactions with related parties) – this principle shall not be used 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 in the scope of transactions carried out on the basis of a brokerage agreement for the execution of orders with the Client: CGML and CGME, because these transactions are carried out on market principles.

3) Article 16.1 (meetings of the Management Board of the Bank held in the Polish language) – meetings of the Management Board attended by foreigners, and 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.

3. Description of main features of internal control and risk management systems implemented in the Bank with respect to the process of preparation of financial statements and consolidated financial statements

Financial statements of the Bank are prepared by the Financial Reporting, Control and Tax Department, which is a separate organizational unit in the structure of the Finance Management Sector and reports directly to the Chief Financial Officer of the Bank, who is also a Vice President of the Bank's Management Board. The process of preparation of financial statements is covered by an internal control system, which is to ensure: effective and efficient activities of the Bank, reliability of financial reporting, compliance with the principles of risk management at the Bank and compliance of the Bank's activities with laws, internal regulations and market standards. The internal control system includes controls, risk oversight mechanisms embedded in the Bank's processes related to the process of preparing financial statements, audits of the Bank's compliance in this regard with the law and internal regulations, and internal audit. The internal control system consists of the control function, including controls in the processes functioning at the Bank, performed by positions, groups of people or organizational units within the Financial Management Sector, responsible for compliance with controls and independent monitoring of compliance with these controls, performed by dedicated independent persons.

Internal control is exercised by each and every employee and, in addition, by their direct manager and persons cooperating with him/her as well as by managers of organizational units of the Bank. Risk management is carried out via internal mechanism for risk identification, assessment, mitigation, control, monitoring and reporting performed and supervised by units of the first level of risk management (first line of defense) and specialized organizational units of the second line of defense. Within the internal control functions, there is a separate financial control function, which is performed by a dedicated unit of the Finance Management Sector. Financial control in the Finance Management Sector covers the areas of accounting policy and financial reporting.

As part of the process of identification, prevention, control, monitoring and reporting of operational risk exposures, the Bank has implemented effective mechanisms that mitigate risks affecting the security of technology systems. The IT systems used in the process of preparation of financial reporting are covered by the continuity of business plan of the Bank in case they are lost.

A horizontal monitoring has been implemented in the Bank. It is a Self-Assessment is a process used to verify and assess the effectiveness of control processes and to proactively and effectively manage any significant risk categories which are inherent in the process of preparation of financial statements. The process of Self-Assessment is one of the key tools used to monitor the level of exposure to operational risk and changes in the financial reporting environment, identify emerging risks, verify the effectiveness of controls and implement remedial plans.

Internal audit activities at the Bank are carried out by the Internal Audit Department. The Internal Audit Department is responsible for independent and objective assessments of adequacy and effectiveness of the internal control system and the effectiveness of management of risks connected with activities of the Bank. The Internal Audit Department carries out internal checks, assesses activities initiated by organizational units of the Bank and carries out audits in subsidiaries of the Bank in connection with supervision exercised by the Bank over risks connected with operations of its subsidiaries with respect to their compliance with internal regulations, applicable laws and regulatory requirements and the effectiveness and reasonableness of controls. The Internal Audit Department is a separate organizational unit in the structure of the Bank, reporting directly to the President of the Bank's Management Board.

The Bank's Management Board takes measures to ensure the continuity and effectiveness of the internal control mechanisms, which will contribute to ensuring that the objectives of the internal control system are met, in particular by guaranteeing the prudent and stable conduct of the Bank's business through the appropriate identification and mitigation of risks occurring in banking operations, the reliability of the financial and non-financial information provided – both internally and externally to the Bank, ensuring that the organizational structure is adapted to the size and profile of the risks incurred and allows for the effective performance of tasks, making necessary adjustments and improvements to the management system in the event of changes in the size of the risk profile in the Bank's business, factors of the economic environment, detection of irregularities in the functioning of the internal control system, and ensuring compliance of the Bank's operations with the provisions of law, internal regulations and requirements resulting from supervisory regulations.

The Bank's Management Board is responsible for designing, implementing, and ensuring the operation of a coherent and comprehensive system of internal control at the Bank.

The operation of the internal control system and the Internal Audit Department is overseen by the Supervisory Board of the Bank. The Supervisory Board carries out its function with help of the Audit Committee, which - as part of its supervisory tasks - verifies, jointly with the Management Board and the statutory auditor, the accuracy of prepared financial statements and the correctness of functioning of processes connected with their preparation, and submits recommendations concerning approval of annual and interim financial statements by the Supervisory Board of the Bank.

The Head of the Internal Audit Department informs the Management Board of the Bank and the Audit Committee of the Supervisory Board of the Bank of results of completed audits and periodically, and at least once in a year, provides the Supervisory Board with a summary report on identified irregularities and conclusions arising from the completed internal audits, and corrective actions initiated to remedy those irregularities. The Head of the Internal Audit Department is authorized to participate in meetings of the Management Board and Supervisory Board at which issues relating to the functioning of the internal control systems at the Bank are to be discussed.

4. Significant shareholdings

The Bank's shareholder holding a significant block of shares in the Bank is Citibank Europe PLC based in Ireland – an entity from the Citi group, which holds 97,994,700 shares, accounting for 75% of the Bank's share capital. The number of votes held by Citibank Europe PLC from those shares is 97,994,700, i.e. 75% of total votes at the General Meeting of Shareholders of the Bank.

5. Holders of all securities with special control rights together with a description of those rights

The Bank has not issued any securities that would give its shareholders any special control rights.

6. Restrictions on the exercise of voting rights

No restrictions on the exercise of voting rights have been provided for at the Bank.

7. Restrictions on the transfer of ownership of the securities

No restrictions on the transfer of ownership of the securities issued by the Bank have been introduced at the Bank.

8. Rules governing the appointment and dismissal of Members of the Management Board and their powers

The Management Board of the Bank consists of five to nine members. The Management Board consists of: President of the Company's Management Board, Vice Presidents of the Company's Management Board and other Members of the Management Board. At least half of all members of the Management Board should be Polish citizens. The members of the Management Board of the Bank are appointed by the Supervisory Board for an individual term of four years. The term of office is calculated in financial years, with the first financial year of the term of office being each time the financial year in which the function was taken up, even if it did not take place at the beginning of that financial year. The President of the Management Board and the Member of the Board supervising the significant risk management at the Bank, require consent of the Polish Financial Supervision Authority to be appointed.

The mandate of a member of the Management Board expires:

1) on the day on which the General Meeting is held to approve the report of the Management Board on the activities of the Bank and the financial statements for the last full financial year in which the member performed his or her function;
2) upon death of the Management Board member;
3) on the day the Management Board member is recalled;
4) on the day a resignation in writing or in electronic form is submitted to the Chairman of the Supervisory Board.

By way of resolution, the Management Board makes decisions in the Company's affairs, except for matters that - under the law or Articles of association - are within the powers of other bodies of the Company, and in particular it:

1) determines the strategy of the Company;
2) establishes and dissolves committees of the Company and determines their competences;
3) adopts its rules and submits them to the Supervisory Board for approval;
4) adopts the rules of management of special funds created from net profit and submits them to the Supervisory Board for approval;
5) determines dividend payouts, on dates fixed by the General Meeting;
6) appoints general proxies (*prokurenci*) and general attorneys and general attorneys having a substitution right;
7) makes decisions in matters set out in the rules of the Management Board;
8) makes decisions in matters submitted by the President, a Vice President or a Member of the Management Board;
9) passes a resolution to adopt the annual financial plan of the Company, adopts investment plans and accepts reports on their performance;
10) accepts reports on activities of the Company and its financial statements;
11) prepares recommendations concerning appropriation of profits and losses;
12) approves the human resources management policy and the legal principles for the Company's activities;
13) approves the principles of management of the Company's capital;
14) approves the employment structure;
15) determines and presents to the Supervisory Board for approval the general organizational structure of the Bank reflecting the size and profile of incurred risks and appoints and removes Heads of Sectors and Heads of Divisions, and determines their competence;
16) determines the inspection plan for the Company and accepts reports on completed checks;
17) makes decisions in other matters which according to the Articles of Association are to be submitted to the Supervisory Board or General Meeting;
18) makes decisions to incur liabilities or dispose of assets if their total value with respect to a single entity exceeds 5% of the Company's equity or grants powers of attorney to designated persons to make such decision, however in case of matters within the powers of Committees established at the Company, such decisions must be first consulted with the competent Committee;

Persons authorized to submit matters to the Management Board include:

1) President of the Management Board;
2) other members of the Management Board;
3) heads of other organizational units - in matters within the scope of operations of those units, upon consent of the member of the Management Board in charge or the President of the Management Board.

Provided that decisions concerning matters relating to the basic organizational structure of the Bank and appointments or dismissals of Sector Heads or Division Head and to determine their competences are initiated or must be agreed with the President of the Management Board.

The Management Board determines, in a resolution, the internal division of powers between members of the Bank's Management Board and submits it to the Supervisory Board for approval.

Within the framework of the internal division of powers in the Management Board of the Bank:

1) there is a separate function of the member of the Management Board responsible for supervision over the management of risks significant to activities of the Bank;
2) the Internal Audit Department reports directly to the President of the Management Board
3) the President of the Management Board may not be appointed as member of the Management Board responsible for supervision over the management of risks significant to activities of the Bank;
4) the president of the Management Board must not be entrusted with supervision over those areas of the Bank's activities which create a significant risk to activities of the Bank;
5) the member of the Management Board who is responsible for supervision over the management of risks significant to activities of the Bank must not be entrusted with supervision over those areas of activities of the Bank that generate the risks the management of which is supervised by that member;
6) a designated member or members of the Management Board are entrusted with supervision over the area of management of non-compliance and the area of financial accounting and reporting.

9. Amendments to the Articles of Association

The Articles of Association of the Bank may only be amended by the General Meeting of Shareholders. An amendment to the Articles of Association must be recorded in the register of entrepreneurs of the National Court Register. Pursuant to Article 34(2) of the Act of 29 August 1997 - Banking Law, an amendment to the Articles of Association of the Bank requires approval by the Polish Financial Supervision Authority (*KNF*).

10. General Meeting procedure, description of its fundamental powers as well as shareholder rights and methods of exercising them

10.1 General Meeting procedure

The General Meeting at the Bank operates in accordance with the General Meeting Regulations, the Articles of Association and provisions of law. The General Meeting of the Bank (General Meeting) has Regulations, specifying detailed rules for conducting meetings and adopting resolutions.

According to the practice adopted by the Company, the General Meeting is held at the registered office of the Company in Warsaw. The Annual General Meeting is convened by the Management Board. It should be held within six months of the end of each financial year. The Supervisory Board has the right to convene the Annual General Meeting if the Management Board fails to do so within the time limit specified in the Articles of Association, and the Extraordinary General Meeting, whenever deemed necessary. The Management Board convenes the Extraordinary General Meeting at its own initiative and at the request of a shareholder or shareholders representing at least one-twentieth of the share capital. A request to convent the Extraordinary General Meeting must be submitted to the Management Board in writing or electronically. If the Extraordinary General Meeting is not convened within two weeks after a request is made to the Management Board, the registry court may, by way of a ruling, authorize the shareholders or shareholders who submitted the request to convene the Extraordinary General Meeting. The shareholder or shareholders so authorized by the registry court must invoke the registry court's ruling referred to in the preceding sentence in the notice convening the Extraordinary General Meeting. The registry court appoints the chairman of that Extraordinary General Meeting. The Extraordinary General Meeting may also be convened by shareholders representing at least half of the Bank's share capital or at least half of the total number of votes at the Bank. The chairman of the Meeting is appointed by shareholders. The General Meeting is convened by an announcement placed on the Bank's website and in the manner prescribed for making current disclosures by public companies, provided that the announcement should be made at least twenty-six days before the date of the General Meeting. The shareholders entitled to request that a specific matter be placed on the agenda of the General Meeting, in order to exercise that right to complete the agenda, should submit a written or electronic motion to the Bank's Management Board, together with reasons and a draft resolution on the proposed agenda item, by no later than twenty-one days before the set date of the General Meeting. The Management Board places the item requested on the agenda of the next General Meeting immediately but no later than eighteen days before the set date of the General Meeting. The General Meeting may only be cancelled if it becomes unnecessary or in the event of an extraordinary hindrance to its holding. Cancellation and rescheduling of the General Meeting is made in the same manner as its convocation, provided that the twenty-six day advance notice does not apply. Cancellation and rescheduling of the General Meeting should be made in a manner which is least prejudicial to the Bank and shareholders. The General Meeting may adopt a resolution on refraining from considering a matter placed on the agenda or on changing the order of agenda items. However, taking an item off the agenda or refraining from consideration of an item placed on the agenda at the request of shareholders is subject to a prior consent of all the present shareholders who submitted the request, with 80% of General Meeting votes in favor. Requests on above matters should state detailed reasons.

A full text of the documentation to be presented during the General Meeting together with draft resolutions (if no resolution is envisaged on a matter - remarks of the Management Board) is published on the Bank's website as of the date of convening the General Meeting, together with other information regarding the General Meeting. Materials for the General Meeting are also made available at the Bank's office at the time when the Bank announces the notice convening the General Meeting. Notwithstanding the foregoing, the Bank performs all the information obligations arising from generally applicable regulations regarding convocation of General Meetings.

The General Meeting is opened by the Supervisory Board Chairman and, in his absence, successively, by the Deputy Chairman or one member of the Supervisory Board. According to the practice of holding General Meetings, as adopted by the Company, immediately after opening of the General Meeting, election of its Chairman is ordered. Prior to election of the Chairman, the General Meeting does not make any decisions.

The Bank's Management Board, each time through the person opening the General Meeting, provides the Chairman of the General Meeting with instructions on how to serve in that capacity in a manner that ensures compliance with generally applicable laws, corporate governance, the Articles of Association and other internal Bank regulations. The General Meeting should be attended by members of the Management Board and the Supervisory Board as well as the Bank's statutory auditor if financial matters are the subject of the General Meeting.

Voting at the General Meeting shall be open. Secret voting shall be ordered on elections or on motions to recall or hold accountable members of Company authorities or its liquidators, and on personal matters. In addition, secret voting shall be ordered at the request of at least one of the shareholders present or represented at the General Meeting.

The General Meeting shall be valid regardless of the number of shares represented, save as provided for by law. Resolutions of the General Meeting are adopted by an absolute majority of votes present unless provisions of law or the Articles of Association provide otherwise.

Voting in practice is done with the help of a computer system for casting and counting votes, which ensures that the number of votes cast corresponds to the number of shares held, as well as prevents - in the case of secret voting - tracing the votes cast to individual shareholders.

The Chairman of the General Meeting should phrase resolutions in such a way that any authorized person who disagrees with the merits of the decision being made in the resolution could challenge it. The Chairman of the General Meeting is responsible for ensuring that resolutions are worded in a clear and transparent manner. The Management Board of the Company also allows the Chairman to obtain the assistance of the Company's legal services.

Resolutions of the General Meeting are recorded by a notary public. The minutes are prepared in accordance with the relevant provisions of the Commercial Companies Code.

General Meetings may be attended by representatives of the media.

10.2 Fundamental powers of the General Meeting

The Annual General Meeting should be convened for the purpose of:

1) consideration and approval of the Management Board report on Company operations and its financial statements for the previous accounting year, as well as the consolidated financial statements of the Company's Group;
2) adoption of a resolution on profit distribution or coverage of losses,
3) acknowledgment of the fulfillment of duties by members of Company authorities.

In addition to matters provided for in mandatory provisions of law, the General Meeting has the authority over the following matters in particular:

1) sale or lease of the enterprise or its organized portion, and establishment of limited property rights thereon;
2) amendments to the Articles of Association;
3) increasing and reducing the share capital of the Company;
4) determination of the date of pre-emptive rights to new shares;
5) determination of the dividend day for the previous accounting year and dividend payment dates;
6) creation and release of special funds set up from profit;
7) appointment and recall of Supervisory Board members;
8) determination of the remuneration of Supervisory Board members;
9) merger or winding up of the Company;
10) appointment and recall of liquidators;
11) cancellation of Company shares;

12) use of supplementary and reserve capital, including the reserve capital (fund) established in order to accumulate undistributed profit (not intended for dividends in a given accounting year) and the banking risk fund.

The General Meeting decides on profit distribution, specifying the amounts of accruals for:

1) supplementary capital accrued annually from profit at the minimum of 8% of the profit for the accounting year until that capital reaches at least one third of the share capital. The General Meeting may adopt a resolution requiring further accruals;
2) reserve capital;
3) general risk fund;
4) dividend;
5) special funds;
6) other purposes.

In the event of winding up of the Company, the General Meeting appoints one or more liquidators at the request of the Supervisory Board and determines the method of winding up.

10.3 Shareholders' rights and their exercise methods

Company's shares are bearer shares and are transferable. Shareholders have the right to share in the profit reported in the financial statements audited by a statutory auditor if that profit has been allocated by the General Meeting to payments to shareholders. Profit is distributed in proportion to the number of shares held.

Only those who are the Bank's shareholders sixteen days before the date of the General Meeting (Date of Registration for participation in the General Meeting) are entitled to participate in the General Meeting of the Bank as a public company. A shareholder participating in the General Meeting has the right to vote, put forward motions and raise objections, as well as provide a brief explanation of his/her position.

Draft resolutions proposed for adoption by the General Meeting and other relevant materials should be presented to shareholders together with the reasons and opinion of the Supervisory Board prior to the General Meeting, allowing sufficient time for their review and assessment.

A shareholder may participate in the General Meeting and exercise their voting rights in person or through a proxy.

Each shareholder has the right to run for Chairman of the General Meeting as well as propose a candidate for Chairman of the General Meeting for the record.

Whenever any item of the agenda is being considered each shareholder has the right to speak and respond.

The Management Board is required to provide the shareholder, at the latter's request, with information about the company if it is necessary to assess a matter on the agenda. The Management Board should refuse to provide such information if this may be detrimental to the Company, its affiliated company or its subsidiary company, in particular as a result of disclosure of technical, commercial or organizational company secrets.

A member of the Management Board may refuse to provide information if providing the information could expose a Management Board member to criminal, civil or administrative liability.

In justified cases, the Management Board may provide the information in writing by not later than 2 (two) weeks of the date of adjournment of the General Meeting.

Company authorities do not limit information but at the same time they adhere to the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and on Public Companies, the Act on Trading in Financial Instruments, Regulation of the European Parliament and Council (EU) No 596/2014 of 16 April 2014 on Market Abuse, the Regulation on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state, as well as provisions of the Code of Commercial Companies.

A shareholder has the right to object to the wording of a resolution of the General Meeting and, when objecting, may present arguments and justify the objection.

Each shareholder has the right to propose amendments and additions to draft resolutions placed on the agenda of the General Meeting, until discussion on the agenda item ends with a draft resolution on that proposal. Such proposals together with a brief justification should be submitted in writing.

A shareholder at the General Meeting may submit motions on procedural matters. Motions on procedural matters are considered to be motions regarding the method of proceeding or voting.

Shareholders have the right to propose their candidates to the Supervisory Board of the Bank in writing to the attention of the Chairman of the General Meeting or verbally for the record, in both cases the proposals must be accompanied by a brief justification. When proposing candidates for members of the Supervisory Board, shareholders submit documents necessary to assess whether the candidates meet the requirements of Article 22aa of the Banking

Law, following in this regard the guidelines set out in the "Qualification assessment policy for members of the Supervisory Board at Bank Handlowy w Warszawie S.A." If candidates are proposed in the course of the General Meeting, the Chairman orders a procedural break to allow shareholders to review the candidate profile and submitted documents as required by the above Policy.

Shareholders have the right to view the book of minutes, as well as to request copies of resolutions certified by the Management Board.

The shareholder who voted against a resolution of the General Meeting, and after its adoption, requested that his/her dissension be recorded, the shareholder who was unreasonably not allowed to participate in the General Meeting and the shareholders who were not present at the General Meeting, provided only that the General Meeting was convened defectively or if a resolution was adopted on a matter not included in the agenda, will have the right to bring a lawsuit seeking to repeal the resolution of the General Meeting.

To the extent provided for by generally applicable provisions of law, shareholders also have the right to bring a lawsuit against the Company to have an unlawful resolution of the General Meeting declared invalid.

Shares may be cancelled with the shareholder's consent by way of their purchase by the Company (voluntary redemption). Shares cancellation requires a resolution of the General Meeting and the prior consent of the Polish Financial Supervision Authority. The resolution should specify, in particular, the legal basis for the cancellation, the amount of compensation payable to the shareholder of the cancelled share or the justification for shares cancellation without compensation and the method of decreasing the share capital.

The Bank ensures adequate protection of minority rights within the limits allowed by the Bank's capital nature and the resulting primacy of the majority over the minority. In particular, to ensure equal treatment of shareholders, the Bank applies, inter alia, the following practices:

- General Meetings of the Bank are always held at the registered office of the Bank, which is located in Warsaw;
- media representatives are allowed to be present at General Meetings;
- all relevant materials for the General Meeting, including draft resolutions with justifications and opinions of the Supervisory Board, are made available to shareholders inter alia on Bank's website;
- the General Meeting of the Bank has a Regulations, specifying detailed rules of procedure and adoption of resolutions;
- the General Meeting is attended by members of the Supervisory Board and the Management Board, who, within their respective authority, provide explanations and information about the Bank to participants of the Meeting;
- participants of the General Meeting who object to a resolution are allowed to justify their objection. In addition, each participant of the Meeting has the option to submit his/her written statement for the record.

11. Composition of and changes to the Management Board and the Supervisory Board of the Bank in 2024, rules of procedure of the Bank's managing and supervisory bodies

11.1 Management Board

The Management Board of the Bank consists of five to nine members. The Management Board consists of: President of the Management Board, Vice Presidents of the Management Board and Members of the Management Board. At least half of all members of the Management Board should be Polish citizens. . The members of the Management Board of the Bank are appointed by the Supervisory Board for an individual term of four years. The term of office is calculated in financial years, with the first financial year of the term of office being each time the financial year in which the function was taken up, even if it did not take place at the beginning of that financial year.

As at 31 December 2024, the Management Board consisted of:

<table>
<tr><th>Member of the Management Board</th><th>Scope of responsibility</th></tr>
<tr><td rowspan="3">Elżbieta Światopełk-Czetwertyńska
President of the Management Board</td><td>The President of the Management Board:
• manages the work of the Management Board, including appointing from among the members of the Management Board a person to replace the President of the Management Board, during his absence, and determines the procedure of substitution for members of the Management Board who are absent,
• calls and chairs meetings of the Management Board,
• presents the position of the Management Board to other bodies of the Bank, central and local government and the general public,
• submits motions to the Supervisory Board concerning appointments and dismissals of Vice Presidents and other Members of the Management Board and determination of their remuneration,
• issues internal regulations applicable to activities of the Bank and may authorize other Members of the Management Board or other employees to issue such regulations,
• decides how internal audit results are to be used and notifies such decision to the audited entity,
• exercises other authorizations resulting from appropriate rules adopted by the Supervisory Board,
• supervises the formulation and implementation of the strategy of the Bank, , including a sustainable development strategy covering environmental, social and corporate governance (ESG) issues,
• is the officer to which the internal audit department is subordinated,
• supervises the risk of non-compliance of the Bank with respect to the law, internal regulations and market standards, is responsible for implementing the obligations specified in the Act of 1 March 2018 on Counteracting Money Laundering and Terrorism Financing,
• supervises human resources policy,
• is responsible for activities to control how the Bank is perceived,
• ensures a consistent organizational structure of the Bank,
• supervises activities to ensure appropriate corporate governance,
• supervises legal services,
• supervises the area of security at the Bank with respect to protection of persons and property,
• ensures the implementation of risk management principles in supervised divisions and units outside the organizational structure of a division with respect to operational risk connected with their activities,
• as part of the external matrix structure, it covers the external functional bond of designated persons from subsidiary entities of the Bank responsible for the area corresponding to the scope of the competence of the President of the Management Board.</td></tr>
<tr><td>Experience</td></tr>
<tr><td>Ms. Elżbieta Światopełk-Czetwertyńska has many years of experience in</td></tr>
</table>

Member of the Management Board	Scope of responsibility
	the banking industry on 6 European markets and both Americas. She joined Citibank in July 1994 in Ecuador as Relationship Manger in the Corporate Bank. During 1999-2003, she worked in the Dominican Republic as the Head of Transaction Services, Asset Based Finance and the small and medium enterprises client segment. Later, she moved to the United States for one year, to work in audit area overseeing corporate loans in Latin America. In 2004, Ms. Elżbieta Światopełk-Czetwertyńska joined Bank Handlowy w Warszawie S.A. in Risk Management and in 2005 was appointed Senior Credit Officer. After three years, Elzbieta took the responsibility for the Central-East Region in Poland. In October 2009, she was appointed country Head for the Commercial Bank and she held this position until 2013, when she moved to Colombia. In Colombia Ms. Elżbieta Światopełk-Czetwertyńska was responsible for running the Treasury and Trade Solutions business, where she successfully developed and executed a dynamic growth strategy. As part of the Senior Management Team of Colombia and the Latam Treasury and Trade Solutions Executive Committee, Ms. Elżbieta Światopełk-Czetwertyńska was involved in shaping the strategy of the franchise and the TTS business in the Region. In November 1, 2015, Ms. Elżbieta Światopełk-Czetwertyńska was appointed Citi Country Officer and Corporate Investment Banking Head for Ecuador. In March 2019 she returned to Europe as Citi Country Officer for Switzerland, Monaco and Liechtenstein. Ms. Elżbieta Światopełk-Czetwertyńska graduated from University of Reading, England, U.K. as Bachelor of Science in Food Science, Food Economics & Marketing. She was Awarded First Class Honors Degree.

Member of the Management Board	Scope of responsibility
Patrycjusz Wójcik *Vice President of the Management Board*	Vice President responsible for Finance: • supervises the areas of accounting and financial reporting, including financial control, • supervises the area of sustainability reporting (ESG), • management accounting, • bookkeeping, • preparation of accounting policies, • coordination of activities connected with implementation at the Bank of requirements resulting from laws and regulations, as well as resolutions and recommendations of the financial supervision authority, with respect to capital adequacy, • is responsible for preparing a recovery plan and for planning the restructuring and orderly liquidation of the Bank and the Bank's capital group, • ensures the implementation of risk management principles in supervised organizational units with respect to operational risk connected with their activities, • as part of the external matrix structure, it covers the external functional bond of designated persons from Bank's subsidiaries responsible for the area corresponding to the scope of competence of the Vice President of the Management Board responsible for Finance. **Experience** Mr. Patrycjusz Wójcik has been the Vice President of the Management Board of Bank Handlowy w Warszawie S.A. since February 1, 2024. Patrycjusz has extensive experience in the area of banking and finance. Since 2014 he has been holding the role of Head of Strategy and Development Department within Financial Markets in the Bank being responsible for operational, financial and administrational support of all business lines within Markets. Since 2018, has been President of the

Member of the Management Board	Scope of responsibility
	Management Board of Dom Maklerski Banku Handlowego S.A. („Brokerage House"). In this role he was responsible for business and financial supervision, coordinated and supervised the process of merging the Brokerage House with the Bank. From August 2022 to January 2024 Mr. Patrycjusz Wójcik was holding the role of CEO for the Handlowy Financial Services sp. z o.o. supervising the company liquidation process and regulatory reporting and financial statements. He started his professional career in KPMG, where he was engaged in audit and advisory projects for biggest financial institutions in Poland. Mr. Patrycjusz Wójcik is ACCA certified accountant, a certified financial markets dealer and a licensed broker. He graduated from the Warsaw School of Economics, Quantitative Methods and Information Systems and he is a scholarship holder of the Humboldt University in Berlin.

Member of the Management Board	Scope of responsibility
Maciej Kropidłowski *Vice President of the Management Board*	Vice President responsible for Financial Markets and Corporate Banking: • responsible for financial market operations, including money market transactions as well as FX market, securities and derivative transactions, • responsible for activities related to securitization, • responsible for activities related to organizing financing for investment plans, mergers and acquisitions in the scope of: – syndicated loans, – bridge financing, – debt securities, – project finance; – off-balance sheet financing, • responsible for custody activities, • ensures the implementation of risk management principles in supervised organizational units with respect to operational risk connected with their activities, • responsible for ongoing cooperation with and supervision over corporate bank and commercial bank, including supervision over services provided to clients from the financial institution sector, • supervises the brokerage activities, also is responsible for the current functioning of the procedures of anonymous reporting of violations at the Brokerage Department of Bank Handlowy and accepting anonymous reports of violation of law or violation of procedures and ethical standards in the Brokerage Department, • within the external matrix structure, includes external functional ties to designated persons from entities associated with the Bank responsible for the area corresponding to the scope of competences of the Vice President of the Management Board responsible for financial markets and corporate banking.
	Experience
	Mr. Maciej Kropidłowski has been the Vice President of the Management Board of Bank Handlowy w Warszawie S.A. since March 19, 2014. Mr. Maciej Kropidłowski is a graduate of the University of Lodz, the Faculty of Management. Mr. Maciej Kropidłowski has been the Financial Markets Sub-Sector Head at Bank Handlowy w Warszawie S.A. since January 2014. In February 2014 he was appointed Member of the Supervisory Board of Dom Maklerski Banku Handlowego S.A. (Brokerage House of Bank Handlowy S.A.). At Bank Handlowy w Warszawie S.A. he is responsible for Treasury operations in the area of financing of the Bank's assets, money market financial services, FX services, trading in securities and derivatives. Mr. Maciej Kropidłowski started his career in 1995 in Citibank (Poland) S.A. in the Corporate Bank. Four years later he became an RM in the

Member of the Management Board	Scope of responsibility
	International Corporate Clients unit at Citibank N.A. in Switzerland. In 2001 he returned to Poland and joined Bank Handlowy w Warszawie S.A. as Head of Treasury Sales. In his new role he was responsible for managing the Structuring and Treasury Products Sales Unit. In 2008 he was appointed Head of Treasury Sales for Central and Eastern Europe, Middle East and Africa at Citibank N.A. in London and he was responsible for Treasury products sales to corporate clients. He also played an important role in developing the best e-Commerce platform for corporate clients and a global CRM system for Global Markets.
Member of the Management Board	**Scope of responsibility**
Andrzej Wilk *Vice President of the Management Board*	Vice President responsible for Consumer Banking: • responsible for consumer banking, including the quality standard of banking services in supervised organizational units, • ensures that principles of their business-related operational risk management are implemented in such supervised organizational units, • as part of the matrix structure, it supervises brokerage activities implemented in relation to individual clients to the extent specified in the organizational regulations of the bank's relevant organizational units to perform such activities. **Experience** Mr. Andrzej Wilk has been the Vice President of the Management Board of Bank Handlowy w Warszawie S.A. since July 1, 2022. Mr. Andrzej Wilk has an extensive professional experience in banking. Mr. Andrzej Wilk joined Bank Handlowy w Warszawie S.A. in 1997 as Planning and Business Analysis Specialist. Then, he held a number of managerial roles, including the CFO of Citifinancial Central Europe, supervising the development of over 200 branches and points of sale. He was also the Head of Retail Bank in Hungary, the Czech Republic and Romania. Between 2014 and 2018 he worked outside of Citi, at Moneygram Polska as the Company CEO. Then, Mr. Andrzej Wilk returned to Citi and from 2019 he served as the Head of Retail Products, Brokerage Services, Segments and Branch Network Management Division. Mr. Andrzej holds a Master's degree in Management and Marketing from the Wrocław University of Science and Technology.
Member of the Management Board	**Scope of responsibility**
Barbara Sobala *Vice President of the Management Board*	Vice President responsible for of significant risks management: • supervises management of risks significant to activities of the bank credit policy of the Bank, • responsible for risk management system including: – credit policy, – quality of the Bank's credit portfolio, – credit risk, – market risk, – operational risk, – ESG risks, • responsible for coordination of activities connected with implementation at the Bank of requirements resulting from risk management regulations, including recommendations issued by supervisory authorities, • responsible for supervision of risk management at second level, by employees in specially appointed positions or organizational units, • provides the Bank's Management Board and Supervisory Board with comprehensive information on risk,

Member of the Management Board	Scope of responsibility
	• responsible for adjustments of the organizational structure of the Bank to the amount and profile of risks to which the Bank is exposed, • accepts anonymous reports of infringements of law or procedures and ethical standards applicable at the Bank, • responsible for the ongoing functioning of the anonymous infringement reporting procedures, including for reporting to the Supervisory Board, at least semi-annually, any substantial ethical issues arising at the Bank, • within the external matrix structure, includes external functional ties to designated persons from entities associated with the Bank responsible for the area corresponding to the scope of competences of the Vice President of the Management Board responsible for material risk management.
	Experience
	Ms. Barbara Sobala assumed the position of Vice President of the Management Board of Bank Handlowy w Warszawie S.A. on October 15, 2013. Ms. Barbara Sobala has a university degree. She graduated from the Cracow University of Economics. She has extensive (over twenty years) experience in banking, especially in risk management and corporate restructuring. She joined Bank Handlowy in 2005 as Head of IRM. In the years 2012-2015 she was the Head of Risk for the Institutional and Corporate Bank. She is the Chairperson of the Risk and Capital Management Committee, Vice Chairperson of the Equity Investments Committee and a member of the Assets and Liabilities Management Committee (ALCO) in the Bank. Before joining Bank Handlowy's team, she served 13 years for Bank BPH where she held various roles including Head of the Restructuring Department Head. She was also a member of the Bank's Credit Committee.
Member of the Management Board	**Scope of responsibility**
Ivan Vrhel *Member of The Management Board*	Vice President responsible for transaction service,. • responsible for: – finance management products; – trade finance products; – cash products; – liquidity management products; • responsible for supervision of EU programmes • responsible for supervision within the internal functional relationship over services for the public sector; • ensures the implementation of risk management principles in supervised organizational units with respect to operational risk connected with their activities; • as part of the external matrix structure, it covers the external functional bond of designated persons from Bank’s subsidiaries responsible for the area corresponding to the scope of competence of a member of the management board responsible for transactional banking.
	Experience
	Mr. Ivan Vrhel has been the Member of the Management Board of Bank Handlowy w Warszawie S.A. since September 29, 2022. Mr. Ivan Vrhel has 17 years of experience in banking and management gained in many markets where entities from the Citi group operate. Mr. Ivan Vrhel started his career in 2004 at Citibank Prague in the corporate banking

Member of the Management Board	Scope of responsibility
	division, where he worked as a customer relationship manager (RM) and held a number of managerial positions, including being the Head of Emerging Corporate, a unit dealing with acquiring and developing relationships with the largest entities from the Small and Medium Enterprises segment in the Czech Republic. In 2014, Mr. Ivan Vrhel moved to Romania, where he took the position of the Head of Corporate Banking. He held this position in 2014-2021. In 2017, Mr. Ivan Vrhel was promoted to the position of the Citi Country Officer in Romania, which he held until 2021. At the same time, he was also the Director of Citibank Europe plc Branch in Romania. In this role, he was responsible for the implementation of the country's business strategy. From January 1, 2022 to July 31, 2022, Mr. Ivan Vrhel was the Head of Transaction Banking in Russia. Mr. Ivan Vrhel holds a bachelor's and master's degree from the Charles University in Prague from the Faculty of Social Sciences (specialization: banking and capital market).

Member of the Management Board	Scope of responsibility
Katarzyna Majewska *Vice President of the Management Board*	Vice President responsible for Operation and Technology. • responsible for operations and technology, • responsible for real estate management, • responsible for administration, • supervises the field of occupational health and safety, • ensures the implementation of risk management principles in supervised organizational units with respect to operational risk connected with their activities, • within the matrix structure, supervises the operations located in the organizational unit operating in the Brokerage Department of Bank Handlowy, • within the external matrix structure, includes external functional ties to designated persons from entities associated with the Bank responsible for the area corresponding to the scope of competences of the Vice President of the Management Board responsible for operations and technology.
	Experience
	Ms. Katarzyna Majewska assumed the position of a Member of the Management Board in charge of Operations and Technology as well as the Banking Product Research and Development Center in January 2016. She joined Citi Handlowy team from PZU Group, where she had acted as Managing Director for administration and logistics for 7 years. Before, between 1999 and 2008 Katarzyna worked in Bank Handlowy. In the years 2017 and 2021 she was the Vice Chair of the Cybersecurity Forum at the Polish Bank Association. She graduated from the Warsaw School of Economics and Harvard Business School and holds an MBA from the Rotterdam School of Management. Katarzyna has many years of experience in banking.

Changes in the composition of the Management Board in 2024

On November 16, 2023, the Bank received information about the resignation, as of January 31, 2024, of Mrs. Natalia Bożek from the position of Vice-President of the Management Board of the Bank due to taking a role of Chief Financial Officer (CFO) for the Citi Europe cluster. Due to the above vacancies, on 25 January 2024, the Supervisory Board of the Bank appointed Mr. Patrycjusz Wójcik to the Management Board as of February 1, 2024.

The Management Board operates in particulat on the basis of generally applicable laws, the Articles of Association and the Management Board Regulations. The Management Board Regulations define the scope and mode of operations of the Management Board as well as the procedure for adopting resolutions.

During 2024, the following committees consisting of Management Board Members were active:

1) Risk and Capital Management Committee,
2) Assets & Liabilities Committee (ALCO) of the Bank,
3) Business Risk, Control System and Compliance Committee for Bank Handlowy w Warszawie S.A.;
4) Bonus Committee (liquidated on February 27, 2024),
5) New Products Committee,

President of the Management Board convenes and chairs meetings of the Management Board. President of the Management Board may set fixed dates for holding meetings.

Work organization at the Management Board is ensured by the Corporate Services Office.

Management Board members have an obligation to attend Management Board meetings. An anticipated absence of a Management Board member at a meeting should be reported to the Corporate Services Office and must be excused.

In 2024, there were no long-term absences of the Management Board members.

In addition to members, meetings of the Management Board are attended by: Director of the Corporate Services Office or his designee, Head of the Compliance Division, Head of the Legal Division, Director of the Audit Department.

Resolutions of the Committee are valid provided that at least one half of the permanent members of the Committee are present. Resolutions of the Management are adopted by an absolute majority of votes.

The Management Board adopts resolutions in an open vote. Chairman of the meeting may order voting by ballot at his own initiative or at the request of a Board member. Member of the Management Board who disagrees with the wording of the adopted resolution may present a different position to be recorded in the minutes. A resolution of the Management Board is effective as of the date of its adoption unless it provides for a different effective date.

In justified cases, a resolution of the Management Board may be adopted through circulation (in writing) based on a decision of the President of the Management Board or the member substituting for the Management Board President. Draft resolutions to be adopted through circulation are submitted for approval to all members of the Management Board and become legally binding after being signed by an absolute majority of Management Board members, including the President of the Management Board or the member substituting for the Management Board President. The effective date of a resolution is the date it is signed by the Management Board member who signs the resolution already signed by at least half of all members of the Management Board. If even one of the Management Board members raises an objection to adoption of a resolution through circulation, the draft resolution should be presented at the next Management Board meeting. A resolution may be adopted through circulation provided that all members of the Management Board have been given a notice of its adoption. Resolutions adopted through circulation shall be added to the minutes of the next meeting of the Management Board.

With the consent of the President of the Management Board, members of the Management Board who are absent may participate in the meeting and vote through means of direct remote communication in a manner which enables simultaneous real-time communication and mutual identification among all Management Board members participating in the meeting or voting (e.g. videoconference, teleconference).

Minutes are drafted of each Management Board meeting. Drafting of the minutes is the responsibility of the Corporate Services Office. The minutes include elements indicated in the Regulations of the Management Board.

The minutes must be signed by at least the Member of the Management Board chairing the meeting or ordering the voting.

The Management Board provides the Supervisory Board with the following financial information:

1) quarterly financial information with its comparison to the budget adopted in the annual plan and to the previous year data,
2) immediately upon compilation but no later than 120 (one hundred and twenty) days after the end of each accounting year, standalone and consolidated annual financial statements prepared in accordance with International Accounting Standards and International Financial Reporting Standards, audited by the Bank's auditor;
3) immediately upon compilation but in any case no later than before the end of each year, a draft annual plan for the next accounting year, and
4) immediately, other available financial data related to the Bank's operations and its financial condition, as well as the operations and financial condition of the Bank's subsidiaries, which a member of the Supervisory Board may reasonably request.

11.2 Supervisory Board

The Supervisory Board consists of five to twelve members, each appointed by the General Meeting for a four-year joint term. The term of office is calculated in financial years, with the first financial year of the term of office being the financial year in which the term of office began, even if it did not begin at the beginning of that financial year. By Resolution No. 31 of 17 June 2021, the Ordinary General Meeting of the Bank, on the basis of Article 14.2 of the Articles of Association, established the number of Supervisory Board members to a maximum of 8. In addition, at least half of the Supervisory Board members, including its Chairman, must be Polish citizens. The Supervisory Board consists of independent members.

As at the December 31, 2024, the Company's Supervisory Board consisted of:

Member of Supervisory Board	Professional experience
Sławomir Sikora *Chairman of the Supervisory Board*	Mr. Sławomir Sikora has many years of professional experience in banking industry. He was Chief Executive Officer of Bank Handlowy w Warszawie S.A. from 2003 to 2021. In 2005-2008 he was a Member of Citigroup Management Committee in New York. In the years 2001-2003 he was President of the Management Board of America Bank in Poland S.A. From 1994 to 2001 he was Corporate and Investment Banking Head at PBK Bank in Warsaw in the rank of Vice President of the Management Board. Between 1989-1994 he held senior positions at the Ministry of Finance in Poland (incl. Head of the Banking and Financial Institutions). Mr. Sławomir Sikora is a graduate of the Warsaw School of Economics (SGH)
Ignacio Gutierrez-Orrantia Vice-*Chairman of Supervisory Board*	Mr. Gutierrez - Orrantia serve as CEO and Executive Director on the Board of Citibank Europe Plc (CEP), Citi's bank chain legal vehicle headquartered in Dublin, Ireland. Mr. Gutierrez-Orrantia is also Citi's Banking and Cluster Head for Europe, responsible for leading Citi's businesses across 24 countries on the Continent. Mr. Gutierrez-Orrantia has been in the banking industry for close to 30 years. He joined Citi in 2004 and was most recently co-head of Investment Banking for Europe, the UK and Middle East. In 2021, he was appointed as Head of Banking, Capital Markets and Advisory (BCMA) for Europe, Middle East and Africa. He has extensive investment banking experience, having served as Chairman for Continental Europe (2018 – 2021) and Chairman for Spain and Portugal (2009-2021). He started his career in Goldman Sachs' Mergers & Acquisitions division. Mr. Ignacio Gutierrez-Orrantia holds Business Management Degree from Universidad Comercial Deusto.
Natalia Bożek Member of Supervisory Board	Ms. Natalia Bożek has extensive experience in the area of banking and finance, presently she serves as an Executive Director on the Board of Citibank Europe Plc (CEP), Citi's bank chain legal vehicle headquartered in Dublin, Ireland. In the years 1999-2014 she worked at Bank Handlowy w Warszawie S.A., first as Business Planning and Analysis Expert for the Consumer Bank and then as Financial Planning and Analysis Head for Bank Handlowy w Warszawie S.A., covering both Consumer and Corporate Bank. From 2014-2017 Ms. Bożek pursued her career within Citi Group in the Polish branch of Citibank Europe plc as Financial Planning and Analysis Head for Europe. In September 2017 she returned to Bank Handlowy w Warszawie S.A. as Director for Financial Planning Process Coordination and Strategic Projects supporting CFO of the Bank. Subsequently, Ms. Bożek served as Vice President of the Management Board of Bank Handlowy w Warszawie S.A. responsible for finance from March 21, 2018 to January 31, 2024. In February 2024, Ms. Bożek took on the role of Europe Cluster Chief Financial Officer (CFO) for Citi.

Member of Supervisory Board	Professional experience
	Ms. Natalia Bożek holds a Master's degree from the Business and Administration University in Warsaw.
Fabio Lisanti Member of Supervisory Board	Mr. Fabio Lisanti serves as a Board Member of Citibank Europe Plc (CEP), Citi's bank chain legal vehicle headquartered in Dublin, Ireland. From 1995 - 2016 Mr. Lisanti was associated with UBS Investment Bank where his career focused on Debt Capital Markets, Institutional & Corporate Solutions Sales, and Fixed Income Structuring. He served among other as Global Head of Debt Capital Markets and Client Solutions and Member of Global Banking & Foreign Exchange, Rates and Credit Executive Committees. Then from January to November 2016 he joined to BSI Bank (Banca della Svizzera Italiana) as Senior Advisor to the CEO. Since 2016 he has been associated with Citigroup as Head of Markets Europe in Citigroup. Mr. Lisanti has been a Board Member of the International Capital Markets Association and currently represents Citi on the Board of the Association for Financial Markets in Europe. Mr. Fabio Lisanti has a Bachelor's degree in Science in Industrial and Business Economics at the London School of Economics and a master's in International Economics and Management as the SDA Bocconi in Milan.
Marek Kapuściński *Member of Supervisory Board (an independent member within the meaning of § 14 section 4 of the Bank's Articles of Association)*	Mr. Marek Kapuściński graduated from the Faculty of Foreign Trade at the Main School of Planning and Statistics in Warsaw (currently, the Warsaw School of Economics) and completed postgraduate studies at SEHNAP / Stern School of Business at New York University. He had been associated with the Procter & Gamble company for 25 years till September 2016. He is co-creator of company's success on the Polish and Central European market, including numerous standards of the way the Polish market has functioned since the time of transformation. They encompass standards for the cosmetics industry, business ethics, social responsibility, or self-regulation in the field of advertising. Since July 2011, he has performed the function of General Director and Vice President (i.e. CEO) for 9 Central Europe markets which are of key importance for P&G, and since January 2007 for Poland and the Baltic States. He is the first Pole and a person from Central Europe at the managerial level in this global corporation, as well as an active member of the company's regional management and its Global Business Leadership Council, which unites all 250 top executive managers. An experienced CEO and leader, an expert in strategy, innovation and management, an active creator of standards constantly adapting to the new challenges of brand management, a shopper of marketing, sales and communication in the age of digitization and omni-channel. The first Pole and Central European to be promoted at P&G to the positions of Brand Manager, Marketing Manager and Marketing Director; also for 5 years, responsible for developing a number of brands in the Region of Central and Eastern Europe, Middle East and Africa. Co-author of the strategy and leading market position of numerous well-known brands in the P&G portfolio. . In recognition of his contribution to building brands and Polish advertising standards and practices, he was awarded the title of "20 Year Marketer" by Media Marketing Polska. Lecturer and speaker, juror, participant of discussion panels. Currently, he sits on Supervisory Boards of companies and public benefit organizations, and advises their managements. Privately, he invests in start-ups and donates for the development of young Polish culture and art. Since 29 September 2016, he has served as a member of the Supervisory Board of Bank Handlowy w Warszawie S.A.
Andras Reiniger *Member of Supervisory Board*	Mr. Andras Reiniger is the new Chief Operating Officer (COO) for Legacy Franchises. Mr. Reiniger will partner closely with the Legacy Franchises Management Team to lead day-to-day business operations for the organization. He will be responsible for Business Management including Business Planning, Strategic Planning, Financial Management and Risk Management, playing an integral role in the execution of Citi Legacy Franchises divestiture strategy and strategic priorities.

Member of Supervisory Board	Professional experience
	Most recently, Andras served as Head of Corporate Mergers & Acquisitions (M&A) for Citi, overseeing the team responsible for executing strategic acquisitions and divestitures for the firm globally. Since joining the team in 2008, Andras has led M&A activities for Citigroup's exits from international consumer businesses, as well as selected acquisitions. Over the past year, he led the divestiture efforts across Legacy Franchises working closely with our local, regional and global management teams. In the years 2008-2012 as Senior Transactor in Corporate M&A he managed the Citi Holdings divestiture programme across the regions, including the Nordics, Portugal, Italy, Spain, Benelux, UK. In 2009 he was promoted to EMEA M&A Head, and then to Managing Director in 2010. On the buy-side, he involved in smaller acquisitions in Russia, CEE, as well as selected partner card portfolios in the US. Prior to joining Citi he worked for Schroders in UK M&A and then moved to European Financial Institutions Group in 1999 where he was involved in a broad range of transactions in the UK & EMEA across banking, asset management and insurance. He started his professional career as analyst at NatWest Markets, working within the M&A team, focused primarily on transactions in the UK. Mr. Andras Reiniger has a BA (Hons) (Cantab) in Economics from Trinity College, Cambridge. Since 24 June 2022, he has served as a member of the Supervisory Board of Bank Handlowy w Warszawie S.A.
Anna Rulkiewicz *Member of Supervisory Board (an independent member within the meaning of § 14 section 4 of the Bank's Articles of Association)*	Since 2007, Ms. Anna Rulkiewicz has been the President of the Management Board of the LUX MED Group, which she joined in 2002 as a Member of the Management Board and Sales and Marketing Director. Since the end of 2011 she has also performed duties of the Managing Director of LMG Försäkrings AB, whose branch operates in Poland under the business name LUX MED Ubezpieczenia (Insurance). Since 2011, Ms. Anna Rulkiewicz has been the President of Private Medicine Employers (Pracodawcy Medycyny Prywatnej) and since 2016 she has been the Vice President of Employers of Poland (Pracodawcy RP). Ms. Anna Rulkiewicz gained professional experience by, among others, managing the Sales and Marketing Department at Credit Suisse Life & Pensions Towarzystwo Ubezpieczeń na Życie S.A. and at Powszechne Towarzystwo Emerytalne (General Pension Company)/Winterthur in the years 2001-2002, where she supervised the departments of internal and external sales, group insurance, marketing and communication. In the years 1998-2001, Ms. Rulkiewicz worked for Zurich Towarzystwo Ubezpieczeń na Życie S.A. and Zurich Powszechne Towarzystwo Emerytalne S.A. In her capacity as the Group Insurance and Training Director, she was responsible for, i.a. the group insurance segment, including development of services, recruitment system and training management. After becoming the Corporate Client Segment Head and being appointed a member of the Management Board of Zurich Towarzystwo Ubezpieczeń na Życie S.A., she was responsible for the Small Business and Corporate Client Segment. Between 1995-1998, she worked for Commercial Union Towarzystwo Ubezpieczeń na Życie S.A., where she was responsible, among others, for developing sales of group and individual insurance under bancassurance. Ms. Anna Rulkiewicz is a graduate of Nicolaus Copernicus University in Toruń (Uniwersytet Mikołaja Kopernika w Toruniu), where in 1994 she was awarded a Master's degree. Ms. Rulkiewicz is also a graduate of the University of Hamburg. In 1998, she completed postgraduate studies at the Polish and French Institute of Insurance (Polsko-Francuski Instytut Ubezpieczeń) and a range of training courses in, among other fields, management, sales, communication, and marketing organized under the certified insurance industry program LIMRA "Marketing Strategies for Executive Advancement" (LIMRA Executive Development Group). In 2018, she also completed the Stanford Executive Program at the Stanford

Member of Supervisory Board	Professional experience
	University's Graduate School of Business. Between 2013-2017, Ms. Rulkiewicz was also a member of the Supervisory Board of Bank Handlowy w Warszawie S.A., and was again appointed to the Supervisory Board on June 5, 2019.
Barbara Smalska *Member of Supervisory Board (an independent member within the meaning of § 14 section 4 of the Bank's Articles of Association)*	In the years 2015-2017, Ms. Barbara Smalska held the function of the Vice President of the Management Board of Alior Bank S.A., responsible for strategy, mergers (specifically for legal and operational integration with separated operations of Bank BPH S.A. and for merger-related synergies), remote channels (online sales and online and mobile banking development), and for other development and IT projects. Since 2008 she has worked for PZU Group: as the Director of the Product Management Office (2008-2010) and the Managing Director for Mass Market (2010-2012), she was in charge of various aspects of PZU Group's individual client and SME segment management, notably she has been responsible for product management, marketing and sales, and for analytical CRM. In the years 2013-2014, as a member of PZU SA and PZU Życie SA Management Board, she was responsible for PZU Group's individual client and SME segment as a whole. As the Chairperson, and then as an independent member of Link4 TU S.A.'s Supervisory Board (2014-2016), she was in charge of the supervision of the process of incorporating Link4 to PZU Group. Ms. Barbara Smalska also joined PTE PZU SA's Supervisory Board (2013-2014). Ms. Barbara Smalska began her professional career in 2002 at the Boston Consulting Group's Warsaw Office. As Associate, Senior Associate, and Consultant in the years 2002-2006, she was involved in many projects conducted for financial and telecommunications sectors in Poland and in Central and Eastern Europe in, among other fields, business strategy, operational model, sales network organization and activation, costs reorganization and optimization. In the years 2006-2008, as the Project Leader and next as the Principal, she managed strategic projects for the largest Polish banks, insurance companies and telecom companies, mainly in business strategy and distribution strategy in the retail client segment. Ms. Barbara Smalska is a graduate of the University of Warsaw (Uniwersytet Warszawski), where in 1997 she was awarded a Master's degree in physics and in 2001 a PhD's degree in high energy experimental physics. Since 05 June 2019, he has served as a member of the Supervisory Board of Bank Handlowy w Warszawie S.A.

Changes in the composition of the Supervisory Board in 2024

On May 16, 2024, the Bank received information that Ms. Silvia Carpitella and Ms. Helen Hale resigned from their positions as members of the Bank's Supervisory Board as of the date of the Annual General Meeting of Shareholders of the Bank in 2024. In connection with the above, on 19 June 2024, the Annual General Meeting of Bank Handlowy w Warszawie S.A. decided to appoint the following members to the Supervisory Board of the Bank:

1) for the current joint term of office of the Bank's Supervisory Board – Natalia Monika Bożek, Ignacio Gutierrez-Orrantia, and Fabio Lisanti,

2) for the next joint term of office of the Bank's Supervisory Board starting on 1 January 2025 – Natalia Monika Bożek, Ignacio Gutierrez-Orrantia, Marek Kapuściński, Andras Reiniger, Anna Ewa Rulkiewicz, Sławomir Stefan Sikora, and Barbara Karolina Smalska.

The Supervisory Board operates in particular on the basis of generally applicable laws, the Articles of Association and the Supervisory Board Regulations.

As at the date of signing this Report on activity the powers of the Supervisory Board, in addition to the rights and obligations provided for by law, include resolutions on the following matters:

1) appointing and recalling the President of the Management Board in secret voting,
2) appointing and removing, in secret voting, Vice Presidents and other members of the Management Board of the Bank.”
3) setting the terms of contracts governing employment relationships or other legal relationships between Management Board members and the Bank,
4) authorization for opening or closing branch offices abroad,
5) adoption of the Supervisory Board Regulations and approval of the following documents drafted by the Management Board:
   a. regulations of the Management Board of the Bank,
   b. rules for managing special funds set up with net profits,
6) prior authorization for transactions disposing of the Bank’s fixed assets worth more than 1/10 of the Bank’s share capital,
7) selection of an audit firm to audit or review financial statements,
8) authorization for recruitment and dismissal (after prior hearing) of the person heading the Audit Department and the person heading the compliance unit, at the request of the Bank's Management Board,
9) authorization for the Bank to enter into a material contract with a shareholder holding at least 5% of the total votes at the Bank or a related party of the Bank. Before granting its consent, the Supervisory Board must assess the impact of such a transaction on the Bank's interests, as well as whether there is a need to first seek the opinion of an external entity, which will prepare a valuation of the transaction and an analysis of its economic effects,
10) supervision over implementation of the Bank's management system and assessment of the adequacy and effectiveness of that system, including supervision over adoption of the risk management system and annual assessment of the adequacy and effectiveness of that system, and supervision over adoption of the internal control system and annual assessment of the adequacy and effectiveness of that system, including assessment of the adequacy and effectiveness of the control function, compliance unit and the Audit Department, and assessment of the effectiveness of compliance risk management at the Bank,
11) approval of the Bank's strategy as well as the rules of prudent and stable management of the Bank,
12) approval of the basic organizational structure of the Bank, aligned with the size and profile of the risk involved, and determined by the Bank's Management Board,
13) approval of the acceptable general risk level of the Bank,
14) approval of the Bank's compliance policy,
15) approval of the Bank's internal procedures for internal capital assessment, capital management and capital planning,
16) approval of the Bank's information policy,
17) approval of the internal control procedure,
18) approval of the remuneration policy,
19) approval of the risk management strategy and determination of the rules for reporting to the Supervisory Board on the types and volumes of risk in Bank's operations,
20) approval of the regulations for the compliance unit and the Audit Department,
21) approval of the criteria developed by the Management Board for assessing adequacy and effectiveness of internal control,
22) approval of the rules for classifying irregularities detected by internal control,
23) approval of the compliance unit’s annual action plan,
24) approval of the principles of cooperation between the compliance unit and the Audit Department with corresponding units at the parent entity and subsidiaries,
25) approval of the rules for the annual reporting by the compliance unit on the fulfillment of its tasks to the Bank's Management Board and the Supervisory Board,

26) approval of the rules of cooperation between the Audit Department and the statutory auditor,
27) approval of the Audit Department's business strategy,
28) approval of the audit rules prepared by the Head of the Audit Department, which ensure objective performance of responsibilities by the Audit Department, and the rules for transferring employees from other organizational units to the Audit Department, improving qualifications, identifying the number of internal auditors with professional certification and periodic performance assessment of internal auditors,
29) approval of the remuneration of the Head of the Audit Department,
30) approval of the strategic (long-term) and operational (annual) audit plans and their revisions,
31) approval of the remuneration of the Head of the Compliance Department, the authority which may be assigned, by a resolution, to the Audit Committee,
32) authorization for every cooperation in audits between the Audit Department with the corresponding unit at the parent entity, the authority which may be assigned, by a resolution, to the Audit Committee,
33) approval of the rules for reporting by the Audit Department to the Management Board and the Supervisory Board,
34) approving the general rules for introducing changes to the organizational structure adopted by the Management Board,
35) approving the policy of identifying key functions in the Bank developed by the Management Board including the rules of appointment and dismissal of persons performing these functions,
36) approving the ethical principles adopted by the Management Board, defining norms and ethical standards of conduct of members of bodies and employees of the Bank, as well as other persons through whom the Bank conducts its business,
37) approving the conflict of interest management policy developed by the Management Board,
38) approving the principles of remuneration in the Bank developed by the Management Board,
39) approving the dividend policy of the Bank developed by the Management Board and specifying the conditions enabling the payment of dividends from the profit generated by the Bank within a specified period of time, taking into account the maintenance of capital at a level adequate to the risk incurred,
40) approving the risk culture principles developed by the Management Board, unless they are included in the risk management strategy, covering the whole Bank, based on a full understanding of the risk which the Bank is exposed to and the method of managing this risk, taking into account the adopted risk appetite,
41) approving a new product approval policy, developed by the Management Board, covering the development of new products, services and markets, and significant changes to the existing products, services and markets.

Based on the Banking Law Act, the Supervisory Board approves the internal division of responsibilities within the Management Board as well as the remuneration policy in effect at the Company.

The Supervisory Board also has the authority to suspend, for important reasons, individual or all members of the Management Board, as well as second Supervisory Board members to serve, temporarily for not more than three months, in the capacity of those Management Board members who have been recalled, submitted resignation or for other reasons are unable to serve.

Members of the Supervisory Board carry out their responsibilities in person. The Supervisory Board carries out its activities collegially, with each member of the Supervisory Board being entitled to receive information necessary to perform his/her responsibilities from the Management Board. The meetings of the Supervisory Board are held on a quarterly basis, as a minimum. The meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board or, in his/her absence, by Vice Chairman of the Supervisory Board, on his own initiative or at a request of another Supervisory Board member or at a request of the Management Board of the Company. The Chairman of the Supervisory Board may set fixed dates for holding meetings of the Supervisory Board. The notice convening a meeting of the Supervisory Board (or its Committee), containing the date, time and place of the meeting, the agenda and materials to be discussed, as well as the method of using means of direct remote communication during the meeting, is sent by the Secretary to the Supervisory Board to its members (or members of the Board's Committees) by encrypted email or by courier or by registered mail, return receipt requested, at least 7 (seven) days before the date of the meeting.

The Supervisory Board annually adopts a resolution on the report on the activities of the Board, which includes in particular the elements indicated in Art. 382 § 3 (1) of the Act of 15 September 2000 – the Commercial Companies Code.

Members of the Supervisory Board may participate in the adoption of resolutions by casting their votes in writing through another member of the Supervisory Board. The Supervisory Board may adopt resolutions in writing or by means of direct remote communication.

Meetings of the Supervisory Board are chaired by its Chairman, and in his absence, the Vice Chairmen of the Supervisory Board, and in the absence of both, the Supervisory Board member elected by the other members.

Resolutions of the Supervisory Board are valid provided that at least one half of the members of the Supervisory Board are present at the meeting. Resolutions of the Supervisory Board are adopted by an absolute majority of votes. Without the consent of the majority of independent Supervisory Board members, no resolutions may be adopted on the following matters:

1) authorization for the Company to enter into any significant agreement with a shareholder holding at least 5% of the total number of votes in the Company or an entity related to the Company,

2) selection of an auditor company to audit or review the Company's financial statements.

Each member of the Supervisory Board has an obligation to immediately advise the remaining members of any existing conflict of interests and to refrain from taking part in a discussion and voting on a resolution on the matter involving such conflict.

The Supervisory Board adopts resolutions in an open vote, with the exception of appointment and recall, by a secret ballot, of the President of the Management Board, and appointment and recall, by a secret ballot, of Vice Presidents and other members of the Company Management Board. Chairman of the meeting may order voting by ballot on other matters, at his own initiative or at the request of a Supervisory Board member.

A resolution of the Supervisory Board is effective as of the date of its adoption unless it provides for a different effective date.

Minutes of Supervisory Board meetings will be drawn up, containing the elements indicated in the Regulations of the Supervisory Board. A list of Supervisory Board members present at the meeting and other persons participating in the meeting forms an attachment to the minutes. The minutes are signed by at least a Member of the Supervisory Board conducting the meeting or voting manager. Minutes of Supervisory Board meetings for the duration of its term are collected in a separate folder kept by the Company.

Supervisory Board meetings, except for those directly related to the Management Board, are attended by members of the Management Board. At the request of Supervisory Board Chairman or at the request of the Management Board of the Company, meetings may be attended by Company employees or persons from outside the Company relevant to the issue considered. During the Supervisory Board's consideration of issues related to the operation of internal control at the Company, the person heading the Audit Department may also take part in Supervisory Board meetings. In particularly justified circumstances, the Chairman of the Supervisory Board may order a meeting without the participation of persons who are not members of the Supervisory Board, even if the above provisions allow otherwise.

The independence criteria for members of the Supervisory Board indicated in § 14 sec. 4 of the Bank's Articles of Association, i.e. the independent Supervisory Board member shall be deemed the Supervisory Board member who:

1) is not the member of management board of the Bank, the Bank’s dominant company or associated company with the Bank or with the Bank’s dominant company with the meaning of the Commercial Companies Code (hereinafter: an associated company), and has not been in such a position for the previous five years;

2) is not an employee of the Bank or an associated company, and has not been in such a position for the previous three years;

3) is nor receiving any additional remuneration in a significant amount from the Bank or an associated company, apart from the remuneration received as a member of the Supervisory Board.

4) is not a shareholder holding a controlling interest in the Bank's parent company or does not represent the parent company in any way.

5) does not have, or has not had within the last twelve months, a significant business relationship with the Bank or an associated company, either directly or as a partner, shareholder, director or senior employee of a body having such a relationship. Business relationships include the situation of a significant supplier of goods or services (including financial, legal, advisory or consulting services), of a significant customer, and of organizations that receive significant contributions from the Bank or its group;

6) is not, or has not been within the last three years, a partner or employee of the present or former entity authorized to audit financial statements of the Bank or an associated company;

7) is not a member of the management board in another company in which the Management Board member of the Bank is a management board member or supervisory board member, and does not have other significant links with the Management Board members of the Bank through involvement in other companies or bodies;

8) has not served on the Supervisory Board for more than 12 years however, this period shall be calculated no earlier than from January 1, 2008;

9) is not a close family member of the Management Board member, or of persons in the situations referred to in points (1) to (8).

Three of out of eight members of the Supervisory Board meet the above-mentioned certain criteria of independence.

Independence is confirmed on the basis of submitted statements.

In 2024, 9 meetings of the Supervisory Board were held. The following attendance was recorded at the meetings:

1) January 11, 2024 - 100%,
2) February 15, 2024 – 71.4% (Mrs. Silvia Carpitella and Mrs. Anna Rulkiewicz were absent),
3) March 19-21, 2024 - 100%,
4) May 21, 2024 - 100%,
5) June 19, 2024 - 100% (Mr. Fabio Lisanti was absent),
6) July 30, 2024 - 100%,
7) September 19, 2024 - 100%,
8) October 4, 2023 - 87.5% (Mrs. Anna Rulkiewicz was absent),
9) December 6-12, 2024 - 100%.

Supervisory Board Committees

Supervisory Board Permanent Committees are:

1) Audit Committee;
2) Nomination and Remuneration Committee;
3) Risk and Capital Committee.

The Supervisory Board has the right to adopt a resolution on the appointment of committees other than those specified above and composed exclusively of members of the Supervisory Board.

In 2003 the Supervisory Board appointed the **Strategy and Management Committee** responsible mainly for ongoing analyses of all issues related to the activities performed by the Bank’s governing bodies as well as the streamlining of their functioning. As at the December 31, 2024 the Committee was composed of: Sławomir S. Sikora acting as Chair, Marek Kapuściński acting as Vice-Chair, Natalia Bożek, Fabio Lisanti, Andras Reiniger, Anna Rulkiewicz and Barbara Smalska acting as Committee members. In accordance with the adopted Regulations the competences of the Committee include the following matters:

1) conducting ongoing analysis of issues related to the work of the Bank's bodies and the improvement of their functioning,
2) submitting recommendations to the Supervisory Board in the area of the Bank's operating strategy, including the analysis of events and circumstances relevant to the assessment of the Bank's situation and management of the Bank,
3) periodic monitoring of the implementation of the Bank's operating strategy (at least once a year) and the most important related issues,
4) monitoring whether the Bank's operating strategy is implemented in a coherent manner, and the achievement of strategic goals is in line with the Bank's long-term financial interest, including the need to meet prudential requirements in terms of own funds and liquidity,
5) indicating the areas of the Bank's operations, the monitoring of which will be of particular interest to the Committee,
6) supervising the implementation of the adopted strategy of the Bank's operations and recommending to the Management Board of the Bank the directions of activities aimed at its implementation in the event of any deviations from the adopted strategy of the Bank's operations,
7) recommending approval or refusal to approve the Bank's operating strategy by the Supervisory Board or presenting proposals to amend the binding strategy,
8) analysis of the assumptions for the financial plan and getting acquainted with periodic information on the implementation of the financial plan.

In 2024, 2 meetings of the Committee were held. The following attendance was recorded at the meetings:

1) September 18, 2024 – 100%,
2) December 4,2024 – 100%.

Audit Committee

As at December 31, 2024, the Audit Committee was composed of the following members:

1) Barbara Smalska - Chairman of the Committee;
2) Natalia Bożek – Vice Chairman of the Committee;
3) Anna Rulkiewicz – Member of the Committee;

The Audit Committee is a permanent committee of the Supervisory Board. In 2023,4 meetings of the Committee were held. The following attendance was recorded at the meetings:

1) March 20, 2024 – 100%,
2) May 20, 2024 – 100%,
3) September 19, 2024 – 100%
4) December 5,2024 – 100%.

The authority and responsibilities of the Audit Committee in 2024 included among others monitoring of financial reporting process, monitoring of the effectiveness of: internal control and risk management systems and internal audit, monitoring of audit activities and controlling and monitoring of the independence of the statutory auditor and the entity authorized to audit financial statements.

The Audit Committee acted in accordance with a policy for the selection of an audit firm to audit and review financial statements and a policy for the provision by the audit firm conducting the audit and review of the financial statements, by entities related to this audit firm and by a member of the audit firm's network of permitted non-audit services, as well as procedures for selecting an audit firm by the Bank. The Audit Committee also presents to the Supervisory Board recommendations indicating the audit company to which it proposes to entrust the audit and review of the financial statements in accordance with the policies referred to above.

In exercising its powers and duties, the Committee also follows the guidelines contained in the "Recommendations on the functioning of the Audit Committee" issued by the Office of the Polish Financial Supervision Authority.

In 2024 the competences of the Committee in the scope of monitoring the performance of financial audit activities, in particular the audit and review of the financial statements by the audit firm, taking into account all conclusions and findings of the Polish Audit Oversight Agency resulting from the control carried out in the audit firm, included in particular:

1) recommending the Supervisory Board of the audit company to audit and review the Bank's financial statements,
2) monitoring the independence of the audit firm and the independence of the statutory auditor performing financial audit activities, as well as confirming with the management of the Bank (the Management Board, Audit Department or Compliance Division) that no information has been identified that would indicate the lack of independence of the audit firm, the key statutory auditor and persons participating in in a research,
3) recommending the termination of the contract with the audit firm, in situations justified by extraordinary circumstances, as well as examining the issues that constitute the reason for resignation from the services of the audit firm (statutory auditor).

Additionally, Regulations of the Audit Committee were supplemented on January 2, 2025 with tasks in the area of sustainability reporting resulting from the Act of 6 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Supervision and certain other acts („Act").

Members of the Committee exercise their powers on the basis of Article 390(1) § 1 section 2 of the Code of Commercial Companies and Act of statutory auditors, audit firms and public supervision dated 11 May 2017. The Committee submits annual reports on its activities to the Supervisory Board. A report for each successive calendar year is submitted by the end of the first quarter of the following year. The reports are made available to shareholders through publication on the Bank's website. At the next following meeting of the Supervisory Board, the Committee reports to the Supervisory Board on each of the Committee meetings and the Committee's recommendations discussed at its meetings.

The Audit Committee is composed of three or more Supervisory Board members appointed by the Supervisory Board. The majority of members of the Audit Committee, including its Chairman, are independent within the meaning of Article 129(3) of the Act of May 11, 2017 on auditors, audit firms and public supervision. The Chairman of the Audit Committee also meets independence criteria set out in § 14(4) of the Charter. Members of the Audit Committee have knowledge and skills related to the financial sector. This condition is considered met if at least one member of the Audit Committee has knowledge and skills related to that sector or particular members have knowledge and skills related to that sector in determined scopes. At least one member of the Audit Committee has knowledge and skills related to accounting or audit of financial statements.

Members of the Audit Committee who meet the statutory independence criteria are: Barbara Smalska and Anna Rulkiewicz.

The following members of the Audit Committee have knowledge and skills related to accounting or audit of financial statements:

1) Barbara Smalska – has practical professional experience gained over many years at managerial positions in the PZU Group, including: Vice President of the Management Board of Alior Bank S.A., Chairperson, and previously an independent member of the Supervisory Board of Link4 TU S.A., a Member of the Supervisory Board of PTE PZU S.A., a Member of the Management Board of PZU S.A. and PZU Życie S.A. and recently a Principal at The Boston Consulting Group's Warsaw offices,
2) Natalia Bożek - has many years of practical professional experience gained in various managerial positions. Among other things, she held the position of Vice President of the Management Board of Bank Handlowy S.A. responsible for supervising the Financial Management Sector. Ms. Natalia Bożek holds a Master's degree from the Business and Administration University in Warsaw.
3) Anna Rulkiewicz - completed the Stanford Executive Program at the Stanford University's Graduate School of Business.

The following members of the Audit Committee have the knowledge and skills in the field of banking and finance, i.e. sector e in which the Company operates:

1) Barbara Smalska – due to her practical professional experience gained over many years at managerial positions in the PZU Group, including: Vice President of the Management Board of Alior Bank S.A., Chairperson, and previously an independent member of the Supervisory Board of Link4 TU S.A., a Member of the Supervisory Board of PTE PZU S.A., a Member of the Management Board of PZU S.A. and PZU Życie S.A. and recently a Principal at The Boston Consulting Group's Warsaw offices,
2) Natalia Bożek - due to her education and many years of practical professional experience gathered in managerial positions;
3) Anna Rulkiewicz – due to her educational training and practical professional experience gained over many years at managerial positions at the Lux Med Group, where she began as a Member of the Management Board, Sales and Marketing Director, and in 2007 she was appointed as the President of the LUX MED Group, and at her position as the Managing Director of LMG Försäkrings AB, whose branch operates in Poland under the name LUX MED Ubezpieczenia (insurance), and President of the Management Board of the Association of Private Medicine Employers (Związek Pracodawców Medycyny Prywatnej).

Meetings of the Audit Committee are convened by the Committee Chairman at his own initiative, at the request of a Committee member or Supervisory Board Chairman. If for any reason the Committee Chairman is unable to convene a meeting, it will be convened by the Deputy Chairman. Meetings are also convened at the request of a Committee member or the Supervisory Board Chairman.

A notice convening a meeting, setting out the agenda and materials for the meeting, are sent to members of the Audit Committee by the Committee Secretary who is the Secretary of the Supervisory Board. Meetings of the Audit Committee are held at least four times a year, on the dates set by the Chairman in consultation with the Deputy Chairman of the Committee.

The Audit Committee meets:

1) with the Head of the Audit Department without participation of the Company's management;
2) with the certified auditor of the Company without participation of the Company's management;

The Audit Committee may also meet:

1) by its own.
2) at its discretion, with individual members of the Company's management.

The agenda of the Audit Committee's meeting includes fixed items as well as matters considered on request. The list of fixed items considered at Committee meetings is determined by a resolution of the Committee. The Supervisory Board and individual members of the Committee and other members of the Supervisory Board, Management Board of the Company and Members of the Management Board of the Company have the right to put forward matters at Committee meetings.

The Secretary of the Audit Committee, on the basis of materials received, prepares a draft agenda of the meeting together with a list of invitees, and forwards it to the Committee Chairman and Deputy Chairman for approval. The draft agenda accepted by the Committee Chairman and Deputy Chairman is then forwarded, along with the materials, to Committee members.

All members of the Audit Committee are obliged to participate in the meeting of the Committee. The Committee member who is unable to attend a meeting should notify the Committee Secretary seven days before the fixed date of the meeting. The Committee may seek the advice of advisers and invite Company employees or other persons to its meetings to discuss or examine matters raised by the Committee. Persons invited by the Committee Chairman and, in particular, the persons who refer individual items on the agenda take part in the Committee meeting or its relevant part When issues related to the internal control system are the subject of the meeting, the Head of the Compliance Unit and the Head of the Audit Department shall participate.

The Chairman of the Audit Committee chairs Committee meetings. If the Chairman of the Committee is not present, the meeting is chaired by the Deputy Chairman of the Committee. The Committee Chairman may, in consultation with the Deputy Chairman, decide to remove an item from the agenda, in particular in order to rectify a motion or to obtain an opinion.

Resolutions of the Audit Committee are adopted by the absolute majority of votes of the members of the Committee present at the meeting.

The Chairman of the Audit Committee may, in consultation with the Deputy Chairman, decide to consider a matter in writing.

Nomination and Remuneration Committee

As at December 31, 2024 The Nomination and Remuneration Committee was composed of:

1) Anna Rulkiewicz – Chairman of the Committee;
2) Natalia Bożek – Vice Chairperson of the Committee;
3) Marek Kapuściński - Member of the Committee;
4) Sławomir S. Sikora – Member of the Committee;
5) Barbara Smalska – Member of the Committee.

The Nomination and Remuneration Committee is a permanent committee of the Supervisory Board.

In 2024,7 meetings of the Committee were held. The following attendance was recorded at the meetings:

1) January 11, 2024 – 100%
2) February 15, 2024 - 80% (Mrs. Anna Rulkiewicz was absent)
3) March 21, 2024 - 100%
4) May 21, 2024 - 100%
5) June 11, 2024 - 80% (Mrs. Helen Hale was absent)
6) September 19, 2024 – 100%
7) December 5, 2024 – 100%

The Nomination and Remuneration Committee is the Supervisory Board's advisory body, and its members exercise their authority on the basis of Article 390(1) § 1 section 2 of the Code of Commercial Companies, Articles 9cb and 9cd of the Act of 29 August 1997 – Banking Law and Regulation of the Minister of Finance of 7 May 2018 on the specific scope of tasks of the nomination committee at significant banks. The Committee submits annual reports on its activities to the Supervisory Board. A report for each successive calendar year is submitted by the end of the first quarter of the following year. The reports are made available to shareholders through publication on the Bank's website. At the next following meeting of the Supervisory Board, the Committee reports to the Supervisory Board on each of the Committee meetings and the Committee's recommendations discussed at its meetings.

The Nomination and Remuneration Committee has, among others, the authority to:

1) review and monitor the remuneration policies adopted at the Bank and support the Bank authorities in supervising, shaping and implementing those policies, their validity, consistency with the practice and processes in place at the Bank and their impact on the Bank's risk profile,
2) assess the mechanisms and systems in place at the Bank in order to ensure that the remuneration policy adopted at the Bank takes into account all types of risk, and liquidity and capital levels, complies with the principles of, and supports sound and effective risk management, and is consistent with the Bank's strategy, objectives, corporate culture and values as well as long-term interests of the Bank, including assessment of the need to adjust remunerations for ex-post risk,
3) analyze possible scenarios to examine how the remuneration policies adopted at the Bank and the remuneration practice respond to external and internal events, and perform back-testing of the criteria used to determine remuneration levels and to adjust remunerations for ex-ante risk on the basis of actual risk-based results,
4) recommend candidates for the Management Board, taking into account the necessary knowledge, competence and experience of the Management Board as a whole, that are necessary to manage the Bank, and ensuring diversity on the Management Board,

5) identify the scope of duties for a candidate to the Management Board, as well as the requirements in terms of knowledge and competence, and the expected time commitment necessary to serve in that capacity,
6) identify the target representation of the gender underrepresented on the Management Board and develop a policy of diversity on the Management Board with the aim of achieving that target,
7) make periodic evaluation, at least once a year, of the structure, size, composition and effectiveness of the Management Board and recommend changes in that regard to the Supervisory Board,
8) make periodic evaluation, at least once a year, of the knowledge, competence and experience of the Management Board as a whole and of individual Management Board members, and inform the Management Board of the evaluation results,
9) review periodically the Management Board's policy on selection and appointment of Bank managers and present recommendations in that regard to the Management Board,
10) assess, based on market conditions, the remunerations received by members of the Management Board,
11) assess the remuneration paid to members of the Bank's Management Board as compared to their duties and performance;
12) submit recommendations for remuneration of Management Board members to the Supervisory Board, each time prior to its determination or revision,
13) review and monitor variable remuneration components of the persons whose professional activities have a significant impact on the Bank's risk profile, including in particular those responsible for risk management, management of the compliance unit, management of the internal audit unit, and key persons, as identified in the Employee Remuneration Policy of Bank Handlowy w Warszawie S.A.,
14) make a preliminary assessment of the qualifications of candidates for members of the Supervisory Board selected from among a sufficiently wide group of potential candidates, taking into account diversity in the composition of the Supervisory Board, the necessary knowledge, competences and experience of individual candidates and the Supervisory Board as a whole, and prepare recommendations for their selection,
15) perform a preliminary assessment of the qualifications of members of the Supervisory Board taking into account diversity in the composition of the Supervisory Board, the necessary knowledge, competences and experience of individual Supervisory Board members and the Supervisory Board as a whole, and make recommendations when a reassessment is required. The Committee adopts the Management Board diversity policy, taking into account a wide range of characteristics and competences required from persons serving as members of the Management Board.

The Committee adopts the Management Board diversity policy, taking into account a wide range of characteristics and competences required from persons serving as members of the Management Board.

The Committee consists of at least three members of the Supervisory Board. Most members of the Committee, including its Chairman, meet the independence criterion set out in § 14(4) of the Articles of Association of Bank Handlowy w Warszawie S.A.

Meetings of the Nomination and Remuneration Committee are convened by the Committee Chairman at his own initiative or, if the Committee Chairman is unable to do so for any reason, by the Deputy Chairman. Meetings are also convened at the request of a Committee member or the Supervisory Board Chairman. Committee meetings are held at least twice a year, on the dates set by the Committee Chairman. The agenda of the Nomination and Remuneration Committee's meeting includes fixed items as well as matters considered on request.

The Secretary of the Nomination and Remuneration Committee, on the basis of materials received, prepares a draft agenda of the meeting together with a list of invitees, and forwards it to the Committee Chairman for approval.

Meetings of the Nomination and Remuneration Committee must be attended by all its members. The Committee member who is unable to attend a meeting should notify the Committee Secretary seven days before the fixed date of the meeting. The Committee may make use of external experts. In case of cooperation with an external expert, the Committee shall review the appointment of such experts. A meeting of the Committee or an appropriate part of a meeting is attended by persons invited by the Chairman of the Committee and especially persons who are to present particular matters.

Resolutions of the Nomination and Remuneration Committee are adopted by the absolute majority of votes of the members of the Committee present at the meeting.

The Chairman of the Nomination and Remuneration Committee may decide that a given matter will be resolved in circulation mode.

A member of the Nomination and Remuneration Committee who votes against may request that his dissension be recorded in the minutes.

Minutes are taken of meetings of the Nomination and Remuneration Committee. The minutes of the meeting of the Committee is approved by the members of the Committee at the next meeting of the Committee.

Risk and Capital Committee

The Risk and Capital Committee is composed of:

1) Marek Kapuściński– Chairman of the Committee;
2) Andras Reiniger – Vice Chairman of the Committee;
3) Barbara Smalska - Member of the Committee;

The Risk and Capital Committee is a permanent committee of the Supervisory Board.

In 2024, 4 meetings of the Committee were held. The following attendance was recorded at the meetings:

1) March 19, 2024 - 100%
2) May 20, 2024 - 100%
3) September 18, 2024 – 100%
4) December 5, 2024 – 100%

Members of the Committee have the powers as set out in the Regulations under Article 390(1) § 1 section 2 of the Code of Commercial Companies and Article 9cb of the Banking Law Act of 29 August 1997. The Committee submits annual reports on its activities to the Supervisory Board. A report for each successive calendar year is submitted by the end of the first quarter of the following year. The reports are made available to shareholders through publication on the Bank's website and at the Bank's office. At the next following meeting of the Supervisory Board, the Committee reports to the Supervisory Board on each of the Committee meetings and the Committee's recommendations discussed at its meetings. The Committee's Regulations are made available on the Bank's website and at the Bank's office.

The Committee has the authority to ongoing monitoring of the risk management system and to supervise the process of estimating internal capital and capital management.

The Risk and Capital Committee consists of at least three Supervisory Board members, one of whom acts as the Committee's Chairperson. Most members of the Committee, including its Chairman, meet the independence criterion set out in § 14(4) of the Articles of Association of Bank Handlowy w Warszawie S.A. In order for the Committee's resolutions to be valid, at least three of its members must attend the meeting.

Committee meetings are convened by the Committee Chairman at his own initiative or at the request of a Committee member. If for any reason the Committee Chairman is unable to convene a meeting, it will be convened by the Deputy Chairman. Meetings are also convened at the request of the Supervisory Board Chairman.

Committee meetings are held at least every six months, on the dates set by the Chairman in consultation with the Deputy Chairman of the Committee.

A notice convening a meeting, setting out the agenda and materials for the meeting, are sent to members of the Committee by the Committee Secretary who is the Secretary of the Supervisory Board. Notice should include the agenda and materials on the topics to be discussed at the meeting. The agenda of the Committee's meeting includes fixed items as well as matters considered on request. The Supervisory Board and individual members of the Committee and other members of the Supervisory Board have the right to put forward matters at Committee meetings.

All members of the Committee are obliged to participate in the meeting of the Committee.

The Committee may seek the advice of advisers and invite Bank employees or other persons to its meetings to discuss or examine matters raised by the Committee.

Persons invited by the Committee Chairman or Deputy Chairman take part in the Committee meeting or its relevant part.

The Committee Chairman chairs Committee meetings. If the Chairman of the Committee is not present, the meeting is chaired by the Deputy Chairman of the Committee.

Resolutions of the Committee are adopted by the absolute majority of votes of the members of the Committee present at the meeting. The Committee Chairman may, in consultation with the Deputy Chairman, decide to consider a matter in writing.

The minutes of a meeting of the Committee shall be prepared.

12. Diversity Policy

In its operations, Bank Handlowy w Warszawie S.A. applies solutions based on diversity which is the hallmark of Citi's corporate culture and its philosophy.

The strategy of Bank Handlowy w Warszawie S.A. for diversity integration consists in promoting a culture which attracts the best of the best, in which people are promoted for their competencies and skills, in which other people are appreciated and mutual respect is expected, and in which development opportunities are available to everyone - regardless of differences.

Our diversity initiatives apply to three levels:

- To individuals - the Bank creates space for employees and encourages to take responsibility for their own careers and personal development to achieve their full potential regardless of gender, religion, race, ethnicity, nationality or sexual orientation.
- To teams - the Bank strives to ensure an atmosphere of respect in which diverse teams utilize a wide range of perspectives, skills, experiences and approaches.
- To the organization - embracing everything that employees have to offer, the diversity strategy positions the Bank as an employer of choice.

Utilizing various perspectives and enabling employees to develop their skills, Bank focuses on growth and innovation for its clients and employees, following the principle that each individual contributes to the value of whatever we develop together.

In its employment policy, the Bank strongly supports diversity, and being committed to talent development it takes on career and development of female employees who manage vital organizational units in Citi Handlowy. As a result of internal and external recruitment, the Bank employed a total of 58% women compared to 42% men in 2024. The recruitment processes for higher level specialist and managerial positions are monitored to ensure diversity among the candidates considered. Women were also absolutely required on panels for all recruitment processes for high level managerial positions. The Bank consistently implements these recruitment principles in all its recruitment processes.

The Bank's business variety and specific needs determine directions and requirements concerning professional knowledge necessary to preserve best quality services for, be it, an internal or external client.

The Bank ensures support for employee initiatives and commitment to others and to our organization. An example of such support are organizations which bring together the Bank's employees involved in different types of activities. In 2024, CitiWomen, CitiPride and Families Matter were very active at the Bank. The Bank also has CitiClub and CitiDisability.

In 2020, the Bank's Management Board decided to introduce additional 2 weeks of paternity leave. From January 2021, Bank Handlowy employees are entitled to four weeks of paternity leave, subject to the laws and legal requirements in force in Poland. We believe that this new minimum standard of paternity leave will bring greater benefits than the current labor market standards and will allow our employees to find time to adapt to their role and build a bond with the new family member. From January 2021, all eligible biological and adoptive fathers are entitled to paternity leave.

When building its remuneration policy, the Bank hinges it on the best market practices taking into consideration corporate governance requirements, market trends and the organization's standing and potential.

When defining remuneration the Bank refers to experience and competence required for a given job position, performance, present remuneration, and position juxtaposed with a new group of employees on the market. Based on such information a new level of remuneration is defined.

Levels of remuneration are reviewed on a regular basis annually, taking into account the employee's annual assessment, his or her skills and scope of responsibilities juxtaposed with data obtained from market research concerning the level of remuneration in the industry.

Women and men in equivalent positions are remunerated in accordance with their competences, at a comparable level - the remuneration of women employed at Citi Handlowy is comparable to the remuneration* of men. The gender pay gap in adjusted terms (i.e. at the same grade level, location and job family) in 2024 was:

- 1.47% for total remuneration (i.e. women's average remuneration was 98.53% of men's average remuneration),
- 1.56% for base salary (i.e. women's average remuneration was 98.44% of men's remuneration).

The pay gap for total remuneration between women and men in unadjusted terms (i.e. arithmetic mean for women vs. arithmetic mean for men, regardless of place in the organisational structure) was in 2024: 32.36% (i.e. women's average remuneration was 67.64% of men's average remuneration).

*total remuneration for 2024 understood as the annualised average income of employees for 2024 employed as of 31/12/2024, converted to full-time equivalent, excluding employees employed after 1 October 2024 (i.e. persons recruited three months before the end of the year for which variable remuneration was awarded) and employees not working for at least three consecutive months in 2024. The basic remuneration for 2024 was determined by annulling the December remuneration of employees, previously adjusted to the full-time equivalent level.

Concerned about the life situation of its employees, Citi Handlowy provides a wide range of additional benefits, which make up one of the richest offer on the market.

The Bank strives to be a company which draws the best talent, hires and promotes employees based on performance and makes growth opportunities widely available. The aim is to create a workplace where responsible finance is practiced, where employees treat each other with due respect and dignity, and may count on support to preserve a balance between work and private life. The Bank adheres to the principles of equality in recruitment and respects the provisions of law on fair employment practices and anti-discrimination.

The Bank takes preventive actions to counteract discrimination, consisting of a range of educational activities aimed at raising awareness as regards discrimination, unequal treatment, mobbing and actions which can bring about proper organizational climate favorable to the fair play principle at work place (primary prevention).

A dialogue with employees is an important part of the Group's activity. Every employee has access to an internal intranet network, where he or she can find the latest information concerning all the Bank's areas of operation. The most crucial information concerning the Bank and changes which take place in the organization is sent directly to the employees' inboxes.

Senior management organizes special meetings with employees called Town Halls. At such meetings the most crucial information is provided concerning particular business areas, the Bank's financial results as well as information on new products or organizational changes. Every employee can ask directly the hosting Member of the Management Board and invited guests questions. Town hall meetings are held in a hybrid form, giving the opportunity for direct contact, meeting and conversation over coffee at the Bank's locations and enabling remote participation of those employees who work outside the office on that day.

2024 Bank continued building organizational culture focused on the employees. The goal of the people-oriented strategy is to strengthen employee engagement and improve their working conditions by taking actions and implementing projects facilitating their work and communication.

In December 2024, the People Board – a group of 9 employee representatives elected in internal elections by the employees themselves – ended its tenure after 3 years. This year, the People Board's activity focused on communicating to employees issues that were important to them and were related to benefits. The People Board organized 10 webinars for employees concerning benefits, attended by 4,300 participants. Members of the People Board remained in close contact with the Bank's employees throughout the year, engaging in the celebrations of joint successes during “Let's get together”. These meetings over coffee and cake with top executives were very popular among employees. The People Board was also intensively involved in passing on information from employees to the Management Board, as a result of which changes were introduced at the Bank regarding benefits proposed to employees: an additional day off an employee is entitled to due to the length of service at the Bank, an increased cafeteria amount or the implementation of the Gratitude platform, where employees can express mutual appreciation and nominate colleagues for discretionary awards.

X. Other information about the authorities of Bank Handlowy w Warszawie S.A. and corporate governance rules

1. Information regarding the remuneration policy

The Bank Handlowy Group has in place “Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of Bank Handlowy w Warszawie S.A.”, “Employee Remuneration Policy of Bank Handlowy w Warszawie S.A.” (adopted on 22 December 2017, as amended) and the and "Transaction Award Policy" (adopted on 16 June 2021, as amended), hereinafter referred to as the “Remuneration Policy”, and also the “Remuneration policy for persons whose professional activity significantly influences the risk profile of Bank Handlowy w Warszawie S.A.” (adopted on 22 December 2017, as amended), hereinafter referred to as the “Authorized Persons Remuneration Policy”, which replaced previous policies in this area.

Remuneration policy for Members of the Management Board and Members of the Supervisory Board of Bank Handlowy w Warszawie S.A. defines the rules of remunerating Members of the Management Board and Supervisory Board of the Bank, supporting implementation of the Bank's strategy, effective risk management, long-term interests and stability of the Bank. The Remuneration Policy lays down the rules adopted at the Bank for remunerating other employees, including Key Personnel, and is intended, among other things, to combine remuneration practices, structures and decisions with the interests of shareholders and to effectively manage risk by encouraging prudent decision-making. The Group’s philosophy of remunerating assumes differentiation of the remuneration of individual employees based on financial or non-financial criteria, such as risk-taking approach and compliance with regulations, in order to reflect their input and to complement effective risk control mechanisms by containing the incentive to take unreasonable risks to the Group and its operations, and by rewarding thoughtful balance between risks and returns.

According to that philosophy, the variable remuneration of people covered by the “Authorized Persons Remuneration Policy" depends on both short-term and long-term assessment of individual performance and financial results of the Bank or DMBH or the relevant organizational unit, respectively, while the persons serving in control roles are not evaluated for the performance of their supervised units. Work performance assessment in the Bank is made on the basis of data for three financial years, which encompasses economic cycles and risks involved in the business activity pursued by the Group.

Eligibility for individual payments of deferred variable remuneration must be each time approved by the Supervisory Board - in relation to the Management Board and by the Management Board - in relation to other employees. At least 50% of variable remuneration should be awarded in the form of non-monetary instruments the value of which depends strictly on the financial performance of the Bank. This condition is met by the phantom shares adopted by the Group, whose value will fluctuate depending on the market value of the Bank's shares. The remaining portion of the variable remuneration is a monetary bonus, with interest accruing on the deferred portion of the bonus for the period between granting and payment of that remuneration component. The Bank has made changes to the structure of deferred variable remuneration. From the 2022 annual award onwards, all deferred variable remuneration is conditionally awarded in a financial instrument.

In 2022, the Remuneration Policy and the Eligible Persons Remuneration Policy were amended to include the possibility to pay the remuneration granted in a financial instrument in the form of existing shares in the Bank's share capital to the persons indicated in the aforementioned documents. The assumption for the amended Remuneration Policies is that the Bank transfers to the Eligible Persons its own shares previously purchased by the Bank.

On 7 November 2022, the Bank's Management Board amended the remuneration policies by way of a resolution and, subsequently, on 14 November 2022, those amendments were approved by the Bank's Supervisory Board. On 16 December 2022, the Extraordinary General Meeting of Shareholders decided to implement incentive programs based on the Bank's shares and authorized the Management Board of the Bank to purchase the Bank's own shares over a period of 3 years (from December 16, 2022), a total of no more than 850,000 shares of the Bank, representing a total of no more than 0.65% of the total number of votes at the General Meeting of the Bank. The Extraordinary General Meeting also established a reserve capital to finance the purchase of own shares in the amount of PLN 50 million.

On December 29, 2023, the Polish Financial Supervision Authority granted the Bank the authorization referred to in Art. 77 and art. 78 section 1 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012, covering the acquisition of own shares by the Bank. The Bank's share buyback began in January 2024.

On June 26, 2024, participants of the aforementioned incentive programs were offered to purchase the Bank's own shares. By July 22, 2024, the issuance (transfer) of the own shares offered to participants who accepted the offer to purchase them was initiated. Those participants who did not accept the offer to purchase Bank Handlowy shares were paid phantom shares.

In the event that the Bank is unable to transfer a sufficient number of own shares in relation to the number necessary to be issued to Eligible Persons, the adopted amendments to the Policies allow for the continued remuneration of certain Eligible Persons based on phantom shares or, depending on the situation and the Bank's decision, based on phantom shares and shares in the Bank's share capital.

The right to each tranche of a deferred award will vest depending on the Bank's results in the calendar year immediately preceding the vesting date for that tranche and other conditions specified in the Eligible Persons Remuneration Policy.

An Authorized Persons Remuneration Policy is described in more detail in the Report on capital adequacy, risk and remuneration policy of the Bank Handlowy w Warszawie S.A. Group as of 31 December 2024.

In 2024 The Supervisory Board of the Bank positively assessed functioning of the Remuneration Policy applied in Bank Handlowy w Warszawie S.A.

2. Salaries and awards, including bonuses from profit, paid to persons managing and supervising the Bank

The tables below present fixed and variable remuneration: cash and capital for members of the Bank's Management Board, as well as total remuneration for the Bank's Supervisory Board paid in 2024.

The table below presents the amount of fixed remuneration components (in PLN thousand) paid to the members of the Bank's Management Board in 2024.

		Base salary	Other benefits
Elżbieta Światopełk-Czetwertyńska		2,784	326
Maciej Kropidłowski		2,750	457
Barbara Sobala		1,035	156
Patrycjusz Wójcik	- from 1.02.2024	949	98
Katarzyna Majewska		1,035	142
Ivan Vrhel		1,110	450
Andrzej Wilk		1,440	166
Former members of the Management Board			
Natalia Bożek	- to 31.01.2024	86	49
Dennis Hussey	- to 30.06.2022	0	0
James Foley	- to 28.02.2022	0	0
Sławomir S. Sikora	- to 17.06.2021	0	56
		11,189	**1,899**

The table below presents the amount of fixed remuneration components (in PLN thousand) paid to the members of the Bank's Management Board in 2023.

		Base salary	Other benefits
Elżbieta Światopełk-Czetwertyńska		2,442	263
Maciej Kropidłowski		2,413	462
Barbara Sobala		1,035	154
Natalia Bożek		1,035	132
Katarzyna Majewska		1,035	146
Ivan Vrhel		1,110	603
Andrzej Wilk		1,200	138
Former members of the Management Board			
Dennis Hussey	- to 30.06.2022	0	632
James Foley	- to 28.02.2022	0	300
Sławomir S. Sikora	- to 17.06.2021	0	116
		10,270	**2,944**

The table below presents the amount of variable remuneration components in the form of cash awards (in PLN thousand) paid in 2024 to the members of the Bank's Management Board.

		Cash awards for years:						
		2023	2022	2021	2020	2019	2018	2017
Elżbieta Światopełk-Czetwertyńska		598	0	35	0	0	0	0
Maciej Kropidłowski		1,019	0	229	277	0	0	0
Barbara Sobala		197	0	28	40	0	0	0
Patrycjusz Wójcik		0	0	13	17	0	0	0
Katarzyna Majewska		171	0	25	33	0	0	0
Andrzej Wilk		450	0	13	16	0	0	0
Ivan Vrhel		210	0	0	0	0	0	0
Former members of the Management Board								
Natalia Bożek	- to 30.01.2024	137	0	20	26	0	0	0
Dennis Hussey	- to 30.06.2022	0	0	85	99	0	0	0
James Foley	- to 28.02.2022	0	0	48	81	0	0	0
Sławomir S. Sikora	- to 17.06.2021	0	0	0	158	156	162	0
		2,783	**0**	**496**	**746**	**156**	**162**	**0**

The table below presents the amount of variable remuneration components in the form of cash awards (in PLN thousand) paid in 2023 to the members of the Bank's Management Board.

		Cash awards for years					
		2022	2021	2020	2019	2018	2017
Elżbieta Światopełk-Czetwertyńska		568	34	0	0	0	0
Maciej Kropidłowski		958	224	273	252	0	0
Barbara Sobala		225	28	39	42	0	0
Natalia Bożek		165	20	26	20	0	0
Katarzyna Majewska		202	25	33	33	0	0
Andrzej Wilk		300	13	15	17	0	0
Ivan Vrhel		226	0	0	0	0	0
Former members of the Management Board							
Dennis Hussey	- to 30.06.2022	0	83	97	0	0	0
James Foley	- to 28.02.2022	0	47	80	78	0	0
Sławomir S. Sikora	- to 17.06.2021	0	0	156	152	156	223
David Mouille	- to 31.01.2020	0	0	0	126	0	0
		2,645	**473**	**720**	**721**	**156**	**223**

The table below presents the amount of the variable remuneration components in the form of capital awards (in PLN thousand) paid in 2024 to the members of the Bank's Management Board.

		Capital rewards for the years:						
		2023	2022	2021	2020	2019	2018	2017
Elżbieta Światopełk-Czetwertyńska		0	782	60	0	0	0	0
Maciej Kropidłowski		0	1,319	395	927	0	0	0
Barbara Sobala		0	310	49	133	0	0	0
Patrycjusz Wójcik		73	36	24	57	0	0	0
Katarzyna Majewska		0	278	43	110	0	0	0
Andrzej Wilk		0	426	25	52	0	0	0
Ivan Vrhel		0	0	0	0	0	0	0
Former members of the Management Board								
Natalia Bożek	- to 30.01.2024	0	227	35	87	0	0	0
Dennis Hussey	- to 30.06.2022	0	0	146	328	0	0	0
James Foley	- to 28.02.2022	0	0	83	268	0	0	0
Sławomir S. Sikora	- to 17.06.2021	0	0	0	532	332	246	300
		73	**3,378**	**859**	**2,495**	**332**	**246**	**300**

The table below presents the amount of the variable remuneration components in the form of capital awards (in PLN thousand) paid in 2023 to the members of the Bank's Management Board.

		Capital rewards for the years:					
		2022	2021	2020	2019	2018	2017
Elżbieta Światopełk-Czetwertyńska		0	343	0	0	0	0
Maciej Kropidłowski		0	994	783	464	0	0
Barbara Sobala		0	277	113	76	0	0
Natalia Bożek		0	196	74	36	0	0
Katarzyna Majewska		0	244	93	61	0	0
Andrzej Wilk		0	21	44	32	0	0
Ivan Vrhel		0	0	0	0	0	0
Former members of the Management Board							
Dennis Hussey	- to 30.06.2022	0	826	279	0	0	0
James Foley	- to 28.02.2022	0	470	228	144	0	0
Sławomir S. Sikora	- to 17.06.2021	0	0	363	226	170	210
David Mouille	- to 31.01.2020	0	0	0	232	0	0
		0	**3,371**	**1,979**	**1,271**	**170**	**210**

The table below presents the amount of total remuneration (in PLN thousand) paid to members of the Bank's Supervisory Board in 2024.

		Remuneration for the function performed	Reimbursement of social security contributions	Reimbursement of social security contributions
Marek Kapuściński		118	210	4
Anna Rulkiewicz		118	210	5
Sławomir S. Sikora		235	150	0
Barbara Smalska		118	270	0
Andras Reiniger		0	0	0
Natalia Bożek	- from 19.06.2024	0	0	0
Fabio Lisanti	- from 19.06.2024	0	0	0
Ignacio Gutierrez-Orrantia	- from 19.06.2024	0	0	0
Former Supervisory Board Members				
Silvia Carpitella	- to 19.06.2024	0	0	0
Helen Hale	- to 19.06.2024	0	0	0
		588	**840**	**9**

The table below presents the amount of total remuneration (in PLN thousand) paid to members of the Bank's Supervisory Board in 2023.

		Remuneration for the function performed	Reimbursement of social security contributions	Reimbursement of social security contributions
Marek Kapuściński		96	210	(19)
Anna Rulkiewicz		96	210	8
Sławomir S. Sikora		192	120	0
Barbara Smalska		96	270	0
Silvia Carpitella		0	0	0
Helen Hale		0	0	0
Andras Reiniger		0	0	0
Former Supervisory Board Members				
Kristine Braden	- to 16.11.2023	0	0	0
		480	**810**	**(11)**

3. Total number and nominal value of the Bank's shares and shares in affiliated companies of the Bank held by members of the Management Board and the Supervisory Board

The total number and nominal value of the Bank's shares and shares in affiliated companies of the Bank held by members of the Management Board and the Supervisory Board as at 31 December 2023 is presented in the table below:

	Shares of Bank Handlowy w Warszawie S.A.		Shares of Citigroup Inc.	
	Number of shares (units)	Nominal value (PLN)	Number of shares (units)	Nominal value (PLN)
Management Board				
Elżbieta Światopełk-Czetwertyńska	-	-	5,125	210
Andrzej Wilk	4,283	17,132	-	-
Patrycjusz Wójcik	1 670	6 680		
Katarzyna Majewska	-	-	29	1
Supervisory Board				
Sławomir Sikora	11,199	44,796	13,204	542
Andras Reiniger	-	-	5,270	216
Fabio Lisanti	-	-	32,651	1,339
Ignacio Gutierrez-Orrantia	-	-	17,035	699

The total number and nominal value of the Bank's shares and shares in affiliated companies of the Bank held by members of the Management Board and the Supervisory Board as at 31 December 2023 is presented in the table below:

	Shares of Bank Handlowy w Warszawie S.A.		Shares of Citigroup Inc.	
	Number of shares (units)	Nominal value (PLN)	Number of shares (units)	Nominal value (PLN)
Management Board				
Elżbieta Światopełk-Czetwertyńska	-	-	4,326	170
Ivan Vrhel	-	-	632	25
Katarzyna Majewska	-	-	29	1
Supervisory Board				
Sławomir Sikora			13,204	520
Silvia Carpitella	-	-	1,966	77
Helen Hale	-	-	1,198	47
Andras Reiniger	-	-	8,223	324

As at 31 December 2024 and 31 December 2023, no member of the Management Board and the Supervisory Board was a shareholder of a subsidiary of the Bank.

4. Agreements between the Bank and members of the Management Board that provide for compensation in case of their resignation or dismissal without reason or as a result of the Bank's takeover

Among all employment contracts between the Bank and the members of the Management Board of the Bank, there is no contract that provides for financial compensation in the case of termination with prior notice or for reasons specified in Article 53 of the Labour Code.

Each of the Management Board Members signed a separate non-competition agreement with the Bank. A relevant paragraph in each of these agreements specifies that the Management Board Member must refrain from conducting business activities competitive to the Bank in the period of 12 months (6 months in case of one of the Management Board Members) following termination of the employment agreement with the Bank and that the Bank will pay relevant compensation to the Management Board Member.

5. Management policy

The management policy of the Bank did not change in 2024. The policy is described in the Note to the Annual Consolidated Financial Statements of the Capital Group of the Bank.

XI. Information on pending court proceedings

In 2024 there was no single proceeding regarding receivables and liabilities of the Bank or its subsidiary, pending in court, public administration authority or an arbitration authority, the value of which would be significant. A detailed description of pending court proceedings is provided in Note 40 to the Annual Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the financial year ended December 31, 2024.

XII. Agreements concluded with the registered audit company

On 23 March 2022 the Supervisory Board of the Bank appointed the auditor: KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa [KPMG Audyt limited liability partnership] with its registered office in Warsaw, operating at the following address: ul. Inflancka 4A, 00-189 Warszawa entered into the list of entities authorized to audit financial statements under No. 3546, to conduct an audit and a review of the annual and the interim financial statements of the Bank and the Capital Group of the Bank for years 2022 - 2024. KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa was selected in compliance with the applicable laws and auditing standards.

The Bank used the services of KPMG Audit Spółka z ograniczoną odpowiedzialnością sp. k. with respect to auditing and reviewing stand-alone and consolidated financial statements also for 2019-2021 and for previous years.

The Management Board of the Bank declares that the auditing company authorized to audit financial statements, auditing the Annual Consolidated Financial Statements of the Capital Group of Bank Handlowy S.A. for the financial year ended December 31, 2024 and the Stand-alone Annual Financial Statements of Bank Handlowy w Warszawie S.A. for the financial year ended December 31, 2024, it was selected in accordance with the law. In accordance with the best knowledge of the Management Board, the audit firm and members of the audit team met the conditions for drawing up an impartial and independent report on the audit of the annual consolidated and stand-alone financial statements in accordance with the applicable regulations, professional standards and professional ethics rules.

In order to meet the requirements contained in Article 130 section 1 of the Act on statutory auditors, audit firms and public supervision (Journal of Laws of 2024, item 1035, hereinafter referred to as the "Act"), the Bank, as a public interest entity, has implemented for application on the basis of resolutions of the Supervisory Board of the Bank:

- Policy for selecting an audit firm to audit financial statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. and
- Policy for the service by the audit firm, by entities affiliated to that audit firm and by a member of the audit firm's network of permitted non-audit services of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A.

The auditor's net fees under the agreements (paid or payable) for the years 2024 and 2023 are presented in the table below:

For the year *PLN'000*	2024	2023
Bank (the parent company) audit fees (1)	792	788
Bank (the parent company) review fees (2)	281	274
Subsidiary companies audit fees (3)	132	132
Other assurance fees (4)	394	990
	1,600	**2,185**

(1) *The audit fees include fees paid or payable for the audit of the annual stand-alone financial statements of the Bank and the annual consolidated financial statements of the Capital Group of the Bank.*
(2) The review fees include fees paid or payable for the review of the semi-annual stand-alone financial statements of the Bank and the semi-annual consolidated financial statements of the Capital Group of the Bank.
(3) The audit fees include fees paid or payable for the audit of the financial statements of the Bank's subsidiaries.
(4) The fees for other assurance services include all other fees paid to the auditor. These fees include assurance services related to the audit and review of the financial statements not mentioned in points (1), (2) and (3) above.

XIII. Subsequent events

On February 14, 2025, the Bank received a decision of the Polish Financial Supervision Authority dated February 13, 2025, in which the PFSA granted the Bank permission to buy-back own shares in 2025 for the purpose of offering them by the Bank to eligible employees under the incentive program. Under the above permission issued for the period until December 16, 2025, the Bank may acquire a maximum of 477,450 own shares, and the price of the own shares purchased by the Bank may not exceed PLN 16,667,000 in total.

After 31 December 2024 there were no other major events undisclosed in these report on activities, that could have a significant influence on the net result of the Group.

XIV. Statement of the Bank's Management Board

Accuracy and fairness of the statements presented

To the best knowledge of the Bank's Management Board, composed of: Ms. Elżbieta Światopełk-Czetwertyńska, President of the Management Board; Ms. Patrycjusz Wójcik, Vice-President of the Management Board; Mr. Maciej Kropidłowski, Vice-President of the Management Board; Mr. Andrzej Wilk, Vice-President of the Management Board; Ms. Barbara Sobala, Vice-President of the Management Board; Ms. Katarzyna Majewska, Vice-President of the Management Board and Ms. Ivan Vrhel, Member of the Management Board; the annual financial data and the comparative data presented in the Annual Consolidated Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. for the year ended 31 December 2024 were prepared consistently with the accounting standards in force and reflect the accurate, true and fair view of the assets and the financial position as well as the financial profit or loss of the Bank. The Annual Report on the Activities of Bank Handlowy w Warszawie S.A and the Capital Group of Bank Handlowy w Warszawie S.A. for 2024 contained in the annual financial statements is a true representation of the development, achievements and situation (together with a description of the main risks) of the Bank in 2024.

Other information required by the Regulation of the Minister of Finance of 29 March 2018 on current and periodical reporting by issuers of securities and on the conditions under which the legally required information originating in a non-member state can be deemed equivalent thereof (Journal of Laws No. from 2018 item 757, as amended), in particular transactions with related companies and guarantees and sureties granted are included in the Annual Consolidated Financial Statements of the Capital Group of the Bank.

Signatures of Management Board Members

11.03.2025	Elżbieta Światopełk-Czetwertyńska	President of the Management Board
....	....	....
Date	Name	Position/function
11.03.2025	Patrycjusz Wójcik	Vice-President of the Management Board
....	....	....
Date	Name	Position/function
11.03.2025	Andrzej Wilk	Vice-President of the Management Board
....	....	....
Date	Name	Position/function
11.03.2025	Maciej Kropidłowski	Vice-President of the Management Board
....	....	....
Date	Name	Position/function
11.03.2025	Barbara Sobala	Vice-President of the Management Board
....	....	....
Date	Name	Position/function
11.03.2025	Katarzyna Majewska	Vice-President of the Management
....	....	....
Date	Name	Position/function
11.03.2025	Ivan Vrhel	Member of the Management Board
....	....	....
Date	Name	Position/function