

INTERIM CONSOLIDATED REPORT

FOR THE PERIOD OF 9 MONTHS
ENDED 30 SEPTEMBER 2025

BNP Paribas Bank Polska S.A. Capital Group



BNP PARIBAS

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SELECTED FINANCIAL DATA

Selected consolidated financial data		in PLN '000	in PLN '000	in EUR '000	in EUR '000
	Note	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Statement of profit or loss					
Net interest income	8	4,424,260	4,200,905	1,044,320	976,455
Net fee and commission income	9	944,145	933,805	222,860	217,053
Profit before tax		2,826,587	2,246,050	667,199	522,070
Profit after tax		2,170,795	1,849,110	512,403	429,806
Total comprehensive income		2,406,691	1,945,842	568,085	452,290
Statement of cash flows					
Total net cash flows		(6,245,774)	572,286	(1,474,277)	133,022
Ratios					
Number of shares (items)	48	147,880,491	147,799,870	147,880,491	147,799,870
Earnings per share	18	14.62	12.52	3.45	2.91
Statement of financial position					
Total assets		168,558,797	167,539,589	39,482,525	39,208,890
Loans and advances to customers measured at amortised cost	23	88,655,668	85,401,516	20,766,342	19,986,313
Loans and advances to customers measured at fair value through profit or loss	24	324,021	452,506	75,897	105,899
Total liabilities		151,957,506	152,145,533	35,593,907	35,606,256
Amounts due to customers	33	129,705,242	130,924,754	30,381,627	30,640,008
Share capital	48	147,880	147,800	34,639	34,589
Total equity		16,601,291	15,394,056	3,888,619	3,602,634
Capital adequacy					
Total own funds		17,437,407	15,962,074	4,084,467	3,735,566
Total risk exposure		99,575,811	92,814,926	23,324,232	21,721,256
Total capital ratio		17.51%	17.20%	17.51%	17.20%
Tier 1 capital ratio		14.15%	13.80%	14.15%	13.80%

Selected separate financial data	in PLN '000	in PLN '000	in EUR '000	in EUR '000
	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Statement of profit or loss				
Net interest income	4,339,483	4,120,031	1,024,309	957,657
Net fee and commission income	885,181	887,941	208,942	206,392
Profit before tax	2,779,167	2,206,353	656,005	512,843
Profit after tax	2,135,565	1,817,720	504,087	422,509
Total comprehensive income	2,371,461	1,914,452	559,769	444,994
Statement of cash flows	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Total net cash flows	(6,246,555)	571,440	(1,474,461)	132,825
Ratios	30.09.2025	30.09.2024	30.09.2025	30.09.2024
Number of shares (items)	147,880,491	147,799,870	147,880,491	147,799,870
Earnings per share	14.39	12.30	3.40	2.86
Statement of financial position	30.09.2025	31.12.2024	30.09.2025	31.12.2024
Total assets	164,336,301	163,087,501	38,493,465	38,166,979
Loans and advances to customers measured at amortised cost	84,729,363	81,189,258	19,846,660	19,000,528
Loans and advances to customers measured at fair value through profit or loss	324,021	452,506	75,897	105,899
Total liabilities	147,852,393	147,775,592	34,632,342	34,583,569
Amounts due to customers	129,647,110	130,830,128	30,368,010	30,617,863
Share capital	147,880	147,800	34,639	34,589
Total equity	16,483,908	15,311,909	3,861,123	3,583,410
Capital adequacy	30.09.2025	31.12.2024	30.09.2025	31.12.2024
Total own funds	17,357,201	15,916,910	4,065,680	3,724,996
Total risk exposure	98,477,812	90,554,074	23,067,041	21,192,154
Total capital ratio	17.63%	17.58%	17.63%	17.58%
Tier 1 capital ratio	14.23%	14.10%	14.23%	14.10%

For purposes of data translation into EUR, the following exchange rates are used by the Group:

For items of the statement of financial position, rates of the National Bank of Poland are applied:

- as at 30.09.2025 - 1 EUR = 4.2692 PLN

- as at 31.12.2024 - 1 EUR = 4.2730 PLN

For items of the statement of profit or loss and the statement of cash flows, the EUR exchange rate is calculated as the arithmetic average of the rates published by the National Bank of Poland as at the last day of each month in the period:

- for the period from 1.01.2025 to 30.09.2025 - 1 EUR = 4.2365 PLN

- for the period from 1.01.2024 to 30.09.2024 - 1 EUR = 4.3022 PLN

For details on calculation of profit (loss) per share please refer to Note 18.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024 adjusted	3 quarters of 2024 from 01.01.2024 to 30.09.2024 adjusted
Interest income	8	2,450,195	7,456,138	2,738,737	7,592,142
Interest income calculated with the use of effective interest rate method		2,258,734	6,860,090	2,453,038	6,915,121
interest income on financial instruments measured at amortised cost		2,025,979	6,181,878	2,238,946	6,330,117
interest income on financial instruments measured at fair value through other comprehensive income		232,755	678,212	214,092	585,004
Income of a similar nature to interest on instruments measured at fair value through profit or loss		191,461	596,048	285,699	677,021
Interest expenses	8	(993,602)	(3,031,878)	(1,159,351)	(3,391,237)
Net interest income		1,456,593	4,424,260	1,579,386	4,200,905
Fee and commission income	9	356,638	1,137,808	382,069	1,149,702
Fee and commission expenses	9	(68,104)	(193,663)	(70,834)	(215,897)
Net fee and commission income		288,534	944,145	311,235	933,805
Dividend income		5,225	9,614	5,476	10,828
Net trading income (including result on foreign exchange)	10	225,761	828,762	225,518	642,537
Result on investment activities	11	(43)	(3,013)	(1,767)	7,022
Result on hedge accounting	22	947	(1,882)	(6,389)	(828)
Result on derecognition of financial assets measured at amortised cost		(12,786)	(13,772)	180	(5,344)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	12	(96,774)	(105,778)	(98,823)	(186,908)
Result on legal risk related to foreign currency loans	51	(65,291)	(379,554)	(277,246)	(488,018)
General administrative expenses	13	(668,834)	(2,175,760)	(659,348)	(2,130,010)
Depreciation and amortization	14	(131,140)	(386,894)	(127,781)	(381,599)
Other operating income	15	47,216	247,416	44,179	151,010
Other operating expenses	16	(56,782)	(268,693)	(59,356)	(203,325)
Operating result		992,626	3,118,851	935,264	2,550,075
Tax on financial institutions		(95,493)	(292,264)	(99,414)	(304,025)
Profit before tax		897,133	2,826,587	835,850	2,246,050
Income tax expenses	17	(201,632)	(655,792)	(200,306)	(396,940)
Net profit		695,501	2,170,795	635,544	1,849,110
attributable to equity holders of the Group		695,501	2,170,795	635,544	1,849,110
Earnings (loss) per share (in PLN per one share)					
Basic	18	4.69	14.62	4.30	12.52
Diluted	18	4.69	14.61	4.30	12.50

*The information regarding the transformation is described in Note 3.5.

The BNP Paribas Bank Polska S.A. Capital Group generated a net profit of PLN 2,170,795 thousand in the three quarters of 2025, PLN 321,685 thousand (i.e. 17.4%) higher than in the corresponding period of 2024.

The Group's banking result for the period under review amounted to PLN 6,166,837 thousand and was higher by PLN 430,227 thousand, i.e. by 7.5%, year on year (excluding the impact of credit holidays, it would have been higher by 5.6% year on year).

Significant factors affecting the level of income from banking activities in the three quarters of 2025 and its comparability with the corresponding period of the previous year were macroeconomic conditions and central bank interest rate policies, which affected, among other things, the economic activity of customers and the situation on financial markets. The following factors had the greatest impact on the Group's results:

- the National Bank's interest rates. From October 2023 to early May 2025, the National Bank's interest rates remained unchanged (5.75% for the reference rate). On 7 May, 2 July and 3 September 2025, the Monetary Policy Council (hereinafter "MPC") made three rate cuts, by 50 bp, 25 bp and 25 bp, respectively, to 4.75% for the reference rate. These cuts led to a decline in the profitability of variable-rate PLN loans in the three quarters of 2025 compared to the same period last year. On 8 October, the MPC made another cut of 25 bps. Continued cuts will have a negative impact on PLN margins realised by banks in 2025 compared to 2024;
- the monetary policy easing cycle of the European Central Bank, which began in June 2024. By the end of June 2025, there had been eight interest rate cuts, resulting in a 200 basis point drop in the deposit rate (to 2.0% at the end of Q2 2025). These changes led to a narrowing of margins realised in EUR;
- no impact on interest income for the first three quarters of 2025 of the amendment to the act regulating the so-called statutory credit holidays, adopted in mid-May last year. In the three quarters of 2024, the Bank recognised a negative impact of PLN 103,450 thousand in this respect.

The Group's interest income in the three quarters of 2025 was positively affected by a lower negative result on derivative instruments under hedge accounting compared to the same period last year. Its level is related to the scale and structure of hedging transactions and the expected dynamics and direction of interest rate changes. Interest income from hedge accounting improved by PLN 144,375 thousand YoY (in total on derivatives under fair value and cash flow hedge accounting). The change in the fair value measurement of hedging transactions recognised separately in the profit and loss account amounted to PLN -1,882 thousand in the three quarters of 2025 (compared to PLN -828 thousand in the corresponding period of 2024).

In addition, the Group's interest income in the three quarters of 2025 was positively affected by an increase in the value of deposits, which allowed for further growth in the scale of operations and generated income from investing excess liquidity in securities portfolios and financial market instruments.

Interest income realised in the three quarters of 2025 was PLN 223,355 thousand higher, i.e. 5.3% higher than in the corresponding period of the previous year. Excluding the impact of credit holidays, it would have been PLN 119,905 thousand higher, i.e. 2.8% higher YoY.

In the first half of 2025, the Group completed several large derivative transactions with clients from the Corporate and Institutional Banking segment. These results, combined with relatively high volatility on financial markets resulting from geopolitical conditions (including exchange rate volatility), enabled the Group to achieve significantly higher trading income in the three quarters of 2025 compared to the same period last year (an increase of PLN 186,225 thousand, i.e. 29.0% YoY).

The review of the cost base carried out at the break of 2024 and 2025, particularly in the area of consulting services, had a positive impact on the level of administrative costs in the three quarters of 2025. The level of administrative costs and depreciation incurred in the three quarters of 2025 increased by only PLN 51,045 thousand (i.e. 2.0%) compared to the same period last year, despite an increase of PLN 42,467 thousand in the total costs of the Bank Guarantee Fund (increase in the annual contribution to the compulsory bank restructuring fund and restoration of the quarterly contribution to the bank guarantee fund).

In the three quarters of 2025, the good quality of the loan portfolio resulting from a cautious and conservative lending policy contributed to a reduction in the negative result of write-offs for expected credit losses on financial assets and provisions for contingent liabilities (result of PLN -105,778 thousand, an improvement of PLN 81,130 thousand compared to the same period last year).

The Group's net result continues to be significantly affected by the legal risk associated with legal proceedings concerning foreign currency mortgage loans. In the three quarters of 2025, it had a negative impact on the Group's results in the amount of PLN 379,554 thousand (down by PLN 108,464 thousand YoY). At the same time, as at 30 June 2024, a positive impact on the financial result of deferred tax, created on the basis of provisions for future payments related to the process of invalidating CHF loans, in the amount of PLN 135,535 thousand, was recognised.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Net profit for the period		695,501	2,170,795	635,544	1,849,110
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss upon fulfilment of certain conditions		87,932	234,547	62,052	98,462
Measurement of financial assets measured at fair value through other comprehensive income, gross	27	100,815	235,886	51,513	112,190
Deferred income tax on the valuation of financial assets measured through other comprehensive income		(19,154)	(44,818)	(9,786)	(21,315)
Measurement of cash flow hedge accounting derivatives, gross	22	7,741	53,678	25,093	9,367
Deferred income tax on valuation of derivatives hedging cash flows		(1,470)	(10,199)	(4,768)	(1,780)
Items that will not be reclassified to profit or loss		1,824	1,349	(1,145)	(1,730)
Actuary valuation of employee benefits, gross	7e	2,253	1,666	(1,414)	(2,136)
Deferred income tax on actuary valuation of employee benefits		(429)	(317)	269	406
Other comprehensive income (net)		89,756	235,896	60,907	96,732
Total comprehensive income for the period		785,257	2,406,691	696,451	1,945,842
attributable to equity holders of the Group		785,257	2,406,691	696,451	1,945,842

The total revenue of the Capital Group in the three quarters of 2025 amounted to PLN 2,406,691 thousand and was PLN 460,849 thousand, i.e. 23.7% higher than in the corresponding period of 2024 (PLN 1,945,842 thousand).

This was mainly due to an increase of PLN 321,685 thousand (i.e. 17.4%) in realised net profit, a change in the valuation of financial assets measured by other comprehensive income (PLN +123,696 thousand) and a change in the valuation of derivatives hedging gross cash flows (PLN +44,311 thousand).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	30 September 2025	31 December 2024
Cash and balances at Central Bank	19	6,916,304	11,325,551
Amounts due from banks	20	5,946,747	7,872,375
Derivative financial instruments	21	2,182,999	2,440,116
Fair value adjustment of hedged and hedging items	22	250,869	230,658
Loans and advances to customers measured at amortised cost	23	88,655,668	85,401,516
Loans and advances to customers measured at fair value through profit or loss	24	324,021	452,506
Securities measured at amortised cost	25	36,249,896	32,364,550
Securities measured at fair value through profit or loss	26	350,337	321,434
Securities measured at fair value through other comprehensive income	27	23,959,004	23,027,454
Intangible assets	28	917,253	975,114
Property, plant and equipment	29	893,070	946,971
Deferred tax assets		714,230	859,567
Current tax assets		71	1,515
Other assets	31	1,198,328	1,320,262
Total assets		168,558,797	167,539,589
LIABILITIES	Note	30 September 2025	31 December 2024
Amounts due to other banks	32	10,680,231	9,994,802
Derivative financial instruments	21	2,154,992	2,311,741
Fair value adjustment of hedged and hedging items	22	247,513	260,025
Amounts due to customers	33	129,705,242	130,924,754
Debt securities issued	34	692,327	-
Subordinated liabilities	35	2,720,740	3,420,128
Lease liabilities	30	564,095	606,306
Other liabilities	36	3,004,132	2,296,756
Current tax liabilities		120,111	361,641
Provisions	37	2,068,123	1,969,380
Total assets		151,957,506	152,145,533
LIABILITIES	Note	30 September 2025	31 December 2024
Share capital	48	147,880	147,800
Supplementary capital		9,180,883	9,155,136
Other reserve capital		4,683,609	4,042,815
AT1 capital bonds		650,000	650,000
Revaluation reserve		(304,949)	(540,845)
Retained earnings		2,243,868	1,939,150
retained profit		73,073	(419,118)
net profit for the period		2,170,795	2,358,268
Total equity		16,601,291	15,394,056
Total liabilities and equity		168,558,797	167,539,589

The Group's total assets as at the end of the third quarter of 2025 amounted to PLN 168,558,797 thousand and were higher by PLN 1,019,208 thousand, i.e. by 0.6%, compared to the end of 2024.

The most significant changes in the Group's asset structure compared to the end of 2024 were an increase in the share of the securities portfolio by 2.7 percentage points and the loan portfolio by 1.5 percentage points (the sum of portfolios measured at amortised cost and fair value). The share of cash and balances with the Central Bank decreased by 2.7 p.p. and receivables from banks by 1.2 percentage points.

The Group's asset structure was dominated by loans and advances to customers (the sum of portfolios measured at amortised cost and fair value), which accounted for 52.8% of total assets at the end of the third quarter of 2025, compared to 51.2% at the end of 2024. The volume of net loans and advances at the end of the third quarter of 2025 amounted to PLN 88,979,689 thousand and increased by PLN 3,125,667 thousand, i.e. by 3.6% compared to the end of 2024. The retail customer portfolio increased by 3.1% compared to the end of 2024 (with a 2.8% increase in real estate loans). The corporate loan portfolio increased by 3.9% compared to the end of 2024 (mainly as a result of a 5.6% increase in loans and advances to corporates measured at amortised cost, with a 3.3% decrease in lease receivables).

The second largest asset item was securities, which at the end of the third quarter of 2025 accounted for 35.9% of the total assets (at the end of 2024: 33.3%). As at 30 September 2025, their value increased by PLN 4,845,799 thousand (i.e. by 8.7%) compared to the end of 2024. The largest increase (by PLN 3,885,346 thousand, i.e. 12.0%) concerned the portfolio of securities measured at amortised cost (primarily treasury bonds and securities issued by other financial institutions). The portfolio of securities measured at fair value through other comprehensive income increased in the period under consideration by PLN 931,550 thousand, i.e. by 4.0% (primarily due to an increase in treasury bonds issued by central government institutions and bonds issued by other financial institutions, partially offset by a decrease in the portfolio of National Bank of Poland monetary bills).

The share of cash and funds at the Central Bank (the third largest asset item) decreased from 6.8% to 4.1% (by PLN 4,409,247 thousand, i.e. by 38.9%). The share of receivables from banks amounted to 3.5% (at the end of 2024: 4.7%). Their value decreased by PLN 1,925,628 thousand (i.e. by 24.5%) compared to the end of 2024 and amounted to PLN 5,946,747 thousand.

As at 30 September 2025, the total value of the Group's liabilities amounted to PLN 151,957,506 thousand and was PLN 188,027 thousand, i.e. 0.1% lower than at the end of 2024. The share of liabilities in the total liabilities and equity of the Group amounted to 90.2% in the analysed period (compared to 90.8% at the end of 2024).

In the structure of liabilities, liabilities to customers dominate. Their share as at 30 September 2025 amounted to 85.4% and decreased by 0.7 percentage points compared to the end of 2024. In terms of value, their volume decreased by PLN 1,219,512 thousand, i.e. by 0.9% compared to December 2024, and amounted to PLN 129,705,242 thousand. The second item is liabilities to banks, whose share as at 30 September 2025 amounted to 7.0% and increased by 0.5 percentage points compared to the end of 2024 (in terms of value by PLN 685,429 thousand, i.e. by 6.9%).

The Group's equity as at 30 September 2025 amounted to PLN 16,601,291 thousand and increased by 7.8%, i.e. by PLN 1,207,235 thousand, compared to 31 December 2024, primarily due to the distribution of the Bank's profit for 2024. The share of total equity in the Group's total liabilities and equity as at 30 September 2025 amounted to 9.8% (compared to 9.2% at the end of 2024).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings	Total
Balance as at 1 January 2025	147,800	9,155,136	4,042,815	650,000	(540,845)	1,939,150	15,394,056
Total comprehensive income for the period	-	-	-	-	235,896	2,170,795	2,406,691
Net profit for the period	-	-	-	-	-	2,170,795	2,170,795
Other comprehensive income for the period	-	-	-	-	235,896	-	235,896
Distribution of retained earnings	-	25,747	663,427	-	-	(1,851,515)	(1,162,341)
Distribution of earnings intended for capital	-	25,747	663,427	-	-	(689,174)	-
Dividends paid	-	-	-	-	-	(1,162,341)	(1,162,341)
Issuance of shares	80	-	-	-	-	-	80
Payment of interest on AT1 capital bonds	-	-	(27,850)	-	-	(14,568)	(42,418)
Management stock options*	-	-	5,217	-	-	-	5,217
Other adjustments	-	-	-	-	-	6	6
Balance as at 30 September 2025	147,880	9,180,883	4,683,609	650,000	(304,949)	2,243,868	16,601,291

* for details on the management stock options programme please refer to Note 39.

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings	Total
Balance as at 1 January 2024	147,677	9,110,976	3,525,056	-	(566,754)	644,320	12,861,275
Total comprehensive income for the period	-	-	-	-	25,909	2,358,268	2,384,177
Net profit for the period	-	-	-	-	-	2,358,268	2,358,268
Other comprehensive income for the period	-	-	-	-	25,909	-	25,909
Distribution of retained earnings	-	45,963	511,362	-	-	(1,061,323)	(503,998)
Distribution of earnings intended for capital	-	45,963	511,362	-	-	(557,325)	-
Dividends paid	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	123	-	-	-	-	-	123
Issuance of AT1 capital bonds	-	-	-	650,000	-	-	650,000
Management stock options*	-	-	6,397	-	-	-	6,397
Other adjustments	-	(1,803)	-	-	-	(2,115)	(3,918)
Balance as at 31 December 2024	147,800	9,155,136	4,042,815	650,000	(540,845)	1,939,150	15,394,056

* for details on the management stock options programme please refer to Note 39.

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings	Total
Balance as at 1 January 2024	147,677	9,110,976	3,525,056	-	(566,754)	644,320	12,861,275
Total comprehensive income for the period	-	-	-	-	96,732	1,849,110	1,945,842
Net profit for the period	-	-	-	-	-	1,849,110	1,849,110
Other comprehensive income for the period	-	-	-	-	96,732	-	96,732
Distribution of retained earnings	-	45,963	511,363	-	-	(1,061,324)	(503,998)
Distribution of earnings intended for capital	-	45,963	511,363	-	-	(557,326)	-
Dividends paid	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	123	-	-	-	-	-	123
Management stock options*	-	-	5,178	-	-	-	5,178
Other adjustments	-	-	-	-	-	(1,338)	(1,338)
Balance as at 30 September 2024	147,800	9,156,939	4,041,597	-	(470,022)	1,430,768	14,307,082

* for details on the management stock options programme please refer to Note 39.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Note	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net profit (loss)		2,170,795	1,849,110
Adjustments for:		(1,771,482)	2,932,994
Income tax expenses		655,792	396,940
Depreciation and amortization	14	386,894	381,599
Dividend income		(9,614)	(10,828)
Interest income	8	(7,456,138)	(7,592,142)
Interest expenses	8	3,031,878	3,391,237
Change in provisions		100,409	340,521
Change in amounts due from banks		90,214	8,154,005
Change in assets due to derivative financial instruments		236,906	347,571
Change in loans and advances to customers measured at amortised cost		(3,247,136)	(803,724)
Change in loans and advances to customers measured at fair value through profit or loss		128,485	156,454
Change in amounts due to banks		(323,872)	(1,532,502)
Change in liabilities due to derivative financial instruments		(115,583)	(38,191)
Change in amounts due to customers		(164,622)	(4,519,964)
Change in other assets and deferred tax assets		124,357	(169,514)
Change in other liabilities and current tax liabilities		707,493	730,498
Other adjustments	40	5,538	(213,298)
Interest received		7,828,279	7,824,353
Interest paid		(2,956,895)	(3,297,609)
Tax paid		(792,746)	(611,588)
Lease payments for short-term leases not included in the lease liability measurement		(1,121)	(824)
Net cash flows from operating activities		399,313	4,782,104
CASH FLOWS FROM INVESTMENT ACTIVITIES:			
		3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Inflows		119,863,340	139,599,191
Sale of debt securities		119,814,892	139,584,543
Sale of intangible assets and property, plant and equipment		37,320	2,479
Dividends received and other inflows from investing activities		11,128	12,169
Outflows		(125,056,223)	(144,822,048)
Purchase of debt securities		(124,794,587)	(144,508,586)
Purchase of intangible assets and property, plant and equipment		(261,636)	(313,462)
Net cash flows from investment activities		(5,192,883)	(5,222,857)

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
CASH FLOWS FROM FINANCING ACTIVITIES:		
Inflows	2,054,065	3,216,514
Long-term loans and subordinated liabilities received	1,370,913	3,216,391
Issuance of debt securities	683,072	-
Net inflows from issuance of shares and return of capital contributions	80	123
Outflows	(3,506,269)	(2,203,475)
Repayment of long-term loans received and subordinated liabilities	(2,184,479)	(1,592,243)
Repayment of lease liability	(107,006)	(107,149)
Repayment of interest on AT1 capital bonds	(52,368)	-
Other financial expenses	(75)	(85)
Dividends paid	(1,162,341)	(503,998)
Net cash flows from financing activities	(1,452,204)	1,013,039
TOTAL NET CASH AND CASH EQUIVALENTS	(6,245,774)	572,286
Cash and cash equivalents at the beginning of the period	18,292,929	15,874,526
Cash and cash equivalents at the end of the period: 38	12,047,155	16,446,812
Effect of exchange rate fluctuations on cash and cash equivalents	(18,844)	(20,955)

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. IDENTIFICATION DATA

BNP Paribas Bank Polska S.A. („Bank” or „BNP Paribas”) is the parent company in the Capital Group of BNP Paribas Bank Polska S.A. („Group”).

The registered office of the Bank is located at Marcina Kasprzaka 2, 01-211 Warsaw. The Bank is registered in Poland, by the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register, under number KRS 0000011571. The duration of the parent and the Group companies is unlimited.

2. DESCRIPTION OF THE CAPITAL GROUP

As of 30 September 2025, the BNP Paribas Bank Polska S.A. Capital Group comprised BNP Paribas Bank Polska S.A. as the parent and its subsidiaries. The Bank's share in the equity of subsidiaries is presented in brackets:

- 1) BNP PARIBAS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A. („TFI” 100%),
- 2) BNP PARIBAS LEASING SERVICES SP. Z O.O. („LEASING” 100%),
- 3) BNP PARIBAS GROUP SERVICE CENTER S.A. („GSC” 100%),

In accordance with the principles of International Financial Reporting Standards, the interim condensed consolidated financial statements cover all subsidiaries as at 30 September 2025.

BNP Paribas Bank Polska S.A. operates within the BNP Paribas Capital Group with its registered office in Paris.

3. ACCOUNTING PRINCIPLES APPLIED FOR THE PURPOSE OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Interim condensed consolidated financial statements for the three quarters of 2025 ended 30 September 2025 were prepared in accordance with the requirements of International Financial Reporting Standards, as adopted by the European Union (“EU IFRS”), in particular, in accordance with IAS 34.

The accounting principles applied in the three quarters of 2025 do not differ from the principles applicable in 2024, which are described in detail in the Consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2024, taking into account new standards, interpretations and amendments to published standards issued by the International Accounting Standards Board (IASB), approved by the European Union, effective from 1 January 2025 and applied by the Group.

The Interim condensed consolidated financial statements do not include all information and disclosures required in annual consolidated financial statements, and, therefore, should be read in conjunction with the Consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2024.

The interim condensed consolidated financial statements have been prepared in Polish zloty and all values, unless otherwise indicated, are given in thousands of zlotys (PLN thousand).

The present interim condensed consolidated financial statements include the requirements of all International Accounting Standards approved by the European Union (“IAS”), International Financial Reporting Standards (“EU IFRS”) and interpretations related to these standards, except for the standards and interpretations listed below that are awaiting approval by the European Union or have been approved, but entered into or will enter into force only after the balance sheet date.

In the period covered by the interim condensed consolidated financial statements, the Group did not use the option of earlier application of standards and interpretations, which were approved by the European Union, but will enter into force only after the balance sheet date.

3.1. Issue of AT1 capital bonds

The AT1 Capital Bonds issued by the Bank in 2024 are instruments with no specified maturity date, entitling the holder to receive interest for an indefinite period, subject to the Bank being able to redeem them early on the terms specified in the terms and conditions of issue. The terms and conditions of the AT1 Capital Bonds do not provide for conversion into Bank shares, but only for their redemption in the form of a temporary write-down in the event of a fall in the CET1 ratio below the contractual reference value.

In accordance with IAS 32, AT1 Capital Bonds have been classified as part of the Bank's equity, and interest payments on these bonds are also recognised in the Bank's equity.

3.2. New standards, interpretations and amendments to published standards that have been issued by the International Accounting Standards Board (IASB), have been endorsed by the European Union, are effective and have been applied by the Group

Standards / Interpretations	Date of issue/ publication	Date of entry into force in EU	Approved by the EU	Description of changes
Amendments to IFRS 21: „Effects of changes in foreign exchange rates”: Lack of currency conversion	15.08.2023	01.01.2025	12.11.2024	The amendments specify how an entity should assess whether a currency is convertible into another currency and how it should determine the spot exchange rate if conversion is not possible. The amendments do not have a material impact on the Group's financial statements.

3.3. New standards, interpretations and amendments to these standards that have already been issued by the International Accounting Standards Board (IASB) and approved by the European Union but still not effective.

Standards / Interpretations	Date of issue/ publication	Date of entry into force in EU	Approved by the EU	Description of changes
Amendments to IFRS 9 and IFRS 7: Changes to the classification and measurement of financial instruments	30.05.2024	01.01.2026	27.05.2025	The amendments clarify, among others, that the financial liability is derecognised on the settlement date and introduce an accounting policy choice to derecognise financial liabilities settled by means of an electronic payment system before the settlement date. The amendments will not have a material impact on the Group's financial statements.
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	18.12.2024	01.01.2026	30.06.2025	The amendments include: - clarifying the application of the 'own-use' requirements; - permitting hedge accounting if these contracts are used as hedging instruments; and - adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments will not have a material impact on the Group's financial statements.

Annual Improvements to IFRS – Volume 11	18.07.2024	01.01.2026	09.07.2025	The IASB's annual amendment cycle process concerns non-urgent but necessary clarifications and amendments to IFRS. In July 2024, the International Accounting Standards Board issued "Annual Improvements to IFRS – Volume 11". The amendments will not have a material impact on the Group's financial statements.
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3.4. New standards, interpretations and amendments to these standards that have already been issued by the International Accounting Standards Board (IASB) but not yet approved by the European Union

Standards / Interpretations	Date of issue/ publication	Date of entry into force in EU	Approved by the EU	Description of changes
IFRS 18 Presentation and Disclosure of Information in Financial Statements	09.04.2024	01.01.2027	No	IFRS 18 introduces new presentation and disclosure requirements in the financial statements for all entities applying IFRS standards. The Group is currently analysing the impact of the standard on the financial statements.
IFRS 19: Subsidiaries without Public Accountability: Disclosures	09.05.2024	01.01.2027	No	IFRS 19 allows eligible entities to apply limited disclosure requirements while applying the recognition, measurement and presentation requirements of other IFRS accounting standards. The amendments will not have a material impact on the Group's financial statements.

3.5. Changes in presentation of financial data

In comparison to the Interim condensed consolidated financial statements prepared for the three quarters of 2024 ended 30 September 2024, the Group has changed the presentation of the following financial data:

- gain/loss on sale of securities measured at amortised cost

Prior to the change, the result on sale of such instruments was presented in net trading income, after the change, it is a part of the result on derecognition of financial assets measured at amortised cost, as presented in detail in the table below.

Consolidated statement of profit or loss	3 quarters of 2024 from 01.01.2024 to 30.09.2024 before adjustment	adjustment	3 quarters of 2024 from 01.01.2024 to 30.09.2024 after adjustment
Net trading income (including result on foreign exchange)	639,818	2,719	642,537
Result on derecognition of financial assets measured at amortised cost	(2,625)	(2,719)	(5,344)

In the opinion of the Group, the presentation changes outlined above better reflect the economic nature of the above items and therefore provide more useful information to the recipients of the financial statements.

4. GOING CONCERN

The present Interim condensed consolidated financial statements have been prepared assuming that the companies within the Group will continue as a going concern in substantially the same scope, in the foreseeable future, i.e. within at least 12 months from the date of the reporting period end.

5. APPROVAL OF THE FINANCIAL STATEMENTS

The Interim condensed consolidated report of the BNP Paribas Bank Polska S.A. Capital Group for the three quarters of 2025 ended 30 September 2025 was approved for publication by the Management Board on 5 November 2025.

6. SEASONAL AND CYCLICAL NATURE OF BUSINESS

There are no significant seasonal or cyclical phenomena in the Group's operations.

7. ESTIMATES AND JUDGEMENTS

The Group makes judgements, estimates and assumptions that affect the values of assets and liabilities reported in the subsequent period. Judgements, estimates and assumptions, which are subject to ongoing assessment, are based on historical experience and other factors, including expectations of future events that appear reasonable under the circumstances.

a. Impairment of financial assets

The assessment of impairment of financial assets in accordance with IFRS 9 requires estimates and assumptions, especially in the areas of estimates of the value and timing of future cash flows, the value of collaterals established, or the assessment of a significant increase in credit risk.

The assessment of impairment in accordance with IFRS 9 covers financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income as well as contingent liabilities. The recognition of expected credit losses depends on the change in the level of credit risk recorded since the moment of initial recognition of the financial asset. Financial assets are subject to the assessment as to whether there are any events of default.

The requirements of IFRS 9 relating to impairment are based on the model of expected credit loss.

Financial instruments subject to the assessment in terms of impairment are classified into one of three stages based on the assessment of changes in credit quality observed since initial recognition:

- Stage 1: An allowance due to expected credit losses in 12-month horizon

If the credit risk did not increase significantly from the date of the initial recognition, and the event of default did not occur from the moment of granting the financial instrument, the Group recognises an allowance for the expected credit loss within the next 12-month horizon.

- Stage 2: An allowance due to expected credit losses for the entire lifetime – no event of default identified

In the case of financial instruments, whose credit risk has increased significantly since the moment of their initial recognition, but no event of default occurred, an impairment allowance is created for the entire remaining financing period, considering the probability of the occurrence of the event of default.

- Stage 3: An allowance due to expected credit losses for the entire lifetime – event of default

In the case of financial instruments for which the event of default occurred, an allowance for the expected credit loss is created for the entire remaining financing period.

Criteria for stage classification

In order to assess whether there has been a significant increase in credit risk since the initial recognition of the financial instrument (Stage 2), the Group compares the risk of default during the expected period of financing granted as at the balance sheet date and the date of initial recognition.

The assessment consists in verifying whether the ratio of the cumulative PD as at the report date determined for the period from the report date to the maturity date and the cumulative PD as at the initial recognition date determined for the period from the report date to the maturity date exceeds the relative threshold for the change in the PD lifetime parameter. Exceeding the threshold results in classification into Stage 2. PD lifetime weighted by the probability of occurrence of individual macroeconomic scenarios is used for comparison.

The threshold amount is set at the level of homogeneous portfolios based on an analysis of loss levels for historical data. The analysis is designed to ensure high discriminatory power of the introduced allocation and its results are subject to verification for intuitiveness. The thresholds adopted at the Group range from 1.8 to 2.7 times PD lifetime growth relative to initial recognition, depending on the segment.

An important element of the allowance estimation process affecting both the stage classification and the parameters used in the allowance estimation process is the internal credit risk rating system. The rating reflects an assessment of asset quality and key related risks, including an assessment of refinancing risk.

Refinancing risk is assessed by the Group on a regular basis, both during the process of granting financing and as part of cyclical monitoring carried out throughout the financing period.

In the commercial real estate segment, among other things, the quality of the asset is examined, including: attractiveness of the location, age of the property, occupancy rate, terms and duration of leasing contracts, value of the property, LTV (Loan to Value) and DSCR (Debt Service Coverage Ratio) parameters.

In addition, in order to assess a material increase in credit risk, the Group applies e.g.: information on delay in repayments (over 30 days of delay) and information from internal credit risk monitoring systems, such as warning letters and information about restructuring.

For exposures classified as Stage 2, if in subsequent periods the credit quality of the financial instrument improves and previous conclusions regarding a significant increase in credit risk since initial recognition are reversed, the exposure is reclassified from Stage 2 to Stage 1 and the allowance for expected credit losses for these financial instruments is calculated over a 12-month horizon.

For the purpose of identifying exposures eligible for Stage 3, the Group uses a single definition of defaulted exposures and a definition of impaired exposures, and classification is based on the default triggers.

The principal event of default is a delay in repayment of more than 90 days (or more than 30 days for exposures with granted facilities) of a material amount of a past due credit obligation. In addition, other indications are taken into account, including in particular:

- restructuring,
- granting of a facility where the exposure is granted a facility or restructured,
- granting of a facility without significant economic loss where at least one of the following conditions is met:
 - a large lump sum payment towards the end of the repayment schedule;
 - irregular repayment schedule, with significantly lower payments at the beginning of the repayment schedule;
 - significant grace period at the beginning of the repayment schedule;
 - exposures to an obligor that are subject to distress restructuring on more than one occasion.
- suspicion of fraud (including economic crime or any other criminal offence related to the credit exposure),
- information has been received about the submission of an application for restructuring proceedings within the meaning of the Act on Restructuring Law,
- filing of an application for commencing enforcement proceedings by the Group or becoming aware of the fact that enforcement proceedings against the debtor are being conducted in the amount which, in the opinion of the Group, may result in the loss of creditworthiness,
- becoming aware of the fact of filing of an application for declaring the debtor bankrupt (liquidation, consumer), putting the debtor into liquidation, dissolution or cancellation of the company, appointment of a curator, appointment of a receiver over the debtor's activity,
- filing of an application for bankruptcy proceedings, a declaration of bankruptcy or becoming aware of the dismissal of the bankruptcy application due to the fact that the debtor's assets are insufficient or sufficient only to meet the costs of the bankruptcy proceedings,
- termination of the credit agreement,
- submission of an application to initiate enforcement proceedings against the customer,
- granting of a public moratorium under Article 31fa of the Act of 2 March 2020, on special arrangements for the prevention, counteracting and control of covid-19, other infectious diseases and emergencies caused by them,
- financial difficulties identified during the customer monitoring/review process or on the basis of information obtained from the customer in the course of other activities,
- significant deterioration in customer rating.

In determining the materiality level of a past due credit obligation, the Group takes into account the thresholds contained in the "Regulation of the Minister of Finance, Investment and Development dated 3 October 2019 on the materiality level of a past due credit obligation".

A past due credit obligation is considered material when both materiality thresholds are exceeded together:

- 1) the amount of past due liabilities exceeds PLN 400 for retail exposures or PLN 2,000 for non-retail exposures, and
- 2) the share of past due liabilities in the exposure is greater than 1%.

Accordingly, the calculation of the number of overdue days for the purpose of determining a default event starts once both of the aforementioned thresholds are exceeded.

While reclassifying the exposure from Stage 3 to Stage 2 or Stage 1, the Group considers quarantine period, according to which a credit exposure with recognised objective trigger of impairment may only be reclassified into Stage 2 or Stage 1 if the customer has been servicing the receivable on time for a specified number of months. The required quarantine period differs depending on the customer type. Its length is determined by the Group on the basis of historical observations which allow for determining the period after which the probability of default decreases to the level comparable to that of other exposures classified to the portfolio with no indications of impairment.

With regard to the criteria for stage classification, the Group implemented an indication based on the assessment of the relative change in the PD lifetime parameter.

The Group monitors the sensitivity of customer groups/segments to risk factors in the economic and geopolitical environment on an ongoing basis.

Due to the ongoing war in Ukraine and economic sanctions imposed on Russia and Belarus, the Group monitors the situation of customers directly related to these countries and, on this basis, does not identify any significant exposures in either its business or retail customer portfolios. Detailed assumptions for the identification of customers sensitive to this and other selected risk factors are described in Note 52 Credit risk.

As at 30 September 2025, institutional customers classified as sensitive accounted for an exposure PLN 1,119,233 thousand of exposure and were classified as Stage 2 customers, i.e. customers with a significant increase in credit risk. The total allowances for these customers amounted to PLN 59,511 thousand. As at 31 December 2024, the balance of sensitive customers amounted to PLN 286,246 thousand, while the balance of write-offs for these customers amounted to PLN 7,808 thousand.

With regard to the remaining segments, in the process of stage classification, the Group took into account the increased risk associated with customers with the greatest exposure to turbulence in the economic environment by transferring these exposures to Stage 2. The basis for identifying sensitive customers was:

- for the segment of other retail customers, available indicators that are indicative of the level of debt burden and the timeliness of servicing obligations with other institutions,
- for the portfolio of micro-entrepreneurs, the level of the customer's rating, or for a selected group of customers, borrowing to a degree that threatens the proper servicing of the credit/loan.

As at 30 September 2025, these customers represented PLN 380,436 thousand of exposure, while as at 31 December 2024, the balance amounted to PLN 628,057 thousand. As a result of the review conducted, the Bank revised the risk assessment for sensitive customers using credit holidays and therefore ceased to classify this group as sensitive customers. (for details, see the table regarding Post Model Adjustments).

Description of the methods used to determine the allowance for expected credit losses

The individual valuation is performed by the Group for individually significant financial assets, for which the event of default was identified. It consists in the individual determination of the allowance for expected credit losses. During the individual valuation, the Group determines expected future cash flows and impairment allowances are calculated as the difference between the present value (balance sheet amount) of a financial asset which is individually significant and the value of future cash flows generated by that asset, discounted using the effective interest method. Cash flows from collateral are taken into account for purposes of estimating future cash flows.

The following assets are measured collectively:

- classified as individually insignificant,
- classified as individually significant, for which the event of default was not identified.

The amount of collective impairment allowances is determined with the application of statistical methods for defined exposure portfolios which are homogenous from the perspective of credit risk. Homogeneous exposure portfolios are defined based on, among others, customer segment and type of credit products.

The criteria applied by the Group to define homogeneous portfolios are aimed at grouping exposures so that the credit risk profile is reflected as accurately as practicable and, consequently, so as to estimate the level of allowances for the expected credit losses on financial assets as objectively and adequately as possible. The amount of the allowance for expected credit losses in the collective method is determined under four macroeconomic scenarios. The final value of the allowance is determined as the average of these four calculations weighted by the probability of occurrence of a given scenario.

The weight of the base scenario is 50%, the weights of the negative and severe scenarios are estimated based on the ratio of the current projected loss to the long-term average for the segment, the weight of the positive scenario is determined by the weight of the severe and pessimistic scenarios. As at 30 September 2025, the weight of the severe scenario ranged from 0% to 5.70%, depending on the portfolio, and the pessimistic scenario from 0% to 22.09%.

In the process of calculating the amount of allowances, the following parameters are used:

1) probability of default (PD)

The amount of the parameter for individual exposures is estimated using a model based on Markov chains. For its estimation, historical matrices of migration of exposures between risk classes are used. Risk classes are determined based on internal ratings. Migrations are determined within homogeneous portfolios defined by customer segment and product type.

The parameter values resulting from the above model are through-the-cycle. In order to ensure the point-in-time nature required by the IFRS9 standard, they are subsequently adjusted based on current forecasts of the macroeconomic environment. The adjustment made is based on econometric models built for individual segments based on time series. If it is not possible to build a model for a particular segment, a simplification based on the Box-Cox transformation is applied.

2) loss given default (LGD)

The amount of the parameter for individual exposures is determined based on the probability of occurrence of individual recovery paths (return to regular repayments, full repayment of the obligation, commencement of hard recovery) and the expected levels of loss if a given path occurs. The probabilities of occurrence of individual paths are determined based on a Markov chain-based model and estimation based on historical data.

Loss levels are determined based on historically observed recoveries. They take into account recoveries linked to collateral allocated to a given exposure, repayments not linked to collateral, and recoveries expected from the sale of receivables.

The assignment of specific components is based on customer segment, product type, exposure characteristics, current number of days in default, contract status and number of months since the commencement of hard recovery. The parameters for recovery from the collateral are based on customer segment, type of collateral and number of months since the commencement of hard collection.

The parameter values resulting from the above model are through-the-cycle. In order to ensure the point-in-time nature required by the IFRS9 standard, they are adjusted based on current forecasts of the macroeconomic environment. The adjustment made is based on econometric models built for individual segments, based on time series. If it is not possible to build a model for a particular segment, a simplification based on the Box-Cox transformation is applied - this does not apply to portfolios where expert values are used for parameter estimation due to the lack of sufficient historical observations.

3) the conversion factor of granted off-balance sheet liabilities to on-balance sheet receivables (CCF - credit conversion factor)

The amount of the parameter is determined based on average observed historical values. The parameter is estimated within homogeneous portfolios defined by customer segment and product type. For segments where there are not enough observations to determine the parameter, expert values are adopted.

For the CCF parameter, the Group demonstrated its lack of dependence on macroeconomic factors based on historical data.

4) expected prepayment factor (PPF)

The amount of the parameter is determined based on the prepayment curve assigning dependence on the months of existence of the credit exposure. The prepayment curve is estimated based on historical data by customer segment and product type. When calculating the expected credit loss, prepayment factor adjusts the balance sheet exposure resulting from the loan repayment schedule.

For the PPF parameter, the Group demonstrated its lack of dependence on macroeconomic factors based on historical data.

5) expected behavioural lifetime of the loan (BRL)

For exposures for which there is no contractual existence life-time, the behavioural lifetime of the loan is estimated. This value is assigned by customer segment and credit product type. The estimation of the behavioural life of a loan is based on building a profile of historically observed existence length in an exposure of a given type and fitting a logistic regression function to it. This function is then used to estimate the final value in a given segment.

In the three quarters of 2025, the Group introduced the following significant changes to the IFRS 9 model:

- change in the granularity of EAD amortisation in the ECL calculation formula. Following the change, ECL for Stage 1 and Stage 2 portfolios is calculated on a quarterly basis instead of annually, and then aggregated to the appropriate horizon, taking into account the discounting effect. The change resulted in a decrease in the level of write-offs by PLN 46,226 thousand,
- update of the PD model for the portfolio for fully reporting entities, resulting in the reversal of PLN 18,889 thousand write-offs. The change involves calibrating the model that estimates the impact of macroeconomic factors on the level of credit losses based on observations from June 2023 to June 2024. Its introduction has allowed for a more accurate representation of the dependencies and the elimination of unrealized conservatism contained in previous forecasts.

In the three quarters of 2025, the Group verified the adjustments made in the form of PMA (Post Model Adjustment). As a result of the review, additional write-offs maintained for sensitive customers using credit holidays were reversed. This was mainly due to the stable quality of the portfolio after the end of the credit holiday support. At the same time, as a result of the analyses carried out in the commercial loan portfolio, the levels of write-offs maintained for specific risks relating to selected sectors were verified, in particular, additional provisions of PLN 43,000 thousand were created for sensitive customers in the photovoltaic farm segment.

The details are presented in the table below.

Type of Post Model Adjustment	31.12.2024	Change	30.09.2025
Clients highly sensitive to changes in the economic environment	13,605	(3,570)	10,035
Farmers whose crops were affected by adverse weather events	51,258	-	51,258
Adjustment of parameters for sensitive customers using credit holidays	19,168	(19,168)	-
Adjustment for sensitive customers in commercial real estate segment	31,500	(11,000)	20,500
Adjustment for customers operating in sectors exposed to the German economy	72,800	(8,663)	64,137
Adjustment for sensitive customers in solar farms segment	-	43,000	43,000
Adjustment for changes in the LGD model estimated and planned for implementation	43,700	-	43,700
Total	232,031	599	232,630

In the three quarters of 2025, as part of adjusting the level of allowances to reflect expectations for future macroeconomic conditions, the level of allowances increased by PLN 5,679 thousand, which resulted from updating the forecasts of macroeconomic variables included in the IFRS 9 model used. In the second quarter of 2025, due to high market uncertainty, the Group decided not to recognise the impact of changes in macroeconomic projections in the Bank's results, thus maintaining more conservative assumptions for estimating allowances.

Sensitivity of allowances

Allowances for expected credit losses on financial assets are back-tested on a regular basis. The models of risk parameters used for purposes of estimating impairment allowances are covered by the model management process, which specifies the principles of their development, approval and monitoring (including model back-testing). Additionally, there is a validation unit in the Group, which is independent of the owners and users of the models. The tasks of the unit include: annual validation of risk parameters considered to be significant. The process of validation covers both qualitative and quantitative approach. The process of estimating impairment allowances is subject to periodic functional control and verified independently by the internal audit.

In order to calculate the sensitivity of the level of allowances, estimated using the collective method, related to the realisation of macroeconomic scenarios, the Bank used the method of changing the weights of the severe, pessimistic, baseline and optimistic scenarios in accordance with their application consistent with IFRS 9.

The impact of particular scenarios is presented in the table below.

Analysis/scenario	Change in the amount of allowances 30.09.2025	Percentage change in the amount of allowances 30.09.2025	Change in the amount of allowances 31.12.2024	Percentage change in the amount of allowances 31.12.2024
Pessimistic scenario – considering pessimistic and baseline scenarios only (optimistic scenario 0%, baseline scenario 50%, pessimistic scenario 40%, severe scenario 10%)	211,610	13%	153,455	8%
Optimistic scenario – considering optimistic and baseline scenarios only (optimistic scenario 50%, baseline scenario 50%, pessimistic scenario 0%, severe scenario 0%)	(69,186)	-4%	(64,098)	-3%
Baseline scenario – uniform distribution of optimistic and pessimistic scenarios (optimistic scenario 25%, baseline scenario 50%, pessimistic scenario 15%, severe scenario 10%)	78,423	5%	52,086	3%

The sensitivity of the level of allowances results directly from the counter-cyclical nature of the calculation of weights assigned to individual macroeconomic scenarios. Countercyclicality is expressed in reducing the weight for the pessimistic scenario as the recession deepens, and in reducing the impact of the optimistic scenario in the event of an "overheating" of the economy.

In addition, the impact of the estimated change in the level of allowances due to scenarios of changes in risk parameters is presented below.

Analysis/scenario	Change in the amount of allowances 30.09.2025	Percentage change in the amount of allowances 30.09.2025	Change in the amount of allowances 31.12.2024	Percentage change in the amount of allowances 31.12.2024
PD decrease by 10%	(72,205)	-4%	(84,835)	-5%
PD increase by 10%	72,205	4%	84,835	5%
LGD decrease by 10%	(166,965)	-10%	(184,501)	-10%
LGD increase by 10%	141,662	8%	158,799	9%

The following table considers the impact of a change in the present value of estimated future cash flows for exposures subject to individual valuation.

Analysis/scenario	Change in the amount of allowances 30.09.2025	Percentage change in the amount of allowances for individually measured exposures 30.09.2025	Change in the amount of allowances 31.12.2024	Percentage change in the amount of allowances for individually measured exposures 31.12.2024
Decrease in present value of estimated future cash flows for exposures subject to individual assessment by 10%	87,654	12%	89,941	13%
Increase in present value of estimated future cash flows for exposures subject to individual assessment by 10%	(84,625)	-12%	(86,362)	-12%

Climate issues

When considering the need to disclose climate-related risks, the Group takes into account the requirements for determining materiality of financial information in paragraph 7 of IAS 1. According to these requirements, the Group should consider both quantitative factors and qualitative factors, as well as the interactions between the factors, when assessing whether or not the information is material.

The Group treats ESG risks, including climate risk, as cross-cutting risks that affect traditional types of risk, including credit, liquidity and operational risks. As part of the risk identification and assessment principles developed by the Group, a separate group of risk factors related to environmental, social and corporate governance factors has been defined. In the risk identification process the impact of ESG factors on credit risk was recognized as significant. As a result, ESG risks were incorporated into the internal risk management framework by including ESG risks as a subtype of credit risk in the Risk Management Strategy and Risk Appetite. In order to mitigate and control the risk, a framework for measuring ESG risks in the Bank's Internal Capital Adequacy Assessment Process (ICAAP) has been also developed. The capital plan for 2022-2025 was updated providing limits covering ESG risk, determined on the basis of the risk measurement performed. ESG risk management principles have also been developed, which include, inter alia, rules for risk monitoring and reporting, as well as stress testing.

In response to the requirements of the EBA/GL/2020/06 Guideline on lending and monitoring, the Group developed ESG assessment questionnaires, which were implemented in the lending process. The assessment is carried out for Customers for whom new financing and an increase in financing is being processed as well as in the process of Customer review. The purpose of the assessment is to identify any risks related to ESG factors affecting the financial position of the customers, as well as the impact of the customers' business activities on ESG factors (double materiality principle). Environmental risks, which are subject to special analysis by the Group, may materialise through:

- 1) physical risks related to environmental degradation, as well as climate change, including the occurrence of:
 - a) long-term climate change,
 - b) extreme weather events,
- 2) transition (transformation) risks resulting from the need to adapt the economy to gradual climate change, in particular to the use of low-carbon and more environmentally sustainable solutions, including the occurrence of:
 - a) regulatory risk (changes in climate and environmental policies),
 - b) technological risks (a technology with a less damaging effect on the climate or the environment replaces a more damaging technology, making it outdated),
 - c) changes in market sentiment and social norms,
- 3) liability risk arising from the Group's exposure to counterparties that could potentially be held liable for the negative impact of their activities on environmental, social and corporate governance factors.

The assessment of the impact of long-term climate change and extreme weather events on the activities carried out by customers, is taken into account by the Group, in the process of granting and monitoring loans, in accordance with the following systematics:

Long-term climate changes:	Extreme weather events:
impact of higher temperatures	impact of heat waves
impact of temperature shocks	impact of cold waves
impact of changing wind patterns	impact of fires
impact of changing rain/snow-fall patterns and types	impacts of storms, tornadoes, etc.
impact of sea level rise	impact of droughts
impact of water stress (reduced access to water)	impact of heavy rain/snow-falls
impact of soil and coastal erosion	impact of floods
impact of soil degradation	impact of landslides

ESG risk assessment is one of the elements of a customer's credit risk assessment. The result of the ESG risk analysis is taken into account in the credit decision and in the review of the customer and, in situations of high risk identification, in the rating assignment and update process.

The process of selecting counterparties with which the Group enters into business relationships also makes it possible to limit negative impacts in terms of ESG areas through, among other things, the sector policies in place, watch lists and exclusions and the KYC (know-your-customer) tool. The established sector policies enable the Group to control the impact of its financing and support customers operating in sensitive sectors. The purpose of the sector policies is to encourage customers to follow best practices and respect the social and environmental criteria set by the Group. At the same time, the Group has, for a long time, through its implemented policies and the verification of adverse information related to the Clients' activities in the ESG area, introduced restrictions in its activities by avoiding material exposures to the sectors and Customers that will be most affected by climate change, e.g. through the materialisation of physical and transition risks.

However, the Group recognises that climate and environmental risks may represent a material risk to businesses and a systemic risk to the economy, so it is taking steps to collect relevant data on these risks.

b. Classification of financial instruments

When classifying financial instruments in accordance with IFRS 9, the Group used the assessment of business models for maintaining financial assets and assessing whether the contractual terms related to a financial asset resulted in cash flows that were solely payment of principal and interest on the principal amount remaining to be repaid.

c. Fair value of financial instruments

The fair value measurement of financial instruments classified as level 2 or 3 in the fair value hierarchy is estimated using valuation techniques (mark-to-model) that are in line with market practice and are parameterised based on reliable sources of market data obtained, among others, from Refinitiv and Bloomberg information systems.

For linear and non-linear OTC derivatives, valuation methods are used based on replicating the payoffs of valued instruments with other instruments with similar characteristics for which market quotes are available from an active market.

A Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) are also determined for this category of instruments, which are estimated based on the projected future exposure resulting from the transaction, the Bank's and the counterparty's credit ratings and the collateral submitted/accepted. In addition, the materiality of other fair value adjustments (X-Value Adjustments, XVA) is verified.

The fair value measurement of debt instruments not listed in an active market and loans and advances is determined using a method based on the present value of projected future cash flows or a method based on the expected recovery of a given exposure, which take into account estimates of unobservable risk factors, i.e. the size of the credit spread, the probability of the debtor's insolvency, the recovery rate.

For equity instruments not quoted in an active market, fair value measurements are determined using a method based on market multiples or a method based on the present value of projected future cash flows, which take into account estimates of unobserved risk factors, i.e. limited liquidity of the instrument, uncertainty related to the realization of assumed financial projections, market risk premium associated with an investment in a particular category of financial instruments.

d. Impairment of fixed assets

At the end of each reporting period, the Group verifies whether there is any objective impairment trigger concerning its fixed assets (including investments in subsidiaries). If such triggers have been identified, the Group estimates the recoverable amount. Recoverable amount corresponds to fair value less costs to sell or value in use of the asset or cash-generating unit, whichever is higher. Determination of the value in use of a fixed asset requires the Group to make assumptions as to the estimated amounts and dates of future cash flows that may be generated by the Group on the fixed asset. When estimating the fair value less costs to sell, the Group relies on available market data or valuations of independent appraisers, which generally are also based on estimates.

e. Provisions for retirement, disability and post-mortem severance

The Group creates provisions for retirement, disability and post-mortem severance pay ("severance"), in accordance with IAS 19. The provisions are calculated for each employee separately, using the actuarial method of projected unit credit as at the date of valuation. The calculations take a number of factors into account, including macroeconomic conditions, employee turnover, risk of death and others. The basis for calculating the provision for employees is the anticipated value of severance pay which the Group is to pay pursuant from the Remuneration Regulations in force at the Group.

The anticipated severance pay is calculated as the resultant of:

- the expected severance base, in accordance with the provisions of the Collective Bargaining Agreement,
- the expected increase in the severance base from the moment of valuation until the payment of severance,
- the expected entitlement to an individual benefit for each employee.

The projected value is discounted actuarially at the end of each reporting period. In accordance with the requirements of IAS 19, the financial discount rate for calculating the current value of liabilities related to employee benefits is determined on the basis of market yields on treasury bonds whose currency and maturity date are consistent with the currency and the estimated date of the benefit obligations.

The actuarial discount is the product of the financial discount, the probability of a person's continued employment at the Group until the severance is required, and the probability of the need for a particular benefit (e.g. the probability of acquiring a disability). The value of annual write-offs and the probability are projected with the use of models which take the following three risks into account:

- possibility of dismissal from work,
- risk of inability to work,

- risk of death.

The possibility of termination of employment by the employee is estimated through a probability distribution, based on the Group's statistical data. The likelihood of dismissal depends on the age of the employee and is constant throughout each year of work. The risks of death and disability were estimated based on analyses of the latest statistical data on life expectancy in Poland (for men and women) as well as historical data published by the Central Statistical Office and the Social Security Office.

Provisions resulting from actuarial valuation are updated quarterly.

f. Restructuring provision

Continuing the Bank's adaptation to the changing business environment, on 13 December 2023, another agreement was signed with the trade unions on the principles of conducting collective redundancies for 2024-2026. Accordingly, in 2023, a provision for liabilities to employees due to restructuring was created in the amount of PLN 48,446 thousand, as at 30 September 2025 the value of the provision amounted to PLN 21,257 thousand (as at 31 December 2024 the provision amounted to PLN 35,704 thousand).

g. Deferred tax assets and liabilities

The deferred income tax liability is recognised in the full amount using the balance sheet method, due to positive temporary differences between the tax value of assets and liabilities, and their balance sheet value in the financial statements. Deferred tax assets are recognised for all negative temporary differences, as well as unused tax credits and unused tax losses carried forward to the subsequent years, in the amount in which it is probable that taxable income will be generated that will allow the use of the above mentioned differences, assets and losses.

Deferred income tax is determined using tax rates (and regulations) in force or at the end of the reporting period, which are expected to be effective at the time of realization of the related assets due to deferred income tax or settlement of liabilities due to deferred income tax.

If the temporary differences arose as a result of the recognition of an asset or liability resulting from a transaction that is not a business combination and which at the time of the conclusion did not affect the tax or accounting result, the deferred tax is not recognised.

In addition, a deferred tax provision is created for positive temporary differences arising from investments in subsidiaries or associates and investments in joint ventures - except the situations when the timing of temporary differences reversal is subject to control by the entity and when it is probable that in the foreseeable future, temporary differences will not be reversed. Deferred tax assets are recognised in the event of negative temporary differences from investments in subsidiaries or associates and investments in joint ventures, only to the extent that it is probable that in the foreseeable future the abovementioned temporary differences will be reversed and taxable income allowing to offset any negative temporary differences will be generated.

However, deferred tax assets are recognized for deductible temporary differences on investments in subsidiaries or associates and interests in joint ventures, only to the extent that it is probable that the aforementioned temporary differences will reverse in the foreseeable future and taxable income will be generated to offset the deductible temporary differences.

The balance sheet amount of the deferred tax asset is reviewed at the end of each reporting period and is reduced accordingly, and so far as it is no longer probable that taxable income sufficient for partial or total realization of the deferred tax asset will be realized. An unrecognised deferred tax asset is subject to reassessment at the end of each reporting period and is recognised up to an amount that reflects the probability of achieving future taxable income that will allow recovery of that asset. The Group offsets deferred tax assets with deferred tax provisions if and only if it has an enforceable legal title to compensate corresponding receivables and liabilities due to current tax and deferred income tax is related to the same taxpayer and the same tax authority.

Income tax related to the items recognised directly in equity is recognised in equity and in the statement of comprehensive income.

The Bank continues to hold deferred tax assets in relation to provisions set up in connection with:

- the settlement process regarding CHF-denominated loan agreements and the possibility of benefiting from a tax preference (waiver of CIT collection on redeemed loans under the Decree of the Minister of Finance of 11 March 2022, as amended).
- the cancellation of CHF-denominated loan agreements.

For details, see Note 51 Litigation, claims and administrative proceedings.

In the three quarters of 2025 and in 2024, current income tax and deferred tax liabilities were calculated using the 19% rate.

The Group applies an exception to the recognition and disclosure of information on deferred tax assets and liabilities related to income tax arising from Pillar II, in accordance with the update to IAS 12 issued in May 2023.

Global minimum level of taxation

In connection with the obligation to implement into the Polish legal order the provisions of Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring the global minimum level of taxation of multinational enterprise groups and large-scale domestic groups in the Union, the aim of which is to reduce corporate tax competition by establishing a global minimum tax, Poland passed the Act dated 6 November 2024 on top-up taxation of members of multinational and domestic enterprise groups (hereinafter: the 'Act'). The Act entered into force on 1 January 2025.

The new tax is to be levied on constituent entities of international and domestic groups which have an annual revenue of EUR 750 million or more in their ultimate parent entity's consolidated financial statements in at least two of the four fiscal years immediately preceding the tested fiscal year

Groups of companies subject to the global top-up tax will be required to calculate an Effective Tax Rate (ETR) on income for each jurisdiction in which they operate. In the event this rate is lower than 15%, an obligation to pay the top-up tax will arise.

As a result of the above, the Bank's foreign ultimate parent entity analyses previous years' data to allow for the calculation of the ETR for each jurisdiction in which its group operates.

In parallel with the aforementioned activities, a project has also been initiated in the Bank Capital Group to assess the impact of the provisions of the Act on the Bank's obligations in the Bank Capital Group, in particular the applicability of the so-called transitional safe harbours allowing the application of simplified rules for the calculation of the top-up tax, as well as the administrative obligations under the Act.

The Group is covered by this legislation and has carried out an assessment of its potential impact based on its financial statements.

In the Group's assessment, the top-up tax legislation will not result in the additional tax charge in 2025.

h. Provision for the return of commission due to early repayment of the loan

On 11 September 2019, the CJEU issued a judgment in which it was stated that Article 16 paragraph 1 of the Directive No. 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on consumer loan agreements which repealed Council Directive No. 87/102/EEC should be interpreted in the following way: the consumer's right to reduce the total cost of a loan in the event of earlier repayment includes all costs that have been imposed on the consumer. The CJEU pointed out that a comparative analysis of the different language versions of Article 16 clause 1 of the Directive does not allow to clearly determine the exact scope of the reduction of the total cost of a loan envisaged by this provision, because some language versions of this provision suggest reducing the costs related to the remaining period of the contract, others suggest that the costs associated with this period constitute an indication for calculating the reduction, others still only refer to interest and costs due for the remaining period of the contract.

The judgment was issued following a question referred for a preliminary ruling by the Lublin-Wschód District Court based in Świdnik, which examined three disputes between the company Lexitor, which acquired the claims of three clients, and SKOK Stefczyka, Santander Consumer Bank and mBank, regarding the reduction of the total cost of consumer loans due to their earlier repayment. The Polish court had doubts about the interpretation of Article 16 paragraph 1 of Directive No. 2008/48/EC of the European Parliament and of the Council of 23 April 2008, and therefore asked the CJEU whether this provision concerns all costs or only those related to the duration of the contract.

As a result of the analysis concerning the impact of the judgment on the Group's revenues, in particular on relations expired before the judgment was issued, in 2019 the Group decided to create a provision for a proportional refund of commission in the event of early repayment of the loan in the amount of PLN 48,750 thousand. As of 30 September 2025 the provision amounted to PLN 8,515 thousand (as at 31 December 2024 the provision amounted to PLN 10,023 thousand).

The provision was estimated based on the estimation of the total amount of the provision for the early repaid loans and the expected percentage of customers who will claim for a refund of the due part of the commission. Assuming that the percentage of customers would be 5 p.p. higher than the assumed level, the amount of the provision would be higher by PLN 12,500 thousand.

Simultaneously, the Group recognises its liability due to the proportional reimbursement of commissions in the event of their early repayment in the period from the date of the judgment of the CJEU on 11 September 2019 to 31 December 2019. As of 30 September 2025, this liability amounted to PLN 2,209 thousand (PLN 2,242 thousand as at 31 December 2024).

Additionally, the Group creates a provision to cover the partial reimbursements of loan commissions in the event of their early repayment. The estimate of the provision is based on the difference between the value of commissions to be reimbursed and the balance of unsettled commissions as at the expected date of early loan repayment. This provision is calculated as a percentage of commissions charged to the customer, which reflects the expected average difference between the amounts of commissions to be refunded to customers and the balance of outstanding commissions at the expected time of early repayment of the loan. This percentage is calculated based on the estimated level of early repayments and the expected timing of repayment.

In the event of early loan repayment, this provision is released and for newly sold loans a provision will be created on an ongoing basis. As of 30 September 2025, the provision amounted to PLN 31,559 thousand (PLN 39,810 thousand as at 31 December 2024).

The total amount of provisions and liabilities related to the CJEU judgment as at 30 September 2025 was PLN 42,284 thousand (as at 31 December 2024, the provision was PLN 52,074 thousand).

The created provision level is based on estimates and may be changed.

The above provisions are presented by the Group in Note 37 Provisions: Provision for litigation, while the Group presents the liability in the Note 36 Other liabilities: Sundry creditors.

i. Impact of legal risk arising from court proceedings concerning CHF mortgage loans

The impact of legal risk arising from court proceedings concerning CHF mortgage loans and the model used by the Group were described in Note 51 Litigation, claims and administrative proceedings.

8. NET INTEREST INCOME

Interest income	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Amounts due from banks	123,003	410,618	110,180	295,872
Loans and advances to customers measured at amortised cost, including:	1,550,390	4,789,254	1,813,340	5,018,230
non-banking financial institutions	51,634	175,072	50,888	123,506
retail customers	648,548	1,973,479	802,183	2,003,737
economic operators	745,668	2,307,866	869,028	2,543,269
including retail farmers	147,665	477,410	173,854	513,288
public sector institutions	2,119	4,378	1,134	3,173
leasing receivables	102,421	328,459	90,107	344,545
Loans and advances to customers measured at amortised cost through profit or loss	6,850	24,533	12,129	39,259
Debt instruments measured at amortised cost	352,162	980,433	244,682	698,662
Debt instruments measured at fair value through profit or loss	1,151	4,058	1,486	4,417
Debt instruments measured at fair value through other comprehensive income	232,755	678,212	214,092	585,004
Derivative instruments as part of fair value hedge accounting	172,034	539,572	269,161	624,640
Derivative instruments as part of cash flow hedge accounting	11,426	27,885	2,923	8,705
Securities purchased under repurchase agreements	424	1,573	70,744	317,353
Total interest income	2,450,195	7,456,138	2,738,737	7,592,142
Interest expenses	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Amounts due to banks	(138,680)	(456,653)	(181,445)	(555,077)
Debt securities issued	(7,439)	(9,234)	-	-
Amounts due to customers, including:	(572,374)	(1,748,967)	(599,166)	(1,822,344)
non-banking financial institutions	(41,219)	(118,303)	(36,667)	(113,600)
retail customers	(285,409)	(882,586)	(280,156)	(865,525)
economic operators	(206,711)	(632,695)	(241,048)	(738,010)
including retail farmers	(1,820)	(5,969)	(2,119)	(7,697)
public sector institutions	(39,035)	(115,383)	(41,295)	(105,209)
Lease liabilities	(5,171)	(15,709)	(5,730)	(17,588)
Derivative instruments as part of fair value hedge accounting	(234,638)	(733,578)	(362,748)	(964,840)
Derivatives under cash flow hedge accounting	(17,986)	(48,367)	(9,232)	(27,368)
Securities sold subject to repurchase agreements	(17,314)	(19,370)	(1,030)	(4,020)
Total interest expenses	(993,602)	(3,031,878)	(1,159,351)	(3,391,237)
Net interest income	1,456,593	4,424,260	1,579,386	4,200,905

Interest income, which is the Group's main source of revenue, amounted to PLN 4,424,260 thousand in the three quarters of 2025, up by PLN 223,355 thousand, i.e. 5.3% YoY. In the first quarters of 2025, compared to the same period last year, interest income was lower by PLN 136,004 thousand, i.e. by 1.8%, with a simultaneous decrease in interest expenses by PLN 359,359 thousand, i.e. by 10.6%. Excluding the impact of credit holidays, interest income in the three quarters of 2025 would have been higher by PLN 119,905 thousand, i.e. by 2.8% YoY.

An important external factor affecting interest income is the interest rate policy of central banks. In the three quarters of 2024, the National Bank of Poland's interest rates remained unchanged (5.75% for the reference rate). On 7 May, 2 July and 3 September 2025, the Monetary Policy Council (hereinafter "MPC") made three rate cuts, by 50 bps, 25 bps and 25 bps, respectively, to 4.75% for the reference rate. On 8 October, the MPC made another cut of 25 bps. At the same time, in June 2024, the European Central Bank began a cycle of monetary policy easing, making eight interest rate cuts during the year, as a result of which the deposit rate fell by 200 bps (to 2.0% at the end of June 2025). As a result of lower average interest rates, the average yield on PLN and EUR loan products in the three quarters of 2025 was lower than in the same period of the previous year.

The estimate of the sensitivity of the Group's interest income to changes in interest rates is presented in Note 52 Financial risk management of the Consolidated Interim Report for the 9-month period ended 30 September 2025.

An additional factor that affected the comparability of interest income from loans and advances in the analysed periods was the absence of the negative impact of the so-called statutory credit holidays in the three quarters of 2025. In the corresponding period of the previous year, in connection with the entry into force of the Act of 12 April 2024 amending the Act on support for borrowers who have taken out a mortgage loan and are in a difficult financial situation and the Act on providing financing for business ventures and assistance to borrowers (the "Act"), the Group's result was charged with PLN 103,450 thousand of negative impact.

Total interest income on loans and advances to customers measured at amortised cost and at fair value through profit or loss amounted to PLN 4,813,787 thousand in the three quarters of 2025 and was lower by PLN 243,702 thousand, i.e. by 4.8%, than the income realised in the corresponding period of the previous year. Excluding the negative impact of credit holidays in the three quarters of 2024, the total interest income on loans and advances in the three quarters of 2025 would be lower by PLN 347,152 thousand, i.e. by 6.7%, compared to the corresponding period of the previous year.

The excess liquidity of the banking sector and changes in market interest rates contributed to a decrease in the cost of raising deposits in the period under review. Moderate demand for credit from corporate and individual customers in 2024 and 2025, as well as the Group's comfortable liquidity situation (the net loans/deposits ratio at the end of the third quarter of 2025 was 68.84% compared to 71.17% at the end of the third quarter of 2024) contributed to the optimisation of deposit margins. As a result, interest expenses on liabilities to customers amounted to PLN 1,748,967 thousand in the three quarters of 2025 and was lower by PLN 73,377 thousand, i.e. by 4.0%, than the expense incurred in the corresponding period of the previous year.

Among the factors that had a positive impact on the interest income in the three quarters of 2025 compared to the same period last year, the following factors should be noted: the continuing very good liquidity situation and the growth in the scale of the Group's operations, reflected, among other things, in an increase in the average value of the securities portfolio. Depending on the market situation and existing opportunities, the Group adjusts the structure of its liquid assets and interbank operations. As a result, the Group recorded an increase in interest income from debt instruments measured at amortised cost and at fair value by a total of PLN 374,620 thousand, i.e. by 29.1% and an increase in interest income on receivables from banks by PLN 114,746 thousand, with a decrease in costs on liabilities to banks by PLN 98,424 thousand. The interest income for the first three quarters of 2025 was negatively affected by a decrease in interest income from reverse repo transactions by PLN 315,780 thousand (interest costs on repurchase agreements were higher by PLN 15,350 thousand YoY). This decrease was the result of a change in the approach to investing existing liquidity surpluses.

The level of interest income is affected by the Group's use of fair value hedge accounting and (to a more limited extent) cash flow hedge accounting. Changes in the fair value measurement of hedging transactions are recognised in the hedge accounting result. Interest on IRS transactions and hedged items is recognised in the interest result. The net interest result on hedging relationships (the sum of interest income and interest expenses from derivatives under fair value and cash flow hedge accounting) in the three quarters of 2025 was negative and amounted to PLN 214,488 thousand, compared to a negative result of PLN 358,863 thousand in the corresponding period of the previous year (a decrease in the negative impact of PLN 144,375 thousand YoY).

9. NET FEE AND COMMISSION INCOME

Fee and commission income	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Loans, advances and leases	64,478	208,721	69,945	212,288
Account maintenance	53,235	164,989	60,237	175,132
Cash service	7,761	23,246	8,286	23,457
Cash transfers and e-banking	25,965	76,670	26,935	80,698
Guarantees and documentary operations	18,082	54,209	18,769	58,482
Asset management and brokerage operations	41,474	119,972	33,230	105,110
Payment and credit cards	96,643	327,902	102,225	317,028
Insurance mediation activity	34,556	120,873	41,237	129,907
Product sale mediation and customer acquisition	2,713	9,056	2,348	9,722
Other commissions	11,731	32,170	18,857	37,878
Total fee and commission income	356,638	1,137,808	382,069	1,149,702

Fee and commission expenses	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Loans, advances and leases	444	(112)	106	(820)
Account maintenance	(2,291)	(7,044)	(2,374)	(7,416)
Cash service	(7,668)	(23,648)	(7,571)	(21,146)
Cash transfers and e-banking	(884)	(2,481)	(620)	(2,130)
Guarantee obligations and documentary operations	(1,079)	(3,755)	(4,121)	(7,341)
Asset management and brokerage operations	(2,164)	(5,653)	(1,527)	(4,986)
Payment and credit cards	(27,528)	(79,283)	(30,416)	(95,329)
Insurance mediation activity	(7,812)	(17,856)	(4,103)	(17,301)
Product sale mediation and customer acquisition	(6,103)	(16,410)	(4,896)	(17,886)
Other commissions	(13,019)	(37,421)	(15,312)	(41,542)
Total fee and commission expenses	(68,104)	(193,663)	(70,834)	(215,897)
Net fee and commission expenses	288,534	944,145	311,235	933,805

The Group's fee and commission income in the three quarters of 2025 amounted to PLN 944,145 thousand and was PLN 10,340 thousand (i.e. 1.1%) higher than in the corresponding period of 2024. This was mainly due to higher commission income from payment and credit card services, as well as from asset management and brokerage operations.

Revenues from fees and commissions amounted to PLN 1,137,808 thousand and were lower by PLN 11,894 thousand (i.e. by 1.0%) compared to the corresponding period of 2024, while commission expenses amounted to PLN 193,663 thousand and decreased by PLN 22,234 thousand, i.e. by 10.3%.

The increase in fee and commission income related to:

- asset management and brokerage operations by PLN 14,862 thousand, i.e. by 14.1%, mainly due to higher revenues from the sale and management of investment funds,

- payment and credit card services by PLN 10,874 thousand, i.e. by 3.4%, mainly due to higher revenues from card transactions in the form of transfers and from cooperation with Euronet. In addition, as a result of the growing number of card transactions, revenues from interchange fees increased.

The decline in fee and commission income mainly concerned:

- account maintenance fees decreased by PLN 10,143 thousand, or 5.8%, due to, among other things, lower fees for servicing micro and individual customer accounts, lower revenues related to bailiff seizures and account closures,
- sales of insurance products by PLN 9,034 thousand, i.e. by 7%, primarily as a result of lower revenues related to mortgage insurance,
- other category by PLN 5,708 thousand, i.e. by 15.1%, mainly as a result of lower revenues from consulting services related to M&A transactions,
- guarantee commitments and documentary operations by PLN 4,273 thousand, i.e. by 7.3%, among other things as a result of lower commission income from corporate customers,
- cash transfers and e-banking services by PLN 4,028 thousand, or 5.0%, mainly as a result of lower commission income from domestic outgoing payments in the Retail and Corporate Banking segment and from foreign payments.

The decrease in commission and fee expenses was mainly due to lower costs of:

- for payment and credit card services by PLN 16,046 thousand, i.e. by 16.8% (lower costs incurred for Visa and Mastercard),
- guarantee commitments and documentary operations by PLN 3,586 thousand, i.e. by 48.8% (lower costs related to securitisation),
- in the other category by PLN 4,121 thousand, i.e. by 9.9%, mainly as a result of lower provisions and costs of writing off unpaid commissions.

10. NET TRADING INCOME (INCLUDING RESULT ON FOREIGN EXCHANGE)

Net trading income	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Equity instruments measured at fair value through profit or loss	(3,143)	47,090	6,270	12,565
Debt instruments measured at fair value through profit or loss	(1,800)	(826)	(200)	2,365
Derivative instruments and result on foreign exchange transactions	230,704	782,498	219,448	627,607
Result on financial instruments measured at fair value through profit or loss and result on foreign exchange, total	225,761	828,762	225,518	642,537
including margin on foreign exchange and derivative transactions with customers	165,840	602,749	172,956	528,112

The result on trading activities in the three quarters of 2025 amounted to PLN 828,762 thousand and was higher by PLN 186,225 thousand, i.e. by 29.0% YoY. The level and volatility of this result are mainly determined by the result on foreign exchange and derivative transactions with customers, the result on transactions concluded by CIB and the Asset and Liability Management Division, and the valuation of equity instruments.

The increase in trading income in the three quarters of 2025 compared to the same period last year was related, among other things, to an improvement in margins on currency and derivative transactions with customers (in the three quarters of 2025: PLN 602,749 thousand, an increase of PLN 74,637 thousand, i.e. 14.1% YoY). This was related to the execution of several large, one-off transactions in the CIB area in the first half of 2025.

In addition, high volatility observed on financial markets translated into an increase in the result on transactions in financial instruments in the ALMT and CIB areas.

The increase in trading income was also driven by improved results on equity instruments measured at fair value through profit or loss, which amounted to PLN 47,090 thousand in the three quarters of 2025, up by PLN 34,525 thousand, or 274.8%, compared to the same period last year (PLN 12,565 thousand). The increase concerned both the valuation of infrastructure companies (Visa MC, BIK, KIR) and the Group's capital investments.

11. RESULT ON INVESTMENT ACTIVITIES

	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Result on investment activities				
Debt instruments measured at fair value through other comprehensive income	(40)	(695)	2,831	4,474
Loans and advances to customers measured at fair value through profit or loss	(3)	(2,318)	(4,598)	2,548
Result on investment activities, total	(43)	(3,013)	(1,767)	7,022

The result on investment activities in the three quarters of 2025 was negative and amounted to PLN -3,013 thousand, compared to a positive result of PLN 7,022 thousand in the corresponding period of the previous year (a deterioration of PLN 10,035 thousand).

The decrease in the result on investment activities was driven by a negative result on debt instruments measured at fair value through other comprehensive income, which was lower by PLN 5,169 thousand compared to the corresponding period of the previous year, and by a negative result on the valuation of the portfolio of loans and advances to customers measured at fair value through profit or loss, which was lower by PLN 4,866 thousand.

12. NET ALLOWANCES FOR EXPECTED CREDIT LOSSES OF FINANCIAL ASSETS AND PROVISIONS ON CONTINGENT LIABILITIES

Net allowances for expected credit losses on financial assets and provisions for contingent liabilities

3 quarters of 2025 from 01.01.2025 to 30.09.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	108	(329)	-	-	(221)
Loans and advances to customers measured at amortised cost	(30,821)	71,947	(154,238)	1,453	(111,659)
Contingent liabilities granted	(7,964)	10,671	3,749	(16)	6,440
Securities measured at amortised cost	(338)	-	-	-	(338)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(39,015)	82,289	(150,489)	1,437	(105,778)

**Net allowances for expected credit losses
on financial assets and provisions for
contingent liabilities**

3 quarters of 2024 from 01.01.2024 to 30.09.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(178)	-	-	-	(178)
Loans and advances to customers measured at amortised cost	(27,848)	76,396	(148,317)	(36,342)	(136,111)
Contingent liabilities granted	4,469	2,374	(57,906)	450	(50,613)
Securities measured at amortised cost	(6)	-	-	-	(6)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(23,563)	78,770	(206,223)	(35,892)	(186,908)

The result of allowances for expected credit losses on financial assets and provisions for contingent liabilities in the three quarters of 2025 was negative and amounted to PLN 105,778 thousand, compared to a negative result of PLN 186,908 thousand in the corresponding period of the previous year (an improvement of PLN 81,130 thousand).

Taking into account the main operating segments:

- the Retail and Business Banking segment recorded an improvement in its negative result by PLN 40,224 thousand (-PLN 18,445 thousand),
- the SME Banking segment recorded a positive result and an improvement of PLN 54,313 thousand (+PLN 51,909 thousand),
- the Corporate Banking segment (including CIB) recorded a negative result and a deterioration of PLN 12,241 thousand (-PLN 137,249 thousand),
- The other banking activities segment recorded a negative result and a decrease in profit of PLN 1,167 thousand (-PLN 1,993 thousand).

The difference in risk costs in the compared years was influenced in particular by the additional provisions made in the three quarters of 2024 for large clients from the Corporate Banking segment in the performing portfolio.

In the three quarters of 2025, the loan portfolio remained of good quality, as reflected in low entries into Stage 3 and recoveries from the non-performing portfolio. At the same time, the following one-off events, among others, had an impact on the cost of risk in this period:

- adjustment of the IFRS 9 model, including a change in the granularity of EAD amortisation in the ECL calculation formula. Following the change, ECL for the Stage 1 and Stage 2 portfolios is calculated on a quarterly basis instead of annually, and then aggregated to the appropriate horizon, taking into account the discounting effect. The change resulted in the reversal of allowances in the amount of PLN 46,226 thousand,
- update of the PD model for the portfolio of fully reporting entities, resulting in the reversal of PLN 18,889 thousand in allowances,
- adjusting the level of allowances to expectations regarding the future macroeconomic situation, resulting in the release of PLN 5,679 thousand in provisions, which resulted from the update of macroeconomic variable forecasts included in the IFRS 9 model used,
- verification of corrections made in the form of Post Model Adjustment, including:
 - an increase in allowances by PLN 23,336 thousand in the Institutional Clients segment, including an additional PLN 43,000 thousand in provisions for sensitive customers in the photovoltaic farm segment,
 - a reduction in allowances by PLN 20,730 thousand in the Retail segment, mainly as a result of the release of provisions for sensitive customers benefiting from credit holidays.

In the three quarters of 2025, the Bank concluded agreements concerning sales from its retail portfolio. The gross carrying amount of the sold portfolio measured at amortised cost was PLN 113,924 thousand, and the amount of impairment losses recognised was PLN 85,977 thousand. The contractual sale price of these portfolios was set at PLN 32,970 thousand. The net impact on the Bank's result from the sale of the portfolios amounted to PLN 5,023 thousand and is presented in the line Net allowances for expected credit losses on financial assets and provisions for contingent liabilities.

In the three quarters of 2024, the Group concluded agreements concerning sales from its retail, SME and corporate portfolios. The gross carrying amount of the sold portfolio measured at amortised cost was PLN 185,333 thousand, and the amount of impairment losses recognised was PLN 123,956 thousand. The contractual sale price of these portfolios was set at PLN 86,582 thousand. The net impact on the Group's result from the sale of portfolios amounted to PLN 25,205 thousand and is presented in the line Net allowances for expected credit losses on financial assets and provisions for contingent liabilities.

The cost of credit risk, expressed as the ratio of impairment losses to the average balance of gross loans and advances to customers, measured at amortised cost (calculated on the basis of quarter-end balances), amounted to -0.16% in the three quarters of 2025, compared to -0.28% in the corresponding period of the previous year. It is estimated that, excluding the impact of debt sales, the cost of risk would have amounted to -0.17% in the three quarters of 2025 and -0.32% in the corresponding period of the previous year.

13. GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Personnel expenses	(411,178)	(1,219,963)	(397,226)	(1,163,440)
Marketing expenses	(31,521)	(92,035)	(31,331)	(79,884)
IT and telecom expenses	(82,040)	(234,695)	(73,796)	(218,695)
Short-term lease and operating costs	(22,955)	(68,342)	(19,191)	(60,257)
Other non-personnel expenses	(59,912)	(161,876)	(52,813)	(163,722)
External services from other contracts and consulting	(40,857)	(156,063)	(75,219)	(249,653)
Business travels	(1,453)	(8,685)	(2,328)	(7,619)
ATM and cash handling expenses	(8,088)	(23,634)	(6,871)	(22,334)
Costs of outsourcing services related to leasing operations	(42)	(775)	(368)	(1,012)
Bank Guarantee Fund fee	(9,977)	(186,459)	-	(143,992)
Polish Financial Supervision Authority fee	(811)	(23,233)	(205)	(19,402)
Total general administrative expenses	(668,834)	(2,175,760)	(659,348)	(2,130,010)

General administrative expenses of the Group (including depreciation and amortisation) for the first three quarters of 2025 amounted to PLN 2,562,654 thousand and were higher by PLN 51,045 thousand, i.e. by 2.0%, compared to the corresponding period of the previous year.

An increase in costs YoY was recorded in the following categories:

- Personnel expenses – an increase of PLN 56,523 thousand, i.e. by 4.9%, resulting from an increase in salaries by PLN 33,395 thousand (annual salary adjustments effective from March), social security contributions by PLN 8,161 thousand, and higher provisions for employee benefits related to unused holiday entitlements and retirement severance payments by PLN 4,309 thousand. Contributions to the Company Social Benefits Fund rose by PLN 3,924 thousand, and employee benefits increased by PLN 3,902 thousand (mainly due to higher contributions to Employee Capital Plans and medical services for employees). The rise in personnel costs resulting from higher remuneration was partially offset by a YoY decrease in employment across the Group by 228 active FTEs;
- Contributions to the Bank Guarantee Fund (BFG) - an increase of PLN 42,467 thousand, i.e. by 29.5%:
 - the contribution to the banks' guarantee fund amounted to PLN 30,341 thousand for the first three quarters of 2025 (from the second quarter of 2022 to the fourth quarter of 2024, the Bank did not incur this cost, following the BFG's decision to suspend its collection),
 - the annual contribution to the banks' resolution fund increased by PLN 12,126 thousand; in the first quarter of 2025, an amount of PLN 156,118 thousand was recognised;
- IT and telecom expenses - an increase of PLN 16,000 thousand, i.e. by 7.3%, resulting from higher software maintenance costs, BNP Group system fees, and Contact Centre service costs. At the same time, hardware maintenance expenses and costs in BNP Paribas Group Service Centre S.A. decreased;
- Marketing expenses - an increase of PLN 12,151 thousand, i.e. by 15.2%, mainly due to a greater number of more intensive campaigns during the first three quarters of 2025 and strong media presence (Daily Banking – GOdreams and tennis card campaigns, business account with fuel card, 9% savings account, cash loan, and Pupil card), which led to higher advertising and media promotion expenses;
- Short-term lease and operating costs – an increase of PLN 8,085 thousand, driven by higher cleaning, renovation, repair, inspection, and maintenance costs;

- Polish Financial Supervision Authority fee - an increase of PLN 3,831 thousand; the amount for the first three quarters of 2025 was in line with the announcement of the Chairman of the Polish Financial Supervision Authority (PFSA) issued in February of this year.

A decrease in expenses compared to the corresponding period of the previous year was recorded in the following categories:

- External services from other contracts and consulting – a decrease of PLN 93,590 thousand, i.e. by 37.5%, mainly due to:
 - lower intra-Group service costs by PLN 47,454 thousand, resulting from the partial release of provisions established in 2023 and 2024,
 - lower legal advisory costs by PLN 46,124 thousand, primarily related to court proceedings concerning CHF-denominated loans;
- Other non-personnel expenses – a decrease of PLN 1,846 thousand, i.e. by 1.1%, including:
 - a decrease in the costs of contractors supporting the Bank's day-to-day operations by PLN 6,992 thousand, partially offset by:
 - an increase in notary and court fees by PLN 4,711 thousand (including an increase of PLN 4,806 thousand related to CHF loans),
 - an increase in company car expenses by PLN 1,639 thousand (fuel, electric vehicle charging, and operating costs).

The total costs of legal services related to CHF loan litigation amounted to PLN 40,738 thousand in the first nine months of 2025 (PLN 86,062 thousand in the first nine months of 2024) and were included in the following lines: External services from other contracts and consulting, and Other non-personnel expenses.

14. DEPRECIATION AND AMORTIZATION

Depreciation and amortization	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Property, plant and equipment	(53,277)	(156,569)	(54,072)	(162,511)
Intangible assets	(77,863)	(230,325)	(73,709)	(219,088)
Total depreciation and amortization	(131,140)	(386,894)	(127,781)	(381,599)

Depreciation and amortisation expenses in the three quarters of 2025 amounted to PLN 386,894 thousand and were higher by PLN 5,295 thousand compared to the corresponding period of 2024. Depreciation and amortisation expenses in the Group's subsidiaries remained at a comparable YoY level.

Capital expenditures for the first three quarters of 2025 amounted to PLN 239,600 thousand and were lower by PLN 30,239 thousand, i.e. by 11.2%, compared to the corresponding period of the previous year. The decrease mainly concerned computer hardware and software, as well as expenses related to the personnel costs of external staff. On the other hand, capital expenditures on third-party facilities increased. The level of capital expenditures is aligned with the Bank's current needs and capabilities. All projects are assessed in terms of their rationality and their impact on the financial and business position of the Bank and the Group.

15. OTHER OPERATING INCOME

Other operating income	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Sale or liquidation of property, plant and equipment and intangible assets	417	32,030	1,398	8,415
Release of impairment allowances on other receivables	886	3,115	1,251	4,688
Sale of goods and services	3,284	9,256	3,062	8,389
Release of provisions for litigation, claims and other liabilities	3,915	77,389	2,588	13,389
Recovery of debt collection costs	4,868	15,202	5,167	16,490
Recovered indemnities	131	273	93	157
Income from leasing operations	12,995	41,559	13,603	42,519
Other operating income	20,720	68,592	17,017	56,963
Total other operating income	47,216	247,416	44,179	151,010

Other operating income in the three quarters of 2025 amounted to PLN 247,416 thousand and was higher by PLN 96,406 thousand, i.e. by 63.8%, compared to the corresponding period of 2024.

The main factors influencing the change in the level of other operating income were:

- an increase of PLN 64,000 thousand (i.e. by 478.0%) in income from the release of provisions for litigation, claims and other liabilities, mainly due to the reversal of an existing provision for the penalty imposed by the General Inspector of Financial Information (GIIF) related, among other things, to non-compliance with the Anti-Money Laundering and Counter-Terrorist Financing Act, as well as a reduction in provisions for legal risks associated with relationships with the Bank's Partners and for potential litigation costs in loan agreement annulment cases,
- an increase of PLN 23,615 thousand (i.e. by 280.6%) in income from the sale or liquidation of property, plant and equipment and intangible assets, primarily related to the sale of properties in Gdańsk and Łódź,
- an increase of PLN 11,629 thousand (i.e. by 20.4%) in other operating income.

16. OTHER OPERATING EXPENSES

Other operating expenses	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Loss on sale or liquidation of property, plant and equipment and intangible assets	(800)	(8,714)	(2,562)	(9,766)
Impairment allowances on other receivables	(2,751)	(5,408)	(3,556)	(9,098)
Recognition of provisions for litigation, claims and other liabilities	(7,451)	(41,413)	(9,481)	(34,443)
Debt collection	(8,122)	(25,951)	(9,929)	(28,382)
Donations granted	(534)	(8,072)	(759)	(6,667)
Costs of leasing operations	(9,268)	(30,335)	(20,780)	(36,776)
Indemnities, penalties and fines	(1,035)	(1,693)	(997)	(1,914)
Other operating expenses	(26,821)	(147,107)	(11,292)	(76,279)
Total other operating expenses	(56,782)	(268,693)	(59,356)	(203,325)

Other operating expenses in the three quarters of 2025 amounted to PLN 268,693 thousand and were higher by PLN 65,368 thousand (i.e. by 32.1%) compared to the corresponding period of the previous year.

The main factors affecting the level of other operating expenses were:

- an increase of PLN 70,828 thousand (i.e. by 92.9%) in other operating expenses, mainly due to settlement and court judgment costs paid to the Bank's Partners, as well as the establishment in the three quarters of 2025 of a provision for costs related to unauthorised customer transactions in the amount of PLN 48.9 million,
- an increase of PLN 6,970 thousand (i.e. by 20.2%) in provisions for litigation, claims and other liabilities, mainly due to the penalty imposed by the General Inspector of Financial Information (GIIF) for, among other reasons, failure to comply with obligations under the Act on Counteracting Money Laundering and Financing of Terrorism,
- a decrease of PLN 6,441 thousand (i.e. by 17.5%) in expenses related to leasing operations,
- a decrease of PLN 3,690 thousand (i.e. by 40.6%) in expenses related to impairment allowances on other receivables,
- a decrease of PLN 2,431 thousand (i.e. by 8.6%) in debt collection expenses.

17. INCOME TAX EXPENSE

	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Current income tax	(190,218)	(565,783)	(207,063)	(491,295)
Deferred income tax	(11,414)	(90,009)	6,757	94,355
Total income tax expense	(201,632)	(655,792)	(200,306)	(396,940)
Profit before income tax	897,133	2,826,587	835,850	2,246,050
Statutory tax rate	19%	19%	19%	19%
Effective tax rate	22%	23%	24%	18%
Income taxes on gross profit	(170,455)	(537,052)	(158,812)	(426,750)
Taxable permanent differences, including:	(31,177)	(118,740)	(41,494)	(105,725)
Receivables written-off	(2,139)	(7,168)	(8,559)	(20,867)
Representation costs	(237)	(849)	(199)	(541)
PFRON	(483)	(1,588)	(524)	(1,497)
Bank Guarantee Fund fee	(1,895)	(35,427)	-	(27,359)
Tax on financial institutions	(18,144)	(55,530)	(18,889)	(57,765)
Research and development relief	(74)	13,600	-	12,502
Provision for claims on CHF loans	(4,221)	(24,249)	(3,941)	(9,717)
Provision for legal risk	70	5,665	(358)	(595)
Other differences	(4,054)	(13,194)	(9,024)	114
Other amounts affecting the effective tax rate	-	-	-	135,535
Change in estimate of deferred tax created based on provisions for future disbursements related to the CHF loan cancellation process*	-	-	-	135,535
Total income / tax expense of the Group	(201,632)	(655,792)	(200,306)	(396,940)

*For details, see Note 51 Litigation, claims and administrative proceedings.

18. EARNINGS PER SHARE

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Basic		
Net profit	2,170,795	1,849,110
Weighted average number of ordinary shares (units)	148,447,585	147,735,706
Basic earnings (loss) per share (in PLN per one share)	14.62	12.52
Diluted		
Net profit used in determining diluted earnings per share	2,170,795	1,849,110
Weighted average number of ordinary shares (units)	148,447,585	147,735,706
Adjustments for:		
- stock options	103,437	140,197
Weighted average number of ordinary shares for the diluted earnings per share (units)	148,551,022	147,875,903
Diluted earnings (loss) per share (in PLN per one share)	14.61	12.50

In accordance with IAS 33 the Bank prepares the calculation of diluted net profit per share, taking into account the shares issued conditionally under incentive schemes described in Note 39. The calculation does not take into account those elements of the incentive schemes which had antidilutive effect in the presented reporting periods, and which may potentially affect the dilution of profit per share in the future.

The basic earnings per share is calculated by dividing the net profit by the weighted average number of ordinary shares during the period.

The diluted earnings per share is calculated based on the ratio of net profit to the weighted average number of ordinary shares adjusted as if all potential dilutive ordinary shares had been converted to shares. The Bank has one category of dilutive potential ordinary shares: share options. Dilutive shares are calculated as the number of shares that would be issued if all share options were exercised at the market price determined as the average annual closing price of the Bank's shares.

19. CASH AND CASH BALANCES AT CENTRAL BANK

Cash and cash equivalents	30.09.2025	31.12.2024
Cash and other balances	2,392,417	2,382,814
Account in the National Bank of Poland	4,524,088	8,943,135
Total cash and cash equivalents, gross	6,916,505	11,325,949
Allowances for expected credit losses	(201)	(398)
Total cash and cash equivalents, net	6,916,304	11,325,551

Change in allowances for expected credit losses on amounts due from Central Bank	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	(398)	(790)
Changes in credit risk (net)	197	(514)
Closing balance	(201)	(1,304)

20. AMOUNTS DUE FROM BANKS

Amounts due from banks	30.09.2025			31.12.2024		
	Gross carrying amount	Allowance	Net carrying amount	Gross carrying amount	Allowance	Net carrying amount
Current accounts	5,007,843	(350)	5,007,493	6,824,686	(391)	6,824,295
Interbank deposits	195,739	(16)	195,723	142,509	-	142,509
Loans and advances	9	(4)	5	203,173	(105)	203,068
Other receivables	743,957	(431)	743,526	702,534	(31)	702,503
Total amounts due from banks	5,947,548	(801)	5,946,747	7,872,902	(527)	7,872,375

Other receivables as at 30 September 2025 also included receivables from cash collateral related to derivative settlements in the amount of PLN 707,600 thousand (PLN 701,960 thousand as at 31 December 2024).

Change in allowances for expected credit losses on amounts due from banks	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	(527)	(729)
Increase due to acquisition or origination	(4,387)	(4,361)
Decrease due to derecognition	3,638	5,365
Changes resulting from the change in credit risk (net)	331	(669)
Other changes (including foreign exchange differences)	144	-
Closing balance	(801)	(394)

As at 30 September 2025 amounts due from other banks were classified in Stages 1, 2 and 3 (as at 31 December 2024 as Stage 1).

21. DERIVATIVE FINANCIAL INSTRUMENTS

Trading derivative instruments	Nominal value	Fair value	Fair value
30.09.2025		Assets	Liabilities
Currency derivatives			
Foreign Exchange Forward (FX Forward + NDF)	13,066,689	77,312	972,363
Currency Swap (FX Swap)	26,165,078	1,362,584	482,562
Currency Interest Rate Swap (CIRS)	3,888,549	13,016	9,946
OTC currency options	6,614,272	20,474	55,762
Total currency derivatives	49,734,588	1,473,386	1,520,633
Interest rate derivatives			
Interest Rate Swap	83,474,084	657,917	583,236
OTC interest rate options	6,948,013	13,039	14,469
Total interest rate derivatives	90,422,097	670,956	597,705
Other derivatives			
OTC commodity swaps	1,271,441	38,657	36,654
Currency Spot (FX Spot)	1,442,363	-	-
Total other derivatives	2,713,804	38,657	36,654
Total trading derivatives	142,870,489	2,182,999	2,154,992
including: derivative financial instruments measured using models	142,870,489	2,182,999	2,154,992

Trading derivative instruments	Nominal value	Fair value	Fair value
31.12.2024		Assets	Liabilities
Currency derivatives			
Foreign Exchange Forward (FX Forward + NDF)	14,469,317	37,255	906,062
Currency Swap (FX Swap)	32,426,711	1,271,409	302,283
Currency Interest Rate Swap (CIRS)	5,326,035	44,928	26,099
OTC currency options	5,830,272	15,179	66,341
Total currency derivatives	58,052,335	1,368,771	1,300,785
Interest rate derivatives			
Interest Rate Swap	73,389,031	1,002,488	944,444
FRA contracts	1,922,850	22	159
OTC interest rate options	9,492,475	40,739	41,417
Total interest rate derivatives	84,804,356	1,043,249	986,020
Other derivatives			
OTC commodity swaps	1,167,654	28,096	24,936
Currency Spot (FX Spot)	1,243,941	-	-
Total other derivatives	2,411,595	28,096	24,936
Total trading derivatives	145,268,286	2,440,116	2,311,741
including: derivative financial instruments measured using models	145,268,286	2,440,116	2,311,741

22. HEDGE ACCOUNTING

Fair value hedge

As at 30 September 2025, the Group used fair value hedge accounting (**macro fair value hedge**).

Hedging relationship description	The hedges are used against interest rate risk, specifically changes in the fair value of fixed-rate assets and liabilities resulting from changes in a specific reference rate.		
Hedged items	Fixed-rate PLN, EUR and USD current accounts are the hedged items.		
Hedging instruments	Hedging instruments include standard IRS transactions, i.e. plain vanilla IRS in PLN, EUR and USD, in which the Bank receives a fixed interest rate and pays a floating rate based on WIBOR 6M, WIBOR 3M, EURIBOR 6M, EURIBOR 3M, EUR ESTR, USD SOFR.		
Hedged item	Nominal value	Fair value	
		Assets	Liabilities
30.09.2025	21,991,797	-	21,904,081
31.12.2024	18,848,110	-	18,603,684
IRS	Nominal value	Fair value	
		Assets	Liabilities
30.09.2025	21,991,797	172,974	354,762
31.12.2024	18,848,110	128,395	560,884
Presentation of result on the hedged and hedging transactions	The change in fair value of hedging instruments is recognised in the Result on hedge accounting. Interest on IRS transactions and current accounts is recognised in Interest income.		

The liabilities in the item "Fair value adjustment of hedged and hedging items" include the adjustment of the value of hedged instruments (deposits) amounting to:

30.09.2025 -PLN 278,690 thousand

31.12.2024 -PLN 482,813 thousand

and the difference in valuation to fair value of hedged items for which the hedging relationship was terminated during its term, amounting to:

30.09.2025 -PLN 22,041 thousand

31.12.2024 -PLN 98,875 thousand

The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 30 September 2025 and 31 December 2024:

30.09.2025

Hedging derivatives	Fair value				Nominal value			
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	172,974	354,762	1,494,220	1,280,760	7,311,346	6,999,740	4,905,731	21,991,797
Hedging derivatives - total	172,974	354,762	1,494,220	1,280,760	7,311,346	6,999,740	4,905,731	21,991,797

31.12.2024

Hedging derivatives	Fair value				Nominal value			
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	128,395	560,884	977,636	3,653,415	3,739,030	6,941,727	3,536,302	18,848,110
Hedging derivatives - total	128,395	560,884	977,636	3,653,415	3,739,030	6,941,727	3,536,302	18,848,110

In the three quarters of 2025 and 2024, the hedging relationships presented proved effective.

As at 30 September 2025, the Group does not apply fair value hedge accounting for PLN fixed-rate loans (**macro fair value hedge**).

The hedging relationship that existed as at 31 December 2024 expired in March 2025.

Hedging relationship description	The hedges are used against interest rate risk, specifically changes in the fair value of fixed-rate assets and liabilities resulting from changes in a specific reference rate		
Hedged items	The hedged items were fixed-rate loans in PLN.		
Hedging instruments	Hedging instruments were the standard IRS transactions, i.e. plain vanilla IRS, denominated in PLN, in which the Bank received a floating rate based on WIBOR 3M and paid a fixed interest rate.		
Hedged item	Nominal value	Fair value	
		Assets	Liabilities
31.12.2024	1,025,000	1,075,119	-
IRS	Nominal value	Fair value	
		Assets	Liabilities
31.12.2024	1,025,000	-	46,206

Presentation of result on the hedged and hedging transactions

The change in fair value of hedging transactions was recognised in the Result on hedge accounting. Interest on IRS transactions and hedged items were recognised in Interest income.

Also included in assets under "Fair value adjustment of hedged and hedging items" was an adjustment to the value of hedged instruments (loans) amounting to:

31.12.2024 -PLN 367 thousand

The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 31 December 2024:

31.12.2024

Hedging derivatives	Fair value				Nominal value			
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	-	46,206	275,000	750,000	-	-	-	1,025,000
Hedging derivatives - total	-	46,206	275,000	750,000	-	-	-	1,025,000

In 2024, the hedging relationships presented proved effective.

Additionally, the Group applies **micro fair value hedge** accounting as at 30 September 2025.

Hedging relationship description

The hedges are used against interest rate risk, specifically changes in the fair value of fixed-rate assets and liabilities resulting from changes in a specific reference rate.

Hedged items

The hedged items are: fixed coupon bonds in EUR and USD.

Hedging instruments

Hedging instruments are the standard IRS transactions, i.e. plain vanilla IRS, denominated in EUR and USD, in which the Bank pays a fixed interest rate and receives a floating rate based on EURIBOR 3M, EUR ESTR and USD SOFR.

Hedged item	Nominal value	Fair value	
		Assets	Liabilities
30.09.2025	12,444,651	12,573,251	-
31.12.2024	9,319,699	9,362,899	-

IRS	Nominal value	Fair value	
		Assets	Liabilities
30.09.2025	12,444,651	41,636	114,712
31.12.2024	9,319,699	102,630	120,190

Presentation of result on the hedged and hedging transactions

The change in fair value of hedging transactions is recognised in the Result on hedge accounting. Interest on IRS transactions and hedged items is recognised in Interest income.

The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 30 September 2025 and 31 December 2024:

30.09.2025

Hedging derivatives	Fair value				Nominal value			
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	41,636	114,713	-	-	181,575	5,776,703	6,486,373	12,444,651
Hedging derivatives - total	41,636	114,713	-	-	181,575	5,776,703	6,486,373	12,444,651

31.12.2024

Hedging derivatives	Fair value				Nominal value			
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	102,630	120,190	-	-	562,175	3,110,437	5,647,087	9,319,699
Hedging derivatives - total	102,630	120,190	-	-	562,175	3,110,437	5,647,087	9,319,699

Amounts recognised in the profit or loss account under **fair value hedge** accounting:

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Net interest income on hedging derivative instruments	539,572	624,640
Interest expense for amortization of a hedged item in fair value hedge accounting	(656,744)	(764,419)
Derivatives and amortization of a hedged item in fair value hedge accounting	(76,834)	(200,421)
Change in fair value measurement of hedging transactions presented in the Result on hedge accounting, including:	(1,739)	(813)
change in fair value of hedging instruments	190,780	(37,769)
change in fair value of hedged instruments	(192,519)	36,956

In the three quarters of 2025 and 2024, the hedging relationships presented proved effective.

Cash flow hedge

Additionally, the Group applies **cash flow hedge** accounting as at 30 September 2025.

Hedging relationship description	The hedges are used against interest rate risk, specifically no changes in the interest cash flows on the hedged item, resulting from the changes in a specific reference rate.
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Hedged items	The hedged items are: Floating rate bond WZ1131 and WZ0330.
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Hedging instruments	Hedging instruments include standard IRS transactions, i.e. plain vanilla IRS in which the Bank receives a fixed rate and pays a floating rate based on WIBOR 6M.
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Hedged item	Nominal value	Fair value	
		Assets	Liabilities
30.09.2025	1,325,000	1,291,131	-
31.12.2024	625,000	602,037	-

IRS	Nominal value	Fair value	
		Assets	Liabilities
30.09.2025	1,325,000	36,259	78,770
31.12.2024	625,000	-	114,433

Presentation of result on the hedged and hedging transactions	The change in fair value of derivative hedging instruments designated as hedging of cash flows is recognised directly in the Revaluation reserve in the part constituting the effective part of the hedge. The ineffective part of the hedge is recognised in the statement of profit or loss in the Result on hedge accounting.
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The below table presents derivative hedging instruments at their nominal value by residual maturity dates as at 30 September 2025 and 31 December 2024:

30.09.2025								
Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	Total
Interest rate agreements								
Interest Rate Swaps	36,259	78,770	-	-	-	700,000	625,000	1,325,000
Hedging derivatives - total	36,259	78,770	-	-	-	700,000	625,000	1,325,000

31.12.2024

	Fair value		Nominal value					Total
	positive	negative	< 1 month	from 1 to 3 months	from 3 months to 1 year	1 – 5 years	> 5 years	
Hedging derivatives								
Interest rate agreements								
Interest Rate Swaps	-	114,433	-	-	-	-	625,000	625,000
Hedging derivatives - total	-	114,433	-	-	-	-	625,000	625,000

Amounts recognised in the profit or loss account under **cash flow hedge** accounting.

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Net interest income on hedging derivative instruments	27,885	8,705
Net interest expenses on hedging derivative instruments	(48,367)	(27,368)
Change in fair value measurement of hedging transactions presented in the Result on hedge accounting, including:	(143)	(15)
change in fair value of hedging instruments	(143)	(15)

Changes in revaluation reserve due to valuation of derivative hedging instruments in **cash flow hedge** accounting.

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	(112,125)	(101,987)
Hedging gains or losses recognised in other comprehensive income during the reporting period	53,678	9,367
Closing balance	(58,447)	(92,620)

In the three quarters of 2025 and 2024, the hedging relationships presented proved effective.

23. LOANS AND ADVANCES TO CUSTOMERS MEASURED AT AMORTISED COST

30.09.2025

Loans and advances to customers measured at amortised cost	Gross carrying amount	Allowance	Net carrying amount
Loans and advances to:			
Non-banking financial entities	3,708,942	(33,662)	3,675,280
current account loans	2,782,440	(15,338)	2,767,102
investment loans	562,377	(17,723)	544,654
other loans	364,125	(601)	363,524
Retail customers	33,831,294	(730,405)	33,100,889
mortgage loans	20,746,443	(243,790)	20,502,653
other loans	13,084,851	(486,615)	12,598,236
Corporate customers	47,036,485	(1,508,246)	45,528,239
current account loans	20,894,430	(748,128)	20,146,302
investment loans	18,359,830	(580,785)	17,779,045
other loans	7,782,225	(179,333)	7,602,892
including retail farmers	7,158,540	(289,699)	6,868,841
current account loans	4,550,844	(154,987)	4,395,857
investment loans	2,594,449	(133,404)	2,461,045
other loans	13,247	(1,308)	11,939
Public sector institutions	170,316	(1,460)	168,856
current account loans	148,278	(1,372)	146,906
investment loans	22,038	(88)	21,950
Lease receivables	6,295,429	(113,025)	6,182,404
Total loans and advances to customers measured at amortised cost	91,042,466	(2,386,798)	88,655,668

31.12.2024			
Loans and advances to customers measured at amortised cost	Gross carrying amount	Allowance	Net carrying amount
Loans and advances to:			
Non-banking financial entities	3,770,228	(28,960)	3,741,268
current account loans	2,955,015	(23,666)	2,931,349
investment loans	428,858	(4,786)	424,072
other loans	386,355	(508)	385,847
Retail customers	32,858,093	(763,594)	32,094,499
mortgage loans	20,207,062	(271,971)	19,935,091
other loans	12,651,031	(491,623)	12,159,408
Corporate customers	44,643,855	(1,537,878)	43,105,977
current account loans	19,592,707	(822,522)	18,770,185
investment loans	18,002,369	(528,263)	17,474,106
other loans	7,048,779	(187,093)	6,861,686
including retail farmers	7,769,080	(361,727)	7,407,353
current account loans	5,028,136	(197,256)	4,830,880
investment loans	2,730,561	(163,321)	2,567,240
other loans	10,383	(1,150)	9,233
Public sector institutions	67,960	(516)	67,444
current account loans	44,577	(453)	44,124
investment loans	23,165	(60)	23,105
other loans	218	(3)	215
Lease receivables	6,519,624	(127,296)	6,392,328
Total loans and advances to customers measured at amortised cost	87,859,760	(2,458,244)	85,401,516

As at the end of September 2025, gross loans and advances granted to customers (the sum of portfolios measured at amortised cost and at fair value) amounted to PLN 91,441,979 thousand, representing an increase of PLN 3,054,724 thousand, i.e. by 3.5%, compared to the end of 2024.

The gross loans and advances portfolio measured at amortised cost amounted to PLN 91,042,466 thousand, an increase of PLN 3,182,706 thousand, i.e. by 3.6%, in the analysed period.

The value of gross loans and advances granted to corporate entities (excluding farmers) amounted to PLN 39,877,945 thousand, an increase of PLN 3,003,170 thousand, i.e. by 8.1%, compared to the end of 2024. Their share in the analysed loan portfolio as at the end of the third quarter of 2025 was 43.8%, up by 1.8 p.p. compared to the end of 2024. Current loans accounted for 41.0% of this portfolio, an increase of 1.5 p.p. compared to 2024.

The value of gross loans and advances granted to individual customers as at the end of September 2025 amounted to PLN 33,831,294 thousand, an increase of PLN 973,201 thousand, i.e. by 3.0%, compared to the end of 2024. Their share in the loan portfolio measured at amortised cost was 37.2%, down by 0.2 p.p. compared to the end of 2024. Mortgage loans, which amounted to PLN 20,746,443 thousand as at the end of September 2025, accounted for 61.3% of total loans to individual customers. Within the mortgage loan structure, 98.4% were loans granted in PLN, while 1.5% were loans granted in CHF (the share of CHF loans decreased by 0.5 p.p. compared to the end of the previous year).

The volume of loans granted to individual farmers amounted to PLN 7,158,540 thousand as at the end of September 2025, representing a decrease of 7.9% compared to December 2024.

The value of leasing receivables amounted to PLN 6,295,429 thousand, a decrease of 3.4% compared to the end of 2024. Their share in the loan portfolio measured at amortised cost was 6.9%, compared to 7.4% at the end of 2024.

The volume of loans granted to non-bank financial institutions and public sector entities amounted in total to PLN 3,879,258 thousand, representing an increase of 1.1% compared to December 2024.

Net loans and advances to customers by stage are presented below:

30.09.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers measured at amortised cost, gross	79,051,498	9,179,969	2,691,384	119,615	91,042,466
Non-banking financial entities	3,643,097	56,271	9,088	486	3,708,942
Retail customers	31,109,496	1,974,046	715,055	32,697	33,831,294
Corporate customers:	39,286,029	5,848,358	1,815,666	86,432	47,036,485
including retail farmers	6,116,905	721,154	303,447	17,034	7,158,540
Public sector entities	142,387	27,929	-	-	170,316
Lease receivables	4,870,489	1,273,365	151,575	-	6,295,429
Allowances for expected credit losses on loans and receivables for:	(382,480)	(488,345)	(1,501,482)	(14,491)	(2,386,798)
Non-banking financial entities	(25,788)	(795)	(6,951)	(128)	(33,662)
Retail customers	(94,121)	(144,446)	(489,410)	(2,428)	(730,405)
Corporate customers:	(247,410)	(293,253)	(955,648)	(11,935)	(1,508,246)
including retail farmers	(67,503)	(35,526)	(184,124)	(2,546)	(289,699)
Public sector entities	(237)	(1,223)	-	-	(1,460)
Lease receivables	(14,924)	(48,628)	(49,473)	-	(113,025)
Total loans and advances to customers measured at amortised cost, net	78,669,018	8,691,624	1,189,902	105,124	88,655,668

31.12.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers measured at amortised cost, gross	75,613,352	9,366,867	2,763,641	115,900	87,859,760
Non-banking financial entities	3,656,211	104,738	9,070	209	3,770,228
Retail customers	29,641,536	2,477,237	704,447	34,873	32,858,093
Corporate customers:	37,108,525	5,592,195	1,862,317	80,818	44,643,855
including retail farmers	6,466,106	896,275	391,583	15,116	7,769,080
Public sector entities	58,752	9,208	-	-	67,960
Lease receivables	5,148,328	1,183,489	187,807	-	6,519,624
Allowances for expected credit losses on loans and receivables for:	(355,893)	(565,099)	(1,510,780)	(26,472)	(2,458,244)
Non-banking financial entities	(10,238)	(11,463)	(7,152)	(107)	(28,960)
Retail customers	(87,484)	(196,969)	(476,276)	(2,865)	(763,594)
Corporate customers:	(240,467)	(308,767)	(965,144)	(23,500)	(1,537,878)
including retail farmers	(74,904)	(47,840)	(236,922)	(2,061)	(361,727)
Public sector entities	(252)	(264)	-	-	(516)
Lease receivables	(17,452)	(47,636)	(62,208)	-	(127,296)
Total loans and advances to customers measured at amortised cost, net	75,257,459	8,801,768	1,252,861	89,428	85,401,516

30.09.2025	Stage 2	Stage 3	Total
POCI loans and advances to customers measured at amortised cost, gross	34,225	85,390	119,615
Non-banking financial entities	3	483	486
Retail customers	22,451	10,246	32,697
Corporate customers:	11,771	74,661	86,432
including retail farmers	4,636	12,398	17,034
Allowances for expected credit losses on loans and advances to:	(144)	(14,347)	(14,491)
Non-banking financial entities	-	(128)	(128)
Retail customers	(60)	(2,368)	(2,428)
Corporate customers:	(84)	(11,851)	(11,935)
including retail farmers	-	(2,546)	(2,546)
Total POCI loans and advances to customers measured at amortised cost, net	34,081	71,043	105,124
31.12.2024	Stage 2	Stage 3	Total
Gross POCI loans and advances to customers measured at amortised cost	31,942	83,958	115,900
Non-banking financial entities	4	205	209
Retail customers	23,907	10,966	34,873
Corporate customers:	8,031	72,787	80,818
including retail farmers	1,261	13,855	15,116
Allowances for expected credit losses on loans and advances to:	(190)	(26,282)	(26,472)
Non-banking financial entities	-	(107)	(107)
Retail customers	(87)	(2,778)	(2,865)
Corporate customers:	(103)	(23,397)	(23,500)
including retail farmers	-	(2,061)	(2,061)
Total POCI loans and advances to customers measured at amortised cost, net	31,752	57,676	89,428

The ratio of exposures classified to Stage 3 and POCI non-performing exposures to gross loans and advances to customers measured at amortised cost amounted to 3.0% as at the end of September 2025. The coverage of these exposures by impairment allowances amounted to 54.6% at the end of September 2025, an increase of 0.6 p.p. compared to the end of 2024.

Impairment allowance for loans and advances measured at amortised cost

Change in allowances for expected credit losses	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2025	(355,893)	(565,099)	(1,510,780)	(26,472)	(2,458,244)
Increase due to acquisition or origination	(132,065)	(79,649)	(70,755)	-	(282,469)
Decrease due to derecognition	49,924	34,965	112,629	1,582	199,100
Changes resulting from the change in credit risk (net)	55,499	118,773	(292,531)	5,519	(112,740)
Use of allowances	-	178	254,118	4,867	259,163
Other changes (including foreign exchange differences)	55	2,487	5,837	13	8,392
Balance as at 30 September 2025	(382,480)	(488,345)	(1,501,482)	(14,491)	(2,386,798)

Change in allowances for expected credit losses	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as at 1 January 2024	(331,889)	(603,475)	(1,543,091)	(38,862)	(2,517,317)
Increase due to acquisition or origination	(112,129)	(89,796)	(70,765)	-	(272,690)
Decrease due to derecognition	21,566	29,744	98,491	108	149,909
Changes resulting from the change in credit risk (net)	62,714	136,450	(315,926)	(27,332)	(144,094)
Use of allowances	-	380	234,384	26,074	260,838
Other changes (including foreign exchange differences)	1,045	4,205	5,697	109	11,056
Balance as at 30 September 2024	(358,693)	(522,492)	(1,591,210)	(39,903)	(2,512,298)

Gross amount of foreign currency mortgage loans for retail customers (in PLN '000)

Loans by currency	30.09.2025	31.12.2024
CHF	311,464	406,207
EUR	19,005	20,928
PLN	20,415,853	19,779,708
USD	121	219
Total	20,746,443	20,207,062

30.09.2025

Value of loan portfolio including CHF exposures	Gross carrying amount	including CHF exposures	Allowance	including CHF exposures
Loans and advances to:				
Non-banking financial entities	3,708,942	207	(33,662)	-
current account loans	2,782,440	10	(15,338)	-
investment loans	562,377	197	(17,723)	-
other loans	364,125	-	(601)	-
Retail customers	33,831,294	316,290	(730,405)	(116,596)
mortgage loans	20,746,443	311,464	(243,790)	(113,238)
other loans	13,084,851	4,826	(486,615)	(3,358)
Corporate customers	47,036,485	29,269	(1,508,246)	(9,266)
current account loans	20,894,430	22,205	(748,128)	(2,413)
investment loans	18,359,830	7,064	(580,785)	(6,853)
other loans	7,782,225	-	(179,333)	-
including retail farmers	7,158,540	137	(289,699)	(12)
current account loans	4,550,844	137	(154,987)	(12)
investment loans	2,594,449	-	(133,404)	-
other loans	13,247	-	(1,308)	-
Public sector institutions	170,316	-	(1,460)	-
current account loans	148,278	-	(1,372)	-
investment loans	22,038	-	(88)	-
Lease receivables	6,295,429	4,668	(113,025)	(1,224)
Total loans and advances	91,042,466	350,434	(2,386,798)	(127,086)

31.12.2024

Value of loan portfolio including CHF exposures	Gross carrying amount	including CHF exposures	Allowance	including CHF exposures
Loans and advances to:				
Non-banking financial entities	3,770,228	-	(28,960)	-
current account loans	2,955,015	-	(23,666)	-
investment loans	428,858	-	(4,786)	-
other loans	386,355	-	(508)	-
Retail customers	32,858,093	413,149	(763,594)	(126,534)
mortgage loans	20,207,062	406,207	(271,971)	(122,514)
other loans	12,651,031	6,942	(491,623)	(4,020)
Corporate customers	44,643,855	32,485	(1,537,878)	(9,964)
current account loans	19,592,707	24,742	(822,522)	(2,930)
investment loans	18,002,369	7,743	(528,263)	(7,034)
other loans	7,048,779	-	(187,093)	-
including retail farmers	7,769,080	212	(361,727)	(20)
current account loans	5,028,136	212	(197,256)	(20)
investment loans	2,730,561	-	(163,321)	-
other loans	10,383	-	(1,150)	-
Public sector institutions	67,960	-	(516)	-
current account loans	44,577	-	(453)	-
investment loans	23,165	-	(60)	-
other loans	218	-	(3)	-
Lease receivables	6,519,624	23,156	(127,296)	(14,329)
Total loans and advances	87,859,760	468,790	(2,458,244)	(150,827)

24. LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2025	31.12.2024
Subsidised loans	324,021	452,506
Total loans and advances to customers measured at fair value through profit or loss	324,021	452,506

The table below presents a comparison of the fair value of subsidised loans with their gross balance sheet value, which would have been recognised if the Group - in accordance with the requirements of IFRS 9 - did not measure these portfolios at fair value through profit or loss.

	Gross carrying amount	Fair value
30.09.2025	399,513	324,021
31.12.2024	527,495	452,506

Subsidised loans measured at fair value	Stage 1	Stage 2	Stage 3	Total
30.09.2025	254,565	57,746	11,710	324,021
31.12.2024	347,269	86,634	18,603	452,506

25. SECURITIES MEASURED AT AMORTISED COST

30.09.2025

Securities	Gross carrying amount	Allowance	Net carrying amount
issued by domestic banks	5,215,700	(62)	5,215,638
issued by other financial entities	8,254,445	(23)	8,254,422
issued by central governments – treasury bonds	22,734,455	(83)	22,734,372
issued by non-financial entities – bonds	20,366	(4,467)	15,899
issued by local governments – municipal bonds	29,596	(31)	29,565
Total securities measured at amortised cost	36,254,562	(4,666)	36,249,896

31.12.2024

Securities	Gross carrying amount	Allowance	Net carrying amount
issued by domestic banks	4,312,778	(55)	4,312,723
issued by other financial entities	7,270,226	(20)	7,270,206
issued by central governments – treasury bonds	20,747,460	(81)	20,747,379
issued by non-financial entities – bonds	4,155	(4,155)	-
issued by local governments – municipal bonds	34,265	(23)	34,242
Total securities measured at amortised cost	32,368,884	(4,334)	32,364,550

30.09.2025	Stage 1	Stage 2	Stage 3	Total
Securities	36,250,407	-	4,155	36,254,562
issued by domestic banks	5,215,700	-	-	5,215,700
issued by other financial entities	8,254,445	-	-	8,254,445
issued by central governments – treasury bonds	22,734,455	-	-	22,734,455
issued by non-financial entities – bonds	16,211	-	4,155	20,366
issued by local governments – municipal bonds	29,596	-	-	29,596
Impairment allowances on securities	(511)	-	(4,155)	(4,666)
issued by domestic banks	(62)	-	-	(62)
issued by other financial entities	(23)	-	-	(23)
issued by central governments – treasury bonds	(83)	-	-	(83)
issued by non-financial entities – bonds	(312)	-	(4,155)	(4,467)
issued by local governments – municipal bonds	(31)	-	-	(31)
Total net securities measured at amortised cost	36,249,896	-	-	36,249,896

31.12.2024	Stage 1	Stage 2	Stage 3	Total
Securities	32,364,729	-	4,155	32,368,884
issued by domestic banks	4,312,778	-	-	4,312,778
issued by other financial entities	7,270,226	-	-	7,270,226
issued by central governments – treasury bonds	20,747,460	-	-	20,747,460
issued by non-financial entities – bonds	-	-	4,155	4,155
issued by local governments – municipal bonds	34,265	-	-	34,265
Impairment allowances on securities	(179)	-	(4,155)	(4,334)
issued by central governments – treasury bonds	(81)	-	-	(81)
issued by non-financial entities – bonds	-	-	(4,155)	(4,155)
issued by local governments – municipal bonds	(23)	-	-	(23)
Total net securities measured at amortised cost	32,364,550	-	-	32,364,550

26. SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Securities measured at fair value through profit or loss	30.09.2025	31.12.2024
	Balance sheet value	Balance sheet value
Treasury bonds intended for trading	29,208	-
Bonds convertible for non-financial entities bonds	71,376	80,284
Equity instruments	248,732	239,821
Units	536	509
Certificates issued by non-financial entities	485	820
Total securities measured at fair value through profit or loss	350,337	321,434

27. SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Securities	30.09.2025	31.12.2024
NBP bills	1,498,814	4,997,605
Bonds issued by banks	2,738,136	2,629,766
Treasury bonds issued by central governments	6,793,277	4,303,712
Bonds issued by other financial institutions	12,928,777	11,096,371
Securities measured at fair value through other comprehensive income	23,959,004	23,027,454

The valuation of debt securities measured at fair value through other comprehensive income is based on the discounted cash flow model using current market interest rates, taking into account the issuer's credit risk in the amount corresponding to the parameters observed on the market for transactions with similar credit risk parameters and similar time horizon. The measurement does not take into account assumptions that cannot be observed directly on the market.

28. INTANGIBLE ASSETS

Intangible assets	30.09.2025	31.12.2024
Licenses	670,692	702,525
Other intangible assets	100,361	95,671
Expenditure on intangible assets	146,200	176,918
Total intangible assets	917,253	975,114

In the three quarters of 2025, the net carrying amount of "Intangible assets" acquired by the Group amounted to PLN 182,944 thousand (in the three quarters of 2024: PLN 241,598 thousand), while the net balance sheet amount of the disposed of and liquidated components amounted to PLN 8,737 thousand (in the three quarters of 2024, it amounted to PLN 519 thousand).

With regard to intangible assets that are not yet available for use, i.e. in progress, the Group identifies impairment triggers on an ongoing basis.

As of 30.09.2025, the Group had significant contractual obligations incurred in connection with the acquisition of intangible assets in the amount of PLN 12,227 thousand (PLN 17,506 thousand as of 31.12.2024).

29. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	30.09.2025	31.12.2024
Fixed assets, including:	374,139	377,685
land and buildings	65,914	71,366
IT equipment	141,287	139,677
office equipment	34,691	35,448
other, including leasehold improvements	132,247	131,194
Fixed assets under construction	8,514	28,006
Right of use, including:	510,417	541,280
land and buildings	486,032	508,669
cars	23,577	31,406
IT equipment	715	1,084
other, including leasehold improvements	93	121
Total property, plant and equipment	893,070	946,971

In the three quarters of 2025, the net balance sheet amount of the components included in property, plant and equipment acquired by the Group was PLN 77,853 thousand (in the three quarters of 2024 it amounted to PLN 71,359 thousand), while the net balance sheet value of sold and liquidated components amounted to PLN 4,920 thousand (in the three quarters of 2024 it amounted to PLN 3,193 thousand).

As of 30.09.2025, the Group had significant contractual liabilities incurred in connection with the acquisition of property, plant and equipment in the amount of PLN 12,492 thousand (PLN 541 thousand as of 31.12.2024).

30. LEASES

Group as a lessee

The Group is a party to lease agreements with respect to underlying asset components such as:

- real estate,
- motor vehicles,
- land, including the right of perpetual usufruct of land,
- CDMs,
- equipment items,
- IT equipment.

The lease period of motor vehicles ranges from 1 to 5 years. The contracts contain extension options. The Group also concludes leaseback agreements for motor vehicles.

The Group is a party to real estate lease agreements. The contracts are concluded for a definite period from 1 to 30 years and for an indefinite period. The lease term is determined as the irrevocable lease term together with any periods during which there is an option to extend the lease, if the exercise of such option is sufficiently probable, and any periods during which there is an option to terminate the lease, if the exercise of such option is sufficiently probable.

When determining the irrevocable lease term, in the case of an indefinite term agreement, the Bank takes into account, as one of the conditions, the depreciation period of adaptations in third-party fixed assets related to the leased asset.

The agreements provide for variable lease fees depending on the index (e.g. GUS, HICP).

The Group is a party to land lease agreements for an indefinite period, and the right of perpetual usufruct of land received for a period of 40 to 100 years. Lease payments are valorised in accordance with the Land Management Act.

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Lease expenses recognised in the statement of profit or loss	(99,241)	(101,492)
interest on lease liabilities	(15,709)	(17,588)
depreciation of right of use assets	(82,060)	(83,637)
expenses related to short-term lease (recognised in general administrative expenses)	(1,472)	(267)

Undiscounted lease payments by maturity	30.09.2025	31.12.2024
< 1 year	125,721	137,633
1-5 years	383,653	404,965
> 5 years	137,213	151,812
Total	646,587	694,410

	30.09.2025	31.12.2024
Book value of liabilities due to discounted lease payments	564,095	606,306

31. OTHER ASSETS

Other assets:	30.09.2025	31.12.2024
Receivables from contracts with customers:		
sundry debtors	359,997	629,661
accrued income	97,024	101,494
payment card settlements	394,286	27,250
social insurance settlements	1,562	1,841
Other:		
interbank and intersystem settlements	72,584	373,626
deferred expenses	104,471	103,577
tax and other regulatory receivables	41,447	21,399
other lease receivables	113,716	63,857
other	71,546	64,638
Total other assets, gross	1,256,633	1,387,343
Impairment allowances on other receivables from sundry debtors	(58,305)	(67,081)
Total other assets, net	1,198,328	1,320,262
including financial assets*	883,840	1,029,154

* Financial assets include all items of Other Assets except: Accrued income, Deferred expenses, Tax and other regulatory receivables, Other

32. AMOUNTS DUE TO OTHER BANKS

Amounts due to other banks	30.09.2025	31.12.2024
Current accounts	400,433	619,766
Interbank deposits	35,821	-
Loans and advances received	8,040,138	8,300,332
Other liabilities	2,203,839	1,074,704
Total amounts due to other banks	10,680,231	9,994,802

Other liabilities include amounts due to banks on cash collateral in the amount of PLN 1,178,632 thousand (PLN 1,038,897 thousand as of 31 December 2024) and liabilities from securities sold subject to repurchase agreements in the amount of PLN 1,001,612 (PLN 23,722 thousand as at 31 December 2024).

In the three quarters of 2025 and throughout 2024, there were no breaches of contractual provisions and covenants related to the Group's financial position and disclosure obligations. High inflation and changes in interest rates did not constitute a risk of breach of contractual provisions in the long-term contracts signed by the Group.

33. AMOUNTS DUE TO CUSTOMERS

Amounts due to customers	30.09.2025	31.12.2024
Non-banking financial institutions	5,754,088	5,433,611
Current accounts	2,115,356	2,561,846
Term deposits	2,984,315	2,412,093
Loans and advances received	450,216	449,955
Other liabilities	204,201	9,717
Retail customers	56,537,643	55,184,397
Current accounts	31,686,615	29,692,494
Term deposits	24,121,784	24,966,589
Other liabilities	729,244	525,314
Corporate customers	62,438,841	66,970,279
Current accounts	46,111,996	51,165,328
Term deposits	15,758,591	15,238,714
Other liabilities	568,254	566,237
including retail farmers	3,596,059	4,318,283
Current accounts	3,402,303	4,119,103
Term deposits	176,906	179,281
Other liabilities	16,850	19,899
Public sector customers	4,974,670	3,336,467
Current accounts	2,354,148	2,881,865
Term deposits	1,607,314	452,788
Other liabilities	1,013,208	1,814
Total amounts due to customers	129,705,242	130,924,754

Also presented under Other liabilities are liabilities from securities sold subject to repurchase agreements in the amount of PLN 1,202,888 thousand (as at 31 December 2024 they did not exist).

As at the end of September 2025, liabilities to customers amounted to PLN 129,705,242 thousand and were lower by PLN 1,219,512 thousand, i.e. by 0.9%, compared to the end of 2024.

In terms of customer segments, the decrease mainly concerned liabilities to corporate entities, which amounted to PLN 62,438,841 thousand as at 30 September 2025. Their volume decreased by PLN 4,531,438 thousand, i.e. by 6.8%, compared to the end of 2024, primarily due to a decline in current account balances (by PLN 5,053,332 thousand). The share of this segment in total liabilities to customers amounted to 48.1%, compared to 51.2% at the end of December 2024.

The largest nominal increase in volumes was recorded in the public sector institutions segment (by PLN 1,638,203 thousand, i.e. by 49.1%). Volumes of non-bank financial institutions increased by PLN 320,477 thousand, i.e. by 5.9%, compared to the end of 2024. Their shares in total liabilities to customers amounted to 3.8% and 4.4%, respectively, compared to 2.5% and 4.2% at the end of 2024.

Deposits of individual customers also increased by PLN 1,353,246 thousand, i.e. by 2.5%, compared to the end of 2024. The share of individual customer deposits in total liabilities to customers amounted to 43.6%, compared to 42.1% at the end of 2024.

The share of current accounts in total liabilities to customers amounted to 63.4% as at the end of September 2025, decreasing by 2.5 p.p. compared to the end of 2024. Funds deposited in current accounts totalled PLN 82,268,115 thousand and decreased by PLN 4,033,418 thousand, i.e. by 4.7%. This decrease resulted from lower volumes in corporate entities (by PLN 5,053,332 thousand, i.e. by 9.9%) and public sector institutions (by PLN 527,717 thousand, i.e. by 18.3%), partially offset by an increase in individual customer volumes (by PLN 1,994,121 thousand, i.e. by 6.7%).

The share of term deposits in the structure of liabilities to customers in the period under review amounted to 34.3%, an increase of 1.4 p.p. compared to the end of 2024. In nominal terms, term deposits increased by PLN 1,401,820 thousand to PLN 44,472,004 thousand, i.e. by 3.3% compared to December 2024.

The share of other liabilities as well as loans and borrowings received, in total liabilities to customers, amounted to 2.3%, an increase of 1.1 p.p. compared to the end of 2024. Their total volume amounted to PLN 2,965,123 thousand.

34. DEBT SECURITIES ISSUED

	30.09.2025	31.12.2024
Debt securities issued	692,327	-
Change in the balance of debt securities issued	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	-	-
Issuance of debt securities	683,072	-
Change due to discount, interest, commission and fees on debt securities settled using EIR, foreign exchange differences	9,255	-
Closing balance	692,327	-

In June 2025, the Bank issued bonds for the total amount of EUR 160,000 thousand with the maximum original redemption date by 6 June 2040 described in more detail in Note 55 Major events in the BNP Paribas Bank Polska S.A. Capital Group in the three quarters of 2025.

35. SUBORDINATED LIABILITIES

Subordinated liabilities	30.09.2025	31.12.2024
	2,720,740	3,420,128
Change in the balance of subordinated liabilities	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	3,420,128	4,336,072
Repayment of loans	(700,280)	-
Change due to interest, commission and fees settled using EIR	(2,067)	3,406
Foreign exchange differences	2,959	(37,015)
Closing balance	2,720,740	4,302,463

36. OTHER LIABILITIES

Other liabilities	30.09.2025	31.12.2024
Liabilities due to contracts with customers		
Sundry creditors	288,165	568,811
Payment card settlements	537,789	210,545
Deferred income	83,292	83,825
Escrow account liabilities	589	544
Social insurance settlements	24,571	23,324
Other liabilities		
Interbank and intersystem settlements	996,663	232,555
Provisions for non-personnel expenses	651,806	690,230
Provisions for other employees-related liabilities	229,111	264,665
Provision for unused annual holidays	45,650	40,794
Other regulatory liabilities	74,105	76,324
Other lease liabilities	35,980	7,200
Other	36,411	97,939
Total other liabilities	3,004,132	2,296,756
including financial liabilities*	1,883,757	1,042,979

*Financial liabilities include all items of Other liabilities except: Deferred income, Provisions for non-personnel expenses, Provisions for other employees-related liabilities, Provision for unused annual holidays, Other regulatory liabilities, Other.

37. PROVISIONS

	30.09.2025	31.12.2024
Provision for restructuring	25,162	41,825
Provision for retirement benefits and similar obligations	25,181	24,841
Expected credit losses on contingent liabilities	156,610	156,861
Provision for litigation and claims	1,798,994	1,696,299
Other provisions	62,176	49,554
Total provisions	2,068,123	1,969,380
Change in provision for restructuring	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	41,825	64,050
Provisions utilisation	(16,663)	(18,407)
Closing balance	25,162	45,643

Change in provision for retirement benefits and similar obligations	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	24,841	20,783
Provisions recognition	3,190	4,921
Provisions utilisation	(597)	(571)
Provisions release	(2,253)	(512)
Closing balance	25,181	24,621

Change in expected credit losses on contingent liabilities	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	156,861	141,931
Provisions recognition	97,511	42,529
Provisions release	(73,771)	(15,825)
Changes resulting from the change in credit risk (net)	(23,165)	23,986
Other changes	(826)	(807)
Closing balance	156,610	191,814

Change in provision for litigation and claims	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	1,696,299	1,282,655
Provisions recognition	344,329	465,008
Provisions utilisation	(242,034)	(124,574)
Provisions release	(7,750)	(6,858)
Other changes, including foreign exchange differences	8,150	(25,802)
Closing balance	1,798,994	1,590,429

As of 30 September 2025 the balance of provision for litigation and claims consisted of the following: provision for litigation related to CHF mortgage loans in the amount of PLN 1,706,326 thousand, provision for reimbursement of commissions for early repayment of loans in the amount of PLN 40,075 thousand and provision for other litigation and claims in the amount of PLN 52,595 thousand.

As of 31 December 2024 the balance of provision for litigation and claims consisted of the following: provision for litigation related to CHF mortgage loans in the amount of PLN 1,564,168 thousand, provision for reimbursement of commissions for early repayment of loans in the amount of PLN 49,832 thousand and provision for other litigation and claims in the amount of PLN 82,300 thousand.

Change in other provisions	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	49,554	31,951
Provisions recognition	49,118	21
Provisions utilisation	(10,152)	(45)
Provisions release	(26,344)	(407)
Closing balance	62,176	31,520

38. CASH AND CASH EQUIVALENTS

For the purpose of preparation of the statement of cash flows, the balance of cash and cash equivalents comprises the following balances with maturity shorter than three months.

Cash and cash equivalents	30.09.2025	31.12.2024
Cash and balances at Central Bank (Note 19)	6,916,304	11,325,551
Current accounts of banks and other receivables	5,008,148	6,824,869
Interbank deposits	122,703	142,509
Total cash and cash equivalents	12,047,155	18,292,929

39. SHARE BASED PAYMENTS

The Bank has adopted the "Remuneration policy for individuals with a material impact on the risk profile of Bank BNP Paribas S.A.".

The principles and assumptions contained in the Policy guarantee the existence of a rational, balanced and controllable remuneration policy, consistent with the accepted risk level, standards and values of the Bank and relevant laws and regulations, in particular the Minister of Finance, Funds and Regional Policy Regulation dated 8 June 2021 on the risk management system, internal control system and remuneration policy in banks and recommendations included in the CRD5 Directive.

Pursuant to the Remuneration policy for individuals with a material impact on the risk profile of Bank BNP Paribas S.A. applied in the Bank, from 2020 (excluding persons who have terminated their cooperation with the Bank) the applicable financial instrument in which part of the variable remuneration is paid is ordinary shares (change from phantom shares).

The 2022 variable remuneration convertible into a financial instrument was granted in actual shares of the Bank.

On 9 December 2021, the Supervisory Board approved a modified Remuneration Policy for persons with material impact on the risk profile of the Bank. The changes consisted mainly in adjusting the provisions of the Policy to the Ordinance of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and internal control system and remuneration policy in banks and the guidelines contained in the CRD5 Directive and consisted, among others, in extending the deferral period.

Programme based on the Bank's shares

There is variable remuneration scheme in place for the Bank's employees with a material impact on risk profile under the Bank's share-based programme. The variable remuneration is divided into a part granted in the form of a financial instrument (Bank shares) and the remaining part granted in cash.

The right to variable remuneration expressed in the form of the Bank's shares is granted by issuing subscription warrants in a number corresponding to the number of shares granted, one warrant entitles to acquire one share. The payment of the variable remuneration expressed in the form of the Bank's shares, i.e. taking up the Bank's shares through the exercise of rights from subscription warrants, takes place after the expiry of the retention period.

The Bank will grant the participants of the Incentive Scheme subscription warrants, which will result in the right to acquire a new Series M and Series N shares issued by the Bank under the conditional share capital increase. The rights to acquire Series M and Series N shares shall be granted taking into account the principles of dividing the variable remuneration into the non-deferred and deferred portions, as defined in the Remuneration Policy and the regulations adopted on its basis. Series M and Series N shares will constitute a component of variable remuneration for persons having a material impact on the Bank's risk profile within the meaning of the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021.

In order to implement the Incentive Programme, the Extraordinary General Meeting of Shareholders of the Bank also adopted resolutions on the issuance of subscription warrants and conditional increase of the share capital through the issuance of Series M shares and Series N shares, depriving the existing shareholders of the subscription right to warrants and to Series M and Series N shares, amending the Bank's Articles of Association and dematerialising and applying for the admission of Series M and Series N shares to trading on a regulated market.

The amount and the division into the non-deferred and deferred portions of variable remuneration for employees identified as MRT is determined in accordance with the Bank's Remuneration Policy and regulations adopted on its basis. The regulations contain information on the annual bonus levels assigned to particular appraisals:

1. the part constituting at least 50% is assigned in the form of the Bank's shares (which will be acquired by exercising rights from subscription warrants);
2. the part of variable remuneration not less than 40% of that remuneration is deferred. The deferral period is at least 5 years for Senior Management and a minimum of 4 years and a maximum of 5 years for employees other than Senior Management. The maximum deferral period of 5 years is applied in the case of an assignment of Variable Remuneration that exceeds a particularly high amount.

In order to ensure uniform and lawful conditions for the acquisition of the right to remuneration and its payment, remuneration shall be paid to persons having a material impact on the risk profile of the Bank taking into account the principles of suitability, proportionality and non-discrimination.

The Bank's rules include the possibility to withhold or limit the payment of variable remuneration where the Bank does not meet the combined buffer requirement:

1. The Bank shall be prohibited from paying assigned variable remuneration in excess of the maximum amount to be paid (the so-called MDA) in a situation where the Bank does not meet the combined buffer requirement within the meaning and under the rules set out in Articles 55 and 56 of the Act on macro-prudential supervision.
2. In the event when the Bank does not meet the combined buffer requirement, then before the MDA is calculated, the Bank:
 - does not undertake commitments to pay variable remuneration or discretionary pension benefits;
 - does not make variable remuneration payments if the obligation to pay them arose during the period in which the Bank did not meet the combined buffer requirement.

If the legal relationship between the Bank and a given person having a material impact on the Bank's risk profile ceases to exist or if the position is excluded from the list, the remuneration is paid provided that the requirements specified in the Remuneration Policy for persons having a material impact on the risk profile of BNP Paribas Bank Polska S.A. are met.

A person is entitled to variable remuneration, provided that he/she has not been charged and is not subject to criminal or disciplinary sanctions.

In 2025, for the variable remuneration granted for 2020 - 2024 and in connection with the forecast of the variable remuneration for 2025, which will be granted in 2026, in the part concerning shares to be issued in the future, the Bank has recognised in the capitals an amount of PLN 5,217 thousand. At the same time, an amount of PLN 32,443 thousand (recognised in the previous years) is presented in capital.

Financial instruments (shares - deferred portion) changes in 2025 and 2024 determined in relation to the deferred part of the variable remuneration for 2020 - 2024 are presented in the table below.

	3 quarters of 2025 from 01.01.2025 to 30.09.2025		3 quarters of 2024 from 01.01.2024 to 30.09.2024	
	units	value (PLN '000)	units	value (PLN '000)
Opening balance	131,976	9,087	142,158	8,750
granted in the period	30,539	3,035	34,426	3,412
executed during the period	(33,651)	(1,856)	(44,608)	(3,075)
Closing balance	128,864	10,267	131,976	9,087

The table below presents the terms and conditions of the Share/Warrants Purchase Plan for 2025.

Type of transaction under IFRS 2	Share-based payments
Program announcement date	31 January 2020 – the Resolution of the Supervisory Board approving the Remuneration Policy.
The commencement date for granting of shares	12 March 2025
The end date for granting shares	8 April 2025

40. ADDITIONAL INFORMATION REGARDING THE STATEMENT OF CASH FLOW

Cash flows from operating activities – other adjustments	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
FX differences from subordinated loans	2,959	(37,015)
Securities measurement through profit or loss	(12,309)	(184,139)
Allowance for securities	333	6
Other adjustments	14,555	7,850
Cash flows from operating activities – total other adjustments	5,538	(213,298)

41. CONTINGENT LIABILITIES

The following table presents the value of liabilities granted and received by the Bank.

Contingent liabilities	30.09.2025	31.12.2024
Contingent liabilities granted	42,334,572	36,666,533
financial commitments	27,802,641	23,269,197
guarantees	14,531,931	13,397,336
Contingent liabilities received	55,011,081	55,172,867
financial commitments	2,213	551,870
guarantees	55,008,868	54,620,997

42. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Based on the methods used to determine fair value, the Group classifies particular assets and liabilities into the following categories:

Level 1

Assets and liabilities measured on the basis of market quotations available on active markets for identical instruments.

Level 2

Assets and liabilities measured using valuation techniques based on directly or indirectly observed market quotations or other information based on market quotations.

Level 3

Assets and liabilities measured using valuation techniques where input data is not based on observable market data.

The Group periodically (at least quarterly) assigns individual assets and liabilities to particular levels of the fair value hierarchy. The basis for classification to particular levels of the valuation hierarchy is the input data used for the valuation, i.e. market quotes or other information. The lowest level of input data used for the valuation, having a material impact on determining the fair value, determines the classification of an asset or liability to a particular hierarchy level.

If the input data is changed to data classified to another level, e.g. as a result of changes in the valuation methodology or changes in market data sources, the Group transfers the asset or liability to the appropriate level of measurement in the reporting period in which the change occurred.

In the three quarters of 2025 and in 2024, no changes were made to the rules for classification into valuation levels.

As at 30 September 2025, particular instruments were included in the following valuation levels:

- 1) the first level: Treasury bonds and bonds issued by European Investment Bank (fair value is determined directly by reference to published active market quotations), quoted shares,
- 2) the second level: bonds issued by PFR, interest rate options in EUR, USD and GBP, FX options maturing within 2 years, base interest rate and FX swaps denominated in G7 currencies maturing within 15 years, and base interest rate and FX swaps denominated in other currencies maturing within 10 years, FRA maturing within 2 years, FX Forward, NDF and FX swaps denominated in G7 currencies maturing within 10 years, FX Forward transactions, NDF and FX swaps denominated in other currencies maturing within 3 years, commodity swaps maturing within 1 year, interest rate swaps denominated in G7 currencies, interest rate swaps denominated in other currencies maturing within 10 years, structured instruments (whose fair value is determined using measurement techniques which are based on available, verifiable market data),
- 3) the third level: interest rate options in PLN, FX options maturing over 2 years, base interest rate and FX swaps denominated in G7 currencies maturing over 15 years, base interest rate and FX swaps denominated in other currencies maturing over 10 years, FRA contracts maturing over 2 years, FX Forward transactions, NDF and FX swaps denominated in G7 currencies maturing over 10 years, FX Forward transactions, NDF and FX swaps denominated in other currencies maturing over 3 years, commodity swaps maturing over 1 year, interest rate swaps denominated in other currencies than G7 currencies maturing over 10 years, structured instruments (whose fair value is determined using measurement techniques (models) which are not based on available, verifiable market data), derivatives for which significant Fair Value Correction or Credit Value Adjustment was created and corporate bonds other than CATALYST-listed ones, shares which are not listed on the WSE and other exchanges, subsidised loans (fair value determined using measurement techniques which are not based on available, verifiable market data, i.e. in cases other than those described in 1 and 2).

The table below presents classification of assets and liabilities measured at fair value in the consolidated financial statements into three categories:

30.09.2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value:	24,039,750	2,240,767	786,713	27,067,230
Derivative financial instruments	-	1,956,915	226,084	2,182,999
Hedging instruments	-	250,869	-	250,869
Financial instruments measured at fair value through other comprehensive income	23,959,004	-	-	23,959,004
Financial instruments measured at fair value through profit or loss	80,746	32,983	236,608	350,337
Loans and advances to customers measured at fair value through profit or loss	-	-	324,021	324,021
Liabilities measured at fair value	-	2,563,421	139,815	2,703,236
Derivative financial instruments	-	2,015,177	139,815	2,154,992
Hedging instruments	-	548,244	-	548,244

31.12.2024	Level 1	Level 2	Level 3	Total
Assets measured at fair value:	23,028,600	2,607,196	836,739	26,472,535
Derivative financial instruments	-	2,297,901	142,215	2,440,116
Hedging instruments	-	231,025	-	231,025
Financial instruments measured at fair value through other comprehensive income	23,027,454	-	-	23,027,454
Financial instruments measured at fair value through profit or loss	1,146	78,270	242,018	321,434
Loans and advances to customers measured at fair value through profit or loss	-	-	452,506	452,506
Liabilities measured at fair value:	-	3,015,629	137,825	3,153,454
Derivative financial instruments	-	2,173,916	137,825	2,311,741
Hedging instruments	-	841,713	-	841,713

In the three quarters of 2025, no events of a change in valuation level from 1 to 2, 1 to 3, 2 to 1 and 3 to 1 were recorded. Changes from level 2 to 3 and from level 3 to 2 were recorded.

In the corresponding period of 2024, no events of change in valuation level from 1 to 2, 1 to 3, 2 to 1, and 2 to 3 and 3 to 1. Changes from level 3 to 2 were recorded.

In the three quarters of 2025, there were three cases of derivatives for which the valuation level changed from 2 to 3. In all cases, this was caused by an increase in the value of the BCVA reserve.

In the corresponding period of 2024, there were no cases of reclassification from level 2 to level 3.

The following table shows the valuation of these transactions at the beginning and end of the reporting period:

3 quarters of 2025 from 01.01.2025 to 30.09.2025	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	110,431	101,651
Closing balance	182,208	172,891

In the three quarters of 2025, there were 121 events of derivatives for which the valuation level changed from 3 to 2. In all cases, this was due to a shortening of the time to maturity of the transaction.

In the corresponding period of 2024, there were 140 events of derivatives for which the valuation level changed from 3 to 2. In all cases, this was due to a shortening of the time to maturity of the transaction.

The following table shows the valuation of these transactions at the beginning and end of the reporting period:

3 quarters of 2025 from 01.01.2025 to 30.09.2025	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	289,416	-
Closing balance	119,970	139

3 quarters of 2024 from 01.01.2024 to 30.09.2024	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	189,288	295,563
Closing balance	225,387	329,943

The transfers described above relate to the Bank, no such movements occurred in the subsidiaries included in these consolidated financial statements.

The fair value of level 2 and 3 financial instruments is determined using the measurement techniques consistent with market practice, the parameterisation of which is carried out on the basis of reliable data sources. Valuation techniques used include valuation models (e.g. Black-Scholes), cash flow discounting, and estimation of volatility planes.

The input data used for purposes of valuation of level 2 and 3 instruments include foreign exchange rates, yield curves, reference rates, changes in foreign exchange rates, reference rates, stock market indices and stock prices, swap points, basis spreads, stock market index values and futures prices.

For financial instruments classified as level 3, unobservable parameters are estimates including market quotes that are not observable and cannot be corroborated by observable data in commonly quoted ranges, margins for credit risk and liquidity risk, probabilities of default, recovery rates, and premiums and discounts covering other risks specific to the instrument being valued.

The table presented below shows changes in the measurement of level 3 assets and liabilities as well as amounts charged to profit and loss account.

3 quarters of 2025 from 01.01.2025 to 30.09.2025	Derivative financial instruments – assets	Financial assets measured at fair value	Derivative financial instruments – liabilities	Hedging instruments – liabilities
Opening balance	142,215	694,524	137,825	-
Total gains/losses recognised in:	83,869	(4,361)	1,990	-
statement of profit or loss	83,869	(4,361)	1,990	-
Purchase	-	16,000	-	-
Sale	-	(12,000)	-	-
Settlement / Expiry	-	(133,534)	-	-
Closing balance	226,084	560,629	139,815	-
Unrealized gains/losses recognised in profit or loss related to assets and liabilities at the end of the period	83,869	(4,361)	1,990	-

3 quarters of 2024 from 01.01.2024 to 30.09.2024	Derivative financial instruments – assets	Financial assets measured at fair value	Derivative financial instruments – liabilities	Hedging instruments – liabilities
Opening balance	501,891	885,166	365,888	73,721
Total gains/losses recognised in:	(91,442)	11,474	(136,055)	(73,721)
statement of profit or loss	(91,442)	11,474	(136,055)	(73,721)
Purchase	-	2,258	-	-
Settlement / Expiry	-	(159,655)	-	-
Closing balance	410,449	739,243	229,833	-
Unrealized gains/losses recognised in profit or loss related to assets and liabilities at the end of the period	(91,442)	11,474	(136,055)	(73,721)

The table presented below shows the effect of unobservable factors on the value of financial instruments classified to level three.

Type of instrument	30.09.2025		31.12.2024	
	fair value according to		fair value according to	
	positive scenario	negative scenario	positive scenario	negative scenario
Derivatives ¹	87,956	85,829	5,347	10,588
Commercial bonds ²	78,274	76,834	66,323	65,658
Stocks and shares ³	173,493	156,970	169,605	153,452
Loans ⁴	328,970	319,069	457,479	447,578

¹scenario: rating change of +3/-3 notches

²scenario: change in credit spread by -50bp/+50bp

³scenario: change in valuation of +5%/-5%

⁴scenario: change in discount rate by -50bp/+50bp

The Group measures the fair value by discounting all contractual cash flows related to transactions, with the use of yield curves characteristic of each transaction group. Where no repayment schedule is agreed for a product, it is assumed that the fair value is equal to the carrying amount of the transaction, or, in case of revolving products, the curves derived from the liquidity profile of these products and the expected behavioural duration of these exposures are used.

The yield curve used for fair value measurement of liabilities (such as customer and interbank deposits) and receivables (such as loans to customers and interbank deposits) of the Group comprises:

- the credit risk free yield curve,
- the cost of obtaining financing above the credit risk free yield curve,
- the market margin that reflects credit risk for receivables.

The yield curve for fair value measurement of loans is constructed through classification of loans into sub-portfolios depending on the product type and currency as well as customer segmentation. A margin is determined for each sub-portfolio taking into account credit risk. The margin is determined with the use of credit risk parameters of a given customer determined in the process of calculating the impairment of financial instruments.

The current credit risk margin and the current liquidity margin, the values of which are not quoted on an active market, are the non-observable parameters for all the categories.

The following table presents the book value and fair value of those financial assets and liabilities that are not reported in the Group's statement of financial position at their fair value, as well as the level of valuation classification.

30.09.2025	Book value	Fair value	Level
Financial assets			
Cash and cash balances at Central Bank	6,916,304	6,916,304	3
Amounts due from banks	5,946,747	5,658,784	3
Loans and advances to customers measured at amortised cost	88,655,668	88,366,146	3
Securities measured at amortised cost	36,249,896	35,308,194	1.3
Other financial assets	883,840	883,840	3
Financial liabilities			
Amounts due to banks	10,680,231	10,926,775	2.3
Amounts due to customers	129,705,242	128,864,352	2.3
Subordinated liabilities	2,720,740	3,040,157	3
Lease liabilities	564,095	564,095	3
Other financial liabilities	1,883,757	1,883,757	3
Debt securities issued	692,327	692,327	3
31.12.2024	Book value	Fair value	Level
Financial assets			
Cash and cash balances at Central Bank	11,325,551	11,325,551	3
Amounts due from banks	7,872,375	7,496,612	3
Loans and advances to customers measured at amortised cost	85,401,516	84,899,593	3
Securities measured at amortised cost	32,364,550	30,365,556	1.3
Other financial assets	1,029,154	1,029,154	3
Financial liabilities			
Amounts due to banks	9,994,802	10,554,417	2.3
Amounts due to customers	130,924,754	130,219,390	3
Subordinated liabilities	3,420,128	3,879,943	3
Lease liabilities	606,306	606,306	3
Other financial liabilities	1,042,979	1,042,979	3

1) Amounts due from banks and amounts due to banks

Amounts due from banks and amounts due to banks include interbank deposits and interbank settlements. The fair value of fixed and floating rate deposits/placements is based on discounted cash flows determined by reference to money market interest rates for items with similar credit risk and residual maturity.

2) Loans and advances to customers

The estimated fair value of loans and advances is the discounted value of future cash flows to be received, using the current market rates adjusted by financing cost and by actual or estimated credit risk margins.

The fair value of loans and advances covered by the Law on Community Financing for Business Ventures and Borrower Assistance takes into account the impact of changes in repayment schedules resulting from the introduction of loan vacations.

3) Securities measured at amortised cost

The fair value of securities measured at amortised cost was determined by reference to the published quoted prices in an active market for quoted securities (first level of measurement or a second level in case of reduced liquidity). However, for unquoted securities, fair value was determined using valuation techniques not based on available market data (third level of measurement).

4) Subordinated liabilities

Liabilities include subordinated loans. The fair value of the floating rate loan is based on discounted cash flows determined by reference to money market interest rates for items with similar credit risk and residual maturity.

5) Liabilities due to customers

The fair value of fixed and floating rate deposits is based on discounted cash flows determined by reference to money market interest rates adjusted by the actual cost of securing funds over the past three months. For demand deposits, it is assumed that the fair value is equal to their carrying amount.

6) Lease liabilities

The fair value of lease liabilities was determined as equal to their balance sheet value.

7) Liabilities from the issue of debt securities

The fair value of liabilities from securities issues was estimated using a model discounting future cash flows from investments, based on market interest rate curves adjusted for the issuer's credit risk.

43. LOAN PORTFOLIO SALE

In the three quarters of 2025, the Bank concluded agreements for the sale of the retail loan portfolio, while in the three quarters of 2024 the sale of retail, SME and corporate portfolios.

Under the provisions of IFRS 9, the sale of a financial asset due to an increase in credit risk does not result in a change of the business model.

As a consequence, the Bank continues to maintain the portfolio of these loans under a business model that aims to hold the financial asset to generate contractual cash flows.

The gross carrying amount of the sold portfolio measured at amortised cost was PLN 113,924 thousand (in the three quarters of 2024 it amounted to PLN 185,333 thousand), the amount of impairment allowances created was PLN 85,977 thousand (in the three quarters of 2024 it amounted to PLN 123,956 thousand).

The contractual price for the sale of these portfolios was set at PLN 32,970 thousand (in the three quarters of 2024 it amounted to PLN 86,582 thousand). The net impact on the Bank's result due to the sale of portfolios amounted to PLN 5,023 thousand (in the three quarters of 2024 it amounted to PLN 25,205 thousand) and is presented in the line Net allowances for expected credit losses on financial assets and provisions for contingent liabilities.

44. SECURITIZATION

On 28 March 2024, the Bank entered into an agreement with the International Finance Corporation ("IFC", "Investor") for a synthetic securitization transaction executed on a portfolio of corporate loans/loans with a total value of PLN 2,180,097 thousand as at 31 December 2023. The main purpose of the transaction is to release capital that the Bank will use to finance climate projects (climate change mitigation projects focusing mainly on renewable energy, energy efficiency and green project financing).

As part of the transaction, the Bank transferred a significant part of the credit risk from the selected securitised portfolio to the Investor. The securitised selected loan portfolio remains on the Bank's books.

As at 30 September 2025, the value of the transaction portfolio included in the balance sheet and off-balance sheet amounted to PLN 254,840 thousand.

The closing date of the transaction according to the agreement is 31 December 2031.

The risk transfer of the securitised portfolio is implemented through a credit protection instrument in the form of a financial guarantee issued by the Investor up to PLN 23,539 thousand as at 30 September 2025. Costs on account of this guarantee are presented in Commission expenses - Guarantee commitments and documentary operations.

The transaction meets the material risk transfer requirements of the CRR Regulation and has been structured as meeting the STS criteria (simple, transparent and standard securitization) under Regulation 2021/557.

The Bank acted as facilitator of the transaction.

45. RELATED PARTY TRANSACTIONS

BNP Paribas Bank Polska S.A. operates within the BNP Paribas Bank Polska S.A. Capital Group.

BNP Paribas Bank Polska S.A. is the parent in the BNP Paribas Bank Polska S.A. Capital Group.

The ultimate parent company is BNP Paribas S.A., based in Paris.

As of 30 September 2025, the Capital Group of BNP Paribas Bank Polska S.A. comprised BNP Paribas Bank Polska S.A. as the parent company, and its subsidiaries:

1. BNP PARIBAS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A. („TFI”).
2. BNP PARIBAS LEASING SERVICES SP. Z O.O. („LEASING”).
3. BNP PARIBAS GROUP SERVICE CENTER S.A. („GSC”).

All transactions between the Bank and its related parties were entered into as part of daily operations and included mainly loans, deposits, transactions with reference to derivative instruments as well as income and expenses related to advisory and financial intermediation services.

Transactions with shareholders of BNP Paribas Bank Polska S.A. and related parties

30.09.2025	BNP Paribas S.A. Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Total
Assets	7,411,448	674	273,269	1,340	7,686,731
Receivables on current accounts, loans and deposits	5,654,490	674	248,625	1,306	5,905,095
Derivative financial instruments	1,506,004	-	615	-	1,506,619
Derivative hedging instruments	250,869	-	-	-	250,869
Other assets	85	-	24,029	34	24,148
Liabilities	12,132,936	53,952	608,308	3,196	12,798,392
Loans and advances received	3,190,340	-	167,943	-	3,358,283
Current accounts and deposits	5,114,525	53,940	413,411	3,196	5,585,072
Subordinated liabilities	2,720,740	-	-	-	2,720,740
Derivative financial instruments	559,084	12	424	-	559,520
Derivative hedging instruments	548,244	-	-	-	548,244
Other liabilities	3	-	26,530	-	26,533
Contingent liabilities					
Financial commitments granted	-	-	415,005	4,527	419,532
Guarantee commitments	428,100	77,051	546,798	-	1,051,949
Commitments received	7,934,281	108,730	739,912	-	8,782,923
Derivative instruments (nominal value)	64,308,044	73,981	25,784	-	64,407,809
Hedging derivative instruments (nominal value)	35,761,448	-	-	-	35,761,448
Statement of profit or loss	379,091	(566)	(4,408)	39	374,156
3 quarters of 2025 from 01.01.2025 to 30.09.2025					
Interest income	567,458	216	14,037	94	581,805
Interest expenses	(806,870)	(782)	(18,808)	(55)	(826,515)
Fee and commission income	-	-	1,590	-	1,590
Net trading income	667,420	-	(1,416)	-	666,004
Other operating income	-	-	82,298	-	82,298
Other operating expenses	-	-	(17,693)	-	(17,693)
General administrative expenses	(48,917)	-	(64,416)	-	(113,333)

31.12.2024	BNP Paribas S.A. Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Total
Assets	9,367,983	1,663	194,294	2,584	9,566,524
Receivables on current accounts, loans and deposits	7,466,281	1,663	167,344	2,520	7,637,808
Derivative financial instruments	1,670,668	-	8,614	-	1,679,282
Derivative hedging instruments	231,025	-	-	-	231,025
Other assets	9	-	18,336	64	18,409
Liabilities	13,396,820	26,789	1,033,503	1,973	14,459,085
Loans and advances received	3,363,979	-	278,432	-	3,642,411
Current accounts and deposits	5,020,715	26,789	722,019	1,973	5,771,496
Subordinated liabilities	3,420,128	-	-	-	3,420,128
Derivative financial instruments	750,285	-	2,356	-	752,641
Derivative hedging instruments	841,713	-	-	-	841,713
Other liabilities	-	-	30,696	-	30,696
Contingent liabilities					
Financial commitments granted	-	-	294,101	1,145	295,246
Guarantee commitments	430,288	86,650	662,905	-	1,179,843
Commitments received	440,132	121,264	2,270,042	-	2,831,438
Derivative instruments (nominal value)	75,378,215	-	184,840	-	75,563,055
Hedging derivative instruments (nominal value)	29,817,809	-	-	-	29,817,809
Statement of profit or loss	(153,223)	(1,032)	(99,629)	31	(253,853)
3 quarters of 2024 from 01.01.2024 to 30.09.2024					
Interest income	339,706	19	3,007	110	342,842
Interest expenses	(502,802)	(1,051)	(35,476)	(79)	(539,408)
Fee and commission income	-	-	328	-	328
Net trading income	92,372	-	5,179	-	97,551
Other operating income	-	-	43,162	-	43,162
Other operating expenses	-	-	(51,621)	-	(51,621)
General administrative expenses	(82,499)	-	(64,208)	-	(146,707)

Remuneration of the Management Board and Supervisory Board

Management Board	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Short-term employee benefits	13,426	13,395
Long-term benefits	4,809	4,091
Share-based payments*	4,663	4,792
Issued shares**	2,096	1,855
Total	24,994	24,133

*includes an amount recognised in the Bank's capital linked to the Bank's shares taken up in the future (in accordance with the variable remuneration policy)

**value of shares issued based on actuarial valuation

Supervisory Board	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Short-term employee benefits	1,431	1,354
Total	1,431	1,354

46. CONSOLIDATED CAPITAL ADEQUACY RATIO

	30.09.2025	31.12.2024
Total own funds	17,437,407	15,962,074
Total risk exposure	99,575,811	92,814,926
Total capital ratio	17.51%	17.20%
Tier 1 capital ratio	14.15%	13.80%

47. OPERATING SEGMENTS

Segment reporting

The Bank has divided its activities and applied the identification of income and expenses and assets and liabilities into the following reportable operating segments:

- Retail and Business Banking,
- Small and Medium-Sized Enterprises (SME),
- Corporate Banking,
- Corporate and Institutional Banking (CIB),
- Other Operations, including ALM Treasury and the Corporate Centre.

In addition, it has been presented performance related to:

- Agro customers, i.e. individual farmers and agro-food sector enterprises,
- the Personal Finance.

Although the aforesaid segment performance overlaps with that of the basic operating segments, it is additionally monitored separately for purposes of the Group's management reporting.

The abovementioned segmentation reflects the principles of customer classification to each segment in line with the business model adopted by the Group, which are based on entity and financial criteria (in particular the amount of turnover, level of credit exposure and assets collected) and the type of business. The detailed rules for assigning customers to specific segments are governed by the Group's internal regulations.

The Group's management performance is monitored by considering all items of the statement of profit or loss of the particular segment, to the level of gross profit, i.e. for each segment revenue, expenses and net impairment losses are reported. Management revenue takes into account cash flows between customer segments and the asset liability management unit, measured by reference to internal transfer prices of funds based on market prices and liquidity margins for each maturity and currency. Management expenses of the segments include direct operating expenses and expenses allocated using the allocation model adopted by the Group. Additionally, the management performance of the segments take into account amounts due to each business line for services between such lines.

The Group's operations are conducted in Poland only. As no considerable differences in the risks, which might be affected by the geographical location of the Bank's branches, can be identified, no geographical disclosures have been presented.

The Group applies consistent, detailed principles to all identified segments. As regards the revenue, in addition to standard items, components of the net interest income of the segments have been identified, to include external and internal revenue and expenses. As regards operating expenses, the Group's indirect expenses are allocated to each segment in the Expense allocation (internal) item. Considering the profile of the Group's business, no material seasonal or cyclical phenomena are identified. The Group provides financial services, the demand for which is stable, and the effect of seasonality is immaterial.

Characteristics of operating segments

Retail and Business Banking Segment covers comprehensive services to retail customers, including private banking customers, as well as business clients (microenterprises). The scope of financial services offered by this area includes maintenance of current and deposit accounts, acceptance of term deposits, granting mortgage loans, cash loans, mortgage advances, overdrafts, loans to microenterprises, issuing debit and credit cards, cross-border cash transfers, foreign exchange transactions, sale of insurance products as well as other services of lesser importance to the Group's income. Additionally, the performance of the Retail and Business Banking Segment includes: performance of brokerage services and distribution and storage of investment fund units.

Retail and Business Banking customers are served through the Bank's branches and alternative channels, i.e. online banking, mobile banking and telephone banking, the Premium Banking channel and Wealth Management. In addition, sales of selected products is carried out through financial intermediaries both nationwide and locally.

Personal Finance Segment is responsible for development of product offering and management of financial services provided to consumers, with the following major products: cash loans, car loans, instalment loans and credit cards. The aforesaid products are distributed through the Retail and Business Banking branch network as well as external distribution channels.

SME Banking Segment and Corporate Banking Segment provide services to business customers and offer a wide range of services to companies, as well as corporate clients, financial institutions and public sector entities. Distribution network for Corporate Banking is based on Regional Corporate Banking Centres located in Warsaw, Łódź, Gdańsk, Poznań, Wrocław, Katowice, Kraków and Lublin. As part of the Regional Corporate Banking Centres, there are Corporate Banking Centres located in the largest business centres in Poland, ensuring a wide geographical and sector coverage. After-sales service for the clients of the Corporate Banking segment is also carried out by the Telephone Business Service Centre and in the online banking system.

The main products provided to Business Customers include cash management and global trade finance services – comprehensive services related to import and export LCs, bank guarantees and documentary collection, supply chain and exports financing, acceptance of deposits (from overnight to term deposits), financing in the form of, inter alia, overdrafts, revolving and investment loans, loans from the group of agribusiness financing products, financial market products, including the conclusion of customer foreign exchange and derivative transactions, leasing and factoring products, as well as specialised services such as real estate financing, structured financing for mid-caps, investment banking and related services for public sector entities: organisation of municipal bond issues, forfaiting, dedicated cash management solutions.

The Corporate and Institutional Banking (CIB) Segment supports sales of products of the Group, dedicated to the largest Polish enterprises including services provided to key clients.

Other Banking Operations of the Group are performed mainly through the Asset and Liability Management Division (ALM Treasury). The main objective of the Division is ensuring an appropriate and stable level of funding to guarantee the security of the Bank's operations and compliance with the standards defined in the applicable laws. The ALM Treasury assumes responsibility for liquidity management at the Bank, setting internal and external reference prices, management of the interest rate risk inherent in the Group's balance sheet as well as the operational and structural currency risk. The ALM Treasury focuses on both prudential (compliance with external and internal regulations) and optimisation aspects (financing cost management and generating profit on management of the Group's items from the statement of financial position).

The Other Operations segment includes also direct costs of the support functions, which have been allocated to segments in the Expense allocation (internal) item, as well as results that may not be assigned to any of the aforementioned segments (to include equity investment, gains/losses on own accounts and customer accounts not allocated to a specific segment).

30.09.2025	Retail and Business Banking	SME Banking	Corporate Banking	CIB	Other Operations	Total	including Agro customers	including Personal Finance
Statement of profit or loss for the period of 9 months ended 30 September 2025*								
Net interest income	2,439,092	439,461	1,106,186	73,750	365,772	4,424,260	523,577	532,803
external interest income	2,765,490	354,841	1,296,800	279,214	2,759,793	7,456,138	814,976	1,119,956
external interest expenses	(1,195,441)	(215,346)	(388,001)	(7,707)	(1,225,382)	(3,031,878)	(113,080)	(142,957)
internal interest income	2,661,262	542,666	1,225,790	11,986	(4,441,704)	-	375,710	-
internal interest expenses	(1,792,218)	(242,700)	(1,028,403)	(209,744)	3,273,064	-	(554,028)	(444,196)
Net fee and commission income	534,938	95,908	287,651	29,875	(4,226)	944,145	92,110	113,926
Dividend income	-	-	2,481	-	7,133	9,614	1,326	-
Net trading income (including result on foreign exchange)	84,521	64,321	292,124	241,042	146,753	828,762	52,188	(96)
Result on investment activities	-	-	(1)	-	(3,012)	(3,013)	-	-
Result on hedge accounting	-	-	-	-	(1,882)	(1,882)	-	-
Other operating income and expenses	(40,453)	822	(1,857)	1,345	18,865	(21,277)	(152)	1,044
Result on derecognition of financial assets measured at amortised cost due to material modification	(4,213)	(2,592)	1,564	-	(8,530)	(13,772)	670	(5,207)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(18,445)	51,909	(91,231)	(46,018)	(1,993)	(105,778)	46,355	(47,651)
Result on legal risk related to foreign currency loans	(379,554)	-	-	-	-	(379,554)	-	-
General administrative expenses	(908,579)	(83,876)	(329,766)	(87,724)	(765,815)	(2,175,760)	(13,060)	(257,793)
Depreciation and amortization	(88,576)	(1,106)	(56,473)	(13,119)	(227,619)	(386,894)	(180)	(13,040)
Expense allocation (internal)	(657,938)	(174,431)	(147,426)	2,995	976,800	-	-	(78,057)
Operating result	960,793	390,416	1,063,252	202,146	502,246	3,118,851	702,834	245,929
Tax on financial institutions	(155,258)	(23,524)	(92,203)	(16,986)	(4,293)	(292,264)	-	(36,997)
Profit before income tax	805,535	366,892	971,049	185,160	497,953	2,826,587	702,834	208,932
Income tax expense	-	-	-	-	-	(655,792)	-	-
Net profit for the period						2,170,795		
Statement of financial position as at 30 September 2025*								
Segment assets	45,032,961	6,639,456	34,120,573	6,939,852	75,825,956	168,558,797	14,231,776	15,474,286
Segment liabilities	78,724,067	16,724,028	40,735,663	-	15,773,748	151,957,506	11,731,734	-

* As the figures have been rounded and presented in PLN '000, in some cases their total may not correspond to the exact grand total.

30.09.2024	Retail and Business Banking	SME Banking	Corporate Banking	CIB	Other Operations	Total	including Agro customers	including Personal Finance
Statement of profit or loss for the period of 9 months ended 30 September 2024* adjusted								
Net interest income	2,307,458	464,542	1,182,816	78,908	167,182	4,200,905	559,802	559,321
external interest income	2,955,658	417,696	1,386,756	296,770	2,535,264	7,592,142	930,656	1,122,567
external interest expenses	(1,253,330)	(267,789)	(504,311)	(10,695)	(1,355,113)	(3,391,237)	(136,851)	(143,441)
internal interest income	2,496,444	599,300	1,406,431	12,127	(4,514,302)	-	408,417	-
internal interest expenses	(1,891,314)	(284,665)	(1,106,060)	(219,294)	3,501,333	-	(642,421)	(419,806)
Net fee and commission income	509,562	100,320	280,025	49,670	(5,771)	933,805	105,557	112,025
Dividend income	-	-	3,109	-	7,718	10,828	948	-
Net trading income (including result on foreign exchange)	86,896	61,210	265,924	166,249	62,257	642,537	52,113	(41)
Result on investment activities	-	-	-	-	7,022	7,022	-	-
Result on hedge accounting	-	-	-	-	(828)	(828)	-	-
Other operating income and expenses	(39,397)	(626)	(753)	(13)	(11,528)	(52,315)	(2,202)	(6,708)
Result on derecognition of financial assets measured at amortised cost due to material modification	(1,761)	(682)	(182)	-	(2,719)	(5,344)	1,170	(3,047)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(58,669)	(2,404)	(83,096)	(41,912)	(826)	(186,908)	8,357	(56,034)
Result on legal risk related to foreign currency loans	(488,018)	-	-	-	-	(488,018)	-	-
General administrative expenses	(844,597)	(100,522)	(302,743)	(77,736)	(804,412)	(2,130,010)	(13,671)	(231,915)
Depreciation and amortization	(93,041)	(1,651)	(53,036)	(15,025)	(218,845)	(381,599)	(205)	(12,866)
Expense allocation (internal)	(666,908)	(167,633)	(162,966)	(1,757)	999,264	-	-	(92,774)
Operating result	711,525	352,554	1,129,098	158,384	198,514	2,550,075	711,869	267,961
Tax on financial institutions	(138,657)	(19,434)	(93,359)	(19,940)	(32,635)	(304,025)	-	(39,941)
Profit before income tax	572,868	333,120	1,035,739	138,444	165,879	2,246,050	711,869	228,020
Income tax expense	-	-	-	-	-	(396,940)	-	-
Net profit for the period						1,849,110		
Statement of financial position as at 31 December 2024*								
Segment assets	44,241,900	6,745,374	31,188,298	5,089,125	80,274,894	167,539,589	14,475,650	15,135,293
Segment liabilities	76,154,055	17,670,878	45,168,667	-	13,151,934	152,145,533	12,650,778	-

* As the figures have been rounded and presented in PLN '000, in some cases their total may not correspond to the exact grand total.

48. THE SHAREHOLDER'S STRUCTURE OF BNP PARIBAS BANK POLSKA S.A.

The table below shows the Bank's shareholding structure as at 30 September 2025, including those holding at least 5% of the total number of votes at the General Meeting of Shareholders:

Shareholder	Number of shares	Percentage interest in share capital	Number of votes at the General Meeting of Shareholders	Percentage share in the total number of votes at the general shareholders' meeting
BNP Paribas, total:	120,124,392	81.23%	120,124,392	81.23%
BNP Paribas directly	84,634,166	57.23%	84,634,166	57.23%
BNP Paribas Fortis SA/NV directly	35,490,226	24.00%	35,490,226	24.00%
Other shareholders	27,756,099	18.77%	27,756,099	18.77%
Total	147,880,491	100.00%	147,880,491	100.00%

* Due to rounding, individual values may not add up

As of 30 September 2025, the Bank's share capital amounted to PLN 147,880,491.

The share capital is divided into 147,880,491 shares with the par value of PLN 1.00 each, including: 15,088,100 A series shares, 7,807,300 B series shares, 247,329 C series shares, 3,220,932 D series shares, 10,640,643 E series shares, 6,132,460 F series shares, 8,000,000 G series shares, 5,002,000 H series shares, 28,099,554 I series shares, 2,500,000 J series shares, 10,800,000 K series shares, 49,880,600 L series shares, 322,859 M series shares and 138,714 N series shares.

Four B series registered shares in the Bank are preference shares with respect to payment of the full par value per share in the event of the Bank's liquidation, once the creditors' claims have been satisfied, with priority over payments per ordinary shares, which, after the rights attached to the preference shares have been exercised, may be insufficient to cover the total par value of those shares.

The total number of votes resulting from all the Bank's shares was 147,880,491 votes. The number of votes resulting from the M series shares granted in 2025 was 20,223 votes and from the N series shares 60,398 votes respectively.

Changes in shareholder structure in the three quarters of 2025

On 7 April 2025, the Bank's share capital was increased from PLN 147,799,870 to PLN 147,820,093 as a result of the subscription of 20,223 series M shares in execution of rights from previously subscribed registered subscription warrants of series A5.

On 8 April 2025, the Bank's share capital was increased from PLN 147,820,093 to PLN 147,880,491 as a result of the subscription of 60,398 series N shares in execution of rights from previously subscribed registered subscription warrants of series B2.

Intention of BNP Paribas regarding the liquidity of the Bank's shares

In accordance with the information received from BNP Paribas S.A. - the Bank's main shareholder – BNP Paribas S.A. declares its intention to increase the number of the Bank's free float shares to at least 25% in the future.

BNP Paribas Bank Polska shares held by the members of the Bank's Management Board and Supervisory Board

Summary of the holdings of Bank shares and share entitlements by members of the Bank's Management Board and Supervisory Board as at the date of submission of the Financial Statements for the three quarters of 2025 (6 November 2025) and the Report for the first half of 2025 (12 August 2025) is presented below.

MEMBER OF THE BANK'S MANAGEMENT BOARD	SHARES	SUBSCRIPTION WARRANTS ¹	SALE OF SHARES	SHARES	SUBSCRIPTION WARRANTS ¹
	12.08.2025	12.08.2025		6.11.2025	6.11.2025
Przemysław Gdański	47,646	8,203	-	47,646 ²	8,203
André Boulanger	-	5,163	-	-	5,163
Małgorzata Dąbrowska	-	1,208	-	-	1,208
Wojciech Kemblowski	-	3,590	-	-	3,590
Piotr Konieczny	455	1,571	-	455	1,571
Magdalena Nowicka	2,392	2,632	-	2,392	2,632
Volodymyr Radin	1,364	2,333	-	1,364	2,333
Agnieszka Wolska	6,538	2,905	-	6,538	2,905

MEMBER OF THE BANK'S SUPERVISORY BOARD	SHARES	SUBSCRIPTION WARRANTS ¹	SALE OF SHARES	SHARES	SUBSCRIPTION WARRANTS ¹
	12.08.2025	12.08.2025		6.11.2025	6.11.2025
Jean-Charles Aranda	-	770	-	-	770

- 1) Subscription warrants taken up on 24.03.2025: series A6 - one series A6 warrant entitles to take up one series M ordinary bearer share of BNP Paribas Bank Polska S.A., at the issue price of PLN 1.00 per share; and series B3 - one series B3 warrant entitles to take up one series N ordinary bearer share of BNP Paribas Bank Polska S.A., at the issue price of PLN 1.00 per share
- 2) A registered pledge was established on 18,000 shares of the Bank held by President of the Management Board Przemysław Gdański at a price of PLN 111.50 per share

The other members of the Supervisory Board did not declare their ownership of the Bank's shares/entitlements as at 6 November 2025, which has not changed since the date of the submission of the financial report for the first half of 2025 i.e. 12 August 2025.

49. DIVIDENDS PAID

The Annual General Meeting of Shareholders of the Bank on 15 April 2025 adopted a resolution on the payment of a dividend from the net profit made in 2024. Based on that, the Bank paid a dividend on 9 May 2025 in the amount of PLN 1,162,340,659.26, i.e. PLN 7.86 per share. The dividend covers all shares issued by the Bank, i.e. 147,880,491 shares.

50. DISTRIBUTION OF RETAINED EARNINGS

In accordance with the Resolution No. 7 of the Annual General Meeting of Shareholders of the Bank dated 15 April 2025 on distribution of the profit of BNP Paribas Bank Polska Spółka Akcyjna and payment of a dividend for the financial year 2024 from the net profit generated in 2024 in the amount of PLN 2,320,797,922.26 (two billion three hundred twenty million seven hundred ninety seven thousand nine hundred and twenty two zlotys and twenty six groszy) the Bank paid a dividend in the amount of PLN 1,162,340,659.26, PLN 658,457,263.00 was allocated to the reserve capital and remaining part remained undistributed profit.

51. LITIGATION, CLAIMS AND ADMINISTRATIVE PROCEEDINGS

Legal risk

As of 30 September 2025, there were no proceedings in the court, arbitration tribunal or state administration authorities regarding liabilities or receivables of the Bank, the value of which would exceed 10% of the Bank's equity.

Proceedings before the Office of Competition and Consumer Protection (UOKiK)

Court decision regarding calculation of the interchange fee

On 6 October 2015, the Court of Appeals issued a decision regarding calculation of the interchange fee by banks acting in agreement. Thus, the decision of the first instance (Regional) Court of 2013 was changed by dismissing the banks' appeals in whole, while upholding the appeal brought by the Office of Competition and Consumer Protection (UOKiK), which had questioned a considerable reduction in the fines by the first instance court. This denotes that the penalty imposed under the first decision of the President of UOKiK of 29 December 2006 was upheld. It involved a fine levied on 20 banks, including Bank BGŻ S.A. and Fortis Bank Polska S.A., for practices limiting competition by calculating interchange fees on Visa and MasterCard transactions in Poland in agreement.

The total fine levied on Bank BGŻ BNP Paribas S.A. (presently BNP Paribas Bank Polska S.A.) amounted to PLN 12,554 thousand and included:

- a fine for the practice of Bank Gospodarki Żywnościowej in the amount of PLN 9,650 thousand; and
- a fine for the practice of Fortis Bank Polska S.A. (FBP) in the amount of PLN 2,895 thousand.

The penalty was paid by the Bank on 19 October 2015. The Bank prepared a last resort appeal against the aforesaid court decision and brought it on 25 April 2016. On 25 October 2017, the Supreme Court overruled the judgment of the Court of Appeal and remitted the case. Acquisition of the core business of RBPL did not change the situation of the Bank as RBPL was not a party to this claim.

On 23 November 2020, the Court of Appeal quashed the judgment of the first instance court and remitted the case for re-examination. In November 2022, the first hearing was held. The case is pending.

Proceedings on practices violating collective consumer interests - unauthorised transactions

On 8 July 2022, the Office of Competition and Consumer Protection (UOKiK) initiated proceedings related to the practices violating the collective interests of consumers. The UOKiK alleges that the Bank, upon receipt of a consumer complaint regarding an unauthorised transaction, does not automatically return funds to customers within the D+1 deadline, but instead conducts an initial clarification procedure to determine whether the transaction in question should be considered as accepted/conducted by the customer. The second allegation of the UOKiK relates to the Bank providing inappropriate information to customers when rejecting complaints about the disputed transaction. The Bank has declared its willingness to enter into talks with the UOKiK in order to find a solution that takes into account the interests of both parties. The proceedings are ongoing, and the UOKiK has announced their extension until 11 December 2025.

Information on provisions for unauthorised customer transactions is provided in Note 16 Other operating expenses.

Proceedings for practices violating the collective interests of consumers - credit holidays

On 5 September 2022, the Bank received the UOKiK's decision to initiate proceedings against practices that violate the collective interests of consumers by limiting the possibility to apply for a mortgage loan withholding by limiting one application to 2 months, whereas the customer should be able to apply for all periods at the same time (up to 8 months).

The Bank disagreed with the allegations and has sent its reply to UOKiK, in which it pointed that the Bank accepted and processed all individual applications applied by customers (for any number of months). Thus, there was no violation of the collective interests of consumers, as the Bank did not deprive customers of their rights, but only failed to fully automate the electronic application as at the effective date of the law. At the same time, the Bank informed UOKiK that it had changed the questioned practice by launching a new application form in GOonline e-banking on 8 September 2022, allowing customers to apply for any/all periods simultaneously (up to 8 months).

On 17 January 2023, the Bank received the Decision of the UOKiK, in which:

- it recognised the questioned practice as violating the collective interests of consumers;
- the practice was found to be abandoned;
- it ordered publication of the decision;
- it imposed a penalty on the Bank in the amount of PLN 2,721 thousand (reduced by 50% (30% - for cessation of the practice, 20% as a result of initiating a meeting and expressing willingness to cooperate)).

On 17 February 2023, the Bank has appealed the decision to the Competition and Consumer Protection Court (SOKiK). On 8 December 2023, the court delivered to the Bank the UOKiK's response to the Bank's appeal, filed with the SOKiK on 28 August 2023.

The Bank has created a provision in the amount of the penalty imposed.

On 24 March 2025, the Court announced its judgment dismissing the Bank's appeal. On 9 May, the Bank has appealed the judgment.

Proceedings before the Polish Financial Supervision Authority

Administrative proceedings of the Polish Financial Supervision Authority for the imposition of a penalty in connection with the performance of the function of depositary of investment funds

On 28 September 2022 the Polish Financial Supervision Authority initiated administrative proceedings for the imposition of an administrative penalty against the Bank pursuant to Article 232(1a) of the Act on Investment Funds and Management of Alternative Investment Funds, in connection with the Bank's suspected breach of the provisions of the aforementioned Act during the period 31 January 2017 to 31 August 2019, by failing to exercise due diligence on the factual and legal acts carried out by two investment funds, PSF Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych and PSF 2 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, to ensure that the net asset value of these funds and the net asset value per investment certificate were calculated in accordance with the law and the statutes of these funds.

By decision of 14 June 2024, the Polish Financial Supervision Authority imposed a fine of PLN 1,000 thousand on the Bank for breach of obligations related to ensuring that the net asset value of the funds and the net asset value per investment certificate are calculated in accordance with the law, for valuation dates falling between 31 October 2018 and 31 July 2019. In its rationale for the decision, the PFSA indicated that the breach of the aforementioned depositary duties consisted mainly of: i.) not obtaining full information on the financial situation of the issuers of the bonds that the funds were purchasing, which resulted in the Depositary not being able to fully assess the bond issuers' ability to redeem the bonds, ii.) not performing an analysis of the impact of circumstances regarding the financial situation of bond issuers on the rationale for impairment losses on bonds and the final fair value measurement of bonds, iii.) fail to investigate the reasons for negative capital on the part of bond issuers and the possible impact of these circumstances on the bond issuers' ability to repay their bond redemption obligations. The PFSA dismissed the proceedings in part to ensure that the net asset value of these funds and the net asset value per investment certificate are calculated in accordance with the statutes of these funds for the asset valuation days falling between 31 October 2018 and 31 July 2019, and in part to ensure that the net asset value of these funds and the net asset value per investment certificate are calculated in accordance with the law and the statutes of these funds for the asset valuation days falling between 31 January 2017 and 30 October 2018 (acting as depositary by Raiffeisen Bank Polska S.A.) and from 1 August 2019 to 31 August 2019.

On 4 July 2024 the Bank applied for reconsideration of the case by the Polish Financial Supervision Authority.

The Bank has created a provision in the amount of the penalty imposed.

The Polish Financial Supervision Authority has informed the Bank that the proceedings to determine the aforementioned application are scheduled to be completed in November 2025.

On 7 December 2022, the Polish Financial Supervision Authority initiated administrative proceedings for the imposition of a penalty under Article 232(1a) of the Act on Investment Funds and Management of Alternative Investment Funds, in connection with the Bank's suspected breach of the provisions of the aforementioned Act in the years 2017 - 2019, by failing to exercise continuous control over the factual and legal actions carried out Retail Parks Fund Non-Public Assets Closed-End Investment Fund, in connection with the valuation of the fund's assets, aimed at ensuring that the net asset value of the fund and the net asset value per investment certificate are calculated in accordance with the law.

By decision of 14 June 2024, the Polish Financial Supervision Authority imposed a fine of PLN 500 thousand on the Bank for breach of duties related to ensuring that the fund's net asset value and the net asset value per investment certificate were calculated in accordance with the law, for the valuation days falling on 30 November 2018 and 28 February 2019.

In the justification for the decision, the PFSA indicated that the breach of the above-mentioned duties of the Depositary consisted primarily in the failure to conduct a thorough analysis of the circumstances affecting the determination of the situation of the issuers of the bonds purchased by the fund and to obtain sufficient information on the circumstances affecting this situation.

As a result, the Depositary did not recognise the legitimacy of making impairment allowances for the bonds in an appropriate amount and the valuation of the bonds was inadequate to their actual value. The PFSA dismissed the proceedings in the part concerning the suspected breach in the period from 1 January 2017 to 30 October 2018.

On 4 July 2024 the Bank has applied for reconsideration of the case by the Polish Financial Supervision Authority.

The Bank has created a provision in the amount of the penalty imposed.

The Polish Financial Supervision Authority informed the Bank that the proceedings for the recognition of the aforementioned application are scheduled to be completed in November 2025.

Administrative proceedings of the Polish Financial Supervision Authority regarding the imposition of penalty due to breach of the provisions of the Act on Trading in Financial Instruments

On 24 January 2025, the Polish Financial Supervision Authority initiated administrative proceedings against BNP Paribas Bank Polska S.A. for the imposition of a penalty under Article 138, section 3, item 3a or Article 138, section 7aa, point 1 of the Banking Law due to a breach of the provisions of the Act on Trading in Financial Instruments.

The proceedings are pending.

Legal risk relating to the portfolio of foreign currency and CHF-denominated loans

Proceedings instigated by the Bank's customers being parties to CHF denominated loan agreements

The gross carrying amount of residential mortgage loans granted to retail customers in CHF as at 30 September 2025 amounted to PLN 311,464 thousand, compared with PLN 406,207 thousand at the end of 2024.

As at 30 September 2025, the number of active foreign currency and CHF-denominated loans amounted to 6 thousand.

As at 30 September 2025, the Bank was a defendant in 6,125 (1,175 new cases in 2025) pending court proceedings (including legally finalised cases, customers brought a total of 10,766 claims against the Bank), in which they demand either that a foreign currency or CHF-denominated mortgage loan agreement be declared invalid or that the agreement be declared permanently ineffective and the amounts paid to date be repaid. The claims are based on the presence of abusive provisions in the agreement which do not allow the agreement to be sustained (Article 3851 of the Civil Code); the Bank is not a party to any collective claim involving such loan agreements.

The total value of the claims asserted in the currently pending cases as at 30 September 2025 amounted to PLN 3,286,507 thousand (PLN 3,495,835 thousand as at 31 December 2024), and in the legally concluded cases to PLN 1,848,810 thousand (PLN 1,141,019 thousand as at 31 December 2024).

By 30 September 2025, in 4,641 finalised proceedings, there were 1,295 judgments in favour of the Bank, including 825 in connection with court settlements, and in 430 in connection with discontinuation of the proceedings. In 3,346 cases the courts ruled against the Bank, declaring the loan agreement invalid or permanently ineffective.

The Bank continuously assesses the impact of legal risk related to pending court proceedings involving denominated or foreign currency loans, taking into account the current status of judgments in cases against the Bank and the line of jurisprudence.

The Polish courts, despite the different indications resulting from the rulings of Court of Justice (EU) (C-19/20 and C-932/19), in the vast majority rule on the invalidity or ineffectiveness of credit agreements.

The total impact of legal risk related to litigation as at 30 September 2025 was PLN 2,973,664 thousand (PLN 3,238,760 thousand as at 31 December 2024), with an impact of PLN 65,290 thousand on the Bank's statement of profit or loss in the three quarters of 2025 (PLN 795,728 thousand in 2024).

Changes in the total impact of legal risk related to litigation in the three quarters of 2025 are presented in the table below (in PLN thousand):

Total impact of legal risk	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Opening balance	3,238,760	3,404,016
Increase in the profit and loss account	379,554	488,018
Utilisation	(656,696)	(662,728)
Foreign exchange differences	12,046	(104,882)
Closing balance	2,973,664	3,124,424

In the three quarters of 2025, the Bank used PLN 227,253 thousand from the estimated impact of legal risk of CHF loans in connection with settlements reached (in the three quarters of 2024, the Bank used PLN 301,003 thousand on this account).

In the three quarters of 2025, the Bank used PLN 429,443 thousand from the estimated impact of legal risk of CHF loans in connection with final judgments received declaring loan agreements invalid (in the three quarters of 2024, the Bank used PLN 361,725 thousand on this account).

The total impact of legal risk related to litigation is presented in the table below (in PLN thousand):

	Gross carrying amount (before adjustment for legal risk)	Impact of legal risk	Gross carrying amount (after adjustment for legal risk)
30.09.2025			
CHF mortgage loans for individuals	1,578,802	1,267,338	311,464
Impact of legal risk recognised as provisions for litigation	-	1,706,326	-
Total impact of legal risk		2,973,664	
31.12.2024			
CHF mortgage loans for individuals	2,080,799	1,674,592	406,207
Impact of legal risk recognised as provisions for litigation	-	1,564,168	-
Total impact of legal risk		3,238,760	

In estimating the impact of legal risk, the Bank takes into account, among others, the number of certificates taken by customers for litigation purposes, the estimated probability of customers filing a lawsuit, the estimated number of future lawsuits, the number of lawsuits filed, the probability of losing a case, and the estimated loss to the Bank in the event of an unfavourable judgment. In addition, the Bank has included in the model the estimated number of settlements that will be made with customers. The amount of the estimated impact of the legal risk associated with the settlements amounted to PLN 127,395 thousand of the total impact estimated.

The Bank estimates the probability of losing a case based on historical judgments, separately for the foreign currency and denominated loan portfolios. Due to the observed volatility in case law, the Bank, when estimating the probability of an adverse judgment, takes into account judgments made after 31 December 2020.

In estimating the loss in the event of a judgment declaring the loan invalid, the Bank assumes that the customer is obliged to return the capital paid out without taking into account other benefits from the consumer (remuneration for the use of the capital or valorisation), that the Bank is obliged to return the sum of the capital and interest instalments repaid together with the statutory default interest awarded and that the Bank writes off the credit exposure. The loss estimate takes into account the time value of money.

The accounting effect of signing a settlement agreement with a customer is the derecognition of a CHF loan, recognition of a new loan in PLN, the recognition of a result from the derecognition and records of settlements with customers.

The accounting effect of the final judgment declaring the loan agreement invalid is the derecognition of CHF loan exposure and the records of settlements with customers due to the invalidity of the agreement.

In the event of a change in the assumed average loss by +/- 5%, with all other significant assumptions unchanged, the amount of the estimated impact would change by +/- PLN 86,759 thousand.

The Bank conducted a sensitivity analysis of the model used to estimate the number of lawsuits lost. A change in this estimate would have the following impact on the estimated loss due to legal risk related to CHF loans.

Parameter	Scenario	Impact on Bank's loss due to legal risk
Percentage of lost cases	+5 p.p.	+PLN 69,940 thousand
	-5 p.p.	-PLN 90,574 thousand

The Bank conducted a sensitivity analysis of the model used to estimate the number of future lawsuits.

A change in the number of future lawsuits would have the following impact on the estimated loss due to legal risk related to CHF loans.

Parameter	Scenario	Impact on Bank's loss due to legal risk
Number of future lawsuits	+20%	+PLN 34,377 thousand
	-20%	-PLN 34,377 thousand

Additionally, according to the Bank's assessment if 1% of customers with CHF loans filed a lawsuit against the Bank, the loss due to legal risk would increase by approx. PLN 26,912 thousand.

When calculating the expected loss on legal risk related to CHF loans, the Bank takes into account the available historical data, including the content of judgments in concluded cases. The Bank monitors the number of collected certificates and the changing number of lawsuits in order to update the estimated impact of legal risk of foreign currency loans accordingly.

The current line of jurisprudence in cases involving actions by CHF borrowers is unfavourable to banks, but nevertheless some legal issues are still not clarified, in particular the qualification of loans as foreign currency loans. The above issues are relevant to the assessment of the risks associated with proceedings involving part of the Bank's portfolio.

The Bank monitors the courts' rulings on an ongoing basis and will adjust the level of estimated impact of legal risk to the current case-law. At the same time, the Bank is aware that the assumptions made are subject to a subjective assessment of the current situation, which may change in the future. In determining the value of the estimated impact of legal risk, the Bank relies on all information available at the date of signing the financial statements.

At the same time, the Bank has taken into account the right to recognise a deferred tax asset in connection with the entitlement to apply a tax preference in respect of settlements falling within the scope of the Ordinance of the Minister of Finance of 11 March 2022, as amended by the Ordinance of 20 December 2022, in force until the end of 2024, on the abandonment of the collection of income tax on certain income (revenue) related to a residential mortgage loan.

As at 31 December 2024, the Bank held assets of PLN 38,165 thousand of which PLN 26,037 thousand was realized in the three quarters of 2025. At the end of September 2025, based on the current estimate of the impact of the legal risk associated with foreign currency loans, the Bank recognises PLN 20,584 thousand in assets with an expected realisation by the end of 2025.

In addition, the Bank based on:

- the ruling of the Supreme Administrative Court on the tax treatment of returned interest related to cancelled foreign currency loan agreements and the foreign exchange differences arising in relation to these loans, recognised in previous years, as well as the individual interpretation, according to which statutory interest for late payment ordered by the court consists of a tax-deductible cost for the Bank on the date of payment and
- analyses made of the impact of the above items on the estimate of deferred income tax,

recognised deferred tax assets.

As at 31 December 2024, the amount of this asset was PLN 143,911 thousand. As at 30 September 2025, the value of the asset in connection with anticipated cancellations is PLN 158,821 thousand.

Case law of the Court of Justice (EU) in 2025

On 19 June 2025, the CJEU issued its ruling in Case **C-396/24** (Lubreczlik) in the mBank S.A. case. In the CJEU's view, the provisions of Directive 93/13 must be interpreted as precluding national case law, when:

- a term of a credit agreement which has been found to be unfair leads to the invalidity of that agreement, the credit institution is entitled to demand from the consumer to repay the entire nominal amount of credit granted, irrespective of any repayments made by the consumer under that agreement and irrespective of the amount still outstanding.
- recognition by the consumer of a claim brought by the trader for reimbursement of sums paid under a credit agreement which has been declared void on account of an unfair term contained therein, the court hearing the case is required of its own motion to make the judgment allowing the claim immediately enforceable, unless national law allows it to take all necessary measures to protect the consumer against particularly harmful consequences which might be caused to him by the imposition of such a judgment.

Supreme Court case law on CHF denominated and foreign currency loans

On 25 April 2024, the entire Civil Chamber of the Supreme Court adopted the so-called 'large resolution on Swiss franc loans issue', resolving the key legal issues, file III CZP 25/22 according to which:

- 1) If a provision of an index-linked or denominated loan agreement relating to the method of determining the foreign currency exchange rate consists of an unauthorised contractual term and is not binding, that provision cannot, in the current state of the law, be regarded as being replaced by another method of determining the foreign currency exchange rate which results from legal or customary provisions.
- 2) If it is not possible to establish a foreign currency exchange rate that is binding on the parties in an indexed or denominated loan agreement, the agreement shall also not be otherwise binding.
- 3) Where, in the execution of a loan agreement which is not binding due to the illegal nature of its terms, the bank has provided the borrower with all or part of the amount of the loan and the borrower has made repayments of the loan, independent claims for the repayment of the wrongful performance arise in favour of each party.
- 4) If a loan agreement is not binding because of the illegal nature of its terms, the limitation period for the bank's claim for repayment of sums paid out in respect of the loan begins, as a general rule, from the day following the day on which the borrower questioned the bank about its bindingness to the terms of the agreement.
- 5) If a loan agreement is not binding because of the illegal nature of its terms, there is no legal basis for either party to claim interest or other remuneration for the use of its funds during the period between the time when the wrongful service was provided and the time when repayment of that service is delayed.

The resolution refers only to the effects of declaring conversion clauses in indexed or denominated loan agreements abusive (without prejudging the abusiveness of such clauses). The resolution does not apply to foreign currency loans, where the conversion clauses are of an optional nature and as such are not necessary for the execution of the loan agreement.

It should be emphasised that the position of the Supreme Court expressed in the justification does not unequivocally resolve previous divergences in case law regarding the definition of a foreign currency loan¹.

However, as the Supreme Court indicated in its reasons for the resolution, this type of credit is not subject to questions from the First President of the Supreme Court.

The Supreme Court noted that in the case of foreign currency loans in which there is no problem of abusiveness in determining the exchange rate at the time of disbursement of the loan by the bank, or in which, as a result of the removal of this abusiveness, the agreement is still in force in a form in which, in principle, repayment of the loan in foreign currency is possible, it may be assumed that Article 358 § 2 of the Civil Code, as the relevant dispositive provision, applies to the conversion of the exchange rate (i.e. the agreement may be continued using the average exchange rate of the National Bank of Poland).

The above approach of the full Chamber of the Supreme Court was reflected in the separate opinion submitted by SSN Dariusz Pawłyszcz to the judgment of the Supreme Court of 25 June 2024, ref. II CSKP 1765/22 (in the Bank case). The judge drew attention to the different construction of the Bank's loan agreements and indicated that Resolution III CZP 25/22 does not apply to foreign currency loans, since under such agreements the possibility of repayment in PLN (using the exchange rate tables of the bank concerned) constitutes only an entitlement of the borrower.

In the case law of common courts, there are also statements which draw attention to the different nature of foreign currency loans and the impact of this qualification on the validity of the agreements. This was stated, i.e., by the Court of Appeal in Warsaw in its final judgment of 5 June 2025, favourable to the Bank, ref. no. VIII ACa 2851/25. The Court emphasised the foreign currency nature of the loan agreement concluded between the Bank and the consumer, stated that there was no violation of consumer interests and confirmed the validity of the loan agreement.

As a result of the CJEU judgment of 19 June 2025 in case **C-396/24** (Lubreczlik), the Supreme Court confirmed the validity of the legal principle set out in the resolution of the entire Civil Chamber of the Supreme Court of 25 April 2024, ref. no. III CZP 25/22, i.e. that if a loan agreement is not binding due to the unlawful nature of its provisions, independent claims for the return of undue provision arise for each party to the agreement. On 6 August 2025, the Supreme Court issued a judgment in case II CSKP 774/23, in which it stated that the theory of two conditions is justified for settlements between the bank and borrowers in the event of the invalidity of a loan agreement. Similarly, the Supreme Court, in a different composition, also ruled in its judgment of 5 September 2025 in case II CSKP 550/24, pointing to the legal principle expressed in point three of the resolution of the full composition of the Civil Chamber of the Supreme Court of 25 April 2024, III CZP 25/22 (similarly, the Supreme Court judgment of 18 July 2025, II CSKP 84/23). Additionally, in its judgment of 10 July 2025, II CSKP 64/23, the Supreme Court indicated that an exception to the legal principle adopted by the full chamber of the Supreme Court is only possible by issuing another resolution in a similar composition (Article 88 of the Supreme Court Act).

¹ Cf. Supreme Court judgment of 20 May 2022, ref. II CSKP 713/22, Supreme Court order of 24 June 2022, ref. I CSKP 2822/22, Supreme Court judgment of 26 January 2023, ref. II CSKP 408/22, Supreme Court judgment of 31 January 2023, ref. II CSKP 334/22, Supreme Court judgment of 15 September 2023, ref. II CSKP 1356/22, Supreme Court judgment of 9 May 2024, ref. II CSKP 2416/22 and Supreme Court judgment of 25 July 2024, ref. II CSKP 1424/22.

As of the end of September 2025, 280 cassation appeals have been filed with the Supreme Court in cases of CHF loans granted by the Bank, 43 appeals have been accepted by the Supreme Court for examination and are awaiting substantive decision, as to 151 cassation appeals, the Supreme Court has issued a decision on refusal to accept for examination. Nine cases have been sent back for examination, while in 18 it dismissed the cassation appeal.

Proposed legislation on specific arrangements for the resolution of matters concerning consumer loan agreements denominated or indexed to CHF

On 30 January 2025, the Ministry of Justice published a draft of an Act on special solutions for the recognition of cases concerning loan agreements denominated or indexed to CHF concluded with consumers. Following the comments submitted during public consultations and the CJEU judgment of 19 June 2025 in case C-396/24 (Lubreczlik), a new draft Act was published on 30 June 2025 followed by another draft on 30 September 2025.

The aim of the proposed Act is to accelerate court proceedings concerning loans denominated or indexed to CHF. The key mechanisms provided for in the draft Act include:

- securing consumer claims (Article 3 of the draft Act) – upon delivery of the statement of claim filed by the consumer to the defendant or upon delivery of the counterclaim filed by the consumer to the claimant, the consumer's obligation to perform under the credit agreement shall be suspended by operation of law until the proceedings are finally concluded,
- set-off defence (Articles 5 and 18 of the draft Act) – change in the time limit for raising a set-off defence in proceedings (until the conclusion of proceedings at second instance),
- counterclaim (Article 8 of the draft Act) – changes the time limits applicable in civil proceedings (in accordance with the general procedure – no later than in the response to the statement of claim) – allows a counterclaim to be filed until the conclusion of the hearing before the court of first instance.

On 2 October 2025, the draft bill was submitted to the Sejm.

On 16 October 2025, the first reading of the draft took place in the Sejm, after which the draft was referred to the Justice and Human Rights Committee.

According to announcements, the law will come into force in the fourth quarter of 2025.

Individual settlements offered by the Bank in cases concerning CHF loans

Since December 2021, the Bank is involved in individual negotiation processes with its customers with whom the Bank is in dispute or about whom there is a reasonable risk of entering into a dispute. The Bank took this parameter into account when updating the total impact of legal risk.

As of 30 September 2025, the Bank has made individual settlement proposals to 14,298 customers (13,915 customers as at 31 December 2024) and 6,967 customers accepted the terms of the proposals presented (6,202 in 2024) out of which 6,518 settlements were signed (5,550 in 2024).

Other significant legal proceedings

Lawsuits concerning mortgage loan agreements with interest rates based on WIBOR

In January 2023, the Bank received the first lawsuits challenging WIBOR and variable interest rate clauses based on the WIBOR reference rate in mortgage agreements. These lawsuits aim to challenge WIBOR as the basis for variable interest rates. In addition, the scope and manner of providing consumers with instructions and information about the volatility of the index, as well as the methods of its calculation and the factors influencing its change, are also being challenged.

By 30 September 2025, the Bank had received a total of 110 lawsuits (two lawsuits were withdrawn). The lawsuits were filed on behalf of consumers and concern mortgage agreements in PLN, only one lawsuit was filed by an entrepreneur and concerns a revolving credit agreement.

In the case of the Bank's products offered to consumers, only mortgage loans and certain products for Wealth customers are based on the WIBOR reference rate. The total value of the subject of litigation in ongoing court proceedings is PLN 28,606 thousand. Most of the court proceedings are pending before the courts of first instance. In nine cases, judgments of the court of first instance favourable to the bank were issued, three of which are legally binding.

Arguments challenging WIBOR as a reference index also arise in debt collection cases brought by the Bank.

The Bank's position is that the clients' claims are unjustified, in particular in view of the fact that WIBOR is an official index whose administrator has received the relevant approvals required by law, among others from the Polish Financial Supervision Authority, and the process of its determination, carried out by the administrator (an independent entity not affiliated with the Bank), is in accordance with the law and is also subject to supervisory assessment by the Polish Financial Supervision Authority. The Commission confirmed WIBOR's compliance with the requirements of the law. An analogous position was also presented by the Financial Stability Committee, which comprises representatives of: the National Bank of Poland, the Polish Financial Supervision Authority, the Ministry of Finance and the Bank Guarantee Fund.

Currently, three preliminary questions related to the WIBOR index have been registered with the CJEU, including one question asked in connection with a case against the Bank (no judgement has yet been issued in any of the cases):

- in case C-471/24 against PKO BP SA (agreement concluded after the entry into force of the BMR Regulation and the Act on Mortgage Credit and Supervision of Mortgage Credit Intermediaries and Agents, hereinafter referred to as the Mortgage Credit Act) questions were asked about the possibility of examining contractual provisions concerning variable interest rates based on the WIBOR index, the bank's information obligations regarding the risk of variable interest rates, and the possibility of continuing the loan agreement based on a fixed margin if the contractual provisions concerning variable interest rates based on WIBOR are considered abusive. On 11 September 2025, the Advocate General's opinion was announced, according to which it is permissible to examine the compliance of contractual provisions concerning variable interest rates with Directive 93/13, the method of determining the WIBOR index cannot be questioned with reference to Directive 93/13, and the bank should provide the consumer with information about the name of the index, its administrator and the effects of an increase in the index on the interest rate on the loan.
- in case C-586/25 against PKO BP SA (agreement concluded before the entry into force of the BMR Regulation and the Mortgage Credit Act) The court asked, among other things, whether, in the light of Directive 93/13, the provision of the loan agreement concerning a variable interest rate based on WIBOR can be considered to be expressed in simple and understandable language, and whether the fact that the variable interest rate on the loan is based on the WIBOR index, the rules for determining which were not based on generally applicable legal provisions but were set by a third party, and the bank had an indirect influence on the level of the index, cause a significant imbalance in the rights and obligations of the parties, and whether, if the contractual provision specifying a variable interest rate based on WIBOR is considered an abusive contractual provision, is it possible to maintain the agreement as a fixed-rate loan based on the bank's margin, or is it necessary to declare the agreement invalid.
- in case C-607/25 against Bank (the question concerns an agreement concluded after the entry into force of the BMR Regulation and the Mortgage Credit Act), the court asked whether national legislation specifying the method of determining the variable interest rate on a mortgage loan as the sum of the margin and the reference rate ensures a genuine balance between the parties, if national law does not specify maximum limits on the permissible increase in the index and maximum limits on the permissible increase in the margin during the term of the agreement, and the maximum permissible interest rate under national law on maximum contractual interest rates may change throughout the term of the agreement.

Litigation and claims of investment fund participants in connection with the performance of the function of investment fund depositary.

As of 30 September 2025, the Bank had received a total of 195 individual lawsuits and 6 collective lawsuits by investment fund participants, related to the performance of the function of investment fund depositary (including the performance of this function by Raiffeisen Bank Polska S.A.).

The total amount of claims under the above-mentioned lawsuits is PLN 210,561 thousand. The total amount of provision is PLN 3,700 thousand.

The first two group lawsuits were filed by participants of the Retail Parks Fund Closed Investment Fund of Non-Public Assets in Liquidation (hereinafter RPF Fund), respectively: on behalf of 397 participants, value of claims: PLN 96,221 thousand and on behalf of 181 participants, value of claims: PLN 25,302 thousand.

Other group lawsuits concern the determination of the Bank's liability for the Bank's operations as depositary of the following funds: 3) PSF 2 Closed Investment Fund of Non-Public Assets (on behalf of 17 fund participants; no indication of the amount of claims), 4) PSF Closed Investment Fund of Non-Public Assets (on behalf of 81 fund participants; no indication of the amount of claims), 5) EPEF Closed Investment Fund of Non-Public Assets (lawsuit filed on behalf of 42 fund participants; the amount of claims – PLN 128 thousand) and 6) PSF Lease Closed Investment Fund of Non-Public Assets (on behalf of 38 fund participants; the amount of claims: PLN 8,988 thousand).

The allegations raised in the lawsuits focus, in particular, on the improper performance by Raiffeisen Bank Polska S.A., and then the Bank, of its obligations to ensure that the value of an investment fund's net assets and the value of net assets per investment certificate are calculated in accordance with the law and the investment fund's statute, and the obligation to verify the compliance of an investment fund's operations with the law governing investment funds or with the statute. The Bank's position is that the claims of fund participants against the Bank are unfounded.

By 30 September 2025, a total of 21 non-final judgments of first instance courts and one final judgment of a second instance court had been issued:

- 1 final judgment unfavourable to the Bank (the Court in the case concerning the InMedica fund awarded the amount of: PLN 64 thousand in favour of the plaintiff due to improper diversification of the fund's assets);
- 21 judgments in favour of the Bank (actions of individual fund participants dismissed due to lack of prerequisites for the Bank's liability for damages).

Court proceedings concerning the institution of free credit sanctions referred to in Article 45 of the Consumer Credit Act of 12 May 2011 ("u.k.k.")

The institution of the sanction of free credit is regulated in Article 45 of the Consumer Credit Act, according to which, in the event of a breach by the creditor of the provisions of the Act listed therein, the consumer, after submitting a written statement to the creditor, shall repay the credit without interest and other credit costs due to the creditor within the time limit and in the manner agreed in the credit agreement, and if no such manner has been agreed, shall repay the credit in equal instalments, payable monthly, from the date of the conclusion of the credit agreement. Pursuant to Article 45(5) of the Consumer Credit Act., the entitlement to the sanction of free credit expires one year after the execution of the credit agreement.

The first lawsuits related to customers' use of the free credit sanction institution started to be received by the Bank in 2021. As at 30 September 2025, the Bank had received 1,278 lawsuits with a total litigation value of PLN 28,775 thousand.

As at 30 September 2025, the value of recognised provisions amounted to PLN 1,483 thousand.

The Bank disputes the validity of the claims raised in these cases. The jurisprudence to date is overwhelmingly in favour of the Bank.

Out of all the cases pending against the Bank: 850 are at first instance, 201 are at the second instance stage, while 227 have been finalised.

The use of the sanction of free credit is also alleged in the Bank's debt collection proceedings. As at 30 September 2025, the plea in question has been raised in 58 such cases.

Legal issues concerning the institution of the sanction of free credit are the subject of numerous preliminary questions addressed by Polish courts to the Court of Justice of the European Union (CJEU), concerning:

- the admissibility of interest on non-interest credit costs and the information obligations incumbent on financial institutions in this regard (C-566/24 and C-744/24),
- the interpretation of the one-year time limit for declaring the sanction of free credit (Case C-566/24),
- the scope of the consumer's information on the early repayment procedure (Cases C-566/24, C-831/24) and the consumer's right of withdrawal (Case C-566/24),
- examination by the court of its own motion of the creditor's infringement of provisions other than those specified in the declaration of free credit (Case C-831/24),
- the permissible method of determining the consideration to which a consumer is entitled under an assignment agreement (Case C-600/24),
- the application of the sanction of free credit in the light of the principle of proportionality (C-566/24, C-831/24),
- the mutual relationship between the abuse regime and the free credit sanction (Case C-429/25),
- the admissibility of applying free credit sanctions in cases where a financial institution has formally fulfilled its information obligation, but the information provided to the consumer was incorrect or unclear (Case C-473/25).

On 24 October 2024, the Court of Justice (EU) handed down its judgment in Case C-339/23 (Horizon). The CJEU ruled that the provisions of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC ("**Directive 2008/48**") allow the Member States to introduce various sanctions for failure to carry out a consumer credit assessment and for breach of the information obligations set out in the Directive. The CJEU did not analyse the Polish legislation or identify a specific sanction for breaching the obligation to carry out a consumer creditworthiness assessment, noting that the choice of sanctions is up to the Member State, provided that they are effective, proportionate and dissuasive. In Article 45 u.k.k., the legislator did not provide for the possibility of applying a free credit sanction for a bank's breach of its obligation to examine the consumer's creditworthiness.

On February 13, 2025, the CJEU issued a judgment in case C-472/23, concerning the impact of overstating the annual percentage rate of charge, i.e., APR (as a result of provisions providing for interest on non-interest costs being declared unlawful), on the breach of the information obligation by the lender, which may result in the application of the free credit sanction, the principles of formulating clauses providing for the conditions for changing fees and commissions, and the proportionality of national regulations providing for a uniform sanction for each breach of information obligations. The CJEU ruled:

1. the fact that the value of the APR quoted in the credit agreement was inflated as a result of the recognition of certain contractual terms as abusive does not in itself constitute a breach of the information obligation imposed on the lender which may result in the application of the free credit sanction,
2. clauses in a credit agreement which provide for a change in the amount of charges payable under the agreement shall be set out in a clear and comprehensible manner, so that a reasonably well-informed and reasonably observant and diligent consumer is able to ascertain the circumstances justifying any increase in charges and the effect of such circumstances on the change in charges,

3. the principle of the proportionality of penalties does not preclude national legislation which, in the event of a breach of an information obligation imposed on the lender, provides for a unified penalty consisting in the removal of the lender's right to interest and charges, irrespective of the individual gravity of such a breach, in so far as that breach is likely to affect the consumer's ability to assess the extent of his obligation.

On 9 October 2025, the CJEU issued a judgment in case C-80/24 concerning the admissibility of the assignment of claims arising from a consumer credit agreement and the obligation of the court to examine the assignment agreement ex officio from the point of view of the unfairness of its provisions. The CJEU ruled that Directive 2008/48 does not preclude national law from allowing a consumer to assign a claim arising from a breach of law to a third party who is not a consumer, and that the provisions of Directive 93/13 do not impose an obligation on the national court to examine ex officio the unfair nature of a term of the assignment agreement if the dispute concerns not that agreement but the consumer's claim against the entrepreneur.

The interpretation of the provisions on the institution of free credit sanctions is also the subject of legal issues referred for consideration by the Supreme Court, concerning: the obligation of the adjudicating court to examine all of the circumstances justifying the application of the free credit sanction (including those not mentioned in the consumer's declaration in respect of the free credit sanction), the interpretation of the one-year time limit for the submission of the declaration on the use of free credit sanctions, the interaction between the abusiveness regime and the free credit sanction, as well as the admissibility of interest on non-interest costs and the possibility of applying free credit sanctions on this account (ref. III CZP 3/25 and III CZP15/25).

52. FINANCIAL RISK MANAGEMENT

CREDIT RISK

Credit risk is inherent in the core financial operations of the Group, the scope of which includes both lending and providing funding with the use of capital market products. Consequently, credit risk is identified as the risk with the highest potential to affect the present and future profits and equity of BNP Paribas. Proof of the key nature of credit risk is its 57% share in the total economic capital estimated by the Group for purposes of covering major risks involved in the Bank's operations, in addition to its 86% share in the total value of regulatory capital.

Credit risk management is primarily aimed at implementation of the Group's strategy through a harmonious increase in the loan portfolio, accompanied by maintenance of the credit risk appetite at an acceptable level.

Credit risk management principles adopted by the Group include:

- each credit transaction requires comprehensive credit risk assessment expressed in internal rating or scoring,
- in-depth and careful financial analysis serves as the basis for regarding the customer's financial information and collateral-related data as reliable; prudential analyses performed by the Group always take into account a safety margin,
- as a rule, financing is provided based on the customer's ability to generate cash flows that ensure payment of liabilities to the Group,
- credit risk assessment is additionally verified by credit risk assessment personnel, independent of the business,
- pricing terms of a credit transaction have to take account of the risk involved in such a transaction,
- credit risk is diversified with regard to geographical regions, industries, products and customers,
- credit decisions may only be taken by competent employees,
- the Group enters credit transactions only with known customers and long-term relationships are the basis for cooperation with customers,
- the customer and the transactions made with the customer are monitored transparently from the perspective of the customer, in a manner strengthening the relationship between the Bank and the customer.

Concentration risk is the Bank's risk inherent to its statutory operations, which is appropriately defined and managed.

The Management Board assesses the concentration risk policy in terms of its application. In particular, it analyses the efficiency and adequacy of the principles applied in the context of the current and planned operations and risk management strategy. The adequacy of the concentration risk management is reviewed if any material changes are observed in the Group's environment or if the risk management strategy is modified. The appropriate assessment of the concentration risk of the Group is highly dependent on correct identification of all key concentration risks.

In justified cases, the Group identifies concentration risk when planning its new activities involving the development and launch of new products, services, expansion to new markets, considerable alterations of products and services or market changes.

Credit portfolio diversification is one of the key credit risk management tools. The Group avoids excessive credit concentration, as it increases the risk. Possible losses pose a considerable threat, and therefore the concentration level should be monitored, controlled and reported to the Group's management. Key concentration risk mitigation tools include risk identification and measurement mechanisms and exposure limits in individual Bank portfolio segments and in subsidiaries. These tools enable internal differentiation of the loan portfolio and mitigation of negative effects of adverse changes in the economy.

A significant concentration area (aspect) is the one whose share in the Group's balance sheet total is equal or higher than 10% or 5% of the net profit planned for a given year. In such cases, a given concentration area (aspect) is subject to analyses, reporting and management under the concentration risk management process.

An important potential source of credit risk is the high concentration of the Bank's credit exposures in individual entities or groups of entities with capital and organisational links. In order to mitigate it, EU Regulation No 575/2013 sets a limit on the Bank's maximum exposure. In accordance with Article 395 of EU Regulation No 575/2013: An institution shall not take on an exposure to a client or group of connected clients the value of which, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403, exceeds 25% of its Tier 1 capital. If such a client is a credit institution or if the group of connected clients includes one or more credit institutions, the value shall not exceed 25% of the credit institution's Tier 1 capital or EUR 150 million, whichever is higher, provided that the sum of the exposure values to all connected clients that are not credit institutions, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403, does not exceed 25% of the credit institution's Tier 1 capital.

As at the end of September 2025: the limits set out in Article 395 of the EU Regulation No. 575/2013 with respect to BNP Paribas S.A Group entities - were not exceeded, the Bank's exposure represented 8.25% of Tier 1 capital on a consolidated basis.

With regard to the limit of exposure to entities outside the BNP Paribas S.A. Group, the limits were not exceeded, the largest exposure represented 19.15% of Tier 1 capital on a consolidated basis.

Concentration risk tolerance in the Group is determined by a system of internal limits, including both assumed development directions and speed of the Group's business, an acceptable level of credit risk and liquidity, as well as external conditions, macroeconomic and sectoral perspective. Among others, internal limits for credit concentration risk are determined for:

- selected sectors / industries,
- exposures denominated in foreign currencies,
- customer segments (intra-bank customer segmentation),
- loans secured with a given type of collateral,
- geographical regions,
- average probability of default,
- exposures with a specified rating (the Group's internal rating scale),
- exposures with a specified debt-service-to-income ratio,
- exposures with a specified loan-to-value ratio.

Activities that limit Group's exposure to concentration risk may include systemic measures and one-off / specific decision and transactions. Systemic measures that limit concentration risk include:

- reduction of the scope of crediting of determined customer types through credit policy adjustment,
- reduction of limits charged with concentration risk,
- diversification of asset types on the level of the Group's statement of financial position,
- change of business strategy to ensure prevention of excessive concentration,
- diversification of accepted collateral types.

The Group's concentration risk mitigation activities of a single/specific decision and transaction nature include the following:

- reduction of further transactions with a given customer or a group of related customers,
- sale of selected assets/loan portfolios,
- securitization of assets,
- establishing of new collateral types (e.g. credit derivatives, guarantees, sub-participation, and insurance contracts) for existing or new credit exposures.

The industry concentration analysis covers all the Group's credit exposures to institutional customers. The Group defines industries based on the Polish Classification of Business Activities. The structure of the Group's exposure to industries analysed at the end of September 2025, is characterised by concentration towards the following industries: Agriculture, Forestry, Hunting and Fishing, Industrial Processing and Wholesale and Retail Trade. At the end of September 2025, the share of Industrial Processing reached 20.8% and decreased by 1.4 p.p. compared to the end of 2024 while the share of the Agriculture, Forestry, Hunting and Fishing industry decreased by 2.4 p.p. compared to the end of 2024 and amounted to 14.4% of industry exposure. In addition, the share of the Wholesale and Retail Trade, including Car Repair industry at the end of September 2025 amounted to 15.3% and was higher by 1 p.p. compared to the end of 2024.

A table showing the breakdown of loans measured at amortised cost and those measured at fair value through profit or loss by industry (gross carrying amount at 30 September 2025 and 31 December 2024) is presented below.

	Gross carrying amount*	Gross carrying amount*	Share of impaired loans	Share of impaired loans
Industry	30.09.2025	31.12.2024	30.09.2025	31.12.2024
INDIVIDUAL CLIENTS	33,831,472	32,858,354	2.2%	2.3%
CORPORATE CLIENTS:	57,535,015	55,453,912	3.6%	3.9%
AGRICULTURE, FORESTRY, HUNTING AND FISHING	8,267,802	9,320,401	4.4%	4.8%
MINING AND QUARRYING	40,345	51,861	1.0%	0.2%
MANUFACTURING	11,990,344	12,310,338	6.5%	5.8%
PRODUCTION AND SUPPLY OF ELECTRICITY, GAS, STEAM, HOT WATER AND AIR CONDITIONING SUPPLY	1,249,664	961,471	0.2%	0.2%
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	148,657	150,724	1.0%	1.9%
CONSTRUCTION	2,865,216	2,369,279	5.6%	6.9%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	8,809,704	7,916,807	3.3%	3.7%
TRANSPORTATION AND STORAGE	2,755,888	2,829,260	3.2%	3.6%
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	427,128	391,006	8.9%	12.4%
INFORMATION AND COMMUNICATION	2,827,728	2,962,091	0.5%	0.6%
FINANCIAL AND INSURANCE ACTIVITIES	2,399,656	3,111,541	0.4%	0.4%
REAL ESTATE ACTIVITIES	6,692,925	6,059,204	3.1%	3.7%
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL ACTIVITIES	3,524,255	3,421,499	1.1%	2.3%
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	3,326,453	1,729,697	0.7%	1.4%
PUBLIC ADMINISTRATION AND DEFENSE; COMPULSORY SOCIAL SECURITY	152,091	59,098	0.9%	0.0%
EDUCATION	267,016	151,045	4.4%	2.6%
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	1,477,115	1,448,251	1.4%	1.4%
ARTS, ENTERTAINMENT, AND RECREATION	84,605	33,657	5.7%	3.0%
OTHER ACTIVITIES	228,423	176,682	3.5%	4.5%
Total	91,366,487	88,312,266	3.1%	3.3%

*Financial data have been rounded and presented in PLN '000, and therefore, in some cases, the totals may not correspond exactly to the total sum.

The Group manages the risk of collateral concentration. For this purpose, the Group introduced limits for the involvement of particular types of collateral, ensuring their appropriate diversification. As at the end of September 2025 and at the end of 2024 the limits were not exceeded.

The structure of overdue receivables

The structure of the loan portfolio (measured at amortised cost and measured at fair value through profit or loss) divided into impaired exposures and not impaired exposures along with the level of arrears in repayment are presented in the tables below.

30.09.2025

Structure of overdue receivables (net balance sheet value)*	without impairment				with impairment	Total
	0 days	1-30 days	31-60 days	61-90 days		
Current account loans	31,242,951	1,121,203	34,995	12,434	619,239	33,030,822
Investment loans	18,116,689	242,310	1,921	66	307,234	18,668,220
Real estate loans for individual customers	20,337,544	54,795	2,271	3,809	104,234	20,502,653
Other loans	10,355,553	61,106	3,109	1,895	173,927	10,595,590
Lease receivables	5,913,432	138,120	22,577	6,173	102,102	6,182,404
Total	85,966,169	1,617,534	64,873	24,377	1,306,736	88,979,689

*Financial data have been rounded and presented in PLN '000, and therefore, in some cases, the totals may not correspond exactly to the total sum.

31.12.2024

Structure of overdue receivables (net balance sheet value)*	without impairment				with impairment	Total
	0 days	1-30 days	31-60 days	61-90 days		
Current account loans	28,580,038	2,191,968	28,600	10,298	571,444	31,382,348
Investment loans	17,639,868	345,646	3,738	2,034	380,194	18,371,480
Real estate loans for retail customers	19,730,330	85,924	6,570	3,061	109,206	19,935,091
Other loans	9,541,295	50,922	4,794	1,315	174,449	9,772,775
Lease receivables	6,196,303	62,499	5,014	2,913	125,599	6,392,328
Total	81,687,834	2,736,959	48,716	19,621	1,360,892	85,854,022

*Financial data have been rounded and presented in PLN '000, and therefore, in some cases, the totals may not correspond exactly to the total sum.

With regard to the mortgage loan portfolio, the Bank defines the DSTI (debt service to income) ratio as the ratio of the total annual cost of servicing credit and non-credit financial commitments (from which the retail customer cannot withdraw, i.e. arising, inter alia, from legislation or having a permanent and irrevocable nature) to the total annual income of the retail customer. In accordance with its mortgage lending policy, the Bank sets maximum levels for the DSTI ratio by following the requirements of Recommendation S. The Bank monitors the level of the DSTI ratio during annual credit policy reviews, as well as in dedicated ad hoc analyses.

At the end of September 2025, the Bank does not observe increased credit risk for new loan production as well as the existing mortgage loan portfolio. Both Vintage ratios and NPL (non performing loan) levels in the mortgage segment are stable at levels no higher than those observed in the Polish banking market.

Due to the ongoing war in Ukraine and the economic sanctions issued against Russia and Belarus, the Bank analysed credit exposures directly related to these countries and, on this basis, did not identify significant exposures in both the corporate and retail portfolios.

At the same time, the Bank monitors the situation of customers on an ongoing basis with a view to securing the loan portfolio and maintaining its high quality. Preventive actions taken in the first quarter of 2022 are continued. As part of these activities, institutional customers whose business activity is:

- linked to the economies of the above countries and thus may be vulnerable to war and imposed sanctions,
- particularly vulnerable to inflation,
- vulnerable to the Russian gas embargo,
- exposed to tightening of the US trade policy.

For the selection of the war-exposed loan portfolio, the Bank takes into account, inter alia, the following factors:

- export/import to/from countries at risk,
- capital or organisational links with Russian or Belarusian citizens,
- transport services provided in countries at risk or logistic channels passing through countries at risk,
- production carried out in countries at risk,
- investments in fixed assets and capital investments in countries at risk,
- existence of commercial contracts in countries at risk (especially construction contracts),
- employment of workers from Russia, Ukraine or Belarus,
- distribution of Russian and Belarusian goods or services (risk of boycott of goods).

In the case of inflation, on the basis of information provided by the Economic and Sectoral Analysis Department, the Bank selected industries that were particularly sensitive. The share of energy and material in operating costs and share of exports in revenue were taken into account. An increased risk threshold was defined for each of these factors. Information on the possibility of passing on price increases to customers was also included in the sensitivity assessment.

For the assessment of the impact of tariffs imposed by the US, the Bank conducted a sectoral analysis based on public data on exports to the US. As a result of this analysis, sensitive sectors were identified and divided into 4 categories: high impact, moderately high impact, moderately low impact, low impact.

The group of customers selected on this basis was subject to further detailed analysis in order to identify activities with a higher level of risk. The risk assessment is updated on a semi-annual basis.

Forbearance practices

The Group treats its exposures as forbore if the obligor is provided with a forbearance due to economic reasons (financial difficulties), including any forbearance granted for exposures with identified impairment triggers. In case the forbearance is granted for a customer with a material economic loss, the Bank classifies such a customer as default.

A facility is understood as the occurrence of at least one of the following events:

- a change to the repayment schedule, especially extending the loan maturity date,
- cancellation of overdue amounts (e.g. capitalization of an overdue amount, which can be repaid at a later date),
- redemption of principal, interest or fees,
- consolidation of loans into one new product, if the amounts of payments of the consolidated loan are lower than the sum of payments of these loans separately before the consolidation occurred,
- decrease of the base interest rate or margin,
- originating a new loan to repay the existing debt,
- conversion of an existing credit,
- amendment or waiver of significant provisions of the agreement (e.g. a condition of the agreement that was breached as a result of financial difficulties),
- additional collateral presented by the Borrower (if present together with another event meeting the definition of a facility) or sale of the collateral agreed with the Bank, with the proceeds from the repayment of the collateral being used to repay the Bank's loan obligation.

The above events are treated as facilities granted for economic reasons only in the situation of customer's current financial difficulties or, in the event of changes on the market environment, or such difficulties may occur in the future.

For retail customers, non-reporting individual farmers and companies with simplified accounting, the event of financial difficulties is identified in a situation when:

- the exposure is subject to debt collection, or
- the exposure is not subject to debt collection but there is evidence (provided by the customer or obtained in the decision-making process) that the customer is facing financial difficulties or may be facing them in the near future.

For other customers:

- the client with the default status, or
- the client with the indicated rating meeting the defined financial criteria.

The Bank also has dedicated criteria regarding financial difficulty for clients from the Real Estate segment.

A material economic loss is defined by the Bank as the drop of present value of expected cash flows, resulting from forbearance granted, equal or higher than 1%. The drop of the present value is calculated in accordance with the below formula:

$$\frac{NPV_0 - NPV_1}{NPV_0}$$

where:

NPV0 – the present value of expected cash flows (including interest and fees / commissions) prior to the introduction of changes in loan terms, discounted with the original effective interest rate,

NPV1 – the present value of expected cash flows (including interest and fees / commissions), after the introduction of changes in the loan terms, discounted using the original effective interest rate. In the case of consolidation of many loans for the original interest rate for the purpose of assessing the significance of economic loss, the average EIR weighted with the exposure's gross carrying amount at the moment of granting the facility is assumed.

The change in the present value of expected cash flows shall be calculated at the level of single exposure.

In justified cases resulting from complex restructuring measures for a given client (e.g. priority repayment of loans with a collateral of a low value), it is permissible to calculate NPV at the level of a client.

The forbore status is no longer assigned if the following conditions have been satisfied:

- exposure reclassified to performing portfolio as a result of the analysis of financial situation (in case of corporate portfolio), which proved that the customer does not meet the criteria for being classified to the impaired portfolio;
- the exposure has not been considered impaired for 24 months in a row;
- none of the exposures to the customer are past due by more than 30 days;
- the obligor has been making regular and considerable payments for at least a half of the trial period.

The revocation of forbore status shall take place in accordance with the aforementioned conditions, while the extension of the period of exit from forbore status shall require a credit decision by the competent credit decision-makers, in other cases the status shall be revoked automatically.

COUNTRY RISK

Within credit risk, the Bank additionally distinguishes country risk, which covers all risks related to conclusion of financial agreements with foreign parties, assuming that it is possible that economic, social or political events will have an adverse effect on creditworthiness of the Bank's obligors in that country or where intervention of a foreign government could prevent the obligor (which could also be the government itself) from discharging his liabilities.

The Bank's policy concerning country risk has been conservative. Country limits have been reviewed periodically and the limit level modified to precisely match the anticipated business needs and risk appetite of the Bank.

As at the end of September 2025, 81% of the Bank's exposures to countries other than Poland were transactions related to the Bank's foreign lending activities, treasury transactions (including placement and derivative transactions) amounted to 12% and the remainder (7%) was foreign trade transactions (letters of credit and guarantees). France concentrated 44% of exposures, Italy 16%, Luxembourg 12%, Germany 7%, Spain and the Netherlands 6% each. The remaining exposures were concentrated around Austria, Turkey, Belgium and Czech Republic.

The Bank had no material credit exposures in Russia, Ukraine and Belarus.

COUNTERPARTY RISK

Counterparty risk is the credit risk concerning the counterparty transactions in case of which the amount of liability may change in time depending on market parameters. Therefore, the counterparty risk is related to transactions on instruments whose value may change over time depending on such factors as interest rates or foreign exchange rates.

The counterparty risk was calculated for the following types of transactions included in the Bank's trading book: foreign exchange transactions, interest rate swap transactions, FX options, interest rate options and commodity derivatives.

At the end of September 2025, the Bank's exposure to the counterparty risk due to concluded derivative transactions was PLN 3 billion. Corporate clients constituted 79% of the exposure, while the remaining 21% were banks.

In connection with the ongoing war in Ukraine and the economic sanctions issued against Russia and Belarus, the Bank observes increased volatility in market risk parameters, which translates into fluctuations in counterparty risk exposure. The Bank assesses counterparty risk on an ongoing basis by conducting reviews of the portfolio of clients in case of whom this risk exists. The Bank maintains the application of its basic principle of "Know Your Customer". Due to the non-standard situation, some clients were asked for additional information related to the change in business. The Bank also takes into account the higher volatility of the above parameters in risk assessment when entering into new transactions.

INTEREST RATE RISK IN THE BANKING PORTFOLIO

As part of interest rate risk management in the banking portfolio, the Group distinguishes structural elements consisting of interest-free current accounts and the Bank's capital as well as other commercial items. In terms of structural elements, the Group secures a significant portion of them by long-term positions (bonds, interest rate exchange transactions). Regarding other commercial items, the Group's intention is to reduce interest rate risk.

Due to the medium- and long-term investments of the structural elements, the Group's supervisory outlier test of interest income sensitivity (SOT NII) remains below 5% of Tier1 capital. At the end of September 2025, the SOT NII stood at 3.03%. At the same time, the supervisory outlier test for the economic value of equity (SOT EVE) remains significantly below the regulatory limit of 15% of Tier1 capital. At the end of September 2025, the maximum SOT EVE was 6.07%.

The use of interest rate limits remained stable in the three quarters of 2025.

In order to limit the volatility of the Bank's result, fair value hedge accounting and cash flow hedge accounting are applied. The type of hedging relationship depends on the current balance sheet structure and the interest rate risk profile of the banking book.

The table below presents - in PLN thousand - the sensitivity of interest income over a one-year period to an immediate shift in market rates by 100 basis points, assuming lack of shifts between deposit products.

Immediate shift of interest rates for all currencies by 100 bps:	30.09.2025	31.12.2024
Up	268,457	318,327
Down	(272,857)	(321,877)
Immediate shift of interest rates for PLN by 100 bps:	30.09.2025	31.12.2024
Up	180,120	239,631
Down	(184,608)	(243,182)

The war in Ukraine did not generally affect the way interest rate risk is managed in the banking book.

Impact of the benchmark reform on BNP Paribas Bank Polska S.A.

In connection with the plan to replace the WIBOR interest rate benchmark with a new reference index, the Polish Financial Supervision Authority established the National Working Group ("NGR") at the request of financial market participants. The work of the NGR is supervised and coordinated by the NGR Steering Committee.

According to the information from the NGR Steering Committee of 25 October 2023, the conversion to a new reference index will be carried out at the end of 2027.

As a result of the review and analysis of alternative indicators for WIBOR carried out in 2024, on 18 December 2024, the NGR Steering Committee selected POLSTR as the target reference index. POLSTR represents the volume-weighted average level of interest rates on PLN deposit transactions concluded at O/N maturity in the wholesale money market, defined as the market for unsecured deposits placed by credit and financial institutions.

The administrator of POLSTR, within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016. (BMR Regulation), is a subsidiary of the Warsaw Stock Exchange S.A. - WSE Benchmark S.A., which has been entered in the register of the European Securities and Markets Authority. Ultimately, POLSTR is expected to become a key interest rate benchmark within the meaning of the BMR Regulation.

The Roadmap for the replacement of WIBOR and WIBID reference indexes, updated on 28 March 2025 by the NGR Steering Committee, sets out standards for the use of POLSTR in banking products, debt instruments and derivatives, and provides for the widespread use of POLSTR on the Polish financial market.

On 2 June 2025, WSE Benchmark S.A. started publishing POLSTR and the compound indices based on it, i.e. the single base index and the compound historical POLSTR values for 1M, 3M and 6M predefined terms. On 1 September 2025, POLSTR obtained the status of a reference index in accordance with the requirements of the BMR Regulation.

On 30 September 2025, GPW Benchmark S.A. announced that it would cease to compile and publish the following WIBID and WIBOR reference rates:

- Overnight (O/N) – as of 1 October 2026,
- Tomorrow/Next (T/N) – as of 22 December 2025,
- 2 weeks (2W) – as of 22 December 2025,

- WIBOR 1Y (1 year) as of 22 December 2025 based on the current method, with WIBOR 1Y being determined from 22 December 2025 to 21 December 2026 on the basis of the algorithmic method based on WIBOR 3M and the adjustment spread.

The announcement also includes information regarding the 1-week (SW) term, which starting from 22 December 2025 will be calculated as an index within the meaning of the BMR. The values of the calculated SW index will not be allowed to be used in contracts and financial instruments as a benchmark within the meaning of the BMR Regulation.

In 2026, the rationale for the occurrence of a regulatory event² is planned to be reviewed. In accordance with the adopted assumptions the occurrence of a regulatory event will result in the issuance of a Regulation of the Minister of Finance indicating the substitute for the key reference index WIBOR and the corrective spread and the date of their application. The Regulation of the Minister of Finance will apply to contracts and financial instruments not subject to contractual conversion. The Roadmap assumes readiness to discontinue the development and publication of WIBID and WIBOR from the beginning of 2028.

Structured work is underway at the Bank to adapt its operations to the changes associated with the replacement of the WIBOR interest rate benchmark. This work is supervised and coordinated by the relevant steering committee. Internal work includes activities related to the planned implementation of the new index in terms of documentation, communication and the Bank's IT systems. Persons designated by the Bank also participate directly in the work of the NGR. Following the decisions of the NGR Steering Committee, the Bank decided to withdraw the WIRON / WIRON compound rate from the Bank's product offering.

As at 30 September 2025 the Bank has identified:

- WIBOR-based financial assets in PLN million by index tenor:

ON	1W	1M	3M	6M	1Y	Total
354	29	12,636	30,417	10,781	15	54,232

- financial liabilities based on WIBOR and WIBID in PLN million, broken down by index tenor:

ON	1W	1M	3M	6M	1Y	Total
3,530	70	4,212	5,610	3	4	13,429

The Bank also had interest rate swaps (CIRS/IRS/FRA) on its banking book based on WIBOR 3M with a total nominal value of PLN 2,355 million, of which PLN 2,355 million under fair value hedge accounting, and based on WIBOR 6M with a total nominal value of PLN 11,288 million, of which PLN 10,538 million under hedge accounting.

The Bank also had financial liabilities based on WIRON of PLN 3 thousand.

In the Bank's perspective, the establishment of an appropriate method for determining spread adjustment and its application, the development of an efficient derivatives market and the issuance of Treasury debt based on a new benchmark are very important elements of the Roadmap. The Bank assumes that the implementation of the Roadmap will significantly reduce the risks related to the reforms that may materialise over time:

- high uncertainty regarding the valuation of on-balance sheet and off-balance sheet items,
- early closure of IRS contracts by central clearing houses in the case of absence of valuation options,
- abrupt and difficult to manage changes in financial institutions' interest rate risk exposures,
- questioning of flows arising from the application of spread adjustments that do not ensure economic equivalence in settlements between parties.

At present, it is not possible to identify any rationale for ending the publication of the EURIBOR index. Thus, the flows resulting from this index are exchanged between the counterparties under the current rules.

² as defined in Article 23c(1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or for measuring the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

MARKET RISK

Market risk exposure in the trading book during the three quarters of 2025 was maintained at a relatively low level. Interest rate risk in the trading book, measured by the sensitivity to a 1 basis point movement in interest rate curves, was in the reported period at a maximum of PLN 74 thousand and PLN 99 thousand for EUR exposures, compared to PLN 69 thousand and PLN 62 thousand respectively in 2024. The average Value-at-Risk measure for interest rate risk in three quarters of 2025 remained at the level of PLN 2.2 million i.e. PLN 0.4 million lower than in 2024. The average utilisation of the Value-at-Risk limit for the open interest rate position in the trading book was at 30% of the allocated limit.

Foreign exchange risk was maintained at a low level, i.e. an average of 12% utilisation of the allocated VaR limit, and, as with interest rate risk, did not make a significant contribution to the overall risk level, which shows that the Bank maintains a relatively low market risk profile. The Bank maintained a small open position in foreign exchange and interest rate options to ensure the serviceability of customer transactions.

LIQUIDITY RISK

During the three quarters of 2025, the Group maintained supervisory measures of short- and long-term liquidity significantly above regulatory and internal limits. The Group's LCR averaged 261.9% during the three quarters of 2025. The maximum LCR was 286.8% and the minimum was 237.1%.

The Bank's main sources of funding are liabilities to customers and the Bank's capital. To a lesser extent, medium and long-term credit lines received, including subordinated loans, mainly from the BNP Paribas Group.

Throughout the period, the Group's liquidity ratios were at a very safe level. At the end of three quarters of 2025, the Group recorded a decrease in corporate deposits of PLN 2.6 billion compared to exceptionally high level at the end of 2024 and an increase in retail deposits of PLN 1.4 billion (from the end of 2024).

The Group's net loans increased by PLN 3.1 billion. In the case of retail customers, there was a slight assets increase and this was mainly due to a small production of mortgage loans.

The Group's objective was to optimise its portfolio of non-bank customer deposits, which are still its primary source of funding.

The impact of the war in Ukraine has not affected the Bank's liquidity position.

OPERATIONAL RISK

The Bank's operational risk is defined in accordance with the requirements of the Polish Financial Supervision Authority included in Recommendation M and the requirements of the CRR Regulation³, as the risk of loss resulting from inadequate or failed internal procedures, human resources and systems or from external events, which includes - but is not limited to - legal risk, model risk and information and communication technology (ICT) risk, but excludes strategic and reputational risk. The Bank also recognises as operational risk events and losses the consequences of the materialization of compliance risk⁴. Operational risk as such is inherent in any banking operations. The Bank identifies the operational risk as permanently significant.

Operational risk management strategy and policy

Operational risk management consists of processes aimed at identifying, analysing, monitoring, controlling, reporting and taking measures to mitigate the occurrence of this type of risk and the losses resulting from it. Such measures take into account the structures, processes, resources and scopes of responsibilities for the said processes at various organizational levels, at three lines of defence.

The operational risk management strategy has been described in the Operational Risk and Internal Control Management Strategy of BNP Paribas Bank Polska S.A., which is reviewed annually and approved by the Management Board of the Bank and accepted by the Supervisory Board. The Operational Risk Policy of BNP Paribas Bank Polska S.A., adopted by the Risk Committee of the Bank, constitutes organizational framework and standards for operational risk management. It addresses all aspects of the Bank's operations, defines the Bank's objectives and the methods of their achievement as regards the quality of operational risk management as well as compliance with legal requirements set out in the recommendations and resolutions issued by national financial supervision authorities and applicable legislation at both national and European Union level.

The Bank's operational risk management objectives include, in particular, compliance with high operational risk management that guarantee security of customer deposits, the Bank's equity, stability of its financial performance as well as maintenance of the operational risk level within the range of the operational risk appetite and tolerance defined by the Bank.

³ 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.

⁴ Compliance risk refers to the risk of negative consequences, including legal and regulatory sanctions, financial penalties and loss of reputation, arising from the Bank's non-compliance with laws, regulations and recommendations of supervisory authorities, ethical and market standards, and internal regulations applicable at the Bank.

When developing the operational risk management system, the Bank complies with the applicable legal requirements, in particular, with the recommendations and resolutions of the Polish Financial Supervision Authority and the standards adopted by the BNP Paribas Group.

In accordance with the Policy, the Bank's operational risk management instruments include:

- identification and assessment of operational risk, including through gathering information on operational events, assessment of the risk in processes and products, operational risk and control self-assessment, operational risk assessment for contracts with external suppliers (outsourcing) and determination of key risk indicators;
- setting the operational risk appetite and limits at the level of the whole Bank and individual business areas; analysing operational risk, including analysis of operational risk scenarios, its monitoring and ongoing control;
- operational risk reporting.

Compliance with the operational risk strategy is verified by the Bank's Management Board periodically and, if necessary, the required adjustments are made in order to improve the processes of operational risk management. To this end, the Management Board of the Bank is regularly provided with information concerning the scale and types of operational risk to which the Bank is exposed, its effects and methods of operational risk management. In particular, both the Bank's Management Board and Supervisory Board are informed on a regular basis of the development of the operational risk appetite measures set out in the Operational Risk Management Strategy.

As part of the implementation of the Operational Risk Management and Internal Control Strategy, the Bank undertook new initiatives and continued a number of operational risk mitigation activities during the three quarters of 2025. Actions were taken to strengthen and improve the quality of processes and to optimise and increase the effectiveness of the internal control environment, including the control mechanisms and processes assigned to this type of risk. For the most part, the Bank focused on strengthening processes and tools for preventing and combating fraud against the Bank, including cybercrime. The measures implemented served, inter alia, on combating credit fraud and reducing the risk of unauthorised transactions, as well as continuing the programme to raise awareness of fraud risks in order to reduce them. The Bank monitored its exposure to legal risk on an ongoing basis, including risks arising from pending litigation on CHF-denominated loans, in order to respond adequately to changes in the level of risk.

Due to the ongoing military conflicts, the Bank monitored potential risks to the Bank on an ongoing basis, including those relating to security and ensuring business continuity.

The Bank's Management Board and the Risk Committee of the Supervisory Board are informed about the effectiveness of the solutions implemented by the Bank in this regard.

External environment, including geopolitical risk

In terms of operational risk management, the Bank continuously analyses the risks associated with the consequences of the war in Ukraine, as well as the growing geopolitical tensions in the Middle East. These events may lead to increased cybercrime activity, physical attacks and disruptions to global supply chains and critical infrastructure, including payment and banking infrastructure. The Bank is taking appropriate measures to ensure the safety of both its employees and customers, as well as to ensure business continuity and the uninterrupted execution of processes related to its operations.

Internal environment

The Bank precisely defines the division of responsibilities for operational risk management, which is adapted to the organisational structure. As part of the second line of defence, comprehensive supervision of the organisation of operational risk management standards and methods is exercised by the Operational Risk, Internal Control and Anti-Fraud Division operating within the Risk area. The Division's responsibilities include operational risk management, anti-fraud issues against the Bank and the supervision of internal controls, including the control of personal data protection processes.

Development and implementation of the Bank's strategy with respect to insurance as a risk mitigation technique is the responsibility of the Bank's Internal Services Division, while the Security and Management of Business Continuity Division is in charge of business continuity management.

As part of the legal risk management process, the Legal Division monitors, identifies and performs analyses of changes to laws of general application and their effect on the Group's operations and is involved in court and administrative proceedings which affect the Group. The Compliance Monitoring Division is responsible for daily non-compliance risk analysis in addition to development of appropriate risk controls and their improvement.

Risk management

The Bank places a strong focus on identification and assessment of the factors that trigger its present exposure to operational risk in relation to banking products. It is the Bank's objective to reduce the operational risk level through improvement of its internal processes as well as mitigating the risk inherent in the process of launching new products and services and outsourcing operations to third parties.

In accordance with the Operational Risk Management Policy of BNP Paribas Bank Polska S.A., the operational risk analysis is aimed at acquiring an understanding of the interdependence between the risk generating factors and operational event types, and it is performed primarily with the objective to define the operational risk profile.

The operational risk profile is an assessment of the level of significance of this risk, understood as the scale and structure of operational risk exposures, determining the exposure levels to this risk (i.e. operational losses), expressed in the structural dimensions selected by the Bank and the scale dimensions. Periodic assessment and review of the Bank's operational risk profile is based on an analysis of the Bank's current risk parameters, changes and risks occurring in the Bank's environment, implementation of the business strategy, as well as the adequacy of the organizational structure and the effectiveness of the risk management and internal control system. The analysis of the operational risk profile also considers the Bank's subsidiaries.

Internal control system

The purpose of internal control is effective risk control, including risk prevention or early detection. The role of the internal control system is to achieve general and specific objectives of the internal control system, which should be considered at the design stage of control mechanisms. The principles of the internal control system are described in the "Policy on internal control at BNP Paribas Bank Polska S.A." document, approved by the Bank's Management Board. This document describes the main principles, organizational framework and standards for the functioning of the control environment at the Bank, complying with the PFSA requirements provided in Recommendation H and the Regulation of the Minister of Finance, Funds and Regional Policy of 8 June 2021 on the risk management system and the internal control system, the remuneration policy in banks. Detailed internal regulations concerning specific areas of the Bank's activity are adapted to the specifics of the Bank's operations. The appropriate organizational units of the Bank, in accordance with the scope of the tasks assigned to them, are responsible for developing detailed regulations relating to the area of internal control.

The internal control system at the Bank is based on the 3 defence lines model, which consists of:

- 1st line of defence, which consists of organizational units from particular areas of banking and support areas,
- 2nd line of defence, which consists of organizational units responsible for risk management, regardless of the risk management related to the first line defence, and the compliance unit,
- 3rd line of defence, which is independent and objective internal audit unit.

The Bank ensures internal control through independent monitoring of compliance with control mechanisms, including on-going verification and testing.

Monitoring and reporting

The Bank periodically monitors the efficiency of the operational risk management system and its appropriateness for its current risk profile. The organization of the operational risk management system is reviewed as part of audits exercised by the Internal Audit Division, which is not directly involved in the operational risk management process but provides professional and unbiased opinions supporting achievement of the Bank's objectives. The operational risk management system is overseen, and its appropriateness and efficiency are assessed by the Supervisory Board.

Subsidiaries

In accordance with supervisory regulations, the Bank oversees the operational risks associated with the activities of its subsidiaries, covering them with an Operational risk management strategy and periodically assessing the consistency of the operational risk management strategies and policies of the entities within the Group. Operational risk management in subsidiaries is carried out within dedicated units/persons appointed for this purpose. The manner and methods of operational risk management in subsidiaries are organised adequately to the scope of activity of an entity and its business profile, in accordance with the rules in force in the Group.

Capital requirements due to operational risk

In accordance with the requirements of CRR3, the Bank determines regulatory capital to cover operational risk on a consolidated basis, based on the new standardised approach to operational risk.

53. CAPITAL ADEQUACY MANAGEMENT

Capital adequacy management is aimed to ensure the Bank's compliance with macro-prudential regulations defining capital requirements related to the risks incurred by the Bank, quantified in the form of the capital ratio.

Since 1 January 2014, banks have been subject to new principles applicable to calculation of capital ratios, following the implementation of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on macro-prudential requirements for credit institutions and investment firms, as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2) in relation to leverage ratio, net stable funding ratio, own funds and eligible liabilities requirements, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements as amended by Regulation (EU) 2024/1623 of the European Parliament and of the Council of May 31, 2024 (CRR3) amending Regulation (EU) No. 575/2013 with respect to requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and minimum capital threshold.

Starting in January 2025, the Bank uses the following methods for determining the capital requirement under Pillar I: the updated standardised approach for credit risk, the new standardised approach for operational risk, and the standardised approach for market risk.

As part of the realized implementation project, the Bank made the necessary adjustments to the calculation of the capital requirement for credit risk, as mentioned below.

- Under the new class of exposures secured by real estate mortgages and ADC exposures, the Bank:
 - implemented new definitions, in particular the concept of exposure related to income-generating real estate (known as IPRE exposure) and exposure related to the acquisition, development and construction of land (known as ADC exposure);
 - developed a data collection process for determining eligibility criteria for mortgage collateral;
 - updated the rules for assigning risk weights and segmenting individual exposures within an exposure class;
 - adjusted the process for the new property valuation rules and updated the internal model for their valuation.
- Under off-balance sheet exposures, the Bank:
 - implemented a process related to the identification of obligations with contractors, according to the new definitions;
 - updated the segmentation of off-balance sheet exposures into new stages and the credit conversion factors (CCFs) assigned to them.
- Under exposures to institutions, the Bank:
 - implemented a new SCRA method for institutions for which it does not have external rating information;
 - updated the rules for assigning risk weights to externally rated institutions.
- Under the specialised financing exposures, the Bank:
 - implemented a process for segmenting specialised finance exposures into appropriate subcategories;
 - adjusted the rules for assigning risk weights and developed a process for collecting project information.
- Under retail exposures, the Bank:
 - identified exposures to the transactor for which it assigns a preferential risk weight;
 - adapted the classification of retail exposures to the updated definition.
- Under equity exposures, the Bank:
 - considered the new treatment of equity exposures in terms of assigning risk weights.

The Bank considers the transitional legislation that allows for a preferential approach for specific exposure classes and rules for assigning a credit conversion factor for off-balance sheet exposures. In addition, the Bank monitors on an ongoing basis the register of documents published by the EBA, which clarify individual issues related to the changes arising from the CRR3 Regulation.

The Bank has also made changes in the area of operational risk, including the implementation of a new standardised method for calculating the operational risk requirement and updating the operational risk management framework by making the necessary regulatory and definition adjustments to the requirements set out in the CRR3 Regulation.

As a result of the postponement of the entry into force of the modified rules for determining the capital requirement for the trading book, under the so-called FRTB (Fundamental Review of Trading Book), the standardised approach will be used for market risk under the rules in force before 1 January 2025. This means that for interest rate risk the requirement is determined on the basis of the maturity approach, the requirement for foreign exchange risk on the basis of the standardised approach and for non-linear risk arising from holding positions in option instruments on the basis of the delta-plus approach.

The implementation of the aforementioned changes to the rules for determining capital requirements (based on data as at 31 December 2024 for the purposes of the calculation) increased risk-weighted assets by PLN 3,340,004 thousand and changed the Group's capital ratios by -46 bps for CET1, -48 bps for Tier 1 and by -60 bps for Total Capital Ratio.

On 23 December 2020, Commission Delegated Regulation (EU) 2020/2176 of 12 November 2020, amending Delegated Regulations (EU) No 241/2014 as regards the deduction of software assets from Common Equity Tier 1 items, entered into force. As at 30 September 2025 the adjustment in Common Equity Tier 1 capital related to other intangible assets amounted to PLN 450,100 thousand.

The capital ratios, capital requirements and equity have been calculated in accordance with the aforesaid Regulation with the use of national options.

Pursuant to the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial sector (Journal of Laws 2015, item 1513, as amended), an additional buffer of 2.5% was introduced starting from 1 January 2019.

The Polish Financial Supervision Authority, in a release dated 20 November 2023, announced that, based on the provisions of the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial system and after taking into account the opinion of the Financial Stability Committee, it confirmed the identification of ten banks as other systemically important institutions (O-SII).

On 16 September 2024, the Bank received for information a request from the Polish Financial Supervision Authority regarding the expression of an opinion by the Financial Stability Committee regarding the amendment of the Commission's decision of 4 October 2016, as amended by the Commission's decision of 19 December 2017, to impose on the Bank (on a consolidated and individual basis) a buffer of another systemically important institution equivalent to 0.25% of the total risk exposure amount calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013. By its decision of 6 December 2024, the Polish Financial Supervision Authority amended the decision of 4 October 2016 imposing on the Bank a buffer of another systemically important institution in an amount equivalent to 0.50% of the total risk exposure amount calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

The Polish Financial Supervision Authority, by letter dated 16 December 2024, informed that in the supervisory assessment process the Bank's sensitivity to the possible materialisation of stress scenarios affecting the level of own funds and risk exposures was evaluated as low. On the basis of the 2024 supervisory stress tests conducted by the Polish Financial Supervision Authority and in accordance with the instruction, the total capital charge recommended under Pillar II offset by the capital buffer requirement was set at 0.00 p.p. on a separate and on a consolidated basis.

The Bank-specific countercyclical buffer rate, determined in accordance with the provisions of the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial system, as a weighted average of the countercyclical buffer rates applicable in the jurisdictions where the Bank's relevant credit exposures are located, was 1% at 30 September 2025.

The value of the ratio was affected by the application, as at 30 September 2025, of the countercyclical buffer for credit exposures in the Republic of Poland, which, pursuant to the Regulation of the Minister of Finance of 18 September 2024, increased from 0% to 1%.

By a decision dated 31 December 2024, the Polish Financial Supervision Authority approved the Bank's classification of capital instruments constituting series A capital bonds with ISIN code PLO164300017, in the number of 1,300 (in words: one thousand three hundred) units, with a nominal value of PLN 500,000 each, and with a total value of PLN 650,000,000, as Additional Tier 1 (AT1) equity instruments. The Capital Bonds issued by the Bank on 28 November 2024 are instruments with no fixed maturity date, entitling the Bank to receive interest for an indefinite period, subject to the Bank's ability to redeem them early under the terms and conditions of issue. The Capital Bonds have been acquired exclusively by BNP Paribas S.A., based in Paris.

Pursuant to the Resolution of the Bank's Annual General Meeting of Shareholders of 15 April 2025, the net profit generated in 2024 in the amount of PLN 2,320,798 thousand was allocated to the payment of dividend in the amount of PLN 1,162,341 thousand, PLN 658,457 thousand was allocated to the reserve capital and remaining part in the amount of PLN 500,000 thousand remained undistributed profit.

On 11 August 2025, the Polish Financial Supervision Authority approved the classification by the Bank of the Series B equity bonds issued by the Bank on 6 June 2025 with a total nominal value of EUR 160,000,000 as Tier II instruments. On 12 August 2025, the Polish Financial Supervision Authority approved the repayment by the Bank of Tier II instruments before their contractual maturity in the form of a subordinated loan dated 10 December 2018 with a total nominal value of EUR 40,000,000, a subordinated loan dated 15 November 2012, as amended by an annex dated 20 November 2017, with a total nominal value of CHF 60,000,000 and a subordinated loan dated 15 November 2012, as amended by an annex dated 20 November 2017, with a total nominal value of EUR 60,000,000. The Bank's approval of the qualification of series B equity bonds issued by the Bank on 6 June 2025 and the implementation of early repayments of the subordinated loans described above resulted in an improvement in the consolidated and individual total solvency ratio TCR by 0.31 p.p. (estimate on the basis as at 30 June 2025).

The Tier I capital ratio and total capital ratio (TCR) on a consolidated basis were above the mandatory requirements applicable to the Capital Group as at 30 September 2025.

At the same time, the Capital Group complies with the legal requirements under the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial sector.

30.09.2025	The minimum supervisory consolidated capital adequacy ratios of the Group	Consolidated capital adequacy ratios of the Group
CET I	8.50%	13.50%
Tier I	10.00%	14.15%
Total Capital Ratio	12.00%	17.51%

31.12.2024		
CET I	7.50%	13.10%
Tier I	9.00%	13.80%
Total Capital Ratio	11.00%	17.20%

Requirement of a minimum level of own funds and eligible liabilities (MREL)

On 20 June 2023, the Bank received a letter from the BGF regarding the joint decision of the resolution authorities, i.e. the Single Resolution Board ("SRB") and the BGF on the minimum level of own funds and eligible liabilities ("MREL").

The joint decision indicates that the Group's restructuring plan envisages a Single Point of Entry (SPE) strategy for the mandatory restructuring. The Group's preferred tool for mandatory restructuring is the open bank bail-in tool).

On 8 May 2025 the Bank received an updated letter from the BGF regarding the MREL requirement. The MREL requirement for the Bank has been set at an individual level at 15.93% of the total risk exposure ("TREA") and 5.91% of the total exposure measure ("TEM"). This requirement is binding from 8 May 2025.

MREL requirement applies at individual level.

The entire MREL requirement should be met in the form of own funds and liabilities meeting the criteria set out in Article 98 of the BGF Act, which transposes Article 45f (2) BRRD. According to the BGF's expectations, the part of MREL corresponding to the recapitalisation amount ("RCA") will be met in the form of AT1, T2 instruments and other subordinated eligible liabilities acquired directly or indirectly by the parent company. The Bank meets the mentioned requirement.

At the same time, the BGF indicated that Common Equity Tier 1 ("CET1") instruments held by the Bank for the purposes of the combined buffer requirement cannot be counted towards the MREL requirement expressed as a percentage of TREA. This rule does not apply to the MREL requirement expressed as a TEM percentage.

As of 30 September 2025, the Bank meets the defined requirements of MREL-TREA and MREL-TEM.

54. MANAGEMENT OF BNP PARIBAS BANK POLSKA S.A.

Composition of the Bank's Supervisory Board as at 30 September 2025:

FULL NAME	OFFICE HELD IN THE SUPERVISORY BOARD OF THE BANK
Lucyna Stańczak-Wuczyńska	Chairman of the Supervisory Board independent member
Francois Benaroya	Vice-Chairman of the Supervisory Board
Jean – Charles Aranda	Member of the Supervisory Board
Małgorzata Chruściak	Independent Member of the Supervisory Board
Sophie Heller	Member of the Supervisory Board
Monika Kaczorek	Independent Member of the Supervisory Board
Bożena Leśniewska	Independent Member of the Supervisory Board
Vincent Metz	Member of the Supervisory Board
Piotr Mietkowski	Member of the Supervisory Board
Khatleen Pauwels	Member of the Supervisory Board
Jacques Rinino	Independent Member of the Supervisory Board
Mariusz Warych	Member of the Supervisory Board

Changes in the composition of the Supervisory Board in the period from 1 January to 30 September 2025:

- On 15 April 2025, the Bank's Annual General Meeting of Shareholders appointed Ms Bożena Leśniewska as an independent member of the Bank's Supervisory Board, with effect from 15 April 2025 until the end of the current five-year joint term of office of the Supervisory Board members,
- On 28 April 2025, Mr Mariusz Warych resigned from the position of a Chairman of the Audit Committee of the Supervisory Board as of 28 June 2025,
- On 6 May 2025, Mr Francois Benaroya resigned from the position of a Member of the Audit Committee of the Supervisory Board as of 28 June 2025,
- On 7 May 2025, the Bank's Supervisory Board appointed Mr Jacquesa Rinino as a Member of the Audit Committee of the Supervisory Board as of 28 June 2025,
- On 7 May 2025, the Bank's Supervisory Board appointed Mrs Monika Kaczorek as a Chairwoman of the Audit Committee of the Supervisory Board as of 28 June 2025.

Composition of the Bank's Management Board as at 30 September 2025:

FULL NAME	OFFICE HELD IN THE MANAGEMENT BOARD OF THE BANK
Przemysław Gdański	President of the Management Board
André Boulanger	Vice-President of the Management Board
Małgorzata Dąbrowska	Vice-President of the Management Board
Wojciech Kemblowski	Vice-President of the Management Board
Piotr Konieczny	Vice-President of the Management Board
Magdalena Nowicka	Vice-President of the Management Board
Volodymyr Radin	Vice-President of the Management Board
Agnieszka Wolska	Vice-President of the Management Board

There were no changes to the composition of the Bank's Management Board in the period of 1 January - 30 September 2025 and until the publication of this report.

On 21 October 2025, Mr Andre Boulanger resigned from the position of Vice-President responsible for the CIB Area as of 31 December 2025.

55. MAJOR EVENTS IN THE BNP PARIBAS BANK POLSKA S.A. CAPITAL GROUP IN THE THREE QUARTERS OF 2025

14.03.2025	Individual Recommendation from the Polish Financial Supervision Authority (PFSA) regarding the fulfilment of criteria for the payment of a dividend up to 50% of the net profit generated in 2024. Additionally, due to the good quality of the loan portfolio, the potential dividend payout rate was increased to 75%.
27.03.2025	Information on the amount of the annual contribution to the bank resolution fund for 2025, set by the Bank Guarantee Fund (BGF) for the BNP Paribas Bank Polska S.A., in the amount of PLN 156,118 thousand.
7.04.2025	Issuance of Series M shares under conditional share capital increase and change in the value of share capital of BNP Paribas Bank Polska S.A. Pursuant to the relevant statements of the National Securities Depository (KDPW) and resolutions of the Management Board of the Warsaw Stock Exchange (WSE) - the Bank's current report No. 9/2025 – on 7 April 2025, the following registration with the KDPW and the admission to trading by the WSE took place: - 20,223 ordinary bearer shares of the Bank, series M (Series M Shares) with a nominal value of PLN 1 each and the recording of these shares in the securities accounts of the entitled persons. Series M shares were issued as part of a conditional increase in the Bank's share capital pursuant to Resolution No. 5 of the Bank's Extraordinary General Meeting of Shareholders of 31 January 2020, as amended by Resolution No. 37 of the Bank's Annual General Meeting of Shareholders of 29 June 2020. Series M shares were subscribed for in exercise of the rights under Series A5 registered subscription warrants subscribed for earlier, each of which entitled to subscribe for one Series M share. Pursuant to the second sentence of Article 451 § 2 of the Commercial Companies Code, the award of Series M Shares became effective upon their entry in the securities accounts of the entitled persons. Accordingly, pursuant to Article 451 § 2 in conjunction with Article 452 § 1 of the Commercial Companies Code, the rights were acquired from 20,223 Series M Shares with a nominal value of PLN 20,223 and an increase in the Bank's share capital from PLN 147,799,870 to PLN 147,820,093 which is divided into 147,820,093 shares with a nominal value of PLN 1 each.
8.04.2025	Issuance of Series N shares under conditional share capital increase and change in the value of share capital of BNP Paribas Bank Polska S.A. Pursuant to the relevant statements of the National Securities Depository (KDPW) and resolutions of the Management Board of the Warsaw Stock Exchange (WSE) - the Bank's current report No. 11/2025 – on 8 April 2025, the following registration with the KDPW and the admission to trading by the WSE took place: - 60,398 ordinary bearer shares of the Bank, series N (Series N Shares) with a nominal value of PLN 1 each and the recording of these shares in the securities accounts of the entitled persons. Series N shares were issued as part of a conditional increase in the Bank's share capital pursuant to Resolution No. 39 of the Bank's Annual General Meeting of Shareholders of 27 June 2022. Series N shares were subscribed for in exercise of the rights under Series B2 registered subscription warrants subscribed for earlier, each of which entitled to subscribe for one Series N share. Pursuant to the second sentence of Article 451 § 2 of the Commercial Companies Code, the award of Series N Shares became effective upon their entry in the securities accounts of the entitled persons. Accordingly, pursuant to Article 451 § 2 in conjunction with Article 452 § 1 of the Commercial Companies Code, the rights were acquired from 60,398 Series N Shares with a nominal value of PLN 60,398 and an increase in the Bank's share capital from PLN 147,820,093 to PLN 147,880,491 which is divided into 147,880,491 shares with a nominal value of PLN 1 each.

15.04.2025	The Annual General Meeting of Shareholders of BNP Paribas Bank Polska S.A. Adoption of a resolution regarding, among others, the dividend payment for 2024 in the amount of PLN 1,162,340,659.26, i.e. PLN 7.86 per share. The dividend covers all shares issued by the Bank, i.e. 147,880,491 shares. Dividend date: 22 April 2025, dividend payment date: 9 May 2025.
29.04.2025	Entry into the National Court Register of amendments to the Articles of Association of BNP Paribas Bank Polska S.A. i.e. increase of the Bank's share capital up to PLN 147,880,491 as a result of subscription of Series M shares and Series N shares by eligible persons under the conditions specified in § 29a Section 2 item d) and § 29b Section 2 item a) of the Articles of Association of BNP Paribas Bank Polska S.A.
9.05.2025	Determination of the minimum level of own funds and eligible liabilities (MREL) for BNP Paribas Bank Polska S.A. The MREL requirement for the Bank has been set at an individual level at 15.93% of the total risk exposure (TREA) and 5.91% of the total exposure measure (TEM). The Bank was required to meet the requirement immediately upon receipt of the information. As of the date of receipt of the BGF's letter, the Bank was in compliance with the MREL requirements set forth in the body of the letter.
2.06.2025	Issuance of Tier II Capital Bonds BNP Paribas S.A., Paris, has accepted the proposal to purchase capital bonds referred to in Article 27a of the Act of 15 January 2015 on the bonds (the 'Bonds') presented by BNP Paribas Bank Polska S.A. The total nominal value of the Bonds is EUR 160,000,000, and the nominal value of one Bond is EUR 100,000. The redemption date of the Bonds will be 6 June 2040. The interest rate on the Bonds was determined based on the cumulative daily €STR rate plus a margin. The interest rate was determined on market terms. The terms and conditions of the Bonds provide for the possibility of their early redemption by the Bank after 10 years from the date of issue, subject to obtaining the relevant approval of the Polish Financial Supervision Authority (PFSA). On 11 August 2025, the Polish Financial Supervision Authority approved the classification of the above Capital Bonds as Tier II capital instruments. The funds obtained from the issue of the Bonds replaced funds from subordinated loans in the amounts of EUR 60,000,000, CHF 60,000,000 and EUR 40,000,000 (as of which the Bank informed in current reports 'RB 24/2017' of 20 November 2017 and 'RB 76/2018' of 10 December 2018). The loans were subject to prudential amortization and were repaid in September 2025.
10.09.2025	Rating action taken by Fitch Ratings – change in the outlook for the Bank's Long-Term Issuer Default Rating ("IDR") from "Stable" to "Negative" and confirmation of the Long-Term IDR and Shareholder Support Rating ("SSR") at "A+" and "a+", respectively. The change in the Bank's rating outlook is a consequence of the revision of Poland's outlook in the domestic currency category in the Long-Term Issuer Default Rating from 'Stable' to 'Negative'. The Bank's ratings are limited to two notches above the rating for Poland ('A-/Negative') due to the inclusion of country risk, which, in the Agency's opinion, may limit the Bank's ability to obtain support from its parent company in the event of a crisis. Below is the full list of rating actions, according to Fitch's announcement: • Long-Term Issuer Default Rating (LT IDR) was confirmed at 'A+' with a negative outlook, • Short-Term Issuer Default Rating (ST IDR) was confirmed at 'F1', • National Long-Term Rating (Natl LT) was confirmed at "AAA (pol)" with a stable outlook, • National Short-Term Rating (Natl ST) was confirmed at "F1+(pol)", • Viability Rating (VR) remained unchanged at "bbb-", • Shareholder Support Rating (SSR) was confirmed at "a+".

12.09.2025 Request by the Polish Financial Supervision Authority for the Financial Stability Committee to issue an opinion on setting the buffer for another systemically important institution (O-SII) for BNP Paribas Bank Polska, which, according to the rules set out in the methodology established by the Polish Financial Supervision Authority, should be set at 0.25% of the total risk exposure amount.

The current O-SII buffer is set for the Bank at an amount equivalent to 0.50% of the total risk exposure amount.

Changes in the composition of the Bank's Supervisory Board in 2025 were described in Note 54 Management of BNP Paribas Bank Polska S.A.

56. FACTORS WHICH, IN THE BANK'S OPINION WILL AFFECT THE RESULT OF THE CAPITAL GROUP IN THE PERSPECTIVE OF AT LEAST THE FOLLOWING QUARTER

Key external factors that the Bank believes may affect the Group's performance in the following periods include:

- US trade policy.** Since Donald Trump took office as the President of the United States, one of the main topics has been the issue of trade tariffs. Initially, at the beginning of April this year, retaliatory tariffs were announced, as a result of which imports from 75 countries were subject to additional tariffs. The tariff rate for the European Union was set at 20%. However, the deadline for the introduction of tariffs was postponed several times in order to work out new trade agreements with the US. At the end of July, President Donald Trump announced that the United States had reached a trade agreement with the European Union after a key conversation with European Commission President Ursula von der Leyen a few days before the 1st August deadline for introducing tariffs. The agreement imposes a 15% tariff on the majority of EU exports to the United States, including the automotive industry. The compromise reached allowed to avoid the worst-case scenario, i.e. a trade war. However, its uneven nature may weaken the competitiveness of the European economy. The United States is the largest foreign buyer of goods produced in the EU (accounting for approximately 20% of non-EU exports). In 2024 alone, exports from the EU to the US amounted to almost EUR 600 billion. At the same time, sales across the Atlantic account for only 3% of the EU's total GDP. The impact of a decline in American demand for EU goods would also likely be felt indirectly through its impact on employment and corporate profits in Europe. Among the countries most vulnerable to the negative impact of US tariffs are Ireland, Belgium, Slovakia, the Netherlands and Germany. Poland is not among these countries. The United States is only the eighth largest recipient of Polish exports, accounting for approximately 3% of total foreign sales. As a result, American demand accounts for only 1.5% of Poland's GDP.
- The war in Ukraine.** At present, it seems that the direct effects of the war are gradually fading. Energy prices, although still higher than before the war, are now more stable, and Polish industry and the labour market have adapted to the new operating conditions. However, the war continues to affect fiscal policy. In 2025, defence spending is expected to fluctuate around 5% of GDP.
- Global economic situation.** According to the October edition of the World Economic Outlook by the International Monetary Fund (IMF), global economic growth will amount to 3.2% in 2025 and 3.1% YoY in 2026, which is slightly more than assumed in the April edition of the report. The improved forecasts were driven, among other things, by lower than originally expected tariff rates in the US. However, the IMF assesses the macroeconomic environment as unstable. The Fund forecasts a significant slowdown in growth in the United States from 2.8% in 2024 to 2.0% in 2025, as well as a recovery in the euro area and an acceleration in real GDP growth from 0.9% to 1.2%. At the same time, the IMF believes that inflation will continue to decline worldwide, although the scale of this trend will vary from country to country. For Poland, the IMF forecasts that GDP will grow by 3.2% in 2025. At the same time, average annual inflation will remain slightly above the NBP's inflation target this year, at 3.8%.

- Monetary policy by major central banks.** Apart from the geopolitical situation, the main factor affecting the global recovery rate is the policy of major central banks. Since June this year, the ECB Governing Council maintained the interest rate at a constant level of 2.0%. The statements accompanying the June meeting seem to suggest that after eight interest rate cuts totalling 200 basis points, the cycle of monetary policy easing in the euro area is coming to an end or has already ended. ECB President Christine Lagarde stated during her September conference that the ECB is currently 'in a good position', although she did not confirm that the cycle of monetary policy easing has definitely ended. Meanwhile, in the United States, the Federal Open Market Committee (FOMC) reduced interest rates by 25 basis points in September, as expected. The main argument for lowering interest rates was the deterioration of the labour market. During his speech, Fed Chairman Jerome Powell signalled that the balance of risks in the economy had changed, suggesting that concerns about employment were stronger than concerns about a possible consolidation of inflation at higher levels. Therefore, it appears that monetary policy easing in the United States will continue in the coming months. BNP Paribas Markets 360 analysts predict two more interest rate cuts in the US this year, each by 25 bp, in October (29 October) and December (10 December).
- National Bank of Poland activities.** In October, the Monetary Policy Council (MPC) decided on a further adjustment of the reference rate and lowered it by 25 basis points to 4.50%. Since the beginning of monetary policy easing, the Council has decided on four cuts totalling 125 bp. Council members, led by the President Adam Glapiński, continue to emphasise that the decisions taken are not part of a cycle but rather an adjustment to current macroeconomic conditions. However, taking into account the forecasts prepared by NBP analysts and presented in July (the next report will be published in November), there is a space for further interest rate cuts. The main factor in favour of the continuation of monetary policy easing is the optimistic inflation outlook. According to the current projection by NBP analysts, consumer price growth is expected to average 3.9% this year, 3.1% next year and 2.4% in 2027. At the same time, this means that from July this year until the end of the projection period, CPI inflation will remain within a range of 2.5% +/-1 p.p. within the fluctuation range from the central bank's inflation target. Although the exact trajectory of interest rate cuts from the current level is subject to considerable uncertainty, we estimate that at the end of the year the main interest rate will be in the range of 4-4.50%. Next year, we expect the reference rate to be lowered to 3.50%.
- The behaviour of the Polish zloty against key currencies.** Between July and September, the EUR/PLN exchange rate fluctuated within a narrow range between 4.24 and 4.29. Lower volatility was also observed in the USD/PLN pair, which fluctuated around 3.60-3.70 in the third quarter. The situation on the global market and the behaviour of the main currency pair, EUR/USD, had a significant impact on the Polish zloty exchange rate. Recently, the single European currency has been gaining against the dollar, which has translated into the strength and stability of the Polish zloty. In our opinion, solid economic growth should be a factor supporting the PLN in the coming months. As a result, we forecast that the EUR/PLN exchange rate will remain around the level of 4.25 in the fourth quarter of this year.
- Economic activity in Poland.** In the second quarter of 2025, Poland's Gross Domestic Product increased by 0.8% QoQ and 3.3% YoY. The main driver of economic growth in the spring was household consumption, which increased by 4.5% YoY. Gross capital expenditure was significantly lower, falling by 0.7% YoY. Given that investment expenditure by large and medium-sized enterprises (employing more than 49 people) increased by over 1% during this period, the weaker investment was most likely due to lower expenditure by households and the government sector. Public consumption increased by only 2% YoY, which was partly due to smaller wage increases in the public sector than last year. Based on monthly data on economic activity, it can be assumed that GDP growth accelerated slightly in the third quarter, and the volume of goods and services produced in July-September may have increased by about 3.5% YoY. In our opinion, GDP growth for the whole year will amount to 3.5%.
- Inflation trajectory.** In the third quarter of 2025, CPI inflation in Poland continued to slow down gradually. In the period from July to September, price growth amounted to 2.9% compared to 4.1% in the period from April to June. At the same time, core inflation slowed down from 3.4% to 3.2%. In the coming months, core inflation will continue to slow down gradually, supported by solid but not particularly rapid GDP growth and declining wage growth. Labour costs will grow at a slower pace in the coming months, as indicated, among other things, by business surveys.
- Imbalance in public finances.** According to data from the Central Statistical Office (GUS), the public finance deficit in Poland increased to 6.6% of GDP in 2024, compared to a deficit of 5.3% of GDP in 2023. The state budget deficit in the period January-September amounted to over PLN 200 billion, and the Ministry of Finance estimates that the ratio of the general government deficit to GDP will amount to 6.9% for the whole year. The outlook for next year appears equally concerning. According to the draft budget act for the coming year, the deficit of the entire government and local government sector will amount to 6.5% of GDP. The increase in the deficit that Poland has been recording since 2024 is caused, among other things, by increased defence spending, higher social security expenditures and wage increases in the public sector. According to the European Commission, accumulated high fiscal deficits and lower nominal GDP growth will increase the public debt-to-GDP ratio in the coming years from 55.3% in 2024 to 62.4% in 2025. The increase in the debt ratio will be an additional argument in favour of budgetary discipline in the coming years.

- **Sentiment on major financial markets.** In recent months, sentiment on the stock markets has been determined by US trade policy and new information on the level of country specific tariffs. Currently, it seems that the markets are no longer as sensitive to further news of tariff increases. Nevertheless, if the actions of Donald Trump's administration contribute to a deterioration in relations or even a trade conflict, this will have an impact on both the stock and currency markets. The next steps taken by the ECB and the Federal Reserve will also be important from the point of view of the financial markets. Locally, the war in Ukraine also has a significant impact on stock market sentiment. The prospect of a freeze on military action could have a positive effect on domestic assets. An escalation of the situation, on the other hand, would have a negative impact on the domestic market.
- **WIBOR-based loans.** The dispute over WIBOR-based loans gained media attention at the end of 2022. In July 2023, the Polish Financial Supervision Authority (PFSA) published a statement emphasising that, in its opinion, there were no grounds for questioning the credibility and legality of WIBOR, particularly in the context of its use in mortgage agreements denominated in Polish currency. According to data from the Polish Bank Association (ZBP, as at the end of September 2025), there were nearly 2,400 court proceedings in which customers challenged contractual provisions setting interest rates based on the WIBOR index. The most important interest rate index for variable-rate PLN loans was removed from a loan agreement for the first time in history by a court in Suwałki on 4 October 2024 (non-binding judgment). According to experts, including the ZBP, this ruling does not constitute a risk to the existing line of jurisprudence. In all legally binding proceedings, rulings favourable to banks have been issued. On 11 September 2025, the Advocate General of the Court of Justice of the European Union stated in a preliminary ruling that the WIBOR index was correctly determined in loan agreements. He also found no irregularities in the information obligations fulfilled by banks. More detailed information is presented in note 51 Litigation, claims and administrative proceedings.
- **Draft of a new Swiss franc act.** On 30 January 2025, the Polish Ministry of Justice published a draft act on special solutions for hearing cases concerning consumer loan agreements denominated or indexed to the Swiss franc. On 2 October 2025, the draft act was submitted to the Sejm, and the first reading took place on 16 October 2025. According to announcements, the act will enter into force in the fourth quarter of 2025. More detailed information is presented in note 51 Litigation, claims and administrative proceedings.
- **POLSTR benchmark interest rate.** Following the decision not to designate WIRON as the successor to WIBOR in 2022, after two rounds of consultations in 2024, the National Working Group (NGR) presented WIRF as the new benchmark. In accordance with the decision of the NGR Steering Committee of 24 January 2025, the technical name WIRF was changed to POLSTR (Polish Short-Term Rate). On 1 September 2025, POLSTR became an interest rate benchmark within the meaning of the EU BMR Regulation. According to the Ministry of Finance (MF), the first issue of treasury bonds based on the new index is to take place in December 2025. In accordance with the assumptions of the reform, at the beginning of 2026, short-term credit products for businesses (capital companies) with interest rates based on the POLSTR index are to be offered on the market, and from the second quarter of 2026, the sale of credit products for individual, corporate and institutional customers with interest rates referring to this index. By the end of 2027, pursuant to a regulation of the Minister of Finance, all WIBOR-based agreements and financial instruments are to be converted to the POLSTR index. Until then, both indices are to function in parallel.
- **Long-term financing ratio.** In 2023, the Polish Financial Supervision Authority announced that in order to change the structure of mortgage financing, it plans to introduce a Long-Term Financing Ratio for banks. The proposed changes are aimed at reducing the risk associated with the structure of mortgage financing by increasing the financing of long-term mortgages primarily with long-term debt instruments. On 17 July 2024, the PFSA announced that it had adopted the Long-Term Financing Ratio Recommendation concerning the Long-Term Financing Ratio and expects that from the end of 2026, banks will be required to maintain this ratio at a minimum level of 40%.
- **Operational digital resilience.** According to a report by Check Point Software Technologies, the financial sector ranks second in terms of the frequency of hacker attacks in Poland. With the growing importance of digital channels in customer relations, banks are particularly vulnerable to cyber risks. This risk has been intensified as a result of the outbreak of war in Ukraine in February 2022. In response to growing cyber threats, the European Commission's 'DORA' (Digital Operational Resilience Act) regulation came into force in 2023. The main objective of the regulation is to counteract the systemic risk posed by key ICT service providers in the financial sector. The regulation consolidates regulatory requirements and introduces direct supervision of ICT providers by European financial supervisory authorities. The obligations imposed on the sector by DORA came into force on 17 January 2025. Pursuant to the Act of 25 June 2025 amending certain acts in connection with ensuring the operational digital resilience of the financial sector and the issuance of European green bonds, Polish law was implemented and adapted to the DORA Regulation. In accordance with the amendments, supervisory competences in this area were granted to the Financial Supervision Authority.

- **Changes in taxation of the sector.** On 17 October, the Sejm passed an amendment to the Corporate Income Tax Act and the Act on Tax on Certain Financial Institutions. In 2026, the CIT rate will increase from 19% to 30%, in 2027 it will be 26%, but in subsequent years it will be 23%, so the final increase will be 4 percentage points. The act also includes provisions on reducing the tax on certain financial institutions, i.e. the bank tax. The tax, currently amounting to 0.0366% of the tax base, will be reduced to 0.0329% of the tax base, and from 2028 it will be 0.0293%. The provisions concerning changes in income tax on banks are scheduled to come into force on 1 January 2026, while those relating to the bank tax will come into force on 1 January 2027. The CIT increase will bring approximately PLN 6.6 billion to the state budget, and PLN 38.2 billion over 10 years. On the other hand, the budget is expected to lose PLN 14.8 billion by 2035 as a result of the reduction in the bank tax. In total, therefore, the state budget will receive approximately PLN 14.8 billion over the next 10 years.
- **Free credit sanction.** During its meeting on 21 March 2025, the Financial Stability Committee (KSF) identified the application of Article 45 of the Consumer Credit Act, known as the free credit sanction (SKD), as a new systemic risk in the domestic financial system. One of the main problems with the free credit sanction is the lack of gradation, even though the violations listed in the Consumer Credit Act vary in nature and severity. Hence, there is room for the instrumental use of the free credit sanction and the undermining of credit agreements regardless of the economic consequences for the consumer. According to ZBP data, the number of pending court cases concerning free credit sanction increased from 13,500 at the end of 2024 to 18,200 at the end of the second quarter of 2025. However, ZBP information indicates that over 80% of cases end with positive rulings for banks. The share of cases brought on the basis of cessions remains high at 50%. On 9 October 2025, the CJEU issued an important ruling on the right of third parties who are not consumers to purchase free credit sanction-based receivables. The Court of Justice of the European Union ruled, among other things, that the transfer of rights under a credit agreement to such an entity is consistent with the provisions of the Consumer Credit Directive and that the examination of such an assignment of receivables should not be initiated ex officio. However, this does not preclude national courts from assessing cession agreements at the request of a bank to determine whether they violate consumer interests. A new consumer credit act is currently being developed, which should regulate free credit sanction as an institution that is effective but proportionate to the scale of violations. On 7 July 2025, a draft of this act prepared by the Office of Competition and Consumer Protection (UOKiK) was published and submitted for consultation. It was widely criticised by both ZBP and the KSF. Experts point out that the proposed solutions do not sufficiently limit the scope and possibilities of applying sanctions and encourage the further development of the free credit sanction claims market.

57. SUBSEQUENT EVENTS

8.10.2025 Issue of Tier II Capital Bonds

BNP Paribas S.A., with its registered office in Paris, has accepted the proposal to purchase capital bonds referred to in Article 27a of the Act of 15 January 2015 on bonds (the "Bonds") submitted by BNP Paribas Bank Polska S.A.

The total nominal value of the Bonds is EUR 630,000,000, and the nominal value of one Bond is EUR 100,000. The maturity date of the Bonds is 10 October 2040.

The interest rate on the Bonds was determined based on the cumulative daily €STR rate plus a margin. The interest rate was determined on market terms.

The terms and conditions of the Bonds provide for the possibility of their early redemption by the Bank after 10 years from the date of issue, subject to obtaining the relevant consent of the Polish Financial Supervision Authority ('PFSA').

The bonds will be classified as Tier II capital instruments in the Bank's own funds, subject to obtaining the relevant approval from the Polish Financial Supervision Authority.

The Bank's assumption is that the funds obtained from the issue of the Bonds will replace the funds obtained by the Bank from subordinated loans in the amounts of CHF 90,000,000 and PLN 2,300,000,000, about which the Bank informed in current reports: No. 25/ 2019 of 13 September 2019 and No. 38/2020 of 7 December 2020. The first of these loans is subject to prudential amortisation (as at 30 September 2025, amortised at 17%), while the amortisation of the second loan begins on 10 December 2025.

Early repayment of these loans, subject to prior approval by the Polish Financial Supervision Authority, is planned for the fourth quarter of 2025.

The Bank's objective is to maintain the level of Tier II capital and improve the maturity structure of the instruments that comprise it.

27.10.2025	Rating action taken by Fitch Ratings Agency – the Agency has upgraded the Bank's Viability Rating (VR) to 'bbb' from 'bbb-' and affirmed the Long-Term Issuer Default Rating (LT IDR) at 'A+' with negative outlook and the Shareholder Support Rating (SSR) at 'a+'. The upgrade of the Viability Rating is driven by a substantial and durable reduction in legal risks associated with legacy Swiss francs mortgage loans, which no longer adversely affect the assessment of the Bank's risk profile and profitability. A full list of rating actions according to the Fitch's press release is presented below: • Long-Term Issuer Default Rating (LT IDR) has been affirmed at the level of "A+", with a Negative Outlook, • Short-Term Issuer Default Rating (ST IDR) has been affirmed at the level of "F1", • National Long-Term Rating (Natl LT) has been affirmed at the level of "AAA(pol)", with a Stable Outlook, • National Short-Term Rating (Natl ST) has been affirmed at the level of "F1+(pol)", • Viability Rating (VR) has been upgraded by this rating action, i.e. is at the level of "bbb", • Shareholder Support Rating (SSR) has been affirmed at the level of "a+".
30.10.2025	Announcement on the calling of the Extraordinary General Meeting of BNP Paribas Bank Polska S.A. on 27 November 2025.

Changes in the composition of the Supervisory Board and Management Board of the Bank in the three quarters of 2025 and until the date of signing these financial statements are described in Note 54 Governing bodies of BNP Paribas Bank Polska S.A.

II INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Interim condensed separate statement of profit or loss

	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024 adjusted	3 quarters of 2024 from 01.01.2024 to 30.09.2024 adjusted
Interest income	2,382,250	7,234,346	2,656,155	7,334,384
Interest income calculated with the use of effective interest rate method	2,190,789	6,638,298	2,370,456	6,657,363
interest income on financial instruments measured at amortised cost	1,958,034	5,960,086	2,156,364	6,072,359
interest income on financial instruments measured at fair value through other comprehensive income	232,755	678,212	214,092	585,004
Income of a similar nature to interest on instruments measured at fair value through profit or loss	191,461	596,048	285,699	677,021
Interest expenses	(951,752)	(2,894,863)	(1,102,737)	(3,214,353)
Net interest income	1,430,498	4,339,483	1,553,418	4,120,031
Fee and commission income	336,185	1,078,809	366,077	1,103,524
Fee and commission expenses	(68,557)	(193,628)	(71,066)	(215,583)
Net fee and commission income	267,628	885,181	295,011	887,941
Dividend income	13,571	17,960	5,476	10,828
Net trading income (including result on foreign exchange)	225,758	828,440	225,558	642,884
Result on investment activities	(43)	(3,013)	(1,767)	7,022
Result on hedge accounting	947	(1,882)	(6,389)	(828)
Result on derecognition of financial assets measured at amortised cost	(12,786)	(13,772)	180	(5,344)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(90,850)	(96,682)	(89,799)	(172,880)
Result on legal risk related to foreign currency loans	(65,291)	(379,554)	(277,246)	(488,018)
General administrative expenses	(636,903)	(2,080,372)	(628,025)	(2,039,635)
Depreciation and amortization	(131,001)	(386,698)	(127,903)	(381,888)
Other operating income	20,924	167,438	20,543	79,132
Other operating expenses	(35,463)	(205,098)	(42,141)	(148,867)
Operating result	986,989	3,071,431	926,916	2,510,378
Tax on financial institutions	(95,493)	(292,264)	(99,414)	(304,025)
Profit before tax	891,496	2,779,167	827,502	2,206,353
Income tax expenses	(197,216)	(643,602)	(198,134)	(388,633)
Net profit	694,280	2,135,565	629,368	1,817,720
attributable to equity holders of the Bank	694,280	2,135,565	629,368	1,817,720
Earnings (loss) per share (in PLN per one share)				
Basic	4.69	14.39	4.26	12.30
Diluted	4.69	14.38	4.26	12.29

*Information on the adjustment is provided in Note 3.5

Interim condensed separate statement on comprehensive income

	3Q 2025 from 01.07.2025 to 30.09.2025	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3Q 2024 from 01.07.2024 to 30.09.2024	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Net profit for the period	694,280	2,135,565	629,368	1,817,720
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss upon fulfilment of certain conditions	87,932	234,547	62,052	98,462
Measurement of financial assets measured at fair value through other comprehensive income, gross	100,815	235,886	51,513	112,190
Deferred income tax on the valuation of financial assets measured through other comprehensive income	(19,154)	(44,818)	(9,786)	(21,315)
Measurement of cash flow hedge accounting derivatives, gross	7,741	53,678	25,093	9,367
Deferred income tax on valuation of derivatives hedging cash flows	(1,470)	(10,199)	(4,768)	(1,780)
Items that will not be reclassified to profit or loss	1,824	1,349	(1,145)	(1,730)
Actuary valuation of employee benefits, gross	2,253	1,666	(1,414)	(2,136)
Deferred income tax on actuary valuation of employee benefits	(429)	(317)	269	406
Other comprehensive income (net)	89,756	235,896	60,907	96,732
Total comprehensive income	784,036	2,371,461	690,275	1,914,452
attributable to equity holders of the Bank	784,036	2,371,461	690,275	1,914,452

Interim condensed separate statement on financial position

ASSETS	30 September 2025	31 December 2024
Cash and balances at Central Bank	6,916,304	11,325,551
Amounts due from banks	5,862,888	7,789,297
Derivative financial instruments	2,182,999	2,440,116
Fair value adjustment of hedged and hedging items	250,869	230,658
Loans and advances to customers measured at amortised cost	84,729,363	81,189,258
Loans and advances to customers measured at fair value through profit or loss	324,021	452,506
Securities measured at amortised cost	36,249,896	32,364,550
Securities measured at fair value through profit or loss	349,801	320,925
Securities measured at fair value through other comprehensive income	23,959,004	23,027,454
Investments in subsidiaries	108,426	108,426
Intangible assets	919,569	978,163
Property, plant and equipment	892,538	946,796
Deferred tax assets	533,342	685,634
Other assets	1,057,281	1,228,167
Total assets	164,336,301	163,087,501
LIABILITIES	30 September 2025	31 December 2024
Amounts due to other banks	6,709,638	5,757,872
Derivative financial instruments	2,154,992	2,311,741
Fair value adjustment of hedged and hedging items	247,513	260,025
Amounts due to customers	129,647,110	130,830,128
Debt securities issued	692,327	-
Subordinated liabilities	2,720,740	3,420,128
Lease liabilities	563,924	606,204
Other liabilities	2,938,340	2,262,300
Current tax liabilities	116,938	358,468
Provisions	2,060,871	1,968,726
Total liabilities	147,852,393	147,775,592
EQUITY	30 September 2025	31 December 2024
Share capital	147,880	147,800
Supplementary capital	9,110,976	9,110,976
Other reserve capital	4,660,029	4,024,205
AT1 capital bonds	650,000	650,000
Revaluation reserve	(305,188)	(541,084)
Retained earnings	2,220,211	1,920,012
retained profit	84,646	(400,786)
net profit for the period	2,135,565	2,320,798
Total equity	16,483,908	15,311,909
Total liabilities and equity	164,336,301	163,087,501

Interim condensed separate statement of changes in equity

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings	Total
Balance as at 1 January 2025	147,800	9,110,976	4,024,205	650,000	(541,084)	1,920,012	15,311,909
Total comprehensive income for the period	-	-	-	-	235,896	2,135,565	2,371,461
Net profit for the period	-	-	-	-	-	2,135,565	2,135,565
Other comprehensive income for the period	-	-	-	-	235,896	-	235,896
Distribution of retained earnings	-	-	658,457	-	-	(1,820,798)	(1,162,341)
Distribution of earnings intended for capital	-	-	658,457	-	-	(658,457)	-
Dividends paid	-	-	-	-	-	(1,162,341)	(1,162,341)
Issuance of shares	80	-	-	-	-	-	80
Payment of interest on AT1 capital bonds	-	-	(27,850)	-	-	(14,568)	(42,418)
Management stock options*	-	-	5,217	-	-	-	5,217
Balance as at 30 September 2025	147,880	9,110,976	4,660,029	650,000	(305,188)	2,220,211	16,483,908

* for details on the management stock options programme please refer to Note 39 in the Interim condensed consolidated financial statements for the three quarters of 2025.

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings	Total
Balance as at 1 January 2024	147,677	9,110,976	3,513,978	-	(566,964)	607,042	12,812,709
Total comprehensive income for the period	-	-	-	-	25,880	2,320,798	2,346,678
Net profit for the period	-	-	-	-	-	2,320,798	2,320,798
Other comprehensive income for the period	-	-	-	-	25,880	-	25,880
Distribution of retained earnings	-	-	503,830	-	-	(1,007,828)	(503,998)
Distribution of earnings intended for capital	-	-	503,830	-	-	(503,830)	-
Dividends paid	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	123	-	-	-	-	-	123
AT1 capital bonds issue	-	-	-	650,000	-	-	650,000
Management stock options*	-	-	6,397	-	-	-	6,397
Balance as at 31 December 2024	147,800	9,110,976	4,024,205	650,000	(541,084)	1,920,012	15,311,909

* for details on the management stock options programme please refer to Note 39 in the Interim condensed consolidated financial statements for the three quarters of 2025.

	Share capital	Supplementary capital	Other reserve capital	AT1 capital bonds	Revaluation reserve	Retained earnings	Total
Balance as at 1 January 2024	147,677	9,110,976	3,513,978	-	(566,964)	607,042	12,812,709
Total comprehensive income for the period	-	-	-	-	96,732	1,817,720	1,914,452
Net profit for the period	-	-	-	-	-	1,817,720	1,817,720
Other comprehensive income for the period	-	-	-	-	96,732	-	96,732
Distribution of retained earnings	-	-	503,830	-	-	(1,007,828)	(503,998)
Distribution of earnings intended for capital	-	-	503,830	-	-	(503,830)	-
Dividends paid	-	-	-	-	-	(503,998)	(503,998)
Issuance of shares	123	-	-	-	-	-	123
Management stock options*	-	-	5,179	-	-	-	5,179
Balance as at 30 September 2024	147,800	9,110,976	4,022,987	-	(470,232)	1,416,934	14,228,465

* for details on the management stock options programme please refer to Note 39 in the Interim condensed consolidated financial statements for the three quarters of 2025.

Interim condensed separate statement on cash flows

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit (loss)	2,135,565	1,817,720
Adjustments for:	(1,753,462)	4,182,604
Income tax expenses	643,602	388,633
Depreciation and amortization	386,698	381,888
Dividend income	(17,960)	(10,828)
Interest income	(7,234,346)	(7,334,384)
Interest expenses	2,894,863	3,214,353
Change in provisions	93,811	340,878
Change in amounts due from banks	90,214	8,154,005
Change in assets due to derivative financial instruments	236,906	347,571
Change in loans and advances to customers measured at amortised cost	(3,533,089)	(1,189,522)
Change in loans and advances to customers measured at fair value through profit or loss	128,485	156,454
Change in amounts due to banks	(65,703)	109,279
Change in liabilities related to derivative financial instruments	(115,583)	(38,191)
Change in amounts due to customers	(128,128)	(4,542,391)
Change in other assets and deferred tax assets	171,103	(153,745)
Change in other liabilities and current income tax liabilities	679,981	714,426
Other adjustments	5,728	(210,340)
Interest received	7,608,001	7,567,935
Interest paid	(2,819,979)	(3,120,874)
Tax paid	(776,945)	(591,719)
Lease payments with reference to short-term leases not included in the lease liability measurement	(1,121)	(824)
Net cash flows from operating activities	382,103	6,000,324

	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
CASH FLOWS FROM INVESTING ACTIVITIES:		
Inflows	119,870,169	139,597,850
Sale and redemption of securities	119,814,892	139,584,543
Sale of intangible assets and property, plant and equipment	37,317	2,479
Dividends received and other inflows from investing activities	17,960	10,828
Outflows	(125,055,384)	(144,821,543)
Purchase of securities	(124,794,587)	(144,508,586)
Purchase of intangible assets and property, plant and equipment	(260,797)	(312,957)
Net cash flows from investing activities	(5,185,215)	(5,223,693)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Inflows	683,152	607,755
Issuance of debt securities	683,072	-
Net inflows from share issues and return of capital contributions	80	123
Outflows	(2,126,595)	(812,946)
Repayment of long-term loans received and subordinated liabilities	(805,397)	(202,236)
Repayment of leasing liabilities	(106,489)	(106,712)
Interest payment on AT1 capital bonds	(52,368)	-
Dividends paid	(1,162,341)	(503,998)
Net cash flows from financing activities	(1,443,443)	(205,191)
TOTAL NET CASH AND CASH EQUIVALENTS	(6,246,555)	571,440
Cash and cash equivalents at the beginning of the period	18,209,851	15,801,272
Cash and cash equivalents at the end of the period	11,963,296	16,372,712
Effect of exchange rate fluctuations on cash and cash equivalents	(18,844)	(20,955)

EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES APPLIED FOR THE PURPOSE OF PREPARATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

The Interim condensed separate financial statements for the three quarters of 2025 ended 30 September 2025 were prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as adopted by the European Union as well as in accordance with other applicable regulations.

The accounting policies applied in the three quarters of 2025 are no different from those in force in 2024, which are described in details in the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2024, considering new standards, interpretations and amendments to published standards that have been issued by the International Accounting Standards Board (IASB), have been approved by the European Union, became applicable from 1 January 2025 and have been applied by the Bank.

The interim condensed separate financial statements have been prepared in Polish zloty and all values, unless otherwise indicated, are given in thousands of zlotys (PLN '000).

The interim condensed separate financial statements do not include all information and disclosures required for the annual financial statements, and therefore should be read in conjunction with the Interim condensed consolidated financial statements for the three quarters of 2025 and with the Separate financial statements of the BNP Paribas Bank Polska S.A. for the year ended 31 December 2024, which was approved by the Management Board of the Bank on 11 March 2025.

The accounting principles and methods of performing accounting estimates adopted in the preparation of the interim condensed separate financial statements of the Bank are consistent with the accounting principles adopted for the Group's interim condensed consolidated financial statements, which are described in Notes 3 and 7 in the Interim condensed consolidated financial statements for the three quarters of 2025.

Compared to the Interim condensed separate financial statements prepared for the three quarters ended 30 September 2024, the Bank has changed the presentation:

- gain/loss on sale of securities measured at amortised cost

Prior to the change, the result on sale of such instruments was presented in net trading income, after the change, it is a part of the result on derecognition of financial assets measured at amortised cost, as presented in detail in the table below.

Separate statement of profit or loss	3 quarters of 2024 from 01.01.2024 to 30.09.2024 before adjustment	adjustment	3 quarters of 2024 from 01.01.2024 to 30.09.2024 after adjustment
Net trading income (including result on foreign exchange)	640,165	2,719	642,884
Result on derecognition of financial assets measured at amortised cost	(2,625)	(2,719)	(5,344)

In the Bank's opinion, the presentation changes described above better reflect the economic substance of the respective items and therefore provide the users of the financial statements with more useful information.

2. GOING CONCERN

The present interim condensed separated financial statements have been prepared assuming that the Bank will continue as a going concern in substantially the same scope, in the foreseeable future, i.e. within at least 12 months from the date of the reporting period end.

3. NET ALLOWANCES FOR EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND PROVISIONS FOR CONTINGENT LIABILITIES

Net allowances for expected credit losses on financial assets and provisions for contingent liabilities

3 quarters of 2025 from 01.01.2025 to 30.09.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	108	(329)	-	-	(221)
Loans and advances to customers measured at amortised cost	(29,252)	77,000	(151,764)	1,453	(102,563)
Contingent liabilities granted	(7,964)	10,671	3,749	(16)	6,440
Securities measured at amortised cost	(338)	-	-	-	(338)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(37,446)	87,342	(148,015)	1,437	(96,682)

Net allowances for expected credit losses on financial assets and provisions for contingent liabilities

3 quarters of 2024 from 01.01.2024 to 30.09.2024	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(178)	-	-	-	(178)
Loans and advances to customers measured at amortised cost	(23,972)	73,922	(135,691)	(36,342)	(122,083)
Contingent liabilities granted	4,469	2,374	(57,906)	450	(50,613)
Securities measured at amortised cost	(6)	-	-	-	(6)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(19,687)	76,296	(193,597)	(35,892)	(172,880)

4. LITIGATION AND ADMINISTRATIVE PROCEEDINGS

Legal risk

As at 30 September 2025, there were no proceedings pending in any court, arbitration authority or state administration bodies concerning the Bank's liabilities or receivables, whose value would exceed 10% of the Bank's equity.

The following litigation and administrative proceedings in which the Bank is a party are currently pending:

- proceedings for practices in violation of the collective interests of consumers - unauthorised transactions,
- proceedings for practices in violation of the collective interests of consumers – credit holidays,
- administrative proceedings of the Polish Financial Supervision Authority for the imposition of a penalty in connection with the performance of the function of depositary for investment funds,
- administrative proceedings of the Polish Financial Supervision Authority regarding the imposition of penalties in connection with violations of the provisions of the Act on Trading in Financial Instruments,
- litigation concerning CHF loan agreements in the banking sector,
- litigation relating to mortgage loan agreements with interest rates based on WIBOR,
- litigation concerning claims from investment fund participants related to the performance of the investment fund depositary function,
- proceedings concerning the institution of the free credit sanction referred to in Article 45 of the Act of 12 May 2011, on Consumer Credit ("the Consumer Credit Act").

Details of litigation and administrative proceedings are presented in Note 51 in the Interim condensed consolidated financial statements for the three quarters of 2025 ended 30 September 2025.

5. OTHER SIGNIFICANT DISCLOSURES

The following significant disclosures related to the Interim condensed separate financial statements for the three quarters of 2025 are described in the Interim condensed consolidated financial statements for the three quarters ended 30 September 2025:

- 1) Information on the restructuring provision recognised by the Bank in Notes 7 f and 37,
- 2) Disclosures on debt securities issued in Note 34,
- 3) Disclosures on fair value in Note 42,
- 4) Disclosures on significant estimates, judgements and events affecting the statement of financial position and the Bank's results, in particular the impact of legal risk arising from litigation relating to CHF mortgages and the securitisation transaction in Notes 44 and 51,
- 5) Significant events in the BNP Paribas Bank Polska S.A. Group in the three quarters of 2025 in Note 55.

6. RELATED PARTY TRANSACTIONS

BNP Paribas Bank Polska S.A. is a member of the BNP Paribas Bank Polska S.A. Capital Group.

BNP Paribas Bank Polska S.A. is the parent company of the BNP Paribas Bank Polska S.A. Capital Group.

The ultimate parent company is BNP Paribas S.A. based in Paris.

As of 30 September 2025 the Capital Group of BNP Paribas Bank Polska S.A. comprised BNP Paribas Bank Polska S.A. as the parent company and its subsidiaries:

1. BNP PARIBAS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH S.A. („TFI”),
2. BNP PARIBAS LEASING SERVICES SP. Z O.O. („LEASING”),
3. BNP PARIBAS GROUP SERVICE CENTER S.A. („GSC”),

All transactions between the Bank and its related parties were entered into as part of its daily operations and included mainly loans, deposits, transactions in derivative instruments as well as income and expenses related to advisory and financial intermediation services.

Transactions with shareholders of BNP Paribas Bank Polska S.A. and related parties.

30.09.2025	BNP Paribas Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Subsidiari es	Total
Assets	7,411,448	674	181,296	1,340	2,870,863	10,465,621
Receivables on current accounts, loans and deposits	5,654,490	674	164,772	1,306	2,865,409	8,686,651
Derivative financial instruments	1,506,004	-	615	-	-	1,506,619
Hedging derivative instruments	250,869	-	-	-	-	250,869
Other assets	85	-	15,909	34	5,454	21,482
Liabilities	8,942,596	53,952	438,907	3,196	18,419	9,457,070
Current accounts and deposits	5,114,525	53,940	413,411	3,196	17,937	5,603,009
Subordinated liabilities	2,720,740	-	-	-	-	2,720,740
Derivative financial instruments	559,084	12	424	-	-	559,520
Hedging derivative instruments	548,244	-	-	-	-	548,244
Other liabilities	3	-	25,072	-	482	25,557
Contingent liabilities						
Financial commitments granted	-	-	415,005	4,527	-	419,532
Guarantees granted	428,100	77,051	546,798	-	1,793,064	2,845,013
Commitments received	7,934,281	108,730	739,912	-	1,694,678	10,477,601
Derivative financial instruments (nominal value)	64,308,044	73,981	25,784	-	-	64,407,809
Derivative hedging financial instruments (nominal value)	35,761,448	-	-	-	-	35,761,448
Statement of profit or loss	480,854	(566)	40,021	39	192,335	712,683
3 quarters of 2025 from 01.01.2025 to 30.09.2025						
Interest income	567,458	216	10,487	94	138,778	717,033
Interest expenses	(705,110)	(782)	(6,830)	(55)	-	(712,777)
Fee and commission income	-	-	-	-	10,545	10,545
Fee and commission expenses	-	-	-	-	(1,384)	(1,384)
Net trading income	667,420	-	(1,416)	-	-	666,004
Other operating income	-	-	68,932	-	44,671	113,603
Other operating expenses	-	-	(17,693)	-	(120)	(17,813)
General administrative expenses	(48,914)	-	(13,459)	-	(155)	(62,528)

31.12.2024	BNP Paribas Paris	BNP Paribas Fortis S.A.	Other entities from the capital group of BNP Paribas S.A.	Key personnel	Subsidiari es	Total
Assets	9,367,983	1,663	103,956	2,584	2,716,736	12,192,922
Receivables on current accounts, loans and deposits	7,466,281	1,663	84,274	2,520	2,714,035	10,268,773
Derivative financial instruments	1,670,668	-	8,614	-	-	1,679,282
Hedging derivative instruments	231,025	-	-	-	-	231,025
Other assets	9	-	11,068	64	2,701	13,842
Liabilities	10,032,841	26,789	753,218	1,973	35,259	10,850,080
Current accounts and deposits	5,020,715	26,789	722,019	1,973	34,772	5,806,268
Subordinated liabilities	3,420,128	-	-	-	-	3,420,128
Derivative financial instruments	750,285	-	2,356	-	-	752,641
Hedging derivative instruments	841,713	-	-	-	-	841,713
Other liabilities	-	-	28,843	-	487	29,330
Contingent liabilities						
Financial commitments granted	-	-	294,101	1,145	-	295,246
Guarantees granted	430,288	86,650	662,905	-	897,330	2,077,173
Commitments received	440,132	121,264	2,270,042	-	857,821	3,689,259
Derivative financial instruments (nominal value)	75,378,215	-	184,840	-	-	75,563,055
Derivative hedging financial instruments (nominal value)	29,817,809	-	-	-	-	29,817,809
Statement of profit or loss	(11,741)	(1,032)	(43,485)	31	158,995	102,768
3 quarters of 2024 from 01.01.2024 to 30.09.2024						
Interest income	339,706	19	1,407	110	119,308	460,550
Interest expenses	(361,320)	(1,051)	(17,938)	(79)	-	(380,388)
Fee and commission income	-	-	-	-	(2,889)	(2,889)
Fee and commission expenses	-	-	-	-	(1,883)	(1,883)
Net trading income	92,372	-	5,179	-	-	97,551
Other operating income	-	-	31,989	-	44,750	76,739
Other operating expenses	-	-	(51,621)	-	(124)	(51,745)
General administrative expenses	(82,499)	-	(12,501)	-	(167)	(95,167)

Remuneration of the Management Board and Supervisory Board

Management Board	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Short-term employee benefits	12,356	12,372
Long-term benefits	4,419	3,741
Share-based payments*	4,663	4,792
Issued shares**	2,096	1,855
Total	23,534	22,760

*includes an amount recognised in the Bank's capital linked to the Bank's shares taken up in the future (in accordance with the variable remuneration policy)

**value of shares issued based on actuarial valuation

Supervisory Board	3 quarters of 2025 from 01.01.2025 to 30.09.2025	3 quarters of 2024 from 01.01.2024 to 30.09.2024
Short-term employee benefits	1,431	1,354
Total	1,431	1,354

7. STANDALONE SOLVENCY RATIO

	30.09.2025	31.12.2024
Total own funds	17,357,201	15,916,910
Total risk exposure	98,477,812	90,554,074
Total capital ratio	17.63%	17.58%
Tier 1 capital ratio	14.23%	14.10%

8. SEASONAL OR CYCLICAL NATURE OF BUSINESS

There are no significant seasonal or cyclical phenomena in the Bank's operations.

9. DIVIDENDS PAID

The Annual General Meeting of Shareholders of the Bank on 15 April 2025 adopted a resolution on the payment of a dividend from the net profit made in 2024. Based on that, the Bank paid a dividend on 9 May 2025 in the amount of PLN 1,162,340,659.26, i.e. PLN 7.86 per share. The dividend covers all shares issued by the Bank, i.e. 147,880,491 shares.

10. DISTRIBUTION OF RETAINED EARNINGS

In accordance with the Resolution No. 7 of the Annual General Meeting of Shareholders of the Bank dated 15 April 2025 on distribution of the profit of BNP Paribas Bank Polska Spółka Akcyjna and payment of a dividend for the financial year 2024 from the net profit generated in 2024 in the amount of PLN 2,320,797,922.26 (two billion three hundred twenty million seven hundred ninety seven thousand nine hundred and twenty two zlotys and twenty six groszy) the Bank paid a dividend in the amount of PLN 1,162,340,659.26, PLN 658,457,263.00 was allocated to the reserve capital and remaining part remained undistributed profit.

11. CONTINGENT LIABILITIES

The following table presents the value of liabilities granted and received.

Contingent liabilities	30.09.2025	31.12.2024
Contingent liabilities granted	38,406,842	34,611,132
financial commitments	25,667,975	22,111,126
guarantees	12,738,867	12,500,006
Contingent liabilities received	55,011,081	55,172,867
financial commitments	2,213	551,870
guarantees	55,008,868	54,620,997

12. SUBSEQUENT EVENTS

Subsequent events are described in Note 57 of the Interim consolidated report for the three quarters of 2025 ended 30 September 2025.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS OF BNP PARIBAS BANK POLSKA S.A.

5.11.2025	Przemysław Gdański President of the Management Board	qualified electronic signature
5.11.2025	André Boulanger Vice-President of the Management Board	qualified electronic signature
5.11.2025	Małgorzata Dąbrowska Vice-President of the Management Board	qualified electronic signature
5.11.2025	Wojciech Kemblowski Vice-President of the Management Board	qualified electronic signature
5.11.2025	Piotr Konieczny Vice-President of the Management Board	qualified electronic signature
5.11.2025	Magdalena Nowicka Vice-President of the Management Board	qualified electronic signature
5.11.2025	Volodymyr Radin Vice-President of the Management Board	qualified electronic signature
5.11.2025	Agnieszka Wolska Vice-President of the Management Board	qualified electronic signature

Warsaw, 5 November 2025