



SELECTED FINANCIAL DATA RELATING TO THE CONDENSED INTERIM FINANCIAL STATEMENTS



SELECTED FINANCIAL DATA	in PLN '000		in EUR '000	
	period from 01.01.2025 to 30.06.2025	period from 01.01.2024 to 30.06.2024	period from 01.01.2025 to 30.06.2025	period from 01.01.2024 to 30.06.2024
Net interest income	142,461	104,714	33,752	24,291
Net fee and commission income	(3,251)	(2,197)	(770)	(510)
Profit / (loss) on business activities	142,500	111,059	33,761	25,762
Profit before tax	75,634	45,397	17,919	10,531
Net profit	55,243	32,513	13,088	7,542
Net comprehensive income	63,660	63,893	15,082	14,821
Net cash from/used in operating activities	556,477	1,522,041	131,842	353,068
Net cash from/used in investing activities	(9,761)	221,460	(2,313)	51,372
Net cash from/used in financing activities	(550,681)	(1,563,403)	(130,468)	(362,663)
Net change in cash and cash equivalents	(3,965)	180,098	(939)	41,777

SELECTED FINANCIAL DATA	in PLN '000		in EUR '000	
	as at 30.06.2025	as at 31.12.2024	as at 30.06.2025	as at 31.12.2024
Total assets	17,176,977	17,376,660	4,049,359	4,066,618
Total equity / book value	1,709,394	1,743,472	402,978	408,021
Share capital	1,611,300	1,611,300	379,853	377,089
Number of shares (in thousands)	1,611,300	1,611,300	1,611,300	1,611,300
Book value per share (in PLN/EUR)	1.06	1.08	0.25	0.25
Diluted number of shares (in thousands)	1,611,300	1,611,300	1,611,300	1,611,300
Diluted book value per share (in PLN/EUR)	1.06	1.08	0.25	0.25
Total capital ratio (TCR)	26.1%	22.9%	26.1%	22.9%
Common equity Tier 1 (CET1)	1,658,657	1,662,317	391,017	389,028
Own funds	1,658,657	1,662,317	391,017	389,028

Selected financial statement items have been translated to EUR at the following foreign exchange rates		
items of the income statement, statement of comprehensive income and statement of cash flows – the average of the NBP exchange rates prevailing as at the last day of each month of the period	01.01.2025 – 30.06.2025	01.01.2024 – 30.06.2024
	4.2208	4.3109
items of the statement of financial position – the average NBP exchange rate as at the last day of the period	30.06.2025	31.12.2024
	4.2419	4.2730



Condensed interim financial
statements
of PKO Bank Hipoteczny SA
for the six-month period ended
30 June 2025



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INCOME STATEMENT

INCOME STATEMENT	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Interest income and income similar to interest income	9	621,786	628,585
Interest expense and expenses similar to interest expense	9	(479,325)	(523,871)
Net interest income		142,461	104,714
Fee and commission income	10	2,608	2,782
Fee and commission expense	10	(5,859)	(4,979)
Net fee and commission income		(3,251)	(2,197)
Gains/(losses) on financial transactions		(7)	(5)
Net foreign exchange gains / (losses)	11	(198)	2,290
Net allowances for expected credit losses	12	3,249	6,138
Other operating income		371	189
Other operating expenses		(125)	(70)
Profit / (loss) on business activities		142,500	111,059
Administrative expenses	13	(25,735)	(22,459)
Regulatory charges	14	(17,044)	(17,126)
Tax on certain financial institutions		(24,087)	(26,077)
Operating profit		75,634	45,397
Profit before tax		75,634	45,397
Corporate income tax	15	(20,391)	(12,884)
Net profit		55,243	32,513



STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Net profit		55,243	32,513
Other comprehensive income		8,417	31,380
Items which may be reclassified to profit or loss		8,417	31,380
Cash flow hedges (gross)		11,267	35,879
Deferred tax		(2,141)	(6,817)
Cash flow hedges (net)	16	9,126	29,062
Remeasurement of financial assets measured at fair value through other comprehensive income (gross)		(875)	2,862
Deferred tax		166	(544)
Remeasurement of financial assets measured at fair value through other comprehensive income (net)		(708)	2,318
Total net comprehensive income		63,660	63,893



STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	Note	30.06.2025	31.12.2024
ASSETS			
Cash and balances with the Central Bank		34	368
Amounts due from banks		6,555	10,186
Derivative hedging instruments	16	51	-
Securities	17	781,237	749,307
Loans and advances to customers	18, 19	16,371,867	16,600,671
Intangible assets		192	246
Property, plant and equipment		9,715	8,953
Other assets		7,326	6,929
TOTAL ASSETS		17,176,977	17,376,660
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	20	5,008,046	5,342,830
Derivative hedging instruments	16	22,898	208,696
Amounts due to customers		4,543	3,398
Liabilities in respect of mortgage covered bonds issued	21	7,759,043	7,233,355
Liabilities in respect of bonds issued	22	2,553,545	2,721,264
Other liabilities	23	70,067	56,283
Current income tax liabilities		18,105	40,360
Deferred tax provision		30,944	26,684
Provisions	24	392	318
TOTAL LIABILITIES		15,467,583	15,633,188
Equity			
Share capital	25	1,611,300	1,611,300
Supplementary capital		45,842	13,263
Accumulated other comprehensive income		(2,991)	(11,408)
Net profit /(loss) for the period		55,243	130,317
TOTAL EQUITY		1,709,394	1,743,472
TOTAL LIABILITIES AND EQUITY		17,176,977	17,376,660

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2025	Share capital	Supplementary capital	Accumulated other comprehensive income	including: Cash flow hedges	Financial assets measured at fair value through other comprehensive income	Retained earnings / (Accumulated losses)	Net profit /(loss) for the period	Total equity
1 January 2025	1,611,300	13,263	(11,408)	(14,413)	3,005	-	130,317	1,743,472
Transfer from retained earnings	-	-	-	-	-	130,317	(130,317)	-
Transfer from profit to equity	-	32,579	-	-	-	(32,579)	-	-
Dividend paid	-	-	-	-	-	(97,738)	-	(97,738)
Total comprehensive income, including:	-	-	8,417	9,126	(709)	-	55,243	63,660
Net profit	-	-	-	-	-	-	55,243	55,243
Other comprehensive income	-	-	8,417	9,126	(709)	-	-	8,417
30 June 2025	1,611,300	45,842	(2,991)	(5,287)	2,296	-	55,243	1,709,394

FOR THE PERIOD ENDED 30 JUNE 2024	Share capital	Supplementary capital	Accumulated other comprehensive income	including: Cash flow hedges	Financial assets measured at fair value through other comprehensive income	Retained earnings / (Accumulated losses)	Net profit /(loss) for the period	Total equity
1 January 2024	1,611,300	-	(72,218)	(74,386)	2,168	(65,966)	165,789	1,638,905
Transfer from retained earnings	-	-	-	-	-	165,789	(165,789)	-
Transfer from profit to equity	-	13,263	-	-	-	(13,263)	-	-
Payment of dividend	-	-	-	-	-	(86,560)	-	(86,560)
Total comprehensive income, including:	-	-	31,380	29,062	2,318	-	32,513	63,893
Net profit	-	-	-	-	-	-	32,513	32,513
Other comprehensive income	-	-	31,380	29,062	2,318	-	-	31,380
30 June 2024	1,611,300	13,263	(40,838)	(45,324)	4,486	-	32,513	1,616,238



STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Cash flows from operating activities			
Profit before tax		75,634	45,397
Income tax paid / settlement of tax within the Tax Group		(40,360)	17,606
Total adjustments:		521,203	1,459,038
Amortization and depreciation		918	1,060
Net interest income (from the income statement)	9	(142,461)	(104,714)
Interest received		655,244	712,255
Interests paid		(83,828)	(187,083)
Change in the balance of:			
derivative financial instruments		(206,786)	67,688
loans and advances to customers (gross)		220,646	893,978
other assets and right-of-use assets		(1,726)	(1,087)
amounts due to banks		(422)	(1,781)
amounts due to customers		1,145	876
liabilities in respect of mortgage covered bonds issued		(20,286)	(25,249)
liabilities in respect of bonds issued		76,520	63,366
allowances for expected credit losses and provisions		(3,293)	(5,930)
other liabilities		14,265	9,627
Other adjustments (including changes in the measurement of derivative instruments recognized in other comprehensive income)		11,267	36,032
Net cash from/used in operating activities		556,477	1,522,041
Cash flows from investing activities			
Inflows from investing activities		1,122,301	418,009
Redemption of securities measured at fair value through other comprehensive income		1,098,458	380,808
Interest received on securities measured at fair value through other comprehensive income		23,842	37,201
Disposal of intangible assets and property, plant and equipment		1	-
Outflows on investing activities		(1,132,062)	(196,549)
Acquisition of securities measured at fair value through other comprehensive income		(1,131,764)	(196,400)
Purchase of intangible assets and property, plant and equipment		(298)	(149)
Net cash from investing activities		(9,761)	221,460
Cash flows from financing activities			
Proceeds from issue of mortgage covered bonds	21	2,921,274	1,000,000
Redemption of mortgage covered bonds issued	21	(2,360,200)	(2,992,968)
Proceeds from issue of bonds	22	2,515,791	3,051,775
Redemption of bonds issued	22	(2,760,500)	(2,159,000)
Inflows related to overdraft facilities		5,100,297	8,214,007
Outflows related to overdraft facilities		(5,636,945)	(8,312,485)
Inflows related to term loans		225,000	133,000
Dividend paid	25	(97,738)	(86,560)
Repayment of interest on mortgage covered bonds issued, bonds issued and loans obtained		(457,178)	(410,559)
Payments of lease liabilities (IFRS 16)		(482)	(613)
Net cash from/used in financing activities		(550,681)	(1,563,403)
Net change in cash and cash equivalents		(3,965)	180,098
Cash and cash equivalents at the beginning of the period		10,554	2,727
Cash and cash equivalents at the end of the period		6,589	182,825

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BUSINESS ACTIVITIES OF THE BANK

PKO Bank Hipoteczny Spółka Akcyjna ("PKO Bank Hipoteczny SA", "Bank") with its registered office in Warsaw ul. Świętokrzyska 36, 00-116 Warsaw (till 26 June 2025 registered office was on ul. Puławska 15, 02-515 Warsaw) is entered in the Register of Businesses of the National Court Register (KRS) maintained by the District Court in Warsaw, 12th Business Department of the National Court Register with the reference number KRS 0000528469. The Bank was entered to the Register of Businesses on 24 October 2014. The Bank was assigned the statistical number REGON 222181030. Its share capital as at 30 June 2025 was PLN 1,611,300,000 and it was fully paid up.

PKO Bank Hipoteczny is a specialized bank that operates on the basis of the Polish Covered Bonds and Mortgage Banks Act dated 29 August 1997, the Banking Law of 29 August 1997, the Commercial Companies Code and other generally applicable provisions of the law, regulatory recommendations and good corporate governance practices, and the Bank's Articles of Association.

The Bank specializes in granting residential mortgage loans for individuals. The Bank also acquires receivables in respect of such loans from PKO Bank Polski SA. The Bank acquires loans for its portfolio based on its strategic cooperation with PKO Bank Polski SA.

The Bank's principal objective, in terms of funding, is to issue mortgage covered bonds, which are to serve as the primary source of long-term funding for residential mortgage loans.

The Parent Company of PKO Bank Hipoteczny SA is PKO Bank Polski SA, in the share capital of which the State Treasury holds a 29.43% share. PKO Bank Polski SA prepares consolidated financial statements for the PKO Bank Polski SA Group.

2. INFORMATION ON THE COMPOSITION OF THE BANK'S SUPERVISORY BOARD AND MANAGEMENT BOARD

The following table presents the composition of the Supervisory Board of PKO Bank Hipoteczny SA as at 30 June 2025.

No.	Name and surname	Position	Date of appointment
1	Marek Radzikowski	Chairman of the Supervisory Board (from 23.08.2024) Member of the Supervisory Board (from 19.08.2024 to 22.08.2024)	19.08.2024
2	Jakub Niesłuchowski	Deputy Chairman of the Supervisory Board (from 22.02.2024) Member of the Supervisory Board (from 28.04.2022 to 21.02.2024)	28.04.2022
3	Iwona Brzozowska-Poniedziałka	Member of the Supervisory Board (independent)	29.05.2024
4	Robert Ciborowski	Member of the Supervisory Board (independent)	29.05.2024
5	Lucyna Kosińska	Member of the Supervisory Board	01.09.2019
6	Paweł Metrycki	Member of the Supervisory Board	30.03.2019

The following table presents the composition of the Management Board of PKO Bank Hipoteczny SA as at 30 June 2025.

No.	Name and surname	Position	Date of appointment
1	Wojciech Papierak	President of the Management Board (from 06.12.2024) Vice-President of the Management Board responsible for the work of the Management Board (from 10.08.2024 to 05.12.2024)	10.08.2024
2	Katarzyna Kurkowska-Szczepowicz	Vice-President of the Management Board (from 10.08.2024) President of the Management Board (from 27.01.2023 to 09.08.2024) Vice-President of the Management Board responsible for the work of the Management Board (from 01.10.2022 to 26.01.2023)	01.10.2022
3	Piotr Kochanek	Vice-President of the Management Board	01.01.2019
4	Michał Stępniewski	Vice-President of the Management Board	01.03.2025



Changes in the composition of the Supervisory Board and the Management Board of PKO Bank Hipoteczny SA in the reporting period are presented, respectively, in Chapter 6.5 and 6.4 of the Directors' Report of PKO Bank Hipoteczny SA for the six-month period ended 30 June 2025.

3. APPROVAL OF THE FINANCIAL STATEMENT

These condensed interim financial statements, having been reviewed with an opinion issued by the Audit and Finance Committee of the Supervisory Board and reviewed by the Supervisory Board on 7 August 2025 and approved by the Bank's Management Board on 7 August 2025 for publication.

4. REPRESENTATIONS OF THE MANAGEMENT BOARD

The Management Board of PKO Bank Hipoteczny SA hereby represents that according to its best knowledge the condensed interim financial statements and the comparative data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear view of the Bank's financial position and results of operations.

5. BASIS FOR THE PREPARATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE

The condensed interim financial statements have been prepared in accordance with the going concern principle and the requirements of International Accounting Standard 34, Interim Financial Reporting, as endorsed by the European Union.

The condensed interim financial statements for the six months ended 30 June 2025 do not contain all the information and disclosures that are required in the annual financial statements and they should be read together with the annual financial statements of PKO Bank Hipoteczny SA for the year ended 31 December 2024 prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.

The condensed interim financial statements of PKO Bank Hipoteczny SA cover the six-month period ended 30 June 2025 and contain comparative data:

- for the six months ended 30 June 2024 in respect of the income statement, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity;
- as at 31 December 2024 in respect of the statement of financial position.

The financial data is presented in thousands of Polish zlotys (PLN), rounded to a thousand, unless otherwise indicated. Therefore, there might be differences resulting from rounding the amounts to full thousands.

The accounting policies and calculation methods used in the preparation of these condensed interim financial statements are consistent with the policies applied in the financial year ended 31 December 2024 and they are described in the financial statements of PKO Bank Hipoteczny SA for the year ended 31 December 2024. In addition, the Bank has taken into account the principle of recognising income tax expense on the basis of the expected average annual effective tax rate (see Note 15 'Income tax').

6. GOING CONCERN

The condensed interim financial statements have been prepared on the assumption of the Bank continuing its business activities in the foreseeable future (i.e. in the period of at least 12 months of the date of preparing these condensed interim financial statements). As at the date of signing these financial statements, the Bank's Management Board has not identified any facts or circumstances which would indicate any threats to the Bank's ability to continue as a going concern for at least 12 months of the date of preparing these condensed interim financial statements as a result of intended or forced discontinuing or significantly curtailing the Bank's existing operations.

7. ENVIRONMENTAL MATTERS

The Bank has not identified a material impact of environmental matters on the condensed interim financial statements. Due to the nature of its business activity, the Bank's direct impact on the natural environment is limited to using natural resources. The Bank's indirect impact on the environment is realized by designing a product offer in such a way so as to motivate customers to invest in energy-saving properties and by issuing green covered bonds. These issues are discussed in the PKO Bank Hipoteczny SA Directors' Report for the year ended 31 December 2024.



There were no material estimates or judgments in the Bank (including those used to calculate the allowances for expected credit losses) related to environmental factors which would have a significant impact on the amounts recognized in these condensed interim financial statements.

8. NEW STANDARDS AND INTERPRETATIONS AND IBOR INTEREST RATE BENCHMARKS REFORM

8.1 NEW STANDARDS AND INTERPRETATIONS AND AMENDMENTS TO THE PUBLISHED STANDARDS AND INTERPRETATIONS WHICH BECAME BINDING AS OF 1 JANUARY 2025

STANDARDS AND INTERPRETATIONS	AMENDMENT	EFFECTIVE FROM
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability</i>	The amendments introduce a requirement to disclose information which will enable users of the financial statements to understand the impact of the lack of exchangeability of currencies and will explain how to assess exchangeability of the currencies and determine the exchange rate if a currency is not exchangeable. Amendments to IAS 21 will not have an impact on the financial statements.	1 January 2025 (endorsed by the EU)

8.2 NEW STANDARDS AND INTERPRETATIONS, AND AMENDMENTS THERETO, WHICH HAVE BEEN PUBLISHED, BUT ARE NOT YET BINDING AND HAVE NOT BEEN APPLIED BY THE BANK

STANDARDS AND INTERPRETATIONS	AMENDMENT	EFFECTIVE FROM
Amendments to: IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	The amendments relate to the settlement of financial liabilities using an electronic payment system and an the assessment of the characteristics resulting from contractual cash flows from financial assets, including those associated with ESG. In addition, the requirements relating to the disclosure of information on investments in equity instruments measured at fair value through other comprehensive income have been changed. The Bank is in the process of estimating the impact of these amendments on the financial statements.	1 January 2026
Amendments to: IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	The amendments relate to contracts on nature-dependent electricity and cover the requirements for the possibility of applying an “own use” exception and hedge accounting and the related disclosures. The scope of the amendments is narrow and only those contracts which meet certain features will be covered. The amendments will have no impact on the financial statements.	On or after 1 January 2026, with earlier application permitted
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	IFRS 19 introduces simplified reporting requirements and reduces mandatory disclosures for eligible subsidiaries in their separate financial statements. IFRS 19 will have no impact on the financial statements.	1 January 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	IFRS 18 will replace the currently applicable IAS 1. Changes compared with the replaced standard will mainly be visible in three areas: <ul style="list-style-type: none"> ■ defining mandatory subtotals in the statement of profit or loss; ■ introducing disclosures of management-defined Alternative Performance Measures ■ enhanced guidelines on aggregation of information The Bank is in the process of estimating the impact of IFRS 18 on the financial statements.	1 January 2027
Annual Improvements to IFRS – Volume 11 of the International Accounting Standards Board	On 18 July 2024, IASB published a document containing explanations, simplifications, corrections and amendments aimed at improving the consistency of a number of accounting standards (IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> , IFRS 7 <i>Financial Instruments: Disclosures</i> and the accompanying <i>Guidance on implementing IFRS 7</i> , IFRS 9 <i>Financial Instruments</i> , IFRS 10 <i>Consolidated Financial Statements</i> and IAS 7 <i>Statement of Cash Flows</i>). The Bank has not yet assessed the impact of these amendments on the financial statements.	On or after 1 January 2026, with earlier application permitted



8.3 IBOR INTEREST RATE BENCHMARKS REFORM

WORK ON THE REFORM OF THE WIBOR RATE IN POLAND

In December 2024, the Steering Committee of the National Working Group for the benchmarks reform (NWG SC) decided to select a proposed index technically named WIRF, which is based on unsecured deposits of Credit Institutions and Financial Institutions, as the target interest rate benchmark to replace the WIBOR benchmark. GPW Benchmark, entered in the register of the European Securities and Markets Authority (ESMA), is the administrator of WIRF within the meaning of the BMR Regulation. Therefore, NWG SC verified and modified its earlier decision adopted in September 2022 to select WIRON.

Ultimately, WIRF is intended to become a key interest rate benchmark within the meaning of the BMR Regulation to be used in financial contracts (e.g. loan agreements), financial instruments (e.g. debt securities or derivatives) and by investment funds (e.g. in setting management fees).

On 25 January 2025, after reviewing opinions on legal, market and marketing aspects, the NWG SC decided on the target name POLSTR (Polish Short Term Rate) for the proposed index.

On 28 March 2025, the NWG SC approved an updated Roadmap for the process of replacing the WIBOR and WIBID benchmarks.

Work is underway to review and update the NWG recommendations issued to date. This includes the standards for applying the new target risk-free rate (RFR) to new banking, leasing and factoring products and financial instruments, as well as the voluntary conversion standards for portfolios of existing contracts and financial instruments that use the WIBOR benchmark.

According to the NWG SC's assumptions, the final point at which the portfolio of contracts and instruments is to be converted from WIBOR to the new index is to be the end of 2027.

STATUS OF WORK AT THE BANK AND EXPOSURE TO THE RISK ASSOCIATED WITH THE WIBOR REFORM

The evolving regulatory environment and migration of the market to benchmarks consistent with the BMR Regulation have an impact on the Bank's operations through its contracts with customers and counterparties, remeasurement of financial instruments and the need to adapt IT processes and systems.

In connection with the assumed replacement of WIBOR with another benchmark as part of the reform, a WIBOR Benchmark Reform Taskforce (the "Taskforce") is working on preparing the Bank for the implementation of the new interest rate benchmark. The Taskforce's objectives include, in particular:

- aligning contracts with counterparties and customers and changing the product offer;
- aligning methodologies and tools relating to valuation and risk management;
- aligning methodologies and tools relating to accounting (including, among other things, hedge accounting and transfer pricing);
- implementing changes to IT systems;
- estimating the impact of the reform on the Bank's financial results.

Taskforce representatives actively participate in meetings of specific NWG workstreams and in the work performed at the level of the PKO Bank Polski SA Group.



The table below presents the Bank's exposure to the WIBOR benchmark as at 30 June 2025 and 31 December 2024.

	30.06.2025			31.12.2024		
	WIBOR PLN	Fixed rate or no rate ¹⁾	Total	WIBOR PLN	Fixed rate or no rate ¹⁾	Total
Financial assets						
Cash and balances with the Central Bank	-	34	34	-	368	368
Amounts due from banks	-	6,555	6,555	-	10,186	10,186
Securities	617,059	164,178	781,237	749,307	-	749,307
Loans and advances to customers	14,063,468	2,308,399	16,371,867	14,327,747	2,272,924	16,600,671
Other financial assets	-	826	826	-	609	609
Total financial assets	14,680,527	2,479,992	17,160,519	15,077,054	2,284,087	17,361,141
Financial liabilities						
Amounts due to banks	2,528,688	2,479,358	5,008,046	3,088,218	2,254,612	5,342,830
Amounts due to customers	-	4,543	4,543	-	3,398	3,398
Liabilities in respect of mortgage covered bonds issued	5,587,380	2,171,663	7,759,043	5,013,449	2,219,906	7,233,355
Liabilities in respect of bonds issued	-	2,553,545	2,553,545	-	2,721,264	2,721,264
Other financial liabilities	-	12,429	12,429	-	11,986	11,986
Total financial liabilities	8,116,068	7,221,538	15,337,606	8,101,667	7,211,166	15,312,833
Contingent liabilities granted (financing), net	108,978	54,261	163,239	45,576	54,703	100,279

¹⁾ For loans and advances to customers and the corresponding contingent liabilities (financing), also instruments based on a periodically fixed rate are presented.

	30.06.2025			31.12.2024		
	WIBOR PLN	Fixed rate or no rate	Total	WIBOR PLN	Fixed rate or no rate	Total
Nominal amount of derivatives translated to PLN						
Derivative hedging instruments						
- Purchase (floating leg buy)	-	2,185,292	2,185,292		2,196,073	2,196,073
- Sale (floating leg sell)	2,188,295	13,576	2,201,871	2,408,030	-	2,408,030

Since a significant part of the Bank's financial assets and financial liabilities is based on the WIBOR benchmark, the Bank is exposed to the risk associated with the replacement of that benchmark.

Within the PKO Bank Polski SA Group, the Bank is working on the risk analysis. Having in mind the current stage of work of the National Working Group and the implementation of the Road Map, the Bank believes it is currently impossible to estimate the financial impact of the WIBOR benchmark reform.



NOTES TO THE INCOME STATEMENT

9. INTEREST INCOME AND EXPENSE

INTEREST INCOME AND INCOME SIMILAR TO INTEREST INCOME	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Interest income recognized under the effective interest rate method, including:	621,786	628,585
on financial instruments measured at amortized cost, including:	598,447	605,082
loans and advances to customers, including:	596,570	603,043
result on non-substantial modification, including recognition of the adjustment relating to loan repayment holidays	(1,886)	(62,329)
amounts due from banks and mandatory reserve	1,877	2,039
on instruments measured at fair value through other comprehensive income, including:	23,339	23,503
debt securities	23,339	23,503
Total	621,786	628,585
including: interest income on impaired financial instruments	1,980	1,051

INTEREST EXPENSE AND EXPENSES SIMILAR TO INTEREST EXPENSE	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Interest expense on financial instruments measured at amortized cost, including:	(421,889)	(396,466)
loans received and overdraft facility used	(142,903)	(149,902)
liabilities in respect of the purchase of receivables	(1,940)	-
mortgage covered bonds issued	(199,975)	(165,009)
bonds issued	(76,989)	(81,444)
lease liabilities	(82)	(111)
Expenses similar to interest expense on instruments measured at fair value through profit or loss, including:	(57,436)	(127,405)
hedging CIRS transactions (net)	(56,566)	(126,500)
hedging IRS transactions (net)	(870)	(905)
Total	(479,325)	(523,871)

10. FEE AND COMMISSION INCOME AND EXPENSE

FEE AND COMMISSION INCOME	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Commission for full or partial prepayment of loans	1,676	1,931
Fees for property valuation	457	325
Fees for property inspection	95	101
Other	380	425
Total	2,608	2,782



FEE AND COMMISSION EXPENSE	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Preparation of appraisal reports on Property Value for Mortgage Lending Purposes (MLV) by property appraisers	(1,109)	(844)
Expenses related to bond issuance programmes	(1,583)	(1,964)
Expenses related to credit lines	(2,399)	(1,432)
Expenses related to mortgage covered bond issuance programmes	(313)	(364)
Loan insurance costs	(271)	(245)
Commissions for other operating services	(131)	(130)
Costs of debt collection and intermediation in selling collateral	(53)	-
Total	(5,859)	(4,979)

11. NET FOREIGN EXCHANGE GAINS / (LOSSES)

NET FOREIGN EXCHANGE GAINS / (LOSSES)	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Result on revaluation	30	163
Gain/(loss) on derivative instruments (CIRS, FX-Forward) before designation to hedge accounting and in respect of the final settlement	(120)	1,559
Gain/(loss) on derivative instruments (CIRS, FX-Forward) related to hedge ineffectiveness	(108)	568
Total	(198)	2,290

The Bank concludes and maintains CIRS and FX Forward derivative instruments solely for hedging purposes.

12. NET ALLOWANCES FOR EXPECTED CREDIT LOSSES

NET ALLOWANCES FOR EXPECTED CREDIT LOSSES	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Net allowances for loans and advances to customers	18, 19	3,297	6,165
Net allowances for securities	17, 19	2	(9)
Net provisions for loan commitments granted relating to residential loans which have not been drawn in full	24, 19	(50)	(18)
Total		3,249	6,138



13. ADMINISTRATIVE EXPENSES

ADMINISTRATIVE EXPENSES	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Employee benefits	(10,415)	(8,609)
Overheads	(14,402)	(12,790)
Amortization and depreciation, including:	(918)	(1,060)
property, plant and equipment	(314)	(290)
right-of-use assets, including:	(535)	(722)
real estate	(386)	(613)
cars	(149)	(109)
intangible assets	(69)	(48)
Total	(25,735)	(22,459)

14. REGULATORY CHARGES

REGULATORY CHARGES	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Contribution the Bank Guarantee Fund (BGF), including:	(13,967)	(13,947)
resolution fund	(13,967)	(13,947)
Payments to Polish Financial Supervision Authority (PFSA)	(2,579)	(2,694)
Other taxes and charges	(498)	(485)
Total	(17,044)	(17,126)

15. CORPORATE INCOME TAX

Income tax in the interim financial statements is determined in accordance with IAS 34. The tax expense in the interim period is calculated using the expected average annual effective tax rate that would apply to the expected profit before tax for the full year. The calculation of the average annual effective tax rate requires the use of a forecast of pre-tax income for the full financial year and permanent differences between the carrying amounts of assets and liabilities for accounting and tax purposes. The projected annual effective tax rate is 26.96%.

INCOME TAX EXPENSE	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Current income tax	(18,105)	(21,971)
Adjustment to previous periods	-	39
Deferred income tax due to temporary differences	(2,286)	9,048
Income tax reported in the income statement	(20,391)	(12,884)
Income tax reported in other comprehensive income due to temporary differences	(1,975)	(7,361)
Total	(22,366)	(20,245)

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RECONCILIATION OF THE EFFECTIVE TAX RATE	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Profit / (loss) before income tax	75,634	45,397
Corporate income tax calculated at the statutory tax rate in force in Poland (19%)	(14,370)	(8,625)
Effect of permanent differences between profit before income tax and taxable income, including:	(7,253)	(7,540)
tax on certain financial institutions	(4,577)	(4,955)
contribution to BGF	(2,654)	(2,650)
PFRON (State Disabled Persons Fund) costs	(8)	(6)
impact of tax costs under Article 15cb of the CIT Act (internal financing)	48	143
impact of other permanent differences	(62)	(72)
Impact of applying the annual effective tax rate in the interim financial statements	1,232	3,242
Effect of other differences between profit before income tax and taxable income, including adjustments to previous periods	-	39
Income tax reported in the income statement	(20,391)	(12,884)
Effective tax rate (excluding adjustments to previous periods)	26.96%	28.47%



NOTES TO THE STATEMENT OF FINANCIAL POSITION

16. DERIVATIVE HEDGING INSTRUMENTS

As at 30 June 2025, the Bank had active relationships as part of two strategies hedging cash flow volatility.

A detailed description of the hedging strategies is disclosed in Note 24 of the PKO Bank Hipoteczny SA financial statements for the year ended 31 December 2024.

CARRYING AMOUNT / FAIR VALUE OF DERIVATIVES USED AS CASH FLOW HEDGES	30.06.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
IRS	-	896	-	3,738
CIRS	-	21,914	-	204,877
FX forward	51	88	-	81
Total	51	22,898	-	208,696

The Bank concludes and maintains derivative instruments exclusively for hedging purposes.

NOMINAL VALUE OF HEDGING INSTRUMENTS BY MATURITY AS AT 30 JUNE 2025	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	after more than 5 years	Total
IRS						
PLN fixed - float	-	-	-	60,000	-	60,000
CIRS						
float PLN sale	-	-	-	2,128,295	-	2,128,295
fixed EUR purchase (original currency)	-	-	-	497,905	-	497,905
FX forward						
PLN sale	-	-	-	7,160	-	7,160
EUR purchase (original currency)	-	-	-	1,513	-	1,513
PLN purchase	-	-	2,165	4,646	-	6,811
EUR sale (original currency)	-	-	492	1,021	-	1,513

NOMINAL VALUE OF HEDGING INSTRUMENTS BY MATURITY AS AT 31 DECEMBER 2024	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	after more than 5 years	Total
IRS						
PLN fixed - float	-	-	-	60,000	-	60,000
CIRS						
float PLN sale	-	-	2,348,030	-	-	2,348,030
fixed EUR purchase (original currency)	-	-	499,900	-	-	499,900
FX forward						
PLN sale	-	-	366	-	-	366
EUR purchase (original currency)	-	-	65	-	-	65
PLN purchase	-	-	-	-	-	-
EUR sale (original currency)	-	-	-	-	-	-



CHANGE IN OTHER COMPREHENSIVE INCOME ON CASH FLOW HEDGES AND INEFFECTIVE PORTION OF CASH FLOW HEDGES	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Accumulated other comprehensive income on cash flow hedges at the beginning of the period, gross	(17,795)	(91,835)
Gains / (Losses) recognized in other comprehensive income during the period	(68,671)	(116,335)
Amounts transferred from other comprehensive income to the income statement during the period	79,939	152,214
- interest expense (net)	57,436	127,405
- net foreign exchange gains/(losses)	22,503	24,809
Accumulated other comprehensive income on cash flow hedges as at the end of the period, gross	(6,527)	(55,956)
Tax effect	1,240	10,632
Accumulated other comprehensive income on cash flow hedges at the end of the period, net	(5,287)	(45,324)
Ineffective portion of cash flow hedges recognized in the income statement	(115)	(563)
Impact on other comprehensive income during the period, gross	11,267	35,879
Deferred tax on cash flow hedges	(2,141)	(6,817)
Impact on other comprehensive income during the period, net	9,126	29,062

17. SECURITIES

SECURITIES	30.06.2025	31.12.2024
Measured at fair value through other comprehensive income, including:	781,237	749,307
issued by the State Treasury, PLN Treasury bonds	781,237	749,307
Total	781,237	749,307

Information on credit risk exposure in connection with securities is provided in [Note 33](#) "Credit risk management".

SECURITIES PUT UP AS COLLATERAL

■ COLLATERAL FOR LIABILITIES IN RESPECT OF THE PAYMENT OF CONTRIBUTIONS TO THE BANK GUARANTEE FUND

As at 30 June 2025, the contribution to the bank resolution fund, which is contributed as an obligation to pay to the Bank Guarantee Fund ("BGF"), amounted to PLN 32,843 thousand, and the Bank held Treasury bonds with a carrying value of PLN 39,215 thousand to cover the contribution. As at 31 December 2024, these amounted to PLN 32,843 thousand and PLN 39,230 thousand respectively.

Such funds are treated as assets pledged as collateral for own liabilities, they cannot be pledged or encumbered in any other way, are excluded from judicial or administrative enforcement proceedings and do not form part of the estate in bankruptcy.

■ COLLATERAL FOR MORTGAGE COVERED BONDS

The amount of additional collateral entered in the Covered Bonds Cover Pool maintained in the form of Treasury securities in PLN was PLN 0 as at 30 June 2025 and PLN 80,000 thousand as at 31 December 2024. The disclosure of assets in the Covered Bonds Cover Pool is described in [Note 21](#) "Liabilities in respect of mortgage covered bonds issued".



18. LOANS AND ADVANCES TO CUSTOMERS

The classification and measurement policies in respect of loans and advances to customers are described in the financial statements of PKO Bank Hipoteczny SA for the year ended 31 December 2024 in Note 10 “General accounting policies for financial instruments”.

LOANS AND ADVANCES TO CUSTOMERS	30.06.2025	31.12.2024
Measured at amortized cost		
Residential loans, gross, including:	16,457,227	16,689,397
loans granted	9,069,091	9,250,254
receivables acquired	7,388,136	7,439,143
Allowances for expected credit losses	(85,360)	(88,726)
Loans and advances to customers, net	16,371,867	16,600,671

The division into loans granted and receivables acquired presented in the table above relates solely to the source of obtaining credit. The Bank manages its whole loan portfolio in a uniform manner.

In the six-month period ended 30 June 2025, based on the Framework Agreement for the Sale of Receivables signed with PKO Bank Polski SA on 17 November 2015, the Bank purchased mortgage covered residential loan portfolios amounting to PLN 497,318 thousand, and in 2024 – a portfolio of receivables amounting to PLN 403,771 thousand.

Residential loans that have been entered in the Bank’s Cover Pool represent collateral for mortgage covered bonds issued by the Bank, as described in [Note 21](#) “Liabilities in respect of mortgage covered bonds issued”.

Information about exposure to credit risk for loans and advances to customers granted measured at amortized cost is described in [Note 19](#) “Expected credit losses”. Information about the quality of the loan portfolio is presented in [Note 33](#) “Credit risk management”.

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19. EXPECTED CREDIT LOSSES

FINANCIAL ASSETS AND ALLOWANCES FOR EXPECTED CREDIT LOSSES

FINANCIAL ASSETS AND ALLOWANCES FOR EXPECTED CREDIT LOSSES AS AT 30 JUNE 2025	Assets with no significant increase in credit risk since initial recognition (Stage 1)	Assets with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)	Credit-impaired assets (Stage 3)	Purchased or originated credit-impaired assets (POCI) ¹⁾	Total
	Measured at fair value through other comprehensive income				
Securities	781,237	-	-	-	781,237
	Measured at amortized cost				
Amounts due from banks					
Gross amount	6,555	-	-	-	6,555
Allowances	-	-	-	-	-
Net amount	6,555	-	-	-	6,555
Loans and advances to customers					
Gross amount	15,652,805	723,190	80,134	1,098	16,457,227
Allowances	(4,917)	(43,691)	(37,217)	465	(85,360)
Net amount	15,647,888	679,499	42,917	1,563	16,371,867
Other financial assets					
Gross amount	826	-	-	-	826
Allowances	-	-	-	-	-
Net amount	826	-	-	-	826

FINANCIAL ASSETS AND ALLOWANCES FOR EXPECTED CREDIT LOSSES AS AT 31 DECEMBER 2024	Assets with no significant increase in credit risk since initial recognition (Stage 1)	Assets with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)	Credit-impaired assets (Stage 3)	Purchased or originated credit-impaired assets (POCI) ¹⁾	Total
	Measured at fair value through other comprehensive income				
Securities	749,307	-	-	-	749,307
	Measured at amortized cost				
Amounts due from banks					
Gross amount	10,186	-	-	-	10,186
Allowances	-	-	-	-	-
Net amount	10,186	-	-	-	10,186
Loans and advances to customers					
Gross amount	15,964,644	645,928	77,715	1,110	16,689,397
Allowances	(5,185)	(45,669)	(38,416)	544	(88,726)
Net amount	15,959,459	600,259	39,299	1,654	16,600,671
Other financial assets					
Gross amount	609	-	-	-	609
Allowances	-	-	-	-	-
Net amount	609	-	-	-	609

¹⁾ Financial assets presented as POCI result from a substantial modification of an impaired agreement. The Bank does not purchase impaired receivables.

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Bank Hipoteczny

LOAN COMMITMENTS AND PROVISIONS

LOAN COMMITMENTS AND PROVISIONS AS AT 30 JUNE 2025	Nominal amount of loan commitments with no significant increase in credit risk since initial recognition (Stage 1)	Loan commitments with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)	Credit-impaired loan commitments (Stage 3)	Purchased or originated credit-impaired loan commitments (POCI)	Total
In respect of residential loans					
Nominal amount	163,200	132	-	-	163,332
Provisions	(92)	(1)	-	-	(93)

LOAN COMMITMENTS AND PROVISIONS AS AT 31 DECEMBER 2024	Nominal amount of loan commitments with no significant increase in credit risk since initial recognition (Stage 1)	Loan commitments with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)	Credit-impaired loan commitments (Stage 3)	Purchased or originated credit-impaired loan commitments (POCI)	Total
In respect of residential loans					
Nominal amount	100,086	236	-	-	100,322
Provisions	(39)	(4)	-	-	(43)

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CHANGES IN ALLOWANCES FOR EXPECTED CREDIT LOSSES

CHANGES IN ALLOWANCES FOR EXPECTED CREDIT LOSSES ON FINANCIAL INSTRUMENTS FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025	As at 01.01.2025	Increase due to granting and purchase of loans and accrual of interest*	Changes due to changes in credit risk (net), including total repayment*	Changes due to non-substantial modification, net*	Decrease due to substantial modification (derecognition)*	Changes due to lengthening the loss recognition horizon from 12 months to lifetime*	Changes due to shortening the loss recognition horizon from lifetime to 12 months*	Change in connection with a partial write-down or other	Transfers to S1	Transfers to S2	Transfers to S3	Other changes	As at 30.06.2025
Measured at fair value through other comprehensive income													
securities (S1)	-	12	(14)	-	-	-	-	-				2	-
Total	-	12	(14)	-	-	-	-	-				2	-
Measured at amortized cost													
amounts due from banks (S1)	-	-	-	-	-	-	-	-				-	-
loans and advances to customers	88,726	670	(8,566)	375	(275)	19,123	(14,624)	(69)				-	85,360
residential loans	88,726	670	(8,566)	375	(275)	19,123	(14,624)	(69)				-	85,360
Stage 1 (S1)	5,185	400	338	304	(5)	19,123	-	(140)	1,332	(20,395)	(1,225)	-	4,917
Stage 2 (S2)	45,669	3	844	2	(3)	-	(14,562)	103	(1,332)	21,312	(8,345)	-	43,691
Stage 3 (S3)	38,416	286	(9,925)	69	(267)	-	(62)	47	-	(917)	9,570	-	37,217
POCI	(544)	(19)	177	-	-	-	-	(79)				-	(465)
other financial assets (S1)	-	-	-	-	-	-	-	-				-	-
Total	88,726	670	(8,566)	375	(275)	19,123	(14,624)	(69)				-	85,360

CHANGES IN ALLOWANCES FOR EXPECTED CREDIT LOSSES ON FINANCIAL INSTRUMENTS FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024	As at 01.01.2024	Increase due to granting and purchase of loans*	Changes due to changes in credit risk (net), including total repayment*	Changes due to non-substantial modification, net*	Decrease due to substantial modification (derecognition)*	Changes due to lengthening the loss recognition horizon from 12 months to lifetime*	Changes due to shortening the loss recognition horizon from lifetime to 12 months*	Decrease in connection with a partial write-down	Transfers to S1	Transfers to S2	Transfers to S3	Other changes	As at 30.06.2024
Measured at fair value through other comprehensive income													
securities (S1)	-	-	9	-	-	-	-	-				(9)	-
Total	-	-	9	-	-	-	-	-				(9)	-
Measured at amortized cost													
amounts due from banks (S1)	-	-	-	-	-	-	-	-				-	-
loans and advances to customers	93,767	215	(7,738)	(99)	(121)	18,328	(16,750)	170				-	87,772
residential loans	93,767	215	(7,738)	(99)	(121)	18,328	(16,750)	170	-	-	-	-	87,772
Stage 1 (S1)	10,036	105	(1,565)	22	(11)	18,328	-	(34)	1,558	(19,184)	(1,180)	-	8,075
Stage 2 (S2)	48,731	5	3,394	115	(5)	-	(16,578)	61	(1,558)	20,225	(11,029)	-	43,361
Stage 3 (S3)	35,351	105	(9,395)	(236)	(105)	-	(172)	83	-	(1,041)	12,209	-	36,799
POCI	(351)	-	(172)	-	-	-	-	60				-	(463)
other financial assets (S1)	-	-	-	-	-	-	-	-				-	-
Total	93,767	215	(7,738)	(99)	(121)	18,328	(16,750)	170				-	87,772

* - items affecting net allowances for expected credit losses



20. AMOUNTS DUE TO BANKS

AMOUNTS DUE TO BANKS	30.06.2025	31.12.2024
Measured at amortized cost		
liability related to overdraft facilities	2,528,688	3,088,218
liability related to term loans	2,479,358	2,254,612
Total	5,008,046	5,342,830

LIABILITIES IN RESPECT OF LOANS

Type of loan	Lender	Effective date of agreement	Maturity as at 30.06.2025	Amount of loan made available as at 30.06.2025	Liabilities as at 30.06.2025	Liabilities as at 31.12.2024
Overdrafts	PKO Bank Polski SA	29.10.2015	27.10.2028	2,000,000	7,606	509,171
	PKO Bank Polski SA ¹⁾	02.02.2017	02.02.2029	2,000,000	2,012,432	495,087
	PKO Bank Polski SA	10.07.2019	30.06.2028	3,100,000	508,650	2,083,960
Term loans	PKO Bank Polski SA	10.09.2020	22.03.2026	210,000	209,986	209,965
	PKO Bank Polski SA	11.02.2022	22.12.2027	1,522,000	1,521,856	1,521,814
	PKO Bank Polski SA ²⁾	03.01.2023	03.01.2031	900,000	747,516	522,833
Total				9,732,000	5,008,046	5,342,830

¹⁾ In connection with an annex signed on 30 January 2025, the lending period was extended to 2 February 2029.

²⁾ In connection with an annex signed on 30 December 2024, the limit increased to PLN 900,000 thousand as of 16 January 2025, and the loan utilization period was extended to 3 January 2026. Accordingly, the maturity date was set as the maturity date of the tranche that would have been utilised on the final available date.

21. LIABILITIES IN RESPECT OF MORTGAGE COVERED BONDS ISSUED

LIABILITIES IN RESPECT OF MORTGAGE COVERED BONDS ISSUED	30.06.2025	31.12.2024
Measured at amortized cost		
Mortgage covered bonds, including issued under:	7,759,043	7,233,355
International Mortgage Covered Bonds Issuance Programme	7,191,739	6,434,161
National Mortgage Covered Bonds Issuance Programme	567,304	799,194
Total	7,759,043	7,233,355

In the six-month period ended 30 June 2025, under the International Mortgage Covered Bonds Issuance Programme for the European market, the Bank conducted issues of mortgage covered bonds:

- on 20 February 2025, the Bank subscribed to series 15 mortgage covered bonds issued with a nominal value of PLN 800,000 thousand, for which the issue date was set at 27 February 2025 and the maturity date at 27 February 2029. The securities bear interest at a floating interest rate of WIBOR 3M + 0.80 p.p. margin;
- on 17 June 2025, the Bank subscribed to series 16 mortgage covered bonds issued with a nominal value of EUR 500,000 thousand, for which the issue date was set at 25 June 2025 and the maturity date at 12 June 2029. The securities bear interest at a fixed rate of 2.5%.

Moreover, in the six-month period ended 30 June 2025, the Bank redeemed two issues of mortgage covered bonds with the value of PLN 230,000 thousand and EUR 500,000 thousand.

However, in the six-month period ended 30 June 2024, the Bank issued one series of mortgage covered bonds with a nominal value of PLN 1,000,000 thousand and redeemed three issues of mortgage covered bonds with a total value of PLN 700,000 thousand and EUR 525,000 thousand.



As at 30 June 2025, the PLN- and EUR-denominated mortgage covered bonds issued by the Bank were rated by Moody's Investors Service at Aa1. The limit for the ratings is the Polish country ceiling for debt instruments which is currently is at the level of Aa1.

The total nominal value of the issued mortgage covered bonds in trading as at 30 June 2025 amounted to PLN 7,730,950 thousand and PLN 7,176,500 as at 31 December 2024.

SECURITY FOR MORTGAGE COVERED BONDS

The mortgage covered bonds are secured with loans which in turn are secured with the highest priority mortgage entered in the Land and Mortgage Register. Additionally, the mortgage covered bonds may also be issued based on the Bank's own funds:

- invested in securities issued or guaranteed by the National Bank of Poland, the European Central Bank, the governments and central banks of the Member States of the European Union, the Organization for Economic Cooperation and Development, excluding countries that are restructuring or have restructured their foreign debt in the past 5 years;
- deposited with the National Bank of Poland;
- deposited with domestic banks or a credit institution referred to in Article 18(3)(3) of the Polish Covered Bonds and Mortgage Banks Act of 29 August 1997.

The nominal value of loans entered in the Bank's Cover Pool and representing collateral for the mortgage covered bonds issued as at 30 June 2025 amounted to PLN 14,881,022 thousand, whereas the nominal value of additional collateral in the form of PLN-denominated securities issued by the State Treasury amounted to PLN 0. As at 31 December 2024, these amounted to PLN 15,292,409 thousand and PLN 80,000 thousand respectively. The Mortgage Covered Bonds Cover Pool also included CIRS transactions hedging the currency and interest rate risk of mortgage covered bonds denominated in EUR and IRS transactions hedging the interest rate risk of fixed rate mortgage covered bonds denominated in PLN.

In the six-month period ended 30 June 2025 and in the previous years the Mortgage Covered Bonds Cover Pool did not include asset-backed securities (ABS), which do not meet the requirements specified in paragraph 1 of Article 80 of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast).

22. LIABILITIES IN RESPECT OF BONDS ISSUED

LIABILITIES IN RESPECT OF BONDS ISSUED	30.06.2025	31.12.2024
Measured at amortized cost		
bonds, including bonds issued under the Bond Issuance Programme	2,553,545	2,721,264
Total	2,553,545	2,721,264

BOND ISSUANCE PROGRAMME

In the six-month period ended 30 June 2025, as part of the Bond Issuance Programme, the Bank issued bonds with a total nominal value of PLN 2,589,500 thousand (i.e. 5,179 bonds with PLN 500,000 nominal value each) and redeemed bonds with a total nominal value of PLN 2,760,500 thousand (i.e. 5,521 bonds with PLN 500,000 nominal value each).

However, in the six-month period ended 30 June 2024, the Bank issued bonds with a total nominal value of PLN 3 150 000 thousand (i.e. 6 300 bonds with PLN 500,000 nominal value each) and redeemed bonds with a total nominal value of PLN 2 159 000 thousand (i.e. 4 318 bonds with PLN 500,000 nominal value each).

The aforementioned issues of bonds are regulated by the Bond Issuance Programme Agreement concluded with PKO Bank Polski SA. on 30 September 2015. In accordance with the said agreement, the maximum nominal value of bonds issued and not yet redeemed is PLN 6,000,000 thousand. At the same time, pursuant to the Underwriting Agreement concluded, PKO Bank Polski SA as the Underwriter shall be obliged to take up the Issuer's bonds up to the amount of PLN 1,000,000 thousand. Based on annexes to the aforesaid agreements signed in September 2023, the agreements were prolonged until 30 September 2026.

As at 30 June 2025, the Bank's liability in respect of bonds issued as part of the Bond Issuance Programme had a nominal value of PLN 2,589,500 thousand, and as at 31 December 2024 its nominal value was PLN 2,760,500



thousand. As at 30 June 2025 and as at 31 December 2024, PKO Bank Polski SA did not hold any bonds under the Underwriting Agreement.

23. OTHER LIABILITIES

OTHER LIABILITIES	30.06.2025	31.12.2024
Expenses to be paid *	3,302	3,055
Provision for holiday pay	1,026	830
Provision for other employee benefits	5,258	5,931
Liabilities in respect of contributions to the Bank Guarantee Fund (BGF), including:	46,810	32,843
the contribution to the resolution fund accrued by BGF / payable to BGF	13,967	-
maintained in the form of payment commitments to the resolution fund	32,843	32,843
Other liabilities, including:	7,526	8,407
sundry creditors*	2,982	3,714
settlements with the State budget, including:	4,544	4,693
liabilities in respect of tax on certain financial institutions	3,944	4,031
Lease liabilities *	6,145	5,217
Total	70,067	56,283
including financial liabilities marked with * above	12,429	11,986

As at 30 June 2025 and 31 December 2024, the Bank had no overdue contractual liabilities.

24. PROVISIONS

PROVISIONS FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025	Provision for disability and retirement benefits	Provisions for loan commitments	Total
As at 1 January 2025, including:	275	43	318
Short-term provision	-	43	43
Long-term provision	275	-	275
Set-up/reassessment of provisions	24	77	101
Release/utilization	-	(27)	(27)
As at 30 June 2025, including:	299	93	392
Short-term provision	-	93	93
Long-term provision	299	-	299

PROVISIONS FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024	Provision for disability and retirement benefits	Provisions for loan commitments	Total
As at 1 January 2024, including:	237	38	275
Short-term provision	-	38	38
Long-term provision	237	-	237
Set-up/reassessment of provisions	38	41	79
Release/utilization	-	(23)	(23)
As at 30 June 2024, including:	275	56	331
Short-term provision	-	56	56
Long-term provision	275	-	275



25. SHAREHOLDING STRUCTURE OF THE BANK

Series	Type of shares	Number of shares	Nominal value of 1 share (in PLN)	Series value at nominal value (in PLN)	Date of passing the resolution by the GSM	Issue date	Date of registration in the National Court Register
A	ordinary egistered	300,000,000	1	300,000,000	06.10.2014	06.10.2014	24.10.2014
B	ordinary egistered	200,000,000	1	200,000,000	14.03.2016	07.04.2016	22.04.2016
C	ordinary egistered	200,000,000	1	200,000,000	01.07.2016	15.07.2016	28.07.2016
D	ordinary egistered	100,000,000	1	100,000,000	28.10.2016	18.11.2016	01.12.2016
E	ordinary egistered	150,000,000	1	150,000,000	21.03.2017	04.04.2017	12.04.2017
F	ordinary egistered	150,000,000	1	150,000,000	28.06.2017	04.07.2017	11.09.2017
G	ordinary egistered	100,000,000	1	100,000,000	18.10.2017	20.10.2017	16.11.2017
H	ordinary egistered	95,000,000	1	95,000,000	13.08.2018	17.08.2018	08.10.2018
I	ordinary egistered	100,000,000	1	100,000,000	19.12.2018	21.12.2018	21.02.2019
J	ordinary egistered	131,500,000	1	131,500,000	07.03.2019	19.03.2019	16.05.2019
K	ordinary egistered	84,800,000	1	84,800,000	27.06.2019	01.07.2019	20.08.2019
Total		1,611,300,000		1,611,300,000			

PKO Bank Polski SA was the Bank's sole shareholder as at 30 June 2025 and 31 December 2024.

The Bank's share capital amounts to PLN 1,611,300,000 and comprises 1,611,300,000 ordinary registered shares with a nominal value of PLN 1 (one zloty) each. The PKO Bank Hipoteczny SA shares are non-preference shares and have been paid up in full.

On 27 June 2025, the Ordinary General Shareholders' Meeting of PKO Bank Hipoteczny SA adopted a resolution on the appropriation of the net profit for the financial year ended 31 December 2024, based on which the net profit of

- PLN 32,579 thousand was allocated to the Bank's supplementary capital;
- PLN 97,738 thousand was allocated to the payment of dividend.

In connection with the said resolution of the Ordinary General Shareholders' Meeting, on 30 June 2025, the Bank transferred the funds for the payment of dividend to PKO Bank Polski SA to the non-public market register maintained by the Brokerage Office of PKO Bank Polski SA.

In 2024 the Bank paid the dividend in the amount of PLN 86,560 thousand.



OTHER NOTES TO FINANCIAL DATA

26. CONTINGENT LIABILITIES GRANTED AND RECEIVED

26.1 CONTRACTUAL COMMITMENTS

As at 30 June 2025 and 31 December 2024 the Bank had no contractual commitments relating to the purchase of intangible assets and property, plant and equipment.

26.2 LOAN COMMITMENTS

LOAN COMMITMENTS (CONTINGENT)	30.06.2025	31.12.2024
Relating to residential loans not drawn in full (nominal value)	163,332	100,322
provision for residential loans not drawn in full	(93)	(43)
Total, net	163,239	100,279
including irrevocable loan commitments	-	-

26.3 GUARANTEE COMMITMENTS GRANTED

PKO Bank Hipoteczny SA does not grant guarantee commitments.

26.4 CONTINGENT LIABILITIES RECEIVED

CONTINGENT LIABILITIES RECEIVED AT NOMINAL VALUE	30.06.2025	31.12.2024
Contingent liabilities received		
financial	4,737,804	4,126,155
guarantees	1,000,000	1,000,000
Total	5,737,804	5,126,155

27. LEGAL CLAIMS

As at 30 June 2025 and 31 December 2024 there were no legal claims.

28. RELATED PARTY TRANSACTIONS

28.1 RELATED PARTY TRANSACTIONS – CAPITAL LINKS

PKO Bank Polski SA and PKO Bank Polski SA Group entities are the Bank's related parties.

Details of transactions with related parties with capital links are presented in Note 41.1 of the PKO Bank Hipoteczny SA financial statements for the year ended 31 December 2024.

Furthermore, in the six-month period ended 30 June 2025:

- on 30 January 2025, the Bank and PKO Bank Polski SA concluded an Annex to the Contract for a revolving working capital loan in the current account dated 2 February 2017, extending the lending period until 2 February 2029.

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(IN PLN THOUSANDS)



Bank Hipoteczny

AS AT 30 JUNE 2025

ENTITY	ASSETS	
	Receivables	including derivatives
PKO Bank Polski SA	6,943	51
Total	6,943	51

ENTITY	LIABILITIES			
	Loans and overdraft	Mortgage covered bonds and bonds	Other liabilities	including derivatives
PKO Bank Polski SA	5,008,046	512,341	32,495	22,898
PKO BP Finat Sp. z o.o.	-	14,697	34	-
Prime Car Management SA	-	-	645	-
PKO Towarzystwo Ubezpieczeń SA	-	98,054	-	-
PKO VC - fizan	-	45,013	-	-
NEPTUN - fizan	-	35,874	-	-
Bankowe Towarzystwo Kapitałowe SA	-	22,580	-	-
Total	5,008,046	728,559	33,174	22,898

ENTITY	Contingent commitments received
PKO Bank Polski SA	5,737,804
Total	5,737,804

FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

ENTITY	Total revenues	including interest and commissions	Total costs	including interest and commissions	Net income / (expense) from financial instruments measured at fair value	Net foreign exchange gains / (losses)
PKO Bank Polski SA	51	1	235,699	225,093	(7)	(22,820)
PKO BP Finat Sp. z o.o.	-	-	668	505	-	-
Prime Car Management SA	-	-	114	19	-	-
PKO Towarzystwo Ubezpieczeń SA	-	-	3,102	3,102	-	-
PKO Życie Towarzystwo Ubezpieczeń SA	-	-	2,765	2,765	-	-
PKO VC - fizan	-	-	1,394	1,394	-	-
NEPTUN - fizan	-	-	1,041	1,041	-	-
Bankowe Towarzystwo Kapitałowe SA	-	-	656	656	-	-
Total	51	1	245,439	234,575	(7)	(22,820)

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(IN PLN THOUSANDS)



Bank Hipoteczny

AS AT 31 DECEMBER 2024

ENTITY	ASSETS	
	Receivables	including derivatives
PKO Bank Polski SA	10,515	-
Total	10,515	-

ENTITY	LIABILITIES			
	Loans and overdraft	Mortgage covered bonds and bonds	Other liabilities	including derivatives
PKO Bank Polski SA	5,342,830	506,024	218,150	208,696
PKO BP Finat Sp. z o.o.	-	17,588	35	-
PKO Leasing SA	-	-	760	-
Prime Car Management SA	-	98,033	-	-
PKO Towarzystwo Ubezpieczeń SA	-	95,501	-	-
PKO Życie Towarzystwo Ubezpieczeń SA	-	19,739	-	-
PKO VC - fizan	-	35,899	-	-
Bankowe Towarzystwo Kapitałowe SA	-	22,569	-	-
Total	5,342, 830	795,353	218,945	208,696

ENTITY	Contingent commitments received
PKO Bank Polski SA	5,126,155
Total	5,126,155

FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

ENTITY	Total revenues	including interest and commissions	Total costs	including interest and commissions	Net income / (expense) from financial instruments measured at fair value	Net foreign exchange gains / (losses)
PKO Bank Polski SA	1	1	292,913	283,022	(5)	(22,871)
PKO BP Finat Sp. z o.o.	-	-	554	397	-	-
PKO Leasing SA	-	-	17	0	-	-
Prime Car Management SA	-	-	78	13	-	-
PKO Towarzystwo Ubezpieczeń SA	-	-	3,075	3,075	-	-
PKO Życie Towarzystwo Ubezpieczeń SA	-	-	2,431	2,431	-	-
PKO VC - fizan	-	-	574	574	-	-
NEPTUN - fizan	-	-	900	900	-	-
Bankowe Towarzystwo Kapitałowe SA	-	-	843	843	-	-
Total	1	1	301,385	291,255	(5)	(22,871)

During the reporting period, the Bank did not enter into transactions with related parties on conditions other than at arm's length.



28.2 TRANSACTIONS WITH THE STATE TREASURY AND ITS RELATED ENTITIES

Since the State Treasury holds 29.43% of the share capital of PKO Bank Polski SA, PKO Bank Hipoteczny SA (which is a part of the PKO Bank Polski SA Group) is a related entity of the State Treasury.

The Bank concludes the following transactions with the State Treasury and its related entities:

- purchases of Treasury bonds issued by the State Treasury and NBP bills, which are described in [Note 17](#) "Securities";
- purchases of goods and services from related entities of the State Treasury which are not PKO Bank Polski SA Group entities as part of the Bank's operating activities, which are immaterial both individually and cumulatively from the financial statements perspective.

In addition, related entities of the State Treasury acquire mortgage covered bonds and bonds issued by the Bank.

The aforementioned transactions were conducted on the arm's length basis.

28.3 RELATED-PARTY TRANSACTIONS – PERSONAL LINKS

As at 30 June 2025, five entities were related to the Bank through members of the Management Board and Supervisory Board of PKO Bank Hipoteczny SA or their close relatives, whereas at 31 December 2024 it was three entities. In the period of six months ended 30 June 2025 and 2024, PKO Bank Hipoteczny SA did not conclude any transactions with entities related through personal links.

28.4 BENEFITS FOR PKO BANK HIPOTECZNY SA KEY MANAGEMENT PERSONNEL

COST OF REMUNERATION OF THE BANK'S MANAGEMENT BOARD AND SUPERVISORY BOARD	01.01.2025 – 30.06.2025	01.01.2024 – 30.06.2024
The Bank's Management Board¹⁾		
Short-term employee benefits ²⁾	1,054	940
Post-employment benefits	50	319
Long-term benefits ³⁾	307	392
Share-based payments settled in cash ⁴⁾	392	153
Total	1,803	1,804
Supervisory Board of the Bank⁵⁾		
Short-term employee benefits ²⁾	132	147
Total	132	147

¹⁾ Including the Management Board members who no longer perform their functions.

²⁾ Short-term employee benefits comprise remuneration, social insurance contributions, employee pension plans, other benefits and the provision for non-deferred variable remuneration components, which have been or will be settled within 12 months of the end of a reporting period.

³⁾ Long-term benefits comprise provisions for deferred variable remuneration components granted in cash, which will be payable after 12 months from the end of a reporting period.

⁴⁾ Share-based payments settled in cash comprise provisions for deferred variable remuneration components granted in the form of financial instruments, i.e. phantom shares. Phantom shares are converted into cash after the retention period.

⁵⁾ Only independent members of the Supervisory Board are remunerated.

28.5 LOANS AND ADVANCES GRANTED BY THE BANK TO KEY MANAGEMENT PERSONNEL AND OTHER MANAGERS OF THE BANK

In the period from 1 January to 30 June 2025 and from 1 January to 30 June 2024, no loans or advances were granted to the Bank's key management personnel and other managers of the Bank. As at 30 June 2025 and as at 31 December 2024, the carrying amount of loans and advances to key management personnel and other managers of the Bank or their close relatives amounted to PLN 653 thousand and PLN 709 thousand respectively. The interest rate and repayment terms are consistent with the arm's length principle.

29. VALUE OF FINANCIAL LIABILITIES INCURRED, INCLUDING OVERDUE LIABILITIES

As at 30 June 2025, the value of financial liabilities incurred, in the context of Article 35(1)(1) of the Bonds Act of 15 January 2015 amounted to PLN 15,360,597 thousand, including overdue liabilities of PLN 0 thousand. The Bank



classifies the following as financial liabilities: amounts due to banks and to customers, liabilities in respect of derivative hedging instruments, liabilities in respect of mortgage covered bonds and bonds issued, provisions for loan commitments and other financial liabilities. As at 31 December 2024, this amounted to PLN 15,521,572 thousand, including overdue liabilities of: PLN 0 thousand.

30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

30.1 CATEGORIES OF FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT FAIR VALUE IN THE STATEMENT OF FINANCIAL POSITION

The classification of financial instruments and the methods for determining their fair value are presented in Note 43.1 of the PKO Bank Hipoteczny SA financial statements for the year ended 31 December 2024.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE AS AT 30 JUNE 2025	Note	Carrying amount	Level 1 Prices quoted on active markets	Level 2 Measurement techniques based on observable market data	Level 3 Other measurement techniques
Derivative hedging instruments	16	51	-	51	-
FX forward		51	-	51	-
Securities	17	781,237	781,237	-	-
measured at fair value through other comprehensive income		781,237	781,237	-	-
Total financial assets measured at fair value		781,288	781,237	51	-
Derivative hedging instruments	16	22,898	-	22,898	-
CIRS		21,914	-	21,914	-
FX forward		88	-	88	-
IRS		896	-	896	-
Total financial liabilities measured at fair value		22,898	-	22,898	-

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE AS AT 31 DECEMBER 2024	Note	Carrying amount	Level 1 Prices quoted on active markets	Level 2 Measurement techniques based on observable market data	Level 3 Other measurement techniques
Derivative hedging instruments	16	-	-	-	-
Securities	17	749,307	749,307	-	-
measured at fair value through other comprehensive income		749,307	749,307	-	-
Total financial assets measured at fair value		749,307	749,307	-	-
Derivative hedging instruments	16	208,696	-	208,696	-
CIRS		204,877	-	204,877	-
FX forward		81	-	81	-
IRS		3,738	-	3,738	-
Total financial liabilities measured at fair value		208,696	-	208,696	-

30.2 FINANCIAL ASSETS AND LIABILITIES NOT PRESENTED AT FAIR VALUE IN THE STATEMENT OF FINANCIAL POSITION

The fair value measurement methods and assumptions used in the estimation of fair value of financial instruments which are not presented at fair value are presented in Note 43.2 of the PKO Bank Hipoteczny SA financial statements for the year ended 31 December 2024.

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Bank Hipoteczny

FINANCIAL ASSETS AND LIABILITIES NOT PRESENTED AT FAIR VALUE AS AT 30 JUNE 2025	fair value hierarchy level	measurement method	30.06.2025	
			carrying amount	fair value
Cash and balances with the Central Bank	N/A	amount of consideration due	34	34
Amounts due from banks	2	discounted cashflows	6,555	6,555
Loans and advances to customers, including:			16,371,867	15,850,068
residential loans	3	discounted cashflows	16,371,867	15,850,068
Other financial assets	3	amount of consideration due taking into account impairment	826	826
Amounts due to banks	2	discounted cashflows	5,008,046	5,060,827
Amounts due to customers	2	discounted cashflows	4,543	4,543
Liabilities in respect of mortgage covered bonds issued	2	discounted cashflows	7,759,043	7,816,688
Liabilities in respect of bonds issued	2	discounted cashflows	2,553,545	2,553,545
Other financial liabilities	3	amount of consideration due	12,429	12,429
Provisions for loan commitments	3	discounted cashflows	93	93

FINANCIAL ASSETS AND LIABILITIES NOT PRESENTED AT FAIR VALUE AS AT 31 DECEMBER 2024	fair value hierarchy level	measurement method	31.12.2024	
			carrying amount	fair value
Cash and balances with the Central Bank	N/A	amount of consideration due	368	368
Amounts due from banks	2	discounted cashflows	10,186	10,186
Loans and advances to customers, including:			16,600,671	15,964,079
residential loans	3	discounted cashflows	16,600,671	15,964,079
Other financial assets	3	amount of consideration due taking into account impairment	609	609
Amounts due to banks	2	discounted cashflows	5,342,830	5,356,155
Amounts due to customers	2	discounted cashflows	3,398	3,398
Liabilities in respect of mortgage covered bonds issued	2	discounted cashflows	7,233,355	7,256,149
Liabilities in respect of bonds issued	2	discounted cashflows	2,721,264	2,721,264
Other financial liabilities	3	amount of consideration due	11,986	11,986
Provisions for loan commitments	3	discounted cashflows	43	43

31. OPERATING SEGMENTS

In the six months period ended 30 June 2025 and in 2024 the Bank did not analyse its operations by segments due to the specific nature of its operations. The whole loan portfolio of the Bank is uniform and consists of residential loans granted to retail customers for the financing of real estate located in Poland. All operations of the Bank represent one segment. The main operational decision-maker is the Bank's Management Board. The Bank's gross profit/(loss) is analysed at the level of all operations of the Bank. Therefore, the financial data presented in the statement of financial position and the income statement is representative for the Bank as a whole, which consists of a single operating segment.



OBJECTIVES AND PRINCIPLES OF RISK MANAGEMENT

32. RISK MANAGEMENT AT PKO BANK HIPOTECZNY SA

Risk management at PKO Bank Hipoteczny SA is aimed at ensuring the financial stability of the Bank, safeguarding the value and security of the mortgage covered bonds issued and guaranteeing the safety of funds resulting from the issue of bonds and the other sources of funding of the Bank's operations. The risk management system is also intended to ensure that information on the risk is appropriate and as comprehensive as possible when making decisions, to improve processes and to effectively embed risk management in the Bank's organizational culture. The level of risk is an important part of the planning processes.

The risk management at PKO Bank Hipoteczny SA was described in detail in the financial statements of PKO Bank Hipoteczny SA for the year ended 31 December 2024.

In addition:

- from 1 January 2025, changes were made to the calculation of capital requirements for credit and operational risk, as well as to the estimation of own funds. These changes were made in accordance with Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024, which amends Regulation (EU) No 575/2013 with regard to requirements for credit risk, credit valuation adjustment risk, operational risk, market risk, and the minimum capital threshold (CRR 3 Regulation).
- in the first half of 2025, the risk management system was amended to include elements related to ICT risk in the operational risk management process, in accordance with Regulation (EU) 2022/2554 of the European Parliament and of the Council on the operational digital resilience of the financial sector, which amends Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (the DORA Regulation).

33. CREDIT RISK MANAGEMENT

MAXIMUM EXPOSURE TO CREDIT RISK

The following table presents the maximum exposure to credit risk with respect to financial instruments covered by the provisions of IFRS 7 to which the requirements of IFRS 9 relating to impairment do not apply.

MAXIMUM EXPOSURE TO CREDIT RISK	30.06.2025	31.12.2024
Derivative hedging instruments	51	-
Balance sheet exposure - total	51	-

AMOUNTS DUE FROM BANKS

AMOUNTS DUE FROM BANKS	30.06.2025	31.12.2024
Amounts not overdue, not impaired (counterparty rating A2)	6,555	10,186
Total, gross	6,555	10,186
Allowances for expected credit losses	-	-
Total, net	6,555	10,186

SECURITIES

SECURITIES	30.06.2025	31.12.2024
Issued by the State Treasury, PLN Treasury bonds (A rating)	781,237	749,307
Total	781,237	749,307

CONDENSED INTERIM FINANCIAL STATEMENTS**OF PKO BANK HIPOTECZNY SA****FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****(IN PLN THOUSANDS)****Bank Hipoteczny****LOANS AND ADVANCES TO CUSTOMERS**

The loan portfolio is characterized by a low level of impaired exposures. As at 30 June 2025, the share of impaired loans in the total gross loan portfolio was 0.49%, and at 31 December 2024, it was 0.47%.

The structure of overdue loans is presented below:

LOANS OVERDUE AND IMPAIRED OR IMPAIRED AS AT 30.06.2025	up to 30 days	from 30 to 90 days	more than 90 days	TOTAL
Stage 1	56,508	672	-	57,180
Stage 2	73,329	24,275	3,621	101,225
Stage 3	11,227	8,244	33,425	52,896
POCI	229	14	291	534
Total, gross	141,293	33,205	37,337	211,835

LOANS OVERDUE AND IMPAIRED OR IMPAIRED AS AT 31.12.2024	up to 30 days	from 30 to 90 days	more than 90 days	TOTAL
Stage 1	36,508	1,796	-	38,304
Stage 2	52,682	29,682	9,423	91,787
Stage 3	10,986	6,690	34,515	52,191
POCI	16	54	293	363
Total, gross	100,192	38,222	44,231	182,645

In the tables above, exposures past due for more than 30 days classified in Stage 1 and exposures past due for more than 90 days classified in Stage 2 have not been included in the respective higher stages due to the failure to meet the materiality thresholds in relation to total customer exposure in the PKO Bank Polski SA Group.

LOANS AND ADVANCES TO CUSTOMERS AS MEASURED BY LTV AND GEOGRAPHICAL REGION

The tables below show the distribution of the gross carrying amount of the portfolio of loans and advances to customers as measured by LTV based on current market values (including indexation).

GROSS LOANS AND ADVANCES TO CUSTOMERS BY LTV BASED ON MARKET VALUATION - SHARE	30.06.2025	31.12.2024
below 50%	91.4%	92.7%
51% - 60%	3.3%	3.4%
61% - 70%	2.2%	1.9%
71% - 80%	1.7%	1.3%
81% - 90%	1.4%	0.7%
more than 90%	0.0%	0.0%
Total	100.0%	100.0%
Average LTV based on market valuation	31.4%	31.4%

LOANS AND ADVANCES TO CUSTOMERS BY LTV BASED ON MARKET VALUATION - GROSS AMOUNT	30.06.2025	31.12.2024
below 50%	15,033,601	15,471,857
51% - 60%	541,499	571,102
61% - 70%	363,371	317,498
71% - 80%	280,671	213,037
81% - 90%	237,305	115,903
more than 90%	780	-
Total, gross	16,457,227	16,689,397

The following table presents the distribution of the gross carrying amount for the portfolio of loans and advances to customers by geographical region in which the real estate put up as collateral for the loan is located.

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GROSS LOANS AND ADVANCES TO CUSTOMERS - BY GEOGRAPHICAL REGION	30.06.2025	31.12.2024
Warsaw region	21.0%	21.4%
Wrocław region	12.4%	12.2%
Gdańsk region	11.6%	11.6%
Poznań region	10.8%	10.7%
Katowice region	10.0%	10.0%
Kraków region	7.8%	8.0%
Szczecin region	7.5%	7.4%
Łódź region	7.5%	7.4%
Lublin region	6.2%	6.1%
Białystok region	5.2%	5.2%
Total	100.0%	100.0%

FORBEARANCE PRACTICES

EXPOSURES SUBJECT TO FORBEARANCE IN THE LOAN PORTFOLIO	30.06.2025	31.12.2024
Gross loans and advances to customers, including:	16,457,227	16,689,397
subject to forbearance	25,245	21,111
Allowances for expected credit losses, including:	(85,360)	(88,726)
on loans and advances subject to forbearance	(8,653)	(7,716)
Net loans and advances to customers, including:	16,371,867	16,600,671
subject to forbearance	16,592	13,395

34. LIQUIDITY RISK MANAGEMENT

The Bank applies the following liquidity risk measures:

- contractual, adjusted and stress-test liquidity gap;
- liquidity surplus and survival horizon with no external support;
- liquidity coverage ratio (LCR);
- net stable funding ratio (NSFR);
- concentration of funding sources;
- coverage ratio of long-term assets with long-term funding;
- liquidity stress tests.

The adjusted liquidity gaps as at 30 June 2025 and as at 31 December 2024 are presented below.

LIQUIDITY GAP AS AT 30.06.2025	on demand	0-1 month	1-3 months	3 - 6 months	6-12 months	12-24 months	24-60 months	over 60 months
Adjusted periodic gap	1,998,993	317,477	136,908	489,000	637,463	(964,118)	(8,442,474)	5,826,751
Adjusted cumulative periodic gap	1,998,993	2,316,470	2,453,378	2,942,378	3,579,841	2,615,723	(5,826,751)	-

The adjusted liquidity gap is based on contractual inflows and outflows, which are adjusted mainly in terms of including:

- receipts within up to 7 days in respect of liquid securities;
- prepayments realized on mortgage loans;
- funds available for use under the credit lines from PKO Bank Polski SA;
- partial renewal of funding from the issue of own bonds.



As at 30 June 2025, in the ranges of up to 24 months, the cumulative adjusted liquidity gap was positive, which means a surplus of maturing assets increased by estimated inflows from the available overdraft limit over mature liabilities in the short and medium term. The negative gap in the subsequent periods is related to the maturity of large volumes of mortgage covered bonds, with the Bank having liquidity support from PKO Bank Polski SA in the form of credit lines which are used to redeem mortgage covered bond issues. The Bank also seeks to raise further funds from new issues in place of the maturing ones, in line with its financial plans and strategy.

LIQUIDITY GAP AS AT 31.12.2024	on demand	0-1 month	1-3 months	3 - 6 months	6-12 months	12-24 months	24-60 months	over 60 months
Adjusted periodic gap	3,037,710	376,131	347,521	(2,812,524)	372,947	(2,749,782)	(4,483,409)	5,911,406
Adjusted cumulative periodic gap	3,037,710	3,413,841	3,761,362	948,838	1,321,785	(1,427,997)	(5,911,406)	-

The liquidity surplus is determined taking account of outflows of funds under stress conditions.

SENSITIVITY MEASURE	30.06.2025	31.12.2024
Excess liquidity in the horizon of up to 1 month	1,686,990	2,813,976

The liquidity coverage ratio (LCR) of net outflows of up to 1 month is shown in the following table:

SENSITIVITY MEASURE	30.06.2025	31.12.2024
Liquidity coverage ratio up to 1 month (LCR)	418.8%	565.1%
LCR regulatory limit	100.0%	100.0%

The net stable funding ratio (NSFR) is presented in the table below:

SENSITIVITY MEASURE	30.06.2025	31.12.2024
Net stable funding ratio (NSFR)	118.7%	105.4%
NSFR regulatory limit	100.0%	100.0%

The table below presents the structure of the Bank's funding sources:

STRUCTURE OF THE BANK'S FUNDING	30.06.2025	31.12.2024
Mortgage covered bonds issued	45.2%	41.6%
Loans from the Parent Company	29.1%	30.8%
Bonds issued	14.9%	15.7%
Equity	9.9%	10.0%
Other	0.9%	1.9%
Total	100.0%	100.0%

35. INTEREST RATE RISK MANAGEMENT

In the process of interest rate risk management, the Bank uses the net interest income sensitivity (NIIS) measure, economic capital sensitivity measure, stress tests and repricing gap reports.

SENSITIVITY MEASURE	30.06.2025	31.12.2024
Net interest income sensitivity (NIIS)	(15,542)	(16,019)
Economic value of equity (EVE) sensitivity	(9,219)	(7,359)



36. FOREIGN EXCHANGE RISK MANAGEMENT

The Bank's FX positions are presented in the following table:

FOREIGN CURRENCY POSITION IN '000 PLN	30.06.2025	31.12.2024
EUR	(2,782)	(2,120)
USD	1	4

The Bank's FX VaR, combined for all currencies, is shown in the table below:

SENSITIVITY MEASURE	30.06.2025	31.12.2024
10-day FX VaR at 99% confidence level in PLN '000	82	50

37. CAPITAL ADEQUACY AND THE MANAGEMENT OF CAPITAL RISK

At 30 June 2025, the total capital ratio of the Bank amounted to 26.1% (as at 31 December 2024: 22.9%). All capital ratios throughout the six months period ended 30 June 2025 remained at safe levels, much above the internal limits adopted by the Bank and the external regulatory requirements.

OWN FUNDS FOR THE PURPOSE OF CAPITAL ADEQUACY

The Bank's own funds for capital adequacy purposes have been calculated in accordance with the Banking Law and the CRR with implementing legislation.

The Bank's own funds consist entirely of common equity Tier 1 capital (CET 1).

BANK'S OWN FUNDS	30.06.2025	31.12.2024
Share capital	1,611,300	1,611,300
Supplementary capital	45,842	13,263
Retained earnings / (Accumulated losses)	-	-
Net profit for the period	55,243	130,317
Accumulated other comprehensive income - cash flow hedges	(5,287)	(14,413)
Accumulated other comprehensive income - financial assets measured at fair value through other comprehensive income	2,296	3,005
Equity	1,709,394	1,743,472
Equity adjustments	(50,737)	(81,155)
Net profit for the period	(55,243)	(130,317)
Net profit for the first half of the year included in equity by permission from the PFSA	-	32,513
Accumulated other comprehensive income - cash flow hedges	5,287	14,413
Intangible assets	-	(0)
Adjustment to assets measured at fair value (AVA)	(781)	(920)
Adjustment relating to the transitional period relating to COVID-19		3,156
Own funds	1,658,657	1,662,317

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FINANCIAL LEVERAGE

The financial leverage ratio is monitored on a monthly basis, whereas the Bank recognizes a ratio in excess of 5% to be safe and not requiring further action.

LEVERAGE	30.06.2025	31.12.2024
Leverage ratio (LR)	9.5%	9.5%

As at 30 June 2025 and 31 December 2024, the Bank's financial leverage ratio was above the 3% level required by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019.

REQUIREMENTS REGARDING OWN FUNDS (PILLAR I)

At 30 June 2025 and as at 31 December 2024, the own fund requirements in respect of the risk of credit valuation adjustment, settlement and delivery, and market risk were nil, therefore, the total requirement in respect of own funds comprised the requirements in respect of credit and operational risk.

OWN FUNDS REQUIREMENTS	30.06.2025	31.12.2024
Credit risk	466,355	531,617
Operational risk	41,299	49,338
Total own funds requirement	507,654	580,955
Common equity Tier 1 capital ratio (CET1)	26.1%	22.9%
Tier 1 capital ratio (T1);	26.1%	22.9%
Total capital ratio (TCR)	26.1%	22.9%



OTHER NOTES

38. EVENTS AFTER THE END OF THE REPORTING PERIOD

- On 4 July 2025, based on the Framework Agreement for the Sale of Receivables signed with PKO Bank Polski SA on 17 November 2015, the Bank purchased a portfolio of receivables from mortgage-secured housing loans amounting to PLN 739,735 thousand.

SIGNATURES OF ALL MEMBERS OF THE BANK'S MANAGEMENT BOARD

07.08.2025	Wojciech Papierak	President of the Management Board	Signed on Polish original (signature)
07.08.2025	Piotr Kochanek	Vice-President of the Management Board	Signed on Polish original (signature)
07.08.2025	Katarzyna Kurkowska-Szczechowicz	Vice-President of the Management Board	Signed on Polish original (signature)
07.08.2025	Michał Stępniewski	Vice-President of the Management Board	Signed on Polish original (signature)

SIGNATURE OF THE PERSON RESPONSIBLE FOR THE BANK'S ACCOUNTS

07.08.2025	Tomasz Rynkowski	Chief Accountant	Signed on Polish original (signature)
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