

INTERIM CONSOLIDATED REPORT

FOR THE PERIOD OF 3 MONTHS
ENDED 31 MARCH 2026

BNP Paribas Bank Polska S.A. Capital Group



BNP PARIBAS

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SELECTED FINANCIAL DATA

Selected consolidated financial data		PLN'000	PLN'000	EUR'000	EUR'000
	Note	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Statement of profit or loss					
Net interest income	8	1,445,814	1,494,326	340,841	357,084
Net fee and commission income	9	314,664	327,489	74,180	78,257
Profit before tax		632,082	948,125	149,009	226,564
Profit after tax		375,344	741,448	88,485	177,176
Total comprehensive income		285,224	807,234	67,240	192,897
Statement of cash flows					
Total net cash flows		(6,359,312)	(1,016,384)	(1,499,166)	(242,875)
Ratios					
Number of shares (items)	47	147,880,491	147,799,870	147,880,491	147,799,870
Earnings per share	18	2.54	5.02	0.60	1.20
Statement of financial position					
Total assets		177,344,972	180,725,264	41,344,937	42,758,006
Loans and advances to customers measured at amortised cost	23	92,562,286	90,887,678	21,579,309	21,503,224
Loans and advances to customers measured at fair value through profit or loss	24	247,814	286,183	57,774	67,708
Total liabilities		159,470,140	163,126,956	37,177,726	38,594,401
Amounts due to customers	33	136,578,858	141,338,836	31,841,017	33,439,524
Share capital	47	147,880	147,880	34,476	34,987
Total equity		17,874,832	17,598,308	4,167,210	4,163,605
Capital adequacy					
Total own funds		17,275,654	17,485,758	4,027,522	4,136,976
Total risk exposure		102,910,086	103,722,212	23,991,721	24,539,762
Total capital ratio		16.79%	16.86%	16.79%	16.86%
Tier 1 capital ratio		13.42%	13.60%	13.42%	13.60%

Selected separate financial data	PLN'000	PLN'000	EUR'000	EUR'000
	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Statement of profit or loss				
Net interest income	1,419,302	1,464,555	334,591	349,970
Net fee and commission income	291,940	308,323	68,823	73,677
Profit before tax	610,308	922,341	143,876	220,403
Profit after tax	355,519	722,471	83,811	172,642
Total comprehensive income	265,399	788,257	62,566	188,362
Statement of cash flows				
Total net cash flows	(6,363,739)	(1,015,082)	(1,500,210)	(242,564)
Ratios				
Number of shares (items)	147,880,491	147,799,870	147,880,491	147,799,870
Earnings per share	2.40	4.89	0.57	1.17
Statement of financial position				
Total assets	172,934,025	176,310,134	40,316,600	41,713,425
Loans and advances to customers measured at amortised cost	88,513,162	86,786,401	20,635,325	20,532,898
Loans and advances to customers measured at fair value through profit or loss	247,814	286,183	57,774	67,708
Total liabilities	155,206,697	158,839,504	36,183,778	37,580,028
Amounts due to customers	136,507,202	141,355,067	31,824,312	33,443,364
Share capital	147,880	147,880	34,476	34,987
Total equity	17,727,328	17,470,630	4,132,822	4,133,397
Capital adequacy				
Total own funds	17,186,222	17,407,001	4,006,673	4,118,343
Total risk exposure	101,706,316	102,421,309	23,711,082	24,231,980
Total capital ratio	16.90%	17.00%	16.90%	17.00%
Tier 1 capital ratio	13.49%	13.70%	13.49%	13.70%

For purposes of data conversion 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 31.03.2026 - 1 EUR = 4.2894 PLN

- as at 31.12.2025 - 1 EUR = 4.2267 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 mean 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 1.01.2026 to 31.03.2026 - 1 EUR = 4.2419 PLN

- for the period from 1.01.2025 to 31.12.2025 - 1 EUR = 4.1848 PLN

Calculation of earnings (loss) per share is described in Note 18.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Interest income	8	2,280,213	2,514,208
Interest income calculated with the use of effective interest rate method		2,077,032	2,309,219
interest income on financial instruments measured at amortised cost		1,837,157	2,084,081
interest income on financial instruments measured at fair value through other comprehensive income		239,875	225,138
Income similar to interest on instruments measured at fair value through profit or loss		203,181	204,989
Interest expenses	8	(834,399)	(1,019,882)
Net interest income		1,445,814	1,494,326
Fee and commission income	9	378,461	391,135
Fee and commission expenses	9	(63,797)	(63,646)
Net fee and commission income		314,664	327,489
Dividend income		361	172
Net trading income (including exchange result)	10	205,334	284,921
Result on investment activities	11	1,169	(2,374)
Result on hedge accounting	22	14,496	(2,591)
Result on derecognition of financial assets measured at amortised cost		(1,890)	(1,649)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	12	(62,493)	(27,243)
Result on legal risk related to foreign currency loans	50	(108,236)	(64,905)
General administrative expenses	13	(931,778)	(848,846)
Depreciation and amortisation	14	(128,118)	(127,416)
Other operating income	15	76,135	130,779
Other operating expenses	16	(92,027)	(113,096)
Operating profit		733,431	1,049,567
Tax on financial institutions		(101,349)	(101,442)
Profit before tax		632,082	948,125
Income tax expense	17	(256,738)	(206,677)
Net profit		375,344	741,448
attributable to equity holders of the parent entity		375,344	741,448
Earnings (loss) per share (in PLN per one share)			
Basic	18	2.54	5.02
Diluted	18	2.54	5.01

In Q1 2026, the BNP Paribas Bank Polska Group generated a net profit of PLN 375,344 thousand, down by PLN 366,104 thousand (i.e. 49.4%) year on year.

The Group's net banking income in Q1 2026 amounted to PLN 1,964,056 thousand, down by PLN 153,921 thousand (i.e. 7.3%) year on year.

The key drivers of net banking income in Q1 2026 and its comparability to net banking income of Q1 2025 included the macroeconomic conditions and the central banks' policy on interest rates, as well as volatility on the financial markets which intensified in March 2026 in connection with the conflict in the Middle East. The most significant impact on the Group's financial performance was exerted by:

- NBP interest rates. The NBP interest rates were unchanged from October 2023 to May 2025 (5.75% reference rate). In 2025, the Monetary Policy Council ("RPP") cut the rates six times to 4.00% reference rate. In early March 2026, the RPP cut the NBP rates by 25 bps to 3.75% reference rate. The rate cuts affected the profitability of floating rate PLN loans in Q1 2026 year on year. Potential continuation of rate cuts in 2026 will have an adverse impact on PLN margins realised by banks;
- monetary policy of the European Central Bank (ECB). At the end of 2024, the ECB deposit rate was 3.00%. In Q1 2025, the ECB cut the rate twice to 2.50%. By the end of July 2025, the rates were cut another three times, bringing the deposit rate down to 2.00%, a level which persisted by the end of Q1 2026. The changes affected the profitability of floating rate EUR loans;
- growing concerns about the impact of the conflict in the Middle East on future inflation and interest rates, resulting in an upward shift of the PLN and EUR yield curve observed in late March and impacting the valuation of financial instruments;
- strong liquidity position of customers increasing the volume of deposits year on year and enabling further business expansion;
- favourable conditions and rising stock prices on the Warsaw Stock Exchange, combined with falling deposit interest rates, which spiked customers' interest in investment products and asset management and brokerage services.

Net interest income, which is the key item of net banking profit, stood at PLN 1,445,814 thousand in Q1 2026, down by PLN 48,512 thousand (i.e. 3.2%) year on year. The observed drop in the profitability of loans was partly offset by optimised costs of deposits, higher gains on securities thanks to the placement of overliquidity, and improved net interest income on hedging derivatives.

Another item of net banking income adversely impacted by external factors was net trading income, which stood at PLN 205,334 thousand in Q1 2026 (down by PLN 79,587 thousand i.e. 27.9% year on year). This was due among others to the absence of one-off large interest rate derivative transactions in Q1 2026 compared to Q1 2025, lower gains in asset and liability management operations (FX swaps), and lower valuation of shares.

Elements of the regulatory environment that impacted the Group's results in Q1 2026 compared to Q1 2025 included an increase in the value of the annual contribution to the bank resolution fund set by the Bank Guarantee Fund (BGF). The structure of BGF contributions changed in 2026: the quarterly contribution to the deposit guarantee fund was waived while the one-off contribution to the resolution fund booked in Q1 was increased substantially. As a result, the BGF costs for the whole year in Q1 2026 increased by PLN 72,488 thousand i.e. 43.6% year on year. This means that the BGF costs incurred by the Group in 2026 will be PLN 42,572 thousand, i.e. +21.7% higher than the total BGF costs incurred in the whole of 2025.

Total administrative expenses and depreciation and amortisation in Q1 2026 increased by PLN 83,634 thousand i.e. 8.6% year on year. Excluding the BGF costs, the increase was lower than inflation at only 1.4%.

The pre-tax profit in Q1 2026 was affected by a PLN 35,250 thousand year-on-year increase in negative net allowances for expected credit losses of financial assets and provisions for contingent liabilities (they stood at negative PLN 62,493 thousand).

Another important factor impacting the comparability of the Group's net profit in Q1 2026 and Q1 2025 was the impact of legal risk related to litigation concerning foreign currency housing loans. In Q1 2026, the charge to the Group's results was PLN 108,236 thousand, up by PLN 43,331 thousand (i.e. 66.8%) year on year.

The comparability of the net profit generated in Q1 2026 and Q1 2025 was impacted by the corporate income tax rate raised from 19% to 30% for banks under the Act amending the Corporate Income Tax Act and the Act on Tax on Certain Financial Institutions adopted in Q4 2025. The change added PLN 50,061 thousand year on year to the Group's income tax.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Net profit for the period		375,344	741,448
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss upon fulfilment of certain conditions		(90,626)	66,004
Valuation of financial assets measured at fair value through other comprehensive income, gross	27	(76,295)	62,509
Deferred income tax on the valuation of financial assets measured through other comprehensive income		18,036	(11,877)
Valuation of cash flow hedging derivatives gross	22	(42,387)	18,977
Deferred income tax on valuation of cash flow hedging derivatives		10,020	(3,605)
Items that will not be reclassified to profit or loss		506	(218)
Actuarial valuation of gross employee benefits		662	(269)
Deferred income tax on actuarial valuation of employee benefits		(156)	51
Other comprehensive income (net)		(90,120)	65,786
Total comprehensive income		285,224	807,234
attributable to equity holders of the parent entity		285,224	807,234

Total comprehensive income of the BNP Paribas Bank Polska S.A. Group in Q1 2026 decreased by PLN 522,010 thousand (i.e. 64.7%) year and year, driven mainly by:

- PLN 366,104 thousand (i.e. 49.4%) decrease in net profit,
- PLN 138,804 thousand decrease in valuation of financial assets measured through other comprehensive income,
- PLN 61,364 thousand decrease in valuation of gross cash flow hedging derivatives.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31 March 2026	31 December 2025
Cash and balances at Central Bank	19	10,372,394	10,224,866
Amounts due from banks	20	5,347,040	11,616,566
Derivative financial instruments	21	2,038,233	2,359,460
Adjustment of the fair value of hedged and hedging positions	22	210,859	345,550
Loans and advances to customers measured at amortised cost	23	92,562,286	90,887,678
Loans and advances to customers measured at fair value through profit or loss	24	247,814	286,183
Securities measured at amortised cost	25	37,302,631	36,180,626
Securities measured at fair value through profit or loss	26	396,583	240,949
Securities measured at fair value through other comprehensive income	27	25,001,433	24,719,802
Intangible assets	28	915,106	964,459
Property, plant and equipment	29	907,624	947,992
Deferred tax assets		899,097	898,673
Current income tax receivables		3,601	920
Other assets	31	1,140,271	1,051,540
Total assets		177,344,972	180,725,264
LIABILITIES	Note	31 March 2026	31 December 2025
Amounts due to banks	32	10,189,219	10,145,231
Derivative financial instruments	21	1,962,498	2,276,575
Adjustment of the fair value of hedged and hedging positions	22	152,692	320,087
Amounts due to customers	33	136,578,858	141,338,836
Liabilities under issued debt securities (including subordinated issues)	34	4,330,457	4,226,368
Lease liabilities	30	545,760	553,436
Other liabilities	35	3,392,194	2,048,795
Current tax liabilities		250,569	177,971
Provisions	36	2,067,893	2,039,657
Total liabilities		159,470,140	163,126,956
EQUITY	Note	31 March 2026	31 December 2025
Share capital	47	147,880	147,880
Supplementary capital		9,180,883	9,180,883
Other reserve capital		4,663,813	4,672,514
AT1 contingent convertible bonds		650,000	650,000
Revaluation reserve		(273,916)	(183,796)
Retained earnings		3,506,172	3,130,827
retained profit		3,130,828	73,073
net profit for the period		375,344	3,057,754
Total equity		17,874,832	17,598,308
Total liabilities and equity		177,344,972	180,725,264

The Group's total assets as at 31 March 2026 stood at PLN 177,344,972 thousand, down by PLN 3,380,292 thousand i.e. 1.9% year to date.

The main change in the Group's asset mix year to date was a decrease in amounts due from banks by 3.4 p.p. The share of the loan portfolio increased (total portfolios measured at amortised cost and measured at fair value) by 1.9 p.p. while the share of the securities portfolio increased by 1.5 p.p.

The Group's main asset category were loans and advances to customers (total portfolios measured at amortised cost and measured at fair value), which represented 52.3% of total assets as at 31 March 2026 vs. 50.4% as at 31 December 2025.

The net volume of loans and advances in both portfolios increased by PLN 1,636,239 thousand (i.e. 1.8%). The institutional customer portfolio increased by 2.8%, mainly due to an increase in the corporate portfolio by 2.8% and an increase in the non-bank financial entities portfolio by 11.0%. The retail customer portfolio remained stable year to date (a modest increase by PLN 25,158 thousand i.e. 0.1%, including a decrease of mortgage loans by 0.7%).

The second largest asset category were securities, which represented 35.4% of total assets as at 31 March 2026 (33.8% as at 31 December 2025). The securities portfolio increased by PLN 1,559,270 thousand (i.e. 2.6%) year to date. The biggest increase by PLN 1,122,005 thousand i.e. 3.1% was reported for securities measured at amortised cost (mainly Treasury bonds and securities issued by other financial institutions). Securities measured at fair value through other comprehensive income increased by PLN 281,631 thousand i.e. 1.0% (bonds issued by other financial institutions) while securities measured at fair value through profit or loss increased by PLN 155,634 thousand i.e. 64.6% (Treasury bonds held for trading).

The third biggest asset category was cash and balances at Central Bank, whose share in total assets increased from 5.7% to 5.8% (up by PLN 147,528 thousand i.e. 1.4%).

The Group's total liabilities stood at PLN 159,470,140 thousand as at 31 March 2026, down by PLN 3,656,816 thousand i.e. 2.2% year to date. The share of liabilities in the Group's total liabilities and equity was 89.9% as at 31 March 2026, down by 0.3 p.p. year to date.

Amounts due to customers are the biggest liabilities category. Their share dropped to 85.6% (-1.0 p.p.) as at 31 March 2026. The volume of amounts due to customers decreased by PLN 4,759,978 thousand i.e. 3.4% year to date (and stood at PLN 136,578,858 thousand). Institutional customer deposits decreased by 5.9% ((seasonal outflow of corporate deposits in the first quarter of the year after the year-end increase) while retail customer deposits increased by 0.8%.

Amounts due to banks increased modestly by PLN 43,988 thousand i.e. 0.4% year to date. Their share in total liabilities stood at 6.4% as at 31 March 2026 (vs. 6.2% as at 31 December 2025).

The Group's equity stood at PLN 17,874,832 thousand as at 31 March 2026, an increase by PLN 276,524 thousand i.e. 1.6% year to date. The increase was driven by a PLN 375,345 thousand increase in retained earnings, partly offset by a PLN 90,120 thousand decrease in revaluation reserve. The share of equity in the Group's total liabilities and equity was 10.1% as at 31 March 2026 (vs. 9.7% as at 31 December 2025).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Other reserve capital	AT1 contingent convertible bonds	Revaluation reserve	Retained earnings	Total
As at 1 January 2026	147,880	9,180,883	4,672,514	650,000	(183,796)	3,130,827	17,598,308
Total comprehensive income for the period	-	-	-	-	(90,120)	375,344	285,224
Net profit for the period	-	-	-	-	-	375,344	375,344
Other comprehensive income for the period	-	-	-	-	(90,120)	-	(90,120)
Interest paid on AT1 contingent convertible bonds	-	-	(10,720)	-	-	-	(10,720)
Management stock options*	-	-	2,019	-	-	-	2,019
As at 31 March 2026	147,880	9,180,883	4,663,813	650,000	(273,916)	3,506,171	17,874,831

* the management stock option programme is described in detail in Note 38

	Share capital	Supplementary capital	Other reserve capital	AT1 contingent convertible bonds	Revaluation reserve	Retained earnings	Total
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	-	-	-	-	357,049	3,057,754	3,414,803
Net profit for the period	-	-	-	-	-	3,057,754	3,057,754
Other comprehensive income for the period	-	-	-	-	357,049	-	357,049
Distribution of retained earnings	-	25,747	663,427	-	-	(1,851,515)	(1,162,341)
Distribution of retained earnings intended for capital	-	25,747	663,427	-	-	(689,174)	-
Dividends paid out	-	-	-	-	-	(1,162,341)	(1,162,341)
Share issue	80	-	-	-	-	-	80
Interest paid on AT1 contingent convertible bonds	-	-	(41,077)	-	-	(14,568)	(55,645)
Management stock options*	-	-	7,349	-	-	-	7,349
Other adjustments	-	-	-	-	-	6	6
As at 31 December 2025	147,880	9,180,883	4,672,514	650,000	(183,796)	3,130,827	17,598,308

* the management stock option programme is described in detail in Note 38

	Share capital	Supplementary capital	Other reserve capital	AT1 contingent convertible bonds	Revaluation reserve	Retained earnings	Total
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	-	-	-	-	65,786	722,471	788,257
Net profit for the period	-	-	-	-	-	722,471	722,471
Other comprehensive income for the period	-	-	-	-	65,786	-	65,786
Interest paid on AT1 contingent convertible bonds	-	-	-	-	-	(17,985)	(17,985)
Management stock options*	-	-	2,152	-	-	-	2,152
As at 31 March 2025	147,800	9,110,976	4,026,357	650,000	(475,298)	2,624,498	16,084,333

* the management stock option programme is described in detail in Note 38

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:	Note	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Net profit (loss)		375,344	741,448
Adjustments for:		(5,319,347)	(3,663,800)
Income tax expense		256,738	206,677
Depreciation and amortisation	14	128,118	127,416
Dividend income		(361)	(172)
Interest income	8	(2,280,213)	(2,514,208)
Interest expenses	8	834,399	1,019,882
Change in provisions		28,878	(99,006)
Change in amounts due from banks		(237,079)	(69,999)
Change in assets due to derivative financial instruments		455,918	(101,584)
Change in loans and advances to customers measured at amortised cost		(1,633,234)	(1,312,634)
Change in loans and advances to customers measured at fair value through profit or loss		38,369	51,969
Change in amounts due to banks		(4,614)	286,127
Change in liabilities due to derivative financial instruments		(523,859)	(76,264)
Change in amounts due to customers		(4,730,707)	(3,879,919)
Change in other assets and deferred tax assets		(81,656)	350,464
Change in other liabilities and current income tax liabilities		1,340,270	952,890
Other adjustments	39	78,526	(14,740)
Interest received		1,971,978	2,839,162
Interest paid		(810,595)	(985,493)
Tax paid		(148,831)	(444,037)
Lease fees for short-term leases not included in the valuation of the liability		(1,392)	(331)
Net cash flows from operating activities		(4,944,003)	(2,922,352)

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
CASH FLOWS FROM INVESTING ACTIVITIES:		
Inflows	60,162,351	60,244,671
Sale of securities	60,158,520	60,227,107
Sale of intangible assets and property, plant and equipment	3,470	16,883
Dividends received and other investment income	361	681
Outflows	(61,565,021)	(58,143,925)
Purchase of securities	(61,531,358)	(58,084,963)
Purchase of intangible assets and property, plant and equipment	(33,663)	(58,962)
Net cash flows from investing activities	(1,402,670)	2,100,746
CASH FLOWS FROM FINANCING ACTIVITIES:		
Inflows	456,202	220,158
Long-term loans received and subordinated liabilities	456,202	220,158
Outflows	(468,841)	(414,936)
Repayment of long-term loans received and subordinated liabilities	(418,647)	(360,951)
Repayment of lease liabilities	(34,873)	(35,981)
Interest paid on AT1 contingent convertible bonds	(15,315)	(17,985)
Other financial expenses	(6)	(19)
Net cash flows from financing activities	(12,639)	(194,778)
TOTAL NET CASH AND CASH EQUIVALENTS	(6,359,312)	(1,016,384)
Cash and cash equivalents at the beginning of the period	21,321,736	18,292,929
Cash and cash equivalents at the end of the period	14,962,424	17,276,545
Effect of exchange rate fluctuations on cash and cash equivalents	11,360	(160,961)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. IDENTIFICATION DATA

BNP Paribas Bank Polska S.A. (the "Bank" or "BNP Paribas") is the parent entity of in the Capital Group of BNP Paribas Bank Polska S.A. (the "Group").

The registered office of the Bank is located at Marcina Kasprzaka 2, 01-211 Warsaw, Poland. 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 entity and the entities of the Capital Group is unlimited.

2. DESCRIPTION OF THE CAPITAL GROUP

As at 31 March 2026, the BNP Paribas Bank Polska S.A. Group comprised BNP Paribas Bank Polska S.A. as the parent entity and its subsidiaries. The Bank's share in the equity of the 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 include all subsidiaries as at 31 March 2026.

BNP Paribas Bank Polska S.A. is an entity belonging to the BNP Paribas Capital Group with its registered office in Paris.

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

The Interim Condensed Consolidated Financial Statements for Q1 2026 ended 31 March 2026 were prepared in accordance with the requirements of International Financial Reporting Standards, as endorsed by the European Union ("EU IFRS"), in particular in accordance with IAS 34.

The accounting policy applied in Q1 2026 is no different from that in force in 2025, which is described in detail in the Consolidated financial statements of Bank BNP Paribas S.A. Capital Group for the year ended 31 December 2025, including 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, have come into effect from 1 January 2025 and have been 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 2025.

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 have been prepared in accordance with the requirements specified in International Accounting Standards ("IAS") and International Financial Reporting Standards endorsed by the European Union ("IFRS EU"), as well as the related interpretations, except for the standards and interpretations listed below, which are awaiting endorsement by the European Union or have already been endorsed by the European Union but entered or will enter into force after the balance sheet date.

In the period included in these interim condensed consolidated financial statements, the Group did not early apply standards and interpretations endorsed by the EU, which will enter into force after the balance sheet date.

3.1. 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	Endorsed 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 changes will not have a significant impact on the Group's financial statements.
Amendments to IFRS 9 and IFRS 7: Nature-dependent electricity contracts	18.12.2024	01.01.2026	30.06.2025	The amendments include: <ul style="list-style-type: none"> ▪ 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 changes will not have a significant 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 deals with non-urgent but necessary clarifications and amendments to IFRSs. In July 2024, the International Accounting Standards Board issued "Annual Improvements to IFRS - Volume 11". The changes will not have a significant impact on the Group's financial statements.

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

Standards / Interpretations	Date of issue/ publication	Date of entry into force in EU	Endorsed by the EU	Description of changes
MSSF 18: Presentation and Disclosure of Information in Financial Statements	09.04.2024	01.01.2027	13.02.2026	IFRS 18 introduces new presentation and disclosure requirements in the financial statements for all entities applying IFRS standards. The Group is analysing the impact of the change on the Group's financial statements.

3.3. New standards, interpretations and amendments to these standards that have 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	Endorsed by the EU	Description of changes
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 changes will not have a significant impact on the Group's financial statements.
Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures	21.08.2025	01.01.2027	No	The amendments cover new or amended IFRS issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued. The changes will not have a significant impact on the Group's financial statements.
Amendments to IAS 21: Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	13.11.2025	01.01.2027	No	The amendments clarify among others how entities translate financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency and how to proceed where the entity's presentation currency is no longer a hyperinflationary currency but the entity's functional currency remains a non-hyperinflationary currency. The changes will not have a significant impact on the Group's financial statements.

3.4. Changes in accounting policies and changes in presentation of financial data

As compared to the Consolidated Financial Statements of the BNP Paribas Bank Polska S.A. Group for the year ended 31 December 2025 and the Interim Condensed Consolidated Financial Statements prepared for the first quarter ended 31 March 2025, the Group has not changed its accounting policies or the presentation of financial data.

4. GOING CONCERN

The present Interim Condensed Consolidated Financial Statements have been prepared assuming that 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 balance sheet date.

5. APPROVAL OF THE FINANCIAL STATEMENTS FOR PUBLICATION

The Interim Condensed Consolidated Financial Statements of the BNP Paribas Bank Polska S.A. Capital Group for the first quarter of 2026 ended 31 March 2026 were approved for publication by the Management Board on 6 May 2026.

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 value of assets and liabilities reported in the subsequent period. Judgements, estimates and assumptions, which are reviewed on an ongoing basis, are made based on prior experience and considering other factors, including expectations as to future events, which appear reasonable in specific circumstances.

a. Impairment of financial assets

The assessment of impairment of financial assets in accordance with IFRS 9 requires estimates and assumptions, especially estimates of the value and timing of future cash flows, the value of collateral 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 expected credit loss model.

Financial instruments subject to the assessment 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 of a financial instrument 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 an 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 a 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 periodically by the Group, both in the process of granting the financing and as part of cyclical monitoring performed throughout the financing period.

In the commercial real estate segment, among others, the quality of the asset is examined, including: attractiveness of the location, age of the facility, occupancy level, terms and duration of leases, value of the property, LTV (Loan to Value) and DSCR (Debt Service Coverage Ratio).

In addition, in order to assess a significant increase in credit risk, the Group uses 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 a facility where the exposure has a facility or forbore status,
- granting a facility without significant economic loss where at least one of the following conditions is met:
 - a large balloon 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 a debtor 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,
- filing 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 bankruptcy, consumer bankruptcy), putting the debtor into liquidation, dissolution or cancellation of the company, appointment of an administrator, appointment of a receiver over the debtor's activity,
- filing 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 a public moratorium under Article 31fa of the Act of 2 March 2020 on special solutions related to the prevention, contravention 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 set 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 a waiting period, where 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 waiting period differs depending on the customer type. The length of the waiting period 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 assignment to Stages, the Group implemented an indication based on the assessment of the relative change in the PD lifetime parameter.

The Group continuously monitors the sensitivity of customer groups/segments to risk factors in the economic and geopolitical environment.

The detailed assumptions of the identification of customers sensitive to selected risk factors for institutional customers are presented in Note 51 Credit risk.

As at 31 March 2026, exposures to institutional customers considered sensitive stood at PLN 806,446 thousand. They were classified as Stage 2 customers affected by a significant increase in credit risk. The total allowance for these customers was PLN 125,104 thousand. As at 31 December 2025, the sensitive customers represented PLN 819,644 thousand and the allowance for these customers was PLN 121,471 thousand.

With regard to the remaining segments, in the process of assigning Stages, 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 threatened the proper servicing of the credit/loan.

These customers represented exposures at PLN 281,064 thousand as at 31 March 2026 and PLN 305,103 thousand as at 31 December 2025.

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 an 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 allowance is 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 rate. 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 no event of default was 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 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 the severe scenarios are estimated based on the ratio of the current projected loss to the long-term average for the segment, and the weight of the positive scenario is derived from the weights of the negative and the severe scenarios. As at 31 March 2026, the weight of the severe scenario ranged from 0% to 5.54%, depending on the portfolio, and the weight of the pessimistic scenario ranged from 0% to 22.14%.

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 IFRS 9, 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 debt enforcement) and the expected levels of loss if a given path occurs. The probabilities of occurrence of individual paths are determined based on a model using Markov chains or scoring models and estimations 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.

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 debt enforcement. The parameters for recovery from the collateral are based on the customer segment, the type of collateral, and the number of months since the commencement of hard debt enforcement.

The parameter values resulting from the above model are through-the-cycle. In order to ensure the point-in-time nature required by IFRS 9, 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) credit conversion factor of granted off-balance sheet liabilities to on-balance sheet receivables (CCF)

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

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

5) expected lifetime of the loan (BRL – behavioural lifetime).

For exposures for which there is no contractual lifetime, the behavioural lifetime of the loan is estimated. This value is assigned by customer segment and credit product type. The estimation of the behavioural lifetime of a loan is based on building a profile of historically observed lifetime of exposures 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 Q1 2026, the Group made no significant changes to the IFRS 9 model.

In the first quarter of 2026, the Group established additional provisions in the form of PMA (Post Model Adjustment) related to:

- the current geopolitical situation, particularly in connection with the conflict in the Middle East, amounting to PLN 21,000 thousand,
- the risk in the Transportation and Warehousing sector, amounting to PLN 26,300 thousand.

Type of Post Model Adjustment	31.12.2025	Change	31.03.2026
Customers particularly sensitive to changes in the economic environment	9,257	-	9,257
Farmers whose crops were affected by adverse weather events	49,458	-	49,458
Geopolitical risk	-	21,000	21,000
Transportation and storage risk	-	26,300	26,300
Adjustment for sensitive customers in commercial real estate segment	20,500	-	20,500
Adjustment for customers operating in sectors exposed to the German economy	64,137	-	64,137
Total	143,352	47,300	190,652

In view of significant market uncertainty, the Group decided not to include the effect of the forecast macroeconomic factors in the Group's results for Q1 2026 and to maintain more conservative assumptions for allowance estimations. It should also be noted that the Group is working on changes to the model for incorporating macroeconomic forecasts into ECL scenario weights which, according to the Group's expectations, should partially offset the effects of macroeconomic projection updates that are not recognised in the financial result.

Sensitivity of allowances

Allowances for the expected credit losses 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 model parameters considered to be significant. The process of validation covers both a 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 by the collective method related to the realisation of macroeconomic scenarios, the Group 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 allowance 31.03.2026	Percentage change in the amount of allowance 31.03.2026	Change in the amount of allowance 31.12.2025	Percentage change in the amount of allowance 31.12.2025
Pessimistic scenario – considering pessimistic and baseline scenarios only (optimistic scenario 0%, baseline scenario 50%, pessimistic scenario 40%, severe scenario 10%)	266,001	16%	273,308	16%
Baseline scenario – uniform distribution of optimistic and pessimistic scenarios (optimistic scenario 25%, baseline scenario 50%, pessimistic scenario 15%, severe scenario 10%)	99,692	6%	102,485	6%
Optimistic scenario – considering optimistic and baseline scenarios only (optimistic scenario 50%, baseline scenario 50%, pessimistic scenario 0%, severe scenario 0%)	(83,720)	-5%	(85,620)	-5%

The sensitivity of the level of allowances results directly from the counter-cyclical nature of the calculation of weights assigned to individual macroeconomic scenarios. Counter-cyclicity 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 allowance 31.03.2026	Percentage change in the amount of allowance 31.03.2026	Change in the amount of allowance 31.12.2025	Percentage change in the amount of allowance 31.12.2025
PD decrease by 10%	(81,323)	-5%	(83,639)	-5%
PD increase by 10%	81,323	5%	83,639	5%
LGD decrease by 10%	(170,316)	-10%	(170,873)	-10%
LGD increase by 10%	145,617	9%	146,549	9%

The table below shows 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 allowance 31.03.2026	Percentage change in the amount of allowance for exposures subject to individual valuation 31.03.2026	Change in the amount of allowance 31.12.2025	Percentage change in the amount of allowance for exposures subject to individual valuation 31.12.2025
Decrease in present value of estimated future cash flows for individually assessable exposures by 10%	61,692	8%	65,613	9%
Increase in present value of estimated future cash flows for individually assessable exposures by 10%	(59,736)	-8%	(63,155)	-9%

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 a cross-cutting risk affecting traditional risks, including credit, liquidity and operational risks. As part of the Group's risk identification and assessment framework, a separate group of risks related to environmental, social and governance factors was defined. In the risk identification process, the significant impact of ESG factors on credit risk was recognised among others. As a result, ESG risks were incorporated into the internal risk management framework by including ESG risk 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 risk in the Bank's Internal Capital Assessment Process (ICAAP) has also been developed. The capital plan for 2026-2028 was supplemented with limits for ESG risk set based on the risk measurement made. ESG Risk Management Principles have also been developed, which include, inter alia, provisions for risk monitoring and reporting and stress testing.

In response to the requirements of the EBA/GL/2020/06 Guidelines on loan origination 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 or an increase in financing is being processed as well as in the case 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 are subject to special analysis by the Group. They 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 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 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 loan origination and monitoring 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. High ESG risk was identified for 17 customers as at 31 March 2026 with a total balance-sheet exposure of PLN 54 million.

The early warning indicators (EWA) include ESG indicators. One of the factors in the classification of customers as Doubtful Debts is the identification of adverse events linked to ESG risk factors. The incorporation of ESG factors helps to identify early indicators of potential deterioration of credit quality which may result in customer default. The rules for the classification of credit exposures include ESG factors in the list of criteria which may suggest the debtor's financial distress. The number of customers and the credit exposures of customers with identified ESG EWAs, including default customers, is one of the key risk indicators which are regularly monitored and reported to the Risk Management Committee, the Management Board and the Supervisory Board of the Bank. As at 31 March 2026, the Bank identified 5 customers with active ESG EWAs with a total balance-sheet exposure of PLN 34 million.

The Group runs climate stress tests in order to assess the Group's resilience under various climate change scenarios, including transition risk (e.g. more severe climate policy) and physical risk (greater frequency of floods and droughts). The results show which portfolios are most exposed to loss due to economic transition or climate change. The share of climate factors in loan loss provisions refers to the analysis of potential effect of physical risk and transition risk of climate change on asset quality and the cost of risk in the loan book. This component is designed to make a quantitative determination, looking forward, of how climate events (such as floods, droughts, extreme heat waves) or regulatory and economic changes related to transition to a low-carbon economy can increase losses. Practically, this incorporates the potential impact of climate scenarios on the customers' probability of default and collateral value. Such measurement helps to estimate the future financial impact of climate risks on the loan book, to make a forward-looking analysis, and to strengthen risk management and financial resilience in view of climate change risks.

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 others, the sector policies in place, watch lists and exclusions, and KYC (know-your-customer). 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 the policies in place and the verification of negative information about customers' ESG activity, 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.

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 outstanding principal.

c. Fair value of financial instruments

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

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 traded 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 default, the recovery rate.

For equity instruments not traded 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 realisation of assumed financial projections, market risk premium associated with an investment in a particular category of financial instruments.

Information on the fair value of financial assets and liabilities is presented in Note 41 Fair value of financial assets and liabilities.

d. Impairment of non-current assets

At the end of each reporting period, the Group verifies whether there is any objective impairment trigger concerning its non-current assets (including investments in subsidiaries). If such triggers are 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 non-current 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 non-current 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 benefit obligations

The Group creates provisions for retirement, disability and post-mortem severance pay ("severance"), in accordance with IAS 19. The severance provisions are calculated for each employee separately, using the actuarial method of projected unit credit, by an independent actuary, equal to the present value of the Group's future liabilities to employees based on headcount and wages and salaries 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 function 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 employee's possibility of termination 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 are 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 (GUS) and the Social Security Institution (ZUS).

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 31 March 2026, the provision amounts to PLN 10,389 thousand (as at 31 December 2025: PLN 17,444 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 realisation of the related deferred income tax assets or settlement of deferred income tax liabilities.

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 liability 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 the temporary differences will not be reversed in the foreseeable future.

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 the abovementioned temporary differences will be reversed in the foreseeable future and taxable income allowing to offset any negative temporary differences will be generated.

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 realisation of the deferred tax asset will be realised. 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 liabilities if and only if it has an enforceable legal title to offset corresponding receivables and payables 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 Group maintains assets linked to provisions set up in connection with the settlement process regarding:

- settlements 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),
- cancelling CHF-denominated loan agreements.

For details, see Note 50 Litigation, claims and administrative proceedings.

Up to November 2025, current income tax and deferred tax liabilities were calculated using the 19% rate.

As at the end of the year 2025 following the change of the CIT rate to 30% in 2026, 26% in 2027 and 23% in 2028 and beyond under tax law, the Bank measured the deferred tax assets and liabilities at the rates which are, according to current expectations, to apply when the asset value is realised or the liability is settled.

The measurement is affected by temporary differences which change over time and are the basis for the calculation of the deferred tax asset and liability as at 31 March 2026, and by the expected settlement periods of such temporary differences.

Pillar Two

The Group uses an exception from the recognition and disclosure of deferred tax asset and liability information related to income tax under Pillar Two in accordance with an amendment of IAS 12 issued in May 2023.

Global minimum tax level

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 income 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 operating in Poland 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 are 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, based on available data, it is assumed that the entities operating in the Polish jurisdiction meet the criteria to apply a temporary tax haven, resulting in no obligation to carry out full calculations of domestic top-up tax and global top-up tax.

According to the Group's assessment, the top-up tax regulations did not cause an additional tax burden in Q1 2026.

h. Provision for the return of commissions due to early repayment of loans

On 11 September 2019, the CJEU issued a judgment ruling that Article 16(1) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on consumer loan agreements and amending Council Directive 87/102/EEC should be interpreted in such a way that 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(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 in Świdnik, which examined three disputes between the company Lexitor, which acquired the claims of three customers, 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(1) of Directive 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 income, in particular on relations expired before the judgment was issued, the Group decided in 2019 to create provisions for a proportional refund of commissions in the event of early repayment of loans in the amount of PLN 48,750 thousand. As at 31 March 2026, the provisions amounted to PLN 7,509 thousand (as at 31 December 2025, the provisions amounted to PLN 8,066 thousand).

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

The Group recognises liabilities to customers due to proportional reimbursement of commissions in the event of early loan repayment in the period from the date of the judgment of the CJEU on 11 September 2019 to 31 December 2019. As at 31 March 2026, this liability amounted to PLN 2,192 thousand (PLN 2,204 thousand as at 31 December 2025).

Additionally, the Group sets up provisions to cover the partial reimbursements of loan commissions in the event of early repayment. The estimate of the provisions is based on the difference between the value of commissions to be reimbursed to customers 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 customers, which reflects the expected average difference between the amounts of commissions to be reimbursed 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 used; for newly sold loans, a provision is created on an ongoing basis. As at 31 March 2026, the provision amounted to PLN 24,436 thousand (PLN 27,513 thousand as at 31 December 2025).

The total amount of provisions and liabilities related to the CJEU judgment as at 31 March 2026 was PLN 34,138 thousand (as at 31 December 2025, the provision was PLN 37,783 thousand).

The created provision level is based on the Group's estimates and may be changed.

The above provisions are presented by the Group in Note 36 Provisions: Provision for litigation and claims; the Group presents the liability in Note 35 Other liabilities: Sundry creditors.

i. Impact of legal risks arising from litigation related to mortgage loans in CHF

Impact of legal risk resulting from proceedings related to CHF mortgage loans and the model used by the Group are presented in Note 50 Litigation, claims and administrative proceedings.

j. Provisions for unauthorised transactions

The proceedings concerning practices violating the collective interests of consumers and provisions for unauthorised transactions are described in Note 50 Litigation, claims and administrative proceedings.

8. NET INTEREST INCOME

Interest income	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Interest income calculated using effective interest rate	2,077,032	2,309,219
interest income on financial instruments measured at amortised cost	1,837,157	2,084,081
Amounts due from banks	93,035	152,748
Loans and advances to customers measured at amortised cost, including:	1,384,621	1,631,125
non-bank financial entities	44,771	61,854
retail customers	585,976	665,468
corporates	662,683	787,417
including individual farmers	125,556	166,336
public sector institutions	2,409	1,138
lease receivables	88,782	115,248
Debt instruments measured at amortised cost	358,244	299,699
Securities purchased under repurchase agreements	1,257	509
interest income on instruments measured at fair value through other comprehensive income	239,875	225,138
Debt instruments measured at fair value through other comprehensive income	239,875	225,138
Income similar to interest on instruments measured at fair value through profit or loss	203,181	204,989
Loans and advances to customers measured at fair value through profit or loss	4,081	9,410
Debt instruments measured at fair value through profit or loss	6,386	1,405
Derivative instruments as part of fair value hedge accounting	181,536	189,016
Derivative instruments as part of cash flow hedge accounting	11,178	5,158
Total interest income	2,280,213	2,514,208
Interest expense	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Amounts due to banks	(87,618)	(164,664)
Liabilities under issued debt securities	(40,864)	-
Amounts due to customers, including:	(462,859)	(583,026)
non-bank financial entities	(24,601)	(37,213)
retail customers	(256,689)	(301,828)
corporates	(151,029)	(208,750)
including individual farmers	(1,408)	(2,038)
public sector institutions	(30,540)	(35,235)
Lease liabilities	(4,694)	(5,286)
Derivative instruments and amortisation of the hedged position as part of fair value hedge accounting	(223,178)	(253,709)
Derivatives under cash flow hedge accounting	(14,209)	(11,719)
Securities sold subject to repurchase agreements	(977)	(1,478)
Total interest expense	(834,399)	(1,019,882)
Net interest income	1,445,814	1,494,326

Net interest income, which is the Group's main revenue stream, stood at PLN 1,445,814 thousand in Q1 2026, down by PLN 48,512 thousand i.e. 3.2% year on year. Interest income decreased by PLN 233,995 thousand i.e. 9.3% year on year in Q1 2026 while interest expense decreased by PLN 185,483 thousand i.e. 18.2% year on year.

Central banks' interest rate policy is a key external driver of net interest income. The NBP interest rates were unchanged from October 2023 to early May 2025 (5.75% reference rate). In 2025, the Monetary Policy Council ("RPP") cut the rates six times to 4.00% reference rate. In early March 2026, the RPP cut the NBP rates by 25 bps to 3.75% reference rate. According to communications following the RPP's March meeting, the RPP's further decisions will depend on the inflation outlook and economic activity. The risks to inflation include the fiscal policy, the expected recovery of demand in the economy, further evolution of wages and salaries, and the international macroeconomic situation including commodity prices and inflation globally in the context of geopolitical tensions.

At the end of 2024, the ECB deposit rate was 3.00%. In Q1 2025, the ECB cut the rate twice to 2.50%. By the end of July 2025, the rates were cut another three times, bringing the deposit rate down to 2.00%, a level which persisted by the end of Q1 2026.

As a result of lower average interest rates, the average profitability of PLN and EUR credit products in Q1 2026 decreased year on year. The estimated sensitivity of the Group's net interest income to changes of interest rates is presented in Note 51 Financial risk management in the Consolidated Condensed Interim Financial Statements.

Total interest income on loans and advances to customers measured at amortised cost and measured at fair value through profit or loss stood at PLN 1,388,702 thousand in Q1 2026, down by PLN 251,833 thousand i.e. 15.4% year on year.

Depending on the market situation and available opportunities, the Group adjusts the structure of liquid assets and interbank operations. As a result, the Group reported an increase of interest income on debt instruments measured at amortised cost and measured at fair value by PLN 78,263 thousand i.e. 14.9%. Interest income on amounts due from banks decreased by PLN 59,713 thousand i.e. 39.1% while interest cost of amounts due to banks decreased by PLN 77,046 thousand i.e. 46.8%. The observed decrease in interest cost of amounts due to banks was driven among others by a change in the Group's approach to subordinated and long-term financing as borrowings were replaced by a bond issue. As a result, interest costs include the cost of liabilities under issued debt securities at PLN 40,864 thousand as at 31 March 2026.

Overliquidity in the banking sector and year-on-year changes to market interest rates in Q1 2026 resulted in a decrease of the cost of deposits. The Group's comfortable liquidity position (net loan/deposit ratio at 68.0% as at 31 March 2026) helped to optimise deposit margins. As a result, interest cost of amounts due to customers stood at PLN 462,859 thousand in Q1 2026, down by PLN 120,167 thousand i.e. 20.6% year on year despite an expansion of the deposit portfolio.

Net interest income is impacted by the Group's fair value hedge accounting and (to a lesser extent) cash flow hedge accounting. Change in the measurement of hedging transactions to fair value is recognised in the result on hedge accounting. Interest on IRS transactions and hedged positions is recognised in net interest income. Net interest income on hedging (interest income and interest expense on fair value and cash flow hedging derivatives) was negative at PLN 44,673 thousand in Q1 2026 vs. negative PLN 71,254 thousand in Q1 2025 (negative impact down by PLN 26,581 thousand i.e. 37.3% year on year).

9. NET FEE AND COMMISSION INCOME

Fee and commission income	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
loans, advances and leases	61,742	64,773
account maintenance	56,189	56,715
cash service	6,204	7,584
cash transfers and e-banking	27,820	25,210
guarantees and documentary operations	19,877	18,132
asset management and brokerage operations	51,789	38,921
payment and credit cards	103,581	121,918
insurance mediation activity	35,804	44,958
product sale mediation and customer acquisition	2,134	2,989
other commissions	13,321	9,935
Total fee and commission income	378,461	391,135
Fee and commission expense	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
loans, advances and leases	(181)	(619)
account maintenance	(2,427)	(2,119)
cash service	(6,069)	(7,749)
cash transfers and e-banking	(1,060)	(690)
guarantee obligations and documentary operations	(291)	(1,444)
asset management and brokerage operations	(1,119)	(2,100)
payment and credit cards	(30,837)	(23,881)
insurance mediation activity	(1,762)	(8,283)
product sale mediation and customer acquisition	(5,279)	(5,136)
other commissions	(14,772)	(11,625)
Total fee and commission expense	(63,797)	(63,646)
Net fee and commission income	314,664	327,489

The Group's net fee and commission income was PLN 314,664 thousand in Q1 2026, down by PLN 12,825 thousand i.e. 3.9% year on year. This was mainly driven by lower net commission income on bank cards ((the result of the first quarter of 2025 was higher due to the one-off, positive impact of settlements with card institutions), partly offset by improved net commission income on asset management and brokerage operations.

Fee and commission income stood at PLN 378,461 thousand, down by PLN 12,674 thousand i.e. 3.2% year on year, while fee and commission expense remained stable at PLN 63,797 thousand (+0.2%).

The increase in fee and commission income included mainly:

- commissions on asset management and brokerage operations, up by PLN 12,868 thousand i.e. 33.1% (including higher income on sales of IBV certificates, sales and management of investment fund shares, and brokerage services),
- other commissions, up by PLN 3,386 thousand i.e. 34.1%,
- cash transfers and e-banking, up by PLN 2,610 thousand i.e. 9.6% (including higher income on domestic outgoing payments),
- guarantee obligations and documentary operations, up by PLN 1,745 thousand i.e. 9.6%.

The decrease in fee and commission income included mainly:

- payment and credit cards, down by PLN 18,337 thousand i.e. 15.0%, mainly including lower income on relations with Mastercard and Euronet,
- insurance mediation activity, down by PLN 9,154 thousand i.e. 20.4% (including lower income on relations with Cardif),
- loans, advances and leases, down by PLN 3,031 thousand i.e. 4.7% (including lower income on CIB).

Fee and commission expense remained stable year on year (up by PLN 151 thousand i.e. 0.2%). The increase in costs on payment and credit cards (up by PLN 6,956 thousand i.e. 29.1%), due to higher commissions charged by Mastercard and Visa, and other commissions (up by PLN 3,147 thousand i.e. 27.1%) was partly offset by lower costs on insurance mediation activity (down by PLN 6,521 thousand i.e. 78.7%), cash service (down by PLN 1,680 thousand i.e. 21.7%) and guarantee obligations and documentary operations (down by PLN 1,153 thousand i.e. 79.8%).

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

Net trading income	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Equity instruments measured at fair value through profit or loss	9,528	28,291
Debt instruments measured at fair value through profit or loss	(2,072)	465
Derivative instruments and result on foreign exchange transactions	197,878	256,165
Total result on financial instruments measured at fair value through profit or loss and foreign exchange differences	205,334	284,921
including margin on foreign exchange and derivative transactions with customers	176,355	201,572

Net trading income was PLN 205,334 thousand in Q1 2026, down by PLN 79,587 thousand i.e. 27.9% year on year. The volume and volatility of net trading income depend mainly on the result of foreign exchange and derivative transactions with customers, the result on transactions of Corporate and Institutional Banking (CIB) and Asset and Liability Management Division (ALMT), and valuation of equity instruments.

The year-on-year decrease in net trading income in Q1 2026 was due to lower results on the valuation of financial instruments in asset and liability management operations (FX swaps due to an upward shift of the PLN and EUR yield curve observed in late March 2026) and lower valuation of interest in infrastructure companies (Visa, Mastercard, BIK, KIR). The result on equity instruments measured at fair value through profit or loss decreased by PLN 18,763 thousand i.e. 66.3% year on year in Q1 2026 and stood at PLN 9,528 thousand.

The margin on foreign exchange and derivative transactions with customers decreased by PLN 25,218 thousand i.e. 12.5% year on year in Q1 2026, mainly due to the absence of one-off large interest rate derivative transactions in Q1 2026 compared to Q1 2025.

11. RESULT ON INVESTMENT ACTIVITIES

Result on investment activities	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Debt instruments measured at fair value through other comprehensive income	-	(694)
Loans and advances to customers measured at fair value through profit or loss	1,169	(1,680)
Total result on investment activities	1,169	(2,374)

The result on investment activities was positive at PLN 1,169 thousand in Q1 2026 vs. a negative result at PLN 2,374 thousand in Q1 2025.

The change in the result on investment activities was mainly due to a higher result on the valuation of loans and advances to customers measured at fair value through profit or loss, up by PLN 2,849 thousand (positive PLN 1,169 thousand in Q1 2026 vs. negative PLN 1,680 thousand in Q1 2025).

12. 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

Q1 2026 from 01.01.2026 to 31.03.2026	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	223	781	-	-	1,004
Loans and advances to customers measured at amortised cost	(18,444)	(23,970)	(12,245)	(24,452)	(79,111)
Contingent commitments granted	12,744	4,688	(1,717)	5	15,720
Securities measured at amortised cost	(106)	-	-	-	(106)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(5,583)	(18,501)	(13,962)	(24,447)	(62,493)

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

Q1 2025 from 01.01.2025 to 31.03.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(1,664)	-	-	-	(1,664)
Loans and advances to customers measured at amortised cost	(10,839)	3,622	(15,724)	(1,956)	(24,897)
Contingent commitments granted	(1,104)	2,975	(2,547)	6	(670)
Securities measured at amortised cost	(12)	-	-	-	(12)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(13,619)	6,597	(18,271)	(1,950)	(27,243)

Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities were negative at PLN 62,493 thousand in Q1 2026 vs. negative PLN 27,243 thousand in Q1 2025.

Regarding the main operating segments:

- Retail and Business Banking reported a negative PLN 21,548 thousand (additional charge of PLN 13,885 thousand),
- SME Banking reported a negative PLN 13,025 thousand (additional charge of PLN 44,646 thousand),
- Corporate Banking (including CIB) reported a negative PLN 37,578 thousand (release of PLN 11,168 thousand).

Cost of risk in Q1 2026 was mainly driven by the high quality of the loan portfolio as demonstrated by a low number of loans classified as non-performing combined with amounts recovered from institutional customers.

Additionally, the risk cost in this period was affected by the establishment of additional provisions in the form of PMA (Post Model Adjustment), including:

- provisions related to the current geopolitical situation, particularly in connection with the conflict in the Middle East, amounting to PLN 21,000 thousand,
- provisions related to the risk in the Transportation and Warehousing sector, amounting to PLN 26,300 thousand.

The Bank signed no contracts to sell loan portfolios in Q1 2026. The details are represented in Note 42 Loan portfolio sale.

The Bank signed contracts to sell retail loan portfolios in Q1 2025. The carrying amount of the sold portfolio measured at amortised cost was PLN 1,668 thousand, the impairment allowance was PLN 1,264 thousand. The contractual price of the sold portfolios was PLN 551 thousand. The net impact of the portfolio sale on the Bank's results was PLN 147 thousand and is presented in Result on impairment of financial assets and provisions for contingent liabilities.

Cost of credit risk measured as net impairment allowances to average gross loans and advances to customers measured at amortised cost (based on balances as at the end of each quarter) was 0.27% in Q1 2026 vs. 0.12% in Q1 2025. Cost of risk net of the impact of the loan portfolio sale was 0.27% in Q1 2026 vs. 0.13% in Q1 2025.

13. GENERAL ADMINISTRATIVE COSTS

General administrative costs	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Personnel expenses	(409,190)	(401,432)
Marketing	(33,885)	(26,688)
IT and telecom expenses	(86,640)	(71,532)
Short-term leases and operation	(23,042)	(23,238)
Other non-personnel expenses	(35,640)	(30,354)
Outsourced services from other contracts and consulting	(57,474)	(80,177)
Business travel	(2,734)	(2,690)
Vehicle operating fees	(7,428)	(7,081)
ATM and cash handling expenses	(7,783)	(7,675)
Costs of outsourcing services related to leasing operations	-	(278)
Court and notary fees	(9,396)	(9,446)
Bank Guarantee Fund fee	(238,907)	(166,419)
Cost of PFSA supervision	(19,659)	(21,836)
Total general administrative costs	(931,778)	(848,846)

The Group's general administrative costs (including depreciation and amortisation) stood at PLN 1,059,896 thousand in Q1 2026, up by PLN 83,634 thousand i.e. 8.6% year on year.

The BGF contribution increased by PLN 72,488 thousand i.e. 43.6% year on year in Q1 2026:

- annual contribution to the bank resolution fund for 2026 was PLN 238,907 thousand, up by PLN 82,790 thousand year on year, the contribution in paid in Q1 of each year;

- contribution to the deposit guarantee fund was PLN 10,301 thousand in Q1 2025 (PLN 40,218 thousand for 2025). Pursuant to Resolution No. 4/2026 of the Board of the Bank Guarantee Fund dated 26 February 2026 on waiver of contributions to the deposit guarantee fund for 2026, the Bank will not pay the contribution in 2026.

IT and telecom expenses increased by PLN 15,108 thousand i.e. 21.1% mainly due to an increase of the Bank's costs of IT systems and software maintenance contracts; the non-capitalised costs of projects currently implemented by the Bank decreased.

Personnel expenses increased by PLN 7,758 thousand i.e. 1.9% due to an increase in salaries by PLN 9,041 thousand (annual salary raise in March) and an increase in additional payroll charges by PLN 3,190 thousand. The increase in personnel expenses due to salary raises was partly offset by a reduction of the Group's headcount by 243 active FTEs year on year and a decrease by PLN 4,381 thousand in provisions for future liabilities due to unused holiday leave and retirement allowances.

Marketing costs increased by PLN 7,197 thousand i.e. 27.0% mainly due to more intensive campaigns in Q1 2026 (Daily Banking campaign – Personal account 3 x 7%, cash loan campaign, micro campaign "Rozpędź swój biznes") and actions supporting sales of banking products in Kaufland and Carrefour chains (accounts, cards).

Other non-personnel expenses increased by PLN 5,286 thousand i.e. 17.4%. The increase was driven among others by an increase in the cost of recruitment (up by PLN 1,663 thousand), fees relating to the Financial Ombudsman (up by PLN 1,657 thousand) and bank card costs (up by PLN 1,196 thousand).

The following cost categories decreased year on year in Q1 2026:

- outsourced services from other contracts and consulting, down by PLN 22,703 thousand i.e. 28.3% due to lower:
 - cost of consulting services regarding CHF loans, down by PLN 6,869 thousand,
 - services provided by the Group, down by PLN 16,913 thousand.

Total costs of legal services covering litigation concerning CHF loans stood at PLN 8,275 thousand in Q1 2026 (PLN 15,339 thousand in Q1 2025) and were recognised under Outsourced services from other contracts and consulting at PLN 864 thousand (PLN 6,005 thousand in Q1 2025) and Court and notary fees at PLN 9,139 thousand (PLN 9,334 thousand in Q1 2025).

14. DEPRECIATION AND AMORTISATION

Depreciation and amortisation	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Property, plant and equipment	(56,111)	(51,710)
Intangible assets	(72,007)	(75,706)
Total depreciation and amortisation	(128,118)	(127,416)

Depreciation and amortisation charges stood at PLN 128,118 thousand in Q1 2026 and remained stable year on year, including:

- amortisation of intangible assets down by PLN 3,699 thousand,
- depreciation of property, plant and equipment up by PLN 4,401 thousand.

Depreciation and amortisation charges in the Group subsidiaries remained stable year on year.

The Bank's investments stood at PLN 32,553 thousand in Q1 2026, down by PLN 5,607 thousand i.e. 14.7% year on year. The decrease was mainly reported in IT hardware and software as well as personnel expenses in respect of external associates. Investment in leasehold improvements and personnel expenses in respect of the Bank's employees increased.

The amount of investments is aligned with the Bank's current needs and capacity. All projects are analysed to review their business case and impact on the financial and business position of the Bank and the Group.

15. OTHER OPERATING INCOME

Other operating income	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Sale or liquidation of property, plant and equipment and intangible assets	11,462	19,806
Release of allowances on other receivables	17,761	1,332
Gains on sale of goods and services	7,426	5,389
Reduction of provisions for litigation and claims and other liabilities	3,485	62,186
Recovery of debt enforcement costs	2,416	4,585
Income from leasing operations	14,893	16,916
Other operating income	18,692	20,565
Total other operating income	76,135	130,779

Other operating income stood at PLN 76,135 thousand in Q1 2026, down by PLN 54,644 thousand i.e. 41.8% year on year.

Other operating income was mainly driven by:

- PLN 58,701 thousand decrease in income from reduction of provisions for litigation and claims and other liabilities (income in Q1 2025 was driven by a reduction in provisions for legal risk of relations with the Bank's Partners and provisions for potential litigation concerning cancellation of loan agreements),
- PLN 8,344 thousand decrease in income from sale or liquidation of property, plant and equipment and intangible assets (income in Q1 2025 was driven by the sale of real estate in Gdańsk).

16. OTHER OPERATING EXPENSES

Other operating expenses	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Cost of sale or liquidation of property, plant and equipment and intangible assets	(7,359)	(3,500)
Impairment allowances on other receivables	(18,659)	(1,147)
Provisions for litigation and claims and other liabilities	(7,810)	(16,456)
Debt enforcement	(6,341)	(8,723)
Donations made	(812)	(5,676)
Costs of leasing operations	(12,626)	(13,546)
Other operating expenses	(38,420)	(64,048)
Total other operating expenses	(92,027)	(113,096)

Other operating expenses stood at PLN 92,027 thousand in Q1 2026, down by PLN 21,069 thousand i.e. 18.6% year on year.

Other operating expenses were mainly driven by:

- PLN 25,628 thousand (i.e. 40.0%) decrease in other operating expenses (including higher costs of settlements and enforcement of court judgments paid to the Bank's Partners and additional provisions for costs of unauthorised customer transactions in Q1 2025),
- PLN 8,646 thousand (i.e. 52.5%) decrease in costs of additional provisions for litigation and claims and other liabilities,
- PLN 4,864 thousand (i.e. 85.7%) decrease in costs of donations made (including a donation to the BNP Paribas Foundation in February 2025),

- PLN 17,512 thousand (i.e. 1,526.8%) increase in costs of additional impairment allowances on other receivables,
- PLN 3,859 thousand (i.e. 110.3%) increase in the cost of sale or liquidation of property, plant and equipment and intangible assets (including the cost of sale of real estate in Zielona Góra and Sieradz).

17. INCOME TAX EXPENSE

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Current income tax	(229,262)	(129,263)
Deferred income tax	(27,476)	(77,414)
Total income tax expense	(256,738)	(206,677)
Profit before income tax	632,082	948,125
Effective tax rate	41%	22%
Income taxes on gross profit	(187,259)	(180,144)
Permanent differences, including:	(69,479)	(26,533)
Receivables written off	(4,543)	(322)
Representation expenses	(340)	(223)
PFRON	(833)	(521)
Prudential fee to the Bank Guarantee Fund	(71,672)	(31,620)
Tax on financial institutions	(30,405)	(19,274)
Research and development relief	22,855	12,256
Provision for claims related to CHF loans	(17,298)	5,723
Legal risk provisions	245	4,699
Tax on interest recognised under equity	-	3,417
Other differences	32,512	(668)
Total income tax expense	(256,738)	(206,677)

As a result of changes in tax rates for banks, current tax was calculated using a 30% rate and deferred income tax was measured in accordance with IAS12.47 at the tax rates expected to apply when the asset is realised or the liability is settled. The subsidiaries used a 19% rate according to the applicable regulations.

18. EARNINGS PER SHARE

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Basic		
Net profit	375,344	741,448
Weighted average number of ordinary shares (units)	147,880,491	147,799,870
Basic earnings (loss) per share (in PLN per share)	2.54	5.02
Diluted		
Net profit used in determining diluted earnings per share	375,344	741,448
Weighted average number of ordinary shares (units)	147,880,491	147,799,870
Adjustments for:		
- stock options	128,843	94,751
Weighted average number of ordinary shares for the diluted earnings per share (units)	148,009,334	147,894,621
Diluted earnings (loss) per share (in PLN per share)	2.54	5.01

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 38. 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 cause dilution of profit per share in the future.

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

The diluted earnings per share are 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: stock options. Dilutive shares are calculated as the number of shares that would be issued if all stock options were exercised at the market price determined as the average annual closing price of the Bank's shares.

19. CASH AND BALANCES AT CENTRAL BANK

	31.03.2026	31.12.2025
Cash and cash equivalents		
Cash and other balances	2,316,252	2,541,539
Account in the National Bank of Poland	8,056,501	7,683,669
Gross cash and cash equivalents	10,372,753	10,225,208
Allowance for expected credit losses	(359)	(342)
Total cash and cash equivalents	10,372,394	10,224,866
Change in allowance for expected credit losses on receivables on funds at the Central Bank		
	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Opening balance	(342)	(398)
Changes resulting from changes in credit risk (net)	(17)	231
Closing balance	(359)	(167)

20. AMOUNTS DUE FROM BANKS

31.03.2026	Stage 1	Stage 2	Stage 3	Total
Gross amounts due from banks	5,329,509	18,501	9	5,348,019
Current accounts	4,459,740	12,316	-	4,472,056
Interbank deposits	123,045	5,253	-	128,298
Loans and advances	-	-	9	9
Other receivables	746,724	932	-	747,656
Allowances due to expected credit loss from banks	(325)	(650)	(4)	(979)
Current accounts	(293)	(646)	-	(939)
Interbank deposits	(3)	(1)	-	(4)
Loans and advances	-	-	(4)	(4)
Other receivables	(29)	(3)	-	(32)
Total net amounts due from banks	5,329,184	17,851	5	5,347,040
31.12.2025	Stage 1	Stage 2	Stage 3	Total
Gross amounts due from banks	11,586,494	32,002	9	11,618,505
Current accounts	10,986,948	18,926	-	11,005,874
Interbank deposits	108,115	5,189	-	113,304
Loans and advances	-	-	9	9
Other receivables	491,431	7,887	-	499,318
Allowances due to expected credit loss from banks	(558)	(1,377)	(4)	(1,939)
Current accounts	(510)	(926)	-	(1,436)
Loans and advances	-	-	(4)	(4)
Other receivables	(45)	(442)	-	(487)
Total net amounts due from banks	11,585,936	30,625	5	11,616,566

Other receivables as at 31 March 2026 include receivables from cash collateral for derivatives in the gross amount of PLN 746,086 thousand (PLN 496,464 thousand as at 31 December 2025).

Change in allowance due to expected credit losses on receivables from banks	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2026	(558)	(1,377)	(4)	(1,939)
Increases due to acquisition or origination	(245)	(24)	-	(269)
Decreases due to derecognition	618	-	-	618
Changes resulting from changes in credit risk (net)	(133)	805	-	672
Other changes (including foreign exchange differences)	(7)	(54)	-	(61)
As at 31 March 2026	(325)	(650)	(4)	(979)

Change in allowance due to expected credit losses on receivables from banks	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	(527)	-	-	(527)
Increases due to acquisition or origination	(928)	(1,839)	-	(2,767)
Decreases due to derecognition	479	841	-	1,320
Changes resulting from changes in credit risk (net)	(152)	(297)	-	(449)
Other changes (including foreign exchange differences)	41	45	-	86
As at 31 March 2025	(1,087)	(1,250)	-	(2,337)

21. DERIVATIVE FINANCIAL INSTRUMENTS

Trading derivatives	Nominal value	Fair value	Fair value
31.03.2026		Assets	Liabilities
Currency derivatives			
Foreign Exchange Forward (FX Forward + NDF)	14,186,324	66,900	841,210
Currency Swap (FX Swap)	27,651,548	1,236,331	455,941
Currency Interest Rate Swaps (CIRS)	3,236,764	15,686	25,800
OTC currency options	9,641,001	43,240	78,578
Total currency derivatives	54,715,637	1,362,157	1,401,529
Interest rate derivatives			
Interest Rate Swap	78,681,813	588,201	474,993
FRA	214,470	-	416
OTC interest rate options	6,976,608	28,950	29,499
Total interest rate derivatives	85,872,891	617,151	504,908
Other derivatives			
OTC Commodity Swap	1,594,506	58,925	56,061
Currency Spot (FX Spot)	2,394,863	-	-
Total other derivatives	3,989,369	58,925	56,061
Total trading derivatives	144,577,897	2,038,233	1,962,498
including: measured using models	144,577,897	2,038,233	1,962,498

Trading derivatives	Nominal value	Fair value	Fair value
31.12.2025		Assets	Liabilities
Currency derivatives			
Foreign Exchange Forward (FX Forward + NDF)	11,962,084	47,570	1,014,109
Currency Swap (FX Swap)	25,534,449	1,497,304	522,909
Currency Interest Rate Swaps (CIRS)	3,316,143	32,398	20,391
OTC currency options	6,660,552	15,756	60,721
Total currency derivatives	47,473,228	1,593,028	1,618,130
Interest rate derivatives			
Interest Rate Swap	73,501,096	696,265	589,009
FRA	845,340	-	312
OTC interest rate options	6,876,181	17,702	18,482
Total interest rate derivatives	81,222,617	713,967	607,803
Other derivatives			
OTC Commodity Swap	1,313,706	52,465	50,642
Currency Spot (FX Spot)	1,890,734	-	-
Total other derivatives	3,204,440	52,465	50,642
Total trading derivatives	131,900,285	2,359,460	2,276,575
including: measured using models	131,900,285	2,359,460	2,276,575

22. HEDGE ACCOUNTING

Fair value hedge

As at 31 March 2026, the Group used fair value hedge (**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 position	Nominal value	Fair value	
		Assets	Liabilities
31.03.2026	24,781,132	-	24,466,793
31.12.2025	21,392,032	-	21,472,628

IRS	Nominal value	Fair value	
		Assets	Liabilities
31.03.2026	24,781,132	44,986	454,238
31.12.2025	21,392,032	230,410	321,095

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 "Adjustment of the fair value of hedged and hedging positions" include the adjustment of the value of hedged instruments (deposits) amounting to:

31.03.2026 -PLN 444,471 thousand

31.12.2025 -PLN 158,096 thousand

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

31.03.2026 -PLN 1,281 thousand

31.12.2025 -PLN 7,357 thousand

The table below presents derivative hedging instruments at their nominal value by residual maturity dates as at 31 March 2026 and 31 December 2025:

31.03.2026								
Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years	Total
Interest rate contracts								
Swap (IRS)	44,986	454,238	374,080	700,774	7,176,110	10,251,099	6,279,069	24,781,132
Hedging derivatives - total	44,986	454,238	374,080	700,774	7,176,110	10,251,099	6,279,069	24,781,132

31.12.2025								
Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years	Total
Interest rate contracts								
Swap (IRS)	230,410	321,095	2,924,039	1,919,216	3,980,430	7,161,408	5,406,939	21,392,032
Hedging derivatives - total	230,410	321,095	2,924,039	1,919,216	3,980,430	7,161,408	5,406,939	21,392,032

In Q1 2026 and 2025, the hedging relationships presented proved effective.

Additionally, the Group applies **micro fair value hedge** accounting as at 31 March 2026.

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 position	Nominal value	Fair value	
		Assets	Liabilities
31.03.2026	15,038,510	14,955,629	-
31.12.2025	12,326,873	12,447,552	-

IRS	Nominal value	Fair value	
		Assets	Liabilities
31.03.2026	15,038,510	158,467	55,729
31.12.2025	12,326,873	68,402	99,700

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 table below presents derivative hedging instruments at their nominal value by residual maturity dates as at 31 March 2026 and 31 December 2025:

31.03.2026								
Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years	Total
Interest rate contracts								
Swap (IRS)	158,467	55,729	-	-	773,197	5,944,300	8,321,013	15,038,510
Hedging derivatives - total	158,467	55,729	-	-	773,197	5,944,300	8,321,013	15,038,510
31.12.2025								
Hedging derivatives	Fair value		Nominal value					
	positive	negative	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years	Total
Interest rate contracts								
Swap (IRS)	68,402	99,700	-	180,080	92,987	5,629,378	6,424,427	12,326,872
Hedging derivatives - total	68,402	99,700	-	180,080	92,987	5,629,378	6,424,427	12,326,872

Amounts recognised in the statement of profit or loss under **fair value hedge** accounting.

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Interest income on hedging derivative instruments	181,536	189,016
Interest expense on hedging derivative instruments	(217,103)	(225,702)
Interest expense on amortisation of the hedged position in fair value hedge accounting	(6,075)	(28,007)
Change in fair value of hedging transactions recognised in the Result on hedge accounting, including:	14,368	(2,578)
change in fair value of hedging instruments	(89,588)	85,366
change in fair value of hedged instruments	103,956	(87,944)

In Q1 2026 and 2025, the hedging relationships presented proved effective.

Cash flow hedging

Additionally, the Group applies **cash flow hedge** accounting as at 31 March 2026

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 bonds WZ1131 and WZ0330.
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Hedging instruments	Hedging instruments include standard IRS transactions, i.e. plain vanilla IRS in PLN in which the Bank receives a fixed rate and pays a floating rate based on WIBOR 6M.
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Hedged position	Nominal value	Fair value	
		Assets	Liabilities
31.03.2026	1,325,000	1,288,658	-
31.12.2025	1,325,000	1,291,131	-

IRS	Nominal value	Fair value	
		Assets	Liabilities
31.03.2026	1,325,000	7,406	88,477
31.12.2025	1,325,000	46,738	64,745

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 under Result on hedge accounting.
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The table below presents derivative hedging instruments at their nominal value by residual maturity dates as at 31 March 2026 and 31 December 2025:

31.03.2026

Hedging derivatives	Fair value		Nominal value					Total
	positive	negative	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years	
Interest rate contracts								
Swap (IRS)	7,406	88,477	-	-	-	700,000	625,000	1,325,000
Hedging derivatives - total	7,406	88,477	-	-	-	700,000	625,000	1,325,000

31.12.2025

Hedging derivatives	Fair value		Nominal value					Total
	positive	negative	< 1 month	1-3 months	3 months-1 year	1-5 years	> 5 years	
Interest rate contracts								
Swap (IRS)	46,738	64,745	-	-	-	700,000	625,000	1,325,000
Hedging derivatives - total	46,738	64,745	-	-	-	700,000	625,000	1,325,000

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

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Interest income on hedging derivative instruments	11,178	5,158
Interest expense on hedging derivative instruments	(14,209)	(11,719)
Change in fair value of hedging transactions recognised in the Result on hedge accounting, including:	128	(13)
change in fair value of hedging instruments	128	(13)

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

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Opening balance	(33,980)	(112,125)
Hedging gains or losses recognised in other comprehensive income during the reporting period	(42,387)	18,977
Closing balance	(76,367)	(93,148)

In Q1 2026 and 2025, the hedging relationships presented proved effective.

The adjustment of the fair value of the hedged and hedging positions includes the items presented in the table below:

Adjustment of the fair value of the hedged and hedging positions	31.03.2026		31.12.2025	
	Assets	Liabilities	Assets	Liabilities
Hedging positions:	210,859	598,444	345,550	485,540
Derivatives designated as fair value hedge – IRS	203,453	509,967	298,812	420,795
Derivatives designated as cash flow hedge – IRS	7,406	88,477	46,738	64,745
Hedged positions:	-	(445,752)	-	(165,453)
Hedged instruments value adjustment – active relationships	-	(444,471)	-	(158,096)
deposits	-	(444,471)	-	(158,096)
Difference in value to hedged position fair value – terminated relationships	-	(1,281)	-	(7,357)
Closing balance	210,859	152,692	345,550	320,087

23. LOANS AND ADVANCES TO CUSTOMERS MEASURED AT AMORTISED COST

31.03.2026			
Loans and advances to customers measured at amortised cost	Gross balance sheet value	Allowance	Net balance sheet value
Loans and advances for			
Non-bank financial entities	3,868,172	(57,473)	3,810,699
overdraft	3,315,367	(19,284)	3,296,083
investment loans	184,337	(37,730)	146,607
other loans	368,468	(459)	368,009
Retail customers	34,476,569	(691,594)	33,784,975
mortgage loans	21,188,226	(227,312)	20,960,914
other loans	13,288,343	(464,282)	12,824,061
Corporate customers	50,167,271	(1,527,733)	48,639,538
overdraft	22,548,307	(739,215)	21,809,092
investment loans	20,168,825	(603,773)	19,565,052
other loans	7,450,139	(184,745)	7,265,394
including individual farmers	7,222,466	(249,939)	6,972,527
overdraft	4,653,137	(139,238)	4,513,899
investment loans	2,558,562	(109,524)	2,449,038
other loans	10,767	(1,177)	9,590
Public sector entities	184,827	(2,141)	182,686
overdraft	154,186	(2,043)	152,143
investment loans	30,641	(98)	30,543
Lease receivables	6,261,270	(116,882)	6,144,388
Total loans and advances to customers measured at amortised cost	94,958,109	(2,395,823)	92,562,286

31.12.2025			
Loans and advances to customers measured at amortised cost	Gross balance sheet value	Allowance	Net balance sheet value
Loans and advances for			
Non-bank financial entities	3,480,807	(48,348)	3,432,459
overdraft	2,995,749	(13,007)	2,982,742
investment loans	183,203	(34,858)	148,345
other loans	301,855	(483)	301,372
Retail customers	34,428,276	(668,459)	33,759,817
mortgage loans	21,335,075	(225,837)	21,109,238
other loans	13,093,201	(442,622)	12,650,579
Corporate customers	48,797,028	(1,479,602)	47,317,426
overdraft	21,807,021	(696,606)	21,110,415
investment loans	19,656,273	(593,366)	19,062,907
other loans	7,333,734	(189,630)	7,144,104
including individual farmers	7,296,966	(249,325)	7,047,641
overdraft	4,712,173	(139,978)	4,572,195
investment loans	2,572,536	(108,173)	2,464,363
other loans	12,257	(1,174)	11,083
Public sector entities	218,025	(984)	217,041
overdraft	170,374	(861)	169,513
investment loans	30,750	(104)	30,646
other loans	16,901	(19)	16,882
Lease receivables	6,282,940	(122,005)	6,160,935
Total loans and advances to customers measured at amortised cost	93,207,076	(2,319,398)	90,887,678

Gross loans and advances to customers (portfolios measured at amortised cost and measured at fair value) stood at PLN 95,271,052 thousand as at 31 March 2026, up by PLN 1,711,495 thousand i.e. 1.8% year to date.

Gross loans and advances measured at amortised cost stood at PLN 94,958,109 thousand as at 31 March 2026, up by PLN 1,751,033 thousand i.e. 1.9% year to date.

Structure of gross loans and advances measured at amortised cost

Gross loans and advances to retail customers stood at PLN 34,476,569 thousand as at 31 March 2026 and remained stable year to date (a modest increase by PLN 48,293 thousand i.e. 0.1%). Their share in the loan portfolio measured at amortised cost was 36.3% as at 31 March 2026 (down by 0.6 p.p. year to date). Mortgage loans stood at PLN 21,188,226 thousand as at 31 March 2026, representing 61.5% of the credit exposure of retail customers. The majority of mortgage loans are PLN loans (98.8%). CHF loans represented only 1.1% of mortgage loans (down by 0.1 p.p. year to date).

Gross loans and advances to corporate customers (excluding farmers) stood at PLN 42,944,805 thousand (up by PLN 1,444,743 thousand i.e. 3.5% year to date). Their share in the loan portfolio was 45.2% as at 31 March 2026 (+0.7 p.p. year to date). Overdrafts represent 41.7% of the loan portfolio (up by 0.5 p.p. year to date) and investment loans represent 41.0% (down by 0.2% year to date).

Loans to individual farmers stood at PLN 7,222,466 thousand as at 31 March 2026, down by 1.0% year to date.

Lease receivables stood at PLN 6,261,270 thousand (a modest decrease by 0.3% year to date). Their share in the loan portfolio measured at amortised cost was 6.6% as at 31 March 2026 vs. 6.7% as at 31 December 2025.

Loans to non-bank financial entities and public sector entities stood at PLN 4,052,999 thousand, up by 9.6% year to date.

Net loans and advances to customers by Stage

31.03.2026	Stage 1	Stage 2	Stage 3	POCI	Total
Gross loans and advances to customers measured at amortised cost	83,424,707	8,944,279	2,454,928	134,195	94,958,109
Non-bank financial entities	3,585,055	279,901	2,727	489	3,868,172
Retail customers	32,033,087	1,732,367	681,248	29,867	34,476,569
Corporate customers	42,606,261	5,854,953	1,602,218	103,839	50,167,271
including individual farmers	6,343,730	619,173	245,290	14,273	7,222,466
Public sector entities	163,124	21,703	-	-	184,827
Lease receivables	5,037,180	1,055,355	168,735	-	6,261,270
Allowances for expected credit losses on loans and advances for	(357,047)	(600,376)	(1,423,432)	(14,968)	(2,395,823)
Non-bank financial entities	(10,289)	(44,816)	(2,191)	(177)	(57,473)
Retail customers	(89,844)	(125,112)	(474,258)	(2,380)	(691,594)
Corporate customers	(242,559)	(385,946)	(886,817)	(12,411)	(1,527,733)
including individual farmers	(70,865)	(32,722)	(143,650)	(2,702)	(249,939)
Public sector entities	(356)	(1,785)	-	-	(2,141)
Lease receivables	(13,999)	(42,717)	(60,166)	-	(116,882)
Total net loans and advances to customers measured at amortised cost	83,067,660	8,343,903	1,031,496	119,227	92,562,286
31.12.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Gross loans and advances to customers measured at amortised cost	82,011,964	8,563,065	2,515,977	116,070	93,207,076
Non-bank financial entities	3,268,261	209,454	2,582	510	3,480,807
Retail customers	31,963,611	1,787,990	645,479	31,196	34,428,276
Corporate customers	41,544,071	5,507,863	1,660,730	84,364	48,797,028
including individual farmers	6,398,264	626,899	256,424	15,379	7,296,966
Public sector entities	212,950	5,075	-	-	218,025
Lease receivables	5,023,071	1,052,683	207,186	-	6,282,940
Allowances for expected credit losses on loans and advances for	(338,496)	(574,083)	(1,393,442)	(13,377)	(2,319,398)
Non-bank financial entities	(9,496)	(36,526)	(2,148)	(178)	(48,348)
Retail customers	(91,122)	(128,304)	(446,511)	(2,522)	(668,459)
Corporate customers	(223,790)	(363,785)	(881,350)	(10,677)	(1,479,602)
including individual farmers	(69,293)	(34,228)	(143,642)	(2,162)	(249,325)
Public sector entities	(776)	(208)	-	-	(984)
Lease receivables	(13,312)	(45,260)	(63,433)	-	(122,005)
Total net loans and advances to customers measured at amortised cost	81,673,468	7,988,982	1,122,535	102,693	90,887,678

31.03.2026	Stage 2	Stage 3	Total
Gross POCI loans and advances to customers measured at amortised cost	26,804	107,391	134,195
Non-bank financial entities	3	486	489
Retail customers	19,950	9,917	29,867
Corporate customers	6,851	96,988	103,839
including individual farmers	1,538	12,735	14,273
Allowances for expected credit losses on loans and advances for	(93)	(14,875)	(14,968)
Non-bank financial entities	-	(177)	(177)
Retail customers	(57)	(2,323)	(2,380)
Corporate customers	(36)	(12,375)	(12,411)
including individual farmers	-	(2,702)	(2,702)
Total net POCI loans and advances to customers measured at amortised cost	26,711	92,516	119,227
31.12.2025	Stage 2	Stage 3	Total
Gross POCI loans and advances to customers measured at amortised cost	30,352	85,718	116,070
Non-bank financial entities	3	507	510
Retail customers	20,911	10,285	31,196
Corporate customers	9,438	74,926	84,364
including individual farmers	3,428	11,951	15,379
Allowances for expected credit losses on loans and advances for	(94)	(13,283)	(13,377)
Non-bank financial entities	-	(178)	(178)
Retail customers	(48)	(2,474)	(2,522)
Corporate customers	(46)	(10,631)	(10,677)
including individual farmers	-	(2,162)	(2,162)
Total net POCI loans and advances to customers measured at amortised cost	30,258	72,435	102,693

The share of Stage 3 and POCI non-performing exposures in gross loans and advances to customers measured at amortised cost was 2.7% as at 31 March 2025 vs. 2.8% as at 31 December 2025. Their coverage with provisions was 56.1% as at 31 March 2026, up by 2.1 p.p. year to date.

Allowance for expected credit losses on loans and advances measured at amortised cost

Change in allowances for expected credit losses	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2026	(338,496)	(574,083)	(1,393,442)	(13,377)	(2,319,398)
Increase due to acquisition or origination	(33,138)	(23,410)	(15,854)	-	(72,402)
Decrease due to derecognition	11,413	5,346	41,485	99	58,343
Changes resulting from changes in credit risk (net)*	3,943	(6,715)	(68,371)	(1,997)	(73,140)
Use of allowances	-	6	22,602	308	22,916
Other changes (including foreign exchange differences)	(769)	(1,520)	(9,852)	(1)	(12,142)
As at 31 March 2026	(357,047)	(600,376)	(1,423,432)	(14,968)	(2,395,823)

Change in allowances for expected credit losses	Stage 1	Stage 2	Stage 3	POCI	Total
As at 1 January 2025	(355,893)	(565,099)	(1,510,780)	(26,472)	(2,458,244)
Increase due to acquisition or origination	(45,009)	(21,769)	(32,102)	-	(98,880)
Decrease due to derecognition	21,671	4,432	61,324	1,428	88,855
Changes resulting from changes in credit risk (net)*	12,499	20,971	(65,178)	1,760	(29,948)
Use of allowances	-	(3)	68,151	3,765	71,913
Other changes (including foreign exchange differences)	1,184	3,412	10,412	129	15,137
As at 31 March 2025	(365,548)	(558,056)	(1,468,173)	(19,390)	(2,411,167)

*For details, see Note 7a Impairment of financial assets

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

Loans by currency	31.03.2026	31.12.2025
CHF	228,283	254,276
EUR	17,617	18,334
PLN	20,942,232	21,062,351
USD	94	114
Total	21,188,226	21,335,075

31.03.2026

Value of loan portfolio including CHF	Gross balance sheet value	including CHF exposures	Allowance	including CHF exposures
Loans and advances for				
Non-bank financial entities	3,868,172	77	(57,473)	-
overdraft	3,315,367	77	(19,284)	-
investment loans	184,337	-	(37,730)	-
other loans	368,468	-	(459)	-
Retail customers	34,476,569	231,453	(691,594)	(102,187)
mortgage loans	21,188,226	228,283	(227,312)	(99,881)
other loans	13,288,343	3,170	(464,282)	(2,306)
Corporate customers	50,167,271	18,155	(1,527,733)	(8,603)
overdraft	22,548,307	11,476	(739,215)	(2,107)
investment loans	20,168,825	6,679	(603,773)	(6,496)
other loans	7,450,139	-	(184,745)	-
including individual farmers	7,222,466	5	(249,939)	(1)
overdraft	4,653,137	5	(139,238)	(1)
investment loans	2,558,562	-	(109,524)	-
other loans	10,767	-	(1,177)	-
Public sector entities	184,827	-	(2,141)	-
overdraft	154,186	-	(2,043)	-
investment loans	30,641	-	(98)	-
Lease receivables	6,261,270	4,873	(116,882)	(1,692)
Total loans and advances	94,958,109	254,558	(2,395,823)	(112,482)

31.12.2025

Value of loan portfolio including CHF	Gross balance sheet value	including CHF exposures	Allowance	including CHF exposures
Loans and advances for				
Non-bank financial entities	3,480,807	369	(48,348)	-
overdraft	2,995,749	369	(13,007)	-
investment loans	183,203	-	(34,858)	-
other loans	301,855	-	(483)	-
Retail customers	34,428,276	257,392	(668,459)	(101,869)
mortgage loans	21,335,075	254,276	(225,837)	(99,747)
other loans	13,093,201	3,116	(442,622)	(2,122)
Corporate customers	48,797,028	18,229	(1,479,602)	(8,353)
overdraft	21,807,021	11,771	(696,606)	(2,063)
investment loans	19,656,273	6,458	(593,366)	(6,290)
other loans	7,333,734	-	(189,630)	-
including individual farmers	7,296,966	44	(249,325)	(2)
overdraft	4,712,173	44	(139,978)	(2)
investment loans	2,572,536	-	(108,173)	-
other loans	12,257	-	(1,174)	-
Public sector entities	218,025	-	(984)	-
overdraft	170,374	-	(861)	-
investment loans	30,750	-	(104)	-
other loans	16,901	-	(19)	-
Lease receivables	6,282,940	4,696	(122,005)	(1,264)
Total loans and advances	93,207,076	280,686	(2,319,398)	(111,486)

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

	31.03.2026	31.12.2025
Subsidised loans	247,814	286,183
Total loans and advances to customers measured at fair value through profit or loss	247,814	286,183

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 to fair value through profit or loss.

	Gross balance sheet value	Fair value
31.03.2026	312,943	247,814
31.12.2025	352,481	286,183

Subsidised loans measured at fair value	Stage 1	Stage 2	Stage 3	Total
31.03.2026	194,775	44,481	8,558	247,814
31.12.2025	225,234	51,044	9,905	286,183

25. SECURITIES MEASURED AS AMORTISED COST

31.03.2026

Securities	Gross balance sheet value	Allowance	Net balance sheet value
issued by other financial institutions	9,006,288	(25)	9,006,263
issued by governments – Treasury bonds	28,269,211	(151)	28,269,060
issued by non-financial entities – bonds	8,188	(4,214)	3,974
issued by local governments – municipal bonds	23,380	(46)	23,334
Total securities measured at amortised cost	37,307,067	(4,436)	37,302,631

31.12.2025

Securities	Gross balance sheet value	Allowance	Net balance sheet value
issued by other financial institutions	8,319,932	(23)	8,319,909
issued by governments – Treasury bonds	27,833,873	(150)	27,833,723
issued by non-financial entities – bonds	8,155	(4,217)	3,938
issued by local governments – municipal bonds	23,100	(44)	23,056
Total securities measured at amortised cost	36,185,060	(4,434)	36,180,626

31.03.2026	Stage 1	Stage 2	Stage 3	Total
Securities	37,302,912	-	4,155	37,307,067
issued by other financial institutions	9,006,288	-	-	9,006,288
issued by governments – Treasury bonds	28,269,211	-	-	28,269,211
issued by non-financial entities – bonds	4,033	-	4,155	8,188
issued by local governments – municipal bonds	23,380	-	-	23,380
Impairment allowances on securities:	(281)	-	(4,155)	(4,436)
issued by other financial institutions	(25)	-	-	(25)
issued by governments – Treasury bonds	(151)	-	-	(151)
issued by non-financial entities – bonds	(59)	-	(4,155)	(4,214)
issued by local governments – municipal bonds	(46)	-	-	(46)
Total net securities measured at amortised cost	37,302,631	-	-	37,302,631

31.12.2025	Stage 1	Stage 2	Stage 3	Total
Securities	36,180,905	-	4,155	36,185,060
issued by other financial institutions	8,319,932	-	-	8,319,932
issued by governments – Treasury bonds	27,833,873	-	-	27,833,873
issued by non-financial entities – bonds	4,000	-	4,155	8,155
issued by local governments – municipal bonds	23,100	-	-	23,100
Impairment allowances on securities:	(279)	-	(4,155)	(4,434)
issued by other financial institutions	(23)	-	-	(23)
issued by governments – Treasury bonds	(150)	-	-	(150)
issued by non-financial entities – bonds	(62)	-	(4,155)	(4,217)
issued by local governments – municipal bonds	(44)	-	-	(44)
Total net securities measured at amortised cost	36,180,626	-	-	36,180,626

26. SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Securities measured at fair value through profit or loss	31.03.2026	31.12.2025
Treasury bonds held for trading	177,284	-
Bonds convertible for non-financial entities shares	53,759	68,767
Equity instruments	164,469	171,162
Fund shares	540	540
Certificates issued by non-financial entities	531	480
Total securities measured at fair value through profit or loss	396,583	240,949

27. SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Securities	31.03.2026	31.12.2025
NBP bills	-	2,198,779
Treasury bonds issued by central governments	9,681,831	9,712,593
bonds issued by other financial institutions	15,319,602	12,808,430
Securities measured at fair value through other comprehensive income	25,001,433	24,719,802

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

28. INTANGIBLE ASSETS

Intangible assets	31.03.2026	31.12.2025
Licenses	638,370	680,718
Other intangible assets	98,831	104,628
Expenditure on intangible assets	177,905	179,113
Total intangible assets	915,106	964,459

In Q1 2026, the net balance sheet value of intangible assets acquired by the Group stood at PLN 24,031 thousand (in Q1 2025: PLN 41,050 thousand).

No intangible assets were sold or liquidated in Q1 2026 (the net balance sheet value of intangible assets which were sold or liquidated stood at PLN 480 thousand in Q1 2025).

The Group identifies impairment triggers for intangible assets which are not transferred to utilisation yet, i.e. those under development, on an ongoing basis.

As at 31 March 2026, the Group had significant contractual obligations incurred in connection with the acquisition of intangible assets in the amount of PLN 40,796 thousand (PLN 12,855 thousand as at 31 December 2025).

29. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	31.03.2026	31.12.2025
Fixed assets, including:	392,156	405,254
land and buildings	60,946	65,245
IT equipment	167,477	170,612
office equipment	112,541	116,639
other, including leasehold improvements	51,192	52,758
Fixed assets under construction	24,081	38,268
Right of use, including:	491,387	504,470
land and buildings	461,182	475,347
motor vehicles	29,656	28,446
IT equipment	469	591
other, including leasehold improvements	80	86
Total property, plant and equipment	907,624	947,992

In Q1 2026, the net balance sheet value of property, plant and equipment acquired by the Group stood at PLN 9,208 thousand (in Q1 2025: PLN 17,612 thousand) and the net balance sheet value of sold and liquidated property, plant and equipment was PLN 3,470 thousand (in Q1 2025: PLN 480 thousand).

As at 31 March 2026, the Group had significant contractual obligations incurred in connection with the acquisition of property, plant and equipment in the amount of PLN 8,614 thousand (PLN 990 thousand as at 31 December 2025).

In Q1 2026 the Bank conducted an analysis of the classification of fixed assets into individual groups and as a result of this analysis reclassified PLN 82,344 thousand between categories IT equipment PLN 449 thousand, office equipment PLN 82,793 thousand and other, including leasehold improvements PLN 82,344 thousand as at 31 December 2025.

30. LEASING

Group as a lessee

The Group is a contractual party of lease agreements related to such underlying assets as:

- property,
- vehicles,
- land, including perpetual usufruct right to land,
- cash deposit machines,
- equipment,
- IT equipment.

The lease period of vehicles equals 1 to 5 years. Lease agreements contain extension options. In respect of vehicles, the Group also concludes leaseback agreements.

The Group is also a party to real estate lease agreements. The contracts are concluded for a definite period of 1 to 30 years and for an indefinite period. The lease period is determined as the non-cancellable period of the lease together with periods in which there is an option to extend the lease, if exercising that option is sufficiently probable, and periods in which there is an option to terminate the lease, if exercising that option is sufficiently probable.

When determining the non-cancellable lease period in the case of an agreement concluded for an indefinite period, the Bank takes into account, among other factors, the amortisation period of leasehold improvements related to the leased asset.

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

The Group has also land lease agreements concluded for an indefinite period, and perpetual usufruct rights for land received for the period of 40 to 100 years. Lease payments are indexed in accordance with the land management act.

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Costs of lease recognised in the statement of profit or loss	(34,148)	(32,689)
cost of interest on lease liabilities	(4,694)	(5,286)
cost of amortisation of right of use assets	(29,176)	(26,921)
costs related to short-term leases (recognised as administrative costs)	(278)	(482)
Undiscounted lease payments by maturity	31.03.2026	31.12.2025
up to 1 year	120,111	120,322
from 1 year to 5 years	373,713	373,805
over 5 years	143,146	143,146
Total	636,970	637,273
	31.03.2026	31.12.2025
Book value of liabilities due to discounted lease fees	545,760	553,436

31. OTHER ASSETS

Other assets:	31.03.2026	31.12.2025
Receivables from contracts with customers:		
sundry debtors	466,960	355,840
accrued income	80,442	79,942
payment card settlements	25,436	25,466
insurance settlements	82	301
Other:		
interbank and intersystem settlements	142,593	304,470
deferred expenses	99,754	98,767
tax and other regulatory receivables	170,200	45,917
other lease receivables	113,134	105,394
other	85,213	75,136
Total other assets (gross)	1,183,814	1,091,233
Impairment allowances on other receivables from sundry debtors	(43,543)	(39,693)
Total other assets (net)	1,140,271	1,051,540
including financial assets*	704,662	751,778

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

32. AMOUNTS DUE TO BANKS

Amounts due to banks	31.03.2026	31.12.2025
Current accounts	544,236	508,339
Interbank deposits	41,406	36,257
Loans and advances received	8,171,625	8,235,097
Other liabilities	1,431,952	1,365,538
Total amounts due to banks	10,189,219	10,145,231

Also presented under Other liabilities are liabilities to banks from cash collateral in the gross amount of PLN 1,393,961 thousand (PLN 1,347,782 thousand as at 31 December 2025).

In Q1 2026 and in 2025, there were no breaches of contractual provisions and covenants related to the Bank's financial position and disclosure obligations in financing agreements. As at 31 March 2026, there were no such covenants in the Bank's financing agreements.

33. AMOUNTS DUE TO CUSTOMERS

Amounts due to customers	31.03.2026	31.12.2025
Non-bank financial entities	5,023,763	6,621,690
Current accounts	2,357,599	2,824,138
Term deposits	2,655,940	3,331,989
Loans and advances received	-	450,612
Other liabilities	10,224	14,951
Retail customers	59,656,221	59,183,277
Current accounts	35,908,931	33,583,850
Term deposits	22,958,786	24,847,419
Other liabilities	788,504	752,008
Corporate customers	67,387,976	71,765,182
Current accounts	49,439,223	54,343,396
Term deposits	17,442,161	16,825,515
Other liabilities	506,592	596,271
including individual farmers	4,101,114	4,424,592
Current accounts	3,891,883	4,232,207
Term deposits	195,273	169,731
Other liabilities	13,958	22,654
Public sector institutions	4,510,898	3,768,687
Current accounts	2,735,853	3,444,256
Term deposits	1,774,012	321,246
Other liabilities	1,033	3,185
Total amounts due to customers	136,578,858	141,338,836

Amounts due to customers stood at PLN 136,578,858 thousand as at 31 March 2026, down by PLN 4,759,978 thousand i.e. 3.4% year to date.

By customer category, amounts due to corporate customers and non-bank financial entities decreased. The biggest decrease in volume was reported for corporate customers, with amounts due at PLN 67,387,976 thousand, down by PLN 4,377,206 thousand i.e. 6.1% year to date. This was due to a decrease in the volume of current account balances (down by PLN 4,904,173 thousand), partly offset by an increase in term deposits (by PLN 616,646 thousand). The share of the segment in total amounts due to customers decreased to 49.3% vs. 50.8% as at 31 December 2025.

Amounts due to retail customers increased by PLN 472,944 thousand i.e. 0.8% year to date and stood at PLN 59,656,221 thousand as at 31 March 2026. The share of retail deposits in total amounts due to customers increased to 43.7% vs. 41.9% as at 31 December 2025.

Amounts due to public sector entities increased by PLN 742,211 thousand i.e. 19.7% year to date as at 31 March 2026 while amounts due to non-bank financial entities decreased by PLN 1,597,927 thousand i.e. 24.1%.

The share of current accounts in total amounts due to customers was 66.2% as at 31 March 2026, down by 0.4 p.p. year to date. Current account balances stood at PLN 90,441,606 thousand, down by PLN 3,754,034 thousand i.e. 4.0%. The decrease was mainly driven by lower balances of corporate customer accounts (down by 4,904,173 thousand i.e. 9.0%).

The share of term deposits in total amounts due to customers was 32.8% as at 31 March 2026, up by 0.8 p.p. year to date. The volume of term deposits decreased by PLN 495,270 thousand i.e. 1.1% year to date and stood at PLN 44,830,899 thousand.

The share of other liabilities and loans and advances received in total amounts due to customers was 1.0%, down by 0.3 p.p. year to date. The total volume was PLN 1,306,353 thousand.

34. LIABILITIES UNDER ISSUED DEBT SECURITIES (INCLUDING SUBORDINATED ISSUES)

	31.03.2026	31.12.2025
Debt securities	4,330,457	4,226,368
Change of liabilities under issued debt securities (including subordinated issues)	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Opening balance	4,226,368	-
Change due to discount, interest, fees and commissions on debt securities at effective interest rate, exchange differences	104,089	-
Closing balance	4,330,457	-

In 2025, the Bank issued bonds in the total amount of EUR 990,000 thousand (EUR 790,000 thousand are subordinated issues and EUR 200,000 thousand are issues under MREL).

35. OTHER LIABILITIES

Other liabilities	31.03.2026	31.12.2025
Liabilities due to contracts with customers		
Sundry creditors	315,504	258,230
Payment card settlements	175,512	205,228
Deferred income	83,528	85,752
Insurance settlements	28,762	24,418
Other liabilities		
Interbank and intersystem settlements	1,383,194	357,040
Provisions for non-personnel expenses	816,967	563,774
Provisions for other employee liabilities	137,681	281,604
Provision for unused holidays	38,902	38,612
Other regulatory liabilities	165,897	73,611
Other lease liabilities	56,264	40,839
Other	189,983	119,687
Total other liabilities	3,392,194	2,048,795
including financial liabilities*	1,959,236	885,755

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

36. PROVISIONS

	31.03.2026	31.12.2025
Provision for restructuring	13,807	20,897
Provision for retirement benefits and similar obligations	25,754	26,101
Expected credit losses on contingent liabilities	144,173	159,328
Provisions for litigation and claims	1,822,948	1,772,095
Other provisions	61,211	61,236
Total provisions	2,067,893	2,039,657
Change in restructuring provisions	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Opening balance	20,897	41,825
Provisions utilisation	(7,090)	(8,502)
Closing balance	13,807	33,323

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Change in provisions for retirement benefits and similar obligations		
Opening balance	26,101	24,841
Provisions recognition	801	1,102
Provisions utilisation	-	(357)
Provisions release	(1,148)	-
Closing balance	25,754	25,586
Change in expected credit losses on contingent liabilities		
Opening balance	159,328	156,861
Provisions recognition	41,809	16,893
Provisions release	(49,322)	(11,965)
Changes resulting from changes in credit risk (net)	(8,120)	(4,259)
Other changes	478	(1,084)
Closing balance	144,173	156,446
Change in provisions for litigation and similar liabilities		
Opening balance	1,772,095	1,696,299
Provisions recognition	90,238	67,708
Provisions utilisation	(87,098)	(88,415)
Provisions release	(654)	(5,528)
Other changes, including foreign exchange differences	48,367	(49,188)
Closing balance	1,822,948	1,620,876

As at 31 March 2026, the balance of provisions for litigation and similar liabilities consisted of the following: provisions for litigation related to CHF mortgage loans in the amount of PLN 1,739,642 thousand, provisions for reimbursement of commissions for early repayment of loans in the amount of PLN 31,945 thousand, and provisions for other litigation and similar liabilities in the amount of PLN 51,360 thousand.

As at 31 December 2025, the balance of provisions for litigation and similar liabilities consisted of the following: provisions for litigation related to CHF mortgage loans in the amount of PLN 1,684,489 thousand, provisions for reimbursement of commissions for early repayment of loans in the amount of PLN 35,579 thousand, and provisions for other litigation and similar liabilities in the amount of PLN 52,028 thousand.

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Change in other provisions		
Opening balance	61,236	49,554
Provisions recognition	7	20,010
Provisions utilisation	(32)	(10,152)
Provisions release	-	(25,000)
Closing balance	61,211	34,412

As at 31 March 2026, Other provisions included a provision for unauthorised transactions in the amount of PLN 55,794 thousand (PLN 55,794 thousand as at 31 December 2025).

37. 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	31.03.2026	31.12.2025
Cash and balances at Central Bank (Note 19)	10,372,394	10,224,866
Current accounts of banks and other receivables	4,471,755	11,049,370
Interbank deposits	118,275	47,500
Total cash and cash equivalents	14,962,424	21,321,736

38. SHARE BASED PAYMENTS

The Bank has adopted the “Remuneration policy for persons with a significant impact on the risk profile of 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 Regulation of the Minister of Finance, Funds and Regional Policy dated 8 June 2021 on the risk management system, internal control system and remuneration policy in banks and recommendations included in CRD5.

Pursuant to the Remuneration policy for persons with a significant impact on the risk profile of BNP Paribas S.A. applied in the Bank, starting in 2020 (excluding persons who have terminated their cooperation with the Bank), the applicable financial instrument in which part of the variable remuneration is paid are 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 a significant impact on the risk profile of the Bank. The changes consisted mainly in adjusting the provisions of the Policy to the Regulation 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 CRD5 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 significant 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 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 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 deferral period.

The Bank will grant subscription warrants to the participants of the Incentive Scheme, which will result in the right to acquire 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 will 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 significant 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 the Bank adopted resolutions on the issue of subscription warrants and a conditional increase of the share capital through the issue 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. a part constituting at least 50% is granted in the form of the Bank’s shares (which will be acquired by exercising rights from subscription warrants);

2. a 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 is 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:

- The Bank shall be prohibited from paying granted variable remuneration in excess of the maximum distributable amount (MDA) 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.
- 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 2026, for the variable remuneration granted for 2020-2025 and in connection with the forecast of the variable remuneration for 2026, which will be granted in 2027, in the part concerning shares to be issued in the future, the Bank recognised an amount of PLN 2,019 thousand under equity. At the same time, an amount of PLN 39,792 thousand (recognised in the previous years) is presented under equity.

Financial instruments (shares - deferred portion) changes in 2026 and 2025 determined in relation to the deferred part of the variable remuneration for 2020-2025 are presented in the table below.

	Q1 2026 from 01.01.2026 to 31.03.2026		Q1 2025 from 01.01.2025 to 31.03.2025	
	units	value (PLN'000)	units	value (PLN'000)
Opening balance	128,864	10,267	131,976	9,087
granted in the period	23,987	3,521	30,539	3,035
expired in the period	(2,872)	(237)	-	-
Closing balance	149,979	13,551	162,515	12,122

The table below presents the terms and conditions of the Share/Warrants Purchase Plan for 2026.

Type of transaction under IFRS 2	Share-based payments
Program announcement date	31 January 2020 – effective date of the Resolution of the Supervisory Board approving the Remuneration Policy.
The start date for granting shares	4 March 2026
The end date for granting shares	2 April 2026

39. ADDITIONAL INFORMATION REGARDING THE STATEMENT OF CASH FLOWS

Cash flows from operating activities – other adjustments	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
FX differences from subordinated loans	62,074	(31,350)
Valuation of securities recognised in the statement of profit or loss	3,900	17,082
Allowance for securities	-	12
Other adjustments	12,552	(484)
Total cash flows from operating activities – other adjustments	78,526	(14,740)

40. CONTINGENT LIABILITIES

The table below presents the value of liabilities granted and received.

Contingent liabilities	31.03.2026	31.12.2025
Contingent commitments granted	41,097,100	43,328,592
Financial commitments	26,822,511	28,751,150
Guarantees	14,274,589	14,577,442
Contingent commitments received	57,855,303	57,773,732
Financial commitments	2,500	31,000
Guarantees	57,852,803	57,742,732

Following amendments under Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR3) amending Regulation (EU) No 575/2013, the Bank recognised commitments under proposals in the amount of PLN 2,646,049 thousand as at 31 March 2026 (PLN 4,340,313 thousand as at 31 December 2025).

41. FAIR VALUE OF 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 fair value 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 significant 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 Q1 2026 and in 2025, no changes were made to the rules for classification into valuation levels.

As at 31 March 2026, particular instruments were included in the following valuation levels:

- 1) Level 1: Treasury bonds and bonds issued by European Investment Bank (fair value is determined directly by reference to published active market quotations), quoted shares;
- 2) Level 2: 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) Level 3: 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.

31.03.2026	Level 1	Level 2	Level 3	Total
Assets measured at fair value	25,179,762	2,149,457	565,703	27,894,922
Derivative financial instruments	-	1,922,239	115,994	2,038,233
Hedging instruments	-	210,859	-	210,859
Securities measured at fair value through other comprehensive income	25,001,433	-	-	25,001,433
Securities measured at fair value through profit or loss	178,329	16,359	201,895	396,583
Loans and advances to customers measured at fair value through profit or loss	-	-	247,814	247,814
Liabilities measured at fair value	-	2,420,354	140,589	2,560,943
Derivative financial instruments	-	1,821,909	140,589	1,962,498
Hedging instruments	-	598,445	-	598,445

31.12.2025	Level 1	Level 2	Level 3	Total
Assets measured at fair value	24,721,099	2,559,806	671,039	27,951,944
Derivative financial instruments	-	2,190,900	168,560	2,359,460
Hedging instruments	-	345,550	-	345,550
Securities measured at fair value through other comprehensive income	24,719,802	-	-	24,719,802
Securities measured at fair value through profit or loss	1,297	23,356	216,296	240,949
Loans and advances to customers measured at fair value through profit or loss	-	-	286,183	286,183
Liabilities measured at fair value	-	2,628,496	133,619	2,762,115
Derivative financial instruments	-	2,142,956	133,619	2,276,575
Hedging instruments	-	485,540	-	485,540

In Q1 2026 and in Q1 2025, no events of a change in fair value level from 1 to 2, from 1 to 3, from 2 to 1, and from 3 to 1 were recorded.

In both periods, there were events of a change in fair value level from 2 to 3 and from 3 to 2.

In Q1 2026, there were 4 events of derivatives for which the fair value level changed from 2 to 3. Two events were due to recognition of FVC and the other two were due to an increase of BCVA.

In Q1 2025, there were 6 events where the fair value level changed from 2 to 3. Two events were due to an increase of BCVA and the other four were due to an amendment of the terms of transactions (extension of the time to maturity).

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

Q1 2026 from 01.01.2026 to 31.03.2026	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	208	(58,610)
Closing balance	120	(42,952)

Q1 2025 from 01.01.2025 to 31.03.2025	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	233,153	780
Closing balance	126,374	-

As at 31 March 2026, the fair value level of VISA shares changed from 2 to 3. This was due to a more conservative assessment of access to the market in which the position could be closed.

In Q1 2026, there were 44 events of derivatives for which the fair value level changed from 3 to 2. All were due to a shortening of the time to maturity of the transaction.

In Q1 2025, there were 41 events of derivatives for which the fair value level changed from 3 to 2. All were due to a shortening of the time to maturity of the transaction.

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

Q1 2026 from 01.01.2026 to 31.03.2026	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	120,040	(25,518)
Closing balance	8,920	(24,023)

Q1 2025 from 01.01.2025 to 31.03.2025	Derivative financial instruments - assets	Derivative financial instruments - liabilities
Opening balance	65,577	53,279
Closing balance	82,103	70,744

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.

Q1 2026 from 01.01.2026 to 31.03.2026	Derivative financial instruments - assets	Financial assets measured at fair value	Derivative financial instruments - liabilities
Opening balance	168,560	502,479	133,619
Total gains/losses recognised in:	(52,566)	2,412	6,970
statement of profit or loss	(52,566)	2,412	6,970
Sale	-	(5,000)	-
Settlement/expiry	-	(51,775)	-
Transfer	-	1,593	-
Closing balance	115,994	449,709	140,589
Unrealised gains/losses recognised in profit or loss related to assets and liabilities at the end of the period	(52,566)	2,412	6,970

Q1 2025 from 01.01.2025 to 31.03.2025	Derivative financial instruments - assets	Financial assets measured at fair value	Derivative financial instruments - liabilities
Opening balance	142,215	694,524	137,825
Total gains/losses recognised in:	141,380	(2,586)	45,958
statement of profit or loss	141,380	(2,586)	45,958
Purchase	-	16,001	-
Sale	-	(8,001)	-
Settlement/expiry	-	(49,543)	-
Closing balance	283,595	650,395	183,783
Unrealised gains/losses recognised in profit or loss related to assets and liabilities at the end of the period	141,380	(2,586)	45,958

The table below shows the effect of unobservable factors on the value of financial instruments classified to level 3.

Instrument type	31.03.2026		31.12.2025	
	fair value according to		fair value according to	
	positive scenario	negative scenario	positive scenario	negative scenario
Derivatives ¹	(23,239)	(24,208)	36,357	34,710
Commercial bonds ²	49,936	48,479	63,038	61,401
Stocks and shares ³	155,543	140,730	154,907	140,154
Loans ⁴	248,604	247,022	287,102	285,264

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

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

³scenario: change in valuation by +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 nonobservable parameters for all the categories.

The table below 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 fair value classification

31.03.2026	Book value	Fair value	Level
Financial assets			
Cash and balances at Central Bank	10,372,394	10,372,394	3
Amounts due from banks	5,347,040	4,966,560	3
Loans and advances to customers measured at amortised cost	92,562,286	91,714,249	3
Securities measured at amortised cost	37,302,631	36,028,361	1,3
Other financial assets	704,662	704,662	3
Financial liabilities			
Amounts due to banks	10,189,219	10,295,968	3
Amounts due to customers	136,578,858	135,577,038	3
Lease liabilities	545,760	545,760	3
Other financial liabilities	1,959,236	1,959,236	3
Liabilities under issued debt securities	4,330,457	4,305,727	3

31.12.2025	Book value	Fair value	Level
Financial assets			
Cash and balances at Central Bank	10,224,866	10,224,866	3
Amounts due from banks	11,616,566	10,990,698	3
Loans and advances to customers measured at amortised cost	90,887,678	90,570,383	3
Securities measured at amortised cost	36,180,626	35,745,699	1,3
Other financial assets	751,778	751,778	3
Financial liabilities			
Amounts due to banks	10,145,231	10,351,420	3
Amounts due to customers	141,338,836	140,513,588	3
Lease liabilities	553,436	553,436	3
Other financial liabilities	885,755	885,755	3
Liabilities under issued debt securities	4,226,368	4,235,185	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 Crowdfunding for Business Ventures and Borrower Assistance takes into account the impact of changes in repayment schedules resulting from the introduction of credit holidays.

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 valuation or 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 valuation).

4) Amounts 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.

5) Lease liabilities

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

6) Liabilities under issued debt securities

Fair value of liabilities under issued securities is determined using a model which discounts future cash flows from the investment, based on market interest rate curves adjusted for issuer credit risk.

42. LOAN PORTFOLIO SALE

In Q1 2026, the Bank concluded no agreements for the sale of portfolios. In Q1 2025, the Bank concluded agreements for the sale of retail loan portfolios.

According to IFRS 9, the sale of a financial asset due to an increase in credit risk does not cause a change to the business model. Consequently, the Bank maintains the loan portfolio in the business model with the objective of holding financial assets to obtain contractual cash flows.

The gross carrying amount of the sold portfolio measured at amortised cost was PLN 1,668 thousand in Q1 2025 and the amount of impairment allowances created was PLN 1,264 thousand.

The contractual price for the sale of these portfolios was set at PLN 551 thousand. The net impact on the Bank's result due to the sale of portfolios amounted to PLN 147 thousand and is presented in the line Net impairment allowances on financial assets and provisions for contingent liabilities.

43. SECURITISATION

On 28 March 2024, the Bank entered into an agreement with the International Finance Corporation ("IFC", "Investor") for a synthetic securitisation transaction executed on a portfolio of corporate loans with a total value of PLN 2,180,097 thousand as at 31 December 2023. The main purpose of the transaction was to release capital that the Bank used 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 remained on the Bank's books.

As at 31 December 2025, the value of the transaction portfolio included in the balance sheet and off-balance sheet amounted to PLN 213,638 thousand.

The closing date of the transaction according to the agreement is 31 December 2031; however, the securitisation transaction was closed on 10 January 2026 as the time-call option was exercised.

The risk transfer of the securitised portfolio was implemented through a credit protection instrument in the form of a financial guarantee issued by the Investor up to PLN 19,377 thousand as at 31 December 2025. Costs on account of this guarantee are presented in Fee and commission expenses - Guarantee commitments and documentary operations.

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

The Bank acted as arranger of the transaction.

44. 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 entity of the BNP Paribas Bank Polska S.A. Capital Group.

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

As at 31 March 2026, the Capital Group of BNP Paribas Bank Polska S.A. comprised BNP Paribas Bank Polska S.A. as the parent entity, 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 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

31.03.2026	BNP Paribas S.A., Paris	BNP Paribas Fortis S.A.	Other entities of the BNP Paribas S.A. Group	Key personnel	Total
Assets	6,894,331	2,399	708,416	827	7,605,973
Receivables on current accounts, loans and deposits	5,155,418	2,399	675,127	827	5,833,771
Derivative financial instruments	1,526,443	-	11,601	-	1,538,044
Derivative hedging instruments	210,859	-	-	-	210,859
Other assets	1,611	-	21,688	-	23,299
Liabilities	13,761,674	82,878	696,076	6,231	14,546,859
Loans received	3,170,036	-	143,604	-	3,313,640
Current accounts and deposits	5,276,544	82,878	520,045	6,231	5,885,698
Liability under issued debt securities (including subordinated issues)	4,330,457	-	-	-	4,330,457
Derivative financial instruments	385,519	-	1,682	-	387,201
Derivative hedging instruments	598,445	-	-	-	598,445
Other liabilities	673	-	30,745	-	31,418
Contingent liabilities					
Financial commitments granted	-	-	281,336	4,681	286,017
Guarantee commitments granted	478,432	77,244	535,329	-	1,091,005
Commitments received	7,974,590	113,629	792,905	-	8,881,124
Derivative financial instruments (nominal value)	64,878,825	-	37,541	-	64,916,366
Derivative hedging instruments (nominal value)	41,144,642	-	-	-	41,144,642
Statement of profit or loss	(32,427)	(209)	19,543	(9)	(13,102)
Q1 2026 from 01.01.2026 to 31.03.2026					
Interest income	233,888	71	5,602	18	239,579
Interest expense	(323,197)	(280)	(3,458)	(27)	(326,962)
Fee and commission income	-	-	813	-	813
Net trading income	78,699	-	12,578	-	91,277
Other operating income	492	-	34,064	-	34,556
Other operating expense	-	-	(7,514)	-	(7,514)
General administrative expenses	(22,309)	-	(22,542)	-	(44,851)

31.12.2025	BNP Paribas S.A., Paris	BNP Paribas Fortis S.A.	Other entities of the BNP Paribas S.A. Group	Key personnel	Total
Assets	13,423,435	-	704,126	1,204	14,128,765
Receivables on current accounts, loans and deposits	11,435,318	-	693,428	1,163	12,129,909
Derivative financial instruments	1,640,910	-	-	-	1,640,910
Derivative hedging instruments	345,550	-	-	-	345,550
Other assets	1,657	-	10,698	41	12,396
Liabilities	13,856,597	35,769	993,225	2,934	14,888,525
Loans received	3,504,597	-	167,915	-	3,672,512
Current accounts and deposits	5,099,198	35,769	795,190	2,934	5,933,091
Liability under issued debt securities	4,226,368	-	-	-	4,226,368
Derivative financial instruments	540,221	-	3,048	-	543,269
Derivative hedging instruments	485,540	-	-	-	485,540
Other liabilities	673	-	27,072	-	27,745
Contingent liabilities					
Financial commitments granted	-	-	260,628	4,631	265,259
Commitments received	7,883,148	109,827	749,058	-	8,742,033
Derivative financial instruments (nominal value)	59,595,048	-	26,627	-	59,621,675
Derivative hedging instruments (nominal value)	35,043,905	-	-	-	35,043,905
Statement of profit or loss	313,001	(156)	(5,657)	29	307,217
Q1 2025 from 01.01.2025 to 31.03.2025					
Interest income	124,943	84	4,720	45	129,792
Interest expense	(143,108)	(240)	(6,690)	(16)	(150,054)
Fee and commission income	-	-	526	-	526
Net trading income	366,634	-	(415)	-	366,219
Other operating income	-	-	26,895	-	26,895
Other operating expense	-	-	(8,544)	-	(8,544)
General administrative expenses	(35,468)	-	(22,149)	-	(57,617)

Remuneration of the Management Board and Supervisory Board

Remuneration of the Management Board	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Short-term employee benefits	5,879	6,124
Long-term benefits	3,688	2,919
Share-based payments*	4,710	5,322
Total	14,277	14,365

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

Remuneration of the Supervisory Board	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Short-term employee benefits	549	423
Total	549	423

45. CONSOLIDATED CAPITAL RATIOS

	31.03.2026	31.12.2025
Total own funds	17,275,654	17,485,758
Total risk exposure	102,910,086	103,722,212
Total capital ratio	16.79%	16.86%
Tier 1 ratio	13.42%	13.60%

46. 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 Banking Operations, including ALM Treasury and the Corporate Centre.

In addition, the Bank presents the results of:

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

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 by 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. income, expenses and net impairment losses are reported for each segment. Management income takes into account cash flows between customer segments and the asset and 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 takes 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 due to 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 income, in addition to standard items, components of the net interest income of the segments have been identified, to include external and internal income 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 customers (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 are 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 customers, financial institutions and public sector entities. Distribution network for Corporate Banking is based on Corporate Customer Centres located in Warsaw, Gdańsk, Poznań, Wrocław, Katowice, Kraków and Rzeszów. After-sales service for the customers of the Corporate Banking segment is also carried out by the Telephone Business Service Centre and in the online banking system.

The main products and services 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 in 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: arrangement of municipal bond issues, forfeiting, 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 customers.

Other Banking Operations 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 balance sheet).

The **Other Banking 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 (including equity investment, gains/losses on own accounts and customer accounts not allocated to a specific segment).

31.03.2026	Retail and Business Banking	SME Banking	Corporate Banking	CIB	Other Banking Operations	Total	including Agro customers	including Personal Finance
Statement of profit or loss for the period of 3 months ended 31.03.2026*								
Net interest income	754,088	133,811	364,821	13,031	180,063	1,445,814	166,576	160,915
external interest income	797,464	92,980	435,947	35,201	918,621	2,280,213	221,803	340,722
external interest expenses	(340,763)	(44,708)	(110,156)	(2,375)	(336,397)	(834,399)	(22,139)	(37,404)
internal interest income	812,416	146,893	358,655	2,938	(1,320,902)	-	110,315	-
internal interest expenses	(515,030)	(61,354)	(319,624)	(22,733)	918,741	-	(143,404)	(142,403)
Net fee and commission income	181,151	33,156	95,216	4,171	968	314,664	29,585	38,066
Dividend income	-	-	114	-	247	361	114	-
Net trading income (including the result from FX position)	27,279	21,596	101,168	62,967	(7,676)	205,334	21,512	37
Result on investment activities	-	-	-	-	1,169	1,169	-	-
Result on hedge accounting	-	-	-	-	14,496	14,496	-	-
Other operating income and expenses	(3,161)	(3,374)	2,167	(7,885)	(3,638)	(15,892)	(546)	2,660
Result on derecognition of financial assets measured at amortised cost due to material modification	(995)	(904)	-	-	9	(1,890)	169	(1,082)
Result on allowance for expected credit losses on financial assets and provisions for contingent liabilities	(21,548)	(13,025)	(39,147)	1,569	9,659	(62,493)	(11,962)	(20,997)
Result on legal risk related to foreign currency loans	(108,236)	-	-	-	-	(108,236)	-	-
General administrative expenses	(356,282)	(46,641)	(218,229)	(28,497)	(282,129)	(931,778)	(4,090)	(92,557)
Depreciation and amortisation	(28,060)	(339)	(17,253)	(3,646)	(78,820)	(128,118)	(63)	(4,341)
Expense allocation (internal)	(226,024)	(61,003)	(58,946)	3,205	342,769	-	-	(23,345)
Operating profit	218,212	63,277	229,911	44,915	177,117	733,431	201,295	59,356
Tax on financial institutions	(53,673)	(7,560)	(37,681)	(2,843)	409	(101,349)	-	(12,678)
Gross profit	164,539	55,717	192,230	42,072	177,526	632,082	201,295	46,678
Income tax expense	-	-	-	-	-	(256,738)	-	-
Net profit						375,344		
Statement of financial position as at 31.03.2026*								
Segment assets	45,665,812	6,632,306	39,823,704	4,354,162	80,868,989	177,344,972	14,673,314	15,778,938
Segment liabilities	81,944,418	17,179,757	45,960,139	-	14,385,828	159,470,140	12,430,453	-

*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.

31.03.2025	Retail and Business Banking	SME Banking	Corporate Banking	CIB	Other Banking Operations	Total	including Agro customers	including Personal Finance
Statement of profit or loss for the period of 3 months ended 31.03.2025								
Net interest income	815,189	152,977	379,489	25,174	121,498	1,494,326	181,459	177,273
external interest income	936,339	125,517	443,176	96,043	913,132	2,514,208	286,018	373,503
external interest expenses	(402,775)	(75,429)	(132,518)	(2,522)	(406,639)	(1,019,882)	(37,945)	(50,206)
internal interest income	890,776	188,215	424,896	3,433	(1,507,319)	-	129,747	-
internal interest expenses	(609,152)	(85,326)	(356,065)	(71,781)	1,122,324	-	(196,361)	(146,024)
Net fee and commission income	193,814	32,274	92,925	9,292	(817)	327,489	30,934	38,273
Dividend income	-	-	103	-	69	172	103	-
Net trading income (including the result from FX position)	28,683	20,809	101,826	88,635	44,969	284,921	18,864	(78)
Result on investment activities	-	-	-	-	(2,374)	(2,374)	-	-
Result on hedge accounting	-	-	-	-	(2,591)	(2,591)	-	-
Other operating income and expenses	(13,013)	1,267	(121)	-	29,550	17,683	(535)	(1,965)
Result on derecognition of financial assets measured at amortised cost due to material modification	(240)	(1,379)	-	-	(30)	(1,649)	342	(843)
Result on allowance for expected credit losses on financial assets and provisions for contingent liabilities	(7,663)	31,621	(43,473)	(5,273)	(2,454)	(27,243)	25,245	(17,132)
Result on legal risk related to foreign currency loans	(64,905)	-	-	-	-	(64,905)	-	-
General administrative expenses	(334,086)	(42,251)	(165,252)	(30,141)	(277,116)	(848,846)	(4,234)	(89,071)
Depreciation and amortisation	(29,267)	(368)	(18,478)	(4,533)	(74,769)	(127,416)	(60)	(4,419)
Expense allocation (internal)	(223,619)	(62,488)	(58,577)	1,206	343,478	-	-	(24,643)
Operating profit	364,893	132,462	288,442	84,360	179,413	1,049,567	252,118	77,395
Tax on financial institutions	(49,839)	(8,399)	(34,014)	(6,066)	(3,124)	(101,442)	-	(13,299)
Gross profit	315,054	124,063	254,428	78,294	176,289	948,125	252,118	64,096
Income tax expense	-	-	-	-	-	(206,677)	-	-
Net profit						741,448		
Statement of financial position as at 31.12.2025 *								
Segment assets	45,605,564	6,593,202	34,916,411	7,837,808	85,772,280	180,725,264	14,678,135	15,604,869
Segment liabilities	83,215,517	17,842,079	48,542,135	-	13,527,226	163,126,956	13,104,824	-

*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.

47. SHAREHOLDERS OF BNP PARIBAS BANK POLSKA S.A.

The table below shows the Bank's shareholding structure as at 31 March 2026, including those holding at least 5% of the total number of votes at the General Meeting:

Shareholder	Number of shares	Percentage share in the share capital	Number of votes at the General Meeting	Percentage share in the number of votes at the General Meeting
BNP Paribas, in total:	110,910,367	75.00%	110,910,367	75.00%
BNP Paribas directly	75,420,141	51.00%	75,420,141	51.00%
BNP Paribas Fortis SA/NV directly	35,490,226	24.00%	35,490,226	24.00%
Other	36,970,124	25.00%	36,970,124	25.00%
Total	147,880,491	100.00%	147,880,491	100.00%

The Bank's shareholding structure did not change in Q1 2026.

As at 31 March 2026, the Bank's share capital amounted to PLN 147,800,491.

BNP Paribas SA held directly 75,420,141 shares of the Bank representing (as at 31 March 2026) approx. 51.0% of all shares and votes of the Bank; together with other entities of the BNP Paribas SA Group, it controlled a total of 110,910,367 shares of the Bank representing (as at 31 March 2026) approx. 75.0% of all shares and votes of the Bank.

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

Four series B registered shares in the Bank are preferred 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 preferred shares have been exercised, may be insufficient to cover the total par value of those shares.

BNP Paribas Bank Polska S.A. shares held by members of the Management Board and members of the Supervisory Board

A summary of the Bank's shares and share entitlements held by the members of the Bank's Management Board and Supervisory Board as at the date of the financial statements for Q1 2026 (7 May 2026) and the report for 2025 (5 March 2026) is presented below.

MEMBER OF THE BANK'S MANAGEMENT BOARD	SHARES	SUBSCRIPTION WARRANTS ¹	SALE OF SHARES	SHARES	SUBSCRIPTION WARRANTS ²
	5.03.2026	5.03.2026		7.05.2026	7.05.2026
Przemysław Gdański	33,500 ³	8,203	-	41,703 ³	8,390
Małgorzata Dąbrowska	-	1,208	-	1,208	1,030
Wojciech Kemblowski	-	3,590	-	3,590	3,252
Piotr Konieczny	455	1,571	-	2,026	1,276
Magdalena Nowicka	2,392	2,632	-	5,024	2,385
Volodymyr Radin	1,364	2,333	-	3,697	2,027
Jerzy Jacek Szugajew ⁴	-	-	-	-	-
Natalie Yacoubian ⁵	-	-	-	-	-

MEMBER OF THE BANK'S SUPERVISORY BOARD	SHARES	SUBSCRIPTION WARRANTS ¹	SALE OF SHARES	SHARES	SUBSCRIPTION WARRANTS ²
	5.03.2026	5.03.2026		7.05.2026	7.05.2026
Jean-Charles Aranda	-	770	-	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 B3 series - 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) series B4 subscription warrants taken up on 23.03.2026 - one series B4 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
- 3) registered pledge was established on 18,000 shares of the Bank held by Przemysław Gdański, at a price of PLN 111.50 per share
- 4) Jerzy Jacek Szugajew has been a member of the Bank's Management Board as of 5 March 2026
- 5) Natalie Yacoubian has been a member of the Bank's Management Board as of 1 January 2026

The other members of the Supervisory Board did not declare their shareholding/entitlements in the Bank as at 7 May 2026, which has not changed since the submission of the 2025 report (5 March 2026).

48. DIVIDEND PAID

The Bank's Annual General Meeting on 14 April 2026 adopted a resolution on the payment of dividends from the net profit made in 2025. On the basis of this resolution, the Bank paid a dividend of PLN 1,509,082,880.40, i.e. PLN 10.20 per share. The dividend covers all shares issued by the Bank as at 2 April 2026, i.e. 147,949,302 shares.

The dividend record date is 23 April 2026 and the dividend payment date is 11 May 2026.

49. PROFIT DISTRIBUTION

In accordance with Resolution No. 7 of the Annual General Meeting of BNP Paribas Bank Polska S.A. dated 14 April 2026 on distribution of the profit of BNP Paribas Bank Polska S.A. and payment of a dividend for the financial year 2025 from the net profit generated in 2025 in the amount of PLN 3,012,194,743.91 (three billion twelve million one hundred and ninety-four thousand seven hundred and forty-three zlotys and ninety-one groszy), the Bank allocated PLN 1,509,082,880.40 to a dividend payment and the remaining amount of PLN 1,503,111,863.51 to the reserve capital.

50. LITIGATION, CLAIMS AND ADMINISTRATIVE PROCEEDINGS

Legal risk

As at 31 March 2026, 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.

UOKiK proceedings

Court decision on the UOKiK decision regarding calculation of the interchange fee

On 6 October 2015, the Court of Appeal 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 means 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 Raiffeisen Bank Polska S.A. (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 reexamination. 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 case is pending. The UOKiK announced an extension of the proceedings until August 2026.

Details of the cost of provisions against unauthorised transactions of customers are described 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 payment suspension 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 sent its reply to UOKiK, in which it pointed out that the Bank accepted and processed all individual applications submitted 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 of 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 appealed against the decision to the Competition and Consumer Protection Court. On 8 December 2023, the court delivered to the Bank the UOKiK's response to the Bank's appeal, filed with the Competition and Consumer Protection Court on 28 August 2023.

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

On 24 March 2025, the Court announced its decision which dismissed the Bank's appeal. The Bank appealed against the Court's decision on 9 May 2025.

PFSa proceedings

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 control of the factual and legal acts carried out by 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 the justification 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) failure 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 created a provision for the imposed penalty.

On 22 April 2026, the Bank received a decision of the Polish Financial Supervision Authority upholding the part of the decision of 14 June 2024 which had been appealed against, i.e. as regards a cash penalty of PLN 1,000 thousand imposed on BNP Paribas Bank Polska S.A.

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 by the Retail Parks Fund of Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych, 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 created a provision for the imposed penalty.

On 9 April 2026, the Bank received a decision of the Polish Financial Supervision Authority upholding the contested part of the aforementioned decision of 14 June 2024, i.e. as regards a fine of PLN 500 thousand imposed on BNP Paribas Bank Polska S.A.

Administrative proceedings of the Polish Financial Supervision Authority for the imposition of a penalty in connection with a breach of the Act on Trading in Financial Instruments

On 24 January 2025, the Polish Financial Supervision Authority opened administrative proceedings against BNP Paribas Bank Polska S.A. for the imposition of a penalty under Article 138(3)(3a) or Article 138(7aa)(1) of the Banking Law in connection with a breach of the Act on Trading in Financial Instruments.

The proceedings are pending.

Legal risks of the portfolio of foreign currency and CHF denominated loans

Court proceedings instigated by the Bank's customers being parties to foreign currency and CHF denominated loan agreements

The gross balance sheet value of residential mortgage loans granted to retail customers in CHF as at 31 March 2026 amounted to PLN 228,283 thousand, compared with PLN 254,276 thousand as at 31 December 2025.

As at 31 March 2026, the number of active foreign currency and CHF denominated loans amounted to 4.8 thousand.

As at 31 March 2026, the Bank was a defendant in 5,747 (282 new cases in 2026) pending court proceedings (including legally finalised cases, customers brought a total of 11,329 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 raised in the currently pending cases as at 31 March 2026 amounted to PLN 3,052,193 thousand (PLN 3,126,776 thousand as at 31 December 2025), and in the legally concluded cases to PLN 2,300,759 thousand (PLN 2,107,350 thousand as at 31 December 2025).

By 31 March 2026, in 5,582 finalised proceedings, there were 1,500 judgments in favour of the Bank, including 961 in connection with court settlements and 493 cases in connection with the proceedings being stayed. In 4,082 cases the courts ruled against the Bank, declaring the loan agreement invalid or permanently ineffective.

The Bank continuously assesses the impact of legal risks 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 case-law.

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 31 March 2026 was PLN 2,806,991 thousand (PLN 2,823,983 thousand as at 31 December 2025), with an impact of PLN 108,236 thousand on the Bank's statement of profit or loss in 2025 (PLN 498,751 thousand in 2025).

Changes in the total impact of legal risks related to litigation in Q1 2026 are presented in the table below (in PLN thousand):

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Total impact of legal risk		
Opening balance	2,823,983	3,404,016
Increase in the profit and loss account	108,236	64,905
Utilisation	(206,974)	(213,484)
Exchange rate differences	81,746	(102,584)
Closing balance	2,806,991	2,987,597

In Q1 2026, the Bank used PLN 47,251 thousand from the estimated impact of legal risk of CHF loans in connection with settlements reached (in Q1 2025, the Bank used PLN 91,818 thousand on this account).

In Q1 2026, the Bank used PLN 159,723 thousand from the estimated impact of legal risk of CHF loans in connection with final judgments received declaring loan agreements invalid (in Q1 2025, the Bank used PLN 121,666 thousand on this account).

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

	Gross balance sheet value (before adjustment for legal risk)	Impact of legal risks	Gross balance sheet value (after adjustment for legal risk)
31.03.2026			
Real estate loans for individuals in CHF	1,295,632	1,067,349	228,283
Impact of legal risk recognised as provisions for litigation	-	1,739,642	-
Total impact of legal risk		2,806,991	

31.12.2025	Gross balance sheet value (before adjustment for legal risk)	Impact of legal risks	Gross balance sheet value (after adjustment for legal risk)
Real estate loans for individuals in CHF	1,393,771	1,139,495	254,276
Impact of legal risk recognised as provisions for litigation	-	1,684,488	-
Total impact of legal risk		2,823,983	

In estimating the impact of legal risk, the Bank takes into account, among others, the estimated number of future lawsuits, the number of lawsuits filed, the probability of losing the case, and the Bank's estimated loss in the event of an unfavourable judgment. In addition, the Bank 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 was PLN 122,431 thousand from the total impact estimate.

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 principal 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, the recognition of a new loan in PLN and the recognition of a result from the derecognition and the recording of settlements with customers.

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

Should the assumed average loss change by +/- 5%, with all other significant assumptions unchanged, the amount of the estimated impact would change by +/- PLN 74,478 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 59,207 thousand
	-5 p.p.	-PLN 75,799 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 23,378 thousand
	-20%	-PLN 23,378 thousand

Additionally, according to the Bank's assessment, if an additional 1% of customers with CHF loans filed a lawsuit against the Bank, the loss due to legal risk would increase by approx. PLN 22,709 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 case-law 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 Regulation of the Minister of Finance of 11 March 2022, as amended by the Regulation of 20 December 2022, in force until the end of 2024, on the abandonment of the collection of income tax on certain income (net income) related to a residential mortgage loan.

Based on the current estimate of the impact of the legal risk associated with foreign currency loans, the Bank recognises PLN 27,125 thousand in assets as at 31 March 2026, with an expected realisation by the end of 2026 (PLN 31,161 thousand as at 31 December 2025).

In addition, 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 exchange rate 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
- the analysis of their impact on the deferred tax estimate,

the Bank recognised a deferred tax asset.

As at 31 March 2026, the deferred tax asset was PLN 220,322 thousand (PLN 215,482 thousand as at 31 December 2025).

Case-law of the Court of Justice (EU) in 2026

On 22 January 2026, the CJEU issued a judgment in case C-902/24 (Herchoski) against Santander Bank Polska S.A./ According to the CJEU, Directive 93/13 must be interpreted as not precluding a judicial interpretation of national law which, in proceedings brought by a consumer seeking to have the mortgage loan agreement concluded with a seller or supplier declared invalid and to obtain the repayment of the monthly instalments paid under that agreement, allows that seller or supplier, whilst maintaining, primarily, that that agreement is valid, to raise, in the alternative, a plea of set-off based on a claim corresponding to the amount of that mortgage loan, provided, first, that the latter claim is not deemed to be due before the court having jurisdiction has found that agreement to be invalid and, second, that upholding such a claim does not result in a decision on the costs of the proceedings likely to dissuade the consumer from exercising the rights conferred on him or her by that directive.

On 16 April 2026, the CJEU issued three judgments in cases C-752/24 (Jangielak), C-753/24 (Rzepacz) and C-901/24 (Falucka). All three cases concerned the limitation of the Bank's restitution claims on grounds of the loan agreement being invalid. Key conclusions – the CJEU confirmed that:

- a counterclaim lodged by the Bank may interrupt the period of limitation of the Bank's claim even before the final judgment in a case brought by a consumer;
- Article 117¹ of the Civil Code, which allows in exceptional cases to ignore a consumer's plea of limitation of the Bank's claim, does not contravene Directive 93/13;
- a statement made by a consumer in the course of court proceedings to the effect that the consumer is aware of the obligation to return the loan principal paid may interrupt the period of limitation of the Bank's claim.

Supreme Court case-law on CHF denominated and foreign currency loans

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

- 1) If a provision of an indexed or denominated loan agreement relating to the method of determining the foreign currency exchange rate consists of an unfair 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 unfair 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 undue benefits arise in favour of each party.

- 4) If a loan agreement is not binding because of the unfair nature of its terms, the limitation period for the bank's claim for repayment of amounts paid out in respect of the loan begins, as a general rule, from the day following the day on which the borrower challenged the terms of the agreement as binding.
- 5) If a loan agreement is not binding because of the unfair 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 undue benefit was provided and the time when repayment of that benefit is delayed.

The resolution refers only to the effects of declaring conversion clauses in indexed or denominated loan agreements as unfair (without prejudging whether such clauses are unfair). 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 noted in the justification to the resolution, this kind of loan is not subject to questions referred by 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 unfair terms 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 such unfair terms, 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 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).

This position of the full formation of the Chamber of the Supreme Court was reflected in a separate opinion of Supreme Court Judge Dariusz Pawłyszczke regarding the judgment of the Supreme Court of 25 June 2024, ref. II CSKP 1765/22 (concerning the Bank). In the justification of the separate opinion, the Judge pointed to the different structure of the Bank's loan agreements and argued that Resolution III CZP 25/22 did not apply to foreign currency loans as, under such agreements, the option of repayment in PLN (at the bank's exchange rates) is merely the borrower's right.

The case-law of common courts includes decisions pointing to the different nature of foreign currency loans and the impact of such classification on the validity of agreements. This position was taken by the Appeal Court in Warsaw in its legally valid judgment, favourable to the Bank, of 5 June 2025, ref. VIII ACa 2851/25 and in the judgment of 8 January 2026, ref. VIII ACa 4097/25. The Court stressed the foreign currency aspect of the loan agreement between the Bank and the consumer, found no infringement of consumer interests, and confirmed the validity of the loan agreement.

Following the CJEU judgment of 19 June 2025 in case **C-396/24** (Lubreczlik), the Supreme Court confirmed the applicability of the legal principle defined in the resolution of the full formation of the Civil Chamber of the Supreme Court of 25 April 2024, ref. III CZP 25/22, i.e., where a loan agreement is not binding due to its terms being unfair, separate claims arise for the return of undue benefits for each party of the agreement (including the judgment of 6 August 2025, ref. II CSKP 774/23, the judgment of 5 September 2025, ref. II CSKP 550/24, the judgment of 18 July 2025, ref. II CSKP 84/23). Furthermore, in its judgment of 10 July 2025, ref. II CSKP 64/23, the Supreme Court ruled that the legal principle defined by the full formation of the Chamber of the Supreme Court could only be departed from by passing another resolution of the same formation (Article 88 of the Act on the Supreme Court). On 27 February 2026, the Supreme Court received a legal question concerning the option for the consumer to claim that the seller or supplier repay the entire nominal amount paid in the performance of the agreement to the seller or supplier, irrespective of the amount of the benefit paid to the consumer by the seller or supplier in the performance of the agreement.

As at 31 March 2026, 317 appeals on a point of law were filed with the Supreme Court in cases of CHF loans granted by the Bank, 40 appeals were accepted by the Supreme Court for examination and are awaiting substantive decision, as to 168 appeals on a point of law, the Supreme Court issued a decision on refusal to accept them for examination. Nine cases were sent back for examination, while in 28 it dismissed the appeals on a point of law.

Draft Act on special solutions for handling cases concerning loan agreements denominated or indexed to CHF concluded with consumers

On 30 January 2025, the Ministry of Justice published a draft Act on special solutions for handling cases concerning loan agreements denominated or indexed to CHF concluded with consumers. Following comments raised in the public consultation and the CJEU judgment of 19 June 2025 in case C-396/24 (Lubreczlik), a new draft Act was published dated 30 June 2025.

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.

The goal of the draft law is to accelerate court proceedings concerning loan agreements denominated in or indexed to CHF. The key mechanisms set out in the draft include:

- protection of consumer interests (Article 3 of the draft) – once an action lodged by a consumer is served on the defendant or once a counterclaim lodged by the consumer is served on the plaintiff, the obligation of the consumer to perform the benefits arising from the loan agreement is suspended by law until the proceedings are closed with a final judgment;
- plea of offset (Articles 5 and 18 of the draft) – change to the time limitation for the option of raising the plea of offset in the proceedings (until the proceedings are closed in second instance);
- counterclaim (Article 8 of the draft) – change to the time limitation in civil proceedings (under the general procedure, no later than in the statement of defence) – allowing for a counterclaim to be lodged until the hearing is closed in first instance.

The draft law was tabled to the Sejm on 2 October 2025.

The Sejm held the first reading of the draft on 16 October 2025, after which the draft was referred to the Committee for Justice and Human Rights (and the Committee for the Economy and Development). Both Committees started to work on the draft on 17 December 2025 at a joint meeting.

The legislative work on the draft continues.

Individual settlements offered by the Bank in CHF loan cases

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

As at 31 March 2026, the Bank made individual settlement proposals to 14,544 customers (14,473 customers as at 31 December 2025) and 7,243 customers accepted the terms of the proposals presented (7,130 in 2025), out of which 6,885 settlements were signed (6,724 in 2025).

Other material court proceedings

Court proceedings concerning mortgage loan agreements with interest rates based on WIBOR

In January 2023, the Bank received the first claims challenging the variable interest rate clauses based on the WIBOR benchmark in mortgage loan agreements. These claims seek to challenge WIBOR as the basis for variable interest rates. In addition, the extent to which and the manner in which consumers are provided with instructions and information about the volatility of the benchmark as well as the methods of calculating the benchmark and the factors influencing its change are contested.

By 31 March 2026, the Bank received a total of 152 claims (three claims were withdrawn). The actions relate mainly to mortgage loan agreements in PLN.

The total value of the subject of litigation in ongoing court proceedings lodged by customers is PLN 42,719 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, five of which are legally binding. One judgment is unfavourable to the Bank and is not legally binding.

Arguments challenging WIBOR as a benchmark are also raised in debt enforcement cases filed by the Bank.

The Bank's position is that the customers' claims are unjustified, in particular in view of the fact that WIBOR is an official benchmark 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 Polish Financial Supervision Authority confirmed WIBOR's compliance with the requirements of the law. The same position was 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.

On 12 February 2026, the CJEU issued its judgment in case C-471/24 (PKO BP SA), in which it held that a national court may not examine the method of determining the WIBOR benchmark, as doing so would violate the EU Benchmarks Regulation (BMR). The Court did not accept the allegations challenging the reliability or market-based nature of WIBOR. The CJEU stated that banks did not have any special information obligations regarding the methodology of this benchmark. Banks are required to comply with the information obligations imposed by Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property, amending Directives 2008/48/EC and 2013/36/EU, and Regulation (EU) No 1093/2010 as amended by Regulation 2016/1011, since the obligation to publish and make available the benchmark methodology rests with the benchmark administrator. A bank is not required to inform the consumer about the specific characteristics of the benchmark, in particular the nature of the input data (price quotations rather than actual transactions) used to determine it, nor that the creditor contributes such data for the benchmark's calculation. The bank's contribution of input data also does not constitute an imbalance in the rights and obligations of the parties. A potential breach of information obligations regarding variable interest rates is not, in itself, sufficient to invalidate the contract. Even in the event of such a breach, the court must subsequently examine the fairness of the clause. In practice, this means comparing the contractual interest rate with statutory interest and with market rates applicable at the time the contract was concluded.

Three other questions referred to the CJEU are pending, concerning variable interest rates based on WIBOR (C-586/25, C-607/25, C-630/25). One of the questions referred was raised in a case pending against the Bank.

Court proceedings concerning claims of investment fund members in connection with the function of investment fund depositary

Up to 31 March 2026, the Bank received in total 199 individual claims and 6 claims in collective proceedings lodged by investment fund members in connection with the function of investment fund depositary (including the investment fund depositary function performed by Raiffeisen Bank Polska S.A.).

The total amount of the claims is PLN 211,895 thousand. The total provisions are PLN 3,807 thousand.

The first two collective claims were filed by members of the Retail Parks Fund of Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych w likwidacji (formerly Fundusz RPF) respectively on behalf of 397 members with claims at PLN 96,221 thousand and on behalf of 181 members with claims at PLN 25,302 thousand.

Other collective claims are to establish the Bank's responsibility for its actions as depositary of the following funds: (3) PSF 2 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (filed on behalf of 17 fund members; claims value not specified), (4) PSF Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (filed on behalf of 81 fund members; claims value not specified) (5) EPEF Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (filed on behalf of 42 fund members; claims value PLN 128 thousand) and (6) PSF Lease Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (filed on behalf of 38 fund members; claims value PLN 8,988 thousand).

The claims raised focus in particular on undue performance by Raiffeisen Bank Polska S.A. and subsequently the Bank of obligations to ensure that the net asset value of the fund and the net asset value per investment certificate are calculated in accordance with the law and the investment fund statute and of the obligation to check the compliance of the investment fund with laws governing investment funds and with the statute. The Bank takes the view that the claims of the fund members against the Bank are unfounded.

Up to 31 March 2026, a total of 32 non-final judgments of first instance courts and 4 legally valid judgments were passed:

- 1 legally valid judgment unfavourable to the Bank (in the case of the InMedica fund, the Court awarded PLN 64 thousand to the plaintiff due to incorrect diversification of fund assets);
- 3 legally valid judgments favourable to the Bank (in the case of the InMedica fund (1) and PSF Lease (2), the Court dismissed the claim in its entirety as the criteria of the Bank's liability for damages were not met);
- 32 judgments favourable to the Bank (claims of individual fund members were dismissed as the criteria of the Bank's liability for damages were not met).

Court proceedings concerning free credit sanction referred to in Article 45 of the Consumer Credit Act of 12 May 2011

The institution of free credit sanction 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 free credit sanction expires one year after the execution of the credit agreement.

The first lawsuits related to customers' use of the free credit sanction started to be received by the Bank in 2021. As at 31 March 2026, the Bank received 1,755 lawsuits with a total litigation value of PLN 44,021 thousand.

As at 31 March 2026, the provisions stood at PLN 1,720 thousand.

The Bank disputes the validity of the claims raised in these cases.

The case-law to date is overwhelmingly in favour of the Bank.

Out of all the cases pending against the Bank: 1,169 are at first instance, 231 are at the second instance stage, while 355 have been finalised.

The use of the free credit sanction is also raised in the Bank's debt enforcement proceedings. As at 31 March 2026, the plea was raised in 66 such cases.

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

- the admissibility of interest on the part of the loan allocated to financing of non-interest credit costs and the related information obligations incumbent on financial institutions in this regard (C-566/24, C-473/25, C-828/25 and C-763/25),
- the interpretation of the one-year time limit for declaring use of the free credit sanction (C-566/24, C-828/25),
- the scope of the consumer's information on the early repayment procedure (C-566/24, C-831/24) and the consumer's right of withdrawal (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 use of the free credit sanction (C-831/24),
- the application of the free credit sanction in the light of the principle of proportionality (C-566/24, C-831/24, C-684/25),
- the mutual relation of unfair terms of contracts and the free credit sanction (C-429/25, C-684/25) and information obligations of the Court versus the consumer in this regard (C-684/25),
- the admissibility of the free credit sanction where the financial institution performed the information obligation but the information provided to consumers was erroneous or unclear (C-473/25),
- the admissible method of phrasing the modification clause on fees and commissions reserved in the agreement and the grounds for the free credit sanction in the case of minor irregularities which do not affect the consumer's decision to enter into the agreement (C-684/25).

On 24 October 2024, the Court of Justice (EU) passed its judgment in Case C-339/23 (Horizon) and ruled that the provisions of Directive 2008/48/EC 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 of the Consumer Credit Act, 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 13 February 2025, the CJEU passed its judgment in case C-472/23 and ruled that:

1. the fact that a credit agreement refers to an annual percentage rate of charge, which proves to be overstated because certain terms of that agreement are subsequently found to be unfair, does not constitute, in itself, an infringement of the creditor's obligation to provide information which may result in the application of the free credit sanction;
2. the provisions of the loan agreement which provide for a change in the fees paid under the agreement should be worded in a clear and understandable way so that a reasonably well-informed and reasonably observant and circumspect consumer is in a position to ascertain whether circumstances justifying an increase in the costs have arisen and their effect on those costs;
3. the principle of proportionality of sanctions does not preclude national legislation which provides for a uniform penalty in the event of an infringement of the creditor's information obligation, consisting of depriving the creditor of its right to interest and charges, irrespective of the level of seriousness of such an infringement, where that infringement is capable of calling into question the possibility for the consumer to assess the extent of his or her liability.

On 9 October 2025, the CJEU passed a judgment in case C-80/24 and ruled that Directive 2008/48 does not preclude national legislation that allows a consumer to assign a claim arising from the infringement of a right conferred on him or her to a third party which is not a consumer and that Directive 93/13 must be interpreted as meaning that a national court is not required to examine of its own motion the unfairness of a term in a claim assignment agreement concluded where the dispute does not concern that assignment agreement, but the consumer's claim against that seller or supplier.

On 23 April 2026, the CJEU passes a judgment in case C-744/24 (Bank Polska Kasa Opieki) concerning charging of interest on credit costs and ruled that Article 3(g) and (j) of Directive 2008/48/EC of the European Parliament and of the Council on credit agreements must be interpreted as precluding the inclusion, in consumer credit agreements, of terms providing for the application of the interest rate not only to the total amount of the credit but also to sums allocated to the payment of costs associated with that credit and which, as a result, form part of the total cost of the credit to the consumer.

The Bank is currently analyzing this judgement.

The interpretation of the provisions on the free credit sanction is also the subject of legal issues referred for consideration by the Supreme Court (ref. III CZP 3/25 and III CZP 15/25) concerning:

- the obligation of the court to examine of its own motion all circumstances which justify the application of the free credit sanction (including other than those indicated in the content of the declaration submitted by the consumer on the use of the free credit sanction),
- the interpretation of the one-year time limit for the submission of the declaration on the use of the free credit sanction,
- the mutual relation of unfair terms and the free credit sanction,
- the admissibility of interest on the part of the loan allocated to financing of non-interest costs and the possibility of applying the free credit sanction on this account.

The Supreme Court has suspended these cases as long as the cases referred by Polish courts to the CJEU are pending.

51. 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 Bank Polska S.A. Proof of the key nature of credit risk is its 55.76% 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 86.30% 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 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 business units;
- 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 into 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 Group and the customer.

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

The Management Board assesses the concentration risk management 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 process 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 diversification of the loan portfolio and mitigation of negative effects of adverse changes in the economy.

A significant concentration area (aspect) is 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 Regulation No 575/2013: An institution shall not incur an exposure to a customer or group of connected clients the value of which exceeds 25 % of its Tier 1 capital, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403. Where that client is an institution or an investment firm, or where a group of connected clients includes one or more institutions or investment firms, that value shall not exceed 25 % of the institution's Tier 1 capital or EUR 150 million, whichever is higher, provided that the sum of exposure values, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403, to all connected clients that are not institutions or investment firms, does not exceed 25 % of the institution's Tier 1 capital.

As at 31 March 2026, the limits set out in Article 395 of the Regulation No. 575/2013 with respect to BNP Paribas S.A Group entities were not exceeded, the Bank's exposure represented 11.8% 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 20.3% 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 growth rate of the Group's business, an acceptable level of credit risk and liquidity risk, 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.

Measures that limit the Group's exposure to concentration risk may include systemic measures and one-off / specific decisions 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 concentration risk limits;
- diversification of asset types at 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 measures which are single/specific decisions and transactions include the following:

- reduction of further transactions with a given customer or a group of related customers;
- sale of selected assets/loan portfolios;
- securitisation of assets;
- establishing 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 of 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 as at 31 March 2026 shows concentration towards the following industries: Agriculture, Forestry, Hunting and Fishing, and Industrial Processing. As at 31 March 2026, the share of Industrial Processing increased by 0.5 p.p. compared to 31 December 2025, i.e. to 22.4%, while the share of Agriculture, Forestry, Hunting and Fishing increased by 0.3 p.p. compared to 31 December 2025 and amounted to 14.7% of industry exposure.

The table below shows the breakdown of loans measured at amortised cost and those measured at fair value through profit or loss by industry of activity (gross balance sheet value at 31 March 2026 and 31 December 2025).

Industry	Gross balance sheet value*	Gross balance sheet value*	Share of impaired loans	Share of impaired loans
	31.03.2026	31.12.2025	31.03.2026	31.12.2025
RETAIL CUSTOMERS	34,476,675	34,428,411	2.1%	2.0%
CORPORATE CUSTOMERS:	60,729,248	59,064,848	3.1%	3.3%
AGRICULTURE, FORESTRY, HUNTING AND FISHING	8,901,004	8,454,567	3.5%	3.8%
MINING AND QUARRYING	59,395	42,956	3.0%	0.9%
MANUFACTURING	13,590,425	12,947,052	6.0%	6.2%
ELECTRICITY, GAS, STEAM, HOT WATER AND AIR CONDITIONING SUPPLY	1,493,735	1,380,018	0.1%	0.2%
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	143,697	137,032	10.5%	10.8%
CONSTRUCTION	2,776,628	2,685,443	4.0%	4.8%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	8,415,925	8,167,121	3.1%	3.3%
TRANSPORTATION AND STORAGE	2,645,139	2,654,454	2.4%	2.7%
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	405,072	433,590	6.7%	6.8%
INFORMATION AND COMMUNICATION ACTIVITIES	3,340,898	3,217,547	0.4%	0.4%
FINANCIAL AND INSURANCE ACTIVITIES	2,824,565	2,988,246	0.2%	0.2%
REAL ESTATE ACTIVITIES	6,447,147	6,525,917	2.6%	3.2%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3,308,785	3,129,000	1.1%	1.1%
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	4,367,512	4,072,223	0.7%	0.6%
PUBLIC ADMINISTRATION AND DEFENCE, COMPULSORY SOCIAL SECURITY	180,372	168,147	0.0%	0.0%
EDUCATION	170,944	262,172	2.0%	3.4%
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	1,432,124	1,490,507	1.1%	1.3%
ARTS, ENTERTAINMENT AND RECREATION ACTIVITIES	49,166	87,199	5.1%	4.7%
OTHER ACTIVITIES	176,715	221,657	3.4%	4.8%
Total	95,205,923	93,493,259	2.7%	2.8%

*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 on the share of particular types of collateral, ensuring their appropriate diversification. As at 31 March 2026 and as at 31 December 2025, the limits were not exceeded.

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 is presented in the tables below.

31.03.2026

Structure of overdue loan portfolio (net balance sheet value)	not impaired				impaired	Total
	0 days	1-30 days	31-60 days	61-90 days		
Overdraft	33,712,841	1,106,603	26,619	10,253	543,635	35,399,951
Investment loans	19,442,065	301,267	1,974	-	244,102	19,989,408
Mortgage loans for retail customers	20,804,490	58,149	3,486	740	94,049	20,960,914
Other loans	9,969,209	170,145	5,503	1,656	168,926	10,315,439
Lease receivables	5,850,982	162,343	13,990	8,504	108,569	6,144,388
Total	89,779,587	1,798,507	51,572	21,153	1,159,281	92,810,100

*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.

31.12.2025

Structure of overdue loan portfolio (net balance sheet value)	not impaired				impaired	Total
	0 days	1-30 days	31-60 days	61-90 days		
Overdraft	32,549,586	1,140,705	24,758	11,952	572,615	34,299,616
Investment loans	18,702,827	540,562	8,896	687	274,438	19,527,410
Mortgage loans for retail customers	20,946,527	62,118	4,752	1,383	94,458	21,109,238
Other loans	9,765,648	154,634	4,728	1,783	149,869	10,076,662
Lease receivables	5,780,798	213,871	17,568	4,945	143,753	6,160,935
Total	87,745,386	2,111,890	60,702	20,750	1,235,133	91,173,861

*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 DSTI (debt service to income) 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 DSTI following the requirements of Recommendation S. The Bank monitors the level of DSTI during annual credit policy reviews, as well as in dedicated ad hoc analyses.

As at 31 March 2026, 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 imposed on Russia and Belarus, the Bank analysed credit exposures directly related to these countries and, on this basis, did not identify significant exposures in the corporate and retail portfolios.

At the same time, the Bank monitors the situation of customers on an ongoing basis with a view to protecting the loan portfolio and maintaining its high quality. Preventive actions taken in Q1 2022 are continued. As part of these activities, institutional customers are analysed if their 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 a more restrictive 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 costs in operating expenses and the 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.

To assess the impact of customs tariffs imposed by the USA, the Bank performed a sector analysis based on public data of exports to the USA. The analysis identified sensitive sectors which were divided into 4 categories: high impact, relatively high impact, relatively 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.

The Bank reviewed the loan portfolio in view of the ongoing conflict in the Middle East. The attack of Israel and U.S. on Iran and Iran's retaliation targeting Gulf states (including Saudi Arabia and United Arab Emirates) have caused turbulences in the energy commodity market. Rising oil prices and weaker zloty are major inflation drivers which may force the NBP to withhold or delay the resumption of monetary easing. Consequently, the Bank identified industries which are particularly sensitive to rising energy and fuel prices and performed an assessment of the sensitivity of individual customers.

Forbearance practice

The Group treats its exposures as forborne if the debtor is provided with facilities due to economic reasons (financial difficulties), including any facility granted for exposures with identified impairment triggers. In case a facility 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. capitalisation 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;
- currency conversion of an existing loan;
- 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.

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, where such difficulties may occur in the future.

For retail customers, non-reporting individual farmers and companies with simplified accounting, an event of financial difficulties is identified where:

- the exposure is subject to debt enforcement; or
- the exposure is not subject to debt enforcement 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:

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

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

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

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

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, the original interest rate for the purpose of assessing the significance of economic loss is the average EIR weighted with the gross balance sheet exposure at the moment of granting the facility.

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

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

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 more than 30 days past due;
- the debtor has been making regular and considerable payments for at least a half of the trial period.

The forbore status is revoked in accordance with the aforementioned conditions, while the extension of the period of exit from forbore status requires a credit decision by the competent credit decision-makers; in other cases the status is revoked automatically.

Country risk

Under credit risk, the Bank additionally distinguishes country risk, which covers all risks related to conclusion of financial agreements with foreign parties, where it is possible that economic, social or political events will have an adverse effect on creditworthiness of the Bank's debtors in that country or where intervention of a foreign government could prevent the debtor (which could also be the government itself) from meeting its 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 31 March 2026, 80% 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 14% and the remainder (6%) was foreign trade transactions (letters of credit and guarantees). France accounted for 36% of exposures, the USA 14%, Italy 13%, Luxembourg 8%, Germany 7%, the Netherlands and Spain 6% each, and Austria 3%. The remaining exposures were concentrated in Belgium, the UK and Turkey.

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

COUNTERPARTY RISK

Counterparty risk is the credit risk concerning counterparty transactions in case of which the amount of liability may change in time depending on market parameters. Therefore, counterparty risk is related to transactions in instruments whose value may change over time depending on such factors as interest rates or foreign exchange rates. The varying exposure may affect the customer's solvency and is of crucial importance to the customer's ability to meet its liabilities when the transaction is settled. The Bank's customers may enter into financial market transactions. The exposure is determined by the Bank on the basis of the current measurement of contracts as well as the potential future changes in the exposure, depending on the transaction type, customer type, and settlement dates.

As at 31 March 2026, counterparty risk was calculated for the following types of transactions: foreign exchange transactions, interest rate swap transactions, FX options, interest rate options, and commodity derivatives.

As at 31 March 2026, the Bank's exposure to counterparty risk due to concluded derivative transactions was PLN 2.7 billion (PLN 2.6 billion as at 31 December 2025). Corporate customers accounted for 76% of the exposure, while the remaining 24% were banks.

In connection with the military conflicts in Ukraine and in the Middle East, 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 customers 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 customers may be 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.

The Bank has not observed significant changes in the materialisation of counterparty risk.

INTEREST RATE RISK IN THE BANKING BOOK

As part of interest rate risk management in the banking book, the Group distinguishes structural elements consisting of a part of non-interest-bearing current accounts and the Group's equity which is stable and insensitive to interest rates and market conditions, as well as other commercial items. In terms of structural elements, the Group hedges a significant portion of them with long-term positions (bonds, interest rate swaps). Regarding other commercial items, the Group aims to hedge interest rate risk.

Thanks to the medium- and long-term investments of the structural elements, the Group's supervisory outlier test of net interest income sensitivity (SOT NII) remains below 5% of Tier1 capital. As at 31 March 2026, SOT NII stood at 3.86%. 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. As at 31 March 2026, the maximum SOT EVE was 6.60%.

Utilisation of other interest rate limits in Q1 2026 was stable.

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

Annual net interest income sensitivity to an immediate shift of market rates by 100 bps (in PLN'000), assuming no shift between deposit products, is presented in the tables below. The decrease in net interest income sensitivity from December 2025 to March 2026 was mainly due to a decrease of the non-stable part of non-interest-bearing current accounts.

Immediate shift in interest rates for all currencies by 100 bps:	31.03.2026	31.12.2025
increase	258,139	348,579
decrease	(268,249)	(356,009)
Immediate shift in interest rates for PLN by 100 bps:	31.03.2026	31.12.2025
increase	178,466	235,769
decrease	(188,742)	(243,407)

The war in Ukraine and in the Gulf did not affect the method of managing the interest rate risk in the banking book.

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

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

According to the NWG Steering Committee's communication of 25 October 2023, the conversion to the new benchmark will take place at the end of 2027.

Following a 2024 review and analysis of benchmarks alternative to WIBOR, the NWG Steering Committee identified POLSTR as the target benchmark on 18 December 2024. POLSTR represents the average interest rate weighted with the volume of O/N deposit transactions in PLN on the wholesale money market defined as the market of unsecured deposits made by credit institutions and financial institutions.

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

The Roadmap ("Roadmap") for the replacement of WIBOR and WIBID benchmarks, updated by the NWG Steering Committee on 28 March 2025, provides for the definition of standards for the use of POLSTR in banking products, debt instruments and derivatives and for a wide use of POLSTR on the Polish financial market.

On 2 June 2025, GPW Benchmark S.A. started to publish POLSTR and POLSTR-based compound indices: the single-base index and historical compound indices for 1M, 3M and 6M.

On 30 September 2025, GPW Benchmark S.A. announced cessation of the provision and publication of selected 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 1 year (1Y) as of 22 December 2025 based on the existing method, but from 22 December 2025 to 21 December 2026, WIBOR 1Y is determined under the algorithmic method based on WIBOR 3M and an adjustment spread.

The communication also referred to the 1 week (SW) tenor which is calculated as of 22 December 2025 as an index within the meaning of the BMR. The calculated SW values cannot be used or applied in financial contracts and instruments as a benchmark within the meaning of the BMR.

As of November 2025, the Ministry of Finance has been issuing Treasury bonds based on POLSTR with interest rates based on a compound interest rate calculated separately for each business day of the interest period.

The regulatory event triggers are planned to be verified in 2026.² According to the assumptions, the occurrence of a regulatory event will cause the Minister of Finance to issue a Regulation identifying a replacement to the critical benchmark WIBOR. The Regulation of the Minister of Finance will apply to financial contracts and instruments which are not subject to contractual conversion. The Roadmap provides for readiness to cease the provision and publication of WIBID and WIBOR as of 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 benchmark in terms of documentation, communication and the Bank's IT systems. Persons designated by the Bank are also directly involved in the work of the National Working Group. Following the decisions of the NWG Steering Committee, the Bank withdrew the WIRON / WIRON compound rate from the Bank's product offering.

As at 31 March 2026, the Bank identified:

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

ON	1W	1M	3M	6M	1Y	Total
432	1	13,129	29,781	10,860	13	54,216

- WIBOR-based and WIBID-based financial liabilities in PLN million by index tenor:

ON	1W	1M	3M	6M	1Y	Total
4,305	87	4,638	3,168	1	0	12,199

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 1,355 million, of which PLN 1,355 million under fair value hedge accounting, and based on WIBOR 6M with a total nominal value of PLN 16,038 million, of which PLN 15,288 million under hedge accounting.

The Bank also had financial assets based on POLSTR of PLN 95 million.

In the Bank's view, establishing an appropriate method for determining the spread adjustment and its application, the development of an effective derivatives market, and the issuance of Treasury debt based on the new benchmark are critical elements of the Roadmap. The Bank expects that the implementation of the Roadmap will largely mitigate risks which may materialise during the reform including:

- high uncertainty regarding the valuation of on-balance sheet and off-balance sheet items,
- early closure of IRS contracts by central counterparties in the case of absence of valuation options,

² 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 to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014

- 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 cessation of the publication of EURIBOR. Thus, the flows resulting from this benchmark are exchanged between the counterparties under the current rules.

MARKET RISK

Market risk exposure in the trading book during Q1 2026 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 at a maximum of PLN 34 thousand for PLN and PLN 48 thousand for EUR in the reported period vs. PLN 74 thousand and PLN 99 thousand in 2025 respectively. The average VaR for interest rate risk in Q1 2026 remained at the same level as in 2025 at PLN 2.2 million. The average utilisation of the VaR limit for the open interest rate position in the trading book was at 31% of the allocated limit.

Foreign exchange risk was kept at a low level, i.e. an average of 11% 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 Q1 2026, the Group maintained supervisory measures of short- and long-term liquidity significantly above regulatory and internal limits. The Group's LCR averaged 267.5% during Q1 2026. The maximum LCR was 288.6% and the minimum LCR was 241.6%.

The main sources of funding are amounts due to customers and the Bank's capital and, to a lesser extent, medium and long-term credit lines received and own bond issues, 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 Q1 2026, the Group recorded a decrease in customer deposits of PLN 4.7 billion, mainly affecting corporate deposits, against a very high base as at 31 December 2025 (PLN 4.4 billion), while retail deposits increased modestly by PLN 0.5 billion (year to date).

The Group's net loans increased by PLN 1.6 billion. Retail loans reported a very small increase while corporate loans increased more substantially by PLN 1.4 billion.

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 and the Middle East 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 set out in Recommendation M and the requirements of CRR3³, as the risk of incurring a loss due to inappropriate or unreliable internal processes, human resources, systems or external factors. It comprises, without limitation, legal risk, model risk, and ICT (information and communication technology) risk, but not strategic risk or reputation risk. The Bank identifies operational risk as permanently significant risk. Operational risk is inherent in all banking operations. The Bank recognises operational risk events and losses which may result from the materialisation of compliance risk.⁴

Operational risk management strategy and policy

Operational risk management includes processes aimed at operational risk identification, analysis, monitoring, control, reporting, and taking measures to mitigate such risk and resulting losses. Such measures take into account the structures, processes, resources and scope of responsibilities for the said processes at various organisational levels, within the three lines of defence.

The operational risk management strategy is described in the "Operational risk and internal control management strategy at BNP Paribas Bank Polska S.A.", which is reviewed annually and was approved by the Management Board and the Supervisory Board of the Bank. The "Operational Risk Policy of BNP Paribas Bank Polska S.A.", adopted by the Risk Management Committee of the Bank, constitutes the organisational framework and standard for operational risk management. These documents address all aspects of the Bank's operations in addition to defining 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 laws, including both national and Union laws.

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 investment firms and amending Regulation (EU) No 648/2012

⁴ Compliance risk means the risk of negative consequences, including legal and regulatory sanctions, financial penalties and loss of reputation, due to the Bank's failure to comply with laws, standards and recommendations of regulatory authorities, ethical and market standards and internal regulations applicable to the Bank.

The Bank's operational risk management objectives include, in particular, ensuring compliance with high operational risk management standards that guarantee security of customer deposits and the Bank's equity, stability of the Bank's financial performance, as well as maintenance of the operational risk level within the operational risk appetite and tolerance defined by 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 national financial supervision authorities and the standards adopted by the BNP Paribas Group.

According to the Policy, operational risk management instruments include, among others:

- the identification and assessment of operational risk, including through the collection of information on operational events, the assessment of risks in processes and products, the self-assessment of operational risk and control, the assessment of operational risk for contracts with external suppliers (outsourcing), and the determination of key risk indicators;
- setting operational risk appetite and limits on a Bank and business area level; operational risk analysis, including operational risk scenario analysis and its monitoring and ongoing control;
- reporting on operational risk.

The Bank's Management Board periodically assesses the implementation of the operational risk strategy and, if necessary, orders necessary adjustments to improve the operational risk management processes. To this end, the Bank's Management Board is regularly informed of the scale and types of operational risk to which the Bank is exposed, its effects, and operational risk management methods. In particular, the Bank's Management Board and the Supervisory Board are regularly informed 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 and internal control management strategy, the Bank took and continued to take a number of measures to mitigate operational risk in Q1 2026, focusing on geopolitical, regulatory, and operational factors impacting the operational risk profile and on cybercrime threats which remain a risk of increasing importance. Actions were continued to streamline and improve the quality of processes and to optimise and enhance the effectiveness of the internal control environment, including the control mechanisms and processes assigned to operational risk. The Bank mainly focused on strengthening processes and tools for preventing and combating fraud against the Bank and cybercrime. The measures implemented were aimed, inter alia, at combating credit fraud and reducing unauthorised transactions, as well as continuing the programme to raise awareness of cybercrime. The Bank monitored its exposure to legal risk on an ongoing basis, including the risk arising from pending litigation concerning CHF denominated loans, in order to respond adequately to changes in the level of risk.

In connection with ongoing armed conflicts, the Bank monitored potential risks to the Bank, 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 respect.

External environment including geopolitical risk

To manage operational risk, the Bank continuously analyses risks arising as a consequence of war activity in Ukraine and the conflict in the Middle East. Such events may cause increased cybercrime, physical attacks, and disruptions to global supply chains and critical infrastructure, including payment and banking infrastructure. The Bank takes appropriate measures to ensure security of the Bank's employees and customers and to ensure business continuity and uninterrupted execution of processes in 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, inter alia, issues relating to operational risk management, including ICT risk, combating fraud against the Bank, and the supervision of internal control, including the control of personal data protection processes.

The definition and implementation of the Bank's insurance strategy, as a method of risk mitigation, is the responsibility of the Bank's Internal Services Division, while business continuity management is the responsibility of the Security and Business Continuity Management Division.

As part of legal risk management, the Legal Division monitors, identifies and analyses changes in law and their impact on the Group's operations, and is involved in judicial and administrative proceedings that affect the Group. The ongoing monitoring of compliance risk and the development and improvement of adequate techniques for its control are handled by the Compliance Division.

Risk management

The Bank pays particular attention to the processes for identifying and assessing the causes of current operational risk exposure within banking products. The Bank seeks to reduce the level of operational risk by improving internal processes, as well as to reduce operational risks accompanying the introduction of new products and services and the outsourcing of activities.

Pursuant to the "Operational Risk Policy of BNP Paribas Bank Polska S.A.", the operational risk analysis aims to understand the relationships between the factors generating this risk and the types of operational events, and its most important result is the determination of the operational risk profile. The operational risk profile is understood as the identification of the main areas of the Bank's exposure to adverse operational events and the identification of the most serious potential operational events which may cause (or do cause) adverse effects for the Bank, i.e. financial and non-financial losses.

The periodic assessment and review of the Bank's operational risk profile is carried out based on an analysis of the Bank's current risk parameters, changes and risks in the Bank's environment, the implementation of the business strategy, as well as an assessment of the adequacy of the organisational structure and the effectiveness of the Bank's risk and internal control management system. The analysis of the operational risk profile also takes into account 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.", approved by the Bank's Management Board. This document describes the main principles, organisational framework and standards for the functioning of the control environment at the Bank, complying with the PFSA requirements set out 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 organisational 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 three lines of defence model, which consists of:

- 1st line of defence, which consists of organisational units in particular banking and support areas,
- 2nd line of defence, which consists of organisational units of the Risk Division responsible for risk management, including risk measurement, monitoring, controlling and reporting, independently of the first line defence, the Finance Division Second Line of Defence Office, the Legal Division, the Custody Services Department Chief Supervision Officer, the Brokerage Office Regulation and Supervision Section, and the Compliance Division,
- 3rd line of defence, which is the Internal Audit Division.

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 organisation of the operational risk management system is reviewed as part of audits carried out 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 supervises the operational risk related to the activities of its subsidiaries, covering them with the Operational Risk Management Strategy and periodically assessing the consistency of the operational risk management strategies and policies of entities within the Group. Operational risk management in subsidiaries is carried out by 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

The Bank estimates regulatory capital for operational risk on a consolidated basis in accordance with CRR3 under the new standardised method for operational risk.

52. CAPITAL ADEQUACY MANAGEMENT

Capital adequacy management is aimed to ensure the Group'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 the calculation of capital ratios, following the implementation of Regulation (EU) 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 (CRR), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2) as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and as amended among others by Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR3) amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor.

Starting from January 2025, the Bank applies the following methods for determining the capital requirement under Pillar One: updated standard method for credit risk, standard method for counterparty credit risk, new basic method for credit value adjustment (CVA) risk, new standard method for operational risk, and standard method for market risk.

In the calculation of the credit risk capital requirement, the Bank follows the practice presented below:

- For the class of exposures secured by property mortgages and ADC exposures, the Bank identifies exposures related income-producing real estate (IPRE exposures) and exposures related to land acquisition, development and construction (ADC exposures);
- For off-balance sheet exposures, the Bank takes into account offered contractual obligations;
- For exposures to institutions, the Bank applies SCRA (Standardised Credit Risk Assessment Approach) in relation to institutions for which it does not have information about the assigned external rating;
- For exposures associated with specialised lending, the Bank uses segmentation of exposures related to specialised lending, including project stages;
- For retail exposures, the Bank identifies transactor exposures, for which it assigns a preferential risk weight.

The Bank takes into account transitional provisions that allow the use of preferential approaches for individual exposure classes and rules for assigning the credit conversion factor for off-balance sheet exposures. Additionally, the Bank continuously monitors the register of documents published by the EBA, which clarify various issues related to the changes resulting from CRR 3.

Due to the postponement of the implementation of the modified rules for determining capital requirements for the trading book, in FRTB (Fundamental Review of Trading Book), the standard method will be applied for market risk, based on the rules in effect before 1 January 2025. This means that the interest rate risk requirement will be determined based on the maturity ladder method, the foreign exchange risk based on the standard method, and non-linear risks resulting from maintaining positions in option instruments based on the delta-plus method.

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 31 March 2026, the adjustment in common equity Tier 1 capital related to other intangible assets amounted to PLN 408,681 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 10 September 2025, the Bank received for information a request from the Polish Financial Supervision Authority regarding an opinion by the Financial Stability Committee on the amendment of the Polish Financial Supervision Authority decision of 4 October 2016, as amended by the Polish Financial Supervision Authority decision of 6 December 2024. By its decision of 4 October 2016, the Polish Financial Supervision Authority identified the Bank as an other systemically important institution. By its decision of 6 December 2024, the Polish Financial Supervision Authority amended the decision of 4 October 2016 and imposed on the Bank a buffer of other 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. By its decision of 21 November 2025, the Polish Financial

Supervision Authority imposed on the Bank a buffer of other systemically important institution in an amount equivalent to 0.25% of the total risk exposure amount calculated in accordance with Article 92(3) of Regulation (EU) No 575/2013.

The Polish Financial Supervision Authority, by letter dated 25 November 2025, announced that the Bank's sensitivity to the possible materialisation of stress scenarios affecting the level of own funds and risk exposures was evaluated as low in the supervisory assessment process. On the basis of the 2025 supervisory stress tests conducted by the Polish Financial Supervision Authority and in accordance with the instruction, the total capital charge recommended under Pillar Two 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 31 March 2026. The ratio was affected by the countercyclical buffer rate for credit exposures in the territory of the Republic of Poland that applied as at 31 March 2026 and which increased from 0% to 1% under the Regulation of the Minister of Finance of 18 September 2024.

By decision dated 31 December 2024, the Polish Financial Supervision Authority approved the Bank's classification of capital instruments constituting series A contingent convertible 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) capital instruments. The contingent convertible bonds issued by the Bank on 28 November 2024 are instruments with no fixed maturity, 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 contingent convertible bonds have been acquired exclusively by BNP Paribas S.A., Paris.

According to the Resolution of the Annual General Meeting of the Bank of 15 April 2025, the Bank's profit for 2024 in the amount of PLN 2,320,798 thousand was allocated to a dividend payment in the amount of PLN 1,162,341 thousand, reserves in the amount of PLN 658,457 thousand, with PLN 500,000 thousand allocated to retained earnings.

The Polish Financial Supervision Authority approved the classification of contingent convertible bonds by the Bank as Tier 2 instruments, including by decision of 11 August 2025 concerning series B contingent convertible bonds issued by the Bank on 6 June 2025 in the total nominal amount of EUR 160,000,000 and by decision of 21 November 2025 concerning series C contingent convertible bonds issued by the Bank on 10 October 2025 in the total nominal amount of EUR 630,000,000.

On 12 August 2025, the Polish Financial Supervision Authority approved the repayment by the Bank of Tier 2 instruments before contractual maturity in the form of a subordinated loan of 10 December 2018 in the total nominal amount of EUR 40,000,000, a subordinated loan of 15 November 2012, as amended by an annex of 20 November 2017, with a total nominal amount of CHF 60,000,000, and a subordinated loan of 15 November 2012, as amended by an annex of 20 November 2017, in the total nominal amount of EUR 60,000,000. The loans subject to prudential amortisation were repaid in September 2025.

On 7 November 2025, the Polish Financial Supervision Authority approved the repayment by the Bank of Tier 2 instruments before contractual maturity in the form of a subordinated loan of 12 September 2014, as amended by an annex of 13 September 2019, in the total nominal amount of CHF 90,000,000. On 1 December 2025, the Polish Financial Supervision Authority approved the repayment by the Bank of Tier 2 instruments before contractual maturity in the form of a subordinated loan of 7 December 2020 in the total nominal amount of PLN 2,300,000,000. The loans were repaid in November and December 2025, respectively.

The common equity Tier 1, Tier 1, and Total Capital Ratio on a consolidated basis were above the requirements for the Group as at 31 March 2026.

At the same time, the 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.

31.03.2026	Minimum supervisory consolidated capital adequacy ratios of the Group	Consolidated capital adequacy ratios of the Group
CET 1	8.25%	12.79%
Tier 1	9.75%	13.42%
Total Capital Ratio	11.75%	16.79%
31.12.2025		
CET 1	8.25%	12.97%
Tier 1	9.75%	13.60%
Total Capital Ratio	11.75%	16.86%

Minimum requirement for 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 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 was set on the separate basis at 15.93% of the total risk exposure amount (“TREA”) and 5.91% of the total exposure measure (“TEM”). This requirement is binding from 8 May 2025.

The MREL requirement applies on the separate basis.

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 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 at 31 March 2026, the Bank meets the MREL-TREA and MREL-TEM requirements.

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

Composition of the Bank’s Supervisory Board as at 31 March 2026:

FULL NAME	FUNCTION HELD IN THE SUPERVISORY BOARD OF THE BANK
Lucyna Stańczak-Wuczyńska	Chairperson of the Supervisory Board, Independent Member
Francois Benaroya	Vice-Chairperson 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

The composition of the Supervisory Board did not change from 1 January to 31 March 2026 and until the signing of these financial statements.

Composition of the Bank's Management Board as at 31 March 2026:

FULL NAME	FUNCTION HELD IN THE MANAGEMENT BOARD OF THE BANK
Przemysław Gdański	President of the Management Board
Małgorzata Dąbrowska	Vice-President of the Management Board
Wojciech Kembłowski	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
Jerzy Jacek Szugajew	Vice-President of the Management Board
Natalie Yacoubian	Vice-President of the Management Board

Changes to the composition of the Bank's Management Board in the period from 1 January to 31 March 2026 and until the signing of these financial statements:

- on 10 December 2025, Ms Natalie Yacoubian was appointed Vice-President of the Bank's Management Board, Head of Corporate and Institutional Banking (CIB), as of 1 January 2026,
- on 2 January 2026, Ms Agnieszka Wolska resigned as Vice-President of the Bank's Management Board as of 2 January 2026,
- on 4 March 2026, Mr Jerzy Jacek Szugajew was appointed Vice-President of the Bank's Management Board, Head SME and Corporate Banking, as of 5 March 2026.

54. MAJOR EVENTS IN BNP PARIBAS BANK POLSKA S.A. GROUP IN Q1 2026

5 March 2026 Motion of the Bank's Management Board regarding 2025 profit distribution

Recommendation of the Management Board of the Bank on the distribution of the Bank's net profit for 2025 in the amount of PLN 3,012,194,743.91 as follows:

- PLN 1,509,082,880.40 (approx. 50% of the net profit) to dividend, i.e. PLN 10.20 per share,
- PLN 1,503,111,863.51 to reserves.

The Supervisory Board of the Bank issued a positive opinion on the motion of the Management Board, which was tabled to the Annual General Meeting of the Bank on 14 April 2026.

The Bank received an individual dividend recommendation from the Polish Financial Supervision Authority ("PFSA") where the PFSA recommended that BNP Paribas Bank Polska S.A. not pay from the profit generated from 1 January to 31 December 2025 a dividend greater than 75%, with the maximum dividend amount not being greater than the annual profit less the profit generated in 2025 which is already included in own funds.

7 March 2026 Entry in the National Court Register of amendments to the Articles of Association of BNP Paribas Bank Polska S.A. approved by the Extraordinary General Meeting of BNP Paribas Bank Polska S.A. on 27 November 2025.

24 March 2026 Information on the annual contribution to the bank resolution fund at PLN 238,907 thousand for 2026 set by the Bank Guarantee Fund for BNP Paribas Bank Polska S.A.

Changes to the Management Board of the Bank in Q1 2026 are described in Note 53 Management of the BNP Paribas Bank Polska S.A.

55. FACTORS WHICH IN THE OPINION OF THE BANK WILL IMPACT THE RESULTS OF THE BANK'S GROUP AT LEAST IN THE NEXT QUARTER

- Geopolitical and international factors.** In the coming months, the macroeconomic and market environment may be influenced by persistent geopolitical tensions and shifts in international relations among key global economic players. The conflict in the Middle East, including relations between the United States and Iran, remains a source of elevated uncertainty, particularly in the context of commodity market stability and global energy prices. The blockade of the Hormuz Strait, which channelled approximately 20% of global oil and gas supply, shook the market and led to sharp energy price rises. At the peak, oil prices were well above USD 100 per barrel, more than 50% higher than before the war. The supply shock caused by the Middle East conflict has exacerbated inflation pressures in the global economy. Their final scale and shape will however depend on the duration of the conflict. Peace talks are still ongoing. The last round has failed and the main point of contention is Iran's nuclear programme and free shipping in the Hormuz Strait.
- War in Ukraine.** The war in Ukraine remains a key geopolitical factor but has a weakening direct impact on the Polish economy. The first months of the conflict brought strong shocks, including a sharp rise of commodity prices and disruptions of the supply chains. However, in subsequent years, the Polish industry and labour market largely adjusted to the new conditions. The Polish labour market has for years faced staff shortages, partly offset by efficient integration of new employees. The war continues to affect fiscal policy. As in 2025, defence spending in 2026 will be around 4-5% of GDP.
- Global economic conditions.** According to the April edition of the IMF's *World Economic Outlook*, global GDP growth is projected at 3.1% in 2026 and 3.2% in 2027, slightly less than in the January forecast update. However, the IMF stressed that its projections assume that the conflict will be limited in duration. The Iran war will cause a slight bump in inflation in 2026, followed by continuation of a downtrend in 2027. Economic slowdown and higher inflation will in particular affect the emerging markets and developing economies. The IMF report projects modest increase in economic growth in the U.S. from 2.1% in 2025 to 2.3% in 2026 and a modest slowdown in the eurozone, with real GDP growth falling from +1.4% in 2025 to +1.1% year on year in 2026. For Poland, the IMF forecasts GDP growth of 3.3% in 2026, followed by 2.4% year on year in the subsequent year. Meanwhile, average annual inflation is expected to be 3.3% in 2026.
- Monetary policy of major central banks.** In addition to geopolitical developments, the key factor influencing the pace of global recovery is the policy stance of the most important central banks. Since June 2025, the European Central Bank (ECB) has maintained the deposit rate at 2.0%. Despite rising uncertainty due to higher energy prices, the ECB decision-makers seem to prefer a stable rate scenario. In the U.S., the Federal Open Market Committee (FOMC) has kept the rates at 3.50-3.75%. Expectations of the Fed's moves have clearly shifted. Initially, before the war, the market anticipated Fed reinitiating rate cuts in mid-2026. Now, the market expects no cuts until mid-2027.
- Actions of the National Bank of Poland.** The Monetary Policy Council (RPP) kept the reference rate at 3.75% in April. In view of higher inflation and an uncertain international environment, we expect the RPP members to remain very cautious in the coming months, unwilling to tamper with monetary policy parameters. We maintain our projection of the NBP's reference rate target of 3.50% but we now believe that the rate will not be cut until mid-2027 when the price index stabilises at a low level. The market anticipates one interest rate hike in Poland by the end of 2026. The expectations are mainly based on the market's prediction of the European Central Bank's moves (anticipated two rate hikes by a total of 50 bps by the end of 2026). However, we believe that the bar for Poland's monetary policy getting tighter is set quite high. In our view, this scenario would be possible if the Middle East conflict lasts longer. Strong depreciation of the zloty could also potentially force the Monetary Policy Council to hike the rates.
- Behaviour of the zloty against key currencies.** In Q1 2026, the external shock caused by the war of the U.S. and Israel on Iran strongly weakened the zloty. This was driven by a major outflow of capital from the emerging markets to safe havens, in particular the U.S. As a result, the EUR/PLN rate rose to just below 4.30. In the following weeks, with attempts to resolve the conflict, the zloty bounced back to approximately 4.23 to the euro in mid-April, which is PLN 0.01 more than before the war. The appreciation of the zloty was supported by the results of Hungary's parliamentary election. Given the favourable economic growth outlook and the monetary easing cycle ended for the year, we expect the EUR/PLN exchange rate to remain stable, fluctuating around 4.20 in the coming months. The main upside risk to this forecast stems from geopolitical factors that could influence capital flows into emerging markets.

- Economic activity in Poland.** In 2025, Poland's Gross Domestic Product increased by 3.6% according to final data. The main driver of economic activity was domestic demand, which grew by 4.2%, including a 5.3% increase in public spending and a 4.4% rise in gross fixed capital formation. The contribution of foreign trade to GDP remained negative, although export data indicate some revival in foreign trade sales. This year, we forecast a slight acceleration in economic growth, to 3.7%, compared with 3.6% in the previous year, mainly thanks to EU funds, especially under the National Recovery Plan (KPO). In 2026, we expect a historically unprecedented inflow of EU investment funds to Poland, potentially amounting to over EUR 40 billion (2021-2027 financial perspective and the National Recovery Plan). A particularly strong impulse for investment should come from National Recovery Plan, especially grants. Under the grant component of the National Recovery Plan, Poland is expected to receive a total of approximately PLN 108 billion, which implies that transfers in the current year could reach nearly PLN 70 billion.
- Inflation trajectory.** In Q1 2026, CPI inflation in Poland continued to slow down. Between January and March, average price growth reached 2.4%, compared with 2.6% in October-December. Net of food and energy prices, core inflation stood at 2.6% year on year in Q1 2026, i.e., 0.2 percentage points lower than in Q4 2025 (2.8% year on year). In the coming months, core inflation will be exposed to major uncertainties due to energy commodity prices. If the situation in the Gulf deteriorates and the Hormuz Strait remains blocked for a longer time, fuel prices in the global markets may rise sharply, driving inflation. On the other hand, an agreement between the U.S., Israel and Iran may quickly calm the waves and mitigate price rises. Our current baseline scenario is that oil prices, similar to forward contracts, may remain high in Q2 but will gradually fall later in the year to reach USD 80-85 per barrel at the year's end. As a result, we expect that CPI inflation this year will remain at 3-3.5% without however permanently crossing the ceiling of the band (+/-1 p.p.) against the NBP's 2.5% inflation target. However, we believe that the price shock will largely cease in 2027 and inflation will go back to the level targeted by the central bank.
- Imbalance in public finances.** According to Statistics Poland (GUS), Poland's general government deficit in 2025 increased to around 7.3% of GDP, compared with 6.4% of GDP in 2024. The widening deficit relative to previous years is driven, among other factors, by higher defence spending and increased social benefit expenditures. Poland is currently subject to the Excessive Deficit Procedure (EDP) imposed by EU institutions, which obliges the government to reduce the budget gap in the coming years. According to the European Commission, persistently high fiscal deficits combined with slower nominal GDP growth will push the public-debt-to-GDP ratio higher in the coming years from 55.3% in 2024 to 69.2% in 2027. The rising debt ratio will serve as an additional argument for maintaining fiscal discipline in the years ahead.
- Sentiment in major financial markets.** In the near term, sentiment across global financial markets will remain sensitive to geopolitics, expectations regarding monetary policy in the world's largest economies, as well as to incoming macroeconomic data shaping assessments of economic growth momentum and inflation. Another important factor will be the volatility in equity, bond and currency markets, driven by asset valuations, the cost of capital, and investors' willingness to take on risk. In addition, persistent geopolitical tensions and uncertainty surrounding commodity markets may influence capital flows and prompt more cautious behaviour among market participants, indirectly affecting financing conditions and the activity of the banking sector.
- Changes to CIT for banks.** In November 2025, President Karol Nawrocki signed legislation increasing the corporate income tax (CIT) rate for banks. The act provides for a rise in the income tax rate from 19% to 30% in 2026, 26% in 2027, and 23% from 2028 onwards. At the same time, the act reduces the rate of tax on certain financial institutions for banks from the current 0.0366% of the tax base to 0.0329% of the tax base in 2027 and 0.0293% of the tax base from 2028. According to the regulatory impact assessment, the CIT increase is expected to generate an additional PLN 6.6 billion in budget revenues in 2026. According to the NBP, the tax on the sector's income in January-February 2026 increased by 41% year on year (PLN 3.9 billion) while profit before tax decreased by 8% (PLN 9.9 billion).
- Draft of the new "Swiss-franc loan" act.** On 30 January 2025, the Ministry of Justice published a draft Act on special solutions for handling cases concerning loan agreements denominated or indexed to CHF concluded with consumers. The goal of the draft law is to accelerate court proceedings concerning loan agreements denominated or indexed to CHF. The draft law was tabled to the Sejm in October 2025. The Sejm held the first reading of the draft, after which the draft was referred to the Committee for Justice and Human Rights (and the Committee for the Economy and Development). The legislative work on the draft continues. More information on the draft is presented in Note 50 Litigation, claims and administrative proceedings.
- "Free credit sanction".** At its meeting on 21 March 2025, the Financial Stability Committee identified the application of Article 45 of the Consumer Credit Act, known as the free credit sanction, as a new systemic risk in the domestic financial system. One of the key issues related to free credit sanction is the lack of proportionality, despite the fact that the violations listed in the Consumer Credit Act vary significantly in nature and severity. The number of court cases concerning free credit sanction has been rising rapidly. According to the Polish Bank Association (ZBP), as at the end of 2025, the number of pending cases stood at 21,600 and 85-90% of cases concerning free credit sanction were adjudicated in favour of banks. A new Consumer Credit Act is in the drafting, expected to come into force in November 2026. It should regulate the issue of free credit sanction. The second version of the draft was presented by the Competition and Consumer Protection Office (UOKiK) for consultation in March 2026. The amended version has been criticised in view of doubts as to the interpretation of proposed provisions on the free credit sanction and practical extension of the application of sanctions, which may encourage fraud and abuse of consumer laws by claim enforcement companies.

- **Digital operational resilience.** According to a report by Check Point Software Technologies, the financial sector ranks as the second most frequent target of cyberattacks in Poland. With the growing importance of digital channels in customer interactions, banks are particularly exposed to cyber risk. This risk intensified following the outbreak of the war in Ukraine in February 2022. In response to rising cyber threats, the European Commission's Digital Operational Resilience Act (DORA) entered into force in 2023. The regulation aims to mitigate systemic risk posed by providers of critical ICT services to the financial sector. The regulation consolidates regulatory requirements and introduces direct supervision of ICT service providers by European financial supervisory authorities. The obligations imposed by DORA became fully applicable on 17 January 2025. According to the Annual Cybersecurity Report 2025 published by PFSA CSIRT, DDoS attacks on financial sector infrastructure increased nearly three-fold (787 attacks reported by PFSA CSIRT) compared to 2024. The Report points to growing attacks on IT and service providers. Supply chain attacks may affect a large part of the banking industry rather than targeting a single entity. Security of banking supply chains is also governed by DORA.
- **Transformational pressure.** According to the latest Deloitte reports, financial sector institutions will continue to face pressure to accelerate the scaling of technologies that until now have remained in testing or pilot phases. This applies in particular to solutions in the areas of data architecture and artificial intelligence, where investment payback periods remain long while ambitions continue to grow. At the same time, a global trend is emerging toward the increasing role of digital forms of money and the development of regulatory framework governing this space. Meanwhile, risks emerge due to the scaling of AI-based tools which enable comprehensive automation of hacker attacks. In April 2026, sector warnings relating to one of the new models were issued among others in the U.S. and in the UK.
- **Competitive pressures.** Continued high liquidity in the market leads among others to harsher price competition and puts margin under pressure. The surplus of deposits over loans to non-financial entities remains steady at over 60%. In view of such surplus liquidity, moderate demand for loans, and banks' far-reaching acquisition aspirations, competition is likely to focus on prices and financial terms rather than quality of service or tailored service offerings. This may result in attractive loan refinancing offers and short-term deposit promotions at high interest rates and with low deposit volume caps.

56. SUBSEQUENT EVENTS

2 April 2026

Issue of series M shares and series N shares under a conditional share capital increase and change of the share capital of BNP Paribas Bank Polska S.A.

According to a statement from the Central Securities Depository of Poland (KDPW) and a resolution of the Management Board of the Warsaw Stock Exchange (WSE), the following were registered in KDPW and admitted to trading by WSE:

- 7,556 series M ordinary bearer shares of the Bank with a nominal value of PLN 1 per share, which were recorded in the securities accounts of their holders, and
- 61,255 series N ordinary bearer shares of the Bank with a nominal value of PLN 1 per share, which were recorded in the securities accounts of their holders.

The series M shares were issued under a conditional share capital increase of the Bank pursuant to Resolution No. 5 of the Extraordinary General Meeting of the Bank of 31 January 2020 as amended by Resolution No. 37 of the Annual General Meeting of the Bank of 29 June 2020. The series M shares were taken up in performance of rights attached to previously acquired individual series A6 subscription warrants, each of which conferred the right to take up one series M share.

The series N shares were issued under a conditional share capital increase of the Bank pursuant to Resolution No. 39 of the Extraordinary General Meeting of the Bank of 27 June 2022. The series N shares were taken up in performance of rights attached to previously acquired individual series B3 subscription warrants, each of which conferred the right to take up one series N share.

According to the second sentence of Article 451 (2) of the Commercial Companies Code, the award of the series M shares and series N shares took effect when the shares were recorded in the securities accounts of their holders.

As a result, under Article 451 (2) in conjunction with Article 452 (1) of the Commercial Companies Code, rights were acquired in:

- 7,556 series M shares with a nominal value of PLN 7,556,
- 61,255 series M shares with a nominal value of PLN 61,255,

i.e. a total of 68,811 Bank shares with a nominal value of PLN 68,811 and the Bank's share capital was increased from PLN 147,880,491 to PLN 147,949,302, divided into 147,949,302 shares with a nominal value of PLN 1 per share.

14 April 2026

Annual General Meeting of BNP Paribas Bank Polska S.A.

The AGM passed a resolution to **pay a dividend for 2025**, under which the Bank will pay out a dividend of PLN 1,509,082,880.40 i.e. PLN 10.20 per share. The dividend covers all of the Bank's 147,949,302 outstanding shares.

Dividend record date: 23 April 2026, dividend payment date: 11 May 2026.

20 April 2026

Minimum own funds and eligible liabilities requirement (MREL) set for BNP Paribas Bank Polska S.A.

The MREL requirement for the Bank on a separate basis was set at 15.74% of the Total Risk Exposure Amount (TREA) and 5.91% of the Total Exposure Measure (TEM). The Bank was obliged to meet the requirement immediately upon receipt of the update. As at the date of receipt of the BGF update, the Bank met the MREL requirement set therein.

II INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

Interim condensed separate statement of profit or loss

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Interest income	2,215,502	2,434,417
Interest income calculated with the use of effective interest rate method	2,012,321	2,229,428
interest income on financial instruments measured at amortised cost	1,772,446	2,004,290
interest income on financial instruments measured at fair value through other comprehensive income	239,875	225,138
Income similar to interest on instruments measured at fair value through profit or loss	203,181	204,989
Interest expense	(796,200)	(969,862)
Net interest income	1,419,302	1,464,555
Fee and commission income	356,368	371,213
Fee and commission expenses	(64,428)	(62,890)
Net fee and commission income	291,940	308,323
Dividend income	361	172
Net trading income (including exchange result)	205,170	285,115
Result on investment activities	1,169	(2,374)
Result on hedge accounting	14,496	(2,591)
Result on derecognition of financial assets measured at amortised cost	(1,890)	(1,649)
Net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(63,246)	(30,216)
Result on legal risk related to foreign currency loans	(108,236)	(64,905)
General administrative expenses	(897,689)	(817,433)
Depreciation and amortisation	(128,047)	(127,367)
Other operating income	47,913	102,997
Other operating expenses	(69,586)	(90,844)
Operating profit	711,657	1,023,783
Tax on financial institutions	(101,349)	(101,442)
Profit before tax	610,308	922,341
Income tax expense	(254,789)	(199,870)
Net profit	355,519	722,471
attributable to equity holders of the Bank	355,519	722,471
Earnings (loss) per share (in PLN per one share)		
Basic	2.40	4.89
Diluted	2.40	4.89

Interim condensed separate statement of comprehensive income

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Net profit for the period	355,519	722,471
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss upon fulfilment of certain conditions	(90,626)	66,004
Valuation of financial assets measured at fair value through other comprehensive income, gross	(76,295)	62,509
Deferred income tax on the valuation of financial assets measured through other comprehensive income	18,036	(11,877)
Valuation of cash flow hedging derivatives	(42,387)	18,977
Deferred income tax on valuation of cash flow hedging derivatives	10,020	(3,605)
Items that will not be reclassified to profit or loss	506	(218)
Actuarial valuation of gross employee benefits	662	(269)
Deferred income tax on actuarial valuation of employee benefits	(156)	51
Other comprehensive income (net)	(90,120)	65,786
Total comprehensive income	265,399	788,257
attributable to equity holders of the Bank	265,399	788,257

Interim condensed separate statement of financial position

ASSETS	31 March 2026	31 December 2025
Cash and balances at Central Bank	10,372,394	10,224,866
Amounts due from banks	5,250,178	11,524,131
Derivative financial instruments	2,038,233	2,359,460
Adjustment of the fair value of hedged and hedging positions	210,859	345,550
Loans and advances to customers measured at amortised cost	88,513,162	86,786,401
Loans and advances to customers measured at fair value through profit or loss	247,814	286,183
Securities measured at amortised cost	37,302,631	36,180,626
Securities measured at fair value through profit or loss	396,043	240,409
Securities measured at fair value through other comprehensive income	25,001,433	24,719,802
Investments in subsidiaries	108,426	108,426
Intangible assets	915,482	965,224
Property, plant and equipment	907,103	947,435
Deferred tax assets	710,292	710,964
Other assets	959,975	910,657
Total assets	172,934,025	176,310,134
LIABILITIES	31 March 2026	31 December 2025
Amounts due to banks	6,102,549	5,923,407
Derivative financial instruments	1,962,498	2,276,575
Adjustment of the fair value of hedged and hedging positions	152,692	320,087
Amounts due to customers	136,507,202	141,355,067
Liabilities under issued debt securities (including subordinated issues)	4,330,457	4,226,368
Lease liabilities	545,597	553,267
Other liabilities	3,292,445	1,977,881
Current tax liabilities	250,569	172,523
Provisions	2,062,688	2,034,329
Total liabilities	155,206,697	158,839,504
EQUITY	31 March 2026	31 December 2025
Share capital	147,880	147,880
Supplementary capital	9,110,976	9,110,976
Other reserve capital	4,640,233	4,648,934
AT1 contingent convertible bonds	650,000	650,000
Revaluation reserve	(274,121)	(184,001)
Retained earnings	3,452,360	3,096,841
retained profit	3,096,841	84,646
net profit for the period	355,519	3,012,195
Total equity	17,727,328	17,470,630
Total liabilities and equity	172,934,025	176,310,134

Interim condensed separate statement of changes in equity

	Share capital	Supplementary capital	Other reserve capital	AT1 contingent convertible bonds	Revaluation reserve	Retained earnings	Total
As at 1 January 2026	147,880	9,110,976	4,648,934	650,000	(184,001)	3,096,841	17,470,630
Total comprehensive income for the period	-	-	-	-	(90,120)	355,519	265,399
Net profit for the period	-	-	-	-	-	355,519	355,519
Other comprehensive income for the period	-	-	-	-	(90,120)	-	(90,120)
Interest paid on AT1 contingent convertible bonds	-	-	(10,720)	-	-	-	(10,720)
Management stock options*	-	-	2,019	-	-	-	2,019
As at 31 March 2026	147,880	9,110,976	4,640,233	650,000	(274,121)	3,452,360	17,727,328

* the management stock option programme is described in Note 38 to the Interim Condensed Consolidated Financial Statements for Q1 2026

	Share capital	Supplementary capital	Other reserve capital	AT1 contingent convertible bonds	Revaluation reserve	Retained earnings	Total
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	-	-	-	-	357,083	3,012,195	3,369,278
Net profit for the period	-	-	-	-	-	3,012,195	3,012,195
Other comprehensive income for the period	-	-	-	-	357,083	-	357,083
Distribution of retained earnings	-	-	658,457	-	-	(1,820,798)	(1,162,341)
Distribution of retained earnings intended for capital	-	-	658,457	-	-	(658,457)	-
Dividends paid out	-	-	-	-	-	(1,162,341)	(1,162,341)
Share issue	80	-	-	-	-	-	80
Interest paid on AT1 contingent convertible bonds	-	-	(41,077)	-	-	(14,568)	(55,645)
Management stock options*	-	-	7,349	-	-	-	7,349
As at 31 December 2025	147,880	9,110,976	4,648,934	650,000	(184,001)	3,096,841	17,470,630

* the management stock option programme is described in Note 38 to the Interim Condensed Consolidated Financial Statements for Q1 2026

	Share capital	Supplementary capital	Other reserve capital	AT1 contingent convertible bonds	Revaluation reserve	Retained earnings	Total
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	-	-	-	-	65,786	741,448	807,234
Net profit for the period	-	-	-	-	-	741,448	741,448
Other comprehensive income for the period	-	-	-	-	65,786	-	65,786
Interest paid on AT1 contingent convertible bonds	-	-	-	-	-	(17,985)	(17,985)
Management stock options*	-	-	2,152	-	-	-	2,152
As at 31 March 2025	147,800	9,155,136	4,044,967	650,000	(475,059)	2,662,613	16,185,457

* the management stock option programme is described in Note 38 to the Interim Condensed Consolidated Financial Statements for Q1 2026

Interim condensed separate statement of cash flows

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit (loss)	355,519	722,471
Adjustments for:	(5,267,006)	(3,733,708)
Income tax expense	254,789	199,870
Depreciation and amortisation	128,047	127,367
Dividend income	(361)	(172)
Interest income	(2,215,502)	(2,434,417)
Interest expense	796,200	969,862
Change in provisions	29,021	(99,035)
Change in amounts due from banks	(237,079)	(69,999)
Change in assets due to derivative financial instruments	455,918	(101,584)
Change in loans and advances to customers measured at amortised cost	(1,685,387)	(1,559,498)
Change in loans and advances to customers measured at fair value through profit or loss	38,369	51,969
Change in amounts due to banks	168,095	477,200
Change in liabilities due to derivative financial instruments	(523,859)	(76,264)
Change in amounts due to customers	(4,818,594)	(3,847,865)
Change in other assets and deferred tax assets	(41,533)	355,095
Change in other liabilities and current income tax liabilities	1,316,582	903,593
Other adjustments	78,398	(14,971)
Interest received	1,907,267	2,759,880
Interest paid	(772,408)	(935,496)
Tax paid	(143,577)	(438,912)
Lease fees for short-term leases not included in the valuation of the liability	(1,392)	(331)
Net cash flows from operating activities	(4,911,487)	(3,011,237)

	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
CASH FLOWS FROM INVESTING ACTIVITIES:		
Inflows	60,162,351	60,244,162
Sale of securities	60,158,520	60,227,107
Sale of intangible assets and property, plant and equipment	3,470	16,883
Dividends received and other investment income	361	172
Outflows	(61,564,597)	(58,143,625)
Purchase of securities	(61,531,358)	(58,084,963)
Purchase of intangible assets and property, plant and equipment	(33,239)	(58,662)
Net cash flows from investing activities	(1,402,246)	2,100,537
CASH FLOWS FROM FINANCING ACTIVITIES:		
Inflows	-	-
Outflows	(50,006)	(104,382)
Repayment of long-term loans received and subordinated liabilities	-	(50,588)
Repayment of lease liabilities	(34,691)	(35,809)
Interest paid on AT1 contingent convertible bonds	(15,315)	(17,985)
Net cash flows from financing activities	(50,006)	(104,382)
TOTAL NET CASH AND CASH EQUIVALENTS	(6,363,739)	(1,015,082)
Cash and cash equivalents at the beginning of the period	21,229,301	18,209,851
Cash and cash equivalents at the end of the period	14,865,562	17,194,769
Effect of exchange rate fluctuations on cash and cash equivalents	11,360	(160,961)

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1. ACCOUNTING POLICY APPLIED FOR THE PURPOSE OF PREPARATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

The Interim Condensed Separate Financial Statements for Q1 2026 ended 31 March 2026 were prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as endorsed by the European Union as well as in accordance with other applicable regulations.

The accounting policy applied in Q1 2026 is no different from that in force in 2025, which is described in detail in the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2025, including 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, have come into effect 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 in annual financial statements, and therefore should be read in conjunction with the Interim Condensed Consolidated Financial Statements for Q1 2026 and with the Separate financial statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2025, which were approved by the Management Board of the Bank on 4 March 2026.

The accounting policy 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 policy 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 Q1 2026.

Compared to the Separate Financial Statements of BNP Paribas Bank Polska S.A. for the year ended 31 December 2025 and the Interim Condensed Separate Financial Statements prepared for Q1 2025 ended 31 March 2025, the Bank has not changed the accounting policy and the method of presentation of financial data.

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 balance sheet date.

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

Q1 2026 from 01.01.2026 to 31.03.2026	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	223	781	-	-	1,004
Loans and advances to customers measured at amortised cost	(16,826)	(24,469)	(14,118)	(24,452)	(79,865)
Contingent commitments granted	12,744	4,688	(1,717)	5	15,720
Securities measured at amortised cost	(106)	-	-	-	(106)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(3,965)	(19,000)	(15,835)	(24,447)	(63,247)

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

Q1 2025 from 01.01.2025 to 31.03.2025	Stage 1	Stage 2	Stage 3	POCI	Total
Amounts due from banks	(1,664)	-	-	-	(1,664)
Loans and advances to customers measured at amortised cost	(12,327)	5,192	(18,779)	(1,956)	(27,870)
Contingent commitments granted	(1,104)	2,975	(2,547)	6	(670)
Securities measured at amortised cost	(12)	-	-	-	(12)
Total net allowances for expected credit losses on financial assets and provisions for contingent liabilities	(15,107)	8,167	(21,326)	(1,950)	(30,216)

4. LITIGATION, CLAIMS AND ADMINISTRATIVE PROCEEDINGS

Legal risk

As at 31 March 2026, 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 depository for investment funds,
- administrative proceedings of the Polish Financial Supervision Authority for the imposition of a penalty in connection with a breach 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 relating to claims from investment fund participants in connection with the performance of the function of depository for investment funds,
- litigation relating to the free credit sanction referred to in Article 45 of the Act of 12 May 2011 on Consumer Credit ("Consumer Credit Act").

Details of litigation and administrative proceedings are presented in Note 50 in the Interim Condensed Consolidated Financial Statements for Q1 2026 ended 31 March 2026.

5. OTHER SIGNIFICANT DISCLOSURES

The following significant disclosures related to the Interim Condensed Separate Financial Statements for Q1 2026 are described in the Interim Condensed Consolidated Financial Statements for the period of three months ended 31 March 2026:

- 1) Information on the restructuring provision recognised by the Bank in Notes 7 f and 36,
- 2) Disclosures on debt securities issues in Note 34,
- 3) Disclosures on fair value in Note 41,
- 4) Disclosures on significant estimates and judgments and events affecting the statement of financial position and the Bank's results, in particular the impact of legal risks arising from litigation relating to CHF mortgages and the securitisation transaction in Notes 43 and 50,
- 5) Significant events in the BNP Paribas Bank Polska S.A. Group in Q1 2026 in Note 54.

6. 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 entity of the BNP Paribas Bank Polska S.A. Capital Group.

The ultimate parent entity is BNP Paribas S.A., Paris.

As at 31 March 2026, the Capital Group of BNP Paribas Bank Polska S.A. comprised BNP Paribas Bank Polska S.A. as the parent entity, 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 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

31.03.2026	BNP Paribas S.A., Paris	BNP Paribas Fortis S.A.	Other entities of the BNP Paribas S.A. Group	Key personnel	Subsidiaries	Total
Assets	6,892,720	2,399	603,437	827	2,692,176	10,191,559
Receivables on current accounts, loans and deposits	5,155,418	2,399	578,293	827	2,688,970	8,425,907
Derivative financial instruments	1,526,443	-	11,601	-	-	1,538,044
Derivative hedging instruments	210,859	-	-	-	-	210,859
Other assets	-	-	13,543	-	3,206	16,749
Liabilities	10,590,965	82,878	551,771	6,231	2,699	11,234,544
Current accounts and deposits	5,276,544	82,878	520,045	6,231	2,507	5,888,205
Liability under issued debt securities (including subordinated issues)	4,330,457	-	-	-	-	4,330,457
Derivative financial instruments	385,519	-	1,682	-	-	387,201
Derivative hedging instruments	598,445	-	-	-	-	598,445
Other liabilities	-	-	30,044	-	192	30,236
Contingent liabilities						
Financial commitments granted	-	-	281,336	4,681	-	286,017
Guarantees granted	478,432	77,244	535,329	-	1,801,548	2,892,553
Commitments received	7,974,590	113,629	792,905	-	1,869,101	10,750,225
Derivative financial instruments (nominal value)	64,878,825	-	37,541	-	-	64,916,366
Derivative hedging instruments (nominal value)	41,144,642	-	-	-	-	41,144,642
Statement of profit or loss	(2,491)	(209)	33,459	(9)	50,045	80,795
Q1 2026 from 01.01.2026 to 31.03.2026						
Interest income	233,888	71	4,456	18	33,281	271,714
Interest expense	(292,769)	(280)	(1,576)	(27)	-	(294,652)
Fee and commission income	-	-	-	-	2,606	2,606
Fee and commission expense	-	-	-	-	(134)	(134)
Net trading income	78,699	-	12,578	-	-	91,277
Other operating income	-	-	30,208	-	14,583	44,791
Other operating expense	-	-	(7,514)	-	-	(7,514)
General administrative costs	(22,309)	-	(4,693)	-	(291)	(27,293)

31.12.2025	BNP Paribas S.A., Paris	BNP Paribas Fortis S.A.	Other entities of the BNP Paribas S.A. Group	Key personnel	Subsidiaries	Total
Assets	13,421,778	-	604,275	1,204	2,638,444	16,665,701
Receivables on current accounts, loans and deposits	11,435,318	-	600,999	1,163	2,635,261	14,672,741
Derivative financial instruments	1,640,910	-	-	-	-	1,640,910
Derivative hedging instruments	345,550	-	-	-	-	345,550
Other assets	-	-	3,276	41	3,183	6,500
Liabilities	10,351,327	35,769	823,774	2,934	114,355	11,328,159
Current accounts and deposits	5,099,198	35,769	795,190	2,934	114,163	6,047,254
Liabilities under issued debt securities	4,226,368	-	-	-	-	4,226,368
Derivative financial instruments	540,221	-	3,048	-	-	543,269
Derivative hedging instruments	485,540	-	-	-	-	485,540
Other liabilities	-	-	25,536	-	192	25,728
Contingent liabilities						
Financial commitments granted	-	-	260,628	4,631	-	265,259
Guarantees granted	478,432	77,244	535,329	-	1,775,214	2,866,219
Commitments received	7,883,148	109,827	749,058	-	1,923,389	10,665,422
Derivative financial instruments (nominal value)	59,595,048	-	26,627	-	-	59,621,675
Derivative hedging instruments (nominal value)	35,043,905	-	-	-	-	35,043,905
Statement of profit or loss	349,726	(156)	11,355	29	68,252	429,206
Q1 2025 from 01.01.2025 to 31.03.2025						
Interest income	124,943	84	4,076	45	46,398	175,546
Interest expense	(106,383)	(240)	(2,232)	(16)	-	(108,871)
Fee and commission income	-	-	-	-	3,810	3,810
Fee and commission expense	-	-	-	-	(174)	(174)
Net trading income	366,634	-	(415)	-	-	366,219
Other operating income	-	-	22,823	-	18,274	41,097
Other operating expense	-	-	(8,544)	-	-	(8,544)
General administrative costs	(35,468)	-	(4,353)	-	(56)	(39,877)

Remuneration of the Management Board and Supervisory Board

Remuneration of the Management Board	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Short-term employee benefits	5,515	5,774
Long-term benefits	3,266	2,529
Share-based payments*	4,710	5,322
Total	13,491	13,625

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

Remuneration of the Supervisory Board	Q1 2026 from 01.01.2026 to 31.03.2026	Q1 2025 from 01.01.2025 to 31.03.2025
Short-term employee benefits	549	423
Total	549	423

7. SEPARATE CAPITAL RATIOS

	31.03.2026	31.12.2025
Total own funds	17,186,222	17,407,001
Total risk exposure	101,706,316	102,421,309
Total capital ratio	16.90%	17.00%
Tier 1 ratio	13.49%	13.70%

8. SEASONAL OR CYCLICAL NATURE OF BUSINESS

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

9. DIVIDEND PAID

The Bank's Annual General Meeting on 14 April 2026 adopted a resolution on the payment of dividends from the net profit made in 2025. On the basis of this resolution, the Bank paid a dividend of PLN 1,509,082,880.40, i.e. PLN 10.20 per share. The dividend covers all shares issued by the Bank as at 2 April 2026, i.e. 147,949,302 shares.

The dividend record date is 23 April 2026 and the dividend payment date is 11 May 2026.

10. PROFIT DISTRIBUTION

In accordance with Resolution No. 7 of the Annual General Meeting of BNP Paribas Bank Polska S.A. dated 14 April 2026 on distribution of the profit of BNP Paribas Bank Polska S.A. and payment of a dividend for the financial year 2025 from the net profit generated in 2025 in the amount of PLN 3,012,194,743.91 (three billion twelve million one hundred and ninety-four thousand seven hundred and forty-three zlotys and ninety-one groszy), the Bank allocated PLN 1,509,082,880.40 to a dividend payment and the remaining amount of PLN 1,503,111,863.51 to the reserve capital.

11. CONTINGENT LIABILITIES

The table below presents the value of liabilities granted and received.

Contingent liabilities	31.03.2026	31.12.2025
Contingent commitments granted	36,992,607	39,191,098
Financial commitments	24,519,566	26,388,870
Guarantees	12,473,041	12,802,228
Contingent commitments received	57,855,303	57,773,732
Financial commitments	2,500	31,000
Guarantees	57,852,803	57,742,732

Following amendments under Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR3) amending Regulation (EU) No 575/2013, the Bank recognised commitments under proposals in the amount of PLN 2,646,049 thousand as at 31 March 2026 (PLN 4,340,313 thousand as at 31 December 2025).

12. SUBSEQUENT EVENTS

Subsequent events are described in Note 56 to the Interim Consolidated Financial Statements for Q1 2026 ended 31 March 2026.

SIGNATURES OF THE MANAGEMENT BOARD MEMBERS OF BNP PARIBAS BANK POLSKA S.A.

6 May 2026 **Przemysław Gdański**
President of the Management Board signed with a qualified electronic signature

6 May 2026 **Małgorzata Dąbrowska**
Vice-President of the Management Board signed with a qualified electronic signature

6 May 2026 **Wojciech Kemblowski**
Vice-President of the Management Board signed with a qualified electronic signature

6 May 2026 **Piotr Konieczny**
Vice-President of the Management Board signed with a qualified electronic signature

6 May 2026 **Magdalena Nowicka**
Vice-President of the Management Board signed with a qualified electronic signature

6 May 2026 **Volodymyr Radin**
Vice-President of the Management Board signed with a qualified electronic signature

6 May 2026 **Jerzy Jacek Szugajew**
Vice-President of the Management Board signed with a qualified electronic signature

6 May 2026 **Natalie Yacoubian**
Vice-President of the Management Board signed with a qualified electronic signature

Warsaw, 6 May 2026