Interim Condensed Financial Statements
Millennium Bank Hipoteczny S.A.
for the period of 6 months
ended 30 June 2026

This document is a translation of a document originally issued in polish.

The only binding version is the original polish version.

Financial highlights

	PLN thousand		EUR thousand	
	30.06.2026	30.06.2025	30.06.2026	30.06.2025
Balance sheet total	5 322 375,5	3 729 064,2	1 238 827,7	879 102,3
Credit portfolio	4 831 405,7	3 407 552,9	1 124 550,4	803 308,2
Mortgage covered bonds	3 109 607,4	1 605 445,3	723 787,3	378 473,2
Liabilities to banks and other monetary institutions	1 571 489,5	1 620 265,9	365 777,4	381 967,0
Equity	632 768,8	496 838,0	147 282,3	117 126,3
Total Capital Ratio (TCR)	38,6%	36,0%	38,6%	36,0%
Leverage (LR)	11,6%	12,9%	11,6%	12,9%

	01.01.2026-30.06.2026	01.01.2025-30.06.2025	01.01.2026-30.06.2026	01.01.2025-30.06.2025
Net operating income	35 895,2	31 015,5	8 441,6	7 348,2
Administrative expenses	-12 273,6	-9 716,9	-2 886,4	-2 302,2
Impairment charges	-864,4	-301,4	-203,3	-71,4
Depreciation and amortization	-307,8	-358,6	-72,4	-85,0
Net financial result	14 413,2	16 664,6	3 389,6	3 948,2
Costs/Income (C/I)	32%	32%	32%	32%
Cost of Risk (CoR)	0,02%	0,02%	0,02%	0,02%
Return on assets (ROA)	0,57%	0,99%	0,57%	0,99%
Return on equity (ROE)	5,21%	7,98%	5,21%	7,98%
Earnings per share - basic and diluted (PLN/EUR)	0,0812	0,1160	0,0191	0,0275

Exchange rates accepted to convert selected financial data into EUR			2026	2025
for the items on the balance sheet date	-	-	4,2963	4,2419
for the items for the period covered by the report (rate calculated as the average of the rates at the end of each month of the period)	-	-	4,2522	4,2208

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1 Statement of comprehensive income

PLN thousand	Note	01.01 - 30.06.2026	01.01 - 30.06.2025
Net interest income	8.1	35 848,0	31 027,2
Interest income and income of similar nature:		142 510,7	124 575,6
Income accrued using the effective interest rate method		142 510,7	124 575,6
Interest income on Assets measured at amortized cost		136 679,0	119 604,8
Interest income on Assets measured at fair value through other comprehensive income		5 831,8	4 970,9
Interest expenses		-106 662,8	-93 548,4
Net fee and commission income	8.2	148,9	-88,3
Fee and commission income		279,5	64,8
Fee and commission expense		-130,6	-153,0
Foreign exchange result		-2,2	-0,9
Other operating income		35,2	160,0
Other operating expenses		-134,6	-82,5
Operating income		35 895,2	31 015,5
Administrative expenses	8.3	-12 273,6	-9 716,9
Expenses on account of impairment of financial assets	8.4	-864,4	-301,4
Modification result		-189,7	0,0
Depreciation and amortization	8.5	-307,8	-358,6
Operating expenses		-13 635,4	-10 377,0
Operating result		22 259,8	20 638,5
Bank levy		-688,6	0,0
Financial result before income tax		**21 571,2**	**20 638,5**
Income tax	8.6	-7 158,0	-3 973,9
Financial result after tax		**14 413,2**	**16 664,6**
Other comprehensive income items that will be (have been) reclassified to profit or loss		772,3	-636,1
Effect of valuation of debt securities measured at fair value through other comprehensive income		772,3	-636,1
Other comprehensive income items that will not be reclassified to profit or loss		0,0	0,0
Total other comprehensive income items before tax		**772,3**	**-636,1**
Income tax relating to other comprehensive income items that will be (have been) reclassified to profit or loss		-177,3	120,9
Other comprehensive income items after tax		**595,0**	**-515,3**
Comprehensive income for the reporting period		**15 008,2**	**16 149,4**
Earnings per share - basic and diluted (PLN)	8.7	0,0812	0,1160

The notes presented on pages from 26 to 29 form an integral part of these financial statements.

2 Statement of financial position

ASSETS

PLN thousand	Note	30.06.2026	31.12.2025	30.06.2025
Financial assets measured at fair value through other comprehensive income	8.8	289 492,3	224 709,7	174 883,3
Equity instruments		3,2	3,2	3,2
Debt instruments		289 489,1	224 706,6	174 880,2
Loans and borrowings to customers	8.9	4 831 405,7	4 618 220,8	3 407 552,9
Measured at amortized cost		4 831 405,7	4 618 220,8	3 407 552,9
Financial assets measured at amortized cost, other than Loans and borrowings to customers	8.10	198 868,4	22 909,1	142 481,3
Debt instruments		169 911,5	19 991,1	137 879,3
Deposits and loans and borrowings to banks and other monetary institutions		28 956,9	2 918,0	4 602,0
Property, plant and equipment	8.11	875,3	1 009,6	1 159,2
Intangible assets	8.12	174,5	334,2	536,8
Income tax assets		0,0	0,0	1 090,6
Current tax receivables		0,0	0,0	1 090,6
Deferred tax assets	8.13	0,0	0,0	0,0
Other assets	8.14	1 559,3	818,0	1 360,0
Total assets		**5 322 375,5**	**4 868 001,5**	**3 729 064,2**

LIABILITIES AND EQUITY

PLN thousand	Note	30.06.2026	31.12.2025	30.06.2025
Financial liabilities measured at amortized cost		4 681 096,9	4 341 917,5	3 225 711,2
Liabilities to banks and other monetary institutions	8.15	1 571 489,5	1 730 288,0	1 620 265,9
Debt securities in issue	8.16	3 109 607,4	2 611 629,5	1 605 445,3
Provisions	8.17	1 006,0	1 000,1	836,0
Provisions for retirement benefits		1 006,0	1 000,1	836,0
Tax liabilities		604,6	481,4	1 444,0
Current tax liabilities		385,0	448,0	0,0
Deferred tax liabilities	8.18	219,5	33,4	1 444,0
Other liabilities	8.19	6 899,3	5 841,8	4 235,1
Total liabilities		4 689 606,7	4 349 240,8	3 232 226,2
EQUITY	8.20			
Share capital		196 000,0	163 000,0	163 000,0
Supplementary capital		356 722,4	290 722,4	290 722,4
Accumulated other comprehensive income		745,7	150,6	-141,9
Retained earnings		79 300,8	64 887,6	43 257,5
Total equity		632 768,8	518 760,6	496 838,0
Total liabilities and equity		**5 322 375,5**	**4 868 001,5**	**3 729 064,2**

Carrying value	632 769	518 761	496 838
Number of shares	196 000 000	163 000 000	163 000 000
Book value per share (in PLN)	3,228	3,183	3,048

The notes presented on pages from 29 to 39 form an integral part of these financial statements.

3 Statement of changes in equity

PLN thousand	Total Equity	Share capital	Supplementary capital	Accumulated other comprehensive income	Retained earnings	
					result brought forward	other capital
01.01 - 30.06.2026						
Equity at the beginning of the period	**518 760,6**	**163 000,0**	**290 722,4**	**150,6**	**38 294,7**	**26 592,9**
Financial result	14 413,2	**0,0**	**0,0**	**0,0**	14 413,2	0,0
Issue of shares	99 000,0	33 000,0	66 000,0	0,0	0,0	0,0
Measurement of debt instruments at fair value through other comprehensive income	595,0	0,0	0,0	595,0	0,0	0,0
Actuarial gains / losses	0,0	0,0	0,0	0,0	0,0	0,0
Transfer between capital items	0,0	0,0	0,0	0,0	-38 294,7	38 294,7
Equity at the end of the period	**632 768,8**	**196 000,0**	**356 722,4**	**745,7**	**14 413,2**	**64 887,6**

PLN thousand	Total Equity	Share capital	Supplementary capital	Accumulated other comprehensive income	Retained earnings	
					result brought forward	other capital
01.01 - 30.06.2025						
Equity at the beginning of the period	**381 688,6**	**130 000,0**	**224 722,4**	**373,3**	**17 069,7**	**9 523,2**
Financial result	16 664,6	**0,0**	**0,0**	**0,0**	16 664,6	0,0
Issue of shares	99 000,0	33 000,0	66 000,0	0,0	0,0	0,0
measurement of debt instruments at fair value through other comprehensive income	-515,3	0,0	0,0	-515,3	0,0	0,0
actuarial gains / losses	0,0	0,0	0,0	0,0	0,0	0,0
Transfer between capital items	0,0	0,0	0,0	0,0	-17 069,7	17 069,7
Equity at the end of the period	**496 838,0**	**163 000,0**	**290 722,4**	**-141,9**	**16 664,6**	**26 592,9**

4 Statement of cash flows

PLN thousand	01.01 - 30.06.2026	01.01 - 30.06.2025
Profit (loss) after tax	14 413,2	16 664,6
Total adjustments:	-215 369,1	-585 302,8
Accrued interest	-35 848,0	-31 027,2
Interest received	157 476,2	126 761,9
Interest paid	-107 570,3	-91 510,3
Depreciation and amortization	307,8	358,6
FX gains/losses	-0,1	0,0
Change in provisions	5,9	43,0
Change in the balance of deposits, loans and advances granted to other banks	-11,0	0,0
Change in loans and borrowings to customers	-229 103,6	-518 274,9
Change in liabilities to banks	0,0	-73 734,9
Income tax recognized in the profit and loss	7 158,0	3 973,9
Income tax paid	-7 212,1	-1 811,0
Change in other assets and liabilities	-571,9	-82,0
Net cash from operating activities	**-200 955,9**	**-568 638,1**
Proceeds from investing activities	5 000,0	5 000,0
Sale of intangible assets and components of property, plant and equipment	0,0	0,0
Sale of investment financial assets	5 000,0	5 000,0
Expenditures for investing activities	-68 087,5	-43 232,5
Purchase of intangible assets and components of property, plant and equipment	0,0	0,0
Purchase of investment financial assets	-68 087,5	-43 232,5
Net cash from investing activities	**-63 087,5**	**-38 232,5**
Proceeds from financing activities	1 289 000,0	1 559 000,0
Drawdown of long-term loans	690 000,0	660 000,0
Issue of debt securities	500 000,0	800 000,0
Proceeds from issue of treasury shares and capital contributions	99 000,0	99 000,0
Expenditures for financing activities	-849 038,9	-911 364,6
Repayment of long-term loans	-849 000,0	-910 000,0
Issue expenses	-38,9	-1 364,6
Net cash from financing activities	**439 961,1**	**647 635,4**
CHANGE IN NET CASH	**175 917,7**	**40 764,7**
- of which on account of FX differences	2,2	0,9
CASH AT THE BEGINNING OF THE PERIOD	**22 862,8**	**101 696,5**
CASH AT THE END OF THE PERIOD	**198 780,5**	**142 461,2**

Additional information to the statement of cash flows is provided in Section 9.1 of Chapter 9.

5 General information about the Bank

Millennium Bank Hipoteczny Spółka Akcyjna (the "Bank", the "Company") was established by an act of incorporation by Bank Millennium S.A. ("Bank Millennium") on 9 July 2020, following a decision by the Polish Financial Supervision Authority (PFSA) on 16 June 2020 authorizing the establishment of the Bank.

The Bank's address: 02-593 Warsaw, ul. Stanisława Żaryna 2A, the Bank's electronic address: www.millenniumbh.pl

KRS number: 0000852039, District Court, for the capital city of Warsaw, 13th Commercial Division of the National Court Register

REGON statistical number: 386797947
NIP tax identification number: 521-390-45-67

The main object of the Company's activity (according to the Polish Classification of Activities) - 64.19.z - purchase of receivables of other banks on account of mortgage-secured loans granted by them; issuance of covered bonds based on: the bank's receivables arising from purchased receivables of other banks on account of mortgage-secured loans granted by them and other funds of the bank to the extent consistent with the Act on Covered Bonds and Mortgage Banks.
Parent company: Bank Millennium S.A., 02-593 Warsaw, ul. Stanisława Żaryna 2A, www.bankmillennium.pl

The Bank's share capital - after the latest increase pursuant to Resolution No. 15 of the Bank's Ordinary Shareholder Meeting of 31 March 2026, which was registered in the Register of Commercial Undertakings of the National Court Register on 28 May 2026 - currently amounts to PLN 196,000,000

The share capital was fully covered by Bank Millennium S.A. with a cash contribution. 196,000,000 ordinary registered shares with a nominal value of PLN 1 per share were taken up by Bank Millennium at an issue price of PLN 3 per share.

Millennium Bank Hipoteczny S.A. is part of the Bank Millennium S.A. Group ("Group"). The purpose of the Bank's establishment and mission is to provide the Group with stable and long-term financing for mortgage loans in the form of mortgage-backed covered bonds.

The Supervisory Board and Management Board of Millennium Bank Hipoteczny S.A.

Due to the resignation of two Members of the Supervisory Board, they ceased to serve in this capacity: Antonio Pinto (as of April 24, 2026) and Wojciech Haase (as of May 31, 2026). The Extraordinary General Meeting of the Bank on June 2, 2026, appointed two new Members to the Bank's Supervisory Board for the current term of office.

Composition of the Bank's Supervisory Board as at 30 June 2026r.:
1. Fernando Bicho - Supervisory Board Chairperson,
2. Marta Penczar - Supervisory Board Secretary – independent Member,
3. Marcin Dubno - Supervisory Board Member
4. Jarosław Hermann - Supervisory Board Member,
5. Grzegorz Jędrys - Supervisory Board Member – independent Member,
6. Aleksandra Przegalińska – Supervisory Board Member - independent Member
7. Hugo Resende - Supervisory Board Member.

Composition of the Bank's Management Board as at 30 June 2026:
1. Agata Chrzanowska - President of the Management Board,
2. Adam Berent - Member of the Management Board,
3. Artur Kulesza - Member of the Management Board.

6 Accounting policy

6.1 Statement of compliance with International Financial Reporting Standards

Pursuant to Article 30 of the Bank's Articles of Association, these condensed interim financial statements of the Bank for H1 2026 have been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" as approved by the European Union. They have been prepared in a condensed version and do not include all the disclosures required by IFRS for full financial statements and should be read in conjunction with the financial statements of Millennium Bank Hipoteczny S.A. for the financial year ended 31 December 2025, prepared in accordance with International Financial Reporting Standards as approved by the European Union.

Pursuant to the Regulation of the Minister of Finance dated 6 June 2025 on Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent (Journal of Laws of 2025, item 755), the Bank is required to publish financial data for the six-month period ended 30 June 2026. These financial statements fulfil the disclosure obligations set forth in the Regulation of the Council of Ministers of 6 June 2025 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent.

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

These condensed interim financial statements, subject to review by an independent auditor, were approved for publication by the Bank’s Management Board on 27 July 2026.

6.2 Adopted accounting principles

Bases for drawing up the financial statements

The condensed interim financial statements of Millennium Bank Hipoteczny S.A. have been prepared for the six-month period ended 30 June 2026, based on the assumption that the Bank will continue its business activities in a substantially unabated manner for a period of not less than one year from the balance sheet date. In considering the going concern assumption, the Management Board took into account the impact of the armed conflicts in Ukraine and the Middle East, as well as the external conditions of the business, and assessed that these factors do not cause significant uncertainty in the Bank's ability to continue as a going concern.

In considering the impact of the external operating environment, the Management Board took into account:

- the macroeconomic environment both in Poland and globally,
- the situation in the housing and mortgage market,
- the situation in the covered bond market,
- the legal and regulatory environment,
- the risk factors for the economy and the Bank.

As at the date of signing the financial statements, the Bank's Management Board has not identified the existence of any facts and circumstances that would indicate a threat to the Bank's ability to continue as a going concern in the 12-month period from the date of publication of the statements.

The preparation of financial statements in accordance with IFRS, as adopted by the EU, requires management to make subjective judgments, estimates and assumptions that affect the accounting policies used and the amounts of assets and liabilities and income and expenses presented. Selection, application, development and verification of accuracy of accepted estimations is the responsibility of the Bank's substantive unit, and adopted assumptions are then verified by the Bank's Management Board. The estimations and assumptions are made on the basis of available historic data as well as several other factors which are considered to be adequate under the given conditions. The results constitute the basis for making estimations regarding the balance sheet values of assets and liabilities, which cannot be unequivocally determined on the basis of other sources. The actual results may differ from the estimated values.

The consistency of actual results and estimations and assumptions made is verified on an ongoing basis. If the Bank finds it necessary to change estimates, they are recognized prospectively, i.e. in the period of the change. If an error is identified in estimates made in earlier reporting periods, the Bank recognizes the correction of the error using a retrospective approach.

The most significant accounting estimates made by the Bank, implemented in the first half of 2026, are described below:

Change in the approach to calculating the effective interest rate (EIR)

In the financial year ended December 31, 2025, Bank Millennium introduced a change in the approach to calculating the effective interest rate (EIR) used to value mortgage loans with periodically fixed interest rates.

IFRS does not provide a detailed definition of the EIR calculation method for variable-rate loans. Prior to the change, the calculation of interest income was based on the expected cash flows (CF) from the loan, including the CF during the period of the temporary fixed interest rate and the CF after that period – calculating interest based on the current WIBOR plus a margin. After the change, the interest rate is determined solely based on the currently applicable interest rate. The purpose of this change was to ensure a better reflection of the economic substance of the transaction and to increase the consistency of the methodologies used within the Group.

The Bank implemented this change in May 2026, effective January 1, 2026. Due to the relatively small size of the portfolio of periodically fixed-rate loans in 2025, and therefore the immaterial impact of the change, the Bank did not make any adjustments to prior periods or prepare an opening balance as of January 1, 2026.

7 Risk management

7.1. Risk Management Review

The mission of risk management at the Bank, in line with the approach applied within the Bank Millennium Group, is to ensure that all types of risk are identified, managed, monitored and controlled in a manner adequate to the adopted risk profile and to the nature and scale of the Bank's operations. Risk management objectives are achieved through the following activities:

- developing a risk management strategy, credit policy, processes and procedures defining the principles for accepting the permissible level of individual types of risk,
- using IT tools to identify, control and measure risk,
- building employees' awareness of responsibility for proper risk management at every level of the Bank's organisational structure.

Risk management at the Bank takes into account the need to achieve the assumed profitability, as well as to maintain an adequate relationship between the level of risk taken and the level of capital required to cover it. A broad range of methods, both qualitative and quantitative, is used as part of risk management.

When defining its business objectives, the Bank takes into account the established risk appetite framework to ensure that the structure and development directions correspond to the assumed risk profile, characterised by a number of parameters such as:

- growth in the volume of transferred loans,
- credit portfolio structure,
- portfolio quality indicators,
- rules for maintaining the cover pool register for covered bonds,
- cost of risk,
- level of capital requirements/internal capital,
- required level and structure of liquidity,
- levels of limits specific to mortgage banks.

The Bank's risk management and control model is based on the following fundamental principles:

- ensuring comprehensive quantification and parameterisation of various types of risk in order to optimise the structure of the Bank's balance sheet and off-balance sheet items, taking into account the assumed level of profitability of the conducted business; the main areas of analysis include: credit risk, liquidity risk, market risk and operational risk,
- all types of risk are monitored and controlled in relation to the profitability of the conducted business and the level of capital necessary to ensure the safety of the Bank's operations and compliance with capital requirements; the results of risk measurements are regularly reported within the management information system,
- separation of the risk-taking, risk management and independent risk control functions

The Bank's risk management process is presented in the following diagram:

The division of responsibilities for risk management is as follows:

- *The Supervisory Board* is responsible for overseeing the consistency of the Bank's risk-taking policy with its strategy and financial plan,
- *The Management Board* is responsible for the effectiveness of the risk management system, the internal capital assessment process and reviews of the process of assessing and maintaining internal capital, capital management and planning, and the internal control system,
- *Assets and Liabilities Committee* is responsible for optimising the structure of the Bank's balance sheet and for the ongoing management of various types of banking risk, in particular market risk, interest rate risk in the banking book and liquidity risk, within the model established by the Management Board,
- *Risk Department* is responsible for the independent identification, measurement, analysis, monitoring and reporting of individual types of risk at the Bank; the Risk Department also prepares financial risk management principles and relevant procedures, as well as presents information and proposes courses of action necessary for decisions on financial risk management to be taken by the Assets and Liabilities Committee and the Bank's Management Board,
- *Treasury Department* manages liquidity and market risk on an ongoing basis,
- *Credit Decisions Department* is responsible for making credit decisions, preparing draft credit decisions for individual decision-making levels and making credit decisions within defined limits, monitoring repayments and the process of recovering overdue receivables from the Bank's customers,
- *Compliance Department* is responsible for ensuring compliance with legal provisions and regulatory rules, related regulatory standards, market rules and standards, and the Bank's internal regulations, including the code of ethics,
- *Corporate Services Department* is responsible for coordinating and monitoring the ICT risk management process, including developing ICT risk management practices, as well as monitoring arrangements with external ICT service providers,
- *Legal Office* is responsible for handling the Bank's litigation matters, with the support of external law firms and legal experts where necessary.

The Bank has developed and implemented a comprehensive risk management strategy (Risk Strategy), which defines the risk profile, expressed in monetary terms or by type of risk to which the Bank may be exposed, and the risk appetite, understood as the maximum level or type of risk that the Bank is able to accept in order to achieve its financial and strategic objectives.
This document is reviewed and updated annually. It is adopted by the Management Board and approved by the Bank's Supervisory Board. The Risk Strategy is closely linked to other strategic documents, such as the budget, liquidity plan and capital plan.

The Risk Strategy is based on the following key concepts defined by the Bank:

1. risk profile: the current level of risk expressed as an amount or type of risk to which the Bank is currently exposed; the Bank should also assess how the risk profile may change in the future, taking into account expected and stressed scenarios, in line with the risk appetite,
2. risk appetite: the maximum level or type of risk that the Bank is able to accept and tolerate in order to achieve its financial and strategic objectives. For this purpose, three tolerance zones have been defined, specifying warning levels and levels requiring action.

The Risk Strategy is one of the key elements determining the Bank's risk profile.
When defining business objectives in terms of profitability, it is necessary to determine the level of risk tolerance to ensure that the structure of operations and growth take into account the future risk profile, which is reflected in indicators grouped into several areas, such as:

- solvency,
- liquidity and funding,
- credit risk, including ESG,
- operational and ICT risk,

- profitability and business mix,
- operational activity and reputation,
- sustainable development.

The Bank's risk management framework results primarily from the principles and objectives set out in the Risk Strategy and is supplemented by principles and guidelines contained in internal regulations. The Bank has defined tolerance zones for risk appetite measures (based on a "traffic light" approach). For the tolerance zones, the following have been defined:

- risk appetite status – the green zone means that the measure is within the risk appetite, the orange zone indicates an increased risk of exceeding the risk appetite, and the red zone indicates that the risk appetite has been exceeded,
- the escalation process for actions taken or decisions made – the organisational units or governing bodies of the Bank responsible for decisions and the execution of actions in individual zones,
- risk appetite monitoring procedures.

In the first half of 2026, the Bank did not introduce any significant changes to the risk management system.

7.2. Capital management

Capital management and planning

Capital management relates to two areas: capital adequacy management and capital allocation.
The objectives of capital adequacy management are to meet the requirements set out in external regulations (regulatory capital adequacy) and to ensure solvency under normal and stressed conditions (economic capital adequacy/internal capital). In pursuing these objectives, the Bank aims to achieve the internal long-term capital limits (targets) defined in the Risk Strategy.
The objective of capital allocation is to create value for the owner by maximising the return on risk-weighted activities, taking into account the established risk appetite.
The capital planning process is also carried out as part of capital management. The purpose of this process is to determine own funds (the capital base defining the capacity to take risk) and capital utilisation (regulatory capital requirements and economic capital) in such a way as to ensure compliance with capital limits (targets), assuming the implementation of the expected business strategy and risk profile – under normal and stressed economic conditions.

Regulatory capital adequacy

The Bank is legally required to meet the minimum own funds requirements set out in Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (CRR Regulation). At the same time, when setting capital limits/targets, in addition to the basic capital ratio requirements under Article 92 of the CRR Regulation, the following levels, recommendations and buffers were taken into account:

- combined buffer requirement – defined in the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial system (the Act on macroprudential supervision) – consisting of:
  - capital conservation buffer of 2.5%,
  - other systemically important institution buffer (O-SII) of 0%,
  - systemic risk buffer of 0%,
  - countercyclical buffer of 1%.

The table below presents these amounts as at 30 June 2026.

Minimum capital ratio levels	
Common Equity Tier 1 capital ratio (CET1 ratio)	
Minimum	4,50%
Capital conservation buffer	*2,50%*
Other systemically important institution buffer (O-SII)	*0,00%*
Systemic risk buffer	*0,00%*
Countercyclical buffer	*1,00%*
Combined buffer requirement	3,50%
Total CET1 capital requirements	**8,00%**
Tier 1 capital ratio (T1 ratio)	
Minimum	6,00%
Capital conservation buffer	*2,50%*
Other systemically important institution buffer (O-SII)	*0,00%*
Systemic risk buffer	*0,00%*
Countercyclical buffer	*1,00%*
Combined buffer requirement	3,50%
Total T1 capital requirements	**9,50%**
Total capital ratio (TCR)	
Minimum	8,00%
Capital conservation buffer	*2,50%*
Other systemically important institution buffer (O-SII)	*0,00%*
Systemic risk buffer	*0,00%*
Countercyclical buffer	*1,00%*
Combined buffer requirement	3,50%
Total TCR capital requirements	**11,50%**

On 25 November 2025, the Polish Financial Supervision Authority (KNF) recommended that the Bank limit the risk arising from the Bank's activities by maintaining own funds to cover an additional capital add-on to absorb potential losses resulting from the occurrence of stressed conditions (P2G add-on). The requirement was set at 1.70 p.p. above each of the own funds requirements referred to in Article 92(1)(a)-(c) of the CRR Regulation, increased by the additional own funds requirement referred to in Article 138(2)(2) of the Banking Law and by the combined buffer requirement referred to in Article 55(4) of the Act on macroprudential supervision. The additional add-on should consist entirely of Common Equity Tier 1 capital. The minimum levels of capital ratios including regulatory requirements and the supervisory P2G add-on are as follows: CET1 ratio – 9.70%, T1 ratio – 11.20%; TCR – 13.20%.

Capital risk expressed through the above capital objectives and limits is subject to regular measurement and monitoring. Certain minimum ranges have been established for all target capital values. Capital ratios within a given range determine the need to take appropriate management decisions or actions. Regular monitoring of capital risk is based on classifying capital ratios into the relevant ranges, followed by an assessment of trends and factors affecting the level of capital adequacy.

Internal capital

The Bank defines internal capital, in accordance with the Banking Law, as the amount necessary to cover all identified material types of risk arising from the Bank's activities and changes in the economic environment, taking into account the expected future level of risk.
Internal capital is used in capital management, in the processes of managing economic capital adequacy and capital allocation. The Bank has defined the process for calculating internal (economic) capital. For this purpose, mathematical and statistical methods are used for measurable types of risk. Maintaining economic capital adequacy means covering (securing) internal capital (the aggregated risk measure) with available financial resources (own funds). The obligation to secure risk in this way follows directly from the Banking Law, which is reflected in the Bank's capital objectives/limits – the economic capital buffer and the stressed economic capital buffer.

Capital adequacy assessment

The Bank's capital adequacy is presented in the table below:

Capital adequacy *(PLN thousand)*	30.06.2026	31.12.2025
Risk-weighted assets	**1 602 461**	**1 739 883**
Own funds requirements, including:	**128 197**	**139 191**
- for credit and counterparty risk	*122 347*	*135 425*
- for market risk	*0*	*0*
- for operational risk	*5 850*	*3 766*
Own funds, including:	**617 912**	**479 947**
- Common Equity Tier 1 capital	*617 912*	*479 947*
- Tier 2 capital	*0*	*0*
Total capital ratio (TCR)	38,56%	27,59%
Minimum required level (OCR)	11,50%	11,50%
Surplus (+) / shortfall (-) in TCR capital adequacy (p.p.)	+27,06	+16,09
Minimum recommended level (OCR + P2G)	13,20%	13,20%
Surplus (+) / shortfall (-) against the recommended TCR level (p.p.)	+25,36	+14,39
Tier 1 capital ratio	38,56%	27,59%
Minimum required level (OCR)	9,50%	9,50%
Surplus (+) / shortfall (-) in T1 capital adequacy (p.p.)	+29,06	+18,09
Minimum recommended level (OCR + P2G)	11,20%	11,20%
Surplus (+) / shortfall (-) against the recommended T1 level (p.p.)	+27,36	+16,39
Common Equity Tier 1 capital ratio (CET1)	38,56%	27,59%
Minimum required level (OCR)	8,00%	8,00%
Surplus (+) / shortfall (-) in CET1 capital adequacy (p.p.)	+30,56	+19,59
Minimum recommended level (OCR + P2G)	9,70%	9,70%
Surplus (+) / shortfall (-) against the recommended CET1 level (p.p.)	+28,86	+17,89
Leverage ratio	11,61%	9,86%
Minimum required level	3,00%	3,00%
Surplus (+) / shortfall (-) in the leverage ratio (p.p.)	+8,61	+6,86

As at 30 June 2026, the Bank's capital adequacy remained at a safe level. The total capital ratio (TCR) was 38.56% and was equal to the Tier 1 capital ratio and the CET1 ratio. Accordingly, the minimum capital ratio levels for the Bank were achieved with a surplus, also taking into account the additional capital add-on intended to absorb potential losses resulting from the occurrence of stressed conditions (P2G). Compared with the end of 2025, the total risk exposure amount decreased, while own funds

increased as a result of capital injection from the parent entity and the inclusion of the 2025 profit. These factors contributed to an increase in capital ratios.
The leverage ratio stood at a safe level of 11.61% and significantly exceeded the minimum regulatory level of 3%.
The Bank did not make any significant changes to its capital management objectives, policies or processes compared with the previous year.

7.3. CREDIT RISK

Credit risk means uncertainty regarding the client's fulfilment of the financing agreements concluded with the Bank, i.e. the repayment of principal and interest within a specified period of time, which may result in a financial loss for the Bank.
The Bank's objective of credit risk management is to ensure the high quality of the loan portfolio by controlling and mitigating the risk of impaired credit exposures. The overriding task carried out as part of the credit risk management process is to support the implementation of business plans while maintaining a certain level of risk appetite.
The process and methods of credit risk management have been regulated in the Risk Strategy and procedures approved by the Management Board and the Supervisory Board. The procedures are adequate to the scale of the Bank's operations and are subject to improvement by adapting them to the factors that materially change the risk identified on an ongoing basis.
The Bank's credit policy is based on a set of the following principles:

- the use of models based on data from the Bank, the Bank Millennium Group and from the domestic market (if applicable) in order to properly assess the client's creditworthiness,
- functional separation of business activities, credit policy, credit decisions and credit monitoring to avoid conflicts of interest,
- use of IT tools (workflows) to support the credit process at all stages,
- regular monitoring of the loan portfolio,
- use of the credit exposure limit and sub-limit structure to avoid risk concentration and promote the diversification effect of the loan portfolio,
- decision levels are determined depending on the total amount of exposure and the client's rating,
- each client should be assigned a rating before making any credit decision.

Elements determining credit decisions regarding changes in the terms of the loan agreement:

- risk filters,
- assessment of the client's creditworthiness,
- client rating,
- level of risk mitigation, in particular through the safeguards in place.

The risk acceptance thresholds for a loan portfolio have been defined to ensure a positive outcome on that portfolio after taking into account the expected cost of risk and capital.
The Bank strives to diversify its loan portfolio in such a way as to avoid excessive concentration towards a single client or in a uniform group of customers.
Monitoring the loan portfolio is a key element in the early detection of potential losses. As part of credit risk management, stress tests are carried out to quantify the potential impact of adverse changes in the Bank's financial situation in its environment.

Impairment measurement

The Bank applies the Group's standards in the process of estimating impairment for credit exposures. The impairment measurement is carried out in accordance with the principles of IFRS 9, based on the concept of expected credit loss, taking into account forecasts and expected future economic conditions in the context of the credit risk assessment of exposures.

Due to the specificity of the Bank's operations, the process of estimating impairment of exposures is carried out exclusively in the collective analysis mode. The Bank has a homogeneous portfolio of PLN mortgage loans secured by residential real estate.
The Bank recognises exposures to the State Treasury, the Central Bank and Bank Millennium S.A. as instruments with low credit risk.

Taking into account forward looking information (FLI)
In the process of calculating expected credit loss, the Bank uses information on future macroeconomic events, both in the estimation of PD *(Probability of Default)*, LGD (*Loss Given Default)*, EAD *(Exposure at Default)*, as well as in the process of identifying a significant increase in credit risk (SICR) and allocating exposures to Basket 2 (transfer logic). The Bank uses only forecasts prepared by the Macroeconomic Analysis Bureau of Bank Millennium, which prepares three macroeconomic scenarios (baseline, optimistic and pessimistic) and determines the probabilities of their occurrence. Forecasts translate directly and indirectly into the values of estimated parameters and exposures, and their impact varies depending on the model, rating class, etc. Forecasts are provided quarterly over a three-year time horizon. As with any macroeconomic forecast, both forecasts and estimated probabilities are subject to a high degree of uncertainty, and actual outcomes may differ significantly from those projected.

Assumptions about macroeconomic variables
The key assumptions made for the ECL estimation as at 30 June 2026 are presented below:

	Scenario	2026	2027	2028
Gross Domestic Product	Base	103,6	103,1	103,0
	Optimistic	104,0	104,5	104,2
	Pessimistic	102,8	101,8	102,2
Retail Sales	Base	104,7	104,3	104,1
	Optimistic	106,2	107,0	106,4
	Pessimistic	104,4	102,9	103,4
Unemployment Rate	Base	5,9	5,9	5,8
	Optimistic	5,7	5,1	5,0
	Pessimistic	6,2	7,0	7,4

The weights assigned to each of the macroeconomic scenarios as at 30 June 2026 were as follows:

	Base	Optimistic	Pessimistic
Weight used	**55%**	**10%**	**35%**

Maximum exposure to credit risk

(PLN thousand)	30.06.2026	31.12.2025
Exposures to credit risk related to on-balance sheet assets:	**5 319 763**	**4 865 836**
Deposits, credits and loans to banks and other monetary institutions	28 957	2 918
Credits and loans to customers:	4 831 406	4 618 221
Priced at amortized cost:	4 831 406	4 618 221
Loans for individual customers	4 831 406	4 618 221
Mortgage loans	4 831 406	4 618 221
Debt securities measured at fair value by other comprehensive income (State Treasury bonds)	289 489	224 707
Other financial assets (NBP bills)	169 911	19 991
Credit risk related to off-balance sheet items:	**0**	**0**
TOTAL	**5 319 763**	**4 865 836**

The table above presents the structure of the Bank's credit risk exposure as at 30 June 2026 and 31 December 2025. For on-balance sheet assets, the exposures presented above are based on the net amounts presented on the balance sheet.

Credit quality of financial assets

(PLN thousand) as at 30 June 2026	Stage 1 (12-month loss)	Stage 2 (lifetime loss)	Stage 3 (lifetime loss)	POCI	Total
On-balance sheet exposures exposed to credit risk	**5 219 124**	**100 323**	**7 750**	**0**	**5 327 197**
Balance sheet allowance	**3 709**	**1 836**	**1 889**	**0**	**7 433**
Credits and loans for banks	28 957	0	0	0	28 957
Credits and loans for individual customers (according to the Master Scale)	**4 730 767**	**100 323**	**7 750**	**0**	**4 838 839**
▪ 1-3 Highest quality	4 112 303	16 604	0	0	4 128 907
▪ 4-6 Good quality	446 027	49 812	0	0	495 839
▪ 7-9 Average quality	154 646	27 345	0	0	181 991
▪ 10-12 Low quality	17 791	4 514	0	0	22 305
▪ 13-14 Under observation	0	2 048	0	0	2 048
▪ 15 Default	0	0	7 750	0	7 750
Impairment	**3 709**	**1 836**	**1 889**	0	**7 433**
HTC&FS debt securities (Treasury bonds)	289 489	0	0	0	289 489
HTC debt securities (NBP bills)	169 911	0	0	0	169 911

The table above presents the breakdown of financial assets into baskets to which individual credit exposures have been classified in accordance with IFRS 9 and the assigned assessment of the probability of default based on the internal rating model. At the end of June 2026, the share of Stage 3 exposures to the entire gross loan portfolio was 0.16%. The coverage of the Stage 3 with impairment losses amounted to 24.4%, and taking into account the total sum of impairment losses, it is 96%.

Gross carrying amount (PLN thousand)				
Individuals:	Stage 1	Stage 2	Stage 3	Total
As of 31.12.2025	4 533 169	86 390	5 174	4 624 733
Increase on acquisition	778 549	0	0	778 549
Repaid loans	-555 362	-8 710	-370	-564 443
Transfers between stages	-25 589	22 643	2 946	0
As of 30.06.2026	4 730 767	100 323	7 750	4 838 839
Balance sheet allowance (PLN thousand)				
As of 31.12.2025	3 628	1 597	1 287	6 512
Increase on acquisition	664	0	0	664
Repaid loans	-371	-153	-63	-587
Transfers between stages /change in credit risk	-212	392	664	844
As of 30.06.2026	3 709	1 836	1 889	7 433

Sectors of the economy

(PLN thousand) as of 30.06.2026	Financial intermediation	Industry and construction	Wholesale and retail trade	Transport and communication	Public sector	Mortgage loans	Consumer loans*	Other industries	Total
Credits and loans for banks	28 957	0	0	0	0	0	0	0	28 957
Credits and loans to customers (amortized cost)	0	0	0	0	0	4 831 406	0	0	4 831 406
Instruments measured at amortised cost	0	0	0	0	169 911	0	0	0	169 911
Instruments measured at fair value through other comprehensive income	0	0	0	0	289 489	0	0	0	289 489
Total Net Worth	28 957	0	0	0	459 401	4 831 406	0	0	5 319 763

The table above presents the breakdown of the Bank's main categories of credit exposures, broken down into components, by sectors of the economy (categories of clients).

Main parameters of the loan portfolio
As at 30 June 2026, the volume-weighted average maturity of loans in the Bank's portfolio is 19 years and 5 months, while the volume-weighted average value of the current loan-to-collateral (LTV) ratio at market valuation is 39.5%.

The structure of the loan portfolio by LTV as at 30 June 2026 is as follows:

LTV by BHWN	Structure %
up to 50%	32,4%
50%-60%	23,5%
60%-70%	20,9%
70%-80%	13,2%
80%-100%	9,9%
Total	**100,0%**

LTV by market value	Structure %
up to 30%	23,9%
30%-40%	26,7%
40%-50%	27,1%
50%-60%	17,9%
60%-80%	4,4%
Total	**100,0%**

Collateral
The Bank's collateral is used to reduce credit risk and its main role is to minimize the loss in the event of the client's failure to repay the loan transaction in the agreed amount and on time, by providing an alternative source of coverage of due receivables. The collateral accepted is in accordance with the principles of the credit policy. It defines the types, types and legal forms of collateral accepted in the Bank. Residential real estate is accepted as the main collateral in a mortgage bank. The value of mortgage collateral is determined on the basis of the Bank's and Mortgage Value of Real Estate (BHWN) expertise, which is prepared in accordance with the Act on Mortgage Banks and Covered Bonds, Recommendation "F" of the Polish Financial Supervision Authority and the Regulations for determining the BHWN in Millennium Mortgage Bank S.A., approved by the Polish Financial Supervision

Authority. The Bank monitors collateral in terms of their compliance with contractual conditions, including the final establishment of the final collateral for the transaction, as well as the renewal of assigned insurance policies. The value of the collateral is also monitored during the loan transaction.

The value of collateral (according to BHWN) for the Bank's loan portfolio as at 30.06.2026 amounted to PLN 9,452.7 million.

7.4. Market risk and interest rate risk in the Bank Book

Market risk includes the current and potential impact on the financial result or capital of changes in the value of the Bank's portfolio as a result of adverse changes in market parameters (prices).
The market risk management system is reflected in the procedures in force at the Bank. The implemented system of limits to limit market risk is updated at least once a year, taking into account, among m.in, changes in the size of own funds, the current and anticipated balance sheet structure, as well as the market situation. All possible exceedances of internal limits on market risk are reported, documented and ratified at the appropriate level of competence.

In the reporting period, the limits of market risk and IRRBB applicable in the Bank were not exceeded.

Interest rate risk in the Banking Book
Interest rate risk in the Banking Book (IRRBB) is defined as the current or future risk to both the Bank's income and economic value resulting from adverse changes in interest rates. These risks include gap risk, underlying risk, and client option risk.

Fluctuations in market interest rates have an impact on the Bank's net interest income, both in the short and medium term, also affecting its economic value in the long term. The aim of interest rate risk management is to limit potential losses due to changes in market interest rates by selecting the appropriate risk profile, as well as appropriately shaping the structure of on-balance sheet and off-balance sheet items.

Interest rate risk is measured in the Banking Book in particular by monitoring the sensitivity of net interest income (NII) and the economic value of the Bank's capital (EVE). In addition to the NII and EVE measures in measuring interest rate risk, the Bank uses the BPV measure, the interest rate gap and stress tests.

The interest rate gap represents the difference between the values of cash flows resulting from asset positions and liabilities sensitive to interest rate risk, which are subject to revaluation over a given time frame.

Interest rate gap PLN million 30.06.2026	up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	above 3 years	Total
Assets	1 438,6	2 554,9	280,4	176,4	923,4	12,5	5 386,2
Liabilities	-846,2	-3 142,4	-8,7	-17,5	-761,0	-	-4 775,8
Interest rate gap	592,3	-587,5	271,7	159,0	162,5	12,5	610,4

The Bank conducts an analysis of the sensitivity of net interest income and the economic value of the Bank's capital using changes in interest rates determined by supervisory authorities and internally defined.

The sensitivity of NII and EVE in the event of a parallel shift in interest rates by 100 b.p. up and down is presented below.

Change as a result of the change in rates +/- 100 b.p. in PLN thousand (*)	30.06.2026	31.12.2025
Net interest income (NII)	-3 115	-311
Economic value of capital (EVE)	-1 409	-6 343

**The more unfavorable of the above scenarios*

Currency risk

Currency risk, as a component of market risk, has been defined as the risk of loss caused by changes in exchange rates.

Currency risk is measured and assessed by limiting the currency positions held by the Bank. The limits of currency risk have been set in such a way that this risk is of an intangible nature.

The Bank regularly monitors and reports on the level of currency risk measures, the degree of utilization of internal limits, as well as exposure to currency risk in stressed conditions. As at 30 June 2026, the foreign exchange position resulted from a stake held in another entity.

Currency position expressed in PLN thousand	30.06.2026	31.12.2025
EUR	3,2	3,2

An analysis of the sensitivity of a currency position to profit and loss due to arbitrarily adopted changes in the exchange rate is presented below:

Change in the value of a currency position in PLN thousand	30.06.2026
EUR/PLN exchange rate increase by 10%	0,3
EUR/PLN exchange rate down 10%	-0,3

A decrease in the exchange rate causes a change of the same absolute value as the increase in the exchange rate, but with the opposite sign. A negative amount in the table reflects a potential negative impact on the profit and loss account, while a positive amount reflects a potential positive impact.

7.5. Liquidity risk

Financial liquidity in the Bank means the ability to finance the growth of assets and the fulfilment of the Bank's financial obligations within their maturity, as well as to take advantage of business opportunities (financing without incurring unacceptable losses). Liquidity risk has been defined as the threat of loss of ability to effectively regulate both expected and unexpected current and future cash flows, as well as collateral needs without affecting the Bank's day-to-day operations or financial condition.

The Bank's planning and budgeting process includes the preparation of a liquidity plan to ensure that business growth is supported by an appropriate financing structure and that supervisory requirements for quantitative liquidity measures are met.

The Bank regularly measures, monitors and reports liquidity risk using both measures set by supervisory authorities and internal ratios for which limits have been set.
The measurement is complemented by stress tests to assess the liquidity risk profile and ability to meet obligations in the event of stress. Stress tests include sensitivity analysis, reverse tests, and stress scenarios (idiosyncratic, systemic, and a combination of both).

In the reporting period, the limits on liquidity risk in force in the Bank were not exceeded.

The Bank applies a policy of investing excess liquidity mainly in the portfolio of liquid assets, in particular in low-risk Polish securities denominated in PLN (treasury securities, treasury bills, NBP bills and securities guaranteed by the State Treasury or the National Bank of Poland) and deposits in Bank Millennium. The portfolio of liquid assets and funds accumulated in current accounts are treated as a liquidity buffer of the Bank, which will allow it to survive possible crisis situations.
Covered bond issues remain the Bank's main source of financing, and their growing share in the financing structure reflects the implementation of the Bank's long-term strategy. The table below presents the structure of financing.

Source of funding	30.06.2026	31.12.2025
Funds from Bank Millennium	29,6%	35,6%
Covered bond issues	58,4%	53,6%
Equity	11,9%	10,7%
Other	0,1%	0,1%
Total	100%	100%

In accordance with the CRR Regulation, the Bank determines the net outflow coverage ratio (LCR) and the net stable financing ratio (NSFR) on a daily basis. During the reporting period, the indicators were well above the supervisory minimum of 100%.

The values of liquidity ratios as at 30 June 2026 are presented in the table below:

	LCR (%)	NSFR (%)
Indicator level	16 294%	128%
Regulatory limit	100%	100%

In addition, the Bank uses an internal analysis of structural liquidity on the basis of accumulated realistic liquidity gaps (i.e. assuming the probability of cash flow).
The cumulative results of the realised liquidity gap as at 30 June 2026 are presented in the table below:

Realised liquidity gap (PLN million) 30.06.2026	up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years	Above 5 years
Realised on-balance sheet assets	376,7	393,9	278,5	544,3	1032,7	2 636,1	1 314,0
Realistic balance sheet liabilities	6,2	49,0	55,0	409,1	380,8	3 760,7	1 479,7
Total gap	370,4	344,9	223,5	135,2	652,0	-1 124,6	-165,6
Cumulative total gap	370,4	715,3	938,8	1 074,0	1 726,0	601,3	435,7

The Bank also has contingency procedures in place in the event of increased liquidity risk in the form of a Liquidity Contingency Plan, which sets out concepts, priorities, responsibilities and specific measures to be taken in the event of a liquidity crisis. The Liquidity Contingency Plan is reviewed and tested at least annually.

7.6. Operational risk

The main objective of operational risk management is to optimize the Bank's operational efficiency by limiting the level of operating losses and ensuring an adequate and quick response of the Bank to external events.
Operational risk management in the Bank is based on the process structure implemented in the Group, which overlaps with the traditional organizational structure. The operational risk management system uses a process approach to management, which is based on a dynamic process management structure, defined for all the Bank's activities.
The operational risk management system is adapted to the scale and profile of the Bank's operations. It is in line with the operational risk management system adopted at the level of the Bank Millennium Group. As part of the system, the Bank uses in particular the following operational risk management tools: a database of operational events, *Key Risk Indicators*, *Risk Self Assessment* and scenario analysis.
The Bank's operational risk management process includes identification, measurement, mitigation, including control and monitoring, as well as reporting on various types of risks that fall within the scope of operational risk. In the management and control of operational risk, the Bank applies clear principles, practices and control mechanisms that ensure the proper division of functions and determine the limits of tolerance for exposure to this risk.
The Risk Department – the organizational unit responsible for risk management in the Bank – performs the operational risk management function, which supports the Management Board in developing and promoting a sound operational risk culture, as well as is responsible for creating, proposing, enforcing and controlling the implementation of tools and methodologies to ensure a proper assessment of risk exposure. Within this organizational unit, the fraud prevention function is implemented.

7.7. Model risk management

The Bank defines model risk as the risk of incurring a potential loss as a result of decisions made essentially on the basis of data obtained from the use of models, due to errors in the development, implementation or application of such models. The model risk management process at the Bank is consistent with the Bank Millennium Group's solutions, taking into account the scale and profile of the Bank's operations.
The risk level of a given model is determined in the following dimensions:

- inherent risk – assessed on the basis of the key risk factors of the model: complexity, uncertainty and materiality of the model,
- effectiveness of risk mitigation – assessed on the basis of controls, mitigation measures and other risk management measures applied to the model.

Model risk assessment is designed to determine the scale of risks associated with model risk. The assessment is carried out at the level of a single model, as well as in an aggregated perspective at the level of the Bank. The purpose of model risk control is to actively manage and effectively mitigate model risk so that the aggregate risk level of models does not exceed the applicable tolerance level.

7.8. Concentration risk

The Bank defines concentration risk as the risk resulting from excessive concentrations due to exposures to individual clients, groups of related clients, clients operating in the same geographic region, credit risk mitigation techniques and large indirect credit exposures, such as a single security issuer, with the potential to generate losses large enough to jeopardise the financial condition of the Bank, or ability to conduct its core business or lead to a material change in the Bank's risk profile.
The Bank's concentration risk management process is consistent with the requirements of Recommendation C of the Polish Financial Supervision Authority and consistent with the methodology used in the Group. The Bank will endeavour to maintain the highest possible diversification of assets in such a way as to prevent a high level of concentration risk, which may result in a significant reduction in the Bank's own funds or financial result.

The Bank's loan portfolio consists exclusively of retail loans, which allows for its high diversification. As of June 30, 2026, the share of the 20 clients with the highest credit exposure in the entire portfolio was 0.4%. At the same time, the portfolio is well diversified in terms of geography. The share of individual voivodeships, with the separation of the capital city of Warsaw, according to the location of the property collateral for the loan as at 30 June 2026 is presented in the table below:

Location	Share in the loan portfolio (in value)
Pomeranian Voivodeship	15,0%
Masovian Voivodeship	13,3%
Lower Silesian Voivodeship	12,6%
Warsaw	12,1%
Greater Poland Voivodeship	10,9%
Silesian Voivodeship	6,6%
Lesser Poland Voivodeship	6,2%
Kuyavian-Pomeranian Voivodeship	5,2%
Warmian-Masurian Voivodeship	3,6%
West Pomeranian Voivodeship	3,6%
Łódź Voivodeship	3,5%
Lubusz Voivodeship	1,7%
Lublin Voivodeship	1,5%
Podlaskie Voivodeship	1,4%
Opole Voivodeship	1,1%
Świętokrzyskie Voivodeship	0,9%
Subcarpathian Voivodeship	0,8%

8 Notes to the financial statements

The values presented in the notes to the financial statements are expressed in PLN thousand

8.1 Interest income and expenses and income of similar nature

	01.01 - 30.06.2026	01.01 - 30.06.2025
Interest income on Assets measured at fair value through other comprehensive income	**5 831,8**	**4 970,9**
Debt instruments	5 831,8	4 970,9
Interest income on assets measured at amortized cost	**136 679,0**	**119 604,8**
Funds in the Central Bank	0,0	0,0
Loans and borrowings to customers	133 848,0	116 380,9
Debt instruments	2 394,7	2 838,7
Deposits and loans and borrowings to banks and other monetary institutions	436,3	385,2
Total interest income	**142 510,7**	**124 575,6**
Interest expense on financial liabilities measured at amortized cost:	**-106 662,8**	**-93 548,4**
Liabilities to banks and other monetary institutions	-44 060,3	-51 449,4
Lease liabilities	-67,0	-89,0
Debt securities in issue	-62 535,5	-42 010,1
Total interest expenses	**-106 662,8**	**-93 548,4**
Net interest income	**35 848,0**	**31 027,2**

8.2 Fee and commission income and expense

	01.01 - 30.06.2026	01.01 - 30.06.2025
Fee and commission income	279,5	64,8
Mortgage loan commissions	279,5	64,8
Total	279,5	64,8
Fee and commission expense	-130,6	-153,0
Account commissions	-2,0	-2,0
Commissions on loans and borrowings received	-26,2	-20,8
Commissions from brokerage and custody activities	-102,4	-130,2
Total	**-130,6**	**-153,0**
Total income and costs	148,9	-88,3

8.3 Administrative expenses

	01.01 - 30.06.2026	01.01 - 30.06.2025
Employee expenses	-5 773,4	-5 318,2
Employee compensation	-4 585,9	-4 253,2
Obligatory burdens on compensation	-951,9	-862,2
Employee benefits, including	-235,6	-202,7
Provisions for retirement benefits	-51,7	-43,0
Provision for unused holiday leaves	0,0	0,0
Other	-183,8	-159,7
Non-personnel administrative expenses	-6 500,2	-4 398,8
IT and communications costs	-618,1	-616,4
Rental costs	-203,4	-192,1
Building and equipment maintenance costs	-58,5	-63,0
Costs of consulting, auditing and legal services	-402,2	-416,6
Miscellaneous taxes and fees	-344,9	-299,1
ZBP Costs	-47,6	0,0
PFRON costs	-46,6	-41,8
BGF costs	-1 108,2	-23,8
Financial Supervision costs	-195,9	-96,5
Other administrative expenses:	-3 474,8	-2 649,4
Intra-group services	-3 292,7	-2 448,6
Other	-182,0	-200,7
Total	**-12 273,6**	**-9 716,9**

Information on rights of use:

	01.01 - 30.06.2026	01.01 - 30.06.2025
Total cash outflow from leases	-241,1	-286,3
Costs associated with short-term leases	0,0	0,0
Costs associated with low-value asset leases	-34,0	-32,4

The Bank reports the lease of IT equipment (laptops, monitors) from Bank Millennium as low-value asset leases.

8.4 Expenses on account of impairment of financial assets

	01.01 - 30.06.2026	01.01 - 30.06.2025
On account of charges for loans and borrowings to customers	-864,4	-301,4
Recognition of charges for loans and borrowings to customers	-5 173,5	-3 643,6
Reversal of charges for loans and borrowings to customers	4 309,1	3 342,2
Total	**-864,4**	**-301,4**

8.5 Depreciation and amortization

	01.01 - 30.06.2026	01.01 - 30.06.2025
Property, plant and equipment	-148,1	-152,8
Intangible assets	-159,7	-205,9
Total	**-307,8**	**-358,6**

8.6 Income tax

Income tax recognized in the profit and loss statement

	01.01 - 30.06.2026	01.01 - 30.06.2025
Current tax	-7 149,1	-720,3
Current year	-7 149,1	-720,3
Deferred tax:	-8,9	-3 253,5
Non-taxable income	-311,6	-139,3
Interest accrued to be received	426,6	-53,9
Revenues and expenses accounted for at the effective interest rate	-738,2	-85,4
Costs not classified as tax-deductible expenses	-320,4	-3 392,8
Provisions for personnel costs	-46,0	0,5
Provisions for tangible expenses	-264,4	-161,3
Rights of use	-2,1	3,0
Charges for loans to customers	212,0	61,7
Other	148,9	-253,1
Tax loss	-368,8	-3 043,6
Total tax expense in the profit and loss account	**-7 158,0**	**-3 973,9**

Effective tax rate

	01.01 - 30.06.2026	01.01 - 30.06.2025
Gross financial result	21 571,2	20 638,5
Statutory tax rate	30,0%	19,0%
Income tax at the applicable tax rate	-6 471,3	-3 921,3
Impact of permanent differences on tax burden:	**-544,5**	**-52,6**
Tax on civil law transactions	-49,5	-31,3
PFRON contribution	-14,0	-7,9
Bank Guarantee Fund contributions	-332,5	-4,5
Bank levy	-206,6	0,0
Other	58,0	-8,7
Total tax expense in the profit and loss account	**-7 015,8**	**-3 973,9**
Effective tax rate	32,52%	19,25%
Impact of the adjustment related to the change in tax rates	-142,1	0,0
Total tax expense in the profit and loss account	**-7 158,0**	**-3 973,9**
Effective tax rate	33,18%	19,25%

Deferred tax recognized directly in equity

	30.06.2026	31.12.2025
Measurement of securities at fair value through other comprehensive income	772,3	-139,5
Actuarial gains / (losses)	0,0	-113,4
Deferred tax recognized directly in capital - current rate	**-231,7**	**48,1**
Impact of the adjustment related to the change in tax rates	54,4	-17,8
Deferred tax recognized directly in capital	**-177,3**	**30,2**

8.7 Earnings per share

	01.01 - 30.06.2026	01.01 - 30.06.2025
Profit/Loss after tax	14 413,2	16 664,6
Weighted average number of treasury shares during the period	177 403 314,9	143 674 033,1
Earnings per share - basic and diluted (PLN)	0,0812	0,1160

Earnings per share were calculated by dividing net profit/loss for the period by the weighted average number of shares. At the same time, there was no need for a separate calculation of diluted earnings per share (the calculation methodology in the absence of dilutive instruments is analogous to that for earnings per share; consequently, diluted earnings per share are equal to basic earnings per share).

8.8 Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income

	30.06.2026	31.12.2025	30.06.2025
Debt securities			
State Treasury securities	289 489,1	224 706,6	174 880,2
a) bills	0,0	0,0	0,0
b) bonds	289 489,1	224 706,6	174 880,2
Central bank securities	0,0	0,0	0,0
a) bills	0,0	0,0	0,0
b) bonds	0,0	0,0	0,0
Ownership interest and shares in other entities	3,2	3,2	3,2
Other financial instruments			
Total	**289 492,3**	**224 709,7**	**174 883,3**
Including:			
Instruments listed on an active market	289 489,1	224 706,6	174 880,2
Instruments not listed on an active market	3,2	3,2	3,2

The Bank reports its interest in a joint venture - Millennium BCP - Prestação de Serviços, A.C.E. as shares in other entities. This is a venture of Millennium BCP Group entities set up to provide each other with services in the IT area. The Bank intended to maintain this stake as long as membership in the company was justified by business reasons. Due to the fact that the instrument was not held for trading, the Bank made an irreversible choice upon initial recognition to measure it at fair value through other comprehensive income.

Debt securities measured at fair value through other comprehensive income

	30.06.2026	31.12.2025	30.06.2025
with a fixed interest rate	0,0	0,0	0,0
with a variable interest rate	289 489,1	224 706,6	174 880,2
Total	289 489,1	224 706,6	174 880,2

Debt securities measured at fair value through other comprehensive income

	30.06.2026	31.12.2025	30.06.2025
up to 1 month	0,0	5 110,8	0,0
from 1 month to 3 months	0,0	0,0	0,0
from 3 months to 1 year	0,0	0,0	5 149,3
from 1 year to 5 years	148 449,0	118 498,0	78 889,1
over 5 years	141 040,1	101 097,8	90 841,8
Total	289 489,1	224 706,6	174 880,2

Change in debt instruments measured at fair value through other comprehensive income

	01.01 - 30.06.2026	01.01 - 30.06.2025
Opening balance	224 706,6	136 828,5
Increases (purchase and accrual of interest and discount)	69 010,2	43 687,8
Decreases (sales and redemption)	-5 000,0	-5 000,0
Differences from fair value measurement	772,3	-636,1
Impairment charges	0,0	0,0
Closing balance	**289 489,1**	**174 880,2**

8.9 Loans and borrowings to customers

Quality of the portfolio of loans and borrowings to customers

	30.06.2026	31.12.2025	30.06.2025
Loans and borrowings to customers (gross)	4 838 839,1	4 624 732,6	3 412 850,4
- with recognized impairment	7 749,9	5 173,7	5 151,8
- without impairment	4 831 089,2	4 619 558,9	3 407 698,6
Impairment charge	7 433,4	6 511,8	5 297,5
- for exposures with recognized impairment	1 888,6	1 286,9	1 107,2
- for exposures without recognized impairment	5 544,8	5 225,0	4 190,3
Loans and borrowings to customers (net)	**4 831 405,7**	**4 618 220,8**	**3 407 552,9**

Breakdown of the portfolio of loans and borrowings to customers by impairment estimation method

	30.06.2026	31.12.2025	30.06.2025
Loans and borrowings to customers (gross)	4 838 839,1	4 624 732,6	3 412 850,4
- measured individually	0,0	0,0	0,0
- measured on a portfolio basis	4 838 839,1	4 624 732,6	3 412 850,4
Impairment charge	7 433,4	6 511,8	5 297,5
- recognized on the basis of individual analysis	0,0	0,0	0,0
- recognized on the basis of collective analysis	7 433,4	6 511,8	5 297,5
Loans and borrowings to customers (net)	**4 831 405,7**	**4 618 220,8**	**3 407 552,9**

Portfolio of loans and borrowings to customers by type of customer

	30.06.2026	31.12.2025	30.06.2025
Loans and borrowings to customers (gross)	4 838 839,1	4 624 732,6	3 412 850,4
- corporate customers	0,0	0,0	0,0
- individual customers	4 838 839,1	4 624 732,6	3 412 850,4
Impairment charge	7 433,4	6 511,8	5 297,5
- recognized for receivables from corporate customers	0,0	0,0	0,0
- recognized for receivables from individual customers	7 433,4	6 511,8	5 297,5
Loans and borrowings to customers (net)	**4 831 405,7**	**4 618 220,8**	**3 407 552,9**

8.10 ASSETS MEASURED AT AMORTIZED COST, OTHER THAN LOANS AND BORROWINGS TO CUSTOMERS

Deposits and loans and borrowings to banks and other monetary institutions

	30.06.2026	31.12.2025	30.06.2025
Current accounts	7 404,5	2 878,4	4 563,2
Deposits	21 550,0	39,6	38,8
Interest	2,5	0,0	0,0
Total gross receivables	28 956,9	2 918,0	4 602,0
Impairment charge	0,0	0,0	0,0
Total net receivables	**28 956,9**	**2 918,0**	**4 602,0**

Receivables from banks include only funds in Bank Millennium.

Given, in the case of current accounts, the short-term nature and possibility of daily management, and, in the case of term deposits, the small amount, the calculated value of potential charges on these items was immaterial. Therefore, based on the criterion of materiality of information in the financial statements indicated in IAS1, the Bank did not recognize impairment losses on these assets.

Debt instruments

	30.06.2026	31.12.2025	30.06.2025
Central bank securities - bills *	169 911,5	19 991,1	137 879,3
Total	169 911,5	19 991,1	137 879,3

** 7-day NBP money bills*

Change in debt instruments measured at amortized cost

	01.01 - 30.06.2026
Opening balance	19 991,1
Increases (purchase and accrual of interest and discount)	3 361 480,4
Decreases (sales and redemption)	-3 211 560,0
Differences from fair value measurement	0,0
Impairment charges	0,0
Closing balance	169 911,5

8.11 PROPERTY, PLANT AND EQUIPMENT

	30.06.2026	31.12.2025	30.06.2025
Right of use - means of transport	52,6	79,6	121,9
Right of use - office space	822,7	930,0	1 037,3
Total	**875,3**	**1 009,6**	**1 159,2**

Change in property, plant and equipment (by type groups)

for the period 01.01 - 30.06.2026	means of transport	right of use - office space	TOTAL
a) gross value of property, plant and equipment at the beginning of the period	**369,0**	**1 573,9**	**1 942,9**
b) increases (by virtue of)	13,7	0,0	13,7
lease acceptance	13,7	0,0	13,7
c) decreases (by virtue of)	0,0	0,0	0,0
d) gross value of property, plant and equipment at the end of the period	**382,7**	**1 573,9**	**1 956,6**
e) accumulated depreciation at the beginning of the period	**289,4**	**643,9**	**933,2**
f) depreciation for the period (by virtue of)	40,8	107,3	148,1
current impairment charge (P&L account)	40,8	107,3	148,1
g) accumulated depreciation at the end of the period	**330,2**	**751,2**	**1 081,3**
h) impairment charges at the beginning of the period	**0,0**	**0,0**	**0,0**
i) impairment charges at the end of the period	**0,0**	**0,0**	**0,0**
j) net value of property, plant and equipment at the end of the period	**52,6**	**822,7**	**875,3**
including: property, plant and equipment used under lease agreements	52,6	822,7	875,3

8.12 Intangible assets

	30.06.2026	31.12.2025	30.06.2025
Goodwill	0,0	0,0	0,0
Other intangible assets:	174,5	334,2	536,8
Copyrights, patents and similar values	0,0	0,0	0,0
Computer software	174,5	325,6	476,6
Computer software - right of use	0,0	8,6	60,2
Advances for intangible assets	0,0	0,0	0,0
Total	**174,5**	**334,2**	**536,8**

Change in intangible assets (by type group)

for the period 01.01 - 30.06.2026	computer software (licenses)	right of use - computer software	TOTAL
a) gross value of intangible assets at the beginning of the period	**1 483,4**	**511,7**	**1 995,1**
b) increases (by virtue of)	0,0	0,0	0,0
c) decreases (by virtue of)	0,0	511,7	511,7
liquidation	0,0	511,7	511,7
d) gross value of intangible assets at the end of the period	**1 483,4**	**0,0**	**1 483,4**
e) accumulated depreciation at the beginning of the period	**1 157,9**	**503,1**	**1 661,0**
f) depreciation for the period (by virtue of)	151,1	-503,1	-352,0
current impairment charge (P&L account)	151,1	8,6	159,7
decreases due to liquidation	0,0	-511,7	-511,7
g) accumulated depreciation at the end of the period	**1 308,9**	**0,0**	**1 308,9**
h) impairment charges at the beginning of the period	**0,0**	**0,0**	**0,0**
i) impairment charges at the end of the period	**0,0**	**0,0**	**0,0**
j) net value of intangible assets at the end of the period	**174,5**	**0,0**	**174,5**
including: intangible assets used under lease agreements		0,0	0,0

8.13 Deferred tax assets

Deferred tax assets and liabilities have been offset in accordance with IAS 12 and a detailed summary is provided in note 8.18.

8.14 OTHER ASSETS

	30.06.2026	31.12.2025	30.06.2025
Costs to be settled over time	1 551,3	810,0	1 352,0
Receivables from sundry debtors	8,0	8,0	8,0
Prepayments	0,0	0,0	0,0
Total other assets, gross	1 559,3	818,0	1 360,0
Impairment charges	0,0	0,0	0,0
Total other assets, net	**1 559,3**	**818,0**	**1 360,0**

8.15 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST

Liabilities to banks and other monetary institutions

	30.06.2026	31.12.2025	30.06.2025
Loans and borrowings received - fixed interest rate *	730 000,0	650 000,0	0,0
Loans and borrowings received - variable interest rate *	840 000,1	1 079 000,0	1 620 000,0
Other financial liabilities **	0,0	0,0	0,0
Interest	1 489,4	1 288,0	265,9
Total	1 571 489,5	1 730 288,0	1 620 265,9

** The loans received are exclusively from Bank Millennium and were taken on market terms based on the WIBOR rate plus a margin (variable-rate loans) or the appropriate PLN IRS rate plus a margin (fixed-rate loans).*
*** Deferred payment on payments for the mortgage package from Bank Millennium.*

Liabilities to banks and other monetary institutions by maturity date

	30.06.2026	31.12.2025	30.06.2025
Current accounts	0,0	0,0	0,0
up to 1 month	0,1	0,0	0,0
from 1 month to 3 months	0,0	0,0	0,0
from 3 months to 1 year	0,0	0,0	0,0
from 1 year to 5 years	1 570 000,0	1 729 000,0	1 620 000,0
over 5 years	0,0	0,0	0,0
Interest	1 489,4	1 288,0	265,9
Total	1 571 489,5	1 730 288,0	1 620 265,9

8.16 ISSUED COVERED BONDS

In the first half of 2026 the Bank carried out one issue of mortgage covered bonds, on 30 June 2026. This was the second issue carried out under the international EMTN programme. The nominal value of this 5-year issue is PLN 500 million, and the interest rate is based on the WIBOR 3M rate plus a margin of 0.78%. In accordance with the final terms of issue, the first payment of interest on issued series 2 covered bonds of the EMTN will be on 30 September 2026.

As at 30 June 2026, the Bank's total debt under covered bonds issued amounted to PLN 3.1 billion.

The table below presents the parameters of all active issues of the Bank:

Series	ISIN Code	Issue date	Maturity date	Face value	Currency	Base rate	Margin	Coupon payments
1	PLMLNBH00014	2024-06-12	2027-06-11	300 000 000,00	PLN	WIBOR 3M	0,57%	quarterly
2	PLMLNBH00022	2024-11-05	2029-11-05	500 000 000,00	PLN	WIBOR 3M	0,80%	quarterly
3	PLMLNBH00030	2025-03-12	2030-03-12	800 000 000,00	PLN	WIBOR 3M	0,89%	quarterly
EMTN 1	PLL381300010	2025-11-04	2030-11-04	1 000 000 000,00	PLN	WIBOR 3M	0,93%	quarterly
EMTN 2	PLL381300028	2026-06-30	2031-06-30	500 000 000,00	PLN	WIBOR 3M	0,78%	quarterly

All issues are AAA rated with a negative outlook (Fitch Ratings).

In the first half of 2026, a total of PLN 63 711 420 in interest was paid on liabilities from issued covered bonds:

Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
0	-20 266 160	-13 216 000	-11 777 260	-5 730 000	-12 722 000

Liabilities from the issue of covered bonds with maturities on:

	30.06.2026	31.12.2025	30.06.2025
less than 1 year	299 772,7	0,0	0,0
from 1 year to 2 years	0,0	299 657,3	0,0
from 2 year to 3 years	0,0	0,0	299 542,5
from 3 year to 5 years	2 795 826,7	2 296 290,2	1 297 587,8
Interest	14 008,0	15 682,0	8 315,0
Total	3 109 607,4	2 611 629,5	1 605 445,3

Covered bond security register

Covered bonds are secured by the Bank's mortgage receivables secured by a first priority mortgage established in favour of the Bank. The basis for the issue of covered bonds is also part of the Bank's funds invested in government bonds.

The value of unmatured principal of mortgage loans registered in the covered bond security register and securing the issue of mortgage bonds as at 30 June 2026:

Type of asset	Portfolio	Quantity	Nominal value	Carrying value of net assets
Mortgage loans	held to maturity	17 251	4 249 504,8	4 331 347,4
Treasury bonds	held and sold	210 000	210 000,0	205 871,8
		TOTAL	**4 459 504,81**	**4 537 219,16**

The value of unmatured principal of mortgage loans registered in the covered bond security register and securing the issue of mortgage bonds as at 31 December 2025:

Type of asset	Portfolio	Quantity	Nominal value	Carrying value of net assets
Mortgage loans	held to maturity	15 755	3 803 462,6	3 879 439,1
Treasury bonds	held and sold	180 000	180 000,0	175 831,1
		TOTAL	**3 983 462,56**	**4 055 270,15**

8.17 PROVISIONS

	30.06.2026	31.12.2025	30.06.2025
Short-term	79,0	124,9	106,9
Provisions for retirement benefits	79,0	124,9	106,9
Long-term	926,9	875,2	729,1
Provisions for retirement benefits	926,9	875,2	729,1
Total	**1 006,0**	**1 000,1**	**836,0**

Change in provisions for retirement benefits

	01.01 - 30.06.2026	01.01 - 30.06.2025
Opening balance	1 000,1	793,0
Recognition/Reversal of provisions	51,7	43,0
Provisions used	-45,8	0,0
Actuarial (gains) / losses	0,0	0,0
Closing balance	1 006,0	836,0

8.18 DEFERRED TAX LIABILITY

Deferred tax liability net:

	30.06.2026		
	Deferred tax asset	Deferred tax liability	Deferred tax liability, net
Tax loss	0,0		0,0
Interest to be received/paid	5 160,7	-4 869,9	290,8
Revenues and expenses accounted for at the effective interest rate		-1 993,6	-1 993,6
Provisions for loans representing temporary differences	1 709,7		1 709,7
Employee benefits	196,2		196,2

Retirement benefits	196,4		196,4
Expense reserve	671,1		671,1
Rights of use	43,8		43,8
Measurement of investment assets and actuarial gains/losses recognized in other comprehensive income	43,2	-277,8	-234,6
Prepaid costs		-1 099,2	-1 099,2
Deferred tax liability, net	8 021,1	-8 240,6	-219,5
of which non-current deferred tax liability, net			-48,4

Changes due to temporary differences

Changes charged to profit or loss	31.12.2025	Calculated at the rate applicable in the year of settlement	30.06.2026
Tax loss	368,8	-368,8	0,0
Interest to be paid/received	717,5	-426,6	290,8
Revenues and expenses accounted for at the effective interest rate	-2 731,8	738,2	-1 993,6
Provisions for loans representing temporary differences	1 497,7	212,0	1 709,7
Employee benefits	438,5	-46,0	392,5
Rights of use	45,9	-2,1	43,8
Allowance for future expenses	935,5	-264,4	671,1
Prepaid costs	-1 248,1	148,9	-1 099,2
Total	24,0	-8,9	15,1

Changes charged to capital	31.12.2025	Calculated at the rate applicable in the year of settlement	30.06.2026
Measurement of investment assets and actuarial gains/losses recognized in other comprehensive income	-57,3	-177,3	-234,6
Total	-57,3	-177,3	-234,6
Total	**-33,4**	**-186,2**	**-219,5**

In its balance sheet prepared at the end of 2025, the Bank recognized a deferred tax asset resulting from the accumulated tax loss. This loss was fully settled in January 2026. Consequently, as of the end of the reporting period, i.e., 30 June 2026, the Bank does not have any unused tax losses carried forward.

Based on the provisions of IAS 12, the Bank offset deferred tax assets against deferred tax liabilities.

8.19 OTHER LIABILITIES

Other liabilities

	30.06.2026	31.12.2025	30.06.2025
Short-term	6 116,5	4 931,3	3 199,4
Costs to be paid - bonuses, salaries	653,9	801,1	465,4
Costs to be paid for the issuance of covered bonds	846,2	38,9	0,0
Costs to be paid - other, including:	3 819,1	3 295,1	2 088,6
Provision for support services	1 661,2	2 615,5	1 373,2
Balance sheet audit reserve	144,8	248,8	184,5
Reserve investment outlays	0,0	0,0	0,0
Lease liabilities	266,7	280,3	299,0
Liabilities to the state budget	530,6	515,9	346,5
Long-term	782,7	910,6	1 035,7
Lease liabilities	782,7	910,6	1 035,7
Total	**6 899,3**	**5 841,8**	**4 235,1**

Lease liabilities

	30.06.2026	31.12.2025	30.06.2025
Lease liabilities (gross)	1 270,6	1 477,7	1 701,4
Unrealized financial costs	-221,2	-286,9	-366,7
Present value of minimum lease payments	1 049,4	1 190,8	1 334,7
Lease liabilities (gross) by maturity			
less than 1 year	367,9	401,4	445,2
from 1 year to 5 years	902,7	1 076,3	1 256,2
over 5 years	0,0	0,0	0,0
Total	1 270,6	1 477,7	1 701,4
Lease liabilities (net) by maturity			
less than 1 year	266,7	280,3	299,0
from 1 year to 5 years	782,7	910,6	1 035,7
over 5 years	0,0	0,0	0,0
Total	1 049,4	1 190,8	1 334,7

Change in provisions for unused holiday leaves

	01.01 - 30.06.2026	01.01 - 30.06.2025
Opening balance	157,5	60,3
Recognition/Reversal of provisions	0,0	0,0
Benefits paid	0,0	0,0
Closing balance	157,5	60,3

8.20 EQUITY

The Bank's share capital – as at 30 June 2026:
After the latest increase in the Bank's share capital, made pursuant to and in execution of Resolution No. 15 of the Bank's Ordinary Shareholder Meeting of 31 March 2026, which was registered in the Register of Commercial Undertakings of the National Court Register, the Bank's share capital is PLN 196,000,000.
The share capital was fully covered by Bank Millennium S.A. with a cash contribution. 196,000,000 ordinary registered shares with a nominal value of PLN 1 per share were taken up by Bank Millennium at an issue price of PLN 3 per share.
In accordance with Resolution No. 4 of the Ordinary Shareholder Meeting of 31 March 2026, the entire net profit of the Bank for the 12-month period ended 31 December 2025 in the amount of PLN 38,294.7 thousand was allocated to the Bank's reserve capital.

	30.06.2026	31.12.2025	30.06.2025
Share capital	196 000,0	163 000,0	163 000,0
Supplementary capital	356 722,4	290 722,4	290 722,4
Accumulated other comprehensive income	745,7	150,6	-141,9
Retained earnings	79 300,8	64 887,6	43 257,5
Reserve capital	64 887,6	26 592,9	26 592,9
Net result of the current period	14 413,2	38 294,7	16 664,6
Total equity	**632 768,8**	**518 760,6**	**496 838,0**

Share capital

Series / issue	Type of shares	Number of shares	Value of the series / issue	Capital coverage method	Date of issue
A	registered, common	40 000 000	40 000 000,0	cash contribution	2020-08-18
B	registered, common	17 000 000	17 000 000,0	cash contribution	2022-06-02
C	registered, common	33 000 000	33 000 000,0	cash contribution	2023-05-26
D	registered, common	40 000 000	40 000 000,0	cash contribution	2024-03-20
E	registered, common	33 000 000	33 000 000,0	cash contribution	2025-04-11
F	registered, common	33 000 000	33 000 000,0	cash contribution	2026-03-31

Accumulated other comprehensive income

	30.06.2026	31.12.2025	30.06.2025
(Gross) valuation effect	980,3	208,0	-175,2
Deferred tax	-234,6	-57,3	33,3
Net valuation effect	745,7	150,6	-141,9

Revaluation reserve for financial assets measured at fair value through other comprehensive income

01.01 - 30.06.2026	Gross value	Deferred tax	Total
Revaluation reserve at the beginning of the period	208,0	-57,3	150,6
Gains/losses on revaluation of debt securities at fair value through other comprehensive income recognized in equity	772,3	-177,3	595,0
Actuarial gains or (-) losses on provision for retirement benefits	0,0	0,0	0,0
Revaluation reserve at the end of the period	980,3	-234,6	745,7

9 Additional information

9.1 Additional notes to the cash flow statement

For the purposes of the cash flow statement, the Bank classified the following financial assets as cash and cash equivalents:

PLN thousand	30.06.2026	31.12.2025	30.06.2025
Cash in accounts at Bank Millennium	7 404,5	2 878,4	4 563,2
Receivables from interbank deposits*	21 500,0	0,0	38,8
NBP money bills**	169 876,1	19 984,5	137 859,2
Total	**198 780,5**	**22 862,8**	**142 461,2**

**) financial assets with a maturity of less than 3 months*
***) 7-day NBP money bills*

For the purposes of the cash flow statement, the following classification of activities was adopted:

- operating activities include the core business related to the provision of services by the Bank, which includes profit-making activities that are not investment or financing activities,
- investing activities include activities related to the acquisition and disposal of non-current assets, in particular property, plant and equipment and intangible assets, as well as investments in debt and equity instruments not classified as cash equivalents.
- financing activities include activities related to raising funds in the form of capital or liabilities, as well as handling sources of financing.

9.2 Fair value

The best reflection of the fair value of financial instruments is the price that is obtainable when an asset is sold or payable when a liability is transferred in an arm's length transaction (exit price). For many products and transactions for which a market value taken directly from active market quotes (marking-to-market) is not available, fair value must be estimated using internal models based on discounting financial flows (marking-to-model). Financial flows for various instruments are determined according to their individual characteristics, and the discount factors take into account changes over time in both market interest rates and margins.

In accordance with IFRS 13, "Fair Value Measurement," the Bank uses measurement techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, making maximum use of relevant observable inputs and minimum use of unobservable inputs, namely:

- Level 1 - measurement based on fully observable data (active market quotes);
- Level 2 - measurement models using information that does not constitute Level 1 data, but is directly or indirectly observable;
- Level 3 - measurement models using unobservable data (not derived from the active market).

The measurement techniques adopted to determine fair value are applied on a continuous basis. A change in measurement technique resulting in a transfer between the above methods occurs when:

- a transfer from Level 1 to Level 2 occurs when active market quotes are not available (and previously were) for financial instruments measured at Level 1 as of a given balance sheet date;
- a transfer from level 2 to level 3 takes place when, for financial instruments measured at level 2 as of a given balance sheet date, the share of non-market parameters taken into account in the measurement has become significant (and was previously insignificant).

Financial instruments not recognized at fair value in the balance sheet

All model estimates contain a certain amount of arbitrariness and therefore reflect only the value of the instruments for which they were created. Under these conditions, the presented values of differences between fair values and balance sheet values cannot be understood as adjustments to the Bank's economic value. The fair value of these instruments is determined solely to meet the presentation requirements of IFRS 13 and IFRS 7.

The main assumptions and methods used to estimate the fair value of the Bank's assets and liabilities are as follows:

Loans and borrowings to customers
To estimate the value of loans to customers, the Bank uses an identical approach to the measurement of the portfolio of transferred loans. In accordance with the Bank's "Methodology of fair value measurement of the portfolio of purchased mortgage loans", the Bank has adopted the Entry approach to be used to estimate the fair value of the performing credit portfolio, i.e. nominal schedule cash flows would be calculated as part of the measurement, discounted at an appropriate discount rate. The main component of the discount rate is the WIBOR 3m reference rate as of the last working day of the half-year, plus the average market margin. The margin is estimated by the Customer Service Department based on market data from mortgage lending banks in Poland. In determining the margin, current rates used in the market are analysed, as well as trends related to interest rates on loans, especially mortgages. In addition, the discount rate includes adjustments for credit risk, changes in WIBOR, early loan repayments and borrowing costs.

Debt instruments
The fair value of these financial instruments was determined by discounting future principal and interest flows at current rates, assuming their occurrence at contractual dates. When the financial instrument is a receivable from the Central Bank due to its short maturity, the estimated fair value is assumed to be consistent with the carrying value

Receivables from banks
Due to the short maturity of receivables from banks, the estimated fair value is assumed to be consistent with the carrying value.

Liabilities to banks
Fair value was determined as the amount to be paid. In the case of liabilities for which market conditions do not differ materially from the contractual terms, the fair value does not differ materially from the nominal value and, therefore, the value corresponding to the required amount of payment was disclosed as fair value.

The following table shows a comparison of carrying value with fair value for other instruments not carried at fair value in the balance sheet.

30.06.2026	Carrying value	measurement method	Fair value			Total
			Level 1	Level 2	Level 3	
ASSETS						
Receivables from banks	28 956,9	value of required payment		28 956,9		28 956,9
Receivables from customers	4 831 405,7	discounted cash flows			4 826 886,3	4 826 886,3
Debt instruments (from the Central Bank only)	169 911,5	value of required payment		169 911,5		169 911,5
30.06.2026	**Carrying value**	**measurement method**	**Fair value**			**Total**
			Level 1	**Level 2**	**Level 3**	
LIABILITIES						
Liabilities to banks and other monetary institutions	1 571 489,5	value of required payment		1 571 489,5		1 571 489,5
Issued covered bonds	3 109 607,4	discounted cash flows		3 121 478,6		3 121 478,6

Financial instruments recognized at fair value in the balance sheet

The following table shows the carrying values of instruments measured at fair value, structured according to the fair value determination technique used:

30.06.2026	Quotations in the active market	Measurement techniques based on market-derived parameters	Measurement techniques using relevant parameters not derived from the market
	Level 1	Level 2	Level 3
ASSETS	289 489,1	0,0	3,2
Financial assets measured at fair value through other comprehensive income	289 489,1	0,0	3,2
Equity instruments	0,0	0,0	3,2
Debt instruments	289 489,1	0,0	0,0

Applying the criterion of valuation technique, as at 30.06.2026, the Bank has classified its shareholding in a joint venture company - Millennium bcp - Prestação de Serviços, A.C.E. in category 3. It is an unlisted equity instrument with a very low purchase price. IFRS9 allows, in strictly defined circumstances, historical cost as an appropriate estimate of fair value. The Bank concluded that for this shareholding, the conditions of IFRS9 were met and adopted historical cost as the best representation of fair value.

During the reporting period, the Bank did not transfer financial instruments between fair value measurement techniques.

Changes in the fair values of instruments measured based on valuation techniques using material non-market parameters are shown in the table below:

	Shares and ownership interests	Debt instruments	Loans and borrowings
Opening balance	3,2	0,0	0,0
Foreign exchange result	0,0	0,0	0,0
Closing balance	**3,2**	**0,0**	**0,0**

9.3 Off-balance sheet items

	30.06.2026	31.12.2025	30.06.2025
Off-balance sheet contingent liabilities granted and received	**2 480 014,9**	**2 321 015,0**	**2 430 015,0**
Liabilities, granted:	0,0	0,0	0,0
Liabilities, received:	2 480 014,9	2 321 015,0	2 430 015,0
financial	2 480 014,9	2 321 015,0	2 430 015,0

Off-balance sheet liabilities received included, as at 30.06.2026 r.

- unused revolving credit facility of PLN 2 430 000 thousand
- unused overdraft facility of PLN 50,000 thousand
- unused credit card facility linked to the Bank's current accounts of PLN 15 thousand

The Bank received the listed financing exclusively from Bank Millennium S.A.

9.4 Litigation

As of 30 June 2026, the Bank did not have any material litigations, including legal proceedings, whose value would account for at least 10% of the Bank's equity, with the total number of legal proceedings attempting to challenge the correctness of the WIBOR benchmark index amounting to 6.

Also, in the reporting period presented, the Bank did not establish any provisions for risks related to litigation due to the estimated – in cooperation with the Bank's litigation attorney – level of risk related to the potential acceptance of lawsuits brought against the Bank (probability of acceptance of lawsuits at below 50%).

9.5 Reform of the WIBOR Benchmark

In May 2022, the Polish government announced a reform of reference rates in Poland, including the replacement of WIBOR with another rate. For this purpose, in July 2022, the National Working Group for reference rate reform (NWG) was established. The objective of the NWG’s work includes introducing a new interest rate benchmark and replacing the currently used WIBOR benchmark in a safe manner compliant with the BMR Regulation, in particular by ensuring the credibility, transparency and reliability of the development and use of the new benchmark.

The National Working Group comprises representatives of the Ministry of Finance, the National Bank of Poland, the Polish Financial Supervision Authority, the Bank Guarantee Fund, the Polish Development Fund, the Warsaw Stock Exchange, the National Depository for Securities, Bank Gospodarstwa Krajowego, GPW Benchmark, as well as representatives of banks, investment fund companies, insurance companies, factoring and leasing companies, entities issuing bonds, including corporate and municipal bonds, and clearing houses. The work of the National Working Group is coordinated and supervised by the Steering Committee, composed of representatives of key institutions: the Polish Financial Supervision Authority, the National Bank of Poland, the Ministry of Finance, the Bank Guarantee Fund, GPW Benchmark – the administrator of reference rates, BondSpot S.A. – and the Polish Bank Association.

The NWG activities are conducted in a project-based formula, with dedicated project streams established, in which representatives of Bank Millennium and the subsidiaries of the Bank Millennium Group, including Millennium Bank Hipoteczny, actively participate.

On 28 March 2025, the Steering Committee of the National Working Group approved the updated Roadmap for the replacement of WIBOR and WIBID reference rates and set the conversion date for the end of 2027. On 2 June 2025, the official determination of the new POLSTR Interest Rate Index (Polish Short Term Rate) and the indices from the POLSTR Compounded Indices Family commenced. GPW Benchmark S.A. is the administrator of POLSTR.

On 1 September 2025, the POLSTR interest rate index was used for the first time on the domestic financial market, thereby gaining the status of a benchmark within the meaning of the BMR Regulation.

GPW Benchmark S.A., the administrator of interest rate benchmarks, announced on 30 September 2025 its decision to cease the development of WIBID and WIBOR Reference Rates for the following Fixing Tenors on the dates indicated below:

- Overnight (O/N) – from 1 October 2026,
- Tomorrow/Next (T/N) – from 22 December 2025,
- 2 weeks (2W) – from 22 December 2025,
- 1 year (1Y):
- from 22 December 2025 based on the existing methodology,
- from 22 December 2026 in connection with the obligation imposed on the administrator by the supervisory authority to continue publishing the benchmark pursuant to Article 21 of the BMR Regulation, following a change in the methodology for developing the WIBOR benchmark for the 1Y Fixing Tenor.

The decision to cease the development of certain Fixing Tenors forms part of the measures set out in the Roadmap of the National Working Group for reference rate reform adopted by its Steering Committee and, at the same time, aligns the shape of the money market curve in Poland with the structure of certain foreign, current and historical money market curves. The decision therefore supports the implementation of the Roadmap for the replacement of WIBOR® and WIBID® reference rates with respect to those Fixing Tenors whose Transactionality Levels are relatively the lowest, such as T/N and 1Y, and whose scope of application is limited, while their discontinuation supports the process of introducing the new interest rate benchmark.

In September 2025, the NWG Steering Committee published updated NWG recommendations regarding standards for the use of the new target RFR (risk-free rate) benchmark in new banking, leasing and factoring products as well as financial instruments.

On 22 December 2025, Bloomberg determined and published the official adjustment spread values to be used in ISDA contracts in the case of a transition from WIBOR to POLSTR for the O/N, T/N and 1Y tenors.

In subsequent stages of the reform, the National Working Group published recommendations on the use of POLSTR in individual market segments, including legacy portfolios of banking products for business clients (December 2025), legacy portfolios comprising debt securities (April 2026), and discount products, both in relation to new agreements and existing portfolios (May 2026).

To date, the Ministry of Finance has conducted issuances of three series of Treasury bonds based on POLSTR, maturing in 2028, 2031 and 2036. The total amount of bonds issued and purchased by banks and other financial institutions exceeded PLN 44.1 billion. Since 26 November 2025, the bonds have been listed on the Treasury BondSpot Poland (TBSP) market and on the regulated markets of BondSpot and the Warsaw Stock Exchange. The interest rate on the bonds is based on a compounded rate, calculated separately for each business day of the six-month interest period, in accordance with the recommendation on standards for the use of the benchmark.

On 18 May 2026, the benchmark administrator announced a regulatory event and, consequently, the original model of a one-off benchmark conversion was replaced by a scenario assuming approximately ten years of coexistence of WIBOR and POLSTR. As a next step, the Bank secured the possibility of continuing to use WIBOR in 2026 by signing the required annexes with GPW Benchmark. The changes in the shape of the Reform were reflected in another update of the reform Roadmap published by the NWG on 30 June 2026.

For financial institutions, the key activities will include adapting IT systems, operational procedures and legal solutions related to the application of the target POLSTR benchmark and the ten-year period of simultaneous functioning of WIBOR.

Bank Millennium S.A. has an internal project in place, subordinate to the Management Board and established by resolution of the Bank's Management Board dated 24 August 2022, to properly manage the transition process from WIBOR to the new index and to carry out the work in accordance with the Roadmap. Representatives of many organisational units of the Bank Millennium participate in this work, in particular those responsible for product areas and issues related to risk management, including interest rate risk and operational risk. The project structure reflects a division into streams covering products and processes in which the WIBOR benchmark is used, project management by a dedicated project manager, and periodic status reporting for individual streams. Representatives of the subsidiaries of the Bank Millennium Group, including Millennium Bank Hipoteczny, also participate in the project work.

At the current stage of the project, the Bank, in cooperation with Bank Millennium, monitors the work of the National Working Group on an ongoing basis and actively participates in the activities of the individual working streams. At the same time, appropriate project decisions are being made, and all recommendations developed are systematically reflected in the initiatives implemented by the Bank.

Due to the ongoing legislative work concerning the use of benchmark rates, it is not possible, as of the date of publication of this report, to reliably estimate the financial impact of the WIBOR reform.

As at the balance sheet date, the interest rates applicable to the majority of the Bank's assets and liabilities are based on the WIBOR benchmark rate.

9.6 Transactions with affiliates

The Bank's parent company is Bank Millennium S.A., headquartered in Warsaw, at 2A Stanisława Żaryna Street. The ultimate parent company is Banco Comercial Portugues S.A., headquartered in Porto, Portugal.
The Bank's operating model assumes strategic cooperation with Bank Millennium and is largely based on the acquisition of services provided by Bank Millennium. Due to the specific nature of the Bank's business model, the goal of adopting this solution is to ensure continuity of service for borrowers whose receivables are transferred to Bank Hipoteczny. This strategic cooperation with Bank Millennium aims to limit the impact of the portfolio transfer process on borrowers by maintaining, to the greatest extent possible, the standard of service to which they are accustomed and enabling them to use all previously available communication channels. A key goal of the strategic cooperation with Bank Millennium is also to achieve business synergies within the Bank Millennium Group, which translate not only into the operational efficiency of the Mortgage Bank, but also into the security of the processes handled and compliance with the Group's standards.
The services purchased by the Bank from Bank Millennium primarily concern operational customer service, IT services, and other selected support services in specific areas of the Bank's operations, which are already in place at Bank Millennium.
The principles of cooperation between the two banks are governed by an outsourcing agreement, under which the Bank entrusted Bank Millennium with, in particular, the performance – on behalf of and for the benefit of the Bank – of factual and legal activities related to the Bank's banking activities, provided in accordance with the provisions of Articles 6a-6d of the Banking Law (bank outsourcing).

This agreement, as well as other agreements entrusting Bank Millennium with the provision of services, cover, in particular, the following types of activities:

- mortgage loan portfolio management and other factual activities related to the Bank's operations,
- human resources management activities, which include HR administration, recruitment, training and development, and employee settlements and benefits,
- activities within the purchasing process and the selection of other service providers,
- activities within IT-related processes, including the provision and management of ICT infrastructure, telecommunications services, and the provision of supporting applications,
- activities related to ensuring the Bank's physical security,
- activities related to the administration of the Bank's website.

Financing of the purchase of mortgage receivables by the Bank is based on lending in Bank Millennium and the issuance of mortgage covered bonds.

On 06.08.2021, the Bank signed Financing Agreement with Bank Millennium S.A., which included:

- financing in the form of a revolving loan, based on the WIBOR 3M variable rate + margin,
- overdraft, based on the WIBOR 3M variable rate + margin.

In accordance with the Annex to the Agreement, signed on 17 April 2026, the credit line in Bank Millennium has been extended until 30 June 2028. The annex confirmed the possibility of financing the Bank in the form of a revolving facility up to a maximum of PLN 4.0 billion, and in the form of working capital loans based on a fixed interest rate up to a maximum of PLN 2.5 billion. The total debt limit was maintained at PLN 4.0 billion. The launch of financing in the form of a working capital loan with a fixed interest rate was completed on 09.04.2026 in the amount of PLN 80 million (the 11th transfer of receivables from Bank Millennium).

As at 30 June 2026, the utilization of the total debt limit amounted to PLN 1.57 billion.

In addition, the Bank partially finances the purchase of mortgage loan portfolios from Bank Millennium in the form of deferred payment. In the first half of 2026. the Bank used this form of financing during the execution of the 11th transfer of receivables on 9 April. The deferred payment in the amount of 100 748 thousand PLN was repaid on 22 May this year.

In the first half of 2026, the Bank carried out one transfer of loans from Bank Millennium, financed both through a revolving facility and a working capital loan:

Quarter	Transfer date	Purchase price	Revolving credit	Working capital loan	Deferred payment
Q2	2026-04-09	790 748,15	610 000,00	80 000,00	100 748,15

With regard to treasury transactions concluded by the Bank with Bank Millennium, there are two agreements:

1. Framework Agreement on Accounts and Banking Services for Corporate Banking Clients dated 10.07.2020.
   Part of the Agreement is an application for the possibility of negotiating individual exchange rates for spot foreign exchange transactions directly with the Treasury Department of BM S.A. The agreement applies to transactions the settlement date of which falls on a maximum of two business days from the date of conclusion of the transaction. Such transactions do not require a treasury limit and are settled directly from the funds deposited into the current account of MBH S.A. The Bank usually purchases currency for PLN in order to pay invoices issued in foreign currencies (EUR, USD).
   In the first half of 2026 the Bank concluded two transactions to purchase USD for PLN, for a total amount of USD 12,149.85, and one transaction to purchase EUR for PLN, for the amount of EUR 26,050.25.

2. Agreement on deposits and transactions concerning securities dated 12.05.2021

The Agreement defines the terms and conditions of concluding the following transactions between MBH S.A. and Bank Millennium S.A.:

- deposits with a negotiated interest rate,
- buying and selling securities,
- buy-sell-back and sell-buy-back transactions.

As part of this agreement, MBH S.A. usually purchases 7-day NBP bills and Treasury bonds with variable interest rates, in order to increase the pool of assets with the highest possible liquidity. The value of bills purchased at NBP auctions depends on the current Bank's liquidity situation, planned expenses, planned repayments of financing, etc. On the other hand, surplus funds on the current account are placed in 1-day O/N deposits.

In the first half of 2026. The Bank purchased WZ Treasury bonds with a total nominal value of PLN 70 million, and the WZ0126 bond in the amount of PLN 5 million was redeemed by the Treasury. In total, as at 30 June 2026, the Bank held PLN 295 million of these securities in its portfolio, of which PLN 210 million was registered in the cover pool as substitute assets, constituting collateral for the issued covered bonds.

Assets and liabilities on account of transactions with affiliates (PLN thousand)

balance as at 30.06.2026	Bank Millennium S.A.	Millennium Leasing Sp. z o.o.
ASSETS		
Deposits and loans and borrowings to banks and other monetary institutions	28 956,2	0,0
Property, plant and equipment	822,7	52,6
Costs to be settled over time	48,9	0,0
LIABILITIES		
Liabilities to banks and other monetary institutions	1 571 489,5	0,0
Other liabilities	2 659,4	67,0
including finance lease liabilities	982,4	67,0
OFF-BALANCE SHEET OPERATIONS		
Off-balance sheet liabilities received	2 480 014,9	0,0

Income and expenses from transactions with affiliates

for the period 01.01 - 30.06.2026	Bank Millennium S.A.	Millennium Leasing Sp. z o.o.
Revenue from:		
Interest	436,3	0,0
Commissions		
Costs of:		
Interest	-44 113,2	-14,0
Commissions	-66,8	
Administrative expenses	-3 655,1	-15,9
Depreciation and amortization	-107,3	-40,8
Total	-47 506,2	-70,7

All transactions made with affiliates resulted from current operations and were carried out at arm's length. Apart from the transactions described in subsections 9.6 and 9.7, during the period indicated, the Bank did not enter into any other transactions with affiliates that individually or in aggregate were material and were concluded on terms other than arm's length.

9.7 INFORMATION ON SALARIES AND BENEFITS OF THE BANK'S MANAGERS AND SUPERVISORS

The Bank has a "Remuneration Policy in Millennium Bank Hipoteczny S.A." (hereinafter also referred to as the "Remuneration Policy"), the purpose of which is to provide a formal framework for shaping the remuneration practices of all Bank employees, taking into account the perspective of corporate governance, safety, as well as the appropriateness of remuneration to the condition, scale of operations, and development potential of the Bank. This policy formulates the assumptions used in determining the fixed and variable remuneration components of Management Board members. According to the Remuneration Policy, the primary source of income for Management Board members is their base salary, resulting from their employment contracts. Variable remuneration is an additional, motivating element of total remuneration and cannot exceed 100% of base salary.

Determining the terms of employment and remuneration for Management Board members falls within the competence of the Supervisory Board. In the first half of 2026, members of the Bank's Management Board were employed under appropriate employment contracts; in addition to their employment contracts, Management Board members receive benefits under other agreements related to their employment contracts.

Members of the Supervisory Board receive only fixed remuneration for their work on the Board or for participating in meetings of the Audit Committee of the Supervisory Board, the amount of which is commensurate with their role and the scale of the Bank's operations.

In accordance with the "Remuneration Policy for Members of the Supervisory Board of Millennium Bank Hipoteczny S.A.," members of the Supervisory Board serving within the Bank Millennium S.A. Capital Group have submitted appropriate declarations waiving their full remuneration. Only independent members of the Bank's Supervisory Board receive remuneration

The Bank attaches importance to the proper remuneration of individuals who have a significant impact on the Bank's risk profile (so-called Risk Takers). The principles for awarding remuneration are specified in the regulation "Remuneration Policy for Individuals Who Have a Significant Impact on the Risk Profile ("Risk Takers") in Millennium Bank Hipoteczny S.A." (hereinafter also referred to as the "Risk Takers Remuneration Policy"). The Risk Takers' Remuneration Policy provides a formal framework for determining the remuneration of individuals identified as having a significant impact on the Bank's risk profile from the perspective of corporate governance, institutional security, and the adequacy of remuneration to the Bank's condition, scale of operations, and development potential by defining fixed and variable remuneration components.

Risk Takers include members of the Bank's Supervisory Board, members of the Bank's Management Board, and other employees defined as having a significant impact on the Bank's risk profile in accordance with the Bank's identification principles.

To evaluate the performance of Risk Takers, the Bank applies non-business criteria regarding the quality of work and the achievement of individual business goals. The variable component of Risk Takers' remuneration represents a cash bonus.

In the first half of 2026, the Bank's Profit and Loss Account was charged with the remuneration received by Management Board members and Supervisory Board members (taking into account the balance of established provisions) as shown below (in PLN thousands).

Compensation of Management Board Members:

Year	Salaries and bonuses	Benefits	TOTAL
01.01-30.06.2025	793,5	31,9	825,4
01.01-30.06.2026	835,5	42,5	878,0

The values presented in the table above belong to the category of short-term benefits.

Compensation of the Supervisory Board:

Year	Short-term salaries and benefits
01.01.-30.06.2025	218,9
01.01.-30.06.2026	224,5

9.8 EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

No other significant events affecting the Bank's financial statements and future results occurred between the date of preparation of the report and the date of its publication.

Signatures of the Members of the Management Board of Millennium Bank Hipoteczny S.A.

Signatures:			
date	**full name**	**position/function**	**signature**
27 July 2026	Agata Chrzanowska	President of the Management Board	signed with a qualified electronic archive
27 July 2026	Adam Berent	Management Board Member	signed with a qualified electronic archive
27 July 2026	Artur Kulesza	Management Board Member	signed with a qualified electronic archive