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Bank Polski

**Condensed interim consolidated
financial statements of
the PKO Bank Polski S.A. Group
for the six-month period ended
30 June 2024**

SELECTED FINANCIAL DATA	PLN million			EUR million		
	01.01-30.06.2024	01.01-30.06.2023	Change % (A-B)/B	01.01-30.06.2024	01.01-30.06.2023	Change % (D-E)/E
	A	B	C	D	E	F
Net interest income	10,246	8,579	19.4	2,377	1,860	27.8
Net fee and commission income	2,558	2,214	15.5	593	480	23.5
Net expected credit losses and net impairment allowances on non-financial assets	(766)	(565)	35.6	(178)	(122)	45.9
Administrative expenses	(4,141)	(3,731)	11.0	(961)	(809)	18.8
Profit before tax	5,789	2,999	93.0	1,343	650	106.6
Net profit (including non-controlling shareholders)	4,394	2,042	115.2	1,019	443	130.0
Net profit attributable to the parent company	4,395	2,041	115.3	1,020	442	130.8
Earnings per share for the period - basic (in PLN/EUR)	3.52	1.63	115.9	0.82	0.35	134.3
Earnings per share for the period - diluted (in PLN/EUR)	3.52	1.63	115.9	0.82	0.35	134.3
Net comprehensive income	4,942	5,418	(8.8)	1,146	1,175	(2.5)
Total net cash flows	(3,045)	(5,450)	(44.1)	(706)	(1,181)	(40.2)

SELECTED FINANCIAL DATA	PLN million			EUR million		
	30.06.2024	31.12.2023	Change % (A-B)/B	30.06.2024	31.12.2023	Change % (D-E)/E
	A	B	C	D	E	F
Total assets	507,258	501,516	1.1	117,611	115,344	2.0
Total equity	46,932	45,227	3.8	10,882	10,402	4.6
Share capital	1,250	1,250	-	290	287	1.0
Number of shares (in million)	1,250	1,250	-	1,250	1,250	-
Book value per share (in PLN/EUR)	37.55	36.18	3.8	8.71	8.32	4.7
Diluted number of shares (in million)	1,250	1,250	-	1,250	1,250	-
Diluted book value per share (in PLN/EUR)	37.55	36.18	3.8	8.71	8.32	4.7
Total Capital Ratio (%)	17.89	18.84	(5.0)	17.89	18.84	(5.0)
Tier 1	42,098	41,918	0.4	9,761	9,641	1.2
Tier 2	1,811	2,080	(12.9)	420	478	(12.1)

SELECTED FINANCIAL STATEMENT ITEMS HAVE BEEN TRANSLATED INTO EUR AT THE FOLLOWING RATES	01.01-30.06.2024	01.01-30.06.2023
arithmetic mean of the NBP exchange rates at the end of a month (income statement, statement of comprehensive income and cash flow statement items)	4.3109	4.6130
	30.06.2024	31.12.2023
NBP mid exchange rates at the date indicated (statement of financial position items)	4.3130	4.3480

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CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT	Note	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Net interest income		5,054	10,246	4,392	8,579
Interest income	11	7,538	15,360	7,808	15,154
of which calculated under the effective interest rate method		7,431	15,137	7,665	14,863
Interest expense	11	(2,484)	(5,114)	(3,416)	(6,575)
Net fee and commission income		1,280	2,558	1,111	2,214
Fee and commission income	12	1,681	3,304	1,527	3,021
Fee and commission expense	12	(401)	(746)	(416)	(807)
Net other income		418	777	275	517
Net income from insurance business, of which:	25	190	366	187	353
insurance revenue (net of reinsurance)		367	715	302	582
cost of insurance activities (net of reinsurance)		(139)	(272)	(81)	(169)
Dividend income		22	22	11	12
Gains/(losses) on financial transactions		40	102	(6)	28
Net foreign exchange gains/ (losses)		81	147	8	12
Gains/(losses) on derecognition of financial instruments		20	40	10	27
including measured at amortized cost		9	18	5	9
Net other operating income and expense		65	100	65	85
other operating income		108	209	111	204
other operating expenses		(43)	(109)	(46)	(119)
Result on business activities		6,752	13,581	5,778	11,310
Net allowances for expected credit losses	13	(251)	(453)	(215)	(543)
Impairment of non-financial assets	14	(201)	(313)	(11)	(22)
Cost of legal risk of mortgage loans in convertible currencies	15	(982)	(2,320)	(2,474)	(3,441)
Administrative expenses	16	(1,962)	(4,141)	(1,746)	(3,731)
of which net regulatory charges		(63)	(457)	(51)	(429)
Tax on certain financial institutions		(323)	(626)	(311)	(610)
Share in profits and losses of associates and joint ventures		20	61	13	36
Profit before tax		3,053	5,789	1,034	2,999
Income tax expense	17	(702)	(1,395)	(445)	(957)
Net profit (including non-controlling shareholders)		2,351	4,394	589	2,042
Profit (loss) attributable to non-controlling shareholders		-	(1)	2	1
Net profit attributable to equity holders of the parent company		2,351	4,395	587	2,041
Earnings per share					
- basic earnings per share for the period (PLN)		1.88	3.52	0.47	1.63
- diluted earnings per share for the period (PLN)*		1.88	3.52	0.47	1.63
Weighted average number of ordinary shares during the period (in million)*		1,250	1,250	1,250	1,250

*Both in the period of three and six months ended 30 June 2024 and in the corresponding periods of 2023, there were no dilutive instruments. Therefore, the amount of diluted earnings per share is the same as the amount of basic earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME	Note	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Net profit (including non-controlling shareholders)		2,351	4,394	589	2,042
Other comprehensive income		188	548	1,293	3,376
Items which may be reclassified to profit or loss		188	548	1,293	3,376
Cash flow hedges (net)		236	211	902	2,054
Cash flow hedges (gross)	19	291	260	1,115	2,537
Deferred tax	17	(55)	(49)	(213)	(483)
Fair value of financial assets measured at fair value through other comprehensive income (net)		(35)	341	463	1,418
Remeasurement of fair value, gross		(37)	440	573	1,765
Gains /losses transferred to the profit or loss (on disposal)		(11)	(22)	(5)	(18)
Deferred tax	17	13	(77)	(105)	(329)
Currency translation differences on foreign operations		(14)	(24)	(65)	(66)
Share in other comprehensive income of associates and joint ventures		1	18	(2)	(15)
Finance income and costs from insurance business, net		-	2	(5)	(15)
Finance income and costs from insurance business, gross		(1)	2	(6)	(18)
Deferred tax	17	1	-	1	3
Total net comprehensive income, of which attributable to:		2,539	4,942	1,882	5,418
equity holders of the parent		2,539	4,943	1,880	5,417
non-controlling interest		-	(1)	2	1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION	Note	30.06.2024	31.12.2023
ASSETS		507,258	501,516
Cash and balances with the Central Bank		17,514	17,813
Amounts due from banks	18	11,330	14,438
Hedging derivatives	19	653	1,174
Other derivative instruments	19	6,654	8,406
Securities	20	200,995	197,484
Reverse repo transactions		493	372
Loans and advances to customers	21	253,270	245,776
Assets in respect of insurance activities	25	65	90
Property, plant and equipment under operating lease		2,370	2,117
Property, plant and equipment		3,172	3,203
Assets held for sale		19	19
Intangible assets		3,882	3,918
Investments in associates and joint ventures		284	284
Current income tax receivable		6	6
Deferred tax assets		4,059	4,000
Other assets		2,492	2,416
LIABILITIES AND EQUITY		507,258	501,516
LIABILITIES		460,326	456,289
Amounts due to Central bank		11	10
Amounts due to banks	22	3,397	3,423
Hedging derivatives	19	2,691	2,992
Other derivative instruments	19	7,055	9,291
Repo transactions		10	-
Amounts due to customers	23	398,833	399,193
Liabilities in respect of insurance activities	25	2,953	2,915
Loans and advances received	24	1,422	1,489
Liabilities in respect of debt securities in issue	24	21,616	17,201
Subordinated liabilities	24	2,767	2,774
Other liabilities		12,933	11,007
Current income tax liabilities		766	1,117
Deferred tax liabilities		769	712
Provisions	26	5,103	4,165
EQUITY		46,932	45,227
Share capital		1,250	1,250
Reserves and accumulated other comprehensive income		29,978	27,676
Unappropriated profits		11,321	10,810
Net profit or loss for the period		4,395	5,502
Capital and reserves attributable to equity holders of the parent company		46,944	45,238
Non-controlling interests		(12)	(11)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR 6 MONTHS ENDED 30 JUNE 2024	Share capital	Reserves and accumulated other comprehensive income					Retained earnings	Net profit or loss for the period	Total capital and reserves attributable to equity holders of the parent company	Total non-controlling interests	Total equity
		Reserves			Accumulated other comprehensive income	Reserves and accumulated other comprehensive income					
		Supplementary capital	General banking risk fund	Other reserves							
As at the beginning of the period	1,250	22,860	1,070	7,138	(3,392)	27,676	10,810	5,502	45,238	(11)	45,227
Transfer from retained earnings	-	-	-	-	-	-	5,502	(5,502)	-	-	-
Dividend	-	-	-	-	-	-	(3,237)	-	(3,237)	-	(3,237)
Transfer between profit and equity, including reserve capital for the payment of dividends (including interim dividends)*	-	(2)	-	1,756	-	1,754	(1,754)	-	-	-	-
Comprehensive income	-	-	-	-	548	548	-	4,395	4,943	(1)	4,942
As at the end of the period	1,250	22,858	1,070	8,894	(2,844)	29,978	11,321	4,395	46,944	(12)	46,932

* For information on the distribution of profit for 2023, see Note 36 "Dividends and profit appropriation"

FOR 6 MONTHS ENDED 30 JUNE 2023	Share capital	Reserves and accumulated other comprehensive income					Retained earnings	Net profit or loss for the period	Total capital and reserves attributable to equity holders of the parent company	Total non-controlling interests	Total equity
		Reserves			Accumulated other comprehensive income	Reserves and accumulated other comprehensive income					
		Supplementary capital	General banking risk fund	Other reserves							
As at the beginning of the period	1,250	23,085	1,070	7,091	(9,007)	22,239	8,920	3,312	35,721	(14)	35,707
Transfer from retained earnings	-	-	-	-	-	-	3,312	(3,312)	-	-	-
Distribution of profit to be used for dividend payments, including interim dividends	-	-	-	1,629	-	1,629	(1,629)	-	-	-	-
Comprehensive income	-	-	-	-	3,376	3,376	-	2,041	5,417	1	5,418
Offset of accumulated losses	-	(340)	-	-	-	(340)	340	-	-	-	-
Transfer from retained earnings to equity	-	115	-	48	-	163	(163)	-	-	-	-
As at the end of the period	1,250	22,860	1,070	8,768	(5,631)	27,067	10,780	2,041	41,138	(13)	41,125

Accumulated other comprehensive income							
FOR 6 MONTHS ENDED 30 JUNE 2024	Share in other comprehensive income of associates and joint ventures	Fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Finance income and costs from insurance business	Actuarial gains and losses	Currency translation differences on foreign operations	Total
As at the beginning of the period	(66)	(1,021)	(1,860)	(1)	(24)	(420)	(3,392)
Comprehensive income	18	341	211	2	-	(24)	548
As at the end of the period	(48)	(680)	(1,649)	1	(24)	(444)	(2,844)

Accumulated other comprehensive income							
FOR 6 MONTHS ENDED 30 JUNE 2023	Share in other comprehensive income of associates and joint ventures	Fair value of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Finance income and costs from insurance business	Actuarial gains and losses	Currency translation differences on foreign operations	Total
As at the beginning of the period	(35)	(3,461)	(5,218)	24	(21)	(296)	(9,007)
Comprehensive income	(15)	1,418	2,054	(15)	-	(66)	3,376
As at the end of the period	(50)	(2,043)	(3,164)	9	(21)	(362)	(5,631)

CONSOLIDATED STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS	01.01-30.06.2024	01.01-30.06.2023 (restated)
Cash flows from operating activities		
Profit before tax	5,789	2,999
Income tax paid	(1,881)	(995)
Total adjustments:	(12,800)	11,947
Depreciation and amortization	739	664
(Gains)/losses on investing activities	(31)	(45)
Net interest income (from income statement)	(10,246)	(8,579)
Interest received	12,081	11,750
Interest paid	(4,823)	(5,711)
Dividends received	(3)	(3)
Change in:		
amounts due from banks	148	(1,680)
hedging derivatives	(72)	(2,453)
other derivative instruments	(484)	147
securities	(3,063)	(3,135)
loans and advances to customers	(8,088)	(3,006)
reverse repo transactions	(121)	(5,131)
assets in respect of insurance activities	25	16
property, plant and equipment under operating lease	(253)	(148)
assets held for sale	-	(1)
other assets	(310)	131
accumulated allowances for expected credit losses	174	254
accumulated allowances on non-financial assets and other provisions	1,181	740
amounts due to the Central Bank	1	33
amounts due to banks	(27)	(131)
amounts due to customers	2	26,735
repo transactions	10	3
liabilities in respect of insurance activities	38	(17)
loan and advances received	(44)	(79)
liabilities in respect of debt securities in issue	51	(558)
other liabilities	433	285
Other adjustments	(118)	1,866
Net cash from/used in operating activities	(8,892)	13,951

STATEMENT OF CASH FLOWS	01.01-30.06.2024	01.01-30.06.2023 (restated)
Cash flows from investing activities		
Inflows from investing activities	435,135	295,251
Redemption and sale of securities measured at fair value through other comprehensive income	426,952	289,148
Interest received on securities measured at fair value through other comprehensive income	2,413	2,197
Redemption of securities measured at amortized cost	4,681	2,838
Interest received on securities measured at amortized cost	1,034	913
Proceeds from disposal of intangible assets, property, plant and equipment and assets held for sale	52	75
Other inflows from investing activities including dividends	3	80
Outflows on investing activities	(431,306)	(315,557)
Purchase of securities measured at fair value through other comprehensive income	(412,194)	(308,885)
Purchase of securities measured at amortized cost	(18,752)	(5,999)
Purchase of intangible assets and property, plant and equipment	(360)	(673)
Net cash from/used in investing activities	3,829	(20,306)
Cash flows from financing activities		
Distribution of interim dividend	(1,600)	-
Proceeds from debt securities in issue	12,405	8,271
Redemption of debt securities	(7,983)	(6,561)
Repayment of loans and advances received	(54)	(251)
Payment of lease liabilities	(145)	(135)
Repayment of interest on long-term liabilities	(605)	(419)
Net cash from financing activities	2,018	905
Total net cash flows	(3,045)	(5,450)
of which foreign exchange differences on cash and cash equivalents	(18)	(178)
Cash and cash equivalents at the beginning of the period	31,328	31,995
Cash and cash equivalents at the end of the period	28,283	26,545

GENERAL INFORMATION ABOUT THE BANK'S GROUP

1. ACTIVITIES OF THE GROUP

Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (**PKO BANK POLSKI S.A.** or **THE BANK**) was established by virtue of a decree signed on 7 February 1919 by the Head of State Józef Piłsudski, Prime Minister Ignacy Paderewski and Hubert Linde, post and telegraph minister and simultaneously the first president, as Poczтовая Kasa Oszczędnościowa. In 1950, the Bank began operating as Powszechna Kasa Oszczędności Bank Państwowy (state-owned bank). Pursuant to the Decree of the Council of Ministers dated 18 January 2000, Powszechna Kasa Oszczędności (a state-owned bank) was transformed into a state owned joint-stock company, Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna.

On 12 April 2000, Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna was registered and entered into the Commercial Register maintained by the District Court for the City of Warsaw, Commercial Court, 16th Registration Department. At present, the court with jurisdiction over the Bank's affairs is the District Court in Warsaw, 13th Commercial Division of the National Court Register. The Bank was registered under the number KRS 0000026438 and was assigned the statistical number REGON 016298263.

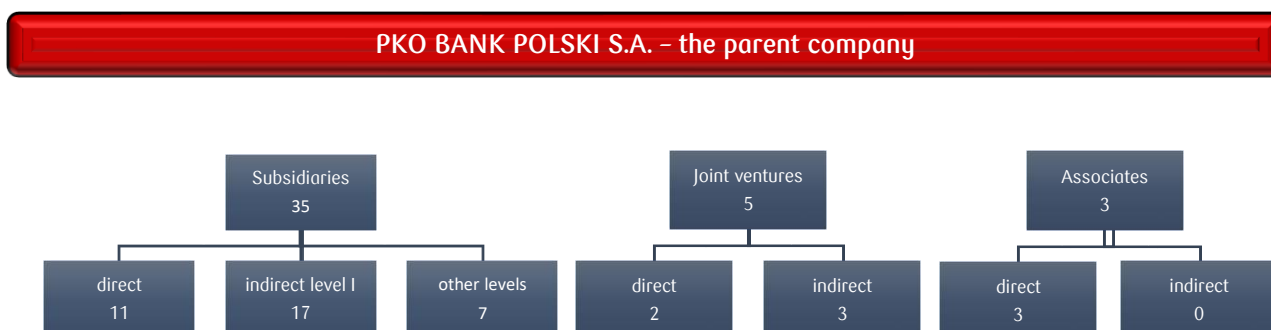
Country of registration	Poland
Registered office	Warsaw
Address of the registered office of the entity	Puławska street 15, 02-515 Warsaw

According to the Bulletin of the Warsaw Stock Exchange (Cedula Giełdowa), the Bank is classified under the macro-sector "Finance", in the "Banks" sector.

The Powszechna Kasa Oszczędnościowa Bank Polski Spółka Akcyjna Group ("**THE PKO BANK POLSKI S.A. GROUP**", "**THE BANK'S GROUP**", "**THE GROUP**") conducts its operations within the territory of the Republic of Poland and through subsidiaries in Ukraine, Sweden and Ireland; it also has branches in the Federal Republic of Germany ("the German Branch"), the Czech Republic ("the Czech Branch") and in the Slovak Republic ("the Slovak Branch").

PKO Bank Polski S.A., as the parent company, is a universal deposit and credit bank which services both Polish and foreign individuals, legal and other entities. The Bank may hold and trade in cash in foreign currencies, as well as conduct foreign exchange and foreign currency transactions, open and maintain bank accounts in banks abroad, and deposit foreign currency in those accounts.

Through its subsidiaries, the Group offers mortgage loans, provides specialized financial services related to leases, factoring, debt collection, investment funds, pension funds and insurance, as well as provides services related to car fleet management, transfer agent, technological solutions, IT outsourcing and business support and real estate management.



The PKO Bank Polski S.A. Group consists of the following subsidiaries:

No.	ENTITY NAME DIRECT SUBSIDIARIES	REGISTERED OFFICE	ACTIVITY	OWNERSHIP INTEREST (%)	
				30.06.2024	31.12.2023
1	PKO Bank Hipoteczny S.A.	Warsaw	banking activities	100	100
2	PKO Towarzystwo Funduszy Inwestycyjnych S.A.	Warsaw	investment fund management	100	100
3	PKO Leasing S.A.	Łódź	leasing and lending	100	100
4	PKO BP BANKOWY PTE S.A.	Warsaw	pension fund management	100	100
5	PKO BP Finat sp. z o.o.	Warsaw	services, including transfer agent services and outsourcing of IT specialists	100	100
6	PKO Życie Towarzystwo Ubezpieczeń S.A.	Warsaw	life insurance	100	100
7	PKO Towarzystwo Ubezpieczeń S.A.	Warsaw	other personal insurance and property insurance	100	100
8	PKO Finance AB	Sollentuna, Sweden	financial services	100	100
9	KREDOBANK S.A.	Lviv, Ukraine	banking activities	100	100
	Merkury - fiz an ^{1,2}	Warsaw		-	100
10	NEPTUN - fizan ¹	Warsaw	investing funds collected from fund participants	100	100
11	PKO VC - fizan ¹	Warsaw		100	100

¹ PKO Bank Polski S.A. holds investment certificates of the Fund; the percentage of the Fund's investment certificates held is presented in the item "Share in capital".

² On 30 January 2024, the merger of the investment funds NEPTUN - fizan (the acquiring fund) and Mercury - fizan (the acquired fund) was entered in the Register of Investment Funds. Mercury - fiz an has been deleted from the list of PKO Bank Polski S.A.'s subsidiaries.

No.	ENTITY NAME INDIRECT SUBSIDIARIES	REGISTERED OFFICE	ACTIVITY	OWNERSHIP INTEREST (%)*	
				30.06.2024	31.12.2023
PKO Leasing S.A. GROUP					
1	PKO Agencja Ubezpieczeniowa sp. z o.o.	Warsaw	intermediation in concluding insurance agreements	100	100
	1.1 PKO Leasing Finanse sp. z o.o.	Warsaw	sale of post-lease assets	100	100
2	PKO Leasing Sverige AB	Stockholm, Sweden	leasing	100	100
3	Prime Car Management S.A.	Gdańsk	leasing, fleet management	100	100
	3.1 Futura Leasing S.A.	Gdańsk	sale of post-lease assets	100	100
	3.2 Masterlease sp. z o.o.	Gdańsk	leasing	100	100
	3.3 MasterRent24 sp. z o.o.	Gdańsk	short-term lease of cars	100	100
4	PKO Faktoring S.A.	Warsaw	factoring	100	100
5	Polish Lease Prime 1 DAC ¹	Dublin, Ireland	SPV established for securitization of lease receivables	-	-
PKO Życie Towarzystwo Ubezpieczeń S.A. GROUP					
6	Ubezpieczeniowe Usługi Finansowe sp. z o.o.	Warsaw	services	100	100
KREDOBANK S.A. GROUP					
7	"KREDOLEASING" sp. z o.o.	Lviv, Ukraine	leasing	100	100
NEPTUN - fizan					
8	Qualia sp. z o.o.	Warsaw	after-sale services in respect of developer products	100	100
9	Sarnia Dolina sp. z o.o. ²	Warsaw	development activities	100	100
10	Bankowe Towarzystwo Kapitałowe S.A.	Warsaw	services	100	100
	10.1 "Inter-Risk Ukraina" spółka z dodatkową odpowiedzialnością ³	Kyiv, Ukraine	debt collection	99.90	99.90
	10.2 Finansowa Kompania "Prywatne Inwestycje" sp. z o.o. ⁴	Kyiv, Ukraine	financial services	95.4676	95.4676
	10.2.1 Finansowa Kompania "Idea Kapitał" sp. z o.o.	Lviv, Ukraine	services	100	100
11	"Sopot Zdrój" sp. z o.o.	Sopot	property management	72.9769	72.9769
12	"Zarząd Majątkiem Górczewska" sp. z o.o.	Warsaw	property management	100	100
13	Molina sp. z o.o. w likwidacji (in liquidation) ⁵	Warsaw	general partner in partnerships limited by shares of a fund	100	100
14	Molina spółka z ograniczoną odpowiedzialnością 1 S.K.A. w likwidacji (in liquidation) ⁵	Warsaw	buying and selling real estate on own account, real estate management	100	100
15	Molina spółka z ograniczoną odpowiedzialnością 2 S.K.A. w likwidacji (in liquidation) ⁵	Warsaw		100	100
16	Molina spółka z ograniczoną odpowiedzialnością 4 S.K.A. w likwidacji (in liquidation)	Warsaw		100	100
17	Molina spółka z ograniczoną odpowiedzialnością 6 S.K.A. w likwidacji (in liquidation)	Warsaw		100	100

* share of direct parent in the entity's equity

¹⁾ In accordance with IFRS 10, PKO Leasing S.A. exercises control over the company, although it does not have a capital share in it.

²⁾ See Note 2 "Changes in the Group companies"

³⁾ Finansowa Kompania "Prywatne Inwestycje" sp. z o.o. is the second shareholder of the company.

⁴⁾ "Inter-Risk Ukraina" - a company with additional liability - is the second shareholder of the company.

⁵⁾ See Note 2 "Changes in the Group companies".

The Group has the following associates and joint ventures:

No.	ENTITY NAME	REGISTERED OFFICE	ACTIVITY	OWNERSHIP INTEREST (%) [*]	
				30.06.2024	31.12.2023
Joint ventures of PKO Bank Polski S.A.					
1	Operator Chmury Krajowej sp. z o.o.	Warsaw	cloud computing services	50	50
2	Centrum Elektronicznych Usług Płatniczych eService sp. z o.o.	Warsaw	financial services support activities, including handling transactions concluded using payment instruments	34	34
	2.1 EVO Payments International s.r.o.	Prague, the Czech Republic	financial services support activities	100	100
Joint venture NEPTUN - fizan					
	2.2 "Centrum Obsługi Biznesu" sp. z o.o.	Poznań	property management	41.45	41.45
Joint venture PKO VC - fizan					
	2.3 BSAfer sp. z o.o.	Stalowa Wola	managing marketing consents	35.06	35.06
Associates of PKO Bank Polski S.A.					
1	Bank Poczty S.A.	Bydgoszcz	banking activities	25.0001	25.0001
2	Poznański Fundusz Poręczeń Kredytowych sp. z o.o.	Poznań	guarantees	33.33	33.33
3	System Ochrony Banków Komercyjnych S.A.	Warsaw	manager of the security system referred to in Article 130e of the Banking Law	21.11	21.11

* share in equity of the entity exercising joint control / having a significant impact.

2. CHANGES IN THE GROUP COMPANIES

In the six-month period ended 30 June 2024, the following events occurred in the structure of the Group.

- On 30 January 2024, the merger of the investment funds NEPTUN - fizan (the acquiring fund) and Mercury - fizan (the acquired fund) was effected by transferring the assets of the acquired fund to the existing acquiring fund and allocating investment certificates of the acquired fund to a participant of the acquiring fund in exchange for investment certificates of the acquired fund. The companies of the Mercury - fizan fund have been transferred to the NEPTUN fizan fund.
- In May 2024, the placing of Molina spółka z ograniczoną odpowiedzialnością and Molina spółka z ograniczoną odpowiedzialnością 1 S.K.A. (NEPTUN - fizan portfolio companies) was entered in the National Court Register. The business names under which the companies operate were changed to: Molina spółka z ograniczoną odpowiedzialnością w likwidacji (in liquidation) and Molina spółka z ograniczoną odpowiedzialnością w likwidacji (in liquidation) 1 spółka komandytowo-akcyjna w likwidacji (in liquidation).
- On 11 June 2024, the Annual Shareholders' Meeting of Sarnia Dolina sp. z o.o. resolved to dissolve the company and open liquidation. On 20 June 2024, the Annual Shareholders' Meeting of Molina spółka z ograniczoną odpowiedzialnością 2 S.K.A. w likwidacji (in liquidation) passed resolutions resulting in the completion of the company's liquidation. By 30 June 2024, the changes were not entered into the National Court Register.

3. INFORMATION ON MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD

Composition of the Bank's Supervisory Board as at 30 June 2024:

- Katarzyna Zimnicka-Jankowska – Chair of the Supervisory Board,
- Paweł Waniowski – Deputy Chair of the Supervisory Board,
- Maciej Cieślukowski – Member of the Supervisory Board,
- Jerzy Kalinowski – Member of the Supervisory Board,
- Hanna Kuzińska – Member of the Supervisory Board,
- Andrzej Oślizło – Member of the Supervisory Board,
- Marek Panfil – Member of the Supervisory Board.

Composition of the Bank's Management Board as at 30 June 2024:

- Szymon Midera – President of the Management Board,
- Krzysztof Dresler – Vice-President of the Management Board,
- Ludmiła Falak-Cyniak – Vice-President of the Management Board,
- Piotr Mazur – Vice-President of the Management Board,
- Marek Radzikowski – Vice-President of the Management Board,
- Mariusz Zarzycki – Vice-President of the Management Board.

On 1 July 2024, Michał Sobolewski became a member of the Management Board.

For a description of the changes in the composition of the Management Board and the Supervisory Board in the period of 6 months ended 30 June 2024, see section 4 “ORGANISATION OF THE GROUP”, 4.1 “COMPOSITION OF THE BANK'S SUPERVISORY BOARD AND THE BANK'S MANAGEMENT BOARD” OF THE PKO BANK POLSKI S.A. GROUP DIRECTORS' REPORT FOR THE FIRST HALF OF 2024.

4. APPROVAL OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group (the **FINANCIAL STATEMENTS**), reviewed by the Audit Committee of the Supervisory Board and reviewed by the Supervisory Board on 21 August 2024, were approved for publication by the Management Board on 21 August 2024.

5. REPRESENTATION BY THE MANAGEMENT BOARD

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

6. THE BASIS FOR PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Group has prepared its condensed interim consolidated financial statements in accordance with the requirements of International Accounting Standard 34 “Interim Financial Reporting” as endorsed by the European Union.

These condensed interim consolidated financial statements of the Group for the six-month period ended 30 June 2024 do not comprise all the information and disclosures which may be required in annual consolidated financial statements and should be read jointly with the annual consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023 that were prepared in accordance with the International Financial Reporting Standards endorsed by the European Union.

The condensed interim consolidated financial statements of the PKO Bank Polski S.A. Group cover the three- and six-month period ended 30 June 2024 and contains comparative figures:

- the three- and six-month period ended 30 June 2023 with regard to the consolidated income statement and consolidated statement of comprehensive income,
- the six-month period ended 30 June 2023 with regard to the statement of changes in consolidated equity, and consolidated statement of cash flows,
- as at 31 December 2023 with regard to the consolidated statement of financial position.

The financial data is presented in millions of Polish zlotys (PLN), unless otherwise indicated. Figures have been rounded to the nearest million Polish zloty and any differences from previously published figures may be due to rounding.

To prepare the financial statements, the Group applied the accounting policies and calculation methods consistent with those applicable in the financial year ended 31 December 2023, described in detail in the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023. In addition, the Group has taken into account the principle of recognising income tax expense based on the best estimate of the weighted average annual income tax rate expected by the Group for the full financial year (see note [“Income tax”](#)).

7. GOING CONCERN

The financial statements have been prepared on the basis of the assumption that the Bank's Group will continue as a going concern for a period of at least 12 months from the date of approval of the financial statements for publication by the Management Board, i.e. from 21 August 2024. As at the date of signing of these financial statements, the Management Board of the Bank did not identify any facts or circumstances which would indicate any threats to the Group's ability to continue in operation as a going concern for at least 12 months after the publication as a result of intended or forced discontinuing or significantly curtailing the existing operations of the Bank's Group.

The Bank's Management Board considered the impact of: current situation in Ukraine, legal risk of mortgage loans in convertible currencies and amendments to the Act on crowdfunding for business ventures and assistance to borrowers in respect of the new credit holiday programme and assessed that these factors do not cause significant uncertainty in the Bank's ability to continue as a going concern.

Disclosures concerning: the situation in Ukraine are presented in note 38 "[Impact of the geopolitical situation in Ukraine on the PKO Bank Polski S.A. Group](#)", the legal risk of mortgage loans in convertible currencies in note 15 "[The costs of legal risk of mortgage loans in convertible currencies](#)" and credit holidays in note 21 "[Loans and advances to customers](#)".

8. CHANGES IN ACCOUNTING POLICIES APPLICABLE FROM 1 JANUARY 2024 AND EXPLANATION OF THE DIFFERENCES BETWEEN PREVIOUSLY PUBLISHED FINANCIAL STATEMENTS AND THESE FINANCIAL STATEMENTS

With the exception of the changes required by standards and amendments to standards that became effective as of 1 January 2024, the Group has not implemented any new accounting policies since 1 January 2024. The amendments to the standards, which are effective as of 1 January 2024, did not have a material impact on the Group's financial statements.

In these financial statements, the comparative figures in the statement of cash flows for the six-month period ended 30 June 2023 were restated from those previously published.

The restatement concerned the presentation of cash flows from interest income and interest expense relating to operating activities. Following the restatement, interest received and interest paid relating to operating activities is presented under separate line items in the statement of cash flows from operating activities. The Group has restated the comparative figures accordingly.

The presentation of net interest income in the statement of cash flows and the separation of realised interest (interest received and interest paid) has, in the Group's opinion, contributed to the transparency of the disclosure and brought it in line with market practice.

CASH FLOWS – SELECTED DATA FROM OPERATING ACTIVITIES	01.01-30.06.2023 before restatement	change	01.01-30.06.2023 restated
Total adjustments	11,947	-	11,947
Interest and dividends received (previous item)	(3,112)	3,112	-
Interest paid (previous item)	419	(419)	-
Net interest income (from income statement) (new item)	-	(8,579)	(8,579)
Interest received (new item)	-	11,750	11,750
Interest paid (new item)	-	(5,711)	(5,711)
Dividends received (new item)	-	(3)	(3)
Change in:			
amounts due from banks	(1,455)	(225)	(1,680)
hedging derivatives	(2,473)	20	(2,453)
securities	(3,262)	127	(3,135)
loans and advances to customers	(3,492)	486	(3,006)
amounts due to banks	(129)	(2)	(131)
amounts due to customers	27,185	(450)	26,735
repo transactions	-	3	3
loan and advances received	(64)	(15)	(79)
liabilities in respect of debt securities in issue	(460)	(98)	(558)
subordinated liabilities	(4)	4	-
Net cash from/used in operating activities	13,951	-	13,951

9. NEW STANDARDS AND AMENDMENTS TO STANDARDS

• STANDARDS AND INTERPRETATIONS AND THEIR AMENDMENTS EFFECTIVE FROM 1 JANUARY 2024

STANDARDS AND INTERPRETATIONS	DESCRIPTION OF AMENDMENTS	EFFECTIVE DATE
Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: disclosures”	The amendments introduce requirements for additional disclosures related to supplier financing (reverse factoring), including information on extended payment terms, collateral and guarantees provided. The amendments aim to enhance transparency of information on supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The amendments have no material impact on the financial statements.	1 January 2024 (endorsed by the EU on 15 May 2024)
AMENDMENTS TO IAS 1 - CLASSIFICATION OF LIABILITIES	The changes relate to the classification of liabilities in the statement of financial position as short-term or long-term. They clarify that the classification of liabilities as short-term or long-term should take into account, as at the classification date, the existence of a debt extension, regardless of the entity's intention to use it for a period longer than 12 months, and should take into account the fulfillment of the conditions of such extension as at the date of assessment, if it is conditional. The Group does not have any agreements containing the aforementioned provisions and therefore the Group is not affected by the amendment.	1 January 2024 (endorsed by the EU on 19 December 2023)
AMENDMENT TO IFRS 16 “LEASES”	The amendments clarify how a seller-lessee should measure sale and leaseback transactions that meet the requirements of IFRS 15 to recognise an asset as a sale. The amendments concern cases where the instalments payable under a leaseback agreement are variable, i.e. other than based on a rate or index.	1 January 2024 (endorsed by the EU on 20 November 2023)

	<p>The amendments require the seller-lessee to measure the lease liability in such a way that the differences between the actual variable amounts paid under the agreement and the amounts included in the initial measurement of the liability are recognised directly through profit or loss. A retrospective approach applies to these amendments.</p> <p>The Group does not currently have sale and leaseback transactions with variable lease instalments other than those based on a rate or index, and therefore the Group is not affected by the amendment.</p>	
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• **NEW STANDARDS AND INTERPRETATIONS, AND AMENDMENTS THERETO, WHICH HAVE BEEN PUBLISHED BUT HAVE NOT BEEN ENDORSED BY THE EUROPEAN UNION**

STANDARDS AND INTERPRETATIONS	DESCRIPTION OF AMENDMENTS	EFFECTIVE DATE
Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”	<p>The amendments clarify how an entity should assess the currency exchangeability and how to determine the exchange rate in the absence of currency convertibility, and require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.</p> <p>The amendments will not have a material impact on the financial statements.</p>	1 January 2025 (not endorsed by the EU)
Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”	<p>The guidance in IFRS 9 on the derecognition of a financial liability settled by electronic transfer has been amended. The amendment allows an entity to recognise a financial liability that has been settled using an electronic payment system as settled before the settlement date, if certain criteria are met (related, among other things, to the entity's inability to cancel the payment, immaterial risk regarding the settlement of the payment). The amendment addresses the issue of a later settlement date for payments made through electronic payment systems compared to the date of initiation of such payment by the individual.</p> <p>In addition, amendments have been made to the classification of financial assets, i.e:</p> <ul style="list-style-type: none"> extension of the guidance for assessing whether the contractual cash flows related to a financial asset are consistent with the underlying loan agreement, clarification of the provisions on “non-recourse” assets, clarification of the characteristics of contractually linked instruments. <p>In addition, the mandatory disclosures under IFRS 7 have been expanded.</p> <p>The Group is in the process of reviewing the impact of the amendments on the financial statements.</p>	1 January 2026 (not endorsed by the EU)
IFRS 18 Presentation and disclosures in financial statements	<p>IFRS 18 will replace the current IAS 1. The amendments relative to the standard being replaced will mainly affect three areas:</p> <ul style="list-style-type: none"> they define the mandatory subtotals in the income statement, they introduce disclosures on Alternative Performance Measurements (APMs) used by the management board, they extend the guidelines on information aggregation. <p>The Group is in the process of reviewing the impact of the amendments on the financial statements.</p>	1 January 2027 (not endorsed by the EU)

IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	IFRS 19 introduces simplified reporting requirements and reduces the number of mandatory disclosures for eligible subsidiaries in their separate financial statements. The amendments will not have a material impact on the financial statements.	1 January 2027 (not endorsed by the EU)
“Annual Improvements to IFRSs – Volume 11” of the International Accounting Standards Board	On 18 July 2024, the Board published a document that contains clarifications, simplifications, amendments and changes aimed at improving the consistency of a number of accounting standards (IFRS 1 “First-time Adoption of International Financial Reporting Standards” IFRS 7 “Financial Instruments: Disclosures” and accompanying “IFRS 7 implementation guidance”; IFRS 9 “Financial Instruments”; IFRS 10 “Consolidated Financial Statements” and IAS 7 “Statement of Cash Flows”). The amendments are effective for annual periods beginning 1 January 2026. The Group has not yet assessed the impact of these amendments on the financial statements.	1 January 2026 or later, with early application permitted

SUPPLEMENTARY NOTES TO THE INCOME STATEMENT

10. SEGMENT REPORTING

The PKO Bank Polski S.A. Group conducts business activities within segments offering specific products and services addressed to specific groups of customers. The manner in which the business segments are divided ensures consistency with the sales management model and offers customers a comprehensive product mix comprising both traditional banking products and more complex investment products, as well as services provided by the Group entities.

Due to organisational changes at the Bank related to the introduction of a new business supervision assignment for customer groups and individual Group companies, the segmentation notes were revised accordingly in the first half of 2024. The changes include, in particular, the reclassification of results and balance sheet items relating to:

- enterprise segment customers from the Retail Segment to the Corporate and Investment Segment,
- selected companies not directly related to business activities to the Transfer Centre and Other Segment,
- investments in equity instruments held in the banking book (equity securities) from the Corporate and Investment Segment to the Transfer Centre and Other.

The data for 2023 was adjusted for comparability on the basis of the data available in the reporting systems.

The segmentation note presented below is consistent with the internal reporting system, i.e. the information presented to the Management Board of PKO Bank Polski S.A. taken into account in the assessment of performance and reflects the internal organisational structure of the Group.

<p>RETAIL SEGMENT</p>	<p>The retail segment offers a full range of services to individuals as part of retail, private and mortgage banking, and to legal entities as part of corporate banking.</p> <p>The products and services offered to customers in this segment include, among other things: current accounts, savings accounts, term deposits, private banking services, investment and insurance products, investment funds, credit and debit cards, electronic and mobile banking services. With regard to financing, this segment offers consumer loans, mortgage loans, including those offered by PKO Bank Hipoteczny S.A., as well as Corporate loans for businesses, developers, cooperatives and property managers, and leases and factoring offered by the PKO Leasing S.A. Group.</p> <p>In addition, the results of the retail segment comprise the results of the following companies: PKO TFI S.A., PKO BP BANKOWY PTE S.A., PKO Życie Towarzystwo Ubezpieczeń S.A. and PKO Towarzystwo Ubezpieczeń S.A.</p>
<p>CORPORATE AND INVESTMENT SEGMENT</p>	<p>The corporate and investment segment comprises transactions concluded with large corporate customers, state budget entities, enterprises and financial institutions.</p> <p>This segment offers the following products and services: maintaining current accounts and term deposits, cash management and trade finance services, currency products and derivatives, corporate loans, leasing and factoring offered by the PKO Leasing S.A. Group. As part of this segment's activities, the Group also concludes, on its own or in consortiums with other banks, agreements for financing large projects in the form of loans and issues of non-Treasury securities.</p> <p>In addition, the segment carries out its own activities, in particular: those related to liquidity, currency and derivative risk management and brokerage activities. The results of the corporate and investment segments also comprise the results of the KREDOBANK S.A. Group operating in Ukraine.</p>
<p>TRANSFER CENTER AND OTHER</p>	<p>The transfer centre and other segment comprises the result on internal settlements related to funds transfer pricing, the result on the Group's investment portfolio of debt securities, the result on long-term sources of financing and the result on positions classified for hedge accounting, as well as the results not allocated to any other segment. Internal funds transfer is based on arm's length transfer pricing. Long-term external financing includes issuing securities, including mortgage covered bonds, subordinated liabilities and loans received from financial institutions.</p> <p>This segment includes the results of PKO Finance AB, companies conducting technological services, real estate development and real estate management activities as well as funds investing money collected from investment fund participants.</p>

INCOME STATEMENT BY SEGMENT	Continuing operations			
	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
2 quarters YTD from 01.01.2024 to 30.06.2024				
Net interest income	7,949	3,449	(1,152)	10,246
Net fee and commission income	1,927	672	(41)	2,558
Other net income	548	88	141	777
Net income from insurance business	361	5	-	366
Dividend income	-	-	22	22
Gains/(losses) on financial transactions	27	50	25	102
Net foreign exchange gains/ (losses)	103	26	18	147
Gains/(losses) on derecognition of financial instruments	24	16	-	40
Net other operating income and expense	25	(1)	76	100
Income/(expenses) relating to internal customers	8	(8)	-	-
Result on business activities	10,424	4,209	(1,052)	13,581
Net allowances for expected credit losses	(251)	(202)	-	(453)
Impairment of non-financial assets	(225)	-	(88)	(313)
Cost of legal risk of mortgage loans in convertible currencies	(2,320)	-	-	(2,320)
Administrative expenses, of which:	(3,285)	(779)	(77)	(4,141)
depreciation and amortization	(485)	(85)	(6)	(576)
Net regulatory charges	(273)	(175)	(9)	(457)
Tax on certain financial institutions	(416)	(253)	43	(626)
Segment profit/(loss)	3,927	2,975	(1,174)	5,728
Share in profits and losses of associates and joint ventures				61
Profit before tax				5,789
Income tax expense (tax burden)				(1,395)
Net profit (including non-controlling shareholders)				4,394
Profit (loss) attributable to non-controlling shareholders				(1)
Net profit attributable to equity holders of the parent company				4,395

INCOME STATEMENT BY SEGMENT	Continuing operations			
	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
2 nd quarter period from 01.04.2024 to 30.06.2024				
Net interest income	3,841	1,724	(511)	5,054
Net fee and commission income	974	334	(28)	1,280
Other net income	297	52	69	418
Net income from insurance business	190	-	-	190
Dividend income	-	-	22	22
Gains/(losses) on financial transactions	23	24	(7)	40
Net foreign exchange gains/ (losses)	59	22	-	81
Gains/(losses) on derecognition of financial instruments	10	10	-	20
Net other operating income and expense	12	(1)	54	65
Income/(expenses) relating to internal customers	3	(3)	-	-
Result on business activities	5,112	2,110	(470)	6,752
Net allowances for expected credit losses	(16)	(235)	-	(251)
Impairment of non-financial assets	(157)	-	(44)	(201)
Cost of legal risk of mortgage loans in convertible currencies	(982)	-	-	(982)
Administrative expenses, of which:	(1,612)	(314)	(36)	(1,962)
depreciation and amortization	(248)	(43)	(3)	(294)
net regulatory charges	(56)	(6)	(1)	(63)
Tax on certain financial institutions	(211)	(131)	19	(323)
Segment profit/(loss)	2,134	1,430	(531)	3,033
Share in profits and losses of associates and joint ventures				20
Profit before tax				3,053
Income tax expense (tax burden)				(702)
Net profit (including non-controlling shareholders)				2,351
Net profit attributable to equity holders of the parent company				2,351

ASSETS AND LIABILITIES BY SEGMENT	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
30.06.2024				
Assets	189,288	189,732	123,889	502,909
Investments in associates and joint ventures				284
Unallocated assets				4,065
Total assets				507,258
Liabilities	338,652	87,467	32,672	458,791
Unallocated liabilities				1,535
Total liabilities				460,326

INCOME STATEMENT BY SEGMENT (RESTATED FIGURES) ¹	Continuing operations			
	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
2 quarters YTD from 01.01.2023 to 30.06.2023				
Net interest income	7,154	2,869	(1,444)	8,579
Net fee and commission income	1,598	633	(17)	2,214
Other net income	465	(8)	60	517
Net income from insurance business	348	5	-	353
Dividend income	-	-	12	12
Gains/(losses) on financial transactions	20	(25)	33	28
Foreign exchange gains/ (losses)	47	6	(41)	12
Gains/(losses) on derecognition of financial instruments	11	11	5	27
Net other operating income and expense	26	8	51	85
Income/(expenses) relating to internal customers	13	(13)	-	-
Result on business activities	9,217	3,494	(1,401)	11,310
Net allowances for expected credit losses	(394)	(149)	-	(543)
Impairment of non-financial assets	(3)	-	(19)	(22)
Cost of legal risk of mortgage loans in convertible currencies	(3,441)	-	-	(3,441)
Administrative expenses, of which:	(2,940)	(712)	(79)	(3,731)
depreciation and amortization	(440)	(74)	(6)	(520)
Net regulatory charges	(240)	(179)	(10)	(429)
Tax on certain financial institutions	(371)	(212)	(27)	(610)
Segment profit/(loss)	2,068	2,421	(1,526)	2,963
Share in profits and losses of associates and joint ventures				36
Profit before tax				2,999
Income tax expense (tax burden)				(957)
Net profit (including non-controlling shareholders)				2,042
Profit (loss) attributable to non-controlling shareholders				1
Net profit attributable to equity holders of the parent company				2,041

¹ Figures for the six-month period of 2023 have been adjusted for comparability.

INCOME STATEMENT BY SEGMENT (RESTATED FIGURES) ¹	Continuing operations			
	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
2 nd quarter period from 01.04.2023 to 30.06.2023				
Net interest income	3,619	1,430	(657)	4,392
Net fee and commission income	817	308	(14)	1,111
Other net income	240	(55)	90	275
Net income from insurance business	185	2	-	187
Dividend income	-	-	11	11
Gains/(losses) on financial transactions	6	(32)	20	(6)
Net foreign exchange gains/ (losses)	23	(19)	4	8
Gains/(losses) on derecognition of financial instruments	5	(1)	6	10
Net other operating income and expense	15	1	49	65
Income/(expenses) relating to internal customers	6	(6)	-	-
Result on business activities	4,676	1,683	(581)	5,778
Net allowances for expected credit losses	(195)	(20)	-	(215)
Impairment of non-financial assets	(1)	-	(10)	(11)
Cost of legal risk of mortgage loans in convertible currencies	(2,474)	-	-	(2,474)
Administrative expenses, of which:	(1,436)	(272)	(38)	(1,746)
depreciation and amortization	(223)	(37)	(3)	(263)
Net regulatory charges	(43)	(8)	-	(51)
Tax on certain financial institutions	(191)	(103)	(17)	(311)
Segment profit/(loss)	379	1,288	(646)	1,021
Share in profits and losses of associates and joint ventures				13
Profit before tax				1,034
Income tax expense (tax burden)				(445)
Net profit (including non-controlling shareholders)				589
Profit (loss) attributable to non-controlling shareholders				2
Net profit attributable to equity holders of the parent company				587

¹ Figures for the three-month period ended 30 June 2023 have been adjusted for comparability.

ASSETS AND LIABILITIES BY SEGMENT (RESTATED FIGURES) ¹	Retail segment	Corporate and investment segment	Transfer center and other	Total operations of the Group
31.12.2023				
Assets	176,682	210,632	109,912	497,226
Investments in associates and joint ventures				284
Unallocated assets				4,006
Total assets				501,516
Liabilities	329,449	99,032	25,979	454,460
Unallocated liabilities				1,829
Total liabilities				456,289

¹ Figures as at 31 December 2023 have been adjusted for comparability.

11. INTEREST INCOME AND EXPENSE

INTEREST AND SIMILAR INCOME	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Loans and other amounts due from banks and balances with the Central Bank ¹	379	774	441	846
Debt securities	2,076	3,998	1,714	3,152
measured at amortized cost	843	1,601	524	985
measured at fair value through other comprehensive income	1,225	2,380	1,178	2,146
measured at fair value through profit or loss	8	17	12	21
Loans and advances to customers ²	4,681	9,794	5,240	10,354
measured at amortized cost	4,582	9,588	5,109	10,084
measured at fair value through profit or loss	99	206	131	270
Repo transactions	6	10	15	18
Finance lease receivables	396	784	398	784
Total	7,538	15,360	7,808	15,154
of which: interest income on impaired financial instruments	150	285	142	278
Interest income calculated using the effective interest rate method on financial instruments measured:				
at amortized cost	7,431	15,137	7,665	14,863
at fair value through other comprehensive income	6,206	12,757	6,487	12,717
at fair value through profit or loss	1,225	2,380	1,178	2,146
Income similar to interest income on instruments measured at fair value through profit or loss	107	223	143	291
Total	7,538	15,360	7,808	15,154

¹ Under this item, in the six-month period ended 30 June 2024, the Group recognised income on funds in the current account with the NBP of PLN 371 million (PLN 379 million in the corresponding period).

² The item loans and advances to customers includes the effect of the statutory credit holidays recognised in the six-month period ended 30 June 2024 in the amount of PLN 488 million (Noe 21 "[Loans and advances to customers](#)").

INTEREST EXPENSE	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Amounts due to banks	(18)	(36)	(19)	(40)
Hedging derivatives ¹	(484)	(988)	(1,078)	(2,233)
Loans and advances received	(16)	(32)	(25)	(51)
Leases	(11)	(19)	(9)	(16)
Amounts due to customers	(1,662)	(3,495)	(2,036)	(3,752)
Repo transactions	(1)	(4)	(3)	(7)
Issues of securities	(243)	(438)	(189)	(361)
Subordinated liabilities	(49)	(102)	(57)	(115)
Total	(2,484)	(5,114)	(3,416)	(6,575)

¹ The decrease in interest expense related to hedging derivatives by PLN 1,245 million in the period of six months ended 30 June 2024 mainly relates to IRS transactions and is due to the narrowing of the negative difference between the variable rate paid and the fixed rate received and the decrease in the average volume of IRS transactions.

INTEREST INCOME BY SEGMENT	2 nd quarter period from 01.04.2024 to 30.06.2024			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans and other amounts due from banks and balances with the Central Bank	1	191	187	379
Debt securities	42	1,165	869	2,076
Loans and advances to customers	3,372	1,309	-	4,681
Repo transactions	-	6	-	6
Finance lease receivables	250	146	-	396
Total	3,665	2,817	1,056	7,538

INTEREST INCOME BY SEGMENT	2 quarters YTD from 01.01.2024 to 30.06.2024			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans and other amounts due from banks and balances with the Central Bank	2	398	374	774
Debt securities	80	2,267	1,651	3,998
Loans and advances to customers	7,165	2,629	-	9,794
Repo transactions	-	10	-	10
Finance lease receivables	494	290	-	784
Total	7,741	5,594	2,025	15,360

INTEREST INCOME BY SEGMENT ¹	2 nd quarter period from 01.04.2023 to 30.06.2023			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans and other amounts due from banks and balances with the Central Bank	5	242	194	441
Debt securities	23	1,154	537	1,714
Loans and advances to customers	3,697	1,543	-	5,240
Repo transactions	-	15	-	15
Finance lease receivables	304	94	-	398
Total	4,029	3,048	731	7,808

¹ Figures for the three-month period ended 30 June 2023 have been adjusted for comparability. The changes are described in note 10 "Segment reporting".

INTEREST INCOME BY SEGMENT ¹	2 quarters YTD from 01.01.2023 to 30.06.2023			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans and other amounts due from banks and balances with the Central Bank	8	457	381	846
Debt securities	45	2,116	991	3,152
Loans and advances to customers	7,475	2,879	-	10,354
Repo transactions	-	18	-	18
Finance lease receivables	559	225	-	784
Total	8,087	5,695	1,372	15,154

¹ Figures for the six-month period ended 30 June 2023 have been adjusted for comparability. The changes are described in note 10 "Segment reporting".

12. FEE AND COMMISSION INCOME AND EXPENSES

FEE AND COMMISSION INCOME	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Loans, insurance, operating leases and fleet management	315	636	307	607
lending	231	470	226	445
offering insurance products	22	43	26	56
operating leases and fleet management	62	123	55	106
Investment funds, pension funds and brokerage activities	244	499	160	356
servicing investment funds and OFE (including management fees)	121	230	94	184
servicing and selling investment and insurance products	2	3	1	2
brokerage activities	121	266	65	170
Cards¹	550	1,059	493	949
Margins on foreign exchange transactions¹	219	409	225	429
Bank accounts and other	353	701	342	680
servicing bank accounts	247	491	245	488
cash operations	28	55	27	48
servicing foreign mass transactions	37	73	33	64
customer orders	13	26	13	27
fiduciary services	3	6	4	6
other	25	50	20	47
Total, of which:	1,681	3,304	1,527	3,021
income from financial instruments not measured at fair value through profit or loss	1,545	3,041	1,420	2,801

¹ In the second quarter of 2024, the Group made a presentation change (netting) relating to the currency conversion commission presented under the items "Cards" and "Margins on foreign exchange transactions". The comparative figures have been restated accordingly, for the period: of three months of 2024 - PLN 41 million, of six months of 2023 - PLN 57 million and three months of 2023 - PLN 25 million.

FEE AND COMMISSION EXPENSE	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Loans and insurance	(29)	(58)	(25)	(53)
commission paid to external entities for product sales	(5)	(10)	(7)	(12)
cost of construction project supervision and property appraisal fees to Biuro Informacji Kredytowej	(12)	(22)	(9)	(15)
loan handling	(7)	(13)	-	(11)
Investment funds, pension funds and brokerage activities	(9)	(23)	(12)	(23)
Cards¹	(289)	(534)	(326)	(634)
Bank accounts and other	(74)	(131)	(53)	(97)
clearing services	(16)	(32)	(17)	(31)
commissions for operating services provided by banks	(4)	(7)	(2)	(6)
sending short text messages (SMS)	(13)	(26)	(14)	(27)
servicing foreign mass transactions	(6)	(12)	(6)	(11)
inne ²	(35)	(54)	(14)	(22)
Total	(401)	(746)	(416)	(807)

¹ The decrease in card commission expenses in the period of six months ended 30 June 2024 was attributable, among other factors, to settlements with payment institutions.

² Under "other", the Group recognises costs for the guarantee agreement entered into by the Group on 27 February 2023, together with an annex dated 28 March 2024 (for details, see note 27 "Off-balance sheet liabilities received and granted").

2 nd quarter period from 01.04.2024 to 30.06.2024				
FEE AND COMMISSION INCOME BY SEGMENT	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans, insurance, operating leases and fleet management	171	141	3	315
lending	114	117	-	231
offering insurance products	15	4	3	22
operating leases and fleet management	42	20	-	62
Investment funds, pension funds and brokerage activities	210	34	-	244
servicing investment funds and OFE (including management fees)	119	2	-	121
servicing and selling investment and insurance products	2	-	-	2
brokerage activities	89	32	-	121
Cards¹	534	16	-	550
Margins on foreign exchange transactions¹	147	72	-	219
Bank accounts and other	252	101	-	353
servicing bank accounts	195	52	-	247
cash operations	12	16	-	28
servicing foreign mass transactions	27	10	-	37
customer orders	3	10	-	13
fiduciary services	-	3	-	3
other	15	10	-	25
Total	1,314	364	3	1,681

¹ In the second quarter of 2024, the Group made a presentation change (netting) relating to the currency conversion commission presented under the items "Cards" and "Margins on foreign exchange transactions" in the amount of PLN 41 million for the period of three months ended 30 June 2024.

2 quarters YTD from 01.01.2024 to 30.06.2024				
FEE AND COMMISSION INCOME BY SEGMENT	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans, insurance, operating leases and fleet management	342	288	6	636
lending	234	236	-	470
offering insurance products	27	10	6	43
operating leases and fleet management	81	42	-	123
Investment funds, pension funds and brokerage activities	418	81	-	499
servicing investment funds and OFE (including management fees)	227	3	-	230
servicing and selling investment and insurance products	3	-	-	3
brokerage activities	188	78	-	266
Cards	1,029	30	-	1,059
Margins on foreign exchange transactions	273	136	-	409
Bank accounts and other	504	197	-	701
servicing bank accounts	385	106	-	491
cash operations	25	30	-	55
servicing foreign mass transactions	53	20	-	73
customer orders	7	19	-	26
fiduciary services	-	6	-	6
other	34	16	-	50
Total	2,566	732	6	3,304

FEE AND COMMISSION INCOME BY SEGMENT ¹	2 nd quarter period from 01.04.2023 to 30.06.2023			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans, insurance, operating leases and fleet management	179	125	3	307
lending	119	107	-	226
offering insurance products	19	4	3	26
operating leases and fleet management	41	14	-	55
Investment funds, pension funds and brokerage activities	140	20	-	160
servicing investment funds and OFE (including management fees)	93	1	-	94
servicing and selling investment and insurance products	1	-	-	1
brokerage activities	46	19	-	65
Cards¹	477	16	-	493
Margins on foreign exchange transactions²	154	71	-	225
Bank accounts and other	245	97	-	342
servicing bank accounts	197	48	-	245
cash operations	10	17	-	27
servicing foreign mass transactions	20	13	-	33
customer orders	4	9	-	13
fiduciary services	-	4	-	4
other	14	6	-	20
Total	1,195	329	3	1,527

¹ Figures for the three-month period ended 30 June 2023 have been adjusted for comparability. The changes are described in note 10 "Segment reporting".

² In the second quarter of 2024, the Group made a presentation change (netting) relating to the currency conversion commission presented under the items "Cards" and "Margins on foreign exchange transactions" in the amount of PLN 25 million for the period of three months ended 30 June 2023.

FEE AND COMMISSION INCOME BY SEGMENT ¹	2 quarters YTD from 01.01.2023 to 30.06.2023			
	Retail segment	Corporate and investment segment	Transfer center and other	Total
Loans, insurance, operating leases and fleet management	344	256	7	607
lending	230	215	-	445
offering insurance products	40	9	7	56
operating leases and fleet management	74	32	-	106
Investment funds, pension funds and brokerage activities	297	59	-	356
servicing investment funds and OFE (including management fees)	181	3	-	184
servicing and selling investment and insurance products	2	-	-	2
brokerage activities	114	56	-	170
Cards¹	917	32	-	949
Margins on foreign exchange transactions²	286	143	-	429
Bank accounts and other	488	192	-	680
servicing bank accounts	393	95	-	488
cash operations	17	31	-	48
servicing foreign mass transactions	38	26	-	64
customer orders	9	18	-	27
fiduciary services	-	6	-	6
other	31	16	-	47
Total	2,332	682	7	3,021

¹ Figures for the six-month period ended 30 June 2023 have been adjusted for comparability. The changes are described in note 10 "Segment reporting".

² In the second quarter of 2024, the Group made a presentation change (netting) relating to the currency conversion commission presented under the items "Cards" and "Margins on foreign exchange transactions" in the amount of PLN 57 million for the period of six months ended 30 June 2023.

13. NET ALLOWANCES FOR EXPECTED CREDIT LOSSES

NET ALLOWANCES FOR EXPECTED CREDIT LOSSES	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Amounts due from banks	-	3	(4)	(5)
Debt securities	(23)	(19)	(6)	(9)
measured at fair value through other comprehensive income	(15)	(5)	(4)	(12)
measured at amortized cost	(8)	(14)	(2)	3
Loans and advances to customers	(86)	(394)	(286)	(654)
measured at amortized cost	(86)	(394)	(286)	(654)
real estate loans	55	45	23	3
business loans	(43)	(112)	(138)	(278)
consumer loans	(60)	(261)	(153)	(332)
finance lease receivables	(36)	(64)	(13)	(42)
factoring receivables	(2)	(2)	(5)	(5)
Other financial assets	(2)	(5)	(4)	(3)
Provisions for financial liabilities and guarantees granted	(140)	(38)	85	128
Total	(251)	(453)	(215)	(543)

CHANGE IN ACCUMULATED ALLOWANCES FOR EXPECTED CREDIT LOSSES	Opening balance	Net allowances for expected credit losses	Change in allowances due to write-offs and other adjustments	Closing balance
FOR 6 MONTHS ENDED 30 JUNE 2024				
Amounts due from banks	(9)	3	-	(6)
Debt securities	(72)	(19)	5	(86)
Loans and advances to customers	(10,206)	(394)	269	(10,331)
Other financial assets	(136)	(5)	3	(138)
Financial liabilities and guarantees granted	(751)	(38)	-	(789)
Total	(11,174)	(453)	277	(11,350)

CHANGE IN ACCUMULATED ALLOWANCES FOR EXPECTED CREDIT LOSSES	Opening balance	Net allowances for expected credit losses	Change in allowances due to write-offs and other adjustments	Closing balance
FOR 6 MONTHS ENDED 30 JUNE 2023				
Amounts due from banks	(2)	(5)	1	(6)
Debt securities	(68)	(9)	11	(66)
Loans and advances to customers	(9,748)	(654)	255	(10,147)
Other financial assets	(147)	(3)	17	(133)
Financial liabilities and guarantees granted	(833)	128	7	(698)
Total	(10,798)	(543)	291	(11,050)

In the half quarter of 2024, the Group updated its projections of macroeconomic ratios to account for expected credit losses - the impact on net allowances for expected credit losses on this account was a positive figure of PLN 155 million.

The tables below present projections of the key macroeconomic parameters and their assumed probabilities of materialization.

scenario as at 30.06.2024	baseline			optimistic			pessimistic		
probability	75%			5%			20%		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP growth y/y	3.6	3.8	3.5	7.7	9.2	7.7	(0.4)	(1.6)	(0.8)
Unemployment rate	2.9	2.8	3.0	2.6	2.5	2.7	3.8	4.0	3.8
Property price index	102.6	111.1	115.5	106.4	126.6	129.7	100.7	103.9	106.5
WIBOR 3M (%)	5.9	5.5	4.6	6.3	6.0	5.0	5.3	3.8	2.8
CHF/PLN	4.3	4.2	4.0	4.1	3.7	3.6	4.8	5.1	4.8

scenario as at 31.12.2023	baseline			optimistic			pessimistic		
probability	75%			5%			20%		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP growth y/y	3.9	3.8	3.2	9.4	8.8	4.7	(1.7)	(1.7)	1.3
Unemployment rate	2.7	2.7	2.5	2.4	2.5	2.7	4.3	4.4	3.0
Property price index	107.7	115.4	118.3	115.1	130.7	134.0	100.6	101.6	104.2
WIBOR 3M (%)	5.6	5.0	3.7	6.6	5.7	3.9	4.3	2.5	2.8
CHF/PLN	4.4	4.1	3.9	4.1	3.8	3.6	5.1	4.9	4.5

14. IMPAIRMENT OF NON-FINANCIAL ASSETS

NET IMPAIRMENT OF NON-FINANCIAL ASSETS	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Property, plant and equipment	(31)	(16)	-	-
Intangible assets	-	-	-	(1)
Investments in associates and joint ventures	-	(47)	-	-
Other non-financial assets, including inventories ¹	(170)	(250)	(11)	(21)
Total	(201)	(313)	(11)	(22)

¹ In the period of six months ended 30 June 2024, the Group recognised an impairment loss on other non-financial assets of PLN 225 million relating to receivables from customers for whom the agreements have been legally declared invalid in respect of the principal originally disbursed to these customers.

CHANGE IN ACCUMULATED IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS	Opening balance	Impairment of non-financial assets	Other	Closing balance
FOR 6 MONTHS ENDED 30 JUNE 2024				
Property, plant and equipment under operating lease	(3)	-	-	(3)
Property, plant and equipment	(135)	(16)	7	(144)
Intangible assets	(382)	-	9	(373)
Investments in associates and joint ventures	(275)	(47)	-	(322)
Other non-financial assets, including inventories	(358)	(250)	16	(592)
Total	(1,153)	(313)	32	(1,434)

CHANGE IN ACCUMULATED IMPAIRMENT LOSSES ON NON-FINANCIAL ASSETS	Opening balance	Impairment of non-financial assets	Other	Closing balance
FOR 6 MONTHS ENDED 30 JUNE 2023				
Property, plant and equipment under operating lease	(4)	-	1	(3)
Property, plant and equipment	(102)	-	2	(100)
Non-current assets held for sale	(1)	-	1	-
Intangible assets	(382)	(1)	1	(382)
Investments in associates and joint ventures	(264)	-	-	(264)
Other non-financial assets, including inventories	(337)	(21)	12	(346)
Total	(1,090)	(22)	17	(1,095)

15. COST OF THE LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES

The accounting policies and methodology for estimating the cost of legal risk of mortgage loans in convertible currencies are described in the Group's consolidated financial statements for the year ended 31 December 2023 in note "Cost of legal risk of mortgage loans in convertible currencies".

The Group regularly, on a quarterly basis, monitors the model's adequacy by comparing the actual key model parameters with the calculated values. In addition, new empirical data (more accurate or resulting from a longer observation) gradually modify or replace previous assumptions. The model is being adapted to the current settlement offer and changes made in this respect. In the first half of 2024, the Group updated the parameters of the model, which relate in particular to the probabilities of litigation settlement scenarios and regarding the expected costs associated with lost litigation.

The Management Board considered the impact of the Supreme Court resolution of 25 April 2024, described in detail in note 28 "LEGAL CLAIMS" and in section 2.1 "MAJOR EVENTS, INCLUDING NON-TYPICAL EVENTS", 2.1.1. "MORTGAGE LOANS IN FOREIGN CURRENCIES" OF THE PKO BANK POLSKI S.A. GROUP DIRECTORS' REPORT FOR THE FIRST HALF OF 2024 on the Group's results. The Management Board is of the opinion that the resolution does not materially affect the level of the accumulated cost of legal risk of mortgage loans in convertible currencies recognised as at 30 June 2024.

IMPACT OF LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES	Gross carrying amount of mortgage loans in convertible currencies net of the cost of legal risk of mortgage loans in convertible currencies	Accumulated cost of legal risk of mortgage loans in convertible currencies	Gross carrying amount of mortgage loans in convertible currencies including the cost of legal risk of mortgage loans in convertible currencies
as at 30.06.2024			
Loans and advances to customers – adjustment reducing the carrying amount of loans	13,097	8,288	4,809
- related to the portfolio of mortgage loans in CHF	11,383	8,288	3,095
Provisions		3,896	
Total		12,184	
as at 31.12.2023			
Loans and advances to customers – adjustment reducing the carrying amount of loans	14,945	8,306	6,639
- related to the portfolio of mortgage loans in CHF	13,096	8,306	4,790
Provisions		3,001	
Total		11,307	

Change in the accumulated cost of legal risk of mortgage loans in convertible currencies during the period	01.01-30.06.2024	01.01-30.06.2023
Carrying amount at the beginning of the period	(11,307)	(8,323)
Cost of legal risk of mortgage loans in convertible currencies – increase in adjustment to gross carrying amount of loans and advances to customers and increase in provisions for legal risk	(2,320)	(3,441)
offset of settlements and judgments for the period against accumulated losses ¹	978	1,398
revaluation of loss for the period ²	465	515
Carrying amount at the end of the period	(12,184)	(9,851)

¹ The item also includes the effects of final judgements mainly invalidating loan agreements, which amount to PLN 468 million for the six months ended 30 June 2024 (in the period of six months ended 30 June 2023: PLN 343 million).

² Revaluation of the loss in respect of the legal risk is associated with the effect of changes in foreign exchange rates on the part of the loss which is recognized in the convertible currency as adjustment to the gross carrying amount of loans.

(pcs)	30.06.2024	31.12.2023
Number of mediation applications registered	61,095	57,036
Total number of settlements concluded, including those concluded	40,552	36,822
in mediation proceedings	37,889	35,154
in court proceedings	2,663	1,668

The Group has analysed the model's sensitivity to changes in key parameters:

ANALYSIS OF THE MODEL'S SENSITIVITY TO CHANGES IN KEY PARAMETERS	Increase/decrease of the cost of legal risk of mortgage loans in convertible currencies	
	30.06.2024	31.12.2023
1 p.p. decrease in the likelihood of the Bank winning in court (instead of a 1 p.p. increase in the probability of declaring an agreement invalid)	103	101
1 p.p. decrease in the number of settlements	19	25
1 p.p. increase in the number of lawsuits for the active portfolio (at the cost of inactive customers)	46	46
1 p.p. increase in the lawsuit to settlement conversion ratio	(57)	(71)
1 p.p. increase in the number of lawsuits for the repaid portfolio	41	34

16. ADMINISTRATIVE EXPENSES

ADMINISTRATIVE EXPENSES	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Employee benefits	(1,163)	(2,253)	(989)	(1,931)
Overheads, of which:	(442)	(855)	(443)	(851)
rent	(34)	(61)	(30)	(58)
IT	(113)	(218)	(112)	(210)
Depreciation and amortization	(294)	(576)	(263)	(520)
property, plant and equipment, of which:	(135)	(270)	(132)	(263)
IT	(32)	(65)	(31)	(61)
right-of-use assets	(66)	(132)	(61)	(119)
intangible assets, of which:	(159)	(306)	(131)	(257)
IT	(158)	(304)	(129)	(254)
Net regulatory charges	(63)	(457)	(51)	(429)
contribution and payments to the Bank Guarantee Fund (BFG) – Resolution Fund	-	(272)	-	(280)
fees to PFSA	(1)	(58)	(1)	(52)
other taxes and fees	(62)	(127)	(50)	(97)
Total	(1,962)	(4,141)	(1,746)	(3,731)

17. INCOME TAX

Income tax in the interim financial statements is determined in accordance with IAS 34. The tax expense in the interim period is determined using the tax rate that would have applied to the expected profit before tax for the full year, i.e. using the estimated average annual effective income tax rate applied to income before tax in the interim period. The calculation of the average annual effective income tax rate requires the use of a forecast of income before tax for the full year and permanent differences relating to the carrying amounts and tax bases of assets and liabilities. The projected annual effective tax rate is 24.10%.

The increase in the average annual effective income tax rate relative to the nominal income tax rate is mainly driven by the costs of legal risk related to mortgage loans in convertible currencies, the tax on certain financial institutions and contributions and other compulsory levies that are not tax-deductible (including contributions to the Bank Guarantee Fund).

The deviation of the average annual effective income tax rate from the actual tax rate of 27.49% in the first half of 2024 was mostly driven by the costs recognised in that period in respect of legal risks associated mortgage loans in convertible currencies and contributions to the Bank Guarantee Fund.

TAX EXPENSE	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Income tax expense recognized in the income statement	(702)	(1,395)	(445)	(957)
Current income tax expense	(912)	(1,534)	(756)	(1,076)
Deferred income tax on temporary differences	210	139	311	119
Income tax expense recognized in other comprehensive income in respect of temporary differences	(41)	(126)	(317)	(809)
Total	(743)	(1,521)	(762)	(1,766)

RECONCILIATION OF THE EFFECTIVE TAX RATE	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Profit or loss before tax	3,053	5,789	1,034	2,999
Tax at the statutory rate in force in Poland (19%)	(580)	(1,100)	(197)	(570)
Effect of different tax rates of foreign entities	(2)	(8)	1	1
Effect of permanent differences between profit before income tax and taxable income	(120)	(287)	(249)	(388)
Income tax expense recognized in the income statement	(702)	(1,395)	(445)	(957)
Effective tax rate (%)	-	24.10	-	31.91

Tax systems of countries in which the Bank and the PKO Bank Polski S.A. Group entities have their registered offices or branches are often subject to amendments to laws, including as a result of operations aimed at tightening the tax system, both at national and international level.

SUPPLEMENTARY NOTES TO THE STATEMENT OF FINANCIAL POSITION – FINANCIAL INSTRUMENTS

18. AMOUNTS DUE FROM BANKS

For more information on credit risk exposures, see note 33 “[CREDIT RISK – FINANCIAL INFORMATION](#)”.

AMOUNTS DUE FROM BANKS	30.06.2024	31.12.2023
Measured at amortized cost	11,336	14,447
Deposits with banks	8,975	11,994
Current accounts	1,822	1,676
Loans and advances granted	538	776
Cash in transit	1	1
Gross carrying amount	11,336	14,447
Allowances for expected credit losses	(6)	(9)
Net carrying amount	11,330	14,438

19. HEDGE ACCOUNTING AND OTHER DERIVATIVE INSTRUMENTS

• HEDGE ACCOUNTING

As at 30 June 2024, the Group had active relationships as part of:

- 5 strategies for hedging cash flow volatility;
- 5 strategies for hedging fair value volatility.

For a detailed description of the hedging strategies, see the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023.

In the period of six months of 2024, the Group terminated its hedging strategies:

- “Hedges against fluctuations in cash flows on variable interest PLN loans of a PKO Bank Polski SA Group company other than PKO Bank Polski SA, resulting from interest rate risk, and hedging against fluctuations in cash flows on a fixed-rate financial liability in a convertible currency of a PKO Bank Polski SA Group company other than PKO Bank Polski SA resulting from foreign currency risk, using CIRS or CIRS-EP transactions concluded by PKO Bank Polski SA with a counterparty that is not a member of the PKO Bank Polski SA Group” as a result of the expiry of the hedging relationships.
- “Hedges against fluctuations in cash flows on variable interest loans in convertible currencies, resulting from interest rate risk and currency risk, and hedging against fluctuations in cash flows on financial liabilities in a convertible currency resulting from foreign currency risk, using CIRS transactions”, due to failure to meet the prospective effectiveness test. The effect of discontinuing hedge accounting in the above strategies on profit or loss was PLN -0.05 million.

CARRYING AMOUNT OF HEDGING INSTRUMENTS	30.06.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedges	232	2,665	473	2,972
interest rate risk – IRS	80	1,995	147	2,167
foreign exchange risk and interest rate risk – CIRS	152	670	326	805
Fair value hedges	421	26	701	20
interest rate risk – IRS	421	26	701	20
Total	653	2,691	1,174	2,992

CHANGE IN OTHER COMPREHENSIVE INCOME RELATING TO CASH FLOW HEDGES AND AN INEFFECTIVE PORTION OF CASH FLOW HEDGES	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Accumulated other comprehensive income at the beginning of the period, net	(1,885)	(1,860)	(4,066)	(5,218)
Impact on other comprehensive income during the period, gross	291	260	1,115	2,537
Gains/losses recognized in other comprehensive income during the period	(172)	(876)	(303)	(308)
Amounts transferred from other comprehensive income to the income statement, of which:	463	1,136	1,418	2,845
- net interest income	473	968	1,058	2,208
- net foreign exchange gains/ (losses)	(10)	168	360	637
Tax effect	(55)	(49)	(213)	(483)
Accumulated other comprehensive income at the end of the period, net	(1,649)	(1,649)	(3,164)	(3,164)
Ineffective portion of cash flow hedges recognized in the income statements:	1	(4)	-	(4)
Net foreign exchange gains/ (losses)	1	(4)	1	(3)
Gains/(losses) on financial transactions	-	-	(1)	(1)

INTEREST RATE RISK HEDGE	30.06.2024	31.12.2023
Fair value measurement of the IRS fixed - float hedging derivative instrument	395	681
Fair value adjustment of the hedged instrument	(238)	(461)
Securities	(23)	(21)
Loans and advances to customers	(2)	(2)
Fair value adjustment of hedged instruments recognised in other comprehensive income before designation for hedge accounting	(19)	(26)
Amounts due to customers	(194)	(412)

• OTHER DERIVATIVE INSTRUMENTS

OTHER DERIVATIVE INSTRUMENTS - BY TYPE	30.06.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
IRS	3,680	4,271	4,398	5,153
CIRS	45	50	46	49
FX Swap	1,139	935	1,648	1,942
Options	729	879	952	1,051
Commodity swap ¹	94	86	167	157
FRA	48	47	31	30
Forward	555	446	930	695
Commodity Forward ²	360	339	234	213
Other	4	2	-	1
Total	6,654	7,055	8,406	9,291

¹ The item includes valuation of gas market participation contracts: assets of PLN 33 million (PLN 84 million as at 31 December 2023) – and liabilities of PLN 30 million (PLN 81 million as at 31 December 2023).

³ The item includes valuation of contracts for CO₂ emission allowances.

• NOMINAL AMOUNTS OF DERIVATIVES

NOMINAL AMOUNTS OF UNDERLYING INSTRUMENTS (BUY AND SELL TOGETHER) hedging instruments and other derivative instruments	30.06.2024	31.12.2023
IRS	490,240	492,308
hedging instruments	132,602	125,598
purchase	66,301	62,799
sale	66,301	62,799
other	357,638	366,710
purchase	178,819	183,355
sale	178,819	183,355
CIRS	32,221	28,969
hedging instruments	23,329	20,199
purchase	11,411	9,893
sale	11,918	10,306
other	8,892	8,770
purchase	4,452	4,390
sale	4,440	4,380
FX Swap	93,383	100,119
purchase of currencies	46,774	49,826
sale of currencies	46,609	50,293
Options	95,326	113,235
purchase	47,427	56,568
sale	47,899	56,667
FRA	38,124	42,542
purchase	19,638	21,888
sale	18,486	20,654
Forward	54,664	49,261
purchase of currencies	27,472	24,816
sale of currencies	27,192	24,445
Other, including commodity swap, commodity forward and futures	8,416	7,880
purchase	4,227	3,955
sale	4,189	3,925
Total	812,374	834,314

20. SECURITIES

For more information on credit risk exposures, see note 33 “[CREDIT RISK – FINANCIAL INFORMATION](#)”.

SECURITIES 30.06.2024	held for trading	not held for trading, measured at fair value through profit or loss	measured at fair value through other comprehensive income	measured at amortized cost	Total
Debt securities	454	570	96,025	102,881	199,930
NBP money bills	-	-	14,986	-	14,986
treasury bonds (in PLN)	364	195	55,760	71,325	127,644
treasury bonds (in foreign currencies)	26	285	6,764	1,409	8,484
corporate bonds (in PLN) secured with the State Treasury guarantees	9	27	8,141	13,590	21,767
municipal bonds (in PLN)	11	-	5,075	8,699	13,785
corporate bonds (in PLN) ¹	44	63	1,929	3,913	5,949
corporate bonds (in foreign currencies) ²	-	-	3,370	3,945	7,315
Equity securities	38	1,050	-	-	1,088
Total (excluding adjustment relating to fair value hedge accounting)	492	1,620	96,025	102,881	201,018
Adjustment relating to fair value hedge accounting (note 19 “ Hedge accounting and other derivative instruments ”)	-	-	-	(23)	(23)
Total	492	1,620	96,025	102,858	200,995

¹ The item includes, among other items, bonds of international financial organizations of PLN 4,065 million.

² The item includes, among other items, bonds of international financial organizations of PLN 5,340 million.

SECURITIES 31.12.2023	held for trading	not held for trading, measured at fair value through profit or loss	measured at fair value through other comprehensive income	measured at amortized cost	Total
Debt securities	546	592	108,054	87,227	196,419
NBP money bills	-	-	28,974	-	28,974
treasury bonds (in PLN)	472	232	52,545	58,836	112,085
treasury bonds (in foreign currencies)	1	295	4,574	1,439	6,309
corporate bonds (in PLN) secured with the State Treasury guarantees	9	-	10,180	13,619	23,808
municipal bonds (in PLN)	12	-	5,105	8,658	13,775
corporate bonds (in PLN) ¹	52	65	2,609	2,413	5,139
corporate bonds (in foreign currencies) ²	-	-	4,067	2,262	6,329
Equity securities	32	1,054	-	-	1,086
Total (excluding adjustment relating to fair value hedge accounting)	578	1,646	108,054	87,227	197,505
Adjustment relating to fair value hedge accounting (note 19 “ Hedge accounting and other derivative instruments ”)	-	-	-	(21)	(21)
Total	578	1,646	108,054	87,206	197,484

¹ The item includes, among other items, bonds of international financial organizations of PLN 3,658 million.

² The item includes, among other items, bonds of international financial organizations of PLN 4,376 million.

21. LOANS AND ADVANCES TO CUSTOMERS

The Group adjusts the gross carrying amount of housing loans measured at amortised cost by recognizing the effect of the so-called statutory credit holidays.

On 12 April 2024, the Polish Parliament passed an amendment to the Act on support for borrowers who have taken out a mortgage loan and are in a difficult financial situation and the Act on the crowdfunding of business ventures and on assistance for borrowers of 7 July 2022. The Act was passed by the Senate and signed by the President. Pursuant to the above amendment, credit holidays are available to borrowers who meet the following criteria:

- the value of the loan granted is not higher than PLN 1.2 million, and
- the loan instalment exceeds 30% of the household income, calculated as the average household income for the last three months, or the borrower has at least three dependent children (as at the date of application).

The Act stipulates that in 2024 housing loan instalments can be suspended four times - twice between 1 June and 31 August 2024 and twice between 1 September and 31 December 2024.

The Group made the judgment that the entitlement of customers to benefit from the suspension of loan repayments is a statutory cash flow modification that occurred on the date the Act has been signed by the President.

In May 2024, the Group adjusted the gross carrying amount of mortgage loans for PLN 488 million (of which PLN 427 million relates to PKO Bank Polski S.A), recognising it as a reduction of interest income. The value of the adjustment was determined as the difference between the present value of the estimated cash flows resulting from the loan agreements, taking into account the suspension of instalment payments, discounted at the pre-modification effective interest rate and the current gross carrying amount of the loan portfolio. The loss estimate was based on the assumption that 24% of customers will be eligible for and benefit from credit holidays (customer participation rate).

By the end of June 2024, 21.3 thousand of the Group's customers applied for a suspension of repayment of one or more instalments on their mortgage loans, representing 4% of the number and 8% of the value of total loans. The total number of suspensions applied for as at 30 June 2024 was 81.2 thousand.

The actual impact of solutions in the area of credit holidays on the Group's profit or loss will depend, among other things, on the number of customers who meet the criteria described above and benefit from these solutions.

For more information on credit risk exposures, see note 33 "[CREDIT RISK – FINANCIAL INFORMATION](#)".

LOANS AND ADVANCES TO CUSTOMERS	30.06.2024	31.12.2023
real estate	117,622	112,514
business	76,111	76,515
consumer	33,721	32,263
factoring receivables	5,955	5,386
finance lease receivables	19,863	19,100
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	253,272	245,778
Adjustment relating to fair value hedge accounting (note 19 " Hedge accounting and other derivative instruments ")	(2)	(2)
Total	253,270	245,776

LOANS AND ADVANCES TO CUSTOMERS 30.06.2024	not held for trading, measured at fair value through profit or loss	measured at amortized cost	Total
retail and private banking	2,436	144,022	146,458
real estate	2	112,625	112,627
consumer	2,434	31,287	33,721
finance lease receivables	-	110	110
businesses	57	27,665	27,722
real estate	-	4,915	4,915
business	57	10,817	10,874
factoring receivables	-	88	88
finance lease receivables	-	11,845	11,845
corporate	16	79,076	79,092
real estate	-	80	80
business	16	65,221	65,237
factoring receivables	-	5,867	5,867
finance lease receivables	-	7,908	7,908
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	2,509	250,763	253,272
Adjustment relating to fair value hedge accounting (note 19 "Hedge accounting and other derivative instruments")	-	(2)	(2)
Total	2,509	250,761	253,270

LOANS AND ADVANCES TO CUSTOMERS 31.12.2023 (restated) ¹	not held for trading, measured at fair value through profit or loss	measured at amortized cost	Total
retail and private banking	2,790	136,903	139,693
real estate	1	107,333	107,334
consumer	2,789	29,474	32,263
finance lease receivables	-	96	96
firm1	52	25,794	25,846
real estate	-	5,055	5,055
business	52	9,393	9,445
factoring receivables	-	61	61
finance lease receivables	-	11,285	11,285
korporacyjne1	29	80,210	80,239
real estate	-	126	126
business	29	67,041	67,070
factoring receivables	-	5,325	5,325
finance lease receivables	-	7,718	7,718
Loans and advances to customers (excluding adjustment relating to fair value hedge accounting)	2,871	242,907	245,778
Adjustment relating to fair value hedge accounting (note 19 "Hedge accounting and other derivative instruments")	-	(2)	(2)
Total	2,871	242,905	245,776

¹ Figures for 2023 have been adjusted for comparability. The changes are described in note 10 "Segment reporting".

22. AMOUNTS DUE TO BANKS

AMOUNTS DUE TO BANKS	30.06.2024	31.12.2023
Measured at fair value through profit or loss	-	25
Liabilities in respect of a short position in securities	-	25
Measured at amortized cost	3,397	3,398
Deposits from banks	1,195	1,120
Current accounts	2,179	2,240
Other monetary market deposits	23	38
Total	3,397	3,423

23. AMOUNTS DUE TO CUSTOMERS

AMOUNTS DUE TO CUSTOMERS 30.06.2024	Amounts due to households ¹	Amounts due to business entities	Amounts due to public sector	Total
Measured at fair value through profit or loss	165	30	4	199
Liabilities in respect of a short position in securities	-	30	4	34
Liabilities in respect of insurance products	165	-	-	165
Measured at amortized cost	311,659	70,546	16,235	398,440
Cash on current accounts and overnight deposits of which	215,836	48,007	13,280	277,123
savings accounts and other interest-bearing assets	53,737	13,350	5,806	72,893
Term deposits	95,181	21,624	2,894	119,699
Other liabilities	623	915	61	1,599
Liabilities in respect of insurance products	19	-	-	19
Amounts due to customers (excluding adjustment relating to fair value hedge accounting)	311,824	70,576	16,239	398,639
Adjustment relating to fair value hedge accounting (note 19 "Hedge accounting and other derivative instruments")	194	-	-	194
Total	312,018	70,576	16,239	398,833

¹ Households include private individuals, individual entrepreneurs and individual farmers.

AMOUNTS DUE TO CUSTOMERS 31.12.2023	Amounts due to households ¹	Amounts due to business entities	Amounts due to public sector	Total
Measured at fair value through profit or loss	165	277	-	442
Liabilities in respect of a short position in securities	-	277	-	277
Liabilities in respect of insurance products	165	-	-	165
Measured at amortized cost	306,450	76,372	15,517	398,339
Cash on current accounts and overnight deposits of which	201,238	55,097	14,551	270,886
savings accounts and other interest-bearing assets	49,845	18,765	9,956	78,566
Term deposits	104,689	20,450	927	126,066
Other liabilities	505	825	39	1,369
Liabilities in respect of insurance products	18	-	-	18
Amounts due to customers (excluding adjustment relating to fair value hedge accounting)	306,615	76,649	15,517	398,781
Adjustment relating to fair value hedge accounting (note 19 "Hedge accounting and other derivative instruments")	412	-	-	412
Total	307,027	76,649	15,517	399,193

¹ Households include private individuals, individual entrepreneurs and individual farmers.

AMOUNTS DUE TO CUSTOMERS BY SEGMENT	30.06.2024	31.12.2023
Amounts due to customers (excluding adjustment relating to fair value hedge accounting)	398,639	398,781
retail and private banking	284,659	275,458
corporate	69,573	78,397
businesses	44,223	44,741
other liabilities (including liabilities in respect of insurance products)	184	185
Adjustment relating to fair value hedge accounting (note 19 " Hedge accounting and other derivative instruments ")	194	412
Total	398,833	399,193

24. FINANCING RECEIVED

FINANCING RECEIVED	30.06.2024	31.12.2023
Loans and advances received from:	1,422	1,489
international financial organisations	1,412	1,478
other financial institutions	10	11
Liabilities in respect of debt securities in issue:	21,616	17,201
mortgage covered bonds issued by PKO Bank Hipoteczny S.A.	8,389	10,418
bonds issued by PKO Bank Hipoteczny S.A.	2,689	1,755
bonds issued by PKO Bank Polski S.A.	8,646	3,421
bonds issued by the PKO Leasing S.A. Group	1,892	1,607
Subordinated liabilities	2,767	2,774
Total	25,805	21,464

- LOANS AND ADVANCES RECEIVED**

In the six-month period ended 30 June 2024 and 30 June 2023, the Group did not contract any new loans or advances. At the same time, in the six-month period ended 30 June 2024 and 30 June 2023, the Group repaid loans amounting to PLN 54 million and PLN 251 million, respectively.

- COVERED BONDS AND BONDS ISSUED BY PKO BANK HIPOTECZNY S.A.**

In the six-month period ended 30 June 2024, the company issued new covered bonds in the amount of PLN 1,000 million and redeemed covered bonds in the amount of PLN 2,991 million, as well as issued new bonds in the amount of PLN 2,767 million and redeemed bonds in the amount of PLN 1,914 million.

In the six-month period ended 30 June 2023, the company issued new covered bonds in the amount of PLN 999 million and redeemed covered bonds in the amount of PLN 2,859 million, as well as issued new bonds in the amount of PLN 1,327 million and redeemed bonds in the amount of PLN 1,163 million.

- BONDS ISSUED BY PKO BANK POLSKI S.A.**

In the six months ended 30 June 2024, the Bank carried out two bond issues under its own bond programme in the Eurobond market in the amount of EUR 1,000 million and its own bond programme in the domestic market in the amount of PLN 1,000 million.

In the six months ended 30 June 2023, the Bank issued 3-year Senior Preferred Notes with a total value of EUR 750 million.

- **BONDS ISSUED BY THE PKO LEASING S.A. GROUP**

In the six-month period ended 30 June 2024, the company issued new bonds amounting to PLN 3,308 million and redeemed bonds amounting to PLN 3,077 million. In the six-month period ended 30 June 2023, the company issued new bonds amounting to PLN 2,414 million and redeemed bonds amounting to PLN 2,539 million.

For details of issues carried out by Group entities, see section 2.1 “MAJOR EVENTS, INCLUDING NON-TYPICAL EVENTS”, 2.1.3. SECURITIES ISSUED BY THE BANK’S GROUP ENTITIES” OF THE PKO BANK POLSKI S.A. GROUP DIRECTORS’ REPORT FOR THE FIRST HALF OF 2024.

OTHER SUPPLEMENTARY NOTES TO THE STATEMENT OF FINANCIAL POSITION AND CONTINGENT LIABILITIES

25. INSURANCE ACTIVITIES

NET INCOME FROM INSURANCE BUSINESS	2 nd quarter period from 01.04.2024 to 30.06.2024	2 quarters period from 01.01.2024 to 30.06.2024	2 nd quarter period from 01.04.2023 to 30.06.2023	2 quarters period from 01.01.2023 to 30.06.2023
Insurance revenue (net of reinsurance)	367	715	302	582
Cost of insurance activities (net of reinsurance)	(139)	(272)	(81)	(169)
Investment components excluded from insurance revenue and insurance service expenses (net of reinsurance)	(44)	(91)	(52)	(91)
Net income from reinsurance business	(11)	(23)	(11)	(19)
Change in fair value of underlying assets for contracts with direct profit sharing	17	37	29	50
Net income from insurance business in the income statement	190	366	187	353

ASSETS IN RESPECT OF INSURANCE ACTIVITIES – REINSURANCE	Estimates of present value of future cash flows	Non-financial risk adjustment	Contract margin	Total
31 December 2023	48	11	31	90
30 June 2024	23	11	31	65

LIABILITIES IN RESPECT OF INSURANCE ACTIVITIES – INSURANCE (NET OF REINSURANCE)	Estimates of present value of future cash flows	Non-financial risk adjustment	Contract margin	Total
31 December 2023	1,680	81	1,154	2,915
30 June 2024	1,684	87	1,182	2,953

26. PROVISIONS

FOR 6 MONTHS ENDED 30 JUNE 2024	Provisions for financial liabilities and guarantees granted ¹	Provisions for legal claims, excluding legal claims relating mortgage loans in convertible currencies	Provisions for legal claims against the Bank relating to mortgage loans in convertible currencies ^{2,3}	Provisions for refunds of costs to customers on early repayment of consumer and mortgage loans	Provisions for pensions and other defined post-employment benefits	Restructuring	Provision for accrued holiday entitlements	Other provisions, including provisions for employee disputed claims	Total
As at the beginning of the period	751	114	3,001	10	72	29	138	50	4,165
Increases, including increases of existing provisions	42	15	1,698	-	1	-	39	2	1,797
Utilized amounts	-	(4)	(223)	(4)	(2)	(3)	(7)	(21)	(264)
Unused provisions reversed during the period	(4)	(6)	-	-	(1)	-	(1)	(3)	(15)
Other changes and reclassifications	-	-	(580)	-	-	-	-	-	(580)
As at the end of the period	789	119	3,896	6	70	26	169	28	5,103
Short-term provisions	492	6	-	5	11	26	168	1	709
Long-term provisions	297	113	3,896	1	59	-	1	27	4,394

¹ See note 33 "[Credit risk – financial information](#)".

² See note 15 "[Cost of legal risk of mortgage loans in convertible currencies](#)".

³ The value of PLN 580 million in the line "other changes and reclassifications" in the column "Provisions for legal claims against the bank relating to mortgage loans in convertible currency" relates to the reclassification (allocation) of the provision for legal risk of mortgage loans to loans and advances to customers (retail and private banking real estate loans) as a deduction from their gross carrying amount.



FOR 6 MONTHS ENDED 30 JUNE 2023	Provisions for financial liabilities and guarantees granted ¹	Provisions for legal claims, excluding legal claims relating mortgage loans in convertible currencies	Provisions for legal claims against the Bank relating to mortgage loans in convertible currencies ²	Provisions for refunds of costs to customers on early repayment of consumer and mortgage loans	Provisions for pensions and other defined post-employment benefits	Restructuring	Provision for accrued holiday entitlements	Other provisions, including provisions for employee disputed claims	Total
As at the beginning of the period	833	103	851	18	66	35	119	65	2,090
Increases, including increases of existing provisions	6	6	866	-	1	-	30	3	912
Utilized amounts	-	(2)	(113)	(5)	(3)	(3)	(8)	(33)	(167)
Unused provisions reversed during the period	(134)	(2)	-	-	(1)	-	(2)	(1)	(140)
Other changes and reclassifications	(7)	1	-	-	-	-	-	(1)	(7)
As at the end of the period	698	106	1,604	13	63	32	139	33	2,688
Short-term provisions	554	6	-	12	8	32	138	8	758
Long-term provisions	144	100	1,604	1	55	-	1	25	1,930

¹ See note 33 "[Credit risk – financial information](#)".

² See note 15 "[Cost of legal risk of mortgage loans in convertible currencies](#)".

27. OFF-BALANCE SHEET LIABILITIES RECEIVED AND GRANTED

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED 30.06.2024	Notional amount	Provisions per IFRS 9	Net carrying amount
Credit lines and limits	83,487	(693)	82,794
real estate	6,558	(25)	6,533
business	59,126	(545)	58,581
consumer	11,301	(123)	11,178
in respect of factoring	5,970	-	5,970
in respect of finance leases	532	-	532
Other	3,717	-	3,717
Total financial commitments granted, including:	87,204	(693)	86,511
irrevocable commitments granted	33,084	(336)	32,748
POCI	3	-	3
Guarantees and sureties granted			
guarantees in domestic and foreign trading	10,323	(90)	10,233
domestic municipal bonds	1,091	(3)	1,088
letters of credit	1,365	(3)	1,362
payment guarantee	90	-	90
Total guarantees and sureties granted, including:	12,869	(96)	12,773
irrevocable commitments granted	5,706	(76)	5,630
performance guarantee	3,764	(47)	3,717
POCI	444	(2)	442
Total financial and guarantee commitments granted	100,073	(789)	99,284

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED 31.12.2023	Notional amount	Provisions per IFRS 9	Net carrying amount
Credit lines and limits	79,038	(641)	78,397
real estate	6,898	(20)	6,878
business	56,333	(498)	55,835
consumer	10,780	(123)	10,657
in respect of factoring	4,289	-	4,289
in respect of finance leases	738	-	738
Other	3,884	-	3,884
Total financial commitments granted, including:	82,922	(641)	82,281
irrevocable commitments granted	31,406	(415)	30,991
POCI	2	-	2
Guarantees and sureties granted			
guarantees in domestic and foreign trading	10,615	(107)	10,508
domestic municipal bonds	243	-	243
letters of credit	1,277	(3)	1,274
payment guarantee	101	-	101
Total guarantees and sureties granted, including:	12,236	(110)	12,126
irrevocable commitments granted	5,503	(94)	5,409
performance guarantee	3,592	(57)	3,535
POCI	452	(2)	450
Total financial and guarantee commitments granted	95,158	(751)	94,407

For more information on credit risk exposures, see note 33 "[CREDIT RISK – FINANCIAL INFORMATION](#)".

OFF-BALANCE SHEET LIABILITIES RECEIVED BY NOMINAL VALUE	30.06.2024	31.12.2023
Financial	104	132
Guarantees	22,643	19,361
Total	22,747	19,493

On 28 March 2024, the Group concluded an annex to the guarantee agreement of 27 February 2023 providing unfunded credit protection in respect of a portfolio of selected corporate credit receivables of the Group, in accordance with the CRR ("Guarantee"). Following the execution of the annex, the terms and conditions of the Guarantee have changed to the effect that the maximum value of the Group's debt portfolio covered by this Guarantee is PLN 17,017 million, and the portfolio consists of the bond portfolio of not more than PLN 1,844 million ("Portfolio A") and the portfolio of other receivables of not more than PLN 15,173 million ("Portfolio B"). The coverage ratio is 100% for Portfolio A and 80% for Portfolio B.

As at 31 December 2023, the total value of the Group's debt portfolio covered by this Guarantee was PLN 12,292 million (Portfolio A – PLN 1,515 million and Portfolio B – PLN 10,777 million respectively). The coverage ratio is 100% for Portfolio A and 80% for Portfolio B, therefore the total maximum Guarantee amount was PLN 10,137 million as at 31 December 2023.

28. LEGAL CLAIMS

As at 30 June 2024, the total value of the subject matter of litigation in court proceedings (trials) pending in which the companies belonging to the Group were defendants amounted to PLN 15,538 million (as at 31 December 2023: PLN 13,110 million), and the total value of the subject matter of litigation in court proceedings (trials) pending in which the companies belonging to the Group were claimants as at 30 June 2024 was PLN 4,242 million (as at 31 December 2023: PLN 4,519 million).

- **LITIGATION AGAINST THE BANK RELATING TO MORTGAGE LOANS IN CONVERTIBLE CURRENCIES**

As at 30 June 2024, 35,207 on court proceedings were pending against the Bank (as at 31 December 2023: 30,498) relating to mortgage loans granted in previous years in foreign currency with a total value in dispute of PLN 14,255 million (as at 31 December 2023: PLN 11,948 million), including one group proceeding with 47 loan agreements. The subject matter of the Bank's customers' actions are mainly claims for declaration of invalidity of an agreement or for payment of amounts paid by the customer to the Bank in performance of an invalid agreement. Customers allege abusive provisions and/or that the agreements are contrary to the law. None of the clauses used by the Bank in the agreements was entered in the register of prohibited contractual clauses. The number of lawsuits filed by customers against the Bank is significantly influenced by the intensive advertising campaign of law firms, which encourages borrowers to commission to them – for a fee – conducting cases against banks.

The Group monitors the status of court rulings in cases indexed or denominated in foreign currencies on an ongoing basis with respect to the shaping and possible changes in rulings.

As at 30 June 2024, 3,987 final rulings have been issued by the courts in cases against the Bank, including 3,944 rulings after 3 October 2019. 170 of these rulings (including in 129 rulings issued after 3 October 2019) are favorable for the Bank. As at 31 December 2023, 2,696 final rulings have been issued by the courts in cases against the Bank (including 2,653 rulings after 3 October 2019). 138 of these rulings, including in 97 rulings issued after 3 October 2019, were favorable for the Bank.

On 29 January 2021, in connection with the discrepancies in the interpretation of legal provisions in the jurisprudence of the Supreme Court and common courts and in order to ensure the uniformity of jurisprudence, the First President of the Supreme Court submitted a request for the full panel of the Civil Chamber of the Supreme Court to resolve legal issues concerning the subject of loans denominated and indexed in foreign currencies: On 25 April 2024, the Supreme Court, sitting as the full Civil Chamber, issued a resolution which reads:

1. If a provision of an indexed or denominated loan agreement relating to the method of determining the foreign currency exchange rate is found to constitute an illicit contractual provision and is not binding, in the current legal state it cannot be assumed that another method of determining the foreign currency exchange rate resulting from law or custom takes its place.
2. In the event that it is impossible to establish a foreign currency exchange rate binding on the parties in a loan agreement indexed to or denominated in foreign currency, the remainder of the agreement is also not binding.

3. Where, in the performance of a loan agreement which is not binding due to the illicit nature of its terms, the bank has disbursed to the borrower all or part of the amount of the loan and the borrower has made repayments of the loan, independent claims for the repayment of the wrongful performance arise in favour of each party.
4. If a loan agreement is not binding due to the illicit nature of its provisions, the limitation period of the bank's claim for repayment of amounts disbursed under the loan begins to run, in principle, from the day following the day on which the borrower challenged the fact of being bound by the provisions of the agreement against the bank.
5. If a loan agreement is not binding due to the illicit nature of its terms, there is no legal basis for either party to claim interest or other consideration for the use of its funds during the period from the time the wrongful performance was made until it falls into arrears as to the repayment of that performance.

Pursuant to Article 87 § 1 of the Supreme Court Act, the resolution has the force of law and is binding on all panels of the Supreme Court.

The resolution passed with a majority vote. The following Supreme Court judges filed dissenting opinions: Joanna Misztal-Konecka (item 2), Beata Janiszewska (items 2, 3), Marcin Krajewski (item 2), Dariusz Pawłyszcz (items 1-4), Krzysztof Wesołowski (item 2) i Kamil Zaradkiewicz (item 2). A written statement of reasons for the resolution is pending.

Earlier Supreme Court resolutions significant from the perspective of the claims of Swiss franc borrowers were passed in 2021. On 7 May 2021, the Supreme Court, represented by seven judges of the Civil Chamber, passed the following resolution in case III CZP 6/21:

1. A prohibited contractual clause (Article 385¹ § 1 of the Civil Code) is, from the beginning, by operation of law, ineffective in favour of the consumer, who may however subsequently grant an informed and voluntary consent for such a clause and thus make it effective retrospectively.
2. If a loan agreement cannot be binding without the ineffective clause, the consumer and the lender are entitled to bring separate claims for repayment of the benefits provided in the performance of the agreement (Article 410 § 1 in conjunction with Article 405 of the Civil Code). The lender may claim repayment of the benefit from the moment the loan agreement became permanently ineffective.

In its justification for the said resolution, the Supreme Court referred to an earlier opinion (resolution III CZP 11/20 dated 16 February 2021) that the period of limitation of claims resulting from a loan agreement which is invalid due to the elimination of abusive clauses commences after the consumer has expressed informed consent not to be bound by the abusive clauses.

Taking into account the content of the Supreme Court's resolution III CZP 6/21 and the non-uniform decisions of the common courts made against it, the Bank has filed lawsuits against customers whose agreements have been validly annulled, or whose lawsuits calls for payment based on the premise of invalidity derived from abusiveness were served on the Bank before 31 December 2020, for reimbursement of amounts disbursed in connection with the conclusion of an agreement whose validity has been questioned. Bearing in mind the content of the CJEU rulings made, including in particular the CJEU judgment of 25 June 2023 in case C-520/21 and the CJEU order of 12 January 2024 in case C-488/23, the Bank limits its claims to the amounts disbursed and statutory default interest.

- **LITIGATION AGAINST THE GROUP CONCERNING MORTGAGE LOANS BEARING INTEREST AT A FLOATING RATE**

As at 30 June 2024, 245 court proceedings were pending against the Group (as at 31 December 2023: 147 proceedings), in which customers challenge that the mortgage agreement was based on a floating interest rate structure and the rules for setting the WIBOR benchmark rate. The Group disputes the validity of the claims raised in these cases. The case law to date is in favor of the Group.

By order of 31 May 2024, in a case brought by a borrower against the Bank, the Regional Court of Częstochowa addressed the following questions to the Court of Justice of the European Union pursuant to Article 267 of the Treaty on the Functioning of the European Union:

1. whether Article 1(2) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as permitting an examination of contractual terms relating to variable interest rates on the basis of the WIBOR benchmark;
2. If the answer to the first question is in the affirmative, whether Article 4(2) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts is to be interpreted as permitting examination of contractual terms relating to variable interest rates on the basis of the WIBOR benchmark;
3. if the answer to the first and second questions is in the affirmative, whether Article 3(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as meaning that contractual provisions concerning variable interest rates based on the WIBOR benchmark may be regarded as contrary to the requirements of good faith and as causing a significant imbalance in the contractual rights and obligations of the parties to the detriment of the consumer, by failing to inform the consumer adequately of the consumer's exposure to the risk of a variable interest rate, in particular by failing to indicate how the benchmark index, which is the basis for determining the variable interest rate, is determined and what uncertainties arise from its non-transparency, and by failing to distribute that risk between the contracting parties in an unequal manner;
4. If the answers to the previous questions are in the affirmative, whether Article 6(1), in conjunction with Article 3(1) and (2), second sentence, and Article 2 of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts is to be interpreted as meaning that, if a contractual provision concerning a variable interest rate based on the WIBOR benchmark index is found to be unfair, it is possible to continue with an agreement in which the interest rate on the principal amount of the loan is based on a second interest-rate component contained in the agreement, that is to say a fixed bank margin, which would cause the interest rate on the loan to change from a variable rate to a fixed rate

The case was registered under case number C-471/24. The request giving rise to the proceedings has not yet been served on the Bank by the CJEU.

- **LITIGATION AGAINST THE GROUP CONCERNING THE FREE CREDIT SANCTION**

As at 30 June 2024, there were 1,975 court proceedings pending against the Bank relating to the free credit sanction, with a total value in dispute of PLN 41.2 million (as at 31 December 2023, there were 1,159 proceedings with a total value in dispute of PLN 20.7 million). These proceedings are initiated by customers or entities that have acquired receivables from customers and relate to the provisions of cash loan agreements. The Group disputes the validity of the claims raised in these cases. The case law to date is largely in favour of the Bank.

By order of 25 January 2024, in a case brought by a buyer of a claim against the Bank, the District Court for Warsaw-Śródmieście in Warsaw addressed the following questions to the Court of Justice of the European Union pursuant to Article 267 of the Treaty on the Functioning of the European Union:

1. whether Article 22(2) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ 2008 L 133, p. 66) is to be interpreted as precluding national legislation that allows a consumer to assign the rights conferred on him or her by the national legislation implementing the Directive to a third party who is not a consumer;
2. whether Articles 6(1) and 7(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (consolidated version: OJ 1993 L 95, p. 29) it to be interpreted as meaning that the court's obligation to examine of its own motion the unfairness of a contractual term also applies to a term in a claim assignment agreement concluded between a consumer and a third party, if in the proceedings before the court the third party relies on that agreement as the basis for its standing to bring an action against the entrepreneur who was the consumer's original counterparty?

The proceedings are pending under case number C-80/24. By letter dated 3 June 2024, the Bank submitted its written position on the case to the CJEU.

- **ACTIVITIES OF THE GROUP UNDERTAKEN IN CONNECTION WITH A PROPOSAL OF THE CHAIR OF THE POLISH FINANCIAL SUPERVISION AUTHORITY REGARDING LOANS GRANTED IN FOREIGN CURRENCIES**

In December 2020, the Chair of the Polish Financial Supervision Authority (hereinafter: the PFSA Chair) made a proposal aimed at providing a systemic solution to the problem of housing loans in Swiss francs. In accordance with this solution, the banks would voluntarily offer settlement agreements to their customers. Under such agreements, the customers would repay their loans to the bank as if they had been originally granted in PLN with interest at WIBOR plus a historical margin applied to such loans.

The Group has analysed the benefits and risks associated with the possible approaches to the issue of foreign currency housing loans. In the Group's opinion, for both the Bank and its customers it is better to reach a compromise and conclude a settlement agreement than engage in long legal disputes whose outcome is uncertain.

On 23 April 2021, the Extraordinary General Shareholders' Meeting approved the possibility of offering settlement agreements to the customers. Subsequently, by a resolution dated 27 May 2021, the Supervisory Board approved the terms and conditions for offering settlement agreements proposed by the PFSA Chair. The process of amicable resolution of disputes concerning the validity of housing loan agreements was launched on 4 October 2021. The settlements are offered during mediation proceedings conducted by the Mediation Centre of the PFSA Court of Arbitration, during court proceedings and during proceedings initiated by a motion for settlement (see note 15: [COST OF LEGAL RISK OF MORTGAGE LOANS IN CONVERTIBLE CURRENCIES](#)).

- **PROCEEDINGS BEFORE THE PRESIDENT OF THE OFFICE OF COMPETITION AND CONSUMER PROTECTION (UOKiK)**

The following proceedings initiated ex officio by the President of the OCCP are pending against the Bank:

1. **PROCEEDINGS RELATING TO MODIFICATION CLAUSES**

Proceedings initiated on 12 March 2019 on the acknowledgement that the provisions of the template agreement are inadmissible. The proceedings are related to modification clauses which specify the circumstances in which the Bank is entitled to amend the terms and conditions of the agreement, including the amount of fees and commission. In the opinion of the President of UOKiK the modification clauses applied by the Bank give the Bank unilateral unlimited and arbitrary possibilities of modifying the execution of the agreement. Consequently, the President of UOKiK is of the opinion that the clauses applied by the Bank shape the rights and obligations of the consumers in a way that is contrary to good practice and are a gross violation of their interests, which justifies the conclusion that they are abusive. In a letter of 31 May 2019, the Bank commented on the allegations of the President of UOKiK, indicating that they are unfounded. The Bank pointed out, among other things, that the contested clauses are specific and they precisely define the circumstances entitling the Bank to change the template. By order of 7 June 2022, UOKiK summoned the Bank to provide a range of information regarding the disputed clauses, the Bank's turnover and the revenue generated from changes in fees and commissions based on the disputed clauses. The UOKiK summons was implemented on 11 July and 30 September 2022. By subsequent orders, the President of UOKiK extended the deadline for the completion of the proceedings. By letter of 19 April 2024, the President of UOKiK requested the Bank to provide further information and materials. The UOKiK summons was implemented by letters dated 24 May 2024 and 27 June 2024 the President of UOKiK extended the deadline for completion of the proceedings until 31 December 2024. As at 30 June 2024, the Group had not set up a provision for these proceedings.

2. **PROCEEDINGS IN RESPECT OF UNAUTHORISED TRANSACTIONS**

Proceedings initiated by decision of the President of UOKiK of 2 February 2024. The proceedings concern an allegation of the Group's practices violating the collective interests of consumers consisting of:

- providing consumers - in responses to reports of unauthorised payment transactions - with information that the Bank has established the consumer's responsibility for the transaction reported, based on ascertaining that the authentication process performed was correct and referencing the provisions of the General Terms and Conditions of keeping bank accounts and providing services to individual customers by PKO Bank Polski S.A. regarding gross negligence and intent, without specifying to the consumer the factual basis for gross negligence or intent, and thus the presumption of gross negligence or intent without proving it, which misleads consumers about the entrepreneur's obligations under Article 45(2) of the Act on payment services with respect to the burden of proving gross negligence on the part of the consumer and the further pursuit of claims in this regard, which may constitute an unfair market practice and harm the collective interests of consumers,

- making a refund to a consumer who is a customer of the Bank of the amount of a payment transaction reported by that consumer as unauthorised, pending the Bank's investigation of the complaint, and thereafter, if the Bank finds, during the complaint procedure, that the transaction was authorised by the consumer or that the consumer is liable for an unauthorised payment transaction, withdrawing the conditional return and deducting that amount from the consumer's current account or credit card account, except where there is a simultaneous return of that amount to the consumer under the so-called chargeback mechanism, which may breach Article 46(1) of the Act on payment services and harm the collective interests of consumers.

By letter dated 27 March 2024, the Bank responded to the UOKiK's allegations, claiming that they were unfounded. As at 30 June 2024, the Group had not set up a provision for these proceedings.

3. PROCEEDINGS RELATING TO INTEREST RATE VARIATION CLAUSES

By a decision of 5 April 2024, the President of UOKiK initiated proceedings against the Bank to declare the provisions of the template as prohibited contractual provisions. The proceedings relate to clauses in the contractual templates used by the Bank, which allow the Bank to change the interest rate on the revolving limit in a situation of an increase or decrease, respectively:

- of any of the basic NBP interest rates set by the Monetary Policy Council, published on the NBP website, by at least 0.25 percentage points - the range of change is from 0.25 percentage points to three times the value by which the specific interest rate was changed
- determined as the arithmetic mean of quotations for a calendar month, of any of the following benchmark rates for PLN deposits placed on the Polish interbank market: WIBOR 1M, WIBOR 3M, WIBOR 6M, WIBOR 9M, WIBOR 12M, published on the GPW Benchmark S.A. information website by at least 0.10 percentage points in any period within the last six months - the range of change is from 0.10 percentage points to three times the value by which a specific benchmark rate was changed.

UOKiK also challenges the clause allowing the Bank to change the interest rate within six months of the occurrence of the above-mentioned circumstances. By letter dated 29 May 2024, the Bank responded to the UOKiK's allegations, claiming that they were unfounded. As at 30 June 2024, the Group had not set up a provision for these proceedings.

• PROCEEDINGS BEFORE THE COURT OF COMPETITION AND CONSUMER PROTECTION

Two proceedings involving the Bank are pending before the Court of Competition and Consumer Protection.

1. PROCEEDINGS ON SPREAD CLAUSES

The proceedings were initiated by the Bank's appeal (submitted on 13 November 2020) against the decision of the President of UOKiK dated 16 October 2020. In the said decision, the President of UOKiK declared the provisions of the template agreement "Annex to the housing loan/mortgage loan agreement" in the section "Appendix to the annex 'Rules for determining foreign exchange spreads at PKO BP S.A.'" as inadmissible provisions and prohibited their use.

In addition, the President of UOKiK ordered that all consumers being parties to the assessed annexes about the decision to declare them inadmissible and its consequences be informed no later than within nine months from the effective date of the decision and ordered that a declaration be published whose text was indicated in the decision on the Bank's website not later than 1 month from the effective date of the decision and to keep it there for 4 months. Furthermore, the President of UOKiK imposed a fine on the Bank of PLN 41 million, payable to the Financial Education Fund.

In its appeal against that decision, the Bank requested that the decision be amended by finding that there had been no breach of the ban on the use of prohibited contractual clauses, or by discontinuing the proceedings. It was also requested that the decision be annulled or amended by waiving or substantially reducing the fine. The appeal raised a number of substantive and procedural grounds of appeal. The Bank's main arguments consist in pointing out that the decision of the President of UOKiK is a manifestation of unlawful and groundless interference with the Bank's pricing policy, pointing out that there are no substantive grounds for the intervention of the President of UOKiK, i.e. there are no grounds for concluding that the Bank applied prohibited contractual provisions, and pointing out that the penalty imposed on the Bank is abnormally high. In response to the appeal, the President of UOKiK sustained the position expressed in the decision appealed against. In a judgment of 10 October 2023, the Court of Competition and Consumer Protection overturned the decision of the UOKiK in its entirety. The ruling was appealed by the President of the UOKiK and the public prosecutor. In a judgment of 5 July 2024, the Court of Appeal in Warsaw amended the judgment of the Court of Competition and Consumer Protection and dismissed the Bank's appeal. At 30 June 2024, the Bank recognizes a provision for these proceedings of PLN 41 million (31 December 2023: PLN 41 million).

2. PROCEEDINGS RELATED TO RESTRICTIVE PRACTICES ON THE MARKET OF PAYMENTS WITH PAYMENT CARDS IN POLAND

The Bank is a party to proceedings initiated by the President of UOKiK on the basis of a decision dated 23 April 2001 upon the request of the Polish Trade and Distribution Organization – Employers Association (Polska Organizacja Handlu i Dystrybucji – Związek Pracodawców) against operators of the Visa and Europay payment systems and banks issuing Visa and Europay/ Eurocard/ Mastercard banking cards.

The claims under these proceedings relate to the use of practices limiting competition on the market of banking card payments in Poland, consisting of applying pre-agreed “interchange” fees for transactions made using the Visa and Europay/Eurocard/Mastercard cards as well as limiting access to this market for external entities. On 29 December 2006, the UOKiK recognised practices involving the joint determination of interchange fees as restrictive of competition and ordered them to be abandoned, at the same time imposing, inter alia, a fine of PLN 16.6 million on the Bank. The Bank appealed against the decision of the President of UOKiK to the Court for Competition and Consumer Protection (Sąd Ochrony Konkurencji i Konsumentów – SOKiK). In its ruling dated 21 November 2013, SOKiK reduced the penalty imposed on the Bank to PLN 10.4 million.

The parties to the proceedings appealed against the ruling. The Court of Appeal in Warsaw in its ruling dated 6 October 2015 reinstated the initial amount of the imposed fines set in the decision of the UOKiK, i.e. the fine of PLN 16.6 million (the fine imposed on PKO Bank Polski S.A.) and the fine of PLN 4.8 million (the fine imposed on Nordea Bank Polska S.A., and PKO Bank Polski S.A. is a legal successor of Nordea Bank Polska SA through a merger under Article 492 § 1(1) of the Commercial Companies Code). The Bank paid the fine in October 2015. As a result of a cassation appeal brought by the Bank, the Supreme Court in a ruling dated 25 October 2017 annulled the contested ruling of the Court of Appeal in Warsaw and submitted the case for re-examination. The fine paid by the Bank was reimbursed to the Bank on 21 March 2018. On 23 November 2020, the Court of Appeal in Warsaw issued a ruling in which it revoked the ruling of the District Court in Warsaw dated 21 November 2013 and submitted it for re-examination. The case is currently proceeding at first instance before the Warsaw District Court. At 30 June 2024, the Group recognizes a provision for these proceedings of PLN 21 million (31 December 2023: PLN 21 million).

• PROCEEDINGS BEFORE THE POLISH FINANCIAL SUPERVISION AUTHORITY:

1. The PFSA is conducting proceedings to impose an administrative penalty on the Bank, which conducts brokerage activities through an organizationally separate unit - the Brokerage Office - in connection with a suspected failure to comply with its obligations in the area of anti-money laundering and terrorist financing (hereinafter: "AML"). The Bank responded to the PFSA's request for written explanations regarding the scale of benefits achieved or losses avoided by the Bank in connection with violations of the AML Act, losses incurred by third parties in connection with violations of the AML Act, possible administrative penalties imposed under the provisions of the AML Act. In addition, the PFSA forwarded to the Bank's attention a letter addressed to the General Inspectorate of Financial Information (GIIF) requesting information on the Bank's violations of the AML Act to date. On 1 July 2024, the PFSA communicated a notice that, due to the need for an in-depth analysis of the evidence collected, the administrative proceedings are scheduled to be completed by 28 August 2024. As at 30 June 2024, the Group had not set up a provision for these proceedings.
2. The PFSA is conducting proceedings to impose a monetary penalty on the Bank pursuant to Article 176i(1)(4) of the Act of 29 July 2005 on trading in financial instruments, in connection with the Bank's suspected breach of the management and control requirements set out in Article 16 of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L. 2016 No 171, p. 1 as amended). By letter dated 27 June 2024, the PFSA notified the extension of the administrative proceedings until August 2024. As at 30 June 2024, the Group had not set up a provision for these proceedings.
3. The PFSA is conducting proceedings to impose an administrative sanction on the Bank under Article 3c of the Act on financial market supervision in connection with a suspected breach by the Bank of the requirements of Article 5(1) and 14 in conjunction with Article 4(1) and (3) and (4) and (5) of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs). On 12 July 2024, the PFSA served notice to extend the deadline for the proceedings until 16 September 2024. As at 30 June 2024, the Group had not set up a provision for these proceedings.

4. Administrative proceedings, initiated ex officio by the Polish Financial Supervision Authority are pending against PKO TFI S.A. (hereinafter: the Company) in respect of the imposition of an administrative penalty on the Company under the provisions of the Act on counteracting money laundering and terrorist financing (hereinafter: the "Act"), in connection with the suspected failure to comply with the obligation set out in the Act by: (i) failure to properly apply financial security measures in the form of identification and verification of the customer when establishing a business relationship via remote channels; (ii) failure to properly apply financial security measures in the form of identification and verification of the customer at the commencement of the business relationship and failure to obtain data on the customer's country of birth; (iii) failure to properly apply financial security measures in the form of identifying the beneficial owner when establishing a business relationship; failure to ensure that documents, data or information it holds relating to the business relationship are kept up to date; (iv) failure to apply enhanced financial security measures in cases of higher risk of money laundering or terrorist financing and in cases referred to in Articles 44 and 46 of the Act; (v) failure to introduce all necessary elements in the internal procedure of the obliged institution. By letter dated 20 April 2023, the Company responded to the request from the PFSA. By notice of 28 June 2024, the PFSA announced that the proceedings had been further extended until 28 August 2024. As at 30 June 2024 the Group recognises a provision for these proceedings in the amount of PLN 2 million (as at 31 December 2023: PLN 2 million).

- **CLAIMS FOR DAMAGES IN RESPECT OF THE INTERCHANGE FEE**

The Bank was served eight summons to participate, as an outside intervener on the defendant's side, in cases relating to the interchange fees. Other banks are defendants in the case and, in some cases, also card organizations. At present, the claims vis-à-vis the sued banks total PLN 834 million and are pursued as damages for differences in interchange fees resulting from applying practices that restrict competition, as well as capitalised statutory interest for delay. The Bank joined these proceedings as an outside intervener. Since these proceedings are not pending against the Bank, their value was not included in the total value of the cases against the Bank.

If the courts find the claims justified, the defendants may claim recourse in separate court proceedings from other banks including from PKO Bank Polski S.A.

As at 30 June 2024, four of these proceedings resulted in final judgments in favour of the defendants dismissing the plaintiffs' claims, save that one of them was a partial judgment and the remainder of the proceedings will be pursued by the Court of First Instance. However, a cassation appeal was filed by the plaintiff in one case. Two further proceedings resulted in non-final judgments dismissing the plaintiffs' claims. In all cases where claims were dismissed in whole or in part, the statute of limitations was upheld.

- **MEDIATION BEFORE AN ARBITRATION TRIBUNAL**

On 23 January 2024, the Bank entered into an agreement with Polski Holding Nieruchomości S.A. (PHN) SPV 1 PHN SKYSAWA spółka z ograniczoną odpowiedzialnością S.K.A to mediate in the Court of Arbitration at the General Counsel to the Republic of Poland in connection with a dispute arising from the execution of a lease agreement with the right of first refusal dated 24 January 2022 concerning a commercial and office complex at ul. Świętokrzyska 36 in Warsaw. The Group believes that the settlement of the dispute will not have a material impact on the Group's financial performance.

- **RE-PRIVATIZATION CLAIMS RELATING TO PROPERTIES HELD BY THE GROUP**

As at the date of the consolidated financial statements, there are:

- two proceedings to which the Bank is a party. In one proceeding, the Bank filed a cassation appeal against an unfavourable final judgment dismissing the Bank's claims, which was accepted for consideration. The second proceeding, concerning the annulment of the decision refusing to grant the applicant temporary ownership of the Bank's property, is pending before the Supreme Administrative Court, as the other party has filed a cassation appeal.
- three proceedings, two of which are suspended, to which the other Bank Group companies are parties. Two proceedings are at the administrative stage, one at the judicial and administrative stage.

The probability of serious claims arising against the Group as a result of the aforesaid proceedings is low.

29. SHAREHOLDING STRUCTURE OF THE BANK

According to information held by PKO Bank Polski S.A, as at the date of the report, there are three shareholders holding directly or indirectly significant blocks of shares (at least 5%): State Treasury, Nationale-Nederlanden Otwarty Fundusz Emerytalny, Allianz Polska Otwarty Fundusz Emerytalny.

According to the information available as at 30 June 2024, the Bank's shareholding structure is as follows:

ENTITY NAME	number of shares	% of votes	Nominal value of 1 share	Ownership interest (%)
As at 30 June 2024				
State Treasury	367,918,980	29.43%	PLN 1	29.43%
Nationale-Nederlanden Open Pension Fund ¹	105,470,597	8.44%	PLN 1	8.44%
Allianz Polska Otwarty Fundusz Emerytalny ¹	86,867,594	6.95%	PLN 1	6.95%
Other shareholders ²	689,742,829	55.18%	PLN 1	55.18%
Total	1,250,000,000	100.00%	---	100.00%
As at 31 December 2023				
State Treasury	367,918,980	29.43%	PLN 1	29.43%
Nationale-Nederlanden Open Pension Fund ¹	115,594,152	9.25%	PLN 1	9.25%
Allianz Polska Otwarty Fundusz Emerytalny ¹	101,787,594	8.14%	PLN 1	8.14%
Other shareholders ²	664,699,274	53.18%	PLN 1	53.18%
Total	1,250,000,000	100%	---	100%

¹ Calculation of shareholdings as at the end of the year published by PTE in bi-annual and annual information about the structure of fund assets and quotation from the WSE Statistic Bulletin.

² Including Bank Gospodarstwa Krajowego, which as at 30 June 2024 and 31 December 2023 held 24,487,297 shares carrying 1.96% of the votes at the GSM.

The Bank's shares are listed on the Warsaw Stock Exchange.

Series	Type of shares	Number of shares	Nominal value of 1 share	Nominal value of the series
A Series	ordinary registered shares	312,500,000	PLN 1	312,500,000
A Series	ordinary bearer shares	197,500,000	PLN 1	197,500,000
B Series	ordinary bearer shares	105,000,000	PLN 1	105,000,000
C Series	ordinary bearer shares	385,000,000	PLN 1	385,000,000
D Series	ordinary bearer shares	250,000,000	PLN 1	250,000,000
Total	---	1,250,000,000	---	1,250,000,000

In the six-month period ended 30 June 2024 and in 2023, there were no changes in the amount of the share capital of PKO Bank Polski S.A. Shares of PKO Bank Polski S.A. issued are not preference shares and are fully paid up.

FAIR VALUE OF FINANCIAL INSTRUMENTS

30. FAIR VALUE HIERARCHY

For a description of fair value measurement techniques and inputs, see the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023.

ASSETS MEASURED AT FAIR VALUE 30.06.2024	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	653	-	653	-
Other derivative instruments	6,654	1	6,653	-
Securities	98,137	66,996	30,296	845
held for trading	492	492	-	-
debt securities	454	454	-	-
equity securities	38	38	-	-
not held for trading, measured at fair value through profit or loss	1,620	1,077	155	388
debt securities	570	480	44	46
equity securities	1,050	597	111	342
measured at fair value through other comprehensive income (debt securities)	96,025	65,427	30,141	457
Loans and advances to customers (not held for trading, measured at fair value through profit or loss)	2,509	-	-	2,509
real estate loans	2	-	-	2
business loans	73	-	-	73
consumer loans	2,434	-	-	2,434
Total financial assets measured at fair value	107,953	66,997	37,602	3,354

LIABILITIES MEASURED AT FAIR VALUE 30.06.2024	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	2,691	-	2,691	-
Other derivative instruments	7,055	1	7,054	-
Liabilities in respect of a short position in securities	34	34	-	-
Liabilities in respect of insurance products	165	-	165	-
Total financial liabilities measured at fair value	9,945	35	9,910	-

ASSETS MEASURED AT FAIR VALUE 31.12.2023	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	1,174	-	1,174	-
Other derivative instruments	8,406	2	8,404	-
Securities	110,278	62,975	46,641	662
held for trading	578	578	-	-
debt securities	546	546	-	-
equity securities	32	32	-	-
not held for trading, measured at fair value through profit or loss	1,646	1,132	128	386
debt securities	592	526	20	46
equity securities	1,054	606	108	340
measured at fair value through other comprehensive income (debt securities)	108,054	61,265	46,513	276
Loans and advances to customers (not held for trading, measured at fair value through profit or loss)	2,871	-	-	2,871
real estate loans	1	-	-	1
business loans	81	-	-	81
consumer loans	2,789	-	-	2,789
Total financial assets measured at fair value	122,729	62,977	56,219	3,533

LIABILITIES MEASURED AT FAIR VALUE 31.12.2023	Carrying amount	Level 1	Level 2	Level 3
		Prices quoted on active markets	Valuation techniques based on observable market data	Other valuation techniques
Hedging derivatives	2,992	-	2,992	-
Other derivative instruments	9,291	-	9,291	-
Liabilities in respect of a short position in securities	302	302	-	-
Liabilities in respect of insurance products	165	-	165	-
Total financial liabilities measured at fair value	12,750	302	12,448	-

RECONCILIATION OF CHANGES DURING THE REPORTING PERIOD TO FAIR VALUE AT LEVEL 3	01.01-30.06.2024	01.01-30.06.2023
Opening balance at the beginning of the period	3,533	4,634
Acquisition of equity instruments	1	-
Sale of equity instruments	-	(79)
Acquisition of corporate bonds	180	2
Redemption of corporate bonds	(1)	(13)
Sale of corporate bonds	-	(279)
Granting and increase in exposure to loans and advances to customers	457	574
Repayment of loans and advances to customers	(697)	(808)
Derecognition of loans and advances to customers	(1)	(1)
Write-off of loans and advances to customers	(62)	(32)
Net gain/(loss) on financial instruments measured at fair value through profit or loss	29	9
Change in the valuation recognized in OCI	2	(73)
Other, including exchange difference	(87)	(109)
Closing balance	3,354	3,825

IMPACT OF ESTIMATES ON FAIR VALUE MEASUREMENT OF LEVEL 3 FINANCIAL INSTRUMENTS	30.06.2024		31.12.2023	
	Fair value according to the scenario:		Fair value according to the scenario:	
	positive	negative	positive	negative
Shares in Visa Inc. ¹	89	80	86	77
Other equity investments ²	246	223	238	215
Corporate bonds ³	498	495	326	325
Loans and advances to customers ⁴	2,634	2,384	3,015	2,727

¹ scenario assuming a discount rate in respect of the future conditions of converting C-series shares to ordinary shares at a level of 0%/100% respectively

² scenario assuming a change in the discount rate of +/- 5%

³ scenario assuming a change in the credit spread of +/-10%

⁴ scenario assuming a change in the company's value of +/- 0.5p.p.

31. FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT PRESENTED AT FAIR VALUE IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For a description of fair value measurement techniques and inputs, see the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023.

30.06.2024	carrying amount	fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and balances with the Central Bank	17,514	3,961	13,553	-	17,514
Amounts due from banks	11,330	-	11,329	-	11,329
Securities¹	102,881	70,131	25,623	3,841	99,595
treasury bonds (in PLN)	71,325	68,723	-	-	68,723
treasury bonds (in foreign currencies)	1,409	1,408	-	-	1,408
corporate bonds (in PLN) secured with the State Treasury guarantees	13,590	-	12,979	-	12,979
municipal bonds (in PLN)	8,699	-	8,835	-	8,835
corporate bonds (in PLN)	3,913	-	-	3,841	3,841
corporate bonds (in foreign currencies)	3,945	-	3,809	-	3,809
Reverse repo transactions	493	-	493	-	493
Loans and advances to customers¹	250,763	-	-	253,475	253,475
real estate loans	117,620	-	-	117,113	117,113
business loans	76,038	-	-	78,428	78,428
consumer loans	31,287	-	-	32,142	32,142
factoring receivables	5,955	-	-	5,955	5,955
finance lease receivables	19,863	-	-	19,837	19,837
Other financial assets	1,620	-	-	1,620	1,620
Amounts due to Central bank	11	-	11	-	11
Amounts due to banks	3,397	-	3,397	-	3,397
Repo transactions	10	-	10	-	10
Amounts due to customers¹	398,440	-	-	398,772	398,772
amounts due to households	311,659	-	-	311,992	311,992
amounts due to business entities	70,546	-	-	70,546	70,546
amounts due to public sector	16,235	-	-	16,234	16,234
Loans and advances received	1,422	-	-	1,422	1,422
Liabilities in respect of debt securities in issue	21,616	8,354	11,959	1,340	21,653
Subordinated liabilities	2,767	-	2,803	-	2,803
Other financial liabilities	6,645	-	-	6,645	6,645

¹ excluding adjustment relating to fair value hedge accounting

31.12.2023	carrying amount	fair value			Total fair value
		Level 1	Level 2	Level 3	
Cash and balances with the Central Bank	17,813	4,382	13,431	-	17,813
Amounts due from banks	14,438	-	14,436	-	14,436
Securities¹	87,227	57,150	23,804	2,285	83,239
treasury bonds (in PLN)	58,836	55,709	-	-	55,709
treasury bonds (in foreign currencies)	1,439	1,441	-	-	1,441
corporate bonds (in PLN) secured with the State Treasury guarantees	13,619	-	12,868	-	12,868
municipal bonds (in PLN)	8,658	-	8,803	-	8,803
corporate bonds (in PLN)	2,413	-	-	2,285	2,285
corporate bonds (in foreign currencies)	2,262	-	2,133	-	2,133
Reverse repo transactions	372	-	372	-	372
Loans and advances to customers¹	242,907	-	-	245,291	245,291
real estate loans ²	112,513	-	-	111,723	111,723
business loans	76,434	-	-	78,801	78,801
consumer loans	29,474	-	-	30,285	30,285
factoring receivables	5,386	-	-	5,386	5,386
finance lease receivables	19,100	-	-	19,096	19,096
Other financial assets	1,474	-	-	1,474	1,474
Amounts due to Central bank	10	-	10	-	10
Amounts due to banks	3,423	-	3,423	-	3,423
Amounts due to customers¹	398,339	-	-	398,708	398,708
amounts due to households	306,450	-	-	306,817	306,817
amounts due to business entities	76,372	-	-	76,375	76,375
amounts due to public sector	15,517	-	-	15,516	15,516
Loans and advances received	1,489	-	-	1,489	1,489
Liabilities in respect of debt securities in issue	17,201	10,330	5,237	1,607	17,174
Subordinated liabilities	2,774	-	2,804	-	2,804
Other financial liabilities	6,084	-	-	6,084	6,084

¹ excluding adjustment relating to fair value hedge accounting

² the fair value measurement takes into account the effect of the credit holidays described in the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023.

RISK MANAGEMENT WITHIN THE GROUP

32. RISK MANAGEMENT WITHIN THE GROUP

A detailed description of the management policies for material risks is presented in the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023 and in the report “[REPORT ON CAPITAL ADEQUACY AND OTHER INFORMATION SUBJECT TO PUBLICATION BY THE PKO BANK POLSKI S.A. GROUP](#)”. For a description of the activities taken in the area of risk management during the six months ended 30 June 2024, see section 10 “[RISK MANAGEMENT](#)” OF THE [PKO BANK POLSKI S.A. GROUP DIRECTORS’ REPORT FOR THE FIRST HALF OF 2024](#).

33. CREDIT RISK – FINANCIAL INFORMATION

- AMOUNTS DUE FROM BANKS

As at 30 June 2024 and 31 December 2023 all amounts due from banks were classified as Stage 1.

- SECURITIES

SECURITIES (excluding adjustments relating to fair value hedge accounting) 30.06.2024	Stage 1	Stage 2	Stage 3	Total	of which POCI
Measurement method: measured at fair value through other comprehensive income					
Net amount	95,594	420	11	96,025	-
Measurement method: at amortized cost					
Gross amount	101,815	1,152	-	102,967	-
Allowances for expected credit losses	(55)	(31)	-	(86)	-
Net amount	101,760	1,121	-	102,881	-
Total securities					
Gross carrying amount	197,409	1,572	11	198,992	-
Allowances for expected credit losses	(55)	(31)	-	(86)	-
Net carrying amount	197,354	1,541	11	198,906	-

SECURITIES (excluding adjustments relating to fair value hedge accounting) 31.12.2023	Stage 1	Stage 2	Stage 3	Total	of which POCI
Measurement method: measured at fair value through other comprehensive income					
Net amount	107,649	393	12	108,054	-
Measurement: at amortized cost					
Gross amount	86,900	399	-	87,299	-
Allowances for expected credit losses	(54)	(18)	-	(72)	-
Net amount	86,846	381	-	87,227	-
Total securities					
Gross carrying amount	194,549	792	12	195,353	-
Allowances for expected credit losses	(54)	(18)	-	(72)	-
Net carrying amount	194,495	774	12	195,281	-

• LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers (excluding adjustment relating to fair value hedge accounting) ¹ 30.06.2024	Stage 1	Stage 2	Stage 3	Total	of which POCI
Measurement method: at amortized cost					
Gross carrying amount	209,697	41,831	9,566	261,094	404
real estate loans	107,298	11,174	1,456	119,928	80
business loans	55,208	21,223	4,034	80,465	231
consumer loans	27,792	3,741	2,444	33,977	91
factoring receivables	5,868	41	78	5,987	-
finance lease receivables	13,531	5,652	1,554	20,737	2
Allowances for expected credit losses	(1,081)	(4,052)	(5,198)	(10,331)	85
real estate loans	(86)	(1,232)	(990)	(2,308)	7
business loans	(433)	(1,844)	(2,150)	(4,427)	(4)
consumer loans	(475)	(755)	(1,460)	(2,690)	83
factoring receivables	(1)	-	(31)	(32)	-
finance lease receivables	(86)	(221)	(567)	(874)	(1)
Net carrying amount	208,616	37,779	4,368	250,763	489
real estate loans	107,212	9,942	466	117,620	87
business loans	54,775	19,379	1,884	76,038	227
consumer loans	27,317	2,986	984	31,287	174
factoring receivables	5,867	41	47	5,955	-
finance lease receivables	13,445	5,431	987	19,863	1
Loans and advances to customers, total					
Gross carrying amount	209,697	41,831	9,566	261,094	404
Allowances for expected credit losses	(1,081)	(4,052)	(5,198)	(10,331)	85
Net carrying amount	208,616	37,779	4,368	250,763	489

¹ In the second quarter of 2024, the Bank made changes to the rating model in the Corporates segment, which resulted in the reclassification of several individually significant exposures to Stage 2 with no material impact on the Bank's profit or loss. The risk of insolvency for these customers remains low.

LOANS AND ADVANCES TO CUSTOMERS (excluding adjustment relating to fair value hedge accounting) 31.12.2023	Stage 1	Stage 2	Stage 3	Total	of which POCI
Measurement: at amortized cost					
Gross carrying amount	203,569	40,623	8,921	253,113	324
real estate loans	99,843	13,373	1,667	114,883	84
business loans	59,458	17,654	3,666	80,778	158
consumer loans	26,079	3,576	2,452	32,107	79
factoring receivables	5,302	26	88	5,416	-
finance lease receivables	12,887	5,994	1,048	19,929	3
Allowances for expected credit losses	(1,072)	(3,824)	(5,310)	(10,206)	50
real estate loans	(95)	(1,108)	(1,167)	(2,370)	(5)
business loans	(450)	(1,735)	(2,159)	(4,344)	1
consumer loans	(443)	(744)	(1,446)	(2,633)	55
factoring receivables	(1)	-	(29)	(30)	-
finance lease receivables	(83)	(237)	(509)	(829)	(1)
Net carrying amount	202,497	36,799	3,611	242,907	374
real estate loans	99,748	12,265	500	112,513	79
business loans	59,008	15,919	1,507	76,434	159
consumer loans	25,636	2,832	1,006	29,474	134
factoring receivables	5,301	26	59	5,386	-
finance lease receivables	12,804	5,757	539	19,100	2
Loans and advances to customers, total					
Gross carrying amount	203,569	40,623	8,921	253,113	324
Allowances for expected credit losses	(1,072)	(3,824)	(5,310)	(10,206)	50
Net carrying amount	202,497	36,799	3,611	242,907	374

● FINANCIAL AND GUARANTEE COMMITMENTS GRANTED

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED 30.06.2024	STAGE 1		STAGE 2		STAGE 3		Total	Provisions per IFRS 9
	Notional amount	Provision	Notional amount	Provision	Notional amount	Provision		
Credit lines and limits	73,393	(141)	9,910	(527)	184	(25)	83,487	(693)
real estate	6,433	(13)	123	(11)	2	(1)	6,558	(25)
business ¹	50,814	(102)	8,215	(424)	97	(19)	59,126	(545)
consumer	9,753	(26)	1,531	(92)	17	(5)	11,301	(123)
in respect of factoring	5,861	-	41	-	68	-	5,970	-
in respect of finance leases	532	-	-	-	-	-	532	-
Other	3,717	-	-	-	-	-	3,717	-
Total financial commitments granted, including:	77,110	(141)	9,910	(527)	184	(25)	87,204	(693)
irrevocable commitments granted	27,029	(79)	5,976	(243)	79	(14)	33,084	(336)
POCI	-	-	2	-	1	-	3	-
Guarantees and sureties granted								
guarantees in domestic and foreign trading	8,110	(24)	1,501	(47)	712	(19)	10,323	(90)
domestic municipal bonds	1,085	(3)	6	-	-	-	1,091	(3)
letters of credit	1,338	(2)	27	(1)	-	-	1,365	(3)
payment guarantee	88	-	2	-	-	-	90	-
Total guarantees and sureties granted, including:	10,621	(29)	1,536	(48)	712	(19)	12,869	(96)
irrevocable commitments granted	3,775	(14)	1,254	(44)	677	(18)	5,706	(76)
performance guarantee	2,812	(4)	757	(33)	195	(10)	3,764	(47)
POCI	-	-	-	-	444	(2)	444	(2)
Total financial and guarantee commitments granted	87,731	(170)	11,446	(575)	896	(44)	100,073	(789)

¹ In the second quarter of 2024, the Bank made changes to the rating model in the business loan segment, as a result of which several exposures with individually significant exposure were reclassified to Stage 2 without a significant impact on the Bank's result. The risk of default of these clients remains low.

FINANCIAL AND GUARANTEE COMMITMENTS GRANTED 31.12.2023	STAGE 1		STAGE 2		STAGE 3		Total nominal value	Total provisions per IFRS 9
	Notional amount	Provision	Notional amount	Provision	Notional amount	Provision		
Credit lines and limits	71,102	(137)	7,774	(476)	162	(28)	79,038	(641)
real estate	6,722	(11)	170	(6)	6	(3)	6,898	(20)
business	50,189	(101)	6,055	(377)	89	(20)	56,333	(498)
consumer	9,220	(25)	1,542	(93)	18	(5)	10,780	(123)
in respect of factoring	4,233	-	7	-	49	-	4,289	-
in respect of finance leases	738	-	-	-	-	-	738	-
Other	3,884	-	-	-	-	-	3,884	-
Total financial commitments granted, including:	74,986	(137)	7,774	(476)	162	(28)	82,922	(641)
irrevocable commitments granted	26,720	(73)	4,621	(329)	65	(13)	31,406	(415)
POCI	-	-	1	-	1	-	2	-
Guarantees and sureties granted								
guarantees in domestic and foreign trading	8,138	(18)	1,692	(59)	785	(30)	10,615	(107)
domestic municipal bonds	243	-	-	-	-	-	243	-
letters of credit	1,175	-	102	(3)	-	-	1,277	(3)
payment guarantee	99	-	2	-	-	-	101	-
Total guarantees and sureties granted, including:	9,655	(18)	1,796	(62)	785	(30)	12,236	(110)
irrevocable commitments granted	3,275	(7)	1,479	(58)	749	(29)	5,503	(94)
performance guarantee	2,682	(4)	711	(43)	199	(10)	3,592	(57)
POCI	-	-	-	-	452	(2)	452	(2)
Total financial and guarantee commitments granted	84,641	(155)	9,570	(538)	947	(58)	95,158	(751)

34. MANAGEMENT OF INTEREST RATE RISK, CURRENCY RISK AND LIQUIDITY RISK

• INTEREST RATE RISK MANAGEMENT

Sensitivity of interest income in the banking book of the Group to the abrupt shift in the yield curve of 100 bp down in a one-year horizon in all currencies	30.06.2024	31.12.2023
Sensitivity of interest income (PLN million)	(742)	(1,014)
The economic value sensitivity measure (stress-test) of the banking book of the Group in all currencies	30.06.2024	31.12.2023
Sensitivity of economic value (PLN million)	(1,338)	(1,567)
IR VaR in the Bank's trading book	30.06.2024	31.12.2023
IR VaR for a 10-day time horizon at a confidence level of 99% (PLN million):		
Average value	8	59
Maximum value	15	133
Value at the end of the period	3	42

• CURRENCY RISK MANAGEMENT

The Bank's FX VaR, in aggregate for all currencies	30.06.2024	31.12.2023
VaR for a 10-day time horizon at a confidence level of 99% (in PLN million) ¹	15	3

¹ Taking into account the nature of the operation of the other Group companies which generate material currency risk and the specific characteristics of the market in which they operate, the Parent Company does not determine the consolidated VaR sensitivity measure. Such companies use their own risk measures to manage their interest rate risk. KREDOBANK SA applies the 10-day VaR which amounted to PLN 0.3 million as at 30 June 2024 (a similar amount as at 31 December 2023, i.e. approximately PLN 0.3 million).

FOREIGN CURRENCY POSITION	30.06.2024	31.12.2023
EUR	7	(59)
CHF	(457)	15
Other (Global, Net)	(13)	(20)

Currency positions (in addition to volatility of foreign exchange rates) are a key factor determining the level of currency risk to which the Group is exposed. The foreign currency positions are determined by all foreign currency transactions concluded, both in the statement of financial position and off-balance sheet transactions, with the exception of structural positions in UAH (PLN 688 million), for which the Bank obtained approval from the PFSA to exclude them from the calculation of the currency positions.

• LIQUIDITY RISK MANAGEMENT

	on demand	0 – 1 month	1 – 3 months	3 – 6 months	6 – 12 months	12 – 24 months	24 – 60 months	more than 60 months
30.06.2024								
Adjusted periodic gap	10,409	131,190	(19,544)	(1,987)	(12,028)	16,249	19,087	(143,376)
Adjusted cumulative periodic gap	10,409	141,599	122,055	120,068	108,040	124,289	143,376	-
31.12.2023								
Adjusted periodic gap	8,465	128,262	(15,277)	2,326	(15,132)	13,284	25,761	(147,689)
Adjusted cumulative periodic gap	8,465	136,727	121,450	123,776	108,644	121,928	147,689	-

In all time horizons, the adjusted cumulative liquidity gap of the Group, determined as the sum of the adjusted liquidity gaps of the Bank, PKO Bank Hipoteczny S.A., PKO Leasing S.A., KREDOBANK S.A. and PKO Życie Towarzystwo Ubezpieczeń S.A. and the contractual liquidity gaps of the other Group companies, was positive both as at 30 June 2024 and 31 December 2023. This means that the Group has a surplus of the assets receivable over the liabilities payable.

SUPERVISORY LIQUIDITY MEASURES	30.06.2024	31.12.2023
NSFR - net stable funding ratio	155.6%	156.6%
LCR - liquidity coverage ratio	245.7%	243.4%

In the period ended 30 June 2024 and 31 December 2023, liquidity measures remained above their respective supervisory limits.

CAPITAL MANAGEMENT AT THE BANK

35. CAPITAL ADEQUACY

Minimum levels of the capital ratios maintained by the Group in accordance with Article 92 of the CRR are as follows:

• total capital ratio (TCR)	8.0%
• Tier 1 capital ratio (T1)	6.0%
• Tier 1 core capital ratio (CET1)	4.5%

Obligation to maintain a combined buffer above the minimum amounts specified in Art. 92 of the CRR, representing the sum of the applicable buffers	30.06.2024	31.12.2023
Total:	4.54%	4.54%
• conservation buffer	2.5%	2.5%
• countercyclical buffer	0.04%	0.04%
• due to identifying the Bank as another systemically important institution ("O-SII")	2%	2%

According to the PFSA's position on dividend policy in 2024, the maximum possible level of dividend to be distributed is limited to 75% of profit. As at 30 June 2024, the minimum capital ratios authorising the payment of dividends at 75% of profit were as follows at the consolidated level:

- for the total capital ratio (TCR): 12.96%,
- for the Tier 1 capital ratio (T1): 10.96%,
- for the Tier 1 core capital ratio (CET1): 9.46%.

For detailed information on the PFSA's recommendation for dividend distribution for 2023, see the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023.

CAPITAL ADEQUACY	30.06.2024	31.12.2023 (restated)	31.12.2023 (published)
Equity	46,932	45,227	45,227
capital: share capital, supplementary capital, other reserves, and general risk reserve	34,072	32,318	32,318
retained earnings	11,321	10,810	10,810
net profit or loss for the period	4,395	5,502	5,502
accumulated other comprehensive income and non-controlling interests	(2,856)	(3,403)	(3,403)
Exclusions from equity:	2,635	3,534	3,534
deconsolidation - adjustments due to prudential consolidation	(89)	(109)	(109)
net profit or loss for the period (prudential consolidation)	4,375	5,505	5,505
cash flow hedges	(1,651)	(1,862)	(1,862)
Other fund reductions:	2,948	3,044	3,036
goodwill	961	961	961
other intangible assets	1,545	1,587	1,587
additional asset adjustments (AVA, DVA, NPE, exceedance of the thresholds set out in Article 48 CRR) ¹	442	496	488
Temporary reversal of IFRS 9 impact	749	1,498	1,373
Net profit included in own funds²	-	1,771	1,697
Tier 1	42,098	41,918	41,727
Tier 2 capital (subordinated debt)	1,811	2,080	2,080
Own funds	43,909	43,998	43,807
Requirements for own funds	19,637	18,681	18,787
Credit risk	16,833	16,364	16,470
Operational risk	2,607	2,163	2,163
Market risk	165	125	125
Credit valuation adjustment risk	32	29	29
Total capital ratio	17.89	18.84	18.65
Tier 1 capital ratio	17.15	17.95	17.77

¹ AVA – additional valuation adjustment, DVA – debt valuation adjustment, NPE – non-performing exposures adjustment.

² The amount of PLN 1,697 million relates to the portion of the profit for 2023 included in own funds with the approval of the PFSA, and the amount of PLN 1,771 million relates to the amount of the profit for 2023 following approval of the profit distribution by the AGM. In line with the European Banking Authority's (EBA) guidance in the single rulebook Q&A setting out the EBA's position on when to recognise annual and interim profits in capital adequacy data (Q&A 2018_3822, Q&A 2018_4085 and Q&A 2013_208), from the point at which the institution formally meets the criteria to include the profit for the period in Tier 1 capital, it is considered that the profit should be included on a retrospective date (the date of the profit rather than the date the criterion is met) and an adjustment to own funds should be made to the date to which the profit relates. As the Bank's Annual General Meeting approved the distribution of the Bank's profits on 28 June 2024 and the General Meetings of the Group companies also approved the distribution of the companies' profits, the figures as at 31 December 2023 have been restated to include the impact of these profit distributions at the end of 2023. As a result, the credit risk requirement has also been recalculated, because the date on which the profit is included in own funds is also the date on which the specific credit risk adjustments (SCRA) included in this requirement are calculated. The date on which the result is included also requires recalculation of the NPE adjustment and a temporary reversal of the impact of IFRS 9.

CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH THE CRR (PRUDENTIAL CONSOLIDATION)	01.01-30.06.2024	01.01- 30.06.2023
Net interest income	10,302	8,648
Net fee and commission income	2,711	2,329
Net other income	363	114
Dividend income	14	12
Gains/(losses) on financial transactions	107	22
Net foreign exchange gains/ (losses)	144	4
Gains/(losses) on derecognition of financial instruments	32	24
Net other operating income and expense	66	52
Result on business activities	13,376	11,091
Net allowances for expected credit losses	(448)	(541)
Impairment of non-financial assets	(313)	(22)
Cost of legal risk of mortgage loans in convertible currencies	(2,320)	(3,441)
Administrative expenses	(4,105)	(3,680)
Tax on certain financial institutions	(622)	(607)
Share in profits and losses of subsidiaries, associates and joint ventures	196	167
Profit before tax	5,764	2,967
Income tax expense	(1,389)	(947)
Net profit (including non-controlling shareholders)	4,375	2,020
Net profit attributable to equity holders of the parent company	4,375	2,020

36. DIVIDENDS AND PROFIT APPROPRIATION

Information on the PFSA's position on dividend policy in 2024 is described in the consolidated financial statements of the PKO Bank Polski S.A. Group for the year ended 31 December 2023.

On 21 February 2024, the Bank received the individual recommendation from the PFSA in which the PFSA confirmed that the Bank fulfils the criteria for the payment of dividend up to 75% of the profit for 2023, whereby the maximum amount of payment may not exceed the amount of the annual profit less the profit generated in 2023 already counted as own funds. The Bank has included in its own funds the net profit, achieved in the first half of 2023, in the amount of PLN 1,624,430,283 at standalone level. At the same time, the PFSA advised the Bank to mitigate the risks inherent in its operations by: not conducting any other activities, in particular those beyond the scope of current business and operating activities, which may result in a reduction of own funds, including possible dividend payments from undistributed profits from previous years and buybacks or buyouts of own shares, without prior consultation with the supervisory authority.

On 28 June 2024, the Annual General Meeting of PKO Bank Polski S.A. (AGM) passed a resolution on distribution of profit of the Bank for 2023, in accordance with which:

- From the net profit earned in 2023 in the amount of PLN 4,868,360,037.30, PLN 3,237,500,000 is to be allocated for the distribution among shareholders, which constitutes 66.50% of the net profit of the Bank earned in 2023 ("Distributable profit");
- The remainder of the profit in the amount of PLN 1,630,860,037.30 is to be allocated to the reserve capital for the payment of dividend, including interim dividend in accordance with § 30 of the Bank's Articles of Association;
- Distributable profit, increased by the amount of PLN 1,600,000,000 from the reserve capital established pursuant to resolution No 7/2023 of the AGM of 21 June 2023, paid by the Bank on 1 February 2024 as an interim dividend for the financial year 2023, i.e. a total amount of PLN 4,837,500,000 PLN, constitutes a dividend intended for distribution among all shareholders of the Bank. The gross dividend is PLN 2.59 per share. The dividend record date is 8 August 2024. The dividend will be paid on 22 August 2024.

At the same time, the AGM passed a resolution to leave the Bank's retained earnings, in the amount of PLN 9,437,974,386.73, undistributed.

OTHER NOTES

37. TRANSACTIONS WITH THE STATE TREASURY AND RELATED PARTIES

- TRANSACTIONS WITH THE STATE TREASURY**

The State Treasury holds a 29.43% interest in the Bank's share capital.

The Group performs housing loan agreements in the "legacy" portfolio and carries out settlements in respect of repurchase of interest on housing loans by the State Budget. In the period of six months ended 30 June 2024 and 30 June 2023, the Group received a commission of less than PLN 0.1 million on this account.

Biuro Maklerskie PKO BP plays the role of an agent for the issue of retail Treasury bonds under the agreement signed with the Ministry of Finance on 11 February 2003. Under this agreement, Biuro Maklerskie PKO BP receives a fee for providing the services of an agent for the issue of bonds – in the period of six months ended 30 June 2024 in the amount of PLN 181 million, and in the period of six months ended 30 June 2023 in the amount of PLN 108 million.

- RELATED-PARTY TRANSACTIONS – CAPITAL LINKS (ASSOCIATES AND JOINT VENTURES)**

All transactions presented below were arm's length transactions.

Associates and joint ventures	Receivables	of which loans	Liabilities	Off-balance sheet liabilities granted
30.06.2024	182	42	303	484
31.12.2023	90	24	178	493

Associates and joint ventures	Total income	of which interest and commission income	Total expense	of which interest and commission income
01.01.-30.06.2024	416	383	113	84
01.01.-30.06.2023	501	360	107	85

- RELATED-ENTITY TRANSACTIONS – PERSONAL LINKS**

As at 30 June 2024 and 31 December 2023, four entities were related to the Group through the key management personnel of PKO Bank Polski S.A. or close family members of the key management personnel. In the first half of 2024 and in the corresponding period, no transactions were conducted between the Group and those entities.

• **BENEFITS FOR THE KEY MANAGEMENT**

COST OF REMUNERATION OF THE BANK'S MANAGEMENT AND SUPERVISORY BOARDS FOR THE PERIOD (in PLN thousand)	01.01-30.06.2024	01.01-30.06.2023
Management Board of the Bank		
Short-term employee benefits ¹	4,287	5,655
Long-term employee benefits ²	2,984	3,415
Share-based payments settled in cash ³	6,439	3,778
Benefits to the Bank's Management Board members who ceased to perform their functions before the reporting date ⁴	3,565	1,833
Total	17,275	14,681
Supervisory Board of the Bank		
Short-term employee benefits ¹	925	1,047
Total	925	1,047

¹ The item includes: fixed remuneration, social security contributions and other benefits which have been or will be settled within 12 months of the end of the reporting period.

² The item includes the costs of provisions for the non-deferred and deferred components of variable remuneration in cash.

³ The item includes the non-deferred and deferred components of variable remuneration in the form of an instrument, i.e. Phantom shares (for which conversion into cash is carried out after an additional period of retention). The item includes both costs of variable remuneration in the form of an instrument for the current period, as well as the effect of revaluation of provisions for variable remuneration components in the form of an instrument for previous years based on the current price of the Bank's shares.

⁴ The item includes the costs of severance pay and non-compete benefits.

COSTS OF REMUNERATION OF THE SUBSIDIARIES' MANAGEMENT AND SUPERVISORY BOARDS FOR THE PERIOD (in PLN thousand)	01.01-30.06.2024	01.01-30.06.2023
Management Boards of the Companies		
Short-term employee benefits ¹	11,913	14,271
Long-term employee benefits ²	3,803	3,700
Share-based payments settled in cash ³	1,521	1,726
Benefits to the Companies' Management Board members who ceased to perform their functions before the reporting date ⁴	2,623	926
Total	19,860	20,623
Supervisory Boards of the Companies		
Short-term employee benefits ¹	1,167	1,087
Total	1,167	1,087

¹ The item includes: fixed remuneration, social security contributions and other benefits which have been or will be settled within 12 months of the end of the reporting period.

² The item includes the costs of provisions for the non-deferred and deferred components of variable remuneration in cash.

³ The item includes the non-deferred and deferred components of variable remuneration in the form of an instrument, i.e. Phantom shares (for which conversion into cash is carried out after an additional period of retention).

⁴ The item includes severance pay and non-compete benefits.

In the six-month period ended 30 June 2024, members of the Management Board and the Supervisory Board of the Bank who performed their functions as at 30 June 2024 received remuneration from the Bank's related entities in the amount of PLN 7 thousand (PLN 28 thousand in the corresponding period).

The Group provides the key management personnel, members of the Supervisory Board and their families with standard financial services which comprise, among other things, operating bank accounts, accepting deposits, granting loans and other services. All these transactions are also concluded on an arm's length basis.

38. IMPACT OF THE GEOPOLITICAL SITUATION IN UKRAINE ON THE PKO BANK POLSKI S.A. GROUP

• UKRAINIAN COMPANIES IN THE PKO BANK POLSKI S.A. GROUP

The macroeconomic situation in Ukraine, including in the banking sector, and the measures taken by the Group in connection with the geopolitical situation in Ukraine are described extensively in the Group's consolidated financial statements for the year ended 31 December 2023 in the note "Impact of the geopolitical situation in Ukraine on the PKO Bank Polski S.A. Group".

Armed aggression of the Russian Federation on Ukraine has negative consequences for the financial system and the banking sector of Ukraine. However, the adaptation of business and the general population to war conditions, the rebound in economic activity, the resolution of some of the logistical problems, high crop yields and significant budgetary spending on infrastructure reconstruction and defence led to a revival of economic growth in 2023, with real GDP increasing by 5.3% y/y. The economic recovery also continues in 2024, with real GDP increasing by 6.5% y/y in the first quarter and Ukraine's GDP growth in the first half of 2024 estimated at 4.1% [$\pm 1\%$] year-on-year (the slowdown of the economy in the second quarter of 2024 was driven mainly by the electricity deficit).

The warfare has adversely affected the Ukrainian banking sector, including in particular through a reduction in the loan portfolio due to a significant reduction in new lending. Reductions do not apply to lending under the state's "5-7-9" programme and loans granted by state-owned banks to strategic sectors and companies. The Government's '5-7-9' programme was initiated by the President of Ukraine and the Cabinet of Ministers to support the development of small and medium-sized enterprises by facilitating access to bank credit, including the possibility of obtaining loans at reduced interest rates by means of state compensation of interest rates up to 5%, 7% and 9% per annum for loans in domestic currency. After declines in 2022-2023, the loan portfolio started to grow in the first half of 2024 - by 5.9% YTD. After an outflow of funds from banks at the beginning of the war, liquidity in the banking system is increasing. In the first half of 2024, retail deposits increased by 6.0% and corporate deposits by 6.6%.

The regulations of the National Bank of Ukraine (NBU) introducing simplified requirements for the day-to-day operations of banks continue to apply. The NBU has initiated a process of restrictive amendments aimed at ensuring the timely and adequate assessment of credit risk and the adequate assessment of liquidity and capital requirements by banks. On 5 August 2024, the NBU resolutions governing the new approach to the calculation of a bank's regulatory capital and implementing the new capital adequacy requirements (the method for calculating capital will be similar to that applied to EU banks) will enter into force.

In the first half of 2024, the NBU cut the discount rate by 2.0 bps - to 13.0% per annum.

KREDOBANK S.A.'s liquidity situation, despite the ongoing conflict in Ukraine, remained stable and secure. Kredobank S.A. did not experience a material decline in liquidity measures or significant deposit outflows (LCR in foreign currencies of around 355%, LCR in all currencies of around 244%, NSFR of nearly 258% as at 30 June 2024). The regulatory capital adequacy ratio of Kredobank S.A. as at 30 June 2024 was 30.1% (with a floor of 10%), the core capital adequacy ratio of Kredobank S.A. is 25.7% (with a floor of 7%).

As at 30 June 2024, the Group updated the analysis of the business loans portfolio of its Polish customers from the perspective of the customers' exposure to the adverse effects of the military conflict in Ukraine. If we adopt a threshold of at least 5% of the turnover generated from transactions with counterparties from Russia, Belarus or Ukraine, the risk-exposed portfolio amounts to PLN 1.5 billion (PLN 2.46 billion as at 31 December 2023). For the purpose of the measurement of credit exposures, the Group considered the information on the scale of the Polish customers' business relations with partners from Ukraine, Belarus and Russia, and performed an assessment of various scenarios of development of the macroeconomic situation. The exposures of these customers were classified to Stage 2 and were subject to the valuation of expected credit losses throughout their lifetime. If the probability of a customer repaying its loan liabilities was assessed as low, the exposures were reclassified to Stage 3.

Retail exposures granted to Russian, Belarusian or Ukrainian nationals, which as at 30 June 2024 amounted to PLN 183 million (PLN 151 million as at 31 December 2023), were reclassified by the Group into Stage 2 and their credit risk was measured over the life of these loans

As at 30 June 2024, the allowance for expected credit losses for the above portfolios amounted to PLN 93 million (PLN 80 million as at 31 December 2023).

39. INTEREST RATE BENCHMARKS REFORM

The reform of interest rate benchmarks and the steps taken by the Group in this regard are described extensively in the Group's consolidated financial statements for the year ended 31 December 2023 in the note "Interest rate benchmarks reform".

On 29 March 2024, the Steering Committee of the National Working Group for benchmark reform (NWG SC) decided to commence a review and analysis of risk-free-rate (RFR) replacement choices for WIBOR benchmark. The review will include both WIRON and other possible interest rate indices or benchmarks. The purpose is to review the decision of the NWG SC adopted in September 2022, based on a wider scope of market information in the dynamically changing macroeconomic environment of the Polish economy. In view of the above, possible changes to the milestones of the existing Roadmap for the process of replacing the WIBOR and WIBID benchmarks are possible, but as indicated by the NWG SC, without changing the final deadline for the completion of the benchmark reform.

On 21 June 2024, the NWG invited stakeholders and financial market participants to consult a consultation paper on the review and evaluation of alternative interest rate indices, setting a closing date of 1 July 2024. The outcome of the public consultation will be a factor considered by the NWG in its decision on the selection of an index/benchmark as an alternative to WIBOR and the development of an updated Roadmap for benchmark reform in Poland, including the measures that are required for continued development of the national money market.

40. EVENTS THAT OCCURRED AFTER THE DATE ON WHICH THE FINANCIAL STATEMENTS ARE PREPARED

No events occurred after the date on which the financial statements were prepared that could significantly affect future financial performance.

SIGNATURES OF ALL MEMBERS OF THE BANK'S MANAGEMENT BOARD

Szymon Midera	President of the Management Board
Krzysztof Dresler	Vice-President of the Management Board
Ludmiła Falak-Cyniak	Vice-President of the Management Board
Piotr Mazur	Vice-President of the Management Board
Marek Radzikowski	Vice-President of the Management Board
Michał Sobolewski	Vice-President of the Management Board
Mariusz Zarzycki	Vice-President of the Management Board

SIGNATURE OF A PERSON WHO IS RESPONSIBLE FOR MAINTAINING THE ACCOUNTING RECORDS

Danuta Szymańska	Director of the accounting division
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The original Polish document is signed with a qualified electronic signatures