

Report of Bank Pekao S.A. Group for the first quarter of 2025



Warsaw, April 2025

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

Report on the activities of Bank Pekao S.A. Group for the first quarter of 2025



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1. Highlights of Bank Pekao S.A. Group

Due to changes in accounting principles made in 2024 described in Note No. 4 to the Consolidated Financial Statements of Bank Pekao S.A. Group for the year ended on 31 December 2024 and in order to ensure comparability, the data for I quarter of 2024 have been corrected compared to those previously published.

	1 QUARTER 2025	1 QUARTER 2024	2024	2023
INCOME STATEMENT – SELECTED ITEMS (in PLN million)				
Operating income	4,249	3,876	16,049	15,200
Operating costs	(1,329)	(1,238)	(5,244)	(4,631)
Profit before income tax	2,193	1,960	8,123	8,565
Net profit attributable to equity holders of the Bank	1,685	1,517	6,376	6,659
PROFITABILITY RATIOS				
Return on average equity (ROE) – nominally	20.5%	19.6%	21.2%	25.0%
Return on assets (ROA)	2.0%	1.9%	2.0%	2.2%
Net interest margin	4.3%	4.2%	4.2%	4.2%
Cost / income (including to contributions to the BFG cost and fee paid for the Protection Schemes)	38.5%	38.1%	34.2%	31.7%
Costs of risk	0.33%	0.40%	0.48%	0.36%
STATEMENT OF FINANCIAL POSITION – SELECTED ITEMS (in PLN million)				
Total assets	333,313	317,437	334,242	305,789
Customers' financing ^(*)	181,961	173,737	182,158	171,140
Amounts due to customers ^(**)	259,591	242,139	259,034	232,078
Debt securities issued and subordinated liabilities	17,407	14,732	18,949	12,739
Equity	33,990	31,774	31,914	30,428
STATEMENT OF FINANCIAL POSITION STRUCTURE RATIOS				
Customers' financing ^(*) / total assets	54.6%	54.7%	54.5%	56.0%
Securities / total assets	34.9%	33.9%	35.8%	32.7%
Deposits ^(***) / total assets	83.1%	80.9%	83.2%	80.1%
Customers' financing ^(*) / deposits ^(***)	65.7%	67.6%	65.5%	69.9%
Equity / total assets	10.2%	10.0%	9.5%	10.0%
Total capital ratio ^(****)	17.4%	16.9%	16.1%	17.5%
EMPLOYEES AND NETWORK				
Total number of employees	15,042	14,992	15,212	14,922
Number of outlets	568	572	573	574
Number of ATMs	1,316	1,300	1,314	1,306

^(*) Including net investments in financial leases to customers, non-treasury debt securities and excluding reverse repo transactions.

^(**) Excluding repo transactions and lease liabilities.

^(***) Deposits include amounts due to customers, debt securities issued and subordinated liabilities.

^(****) Data for March 31, 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2023, in accordance with the EBA position expressed in Q&A 2018_3822 and Q&A 2018_4085.

2. Highlights of Bank Pekao S.A.

Due to changes in accounting principles made in 2024 described in Note No. 4 to the Consolidated Financial Statements of Bank Pekao S.A. Group for the year ended on 31 December 2024 and in order to ensure comparability, the data for I quarter of 2024 have been corrected compared to those previously published.

	1 QUARTER 2025	1 QUARTER 2024	2024	2023
INCOME STATEMENT – SELECTED ITEMS (in PLN million)				
Operating income	4,093	3,818	15,290	14,657
Operating costs	(1,211)	(1,134)	(4,794)	(4,230)
Profit before income tax	2,155	2,004	8,105	8,643
Net profit	1,674	1,582	6,425	6,799
PROFITABILITY RATIOS				
Return on average equity (ROE) - nominally	20.6%	20.7%	21.7%	26.0%
Return on assets (ROA)	2.1%	2.1%	2.1%	2.4%
Net interest margin	4.3%	4.2%	4.2%	4.3%
Cost / income (including to contributions to the BFG cost and fee paid for the Protection Schemes)	37.0%	35.9%	32.9%	30.1%
Costs of risk	0.37%	0.45%	0.38%	0.32%
STATEMENT OF FINANCIAL POSITION – SELECTED ITEMS (in PLN million)				
Total assets	319,952	304,551	319,251	294,552
Customers' financing ^(*)	166,802	158,727	165,435	157,406
Amounts due to customers ^(**)	259,855	242,355	259,523	232,307
Debt securities issued and subordinated liabilities	9,343	6,907	9,324	6,859
Equity	33,578	31,391	31,516	29,987
STATEMENT OF FINANCIAL POSITION STRUCTURE RATIOS				
Customers' financing ^(*) / total assets	52.1%	52.1%	51.8%	53.4%
Securities / total assets	36.6%	35.7%	37.9%	34.5%
Deposits ^(**) / total assets	84.1%	81.8%	84.2%	81.2%
Customers' financing ^(*) / deposits ^(**)	62.0%	63.7%	61.5%	65.8%
Equity / total assets	10.5%	10.3%	9.9%	10.2%
Total capital ratio ^(****)	20.1%	19.3%	18.7%	20.1%
EMPLOYEES AND NETWORK				
Total number of employees	12,372	12,500	12,626	12,470
Number of outlets	568	572	573	574
Number of ATMs	1,316	1,300	1,314	1,306

^(*) Including non-treasury debt securities and excluding reverse repo transactions.

^(**) Excluding repo transactions and lease liabilities.

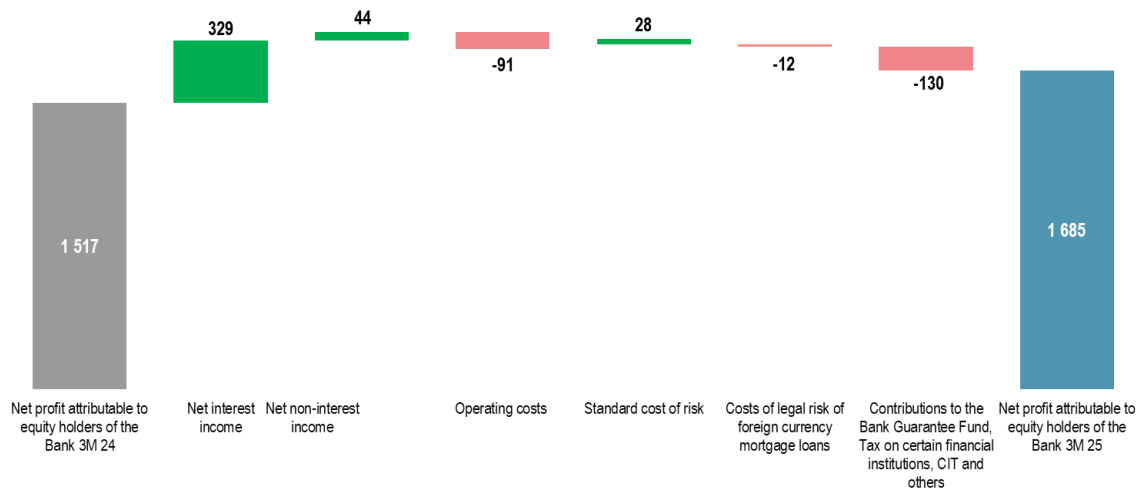
^(***) Deposits include amounts due to customers, debt securities issued and subordinated liabilities.

^(****) Data for March 31, 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2023, in accordance with the EBA position expressed in Q&A 2018_3822 and Q&A 2018_4085.

3. Summary of Performance

Main P&L items

In the first quarter of 2025, we generated net profit of Bank Pekao S.A. Group attributable to the Bank's shareholders in the amount of PLN 1,685 million and was higher by PLN 168 million, i.e. 11.1% compared to the result achieved in the first quarter of 2024.



The ROE ratio was at the level of 20.5%.

The Group's operating income in the first quarter of 2025 amounted to PLN 4,249 million and was 9.6% higher than the income achieved in the first quarter of 2024, mainly due to net interest income.

- Net interest income achieved in the first quarter of 2025 amounted to PLN 3,414 million, which is an increase of PLN 329 million, i.e. 10.7% compared to the result achieved in the first quarter of 2024, mainly due to higher volumes and a higher interest margin.
- The net fee and commission income achieved in the first quarter of 2025 amounted to PLN 732 million and was higher by PLN 64 million, i.e. 9.6% compared to the result achieved in the first quarter of 2024, thanks to almost all main areas of activity
- The trading result achieved in the 2024, amounted to PLN 99 million and was lower by PLN 35 million compared to the result achieved in the first quarter of 2024 due to the lower valuation of derivative instruments.

Operating costs in the first quarter of 2025 amounted to PLN 1,329 million and were higher by PLN 91 million, i.e. 7.4% compared to the first quarter of 2024, mainly due to inflationary indexation of salaries and the variable part of personnel costs related to the result.

The net allowances for expected credit losses in the first quarter of 2025 amounted to PLN 153 million and was lower by PLN 28 million, i.e. 15.5% than in the first quarter of 2024.

Contributions to the Bank Guarantee Fund in the first quarter of 2025 amounted to PLN 307 million and were higher by PLN 68 million, i.e. 28.5% than in the first quarter of 2024 due to an increase in the volume of guaranteed funds.

Tax on certain financial institutions in the first quarter of 2025 amounted to PLN 216 million and was lower by PLN 7 million, i.e. 3.1% than in the first quarter of 2024 due to a higher share of assets not subject to the tax in the balance sheet structure.

Volumes

As at the end of March 2025, loans and advances at nominal value amounted to PLN 186,147 million and were higher by PLN 7,815 million, i.e. 4.4% than at the end of March 2024.

As at the end of March 2025 the volume of retail loans amounted to PLN 84,609 million and were higher by PLN 3,926 million, i.e. 4.9% than at the end of March 2024.

Corporate loans including non-treasury debt securities at the end of March 2025 amounted to PLN 101,538 million and were higher by PLN 3,889 million, i.e. 4.0% compared to the end of March 2024.

As at the end of March 2025 amounts due to the Group's Customers and Debt securities issued amounted to PLN 276,998 million and were higher by PLN 20,127 million, i.e. 7.8% than at the end of March 2024.

The value of net assets of investment funds managed by Pekao TFI S.A. amounted to PLN 34,658 million and was higher by PLN 8,474 million, i.e. 32.4% compared to the end of March 2024.

In 2024, we increased commercial activity, actively supported clients in maintaining financial liquidity, continued to digitize and automate processes, and implemented advanced digital solutions.

In the first quarter of 2025, we opened a total of 133,000 accounts for individual customers, maintaining high new customer acquisition results. We opened 41.2 thousand accounts for young customers up to 26 years of age, which represents an increase of approximately 35% in sales.

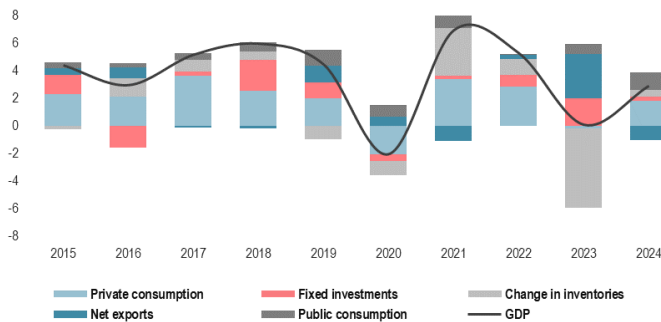
In the first quarter of 2025, the number of active mobile banking customers increased by 300 thousand y/y to 3.5 million, i.e. +9% more than a year ago and as much as +23% more than two years ago.

We offered a rich deposit offer to individual customers, including an interest rate of 7.0% per annum on savings accounts or an Investment Deposit at 7.5% per annum for a period of 12 months.

We extended the special offer for individual and corporate customers from Ukraine.

4. External Activity Conditions

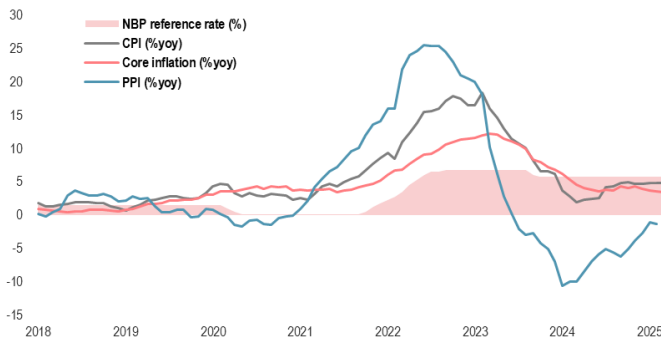
Economic growth



In 2024, the Polish economy clearly rebounded after a not-so-good 2023, with GDP growing by 2.9% compared to 0.1% a year earlier. The last quarter of 2024 brought a continuation of the recovery, although its pace is not very impressive in historical terms. In the fourth quarter, the State Office reported a 3.2% yoy increase in GDP compared to 2.7% a quarter earlier. The structure of growth indicated a continued solid consumption growth (3.5% yoy). Additionally, investments (+1.3% yoy) and the contribution of inventories (+1.9 p.p.) had a positive impact on GDP growth. On the other hand, the

contribution of net exports (-1.3 p.p.) remained a drag on domestic growth. The current year should be visibly better in terms of economic growth, as it should gain momentum. In the first half of the year, GDP growth should reach around 3.5% due to solid growth of private consumption and investment revival associated with the payment of funds from the National Recovery Plan.

Inflation and monetary policy



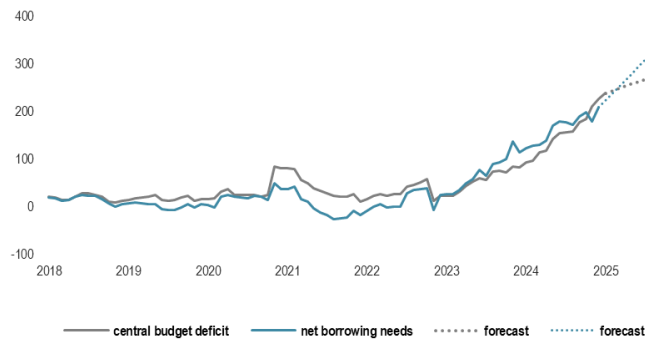
The beginning of 2025 brought lower than previously expected consumer inflation (CPI), forming "a plateau" in the first quarter at a level of almost 5% yoy. Previous estimates indicated an acceleration of inflation with a peak in March to around 5.5%. On the one hand, this is a consequence of the annual update of the weights in the consumer basket, which lowered all previously forecasted inflation paths by 0.4 percentage points. The basket revision serves to adjust its composition to the actual consumption of households. However, it should also be noted that core inflation fell faster than expected as well,

especially surprising, taking into consideration the entry into force of a very large increase in excise duty on tobacco products (starting from March). Core inflation (excluding energy and food prices) fell in March to around 3.5% yoy.

However, the following months will bring a strong decline in CPI which will be strongly supported by the effect of high reference base from last year. Inflation will fall below 4.5% yoy already in April. In turn, at the beginning of the second half of the year, due to further high reference base effects we will see a downward dip to almost 3.0% yoy. At the end of 2025, inflation may even fall below this level. However, core inflation will not want to fall so quickly throughout the year due to the slowly translating high labour costs and the closing demand gap. What is more, we do not expect a jump in inflation in the fourth quarter caused by the unfreezing of energy prices for households. An extension of the "freezing" is also possible. We will not return permanently to the NBP inflation target until the first half of 2026.

At the beginning of April, the Monetary Policy Council (RPP) shifted its stance to decidedly dovish. The President of the National Bank of Poland announced that if upcoming data confirm a slowdown in wages and a decrease in inflationary pressure, then at the upcoming RPP meetings, there will be room for interest rate cuts — even two cuts of 50 basis points, both in May and June. Other RPP members also expressed similar views. We see no reason to doubt these announcements. We expect accelerated rate cuts totaling 100 basis points by June 2025, followed by a pause until the end of the year and a return to cuts next year, aiming to bring the reference rate to the target level in this monetary policy cycle: 3.50% by the end of 2026.

Fiscal policy



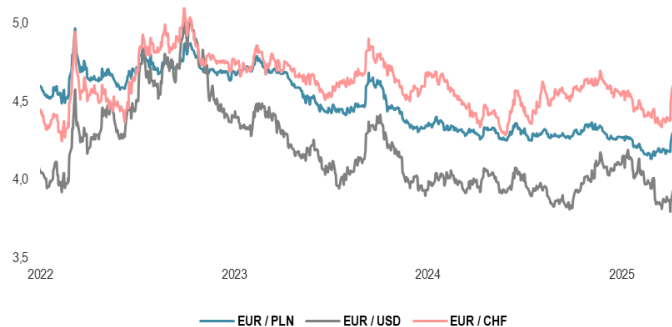
According to a quick estimate by the Statistics Poland (GUS), the general government (GG) deficit turned out to be 0.9 p.p. higher than the government's assumptions and instead of 5.7% amounted to as much as 6.6% of GDP. Detailed data on the debt and deficit structure have not yet been published, but it is most likely that non-budgetary factors were the cause of the public finance deterioration. First and foremost was the funding for the modernisation of the Polish Armed Forces (SZRP) at the disposal of the Armed Forces Support Fund (FWSZ). The Fund's balance sheet total, after

threefold updates of its financial plan, increased by PLN 40 bn (1.1% of GDP) above the originally assumed level. On the other hand, from the budgetary factors, one should point out the weaker execution of VAT revenues, which brought in 0.2% of GDP less than assumed in the amended Budget Act.

The net position of the GG sector prompts an upward revision of the public finance deficit forecast for 2025. As a result of the consolidation of 0.2 p.p. enshrined in the excessive deficit procedure (EDP), the deficit was expected to fall to 5.5% of GDP this year. This figure is currently out of reach; a consolidation of 1.1 p.p. is unlikely to happen given continued elevated defense spending as well as barely 3% consumption growth in Poland. The GG deficit in 2025 will hover around 6% of GDP, but it is still far too early to make a more precise estimate of this figure, especially given the trade war which is only just taking shape. In the coming months one shall learn the impact it will have on domestic and foreign demand and, consequently, the size of Poland's tax base.

Exchange rate

In Q1 2025, the Polish zloty strengthened significantly. The EUR/PLN exchange rate fell from 4.27 to 4.18, and the USD/PLN



from 4.16 to 3.87. The main driver of this movement was the hawkish stance of the Monetary Policy Council (RPP), which suggested a growing interest rate differential between Poland and the eurozone as well as other countries in the region. Additionally, during this period, sentiment toward emerging markets improved — partly due to speculation about an end to the war in Ukraine. An upswing in Poland's industrial sector, reflected in the PMI index rising above 50 points, also supported the appreciation of the Polish currency.

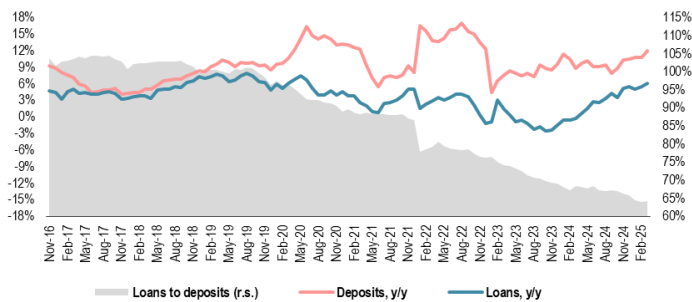
At the beginning of April 2025, most of these factors reversed. The President of the National Bank of Poland shifted to a more dovish tone, while trade war escalations by Donald Trump triggered a global flight from risk. As a result, the zloty weakened again and returned to its autumn 2024 levels against the euro (around 4.30). The USD/PLN remains at low levels, mainly due to dollar weakness rather than zloty strength.

In the coming months, heightened volatility in the foreign exchange market is expected due to trade wars. Therefore, we do not expect the zloty to strengthen significantly to the levels of the first quarter of 2025. A deeper weakening also seems unlikely, given Poland's limited exposure to trade with the U.S.

Banking sector

At the end of February 2025, the net profit in the banking sector amounted to PLN 8.24 billion, which was PLN 0.83 billion higher than in the same period of the previous year (+11% y/y). On the revenue side, the main factor contributing to the profit growth was interest income, which increased by PLN 2.1 billion yoy. However, it is worth noting that interest expenses also rose, reducing net profit by PLN 0.5 billion yoy, despite interest rates being the same as a year ago. The increase in interest expenses likely results from households' lower propensity to save, although the supply elasticity of deposits with respect to interest rates remains limited.

The balance sheet total of the banking sector amounted to PLN 3,430.7 billion in February 2025, marking a +11.6% y/y increase. The most significant asset item remained loans and advances, which accounted for 49.1% of the total balance sheet. However, the growth in loan volumes in the balance sheet was only 5.3% yoy (excluding loans to the financial sector) – over three times less than the annual increase in banks' holdings of equity and debt securities (18.2% y/y, excluding financial sector corporate bonds).



Due to the weak increase in loan volumes, the gap between loans and deposits is widening. The return to double-digit deposit growth (12.1% yoy in March) and the slowly rising credit growth (5.2% yoy) are maintaining the declining trend in the loan-to-deposit ratio, which now stands at a historically low level of 64.3%, compared to 63.9% in the same period of the previous year. The reasons for this situation lie in structural factors, especially the long-standing moderate demand for credit by Polish enterprises. The financial conservatism of domestic businesses (persisting even during the era of record-low interest

rates before the COVID-19 pandemic), combined with inflation-driven nominal profit growth and the current uncertainty in international trade, prevents a significant acceleration in lending activity and the growth of loans relative to deposits.

The quality of the retail loan portfolio continues to improve. The share of non-performing loans (NPLs) in the consumer loan portfolio decreased from 6.9% on average in fourth quarter 2024 to 6.5% in February 2025, and in the mortgage portfolio, it dropped from 1.6% to 1.5% over the same period. The quality of corporate loan portfolios has stabilized at levels slightly better than in fourth quarter 2024 (7% NPL ratio for large companies in February, and 6.8% for SMEs). For large companies, this is still much higher than a year ago (3.5%), but this is mainly due to issues faced by a small number of large state-owned enterprises (SSPs) and has not spread across the broader economy. The total NPL ratio in February was 3.6%, the same as in January and slightly lower than the average in fourth quarter 2024 (3.7%).

5. Important Events and Achievements

5.1 Description of the Group

The composition of Bank Pekao S.A. Group is presented in the Notes to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025.

5.2 Changes in the Group's structure

In the first quarter of 2025, there were no changes in the Bank Pekao S.A. Group.

5.3 Changes in the Statutory Bodies of the Bank

Supervisory Board

The composition of the Supervisory Board of Bank Pekao S.A. has as follows:

AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST QUARTER OF 2025	31 MARCH 2025	AS AT THE DATE OF SUBMITTING THE REPORT FOR 2024
Andrzej Klesyk Chairman of the Supervisory Board	Andrzej Klesyk Chairman of the Supervisory Board	Artur Olech Chairman of the Supervisory Board
Bartosz Grześkowiak Deputy Chairman of the Supervisory Board	Bartosz Grześkowiak Deputy Chairman of the Supervisory Board	Bartosz Grześkowiak Deputy Chairman of the Supervisory Board
Artur Nowak-Far Deputy Chairman of the Supervisory Board	Artur Nowak-Far Deputy Chairman of the Supervisory Board	Artur Nowak-Far Deputy Chairman of the Supervisory Board
Magdalena Joanna Dziewguć Secretary of the Supervisory Board	Magdalena Joanna Dziewguć Secretary of the Supervisory Board	Krzysztof Czeszejko-Sochacki Member of the Supervisory Board
Krzysztof Czeszejko-Sochacki Member of the Supervisory Board	Krzysztof Czeszejko-Sochacki Member of the Supervisory Board	Magdalena Joanna Dziewguć Member of the Supervisory Board
Radosław Niedzielski Member of the Supervisory Board	Radosław Niedzielski Member of the Supervisory Board	Radosław Niedzielski Member of the Supervisory Board
Jacek Nieścior Member of the Supervisory Board	Jacek Nieścior Member of the Supervisory Board	Jacek Nieścior Member of the Supervisory Board
Witold Walkowiak Member of the Supervisory Board	Witold Walkowiak Member of the Supervisory Board	Witold Walkowiak Member of the Supervisory Board
Mariusz Jaszczyk Member of the Supervisory Board	Mariusz Jaszczyk Member of the Supervisory Board	

Management Board of the Bank

The composition of the Management Board of Bank Pekao S.A. has as follows:

AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST QUARTER OF 2025	31 MARCH 2025	AS AT THE DATE OF SUBMITTING THE REPORT FOR 2024
Cezary Stypulkowski President of the Bank's Management Board,	Cezary Stypulkowski President of the Bank's Management Board	Cezary Stypulkowski President of the Bank's Management Board
Marcin Gadomski Vice President of the Bank's Management Board	Marcin Gadomski Vice President of the Bank's Management Board	Marcin Gadomski Vice President of the Bank's Management Board
Robert Sochacki Vice President of the Bank's Management Board	Robert Sochacki Vice President of the Bank's Management Board	Robert Sochacki Vice President of the Bank's Management Board
Błażej Szczecki Vice President of the Bank's Management Board	Błażej Szczecki Vice President of the Bank's Management Board	Błażej Szczecki Vice President of the Bank's Management Board
Dagmara Wojnar Vice President of the Bank's Management Board	Dagmara Wojnar Vice President of the Bank's Management Board	Dagmara Wojnar Vice President of the Bank's Management Board
Marcin Zygmantowski Vice President of the Bank's Management Board	Marcin Zygmantowski Vice President of the Bank's Management Board	Marcin Zygmantowski Vice President of the Bank's Management Board

On 9 April 2025 the Supervisory Board of the Bank in a selection process and after assessing suitability, effective from 1 September 2025 in the Bank's Management Board of the current joint term of office Mr. Michał Panowicz for the position of Vice President of the Management Board of the Bank.

In accordance with the submitted declaration, Mr. Michał Panowicz, from the date of taking up the function, conducts any activity competitive to the Bank, in particular is not going to hold the status of a partner in a civil partnership, partnership or capital company competitive to the Bank, nor act as a member of the governing body of another legal person competing with the Bank or run his own business activity competitive with the Bank. Mr. Michał Panowicz is not entered in the Register of Insolvent Debtors kept pursuant to the Act of 20 August 1997 on the National Court Register.

5.4 The Bank's share capital and share ownership structure

As at 31 March 2025, the share capital of Bank Pekao S.A. amounted to PLN 262,470,034 and remained unchanged until the date of submitting the report. The Bank's share capital was divided into 262,470,034 shares in the following series:

- 137,650,000 Series A bearer shares with a par value of PLN 1.00 per share,
- 7,690,000 Series B bearer shares with a par value of PLN 1.00 per share,
- 10,630,632 Series C bearer shares with a par value of PLN 1.00 per share,
- 9,777,571 Series D bearer shares with a par value of PLN 1.00 per share,
- 373,644 Series E bearer shares with a par value of PLN 1.00 per share,
- 621,411 Series F bearer shares with a par value of PLN 1.00 per share,
- 603,377 Series G bearer shares with a par value of PLN 1.00 per share,
- 359,840 Series H bearer shares with a par value of PLN 1.00 per share,
- 94,763,559 Series I bearer shares with a par value of PLN 1.00 per share.

All the existing shares are ordinary bearer shares. There are no special preferences or limitations connected with the shares, or differences in the rights attached to them. The rights and obligations related to the shares are defined by the provisions of the Polish Commercial Companies Code and other applicable law.

Shareholders of Bank Pekao S.A., holding directly or indirectly, through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Bank, are as follows:

SHAREHOLDER'S NAME	NUMBER OF SHARES AND VOTES AT THE GENERAL MEETING	SHARE IN SHARE CAPITAL AND TOTAL NUMBER OF VOTES AT THE GENERAL MEETING	NUMBER OF SHARES AND VOTES AT THE GENERAL MEETING	SHARE IN SHARE CAPITAL AND TOTAL NUMBER OF VOTES AT THE GENERAL MEETING
	AS AT THE DATE OF SUBMITTING THE REPORT FOR THE FIRST QUARTER OF 2025		AS AT THE DATE OF SUBMITTING THE REPORT FOR 2024	
Powszechny Zakład Ubezpieczeń S.A.	52 494 007	20,00%	52,494,007	20.00%
Polski Fundusz Rozwoju S.A.	33 596 166	12,80%	33,596,166	12.80%
Nationale-Nederlanden Otwarty Fundusz Emerytalny	16 807 000	6,40%	16,834,767	6.41%
Allianz Polska Otwarty Fundusz Emerytalny	14 140 661	5,39%	14,140,661	5.39%
Other shareholders (below 5%)	145 432 200	55,41%	145,404,433	55.40%
Total	262,470,034	100.00%	262,470,034	100.00%

Until the date of submitting the report the Bank has not received any other notifications regarding changes in the ownership structure in accordance with par. 69 of the Act of July 29, 2005 on Public Offerings and Conditions Governing the Introduction of Financial Instruments to an Organized System of Trading, and on Public Companies.

5.5 Financial credibility ratings

Bank Pekao S.A. financial credibility ratings

Bank Pekao S.A. co-operates with three leading credit rating agencies: Fitch Ratings (the Fitch), S&P Global Ratings (S&P), and Moody's Investors Service. In the case of the first two agencies, the ratings are provided on a solicited basis under relevant agreements and with respect to Moody's Investors Service the ratings are unsolicited and they are based on publicly available information and review meetings.

As of 31 March 2025, Bank Pekao S.A. had assigned following financial credibility ratings:

FITCH RATINGS	BANK PEKAO S.A.	POLAND
Long-Term Default rating (IDR)	BBB	A-
Short-Term Default Rating	F2	F1
Viability Rating	bbb	-
Government Support Rating	No support	-
Outlook	Stable	Stable
National Long-Term Rating	AA-(pol) (stable outlook)	-
National Short-Term Rating	F1+(pol)	-
S&P GLOBAL RATINGS	BANK PEKAO S.A.	POLAND
Long-term rating in foreign currencies	A-	A-
Long-term rating in domestic currency	A-	A
Short-term rating in foreign currencies	A-2	A-2
Short-term rating in domestic currency	A-2	A-1
Stand-alone credit profile	bbb+	-
Outlook	Stable	Stable
Rating of Senior Preferred series SP2 bonds	A-	-
Rating of Senior Non-Preferred series ESN1 eurobonds	BBB	-
Rating of Senior Non-Preferred series ESN2 eurobonds	BBB	-
Rating of Senior Non-Preferred series SN3 bonds	BBB	-
S&P GLOBAL RATINGS (RESOLUTION COUNTERPARTY RATING)	BANK PEKAO S.A.	POLAND
Long - term RCR in foreign currencies	A	-
Short - term RCR in foreign currencies	A-1	-
Long - term RCR in domestic currency	A	-
Short - term RCR in domestic currency	A-1	-
MOODY'S INVESTORS SERVICE (UNSOLICITED RATING)	BANK PEKAO S.A.	POLAND
Long-term foreign-currency deposit rating	A2	A2
Short-term deposit rating	Prime-1	Prime-1
Baseline Credit Assessment	baa2	-
Long-term counterparty risk assessment	A2(cr)	-
Short-term counterparty risk assessment	Prime-1(cr)	-
Outlook	Stable	Stable
Long-term Counterparty Risk Rating (CRR)	A2	-
Short-term Counterparty Risk Rating (CRR)	Prime-1	-

The history of rating changes is available on the Bank's website: <https://www.pekao.com.pl/en/investors-relations/bonds-and-ratings/ratings.html>

Pekao Bank Hipoteczny S.A. financial credibility ratings

Pekao Bank Hipoteczny S.A. cooperates with the international rating agency Fitch Ratings.

Fitch emphasizes that the rating of Pekao Bank Hipoteczny S.A. is linked to the rating of Bank Pekao S.A., which holds 100% of the Bank's shares. According to Fitch, the rating of Pekao Bank Hipoteczny S.A. is influenced by the level of integration with the parent entity and the scale of operations and the Bank's capital.

At the end of March 2025, the long-term rating of Pekao Bank Hipoteczny S.A., assigned by the Fitch rating agency, was BBB with a "Stable" outlook. Covered bonds issued by Pekao Bank Hipoteczny S.A. had a "BBB+" rating.

A high rating of the bonds means that Pekao Bank Hipoteczny S.A. has the ability to issue securities with a high level of security and obtain long-term funds for credit activities.

More information is available on the Pekao Bank Hipoteczny website: <https://www.pekaobh.pl/relacje-inwestorskie/raporty-ratingi.html>

5.6 Awards and distinctions

The activities of Bank Pekao S.A. gained wide recognition by clients, industry specialists, the market and the media, as evidenced by numerous awards and distinctions granted by Polish and foreign institutions. Measures aimed at providing customers with the highest quality products and services, innovation of the proposed solutions have been appreciated.

The most important awards and distinctions received in the first quarter of 2025:

Investor Relations of Bank Pekao among the best companies from WIG30

In the ranking prepared by the Parkiet editorial team. Institutional investors and analysts recognized Pekao as one of the companies from the WIG30 index that communicates best with the market and classified it in second place in the annual investor relations survey.

Best Trade Finance Survey

For the fourth time in a row, we were among the winners of the prestigious ranking "Best Trade Finance Survey" prepared by Euromoney magazine. The bank took first place in the general classification in the area of trade finance services and also won in the technology subcategory, confirming its position as the leader of this market segment in Poland.

Best Trade Finance Provider in Poland

For the seventh time, we received the prestigious distinction "The Best Trade Finance Provider in Poland" from Global Finance magazine. The knowledge of local economic conditions, adjustment to customer needs and innovativeness of products and services were appreciated.

The Best Bank for Sustainable Finance in Poland for 2025

Once again, we were recognized as the best bank in Poland in terms of sustainable financing and awarded the title of "The Best Bank for Sustainable Finance in Poland for 2025".

Złoty Bankier

In the 16th edition of the "Złoty Bankier" ranking, organized by Bankier.pl and Puls Biznesu, we were recognized 5 times. The highest, first place was awarded to the mortgage loan offered by the Bank, we took second place in the Personal Account and Child Account categories and third in the Premium Account category. The Bank also found itself on the podium for its communication in social media.

Biuro Maklerskie Pekao - the best Investment Analysis Team

In the 23rd edition of the analyst ranking of Gazeta Giełdy i Inwestorów "Parkiet", Biuro Maklerskie Pekao once again outclassed the competition, taking the title of the best Investment Analysis Team for the second time in a row. Thanks to the votes of investors, the Team was once again recognized as the best and most effective in the country.

„Byki i niedźwiedzie" for Bank Pekao Group

Pekao TFI was awarded the Bulls and Bears statuette in the TFI of the Year category by the Stock Exchange and Investors Gazette Parkiet, and two Pekao TFI funds received the Golden Portfolios for their results in 2024.

5.7 Bank Pekao S.A. on the Polish banking market

Bank Pekao S.A. is a universal commercial bank offering all financial services available in Poland for individual and institutional clients. A wide range of products, innovative solutions and individual approach ensure comprehensive financial support for clients and an integrated customer service model is a guarantee of the highest quality of services and optimal adjustment to changing customer needs. Since 2017, Bank Pekao S.A. is part of the PZU S.A. capital group, the largest financial institution in Central and Eastern Europe.

A wide product offer, innovative solutions and individual approach provide comprehensive financial service to clients and the integrated customer service model provides the highest quality of services and their optimal adaptation to changing needs. The Bank has measurable advantages that allow it to compete effectively on the market and strengthen its market position in the strategic areas of the Bank's operations. The Bank offers competitive products and services on the Polish market, and high level of customer service and a well-developed distribution network.

BUSINESS MODEL

The Bank's business model is based on customer segmentation with the following groups of customers:

- **RETAIL BANKING AND PRIVATE BANKING** – serving individual clients, including affluent private banking clients and micro enterprises. Private banking clients are offered investment advisory through private banking centers and remote channels, while all individual clients and micro-enterprises are served through a wide network of branches and partner outlets supported by market-leading remote service channels, including digital channels,
- **ENTERPRISE BANKING** – providing financial services to clients from small and medium-sized enterprises sector that are served by relationship managers with the support of product specialists. The service is carried out in specialized Business Customer Centers, Corporate Centers and universal retail branches. Customers are offered with products and services tailored to their individual needs based on solutions proven in corporate banking and adapted to the needs of the enterprise segment,
- **CORPORATE AND INVESTMENT BANKING** – providing financial services to large enterprises (segmentation by revenues of companies), public sector entities, financial institutions and entities from the commercial real estate financing sector. Corporate and investment banking clients are served by relationship managers with the support of product specialists.

Distribution channels

The Bank offers to its clients a broad distribution network with ATMs and outlets conveniently located throughout Poland as well as a professional call center and a competitive online and mobile banking platform for individual, corporate and micro-enterprises.

	31.03.2025	31.03.2024
Total number of outlets	568	572
own outlets	474	487
partner branches	94	85
Total number of own ATMs	1,316	1,300

The number of accounts

At the end of March 2025, the Bank maintained 8,833 thousand PLN denominated current accounts, 344 thousand mortgage loan accounts and 573 thousand "Pożyczka Ekspresowa" (Express Loan) accounts.

(in thousand)

	31.03.2025	31.03.2024
Total number of PLN current accounts (*)	8,833	8,184
of which packages	6,101	5,378
Number of mortgage loans accounts (**)	344	365
of which PLN mortgage loans accounts	329	346
Number of Pożyczka Ekspresowa loan accounts (***)	573	578

(*) Number of accounts including accounts of prepaid cards.

(**) Retail customers accounts.

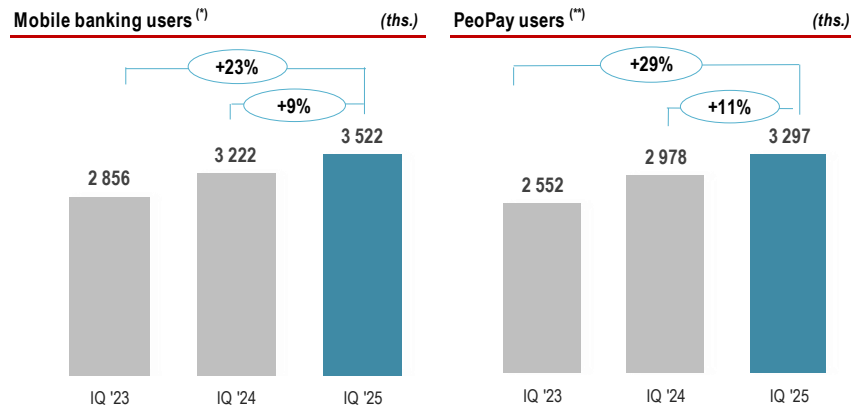
(***) Pożyczka Ekspresowa, Pożyczka Ekspresowa Biznes.

The data presented according to the business model based on the managerial model in which the main criterion for dividing the Group's reporting is the classification of the client depending on his profile and service model.

Retail banking and private banking

Development of electronic and mobile banking

In the first quarter of 2025, the number of active mobile banking customers increased by 300 thousand y/y to 3.5 million, i.e. +9% more than a year ago and as much as +23% more than two years ago. The number of active mobile customers using the PeoPay application increased by 320 thousand to 3.3 million and was +11% higher than a year ago and +29% higher than two years ago.



(*) Unique user actively using electronic banking is a user who logged in to the system and the mobile service m.pekao24.pl. at least once during the last quarter (in case of using different mobile channels the client is counted only once).

(**) Unique user PeoPay application who logged in to the system PeoPay at least once during the last quarter.

In the first quarter of 2025, the number of business clients actively using electronic banking increased by 11 thousand to 261 thousand. The number of active business clients of mobile banking increased by 30 thousand y/y to 178 thousand and was +20% higher than a year ago and twice as high as two years ago.

In the first quarter of 2025, we introduced the following possibilities and improvements in electronic banking:

- applying for a credit card for business clients in Pekao24 and PeoPay,
- sending notifications to the client in the application, confirming the conversation with a Bank employee and the possibility of authenticating the client in the same process,
- sending business cards and deeplinks for a business client - the possibility of redirecting the client to a selected process or service during a meeting or conversation,
- introducing the Your matters section in the PeoPay application - in one place, clients can complete all their banking matters,
- implementing additional anti-fraud solutions in the process of remotely opening a current account using open banking,
- a new process of activating the PeoPay application using e-ID,
- increasing the security of PeoPay activation through additional telephone contact from the Bank,
- SMS authorization in the branch for clients without an electronic banking agreement,
- mobile authorization of the client in the process of cash deposits and withdrawals in the branch.

Number of clients and accounts

In the first quarter of 2025, we opened a total of 133 thousand accounts for individual customers, maintaining high results in acquiring new customers.

Maintaining good sales of accounts from the beginning of 2025 was influenced by the campaign of the “Konto przekorzystne” with a “Konto Oszczędnościowe” with a high interest rate and the Okazje z Żubrem discount program. The campaign was carried out on television, on internet portals and in social media. Additionally, we conducted activities encouraging parents to open the first account for their child in Pekao when applying for the 800+ parental benefit.

We continued offers with attractive interest rates on funds in the Mój Skarb savings account and promotions for opening an account for a child, teaching children the value of saving.

We successfully launched subsequent editions of the online account opening promotion, under which customers could receive a bonus of up to PLN 300 for opening an account and actively using a debit card, as well as for ensuring inflows to the account.

In addition, as part of our activities aimed at young customers aged 18-26, we continued our cooperation with the ambassador of gaming passions and the promotion and development of the Money Tycoon map in Fortnite, made available to players in December 2024. The introduction of the Tycoon map is an element of supporting young customers' interests in gaming and spreading financial knowledge among them in an accessible form. These activities translated into the sale of 41.2 thousand accounts in the group of young customers up to 26 years of age, which constitutes approximately 35% of sales.

We actively promoted the sale of cards and the PeoPay application for young customers with new images related to passion, sports and music, as well as gaming images. The Mastercard "Bezcenne Chwile" program has prepared a special catalog of prizes and a promotion for signing up to the program with a card with a music, sports and gaming image, thanks to which it is easier to realize passions, goals and dreams with the Bank.

In the first quarter of 2025, we opened a record number of 11 thousand, new account "Świat Premium", which was an increase of +13% compared to the same period in 2024. Of the above number, over 60% of accounts were opened for completely new customers from the market.

In the Pekao24 service and the PeoPay application, as part of the "Okazje z Żubrem" loyalty program for new and existing customers of the Bank who actively use cards, we have prepared an extended package of benefits, within which customers gain access to opportunities in hundreds of popular online stores and in retail and service points. In the first quarter, we promoted discounts and promotional campaigns related to holidays, sales or occasions such as Grandmother's and Grandfather's Day, Women's Day.

Until the end of 2025, we extended the special offer for Ukrainian citizens, within which maintaining a Przekorzystne Account, handling a card to the account and cash withdrawals from all ATMs in Poland, as well as outgoing and incoming transfers from banks from Ukraine are free of charge.

Payment cards

In the first quarter of 2025, we continued our activities supporting the sale of the "Karta Kredytowa z Żubrem", which is already used by over 200 thousand customers.

Until the end of January, customers could take part in the "300 zł wraca do Ciebie" promotion. As part of this promotion, new customers who did not yet have a card at the Bank could gain an additional PLN 300 bonus to start with.

As part of our cooperation with LOT Polish Airlines and Miles & More, we continue our activities promoting collecting miles for transactions made with the "Karta Kredytowa z Żubrem", which our customers can exchange for e.g. airline tickets, air travel upgrades, hotel bookings, car rentals and other prizes.

In January, we made another edition of the "Podróżuj z klasą - Promocja Miles & More w Świecie Premium Banku Pekao S.A." promotion available to Premium customers. As part of this promotion, customers can receive 10 thousand miles in the Miles & More program, which they can exchange for, among others, for a return flight ticket to one of the cities in Europe. The promotion is aimed at new customers who did not have a Bank credit card on the day the promotion started.

In the "Bezcenne Chwile" Mastercard program, customers can collect points for everyday card transactions for program rewards up to 5x faster than customers of the competition. What's more, for the same card transactions, the customer can receive miles in the Miles & More program and attractive discounts in the "Okazje z Żubrem" discount program. The benefits are therefore triple.

At the beginning of March, we launched another promotion „Płać Kartą Kredytową z Żubrem i zgarnij nawet 40 tys. punktów na nagrody w programie Bezcenne Chwile”. Customers with a “Karta Kredytowa z Żubrem” after signing up to the program and meeting the transaction condition can receive 5x 8,000 points with a total value of PLN 500.

Lending products

In the first quarter 2025, we achieved very good sales results for cash loans. The value of granted cash loans increased by +25% y/y to over PLN 1.7 billion in net volume and PLN 2.0 billion in gross volume (value of signed agreements with customers). We achieved a positive trend in terms of both growing volumes and portfolio value with increasing dynamics month-on-month - in March, sales increased to a record level of PLN 659 million net, i.e. +28% y/y, and PLN 762 million gross, i.e. +34% y/y.

The high sales volume influenced the growth of the cash loan portfolio, exceeding PLN 13.0 billion at the end of March 2025 with a dynamics of +10.8% compared to March 2024, which translated into achieving higher portfolio growth dynamics compared to the banking sector.

We also achieved the highest quarterly sales of cash loans concluded electronically at the level of PLN 1.4 billion with a high dynamics of +42 y/y. We are consistently increasing the share of loans granted electronically in Pekao24 services, in the PeoPay mobile application and via the Bank's hotline - this share in the first quarter of 2025 already amounted to 89% compared to 83% in the first quarter of 2024. By developing electronic sales processes, we also take care of the safety and comfort of our customers by adapting solutions that limit the scale of fraud.

In March, the advertising campaign "Śmiało realizuj plany" was launched on TV, VOD, the Internet, social media and the Bank's electronic channels, which supports the sale of cash loans by promoting the attractive offer of Pierwsza Pożyczka at Bank Pekao S.A.

We have launched another edition of preferential loans to finance tuition fees for paid medical studies in the summer semester of the 2024/2025 academic year. Students can benefit from interest subsidies, loan guarantees, and full or partial cancellation of the loan. To date, over 4.2 thousand customers have already benefited from this loan for a total amount of over PLN 900 million, of which we have already released over PLN 320 million in semester loan tranches.

Mortgage loans

In the first quarter of 2025, sales of mortgage loans reached a level of over PLN 2.4 billion. The Bank maintains a strong market position in the Top 3 banks in terms of mortgage loan sales volumes.

We have been constantly updating and adapting the mortgage loan offer to changing market conditions and needs, consistently maintaining it in the Top 3 offers on the market, which allowed us to consolidate the Bank's position among the sales leaders on the market. From March 2025, we have expanded our price offer for periodically fixed interest rates with additional preferences for loans above PLN 500 thousand opening up more broadly to acquiring wealthier customers, from larger cities, with specific financial needs and establishing a longer relationship with our Bank.

The sales results achieved allowed for the growth of the housing loan portfolio, which at the end of March reached a value of over PLN 67.9 billion and increased by +4.3% compared to March 2024.

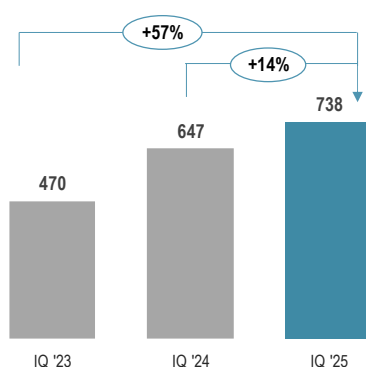
The Bank's offer of settlements for borrowers with active housing loans denominated in CHF, which are almost entirely in the Bank's portfolio through the merger of a separate part of Bank BPH SA in 2007, has met with great interest from customers. The Bank has prepared offers for over 86% of such agreements covered by the settlement program and has already signed over 7.5 thousand settlements (half of the customers accepted the prepared settlement proposals). In the second quarter of 2025 the Bank will launch another edition of the program, under which new settlement proposals will be offered to clients.

In March 2025, we transferred another part of mortgage loan receivables to Pekao Bank Hipoteczny. The total number of loans transferred so far is over 15.1 thousand, worth over PLN 3.0 billion.

Business clients loans

In the first quarter of 2025, new sales to business customers in total (loans, leasing and factoring) amounted to PLN 738 million and were higher by +14% y/y. Sales of bank loans in the extensive business amounted to PLN 307 million. Supported sales are available from another bank, an attractive "Winter" offer and an offer of cooperation with sales partners. Optimization and digitalization works connected to the business customer translate into a simplified, fast credit process also available in connected channels.

Sale of financing for business clients (PLN million)



Development in the area of insurance products

In the first quarter of 2025, in the bancassurance area, we conducted marketing and promotional sales support activities that contributed to sales growth and high dynamics y/y.

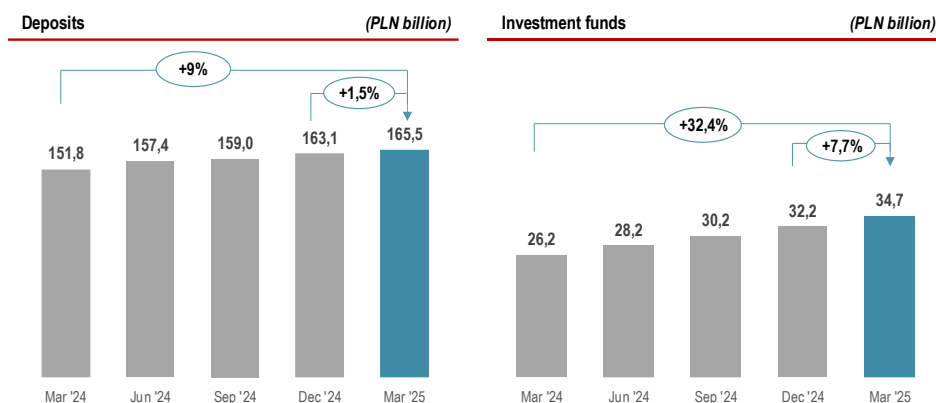
The collected premium from protection insurance was 60% higher y/y, after taking into account investment products, the dynamics amounted to +81% y/y.

The number of motor insurance policies sold in the first quarter 2025 was almost twice as high y/y, and the number of travel policies was 73% higher y/y.

The share of the number of mortgage loans sold with insurance (for which insurance could be offered) remained at a stable high level of 95%, and in terms of the number of cash loans sold, it was 35%.

Deposit, brokering activity and sale of investment products

At the end of the first quarter of 2025, the total value of deposits held by individual customers (including Private Banking customers) and business customers amounted to PLN 165.5 billion, an increase of +PLN 13.7 billion (+9.0%) compared to the first quarter of 2024 and +PLN 2.4 billion, i.e. +1.5% compared to the end of 2024. During the same period, the value of assets deposited with TFI Pekao increased to PLN 34.7 billion, i.e. by +PLN 8.5 billion (+32.4%) compared to the first quarter of 2024 and by +PLN 2.5 billion (+7.7%) from the end of 2024.



In the first quarter of 2025, we offered attractive promotions on savings accounts aimed at new customers and customers with small balances 7.0% for a period of 5 months on Savings Accounts and Premium Savings Accounts, 5% for a period of 5 months on Mój Skarb accounts and 5% for 3 months on Skarbonek accounts. The great interest in the promotions mentioned resulted in an increase in the total balance on savings accounts by +PLN 2 billion, i.e. +7.0% since the beginning of the year.

In the first quarter of 2025, thanks to attractive offers and quick and simple processes for opening deposits in electronic banking, the number of term deposits opened in remote channels PeoPay and Pekao24 increased. Deposits for young clients up to 26 years of age were very popular: "Lokata dla Młodych" and "Lokatarodzinowa", as well as attractively interest-bearing currency deposits in USD and EUR.

For Premium clients, we launched a new investment advisory service based on investment funds, they also have the opportunity to negotiate the level of interest rates for bank deposits.

For clients who accept investing part of their savings in investment products, we offered attractive investment solutions, including primarily Pekao TFI funds and products combining the advantages of deposits and investments, i.e. Deposit with a Fund and Investment Deposit, as well as retail State Treasury Bonds. The Bank also introduced 4 new structured products with full capital protection to the offer for individual clients, available in 3 currencies: PLN, EUR and USD.

In the first quarter of 2025, sales of investment products in the retail segments amounted to almost PLN 5 billion net, i.e. +3.5% more than in the same period last year.

The Bank applies preferential pricing conditions for clients purchasing investment products via online applications and actively encourages clients to use remote channels.

ENTERPRISE BANKING

Enterprise Banking consists of two segments: Small and Medium Enterprises (SME) and Medium Enterprises (MID) segments.

In the first quarter of 2025, we continued our activities in the field of automation and digitalization of the credit process and the development of electronic banking functionalities enabling customer self-service.

Lending activities and customer financing

In the first quarter of 2025, the value of new loans sold (excluding renewals) in the SME segment reached PLN 1.7 billion and was 3% higher compared to Q1 2024. In the MID segment, the value of new loans sold amounted to PLN 2.8 billion.

Customer acquisition

In the first quarter of 2025, we acquired over 700 new customers in the SME segment and approximately 300 new customers in the MID segment.

Self-Service Zone in PekaoBiznes24

We have expanded the self-service zone for customers with several new areas in the area of transactional banking:

- fully online management of bank statement parameters,
- a new, more automated version of the application to close an account (sub-account),
- fully online process of changing debit card settings, application, fee in the scope of 3D Secure and ePIN.

We have signed with the European Investment Fund (EIF), thanks to which they were able to obtain preferential financing worth over PLN 1.25 billion. Cooperation with EIF provides credit guarantees up to 80% of the control granted by the Bank. Guarantee of secure access to the account, key, credit for Internet access. A novelty of the cooperation between Pekao and EIF is the so-called "Green Guarantee" intended for a company implementing projects concerning, among others, electricity, energy-efficient buildings or low-emission transport.

We continued our series of meetings with clients in the form of webinars, which include education in cyberspace.

CORPORATE AND INVESTMENT BANKING

Clients

At the end of the first quarter of 2025 we served 6.8 thousand clients. We cooperate with the largest corporations. We provide support in terms of substantive, operational and financial development of our clients both in everyday business as well as in large strategic projects.

In the first quarter of 2025, the Pekao Brokerage Office maintained a total of more than 204 thousand investment accounts and 140,9 thousand accounts for retail treasury bonds, including more than 302,4 thousand accounts with active access to services via remote channels. Direct service was provided through a nationwide network of 385 brokerage outlets in 353 locations.

As at 31 March 2025, the value of assets of the Pekao Brokerage Office was PLN 67,1 billion.

Cooperation with financial institutions and custody services

We hold a leadership position in serving domestic financial institutions, focusing on providing the highest quality services to insurance companies, investment funds, brokerage houses, financial sector infrastructure entities, cooperative banks as well as savings and credit unions. The range of services includes modern transactional banking products, clearing products, treasury products, custody services and services of a depository bank, as well as the access to the comprehensive offer of the Pekao Group entities addressed to this segment of clients.

We are engaged in an extensive cooperation with banks from all over the world. With more than 1.3 thousand exchanged swift keys, direct or indirect access to major clearing systems, nostro accounts and maintaining loro accounts for a very large group of foreign banks – the Bank has the infrastructure to ensure efficient foreign settlements in 21 major currencies.

Transactional banking

In the first quarter of 2025, in the area of transactional banking:

- we recorded an increased number of outgoing foreign transfers by +18% y/y and an increased number of incoming transfers by +6%,
- we processed 1,52 million Direct Debit transactions, which represents an increase of +4% as compared to the first quarter of 2024, with an increase in the volume of transactions by +8,5% to a total of almost PLN 544.5 million.

- we processed about 46 mln Pekao Collect transactions, which represents an increase of +4% as compared to the first quarter 2024, maintaining the volume of transactions at the same level, i.e. about PLN 85 billion.

In the PekaoBiznes24 Self-Service Zone, we have provided new functionalities for:

- the electronic application: “Change of card settings”. The application allows you to assign a phone number for the 3D Secure service, change a phone number for the 3D Secure service, apply for the issuance of an e-PIN for online transactions,
- the Direct Debit service, which streamlines the authorisation, management and execution of payments. Consents are handled digitally (handling of scans, resignation from consents in a paper form). We increased the security of the process - on the first debit, the client receives a message that the consent has been set up and the account has been debited.

Trade finance

In the first quarter of 2025, we recorded a double-digit dynamics of growth in the area of granted guarantees and sureties - the amount of new transactions increased by 12% as compared to the first quarter 2024 and the exposure resulting from guarantees and sureties increased by 6% y/y.

The Open Financing Platform (OPF), which supports products based on the receivables purchase, enabled to finance more than 16 thousand invoices with a total value of more than 700 million zlotys this year. In this product segment, we achieved an 18% increase in the number of transactions and their value increased by 33% as compared to the same period last year.

Cooperation with international clients

We support the expansion of Polish enterprises on both European markets and in developing countries. We prepared comprehensive offers for short and long-term financing and the offers for hedging risk of international transactions. The Bank's clients can take advantage of the package of the most beneficial financial solutions adjusted to the model of the conducted business activity.

Investment finance, structured finance and commercial real estate

We offer our clients the services in the field of investment banking, structured finance and financing of commercial real estate projects, including financing of the construction of warehouses.

The key projects financed by the Bank in the first quarter of 2025 include:

- financing provided to a company holding a leadership position in Europe in the e-commerce and courier industry. The syndicated loan amounted to EUR 4,2 billion,
- a syndicated loan granted to a leading retailer. The amount of financing totalled PLN 875 million,
- a syndicated loan granted to a technology company providing businesses of all sizes with the end-to-end solutions they need to run their day-to-day business online. The loan amounted to PLN 354 million,
- a syndicated loan granted to a leading company from the energy sector in Poland. The financing amounted to PLN 300 million. This is another transaction with our participation concerning the energy transition,
- an investment loan granted for financing a portfolio of five existing retail parks. The financing amounted to EUR 69 million,
- the financing provided to a company that is a highly specialised provider of diagnostic and healthcare services focused on the Central and East European markets. The financing amounted to EUR 50 million,
- an investment loan granted to a leading developer of warehouse space. The financing amounted to EUR 19.5 million.

Issuance of debt securities

In the first quarter of 2025, the Bank participated in the issuance of non-treasury debt securities (of corporate entities, banks and municipal units) for the total amount of more than PLN 8.7 billion, of which the following transactions deserve special attention:

- the issue of 5-year bonds for the company operating in the fringe benefits industry for the amount of PLN 1 billion, the Bank was the co-arranger and dealer,
- the issue of 2 series of bonds of Pekao Leasing for the total amount being the equivalent of over 1 billion zlotys and the issue of 8 series of bonds of Pekao Faktoring for the total amount of PLN 5,35 billion, the Bank was the sole arranger and dealer,
- the issue of 5-year green bonds for the company operating in the telecommunication industry for the amount of PLN 700 million, the Bank was the arranger and dealer,
- the issue of 4-year bonds for a property development company for the amount of PLN 250 million, the Bank was the arranger and dealer,

- the issue of 2,5-year bonds of a leasing company belonging to an international financial group for the amount of PLN 200 million, the Bank was the sole arranger and dealer,
- the issue of 1 series of bonds of Pekao Bank Hipoteczny for the amount of PLN 120 million for Pekao Bank Hipoteczny; the Bank was the sole arranger and dealer.

Comprehensive service of public sector finances

One of the elements of our strategy is to finance public sector and municipal projects. We are actively involved in activities related to building and developing Polish infrastructure, including the support for sustainable development of the economy and environmental protection. We render our services and we provide financing to self-government units, municipal companies, institutions of higher education as well as entities established as part of public-private partnership.

We cooperate with 11 out of 12 Polish metropolises (92% market share) and we provide ongoing budget support for five of them. We cooperate with every five municipality in Poland. We maintain business relationships with 75% of towns with county rights and we provide ongoing services to every fifth of them. We also cooperate with every fourth county (25%) and with more than a half of provinces (56%). We are a major bank for state universities – more than 50 of them use our services.

In the first quarter of 2025, we concluded financing agreements for the public finance sector amounting to over PLN 700 million zlotys. An important part of this amount is the financing of the current activities of local government units as well as the financing of investment activities of municipal companies, e.g. the issue of bonds of Miejskie Przedsiębiorstwo Oczyszczania in Warsaw in the amount of PLN 101 million.

5.8 Factors which will affect the results of the Group

The activity of Bank Pekao S.A. and the Group's companies is in majority conducted on the Polish territory, hence the Group's performance will be mainly affected by economic situation in the country and international events that have influence on domestic economy.

Our macroeconomic scenario assumes a gradual acceleration of economic growth from 3.6% yoy in the first quarter of 2025 to 4.6% in the fourth quarter of 2025. Investment (8.6% yoy) will join the over 4% growth in consumption as the second engine of economic growth. The contribution of foreign trade will remain negative and improve only slightly (from -1.0 p.p. in 2024 to -0.4 p.p. in 2025), as the cyclical improvement in the economic situation in Europe will be compounded by the negative effects of the US trade war.

The revision of the weights in the inflation basket led to the formation of an inflation "plateau" in the first quarter of 2025, from January to March the CPI in Poland amounted to 4.9% y/y. This slowdown in inflation growth is mainly technical in nature and does not result from a remarkable weakening of actual inflationary pressure in Poland. Nevertheless, it means that CPI should return to the acceptable deviation range from the NBP inflation target in the second half of 2025. The lack of acceleration in inflation, combined with the increasingly slower growth of wages in the corporate sector, will be a factor inducing the Monetary Policy Council to start cutting interest rates sooner. According to the statements of the NBP President, the Council is not willing to wait with the cuts until July and the publication of new projection from the NECMOD model. In turn, the statements of other members of the Monetary Policy Council indicate that the first cut may take place as early as May.

Because of the clear softening of the Monetary Policy Council's stance, we are postponing the forecasted start date of the cuts to May 2025, nevertheless, we remain of the opinion that the total scale of interest rate cuts this year will amount to 100 bps. We are therefore in line with the forward guidance statement given by the NBP President at the April press conference after the Monetary Policy Council meeting. The impact of this shift on the Group's interest income and costs remains negligible, as with the unchanged scale of interest rate cuts, the expansionary effect of accelerating their commencement will probably be offset by the negative effects of the trade war and increased uncertainty.

The total volume of loans in the sector's portfolio will grow by 7.3% yoy in 2025, compared to 5.2% yoy in 2024. The nearly 10-percent increase in the portfolio of PLN housing loans will be the joint effect of the continuing housing shortages in Poland and a more expansionary monetary policy. It is worth noting that PLN-denominated mortgages grew by as much as 8.4% yoy last year despite the lack of government support and interest rates remaining at an elevated level. In turn, deposits growth will slow down due to rising propensity of domestic households to consume, as well as the beginning of corporate investments.

The most important risk factor for the economic situation in Poland, including the conditions for banking activities, remains the uncertainty related to the tariff war. On the one hand, the heightened volatility in the FX market is an additional opportunity for the Group to generate profit on trading in financial instruments. On the other hand, the prospect of a reduction in the volume of global trade may negatively affect the willingness of companies to invest in credit-financed investments. It is also worth noting that the scenario of the trade war intensification will have an impact on lower interest rates (expansionary monetary policy allows for the stimulation of the economy battered by tariffs, and what is more, fears of global economic slowdown are reducing prices of energy on global markets), which in consequence may reduce the interest income of the banking sector.

6. Statement of Financial Position and Financial Results

Consolidated income statement containing cumulated items for the period from 1 January to 31 March, 2025 and 2024 respectively is presented in Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025.

The Report on activities of Bank Pekao S.A. Group for the first quarter of 2025, includes statement of financial position in a short form and income statement in a presentation form as well as the key, selected items from these statements are discussed.

6.1 The consolidated income statement – presentation form

In the first quarter of 2025, we generated net profit of Bank Pekao S.A. Group attributable to the Bank's shareholders in the amount of PLN 1,685 million and was higher by PLN 168 million, i.e. 11.1% compared to the result achieved in the first quarter of 2024.

	1 QUARTER OF 2025	1 QUARTER OF 2024	CHANGE
(in PLN million)			
Net interest income	3,414	3,085	10.7%
Net fee and commission income	732	668	9.6%
Dividend, income	-	1	-
Trading result	93	128	(27.3%)
Net other operating income and expenses	10	(6)	x
Net non-interest income	835	791	5.6%
Operating income	4,249	3,876	9.6%
Operating costs	(1,329)	(1,238)	7.4%
Gross operating profit	2,920	2,638	10.7%
Net allowances for expected credit losses	(153)	(181)	(15.5%)
Costs of legal risk of foreign currency mortgage loans	(49)	(37)	32.4%
Net operating profit	2,718	2,420	12.3%
Contributions to the Bank Guarantee Fund	(307)	(239)	28.5%
Tax on certain financial institutions	(216)	(223)	(3.1%)
Share in profit on associates	(2)	2	x
Profit before tax	2,193	1,960	11.9%
Income tax expense	(507)	(442)	14.7%
Net profit	1,686	1,518	11.1%
Attributable to equity holders of the Bank	1,685	1,517	11.1%
Attributable to non-controlling interest	1	1	0.0%

Operating income

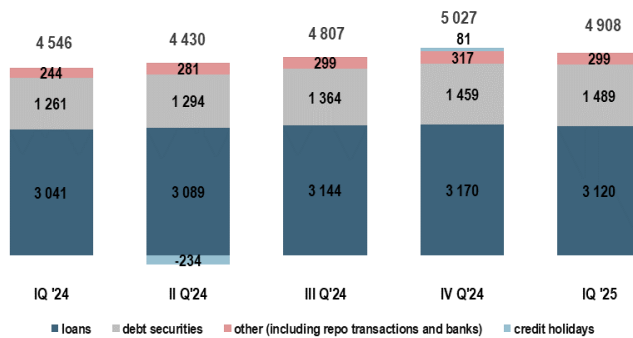
The Group's operating income in the first quarter of 2025 amounted to PLN 4,249 million and was 9.6% higher than the income achieved in the first quarter of 2024, mainly due to net interest income.

Total net interest income

	1 QUARTER OF 2025	1 QUARTER OF 2024	CHANGE
(in PLN million)			
Interest income and similar to interest	4,908	4,546	8.0%
Interest expense	(1,494)	(1,461)	2.3%
Net interest income	3,414	3,085	10.7%

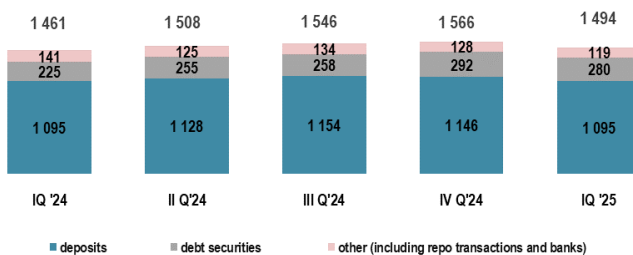
Net interest income achieved in the first quarter of 2025 amounted to PLN 3,414 million, which is an increase of PLN 329 million, i.e. 10.7% compared to the result achieved in the first quarter of 2024, mainly due to higher volumes and a higher interest margin.

Interest income and similar to interest



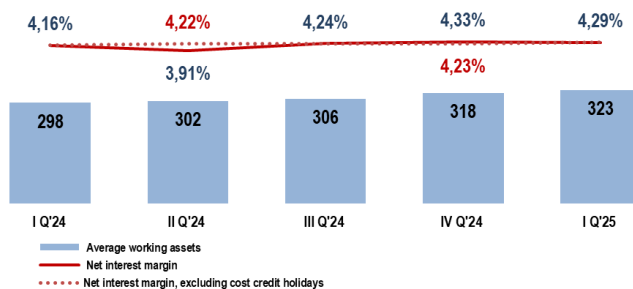
Interest income and similar to interest in the first quarter of 2025 amounted to PLN 4,908 million, up PLN 362 million y/y, thanks to higher volumes.

Interest expense



Interest expenses in the first quarter of 2025 amounted to PLN 1,494 million and were higher by PLN 33 million y/y, due to higher volumes of liabilities to customers and from the issue of debt securities.

Interest margin



The interest margin achieved in the first quarter of 2025 amounted to 4.29% and was 0.13 p.p. higher than the margin achieved in the first quarter of 2024, thanks to the adjustment of the offer to changing market conditions.

Net non-interest income

(in PLN million)

	1 QUARTER OF 2025	1 QUARTER OF 2024	CHANGE
Fee and commission income	943	870	8.4%
Fee and commission expense	(211)	(202)	4.5%
Net fee and commission income	732	668	9.6%
Dividend income	-	1	-
Trading result	93	128	(27.3%)
Net other operating income and expense	10	(6)	x
Net non-interest income	835	791	5.6%

The non-interest income achieved in the first quarter of 2025 amounted to PLN 835 million and was higher by PLN 44 million, i.e. 5.6% compared to the result achieved in the previous year, thanks to a higher net fee and commission income.

The net fee and commission income achieved in the first quarter of 2025 amounted to PLN 732 million and was higher by PLN 64 million, i.e. 9.6% compared to the result achieved in the first quarter of 2024, thanks to almost all main areas of activity.

The table below presents the Group's net fee and commission income divided according to the main areas of the activity.

(in PLN million)

	1 QUARTER OF 2025	1 QUARTER OF 2024	CHANGE
Net fee and commission income	732	668	9.6%
on loans	146	142	2.8%
on cards	73	75	(2.7%)
on mutual funds	125	98	27.6%
on brokerage activate	47	41	14.6%
on margins on foreign exchange transactions with clients	176	165	6.7%
other	165	147	12.2%

Operating costs

Operating costs in the first quarter of 2025 amounted to PLN 1,329 million and were higher by PLN 91 million, i.e. 7.4% compared to the first quarter of 2024, mainly due to inflationary indexation of salaries and the variable part of personnel costs related to the result.

(in PLN million)

	1 QUARTER OF 2025	1 QUARTER OF 2024	CHANGE
Personnel expenses	(792)	(733)	8.0%
General administrative expenses and depreciation	(537)	(505)	6.3%
Operating costs	(1,329)	(1,238)	7.4%

The cost/income ratio in the first quarter of 2025 was 31.3% compared to 31.9% in the same period of 2024.

Contributions to the Bank Guarantee Fund

Contributions to the Bank Guarantee Fund in the first quarter of 2025 amounted to PLN 307 million and were higher by PLN 68 million, i.e. 28.5% than in the first quarter of 2024 due to an increase in the volume of guaranteed funds.

Tax on certain financial institutions

Tax on certain financial institutions in the first quarter of 2025 amounted to PLN 216 million and was lower by PLN 7 million, i.e. 3.1% than in the first quarter of 2024 due to a higher share of assets not subject to the tax in the balance sheet structure.

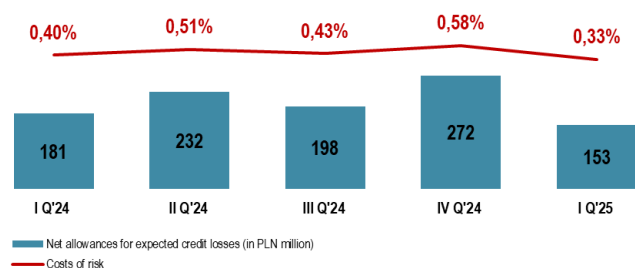
6.2 Net allowances for expected credit losses

(in PLN million)

	GROUP		BANK PEKAO S.A.	
	1 QUARTER OF 2025	1 QUARTER OF 2024	1 QUARTER OF 2025	1 QUARTER OF 2024
financial assets measured at amortized cost	(180)	(212)	(191)	(210)
financial assets measured at fair value through other comprehensive income	(11)	3	(6)	7
financial liabilities measured at amortized cost	38	28	37	18
Net allowances for expected credit losses	(153)	(181)	(160)	(185)
Costs of legal risk of foreign currency mortgage loans	(49)	(37)	(46)	(35)

The Net allowances for expected credit losses in the first quarter of 2025 amounted to PLN 153 million and was lower by PLN 28 million, i.e. 15.5% than in the first quarter of 2024.

Costs of risk



The Group's cost of risk in the first quarter of 2025 amounted to 0.33%, down 0.07 p.p. from the previous year, and are in line with the strategic assumptions and the adopted risk appetite.

6.3 The structure of the net profit

(in PLN million)

	1 QUARTER OF 2025	1 QUARTER OF 2024	CHANGE
Net profit of Bank Pekao S.A.	1,674	1,582	5.8%
Entities consolidated under full method			
Pekao Investment Management S.A.	43	26	65.4%
Pekao Leasing Sp. z o.o.	35	23	52.2%
Centrum Kart S.A.	15	7	> 100%
Pekao Financial Services Sp. z o.o.	7	4	75.0%
PEUF Sp. z o.o.	3	3	0.0%
Pekao Bank Hipoteczny S.A.	3	3	0.0%
Pekao Direct Sp. z o.o.	3	3	0.0%
Pekao Investment Banking S.A.	1	(2)	x
Pekao Fundusz Kapitałowy Sp. z o.o. w likwidacji	1	0	x
Pekao Property S.A. w likwidacji	0	0	x
FPB "MEDIA" Sp. z o.o. w upadłości	0	2	x
Pekao Faktoring Sp. z o.o.	0	0	x
Entities valued under the equity method			
Krajowy Integrator Płatności S.A.	(1)	2	x
<i>Exclusions and consolidation adjustments ^(*)</i>	<i>(99)</i>	<i>(136)</i>	<i>(27.2%)</i>
Net profit of the Group attributable to equity holders of the Bank	1,685	1,517	11.1%

(*) Consolidated result - Pekao Investment Management S.A. prepares a consolidated report with Pekao TFI S.A. for the purposes of consolidation of the Pekao S.A. Group.

(**) Includes exclusions and adjustments resulting from intra-Group transactions, valuation using the equity method and the portion of the subsidiary's net profit attributable to non-controlling interests.

Results of the Bank's major related entities

Pekao Investment Management S.A. – Pekao IM

Pekao IM's consolidated net profit in the first quarter of 2025 amounted to **PLN 43 million**, compared to PLN 26 million achieved in the first quarter of 2024. The result was influenced by the continuing favorable situation on the capital market, encouraging clients to invest in investment funds, which influenced the increase in the value of assets managed by Pekao TFI and translated into an increase in the consolidated result of Pekao IM.

Pekao Leasing Sp. z o.o. – Pekao Leasing

In the first quarter of 2025, Pekao Leasing generated a net profit of **PLN 35 million** compared to PLN 23 million achieved in the first quarter of 2024. The higher result was achieved with a 1.7% increase in the value of assets leased, a lower cost of portfolio financing and after receiving an advance payment for a dividend from PEUF Sp. z o.o.

Pekao Faktoring Sp. z o.o. – Pekao Faktoring

In the first quarter of 2025, Pekao Faktoring achieved a net profit of **PLN 15 million**, compared to PLN 7 million in the first quarter of 2024. The result was influenced by an increase in factoring income with a lower level of credit write-offs. Pekao Faktoring ranks second in turnover on the Polish factoring market.

Pekao Bank Hipoteczny S.A. – Pekao Bank Hipoteczny

In the first quarter of 2025, Pekao Bank Hipoteczny achieved a net profit of **PLN 7 million**, compared to a profit of PLN 4 million in the first quarter of 2024. The result was influenced by a higher level of the loan portfolio and a more favorable result of loan write-offs than in the first quarter of 2024.

PeUF Sp. z o.o. – PeUF

In the first quarter of 2025, PeUF generated a net profit of **PLN 3 million** and was close to the result of the first quarter of 2024.

Centrum Kart S.A. – Centrum Kart

In the first quarter of 2025, Centrum Kart achieved a net profit of **PLN 3 million**, similar to the result achieved in the previous year

Pekao Financial Services Sp. z o.o. – PFS

In the first quarter of 2025, PFS generated a net profit of PLN 3 million (including the Bank's share of **PLN 2 million**) and was close to the result of the same period of the previous year.

Pekao Investment Banking S.A. – Pekao IB

In the first quarter of 2025, Pekao IB achieved a net profit of **PLN 1 million**, compared to a loss of PLN 2 million in the first quarter of 2024. The result was influenced by higher income from investment banking services provided by the Company.

Pekao Direct Sp. z o.o. – Pekao Direct

In the first quarter of 2025, Pekao Direct closed with a net result of ~PLN 0 million, compared to a profit of PLN 2 million in the first quarter of 2024. The Company's main client is Bank Pekao S.A.

Krajowy Integrator Płatności S.A. – KIP

In the first quarter of 2025, KIP ended with a net loss of PLN 3 million (of which **PLN 1 million** was included in the Group's result), compared to a profit of PLN 5 million achieved in the first quarter of 2024. The loss results primarily from the implementation of several large investment projects supporting the dynamic development of KIP and an increase in costs resulting from the growth of the customer base.

The results of Bank Pekao S.A.

The main items from the Bank's income statement in presentation form are as follows:

(in PLN million)

	1 QUARTER OF 2025	1 QUARTER OF 2024	CHANGE
Net interest income	3,305	2,994	10.4%
Net fee and commission income	589	557	5.7%
Dividend, income	107	152	(29.6%)
Trading result	95	121	(21.5%)
Net other operating income and expenses	(3)	(6)	(50.0%)
Net non-interest income	788	824	(4.4%)
Operating income	4,093	3,818	7.2%
Operating costs	(1,211)	(1,134)	6.8%
Gross operating profit	2,882	2,684	7.4%
Net allowances for expected credit losses	(160)	(185)	(13.5%)
Costs of legal risk of foreign currency mortgage loans	(46)	(35)	31.4%
Net operating profit	2,676	2,464	8.6%
Contributions to the Bank Guarantee Fund	(305)	(237)	28.7%
Tax on certain financial institutions	(216)	(223)	(3.1%)
Profit before tax	2,155	2,004	7.5%
Income tax expense	(481)	(422)	14.0%
Net profit	1,674	1,582	5.8%

Net profit of Bank Pekao S.A. in the first quarter of 2025 amounted to PLN 1,674 million and was higher by PLN 92 million than the result achieved in the first quarter of 2024.

The main Bank's financial information are as follows:

	31.03.2024	31.03.2023	CHANGE
STATEMENT OF FINANCIAL POSITION – SELECTED ITEMS (in PLN million)			
Loans and advances at nominal value (*)	170,468	163,029	4.6%
Amounts due to customers	259,855	242,355	7.2%
Senior bonds	6,369	3,992	59.5%
Subordinated bonds	2,750	2,750	x
Repo transactions	650	1,459	(55.4%)
Total assets	319,952	304,551	5.1%
Investment funds distributed through the Bank's network	29,311	21,940	33.6%
Total capital ratio in % (**)	20.1%	19.3%	0.08 p.p.

(*) Including loans and non-treasury debt securities.

(**) Data for March 31, 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2023, in accordance with the EBA position expressed in Q&A 2018_3822 and Q&A 2018_4085.

Loans and advances at nominal value at the end of March 2025 amounted to PLN 170,468 million and were higher by PLN 7,439 million, i.e. 4.6% than at the end of March 2024. At the end of March 2025, retail loans amounted to PLN 81,777 million, and corporate amounted to PLN 88,691 million.

Amounts due to customers, Senior Bonds and Subordinated Bonds amounted to PLN 268,974 million at the end of March 2025 and were higher by PLN 19,877 million, i.e. 8.0% compared to the end of March 2024.

Net assets of investment funds managed by Pekao TFI S.A. distributed by the Bank's network at the end of March 2025 amounted to PLN 29,311 million and was higher by PLN 7,371 million, i.e. 33.6% compared to the end of March 2024.

6.4 Structure of the consolidated statement of financial position – short form

The balance sheet of Bank Pekao S.A. determines the amount of total assets in balance sheet and the structure of the assets and liabilities of the Group. As at the end of March 2025, the total assets of Bank Pekao S.A. constitutes 96% of the total assets of the whole Group.

The table below presents the Group's statement of financial position – short form.

ASSETS	31.03.2025		31.03.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Cash and cash equivalents ^(*)	17,230	5.2%	16,916	5.3%	1.9%
Loans and advances to banks ^(**)	475	0.1%	157	0.0%	> 100%
Loans and advances to customers ^(***)	181,961	54.6%	173,737	54.7%	4.7%
Reverse repo transactions	4,748	1.4%	1,906	0.6%	> 100%
Securities ^(****)	116,215	34.9%	107,485	33.9%	8.1%
Investments in associates	57	0.0%	56	0.0%	1.8%
Property, plant and equipment and intangible assets	4,570	1.4%	4,368	1.4%	4.6%
Other assets	8,057	2.4%	12,812	4.1%	(37.1%)
Total assets	333,313	100.0%	317,437	100.0%	5.0%

^(*) Cash and cash equivalents include cash in hand, amounts due from the National Bank of Poland, as well as amounts due from banks with a maturity of up to 3 months.

^(**) Including net investments in financial leases to banks.

^(***) Including net investments in financial leases to customers and non-treasury debt securities.

^(****) Including financial assets held for trading, other financial instruments at fair value through profit and loss and excluding non-treasury debt securities

EQUITY AND LIABILITIES	31.03.2025		31.03.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Amounts due to other banks	6,972	2.1%	6,854	2.2%	1.7%
Amounts due to customers	259,591	77.9%	242,139	76.3%	7.2%
Debt securities issued	14,575	4.4%	11,902	3.7%	22.5%
Subordinated liabilities	2,832	0.8%	2,830	0.9%	0.1%
Repo transactions	650	0.2%	1,459	0.5%	(55.4%)
Lease liabilities	716	0.2%	654	0.2%	9.5%
Other liabilities	13,987	4.2%	19,825	6.2%	(29.4%)
Total equity including non-controlling interests	33,990	10.2%	31,774	10.0%	7.0%
Total liabilities	333,313	100.0%	317,437	100.0%	5.0%

Customers' Financing

Customer structure of loans and advances

(in PLN million)

	31.03.2025	31.03.2024	CHANGE
Loans and advances at nominal value ^(*)	186,147	178,332	4.4%
Loans and investments in financial leases	174,465	167,346	4.3%
Retail	84,609	80,683	4.9%
Corporate	89,856	86,663	3.7%
Non-treasury debt securities	11,682	10,986	6.3%
Other ^(**)	1,888	1,600	18.0%
Impairment allowances	(6,074)	(6,195)	(2.0%)
Total net receivables	181,961	173,737	4.7%
Reverse repo transactions	4,746	1,905	>100%
Total Customers' financing ^(***)	190,893	180,237	5.9%

^(*) Excluding reverse repo transactions.

^(**) Including interest and receivables in transit.

^(***) Total customers' financing includes loans and advances at nominal value, securities issued by non-monetary entities and reverse repo transactions.

As at the end of March 2025, loans and advances at nominal value amounted to PLN 186,147 million and were higher by PLN 7,815 million, i.e. 4.4% than at the end of March 2024.

As at the end of March 2025 the volume of retail loans amounted to PLN 84,609 million and were higher by PLN 3,926 million, i.e. 4.9% than at the end of March 2024.

Corporate loans including non-treasury debt securities at the end of March 2025 amounted to PLN 101,538 million and were higher by PLN 3,889 million, i.e. 4.0% compared to the end of March 2024.

Receivables and impairment losses ^(*)

(in PLN million)

	31.03.2025	31.03.2024	CHANGE
Gross receivables	188,035	179,932	4.5%
Stage 1	160,755	153,871	4.5%
Stage 2	18,780	18,249	2.9%
Stage 3	8,500	7,812	8.8%
Impairment allowances	(6,074)	(6,195)	(1.9%)
Stage 1	(683)	(816)	(16.3%)
Stage 2	(839)	(967)	(13.3%)
Stage 3	(4,552)	(4,412)	3.2%
Total net receivables	181,961	173,737	4.7%

^(*) Including net investments in financial leases to customers, non-treasury debt securities, interest and receivables in transit and excluding reverse repo transactions.

As at the end of March 2025 the ratio of impaired receivables (stage 3) to the gross receivables amounted to 4.5%.

Loans and advances to customers by currency ^(*)

	31.03.2025		31.03.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Denominated in PLN	154,474	82.2%	145,550	80.9%	6.1%
Denominated in foreign currencies ^(**)	33,561	17.8%	34,382	19.1%	(2.4%)
Total	188,035	100.0%	179,932	100.0%	4.5%
Impairment allowances	(6,074)	x	(6,195)	x	(2.0%)
Total net	181,961	x	173,737	x	4.7%

^(*) Including net investments in financial leases to customers, non-treasury debt securities, interest and receivables in transit and excluding reverse repo transactions.

^(**) Including indexed loans.

The currency structure of loans and advances to customers is dominated by amounts expressed in the Polish zloty, as at the end of March 2025 their share was 82.2%. The largest portion of foreign currency loans and advances to customers were represented by those denominated in EUR (92.2%), CHF (0.8%) oraz USD (5.2%).

Loans and advances to customers by contractual maturities ^(*)

	31.03.2025		31.03.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Current and up to 1 month	21,558	11.5%	22,972	12.8%	(6.2%)
1 to 3 months	7,321	3.9%	7,238	4.0%	1.2%
3 months to 1 year	19,440	10.3%	16,903	9.4%	15.0%
1 to 5 years	62,986	33.5%	59,191	32.9%	6.4%
Over 5 years	71,839	38.2%	68,505	38.1%	4.9%
Past due	3,003	1.6%	3,523	2.0%	(14.8%)
Other	1,888	1.0%	1,600	0.9%	18.0%
Total	188,035	100.0%	179,932	100.0%	4.5%
Impairment allowances	(6,074)	x	(6,195)	x	(2.0%)
Total net	181,961	x	173,737	x	4.7%

^(*) Including net investments in financial leases to customers, non-treasury debt securities, interest and receivables in transit and excluding reverse repo transactions.

As at the end of March 2025 loans and advances with maturity over 5 years represents 38.2% of total loans and advances (mainly attributed to mortgage loans, investment loans and non-treasury debt securities).

Information on loan concentration is included in the Notes to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025.

External sources of financing

(in PLN million)

	31.05.2025	31.03.2024	CHANGE
Amounts due to other banks	6,972	6,854	1.7%
Amounts due to customers	259,591	242,139	7.2%
Debt securities issued	14,575	11,902	22.5%
Subordinated liabilities	2,832	2,830	0.1%
Repo transactions	650	1,459	(55.4%)
Total external sources of financing	284,620	265,184	7.3%

The deposit base is widely diversified and is sourced from retail and corporate customers. In addition, the Group uses also funds borrowed on the interbank market. The Group is not dependent on any single customer nor group of customers.

Amounts due to customers and debt securities issued

(in PLN million)

	31.03.2025	31.03.2024	CHANGE
Corporate deposits	106,501	101,833	4.6%
Non-financial entities	74,086	73,102	1.3%
Non-banking financial entities	9,019	6,806	32.5%
Budget entities	23,396	21,925	6.7%
Retail deposits	152,140	139,159	9.3%
Other (*)	950	1,147	(17.2%)
Amounts due to customers(**)	259,591	242,139	7.2%
Debt securities issued of which	17,407	14,732	18.2%
Senior bonds	6,369	3,992	59.5%
Subordinated bonds	2,750	2,750	0.0%
Pekao Bank Hipoteczny S.A. covered bonds	1,411	1,028	37.3%
Pekao Bank Hipoteczny S.A. bonds	309	384	(19.5%)
Pekao Leasing Sp. z o.o. bonds	3,505	3,037	15.4%
Pekao Faktoring Sp. z o.o. bonds	2,819	3,339	(15.6%)
Interest	244	202	20.8%
Amounts due to customers and debt securities issued (**)	276,998	256,871	7.8%
Lease liabilities	716	654	9.5%
Repo transactions	650	1,459	(55.4%)
Amounts due to customers and debt securities issued total (***)	278,364	258,984	7.5%
Investment funds of Pekao TFI S.A. (ex. Pioneer Pekao TFI)	34,658	26,184	32.4%
Bond and money market funds	25,017	18,295	36.7%
Balanced funds	5,514	4,418	24.8%
Equity funds	2,196	2,190	0.3%
PPK	1,931	1,281	50.8%
including distributed through the Group's network	30,311	22,746	33.3%

(*) Other item includes interest and funds in transit.

(**) Excluding repo transactions and lease liabilities.

(***) Including repo transactions and lease liabilities.

As at the end of March 2025 amounts due to the Group's Customers and Debt securities issued amounted to PLN 276,998 million and were higher by PLN 20,127 million, i.e. 7.8% than at the end of March 2024.

The total volume of Retail deposits, and other amounted to PLN 152,983 million at the end of March 2025 an increase by PLN 12,810 million, i.e. 9.1% compared to the end of March 2024.

As at the end of March 2025 the total volume of Corporate deposits, Senior bonds, Subordinated bonds, Pekao Bank Hipoteczny S.A. covered bonds and bonds Pekao Leasing Sp. z o.o. bonds Pekao Faktoring Sp. z o.o. bonds interest and other amounted to PLN 124,015 million and were higher by PLN 7,316 million, i.e. 6.3% compared to the end of March 2024.

The value of net assets of investment funds managed by Pekao TFI S.A. amounted to PLN 34,658 million and was higher by PLN 8,474 million, i.e. 32.4% compared to the end of March 2024.

Amounts due to customers by currency ^(*)

	31.03.2025		31.03.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Denominated in PLN	215,134	82.9%	198,578	82.0%	8.3%
Denominated in foreign currencies	44,457	17.1%	43,561	18.0%	2.1%
Total	259,591	100.0%	242,139	100.0%	7.2%

^(*) Including interest and amounts due in transit and excluding repo transactions and lease liabilities.

The bulk of the amounts due to customers are denominated in the Polish currency and its share as at the end of March 2025 amounted to 82.9%. The majority of amounts due to customers denominated in foreign currencies were in EUR (64.6%) and USD (29.3%).

Amounts due to customers by contractual maturities ^(*)

	31.03.2025		31.03.2024		CHANGE
	PLN MILLION	STRUCTURE	PLN MILLION	STRUCTURE	
Current accounts and overnight deposits	187,588	72.5%	172,925	71.8%	8.5%
Term deposits	71,053	27.5%	68,067	28.2%	4.4%
Total deposits	258,641	100.0%	240,992	100.0%	7.3%
Interest accrued	530	x	626	x	(15.2%)
Funds in transit	420	x	521	x	(19.2%)
Total	259,591	x	242,139	x	7.2%

^(*) Excluding repo transactions and lease liabilities.

6.5 Provisions, deferred tax assets and liabilities

(in PLN million)

	GROUP		BANK PEKAO S.A.	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Total provisions	2,263	1,940	2,127	1,853
provisions for off-balance sheet commitments and guarantees given	436	475	477	533
provisions for defined benefit plans	305	405	298	400
other provisions	1,522	1,060	1,352	920
Deferred tax liabilities	18	20	-	-
Deferred tax assets	1,189	1,200	802	869

6.6 Off-balance sheet items

Bank Pekao S.A. Group - Statement of Off-balance sheet items

(in PLN million)

	31.03.2025	31.03.2024	CHANGE
Contingent liabilities granted and received	116,687	101,448	15.0%
Liabilities granted:	76,210	69,194	10.1%
financial	65,615	58,379	12.4%
guarantees	10,595	10,815	(2.0%)
Liabilities received:	40,477	32,254	25.5%
financial	2,061	763	>100%
guarantees	38,416	31,491	22.0%
Derivative financial instruments	504,500	533,725	(5.5%)
interest rate transactions	401,352	432,662	(7.2%)
transactions in foreign currency and in gold	95,759	97,267	(1.6%)
transactions based on commodities and equity securities	7,389	3,796	94.7%
Total off-balance sheet items	621,187	635,173	(2.2%)

Information on off-balance-sheet items is included in the Notes to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025.

6.7 Capital adequacy

Bank Pekao S.A. Group

Capital ratios are the basic measure applied for the measurement of capital adequacy according to Regulation of the European Parliament and of the Council (EU) No 575/2013 of June 26, 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, which entered into force since January 1, 2014 together with further amendments, as well as Commission Implementing Regulations or Delegated Regulations (EU) (CRR Regulation).

Capital ratios, capital requirements and own funds have been calculated in accordance with the above mentioned CRR Regulation using national options defined in article 171a of The Banking Act, Act of 5 August 2015 on macro-prudential supervision over financial system and crisis management in financial system (Act on macro-prudential supervision), as well as regulations of minister in charge of the finance institutions.

According to law, Bank Pekao S.A. Group and Bank Pekao S.A. are required to maintain minimal values of capital ratios resulting from Pillar I level (CRR Regulation), capital requirement of Pillar II resulting from The Banking Act and combined buffer requirement resulting from Act on macro-prudential supervision.

Minimal value of capital ratios on Pillar I level are:

- Total capital ratio (TCR) in amount of 8%,
- Tier I capital ratio (T1) in amount of 6%,
- Common Equity Tier I capital ratio (CET 1) in amount of 4.5%.

Combined buffer requirement as at 31 March 2025 consists of:

- Capital conservation buffer in amount of 2.50%,
- Countercyclical capital buffer in amount of 0.03%¹ for Bank Pekao S.A. Group and for Bank Pekao S.A.,
- Other systemically important institution buffer in amount of 1.00%,
- Systemic risk buffer in amount of 0.00%².

On Pillar II, Bank Pekao S.A. and Bank Pekao S.A. Group have no additional capital requirement (P2R).

Together, Bank Pekao S.A. Group and Bank Pekao S.A. are obliged to maintain:

- Total capital ratio (TCR) in amount of 11.53%,
- Capital ratio Tier I (T1) in amount of 9.53%,
- Common Equity Tier (CET 1) in amount of 8.03%.

The capital ratios of Bank Pekao S.A. Group and Bank Pekao S.A. were significantly above the minimum required by the law.

¹ Countercyclical capital buffer was calculated as of March 31, 2025 at the level 0,0345% for Bank Pekao S.A. and 0,0300% for Bank Pekao S.A. Group.

² According to the Regulation of the Minister of Finance, the systemic risk buffer was abolished on March 19, 2020. The buffer value applicable until that date was 3% of the total risk exposure amount for all exposures located only in the territory of the Republic of Poland.

Bank Pekao S.A. Group

As of 31, March, 2025 Bank Pekao S.A. Group total capital ratio amounted to 17.4% and common equity Tier I ratio amounted to 16.2%.

The table below presents the basic information concerning Bank Pekao S.A. Group capital adequacy as of 31 March, 2025 and 31 March, 2024.

CAPITAL REQUIREMENT (mln PLN)	31.03.2025	31.03.2024^(*)
Credit Risk	10,854	10,611
Market Risk	86	118
Counterparty credit risk including CVA	182	154
Operational risk	1,608	1,680
Total capital requirement	12,730	12,563
OWN FUNDS (PLN mln)		
Common Equity Tier I Capital	25,777	24,162
Tier II Capital	1,985	2,344
Own funds for total capital ratio	27,762	26,507
Common Equity Tier I Capital ratio (%)	16.2%	15.4%
Total capital ratio (%)	17.4%	16.9%

^(*) Data for March 31, 2024 have been recalculated taking into account the retrospective recognition of part of the profit for 2023, in accordance with the EBA position expressed in Q&A 2018_3822 and Q&A 2018_4085.

Total Capital Ratio of Pekao S.A. Group as at the end of March 2025 was higher by 0.5 p.p. compared to the end of March 2024, mainly due increase of own funds by 4.7% despite increase of total capital requirement by 1.3%. Common equity Tier 1 Capital Ratio of Bank Pekao S.A. Group as at the end of March 2025 was higher by 0.8 p.p. compared to the end of March 2024.

Decrease of Tier II Capital at the end of March 2025 compared to the end of March 2024 results from amortization of subordinated bonds A series and B series (during final 5 years of maturity of the instrument).

7. Other Information

7.1 Management Board position regarding the possibility of achieving previously published forecasts

The Bank has not published the forecast of the financial results for 2025.

7.2 Seasonality or cyclical nature of the Bank's activity

The demand for the financial services offered by the Bank is stable with no material impact of seasonal changes. Due to the nature of the Bank's activity, it is not subject to seasonal or cyclical changes. Activities of other companies of the Bank Pekao S.A. Capital Group also does not show significant seasonal or cyclical characteristics.

7.3 Information on dividend and appropriation of profit achieved

Information on dividends paid and appropriation of profit achieved, in total and per share, with a division into ordinary and preference shares, is included in Explanatory Note 14 of the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025

7.4 Shares in the Bank and related entities held by the Bank's Directors

According to the information held by the Bank, as of the date of submission of the report, the Bank's management and supervisory personnel held 400 shares of Bank Pekao S.A.

The number of shares held by management personnel is presented below:

	ON THE DATE OF SUBMITTING THE REPORT		CHANGE
	FOR THE FIRST QUARTER OF 2025	FOR THE YEAR 2024	
Andrzej Klesyk	400	n/d	x
Total	400	n/d	x

7.5 Pending litigations

Information on significant legal proceedings pending before courts, arbitration bodies or public administration authorities in respect of liabilities and receivables of the Bank and its subsidiaries is included in Note 24 to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025

7.6 Related party transactions

In the first quarter of 2025, the Bank and its subsidiaries have not concluded any significant transactions (single or aggregate) with related entities other than those executed on arm's length.

In the first quarter of 2025, the Bank and its subsidiaries did not provide any sureties in respect of loans or advances or did not provide any guarantees to an entity or a subsidiary of such entity, which the total value would be significant.

Detailed information on related party transactions is included in Note 25 to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025.

7.7 Accounting principles adopted in the preparation of the report

Accounting principles adopted in the preparation of the report are described in Note 4 to the Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025.

7.8 Issuance, redemption and repayment of debt Issuance, redemption and repayment of debt securities

Senior bonds

On July 28, 2023, the Bank issued senior non-preferred bonds with a maturity of 4 years and the total nominal value amounted to PLN 0.35 billion ("SNP bonds"). The SNP bonds have an option giving the Bank the right to early redemption of the bonds within 2 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP bonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On November 23, 2023, the Bank issued senior non-preferred eurobonds ("SNP eurobonds") with a maturity of 4 years and the total nominal value amounted to EUR 0.5 billion. The SNP bonds have an option giving the Bank the right to early redemption of the bonds within 4 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP eurobonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The SNP eurobonds were issued under the Euro Medium Term Note Programme ("EMTN Programme") and were admitted to trading on the regulated market of the Luxembourg Stock Exchange and the Warsaw Stock Exchange S.A.

On April 26, 2024, the Bank issued senior non-preferred bonds with a maturity of 5 years and the total nominal value amounted to PLN 0.5 billion. The SNP bonds have an option giving the Bank the right to early redemption of the bonds within 4 years or 4,5 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP bonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 18 June 2024 the Management Board of the Bank adopted a resolution to use the option of early redemption of senior preferred bonds issued by Bank on 28 July 2023 with a total nominal value of PLN 0.75 billion. The early redemption took place on 28 July 2024 and in accordance with the regulations of the Central Securities Depository of Poland (KDPW).

On July 30, 2024, the Bank issued senior preferred bonds ("SP bonds") with a maturity of 2,5 years and the total nominal value amounted to PLN 0.6 billion. The SP bonds have an option giving the Bank the right to early redemption of the bonds within 1,5 or 2 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SP bonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On September 24, 2024, the Bank issued senior non-preferred eurobonds with a maturity of 6 years and the total nominal value amounted to EUR 0.5 billion. The SNP eurobonds have an option giving the Bank the right to early redemption of the bonds within 5 years from the date of issue, subject to the approval of the Bank Guarantee Fund. The SNP eurobonds will constitute eligible liabilities of the Bank within the meaning of Article 97a (1) pt. 2) of the Act on the Bank Guarantee Fund, Deposit Guarantee System and Forced Restructuring of 10 June 2016. The SNP eurobonds were issued under the EMTN Programme and were admitted to trading on the regulated market of the Luxembourg Stock Exchange and on the regulated market of the Warsaw Stock Exchange S.A.

On 4 March 2025 the Management Board of the Bank adopted a resolution to use the option of early redemption of senior non-preferred bonds issued by Bank on 3 April 2023 with a total nominal value of PLN 0.75 billion. The early redemption took place on 3 April 2025 and in accordance with the regulations of the Central Securities Depository of Poland (KDPW).

Subordinated bonds

On 30 October 2017 the Bank issued 10 years subordinated bonds with a total nominal value of PLN 1.25 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 21 December 2017 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 15 October 2018 the Bank issued 10 years subordinated bonds with a total nominal value of PLN 0.55 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 16 November 2018 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 15 October 2018 the Bank issued 15 years subordinated bonds with a total nominal value of PLN 0.20 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 18 October 2018 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 4 June 2019 the Bank issued 12 years subordinated bonds with a total nominal value of PLN 0.35 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 8 July 2019 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 4 December 2019 the Bank issued 12 years subordinated bonds with a total nominal value of PLN 0.40 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 10 December 2019 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

On 3 August 2022 the Management Board of the Bank adopted a resolution not to use the option of early redemption of subordinated bond issued by Bank on 30 October 2017 with a total nominal value of PLN 1.25 billion.

On 29 August 2023 the Management Board of the Bank adopted a resolution not to use the option of early redemption of subordinated bond issued by Bank on 15 October 2018 with a total nominal value of PLN 0.55 billion.

Pekao Bank Hipoteczny S.A. covered bonds

The total value of the company's liabilities due to covered bonds amounted to PLN 1,411 million (principal value) as at the end of March 2025. Liabilities from covered bonds with maturity, up to 3 months account for 9%, up to 6 months account for 4%, up to 3 years account for 55%, up to 5 years account for 15%, up to 10 years account for 16%, total nominal value.

Pekao Bank Hipoteczny S.A. bonds

The total value of the company's liabilities under bonds amounted to PLN 309 million (principal value) as at the end of March 2025 with maturity, up to 3 months account for 32%, up to 6 months account for 68%, total nominal value.

Pekao Leasing Sp. z o.o. bonds

The total value of the company's liabilities under bonds amounted to PLN 3,505 million (principal value) as at the end of March 2025 with maturity date up to 3 months account for 28%, up to 6 months account for 15%, up to 1 year for 29%, up to 2 years for 27%.

Pekao Faktoring Sp. z o.o. bonds

The total value of the company's liabilities under bonds with maturity date to 3 months amounted to PLN 2,819 million (principal value) as at the end of March 2025.

7.9 Subsequent events

The resolution on the distribution of profit of the Bank for the year 2024

On 24 April 2025 the Ordinary General Meeting of the Bank adopted the resolution on the distribution of profit of the Bank for the year 2024. According to the Resolution:

The profit of the Bank for the year 2024 in the amount of PLN 6,425,329,177.35 is divided as follows:

- the amount of PLN 4,818,949,824.24 is allocated to dividend,
- the amount of PLN 1,606,379,353.11 is allocated to the reserve capital.

The amount of dividend per share is 18.36. The dividend record date is 7 May 2025. The dividend payment date is 23 May 2025. Total number of Bank's shares entitled to dividend amounts to 262,470,034.

Bank Pekao S.A. strategy for the years 2025-2027

On 14 April 2025, the Management Board of the Bank adopted and the Supervisory Board of the Bank approved the Bank's Strategy for 2025-2027 "We reach beyond the horizon".

The Strategy assumes achieving the following financial goals by 2027:

- ROE indicator above 18%,

- C/I indicator below 35%,
- cost of risk in the range of 65-75 bps,
- dividend payout 50-75%.

The Bank's ambition in the 2027 horizon is to be among the most profitable and efficient institutions in the Polish banking sector. The Strategy is based on 3 pillars: Growth, Accessibility and Efficiency, within which the Bank has defined 9 strategic directions.

In the Growth pillar, the Bank will focus on development in key segments and products, thanks to which the Bank will improve the result and market shares:

- 1) supporting the activity of the Bank's customers with sensitivity to changes occurring in the human life cycle;
- 2) using the partnership with the PZU Group, which will allow to build a position of a growth leader in the bancassurance market;
- 3) integrating products from the Pekao Group (leasing, factoring) with responsibility for customer relations - especially in enterprises and microenterprises;
- 4) growth of the corporate and enterprise banking business by using the economic momentum and the Bank's industry competences.

In the Accessibility pillar, the Bank will make the use of banking services more modern, convenient and tailored to the customer's style:

- 5) an integrated customer service model with the highest quality conversational banking and an optimized branch format;
- 6) the customer and service quality will be the focus of our attention to make contact with the Bank a friendly experience.

In the Efficiency pillar, the Bank will increase operational efficiency through fast and modern processes and an aspirational organizational culture:

- 7) building an effective data ecosystem, including integrated and effective management and financial reporting;
- 8) ergonomics of key processes based on continuous improvement;
- 9) an aspirational organizational culture supported by dynamism of attitudes, decisiveness and the desire to reach for new solutions.

Link to the document: [2025-2027 Strategy - Investor relations - Bank Pekao S.A.](#)

Subordinated bonds

On 4 April 2025 the Bank issued 10 years subordinated bonds with a total nominal value of PLN 0.75 billion. The funds from the issue were designated – after receiving the approval of the Polish Financial Supervision Authority on 23 April 2025 – to increase the Bank's Tier II capital pursuant to art. 127 para. 2 point 2 of the Banking Law and art. 63 of Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms. The bonds were admitted to trading on the alternative trading system Catalyst operated by the Warsaw Stock Exchange S.A.

Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025



Warsaw, April 2025

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

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I. Consolidated income statement

	NOTE	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Interest income and similar to interest	7	4 908	4 546
<i>Interest income calculated using the effective interest method</i>		4 683	4 331
<i>Income similar to interest</i>		225	215
Interest expense	7	(1 494)	(1 461)
Net interest income		3 414	3 085
Fee and commission income	8	943	870
Fee and commission expense	8	(211)	(202)
Net fee and commission income		732	668
Dividend income		-	1
Result on financial assets and liabilities measured at fair value through profit or loss and foreign exchange result	9	86	119
Result on derecognition of financial assets and liabilities not measured at fair value through profit or loss		7	9
Net allowances for expected credit losses	10	(153)	(181)
Costs of legal risk of foreign currency mortgage loans	26	(49)	(37)
Other operating income	11	56	37
Other operating expenses	11	(46)	(43)
General administrative expenses and depreciation	12	(1 852)	(1 700)
Share of profit/loss of associates		(2)	2
PROFIT BEFORE INCOME TAX		2 193	1 960
Income tax expense	13	(507)	(442)
NET PROFIT		1 686	1 518
1. Attributable to equity holders of the Bank		1 685	1 517
2. Attributable to non-controlling interests		1	1
Earnings per share (in PLN per share)			
basic for the period		6.42	5.78
diluted for the period		6.42	5.78

Notes to the financial statements presented on pages 19 – 52 constitute an integral part of the interim condensed consolidated financial statements.

II. Consolidated statement of comprehensive income

	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Net profit	1 686	1 518
Other comprehensive income (net)		
Items that are or may be reclassified subsequently to profit or loss:		
Impact of revaluation of debt financial instruments and loan measured at fair value through other comprehensive income (net):	87	48
profit/loss on fair value measurement	93	54
profit/loss reclassification to income statement after derecognition	(6)	(6)
Impact of revaluation of derivative instruments hedging cash flows (net):	250	(175)
profit/loss from the fair value measurement of financial instruments hedging cash flows in the part constituting effective hedging	140	(320)
profit/loss on financial instruments hedging cash flows reclassified to profit or loss	110	145
Items that will never be reclassified to profit or loss:		
Impact of revaluation of investments in equity instruments designated at fair value through other comprehensive income (net)	54	(46)
Remeasurements of the defined benefit liabilities (net)	-	-
Other comprehensive income (net)	391	(173)
Total comprehensive income	2 077	1 345
1. Attributable to equity holders of the Bank	2 076	1 344
2. Attributable to non-controlling interests	1	1

Notes to the financial statements presented on pages 19 – 52 constitute an integral part of the interim condensed consolidated financial statements.

III. Consolidated statement of financial position

	NOTE	31.03.2025	31.12.2024
ASSETS			
Cash and cash equivalents	15	17 230	14 269
Loans and advances to banks	16	475	172
Derivative financial instruments (held for trading)	17	4 172	4 222
Hedging instruments		616	448
Loans and advances to customers (including receivables from finance leases)	18	174 845	175 025
Securities	19	127 429	130 245
Assets pledged as security for liabilities		650	1 345
Assets held for sale		7	24
Investments in associates		57	59
Intangible assets		2 504	2 548
Property, plant and equipment		2 066	2 025
Income tax assets		1 189	1 343
1. Current tax assets		-	-
2. Deferred tax assets		1 189	1 343
Other assets		2 073	2 517
TOTAL ASSETS		333 313	334 242
EQUITY AND LIABILITIES			
Liabilities			
Amounts due to other banks	20	6 972	7 344
Financial liabilities held for trading		750	1 399
Derivative financial instruments (held for trading)	17	4 192	4 266
Amounts due to customers	21	260 958	260 742
Hedging instruments		872	1 073
Debt securities issued	22	14 575	16 167
Subordinated liabilities		2 832	2 782
Income tax liabilities		104	1 374
1. Current tax liabilities		86	1 356
2. Deferred tax liabilities		18	18
Provisions	23	2 263	2 310
Other liabilities		5 805	4 871
TOTAL LIABILITIES		299 323	302 328
Equity			
Share capital		262	262
Other capital and reserves		24 207	23 731
Retained earnings and net profit for the period		9 507	7 908
Total equity attributable to equity holders of the Bank		33 976	31 901
Non-controlling interests		14	13
TOTAL EQUITY		33 990	31 914
TOTAL LIABILITIES AND EQUITY		333 313	334 242

Notes to the financial statements presented on pages 19 – 52 constitute an integral part of the interim condensed consolidated financial statements.

IV. Consolidated statement of changes in equity

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK								NON - CONTROLLING INTERESTS	TOTAL EQUITY	
	SHARE CAPITAL	TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES	OTHER	RETAINED EARNINGS AND NET PROFIT FOR THE PERIOD			TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK
Equity as at 01.01.2025	262	23 731	9 137	1 983	12 995	(744)	360	7 908	31 901	13	31 914
Total comprehensive income	-	391	-	-	-	391	-	1 685	2 076	1	2 077
Other components of comprehensive income (net)	-	391	-	-	-	391	-	-	391	-	391
Net profit for the period	-	-	-	-	-	-	-	1 685	1 685	1	1 686
Appropriation of retained earnings	-	85	-	-	85	-	-	(85)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Profit appropriation to other reserves	-	85	-	-	85	-	-	(85)	-	-	-
Other	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Other	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Equity as at 31.03.2025	262	24 207	9 137	1 983	13 080	(353)	360	9 507	33 976	14	33 990

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK									NON - CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES	OTHER	RETAINED EARNINGS AND NET PROFIT FOR THE PERIOD	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		
Equity as at 01.01.2024	262	21 872	9 137	1 983	11 290	(893)	355	8 282	30 416	12	30 428
Total comprehensive income	-	(173)	-	-	-	(173)	-	1 518	1 345	1	1 346
Other components of comprehensive income (net)	-	(173)	-	-	-	(173)	-	-	(173)	-	(173)
Net profit for the period	-	-	-	-	-	-	-	1 518	1 518	1	1 519
Appropriation of retained earnings	-	20	-	-	19	-	1	(20)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Profit appropriation to other reserves	-	20	-	-	19	-	1	(20)	-	-	-
Equity as at 31.03.2024	262	21 719	9 137	1 983	11 309	(1 066)	356	9 780	31 761	13	31 774

Notes to the financial statements presented on pages 19 – 52 constitute an integral part of the interim condensed consolidated financial statements.

V. Consolidated cash flow statement

	NOTE	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Cash flow from operating activities – indirect method			
Profit before income tax		2 193	1 960
Adjustments for:			
Depreciation and amortization	12	187	160
Share in gains (losses) from associates		2	(2)
(Gains) losses on investing activities		(31)	(23)
Net interest income	7	(3 414)	(3 085)
Dividend income		-	(1)
Change in:			
Loans and advances to banks		(299)	54
Derivative financial instruments (assets)		49	576
Loans and advances to customers (in this receivables from financial leases)		207	(3 033)
Securities (including assets pledged as security for liabilities)		681	(332)
Other assets		1 913	20
Amounts due to banks		(130)	(585)
Financial liabilities held for trading		(649)	(49)
Derivative financial instruments (liabilities)		(73)	(528)
Amounts due to customers		353	9 977
Debt securities issued		(187)	(192)
Subordinated liabilities		50	50
Payments for short-term leases and leases of low-value assets		-	-
Provisions		(47)	(36)
Other liabilities		(499)	(259)
Interest received		4 790	4 085
Interest paid		(1 636)	(1 509)
Income tax paid		(1 715)	(195)
Net cash flows from operating activities		1 745	7 053
Cash flow from investing activities			
Investing activity inflows		232 351	341 226
Sale and redemption of securities measured at amortised cost		58 345	74 118
Sale and redemption of securities measured at fair value through other comprehensive income		173 975	267 095
Sale property, plant and equipment	30	31	12
Dividend received		-	1
Investing activity outflows		(229 511)	(348 077)
Acquisition of securities measured at amortised cost		(53 815)	(81 305)
Acquisition of securities measured at fair value through other comprehensive income		(175 566)	(266 616)
Acquisition of intangible assets		(37)	(52)
Acquisition of property, plant and equipment	30	(93)	(104)
Net cash flows from investing activities		2 840	(6 851)

	NOTE	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Cash flows from financing activities			
Financing activity inflows		5 629	165
Due to loans and advances received from banks		-	106
Issue of debt securities		5 629	59
Financing activity outflows		(7 253)	1 834
Repayment of loans and advances received from banks		(203)	(234)
Redemption of debt securities		(7 031)	2 083
Payments for the principal portion of the lease liabilities		(19)	(15)
Net cash flows from financing activities		(1 624)	1 999
Total net cash flows		2 961	2 201
Including: effect of exchange rate fluctuations on cash and cash equivalents held		(80)	(25)
Net change in cash and cash equivalents		2 961	2 201
Cash and cash equivalents at the beginning of the period		14 269	14 715
Cash and cash equivalents at the end of the period	15	17 230	16 916

Notes to the financial statements presented on pages 19 – 52 constitute an integral part of the interim condensed consolidated financial statements.

VI. Income statement of Bank Pekao S.A.

	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Interest income and similar to interest	4 616	4 292
<i>Interest income calculated using the effective interest method</i>	4 593	4 274
<i>Income similar to interest</i>	23	18
Interest expense	(1 311)	(1 298)
Net interest income	3 305	2 994
Fee and commission income	819	775
Fee and commission expense	(230)	(218)
Net fee and commission income	589	557
Dividend income	107	152
Result on financial assets and liabilities measured at fair value through profit or loss and foreign exchange result	88	112
Result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	7	9
Net allowances for expected credit losses	(160)	(185)
Costs of legal risk of foreign currency mortgage loans	(46)	(35)
Other operating income	40	36
Other operating expenses	(43)	(42)
General administrative expenses and depreciation	(1 732)	(1 594)
PROFIT BEFORE INCOME TAX	2 155	2 004
Income tax expense	(481)	(422)
NET PROFIT	1 674	1 582
Earnings per share (in PLN per share)		
basic for the period	6.38	6.03
diluted for the period	6.38	6.03

VII. Statement of comprehensive income of Bank Pekao S.A.

	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Net profit	1 674	1 582
Other comprehensive income (net)		
Items that are or may be reclassified subsequently to profit or loss:		
Impact of revaluation of debt financial instruments and loan measured at fair value through other comprehensive income (net):	84	42
profit/loss on fair value measurement	90	48
profit/loss reclassification to income statement after derecognition	(6)	(6)
Impact of revaluation of derivative instruments hedging cash flows (net)	250	(175)
profit/loss from the fair value measurement of financial instruments hedging cash flows in the part constituting effective hedging	140	(320)
profit/loss on financial instruments hedging cash flows reclassified to profit or loss	110	145
Items that will never be reclassified to profit or loss:		
Impact of revaluation of investments in equity instruments designated at fair value through other comprehensive income (net)	54	(46)
Remeasurements of the defined benefit liabilities (net)	-	-
Other comprehensive income (net)	388	(179)
Total comprehensive income	2 062	1 403

VIII. Statement of financial position of Bank Pekao S.A.

	31.03.2025	31.12.2024
ASSETS		
Cash and cash equivalents	17 697	14 245
Loans and advances to banks	639	379
Derivative financial instruments (held for trading)	4 179	4 228
Hedging instruments	616	448
Loans and advances to customers	157 902	153 999
Securities	130 017	135 909
Assets pledged as security for liabilities	650	1 345
Assets held for sale	7	24
Investments in subsidiaries	1 922	1 922
Investments in associates	42	42
Intangible assets	1 656	1 698
Property, plant and equipment	1 914	1 878
Income tax assets	802	964
1. Current tax assets	-	-
2. Deferred tax assets	802	964
Other assets	1 909	2 170
TOTAL ASSETS	319 952	319 251
EQUITY AND LIABILITIES		
Liabilities		
Amounts due to other banks	2 203	2 300
Financial liabilities held for trading	750	1 399
Derivative financial instruments (held for trading)	4 195	4 269
Amounts due to customers	261 246	261 218
Hedging instruments	872	1 073
Debt securities issued	6 511	6 542
Subordinated liabilities	2 832	2 782
Income tax liabilities	76	1 320
1. Current tax liabilities	76	1 320
2. Deferred tax liabilities	-	-
Provisions	2 127	2 164
Other liabilities	5 562	4 668
TOTAL LIABILITIES	286 374	287 735
Equity		
Share capital	262	262
Other capital and reserves	23 447	23 059
Retained earnings and net profit for the period	9 869	8 195
TOTAL EQUITY	33 578	31 516
TOTAL LIABILITIES AND EQUITY	319 952	319 251

IX. Statement of changes in equity of Bank Pekao S.A.

	SHARE CAPITAL	OTHER CAPITAL AND RESERVES						RETAINED EARNINGS AND NET PROFIT FOR THE PERIOD	TOTAL EQUITY
		TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES	OTHER		
Equity as at 01.01.2025	262	23 059	9 137	1 983	12 424	(718)	233	8 195	31 516
Total comprehensive income	-	388	-	-	-	388	-	1 674	2 062
Other components of comprehensive income (net)	-	388	-	-	-	388	-	-	388
Net profit for the period	-	-	-	-	-	-	-	1 674	1 674
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Profit appropriation	-	-	-	-	-	-	-	-	-
Equity as at 31.03.2025	262	23 447	9 137	1 983	12 424	(330)	233	9 869	33 578

	SHARE CAPITAL	OTHER CAPITAL AND RESERVES						RETAINED EARNINGS AND NET PROFIT FOR THE PERIOD	TOTAL EQUITY
		TOTAL OTHER CAPITAL AND RESERVES	SHARE PREMIUM	GENERAL BANKING RISK FUND	OTHER RESERVE CAPITAL	REVALUATION RESERVES	OTHER		
Equity as at 01.01.2024	262	21 230	9 137	1 983	10 738	(861)	233	8 495	29 987
Total comprehensive income	-	(179)	-	-	-	(179)	-	1 583	1 404
Other components of comprehensive income (net)	-	(179)	-	-	-	(179)	-	-	(179)
Net profit for the period	-	-	-	-	-	-	-	1 583	1 583
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Profit appropriation	-	-	-	-	-	-	-	-	-
Equity as at 31.03.2024	262	21 051	9 137	1 983	10 738	(1 040)	233	10 078	31 391

X. Cash flow statement of Bank Pekao S.A.

	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Cash flow from operating activities – indirect method		
Profit before income tax	2 155	2 004
Adjustments for:		
Depreciation and amortization	173	146
(Gains) losses on investing activities	(26)	(23)
Net interest income	(3 305)	(2 994)
Dividend income	(107)	(152)
Change in:		
Loans and advances to banks	(255)	(163)
Derivative financial instruments (assets)	49	602
Loans and advances to customers	(3 873)	(5 190)
Securities (including assets pledged as security for liabilities)	1 190	(604)
Other assets	1 680	(144)
Amounts due to banks	(50)	(462)
Financial liabilities held for trading	(649)	(49)
Derivative financial instruments (liabilities)	(74)	(537)
Amounts due to customers	165	9 947
Debt securities issued	(73)	(7)
Subordinated liabilities	50	50
Payments for short-term leases and leases of low-value assets	-	-
Provisions	(37)	(16)
Other liabilities	(537)	(237)
Interest received	4 494	4 667
Interest paid	(1 406)	(1 332)
Income tax paid	(1 652)	(142)
Net cash flows from operating activities	(2 088)	5 364
Cash flow from investing activities		
Investing activity inflows	237 455	346 371
Sale of securities measured at amortized cost	58 345	74 115
Sale and redemption of securities measured at fair value through other comprehensive income	178 972	272 091
Sale property, plant and equipment	31	13
Dividend received	107	152
Investing activity outflows	(231 885)	(349 609)
Acquisition of securities measured at amortised cost	(53 666)	(81 198)
Acquisition of securities measured at fair value through other comprehensive income	(178 103)	(268 280)
Acquisition of intangible assets	(34)	(46)
Acquisition of property, plant and equipment	(82)	(85)
Net cash flows from investing activities	5 570	(3 238)

	I QUARTER 2025 PERIOD FROM 01.01.2025 TO 31.03.2025	I QUARTER 2024 PERIOD FROM 01.01.2024 TO 31.03.2024 RESTATED
Cash flows from financing activities		
Financing activity inflows	-	-
Due to loans and advances received from banks	-	-
Issue of debt securities	-	-
Financing activity outflows	(30)	(40)
Repayment of loans and advances received from banks	(11)	(24)
Redemption of debt securities	-	-
Dividends payments	-	-
Payments for the principal portion of the lease liabilities	(19)	(16)
Net cash flows from financing activities	(30)	(40)
Total net cash flows	3 452	2 086
including: effect of exchange rate fluctuations on cash and cash equivalents held	(80)	(25)
Net change in cash and cash equivalents	3 452	2 086
Cash and cash equivalents at the beginning of the period	14 245	14 836
Cash and cash equivalents at the end of the period	17 697	16 922

XI. Notes to the Interim Condensed Consolidated Financial Statements

1. General information

Bank Polska Kasa Opieki Spółka Akcyjna (hereafter 'Bank Pekao S.A.' or 'the Bank'), with its headquarters in Poland 01-066, Żubra Street 1 Warsaw, was incorporated on 29 October 1929 in the Commercial Register of the District Court in Warsaw and has been continuously operating since its incorporation.

Bank Pekao S.A. is registered in the National Court Registry – Enterprise Registry of the Warsaw District Court, XIII Commercial Division of the National Court Registry in Warsaw under the reference number KRS 0000014843.

The Bank's shares are quoted on the Warsaw Stock Exchange (WSE). The Bank's securities, traded on regulated markets, are classified in the banking sector.

Bank Pekao S.A. is a universal commercial bank, offering a broad range of banking services on domestic financial markets, provided to retail and corporate clients, in compliance with the scope of services, set forth in the Bank's Articles of Association.

The Bank runs both PLN and forex operations, and it actively participates in both domestic and foreign financial markets. Moreover, acting through its subsidiaries, the Group provides stockbroking, leasing, factoring operations and offering other financial services. The Bank Pekao S.A. Group's activities do not show any significant cyclical or seasonal changes.

According to IFRS 10 'Consolidated financial statements', the parent entity and the ultimate parent entity of Bank Pekao S.A. is Powszechny Zakład Ubezpieczeń S.A. (hereinafter 'PZU S.A.') with its registered office in Warsaw at Rondo Daszyńskiego 4, for which the controlling entity is the State Treasury, which holds 34.1875% of PZU S.A. shares, entitling to 34.1875% of votes at the General Meeting of PZU S.A. Through PZU S.A., the Bank is indirectly controlled by the State Treasury.

The Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of 3 months ended on 31 March 2025 contain financial information of the Bank and its subsidiaries (together referred to as the 'Group'), and the associates accounted for using equity method.

The share ownership structure of the Bank is presented in the Note 5.4 of the Report on the activities of Bank Pekao S.A. Group for I quarter of 2025.

2. Group structure

The Group consists of Bank Pekao S.A. as the parent entity and the following subsidiaries

NAME OF ENTITY	LOCATION	CORE ACTIVITY	PERCENTAGE OF THE GROUP'S OWNERSHIP RIGHTS IN SHARE CAPITAL/VOTING	
			31.03.2025	31.12.2024
Pekao Bank Hipoteczny S.A.	Warsaw	Banking	100.00	100.00
Pekao Leasing Sp. z o.o.	Warsaw	Leasing services	100.00	100.00
PeUF Sp. z o.o.	Warsaw	Financial support	100.00	100.00
Pekao Investment Banking S.A.	Warsaw	Brokerage	100.00	100.00
Pekao Faktoring Sp. z o.o.	Lublin	Factoring services	100.00	100.00
Centrum Kart S.A.	Warsaw	Financial support	100.00	100.00
Pekao Financial Services Sp. z o.o.	Warsaw	Transferable agent	66.50	66.50
Pekao Direct Sp. z o.o.	Cracow	Call-center services	100.00	100.00
Pekao Property S.A. (in liquidation)	Warsaw	Real estate development	100.00	100.00
FPB - Media Sp. z o.o. (in bankruptcy) (*)	Warsaw	Real estate development	100.00	100.00
Pekao Fundusz Kapitałowy Sp. z o.o. (in liquidation)	Warsaw	Business consulting	100.00	100.00
Pekao Investment Management S.A.	Warsaw	Holding	100.00	100.00
Pekao TFI S.A.	Warsaw	Asset management	100.00	100.00

(*) In April 2025 FPB - Media Sp. z o.o. (in bankruptcy) was deleted from the National Court Register.

Investments in associates

NAME OF ENTITY	LOCATION	CORE ACTIVITY	PERCENTAGE OF THE GROUP'S OWNERSHIP RIGHTS IN SHARE CAPITAL/VOTING	
			31.03.2025	31.12.2024
Krajowy Integrator Płatności S.A.	Poznań	Monetary brokerage	38.33	38.33

3. Statement of compliance

The Interim Condensed Consolidated Financial Statements of Bank Pekao S.A. Group for the period of three months ended 31 March of 2025 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) as adopted by the European Union and other applicable regulations.

These financial statements do not include all information and disclosures required for annual financial statements, and shall be read in conjunction with the consolidated financial statements of Bank Pekao S.A. Group for the year ended 31 December 2024.

The consolidated financial statements of Bank Pekao S.A. Group as at and for the year ended 31 December 2024 are available at the Bank's website www.pekao.com.pl.

In accordance with the Decree of the Ministry of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State, the Bank is required to publish the financial report for the three months period ended 31 March 2025, i.e. current interim period.

These interim condensed consolidated financial statements were authorized for issue by the Management Board on 29 April 2025.

3.1. New standards, interpretations and amendments to published standards that have been approved and published by the European Union and are effective on or after 1 January 2025

STANDARD / INTERPRETATION	DESCRIPTION	IMPACT ASSESSMENT
IAS 21 (amendment) 'The Effects of Changes in Foreign Exchange Rates'	<p>The amendment to IAS 21:</p> <ul style="list-style-type: none"> specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency, specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing, require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. 	The standard's amendments did not have a material impact on the financial statements in the period of their first application.

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

There are no new standards, interpretations or amendments to published standards that have been issued by the International Accounting Standards Board (IASB) and approved by the European Union, but have not yet entered into force.

3.3. New standards, interpretations and amendments to published standards that have been published by the International Accounting Standards Board (IASB) and not yet approved by the European Union

STANDARD/ INTERPRETATION	DESCRIPTION	IMPACT ASSESSMENT
IFRS 18 'Presentation and Disclosure in Financial Statements'	<p>IFRS 18 replaces IAS 1 'Presentation of financial statements'. The purpose of the new standard is to improve the comparability and transparency of an entity's communication through financial statements and introduces:</p> <ul style="list-style-type: none"> new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. The first three categories are new. These categories are complemented by the requirement to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. the concept of management-defined performance measure ('MPM') and defines it as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management view's of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires entities to disclose information about all its MPMS, including: how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by IFRS 18 or another standard. new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. <p>Date of application: annual periods beginning on or after 1 January 2027.</p>	The introduction of the new standard will not affect the numerical values presented in the financial statements. However, the method of presentation will change, which is currently being analyzed by the Group.
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	<p>IFRS 19 allows eligible subsidiaries to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.</p> <p>This standard may be applied by subsidiaries that:</p> <ul style="list-style-type: none"> it does not have public accountability (i.e. its equity or debts instruments are not traded in a public market or it does not hold assets in a fiduciary capacity for a broad group of outsiders), it has an ultimate or intermediate parent entity that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. <p>Date of application: annual periods beginning on or after 1 January 2027.</p>	The Group claims that the new standard will not have an impact on the financial statements in the period of its first application.

STANDARD/ INTERPRETATION	DESCRIPTION	IMPACT ASSESSMENT
IFRS 9 (amendment) 'Financial instruments' and IFRS 7 (amendment) 'Financial instruments: disclosures'	<p>The amendments to IFRS 9 and IFRS 7:</p> <ul style="list-style-type: none"> provide an optional exception relating to the derecognition of a financial liability at an earlier date than settlement date, as long as specific conditions are met. This choice applies only to financial liabilities settled via the electronic payment system. An entity that chooses the accounting policy introduced by the above change will be obliged to apply it to all settlements made via the same electronic payment system, clarify the method of analysis of three areas that are assessed when carrying out the test of the characteristics of contractual cash flows ('SPPI test') of financial assets, and thus affect the classification of financial assets, i.e.: <ul style="list-style-type: none"> additional guidelines have been introduced on the analysis of contractual terms that may change cash flows based on contingencies (for example interest rates linked to ESG goals), guidelines regarding 'non-recourse' financial assets have been clarified. A financial asset has 'non-recourse' characteristics if the lender has the right to receive the cash flows generated exclusively by the specified asset. In such a situation, the borrower is exposed to the operational risk of the assets and not the credit risk of the borrower, guidelines on contractually linked instruments have been clarified. In some transactions, the issuer may prioritize payments using multiple contractually linked instruments that result in a concentration of credit risk (so-called 'tranches'). The amendments clarify, among other things, that a key element that distinguishes contractually linked instruments from other 'non-recourse' financial assets is the cascading payment structure, which results in a disproportionate allocation of cash shortfalls (losses) between tranches, introduce new disclosure requirements for: <ul style="list-style-type: none"> equity instruments designated for measurement at fair value through other comprehensive income, financial assets and liabilities measured at amortized cost, the contractual terms of which may change cash flows due to events not directly related to changes in basic credit risk (e.g. change in cash flows due to compliance with ESG standards or not), for nature-dependent electricity contracts, which are often structured as power purchase agreements: <ul style="list-style-type: none"> clarify the application of the 'own-use' requirements; permit hedge accounting if these contracts are used as hedging instruments; and add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. <p>Date of application: annual periods beginning on or after 1 January 2026.</p>	<p>The Group is in the process of assessing the impact of the standards' amendments on the financial statements during its first application.</p>
	<p>The IASB's Annual improvements are limited to changes that either clarify the text of IFRS standard or correct relatively minor unintended consequences, omissions or conflicts between the requirements in the standards. The changes in the Annual improvements (Volume 11) concern:</p> <ul style="list-style-type: none"> IFRS 1 'First-time Adoption of International Financial Reporting Standards' – hedge accounting by a first-time adopter IFRS 7 'Financial Instruments: Disclosures': (1) gain or loss on derecognition; (2) disclosure of deferred difference between fair value and transaction price; (3) credit risk disclosures, IFRS 9 'Financial instruments': (1) lessee derecognition of lease liabilities; (2) transaction price, IFRS 10 'Consolidated financial statements' - determination of a 'de facto agent' IAS 7 'Statement of Cash Flows' – cost method <p>Date of application: annual periods beginning on or after 1 January 2026.</p>	
Annual Improvements (Volume 11)		<p>The Group claims that the standard's implementation will not have a material impact on the financial statements in the period of its first application.</p>

3.4. Other expected regulatory changes

Starting from 2022, work has been underway in Poland by the National Working Group for Benchmark Reform ('NWG'), the aim of which is to prepare a new benchmark and a timetable for its implementation in such a way as to ensure the security of the financial system.

Due to the fact that the reform of reference indicators consists of many interconnected elements, it was determined that this process would be spread over time, and the reform of reference indicators in Poland would be completed in its entirety by the end of 2027.

In December 2024, the NWG Steering Committee decided to select the target interest rate reference index, replacing the WIBOR reference index and based on unsecured deposits of Credit Institutions and Financial Institutions with the name 'POLSTR'. Thus, the NWG Steering Committee verified and modified its previous decision to select the WIRON index.

In April 2025, the NWG Steering Committee adopted the updated Road Map for benchmark reform in Poland. Further steps will be consistent with the Road Map published on the KNF website.

4. Significant accounting policies

General information

These interim condensed consolidated financial statements have been prepared in Polish Zloty, and all amounts are stated in PLN million, unless indicated otherwise.

The financial statements have been prepared on a going concern basis on the assumption that the Group will continue its business operations substantially unchanged in scope for a period of at least one year from the date of approval by the Bank's Management Board of these financial statements for publication, i.e. from 29 April 2025.

In the period of I quarter of 2025 the Group did not amend its accounting policies in respect to valuation of assets and liabilities and profit measurement.

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied in the Consolidated Financial Statements of Bank Pekao S.A. Group for the year ended on 31 December 2024.

In addition, according to IFRS 34, in the interim condensed consolidated financial statements of Bank Pekao S.A. Group for the period of three months ended on 31 March 2025 the Group has taken into account the principle of recognizing 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.

Changes in published standards and interpretations, which became effective on or after 1 January 2025, had no material impact on the Group's financial statements.

The financial statements does not take into consideration interpretations and amendments to standards, pending approval by the European Union or approved by the European Union but came into force or shall come into force after the balance sheet date (Note 3.2 and Note 3.3).

Comparability of financial data

In the consolidated financial statements of Bank Pekao S.A. Group for the year ended on 31 December 2024 and in the separate financial statements of Bank Pekao S.A. for the year ended on 31 December 2024 the Group and the Bank made the following changes to the accounting principles.

Change (1): Change in the accounting policies recognition of the provision for legal risk of mortgage loans in CHF

The Group and the Bank changed its accounting policy with respect to recognizing the impact of legal risk arising from court proceedings related to mortgage loans in CHF, assuming that this risk is separate from credit risk.

Therefore, in relation to active loans (unpaid at the balance sheet date), the Group and the Bank presents the impact of this legal risk in accordance with the provisions of paragraph B.5.4.6 of IFRS 9 'Financial Instruments' as an adjustment to the gross carrying amount of the CHF mortgage loan portfolio (instead of the previous recognition of this legal risk as an element of expected credit losses, which resulted in the presentation of the legal reserve within 'Net income on expected credit losses' and 'Other operating expenses'). Furthermore, the Group and the Bank does not treat legal risk as an impairment trigger of loan exposure (as it was in the previous approach).

The update of the accounting policy for CHF mortgage loan agreements results primarily from the need to better reflect the dynamic changes taking place in the Group's and the Bank's legal environment over recent months as a result of the materialization of the risk of inability to recover full scheduled cash flows for this portfolio (not due to the borrower's credit risk, but due to the invalidation of the agreement in its entirety). In light of the unfavorable line of judicature for banks, the Group and the Bank observes a growing number of court proceedings and a significant share of unfavorable judgments (in particular regarding the invalidation of the loan agreement), which translates into the Group's and the Bank's inability to recover all contractual cash flows arising from CHF mortgage loan agreements.

The change in the approach to legal risk in the Group's and the Bank's opinion better reflects the nature of the risk of this portfolio and results in the information presented in the financial statements concerning CHF mortgage loans better and more adequately reflecting the economic nature of the risk of this portfolio. Additionally, this change leads to greater comparability of the data presented by the Group concerning the legal risk of CHF mortgage loans with the market practice in this area.

Change (2): Changes in the method of presenting selected items in the income statement

Change in the method of presenting interest income in the income statement

The Group and the Bank changed the method of presenting interest income in the income statement, i.e. interest income is now presented broken down by method of its calculation, whereas before the change it was presented by the category of financial assets from which the income is realized. This change was introduced to better reflect the Group's and the Bank's activities and ensure comparability with the banking sector.

Change in the method of presenting the result on fair value hedge accounting in the income statement

The Group and the Bank changed the method of presenting the result on fair value hedge accounting in the income statement. In previous periods, the result on fair value hedge accounting was recognized in a separate line of the income statement. Currently, this item is presented in the line 'Result on financial instruments measured at fair value through profit or loss and foreign exchange result'. As a result of this change, the Group and the Bank recognizes in a single line of the income statement the recognized gains and losses on all financial instruments measured at fair value through profit or loss.

The changes in accounting principles indicated above resulted in the restatement of comparative data as at 31 March 2024 and for the period of 3 months ended on that day, however the change 2 do not affect the level of the presented financial result, the statement of financial position and the cash flow statement.

The impact of the changes on the comparative data of the consolidated income statement is presented in the table below.

CONSOLIDATED INCOME STATEMENT	DATA FOR I QUARTER 2024	CHANGE (1)	CHANGE (2)	DATA FOR I QUARTER 2024
	BEFORE RESTATEMENT			AFTER RESTATEMENT
Interest income and similar to interest	4 549	(3)	-	4 546
Interest income calculated using the effective interest method	4 538	(3)	(204)	4 331
Financial assets measured at amortised cost	4 118	-	(4 118)	-
Financial assets measured at fair value through other comprehensive income	420	-	(420)	-
Other interest income related to financial assets measured at fair value through profit or loss	11	-	(11)	-
Income similar to interest	-	-	215	215
Interest expense	(1 461)	-	-	(1 461)
Net interest income	3 088	(3)	-	3 085
Fee and commission income	870	-	-	870
Fee and commission expense	(202)	-	-	(202)
Net fee and commission income	668	-	-	668
Dividend income	1	-	-	1
Result on financial assets and liabilities measured at fair value through profit or loss and foreign exchange result	113	6	-	119
Result on fair value hedge accounting	-	-	-	-
Result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	9	-	-	9
Net allowances for expected credit losses	(108)	(73)	-	(181)
including: Legal risk regarding foreign currency mortgage loans	68	(68)	-	-
Costs of legal risk of foreign currency mortgage loans	-	(37)	-	(37)
Other operating income	37	-	-	37
Other operating expenses	(154)	111	-	(43)
including: Legal risk regarding foreign currency mortgage loans	(111)	111	-	-
General administrative expenses and depreciation	(1 700)	-	-	(1 700)
Share in gains on associates	2	-	-	2
Profit before income tax	1 956	4	-	1 960
Income tax expense	(441)	(1)	-	(442)
Net Profit	1 515	3	-	1 518
1. Attributable to equity holders of the Bank	1 514	3	-	1 517
2. Attributable to non-controlling interests	1	-	-	1
Earnings per share (in PLN per share)	5.77	0.01	-	5.78

The impact of the changes on the comparative data of selected items of the consolidated statement of comprehensive income is presented in the table below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	DATA FOR I QUARTER 2024 BEFORE RESTATEMENT	CHANGE (1)	DATA FOR I QUARTER 2024 AFTER RESTATEMENT
Net Profit	1 515	3	1 518
Total comprehensive income	1 342	3	1 345
1. Attributable to equity holders of the Bank	1 341	3	1 344

The impact of changes on the comparative data of the consolidated statement of financial position is presented in the table below.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	DATA AS AT 31.03.2024 BEFORE RESTATEMENT	CHANGE (1)	DATA AS AT 31.03.2024 AFTER RESTATEMENT
Loans and advances to customers (including receivables from finance leases)	164 384	85	164 469
Income tax assets	1 221	(17)	1 204
2. Deferred tax assets	1 217	(17)	1 200
TOTAL ASSETS	317 369	68	317 437
Provisions	1 963	(23)	1 940
TOTAL LIABILITIES	285 686	(23)	285 663
Retained earnings and net profit for the period	9 689	91	9 780
Total equity attributable to equity holders of the Bank	31 670	91	31 761
TOTAL EQUITY	31 683	91	31 774
TOTAL LIABILITIES AND EQUITY	317 369	68	317 437

The impact of changes on the comparative data of the consolidated cash flow statement is presented in the table below.

CONSOLIDATED CASH FLOW STATEMENT	DATA FOR I QUARTER 2024 BEFORE RESTATEMENT	CHANGE (1)	DATA FOR I QUARTER 2024 AFTER RESTATEMENT
PROFIT BEFORE INCOME TAX	1 956	4	1 960
Adjustments:			
Net interest income	(3 088)	3	(3 085)
Change in:			
Loans and advances to customers (including receivables from finance leases)	(2 945)	(88)	(3 033)
Other assets	(84)	104	20
Provisions	(13)	(23)	(36)

The impact of the changes on the comparative data of the separated income statement is presented in the table below.

SEPARATED INCOME STATEMENT OF BANK PEKAO S.A.	DATA FOR I QUARTER 2024 BEFORE RESTATEMENT	CHANGE (1)	CHANGE (2)	DATA FOR I QUARTER 2024 AFTER RESTATEMENT
Interest income and similar to interest	4 295	(3)	-	4 292
Interest income calculated using the effective interest method	4 277	(3)	-	4 274
Financial assets measured at amortised cost	3 791	-	(3 791)	-
Financial assets measured at fair value through other comprehensive income	486	-	(486)	-
Other interest income related to financial assets measured at fair value through profit or loss	18	-	(18)	-
Income similar to interest	-	-	18	18
Interest expense	(1 298)	-	-	(1 298)
Net interest income	2 997	(3)	-	2 994
Fee and commission income	775	-	-	775
Fee and commission expense	(218)	-	-	(218)
Net fee and commission income	557	-	-	557
Dividend income	152	-	-	152
Result on financial assets and liabilities measured at fair value through profit or loss and foreign exchange result	106	6	-	112
Result on fair value hedge accounting	-	-	-	-
Result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	9	-	-	9
Net allowances for expected credit losses	(115)	(70)	-	(185)
including: Legal risk regarding foreign currency mortgage loans	66	(66)	-	-
Costs of legal risk of foreign currency mortgage loans	-	(35)	-	(35)
Other operating income	36	-	-	36
Other operating expenses	(148)	106	-	(42)
including: Legal risk regarding foreign currency mortgage loans	(106)	106	-	-
General administrative expenses and depreciation	(1 594)	-	-	(1 594)
Profit before income tax	2 000	4	-	2 004
Income tax expense	(421)	(1)	-	(422)
Net Profit	1 579	3	-	1 582
Earnings per share (in PLN per share)	6.02	0.01	-	6.03

The impact of the changes on the comparative data of selected items of the separated comprehensive income statement is presented in the table below.

SEPARATED INCOME STATEMENT OF BANK PEKAO S.A.	DATA FOR I QUARTER 2024 BEFORE RESTATEMENT	CHANGE (1)	DATA FOR I QUARTER 2024 AFTER RESTATEMENT
Net Profit	1 579	3	1 582
Total comprehensive income	1 400	3	1 403

The impact of changes on the comparative data of the separated statement of financial position is presented in the table below.

SEPARATED STATEMENT OF FINANCIAL POSITION	DATA AS AT 31.03.2024 BEFORE RESTATEMENT	CHANGE (1)	DATA AS AT 31.03.2024 AFTER RESTATEMENT
Loans and advances to customers	146 842	86	146 928
Income tax assets	878	(9)	869
2. Deferred tax assets	878	(9)	869
TOTAL ASSETS	304 474	77	304 551
Provisions	1 872	(19)	1 853
TOTAL LIABILITIES	273 179	(19)	273 160
Retained earnings and net profit for the period	9 982	96	10 078
Total equity attributable to equity holders of the Bank	31 295	96	31 391
TOTAL EQUITY	304 474	77	304 551

The impact of changes on the comparative data of the separated cash flow statement is presented in the table below.

SEPARATED CASH FLOW STATEMENT	DATA FOR I QUARTER 2024 BEFORE RESTATEMENT	CHANGE (1)	DATA FOR I QUARTER 2024 AFTER RESTATEMENT
PROFIT BEFORE INCOME TAX	2 000	4	2 004
Adjustments:			
Net interest income	(2 997)	3	(2 994)
Change in:			
Loans and advances to customers	(5 103)	(87)	(5 190)
Other assets	(241)	97	(144)
Provisions	1	(17)	(16)

5. Accounting estimates

The preparation of interim financial statements in accordance with IFRS requires the Management Board of the Bank to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

Estimates and assumptions are reviewed on an ongoing basis by the Group and rely on historic data and other factors including expectation of the future events which seems justified in given circumstances.

Estimates and underlying assumptions are subject to a regular review. Revisions to accounting estimates are recognised prospectively starting from the period in which the estimates are revised.

Information on the areas of significant estimates in these financial statements is presented below.

Expected credit losses

With regard to all financial assets that are measured at amortised cost or at fair value through other comprehensive income and off-balance sheet liabilities, i.e. financial guarantees or loan commitments, the Group creates the allowance according to IFRS 9 based on the expected credit losses and taking into account forecasts and expected future economic conditions in the context of credit risk.

The process of estimating expected credit losses requires the use of significant estimates, in particular in the area of:

- 1) assumptions regarding macroeconomic forecasts and possible scenarios how these forecasts will develop in the future,
- 2) rules (thresholds) for identifying a significant increase in credit risk.

Impairment of non-current assets (including goodwill)

At each balance sheet date the Group reviews its non-current assets for indications of impairment. The Group performs an impairment test of goodwill on a yearly basis or more often if impairment triggers occur.

Where such indications exist, the Group makes an estimation of the recoverable value (of a given assets or – in the case of goodwill - all cash-generating units to which the goodwill relates). If the carrying amount of a given asset is in excess of its recoverable value, impairment is defined and a write-down is recorded to adjust the carrying amount to the level of its recoverable value. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value-in-use.

Estimation of the value-in-use of an assets (or cash generating unit) requires assumptions to be made regarding, among other, future cash flows which the Group may obtain from the given asset (or cash generating unit), any changes in amount or timing of occurrence of these cash flows and other factors such as the lack of liquidity. The adoption of different measurement assumptions may affect the carrying amount of some of the Group's non-current assets.

As at 31 March 2025, the Group assessed whether the current market conditions have an impact on the impairment of non-current assets. As a result of this analysis, no need was found to make impairment allowances of non-current assets, including goodwill.

Provisions for legal risk regarding foreign currency mortgage loans in CHF

As each balance sheet date, the Group estimates the amount of possible loss resulting from the legal risk related to foreign currency mortgage loans in CHF, and in the case of loans outstanding as at the balance sheet date, the estimate of this loss is an element of the gross carrying amount of the loan determined by the Bank, and the possible excess of the estimated loss over the gross carrying amount is recognized as a provision in accordance with IAS 37.

Key elements of the estimate include:

- 1) a forecast of the total scale of disputes,
- 2) forecast of the duration of court cases and the costs of statutory interest that the Group will have to cover in connection with them

Details on the main assumptions used to estimate the provisions for legal risk regarding foreign currency mortgage loans in CHF and the sensitivity analysis in relation to the significant assumptions of the provision calculation are presented in the Note 26.

Measurement of derivatives, unquoted debt securities measured at fair value through other comprehensive income and loans and advances to customers measured at fair value through other comprehensive income and measured at fair value through profit or loss

The principles of fair value measurement of derivatives, unquoted debt securities measured at fair value through other comprehensive income and loans and advances to customers measured at fair value through other comprehensive income and measured at fair value through profit or loss have not changed compared to 31 December 2024.

6. Operating segments

Data reported in the section stem from the application of the management model ('Model') used to prepare reports for the Bank's Management Board in which the main criterion for segmentation is the classification of customers based on their profile and service model.

Reporting and monitoring of results, for managerial purposes, include all components of the income statement up to the gross profit level, which is the main measure for assessing the segments' activities by the Bank's Management Board. Therefore, the income from the segment's activities as well as operating costs related to those activities (including direct and allocated costs in line with the allocation model applied) and other components of income statement are attached to each segment.

The Group settles transactions between segments on an arm's length basis by applying current market prices. Fund transfers between retail, private, corporate and investment banking segments, and the assets and liabilities management and other area are based on market prices applicable to the funds' currency and maturity, including liquidity margins.

Operating segments

The operating segments of the Group are as follows:

- Retail and Private banking – all banking activities related to individual customers and micro companies with an annual turnover not exceeding EUR 2 million, using simplified accounting, as well as results of the subsidiaries, and shares in net profit of associates accounted for using the equity method, that are assigned to the retail banking activity,
- Corporate and Investment banking – all banking activities related to large companies and results of the subsidiaries that are assigned to the Corporate and Investment banking activity,
- Enterprise banking - full scope of banking activities concerning servicing small and medium-sized companies with annual turnover of up to PLN 500 million in the case of single enterprises and PLN 700 million in the case of capital groups and micro companies using full accounting,
- Assets and Liabilities management and other – supervision and monitoring of fund transfers, interbank market, debt securities and other instruments, other activities centrally managed as well as the results of subsidiaries and share in net profit of associates accounted for using the equity method that are not assigned to other reported segments.

Operating segments reporting for the period from 1 January to 31 March 2025

	RETAIL & PRIVATE BANKING	CORPORATE AND INVESTMENT BANKING	ENTERPRISE BANKING	ASSETS & LIABILITIES MANAGEMENT AND OTHER	TOTAL
External interest income	1 825	1 285	497	1 301	4 908
External interest expenses	(635)	(565)	(139)	(155)	(1 494)
Net external interest income	1 190	720	358	1 146	3 414
Internal interest income	1 967	852	469	(3 288)	-
Internal interest expenses	(1 360)	(986)	(384)	2 730	-
Net internal interest income	607	(134)	85	(558)	-
Total net interest income	1 797	586	443	588	3 414
Fee and commission income and expense (Note 8)	360	191	179	2	732
Other non-interest income	(17)	102	19	(1)	103
Operating income of reportable segments	2 140	879	641	589	4 249
Personnel expenses	(327)	(108)	(76)	(281)	(792)
Other administrative expenses and depreciation (including allocation of operating costs)	(572)	(97)	(132)	264	(537)
Operating costs	(899)	(205)	(208)	(17)	(1 329)
Gross operating profit	1 241	674	433	572	2 920
Net allowances for expected credit losses	(25)	(69)	(26)	(33)	(153)
Costs of legal risk of foreign currency mortgage loans	(49)	-	-	-	(49)
Net operating profit	1 167	605	407	539	2 718
Contributions to the Bank Guarantee Fund	(49)	(33)	(16)	(209)	(307)
Tax on certain financial institutions	(93)	(67)	(32)	(24)	(216)
Share of loss of associates	-	-	-	(2)	(2)
Profit before tax	1 025	505	359	304	2 193
Income tax expense					(507)
Net profit					1 686
Attributable to equity holders of the Bank					1 685
Attributable to non-controlling interest					1
Allocated assets	90 094	87 003	30 481	123 268	330 846
Unallocated assets					2 467
Total assets					333 313
Allocated liabilities	169 969	71 891	39 560	17 826	299 246
Unallocated liabilities					77
Total liabilities					299 323

Operating segments reporting for the period from 1 January to 31 March 2024

	RETAIL & PRIVATE BANKING	CORPORATE AND INVESTMENT BANKING	ENTERPRISE BANKING	ASSETS & LIABILITIES MANAGEMENT AND OTHER	TOTAL
External interest income	1 774	1 245	462	1 065	4 546
External interest expenses	(637)	(578)	(109)	(137)	(1 461)
Net external interest income	1 137	667	353	928	3 085
Internal interest income	1 842	1 011	441	(3 294)	-
Internal interest expenses	(1 306)	(1 155)	(363)	2 824	-
Net internal interest income	536	(144)	78	(470)	-
Total net interest income	1 673	523	431	458	3 085
Fee and commission income and expense (Note 8)	303	179	166	20	668
Other non-interest income	(15)	68	20	50	123
Operating income of reportable segments	1 961	770	617	528	3 876
Personnel expenses	(309)	(99)	(72)	(253)	(733)
Other administrative expenses and depreciation (including allocation of operating costs)	(541)	(88)	(112)	236	(505)
Operating costs	(850)	(187)	(184)	(17)	(1 238)
Gross operating profit	1 111	583	433	511	2 638
Net allowances for expected credit losses	(118)	(39)	(9)	(15)	(181)
Costs of legal risk of foreign currency mortgage loans	(37)	-	-	-	(37)
Net operating profit	956	544	424	496	2 420
Contributions to the Bank Guarantee Fund	(46)	(30)	(14)	(149)	(239)
Tax on certain financial institutions	(88)	(62)	(28)	(45)	(223)
Share of profit of associates	-	-	-	2	2
Profit before tax	822	452	382	304	1 960
Income tax expense					(442)
Net profit					1 518
Attributable to equity holders of the Bank					1 517
Attributable to non-controlling interest					1
Allocated assets	85 270	87 422	26 818	115 495	315 005
Unallocated assets					2 432
Total assets					317 437
Allocated liabilities	155 926	75 971	37 270	14 705	283 872
Unallocated liabilities					1 791
Total liabilities					285 663

Reconciliations of operating income for reportable segments

	I QUARTER 2025	I QUARTER 2024
Net interest income	3 414	3 085
Net fee and commission income	732	668
Dividend income	-	1
Result on financial assets and liabilities measured at fair value through profit or loss and foreign exchange result	86	119
Result from derecognition of financial assets and financial liabilities not at fair value through profit or loss	7	9
Other operating income	56	37
Other operating expenses	(46)	(43)
Total operating income for reportable segments	4 249	3 876

7. Interest income and expense

Interest income and similar to interest

	I QUARTER 2025	I QUARTER 2024
Interbank placements	162	169
Loans and advances and other receivables from customers	2 913	2 837
measured at amortise cost	2 902	2 830
measured at fair value through other comprehensive income	4	2
measured at fair value through profit or loss	7	5
Receivables from financial leases	207	204
Debt securities	1 489	1 261
measured at amortise cost	1 139	837
measured at fair value through other comprehensive income	339	418
measured at fair value through profit or loss	11	6
Reverse repo transactions	137	75
Total (*)	4 908	4 546

(*) Including revenues from hedging derivative instruments in the amounts respectively, minus PLN 148 million for I quarter 2025 (minus PLN 179 million for I quarter 2024).

Interest income and similar to interest

	I QUARTER 2025	I QUARTER 2024
Interest income calculated using the effective interest method on financial instruments valued:	4 683	4 331
measured at amortise cost	4 340	3 911
measured at fair value through other comprehensive income	343	420
Income similar to interest	225	215
Total	4 908	4 546

Interest expense

	I QUARTER 2025	I QUARTER 2024
Deposits from customers	(1 095)	(1 095)
Interbank deposits	(16)	(18)
Repo transactions	(42)	(54)
Loans and advances received	(54)	(61)
Leasing	(7)	(8)
Debt securities	(280)	(225)
Total (*)	(1 494)	(1 461)

(*) Including the expenses from hedging derivative instruments in the amounts respectively, plus PLN 14 million on I quarter 2025 (plus PLN 6 million on I quarter 2024).

8. Fee and commission income and expense

Fee and commission income

	I QUARTER 2025	I QUARTER 2024
Accounts maintenance, payment orders and cash transactions	159	155
Payment cards	209	201
Loans and advances	112	109
Margin on foreign exchange transactions with clients	176	165
Service and sell investment and insurance products	159	123
Securities operations	53	48
Custody activity	21	18
Guarantees, letters of credit and similar transactions	25	24
Other	29	27
Total	943	870

Fee and commission expense

	I QUARTER 2025	I QUARTER 2024
Payment cards	(136)	(126)
Cash turnover	(22)	(26)
Money orders and transfers	(6)	(6)
Securities and derivatives operations	(11)	(10)
Acquisition services	(12)	(14)
Custody activity	(7)	(6)
Accounts maintenance	(2)	(1)
Investment funds management	(1)	(1)
Other	(14)	(12)
Total	(211)	(202)

9. Result on financial assets and liabilities measured at fair value through profit or loss and foreign exchange result

	I QUARTER 2025	I QUARTER 2024
Result on loans and advances to customers measured mandatorily at fair value through profit or loss	(19)	8
Result on securities measured mandatorily at fair value through profit or loss	29	15
Foreign exchange result	62	49
Result on derivatives	(6)	31
Result on securities held for trading	20	16
Total	86	119

10. Net allowances for expected credit losses

	I QUARTER 2025	I QUARTER 2024
Receivables from banks and cash and cash equivalents	(2)	(1)
Loans and other financial assets measured at amortised cost (*)	(168)	(209)
Debt securities measured at amortised cost	(10)	(2)
Loans measured at fair value through other comprehensive income	(8)	-
Debt securities measured at fair value through other comprehensive income	(3)	3
Off-balance sheet commitments	38	28
Total	(153)	(181)

(*) Item includes impairment losses on receivables from financial leases.

11. Other operating income and expenses

Other operating income

	I QUARTER 2025	I QUARTER 2024
Gains on disposal of property, plant and equipment	23	11
Premises rental income, terminals and IT equipment	6	6
Operating leasing net income (*)	1	-
Compensation, recoveries, penalty fees and fines received	4	4
Miscellaneous income	6	7
Recovery of debt collection costs	3	5
Net revenues from sale of products, goods and services	2	2
Other	11	2
Total	56	37

(*) Operating leasing net income

	I QUARTER 2025	I QUARTER 2024
Income from operating leases	2	1
Costs of depreciation of fixed assets provided under operating leases	(1)	(1)
Total	1	-

Other operating expenses

	I QUARTER 2025	I QUARTER 2024
Provision for liabilities disputable and other provisions	-	(1)
Credit and factoring debt collection costs	(7)	(8)
Card transactions monitoring costs	(5)	(5)
Sundry expenses	(4)	(3)
Costs of pursuing disputed receivables and complaints	(21)	(11)
Impairment allowance on fixed assets, litigations and other assets	(2)	(3)
Compensation, penalty fees and fines	(1)	(1)
Other	(6)	(11)
Total	(46)	(43)

12. General administrative expenses and depreciation

Personnel expenses

	I QUARTER 2025	I QUARTER 2024
Wages and salaries, including:	(659)	(608)
cost of contributions to Employee Capital Plans	(5)	(5)
Insurance and other charges related to employees, including:	(127)	(118)
salary surcharges	(107)	(100)
Share-based payments expenses	(6)	(7)
Total	(792)	(733)

Other administrative expenses

	I QUARTER 2025	I QUARTER 2024
Overheads, including:	(292)	(295)
IT and telecommunications expenses	(120)	(106)
property maintenance and service expenses	(63)	(73)
advertising and marketing expenses	(26)	(29)
consulting services and information sharing expenses	(33)	(29)
Tax on certain financial institutions	(216)	(223)
Contributions to the Bank Guarantee Fund	(307)	(239)
to the resolution fund	(281)	(239)
to the banks' guarantee fund	(26)	-
Fees to cover costs of supervision over banks (KNF)	(43)	(36)
Other taxes and fees	(15)	(14)
Total	(873)	(807)

Depreciation

	I QUARTER 2025	I QUARTER 2024
Property, plant and equipment	(88)	(80)
Intangible assets	(99)	(80)
Total	(187)	(160)

Total administrative expenses and depreciation	(1 852)	(1 700)
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13. Income tax

	I QUARTER 2025	I QUARTER 2024
INCOME STATEMENT		
Current tax charge in the income statement	(438)	(504)
Adjustments related to the current tax from previous years	(7)	5
Other taxes (e.g. withholding tax)	-	-
Current tax	(445)	(499)
Occurrence and reversal of temporary differences	(62)	57
Deferred tax	(62)	57
Tax charge in the consolidated income statement	(507)	(442)
EQUITY		
Current tax	-	-
Income and costs disclosed in other comprehensive income:		
revaluation of financial instruments – cash flows hedges	(59)	41
fair value revaluation through other comprehensive income	(19)	(11)
Tax on items that are or may be reclassified subsequently to profit or loss	(78)	30
Fair value revaluation through other comprehensive income – equity securities	(13)	11
Remeasurements the defined benefit liabilities	-	-
Tax charge on items that will never be reclassified to profit or loss	(13)	11
Deferred tax	(91)	41
Total charge	(598)	(401)

14. Dividends

On 24 April 2025, the Ordinary General Meeting of Bank Pekao S.A. adopted a resolution on the distribution of the Bank's net profit for 2024 in the amount of PLN 6 425 million. The amount of PLN 4 819 million was allocated for dividend to shareholders, and the amount of PLN 1 606 million to the reserve capital. The dividend amount per share was PLN 18.36. The dividend record date was 7 May 2025, and the dividend payment date was 23 May 2025.

15. Cash and cash equivalents

	31.03.2025	31.12.2024
Cash	3 807	4 461
Current account and deposits at Central Bank	11 784	7 577
Amounts due from banks with a maturity of up to 3 months	1 646	2 236
Gross carrying amount	17 237	14 274
Allowances for expected credit losses	(7)	(5)
Carrying amount	17 230	14 269

In the period from 10 March 2025 to 13 April 2025, the Bank is obliged to maintain an average mandatory reserve of PLN 8 977 million (in the period from 31 December 2024 to 9 February 2025: PLN 8 829 million).

As at 31 March 2025 the interest rate of funds held on the mandatory reserve account is at 5.75% (as at 31 December 2024 – 5.75%).

16. Loans and advances to banks

Loans and advances to banks by product type

	31.03.2025	31.12.2024
Interbank placements	24	5
Loans and advances	344	65
Other	108	102
Gross carrying amount	476	172
Allowances for expected credit losses	(1)	-
Carrying amount	475	172

17. Derivative financial instruments (held for trading)

Fair value of trading derivatives

31.03.2025	ASSETS	LIABILITIES
Interest rate transactions		
Interest Rate Swaps (IRS)	3 379	3 390
Forward Rate Agreements (FRA)	74	75
options	23	21
other	1	1
Foreign currency and gold transactions		
Cross-Currency Interest Rate Swaps (CIRS)	46	171
Currency Forward Agreements	131	170
Currency Swaps (FX-Swap)	307	164
Options for currency and gold	27	48
Transactions based on equity securities and stock indexes		
options	-	-
other	-	-
Transactions based on commodities and precious metals		
options	14	14
other	170	138
Total	4 172	4 192

31.12.2024	ASSETS	LIABILITIES
Interest rate transactions		
Interest Rate Swaps (IRS)	3 561	3 481
Forward Rate Agreements (FRA)	88	84
options	27	26
other	-	-
Foreign currency and gold transactions		
Cross-Currency Interest Rate Swaps (CIRS)	31	169
Currency Forward Agreements	54	159
Currency Swaps (FX-Swap)	184	95
Options for currency and gold	24	31
Transactions based on equity securities and stock indexes		
options	-	-
other	-	-
Transactions based on commodities and precious metals		
options	17	17
other	236	204
Total	4 222	4 266

18. Loans and advances to customers (including receivables from finance leases)

Loans and advances to customers by product type

	31.03.2025			
	AMORTISED COST	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Mortgage loans (***)	80 212	-	4	80 216
Current accounts	15 521	-	-	15 521
Operating loans	10 161	149	-	10 310
Investment loans	27 886	126	3	28 015
Cash loans	15 714	-	-	15 714
Payment cards receivables	1 256	-	-	1 256
Financial leasing	12 023	-	-	12 023
Factoring	8 171	-	-	8 171
Other loans and advances	4 472	-	393	4 865
Reverse repo transactions	4 748	-	-	4 748
Gross carrying amount/Fair value (*)	180 164	275	400	180 839
Allowances for expected credit losses (**)	(5 994)	-	-	(5 994)
Carrying amount	174 170	275	400	174 845

(*) Fair value applies to loans and advances to customers measured at fair value through other comprehensive income and at fair value through profit or loss.

(**) The allowances for expected credit losses and advances to customers measured at fair value through other comprehensive income in the amount of PLN 10 million is included in the 'Revaluation reserve' item and does not reduce the carrying amount of the loan.

(***) In this the adjustment of the gross carrying amount regarding the legal risk of foreign currency mortgage loans in the amount of PLN 1 120 million described in the Note 26.

	31.12.2024			
	AMORTISED COST	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	FAIR VALUE THROUGH PROFIT OR LOSS	TOTAL
Mortgage loans (***)	80 114	-	5	80 119
Current accounts	14 035	-	-	14 035
Operating loans	12 335	119	4	12 458
Investment loans	27 145	128	4	27 277
Cash loans	15 304	-	-	15 304
Payment cards receivables	1 276	-	-	1 276
Financial leasing	11 902	-	-	11 902
Factoring	9 366	-	-	9 366
Other loans and advances	4 154	-	347	4 501
Reverse repo transactions	4 685	-	-	4 685
Gross carrying amount/Fair value (*)	180 316	247	360	180 923
Allowances for expected credit losses (**)	(5 898)	-	-	(5 898)
Carrying amount	174 418	247	360	175 025

(*) Fair value applies to loans and advances to customers measured at fair value through other comprehensive income and at fair value through profit or loss.

(**) The allowances for expected credit losses and advances to customers measured at fair value through other comprehensive income in the amount of PLN 3 million is included in the 'Revaluation reserve' item and does not reduce the carrying amount of the loan.

(***) In this the adjustment of the gross carrying amount regarding the legal risk of foreign currency mortgage loans in the amount of PLN 1 193 million described in the Note 26.

Loans and advances to customers by customer type

	31.03.2025					TOTAL
	AMORTISED COST			FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (*)	FAIR VALUE THROUGH PROFIT OR LOSS	
	GROSS CARRYING AMOUNT	ALLOWANCES FOR EXPECTED CREDIT LOSSES	CARRYING AMOUNT			
Corporate	93 987	(3 895)	90 092	275	7	90 374
Individuals (**)	84 927	(2 094)	82 833	-	393	83 226
Budget entities	1 250	(5)	1 245	-	-	1 245
Loans and advances to customers	180 164	(5 994)	174 170	275	400	174 845

(*) The allowances for expected credit losses and advances to customers measured at fair value through other comprehensive income in the amount of PLN 10 million is included in the 'Revaluation reserve' item and does not reduce the carrying amount of the loan.

(**) In this the adjustment of the gross carrying amount regarding the legal risk of foreign currency mortgage loans in the amount of PLN 1 120 million described in the Note 26.

	31.12.2024					TOTAL
	AMORTISED COST			FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (*)	FAIR VALUE THROUGH PROFIT OR LOSS	
	GROSS CARRYING AMOUNT	ALLOWANCES FOR EXPECTED CREDIT LOSSES	CARRYING AMOUNT			
Corporate	94 948	(3 792)	91 156	247	7	91 410
Individuals (**)	84 067	(2 100)	81 967	-	348	82 315
Budget entities	1 301	(6)	1 295	-	5	1 300
Loans and advances to customers	180 316	(5 898)	174 418	247	360	175 025

(*) The allowances for expected credit losses and advances to customers measured at fair value through other comprehensive income in the amount of PLN 3 million is included in the 'Revaluation reserve' item and does not reduce the carrying amount of the loan.

(**) In this the adjustment of the gross carrying amount regarding the legal risk of foreign currency mortgage loans in the amount of PLN 1 193 million described in the Note 26.

The tables below present the changes in allowances for expected credit losses and gross carrying amount of loans and advances to customers.

TOTAL	LOANS AND ADVANCES TO CUSTOMERS MEASURED AT AMORTISED COST						LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
	STAGE 1 (12M ECL)	STAGE 2 (LIFETIME ECL - NOT CREDIT- IMPAIRED)	STAGE 3 (LIFETIME ECL - CREDIT-IMPAIRED)		PURCHASED OR ORIGINATED CREDIT- IMPAIRED (POCI)	TOTAL	STAGE 1 (12M ECL)	STAGE 2 (LIFETIME ECL - NOT CREDIT- IMPAIRED)	TOTAL
			INDIVIDUAL ASSESSMENT	GROUP ASSESSMENT					
GROSS CARRYING AMOUNT									
GROSS CARRYING AMOUNT AS AT 01.01.2025	152 945	18 904	3 584	3 914	969	180 316	247	-	247
Transfer to Stage 1	4 453	(4 380)	(12)	(61)	-	-	-	-	-
Transfer to Stage 2	(4 978)	5 065	(25)	(62)	-	-	(193)	193	-
Transfer to Stage 3	(317)	(315)	227	405	-	-	-	-	-
New / purchased / granted financial assets	23 820	-	-	-	307	24 127	69	-	69
Financial assets derecognised, other than write-offs (repayments)	(22 063)	(1 131)	(186)	(206)	(312)	(23 898)	(33)	-	(33)
Financial assets written off (*)	-	-	(65)	(145)	(3)	(213)	-	-	-
Modifications not resulting in derecognition	-	-	-	-	-	-	-	-	-
Legal risk costs for mortgage loans in CHF	1	56	4	13	1	75	-	-	-
Other, in this changes resulting from exchange rates	(303)	(129)	20	110	59	(243)	(8)	-	(8)
GROSS CARRYING AMOUNT AS AT 31.03.2025	153 558	18 070	3 547	3 968	1 021	180 164	82	193	275
ALLOWANCES FOR EXPECTED CREDIT LOSSES (**)									
ALLOWANCES FOR EXPECTED CREDIT LOSSES AS AT 01.01.2025	640	930	1 752	2 413	163	5 898	3	-	3
Changes in balances included in the income statement (table in the Note 10)	(92)	81	87	87	5	168	8	-	8
New / purchased / granted financial assets	64	3	1	24	22	114	4	-	4
Financial assets derecognised, other than write-offs (repayments)	(21)	(27)	(27)	(18)	(6)	(99)	-	-	-
Changes in level of credit risk	(135)	105	113	81	(11)	153	4	-	4
Transfer to Stage 1	170	(163)	(2)	(5)	-	-	-	-	-
Transfer to Stage 2	(71)	91	(1)	(19)	-	-	-	-	-
Transfer to Stage 3	(5)	(38)	5	38	-	-	-	-	-
Financial assets written off (*)	-	-	(65)	(145)	(3)	(213)	-	-	-
Other, in this changes resulting from exchange rates	5	-	54	94	(12)	141	(1)	-	(1)
ALLOWANCES FOR EXPECTED CREDIT LOSSES AS AT 31.03.2025	647	901	1 830	2 463	153	5 994	10	-	10

(*) Including the value of contractual interest subject to partial write-off in the amount of PLN 216 million.

(**) The allowances for expected credit losses for loans and advances to customers measured at fair value through other comprehensive income is included in the 'Revaluation reserve' item and does not reduce the carrying amount of the loan.

The total value of undiscounted expected credit losses at the time of initial recognition of financial assets purchased or originated credit impaired in the period ended 31 March 2025 amounted to PLN 73 million.

TOTAL	LOANS AND ADVANCES TO CUSTOMERS MEASURED AT AMORTISED COST						LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		
	STAGE 1 (12M ECL)	STAGE 2 (LIFETIME ECL - NOT CREDIT-IMPAIRED)	STAGE 3 (LIFETIME ECL - CREDIT-IMPAIRED)		PURCHASED OR ORIGINATED CREDIT- IMPAIRED (POCI)	TOTAL	STAGE 1 (12M ECL)	STAGE 2 (LIFETIME ECL - NOT CREDIT-IMPAIRED)	TOTAL
			INDIVIDUAL ASSESSMENT	GROUP ASSESSMENT					
GROSS CARRYING AMOUNT									
GROSS CARRYING AMOUNT AS AT 01.01.2024	142 000	17 437	3 611	3 820	574	167 442	82	-	82
Transfer to Stage 1	4 058	(3 948)	(22)	(88)	-	-	-	-	-
Transfer to Stage 2	(11 006)	11 202	(40)	(156)	-	-	-	-	-
Transfer to Stage 3	(1 338)	(2 094)	2 115	1 317	-	-	-	-	-
New / purchased / granted financial assets	57 912	-	-	-	435	58 347	162	-	162
Financial assets derecognised, other than write-offs (repayments)	(38 395)	(3 936)	(1 748)	(889)	(294)	(45 262)	-	-	-
Financial assets written off (*)	-	(2)	(295)	(504)	(36)	(837)	-	-	-
Modifications not resulting in derecognition	(3)	-	-	-	-	(3)	-	-	-
Legal risk costs for mortgage loans in CHF	(1)	365	9	(23)	(2)	348	-	-	-
Other, in this changes resulting from exchange rates	(282)	(120)	(46)	437	292	281	3	-	3
GROSS CARRYING AMOUNT AS AT 31.12.2024	152 945	18 904	3 584	3 914	969	180 316	247	-	247
ALLOWANCES FOR EXPECTED CREDIT LOSSES (**)									
ALLOWANCES FOR EXPECTED CREDIT LOSSES AS AT 01.01.2024	794	907	2 159	2 371	48	6 279	1	-	1
Changes in balances included in the income statement (table in the Note 10)	(242)	540	408	265	(45)	926	2	-	2
New / purchased / granted financial assets	385	3	11	97	7	503	2	-	2
Financial assets derecognised, other than write-offs (repayments)	(94)	(52)	(122)	(64)	(20)	(352)	-	-	-
Changes in level of credit risk	(533)	589	519	232	(32)	775	-	-	-
Transfer to Stage 1	290	(279)	-	(11)	-	-	-	-	-
Transfer to Stage 2	(141)	209	(2)	(66)	-	-	-	-	-
Transfer to Stage 3	(77)	(296)	252	121	-	-	-	-	-
Financial assets written off (*)	-	(2)	(295)	(504)	(36)	(837)	-	-	-
Other, in this changes resulting from exchange rates	16	(149)	(770)	237	196	(470)	-	-	-
ALLOWANCES FOR EXPECTED CREDIT LOSSES AS AT 31.12.2024	640	930	1 752	2 413	163	5 898	3	-	3

(*) Including the value of contractual interest subject to partial write-off in the amount of PLN 596 million.

(**) The allowances for expected credit losses for loans and advances to customers measured at fair value through other comprehensive income is included in the 'Revaluation reserve' item and does not reduce the carrying amount of the loan.

The total value of undiscounted expected credit losses at the time of initial recognition of financial assets purchased or originated credit impaired in the period ended 31 December 2024 amounted to PLN 569 million.

19. Securities

	31.03.2025	31.12.2024
Debt securities held for trading	1 989	1 064
Debt securities measured at amortised cost	109 969	115 584
Debt securities measured at fair value through other comprehensive income	14 778	12 991
Equity instruments held for trading	16	8
Equity instruments designated for measurement at fair value through other comprehensive income	393	326
Equity instruments mandatorily measured at fair value through profit or loss	284	272
Carrying amount	127 429	130 245

Debt securities held for trading

	31.03.2025	31.12.2024
Debt securities issued by central governments	1 533	911
T - bills	75	19
T - bonds	1 458	892
Debt securities issued by banks	352	129
Debt securities issued by business entities	104	24
Debt securities issued by local governments	-	-
Carrying amount	1 989	1 064

Debt securities measured at amortised cost

	31.03.2025	31.12.2024
Debt securities issued by State Treasury	67 732	56 333
T-bills	10 443	5 501
T-bonds	57 289	50 832
Debt securities issued by central banks	8 016	25 060
Debt securities issued by banks	22 459	21 729
Debt securities issued by business entities	6 803	7 519
Debt securities issued by local governments	5 076	5 061
Gross carrying amount	110 086	115 702
Allowances for expected credit losses	(117)	(118)
Carrying amount	109 969	115 584

Debt securities measured at fair value through other comprehensive income

	31.03.2025	31.12.2024
Debt securities issued by State Treasury	8 783	7 052
T-bills	801	-
T-bonds	7 982	7 052
Other	-	-
Debt securities issued by central banks	999	1 000
Debt securities issued by banks	1 139	1 131
Debt securities issued by business entities	2 410	2 361
Debt securities issued by local governments	1 447	1 447
Carrying amount	14 778	12 991
including impairment of assets (*)	(20)	(16)

(*) The impairment allowance for debt securities measured at fair value through other comprehensive income is included in the 'Revaluation reserve' item and does not reduce the carrying amount.

Equity securities held for trading

	31.03.2025	31.12.2024
Shares	16	8
Carrying amount	16	8

Equity instruments designated for measurement at fair value through other comprehensive income

	31.03.2025	31.12.2024
Shares	393	326
Carrying amount	393	326

Equity instruments mandatorily measured at fair value through profit or loss

	31.03.2025	31.12.2024
Shares	284	272
Carrying amount	284	272

20. Amounts due to other banks

Amounts due to other banks by product type

	31.03.2025	31.12.2024
Current accounts	825	608
Interbank deposits and other liabilities	1 070	1 008
Loans and advances received	5 077	5 382
Repo transactions	-	346
Total	6 972	7 344

21. Amounts due to customers

Amounts due to customers by entity and product type

	31.03.2025	31.12.2024
Amounts due to corporate	83 202	89 197
current accounts	58 604	62 858
term deposits and other liabilities	24 598	26 339
Amounts due to budget entities	23 406	20 128
current accounts	19 144	18 214
term deposits and other liabilities	4 262	1 914
Amounts due to individuals	152 984	149 710
current accounts	109 849	105 855
term deposits and other liabilities	43 135	43 855
Repo transactions	650	1 000
Lease liabilities	716	707
Total	260 958	260 742

22. Debt securities issued

Debt securities issued by type

	31.03.2025	31.12.2024
Liabilities from bonds	13 149	14 721
Mortgage bonds	1 426	1 446
Total	14 575	16 167

The Group redeems its own debt securities issued on a timely basis.

23. Provisions

Changes in provisions in the reporting period

I QUARTER 2025	PROVISIONS FOR LITIGATION AND CLAIMS (*)	PROVISIONS FOR DEFINED BENEFIT PLANS	PROVISIONS FOR OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES GIVEN	OTHER PROVISIONS (**)	TOTAL
Opening balance	1 461	314	477	58	2 310
Provision charges/revaluation	59	8	119	-	186
Provision utilization	(43)	(17)	(3)	(2)	(65)
Provision releases	-	-	(157)	-	(157)
Foreign currency exchange differences	(11)	-	-	-	(11)
Other changes	-	-	-	-	-
Closing balance	1 466	305	436	56	2 263
Short term	-	-	42	4	46
Long term	1 466	305	394	52	2 217

(*) Including the provision for legal risk regarding foreign currency mortgage loans in CHF in the amount of PLN 1 314 million (details of this provision are presented in Note 26).

(**) Including provisions for refunds to customers of increased mortgage loan margins before establishing a mortgage in the amount of PLN 51 million as at 31 March 2025.

2024	PROVISIONS FOR LITIGATION AND CLAIMS (*)	PROVISIONS FOR DEFINED BENEFIT PLANS	PROVISIONS FOR OFF-BALANCE SHEET COMMITMENTS AND GUARANTEES GIVEN	OTHER PROVISIONS (**)	TOTAL
Opening balance	970	293	504	189	1 956
Provision charges/revaluation	750	33	346	63	1 192
Provision utilization	(254)	(13)	-	(69)	(336)
Provision releases	(6)	-	(368)	(37)	(411)
Foreign currency exchange differences	1	-	(5)	-	(4)
Other changes	-	1	-	(88)	(87)
Closing balance	1 461	314	477	58	2 310
Short term	-	50	76	4	130
Long term	1 461	264	401	54	2 180

(*) Including the provision for legal risk regarding foreign currency mortgage loans in CHF in the amount of PLN 1 308 million (details of this provision are presented in Note 26).

(**) Including provisions for refunds to customers of increased mortgage loan margins before establishing a mortgage in the amount of PLN 52 million as at 31 December 2024.

24. Contingent commitments and legal claims

Court cases

As of 31 March 2025 the following court cases for payment are pending with involvement of the Group, that are important in view of the value of the object of litigation (against the Group):

- brought by the association – a claim for payment of damages against the Bank and 2 other legal person for damages incurred in connection with irregularities committed by the defendants, according to the association, when offering the purchase of premises and financing the construction of a condohotel. Value of the object of litigation PLN 86.7 million litigation initiation date – 14 November 2022. In the present factual and legal circumstances the Bank assesses the funds outflow risk as possible,
- brought by the receiver for a joint stock company in liquidation bankruptcy – lawsuit for payment of compensation for a damage incurred as a result of the Bank's demanding immediate payment of the amounts due in virtue of payment of the price from the credit receivables transfer agreement and conducting debt enforcement collection of the portion of the price remaining for payment by a court enforcement officer. Value of the object of litigation PLN 57.5 million, litigation initiation date – 30 April 2015. In the present factual and legal circumstances the Bank assesses the funds outflow risk as possible,
- brought by a natural person – lawsuit for payment by the Bank of an amount charged by virtue of settlement of financial future or forward transactions. Value of the object of litigation PLN 38.9 million, litigation initiation date 2 October 2016. On 6 May 2019 the Regional Court in Warsaw issued a sentence ordering the Bank to pay the amount of PLN 3.4 million and as to the remainder the Court dismissed the suit. The sentence is not legally valid. The Bank and the plaintiff appealed against the judgment. On the 16 December 2020 the Court of Appeal in Warsaw quashed the sentence of the Regional Court in its entirety and remitted the case to that Court. In the present factual and legal circumstances the Bank assesses the funds outflow risk in the amount of PLN 35.5 million as possible;
- brought by a natural person – lawsuit for invalidation of the loan agreement and legal collateral agreements and payment of undue benefit, damages and compensation. Value of the object of litigation PLN 30.5 million, litigation initiation date – 22 June 2023. In the present factual and legal circumstances, the Bank assesses the funds outflow risk as possible,
- brought by a legal person – lawsuit for payment of compensation for the loss of value of the leased assets; value of the object of litigation PLN 21 million, litigation initiation date – 10 March 2011, in the present factual and legal circumstances the Bank assesses the funds outflow risk as possible.

None of the litigations pending in I quarter 2025 before the court, authority competent for arbitrary proceedings or a body of public administration posed a threat for financial liquidity of the Group.

The Group created provisions for litigations against the Group entities which, according to the legal opinion, are connected with a risk of the funds outflow resulting from the fulfillment of the obligation. The value of the provisions as at 31 March 2025 is PLN 1 465 million, of which 1 314 million concerns provisions for legal risk related to foreign currency mortgage loans in CHF (PLN 1 461 million as at 31 December 2024 of which 1 308 million concerns provisions for legal risk related to foreign currency mortgage loans in CHF) - details are presented in Note 26.

Litigation against the Group concerning the free credit sanction

As at 31 March 2025 there were 782 proceedings with a total value of PLN 22.7 million in dispute concerning the sanction of a free loan within the meaning of Article 45 of the Act of 12 May 2011 on consumer credit, in which the plaintiffs claim reimbursement of interest and other costs incurred in connection with the conclusion of the loan agreement (as at 31 December 2024 there were 648 proceedings with a total value of PLN 18.5 million). By 31 March 2025, 64 cases were finally concluded, of which in 57 proceedings the judgments were favorable to the Group and in 7 unfavorable (by 31 December 2024, 53 cases were finally concluded, of which in 47 proceedings the judgments were favorable to the Group and in 6 unfavorable).

The Group disputes the validity of the claims raised in these cases. The case law to date has been mostly favorable to the Group.

Proceedings of the Office of the Polish Financial Supervision Authority

On 22 November 2023, the Polish Financial Supervision Authority ('KNF') started administrative proceedings against the Bank that might result in a penalty being imposed on the Bank under Article 176i(1)(4) of the Act on trading in financial instruments. At this stage of the proceedings, the amount of the potential penalty cannot be estimated reliably.

Proceedings of the Office of Competition and Consumer Protection

Proceedings of the President of the Office of Competition and Consumer Protection regarding irregularities in the area of complaints

In a letter of 10 November 2023, the President of the Office of Competition and Consumer Protection ('UOKiK') initiated proceedings against the Bank regarding the Bank's use of practices violating the collective interests of consumers in relation to the complaint handling procedure.

The Bank submitted an application to the President of the Office of Competition and Consumer Protection with a request for a decision under Article 28 of the Act on competition and consumer protection, so-called commitment decision. As at 31 March 2025, the Bank recognizes a provision in the amount of PLN 64.1 million regarding the implementation of the commitment proposal presented to the President of the Office of Competition and Consumer Protection.

Proceedings of the President of the Office of Competition and Consumer Protection regarding unauthorized transactions

On 8 February 2024, the President of the Office of Competition and Consumer Protection initiated proceedings regarding practices violating the collective interests of consumers regarding unauthorized payment transactions and the failure to return by the D+1 deadline.

At this stage, the Bank did not create a provision for these proceedings.

Proceedings of the Office of Competition and Consumer Protection regarding irregularities in the application of the so-called credit holidays

By letter dated 21 January 2025, the Office of Competition and Consumer Protection initiated proceedings against the Bank concerning the Bank's use of practices violating the collective interests of consumers in the scope of suspension of loan repayment (so-called credit holidays).

The Bank was requested to provide additional documents and information. At this stage, the Bank has not recognized a provision for this proceeding.

Explanatory proceedings of the President of the Office of Competition and Consumer Protection regarding antitrust issues

The Office of Competition and Consumer Protection is currently conducting explanatory proceedings against banks aimed at preliminary determination of whether there may have been a violation of the provisions of the Act on the Protection of Competition and Consumers in connection with the assessment of the creditworthiness of customers and the granting of loans or in connection with the activities of payment organizations or banks in the area of determining the amount, settlement or collection of fees related to transactions using ATMs, which could constitute a justification for initiating antitrust proceedings. The Bank is covered by these explanatory proceedings.

Proceedings conducted by the Financial Ombudsman

As at 31 March 2025 the Financial Ombudsman is conducting 72 administrative proceedings against the Bank for failure to respond to customer complaints on time, and the total amount of penalties imposed on the Bank in these proceedings is PLN 0.7 million, of which PLN 0.4 million was paid by the Bank, and in the case of the remaining penalties in the amount of PLN 0.1 million, the Bank filed a request for reconsideration of the cases. The current value of the provision recognized is PLN 0.4 million.

Financial commitments granted

Financial commitments granted by entity

	31.03.2025	31.12.2024
Financial commitments granted		
banks	1 120	581
customers	63 233	60 408
budget entities	1 262	1 160
Total	65 615	62 149

Guarantees issued

Guarantees issued by entity

	31.03.2025	31.12.2024
Issued to banks	1 142	1 110
guarantees	1 008	1 088
securities' underwriting guarantees	-	-
confirmed export letters of credit	134	22
Issued to customers	9 218	9 407
guarantees	8 180	8 291
securities' underwriting guarantees	1 029	1 107
sureties	9	9
Issued to budget entities	235	328
guarantees	33	33
securities' underwriting guarantees	202	295
Total	10 595	10 845

Off-balance sheet commitments received

Off-balance sheet commitments received by entity

	31.03.2025	31.12.2024
Financial receive	2 062	1 396
banks	1 294	986
customers	768	410
budget entities	-	-
Guarantees received	38 415	33 633
banks	10 664	11 366
customers	26 620	21 113
budget entities	1 131	1 154
Total	40 477	35 029

Moreover, the Group has the ability to obtain financing from National Bank of Poland secured securities.

25. Related party transactions

The transactions between the Bank and related parties are typical transactions arising from current operating activities conducted by the Bank. Such transactions mainly include loans, deposits, foreign currency transactions and guarantees. These transactions were concluded on terms that did not differ from market terms.

The credit granting process applicable to the Bank's management and entities related to the Bank

According to the Banking Act, credit transactions with Members of the Bank's Management Board and Supervisory Board, persons holding managerial positions at the Bank, with the entities related financially or organizationally therewith, shall be effected according to Regulation adopted by the Supervisory Board of the Bank.

The Regulation provides detailed decision-making procedures, applicable to transactions with such persons and entities, also defining the decision-making levels authorized to take decisions. In particular, the transactions with the Members of the Bank's Management Board or Supervisory Board or with an entity related therewith financially or organizationally, are subject to decisions taken by the Bank's Management Board and Supervisory Board.

Members of the Bank's Management Board and entities related therewith financially or organizationally may take advantage of credit products offered by the Bank on standard terms and conditions of the Bank. In particular, the Bank may not offer more advantageous credit interest rates to such persons or entities.

Credit risk assessment is performed using the methodology applied by the Bank, tailored to the client's segment and type of transaction.

In case of entities related to the Bank, the standard credit procedures are applied, with transaction-related decisions taken exclusively at level of the Bank's Head Office.

Related party transactions

Related party transactions as at 31 March 2025

NAME OF ENTITY	RECEIVABLES FROM LOANS AND PLACEMENTS	SECURITIES	RECEIVABLES FROM REVALUATION OF DERIVATIVES	OTHER RECEIVABLES	LIABILITIES FROM LOANS AND DEPOSITS	LIABILITIES FROM REVALUATION OF DERIVATIVES	OTHER LIABILITIES
PZU S.A. – the Bank's parent entity	1	-	-	16	243	1	37
Entities of PZU S.A. Group excluding of Bank Pekao S.A. Group entities	20	-	-	16	581	7	1
Associates of Bank Pekao S.A Group entities							
Krajowy Integrator Platności S.A.	-	-	-	-	14	-	-
Key management personnel of the Bank Pekao S.A.	-	-	-	-	2	-	-
Total	21	-	-	32	840	8	38

Related party transactions as at 31 December 2024

NAME OF ENTITY	RECEIVABLES FROM LOANS AND PLACEMENTS	SECURITIES	RECEIVABLES FROM REVALUATION OF DERIVATIVES	OTHER RECEIVABLES	LIABILITIES FROM LOANS AND DEPOSITS	LIABILITIES FROM REVALUATION OF DERIVATIVES	OTHER LIABILITIES
PZU S.A. – the Bank's parent entity	-	-	-	13	356	-	37
Entities of PZU S.A. Group excluding of Bank Pekao S.A. Group entities	18	-	1	9	555	3	-
Associates of Bank Pekao S.A Group entities							
Krajowy Integrator Platności S.A.	-	-	-	-	30	-	1
Key management personnel of the Bank Pekao S.A.	-	-	-	-	2	-	-
Total	18	-	1	22	943	3	38

Income and expenses from transactions with related parties for the period from 1 January 2025 to 31 March 2025

NAME OF ENTITY	INTEREST INCOME	INTERES EXPENSE	FEE AND COMMISSION INCOME	FEE AND COMMISSION EXPENSE	INCOME FROM DERIVATIVES AND OTHER	EXPENSES FROM DERIVATIVES AND OTHER
PZU S.A. – the Bank 's parent entity	-	(5)	25	-	-	(4)
Entities of PZU S.A. Group excluding of Bank Pekao S.A. Group entities	-	(6)	22	-	1	(10)
Associates of Bank Pekao S.A Group entities						
Krajowy Integrator Platności S.A.	-	-	1	-	-	-
Key management personnel of the Bank Pekao S.A.	-	-	-	-	-	-
Total	-	(11)	48	-	1	(14)

Income and expenses from transactions with related parties for the period from 1 January 2024 to 31 March 2024

NAME OF ENTITY	INTEREST INCOME	INTERES EXPENSE	FEE AND COMMISSION INCOME	FEE AND COMMISSION EXPENSE	INCOME FROM DERIVATIVES AND OTHER	EXPENSES FROM DERIVATIVES AND OTHER
PZU S.A. – the Bank 's parent entity	-	(5)	15	-	-	(2)
Entities of PZU S.A. Group excluding of Bank Pekao S.A. Group entities	-	(5)	16	-	-	(9)
Associates of Bank Pekao S.A Group entities						
Krajowy Integrator Platności S.A.	-	-	-	-	-	-
Key management personnel of the Bank Pekao S.A.	-	-	-	-	-	-
Total	-	(10)	31	-	-	(11)

Off-balance sheet financial liabilities and guarantees as at 31 March 2025

NAME OF ENTITY	GRANTED		RECEIVED	
	FINANCIAL	GUARANTEES	FINANCIAL	GUARANTEE
PZU S.A. – the Bank's parent entity	3	15	-	722 (*)
Entities of PZU S.A. Group excluding of Bank Pekao S.A. Group entities	19	10	-	-
Associates of Bank Pekao S.A Group entities				
Krajowy Integrator Platności S.A.	-	2	-	-
Key management personnel of the Bank Pekao S.A.	-	-	-	-
Total	22	27	-	722

(*) A guarantee securing the repayment of a loan granted to one of the Bank's subsidiaries.

Off-balance sheet financial liabilities and guarantees as at 31 December 2024

NAME OF ENTITY	GRANTED		RECEIVED	
	FINANCIAL	GUARANTEES	FINANCIAL	GUARANTEE
PZU S.A. – the Bank's parent entity	3	15	-	737 (*)
Entities of PZU S.A. Group excluding of Bank Pekao S.A. Group entities	17	10	-	-
Associates of Bank Pekao S.A Group entities				
Krajowy Integrator Platności S.A.	-	2	-	-
Key management personnel of the Bank Pekao S.A.	-	-	-	-
Total	20	27	-	737

(*) A guarantee securing the repayment of a loan granted to one of the Bank's subsidiaries.

26. Legal risk regarding foreign currency mortgage loans in CHF

Adopted accounting principles and court proceedings related to foreign currency mortgage loans in CHF

The accounting principles and the line of case law have not changed compared to 31 December 2024, and are described in Consolidated Financial Statements of Bank Pekao S.A. Group for the year ended on 31 December 2024.

Until 31 March 2025, 9 307 thousand individual court cases were pending against the Group regarding foreign currency mortgage loans in CHF, which were granted in previous years, with the total value of the claim in the amount of PLN 3 311 million (as at 31 December 2024, the number of cases was 8.8 thousand, and the corresponding value of the dispute is PLN 3 111 million). The main cause of the dispute, as indicated by the plaintiffs, concerns the questioning of the provisions of the loan agreement with regard to the Bank's application of conversion rates based on the Group's exchange rate Table and results in claims regarding the partial or complete invalidity of the loan agreements. During the 3-month period ended on 31 March 2025, the Bank received 877 unfavorable court judgments in cases brought by borrowers, including 117 final judgments and 16 favorable court judgments, including none of a legally binding nature (in 2024: 2 419 unfavorable court judgments, including 480 final judgments stating the invalidity of the loan agreement and 45 favorable court judgments, including 4 final judgments dismissing).

Court settlement program

On 2 October 2023, the Bank started offering out-of-court settlements under the name '2% safe settlement'. The program applies to borrowers who as of 31 March 2023 had an active mortgage loan agreement denominated in CHF, including those in legal dispute with the Bank.

As part of the settlement, a new debt balance is determined, expressed in PLN and calculated as the loan amount paid by the Bank, increased by contractual interest calculated at a fixed interest rate of 2% per annum and reduced by all repayments made by the borrower until the settlement is concluded. The amount of debt remaining after the settlement bears interest at a fixed interest rate of 2% per annum for the first 60 months, and thereafter in accordance with the Bank's current offer. If the new debt balance turns out to be negative (i.e. there is an overpayment), the Bank refunds the overpaid amount to the borrower.

Until 31 March 2025, the Bank concluded approximately 7.5 thousand settlements. In the second quarter of 2025 the Bank will launch another edition of the program, under which new settlement proposals will be offered to clients. The Bank will analyze the response from clients and appropriately reflect their effect when calculating the level of the legal risk provisions.

Legal risk related to foreign currency mortgage loans in CHF - assumptions and calculation methodology

The calculation of the provision performed by the Group as at 31 December 2025 was based on estimating the expected loss of the Group resulting from the possible materialization of the legal risk of mortgage loans in CHF. The estimate carried out by the Group includes the following key elements:

1) forecast of disputes

The entire forecast of future lawsuits concerns loans denominated, active or fully repaid within the last 10 years.

The Group estimates that in total, i.e. counting the lawsuits that have been and will be brought by borrowers against the Group, approximately 55% (no changes compared to the end of 2024) of the total amount of such loans granted, amounting to CHF 1.6 billion, may be covered by dispute (including approximately 85% for active agreements and approximately 30% for repaid agreements), and the phenomenon of the inflow of lawsuits may remain significant until the end of 2028.

2) the likelihood of losing a court case

According to the opinion of an external law firm, for the denominated loans acquired by the Bank as a result of the acquisition (demerger) of Bank BPH, the Bank estimates the probability that the contractual provisions will be considered abusive at a minimum of 99% (no changes compared to the end of 2024).

3) financial implications of court disputes

The Group assumes that if the court finds the contractual provisions abusive, the resolution of the court dispute will be the invalidation of the loan agreement.

Moreover, additional costs related to the resolution of litigation are recognized and are calculated for the entire portfolio covered by the provision calculation: statutory interest for delay and costs of legal representation.

4) inclusion of a settlement program

If a settlement is reached, the Bank no longer expects a lawsuit under a given contract, what is included in the forecast of future lawsuits. Otherwise, the probability and distribution of resolutions of the court dispute are the same as described in point 1)-3).

The level of the provision set by the Group requires each time the Group adopts many expert assumptions based on professional judgement.

Subsequent rulings and possible sectoral solutions that will appear on the Polish market with regard to foreign currency mortgage loans in CHF may affect the amount of the provision determined by the Group and cause the necessity to change individual assumptions adopted in the calculations. In connection with the above-mentioned uncertainty, it is possible that the amount of the provision will change in the future.

Legal risk related to foreign currency mortgage loans in CHF – results and allocation

As at 31 March 2025 the level of accumulated costs of legal risk regarding mortgage loans in CHF estimated by the Bank amounted to PLN 2 434 million and decreased by PLN 67 million compared to the level as at 31 December 2024.

A summary of the recognition of the provision for legal risk related to foreign currency mortgage loans in CHF in the statement of financial position and income statement is presented in the tables below.

31.03.2025	GROSS CARRYING AMOUNT OF MORTGAGE LOANS IN CHF NET OF THE COST OF LEGAL RISK	ACCUMULATED COSTS OF LEGAL RISK REGARDING MORTGAGE LOANS IN CHF	GROSS CARRYING AMOUNT OF MORTGAGE LOANS IN CHF INCLUDING THE COST OF LEGAL RISK
Loans and advances to customers (adjustment reducing the carrying amount of mortgage loans in CHF)	1 370	1 120	250
Provisions		1 314	
Total		2 434	

31.12.2024	GROSS CARRYING AMOUNT OF MORTGAGE LOANS IN CHF NET OF THE COST OF LEGAL RISK	ACCUMULATED COSTS OF LEGAL RISK REGARDING MORTGAGE LOANS IN CHF	GROSS CARRYING AMOUNT OF MORTGAGE LOANS IN CHF INCLUDING THE COST OF LEGAL RISK
Loans and advances to customers (adjustment reducing the carrying amount of mortgage loans in CHF)	1 470	1 193	277
Provisions		1 308	
Total		2 501	

Changes in the accumulated costs of legal risk regarding mortgage loans in CHF during the period present the tables below.

I QUARTER 2025	LOANS AND ADVANCES TO CUSTOMERS (ADJUSTMENT REDUCING THE CARRYING AMOUNT OF MORTGAGE LOANS IN CHF)	PROVISIONS	TOTAL
Opening balance	1 193	1 308	2 501
Revaluation	(10)	59	49
Utilization (settlement of lawsuits and concluded settlements)	(26)	(42)	(68)
Foreign currency exchange differences	(37)	(11)	(48)
Closing balance	1 120	1 314	2 434

2024	LOANS AND ADVANCES TO CUSTOMERS (ADJUSTMENT REDUCING THE CARRYING AMOUNT OF MORTGAGE LOANS IN CHF)	PROVISIONS	TOTAL
Opening balance	1 734	891	2 625
Revaluation	6	663	669
Utilization (settlement of lawsuits and concluded settlements)	(485)	(247)	(732)
Foreign currency exchange differences	(62)	1	(61)
Closing balance	1 193	1 308	2 501

Sensitive analysis

The Group performed a sensitivity analysis in relation to significant assumptions taken into account in estimating the legal risk of the CHF foreign currency loan portfolio, where a change in the level of individual parameters would have the following impact on the level of accumulated costs related to this risk.

Impact on the provision level in the event of changes to the assumptions (with other elements of the calculation unchanged)

PARAMETR	SCENARIO	IMPACT ON THE PROVISION LEVEL AS AT 31.03.2025	IMPACT ON THE PROVISION LEVEL AS AT 31.12.2024
Forecast of the volume of lawsuits on the active portfolio	+1 p.p.	24	24
	-1 p.p.	(24)	(24)
Forecast of the volume of lawsuits on the repaid portfolio	+1 p.p.	17	17
	-1 p.p.	(17)	(17)
Average length of a dispute	+1 month	7	7
	-1 month	(5)	(5)

27. Basic measures of liquidity

Regulatory liquidity long-term norms and LCR and NSFR (*)

SUPERVISORY LIQUIDITY NORMS		LIMIT	31.03.2025	31.12.2024
LCR	Liquidity coverage ratio	100%	243%	239%
NSFR	Net stable funding ratio	100%	174%	175%

(*) The values of regulatory liquidity ratios have been determined in accordance with the principles set out by the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (as amended) to supplement Regulation No. 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions of 26 June 2013 (as amended).

28. Fair value of financial assets and liabilities

Financial instruments that are measured at fair value in the consolidated statement of financial position of the Group

The process of measuring financial instruments at fair value has not changed significantly in relation to the one described in the Consolidated Financial Statements of the Bank Pekao S.A. Group for the year ended on 31 December 2024.

Assets and liabilities measured at fair value in breakdown by fair value hierarchy levels

31.03.2025	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets:	9 503	8 293	5 777	23 573
Securities held for trading	1 460	309	236	2 005
Derivative financial instruments	-	4 172	-	4 172
Banks	-	1 522	-	1 522
Customers	-	2 650	-	2 650
Hedging instruments	-	616	-	616
Banks	-	177	-	177
Customers	-	439	-	439
Debt securities measured at fair value through other comprehensive income	7 387	3 196	4 195	14 778
Equity instruments designated for measurement at fair value through other comprehensive income	6	-	387	393
Equity instruments mandatorily measured at fair value through profit or loss	-	-	284	284
Assets pledged as security for liabilities	650	-	-	650
Loans and advances to customers measured at fair value through other comprehensive income	-	-	275	275
Loans and advances to customers measured at fair value through profit or loss	-	-	400	400
Liabilities:	750	5 064	-	5 814
Financial liabilities held for trading	750	-	-	750
Derivative financial instruments	-	4 192	-	4 192
Banks	-	1 543	-	1 543
Customers	-	2 649	-	2 649
Hedging instruments	-	872	-	872
Banks	-	39	-	39
Customers	-	833	-	833

Assets and liabilities measured at fair value in breakdown by fair value hierarchy levels

31.12.2024	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets:	8 700	7 557	5 026	21 283
Securities held for trading	912	102	58	1 072
Derivative financial instruments	-	4 221	1	4 222
Banks	-	1 490	-	1 490
Customers	-	2 731	1	2 732
Hedging instruments	-	448	-	448
Banks	-	111	-	111
Customers	-	337	-	337
Debt securities measured at fair value through other comprehensive income	6 439	2 786	3 766	12 991
Equity instruments designated for measurement at fair value through other comprehensive income	4	-	322	326
Equity instruments mandatorily measured at fair value through profit or loss	-	-	272	272
Assets pledged as security for liabilities	1 345	-	-	1 345
Loans and advances to customers measured at fair value through other comprehensive income	-	-	247	247
Loans and advances to customers measured at fair value through profit or loss	-	-	360	360
Liabilities:	1 399	5 339	-	6 738
Financial liabilities held for trading	1 399	-	-	1 399
Derivative financial instruments	-	4 266	-	4 266
Banks	-	1 622	-	1 622
Customers	-	2 644	-	2 644
Hedging instruments	-	1 073	-	1 073
Banks	-	44	-	44
Customers	-	1 029	-	1 029

Change in fair value of financial assets measured at fair value according to Level 3 by the Group

I QUARTER 2025	SECURITIES HELD FOR TRADING	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	EQUITY INSTRUMENTS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	DEBT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	EQUITY INSTRUMENTS DESIGNATED FOR MEASUREMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)
Opening balance	58	1	247	360	272	3 766	322	-
Increases	2 000	-	38	70	65	897	-	-
Reclassification from other levels	2	-	-	-	-	764	-	-
Transactions made in 2025	-	-	33	70	-	-	-	-
Granting	19	-	-	-	-	36	-	-
Purchase	1 979	-	-	-	-	97	-	-
Settlement	-	-	5	-	-	-	-	-
Gains on financial instruments	-	-	-	-	12	-	65	-
recognized in the income statement	-	-	-	-	12	-	-	-
recognized in revaluation reserves	-	-	-	-	-	-	65	-
Decreases	(1 822)	(1)	(10)	(30)	-	(468)	-	-
Reclassification to other level	(56)	-	-	-	-	(301)	-	-
Settlement/Redemption	-	(1)	-	(12)	-	(18)	-	-
Sale	(1 766)	-	-	-	-	(100)	-	-
Losses on financial instruments	-	-	(10)	(18)	-	(49)	-	-
recognized in the income statement	-	-	(3)	(18)	-	(1)	-	-
recognized in revaluation reserves	-	-	(7)	-	-	(48)	-	-
Closing balance	236	-	275	400	284	4 195	387	-
Unrealized income from financial instruments held in portfolio at the end of the period, recognized in:	-	-	(13)	(19)	-	17	-	-
Income statement:	-	-	(6)	(19)	-	(2)	-	-
net interest income	-	-	1	-	-	-	-	-
net allowances for expected credit losses	-	-	(7)	-	-	(2)	-	-
result on financial assets and liabilities held for trading	-	-	-	(19)	-	-	-	-
Other comprehensive income	-	-	(7)	-	-	19	-	-

Change in fair value of financial assets measured at fair value according to Level 3 by the Group

2024	SECURITIES HELD FOR TRADING	DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS)	LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	LOANS AND ADVANCES TO CUSTOMERS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	EQUITY INSTRUMENTS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	DEBT SECURITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	EQUITY INSTRUMENTS DESIGNATED FOR MEASUREMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES)
Opening balance	110	3	82	249	210	4 597	380	-
Increases	1 220	3	200	146	62	1 935	-	1
Reclassification from other levels	54	-	-	-	-	171	-	-
Transactions made in 2024	-	-	185	127	-	-	-	-
Granting	340	-	-	-	-	1 047	-	-
Purchase	824	-	-	-	-	483	-	-
Gains on financial instruments	2	3	15	19	62	234	-	1
recognized in the income statement	2	3	11	19	62	94	-	1
recognized in revaluation reserves	-	-	4	-	-	140	-	-
Decreases	(1 272)	(5)	(35)	(35)	-	(2 766)	(58)	(1)
Reclassification to other level	(21)	-	-	-	-	(982)	-	(1)
Settlement/Redemption	-	(5)	(35)	(35)	-	(11)	-	-
Sale	(1 251)	-	-	-	-	(1 772)	-	-
Losses on financial instruments	-	-	-	-	-	(1)	(58)	-
recognized in the income statement	-	-	-	-	-	(1)	-	-
recognized in revaluation reserves	-	-	-	-	-	-	(58)	-
Closing balance	58	1	247	360	272	3 766	322	-
Unrealized income from financial instruments held in portfolio at the end of the period, recognized in:	-	-	3	19	-	91	-	-
Income statement:	-	-	(1)	19	-	45	-	-
net interest income	-	-	1	2	-	42	-	-
net allowances for expected credit losses	-	-	(2)	-	-	3	-	-
result on financial assets and liabilities held for trading	-	-	-	17	-	-	-	-
Other comprehensive income	-	-	4	-	-	46	-	-

Transfers of instruments between fair value hierarchy levels are based on changes in availability of active market quotations at the end of the reporting periods.

In the period from 1 January to 31 March 2025 the following transfers of financial instruments between the levels of the fair value hierarchy were made:

- from Level 3 to Level 2: corporate bonds which were valued based on information on the prices of comparable financial instruments corporate and municipal bonds and commodity derivative instruments with immaterial impact of the estimated credit parameters on the valuation,
- from Level 2 to Level 3: corporate and municipal bonds and foreign exchange derivative instruments for which impact of estimated credit parameters was material.

Financial instruments that are not measured at fair value in the consolidated statement of financial position of the Group

The process of valuation of financial instruments that are not presented at fair value in the financial statements has not changed significantly in relation to the one described in the Consolidated Financial Statements of the Bank Pekao S.A. Group for the year ended on 31 December 2024.

Assets and liabilities not measured at fair value in the financial statement in breakdown by fair value hierarchy levels

31.03.2025	CARRYING AMOUNT	FAIR VALUE	OF WHICH:		
			LEVEL 1	LEVEL 2	LEVEL 3
Assets					
Cash and cash equivalents	17 230	17 172	5 387	11 766	19 087
Loans and advance to banks	475	475	-	5	470
Loans and advances to customers measured at amortised cost	174 170	174 050	-	5 362	168 688
Corporate (without receivables from finance leases)	79 620	80 033	-	5 257	74 776
Corporate receivables from finance leases	11 716	11 682	-	-	11 682
Mortgage loans to individual clients	69 054	67 873	-	-	67 873
Other loans and advance to individual clients	13 780	14 462	-	105	14 357
Debt securities measured at amortised cost	109 969	109 186	62 703	35 956	10 527
Assets pledged as security for liabilities	-	-	-	-	-
Total Assets	301 844	300 883	68 090	53 089	179 704
Liabilities					
Amounts due to other banks	6 972	7 032	-	1 058	5 974
Amounts due to customers	260 958	260 768	-	1 166	259 602
Debt securities issued	14 575	14 627	-	14 627	-
Subordinated liabilities	2 832	2 831	-	2 831	-
Total Liabilities	285 337	285 258	-	19 682	265 576

Assets and liabilities not measured at fair value in the financial statement in breakdown by fair value hierarchy levels

31.12.2024	CARRYING AMOUNT	FAIR VALUE	OF WHICH:		
			LEVEL 1	LEVEL 2	LEVEL 3
Assets					
Cash and cash equivalents	14 269	14 221	4 461	9 744	16 064
Loans and advance to banks	172	172	-	5	167
Loans and advances to customers measured at amortised cost	174 418	175 222	-	5 152	170 070
Corporate (without receivables from finance leases)	80 843	81 517	-	5 114	76 403
Corporate receivables from finance leases	11 608	11 598	-	-	11 598
Mortgage loans to individual clients	68 712	68 148	-	-	68 148
Other loans and advance to individual clients	13 255	13 959	-	38	13 921
Debt securities measured at amortised cost	115 584	114 318	55 411	49 965	8 942
Assets pledged as security for liabilities	-	-	-	-	-
Total Assets	304 443	303 933	59 872	64 866	179 195
Liabilities					
Amounts due to other banks	7 344	7 287	-	1 732	5 555
Amounts due to customers	260 742	260 664	-	1 204	259 460
Debt securities issued	16 167	16 222	-	16 222	-
Subordinated liabilities	2 782	2 781	-	2 781	-
Total Liabilities	287 035	286 954	-	21 939	265 015

29. Impairment allowances on financial assets, property, plant and equipment, intangible assets or other assets and reversal of such impairment allowances

Details are presented in Notes 10, 11, 15, 16, 18 and 19.

30. Acquisition and sale of property, plant and equipment and commitments for the acquisition of property, plant and equipment

In the period from 1 January to 31 March 2025 the Group acquired 'Property, plant and equipment' amounted PLN 93 million (in 2024 - PLN 454 million), while the value of property, plant and equipment sold amounted to PLN 31 million (in 2024 - PLN 179 million).

In the period from 1 January to 31 March 2025 and in 2024 there have been no property, plant and equipment whose title is restricted and pledged as security for liabilities.

Contractual commitments

As at 31 March 2025 the contractual commitments for the acquisition of property, plant and equipment amounted to PLN 17 million (as at 31 December 2024 - PLN 31 million).

31. Subsequent events

Significant events after the balance sheet date are presented in Note 7.9 'Events after the balance sheet date' of the Report on the activities of Bank Pekao S.A. Group for I quarter of 2025.

29.04.2025 Date	Cezary Stypułkowski Name/Surname	President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
29.04.2025 Date	Marcin Gadomski Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
29.04.2025 Date	Robert Sochacki Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
29.04.2025 Date	Błażej Szczecki Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
29.04.2025 Date	Dagmara Wojnar Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature
29.04.2025 Date	Marcin Zygmantowski Name/Surname	Vice President of the Bank's Management Board Position/Function	The original Polish document is signed with a qualified electronic signature Signature