



BANK MILLENNIUM SPÓŁKA AKCYJNA
(incorporated as a joint stock company in the Republic of Poland)
PLN 1,500,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Temporary Write Down Notes

The PLN 1,500,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Temporary Write Down Notes (the "**Notes**") will be issued by Bank Millennium S.A. (the "**Bank**" or the "**Issuer**") on 22 January 2026 (the "**Issue Date**"). The Notes will bear interest on their Prevailing Principal Amount (as defined in Condition 1 (*Definitions*) under "*Terms and Conditions of the Notes*") from (and including) the Issue Date to (but excluding) 22 January 2031 (the "**First Reset Date**" and, together with each date falling on the fifth anniversary of the previous such date, each a "**Reset Date**") at a rate of 8.875 per cent. per annum. In respect of the period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date (each a "**Reset Period**"), the Notes will bear interest at the applicable Reset Rate of Interest as determined in accordance with Condition 4 (*Interest*) under "*Terms and Conditions of the Notes*". Interest shall be payable in equal instalments semi-annually in arrear on 22 January and 22 July in each year (each an "**Interest Payment Date**"), starting on (and including) 22 July 2026.

Payments on the Notes will be made in zloty (as defined below) without deduction for or on account of taxes imposed or levied by the Republic of Poland to the extent described under Condition 9 (*Taxation*) under "*Terms and Conditions of the Notes*". The Issuer may elect to cancel any interest payment (in whole or in part) at its sole and full discretion, and must cancel payments of interest (i) in the circumstances described in Conditions 5(b) (*Cancellation of Interest - Mandatory Cancellation of Interest – Insufficient Distributable Items*), 5(c) (*Cancellation of Interest - Mandatory Cancellation of Interest – Maximum Distributable Amount*), 5(d) (*Cancellation of Interest - Mandatory Cancellation of Interest – Competent Authority Order*) and 6(a)(iii) (*Write Down and Write Up – Write Down*) and/or (ii) if and to the extent that such payment could not be made in compliance with the Solvency Condition (as defined in Condition 3(f) (*Status and Subordination*)). Any interest (or, as the case may be, part thereof) which is so cancelled will not accumulate or be payable at any time thereafter, no amount will become due from the Issuer in respect thereof and cancellation thereof shall not constitute a default for any purpose on the part of the Issuer.

The Notes and obligations in relation to any related Coupons and Talons resulting therefrom will constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves. In the event of insolvency of the Issuer as set out in the Polish Act of 28 February 2003 – the Bankruptcy Law (the "**Bankruptcy Law**"), the Issuer's liabilities under the Notes shall: (a) rank junior to (i) any liabilities of the Issuer falling into categories 1 to 8 (inclusive) referred to in Article 440(2)(1)-(8) of the Bankruptcy Law (ii) any other present or future liabilities of the Issuer which, in accordance with the Bankruptcy Law, rank senior to Additional Tier 1 Instruments and (iii) any other liabilities of the Issuer which, by law, rank senior to the Issuer's liabilities under Additional Tier 1 Instruments; (b) constitute category 9 liabilities as referred to in Article 440(2)(9) of the Bankruptcy Law and rank *pari passu* among themselves and with any other subordinated obligations which, by law and/or by their terms, to the extent permitted by Polish law, rank *pari passu* with the Issuer's liabilities under Additional Tier 1 Instruments; and (c) rank senior to (i) any liabilities of the Issuer falling into category 10 referred to in Article 440(2)(10) of the Bankruptcy Law, (ii) any other present or future liabilities of the Issuer which, in accordance with the Bankruptcy Law, rank lower than Additional Tier 1 Instruments and (iii) any other subordinated liabilities of the Issuer which by law rank junior to the liabilities of the Issuer under Additional Tier 1 Instruments. The Notes are intended, on the Issue Date, to constitute instruments of the Issuer qualifying as Additional Tier 1 Capital (as defined in the "*Terms and Conditions of the Notes*") of the Issuer and the Group (as defined below).

Upon the occurrence of a Trigger Event (as defined in the Conditions), the Prevailing Principal Amount of each Note will be immediately and mandatorily Written Down by the relevant Write Down Amount and any interest accrued to the relevant Write Down Date (each such term as defined in the Conditions) and unpaid shall be cancelled in accordance with Conditions 6(a) (*Write Down and Write Up – Write Down*) and 6(b) (*Write Down and Write Up – Write Down Amount*). Holders of Notes (the "Noteholders") may lose some or all of their investment as a result of such a Write Down (as defined in the Conditions). Following such a Write Down, the Issuer may, in certain circumstances and at its sole and full discretion, Write Up the Prevailing Principal Amount of each Note in accordance with Condition 6(d) (*Write Down and Write Up – Write Up*). The Notes are perpetual securities in respect of which there is no fixed redemption date or maturity date and the Issuer shall, without prejudice to its ability to effect a Write Down in accordance with Condition 6 (*Write Down and Write Up*), only have the right to redeem or purchase them in accordance with the provisions of Condition 7 (*Redemption and Purchase*). The Issuer may, in its sole and full discretion but subject to the approval of the Competent Authority (as defined in the Conditions), satisfaction of the other conditions to redemption or purchase set out in Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*) and compliance with the Solvency Condition, elect to redeem in whole (but not in part) the Notes at their Prevailing Principal Amount, together with interest accrued and unpaid (excluding interest that has been cancelled in accordance with the Conditions) (i) on the Interest Payment Date falling on 22 January 2031, (ii) on any Interest Payment Date thereafter, (iii) at any time following the occurrence of a Tax Event or a Withholding Tax Event or a Capital Disqualification Event (in each case, as defined in the Conditions) or (iv) at any time where the outstanding aggregate principal amount of the Notes is 25 per cent. or less of the Notes originally issued (and, for these purposes, any Further Notes (as defined in the Conditions) shall be deemed to have been originally issued and any Write Down and/or Write Up of the principal amount of the Notes shall be ignored). The Issuer may also, subject to the approval of the Competent Authority and the satisfaction of the other conditions to redemption or purchase set out in Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*), repurchase the Notes in accordance with the then prevailing Applicable Banking Regulations.

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 6(1) of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority under the Prospectus Regulation, as a prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the Notes. The CSSF has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer.

Applications have been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**EU MiFID II**").

This Prospectus (as supplemented as at the relevant time, if applicable) is valid for a period of twelve months ending on 20 January 2027. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Notes or the time when trading on a regulated market begins, whichever occurs later.

The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). Prospective investors are referred to the section headed "*Prohibition on Marketing and Sales to Retail Investors*" below for further information. Potential investors should read the whole of this document (including all documents and information incorporated by reference), in particular the section entitled "*Risk Factors*". Investors should make their own assessment as to the suitability of investing in the Notes.

The Notes will be in bearer form and in denominations of PLN 1,000,000 and integral multiples of PLN 1,000 in excess thereof up to and including PLN 1,999,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons or talons, which will be deposited on or around the Issue Date with a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**"), without interest coupons or talons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form, each in denominations of PLN 1,000,000 and integral multiples of PLN 1,000 in excess thereof up to and including PLN 1,999,000 and with interest coupons and talons attached. See "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes are expected to be rated Ba3 (hyb) by Moody's Investors Service Cyprus Ltd. ("**Moody's**"). Moody's is established in the EEA and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**"). As such, Moody's is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation. Accordingly, the expected rating to be issued by Moody's in respect of the Notes has been endorsed by Moody's Investors Service Limited in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). Moody's Investors Service Limited is established in the United Kingdom and registered under the UK CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended, the "Securities Act"). The Notes are being offered outside the United States in accordance with Regulation S under the Securities Act ("Regulation S"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Investing in the Notes involves risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations in respect of the Notes are set out under "Risk Factors" below.

Arranger
Morgan Stanley

Joint Bookrunners

**Bank Millennium
Millennium BCP**

**Commerzbank
Morgan Stanley**

Prospectus dated 20 January 2026

CONTENTS

	Page
IMPORTANT NOTICES	5
OVERVIEW	10
RISK FACTORS	20
INFORMATION INCORPORATED BY REFERENCE	53
TERMS AND CONDITIONS OF THE NOTES	56
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	91
USE OF PROCEEDS	93
SELECTED FINANCIAL INFORMATION OF THE ISSUER AND OVERVIEW OF THE GROUP'S FINANCIAL CONDITION	94
CAPITAL ADEQUACY AND DISTRIBUTABLE ITEMS	113
DESCRIPTION OF THE GROUP	115
MARKET AND LEGAL ENVIRONMENT	144
TAXATION	149
SUBSCRIPTION AND SALE	162
GENERAL INFORMATION	165

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

The Issuer has confirmed to Banco Comercial Português, S.A., Bank Millennium S.A., Commerzbank Aktiengesellschaft and Morgan Stanley Europe SE (together, the "**Joint Bookrunners**") that this Prospectus contains all information which is (in the context of the issue, offering and sale of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the issue, offering and sale of the Notes) not misleading in any material respect; and all proper enquiries have been made to ascertain or verify the foregoing.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Joint Bookrunners.

Neither the Joint Bookrunners nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Joint Bookrunner) in connection with the issue and offering of the Notes. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes and should not be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus should subscribe for or purchase any Notes. Each recipient of this Prospectus shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. The Joint Bookrunners have not provided any financial or taxation advice in connection with the Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

The Notes are complex financial instruments and may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should either on its own or with the help of its financial and other professional advisers:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in, or incorporated by reference in, this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including (a) where the currency for principal or interest payments is different from the potential investor's currency, (b) the possibility that any and all interest payments on the Notes may be cancelled and/or (c) that the entire principal amount of the Notes could be lost, including following the exercise of the Bail-in and Loss Absorption Powers by the Relevant Resolution Authority or a Write Down of the Notes (as each term is defined in this Prospectus);
- (iv) understand thoroughly the terms of the Notes, such as the provisions governing Write Down (including, in particular, the CET1 Ratio of the Issuer and the Group, as well as under what circumstances a Trigger Event might occur), and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial, legal or tax adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

An investment in the Notes is not equivalent to an investment in a bank deposit. An investment in the Notes may give rise to higher yields than a bank deposit placed with the Issuer or any of its subsidiaries acting as a deposit-taking bank. However, an investment in the Notes carries risks which are very different from the risk profile of such a bank deposit. The Notes may provide greater liquidity than a bank deposit since bank deposits are generally not transferable. Conversely, unlike certain bank deposits, (i) Noteholders have no ability to require repayment of their investment unless a default occurs and then only in limited circumstances (see "*Terms and Conditions of the Notes*") and (ii) Noteholders will not have the benefit of any insurance or deposit guarantee from any government agency in Poland or elsewhere.

Certain definitions

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area and references to "**USD**" and "**U.S. dollars**" are to United States dollars, "**Swiss Franc**" and "**CHF**" are to the lawful currency of Switzerland, "**PLN**" and "**złoty**" are to the lawful currency for the time being of the Republic of Poland, "**Sterling**" and "**£**" are to pounds sterling and "**euro**", "**EUR**" and "**€**" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

On 19 January 2026, the National Bank of Poland (the "**NBP**") exchange rate between the euro and złoty was EUR 1 – PLN 4.2231, the exchange rate between U.S. dollars and złoty was USD 1 – PLN 3.6331, the exchange rate between the Swiss Franc and złoty was CHF 1 – PLN 4.5476 and the exchange rate between pounds sterling and złoty was GBP 1 – PLN 4.8704.

References to the "**Group**" are to the Issuer and its consolidated subsidiaries.

In this Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Prohibition on Marketing and Sales to Retail Investors

1. The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).
2.
 - (a) In the UK, the Financial Conduct Authority ("**FCA**") Conduct of Business Sourcebook ("**COBS**") requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.
 - (b) By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Joint Bookrunners, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and the Joint Bookrunners that:
 - (i) it is not a retail client in the UK; and
 - (ii) it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of the Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.
 - (c) In selling or offering the Notes or making or approving communications relating to the Notes, you may not rely on the limited exemptions set out in COBS.
3. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Joint Bookrunners, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Bookrunners that:
 - (a) it is not a retail client (as defined in EU MiFID II); and
 - (b) it will not, (i) sell or offer the Notes (or any beneficial interest therein) to retail clients (as defined in EU MiFID II) in the European Economic Area (the "**EEA**") or communicate (including the distribution of the attached Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (within the meaning of EU MiFID II).
4. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or the Joint Bookrunners, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Bookrunners that if it is a purchaser in Singapore, it is an accredited investor or an institutional investor as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")

and it will not sell or offer the Notes (or any beneficial interest therein) to persons in Singapore other than such accredited investors or institutional investors.

5. The obligations in paragraphs 2, 3 and 4 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under EU MiFID II, the UK FCA Handbook or any other applicable laws, regulations and regulatory guidance as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Joint Bookrunners, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**") where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only (but excluding the persons that may be treated as professionals on request), each as defined in EU MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In the UK, the Prospectus is being distributed only to, and are directed only at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), and persons falling within Article 49 of

the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). The Prospectus must not be acted on or relied on in the UK by persons who are not relevant persons. Any investment or investment activity to which the Prospectus relates is available only to relevant persons in the UK and will be engaged in only with such persons.

In connection with the issue of the Notes, Morgan Stanley Europe SE (the "**Stabilisation Manager**") (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this overview.

Issuer:	Bank Millennium S.A.
Joint Bookrunners:	Banco Comercial Português, S.A., Bank Millennium S.A., Commerzbank Aktiengesellschaft and Morgan Stanley Europe SE
Fiscal Agent and Paying Agent:	Banque Internationale à Luxembourg, société anonyme.
Calculation Agent:	Banque Internationale à Luxembourg, société anonyme.
The Notes:	PLN 1,500,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Temporary Write Down Notes
Issue Price:	100 per cent. of the principal amount of the Notes.
Issue Date:	22 January 2026 (the " Issue Date ").
Use of Proceeds:	The net proceeds of the issue of the Notes will be applied by the Issuer for the general corporate purposes of the Issuer, which include making a profit. See " <i>Use of Proceeds</i> ".
Interest:	<p>Subject to Conditions 3(f), 5 and 6, the Notes will bear interest on their Prevailing Principal Amount from (and including) the Issue Date to (but excluding) 22 January 2031 (the "First Reset Date") at the rate of 8.875 per cent. per annum.</p> <p>From and including the First Reset Date (as defined below), subject to Conditions 3(f), 5 and 6 in respect of each Reset Period, the Notes will bear interest on their Prevailing Principal Amount at the rate per annum equal to the relevant Reset Rate of Interest as determined in accordance with Condition 4 (<i>Interest</i>).</p> <p>Interest shall be payable in equal instalments semi-annually in arrear on 22 January and 22 July in each year (each an "Interest Payment Date"), starting on (and including) 22 July 2026.</p>
Optional Cancellation of Interest:	The Issuer may elect at its sole and absolute discretion to cancel (in whole or in part) the interest otherwise scheduled to be paid on any date. See Condition 5(a) (<i>Cancellation of Interest – Optional cancellation of Interest</i>) for further information.
Mandatory Cancellation of Interest:	Interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made if and to the extent that:

- (a) the amount of such interest payment otherwise due (together with any additional amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable), together with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made during the then current Financial Year on the Notes and all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in calculating the amount of Distributable Items), in aggregate would exceed the amount of Distributable Items of the Issuer as at such date;
- (b) the amount of such interest payment otherwise due (together with any additional amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable) together with other distributions of the kind referred to in Article 141(2) of the CRD Directive (or any provision of applicable law transposing or implementing Article 141(2) of the CRD Directive as amended or replaced), or referred to in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated and which are required under prevailing Applicable Banking Regulations to be taken into account for this purpose, in aggregate would cause the Maximum Distributable Amount (as defined in the Conditions) (if any) then applicable to the Issuer and/or the Group to be exceeded; or
- (c) to the extent the Competent Authority orders the Issuer or the Group to cancel such payment.

See Conditions 5(b) (*Cancellation of Interest – Mandatory Cancellation of Interest – Insufficient Distributable Items*), 5(c) (*Cancellation of Interest – Mandatory Cancellation of Interest – Maximum Distributable Amount*) and 5(d) (*Cancellation of Interest – Mandatory Cancellation of Interest – Competent Authority Order*) for further information.

Payments of interest are also subject to the Solvency Condition (see "*Solvency Condition*" below). Following the occurrence of a Trigger Event, the Issuer will also cancel all interest accrued and unpaid up to (but excluding) the Write Down Date (see "*Write Down following a Trigger Event*" below).

Solvency Condition:

Except in the event of a voluntary or involuntary liquidation or bankruptcy of the Issuer, all payments in respect of, or arising from (including any damages awarded for breach of any obligations under), the Notes are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6(a), conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount shall be due and payable in respect of, or arising from, the Notes except to the extent

that the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**"). See Condition 3(f) (*Solvency Condition*).

Status and Ranking:

The Notes and obligations in relation to any related Coupons and Talons resulting therefrom constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* without any preference among themselves.

For regulatory capital purposes, the Issuer intends, on the Issue Date, that the Notes will constitute instruments of the Issuer qualifying, subject to the Competent Authority's approval, as Additional Tier 1 Capital of the Issuer.

In the event of insolvency of the Issuer as set out in the Bankruptcy Law, the Issuer's liabilities under the Notes shall:

- (a) rank junior to (i) any liabilities of the Issuer falling into categories 1 to 8 (inclusive) referred to in Article 440(2)(1)-(8) of the Bankruptcy Law, (ii) any other present or future liabilities of the Issuer which, in accordance with the Bankruptcy Law, rank senior to Additional Tier 1 Instruments and (iii) any other liabilities of the Issuer which, by law, rank senior to the Issuer's liabilities under Additional Tier 1 Instruments;
- (b) constitute category 9 liabilities as referred to in Article 440(2)(9) of the Bankruptcy Law and rank *pari passu* among themselves and with any other subordinated obligations which, by law and/or by their terms, to the extent permitted by Polish law, rank *pari passu* with the Issuer's liabilities under Additional Tier 1 Instruments; and
- (c) rank senior to (i) any liabilities of the Issuer falling into category 10 referred to in Article 440(2)(10) of the Bankruptcy Law, (ii) any other present or future liabilities of the Issuer which, in accordance with the Bankruptcy Law, rank lower than Additional Tier 1 Instruments and (iii) any other subordinated liabilities of the Issuer which by law rank junior to the liabilities of the Issuer under Additional Tier 1 Instruments.

See further Condition 3 (*Status and Subordination*).

Non-cumulative Interest:

Any interest payment (or, as the case may be, part thereof) not paid on any scheduled payment date in accordance with the Conditions as described above shall be cancelled, shall not accumulate and will not become due and payable at any time thereafter, whether in the event of the liquidation or bankruptcy of the Issuer or otherwise. Accordingly, non-payment of any interest (in whole or, as the case may be, in part) in accordance with the Conditions as described above will not constitute a default by the Issuer for any purpose (whether under the Notes or otherwise) and the Noteholders shall have no right thereto whether in the liquidation or bankruptcy of the Issuer or otherwise.

See Condition 5(f) (*Cancellation of Interest – Interest non-cumulative; no default or restrictions*) for further information.

Write Down following a Trigger Event:

If, at any time, it is determined that a Trigger Event has occurred:

- (a) the Issuer shall (unless the determination was made by the Competent Authority), immediately, inform the Competent Authority (or procure that the Competent Authority is informed) of the occurrence of the relevant Trigger Event;
- (b) the Issuer shall, without delay, give the relevant Trigger Event Notice to Noteholders which notice shall be irrevocable;
- (c) any interest which is accrued to the relevant Write Down Date and unpaid shall be automatically and irrevocably cancelled (whether or not the same has become due for payment); and
- (d) the then Prevailing Principal Amount of each Note shall be automatically and irrevocably reduced by the relevant Write Down Amount.

See Condition 6(a) (*Write Down and Write Up – Write Down*) for further information.

Write Up of the Notes at the Discretion of the Issuer:

To the extent permitted in compliance with the Applicable Banking Regulations and subject to any Maximum Distributable Amount (after taking account of (x) any other relevant distributions of the kind referred to in Article 141(2) of the CRD Directive (or any provision of applicable law transposing or implementing Article 141(2) of the CRD Directive, as amended or replaced) or in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated and which are required under prevailing Applicable Banking Regulations to be taken into account for this purpose and (y) the applicable requirements of Article 21.2(f) of the CRR Supplementing Regulation, as amended or replaced)) not being exceeded thereby, the Issuer, to the extent permitted in compliance with the Applicable Banking Regulations, shall have full discretion to reinstate any portion of the principal amount of each Note which has been Written Down and which has not previously been Written Up (such portion, the "**Write Up Amount**"), up to a maximum of its Initial Principal Amount, on a *pro rata* basis and without any preference among themselves and on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any).

Any Write Up of the Prevailing Principal Amount of the Notes may not be made to the extent that the sum of:

- (a) the aggregate amount of the relevant Write Up on all the Notes on the Write Up Date;

- (b) the aggregate amount of any other Write Up on the Notes since the Specified Date and prior to the Write Up Date;
- (c) the aggregate amount of any interest payments paid on the Notes since the Specified Date and which accrued on the basis of a Prevailing Principal Amount which is less than the Initial Principal Amount;
- (d) the aggregate amount of the increase in principal amount of each Written Down Additional Tier 1 Instrument at the time of the relevant Write Up;
- (e) the aggregate amount of any other increase in principal amount of each Written Down Additional Tier 1 Instrument since the Specified Date and prior to the time of the relevant Write Up; and
- (f) the aggregate amount of any interest payments paid on all Loss Absorbing Instruments since the Specified Date and which accrued on the basis of a prevailing principal amount which is less than its initial principal amount,

would exceed the Maximum Write Up Amount. See Condition 6(d) (*Write Down and Write Up – Write Up*) for further information.

Tenor:

The Notes are perpetual securities with no fixed redemption date or maturity date. The Notes may only be redeemed or repurchased by the Issuer in the circumstances below (as more fully described in Condition 7 (*Redemption and Purchase*)).

Waiver of Set-Off:

No holder of the Notes shall be entitled to exercise any right of set-off, netting, counterclaim, abatement or other similar remedy against moneys owed by the Issuer in respect of the Notes, Coupons or Talons.

Form and Denomination:

The Notes will be in bearer form and in denominations of PLN 1,000,000 and integral multiples of PLN 1,000 in excess thereof up to and including PLN 1,999,000. The Notes will initially be in the form of a temporary global note (the "**Temporary Global Note**"), without interest coupons or talons, which will be deposited on or around the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the "**Permanent Global Note**", and with the Temporary Global Note, each a "**Global Note**"), without interest coupons or talons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Notes in definitive form each in denominations of PLN 1,000,000 and integral multiples of PLN 1,000 in excess thereof up to and including PLN

1,999,000 with interest coupons and talons attached. See "*Summary of Provisions Relating to the Notes while in Global Form*".

Optional Redemption:

Subject to Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*), on giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 16 (*Notices*), the Issuer may elect to redeem the Notes in whole, but not in part, (i) on the Interest Payment Date falling on 22 January 2031 or (ii) on any Interest Payment Date thereafter, at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount, together with interest accrued and unpaid to (but excluding) the date fixed for redemption (excluding interest that has been cancelled in accordance with the Conditions). See Condition 7(c) (*Redemption and Purchase – Redemption at the option of the Issuer*).

Redemption as a result of a Capital Event:

Upon the occurrence of a Capital Event in respect of the Notes (but subject to Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*)), the Issuer may, at its option, having given not less than 30 days' nor more than 60 days' notice to the Noteholders redeem all (but not some only) of the Notes at any time at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount together with any interest accrued (excluding interest that has been cancelled in accordance with these Conditions) to but excluding the date of redemption as described in Condition 7(e) (*Redemption and Purchase – Early Redemption as a result of a Capital Event*).

Redemption as a result of an MREL Disqualification Event:

If an MREL Disqualification Event occurs and is continuing (but subject to Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*)), the Issuer may, at its option, having given not less than 15 days' nor more than 30 days' notice to the Noteholders redeem all (but not some only) of the Notes at any time at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount together with any interest accrued (excluding interest that has been cancelled in accordance with these Conditions) to but excluding the date of redemption as described in Condition 7(f) (*Early Redemption due to MREL Disqualification Event*).

Tax Redemption:

In the event of certain tax changes, subject to Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*), the Issuer may redeem the Notes in whole, but not in part, at any time at a redemption amount equal to their Prevailing Principal Amount, together with any interest accrued (excluding interest that has been cancelled in accordance with these Conditions) to but excluding the date of redemption as described in Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*).

Residual Call:

Subject to Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*), if, at any time the outstanding aggregate principal amount of the Notes is 25 per cent. or less of the aggregate principal amount of the Notes originally issued,

the Issuer may redeem all (but not some only) of the remaining outstanding Notes on any date upon giving not less than 15 nor more than 30 days' notice to the Noteholders, at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount together with any accrued and unpaid interest up (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date of redemption as described in Condition 7(d) (*Redemption and Purchase – Issuer residual call*).

Conditions to Redemption, Substitution, Variation or Repurchase

The Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Competent Authority and certain other conditions have been complied with, as described in Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*).

In addition, if the Issuer has elected to redeem the Notes, or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Notes and (i) the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for redemption or purchase, or (ii) prior to the redemption or purchase of the Notes, a Trigger Event occurs, then the relevant redemption notice, or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect.

The Notes may only be redeemed pursuant to Condition 7(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) if the Prevailing Principal Amount of each Note is equal to its Initial Principal Amount.

Enforcement:

In the event of a decision of the competent court declaring the Issuer insolvent, the liabilities under the Notes shall become immediately due and payable under the Bankruptcy Law.

In the event the liquidation of the Issuer is initiated in accordance with the Banking Law, any Noteholder should be paid by the Issuer in accordance with the relevant provisions of Polish law (in particular, subject to the notification of the claim within the time limit specified in the Code of Commercial Companies, if applicable) or liquidation procedures set out or approved by the Competent Authority. If claims are not filed within the time limit specified in the Code of Commercial Companies, the liabilities under the Notes will be subject to satisfaction from the Issuer's assets not yet distributed among the Issuer's shareholders.

For the avoidance of doubt, write-down or conversion of liabilities or any other instrument of compulsory restructuring applied to the Issuer under the Act on the Bank Guarantee Fund (as defined below) shall not give rise to the Notes becoming due and payable or to any other claim of the Noteholder against the Issuer.

For the avoidance of doubt, no amounts shall be due in respect of the Notes if payment of the same shall have been cancelled in accordance

with Condition 3(f), Condition 5, Condition 6(a)(iii), Condition 6(a)(iv) and/or Condition 7(j), and accordingly non-payment of such amounts shall not constitute a default.

Substitution and Variation:

Subject to Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*) and the Applicable Banking Regulations, the Issuer may substitute all (but not some only) of the Notes or vary the terms of the Notes as provided in Condition 18 (*Substitution and Variation of the Notes*) (including changing the governing law of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*)), without any requirement for the consent or approval of Noteholders.

If the Issuer has elected to substitute or vary the terms of the Notes and prior to the substitution or variation of the Notes, a Trigger Event occurs, the relevant substitution or variation notice shall be automatically rescinded and shall be of no force and effect.

Rating:

The Notes are expected to be rated Ba3 (hyb) by Moody's.

Moody's is established in the EEA and registered under the EU CRA Regulation.

Accordingly, the expected rating to be issued by Moody's in respect of the Notes has been endorsed by Moody's Investors Service Limited in accordance with the UK CRA Regulation. Moody's Investors Service Limited is established in the United Kingdom and registered under the UK CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Taxation:

All payments of principal, interest and other amounts in respect of the Notes, Coupons and Talons by or on behalf of the Issuer shall (subject always to Conditions 3(f), 5, 6 and 7(j)) be made free and clear of, and without withholding or deduction for or on account of, any present or

future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Poland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in respect of interest (but not principal or any other amount), the Issuer shall (subject as aforesaid) pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note, Coupon or Talon in certain circumstances. See further Condition 9 (*Taxation*).

Acknowledgement of Bail-in Powers:

Pursuant to Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*), notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for these purposes, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority, as further set out in such Condition.

See Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*) for further information.

For the avoidance of doubt, any potential write-down or cancellation of all, or a portion, of the Amounts Due on the Notes or the conversion of the Notes into shares, other securities or other obligations in connection with the exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority is separate and distinct from a Write Down following a Trigger Event, although these events may occur consecutively.

Acknowledgement of Stay Powers:

Pursuant to Condition 21 (*Recognition of Stay Powers*), each Noteholder, where a resolution measure is taken in relation to the Issuer or any member of the Group which is an EU BRRD undertaking, acknowledges and accepts that the Notes may be subject to the exercise of Stay Powers, acknowledges and accepts that it is bound by the application or exercise of any such Stay Powers, to the extent that the Stay Powers apply to the Notes.

Each Noteholder further acknowledges that application or exercise of the Stay Powers shall not be deemed to be an enforcement event.

See Condition 21 (*Recognition of Stay Powers*) for further information.

Governing Law:

The Notes, the Agency Agreement and the Deed of Covenant, and any non-contractual obligations arising out of or in connection with them, will be governed by English law, except for Conditions 3(a) to (e) (both inclusive) and 3(g) (*Status and Subordination*), Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*) and

Condition 21 (*Recognition of Stay Powers*) which shall be governed by Polish law.

Listing and Trading:

Application has been made to the CSSF to approve this document as a prospectus, and for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

Clearing Systems:

Euroclear and Clearstream, Luxembourg

Selling Restrictions:

See "*Subscription and Sale*".

Risk Factors:

Investing in the Notes involves risks. See "*Risk Factors*".

RISK FACTORS

In purchasing the Notes, investors assume of risk the Bank becoming insolvent or otherwise being unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Bank becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur as the Bank may not be aware of all the relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes.

Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's business, financial condition, results of operations and prospects. The Issuer may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section. Prospective investors should also read the information set out elsewhere in this Prospectus, including the documents incorporated by reference and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they deem necessary, prior to making any investment decision.

RISKS RELATED TO THE ISSUER AND ITS GROUP

Risks relating to the Bank's business activity and industry

Deterioration in Poland's economic conditions could affect the Group's business, financial condition and results of operations

The Group conducts its operations in Poland. As a result, the macroeconomic situation in Poland has a material impact on the business, financial condition and results of the Group's operations.

The economic situation in Poland depends on a number of factors, including measures by which the Polish government attempts to influence the economy, such as setting levels of taxation, expenditures or other regulations. The economic situation in Poland is also influenced by the decisions of the relevant regulatory bodies setting the reference rates and other regulatory ratios concerning the financial sector as well as economic decisions made by the authorities of other countries which are Poland's trade partners or the pace and scale of inflow of funds from the European Union. This includes, among other things, the risk of changes in trade and customs policy by Poland's trading partners. These factors might affect the economic growth in Poland, the situation of the labour market and the financial results of the corporate sector.

A potential prolonged economic slowdown in Poland would materially affect the Group's operations. Higher unemployment and lower consumption, as well as fluctuations in the financial markets (including the currency markets), may adversely affect the financial condition of the Group's customers, which could, in turn, impair the quality and volume of the Group's loans and advance portfolios and other financial assets and result in decreased demand for the Group's products. In addition, in volatile market conditions, the value of assets securing loans already granted or to be granted by the Group, including real estate, may decline significantly.

On 24 February 2022, Russia invaded Ukraine and launched a full scale military attack against Ukraine. As of the date of this Prospectus, Russia is occupying several regions in Ukraine and military operations are conducted in the territory of Ukraine. It is not possible to predict when the war will finish and what will be the result of the war. Any escalation of this conflict may increase market uncertainty and lead to an increase of the Group's funding costs as well as limit the Group's ability to raise funding in the financial markets on terms favourable to the Group. Additionally, any hostile actions, such as cyberattacks, including cyberattacks on financial institutions, and

attempts to sabotage the critical infrastructure in Poland, taken by Russia and its allies, may lead an increased market volatility and may have a negative effect on the Polish economy.

The Group's business, as well as the successful implementation of its strategy, is highly dependent on the financial situation of its customers and their ability to repay existing loans, make deposits and acquire new financial products offered by the Group. The financial situation of Polish households, including the Group's customers, is highly correlated with the unemployment rate. An increase in the unemployment rate in Poland could cause an increase in the Group's expected credit losses or hinder the growth of the Group's loans and advance portfolio. High inflation may also have a negative impact on the creditworthiness of households and lead to a decrease of their disposable income.

A continued economic slowdown in Poland or other factors negatively affecting the situation of individual customers or companies may result in implementation of governmental measures to support these customer groups. These measures may include suspensions of loan repayments, cancellations of loan repayments or caps on charged interest and, as a consequence, may have a material adverse effect on the financial condition of the Group.

The level of risk that is acceptable to customers may also decrease with respect to investments in securities, investment fund units or other investment products offered by the Group. Significant volatility or a deterioration in financial markets may discourage potential customers from buying investment products offered by the Group and current holders may withdraw or reduce their exposure to such products, which may have an adverse effect, in particular, on the Group's fee and commission income.

Any deterioration in economic, business, political and social conditions in Poland may have a material adverse effect on the business, financial condition and operations of the Group.

The Group faces increasing competition in Poland's banking industry

The Group primarily faces competition in its universal banking activities, where its competitors include large Polish and international banks operating in Poland's retail, corporate and investment banking markets.

High levels of competition in the banking industry could also lead to increased pricing pressures on the Group's products and services, which would have a material adverse effect on the business, financial condition and results of the Group's operations. Such competition also extends to the fight for qualified staff in important areas such as IT, digital, risk management and business intelligence.

In addition, in recent years the Polish banking sector has experienced an ongoing trend of consolidation, which may allow certain competitors of the Group to benefit from an increased scale of operations.

The competitive position of banks, including that of the Bank, is also affected by other financial services providers, i.e. entities that are not banks, but which engage in the provision of financial services. While not regulated by the Polish Financial Supervision Authority (in Polish: *Komisja Nadzoru Finansowego*, the "KNF"), these entities may be able to offer potential customers more attractive terms for financial services than regulated banks. As a result, the Polish banking sector is exposed to competition from non-regulated entities.

Moreover, new entrants, such as fintech companies providing online financial services, are also increasingly competing for customers and market share. The developing relationships between fintech companies and traditional banks are a noticeable trend and may have a significant impact on the existing market structure for banking services. New entrants to the financial services market could seek to offer those financial services that are traditionally provided by banks.

These additional competitors are likely to add pressure on margins, especially if they are able to benefit from lower cost structures and less onerous regulatory requirements.

If the Group is unable to maintain its competitive position in the Polish banking sector, this may have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the Group's financial situation

Claims of borrowers under foreign currency mortgage loans, denominated in foreign currencies or indexed to foreign currencies, may adversely affect the Group's financial performance

In the first decade of the 21st century, Polish banks granted a large number of mortgages denominated in foreign currencies or indexed to foreign currencies, in particular Swiss francs (the "**FX Mortgage Loans**"). FX Mortgage Loans were an extremely popular product at that time due to, among other things, low interest rates when compared with PLN interest rates. Due to the rapid appreciation of the Swiss franc, the outstanding PLN equivalent of principal amounts of FX Mortgage Loans increased significantly. For this reason, many FX Mortgage Loan borrowers have decided to bring an action for annulment of their FX Mortgage Loan agreements or some of their provisions. The Bank has a significant portfolio of outstanding FX Mortgage Loans, for a description of this portfolio, disputes concerning this portfolio and certain related legal developments in Poland see: "*Description of the Group - Court claims, current provisions related to foreign currency mortgage loans and events that may impact foreign currency mortgage legal risk and related provision*".

The Court of Justice of the European Union (the "**CJEU**") issued several judgments concerning the FX Mortgage Loans which were favourable to borrowers. The CJEU judgments and increased publicity from law firms representing such borrowers, have led to a significant increase in claims concerning the FX Mortgage Loans brought against the Bank. The courts' verdicts already issued are generally favourable for the borrowers. Almost all of verdicts delivered in respect of such cases declare the loan agreements invalid. If a loan agreement is declared invalid, the lender should return to the borrower all amounts paid by the borrower, including interest and fees. The lender is entitled to demand from the borrower the return of the disbursed principal amount of the loan. The Bank is undertaking legal actions necessary to secure repayment of the disbursed principal of the loan.

The Group has already created significant provisions to cover the risk associated with the FX Mortgage Loans and it cannot exclude the possibility that additional provisions may be required in the future. The provisions have had a material negative effect on the Group's profitability and its capital and other regulatory ratios. Additional provisions may have a material negative effect on the Group's profitability and its capital and other regulatory ratios.

Claims of borrowers concerning the "free loan" sanction may affect the Group's financial performance

Under Polish consumer protection laws, a bank granting a loan to a consumer must include certain information in the relevant loan agreement. The information to be provided to the borrower includes the principal parameters of the loan, interest and fees associated with the loan or the terms on which the loan may be prepaid. If the Bank did not include the required information in the loan agreement, the borrower may repay the loan without any interest or fees, so called "free loan" sanction. Certain borrowers under consumer loans granted by the Bank claim that, when granting a loan, the Bank did not perform its information undertakings towards the borrower arising under Polish consumer protection laws. Certain borrowers under consumer loans or professional entities which acquired claims under the loans from the original borrowers attempt to challenge the loans in courts by claiming that they did not meet the criteria prescribed by Polish consumer protection laws. Polish courts referred some of legal issues raised by the borrowers to the CJEU. The CJEU judgments in these matters may have a significant impact on the manner in which Polish courts adjudicate the cases relating to the "free loan" sanction. As at 30 September 2025, there were 2,073 court proceedings pending against the Group relating to the "free loan" sanction. Up to the date of this Prospectus, most of the judgments issued in these cases were in favour of the Bank and as such, the Bank has not created portfolio provisions for this type of claims.

If Polish courts in the future determine that the "free loan" sanction claims made by the plaintiffs are justified, a large number of borrowers under consumer loans may decide to challenge them in courts. If the results of the

majority of the lawsuits are unfavourable for the Bank, the Group's financial condition and, as a consequence, its capital and other regulatory ratios, may materially deteriorate.

Claims of borrowers under loans with interest rates based on WIBOR may affect the Group's financial performance

The Polish Monetary Policy Council (in Polish: *Rada Polityki Pieniężnej*, the "**MPC**") which is responsible for setting the reference rates in Poland increased the main Polish reference rate in the period from October 2021 to September 2022 from 0.10 per cent. to 6.75 per cent. Although as of the date of this Prospectus the main reference rate is 4.00 per cent., the increase in the reference rates led to an increase of the Warsaw Interbank Offered Rate ("**WIBOR**"), a benchmark which is the basis for determining the interest rate for the majority of floating rate loans denominated in PLN, including outstanding loans granted by the Bank. Certain borrowers under such loans try to challenge the loans in courts by requesting the courts to invalidate the loan agreements in whole or only in relation to the provisions concerning the calculation of interest.

As at 30 September 2025, the Bank has received 211 lawsuits from borrowers under mortgage loans denominated in PLN. The borrowers claim that WIBOR is an incomprehensible factor affecting the borrowers' financial liabilities which a borrower is not able to independently verify. The borrowers challenging the loan agreements also claim that WIBOR does not properly reflect the economic environment, that it is fixed on the basis of artificial data provided by banks and not on the basis of real transactions and assert that the Bank did not provide them with sufficient information on how a floating interest rate may affect the repayments under the loans. As of the date of this Prospectus, there have been three final court decisions resolving a dispute concerning calculation of interest under a loan with an interest rate based on WIBOR and these decisions were in favour of the Bank. In May 2024, a court hearing a dispute concerning a loan agreement with interest rate based on WIBOR decided to ask the CJEU preliminary questions concerning the loan agreement. These preliminary questions refer, in particular, to whether the Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts is to be interpreted as permitting an examination of contractual provisions relating to floating interest rates based on WIBOR. The Advocate General's Opinion of 11 September 2025 in this case held that WIBOR is a "critical benchmark" under the Regulation EU 2016/1011 (the "**EU Benchmarks Regulation**") and that, under Directive 93/13/EEC, national courts cannot assess the methodology behind WIBOR, as this would undermine the harmonised EU regime. Although banks must transparently inform borrowers about the name, administrator, and effects of the benchmark, further disclosure of its calculation process is not required, and insufficient transparency alone does not render a clause unfair - only a significant deviation from market conditions might. The Advocate General also opined that clauses indexed to WIBOR can fall within the scope of Directive 93/13/EEC. Although judgments of the CJEU usually follow the Advocate General's arguments and conclusions, it is not certain that this will be the case in this matter. As of 30 September 2025, in addition to the case described above, preliminary questions have been referred to the CJEU in three other cases. These questions also concern the possibility for the court to examine the WIBOR benchmark during the period prior to the entry into force of the EU Benchmarks Regulation. Although the Bank is not a party to the dispute in which the preliminary questions were asked, the CJEU's responses will be an important guidance for all Polish courts hearing disputes concerning loan agreements with floating interest rate based on WIBOR. If Polish courts in the future determine that loan agreements referencing WIBOR have legal defects, a large number of borrowers under such loans may decide to challenge them in courts. If the results of the majority of the lawsuits are unfavourable for the Bank, the Group's financial condition and, as a consequence, its capital and other regulatory ratios, may materially deteriorate.

The reform of benchmarks may have an adverse effect on the Group's financial performance

Under the EU Benchmarks Regulation, supervised entities other than an administrator that use a benchmark must produce and maintain robust written plans setting out the actions they would take in the event that a benchmark materially changes or ceases to be provided. Where feasible and appropriate, such plans shall nominate one or several alternative benchmarks that could be referenced to substitute for the benchmarks no longer provided, indicating why such benchmarks would be suitable alternatives. The supervised entities must, on request, provide the relevant competent authority with those plans and any updates and shall reflect them in the contractual relationship with clients.

The Bank has a significant portfolio of mortgage loans in PLN where the interest rate is a floating rate being the sum of WIBOR benchmark (with three and six months tenors) and applicable margin, WIBOR may change over time depending on the current quotations on the market and liquidity needs.

In July 2022, the national working group for the reform of benchmarks (the "**Working Group**") was established to determine the benchmark that will replace WIBOR. The Working Group is composed of the representatives of the Ministry of Finance, the NBP, the KNF and the largest Polish financial institutions. On 27 September 2022 the Working Group announced a roadmap for phasing out WIBOR and replacing it with a new benchmark, Warsaw Interest Rate Overnight ("**WIRON**") however, after conducting additional analyses and consultations, WIRON was not implemented as the replacement benchmark for WIBOR; instead, the final replacement for WIBOR will be Polish Short Term Rate ("**POLSTR**"). The roadmap for introducing POLSTR assumes that financial products based on POLSTR will be introduced throughout the year 2026 and WIBOR will cease at the end of 2027.

As of the date of this Prospectus the Group is not able to assess the exact impact of replacing WIBOR with a new benchmark on its financial performance and its operations. However, the Group cannot exclude that replacing WIBOR with a new benchmark may lead to an increase in the Group's financing costs or a decrease in the Group's interest income. The process of WIBOR transition may also result in significant administrative and compliance costs to the Group.

Litigation, administrative or other proceedings or actions may adversely affect the Group's business, financial condition and results of operations

Due to the nature of its business, the Group may be exposed to a risk of court, administrative or other proceedings being instituted against it by customers, employees, shareholders and other persons in connection with its business.

The outcome of litigation or similar proceedings or actions is difficult to assess or quantify. Plaintiffs in these types of actions against the Bank or the Group's companies may seek recovery in large or indeterminate amounts or other remedies that may affect the ability of the Bank or the Group companies to conduct their business, and the magnitude of the potential losses relating to such actions may remain unknown for substantial periods of time. The costs of defending future actions may be significant. There may also be negative publicity associated with litigation against particular Group companies that could damage the reputation of the Group or the particular Group companies concerned, regardless of whether the allegations are valid or whether the Group is ultimately found liable.

As a result, litigation, administrative and other proceedings may adversely affect the Group's business, financial condition and results of operations. In the year ended 31 December 2024, the cost of the Group's provisions for legal claims not related to the legal risk of foreign currency mortgage loans totalled PLN 13.6 million and in the nine-month period ended 30 September 2025 it was PLN 92.7 million, mainly as a result of the Group creating additional provisions for proceedings concerning unauthorised transactions (please see risk factor "*The KNF, the General Inspector for Financial Information or the Office for Competition and Consumer Protection may identify issues during inspections of the Bank in the future which, if not adequately resolved by the Bank, may result in sanctions, fines or other penalties*").

The Group may not be able to improve or sustain its current interest rate margins or commissions on loans

The net interest income achieved by the Group depends to a large extent on the levels of the Group's interest-bearing assets and liabilities and the average interest rates on interest-earning assets and interest-bearing liabilities.

Various factors could affect the Group's ability to maintain credit and deposit margins as well as fees and commissions at current levels. These factors include the evolving regulatory environment, in particular the benchmark reform (for more details please see "*The reform of benchmarks may have an adverse effect on the Group's financial performance*" above), court judgments, especially concerning alleged breaches of consumer protection laws (for more details please see "*Claims of borrowers concerning the 'free loan' sanction may affect*").

the Group's financial performance" above), increasing competition in the market, changing demand for fixed and floating interest rate loans, possible changes in monetary policy conducted by the MPC, the level of inflation, and changes in interest rates on interbank markets.

The Group could suffer decreasing interest rate margins for various reasons, including if:

- market interest rates on floating interest rate loans decline and the Group is unable to offset such an effect by decreasing the rates payable on deposits;
- interest rates payable on deposits increase as a result of additional competition among banks or other factors beyond the Group's control and the Group is unable to offset such an effect by increasing the rates on its loans; or
- increased competition on the market and economic recovery push credit spreads down.

The occurrence of any of the factors listed above could adversely affect the Group's business, financial condition and results of operations.

The Group's IT systems may fail or their security may be compromised

The Group relies heavily on numerous IT systems for a variety of functions, including processing applications, providing information to customers, maintaining financial records and providing crucial financial and market data to the Bank's management board. In addition, the Group uses distribution channels based on an IT platform comprising online banking, mobile banking and call centres.

The Group's activities involve the use and constant development of several IT platforms dedicated to the various segments of the Group. In particular, the business model of the Bank's retail segment, which involves offering banking services through an online transactional system and mobile applications, is significantly dependent on the availability, functionality and security of the Group's IT systems and, as a result of its high reliance on online platforms, it is also particularly exposed to third-party attacks via the internet. Malfunctions, in particular with respect to the use of and interactions between the Group's IT platforms, information leakages, service interruptions or similar events may affect the relationship between the Group and its customers. The Group constantly modifies and enhances the protective measures it takes to counteract these risks. Nevertheless, there is a risk that such measures may not be effective against all threats related to cyber-attacks, taking into account their varying nature and evolving sophistication. A successful attack could result in material losses of client or customer information, damage to computer systems and harm to the Group's reputation, and lead to regulatory penalties or financial losses.

Moreover, programming errors and similar disruptions could impact the Group's ability to serve the needs of its customers on a timely basis, interrupt the Group's operations, damage the Group's reputation or require it to incur significant technical, legal and other expenses. In addition, the integrated IT system or upgraded information technology systems may fail to meet the needs of the Group's growing and changing business.

Should some or all of these risks materialise, this may have an adverse effect on the business, financial condition and results of the Group's operations.

The Group stores and processes significant amounts of personal data and is exposed to a potential breach of personal data protection regulations

As part of its day-to-day operations, the Group stores and processes the personal data of its customers on a large scale. The storage and processing of personal data by the Group must comply with the laws governing personal data protection. From May 2018, following the entry into force of the Regulation (EU) 2016/679 of 27 April 2016 (the "GDPR"), the obligations related to storage and processing of personal data have been substantially expanded. The GDPR imposes obligations and guidelines on companies in the management and processing of

personal data. Administrative fines of up to EUR 20 million, or 4 per cent. of a company's annual turnover, can be imposed for non-compliance with the GDPR.

The Group implemented procedures to ensure compliance with the relevant data protection regulations by its employees and any third-party service providers and also implemented security measures to prevent cyber-theft. However, if the Group or any of its third-party service providers fail to store or transmit customer information in a secure manner, if any loss or wrongful processing of personal customer data were otherwise to occur, or if the Group fails to notify the regulator of personal data breaches, the Group could be subject to investigative and enforcement actions by the relevant regulatory authorities and could be subject to claims or complaints from the person to whom the data relates, or could face liability under data protection laws. Furthermore, any breaches of personal data protection laws may have an adverse effect on the reputation of the Group and as a consequence may have an adverse effect on the business, financial condition and results of operations of the Group.

The Group may fail in implementing its strategy

In October 2024, the Group introduced the strategy for 2025-2028 called "STRATEGY 2028 - Value & Growth". In the strategy the Group defined its financial targets and the strategic priorities for its business. Under the new strategy, the Group intends to further improve its strong position in retail banking. The Group also plans to double the scale of its corporate banking business. During the implementation of these strategic goals, the Group will maintain cost discipline, focus on risk management and strong capital position.

The Group may fail to implement its strategy due to unfavourable market conditions stemming from potential legal and regulatory impediments, an increase in competition from other banks or simply due to unexpected changes in customer behaviour. In addition, some internal factors may cause the Group to fail to attain its strategic objectives, including capital shortages, delays and difficulties in launching new products and solutions in digital banking, shortages in the labour market, delays in implementing solutions to enhance customer service quality, or difficulties in developing the retail or corporate segments. The occurrence of such factors may have a material adverse effect on the business, financial condition and results of the Group's operations.

Material increases in the Group's impairment provisions on loans and advances may have an adverse effect on the Group's business, financial condition and results of operations

In connection with its credit operations, the Group regularly writes down impaired assets and records expected credit losses in the profit and loss account of the Group. The total value of the Group's expected credit losses depends on the volume and type of borrowing activity and standards applied in the banking industry and is calculated based on the three-stage expected credit losses model, reflecting the change in the level of risk that occurs since an exposure was recognised, including losses experienced by the Group adjusted by expected forward-looking information, expectations on defaults in loan payments, the economic situation and other factors connected with the repayment of various loans. It also depends on the risk model applied by the Group, which may prove to be incorrect and result in an incorrect assessment by the Group of the risk associated with its loan portfolios. Although the Bank's Management Board uses its best efforts to establish an appropriate amount of expected credit losses on loans and advances, this determination is subject to the evaluation of credit risk and may be affected by numerous factors. The Group could be required to increase its expected credit losses on loans and advances in the future as a result of increases in non-performing assets or for other reasons. Any material increase in the expected credit losses on loans and advances, any loan losses in excess of the previously determined expected credit losses on loans and advances with respect thereto or changes in the estimate of the provision for expected losses on loans and advances could have an adverse effect on the Group's business, financial condition and results of operations.

The value of the Group's investment and trading portfolios may decrease

The Group's portfolio of securities comprises debt and equity securities. The quality of the Group's portfolio of securities may be affected by macroeconomic factors, the general business environment and developments in the financial markets, and by the creditworthiness and financial position of counterparties to the Group's transactions.

The quality of debt securities held by the Group is dependent on the ability of issuers of the securities to make payments on the securities when due, which in turn may be affected by changes in their financial standing.

As at 30 September 2025, debt instruments issued by the Polish State Treasury, other EU member states and the NBP accounted for 99 per cent. of the Group's debt securities portfolio in investment and trading securities. A decrease in the price of such securities may occur as a result of several factors, in particular: (i) an increased supply of such securities by the Polish government or other EU member states governments due to an increased issue of those securities to finance the budget deficit or an increased offer of securities by investors disposing of them; or (ii) increases in domestic or eurozone interest rates; or (iii) a decrease in the credit ratings for Poland's or other EU member states' sovereign debt; or (iv) increased political risk and a negative perception of Poland or other EU member states by investors. Any decrease in the price of such securities could adversely affect the Group's business, financial condition and results of operations.

The Group's portfolio includes negotiable financial instruments whose daily valuations depend on certain market parameters (such as foreign exchange rates, interest rates, prices of bonds and stocks, stock indices values, futures prices, and implied volatilities of options). As these parameters vary continuously according to market forces, valuations of the financial instruments also change accordingly, which may adversely impact the unrealised results of these portfolios, even though certain components of the market risk of those portfolios are hedged and the trading is carried out within set market risk limits. In addition, market movements may also adversely affect realised results of the trading book. Any occurrence of any of these factors may have an adverse effect on the Group's business, financial condition and results of operations.

The Group has significant exposure to counterparty credit risk in connection with its banking operations

The Group is exposed to counterparty risk arising from the potential inability of its counterparties, including corporate customers, banks and other financial institutions, to fulfil their obligations under transactions and financial instruments entered into with the Group due to a number of factors, including, in particular, bankruptcies, a lack of market or individual customer liquidity, economic downturns, adverse financial and market movements (e.g. in interest rates or foreign currency exchange rates, commodity prices or the implied volatility of foreign exchange options), operational failures and increased economic and political uncertainty. A reduction in the ability of the Group's counterparties to fulfil such obligations, or a default by, or even concerns about the creditworthiness and financial standing of, one or more of the Group's counterparties could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

The Group has substantial assets associated with foreign exchange derivatives which include foreign exchange swaps and forwards conducted with other banking and non-banking clients. These foreign exchange derivatives require the customer to provide collateral if the instrument reaches a prescribed loss level. In the past, due to significant changes in the PLN exchange rate against certain foreign currencies, many customers who have purchased foreign exchange derivatives have been unable to provide the required collateral. These customers have subsequently sought to challenge the validity of the transactions entered into with the Bank in court proceedings. The Bank cannot exclude the possibility that further claims may be raised against the Bank in the future and this could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Although the Group actively manages its liquidity requirements and foreign exchange position and hedges its exposure to foreign exchange and interest rate risks, continued foreign exchange rate volatility of the PLN against foreign currencies could increase the pressure on the Group's counterparties and could lead to increased defaults by the Group's counterparties and further losses incurred by the Group on its foreign exchange derivatives. Such developments could have an adverse effect on the business, financial condition and results of the Group's operations.

Any reduction in the credit rating of the Bank and its subsidiaries could increase its cost of funding and adversely affect its interest margins

Credit ratings affect the cost and other terms on which the Group is able to obtain funding. A reduction in the Group companies' credit ratings could increase the costs associated with its interbank and capital market transactions and could adversely affect the Group's liquidity and competitive position, undermine confidence in the Group, increase its borrowing costs and adversely affect its interest margins. Rating downgrades could also significantly impair the operating business of the Bank, the refinancing costs of the Group and the Bank's eligibility to act as a counterparty to derivative transactions for some market participants.

Rating agencies' assessments are driven by a number of factors, including franchise value, capitalisation, profitability, applicable sovereign ratings, refinancing opportunities and liquidity as well as potential parental support. Pressure on the Bank's credit ratings may arise, for example, in the event of significantly weaker capital generation driven by poorer financial performance, a material deterioration of asset quality in a less favourable business environment or the downgrading of the rating applicable to Poland.

A downgrading in the rating of the Bank and its subsidiaries could increase the financing costs associated with issuances of debt securities by the Bank or transactions on the interbank market and could adversely affect the Group's business, financial condition and results of operations.

The Group's inability to maintain interest rate margins and commissions on loans may result in lower net income and could materially adversely affect the business, financial condition and results of the Group's operations

A high proportion of long-term mortgages in the Group's loan portfolio and the increased level of fixed rate new mortgage loans make it difficult for the Group to adjust its loan margins to market terms whilst any deterioration in residential real estate prices and decreases in the value of collateral provided to the Bank may negatively affect the Group's business, financial condition and/or results of operations.

In accordance with Polish law, neither the Bank nor any member of the Group is able to unilaterally change the terms of granted loans and advances to individuals, including credit margins. As at 31 December 2024, gross housing and mortgage loans to individuals (retail mortgage loans) have constituted a material part (approximately 51 per cent.) of the Group's total gross loans and advances and 64 per cent. of the Group's total gross loans and advances to individuals. As at 30 September 2025, the respective values were 47 per cent. and 61 per cent. As a result, the Group is limited in its ability to change its average credit portfolio margins through the generation of new mortgage loans and advances reflecting current credit margins on the market compared with other financial institutions operating on the Polish market, which have credit portfolios with a larger proportion of short-term loans. This limited ability to re-price its loan portfolio may adversely affect the business, financial condition and results of the Group's operations.

The Group's inability to recover the assumed value of collateral on real estate may result in higher impairment losses and could materially adversely affect the business, financial condition and results of the Group's operations

When granting mortgage loans, the Group assumes a certain level of prices of residential real property securing such loans. If sale prices of residential real property in Poland substantially decline for any reason, the value of the Group's security may be adversely affected and, in cases of foreclosure, the Group may not be able to recover the entire amount of the loan if the borrowers are unable to repay them. In addition, investments in real estate are characterised by low liquidity as compared with other types of investments and such liquidity may further deteriorate in periods of economic downturn. The Group cannot guarantee that if the residential real estate market in Poland deteriorates significantly, the ability to enforce its security in a timely and effective manner would not deteriorate significantly.

The occurrence of any of the factors mentioned above may have a material adverse effect on the business, financial condition, and/or results of operations of the Group.

The Group's risk management methods may prove ineffective at mitigating credit risk

Losses relating to credit risk may arise if the risk management policies, procedures, models and assessment methods implemented by the Group to mitigate credit risk and to protect against credit exposures prove less effective than expected. The Group employs quantitative and qualitative tools and metrics for managing risk that are based on observed historical market behaviour. These tools and procedures may fail to predict future risk exposures, especially in a market characterised by increased volatility and falling prices. Given the Group's variety of lending activities, the risk management systems employed by the Group may prove insufficient in measuring and managing risks.

The occurrence of any of the factors mentioned above may have a material adverse effect on the business, financial condition, and/or results of the Group's operations.

The Group is exposed to operational risk related to its business activities

Operational risk accompanies all processes at banks and its consequences can often be significant. The Group is subject to the risk of incurring losses or unforeseen costs relating to inadequate or failed internal processes, human error, system failures, errors relating to the outsourcing of the performance of certain services to external service providers, and external events. Typical categories of operational loss include errors made during the execution of operations, record-keeping errors, business disruptions (caused by, for example, software or hardware failures and communication breakdowns), fraud (including related to credit cards), legal claims over transactions or operations and damage to assets. In addition, because some of the Group's business transactions are conducted via internet platforms, the Group is exposed to third-party attacks on its IT systems, which could result in financial or reputational loss. The Group utilises a number of IT systems to conduct its operations. Due to the high complexity of interactions and interdependencies among the Group's IT systems, there can be no assurance that these systems will always properly interact with one another or will always effectively ensure error-free and timely transfers of data within the IT structure of the Bank and the Group.

The Group also outsources the performance of certain services, including IT services as well as document consignment services, cash support services, cash processing, and debt recovery to third parties. Additionally, the Bank outsources to external service providers the performance of certain services relating to the sale of retail banking products offered by the Bank. If any of the third parties on which the Bank relies fail to duly perform in accordance with the terms of their agreements with the Bank, then this could result in operational deficiencies or reputational risk for the Group. Furthermore, the Group may be exposed to the risk of liability to its customers and reputational loss if such external providers fail to duly perform their services or, specifically, if they perform their services in breach of applicable law or banking regulations or if they take improper actions which result in an infringement of third-party rights.

Additionally, failures of the Group's operational risk management system to detect or prevent operational problems caused by third parties which prevent them from performing the activities outsourced to them could affect the Group's business, financial condition, results of operations and/or prospects.

The occurrence of any of the events described above could have a material adverse effect on the business, financial condition and results of the Group's operations.

The Group faces liquidity risk

Liquidity risk is the risk that the Bank may be unable to meet its current and future (including contingent) payment obligations as they become due. Liquidity risk may result from internal factors (e.g., the impact of negative publicity or reputational damage, resulting, for instance, in excessive withdrawal of cash by the Bank's clients or

the materialisation of credit risk) and external factors (turbulence and crises in the financial markets, country risk or disruption in the operation of clearing systems).

The Group becomes exposed to liquidity risk when the maturities of its assets and liabilities do not match. In particular, the Group may be exposed to increased liquidity risk as a result of its holdings of real estate mortgage loans, which are long-term assets and which are mostly financed by short-term and on-demand deposits.

Maturity mismatches between the Group's assets and liabilities may have a material adverse effect on the Group's business, financial condition and results of operations if the Group is unable to obtain new deposits or find alternative sources of funding for existing and future loan and advance portfolios.

In terms of current and short-term liquidity risk, if a substantial portion of the Bank's clients withdraw their demand deposits or do not roll over their term deposits on maturity, as would be the case with many other banks, the Bank's liquidity position may be adversely affected. Current liquidity may also be affected by unfavourable financial market conditions. If assets held by the Bank to provide liquidity become illiquid due to unforeseen financial market events or their value drops substantially, in such circumstances the Bank may not be able to meet its obligations as they become due and therefore may be forced to resort to interbank funding, which, in the event of an unstable market situation, may become excessively expensive and uncertain. In addition, the Bank's ability to use such external funding sources is directly connected with the level of credit lines available to the Bank, and this in turn is dependent on the Bank's financial and credit condition, as well as general market liquidity. Additionally, existing collateral may no longer be eligible with the NBP. Further, the required haircuts may increase which would result in a reduced ability of the Bank to raise funds through the repurchase market from the NBP.

A loss of liquidity or an inability to raise sufficient funds to finance its operations, particularly its lending operations, may have an adverse effect on the business, financial condition and results of the Group's operations.

The Group may not be able to hire, train or retain a sufficient number of qualified personnel

The success of the Group's business depends, among other things, on its ability to recruit and maintain qualified personnel. The Group is dependent on high-level management to implement its strategy and day-to-day operations. The Group endeavours to reduce the risk of losing key employees through various measures, including in particular through management and career development measures. Despite these measures, the Group may not succeed in attracting or retaining highly qualified employees in the future. In Poland, there is strong competition for qualified personnel specialised in banking and finance, especially at middle and upper management levels. Competition of this kind may increase the Group's personnel-related costs and make it difficult to recruit and offer incentives to qualified personnel. In addition, the Group's senior management or key employees of the Group's companies may resign or file a termination notice at any time, which could harm the relationships the Group's companies have developed with their customers. The Group's companies may not be able to retain such employees, and if they do resign, the Group's companies may not be able to replace them with persons of the same ability or experience. This could have a material adverse effect on the business, financial condition, results of operations or prospects of the Group.

The Bank is subject to environmental, social and governance risks that could adversely affect its reputation, business, financial condition, results of operations and/or prospects

Regulators, investors and other market participants have been increasingly focusing on environmental, social and governance ("ESG") risks, in particular climate-related risks. The Bank is subject to such risks mainly through its credit portfolio and investments. In recognition of such risks, the Bank has implemented or is in the process of implementing a number of actions, including integrating ESG factors in the risk management process (particularly in credit risk), enhancing sustainability policies and governance, and introducing targets to reduce its fossil fuel exposure and to increase sustainable lending.

However, the Bank cannot guarantee that these actions will be effective in mitigating the relevant risks, nor can it make any assurances that its regulators, investors or other market participants will find its efforts to be sufficient. For example, the Bank may be required to terminate certain existing customer relationships as a result of potential exposure to ESG risks or may be subject to reputational damage if its measures are deemed to be insufficient. In addition, the increased focus on ESG matters may subject the Bank to increased regulatory scrutiny, new disclosure requirements or other additional costs, which could have a material adverse effect on the Bank's business, financial condition, results of operations and/or prospects.

Risks relating to the Group and its relationship with BCP and its affiliates (the "BCP Group")

BCP holds corporate control over the Bank

As at the date of this Prospectus, Banco Comercial Português S.A. (the "**BCP**") holds 607,771,505 shares, representing 50.10 per cent. of the Bank's share capital, which gives BCP the right to exercise 50.10 per cent. of the total number of votes at the Bank's General Meeting.

BCP is able to exercise corporate control over the Bank due to its share in the capital of the Bank and in the total number of votes at the Bank's General Meeting. In particular, BCP has majority voting power at the Bank's General Meeting, and thus has a decisive voice regarding major corporate decisions, such as amendments of the Bank's Articles of Association, the issuance of new shares of the Bank, decreases in the Bank's share capital, the issuance of convertible bonds and the payment of dividends. In addition, BCP holds a sufficient number of votes to appoint a majority of members of the Bank's Supervisory Board, which, in turn, appoints the members of the Bank's Management Board. As a result, BCP has the ability to exercise considerable control over the Bank's operations.

If there is a conflict between the interests of BCP and the interests of the Group, this could have an adverse effect on the business, financial condition and results of the Group's operations.

The Bank's shareholders are not required to support the Bank

The Bank is an independent entity from its principal shareholder, i.e. BCP. BCP is not obliged to provide support and finance to the Group in the future, in particular to subscribe for newly issued shares in any future equity offering or to ensure debt financing for the Group. If the Bank needs further equity injections or debt financing, or if a significant decrease in BCP's shareholding in the Bank in the future were to occur, the lack of financial support from BCP may have a negative reputational effect on the Group. A loss of control over the Bank by BCP in the future might also lead to negative consequences resulting from the agreements (if any) based on which the Group obtained debt financing, in particular the potential necessity to repay such debt financing earlier, should BCP cease to be the Bank's majority shareholder. The occurrence of any of these situations may have a material adverse effect on the Group's business, financial condition and results of operations.

Risks related to legal and regulatory environment

Changes to or an increase in the regulation of the financial services and banking industry in Poland and internationally could have an adverse effect on the Group's business

Regulations governing the banking and financial services industries in Poland and internationally are likely to increase, particularly in the current market environment where supervisors have recently moved to tighten regulations governing financial institutions. As a result of these and other ongoing and possible future changes in the financial services regulatory landscape (including requirements imposed on the Group as a result of governmental or regulatory initiatives, such as the recommendations of the European Banking Authority, the European Central Bank or other bodies of the European Union, the recommendations of the KNF, new or updated regulations from the Basel Committee on Banking Supervision or regulations issued by the Polish General Inspector for Financial Information regarding the prevention of money laundering and the financing of terrorism), the Group may face more onerous regulatory requirements in Poland. Compliance with such changes may increase its capital requirements and costs, heighten disclosure requirements, hinder its ability to enter into or carry out

certain types of transactions, affect the Group's strategy and limit or require modification of the rates or fees that it charges on certain loan and other products, any of which could lower the return ratio on its investments, assets and equity. The Group may thus face increased compliance costs and limitations on its ability to pursue certain business opportunities.

As a result of new recommendations from the KNF, as well as other possible changes in existing recommendations and the issuance of new recommendations affecting supervision, the Bank may become subject to more onerous and strict supervision, increased capital adequacy requirements, changes in its risk model and risk management or be required to incur additional costs, and could be subject to restrictions on certain types of transactions. For example, on 15 July 2024, the KNF approved a recommendation concerning a "long-term financing ratio". The purpose of this recommendation is to encourage Polish banks to increase the share of long-term debt instruments, including covered bonds, in their financing structure. According to the KNF, changing the banks' financing structure will reduce the maturity mismatch between banks' assets and liabilities. It is possible that because of an increased supply of debt securities issued by Polish financial institutions, the Group may in the future have difficulties in placing its own debt securities on less favourable terms than it has done historically.

The occurrence of any of the above-mentioned factors may affect the Group's strategy, its growth potential, its fees and commissions and profit margins and, consequently, could have a material adverse effect on its business, financial condition and results of operations.

Interpretation of Polish tax law regulations may be unclear and Polish tax laws and regulations may change

The Polish tax system is subject to frequent changes. Some provisions of Polish tax law are ambiguous and often there is no unanimous or uniform interpretation of law or uniform practice by the tax authorities. Because of different interpretations of Polish tax law, the risk connected with Polish tax law may be greater than that under other tax jurisdictions in more developed markets. The Bank cannot guarantee that the Polish tax authorities will not take a different, unfavourable, interpretation of tax provisions implemented by the Bank or any Group member, which may have an adverse effect on the business, financial condition and results of operations of the Group.

For example, on 1 January 2026, substantial changes to the tax regime for banks in Poland will come into force. The corporate income tax rate is set to increase from 19 per cent. to 30 per cent. in 2026, then gradually decline to 26 per cent. in 2027 and 23 per cent. from 2028. In parallel, the rate of the tax on assets of financial institutions, which is currently set at 0.0366 per cent., would be reduced by 10 per cent. in 2027 (to 0.0329 per cent.) and by 20 per cent. from 2028 (to 0.0293 per cent.).

The Bank and the Group may be unable to satisfy its or their required minimum capital adequacy ratios or minimum requirement for eligible liabilities

Increasing capital requirements constitute one of the Bank's main regulatory challenges and they may adversely affect the Bank's profitability. In addition, there would be significant regulatory risk in the event of any possibility of failure to maintain required capital levels.

The adequacy assessment of the Group's capital base (including, among others, the calculation of capital ratios and the leverage ratio, own funds and the total capital requirement and minimum requirement for own funds and eligible liabilities ("MREL")) is made according to a number of European and Polish regulations, including the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (as amended, the "Capital Requirements Directive") and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 with further amendments on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (as amended, the "CRR" and, together with the Capital Requirements Directive, the "CRD").

The CRD introduced a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which were set out in Basel III.

The minimum levels of mandatory capital adequacy ratios applicable to the Bank are described in *Description of the Group – Capital management*. On the date of this Prospectus, the capital adequacy ratios reported by the Bank, including the additional Pillar 2 Guidance, were above the minimum levels required by KNF on both the individual and consolidated levels. However, certain developments could affect the Group's ability to continue to satisfy the minimum capital adequacy requirements, including:

- an increase in the Group's total risk exposure amount as a result of the rapid expansion of its business or depreciation of the PLN against the foreign currencies in which a part of the Group's assets are denominated;
- deterioration of asset quality leading to a higher level of regulatory expected loss, which would cause an increased amount of capital deductions;
- the Bank's ability to raise capital;
- losses resulting from an increase in legal risk provisions and costs, a deterioration in the Group's asset quality, a reduction in income levels, an increase in expenses or a combination of all of the above;
- a decline in the values of the Group's securities portfolio;
- changes in accounting rules or in the guidelines regarding, among others, the calculation of the regulatory risk parameters and calculation of the capital adequacy ratios of banks; and
- additional capital requirements or changes in the minimum capital requirements imposed by the Bank's regulator.

In addition, the Group may be required to raise additional capital if the applicable regulations or the regulators supervising the Group increase the minimum capital ratios applicable to the Group. For example, the further changes to the Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (so called "CRR 3") or the Polish Ministry of Finance reinstating the systemic risk buffer for Polish banks may require the Group to raise additional capital. The Group's ability to raise additional capital may be limited by numerous factors, including:

- the Group's future financial condition, results of operations and cash flows;
- any necessary government regulatory approvals;
- the financial condition of the Bank's majority shareholder and the legal and regulatory requirements imposed on the Bank's majority shareholder;
- financial market disruptions;
- the Bank's credit rating;
- general market conditions for capital-raising activities by commercial banks and other financial institutions; and
- domestic and international economic, political and other conditions.

A breach of existing laws relating to minimum capital adequacy ratios or the Group's MREL ratios may result in entities in the Group being subject to administrative sanctions, which may result in an increase in the operating costs of the Group, loss of reputation, and may, consequently, have an adverse effect on the business, financial condition and results of the Group's operations. The Group may also be subject to restrictions on its ability to pay

discretionary distributions to holders of Tier 1 capital which may have an adverse effect on the Group's ability to raise capital or funding to support its operations.

The Bank Recovery and Resolution Directive implemented into Polish law may adversely affect the Group's business, financial condition, results of operations or prospects

Based on the reform measures developed by the Financial Stability Board (Effective Resolution of Systemically Important Financial Institutions) and Basel III, the European Parliament and the Council of the European Union adopted the BRRD. The aim of the BRRD is to minimise the burden on taxpayers in the event of failures on the part of banks to meet their obligations while ensuring that shareholders and creditors bear the costs thereof.

Under the BRRD, the resolution authorities are vested with the necessary powers to apply resolution tools to institutions that meet the applicable conditions for resolution. The resolution tools include, inter alia, the instrument of "bail-in", which gives resolution authorities the power to write down the claims of the unsecured creditors of a failing institution and to convert debt claims to equity without the consent of the creditors. The resolution authorities are also vested with the power to write down "relevant capital instruments" in full and on a permanent basis or to convert them in full into Common Equity Tier 1 instruments before any resolution action is taken if and when one or more specific circumstances apply, such as the determination by the relevant resolution authority that the institution meets the conditions for resolution and that the institution concerned has reached the point of "non-viability". A write-down follows the allocation of losses and in reverse order to the order in which claims are settled in bankruptcy proceedings so that equity absorbs the losses in full before any debt claim is subject to write-down.

Under the BRRD, the costs of resolution are to be borne by the banking sector. The Member States should set up their own financing arrangements funded with contributions from banks and investment firms made by those entities proportionally to their liabilities and risk profile. Banks ought to contribute annually in relation to their share of specific liabilities in the total size of the national financial sector to reach a target funding level of at least 1 per cent. of deposits (over a ten-year period). If the ex-ante funds are insufficient to cover the resolution of a financial institution, further contributions will be raised ex-post.

The relevant regulations of the BRRD were implemented in Poland under the Act dated 10 June 2016 on the Bank Guarantee Fund, the Deposit Guarantee Scheme and Mandatory Restructuring (the "**Act on the Bank Guarantee Fund**"). The Act on the Bank Guarantee Fund modified the legal framework of the deposit guarantee scheme in Poland operated by the Bank Guarantee Fund (in Polish: *Bankowy Fundusz Gwarancyjny*, "**BGF**") and developed a framework allowing for the orderly resolution of financial institutions. The Act on the Bank Guarantee Fund also repealed the existing restructuring and support measures under Polish law to bring the relevant provisions in line with the BRRD framework. In this respect, the Act on the Bank Guarantee Fund amended several other related legal acts, including legislation on financial instruments, insolvency, financial market supervision and recapitalisation of financial institutions. The Bank must comply with the Act on the Bank Guarantee Fund and has adjusted its operations to comply with the new requirements.

The introduction of the new regulations and the resulting changes in the regulatory requirements may have an adverse effect on the Group's business, financial condition and results of operations.

The Bank may be required to make substantial mandatory contributions, including contributions to the Bank Guarantee Fund and the Borrowers' Support Fund

Under the provisions of the Act on the Bank Guarantee Fund, the Bank is a member of a mandatory guarantee scheme and is obliged to contribute to a deposit guarantee fund and a resolution fund.

Since 2017, the amount of contributions to the bank guarantee fund and the resolution fund is calculated by the BGF individually for each bank. Contributions to the deposit guarantee fund are paid quarterly. The basis for calculating contributions for a given quarter is the value of the covered deposits in a bank, at the end of the quarter immediately preceding the quarter to which the contribution relates. Contributions to the banks' resolution funds

are paid once a year. The basis for calculating contributions is the sum of a bank's liabilities (net of own funds and covered deposits) as at the last approved annual financial statements before 31 December of the year preceding the year of contribution and the institution's risk profile, taking into account the risk assessment in the areas of risk exposure, stability and diversity of funding sources, importance of the institution to the stability of the financial system or the economy, and additional indicators defined at the national level.

In the nine-month period ended 30 September 2025 the value of the Group's BGF contribution for both funds amounted to PLN 131 million, compared to PLN 61 million in the nine-month period ended 30 September 2024. For the year ended 31 December 2024, the value of the Group's BGF contribution for both funds amounted to PLN 60.9 million, compared with PLN 60.0 million in 2023. Additionally, in 2022 the Bank contributed PLN 276 million to the institutional protection scheme established by the Bank and seven other Polish commercial banks. The Bank made no contributions to the institutional protection scheme in 2023 and 2024.

Due to the relatively large scale of the Bank's operations, if a member of the mandatory guarantee scheme were to declare bankruptcy, the Bank may be obliged to make additional payments to the BGF.

The Group may fail to comply with, or be subject to changes in, certain regulatory requirements applicable to banking and other regulated business, or with the guidelines set forth by the financial supervisory authorities on the markets where the Group is present

Apart from its banking operations, the Group also renders other regulated financial services and offers transactional banking products, products relating to the market for financial instruments and insurance products that are subject to the supervision of the KNF, the authority supervising financial markets, including the banking sector in Poland and other relevant authorities in the jurisdictions where it operates. The scope of supervision and regulation of these products and services is also dependent on directives and regulations issued by European regulatory authorities.

The increasing number and ambiguity of certain regulatory requirements, and their application to the Group in the markets where the Group is present, together with changes to the regulatory requirements and guidelines, has placed an increased burden on the Bank and other Group entities to amend their internal policies and procedures to meet the requirements of the competent supervisory authorities and EU directives and regulations, which in some cases may have led to instances of non-compliance of the Bank and other Group entities. In addition, the requirements and obligations stemming from different jurisdictions and the application thereof may be unclear and contradictory and in some cases may have led to instances of non-compliance by the Bank and other Group entities.

Uncertainty with regard to the new rules and guidelines during the period in which they are implemented in the jurisdictions relevant to the Group, as well as potential further changes to European or Polish banking regulations, may impact the Group's ability to access capital or carry out certain business activities.

A failure to satisfy these requirements may expose the Bank or other Group entities to sanctions, fines and other penalties, which may have a material adverse effect on the business, financial condition and results of the Group's operations.

The KNF, the General Inspector for Financial Information or the Office for Competition and Consumer Protection may identify issues during inspections of the Bank in the future which, if not adequately resolved by the Bank, may result in sanctions, fines or other penalties

In the course of its activities, the Group is subject to numerous inspections, reviews, audits and explanatory proceedings conducted by various supervisors who oversee the financial services sector and other areas in which the Group operates, including the KNF, the General Inspector for Financial Information and the Office for Competition and Consumer Protection. Each year, the Bank is subject to various types of supervisory interactions in the form of inspections and other control activities. Recommendations issued by the supervisory authorities as

a result of these activities are implemented in accordance with the schedules declared by the Bank and accepted by the supervisory authorities.

If any irregularities are found by these supervisory authorities and the Bank fails to remedy them (provided that such possibility is given) the Bank may be exposed to sanctions, fines and other penalties as prescribed by the Act dated 29 August 1997 Banking Law (the "**Banking Law**"), anti-money laundering and consumer protection regulations. This could affect the business, financial condition and results of the Group's operations.

For example, the President of the Office of Competition and Consumer Protection (*Urząd Ochrony Konkurencji i Konsumentów*, the "**OCCP**") is conducting proceedings against several Polish banks, including the Bank, concerning the use of practices infringing the collective interests of consumers as regards the so-called "unauthorised transactions", i.e. banking transactions executed by customers which were not properly authorised as a result of, for example, fraud or cyber-attacks. According to the President of the OCCP, the manner in which the Bank handled its customers' complains concerning unauthorised transactions may have breached Polish consumer protection laws. The Bank is exploring the possibility of entering into an arrangement with the President of the OCCP. In connection with these proceedings, as at 30 September 2025, the Bank recognised a provision of PLN 82 million, which is based on the estimated outflow of funds.

RISKS ASSOCIATED WITH THE NOTES

Risks relating to the structure of the Notes

The Notes are subordinated to most of the Issuer's liabilities

The Notes constitute unsecured and deeply subordinated obligations of the Issuer.

In the event of the insolvency of the Issuer, the claims of the holders of its senior debt and its obligations to most of its other creditors (including holders of Tier 2 Capital instruments and other unsecured and subordinated creditors but excluding any other obligations that by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the holders of the Notes) will be satisfied (after covering the costs of and other payments relating to bankruptcy proceedings) before any payments on the Notes. In addition, payment of principal or interest in respect of the Notes cannot be made in respect of the Notes except to the extent that the Issuer could make such payment and still satisfy the Solvency Condition immediately thereafter. Furthermore, pursuant to the amendments introduced by BRRD II all claims resulting from the Group's own funds items (such as the Notes) shall have, in relevant insolvency proceedings, a lower priority ranking than any claim that does not result from an own funds item. For the purposes of the previous sentence, to the extent that an instrument is only partly recognised as an own funds item, the whole instrument shall be treated as a claim resulting from an own funds item and shall rank lower than any claim that does not result from an own funds item. This means that, regardless of their contractual ranking, liabilities that are no longer at least partially recognised as an own funds instrument for the purpose of the CRR shall rank senior to any liabilities fully or partially recognised as an own funds instrument. Accordingly, claims of the holders of the Notes will have, in any bankruptcy proceedings carried out in respect of the Group, a lower priority ranking than any claims that do not result from own funds items in accordance with the provisions of BRRD II, even if the Notes are only partly recognised as an own funds item of the Group. In any of the above situations, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Notes. Furthermore, if the Issuer does have remaining assets thereafter, any claim in respect of the Notes will be for the Prevailing Principal Amount of the Notes held by a Noteholder, which, if the Notes have been Written Down and not subsequently Written Up to the Initial Principal Amount at the time of claim, will be less than par. As such, although the Notes may pay a higher rate of interest than Tier 2 Capital instruments and notes which are not subordinated, there is a substantial risk that investors in the Notes will lose all or some of the value of their investment should the Issuer become insolvent. See also "*The Group may be subject to statutory resolution*".

The Issuer may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Notes

The Issuer may at any time (but subject to the requirement for mandatory cancellation of interest pursuant to Conditions 3(f), 5(b), 5(c), 5(d) and 6(a)(iii)) elect, in its sole and absolute discretion, to cancel any interest payment (in whole or in part) on the Notes otherwise scheduled to be paid on any date.

The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations. Additionally, as reflected in the Terms and Conditions of the Notes (the "**Terms and Conditions of the Notes**"), the Competent Authority has the power (including under Article 104 of the CRD Directive) to restrict or prohibit payments by an issuer of interest to holders of Additional Tier 1 Instruments (such as the Notes).

It is the Issuer's intention that, whenever exercising its discretion to declare any distribution in respect of its ordinary shares, or its discretion to cancel interest on the Notes or any other Additional Tier 1 Instruments, it will take into account the relative ranking of these instruments in its capital structure. The Issuer reserves the right to depart from this intention at its sole discretion at any time and in any circumstance.

Furthermore, interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made if and to the extent that payment of such interest otherwise due (together with any additional amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable) would, (A) together with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made during the then current Financial Year on the Notes and all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate would exceed the amount of Distributable Items of the Issuer as at such date, (B) result in the Solvency Condition not being satisfied with respect to payment of such interest amount (or part thereof), or (C) cause, when aggregated with other distributions of the kind referred to in Article 141(2) of the CRD Directive (or any provision of applicable law transposing or implementing Article 141(2) of the CRD Directive as amended or replaced, including Article 56 of the Macroprudential Supervision Act (as defined in the Conditions)), or referred to in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated if the Issuer and/or the Group is failing to meet any relevant requirement or any buffers relating to such requirements, to the extent then applicable, the Maximum Distributable Amount then applicable to the Issuer and/or the Group to be exceeded.

Under Article 141(2) (*Restrictions on distributions*) of the CRD Directive, EU Member States must require that institutions that fail to meet the combined buffer (broadly, the combination of the capital conservation buffer, an institution-specific countercyclical capital buffer and either the higher of (depending on the institution), the systemic risk buffer, the G-SII buffer and the O-SII buffer or a combination thereof, in each case as applicable to the institution) will be subject to restricted discretionary payments (which are defined broadly by CRD as distributions in connection with CET1 Capital, payments on Additional Tier 1 Capital instruments (including interest amounts on the Notes) and payments of discretionary staff remuneration).

In the event of a breach of the combined buffer, the restrictions under Article 141(2) of the CRD Directive will be scaled according to the extent of the breach of the combined buffer and calculated as a percentage of the institution's profits. Such calculation will result in a Maximum Distributable Amount in each relevant period. As an example, the scaling is such that in the bottom quartile of the combined buffer, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the combined buffer, it may be necessary to reduce payments that would, but for the breach of the combined buffer, be discretionary, including potentially exercising the Issuer's discretion to cancel (in whole or in part) interest payments in respect of the Notes. In such circumstances, the aggregate amount of distributions which the Issuer can make on account of dividends, interest

payments, write-up amounts and redemption amounts on its Tier 1 instruments (including the Notes) and certain bonuses will be limited.

Any interest payment (or, as the case may be, part thereof) not paid on any scheduled payment date in accordance with the Terms and Conditions shall be cancelled, shall not accumulate and will not become due or payable at any time thereafter. A cancellation of interest in accordance with the Terms and Conditions will not constitute a default of the Issuer under the Notes for any purpose, nor shall it impose any contractual restrictions (such as dividend stoppers) or any other obligation on the Issuer. Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price (if any) of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's or the Group's financial condition. Any indication that the CET1 Ratio of the Issuer and/or the Group is trending towards the combined capital buffer requirement (the level at which the Maximum Distributable Amount restriction under the CRD Directive becomes relevant) may have an adverse effect on the market price of the Notes.

The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Notes

Interest otherwise due on an Interest Payment Date will not be due (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, if and to the extent that the amount of such interest payment otherwise due, when aggregated with other relevant stipulated payments or distributions, exceed the Distributable Items of the Issuer.

Distributable Items are defined under Article 4(1)(128) of the CRR as follows: "*the amount of the profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose, before distributions to holders of own funds instruments, less any losses brought forward, any profits which are non-distributable pursuant to Union or national law or the institution's by-laws and any sums placed in non-distributable reserves in accordance with national law or the statutes of the institution, in each case with respect to the specific category of own funds instruments to which Union or national law, institutions' by-laws, or statutes relate; such profits, losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts*".

As at 31 December 2024, the Issuer had Distributable Items of PLN 4,807.5 million on a solo basis. The level of the Issuer's Distributable Items and available funding, and therefore its ability to make interest payments under the Notes, are a function of the Issuer's existing Distributable Items, the future profitability of the Issuer and other members of the Group and the ability of the Issuer's operating subsidiaries to distribute or dividend profits up the Group structure to the Issuer. In addition, the Issuer's Distributable Items available for making payments to Noteholders may also be adversely affected by the servicing of other instruments issued by the Issuer or by Group subsidiaries.

The level of the Issuer's Distributable Items may be further affected by changes to regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Items in the future.

Further, the Issuer's Distributable Items and its available funding, and therefore the Issuer's ability to make interest payments under the Notes, may be adversely affected by the performance of the business of the Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control. Adverse changes in the performance of the business of the Group could result in an impairment of the carrying value of the Issuer's investment in the Group, which could affect the level of the Issuer's Distributable Items. In addition, adjustments to earnings, as determined by the Board, may fluctuate significantly and may materially adversely affect Distributable Items.

In addition, the ability of the Issuer's subsidiaries to make distributions and the Issuer's ability to receive distributions and other payments from its investments in other entities is subject to applicable laws and other restrictions, including such subsidiaries' respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws.

Upon the occurrence of a Trigger Event, Noteholders may lose all or some of the value of their investment in the Notes

The Notes are issued for prudential regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital instruments of the Issuer and the Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer and the Group. Accordingly, if, at any time, a Trigger Event occurs: (a) the Prevailing Principal Amount of each Note shall be immediately and mandatorily Written Down by the Write Down Amount; and (b) all accrued and unpaid interest up to (and including) the Write Down Date (whether or not such interest has become due for payment) shall be deemed cancelled.

A Trigger Event will occur if the CET1 Ratio of the Issuer or the Group falls below 5.125 per cent. The Issuer intends to calculate and publish the CET1 Ratio of the Issuer and the Group on at least a quarterly basis. Although Condition 6(d) (*Write Down and Write Up – Write Up*) permits the Issuer in its sole and full discretion to reinstate Written Down principal amounts if certain conditions (further described in the Conditions) are met, the Issuer is under no obligation to do so. Moreover the Issuer will only have the option to Write Up the principal amount of the Notes if, at a time when the Prevailing Principal Amount is lower than their Initial Principal Amount, it records positive net income and (to the extent permitted by the then prevailing Applicable Banking Regulations) positive consolidated net income, and if the Maximum Distributable Amount (if any) (after taking account of (x) any other relevant distributions of the kind referred to in Article 141(2) of the CRD Directive (or any provision of applicable law transposing or implementing Article 141(2) of the CRD Directive, as amended or replaced) or in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated and which are required under prevailing Applicable Banking Regulations to be taken into account for this purpose and (y) the applicable requirements of Article 21.2(f) of the CRR Supplementing Regulation, as amended or replaced) would not be exceeded as a result of the Write Up. No assurance can be given that these conditions will ever be met, or that the Issuer will ever Write Up the principal amount of the Notes following a Write Down. Furthermore, any Write Up must be undertaken on a *pro rata* basis with any other securities of the Issuer and any member of the Group that have terms permitting a principal write up to occur on a basis similar to that set out in Condition 6(d) (*Write Down and Write Up – Write Up*) in the circumstances then existing. During the period of any Write Down pursuant to Condition 6 (*Write Down and Write Up*), interest will accrue on the Prevailing Principal Amount of the Notes, which shall be lower than the Initial Principal Amount unless and until the Notes are subsequently Written Up in full. Furthermore, in the event that a Write Down occurs during an Interest Period, any interest accrued but not yet paid until the occurrence of such Write Down will be cancelled and, if not cancelled in accordance with Condition 5 (*Cancellation of Interest*), the interest amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated on the Prevailing Principal Amount resulting from the Write Down.

Noteholders may lose all or some of their investment as a result of a Write Down. In the event of a decision of a competent court declaring the Issuer insolvent given prior to the Notes being written up in full pursuant to Condition 6(d) (*Write Down and Write Up – Write Up*), Noteholders' claims for principal and interest will be based on the reduced Prevailing Principal Amount of the Notes. Noteholders' claims for principal and interest will also be based on the reduced Prevailing Principal Amount of the Notes in the event that the Issuer exercises its option to redeem the Notes upon the occurrence of a Withholding Tax Event, Tax Event, a Capital Disqualification Event, an MREL Disqualification Event or where the outstanding aggregate principal amount of the Notes is 25 per cent. or less of the Notes originally issued (and, for these purposes, any Further Notes shall be deemed to have been originally issued and any Write Down and/or Write Up of the principal amount of the Notes shall be ignored) in accordance with Conditions 7(b) (*Redemption for tax reasons*), 7(e) (*Early Redemption as a result of a Capital*

Event), 7(f) (*Early Redemption due to MREL Disqualification Event*) or 7(d) (*Issuer residual call*) at a time when the Notes have been Written Down and not subsequently Written Up. In addition, in certain circumstances the Maximum Distributable Amount will impose a cap on the Issuer's ability to pay interest on the Notes, on the Issuer's ability to reinstate the Prevailing Principal Amount of the Notes following a Write Down and on its ability to redeem or repurchase Notes.

The market price of the Notes is expected to be affected by fluctuations in the CET1 Ratio of the Issuer and/or the Group. Any indication that the CET1 Ratio of the Issuer and/or the Group is approaching the level that would trigger a Trigger Event may have an adverse effect on the market price of the Notes. The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, which may be outside the control of the Issuer or the Group. Accordingly, investors may be unable to accurately predict if and when a Trigger Event may occur. See also the risk factor entitled "*The circumstances surrounding or triggering a Write Down are unpredictable, and there are a number of factors that could affect the CET1 Ratio*" below.

The Notes may be traded with accrued interest, but under certain circumstances described above, such interest may be cancelled and not paid on the relevant Interest Payment Date

The Notes may trade, and/or the prices for the Notes may appear, on the Luxembourg Stock Exchange and in other trading systems with accrued interest. If this occurs, purchasers of Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Notes will not be entitled to that interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant Interest Payment Date.

The circumstances surrounding or triggering a Write Down are unpredictable, and there are a number of factors that could affect the CET1 Ratio

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, which may be outside the control of the Issuer. Moreover, because the Competent Authority may instruct the Issuer to calculate the CET1 Ratio of the Issuer and/or the Group as at any date, a Trigger Event could occur at any time, including if the Group is subject to recovery and resolution actions by the Relevant Resolution Authority, or the Issuer and/or the Group might otherwise determine to calculate such ratio(s) in its own discretion. Moreover, the Relevant Resolution Authority is likely to allow a Trigger Event to occur rather than to resort to the use of public funds to provide capital to the Issuer and/or the Group. Additionally the Relevant Resolution Authority may permanently write down the Notes at the point of non-viability of the Issuer and/or the Group or any relevant entity of the Group, and this may occur prior to a Trigger Event (see the risk factors entitled "*The Group may be subject to statutory resolution*" and "*The Notes may be subjected in the future to the bail-in and loss absorption resolution tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result into their write-down in full*" for further information).

The CET1 Ratio of the Issuer and/or the Group may fluctuate. The calculation of such ratios could be affected by one or more factors, including, among other things, changes in the mix of the business of the Issuer and the Group, major events affecting their earnings, distributions by the Issuer or other entities of the Group, regulatory changes (including changes to definitions and calculations of the CET1 Ratio and its components, including Common Equity Tier 1 Capital and risk weighted assets (including as a result of the operation of any applicable output floors), in each case on either an individual or consolidated basis, and the unwinding of transitional provisions under CRD) and the ability of the Issuer and/or the Group to manage risk weighted assets in both its on-going businesses and those which it may seek to exit. In addition, each of the Issuer and the Group may have capital resources and risk weighted assets denominated in foreign currencies, and changes in foreign exchange rates will result in changes in the euro equivalent value of foreign currency denominated capital resources and risk weighted assets. As a result, the CET1 Ratio of the Issuer and/or the Group is exposed to foreign currency movements.

The calculation of the CET1 Ratio of the Issuer and/or the Group may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as at the relevant calculation date, the Competent Authority could require reflection of such changes in any particular calculation of the CET1 Ratio.

Accordingly, accounting changes or regulatory changes may have a material adverse impact on the Issuer and/or the Group's calculations of regulatory capital, including Common Equity Tier 1 Capital and risk weighted assets and the CET1 Ratio of the Issuer and/or the Group.

Further, the Issuer currently constitutes the highest entity of the prudential regulatory consolidation in the group of which the Issuer forms part, but there can be no assurance that that will be the case for so long as the Notes remain outstanding. For example, the Issuer could be acquired by another banking group or financial conglomerate which is regulated in accordance with CRR or a parent financial holding company could be interposed between the Issuer and its shareholders. This could, in turn, affect the calculation of the CET1 Ratio of the Issuer and/or the Group.

It will be difficult to predict when, if at all, a Trigger Event and subsequent Write Down may occur. Accordingly, the trading behaviour of the Notes is not necessarily expected to follow the trading behaviour of other types of securities. Any indication that a Trigger Event and subsequent Write Down may occur can be expected to have a material adverse effect on the market price (if any) of the Notes.

The CET1 Ratio will be affected by the Group's business decisions and, in making such decisions, the Group's interests may not be aligned with those of the Noteholders

As discussed in the risk factor entitled "*The circumstances surrounding or triggering a Write Down are unpredictable, and there are a number of factors that could affect the CET1 Ratio*" above, the CET1 Ratio of the Issuer and/or the Group could be affected by a number of factors. The CET1 Ratio will also depend on the decisions of the Issuer and the Group relating to their business and operations, as well as the management of their respective capital positions. Neither the Issuer nor the Group will have any obligation to consider the interests of the Noteholders in connection with its strategic decisions, including in respect of its capital management. Noteholders will not have any claim against the Issuer or any other member of the Group relating to decisions that affect the business and operations of the Issuer or the Group, including the Issuer or the Group's respective capital positions, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause Noteholders to lose all or part of the value of their investment in the Notes.

The Notes have no scheduled maturity date and may only be redeemed at the option of the Issuer at their Prevailing Principal Amount (which may be less than par)

The Notes are undated (perpetual) securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Notes at any time and the Noteholders have no right to require the Issuer or any member of the Group to redeem or purchase any Notes at any time. Any redemption of the Notes and any purchase of any Notes by the Issuer or any of its subsidiaries will be subject always to the prior approval of the Competent Authority and to compliance with prevailing prudential requirements, and the Noteholders may not be able to sell their Notes in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Notes. Accordingly, investors in the Notes should be prepared to hold their Notes for a significant period of time.

In the event that the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to the Notes, or the Issuer is not, or will not, be entitled to claim a deduction in respect of payments in respect of the Notes as the case may be in computing its taxation liabilities (or the value of such deduction would be materially reduced), in either case as a result of any Change in Tax Law of the Taxing Jurisdiction which becomes effective or is announced on or after the Issue Date, the Issuer may redeem all outstanding Notes in accordance with the Conditions and, subject to compliance with certain regulatory conditions and approval by the

Competent Authority, as may be applicable. Furthermore, in the event that the Issuer is, has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any Change in Tax Law, which change or amendment becomes effective on or after the Issue Date, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all outstanding Notes in accordance with the Conditions and, subject to compliance with certain regulatory conditions and approval by the Competent Authority, as may be applicable.

The Issuer may also be entitled to redeem in whole (but not in part) the Notes if (a) a Capital Event occurs or (b) an MREL Disqualification Event occurs and is continuing.

Any such redemption will be at the Prevailing Principal Amount of the Notes from time to time, which may be less than the Initial Principal Amount, provided that the Notes may only be redeemed pursuant to Condition 7(c) (*Redemption at the option of the Issuer*) if the Prevailing Principal Amount of each Note is equal to its Initial Principal Amount.

In respect of the Notes, the regulatory conditions include the requirement that, if the Notes are to be redeemed during the first five years after the Issue Date of the Notes (or if later, five years after the issue date of any further notes issued pursuant to Condition 15 (*Further Issues*)), the Issuer must demonstrate (in respect of early redemption relating to the tax treatment of the Notes or relating to a Capital Event) to the satisfaction of the Competent Authority that the event triggering such redemption was not reasonably foreseeable at the time of the issue of the Notes and, in the case of an early redemption relating to the tax treatment of the Notes, that the adverse treatment is material and, in the case of an early redemption relating to a Capital Event, that such change is sufficiently certain. These foreseeability and materiality conditions to redemption only apply to a redemption of the Notes occurring in the first five years after the Issue Date of the Notes (or if later, five years after the issue date of any further notes issued pursuant to Condition 15 (*Further Issues*)) and, therefore the Issuer could opt to redeem the Notes for tax or regulatory reasons after the fifth anniversary of issue, including based upon an event that occurred within the first five years after the Issue Date of the Notes (or if later, five years after the issue date of any further notes issued pursuant to Condition 15 (*Further Issues*)). There can therefore be no assurances that the Notes will not be called for tax or regulatory reasons prior to any specified optional call date.

In addition, the Issuer may redeem the Notes at its option in whole, but not in part, on the Interest Payment Date falling on 22 January 2031 or on any Interest Payment Date thereafter and if, at any time, the outstanding aggregate principal amount of the Notes is 25 per cent. or less of the aggregate principal amount of the Notes originally issued. The Issuer may choose to redeem the Notes (subject to certain regulatory conditions and approvals) at times when prevailing interest rates may be relatively low. In such circumstances, a holder of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. The exercise of any optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may, or is perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period or date.

Under certain circumstances, the Issuer's ability to redeem or repurchase the Notes may be limited

Pursuant to the CRR and the CRD, and as set out in Condition 7(j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*), the Issuer may redeem or repurchase the Notes only if such redemption or repurchase is in accordance with applicable provisions of the Applicable Banking Regulations, and, where necessary, has been granted the approval of or permission from the Competent Authority (to the extent such approval is then required under the Applicable Banking Regulations) and, in addition if:

- (i) on or before such redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds instruments of an equal or higher quality on terms that are sustainable for its income capacity; or

- (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements under the Applicable Banking Regulations by a margin that the Competent Authority may consider necessary.

In addition, the Competent Authority may only permit the Issuer to redeem the Notes before five years after the Issue Date of the Notes (or if later, five years after the issue date of any further notes issued pursuant to Condition 15 (*Further Issues*)) if:

- (a) the conditions listed in paragraph (a) or (b) below are met; and
- (b) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or
- (c) in the case of redemption for taxation reasons pursuant to Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*), the Issuer demonstrates to the satisfaction of the Competent Authority that the change in tax treatment is material and was not reasonably foreseeable at the time of issuance of the Notes; or
- (d) before or at the same time of such redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
- (e) the Notes are repurchased for market-making purposes.

The rules under the Applicable Banking Regulations may be modified from time to time after the Issue Date.

In addition, if the Issuer has elected to redeem the Notes, or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Notes and (A) the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for redemption or purchase; or (B) prior to the redemption or purchase of the Notes, a Trigger Event occurs, the relevant redemption notice or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Noteholders.

Further, no notice of redemption shall be given in the period following the occurrence of a Trigger Event and prior to the relevant Write Down Date (and any purported such notice shall be ineffective).

Remedies in case of default on the Notes are very limited

The Terms and Conditions of the Notes contain very limited enforcement rights, allowing (i) the Notes to be declared due and payable on the grounds of a decision by a competent court declaring the Issuer insolvent, or (ii) Noteholders to be paid by the Issuer in accordance with the relevant provisions of Polish law in the event of the initiation of the liquidation of the Issuer in accordance with the Banking Law. The Terms and Conditions do not provide for events of default allowing acceleration of the Notes.

In either case therefore, Noteholders will not have any rights to petition for the bankruptcy or liquidation of the Issuer under Polish law, as only the KNF and, in limited circumstances, the BGF are authorised to file an insolvency application concerning a Polish bank. Noteholders are therefore dependent upon action being taken by a third party before they have any right to declare their Notes due and payable or have any ability to prove or claim in the bankruptcy or liquidation of the Issuer (as the case may be).

General risks relating to the Notes

There is no active trading market for the Notes

There can be no assurance that a liquid market for the Notes will be maintained. The investors may find it difficult to sell their Notes or to sell them at prices producing a return comparable to returns on similar investments in the secondary market.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If a market does develop, it may not be very liquid. Therefore, no liquidity of any market in the Notes can be assured; nor the ability of the holders of the Notes to sell their Notes or the prices at which they would be able to sell their Notes.

If the Notes are traded after their initial issuance, they may be traded at a discount or at a premium to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. It is possible that the market for the Notes will be subject to disruptions or volatility. Any such disruption or volatility may have a negative effect on Noteholders, regardless of the Issuer's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, Noteholders may not be able to resell their holding of the Notes at a fair value, if at all.

Although an application has been made for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange and trading on the regulated market of the Luxembourg Stock Exchange, there can be no assurance that such application will be accepted, that the Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Notes except in certain limited circumstances described in the Permanent Global Note. The Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Permanent Global Note, holders of the Notes will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, holders of the Notes will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Deed of Covenant.

Denominations of the Definitive Notes may be illiquid

As the Notes are in denominations of PLN 1,000,000 and integral multiples of PLN 1,000 in excess thereof up to and including PLN 1,999,000, it is possible that the Notes may be traded in amounts less than the minimum

authorised denomination of PLN 1,000,000. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than PLN 1,000,000 may not receive Definitive Notes in respect of such holding (should Definitive Notes be printed) and may need to purchase a principal amount of Notes such that its holding amounts to PLN 1,000,000.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of PLN 1,000 may be illiquid and difficult to trade.

Credit risk of the Issuer

An investment in the Notes is subject to credit risk, which means that the Issuer may fail to meet its obligations arising from the Notes at all or in a timely manner. The Issuer's ability to meet its obligations arising from the Notes and the ability of the holders of the Notes to receive payments arising from the Notes depend on the financial position and the results of operations of the Issuer and/or the Group, which are subject to other risks described in this Prospectus.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Notes

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes or on the amount of securities that it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by Noteholders in the event of voluntary or involuntary liquidation or bankruptcy of the Issuer.

No ownership rights

An investment into the Notes is an investment into debt instruments, which does not confer any legal or beneficial interest in the equity of the Issuer or any of the subsidiaries thereof or any voting rights or rights to receive dividends or other rights which may arise from equity instruments. The Notes represent an unsecured and subordinated debt obligation of the Issuer, granting the Noteholders only such rights as set forth in the "*Terms and Conditions of the Notes*". The value of the Notes might be affected by the actions of the shareholders of the Issuer over which the investors do not have control.

Exchange rates and exchange controls

The Issuer will pay principal and interest on the Notes in PLN (the "**Specified Currency**"). This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, holders of the Notes may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

An investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Particularly long-term fixed-rate reset Notes involve a high risk of a material decline in value if the market rate exceeds the rate paid in accordance with the fixed-rate reset Notes. On the other hand, if

the Notes are subject to redemption at the option of the Issuer, Noteholders should not expect, in the case of falling market rates, that the price would substantially exceed the optional redemption price.

The interest rate on the Notes will be reset on each Reset Date, which may affect the market value of the Notes

The Notes will initially bear interest on the Prevailing Principal Amount from (and including) the Issue Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest.

The interest rate will be reset in respect of each Reset Period commencing on or after the First Reset Date at the rate per annum equal to the relevant Reset Rate of Interest (as described in Condition 4(d) (*Interest*)). A Reset Rate of Interest could be less than the Initial Rate of Interest or (where applicable) the previous Reset Rate of Interest, which could affect the amount of any interest payments under the Notes and so the market value of an investment in the Notes. As the Notes bear interest at a fixed rate (reset with effect from each Reset Date), an investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Certain benchmark rates, including WIBOR, may be discontinued or reformed in the future

From and including the First Reset Date, amounts payable under the Notes will be calculated by reference to the applicable annualised mid-swap rate for swap transactions in PLN (with a maturity equal to 5 years) as displayed on Bloomberg screen "PZSW5 BGN Curncy" at 11:00 a.m. (Central European Time) on the relevant Reset Determination Date and by reference to WIBOR. WIBOR and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to the creation and administration of benchmarks, but also to their use. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

On 27 September 2022, the Working Group announced a roadmap for phasing out WIBOR and replacing it with a new benchmark, WIRON however, after conducting additional analyses and consultations, WIRON was not implemented as the replacement benchmark for WIBOR; instead, the final replacement for WIBOR will be POLSTR. The roadmap for introducing POLSTR assumes that financial products based on POLSTR will be introduced throughout the year 2026 and WIBOR will cease at the end of 2027. Financial instruments referencing WIBOR without adequate fallback provisions will be subject to a statutory replacement mechanism, which will also include an adjustment spread. The statutory mechanism has not yet been published.

The Terms and Conditions of the Notes set out herein provide for certain fallback arrangements in the event that the Original Reference Rate becomes unavailable, including the possibility that the rate of interest could be determined by an independent adviser or the Issuer or set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant government body, or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, any such adjustment may not be successful in eliminating economic prejudice or benefit, and the Notes may still perform differently than they would if the original rate had remained in place. In certain circumstances, the ultimate fallback of interest for the relevant Reset Period may result in the rate of interest for the last preceding Interest Period being used. Therefore, in respect of the first Reset Period, this may result in the application of the Initial Rate of Interest. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an independent adviser or the Issuer, the relevant fallback provisions may not operate as intended at the relevant time.

Notwithstanding any provision of Condition 4(e) (*Interest*), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Additional Tier 1 Capital instruments of the Issuer.

Any such consequences could have a material adverse effect on the value of and return on any the Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under the Notes. Investors should consider these matters when making their investment decision with respect to the Notes and consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, any of the international or national reforms and the possible application of the benchmarks replacement provisions on the Notes in making any investment decision with respect to the Notes.

The value of the Notes may be adversely affected by a negative change to an applicable credit rating

Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

A credit rating may not reflect all risks

The Notes are expected to be rated "Ba3 (hyb)" by Moody's. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In addition, other rating agencies may assign unsolicited ratings to the Notes. In such circumstances there can be no assurance that the unsolicited rating(s) will not be lower than the comparable solicited ratings assigned to the Notes, which could adversely affect the market value and liquidity of the Notes.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes, for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

The Group may be subject to statutory resolution

The Issuer as a financial holding company falls under the scope of Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended by Directive (EU) 2019/879 of the European Parliament and of the Council

("BRRD II") and Directive (EU) 2024/1174 of the European Parliament and of the Council, the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD sets out the necessary steps and powers to ensure that bank and banking group failures across the EU are managed in a way which mitigates the risk of financial instability and minimises costs for taxpayers. The BRRD is designed to provide authorities with a harmonised set of tools and powers to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

For this purpose, the BRRD grants supervisory authorities various rights including, but not limited to, a statutory "**write-down and conversion power**" (exercisable in relation to Tier 1 Capital instruments (such as the Notes) and Tier 2 Capital instruments) and a 'bail-in and loss absorption' power (exercisable in relation to other securities that are not Tier 1 Capital instruments or Tier 2 Capital instruments), which gives the recovery and resolution authority under the BRRD and Regulation (EU) No. 806/2014 (the "**Relevant Resolution Authority**"), the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution and/or to convert certain debt claims (which could include the Notes) into another security, including equity instruments of the surviving issuer entity, if any. The relevant regulations of the BRRD were implemented in Poland under the Act on the Bank Guarantee Fund. The Act on the Bank Guarantee Fund modified the legal framework of the deposit guarantee scheme in Poland operated by the BGF and developed a framework allowing for the orderly resolution of financial institutions. The Act on the Bank Guarantee Fund also repealed the existing restructuring and support measures under Polish law to bring the relevant provisions in line with the BRRD framework. In this respect, the Act on the Bank Guarantee Fund amended several other related legal acts, including legislation on financial instruments, insolvency, financial market supervision and recapitalisation of financial institutions. The Bank must comply with the Act on the Bank Guarantee Fund and has adjusted its operations to comply with the new requirements.

As well as a "write-down and conversion power" and a "bail-in and loss absorption" power described above, the powers granted to the Relevant Resolution Authority under the BRRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply (known as the 'sale of business tool'), (ii) transfer all or part of the business of the relevant financial institution to a "bridge bank" which is wholly or partially owned by a publicly controlled entity (known as the 'bridge institution tool') and (iii) transfer assets of the relevant financial institution to an asset management vehicle which is wholly or partially owned by public authorities to allow them to be managed over time (known as the 'asset separation tool'). In addition, among the broader powers granted to the Relevant Resolution Authority under the BRRD, the BRRD provides powers to the Relevant Resolution Authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments.

The write-down and conversion power can be used to ensure that Tier 1 Capital instruments (such as the Notes) and Tier 2 Capital instruments fully absorb losses at the point of non-viability of an institution (or, if applicable, its group) and before any other resolution action is taken. The BRRD specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under CRD and otherwise respecting the hierarchy of claims in an ordinary insolvency (see "*The Notes may be subjected in the future to the bail-in and loss absorption resolution tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result into their write-down in full*" below).

While the BRRD (and the Act on the Bank Guarantee Fund implementing the BRRD) lists certain general principles applicable to resolution, including the principle that no creditor of the institution subject to resolution shall incur greater losses than would have been incurred thereby if the institution had been wound up under hypothetical insolvency proceedings (so-called "**NCWO safeguard**"), the operation of this principle in various circumstances is not clear on the basis of the manner of transposition of this principle into the Act on the Bank Guarantee Fund. While the EBA has explained that the NCWO safeguard serves as a fundamental right of creditors, and several amendments were introduced by the BRRD II to clarify the application of the said principle,

it is not entirely clear from the Act on the Bank Guarantee Fund whether this principle will be strictly applied in all circumstances, particularly, in case write-down and conversion powers are used independently without the application of any other resolution tools and outside of resolution proceedings. Further, it is not entirely clear if this principle is equally applied in the case of financial holding companies, in particular, in the case such financial holding company itself does not constitute the resolution entity of the group (such as the Issuer). Provided the provisions of the Act on the Bank Guarantee Fund are applied and interpreted in conformity with the objectives of the BRRD, the NCWO safeguard should also apply equally in the aforesaid scenario, but no assurances can be given in this respect.

Pursuant to Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*), each Noteholder acknowledges and accepts that any liability of the Issuer arising under the Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, and moreover this may occur regardless of whether a Trigger Event or a Write Down takes place pursuant to the Conditions. The exercise of any such power or any suggestion of such exercise could materially adversely affect the value of any Notes subject to the BRRD and could lead to the Noteholders losing some or all of their investment in the Notes. Prospective investors in the Notes should consult their own advisers regarding the consequences of implementing the BRRD.

In 2023, the European Commission made a legislative proposal to adjust and further strengthen the existing European Union bank crisis management and deposit insurance framework ("**CMDI**") which is envisaged to encompass amendments to, *inter alia*, the BRRD. The purpose of the developments is to give resolution authorities even more effective tools to ensure that the depositors of the relevant financial institution (e.g. depositors) can continue to have access to their accounts and, more broadly, to facilitate the use of industry-funded safeguards to enable authorities to shield the depositors in a bank crisis.

The exercise of any resolution powers or early intervention measures or any powers pursuant to BRRD with respect to the Issuer or the Group, or any suggestion of such exercise, will likely materially adversely affect the price or value of an investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and could lead to the holders of the Notes losing some or all of their investment in the Notes.

The Notes may be subject in the future to the bail-in and loss absorption resolution tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result in their write-down in full

Under the Act on the Bank Guarantee Fund, powers have been granted to the Relevant Resolution Authority which include the bail-in and loss absorption tool through which a credit institution or banking group subjected to resolution may be recapitalised either by way of write-down or conversion of liabilities into ordinary shares. The bail-in and loss absorption tool may be imposed either as a sole resolution measure or in combination with the rest of the resolution tools that may be imposed by the Relevant Resolution Authority in the case of the resolution of a failing credit institution or group.

The Notes may be subjected to the said bail-in and loss absorption tool. So, if the Issuer or the Group is subjected to resolution measures in the future, then the value of the Notes may be written down (up to zero) as a result of the imposition of the bail-in and loss absorption tool. Furthermore, the Notes may be subject to modifications or the disapplication of provisions in the Conditions of the Notes, including alteration of the principal amount or any interest payable on the Notes, the dates on which payments may be due, as well as the suspension of payments for a certain period.

The BRRD contemplates a statutory sequence for the application of the bail-in tool towards the liabilities of the failing credit institution or group. According to this sequence, first, the CET1 Capital items are reduced in proportion and in accordance with the terms outlined under the BRRD. If the reduction pursuant to these rules is less than the aggregate necessary amount of write-down, next, the amounts of Additional Tier 1 Capital instruments and Tier 2 Capital instruments are reduced to the extent required. If the total reduction of the own funds items is not sufficient to cover the aggregate necessary amount of write-down, the principal amount of other subordinated liabilities that do not constitute Additional Tier 1 Capital instruments or Tier 2 Capital instruments

of the institution is reduced to the extent required in accordance with the ranking of claims in bankruptcy proceedings. Further, if (and only if) the total reduction of the foregoing liabilities of the institution is less than the aggregate necessary amount of write-down, the Relevant Resolution Authority will apply the bail-in tool (to the extent required) to the rest of the liabilities of the institution, reducing the principal amount of or outstanding amount of the respective liabilities in the order of ranking of claims in bankruptcy proceedings.

The BRRD further contemplates the statutory preference in the insolvency proceedings of credit institutions, ascribing deposits that are covered under deposit guarantee schemes set-up and implemented in accordance with Directive 2014/49/EU on deposit guarantee schemes ("**covered deposits**") and certain other deposits of individuals, micro, small and medium-sized enterprises priority ranking over other unsecured senior creditors of the institution in insolvency proceedings. Furthermore, unlike the liabilities arising from the Notes, covered deposits are excluded from the scope of application of the bail-in tool. As a result, the Notes issued by the Issuer will be more likely to be bailed in than certain other unsubordinated liabilities of the Issuer (such as covered deposits and other deposits of individuals and micro, small and medium-sized enterprises).

Pursuant to Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*), each Noteholder acknowledges and accepts that any liability of the Issuer arising under the Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

In any case, a Noteholder may claim payment in respect of the Notes only in the event of the liquidation or bankruptcy of the Issuer. Further, the Issuer will not be obliged to pay any sum or sums sooner than the same would otherwise have been due and payable by it, except with the prior approval of the Competent Authority (if such approval is then required under the Applicable Banking Regulations).

Certain rights of the Noteholders under the Terms and Conditions of the Notes would not be enforceable upon commencement of resolution proceedings

The Terms and Conditions of the Notes allowing the Notes to be declared due and payable on the grounds of an order by a competent court or resolution passed for the voluntary or involuntary liquidation, bankruptcy or otherwise winding up or dissolution of the Issuer (save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution) would not be effective and enforceable pursuant to Polish law to the extent they relate to the imposition of resolution proceedings. Pursuant to the Act on the Bank Guarantee Fund, the fact of taking a crisis prevention measure or a crisis management measure, suspending certain obligations or making a decision on the commencement of resolution proceedings shall not be deemed to be an enforcement event or initiation of insolvency proceedings. Furthermore, the Act on the Bank Guarantee Fund provides that where the obligations under the contract, including payment and delivery obligations, and provision of collateral, continue to be performed by the institution under resolution proceedings, a decision on the application of a crisis prevention measure, the suspension of certain obligations or the commencement of the resolution proceedings or the occurrence of any event directly linked to such application shall not serve as basis for exercising any termination, suspension, modification or set off or close out netting rights.

The exercise of any power under the resolution legislation in respect of the Issuer or the Group could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. Further, BRRD II (as transposed by the Act on the Bank Guarantee Fund), includes the power of the resolution authorities to suspend, for a limited time period, certain contractual obligations of a credit institution or its holding company in the circumstances where the credit institution or holding company is failing or likely to fail, if applicable private sector measures that would prevent the failure of the credit institution are not immediately available, the suspension is necessary to avoid further deterioration of the credit institution or an entity belonging to the consolidation group of the credit institution and the suspension measure is necessary due to public interest or for the purposes of determination of appropriate resolution measures or the effective application of resolution measures by the relevant resolution authority. The scope and time limit for the suspension (for a period not exceeding the end of the working day following the date of publication of the BGF's decision to suspend the performance of obligations) shall be determined by the Relevant Resolution Authority (please see the risk factor "*The Group may be subject to statutory resolution*") on

a case-by-case basis, and the right of suspension may be exercised prior to the adoption of a resolution decision by the Relevant Resolution Authority. Therefore, the exercise of the right to suspend contractual obligations of the Issuer could affect the rights of Noteholders prior to the official initiation of resolution proceedings with respect to the Issuer.

Changes in laws or administrative practices could entail risks

In accordance with Condition 19(a) (*Governing Law and Jurisdiction – Governing law*), the Notes are expressed to be governed by English law, with the exception of Conditions 3(a) to (e) (both inclusive), 3(f) (*Status and Subordination*), 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*) and 21 (*Recognition of Stay Powers*) which are governed by Polish law, in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law, Polish law or any relevant administrative practice after the date of this Prospectus, and any such change could materially adversely impact the value of any Notes affected by it.

The Issuer could, in certain circumstances, substitute or vary the terms of the Notes

In certain circumstances (such as if a Capital Event, MREL Disqualification Event, Withholding Tax Event or Tax Event has occurred and is continuing, or in order to ensure the effectiveness of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*)), the Issuer may, in accordance with Applicable Banking Regulations and without the consent or approval of the Noteholders, substitute or vary the terms of the Notes (including changing the governing law of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*)) to ensure that, if applicable, they continue to qualify as Qualifying Securities, or as the case may be count towards the eligible liabilities and/or loss absorbing capacity of the Issuer and/or the Group, or in order to ensure the effectiveness or enforceability of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*).

While the Issuer cannot make changes to the terms of the Notes that are materially less favourable to Noteholders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*)), the governing law of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*) may be changed in order to ensure the effectiveness and enforceability of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*).

There can be no assurance as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or variation. See also the risk factor entitled "*Modification and waivers*".

Modification and waivers

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting, or as the case may be, did not sign the written resolution, including those Noteholders who voted in a manner contrary to the majority.

Furthermore, the Conditions of the Notes provide that the Notes, the Conditions of the Notes and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or to comply with any amendments, updates and/or modifications to applicable legislation passed after the date hereof by or on behalf of the Republic of Poland or any political subdivision thereof or any authority therein or thereof having power to make such amendment, update and/or modification, which impacts the Issuer's obligations in relation to the Notes. The Issuer cannot foresee, as at the date of this Prospectus, what such changes may entail; however, any changes made will be binding on Noteholders.

There may be no rights of set-off, netting or counterclaim

Noteholders shall not be entitled to exercise any right of set-off, netting or counterclaim against moneys owed by the Issuer in respect of the Notes. Therefore, the Noteholders will not be entitled (subject to applicable law) to set off the Issuer's obligations under the Notes against obligations owed by them to the Issuer. This could have an adverse impact on the counterparty risk for such Noteholders in the event that the Issuer were to become insolvent.

The Issuer's gross-up obligation under the Notes is limited

The Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Notes (which is also subject to the Solvency Condition and the availability of Distributable Items) applies only to payments of interest due and payable under the Notes and not to payments of principal (which term, for these purposes, includes any premium, final redemption amount, early redemption amount, optional redemption amount and any other amount (other than interest) which may from time to time be payable in respect of the Notes).

As such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, such Noteholders would, upon repayment or redemption of the Notes, be entitled to receive only the net amount of such redemption or repayment proceeds after deduction of the amount required to be withheld. Therefore, Noteholders may receive less than the full amount due under the Notes, and the market value of the Notes may be adversely affected as a result.

Conflicts may arise between the interests of the Calculation Agent and the interests of the Noteholders

Potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgments that such Calculation Agent makes pursuant to the Terms and Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

The Issuer has appointed Banque Internationale à Luxembourg, société anonyme as Calculation Agent in respect of the Notes. Banque Internationale à Luxembourg, société anonyme is a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst the Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

INFORMATION INCORPORATED BY REFERENCE

The documents set out below that are incorporated by reference in this Prospectus are, where indicated, direct translations into English from the original languages of the parties' documents. To the extent that there are any inconsistencies between the original language versions and the translations, the original language versions shall prevail. The information set out shall be deemed to be incorporated in, and to form part of, this Prospectus:

1. **Q3 2025 Group Interim Financial Statements:** the following sections of the condensed interim consolidated financial statements of the Group for the nine months ended 30 September 2025, prepared in accordance with International Accounting Standard 34, included in the consolidated report of the Group for the first nine months of 2025 (the "**Q3 2025 Group Interim Financial Statements**"), which constitute a free translation from the Polish version into the English language and can be viewed online at:

https://www.bankmillennium.pl/documents/d/guest/millennium_3q2025_en;

- (a) consolidated statement of profit and loss (page 43);
- (b) consolidated statement of total comprehensive income (page 44);
- (c) consolidated statement of financial position (pages 45 to 46);
- (d) consolidated statement of changes in equity (page 47);
- (e) consolidated statement of cash flow (pages 48 to 49); and
- (f) notes to consolidated financial statements (pages 50 to 126 inclusive);

2. **H1 2025 Group Interim Financial Statements:** the following sections of the condensed interim consolidated financial statements of the Group for the six months ended 30 June 2025, prepared in accordance with International Accounting Standard 34, included in the consolidated report of the Group for the first half of 2025 (the "**H1 2025 Group Interim Financial Statements**"), which constitute a free translation from the Polish version into the English language and can be viewed online at:

https://www.bankmillennium.pl/documents/d/guest/2_millennium_1h2025_en-1;

- (a) consolidated statement of profit and loss (page 5);
- (b) consolidated statement of total comprehensive income (page 6);
- (c) consolidated statement of financial position (pages 7 to 8);
- (d) consolidated statement of changes in equity (page 9);
- (e) consolidated statement of cash flow (pages 10 to 11); and
- (f) notes to consolidated financial statements (pages 12 to 90 inclusive);

3. **2024 Group Financial Statements:** the following sections of the audited consolidated financial statements of the Group for the year ended 31 December 2024 prepared in accordance with IFRS as adopted by the EU (the "**2024 Group Financial Statements**"), audited by Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością sp. k. included in the consolidated annual report of the Group for the year ended 31 December 2024, which constitute a free translation from the Polish version into the English language and can be viewed online at:

https://www.bankmillennium.pl/documents/d/guest/2_millenniumgroup_cfs_2024_en;

- (a) consolidated statement of profit and loss (page 7);
 - (b) consolidated statement of total comprehensive income (page 8);
 - (c) consolidated statement of financial position (pages 9 to 10);
 - (d) consolidated statement of changes in equity (page 11);
 - (e) consolidated statement of cash flow (pages 12 to 13); and
 - (f) notes to the consolidated financial statements (pages 14 to 188 inclusive);
4. ***Auditor's review report on H1 2025 Group Interim Financial Statements***: the separate independent registered auditor's report on the review of the H1 2025 Group Interim Financial Statements (pages 1 to 2 inclusive), which constitutes a free translation from the Polish version into the English language and can be viewed online at:
- https://www.bankmillennium.pl/documents/d/guest/3_bank_millennium_sa_report_on_review_cfs_30062025_eng;
5. ***Auditor's report on 2024 Group Financial Statements***: the separate independent registered auditor's report on the audit of the 2024 Group Financial Statements (pages 1 to 10 inclusive), which constitutes a free translation from the Polish version into the English language and can be viewed online at:
- https://www.bankmillennium.pl/documents/d/guest/report_on_the_audit_of_the_annual_consolidated_financial_statements_31_12_2024;
6. ***2023 Group Financial Statements***: the following sections of the audited consolidated financial statements of the Group for the year ended 31 December 2023 prepared in accordance with IFRS as adopted by the EU (the "**2023 Group Financial Statements**"), audited by Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością sp. k. included in the consolidated annual report of the Group for the year ended 31 December 2023, which constitute a free translation from the Polish version into the English language and can be viewed online at:
- https://www.bankmillennium.pl/documents/d/guest/02_millenniumgroup_cfs_2023_en;
- (a) consolidated income statement (page 6);
 - (b) consolidated statement of total comprehensive income (page 7);
 - (c) consolidated balance sheet (pages 8 to 9);
 - (d) consolidated statement of changes in equity (page 10);
 - (e) consolidated cash flow statement (pages 11 to 12); and
 - (f) notes to the consolidated financial statements (pages 13 to 177 inclusive);
7. ***Auditor's report on Group Financial Statements 2023***: the separate independent registered auditor's report on the audit of the 2023 Group Financial Statements (pages 1 to 10 inclusive), which constitutes a free translation from the Polish version into the English language and can be viewed online at:

<https://www.bankmillennium.pl/documents/d/guest/reportontheauditoftheannualconsolidatedfinancialstatements31-12-2023>;

8. **Management Board Report Half Year 2025:** the Management Board Report on the Activity of Bank Millennium and the Capital Group of Bank Millennium in the six months ended on 30 June 2025 (the "**Management Board Report Half Year 2025**") (pages 1 to 79 inclusive) which constitutes a free translation from the Polish version into the English language and can be viewed online at:

https://www.bankmillennium.pl/documents/d/guest/mb_report_group_1h25;

9. **Management Board Report Full Year 2024:** the Management Board Report on the Activity of Bank Millennium and the Capital Group of Bank Millennium in 2024 (the "**Management Board Report Full Year 2024**") (pages 1 to 319 inclusive), which constitutes a free translation from the Polish version into the English language and can be viewed online at:

https://www.bankmillennium.pl/documents/d/guest/1_management-report-millennium_2024?mv=3c;
and

10. **Management Board Report Full Year 2023:** the Management Board Report on the Activity of Bank Millennium and the Capital Group of Bank Millennium in 2023 (the "**Management Board Report Full Year 2023**") (pages 1 to 131 inclusive), which constitutes a free translation from the Polish version into the English language and can be viewed online at:

https://www.bankmillennium.pl/documents/d/guest/1_management-board-report-millennium-2023_pdf.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus and for the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus and has not been scrutinised or approved by the CSSF. Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:

The PLN 1,500,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Temporary Write Down Notes (the "**Notes**", which expression includes any further notes issued pursuant to Condition 15 (*Further Issues*) and forming a single series therewith) of Bank Millennium S.A. are the subject of a fiscal agency agreement dated 22 January 2026 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Banque Internationale à Luxembourg, S.A. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and a deed of covenant dated 22 January 2026 (as amended or supplemented from time to time, the "**Deed of Covenant**") made by the Issuer in favour of the Accountholders (as defined therein). Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection or collection by Noteholders upon provision of proof of holding and identification satisfactory to the relevant Agent during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Definitions

In these Conditions the following expressions have the following meanings:

"5 Year Swap Rate" means, in respect of a Reset Period, the mid-swap rate for PLN swap transactions with a maturity of 5 years as displayed on Bloomberg screen PZSW5 BGN Curncy or, if such rate is not displayed on such screen as at the relevant time, such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices for PLN swap transactions (in each case, the "**Reset Screen Page**") as at 11:00 a.m. (Warsaw time) on the relevant Reset Determination Date, all as determined by the Calculation Agent. Subject to the operation of Condition 4(e) in the event that the 5 Year Swap Rate does not appear on the Reset Screen Page at such time on the relevant Reset Determination Date, the 5 Year Swap Rate for the relevant Reset Period will be the Reset Reference Bank Rate on the relevant Reset Determination Date;

"5 Year Swap Rate Quotations" means, in relation to a Reset Period, the mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/365 Day Count basis) of a fixed-for-floating PLN interest rate swap which (i) has a term of 5 years commencing on the relevant Reset Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on 6-month WIBOR (calculated on the basis of the actual number of days elapsed and a year of 365 days);

"Act on the Bank Guarantee Fund" means the Polish Act of 10 June 2016 on Bank Guarantee Fund, the deposit guarantee scheme and resolution;

"Actual/365 Day Count" means, in respect of any period, the number of days in the relevant period, from (and including) the first day in such period to (but excluding) the last day in such period divided by 365;

"Additional Tier 1 Capital" means additional tier 1 capital (or any successor term) for the purposes of the Applicable Banking Regulations;

"Additional Tier 1 Instrument" means any instrument, including any capital instrument, issued by the Issuer, qualifying as an Additional Tier 1 instrument by the approval of the Competent Authority granted pursuant to Article 127 of the Banking Law, which meets the conditions for qualification as an Additional Tier 1 instrument as referred to in Article 52 of the CRR;

"Applicable Banking Regulations" means at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity then in effect in the Republic of Poland including, without limitation to the generality of the foregoing, CRD, the SRM Regulation, BRRD, the Creditor Hierarchy Directive, the Banking Law, the Act on the Bank Guarantee Fund, the Bankruptcy Law, the Macroprudential Supervision Act, and those regulations, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity and/or the implementation of the Creditor Hierarchy Directive adopted by the Competent Authority, the Relevant Resolution Authority or any other national or European authority from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);

"Assets" means the unconsolidated gross assets of the Issuer, as shown in the latest published balance sheet of the Issuer;

"Banking Law" means the Polish Act of 29 August 1997 – the Banking Law;

"Bankruptcy Law" means the Polish Act of 28 February 2003 – the Bankruptcy Law;

"BRRD" means Directive 2014/59/EU as the same may be amended or replaced from time to time, including without limitation, by the Creditor Hierarchy Directive and Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

"Business Day" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for general business in Warsaw;

"Calculation Agent" means Banque Internationale à Luxembourg, S.A., or any successor thereto;

"Capital Event" means the determination by the Issuer, after consultation with the Competent Authority, that a change in Polish law or Applicable Banking Regulations or any change in the official application or interpretation thereof becoming effective on or after the Issue Date, which change was not reasonably foreseeable by the Issuer as at Issue Date, has resulted or would be likely to result in the outstanding Prevailing Principal Amount of the Notes being fully, or partially, excluded from inclusion in the Additional Tier 1 Capital of the Issuer and/or the Group (other than as a result of a Write Down pursuant to Condition 6 or as a result of any applicable limitation on the amount of such capital as applicable to the Issuer and/or the Group);

"CET1 Capital" means, at any time, the sum, expressed in PLN, of all amounts that constitute Common Equity Tier 1 Capital at such time of the Issuer or the Group (as applicable) less any deductions therefrom required to be made at such time, as calculated on a standalone or consolidated basis (as applicable) in accordance with the Applicable Banking Regulations at such time, but without applying any transitional provisions set out in the Applicable Banking Regulations which are applicable at such time unless such transitional provisions are permitted under such Applicable Banking Regulations to be applied for the purposes of determining whether a Trigger Event has occurred;

"CET1 Ratio" means, at any time, the ratio of the aggregate amount of the CET1 Capital of the Issuer or the Group (as applicable) at such time to the Risk Weighted Assets of the Issuer or the Group (as applicable) at such time and expressed as a percentage;

"Code of Commercial Companies" means the Polish Act of 15 August 2000 – the Code of Commercial Companies;

"Common Equity Tier 1 Capital" means common equity tier 1 capital as contemplated by the Applicable Banking Regulations then applicable, or an equivalent or successor term;

"Competent Authority" means the Polish Financial Supervision Authority (in Polish: *Komisja Nadzoru Finansowego*) or any successor or replacement thereto having primary responsibility for the prudential oversight and supervision of the Issuer and the Group;

"CRD" means the legislative package consisting of the CRD Directive, the CRR and any CRD Implementing Measures;

"CRD Directive" means Directive 2013/36/EU, as the same may be amended or replaced from time to time, including without limitation as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019;

"CRD Implementing Measures" means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and/or the Group and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer and/or the Group (on a solo or consolidated basis, as the case may be) to the extent required by the CRD Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

"Creditor Hierarchy Directive" means Directive 2014/59/EU or any equivalent legislation that supersedes or replaces it;

"CRR" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012;

"CRR Supplementing Regulation" means the Commission Delegated Regulation (EU No. 241/2014) of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for own funds and eligible liabilities requirements for institutions;

"Distributable Items" means, subject as otherwise defined from time to time in the Applicable Banking Regulations, in relation to interest otherwise scheduled to be paid on a date, the amount of the profits of the Issuer at the end of the last Financial Year immediately preceding such date plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments of the Issuer less any losses brought forward, any profits which are non-distributable pursuant to applicable European Union or national law or the Issuer's articles of association and any sums placed in non-distributable reserves in accordance with applicable national law or the articles of association of the Issuer, in each case with respect to the specific category of own funds instruments to which European Union or national law or the Issuer's articles of association relate; such profits, losses and reserves being determined on the basis of the individual accounts of the Issuer and not on the basis of the consolidated accounts of the Group;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"Financial Year" means the financial year of the Issuer (being the one-year period in respect of which it prepares annual audited financial statements) from time to time;

"First Reset Date" means 22 January 2031;

"Full Loss Absorbing Instruments" has the meaning given to it in Condition 6(b);

"Group" means the Issuer and its consolidated Subsidiaries, taken as a whole;

"Initial Principal Amount" means, in relation to each Note, the principal amount of that Note on the Issue Date;

"Initial Rate of Interest" means 8.875 per cent. per annum;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Period" means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"Issue Date" means 22 January 2026;

"Issuer" means Bank Millennium S.A.;

"Liabilities" means the unconsolidated gross liabilities of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingent and prospective liabilities, for subsequent events and otherwise to reflect the criteria that would be applied by a Polish court in determining whether the Issuer is solvent or insolvent pursuant to and in accordance with the Bankruptcy Law and the Applicable Banking Regulations or any amendment or re-enactment thereof in such manner as the directors of the Issuer may determine;

"Loss Absorbing Instruments" means capital instruments or other obligations issued directly by any member of the Group (other than the Notes) which constitute Additional Tier 1 Capital, and which include a principal loss absorption mechanism that is capable of generating Common Equity Tier 1 Capital and that is activated by a trigger event set by reference to the CET1 Ratio of the Issuer and/or the Group;

"Macroprudential Supervision Act" means the Polish Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial system;

"Mandatory Provision of Law" means any amendments, updates and/or modifications to any applicable legislation passed after the date hereof by or on behalf of the Republic of Poland or any political subdivision thereof or any authority therein or thereof having power to make such amendment, update and/or modification, which impacts the Issuer's obligations in relation to the Notes;

"Margin" means 5.277 per cent.;

"Maximum Distributable Amount" means any applicable maximum distributable amount relating to the Issuer or the Group required to be calculated in accordance with Article 141 of the CRD Directive (or any provision of applicable law or other regulation transposing or implementing Article 141 of the CRD Directive, as amended or replaced) or in accordance with any other applicable provisions of the Applicable Banking Regulations, including in particular Articles 96a, 96c and 96d of the Act on the Bank Guarantee Fund and Articles 56-58 of the Macroprudential Supervision Act, which require, among

others, a maximum distributable amount to be calculated if the Issuer or the Group is failing to meet any applicable requirement and the positions of the Competent Authority;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"PLN" means the lawful currency for the time being of the Republic of Poland;

"Prevailing Principal Amount" means, in relation to each Note at any time, the principal amount of such Note at that time, being its Initial Principal Amount, as adjusted from time to time for any Write Down and/or Write Up, in accordance with Condition 6 and/or as otherwise required by the then-current legislation and/or regulations applicable to the Issuer;

"Rate of Interest" means, for the period from (and including) the Issue Date to (but excluding) the First Reset Date, the Initial Rate of Interest and, for each subsequent Reset Period, the relevant Reset Rate of Interest;

"Regulatory Permission" means, in relation to any action, such notice, regulatory permission (and/or, as appropriate, consent, approval or waiver) as is required therefor under prevailing Applicable Banking Regulations;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Resolution Authority" has the meaning given in Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*).

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Reset Date" means the First Reset Date and each date falling on the fifth anniversary of the previous Reset Date;

"Reset Determination Date" means, in respect of a Reset Period, the second Business Day prior to the first day of such Reset Period;

"Reset Period" means the period from (and including) the First Reset Date to (but excluding) the next succeeding Reset Date, and each successive period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

"Reset Rate of Interest" means, in respect of a Reset Period, the rate of Interest determined by the Calculation Agent as the sum of the relevant 5 Year Swap Rate and the Margin, converted from an annual to a semi-annual rate in accordance with market convention;

"Reset Reference Bank Rate" means, in respect of a Reset Period, the percentage rate calculated by the Calculation Agent on the basis of the 5 Year Swap Rate Quotations provided by four major banks selected and requested by the Issuer in the market (the **"Reset Reference Banks"**) to the Issuer at approximately 12:00 p.m. (noon) (Warsaw Time) on the relevant Reset Determination Date and the Issuer or an agent appointed by it shall notify the Calculation Agent of all quotations received by it. If two or more of the

Reset Reference Banks provide the Issuer or an agent appointed by it with 5 Year Swap Rate Quotations, the Reset Reference Bank Rate for the relevant Reset Period shall be the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant 5 Year Swap Rate Quotations, as determined by the Calculation Agent. If only one 5 Year Swap Rate Quotation is provided, the relevant Reset Reference Bank Rate will be the quotation provided. If no quotations are provided the relevant Reset Reference Bank Rate will be the 5 Year Swap Rate or Reset Reference Bank Rate (as applicable) determined in respect of the immediately preceding Reset Period or, in respect of the initial Reset Period, 3.795 per cent.;

"Risk Weighted Assets" means, at any time, the aggregate amount, expressed in PLN, of the total risk exposure amount of the Issuer or the Group (as applicable), as calculated in accordance with the Applicable Banking Regulations at such time, but without applying any transitional provisions set out in the Applicable Banking Regulations which are applicable at such time unless such transitional provisions are permitted under such Applicable Banking Regulations to be applied for the purposes of determining whether a Trigger Event has occurred;

"Solvency Condition" has the meaning given to it in Condition 3(f);

"SRM Regulation" means Regulation (EU) No. 806/2014;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"Tier 1 Capital" means the sum, expressed in PLN, of all amounts that constitute tier 1 capital (or any successor term) of the Issuer or the Group (as applicable) for the purposes of Applicable Banking Regulations;

"Trigger Event" means that the CET1 Ratio of the Issuer and/or the Group has fallen below 5.125 per cent.;

"Trigger Event Notice" means the notice referred to as such in Condition 6(a) which shall be given by the Issuer to the Noteholders, in accordance with Condition 16, the Fiscal Agent and the Competent Authority, and which shall state with reasonable detail the nature of the relevant Trigger Event, the relevant Write Down being implemented, any Write Down Amount (if then known) and the basis of its calculation and the relevant Write Down Date;

"WIBOR" means the Warsaw Interbank Offered Rate, a benchmark administered by GPW Benchmark S.A. as the benchmark administrator (or any official successor thereof);

"Write Down" and **"Written Down"** shall be construed as provided in Condition 6(a);

"Write Down Amount" has the meaning given to it in Condition 6(b);

"write down and/or conversion" means, in respect of any Loss Absorbing Instruments, the reduction and/or, as the case may be, conversion into Common Equity Tier 1 Capital of the prevailing principal amount of such instruments as contemplated in Condition 6(b);

"**Write Down Date**" has the meaning given to it in Condition 6(a);

"**Write Up**" and "**Written Up**" shall be construed as provided in Condition 6(d);

"**Write Up Amount**" has the meaning given to it in Condition 6(d);

"**Write Up Date**" has the meaning given to it in Condition 6(d);

"**Write Up Notice**" has the meaning given to it in Condition 6(d); and

"**Written Down Additional Tier 1 Instrument**" means an instrument (other than the Notes) issued by the Issuer or any member of the Group and qualifying as Additional Tier 1 Capital of the Issuer and/or the Group that, immediately prior to any Write Up of the Notes, has a prevailing principal amount which is less than its initial principal amount due to a write down and that has terms permitting a principal write up to occur on a basis similar to that set out in Condition 6(d) in the circumstances existing on the relevant Write Up Date.

Any reference in these Conditions to any legislation (whether primary legislation or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended, superseded or re-enacted. References herein to "Terms and Conditions" or "Conditions" are to these Conditions, or a correspondingly numbered provision hereof.

2. Form, Denomination and Title

The Notes are serially numbered and in bearer form in denominations of PLN 1,000,000 and integral multiples of PLN 1,000 in excess thereof up to and including PLN 1,999,000 with Coupons and talons (each, a "**Talon**") for further Coupons attached at the time of issue. Notes of one denomination will not be exchangeable for Notes of another denomination. Title to the Notes, the Coupons and Talons will pass by delivery. The holder of any Note, Coupon or Talon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

3. Status and Subordination

- (a) For regulatory capital purposes, the Issuer intends, on the Issue Date, that the Notes will constitute instruments of the Issuer qualifying, subject to the Competent Authority's approval, as Additional Tier 1 Instruments of the Issuer.
- (b) The Notes and obligations in relation to any related Coupons and Talons resulting therefrom constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.
- (c) In the event of insolvency of the Issuer as set out in the Bankruptcy Law, the Issuer's liabilities under the Notes shall:
 - (i) rank junior to (i) any liabilities of the Issuer falling into categories 1 to 8 (inclusive) referred to in Article 440(2)(1)-(8) of the Bankruptcy Law, (ii) any other present or future liabilities of the Issuer which, in accordance with the Bankruptcy Law, rank senior to Additional Tier 1 Instruments and (iii) any other liabilities of the Issuer which, by law, rank senior to the Issuer's liabilities under Additional Tier 1 Instruments;

- (ii) constitute category 9 liabilities as referred to in Article 440(2)(9) of the Bankruptcy Law and rank *pari passu* among themselves and with any other subordinated obligations which, by law and/or by their terms, to the extent permitted by Polish law, rank *pari passu* with the Issuer's liabilities under Additional Tier 1 Instruments; and
- (iii) rank senior to (i) any liabilities of the Issuer falling into category 10 referred to in Article 440(2)(10) of the Bankruptcy Law, (ii) any other present or future liabilities of the Issuer which, in accordance with the Bankruptcy Law, rank lower than Additional Tier 1 Instruments and (iii) any other subordinated liabilities of the Issuer which by law rank junior to the liabilities of the Issuer under Additional Tier 1 Instruments.
- (d) The rights of holders of the Notes shall be subject to any present or future laws or regulations applicable in the Republic of Poland relating to the insolvency, recovery and resolution of credit institutions, entities belonging to the same group as a credit institution and investment firms in the Republic of Poland which are or will be applicable to the Notes only as a result of the operation of such laws or regulations.
- (e) No holder of the Notes or related Coupons shall be entitled to exercise any right of Set-off against moneys owed by the Issuer in respect of such Notes or Coupons. Notwithstanding the provision of the foregoing sentence, if any amounts owed by the Issuer to any holder in connection with the Notes is discharged by Set-off, such holder shall, where permitted by applicable law, immediately pay an amount equal to the amount discharged to the Issuer (or, in the event of its voluntary or involuntary liquidation and/or bankruptcy, to the liquidator, bankruptcy trustee or other relevant insolvency official (as the case may be and to the extent applicable)) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator, bankruptcy trustee or other relevant insolvency official of the Issuer) and accordingly not deem any such discharge to have taken place.

"Set-off" means set-off, netting, counterclaim, abatement or other similar remedy and, if "Set off" is used as a verb in these Conditions, it shall be construed accordingly.

- (f) Except in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, all payments in respect of, or arising from (including any damages awarded for breach of any obligations under), the Notes are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6(a), conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount shall be due and payable in respect of, or arising from, the Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

For these purposes, the Issuer shall be considered to be solvent if (i) it is able to pay its debts owed to its creditors whose claims rank senior to claims arising from the Notes as they fall due and (ii) its Assets are at least equal to its Liabilities.

A certificate as to the solvency of the Issuer signed by one or more authorised signatories (or if there is a liquidation or bankruptcy of the Issuer, one or more authorised signatories of the liquidator, administrator, bankruptcy trustee or, as the case may be, other relevant insolvency official of the Issuer) shall (in the absence of manifest error) be treated and accepted by the Issuer, the Noteholders and all other interested parties as correct and sufficient evidence thereof.

Any payment of interest not due by reason of this Condition 3(f) shall not be or become payable at any time and shall be cancelled as provided in Condition 5(e).

- (g) In the event of the liquidation or bankruptcy of the Issuer, the amount of a claim against the Issuer in respect of each Note will be equal to the Prevailing Principal Amount of the relevant Note together with any accrued but unpaid interest thereon (to the extent such interest has not been cancelled in accordance with these Conditions) and any damages awarded for breach by the Issuer of any obligations in respect of such Note, whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable.

If the liquidation or bankruptcy of the Issuer occurs on or after the occurrence of a Trigger Event, the Write Down Date shall be the earlier of (i) the date of making of any order by any competent court or passing resolution for such liquidation or declaration of bankruptcy of the Issuer and (ii) the date specified as such by the Issuer pursuant to Condition 6.

4. Interest

- (a) The Notes bear interest from (and including) the Issue Date at the Rate of Interest payable in equal instalments semi-annually in arrear on 22 January and 22 July in each year (each, an **"Interest Payment Date"**), from and including 22 July 2026 subject as provided in Condition 8 (*Payments*).
- (b) Subject to Conditions 3(f), 5 and 6, each Note will cease to bear interest from the due date for redemption thereof pursuant to Conditions 7(b), (c), (d), (e) or (f) or the date of substitution thereof pursuant to Condition 18, as the case may be, unless, upon due presentation, payment of all amounts due in respect of such Note is not properly and duly made, in which case it will continue to bear interest at such rate on the Prevailing Principal Amount of such Note (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is five days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth day (except to the extent that there is any subsequent default in payment).
- (c) The Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the Day Count Fraction and rounding the resulting figure to the nearest grosz (half a grosz being rounded upwards) and multiplying such rounded figure by a fraction equal to the Prevailing Principal Amount of such Note divided by the Calculation Amount, where:

"Calculation Amount" means PLN 1,000; and

"Day Count Fraction" means, in respect of any period, the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by 365.

If, pursuant to Condition 6, the Prevailing Principal Amount of the Notes is Written Down or Written Up during an Interest Period, the Calculation Amount will be adjusted to reflect such Prevailing Principal Amount from time to time so that the relevant amount of interest is determined by reference to such Calculation Amount as adjusted from time to time and as if such Interest Period were comprised of two or (as applicable) more consecutive interest periods, with interest calculations based on the number of days for which each Prevailing Principal Amount and Calculation Amount was applicable.

- (d) The Notes shall (subject to Conditions 3(f), 5 and 6) bear interest on their Prevailing Principal Amount:

- (i) from (and including) the Issue Date to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest; and
- (ii) in respect of each Reset Period, at the rate per annum equal to the relevant Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date (subject to adjustment as described in this Condition 4). The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in this Condition 4.

The Calculation Agent shall cause notice of the relevant Reset Rate of Interest determined by it in accordance with this Condition 4 in respect of each Reset Period to be given to the Issuer, the Fiscal Agent, and any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 16, the Noteholders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

If the Notes become due and payable pursuant to Condition 10(a), the accrued interest per Calculation Amount and the relevant Reset Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition 4 but no publication of the Reset Rate of Interest or the amount of interest payable per Calculation Amount so calculated need be made.

- (e) If a Benchmark Event occurs in relation to the Reference Rate when any Reset Rate of Interest (or any component part thereof) for any Reset Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(e)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4(e)(ii)) and any Benchmark Amendments (in accordance with Condition 4(e)(iii)).

If, notwithstanding the use of reasonable endeavours, the Issuer is unable to appoint an Independent Adviser, or if an Independent Adviser is appointed by the Issuer but fails to make any relevant determination specified to be made by it under this Condition 4(e) prior to the relevant Reset Determination Date, the Issuer itself (acting in good faith and in a commercially reasonable manner) shall be entitled to make the relevant determination(s). In such case, remaining references in this Condition 4(e) to determinations made, or to be made, by the Independent Adviser shall be construed accordingly.

An Independent Adviser appointed shall act in good faith and in a commercially reasonable manner. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent or the Noteholders for any determination made by it pursuant to this Condition 4(e) and the Fiscal Agent will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

- (i) If the Independent Adviser determines in its discretion that:
 - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(e)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component parts(s) thereof) for the relevant Reset Period and any subsequent

Reset Period(s), subject to the subsequent operation of this Condition 4(e)(i) in the event of a further Benchmark Event affecting the Successor Rate; or

- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(e)) subsequently be used in place of the Reference Rate (or the relevant component parts(s) thereof) to determine the Rate of Interest for the relevant Reset Period and any subsequent Reset Period(s), subject to the subsequent operation of this Condition 4(e)(i) in the event of a further Benchmark Event affecting the Alternative Rate.
- (ii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) (which may be expressed as a specified quantum of, or a formula or methodology for determining, such Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).
- (iii) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(e) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions and/or the Agency Agreement (including, without limitation, amendments to the definitions of Adjustment Spread, Business Days, Day Count Fraction, Reset Determination Date, Reset Screen Page or 5 Year Swap Rate) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent, subject to giving notice thereof in accordance with Condition 4(e)(iv), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as the Fiscal Agent may be required in order to give effect to this Condition 4(e)).
- (iv) If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(e) prior to the relevant Reset Determination Date, and in any such case the Issuer does not itself make any such determination, as applicable, the Reference Rate applicable to the relevant Reset Period (other than in the case of the Reset Period commencing on the First Reset Date) shall be the Reference Rate applicable as at the preceding Reset Determination Date. In the case of the Reset Period commencing on the First Reset Date, the Reset Rate of Interest shall be equal to the Initial Rate of Interest. For the avoidance of doubt, any adjustment pursuant to this Condition 4(e) shall apply only to the relevant Reset Period. Any subsequent Reset Period may be subject to the subsequent operation of this Condition 4(e).
- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(e) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, and, in accordance

with Condition 16 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

- (vi) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
 - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(e); and
 - (B) certifying that (1) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and (2) the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendments.

The Fiscal Agent shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.

- (vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the other Paying Agents and the Noteholders.
- (viii) Notwithstanding any other provision of this Condition 4(e), no Successor Rate or Alternative Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 4(e), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Additional Tier 1 Capital of the Issuer and/or the Group for the purposes of, and in accordance with, the relevant Applicable Banking Regulations:
- (ix) As used in this Condition 4(e):

"Adjustment Spread" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

- (C) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 4(e) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in PLN;

"Benchmark Amendments" has the meaning given to it in this Condition 4(e);

"Benchmark Event" means with respect to the Rate of Interest, any one or more of the following:

- (A) the Reference Rate has ceased to be published as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **"Specified Future Date"**); or
- (C) a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will, by a specified future date (the **"Specified Future Date"**), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the **"Specified Future Date"**), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the Reference Rate that, in the view of such supervisor, (i) such Reference Rate is or will, by a specified future date (the **"Specified Future Date"**), be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable) or under that Regulation as it forms part of United Kingdom domestic law by

virtue of the European Union (Withdrawal) Act 2018, as amended, in each case if applicable.

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D), or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

"Reference Rate" means initially the 5 Year Swap Rate or any component part thereof, or thereafter (if applicable) any Alternative Rate or Successor Rate previously determined in accordance with this Condition 4(e), or any component part thereof;

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof, including the National Working Group on Benchmark Reform (in Polish: *Narodowa Grupa Robocza*); and

"Successor Rate" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

5. Cancellation of Interest

- (a) *Optional cancellation of Interest*: The Issuer may in its sole and absolute discretion (but subject to the requirement for mandatory cancellation of interest pursuant to Conditions 3(f), 5(b), 5(c), 5(d) and 6(a)(iii)) at any time elect to cancel any interest payment, in whole or in part, which is scheduled to be paid on any date.
- (b) *Mandatory Cancellation of Interest – Insufficient Distributable Items*: Interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, if and to the extent that the amount of such interest payment otherwise due (together with any additional amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable), together with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made during the then current Financial Year on the Notes and all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of

deduction, in the calculation of Distributable Items) in aggregate would exceed the amount of Distributable Items of the Issuer as at such date.

- (c) *Mandatory Cancellation of Interest – Maximum Distributable Amount:* Interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, to the extent that the amount of such interest payment otherwise due (together with any additional amounts payable thereon pursuant to Condition 9 (*Taxation*), if applicable), together with other distributions of the kind referred to in Article 141(2) of the CRD Directive (or any provision of applicable law transposing or implementing Article 141(2) of the CRD Directive, as amended or replaced) or referred to in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated and which are required under prevailing Applicable Banking Regulations to be taken into account for this purpose, in aggregate would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the Group to be exceeded.
- (d) *Mandatory Cancellation of Interest – Competent Authority Order:* Interest otherwise due on an Interest Payment Date will not be due (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, to the extent the Competent Authority orders the Issuer or the Group to cancel such payment (including pursuant to Article 138(2)(3) of the Banking Law).

The Issuer will also cancel interest payments (in whole or in part) on the Notes in any other circumstances in which the Applicable Banking Regulations (or where the Competent Authority or an applicable resolution authority acting pursuant to such Applicable Banking Regulations or other applicable laws or regulations) require interest payments on the Notes to be so cancelled (including, but not limited to, if the Issuer or the Group becomes subject to any applicable MREL or leverage-based maximum distributable amount restrictions). See further the risk factor entitled "The Issuer may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Notes."

- (e) *Notice of Cancellation of Interest:* Upon the Issuer electing to cancel any interest payment (or part thereof) pursuant to Condition 5(a), or being prohibited from making any interest payment (or part thereof) pursuant to Conditions 3(f), 5(b), 5(c) or 5(d), the Issuer shall, as soon as reasonably practicable on or prior to the scheduled payment date, give notice of such non-payment and the reason therefor to the Noteholders in accordance with Condition 16, **provided that** any delay in giving or failure to give such notice shall not affect the deemed cancellation of any interest payment (in whole or, as the case may be, in part) by the Issuer and shall not constitute a default under the Notes or for any purpose. Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest payment that will be paid on the Relevant Date.
- (f) *Interest non-cumulative; no default or restrictions:* Any interest payment (or, as the case may be, part thereof) not paid on any relevant scheduled payment date by reason of Condition 3(f), 5(a), 5(b), 5(c), 5(d) or 6 shall be cancelled, shall not accumulate, and will not become due or payable at any time thereafter, whether in the event of the liquidation or bankruptcy of the Issuer or otherwise. The Issuer may use such cancelled payment without restriction to meet its obligations as they fall due. The cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

If the Issuer does not pay any interest payment (in whole or, as the case may be, in part) on the relevant scheduled payment date, such non-payment (whether the notice referred to in Condition 5(e) or, as appropriate, Condition 6(a), has been given or not) shall evidence either the non-

payment and cancellation of such interest payment (in whole or, as the case may be, in part) by reason of it not being due in accordance with Condition 3(f), the cancellation of such interest payment (in whole or, as the case may be, in part) in accordance with Conditions 5(b), 5(c), 5(d) or 6(a) or, as appropriate, the Issuer's exercise of its discretion to cancel such interest payment (in whole or, as the case may be, in part) in accordance with Condition 5(a). Accordingly, non-payment of any interest (in whole or, as the case may be, in part) in accordance with any of Condition 3(f), 5(a), 5(b), 5(c), 5(d) or 6(a), will not constitute a default by the Issuer for any purpose (whether under the Notes or otherwise) and the Noteholders shall have no right thereto, whether in the event of the liquidation or bankruptcy of the Issuer or otherwise.

6. Write Down and Write Up

- (a) *Write Down:* If, at any time, it is determined (as provided below) that a Trigger Event has occurred:
- (i) the Issuer shall (unless the determination was made by the Competent Authority), immediately, inform the Competent Authority (or procure that the Competent Authority is informed) of the occurrence of the relevant Trigger Event;
 - (ii) the Issuer shall, without delay, give the relevant Trigger Event Notice, which notice shall be irrevocable;
 - (iii) any interest which is accrued to the relevant Write Down Date and unpaid shall be automatically and irrevocably cancelled (whether or not the same has become due for payment); and
 - (iv) the then Prevailing Principal Amount of each Note shall be automatically and irrevocably reduced by the relevant Write Down Amount (such reduction being referred to herein as a "**Write Down**", and "**Written Down**" shall be construed accordingly) as provided below.

Such cancellation and reduction shall take place without the need for the consent of Noteholders and without delay on such date as is selected by the Issuer (the "**Write Down Date**") but which shall be no later than one month following the occurrence of the relevant Trigger Event. The Competent Authority may require that the period of one month referred to above is reduced in cases where the Competent Authority assesses that sufficient certainty on the required Write Down Amount is established or in cases where it assesses that an immediate Write Down is needed.

For the purposes of determining whether a Trigger Event has occurred, the CET1 Ratio of the Issuer and the Group may be calculated at any time based on information (whether or not published) available to the management board of the Issuer and/or to the Competent Authority, including information internally reported within the Issuer pursuant to its procedures for monitoring the CET1 Ratio.

The Issuer intends to publish the CET1 Ratio of each of the Issuer and the Group on at least a quarterly basis.

The determination as to whether a Trigger Event has occurred shall be made by the Issuer or the Competent Authority or any entity appointed for such purpose by the Competent Authority. Any such determination shall be binding on the Issuer and the Noteholders.

Any Trigger Event Notice delivered to the Fiscal Agent shall be accompanied by a certificate signed by one or more authorised signatories certifying the accuracy of the contents of the Trigger Event Notice upon which the Fiscal Agent shall rely (without liability to any person).

Any delay in giving or any failure by the Issuer to give a Trigger Event Notice and/or the certification referred to in the immediately foregoing paragraph will not, however affect the effectiveness of, or otherwise invalidate, any Write Down, or give Noteholders, the Fiscal Agent or any other person any rights as a result of such failure.

A Trigger Event may occur on more than one occasion (and each Note may be Written Down on more than one occasion).

Any reduction of the Prevailing Principal Amount of a Note pursuant to this Condition (a) shall not constitute a default by the Issuer for any purpose, and the Noteholders shall have no right to claim for amounts Written Down.

(b) *Write Down Amount*: The aggregate reduction of the Prevailing Principal Amounts of the Notes outstanding on the Write Down Date will, subject as provided below, be equal to the lower of:

- (i) the amount necessary to generate sufficient Common Equity Tier 1 Capital that would result in the CET1 Ratio of the Issuer and/or the Group, as the case may be, being at least 5.125 per cent. at the point of such reduction, after taking into account (subject as provided below and in Condition 6(c)), the *pro rata* write down and/or conversion of the prevailing principal amount of all Loss Absorbing Instruments (if any) to be written down and/or converted concurrently (or substantially concurrently) with the Notes, **provided that**, with respect to each Loss Absorbing Instrument (if any), such *pro rata* write down and/or conversion shall only be taken into account to the extent required to achieve the CET1 Ratio contemplated above to the lower of (a) such Loss Absorbing Instrument's trigger level (or, if it has more than one such trigger level, the higher or highest effective trigger level) and (b) the trigger level in respect of which the relevant Trigger Event under the Notes has occurred and, in each case, in accordance with the terms of the relevant Loss Absorbing Instruments and the Applicable Banking Regulations; and
- (ii) the amount that would result in the Prevailing Principal Amount of a Note being reduced to one grosz.

The aggregate reduction determined in accordance with the immediately preceding paragraph shall be applied to all of the Notes *pro rata* on the basis of their Prevailing Principal Amount immediately prior to the Write Down and references herein to "**Write Down Amount**" shall mean, in respect of each Note, the amount by which the Prevailing Principal Amount of such Note is to be Written Down accordingly.

In calculating any amount in accordance with Condition 6(b)(i), the Common Equity Tier 1 Capital (if any) generated as a result of the cancellation of interest pursuant to Condition 6(a)(iii) shall not be taken into account.

If, in connection with the Write Down or the calculation of the Write Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written down and/or converted in full and not in part only ("**Full Loss Absorbing Instruments**"), then:

- (A) the provision that a Write Down of the Notes should be effected *pro rata* with the write down and/or conversion, as the case may be, of any Loss Absorbing Instruments shall

not be construed as requiring the Notes to be Written Down in full solely by virtue of the fact that such Full Loss Absorbing Instruments may be written down and/or converted in full; and

- (B) for the purposes of calculating the Write Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write down of principal and/or conversion, as the case may be, among the Notes and any Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write down and/or conversion, such that the write down and/or conversion of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (I) first, the principal amount of such Full Loss Absorbing Instruments shall be written down and/or converted *pro rata* (in the manner contemplated above) with the Notes and all other Loss Absorbing Instruments to the extent necessary to achieve the CET1 Ratio(s) referred to in Condition 6(b)(i); and (II) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (I) shall be written off and/or converted, as the case may be, with the effect of increasing the CET1 Ratio of the Issuer and/or the Group, as applicable, above the minimum required under Condition 6(b)(i).

To the extent the write down and/or conversion of any Loss Absorbing Instruments for the purpose of Condition 6(b)(i) is not possible for any reason, this shall not in any way prevent any Write Down of the Notes. Instead, in such circumstances, the Notes will be Written Down and the Write Down Amount determined as provided above but without including for the purpose of Condition 6(b)(i) any Common Equity Tier 1 Capital in respect of the write down or conversion of such Loss Absorbing Instruments, to the extent it is not possible for them to be written down and/or converted.

The Issuer shall set out its determination of the Write Down Amount per Calculation Amount in the relevant Trigger Event Notice together with the then Prevailing Principal Amount per Calculation Amount following the relevant Write Down. However, if the Write Down Amount has not been determined when the Trigger Event Notice is given, the Issuer shall, as soon as reasonably practicable following such determination, notify the Write Down Amount to the Noteholders in accordance with Condition 16, the Fiscal Agent and the Competent Authority and, at the same time, shall deliver a certificate signed by one or more authorised signatories certifying the accuracy of the contents of such notice, upon which the Fiscal Agent shall rely (without liability to any person). The Issuer's determination of the relevant Write Down Amount shall be irrevocable and binding on all parties.

- (c) *Consequences of a Write Down:* Following a reduction of the Prevailing Principal Amount of the Notes as described in accordance with Condition 6(a), interest will continue to accrue on the Prevailing Principal Amount of each Note following such reduction, and will be subject to Conditions 3(f), 5(a), 5(b), 5(c), 5(d) and 6(a).

Following any Write Down of a Note, references herein to "**Prevailing Principal Amount**" shall be construed accordingly. Once the Prevailing Principal Amount of a Note has been Written Down, the relevant Write Down Amount(s) may only be restored, at the discretion of the Issuer, in accordance with Condition 6(d).

Following the giving of a Trigger Event Notice which specifies a Write Down of the Notes, the Issuer shall procure that (i) a similar notice is given in respect of Loss Absorbing Instruments in accordance with their terms and (ii) the then prevailing principal amount of each series of Loss Absorbing Instruments outstanding (if any) is written down and/or converted in accordance with their terms following the giving of such Trigger Event Notice; **provided, however, that** any failure by the Issuer either to give such a notice or to procure such a write down and/or

conversion will not affect the effectiveness of, or otherwise invalidate, any Write Down of the Notes pursuant to Condition 6(a) or give Noteholders any rights as a result of either such failure (and, for the avoidance of doubt, the Write Down Amount may increase as a result thereof).

- (d) *Write Up*: The Issuer shall have, save as provided below, full discretion to reinstate, to the extent permitted in compliance with the Applicable Banking Regulations, any portion of the principal amount of the Notes which has been Written Down and which has not previously been Written Up (such portion, the "**Write Up Amount**"). The reinstatement of the Prevailing Principal Amount (such reinstatement being referred to herein as a "**Write Up**", and "**Written Up**" shall be construed accordingly) may occur on more than one occasion (and each Note may be Written Up on more than one occasion) **provided that** the principal amount of each Note shall never be Written Up to an amount greater than its Initial Principal Amount.

To the extent that the Prevailing Principal Amount of the Notes has been Written Up as described above, interest shall begin to accrue from (and including) the date of the relevant Write Up on the increased Prevailing Principal Amount of the Notes.

Any such Write Up of the Notes shall be made on a *pro rata* basis and without any preference among the Notes and on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any). Any failure by the Issuer to Write Up the Notes on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any), however, will not affect the effectiveness, or otherwise invalidate, any Write Up of the Notes and/or write up of the Written Down Additional Tier 1 Instruments or give Noteholders any rights as a result of such failure.

Any Write Up of the Prevailing Principal Amount of the Notes and any reinstatement of any Written Down Additional Tier 1 Instruments may not exceed any Maximum Distributable Amount (after taking account of (x) any other relevant distributions of the kind referred to in Article 141(2) of the CRD Directive (or any provision of applicable law transposing or implementing Article 141(2) of the CRD Directive, as amended or replaced), or in any other applicable provisions of the Applicable Banking Regulations which require a maximum distributable amount to be calculated and which are required under prevailing Applicable Banking Regulations to be taken into account for this purpose and (y) the requirements of Article 21.2(f) of the CRR Supplementing Regulation, as amended or replaced).

Further, any Write Up of the Prevailing Principal Amount of the Notes may not be made to the extent that the sum of:

- (i) the aggregate amount of the relevant Write Up on all the Notes on the Write Up Date;
- (ii) the aggregate amount of any other Write Up on the Notes since the Specified Date and prior to the Write Up Date;
- (iii) the aggregate amount of any interest payments paid on the Notes since the Specified Date and which accrued on the basis of a Prevailing Principal Amount which is less than the Initial Principal Amount;
- (iv) the aggregate amount of the increase in principal amount of each Written Down Additional Tier 1 Instrument at the time of the relevant Write Up;
- (v) the aggregate amount of any other increase in principal amount of each Written Down Additional Tier 1 Instrument since the Specified Date and prior to the time of the relevant Write Up; and

- (vi) the aggregate amount of any interest payments paid on all Loss Absorbing Instruments since the Specified Date and which accrued on the basis of a prevailing principal amount which is less than its initial principal amount,

would exceed the Maximum Write Up Amount.

As used above:

"Maximum Write Up Amount" means, as at any Write Up Date, the lower of (a) the consolidated profits after tax of the Group, as calculated and set out in the then most recently published audited annual consolidated accounts of the Group, multiplied by the sum of the aggregate Initial Principal Amount of the outstanding Notes and the aggregate initial principal amount of all outstanding Written Down Additional Tier 1 Instruments of the Group, and divided by the total Tier 1 Capital of the Group as at the relevant Write Up Date and (b) the solo profits after tax of the Issuer, as calculated and set out in the most recently published standalone audited accounts of the Issuer, multiplied by the sum of the aggregate Initial Principal Amount of the outstanding Notes and the aggregate initial principal amount of all outstanding Written Down Additional Tier 1 Instruments of the Issuer, and divided by the total Tier 1 Capital of the Issuer on a solo basis as at the relevant Write Up Date.

"Specified Date" means, in respect of a Write Up, the date falling at the end of the Financial Year immediately preceding the relevant Write Up Date.

Any Write Up will be subject to (a) it not causing a Trigger Event, (b) the Issuer having taken a formal decision confirming such final profits after tax and (c) the Issuer obtaining any Regulatory Permission required therefor (provided at the relevant time such Regulatory Permission is required to be given) and such Regulatory Permission not having been revoked by the date of such Write Up.

If the Issuer elects to Write Up the Notes pursuant to this Condition 6(d), notice of such Write Up (a **"Write Up Notice"**) shall be given to Noteholders in accordance with Condition 16, the Fiscal Agent and the Competent Authority specifying the amount of any Write Up and the date on which such Write Up shall take effect (the **"Write Up Date"**). Such Write Up Notice shall be given at least ten Business Days prior to the date on which the relevant Write Up is to become effective.

- (e) *Currency*: For the purpose of any calculation in connection with a Write Down or Write Up of the Notes which necessarily requires the determination of a figure in PLN (or in an otherwise consistent manner across obligations denominated in different currencies), including (without limitation) any determination of a Write Down Amount and/or a Maximum Write Up Amount, any relevant obligations which are not denominated in PLN shall, (for the purposes of such calculation only) be deemed notionally to be converted into PLN at the foreign exchange rates applicable to the Issuer based on its regulatory reporting requirements under the Applicable Banking Regulations.

7. Redemption and Purchase

- (a) *No fixed redemption date*: The Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall, without prejudice to its ability to effect a Write Down in accordance with Condition 6(a), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 7.
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer (subject to Condition 7(j) (*Conditions to Redemption, Substitution, Variation or Repurchase*)) in whole,

but not in part, at any time, on giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable) at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount, together with any accrued and unpaid interest (excluding interest that has been cancelled in accordance with these Conditions) to the date fixed for redemption, if:

- (i) (A) a Withholding Tax Event occurs; or
(B) a Tax Event occurs; and
- (ii) both a Tax Certificate and a Tax Opinion have been delivered to the Fiscal Agent by the Issuer.

However, where the Issuer would be obliged to pay additional amounts, no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Upon the expiry of any such notice as is referred to in this Condition 7(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 7(b).

For the purpose of this Condition 7(b):

"Change in Tax Law" means any:

- (i) amendment to, clarification of, or change in, the laws or regulations of any Taxing Jurisdiction; or
- (ii) governmental action in the Taxing Jurisdiction; or
- (iii) amendment to, clarification of, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known;

"Relevant Jurisdiction" means the jurisdiction in which the Issuer is incorporated at the relevant time;

"Tax Certificate" means a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect the redemption of the Notes pursuant to this Condition 7(b) and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred;

"Tax Event" shall occur if, as a result of any Change in Tax Law of the Taxing Jurisdiction, which becomes effective or is announced on or after the Issue Date:

- (i) the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to the Notes as the case may be;

- (ii) the Issuer is not, or will not, be entitled to claim a deduction in respect of payments in respect of the Notes as the case may be in computing its taxation liabilities (or the value of such deduction would be materially reduced); or
- (iii) the Issuer will or would, in the future, have to bring into account a taxable credit, taxable profit or the receipt of taxable income if the principal amount of the Notes were Written Down;

"Taxing Jurisdiction" means the Relevant Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction;

"Tax Opinion" means an opinion of independent legal advisers of recognised standing in the relevant Taxing Jurisdiction stating that the circumstances constituting the Tax Event or Withholding Tax Event (as the case may be) are prevailing; and

"Withholding Tax Event" shall occur if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any Change in Tax Law, which change or amendment becomes effective on or after the Issue Date, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

- (c) *Redemption at the option of the Issuer:* The Notes may be redeemed at the option of the Issuer (but subject to Condition (j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*)) in whole, but not in part on the Interest Payment Date falling on 22 January 2031, or on any Interest Payment Date thereafter (the **"Optional Redemption Date"**) at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date of redemption and shall oblige the Issuer to redeem the Notes on the Optional Redemption Date at such price plus any accrued and unpaid interest (excluding interest that has been cancelled in accordance with these Conditions) to such date).
- (d) *Issuer residual call:* Subject to Condition (j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*), if, at any time the outstanding aggregate principal amount of the Notes is 25 per cent. or less of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 15 (*Further Issues*) and consolidated with the Notes shall be deemed to have been originally issued and any Write Down and/or Write Up of the principal amount of the Notes shall be ignored), the Issuer may redeem all (but not some only) of the remaining outstanding Notes on any date upon giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall specify the date for redemption and shall be irrevocable), at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount together with any accrued and unpaid interest (excluding interest that has been cancelled in accordance with these Conditions) up to (but excluding) the date of redemption.
- (e) *Early Redemption as a result of a Capital Event:* Upon the occurrence of a Capital Event in respect of the Notes (but subject to Condition (j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*)), the Issuer may, at its option, having given not less than 30 days' nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and delivery thereof shall oblige the Issuer to make the redemption therein specified) redeem all (but not some only) of the Notes at any time at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount

together with any accrued and unpaid interest (excluding interest that has been cancelled in accordance with these Conditions) up to (but excluding) the date of redemption, subject to these Conditions.

- (f) *Early Redemption due to MREL Disqualification Event:* Subject to Condition (j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*), if MREL Disqualification Event has occurred and is continuing, then the Issuer may, at its option and having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16 (*Notices*), (which notice shall be irrevocable and shall specify the date for redemption), redeem all, but not some only, of the Notes at a redemption amount equal to 100 per cent. of their Prevailing Principal Amount together with any accrued and unpaid interest (excluding interest that has been cancelled in accordance with these Conditions) up to (but excluding) the date of redemption, subject to these Conditions. Upon the expiry of such notice, the Issuer shall redeem the relevant Notes.

The appropriate notice referred to in this Condition is a notice given by the Issuer to the Noteholders, which notice shall be signed by the Issuer and shall specify:

- (i) that an MREL Disqualification Event has occurred and is continuing;
- (ii) that the Issuer has obtained the prior written consent of the Competent Authority, provided that at the relevant time such consent is required to be given; and
- (iii) the due date for such redemption, which shall be not less than 30 nor more than 60 days after the date on which such notice is validly given.

Any such notice shall be irrevocable and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

Any refusal by the Competent Authority to grant its approval as described in (ii) above will not constitute an event of default under the Notes.

For the purposes of these Conditions:

- (A) "**Applicable MREL Regulations**" means, at any time, the laws, regulations, requirements, guidelines and, policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the Republic of Poland, and/or of the European Parliament or of the Council of the European Union then in effect in the Republic of Poland or any other relevant jurisdiction giving effect to MREL or any successor principles then applicable to the Issuer and/or the Group, including, without limitation to the generality of the foregoing, CRD, the BRRD and those regulations, requirements, guidelines and policies giving effect to MREL or any successor principles then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and/or the Group);
- (B) "**MREL**" means the "minimum requirement for own funds and eligible liabilities" for credit institutions under the BRRD, set in accordance with Article 45 of the BRRD (as transposed in the Republic of Poland or any other relevant jurisdiction), Commission Delegated Regulation (EU) 2016/1450 of 23 May 2016, supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities, or any successor

requirement under the EU legislation and relevant implementing legislation and regulation in the Republic of Poland or any other relevant jurisdiction;

- (C) **"MREL Disqualification Event"** means in respect of the Notes, the determination by the Issuer that, as a result of any amendment to, or change in, or replacement of, the relevant Applicable Banking Regulations or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the Notes, the whole or any part of the outstanding Prevailing Principal Amount of the Notes at any time is not included in, ceases or (in the opinion of the Issuer or the Competent Authority) will cease to count towards, the Issuer's or the Group's eligible liabilities and/or loss-absorbing capacity (in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations and provided that such change was not reasonably foreseeable by the Issuer as at the Issue Date); **provided that** an MREL Disqualification Event shall not occur if such whole or part of the outstanding Prevailing Principal Amount of the Notes is not included in, ceases or (in the opinion of the Issuer) will cease to count towards, such eligible liabilities and/or loss-absorbing capacity due to: (a) the remaining maturity of such Notes being less than the minimum period prescribed by the relevant Applicable Banking Regulations; or (b) any applicable limits on the amount of "eligible liabilities" (or any equivalent or successor term) permitted or allowed to meet any MREL Requirements applicable to the Issuer and/or the Group being exceeded;
- (D) **"MREL Requirements"** means the minimum requirement for own funds and eligible liabilities applicable to the Issuer and/or the Group under the Applicable MREL Regulations.
- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 7(b) to 7(f) above.
- (h) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons and unexchanged Talons are purchased therewith, and **provided that** any such purchases will be subject to Condition (j) (*Redemption and Purchase – Conditions to Redemption, Substitution, Variation or Repurchase*) and made in accordance with the Applicable Banking Regulations. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
- Any refusal by the Competent Authority (if required) to grant its approval or permission as described above will not constitute a default for any purpose in respect of the Notes.
- (i) *Cancellation:* All Notes that are redeemed and surrendered for cancellation by the Issuer or any of its Subsidiaries (along with any unmatured Coupons or unexchanged Talons attached to or surrendered with them) shall be cancelled and may not be reissued or resold.
- (j) *Conditions to Redemption, Substitution, Variation or Repurchase:* The Issuer may redeem or repurchase the Notes (and give notice thereof to the Noteholders) in accordance with this Condition 7, only if such redemption or repurchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the permission of the Competent Authority and such permission has not been revoked by the relevant date of such redemption, substitution, variation or repurchase, and in addition if:

- (i) on or before such redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds instruments of an equal or higher quality on terms that are sustainable for its income capacity; or
- (ii) on or before such redemption or repurchase of the Notes, the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements under the Applicable Banking Regulations by a margin that the Competent Authority may consider necessary; or
- (iii) in the case of redemption or repurchase before five years after the Issue Date of the Notes (or if later, five years after the issue date of any further notes issued pursuant to Condition 15 (*Further Issues*)), either of the conditions listed in paragraphs (i) and (ii) above is met, and either:
 - (A) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or
 - (B) in the case of redemption due to the occurrence of a taxation reason pursuant to Condition (b) (*Redemption for tax reasons*), the Issuer demonstrates to the satisfaction of the Competent Authority that such change in tax treatment is material and was not reasonably foreseeable at the time of issuance of the Notes; or
 - (C) before or at the same time of such redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
 - (D) the Notes are repurchased for market making purposes; and
- (iv) in the case of a redemption of the Notes pursuant to Condition 7(c), the Prevailing Principal Amount of each Note is equal to its Initial Principal Amount.

Any refusal by the Competent Authority (if required) to grant its approval or permission as described above will not constitute a default for any purpose in respect of the Notes.

In addition, if the Issuer has elected to redeem the Notes, or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Notes and:

- (A) the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for redemption or purchase; or
- (B) prior to the redemption or repurchase of the Notes, a Trigger Event occurs,

the relevant redemption notice or purchase agreement, as the case may be, shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Noteholders in accordance with Condition 16, and the Fiscal Agent, as soon as practicable.

Further, no notice of redemption shall be given in the period following the occurrence of a Trigger Event and prior to the relevant Write Down Date (and any purported such notice shall be ineffective).

8. Payments

- (a) *Principal*: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by transfer to a PLN account (or other account to which PLN may be credited or transferred) maintained by the payee with a bank in Warsaw.
- (b) *Interest*: Payments of interest shall, subject to paragraph (f) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.
- (c) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (d) *Unmatured Coupons*: Upon the presentation of any Note, all unmatured Coupons and unexchanged Talons (if any) relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Upon any Note becoming due and repayable, all unmatured Coupons and unexchanged Talons (if any) appertaining thereto will become void and no further Coupons or Talons will be issued in respect thereof.
- (e) *Payments on business days*: If the due date for payment of any amount in respect of any Note, Coupon or Talon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a PLN account as referred to above, any day on which commercial banks and foreign exchange markets settle payments and are open for general business in Warsaw.
- (f) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States.
- (g) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note, Coupon or Talon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

9. Taxation

- (a) *Gross up*: All payments of principal, interest and other amounts in respect of the Notes and the Coupons by or on behalf of the Issuer shall (subject always to Conditions 3(f), 5, 6 and 7(j)) be

made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Poland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in respect of interest (but not principal or any other amount), the Issuer shall (subject as aforesaid) pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note, Coupon or Talon:

- (i) held by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Coupon or Talon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note, Coupon or Talon;
 - (ii) where the relevant Note, Coupon or Talon is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note, Coupon or Talon would have been entitled to such additional amounts on presenting or surrendering such Note, Coupon or Talon for payment on the last day of such period of 30 days; or
 - (iii) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Poland, references in these Conditions to the Republic of Poland shall be construed as references to the Republic of Poland and/or such other jurisdiction.

References in these Conditions (including, without limitation, for the purposes of cancellation pursuant to Condition 5) to interest shall be deemed to include any additional amounts which may be payable under this Condition 9.

10. Enforcement

- (a) In the event of a decision of the competent court declaring the Issuer insolvent, the liabilities under the Notes shall become immediately due and payable under the Bankruptcy Law.
- (b) In the event the liquidation of the Issuer is initiated in accordance with the Banking Law, any Noteholder should be paid by the Issuer in accordance with the relevant provisions of Polish law (in particular, subject to the notification of the claim within the time limit specified in the Code of Commercial Companies, if applicable) or liquidation procedures set out or approved by the Competent Authority. If claims are not filed within the time limit specified in the Code of Commercial Companies, the liabilities under the Notes will be subject to satisfaction from the Issuer's assets not yet distributed among the Issuer's shareholders.
- (c) For the avoidance of doubt, write-down or conversion of liabilities or any other instrument of compulsory restructuring applied to the Issuer under the Act on the Bank Guarantee Fund shall not give rise to the Notes becoming due and payable or to any other claim of the Noteholder against the Issuer.

- (d) For the avoidance of doubt, no amounts shall be due in respect of the Notes if payment of the same shall have been cancelled in accordance with Condition 3(f), Condition 5, Condition 6(a)(iii), Condition 6(a)(iv) and/or Condition 7(j), and accordingly non-payment of such amounts shall not constitute a default.
- (e) Any Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Conditions 10(a) to 10(b) any obligation for the payment of any principal or interest in respect of the Notes, including any damages for breach of obligation) **provided that** the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the Competent Authority (if such approval is then required under the Applicable Banking Regulations).
- (f) No remedy against the Issuer, other than as provided in Conditions 10(a) to 10(b), shall be available to the Noteholders, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes.

11. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

12. Replacement of Notes, Coupons and Talons

If any Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

13. Paying Agents and Calculation Agent

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents and Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agent and its initial Specified Office is listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or Calculation Agent and to appoint a successor fiscal agent or calculation agent and additional or successor paying agents or calculation agents; **provided, however, that** the Issuer shall at all times maintain a fiscal agent and a calculation agent.

Notice of any change in any of the Paying Agents or Calculation Agents or in their Specified Offices shall promptly be given to the Noteholders.

14. Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an

Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than five per cent. of the aggregate Prevailing Principal Amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing not less than 50 per cent. of the aggregate Prevailing Principal Amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the Prevailing Principal Amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one-third of the aggregate Prevailing Principal Amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference).

In addition, a resolution in writing signed by or on behalf of Noteholders holding not less than 75 per cent. in Prevailing Principal Amount of the Notes for the time being outstanding, who are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Issuer may, without the consent of any of the Noteholders or Couponholders, at any time agree with the Fiscal Agent: (A) any modification (except for any modification that relates to a Reserved Matter) of the Notes, the Coupons, the Agency Agreement or the Deed of Covenant which is not prejudicial to the interests of the Noteholders; or (B) any modification of the Notes, the Coupons, the Agency Agreement or the Deed of Covenant which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with Mandatory Provisions of Law. Any modification or waiver of these Conditions will be effected in accordance with Applicable Banking Regulations.
- (c) *Competent Authority's consent:* any amendment to these Conditions requires a prior consent of the Competent Authority to be effective.

15. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders but subject to any Regulatory Permission required therefor (and such Regulatory Permission not having been revoked at the relevant date of such creation and issue), create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

16. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe and, if the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system by publication in a manner such that the rules of such listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation have been complied with. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which

publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

17. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) and (b) all amounts denominated in PLN used in or resulting from such calculations will be rounded to the nearest grosz (with one half grosz being rounded up).

18. Substitution and Variation of the Notes

If at any time a Capital Event, MREL Disqualification Event, Withholding Tax Event or Tax Event occurs and is continuing, or to ensure the effectiveness or enforceability of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*), the Issuer may, subject to Condition 7(j) (*Conditions to Redemption, Substitution, Variation or Repurchase*) and the Applicable Banking Regulations (without any requirement for the consent or approval of the Noteholders) and having given not less than 30 nor more than 60 days' notice to the Fiscal Agent (in accordance with the Agency Agreement) and the Noteholders (which notice shall be irrevocable) in accordance with Condition 16, at any time either:

- (a) substitute all (but not some only) of the Notes for new subordinated notes, which are Qualifying Securities; or
- (b) vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Securities,

provided that, in each case:

- (i) such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities; and
- (ii) the solicited credit ratings of the Qualifying Securities would be at least equal to the solicited credit ratings assigned to the Notes by any rating agency immediately prior to such variation or substitution (unless any such difference is solely attributable to the effectiveness and enforceability of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*)); and
- (iii) such variation or substitution is not materially less favourable to Noteholders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*)).

For the avoidance of doubt, any such substitution or variation shall not be deemed to be a modification or amendment for the purposes of Condition 14 (*Meetings of Noteholders; Modification and Waiver*).

Any substitution or variation in accordance with this Condition 18 is subject to the Issuer obtaining prior written consent of the Competent Authority (if such approval is then required under the Applicable Banking Regulations) and complying with the rules of any competent authority, stock exchange and/or quotation system by or on which the Notes are, for the time being, listed, traded and/or quoted.

Any refusal by the Competent Authority to grant its approval as described above will not constitute an event of default under the Notes.

For the purpose of this Condition 18, a variation or substitution shall be "**materially less favourable to Noteholders**" if such varied or substituted securities do not:

- (i) include a ranking at least equal to that of the Notes pursuant to Condition 3 (*Status and Subordination*), as applicable;
- (ii) have the same interest rate and the same interest payment dates as those from time to time applying to the Notes;
- (iii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including as to timing and amounts payable in respect of any such redemption;
- (iv) have the same currency of payment, denomination and original aggregate outstanding nominal amount as the Notes prior to such variation or substitution;
- (v) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of substitution or variation; or
- (vi) have a listing on a recognised stock exchange if the Notes were listed immediately prior to such variation or substitution; and

"**Qualifying Securities**" means securities issued directly or indirectly by the Issuer that contain terms which:

- (i) if, immediately prior to such variation or substitution, the Notes qualify as Additional Tier 1 Capital of the Issuer and/or the Group, result in such securities being eligible to qualify towards the Issuer's and/or the Group's Additional Tier 1 Capital, or
- (ii) if, immediately prior to such variation or substitution, the Notes qualify as eligible liabilities and/or loss absorbing capacity of the Issuer and/or the Group (but not Additional Tier 1 Capital of the Issuer and/or the Group), result in such securities being eligible to qualify towards the Issuer's and/or the Group's eligible liabilities and/or loss absorbing capacity,

in each case, for the purposes of, and in accordance with, the relevant Applicable Banking Regulations to at least the same extent as the Notes prior to the relevant Capital Event, Withholding Tax Event or Tax Event.

In addition, if the Issuer has elected to substitute or vary the terms of the Notes and prior to the substitution or variation of the Notes, a Trigger Event occurs, the relevant substitution or variation notice shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Noteholders in accordance with Condition 16 and the Fiscal Agent, as soon as practicable. Further, no notice of substitution or variation shall be given in the period following the occurrence of a Trigger Event and prior to the relevant Write Down Date (and any purported such notice shall be ineffective).

19. Governing Law and Jurisdiction

- (a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except for:
 - (i) Conditions 3(b) to 3(e) (inclusive) and 3(g); and
 - (ii) Condition 20 (*Acknowledgement of Bail-in and Loss Absorption Powers*) and Condition 21 (*Recognition of Stay Powers*),

which shall be governed by Polish law.

- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute regarding any non-contractual obligation arising out of or in connection with the Notes), and accordingly each of the Issuer and the Noteholders in relation to any dispute submits to the exclusive jurisdiction of the English courts.
- (c) *Appropriate forum*: Each of the Issuer and the Noteholders agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Service of process*: The Issuer irrevocably appoints Banco Comercial Portugues, S.A., London Representative Office at its office at Fredericks Place, 1-3, 5^o, EC2R 8AE London, United Kingdom as its agent for service of process, in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Banco Comercial Portugues, S.A., London Representative Office being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20. Acknowledgement of Bail-in and Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 20, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effect of the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in some or any of the following, or a combination thereof:
 - (i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
 - (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and
 - (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
 - (v) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.
- (b) By its acquisition of the Notes, each Noteholder (including, for these purposes, each holder of a beneficial interest in the Notes): (i) acknowledges, accepts, consents and agrees to be bound by the exercise of any Bail-in and Loss Absorption Powers as may be exercised without any

prior notice by the Competent Authority and/or the Relevant Resolution Authority of its decision to exercise such power with respect to such Notes; and (ii) shall be deemed to have authorised, directed and requested Euroclear and Clearstream, Luxembourg, any accountholder in Euroclear or Clearstream, Luxembourg or other intermediary through which it holds such Notes to take any and all necessary action, if required, to implement the exercise of any Bail-in and Loss Absorption Powers with respect to such Notes as it may be exercised, without any further action or direction on the part of such Noteholder or any Paying Agent.

- (c) Upon the exercise of any Bail-in and Loss Absorption Powers by the Competent Authority and/or the Relevant Resolution Authority with respect to the Notes, the Issuer will provide a written notice to the Noteholders in accordance with Condition 16 (*Notices*) as soon as practicable regarding such exercise of the Bail-in and Loss Absorption Powers. The Issuer will also deliver a copy of such notice to the Paying Agents for information purposes. Each Noteholder acknowledges, accepts, consents and agrees that any delay or failure by the Issuer to notify the Noteholders under this paragraph shall not affect (or be deemed to operate to affect) the validity and enforceability of the exercise of Bail-in and Loss Absorption Powers by the Competent Authority and/or the Relevant Resolution Authority.
- (d) Neither a reduction or cancellation, in part or in full, of the principal or any other redemption amount of, or any interest on, the Notes or any other outstanding amounts due under or in respect of the Notes, the conversion thereof into another security or obligation of the Issuer or another person or the variation of the terms of the Notes, as a result of the exercise of any Bail-in and Loss Absorption Powers by the Competent Authority and/or the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in and Loss Absorption Powers by the Competent Authority and/or the Relevant Resolution Authority with respect to the Notes pursuant to this Condition 20, will be an event of default.

For the purposes of this Condition 20:

"Bail-in and Loss Absorption Powers" means any loss absorption, write down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the Republic of Poland, relating to (i) the transposition of the BRRD and (ii) the instruments, rules and standards created thereunder, as applicable, pursuant to which any obligation of the Issuer or any member of the Group (or any affiliate of the Issuer or any member of the Group) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

"Relevant Amounts" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

"Relevant Resolution Authority" means the Bank Guarantee Fund (in Polish: *Bankowy Fundusz Gwarancyjny*) or any successor to or replacement for the Bank Guarantee Fund and/or any other authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer and/or the Group.

The exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority will not constitute a default for any purposes in respect of the Notes.

21. Recognition of Stay Powers

- (a) By its subscription and/or purchase and holding of the Notes, each Noteholder (which for the purposes of this Condition 21, includes each holder of a beneficial interest in the Notes), where a resolution measure is taken in relation to the Issuer or any member of the same Group as the Issuer which is an EU BRRD undertaking:
 - (i) acknowledges and accepts that the Notes may be subject to the exercise of Stay Powers;
 - (ii) acknowledges and accepts that it is bound by the application or exercise of any such Stay Powers; and
 - (iii) confirms that this Condition 21 represents the entire agreement with the Issuer on the potential impact of Stay Powers in respect of the Notes, to the exclusion of any other agreement, arrangement or understanding between parties,to the extent that such Stay Powers apply to the Notes.
- (b) In accordance with Article 68 (*Exclusion of certain contractual terms in early intervention and resolution*) of the BRRD and any relevant implementing measures in any member state, by its subscription and/or purchase and holding of the Notes, each Noteholder further acknowledges and agrees that the application or exercise of any such Stay Powers shall not, *per se*, be deemed to be an enforcement event within the meaning of Directive 2002/47/EC of the European Parliament and of the Council of 6 June 2002 on financial collateral arrangements or as insolvency proceedings within the meaning of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, and that Noteholders shall not be entitled to take any of the steps outlined under Article 68(3) of the BRRD and any relevant implementing measures in any member state against the Issuer.
- (c) For the purpose of these Conditions:
 - (i) "**Stay Powers**" means the powers of a relevant resolution authority to suspend or restrict rights and obligations under:
 - (A) Article 33a (Power to suspend payment or delivery obligations);
 - (B) Article 69 (Power to suspend payment or delivery obligations);
 - (C) Article 70 (Power to restrict the enforcement of any security interest); and

(D) Article 71 (Power to temporarily suspend any termination right),
of the BRRD and any relevant implementing measures in any member state, including
Articles 142 – 144a of the BFG Act;

- (ii) **"EU BRRD undertaking"** means an entity within the scope of Article 71a of the BRRD and any relevant implementing measures in any EEA member state; and
- (iii) **"resolution measure"** means "resolution" or the application of a "resolution tool", "crisis prevention measure" or "crisis management measure" within the meaning of the BRRD and any relevant implementing measures in any member state.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, in whole or in part, for interests in the Permanent Global Note, without interest coupons or talons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") at the request of the bearer of the Permanent Global Note if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 10 (*Enforcement*) occurs and the Notes become due and payable.

Clearing System Accountholders

References in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the Temporary Global Note or the Permanent Global Note (as applicable) (each a "**Global Note**"), which, for so long as the Global Note is held by a common depositary, will be that common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under such Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the Notes are represented by a Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note.

Conditions applicable to Global Notes

Each Global Note contains provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Coupon or Talon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: In the case of a Global Note, it shall be any day which is a business day.

Notices: Notwithstanding Condition 16 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg, notices to the Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and, in any such case, such notices shall be deemed to have been

given to the Noteholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg.

Similarly, the provisions for meetings of Noteholders in the Agency Agreement contain provisions that apply while the Notes are represented by a Global Note. The following is a summary of certain of those provisions:

Electronic Consent and Written Resolution: While any Notes are represented by a Global Note and the Global Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. of the aggregate Prevailing Principal Amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding.

Calculation of interest: the calculation of any interest amount in respect of any Note which is represented by the Temporary Global Note or the Permanent Global Note will be calculated on the aggregate Prevailing Principal Amount of the Notes represented by the Temporary Global Note or the Permanent Global Note (as the case may be) and not by reference to the Calculation Amount.

USE OF PROCEEDS

The net proceeds of the issue of the Notes, expected to amount to PLN 1,495,500,000, will be used for the general corporate purposes of the Issuer.

SELECTED FINANCIAL INFORMATION OF THE ISSUER AND OVERVIEW OF THE GROUP'S FINANCIAL CONDITION

Presentation of financial information

Unless otherwise indicated, the financial information in this Prospectus relating to the Group has been derived from the audited consolidated financial statements of the Group for the financial years ended 31 December 2024 and 2023 and the unaudited condensed interim consolidated financial statements of the Group for the six-month period ended 30 June 2025 and for the nine-month period ended 30 September 2025.

The Group's financial year ends on 31 December and references in this Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Group's annual financial statements have been prepared in accordance with IFRS as adopted by the EU. The Group's interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

Comparability of financial data

In the Group's quarterly financial report for the third quarter of 2025 and the Group's half-year financial report for the six-month period ended 30 June 2025, compared to the Group's financial report for the third quarter of 2024, the Group's half-year financial report for the six-month period ended 30 June 2024 and the Group's annual report for 2024, the Group has made certain changes in the presentation of selected financial data in the Income Statement, the Statement of Financial Position and the Statement of Cash Flows in order to enhance the transparency of disclosures, better reflect the economic substance of the transactions concluded, and align with observed changes in market practice. For detailed description of how the implementation of these changes affected the Group's financial results in 2024, see Note 3 "*Introduction and Accounting Policy - Change in the presentation of data implemented in 2025 and the restatement of comparative data*" of the Q3 2025 Group Interim Financial Statements. Where indicated, the financial information in this Prospectus has been provided on the revised presentation basis.

Selected financial information for the nine-month period ended 30 September 2025

In the nine-month period ended 30 September 2025, the Group posted a consolidated net profit of PLN 855 million, which represented a 56 per cent. increase compared to the first nine months of 2024. The main factors contributing to the Group's consolidated net profit in the first nine months of 2025 were the solid operating performance as well as a significant decrease in credit impairment provisions and in the costs related to the FX Mortgage Loans (provisions for legal risk, settlement costs and related legal and court costs). Before adjustments for the costs related to the FX Mortgage Loans, the banking tax (adding hypothetical charges for January through May 2024, i.e. the period in which the Bank was exempt from the banking tax because of the implementation of the Recovery Plan) and the costs of credit holidays, the Group's consolidated net profit for the nine-month period ended 30 September 2025 was PLN 2,347 million, a 2 per cent. increase compared to the nine-month period ended 30 September 2024.

Core income, which is a sum of net interest income and net fee and commission income, was, for the nine-month period ended 30 September 2025, PLN 4,892 million and increased by 6 per cent. year-on-year. The net interest income for the first nine months of 2025 was PLN 4,318 million, a 7 per cent. increase year-on-year. The main reason for the increase was the increase in the interest income of the Group's debt securities portfolio. The net fee and commission income in the nine-month period ended 30 September 2025 decreased by 2 per cent. compared to the nine-month period ended 30 September 2024, to PLN 575 million.

The net interest margin for the nine months ended 30 September 2025 was 4.10 per cent. and was lower by 26 basis points than the net interest margin for the nine months ended 30 September 2024. This decrease was largely a result of the reference rate cuts as well as the costs of the issuance of MREL-eligible instruments by the Bank.

Other non-interest income (defined as the sum of dividend income, result on derecognition of financial assets and liabilities not measured at fair value through profit or loss, results on financial assets and liabilities held for trading, result on non-trading financial assets mandatorily at fair value through profit or loss (without fair value adjustment on credit portfolios), result on hedge accounting, result on exchange differences and net other operating income and expenses) in the nine month period ended 30 September 2025 was PLN 273 million, a 54 per cent. increase year-on-year. This increase was a result of the sale of certain real estate of the Group and a revaluation of the Group's participation in a company.

The Group's total operating income in the period ended 30 September 2025 was PLN 5,165 million, an 8 per cent. increase as compared to the period ended 30 September 2024. The main factor contributing to the growth in the Group's total operating income was the increase in the net interest income. Total operating income is calculated as the sum of net interest income, net fee and commission income and other non-interest income.

Total operating costs, defined as administrative expenses and depreciation, including contributions to the BGF and the institutional protection scheme, amounted to PLN 1,897 million in the first nine months of 2025, a 15 per cent. increase compared to the first nine months of 2024. Personnel costs increased because of increase in base salaries and higher provisions for bonuses. Administrative costs, including depreciation, increased because of increased IT and telecommunication costs.

The cost-to-income ratio reported for the nine-month period ended 30 September 2025 was 36.7 per cent. and was higher by 2.2 percentage points as compared to the nine month period ended 30 September 2024.

Total cost of credit risk, which includes sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to loans and advances to customers and result on modifications, borne by the Group in the first nine months of 2025 was PLN 194 million, compared to PLN 307 million in same period in 2024. The decrease in the risk charges for the retail segment was the main reason for this decrease. In relative terms, the cost of risk, which is calculated by dividing the annualised sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to loans and advances to customers by the average gross loans and advances to customers, i.e. the sum of loans and advances to customers recognised in: financial assets measured at amortised cost, non-trading financial assets mandatorily measured at fair value through profit or loss and financial assets held for trading, where the average gross loans and advances are calculated on the basis of the average monthly balances of the respective period, for the first nine months of 2025 reached 32 basis points compared to 53 basis points in the first nine months of 2024.

The Group's assets as at 30 September 2025 were PLN 152,686 million and were higher by 13 per cent. compared to 30 September 2024. The Group's total net loans and advances to clients was PLN 74,729 million as at 30 September 2025 and decreased by 1 per cent. year-on-year. FX Mortgage Loans net of provisions decreased by 45 per cent. from 30 September 2024 and the share of the FX Mortgage Loans (excluding the loans originated by Euro Bank S.A. ("**Euro Bank**")) in total gross loans decreased to 0.8 per cent. as at 30 September 2025 from 2.2 per cent. as at 30 September 2024.

The value of debt securities held by the Group reached PLN 67,734 million at the end of September 2025 and was 40 per cent. higher than at the end of September 2024. The increase in the debt securities portfolio was a consequence of the continuation of a much higher growth of deposits when compared with loans which generated significant additional excess of liquidity. Consequently, considering the Bank's assets/liabilities and capital management policy, this excess was predominantly invested in debt securities. Debt securities issued by the Polish State Treasury, other European Union member states and the NBP constituted 99 per cent. of the Group's debt securities portfolio as at 30 September 2025.

As at 30 September 2025 liabilities accounted for 94.0 per cent., while equity for the remaining 6.0 per cent. of the Group's total equity and total liabilities, which amounted to PLN 152,686 million.

Liabilities to customers constituted the main item within liabilities, with an amount of PLN 128,186 million on 30 September 2025. Customer deposits constituted the main source of financing of Group's activities and incorporated primarily, customers' funds in current and saving accounts.

Financial liabilities held for trading and hedging derivatives included, primarily, negative valuation of derivatives for trading or hedging and liabilities resulting from securities subject to short sale and as at 30 September 2025 amounted to PLN 788 million, a 52 per cent. increase compared to 30 September 2024, mainly due to a significant increase in the amount of debt securities issued by the Group to finance the further growth of the Group and enable the Group to meet the regulatory capital requirements applicable to the Group.

The value of provisions as of 30 September 2025 was PLN 3,600 million and increased by 22 per cent. as compared to 30 September 2024. The reason for the increase was the creation of new provisions for legal issues, especially claims related to FX Mortgage Loans.

The value of debt securities issued by the Group was PLN 6,764 million on 30 September 2025, compared to PLN 5,594 million as at 30 September 2024. The increase was the result of as the issuance of covered bonds by Millennium Bank Hipoteczny S.A. ("MBH"), a mortgage bank and a subsidiary of the Bank.

As at 30 September 2025 the value of the Group's subordinated debt was PLN 1,556 million.

As at 30 September 2025, the total equity of the Group was PLN 8,808 million, a 15 per cent. increase as compared to 30 September 2024. The main factors contributing to increase of the Group's equity capital were the net profit recorded by the Group and the positive impact of other comprehensive income items, mainly valuation of bonds and hedge instruments.

The tables below set out the Group's financial highlights for the periods ended 30 September 2025 and 30 September 2024:

	1 January 2025 – 30 September 2025	1 January 2024 – 30 September 2024 (restated)
	<i>(PLN thousand)</i>	
Interest income and other of similar nature	6,847,929	6,487,795
Fee and commission income	795,160	799,242
Profit before income tax	1,204,345	563,748
Profit after taxes	855,252	546,696
Total comprehensive income of the period	1,036,299	750,243
Net cash flows from operating activities	12,852,872	6,786,542
Net cash flows from investing activities	(11,615,299)	(12,664,481)
Net cash flows from financing activities	76,879	1,824,174
Net cash flows, total	1,314,452	(4,053,765)
Earnings per ordinary share (in PLN)	0.71	0.45
Diluted earnings per ordinary share (in PLN)	0.71	0.45

	30 September 2025	30 September 2024
	<i>(PLN thousand)</i>	
Total Assets	152,686,156	135,587,737
Liabilities to banks and other monetary institutions	193,004	293,267
Liabilities to customers	128,185,546	113,981,202
Equity	8,807,933	7,645,138
Share capital	1,213,117	1,213,117
Number of shares (in units)	1,213,116,777	1,213,116,777
Book value per share (in PLN)	7.26	6.30
Diluted book value per share (in PLN)	7.26	6.30
Total Capital Ratio	15.97%	17.94%
Pledged or paid dividend per share (in PLN)	-	-

Selected financial information for the six-month period ended 30 June 2025

In the six-month period ended 30 June 2025, the Group posted a consolidated net profit of PLN 511 million, which represented a 43 per cent. increase compared to the first six months of 2024. The main factors contributing to the Group's consolidated net profit in the first six months of 2025 were the solid operating performance as well as a significant decrease in impairment losses on financial assets and in the legal risk expenses connected with the FX Mortgage Loans (provisions for legal risk, settlement costs and related legal and court costs). Before adjustments for the legal risk expenses connected with the FX Mortgage Loans, the banking tax (adding hypothetical charges for January through May 2024, i.e. the period in which the Bank was exempt from the banking tax because of the implementation of the Recovery Plan) and the costs of credit holidays, the Group's consolidated net profit for the six-month period ended 30 June 2025 was PLN 1,605 million, a 7 per cent. decrease compared to the six-month period ended 30 June 2024.

Core income, which is a sum of net interest income and net fee and commission income, was, for the six-month period ended 30 June 2025, PLN 3,242 million and increased by 11 per cent. year-on-year. Compared to the core income for the period ended 30 June 2024 adjusted for the costs of the credit holidays, the year-on-year growth was 4 per cent. The net interest income for the first six months of 2025 was PLN 2,872 million, a 13 per cent. increase year-on-year. The main reason for the increase was the increase in the interest income of the Group's debt securities portfolio and lower interest costs associated with the clients' deposits. The net fee and commission income in the six-month period ended 30 June 2025 decreased by 5 per cent. compared to the six-month period ended 30 June 2024, to PLN 371 million.

The net interest margin for the six months ended 30 June 2025 was 4.18 per cent. and was lower by 14 basis points than the net interest margin for the six months ended 30 June 2024. This decrease was largely a result of the reference rate cuts, costs of the issuance of MREL-eligible instruments and executing the securitisation transactions by the Bank.

Other non-interest income (defined as the sum of dividend income, result on derecognition of financial assets and liabilities not measured at fair value through profit or loss, results on financial assets and liabilities held for trading, result on non-trading financial assets mandatorily at fair value through profit or loss (without fair value adjustment on credit portfolios), result on hedge accounting, result on exchange differences and net other operating income and expenses) in the six-month period ended 30 June 2025 was PLN 174 million, a 113 per cent. increase year-on-year. This increase was a result of the sale of certain real estate of the Group and a revaluation of the Group's participation in a company.

The Group's total operating income in the period ended 30 June 2025 was PLN 3,416 million, a 14 per cent. increase as compared to the period ended 30 June 2024. The main factor contributing to the growth in the Group's total operating income was the increase in the net interest income. Total operating income is calculated as the sum of net interest income, net fee and commission income, dividend income and other non-interest income.

Total operating costs, defined as administrative expenses and depreciation, including contributions to the BGF and the institutional protection scheme, amounted to PLN 1,270 million in the first six months of 2025, a 15.0 per cent. increase compared to the first six months of 2024. Personnel costs increased because of increase in base salaries and higher provisions for bonuses. Administrative costs, including depreciation, increased because of increased IT and telecommunication costs.

The cost-to-income ratio reported for the six-month period ended 30 June 2025 was 37.2 per cent. and was higher by 0.5 percentage points as compared to the six-month period ended 30 June 2024.

Total cost of risk, which includes sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to loans and advances to customers and result on modifications, borne by the Group in the first six months of 2025 was exceptionally low and amounted to PLN 80 million, compared to PLN 190 million in same period in 2024. The decrease in the risk charges for the retail segment and sales of non-performing

loans portfolios were the main reason for this decrease. In relative terms, the cost of risk which is calculated by dividing the annualised sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to loans and advances to customers by the average gross loans and advances to customers, i.e. the sum of loans and advances to customers recognised in: financial assets measured at amortised cost, non-trading financial assets mandatorily measured at fair value through profit or loss and financial assets held for trading, where the average gross loans and advances are calculated on the basis of the average monthly balances of the respective period for the first six months of 2025 reached 21 basis points compared to 50 basis points in the first six months of 2024.

The Group's assets as at 30 June 2025 were PLN 145,956 million and were higher by 8 per cent. compared to 30 June 2024. The Group's total net loans and advances to clients was PLN 74,222 million as at 30 June 2025 and decreased by 1 per cent. year-on-year. FX Mortgage Loans net of provisions decreased by 55 per cent. from 30 June 2024 and the share of the FX Mortgage Loans (excluding the loans originated by Euro Bank) in total gross loans decreased to 1.1 per cent. as at 30 June 2025 from 2.4 per cent. as at 30 June 2024.

The value of debt securities held by the Group reached PLN 61,397 million at the end of June 2025 and was 22 per cent. higher than at the end of June 2024. The increase of debt securities portfolio was a consequence of assets/liabilities policy as well as interest margin management policy and was correlated with the much stronger growth in deposits than in loans. Debt securities issued by the Polish State Treasury, other European Union member states and the NBP constituted 95 per cent. of the Group's debt securities portfolio as at 30 June 2025.

As at 30 June 2025 liabilities accounted for 94.2 per cent., while equity for the remaining 5.8 per cent. of the Group's total equity and total liabilities, which amounted to PLN 145,956 million.

Liabilities to customers constituted the main item within liabilities, with an amount of PLN 121,734 million on 30 June 2025. Customer deposits constituted the main source of financing of Group's activities and incorporated primarily, customers' funds in current and saving accounts.

Financial liabilities held for trading and hedging derivatives included, primarily, negative valuation of derivatives for trading or hedging and liabilities resulting from securities subject to short sale and as at 30 June 2025 amounted to PLN 682 million, a 6 per cent. increase compared to 30 June 2024.

The value of provisions as of 30 June 2025 was PLN 3,545 million and increased by 56.6 per cent. as compared to 30 June 2024. The reason for the increase was the creation of new provisions for legal issues, especially claims related to FX Mortgage Loans.

The value of debt securities issued by the Group was PLN 7,025 million on 30 June 2025, compared to PLN 6,125 million as at 30 June 2024. The increase was the result of as the issuance of covered bonds by MBH.

As at 30 June 2025 the value of the Group's subordinated debt was PLN 1,561 million.

As at 30 June 2025, the total equity of the Group was PLN 8,405 million, a 14 per cent. increase as compared to 30 June 2024. The main factors contributing to increase of the Group's equity were the net profit recorded by the Group and the positive impact of other comprehensive income items, mainly valuation of bonds and hedge instruments.

The tables below set out the Group's financial highlights for the periods ended 30 June 2025 and 30 June 2024:

	1 January 2025 – 30 June 2025	1 January 2024 – 30 June 2024 (restated)
	<i>(PLN thousand)</i>	
Interest income and other of similar nature	4,568,353	4,174,626
Fee and commission income	517,505	524,571
Profit before income tax	780,727	246,575
Profit after taxes	510,746	356,933
Total comprehensive income of the period	633,846	449,463
Net cash flows from operating activities	6,189,369	9,513,771
Net cash flows from investing activities.....	(7,838,124)	(8,211,878)
Net cash flows from financing activities	548,159	21,835
Net cash flows, total.....	(1,100,597)	1,323,728
Earnings per ordinary share (in PLN).....	0.42	0.29
Diluted earnings per ordinary share (in PLN)	0.42	0.29

	30 June 2025	30 June 2024
	<i>(PLN thousand)</i>	
Total Assets.....	145,956,355	135,535,070
Liabilities to banks and other monetary institutions	134,873	585,422
Liabilities to customers	121,734,172	116,540,149
Equity	8,405,480	7,344,358
Share capital	1,213,117	1,213,117
Number of shares (in units).....	1,213,116,777	1,213,116,777
Book value per share (in PLN).....	6.92	6.05
Diluted book value per share (in PLN).....	6.92	6.05
Total Capital Ratio	15.58%	17.13%
Pledged or paid dividend per share (in PLN)	-	-

Selected financial information for the financial years ended 31 December 2024 and 31 December 2023

In the year ended 31 December 2024, the Group posted a consolidated net profit of PLN 719 million compared to PLN 576 million in the year ended 31 December 2023. The main factor contributing to this growth was a much lower level of income tax paid by the Group in 2023. The costs related to FX Mortgage Loans, such as provisions related to legal risk and costs of converting the FX Mortgage Loans into PLN-denominated loans remained the key negative factors affecting the Group's financial results in 2024. Following an adjustment for these costs and taking into account the hypothetical banking tax for the second half of 2023, the Group would have a net profit of PLN 3,202 million in 2024, compared to adjusted net profit of PLN 2,993 million in 2023.

The Group's total operating income in 2024 was PLN 5,997 million compared with PLN 6,722 million in the financial year 2023, which represents a decrease of 11 per cent. Total operating income is calculated as the sum of net interest income, net fee and commission income, dividend income, net trading income, other income, other operating income and other operating expenses.

Core income, defined as a sum of net interest income and net fee and commission income, was PLN 6,307 million in 2024, a 4 per cent. increase as compared to 2023. Net interest income in 2024 reached PLN 5,530 million and increased by 5 per cent. as compared to 2023. The net interest income in 2024 was affected booking the costs of credit holidays of PLN 113 million in the results for 2024. In 2023 the costs of credit holidays amounted to PLN 9 million. Without this adjustment, the increase in the net interest income from 2023 to 2024 would have been 7 per cent. This increase was driven mostly by higher market interest rates. However, a decrease in the reference rates by 100 basis points and the interest costs associated with the issuance of MREL-eligible debt securities by the Bank as well as costs of the securitisation transactions had a negative impact on the net interest income in 2024.

The net interest margin (over average interest earning assets) in 2024 reached 4.36 per cent. and, because of the factors affecting the net interest income described above, was 25 basis points lower compared with 2023.

Net commission income in 2024 amounted to PLN 777 million, a 1.0 per cent. decrease as compared with 2023, mainly as a result of lower fees from bancassurance activities and commissions on loans.

Other non-interest income (as defined above) in 2024 was negative PLN 311 million. The main items negatively affecting the other non-interest income in 2024 were the costs relating to settlements with borrowers under the FX Mortgage Loans and legal costs associated with these loans.

Total operating costs, defined administrative expenses and depreciation, including contributions to the BGF and the institutional protection scheme, amounted to PLN 2,253 million in 2024, a 13 per cent. increase compared to 2023. The main reason for the increase were the personnel costs increased by 16 per cent., mainly as a result of high inflationary pressure on salaries and the general increase of salaries in Poland.

The cost-to-income ratio reported for 2024 was 37.6 per cent. and was higher by 7.9 percentage points as compared to 2023, mainly due to impact of costs of credit holidays in 2024 and the fact that in 2023 the Bank recorded a one-off income from the bancassurance transaction. Adjusted cost-to-income ratio, i.e. without costs related to FX Mortgage Loans and extraordinary items was 30.8 per cent. in 2024 and was 1.2 percentage points lower compared to 2023.

Total cost of risk, which includes sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to loans and advances to customers and result on modifications and excluding the part related to settlements with borrowers under FX Mortgage Loans, borne by the Group in 2024 was PLN 310 million and was 4 per cent. higher than in 2023, mainly due to higher provisions for corporate loans. Risk charges for the retail segment were the main component of the cost of risk. In relative terms, the cost of risk, which is calculated by dividing the annualised sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to loans and advances to customers by the average gross loans and advances to customers, i.e. the sum of loans and advances to customers recognised in: financial assets measured at amortised cost, non-trading financial assets mandatorily measured at fair value through profit or loss and financial assets held for trading, where the average gross loans and advances are calculated on the basis of the average monthly balances of the respective period, for 2024 reached 40 basis points compared to 39 basis points in 2023.

The Group's assets as at 31 December 2024 were PLN 139,152 million and were higher by 11 per cent. compared to 31 December 2023. The Group's total loans and advances to customers was PLN 74,981 million as at 31 December 2024 and increased by 2 per cent. year-on-year. FX Mortgage Loans net of provisions decreased by 57 per cent. during 2024 and the share of the FX Mortgage Loans (excluding the loans originated by Euro Bank) in total gross loans decreased to 1.6 per cent. as at 31 December 2024 from 3.6 per cent. as at 31 December 2023.

The value of debt securities held by the Group reached PLN 54,207 million at the end of December 2024 and was 32 per cent. higher than the year before. The increase of debt securities portfolio was a consequence of assets/liabilities policy and interest margin management policy and was correlated with the growth of deposits exceeding the growth of the loan portfolio. Debt securities issued by the Polish State Treasury, other European Union member states and the NBP constituted 95 per cent. of the Group's debt securities portfolio as at 31 December 2024.

As at 31 December 2024 liabilities accounted for 94.4 per cent., while equity for the remaining 5.6 per cent. of the Group's total equity and total liabilities, which amounted to PLN 139,152 million.

Customer deposits constituted the main item within liabilities, with an amount of PLN 117,257 million on 31 December 2024. Customer deposits constituted the main source of financing of Group's activities and incorporated primarily, customers' funds in current and saving accounts.

Financial liabilities valued at fair value through profit and loss account and derivative instruments included, primarily, negative valuation of derivatives for trading or hedging and liabilities resulting from securities subject

to short sale and as at 31 December 2024 amounted to PLN 525 million, a 32 per cent. decrease compared to 31 December 2023, mainly due to increasing negative valuation of derivatives for trading.

The value of provisions as on 31 December 2024 was PLN 2,901 million and increased by 101 per cent. as compared to 31 December 2023. The reason for the increase was the creation of new provisions for legal issues, especially claims related to FX Mortgage Loans.

The value of securities issued by the Group was PLN 6,125 million on 31 December 2024, an increase by PLN 2,807 million as compared to 31 December 2023. The increase was the result of the Bank issuing senior non-preferred notes under its EMTN programme and MBH issuing covered bonds.

As at 31 December 2024 the value of the Group's subordinated debt was PLN 1,562 million.

As at 31 December 2024, the equity capital of the Group was PLN 7,772 million, a 13 per cent. increase as compared to 31 December 2023. The main factors contributing to increase of the Group's equity capital were the net profit recorded by the Group and the positive impact of other comprehensive income items, mainly valuation of bonds and hedge instruments.

The tables below set out the Group's financial highlights for the financial years ended 31 December 2024 and 31 December 2023.

	1 January 2024 – 31 December 2024	1 January 2023 – 31 December 2023
	<i>(PLN thousand)</i>	
Interest income and other of similar nature	8,823,127	8,435,773
Fee and commission income	1,058,319	1,037,135
Profit (loss) before income tax	875,024	1,312,487
Profit (loss) after taxes	719,209	575,717
Total comprehensive income of the period	876,737	1,400,489
Net cash flows from operating activities	12,411,879	14,395,773
Net cash flows from investing activities	(19,179,868)	(12,187,857)
Net cash flows from financing activities	2,433,392	2,060,342
Net cash flows, total	(4,334,597)	4,268,258
Earnings (losses) per ordinary share (in PLN)	0.59	0.47
Diluted earnings (losses) per ordinary share (in PLN)	0.59	0.47

	31 December 2024	31 December 2023
	<i>(PLN thousand)</i>	
Total Assets	139,151,532	125,520,004
Liabilities to banks and other monetary institutions	316,824	563,512
Liabilities to customers	117,257,213	107,246,427
Equity	7,771,634	6,894,895
Share capital	1,213,117	1,213,117
Number of shares (in units)	1,213,116,777	1,213,116,777
Book value per share (in PLN)	6.41	5.68
Diluted book value per share (in PLN)	6.41	5.68
Total Capital Ratio	17.24%	18.06%
Pledged or paid dividend per share (in PLN)	-	-

Group financial information for the years ended 31 December 2024 and 31 December 2023 for the nine-month periods ended 30 September 2025 and 30 September 2024 and for the six-month periods ended 30 June 2025 and 30 June 2024

Consolidated statement of profit and loss for the financial years ended 31 December 2024 and 31 December 2023

	1 January 2024 – 31 December 2024	1 January 2023 – 31 December 2023
	<i>(PLN thousand)</i>	
Net interest income	5,529,944	5,253,489
Interest income and other of similar nature	8,823,127	8,435,773
Income calculated using the effective interest method.....	8,721,740	8,326,843
Interest income from financial assets at amortised cost, including:	7,370,740	7,446,886
- the impact of the adjustment to the gross carrying amount of loans due to credit holidays	(112,709)	(9,228)
Interest income from financial assets at fair value through other comprehensive income	1,351,000	879,957
Result of similar nature to interest from financial assets at fair value through profit or loss	101,387	108,930
Interest expenses.....	(3,293,183)	(3,182,284)
Net fee and commission income	776,698	782,385
Fee and commission income.....	1,058,319	1,037,135
Fee and commission expenses	(281,621)	(254,750)
Dividend income	3,626	3,431
Results on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(1,982)	538,922
Results on financial assets and liabilities held for trading	(7,206)	48,420
Results on non-trading financial assets mandatorily at fair value through profit or loss	19,134	12,359
Result on hedge accounting.....	1,544	1,160
Result on exchange differences	(178,868)	(75,968)
Other operating income.....	374,196	458,982
Other operating expenses	(520,325)	(301,614)
Administrative expenses.....	(2,026,444)	(1,781,439)
Impairment losses on financial assets.....	(271,082)	(262,475)
Impairment losses on non-financial assets	(4,274)	(84)
Provisions for legal risk connected with FX mortgage loans	(2,179,070)	(3,065,380)
Result on modification	(182,257)	(88,184)
Depreciation	(226,191)	(211,517)
Share of the profit of investments in subsidiaries.....	0	0
Banking tax	(232,419)	0
Profit before income taxes	875,024	1,312,487
Corporate income tax	(155,815)	(736,770)
Profit after taxes	719,209	575,717
Attributable to:		
Owners of the parent	719,209	575,717
Non-controlling interests	0	0
Weighted average number of outstanding ordinary shares (pcs.)	1,213,116,777	1,213,116,777
Profit (loss) per ordinary share (in PLN)	0.59	0.47

Consolidated statement of profit and loss for the nine-month period ended 30 September 2025 and 30 September 2024

	1 January 2025 – 30 September 2025	1 January 2024 – 30 September 2024 (restated)
	<i>(PLN thousand)</i>	
Net interest income	4,317,515	4,024,899
Interest income and other of similar nature	6,847,929	6,487,795
Income calculated using the effective interest method.....	6,758,966	6,372,596
Interest income from Financial assets at amortised cost, including:	5,472,635	5,377,150
- the impact of the adjustment to the gross carrying amount of loans due to credit holidays	0	(157,306)
Interest income from Financial assets at fair value through other comprehensive income.....	1,286,331	995,446
Result of similar nature to interest from Financial assets at fair value through profit or loss.....	88,963	115,199
Interest expenses.....	(2,530,414)	(2,462,896)
Net fee and commission income	574,978	588,755
Fee and commission income	795,160	799,242
Fee and commission expenses.....	(220,182)	(210,487)
Dividend income	4,266	3,539
Result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(3,259)	(1,133)
Results on financial assets and liabilities held for trading	17,930	(4,767)
Result on non-trading financial assets mandatorily at fair value through profit or loss.....	54,923	9,871
Result on hedge accounting.....	2,849	201
Result on exchange differences	166,646	169,369
Other operating income	315,418	275,958
Other operating expenses	(285,328)	(272,416)
Administrative expenses.....	(1,730,091)	(1,489,393)
Impairment losses on financial assets.....	(179,139)	(303,853)
Impairment losses on non-financial assets	(12,103)	(4,353)
Legal risk expenses connected with FX mortgage loans, of which:	(1,569,996)	(2,130,523)
Provisions for legal risk	(1,503,209)	(1,656,390)
Result on modification	(2,741)	(1,893)
Depreciation.....	(166,911)	(167,001)
Share of the profit of investments in subsidiaries.....	0	0
Banking tax	(300,612)	(133,512)
Profit before income taxes	1,204,345	563,748
Corporate income tax	(349,093)	(17,052)
Profit after taxes	855,252	546,696
Attributable to:		
Owners of the parent	855,252	546,696
Non-controlling interests.....	0	0
Weighted average number of outstanding ordinary shares (pcs.)	1,213,116,777	1,213,116,777
Profit (loss) per ordinary share (in PLN)	0.71	0.45

Consolidated statement of profit and loss for the six-month period ended 30 June 2025 and 30 June 2024

	1 January 2025 – 30 June 2025	1 January 2024 – 30 June 2024 (restated)
	<i>(PLN thousand)</i>	
Net interest income	2,871,798	2,535,817
Interest income and other of similar nature	4,568,353	4,174,626
Income calculated using the effective interest method	4,509,108	4,092,467
Interest income from Financial assets at amortised cost, including:	3,686,556	3,454,634
- the impact of the adjustment to the gross carrying amount of loans due to credit holidays	0	(201,046)
Interest income from Financial assets at fair value through other comprehensive income.....	822,552	637,833
Result of similar nature to interest from Financial assets at fair value through profit or loss.....	59,245	82,159
Interest expenses.....	(1,696,555)	(1,638,809)
Net fee and commission income	370,634	390,121
Fee and commission income	517,505	524,571
Fee and commission expenses.....	(146,871)	(134,450)
Dividend income	3,547	3,389
Result on derecognition of financial assets and liabilities not measured at fair value through profit or loss	(2,389)	(733)
Results on financial assets and liabilities held for trading	13,271	(2,189)
Result on non-trading financial assets mandatorily at fair value through profit or loss.....	54,681	5,798
Result on hedge accounting.....	(450)	(1,456)
Result on exchange differences	109,660	113,409
Other operating income	190,441	169,678
Other operating expenses	(194,924)	(202,620)
Administrative expenses.....	(1,158,373)	(993,752)
Impairment losses on financial assets.....	(76,428)	(190,476)
Impairment losses on non-financial assets	(1,750)	(2,096)
Legal risk expenses connected with FX mortgage loans, of which:	(1,085,387)	(1,432,835)
Provisions for legal risk	(1,018,600)	(1,123,590)
Result on modification	(2,232)	(1,449)
Depreciation	(111,554)	(109,509)
Share of the profit of investments in subsidiaries.....	0	0
Banking tax	(199,818)	(34,522)
Profit before income taxes	780,727	246,575
Corporate income tax	(269,981)	110,358
Profit after taxes	510,746	356,933
Attributable to:		
Owners of the parent	510,746	356,933
Non-controlling interests	0	0
Weighted average number of outstanding ordinary shares (pcs.)	1,213,116,777	1,213,116,777
Profit (loss) per ordinary share (in PLN)	0.42	0.29

Consolidated statement of total comprehensive income for the financial years ended 31 December 2024 and 31 December 2023

	1 January 2024 – 31 December 2024	1 January 2023 – 31 December 2023
	<i>(PLN thousand)</i>	
Result after taxes	719,209	575,717
Other comprehensive income items that may be (or were) reclassified to profit or loss	184,704	1,024,886
Result on debt securities at fair value through other comprehensive income	155,271	673,019
Hedge accounting	29,433	351,867
Other comprehensive income items that will not be reclassified to profit or loss	9,775	(6,649)
Actuarial gains (losses)	1,928	(11,071)
Result on equity instruments at fair value through other comprehensive income	7,847	4,422
Total comprehensive income items before taxes	194,479	1,018,237
Corporate income tax on other comprehensive income items that may be (or were) reclassified to profit or loss	(35,094)	(194,728)
Corporate income tax on other comprehensive income items that will not be reclassified to profit or loss	(1,857)	1,263
Total comprehensive income items after taxes	157,528	824,772
Total comprehensive income for the period	876,737	1,400,489
Attributable to:		
Owners of the parent	876,737	1,400,489
Non-controlling interests	0	0

Consolidated statement of total comprehensive income for the nine month period ended 30 September 2025 and 30 September 2024

	1 January 2025 – 30 September 2025	1 January 2024 – 30 September 2024
	<i>(PLN thousand)</i>	
Profit after taxes	855,252	546,696
Other comprehensive income items that may be (or were) reclassified to profit or loss	223,515	251,293
Result on debt securities	206,731	225,569
Hedge accounting	16,784	25,724
Other comprehensive income items that will not be reclassified to profit or loss	0	0
Actuarial gains (losses)	0	0
Result on equity instruments	0	0
Total comprehensive income items before taxes	223,515	251,293
Corporate income tax on other comprehensive income items that may be (or were) reclassified to profit or loss	(42,468)	(47,746)
Corporate income tax on other comprehensive income items that will not be reclassified to profit or loss	0	0
Total comprehensive income items after taxes	181,047	203,547
Total comprehensive income for the period	1,036,299	750,243
Attributable to:		
Owners of the parent	1,036,299	750,243
Non-controlling interests	0	0

Consolidated statement of total comprehensive income for the six month period ended 30 June 2025 and 30 June 2024

	1 January 2025 – 30 June 2025	1 January 2024 – 30 June 2024
	<i>(PLN thousand)</i>	
Profit after taxes	510,746	356,933
Other comprehensive income items that may be (or were) reclassified to profit or loss	151,975	114,235
Result on debt securities	138,811	97,280
Hedge accounting	13,164	16,955
Other comprehensive income items that will not be reclassified to profit or loss	0	0
Actuarial gains (losses)	0	0
Result on equity instruments	0	0
Total comprehensive income items before taxes	151,975	114,235
Corporate income tax on other comprehensive income items that may be (or were) reclassified to profit or loss	(28,875)	(21,705)
Corporate income tax on other comprehensive income items that will not be reclassified to profit or loss	0	0
Total comprehensive income items after taxes	123,100	92,530
Total comprehensive income for the period	633,846	449,463
Attributable to:		
Owners of the parent	633,846	449,463
Non-controlling interests	0	0

Consolidated statement of financial position as 31 December 2024 and 31 December 2023

	31 December 2024	31 December 2023
	<i>(PLN thousand)</i>	
ASSETS		
Cash, cash balances at central banks	5,178,984	5,094,984
Financial assets held for trading	811,324	608,924
Derivatives	255,845	498,249
Equity instruments	115	121
Debt securities	555,364	110,554
Non-trading financial assets mandatorily at fair value through profit or loss, other than loans and advances to customers	118,399	147,623
Equity instruments	66,609	66,609
Debt securities	51,790	81,014
Financial assets at fair value through other comprehensive income	29,255,449	22,096,200
Equity instruments	36,712	28,793
Debt securities	29,218,737	22,067,407
Loans and advances to customers	74,981,215	73,643,060
Mandatorily at fair value through profit or loss	1,825	19,349
Value at amortised cost	74,979,390	73,623,711
Financial assets at amortised cost other than loans and advances to customers	25,010,220	20,706,585
Debt securities	24,381,485	18,749,907
Deposits, loans and advances to banks and other monetary institutions	434,517	793,436
Reverse sale and repurchase agreements	194,218	1,163,242
Derivatives – hedge accounting	112,365	74,213
Investments in subsidiaries, joint ventures and associates	44,012	52,509
Tangible fixed assets	588,741	565,630
Intangible fixed assets	557,309	481,631
Income tax assets	713,777	486,803
Current income tax assets	343	1,810
Deferred income tax assets	713,434	484,993
Other assets	1,765,188	1,544,328
Non-current assets and disposal groups classified as held for sale ..	14,549	17,514
Total assets	139,151,532	125,520,004

	31 December 2024	31 December 2023
	(PLN thousand)	
LIABILITIES		
Financial liabilities held for trading	417,073	579,553
Derivatives.....	226,304	576,833
Liabilities from short sale of securities.....	190,769	2,720
Financial liabilities measured at amortised cost	125,455,365	112,692,833
Liabilities to banks and other monetary institutions.....	316,824	563,512
Liabilities to customers.....	117,257,213	107,246,427
Sale and repurchase agreements.....	194,223	0
Debt securities issued.....	6,124,775	3,317,849
Subordinated debt.....	1,562,330	1,565,045
Derivatives – hedge accounting.....	107,439	193,664
Provisions	2,900,586	1,445,472
Pending legal issues.....	2,847,003	1,403,105
Commitments and guarantees given.....	53,583	42,367
Income tax liabilities	223,767	461,457
Current income tax liabilities.....	220,659	461,217
Deferred income tax liabilities.....	3,108	240
Other liabilities.....	2,275,668	3,252,130
Total liabilities	131,379,898	118,625,109
EQUITY		
Share capital.....	1,213,117	1,213,117
Own shares.....	(21)	(21)
Share premium.....	1,147,502	1,147,502
Accumulated other comprehensive income.....	(59,984)	(217,512)
Retained earnings, including:.....	5,471,020	4,751,809
current profit/loss.....	719,209	575,717
other.....	4,751,811	4,176,092
Total equity	7,771,634	6,894,895
Total equity and total liabilities	139,151,532	125,520,004

Consolidated statement of financial position as at 30 September 2025, 30 June 2025 and 31 December 2024

	30 September 2025	30 June 2025	31 December 2024 (restated)
	(PLN thousand)		
ASSETS			
Cash, cash balances at central banks.....	4,940,600	5,292,615	5,178,984
Financial assets held for trading	1,414,673	1,284,207	1,005,542
Derivatives.....	189,956	224,005	255,845
Equity instruments.....	177	132	115
Debt securities, of which:.....	745,015	724,597	555,364
Securities underlying the sale and repurchase agreements.....	132,978	501	194,088
Reverse sale and repurchase agreements.....	479,525	335,473	194,218
Non-trading financial assets mandatorily at fair value through profit or loss, other than Loans and advances to customers	172,806	172,884	118,399
Equity instruments.....	151,581	121,580	66,609
Debt securities.....	21,225	51,304	51,790
Financial assets at fair value through other comprehensive income	39,867,825	32,549,920	29,255,449
Equity instruments.....	36,857	36,851	36,712
Debt securities.....	39,830,968	32,513,069	29,218,737
Loans and advances to customers	74,729,231	74,222,153	74,975,315
Mandatorily at fair value through profit or loss.....	816	1,223	1,825
Valued at amortised cost.....	74,728,415	74,220,930	74,973,490
Financial assets at amortised cost other than Loans and advances to customers	27,778,978	28,724,628	24,816,002
Debt securities.....	27,176,294	28,107,557	24,381,485
Deposits, loans and advances to banks and other monetary institutions.....	499,102	545,202	434,517
Reverse sale and repurchase agreements.....	103,582	71,869	0
Derivatives – Hedge accounting.....	0	0	0

Investments in subsidiaries, joint ventures and associates.....	44,012	44,012	44,012
Tangible fixed assets	538,679	553,891	532,226
Intangible fixed assets	593,044	572,806	534,417
Income tax assets	547,654	536,093	713,777
Current income tax assets.....	3,466	9,526	343
Deferred income tax assets	544,188	526,567	713,434
Other assets	2,046,053	1,989,647	1,765,188
Non-current assets and disposal groups classified as held for sale	12,601	13,499	14,549
Total assets.....	152,686,156	145,956,355	138,953,860

	30 September 2025	30 June 2025	31 December 2024 (restated)
	(PLN thousand)		
LIABILITIES			
Financial liabilities held for trading.....	760,962	651,285	417,073
Derivatives	262,548	319,807	226,304
Liabilities from short sale of securities	498,414	331,478	190,769
Financial liabilities measured at amortised cost	136,831,849	130,456,059	125,343,000
Liabilities to banks and other monetary institutions	193,004	134,873	204,459
Liabilities to customers	128,185,546	121,734,172	117,257,213
Sale and repurchase agreements	133,057	500	194,223
Debt securities issued	6,764,146	7,025,447	6,124,775
Subordinated debt.....	1,556,096	1,561,067	1,562,330
Derivatives – Hedge accounting.....	26,728	30,967	101,539
Provisions.....	3,600,320	3,544,909	2,951,752
Legal issues	3,452,797	3,438,215	2,847,003
Commitments and guarantees given.....	93,131	53,336	53,583
Retirement benefits	54,392	53,358	51,166
Income tax liabilities	11,856	26,676	223,767
Current income tax liabilities	9,247	24,058	220,659
Deferred income tax liabilities	2,609	2,618	3,108
Other liabilities	2,646,508	2,840,979	2,145,095
Total Liabilities.....	143,878,223	137,550,875	131,182,226
EQUITY			
Share capital.....	1,213,117	1,213,117	1,213,117
Own shares.....	(21)	(21)	(21)
Share premium	1,147,502	1,147,502	1,147,502
Accumulated other comprehensive income.....	121,063	63,116	(59,984)
Retained earnings	6,326,272	5,981,766	5,471,020
Total equity.....	8,807,933	8,405,480	7,771,634
Total equity and total liabilities.....	152,686,156	145,956,355	138,953,860

Alternative Performance Measures

The Prospectus includes certain data which the Issuer considers to constitute alternative performance measures ("APMs") for the purposes of the European Securities Markets Authority Guidelines on Alternative Performance Measures.

These Alternative Performance Measures are not defined by, or presented in accordance with, IFRS. The Alternative Performance Measures are not measurements of the Issuer's operating performance under IFRS and should not be considered as alternatives to any measures of performance under IFRS or as measures of the Issuer's liquidity.

APM	Definition
Core income	The sum of net interest income and net fee and commission income.
Total operating income	Total operating income is calculated as the sum of net interest income, net fee and commission income and other non-interest income (defined as the

APM	Definition
	sum of dividend income, result on derecognition of financial assets and liabilities not measured at fair value through profit or loss, results on financial assets and liabilities held for trading, result on non-trading financial assets mandatorily at fair value through profit or loss (without fair value adjustment on credit portfolios), result on hedge accounting, result on exchange differences and net other operating income and expenses).
Total operating income adjusted	Operating income adjusted for costs of amicable settlements with FX Mortgage Loans borrowers, legal costs related to FX Mortgage Loans, netting-off of legal risk provisions on FX Mortgage Loans originated by Euro Bank and other material extraordinary income or costs (i.e. credit holiday costs in 2022 and 2024 as well as gains from bancassurance agreements with Europa Insurance Group in 2023).
Total operating costs	Sum of administrative expenses and depreciation.
Total operating costs adjusted	Total operating costs adjusted for costs of amicable settlements with and legal cases against the FX Mortgage Loans borrowers.
Net profit reported	Profit after tax attributable to owners of the parent.
Net profit without extraordinary items	Net profit without extraordinary items, i.e., costs of credit holidays, all costs related to FX Mortgage Loans, other material extraordinary income or costs as defined in total operating income adjusted and total operating costs adjusted above, and with hypothetical banking tax added starting from the third quarter of 2022 and until the end of May 2024.
ROE	Calculated by dividing annualised net profit attributable to owners of the parent by the average total equity, including linear amortisation of BGF resolution fund fee for intra-year values. The average equity is calculated on the basis of the average end balances of each month of the respective period.
ROA reported (Return on assets)	Calculated by dividing net profit attributable to owners of the parent by the average total assets. The average total assets are calculated on the basis of the average end balances of each month of the respective period.
NIM (Net interest margin)	Calculated by dividing annualised net interest income adjusted for credit holiday cost by average interest earning assets. Interest-earning assets are the sum of cash and balances with the central bank, loans and advances to banks, debt securities (in all valuation methods) and loans and advances to customers (net; in all valuation methods). The average interest-earning assets are calculated on the basis of the average end balances of each month of the respective reporting period.
Cost-to-income ratio (C/I ratio reported)	Calculated by dividing total operating costs by total operating income.
Non-performing loans ratio (NPL ratio)	Calculated by dividing the sum of the gross carrying value of loans and advances to customers at amortised cost with impairment (stage 3 and POCI) and the gross carrying value of loans and advances mandatorily at

APM	Definition
	fair value through profit or loss in default by the total (gross) loans and advances to customers.
NPL ratio – corporate portfolio	Calculated by dividing the sum of the gross carrying value of loans and advances to corporate customers at amortised cost with impairment (stage 3 and POCI) and the gross carrying value of loans and advances to corporate customers mandatorily at fair value through profit or loss in default by the total (gross) loans and advances to corporate customers excluding reverse repo/ buy/-sell-back transactions.
NPL ratio –retail portfolio	Calculated by dividing the sum of the gross carrying value of loans and advances to retail customers at amortised cost with impairment (stage 3 and POCI) and the gross carrying value of loans and advances to retail customers mandatorily at fair value through profit or loss in default by the total (gross) loans and advances to retail customers.
NPL coverage ratio	Calculated by dividing the sum of accumulated provisions for loans and advances to customers at amortised cost with impairment and accumulated provisions for loans and advances to customers mandatorily at fair value through profit or loss by a sum of the gross carrying value of loans and advances to customers at amortised cost with impairment (stage 3 and POCI) and the gross carrying value of loans and advances mandatorily at fair value through profit or loss in default.
Cost of risk	Calculated by dividing the annualised sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses on non-trading financial assets mandatorily at fair value through profit or loss related to loans and advances to customers by the average gross loans and advances to customers (the sum of loans and advances to customers recognised in: financial assets measured at amortised cost, non-trading financial assets mandatorily measured at fair value through profit or loss and financial assets held for trading). The average gross loans and advances are calculated on the basis of the average monthly balances of the respective period.
Loan-to-deposit ratio (L/D ratio)	Calculated by dividing net loans and advances to customers by amounts due to customers. Net loans and advances to customers are calculated as a sum of loans and advances to customers at amortised cost, loans and advances to customers mandatorily at fair value through profit or loss and loans in financial assets held for trading.
Equity-to-assets	Calculated by dividing total equity by total assets.
Liquidity Coverage Ratio (LCR)	Ratio of the stock of unencumbered high quality liquid assets to net liquidity outflows over 30 calendar day liquidity stress scenario.

The Issuer believes that the above measures provide useful information to investors for the purposes of evaluating the financial condition and results of operations of the Group, the quality of its assets and the fundamentals of its business.

In particular:

- (a) the ratios presented by the Issuer are aimed at quantifying certain aspects of the Issuer's business and its strengths within the context of the Polish banking system; and
- (b) the alternative performance measures, although not required by law in the preparation of financial statements, allow for comparisons with other banks, over different periods of time and between the Issuer and the average industry standards.

However, the Issuer's use and method of calculation of APMs may vary from other companies' use and calculation of such measures.

Alternative Performance Measures

The table below presents selected operating measures for the Group for the periods indicated below.

	1 January 2024 - 31 December 2024 (restated)	1 January 2023 - 31 December 2023	1 January 2025 - 30 June 2025	1 January 2024 - 30 June 2024 (restated)	1 January 2025 - 30 September 2025	1 January 2024 - 30 September 2024 (restated)
	<i>(PLN million, unaudited)</i>					
Core income	6,307	6,036	3,242	2,926	4,892	4,614
Total operating income.....	6,521	6,722	3,416	3,008	5,165	4,791
Total operating income adjusted ..	6,874	6,388	3,442	3,338	5,129	5,098
Total operating costs.....	(2,253)	(1,993)	(1,270)	(1,103)	(1,897)	(1,656)
Total operating costs adjusted	(2,115)	(1,889)	(1,213)	(1,044)	(1,821)	(1,570)
Net profit reported	719	576	511	357	855	547
Net profit without extraordinary items.....	3,202	2,993	1,605	1,501	2,347	2,297

Key financial ratios

	As at and for the year ended 31 December 2024 (restated)	As at and for the year ended 31 December 2023	As at and for the six months ended 30 June 2025	As at and for the six months ended 30 June 2024 (restated)	As at and for the nine months ended 30 September 2025	As at and for the nine months ended 30 September 2024 (restated)
	<i>(per cent., unaudited)</i>					
ROE.....	9.8	9.1	13.8	11.0	14.2	10.4
ROA reported.....	0.5	0.5	0.8	0.6	0.8	0.6
Net interest margin (NIM)	4.36	4.60	4.18	4.32	4.10	4.35
Cost to income ratio (C/I ratio reported)	34.5	29.6	37.2	36.7	36.7	34.6
Non-performing loans ratios (NPL ratio)	4.45	4.58	4.22	4.53	4.18	4.63
NPL ratio – corporate portfolio	4.65	3.77	4.13	3.98	3.70	4.90
NPL ratio – retail portfolio.....	4.40	4.79	4.25	4.68	4.30	4.56
NPL coverage ratio	72.89	72.21	75.90	74.30	78.00	72.04
Cost of risk	0.40	0.39	0.21	0.50	0.32	0.53

	As at and for the year ended 31 December 2024 (restated)	As at and for the year ended 31 December 2023	As at and for the six months ended 30 June 2025	As at and for the six months ended 30 June 2024 (restated)	As at and for the nine months ended 30 September 2025	As at and for the nine months ended 30 September 2024 (restated)
Loan-to-deposit ratio (L/D ratio) ..	64	69	61	64	58	66
Equity-to-assets ...	5.6	5.5	5.8	5.4	5.8	5.6
Liquidity Coverage Ratio (LCR)	371	327	414	337	374	365

CAPITAL ADEQUACY AND DISTRIBUTABLE ITEMS

The information provided in the tables below does not take into account the issuance of the Notes and any accrued tax.

Capital adequacy of the Group (consolidated basis)

The following table sets forth details of the risk exposure amount and capital ratios of the Group:

	As of 30 September 2025	As of 30 June 2025	As of 31 December 2024	As of 31 December 2023
	<i>(PLN millions except percentages)</i>			
Common equity tier 1 ratio (%).....	14.29%	13.75%	14.82%	14.73%
Tier 1 ratio (%).....	14.29%	13.75%	14.82%	14.73%
Total capital ratio (%)	15.91%	15.58%	17.24%	18.06%
Total risk exposure amount (RWA)	53,338.2	51,099.3	45,116.2	41,354.5

The table below sets forth the distance to Trigger Event of the Group:

	As of 30 September 2025	As of 30 June 2025	As of 31 December 2024	As of 31 December 2023
	<i>(in PLN millions)</i>			
Distance to Trigger Event ¹	4,888.4	4,407.3	4,374.0	3,972.1

Capital adequacy of the Isser (non-consolidated basis)

The following table sets forth details of the risk exposure amount and capital ratios of the Issuer:

	As of 30 September 2025	As of 30 June 2025	As of 31 December 2024	As of 31 December 2023
	<i>(PLN millions except percentages)</i>			
Common equity tier 1 ratio (%).....	14.91%	14.28%	15.31%	15.40%
Tier 1 ratio (%).....	14.91%	14.28%	15.31%	15.40%
Total capital ratio (%)	16.69%	16.28%	17.96%	19.04%
Total risk exposure amount (RWA)	48,298.6	46,725.6	40,928.3	37,960.4

The table below sets forth the distance to Trigger Event of the Issuer:

	As of 30 September 2025	As of 30 June 2025	As of 31 December 2024	As of 31 December 2023
	<i>(in PLN millions)</i>			
Distance to Trigger Event ²	4,726.0	4,277.7	4,168.5	3,900.4

Maximum Distributable Amount of the Group

The table below sets forth the distance to Maximum Distributable Amount of the Group:

¹ The distance to Trigger Event reflects as of 30 September 2025, 30 June 2025, 31 December 2024 and 31 December 2023 the amount of common equity tier 1 capital of the Group above the Trigger Event level applicable to the Notes (being a CET1 ratio of less than 5.125 per cent.) which is decreased in line with the dividend policy (if not yet decided for the period) or actual dividend (if paid for the period).

² The distance to Trigger Event reflects as of 30 September 2025, 30 June 2025, 31 December 2024 and 31 December 2023 the amount of common equity tier 1 capital of the Issuer above the Trigger Event level applicable to the Notes (being a CET1 ratio of less than 5.125 per cent.) which is decreased in line with the dividend policy (if not yet decided for the period) or actual dividend (if paid for the period).

	As of 30 September 2025	As of 30 June 2025	As of 31 December 2024	As of 31 December 2023
	<i>(in PLN millions)</i>			
Distance to Maximum Distributable Amount ³	3,221.6	3,321.5	3,044.8	2,753.7

Maximum Distributable Amount of the Issuer

The table below sets forth the distance to Maximum Distributable Amount of the Issuer:

	As of 30 September 2025	As of 30 June 2025	As of 31 December 2024	As of 31 December 2023
	<i>(in PLN millions)</i>			
Distance to Maximum Distributable Amount ⁴	3,216.7	3,284.8	2,960.4	2,779.9

Distributable Items of the Issuer

The table below sets forth the Distributable Items of the Issuer:

	As of 30 September 2025	As of 30 June 2025	As of 31 December 2024	As of 31 December 2023
	<i>(in PLN millions)</i>			
Distributable Items ⁵	4,807.5	4,807.5	4,807.5	4,164.4

³ The distance to Maximum Distributable Amount reflects as of 30 September 2025, 30 June 2025, 31 December 2024 and 31 December 2023 the amount of common equity tier 1 capital above the required amount of common equity tier 1 capital before the application of any Maximum Distributable Amount restrictions to the Group which is decreased in line with the dividend policy (if not yet decided for the period) or actual dividend (if paid for the period).

⁴ The distance to Maximum Distributable Amount reflects as of 30 September 2025, 30 June 2025, 31 December 2024 and 31 December 2023 the amount of common equity tier 1 capital above the required amount of common equity tier 1 capital before the application of any Maximum Distributable Amount restrictions to the Issuer which is decreased in line with the dividend policy (if not yet decided for the period) or actual dividend (if paid for the period).

⁵ The Distributable Items of the Issuer as of 31 December 2024 and 31 December 2023 reflect the amount of the Issuer's retained earnings available for distribution which is decreased in line with the dividend policy (if not yet decided for the period) or actual dividend (if paid for the period). As Distributable Items are calculated on "the end of the year by definition", values for 30 June 2025 and 30 September 2025 do not incorporate respective interim profits.

DESCRIPTION OF THE GROUP

Overview

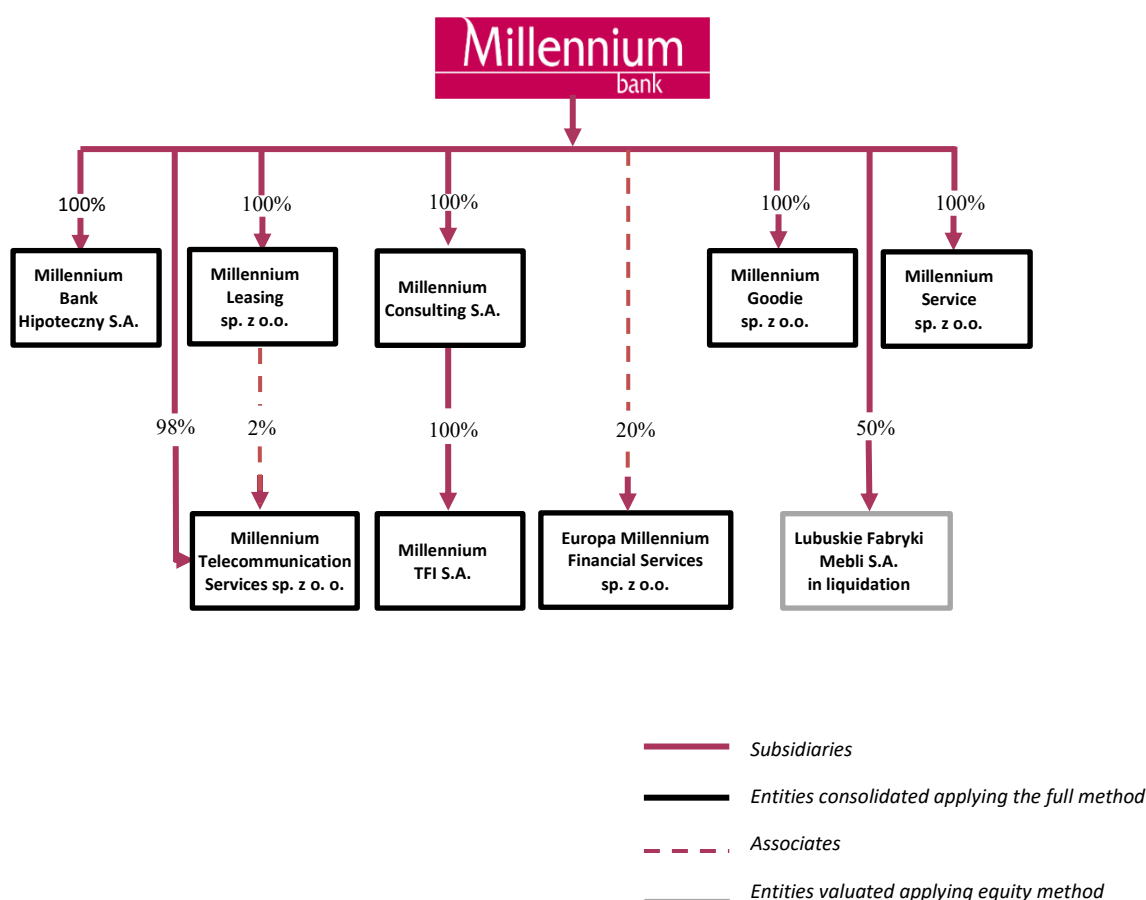
The Group operates in Poland and provides retail, corporate and investment banking as well as other financial services. Based on the financial information for the year ended 31 December 2024 published by Polish banks, the Group was Poland's seventh banking group in terms of total assets and deposits. Based on the Management's Board assessment, the Group had approximately 3.1 million active customers in Poland as at 31 December 2024. In the year ended 31 December 2024, the Group generated a consolidated net profit of PLN 719 million. As at 31 December 2024, the Group's total assets were PLN 139,152 million.

The Bank has a broad offering of universal banking products and services for retail clients, affluent individuals and private banking clients. The Group's clients have access to a wide range of personal accounts and savings and investment products. The Group also offers various lending products, including cash loans, overdrafts and mortgage loans.

The Group's offering for corporate clients is focused on providing comprehensive solutions based on the advanced technologies to digitise processes. Clients are offered a variety of transactional banking products and services as well as a number of business financing products.

The Bank is a joint-stock company (*spółka akcyjna*) whose shares are traded on the regulated market of the WSE. It is entered in the register of entrepreneurs of the National Court Register under number 0000010186 and its registered office is in Warsaw at ul. Stanisława Żaryna 2A, 02-593 Warsaw, Poland. Its telephone number is +48 22 598 40 40. The Bank's website is <https://www.bankmillennium.pl/>. The principal acts of law governing the Bank's operations are the Banking Law and the Commercial Companies Code dated 15 September 2000 (the "**Commercial Companies Code**"). The Bank is supervised by the KNF and was established under the decision of the President of the NBP issued on 18 April 1989.

Set out below is the structure of the Group as at 30 September 2025:



History

Bank Gdański S.A. ("BG"), one of the Bank's predecessors, was spun off from the NBP in 1989 as part of the transformation of the Polish economy into a free market economy. The second predecessor of the Bank was Bank Inicjatyw Gospodarczych S.A. ("BIG"), one of the first private banks established in Poland after 1989. From 1995 to 1997 BIG acquired a majority stake in BG and both banks merged in 1997 to create the Bank which was then operating under the name BIG Bank Gdański S.A.

In 2000, BCP became a strategic investor in the Bank and in 2003 the Bank changed its name to Bank Millennium S.A.

In 2019, the Bank acquired Euro Bank, a Polish subsidiary of Société Générale providing banking services to retail clients. The acquisition increased the number of the Bank's clients by 1.4 million, increased the Bank's share in the consumer loans segment and strengthened the Bank's presence in smaller cities in Poland.

In 2020, the Bank set up MBH, a specialised mortgage bank which is authorised to issue covered bonds. MBH was established to diversify the Group's funding sources and lower the overall costs of the Group's funding.

In 2022, Millennium Dom Maklerski S.A. ("MDM"), an investment firm and a wholly-owned subsidiary of the Bank, was split. The Bank acquired the part of the MDM related to conducting brokerage activities. The remaining part of MDM is named Millennium Consulting S.A. and provides consulting services. The purpose of the transformation was to consolidate all brokerage activities conducted by the Group in one entity.

In 2023, the Bank sold 80 per cent. of shares in Millennium Financial Services sp. z o.o. to Towarzystwo Ubezpieczeń na Życie Europa S.A. and Towarzystwo Ubezpieczeń Europa S.A. In connection with this sale, the Bank entered into several agreements with the buyers concerning insurance distribution model and long-term cooperation in the bancassurance area.

In June 2024, MBH conducted an inaugural issue of covered bonds.

Ratings

As at the date of this Prospectus, the Bank has the following ratings:

Fitch Ratings Ireland Limited ("Fitch")		
Category	Rating	Outlook
Issuer default (IDR)	BBB-	Stable
National long-term IDR	A-(pol)	Stable
Short-term	F3	-
Viability	bbb-	-
Shareholder support rating	b+	-

Moody's		
Category	Rating	Outlook
Long-term deposit	Baa1	Stable
Short-term deposit	Prime-2	-
Stand-alone BCA	ba1	-
CR rating	A3/Prime-2	-

Fitch is established in the EEA and registered under the EU CRA Regulation. As such, Fitch's is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation. Accordingly, the rating assigned by Fitch to the Issuer has been endorsed by Fitch Ratings Limited in accordance with the UK CRA Regulation. Fitch Ratings Limited is established in the United Kingdom and registered under the UK CRA Regulation.

Strategy and main competitive strengths

On 28 October 2025, the Issuer announced its strategy for the years 2025-2028 (the "**Strategy**"). The strategy focuses on continuous innovation and bold growth. In implementing the Strategy, the Issuer is planning to embrace innovation by delivering top-quality services, to become the primary bank for individuals and companies in Poland.

The Bank's strategic aims are sustaining robust growth in retail banking and doubling the scale of the corporate banking business. At the same time, the Issuer is planning to maintain strong cost discipline which will be reflected by the cost-to-income ratio of approximately 37 per cent. in 2028, focus on risk management which will be evidenced by the NPL ratio below 4 per cent. in 2028 and expects to maintain robust capital position with the Tier 1 ratio of approximately 15 per cent. in 2028. The Issuer also aims to ensure sustainable profitability with reported ROE of approximately 18 per cent. in 2028. Subject to regulatory requirements, the Bank intends to resume dividend payments in 2027.

In retail banking, the Issuer intends to maintain strong growth momentum by aiming to reach 3.7 million active retail customers with approximately 70 per cent. share of primary retail customers and strengthening position within the top three retail banks in Poland by net promoter score in 2028.

In corporate banking, the Issuer intends to transition from a small-scale player to a strong market challenger. By 2028, the Issuer intends to reach over 50 thousand business clients, double its corporate loans portfolio to over PLN 25 billion and maintain its position among the top three retail banks in Poland by net promoter score.

Business

The Group offers a broad range of retail, corporate and investment banking products and services to individual retail customers, small and medium enterprises, and large corporations and public sector entities, including local authorities. The Group's operations are divided into the following reporting segments:

- Retail Customer Segment, which covers business activities targeted at mass-market individual customers, affluent individuals, small companies and individual entrepreneurs. This segment covers a full offering of banking products and services. Lending products include mortgage loans denominated in PLN, cash loans, credit cards, revolving loans and leasing products for entrepreneurs. Deposit and savings products comprise current and savings accounts, term deposits, mutual funds and structured products. High net worth customers also have access to foreign mutual funds and structured bonds. In addition, retail customers can also purchase insurance products. Securities brokerage business is also included in this segment.
- Corporate Customer Segment includes services to small and medium enterprises, large corporations and entities from the public sector. As part of the Issuer's Strategy, this segment also includes companies other than sole proprietorships, previously serviced in the Retail Segment as small entrepreneurs. Products offered in this segment include current loans, investment loans, current accounts, term deposits, cash management products, treasury products and leasing and factoring services.
- Treasury, Assets and Liabilities Management ("ALM") and Other, which consist of the treasury operations, brokerage services and inter-bank market transactions positions in debt securities not assigned to other segments. It also includes other assets and other liabilities, assets and liabilities connected with hedging derivatives, liabilities connected with the external funding of the Group and deferred income tax assets not assigned to other segments.
- Foreign Exchange ("FX") Mortgage, a segment separated from the Retail Customer Segment in 2021, includes loans with the underlying foreign currency mortgage contract and concerns portfolios of retail mortgages originated in the Bank and the former Euro Bank in foreign currencies.

The table below shows certain segment information for 2024 and 2023:

Income statement 1 January 2024 – 31 December 2024

	Retail Banking	Corporate Banking	Treasury, ALM and Other	Segments excluding FX Mortgage	FX Mortgage	Total
			<i>(in PLN thousand)</i>			
Net interest income..	4,789,715	756,938	(9,407)	5,537,246	(7,302)	5,529,944
Net fee and commission income..	595,949	171,675	2,941	770,565	6,133	776,698
Dividends, other income from financial operations and foreign exchange profit.....	135,094	86,721	1,452	223,267	(406,153)	(182,886)
Result on non-trading financial assets mandatorily at fair value through profit or loss	745	0	18,389	19,134	0	19,134
Other operating income and cost.....	(8,534)	3,023	46,341	40,830	(186,959)	(146,129)
Operating income ..	5,512,969	1,018,357	59,716	6,591,042	(594,281)	5,996,761
Staff costs.....	(965,299)	(202,287)	(29,306)	(1,196,892)	0	(1,196,892)
Administrative costs, including:.....	(504,789)	(93,897)	(92,997)	(691,683)	(137,869)	(829,552)
BGF costs	0	0	(60,850)	(60,850)	0	(60,850)

Income statement 1 January 2024 – 31 December 2024

	Retail Banking	Corporate Banking	Treasury, ALM and Other	Segments excluding FX Mortgage	FX Mortgage	Total
Depreciation and amortisation.....	(194,917)	(27,129)	(4,145)	(226,191)	0	(226,191)
Operating expenses	(1,665,005)	(323,313)	(126,448)	(2,114,766)	(137,869)	(2,252,635)
Impairment losses on assets	(230,004)	(100,480)	(4,274)	(334,758)	59,402	(275,356)
Results on modification	(33,121)	906	0	(32,215)	(150,042)	(182,257)
Provisions for legal risk connected with FX mortgage loans	0	0	0	0	(2,179,070)	(2,179,070)
Total operating result	3,584,839	595,470	(71,006)	4,109,303	(3,001,860)	1,107,443
Share in net profit of associated companies						0
Banking tax						(232,419)
Profit / (loss) before income tax						875,024
Income taxes						(155,815)
Profit / (loss) after taxes						719,209

Balance sheet items as at 31 December 2024

Loans and advances to customers	59,131,842	14,535,380	0	73,667,223	1,313,993	74,981,215
Debt securities (AC and HTC&FS portfolios)	0	0	53,600,222	53,600,222		53,600,222
Liabilities to customers	93,246,311	24,010,902		117,257,213		117,257,213

Income statement 1 January 2023 – 31 December 2023

	Retail Banking	Corporate Banking	Treasury, ALM and Other	Segments excluding FX Mortgage	FX Mortgage	Total
			<i>(in PLN thousand)</i>			
Net interest income..	4,684,190	776,653	(226,859)	5,233,984	19,505	5,253,489
Net fee and commission income.	590,751	175,569	4,457	770,777	11,608	782,385
Dividends, other income from financial operations and foreign exchange profit.....	132,701	85,157	571,697	789,555	(273,590)	515,965
Result on non-trading financial assets mandatorily at fair value through profit or loss	(958)	0	13,317	12,359	0	12,359
Other operating income and cost.....	(20,764)	7,426	72,738	59,400	97,968	157,368
Operating income ..	5,385,920	1,044,805	435,350	6,866,075	(144,509)	6,721,566
Staff costs	(829,290)	(179,012)	(26,336)	(1,034,638)	0	(1,034,638)
Administrative costs, including:.....	(461,201)	(91,388)	(90,194)	(642,783)	(104,018)	(746,801)
BGF costs	0	0	(60,039)	(60,039)	0	(60,039)
Depreciation and amortisation.....	(181,810)	(25,749)	(3,958)	(211,517)	0	(211,517)
Operating expenses	(1,472,301)	(296,149)	(120,488)	(1,888,938)	(104,018)	(1,992,956)

Income statement 1 January 2023 – 31 December 2023

	Retail Banking	Corporate Banking	Treasury, ALM and Other	Segments excluding FX Mortgage	FX Mortgage	Total
Impairment losses on assets	(280,495)	(14,989)	(84)	(295,568)	33,009	(262,559)
Results on modification	(32,881)	(3,076)	0	(35,957)	(52,227)	(88,184)
Provisions for legal risk connected with FX mortgage loans	0	0	0	0	(3,065,380)	(3,065,380)
Total operating results	3,600,243	730,591	314,778	4,645,612	(3,333,125)	1,312,487
Share in net profit of associated companies						0
Banking tax						0
Profit / (loss) before income tax						1,312,487
Income taxes						(736,770)
Profit / (loss) after taxes						575,717

Balance sheet items as at 31 December 2023

Loans and advances to customers	57,154,036	13,499,640	0	70,653,676	2,989,384	73,643,060
Debt securities (AC and HTC&FS portfolios)	0	0	40,817,314	40,817,314	0	40,817,314
Liabilities to customers	81,043,632	26,202,795	0	107,246,428	0	107,246,428

Retail Banking
Overview

Retail banking is a key area for the Group. Retail clients are offered a large range of banking products, including personal accounts, savings and investment products and loans. The retail banking area is split into two segments: individual clients and business clients.

Individual clients
Personal accounts

As at 31 December 2024, the Bank maintained 4.1 million personal accounts, including 0.6 million foreign currency accounts. The most popular personal account in the Bank's portfolio was the "360 Degrees Account (Konto 360)" which, together with a new personal account "Millennium 360 Degrees Account" in the Bank portfolio reached almost 2.5 million.

Savings and investment products

The Bank's deposit products cover a wide range of possibilities, including a variety of deposit accounts and term deposits. As at 31 December 2024, aggregate deposits from individuals were PLN 87.6 billion, an increase of PLN 11.0 billion on 2023.

The Bank offers a diverse portfolio of investment products, including products developed by the Bank and products of external partners, such as structured deposits, mutual funds and debt securities.

Lending products

Customers of the retail banking segment have access to a variety of loan products, from credit cards and short-term cash loans to mortgage loans. In 2024, the value of the non-mortgage loan portfolio increased by 7 per cent. compared with 2023 and, as at 31 December 2024, was PLN 7.0 billion net. The Group's mortgage loan portfolio decreased by 2 per cent. to PLN 38.6 billion net as at 31 December 2024. The value of PLN-denominated mortgage loans grew by 3 per cent. and was PLN 37.3 billion net as at 31 December 2024. As at 31 December 2024, the number of credit cards issued by the Bank was 518 thousand, an increase by 24 thousand compared to 31 December 2023. Loans advanced to customers of the retail banking segment are predominantly denominated in PLN. Only customers whose income is denominated in a foreign currency are eligible to apply for a loan denominated in that currency.

Bancassurance

In 2023, the Group started strategic cooperation in the field of insurance with Europa Insurance Group. The Bank offers its retail customers life and non-life insurance products. The main group of the bancassurance offering are insurance products related to cash loans and mortgage loans, developed with Europa Insurance Group.

Business clients

Business client offering is addressed to sole traders and companies whose annual revenues do not exceed PLN 5 million. Clients of the business client segment have access to a comprehensive offering of traditional banking saving and lending products as well as a leasing offering.

Corporate Banking

Corporate Banking is a business line which provides comprehensive financial services to companies with annual revenues exceeding PLN 5 million, as well as public sector entities.

The Bank is focused on creating solutions responding to the needs of a particular client and utilising digital solutions which will reduce the time a client has to devote to communicating with the Bank. The Bank is also automating various internal processes relating to its Corporate Banking activities. The loans advanced to customers of the Corporate Banking line are denominated mostly in PLN. To mitigate the risks associated with loans denominated in currencies other than PLN, the Bank advances loans denominated in foreign currencies only to companies which have revenues denominated in foreign currencies. As at 31 December 2024, the net value of the total loans to companies and receivables from companies portfolio was PLN 18.0 billion, a PLN 0.8 billion increase compared with 31 December 2023. Apart from the leasing business with the value of receivables of PLN 6.9 billion as at 31 December 2024, the Corporate Banking line also covers factoring services, including recourse and non-recourse factoring, domestic and foreign reverse factoring, discounting and confirming bills of exchange. According to the Polish Association of Factoring Companies, in the fourth quarter of 2024, the Bank had a 5.5 per cent. market share of the Polish market and held the seventh position in the ranking of Polish factoring companies.

Distribution network

The Bank is focusing on developing digital channels, both mobile applications and the internet banking systems, with a view for digital channels to become the main distribution channel of the Bank's services to retail clients. The Bank also runs an extensive branch network consisting of 606 own and franchise outlets as at 31 December 2024, a decrease of 6 outlets compared with 31 December 2023.

As at 31 December 2024, the number of the Bank's active digital customers (on-line and mobile) was 2.9 million, including almost 2.7 million mobile banking users, an increase of 8 per cent. and 7 per cent., respectively compared with 31 December 2023. In 2024 BLIK (Poland's cashless payment system) payments in the mobile app were used by almost 2.0 million of Bank's customers, an increase of 13 per cent. compared with 2023.

Customers of the Corporate Banking line have access to a dedicated internet banking system and a mobile banking app. The Bank is constantly developing its digital banking solutions to make these more efficient and easier to use. Corporate customers also have access to 14 corporate centres offering comprehensive banking services to corporate clients.

Capital management

Capital management covers two areas, capital adequacy management and capital allocation. The goal of capital adequacy management is to meet the requirements specified in external regulations and ensure solvency in normal and stressed conditions. The purpose of capital allocation is to create value for the Bank's shareholders by maximising the return on risk in business activity, taking into account the established risk appetite.

Under the CRR, the Bank has to satisfy the following own-fund requirements:

- a Common Equity Tier 1 capital ratio of 4.5 per cent.;
- a Tier 1 capital ratio of 6 per cent.; and
- a total capital ratio of 8 per cent.

In addition to the above own-fund requirements, there are additional buffers included in the Bank's minimum capital ratios:

- a bank specific buffer:
 - Pillar 2 requirements (P2R) of 0 per cent.;
- a combined buffer consisting of:
 - a capital conservation buffer of 2.5 per cent.;
 - an other systematically important institution buffer of 0.25 per cent.;
 - a systemic risk buffer of 0 per cent.; and
 - a countercyclical buffer of 1 per cent.

As at 30 September 2025, 30 June 2025 and 31 December 2024, the minimum capital ratios, taking into account the regulatory requirements and Pillar 2 requirements and capital buffers, were:

	As at 30 September 2025		As at 30 June 2025		As at 31 December 2024	
	Bank	Group	Bank	Group	Bank	Group
	<i>(per cent.)</i>					
CET1 ratio						
Minimum.....	4.50	4.50	4.50	4.50	4.50	4.50
P2R Buffer	0.00	0.00	0.00	0.00	0.82	0.82
TSCR CET1	4.50	4.50	4.50	4.50	5.32	5.32
Capital Conservation Buffer...	2.50	2.50	2.50	2.50	2.50	2.50
OSII Buffer.....	0.25	0.25	0.25	0.25	0.25	0.25
Systemic risk buffer.....	0.00	0.00	0.00	0.00	0.00	0.00
Countercyclical capital buffer	1.00	1.00	0.00	0.00	0.00	0.00
Combined buffer.....	3.75	3.75	2.75	2.75	2.75	2.75
OCR CET 1	8.25	8.25	7.25	7.25	8.07	8.07
T1 ratio						
Minimum.....	6.00	6.00	6.00	6.00	6.00	6.00
P2R Buffer	0.00	0.00	0.00	0.00	1.10	1.10
TSCR T1	6.00	6.00	6.00	6.00	7.10	7.10
Capital Conservation Buffer...	2.50	2.50	2.50	2.50	2.50	2.50
OSII Buffer.....	0.25	0.25	0.25	0.25	0.25	0.25

	As at 30 September 2025		As at 30 June 2025		As at 31 December 2024	
	Bank	Group	Bank	Group	Bank	Group
			(per cent.)			
Systemic risk buffer.....	0.00	0.00	0.00	0.00	0.00	0.00
Countercyclical capital buffer	1.00	1.00	0.00	0.00	0.00	0.00
Combined buffer.....	3.75	3.75	2.75	2.75	2.75	2.75
OCR T1	9.75	9.75	8.75	8.75	9.85	9.85
TCR ratio						
Minimum.....	8.00	8.00	8.00	8.00	8.00	8.00
P2R Buffer	0.00	0.00	0.00	0.00	1.47	1.46
TSCR TCR.....	8.00	8.00	8.00	8.00	9.47	9.46
Capital Conservation Buffer...	2.50	2.50	2.50	2.50	2.50	2.50
OSII Buffer.....	0.25	0.25	0.25	0.25	0.25	0.25
Systemic risk buffer.....	0.00	0.00	0.00	0.00	0.00	0.00
Countercyclical capital buffer	1.00	1.00	0.00	0.00	0.00	0.00
Combined buffer.....	3.75	3.75	2.75	2.75	2.75	2.75
OCR TCR.....	11.75	11.75	10.75	10.75	12.22	12.21

The Bank uses an internal ratings-based method to calculate own funds requirements for retail exposures to individual customers secured on residential mortgages and for retail revolving exposures. In consultation with the relevant regulatory bodies the Bank is implementing the internal ratings-based approach for other portfolios, with the exception of portfolios of exposures to central banks and governments, institutions, leasing and capital exposures. The Group defines a rating system as all the methods, processes, controls, data collection and IT systems that are used for the assessment of credit risk and for classification of exposures to a pool with a specified risk level, including the rules on the priority of rating models and the rules for overriding rating grades. The ratings are assigned on the basis of three models: probability of default, loss given default and exposure at default / balance sheet equivalent.

The BGF informed the Bank of the joint decision of the relevant resolution authorities, i.e. the BGF and the Single Resolution Board, setting out, effective from 19 June 2024, the Group's MREL at 18.03 per cent. of the Group's total risk exposure amount ("**MRELtrea**") and 5.91 per cent. of the Group's total exposure measure ("**MRELtem**"). Taking into account the subordination criterion, the Bank has to meet MRELtrea requirement of 17.92 per cent. and MRELtem requirement of 5.87 per cent. Additionally, the Bank also has to meet MREL with Combined Buffer Requirement of 2.75 per cent.

The table below presents selected data concerning MREL:

	As at 30 September 2025	As at 30 June 2025	As at 31 December 2024	As at 31 December 2023
MRELtrea ratio	25.47%	25.27%	28.06%	23.77%
Minimum required level MRELtrea	15.36%	15.36%	18.03%	18.89%
Surplus (+)/Deficit (-) of MRELtrea (percentage points)	10.11	9.91	10.03	4.88
Minimum required level including Combined Buffer Requirement (CBR)	19.11%	18.11%	20.78%	21.64%
Surplus (+)/Deficit (-) of MRELtrea CBR (percentage points)	6.36	7.16	7.28	2.13
MRELtem ratio	8.56%	8.56%	8.97	7.50%
Minimum required level of MRELtem.....	5.91%	5.91%	5.91%	5.91%
Surplus (+)/Deficit (-) of MRELtrea (percentage points).....	2.65	2.65 p.p.	2.80	1.59

The tables below present selected data concerning the capital ratios of the Bank and the Group as at the dates indicated below:

	Bank			Group		
	As at 30 September 2025	As at 30 June 2025	As at 31 December 2024	As at 30 September 2025	As at 30 June 2025	As at 31 December 2024
	<i>(PLN million, unless otherwise indicated)</i>					
Risk-weighted assets	48,298.6	46,725.6	40,928.3	53,383.2	51,099.3	45,116.2
Own Funds						
requirements, including:	3,863.9	3,738.1	3,274.3	4,267.1	4,087.9	3,609.3
Credit risk and counterparty credit risk.....	2,840.6	2,712.7	2,773.8	3,231.2	3,050.1	3,086.6
Market risk	37.7	30.4	19.8	37.7	30.4	19.8
Operational risk	966.6	966.6	478.0	979.4	979.4	500.4
Credit Valuation Adjustment CVA.....	19.0	28.4	2.6	18.8	28.0	2.5
Own Funds, including:	8,058.7	7,608.4	7,352.5	8,483.6	7,963.1	7,776.4
Common Equity	7,199.5	6,672.1	6,264.6	7,624.3	7,026.8	6,688.4
Tier 1 Capital.....						
Tier 2 Capital.....	859.2	936.3	1,087.9	859.2	936.3	1,087.90
Total Capital Ratio (TCR).....	16.69%	16.28%	17.96%	15.91%	15.58%	17.24%
Minimum required level	11.75%	10.75%	12.22%	11.75%	10.75%	12.21%
Surplus (+) / Deficit (-) of TCR ratio (pp)	4.94	5.5	5.74	4.16	4.8	5.03
Tier 1 Capital ratio (T1)	14.91%	14.28%	15.31%	14.29%	13.75%	14.82%
Minimum required level	9.75%	8.75%	9.85%	9.75%	8.75%	9.85%
Surplus (+) / Deficit (-) of T1 ratio (pp) ...	5.16	5.53	5.46	4.54	5.00	4.97
Common Equity Tier 1 Capital ratio (CET1).....	14.91%	14.28%	15.31%	14.29%	13.75%	14.82%
Minimum required level	8.25%	7.25%	8.07%	8.25%	7.25%	8.07%
Surplus (+) / Deficit (-) of CET1 ratio (pp).....	6.66	7.03	7.24	6.04	6.50	6.75
Leverage ratio.....	4.93%	4.76%	4.67%	4.84%	4.65%	4.64%
Minimum required level.....	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Surplus (+) / Deficit (-) of financial leverage ratio (pp).....	1.93	1.76	1.67	1.84	1.65	1.64

On 26 November 2025, the Bank received a recommendation according to which the KNF is imposing an additional capital surcharge to absorb potential losses resulting from extreme conditions (P2G). In particular, on the basis of the 2025 supervisory stress tests carried out by the PFSA, the PFSA set the P2G capital add-ons, before the offsetting of the capital conservation buffer, at 2.63 p.p. at the stand-alone level and 2.53 p.p. at the consolidated level. The total capital charges recommended under Pillar II offset by the capital buffer requirement are 0.13 p.p. at the stand-alone level and 0.03 p.p. at the consolidated level.

Borrowings

As at 31 December 2024, the Group had outstanding liabilities under debt securities issued by the members of the Group of PLN 6,125 million and under subordinated debt securities of PLN 1,562 million.

The table below gives primary information on the outstanding debt securities issued by the Group as at the date of this Prospectus:

Issuer	Status	Currency	Principal amount as at the issue date	Issue date	Maturity date	Listing
The Bank	Subordinated Bonds	PLN	700,000,000	7 December 2017	7 December 2027	Warsaw
The Bank	Subordinated Bonds	PLN	830,000,000	30 January 2019	30 January 2029	Warsaw
The Bank	Credit-linked Notes	PLN	242,500,000	23 December 2022	25 January 2040	Vienna
The Bank	Credit-linked Notes	PLN	489,000,000	11 December 2023	25 August 2036	Vienna
The Bank	Senior Non-Preferred Notes	EUR	500,000,000	18 September 2023	18 September 2027	Luxembourg
The Bank	Senior Non-Preferred Notes	EUR	500,000,000	25 September 2024	25 September 2029	Luxembourg
Millennium Leasing	Credit-linked Notes	PLN	280,000,000	12 July 2023	20 October 2038	Vienna
MBH	Covered bonds	PLN	300,000,000	12 June 2024	11 June 2027	Warsaw
MBH	Covered bonds	PLN	500,000,000	5 November 2024	5 November 2029	Warsaw
MBH	Covered bonds	PLN	800,000,000	12 March 2025	12 March 2030	Warsaw
MBH	Covered bonds	PLN	1,000,000,000	4 November 2025	4 November 2030	Warsaw

Related Party Transactions

The Group entered into a number of related party transactions, including transactions between members of the Group and transactions with members of the BCP Group. The tables below show the related party transactions entered into by the Group as at 31 December 2024 and 31 December 2023:

Transactions with BCP Group	With the parent company		With other entities	
	(PLN thousand)			
	As at or for the year ended 31 December		As at or for the year ended 31 December	
	2024	2023	2024	2023
Assets				
Loans and advances to banks – accounts and deposits	1,788	2,097	0	0
Financial assets held for trading	0	0	0	0
Hedging derivatives.....	0	0	0	0
Other assets	0	0	0	0
Liabilities				
Loans and deposits from banks	121	719	0	0
Debt securities.....	0	0	0	0
Financial liabilities held for trading.....	0	0	0	0
Hedging derivatives.....	0	0	0	0
Other liabilities.....	234	215	14	8
Income				
Interest.....	5,398	2,676	0	0
Commissions	209	120	0	0
Financial assets and liabilities held for trading.....	1,224	28	0	0
Expense				
Interest.....	46	2	0	0
Commissions	0	0	0	0
Financial assets and liabilities held for trading.....	0	0	0	0
Other net operating expenses	0	0	0	0

Transactions with BCP Group	With the parent company		With other entities	
	(PLN thousand)			
	As at or for the year ended		As at or for the year ended	
	31 December		31 December	
	2024	2023	2024	2023
Administrative expenses.....	185	431	6	94
Off-balance items				
Conditional commitments	24 680	25 513	0	0
granted.....	0	0	0	0
obtained	24 680	25 513	0	0
Derivatives (par value).....	0	0	0	0

Risk management

Overview

The management of risk is one of the key tasks of the Bank's Management Board. It defines the framework for business development, profitability and stability, by creating rules that ensure the Group's compliance, its internal control best practices and legal requirements and co-ordination of its strategy for managing all risks.

The mission of risk management is to ensure that all types of risks are managed, monitored and controlled as required for the risk profile (risk appetite), nature and scale of the Group's operations. One of the key principles of risk management is the optimisation of the risk and profitability trade-off.

The goals of risk management are achieved through implementing the following actions:

- developing risk management strategies, credit policy, processes and procedures defining the principles for acceptance of the acceptable level of particular types of risk;
- increasingly wider implementation of advanced tools for identifying, measuring and controlling risk; and
- increasing awareness of employees regarding their responsibility for proper risk management at every level of the Group's organisational structure.

The function of risk management is centralised for the whole Group and takes into account the need to obtain the assumed profitability and to maintain capital sufficient to cover the risk. The risk management system uses a broad range of methods both qualitative and quantitative, including advanced mathematical and statistical tools and is supported by adequate IT solutions.

When defining business and profitability targets, the Group takes into account the specified risk framework in order to ensure that business structure and growth will respect the risk profile that is targeted and that will be reflected in several indicators such as:

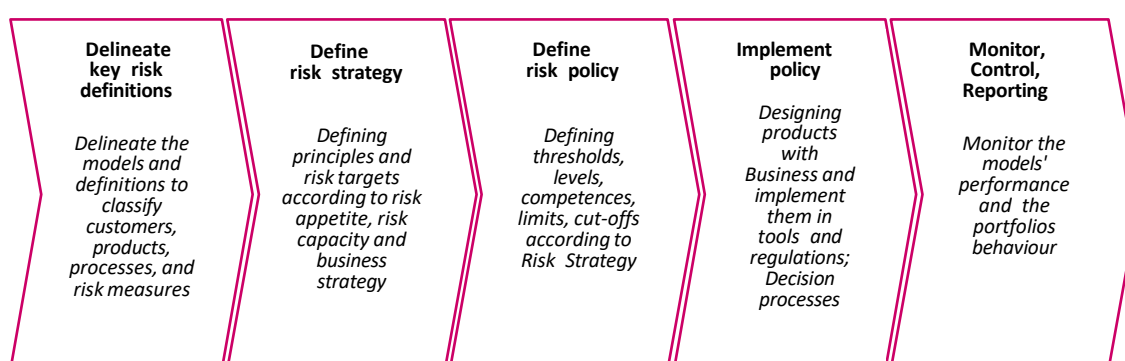
- loan growth in particular products/segments;
- structure of the loan portfolio;
- asset quality indicators;
- cost of risk;
- capital requirements; and
- amount and structure of necessary liquidity.

The risk management and control model at the Group level is based on the following principles:

- ensuring the full-scope quantification and parameterisation of various types of risks from the perspective of optimising balance sheet and off-balance sheet items to the assumed level of profitability of business activity. The main areas of analysis encompass credit risk, market risk, liquidity risk and operational risk. Legal and litigation risk also are subject to particular attention;
- all types of risks are monitored and controlled by reference to the profitability of operations and the level of capital necessary to ensure the safety of operations from the point of view of capital adequacy. The results of risk measuring are regularly reported as part of the management information system; and
- the segregation of duties between risk origination, risk management and risk control.

Risk management process

The diagram below demonstrates the Group's risk management process:



Division of responsibilities

The division of responsibilities in the risk management area is as follows:

- the Bank's Supervisory Board is responsible for overseeing the compliance of the Group's risk-taking policy with the Group's strategy and its financial plan. The Supervisory Board's Committee for Risk Matters supports the Supervisory Board in performing these tasks by, among others, opining on the Group's Risk Strategy and the Group's risk appetite.
- the Bank's Management Board is responsible for the effectiveness of the risk management system in order to pursue the corporate objectives within the approved risk appetite set by the Supervisory Board and to ensure an adequate and effective internal governance and internal control framework, including a clear organisational structure and independent internal risk management functions;
- the Credit Committee, the Capital, Assets and Liabilities Committee, and the Liabilities at Risk Committee are responsible for the current management of different areas of banking risk – within the framework determined by the Management Board;
- the Risk Committee and the Processes and Operational Risk Committee are responsible for defining the policy and for monitoring and controlling different areas of banking risk – within the framework determined by the Management Board;
- the Product Committee is responsible for reviewing proposals concerning introducing new products into the Group's offering or withdrawing existing products from the Group's offering;

- the AML Committee is responsible for supervision over anti-money laundering and terrorism financing risk management and cooperation in the area of combatting financial crime;
- the Validation Committee is responsible for confirming risk models validation results and follow-up in the implementation of the measures defined by the Models Validation Office;
- the Sustainability Committee is responsible for making key decisions on sustainable development in the Group, in terms of environmental, social and governance factors;
- the Sub-Committee for Court Cases is responsible for expressing opinions and taking decisions in matters regarding court proceedings, for the cases when the value of the dispute or direct effect for assets value as a consequence of a court verdict exceeds PLN 1 million or as result of multiple cases of the same nature, excluding cases belonging to the restructuring and recovery portfolio of the Bank's receivables managed by the Corporate Recovery Department and Retail Restructuring and Debt Collection Department;
- the Risk Department is responsible for risk management, including identifying, measuring, analysing, monitoring and reporting on risk within the Group. The Risk Department also prepares risk management policies and procedures as well as providing information and proposes courses of action necessary for the Capital, Assets and Liabilities Committee, Risk Committee and the Management Board to make decisions concerning risk management;
- the Rating Department is mainly responsible for risk rating assignment for corporate clients (based on the evaluation of clients' creditworthiness) as well as for rating monitoring and potential revision during the period of its validity. The rating assignment process is independent from the credit decision process;
- the Corporate Credit Underwriting Department, Mortgage Credit Underwriting Department and Consumer Finance Underwriting Department are responsible within the Corporate Customer segment and Retail Customer segment, respectively, for the credit decision process, including analysing customers' financial situations, preparing credit proposals for the decision-making levels and making credit decisions within specified limits;
- the Retail Liabilities Monitoring and Collection Department and Retail Liabilities Restructuring and Recovery Department have responsibility for monitoring repayment of overdue debts by retail customers and their collection;
- the Corporate Recovery Department develops specific strategies regarding each debtor from recovery portfolio, which aims to maximise timely collection of outstanding debt and minimise the risk incurred by the Group. This approach is constantly revised to reflect updated information, and the best practices and experiences regarding the collection of overdue debt;
- the Treasury Control and Analyses Office has responsibility for monitoring the use of part of the Group's limits, including counterparty and stop-loss limits, the Group's FX positions, results of active trading, and control of operations of the treasury segment;
- the Models Validation Office has responsibility for qualitative and quantitative models analysis and validation, independent from the function of models development; development of the models validation and monitoring tools; activities connected with issuing opinions on the adequacy of the models for the segment for which they were developed; and preparing reports for the Validation Committee's needs;
- the Sustainability Department is responsible for supervising and coordinating the implementation of the principles of sustainable development in the Bank and the Group;

- the Anti-Fraud Sub-Unit has responsibility for implementing and monitoring Bank policy execution in the scope of fraud risk management in co-operation with others Bank units. The Sub-Unit constitutes a competence centre for the anti-fraud process;
- the Compliance Department has the responsibility to ensure compliance with legal regulations, related regulatory standards, market principles and standards as well as the internal organisation regulations and codes of conduct; and
- the Legal Department has responsibility for handling the litigation cases of the Bank, with the support of external legal offices and legal experts whenever necessary.

The Group has developed a comprehensive risk management strategy for the period from 2025 to 2028. The risk management strategy assumes a four-years perspective, is reviewed and updated annually and is approved by the Bank's Management Board and Supervisory Board.

Loan application process

The Bank provides a broad range of credit products for all clients' segments, ensuring their compliance with external and internal regulations, and alignment with the Bank's desired risk tolerance and needs of its customers.

Depending on a client's segment, applications for credit transactions are done remotely, through branches or assigned bank advisers.

Credit processes, including the credit decision-making processes, are tailored for the different customer segments. Internal regulations define credit processes flow and credit decision-making rules, ensuring the separation of functions between origination, rating assignment, credit decision and credit administration. All participants of these processes are responsible for the end result of a credit transaction. Decisions on granting a credit can be made automatically or manually. In the case of manual credit decisions, internal regulations define the competence of decision levels taking into account the client's rating and its overall exposure. Generally, the decision level structure ensures the "four-eyes" principle - although for smaller exposures credit decisions are permitted to be made by one person. The decision level structure eliminates possible cases of conflict of interests or other factors set out in the Code of Ethics.

The decision to grant a credit transaction is primarily based on the ability of the customer to reimburse the credit transaction through the cash flows generated in its activity and income and not through the execution of collaterals, which is always an exceptional situation. In assessing a customer credit capacity, consideration is given to the entire involvement of the customer with the Group. The particulars of the situation of the entities belonging to the same economic group are taken into consideration in the assessment of the client. Available internal and external sources of information concerning the condition of the customer are taken into account, particularly information from the credit information bureau.

The Bank ensures the correct formalisation and documentation of credit transactions and of the associated credit risk mitigation instruments, verifying that the documents and contracts legally involve all the related parties and are legally enforceable in every applicable jurisdiction.

Credit agreements in the corporate segment contain clauses (covenants) ensuring that the minimum financial and other conditions underlying the approval of the credit transaction are maintained, including the possibility of demanding the early repayment of the credit transaction if the borrower fails to meet the agreed conditions.

The Bank has a warning system able to detect, in a timely manner, signs of possible deterioration of a client's situation. Dedicated units, separated from the business area, are responsible for taking appropriate action when such signals appear.

Regardless of the warning system, the Bank provides ongoing monitoring of the credit transactions, constantly verifying that the conditions underlying their approval are maintained, particularly regarding coverage with collateral compliance with the covenants of the transaction and the validity of the credit transaction support documentation.

Loan collateral

The Group accepts a collateral to mitigate its credit risk exposure. The main role of the collateral is to minimise loss in the event of customer default in the repayment of credit transactions in the contractual amounts and on the agreed contractual dates by ensuring an alternative source of repayment of due and payable amounts.

The collateral is accepted in accordance with the credit policy principles defined for each customer segment. The key principle is that collateral for a credit transaction should correspond to the credit risk incurred by the Group by taking into account the specific nature of the transaction (i.e. its type, amount, repayment period and the customer's rating).

The credit policy defines the types, kinds and legal forms of collateral accepted in the Group as well as more detailed requirements that are to ensure the probability of selling collateral of respective types in the context of the Group's recovery experiences.

The Group pays special attention to the correct determination of collateral value. It defined the rules for preparing and verifying collateral valuation and does its utmost to ensure that such valuations are objective, and conservative and reflect the true value of the collateral. To ensure effective establishment of collateral, the Group has developed appropriate forms of collateral agreements, applications, powers-of-attorney and representations. In the retail segment, accepted collateral consists mainly of residential real property (mortgage loans) and financial assets. The corporate segment primarily includes all types of property (residential, commercial and land) are taken as well as the Polish state development bank guarantees. Common types of collateral are also movables, inventories and the assignment of receivables from contracts. Temporary collateral is also accepted in the period before the final collateral is established.

Additionally, the Group uses various forms of instruments supplementing the collateral, which facilitate enforcement or increase the probability of effective repayment of debt from a specific collateral. Those instruments include: a statement of submitting to enforcement in the form of a notarial deed, blank promissory note, power-of-attorney to a bank account, and assignment of rights under an insurance agreement.

The Group monitors the collateral to ensure that it satisfies the terms of the agreement, i.e. that the final collateral of the transaction has been established in a legally effective manner or that the assigned insurance policies are renewed. The value of the collateral is also monitored during the term of the credit transaction.

Non-performing loans

The table below shows the quality of the Group's credit portfolio as at 31 December 2024 and 31 December 2023 including three stages and purchased or originated credit impaired assets ("POCI"). The Bank actively manages its non-performing loans portfolio by, for example, selling the loan portfolios to external non-performing loan managers.

31 December 2024							Balance sheet value, net
	Balance sheet value, gross			Accumulated impairment allowances			
			Stage 3 (including POCI)			Stage 3 (including POCI)	
	Stage 1	Stage 2		Stage 1	Stage 2		
	(PLN thousand)						
Valued at amortised cost	67,813,446	6,230,694	3,438,697	(337,808)	(305,667)	(1,859,971)	74,979,390
Companies	16,085,006	1,473,418	937,199	(142,967)	(55,758)	(306,352)	17,990,546
Individuals	51,672,955	4,757,275	2,501,498	(194,544)	(249,909)	(1,553,619)	56,933,656
Public sector	55,485	1	0	(297)	0	0	55,189

31 December 2023							Balance sheet value, net
	Balance sheet value, gross			Accumulated impairment allowances			
			Stage 3 (including POCI)			Stage 3 (including POCI)	
	Stage 1	Stage 2		Stage 1	Stage 2		
	(PLN thousand)						
Valued at amortised cost	66,610,808	6,050,620	3,458,837	(427,418)	(322,955)	(1,746,181)	73,623,711
Companies	15,453,270	1,303,085	730,805	(103,386)	(42,529)	(245,469)	17,095,776
Individuals	50,994,741	4,747,531	2,728,032	(322,601)	(280,426)	(1,500,712)	56,366,565
Public sector	162,797	4	0	(1,431)	0	0	161,370

Shareholders

Overview

As at the date of this Prospectus, the Bank's share capital is divided into 1,213,116,777 ordinary bearer and registered shares with a nominal value of PLN 1 each. The A series shares give their holders the right to two votes at the Bank's General Meeting. The remaining series of shares give their holders the right to one vote at the Bank's General Meeting.

The Bank is a public company and its shares are listed on the regulated market of the WSE. Therefore, the Bank does not have detailed information on all of its shareholders. The Bank only receives information on its significant shareholders if these shareholders comply with the notification requirements prescribed by Polish law.

On the date of this Prospectus, BCP held 607,771,505 shares in the Bank, which constitutes 50.10 per cent. of the Bank's share capital and confers the right to 50.10 per cent. of votes at the Bank's General Meeting.

The table below sets out information on the shareholding structure of the Bank as at the date of this Prospectus, based on the most recent notifications made to the Bank.

	Number of shares	Per cent. of voting rights at the General Meeting
BCP	607,771,505	50.10
Nationale-Nederlanden Otworthy Fundusz Emerytalny	112,638,286	9.29
Allianz Polska Otworthy Fundusz Emerytalny	108,832,510	8.97
Other shareholders	383,874,476	31.64
Total	1,213,116,777	100

BCP's control over the Bank

Nature of control

As a holder of the majority of voting rights at the Bank's General Meeting, BCP can exercise a decisive influence on the resolutions adopted by this body, and, in particular, on the resolutions on key issues relating to the Bank's organisation and operations, including:

- appropriation of the profits/offsetting of losses incurred by the Bank;
- approval of the due performance of their duties by the Bank's bodies;
- appointment and dismissal of members of the Supervisory Board;
- amendments to the Bank's statutes;
- increases and decreases in the share capital of the Bank;
- the redemption of shares;
- the utilisation of supplementary capital and reserve capitals by the Bank;
- the issue of convertible bonds or bonds with a pre-emptive right;
- the determination of remuneration rules for Supervisory Board members; and
- the Bank's liquidation, merger, demerger or transformation.

Since Management Board members are appointed and dismissed by the Supervisory Board, BCP, by having a decisive influence on the composition of the Supervisory Board, can also directly influence the composition of the Management Board. As at the date of this Prospectus, no entity other than BCP has control over the Bank.

In the opinion of the Bank, neither the Statute nor the by-laws of the General Meeting, the Supervisory Board or the Management Board contain any provisions which might delay, forestall or prevent a change of control over the Bank.

Mechanisms preventing an abuse of control

There are a number of legal instruments aimed at preventing an abuse of control over the Bank by its major shareholder specified in the Commercial Companies Code, the Banking Law and the Act on Public Offerings.

Dividend

The Group's dividend policy assumes distribution of between 35 per cent. to 50 per cent. of the Bank's net profit, provided that recommendations of the KNF regarding the payment of dividends are met and there are no other restrictions to paying dividends.

The whole amount of the Bank's profit for 2023 and 2024 was allocated to the Bank's reserve capital.

IT and operations

The Group has several IT systems, including systems supporting remote banking channels, product management, accounting, IT and HR support. The IT infrastructure meets market standards and is protected with a regularly tested business continuity solution (including a remote facility), data backup procedures, off-site data storage and

sophisticated cybercrime prevention software. Additionally, the Issuer is constantly monitoring the compliance of its IT systems with the relevant recommendations of the KNF.

Litigation

Lawsuits

The below description includes information on the court cases pending, initiated by and against the Group, excluding the proceedings before the Tax Control Authority.

Court cases brought up by the Group

The value of court disputes, as at 31 December 2024, in which the Group companies were a plaintiff, totalled PLN 4,166.8 million. As at 30 September 2025 it was PLN 3,234.7 million. This decrease was caused by the Group limiting the scope of its claims against the borrowers under the FX Mortgage Loans for remuneration for the use of capital or valorisation of the disbursed capital.

Court cases against the Group

The following are descriptions of the court cases brought against the Group that the Group classifies as material as at 30 September 2025:

- the Bank is the defendant in two court proceedings in which the subject of the dispute is the amount of the interchange fee. The Bank, together with certain other financial institutions, is accused of acting under an agreement restricting competition on the acquiring services market by jointly setting the level of the national interchange fee. The total value of claims in these cases is PLN 729.2 million. The cases are pending. The Bank has not created a provision to cover potential losses resulting from losing these cases because the Bank expects that the courts' verdicts in these cases will be favourable to the Bank.
- the Bank is the defendant in court proceedings brought by Europejska Fundacja Współpracy Polsko-Belgijskiej, now operating under the name The European Foundation for Polish-Kenyan Cooperation (the "**Foundation**"). The Foundation sued the Bank for damages caused by the Bank due to the wrong interpretation of the agreement for a working capital loan, which resulted in accelerating the loan. The total value of the claim in this dispute is PLN 521.9 million. On 10 May 2023, the court of first instance dismissed the Foundation's claims. The court's verdict is not yet final and the Foundation appealed from this verdict. The appeal was dismissed by the court of appeal on 17 December 2024. The Foundation decided to challenge the decision of the court of appeal in the Supreme Court. The Bank has not created a provision to cover potential losses resulting from losing the case because the Bank, based on the legal advice it has received, is of the view that the Supreme Court will not accept the Foundation's claim for substantive review.

As at 31 December 2024, the total value of claims in court cases against the Group was PLN 6,186.4 million and as at 30 September 2025 it was PLN 5,563.2 million. This does not include the value of claims in the class actions brought against the Group and described below.

Class action related to LTV insurance

The Bank is the defendant in a class action brought against it by the Municipal Consumer Ombudsman in Olsztyn representing 454 borrowers being parties to 275 loan agreements concluded with the Bank, claiming that certain clauses contained in these loan agreements concerning the client's obligation to pay for a compulsory insurance covering the Bank's risk associated with low equity contributions made by the clients are abusive and therefore prohibited and invalid. The total value of the claim in this dispute is over PLN 5 million. The case is pending. The Bank has created a provision of PLN 4.4 million to cover potential losses resulting from losing the case.

Lawsuit filed by Financial Ombudsman for discontinuation of unfair market practices

On 13 August 2020, the Bank received a lawsuit brought against it by the Financial Ombudsman. In the lawsuit, the Financial Ombudsman has demanded that the Bank, together with another financial institution from the insurance sector, be ordered to discontinue unfair market practices involving:

- presenting the offered loan repayment insurance as protecting the interests of the insured in cases where the insurance structure indicates that it protects the Bank's interests;
- the use of clauses linking the value of insurance benefits with the amount of the borrower's debt;
- the use of clauses determining the amount of insurance premium without a prior risk assessment (underwriting); and
- the use of clauses excluding the insurer's liability for insurance accidents resulting from earlier causes.

Furthermore, the Financial Ombudsman requires the Bank to be ordered to publish, on its website, information on the use of unfair market practices. The lawsuit does not include any demand for the Bank to pay any specified amounts. Nonetheless, if the practice is deemed to be abusive, it may constitute grounds for future claims to be filed by individual clients. The case is pending.

Court claims concerning the "free loan" sanction

The Polish consumer protection laws set out a list of information that must be indicated in loan agreements with consumers. This information includes the principal parameters of the loan, interest and fees associated with the loan or the terms on which the loan may be prepaid. If the bank did not include the required information in the loan agreement, the borrower may repay the loan without any interest or fees, so called "free loan" sanction. Certain borrowers under consumer loans or professional entities which acquired claims under the loans from the original borrowers attempted to challenge the loan in courts by claiming that they did not meet the criteria prescribed by Polish consumer protection laws. As at 30 September 2025, there were 2,073 court proceedings pending against the Group relating to the "free loan" sanction. Up to the date of this Prospectus, most of the judgments issued in these cases were in favour of the Bank and as such, the Bank has not created provisions for the remaining claims.

Court claims relating to mortgage loans in PLN

An increase in the reference rates by the MPC, a body which is responsible for setting the reference rates in Poland, led to an increase of WIBOR, a benchmark which is the basis for determining the interest rate for the majority of floating rate loans denominated in PLN. Certain borrowers under such loans tried to challenge the loans in court by requesting the courts invalidate the loan agreements in whole or only in relation to the provisions concerning the calculation of interest. As at 30 September 2025, there were 211 proceedings pending against the Group relating to the loans with interest rate based on WIBOR. Three final judgments have been issued so far and was all of them were in favour of the Bank. As of the date of this Prospectus, the Bank has not created provisions for legal risk associated with these claims.

OCCP proceedings and lawsuits concerning of handling of unauthorised transactions

The President of the OCCP is conducting proceedings against several Polish banks, including the Bank, concerning the use of practices infringing the collective interests of consumers as regards the so-called "unauthorised transactions", i.e. banking transactions executed by customers which were not properly authorised as a result of, for example, fraud or cyber-attacks. According to the President of the OCCP, the manner in which the Bank handled its customers' complaints concerning unauthorised transactions may have breached Polish consumer protection laws. The Bank is exploring the possibility of entering into an arrangement with the President

of the OCCP. In connection with these proceedings, as at 30 September 2025, the Bank recognised a provision of PLN 82 million, which is based on the estimated outflow of funds.

As of 30 September 2025, the Bank was a party to 348 court proceedings in which customers questioned the fact of their authorisation of a transaction. In the cases in question, the Bank makes an individual assessment of the litigation chances in each of the court cases. In cases where, in the Bank's opinion, there is a greater probability of losing the dispute than winning it, provisions in the amount resulting from the potential loss of the Bank are created.

Court claims, current provisions related to foreign currency mortgage loans and events that may impact foreign currency mortgage legal risk and related provision

Court claims and provisions for legal risk

As at 31 December 2024, the Bank had 21,854 loan agreements and additionally 2,223 loan agreements from the former Euro Bank under individual ongoing litigations (excluding claims submitted by the Bank against clients i.e. debt collection cases) concerning the indexation clauses of foreign currency mortgage loans submitted to the courts with the total value of claims filed by the plaintiffs amounting to PLN 4,576.0 million and CHF 331.1 million. As at 30 September 2025, the Bank had 18,950 loan agreements and additionally 2,334 loan agreements from former Euro Bank under individual ongoing litigations (excluding claims submitted by the bank against clients i.e. debt collection cases) concerning indexation clauses of FX mortgage loans submitted to the courts with the total value of claims filed by the plaintiffs amounting to PLN 3,955.2 million and CHF 324.0 million. Clients' claims in individual proceedings primarily concern the declaration of invalidity of the contract and payment for reimbursement of allegedly undue performance, due to the abusive nature of indexation clauses, or maintenance of the agreement in PLN with an interest rate indexed to CHF LIBOR.

The Bank is also a party to a class action concerning the Bank's potential liability towards the class action members based on unjust enrichment (the undue benefit) in connection with the foreign currency mortgage loans. The potential court rulings in these proceedings will not grant any amounts to the class action members. The number of credit agreements covered by these proceedings is 1,517. On 24 May 2022 the court issued a judgment on the merits, dismissing the claim in full. On 13 December 2022 the claimant filed an appeal against the judgment. On 25 June 2024 an appeal hearing was held, at which the Bank filed a motion to amend the composition of the group and exclude those group members who had entered into an amicable settlement with the Bank. The court required the plaintiffs to respond to the Bank's demand. On 31 January 2025 and then on: 21 March 2025, 8 May 2025, 6 June 2025, 30 July 2025 and 1 September 2025, the court issued orders setting aside the judgments and discontinuing the proceedings in relation to plaintiffs, who entered into amicable settlements with the Bank. Based on these orders, the number of credit agreements covered by the class action decreased from 3,273 to 1,517.

Until the end of 2019, 1,980 individual claims were filed against Bank and 235 against the former Euro Bank. In 2020, the number of claims against Bank increased by 3,002 and by 265 against the former Euro Bank. In 2021, the number of claims against Bank increased by 6,152 and by 421 against the former Euro Bank. In 2022, the number of claims against Bank increased by 5,753 and by 407 against the former Euro Bank. In 2023 the number of claims against Bank increased by 6,863 and by 645 against the former Euro Bank. In 2024 the number of claims against Bank increased by 5,836 and by 655 against the former Euro Bank, while in the three quarters of 2025 the number of claims against the Bank increased by 3,014 and by 356 against the former Euro Bank.

According to the Polish Banking Association, and on the basis of the data gathered from all Polish banks which granted FX mortgage loans, the vast majority of disputes were finally determined against the banks and in favour of the claimants. As far as the Bank's (including the former Euro Bank portfolio) FX Mortgage Loans portfolio is concerned, as of 30 September 2025, 14,613 cases have been finally resolved. 9,778 rulings were against the Bank, including both invalidation of the loan agreements as well as conversion of the loans into PLN loans with interest rate based on LIBOR, 83 rulings were favourable for the Bank, 4,631 cases were settled and 121 claims were withdrawn.

On 31 December 2024, the outstanding gross balance of loan agreements under individual court cases and class actions against the Bank (including the former Euro Bank portfolio) was CHF 1,189 million, of which the outstanding amount of the loan agreements under the class action proceedings was CHF 86 million. If all of the Bank's loan agreements, which were then subject to individual and class action court proceedings, were declared invalid without awarding the Bank a proper compensation from the borrowers for the use of capital, the pre-tax cost could reach PLN 7,087 million, and overall losses would be higher or lower depending on the final decision of the court in this regard. On 30 September 2025, the outstanding gross balance of the loan agreements under individual court cases and class action against the Bank (including the former Euro Bank portfolio) was CHF 945 million, of which the outstanding amount of the loan agreements under the class action proceeding was CHF 66 million.

In 2024, the Bank created PLN 1,979.2 million provisions for its own portfolio of loans and PLN 199.9 million for the loans originated by Euro Bank. On 31 December 2024, the balance sheet value of the provisions for the Bank's own portfolio of loans was PLN 7,724.1 million, and for the portfolio originated by Euro Bank it was PLN 739.6 million. In the nine months period ended 30 September 2025, the Bank created PLN 1,314.0 million provisions for its own portfolio of loans and PLN 189.2 million for the loans originated by Euro Bank. On 30 September 2025 the balance sheet value of the provisions for the Bank's own portfolio of loans was PLN 6,968.3 million, and for the portfolio originated by Euro Bank was PLN 837.6 million.

The Bank took into account the following parameters when developing the methodology for calculating the provisions for legal risk associated with the foreign currency mortgage loans:

- the number of pending court cases, including class actions, and potential lawsuits that may be brought against the Bank in the next three years;
- the loss that the Bank will suffer if a court judgment is not favourable for the Bank;
- the probability of the court issuing a particular judgment in an individual case, assessed on the basis of statistical data on the court proceedings collected by the Bank and legal advice provided to the Bank; and
- estimates concerning the results of amicable settlements with borrowers.

The legal risks relating to the former Euro Bank portfolio are fully covered by an indemnity pursuant to the indemnity agreement with Société Générale entered into in connection with the sale of Euro Bank to the Bank.

The table below describes how the change of each parameter on which the methodology is based would affect the value of the Bank's estimated loss associated with mortgage loans denominated in foreign currencies:

Parameter	Scenario	Impact on loss as at 31 December 2024
Change in the number of lawsuits	Additional 1,000 clients file a lawsuit against the Bank	PLN 188 million
Change in estimated losses for each variant of the judgment	Change in cost levels by 1 per cent. compared to the assumed	PLN 77 million

The Bank is open to negotiate, on a case by case basis, favourable conditions for early repayment or conversion of FX Mortgage Loans to PLN. As a result of these negotiations, since 2020 the number of active foreign currency mortgage loans originated by the Bank decreased by 29,274. As of the end of the third quarter of 2025, the Bank had 17,779 active FX Mortgage Loans.

The CJEU and the Polish Supreme Court issued a number of rulings concerning various legal issues related to the FX Mortgage Loans. For a detailed description of these rulings please see Note 10 "*Legal risk related to foreign currency mortgage loans*" to the Q3 2025 Group Interim Financial Statements. Due to position taken by the CJEU in various judgments concerning the FX Mortgage Loans, which are generally favourable to the borrowers, the Bank is of the view that it is unlikely that solution proposed by the Chairman of the KNF would be implemented

and that the borrowers may be more willing to engage in a court dispute with the Bank rather than to enter into a voluntary arrangement with the Bank as described above.

Management and Employees

Management and Supervisory Bodies

In accordance with the Commercial Companies Code and the Banking Law, the Bank is managed by its Management Board and overseen by its Supervisory Board. The information provided below relating to the organisation, competencies and activities of the Management Board and the Supervisory Board has been prepared based on the provisions of the Commercial Companies Code, the Banking Law and the Bank's statutes.

The business address of all members of the Bank's Management Board and of all members of the Bank's Supervisory Board is ul. Stanisława Żaryna 2A, 02-593 Warsaw, Poland.

To the best of the Bank's knowledge, except for the potential conflicts of interest concerning Małgorzata Bonikowska and Katarzyna Sułkowska, members of the Bank's Supervisory Board, there are no potential conflicts of interest between the duties of the members of the Management Board or the Supervisory Board with respect to the Bank and their private interests or other duties.

Małgorzata Bonikowska is a shareholder and the President of the Management Board of THINKTANK sp. z o.o., a consultancy. She also runs, as sole trader, a business and management consultancy, "BOSS M. Bonikowska – training and consulting company". The Bank identified a potential conflict of interest in the areas of the Group purchasing consultancy services from either THINKTANK sp. z o.o. or Małgorzata Bonikowska as well as THINKTANK sp. z o.o. or Małgorzata Bonikowska providing consultancy services to the Group's competitors. Katarzyna Sułkowska is a shareholder and the President of the Management Board of Provenis sp. z o.o., a debt collection company. She also runs, as a sole trader, a consultancy "Katarzyna Sułkowska KMS consulting". The Bank identified a potential conflict of interest in the areas of the Group engaging Provenis sp. z o.o. to conduct debt collection services for the Group and the Group purchasing consultancy services from Katarzyna Sułkowska as well as Provenis sp. z o.o. and Katarzyna Sułkowska providing services to the Group's competitors. The above potential conflicts of interest are managed by the Bank in accordance with its internal regulations.

Management Board

The Management Board is the Bank's governing body.

The Management Board comprises at least three members appointed by the Supervisory Board for a joint term of office of three years. The Management Board is headed by the Chairperson. Two Management Board members, the Chairperson and the member of the Management Board supervising significant risk management in the Bank's operations are appointed with the consent of the KNF.

The Chairperson has the casting vote at Management Board meetings at which there is an even number of votes cast in favour of and against a Management Board resolution.

The Management Board is responsible for running the Bank's operations, representing the Bank externally and executing all powers concerning the Bank's operations which are not vested in other corporate bodies.

The members of the Management Board are set out below:

Name	Position
Joao Bras Jorge	Chairperson of the Management Board
Fernando Bicho	Deputy Chairperson of the Management Board
Wojciech Haase	Member of the Management Board*
Jarosław Hermann	Member of the Management Board
Halina Karpińska	Member of the Management Board
António Pinto Júnior	Member of the Management Board
Magdalena Zmitrowicz	Member of the Management Board

**On 28 November 2025 the Issuer announced that Wojciech Haase informed the Issuer of his intention to retire and to step down from the Management Board in 2026. The Issuer's Supervisory Board approved Marcin Dubno as the candidate for the Issuer's Management Board who will take over Wojciech Haase's responsibilities in the area of supervising material risk management. The exact dates of Mr Haase stepping down from the Management Board and Mr Dubno becoming a member of the Management Board are not yet known and depend on, among others, the KNF's approval for Mr Dubno's appointment to the Management Board as a member of the Management Board responsible for risk.*

Joao Bras Jorge

Joao Bras Jorge is a graduate of Management Studies at Universidade Católica Portuguesa and PADE Advance Management Programme under AESE. He started his professional career as a stockbroker in 1990 and spent the next ten years in investment banking. He also sat on the Board of the Lisbon Stock Exchange. Before his move to Poland, he was the Head of the Retail Banking Customer Division and the Co-ordinator of the Retail Network at Millennium BCP. He has been a member of the Bank's Management Board since 2006 and in 2013 became the Chairperson of the Management Board.

Joao Bras Jorge is responsible for the work of the Management Board, internal audit, compliance, legal support, HR, marketing communication, public relations, personal data protection and sustainability.

Fernando Bicho

Fernando Maria Cardoso Rodrigues Bicho graduated from the Economic Department at Universidade Católica Portuguesa in 1984. In 1993, he obtained an MBA from Universidade Católica Portuguesa. He gained his professional experience inter alia in the Portuguese Foreign Investment Institute, Lloyds Bank Plc in Lisbon and União de Banco Portugueses (UBP), later renamed as Banco Mello. He was a fund manager and was also in charge of the treasury and capital markets, securities operations, asset and liabilities management, issues on international capital markets, capital management and investor relations. After Banco Mello's purchase by BCP in 2000, he worked in the BCP Corporate Centre and from June 2001, he was the head of the Assets and Liabilities Management Division of the BCP Group. He became a member of the Bank's Management Board in 2002, and in 2012, he became the Deputy Chairperson of the Bank's Management Board.

Fernando Bicho supervises treasury, accounting, financial reporting and control, taxes, capital investments, relations with investors and financial institutions, management information and central acquisition, as well as coordination of Group entities (other than leasing, investment funds and start-ups).

Wojciech Haase

Wojciech Haase is a graduate of the Faculty of Production Economics at Gdańsk University. He worked at the NBP where he was a member of the group establishing BG. From 1989 to 1997, he worked at BG, first in the Credit Department and then in the Treasury Department. From 1993, he was a Deputy Chairperson of the Management Board of BG and then the acting Chairperson of the Management Board of BG. Since 1997, he has been a member of the Bank's Management Board.

Since 4 December 2015, Wojciech Haase is the Bank's material risk management supervisor. Moreover, he supervises risk management, risk models, credit and ratings processes, liabilities collection and treasury control.

Jarosław Hermann

Jarosław Hermann is a graduate of the Applied Mathematics and Physics Faculty at the Warsaw University of Technology and the Carlson School of Management MBA programme in 2002. During his professional career he held various managerial positions in the IT & Operations areas. From 2005 to 2010, he was a member of the management board of First Data Poland, responsible for providing IT and operational services for card acquiring and financial solutions business lines. From 2010 to 2016, he was a member of the management boards of AXA companies in Poland, responsible for IT & Operations. From 2016 to 2018 he was vice-president of the management board of Polskie ePłatności, an emerging card acquirer. He has been a member of the Bank's Management Board since 2018.

Jarosław Hermann supervises IT, products operations, settlement and cash management, evidencing, control and settlement of treasury transactions, security and business continuity.

Halina Karpińska

Halina Karpińska graduated from the University of Warsaw and completed post-graduate studies in management and marketing at the Kozminski University of Entrepreneurship and Management. She started her career at Jeronimo Martins. She joined the Group in 2002 and she held various positions related to development of digital channels and overseeing the sales area. She joined the Bank's management board in 2025.

Halina Karpińska supervises retail sales network, its optimisation and support, direct banking and retail digital banking.

António Pinto Júnior

António Ferreira Pinto Júnior graduated with a degree in Economics from Oporto University and studied Corporate Finance at Minho University. He started his professional career in 1990 in Banco Português do Atlântico, which became a part of the BCP Group in 1994. He held various positions, including managerial positions, in Retail and Corporate Banking, in marketing and sales support areas. From 2002 to 2011, he worked in the Bank as the Head of Departments of Marketing, Quality, Processes and Operations, and from April 2010, he was a Member of the Management Board. From 2010 to 2018 he was the Head of the Retail Banking Marketing Department in Millenniumbcp in Portugal, and between July 2016 and May 2018 he was also a non-executive Member of the Management Board of ActivoBank. He became a member of the Bank's Management Board in 2018.

António Ferreira Pinto Júnior supervises sales campaigns, retail and corporate banking marketing, processes support management, administration and infrastructure, complaints and quality of services, private and affluent banking, corporate digital banking, coordination of Group entities from the area of investment funds and start-ups.

Magdalena Zmitrowicz

Magdalena Zmitrowicz graduated from the Faculty of Social Sciences at the University of Gdańsk. She also completed postgraduate studies at the Faculty of Management at the University of Gdańsk, the Executive MBA at the University of Warsaw and the Global CEO Program at the Wharton School, University of Pennsylvania. She started her career in banking at Bank Handlowy w Warszawie S.A., initially in the retail banking sector and then in the corporate banking division, where she held several managerial positions. From 2016 to 2017, she managed the Corporate Banking Department at CEEMEA Commercial Banking Group Citigroup. In 2018, she joined to the Bank Pekao S.A. as a managing director in the corporate banking department, and then from 2018 to 2024, she was the vice president of Bank Pekao's management board responsible for the corporate division. She joined the Bank's management board in 2025.

Magdalena Zmitrowicz supervises corporate banking and its support (excluding corporate banking marketing), factoring and trade financing, structured finance, custody, as well coordination of the Group entities: leasing.

Supervisory Board

The Supervisory Board exercises regular supervision over the Bank's and the Group's operations.

The Supervisory Board consists of at least five members elected by the General Meeting for a joint term of office of three years. At least two members of the Supervisory Board must be independent members. At least half of the members of the Supervisory Board, including the Chairperson, must be Polish citizens.

The responsibilities of the Supervisory Board include:

- reviewing the Group's annual financial statements;
- approving the long-term development plans prepared by the Management Board;
- appointing, suspending and dismissing members of the Management Board;
- delegating members of the Supervisory Board for temporary positions on the Management Board; and
- concluding, amending and terminating agreements with members of the Management Board.

The Supervisory Board should meet at least once each calendar quarter. For resolutions passed at Supervisory Board meetings to be valid, at least half of the members must be present at the meeting and all members must be invited. Passing a Supervisory Board resolution requires a majority of votes and if there is an even number of votes, the Chairperson has the casting vote.

The Supervisory Board may appoint committees. The members of the committees carry out particular supervisory activities. The exact scope of responsibilities of a committee is set out in the resolution of the Supervisory Board appointing the committee or in the committee's by-laws.

The table below sets out information on the members of the Supervisory Board.

Name	Position
Olga Grygier-Siddons	Chairperson of the Supervisory Board
Nuno Manuel da Silva Amado	Deputy Chairperson of the Supervisory Board
Katarzyna Sułkowska	Secretary of the Supervisory Board
Małgorzata Bonikowska	Member of the Supervisory Board
Miguel de Campos Pereira de Bragança	Member of the Supervisory Board
Agnieszka Klos-Siddiqui	Member of the Supervisory Board
Anna Mankiewicz-Rębkowska	Member of the Supervisory Board
Alojzy Nowak	Member of the Supervisory Board
Izabela Olszewska	Member of the Supervisory Board
José Miguel Bensliman Schorcht da Silva Pessanha	Member of the Supervisory Board
Miguel Maya Dias Pinheiro	Member of the Supervisory Board
Lingjiang Xu	Member of the Supervisory Board

Olga Grygier-Siddons

Olga Grygier-Siddons graduated from the University of Manchester, in Computer Science and Accounting. She is also a Fellow Chartered Accountant, registered with the Institute of Chartered Accountants of England and Wales. She has pursued her professional career in the advisory sector and held various positions at PwC. Currently, she serves as a strategic advisor and mentor and until today she performs the following functions: Member of the Council of the Silesian University, Member of the Belvedere Forum Steering Committee; Member of the Emerging Europe Steering Committee; founder and CEO of the Experiential Learning Hub - Villa Poranek. Since 2021, she has been an independent member of the Bank's Supervisory Board.

Nuno Manuel da Silva Amado

Nuno Manuel da Silva Amado has a Business Degree from Instituto Superior de Ciencias do Trabalho e da Empresa. He also attended the Advanced Management Programme at INSEAD. He has held various positions in audit firms and banks in Portugal. From 2012 to 2018 he was Vice-Chairperson of the Board of Directors and CEO of BCP. Since 2018, he has been the Chairperson of the Board of Directors of BCP. He has been a Deputy Chairperson of the Bank's Supervisory Board since 2012.

Katarzyna Sułkowska

Katarzyna Sułkowska graduated from the Faculty of Economics, Finance and Banking at the Cracow University of Economics. She also completed pedagogical studies at the Cracow University of Technology and the Academy of Strategic Leadership at the ICAN Institute. She has held several managerial positions at Citibank Poland, BPH Bank and Alior Bank. She is the founder and CEO of Provenis and also works as a consultant. She became a member of the Bank's Supervisory Board in 2025 and is an independent member of the Bank's Supervisory Board.

Małgorzata Bonikowska

Małgorzata Bonikowska studied in Poland and France (Sorbonne), graduated from two doctoral programmes and completed studies in political science and international relations at the Columbia University. She is a political scientist, a member of a think tank and a lecturer at various universities. She became a member of the Bank's Supervisory Board in 2025 and is an independent member of the Bank's Supervisory Board.

Miguel de Campos Pereira de Bragança

Miguel de Campos Pereira de Bragança holds a Degree in Management and Administration from the Catholic University of Portugal and an MBA from INSEAD. Since 1989 he has worked at banks in Portugal, Brazil and Great Britain. Since 2012, he has been a Member of the Board of Directors and Vice-Chairman of the Executive Committee of BCP. Since 2018, he has held positions as non-executive Director of SIBS, SGPS, SA and of SIBS Forward Payment Solutions, SA and non-executive Director of the Board of Directors of UNICRE- Instituição Financeira de Crédito, SA, as representative of Banco Comercial Português, SA. He became a member of the Bank's Supervisory Board in 2012.

Agnieszka Kłos-Siddiqui

Agnieszka Kłos-Siddiqui graduated from the Faculty of Management at the AGH University of Science and Technology in Cracow. She is a certified auditor and a member of ACCA. She started her professional career in the audit department of Ernst & Young. Then, she worked for Greig Middleton, a provider of brokerage and consultancy services. In 2007, she joined Provident Polska and she became the president of the management board of Provident Polska in 2024. She joined the Bank's Supervisory Board in 2025 and is an independent member of the Bank's Supervisory Board.

Anna Mankiewicz-Rębkowska

Anna Mankiewicz-Rębkowska graduated from the Warsaw School of Economics. She specialises in retail banking and wealth management, digitisation and innovation and large scale transformations. She has over 15 years of experience in the banking sector and strategy consulting gained in Asia, Australia and Europe. She joined the Bank's Supervisory Board in 2025 and is an independent member of the Bank's Supervisory Board.

Alojzy Nowak

Alojzy Nowak is the professor of economics and the Rector of the Warsaw University. He is an author of more than 300 publications and a lecturer at a number of universities in Poland and abroad. He is also a member of various advisory bodies, including the National Development Council established by the President of Poland. He joined the Bank's Supervisory Board in 2018 and is an independent member of the Bank's Supervisory Board.

Izabela Olszewska

Izabela Olszewska graduated from the Faculty of Finance and Statistics at the Warsaw School of Economics. She completed doctoral studies at the Faculty of Economic Sciences of the University of Warsaw, and obtained an MBA degree at the University of Economics and Humanities in Warsaw. She also completed the High-Performance Board Member programme, organised by IESE Business School, University of Navarra and WHU Otto Beisheim School of Management. Her professional career was focused on the capital markets and she held various positions at the companies from the Warsaw Stock Exchange group, including being a member of the management board of the Warsaw Stock Exchange. She joined the Bank's Supervisory Board in 2025 and is an independent member of the Bank's Supervisory Board.

José Miguel Bensliman Schorcht da Silva Pessanha

José Miguel Bensliman Schorcht da Silva Pessanha holds a Master's Degree in Economics from Université Catholique de Louvain and a Master's Degree in Operational Research (academic portion) from Instituto Superior Técnico and has a Licentiate Degree in Economics from Universidade Católica Portuguesa. He has held various positions in the Portuguese financial sector since 1982 and joined the BCP Group in 1998. Currently he is a Member of the Board of Directors and of the Executive Committee of Banco Comercial Português, S.A., Vice-Chairman of the Board of Directors and Chairman of the Audit Board of Millennium bcp Ageas Grupo Segurador, SGPS, S.A., Vice-Chairman of the Board of Directors and Chairman of the Audit Board of Ocidental - Companhia Portuguesa de Seguros de Vida, S.A. and Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Ageas – Sociedade Gestora de Fundos de Pensões, S.A. (formerly Ocidental – Sociedade Gestora de Fundos de Pensões, S.A.), a Member of the Board of Directors and Chairman of the Audit Committee of BIM – Banco Internacional de Moçambique, S.A., and Vice-Chairman of the Board of Directors and Chairman of the Audit Committee of Banco Millennium Atlântico, S.A. He has been a member of the Bank's Supervisory Board since 2018.

Miguel Maya Dias Pinheiro

Miguel Maya Dias Pinheiro graduated from Instituto Superior das Ciências do Trabalho e da Empresa (ISCTE) with a licentiate degree in Business Organisation and Management, having also completed the Senior Management Programme (PADE) – AESE, the Advanced Management Programme – INSEAD and the Corporate Governance Programme - AESE. He joined the BCP Group in 1996 and has held senior management positions at various companies within the BCP Group. Currently he holds the following positions in BCP's Group governing bodies: Chief Executive Officer and Vice-Chairman of the Board of Directors of BCP, Chairman of the Board of Directors of ActivoBank, S.A., Manager of BCP Africa, SGPS, Lda. and Member of the Board of Directors of Banco Internacional de Moçambique, S.A. He joined the Bank's Supervisory Board in 2015.

Lingjiang Xu

Lingjiang Xu has a Bachelor's Degree in German from the Foreign Studies University of Beijing, a Master's Degree in World Economics from the Nan Kai University, Tianjin and a Master's Degree in Finance from the London Business School. He has held various positions in the Chinese public administration and diplomatic service. In 2011, he moved to the financial sector. Currently he is non-executive Member of the Board of Directors, Member of the Committee for Nominations and Remunerations and Member of the Committee for Corporate Governance, Ethics and Professional Conduct of Banco Comercial Português, S.A., non-executive Member of the Board of Directors of Fidelidade - Companhia de Seguros, S.A., Chairman of the Board of Directors of Longrun Portugal, SGPA, S.A. and since November 2019 Member of the Board of Directors of Luz Saude, S.A. In 2018, he became a member of the Bank's Supervisory Board.

Employees

As at 31 December 2024, the Group had 6,714 employees (full time equivalent) as compared with 6,747 employees (full time equivalent) as at 31 December 2023. In addition to salaries, the Group's employees are

entitled to a range of benefits, including life, health and medical insurance, and bonuses relating to meeting individual objectives.

MARKET AND LEGAL ENVIRONMENT

Market

The information presented in this section has been extracted from publicly available sources and documents. The source of external information is always given if such information is used in this section. While reviewing, searching for and processing macroeconomic, market, industry or other data from external sources such as the KNF or government publications, none of it has been independently verified by the Group or the Joint Bookrunners or any of their affiliates or the Group's advisers in connection with the issuance of the Notes.

The Bank does not intend to and does not warrant to update the data concerning the market or the industry as presented in this section, subject to the duties resulting from generally binding regulations.

The Polish economy

In 2025 the Polish economy proved to be resilient to global shocks. GDP growth in the third quarter of 2025 accelerated to 3.8 per cent. year-on-year compared to 3.3 per cent. year-on-year in the second quarter 2025 and 3.2 per cent. year-on-year in the first quarter 2025. The main driver of growth was households' consumption, supported by rising household incomes and improved consumer sentiment. Growth of investments in fixed assets accelerated to 7.1 per cent year-on-year, driven primarily by increased military spendings. Overall, the Bank expects GDP growth for the entire 2025 to amount to 3.5 per cent. compared to 3.0 per cent. in 2024.

Household consumption was supported by the continuation of the downward trend in inflation. In the third quarter of 2025, CPI inflation stood at 3.0 per cent. year-on-year compared to 4.1 per cent. year on year a quarter earlier, returning to the range of permissible deviations from the inflation target. Core inflation also decreased to 3.2 per cent. year-on-year in the third quarter of 2025 from 3.4 per cent. year-on-year in the second quarter of 2025, driven by slower wage growth amid weaker labour demand, a strong złoty, and disinflation in Poland's external environment. Given the improved inflation outlook, the MPC lowered the key interest rates by a total of 175 basis points. With the MPC lowering interest rates, the value of new loans granted increased.

In 2026, GDP growth is expected to accelerate marginally, although its breakdown will change. Investments are likely to have a greater contribution to the growth, especially those implemented under the European Union's cohesion policy and the National Recovery Plan. The Bank expects consumption to remain an important support for the economy. However, its growth is likely to moderate due to the slowdown in wage growth, which will be due to a lower minimum wage increase in 2026 than in recent years. At the same time, the moderate recovery of German economy, is likely to contribute positively to Poland's economic performance, though the impact is likely to remain modest.

According to the Bank's forecasts, average annual CPI inflation in 2025 will be 3.7 per cent. year-on-year and below 3.0 per cent. year-on-year in 2026. Growth in food and energy prices is expected to slow down further, along with a continued downward trend in core inflation. However, the pace of its decline should moderate, due to the expected still low unemployment and high fiscal deficits. In 2026, however, there should be room for modest interest rate cuts by the MPC. The Bank assumes that in 2026 the main reference rate will fall to 3.50 per cent.

Development of the Polish banking sector

Between 1989 and 1991, a two-tiered banking sector was established, separating the central bank from the rest of the banking sector. Nine regional commercial banks were created out of the NBP's commercial and retail banking operations. The NBP branch network and the respective commercial loan portfolios of its branches were divided among the newly-established banks to give each new bank a regional base. All of these regional banks were transformed into joint stock companies in October 1991 and were subsequently privatised between 1993 and 2001. Since 1991, Polish banking law has allowed the licensing of new private banks in Poland and opened the Polish

banking market to foreign investors. As a result, there has been a rapid expansion in the number of banks due to foreign banking groups entering the market.

According to the KNF, as at 31 December 2024, there were 29 commercial banks in Poland, 33 branches of credit institutions and 489 co-operative banks.

Although the level of concentration of in the Polish banking sector is still relatively low, it has been steadily increasing. The number of commercial banks in Poland decreased from 38 as at 31 December 2014 to 29 as at 31 December 2024. Smaller banks, which did not achieve the scale of operations expected by their owners, were sold to larger entities. Additionally, two commercial banks were subject to compulsory restructuring proceedings initiated by the BGF. The Polish banking sector is expected to continue to experience consolidation in the medium term. A number of smaller market players generate relatively low revenues, which will be subject to rising pressure. This may force further consolidation if profitability is eroded. Given the pressure on the revenue side (low interest rates, regulatory measures) and additional burdens (Polish banking tax, higher capital requirements), some banks will strive to increase their scale of operations to achieve a satisfactory return on equity.

According to the KNF, as at 31 December 2024 41.7 per cent. of the total assets of the Polish banking sector belonged to foreign-owned banking groups.

Alternative distribution channels, in particular internet banking and mobile banking, have been increasing in importance in Poland. Moreover, new products, such as markets for financial advisory services, wealth management, insurance products and various investment funds in Poland, have seen significant growth and are likely to be a significant driver for profitability in the future.

Legal environment

Specific requirement for the banks

Engaging in banking activities involves meeting multiple regulatory obligations, most of which follow directly from the provisions of the Banking Law, and from resolutions, ordinances and recommendations made by the KNF. The most important obligations concern the Bank's own funds and eligible liabilities, the capital adequacy ratio, the solvency ratio, exposure concentration, risk management systems and financial management conducted by the Bank.

Banks have a duty to protect banking secrecy. Regulations on personal data protection are particularly important for the functioning of banks in order to protect individual customers. Personal data may be processed exclusively in compliance with detailed regulations, using technical and organisational resources which ensure the protection of personal data against unauthorised processing, including making it available to third parties.

The Bank must also comply with regulations for preventing the financial system from being used for the purpose of money laundering and terrorist financing.

Certain restrictions also apply if banks retain any third parties for the performance of banking activities for and on behalf of the bank, or for the performance of any banking-related operations.

Banking supervision exercised by the KNF

In Poland, banking supervision is currently exercised by the KNF and covers, in particular:

- assessing the financial position of banks, including analysing liquidity, the quality of assets, solvency and the financial results of banks;
- estimating, maintaining and reviewing internal capital;

- auditing the quality of risk management systems, and in particular the risk management system and internal control system;
- auditing the compliance of banks' activities with the appropriate regulations; and
- monitoring and controlling banks' compliance with exposure concentration limits and standards for acceptable risk in their operations as determined by the KNF.

The KNF has wide powers and legal instruments that enable it to supervise banks (including the ability to carry out inspections).

Other supervisory authorities

Some areas of banking operations are subject to the supervision of other public administration authorities, the most important of which are:

- the Office of Competition and Customer Protection, regarding protecting market competition and consumers' collective rights;
- the Financial Ombudsman, regarding protecting consumers' rights raised in a complaint handling process;
- the Head of the Data Protection Office, regarding collecting, processing, managing and protecting personal data; and
- the minister responsible for financial institutions and the General Inspector for Financial Information regarding the prevention of money laundering and the financing of terrorism.

Bank Guarantee Fund

The BGF guarantee covers the monetary assets deposited in bank accounts or receivables regarding claims confirmed by documents issued by banks with a guarantee system. Participation in the guarantee system is mandatory for all Polish banks and in certain instances for branches of foreign banks operating in Poland. Banks covered by the guarantee system make mandatory annual payments to the BGF and are obliged to set up a guaranteed funds protection fund. The mandatory guarantee system ensures that if a bank becomes insolvent, the funds deposited in bank accounts, up to an amount specified in the regulations, are returned. As at the date of this Prospectus, funds up to an amount equivalent to EUR 100,000 per single person regarding deposits in all accounts at a given bank are fully covered by the guarantee system. Funds deposited, in particular, by government administration authorities, other banks, credit institutions, insurance companies and investment and pension funds are not covered by the guarantee system.

Additionally, the BGF is the Polish resolution authority. Under the BRRD and the Act on the Bank Guarantee Fund, the BGF is authorised to commence resolution proceedings with respect to banks operating in Poland. The BGF has at its disposal a wide range of legal instruments during resolution proceedings, including the power to write down debt instruments issued by a bank or to convert them into shares of the bank.

Institutional Protection Scheme for Commercial Banks

On 10 June 2022, the KNF approved the agreement and recognised the institutional protection scheme created in accordance with Article 130c of the Banking Law by eight Polish commercial banks (the Bank, Alior Bank S.A., BNP Paribas Bank Polska S.A., ING Bank Śląski S.A., mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Bank Polska Kasa Opieki S.A. and Santander Bank Polska S.A.). The above-mentioned banks signed the protection scheme agreement and established the managing entity operating in the form of a joint stock company, System Ochrony Banków Komercyjnych S.A. ("**SOBK**"). The protection scheme can be joined by other local

banks provided they satisfy the terms and conditions set out in general law and in the protection scheme agreement. As part of the system, an aid fund has been established to which the participating banks provided cash contributions. Further contributions to the aid fund will require a unanimous resolution of the general meeting of shareholders of the SOBK. The aid fund may be used to ensure liquidity and solvency the participants of the scheme, support resolution of a bank conducted by the BGF and the takeover of a bank being a joint-stock company pursuant to Art. 146b paragraph 1 of the Banking Law. On 30 September 2022, the SOBK provided financial support for the resolution process concerning Getin Noble Bank S.A.

Consumer protection

The Consumer Credit Act dated 12 May 2011 (as amended), the Polish Civil Code regulations and other consumer protection laws impose on banks several obligations relating to agreements signed with individuals who perform actions which are not directly related to their business or professional activities (consumers). The most important of these are the requirements to inform consumers about the cost of extended credit and loans and to include specified terms in consumer loan agreements as well as a prohibition on including specific clauses which are unfavourable to consumers in agreements. If a consumer loan agreement does not meet certain requirements of the Consumer Credit Act, the borrower is authorised under the law to repay only the principal amount of the loan, without interest, fees or any other amounts due to the bank under the loan agreement.

There is a cap on the maximum interest rates a bank may charge under a loan agreement. The maximum interest rate is capped at two times the sum of the applicable reference rate of the NBP and 3.5 per cent.

Personal data protection

In light of the large number of individuals serviced by banks, all the regulations concerning personal data protection are of the utmost importance to banking operations. Personal data may be processed exclusively in compliance with specific regulations, while applying technical and organisational means that ensure the protection of personal data, particularly from disclosure to any unauthorised parties. Additionally, the persons to whom such data relates should have the right to access all of their personal data and to correct it.

The GDPR entered into force on 25 May 2018. It imposes new obligations and guidelines on companies in the management and processing of personal data. This means a significant change for companies in their approach to the security of data storage and the issue of making it available to the relevant employees.

The key consequences resulting from the GDPR's implementation are as follows:

- broad definition of personal data, including identifying the person to whom the data relates;
- automated processing of personal data is permitted under certain conditions;
- the legal rights of individuals are increased considerably;
- personal data processors, controllers and data protection officers have many new obligations relating to the technical and organisational protection of personal data; and
- administrative fines for non-compliance with the Regulation could reach EUR 20 million or 4 per cent. of an organisation's annual worldwide turnover. Moreover, individuals have the right to judicial redress and to claim compensation in excess of the statutory fines.

Digital resilience

The EU's Digital Operational Resilience Act (Regulation (EU) 2022/2554) ("**DORA**") applies from 17 January 2025 and establishes a harmonised framework for information and communication technology ("**ICT**") risk in the financial sector, including banks. DORA requires in-scope entities to implement a comprehensive ICT risk

management framework; classify, manage and report major ICT-related incidents to competent authorities; conduct proportionate digital operational resilience testing (including, for significant entities, periodic threat-led penetration testing); and manage ICT third-party risk through documented strategies, registers of contractual arrangements, and mandatory contractual provisions. It also embeds board-level responsibility for digital operational resilience and encourages sectoral information-sharing on cyber threats, and establishes an EU-wide oversight regime for "critical" ICT third-party providers (e.g., major cloud providers). Compliance is subject to the principle of proportionality, taking into account the entity's size, risk profile and the nature, scale and complexity of its activities. Supervision and enforcement are exercised by national competent authorities, which are required to provide for effective, proportionate and dissuasive administrative penalties and remedial measures for breaches, with Member States also able to introduce criminal sanctions. In addition, critical ICT third-party providers may be subject to direct EU oversight measures, including information requests, inspections and periodic penalty payments; lead overseers may impose daily penalties of up to 1 per cent. of a provider's average daily worldwide turnover until compliance (subject to statutory limits). Sanctions may also include public notices of non-compliance, orders to cease or remediate infringements, and restrictions on the use of non-compliant ICT providers. The Issuer is subject to DORA and continues to enhance its ICT risk governance, incident management, testing and third-party oversight to align with applicable Level 1 and Level 2 requirements.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Notes.

Republic of Poland

The following is a discussion of certain Polish tax considerations relevant to an investor resident in Poland or which is otherwise subject to Polish taxation. This statement should not be deemed to be tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this document, it may thus be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment, as described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their individual circumstances. Prospective purchasers of Notes are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of Notes.

The reference to "interest" as well as to any other terms in the paragraphs below means "interest" or any other term, respectively, as understood in Polish tax law.

For the purpose of this Section

"Affiliated Entities" shall mean:

- (a) entities of which one entity Exercises a Significant Influence on at least one other entity;
- (b) entities on which a Significant Influence is Exercised by:
 - (i) the same other entity; or
 - (ii) the spouse or a relative by consanguinity or affinity up to the second degree of a natural person Exercising a Significant Influence on at least one entity;
- (c) a partnership that is not a legal person within the meaning of the CIT Act (in principle, a tax transparent partnership) and its partners (partner);
- (d) a limited partnership or limited joint-stock partnership with their registered office or place of management in the territory of Poland and their general partners;
- (e) a general partnership subject to corporate income tax with its registered office or place of management in the territory of Poland and its partner(s); or
- (f) a taxable person and their foreign establishment, and in the case of a tax capital group – a company being its part and its foreign establishment.

(each of being a manifestation of an existence of an **"Affiliation"**).

"Exercising a Significant Influence" shall mean:

- (a) holding directly or indirectly at least 25 per cent. of:
 - (i) shares in the capital;
 - (ii) voting rights in the supervisory, decision-making or managing bodies;
 - (iii) shares (or rights to participate in) profits, losses or property (or their expectations), including participation units and investment certificates;
- (b) the actual ability of a natural person to influence key economic decisions taken by a legal person or an organisational unit without legal personality; or
- (c) being the spouse or a relative by consanguinity or by affinity up to the second degree.

Taxation of a Polish tax resident individual

Under Art. 3.1 of the Personal Income Tax Act dated 26 July 1991 (the **"PIT Act"**), individuals, if residing in Poland, are liable for tax on their total income (revenue) irrespective of the location of the sources of revenue (unlimited obligation to pay tax).

Under Art. 3.1a of the PIT Act, a Polish tax resident individual is a natural person who (i) has their centre of personal or business interests located in Poland or (ii) stays in Poland for longer than 183 days in a year, unless any relevant tax treaty dictates otherwise.

According to Art. 17 of the PIT Act, income from the securities should be treated as money capital (*kapitały pieniężne*) source of income, which includes (i) interest (discount) from securities (Art. 17.1.3 of the PIT Act), (ii) redemption of notes generating periodical proceeds by the issuer (*wykup przez emitenta obligacji, od których są należne świadczenia okresowe*, the **"Redemption"**) (Art. 17.1.3a of the PIT Act) and (iii) disposal of securities for remuneration (Art. 17.1.6.a of the PIT Act).

Withholding tax on interest and similar income (including income from the Redemption)

Under Art. 30a.1.2 and Art. 30a.1.2a of the PIT Act interest income and income from the Redemption is subject to a 19 per cent. flat rate tax.

According to Art. 30a.7 of the PIT Act, interest income, including discount from Notes and income from the Redemption derived by a Polish tax resident individual does not cumulate with general income subject to the progressive tax rate but under Art. 30a.1.2 of the PIT Act (with respect to interest and discount) and Art. 30a.1.2a (with respect to income from Redemption) is subject to tax at a flat rate of 19 per cent.

Under Art. 24.24 of the PIT Act, the income from Redemption is calculated as a difference between the amount obtained from the redemption of notes together with proceeds for the last period before the repurchase of the securities and the expenditures incurred for acquisition of the notes on the primary or secondary market by the taxpayer or its testator. Amounts of interest paid by the taxpayer or the testator upon acquisition of the notes in the part in which such interest is free of tax do not constitute expenses for acquisition of the notes for the purposes of calculation of income from the Redemption.

Under Art. 41.4 of the PIT Act, the payer of interest or proceeds from the Redemption, other than an individual not acting within the scope of their business activity, is obliged to collect flat-rate income tax on interest or proceeds from Redemption.

Under Art. 41.4d of the PIT Act, the entities operating securities accounts for taxpayers, acting as tax remitters, should withhold the tax on this interest (discount) and Redemption income if such income (revenue) has been earned in Poland and is connected with securities registered in said accounts, and the interest payment to the individual (the taxpayer) is made through said entities. These rules should also apply to the entities indicated in Art. 3.2 of the CIT Act (non-residents) to the extent they conduct their business activity through a Polish permanent establishment located within the territory of Poland, if the account on which given securities are recorded is connected with the activity of that establishment. Consequently, a foreign entity that does not operate through a permanent establishment in Poland, e.g. a foreign broker not acting through a Polish permanent establishment, should not be obliged to withhold Polish tax.

There are no regulations defining in which cases income earned (revenue) by a Polish tax resident should be considered income (revenue) earned in Poland. However, we can expect those cases to be analogous to those of non-residents. Pursuant to Art. 3.2b of the PIT Act, income (revenues) earned in Poland by non-residents shall include in particular income (revenues) from:

- (a) work performed in Poland based on a service relationship, employment relationship, outwork system and co-operative employment relationship irrespective of the place where remuneration is paid;
- (b) activity performed in person in Poland irrespective of the place where remuneration is paid;
- (c) economic activity pursued in Poland, including through a foreign establishment located in Poland;
- (d) immovable property located in Poland or rights to such property, including from its disposal in whole or in part, or from disposal of any rights to such property;
- (e) securities and derivatives other than securities, admitted to public trading in Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them;
- (f) redemption, repurchase, buy-out and otherwise annihilation of participation titles in capital funds established on the basis of the provisions in force in the Republic of Poland and sale of these participation titles for a fee;
- (g) the transfer of ownership of shares in a company, of all rights and obligations in a partnership without legal personality, or participation in an investment fund, a collective investment undertaking, or other legal entity and rights of similar character or from receivables being a consequence of holding those shares, rights and obligations, participation or rights, if at least 50 per cent. of the value of assets of this company, partnership, investment fund, collective investment undertaking or legal entity is constituted, directly or indirectly, by immovable property located in Poland, or rights to such immovable property;
- (h) the transfer of ownership of shares, all rights and obligations, participation or similar rights in a real estate company (as defined in the PIT Act);
- (i) the receivables settled, including receivables put at disposal, paid out or deducted, by natural persons, legal persons, or organisational units without legal personality, having their place of residence, registered office, or management board in Poland, irrespective of the place of concluding and performing the agreement; and the income (revenue) referred to in this point is considered to be the revenue listed in Art. 29.1 of the PIT Act, if they do not constitute income (revenue) referred to in points (a)-(g) above; Art. 29.1 of the PIT Act lists, among others, interest income other than those mentioned in Art. 30a.1 of the PIT Act (which, in turn, refers to interest and discount on securities and income from the Redemption); and
- (j) unrealised gains as referred to in the exit tax regulations.

The above list is not exhaustive; therefore, the tax authorities may also consider that income (revenues) not listed above is sourced in Poland.

Given the above, each situation should be analysed to determine whether interest earned by a Polish tax resident individual from the Notes is considered to be income sourced in Poland and whether the entity operating the securities account for the individual will withhold the tax. Since the Issuer is a Polish entity, as a rule, interest from the Notes should be considered as earned in Poland.

According to Art. 45.3b and Art. 45.1 of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax themselves in their annual tax return. Under Art. 45.1 of the PIT Act, the annual tax return should be submitted and the tax should be settled by 30 April of the following year.

Separate, specific rules apply to income from interest and from the Redemption on securities held in Polish omnibus accounts (within the meaning of the provisions of the Act dated 29 July 2005 on Trading in Financial Instruments, the "**Omnibus Accounts**"). Under Art. 41.10 of the PIT Act, insofar as securities registered in Omnibus Accounts are concerned, the entities liable to withhold the flat-rate income tax on such income are the entities operating Omnibus Accounts through which the amounts due are paid. The tax is charged on the day of placing the amounts due at the disposal of the Omnibus Account holder. This rule also applies to remitters who are payers of corporate income tax and are subject to limited tax liability in Poland, to the extent they conduct their business through a foreign establishment and it is to that establishment's operations that the securities account is linked.

Additionally, under Art. 30a.2a of the PIT Act, with respect to income (revenue) from interest and Redemption transferred to taxpayers holding rights attached to securities (including the Notes referred to herein) registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder. These rules should also apply to the entities indicated in Art. 3.2. of the CIT Act to the extent that they conduct business activity through a foreign establishment located within the territory of Poland, if the account on which given securities are recorded is connected with the activity of that establishment. Consequently, foreign entities that do not operate through a Polish permanent establishment, e.g. foreign investment firms not acting through Polish permanent establishments, should not be obliged to withhold the tax.

Under Art. 45.3c of the PIT Act, taxpayers are obliged to disclose the amount of income (revenue) on interest (discount) and Redemption on securities (including the Notes referred to herein) in the annual tax return if the Notes were registered in Omnibus Account and the taxpayer's identity was not revealed to the tax remitter.

Under Art. 30a.9 of the PIT Act, withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

Income other than interest

Based on Art. 30b.1 of the PIT Act, income other than interest earned from financial instruments, such as the Notes, does not cumulate with the general income subject to the progressive tax scale but is subject to a 19 per cent. flat rate tax. Under Art. 30b.2. of the PIT Act the income from disposal of securities is calculated as the difference between the sum of revenues from a transfer of securities against a consideration and tax deductible costs, calculated on the basis of the relevant provisions of the PIT Act. Based on Art. 17.2 and Art. 19.1 of the PIT Act, if the price expressed in the contract without a valid reason significantly deviates from the market value, the amount of income is determined by the tax authority or fiscal control authority in the amount of the market value.

The taxpayer itself is obliged to settle the tax on the transfer of securities (including the Notes) against a consideration. Taxpayers should prepare their annual tax return by the end of April of the year following the tax year in which the income was earned. No tax or tax advances are withheld by the person making the payments.

In principle, if an individual holds the Notes as a business asset, in accordance with art. 30b.4 of the PIT Act the income should be taxed the same way as other business income taxed in accordance with Art. 30c or Art. 27 of the PIT Act. This will either be tax, at 19 per cent. flat rate or the 12 - 32 per cent. progressive tax rate, depending on the individual's choice and meeting of certain conditions by the taxpayer and the tax should be settled by the individual.

Taxation of a Polish tax resident corporate income taxpayer

Under Art. 3.1 of the Corporate Income Tax Act dated 15 February 1992 (the "**CIT Act**") the entire income of taxpayers who have their registered office or management in Poland is subject to tax obligation in Poland, irrespective of where the income is earned.

According to Art. 3.1a of the CIT Act, a taxpayer has a place of management in the territory of the Republic of Poland, inter alia, when the current affairs of this taxpayer are conducted in an organized and continuous manner on the territory of the Republic of Poland, based in particular on: (i) an agreement, decision, court ruling or other act regulating the establishment or functioning of the taxpayer; or (ii) powers of attorney; or (iii) Affiliations.

Income (revenue) from the Notes, both on account of interest/discount and other income, including transfer of securities against a consideration, earned by a Polish tax resident corporate income taxpayer whose entire income is subject to tax liability in Poland, is subject to income tax following the same general principles as those which apply to any other income received from business activity within the same source of income. In principle, the income (revenue) from the Notes, including their transfer against a consideration, should be regarded as revenues from capital gains (Art. 7b.1 of the CIT Act). In the case of insurers, banks and some other entities (financial institutions), this revenue is included in revenues other than revenues from capital gains (Art. 7b.2 of the CIT Act).

As a rule, for Polish income tax purposes, interest is recognised as revenue on a cash basis, i.e. when it is received and not when it has accrued. Revenue from a transfer of securities against a consideration is in principle their value expressed in the price specified in the contract. According to Art. 14 of the CIT Act, if the price expressed in the contract, without a valid reason, significantly deviates from the market value, the revenue amount is determined by the tax authority in the amount of the market value. In the case of income from the transfer of securities against a consideration, tax deductible costs are generally recognised when the corresponding revenue has been achieved. The taxpayer itself (without the remitter's participation) settles income tax on interest/discount and on the transfer of securities against a consideration, which is settled along with other income from the taxpayer's business activity within the same source of income.

Under Art. 19 of the CIT Act, the appropriate tax rate is 19 per cent. for a regular corporate income taxpayer or 9 per cent. for small taxpayers with revenues not exceeding EUR 2 million in a tax year (with certain exceptions listed in Art. 19.1a-1e of the CIT Act), taking into consideration the appropriate source of income (the lower rate does not apply to incomes classified as capital incomes – Art. 7b of the CIT Act). Corporate income tax taxpayers which are banks are subject to different CIT rates.

Although, in principle, Polish corporate income taxpayers, should not be subject to Polish withholding tax, such tax may be withheld in practice, given the specific rules applying to interest income on securities held in Omnibus Accounts, under Art. 26.2a of the CIT Act, the tax remitter (i.e. the entity operating the Omnibus Accounts, according to Art. 26.2b of the CIT Act) should withhold full 20 per cent. tax from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts, whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments. If such tax is withheld for a Polish tax resident corporate income taxpayer, to discuss a refund of such tax, the entity should contact its tax advisor.

Any withholding tax incurred outside Poland (including countries which have not concluded any tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than the tax calculated in accordance with the applicable domestic tax rate, can be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements (Art. 20.1 of the CIT Act).

Notes held by a non-Polish tax resident (individual or a corporate income taxpayer)

Under Art. 3.2a of the PIT Act, natural persons, if they do not reside in Poland, are liable to pay tax only on income (revenue) earned in Poland (limited obligation to pay tax).

Under Art. 3.2 of the CIT Act, in the case of taxpayers who do not have their registered office or management in Poland, only the income they earn in Poland is subject to tax obligation in Poland.

Non-Polish residents are subject to Polish income tax only with respect to their income earned in Poland. Under Art. 3.3 of the CIT Act, income (revenues) earned in Poland by non-residents shall include in particular income (revenues) from:

- (a) all types of activities pursued in Poland, including through a foreign establishment located in Poland;
- (b) immovable property located in Poland or rights to such property, including from its disposal in whole or in part, or from the disposal of any rights to such property;
- (c) Notes and derivatives other than Notes, admitted to public trading Poland as part of the regulated stock exchange market, including those obtained from the disposal of these Notes or derivatives, or the exercise of rights resulting from them;
- (d) the transfer of ownership of shares in a company, of all rights and obligations in a partnership without legal personality, participation in an investment fund or a collective investment undertaking, or other legal entity and rights of similar character or from receivables being a consequence of holding those shares, rights and obligations, participation or rights, if at least 50 per cent. of the value of assets of this company, partnership, investment fund, collective investment undertaking or legal entity is constituted, directly or indirectly, by immovable property located in Poland, or rights to such immovable property;
- (e) the transfer of ownership of shares, all rights and obligations, participation or similar rights in a real estate company (as defined in the CIT Act);
- (f) the receivables settled, including receivables put at disposal, paid out or deducted, by natural persons, legal persons, or organisational units without legal personality, having their place of residence, registered office, or management board in the Republic of Poland, irrespective of the place of concluding or performing the agreement; and
- (g) unrealised gains referred to in the exit tax regulations chapter.

Similar provisions are included in Art. 3.2b of the PIT Act.

It should be noted that the list of incomes (revenues) gained in Poland, as provided in Art. 3.3. of the CIT Act and Art. 3.2b of the PIT Act is not exhaustive, therefore, other income (revenues) may also be considered as earned in Poland.

Given the above, each situation should be analysed to determine whether interest earned by a Polish tax resident from the Notes is considered to be income sourced in Poland. However, since the Issuer is a Polish entity, income from the Notes should be considered as earned in Poland.

Sale of Notes against consideration

Income from sale of Notes against consideration by a non-Polish tax resident (individual or a corporate income taxpayer) is (as earned in Poland) in principal, subject to the same rules of taxation (et al. rules for determining income, tax amount, tax payment deadlines) that apply to entities subject to unlimited tax liability (Polish tax residents) as presented in sections "*Taxation of a Polish tax resident individual – Income other than interest*" and "*Taxation of a Polish tax resident corporate income taxpayer*". However, the majority of double tax treaties concluded by Poland provide for an exemption from income tax on capital gains, including income from the sale of securities obtained in Poland by a tax resident of a given country.

Special exemption for interest obtained by non-Polish tax residents on Notes meeting special conditions

Corporate income tax

Under Art. 17.1.50c of the CIT Act, there is a tax exemption (the "**Special Exemption**") applicable to income earned by a CIT taxpayer subject to limited tax liability in Poland in respect of interest or a discount on securities:

- (a) having a maturity of at least one year; and
- (b) admitted to trading on a regulated market or introduced into an alternative trading system within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments, in the territory of Poland or in the territory of a state that is a party to a double tax convention concluded with Poland which regulates the taxation of income from dividends, interest and royalties,
- (c) unless the taxpayer is an Affiliated Entity of the issuer of such securities, and holds, directly or indirectly, together with other Affiliated Entities, more than 10 per cent. of the nominal value of those securities.

Under Art. 26.1aa and 1ae of the CIT Act, remitters are not obliged to withhold tax on interest or discount in respect of the Notes eligible for Special Exemption, provided that the issuer submits to the tax authority a declaration that it has acted with due diligence in informing Affiliated Entities (excluding entities whose Affiliations result solely from connections with the Polish State Treasury or local government units or their associations), about the exemption conditions applying to those Affiliated Entities.

According to Art. 26.1af of the CIT Act, the declaration referred to above is submitted once in relation to a given Notes issue, no later than the date of payment of interest or discount on these securities. At the payer's request, the issuer is obliged to confirm its submission (Art. 26.1ag of the CIT Act).

The declaration is submitted in electronic form corresponding to the logical structure available in the Public Information Bulletin on the website of the office serving the minister responsible for public finances (Art. 26.7j of the CIT Act).

Personal income tax

Under personal income tax, there are analogous provisions on tax exemption regarding interest and discount referred to above (Art. 21.1.130c of the PIT Act) and releasing tax remitters from the obligation to withhold tax on interest or discount (Art. 41.24-27 of the PIT Act), with the exception that the tax remitters being entities operating securities accounts and Omnibus Accounts are obliged withhold tax with respect to income (revenue) obtained by Polish tax resident natural person from securities otherwise eligible for the relief (Art. 41.24 *in fine* of the PIT Act) (the "**PIT Special Exemption**"). These remitters include entities being Polish tax residents as well as non-Polish tax residents conducting business activities through a foreign establishment located in the territory of the Republic of Poland, if the account on which the securities are recorded is related to the activities of this establishment (Art. 41.4d and 41.10 of the PIT Act).

It must be noted that under Art. 30a.2a of the PIT Act, with respect to income (revenue) from interest or Redemption transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder.

Therefore, if the entities operating Omnibus Accounts acting as tax remitters are not able to identify the natural person i.e. whether it is or not tax resident in Poland, they may withhold tax at full rate on income from Notes that would otherwise be eligible for the PIT Special Exemption.

Failure to meet the conditions for the Special Exemption or PIT Special Exemption

If the Special Exemption or PIT Special Exemption do not apply, the following rules apply.

In principle, regarding taxpayers subject to limited tax liability in Poland, the income from interest (discount) on the Notes earned in Poland is taxed at a flat rate of 20 per cent. in the case of corporate income taxpayers under Art. 21.1.1 of the CIT Act. The applicable tax rate for the income from interest (discount) on securities and on the Redemption is 19 per cent. in the case of natural persons (Art. 30a.1.2 of the PIT Act).

Under Art. 26.1 of the CIT Act, interest payers, other than individuals not acting within the scope of their business activity, should withhold this tax. When verifying the conditions for the application of a withholding tax rate, exemption or the conditions for the non-collection of tax resulting from special provisions or double tax treaties, the remitter must exercise due diligence. When assessing the exercise of due diligence, the nature and scale of activity conducted by the remitter as well as its Affiliation with the taxpayer must be taken into account. According to Art. 26.7 of the CIT Act, a payment for the purposes of Art. 26.1 of the CIT Act shall mean a discharge of a liability in any form, including by payment, deduction or capitalisation of interest. Similar provisions are provided in Art. 41.4-4aa of the PIT Act.

Under Art. 26.2c.1 and Art. 26.2a of the CIT Act, the entities operating securities accounts and Omnibus Accounts for taxpayers, acting as tax remitters, should withhold this interest income if such interest income (revenue) was earned in Poland and is connected with securities registered in said accounts, and the interest payment to the taxpayer is made through said entities. Although it is considered that foreign entities do not act as Polish tax remitters, according to the discussed provision, this obligation applies to non-residents to the extent they operate a permanent establishment in Poland and the account, on which securities are registered, is linked to the activity of this permanent establishment. Similar provisions concerning interest payments to individuals are provided in Art. 41.4d and 41.10 of the PIT Act. It is not entirely clear whether the Issuer should or should not withhold the tax if the entity operating the securities of Omnibus Account does not act as a tax remitter (i.e. is a foreign tax resident not acting through a Polish permanent establishment).

The described rules of taxation may be modified by the relevant provisions of double tax treaties concluded by Poland, based on which a reduced tax rate or income tax exemption may apply to income (revenue) obtained from interest/discount or from Redemption (natural persons only) (Art. 21.2 of the CIT Act, Art. 30a.2 of the PIT Act). To benefit from the tax rate or income tax exemption under the tax treaty, the taxpayer should present a valid certificate of its tax residency. As a rule, unless validity date is not included in the certificate itself, the tax residency certificate is considered valid for 12 consecutive months from its date of issue (unless a specific date of its validity is included in its wording). Tax remitters may require additional documentation in order to be able to apply double tax treaty benefits described above, such as the confirmation of the recipient's beneficial owner status towards the payment. Given that tax remitters must preserve due diligence in verification of any tax relief conditions, they may require additional documentation in order to be able to apply double tax treaty benefits described above, such as the confirmation of the recipient's beneficial owner status towards the interest payments.

Moreover, regardless of whether the particular tax treaty requires the recipient of the payment to be its beneficial owner, further to the approach presented by the tax authorities and confirmed by administrative courts verdicts,

many tax treaties provide protection only for beneficial owners. Pursuant to Art. 4a.29 of the CIT Act and, respectively, Art. 5a.33d of the PIT Act, beneficial owner means an entity meeting all of the following conditions:

- (a) it receives the amount due for its own benefit, which includes deciding independently about its purpose, and bears the economic risk associated with the loss of that receivable or part of it;
- (b) it is not an intermediary, representative, trustee, or another entity obliged to transfer the receivable in whole or in part to another entity; and
- (c) if the receivables are obtained in connection with the conducted business activity, it conducts actual business activity in the country of its registration (country of domiciliation in case of the PIT Act); when assessing whether the entity conducts actual business activity, the nature and scale of such activity in the scope of received receivables are taken into account.

The definition of the beneficial owner no longer refers to and Art. 24a.18 of the CIT Act and Art. 30f.20 of the PIT Act. However, those provisions include the following relevant factors that are likely to be considered by the tax authorities when determining if the given entity performs actual business activity:

- (a) the business activity carried out by the taxpayer is performed through an existing enterprise that actually performs activities constituting an economic activity; in particular, it possesses premises, qualified personnel and equipment used for performing business activity;
- (b) the taxpayer does not create artificial arrangement without a connection with any business activity;
- (c) the taxpayer's actual premises, its personnel or equipment correspond to the scope of its actual business activity;
- (d) the agreements concluded by the taxpayer are realistic in economic terms, they have economic justification and they are not noticeably contrary to the general business interest of the taxpayer; and
- (e) the taxpayer carries out its business functions independently, using its own resources, including managers who are present in the country of taxpayer's tax residency.

The majority of double tax treaties concluded by Poland provide for an exemption from income tax on capital gains, including income from the sale of securities obtained in Poland by a tax resident of a given country. The interest treatment differs under particular double tax treaties, some of them providing for general exemption, limiting the exemption to certain categories of recipients or providing for a reduced rate of tax (which may also vary depending on the recipient).

Separate, specific rules apply to interest income and amounts received from Redemption on securities held in Omnibus Accounts. Also, in cases where Polish withholding tax should not apply on interest payable to non-Polish tax residents (natural persons or corporate income taxpayers), under specific rules applicable to interest income (and income from Redemption in case of natural persons) on securities held in Omnibus Accounts there is a risk that such tax would be withheld. Under Art. 26.2a of the CIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 20 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such taxpayers through the Omnibus Account holder.

Under Art. 30a.2a of the PIT Act, with respect to income (revenue) from interest or from Redemption transferred to taxpayers holding rights attached to securities registered in Omnibus Accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19 per cent. flat-rate tax is withheld by the tax remitter from the aggregate income (revenue) released for the benefit of all such

taxpayers through the Omnibus Account holder. If such tax is withheld for non-Polish tax resident taxpayers, to receive a refund of such tax, the entity should contact its tax advisor.

If a person or an entity subject to limited tax liability in Poland acts through a permanent establishment in Poland tax remitters should not withhold the income tax on payments to such recipient, provided that such taxpayer delivers the tax remitter its certificate of tax residency along with a statement that the payments it receives are associated with the activity of its Polish permanent establishment (Art. 26.1d of the CIT Act). However, if it holds the Securities on an Omnibus Account, please see the comments on Omnibus Accounts presented above, in the section on taxation of a Polish tax resident corporate income taxpayer.

Pay & Refund

In addition to the rules set out above, in the event of failure to meet the conditions for a Foreign Tax Residents Exemption, the following regime applies on payments to Affiliated Entities.

Corporate income tax

Under Art. 26.2e of the CIT Act, if the total amount paid out between Affiliated Entities on account of the items listed in Art. 21.1.1 of the CIT Act (including interest/discount on securities) and Art. 22.1 of the CIT Act (including dividends) to the same taxpayer exceeds PLN 2,000,000 in a 12 months long tax year of the payer, payers are, as a general rule, required to withhold, on the day of payment, a flat-rate income tax at the basic rate (20 per cent. in the case of interest/discount on securities) from the excess over that amount, without being able not to withhold that tax on the basis of an appropriate double tax treaty, and also without taking into account exemptions or rates resulting from special regulations or double tax treaties (the "**Pay & Refund**").

Under Art. 26.2i and 26.2j of the CIT Act, if the payer's tax year is longer or shorter than 12 months, the amount to which the Pay & Refund applies is calculated by multiplying 1/12 of PLN 2,000,000 and the number of months that have begun in the tax year in which the payment was made; if the calculation of that amount is not possible by reference to the payer's tax year, the Pay & Refund shall apply accordingly to the payer's current financial year and, in its absence, with respect to the payer's other period with features specific to the financial year, not longer however than 23 consecutive months.

Based on Art. 26.2ca of the CIT Act, the entities making payments through securities accounts or Omnibus Accounts are obliged to provide the entities maintaining these accounts, at least 7 days before the payment is made, with information about the existence of Affiliations between them and the taxpayer and about exceeding the amount of PLN 2,000,000. Entities providing this information are required to update it before making the payment in the event of a change in the circumstances covered by the information. In addition, in accordance with Art. 26.2ed of the CIT Act, in the circumstances referred to in section 2c, the excess amount and the existence of Affiliations will be determined by the entity keeping securities accounts or Omnibus Account. The entity keeping securities accounts or omnibus accounts does not take into consideration the amounts of payments on which tax was collected in accordance with Art. 26.2a of the CIT Act.

Under Art. 26.2k of the CIT Act, if the payment was made in a foreign currency, to determine whether the amount to which the Pay & Refund applies was exceeded, the amounts paid are converted into PLN at the average exchange rate published by the NBP on the last business day preceding the payment day.

Under Art. 26.2l of the CIT Act, if it is not possible to determine the amount paid to the same taxpayer, it is presumed that it exceeded the amount from which the Pay & Refund applies.

Under Art. 26.7a of the CIT Act, the Pay & Refund does not apply if the payer has declared that:

- (a) it holds the documents required by the tax law for the application of the tax rate or tax exemption or non-taxation under special regulations or double tax treaties;

- (b) after the verification of the conditions to apply an exemption or reduced withholding tax rate resulting from special regulations or double tax treaties, it is not aware of any grounds for the assumption that there are circumstances that exclude the possibility of applying the tax rate or tax exemption or non-taxation under special regulations or double tax treaties, in particular it is not aware of the existence of circumstances preventing the fulfilment of certain conditions referred to in other regulations, including the fact that the interest/discount recipient is their beneficial owner and, if the interest/discount is obtained in connection with the business activity conducted by the taxpayer, that in the country of tax residence the taxpayer carries on the actual business activity.

The above is to be declared by the head of the unit within the meaning of the Accounting Act or a designated member of such head being a collegiate body (e.g. the Issuer's management board). The declaration cannot be made by proxy. The declaration is to be made by in electronic form not later than on the last day of the second month following the payment of the tax to the tax office for the month in which the threshold specified above was exceeded, however, the performance of this obligation after the payment is made does not release the payer from the obligation to exercise due diligence before the payment is made. (Art. 26.7b and 26.7c of the CIT Act).

In the case of withholding tax being imposed as a result of the Pay & Refund, if double tax treaties or special regulations provide for a tax exemption or reduced tax rate, the taxpayer or tax remitter (if the taxpayer has paid tax with its own funds and has borne the economic burden of such tax, e.g. as a result of a gross-up clause) may apply for a refund of that tax by submitting the relevant documents and declarations. When recognizing that the refund is justified, the tax authorities shall carry it out within six months.

Pursuant to the Regulation of the Minister of Finance dated 28 December 2022 regarding the exclusion of the obligation to collect flat-rate corporate income tax (the "**Regulation**"), in respect of securities held on securities accounts or Omnibus Accounts, until 31 December 2025 the application of the Pay & Refund regime is excluded to interest payable to taxpayers having their registered office or management outside the territory of the Republic of Poland.

Personal income tax

Analogous provisions apply to personal income tax (applying to interest and amounts earned from Redemption), including Art. 41.12 of the PIT Act which provides for an analogous Pay & Refund, while the Regulation of the Minister of Finance of 28 December 2022 on exclusion of tax withholding obligation is the equivalent of the Regulation.

Solidarity levy on income from disposal of Notes for consideration generated by natural persons subject to either unlimited or limited tax liability in Poland (i.e. notwithstanding their tax residence)

According to Art. 30h of the PIT Act, natural persons are required to pay a solidarity levy at the rate of 4 per cent. of the base amount for its calculation. The base amount for calculation of the solidarity levy is the amount in excess of PLN 1,000,000 of the sum of incomes subject to taxation pursuant to Art.27.1, 27.9, 27.9a Art. 30b (i.e. in particular the income from a disposal of notes for consideration), Art. 30c and Art. 30f of the PIT Act, decreased by the premiums referred to in Art. 26.1.2 and 26.1.2a of the PIT Act and the amounts referred to in Art. 30f.5 the PIT Act, deducted from such incomes.

In calculating the base amount of the solidarity levy for a given calendar year, one should include the incomes and the incomes deductions as described above, as reported in:

- the annual tax calculation referred to in Art. 34.7 of the PIT Act (the annual tax calculation prepared and sent by social allowance authorities to the taxpayers receiving income, in particular, from age and disability allowance) if such a reconciliation shows a payable tax; and
- the tax returns referred to in Art. 45.1, 45.1a.1, 45.1a.2 and Art. 45.1aa of the PIT Act for which the filing deadline falls within the period starting on the day following the lapse of the time period for filing of the

solidarity levy amount statement in the year preceding that calendar year, to the last day for submission of the solidarity levy amount statement.

Natural persons are required to file the solidarity levy amount statements on the official forms provided by 30 April of the calendar year and pay the levy by the same day.

In principle, if individuals hold Notes as a business asset, income from disposing Notes for remuneration should be taxed in the same way as other business incomes which are also subject to a 4 per cent. solidarity levy.

Withholding taxation of certain payments made to tax havens

Based on Art. 26.1m of the CIT Act, if a tax remitter makes a payment on account of certain capital profits (e.g. revenues from financial instruments, including interest and capital gains) to a corporate entity resident for tax purposes in a tax haven, such tax remitter is obliged to withhold tax at 19 per cent. rate calculated from the amount being paid out.

The list of the tax havens is included in the Regulation of the Minister of Finance from 18 December 2024 on the list of countries and territories applying harmful tax competition in the field of corporate income tax.

Tax on civil law transactions

Neither an issuance of Notes nor redemption of Notes is subject to the tax on civil law transactions (the "PCC").

Under Art. 1.1.1.a of the Tax on Civil Law Transactions Act dated 9 September 2000 (the "PCC Act"), agreements for the sale or exchange of assets or proprietary rights are subject to tax on civil law transactions. The Notes should be considered as representing proprietary rights. Transactions are taxable if their subjects are:

- (a) assets located in Poland or proprietary rights exercisable in Poland;
- (b) assets located abroad or proprietary rights exercisable abroad if the acquirer's place of residence or registered office is located in Poland and the civil law transaction was carried out in Poland.

PCC on the sale of the Notes (which, as a rule, are considered to be rights) is 1 per cent. of their market value and is payable by the purchaser within 14 days after the sale agreement is entered into. If the exchange agreement is concluded, the tax is payable jointly and severally by both parties to the agreement. However, if such agreement has been entered into in notarial form, the tax due should be withheld and paid by the notary public.

However, under Art. 9.9 of the PCC Act, a PCC exemption applies to the sale of property rights being financial instruments (including the Notes):

- (a) to investment firms or foreign investment firms;
- (b) with the intermediation of investment firms or foreign investment firms;
- (c) through organised trading; or
- (d) outside organised trading by investment firms or foreign investment firms if the proprietary rights were acquired by those firms through organised trading (within the meaning of the provisions of the Act on Trading in Financial Instruments).

Moreover, in accordance with Art. 1a.5 and 1a.7 in connection with Art. 2.4 of the PCC Act, the PCC exemption applies to sale or exchange agreements concerning Notes:

- (a) to the extent that they are taxed with the VAT in Poland or in another EU Member State or EEA; or

- (b) when at least one of the parties to the transaction is exempt from VAT in Poland or in another EU Member State or EEA on account of that particular transaction.

Remitter's liability

Under Art. 30 of the Tax Code dated 29 August 1997, a tax remitter failing to fulfil its duty to calculate, withhold or pay tax to a relevant tax authority is liable for the tax that has not been withheld or that has been withheld but not paid, up to the value of all its assets. The tax remitter is not liable if specific provisions provide otherwise or if tax has not been withheld due to the taxpayer's fault. In such case, the relevant tax authority will issue a decision concerning the taxpayer's liability. Under Art. 30.5 of the Tax Code, the provisions on the tax remitter's liability do not apply if separate provisions provide otherwise, or if the tax has not been withheld due to the taxpayer's fault (save for particular cases set out in of Art. 30.5a of the Tax Code). According to Art. 30.5c of the Tax Code, the issuer is liable for the tax that has not been withheld if the statement made for the purposes of the Special Exemption or PIT Special Exemption is factually incorrect. This applies both in cases when the issuer acts as the tax remitter with respect to interest on Notes or not, especially it is withheld by the entity which holds securities accounts or Omnibus Accounts.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **"foreign financial institution"** may be required to withhold on certain payments it makes (**"foreign passthru payments"**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions, including the Republic of Poland, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**"IGAs"**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date of publication of final regulations defining the term **"foreign passthru payment"**. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Banco Comercial Português, S.A., Bank Millennium S.A., Commerzbank Aktiengesellschaft and Morgan Stanley Europe SE (together, the "**Joint Bookrunners**"), have, in a subscription agreement dated 20 January 2026 (the "**Subscription Agreement**") and made between the Issuer and the Joint Bookrunners upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount plus any accrued interest in respect thereof. The Issuer has also agreed to reimburse the Joint Bookrunners for certain of their expenses incurred in connection with the management of the issue of the Notes. The Joint Bookrunners are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of the Notes. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or the Joint Bookrunners in respect of any expense incurred or loss suffered in these circumstances.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The Joint Bookrunners have agreed that, except as permitted by the Subscription Agreement, they will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes within the United States or to, or for the account or benefit of, U.S. persons in accordance with Rule 903 of Regulation S, and each of the Joint Bookrunners will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Italy

No Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to any Notes be distributed in Italy.

Each Joint Bookrunner has represented and has agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of the Prospectus or any other document relating to the Notes in Italy.

Prohibition of Sales to EEA Retail Investors

Each of the Joint Bookrunners has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or
- (b) a customer within the meaning of Regulation (EU) No. 2016/97 the ("**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Prohibition of Sales to certain investors in Poland

Each of the Joint Bookrunners has represented, warranted and agreed that it has offered, sold or otherwise made available and will offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus in relation thereto in Poland to eligible counterparties and professional clients only, but excluding the persons that may be treated as professionals on request.

United Kingdom

Prohibition of Sales to UK Retail Investors

Each of the Joint Bookrunners has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the United Kingdom.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or
- (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each of the Joint Bookrunners has represented, warranted and agreed that:

- (a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and
- (b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each of the Joint Bookrunners has represented and

agreed, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

Singapore

Each of the Joint Bookrunners has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Joint Bookrunners has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

Each of the Joint Bookrunners has represented, warranted and agreed that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any related offering material, in all cases at its own expense. Other persons into whose hands this Prospectus comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any related offering material, in all cases at their own expense.

Neither the Issuer nor either of the Joint Bookrunners represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

GENERAL INFORMATION

1. Authorisation

The creation and issue of the Notes has been authorised by resolutions of the Management Board of the Issuer dated 10 December 2025 and 15 January 2026 and a resolution of the Supervisory Board of the Issuer dated 15 December 2025.

2. Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The estimated total expenses related to the admission to trading are EUR 18,400.

3. Legal and Arbitration Proceedings

Except for the proceedings described in "*Description of the Group - Lawsuits – Court cases against the Group*", there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and the Group.

4. Significant/Material Change

Since 31 December 2024, there has been no material adverse change in the prospects of the Issuer or the Issuer or the Group. Since 30 September 2025, there has been no significant change in the financial position or financial performance of the Issuer or the Group.

5. Auditor

Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością sp. k. ("**Deloitte Assurance**") with its registered office in Warsaw at al. Jana Pawła II 22, 00-133 Warsaw, Poland, audited the consolidated financial statements of the Group for the years ended 31 December 2024 and 31 December 2023 and issued unqualified auditor's opinions on the aforementioned financial statements.

Deloitte Assurance is registered in the register of auditors held by the Polish Agency for Audit Oversight (in Polish: *Polska Agencja Nadzoru Audytowego*) under no. 4260. On behalf of Deloitte Assurance, the consolidated financial statements of the Group for the years ended 31 December 2024 and 31 December 2023 were audited by Barbara Gryszko (certified auditor, licence no. 13312).

In accordance with the Group's auditor rotation policy, on 24 February 2025 the Bank's Supervisory Board appointed KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw at ul. Inflancka 4A, 00-189 Warsaw, Poland as the Bank's and the Group's auditor for the years 2025 – 2026. KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. is entered on the list of audit firms held by the Polish Agency for Audit Oversight (in Polish: *Polska Agencja Nadzoru Audytowego*) under number 3546. The change of auditor did not result from resignation, removal or any disagreement between the Group and Deloitte Assurance on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

With respect to the unaudited H1 2025 Group Interim Financial Statements, a translation of which is incorporated by reference herein, KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. has reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report, a translation of which is incorporated herein, states that

they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their report regarding such information should be restricted in light of the limited nature of the review procedures applied.

6. Documents on Display

Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of the Fiscal Agent at Banque Internationale à Luxembourg société anonyme, 69, Route d'Esch L-2953, Luxembourg for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange:

- (a) the constitutional documents (with an English translation thereof) of the Issuer;
- (b) the 2024 Group Financial Statements, the 2023 Group Financial Statements, H1 2025 Group Interim Financial Statements, the Q3 2025 Group Interim Financial Statements, together, where applicable, with the auditor's report prepared in connection therewith and incorporated by reference herein;
- (c) the Management Board Report Half Year 2025, the Management Board Report Full Year 2024 and the Management Board Report Full Year 2023;
- (d) the Agency Agreement; and
- (e) the Deed of Covenant.

This Prospectus and the documents listed above will be available, in electronic format, on the Issuer's website <https://www.bankmillennium.pl/en/about-the-bank/investor-relations>.

For the avoidance of doubt, unless specifically incorporated by reference to this Prospectus, information on the above website or the website of the Issuer does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

7. Material Contracts

No contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Issuer that are, or may be, material or contain provisions under which the Issuer or any of its subsidiaries has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

8. Yield

There is no explicit yield to maturity. The Notes do not carry a fixed date for redemption and the Issuer may not, and under certain circumstances is not permitted to, make payments on the Notes at the full stated rate. The interest rate is also subject to periodic resetting.

For information purposes only, on the basis of the issue price of the Notes of 100 per cent. of their principal amount, the yield of the Notes up to (but excluding) the First Reset Date is 8.875 per cent. per annum on a semi-annual basis (assuming no Write Down and no cancellation of interest during such period). The yield is calculated as at the Issue Date on the basis of the issue price. It is not an indication of future yield.

9. Legend Concerning U.S. Persons

The Notes and any Coupons and Talons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

10. ISIN and Common Code

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS3257630197 and the common code is 325763019.

The Financial Instrument Short Name (FISN) code is BANK MILLENNIUM/BD 22000101, as set out on the website of the Association of National Numbering Agencies (ANNA), as updated, or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

11. The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 259400OFDZ9KPZEO8K78.

12. Conflicts of Interest

Each of the Joint Bookrunners has engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Each of the Joint Bookrunners and its affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. The Joint Bookrunners or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, the Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGISTERED OFFICE OF THE ISSUER

Bank Millennium S.A.
ul. Stanisława Żaryna 2A
02-593 Warsaw
Poland

ARRANGER

Morgan Stanley Europe SE
Grosse Gallusstrasse 18
60312 Frankfurt-am-Main
Germany

JOINT BOOKRUNNERS

Banco Comercial Português, S.A.
Tagus Park
Avenida Prof Dr Cavaco Silva
Edifício 2, N°30
Piso 2A
2740-256 Porto Salvo
Portugal

Bank Millennium S.A.
ul. Stanisława Żaryna 2A
02-593 Warsaw
Poland

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Morgan Stanley Europe SE
Grosse Gallusstrasse 18
60312 Frankfurt-am-Main
Germany

FISCAL AND PAYING AGENT AND LUXEMBOURG LISTING AGENT

Banque Internationale à Luxembourg, société anonyme
69, route d'Esch
L-2953 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS

To the Issuer

as to English law:

Allen Overy Shearman Sterling LLP
One Bishops Square
London E1 6AD
United Kingdom

as to Polish law:

Allen Overy Shearman Sterling, A. Pędzich sp. k.
ul. Grzybowska 56
00-844 Warsaw
Poland

To the Joint Bookrunners

as to English law:

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

as to Polish law:

Clifford Chance Janicka, Krużewski, Stosio i wspólnicy Sp.k.
Norway House
ul. Lwowska 19
00-660 Warsaw
Poland

AUDITOR TO THE ISSUER

for the years 2023 and 2024:

Deloitte Assurance Polska spółka z ograniczoną odpowiedzialnością sp. k.
al. Jana Pawła II 22
00-133 Warsaw
Poland

for the year 2025:

KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k.
ul. Inflancka 4A
00-189 Warsaw
Poland