Capital Adequacy, Risk, Remuneration Policy Report of Bank Millennium Capital Group for 2025

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1. INTRODUCTION

In accordance with the requirements set out in Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council regarding requirements on credit risk, credit valuation adjustment risk, operational risk, market risk and the minimum capital threshold, as amended by Regulation (EU) of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 (hereinafter: CRR 3), this document ("Disclosures") presents qualitative and quantitative information on the capital adequacy, risk and remuneration policy of the Capital Group ("Group") of Bank Millennium S.A. ("Bank"), as at December 31, 2025.

The presented information has been prepared on the basis of the prudentially consolidated Capital Group's data in accordance with the requirements of Art. 13 CRR 2 for significant subsidiaries of EU parent institutions, based on the highest national level of consolidation (Bank Millennium S.A. Group). In some cases, data was also presented for Bank Millennium SA.

The information disclosed complies with the requirements and templates in force on the date of publication contained in Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosure by institutions of information referred to in Titles II and III of Part Eight of that Regulation and repealing Implementing Regulation (EU) 2021/637 of the European Parliament and of the Council (hereinafter: 2024/3172).

Pursuant to Article 432.1 of CRR 2, the Group may omit in its Disclosures any information that is not regarded as material. The Group regards as immaterial any information the omission or misstatement of which could not change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. The Group did not consider any information covered by the disclosure obligation based on CRR 2 and other regulations as not material.

Pursuant to Article 432.2, the Group may omit in its disclosures any items of information which is regarded as proprietary or confidential. Information is regarded as proprietary if the Group believes that disclosing it publicly would undermine its competitive position. Information is regarded as confidential if the Group has made an obligation to a customer or other counterparty binding it to confidentiality. The Group did not consider any information covered by the disclosure obligation based on CRR 2 and other regulations as proprietary or confidential.

Information regarding broadly understood risk is also presented in the annual financial report, consisting of a narrative report and a financial report, a report on non-financial information and the remuneration policy, which is part of the financial report for 2025.

2. Capital adequacy

Capital management and planning

Capital management relates to two areas: capital adequacy management and capital allocation. For both areas, management goals were set.

The goal of capital adequacy management is: (a) ensuring the solvency in normal and stressed conditions (economic capital adequacy/internal capital) and (b) meeting the requirements specified in external regulations (regulatory capital adequacy). Completing that goal, Bank strives to achieve internal long-term capital limits (targets), defined in Risk Strategy.

Capital allocation purpose is to create value for shareholders by maximizing the return on risk in business activity, taking into account established risk tolerance.

In a scope of capital management process, there is also a capital planning process. The goal of capital planning is to designate the own funds (capital base that is risk-taking capacity) and capital usage (regulatory capital requirements and economic capital) in a way to ensure that capital targets/limits shall be met, given forecasted business strategy and risk profile – in normal and stressed macroeconomic conditions.

Regulatory capital adequacy

The Bank and the Group are obliged by law to meet minimum own funds requirements, set in CRR art. 92. At the same time, the following levels, reccomendations and buffers were included in capital limits/targets setting:

- P2R Buffer (Pillar II Buffer for Foreign Currency Loans) – – in accordance with the joint decision, which, among other things, concerned capital and liquidity at the local level for European entities of the BCP Group (Banco Comercial Portugues), no additional capital and liquidity requirements were imposed on the Bank. The Bank announced this in Current Report No. 36/2025 dated December 18, 2025.
- Combined buffer – defined in Act on macroprudential supervision over the financial system and crisis management – that consists of:
  - Capital conservation buffer at the level of 2.5%;
  - Other systemically important institution buffer (OSII) – at the level of 0.25%, and the value is set by KNF each year;
  - Systemic risk buffer at the level of 0% from March 2020;
  - Countercyclical buffer at the 1% level from 25 September 2025 and it will be increased to 2% from 25 September 2026.

In accordance to binding legal requirements and recommendations of Polish Financial Supervisory Authority (KNF), the Bank defined regulatory minimum levels of capital ratios, being at the same time the base of defining capital limits.

The below table presents these levels as at 31 December 2025. The Bank will inform on each change of required capital levels in accordance with regulations.

Table no 1 - Minimum capital ratios as at the 2025 end (in percent)

Capital ratio	2025-12-31	
CET1 ratio	Bank	Group
Minimum	4,50%	4,50%
P2R Buffer	0,00%	0,00%
TSCR CET1 (Total SREP Capital Requirements)	4,50%	4,50%
Capital Conservation Buffer	2,50%	2,50%
OSII Buffer	0,25%	0,25%
Systemic risk buffer	0,00%	0,00%
Countercyclical capital buffer	1,00%	1,00%
Combined buffer	3,75%	3,75%
OCR CET1 (Overall Capital Requirements CET1)	8,25%	8,25%
T1 ratio	Bank	Group
Minimum	6,00%	6,00%
P2R Buffer	0,00%	0,00%
TSCR T1 (Total SREP Capital Requirements)	6,00%	6,00%
Capital Conservation Buffer	2,50%	2,50%
OSII Buffer	0,25%	0,25%
Systemic risk buffer	0,00%	0,00%
Countercyclical capital buffer	1,00%	1,00%
Combined buffer	3,75%	3,75%
OCR T1 (Overall Capital Requirements T1)	9,75%	9,75%
TCR ratio	Bank	Group
Minimum	8,00%	8,00%
P2R Buffer	0,00%	0,00%
TSCR TCR (Total SREP Capital Requirements)	8,00%	8,00%
Capital Conservation Buffer	2,50%	2,50%
OSII Buffer	0,25%	0,25%
Systemic risk buffer	0,00%	0,00%
Countercyclical capital buffer	1,00%	1,00%
Combined buffer	3,75%	3,75%
OCR TCR (Overall Capital Requirements TCR)	11,75%	11,75%

In November 2025, the Bank received a recommendation from KNF to establish an additional capital charge to absorb potential losses resulting from stress conditions (P2G).

Specifically, based on the supervisory stress tests conducted by the KNF in 2025, the KNF set P2G capital charges before offsetting the capital conservation buffer at 2.63 percentage points at the individual level and 2.53 percentage points at the consolidated level. The total recommended capital charges under Pillar

2, offset by the capital conservation buffer requirement, are 0.13 percentage points at the individual level and 0.03 percentage points at the consolidated level.

Capital risk, measured using the above capital ratios, is regularly measured and monitored. Capital limits are established based on the minimum regulatory capital requirements. These limits serve as the basis for defining safety zones and risk appetite. Capital ratios in a given zone determine the need to take appropriate management decisions or actions. Regular capital risk monitoring is based on classifying capital ratios into appropriate safety zones, followed by an assessment of trends and factors affecting capital adequacy.

Own funds capital requirements

The Bank calculates its own funds requirements using standardized methods, while also implementing a project to gradually implement the Internal Ratings-Based (IRB) approach for calculating minimum own funds requirements for credit risk and obtaining the relevant regulatory approvals.

The Bank has been authorized by the Banco de Portugal (the consolidating supervisor) in cooperation with the Polish Financial Supervision Authority (KNF) to use the IRB approach for the following loan portfolios: (i) retail exposures to individuals secured by residential real estate (RRE), (ii) revolving retail exposures (QRRE).

Further work was also conducted on credit risk models for the remaining loan portfolios covered by the IRB implementation plan: other retail exposures and corporate exposures.

Internal capital

Group defines internal capital according to Polish Banking Act, as the estimated amount needed to cover all identified, material risks found in Group’s activity and changes in economic environment, taking into account the anticipated level of risk in the future.

Internal capital is used in capital management in following processes: economic capital adequacy management and capital allocation. The Group defined an internal (economic) capital estimation process. To this end, as for measurable risk types, mathematic and statistic models and methods are used.

Maintaining economic capital adequacy means a coverage (provision) of internal capital (that is an aggregated risk measure) by available financial resources (own funds). An obligation to banks to have in place that sort of risk coverage stems from Banking Act. It was mirrored in the Group’s capital targets/limits: economic capital buffer and economic capital buffer in stressed conditions.

In 2025, both above capital targets were met with a surplus. The excess of own funds over internal capital enables further growth in the scale of operations, especially towards products generating high returns taking into account the risk incurred.

At the same time internal capital is utilised in capital allocation process, to assign an internal capital to products/business lines, calculating risk-adjusted performance measures, setting risk limits and internal capital reallocation.

Capital ratios and capital adequacy - current situation, evaluation and trends

Grupa

Capital ratios of the Group over the last three years were as follows:

Table no 2 - Capital ratios of Bank Millennium S.A. Group (in PLNm, in per cent)

	2025-12-31	2024-12-31	2023-12-31
Risk-weighted assets	54 878,7	45 116,20	41 354,50
Own Funds requirements, including:	4 390,6	3 609,30	3 308,40
- Credit risk and counterparty credit risk	3 373,2	3 086,60	2 841,20
- Market risk	23,2	19,8	15,4
- Operational risk	979,4	500,4	446,4
- Credit Valuation Adjustment CVA	14,5	2,5	5,4
Own Funds, including:	8 290,10	7 776,40	7 470,60
Common Equity Tier 1 Capital	7 508,0	6 688,40	6 089,70
Tier 2 Capital	782,2	1 087,90	1 380,90
Total Capital Ratio (TCR)	**15,11%**	**17,24%**	**18,06%**
Tier 1 Capital ratio (T1)	**13,68%**	**14,82%**	**14,73%**
Common Equity Tier 1 Capital ratio (CET1)	**13,68%**	**14,82%**	**14,73%**
MREL ratio	**24,53%**	**28,71%**	**23,77%**
Leverage ratio	**4,64%**	**4,64%**	**4,66%**

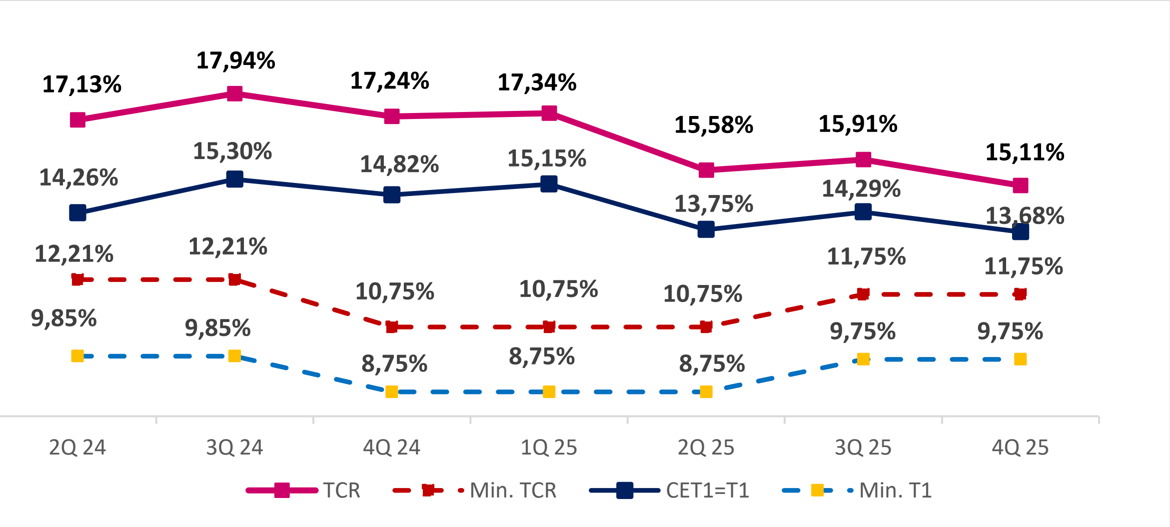
Capital adequacy showed as surpluses/deficits on required or recommended levels is presented in the below table.

Table no 2a Capital adequacy of Bank Millennium S.A. Group (in per cent, in percentage points)

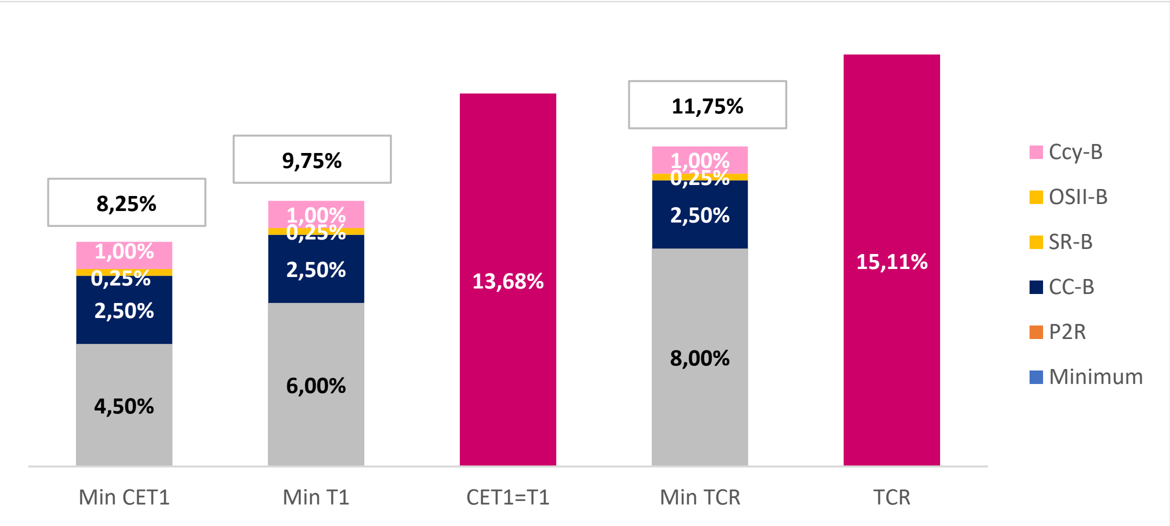
Capital adequacy	2025-12-31	2024-12-31	2023-12-31
Total Capital Ratio (TCR)	**15,11%**	**17,24%**	**18,06%**
Minimum required level (OCR)	11,75%	12,21%	12,21%
Surplus(+) / Deficit(-) of TCR capital adequacy (p.p.)	3,36	5,03	5,85
Minimum reccomended level TCR (OCR+P2G)	11,78%	12,21%	13,81%
Surplus(+) / Deficit(-) on recommended level (p.p.)	3,33	5,03	4,25
Tier 1 Capital ratio (T1)	**13,68%**	**14,82%**	**14,73%**
Minimum required level (OCR)	9,75%	9,85%	9,85%
Surplus(+) / Deficit(-) of T1 capital adequacy (p.p.)	3,93	4,97	4,88
Minimum reccomended level T1 (OCR+P2G)	9,78%	9,85%	11,45%
Surplus(+) / Deficit(-) on recommended level (p.p.)	3,9	4,97	3,28
Common Equity Tier 1 Capital ratio (CET1)	**13,68%**	**14,82%**	**14,73%**
Minimum required level (OCR)	8,25%	8,07%	8,07%
Surplus(+) / Deficit(-) of CET1 capital adequacy (p.p.)	5,43	8,07%	9,67%
Minimum reccomended level CET1 (OCR+P2G)	8,28%	6,75	5,06
Surplus(+) / Deficit(-) on recommended level (p.p.)	5,4	6,75	5,06
Leverage ratio	**4,68%**	**4,77%**	**4,74%**
Minimum required level	3,00%	3,00%	3,00%
Surplus(+) / Deficit(-) of Leverage ratio (p.p.)	1,68	1,77	1,74

Evaluation of capital adequacy of the Group

The Group's long-term capital ratios exceed the minimum levels set by the Polish Financial Supervision Authority. The chart below shows the capital ratios and minimum levels from Q2 2024.



The chart below presents the structure of the minimum levels set the KNF compared to the level of the T1 and TCR indicators as at 31 December 2025.



At the end of 2025, compared to the end of 2024, capital adequacy measured by the Common Equity Tier 1 ratio and the total capital ratio decreased by 114 bps and 213 bps, respectively. Risk-weighted assets (RWA) increased by PLN 9,762 million (21.6%) in 2025. The largest annual change was in RWA for operational risk - an increase of PLN 5,988 million (95.7%), due to the revised methodology introduced in CRR 3. Bank also calculated the capital requirements for operational risk assuming the implementation of the rules set up in the *Draft regulatory technical standards (RTS) and implementing technical standards (ITS) on the Business Indicator (BI) for operational risk under the Capital Requirements Regulation (CRR) 3*. The implementation of those rules would represent a decrease of the capital ratios respectively: Bank Millennium individual level TCR - 27 bps., T1 and CET1 ratio - 25 bps. and on consolidated bases TCR - 16 bps. and T1 and CET 1 ratios - 14 bps. Changes in RWA for credit risk, market risk, and CVA (due to fair value adjustments for credit risk) were smaller - a total increase of PLN 3,774 million. Own funds increased by PLN 514 million (6.6%) in 2025, with core capital increasing by PLN 820 million and Tier 2 capital decreasing by PLN 306 million (due to the regular amortization of current subordinated bond issues).

In March 2026, the Bank received approval from the Polish Financial Supervision Authority (KNF) to include equity bonds (so-called AT1 Eurobonds) in its own funds as additional instruments in Tier 1 capital. This event will have a positive impact on capital adequacy starting from the end of March 2026. The estimated impact on the Tier 1 ratio was +2.90 percentage points on a standalone basis and +2.70 percentage points on a consolidated basis (estimated impact as of December 31, 2025).

The leverage ratio remains at a safe level of 4.64%, significantly exceeding the regulatory minimum of 3%.

Bank

Capital ratios of the Bank over the last three years were as follows:

Table no 3 - Capital ratios of Bank Millennium S.A. (in PLNm, in per cent)

	2025-12-31	2024-12-31	2023-12-31
Risk-weighted assets	49 783,1	40 928,30	37 960,40
Own Funds requirements, including:	3 982,6	3 274,20	3 036,80
- Credit risk and counterparty credit risk	2 977,4	2 773,80	2 589,00
- Market risk	23,2	19,8	15,4
- Operational risk	966,6	478	427
- Credit Valuation Adjustment CVA	15,4	2,6	5,4
Own Funds, including:	7 983,8	7 352,50	7 228,30
Common Equity Tier 1 Capital	7 201,6	6 264,60	5 847,40
Tier 2 Capital	782,2	1 087,90	1 380,90
Total Capital Ratio (TCR)	**16,04%**	**17,96%**	**19,04%**
Tier 1 Capital ratio (T1)	**14,47%**	**15,31%**	**15,40%**
Common Equity Tier 1 Capital ratio (CET1)	**14,47%**	**15,31%**	**15,40%**
Leverage ratio	**4,81%**	**4,68%**	**4,77%**

Capital adequacy showed as surpluses/deficits on required or recommended levels is presented in the below table.

Table no 3a Capital adequacy of Bank Millennium S.A. (in percent, in percentage point)

Capital adequacy	2025-12-31	2024-12-31	2023-12-31
Total Capital Ratio (TCR)	**16,04%**	**17,96%**	**19,04%**
Minimum required level (OCR)	11,75%	12,22%	12,22%
Surplus(+) / Deficit(-) of TCR capital adequacy (p.p.)	4,29	5,74	6,82
Minimum reccomended level TCR (OCR+P2G)	11,88%	12,22%	13,81%
Surplus(+) / Deficit(-) on recommended level (p.p.)	4,16	5,74	5,23
Tier 1 Capital ratio (T1)	**14,47%**	**15,31%**	**15,40%**
Minimum required level (OCR)	9,75%	9,85%	9,85%
Surplus(+) / Deficit(-) of T1 capital adequacy (p.p.)	4,72	5,46	5,55
Minimum reccomended level T1 (OCR+P2G)	9,88%	9,85%	11,44%
Surplus(+) / Deficit(-) on recommended level (p.p.)	4,59	5,46	3,96
Common Equity Tier 1 Capital ratio (CET1)	**14,47%**	**15,31%**	**15,40%**
Minimum required level (OCR)	8,25%	8,07%	8,07%
Minimum reccomended level CET1 (OCR+P2G)	8,38%	8,07%	9,66%
Surplus(+) / Deficit(-) on recommended level (p.p.)	6,09	7,24	5,74
Leverage ratio	**4,81%**	**4,68%**	**4,77%**
Minimum required level	3,00%	3,00%	3,00%
Surplus(+) / Deficit(-) of Leverage ratio (p.p.)	1,81	1,68	1,77

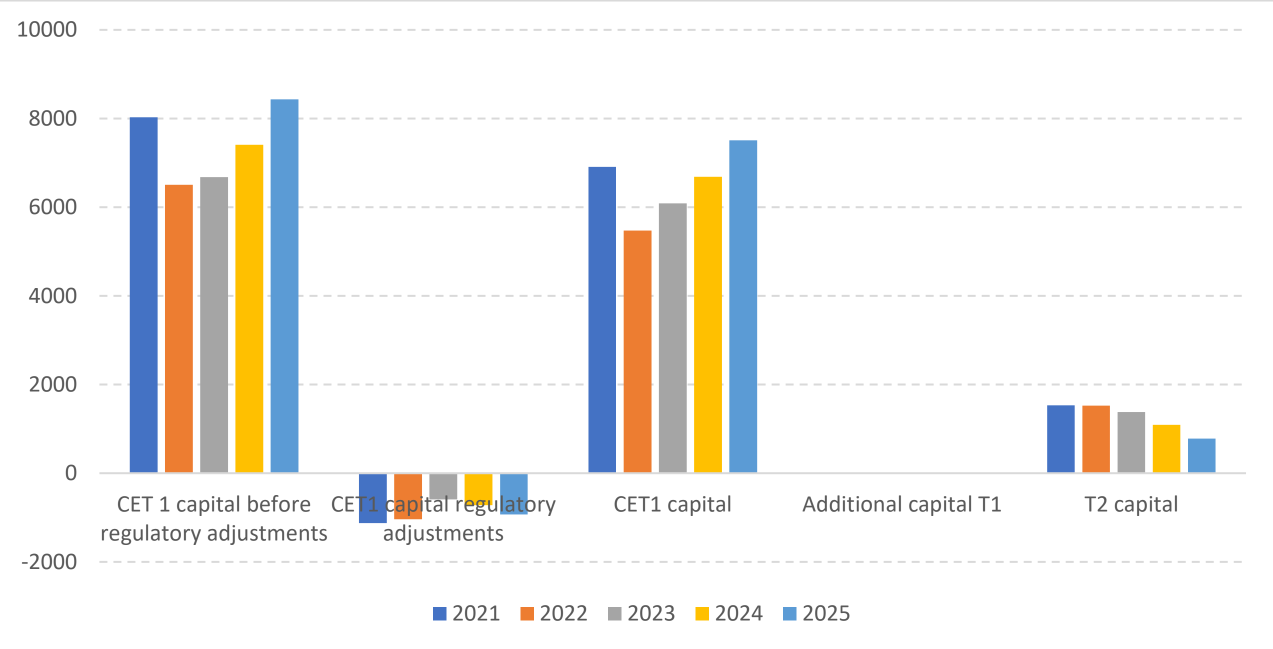
At the end of 2025, capital adequacy measured by the Common Equity Tier 1 ratio and the total capital ratio decreased slightly year-on-year, by 84 bps and 192 bps, respectively.

Risk-weighted assets (RWA) increased by PLN 8,855 million (21.6%) in 2025. The largest annual change was in RWA for operational risk - an increase of PLN 489 million (102.2%), resulting from a change in the calculation methodology. RWA for credit risk increased by PLN 204 million (7.3%).

Own funds increased by PLN 631 million (8.6%) in 2025, primarily due to the inclusion of net profit for H2 2024 and H1 2025. The leverage ratio is at a safe level of 4.81%, significantly exceeding the regulatory minimum of 3%.

3. Own funds

The Bank and the Group base their growth on organic sources of capital, primarily retained earnings. The chart below (data in PLN million) presents the main components of regulatory own funds over the last three years. The increase in CET1 capital from 2022 onwards is primarily due to earnings retention. Until the end of 2025, no additional Tier 1 capital was issued, therefore CET1 capital was equal to Tier 1 capital. This situation changed in 2026, as the Bank issued additional Tier 1 instruments (AT1 Eurobonds) for the first time in the first quarter, amounting to PLN 1,500 million. The gradual decline in Tier 2 capital is due to regulatory depreciation.



The table below presents the structure of the Group's regulatory own funds as at 31 December 2025.

Table no 4 EU CC1 - Composition of regulatory own funds (in PLNth, in per cent)		
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	2 360 619
	of which: Instrument type 1	2 360 619
	of which: Instrument type 2	
	of which: Instrument type 3	
2	Retained earnings	-89 493
3	Accumulated other comprehensive income (and other reserves)	5 423 818
EU-3a	Funds for general banking risk	228 902
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	
5	Minority interests (amount allowed in consolidated CET1)	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	510 746

6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**8 434 592**
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-43 980
8	Intangible assets (net of related tax liability) (negative amount)	-574 294
9	Empty set in the EU	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	1 881
12	Negative amounts resulting from the calculation of expected loss amounts	-170 261
13	Any increase in equity that results from securitised assets (negative amount)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	
15	Defined-benefit pension fund assets (negative amount)	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-69 413
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
20	Empty set in the EU	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-21 509
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	
EU-20c	of which: securitisation positions (negative amount)	-21 509
EU-20d	of which: free deliveries (negative amount)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0
22	Amount exceeding the 17,65% threshold (negative amount)	

23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	
24	Empty set in the EU	
25	of which: deferred tax assets arising from temporary differences	
EU-25a	Losses for the current financial year (negative amount)	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	
26	Empty set in the EU	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	-49 060
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-926 635**
29	**Common Equity Tier 1 (CET1) capital**	**7 507 956**
Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	
35	of which: instruments issued by subsidiaries subject to phase out	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	
Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	

39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	
41	Empty set in the EU	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	
42a	Other regulatory adjustments to AT1 capital	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	
44	**Additional Tier 1 (AT1) capital**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**7 507 956**
Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	782 184
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Credit risk adjustments	
51	**Tier 2 (T2) capital before regulatory adjustments**	**782 184**
Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	
53	Direct, indirect and synthetic goldings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	

54a	Empty set in the EU	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	
56	Empty set in the EU	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	
EU-56b	Other regulatory adjustments to T2 capital	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**0**
58	**Tier 2 (T2) capital**	**782 184**
59	**Total capital (TC = T1 + T2)**	**8 290 141**
60	**Total Risk exposure amount**	**54 878 709**
Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	**13,68%**
62	Tier 1 (as a percentage of total risk exposure amount)	**13,68%**
63	Total capital (as a percentage of total risk exposure amount)	**15,11%**
64	Institution CET1 overall capital requirement	8,25%
65	of which: capital conservation buffer requirement	2,50%
66	of which: countercyclical buffer requirement	1,00%
67	of which: systemic risk buffer requirement	0,00%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0,25%
EU-67b	of which: additional own funds requirements to cover risks other than the risk of excessive leverage	0,00%
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	0,00%
National minima (if different from Basel III)		
69	NA	
70	NA	
71	NA	
Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	255 614
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	
74	Empty set in the EU	

75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	548 660
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

Accounting consolidation scope and regulatory consolidation scope are the same.

Table no 5 EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (in PLN th)

		Balance sheet as in published financial statements and under regulatory scope of consodildation
		As at period end
	Assets	
1	Cash, cash balances at central banks	4 360 464
2	Financial assets held for trading	**1 019 418**
	Derivatives	155 309
	Equity instruments	252
	Debt securities, of which:	824 911
	Debt instruments serving as collateral for repurchase transactions	0
	Repurchase agreements	38 946
3	Non-trading financial assets mandatorily at fair value through profit or loss, other than Loans and advances to customers	**176 307**
	Equity instruments	155 652
	Debt securities	20 655
4	Financial assets at fair value through other comprehensive income	**42 512 088**
	Equity instruments	40 942
	Debt securities	42 471 146
5	Loans and advances to customers	**76 415 921**
	Mandatorily at fair value through profit or loss	745
	Valued at amortised cost	76 415 176
6	Financial assets at amortised cost other than Loans and advances to customers	**27 316 092**
	Debt securities	26 905 373
	Deposits, loans and advances to banks and other monetary institutions	350 741
	Repurchase agreements	59 978
7	Derivatives - Hedge accounting	0
8	Investments in subsidiaries, joint ventures and associates	38 657
9	Tangible assets	557 034
10	Intangible assets	609 981

11	Tax assets	**568 559**
	Current tax assets	19 093
	Deferred tax assets	549 466
12	Other assets	2 082 093
13	Non-current assets and disposal groups classified as held for sale	16 717
	Total assets	**155 673 331**
	LIABILITIES	
1	Financial liabilities held for trading	**246 359**
	Derivatives	208 571
	Liabilities from short sale of securities	37 788
2	Financial liabilities measured at amortised cost	**140 109 103**
	Liablities to banks and other monetary institutions	103 113
	Liabilities to customers	130 807 491
	Repurchase agreements	0
	Debt securities issued	7 640 812
	Subordinated debt	1 557 687
	Derivatives – Hedge accounting	24 735
3	Provisions	**3 746 520**
	Pending legal issues	3 566 628
	Commitments and guarantees given	105 358
	Retirement benefits	74 534
4	Tax liabilities	**17 549**
	Current tax liabilities	16 525
	Deferred tax liabilities	1 024
5	Other liabilities	2 403 451
	Total Liabilities	**146 547 717**
	EQUITY	
1	Capital	1 213 117
2	Own shares	-21
3	Share premium	1 147 502
4	Accumulated other comprehensive income	181 700

5	Retained earnings	6 583 316
6	Net earnings for current period	1 201 789
7	Other	5 381 527
	Total equity	**9 125 614**
	Total equity and total liabilities	**155 673 331**

4. Own funds requirements

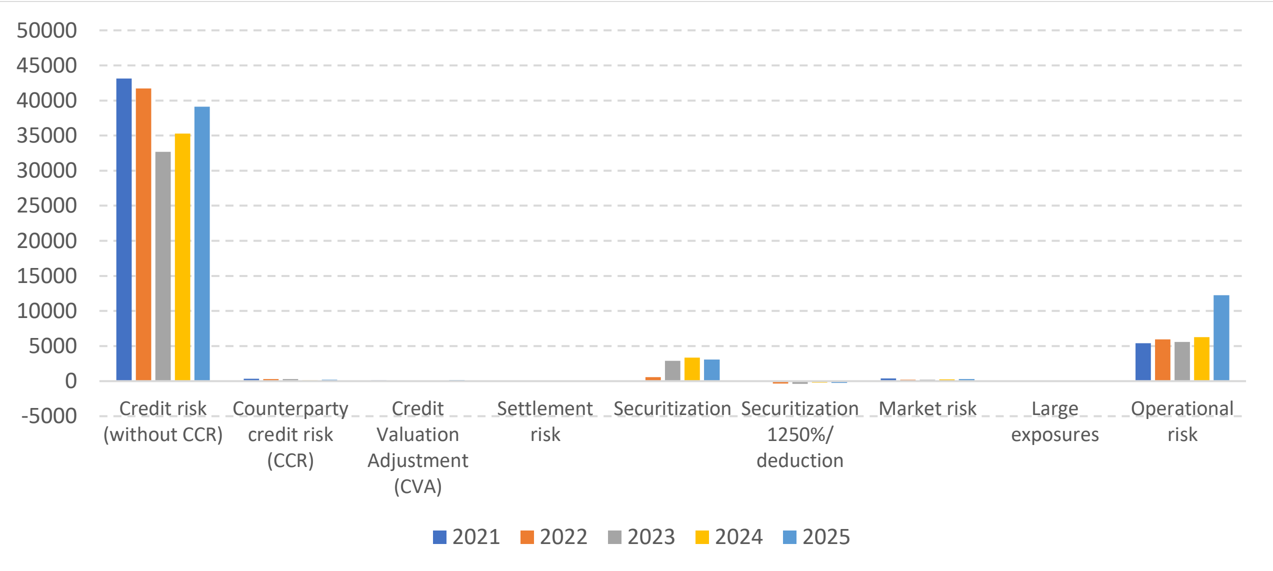
4.1. Own funds requirements and risk exposure amounts – composition and changes

Group and Bank calculate total risk exposure amount and maintain own funds requirements in accordance with CRR article 92.

As at the 31st December, 2025, total risk exposure amount was calculated as the sum of the following items:

- Risk weighted exposure amounts for credit risk and dilution risk according to internal rating based method for retail exposures for individual customers secured on residential real estates (RRE) and revolving retail exposures (QRRE) and these calculated according the standard method as for other portfolios (exposures of the former Eurobank. including the RRE and QRRE portfolios. are covered by the Standardized Approach to the calculation of own funds requirements and are subject to the IRB roll-out plan).
- Own funds requirements to settlement/delivery risk and free deliveries.
- Own funds requirements to trading book business for position risk and large exposures exceeding the limits specified in articles 395-401 CRR.
- Own funds requirements to market risk as for foreign-exchange risk. settlement risk and commodities risk.
- Own funds requirements to credit valuation adjustment risk.
- Own funds requirements to operational risk.
- Own funds requirements to counterparty credit risk.

Risk exposure (risk-weighted assets, RWA) for the 2021-2025 period is presented in the chart below (data in PLN million). The decrease in credit risk RWA in 2022 and 2023 is due to securitization transactions. The significant increase in operational risk RWA in 2025 was solely due to the change in calculation methodology resulting from the implementation of CRR 3.



Amounts of risk exposures and capital requirements, disclosed according to CRR art. 438.d are showed in the below table.

Table no 6 - EU OV1 - Overview of risk-weighted assets (in PLNm, in per cent)

		Total risk exposure amounts (TREA)		Total own funds requirements
		2025-12-31	2025-09-30	2025-12-31
1	Credit risk (excluding CCR)	38 723	35 974	3 098
2	Of which the standardised approach	30 505	27 044	2 440
3	Of which the Foundation IRB (F-IRB) approach	0	0	0
4	Of which slotting approach	0	0	0
EU-4a	Of which equities under the simple riskweighted approach	0	0	0
5	Of which the Advanced IRB (A-IRB) approach	8 218	8 505	657
6	Counterparty credit risk - CCR	216	138	17
7	Of which the standardised approach	145	125	12
8	Of which internal model method (IMM)	0	0	0
EU-8a	Of which exposures to a CCP	14	10	1
9	Of which other CCR	57	3	5
10	Credit valuation adjustment - CVA	181	234	14
EU-10a	Of which the standardised approach (SA)	0	0	0
EU-10b	Of which the basic approach (F-BA and R-BA)	181	234	14
EU-10c	Of which the simplified approach	0	0	0
15	Settlement risk	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	2 815	4 614	225
17	Of which SEC-IRBA approach	0	0	0
18	Of which SEC-ERBA (including IAA)	0	0	0
19	Of which SEC-SA approach	2 815	4 614	225
EU-19a	Of which 1250% / deduction	269	336	22
20	Position, foreign exchange and commodities risks (Market risk)	290	471	23
21	Of which the Alternative standardised approach (A-SA)	0	0	0
EU 21a	Of which the Simplified standardised approach (S-SA)	290	471	23
22	Of which the Alternative Internal Models Approach (A-IMA)	0	0	0
EU-22a	Large exposures	0	0	0
23	Reclassifications between trading and non-trading books	0	0	0
24	Operational risk	12 243	12 243	979
EU-24a	Exposures to crypto-assets	0	0	0
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	1 372	1 357	110
26	Output floor applied (%)	50,0000%	50,0000%	

27	Floor adjustment (before application of transitional cap)	0	0	0
28	Floor adjustment (after application of transitional cap)	0	0	0
29	**Total**	**54 468**	**53 338**	**4 357**

In the one year period period from the end of 2024 to the end of 2025, total risk-weighted assets increased by 21.6% (PLN 9,763 million). The largest increase was observed in operational risk RWA, due to the changed calculation methodology (PLN 5,988 million). Among loans, a significant increase was recorded in RWA for corporate loans (PLN 3,093 million). RWA related to cash loans and other retail loans increased by PLN 1,187 million and PLN 1,065 million, respectively. RWA related to residential mortgage loans decreased by PLN 1,034 million. Changes in other items did not significantly impact total RWA. An analysis of changes in RWA is presented in the table below.

Table no 7 - Analysis of risk-weighted assets (in PLNm, in per cent)

Risk weighted assets (RWA)	31.12.2023	31.12.2024	Change 2024/2023 (PLNm)	Change 2024/2023 (in percent)
Total RWA, including:	**45 116**	**54 879**	**9 763**	**21,6%**
Residential real estate loans	10 282	8 978	-1 304	-12,7%
Cash loans	8 284	9 471	1 187	14,3%
Other retail loans	3 144	4 209	1 065	33,9%
Corporates (incl. leasing and factoring)	9 448	12 541	3 093	32,7%
Total loans	31 158	35 199	4 041	13,0%
Institutions, sovereigns, trading book	2 454	2 184	-270	-11,0%
Other items in credit risk	1 817	1 967	150	8,3%
Securitisation transactions	3 153	2 815	-338	-10,7%
Total credit and counterparty credit risk	38 582	42 165	3 583	9,3%
Market risk	248	290	42	16,9%
CVA (credit valuation adjustment)	31	181	150	483,9%
Operational risk	6 255	12 243	5 988	95,7%

The following table presents a summary of modelled and standard risk-weighted exposure amounts at the risk type level.

Table no 8 - EU CMS1 - EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts at risk level (in PLNm)

	a	b	c	d	EU d
	Risk weighted exposure amounts (RWEAs)				
	RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor

1	Credit risk (excluding counterparty credit risk)	8 218	30 505	38 723	44 718	44 718
2	Counterparty credit risk	0	216	216	216	216
3	Credit valuation adjustment		181	181	181	181
4	Securitisation exposures in the banking book	0	2 815	2 815	2 815	2 815
5	Market risk	0	290	290	290	290
6	Operational risk		12 243	12 243	12 243	12 243
7	Other risk weighted exposure amounts		411	411	411	0
8	**Total**	**8 218**	**46 660**	**54 879**	**60 874**	**60 463**

The table below presents modelled and standard risk-weighted exposure amounts.

Table no 9 - EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level (in PLNm)

		a	b	c	d	EU d
		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Central governments and central banks			1 438	1 438	1 438
EU 1a	Regional governments or local authorities			36	36	36
EU 1b	Public sector entities			123	123	123
EU 1c	Categorised as Multilateral Development Banks in SA			0	0	0
EU 1d	Categorised as International organisations in SA			0	0	0
2	Institutions			420	420	420
3	Equity			256	256	256
5	Corporates			9 894	9 894	9 894
5.1	Of which: F-IRB is applied			0	0	0
5.2	Of which: A-IRB is applied			0	0	0
EU 5a	Of which: Corporates - General			0	0	0
EU 5b	Of which: Corporates - Specialised lending			809	809	809
EU 5c	Of which: Corporates - Purchased receivables			0	0	0
6	Retail	8 629	14 213	8 629	13 702	13 702
6.1	Of which: Retail - Qualifying revolving	1 751	2 776	1 668	1 668	1 668
EU 6.1a	Of which: Retail - Purchased receivables			0	0	0
EU 6.1b	Of which: Retail - Other			0		0

6.2	Of which: Retail - Secured by residential real estate	6 878	11 437	6 550	6 550	6 550
EU 7a	Of which: Retail - Categorised as secured by mortgages on immovable properties and ADC exposures in SA			11 437	11 437	11 437
EU 7b	Collective investment undertakings (CIU)			0	0	0
EU 7c	Categorised as exposures in default in SA			1 134	1 134	1 134
EU 7d	Categorised as subordinated debt exposures in SA			0	0	0
EU 7e	Categorised as covered bonds in SA			0	0	0
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA			0	0	0
8	Others			2 000	2 000	2 000
9	**Total**	**8 505**	**14 213**	**35 549**	**40 440**	**40 440**

Additional information

Due to the fact that the Bank does not hold own funds instruments of an insurance company, reinsurance company, or insurance holding company, the EU INS1 table is not presented.

Due to the fact that the Bank is not a financial conglomerate, the EU INS2 table is not presented.

4.2. Capital requirements for credit risk – standardised method

The Group calculates and maintains own funds requirements for credit risk calculated under standardised method for the pollowing portfolios: Central governments or central banks, Regional governments or local authorities, Public sector entities, Multilateral development banks, International organizations, Institutions, Corporates, Retail with exception for exposures secured by mortgages on residential real estate and revolving retail exposures, Items associated with particularly high risk, Covered bonds, Collective investments undertakings, Equity exposures, Other exposures.

Table no 8 EU CR4 - Standardised approach - Credit risk exposure and CRM effects (in PLNm, in per cent)

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
1	Central governments or central banks	70 277	0	74 595	95	1 438	1,93%
2	Non-central government public sector entities	0	0	0	0	0	38,22%
2a	Regional government or local authorities	56	286	56	114	36	21,24%
2b	Public sector entities	174	176	173	72	123	50,00%
3	Multilateral development banks	845	0	1 127	74	0	0,00%
3a	International organisations	1 596	0	1 596	0	0	0,00%
4	Institutions	2 744	0	1 705	7	420	24,54%
5	Covered bonds	0	0	0	0	0	0,00%
6	Corporates	8 868	8 084	8 020	2 139	9 894	97,39%

6.1	Of which: Specialised Lending	533	389	533	193	809	111,36%
7	Subordinated debt exposures and equity	0	0	0	0	0	100,01%
7a	Subordinated debt exposures	0	0	0	0	0	0,00%
7b	Equity	256	0	256	0	256	100,01%
8	Retail	16 815	1 893	14 647	632	10 926	71,51%
9	Secured by mortgages on immovable property and ADC exposures	9 862	1 345	9 466	444	4 278	43,17%
9.1	Secured by mortgages on residential immovable property - non IPRE	6 923	58	6 826	18	1 924	28,11%
9.2	Secured by mortgages on residential immovable property - IPRE	0	0	0	0	0	0,00%
9.3	Secured by mortgages on commercial immovable property - non IPRE	4	0	4	0	4	100,00%
9.4	Secured by mortgages on commercial immovable property - IPRE	1 019	11	1 007	5	854	84,38%
9.5	Acquisition, Development and Construction (ADC)	137	92	137	38	163	92,88%
10	Exposures in default	1 088	20	902	16	1 134	123,41%

10a	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0,00%
10b	Collective investment undertakings	0	0	0	0	0	0,00%
10c	Other items	4 081	0	4 081	0	2 000	49,01%
12	**TOTAL**	**116 661**	**11 803**	**116 625**	**3 594**	**30 505**	**25,37%**

4.3. Capital requirements for credit risk - IRB method

Bank and Group calculate own funds requirements to credit risk with internal rating based approach (IRB) for retail exposures to individual customers secured on residential mortgages (RRE portfolio) and for retail revolving exposures (QRRE). Exposures of the former Eurobank, including the RRE and QRRE portfolios, are covered by the Standardized Approach to the calculation of own funds requirements and are subject to the IRB roll-out plan. As for other loan portfolios, IRB roll-out plan proceeds according to arrangements made with Competent Authorities. The exceptions are portfolios of exposures to central banks and governments, institutions, leasing and capital exposures, which are included in the permanent exclusions from the IRB approach implementation.

As at 31 December, 2025, average risk weights under IRB method are as follows:

Table no 11 - Average risk weights for IRB portfolios (in percent)

Portfolio	Average risk weight
RRE	24,6%
RRE FX	48,5%
RRE PLN	24,1%
QRRE	38,7%

Information in that chapter are disclosed in line with requirements of the Table EU CRE – qualitative disclosure requirements related to IRB approach.

Table no 12 - EU CRE - Qualitative disclosure requirements related to IRB approach

Legal basis	Row number	Information
Article 452 (a) CRR	a)	The competent authority's permission of the approach or approved transition Description in the point 4.3.1
Article 452 (c) CRR	b)	The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on: (i) the relationship between the risk management function and the internal audit function; (ii) the rating system review; (iii) procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models; (iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models Description in the point 4.3.3
Article 452 (d) CRR	c)	The role of the functions involved in the development, approval and subsequent changes of the credit risk models; Description in the point 4.3.3

Article 452 (e) CRR	d)	The scope and main content of the reporting related to credit risk models; Description in the point 4.3.3
Article 452 (f) CRR	e)	A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering: (i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods; (ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure; (iii) where applicable, the definitions, methods and data for estimation and validation of credit conversion factors, including assumptions employed in the derivation of those variables. Description in the point 4.3.2

4.3.1. Approval to use the IRB Approach

As at 31 December 2025, the Banco Comercial Portugues Group (the parent owner of Bank Millennium SA) has obtained the described below approvals of the Competent Authorities pertaining to the use of the IRB Approach by the Group and Bank Millennium SA (“IRB Decisions”). First two IRB decisions were issued by Banco de Portugal (the consolidating regulator of the Banco Comercial Portugues Group) in cooperation with the Polish Financial Supervision Commission (KNF - local regulator), and the last one decisions (issued in July 2017) was issued by European Central Bank (EBC) with cooperation of KNF.

The approval issued at the end of 2012 to use the Advanced IRB Approach for two credit portfolios of: retail exposures to individual clients secured by residential property (RRE) and qualifying revolving retail exposures (QRRE). The first IRB decision contained a “regulatory floor” according to which the minimum own funds requirements for the portfolios covered by the decisions had to be temporarily maintained at no less than 80% of the relevant capital requirements calculated using the Standardized Approach. The regulatory floor applied until the Component Authority determined that the conditions set forth by this decision have been fulfilled.

The approval issued at the end of 2014 entails:

1) reduction of the “regulatory floor” for RRE and QRRE portfolios from 80% to 70% of the relevant capital requirements calculated using the Standardized Approach. The regulatory floor shall be applied portfolio by portfolio, and should be adjusted up or downwards in case of any difference between expected losses and provisions so that the impact in the solvency ratios is exactly the same of considering only 70% of the capital requirements calculated under the standard method.

2) commencement of use of the IRB Approach for the other retail exposures class is conditional upon meeting certain conditions by 30 June, 2015.

3) commencement of use of the IRB Approach for corporates (including specialized lending) is conditional upon meeting certain conditions, while the new application to use the IRB Approach should not be submitted before 31 December, 2016.

4) the permission to make changes to models applicable to RRE and QRRE portfolios is conditional upon meeting certain conditions, while the new application to use the IRB Approach to these portfolios should be submitted until 30 June, 2015.

In July 2017 Bank received the joint supervisory decision in the area of IRB method, issued by ECB in collaboration with KNF. The decision regards:

1) revoking the duty of the Bank to maintain the regulatory floor in view of generally positive assessment of the Bank's compliance with conditions of the Decision of 2014,

2) Application of multiplier of 1,3 to estimation of LGD models for RRE and QRRE portfolios until ECB and KNF recognise the internal estimations of LGD models to be representative for currently prevailing conditions,

3) Issue additional recommendations in scope of improvement of IRB models for RRE and QRRE.

From 2018, Bank Millennium S.A. Group successively implements the multi-stage process of implementing changes to the IRB method, related to the requirements for the new definition of default. In the first phase, in line with the "two-step approach" approved by the Supervision, the Group in 2020 successfully implemented solutions for the new definition of default on the production environment. Then, in 2021, a recalibration and reconstruction of all credit risk models included in the rating system subject to the current supervisory approval was performed, taking into account the new definition of default. In the fourth quarter of 2021, the Group submitted requests to Competent Authorities under the procedure set out in Commission Delegated Regulation (EU) No 529/2014. Until the supervisory processes in this respect are completed, the Group is obliged to include an additional conservative charge on estimating the RWA for exposures classified under the IRB method[1]. The level of this mark-up, calculated on the basis of the supervisory algorithm, was set at 5% above the value resulting from the IRB method.

In April 2021, the Bank received a joint supervisory decision regarding the IRB approach, issued by the ECB in cooperation with KNF. This decision concerns:

1) lifting the Bank's obligation to maintain the multiplier of 1,3 imposed on LGD parameters due to a positive assessment of the implementation of the conditions of the 2017 decision,

2) issuing additional recommendations on improving the models used for RRE portfolios and QRRE,

3) using a multiplier of 1.2 to estimate the LGD parameter for the nondefault RRE and QRRE portfolio and the floor for in-default parmetres equal to 1,1 * EL BE (LGD in-default> = 1,1 * EL BE), until recognition by the Competent Authorities that certain recommendations issued in the decision have been met.

In 2021, all credit risk models included in the rating system covered by the current supervisory approval were also calibrated and rebuilt.

[1] ECB-SSM-2020-PTBCP-2 letter dated 15.01.2020

In 2024, these models were recalibrated in connection with the modification of the default definition, and an application for approval for their use was submitted to the Supervisory Authority.

In 2025, work was carried out on credit risk models for the remaining credit portfolios covered by the IRB approach implementation plan: other retail exposures and exposures to corporates. In the same year, as part of the Bank's application regarding the IRB method, KNF completed the inspection, and the Bank is waiting for the supervisory authorities to issue a decision.

4.3.2. Internal rating systems

The Group defines a rating system as all of 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, if applicable, and the rules for overriding rating grades. Elements of the rating system include PD, LGD, CCF-EAD models (hereinafter: models) and methodologies for evaluating specialized lending.

Evaluation of the client's credit risk in respect to its probability of default (PD) is based on a uniform rating scale, referred to as the Master Scale.

The Master Scale (MS) consists of 15 rating grades, where the given ratings are as follows:

1) Maximum security – only for sovereigns
2) Superior quality
3) Very high quality
4) High quality
5) Very good quality
6) Good quality
7) Average high quality
8) Average quality
9) Average low quality
10) Low quality
11) Very low quality
12) Restricted crediting
13) Soft signs of impairment
14) Strong signs of impairment
15) Default.

Ratings 13 – 15 are procedural ones, reserved to exposures with deteriorated quality.

All the clients with available lending, whether or not they actually use the approved credit limits and all other participants of credit transactions should have a previously awarded rating and should be assigned to an appropriate pool.

An adequate credit or rating policy should specify the model to be used for rating purposes or a homogenous pool for a given client segment.

Each PD model used must be calibrated to MS based on the observed or estimated probability of default.

The rating for governments, central banks, international organizations, multilateral development banks and Institutions may be assigned based on a rating awarded by recognized rating agencies, mapped to the Master Scale. Should the above-mentioned entities have more than one classification awarded by recognized rating agencies (split rating) the rating corresponding to the second best risk shall be taken into account at all times.

In case of retail customers, rating awarded through a behavioral model (behavioral rating) by default takes precedence over a rating awarded through an application model (application rating) if behavioral rating only is awarded

In case of corporate customers, awarded rating comes from 3 components: a quantitative module based on an analysis of data from financial statements, a module of qualitative evaluation of customers based on non-financial information and a behavioral module assessing existing nature of co-operation between customer and Millennium Bank Group (including Bank Millennium). The rating should be assigned at the same time to all members of the economic group, that is to say, the group of connected clients.

Procedural ratings (13, 14 and 15 according to the Master Scale) are awarded to clients showing signs of deteriorating borrowing capacity and creditworthiness or with overdue debt.

Procedural ratings by default take precedence over application ratings.

After premises necessary to award any of the procedural ratings 13 or 14 are no longer satisfied, these ratings 13 and 14 expire immediately. Rating 15 expires when there are no indications of default and the quarantine period is over. During the quarantine period, the client should demonstrate appropriate behavior or financial situation.

Description of the internal ratings process

1. Central governments and central banks
   This exposure class is excluded permanently from the IRB approach,
2. Institutions
   This exposure class is excluded permanently from the IRB approach,
3. Corporates. including SMEs. specialized lending and purchased corporate receivables
   Exposure classes subject to the IRB roll-out plan,
4. Retail exposures
5. Equity exposures

In equity exposures, the Millennium Group classifies shares and equity instruments held by any of the Bank's units. On the consolidated basis, however, the shares representing investments in subsidiaries are excluded, since those are classified as intragroup transactions. However, due to the fact that the total value of the Group's equity portfolio is insignificant, it has been decided that these exposures should be excluded from the IRB approach permanently and the capital requirement for these exposures should be calculated based on the standardized approach.

4.3.2.1 PD models

The rating process in Bank Millennium is based on the following principles:

i. Awarding risk grades to all customers and credit exposures;
ii. All credit decisions should be preceded by awarding a risk grade to the client;
iii. In the retail segment, the rating process is based on PD scoring/rating models;
iv. The rating process is separated and independent from the credit decision process.

The presented rating principles apply to all categories of retail exposures: retail exposures to individuals secured by residential real estate, qualifying revolving retail exposures and other retail exposures.

The class of retail exposures to individuals secured by residential real estate include exposures which are mortgage loans or home equity loans granted to retail clients (small businesses and private individuals) and secured by mortgage.

The class of qualifying revolving retail exposures (QRRE) includes exposures to natural persons which are unsecured, renewable, with total exposure not exceeding EUR 100.000 and which meet the requirement of low volatility of loss rates.

All the retail exposures that do not qualify to the above categories are treated as other retail exposures.

In the rating process. the competences are allocated as follows:

a) Data input;
b) Verification of data;
c) Awarding of the final risk grade (automated decision).

Model-based risk grades and procedural ratings are awarded automatically and are not subject to expert adjustments.

In the rating process. the Bank uses data from various available sources:

- internal sources (Bank's IT systems);
- external sources (Credit Information Bureau - BIK);
- data received from customers.

With respect to probability of default (PD) models for retail exposures, there is a rating system in place for microbusinesses and a rating system for private individuals. Both systems use behavioral scoring models and application scoring models designed for specific client and/or product groups. Procedural ratings are awarded to clients showing signs of deteriorating borrowing capacity and creditworthiness or with past due debt.

A procedural rating has the priority in use. If the client has no procedural rating then the behavioral rating should be used, provided that it has been awarded.

Behavioral rating is awarded for the first time after three months of the client's cooperation with the Bank and then monthly, provided that the client's accounts meet the requirements of the behavioral model.

If the client has no behavioral or procedural rating then the application rating should be used.

Additional information on PD models:

Bank uses the following models for the portfolios:

Portfolio	PD models
Residential retail secured exposures (RRE)	RRE application model Behavioral model (BeScore) Procedural ratings model

QRRE	Application model for customers with MilleBIK Application model for customers without BIK Behavioral model (BeScore) Procedural ratings model
Other retail	Application model for customers with MilleBIK Application model for customers without BIK Application model for installment loans Application model for Biznes customers Behavioral model (BeScore) Procedural ratings model
Corporate exposures	Rating model for corporate clients Procedural ratings model

The Bank uses one PD estimation methodology common to all portfolios. It assumes making estimates based on the long-term average default (minimum of 5 historical years and PD forecasts for the next year). Estimation is made at the level of a given portfolio, and then, based on the calibration function, a PD is assigned to the given scoring score from the model. The exceptions in this respect are procedural ratings 13 and 14, for which there is a direct estimation.

The PD models used to calculate capital requirements are subject to periodic, independent validation. Each new version of the model is pre-validated before being released in the production environment. The implementation of the model is also independently validated (implementation validation). In order to verify the correctness of PD estimates, a number of tests and statistical measures are used, described in the PD model validation methodology. The areas examined include both qualitative and quantitative verification of the model, in particular: compliance with regulations. data quality, model assumptions, discriminatory power, quality of fit of the PD parameter, stability and concentration measures.

4.3.2.2 LGD models

Loss Given Default (LGD) models have been built for the following two portfolios:

a) unsecured portfolio for retail clients,
b) portfolio secured by residential real estate for retail clients (RRE).

Pursuant to CRR, and its subsequent amendments, banks must estimate LGD parameters using data on defaulted exposures from all the available sources, taking into account all information that is significant for the estimation of economic loss levels.

For this reason, the Bank estimated the LGD parameters on the basis of a database that includes all cases of default resulting from the quantitative and qualitative premises of the definition of default coming from the period specified for a given calibration. When selecting this period, a time series is taken into account, taking into account both the latest data and observations both from the period of recession / economic slowdown and times of economic prosperity.

According to the LGD calculation methodology, the main factors in the calculation include: probability of cure or completion of the client recovery process, value of recoveries, costs and discount rate.

The Bank has taken the following approach to building LGD models:

a) Establish homogenous risk pools of transactions (pooling);

b) Estimate the probability of different paths of exit from the default status (cure, incomplete, liquidated);
c) Estimate loss parameters for each path of exit from default status.

Pools are identified by regression trees. Loss given default is estimated at the transaction level, while the probability of recovery is calculated at the customer level.

For the capital requirement calculation, the LGD parameters are calculated in two versions:

1) Downturn LGD - parameters reflecting the period of economic downturn,
2) EL BE - parameters reflecting the expected economic loss. apply only to the in-default portfolio.

Downturn LGD parameters were estimated on a sample composed of observations from the worst identified period of economic slowdown and were increased by the estimation error. The period of economic slowdown was determined based on the analysis of the time series of marco-economic variables and the realized LGD values.

The EL BE parameters are used for the observations for which a default event has already occurred. They reflect the Bank's expected economic loss, assuming the current macroeconomic conditions. The difference between the Downturn LGD parameter and the EL BE parameter is an estimate of the unexpected loss associated with a given default.

In order to avoid the instability of the parameters, the minimum number of observations that must occur in a given month and in the pool has been defined to be able to estimate the individual LGD component parameters (recovery probability and recovery rate). This means that the maximum recovery period depends on the number of observations for the largest mids. i.e. months from the default date.

In 2021, the Bank thoroughly rebuilt its LGD models to reflect regulatory changes (in particular, the new definition of default (NDD), guidelines for estimating PD and LGD parameters, regulatory implementing technical standards (RTS), guidelines for estimates reflecting recessionary periods (LGD Downturn), and the ECB guidelines on internal models). When calibrating the new models, a maximum recovery period for a given segment was implemented, after which cash flows and recoveries are no longer taken into account. The most significant change in the RRE model is the direct inclusion of collateral values in the LGD estimate. This model acquired new parameters – the probability of drawing the obligation and the collateral recovery rate. The new models were submitted for supervisory approval in October 2021. In 2024, the IRB models (PD, LGD, CCF) were recalibrated due to changes in the default definition, and a supervisory inspection regarding the redesign of the 2021 models began. A decision is expected in the second quarter of 2026. Only after obtaining regulatory approval will new models be implemented into production.

Models used to calculate capital requirements (production models) are subject to periodic validation and monitoring (once a year). Each new model version is subject to initial validation and monitoring (similar to production models), unless a decision is made to withdraw them. The model implementation for estimating capital requirements is also independently validated. To verify the accuracy of LGD model estimates, a number of tests and statistical measures are used, described in the LGD model validation methodology and the monitoring methodology. Areas examined include model discriminatory power, estimation errors (backtest), model stability, predictive power of the model and individual variables, concentration measures, and qualitative analysis.

4.3.2.3 Exposure at Default (EAD) models / CCF models

The EAD model is a statistical model, built for the retail exposures. When estimating EAD, the exposure at default was compared with the limit value and the balance sheet exposure observed for each of the 12 months prior to the default event. The calculation of balance sheet equivalent (CCF) parameters was performed for product groups for which there was a possibility of off-balance sheet exposure and the Bank had a significant number of observations allowing for statistical inference. i.e. for overdraft limits and credit cards (QRRE portfolio). For the guarantee portfolio. due to the limited number of empirical observations that make it impossible to carry out statistical analyzes. the conservative CCF value equal to 100% was assumed.

EAD model estimation is based on estimating individual model components and then assembling them. These components are:

- CCF Best Estimate parameter representing the long-term average, calculated on the basis of the time window covering various phases of the business cycle,
- CCF Downturn parameter representing the parameter value in an economic downturn,
- estimation error.

The final value of the parameter used in the capital requirement estimation process is determined as the greater of the CCF Best Estimate and CCF Downturn values and includes the estimation error. Parameters are estimated on a pooled basis using a regression tree model where pooling variables are customer and exposure characteristics.

Models used in the process of calculation of capital requirements are subject to periodic validation and monitoring (every year). Each new version of the model is subject to initial validation. The model implementation for the purposes of capital requirements calculation is also validated. In order to verify the correctness of the EAD model estimates, a number of statistical tests and measures are used, described in the EAD model validation methodology. These are: measures of the discriminant power of the model, measures of estimation error, measures of model stability, tests of significance of pooling variables as well as measures of concentration.

In 2025, the Bank redesigned the EAD model for cards for account limits and cards due to regulatory changes (CRR 3). An application for its use will be submitted after the publication of regulatory guidelines regarding the CCF parameter. Only after obtaining supervisory approval will it be possible to implement the new models into production.

4.3.2.4 Quantitative information

Exposure and adjustment values

The below table presents the basic aggregates and parameters used in calculation of own funds requirements in IRB method. As for exposure classes under IRB method, exposure amounts, CCF’s. average PD’s, debtors amount, average LGD’s, risk-weighted assets, risk density, expected loss and specific credit risk adjustments, break downed by probability of default (PD) brackets are showed.

Table no 13 EU CR6 - IRB approach - Credit risk exposurres by exposure class nad PD range (in PLNm, in per cent)

A-IRB, Portfolio	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Vaue adjyustments and provisions
All portfolios												
	0,00 do <0,15	22 707	2 964	59,36%	24 467	0,0818%	570 695	41,3919%	1 817	7,42%	8	-18
	0,00 do <0,10	22 113	363	40,25%	22 259	0,0800%	108 881	38,7966%	1 727	7,76%	7	-13
	0,10 do <0,15	595	2 600	62,03%	2 208	0,1000%	461 814	67,5590%	90		1	-5
	0,15 do <0,25	3 212	369	64,59%	3 451	0,1867%	88 210	45,5719%	508	14,72%	3	-10
	0,25 do <0,50	1 837	219	67,88%	1 985	0,3900%	59 950	47,6486%	498	25,08%	4	-10
	0,50 do <0,75	1 258	155	69,91%	1 366	0,7100%	47 820	49,8548%	515	37,73%	5	-12
	0,75 do <2,50	1 886	179	72,80%	2 016	1,6662%	71 608	51,4898%	1 335	66,22%	17	-32
	0,75 do <1,75	1 134	110	72,69%	1 213	1,2800%	41 294	50,8564%	688	56,74%	8	-16
	1,75 do <2,5	752	69	72,97%	803	2,2500%	30 314	52,4472%	647	80,56%	9	-16
	2,50 do <10,00	1 147	204	54,93%	1 259	5,8223%	55 878	55,4376%	1 698	134,82%	41	-41
	2,50 do <5,00	566	43	74,82%	598	3,8000%	24 284	54,0202%	658	110,05%	12	-16
	5,00 do <10,00	582	161	49,58%	661	7,6513%	31 594	56,7195%	1 040	157,23%	29	-25
	10,00 to <100,00	486	16	77,54%	498	23,3567%	27 016	60,5924%	1 069	214,51%	71	-40
	10,00 do <20,00	347	13	87,69%	359	15,4900%	20 142	61,1960%	752	209,73%	34	-29
	20,00 do <30,00	11	1	24,03%	11	26,4300%	1 153	82,6194%	27	238,33%	2	-1
	30,00 do <100,00	128	2	28,93%	128	45,1048%	5 721	56,9384%	289	225,77%	34	-10
	100,00 (default)	856	8	1,54%	857	100,0000%	19 877	71,6636%	1 027	119,90%	614	-442
All portfolios	**Total**	**33 876**	**4 129**		**36 397**		**968 070**		**9 535**	**26,20%**	**834**	**-646**

Retail SME exposures secured by mortgages - SME (RRE SME)												
	0,00 do <0,15	5	0	0,00%	5	0,0800%	13	33,6903%	0	5,13%	0	0
	0,00 do <0,10	5	0	0,00%	5	0,0800%	13	33,6903%	0	5,13%	0	0
	0,10 do <0,15	0	0	0,00%	0	0,0000%	0	0,0000%	0		0	0
	0,15 do <0,25	7	0	40,00%	7	0,2098%	18	33,6059%	1	10,61%	0	0
	0,25 do <0,50	2	0	0,00%	2	0,3900%	11	32,8154%	0	16,34%	0	0
	0,50 do <0,75	12	1	40,00%	12	0,7100%	30	33,6749%	3	25,52%	0	0
	0,75 do <2,50	17	0	40,00%	17	1,7124%	39	33,5232%	8	44,74%	0	0
	0,75 do <1,75	9	0	40,00%	10	1,2800%	19	33,6278%	4	37,76%	0	0
	1,75 do <2,5	8	0	0,00%	8	2,2500%	20	33,3933%	4	53,42%	0	0
	2,50 do <10,00	12	0	0,00%	12	5,3852%	27	33,8233%	10	86,05%	0	0
	2,50 do <5,00	6	0	0,00%	6	3,8000%	16	33,6894%	5	73,00%	0	0
	5,00 do <10,00	5	0	0,00%	5	7,2026%	11	33,9768%	5	101,02%	0	0
	10,00 to <100,00	1	0	40,00%	1	16,5992%	6	33,8954%	2	137,15%	0	0
	10,00 do <20,00	1	0	40,00%	1	15,4900%	5	33,9573%	2	136,80%	0	0
	20,00 do <30,00	0	0	0,00%	0	0,0000%	0	0,0000%	0		0	0
	30,00 do <100,00	0	0	0,00%	0	35,9500%	1	32,8154%	0		0	0
	100,00 (default)	3	0	0,00%	3	100,0000%	8	85,2700%	3	110,28%	2	-2
RRE SME	**Total**	**59**	**2**		**59**		**152**		**27**	**45,55%**	**3**	**-2**
Retail non-SME exposures secured on mortgages - (RRE non-SME)												
RRE	0,00 do <0,15	22 108	363	40,25%	22 254	0,0800%	108 868	38,7978%	1 727	7,76%	7	-13
RRE	0,00 do <0,10	22 108	363	40,25%	22 254	0,0800%	108 868	38,7978%	1 727	7,76%	7	-13
RRE	0,10 do <0,15	0	0	0,00%	0	0,0000%	0	0,0000%	0		0	0
RRE	0,15 do <0,25	2 996	47	40,16%	3 015	0,1861%	12 268	41,6098%	475	15,75%	2	-6

RRE	0,25 do <0,50	1 640	24	41,21%	1 650	0,3900%	6 986	41,8281%	451	27,33%	3	-6
RRE	0,50 do <0,75	1 056	14	40,06%	1 061	0,7100%	4 670	42,1445%	445	41,91%	3	-7
RRE	0,75 do <2,50	1 509	18	42,06%	1 516	1,6542%	6 359	42,6235%	1 109	73,13%	11	-18
RRE	0,75 do <1,75	928	9	41,62%	931	1,2800%	3 907	42,5749%	584	62,75%	5	-9
RRE	1,75 do <2,5	581	8	42,55%	585	2,2500%	2 452	42,7007%	524	89,65%	6	-9
RRE	2,50 do <10,00	791	124	40,07%	840	5,7229%	3 313	43,1327%	1 243	147,93%	21	-17
RRE	2,50 do <5,00	415	7	40,20%	418	3,8000%	1 662	42,9734%	510	122,21%	7	-8
RRE	5,00 do <10,00	376	117	40,06%	423	7,6221%	1 651	43,2900%	733	173,32%	14	-10
RRE	10,00 to <100,00	278	1	40,70%	279	23,8438%	1 129	42,6948%	627	224,90%	29	-14
RRE	10,00 do <20,00	190	1	40,76%	191	15,4900%	765	42,1971%	426	223,12%	12	-10
RRE	20,00 do <30,00	0	0	0,00%	0	0,0000%	0	0,0000%	0		0	0
RRE	30,00 do <100,00	88	0	40,00%	88	41,9460%	364	43,7732%	201	228,76%	16	-4
RRE	100,00 (default)	701	0	100,00%	702	100,0000%	3 377	70,1122%	876	124,85%	492	-359
RRE non-SME	**Total**	**31 078**	**592**		**31 317**		**146 970**		**6 952**	**22,20%**	**567**	**-440**
Qualified retail exposures (QRRE)												
QRRE	0,00 do <0,15	595	2 600	62,03%	2 208	0,1000%	461 814	67,5590%	90	4,07%	1	-5
QRRE	0,00 do <0,10	0	0	0,00%	0	0,0000%	0	0,0000%	0		0	0
QRRE	0,10 do <0,15	595	2 600	62,03%	2 208	0,1000%	461 814	67,5590%	90	4,07%	1	-5
QRRE	0,15 do <0,25	209	322	68,18%	429	0,1908%	75 924	73,6231%	32	7,54%	1	-4
QRRE	0,25 do <0,50	196	194	71,24%	334	0,3900%	52 953	76,4813%	47	14,00%	1	-4
QRRE	0,50 do <0,75	190	140	73,16%	293	0,7100%	43 120	78,4849%	67	23,06%	2	-6
QRRE	0,75 do <2,50	360	161	76,25%	482	1,7023%	65 210	80,0113%	218	45,27%	7	-14
QRRE	0,75 do <1,75	197	100	75,66%	272	1,2800%	37 368	79,7865%	100	36,83%	3	-7
QRRE	1,75 do <2,5	163	60	77,23%	210	2,2500%	27 842	80,3029%	118	56,22%	4	-7

QRRE	2,50 do <10,00	345	80	77,93%	407	6,0398%	52 538	81,4435%		445	109,17%	20	-24
QRRE	2,50 do <5,00	145	36	81,37%	174	3,8000%	22 606	81,2178%		143	82,20%	5	-8
QRRE	5,00 do <10,00	200	44	75,07%	233	7,7145%	29 932	81,6122%		301	129,34%	15	-15
QRRE	10,00 to <100,00	206	15	80,10%	218	22,7755%	25 881	83,6422%		440	201,70%	42	-26
QRRE	10,00 do <20,00	156	12	91,32%	167	15,4900%	19 372	83,1574%		325	194,95%	21	-19
QRRE	*20,00 do <30,00*	11	1	24,03%	11	26,4300%	1 153	82,6194%		27		2	-1
QRRE	*30,00 do <100,00*	39	2	28,42%	40	52,0724%	5 356	85,9529%		88	219,36%	18	-6
QRRE	100,00 (default)	152	8	0,00%	152	100,0000%	16 492	78,5645%		148	97,27%	120	-81
QRRE	***Total***	**2 253**	**3 520**		**4 523**		**793 932**			**1 487**	**32,88%**	**193**	**-164**

The below table presents the scope of application of internal ratings based and standardised method of own funds requirements calculation.

Table no 14 - EU CR6-A - Scope of the use of IRB and SA approaches (in PLNm, in per cent)

		Exposure value as defined in Article 166 CRR for exposrues subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
1	Central governments or central banks	0	72 718	100,00%	0,00%	0,00%
2	*Regional governments or local authorities*	*0*	342	100,00%	0,00%	0,00%
3	*Public sector entities*	*0*	378	100,00%	0,00%	0,00%
4	Institutions		3 503	100,00%	0,00%	0,00%
5	Corporates	0	21 591	7,68%	0,00%	92,32%

5.1	*Of which Corporates - General*		21 591	7,68%	n.a.	n.a.
5.2	*Of which Corporates - Specialised lending*		926	0,00%	0,00%	0,00%
5.2.1	*Of which Corporates - Specialised lending, excluding slotting approach*		926	0,00%	0,00%	100,00%
5.2.2	*Of which Corporates - Specialised lending under slotting approach*		0	0,00%	0,00%	0,00%
5.3	*Of which Corporates - Purchased Receivables*		0	0,00%	0,00%	0,00%
6	Retail		63 697	3,15%	56,24%	40,61%
6.1	*Of which Retail - Qualifying revolving*		5 994	0,00%	100,00%	0,00%
6.2	*Of which Retail - Secured by residential immovable property*		37 187	n.a.	n.a.	n.a.
6.3	*Of which Retail - Purchased Receivables*	0	0	0,00%	0,00%	0,00%
6.4	*Of which Retail - Other retail exposures*	0	20 516	0,00%	0,00%	0,00%
7	Equity	0	262	100,00%	0,00%	0,00%
EU 7a	Collective investment undertakings (CIU)	0	0	0,00%	0,00%	0,00%
8	Other non-credit obligation assets	0	5 637	100,00%	0,00%	0,00%
9	**Total**	**35 826**	**168 129**	**51,45%**	**21,31%**	**27,24%**

The below table presents risk-weighted assets flow statements of credit risk exposures under IRB approach, what relates to retail exposures to individual persons secured by residential real estates (RRE) and qualifying revolving retail exposures (QRRE).

Date: 31 December 2025 (reporting period); 30 September 2025 (previous reporting period)

Table no 15 - EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach (in PLNm)

		Risk weighted exposure amount
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**8 505**
2	Asset size (+/-)	-148
3	Asset quality (+/-)	-141

4	Model updates (+/-)	0
5	Methodology and policy (+/-)	0
6	Acquisitions and disposals (+/-)	0
7	Foreign exchange movements (+/-)	-1
8	Other (+/-)	4
9	**Risk weighted exposure amount as at the end of the reporting period**	**8 218**

The following table presents a historical backtesting of PD as for exposures' classes.

Table no 16 - EU CR9 - IRB approach - Back-testing of PD per exposure class (in PLNm, in per cent)

All classes	PD range		Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
	0,00 do <0,15		429 883	175	0,04%	0,08%	0,08%	0,09%
		0,00 do <0,10	429 883	175	0,04%	0,08%	0,08%	0,09%
		0,10 do <0,15	0	0	0,00%	0,00%	0,00%	0,00%
	0,15 do <0,25		68 321	103	0,15%	0,19%	0,19%	0,30%
	0,25 do <0,50		46 978	103	0,22%	0,39%	0,39%	0,45%
	0,50 do <0,75		38 313	160	0,42%	0,71%	0,71%	0,70%
	0,75 do <2,50		58 361	447	0,77%	1,70%	1,69%	1,33%
		0,75 do <1,75	33 572	205	0,61%	1,28%	1,28%	1,12%
		1,75 do <2,5	24 789	242	0,98%	2,25%	2,25%	1,60%
	2,50 do <10,00		44 645	798	1,79%	5,97%	6,05%	3,19%
		2,50 do <5,00	19 588	281	1,43%	3,80%	3,80%	2,57%
		5,00 do <10,00	25 057	517	2,06%	7,71%	7,80%	3,70%
	10,00 to <100,00		20 632	1 899	9,20%	23,13%	24,43%	13,63%
		10,00 do <20,00	14 652	834	5,69%	15,49%	15,49%	7,63%

20,00 do <30,00	856	86	10,05%	26,43%	26,43%	16,40%
30,00 do <100,00	5 124	979	19,11%	49,65%	49,65%	31,14%
100,00 (default)	16 367	0	0,00%	100,00%	100,00%	0,00%

4.3.3 Rating systems control and review

The Group has implemented the principle of strict separation of commercial functions generating credit risk (which are performed in the Business Area) and client risk and exposure evaluation functions (which are performed by units in the Risk Area). In the area of retail exposures, the final risk grade (rating) is awarded automatically. In respect to corporate exposures, risk grades are awarded to clients and changed when necessary during their term by the specialized Ratings Department.

Management of rating models, including the performance of control function, is regulated in internal procedures pertaining to model development, model calibration and model monitoring. Responsibility for these actions has been assigned to designated model owners.

EU CRE, b) Rating systems review and independence of the function in charge of reviewing the models from the function responsible for the development of the models

In order to ensure the appropriate control and review of the rating systems (adequate estimation of risk parameters and correct course of the rating and credit decision process), a validation and monitoring process has been introduced.

The monitoring process (review of rating systems) is performed by the unit responsible for model development. Monitoring is carried out on a regular basis in accordance with the established monitoring schedule. The risk model monitoring process is based on the Bank's internal methodologies. The conclusions from periodic monitoring serve as the basis for issuing possible recommendations for the improvement of model performance.

The validation process is performed by a unit independent from the organizational units responsible for model development. The model validation process is based on internal regulations developed by the Bank for individual models.

EU CRE, b) Procedure to ensure the accountability of the functions in charge of developing and reviewing the models

The model development functions are performed by the owners of the models and rating systems. They report to the Head of the Risk Department. The developed models are sent to the validation unit for initial validation. Internal model approval is required prior to model implementation. Internal model approval is performed by the Validation Committee. In the case of material models and models used to calculate capital requirements, ratification of the decision of the Validation Committee by the Risk Committee is also required.

EU CRE, c) The role of the functions involved in the development. approval and subsequent changes of the credit risk models

The following units handle the monitoring and validation process:

- The Bank’s Risk Committee, which has general responsibility for risk control;
- the Bank's Validation Committee which is responsible for confirming the results risk models validation and for continuing the implementation of the measures prescribed by the Model Validation Bureau, Validation results are then ratified by the Risk Committee;
- The Model Validation Bureau, which is responsible for qualitative and quantitative analyses, model validation independent from model development, development of model validation and monitoring methodologies, preparation of reports for the Validation Committee;
- Model Owners and Rating System Owners responsible for the development function which involves the following: new model development, recalibration of existing models,

management of factors affecting the use of a model, implementation of Validation Committee recommendations on its own and in cooperation with the IT team.

Reports and recommendations from model monitoring are approved by the Head of the Risk Department.

Reports and recommendations of the Model Validation Bureau are approved by the Validation Committee.

The Chairman of the Validation Committee is obliged to submit to the Risk Committee for ratification and, if necessary, other committees responsible for credit risk control, the conclusions of the Validation Committee with regard to the relevant credit risk models and rating systems used to calculate the capital requirements and the status of any corrective actions.

EU CRE, d) The scope and main content of the reporting related to credit risk models

The Bank stores the documentation of implemented models, rating system, monitoring and validation reports and minutes on decisions made by the Validation Committee and the Risk Committee.

The scope of model documentation as well as monitoring and validation reports is specified in the Bank's internal regulations. The documentation contains qualitative and quantitative elements that allow for the reconstruction and verification of the quality of operation of the models. In particular, the documentation includes, among others, the main assumptions of the models, data sources, methods and final results of the model, along with an assessment of their quality. Validation reports include in particular the results of qualitative and quantitative analyses, conclusions drawn on their basis, the final evaluation of the models, as well as possible recommendations to improve the operation of the models.

CRE, b) The relationship between the risk management function and the internal audit function

The Internal Audit Department (hereinafter: DAW) as an independent third line of defense unit within the function ensuring adequacy and effectiveness of the risk management system and internal control system, regularly reviews the rating systems in accordance with the annual Audit Plans approved by the Supervisory Board. They cover the credit area, in particular the issues of estimating the value of risk parameters: PD, LGD, CCF and the expected loss ratio EL. Audit reviews also include the assessment of the organization of model management processes, their monitoring and validation, as well as the most important elements of internal and external reporting (including disclosures regarding capital adequacy). The reviews are carried out based on the Audit Charter and Audit Manual approved by the Audit Committee of the Supervisory Board. The research is carried out on the basis of specialized audit programs. In addition, as part of the advisory function, the DAW carries out reviews of the correctness of classification of changes to the IRB method under the procedures specified in the Commission Delegated Regulation (EU) No 529/2014.

4.3.4 Use of internal estimates

The Group acts in accordance with the IRB principles for the application of "use test" criteria. This means that the risk parameters used to calculate capital requirements for credit risk are also the parameters that are used for other internal purposes, in particular in the risk management process. Internal rating or internal loss estimation models play a major role in the risk management process and in the decision process at different risk management levels, i.e. for the purposes of defining the Bank's credit risk strategy, for approving and monitoring credit risk and for allocating economic capital.

The Group has many years of experience in using internal rating models, since individual rating systems have been used to evaluate client risk since the 1990s. Ever since that time, the methodologies have been developed, improved and, to an increasing extent, incorporated in business processes, thus boosting risk management "culture" and awareness in the management process.

- Management information system

Internal estimates are used broadly in the management information system in the areas of risk and operating activity. The individual management levels (Supervisory Board, Management Board, specialized committees) receive detailed information about exposure to individual risks types and about the risk profile, including estimated risk parameters. This allows for effective risk management.

- Risk Appetite

Internal estimates have been used to determine the "risk appetite" of the Bank and the Bank Millennium Group. The risk tolerance incorporates measures, buffers and quantitative limits which, along with qualitative guidelines on managing individual risk types, determine the Bank's propensity for risk. Risk parameters are also an important element of the risk strategy being pursued, which includes objectives and guidelines for managing different risk types.

- Concentration limits

In the area of credit concentration risk and risk of large exposures, internal estimates have been used to develop exposure limits for individual segments of the credit portfolio. For this purpose, a risk level calculated using risk parameters is compared to the available financial resources, which may be used to risk coverage, including a buffer for a potential increase in risk.

- Decision-making powers

Credit decision-making powers are an important area where internal estimates are applied. The amounts of decision-making powers rely on the client's MS risk grade and the total exposure to its economic group.

- Evaluation of borrowing capacity and creditworthiness

Internal estimates affect significantly the evaluation of the client's borrowing capacity and creditworthiness. The rating is taken into consideration through verification of "cut-off point" criteria which determine the maximum acceptable rating depending on segment/product. Adittionally in the case of retail clients rating influences calculation of the client's credit limit.

- Loan prices and pricing policy

Risk parameters are also used for pricing credit transactions, by reflecting the cost of risk in the price.

- Economic capital

Credit and market risk parameters are used as one of the element that allow the Bank to calculate economic capital corresponding to the risk. Economic capital in turn is used to evaluate the safety of operations, to allocate and reallocate capital to business lines, to evaluate risk-based efficiency and to determine concentration limits.

4.4. Internal capital

The Group and the Bank calculate and maintain on an ongoing basis internal capital amount, that is considered to cover adequately the nature and level of the risk to which they are or might be exposed, according to art. 128 Banking Act and art. 73 of Directive 2013/36/UE.

EU OVC – ICAAP information

Information in this point relate to the used method of internal capital adequacy assessment.

The Group and the Bank carry out the internal capital adequacy assessment process (ICAAP), based among others on the models of internal (economic) capital.

The Group and the Bank define economic capital as the amount of capital which is needed to cover all the unexpected economic losses that may occur during a specified future period and that are estimated with specific probability, without jeopardizing interests of the Group's depositors/creditors. Internal capital calculations incorporate all the material risk types to which the Group is exposed and are based on a set of parameters developed on the basis of the individual features and characteristics of the Polish market. The models quantify the value of expected and unexpected losses on account of the risk types considered to be material, at the assumed confidence level and in a 1-year time horizon.

Internal capital is calculated and maintained as to every risk type evaluated as a material one in a yearly risk materiality assessment process.

The Group and the Bank defined the below risk types as material, presented together with methods of internal capital estimation. The last risk materiality assessment was completed in the end of 2025.

Table no 17 - Material risk types and methodologies to estimate internal capital to material risk types

Lp	Risk category and type	Internal capital calculation method
1	Credit risk default risk	Modified Credit Risk + model
2	Sovereign credit risk	Modified Credit Risk + model
3	Funding cost risk	Method of hard-to-measure risks internal capital calculation
4	External fraud risk	Method of operational risk internal capital calculation
5	ICT - security risk [1)]	Method of operational risk internal capital calculation
6	ICT - availability and continuity risk	Method of operational risk internal capital calculation
7	Compliance and conduct risk	Method of operational risk internal capital calculation
8	Financial crime risk	Method of operational risk internal capital calculation
9	Data protection risk	Method of operational risk internal capital calculation
10	Litigation risk	Method of litigation risk internal capital calculation
11	Interest rate risk in banking book - gap risk	Model of interest rate risk in banking book internal capital calculation
12	Economic risk	Method of hard-to-measure risks internal capital calculation
13	Strategic risk	Method of hard-to-measure risks internal capital calculation

14	Business risk - IT Strategy risk	Method of hard-to-measure risks internal capital calculation
15	Financial system protection schemes risk	Method of hard-to-measure risks internal capital calculation
16	FX mortgage loans risk (RRE FX risk)	Modified Credit Risk + model / Methodology of calculation of additional own funds requirements to cover RRE FX risk

1) ICT – Information and Communication technologies

Completing risk materiality assessment in 2025, 12 main risk categories were defined in total, and within them several dozen types of risk. including many types of non-financial and hard-to-measure risks. Tha Bank / Group follow BCP Group risk taxonomy.

Defined risk categories include:

1. Credit risk
2. Concentration risk
3. Liquidity risk
4. Market risk
5. Real estate risk
6. Operational risk – processes
7. Operational risk – ICT (Information and Communication Technologies)
8. Operational risk – compliance and legal risk
9. Interest rate risk
10. Business risk
11. Reputational risk
12. Other risk types

Risk materiality assessment depends on the combination of likelihood and impact on capital (profit and loss account) and amunt of risk-weighted assets. Evaluation encompasses both risk before and after mitigation instruments / actions.

In the calculation of internal capital, the Group and the Bank present a conservative approach to the correlation between individual types of risk (the fact that different types of risk do not materialize into losses at the same time), without taking into account the effect of diversification.

In line with the recommendations issued by the banking supervision authority, individual risk types and the diversification effect are subjected to stress tests. The total diversified internal capital is subject to economic assessment of capital adequacy, by a comparison with "risk-taking capacity" (available financial resources). The Group conservatively assumes that the available financial resources are equivalent to regulatory own funds which form the basis for calculating the total capital ratio.

The internal capital adequacy assessment process following the Group's approach is closely linked to the risk, capital and business management processes in place in the Group. It consists of the following stages:

1. Classification and assessment of materiality of risk types, to determine the method for incorporating them in the risk management process and in the ICAAP process,

2. Measurement (quantification) of risk,

3. Aggregation of internal capital to cover material risk of operations. while taking into account the effect of correlation between risk types,

4. Assessment of capital adequacy by comparing the Bank's economic risk (internal capital) to its capacity to cover the risk,

5. Allocation of internal capital to business lines/areas of operation,

6. Use of allocated internal capital to measure risk-based efficiency, set risk limits, reallocate capital while taking into account risk-weighted returns,

7. Control and monitoring of the risk level, available financial resources, capital limits and objectives.

Capital adequacy assessment carried out at the end of 2025 indicates a sufficient level of this adequacy, which is shown in a significant surplus of capital resources (equivalent to regulatory own funds) as compared to economic risk (internal capital value).

Both the Bank and the Group meet the statutory requirements regarding the level of own funds and the internal capital set forth in Article 128 of the Banking Law Act and in the CRR.

4.5. Additional information

Due to the fact that the Group does not perform PD estimates in accordance with Article 180(1)(f) of the CRR, Table EU CR9.1 is not presented.

Due to the fact that the Group does not calculate the risk-weighted exposure amount for specialized lending and equity exposures using the simple risk-weighted approach, Table EU CR10 is not presented.

The Group does not use the internal models approach to calculate risk-weighted exposures for counterparty credit risk, therefore Table EU CCR7 is not presented.

The information listed in Table EU-MR2 is not presented because the Bank does not use internal models to calculate capital requirements for market risk.

5. CREDIT RISK

Qualitative information on credit risk are disclosed in Financial Report and in Management Report (chapters on credit risk).

5.1. ASSETS QUALITY

In chapter on "Financial risk management" in part on "Credit risk" in the Financial Report presents a description of the credit risk management process, including the methodology of its measurement and the policy of limit control and risk reduction.

At the same time, the decription of the policy policy applicable to impairment and creating impairment charges was presented in that chapter. It contains, among others, a detailed description of:

- Organization of the process to identify and measure impairment of credit exposures in order to determine adjustments for specific and general credit risk
- Individual analysis of credit receivables impairment
- Collective analysis of a credit portfolio.

The Chapter “Risk management” in part “Credit risk” of the Management Report presents the basic principles of credit policy and the most important initiatives implemented in 2025. This chapter also includes an assessment of the level of credit risk and key asset quality indicators in various dimensions. It also presents the assessment of the degree of concentration of the loan portfolio broken down by product types and industries.

The Group considers its loan portfolio quality as high. As at 31 December, 2025, the Group presents the gross NPL ratio (non-performing gross loans in total gross loans) of 3.80% (as at 31.12.2024 it was 4.45%).

Below are presented qualitative informations on assets credit quality, in line with regulatory requirements.

Table no 18 - EU CRB Additional disclosure related to the credit quality of assets

Row number	Information
a)	The scope and definitions of ‘past-due’ and ‘impaired’ exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.
	The definition of 'past due' exposures for accounting and regulatory purposes is not different and represents a delay in the performance by the customer of any material credit obligation exceeding 90 days (90 days are counted consecutively, ie the next 90 days with a significant credit obligation past due). The definitions of 'impaired' and 'defaulted' exposures have been harmonized for the purposes of integrated credit risk management.

b)	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this. Not all past due exposures (more than 90 days) are considered impaired. Separate materiality threshold criteria for the past due amount are used to calculate past due for the purpose of determining impaired exposures.
c)	Description of methods used for determining general and specific credit risk adjustments. organisation of the credit risk management and control function. These methods are presented in the Financial Report and in the Management Board Report (chapters on credit risk).
d)	The institution’s own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on defaultin accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014. The Bank does not use its own definition of a restructured exposure. It is in line with Art. 178 CRR and other regulations indicated above.

The Group discloses the information on maturity of exposures of loans and advances and debt securities in the below table.

Table no 19 - EU CR1-A: Maturity of exposures (in PLNm)

		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	4 035	12 590	27 617	31 403	772	76 416
2	Debt securities	0	26 116	40 055	4 031	21	70 222
3	***Total***	***4 035***	***38 706***	***67 671***	***35 434***	***793***	***146 638***

The information listed in table EU-CR1 is not presented because the non-performing exposure ratio did not exceed 5% at the end of 2025.

The Group discloses the information on changes in the stock of non-performing loans and advances in the below table.

Table no 20 - EU CR2 - Changes in the stock of non-performing loans and advances (in PLNm)

		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	2 113
020	Inflows to non-performing portfolios	646
030	Outflows from non-performing portfolios	-107
040	Outflows from non-performing portfolios closed accounts	-447
050	Outflows from non-performing portfolios change of balances	-331
060	**Final stock of non-performing loans and advances**	**1 874**

In the period from June 2025 to December 2025.

The information listed in table EU-CR2 is not presented because the non-performing exposure ratio did not exceed 5% at the end of 2025.

The Group discloses the information on credit quality of forborne exposures in the below table.

Table no 21 - EU CQ1 - Credit quality of forborne exposures (in PLNm)

		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	0	0	0	0	0	0	0	0
010	Loans and advances	614	1 111	1 111	1 111	-39	-624	652	232
020	*Central banks*	0	0	0	0	0	0	0	0
030	*General governments*	0	0	0	0	0	0	0	0
040	*Credit institutions*	0	0	0	0	0	0	0	0
050	*Other financial corporations*	0	0	0	0	-0	-0	0	0
060	*Non-financial corporations*	6	160	160	160	-1	-72	54	50
070	*Households*	608	951	951	951	-39	-552	598	182
080	Debt Securities	0	0	0	0	0	0	0	0
090	Loan commitments given	0	0	0	0	0	0	0	0
100	***Total***	**614**	**1 112**	**1 112**	**1 112**	**-39**	**-624**	**652**	**232**

The information listed in table EU-CQ2 is not presented because the non-performing exposure ratio did not exceed 5% at the end of 2025.

The Group discloses the information on credit quality of performing and non-performing exposures by past-due days in the below table.

Table no 22 - EU CQ3 - Credit quality of performing and non-performing exposures by past due days (in PLNm)

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	3 530	3 530	0	0	0	0	0	0	0	0	0	0
010	Loans and advances	75 981	75 690	291	2 989	1 381	331	429	399	310	70	69	2 989
020	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
030	*General governments*	63	63	0	0	0	0	0	0	0	0	0	0
040	*Credit institutions*	135	135	0	0	0	0	0	0	0	0	0	0
050	*Other financial corporations*	536	536	0	3	1	1	1	0	1	0	0	3
060	*Non-financial corporations*	20 797	20 700	97	888	427	133	132	141	50	4	1	888
070	*Of which SMEs*	5 318	5 289	29	248	107	38	24	69	7	2	1	248
080	*Households*	54 449	54 255	194	2 098	954	198	295	258	259	66	67	2 098
090	Debt securities	69 397	69 397	0	5	5	0	0	0	0	0	0	5
100	*Central banks*	10 315	10 315	0	0	0	0	0	0	0	0	0	0

110	*General governments*	56 861	56 861	0	0	0	0	0	0	0	0	0	0
120	*Credit institutions*	1 161	1 161	0	0	0	0	0	0	0	0	0	0
130	*Other financial corporations*	1 060	1 060	0	0	0	0	0	0	0	0	0	0
140	*Non-financial corporations*	0	0	0	5	5	0	0	0	0	0	0	5
150	Off-balance-sheet exposures	16 832	0	0	23	0	0	0	0	0	0	0	22
160	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
170	*General governments*	478	0	0	0	0	0	0	0	0	0	0	0
180	*Credit institutions*	100	0	0	0	0	0	0	0	0	0	0	0
190	*Other financial corporations*	314	0	0	0	0	0	0	0	0	0	0	0
200	*Non-financial corporations*	11 392	0	0	15	0	0	0	0	0	0	0	15
210	*Households*	4 549	0	0	8	0	0	0	0	0	0	0	7
220	***Total***	***165 740***	***148 617***	***291***	***3 017***	***1 386***	***331***	***429***	***399***	***310***	***70***	***69***	***3 016***

The information listed in the template EU-CQ4 on quality of non-performing exposures by geography is not present due to the fact that non-domestic original exposures in all non-domestic countries in all exposure classes are less than 10% of the total (domestic and non-domestic) original exposures.

The Group discloses the information on credit quality of loans and advances to non-financial corporations by industry in the below table.

Table no 23 - EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry (w PLNm)

		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	125	8	8	125	-5	0
020	Mining and quarrying	58	1	1	58	-1	0
030	Manufacturing	4 355	272	272	4 355	-154	0
040	Electricity, gas, steam and air conditioning supply	542	1	1	542	-7	0
050	Water supply	302	10	10	302	-7	0
060	Construction	1 756	81	81	1 756	-51	0
070	Wholesale and retail trade	5 550	189	189	5 550	-117	0

080	Transport and storage	3 106	162	162	3 106	-74	0
090	Accommodation and food service activities	279	19	19	279	-4	0
100	Information and communication	1 103	10	10	1 103	-14	0
110	Financial and insurance actvities	87	1	1	87	-1	0
120	Real estate activities	753	54	54	753	-46	0
130	Professional, scientific and technical activities	2 243	25	25	2 243	-35	0
140	Administrative and support service activities	797	33	33	797	-21	0
150	Public administration and defense, compulsory social security	0	0	0	0	0	0
160	Education	101	3	3	101	-3	0
170	Human health services and social work activities	251	7	7	251	-5	0
180	Arts, entertainment and recreation	58	2	2	58	-2	0
190	Other services	219	10	10	219	-7	0
200	***Total***	***21 685***	***888***	***888***	***21 685***	***-553***	***0***

The information listed in table EU-CQ6 is not presented because the non-performing exposure ratio did not exceed 5% at the end of 2025.

The Group discloses the required information on security obtained through foreclosure and enforcement proceedings in the table below.

Table no 24 - EU CQ7 - Collateral obtained by taking possession and execution processes (in PLNm)

		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	0	0
020	Other than PP&E	17	0
030	*Residential immovable property*	0	0
040	*Commercial Immovable property*	0	0
050	*Movable property (auto, shipping, etc.)*	17	0
060	*Equity and debt instruments*	0	0
070	*Other collateral*	0	0
080	***Total***	***17***	***0***

The information listed in table EU-CQ8 is not presented because the non-performing exposure ratio did not exceed 5% at the end of 2025

5.2. CREDIT RISK MITIGATION TECHNIQUES

The Group presents below the qualitative information on credit risk mitigation techniques. according to regulatory requirements.

Table no 25 - EU CRC - Qualitative disclosure requirements related to CRM techniques

Legal basis	Row number	Information
Article 453 (a) CRR	a)	A description of the core the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting; The Group does not use on- and off-balance sheet netting.
Article 453 (b) CRR	b)	The core features of policies and processes for eligible collateral evaluation and management eligible collateral evaluation and management; Description in the text below the table.
Article 453 (c) CRR	c)	A description of the main types of collateral taken by the institution to mitigate credit risk; Description in the text below the table.
Article 453 (d) CRR	d)	For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures; In calculating capital requirements, the Group uses guarantees to reduce the amount of capital requirements. The main guarantors are: • BGK (De minimis) • Societe Generale (foreign currency housing loans of the former Eurobank) • State Treasury The Group does not use credit derivatives to lower capital requirements, with exemption of use of such instrument in securitisation (description in the chapter on securitisation).
Article 453 (e) CRR	e)	Information about market or credit risk concentrations within the credit mitigation taken; Description in the text below the table.

EU CRC, b) Policies and processes for eligible collateral evaluation and management

Policy of collateral management

The main criterion considered in Bank when making a decision to provide financing on specific terms is the evaluation whether the client has capacity to service and repay the financing on a timely basis without a need to realize the collateral. Collateral is accepted to reduce credit risk incurred by the Group if the client fails to make the payments in contractual amounts and on contractual dates. Accordingly, the requirements for accepted collateral should correspond to the credit risk incurred by the Group in connection with the specific client, while taking into account the specific features of each individual financing transaction. Additionally, in the case of loans to finance real property (in particular retail mortgage loans), establishing collateral on the property is a mandatory element of the credit product.

The Group's collateral policy defines the principles governing the types, kinds and legal forms of collateral, the rules for valuating collateral and the requirements to be satisfied when collateral is accepted, the rules of measuring and monitoring collateral.

Collateral is valid until the repayment of all the Group's receivables resulting from the secured credit transaction. The validity or maturity date of the collateral should not be earlier than the full repayment date of the secured credit transaction. If the credit risk mitigating instrument matures earlier than the credit transaction, a substitution process must be specified in the contract with the client to avoid lowering the original protection.

The list of collateral types accepted by the Group includes financial collateral, mortgage, material collateral, guarantees, sureties and receivables. The accepted collateral types have been described in detail and the Group has also defined the terms relating to features of individual asset types on which they can be accepted as collateral. The Group has also defined a list of acceptable legal forms of collateral, taking into account the risk associated with the probability that the collateral might be lost, in particular upon bankruptcy of client or restructuring proceedings or enforced debt collection against the client.

The Group uses as well a range of supplementary collateral to facilitate enforcement or increase probability of achieving repayment from a given collateral type.

Depending on the type and kind of collateral items, the Bank monitors them in order to:

- ensure that the contractual terms of collateral are satisfied, which includes confirmation of legal certainty,
- update the value of collateral,
- verify that the collateral exists (local visits).

Collateral valuation

The Group has defined the rules for measuring the value of assets accepted as collateral.

For financial collateral, its value is determined on the basis of current market valuation of the asset, less relevant haircuts, including price volatility haircuts.

Mortgage collateral is valued on the basis of valuations prepared by expert appraisers verified by the Group’s specialized units.

For physical collateral, valuation depends on the type, unit value of the asset and age of the asset - the valuation is performed on the basis of the estimated market price determined by the Group’s specialized units or based on insurance / book value in the case of low-value assets.

In each case, the units performing the valuations/verifying the valuations are separate from sales units.

Monitoring and update of collateral value

Real estate collateral

The base value of mortgage collateral may be updated using one of the following forms:

- assessment of the value of the real estate, understood as the Group's estimation of the current value of the real estate collateralizing the credit transaction, based on the methodologies used by the Bank or on an analysis of the real estate market analysis on the date of the assessment (not applicable to commercial real estate),
- valuation by an expert appraiser.

The value of the real estate as collateral should be monitored on a regular basis, at least once a year for commercial properties and once every three years for residential properties. Property valuation should be verified when there is information that the value of the property may have fallen significantly relative to overall market prices. Statistical methods can be used to monitor property values and identify properties that require verification.

Financial collateral

In the case of financial collateral classified as "participation units in mutual funds sold by Bank Group entities and managed by Millennium TFI", their base value is updated daily.

Material collateral

The base value of material collateral should be updated, when based on a local vision, a material amortization of collateral, collateral deficiency or lack of collateral will be reported. The value of material collateral is assessed once a 12 months.

EU CRC, c) The description of main types of collateral

The Group accepts the listed below types of collateral. The types of collateral are subject to evaluation taking into account the legal form, legal environment, market realities, economic situation, order in satisfying oneself from collateral, previous experience as to the effectiveness of satisfying oneself with a given type and type of collateral and the assessment of the collateral provider.

Table no 26 - Eligible credit risk mitigants

Mitigant Type	Forms of Mitigation
Financial Collaterals	Term deposit at Bank or another bank
	Structured products sold by Bank
	Polish State Treasury bonds admitted to organized trading
	Polish Treasury bills
	Shares included in WIG20 index
	Investment fund participation units sold by entities of the Bank's group
	Financial life insurance policies, including savings policies and unit linked, sold by Bank
Real Estate collaterals	Residential real estate
	Commercial real estate
Physical collaterals	Vehicles, including cars, construction equipment on a car chassis, other vehicles
	Separate specialist equipment and machines
	Technological line
	Airplane, helicopter, boat / ship
	Inventories

Receivables	Factoring
	Receivables from contracts / lease agreements
	Receivables from permanent cooperation
Guarantees and sureties	Bank guarantee
	State Treasury guarantees
	Sureties

In the process of calculating own funds requirements to cover credit risk, the Group primarily uses collateral on residential and commercial real estate, cash collateral, guarantees and collateral on State Treasury debt securities.

EU CRC, e) Market or credit risk concentrations within the credit mitigation taken

The Group notices concentration related to credit risk mitigation with respect to collaterals for loans in the form of a mortgage. The main risk factor associated with this protection are:

1) an increase in the exchange rate of CHF / PLN.
2) a decrease in the value of mortgage.

Both of these factors contribute to increase of average LTV ratio (the ratio of loan to value of collateral) and the resulting increase in the value of loans, where the value of the LTV is greater than 100% and a deterioration of capital adequacy.

The first risk factor increases the DTI ratio (the ratio of debt-to-income for a customer) and it leads also to deterioration of liquidity.

The Group identifies, measures, monitors and controls continuously above risk factors. Conservative liquidity strategy is used, which provides for the maintenance of liquid assets buffer for unexpected changes in exchange rates. Capital plan provides for the maintenance of capital adequacy at a satisfactory level in the coming years. Both plans - Liquidity and Capital – account for stress tests assuming a significant appreciation of the exchange rate of CHF / PLN. The level of non-performing loans is regularly monitored and in case of potential problems with debt repayment customer is contacted in order to apply the right solution, suitable to his financial capability. The quality of loans secured by real estate remains at a high level.

The below table presents the overview of CRM techniques.

Table no 27 - EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques in PLN mln)

		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	32 322	47 819	45 112	2 707	0
2	Debt securities	69 397	0	0	0	0
3	Total	101 719	47 819	45 112	2 707	0
4	*Of which non-performing exposures*	527	804 120	652 963	151 157	0
EU-5	*Of which defaulted*	527	804 120	652 963	151 157	0

The table EU-CR7 is not presented, becauses the Group does not use credit risk derivatives as CRM techniques.

The below table discloses the information on the scope of use of CRM techniques in IRB method.

Table no 28 - EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques (in PLNm, in per cent)

	A-IRB	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
			Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Guarantees (%)	**RWEA without substitution effects (reduction effects only)**	**RWEA with substitution effects (both reduction and sustitution effects)**
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Corporates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.1	*Of which Corporates - SMEs*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.2	*Of which Corporates - Specialised lending*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3	*Of which Corporates - Other*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Retail	33 973	0,00%	71,17%	71,17%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0	8 218

4.1	*Of which Retail - Immovable property SMEs*	28	0,00%	98,39%	98,39%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0	16
4.2	*Of which Retail - Immovable property non-SMEs*	29 216	0,00%	82,66%	82,66%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0	6 535
4.3	*Of which Retail - Qualifying revolving*	4 729	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0	1 668
4.4	*Of which Retail - Other SMEs*	0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0	0
4.5	*Of which Retail - Other non-SMEs*	0	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0	0
5	Total	**33 973**	**0,00%**	**71,17%**	**71,17%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**0**	**8 218**

6. Operational risk

The description of operational risk management process was presented in the Financial Report. the chapter “Financial risk management”. the part “Operational risk”. The methods used in the key steps of that process are:

- Collecting operational risk events
- Self-assessment of operational risk in individual processes
- Analysis and monitoring of risk indicators.

Other aspects related to operational risk - process management, fraud risk management, other actions - are presented in the Management Board Report. in chapter "Risk management - other risk types".

Losses stemming from operational risk events

Recommendation M of KNF

The table below presents operational risk events registered in the database of operational risk events in 2025. The table does not include operational risk events related to credit risk, which are treated as credit risk events for the purpose of calculating credit requirements and events related to losses incurred on the mortgage loan portfolio as a result of court decisions unfavorable for the Bank.

Table no 29 - Operational risk events (amounts of losses) divided by event category and type of losses (in PLNm)

Event category	Net loss	Gross loss
Clients, products and business practices	5,1	5,1
External fraud and theft	0,5	0,5
Internal fraud	1,1	6,7
Execution, delivery and process management	3,1	7,7
Property and disasters risks	0,0	0,5
TOTAL	**9,9**	**20,5**

Operational risk management system used in the Bank requires identification of a causes of an events and implementation of decisions or actions to reduce frequency and financial impact of events. It is completed using change of processes. strengthening of internal controls. adjustments of documentation and procedures and dedicated trainings.

In 2025, Bank Millennium Group reported no material operational risk events. i.e. those for which gross loss exceeds 10% of capital requirements for operational risk.

7. LIQUIDITY RISK

The below table presents qualitative information on liquidity risk management. according to regulatory requirements. Detailed information on the strategy. organizational model and liquidity risk management process in the Bank Millennium S.A. Group is presented in the Annual Financial Report, in the chapter on liquidity risk management.

Table no 30 - EU LIQA - Liquidity risk management

Legal basis	Row number	Information
Article 451a(4) CRR	a)	*Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding,* The Bank has formalized liquidity and funding risk management policies. Liquidity risk management strategies and processes, including those regarding the diversification of sources and the maturity of planned funding, are approved at the appropriate level of authority and are subject to regular reviews. As a rule, the strategy and policies must be updated at least annually. Before they take effect, they must be approved by at least the Bank's Management Board (policies) and/or the Supervisory Board (strategies). The Risk Strategy is a comprehensive document providing guidelines for the risk management policy/strategy. This document is developed in written form over a three-year horizon and is subject to annual review and updating. It is approved by the Bank's Management Board and Supervisory Board. The risk strategy and its review are inextricably linked to other strategic documents, such as the Budget, Liquidity Plan, and Capital Plan. The liquidity risk objectives contained in the Risk Strategy are qualitative guidelines, as well as quantitative ones through the definition of the risk appetite statement. The policy includes all relevant methods for daily, short-term, medium-term, and long-term liquidity and funding risk management. Key elements of the current policy include: - a system of limits and liquidity risk measurement methods, - monitoring funding sources and concentration risk, - intraday liquidity management, - a liquidity buffer and collateral management, - an internal transfer pricing system, - stress testing, - a contingency liquidity plan. A detailed framework for liquidity risk management, including the approach applied to the BM Group's funding sources and structural liquidity analyses based on cumulative, adjusted liquidity gaps, is presented in the Consolidated Annual Financial Report of the Bank Millennium S.A. Capital Group for the 12-month period ended December 31, 2025, in the section "Liquidity Risk."
Art. 451a	b)	*Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).*

ust.4 CRR		The process of liquidity and funding risk management involves the active participation of the Supervisory Board and Management Board (at the strategic level), as well as specialized committees and organizational units (at the operational level): the Capital, Assets and Liabilities Committee (CALC), the Risk Committee (RC), the Risk Department, and the Treasury Department. The CALC and RC serve a mixed role in the process: decision-making and advisory. Separation of responsibilities for risk generation, measurement, monitoring, and control is one of the core principles of risk management at the Bank. Therefore, the Bank's organizational approach to managing other types of liquidity risk ensures the independence of the units executing transactions (Treasury Department, Front Office), settling them (Treasury Operations Department, Back Office), and monitoring and controlling risk (Risk Department and Treasury Control and Analysis Office, Middle Office). The detailed scope of authority and responsibility of all units involved in the process is defined in the document regulating the liquidity risk management framework, i.e., in the policy: Principles and rules of liquidity risk management at Bank Millennium S.A., in particular: - The Supervisory Board is responsible for approving the liquidity risk and funding strategy, including defining the risk tolerance/appetite, and for overseeing the compliance of the Bank's risk-taking policy with the Bank's strategy and financial plan. - The Bank's Management Board is responsible for defining the general policy directions for liquidity risk control and management, including defining the organizational structure and limit levels. - The Capital, Assets and Liabilities Committee (CALC) and the Risk Committee are responsible, in particular, for monitoring changes in liquidity risk and compliance with relevant policies and regulations, reviewing the policies, regulations, and practices applicable to the liquidity risk management process across the BM Group, and for reviewing and approving risk limits. - The Treasury Department is responsible for the daily operational management of liquidity risk for all positions under its responsibility and for the implementation of market operations. in accordance with the directions set by the KKAP within the framework of applicable policies, procedures, and limits established at the Bank, - The Risk Department is responsible for proposing and implementing the liquidity risk management policy assumptions and methodologies for identifying, measuring, limiting, monitoring, mitigating, and reporting, as well as for measuring, monitoring, and reporting liquidity risk positions and stress test results, - The Treasury Operations Department is responsible for maintaining records, controlling, and settling transactions executed by the Treasury Department. The general principles of risk management in the BM Group are described in the Consolidated Annual Financial Report of the Bank Millennium S.A. Capital Group for the 12-month period ended December 31, 2025, in the "Risk Management" section.
Art. 451a ust.4 CRR	c)	*A description of the degree of centralisation of liquidity management and interaction between the group's units* In accordance with the Risk Strategy adopted by the Bank's Management Board and Supervisory Board, liquidity risk generated by its subsidiaries is consolidated and managed centrally. Funding requirements and any excess liquidity at subsidiaries are managed through transactions concluded with the Bank, unless prior decisions are made at the appropriate level of authority and arrangements are made for specific market transactions. Subsidiaries are required to manage their liquidity position in accordance with the guidelines set forth in the aforementioned Risk Strategy and Liquidity Plan, as well as in accordance with the limits and principles specified in the policy defining the liquidity risk management framework.
Art. 451a	d)	*Scope and nature of liquidity risk reporting and measurement systems.*

ust.4 CRR		The risk measurement system, along with established limits, is closely linked to the reporting mechanism. The scope and nature of the reporting and risk measurement systems are formalized and subject to regular reviews. In particular, internal regulations define the scope and procedure for management information regarding liquidity and funding risk, including the units responsible for preparing reports, report recipients, and the scope and frequency of reporting. The Bank regularly monitors and reports the supervisory liquidity ratio (LCR, NSFR, WFD) and examines, among other things, funding concentration risk, the internal liquidity safety buffer, and the stability of external funds. As a rule, the frequency and content of the management information system are adapted to the level of competence and responsibility of the recipients, as well as to changes in the Bank's risk profile. This information is analyzed and allows for a comprehensive picture of the Bank's exposure to liquidity risk in the context of the adopted regulations. The information is intended to enable a reliable assessment of risk exposure by all units involved in the process and to support the Bank's management in assessing the implementation of the adopted strategy/policy, as well as in planning, identifying weaknesses in the Bank's operations that generate excessive risk, and enabling risk management decisions within defined limits. Information regarding the level of liquidity and funding risk metrics, the applicable limit, and its utilization is provided in accordance with the established monitoring/control procedures – generally daily to the Management Board Members responsible for the Risk Department and the Treasury Department, the Heads of the Risk Department and the Treasury Department, monthly to the Capital, Assets, and Liabilities Committee (CALC), and quarterly to the Risk Committee (RC), the Bank's Management Board, and the Supervisory Board. The reporting frequency may be increased as needed. Details regarding liquidity risk measurement and the metrics used are presented in the Consolidated Annual Financial Report of the Bank Millennium S.A. Capital Group. for the 12-month period ended 31/12/2025: in the "Liquidity risk" chapter.
Art. 451a ust.4 CRR	e)	*Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.* The Bank has formalized rules of liquidity and funding risk management. Liquidity risk management strategies and processes, including the principles of diversifying the sources and maturity of planned funding, are approved with an appropriate level of competence and are regularly reviewed. As a rule, the strategy and policies must be updated at least once a year. Before they come into force, they must be approved at least by the Bank's Management Board (policies) and / and the Supervisory Board (strategies).
Art. 451a	f)	*An outline of the bank`s contingency funding plans.*

ust.4 CRR		The Liquidity Contingency Plan at Bank Millennium S.A. (the Plan) provides a regulatory framework for identifying and managing a liquidity crisis at the Bank, which can occur as a result of unfavorable business conditions, unexpected external circumstances in the Bank's environment, or a combination of both. The Plan's purpose is to clearly and precisely define the strategy and procedure, and to define the principles and responsibilities of Bank employees for a set of actions that can be taken in the event of a liquidity crisis, which can be triggered by various factors. In particular, the Plan specifies: - Principles, conditions, and responsibilities for the activation and deactivation of the Plan, - Sources of emergency funding, - Recovery options and detailed procedures for responding to various severity levels of a liquidity crisis, including prioritization, - Responsibility structure (assignment of roles to individual participants within the Emergency Liquidity Plan), - Decision-making process in liquidity crisis situations, - Scope and format of reporting, - Information channels in liquidity crisis situations (internal communication, external communication). In addition, in accordance with applicable rules, the Plan should be tested at least annually or upon request by both the Capital, Assets, and Liabilities Committee (CALCO) and the Risk Committee. The testing of the Plan aims to ensure its effectiveness and operational feasibility, including: - Obtaining confirmation that the segregation of duties is appropriate and understandable, - Reviewing the availability of required reports, legal documentation, and an operational plan to enable the Plan's implementation within a short timeframe, - Testing key assumptions, such as the possibility of selling certain assets or entering into repurchase agreements, the possibility of utilizing credit lines or other sources of emergency financing, - Verifying the feasibility of cash transfers and collateral. As part of the aforementioned testing of the Liquidity Contingency Plan in 2025, the Bank operationally assessed, among other things, the emergency procedure for intraday liquidity support in the form of a Lombard credit facility from the National Bank of Poland. Selected Bank employees provided the required information within the scope provided for in the Liquidity Contingency Plan.
Art. 451a ust.4 CRR	g)	*An explanation of how stress testing is used.* The primary goal of stress testing as part of liquidity risk management is to identify factors that may pose the greatest threat to the Bank's liquidity and to determine their impact on the Bank's liquidity should they materialize. The liquidity stress testing program consists of scenario analysis, sensitivity analysis, and reverse testing. Three scenarios are analyzed: - idiosyncratic – specific to the Bank, in which the banking sector as a whole is not subject to stress; - systemic – an external market crisis in which the Bank is stressed due to deteriorating market conditions; - mixed – a combination of the scenarios mentioned above. Liquidity stress tests are conducted at least quarterly, and the results are presented to the Capital, Assets, and Liabilities Committee (CAC) as an additional indicator supporting the liquidity risk management process. The Management Board and Supervisory Board receive the test results at least annually. The scope and procedures for management information are formalized and subject to regular reviews. The results of the stress tests conducted in 2025 confirm the Group's stable and secure liquidity position.
Art. 451a ust.4 CRR	h)	*A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.* Statement by the Management Board of Bank Millennium S.A. in this regard, it has been included in Chapter 11 of this Report.

Art. 451a ust.4 CRR	i)	*A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.* *These ratios may include* · Concentration limits on collateral pools and sources of funding (both products and counterparties) Details on the measurement of liquidity risk and the applied concentration measures are presented in the Consolidated Financial Annual Report of the Bank Millennium S.A. Capital Group. for the 12-month period ended December 31, 2025: in section Liquidity risk · Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank Details on the measurement of liquidity risk are presented in the Consolidated Financial Annual Report of the Bank Millennium S.A. Capital Group. for the 12-month period ended December 31, 2025: in section Liquidity risk. · Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity Details on exposure to liquidity risk and sources of financing are presented in the Consolidated Financial Annual Report of the Bank Millennium S.A. Capital Group. for the 12-month period ended December 31, 2025: in section Liquidity risk. · Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps Details on the measurement of liquidity risk and liquidity gaps by maturity ranges are presented in the Consolidated Financial Annual Report of the Bank Millennium S.A. Capital Group. for the 12-month period ended December 31, 2025 in section Liquidity risk.

In accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, the Group sets a liquidity coverage requirement (LCR). The net outflow coverage ratio is determined individually by each entity of the Bank's Capital Group subject to the requirement to determine this indicator and at the consolidated level for the Bank's Capital Group together. The minimum supervisory level of the LCR ratio of 100% was met by the Group on each reporting date (at the end of December 2025, the LCR ratio was 402%). The amount and main components of the net outflow coverage ratio for the Group in 2025 are presented in the table below. The data presented were determined as simple averages of observations at the end of each month in the twelve-month period preceding December 31, 2025.

Table no 31 - EU LIQ1 -Quantitative information on LCR (in PLNm, in per cent)

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	4 Q 2025	3 Q 2025	2 Q 2025	1 Q 2025	4 Q 2025	3 Q 2025	2 Q 2025	1 Q 2025
EU 1b	Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					70 070	65 369	60 315	56 041
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	105 757	101 331	99 371	97 246	5 441	5 157	5 029	4 887
3	*Stable deposits*	72 455	68 424	66 893	64 428	3 623	3 421	3 345	3 221
4	*Less stable deposits*	13 948	13 246	12 857	12 775	1 818	1 736	1 685	1 666
5	Unsecured wholesale funding	25 184	24 720	22 122	21 677	10 579	10 680	9 217	8 980
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	4 547	4 054	4 238	3 966	1 130	1 007	1 054	985
7	*Non-operational deposits (all counterparties)*	20 619	20 554	17 870	17 706	9 431	9 560	8 150	7 991
8	*Unsecured debt*	18	112	14	4	18	112	14	4
9	*Secured wholesale funding*	0	0	0	0	0	0	0	0
10	Additional requirements	10 901	10 185	9 803	9 307	1 151	1 200	1 250	1 216
11	*Outflows related to derivative exposures and other collateral requirements*	284	394	410	409	284	394	410	409

12	*Outflows related to loss of funding on debt products*	0	0	0	0	0	0	0	0
13	*Credit and liquidity facilities*	10 617	9 791	9 393	8 898	867	806	840	807
14	Other contractual funding obligations	1 176	620	529	342	1 157	603	466	311
15	Other contingent funding obligations	6 807	5 861	5 087	4 993	1 449	988	642	675
16	TOTAL CASH OUTFLOWS	0	0	0	0	19 777	18 629	16 604	16 069
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	229	462	335	301	0	0	0	0
18	Inflows from fully performing exposures	2 183	2 058	2 572	2 436	1 870	1 753	2 215	2 063
19	Other cash inflows	15	22	19	14	15	22	19	14
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	0	0	0	0	0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)	0	0	0	0	0	0	0	0
20	TOTAL CASH INFLOWS	2 428	2 543	2 925	2 751	1 885	1 775	2 234	2 077
EU-20a	*Fully exempt inflows*	0	0	0	0	0	0	0	0

EU-20b	*Inflows subject to 90% cap*	0	0	0	0	0	0	0	0
EU-20c	*Inflows subject to 75% cap*	2 428	2 543	2 925	2 751	2 073	1 775	2 234	2 077
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					70 070	65 369	60 315	56 041
22	TOTAL NET CASH OUTFLOWS					17 704	16 854	14 370	13 992
23	**LIQUIDITY COVERAGE RATIO**					**395,8306%**	**388,4365%**	**419,8616%**	**400,5968%**

Below are presented the detailed qualitative information on liquidity coverage ratio, which complements the template EU LIQ1.

Table no 32 - EU LIQB EU LIQB Qualitative information on LCR, which complements template EU LIQ1.

Legal basis	Row number	Information
Art. 451a(2) CRR	a)	*Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time wskaźnika pokrycia wypływów netto w czasie* Compared to December 31, 2024, and September 30, 2025, the consolidated LCR increased by approximately 31 and 28 percentage points, respectively. The increase in deposits in the fourth quarter and the full year was largely due to an increase in retail deposits with a lower outflow rate. These measures allowed for a significant increase in the liquid assets portfolio, which, given the relatively low outflow growth, led to a significant increase in the LCR.
Art. 451a ust.4 CRR	b)	*Explanations on the changes in the LCR over time* As above
Art. 451a ust.4 CRR	c)	*Explanations on the actual concentration of funding sources* There was no excessive concentration of financing sources. As at December 31, 2025, the share of the 5 and 20 largest depositors amounted to 1.6% and 4.3% of all deposits, respectively.
Art. 451a ust.4 CRR	d)	*High-level description of the composition of the institution`s liquidity buffer.* The Group maintains a consistently safe level of unencumbered, high-quality liquid assets, which serve as a buffer against stress scenarios in liquidity. Liquid assets include cash, funds in nostro accounts (excluding the average required reserve requirement), and liquid securities, including securities received as collateral in reverse repo transactions. The portfolio excludes securities pledged as collateral or those that are blocked. At the end of December 2025, the share of liquid debt securities (including NBP bills) in the total debt securities portfolio was approximately 99.9%, with a portfolio value of PLN 70.1 billion, compared to approximately 99.9% at the end of December 2024, at approximately PLN 53.9 billion.
Art. 451a	e)	*Derivative exposures and potential collateral calls*

ust.4 CRR		The Group provides liquidity in foreign currencies thanks to FX deposits, EUR own bonds issues, as well as currency and interest-currency swap transactions. The importance of swaps is declining as a result of the reduction of the foreign currency mortgage portfolio and the hedging of foreign currency legal provisions. The Group considers transactions in derivative instruments to be significant (the total nominal value of such transactions exceeded 10% of the net liquidity outflow of the LCR). The swap portfolio is diversified in terms of counterparties and maturities. The Group has signed annexes to framework agreements regulating security issues (Credit Support Annex, CSA) with the majority of contractors. Therefore, in the event of unfavorable changes in exchange rates (depreciation of PLN), the Bank is obliged to make a deposit to secure the settlement of derivative instruments in the future, and in the event of favorable changes in exchange rates (appreciation of PLN), the Group receives a security deposit from contractors. The liquidity risk in the unfavorable market scenario results from a change in the market value of derivative instruments, which creates liquidity needs due to the coverage of margins. In both the stress test scenarios and the LCR approach, this additional liquidity requirement is accounted for as the largest absolute net collateral flow realized over a 30-day period over a 24-month period.
Art. 451a ust.4 CRR	f)	*Currency mismatch in the LCR* The Group had two significant currencies (PLN and EUR), i.e. those for which the ratio of the value of liabilities in a given currency to the total value of liabilities in all currencies was at least 5%. The Capital Group of the Bank had an LCR ratio above 100% for all currencies in total and for significant currencies.
Art. 451a ust.4 CRR	g)	*Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile* Other items in the LCR calculation that are not included in the LCR disclosure template and that the institution considers to be material to its liquidity profile.

In accordance with CRR 3, the Group sets a net stable funding requirement (NSFR). The minimum regulatory NSFR level of 100% was met by the Group at each reporting date (at the end of December 2025, the NSFR was 203%). The level and key components of the net stable funding ratio for the Group in 2025, in accordance with Article 451a of Regulation 2019/876, are presented in the table below.

Tabela nr 33 - EU LIQ2 - Net Stable Funding Ratio (in PLNm, in per cent)

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	8 435	0	0	782	9 217
2	*Own funds*	8 435	0	0	782	9 217
3	*Other capital instruments*		0	0	0	0
4	Retail deposits		104 333	2 338	671	101 307
5	*Stable deposits*		90 568	2 065	653	88 654
6	*Less stable deposits*		13 765	274	18	12 653

7	Wholesale funding:		23 226	431	8 215	19 298
8	*Operational deposits*		5 098	0	0	2 549
9	*Other wholesale funding*		18 127	431	8 215	16 749
10	Interdependent liabilities		0	0	0	0
11	Other liabilities:	40	7 134	9	59	63
12	*NSFR derivative liabilities*	40				
13	*All other liabilities and capital instruments not included in the above categories*		7 134	9	59	63
14	**Total available stable funding (ASF)**					129 885
Required stable funding (RSF) Items						0
15	Total high-quality liquid assets (HQLA)					2 041
EU-15a	Assets encumbered for more than 12m in cover pool		31	32	2 546	2 218
16	Deposits held at other financial institutions for operational purposes		0	0	0	0
17	Performing loans and securities:		5 348	5 584	57 417	49 681
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		99	0	0	0
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		15	33	618	636
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		4 656	4 527	25 076	25 662
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		286	257	1 219	1 064
22	*Performing residential mortgages, of which:*		564	587	29 116	20 946
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		475	486	21 888	14 708
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		14	437	2 608	2 437
25	Interdependent assets		0	0	0	0
26	Other assets:		2 426	190	7 551	9 204

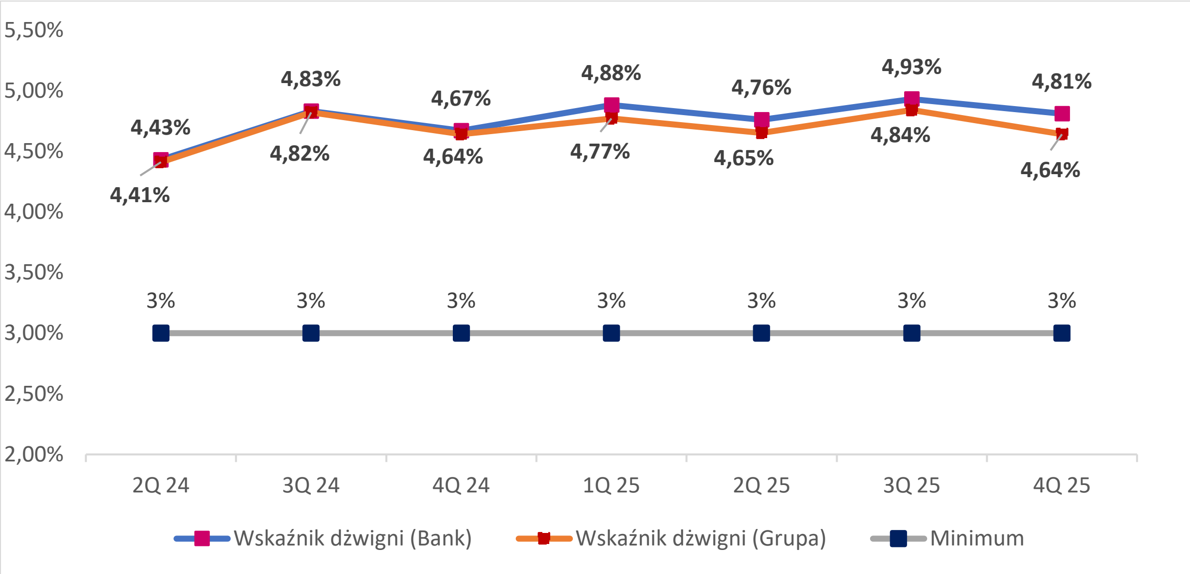
27	*Physical traded commodities*	0	0	0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	0	0	534	454
29	*NSFR derivative assets*	0	0	0	0
30	*NSFR derivative liabilities before deduction of variation margin posted*	616	0	0	31
31	*All other assets not included in the above categories*	1 810	190	7 017	8 719
32	Off-balance sheet items	4 123	3 930	8 307	973
33	**Total RSF**				64 117
34	**Net Stable Funding Ratio (%)**				**202,5753%**

8. Financial Leverage

The Bank calculated the leverage ratio at the consolidated level as of December 31, 2025, based on CRR 3, Commission Delegated Regulation (EU) 2015/62 of October 10, 2014.

The leverage ratio for the Group as of December 31, 2025, was 4.64% in terms of Tier 1 capital, as well as according to the transitional definition of Tier 1 capital.

The leverage ratio remains stable, significantly exceeding the regulatory minimum of 3%, as shown in the chart below.



The Group does not apply the derogations specified in Article 499(2) and (3) of the CRR when calculating the leverage ratio. The leverage ratio is calculated both in terms of Tier 1 capital and according to the transitional definition of Tier 1 capital. The Group does not apply the option to exclude exposures to central banks from the total exposure measure, in accordance with Guidelines EBA/GL/2020/11.

The Bank has not been subject to additional own funds requirements determined as a result of the supervisory review process, referred to in Article 104(1)(a) of Directive 2013/36/EU, to address the risk of excessive leverage.

Table no 34 EU LR1 - LRSum - Summary reconciliation of accounting assets and leverage ratio exposures (in PLNm)

		Applicable amount
1	Total assets as per published financial statements	155 673
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	155 673
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	0

5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustment for eligible cash pooling transactions	0
8	Adjustments for derivative financial instruments	351
9	Adjustment for securities financing transactions (SFTs)	0
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	4 777
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
12	Other adjustments	0
13	**Leverage ratio total exposure measure**	**151 076**

Table no 35 - EU LR2 - LRCom: Leverage ratio common disclosure (in PLNm, in per cent)

		CRR leverage ratio exposures	
		2025-12-31	2024-12-31
On-balance sheet exposures (excluding derivatives and SFTs)		0	0
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	156 236	139 129
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0	0
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0
5	(General credit risk adjustments to on-balance sheet items)	0	0
6	(Asset amounts deducted in determining Tier 1 capital)	-927	-705
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	155 309	138 424
Derivative exposures		0	0
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	632	473
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0	0
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	188	122

EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0
EU-9b	Exposure determined under Original Exposure Method	0	0
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0	0
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0	0
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)	0	0
11	Adjusted effective notional amount of written credit derivatives	0	0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
13	**Total derivatives exposures**	820	595
Securities financing transaction (SFT) exposures		0	0
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	62	194
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	37	0
16	Counterparty credit risk exposure for SFT assets	0	0
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0	0
17	Agent transaction exposures	0	0
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	0	0
18	**Total securities financing transaction exposures**	99	194
Other off-balance sheet exposures		0	0
19	Off-balance sheet exposures at gross notional amount	15 494	12 296
20	(Adjustments for conversion to credit equivalent amounts)	-13 805	-7 455
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	0	0
22	**Off-balance sheet exposures**	1 689	4 841
Excluded exposures		0	0
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0	0
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	0	0
EU-22c	(Excluded exposures of public development banks - Public sector investments)	0	0

EU-22 d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	0	0
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	0	0
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	0	0
EU-22g	(Excluded excess collateral deposited at triparty agents)	0	0
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0	0
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0	0
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	0	0
EU-22k	(Total exempted xposures)	0	0
Capital and total exposure measure		0	0
23	**Tier 1 capital**	7 508	6 688
24	**Leverage ratio total exposure measure**	161 926	144 076
Leverage ratio			
25	Leverage ratio	4,64%	4,64%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	4,64%	4,64%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4,64%	4,64%
26	Regulatory minimum leverage ratio requirement (%)	3,00%	3,00%
EU-26	Additional leverage ratio requirements (%)	0,00%	0,00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0,00%	0,00%
27	Leverage ratio buffer requirement (%)	0,00%	0,00%
27a	Overall leverage ratio requirement (%)	3,00%	3,00%
Choice on transitional arrangements and relevant exposures			

EU-27b	Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	361	335
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	99	194
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	262	144
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	262	144
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,64%	4,64%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,64%	4,64%

Table no 36 EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (in PLNm)

		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	156 236
EU-2	Trading book exposures	0
EU-3	Banking book exposures, of which:	156 236
EU-4	Covered bonds	0
EU-5	Exposures treated as sovereigns	72 718
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	247
EU-7	Institutions	2 744
EU-8	Secured by mortgages of immovable properties	35 075

EU-9	Retail exposures	20 151
EU-10	Corporate	10 601
EU-11	Exposures in default	1 468
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	13 232

Table no 37 - EU LRA - Disclosure of LR qualitative information

Legal basis	Row number	Information
Article 451	a)	Description of the processes used to manage the risk of excessive leverage The objective of the excessive leverage risk management process is to counteract the excessive level of leverage risk in order to enable the Bank and the Group to survive a number of different potential events causing financial stress and to maintain the level of leverage risk within the risk limits and the designated risk appetite. Risk is measured by calculating a number of risk indicators. Risk monitoring consists in determining the risk level in the form of a "safety zone", determining the degree of use of risk limit limits and analyzing changes in this degree. Risk reports are presented at meetings of risk and capital management committees. Risk control consists in making management decisions by authorized committees affecting the level of risk. As part of risk management, stress tests are performed to analyze the sensitivity of the leverage ratio to unfavorable economic conditions and negative events.
Article 451	b)	Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers The consolidated ratio fluctuated little over 2025, ranging from 4.54% to 4.87%. The ratio is well above the regulatory minimum of 3% and, barring unexpected events, is not expected to decline to levels that threaten to exceed the limit.

9. Minimum requirement for Own Funds and Eligible Liabilities

The Bank manages MREL requirements in a manner analogous to capital adequacy ratios.

In May 2025, the Bank received a joint decision from the resolution authorities requiring it to meet MREL requirements at the consolidated level, excluding Millennium Bank Hipoteczny. The updated minimum requirements are 15.36% (consolidated MRELtrea) and 5.91% (consolidated MRELtem). Taking into account the subordination criterion, the Bank is required to meet the minimum MRELtrea requirement of 14.15% and MRELtem requirement of 5.54%. Furthermore, in accordance with the above decisions, the Bank must also meet the MREL requirement, taking into account the Combined Buffer Requirement (currently 3.75%).

Table no 38 MREL in 2025 (in per cent)

MREL	31.03.2025	30.06.2025	30.09.2025	31.12.2025
MRELtrea (consolidated)	**27,70%**	**25,27%**	**25,51%**	**24,53%**
Minimimum required MRELtrea	18,03%	15,36%	15,36%	15,36%
Surplus(+) / Deficit(-) MRELtrea (%)	9,67%	9,91%	10,15%	9,17%
Minimum required MRELtrea after Combined buffer requirement (CBR)	20,78%	18,11%	19,11%	19,11%
Surplus(+) / Deficit(-) MRELtrea with CBR (%)	6,92%	7,16%	6,40%	5,42%
MRELtem (consolidated)	**8,75%**	**8,56%**	**8,83%**	**8,27%**
Minimum required MRELtem	5,91%	5,91%	5,91%	5,91%
Surplus(+) / Deficit(-) MRELtem (%)	2,84%	2,65%	2,92%	2,36%

In terms of the MRELtrea and MRELtem requirements, the Group presents a surplus compared to the minimum required levels and also meets the MRELtrea Requirement after including the Combined Buffer Requirement.

The table below presents the components of the MREL indicator.

Table no 39 - M 01.00 - MREL and TLAC key metrics (resolution groups / entities) (KM2) (in PLNm, in per cent)

		2025-12-31
		Minimum requirement for own funds and eligible liabilities (MREL)
	Total risk exposure amount and total exposure measure	
0100	Total risk exposure amount (TREA)	54 081
0110	Total exposure measure (TEM)	160 469
	Own funds and eligible liabilities	
0200	Own funds and eligible liabilities	13 265
0210	of which: own funds and subordinated liabilities	13 265
0220	of which governed by third country law	0
0230	of which containing a write down and conversion clause as referred to in Article 55 of Directive 2014/59/EU	0

	Other bailinable liabilities	
0250	Other bailinable liabilities	40 382
0260	of which governed by third country law	0
0270	of which containing a write down and conversion clause as referred to in Article 55 of Directive 2014/59/EU	0
0280	Residual maturity of < 1 year	37 143
0285	Residual maturity of >= 1 year and < 2 years	740
0290	Residual maturity of >= 2 years	2 499
	Ratios and subordination exemptions	
0300	Own funds and eligible liabilities as a percentage of the total risk exposure amount	24,5275%
0310	of which: own funds and subordinated liabilities	24,5275%
0320	Own funds and eligible liabilities as a percentage of the total exposure measure	8,2662%
0330	of which own funds and subordinanted liabilities	8,2662%
0340	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)	
0350	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion as per Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3,5% exemption)	
0360	Share of the total non-subordinated liabilities that is included in own funds and eligible liabilities	

The table below presents the components of MREL. The Group is not a global systemically important institution (G-SII), so it does not calculate the TLAC requirement (G-SII requirement for own funds and eligible liabilities).

Table no 40 - EU TLAC 1 - Composition - MREL and, where applicable, G-SII Requirement for own funds and eligible liabilities (M 02.00) (in PLNm, in per cent)

		a	b	c
		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not of TLAC
Own funds and eligible liabilities and adjustments				
1	Common Equity Tier 1 capital (CET1)	7 508		
2	Additional Tier 1 capital (AT1)			
6	Tier 2 capital (T2)	782		
11	Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	8 290		
Own funds and eligible liabilities: Non-regulatory capital elements				
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	4 227		
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)			

EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities issued prior to 27 June 2019 (subordinated grandfathered)			
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	748		
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)			
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)			
14	Amount of non subordinated eligible liabilities instruments, where applicable after application of Article 72b (3) CRR			
17	Eligible liabilities items before adjustments	4 975		
EU-17a	Of which subordinated liabilities items	4 975		
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements				
18	Own funds and eligible liabilities items before adjustments	13 265		
19	(Deduction of exposures between multiple point of entry (MPE) resolution groups)			
20	(Deduction of investments in other eligible liabilities instruments)			
22	Own funds and eligible liabilities after adjustments	13 265		
EU-22a	Of which: own funds and subordinated liabilities	13 265		
Risk-weighted exposure amount and leverage exposure measure of the resolution group				
23	Total risk exposure amount (TREA)	54 081		
24	Total exposure measure (TEM)	160 469		
Ratio of own funds and eligible liabilities				
25	Own funds and eligible liabilities as a percentage of TREA	24,5275%		
EU-25a	Of which own funds and subordinated liabilities	24,5275%		
26	Own funds and eligible liabilities as a percentage of TEM	8,2662%		
EU-26a	Of which own funds and subordinated liabilities	8,2662%		
27	CET1 (as a percentage of the TREA) available after meeting the resolution group’s requirements	9,1675%		
28	Institution-specific combined buffer requirement			
29	of which capital conservation buffer requirement			
30	of which countercyclical buffer requirement			
31	of which systemic risk buffer requirement			
EU-31a	of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer			
Memorandum items				
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013			

Table M 03.00 – Internal MREL and Internal TLAC (ILAC) is not presented because this template is intended for entities that are not themselves resolution entities pursuant to Article 45f of Directive 2014/59/EU (internal MREL).

The table below presents the funding structure of eligible liabilities (LIAB MREL).

Table no 41 - M 04.00 Funding structure of eligible liabilities (LIAB MREL) (in PLNm)

	Amount eligible for MREL / internal MREL
Eligible liabilities	4 975
Deposits, not covered and not preferential >= 1 year	
Of which: residual maturity >= 1 year and < 2 years	
Of which: residual maturity >= 2 years	
Of which: issued by subsidiaries	
Uncollateralized secured liabilities >= 1 year	
Of which: residual maturity >= 1 year and < 2 years	
Of which: residual maturity >= 2 years	
Of which: issued by subsidiaries	
Structured notes >= 1 year	
Of which: residual maturity >= 1 year and < 2 years	
Of which: residual maturity >= 2 years	
Of which: issued by subsidiaries	
Senior unsecured liabilities >= 1 year	
Of which: residual maturity >= 1 year and < 2 years	
Of which: residual maturity >= 2 years	
Of which: issued by subsidiaries	
Senior non-preferred liabilities >= 1 year	4 227
Of which: residual maturity >= 1 year and < 2 years	2 113
Of which: residual maturity >= 2 years	2 113
Of which: issued by subsidiaries	
Subordinated liabilities (not recognised as own funds) >= 1 year	748
Of which: residual maturity >= 1 year and < 2 years	429
Of which: residual maturity >= 2 years	318
Of which: issued by subsidiaries	
Other MREL eligible liabilities >= 1 year	
Of which: residual maturity >= 1 year and < 2 years	
Of which: residual maturity >= 2 years	
Of which: issued by subsidiaries	

Table M 05.00 – Order of satisfaction of creditors (TLAC2) is not presented because the Bank is a resolution entity and the table is designated for entities that are not such entities.

Table M 06.00 (TLAC3) below presents the order of priority for creditors (resolution entities). Information in this table is reported at the individual level. Liabilities are listed from the least senior to the most senior. The insolvency ranking is one of the rankings in the insolvency rankings published by the resolution authority of the relevant jurisdiction (Bank Guarantee Fund).

Table no 42 - M 06.00 Creditor ranking (resolution entities) (TLAC3) (in PLNm)

Description of insolvency rank	Liabilities and own funds		Liabilities and own funds less excluded liabilities						
		Of which: excluded liabilities		Of which: own funds and eligible liabilities potentially eligible for meeting MREL					
					Of which: with a residual maturity of				Of which: perpetual securities
					>= 1 year < 2 years	>= 2 year < 5 years	>= 5 years < 10 years	>= 10 years	
Category 10	7 202		7 202	7 202					7 202
Category 9									
Category 8	782		782	782	271	512			
Category 7	776		776	748	429	318			
Category 6	4 335		4 335	4 227	2 113	2 113			
Category 5									
Category 4b									
Category 4a									
Category 3d									
Category 3c									
Category 3b									
Category 3a	8 283		8 283						
Category 2	26 801		26 801						
Category 1									

The Bank does not have own funds and eligible liabilities regulated by third country law, therefore table M 07.00 – Instruments regulated by third country law (MTCI) is not presented

10. REMUNERATION AND RECRUITMENT POLICY

10.1. RECRUITMENT POLICY

The Bank has a recruitment policy towards Members of the Supervisory Board ("Policy of selection and suitability of assessment of Members of the Supervisory Board of Bank Millennium S.A." adopted by the Resolution No 27/2024 of the Ordinary General Meeting on March 27, 2024) and towards Members of the Management Board and key function holders ("Policy of selection and suitability of assessment for Bank Millennium Management Board Members and Key Function Holders in the Bank Millennium S.A. Group", adopted by the Supervisory Board by the Resolution No 21/2024 on 28 February, 2024).

The Policies are designed to ensure, that people who perform the most important functions in the Bank Millennium SA Group, including functions in management bodies, have:

- adequate professional qualifications, experience and skills,
- appropriate reputation, honesty, ethics, knowledge,
- sufficient time that they can devote to performing their duties for the Group.

In the long-term perspective, the Policies are to support good management of the Group, achieving stable results and proper operational risk management.

The policies are based on the principles set out in:

1. The Banking Act of August 29, 1997 (Journal of Laws of 2023, item 2488 as amended, "the Banking Act"),
2. The Act of July 29, 2005 on financial instruments trading (Journal of Laws of 2023, item 646 as amended, "UOIF"),
3. Regulation of the Minister of Finance of May 29, 2018 on detailed technical and organizational conditions for investment companies and banks referred to in Art. 70 section 2 of the Act on Trading in Financial Instruments and custodian banks (Journal of Laws of 2018, item 1111; hereinafter referred to as the Regulation),
4. EBA and ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders under of 2 July 2021 (EBA / GL / 2021/06) ("the EBA Guidelines"),
5. Methodology for assessing the suitability of members of the bodies of supervised entities published by the PFSA on January 27. 2020 ("the PFSA Methodology"),
6. Recommendation Z on the principles of internal governance in banks issued pursuant to Art. 137 sec. 1 point 5 of the Banking Law.

The suitability of members of the Bank's governing bodies is assessed on the basis of the criteria set out in the Banking Law, the PFSA Methodology and the EBA Guidelines.

The following criteria covering experience and reputation are used in assessment of the qualification process:

- the level and profile of education and training and their relationship with banking or financial services,
- practical experience related to financial markets, regulatory requirements, planning, understanding and implementation of business strategy, risk management, ability to establish an effective management, supervision and control system in a financial institution, the ability to interpret financial information of a credit institution,

- period of employment in a managerial position, scope of competences in these positions, type and complexity of subordinate structures and number of subordinates.

In addition, the following criteria are taken into account in the suitability assessment process:

- warranty, including no criminal record, reputation, no connection with events in the area of money laundering and terrorist financing as well as fiscal crimes, financial situation as well as independence of judgment, which includes a conflict of interest and behavioral features; work experience, skills and knowledge;
- devoting the time necessary to perform the tasks in the position;
- combining positions and functions.

10.2. Decision making processes with regard to remuneration policy

The table below provides qualitative information on the remuneration policy in line with regulatory requirements.

Table no 43 - EU REMA - Remuneration policy

a)	Information relating to the bodies that oversee remuneration. Disclosures shall include:	
	•	*Name, composition and mandate of the main body (management body and remuneration committee where established) overseeing the remuneration policy and the number of meetings held by that main body during the financial year;* Supervision over the remuneration policy in the Bank Millennium Group is performed by the Personnel Committee of the Supervisory Board ("Committee"), with the composition as follows (as of 27 March, 2025): • Alojzy Nowak – Chairman • Olga Grygier-Siddons • Anna Jakubowski • Miguel de Campos Pereira de Bragança • Bogusław Kott. On March 27, 2025, the Supervisory Board appointed the Personnel Committee composed of: • Olga Grygier-Siddons • Miguel de Campos Pereira de Bragança • Miguel Maya Dias Pinheiro • Małgorzata Bonikowska The committee is responsible in particular for the oversight of the remuneration policy, the appointment and suitability of the management bodies. In addition, in accordance with the scope of its competences, the Personnel Committee of the Supervisory Board, among others: (i) verifies meeting the criteria and conditions justifying obtaining variable remuneration components of Management Board Members before paying all or part of this remuneration, (ii) gives opinions on the remuneration policy, including the amount and type of remuneration components, (iii) gives opinions on the amount of remuneration for persons holding key managerial positions in the Group related to risk management and compliance of the Bank's operations with internal law and regulations.

		In 2025, 8 meetings of the Personnel Committee of the Supervisory Board were held (27.01.2025, 21.02.2025, 21.03.2025, 06.05.2025, 06.06.2025, 19.09.2025, 21.11.2025, 28.11.2025). The subject of the Committee's work was in particular: 1. overseeing the preparation of the remuneration report for the Management Board and Supervisory Board members of Bank Millennium S.A. 2. evaluating candidates for the Management Board 3. conducting the required suitability assessments for the Management Board, including in connection with the appointment of a new Management Board 4. reassessing the Management Board members and establishing the principles for paying the retained bonus portion for 2021, 2022, and 2023 to the Management Board members who served in those years 5. evaluating the performance of individual Management Board members in 2024 and awarding bonuses to individual Management Board members for that period under the terms specified in the "Remuneration Policy for the Management Board and Supervisory Board Members of Bank Millennium S.A." and the "Remuneration Policy for Employees Having a Significant Impact on the Risk Profile in the Bank Millenium S.A. Group," 6. Supervision over the preparation of the principles of the share-based incentive program for Risk Takers, 7. Review of information on decisions regarding bonuses awarded in 2024 to Risk Takers who are not Members of the Bank's Management Board, 8. Supervision over the process of identifying employees who have a significant impact on the risk profile, 9. Monitoring and assessing the Management Board's remuneration policy
	•	*External consultants whose advice has been sought. the body by which they were commissioned. and in which areas of the remuneration framework;* In 2025, the Bank, at the request of the Head of the Human Resources Department in consultation with the supervising Member of the Management Board, commissioned consulting services to the following companies: • PwC sp. z o. o. regarding supplementing the Remuneration Policy with provisions regarding the principles of granting possible severance pay to resigning Members of the Bank's Management Board; • Greenberg Traurig Nowakowska-Zimoch Wysokiński sp.k. - in the scope of preparing the rules of the share-based incentive program addressed to Risk Takers Bank.
	•	*Description of the scope of the institution's remuneration policy (e.g. by regions. business lines). including the extent to which it is applicable to subsidiaries and branches located in third countries;* In Bank Millennium (hereinafter referred to as the "Group"), the following documents specifying the framework for the remuneration policy are in force: • "Remuneration Policy for Members of the Management Board and Supervisory Board of Bank Millennium SA", which defines the framework for remunerating Members of the Management Board and Supervisory Board from the perspective of compliance with corporate governance, the need for safe and stable management of the Bank, appropriateness of remuneration to the condition, scale of operations and development potential of the Bank, as well as the scope powers and responsibilities of individual members of the Management Board and the Supervisory Board, • "Employee remuneration policy in the Bank Millennium Group", which is designed to provide a formal framework for shaping the practice of remunerating all Group employees from the perspective of corporate governance, institutional security as well as the appropriateness of remuneration to the condition. scale of operations and development potential of the Group,

- Detailed rules of remuneration for employees with a significant impact on the risk profile ("Risk Taker") have been defined in the "Remuneration Policy for Employees with a Significant Impact on the Risk Profile in the Bank Millenium S.A. Group".

The above framework is also applied in separate remuneration policies of the following subsidiaries: Millennium Bank Hipoteczny S.A. and Millennium TFI S.A., taking into account their business specifics.

The Bank Millennium SA Group does not have subsidiaries and branches located in third countries.

- *Description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile (identified staff).*

  The Bank identifies individuals who have a significant impact on the risk profile of the Bank Millennium Group ("Risk Takers") periodically in the fourth quarter of each year, and the results are valid for the following year. This identification is conducted in accordance with Commission Delegated Regulation (EU) 2021/923 of 25 March 2021.

  As of 2025, 98 individuals (including vacant positions) were identified as Risk Takers within the Bank Group, while the identification process, which took place in 2025 and whose results are valid for 2026, identified 102 individuals.

  The following categories of employees were included: the Bank's Supervisory Board, the Bank's Management Board, the Supervisory Boards and Management Boards of significant subsidiaries, members of bank committees making risk-related decisions, managing significant business lines, employees with decision-making authority that creates risk exposure, and those overseeing control functions.

b) Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:

- *Overview of the key features and objectives of remuneration policy. and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders (e.g. the shareholders' meeting);*

  Remuneration Policy is one of the tools for implementation of the Human Resources strategy in Bank Millennium Group, in particular as regards acquisition and retention of stable, highly qualified and innovative staff. All individual remuneration system solutions are developed pursuant to the principles defined in the Policy.

  The Policy is to provide formal frameworks for shaping remuneration practice for all the employees of the Group in terms of corporate governance, security of the institution as well as appropriateness of remunerations in relation to standing, scale of operations and development potential of the Group. The Policy objectives shall be achieved in particular through:

  - adoption of such a structure of the fixed and variable remuneration components in defined business line, in which fixed remuneration constitutes the main source of income of the employees,
  - development of bonus systems based on performance evaluation, taking into account the risk and organisation management strategies in place,
  - introduction of such form and schedule of payment of variable remuneration components so that the value of the paid components is both motivational and adequate to the risk linked to the actual business results.

  Management of renumeration policy in Bank Millennium Group is as follows:

  - The Management Board of the Bank develops, implements and ensures operation of the Remuneration Policy adequate to the management system and risk strategy, and internal control system applied in the Group.
  - Personnel Committee of the Supervisory Board issues opinion on execution of the remuneration policy in the Group and presents in the report to the Supervisory Board conclusions on operation of the remuneration policy.

		• The Supervisory Board of the Bank is responsible for approval and maintenance of the Policy and once a year, prepares and presents to the General Shareholders Meeting an operational assessment report for the remuneration policy in the Group with special focus on the risk-takers remuneration policy. • General Shareholders Meeting receives an annual report on the assessment of the functioning the remuneration policy in the Group and assesses whether the approved Policy supports development and security of the Bank. • HR Department is responsible for implementation of the Policy principles into the bonus systems and employee evaluation systems. The Department handles the evaluation process and pays variable remuneration components according to the Policy. • Internal Audit Department conducts a periodical compliance review of the remuneration practices in terms of the regulations and this Policy.
	•	*Information on the criteria used for performance measurement and ex ante and ex post risk adjustment;* Decision makers influencing the risk profile are assessed, inter alia, in terms of the criterion "Individual impact on the risk profile". Appropriate measures are assigned to each Risk Taker, which depend on the area in which they make decisions. These measures are assessed on a semi-annual basis. As a result of the assessment of Risk Taker, inter alia, to the extent that his decisions do not adversely affect the Bank's risk profile, a decision is made to grant and pay the current and deferred bonus in previous years.
	•	*Whether the management body and the remuneration committee, where established, reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration;* Based on a report prepared by the Human Resources Department of Bank Millennium, the Personnel Committee of the Supervisory Board analyzed the actions taken by the Bank regarding its remuneration policy in 2025 and assessed them positively. The report was presented to the Supervisory Board. Based on the positive recommendation of the Personnel Committee and the analysis of the report, the Supervisory Board positively assessed the functioning of the remuneration policy as conducive to the stable development of the organization and as adequate to the conditions in which it operates. The Supervisory Board presented the General Meeting (AGM) with a report assessing the functioning of the remuneration policy at Bank Millennium Group for the previous year. The AGM deemed the policy to be conducive to the Bank's development and security. As a result of the review of the Bank's existing remuneration policies, amendments were introduced to the "Remuneration Policy for Members of the Management Board and Supervisory Board of Bank Millennium S.A." by Resolution No. 27 of the General Meeting of Shareholders of March 27, 2025, consisting in particular of: - clarifying the rules for granting retirement severance pay, - defining the expiry date of the legal relationship between the Bank and a Member of the Management Board and Supervisory Board, - correcting the provision specifying the relationship between the Remuneration Policy for Members of the Management Board and Supervisory Board of Bank Millennium S.A. and the Remuneration Policy for Employees Having a Significant Impact on the Risk Profile of the Bank Millennium S.A. Group, - making housekeeping changes aimed at updating and adding references to applicable legal regulations.

		The changes to the "Remuneration Policy for Employees Having a Significant Impact on the Risk Profile of the Bank Millennium S.A. Group" introduced in July 2025 clarify the rules and amounts of severance pay for Risk Takers I (Management Board Members) related to the termination of the legal relationship under which they perform their function or the expiration of their mandate.
	•	*Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee;* The heads of the internal audit. compliance and risk management units receive variable remuneration for achieving the goals resulting from their functions. and their remuneration does not depend on the financial results obtained in the areas of activity they control. The remuneration components of these persons are approved by the Supervisory Board on the basis of the recommendation of the Supervisory Board Personnel Committee.
	•	*Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.* Group employees may receive a one-time severance payment in connection with an employee's retirement, in an amount higher than the level specified in the Labor Code. The Group does not operate its own pension plans. Members of the Bank's Management Board may receive severance pay related to the termination of the legal relationship under which they serve in their position or the expiration of their mandate to perform it at Bank Millennium. The amount of the severance payment depends on the duration of their service on the Bank's Management Board and their length of service at the Bank Millennium Group or Millennium BCP Group. A positive performance evaluation is required for severance pay. In addition to severance payments, the guaranteed Variable Remuneration components are exceptional and may only be applied during the Risk Taker's first year of employment.
c)	*Description of the ways in which current and future risks are taken into account in the remuneration processes Disclosures shall include an overview of the key risks. their measurement and how these measures affect remuneration.* When shaping remuneration budgets, the Bank considers the level of current and future liquidity risk, credit risk, and, additionally, legal risk, depending on the Bank's situation. Risk review and measurement are based on the methodology used in the ICAAP process. The ICAAP process systematically assesses and reviews the significance of individual risks. This assessment covers all identified risks. Risks assessed as significant should be hedged or covered by available financial resources (own funds) or other mitigation and control measures. Significant risks are also managed through a formalized and structured management process performed by specialized organizational units. In the process of determining bonus budgets for management staff, liquidity and capital indicators, as well as the level of credit risk, are analyzed in particular. Additionally, selected indicators from the Risk Appetite Statement (RAS) adopted by the Bank are monitored and considered in the assessment of the Bank's Management Board.	

	Before the annual assessment of the remuneration policy conducted by the Supervisory Board, the Risk Committee of the Supervisory Board conducts an assessment of the risk management mechanisms used in the implementation of the remuneration policy by the Bank's governing bodies. The assessment is presented to the Personnel Committee of the Supervisory Board, which prepares recommendations for the Supervisory Board regarding this assessment.
d)	*The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive (EU) 2013/36("CRD")* According to the remuneration policy, the total individual variable remuneration of risk-taking individuals, including Management Board members, should not exceed 100% of the total annual fixed remuneration. Increasing the maximum ratio of variable to fixed remuneration components, but not exceeding 200%, for risk-taking employees requires the consent of the General Meeting of Shareholders.
e)	*Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration*
•	*an overview of main performance criteria and metrics for institution. business lines and individuals.* Variable remuneration components - the annual bonus pool for persons in managerial positions is granted after prior analysis of the Bank's situation in the field of: • achieved business results: net profit, result on banking operations of business lines; • cost to income ratio, ROE (regarding to Risk Takers) • liquidity: loans / deposits ratio, liquid assets value level; • capital adequacy ratios. The Bank's results before granting the bonus pool for variable remuneration for persons in managerial positions are analysed in a three-year perspective. Risk Takers carrying out tasks within particular business lines have specific business criteria corresponding to the goals of the areas they manage, in example: • Retail Banking: Retail Result on Banking Activity - sales in the managed area, • Corporate Banking: individual performance in a microregion, region or area, • Credit process effectiveness, • Debt collection process effectiveness, In relation to business line employees, criteria are applied regarding the sale of the main products offered by a given business line.
•	*An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.* Criteria for the performance assessment at the level of the Bank, organizational units and at the individual level, constituting the basis for determining the variable remuneration. **Members of the Bank's Management Board:** Decisions regarding the award of bonuses to Management Board members are made by the Personnel Committee of the Supervisory Board after analysing the results, taking into account 1) the financial criteria: • implementation of planned budgets and indicators set for the managed area of activity, • comparison of results with competing banks of similar size, • business market criteria established for a given period;

2) and non-financial criteria, in particular:

- overall quality of management in the area of responsibility,
- effective leadership and contribution to the Bank's development,
- chosen ratios in risk management area.

Other Risk Takers

The Personnel Committee of the Management Board of Bank Millennium assesses the work of other persons identified as risk takers. The assessment is based on the following criteria:

1) financial (the Bank's financial results and the results of the business line / units / individual results)

2) non-financial ones related directly to a given Risk Taker. i.e. cooperation, commitment, quality, efficiency and team management.

The evaluation period covers a 3-year time horizon.

The value of the annual discretionary bonus is determined on the basis of the results from the particular analysed periods.

The level of bonus pools for other groups of employees is shaped based on the analysis of the business results of the entire institution (in particular the bank's adjusted profit; result on banking activities).

- *Information on the criteria used to determine the balance between different types of instruments awarded including shares. equivalent ownership interest. options and other instruments*

  The Bank uses one type of financial instrument for each group of eligible employees.

- *Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak. including the institution's criteria for determining performance metrics when the performance metrics are considered "weak".*

  The decision of the Bank's Management Board to determine the bonus pool is a condition for the commencement of the bonus granting process. The amount of the bonus pool is determined by the Bank's Management Board after the end of the assessment period and the disclosure of the financial results.

  The level of the bonus pool is correlated with the achievement of the result on banking activity, net profit, cost/income ratio, ROE. Capital adequacy ratios and liquidity ratios in the assessed entity may not fall below the levelsdefined by KNF for the Bank.

f) *Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance*

Disclosures shall include:

- *An overview of the institution's policy on deferral. payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.*

  In accordance with the applicable Remuneration Policy with Respect to Risk Takers in the Bank Millennium S.A. Group" the following rules for deferring payments for variable remuneration components apply.

  Members of the Management Board of Bank Millennium

  Variable remuneration payout schedule: 50% of the variable remuneration component is awarded and paid (in the case of shares – transfer of rights) after the end of the accounting period and after the announcement of financial results. The remaining 50% of the variable remuneration component is deferred for 5 years and paid in equal annual installments (for bonuses exceeding PLN 3,000,000, the Non-Deferred Bonus Portion is 40%, and the Deferred Bonus Portion is 60%).

		Management Board members receive half of each bonus awarded in cash and half in a financial instrument. The financial instrument is subject to a retention period of one year from the date of the transfer of rights. **Other Risk Takers** Variable remuneration (annual bonus), as a rule, is paid in accordance with the following scheme: • 30% of the bonus is paid in cash and is not subject to deferral, • 30% of the bonus is paid in a financial instrument and is not subject to deferral, however, the financial instrument cannot be sold for a period of 1 year, • 20% of the bonus awarded in cash and 20% of the bonus awarded in the form of a financial instrument is subject to deferral and the transfer of deferred bonus tranches takes place after a periodic reassessment in equal annual installments for 5 years. Financial instruments are subject to retention lasting 1 year from the date of transfer of rights. • In the event of granting a bonus in an amount exceeding PLN 3,000,000, the Non-Deferred Bonus Part is 40%, and the Deferred Bonus Part is 60%. In 2025, by decision of the Personnel Committee of the Bank's Management Board, the bonus for Risk Takers who are not Management Board Members was paid in full in cash without any deferral mechanism (in accordance with the provisions of the Risk Takers Policy). The justification for this decision was that the bonus level was lower than the threshold established in the Risk Takers Policy.
	•	*Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).* The payment of the deferred part of the variable remuneration component is each time preceded by an assessment. Depending on the financial situation of the Bank, by the decision of the Personnel Committee of the Supervisory Board with regard to Members of the Management Board, and the Personnel Committee of the Bank's Management Board with respect to other Risk Takers, the bonus may be reduced or retained. The condition of payment is the non-occurrence of the following events: • significant correction of results in relation to the assessed period, • low level of the Bank's results threatening the capital base, • materialization of the risk of decisions taken in the period under assessment, which negatively affects the bank's risk profile. Pursuant to the labour law in force in Poland, it is not possible to withdraw the employee previously paid bonus.
	•	*where applicable. shareholding requirements that may be imposed on identified staff.* The Bank does not apply any additional requirements beyond those described in point f) tir 1 and 2
g)	*The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit, as referred to in point (f) of Article 450(1) CRR. Disclosures shall include:* *Information on the specific risk/performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.* Information in this regard has been presented under point e) tir 1 and 2.	

h)	*Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management, as referred to in point (j) of Article 450(1) CRR* Information on the remuneration of members of the management body is disclosed in the Management Board Report on the activities of Bank Millennium and the Bank Millennium Capital Group for 2025 and in the Report on the remuneration of Members of the Management Board and Supervisory Board of Bank Millennium for 2025. Information on the total remuneration of senior management is not subject to publication.
i)	*Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD. as referred to in point (k) of Article 450(1) CRR* *For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate which of the remuneration requirements they apply the derogation(s), (i.e. point (l) and/or (m) and/or (o) of Article 94(1) CRD), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.* The Bank does not use these derogations.
j)	*Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.* Quantitative information is presented in this Report. All members of the governing body have the status of executive members.

10.3. Quantitative information on remuneration

Fixed remuneration also includes the remuneration of former members of the Supervisory Board and Management Board who served until March 27, 2025.

Variable remuneration of other members of specified staff is the remuneration paid during the financial year (including remuneration paid for the second half of 2024 and the first half of 2025).

Additionally, in 2025, one of the members of the Supervisory Board of Bank Millennium received remuneration of PLN 151,000 for serving as a member of the Supervisory Board of Millennium Bank Hipoteczny.

Table no 44 - EU REM1 - Remuneration awarded for the financial year (in PLN thous.)

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	12	7	70	9
2		Total fixed remuneration	2 859	16 984	33 053	3 570
3		Of which: cash-based	2 859	16 984	33 053	3 570
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	0	0	0	0
5		Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-5x		Of which: other instruments	0	0	0	0
6		(Not applicable in the EU)				
7		Of which: other forms	0	0	0	0
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	12	7	70	9
10		Total variable remuneration	0	11 715	4 896	559
11		Of which: cash-based	0	5 857	4 896	559

12	Of which: deferred	0	2 929	0	0
EU-13a	Of which: shares or equivalent ownership interests	0	5 857	0	0
EU-14a	Of which: deferred	0	2 929	0	0
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0
EU-14b	Of which: deferred	0	0	0	0
EU-14x	Of which: other instruments	0	0	0	0
EU-14y	Of which: deferred	0	0	0	0
15	Of which: other forms	0	0	0	0
16	Of which: deferred	0	0	0	0
17	**Total remuneration (2 + 10)**	**2 859**	**28 698**	**37 949**	**4 129**

Table no 45 EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) (in PLN thous.)

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	0	0	0	0
2	Guaranteed variable remuneration awards -Total amount	0	0	0	0
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	0	0	0	0
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	0	0	0	0

5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	0	0	0	0
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	0	2	0	0
7	Severance payments awarded during the financial year - Total amount	0	3 036	0	0
8	Of which paid during the financial year	0	1 518	0	0
9	Of which deferred	0	1 518	0	0
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	0	1 518	0	0
11	Of which highest payment that has been awarded to a single person	0	1 518	0	0

Deferred variable remuneration includes remuneration paid/transferred in a given financial year, awarded in 2025 (2021, 2022, 2023), remuneration remaining to be settled in subsequent years for 2021, 2022, 2023 and 2024, remuneration awarded and retained in the previous financial year and unblocked in the current year (2021, 2022).

Table no 46 - EU REM3 - Deffered remuneration (in PLN thous.)

	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	0	0	0	0	0	~~0~~	0	0
2	Cash-based	0	0	0	0	0	~~0~~	0	0
3	Shares or equivalent ownership interests	0	0	0	0	0	~~0~~	0	0
4	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	~~0~~	0	0
5	Other instruments	0	0	0	0	0	~~0~~	0	0
6	Other forms	0	0	0	0	0	~~0~~	0	0
7	MB Management function	16 865	2 544	14 322	0	0	~~540~~	3 083	2 523
8	Cash-based	8 558	1 397	7 161	0	0	~~0~~	1 397	0
9	Shares or equivalent ownership interests	7 161	0	7 161	0	0	~~0~~	0	0
10	Share-linked instruments or equivalent non-cash instruments	1 147	1 147	0	0	0	~~540~~	1 686	2 523

11	Other instruments	0	0	0	0	0	~~0~~	0	0
12	Other forms	0	0	0	0	0	~~0~~	0	0
13	Other senior management	0	0	0	0	0	~~0~~	0	0
14	Cash-based	0	0	0	0	0	~~0~~	0	0
15	Shares or equivalent ownership interests	0	0	0	0	0	~~0~~	0	0
16	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	~~0~~	0	0
17	Other instruments	0	0	0	0	0	~~0~~	0	0
18	Other forms	0	0	0	0	0	~~0~~	0	0
19	Other identified staff	0	0	0	0	0	~~0~~	0	0
20	Cash-based	0	0	0	0	0	~~0~~	0	0
21	Shares or equivalent ownership interests	0	0	0	0	0	~~0~~	0	0
22	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	~~0~~	0	0
23	Other instruments	0	0	0	0	0	~~0~~	0	0
24	Other forms	0	0	0	0	0	~~0~~	0	0
25	**Total amount**	**16 865**	**2 544**	**14 322**	**0**	**0**	**540**	**3 083**	**2 523**

Table no 47 EU REM4 - Remuneration of 1 million EUR or more per year

	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	1
2	1 500 000 to below 2 000 000	0
3	2 000 000 to below 2 500 000	0
4	2 500 000 to below 3 000 000	0
5	3 000 000 to below 3 500 000	0
6	3 500 000 to below 4 000 000	0
7	4 000 000 to below 4 500 000	0
8	4 500 000 to below 5 000 000	0
9	5 000 000 to below 6 000 000	0
10	6 000 000 to below 7 000 000	0
11	7 000 000 to below 8 000 000	0

Fixed remuneration also includes the remuneration of former members of the Supervisory Board and Management Board who served until March 27, 2025.

Variable remuneration of other members of specified staff is the remuneration paid during the financial year (including remuneration paid for the second half of 2024 and the first half of 2025).

In addition, in 2025, one of the members of the Supervisory Board of Bank Millennium received remuneration of PLN 151,000 for serving as a member of the Supervisory Board of Millennium Bank Hipoteczny.

Table no 48 EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) (in PLN thous.)

	Management body remuneration	Business areas	-

		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										98
2	Of which: members of the MB	12	7	19							
3	Of which: other senior management				1	16	0	8	5	40	70
4	Of which: other identified staff				0	0	0	0	1	8	9
5	Total remuneration of identified staff	2 859	28 698	31 558	545	8 770	0	5 311	4 287	23 165	73 635
6	Of which: variable remuneration	0	11 715	11 715	83	1 228	0	684	515	2 945	17 170
7	Of which: fixed remuneration	2 859	16 984	19 843	462	7 542	0	4 627	3 772	20 220	56 466

Information on employee remuneration paid/awarded for the given financial year.

Detailed information concerning remuneration of Management Board Members are presented in the Management Board Report on Activity of Bank Millennium S.A. for 2025.

11. Statement of the Management Board

The Management Board of Bank Millennium S.A. hereby declares that:

- to the best of their knowledge, the information disclosed in accordance with section eight of the CRR was prepared in accordance with internal control processes;
- to the best of its knowledge, the information provided on capital adequacy, risk and remuneration policy is accurate and presents a fair and reliable view of these matters;
- to the best of its knowledge. the adequacy of risk management arrangements in Bank Millennium S.A. ensures that the risk management systems in place are adequate to the risk profile and strategy of the Bank and the Group;
- approves this "Capital Adequacy. Risk. Remuneration Policy Report of Bank Millennium Capital Group as at 31 December 2025", which contains information about risk, discusses the general risk profile of the Bank and the Group associated with the business strategy and in which key indicators and figures were included, providing external stakeholders with a comprehensive view of risk management in the Bank Millennium S.A. Group, including the interaction between the Bank's risk profile and risk appetite, defined by the Management Board and approved by the Supervisory Board.

SIGNATURES

Date	Name and Surname	Position/Function	Signature
08.07.2026	Joao Bras Jorge	Chairman of the Management Board	....
08.07.2026	Fernando Bicho	Deputy Chairman of the Management Board	....
08.07.2026	Marcin Dubno	Member of the Management Board	....
08.07.2026	Jarosław Hermann	Member of the Management Board	....
08.07.2026	Halina Karpińska	Member of the Management Board	....
08.07.2026	Hugo Resende	Member of the Management Board	....
08.07.2026	Magdalena Zmitrowicz	Member of the Management Board	....

APPENDIX 1 EU KM1 – KEY METRICS TEMPLATE (IN PLN M, IN PER CENT)

		2025-12-31	2025-09-30	2025-06-30	2025-03-31	2024-12-31
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	7 508	7 624	7 027	7 029	6 688
2	Tier 1 capital	7 508	7 624	7 027	7 029	6 688
3	Total capital	8 290	8 484	7 963	8 042	7 776
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	54 879	53 338	51 107	46 390	45 116
4a	Total risk exposure pre-floor	56 456	56 456	56 456	46 390	
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13,6810%	14,2943%	13,7493%	15,1524%	14,8249%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	13,7493%	13,7493%	13,7493%	15,1524%	
6	Tier 1 ratio (%)	13,6810%	14,2943%	13,7493%	15,1524%	14,8249%
6b	Tier 1 ratio considering unfloored TREA (%)	13,6810%	14,2943%	13,7493%	15,1524%	
7	Total capital ratio (%)	15,1063%	15,9052%	15,5814%	17,3351%	17,2363%
7b	Total capital ratio considering unfloored TREA (%)	15,1063%	15,9052%	15,5814%	17,3351%	
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to adress risks other than the risk of excessive leverage (%)	0,0000%	0,0000%	0,0000%	0,0000%	1,4600%
EU 7e	of which: to be made up of CET1 capital	0,0000%	0,0000%	0,0000%	0,0000%	0,8200%
EU 7f	of which: to be made up of Tier 1 capital	0,0000%	0,0000%	0,0000%	0,0000%	1,1000%
EU 7g	Total SREP own funds requirements (%)	8,0000%	8,0000%	8,0000%	8,0000%	9,4600%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					

8	Capital conservation buffer (%)	2,5000%	2,5000%	2,5000%	2,5000%	2,5000%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
9	Institution specific countercyclical capital buffer (%)	1,0000%	1,0000%	0,0000%	0,0000%	0,0000%
EU 9a	Systemic risk buffer (%)	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
10	Global Systematically Important Institution buffer (%)	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
EU 10a	Other Systemically Important Institution buffer (%)	0,2500%	0,2500%	0,2500%	0,2500%	0,2500%
11	Combined buffer requirement (%)	3,7500%	3,7500%	2,7500%	2,7500%	2,7500%
EU-11a	Overall capital requirements (%)	11,7500%	11,7500%	10,7500%	10,7500%	12,2100%
12	CET1 available after meeting the total SREP own funds requirements (%)	7,1063%	7,9052%	7,5814%	9,1524%	7,7249%
	Leverage ratio					
13	Total exposure measure	161 926	157 672	151 076	147 397	144 077
14	Leverage ratio (%)	4,6366%	4,8355%	4,6512%	4,7689%	4,6423%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU-14a	Additional own funds requirements to address the risk of excessive leverage (%)	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
EU-14b	of which: to be made up of CET1 capital (percentage points)	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
EU-14c	Total SREP leverage ratio requirements (%)	3,0000%	3,0000%	3,0000%	3,0000%	3,0000%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU-14d	Leverage ratio buffer requirement (%)	0,0000%	0,0000%	0,0000%	0,0000%	0,0000%
EU-14e	Overall leverage ratio requirement (%)	3,0000%	3,0000%	3,0000%	3,0000%	3,0000%
	Liquidity Coverage Ratio					

15	Total high-quality liquid assets (HQLA) (Weighted value -average)	70 207	67 686	61 125	57 778	53 576
EU-16a	Cash outflows - Total weighted value	19 371	19 845	16 705	16 119	16 392
EU-16b	Cash inflows - Total weighted value	1 895	1 732	1 930	2 298	1 952
16	Total net cash outflows (adjusted value)	17 476	18 113	14 776	13 822	14 440
17	**Liquidity coverage ratio (%)**	**401,7354%**	**373,6922%**	**413,6854%**	**418,0237%**	**371,0262%**
18	Total available stable funding	129 885	131 945	127 411	125 036	121 712
19	Total required stable funding	64 117	64 095	61 809	62 209	61 992
20	**NSFR ratio (%)**	**202,5753%**	**205,8586%**	**206,1380%**	**200,9927%**	**196,3343%**

Appendix 2 – EU CCA: Main features of regulatory own funds instruments amd eligible liabilities instruments

		Qualitative or quantitative information						
1	Issuer	Bank Millennium S.A.	Bank Millennium S.A.	Bank Millennium S.A.	Bank Millennium S.A.	Bank Millennium S.A.	Bank Millennium S.A.	Bank Millennium S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	PLBIG0000016	PLBIG0000453	PLBIG0000461	PLBIG0000453	PLBIG0000461	XS2684974046	XS2905432584
2a	Public or private placement	public	private	private	private	private	private	private
3	Governing law(s) of the instrument	Polish	Polish	Polish	Polish	Polish	Luxembourg	Luxembourg
3a	Contractual recognition of write down and conversion powers of resolution authorities	n.a.	n.a.	n.a.	n.a.	n.a.	YES	YES
	Regulatory treatment							
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	eligible liabilities	eligible liabilities	eligible liabilities	eligible liabilities

5	Post-transitional CRR rules	Common Equity Tier 1 Capital	Tier 2 Capital	Tier 2 Capital	eligible liabilities	eligible liabilities	eligible liabilities	eligible liabilities
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo/consolidated	Solo/consolidated	Solo/consolidated	Solo/consolidated	Solo/consolidated	Solo/consolidated	Solo/consolidated
7	Instrument type (types to be specified by each jurisdiction)	shares series A-L	bonds	bonds	bonds	bonds	Senior Non-Preferred Notes	Senior Non-Preferred Notes
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	2360,358031	270,6462212	511,5380405	429,3537788	318,4619595	2113,35	2113,35
9	Nominal amount of instrument	1213,116777	700	830	700	830	500 EUR	500 EUR
EU-9a	Issue price	2360,358031	700	830	700	830	500 EUR	500 EUR
EU-9b	Redemption price	n.a.	700	830	700	830	500 EUR	500 EUR
10	Accounting classification	Capital	Liabilities	Liabilities	Liabilities	Liabilities	Liabilities	Liabilities
11	Original date of issuance	30.06.1989	7.12.2017	30.01.2019	7.12.2017	30.01.2019	18.09.2023	25.09.2024
12	Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated	Dated	Dated

13	Original maturity date	n.a.	7.12.2027	30.01.2029	7.12.2027	30.01.2029	18.09.2027	25.09.2029
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	No	No
15	Optional call date, contingent call dates and redemption amount	n.a.	7.12.2022	31.01.2024	7.12.2022	31.01.2024	n.a.	n.a.
16	Subsequent call dates, if applicable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Coupons / dividends							
17	Fixed or floating dividend/coupon	floating	floating	floating	floating	floating	Fixed rate for 3 years	Fixed rate for 3 years
18	Coupon rate and any related index	n.a.	WIBOR 6M + 0,0230	WIBOR 6M + 0,0230	WIBOR 6M + 0,0230	WIBOR 6M + 0,0230	0,09875	0,05308
19	Existence of a dividend stopper	Yes	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

21	Existence of step up or other incentive to redeem	n.a.	No	No	No	No	No	No
22	Noncumulative or cumulative	n.a.	No	No	No	No	No	No
23	Convertible or non-convertible	n.a.	non-convertible	non-convertible	non-convertible	non-convertible	non-convertible	non-convertible
24	If convertible, conversion trigger(s)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25	If convertible, fully or partially	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26	If convertible, conversion rate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
27	If convertible, mandatory or optional conversion	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
28	If convertible, specify instrument type convertible into	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
29	If convertible, specify issuer of instrument it converts into	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
30	Write-down features	No	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

31	If write-down, write-down trigger(s)	General Shareholders Meeting	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
32	If write-down, full or partial	Full or partial	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
33	If write-down, permanent or temporary	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
34	If temporary write-down, description of write-up mechanism	General Shareholders Meeting resolution	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
34 a	Type of subordination (only for eligible liabilities)	n.a.	n.a.	n.a.	n.a.	n.a.	contractual	contractual
EU-34 b	Ranking of the instrument in normal insolvency proceedings	1	3	3	4	4	5	5
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	n.a.	Subordinated	Subordinated	Subordinated	Subordinated	Eligible	Eligible
36	Non-compliant transitioned features	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

37	If yes, specify non-compliant features	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
37 a	Link to the full term and conditions of the intrument (signposting)	Nie dotyczy	https://www.bankmillennium.pl/o-banku/relacje-inwestorskie/raporty-biezace/-/r/691939	https://www.bankmillennium.pl/o-banku/relacje-inwestorskie/raporty-biezace/-/r/26915977	https://www.bankmillennium.pl/o-banku/relacje-inwestorskie/raporty-biezace/-/r/691939	https://www.bankmillennium.pl/o-banku/relacje-inwestorskie/raporty-biezace/-/r/26915977	https://www.bankmillennium.pl/o-banku/relacje-inwestorskie/raporty-biezace/-/news/zakonczenie-subskrypcji-obligacji-nieuprzywilejowanych-senioralnych-o-lacznej-wartosci-nominalnej-400-milionow-eur-emitowanych-w-ramach-programu-emtn?id=30314016	https://www.bankmillennium.pl/o-banku/relacje-inwestorskie/raporty-biezace/-/news/zakonczenie-subskrypcji-obligacji-nieuprzywilejowanych-senioralnych-o-lacznej-wartosci-nominalnej-500-milionow-eur-emitowanych-w-ramach-programu-emtn?id=33645744

APPENDIX 3 COUNTERCYCLICAL CAPITAL BUFFERS

Table EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (inPLNm)

		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
010	**Breakdown by country: Poland**	48 324	35 288	0	0	9 276	92 888	2 949		225	3 174	39 679	100,00%	1,00%
020	Total	48 324	35 288	0	0	9 276	92 888	2 949		225	3 174	39 679		

Exposures in this report do not include exposures to banks and central governments, local governments, public sector exposures and institutions in accordance with Art. 140.4 CRD. The Group has no credit exposures that are material for the purpose of the calculation of the institution specific countercyclical capital buffer in accordance with Commission Delegated Regulation (EU) No 1152/2014. Exposures included in the trading book or foreign credit exposures account for less than 2% of the total risk-weighted exposure amount. therefore they have been assigned the Group's location - Poland.

Table EU CCyB2 - Amount of institution-specific countercyclical capital buffer (in PLNm, in per cent)

1	Total risk exposure amount	54 879
2	Institution specific countercyclical capital buffer rate	1,00%
3	Institution specific countercyclical capital buffer requirement	549

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