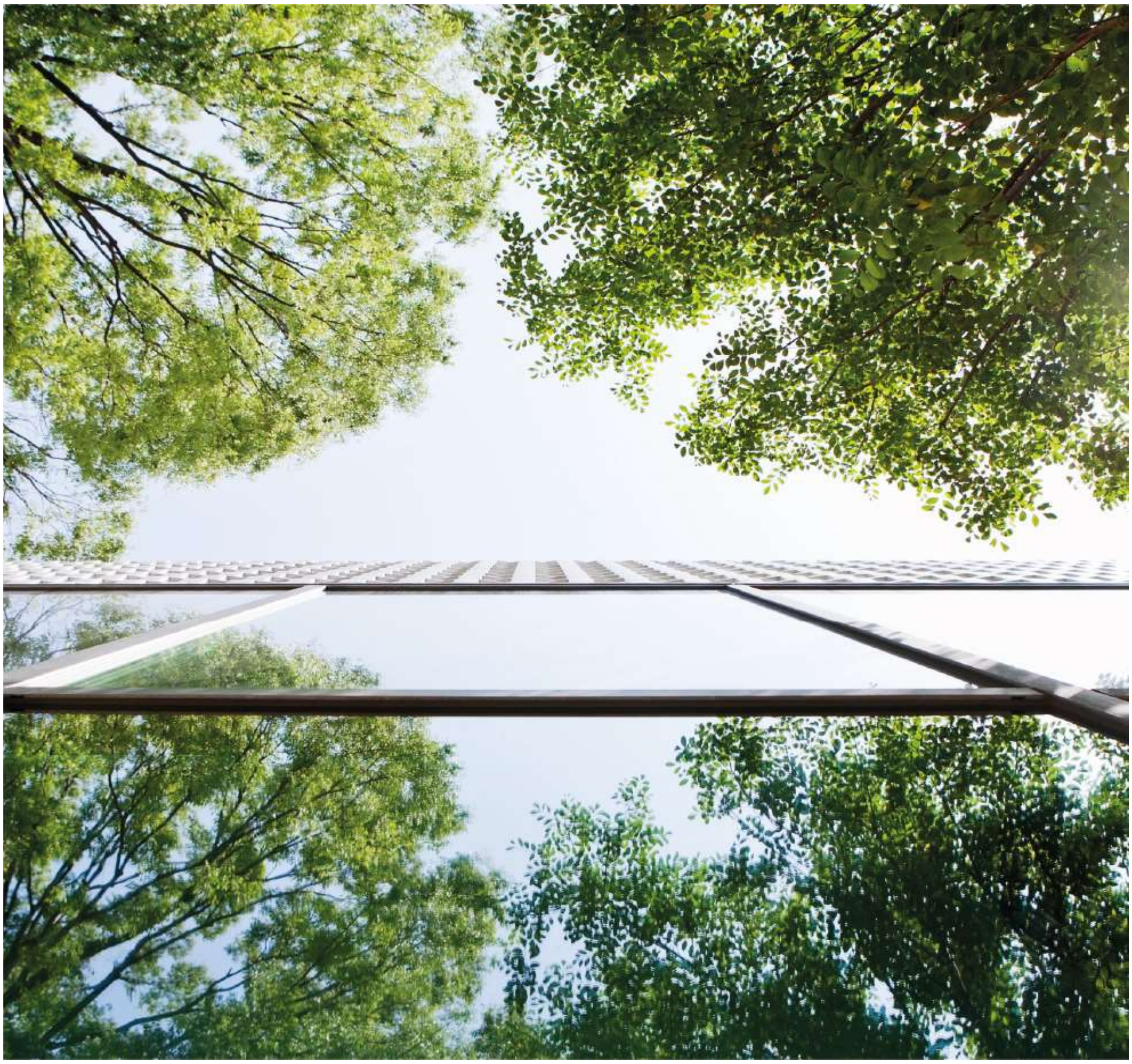
Report of the Management Board on the operations of VELOBANK S.A. Group

for the period of 12 months ended December 31, 2024
prepared jointly with the Report of the Management Board on the Operations of VeloBank S.A.

MAY 2025



The above is a translation of the original document prepared in Polish. In case of any discrepancy between the English and the Polish language versions, the Polish text shall prevail.

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1. The Bank's operations in 2024

1.1. Investor Project

On September 29, 2022, the Bank Guarantee Fund (hereinafter: “BFG”, the “Fund”) issued a decision to initiate a special resolution procedure (“resolution”) for Getin Noble Bank S.A. (hereinafter “Getin Noble”), to cancel the equity instruments issued by Getin Noble, to apply a special resolution instrument in the form of a bridge institution and to appoint an administrator of Getin Noble.

Until July 2024, VeloBank (the “Bank”, the “Company”, “VeloBank”) operated as a “bridge bank”.

Decision of the European Commission of October 1, 2022 in case SA.100687 (2022/N), Liquidation aid to Getin Noble Bank S.A. in resolution (hereinafter: “EC Decision”) imposed obligations regarding the sale process of the Bank, functioning after the resolution as a bridge institution, by shareholders within a strictly defined time frame, i.e.:

- 9 months from the date of issuance of the EC Decision – public announcement by the Bank Guarantee Fund of the procedure for the sale of the Bridge Bank,
- 12 months from the issuance of the EC Decision – the maximum time to obtain non-binding offers as part of the process of selling the Bank's shares,
- 18 months from the issuance of the EC Decision – the maximum deadline for the sale of the bridge institution to a third party.

According to the assumed schedule of the investment process carried out by the BFG, on March 29, this year, the Bank Guarantee Fund and the Entity Asset Manager S.A. (hereinafter: “Entity Manager”), as shareholders of the Bank, and a subsidiary of Cerberus Capital Management, L.P. (“Cerberus”) concluded a preliminary agreement for the sale of 100% of the Bank’s shares. Cerberus offered a total investment of PLN 1,075 million, which consisted of a PLN 375 million purchase price and a PLN 700 million capital injection to meet the regulatory capital requirements for the Bank (subject to any final adjustments).

In addition, the European Bank for Reconstruction and Development (“EBRD”) and the International Finance Corporation (“IFC”, part of the World Bank Group) also planned to invest in the Bank. Both of the above-mentioned entities have obtained internal approvals to participate in a joint investment with Cerberus.

The transaction was subject to Cerberus obtaining all necessary regulatory approvals, including approvals from the European Commission and the Polish Financial Supervision Authority (hereinafter referred to as “KNF”).

On June 14, 2024, the European Commission approved the acquisition of sole control over the Bank by funds managed by Cerberus and its affiliates.

On July 25, 2024, the KNF unanimously concluded that there were no grounds to object to the planned direct acquisition by Promontoria Holding 418 B.V., a Netherlands-based entity from the Cerberus Group, and the indirect acquisition by its ultimate parent entity, Stephen A. Feinberg, a U.S. citizen, of shares in the Bank representing more than 50% of the total voting rights at the General Meeting and more than 50% of the share capital of the Bank.

On August 1, 2024, the transaction for the acquisition of 100% of the shares in the Bank by Promontoria Holding 418 B.V., an entity indirectly owned by the Cerberus fund, the EBRD, and the IFC, was completed.

In addition to the payment of the purchase price for the shares in the amount of PLN 375 million, the purchaser contributed PLN 687 million as a capital injection to the Bank, which was necessary to achieve the required, safe, and negotiated capital ratios, taking into account the Bank’s current financial position and balance sheet structure. The amount of the capital injection was registered by the National Court Register (KRS) on August 29, 2024.

The conclusion of the agreement opens up new development opportunities for VeloBank across all business lines, owing to a capital injection received from the new shareholders in the amount of PLN 687 million and cancellation of the status of a bridge bank along with the related obligations imposed by the European Commission.

1.2. Factors material to the Bank's and the Group's results

Internal conditions

In parallel with the ongoing investor process, the Bank continued to implement its three-year strategy for 2023–2025, taking into account its internal situation, the business environment, and market trends. In 2024, the Bank focused on the following strategic areas, within which Strategic Programs were implemented:

1. Comprehensive retail offering – strengthening the product offering and streamlining customer journeys, primarily in the areas of cash loans and mortgages,
2. Customer first – enhancing the digital area and driving customer engagement through the Benefits Program,
3. Development of the corporate segment – introducing modern solutions such as the Credit Workflow system,
4. Modern organization – improvements in IT, Operations, and HR areas,
5. Smart finance and risk – developing advanced risk management and anti-fraud tools,
6. Bank close to people – unlocking the full potential of the distribution network and omnichannel model.

The main assumptions of the strategy include:

- enhancing the client engagement offering based on non-financial benefits and personalization,
- increasing the volume, improving the quality and profitability of new cash loan sales by streamlining the credit process, enhancing the value proposition in digital channels, and improving the client risk profile,
- supplementing the Bank's product offer by implementing a simple digital mortgage offer,
- preparation of the offer and distribution model for investment products,
- continuing hyper-personalization in interactions with clients to build relationships, and improve the level of product provision,
- optimization of paths to purchase as well as full self-service in the mobile app,
- improving the cost of risk on new cash loan sales through the automation of credit policy adjustments and the implementation of new models enhancing the client assessment process,
- building a strong foundation for the organizational culture and work environment.

Following the second year of the Strategy implementation, the majority of objectives are being met as planned or significantly exceeds expectations in proportion to the timeline, which is reflected in the Bank's results.

The initiatives implemented in 2024 translated into tangible results:

- +215 thousand VeloKonto accounts opened over the year,
- +73% increase in cash loan sales in 2024 vs. 2023,
- nearly 7-fold increase in mortgage loan sales,
- +25% increase in the Corporate Banking Area loan sales in 2024 vs. 2023,
- The retail and corporate deposit portfolio was stabilized at PLN 50 billion, in line with the target set in the strategy.
- A new Benefits Program was introduced to build client loyalty,
- AI solutions were developed as part of innovative projects (Vela – the VeloAdvisor, Velofotka – a cash loan process supported by GenAI).

The year 2024 was a period of intensive work for the Bank, with the results reflected in its financial performance. The achievement of such strong results would not have been possible without the commitment of the entire VeloBank team, recognized for their professionalism and effectiveness. The Bank continued to receive numerous awards, further strengthening the position and stability of its brand.

External conditions

The global recovery from the COVID-19 pandemic, Russia's invasion of Ukraine, and trade war tensions, including policies implemented by Donald Trump, has been slow and uneven. Although some economies are showing signs of recovery and inflation has decreased compared to the record levels of 2022 and early 2023, it is still too early to declare the end of the inflation crisis in Europe and the United States. The differences between individual regions are becoming increasingly pronounced — particularly between the economic rebound in the United States and the stagnation in the euro area.

Several factors are delaying the return to stable growth. Some of these factors stem from the long-term effects of the pandemic, the war in Ukraine, the trade war, and the increasing fragmentation of global trade flows. Donald Trump's trade policies, including the introduction of tariffs and escalating tensions with China, have had a long-term impact on global supply chains and international trade. Other factors are cyclical, such as the effects of tightening monetary policy to fight inflation and the withdrawal of fiscal support due to high debt levels.

Global economic growth is expected to reach 3.2% in 2024 and accelerate to 3.3% in both 2025 and 2026, according to forecasts by the International Monetary Fund (IMF). This is still below the historical average of 3.7 per cent. (2000-2019). The forecast for 2025 remains broadly unchanged compared to the IMF's October report, mainly due to the upward revision of growth forecasts for the United States, which offset downward adjustments in other key economies. The IMF forecasts a decline in global inflation to 4.2% in 2025 and to 3.5% in 2026, with the process expected to be faster in advanced economies than in emerging and developing countries. The GDP growth forecast for the United States is 2.7% in 2024 and 2.1% in 2025. In China, GDP growth is expected to reach 4.6% in 2024 and 4.5% in 2025.[1]

GDP growth for the euro area and the entire European Union is forecast at 1.5% in 2025, marking a rebound after the slowdown in 2024. In Poland, GDP growth is forecast at 3.6% in 2025, making it one of the fastest-growing countries in the EU, with a projected growth rate of 2.9% in 2024. In Germany, the economic situation remains challenging, with expectations of minimal growth or stagnation in the coming years. In other Central European countries, GDP growth in 2025 is forecast at 2–3%, with differences driven by the individual economic situation of each country and their varying degrees of dependence on the German economy.[2]In the context of inflation, the HICP is expected to rise to 4.7% in 2025 from 3.8% in 2024. In the euro area, including Germany, inflation is forecast at 2–3%, with a significant decline expected by the end of 2025, signaling stabilization after previous price increases. In the Central and Eastern Europe region, inflation remains at a higher level, hovering between 3% and 4% in most countries.

The year 2024 was a time of challenges but also of stabilization for many European economies. Although the fight against inflation is not yet over, the outlook for 2025 appears more optimistic. The European economy has avoided recession, we have probably emerged from the bottom of the business cycle gradually entering, albeit slowly, a period of economic expansion. A 'hard landing', i.e., a recession triggered by monetary policy tightening, did not materialize. Following the escalation of conflicts in the Middle East, the new U.S. administration is seeking to broker a peace agreement. A similar situation is unfolding in Europe, where the likelihood of an end to the war between Ukraine and Russia is increasing. Such a scenario would support further strengthening of European currencies and create potential for capital inflows into Central and Eastern Europe.

Macroeconomic situation

In 2024, Poland's GDP increased by 2.9% year-on-year, compared to a 0.1% year-on-year growth recorded in 2023. The end of 2024 saw a continued economic recovery in Poland, although the pace of growth remained below initial estimates. According to the

[1] https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025
[2] https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2024-economic-forecast-gradual-rebound-adverse-environment_en

preliminary estimate by Statistics Poland (GUS), Poland's GDP grew by 3.2% year-on-year in the fourth quarter, marking an acceleration compared to 2.7% recorded in the previous quarter. The quarterly growth amounted to 1.3 per cent, which indicates a gradual strengthening of the economic situation. However, this result was slightly below market forecasts, which hovered around 3.4% year-on-year.

The main driver of economic growth was private consumption, which accelerated to 3.6% year-on-year from just 0.3% in the third quarter. The increase in real incomes, driven by wage growth and a gradual decline in inflation, contributed to the recovery of consumer demand. Investment increased by 0.8% year-on-year, driven by a slight recovery in the corporate sector and an acceleration in public investment, including spending on military modernization.

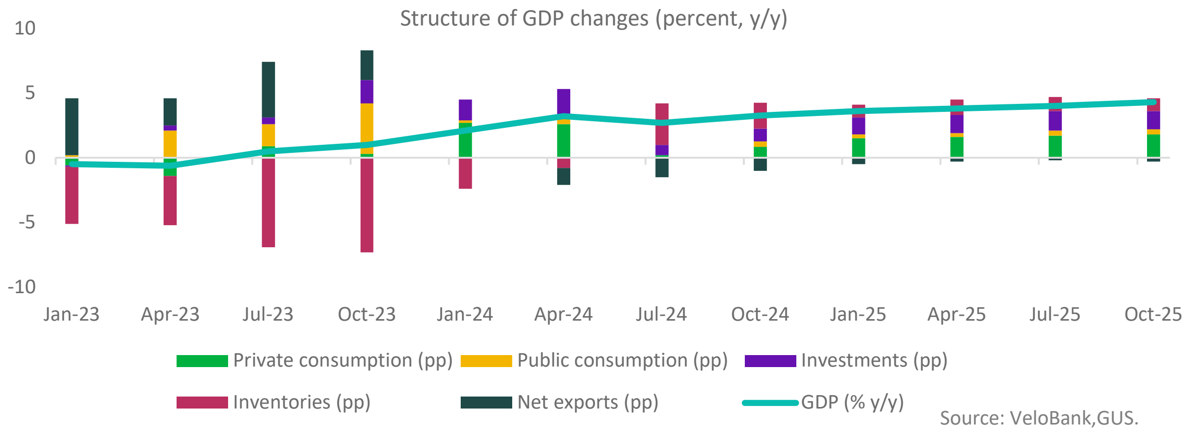
Net exports continued to weigh on GDP growth due to weakening external demand, particularly in Germany, which is struggling with a recession. On the other hand, inventories made a positive contribution to economic growth, although their impact was smaller than in the third quarter. Despite the weaker external environment, Poland stood out in Europe by maintaining a stable growth rate.

The outlook for 2025 remains optimistic. The expected interest rate cuts may stimulate private investment, while further improvement in household purchasing power should support consumption. Additionally, funds from the National Recovery Plan and the EU budget for 2021–2027 are expected to boost investment activity, particularly in infrastructure. A potential end to the war in Ukraine could further improve the investment climate, strengthening the long-term foundations of economic growth in Poland.

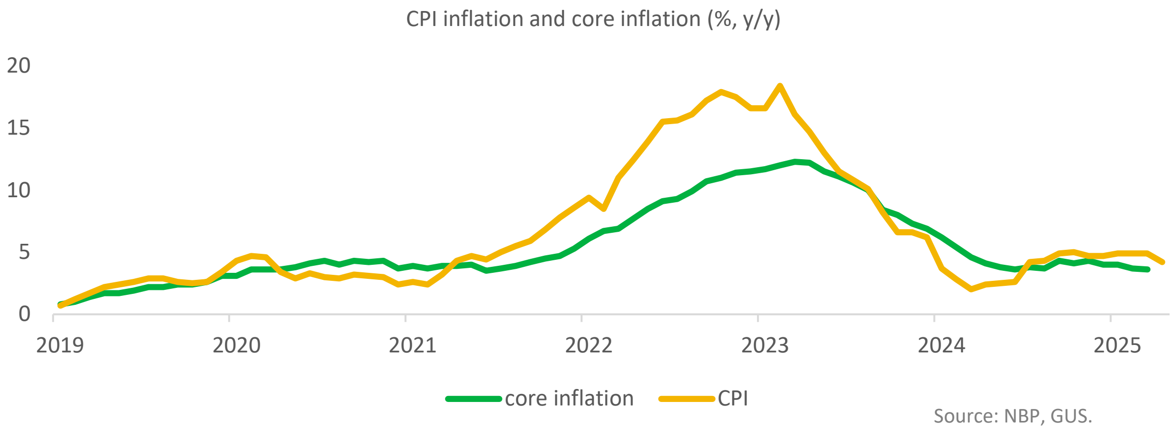
Employment in the corporate sector decreased by 0.1% year-on-year in December 2024, reflecting a slowdown in job creation and the retention of employees during the economic downturn. Average employment in the corporate sector stood at 6.454 million, with the unemployment rate at 5.1% in December, rising to 5.4% in January 2025. According to the Labor Force Survey (LFS) by Statistics Poland (GUS), in the third quarter of 2024, the labor force participation rate stood at 58.6% among people aged 15–89. This rate was higher both compared to the second quarter of 2024 (by 0.3 percentage points) and the third quarter of 2023 (albeit to a lesser extent — an increase of 0.1 percentage points). Among people of working age (18–59 and 18–64), the labor force participation rate reached 81.7%, only slightly lower than in 2023 (by 0.1 percentage points year-on-year).

The average gross salary in the corporate sector amounted to PLN 8,821.25 in December 2024, marking a 9.8% year-on-year increase. Throughout 2024, corporate sector wages grew by 11.0% year-on-year (reaching an average of PLN 8,265.92), which was one of the factors contributing to persistently high core inflation. Salary growth had a significant impact on the increase in service prices and the persistence of elevated inflation.

At the end of 2024, inflation entered another upward phase after gradually declining throughout the year. The CPI index peaked in October 2024 at 5.0 percent and remained at 4.7 percent in the last months of 2024. The fluctuation in the CPI index is due to the gradual restoration of VAT on food and the partial removal of cap on energy prices for households. The full removal of cap on energy prices will push the index up to another higher level, affecting the trajectory of the index and the MPC decisions.



Source: VeloBank,GUS.

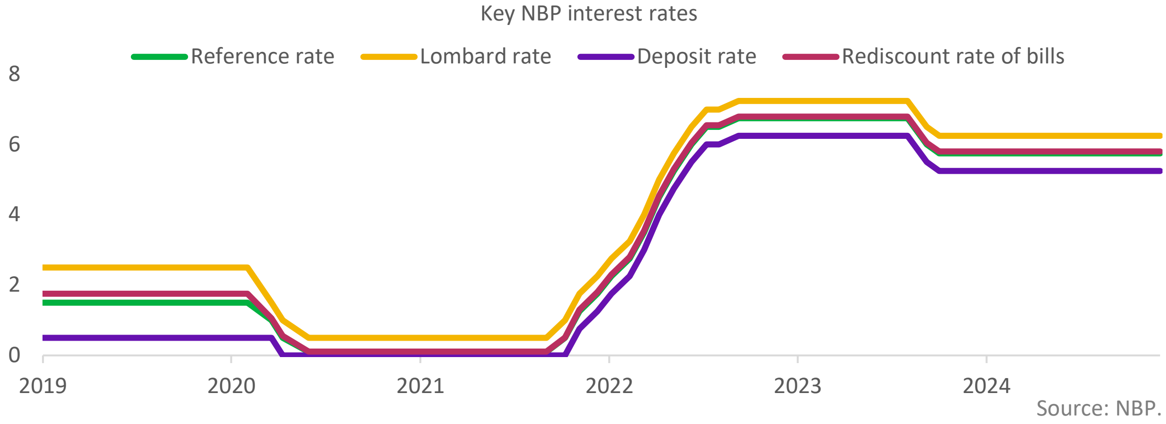


Source: NBP, GUS.

After a historically strong scale of interest rate hikes in 2022-2023, major central banks have completed their monetary policy tightening cycle. The continuation of the gradual disinflation process, along with the slowdown in the German economy and the euro area, paved the way for interest rate cuts in the euro area in 2024, while the return of inflation to target in the U.S. allowed for the decision to lower rates in America. A clear tightening of the MPC's rhetoric in the course of 2024, but also an unfavorable trajectory of the CPI index closed the way to cuts in Poland.

Below are the NBP interest rates as of December 31, 2024:

- reference rate: 5.75%;
- lombard rate: 6.25 %;
- deposit rate: 5.25%;
- bill rediscount rate: 5.80%;
- bill discount rate: 5.85%;

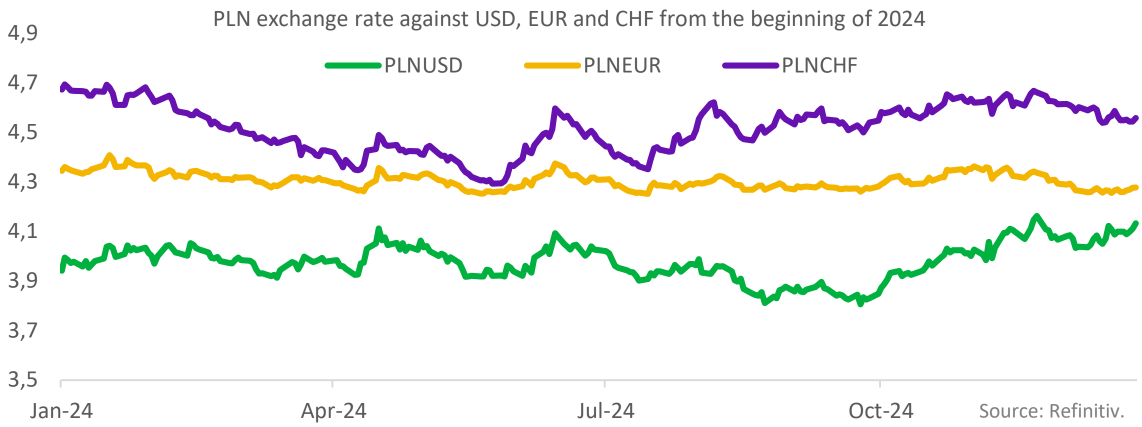


Foreign exchange market

The year 2024 was characterized by a relative stabilization of the zloty exchange rate after a dynamic appreciation at the end of 2023. Investor sentiment towards Poland remained positive at the beginning of the year, supported by decisions regarding the allocation of funds from the National Recovery Plan and expectations for an improvement in the economic situation. In the first months of the year, the EUR/PLN exchange rate fluctuated within the range of 4.30–4.40, with the zloty remaining relatively strong against major currencies, benefiting from the advantage of higher interest rates and the country's stable macroeconomic situation.

In subsequent quarters, the currency market was affected by changes in global monetary policy. Signals regarding potential interest rate cuts in the U.S. and the euro area led to increased exchange rate volatility. Additionally, the accelerated parliamentary elections in France mid-year contributed to the weakening of the zloty, driven by a rise in global risk aversion. The prospects of a victory, as well as Donald Trump's actual win in the U.S. presidential elections, also raised the level of volatility in global markets.

At the end of the year, the EUR/PLN exchange rate was near 4.40, with the zloty finishing 2024 in a relatively strong position, although the pace of appreciation slowed compared to the previous year. According to data from the National Bank of Poland as of December 31, 2024, the exchange rate was 4.2730 PLN for the euro, 4.1012 PLN for the U.S. dollar, 4.5371 PLN for the Swiss franc, and 5.1488 PLN for the British pound. Compared to the end of 2023, the zloty slightly weakened against the euro and the dollar, yet it remained one of the strongest currencies in the region. The stability of the zloty in 2024 was the result of balanced fiscal and monetary policies, as well as sustained interest from foreign investors in the Polish market. Despite periodic exchange rate fluctuations, driven by factors such as global decisions on interest rates and volatility in financial markets, the zloty finished 2024 in a stable position, continuing the trend observed since the end of 2023.



Banking sector

The year 2024 in the banking sector was determined by the changing macroeconomic environment, including the gradual lowering of interest rates and the fading inflationary pressure. In 2023, banks achieved high profits due to sustained high interest rates and interest margins. However, in 2024, the banking sector faced new challenges related to the expected cycle of rate cuts and rising regulatory costs. An additional burden came from changes in the regulatory environment, particularly the free credit sanction, which affected the lending activities of banks.

Despite the improving economic outlook, the sector faces significant barriers:

- The return on equity of banks remains below the cost of capital, which limits the ability of institutions to attract new investors and raise funds from capital markets. The decline in profitability under lower interest rates may further exacerbate this issue.
- The efficiency of deposit utilization remains a challenge, and the loan-to-deposit ratio continues to be low (approx. 0.62 in 2024). This means that a significant portion of deposits remains unused in lending activities, which may result from both cautious bank policies and limited demand for credit in certain sectors of the economy.
- The increase in banks' capital levels remains insufficient, which may constrain their ability to finance investments and manage risks in a changing regulatory environment. Continued uncertainty related to potential regulatory costs and new capital adequacy requirements is an additional risk factor.
- A revival in lending activity may be crucial in the context of mobilizing funds from the National Recovery Plan and EU investments; however, banks may face challenges in accelerating credit growth. Economic growth should support credit demand, but adjustments to credit policies will be necessary.
- The free credit sanction is becoming a significant risk for banks. Court rulings are strengthening customer protection by allowing clients to avoid credit costs. This may lead to an increase in the number of disputes and require adjustments to procedures in order to minimize legal and financial risks
- In 2024, the banking sector faces the need to adapt to new conditions, where the main challenge will be balancing profitability amid declining interest rates and rising regulatory and capital requirements. An additional burden comes from court rulings, which may have a negative impact on the legal risk faced by financial institutions.

Awards and Recognitions

The year 2024 was marked by numerous awards that confirmed the high quality of services offered by VeloBank. VeloBank started the second quarter of 2024 by winning the prestigious, internationally recognized SABRE Award. The jury awarded VeloBank the winning IN2 SABRE Awards trophy for the project “How to build a love brand on the banking market – VeloBank’s success story in Poland”.

Focused on new technologies that make everyday banking easier for clients, VeloBank received an award in the “Technology Supporting Mobile Solutions” [*Technologia Wspierająca Mobile*] category for its secure and unique solution that simplifies the login process to online banking using a QR code. The award was presented during the Mobile Trends Awards gala.

In the first half of the year, the Bank was also recognized in a prestigious and influential industry report. In the 9th edition of the Institution of the Year report [*Instytucja Roku*], the Bank was ranked in the top tier of the study in the following categories: “Best Remote Service” [*Najlepsza obsługa w kanałach zdalnych*], “Best Mortgage Service” [*Najlepsza obsługa hipoteczna*], and “Best Remote Account Opening Process” [*Najlepszy zdalny proces otwarcia konta*].

Nine VeloBank branches received individual awards and the title of Best Bank Branch in Poland [*Najlepsza placówka bankowa w Polsce*].

In October 2024, in the equally prestigious Newsweek's Friendly Bank 2024 ranking [*Przyjazny Bank Newsweeka*], VeloBank ranked second in the "Remote Banking" [*Bankowość zdalna*] category and fourth in the "Everyman's Bank" [*Bank dla Kowalskiego*].

In 2024, a panel of banking experts also honored Adam Marciniak. VeloBank's CEO was recognized for his groundbreaking approach to the bank's transformation, which addressed sector-wide challenges. Within just five weeks, he turned a bridge institution operating under legal constraints into an innovative, fully digital bank, attractive to both clients and investors. At the Banking Forum & Insurance Forum gala, President Marciniak was honored with the title Innovator of the Year 2023 [*Innowator Roku*]. He also won in the Innovation Leader category *[Lider Innowacji*] at the Masters&Robots competition and received the CEO of the Year award [*CEO Roku*] in the Diamonds of Innovation [*Diamenty Innowacji*] competition. The success was crowned by the IT Visionary of the Year [*Wizjoner Roku IT*] award, presented at the IT@Bank gala in November 2024. The Bank's efforts to strengthen its brand recognition and reputation also did not go unnoticed. The Digital Champion award in the CMO Awards competition was received by Katarzyna Meissner, while Marta Chmielewska and Katarzyna Koper were awarded the titles Master of Employer Branding and Master of Communication / PR respectively in the Marketing Director competition.

The Bank's continuous efforts to be an institution "close to the client" were recognized and appreciated in the Data Economy Innovators Awards, where the Bank was awarded for building client relationships based on data. Providing clients with hyper-personalization — a tailored offer of banking products along with personalized communication.

The successful year was completed with recognitions in the industry's most prestigious competitions. The Bank received the Silver Clip [*Srebrny Spinacz*] award in the Finance category for its Valentine's Day campaign, which promoted VeloBank's offer in a creative and unconventional way.

The highlight of the 12th Cashless Congress was receiving the eDukat award in the Best Pro-Environmental Initiative in a Cashless World category [*Najlepsza Proekologiczna Inicjatywa Świata Bezgotówkowego*] for the campaign #VeloLas.

Further accolades were awarded in the Golden Banker [*Złoty Bankier*] survey. VeloBank's cash loan took 1st place in the 15th edition of the Golden Banker ranking, one of the most recognized rankings in the financial world. The award, granted by experts, highlights VeloBank's effectiveness in creating a modern and consumer-friendly credit offer. Another aspect highly rated was the Bank's remote contact services. Analyzing the various areas of companies' activities, specialists from Bankier.pl ranked the customer hotline and the quality of communication with VeloBank via the online form and chat on the website in 3rd place.

In addition to its outstanding focus on customer service quality, effective management, and innovations, VeloBank is also recognized as a friendly workplace. This is evidenced by the titles obtained as part of numerous HR competitions in which the Bank participates. The year 2024, like the previous one, brought the company the Friendly Workplace title, with VeloBank being recognized as a friendly place to work.

In November, the Bank was awarded in the Polish PMO Award 2024 competition. The jury appreciated the transformation driven by eXtreme Agile as a response to the need for building an efficient and profitable enterprise.

2. The Bank's organization and capital links

2.1. Share capital and shareholding structure of the Bank

As at December 31, 2024, the Bank's share capital totaled PLN 711,734,000.00 and was divided into 100,000 ordinary registered A series shares with a nominal value of PLN 250.00 each as well as 2,746,936 ordinary registered B series shares with a nominal value of PLN 250.00 each. All the shares were taken up by Promontoria Holding 418 B.V. and fully covered by a cash contribution.

Promontoria Holding 418 B.V., a private limited company with its registered office in Baarn, the Kingdom of the Netherlands, holds 100% of the Bank's shares.

The Bank's share ownership structure as at the date of these financial statements is as follows:

	% share	% votes
Promontoria Holding 418 B.V.	100%	100%
Total	100%	100%

2.2. Description of the Capital Group's organization and changes to it

The VeloBank S.A. Group (the "Group") is composed of VeloBank S.A. as the parent company and its wholly-owned subsidiaries.

31-Dec-2024	Percentage of shares/ voting rights held by the Bank
Berticoneby Investments Sp. z o.o.	100%
ProEkspert sp. z o.o.	100%
VeloLeasing S.A.	100%
Total investments in subsidiaries	

The duration of the individual Group companies is indefinite.

2.3. Changes in the Group

On October 28, 2024, an entry was made in the register of shareholders of Noble Finance S.A. regarding the acquisition of 19,150,000 ordinary registered shares, representing 100% of the share capital, by VeloBank. Thus, the Bank recognized control over that company. The company operates under the name of VeloLeasing. The company's share capital was increased through the issue of 100,000 I series shares with the issue price of PLN 250 each.

On October 23, 2024, an agreement was signed regarding the acquisition of majority holding (86.83%) in Towarzystwo Funduszy Inwestycyjnych Noble Funds S.A. The transaction will be closed after conditions precedent have been met, including approval granted by the Polish Financial Supervision Authority.

3. Description of the business areas, products and services of the Bank and the Group subsidiaries

The VeloBank S.A. Group (the "Group") is composed of VeloBank S.A. as the parent company and its wholly-owned subsidiaries.

VeloBank is a universal bank whose offering includes financing, savings and investing products as well as a wide spectrum of additional services which are provided to clients using a variety of channels, including traditional bank outlets and an online platform.

The principal activities of the Company comprise the provision of banking services and engaging in the business activities set out in the Bank's Articles of Association. The Bank operates across Poland and provides services to individuals and business clients, both in the Polish zloty and in foreign currencies.

The Bank's offering is complemented by that of its subsidiaries. ProEkspert Sp. z o. o. engages in the activities of insurance brokers and agents, in addition to operating the VeloMarket e-commerce platform as well as carrying on insurance intermediary activities under agency agreements concluded with numerous insurance undertakings. Velomarket is a new e-commerce platform operating in the marketplace model, with a particular focus on eco-friendly and healthy lifestyle products.

VeloLeasing S.A. engages in leasing activities, granting loans and credit intermediation for VeloBank S.A. The company specializes in providing leasing services in the segment of means of transport in a broad sense.

Berticoneby Investments Sp. z o.o. did not carry on any business activities in the reporting period.

Sales Network

The VeloBank's sales network operates through five channels:

- Own Branch Network – universal branches providing full services for retail banking clients (Retail Segment) and private banking clients (Private Banking Segment). The Own Branch Network also serves corporate banking clients and Local Government Authorities (town halls);
- Partner Network – these are universal branches providing banking services for every type of client, both individual and corporate, similarly to branches of the own network, but excluding investment products;
- Intermediary Network – The Bank cooperates with intermediaries in the sale of cash loans, mortgage loans, installment ECO-loans (for ECO product range, e.g., photovoltaic panels, heat pumps, energy storage units, e-bikes/scooters, etc.), and automotive loans for the purchase of vehicles, machinery, and equipment.
- Electronic banking – the Bank offers access to mobile banking services through the VeloBank application available for Android and iOS smartphones and Huawei phones, as well as to online banking services via web browsers;
- Contact Center – the Bank offers access to telephone service through dedicated telephone numbers for individual client segments (separate numbers for retail clients, Private Banking clients and corporate clients). As part of telephone banking, the client has access to all maintenance services, banking and insurance products and selected services in the field of investment products. In the current operating model, clients also have access to email and chat channels. In 2023, mortgage loan sales were launched via a new video channel, enabling clients to remotely complete the mortgage application and granting process while interacting directly with an expert through video calls. In 2024, numerous processes introduced in 2023 were enhanced to further streamline the sale and servicing of banking products.

Retail banking

Personal accounts and savings offer

In 2024, VeloBank set an ambitious goal to accelerate client acquisition, with a stronger focus on building relationships and product provision. At the same time, the growth of the deposit base continued, with a focus on maintaining the proper portfolio structure and building balances in current accounts (ROR) and standard deposit balances.

The main account is VeloKonto – a user-friendly solution that supports clients in their daily lives.

The Velokonto account is maintained free of charge, and performing 5 cashless card/BLIK transactions per month provides clients with a free debit card and free ATM withdrawals across Poland. For most of the year, clients were able to take advantage of promotions for active clients (a cashback promotion for clients who deposit at least PLN 2000 into their personal accounts).

VeloBank clients could also participate in the Referral Program, where active clients were recognized and rewarded for recommending Velokonto accounts to new clients.

The range of personal accounts for the retail segment is complemented by VeloKonto Junior, designed specifically for individuals aged 13–18, which, along with the accompanying card, is opened and maintained free of charge.

For more affluent clients, we offer VeloKonto Premium as part of a comprehensive product package. The package includes a personal account, a savings account, and various payment methods.

For our wealthiest clients, we offer VeloKonto Private Banking, which serves as a gateway to the world of Private Banking. The account is maintained free of charge for clients who hold assets of at least PLN 500,000. Clients also do not pay for other account-related services, such as insured payment cards, transfers—including international transfers—and ATM withdrawals. All solutions and professional support are provided by Private Banking relationship managers. Clients also have access to modern electronic banking services and the Private Banking Customer Service Call Center.

Private Banking also involves wealth accumulation and diversification—clients can allocate their funds across a wide range of deposit and investment products and secure their own and their families' future by selecting products from our insurance offering.

In 2024, the ability to open an account via PSD2 has been added for retail accounts. In this way, VeloBank is among the few banks offering such a broad spectrum of channels for opening personal accounts (branch, contact center, mObywatel, selfie, online application, electronic banking, PSD2).

In addition to new offerings, the Bank provides a comprehensive range of financial products and solutions designed to fully meet the financial needs of individual clients.

Personal account holders at VeloBank gained access to new solutions, including Moje Rachunki, enabling convenient bill payments directly through the Bank's mobile application.

In the area of deposits, the Bank recorded a significant increase in deposit volumes. The Bank continuously focused on changing the portfolio structure—there was an increase in the share of current accounts and savings accounts at the expense of term deposits. The observed effect was a lower funding cost in 2024, with expectations that this trend will continue in subsequent periods. In 2024, the offering of a key product was modified: Flexible Savings Account [*Elastyczne Konto Oszczędnościowe*]. The new offer rewards relationship-oriented clients by offering higher interest rates to active and transactional clients.

The Bank regularly introduced seasonal offers in its mobile application, marking occasions such as holidays, Children's Day, and the end of summer vacation. The goal was to encourage convenient saving habits.

Processes for opening deposits and customer journeys were continually enhanced. VeloBank aims to compete on the quality of its processes, not just on price.

<u>Cash loans</u>

VeloBank offers a range of products aimed at financing the individual consumption needs of clients, i.e.:

- Cash loans and consolidation loans—offered for any purpose, repayment of borrower's existing credit obligations, or financing specific consumer goods—up to PLN 200,000;
- low-amount loans for any purpose or smaller expenses—up to PLN 6,500;
- overdraft credit limit.

The Bank sells its products through various distribution channels. The cash loans are available at Bank branches, franchise outlets, the Contact Center, online and mobile banking platforms, via VeloBank's website, and through the network of intermediaries cooperating with the Bank.

In 2024, cash loan sales reached PLN 2.0 billion, representing an 83% year-over-year increase. Numerous positive changes were introduced to the cash loan offer, including

- the implementation of the innovative VeloFotka loan leveraging AI technology,

- modification of the credit offer (acquisition offer for new clients and pre-approved offer for existing clients of the Bank),
- continuous optimization and enhancement of remote processes—such as identity verification via PSD2-based logins from other banks—and enabling electronic banking-based contract signing for clients referred by external partners.

In line with the Bank's defined strategy, most projects related to cash loans were centered around enhancing remote channel sales and optimizing credit processes. In 2024, 67% of loan agreements were concluded through remote channels. The Bank continues to focus on the development of remote channels, ongoing improvements in sales process efficiency, personalized loan offerings, and transparent communication with current and prospective clients.

<u>Car loans</u>

In the area of car loans, the Bank's activities in 2024 focused on continuing efforts to optimize sales processes and credit documentation, as well as redesigning the product offering and training the sales network.

As part of the product development, the Bank introduced new seasonal offers and the "Wymarzone Auta" ("Dream Cars") loan, which combines the features of a cash loan and a car loan, allowing clients to search for a car with cash in hand. The Bank also launched Veloekspres — a product dedicated to car dealerships, where the loan application and agreement acceptance are completed via SMS code — as well as the Veloelastyczny loan designed to finance new vehicles purchased from car dealers. A key advantage of this product is the low principal and interest installment at the beginning of the loan term, followed by a balloon payment at the end of the financing period. Additionally, during the loan term, clients have the option to modify their repayment schedule by converting the balloon payment into standard installments based on a new loan term. In 2024, the Bank also enabled clients to apply for and finalize a car loan agreement via the website and through Business Intelligence/Business Management (BI/BM) platforms.

Further efforts were made to optimize credit documentation and continuously enhance the knowledge of the sales network through a series of e-learning and in-person training sessions.

In 2024, the Bank's activities in the car loan segment also focused on support initiatives, such as promoting the offering on social media and cooperating with affiliates.

<u>Bancassurance</u>

In the area of bancassurance, the Bank significantly expanded its product offering in 2024, placing particular emphasis on strengthening customer relationships by creating a comprehensive stand-alone insurance offering.

As part of the expanded cooperation with BNP Paribas Cardif — previously limited to Credit Protection Insurance (CPI) for mortgage and cash loans — VeloBank introduced three new stand-alone insurance products in 2024. These include the Health Package ("Pakiet Zdrowie") insurance, providing coverage for cancer and other serious illnesses; Accident Protection ("Pakiet Zdrowie") insurance, offering benefits in the event of an accident for adults; and Junior Accident Protection ("Ochrona na Wypadek Junior") insurance, designed as VeloBank's response to so-called school insurance, providing coverage for children.

In 2024, VeloBank also expanded its cooperation with LINK4, with whom it had previously offered motor insurance products, including third-party liability (OC) and comprehensive (AC) coverage. As part of the new offering, VeloBank clients gained access to property insurance, available through the telephone channel. The offer is available to both VeloBank mortgage borrowers and the Bank's other clients.

In October 2024, VeloBank also became the first bank in Poland to introduce the Medical Package ("Pakiet Medyczny") insurance, developed in cooperation with Allianz Partners. This innovative solution introduced by VeloBank offers clients access to medical consultations and diagnostic tests in case of illness or accident and is available in two options: individual and family coverage. The insurance is offered as a group policy, allowing clients who actively use the Bank's products and services to enjoy a specially reduced premium for the Medical Package insurance cover after enrolling in the VeloKorzyści loyalty program.

Mortgage loans

The year 2024 saw the development of the mortgage loan offering, which was launched on March 29, 2023, as well as the optimization of internal processes, customer experience, and credit documentation. As part of these efforts, the Bank automated the preparation of loan agreements and attachments, simplified the list of required documents, enabled clients to request loan tranche disbursements online, and continued developing tools to streamline the loan application process. Additionally, the decision-making process was simplified, and a special offer — VeloDom for Professionals — was introduced for selected professions.

Starting from December 2024, the variable interest rate on newly granted loans is based on the 1M WIBOR, due to the planned discontinuation of the WIRON 1M Compound Rate as the reference index.

In the fourth quarter of 2024, the Bank launched work on implementing a fully digital mortgage loan sales process, covering online application submission, agreement signing, and loan disbursement.

The mortgage loan offering is available through the Mortgage Center and intermediaries cooperating with the Bank. Additionally, selected franchise outlets joined the sales network as part of a pilot program.

In December 2024, VeloBank's share in the mortgage loan sales market amounted to 3.0%, based on data from the Amron Sarfin Report (measured by signed loan agreements).

Corporate banking

In the Corporate Banking segment, VeloBank provides services and conducts active sales activities for companies, developers, public finance sector entities, homeowner associations, and housing cooperatives.

The current range of products and services for corporate clients covers their core business needs. The current product and service offering for corporate clients addresses their fundamental needs and focuses on traditional banking services, including business accounts, domestic and international transfers, payment cards, cash services, liquidity management products, corporate finance, foreign exchange, and basic hedging instruments.

The area currently serves 5 basic client segments:

1. The Corporate Segment – primarily commercial law companies,
2. The Developers Segment – clients operating in the broadly defined real estate sector, including those involved in the construction of properties for sale, the development and investment in income-generating properties, or the purchase of investment land.
3. The Public Segment – local government units,
4. The Micro-Enterprises Segment – natural persons conducting business activity,
5. The Housing Segment – homeowners' associations and housing cooperatives.

Sales Network

Sales to corporate clients are carried out through a sales network managed by the Sales Department. The network consists of three regional corporate branches serving business clients, the Public Sector Account Management Team, and the Developer Finance Department, which provides comprehensive support throughout the financing and service process for developers.

The Sales Department within VeloBank's Corporate Banking Area commenced its operational activities on March 1, 2023, following amendments to the Bank's Organizational Regulations. The department operates based on reformed and newly established sales and support structures.

In 2024, as part of the ongoing development of the new sales and product support network, the following initiatives were implemented:

- Recruitment of relationship managers – as part of the business model focused on building strong relationships with corporate clients, the Bank continued to expand its sales network by increasing the number of relationship managers, with the main growth recorded in the corporate segment. The Bank ended 2024 with a total of 48 relationship managers and maintained the existing number of Corporate Banking Regions.
- A dedicated team for cooperation with referral partners was launched,
- the efficiency of the sales network was significantly improved,
- and new corporate banking clients (new to bank) were acquired — reflecting a year-on-year increase of 28%,
- As part of client service initiatives, the Bank also launched the Business Support Center, a unit dedicated to providing post-sales service to corporate clients. As part of the Center's activities, the Bank provides comprehensive telephone support for business clients, including assistance with electronic banking inquiries and the initial onboarding of new clients.

<u>The products:</u>

The Bank provides comprehensive solutions for corporate clients that support the development of enterprises, in particular, liquidity management, trade finance, financing of working capital and investment projects, as well as business risk mitigation. The product offering includes:

- Transactional banking products — a comprehensive offering ranging from basic account packages (including housing escrow accounts) to cash management solutions such as closed cash deposits and mass payments.
- VeloBiznes online banking — an internet banking system designed for sole proprietors and businesses requiring multi-level authorization of transactions, as well as for the public sector.
- Surplus cash management — term deposits, deposit accounts, and negotiable deposits.
- Working capital financing — including working capital loans, overdraft facilities, and revolving and non-revolving loans.
- Investment financing — including investment loans and financing of projects co-financed with EU funds.
- Real estate financing (residential, commercial, office, hotel, retail, and warehouse properties) — including the management of residential escrow accounts, investment loans, working capital loans, and corporate credit lines.
- Public sector services — including account management, working capital and investment financing, municipal bond issuance, and dedicated cash management solutions.

In 2024, in the area of corporate client services, the Bank implemented the following initiatives:

- new credit products (Multi-purpose Credit Line, Contract-backed Loan),
- As part of the credit activities, the following were implemented:
    - a new Credit Instruction,
    - updated credit decision-making competencies,
    - changes in the rating system,
- and the launch of a major IT project to implement a credit workflow system and a transactional workflow system to automate sales processes,
- credit product sales processes for the Micro segment were developed within the Contact Center,
- A new Leasing product was added to the banking offer by purchasing and incorporating into the Group a leasing company, which currently operates under the name Veloleasing.

DIGITAL BANKING

The Bank continues its digital transformation, striving for innovation and excellence within the Digital Channel Transformation Area. Our goals include:

- gaining a comprehensive understanding of our clients,
- implementing tools to collect and utilize data,
- developing remote processes that enable clients to open new products and services,
- dynamically delivering changes in electronic banking.

In 2024, the Bank implemented numerous initiatives that enhanced self-service capabilities in digital channels, provided convenient tools for simple and intuitive financial management, and improved client satisfaction, including:

- The Benefits Program — the Bank launched a program for active clients offering preferential access to a medical package, discounts at selected stores, and the ability to earn cashback, The VeloKorzyści benefits program is available exclusively in mobile banking and is cloud-based,
- My Bills ("Moje Rachunki") — a service designed to save time and automate regular bill and invoice payments directly from the Bank's mobile app. The app automatically retrieves invoices and sends payment reminders.
- Pay Once ("Płacę NaRaz") — a feature that allows clients to combine multiple bills into a single payment using a free credit limit. The Bank automatically pays the bills, and a single amount is debited from the client's account once a month.
- Online account opening — a fully remote process that allows clients to open a business and bank account without leaving home, including identity verification via selfie or the mObywatel app.
- Subscription Management — in cooperation with Mastercard, the Bank introduced a feature that enables clients to manage all subscriptions in one place, helping them control recurring expenses.
- No code BLIK payments — a feature that enables even faster payments at favorite online stores with just one click, without the need for a BLIK code.
- Auto Loan Application — clients can apply for a car loan directly from their smartphone with a single click. Funds are available in the account within minutes.
- VeloFotka Installment Loan — powered by artificial intelligence, this feature analyzes product label photos and helps clients submit a loan application directly from the app.
- VeloID in the mobile app — a solution that streamlines identity verification and provides easier access to public services and the Trusted Profile [*Profil Zaufany*]. This authentication method, already known from online banking, allows mobile clients to handle official, insurance, or utility matters remotely and more efficiently.
- Temporary Transaction Limits — a feature designed to facilitate larger purchases or make banking easier while traveling. These temporary transaction limits can also be adjusted downwards if clients wish to lower them for a certain period.
- Personalized push notifications — clients can receive notifications about their expenses and incoming payments, with the option to filter them by account or card.

Clients continue to have access to a wide range of e-government services through the Bank, including the Trusted Profile [*Profil Zaufany*] and integrated applications for social benefits such as 800+, Active Parent [*Aktywny Rodzic*], and the Support Benefit [*Świadczenie Wspierające*]. Additional services available in electronic banking include: My Bills ("Moje Rachunki"), purchasing gift cards, parking payments, purchasing public transport tickets, toll payments for domestic and international highways, subscription management.

In line with its commitment to client security, the Bank has introduced behavioral verification, a system that analyzes user behavior patterns to verify whether the logged-in user is indeed the Bank's client. Additionally, the Bank has implemented an electronic business card solution, providing clients with a safe and convenient way to contact Bank employees. The business card contains all necessary contact information, making it easier and more efficient to handle banking matters.

The Bank offers access to mobile banking services through the VeloBank application available for Android and iOS smartphones and Huawei phones, as well as to online banking services via web browsers.

4. The Group's financial position and performance in 2024

4.1. The Group's consolidated income statement

	01-Jan-2024 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Net interest income	1,550,489	1,582,740	(2.0)	(32,251)
Net fee and commission income	(7,833)	49,875	(115.7)	(57,708)
Other net income*	(4,922)	(14,065)	(65.0)	9,143
Operating expenses (excluding banking tax)	(859,611)	(776,681)	10.7	(82,930)
Gain (loss) on the carve-out of the leasing portfolio	0	(184,250)	(100.0)	184,250
Net impairment losses	(163,219)	(314,687)	(48.1)	151,468
Tax on financial institutions	(30,447)	0	#	(30,447)
Profit before tax	**484,457**	**342,932**	**41.3**	**141,525**
Income tax	(104,302)	(57,799)	80.5	(46,503)
Net profit	**380,155**	**285,133**	**33.3**	**95,022**

* Other net income includes dividend income, gain (loss) on financial instruments measured at fair value through profit or loss and net foreign exchange income, gain (loss) on derecognition of financial assets not measured at fair value through profit or loss (excluding gain (loss) on the carve-out of the leasing portfolio), gain (loss) on investments in subsidiaries, associates and joint ventures, as well as net other operating income and expense.

Net interest income

In 2024, the Group recorded net interest income of PLN 1.55 billion (i.e. 2.0% lower than in 2023). The main component of interest income was interest income on financial instruments (67% of interest income), including on derivatives, while income from lending activities accounted for 30% of the Group's interest income. The main component of interest expense was interest expense on amounts due to clients (79.2% of the Group's interest expense).

In 2024, the average 3M WIBOR interbank rate – which serves as the base rate for the majority of loans indexed to market rates – amounted to 5.86%. The average 3M WIBOR rate in the fourth quarter of 2024 saw a slight decrease of 0.01 percentage points compared to the average for the first, second, and third quarters of 2024.

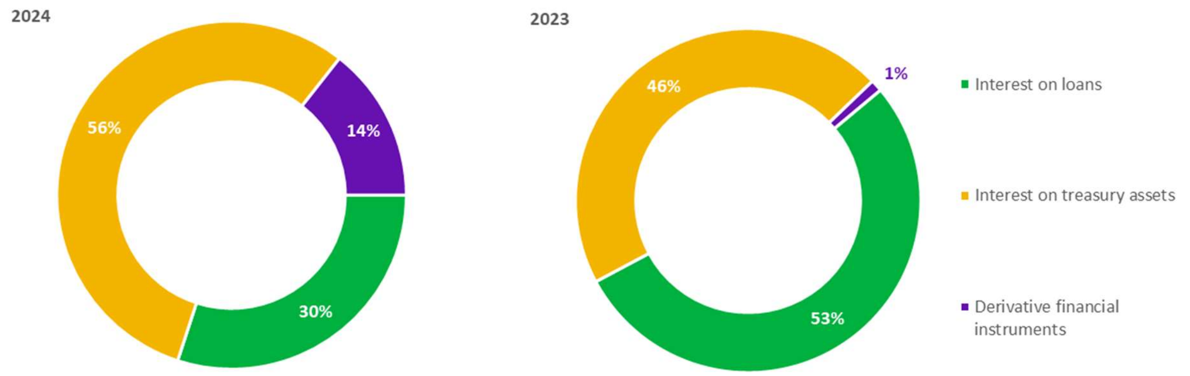
The Group's net interest margin (calculated as net interest income relative to the average balance of interest-earning assets for the period) amounted to 3.03% for the 12-month period of 2024.

The average yield on the Group's loan portfolio over the 12-month period of 2024 (calculated as the ratio of interest income earned to the average net loan exposure) amounted to 9.1%.

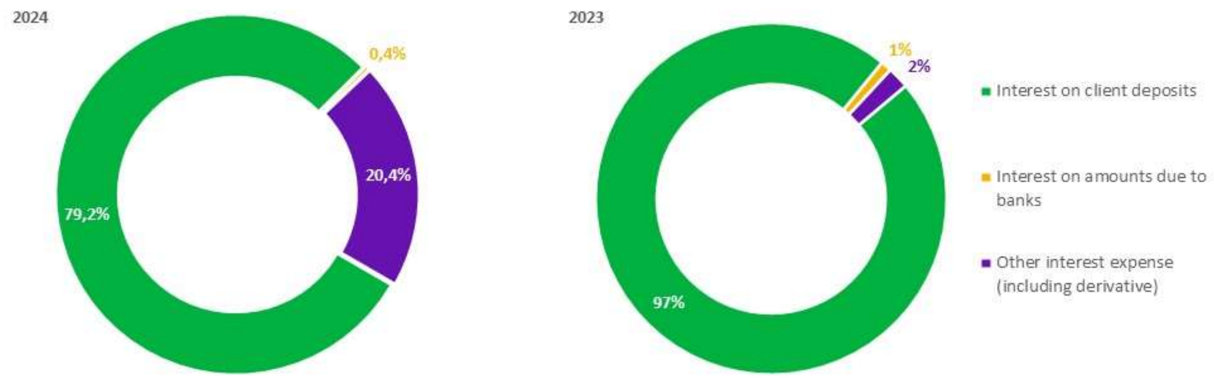
The average cost of acquiring client deposits over the 12-month period of 2024 was 4.1%.

At the end of 2024, 62.6% of the Group's deposit base was held in current and savings accounts, while 7.1% of client funds had an original maturity of at least 12 months.

Structure of interest income in 2023 and 2024



Structure of interest expense in 2023 and 2024

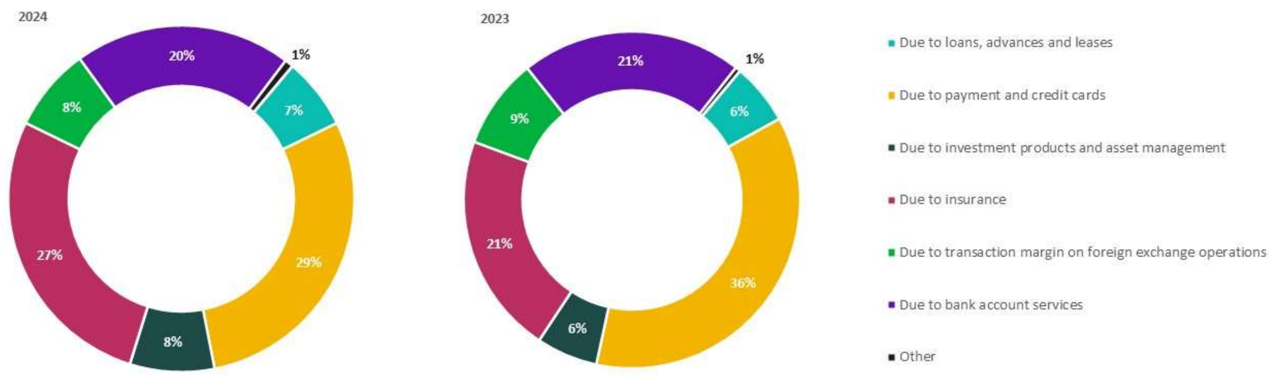


Net fee and commission income

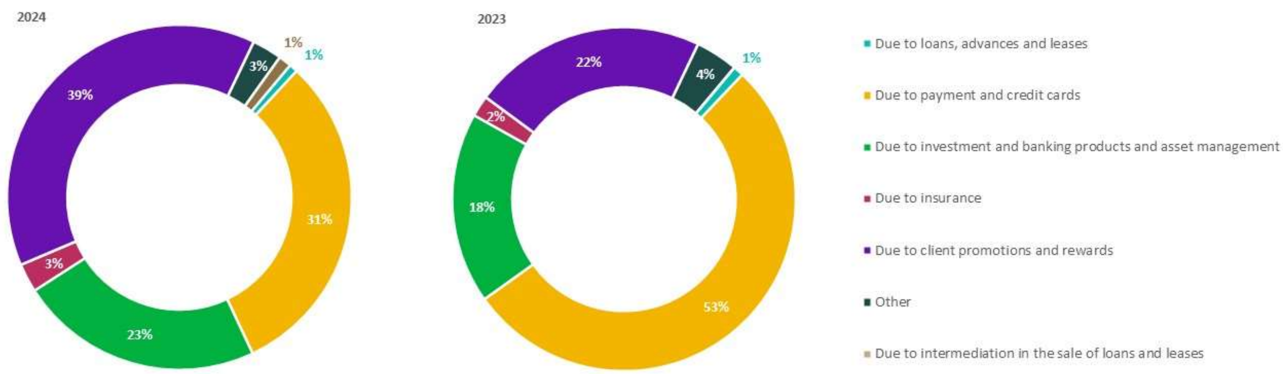
The net fee and commission income for 2024 was negative and amounted to PLN -7.8 million (PLN 57.7 million lower than in 2023). Net fee and commission income was primarily determined by the expense relating to promotions and rewards for clients, which amounted to PLN 57.4 million – PLN 39.0 million higher than in 2023. Commissions were also affected by the negative result on investment and banking products as well as asset management (PLN -23.0 million, i.e. PLN 15.6 million less than in 2023). An increase in commission expense in the above-mentioned categories is due to a change in the estimates of the parameters of the model for the settlement of acquisition costs relating to savings and checking accounts, savings accounts and current accounts for businesses following their annual review.

Significant components of the net commission income were the portion of insurance sales income not included in the calculation of the effective interest method (PLN 34.7 million, up by PLN 8.0 million compared to 2023) and the result from the transaction margin on foreign exchange operations (PLN 11.0 million, down by PLN 0.7 million compared to 2023).

Structure of commission income in 2023 and 2024



Structure of commission expense in 2023 and 2024



Other net income

	01-Jan-2024 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Dividend income	115	106	8.5	9
Gain (loss) on financial instruments measured at fair value through profit or loss and net foreign exchange income	4,934	7,930	(37.8)	(2,996)
Gain (loss) on derecognition of financial assets not measured at fair value through profit or loss – excluding gain (loss) on the carve-out of the leasing portfolio	(357)	59,277	(100.6)	(59,634)
Other operating income	67,697	71,401	(5.2)	(3,704)
Other operating expense	(77,311)	(152,779)	(49.4)	75,468
Other net income	**(4,922)**	**(14,065)**	**(65.0)**	**9,143**

The result on other items in 2024 amounted to PLN -4.9 million, which was PLN 9.1 million higher than in 2023.

The result on other items was mainly affected by a negative result on other operating income and expense of PLN 9.6 million, in which line item the Group recognized, among others, accrued income related to outsourcing costs (+PLN 29.1 million), result on debt collection activities (- PLN 22.9 million) and a provision for other litigation (- PLN 14 million).

Operating expense

	01-Jan-2024 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Amortization and depreciation	117,458	105,706	11.1	11,752
Employee benefits	447,268	375,283	19.2	71,985
Other general expenses	287,788	286,205	0.6	1,583
Payments to the Bank Guarantee Fund	7,097	9,487	(25.2)	(2,390)
Total	**859,611**	**776,681**	**10.7**	**82,930**
Total, excluding the cost of payments to the Bank Guarantee Fund	**852,514**	**767,194**	**11.1**	**85,320**

In 2024, the Group's operating expense amounted to PLN 859.6 million, which was PLN 82.9 million (10.7%) higher than in 2023. The main components of operating expense were employee benefits (52.0%), which increased by PLN 72.0 million (19.2%) compared to 2023, as well as third-party services (30.1%), which decreased by PLN 3.1 million (-1.2%) versus 2023. The reduction in third-party service costs was mainly driven by a PLN 21.9 million decrease in legal and consulting service osts. Operating expense, excluding payments to the Bank Guarantee Fund, totaled PLN 852.5 million.

The cost-to-income ratio reached 55.9%.

Net impairment losses on financial assets

The impact of impairment losses on financial assets on the Group's profit in 2024 was PLN 163.2 million, which was PLN 151.5 million (-48.1%) less than in 2023.

The structure of the negative net impairment losses is presented in the table below:

	01-Jan-2024 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Loans and advances to clients, including:	(147,947)	(288,841)	(48.8)	140,894
corporate loans	(63,557)	(236,475)	(73.1)	172,918
car loans	(2,984)	(168)	1,676.2	(2,816)
mortgage loans	20,431	(50,040)	(140.8)	70,471
retail loans	(101,817)	(2,158)	4,618.1	(99,659)
Off-balance sheet liabilities	(14,418)	(2,037)	607.8	(12,381)
Other assets	(854)	(23,809)	(96.4)	22,955
Total	**(163,219)**	**(314,687)**	**(48.1)**	**151,468**

The main component of net impairment losses was loans and advances to clients (90.6%), of which PLN 101.8 million were impairment losses on retail loans.

The coverage ratio for Stage 3 loans at the end of 2024 reached 72.4%, an increase of 10.3 percentage points compared to the end of 2023. The highest ratio, at 79.0%, was recorded for corporate loans, marking an increase of 21.6 percentage points.

The share of Stage 3 loans in the total gross loan portfolio stood at 10.4% at the end of 2024, down by 2.7 percentage points compared to the end of 2023.

The Group's key financial ratios

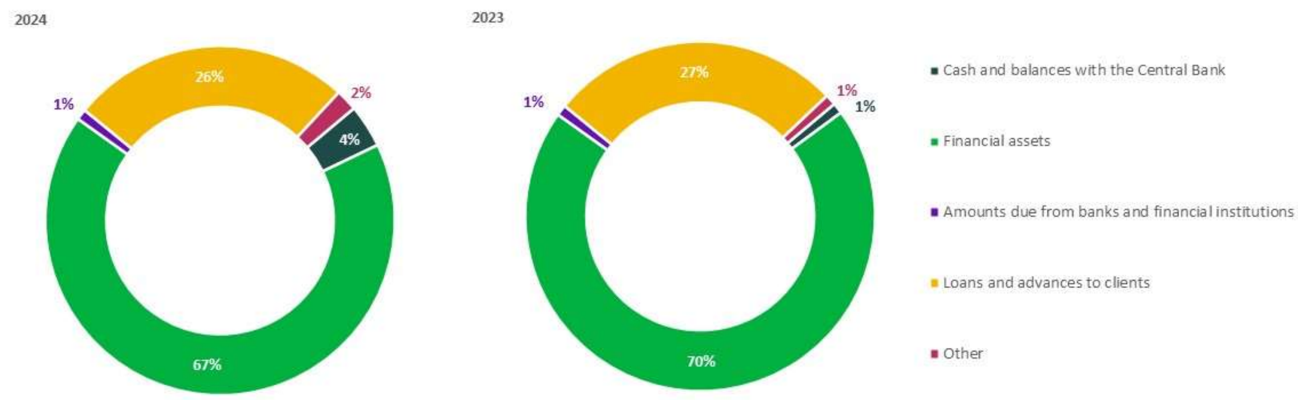
	01-Jan-2024 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	Change in p.p.
Net ROE	29.3	37.6	(8.2)
Net ROA	0.7	0.7	0.1
C/I (cost-to-income ratio)	55.9	51.0	4.9
CAPITAL RATIOS			
Tier 1 capital ratio	14.4	8.3	6.2
Total capital ratio	14.4	8.3	6.2
Leverage	3.3	1.9	1.3

4.2. Statement of the Group's financial position

ASSETS

As at December 31, 2024, the Group's balance sheet total was PLN 54.6 billion (up by PLN 6.0 billion, i.e. 12.3%, versus the end of 2023). The share of financial assets, accounting for 67% of the Group's total assets, was the highest.

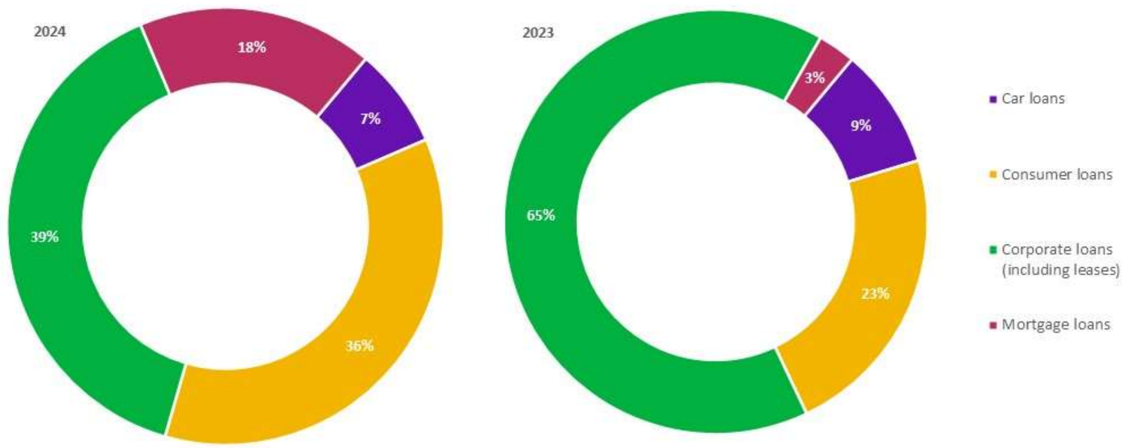
Structure of the Group's assets as at December 31, 2024 and December 31, 2023



Loan portfolio

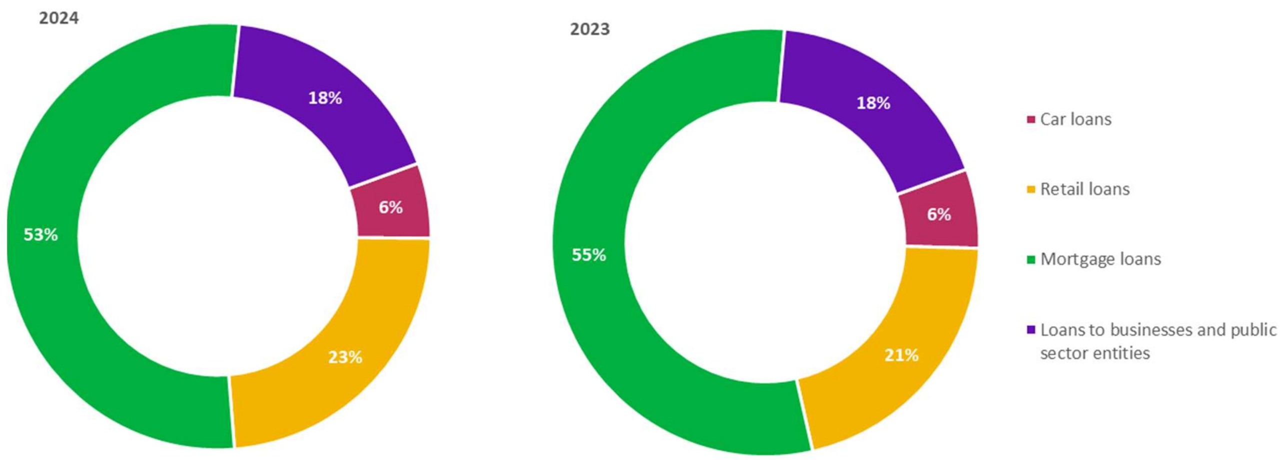
The total value of loans sold in 2024 was PLN 5.8 billion. Retail loans were the leading products in loan sales, accounting for 35.9% of total sales, as well as corporate and SME (small and medium-sized enterprise) loans, representing 35.7% of total sales. PLN loans accounted for 97.9% of the new loan production. Mortgage loan sales in 2024 reached PLN 1.0 billion, accounting for 17.5% of the Group's total loan sales.

Structure of loan sales in 2023 and 2024



Mortgage loans accounted for 52.9% of the Group’s loan portfolio on the balance sheet. Another significant group of loans is retail loans, representing 23.6% of the balance, as well as loans to businesses and public sector entities, which account for 17.8% of the balance.

Structure of the Group’s loan receivables (net of impairments) as at December 31, 2024 and December 31, 2023



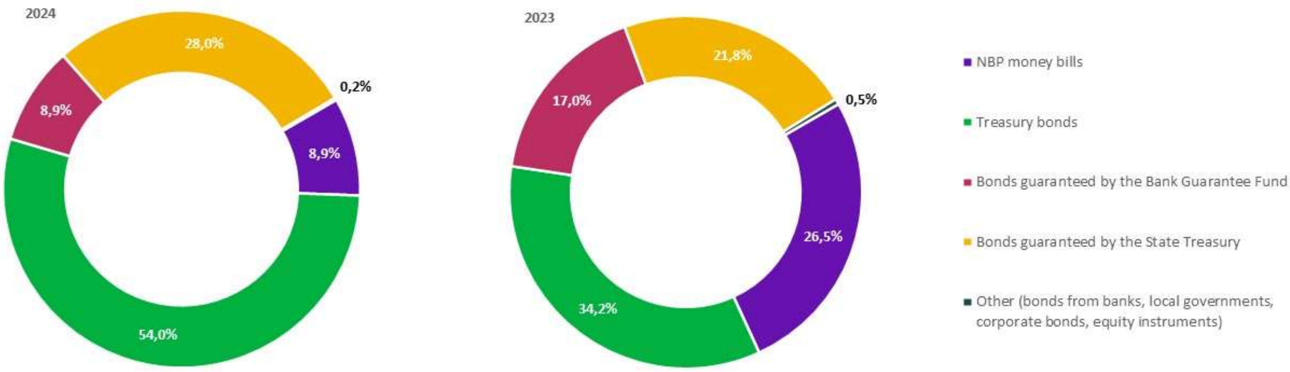
As at December 31, 2024, PLN loans accounted for 97.9% of the net carrying amount of the Group’s entire loan portfolio. The remaining 2.1% were EUR loans.

Financial instruments portfolio

The total balance of the Group’s financial instruments as at December 31, 2024 was PLN 36.9 billion, representing an increase of PLN 3.3 billion (9.8%) in 2024. It comprised mainly a portfolio of Treasury bonds of PLN 20.0 billion and bonds guaranteed by the

State Treasury, in the amount of PLN 10.3 billion. Other financial assets included PZA bonds with a value of PLN 3.3 billion and NBP money bills also amounting to PLN 3.3 billion.

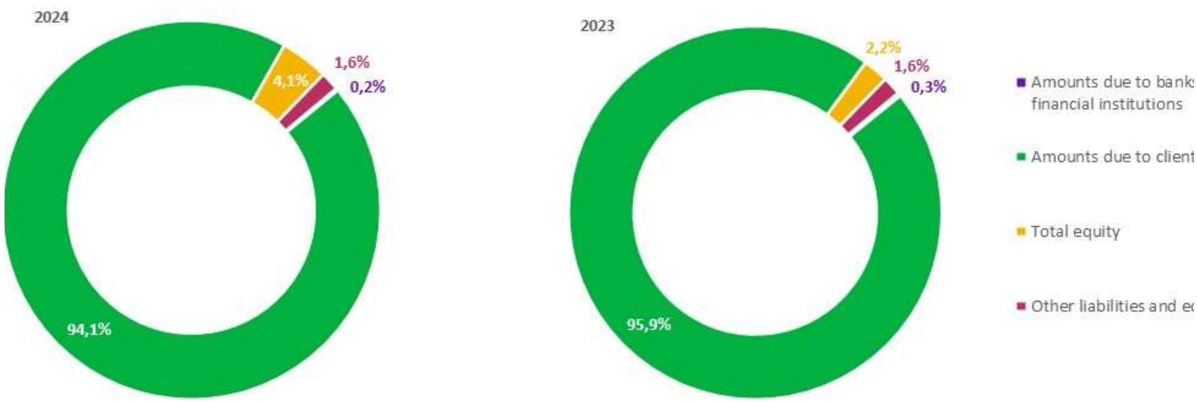
Structure of the Group's financial instruments as at December 31, 2024 and December 31, 2023



LIABILITIES

Client deposits were the primary source of funding for the Group's lending activities in 2024. As at December 31, 2024, amounts due to clients totaled PLN 51.4 billion, representing 94.1% of the balance sheet total.

Structure of the Group's liabilities as at December 31, 2024 and December 31, 2023

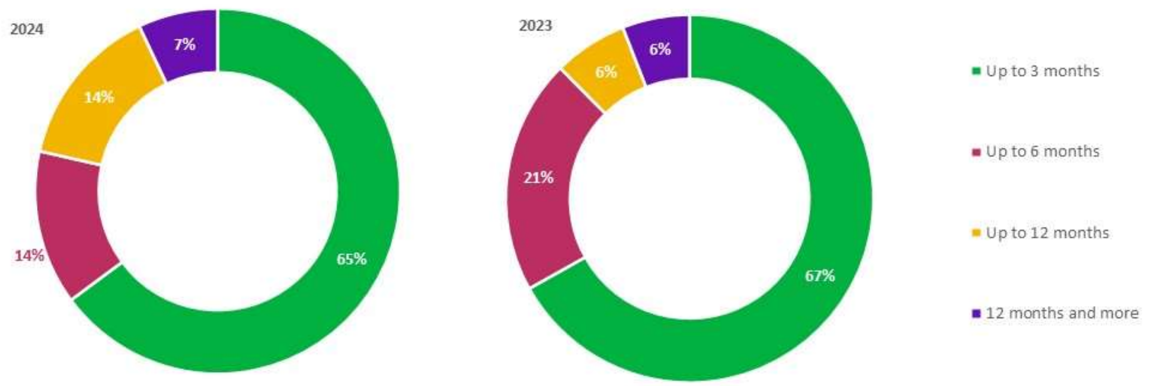


Deposit base

As at the end of December 2024, the balance of amounts due to clients stood at PLN 51.4 billion (an increase of PLN 4.7 billion (10.1%) compared to the end of 2023). Current and savings deposits constitute the largest portion of amounts due to clients, reaching PLN 32.2 billion at the end of 2024 (62.6% of the Group's deposit base), which represents an increase of PLN 4.4 billion (16%) compared to the end of 2023. The balance of term deposits was PLN 19.2 billion.

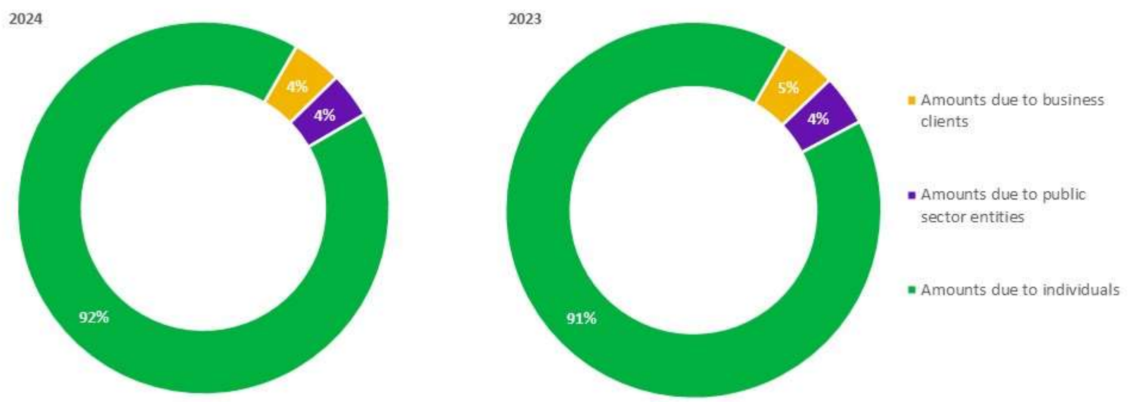
The average cost of acquiring client deposits in 2024 was 4.1%. The average cost of acquiring new and renewed PLN term deposits from retail clients in 2024 was 4.6%.

Structure of client deposits by original maturity as at the end of 2024 and 2023



At the end of 2024, deposits with original maturity of 12 months or more accounted for 7.1% of the total deposit balance.

Structure of amounts due to clients as at the end of 2024 and 2023



4.3. Contingent commitments

The Group's liabilities from loans granted and loan repayment guarantees given amounted to PLN 2.2 billion as at December 31, 2024.

Contingent commitments given	31-Dec-2024 PLN '000	31-Dec-2023 PLN '000
Financial commitments	2,094,519	1,290,790
Guarantee commitments	66,674	41,228
Total contingent commitments given	**2,161,193**	**1,332,018**

Contingent commitments received	31-Dec-2024 PLN '000	31-Dec-2023 PLN '000
Financial commitments	0	0
Guarantee commitments	20,349,625	16,768,940
Total contingent commitments received	**20,349,625**	**16,768,940**

The main items of contingent commitments received are the State Treasury's guarantee for bonds in the amount of PLN 14.0 billion and the Bank Guarantee Fund's guarantee for PZA bonds in the amount of PLN 6.2 billion.

5. The Bank's standalone financial position and results in 2024

5.1. The Bank's standalone income statement

	01-Jan-2023 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Net interest income	1,549,662	1,582,468	(2.1)	(32,806)
Net fee and commission income	(21,244)	33,578	(163.3)	(54,822)
Other net income*	9,935	(14,152)	(170.2)	24,087
Operating costs (excluding bank tax)	(843,660)	(771,007)	9.4	(72,653)
Gain (loss) on the carve-out of the leasing portfolio	0	(184,250)	(100.0)	184,250
Gain (loss) on impairment allowances for expected credit losses	(163,691)	(314,687)	(48.0)	150,996
Tax on financial institutions	(30,447)	0	#	(30,447)
Profit before tax	500,555	331,950	50.8	168,605
Income tax	(104,547)	(55,704)	87.7	(48,843)
Net profit	**396,008**	**276,246**	**43.4**	**119,762**

* Other net income includes income from dividends, gain (loss) on financial instruments measured at fair value through profit or loss and net foreign exchange income, gain (loss) on derecognition of financial assets not measured at fair value through profit or loss (excluding the gain (loss) on the carve-out of the credit portfolio), gain (loss) on investments in subsidiaries, associates and joint ventures, as well as other operating income and expense net.

Net interest income

In 2024, the Bank recorded net interest income of PLN 1.5 billion (i.e. 2.1% lower than in 2023). The main component of interest income was interest income and expense on financial instruments (67% of the Bank's interest income), including from derivatives, income from lending activities accounted for 30% of the Bank's interest income. The main component of interest expense was interest expense on amounts due to clients (79.2% of the Bank's interest expense).

In 2024, the average 3M WIBOR interbank rate — which serves as the base rate for the majority of loans indexed to market rates — amounted to 5.86%. The average 3M WIBOR rate in the fourth quarter of 2024 recorded a slight decrease of 0.01 percentage points compared to the average for the first, second, and third quarters of 2024.

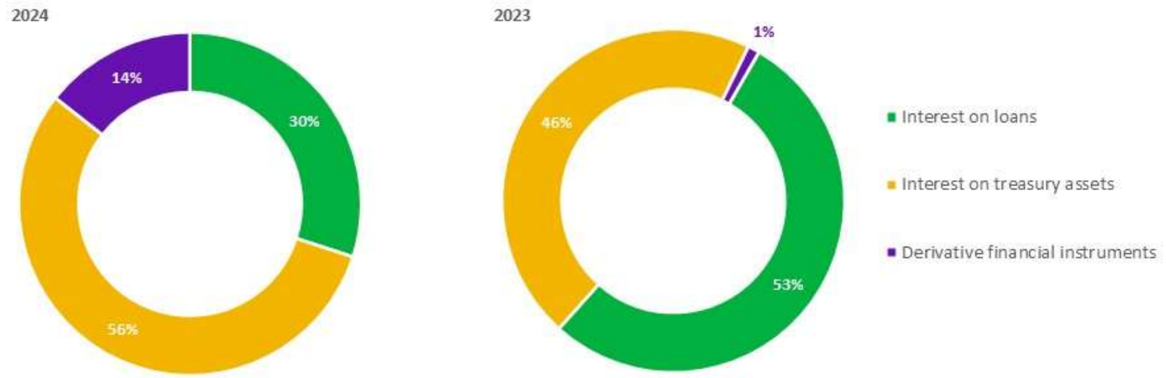
The Bank's net interest margin (calculated as net interest income relative to the average balance of interest-earning assets for the period) amounted to 3.03% for the 12-month period of 2024.

The average yield on the Bank's loan portfolio over the 12-month period of 2024 (calculated as the ratio of interest income earned to the average net loan exposure) amounted to 9.1%.

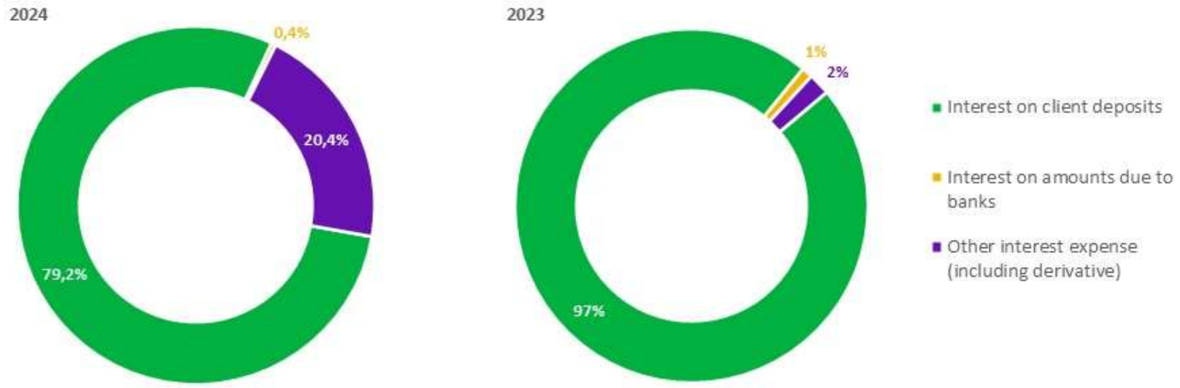
The average cost of acquiring client deposits over the 12-month period of 2024 was 4.1%.

At the end of 2024, 62.6% of the Bank's deposit base was held in current and savings accounts, while 7.1% of client funds had an original maturity of at least 12 months.

Set-up of interest income in 2023 and 2024:



Structure of interest expense in 2023 and 2024:

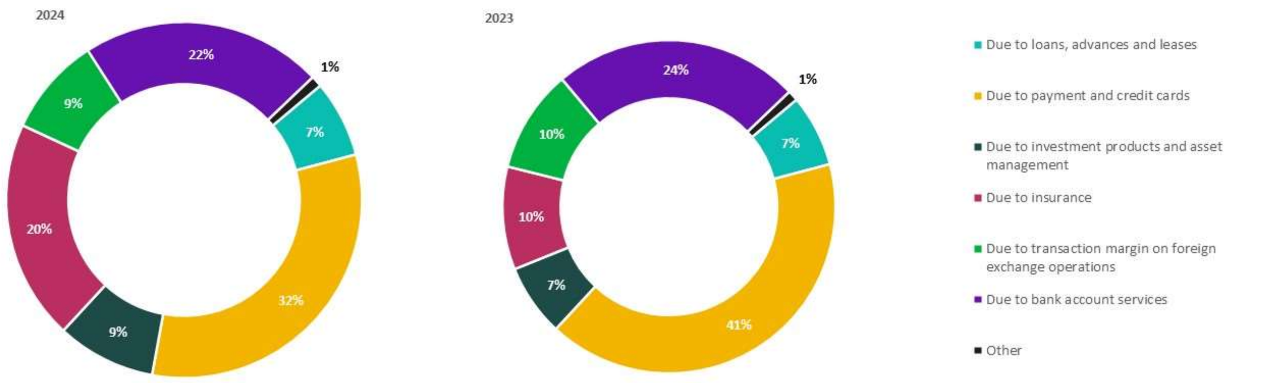


Net fee and commission income

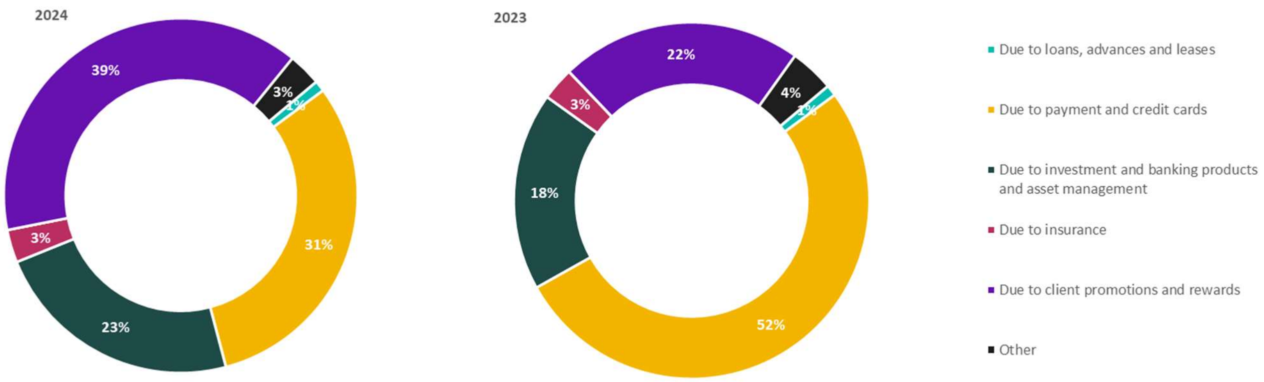
The net fee and commission result for 2024 amounted to PLN -21.2 million, which was PLN 54.8 million lower than in 2023. The net fee and commission result was primarily impacted by the expense relating to promotions and rewards for clients, which amounted to PLN 57.4 million — PLN 39.0 million higher than in 2023. Fee and commission income was also negatively impacted by the result on investment and banking products as well as asset management, which amounted to PLN -23.0 million — PLN 15.6 million lower than in 2023. An increase in the above provision costs is due to a change in the estimates of the parameters of the model for the settlement of acquisition costs relating to savings and checking accounts, savings accounts and current accounts for businesses following their annual review.

Significant components of the fee and commission result included the portion of insurance sales income not recognized under the effective interest rate method (PLN 20.9 million, up by PLN 10.4 million compared to 2023) and the result from the transaction margin on foreign exchange operations (PLN 11.0 million, down by PLN 0.7 million compared to 2023).

Structure of commission income in 2023 and 2024



Structure of commission costs in 2023 and 2024



Other net income

	01-Jan-2023 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Dividend income	15,115	106	14,159.4	15,009
Gain (loss) on financial instruments measured at fair value through profit or loss and gain (loss) from the exchange position	4,867	7,930	(38.6)	(3,063)
Gain (loss) on derecognition of financial assets not measured at fair value through profit or loss - excluding gain (loss) on the lease carve-out	(357)	59,277	(100.6)	(59,634)
Other operating income	67,023	71,303	(6.0)	(4,280)
Other operating expenses	(76,713)	(152,768)	(49.8)	76,055
Other net income	**9,935**	**(14,152)**	**(170.2)**	**24,087**

The result on other items in 2024 amounted to PLN 9.9 million, which was PLN 24.1 million higher than in 2023.

The result on other items was primarily driven by:

- dividend income PLN 15.1 million obtained from ProEkspert sp. z o.o.
- A negative result on other operating income and expense amounted to PLN 9.7 million. As part of net other operating income and expense, the Bank recognized, among others: an income provision related to outsourcing costs for Getin Noble Bank and PZA (+PLN 29.1 million), result on debt collection activities (-PLN 22.9 million), and a provision for other legal proceedings (-PLN 14 million).

Operating expenses

	01-Jan-2023 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Amortization and depreciation	116,793	105,457	10.7	11,336
Employee benefits	443,549	373,424	18.8	70,125
Other general expenses	276,221	282,639	(2.3)	(6,418)
Payments to the Bank Guarantee Fund	7,097	9,487	(25.2)	(2,390)
Total	843,660	771,007	9.4	72,653
Total excluding Bank Guarantee Fund's payments	**836,563**	**761,520**	**9.9**	**75,043**

In 2024, the Bank's operating expenses amounted to PLN 843.7 million, which was PLN 72.7 million (9.4%) higher than in 2023. The largest component of operating expenses was employee benefits, accounting for 52.6% of total costs. Employee benefits increased by PLN 70.1 million (18.8%) compared to 2023. Third-party services accounted for 29.4% of total costs and decreased by PLN 10.6 million (-4.1%) year-on-year, compared to 2023. The reduction in external service costs was mainly driven by a PLN 22.2 million decrease in legal and advisory service expenses. Operating expenses, excluding contributions to the Bank Guarantee Fund (BFG), amounted to PLN 836.6 million.

The cost-to-income ratio reached 54.8%.

Net impairment losses on financial assets

The impact of impairment charges on financial assets on the Bank's result in 2024 amounted to PLN 163.7 million, which was PLN 151.0 million (-48.0%) lower than in 2023.

The set-up of the negative impairment result is presented in the table below:

	01-Jan-2023 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	y/y change	y/y change
	PLN '000	PLN '000	%	PLN '000
Loans and advances to clients,including:	(148,398)	(288,841)	(48.6)	140,443
Corporate loans	(64,090)	(236,475)	(72.9)	172,385
Car loans	(2,922)	(168)	1,639.3	(2,754)
Mortgage loans	20,431	(50,040)	(140.8)	70,471
Retail loans	(101,817)	(2,158)	4,618.1	(99,659)
Off-balance sheet liabilities	(14,424)	(2,037)	608.1	(12,387)
Other assets	(869)	(23,809)	(96.4)	22,940
Total	**(163,691)**	**(314,687)**	**(48.0)**	**150,996**

The main component of the impairment result was loans and advances to clients, accounting for 90.7% of the total amount, including PLN 101.8 million of impairment losses on retail loans.

The coverage ratio for Stage 3 loans at the end of 2024 reached 72.4%, an increase of 10.3 percentage points compared to the end of 2023. The highest ratio, at 79.0%, was recorded for corporate loans, marking an increase of 21.6 percentage points.

The share of Stage 3 loans in the total gross loan portfolio stood at 10.4% at the end of 2024, down by 2.7 percentage points compared to the end of 2023.

Key financial indicators characterizing the Bank's operations,

	01-Jan-2023 – 31-Dec-2024	01-Jan-2023 – 31-Dec-2023	Change in p.p.
Net ROE	31.0	36.9	(5.9)
Net ROA	0.8	0.6	0.1
C/I (cost-to-income ratio)	54.8	54.4	0.5
CAPITAL RATIOS			
Tier 1 capital ratio	14.5	8.1	6.4
Total capital ratio	14.5	8.1	6.4
Leverage	3.3	1.9	1.4

5.2. Statement of the Bank's Financial Position

ASSETS

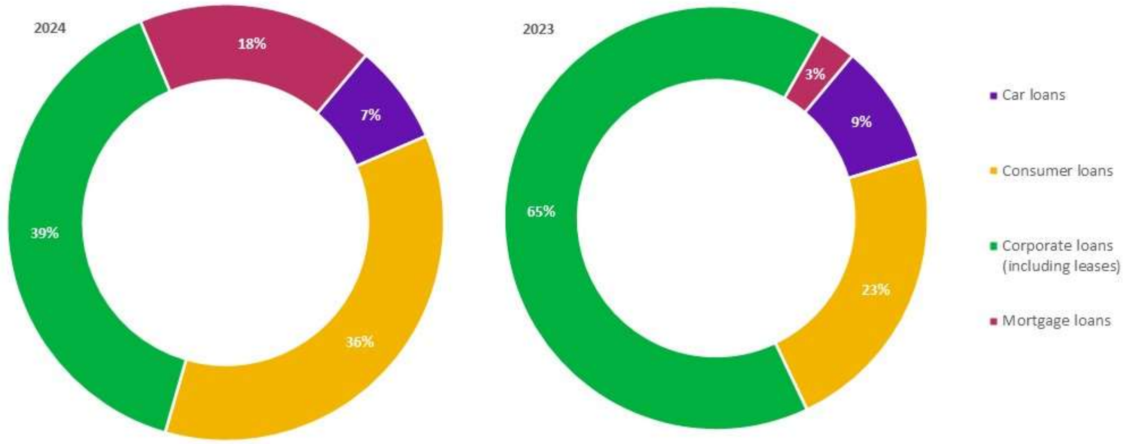
As of December 31, 2024, the Bank's total assets amounted to PLN 54.6 billion, representing an increase of PLN 6.0 billion (12.3%) compared to the end of 2023. The largest share was held by financial assets, accounting for 68% of the Bank's total assets.

Structure of the Bank's assets as of December 31, 2024 and December 31, 2023

Loan portfolio

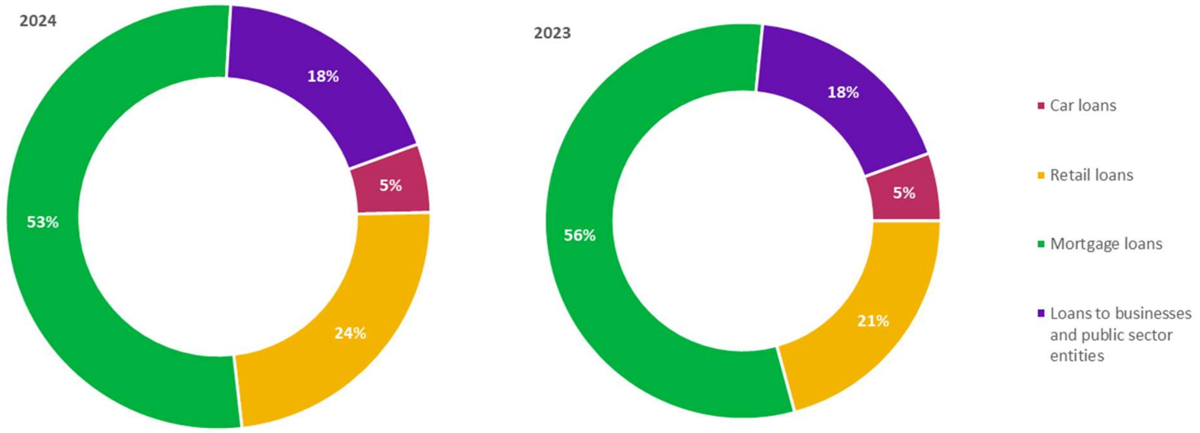
The total value of loans sold in 2024 amounted to PLN 5.8 billion. Retail loans were the leading products in loan sales, accounting for the following share of total sales: Retail loans were the leading products in loan sales, accounting for 35.9% of total sales, followed by corporate and SME loans, which accounted for: 35.7% Polish zloty-denominated loans accounted for 97.9% of new loan originations. Mortgage loan sales in 2024 reached PLN 1.0 billion, accounting for 17.5% of the Bank's total loan sales.

Structure of loan sales in 2023 and 2024



Mortgage loans accounted for 52.7% of the Bank's loan portfolio on the balance sheet. Another significant group of loans includes retail loans, accounting for 23.5% of the portfolio balance, as well as loans to corporate and public sector entities, which represent 18.5% of the balance.

Structure of loan receivables (net of impairments) as of December 31, 2024 and December 31, 2023

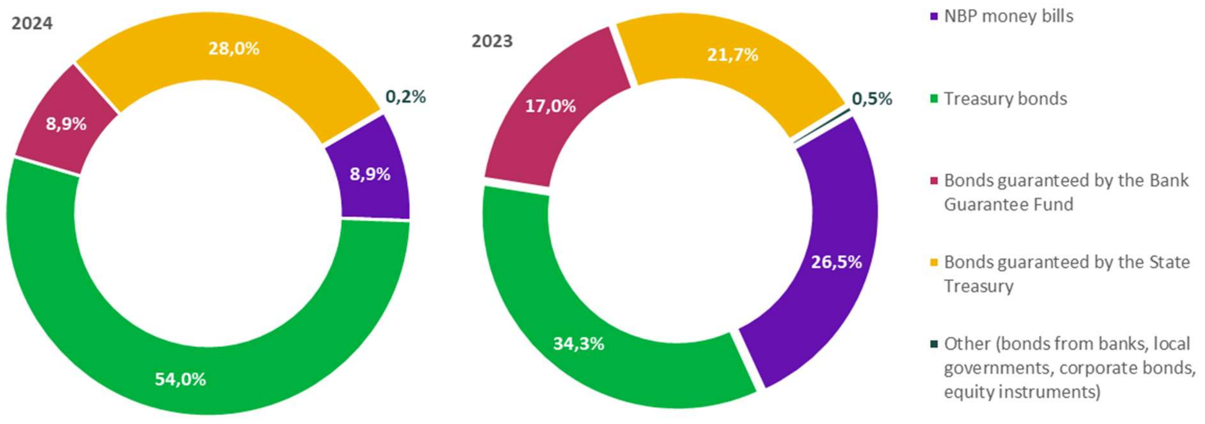


As of December 31, 2024, PLN-denominated loans accounted for 97.9% of the net balance sheet value of the Bank's total loan portfolio. The remaining 2.1% were loans denominated in EUR.

Financial instruments Portfolio

The total balance of the Bank's financial instruments as of December 31, 2024 amounted to PLN 36.9 billion, representing an increase of PLN 3.3 billion (9.8%) in 2024. The portfolio consisted mainly of government bonds issued by the State Treasury with a value of PLN 20.0 billion and bonds guaranteed by the State Treasury with a value of PLN 10.3 billion. Other financial assets included PZA bonds with a value of PLN 3.3 billion and NBP money bills also amounting to PLN 3.3 billion.

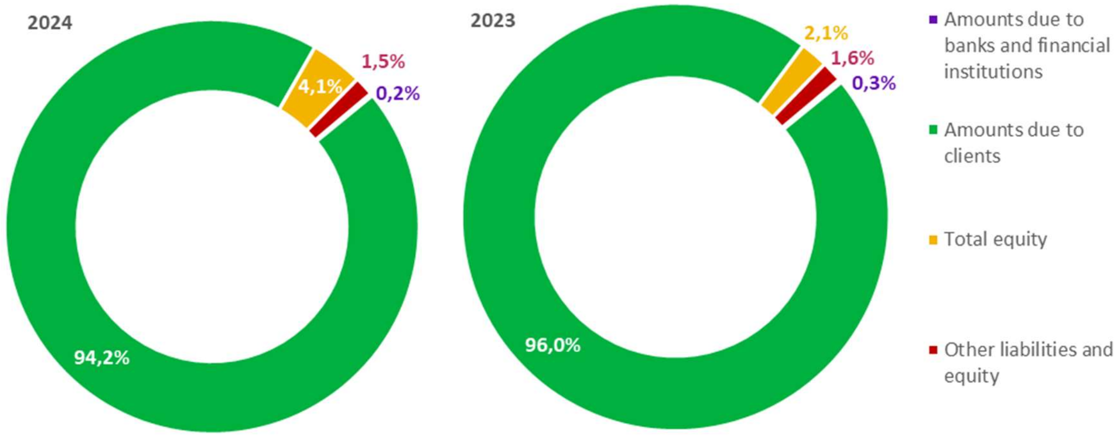
Structure of the Bank's financial instruments balance as of December 31, 2024 and December 31, 2023



LIABILITIES

Client deposits were the primary source of funding for the Bank's lending activities in 2024. Amounts due to clients as of December 31, 2024 amounted to PLN 51.4 billion, representing 94.2% of total assets.

Structure of the Bank's liabilities as of December 31, 2024 and December 31, 2023

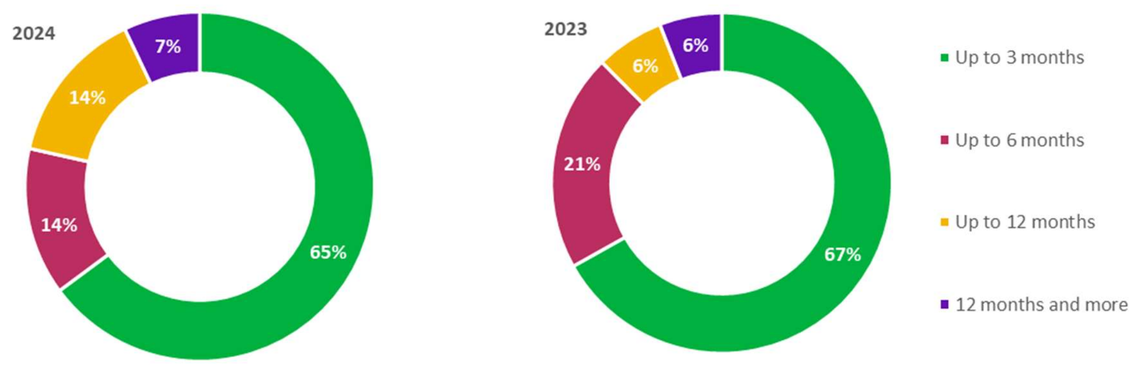


Deposit Base

As of the end of December 2024, the balance of amounts due to clients stood at PLN 51.4 billion, representing an increase of PLN 4.7 billion (10.1%) compared to the end of 2023. Current and savings deposits constitute the largest portion of amounts due to clients, reaching PLN 32.2 billion at the end of 2024 (62.6% of the Bank's deposit base), which represents an increase of PLN 4.4 billion (16%) compared to the end of 2023. The balance of term deposits amounted to PLN 19.2 billion.

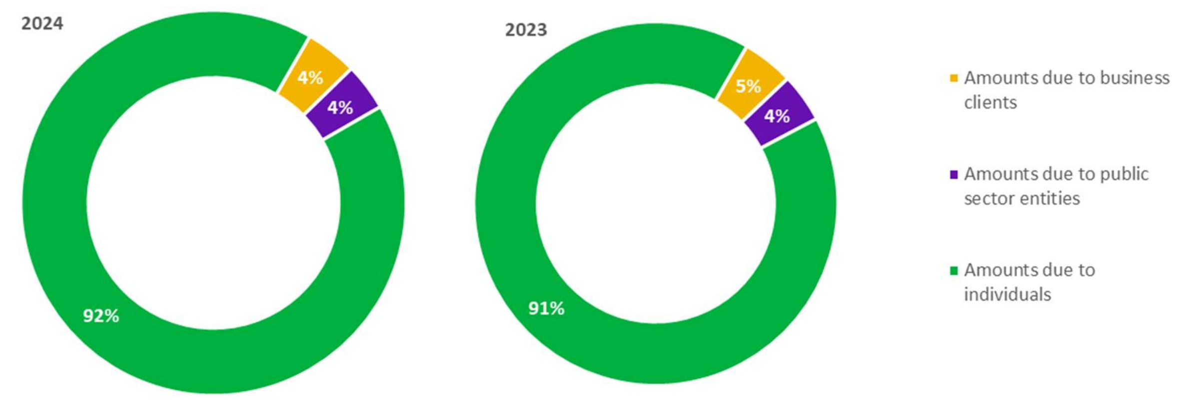
The average cost of acquiring client deposits in 2024 was 4.1%. The average cost of acquiring new and renewed PLN term deposits from retail clients in 2024 was 4.6%.

Structure of client deposit balances by original maturity as of the end of 2024 and 2023



At the end of 2024, deposits with an original maturity of 12 months or longer accounted for 7.1% of the total deposit balance.

Set-up of amounts due to clients at the end of 2024 and 2023



5.3. Contingent commitments

The Bank's liabilities from loans granted and guarantees issued for loan repayments amounted to as of December 31, 2024 PLN 2.2 billion.

contingent commitments given	31-Dec-2024	31-Dec-2023
	PLN '000	PLN '000
Financial	2,095,212	1,290,795
Guarantee commitments	66,674	41,228
Total contingent commitments given	**2,161,886**	**1,332,023**

Contingent commitments received	31-Dec-2024	31-Dec-2023
	PLN '000	PLN '000
Financial	0	0
Guarantee commitments	20,349,625	16,768,940
Total contingent commitments received	**20,349,625**	**16,768,940**

The main items of contingent liabilities received are: the State Treasury guarantee on account of bonds in the amount of PLN 14.0 billion and the BFG guarantee on account of PZA bonds in the amount of PLN 6.2 billion.

6. Financial risk management at the Bank

In its activities, the Bank is exposed to risks which are typical for universal banks. Credit risk, liquidity risk, market risk and operational risk management is of key importance.

The objective of risk management is to stabilize the Bank's financial performance in the long term and, in the short and medium term, to maintain the expected level of asset quality parameters and the desired structure of the balance sheet, as well as ensuring high quality of operating processes to achieve the assumed income to risk ratio.

In line with the applicable requirements, responsibility for risk management at the strategic level rests with the Bank's Management Board. The related objectives have been defined in the "Risk Management Strategy at the Bank". At the operational level, risk management is assigned to committees responsible for issuing recommendations and decisions and for monitoring individual risks. These include, in particular:

the Bank's Credit Committee;

the Asset and Liability Management Committee;

the Operational Risk and Process Quality Committee;

the Credit Risk and Debt Collection Committee.

As part of their activities, the committees also make decisions setting the directions of changes in the policies for individual risks on an ongoing basis, issue recommendations as to internal limits and define the risk appetite framework. These tasks are performed as part of the strategies adopted by the Bank's Management Board, taking into account regulatory requirements, including supervisory restrictions. Oversight of the assessment of the effectiveness of the risk management system is exercised by the Bank's Supervisory Board.

6.1. Credit risk

Credit risk results from a client's potential failure to perform or untimely performance of financial obligations arising from transactions concluded, in particular credit transactions and transactions in other financial instruments.

Credit risk management at the Bank is aimed at maintaining the loan portfolio with a risk level expected by the Bank, expressed by the realized cost of risk, understood as a ratio of the net balance of allowances recognized in a given period to the average balance of the loan portfolio in the same period. To this end, the Bank manages credit risk at all stages of life of credit transactions, i.e. at the stage of:

client acquisition and loan granting;

monitoring of credit exposures, including concentration limits and the financial standing of clients;

monitoring of the quality of the loan portfolio in relation to the assumed risk appetite;

forbearance and collection of credit exposures, sale of the non-performing loan portfolio.

The key credit risk management tools are policies and strategies, including industry-specific ones, acceptance rules, statistical models used in the decision-making process for transaction risk assessment and in debt collection strategies to select the optimal recovery path. Credit decisions are made in accordance with the set-up of the credit process, within decision-making competences described in detail in the Bank's procedures.

In Q3 2024, the 2-year period of resolution and the Bank's functioning as a bridge institution ended. An agreement was signed for the sale of 100% of the Bank's shares, which were purchased by a holding company being part of the American fund Cerberus Capital Management, the European Bank for Reconstruction and Development and International Finance Corporation. Thus, in the area of credit risk, a process of adapting the existing policies and strategies and the functioning of the key processes to the requirements of the new owner began. In connection with the development of the entire VeloBank Group and the acquisition of a leasing company, the process of implementing consolidated supervision as part of the credit risk management process was initiated.

The credit risk area played a key role as the coordinator of the process of preparation a new recovery plan, in accordance with the guidelines and expectations of the Polish Financial Supervision Authority.
The Bank's focus was on the accomplishment of the objectives underlying the strategy as part of strategic risk projects. New acceptance models were introduced for the unsecured retail loan segment, which were rebuilt based on machine-learning methodologies. The decision-making rules were aligned with the assumptions of the new model and the automatic credit decision criteria. A new rating model was implemented for the business loan segment, with a thoroughly rebuilt financial and behavioral module. The model made it possible to simplify the process and increase the level of automation for standard products for the business client.
Debt collection processes were strengthened through the implementation of new solutions at an early stage of debt recovery, based, among others, on the results of the Champion Challenger strategy and on the indications of dedicated statistical models predicting the probability of repayment. The Management Board and the Supervisory Board of the Bank approved a detailed strategy for the reduction of the non-performing exposure portfolio (NPE) to below 5% over the next 2 years.
These measures have directly contributed to the strengthening of controls in the credit process as well as the monitoring of the portfolio and large exposures. In particular, the Bank focused on the quality of the loan portfolio and, in addition to numerous process changes, new reporting was implemented as part of the management information system to the Bank's Management Board and Supervisory Board.

6.2. Operational risk

Operational risk denotes the risk of losses resulting from inadequate or unreliable internal procedures, human resources and systems or from external events, including but not limited to, legal risk, model risk or ICT risk, but excluding strategic risk and reputational risk.
The strategic objective of operational risk management is the optimization of the internal business and non-business processes, enabling the reduction of costs and losses and the improvement of the operational security and mitigation of reputational risk. Operational risk management is aimed at preventing threats, effective decision-making, prioritization and allocation of resources, ensuring a better understanding of potential risks and its possible adverse effects.
The primary objective of operational risk management is to strive to identify operational risk and to measure its level and assess its profile as precisely as possible. To this end, solutions concerning the model of operational risk measurement and management are being improved, taking into account Bank-specific factors and parameters of operational risk, i.e. ones closely related to the Bank's business profile.

Operational risk mitigation policies

Depending on the level and profile of operational risk, appropriate corrective and preventive measures are applied, which are adequate to the diagnosed risk and ensure the selection and implementation of effective measures to modify the risk. In particular, the following methods of mitigating operational risk are used:
development and implementation of business continuity plans (including contingency plans), ensuring uninterrupted operation of the organization at a specified level;
insurance against the consequences of hard-to-predict errors or operational events with significant financial consequences;
outsourcing of activities.
In addition, in order to secure any processes requiring the transfer of funds, operational risk is eliminated mainly by introducing the four-eyes principle.
The key business processes have been described in the relevant policies and procedures. The correctness of business operations is monitored on an ongoing basis, and reports are submitted directly to the Management Board.

The effectiveness of the security measures and methods used by the Bank to mitigate operational risk is monitored by continuous tracing, collection and analysis of operational events and operational risk profile observations as well as control of qualitative and quantitative changes in operational risk.

6.3. Liquidity risk

Liquidity risk is defined as the potential inability of the Bank to fulfil its current and future financial obligations. Liquidity management is an obvious, key element of risk management at the Bank. The objective of liquidity risk management at the Bank is to ensure the possibility of the fulfilment of obligations on a daily basis, the ability to maintain liquidity in the short, medium and long term both under normal conditions and in the case of crisis events (at the Bank and market level).

For effective liquidity management, the Bank adequately shapes the structure of its assets and liabilities through the deposit and credit policy, products price structure, etc. In this respect, the Bank is guided, on the one hand, by the current, short-term liquidity needs, as well as a long-term strategy aimed at building the Bank's liquidity profile based on growing, stable sources of funding, including efforts to maintain the relational model, which will ensure, among other things, an increase in permanent sources of funding in the form of deposits in current and savings accounts of retail clients and from the segment of small and medium-sized enterprises, reducing the importance of term deposits in the Bank's funding.

The Bank's approach to liquidity risk management is defined in the "Liquidity Risk Management Policy" and in each Financial Plan adopted for the given year or the strategic assumptions adopted by the Bank's Supervisory Board. These documents define, among other things, the risk tolerance level understood as the maximum risk exposure not to be exceeded.

The Bank's activities in the area of liquidity risk management are in line with the recommendations and prudential regulations of the Polish Financial Supervision Authority and of the National Bank of Poland, but also with the Regulations of the European Union. The Bank's liquidity risk management process, both at the strategic and operational level, is aligned with the requirements of Recommendation P of the Polish Financial Supervision Authority.

The Bank identifies the following groups of risk factors to which it is exposed:

- risks arising from external factors (changes in the volume of the deposit balance in the system, the macroeconomic situation);
- risks arising from internal factors (such as the ability to maintain stable sources of funding, including the ability to renew client deposits at an acceptable cost).

Maintaining current, short-, medium- and long-term liquidity amounts to the achievement of the following objectives by the Bank:

maintaining the desired structure of the balance sheet;

financing loans granted by the Bank with own funds and funds from stable sources;

using unstable liabilities as a source of funding of easily marketable assets;

securing quick and easy access to external sources of funding.

Oversight of the management of medium- and long-term liquidity, including ensuring stable funding for long-term liabilities under both normal and stressed conditions, is the responsibility of the Bank's Management Board, while the management of current and short-term liquidity is the responsibility of the Treasury Area in accordance with the scope of powers granted to it and within the applicable liquidity risk limits. Oversight of the current and short-term liquidity management process is exercised by the member of the Management Board in charge of the Treasury Area. The Asset and Liability Management Committee performs a consultative and advisory role in the process of liquidity management. The Financial Risk, Asset Valuation and Capital Requirements Department within the Risk Management Division is responsible for controlling liquidity risk management. Its major tasks include monitoring the key liquidity risk measures, developing risk measurement methods and formulating recommendations as to internal limits and prudential standards in this respect.

6.4. Currency risk

The Bank's currency risk arises from the adverse impact of exchange rates fluctuations on the Bank's financial results. The primary objective of currency risk management is to shape the structure of the Bank's foreign exchange position with a view to minimizing its sensitivity to exchange rate volatility. The tool serving this purpose is a system of monitoring internal limits and prudential standards arising from supervisory regulations. The Bank offers its clients primarily deposit and credit products in PLN, which do not affect the level of currency risk. The Bank also offers its clients financial instruments to hedge currency risk (FX spot, forward and option transactions). Derivative transactions and treasury transactions in the trading book are limited to hedging the risks arising from transactions concluded with clients.

The Treasury Area monitors the level of the open foreign exchange position on an ongoing basis and matches its size by means of foreign exchange transactions concluded on the interbank market. These are predominantly spot transactions. In addition, the Bank enters into derivative transactions within internal limits.

The analysis of the Bank's exposure to currency risk is performed using standard market methods based on estimation of the impact of volatility on profit or loss and on the utilization of internal limits reducing the foreign exchange position. The key methods in this respect include:

measurement of the Value of Risk (VaR);

stress tests;

analysis of the size of the foreign exchange position and calculation of the capital requirement for currency risk.

The Bank's exposure to currency risk is controlled on a daily basis and, if the exposure is too high, appropriate information is communicated to the Bank's management. The Financial Risk, Asset Valuation and Capital Requirements Department submits a full set of information on changes in currency risk to the Asset and Liability Management Committee and to the Bank's Management Board on a monthly basis. Among other things, the report contains information on the size of the Bank's foreign exchange positions in individual currencies, the size of the risk measures, the results of the stress tests and the degree of utilization of the limits on open foreign exchange positions for the prior period. Synthetic information on currency risk management, including information on the achievement of the strategic objectives (along with the risk tolerance) is provided to the Risk Committee of the Supervisory Board and to the Supervisory Board.

The process of currency risk management and measurement as well as its control and monitoring is supported by a number of IT tools whose key element is the Market and Liquidity Risk Analysis System (SARRP).

6.5. Interest rate risk

Interest rate risk is defined as the risk of a decrease in the expected interest income as a result of changes in the market interest rates and the risk of changes in the value of open on- and off-balance sheet positions which are sensitive to changes in market interest rates. The Bank undertakes measures aimed at mitigating the impact of the adverse changes on its financial result. Oversight of interest rate risk management is the responsibility of the Bank's Management Board, which receives and analyzes global reports concerning this risk on a monthly basis and information about the level of the exposure of the trading book to risk on a weekly basis.

The Bank's primary objective with regard to the management of interest rate risk in the banking book is to mitigate the risk of a decrease in the expected interest income as a result of changes in the market interest rates as well as maintaining the values of the open on- and off-balance sheet positions which are exposed to changes in the market interest rates within a range that does not pose a threat to the Bank's safety. To this end, the Bank sets thresholds to reduce the level of risk, i.e. risk tolerance and limits.

The Bank's primary objective with regard to the management of interest rate risk in the trading book is to generate an additional profit on the portfolio of financial instruments through the use of forecast changes in the market interest rates within the scope of the authorizations held and limits set, i.e. within a range that does not pose a threat to the Bank's safety. Derivative transactions and treasury transactions in the trading book are limited mainly to hedging risks arising from treasury transactions concluded with clients. The scale of the Bank's operations in the trading book is insignificant.

Interest rate risk management amounts to minimizing the risk of an adverse impact of a change in the market interest rates on the Bank's financial position by e.g.:

setting and adhering to limits reducing the acceptable interest rate risk level;

offering credit products based on floating and fixed interest rates. As far as the deposit offering is concerned, the Bank focuses on administered-rate savings and current accounts as well as fixed-rate term products;

in order to minimize interest rate risk, the Bank carries out transactions that affect the structure of the balance sheet and reduce the Bank's exposure to interest rate risk – primarily the purchase/sale of fixed- or floating-rate debt securities, derivative transactions (e.g.: Interest Rate Swap and FRA);

to mitigate the adverse impact of the conclusion of risk hedging transactions on its profit or loss, the Bank has implemented and applies hedge accounting;

when investing excess cash, the Bank considers the interest rate risk profile.

The effectiveness of risk management (including its hedging) is assessed on the basis of the level of utilization of limits on the exposure to risk as well as supervisory thresholds.

The Bank follows the EBA guidelines on interest rate risk and credit spread risk (CSRBB) management.

Interest rate risk is monitored, among others, through:

an analysis of assets, liabilities and equity as well as off-balance sheet items sensitive to changes in interest rates broken down by the currency, according to the interest rate repricing date. The analysis takes into account, among other things, the modeling of positions with unspecified maturity;

an analysis of basis risk, yield curve risk and option risk;

testing the sensitivity of profit or loss to changes in interest rates (ΔNII);

testing the sensitivity of the economic value of equity to changes in interest rates (ΔEVE);

an analysis of the value at risk for the Bank's portfolio related to market valuation (VaR method);

stress tests (including supervisory and reverse stress tests), showing the susceptibility of the Bank to losses in case of unfavorable changes in market conditions or in case the key assumptions of the Bank become invalid;

an analysis of credit spread risk (CSRBB);

an analysis of the level of the interest margin and its impact on the Bank's profit or loss.

6.6. Capital management

Capital Strategy

The overarching objective of the capital management strategy is to maintain an appropriate level and structure of capital and own funds relative to the risk exposure at the Bank. The Bank's capital management in 2024 was adapted to the stage of the Bank's operations, including as a bridge institution.

In furtherance of its long-term capital growth strategy, the Bank strives to achieve the objectives set with respect to the safety and profitability of its activities.

The Bank's capital management involves setting capital targets in terms of the risk appetite, the preferred capital structure and financing structure, monitoring the achievement of the defined targets and the level of capital adequacy measures, in addition to determining the threshold values beyond which capital contingency measures are employed.

In the context of achieving the capital targets, the Bank, in its Capital Strategy, defined the "risk appetite" as:

- compliance by capital adequacy measures with the minimum levels specified by law, taking into account the combined buffer requirement and all additional capital buffers applicable at a given time,
- the level of the Bank's own funds should not be lower than the level of internal capital estimated by the Bank.

The Bank sets strategic internal limits for the capital adequacy measures as the minimum together with an appropriate buffer in excess of the applicable or expected standards.

As far as the preferred capital structure is concerned, the Bank assumes a structure with a predominant share of Tier 1 capital.

The Bank's current capital targets, as a bridge institution, are defined in the following documents:

- The "Strategy of VeloBank" defining the objectives which the Bank intends to achieve in terms of its capital ratios,
- The Bank's Financial Plan – a document detailing the assumptions of the Strategy.

Equity

The Bank's equity amounted to PLN 2,238.2 million at the end of 2024 (an increase in 2024 by PLN 1,209.5 million, i.e. by 118%). The main element of the capital is the Bank's share capital in the amount of PLN 711.7 million and the supplementary capital in the amount of PLN 671.4 million. On August 1, 2024, the transaction for the acquisition of 100% of the shares in the Bank by Promontoria Holding 418 B.V., an entity indirectly owned by the Cerberus fund, the EBRD, and the IFC, was completed. The amount of PLN 687 million capital injection was registered by the National Court Register (KRS) on August 29, 2024. The Bank obtained the consent of the KNF to classify the above capital injection as instruments in Common Equity Tier 1 capital.

The Bank's equity also includes other reserves of PLN 372.3 million, net profit generated in 2024 of PLN 396.0 million, retained earnings of PLN -13.1 million, and revaluation reserve of PLN 99.8 million (mainly related to the Bank's cash flow hedge accounting for term deposits — cash flow hedge valuation).

	31-Dec-2024 PLN '000	31-Dec-2023 PLN '000	y/y change
Share capital	711,734	25,000	686,734
Supplementary capital	671,415	674,862	(3,447)
Other reserves	372,339	-	372,339
Net profit/(loss)	396,008	372,339	23,669
Retained earnings	(13,061)	(12,595)	(466)
Revaluation reserve	99,766	(30,944)	130,710
Total equity	**2,238,201**	**1,028,662**	**1,209,539**

Minimum capital ratios

From 3 October 2023, the following requirements apply to the Bank:

- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions, and amending Regulation (EU) No. 648/2012 (OJ L 176) (hereinafter: "the CRR Regulation")
- the Banking Law dated August 29, 1997;

– the Act on Trading in Financial Instruments dated July 29, 2005 (Journal of Laws Dz. U. of 2023, item 646, as amended, hereinafter referred to as the "Act on Trading in Financial Instruments");
– the Act on Macroprudential Supervision over the Financial System and Crisis Management in the Financial System dated August 5, 2015 (Journal of Laws Dz. U. of 2022, item 2536, as amended) (hereinafter "the Act on Macroprudential Supervision").

As a result, the minimum capital ratios applicable to the Bank are in accordance with the table below.

Minimum capital ratios *	31-Dec-2024			
	TCR	T1	CET 1	LR Leverage
1. CRR	8.00%	6.00%	4.50%	3.00%
2. Conservation buffer	2.50%	2.50%	2.50%	-
Total	**10.50%**	**8.50%**	**7.00%**	**3.00%**

*The legal basis for the individual components of the minimum level of capital ratios is presented below:

1. pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms (CRR Regulation);
2. in accordance with the Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management in the financial system – the conservation buffer is 2.5%.

The minimum required capital ratios for the Bank at the end of 2023 were as follows: TCR – 10.5%, T1 – 8.5%, CET1 – 7.0%, leverage – 3.0%.

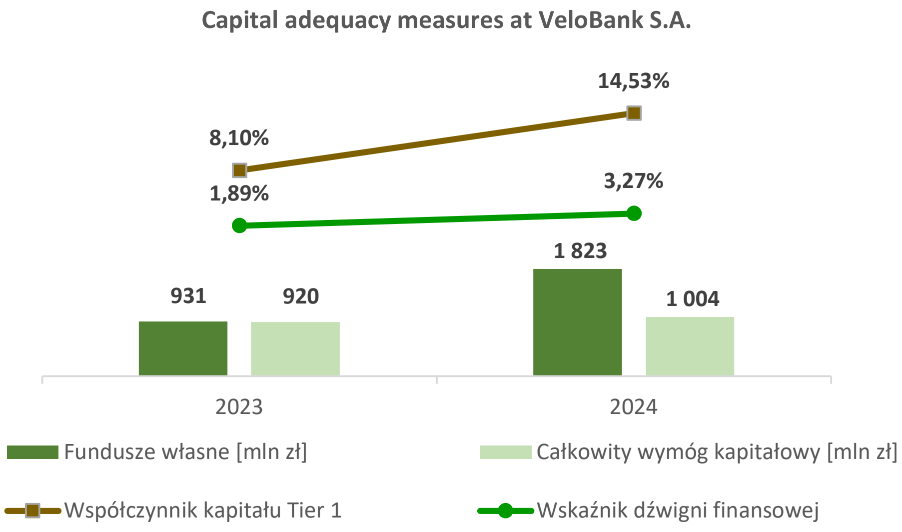
Capital adequacy measures

At the end of 2024, the Bank's capital ratios (TCR, Tier1, CET1) amounted to 14.530%, while the leverage ratio amounted to 3.27%.

CAPITAL RATIOS BANK	31-Dec-2024		Surplus in p.p.
	Minimum	Level achieved	
The common equity Tier 1 ratio CET 1	7.00%	14.53%	7.53 p.p.
Tier 1 capital ratio	8.50%	14.53%	6.03 p.p.
Total capital ratio	10.50%	14.53%	4.03 p.p.
Leverage ratio	3.00%	3.27%	0.27 p.p.

(in PLN million)	31-Dec-2024	31-Dec-2023
TOTAL CAPITAL REQUIREMENT	**1,004**	**920**
credit risk	784	704
individual operational risk	219	215
other risks	0	0
Measure of the Bank's total exposure	**55,749**	**49,155**
The Bank's own funds total	**1,823**	**931**

As at 31 December 2024, the Bank's capital ratios were above the applicable minimum capital requirements for capital ratios and the leverage ratio specified in the CRR Regulation. VeloBank S.A. met the minimum capital requirements at all levels after the successful completion of the investor project carried out by the Bank Guarantee Fund.



Capital adequacy assessment (ICAAP)

The objective of the Bank's capital management and internal capital assessment is to align the capital base with the size and risk profile of its operations.

The capital management process consists of the following steps:

- determination of the risk appetite and desired capital targets as well as threshold values for the capital adequacy measures;
- identification of the sources of funding in the development strategy and definition of the role of an increase in own funds in long-term asset financing;
- identification and monitoring of material risks and their inclusion in the Bank's risk map;
- measurement of material risks and estimation of internal capital to be held against those risks;
- determination of the total internal capital level;
- monitoring, reporting and forecasting in the field of capital adequacy measures,
- defining the catalogue of actions to be taken under the capital contingency plan,
- excessive leverage risk management,
- stress tests and sensitivity analyses in the area of capital adequacy;
- analyses of capital allocation to product and business segments,
- ROE analyses.

The Bank's internal capital, calculated on the basis of the internal capital estimation procedure, was at a level lower than the Bank's regulatory funds at the end of 2024. Under Pillar II, the Bank uses its own models of assessment and estimating internal capital, including hedging capital against additional risks in relation to Pillar 1 (liquidity risk, financial result risk, reputational risk).

7. Prospects and growth factors of the Bank and the Group

Further results achieved by the Bank and the Group will depend on both internal an external factors.

External factors

1. **Regulatory environment** The following can have a significant impact on the results:

- Entry into force of the Regulation on Digital Operational Resilience of the Financial Sector (DORA). The DORA regulations apply from January 17, 2025. Organizations from the financial sector are obliged to adapt their current way of functioning in order to effectively respond to ICT incidents and take effective corrective actions. The Digital Operational Resilience Act (DORA) also introduces new compliance obligations across the entire EU financial sector and grants financial supervisory authorities direct oversight of ICT service providers. For banks, this means new obligations and additional costs related to meeting regulatory requirements.
- The upcoming changes to CRR 3 and CRD 6, scheduled to take effect on January 1, 2025, include modifications to capital requirements, reporting, and risk management frameworks in banks. For the Bank, the most significant impact will come from changes to the standardized approach for calculating credit risk capital requirements—particularly the accelerated timeline requiring banks to hold capital against credit risk exposures.
- The potential introduction of a government subsidy scheme for mortgage loans. Throughout 2024, the government failed to reach an agreement on the mechanism for supporting consumers in property purchases. The implementation of this proposal is now expected in 2025. The support mechanism will likely be based on temporarily reducing loan installments, thereby lowering the initial financial burden on borrowers.

2. **Geopolitical situation.** Geopolitical risks remain elevated due to Russia's invasion of Ukraine, trade disputes between the US, China, the EU, and other countries, conflicts in the Middle East, and the collapse of the regime in Syria—all of which contribute to increased uncertainty in global markets. A potential resolution of the armed conflict in Ukraine could positively impact investor sentiment in Central Europe and serve as a factor improving consumer confidence as well as business and investor sentiment.
3. **Macroeconomic environment** In the coming months, the Bank's situation will be affected by the improvement of the outlook for the domestic economic situation with worse results of Polish exporters due to the weakness of the German market with sustained interest rates. These factors may lead to increased client activity and higher sales of banking products, ultimately impacting the Bank's performance. This may result from the growth in household savings driven by rising wages, as well as the use of loan funds for investments by enterprises due to the disbursement of funds from the National Recovery Plan.
4. **Competition from the financial market** Interest rate cuts exceeding current forecasts could negatively affect the Bank's financial performance and reduce clients' willingness to save in banking products. Clients might shift their savings from banking products to, among others, investment funds managed by asset management companies (TFIs) or other forms of saving.
5. **Attractiveness of offers from banking competitors** Another important factor that requires attention is the cost of obtaining deposits. Competitors' activities, focusing on more attractive deposit offers, may require a response from the Bank, which in turn may generate additional costs and reduce profitability. Therefore, close monitoring of competitive activities and flexible adjustment of the pricing strategy are becoming key elements of maintaining the Bank's competitiveness in the area of acquiring client deposits.

Internal factors

The Bank's strategy

The Bank's priority in 2025 will be to develop the offer for corporate clients:

- The next stage of the implementation of the credit workflow for SME clients
- Expansion of leasing activities,
- Implementation of factoring products,
- New segmentation and organizational structure of the Corporate Banking Area.

For individual clients, the Bank aims to become the first-choice bank by:

- Developing the digital mortgage,
- Streamlining processes within the cash loan,
- Simple and transparent terms of use of the product offer,
- Attractive benefits for the Bank's clients under the Benefit Program,
- Development of digital products for the Premium and Private segments.

The Bank's distribution channels will ensure clients have access to products anytime, anywhere, including:

- further development of digital channels based on AI and client-friendly communication,
- expansion of both own branches and franchise outlets, with a shift in their role towards advisory services, especially for more advanced banking products,
- Contact Center supported by AI-driven solutions.

In 2025, the Bank will continue developing modern Back Office solutions, focusing on both process automation and AI-based support. In the IT area, the Bank will continue to enhance and promote a proven value delivery culture within a short time horizon. This will be achieved through:

- building reusable business processes using modern Low Code tools, BPMS, and architecture based on atomic microservices (modularization of existing systems),
- implementing RPA and BPMS tools supported by generative artificial intelligence (GenAI) to quickly and cost-effectively meet business needs (IT democratization),
- automating operational processes.

The Bank's ambition is to:

- build lasting customer relations,
- care for the clients' safety (both in terms of finance and information),
- increase its market share in cash loan sale,
- increase its market share in mortgage loan sale,
- develop commercial client products,
- consistently develop distribution channels and the omnichannel,
- operational effectiveness;
- strengthening the cooperation-based and responsibility-driven organization culture.

8. Sustainability reporting

8.1. *General disclosures (ESRS 2)*

8.1.1. General basis for preparation of the sustainability statement (BP-1)

Sustainability statement (hereinafter: The "Statement") of the VeloBank S.A. Capital Group was prepared on the basis of the Accounting Act of September 29, 1994, Journal of Laws *Dz.U.* of 1994 No. 121, item 591, as amended. (hereinafter referred to as the "Accounting Act") and Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD), as well as Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.

The consolidated sustainability statement has been prepared in accordance with the European Sustainability Reporting Standards contained in Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (hereinafter: "ESRS").

The statement includes information on sustainable development concerning the VeloBank S.A. Capital Group (hereinafter referred to as: **Bank, VeloBank, VeloBank Capital Group** – each time applying to the entire Group. In the event of any deviations, such information will be indicated) for the period from January 1, 2024 to December 31, 2024. The data has been consolidated and the scope of consolidation is consistent with the financial statements.

As at December 31, 2024, the VeloBank S.A. Capital Group consisted of VeloBank S.A. as the parent company and subsidiaries ProEkspert Sp. z o.o., VeloLeasing S.A. and Berticoneby Investments Spółka z o.o. (the company has not yet commenced operations).

This Statement does not make use of the possibility to omit specific information on intellectual property, know-how or innovation results, nor does it make use of the possibility to exempt from disclosure of information about upcoming events or issues during negotiations.

This statement takes into account the direct relations in the value chain of the VeloBank S.A. Capital Group at the upstream and downstream levels in terms of significant impacts, risks and opportunities.

8.1.2. Disclosures in relation to specific circumstances (BP-2)

The time intervals used in this report are defined in accordance with ESRS 1 Section 6.4 Definition of short-, medium- and long-term for reporting purposes, i.e.:

1. short-term perspective - reporting period (1 year),
2. medium-term perspective - up to 5 years,
3. long-term perspective - over 5 years.

The Group used indirect sources when estimating its Scope 3 carbon footprint. In 2024, most Scope 3 emission categories were calculated using the expenditure method. In order to prepare the calculations, the Bank used the emission factors and the input-output matrix for categories 1 and 2 in scope 3. The data used comes from databases such as the World Input-Output Database, DEFRA (UK Government GHG Conversion Factors). Indicator-based estimation and input-output matrix modelling are acceptable methods for measuring GHG Protocol emissions, but they are less accurate than using a method based on actual data.

In order to improve the accuracy of the estimates, in the coming years VeloBank intends to carry out an analysis and determine the required actions to increase the amount of data used to calculate the carbon footprint, and thus reduce the share of estimates used for this calculation.

Scope 3 greenhouse gas emissions are subject to high measurement uncertainty, which is due to the need to use estimates when calculating emissions in categories 5, 13 and 15. In category 5 (Waste), the measurement uncertainty results from the need to estimate the amount of waste generated in some facilities due to the lack of actual data. In category 13 (finance leases), the average fuel consumption of leased vehicles was estimated on the basis of the average mileage of a passenger car. The decision was made due to the inability to obtain actual data on the operation of the leased assets in 2024. In category 15 (Investments, financed emissions) part of the portfolio was not accounted for in the calculation, which resulted from the lack of relevant data.

In 2024, the Report was prepared for the first time in accordance with the requirements of the European Sustainability Standards (ESRS), therefore no comparative data are presented as well as no reporting errors in previous periods apply.

Application of the phase-in introduction provisions in accordance with Annex C to ESRS 1.

Pursuant to the provisions of the ESRS in this respect, the Group does not disclose the following information in this report:

- ESRS 2 SBM-3, section 48 e: Potential financial effects
- ESRS E1-9: Potential financial effects from material physical and transition risks and potential climate-related opportunities
- ESRS 2 SBM-1 40b and 40c: Breakdown of total revenue by ESRS material sector
- ESRS S1-15: Work-life balance

Incorporation by reference

Some of the information was disclosed by reference in accordance with ESRS 1 Section 9.1. They are listed in the table below:

Item No.	ESRS	Full name of the Disclosure Requirement	Disclosure Requirement	Referenced document
1.	ESRS 2	Strategy, business model and value chain	SBM-1	A description of the scope of the Bank's and the Group's activities is presented in item 3 of the Management Board's Report.

8.1.3. The role of the administrative, management and supervisory bodies (GOV-1) and information related to sustainable development provided to the undertaking's administrative, management and supervisory bodies (GOV-2)

Disclosure of the composition of the administrative, management and supervisory bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters.

The Management Board of the Bank

Adam Marciniak, President of the Management Board

With nearly two decades of experience, Adam Marciniak has built his career in Poland's leading financial institutions, Including Bank Pekao S.A., Centralny Dom Maklerski Pekao S.A., Inteligo Financial Services S.A., and PKO Bank Polski S.A., where he served as a Management Board Member from 2017 to 2021, overseeing technology, cybersecurity, and employee training and development. He co-created innovative solutions such as BLIK, IKO, and the Bank Cybersecurity Center.

He chaired the Presidium of the Electronic Banking Council at the Polish Bank Association (Związek Banków Polskich), the IT Architecture Council at the Committee of the Council of Ministers for Digitization (Komitet Rady Ministrów ds. Cyfryzacji), and the IT Expert Group at the Ministry of Finance. He was also a member of the IT Advisory Team at the Ministry of Health. Additionally, he held supervisory board positions at PKO Bank Hipoteczny S.A., Operator Chmury Krajowej Sp. z o.o., and PKO BP Finat Sp. z o.o.

In 2003, he graduated from the Military University of Technology (Wojskowa Akademia Techniczna) in Warsaw with a master's degree in computer science. Between 2006 and 2007, he studied IT project management at the Warsaw University of Technology (Politechnika Warszawska). He also completed an Executive Master of Business Administration program at Warsaw Management University (Wyższa Szkoła Menedżerska w Warszawie).

In recognition of his significant contributions to the banking sector, the Polish Bank Association awarded him the Nicolaus Copernicus Medal. He was also honored as the "Banking Market Innovator of 2015" in the "50 Largest Banks in Poland" ranking and received the Professor Remigiusz Kaszubski Award for fostering innovation, creating a secure cloud-based company, and his commitment to the digitization of social life.

Paulina Strugała, Management Board Member for Risk Management

Paulina Strugała began her nearly 30-year professional journey at the Warsaw office of KPMG, where she advanced to the position of Director by 2006, specializing in financial statement audits and assurance services for financial sector institutions in Poland. In late 2006, she joined PKO TFI S.A. as Managing Director responsible for investment fund operations. Then, in the years 2010–2018, she was associated with the largest universal bank in Poland, PKO Bank Polski S.A., where, as a director, she was responsible for internal audit functions of the bank and the PKO Bank Polski Group. Held the position of CEO of the largest mortgage bank in Poland, a regular issuer of covered bonds on the Polish and European markets (2018–2021). Her responsibilities included managing the bank's assets worth PLN 27 billion, setting strategic development directions, executing daily operations, and ensuring profitability, efficiency, and capital security in a dynamic market environment. She also represented the sector in legislative initiatives concerning covered bond issuers in Poland.

Throughout her career, she has addressed financial challenges such as auditing financial statements, advising on accounting and financial reporting, formulating strategies and solutions, analyzing key risks in banking and financial institutions, assessing internal control and risk management systems, and overseeing business areas to achieve set goals, budgets, and strategies.

From 2018 to 2021, she was a member of the Supervisory Board of PKO Finat Sp. z o.o., and currently serves on the Supervisory Board of BEST TFI S.A.

She is a graduate of the SGH Warsaw School of Economics (Szkoła Główna Handlowa w Warszawie). She holds the ACCA Practicing Certificate from the Association of Chartered Certified Accountants and an Executive MBA from École des Ponts ParisTech and the University of Bristol. Additionally, she completed the Advanced Management Program at IESE Business School, University of Navarra.

Przemysław Koch, Management Board Member for Operations and IT

Przemysław Koch commenced his professional career at Accenture, focusing on implementing modules of the central banking system at PKO Bank Polski S.A. He later joined the Belgian KBC Group, working with Kredyt Bank S.A., TUiR Warta S.A., and TU NŻ Warta S.A. from 2006 to 2011. For six years, he served as Director of the Transactional Applications Development Department at PKO Bank Polski S.A., playing a pivotal role in the acquisitions of Nordea Bank Polska S.A. and SKOK Wesoła. He contributed to launching innovative solutions such as the IKO mobile banking platform, an IRB-compliant risk parameter calculation engine, an options transaction handling system, a central Cash Management product service solution, the Loro system with ICM functionality, the new IPKO Dealer auto-dealing system, and the Enterprise Fraud Management (EFM) system.

He graduated from the Faculty of Cybernetics at the Military University of Technology (Wojskowa Akademia Techniczna) and the College of Management and Finance at the SGH Warsaw School of Economics (Szkoła Główna Handlowa w Warszawie). He also holds an Executive MBA degree.

Tomasz Kubiak, Management Board Member for Finance

From 2001 to 2021, Tomasz Kubiak was professionally associated with Bank Pekao S.A., holding expert and managerial positions in controlling, risk, capital management, and asset and liability management. Between 2017 and 2021, he served as Vice President of the Management Board, overseeing the Finance Division. He also held supervisory board roles in various Pekao Group companies.

From 2022 to 2024, he was President of the Management Board of the Commercial Banks Protection System S.A. (System Ochrony Banków Komercyjnych S.A.) and served as an advisor to the Management Board at mBank S.A.

He is an alumnus of the Warsaw University of Technology (Politechnika Warszawska), Faculty of Technical Physics and Applied Mathematics. He holds CFA and Professional Risk Manager (PRM) certifications and was honored with the Award of Merit by the Professional Risk Managers’ International Association (PRMIA).

Adrian Adamowicz, Management Board Member for Retail Banking

Adrian Adamowicz began his career in 1993 at Centralny Dom Maklerski Pekao S.A., working in the Institutional Clients Service Team, and later at Société Générale as an equity analyst. In 1996, he co-founded PKO/Credit Suisse TFI S.A., developing and supervising institutional sales and pension programs.

In late 2001, he joined Pioneer Pekao TFI S.A. as Sales Director. In 2005, he became Vice President of the Management Board, responsible for sales, marketing, and product development, and in 2006, he additionally took on the role of Head of Marketing and Sales Support for Pioneer Investments in the Central and Eastern Europe (CEE) region, serving on the Global Marketing Committee. He was subsequently appointed President of AXA TFI S.A.

From 2009 to 2017, he was Managing Director at PKO Bank Polski S.A., leading the transformation of sales, distribution, and marketing areas. He established the private banking division, and under his leadership, PKO became a leader in Polish retail banking, achieving record results alongside significant increases in employee satisfaction and engagement. He served on supervisory boards of PKO TFI S.A., PKO Leasing S.A., and Kredobank.

Since 2019, he has been a member of the Supervisory Board of Esaliens TFI S.A. (formerly Legg Mason S.A.), a private asset management firm and a leader in pension solutions in Poland. From 2020 to 2022, he served as President of the Management Board of Esaliens TFI S.A.

He graduated in Banking from the Faculty of Finance and Statistics at the SGH Warsaw School of Economics (Szkoła Główna Handlowa w Warszawie). He holds an MBA from the Gdańsk Foundation for Management Development (Gdańska Fundacja Kształcenia Menedżerów), the University of Gdańsk, and the Rotterdam School of Management at Erasmus University.

Paweł Pach, Management Board Member for Business Banking

Paweł Pach is a manager with over 20 years of experience in the financial sector, specializing in corporate banking, corporate finance, and leasing. He graduated from the Cracow University of Economics (Uniwersytet Ekonomiczny w Krakowie), Faculty of Economics, and completed postgraduate studies in management, internal control, and auditing. He also participated in prestigious international management programs, including the Advanced Management Program at IESE Business School, University of Navarra, and the Advanced Investment Program at the Stanford Research Institute.

Since 2003, he has been associated with the PKO Bank Polski Group, holding key managerial positions:

- Director of the SME Products Department (2007–2010), where he introduced innovative product solutions for the SME sector.
- Managing Director of the Corporate Client Division (2014–2019), where he reorganized the regional corporate structures, resulting in a significant increase in the performance of this area.
- President of the Management Board of PKO Leasing (2011–2014 and 2019–2024), where he was responsible for the dynamic development of the company and its transformation following the merger with Raiffeisen Leasing and Prime Car Management, which strengthened its position as a leader in the Polish leasing market.
- From 2007 to 2024, he served on numerous supervisory boards of PKO Bank Polski Group companies. He acted, among others, as Chairman of the Supervisory Board of Prime Car Management and Deputy Chairman of the Supervisory Board of PKO Faktoring.
- In 2011, he was responsible for launching the operations of PKO Leasing Sverige AB, a subsidiary in Sweden. As President of PKO Leasing, he consistently introduced innovative leasing-based financing solutions for Polish businesses.
- He has been actively involved in the Polish Leasing Association (Związek Polskiego Leasingu), where he contributed to the development of industry standards. In recognition of his achievements, he was honored with the Polish Leasing Association award on the occasion of its 30th anniversary, as an “Icon of the Leasing Market.”

The Supervisory Board of the Bank

Jakub Papierski, Chairman of the Supervisory Board

Jakub Papierski is a graduate of the Warsaw School of Economics and holds the Chartered Financial Analyst (CFA) designation.
From 2010 to 2021, he served as Vice President of the Management Board at PKO Bank Polski, overseeing Corporate and Investment Banking, Treasury, the Bank’s financing on financial markets, the Brokerage House, and the Bank’s capital transactions. He was a member of the Credit Committee and the Asset and Liability Management Committee. He also chaired the Supervisory Boards of PKO TFI, PKO PTE, PKO Leasing, PKO Bank Hipoteczny, and Kredobank in Ukraine.

Between 2011 and 2019, he served as a director on the Supervisory Board of the Marguerite Fund, a European infrastructure development fund—a joint initiative of the European Investment Bank, PKO Bank Polski, and four national development banks from Germany (KfW), Italy (CDP), Spain (ICO), and France (CDC).

Earlier in his career, he worked at Creditanstalt Investment Bank and Deutsche Morgan Grenfell/Deutsche Bank Research, focusing on the banking sector in Central and Eastern Europe. From 2001 to 2003, he was CFO and Executive Director of the Financial Division at Bank Pekao (UniCredit). He also served as CEO of Allianz Bank and CDM Securities, the largest non-bank distributor of mutual funds in Poland, and as Vice Chairman of the Supervisory Board of Pioneer Pekao Asset Management.

Sarah Clark, Member of the Supervisory Board

Sarah Clark brings extensive executive experience across the financial services and FinTech sectors, operating in Europe, the USA, the Middle East, and Africa. She served as General Manager for Europe at Clearco, a SoftBank-backed revenue-based financing firm. Prior to that, she was General Manager for Central & Eastern Europe, the Middle East, and Africa at PayPal, the world’s largest online payments provider. Her career also includes roles at Barclays Bank, Virgin Group, Sainsbury’s, and British Airways. Currently, she serves as an Independent Director and Chair of the Investment Committee at Mobeus Income & Growth VCT, listed on the London Stock Exchange. Sarah holds a BA from McGill University, an MSc from the London School of Economics, and an MBA from Harvard Business School.

Lidia Jabłonowska-Luba, Member of the Supervisory Board

Lidia Jabłonowska-Luba has held executive and supervisory roles in banks, insurance companies, leasing firms, and brokerage houses. She served as Vice President and Chief Risk Officer at mBank S.A., Senior General Director at KBC Group in Brussels, Vice President of the Management Board at Kredyt Bank, and Advisor to the President at Warta S.A. and TUnŻ Warta S.A. as CFRO. She was also a Management Board Member and CFO at Citi Handlowy.

Her earlier roles include Vice President at Schroder Salomon Smith Barney Poland and Manager at Price Waterhouse.

She is a graduate of the Institute of Mathematics at the University of Gdańsk And has completed executive programs at Vlerick Management School (2012), London Business School (2013), IESE Business School (Advanced Management Program, 2018/2019), IESE/Harvard Business School (Value Creation through Effective Boards, 2021), and the University of Cambridge (Business Sustainability Management, 2022).

Roberto Nicastro, Member of the Supervisory Board

A banker and investor in the FinTech sector, Senior Advisor at Cerberus Capital, and Chairman of AideXa, a challenger bank specializing in services for small businesses. Previously, Roberto Nicastro served as Chairman of the so-called “good banks” on behalf of the Bank of Italy and as Group General Manager at UniCredit. Earlier in his career, he worked at McKinsey & Co and Salomon Brothers.

He currently serves as Cerberus Capital’s advisor for Europe, is Non-Executive Chairman of Officine CST (an Italian company controlled by Cerberus), and is actively involved in the FinTech and startup ecosystem, where he and his wife hold or have held minority stakes in numerous companies, including DoveVivo, Yapily, Deus Technology, Talent Garden, Bandyer, Work Invoice, and Mia Platform.

Paweł Borys, Member of the Supervisory Board

Manager and economist with 25 years of experience in managing national and international entities, Paweł Borys

Currently serves as the Managing Partner of MCI Capital, the largest mid-market buyout fund focused on new technologies in Central and Eastern Europe. He served as President of the Management Board of the Polish Development Fund and Chairman of the Supervisory Board of Bank Gospodarstwa Krajowego (BGK). Earlier, he worked as Managing Director at PKO Bank Polski, where he was responsible, among other things, for the strategy of Poland's largest financial group. His experience also includes the role of President of the Management Board of AKJ Investment TFI and Chief Investment Officer at Deutsche Bank Polska Group.

Will Newton, Member of the Supervisory Board

Will Newton is a senior executive with 37 years of experience in credit risk, corporate restructuring, portfolio management, commercial banking, and financial advisory across the UK, Western Europe, Central and Eastern Europe, the Middle East, and Asia. He currently serves as an independent consultant specializing in credit and risk advisory and as a Non-Executive Director and Chair of the Risk Committee at Novobanco S.A., a major Portuguese bank.

Previously, he was a Senior Partner at Deloitte, where he led strategic advisory for the Global Portfolio Lead Advisory division, headed the Financial Institutions Restructuring Services practice, served as Global Head of AQR Services, and was a member of the UK firm's leadership team responsible for its Centre for Credit Excellence and the Banking Union Centre in Frankfurt. He also led regulatory collaboration with the ECB, EBA, and European Commission on issues related to non-performing loans and leveraged finance.

Prior to joining Deloitte, he was Head of Corporate and Institutional Risk at BAWAG PSK, a large Austrian bank. Previously, he headed the Corporate Restructuring Department at the EBRD, where he was responsible for managing all legal proceedings related to debt, equity, and clients across the Bank's 29 countries of operation in Central and Eastern Europe, Russia and the former CIS, as well as the Balkans. He spent six years in Asia, where he worked for Big Four firms and other companies advising financial institutions on portfolio and risk management matters. Then, for 4 years, he worked as a senior advisor in the bankruptcy and debt collection department of a large Polish state-owned bank. He started his professional career in the UK at NatWest Bank, where he worked for 9 years in corporate banking, large corporate projects and leveraged finance.

Information about the composition and diversity of the members of the undertaking's administrative, management and supervisory bodies

As at December 31, 2024, the Bank's Management Board consisted of six members, including 5 men (83.3%) and one woman (16.7%). All members of the Management Board perform executive functions.

As at December 31, 2024, the Supervisory Board had six members, including four men (66.7%) and two women (33.3%). The percentage of independent members of the Supervisory Board is 66%. Members of the Supervisory Board perform non-executive functions.

Information on employee and other employee representation

There was no representative of employees or other persons performing work on the Management Board.

Disclosure of how the administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters.

VeloBank has a procedure in place for appointing Management Board Members and assessing their fitness to hold office in terms of responsibility. With regard to ESG, the assessment of candidates includes their skills in strategic planning, operational risk management, reputational risk management, and, above all, managing ESG risk, which is understood as the risk of negative financial effects that arise from the impact of ESG factors on clients and contractors or on balance sheet items. Members of the Bank's Management Board and the management boards of Group companies participate in training programs appropriate to their roles, as well as their knowledge and experience. These trainings are also intended to enhance their knowledge, skills, and experience related to sustainable development. Members of the Bank's Management Board did not participate in ESG-specific training sessions in 2024. Additionally, in 2023, various bank managers participated in ESG-related training sessions, primarily focused on applicable regulations and ESG risk management. In 2024, the Bank launched a podcast series on its development platform titled "Oko na Eco" ("An Eye on Eco"), which centers around practical pro-environmental and pro-social actions within the ESG framework and encourages their implementation. Each episode featured independent external experts. Topics included, among others: the benefits of building retrofitting and transitioning to renewable energy in urban areas, the advantages of establishing an energy cooperative (with the example of Lądek-Zdrój), and practical tips on reducing energy bills. Many of these topics were further explored as part of the SMART program, in which employees share knowledge. A key part of the 2024 training program involved preparing relationship managers to engage in discussions with business clients regarding the energy transition and pro-ESG initiatives in enterprises, including financing investments in renewable energy sources. Some of the training sessions were conducted in cooperation with the Energy Conservation Foundation (Fundacja Poszanowania Energii). These trainings aimed to equip relationship managers with knowledge and understanding of green financing transactions.

Information about the roles and responsibilities of the administrative, management and supervisory bodies

Administrative, management and supervisory bodies play an important role in ensuring the effective functioning and management of the Group, including with regard to sustainability aspects. Their responsibilities are defined in the Organizational Regulations, the Regulations of the Management Board, the Rules of Procedure of the Audit Committee and the ESG Policy. The Management Board is responsible for setting the overall strategic direction and making key decisions that affect the operations of the VeloBank Group, including the sustainable development of the Group. The company's management, consisting of department directors, department heads and team leaders, is responsible for implementing the strategies and policies set by the Board of Directors, as well as overseeing the day-to-day operations of the company. The Supervisory Board provides supervision and assurance that the company operates in accordance with the provisions of law, internal regulations and policies.

Sustainability management at VeloBank

Management Board and Supervisory Board

The body responsible for sustainable development at VeloBank is the Bank's Management Board, which consists of six members with different experience and expertise. The Board is responsible for implementing and maintaining a robust governance framework that ensures that the organization operates in a sustainable and ethical manner. In line with their respective areas of accountability, Management Board Members are responsible for issues related to environmental, social, and governance matters. The Bank's Management Board supervises the implementation of commitments in the field of social values. The Bank's Management Board ensures that the scope of powers and mandates of the Management Board reflect the company's commitment to sustainable development and social responsibility. The Corporate Governance Principles define the roles and responsibilities of each body and identify the responsible individuals in managing and mitigating the risks associated with our business. In addition, the Heads of Department conduct regular reviews and updates to our policies and procedures, and the Board approves the changes to ensure they are in line with the Bank's overall strategy and objectives.

As part of the Bank's Management Board, the Member of the Management Board responsible for the Finance Division is responsible for the coordination of ESG activities and reporting.

As part of the Supervisory Board, the Audit Committee of the Supervisory Board exercises ongoing supervision over the implementation of the sustainable development strategy. The Supervisory Board reviews and monitors the effectiveness of control mechanisms and procedures, providing appropriate guidance and oversight to ensure that the organization effectively pursues its sustainability objectives.

The ESG Committee

The Bank's Management Board has appointed an ESG Committee responsible for monitoring and reducing environmental impacts, ensuring social responsibility and dealing with corporate governance issues. The committee is a consultative and decision-making body with respect to the development, design and implementation of the ESG strategy at the Bank. As part of its activities, the Committee also plays a role supporting the activities of the bank's Management Board in managing sustainable development. The ESG Committee directly oversees the implementation of the sustainable development strategy. Its main task is to identify, assess and mitigate material impacts related to business operations, including supply chain management, energy consumption and resource use.

The Committee is made up of the Management Board and senior management representatives from various departments, including environmental, social and governance (ESG) experts. This team is made up of experienced professionals who have in-depth knowledge of the Group's activities and their environmental, social and governance impacts:

The ESG committee works with various departments to develop and implement sustainable practices, such as renewable energy initiatives, waste reduction programs, and stakeholder engagement strategies. The team also collaborates with external experts and industry associations to stay up-to-date on best practices and emerging trends in sustainability.

The ESG Committee's members work with key stakeholders – employees, customers and suppliers – to better understand their values and expectations and integrate them into the organization's decision-making processes. Persons responsible for individual areas analyze the needs and responsibilities of stakeholder groups on an ongoing basis, as well as cooperate with stakeholders in order to continuously improve the quality of cooperation. The Management Board ensures that the ESG Committee operates independently and has the necessary resources to perform its functions effectively.

ESG Office

The Bank also operates an ESG Office, which is responsible for the management, communication, and implementation of sustainability principles and standards within the organization. The ESG Office coordinates the work of the ESG Forum, which comprises representatives of key Bank units relevant to ESG matters. The ESG Forum serves as an internal platform for exchanging information on ongoing initiatives and progress toward sustainability objectives. Summaries of its work and recommendations are presented at ESG Committee meetings. The ESG Office prepares the "VeloBank Sustainability Report" on an annual basis. At the same time, it actively participates in updating and aligning business strategy implementation with the ESG Committee, ensuring consistency with the Bank's sustainability goals.

ESG Acquisition and Development Office

The Bank also operates the ESG Acquisition and Development Office, which is responsible for developing ESG financing and promotion tools for clients, acquiring partners to help disseminate these solutions, and educating both clients and employees about ESG support programs.

Information on Reporting Lines to the Administrative, Management, and Supervisory Bodies in Management Processes, Controls, and Procedures Used to Monitor, Manage, and Oversee Impact, Risk, and Opportunities

Within the Group, administrative, management and supervisory bodies play a key role in the management and oversight processes, controls and procedures for monitoring impacts, risks and opportunities. Reporting lines to these bodies are well established and clearly defined to ensure effective oversight and accountability. The Bank's Management Board receives regular reports from the Bank's internal organizational units on key sustainability indicators, such as environmental impact, social responsibility, and governance practices. These areas include human resource management, performance of environmentally friendly products, service provider oversight, administrative infrastructure management, and the assessment of organizational adequacy and compliance. These reports are prepared after the end of each year and contain a factual analysis and recommendations for improvement. In 2024, the report was presented at the Management Board meeting on February 26. Members of the ESG Committee may submit comments and continuously verify the alignment of ESG-related activities with the objectives pursued within their supervised organizational units. The Management Board participates in ESG Committee meetings and approves the meeting minutes, thus maintaining up-to-date knowledge of ESG initiatives. The Management Board is supervised by the Supervisory Board, which provides strategic guidance and oversight. Supervisory bodies, including the Supervisory Board's Audit Committee, are authorized to review and approve this sustainability statement and ensure its compliance with applicable laws and regulations. These committees also monitor the Bank's risk management practices and provide recommendations for improvements. The Bank's reporting lines are designed to ensure the effective flow of information and proper implementation of ESG objectives.

Risk Committees

Risk Committees are responsible for reviewing and assessing matters falling within their specific areas of risk accountability. They review and approve ESG-related issues within their respective risk domains. The sole role of the Risk Committees in managing ESG IROs is to make decisions when a high ESG risk is identified. The Bank plans to clarify the rules of the committees and indicate the responsibility for ESG issues related to individual types of risk.

<u>The Bank's Credit Committee</u>

The Bank's Credit Committee has been appointed to support the activities of the Bank's Management Board by fulfilling consultative and advisory functions in the credit decision-making process, and making independent decisions within the scope of its powers. It is also responsible for issuing recommendations to the Bank's Management Board as to systemic solutions for setting internal limits on exposure to issuers of securities and other banks.

The Credit Risk and Debt Collection Committee

The committee is a consultative and decision-making body with respect to the development, design and implementation of the credit policy. In its consultative role, the committee supports the activities of the Bank's Management Board in defining and implementing credit strategies and policies, including in the ESG area, as well as managing debt collection strategies. The Bank plans to assign a new role to the Committee, consisting in issuing opinions and recommending to the Bank's Management Board to take into account ESG risk in the procedure concerning prohibited industries and to clarify the new role resulting from ESG risk.

The Operational Risk, Quality and Processes Committee

It is responsible for monitoring operational risk, issuing opinions on regulations concerning operational risk management and formulating recommendations as to risk exposure measures and standards.

Asset and Liability Management Committee

The ALCO performs advisory and consultative functions in the liquidity management process. It is also responsible for shaping asset and liability management policies, setting risk limits, and monitoring their usage.

The Bank plans to assign new roles to the above committees, specifying tasks arising from ESG-related risks.

Disclosure of how the administrative, management and supervisory bodies are informed about sustainability matters and how these matters were addressed.

VeloBank Group informs its administrative, management, and supervisory bodies about sustainability-related matters. The Management Board and the Supervisory Board are informed in accordance with the rules specified in dedicated internal regulations. The established ESG Committee continuously addresses sustainability issues and monitors the implementation of the Bank's ESG strategic objectives. The Committee is responsible for identifying and addressing significant risks related to environmental, social, and governance aspects, and for developing processes for monitoring and disclosing relevant data. The Supervisory Board's Audit Committee is kept informed of the Bank's ESG activities and discusses them during its meetings.

In 2024, an assessment was conducted of the implementation of regulatory requirements and supervisory recommendations, followed by the development of an implementation plan for the necessary changes. In addition, during the meetings of the Management Board and Supervisory Board development directions in the area of sustainability were discussed, following prior analysis. Proposals for improvements in the company's operations were also prepared and goals and metrics were defined to enable effective monitoring of the implementation of the ESG strategy.

An internal document outlining the directions and assumptions of the Bank's ESG strategy was also prepared. Strategic goals were identified, including reduction of the carbon footprint, an increase in the share of sustainable finance, and growth in the proportion of sustainable assets in the Bank's portfolio. The directions of the ESG strategy were discussed at both the Management Board meeting and the Audit Committee meeting of the Bank.

Disclosure of how the administrative, management, and supervisory bodies consider impact, risk, and opportunities when overseeing strategy, major transactions, and the risk management process.

The Management Board receives an annual sustainability report containing an in-depth analysis of the organization's performance in this area. The document outlines progress toward set objectives, identifies areas for improvement, and presents plans for future actions to address emerging challenges and seize new opportunities.

During the 2024 meetings of the Management Board and Supervisory Board, the following ESG-related topics were discussed:

- ESG regulatory environment - ongoing ESG-related initiatives
- scope and status of preparation of the sustainability report
- pillars of the ESG strategy
- pillars of corporate governance in ESG management
- proposed actions and indicators for monitoring ESG objectives in environmental, social, and business product areas
- ESG-related expectations of stakeholders and shareholders

Moreover, ESG factors influenced decisions concerning changes in credit risk management, as well as individual credit decisions and terms. To date, the Bank has not incorporated ESG factors into investment decisions. The inclusion of ESG components in the Bank's investment planning is under consideration.

8.1.4. Integration of sustainability-related performance in incentive schemes (GOV-3)

Disclosure of the inclusion of sustainability-related performance in incentive programs

The achievement of sustainability goals was incorporated into the Bank Management Board's bonus system in 2025. During the reporting period, sustainability-related performance was not included in the Bank's incentive programs.

8.1.5. Statement on due diligence (GOV-4)

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
Embedding due diligence in corporate governance, strategy and business model	8.1.6. Risk management and internal controls over sustainability reporting (GOV-5) 8.1.9. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) 8.2.5. Policies related to climate change mitigation and adaptation (E1-2) 8.3.3 Policies related to own workforce (S1-1) 8.4.3. Policies related to consumers and end-users (S4-1) 8.5.3. Corporate culture and business conduct policies (G1-1)
Engaging with affected stakeholders in all key steps of the due diligence	8.1.8. Interests and views of stakeholders (SBM-2) 8.4.4. Processes for engaging with consumers and end-users about impacts (S4-2)
Identifying and assessing adverse impacts	8.1.10. Description of the process to identify and assess material impacts, risks and opportunities (IRO-1) 8.3.5. Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3) 8.4.54. Processes for remedying the effects of negative impacts and channels for reporting concerns by consumers and end users (S4-3)
Taking actions to address those adverse impacts	8.3.6. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4) 8.4.6. Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)
Tracking the effectiveness of these efforts and communicating	8.1.6. Risk management and internal controls over sustainability reporting (GOV-5) 8.2.7. Targets related to climate change mitigation and adaptation (E1-4) 8.3.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5) 8.4.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

8.1.6. Risk management and internal controls over sustainability reporting (GOV-5)

Disclosure of risk management and internal controls for sustainability reporting

The ESG office and the ESG Committee oversee the sustainability reporting process to ensure that all reported data is accurate, reliable, and compliant with relevant standards and regulations. The Sustainability Report is presented to the Management Board for acceptance and approved at a Supervisory Board meeting.

Internal controls include audits and reviews of sustainability data to detect and correct discrepancies or irregularities. The Compliance Department analyzes changes in the legal environment and monitors the implementation of required changes in internal processes and regulations. As part of the internal control system, sustainability-related testing is conducted. The VeloBank Group strives to ensure proper functioning related to sustainability reporting by working on the development of comprehensive procedures describing the sustainability reporting process. In 2024, no audits or testing related to sustainability reporting were conducted; however, the Bank intends to implement additional controls to verify the accuracy of the sustainability report in 2025.

VeloBank operates an Internal Control System Procedure, which defines the purpose, organization and rules of operation of the internal control system at VeloBank S.A., taking into account the activities of subsidiaries to the extent that they affect the achievement of the general objectives of the Bank's internal control system. The bank's Management Board is responsible for the proper design, implementation and operation of an adequate and effective internal control system, adapted to the size and profile of the risk associated with the bank's operations, with particular consideration of:

- - the complexity level of processes operating within the Bank and its subsidiaries and the resources available to the Bank
- - the risk of irregularities occurring in specific processes, especially in material ones,
- - the assessment of the existing adequacy and effectiveness of the first, second, and third lines of defense.

The risk management and internal control system processes described above do not currently cover the preparation of sustainability reporting. In consideration of the above, no ESG reporting-related risks were identified for 2024, and no mitigation strategy has been established.

The Management Board ensures the functioning of the internal control system in subsidiaries in accordance with the "Principles of Corporate Governance, Risk Management, Internal Control and Reporting in the VeloBank S.A. Group". The procedure is followed by all employees of the organization within the scope of their competences. The content of the procedure is the responsibility of macro process and process owners, who review the Procedure within the applicable process review deadlines and revise it as necessary. The review is conducted in cooperation with relevant organizational units, in particular the Internal Audit Department. Any changes to the procedure require approval by the Bank's Management Board, an opinion from the Audit Committee, and final approval by the Supervisory Board.

The Supervisory Board oversees the implementation and effective functioning of the internal control system and conducts an annual assessment of its adequacy and effectiveness. In fulfilling its oversight responsibilities with respect to the internal control system, the Supervisory Board is supported by the Audit Committee.

The sustainability reporting process requires the collection of a wide range of information from various departments and operational areas within VeloBank Group. Data collection and report preparation process is continuously verified for accuracy and accountability. Based on the preparation process for the 2024 sustainability report, the Bank plans to develop a detailed procedure describing the reporting process. This procedure will also include internal control elements related specifically to sustainability reporting.

8.1.7. Strategy, business model and value chain (SBM-1)

Disclosure of Strategic Elements Related to or Impacting Sustainability, the Business Model, and the Value Chain.

VeloBank's ESG strategy

The Bank has prepared a proposal of strategic directions for the planned activities in the area of ESG Bank. The material was presented at meetings of the Management Board and the Supervisory Board in November 2024. The information and directions outlined in the analysis were endorsed by both the Management Board and the Supervisory Board. It was agreed that a separate document entitled the ESG Strategy would be introduced in 2025.

In its analysis, the Bank considered the regulatory environment and shareholder expectations. It also reviewed and assessed its internal corporate governance framework, concluding that it is adequate. Within the planned actions, the Bank identified the following development areas:

- Reducing the negative environmental impact of operational activities
- Supply chain management
- Credit policy
- Managing climate change-related risks affecting the Bank
- Employee management
- Impact on external communities
- Increasing the share of sustainable finance
- Increasing the share of sustainable assets under management

For the areas listed above, the Bank plans to implement indicators to monitor progress in the implementation of its ESG strategy.

The Bank has an ESG Policy in place, which defines the principles and directions of activities related to ESG issues. The policy also outlines the Bank's vision, responsibilities, organizational structure of ESG-related processes, and specific rules applicable to the various areas of sustainable development. These aspects are described in further detail below and in the chapters dedicated to environmental, social, and governance matters.

Vision

Our ESG vision is based on the following pillars:

- we take a long-term perspective on our operations;
- we understand the interconnectedness of a broader perspective on sustainability, responsible business, and profitability;

- we aim to grow in a way that takes into account the needs of our stakeholders and responds to expectations concerning the implementation of ESG best practices;
- as a public trust institution, we place particular emphasis on the transparency of our objectives and on providing stakeholders with clear information about our approach to ESG and sustainability management.

We are committed to contributing positively to the achievement of the 17 global Sustainable Development Goals (SDGs) set by the United Nations for the years 2015–2030 and adopted by UN member states. We strive to uphold the highest standards of social responsibility toward our stakeholders and to meet the expectations of both national and international regulators on sustainability-related matters.

Governance (G- governance)

The management of ESG and sustainability issues is an integral part of our Bank's governance. It encompasses the setting of ESG goals, identification and analysis of ESG risks, monitoring of environmental, social, and governance issues in our operations, developing employee knowledge and ESG-related training, reporting on the Bank's approach to managing sustainability and ESG topics, and reporting on performance in these areas.
Our approach to governance reflects ESG best practices, i.e., practices concerning the organization's impact on the environment (E – environment), social issues and quality of life (S – social), and corporate governance (G – governance). We also take into account internal governance principles of the Bank, Recommendation Z of the Polish Financial Supervision Authority (KNF), the Corporate Governance Principles for supervised institutions (KNF), the Warsaw Stock Exchange guidelines defined in "Best Practice for GPW Listed Companies 2021", and the requirements of the CSRD and ESRS.

Education is the foundation of sustainable development, which is why ESG matters are embedded in our training policy. We aim to expand knowledge and build awareness of ESG topics among all employees. ESG training is conducted on a regular basis.

Managing sustainability issues requires systematic monitoring and communication of ESG performance. Reporting is also a fulfillment of our commitment to conduct business responsibly and transparently.

The annual non-financial statement, along with ESG and sustainability-related disclosures, is published on our website.

Business ethics and counteracting irregularities

We strive to be a trustworthy institution for our clients and a responsible employer for our employees.
We act in accordance with the highest ethical standards. These govern, among other things, our relationships with clients, business partners, employees, and other stakeholders.

We ensure these relationships are aligned with applicable laws, prudential regulations, and our internal ESG and sustainability guidelines. We comply with social norms in all our relationships. It is important to us that all employees feel responsible for upholding these standards and react to any observed misconduct or violations. All employees are required to adhere to the Bank's standards and report any irregularities using the mechanisms defined in our whistleblowing system.

Our ethical standards are described in the model of attitudes and behaviors. This model: applies to all employees, defines the principles of everyday conduct, is aligned with the values of the Bank as outlined in the Code of Ethics.

Responsible Supply/Partnership Chain

Our ESG management process includes establishing a system of requirements for the Bank's partners, suppliers, and service providers. From the procurement stage onward, we ensure that our ESG requirements are communicated to our partners. It is of great importance to us that our subcontractors and collaborators comply with ESG principles.

Social Issues (S – Social)

In our daily operations, we respect human rights. We do not accept any violations of human rights in our activities or in our supply chain. We do not engage in any actions that undermine inalienable human rights, including the right to freedom of speech, freedom of association, and the right to privacy. Dignity and respect for the individual are at the heart of our organizational culture. We respect and uphold human rights as defined in, among others:

1) the United Nations Universal Declaration of Human Rights,
2) the International Covenant on Human Rights (part of the International Bill of Human Rights),
3) the ILO Declaration on Fundamental Principles and Rights at Work,
4) the principles of the United Nations Global Compact.

We have implemented a set of internal regulations that define our approach to ethical issues, including the protection of human rights and human dignity.

We do not tolerate behavior that violates human rights. This applies to both employees and suppliers. If such incidents occur, they are monitored and addressed according to the procedures developed by the Bank.

A Responsible Workplace

Our employees are our greatest asset. Our goal is to build and maintain a cohesive, engaged, and collaborative team that operates effectively. Employment matters are regulated in line with applicable Polish labor law and our internal regulations.

Dialogue with employees is an important source of insight. Employee feedback contributes to developing good practices and strengthening an open, supportive workplace culture. Our initiatives are rooted in innovation and education—both for our employees and our partners and collaborators. We conduct a wide range of educational and developmental activities.

We implement numerous programs and initiatives aimed at knowledge development and sharing among employees. We promote intergenerational cooperation and environmental responsibility.

Our managers play a key role in implementing best practices, standards, and procedures. That's why we place strong emphasis on enhancing their competencies.

Diversity

We support and promote diversity in our workplace. Principles of diversity apply to both employee and business relationships. We do not tolerate any form of discrimination in the workplace or in relations with stakeholders. This rule applies to any type of discrimination based on: gender, age, race, ethnicity, nationality, religion, beliefs, disability, family status, sexual orientation, gender identity, or any other personal characteristic.

We apply these principles throughout the employee lifecycle: during recruitment, in setting employment terms, in promotions, in access to employee support programs, and in the process of ending employment.

We do not tolerate bullying or harassment. Our Anti-Mobbing Procedure outlines the rules for reporting such incidents and protecting whistleblowers. Our employees are familiar with the procedure and trained regularly in the field of our Anti-Mobbing Procedure.

Preventing discriminatory and bullying behaviors is embedded in our Code of Ethics and its model of attitudes and behaviors. We monitor, investigate, and address violations in line with the Anti-Mobbing Procedure.

Salaries are aligned with the scope of responsibilities in each organizational unit and the level of employee accountability. We also take into account compensation data from financial sector salary surveys.

We provide solutions tailored to clients with disabilities. Our goal is to eliminate potential communication barriers for clients with disabilities in their interactions with the Bank. We raise awareness among employees about the value of diversity and the need to counter discrimination. We believe that by recognizing, respecting, and valuing differences, we can better respond to the needs of both our employees and our clients.

Customer-Centric Quality

Delivering high-quality service in client relations is our top priority.

We analyze and design our products and services from the customer's perspective and work continuously to improve them. As part of ongoing quality initiatives, we conduct cyclical projects: we monitor customer service quality, provide coaching for Contact Center employees, develop service delivery models, and simplify customer documentation (we have signed the banking sector's Plain Language Declaration).

Prevention of Mis-selling and Greenwashing

We are committed to ethical conduct and legal compliance by our employees. We require our relationship managers and consultants to engage in responsible selling practices, including the prohibition of mis-selling. We review sales processes to identify and mitigate mis-selling risks and develop tools to prevent them.

To this end, we use service delivery models that define standards for presenting offers to clients. These models include guidance for employees on what information should be shared with clients, and how to conduct sales conversations based on needs assessment and gathering client information. These tools help minimize the risk of mis-selling. The service models are also used in onboarding training. We provide regular training to our staff on service principles and product offerings.

We have adopted a definition of a green product to guide the design of environmentally sustainable and ESG-related products. We do not engage in or tolerate greenwashing in any form.

Social Engagement

We have been involved in social initiatives for many years. Our principles for social engagement are: listen, engage in dialogue, and respond to concrete needs. Our social actions stem from the Bank's strategy and the values we uphold. We listen to the voices and needs of the local communities around us of which our employees are often a part. We actively support employees who engage in social causes.

Environmental matters (E – environment)

We make every effort to ensure that our business activities have the least possible impact on the natural environment and its resources, we reduce water, plastic, paper, and energy consumption. We minimize operational waste and reduce greenhouse gas emissions generated by our activities.

We are expanding our offering aimed at promoting and advancing low-emission practices among our clients. We promote environmental matters and pro-ecological attitudes in the communication and educational activities addressed to our staff, clients, suppliers and local communities.

Business model

The bank operates exclusively on the Polish market. During the reporting period, the Group continued to diversify its product offering. VeloBank S.A. provided clients with the following products supporting sustainable development: loans for electric vehicles, lease buyouts for photovoltaic installations, thermomodernization loans for housing communities, green business loans, eco-installment loans, and the Green Loan PG.

1. Loans supporting multi-family housing granted in cooperation with BGK:

- investment loan with BGK's thermo-modernization bonus (covers 26-31% of the costs incurred for the implementation of the thermo-modernization project and possibly RES installation) and a possible additional thermo-modernization grant in the amount of 10% of the net costs incurred for the implementation of the thermo-modernization project,
- investment loan with the RES subsidy called "Grant OZE" in cooperation with BGK (covers 50% of the net investment costs):cash loan for energy-efficient investments for individuals - the bank will reduce the interest rate if the Bank receives a document for the purchase of RES equipment

2. Investment loan granted to enterprises with the participation of BGK (covers from 20 to 70% of eligible investment costs)

3. Loans for individuals:

- Tied loans (eco-installment loan) launched in cooperation with the Bank's partners for thermo-modernization investments for individuals.
- The VeloElektryk loan allows our clients to finance the purchase of electric, hybrid or hydrogen-powered vehicles. The offer can be used by individual and business clients.
- ECO loan for green investments - VeloBank offers a loan with an attractive interest rate for green investments. This allows to obtain funds for the purchase and installation of equipment or installations for obtaining energy from renewable sources

For clients interested in financing the above-mentioned items, we offer a flexible approach to the interest rate on loans at variable and fixed interest rates.

A description of the scope of the Bank's and the Group's activities is presented in item 3 of the Management Board's Report – "Description of the business areas, products and services of the Bank and the Group companies".

The total number of the Bank’s employees at the end of the reporting period was 3,365, and the total number of the Group’s employees was 3,451.

Total revenues of the Velo Group: PLN 4,320,701 thousand

Group Activities in the Fossil Fuel Sector and Other Controversial Industries

The Bank does not operate in the fossil fuel sector, nor in the production of chemicals, controversial weapons, or the cultivation or manufacturing of tobacco products. The Bank has prepared a list of industries that are not allowed to be financed. It is verified whether borrowers applying for a loan do not conduct the activities included in the list of prohibited industries, which is an element of the credit decision-making process contained in the creditworthiness assessment procedures for individual client segments.

We operate in compliance with local and international regulations and do not offer products or services that are prohibited in specific jurisdictions.

Integration of Sustainable Development Goals

In its ESG Policy, VeloBank has declared its intention to make a positive contribution toward the achievement of the 17 global Sustainable Development Goals (SDGs) adopted by the United Nations for the period 2015-2030.

Disclosure of Strategic Elements Related to or Impacting Sustainability.

During the reporting period, VeloBank made progress in implementing elements related to or impacting sustainability. One of the Bank’s objectives is to increase the sale of products with a positive environmental impact. To achieve this goal, the Bank continues to improve and expand its product offering for clients. VeloBank actively strives to reduce its own carbon footprint in Scopes 1 and 2, and is continuously enhancing initiatives aimed at reducing its consumption of natural resources and increasing the use of renewable energy.

Value chain

The Group’s operations are based on human capital, IT infrastructure, operational data, and partnerships. These assets are developed and safeguarded through training, technological investment, security procedures, and risk management. The business model delivers high-quality services and availability to clients, stability and ESG compliance to investors, and support for socially and environmentally impactful projects to communities.

The Group’s value chain can be described as follows:

- Upstream: Entities providing goods and services necessary for the Group’s operations. Main entities:
    - suppliers of products and services required for business operation, such as: infrastructure, IT, office equipment, office and branch space, electricity, heating, and water

- lessors providing fleet leasing for VeloBank
- the Group’s shareholders
- financial market regulatory and supervisory institutions in Poland

- The Group’s own operations include activities conducted within the Group’s own operations. These can be divided into primary business processes such as lending and deposit management, as well as and supporting processes. Key stakeholders at this stage include:
  - Employees employed under labor contracts and contractors working under civil law agreements or B2B contracts
  - Industry organizations in which the Group participates, such as the Polish Bank Association
- Downstream: Entities and activities related to the distribution and servicing of products and services at own and franchised branches, via call centers or credit intermediaries, as well as entities that directly or indirectly utilize the products and services offered:
  - branch employees handling customer service and product sales
  - Call Center staff
  - business partners involved in the delivery of investment and bancassurance services (Investment Fund Management Company, Commodities Insurance)
  - value chain staff involved in distribution within the franchise network and as credit intermediaries
  - providers of payment infrastructure and services used by customers
  - clients using the Group’s offerings
  - communities impacted by the activities of the Group’s clients

8.1.8. *Interests and views of stakeholders (SBM-2)*

VeloBank takes into account the interests and perspectives of various stakeholders through a multi-faceted approach that ensures their voices are heard and valued in shaping our strategy and business model. We also collect feedback from consumers through social media, market research, and customer satisfaction surveys to ensure that our products and services meet their evolving expectations. Our shareholders play a key role in shaping the strategy through regular Management Board meetings and investor dialogue, during which we discuss key performance indicators, long-term goals, and risk management. By incorporating the diverse interests and perspectives of these stakeholders, we are building a more resilient and sustainable business model that aligns with the needs of all our stakeholder groups. This approach enables us to remain agile, adapt to changing market conditions, and introduce innovations that benefit our stakeholders and the broader community.
In preparing this report, we engaged in dialogue with key stakeholders as part of the double materiality assessment process to gather their views on significant impacts, opportunities, and threats facing our organization. We randomly selected employees for surveys and interviews. We also held discussions with our shareholders to understand their expectations and perspectives. Employees expect a friendly and safe work environment, clients expect a wide range of banking products tailored to their needs, shareholders expect strategic execution and transparency regarding Bank activities, and regulators expect compliance with regulatory requirements. The Management Board is effectively informed of stakeholder expectations and of the outcome of the dialog, which is presented in reports submitted to the Management Board.

The following groups were identified as key stakeholders:

- corporate shareholders
- strategic clients
- suppliers and subcontractors
- employees

Key stakeholders were identified based on an analysis of entities within the VeloBank value chain. The analysis was conducted by representatives of VeloBank responsible for sustainability, including the ESG Director. All key stakeholders were involved in the stakeholder assessment process in the context of this sustainability report. The results of the assessment were taken into account in evaluating individual impacts, risks, and opportunities as part of the Bank's double materiality analysis.

We engage in communication with our stakeholders through the following channels:

➤ **Clients:**
- bank outlets
- relationship managers
- website and other channels such as Facebook or LinkedIn
- satisfaction surveys
- conferences, meetings and training
- Call Center

➤ **Service Providers:**
- e-mail and written communication

➤ **Employees:**
- opinion surveys
-intranet
- newsletters, mailing

- meetings with the top management
- trainings, workshops, integrations

➤ **Shareholders:**

- cyclical reports on the implementation of goals and requirements,
- supervisory Board Meetings,
- General Shareholders' Meeting

➤ **Regulatory and supervisory bodies:**

- report type
- current correspondence
- questionnaires
- cooperation during inspections

➤ **Public opinion:**

- conferences
- interviews
- training
- expert comments
- press publications
- social media

VeloBank will continue to conduct dialogue with stakeholders. The current mechanisms in place are considered effective and have a significant impact on the organization's functioning and ongoing improvement. The reporting system for shareholders is adjusted according to evolving needs but typically includes the delivery of periodic reports on the achievement of objectives and compliance, the participation of appointed members in Supervisory Board meetings, and shareholder involvement in General Meetings.

Ongoing dialogue with clients enables the collection of feedback and information that directly influence the evolution of the organization and its continuous operational improvements. Collaboration with and input from employees are captured through regular satisfaction surveys, meetings with management, analysis of market best practices, and contribute in real time to meeting the needs of the Bank's internal community.

Bank stakeholders will continue to be taken into account when implementing strategic changes, as has been the case to date. Their needs and expectations will be reviewed on an ongoing basis to ensure the highest possible level of responsiveness.

8.1.9. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

ESRS	Sub-topic	Sub-sub-topic	Type of IRO	IRO	IRO description	Time horizon	Element of the value chain
Climate change (E1)	Climate change mitigation		Impact	Negative real-life impact on climate change mitigation through portfolio	Industries related to manufacturing, real estate and transport, which account for approx. 5.86% of the Bank's loan portfolio, have a negative impact on climate change mitigation through high greenhouse gas emissions.	Medium-term Long-term	Downstream (bank portfolio)
				Positive potential impact through products to support customers in their decarbonization efforts	VeloBank offers a number of products that can help customers reduce CO2 emissions	Short-term Medium-term	Internal operations Downstream

	Energy			Positive real-world impact by including energy reduction in supplier requirements	VeloBank requires its suppliers to take action to reduce energy consumption, thus reducing its carbon footprint and encouraging companies to take measures to increase energy efficiency.	Short-term Medium-term Long-term	Upstream
				Positive real-world impact through green energy at branches and headquarters	The electricity used by VeloBank comes from 100% certified green sources.	Short-term Medium-term Long-term	Internal operations
	Climate change adaptation			Negative real-world impact on climate change adaptation through the portfolio	The construction and transport industries, which account for 5.45% of VeloBank's loan portfolio, have a negative impact on adaptation to climate change due to such factors as the risk of land degradation and high emissions.	Short-term Medium-term Long-term	Downstream (bank portfolio)
	Energy		Chance	Lowering operating costs	With the savings associated with the compensation project, the Bank will be able to reduce the costs associated with running the business.	Short-term Medium-term	Internal operations
	Climate change mitigation			Reducing the Bank's carbon footprint	By financing entities working to reduce its own carbon footprint, the Bank contributes to reducing its own carbon footprint in Scope 3, which may contribute to improving the Bank's image.	Medium-term Long-term	Downstream (bank portfolio)
Own workforce (S1)	Working conditions	Adequate wage	Impact	Positive real-world impact thanks to the functioning of the Remuneration Policy	The aim of the policy is to strive for consistency and transparency in the issue of remuneration	Short-term Medium-term Long-term	Internal operations

		Work-life balance		Positive real-world impact with remote/hybrid work capabilities	Key internal regulations: The VeloBank S.A. Remote Work Regulations, in addition to meeting formal and safety-related requirements, collects and organizes the best practices related to remote work. The document was introduced in parallel with the implementation of the hybrid work model in the organization.	Short-term Medium-term	Internal operations
				Positive real-world impact with the benefits offer	The Bank offers its employees a variety of non-wage benefits, including medical packages, Multisport cards and life insurance, regardless of their full-time or part-time employment. In the field of medical care, VeloBank co-finances packages that enable employees and their relatives, such as children, partners or parents, to access a wide range of health services. Life insurance, financed by participants, is available on preferential terms to both employees and their families.	Short-term Medium-term Long-term	Internal operations
				Positive real-world impact on employee mental health	The Bank promotes mental health care among employees and supporting their resilience, among others through the Mindgram platform.	Short-term Medium-term Long-term	Internal operations
		Working time		Negative real-world impact due to overtime	The Bank has overtime. It is registered and most often chosen by employees in the form of time off or paid in the form of a cash equivalent.	Short-term Medium-term	Internal operations

		Social dialogue		Positive real-world impact through social engagement and employee activity	In 2023, VeloBank initiated the VeloActive project, which engages employees in pro-environmental and charitable activities, supporting ESG goals.	Short-term Medium-term	Internal operations Downstream
				Positive real-world impact through dialogue with employees	VeloBank manages relations with employees through effective communication and other measures. Dialogue between management and the team is encouraged. The Bank has designated representatives of employees who participate in the dialogue.	Short-term Medium-term Long-term	Internal operations

		Secure employment		Positive real-world impact on seniority and employee loyalty by fostering long-term relationships	The Bank ensured the stability of employment of most of its employees by providing employment contracts for an indefinite period.	Short-term Medium-term Long-term	Internal operations
				Negative real-world impact associated with high employee turnover	VeloBank examines and analyses the employee turnover rate on an ongoing basis and takes appropriate action.	Short-term Medium-term	Internal operations
				Positive real-world impact through HR policies and procedures	The Bank regulates the transparency of employment-related issues in internal HR regulations.	Short-term Medium-term Long-term	Internal operations

		Occupational health and safety		Positive real-world impact through the OSH management system	VeloBank maintains a comprehensive occupational health and safety (OHS) management system, based on internal procedures and the PN-N-18002:2011 standard. The system includes occupational risk assessment, supervision of infrastructure and work organization, and regular health and safety training. The Bank also provides optional OHS training for administrative and office employees, going beyond the requirements of the Labor Code, which emphasizes its commitment to the health and safety of employees.	Short-term Medium-term Long-term	Internal operations
	Equal treatment and opportunities for all	Diversity		Positive real-world impact of no discrimination incidents	In 2024, VeloBank did not record any confirmed cases of discrimination based on gender, age, ethnicity, religion, belief, or any other characteristics of employees.	Short-term Medium-term Long-term	Internal operations
				Negative real-world impact related to the lack of the Diversity Policy	In the reporting period, the Bank did not have a Diversity Policy. The Bank plans to implement the 2025 Policy.	Short-term	Internal operations
		Training and skills development		Positive real-world impact through training and skills development	VeloBank has implemented a number of initiatives focused on training and skills development to increase the competences of the Bank's employees.	Short-term Medium-term Long-term	Internal operations

				Negative real-world impact due to the lack of standardized employee career paths	Currently, VeloBank does not have fully standardized career paths for employees, but it plans to undertake and fully implement activities in this area.	Short-term Medium-term	Internal operations
		Gender equality and equal pay for work of equal value		Positive real-world impact through the pursuit of pay equity	VeloBank strives to ensure gender equality, with an emphasis on creating a work environment where both women and men have equal opportunities.	Short-term Medium-term Long-term	Internal operations
				Negative real-world impact due to imbalances in key management personnel	There is a gender imbalance in the structure of VeloBank's key management staff (including members of the Management Board). This disparity points to the challenges of promoting gender balance at the highest levels of management. The lack of greater representation of women in management may limit the diversity of perspectives in decision-making processes, which is an important area requiring further action as part of the Bank's ESG strategy.	Short-term Medium-term	Internal operations

		Measures against violence and harassment in the workplace.		Positive potential impact thanks to the functioning of the anti-mobbing policy	The Anti-Mobbing Procedure is a key regulation in the employee area and has been designed to prevent mobbing, harassment and sexual harassment, and defines the rules of conduct in situations where mobbing, harassment or sexual harassment has been reported at the Bank. The Bank conducts regular training in this area.	Short-term Medium-term Long-term	Internal operations
	Working conditions	Social dialogue	Chance	Image opportunity thanks to social commitment and employee activity	The social commitment of VeloBank's employees brings with it an image opportunity both externally and among employees.	Short-term Medium-term Long-term	Upstream Internal operations Downstream
		Work-life balance		Opportunities related to the introduction of remote work	The possibility of remote work is a very important criterion for choosing a job, especially for young people, so it is an opportunity to attract talent. The possibility of remote work can also have a positive impact on employee retention.	Short-term Medium-term Long-term	Internal operations

		Secure employment	Risk	Risk of losing key employees	The risk of losing key employees due to high employee turnover can lead to decreased operational efficiency, loss of expertise, and disruption to strategic projects. In addition, recruitment processes and training of new employees are associated with high costs and can take time, which negatively affects the continuity of operations. Losing key talent can also erode the morale of remaining employees, increase staff turnover, and make it difficult to build strong relationships with clients and business partners. In the long run, this situation may threaten the company's innovation and competitiveness in the market.	Short-term Medium-term	Internal operations
Consumers and end-users (S4)	Impacts on consumers or end-users related to information	Access to (quality) information	Impact	Positive real-world impact associated with a comprehensive customer communication system	VeloBank uses various channels of contact with its clients: 1. Network of bank branches, 2. Bank hotline, 3. Mobile banking, 4. Online banking 5. Website	Short-term Medium-term Long-term	Downstream

		Privacy		Positive real-world impact by supporting the clients' cybersecurity when using mobile banking	VeloBank cares about the safety of people using the mobile application by introducing a standard for activating the application using callback and entering a single PIN code in the application, on all installed client devices. VeloBank also provides the Pay by Velo payment method, where it is required to accept transactions for online purchases in the VeloBank mobile application. This gives clients the opportunity to carry out transactions in a secure manner.	Short-term Medium-term Long-term	Downstream
				Positive real-world impact in the area of data security and cybersecurity	The bank ensures data security by applying appropriate policies, In 2024 no cases of data leakage were recorded.	Short-term Medium-term Long-term	Internal operations Downstream

		Freedom of expression		Risk of complaints	Reputational and financial risks in connection with the handling of customer complaints.	Short-term Medium-term Long-term	Internal operations Downstream
		Freedom of expression	Risk	Risk of litigation	Risk of financial costs due to the participation of court proceedings and negative rulings.	Short-term Medium-term	Internal operations Downstream

		Freedom of expression		Risk of proceedings before supervisory/audit authorities	Financial risk arising from potential penalties issued by supervisory/audit authorities.	Short-term Medium-term Long-term	Upstream Internal operations

		Access to (quality) information	Impact	Positive potential impact by counteracting mis-selling	VeloBank makes sure that the services are provided with due diligence and the highest standards, in particular with regard to the manner and form of providing information about financial services and instruments offered to clients, as the recipient of this information is often a client who does not have specialist knowledge or experience to assess whether a given instrument or service is suitable for them.	Short-term Medium-term Long-term	Downstream

				Positive real impact thanks to substantive support of institutional clients	In 2023, VeloBank has launched a series of meetings with experts to increase knowledge about the practical dimension of the use of RES solutions.	Short-term Medium-term Long-term	Downstream
	Personal safety of consumers and/or end-users	Personal safety		Positive real-world impact through active customer communication and education	The Bank is taking measures to protect customers from the growing risk of fraud, including phishing and e-commerce scams. The bank actively informs its clients about threats, using various communication channels to provide them with knowledge about safe use of banking services.	Short-term Medium-term Long-term	Internal operations Downstream

	Social inclusion of consumers and/or end-users	Access to products and services		Positive real-world impact through self-service in electronic channels	The Bank provides a number of options for access to products and services through electronic channels: > VeloBank mobile app > applying for banking products in the Selfie process immediately after downloading the mobile application, > new processes of selling loans to new and existing clients, > the ability to quickly and easily unblock access to electronic banking using the mObywatel application.	Short-term Medium-term Long-term	Downstream
		Responsible marketing practices		Positive real-world impact through the Principles Governing the Creation and Acceptance of Products and Marketing Materials	When creating and accepting new products and processes, and consequently accepting advertising messages and other marketing materials, the Bank is guided by the principles set out in state regulations and recommendations of the Polish Financial Supervision Authority and the Polish Bank Association, as well as in the internal procedure.	Short-term Medium-term Long-term	Internal operations Downstream
	Impacts on consumers or end-users related to information	Privacy	Chance	Increased competitiveness and reputation opportunity for innovative security technologies	Securing technology and data allows for the implementation of innovative services that can attract new users, e.g. new authorization methods or mobile payments. Clients are more willing to use modern banking services when they are sure that they are safe.	Short-term Medium-term Long-term	Downstream

	Personal safety of consumers and/or end-users	Personal safety		Counteracting cybersecurity attacks with client education	Active communication and education of clients in the area of cybersecurity create an opportunity to thwart phishing attacks and other crimes, and thus an opportunity for the Bank's image.	Short-term Medium-term Long-term	Downstream
	Impacts on consumers or end-users related to information	Privacy	Impact	Negative potential impact from personal data leakage	The personal data of the Bank's consumers is exposed to potential negative impact involving data leakage or unauthorized access.	Short-term Medium-term Long-term	Internal operations Downstream
	Personal safety of consumers and/or end-users	Personal safety	Impact	Negative potential impact of loss of consumer cash	Clients are vulnerable to attacks by criminals that can result in unauthorized operations on their bank accounts.	Short-term Medium-term Long-term	Downstream

	Impacts on consumers or end-users related to information	Privacy	Risk	Risk of client data leaks as well as other personal data security breaches.	The risk associated with the leakage of customers' personal data has consequences on both a financial and reputational level. Hacking attacks and fraud expose the bank to financial losses that could result from withdrawing client funds or withdrawing unauthorized transactions. Loss of customer trust and a negative image of the company in the eyes of business partners can translate into a decrease in revenue.	Short-term Medium-term Long-term	Downstream
Business Conduct (G1)	Corporate culture		Impact	Positive real-world impact through the operation of the ESG Acquisition and Sales Office	The key objectives of this unit include: > development of ESG financing and promotion tools among the Bank's clients, > acquiring partners to cooperate in the popularization of ESG solutions, > educating customers and employees on ESG support programs, > representing the Bank in contacts with clients in accordance with the values of VeloBank S.A.	Short-term Medium-term Long-term	Upstream Internal operations Downstream

				Positive real-world impact related to the values contained in the Code of Ethics	VeloBank has introduced the Code of Ethics, which is the foundation of the organizational culture, promoting values such as entrepreneurship, openness, reliability and trust. The Code of Ethics supports building the Bank's credibility as a responsible employer and an institution of public trust. Compliance with the Code of Banking Ethics and banking industry guidelines ensures consistency of activities with the principles of sustainable development.	Short-term Medium-term Long-term	Upstream Internal operations Downstream
				Positive real-world impact thanks to VeloBank's ESG and sustainability policy	This policy complements the Bank's policies with ESG issues in a broad spectrum by addressing such issues as protection of human rights in the supply chain, diversity management, responsible customer relations.	Short-term Medium-term Long-term	Upstream Internal operations Downstream
	Protection of whistle-blowers			Positive real-world impact thanks to whistleblowing and whistleblower protection at VeloBank	As part of the Compliance Department, VeloBank has implemented the Whistleblowing Procedure – Internal System for Reporting Breaches Identified at VeloBank S.A., enabling employees and cooperating entities to report irregularities through various channels: the Notifications application, mail, e-mail or phone. Such a reporting system ensures the anonymity and security of whistleblowers, which is a key element in the protection of whistleblowers at the Bank.	Short-term Medium-term Long-term	Upstream Internal operations Downstream

	Management of relationships with suppliers including payment practices			Positive potential impact due to the functioning of the Supplier ESG Code	VeloBank has updated its procurement procedure, emphasizing equality, competitiveness and compliance with the Code of Ethics. In addition, the Bank takes care to avoid conflicts of interests in order to maintain transparency and honesty in relations with suppliers.	Short-term Medium-term Long-term	Upstream

	Corruption and bribery	Prevention and detection, including training		Positive real-world impact through anti-corruption	VeloBank has implemented a number of regulations aimed at counteracting irregularities, including corruption and conflicts of interest.	Short-term Medium-term Long-term	Upstream Internal operations Downstream

The Bank's strategy has not been developed on the basis of the results of the double materiality analysis, therefore it does not directly refer to the material topics identified in this report. In the following years, it is planned to successively take into account the results of this analysis as part of the update of strategic documents. Detailed information on the strategy is presented in the descriptive part of SBM-1. The Group has not performed an analysis of the resilience of its strategy and business model to identified impacts, risks and opportunities. The way the Group manages the individual IRO is described in the respective thematic sections.

The impacts described above result from and are related to the Group's strategy and business model.

There were no financial effects in the reporting year and the group does not expect any adjustments in the next period.

8.1.10. Description of the process to identify and assess material impacts, risks and opportunities *(IRO-1)*

In 2024, together with experts from an external consulting company, we carried out a double materiality analysis in accordance with the CSRD directive and the ESRS standard, as well as the EFRAG implementation guidelines. The purpose of the analysis was to identify impacts, risks and opportunities that arise from issues related to sustainable development that are significant for the Group. Understanding the results of the double materiality analysis is the basis for VeloBank to disclose key ESG information.

The analysis took into account two perspectives:

- impact materiality, i.e. analysis of the VeloBank Group's impact on the external environment;
- financial materiality, i.e. risks and opportunities affecting the VeloBank Group.

The data and information used in the process were based on ensuring the accuracy and reliability of the data, taking into account stakeholder input, compliance with regulations and legal requirements, and alignment with the applicable reporting framework.

Representatives of many departments of the Bank were involved in the double materiality analysis process, which allowed for a detailed analysis and materiality assessment of individual issues related to sustainable development. In this process, an analysis of impacts, risks and opportunities arising from various areas of sustainable development was carried out, based on the list of reporting issues indicated in ESRS 1 AR 16. The analysis also used the opinions of stakeholders (internal and external), as well as an analysis of the activities financed by VeloBank. Industry trends in the material matrix were also analyzed.

As part of the double materiality analysis methodology, we also took into account the UNEP FI (United Nations Environment Program Finance Initiative) approach to identify potentially material inflows from the bank's portfolio. This analysis supports the identification of key impacts, risks and opportunities based on global best practices in the financial sector. Based on this methodology, we analyzed the Bank's portfolio and identified significant IROs related to various segments of operations. As a result, we have deepened the materiality assessment in the context of external impact and significance for the company's value.

In addition, as part of the double materiality test, we took into account the final assessment assigned by the Polish Financial Supervision Authority in the BION 2024 cycle as at December 31, 2023. At the stage of financial analysis, the VeloBank Group took into account the risks related to sustainability issues identified in the PFSA's assessment, such as: employee turnover risk, reputational risk and financial risk in connection with complaints and claims, risk of financial costs due to participation in court proceedings and possible negative rulings, financial risk resulting from potential penalties imposed by supervisory/audit authorities. These risks have been assessed as material for VeloBank and are reflected in the results of the double materiality test.

In the process of assessing the identified impacts, risks and opportunities, the parameters specified in the ESRS were used, i.e. scale, scope in the case of actual impacts, and in the case of potential impacts, additionally probability. Negative impacts were also assessed taking into account the fourth parameter, which is the irreversible nature of the impact. Risks and opportunities were assessed in terms of two parameters – the scale of potential financial impacts and probability. Each of the listed parameters, apart from probability, was assessed on a scale of 0-3, where 0 means no impact or no financial consequences. The probability was also assessed on a four-point scale, with the lowest level being no impact, and the highest – a very high probability of occurrence. Therefore, the higher the impact, risk or opportunity rating, the greater its importance and materiality. The materiality threshold was set at 1.5 for both perspectives. Both impacts and risks, and opportunities were assessed in three time horizons.

VeloBank tracks regulatory changes that may affect its sustainability operations, and the effectiveness of its ESG risk management activities is monitored and reported in annual reports.

It is important for us to closely follow ESG issues and the resulting opportunities and/or risks for our organization. Therefore, we believe that ESG risks - including environmental and climate risks - should be included in the bank's risk management system. We treat ESG risk with the same attention as the other distinguished risk categories. The bank plans to include IROs in the risk management system, for 2024 IROs have not been included.

For the purposes of this report, the Bank conducted for the first time a double materiality analysis and a stakeholder survey. The results of the double significance study were validated by the Management Board Member in charge of the Finance Division.

In addition, the Bank has adapted its reporting standards to meet the new regulatory requirements and the needs of key stakeholders.

8.1.11. Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

Explanation of the assessment of topics recognized as irrelevant

The following topics have been omitted from this statement as a result of being considered irrelevant in the double materiality analysis process:

■ ESRS E2 Pollution

■ ESRS E3 Water and marine sources

■ ESRS E4 Biodiversity and ecosystems

■ ESRS E5 Resource use and circular economy

■ ESRS S2 Value chain workers

■ ESRS S3 Affected Communities

Table: Index of Disclosure Requirements included in the sustainability statement, with the indication of where they are located

Indicator code	Location in the report
ESRS 2	8.1. General disclosures (ESRS 2)
BP-1	8.1.1. General basis for preparation of the sustainability statements (BP-1)
BP-2	8.1.2. Disclosures in relation to specific circumstances (BP-2)
GOV-1	8.1.3. The role of the administrative, management and supervisory bodies (GOV-1) and information related to sustainable development provided to the undertaking's administrative, management and supervisory bodies (GOV-2)
GOV-2	8.1.3. The role of the administrative, management and supervisory bodies (GOV-1) and information related to sustainable development provided to the undertaking's administrative, management and supervisory bodies (GOV-2)
GOV-3	8.1.4. Integration of sustainability-related performance in incentive schemes (GOV-3)
GOV-4	8.1.5. Statement on due diligence (GOV-4)
GOV-5	8.1.6. Risk management and internal controls over sustainability reporting (GOV-5)
SBM-1	8.1.7. Strategy, business model and value chain (SBM-1)
SBM-2	8.1.8. Interests and views of stakeholders (SBM-2)
SBM-3	8.1.9. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
IRO-1	8.1.10. Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)
IRO-2	8.1.11. Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)
ESRS E1	8.2. Climate change (E1)
E1 SBM-3	8.2.3. E1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
E1 IRO-1	8.2.4. E1.IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities
E1 GOV-3	8.2.1. E1.GOV-3 Integration of sustainability-related performance in incentive schemes
E1-1	8.2.2. Transition plan for climate change mitigation (E1-1)
E1-2	8.2.5. Policies related to climate change mitigation and adaptation (E1-2)
E1-3	8.2.6. Actions and resources in relation to climate change policies (E1-3)
E1-4	8.2.7. Targets related to climate change mitigation and adaptation (E1-4)
E1-5	8.2.8. Energy consumption and mix (E1-5)
E1-6	8.2.9. Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
E1-7	8.2.10. GHG removals and GHG mitigation projects financed through carbon credits (E1-7)
E1-8	8.2.11. Internal carbon pricing (E1-8)
S1 SBM-3	8.3.2. S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
S1-1	8.3.3. Policies related to own workforce (S1-1)
S1-2	8.3.4 Processes for engaging with own workers and workers' representatives about impacts (S1-2)
S1-3	8.3.5. Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)
S1-4	8.3.6. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)
S1-5	8.3.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)
S1-6	8.3.8. Characteristics of the Undertaking's Employees (S1-6)
S1-7	8.3.9. Characteristics of non-employee workers in the undertaking's own workforce (S1-7)
S1-8	8.3.10. Collective bargaining coverage and social dialogue (S1-8)
S1-9	8.3.11. Diversity Metrics (S1-9)
S1-10	8.3.12. Adequate wage (S1-10)
S1-11	8.3.13. Social protection (S1-11)
S1-13	8.3.14. Training and skills development metrics (S1-13)
S1-14	8.3.15. Occupational health and safety metrics (S1-14)

S1-15	8.3.16. Work-Life Balance Metrics (S1-15)
S1-16	8.3.17. Remuneration metrics (pay gap and total remuneration) (S1-16)
S1-17	83.18. Incidents, complaints and severe human rights impacts (S1-17)
S4 SBM-2	8.4.1 Interests and views of stakeholders
S4 SBM-3	8.4.2. S4.SBM-3 Material impacts, risks and opportunities related to consumers and end-users
S4-1	8.4.3. Policies related to consumers and end-users (S4-1)
S4-2	8.4.4. Processes for engaging with consumers and end-users about impacts (S4-2)
S4-3	8.4.5. Processes for remedying the effects of negative impacts and channels for reporting concerns by consumers and end users (S4-3)
S4-4	8.4.6. Taking action on material impacts on consumers and end users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4).
S4-5	8.4.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)
G1 IRO-1	8.5.1. G1.IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
G1 GOV-3	8.5.2. G1.GOV-1 The role of the administrative, management and supervisory bodies
G1-1	8.5.3. Corporate culture and business conduct policies (G1-1)
G1-2	8.5.4 Management of relationships with suppliers (G1-2) and Payment practices (G1-6)
G1-3	8.5.5. Prevention and detection of corruption and bribery (G1-3) and incidents of corruption or bribery (G1-4)
G1-4	8.5.5. Prevention and detection of corruption and bribery (G1-3) and incidents of corruption or bribery (G1-4)
G1-6	8.5.4. Management of relationships with suppliers (G1-2) and Payment practices (G1-6)

Table: List of datapoints in cross-cutting and topical standards that derive from other EU legislation [ESRS 2 Appendix B]

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	Climate Law reference	Location in the report
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		8.1.3. The role of the administrative, management and supervisory bodies (GOV-1) and information related to sustainable development provided to the undertaking's administrative, management and supervisory bodies (GOV-2)
ESRS 2 GOV-1 Percentage of body members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II)		8.1.3. The role of the administrative, management and supervisory bodies (GOV-1) and information related to sustainable development provided to the undertaking's administrative, management and supervisory bodies (GOV-2)
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 of Table #3 of Annex I				8.1.5. Statement on due diligence (GOV-4)
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 of Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II)		Insignificant

ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 of Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		Insignificant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 of Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Insignificant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Insignificant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	8.2.2. Transition plan for climate change mitigation (E1-1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		8.2.2. Transition plan for climate change mitigation (E1-1)

ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 of Table #2 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		8.2.7. Targets related to climate change mitigation and adaptation (E1-4)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex I				Insignificant
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 of Table #1 of Annex I				8.2.8. Energy consumption and mix (E1-5)
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 of Table #1 of Annex I				8.2.8. Energy consumption and mix (E1-5)

ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		8.2.9. Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 of Table #1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		8.2.9. Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	8.2.10. GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		The information is not disclosed due to a transitional provision
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			The information is not disclosed due to a transitional provision
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			The information is not disclosed due to a transitional provision

ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		The information is not disclosed due to a transitional provision
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I Indicator number 3 Table #2 of Annex I				Insignificant
	Indicator number 7 Table #2 of Annex I				Insignificant
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 8 Table #2 of Annex I				
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 12 Table #2 of Annex I				Insignificant
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 6.2 Table #2 of Annex I				Insignificant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.1 Table #2 of Annex I				Insignificant
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 7 Table #1 of Annex I				Insignificant

ESRS 2 - SBM 3 - E4 paragraph 16 (a) i	Indicator number 10 Table #2 of Annex I				Insignificant
ESRS 2 - SBM 3 - E4 paragraph 16 (b)	Indicator number 14 Table #2 of Annex I				Insignificant
ESRS 2 - SBM 3 - E4 paragraph 16 (c) W	Indicator number 11 Table #2 of Annex I				Insignificant
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 12 Table #2 of Annex I				Insignificant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 15 Table #2 of Annex I				Insignificant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 13 Table #2 of Annex I				Insignificant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 9 Table #1 of Annex I				Insignificant
ESRS 2 SBM-3-S1 Risk of incidents of forced labor paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				8.3.3. Policies related to own workforce (S1-1)
ESRS 2 SBM-3-S1 Risk of incidents of child labor paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				8.3.3. Policies related to own workforce (S1-1)1
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				8.3.3. Policies related to own workforce (S1-1)

ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 21				Delegated Regulation (EU) 2020/1816, Annex II)	8.3.3. Policies related to own workforce (S1-1)
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				8.3.3. Policies related to own workforce (S1-1)
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				8.3.3. Policies related to own workforce (S1-1)
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				8.3.5. Processes for remedying the effects of negative impacts and channels for reporting concerns by own workforce (S1-3)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		8.3.15. Occupational health and safety metrics (S1-14)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				8.3.15. Occupational health and safety metrics (S1-14)

ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		8.3.17. Remuneration metrics (pay gap and total remuneration) (S1-16)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				8.3.17. Remuneration metrics (pay gap and total remuneration) (S1-16)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				8.3.18. Incidents, complaints and severe human rights impacts (S1-17)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		8.3.18. Incidents, complaints and severe human rights impacts (S1-17)
ESRS 2 SBM-3-S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Insignificant
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				Insignificant

ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex I				Insignificant
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Insignificant
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II)		Insignificant
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex I 18.2 Managing impacts, risks and opportunities				Insignificant
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I				Insignificant
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Insignificant

ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I				Insignificant
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex I				8.43. Policies related to consumers and end-users (S4-1)
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		8.4.3. Policies related to consumers and end-users (S4-1)
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I				8.4.6. Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4).
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I				8.5.3. Corporate culture and business conduct policies (G1-1)

ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I				8.5.3. Corporate culture and business conduct policies (G1-1)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II)		8.5.5. Prevention and detection of corruption and bribery (G1-3) and incidents of corruption or bribery (G1-4)
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I				8.5.5. Prevention and detection of corruption and bribery (G1-3) and incidents of corruption or bribery (G1-4)

8.1.12. Policies adopted by VeloBank to manage material sustainability matters (MDR-P)

The table below presents VeloBank's Policies relating to the defined material sustainability issues, described in accordance with the minimum disclosure requirements for the policies adopted to manage material sustainability issues. Policies related to individual material sustainability issues are also described in further chapters of the report, in the following disclosures: E1-2, S1-1, S4-1, G1-1.

Policy	Material scope	Personal scope	Responsibility	Accessibility	Reference to external standards and initiatives	Stakeholder engagement
1. Compliance Policy	The Policy contains, among others, information about: - the basic rules for ensuring compliance by all staff; - the organizational structure of the Compliance System, including the division of DZZ's roles and responsibilities; - main elements of the compliance risk management process - the scope, frequency and addressees of information on the method of fulfilment of tasks related to ensuring compliance, including compliance risk management reports; the types of measures taken if issues related to the application of the Policy have been identified, including corrective and disciplinary measures; - the rules of cooperation between DZZ and the equivalent functions in our subsidiaries with regard to compliance risk.	The Policy is addressed to the Group's employees	Compliance Department	Document Portal	Procedures applicable to reporting to the Polish Financial Supervision Authority on the Bank's activities under Article 70(2) of the Act on Trading in Financial Instruments as well as related to the conclusion of structured deposit contracts; Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU as well as Regulation (EU) No 600/2014 of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, together with the delegated and implementing acts as well as implementing national laws Directive (EU) 2016/97 of the European Parliament and of the Council of January 20, 2016 on insurance distribution, together with the delegated and implementing acts as well as implementing national laws Regulation (EU) No 1286/2014 of the European Parliament and of the Council of November 26, 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), together with the delegated and implementing acts	Any provisions and changes to the policy are always preceded by consultations with the Legal Department

2. Internal Control System Procedure	The procedure defines and establishes the purpose, organization and rules of operation of the internal control system at VeloBank S.A., taking into account the activities of subsidiaries to the extent that they affect the achievement of the general objectives of the Bank's internal control system. The bank's Management Board is responsible for the proper design, implementation and operation of an adequate and effective internal control system, adapted to the size and profile of the risk associated with the bank's operations	The procedure is to be followed by all employees of the Group within the scope of their competences.	Compliance Department	Document Portal	The Banking Law dated August 29, 1997 (consolidated text); Journal of Laws *Dz.U.* of 2023, item 180, as amended), Regulation of the Minister of Development and Finance of June 8, 2021 on the risk management system and internal control system and remuneration policy in banks (Journal of Laws *Dz.U.* of 2021, item 1045), Recommendation H of the Polish Financial Supervision Authority on the internal control system in banks (Journal of Laws *Dz.U.* of 2021, item 1045), Recommendation H of the Polish Financial Supervision Authority on the internal control system in banks (Official Journal of the Polish Financial Supervision Authority of 2017, item 7), Recommendations on the functioning of the audit committee, prepared by the Polish Financial Supervision Authority (Rekomendacje-komitet_audytu.pdf (knf.gov.pl)), Accounting Act of September 29, 1994 (consolidated text: Journal of Laws *Dz.U.* of 2023, item 120, as amended), the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight (consolidated text: Journal of Laws *Dz.U.* of 2022, item 1302, as amended), Act of July 29, 2005 on Trading in Financial Instruments: (consolidated text: Journal of Laws *Dz.U.* of 2024, item 722, as amended) Global Internal Audit Standards of The Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors, IIA.	Any provisions and changes to the procedure are always preceded by consultations with the Legal Department

3. Ethical Values, Conflict of Interest and Gift Management Policy, including the Set of Procedures	The Code of Ethics describes ethical and professional standards. It also takes into account the values that guide us every day at work, both in our internal relations and in cooperation with customers, business partners, contractors and the local community. The Bank's values: Entrepreneurship, Openness, Reliability, Trust	The Policy applies to all employees of the Group, regardless of their position and form of employment, as well as persons acting for or on behalf of the bank, the bank's capital group, members of the Supervisory Board and members of the Bank's Management Board.	Compliance Department	Document Portal	"Policy Governing the Suitability Assessment of the Key Function Holders at the Bank" having regard to ESMA Guidelines 35-36-2319 EBA/GL/2021/06 on the assessment of suitability of members of the management body and persons performing key functions, with regard to elements related to conflicts of interest Principles of Good Banking Practice adopted by the General Meeting of the Polish Bank Association (ZBP) and constituting the code of ethics for the banking professional community, the Recommendation of the Banking Ethics Committee at the Polish Bank Association on the development of Ethical Culture in Banks, the Recommendations of the Banking Ethics Committee at the Polish Bank Association for the banking sector in the field of senior citizen service, Recommendation Z on the principles of internal governance in banks and the Guidelines of the European Banking Authority (EBA) on EBA/GL/2021/05.	Any provisions and changes to the policy are always preceded by consultations with the Legal Department
4. ESG and Sustainability Policy	The Policy contains, among others, information about: - defining ESG goals, - ESG risk identification and analysis, - monitoring environmental, social and governance issues in the bank's operations, - development of knowledge of bank employees and ESG training, - reporting on the bank's approach to managing sustainability and ESG issues, as well as its performance in this area.	The Policy applies accordingly to all employees of the Group.	ESG Office	Document Portal	The Principles of Corporate Governance for Supervised Institutions of the Polish Financial Supervision Authority WSE guidelines set out in the document Code of Best Practice for WSE Listed Companies 2021 [§]. 17 Sustainable Development Goals for 2015-2030 [§] (SDGs or Global Goals). The Greenwashing Directive, published on March 6, 2024, amends Directive 2005/29/EC on unfair business-to-consumer commercial practices in the internal market and Directive 2011/83/EU on consumer rights	Any provisions and changes to the policy are always preceded by consultations with the Legal Department and the Compliance Department
5. Personal Data Security Policy	The "Personal Data Security Policy" (PBDO) sets out the rules that ensure the security of personal data in the bank's operations. It describes the rules related to the processing of personal data in the bank's operations.	The Policy applies accordingly to all employees of the Group, in accordance with the competences of the	Security Department – Data Security Team	Document Portal	Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) Official Journal L No. 119, p. 1)	The Personal Data Security Policy is reviewed by selected units: Department of Safety, which analyzes its compliance with applicable safety standards and legal standards. The units make their comments and recommendations to ensure that

	The purpose of the PBDO is to determine the optimal security rules in the processing of personal data, both in its traditional form and in the bank's IT systems, in accordance with the bank's business requirements, personal data protection regulations, internal regulations and obligations arising from contracts.				Act of May 10, 2018 on the protection of personal data, Journal of Laws *Dz.U.* of 2018, item 1000, as amended. d.	the policy will adequately protect the interests of the Bank and data subjects
6. The Bank's Product Offering Management Policy	The Bank's Product Offering Management Policy lays down consistent rules for the introduction, offering and monitoring of banking products, investment products, insurance products with an investment element, protection insurance products, banking services, investment services and treasury products as well as their modification, re-edition or withdrawal from the offering.	This Policy is to be followed by all of the Bank's staff within the scope of their competence.	Bank	Document Portal	Directive 2014/65/EU, known as the Markets in Financial Instruments Directive (MiFID II) Markets in Financial Instruments Regulation Insurance Distribution Directive Directive (EU) 2019/882 of the European Parliament and of the Council of April 17, 2019 on accessibility requirements for products and services Guidelines for the EAA Directive in accordance with the Act of July 19, 2019 on Ensuring Accessibility for Persons with Special Needs Laws, prudential regulations, guidelines and recommendations of supervisory institutions (KNF, UOKIK, EBA, ESMA and EIOPA, UODO)	Any provisions and changes to the policy are always preceded by consultations with the Legal Department, the Compliance Department, the Risk Management Division, the Retail and Corporate Banking Division, and the Banking Products Area
7. Remuneration Policy of VeloBank S.A. with an appendix in the form of the Variable Remuneration Policy for persons holding managerial positions and other positions affecting risk at VeloBank S.A.	The purpose of the policy is to define consistent and transparent general assumptions regarding the remuneration of VeloBank S.A. Employees, as well as to define the required remuneration rules, including variables for individual categories of persons whose professional activities have a material impact on the Bank's risk profile.	The Policy is addressed to the Group's employees	HR Department, The Management Board of the Bank is responsible for updating the Remuneration Policy	Intranet Document Portal	The Remuneration Policy fulfills the obligation set out in Article 9ca(1) of the Banking Law (consolidated text: Journal of Laws *Dz.U.* of 2023, item 2488, as amended) and incorporates the principles laid down in Articles 92 and 94 of Directive 2013/36/EU and in the EBA Guidelines dated July 2, 2021 (EBA/GL/2021/04), in particular with regard to the applicable requirements specified in the table contained in Annex 1 to the aforementioned Guidelines, ESMA Guidelines on certain aspects of the MiFID II remuneration requirements ESMA35-433565, as well as requirements arising from the relevant provisions of Recommendation Z of the Polish Financial Supervision (Recommendation No. 15). This Remuneration Policy fulfills the obligation set out in Article 9ca(1) of the Banking Law (consolidated text: Journal of Laws *Dz.U.* of 2023, item 2488, as amended) and incorporates the principles laid down in Articles 92 and 94 of Directive 2013/36/EU and in the EBA Guidelines dated July 2, 2021 (EBA/GL/2021/04), in particular with regard to	Management Board of the Bank, Internal Audit Unit, Human Resources Department

					the applicable requirements specified in the table contained in Annex 1 to the aforementioned Guidelines, ESMA Guidelines on certain aspects of the MiFID II remuneration requirements ESMA35-433565, as well as requirements arising from the relevant provisions of Recommendation Z of the Polish Financial Supervision (Recommendation No. 15). The Regulation of the Minister of Finance, Funds and Regional Policy dated June 8, 2021 regarding the risk management system, internal control system and remuneration policies at banks (Journal of Laws *Dz.U.* of 2021, item 1045).	
8. Complaint Handling Procedure	The procedure contains a description of the activities related to handling complaints.	Bank employees involved in the complaint handling process.	Operations Area	Document Portal	Act of August 5, 2015 on Complaint Handling by Financial Market Entities, on the Financial Ombudsman and on the Financial Education Fund	Any provisions and amendments to regulations are always preceded by consultations with the Legal Department and the Compliance Department and, depending on the type of change, with the Bank's departments participating in the complaint process to which the changes relate.
9. Whistleblowing procedure	The procedure includes: - basic rules for reporting violations, including anonymously, - what should be included in the internal application, - who is the whistleblower and the person associated with the whistleblower, - the rights of the persons to whom the report relates, - rules for handling internal reports, - the principles of confidentiality and objectivity, - information on making external notifications / valid from 25.12.2024.	The policy is addressed to Whistleblowers.	Compliance Department	Bank website	The Procedure is an internal reporting procedure referred to in Article 25(1) of the Whistleblower Protection Act dated June 14, 2024, as well as the procedure for anonymous reporting of breaches referred to in Article 9(2a) of the Banking Law dated August 29, 1997 and Section 46(4) of the Regulation of the Minister of Finance, Funds and Regional Policy dated June 8, 2021 regarding the risk management system, internal control system and remuneration policies at banks	Any provisions and changes to the procedure are always preceded by consultations with the Legal Department

10. The Procedure Governing the Preparation, Approval and Publication of Marketing Materials for Investment Products	The Procedure Governing the Preparation, Approval and Publication of Marketing Materials for Investment Products at the bank sets out the rules of conduct in the process of ordering, creating, accepting and publishing; archiving marketing materials in the process; role, tasks and responsibilities of the Bank's organizational units participating in the process. The purpose of the procedure is to improve the work of organizational units and to ensure that marketing materials are produced in conformity with generally applicable laws, regulatory guidelines as well as other market and industry standards and practices regarding the creation of marketing materials, and to prevent adverse impacts of breaches of the regulations, guidelines and standards, including regulatory financial sanctions and reputational risk.	The Policy applies accordingly to all employees of the Group, in accordance with the competences of the	Department of Communic ation and Marketing	Document Portal	Act of April 23, 1964. Civil Code (KC) Act of August 23, 2007 on Counteracting Unfair Market Practices Act of April 16, 1993 on Combating Unfair Competition Act of February 16, 2007 on Competition and Consumer Protection Act of February 4, 1994 on Copyright and Related Rights Act of June 30, 2000 on Industrial Property Law Banking Law Act of August 29, 1997 The Broadcasting Act of December 29, 1992 The Press Law Act of January 26, 1984 Act of December 15, 2017 on insurance distribution Act of July 29, 2005 on Trading in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU Commission Delegated Regulation (EU) 2017/565 of April 25, 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive Directive (EU) 2016/97 of the European Parliament and of the Council of January 20, 2016 on insurance distribution The Regulation of the Minister of Finance dated September 24, 2012 regarding the procedure and operating conditions for investment firms, the banks referred to in Article 70(2) of the Act on Trading in Financial Instruments as well as custodian banks	Any decisions and changes to the procedure are preceded by consultations with the Legal Department and the Compliance Department and, depending on the type of change, with the relevant units of the Bank participating in the process to which the changes relate.

11.Bancassurance Policy of VeloBank S.A.	The purpose of the policy is to define the directions of development and standards for the implementation, offering and servicing of insurance products. The policy specifies: 1) the bancassurance business model adopted by the Bank; 2) standards and principles of cooperation between the Bank and insurance companies; 3) rules for managing the offer of insurance products; 4) the principles of building the Bank's relations with its clients; 5) the standards of monitoring and controlling the bancassurance business model in place as well as protection of the Bank against risks associated with bancassurance activities	applies to all Bank employees in accordance with their competences	Bancassurance Office	Document Portal	Act of December 15, 2017 on insurance distribution (Journal of Laws *Dz.U.* of 2019, item 1881) Act of September 11, 2015 on insurance and reinsurance activity (Journal of Laws *Dz.U.* of 2015, item 1844) Recommendation U on best practices in bancassurance, Warsaw, 2023, Commission Delegated Regulation (EU) 2021/1257 of April 21, 2021 amending Delegated Regulations (EU) 2017/2358 and (EU) 2017/2359 as regards the integration of sustainability factors, risks and preferences into the product oversight and governance requirements for insurance undertakings and insurance distributors and into the rules on conduct of business and investment advice for insurance-based investment products.	The provisions and amendments to the regulations are preceded by consultations with the following units of the Bank: Legal Team, Banking Activity and Product Offering Compliance Team, Operational Risk Management Team, Data Protection Officer, Training Unit, Investment Products Team, Procedure Management Unit
11. Work Regulations	The Work Regulations (hereinafter, the Regulations) set out the organization and order of work for all employees of VeloBank S.A. along with the related rights and obligations of the employer and employees.	The Regulations are addressed to the Bank's employees	Head of the Human Resources Department	Intranet Document Portal Employment contract (it is required to read the regulations before signing the contract)	Regulations are developed on the basis of the Labor Code. Internal regulations in the field of ethics and safety, Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation, GDPR)	Any provisions and amendments to the regulations are preceded by consultations with VeloBank Employee Representatives
13. Remote Work Regulations at VeloBank S.A.	The Remote Work Regulations of VeloBank S.A. define the rules for remote work and the related rights and obligations of employees and the employer.	The Rules and Regulations are used by all employees of the Bank, in accordance with their competences.	Human Resources Department	Intranet Document Portal Agreeing on remote work (it is necessary to read the regulations when agreeing remote work with the employer)	Code of Ethics internal regulations on safety and health and safety, provisions of national law to support parents of children	All provisions and changes to the regulations are preceded by consultations with VeloBank Employee Representatives.

14. Remuneration Regulations for the Bank's Staff	The Regulations lay down the rules for remunerating and awarding other monetary benefits to staff employed at the Bank based on an employment relationship.	The provisions of the Regulations are applicable to all staff of the Bank with its registered office in Warsaw, except the President of the Management Board of the Bank and Members of the Management Board of the Bank. The Management Board of the Bank	Human Resources Department	Intranet Document Portal	Code of Ethics The Remuneration Policy of VeloBank S.A. Act of March 4, 1994 on the Company Social Benefits Fund (Journal of Laws *Dz.U.* of 1996 No. 70, item 335, as amended) together with relevant regulations	Any provisions and amendments to the regulations are preceded by consultations with Representatives of VeloBank Employees
15. Policy Governing the Suitability Assessment of the Key Function Holders at the Bank	Its purpose is to establish transparent and uniform rules for the appointment, succession and assessment of suitability of the key functions holders at the Bank. The Policy has introduced best practices in the appointment (including qualification and recruitment requirements), succession and suitability assessment of members of the Supervisory Board, members of the Management Board, persons playing a significant role in the day-to-day management of the Bank as well as candidates for the key functions at the Bank. In particular, it concerns the rules for appointing persons to perform the most important functions in the bank, including the rules of succession and conducting suitability assessments.	The policy is addressed to the Management Board, the Supervisory Board, persons performing the most important functions in the management of the bank, i.e. persons identified as Material Risk Takers.	Management Board Office Human Resources Department	Document Portal	The policy was developed on the basis of the Act of August 29, 1997 the Banking Law, taking into account: 1) Guidelines on the assessment of suitability of members of the management body and key function holders (EBA/GL/2021/06), 2) Guidelines on Internal Governance (EBA/GL/2017/11), 3) Recommendation Z regarding the principles of internal governance at banks, issued by the Polish Financial Supervision Authority; 4) The Methodology for the assessment of suitability of the members of the bodies of entities supervised by the KNF 5) Variable Remuneration Policy for Holders of Management Functions and Other Functions with a Material Impact on Risks at VeloBank S.A. referred to in Article 9ca of the Banking Law Act of August 29, 1997.	Human Resources Department, Management Board Office
16. Anti-Mobbing Procedure	The Anti-Mobbing Procedure has been designed to prevent mobbing, harassment and sexual harassment, and defines the rules of conduct in situations where mobbing, harassment or sexual harassment has been reported at the Bank.	The procedure covers all employees of the bank.	Human Resources Department	Dedicated e-peering training repeated annually, Intranet Document Portal	1) The Act of June 26, 1974 The Labor Code (i.e. Journal of Laws *Dz.U.* of 2020, item 1320) 2) The Act of December 3, 2010 on the implementation of certain provisions of the European Union in the field of equal treatment (i.e. Journal of Laws *Dz.U.* of 2020, item 2156)	Provisions and amendments to the regulations are preceded by consultations with the following units of the Bank: Compliance Department, Legal Department, Security Department, Human Resources Department

17. Recruitment and Hiring Procedure	The procedure specifies: the rules for acquiring and selecting candidates as well as recruiting and hiring staff, in addition to the rules for business unit – HR collaboration in the processes concerned.	The rules are addressed to the bank's employees, in particular the Group's team managers	Human Resources Department	Document Portal	Code of Ethics Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)	Internal consultations with unit managers
18. Principles of Professional Development of the Bank's Staff	The document defines the rules for using the Bank's development offer, with a particular focus on mandatory industry training in various areas of the banking activity.	The rules are addressed to the bank's employees	Training Unit in the Human Resources Department	Intranet Document Portal	N/A	N/A
19. Social Benefits Fund Regulations	The Social Benefits Fund Regulations set out the rules for the use of the Social Benefits Fund by staff, the scope of assistance provided, types of social benefits and rules for granting/making social benefits available.	The Regulations are addressed to the Bank's employees	Human Resources Department	Intranet Document Portal A dedicated mailbox for correspondenc e with employees on matters related to the fund's activities and the Company Social Benefits Fund Commission	The Act of March 4, 1994 on the Company Social Benefits Fund (Journal of Laws *Dz.U.* of 2019, item 1352). With regard to the processing of personal data concerning health: Article 9 para. 1 of the Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Official Journal L 119 of 04.05.2016, p. 1, as amended)	All provisions and changes to the regulations are preceded by consultations with VeloBank Employee Representatives.
20. Information Security Policy	The Information Security Policy sets out the basic rules to be followed with respect to the information security management system put in place at the Bank.	Each employee of the Bank is obliged to read the policy and detailed documents of the policy and comply with the provisions contained therein.	Security Department	Document Portal	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC; Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) The Banking Law dated August 29, 1997, as amended The Act on Investment Funds and Alternative Investment Fund Management dated May 27, 2004 The Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction	In accordance with the requirements of the Internal Regulations Drafting Procedure, the document is subject to review by the Security Department, the Data Protection Officer, the Procedure Management and IT Department. The approval process before submission to the Management Board is attended by the DBO Director and the Member of the Management Board responsible for the area.

					of Financial Instruments to Organized Trading, and Public Companies, Act of July 5, 2018 on the National Cybersecurity System, The Act of May 10, 2018 on the Protection of Personal Data, The Act of July 27, 2001 on the Protection of Databases, Act of July 18, 2002 on the provision of electronic services; Act of September 5, 2016 on trust services and electronic identification, Accounting Act of September 29, 1994, Act of February 4, 1994 on Copyright and Related Rights Act of April 16, 1993 on Combating Unfair Competition The Act of August 19, 2011 on payment services, Act of July 29, 2005 on Trading in Financial Instruments Act of August 5, 2010 on the Protection of Classified Information, Reinsurance Regulation of the Council of Ministers of October 26, 2004 on the method of creating, recording, transferring, storing and securing documents related to banking activities, prepared on electronic data carriers, Regulation of the Prime Minister of July 20, 2011 on the basic requirements of ICT security, Regulation of the Minister of Development and Finance of March 6, 2017 on the risk management and internal control system, remuneration policy and the detailed method of estimating internal capital in banks. Resolutions and Recommendations of the Polish Financial Supervision Authority Recommendation D concerning the management of the areas of information technology and ICT security in banks (Warsaw, January 2013) Resolution No. 7/2013 of the Polish Financial Supervision Authority of January 8, 2013 (Official Journal of the Polish Financial Supervision Authority of 2013, item 5). Recommendation M on operational risk management in banks (Warsaw, January 2013) Resolution No. 8/2013 of the Polish Financial	

				Supervision Authority of January 8, 2013 (Official Journal of the Polish Financial Supervision Authority of 2013, item 6). Recommendations on the security of online payments, concerning the minimum requirements covering transactions made via the Internet through payment card payments, transfer orders, direct debits and transfer of electronic money between accounts used for handling electronic money (Letter of the Polish Financial Supervision Authority (KNF Letter DIB/WOR/7113/2/7/14/MG).	
21. Data Leak Protection Policy	The Data Leak Protection Policy describes the solutions and measures applied by the Bank that use sets of rules to monitor and provide protection against data loss (from any media available directly in physical devices or via the network), regardless of the location of the data or users and the network access method.	This policy covers the Bank.	Security Department	Intranet Document Portal	Obligations in the field of information protection resulting from the provisions of the Act of August 29, 1997. Banking Law), GDPR, the Act and supervisory requirements set out in the resolutions and recommendations of the Polish Financial Supervision Authority, including Recommendation D on the management of the areas of information technology and security of the ICT environment in banks, adopted by Resolution No. 7/2013 of the Polish Financial Supervision Authority of January 8, 2013.	The document is subject to review by the DBO and DPO. The approval process before submission to the Management Board is attended by the DBO Director and the Member of the Management Board responsible for the area.
22. Supplier ESG Code	Sets out expectations for cooperation in the field of the manner in which the Bank’s suppliers operate in the environmental, social and regulatory areas.	The policy is addressed to suppliers	Central Purchasing Office	Intranet Document Portal	Universal Declaration of Human Rights, • International Labor Organization standards, • OECD Guidelines (especially on the fight against corruption), • Rio Declaration on the Environment and Development – Agenda 21, • United Nations Convention against Corruption, • International trade sanctions or embargoes, including sanctions that may apply as a result of a resolution adopted in accordance with Chapter VII of the Charter of the United Nations by the Security Council or sanctions imposed by the European Union.	All provisions and changes to the regulations are preceded by consultations with interested VeloBank units.
23. VeloBank’s Code of Ethics	We wish to build HIGH ethical and professional STANDARDS, which is why we have defined the VALUES that guide us every day at work, both in our internal relations and in cooperation with customers,	The Code is addressed to Group Employees, associates and contractors	Compliance Department Human Resources Department	Intranet Document Portal Employee evaluation system (annual evaluation	As a public trust institution, we always act IN ACCORDANCE WITH THE LAW, taking into account supervisory recommendations and recommendations, best banking practices, as well as standards provided for in the Code of Banking Ethics, adopted by the Polish Bank Association	In the creation of the current Code of Ethics, employees were not directly involved. The adopted values were communicated through various engaging proposals, which allowed for understanding

	business partners, contractors and the local community. The Bank's values: Entrepreneurship, Openness, Reliability, Trust			focuses on employee behavior supporting the bank's values)	and the Recommendation of the Banking Ethics Committee at the Polish Bank Association on the development of an Ethical Culture in Banks.	and coherence of the approach to the applicable ethical principles.
24. Procedure Governing the Preparation, Approval and Publication of Marketing Materials at the Bank. General Rules for Advertising Banking Products and Services for All Product Types.	Procedure Governing the Preparation, Approval and Publication of Marketing Materials at the Bank applies to all products of the Bank. The Procedure sets out the rules of conduct in the process of ordering, creating, accepting and publishing; archiving marketing materials in the process; role, tasks and responsibilities of the Bank's organizational units participating in the process. The purpose of the procedure is to improve the work of organizational units and to ensure compliance of marketing materials with generally applicable laws, regulatory guidelines as well as other market and industry standards and practices regarding the creation of marketing materials, and to prevent adverse impacts of breaches of the regulations, guidelines and standards, including regulatory financial sanctions and reputational risk.	The Policy applies accordingly to all employees of the Bank, in accordance with the competences of the	Department of Communicatio n and Marketing	Document Portal	Act of April 23, 1964. Civil Code (KC) Act of August 23, 2007 on Counteracting Unfair Market Practices Act of April 16, 1993 on Combating Unfair Competition Act of February 16, 2007 on Competition and Consumer Protection Act of February 4, 1994 on Copyright and Related Rights Act of June 30, 2000 on Industrial Property Law Banking Law Act of August 29, 1997 The Broadcasting Act of December 29, 1992 The Press Law Act of January 26, 1984 Act of December 15, 2017 on insurance distribution Act of July 29, 2005 on Trading in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU Commission Delegated Regulation (EU) 2017/565 of April 25, 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive Directive (EU) 2016/97 of the European Parliament and of the Council of January 20, 2016 on insurance distribution The Regulation of the Minister of Finance dated September 24, 2012 regarding the procedure and operating conditions for investment firms, the banks referred to in Article 70(2) of the Act on Trading in Financial Instruments as well as custodian banks	Any decisions and changes to the procedure are preceded by consultations with the Legal Department and the Compliance Department and, depending on the type of change, with the relevant units of the Bank participating in the process to which the changes relate.

25. Anti-Money Laundering and Counter-Terrorism Financing Procedure	The procedure defines the implementation of the Bank's obligations in the field of AML/CTF legal provisions for the Bank's staff and intermediaries.	The procedure is addressed to the Group's employees and intermediaries	Security Department	Document Portal	1) The Act on Prevention of Money Laundering and Terrorist Financing dated March 1, 2018, as amended; 2) Directive (EU) 2018/843 of the European Parliament and of the Council of May 30, 2018, amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/WE and 2013/36/EU with the delegated Regulations; 3) Regulation (EU) 2023/1113 of the European Parliament and of the Council of May 31, 2023, regarding accompanying information for transfers of funds and certain crypto-assets and changes to Directive (EU) 2015/849	The changes are agreed in the process of issuing opinions with the Bank's units concerned.
26. Anti-Money Laundering and Counter-Terrorism Financing Group Procedure	The procedure defines the implementation of the Bank's obligations in the field of AML/CTF legal provisions for subsidiaries.	The procedure is addressed to subsidiaries	Security Department	E-mail distribution by BZA to subsidiaries	1) The Act on Prevention of Money Laundering and Terrorist Financing dated March 1, 2018, as amended;	Changes are agreed in the process of issuing opinions with selected units of the Bank, subsidiaries do not participate in issuing opinions.
27. Educational Policy for Electronic Banking Users on the Secure Use of Electronic Channels	The aim of the policy is to increase customer awareness of the risks associated with electronic banking.	Bank employees involved in the process of educating clients on the safety of using electronic channels	Digital Banking Department	Document Portal	n/a	All provisions and changes to the regulations are preceded by consultations with interested VeloBank units.

8.2. *Climate change (E1)*

8.2.1. E1.GOV-3 Integration of sustainability-related performance in incentive schemes

In 2024, climate-related considerations were not factored into the remuneration of members of the administrative, management and supervisory bodies.

8.2.2. Transition plan for climate change mitigation (E1-1)

The VeloBank Group has not put a transition plan for climate change mitigation in place. The Group intends to develop a transition plan within the next 2 years.

8.2.3. E1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In the process of identification of impacts, risks and opportunities under E1 – Climate Change, seven material matters were identified, including two opportunities. These matters were next grouped into three thematic areas (and described in detail under SBM-3):

1. Climate change adaptation – a negative impact arising from our portfolio has been identified in this area.

2. Climate change mitigation – a negative impact arising from our portfolio, a positive impact on climate change mitigation arising from the offering of products supporting clients in the implementation of decarbonization measures and an opportunity related to the reduction of the Bank's carbon footprint have been identified in this area.

3. Energy – a positive impact related to the integration of energy consumption reduction in the requirements for suppliers, as well as a positive impact related to the use of green energy in our branches and head office have been identified in this area. We have also identified an opportunity to reduce costs as a result of an internal reactive energy compensation project.

The VeloBank Group has not identified any material climate-related risks. An analysis of the resilience of the VeloBank Group's strategy and business model in relation to climate change has not been conducted. It is planned to be performed in 2025.

The Bank's Management Board approves the results of materiality assessment of impacts, risks and opportunities.

8.2.4. E1.IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

A general description of the processes to identify and assess material impacts, risks and opportunities has been provided in Section "8.1.10. Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)".

In the context of climate change, the VeloBank Group has analyzed the impact of the loan portfolio on climate-related considerations, including greenhouse gas emissions resulting from these activities, using the UNEP FI Impact Analysis tool.

The VeloBank Group has not conducted a detailed analysis of climate-related physical or transition risks. VeloBank intends to integrate an analysis of climate-related risks in the risk management process in 2025.

8.2.5. Policies related to climate change mitigation and adaptation (E1-2)

The ESG Policy is the key internal regulation applicable to the management of material climate-related impacts, risks and opportunities. It sets out the principles and course of action on ESG matters, including climate change mitigation. In line with the ESG Policy, VeloBank strives to reduce Scope 1 and 2 greenhouse gas emissions, in addition to monitoring and reporting Scope 3 emissions. The document also addresses environmental considerations in the context of the Bank's offering and educational activities, as well as supporting clients on their pathway toward low-carbon footprint. Information on the MDR-P policy requirements has been provided in the policy table, in the General Disclosures (ESRS 2) Section.

Relevant areas addressed: Climate change mitigation

Environmental considerations in the Bank's own activities

We make every effort to ensure that our business activities have the least possible impact on the natural environment and its resources – we look at the possibilities of reducing the consumption or reusing such raw materials as water, plastic, paper or energy. In our decisions and actions, we want to reduce the consumption of raw materials and the generation of waste produced as a result of our operations. We are committed to reducing greenhouse gas emissions in our activities. We monitor and report the level of Scope 1 and Scope 2 greenhouse gas emissions resulting from our operations. We aim to monitor and report emissions that are indirectly related to our activities (Scope 3), e.g. in connection with the choice of public transport for our employees' business travelling.

Environmental considerations in the Bank's offering and educational activities

We are actively looking at the possibilities of expanding our offering aimed at promoting and supporting low-carbon footprint among our clients. One of the services we offer in this area is preferential agreements with housing communities to carry out green investment projects. We are introducing green banking products and services to our offering to support climate and environmental protection. This way, we encourage our retail and business clients to choose pro-ecological solutions. We want our responsible and sustainable products to have a positive impact on the environment, including the social one. These will be products and services available to groups that are at risk of exclusion, aimed at promoting entrepreneurship and social innovation. We promote environmental matters and pro-ecological attitudes in the communication and educational activities addressed to our staff, clients, suppliers and local communities. Examples include the "go digital – don't print" or the "waste segregation" campaigns. We are involved in social initiatives that are eco-friendly and pro-environmental in nature.

8.2.6. Actions and resources in relation to climate change policies (E1-3)

Disclosure of climate change mitigation and adaptation actions and the resources allocated for their implementation

VeloBank supports a positive impact on environmental change. To this end, it offers clients products that support the environment, such as:

- cash loans for photovoltaics and the eco-loan (installment loan distributed by intermediaries);

- car loans for electric and hybrid vehicles.

The products offered allow clients to finance their actions aimed to reduce emissions and improve energy efficiency on competitive terms.

The Bank has prepared a list of industries that are excluded from financing. It is verified whether borrowers applying for a loan do not conduct the activities included in the list of prohibited industries, which is an element of the credit decision-making process in conformity with the Creditworthiness Assessment Procedure for individual client segments. The list of prohibited industries includes, but is not limited to, the mining industry, the petrochemical industry, the fossil fuel energy sector, manufacturers of steel and steel products, and selected branches of the chemical sector. By excluding carbon-intensive industries from its portfolio, VeloBank reduces emissions generated in the value chain through the provision of financing to carbon-intensive activities. In 2024, the above-mentioned actions were formalized and adopted in a procedure setting out the list of prohibited industries and in the sustainable loan granting criteria.

The credit decision-making process includes an analysis of the impact of the undertaking's activities on environmental and social factors. By taking into account environmental factors when making credit decisions, VeloBank reduces the negative impact of its loan portfolio on climate change.

The electricity used in the Bank's branches and head office is derived in whole from renewable energy sources. The Group holds certificates of origin for the energy it consumes. In addition, a reactive power compensation project is being carried out in twenty-five of VeloBank's branches. The project is expected to achieve a reduction in energy consumption.

The VeloBank Group has decided to replace the cars it uses with hybrid ones, which will reduce greenhouse gas emissions generated by its fleet. The replacement is to take place when the existing car leasing contracts expire. The process will begin in April 2025, in line with the existing lease expiry schedule, and is planned to end on September 30, 2025.

The VeloBank Group also takes actions to reduce its impact on climate change at a higher level of the value chain. In the supplier selection process, potential counterparties complete an ESG survey which includes questions about their impact on the environment, society, workforce and compliance with legal requirements. Upon contract conclusion, each service provider undertakes to comply with the principles of social responsibility and sustainable development and is provided access to the supplier ESG code of conduct.

8.2.7. Targets related to climate change mitigation and adaptation (E1-4)

The VeloBank Group has no formal targets related to climate change mitigation and adaptation, or greenhouse gas reduction targets. Analyses of emission reduction opportunities are performed and actions taken in the course of its day-to-day operations.

8.2.8. Energy consumption and mix (E1-5)

Energy consumption and mix disclosure

Energy consumption in MWh	VeloBank Group
Fuel consumption from coal and coal products	28,514.09
Fuel consumption from crude oil	5,070.58
Fuel consumption from natural gas	479.48
Fuel consumption from other fossil sources	0
Total energy consumption from fossil sources	34,358.58
Share of fossil sources in total energy consumption (%)	87.14%
Total energy consumption from nuclear sources	0
Fuel consumption from renewable sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	5,072.18
Consumption of self-generated non-fuel renewable energy	0
Total energy consumption from renewable sources	5,072.18
Share of renewable sources in total energy consumption (%)	12.86%
TOTAL ENERGY CONSUMPTION	39,430.76

The VeloBank Group does not conduct its operating activities in high climate impact sectors. However, the Bank provides financing to entities that engage in activities aimed at reducing energy consumption and increasing the share of renewable energy. Net revenues from activities financing high climate impact sectors are not presented separately in our financial statements, though.

8.2.9. Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

Emissions of CO2, tCO2 eq	VeloBank Group
Scope 1	**1,719.13**
of which percentage of GHG emissions from regulated emission trading schemes (%)	-
Scope 2	
location-based	**5,828.04**
market-based	**493.03**
Significant Scope 3 emissions	
Category 1: Purchased goods and services	8,728.78
Category 2: Fixed assets	42,136.95
Category 3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	1,980.42
Category 5: Waste generated in operations	2,070.3
Category 6: Business traveling	663.76
Category 7: Employee commuting	1,418
Category 13: Leased assets (finance leases)	10,505.23
Category 15: Investments (financed emissions)	124,841.33
Scope 3 (total)	**192,344.78**
Total GHG emissions (location-based)	**199,891.96**
Total GHG emissions (market-based)	**194,556.95**

The carbon footprint calculation methodology used in the report is in line with the GHG Protocol. The standard sets boundaries for reporting and managing greenhouse gas emissions.

Scopes 1 and 2

Scope 1 GHG emissions include direct emissions, i.e. emissions that occur from the combustion of fuels in energy and process sources as well as vehicles that belong to and are controlled by the organization, but also emissions related to the loss of refrigerants, e.g. from air conditioning equipment.

On the other hand, Scope 2 GHG emissions include indirect energy emissions that are related to electricity, heat, process steam or cooling purchased by the organization. Hence, these are emissions that occur outside the organization, in sources owned or controlled by other entities.

The process of calculating the carbon footprint of the VeloBank Group began with the identification of facilities controlled by the organization that are the source of direct emissions related to combustion from mobile machines, and indirect ones, as well as those associated with purchases of electricity.

Scope 1 includes fleet data reported based on fuel (gasoline and diesel) consumption. The consumption of natural gas and coal in stationary machines was also factored in.

Scope 2 includes the amount of energy and heat consumed, reported using the quantitative method on the basis of invoice data.

Scope 3

The data used for the calculation of Scope 3 emissions were derived from a variety of sources:

- internal departments of the organization, including administration, HR, procurement, IT, finance, fleet and travel;
- service providers and external partners, such as transport companies, property managers or energy and utility providers;
- industry and public databases, including, but not limited to, DEFRA, AIB and Ecoinvent – used to assign standard emission factors in the absence of primary data;
- staff surveys conducted to collect such data as employee commuting and business traveling;
- emission factors assigned to industry sectors, used for financed or indirect emissions;
- statistics and estimates – used where access to detailed data was limited, in accordance with the prudence principle.

For category 15, the calculations were carried out in accordance with the applicable standards and guidelines based on the GHG Protocol and the detailed methodology developed by the Partnership for Carbon Accounting Financials (PCAF) The Global GHG Accounting and Reporting Standard for the Financial Industry, part A "Financed Emissions" (December 2022).

Based on the initial materiality assessment, a decision was made to exclude category 4, 8, 9, 10, 11, 12 and 14 emissions from the calculation. Justification is provided in the below table.

Scope 3 category	Description	Justification if excluded
4	Upstream transportation and distribution	*This category is considered immaterial due to the specific nature of the Bank's operations, which do not include logistics processes or transportation of physical raw and other materials. The Bank's purchases include mainly intangible services and products (e.g. IT, consulting and operational services), which does not generate significant emissions in this area. In addition, when reporting emissions related*

		to purchased goods and services, the Bank relied on the expenditure method, which did not allow it to separate the transportation costs from the product's value. Consequently, transportation-related emissions, if any, have been included on an aggregate basis in Category 1 (Purchased goods and services), and not presented separately in Category 4.
8	Operating leases	*The identified operating leases (e.g. office space and IT equipment) have partially been included in other categories, such as purchased goods and services or consumption of utilities.*
9	Downstream transportation and distribution	*This category is not material due to a lack of any physical products or goods distributed to clients. The financial services offered by the Bank are intangible and do not generate emissions related to physical transportation.*
10	Processing of sold products	*The Bank's activities do not include the sale of products that require processing on the part of its clients. The financial products and services offered are not tangible and therefore do not generate any significant emissions in this category.*
11	Use of sold products	*Given the intangible nature of banking services (e.g. loans, accounts or electronic banking), this category does not generate any significant emissions. The use of these products does not involve energy consumption or emissions on the part of the client that could be attributed to the Bank.*
12	End-of-life treatment of sold products	*The Bank does not offer physical products whose life cycle would end at the client's site. As such, there are no emissions associated with the disposal or end-of-life treatment of sold products.*
14	Franchises	*The Bank carries on franchise activities, but full operational control is exercised over all franchise units. Therefore, in accordance with the principle of setting organizational boundaries based on operational control (GHG Protocol), emissions from the franchise units have been included in whole in own emissions (Scope 1, 2 or 3) and they are not reported separately in this category.*

GHG intensity	2024
Net revenue used to calculate GHG intensity (PLN '000)	4,320,701
GHG intensity (location-based) (tCO2 eq / PLN '000)	0.0463
GHG intensity (market-based) (tCO2 eq / PLN '000)	0.0450

Net revenue equals PLN 4,320,701 thousand, which is the sum of the following line items of the Financial Statements of the VeloBank S.A. Group for 2024: interest income, fee and commission income, dividend income, gain (loss) on financial instruments measured at fair value through profit or loss and net foreign exchange income, gain (loss) on derecognition of financial assets not measured at fair value through profit or loss, and other operating income.

Biogenic emissions, which are not included in Scopes 1, 2 or 3 according to the GHG Protocol methodology, were out of scope and amounted to 69.69 tCO_2e in the analyzed period.

8.2.10. GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

The VeloBank Group does not carry out any GHG removals or GHG mitigation projects financed through carbon credits.

8.2.11. Internal carbon pricing (E1-8)

The VeloBank Group does not use any internal carbon pricing schemes.

8.3. *Own workforce (S1)*

8.3.1. S1.SBM-2 Interests and views of stakeholders

VeloBank is in constant contact with its employees, who are the key stakeholders for the organization. The Bank regularly conducts opinion surveys aimed at learning about the level of employee satisfaction and opinions on how VeloBank could meet the needs of our organization's community. Regular meetings with the top management, newsletters, mailing and information published on the intranet ensure ongoing employer-employee communication.

8.3.2. S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities related to VeloBank's workforce

The disclosure of material impacts, risks and opportunities and their interaction with strategy and business model covers the whole of the VeloBank Group's own workforce. 98% of the Group's workforce are staff employed under employment contracts. 2% are people the Group companies cooperate with under civil law contracts, such as personal service or B2B contracts. The latter are reserved for specific business needs that do not require a constant and very regular presence in the organization. In the subsidiaries, such contracts account for slightly more than 30% of all staff, and at the Bank level, their share does not exceed 1%. The majority of the own workforce are women, making up over 60% of the entire group. In terms of the age of the Group's employees and contractors, most people –67% – are between 30 and 50 years old. Younger staff, under the age of 30, account for 23%.

In the process of identification of impacts, risks and opportunities under S1 – Own Workforce, eighteen impacts, one risk and two opportunities were identified.

These matters have been grouped into ten thematic areas:

Secure employment – in this area, we have identified a positive impact related to the functioning of the Work Regulations and other HR procedures, and to the length of service and loyalty, as well as a negative impact related to employee turnover and the associated risk of losing the key personnel. The identified negative impact is of a systemic nature.

Working time – in this area, we have identified a negative impact on employees related to overtime work. The identified impact is incidental.

Adequate wage – in this area, a positive impact related to the remuneration policy has been identified.

Social dialogue – in this area, a positive impact related to dialogue with employees, as well as a positive impact related to social engagement and staff activity, have been identified, for which a reputational opportunity has been recognized as well.

Work-life balance – in this area, a positive impact related to the remote work option – hybrid arrangements and the associated opportunity to attract talent, as well as positive impacts related to a wide range of benefits and initiatives in the field of employee mental health have been identified.

Health and safety – in this area, a positive impact related to the functioning of the OHS management system has been identified.

Gender equality and equal pay for work of equal value – in this area, a positive impact related to striving for equal pay, as well as a negative impact related to an imbalance in the key management personnel structure, which we assess to be systemic, have been identified.

Training and skills development – in this area, a positive impact related to training and development of our employees' skills, as well as a negative impact related to the lack of procedurally structured career paths for staff, which is assessed to be systemic, have been identified.

Measures against violence and harassment in the workplace – in this area, a positive impact related to the anti-mobbing policy has been identified.

Diversity – a positive impact related to the absence of incidents associated with discrimination, and a negative impact related to the lack of a Diversity Policy, which is assessed to be systemic, have been identified.

8.3.3. Policies related to own workforce (S1-1)

The Bank puts in place and updates internal regulations supporting its own workforce in the work environment.

The key internal regulations applicable to the management of material impacts, risks and opportunities in the own workforce area include:

1. Code of Ethics
2. Work Regulations
3. Remote Work Regulations
4. Remuneration Regulations for the Bank's Staff
5. Remuneration Policy
6. Variable Remuneration Policy for Holders of Management Functions and Other Functions with a Material Impact on the Risk Profile of VeloBank S.A.

7. Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of VeloBank
8. Policy of Benefits for Members of the Management Board and Members of the Supervisory Board of VeloBank
9. Bonus Rules
10. Occupational Health and Safety Rules
11. Principles of Professional Development of the Bank's Staff
12. Policy Governing the Suitability Assessment of the Key Function Holders at the Bank
13. Anti-Mobbing Procedure
14. Recruitment and Hiring Procedure
15. Social Benefits Fund Regulations

Information on the MDR-P requirements for the above-referenced policies has been provided in the policy table, in the General Disclosures (ESRS 2) Section.

VeloBank's Code of Ethics sets out principles aimed at ensuring conditions for fair and dignified treatment of all employees and stakeholders of the Bank, respect for human rights, as well as counteracting corruption and bribery. It is a set of rules of conduct and principles governing the functioning at the Bank and in its environment, related to four key values. VeloBank's Code of Ethics is the foundation of the organizational culture and promotes four key values: entrepreneurship, openness, reliability and trust.

Relevant areas addressed: Secure employment, Working time, Adequate wage, Social dialogue, Work-life balance, Gender equality and equal pay for work of equal value, Measures against violence and harassment, Diversity.

The **Work Regulations** and the **Remote Work Regulations** organize the rules in place in relation to the applicable laws and the organization's needs. They set out the organization and order of work for all staff of VeloBank, along with the related rights and obligations of the employer and employees, such as the employment relationship, working time, work organization, occupational health and safety, employee rights related to parenthood and protection of women's work. The Remote Work Regulations have been designed to ensure a safe and inclusive work environment. They ensure compliance with laws governing remote work arrangements, in addition to defining the rules applicable to security, data protection or working time for the employee and the employer.

Any amendments to the above-referenced Regulations are consulted with the Workers' Representatives.

Relevant areas addressed: Secure employment, Working time, Work-life balance.

The **Remuneration Regulations for the Bank's Staff**, **Remuneration Policy**, **Variable Remuneration Policy for Holders of Management Functions and Other Functions with a Material Impact on the Risk Profile of VeloBank S.A.**, **Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of VeloBank**, **Policy of Benefits for Members of the Management Board and Members of the Supervisory Board of VeloBank** and **Bonus Rules** set out the remuneration standards, thus contributing to the reduction of pay inequalities, and safeguard compliance of all remuneration processes with human rights, standards and fair labor practices. These regulations are aimed at ensuring impartiality and non-discrimination in all decisions related to the granting of fixed and variable remuneration to staff across the Bank. VeloBank has decided to separate the policies applicable to the remuneration of members of its governing bodies not only due to regulatory requirements regarding the remuneration of those managing the Bank, but also to ensure that the rules in place are transparent and clear.

Relevant areas addressed: Secure employment, Adequate wage, Gender equality and equal pay for work of equal value, Diversity.

Occupational Health and Safety Rules, which prioritize the well-being and safety of own workforce. The organization has regular training and risk assessments in place to prevent accidents and injuries in the workplace. VeloBank performs an assessment of the factors that may pose a threat for individual job positions on an ongoing basis. The Occupational Health and Safety Management System is based on a set of internal procedures governing individual OHS processes and comprising: general principles of occupational health and safety organization, principles applicable to the determination of the circumstances and causes of accidents at work, occupational risk management for individual job positions, OHS training as well as remote work safety. In 2024, internal regulations were considerably simplified and adapted to the current conditions and expectations of employees.
Supervision of the performance of OHS procedures is a power vested directly in a member of the Bank's Management Board, exercised through the OHS team.
The OHS management system is to ensure the performance of tasks that increase the level of the organization's safety and care for the health of its employees.
The Bank provides all OHS training required by law, in the form of instructions, lectures, remote training and through the ICT system of the Bank's training platform.

The **Principles of Professional Development of the Bank's Staff** support learning and development processes, creating opportunities for employees to acquire new skills and knowledge and develop their careers within the organization. The regulation lays down transparent rules for acquiring knowledge and improving one's skills. It defines the rules for using the Bank's development offer, with a particular focus on mandatory industry training in various areas of the banking activity.

Relevant areas addressed: Training and skills development, Secure employment.

Policy Governing the Suitability Assessment of the Key Function Holders at the Bank

The policy ensures that the principles of equality and diversity are adhered to in the selection and appointment of members of the Bank's governing bodies as well as its management and other persons playing a significant role in the management of the Bank. Its purpose is to establish transparent and uniform rules for the appointment, succession and assessment of suitability of the key function holders at the Bank. The policy has introduced best practices in the appointment (including qualification and recruitment requirements), succession and suitability assessment of members of the Supervisory Board, members of the Management Board, persons playing a significant role in the day-to-day management of the Bank as well as candidates for the key functions at the Bank.

Relevant areas addressed: Gender equality and equal pay, Diversity.

The **Anti-Mobbing Procedure** has been designed to prevent mobbing, harassment and sexual harassment, and it defines the rules of conduct in situations where mobbing, harassment or sexual harassment has been reported at the Bank.

Relevant area addressed: Measures against violence and harassment in the workplace.

The **Recruitment and Hiring Procedure** lays down the rules for acquiring and selecting candidates as well as recruiting and hiring staff, in addition to the rules for business unit – HR collaboration in the processes concerned.

Relevant areas addressed: Gender equality and equal pay for work of equal value, Diversity.

The **Social Benefits Fund Regulations** set out the rules for the use of the Social Benefits Fund by staff, the scope of assistance provided, types of social benefits and rules for granting/making social benefits available.

While the Bank's policies described above do not address in detail the issues of forced labor, child labor, human trafficking and they do not refer to the UN Guiding Principles on Business and Human Rights or the fundamental International Labor Organization Conventions (outside the scope of the ESG Policy), these issues are governed by Polish laws, which the Bank complies with.

Relevant areas addressed: Secure employment, Work-life balance

8.3.4. Processes for engaging with own workers and workers' representatives about impacts (S1-2)

Disclosure of the undertaking's general processes for engaging with people in its own workforce and workers' representatives about actual and potential impacts on its own workforce.

Such engagement takes place:

- directly with the Bank's own workforce;
- through workers' representatives.

Our staff communicate their observations and suggestions to the employer through various available contact channels. They help us define priorities as well as identify and capitalize on significant opportunities associated with our employees, ultimately increasing their overall experience and engagement. The type and frequency of engagement vary depending on specific projects. It includes consultations with workers' representatives, online meetings and surveys.

The Bank cooperates with workers' representatives in setting out the rules applicable to the employer-employee relationship and in arrangements concerning material employee issues. Every two years, two people are elected to perform this function. All staff can take part in the election. The representatives are engaged by the Bank to give opinions on and review any arrangements related to the work organization rules, including remote work, occupational health and safety rules, social assistance or breach reporting procedures. Workers' representatives may propose any employee-initiated matters and initiatives to support their well-being freely and without any limitations.

VeloBank uses various communication channels to inform employees about current events, changes and strategic directions of development. The intranet and regular e-mail messages (newsletters) are the basic tools used in communication with staff.

These contact channels allow us to obtain information about the needs and ideas of employees about the actions taken and to receive their feedback about actions that have already been taken or implemented. HR processes are also a valuable source of information. First of all, HR Business Partners and HR experts constantly and regularly exchange information with all managers. The performance review system and related meetings also create a space for sharing information which is relevant to the employer. Finally, we have a whistleblowing system in place that ensures the anonymity of whistleblowers, if needed.

Owing to its open formula and various contact channels, the internal communication system creates a number of opportunities to share opinions, ask questions and clarify doubts. Starting from the opportunity to ask questions, whether openly or anonymously, during meetings with the Management Board or managers of individual business units – to open comments posted on the Bank's intranet.

The opinions of our staff have led, among other things, to the search for optimal solutions related to remote work arrangements at the Bank, development of a desk and parking space booking system at the head offices, and helped to organize the exchange of books in reading spaces.

There is no single position at the Bank assuming responsibility for employee engagement. Responsibility for managing the organization's own workforce rests with the Human Resources Department Director. In the organizational structure, they report to the President of the Management Board. Our goal is to ensure that all managers feel responsible and empowered to communicate openly with employees and teams, especially with regard to matters that improve and support building the organization's value in a broad sense. Management Board members are actively involved in this process.

Thus far, the Bank has not identified the need to formalize the process of engaging with its workforce. We are committed to maintaining openness and lack of restrictions in dialogue with employees. The head of the HR unit is independently authorized by the Bank to hold consultations and make arrangements with workers' representatives. Formal agreements with the employee side are made in matters where they are required by law.

Open and transparent communication with staff is a priority for the Bank and one of the pillars of its corporate culture.

8.3.5. Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

At the Bank, there are several channels for raising concerns, which allow us to respond as appropriate. First, we have developed a comprehensive internal system for reporting identified irregularities, which is available to all of the Bank's employees and contractors. The Whistleblowing Procedure and the Anti-Mobbing Procedure constitute the internal regulatory basis. These documents and the resulting communication and training system provide employees with specific knowledge about indications of irregularities and how to report them. The whistleblowing system includes various communication channels, both open and anonymous, internal and external, enabling an adequate response to experiences or observations that are indicative of a breach. This system also provides a standard for professional and comprehensive handling of each complaint.

Comments and observations regarding a possible negative impact on employees, if any, are most often communicated to the employer thanks to direct contact with the HR team or through managers, and relatively rarely through workers' representatives. Our HR Department carefully deals with every concern, maintaining impartiality and ensuring that the person concerned is kept informed about the entire process.

In specific cases, we also use anonymous or open surveys or focus groups. We invited our employees to use this form of collaboration while collecting information for the HR strategy for the coming years.

A whistleblowing system put in place and communicated to the public ensures that all reports are investigated and actions taken to prevent similar incidents in the future. Reports are handled by an independent committee that recommends corrective actions and oversees their implementation. Each report is examined by a designated employee who carries out the investigation. The investigation ends with the adoption of a final report by the Whistleblowing Committee, in which it is stated whether an irregularity has occurred and appropriate recommendations are issued, if necessary. A register of reports that have been received by the committee and investigated in the whistleblowing procedure is kept at the Bank. Reporting under the above-mentioned procedure is carried out on a semi-annual basis and submitted to the Management Board, the Audit Committee and the Supervisory Board.

The outcome of the investigation in a specific case is disclosed to the interested parties to such extent as is appropriate to the situation. The reports, outcomes of the investigations undertaken as a result, and the scope and effectiveness of the corrective actions taken are regularly reported at the Supervisory Board level.

In order to ensure the effectiveness of the corrective actions taken as a result of identified irregularities, specific periodic goals related to such actions may be set for individual units or their managers. Goal achievement is measured and accounted for annually or quarterly, in accordance with the system put in place.

The Bank provides its staff with access to an external dedicated application for reporting breaches and irregularities, dedicated e-mail addresses, and allows them to address the report directly to members of the Management Board or Supervisory Board. An anonymous report may be submitted on each path. Regardless of the channel used by the whistleblower, the Bank ensures a uniform procedure for verifying the report, undertaking an investigation, communicating with the interested parties, as well as implementing corrective actions and appropriate reporting.

The whistleblowing system covers both the own workforce and all persons cooperating with the Bank in any form, including counterparties' staff. In addition to the system of regular e-learning training on this subject, the Bank's employees have access to "REAGUJEMY" – a dedicated intranet site, where they can find all the guidelines on how to submit reports as well as access to the above-mentioned channels. Contractors outside the banking environment receive all the necessary information through their employers, as well as through an external website: https://www.velobank.pl/whistleblowing.. The Bank actively promotes the whistleblowing channels and informs external parties where to find the website for reporting irregularities, if any. Relevant information is provided before the business relationship is established, at the negotiation stage. Internal staff have access to the application and e-mail, and can arrange a meeting with the Bank's employee to report any irregularities. In addition, the Bank promotes its activities by providing employees with access to a number of training courses in whistleblowing. The Bank ensures the proper operation of the channels, but does not monitor the awareness of their functioning among its staff.

8.3.6. Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

The Bank makes every effort to ensure that its practices do not cause or contribute to a material negative impact on its own workforce. To achieve this, we have adopted a number of internal regulations on ethics, security, prevention of conflicts of interest, occupational health and safety, and those that ensure impartiality and fairness in making the most important decisions concerning our employees, such as remuneration or benefits.

They provide the basis for the entire communication and training system, which allows us to make sure that our employees know how to navigate the work environment safely and do it consciously at every level – taking into account the impact on the team, the Bank and the environment. Our internal policies prioritize fair labor practices, ensuring that ethical standards are upheld and human rights are respected.

The Bank has developed a plan of action on material impacts on its own workforce, which enables informed management of impacts, risks and opportunities. We plan to introduce additional elements in order to strive to reduce the negative impact.

Actions related to the impacts, risks and opportunities in the own workforce area by individual material considerations:

Secure employment – turnover and the risk of losing key staff

The risk of losing staff, who are the most valuable asset for the operations and development of VeloBank, is a major challenge in the own workforce area. To this end, VeloBank examines and analyzes the reasons for employee departures on an ongoing basis, as well as the level of resignation in individual units, and takes appropriate action on this basis. The turnover level is in a sense a reflection of the dynamics of change, the process of building VeloBank's identity, which has significantly affected every aspect of the organization's functioning over the past two years. In 2024, we continued our efforts to reduce turnover and increase the degree of digitization of HR processes.

Working time – overtime work

At the Bank, we use different working time systems, depending on the specifics of a given organizational unit. We always try to adapt the model and rules to the business goals and needs of both sides, which is reflected in the hybrid model, highly valued by staff, i.e. combining office with remote work. This model is used by more than 75% of our staff. Overtime work is an important signal for the Bank when it comes to employee well-being. VeloBank pays particular attention to this issue – together with the managers of the individual areas, we analyze such situations and look for the best organizational solutions that are compatible with the applicable regulations.

Adequate wage

The remuneration policy in place at the Bank is reflected in internal regulations applicable to remuneration, such as the Remuneration Policy for Members of the Management Board and Members of the Supervisory Board of VeloBank S.A., the purpose of which is to achieve consistency and transparency in the remuneration of the key function holders in the organization. The Remuneration Policy of VeloBank S.A. comprises the Variable Remuneration Policy for Holders of Management Functions and Other Functions with a Material Impact on the Risk Profile of VeloBank S.A. This document regulates all issues related to remuneration of all of the Bank's staff, and contains general guidelines for defining the conditions set out in the remuneration regulations and bonus regulations. The Bank regularly monitors both compliance of the above-referenced regulations with the applicable laws and the remuneration level as compared to the market one.

Social dialogue

It is our objective to strengthen social dialogue and develop it not only through the use of innovative communication tools, but also by making our employees more sensitive to socially important issues as well as involving them in the provision of support to those who are in a worse position. A detailed description of the dialogue with employees can be found in Disclosure S1-2. We are taking concrete steps to expand the range of tools used to communicate with our employees. It is important to us that these tools are as diverse and flexible as possible.

Work-life balance

An effective hybrid model as well as development and mental health support are another area of positive employee experience. We are looking for further solutions to increase effective time management, which is particularly important to parents. Through the development platform, we provide staff with access to counseling services, stress management workshops and employee assistance programs that help promote a positive work-life balance and reduce the risk of burnout. We have also introduced flexible working arrangements, such as remote work options and flexible working time, to meet the diverse needs of our employees and improve their work-life balance.

The Bank supports its staff in this area through:
- the use of the hybrid work model in all units where it is possible given the business specifics. As a result, more than 75% of employees can benefit from the remote work arrangements, with those located in the head office generally having the option to work remotely for half of the month. In some units, remote work is possible for up to 100% of the time;
- the adoption of work arrangements agreed on a case-by-case basis with parents of small children or employees in a special situation, e.g. caused by the need to care for a sick person;
- availability of some benefits, such as sports cards, to family members;
- leisure initiatives addressed to family members as well, such as the weekend picnic organized in 2024 in all the locations where the Bank's head offices are situated (four cities: Warsaw, Wrocław, Katowice and Jastrzębie Zdrój);
- a range of personal well-being and mental health activities available both as part of medical packages and on the internal "Rozwojownia" platform.

In its internal communication, the Bank uses various opportunities to encourage its staff to engage in recreational activities, take care of themselves and of the environment.

Gender equality and equal pay for work of equal value

The policies and procedures applicable to candidate qualifications, recruitment, suitability assessments of the key function holders, employee performance reviews, remuneration and bonus rules ensure the independence and transparency of these processes in terms of equal treatment of all their participants as well as impartial decision-making. The Bank follows best practices supported by external regulations and recommendations. VeloBank's objective is to ensure equal pay for those holding positions of equal value, regardless of gender or origin, which is why it constantly monitors this indicator for individual position groups. At VeloBank, we have identified differences in the remuneration of people holding positions of equal value, depending on their gender. These indicators are monitored periodically for individual position groups. Reducing these differences is one of the main goals of our HR strategy for the coming years.

Diversity

It is important to us that VeloBank is perceived as a modern organization that follows the changes taking place in the society and business, and respects every human being. One that is open to diversity, integrates and engages its employees and is responsible in its relations with clients and business partners.

Our Bank employs people representing various age groups – from pensioners to interns. In 2024, we invited young people from a wide variety of universities and schools to participate in our internship programs. We believe that a financial corporation is considerably more effective when it can draw inspiration from other environments, such as arts or sports, which is why we support outstanding musical talents (VeloTalent) and a cycling team (VeloTalent Cycling Team). Gathering all diversity considerations that we incorporate into our everyday activities and implementation a formal Diversity Policy document will be a kind of closure and summary of our practice to date.

We have adopted an approach based on diversity and integration, which, although not reflected in a single document, is manifested in our recruitment standards, mandatory training for all staff and open communication, in which we promote equal opportunities and prevention of discrimination in the workplace. Our offering related to caring for the mental condition of employees as well as activities supporting occupational health and safety play an important role in this regard. It is our intention to formalize the Diversity Policy, thanks to which our goals and initiatives in this area will become more visible and clear to our employees.

Training and skills development

VeloBank employees have the opportunity to improve their competencies and professional qualifications through internal hybrid training, industry and thematic conferences, on-the-job-training, while taking on new tasks or participating in internal programs that may constitute a challenge for them and develop their skills.

- onboarding training for newly hired staff of the sales network;
- practical workshops for new managers: “Menedżer na START – wczoraj Kolega dzisiaj Szef”, taking into account the change of perspective from employee to manager;
- “Rozwojownia” development platform, which is the Bank’s response to changing trends and offers the opportunity to use solutions that allow staff to gain knowledge and skills online, through webinars, workshops, flow meetings, podcasts, e-library and book reviews;
- development training as part of “Program SMART dzielimy się wiedzą – SMART” – trainers recruited from among employees have acquired new skills by improving their training and courses in a hybrid formula, building at the same time their own brand in the organization, with a unique opportunity to review their own work and shape personal development; the organization increases operational effectiveness through access to best practices;
- mentoring program implemented in cooperation with an external partner;
- eTutor – a training offer addressed to all of the Bank’s employees and contractors. It enables staff to take part in free language courses on the largest e-learning platform in Poland;
- sales network management model, introduced in 2023 and still continued – #wRytmieVelo – it supports the Bank’s strategy in increasing sales efficiency of its networks and in strengthening VeloValues;
- Sales Academy – a comprehensive program for the sales network – RMs and managers; a workshop focused on building long-term relationships with clients and improving leadership skills.

We also offer courses provided by external trainers. VeloBank has financed the EFPA ESG training and exam for a selected group of its employees. We also cover the cost of the Certified Internal Auditor and ISTQB® Advanced Level Test Manager training for a selected group of employees. We have organized certified ITIL 4 Foundation training as part of improving competencies, enhancing the process model for IT service management and using the potential of modern technologies in accordance with the latest ITIL guidelines.

Employees of the Bank and of its franchise network have access to a development platform. It is a comprehensive solution with psychological and well-being offering for staff and their family members. It promotes and supports well-being, resilience and development through activities based exclusively on clinically proven methods, prepared in cooperation with experienced psychologists and specialists from across Poland. The platform offers a wide range of opportunities for personal development, building internal balance and improving one's mental condition, addressing topics related to diversity and inclusion, leadership and mental resilience. It is available 24/7 and provides access to a comprehensive support team comprising business mentors, psychologists, psychotherapists, legal advisors and psychodietitians, helping employees in all spheres of life.

Our goal is to strengthen the competencies of the future. We want to identify and develop talents that stand out in the organization. It is also our objective to strengthen secure employment through development options and programs. We want to focus on leaders first – #MoreVeloLeaders means developing skills, expanding knowledge and strengthening behaviors necessary for effective management of the Bank in the future. We are building strong management capable of innovating, adapting to change and fostering a client-centric culture. Positive employee experience is the effect of all the three strategy pillars – a wide range of initiatives, starting from digitization of HR administration processes, through the benefit or development offer, to conscious team building.

We realize how important it is to build awareness among our staff and all the communities we cooperate with, which is why we will pay even more attention to training, tailored in form and content to the addressees.

We want to develop our leaders and managers at all levels – they are ambassadors of a culture based on trust and openness, as well as creators of diverse, that is effective teams. That is why they are invited not only to join our leadership development program, but also to take part in mentoring sessions. At the time of preparation of this report, we are initiating the next edition of the mentoring program, which is joined by managers at all levels – from the Management Board to the smallest teams or sections.

Individual development and knowledge sharing within the Bank are very important to us. Therefore, we have launched yet another edition of the "SMART Dzielimy się wiedzą" program, where unique experts acquire trainer skills, and participants gain knowledge and practical skills. Our goal is to build and develop our staff's expert competencies. We know that it is an important element of building satisfaction in the employer-employee relations.

Technology plays an important role in our Bank, as it is both an opportunity and a threat to building relationships with employees and clients. We make sure that the solutions we use in our internal space are a response to the needs communicated by employees, support in their everyday activities, especially formal ones, but do not constitute a barrier to an empathetic and respectful approach to people and problems.

Actions defined in VeloBank's HR Strategy

Employment matters and those that have a direct impact on staff play an important role in the Bank's HR Strategy. The following three key areas defined in 2024 will be our focus in the upcoming years:

1) #VeloCulture – building a culture focused on positive experiences.

2) #VeloExperience – strengthening the experience and satisfaction of our employees.

3) #VeloExperts – developing the competencies that shape the solutions of tomorrow.

8.3.7. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

The Bank has not defined targets within the meaning of the MDR-T requirements. However, it monitors the pursuit of its policies by setting internal targets covering the areas described below.

Staff turnover

In 2024, staff turnover and the resulting risk of loss of human resources important for the operation and development of VeloBank was one of the key parameters for VeloBank to monitor. In 2024, the turnover rate was 19.7%, and 19.6% in the Group. The Bank examines and analyzes the reasons for employee departures on an ongoing basis (e.g. through regular and ongoing exit interviews), as well as the level of resignation in individual units, and takes appropriate action on this basis. It is extremely important that the turnover rate decreases year by year and employees stay with VeloBank for longer.

Digitization of HR processes

VeloBank is constantly focusing on and pursuing targets related to digitization of its HR processes. Not only does it affect the comfort of work and efficiency of the existing staff, but also improves the experience of new hires and future employees.
In 2024, VeloBank achieved its target related to automation of HR processes at the level of 112%. The Bank is committed to accelerating this development year by year and becoming an increasingly innovative and technology-oriented organization, meeting the highest standards and following the latest trends.

Employee satisfaction index

In the next steps, VeloBank focuses on performing continuous employee loyalty measurements (eNPS surveys) and on responding to employee needs on an ongoing basis by means of surveys and focus groups. Their objective is to respond to the voices of employees on an ongoing basis and to continuously improve the work environment, atmosphere and organizational culture. When devising its HR Strategy, the Bank invites employee groups to set goals together, in addition to analyzing needs and development objectives. This is achieved, among other things, by means of steering committees, focus groups, brainstorming, surveys and off-sites.

The degree of target achievement is constantly monitored through the participation of selected employee groups (project teams) in cyclical steering committee and other status meetings, as well as on the basis of regular internal reports provided by e-mail. These results are reported to the members of the Management Board in charge of a relevant Division and to the Management Board of the Bank on a periodic basis. We monitor indicators, but do not set KPIs.

8.3.8. Characteristics of the undertaking's employees (S1-6)

A description of the key characteristics of the employees in the undertaking's own workforce

VeloBank and the VeloBank Group's head count:

	Bank's head count	Group's head count
Female	2,049	2,106
Male	1,316	1,345
Total	3,365	3,451

Characteristics of the undertaking's employees

The total number of employees by head count at the end of the period – the Bank: 3,365, the Group: 3,451.

The total number of employees who have left the undertaking during the reporting period: 637, and the total number of employees who have left the Group: 649.

The rate of employee turnover in the reporting period: 19.7% for the Bank alone, and 19.6% for the Group as a whole.

The turnover rate is calculated as the number of employees who have left in a given period divided by the average number of employees in a given calendar year.

The data are presented as at the end of the reporting period.

Characteristics of the undertaking's employees – employee information by contract type and gender (Group-level information)

	Male	Female	Total
Number of permanent employees	1,009	1,656	2,665
Number of fixed-term contract employees	336	450	786
Total – employment contract	**1,345**	**2,106**	**3,451**

8.3.9. Characteristics of non-employee workers in the undertaking's own workforce (S1-7)

A description of the key characteristics of non-employee workers in the own workforce of VeloBank S.A.

Number of non-employee workers at the end of the period – civil law contracts: 29, B2B contracts: 10.

Characteristics of non-employee workers in the VeloBank S.A. Group's own workforce

Own workforce should be understood primarily as persons that are parties to employment contracts concluded with the Bank. The Bank uses contracts other than employment ones in certain situations, where the nature of the tasks, their specificity and deadlines are so unique that the type of contract concluded supports the expected results.

The total number of non-employee workers in the own workforce is 78 (2% of all employees and non-employees), 37 of whom are parties to civil law contracts with the Group companies and 41 – to B2B contracts.

8.3.10. Collective bargaining coverage and social dialogue (S1-8)

VeloBank does not have a collective bargaining agreement in place.

8.3.11. Diversity metrics (S1-9)

In accordance with the ESRS, we have defined top management as persons holding positions at two levels below the administrative and supervisory bodies, i.e. the Management Board and the Supervisory Board of the Bank as the parent company. This definition also includes members of the management boards of our Group companies and their direct reports. Top management comprises members of the Management Board as well as B-1 and B-2 level managers.

Gender distribution at the level of the Management Board and management in the Group as at December 31, 2024

	Female	Male	Total
Number of persons on the Management Board of the Bank as the parent company	1	11	12
Percentage distribution	8%	92%	100%
Number of persons at the top management level in the Group (one and two levels below the Group's administrative and supervisory bodies)	58	84	142
Percentage distribution	41%	59%	100%

Age distribution in the Group's workforce as at December 31, 2024

	Number of workers	Percentage distribution
Up to 30 years of age	785	23%
Between 30 and 50 years of age	2,330	67%
Over 50 years of age	336	10%

8.3.12. Adequate wage (S1-10)

All of the Group's staff are remunerated at least at the level of the national minimum wage. Remuneration levels are verified taking into account periodic performance reviews and compared with information from salary reviews on the financial market.

8.3.13. Social protection (S1-11)

All staff hired on the basis of employment contracts are covered by social protection, through public schemes or benefits offered, against loss of income due to an accident at work and acquired disability, against loss of income due to illness and against loss of income due to parental leave.

Additional benefits are provided from the Social Benefits Fund, which supports employee well-being.

The Social Benefits Fund can be used by anyone engaged under an employment contract who has submitted a statement of their income.

The Fund's resources are allocated for such purposes as financing in-kind assistance for eligible persons in a particularly difficult life, family or financial situation, or non-refundable financial aid (allowance) provided in emergencies and for the purchase of medicines and medical equipment for personal use.

8.3.14. Training and skills development metrics (S1-13)

Number of training hours offered to employees per gender category, as at December 31, 2024

	Female	Male	Total
Total number of training hours	83,613.5	51,368	134,981.5
Average number of training hours per employee	40.8	39.0	40.1

Number of training hours offered to employees per employee category, as at December 31, 2024

	Management (including the Management Board)	Other employees
Total number of training hours per employee category	5,697.5	129,284
Average number of training hours per employee	44.2	40.0

Number of performance and career development reviews per FTE, as at December 31, 2024

	Female	Male	Total
Number of employees that participated in performance and career development reviews	1,818	1,297	3,115
Percentage of employees that participated in performance and career development reviews (relative to the total number of employees)	86%	96%	90%

8.3.15. Health and safety metrics (S1-14)

Health and safety metrics

Percentage of own workforce covered by H&S system	100%
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of fatalities in own workforce as a result of work-related injuries:	0
Number of fatalities in own workforce as a result of work-related ill health:	0
Number of fatalities as a result of work-related injuries and work-related ill health of other workers working on the undertaking's sites:	0
Number of fatalities as a result of work-related injuries of other workers working on the undertaking's sites:	0
Number of recordable work-related accidents:	6
Rate of recordable work-related accidents:	1.78
Number of cases of recordable work-related ill health, subject to legal restrictions on the collection of data:	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health:	142

8.3.16. Work-life balance metrics (S1-15)

Metric S1-15 Work-Life Balance has been omitted under Annex C to ESRS S1. In accordance with Annex C to ESRS S1, the entity has exercised the option to temporarily waive the disclosure of information specified in ESRS S1-15. This metric may be omitted in the first year of preparation of the sustainability statement. This decision has been made to allow adequate time to adjust the reporting processes as appropriate, including the implementation of mechanisms for collecting and verifying data on the employees' work-life balance.

8.3.17. Remuneration metrics (pay gap and total remuneration) (S1-16)

Unadjusted pay gap as at December 31, 2024	27.63%

The calculation of the pay gap does not include employees who were hired in the last three months of the financial year and those who were absent for at least 3 months in a row (also at the end of the financial year). It was based on the annual total remuneration converted to full-time equivalents (FTE).

The ratio of the annual total remuneration for 2024 of the highest paid person in the organization to the median annual total remuneration of all staff (excluding the highest paid person) is 24.03 for all of the Bank's staff, or 23.31 – excluding staff who had been absent for more than 3 months as at the end of the reporting period and persons whose length of service with the organization was less than 3 months as at the end of 2024. The remuneration was converted to 1 full time equivalent (FTE) – i.e. in accordance with EBA guidelines.

8.3.18. Incidents, complaints and severe human rights impacts (S1-17)

The internal system for the anonymous reporting of breaches which was in place at the Bank in 2024 fulfilled the legal obligations imposed on the Bank, including in a major part those concerning internal reporting, under Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019 on the protection of persons who report breaches of Union law. In June 2024, the Polish legislator adopted the Whistleblower Protection Act, which entered into force on September 25, 2024. On September 10, 2024, a new procedure was adopted – the WHISTLEBLOWING PROCEDURE – INTERNAL SYSTEM FOR REPORTING BREACHES IDENTIFIED AT VELOBANK S.A., in line with the requirements of the Polish legislator. In 2024, fourteen reports were submitted regarding irregularities identified by whistleblowers. The subject matter of the reports differed – seven concerned breaches of ethical standards or possible mobbing, while four were of a material nature. As at the date hereof, no investigation was underway that could have any financial consequences for the Bank.

In 2024, no complaints were filed to the National Contact Points for OECD Multinational Enterprises.

Number of incidents of discrimination, including harassment, recorded and confirmed	0
Number of complaints filed by employees through channels to raise concerns, including discrimination or other breaches	14
Total amount of fines, penalties, and compensation for damages paid as a result of incidents of discrimination, including harassment and other complaints related to violation of labor rights	0
Number of severe human rights incidents connected to the undertaking's workforce in the reporting period	4
Number of severe human rights incidents connected to the undertaking's workforce that are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises	0
Number of severe human rights incidents where the undertaking played a role in providing remediation to those affected	2

8.4. *Consumers and end-users (S4)*

8.4.1. S4.SBM-2 Interests and views of stakeholders

VeloBank is in constant contact with consumers.

The Bank regularly conducts opinion surveys aimed at learning about the level of customer satisfaction and opinions on how VeloBank could meet consumers' needs.

The Bank is in ongoing contact with regulatory and supervisory authorities to ensure that the organization operates in compliance with their requirements.

8.4.2. S4.SBM-3 Material impacts, risks and opportunities related to consumers and end-users

Our consumers are individuals who use banking products. Elderly people are particularly vulnerable to negative impacts, as they may be at a higher risk of financial fraud and extortion. As far as consumers and end-users are concerned, impacts, risks and opportunities have been identified in the following areas:

1. Data privacy and security – in this area, a material positive impact related to supporting cybersecurity of clients using mobile banking and the associated reputational opportunity have been identified. Another important consideration in this regard is data security and cybersecurity and the associated risk of client data leaks as well as other personal data security breaches. We work with our clients by offering them tools that enable secure banking in remote channels – MB and OB. Recently, the Bank has launched innovative solutions based on artificial intelligence, such as behavioral biometrics, detection and defense against remote desktop takeover by fraudsters, and has put anti-spoofing mechanisms in place to enable unambiguous identification of the Bank's employee. The Security Department has KPIs that allow it to monitor the level of losses in electronic banking due to fraud. The KPIs are periodically reported at the level of internal Committees, the Bank's Management Board and the Supervisory Board.

2. Access to (quality) information – three positive impacts and three risks have been identified in this area. The positive impacts include professional support to institutional clients, a comprehensive system of communication with the client and the prevention of mis-selling. On the other hand, the risks are associated with complaints, litigation and proceedings before supervisory/audit authorities.

3. Personal safety – in this area, a positive impact on consumers related to active communication with clients and education, in addition to potentially negative impacts related to personal data leaks and loss of consumer funds, as well as an impact and an opportunity related to thwarting cybersecurity attacks through client education, have been identified.
The Security Department is involved in the planning and implementation of an educational policy for clients with regard to the secure use of electronic banking channels. One of the elements of the process is monitoring fraud patterns occurring on the market, which serves as the basis for drafting communications that are subsequently sent to end-users so as to make clients aware of the threats they may face in their everyday remote channel banking activities.

4. Access to products and services – in this area, a positive impact related to self-service and a wide range of banking services offered in electronic channels has been identified.

5. Responsible marketing practices – in this area, a positive impact related to the policies put in place with regard to the development and approval of products and marketing materials has been identified.

8.4.3. Policies related to consumers and end-users (S4-1)

VeloBank's policies that address material impacts, risks and opportunities related to consumers and end-users are:

1. External Fraud Prevention Procedure.
2. Payment Services Security Policy.
3. Educational Policy on the Secure Use of Electronic Channels.
4. Personal Data Security Policy.
5. Information Security Policy.
6. Data Leak Protection Policy.
7. The Bank's Product Offering Management Policy.
8. Bancassurance Policy of VeloBank S.A.
9. Complaint Handling Procedure.
10. Procedure Governing the Preparation, Approval and Publication of Marketing Materials at the Bank. General Rules for Advertising Banking Products and Services for All Product Types.
11. Rules for Dispute Handling and Dispute List Updating by the Legal Department.

Information on the MDR-P requirements for the above-referenced policies has been provided in the policy table, in the General Disclosures (ESRS 2) Section.

The **External Fraud Prevention Procedure** and the **Payment Services Security Policy** have been designed to protect clients' funds, execute their payment instructions and limit the possibility of unauthorized use of funds without the clients' knowledge.

The **Educational Policy on the Secure Use of Electronic Channels** is an internal document the purpose of which is to constantly raise clients' awareness of the threats that they may face when using the electronic channels. It is our objective to educate our clients to follow good practices so that when a threat arises, they can behave in a way that will let them avoid damage.

Under the Educational Policy, the Bank introduces and annually verifies the Activity Plan, which guarantees the accomplishment of the objectives of the Policy. The purpose of the actions taken under the Activity Plan is to make relevant materials available to clients to read on their own.

The activities carried out under the Policy in 2024 included ongoing monitoring of information on new threats and providing clients with relevant details in the messages published on the Bank's website (news section, messages on the Bank's login page, a dedicated site: secure banking).

Relevant areas addressed: Personal safety

Personal Data Security Policy

As part of our care for the privacy and security of our clients' personal data, we have implemented the Personal Data Security Policy, which forms an integral part of our approach to social responsibility and risk management. The policy has been developed in conformity with the applicable laws, including Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of personal data (GDPR) and the Polish personal data protection act. The policy is an internal document.

The purpose of the Personal Data Security Policy is to ensure a high level of protection of the personal data of, among others, the Bank's clients through the implementation of appropriate organizational and technical measures as well as personal data security management procedures. The document sets out detailed rules applicable to data processing and protection against unauthorized access, as well as procedures for responding to personal data breaches.

The above-mentioned policy has a direct impact on our clients, ensuring that their personal data and privacy are fully protected. The Bank's clients can be sure that their data are processed in conformity with the highest security standards and legal regulations. The Bank regularly monitors and updates the security measures put in place, focusing on transparency of its actions and providing clients with full access to information on their personal data. In addition, in the event of personal data security incidents, our clients can be sure that the Bank will take immediate action to minimize the risk and eliminate any threats.

Through the implementation of the Personal Data Security Policy, the Bank ensures that personal data processing is not only compliant with the legal requirements, but also in line with our values of responsibility and trust, which constitutes the foundation for long-term relationships with our clients.

Relevant areas addressed: Data privacy and security

Information Security Policy

The Information Security Policy sets out the basic rules to be followed with respect to the information security management system put in place at the Bank.

Relevant areas addressed: Data privacy and security

Data Leak Protection Policy

The Data Leak Protection Policy describes the solutions and measures applied by the Bank that use sets of rules to monitor and provide protection against data loss (from any media available directly in physical devices or via the network), regardless of the location of the data or users and the network access method.

Relevant areas addressed: Data privacy and security

The Bank's Product Offering Management Policy

The purpose of the policy is to lay down consistent rules for the introduction, offering and monitoring of banking products, investment products, insurance products with an investment element, protection insurance products, banking services, investment services and treasury products as well as their modification, re-edition or withdrawal from the offering.

The policy also applies to the development of new business or to the expansion of the Bank's existing business to new markets in accordance with the strategy adopted by the Bank and with due regard to a sound risk policy as well as a prudent, sound and sustainability-oriented commercial policy. The rules defined in the policy are aimed at protecting the economic and legal interests of clients by ensuring the correctness and transparency of documentation as well as appropriate staff skills and customer service standards. The regulations issued by the Bank, in particular, with regard to a new product being introduced or a materially modified product, must be consistent with the overall guidelines set out in the policy, which ensures effective risk management. Detailed rules and the process of introducing new products/services, a materially modified product as well as new business and expansion of the Bank's existing business to a new market.

The macro process and process owners review the policy within the applicable process review deadlines and revise it as necessary (also within the scope required by the regulations implementing MiFID2, IDD, ESMA and EBA guidelines as well as the EAA Directive). The policy is subject to approval by the Bank's Supervisory Board.

In the preparation, introduction and offering of retail products, the Bank follows the guidelines related to the EAA Directive. With a view to fulfilling client expectations and providing high quality products, the Bank makes reasonable efforts to ensure that the products offered are appropriate for the needs and requirements of the clients who they are addressed to (including those with special needs). The obligation to take into account the needs of clients, including their knowledge and experience in the financial market (as regards investment services and products, insurance products with an investment element, structured deposits and treasury products) applies both at the stage when the nature and structure of a new product/service are being designed and at the stage of its change/modification. Client needs and requirements are also considered in the case of protection insurance products.
Relevant areas addressed: Access to (quality) information

Bancassurance Policy of VeloBank S.A.

The purpose of the policy is to define the directions of development and standards for the implementation, offering and servicing of insurance products.

The policy sets out the bancassurance business model adopted by the Bank, the standards and terms of cooperation between the Bank and insurance companies, the principles of managing the insurance product offering and building the Bank's relationships with clients, the standards of monitoring and controlling the bancassurance business model in place as well as protection of the Bank against risks associated with bancassurance activities.

Relevant areas addressed: Access to (quality) information

Procedure Governing the Preparation, Approval and Publication of Marketing Materials at the Bank. General Rules for Advertising Banking Products and Services for All Product Types.

The rules governing the approval of marketing materials have been introduced to ensure that marketing materials are produced in conformity with generally applicable laws, regulatory guidelines as well as other market and industry standards and practices regarding the creation of marketing materials, and to prevent adverse impacts of breaches of the regulations, guidelines and standards, including regulatory financial sanctions and reputational risk.

All data and information contained in the materials must be accurate and verified. The information provided to clients should be clear, reliable and not misleading. It must be provided in a way that is understandable to the recipient, in a simple and uncomplicated language, without the use of industry-specific or technical terminology. Marketing materials should be developed in a professional manner, with attention to detail and consistent with the Bank's visual identity. They must not mislead clients or use manipulative sales techniques.

The policy governing the approval of marketing materials is also designed to protect the interests of clients. Through careful verification of the content of the materials, the Bank makes sure that the information provided to clients is clear, understandable and not misleading. A rigorous approach of this kind prevents situations where clients could make financial decisions based on incomplete or false information. Implementation of responsible marketing practices protects both the Bank and its clients.

Relevant areas addressed: Responsible marketing practices

Complaint Handling Procedure

The complaint handling procedures have been described under: 8.4.5 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3).

Relevant areas addressed: Access to (quality) information

Rules for Dispute Handling and Dispute List Updating by the Legal Department

The document defines the actions of employees with regard to disputes, representation of the Bank, the rules for dispute handling, subject-matter assignment, engaging third parties to handle disputes, rules of appearance before the authorities, actions that may be taken in the course of proceedings as well as the rules for keeping a dispute list and documentation archiving.

In 2024, the VeloBank Group did not have a separate human rights policy, as referred to in Guideline 16 of the UN Guiding Principles on Business and Human Rights and in Para. 4, Chapter IV "Human Rights" of the OECD Guidelines for Multinational Enterprises on responsible business conduct.

We plan to implement a human rights procedure at the Bank.

8.4.4. *Processes for engaging with consumers and end-users about impacts (S4-2)*

Data privacy and security, including personal data, including access to (quality) information.

The Bank has put in place internal regulations aimed at ensuring compliance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of personal data (GDPR) and the Personal Data Protection Act of May 10, 2018. The internal documentation sets out detailed procedures for reporting security incidents related to personal data processing. Any person who identifies or has a reasonable suspicion that a personal data security incident may have occurred is obliged to take action in accordance with the internal procedure that forms part of the Personal Data Security Policy.

A client who would like to report an incident to the Bank can use several available communication channels:

a) in all outlets of VeloBank S.A.;

b) by filling in an appropriate form at www.velobank.pl;

c) by traditional mail to the current address of the Bank's registered office;

d) by making a relevant request through the Bank's hotline;

e) through Electronic Banking or other Remote Channels;

f) by e-mail to the address of the Data Protection Officer: iod@velobank.pl.

Every report concerning a security incident related to personal data processing is subject to verification. If a report is found to be legitimate, an appropriate internal investigation is conducted, which ends with the preparation of a report and the employment of appropriate measures in accordance with the applicable laws. The Bank treats each client individually, ensuring the highest quality of service, while maintaining full compliance with internal procedures and the applicable legal acts.

Clients can also submit requests regarding consent to the processing of their personal data. These rights are exercised through the employees of the Security Department – Data Security Team, the Data Protection Officer and staff of the Bank's organizational units that have received a request to take specific action or to provide specific information in accordance with the procedure implemented by the Bank in this respect, which forms part of the Personal Data Security Policy.

The above-mentioned rights are exercised at the request of the data subject. The data controller may not refuse to accept the data subject's request. Requests for the exercise of data subjects' rights are accepted in all outlets of VeloBank S.A., e.g. by filling in an appropriate form to exercise the rights of the data subject (including the right to be forgotten, the right of access to personal data and right to data portability) as well as other communication channels, as indicated above.

The data subject is entitled to exercise their rights under Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of personal data (GDPR). These rights are exercised through the employees of the Security Department – Data Security Team and the Data Protection Officer.

Disputes

At the moment, VeloBank does not have any specific processes in place to engage with end-users and consumers with regard to the risk arising from disputes. In the future, on the basis of conclusions drawn from conducted proceedings, the Bank will consider the introduction of mitigating measures.

Proceedings before supervisory/audit authorities

At the moment, VeloBank does not have any specific processes in place to engage with end-users and consumers with regard to the risk arising from proceedings before supervisory/audit authorities. In the future, on the basis of conclusions drawn from conducted proceedings, the Bank will consider the introduction of mitigating measures.

Access to products and services

When introducing a new product or service, we rely on marketing research. It is our objective to ensure that the new service is tested by a selected group of clients. We test our services at various stages of their development: ideas/concepts, price levels or the designed service before its implementation. We use qualitative, quantitative and UX research to verify clients' feedback. Depending on the research stage, we are able to obtain feedback which allows us to modify our ideas and services, and to optimize our products so that they are tailored to clients' needs.

Responsible marketing practices and access to (quality) information

We work together with our clients, identifying and analyzing their needs from the time we first engage with a given group. This way we are able to incorporate client feedback into our marketing decisions. Identification of clients and their needs as well as gaining an understanding of their expectations is the first step in the engagement process. We use a variety of methods, such as market research, surveys, interviews and data analysis, social media contact or media monitoring, to obtain a full picture of client expectations.

For effective engagement, we have designed various communication channels that will enable clients to share their opinions, suggestions and complaints easily and quickly. To that end, we use hotlines, online chats, web forms, as well as direct meetings with clients. We conduct an in-depth analysis and assessment of the impacts that may be reflected in our marketing activities. This includes both positive and negative impacts. Client opinions and suggestions are a key element in the Bank's activities. The last step in the Bank's engagement with clients is the systematic monitoring and assessment of the effectiveness of such relationships and impacts. We use a variety of tools for monitoring purposes, such as data analysis, reporting and internal audits. Regular assessments enable us to make the necessary changes and improvements in the engagement process and promptly respond to crises.

Client feedback affects our decisions, helping us manage relationships and build loyalty. Regular analyses allow the Bank to constantly tailor its products and services to the clients' expectations, thus increasing their satisfaction.

Disclosure of the stage(s) at which engagement occurs, the type of engagement, and the frequency of the engagement.

For our organization transparency in the interactions with clients is a top priority. We engage with our clients at a number of stages of the banking product development process, its placement on the market and in the post-implementation assessment. Such engagement varies depending on the process stage. It covers initial consultations, needs analysis, development of a marketing strategy and implementation of promotional activities. Meetings can be face-to-face, online or in the form of reports. The frequency of engagement is tailored to the individual needs of the client.

The Marketing Department Director assumes responsibility for ensuring effective client engagement and shaping the approach of the Marketing Department. They oversee all the engagement stages, from initial consultations to reporting results, ensuring that the marketing activities meet the needs of our clients and produce the intended results.

Disclosure of the method used to assess the effectiveness of engagement with consumers and/or end-users

VeloBank has implemented a model for managing client feedback. The level of client recommendations, which we measure on a scale from 0 to 10, is the key indicator we consider. We subtract the percentage of respondents who have answered 0-6 from the percentage of those who have answered 9-10. When it comes to important touchpoints and the key products, we regularly ask clients about the level of their recommendations and evaluation of the individual service and product aspects. The questions concern, for instance, the use of mobile banking, online banking, hotline service, branch service and the complaint handling process. We monitor the quality level for the key products, such as deposit products, cash loans or personal accounts. These activities are not intended to evaluate the products we offer, but to monitor the effectiveness of consumer engagement. They are about the extent to which the implemented solutions allow the Bank to obtain consumer feedback on all important issues and its consideration in the Bank's decisions.

8.4.5. Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

Any concerns and issues raised by clients are dealt with, among others, by the dedicated Complaint Handling Unit.
• The complaint handling process at the Bank is based on the Complaint Handling Procedure and product regulations.
• The Bank has put in place internal regulations to ensure compliance with the Act on Handling Complaints by Financial Market Entities.

• The Bank also follows the recommendations of the Polish Bank Association and adheres to the Code of Banking Ethics.

All these regulations and actions are aimed at reducing legal, financial and reputational risks.

The Bank has designated channels for raising concerns, a dedicated telephone number and its outlets where clients can report their issues in person. The effectiveness of these channels is regularly monitored, improvements are made and employees are supported to handle complaints in a fair and client-centric manner.

The Bank takes a pro-active approach to addressing and remedying any negative impacts of its activities on consumers and end-users.

- Based, among other things, on the results of an analysis performed by the employees of the Complaint Handling Unit and recommendations, the Bank takes actions to eliminate irregularities, if any, and prevent their occurrence in the future.
- The Bank approaches each of its clients individually, maintaining the highest quality of service and in compliance with all procedures and legal acts.
- Each client report is analyzed by the unit's employees responsible for preparing a comprehensive response which will clarify the matter and help solve the situation in a way that is transparent and understandable for the client.
- On the basis of client reports, the unit's employees plan actions that are communicated to individual departments of the Bank, both in order to eliminate emerging issues and make new improvements.

A comprehensive review of the situation is conducted to identify the root cause of the problem and the extent of the negative impact. An appropriate remedy and a plan for its implementation are developed as the next step. The Complaint Handling Unit carries out regular reviews of the implementation of the actions declared by the units in the areas that needed improvement. The Bank regularly tests the overall assessment of the effectiveness of remedies and their impact on the number of all complaints filed.

Transparency and accessibility in the processes of responding to concerns raised by clients are a priority for the Bank. To this end, a multi-channel system has been implemented that allows clients to access channels through which they can raise doubts or concerns about a specific topic. Client concerns and complaints can be raised/filed in a convenient way:

- by traditional mail;
- by phone via the Bank's hotline;
- in any of the Bank's outlets;
- electronically (using a complaint form).

Complaints are recorded in a dedicated system that supports process management.

The Bank considers open communication and the trust of its clients to be its priority, ensuring that they are aware of the channels available for raising any doubts and concerns. This is achieved through the use of training materials and workshops during which our employees are informed about the importance of our system for raising concerns. We also keep open lines of communication by providing accessible and user-friendly interfaces for raising doubts and concerns. In addition, audits are performed to ensure the effectiveness of our reporting channels and we make necessary adjustments to maintain a robust system that fosters trust and collaboration between our organization and its business relations.

The Bank has a system in place for monitoring issues raised by its clients. The Bank regularly reviews and analyzes client feedback, conducts surveys, and engages in one-on-one conversations with its clients to understand their experiences and identify areas for improvement. The Bank's goal is to address issues in a timely manner and to provide remedies that are fair, transparent and tailored to each individual's specific needs. Each complaint filed with the Bank is considered on a case-by-case basis. We do not retaliate against clients who use dedicated channels, and safeguards have been put in place to protect their identity and prevent any negative consequences. To ensure trust and awareness of the Bank's systems among its clients, regular updates have been implemented on the website and via e-mail notifications. Consumers and end-users can use anonymous channels to raise their concerns or communicate their needs.

If information security incidents occur, clients can report irregularities by phone, e-mail, the whistleblowing channel, traditional mail, by visiting the branch in person and/or through the OB and MB channels. The whistleblowing procedure has been described in Disclosure 1.5.5. Prevention and detection of corruption and bribery (G1-3) and incidents of corruption or bribery (G1-4).

Disclosure of how it is assessed that consumers and end-users are aware of and trust the structures or processes as ways to raise and respond to their concerns or needs.

On a monthly basis, the Bank conducts NPS surveys aimed at monitoring the level of customer satisfaction with individual stages of the complaint handling process.

• The survey is carried out by telephone, on a randomly selected sample of clients, who respond to a questionnaire containing both closed- and open-ended questions.

• In addition, the effectiveness of the complaint handling process is monitored monthly through dedicated KPIs and quarterly for KRIs. This allows the Bank to take additional action if significant deviations are identified for individual indicators.

• On the Bank's website and in its outlets, we provide clients with clear instructions on how to raise their concerns and send their feedback, in addition to ensuring that we respond to all complaints in a timely and transparent manner. The Bank also makes sure that its staff understand the importance of maintaining confidentiality and protecting those who use our channels to raise concerns, from any form of retaliation.

The Bank makes an effort to build relationships with its clients that are based on trust and mutual cooperation. Therefore, in order to strengthen the Bank's cooperation with its clients, they have the option to appeal to the Bank Customer Ombudsman.

The number of complaints received from consumers and/or end-users during the reporting period: 37,411.

8.4.6. Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions(S4-4)

In the reporting period, the following actions were taken, among others, on material impacts, risks and opportunities related to consumers and end-users.

Mobile authorization as the default option for approving operations for new mobile banking clients (each new client who activates mobile banking has it started automatically). This mechanism prevents negative impacts on the client by providing multi-factor authorization. Thus, it minimizes the likelihood of the client's losses resulting from unauthorized third-party card use attempts.

Behavioral verification (April 2024) – an analysis of the client's behavior when using electronic banking, such as keyboard typing speed, phone angle, frequency of clicks or speed of mouse movements. Such information is shared with BIK, where an individual behavior model is built. If one's behavior in electronic banking differs from the model so built, we are informed accordingly and take action as appropriate. This mechanism – by monitoring the client's behavior in the banking session as compared to the built profile – enables the detection of attempts to take over the client's electronic banking by third parties. Thus, it mitigates the risk of losses arising from unauthorized transactions.

PESEL blocking verification – effective from June 1, 2024, upon the conclusion of, e.g., a credit facility, credit card or loan agreement, financial institutions are required to verify whether the client's personal number PESEL is blocked. This mechanism prevents negative impacts on the client by securing the process of granting loans, opening accounts or withdrawing cash at a branch (above 3 times the minimum gross wage) by third parties using the client's stolen identity.

Launch of VeloBank RM Verification (November 2024) – the relationship manager's business card from OCC is displayed during a call with the client so that the client can be sure that they are talking to an employee of the Bank. Verification and updating of security information on the Bank's website and in printed materials (call sheet, leaflets and account guide). A mechanism mitigating the risk of spoofing, i.e. impersonation of the Bank's employee by a fraudster so as to trick the client – through social engineering manipulation – into transferring the client's funds to the fraudster's account (or providing them in physical form).

Communications sent to clients in accordance with the schedule, distributed through various channels (the Bank's official communication channels: Facebook, Instagram, and mailing). These are risk mitigation activities based on building the client's awareness of existing threats, and recommendations on how to behave if they occur.

Introduction of a new complaint form for unauthorized transactions and call backs to clients where the scope of information provided in the complaint is insufficient (December 2024). A new form has been in place and call backs have been made starting from January 1, 2025. The change is related to the optimization and acceleration of the complaint handling process in relation to unauthorized transactions.

A warning against fraudsters provided in the tokenization SMS (August 2024) – when adding a card to Google Pay, the client receives the following SMS: "To add your card to Google Pay, please enter the following code: YYYYY. Beware of fraudsters, don't share the code with anyone. If you're not the one adding the card, call: ZZZZZ."

Putting in place new anti-fraud rules for card transactions. Automatic detection and response to suspicious card transactions. As a result, we mitigate the risk of unauthorized transactions.

On August 1, 2024, VeloBank joined the teams working under the Partnership for Cybersecurity Program at NASK.

Analysis of market trends related to fraud on the financial market with a view to monitoring them on an ongoing basis and implementing rules to prevent new fraud trends so as to reduce the risk of unauthorized transactions and loan fraud.

Educational initiatives aimed at raising the client's awareness of financial security.

These are risk mitigation activities based on building the client's awareness of existing threats, and recommendations on how to behave if they occur.

The Bank offers a wide range of financial services to consumers. We make sure that the services are provided with due diligence and according to the highest standards, in particular with regard to the manner and form of providing information about financial services and instruments offered to clients, as the recipient of this information is often a client who does not have specialist knowledge or experience to assess whether a given instrument or service is suitable for them. The client may not have sufficient skills to analyze whether the risk correlated with these instruments is adequate to their situation and needs, and whether the information addressed to them is only advertising or promotion, or whether its content encourages, for example, the purchase of financial instruments. When offering specific investment solutions, we are primarily guided by the best interest of the client.

We launch information campaigns addressed to our clients in accordance with the adopted schedule and considering emerging fraud trends.

Personal data protection

VeloBank S.A. considers the protection of personal data to be a key element of its social and ethical responsibility. The organization is constantly improving its personal data protection procedures, minimizing the risk of breaches and promoting positive impacts through transparency and education. Such activities not only respond to the needs of privacy protection, but also create opportunities to develop innovative services that will serve both clients and the institution itself. With a view to minimizing negative impacts related to personal data processing, the Bank undertakes the following actions:

1. Protection from privacy breaches: The Bank puts in place advanced security mechanisms for personal data to prevent their unauthorized disclosure, loss or destruction. The Bank regularly conducts data protection impact assessments, updates its data protection procedures and verifies their compliance with the law (including the GDPR). Such actions are aimed at minimizing the risk of breaches of our clients' privacy.

2. Minimizing compliance risk: The Bank takes steps to prevent breaches of personal data protection regulations that may have adverse consequences, both for clients and for the organization. Regular employee training, cooperation of other units with the Data Protection Officer (DPO) and the Data Security Team enable effective monitoring and management of risks associated with the protection of personal data.

In the context of the risk of litigation and proceedings before supervision/audit authorities, no action was taken in the analyzed period.

8.4.7. *Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)*

The Bank did not pursue any specific targets with respect to material impacts and risks in the reporting period.

8.5. *Business conduct (G1)*

8.5.1. G1.IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

With respect to business conduct issues, impacts, risks and opportunities have been identified in four areas:
1. **Corporate culture** – in this area, three positive impacts related to the functioning of the ESG and Sustainability Policy, the Code of Ethics and the establishment of the ESG Acquisition and Sales Office have been identified.

2. **Whistleblower protection** – in this area, a positive impact related to the existence of the whistleblowing procedure and whistleblower protection have been identified.

3. **Management of relationships with suppliers, including payment practices** – a positive impact related to the functioning of the Supplier ESG Code has been identified.

4. **Prevention of corruption** – in this area, a positive impact related to the prevention and detection of corruption as well as anti-corruption training has been identified.

Appropriate criteria such as location, activity, sector and transaction structure were considered in the double materiality analysis process.

8.5.2. G1.GOV-1 The role of the administrative, management and supervisory bodies

Information regarding the role of the administrative, supervisory and management bodies in relation to business conduct and their expertise in matters related to business conduct has been provided in Disclosure ESRS 2 GOV-1.

8.5.3. Business conduct policies and corporate culture (G1-1)

Business conduct policies

The corporate culture and ethical principles, including mechanisms for identifying, reporting and investigating unlawful behavior or behavior in contradiction of the code of ethics, have been set out in the following banking procedures:

Compliance Policy

The policy contains information on the basic principles for ensuring compliance by all staff, the organizational set-up of the compliance system, including the division of roles and responsibilities of the Compliance Department, the key elements of the compliance risk management process, the scope, frequency and recipients of information on how compliance tasks are fulfilled, including reports on compliance risk management, the types of actions taken in the event of detection of irregularities in the application of the policy, including corrective and disciplinary measures, as well as the principles of cooperation between the Compliance Department and the corresponding units in our subsidiaries with regard to compliance risk.

Ethical Values, Conflict of Interest and Gift Management Policy, including the Set of Procedures

The policy implements the "Principles of Good Banking Practice" adopted by the General Meeting of the Polish Bank Association (ZBP) and constituting the code of ethics for the banking professional community, the Recommendation of the Banking Ethics Committee at the Polish Bank Association on the development of Ethical Culture in Banks, the Recommendations of the Banking Ethics Committee at the Polish Bank Association for the banking sector in the field of senior citizen service, Recommendation Z on the principles of internal governance in banks and the Guidelines of the European Banking Authority (EBA) on internal governance EBA/GL/2021/05. It sets out the rules for managing conflicts of interest, accepting and providing gifts, as well as ethical principles to be followed by the Bank and its Group.

The "Procedure for Managing Conflicts of Interest at the Bank with Respect to the Bank's Activities under Article 70.2 of the Act on Trading in Financial Instruments of July 29, 2005 (consolidated text: Journal of Laws *Dz.U.* of 2023, item 646) and the Bank's Activities under Article 5.1(1) of the Banking Law of August 29, 1997 (consolidated text: Journal of Laws *Dz.U.* of 2023, item 2324, as amended 180) with Respect to Structured Deposits".

VeloBank's Code of Ethics

It sets out the rules for managing conflicts of interest, accepting and giving gifts, as well as ethical principles to be followed by the Bank and its Group.

It aims to:

- promote the ethical values of the professional banking community among staff and to define standards of conduct based on ethical and fair principles that are in line with the applicable laws;

- define and implement, both at the institutional level and among all staff, the basic principles for identifying and preventing ethical breaches and conflicts of interest that could harm the interests of clients and the Bank's Group;

- provide the basis for the prevention of financial and reputational losses arising from the occurrence of a conflict of interests;

- develop a set of consistent rules to be followed by the Group and staff in their relationships with clients and counterparties, applicable to gift acceptance and provision;

- build an effective anti-corruption culture which does not tolerate requesting, offering, providing or accepting (whether directly or indirectly) a bribe or any other undue benefit or a promise thereof that distorts the proper fulfilment of professional duties by staff and other persons acting on behalf of and for the Bank's Group.

ESG and Sustainability Policy

The policy contains information on defining ESG objectives, identifying and analyzing ESG risks, monitoring environmental, social and governance issues in the Bank's activities, developing the Bank's employees' knowledge and providing training in ESG, reporting on the Bank's approach to managing sustainability and ESG issues, as well as its performance in this area.

Anti-Money Laundering and Counter-Terrorism Financing Procedure

The procedure defines how the Bank's obligations arising from AML/CTF regulations are fulfilled by the Bank's staff and intermediaries.

Group Anti-Money Laundering and Counter-Terrorism Financing Procedure

The procedure defines how the Bank's obligations arising from AML/CTF regulations are fulfilled by the Bank's subsidiaries.

Policy Governing the Suitability Assessment of the Key Function Holders at the Bank

The policy has introduced best practices in the appointment (including qualification and recruitment requirements), succession and suitability assessment of members of the Supervisory Board, members of the Management Board, persons playing a significant role in the day-to-day management of the Bank as well as candidates for the key functions at the Bank. In particular, it lays down the rules for appointing persons to perform the key functions at the Bank, including the rules of succession and conducting suitability assessments.

Policy for the Prevention of Risk Arising from Ethical Breaches, Conflicts of Interest and Corruption

The Policy for the Prevention of Risk Arising from Ethical Breaches, Conflicts of Interest and Corruption has been designed to promote the ethical values of the professional banking community among staff and to define standards of conduct based on ethical and fair principles that are in line with the applicable laws. It defines and implements, both at the institutional level and among all staff, the basic principles for identifying and preventing ethical breaches and conflicts of interest that could harm the interests of clients and the Group.

1. providing the basis for the prevention of financial and reputational losses arising from the occurrence of a conflict of interest;

2. developing a set of consistent rules to be followed by the Group and staff in their relationships with clients and counterparties, applicable to gift acceptance and provision;

3. building an effective anti-corruption culture which does not tolerate requesting, offering, providing or accepting (whether directly or indirectly) a bribe or any other undue benefit or a promise thereof that distorts the proper fulfilment of professional duties by staff and other persons acting on behalf of and for the Bank's Group.

Whistleblowing Procedure – Internal System for Reporting Breaches Identified at VeloBank S.A.

The procedure applies to an internal system for reporting breaches identified at VeloBank S.A.

A description of how the undertaking establishes, develops, promotes and evaluates its corporate culture

VeloBank's corporate culture is built on the foundations of ethics, innovation and social engagement. The Bank places great emphasis on compliance with regulations and ethics, which is confirmed by the following internal documents put in place at the Bank: the Ethical Values, Conflict of Interest and Gift Management Policy and the Code of Ethics. All staff must be familiar with the regulations set out in these documents, and their knowledge in this area is verified in periodic mandatory training that ends with a test.
VeloBank's values are entrepreneurship, openness, reliability and trust. The VeloValues implementation strategy was promoted by focusing on the visual aspect and numerous activities that engaged employees to understand and incorporate VeloValues into their everyday work. Each value is symbolized by a graphically created character appearing in messages that explore the individual values of VeloBank. This makes the communications interesting, authentic and diverse in their form. Employees know and understand the new values and their everyday attitudes and behaviors, both inside and outside the Bank, are consistent with these values. VeloValues are also part of the performance management process at the Bank.

Information on the organization's business conduct training policy

VeloBank provides regulatory training in the area indicated by external regulators, as reflected in its internal procedures for all staff, including managers, executives and personnel of the sales network – both its own and franchise. The "Compliance Policy", "Conflict of interest with respect to investment products", "Conflict of interest with respect to bancassurance" and "Whistleblowing" training courses are provided on an annual basis.

The training is delivered in the form of e-learning courses based on real-life scenarios and case studies to facilitate the understanding and application of the principles. Training materials are regularly reviewed and updated to reflect changes in legislation and industry best practices, ensuring that all employees have the necessary knowledge and competencies to maintain high standards of business conduct within our organization.

In addition, high-risk staff who exert a significant influence on the Bank's operations and the risk generated for the Bank, as well as key function holders in the area of financial management, audit, security, compliance and IT service management attend industry and thematic conferences as well as external, including certified, training, e.g. Certified Internal Auditor and ISTQB® Advanced, EUROPEAN INVESTMENT PRACTITIONER EFPA EIP and EUROPEAN FINANCIAL ADVISOR EFPA EFA, Certified Internal Auditor and ISTQB® Advanced Level Test Manager. We take action to develop their competence, preparing them to perform their roles in accordance with the applicable laws and the adopted strategy.

A description of the mechanisms for identifying, reporting and investigating unlawful behavior or behavior in contradiction of the code of conduct or similar internal rules.

Procedures for raising concerns and protection of whistle-blowers

The Bank has put in place various channels for raising concerns related to unlawful behavior or behavior in contradiction of its code of conduct, to include a dedicated e-mail address, a letter sent by traditional mail, a bank outlet or hotline. The Bank accepts reports submitted by both internal and external stakeholders.

The Bank has fully implemented the legal basis for the protection of whistleblowers into its internal procedure.

The Bank has adopted the "Whistleblowing Procedure – Internal System for Reporting Breaches Identified at VeloBank S.A.". It provides for the establishment of a permanent committee composed of a chairman, i.e. the head of the Compliance Department, and members, i.e. the head of the Human Resources Department, the head of the Legal Department and the head of the Security Department. The committee members may designate their deputies and other selected employees to verify a report and conduct the related investigation. The committee coordinates the actions taken in the course of the investigation, formulates, modifies or supplements the proposed recommendations issued based the findings made by the designated employees, and then submits them for approval, amendment or supplementation to the President or Member of the Management Board responsible for the functioning of the procedure. If a report of a suspected internal crime is received, the committee orders an investigation to be conducted by the Operational Security Department, and then familiarizes itself with the actions taken and makes a decision on the formulated recommendations.

The Compliance Department follows the "Whistleblowing Procedure – Internal System for Reporting Breaches Identified at VeloBank S.A.", under which reports may be submitted through the following channels:

1) via the "Powiadomienia" app;

2) by traditional mail;

3) by e-mail.

Each internal report is examined by the committee in an impartial, fair and honest manner. Internal reports are treated as confidential and both the whistleblower and witnesses are guaranteed protection from retaliation.

The time limit for examining reports under the "Whistleblowing Procedure – Internal System for Reporting Breaches Identified at VeloBank S.A." is as prescribed by the applicable laws, i.e. three months, with the option to be extended in particularly complex cases.

The whistleblowing procedure provides for the following manner of reporting:

1. The head of the Compliance Department provides the President of the Management Board with a report covering each most recent six (calendar) month period, which specifies:

    1) the number of internal reports in the period, broken down into reports with positive verification of legitimacy and reports with negative verification of legitimacy (rejecting the allegations contained therein);

    2) how the internal reports have been made and the duration of investigations;

    3) short summaries of the actions taken and measures employed against the persons concerned (in the case of positive verification of legitimacy).

The report does not contain any personal data or other identification details.

2. An employee of the Compliance Department prepares the report and presents it to the President of the Management Board within two months of the end of each half-year.

3. After the end of each second half-year, the report additionally contains information on the functioning of the procedure for the purpose of the Supervisory Board's assessment of the adequacy and effectiveness of the procedures for anonymous reporting of breaches by employees. The report does not contain any personal data or other identification details.

4. The President of the Management Board provides the information contained in the report to the Management Board of the Bank and to the Supervisory Board.

5. The Bank guarantees anonymity of whistleblowers and protects them against any retaliation in connection with the report.

Disclosure of functions most exposed to the risk of corruption and bribery

The fundamental principles followed in our business are honesty, transparency and responsibility as well as respect for the highest ethical standards, both within the organization and in our relations with clients and counterparties.

The Bank has not identified any functions most exposed to the risk of corruption and bribery. The same principles apply to everyone.

8.5.4. Management of relationships with suppliers (G1-2) and Payment practices (G1-6)

Description of the policy to prevent late payment, in particular for SMEs

The VeloBank Group does not have a formal policy in place to address the issue of payments. The terms of payment for purchased goods or services are set out individually in the contracts concluded with each counterparty, in line with statutory requirements.

The Group does not keep a register of the undertaking's standard payment terms in number of days by main category of suppliers and the percentage of its payments aligned with these standard terms.

The number of legal proceedings currently outstanding for late payments: 0

In 2024, the average time to process an invoice/bill from the receipt of the document to the date of payment was 13 days. As regards VeloBank's subsidiaries with a significant impact on the operations of the Group, in 2024, the average time to process an invoice/bill from the receipt of the document to the date of payment was:

- 9 days at VeloLeasing;

- 15 days at ProEkspert.

Information on the approach to relationships with suppliers

Our organization's approach to relationships with suppliers is focused on fostering long-term partnerships based on trust, mutual understanding and commitment to sustainability.

When selecting potential suppliers, we are guided by good practices to ensure that the entities invited to the tender procedure meet the following conditions, and in particular the ESG requirements for sustainable development set out in the Supplier ESG Code.

Supplier ESG Code

In line with the corporate governance, social and environmental responsibility values adopted by the Bank, we have put in place the Supplier ESG Code, which sets out the expectations for cooperation with regard to the conduct of our suppliers. These expectations are considered to be the basis for ensuring successful business relationships between the Bank and its suppliers. It is our objective to be a leader in sustainable development among financial institutions. We focus on the common good and build trust based on the highest market standards. The Code defines the expectations for cooperation with regard to the conduct of our suppliers in the environmental, social and regulatory context.

Our expectations are based, among others, on the following national and international regulations and conventions:

- Universal Declaration of Human Rights;
- International Labor Organization Standards;
- OECD Guidelines (especially on the fight against corruption);
- Rio Declaration on the Environment and Development – Agenda 21;
- United Nations Convention against Corruption;
- International trade sanctions or embargoes, including sanctions that may apply as a result of a resolution adopted in accordance with Chapter VII of the Charter of the United Nations by the Security Council or sanctions imposed by the European Union.

The principles laid down in the Code are the ones we identify ourselves with and commit ourselves to adhere to. We expect our suppliers to meet similar standards, especially in the areas of human rights, occupational health and safety, environmental protection and the fight against corruption.

In the procurement procedure, we obtain ESG surveys and ESG statements from the bidders. The ESG criterion is mandatory and its weight is 10%. Responses to the ESG survey confirming that the supplier really acts in accordance with the ESG principles ensures the maximum number of points, with each response being equally scored. If the ESG survey is not completed, the score for the above criterion is “0”.

In addition, in the ESG area, we have concluded an agreement with CRIF for access to the Synesgy Platform. CRIF’s service consists in the provision of access to the Synesgy Platform with a set of documents and information voluntarily shared by suppliers so that the level of their ESG engagement as part of their business activities may be determined.

Social and environmental criteria for the selection of suppliers

The social and environmental criteria for our suppliers are assessed in the ESG Survey, which covers three areas of sustainable development: the natural environment, concern for employees and the society, and compliance with regulations.

The following requirements have been defined for our suppliers in the Supplier ESG Code.

Environment:

- acting in conformity with national and international environmental standards and applicable national laws;

• striving to reduce the amount of waste produced, segregating waste already generated, and ensuring proper disposal of hazardous waste;

• taking action to reduce emissions of pollutants into the atmosphere as well as energy consumption and CO_2 emissions;

• having in place or developing an environmental protection / sustainability policy;

• undertaking educational initiatives in the field of environmental protection among staff and promoting pro-environmental attitudes among suppliers and partners;

• educating staff in environmental protection and motivating them to act in an eco-friendly way.

Social:

• complying with all labor law regulations;

• providing conditions for the entity's staff which are compatible with occupational health and safety rules;

• observing working hours at least as set out in the applicable national regulations;

• remunerating the entity's staff at least at the level of the legally required and guaranteed minimum wage;

• not employing children under 16 years of age;

• not using and not tolerating forced labor;

• avoiding any manifestations of mobbing as well as verbal and physical harassment of staff;

• allowing staff to associate in trade union organizations;

• not following any practices discriminating people on the grounds of their gender, race, nationality, religion, disability, sexual orientation or beliefs;

• making the entity's staff more sensitive to diversity issues;

• making efforts to ensure that these principles are respected by the entity's suppliers and partners.

Compliance:

• respecting the principles of ethics in every area of the entity's activity;

• counteracting any forms of corruption and conflict of interest;

• adhering to the highest business standards in the field of fair and free competition;

• discharging all financial liabilities when due;

• protecting confidential information obtained in the course of cooperation and not disclosing it;

• complying with all regulations arising from the GDPR and national data protection legislation;

• educating staff in the applicable ethical standards.

8.5.5. Prevention and detection of corruption and bribery (G1-3) and incidents of corruption or bribery (G1-4)

VeloBank has implemented the Ethical Values, Conflict of Interest and Gift Management Policy, approved by the Management Board and by the Supervisory Board, which sets out, among other things, anti-corruption measures. Thus, the Bank has put in place principles for the prevention of corruption and bribery that are proportionate and adequate to the scale and nature of its operations.

With a view to preventing any manifestation of abuse, fraud, corruption and other unlawful conduct, both the Bank's staff and those holding management functions are subject, in particular, to the following rules:

1. prohibition to accept, request, provide or offer any bribes or other benefits, whether directly or through any other persons acting on behalf of the Bank's Group;
2. avoiding situations that could improperly influence or even create the appearance of influencing decisions made by the Bank's Group's staff or decisions made by its counterparties or clients;
3. compliance with the rules for the offering and provision of gifts. Prohibition to accept gifts that could compromise the reputation of the Bank or of its Group, or influence business decisions (action or omission to act);
4. prohibition to offer and provide any gifts or presents to public officials;
5. ensuring that cooperation with our counterparties is always carried out with respect for the principles of fair business conduct, all liabilities and payments are always appropriate to the services actually performed and documented in accordance with the applicable requirements;
6. purchasing and sales decisions are informed and economical. Any statements, documents and invoices must be complete, truthful and not misleading;
7. avoiding situations where a conflict of interest could arise or which could affect the occurrence of a conflict of interest, and which arise from providing gifts or favoring individuals who have a close personal relationship with an employee or a person holding a management function;
8. if unlawful (financial or personal) benefits or a promise of such benefits are received, staff should inform their line manager accordingly or use the whistleblowing system;
9. prohibition to use charitable contributions or sponsorships to circumvent our internal regulations and the Code of Ethics.

The obligation to respect the above anti-corruption rules rests with every employee, those holding management functions and other persons who represent the interests of the Bank's Group.

Anti-corruption training

1. In 2024, the "Compliance Policy" training was completed by 2,834 employees of the Bank (94.5%).

2. In 2024, the “Conflict of interest in the area of investment products” training was completed by 1,007 employees of the Bank (76%).

3. In 2024, the “Conflict of interest in the area of bancassurance” training was completed by 1,661 employees of the Bank (90.9%).

4. In 2024, the “Whistleblowing” training was completed by 2,902 employees of the Bank (86%).

No functions most exposed to risk have been identified. Training completion by these persons is not monitored in detail. All of the Bank’s staff are obliged to complete training. Monitoring is carried out for all staff.

The above data cover the employees of the VeloBank Group, and the percentage figure refers to those subject to the obligation to complete the training concerned.

Those serving on the Bank’s Management Board have completed the “Compliance Policy” and “Whistleblowing” training.

No separate training is provided covering only anti-corruption issues, but this topic is addressed by the “Compliance Policy” and “Whistleblowing” training.

Incidents of corruption

In 2024, in the VeloBank Group there were no convictions for violation of anti-corruption or anti- bribery laws, nor were any fines imposed for their breach.

8.6. *DISCLOSURES PURSUANT TO ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)*

The EU Taxonomy is a unified classification system for sustainable activities, established in the European Union. Its purpose is to support investors in making sustainability-oriented investment decisions. The EU Taxonomy defines six environmental objectives, with detailed criteria for assessing the compatibility with the EU Taxonomy of activities for two climate objectives defined in the first place. As a next step, in June 2023, the compatibility assessment criteria were established for the remaining four environmental objectives. At the same time, the EU Taxonomy stresses the importance of considering the issues of the social impact of economic activities, recognizing the minimum safeguards principle as a criterion of compatibility with the EU Taxonomy. According to Article 18 of the EU Taxonomy, the minimum safeguards are "procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights".

VeloBank's strategy and the EU Taxonomy

VeloBank develops services and products aimed at supporting clients, among others, in their energy transition efforts

and increasing the share of renewable energy solutions, as well as energy efficiency. The Bank's objective in the reporting period

was to boost the sales of "green" products, also thanks to the contribution of the newly-established Green Finance team

and the launch of the so-called "green package" for retail and business clients, possibly in collaboration with partners.

More information on the solutions focused on environmental protection, offered in the reporting period to individual

and institutional clients, can be found HERE.

The EU Taxonomy is the commonly used name for Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment. It imposes a number of reporting obligations on entities which are currently required to report non-financial information. For credit institutions, these obligations will become fully effective in 2026.

The EU Taxonomy reporting framework for credit institutions has been set out in the following regulations:
• **Regulation (EU) 2019/2088 of the European Parliament and of the Council** of November 27, 2019 on sustainability-related disclosures in the financial services sector.

• **Regulation (EU) 2020/852 of the European Parliament and of the Council** of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

• **Commission Delegated Regulation (EU) 2021/2139** of June 4, 2021 supplementing Regulation (EU) 2020/852 by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
• **The requirements of Article 10 of Commission Delegated Regulation (EU) 2021/2178** of July 6, 2021 supplementing Regulation (EU) 2020/852 by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a

or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

• **Commission Delegated Regulation (EU) 2023/2485** of June 27, 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.
• **Commission Delegated Regulation (EU) 2023/2486** of June 27, 2023 supplementing Regulation (EU) 2020/852 by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

VeloBank's Taxonomy Disclosures for 2024

The Bank's Taxonomy disclosures include information on our exposures to households and local government entities for purposes of reporting the Green Asset Ratio (GAR).

The Bank has not implemented the eligibility process for exposures to financial and non-financial undertakings that are subject to Directive 2013/34/EU and their group companies with respect to general financing, which has been determined on the basis of KPIs published by such undertakings in their most recent non-financial reports, due to their insignificant share in the Bank's portfolio and the considerable expenses associated with this process. The process will be set up for the preparation of disclosures in the following year.

Exposures to households due to building renovation loans have been regarded as Taxonomy-eligible but not Taxonomy-aligned due to the unavailability of data to confirm the fulfilment of the technical screening criteria (applicable to the activities under Sections 7.2, 7.3, 7.4, 7.5, 7.6 set out in Annex I to Delegated Regulation (EU) 2021/2139).

Exposures to households due to residential real estate loans have been regarded as Taxonomy-eligible but Taxonomy-aligned if they meet the condition of a substantial contribution to climate change mitigation and the "do no significant harm" principle with respect to climate change adaptation (applicable to the activities under Section 7.7 set out in Annex I to Delegated Regulation (EU) 2021/2139).

According to the interpretation of the Ministry of Development and Technology, the assessment of a substantial contribution to climate change mitigation for residential buildings erected before December 31, 2020 is met when the demand for non-renewable primary energy for heating, ventilation, cooling and hot water preparation (EP index) is less than 83.91 kWh/(m2*year) for a single-family residential building and less than 81.86 kWh/(m2*year) for a multi-family residential building, and it has been confirmed by the building's energy performance certificate.

According to the interpretation of the Ministry of Development and Technology, the assessment of a substantial contribution to climate change mitigation for residential buildings erected after December 31, 2020 is met when the EP index is at least 10% lower than the threshold specified in relation to the requirements for nearly zero-energy buildings in the national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. To this end, the Bank compared the calculated value of the EP index with the limit value reduced by 10% (determined in the manner specified in § 329.1 of the Announcement of the Minister of Infrastructure of April 12, 2002 regarding the technical conditions to be met by buildings and their location), equal to 63 kWh/(m2*year) for single-family residential buildings and 58.5 kWh/(m2*year) for multi-family residential buildings. The value of the EP index has been confirmed by the building's energy performance certificate.

For households, the Bank has conducted an analysis of the project location and confirmed that residential buildings are situated in urban agglomerations. Mortgage loan projects have energy certificates and are not located in places with a particularly sensitive impact on the natural environment.

In its disclosure, the Bank did not present Taxonomy-aligned exposures to:

- households due to loans for the purchase of vehicles, because of data availability issues;
- local governments, other than public housing or specialized lending, because of data unavailability;
- households due to building renovation loans, because of the unavailability of data to confirm the fulfilment of the technical screening criteria.

Simplifications used

As the Bank has identified green assets only for households, but not for corporates, it has decided to simplify the scope of the tabular disclosures presented by:

- not providing separate tables containing disclosures of the turnover and Capex KPIs – the Bank presents a single table containing both these disclosures;
- not providing detailed disclosures in the table from template 2 of Annex VI to Commission Delegated Regulation (EU) 2021/2178 with respect to sectoral information – as no disclosures for corporates have been identified;

- not providing detailed disclosures in the table from template 5 of Annex VI to Commission Delegated Regulation (EU) 2021/2178 with respect to off-balance-sheet exposures – as no off-balance sheet items subject to disclosure have been identified by the Bank;

- not providing disclosures in the table from template 2 of Annex XII to Commission Delegated Regulation (EU) 2021/2178 – as no activity is carried out in the area of nuclear energy and fossil gas.

The Bank has verified the comparative information for 2023 according to the eligibility criteria applied in 2024.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets (PLN '000)	Turnover KPI	KPI	% coverage (over total assets)*****	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	28,208	0.1%	0.1%	49.2%	14.3%	50.9%

		Total environmentally sustainable activities	Turnover KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)*	20,414	0.3%	0.3%	49.2%	8.5%	50.8%
	*Trading book**	n/a					
	Financial guarantees	0					
	Assets under management	n/a					
	*Fees and commissions income***	n/a					

Table 1. Assets for the calculation of GAR

Explanatory notes to Table 1:

1. Data in the table are presented in PLN '000.
2. The table shows the total gross carrying amount of the Bank's assets in accordance with FINREP reporting.
3. "Other categories of assets" includes: intangible assets, property, plant and equipment, income tax assets, trade receivables and exposures that could not be presented in other rows due to definitional limitations, e.g. car loans granted before January 1, 2023, or other retail loans not collateralized by residential immovable property.

4. Non-financial undertakings include also financial undertakings according to the NBP classification which do not meet the definition of an institution or a financial institution under the CRR.

Table 1. Assets for the calculation of GAR for 2024

	tys. PLN	Całkowita wartość bilansowa [brutto]	31.12.2024																													
			Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				Woda i zasoby morskie (WTR)				Ekonomia cyrkularna (CE)				Zanieczyszczenia (PPC)				Bioróżnorodność i ekosystemy (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)					W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)								
				W tym zrównoważone środowiskowo (zgodne z systematyką)					W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)			
					W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku																															
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów	19 640 909	2 013 392	28 208																								19 640 909	2 013 392	28 208		
2	**Przedsiębiorstwa finansowe**	9 838 377	-	-																								9 838 377	-	-		
3	Instytucje kredytowe	9 643 210	-	-																								9 643 210	-	-		
4	Kredyty i zaliczki	445 220	-	-																								445 220	-	-		
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	9 197 990	-	-																								9 197 990	-	-		
6	Instrumenty kapitałowe	-	-	-																								-	-	-		
7	Inne instytucje finansowe	195 167	-	-																								195 167	-	-		
8	w tym firmy inwestycyjne	-	-	-																								-	-	-		
9	Kredyty i zaliczki	-	-	-																								-	-	-		
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	-	-	-																								-	-	-		
11	Instrumenty kapitałowe	-	-	-																								-	-	-		
12	w tym spółki zarządzające aktywami	-	-	-																								-	-	-		
13	Kredyty i zaliczki	-	-	-																								-	-	-		
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	-	-	-																								-	-	-		
15	Instrumenty kapitałowe	-	-	-																								-	-	-		
16	w tym zakłady ubezpieczeń	-	-	-																								-	-	-		
17	Kredyty i zaliczki	-	-	-																								-	-	-		
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	-	-	-																								-	-	-		
19	Instrumenty kapitałowe	-	-	-																								-	-	-		
20	**Przedsiębiorstwa niefinansowe**	1 435 902	-	-																								1 435 902	-	-		
21	Kredyty i zaliczki	305 505	-	-																								305 505	-	-		
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	1 130 397	-	-																								1 130 397	-	-		
23	Instrumenty kapitałowe	-	-	-																								-	-	-		
24	**Gospodarstwa domowe**	8 028 507	2 012 446	28 208																								8 028 507	2 012 446	28 208		
25	tym kredyty zabezpieczone nieruchomościami mieszkalnymi	7 000 498	1 052 965	28 208																								7 000 498	1 052 965	28 208		
26	w tym kredyty na renowację budynków	530 628	530 628	-																								530 628	530 628	-		
27	tym kredyty na pojazdy silnikowe	497 380	428 852	-																								497 380	428 852	-		
28	**Finansowanie samorządów terytorialnych**	244 679	946	-																								244 679	946	-		
29	Finansowanie mieszkalnictwa	-	-	-																								-	-	-		
30	Inne finansowanie samorządów terytorialnych	244 679	946	-																								244 679	946	-		
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**	93 445	-	-																								93 445	-	-		
32	**Aktywa wyłączone z licznika przy obliczaniu wskaźnika zielonych aktywów (uwzględnione w mianowniku**	8 087 592	56 581	-																								8 087 592	56 581	-		
33	**Przedsiębiorstwa finansowe i niefinansowe**	1 780 318	-																									1 780 318	-			
34	MŚP i przedsiębiorstwa niefinansowe (niebędące MŚP) niepodlegające obowiązkowi ujawniania informacji niefinansowych zgodnie z dyrektywą w sprawie sprawozdawczości niefinansowej	1 636 928	-																									1 636 928	-			
35	Kredyty i zaliczki	1 596 784	-																									1 596 784	-			
36	w tym kredyty zabezpieczone nieruchomościami komercyjnymi	1 092 104	-																									1 092 104	-			
37	of which building renovation loans	56 581	56 581																									56 581	56 581			
38	Dłużne papiery wartościowe	28 880	-																									28 880	-			
39	Instrumenty kapitałowe	11 264	-																									11 264	-			
40	Kontrahenci z państw niebędących członkami UE niepodlegający obowiązkowi ujawniania informacji niefinansowych zgodnie z dyrektywą w sprawie sprawozdawczości niefinansowej	143 390	-																									143 390	-			
41	Kredyty i zaliczki	119 750	-																									119 750	-			
42	Dłużne papiery wartościowe	2 902	-																									2 902	-			
43	Instrumenty kapitałowe	20 738	-																									20 738	-			
44	**Instrumenty pochodne**	108 003	-																									108 003	-			
45	**Pożyczki międzybankowe na żądanie**	-	-																									-	-			
46	**Środki pieniężne i aktywa związane ze środkami pieniężnymi**	15 985	-																									15 985	-			
47	**Inne kategorie aktywów (wartość firmy, towary itp.)**	6 183 286	-																									6 183 286	-			
48	**Aktywa wskaźnika zielonych aktywów ogółem**	**27 728 501**	**2 069 973**	**28 208**																								**27 728 501**	**2 069 973**	**28 208**		
49	**Aktywa nieuwzględnione przy obliczaniu wskaźnika zielonych aktywów**	28 686 829	-																									28 686 829	-			
50	**Rządy centralne i emitenci ponadnarodowi**	23 298 906	-																									23 298 906	-			
51	**Ekspozycje wobec banków centralnych**	5 387 923	-																									5 387 923	-			
52	**Portfel handlowy**	-	-																									-	-			
53	**Aktywa ogółem**	56 415 330	2 069 972	6 098																								56 415 330	2 069 972	6 098		
Ekspozycje pozabilansowe – przedsiębiorstwa podlegające obowiązkowi ujawniania informacji niefinansowych zgodnie z dyrektywą w sprawie sprawozdawczości niefinansowej																																
54	Gwarancje finansowe	52 857	-	-																								52 857				
55	Zarządzane aktywa																															
56	z czego dłużne papiery wartościowe																															
57	z czego instrumenty kapitałowe																															

Table 1. Assets for the calculation of GAR for 2023

			31.12.2023																													
	tys. PLN	Całkowita wartość bilansowa [brutto]	Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				Woda i zasoby morskie (WTR)				Ekonomia cyrkularna (CE)				Zanieczyszczenia (PPC)				Bioróżnorodność i ekosystemy (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)					W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)								
				W tym zrównoważone środowiskowo (zgodne z systematyką)					W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)				W tym zrównoważone środowiskowo (zgodne z systematyką)		
					W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku																															
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów	15 416 969	896 287	6 098																								15 416 969	896 287	6 098		
2	**Przedsiębiorstwa finansowe**	6 662 584	-	-																								6 662 584	-	-		
3	Instytucje kredytowe	6 662 584	-	-																								6 662 584	-	-		
4	Kredyty i zaliczki	335 249	-	-																								335 249	-	-		
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	6 327 335	-	-																								6 327 335	-	-		
6	Instrumenty kapitałowe	-																										-				
7	Inne instytucje finansowe	-																										-				
8	w tym firmy inwestycyjne	-																										-				
9	Kredyty i zaliczki	-																										-				
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	-																										-				
11	Instrumenty kapitałowe	-																										-				
12	w tym spółki zarządzające aktywami	-																										-				
13	Kredyty i zaliczki	-																										-				
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	-																										-				
15	Instrumenty kapitałowe	-																										-				
16	w tym zakłady ubezpieczeń	-																										-				
17	Kredyty i zaliczki	-																										-				
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	-																										-				
19	Instrumenty kapitałowe	-																										-				
20	**Przedsiębiorstwa niefinansowe**	114 788	-	-																								114 788	-	-		
21	Kredyty i zaliczki	114 788	-	-																								114 788	-	-		
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	-																										-				
23	Instrumenty kapitałowe	-																										-				
24	**Gospodarstwa domowe**	8 213 940	894 857	6 098																								8 213 940	894 857	6 098		
25	tym kredyty zabezpieczone nieruchomościami mieszkalnymi	7 425 739	126 011	6 098																								7 425 739	126 011	6 098		
26	w tym kredyty na renowację budynków	518 471	518 471	-																								518 471	518 471	-		
27	tym kredyty na pojazdy silnikowe	269 730	250 375	-																								269 730	250 375	-		
28	**Finansowanie samorządów terytorialnych**	315 871	1 430	-																								315 871	1 430	-		
29	Finansowanie mieszkalnictwa	-																										-				
30	Inne finansowanie samorządów terytorialnych	315 871	1 430	-																								315 871	1 430	-		
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**	109 786	-	-																								109 786	-	-		
32	**Aktywa wyłączone z licznika przy obliczaniu wskaźnika zielonych aktywów (uwzględnione w mianowniku**	8 237 467	52 988	-																								8 237 467	52 988	-		
33	**Przedsiębiorstwa finansowe i niefinansowe**	2 930 151																										2 930 151				
34	MŚP i przedsiębiorstwa niefinansowe (niebędące MŚP) niepodlegające obowiązkowi ujawniania informacji niefinansowych zgodnie z dyrektywą w sprawie sprawozdawczości niefinansowej	2 579 181																										2 579 181				
35	Kredyty i zaliczki	1 552 416																										1 552 416				
36	w tym kredyty zabezpieczone nieruchomościami komercyjnymi	921 340																										921 340				
37	of which building renovation loans	52 988																										52 988				
38	Dłużne papiery wartościowe	1 023 468																										1 023 468				
39	Instrumenty kapitałowe	3 297																										3 297				
40	Kontrahenci z państw niebędących członkami UE niepodlegający obowiązkowi ujawniania informacji niefinansowych zgodnie z dyrektywą w sprawie sprawozdawczości niefinansowej	150 543																										150 543				
41	Kredyty i zaliczki	132 023																										132 023				
42	Dłużne papiery wartościowe	4 587																										4 587				
43	Instrumenty kapitałowe	13 933																										13 933				
44	**Instrumenty pochodne**	6 218																										6 218				
45	**Pożyczki międzybankowe na żądanie**	-																										-				
46	**Środki pieniężne i aktywa związane ze środkami pieniężnymi**	20 904																										20 904				
47	**Inne kategorie aktywów (wartość firmy, towary itp.)**	5 280 194																										5 280 194				
48	**Aktywa wskaźnika zielonych aktywów ogółem**	**23 654 436**	**949 275**	**6 098**																								**23 654 436**	**949 275**	**6 098**		
49	**Aktywa nieuwzględnione przy obliczaniu wskaźnika zielonych aktywów**	26 786 121																										26 786 121				
50	**Rządy centralne i emitenci ponadnarodowi**	17 265 515																										17 265 515				
51	**Ekspozycje wobec banków centralnych**	9 520 606																										9 520 606				
52	**Portfel handlowy**	-																										-				
53	**Aktywa ogółem**	50 440 557	949 275	6 098																								50 440 557	949 275	6 098		
Ekspozycje pozabilansowe – przedsiębiorstwa podlegające obowiązkowi ujawniania informacji niefinansowych zgodnie z dyrektywą w sprawie sprawozdawczości niefinansowej																																
54	Gwarancje finansowe	39 734	-	-																								39 734				
55	Zarządzane aktywa																															
56	z czego dłużne papiery wartościowe																															
57	z czego instrumenty kapitałowe																															

Table 2. GAR sector information – 2024

Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)
prudential approach – assets are not presented due to immateriality												

Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)

Table 2. GAR sector information – 2023

Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)
prudential approach – assets are not presented due to immateriality												

Circular Economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)

Table 3. GAR KPI stock

	% (w porównaniu z aktywami ogółem uwzględnionymi w mianowniku)	31.12.2024																														
		Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				Zasoby wodne i morskie (WMR)				Gospodarka o obiegu zamkniętym (CE)				Zanieczyszczenie (PPC)				Bioróżnorodność i ekosystemy (BIO)				OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO)					Udział procentowy uwzględnionych aktywów ogółem
		Udział procentowy uwzględnionych aktywów ogółem	Udział procentowy uwzględnionych aktywów ogółem	W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca	Udział procentowy uwzględnionych aktywów	Udział procentowy uwzględnionych	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem	Udział procentowy uwzględnionych	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem	Udział procentowy uwzględnionych aktywów	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem	Udział procentowy uwzględnionych	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem	Udział procentowy uwzględnionych aktywów	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na	Udział procentowy uwzględnionych aktywów ogółem	W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca	
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku																															
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów	10,3%	0,1%																								10,3%	0,1%				34,8%
2	**Przedsiębiorstwa finansowe**																															17,4%
3	Instytucje kredytowe																															17,1%
4	Kredyty i zaliczki																															0,8%
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															16,3%
6	Instrumenty kapitałowe																															
7	Inne instytucje finansowe																															0,3%
8	w tym firmy inwestycyjne																															
9	Kredyty i zaliczki																															
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															
11	Instrumenty kapitałowe																															
12	w tym spółki zarządzające aktywami																															
13	Kredyty i zaliczki																															
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															
15	Instrumenty kapitałowe																															
16	w tym zakłady ubezpieczeń																															
17	Kredyty i zaliczki																															
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															
19	Instrumenty kapitałowe																															
20	**Przedsiębiorstwa niefinansowe**																															2,5%
21	Kredyty i zaliczki																															0,5%
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu																															
23	Instrumenty kapitałowe																															
24	**Gospodarstwa domowe**	25,1%	0,4%																								25,1%	0,4%				14,2%
25	w tym kredyty zabezpieczone nieruchomościami mieszkalnymi	15,0%	0,4%																								15,0%	0,4%				12,4%
26	w tym kredyty na renowację budynków	100,0%																									100,0%					0,9%
27	w tym kredyty na pojazdy silnikowe	86,2%																									86,2%					0,9%
28	**Finansowanie samorządów terytorialnych**	0,4%																									0,4%					0,4%
29	Finansowanie mieszkalnictwa																															
30	Inne finansowanie samorządów terytorialnych	0,4%																									0,4%					0,4%
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**	0,0%																									0,0%					0,2%
32	**Aktywa wskaźnika zielonych aktywów ogółem**	7,5%	0,1%																								7,5%	0,1%				49,2%

31.12.2023

Nr	% (w porównaniu z aktywami ogółem uwzględnionymi w mianowniku)	Łagodzenie zmian klimatu (CCM): Udział procentowy uwzględnionych aktywów ogółem	Łagodzenie zmian klimatu (CCM): Udział procentowy uwzględnionych aktywów ogółem	Łagodzenie zmian klimatu (CCM): W tym przeznaczenie wpływów	Łagodzenie zmian klimatu (CCM): W tym na rzecz przejścia	Łagodzenie zmian klimatu (CCM): W tym wspomagająca	Adaptacja do zmian klimatu (CCA): Udział procentowy uwzględnionych aktywów	Adaptacja do zmian klimatu (CCA): Udział procentowy uwzględnionych	Adaptacja do zmian klimatu (CCA): W tym przeznaczenie wpływów	Adaptacja do zmian klimatu (CCA): W tym wspomagająca
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku									
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów	5,8%	0,0%							
2	**Przedsiębiorstwa finansowe**									
3	Instytucje kredytowe									
4	Kredyty i zaliczki									
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów									
6	Instrumenty kapitałowe									
7	Inne instytucje finansowe									
8	w tym firmy inwestycyjne									
9	Kredyty i zaliczki									
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów									
11	Instrumenty kapitałowe									
12	w tym spółki zarządzające aktywami									
13	Kredyty i zaliczki									
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów									
15	Instrumenty kapitałowe									
16	w tym zakłady ubezpieczeń									
17	Kredyty i zaliczki									
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów									
19	Instrumenty kapitałowe									
20	**Przedsiębiorstwa niefinansowe**	0,0%	0,0%							
21	Kredyty i zaliczki	0,0%	0,0%							
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu									
23	Instrumenty kapitałowe									
24	**Gospodarstwa domowe**	10,9%	0,1%							
25	w tym kredyty zabezpieczone nieruchomościami mieszkalnymi	1,7%	0,1%							
26	w tym kredyty na renowację budynków	100,0%								
27	w tym kredyty na pojazdy silnikowe	92,8%								
28	**Finansowanie samorządów terytorialnych**	0,5%								
29	Finansowanie mieszkalnictwa									
30	Inne finansowanie samorządów terytorialnych	0,5%								
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**									
32	**Aktywa wskaźnika zielonych aktywów ogółem**	4,0%	0,0%							

Nr	% (w porównaniu z aktywami ogółem uwzględnionymi w mianowniku)	Zasoby wodne i morskie (WMR): Udział procentowy uwzględnionych aktywów ogółem	Zasoby wodne i morskie (WMR): Udział procentowy uwzględnionych	Zasoby wodne i morskie (WMR): W tym przeznaczenie wpływów	Zasoby wodne i morskie (WMR): W tym wspomagająca	Gospodarka o obiegu zamkniętym (CE): Udział procentowy uwzględnionych aktywów ogółem	Gospodarka o obiegu zamkniętym (CE): Udział procentowy uwzględnionych aktywów	Gospodarka o obiegu zamkniętym (CE): W tym przeznaczenie wpływów	Gospodarka o obiegu zamkniętym (CE): W tym wspomagająca	Zanieczyszczenie (PPC): Udział procentowy uwzględnionych aktywów ogółem	Zanieczyszczenie (PPC): Udział procentowy uwzględnionych	Zanieczyszczenie (PPC): W tym przeznaczenie wpływów	Zanieczyszczenie (PPC): W tym wspomagająca
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku												
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów												
2	**Przedsiębiorstwa finansowe**												
3	Instytucje kredytowe												
4	Kredyty i zaliczki												
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów												
6	Instrumenty kapitałowe												
7	Inne instytucje finansowe												
8	w tym firmy inwestycyjne												
9	Kredyty i zaliczki												
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów												
11	Instrumenty kapitałowe												
12	w tym spółki zarządzające aktywami												
13	Kredyty i zaliczki												
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów												
15	Instrumenty kapitałowe												
16	w tym zakłady ubezpieczeń												
17	Kredyty i zaliczki												
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów												
19	Instrumenty kapitałowe												
20	**Przedsiębiorstwa niefinansowe**												
21	Kredyty i zaliczki												
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu												
23	Instrumenty kapitałowe												
24	**Gospodarstwa domowe**												
25	w tym kredyty zabezpieczone nieruchomościami mieszkalnymi												
26	w tym kredyty na renowację budynków												
27	w tym kredyty na pojazdy silnikowe												
28	**Finansowanie samorządów terytorialnych**												
29	Finansowanie mieszkalnictwa												
30	Inne finansowanie samorządów terytorialnych												
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**												
32	**Aktywa wskaźnika zielonych aktywów ogółem**												

Nr	% (w porównaniu z aktywami ogółem uwzględnionymi w mianowniku)	Bioróżnorodność i ekosystemy (BIO): Udział procentowy uwzględnionych aktywów ogółem	Bioróżnorodność i ekosystemy (BIO): Udział procentowy uwzględnionych	Bioróżnorodność i ekosystemy (BIO): W tym przeznaczenie wpływów	Bioróżnorodność i ekosystemy (BIO): Of which enabling	OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO): Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na	OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO): Udział procentowy uwzględnionych aktywów ogółem	OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO): W tym przeznaczenie wpływów	OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO): W tym na rzecz przejścia	OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO): W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku										
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów					5,8%	0,0%				30,6%
2	**Przedsiębiorstwa finansowe**										13,2%
3	Instytucje kredytowe										13,2%
4	Kredyty i zaliczki										0,7%
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów										12,5%
6	Instrumenty kapitałowe										
7	Inne instytucje finansowe										
8	w tym firmy inwestycyjne										
9	Kredyty i zaliczki										
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów										
11	Instrumenty kapitałowe										
12	w tym spółki zarządzające aktywami										
13	Kredyty i zaliczki										
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów										
15	Instrumenty kapitałowe										
16	w tym zakłady ubezpieczeń										
17	Kredyty i zaliczki										
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów										
19	Instrumenty kapitałowe										
20	**Przedsiębiorstwa niefinansowe**					0,0%	0,0%				0,2%
21	Kredyty i zaliczki					0,0%	0,0%				0,2%
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu										
23	Instrumenty kapitałowe										
24	**Gospodarstwa domowe**					10,9%	0,1%				16,3%
25	w tym kredyty zabezpieczone nieruchomościami mieszkalnymi					1,7%	0,1%				14,7%
26	w tym kredyty na renowację budynków					100,0%					1,0%
27	w tym kredyty na pojazdy silnikowe					92,8%					
28	**Finansowanie samorządów terytorialnych**					0,5%					0,6%
29	Finansowanie mieszkalnictwa										
30	Inne finansowanie samorządów terytorialnych					0,5%					0,6%
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**										0,2%
32	**Aktywa wskaźnika zielonych aktywów ogółem**					4,0%	0,0%				46,9%

Table 4. GAR KPI flow

% (w porównaniu z przepływem aktywów kwalifikowanych ogółem)		31.12.2024																														
		Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				Zasoby wodne i morskie (WMR)				Gospodarka o obiegu zamkniętym (CE)				Zanieczyszczenie (PPC)				Bioróżnorodność i ekosystemy (BIO)				OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO)					
		Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)	W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)	W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca	Udział procentowy uwzględnionych nowych aktywów ogółem
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku																															
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów	24,9%	0,4%																								24,9%	0,4%				40,7%
2	**Przedsiębiorstwa finansowe**	0,0%	0,0%																								0,0%	0,0%				27,4%
3	Instytucje kredytowe	0,0%	0,0%																								0,0%	0,0%				26,7%
4	Kredyty i zaliczki	0,0%	0,0%																								0,0%	0,0%				3,4%
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	0,0%	0,0%																								0,0%	0,0%				23,3%
6	Instrumenty kapitałowe																															0,0%
7	Inne instytucje finansowe	0,0%	0,0%																								0,0%	0,0%				0,7%
8	w tym firmy inwestycyjne																															0,0%
9	Kredyty i zaliczki																															0,0%
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															0,0%
11	Instrumenty kapitałowe																															0,0%
12	w tym spółki zarządzające aktywami																															0,0%
13	Kredyty i zaliczki																															0,0%
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															0,0%
15	Instrumenty kapitałowe																															0,0%
16	w tym zakłady ubezpieczeń																															0,0%
17	Kredyty i zaliczki																															0,0%
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															0,0%
19	Instrumenty kapitałowe																															0,0%
20	**Przedsiębiorstwa niefinansowe**																															2,4%
21	Kredyty i zaliczki																															1,5%
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															0,8%
23	Instrumenty kapitałowe																															0,0%
24	**Gospodarstwa domowe**	94,9%	1,6%																								94,9%	1,6%				10,7%
25	w tym kredyty zabezpieczone nieruchomościami mieszkalnymi	100,0%	2,3%																								100,0%	2,3%				7,5%
26	w tym kredyty na renowację budynków	100,0%	0,0%																								100,0%	0,0%				0,6%
27	w tym kredyty na pojazdy silnikowe	79,3%	0,0%																								79,3%	0,0%				2,6%
28	**Finansowanie samorządów terytorialnych**	0,0%	0,0%																								0,0%	0,0%				0,2%
29	Finansowanie mieszkalnictwa																															0,0%
30	Inne finansowanie samorządów terytorialnych	0,0%	0,0%																								0,0%	0,0%				0,2%
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**	0,0%	0,0%																								0,0%	0,0%				0,0%
32	**Aktywa wskaźnika zielonych aktywów ogółem**	20,7%	0,3%																								20,7%	0,3%				49,2%

	% (w porównaniu z przepływem aktywów kwalifikowanych ogółem)	31.12.2023																														
		Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				Zasoby wodne i morskie (WMR)				Gospodarka o obiegu zamkniętym (CE)				Zanieczyszczenie (PPC)				Bioróżnorodność i ekosystemy (BIO)				OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO)					Udział procentowy uwzględnionych nowych aktywów ogółem
		Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)	W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla	W tym przeznaczenie wpływów	W tym wspomagająca	Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)	Udział procentowy uwzględnionych aktywówogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)	W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca	
	Wskaźnik zielonych aktywów – aktywa objęte wskaźnikiem zarówno w liczniku, jak i mianowniku																															
1	Kredyty i zaliczki, dłużne papiery wartościowe i instrumenty kapitałowe nieprzeznaczone do obrotu kwalifikujące się na potrzeby obliczania wskaźnika zielonych aktywów	5,3%	0,1%																								5,3%	0,1%				
2	**Przedsiębiorstwa finansowe**	0,0%	0,0%																								0,0%	0,0%				
3	Instytucje kredytowe	0,0%	0,0%																								0,0%	0,0%				
4	Kredyty i zaliczki	0,0%	0,0%																								0,0%	0,0%				
5	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów	0,0%	0,0%																								0,0%	0,0%				
6	Instrumenty kapitałowe																															
7	Inne instytucje finansowe																															
8	w tym firmy inwestycyjne																															
9	Kredyty i zaliczki																															
10	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															
11	Instrumenty kapitałowe																															
12	w tym spółki zarządzające aktywami																															
13	Kredyty i zaliczki																															
14	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															
15	Instrumenty kapitałowe																															
16	w tym zakłady ubezpieczeń																															
17	Kredyty i zaliczki																															
18	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															
19	Instrumenty kapitałowe																															
20	**Przedsiębiorstwa niefinansowe**																															
21	Kredyty i zaliczki																															
22	Dłużne papiery wartościowe, w tym deklaracja o przeznaczeniu wpływów																															
23	Instrumenty kapitałowe																															
24	**Gospodarstwa domowe**	95,1%	1,5%																								95,1%	1,5%				
25	w tym kredyty zabezpieczone nieruchomościami mieszkalnymi	100,0%	4,8%																								100,0%	4,8%				
26	w tym kredyty na renowację budynków																															
27	w tym kredyty na pojazdy silnikowe	92,8%	0,0%																								92,8%	0,0%				
28	**Finansowanie samorządów terytorialnych**	0,0%	0,0%																								0,0%	0,0%				
29	Finansowanie mieszkalnictwa																															
30	Inne finansowanie samorządów terytorialnych	0,0%	0,0%																								0,0%	0,0%				
31	**Zabezpieczenie uzyskane przez przejęcie: nieruchomości mieszkalnych i komercyjnych**	0,0%	0,0%																								0,0%	0,0%				
32	**Aktywa wskaźnika zielonych aktywów ogółem**																															

Table 5 KPI off-balance-sheet exposures

	% (w porównaniu z przepływem pozabilansowych aktywów kwalifikowanych ogółem)	31.12.2024																													
		Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				Zasoby wodne i morskie (WMR)				Gospodarka o obiegu zamkniętym (CE)				Zanieczyszczenie (PPC)				Bioróżnorodność i ekosystemy (BIO)				OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO)				
		Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)					Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)				
			Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)					Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)			
				W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca
1	Gwarancje finansowe (kluczowy wskaźnik wyników dotyczący gwarancji finansowych)	0	0																												
2	Zarządzane aktywa (kluczowy wskaźnik wyników dotyczący zarządzanych aktywów)	0	0																												

	% (w porównaniu z przepływem pozabilansowych aktywów kwalifikowanych ogółem)	31.12.2023																													
		Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				Zasoby wodne i morskie (WMR)				Gospodarka o obiegu zamkniętym (CE)				Zanieczyszczenie (PPC)				Bioróżnorodność i ekosystemy (BIO)				OGÓŁEM (CCM + CCA + WTR + CE + PPC + BIO)				
		Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)					Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (kwalifikująca się do systematyki)				
			Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)					Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych				Udział procentowy uwzględnionych aktywów ogółem przeznaczonych na finansowanie sektorów istotnych dla systematyki (zgodna z systematyką)			
				W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym wspomagająca			W tym przeznaczenie wpływów	W tym na rzecz przejścia	W tym wspomagająca
1	Gwarancje finansowe (kluczowy wskaźnik wyników dotyczący gwarancji finansowych)	0	0																												
2	Zarządzane aktywa (kluczowy wskaźnik wyników dotyczący zarządzanych aktywów)	0	0																												

6. Quantitative disclosures prepared in accordance with the templates set out in Annex XII to Regulation 2021/2178 – Nuclear energy and fossil gas disclosures

Nuclear energy related activities

No.	Description of the activities	Exposure
1	The Bank carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The Bank carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The Bank carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Fossil gas related activities

No.	Description of the activities	Exposure
4	The Bank carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The Bank carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The Bank carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

9. Management Board's Declarations

9.1. Accuracy and reliability of the presented reports

To the best knowledge of the Management Board, the financial statements of VeloBank S.A. for the 12-month period ended December 31, 2024 have been prepared in accordance with the International Financial Reporting Standards and present a true, fair, and clear view of the Bank's financial position and performance.

Furthermore, the Management Board's report on the operations of VeloBank S.A. included in this document provides a true overview of the Bank's development, achievements, and situation in 2023, including a description of the key risks and threats.

9.2. Appointment of the entity authorized to audit the financial statements

PKF Consult Spółka z ograniczoną odpowiedzialnością Spółka komandytowa ("PKF") — a statutory audit firm — was appointed to audit the financial statements of VeloBank S.A. for the 12-month period ended December 31, 2024, in accordance with applicable laws. The audit firm and the statutory auditors performing the audit fulfilled the conditions required to express an impartial and independent opinion on the audited annual financial statements, in compliance with applicable regulations and professional standards.

PKF was selected as the audit firm to conduct the audit and review of the Bank's financial statements and the consolidated financial statements of the Bank's Capital Group for the years 2023–2024. The selection was made by the Bank's Supervisory Board on May 17, 2023. The Bank received a statement from PKF confirming that the firm identified no obstacles to acting as the Bank's auditor for the years 2023–2024.

The "Policy for the Selection of an Audit Firm to Conduct the Audit of the Financial Statements and for the Provision of Permitted Non-Audit Services" (hereinafter referred to as the "Policy") is aimed at supporting the Supervisory Board's decision-making processes in the area of ensuring reliability of the financial statements and sustainability reporting. The audit firm to carry out the audit of the financial statements of the Bank and the Group is selected by way of a competitive tendering procedure with the option to conduct additional negotiations. The final selection is made by the Bank's Supervisory Board by resolution, following the recommendation of the Bank's Audit and Risk Committee. The recommendation presents at least two audit firm options with justification and indicates a justified preference for one of them (unless the selection concerns the extension of an existing audit agreement). The detailed rules and criteria for the selection of the audit firm to carry out the statutory audit are set out by the Audit Committee at the stage of preparing the request for proposals during the tender process. When selecting the audit firm, the Bank's bodies should consider the following rules and prerequisites:

a) knowledge and professional competence of the audit firm and statutory auditor, appropriate to the scale and complexity of the Bank's and the Group's operations, their risk profile, and in particular the types of transactions they conduct,
b) the objectivity and professional skepticism of the statutory auditor;
c) the integrity and due diligence of the statutory auditor;
d) the statutory auditor's compliance with the principles of ethics and professional secrecy, in accordance with the provisions of the Act on Statutory Auditors (Journal of Laws Dz. U. of 2017, item 1089, as amended)
e) experience in conducting audits of the financial statements of financial institutions, in particular banks and companies listed on the Warsaw Stock Exchange;
f) the statutory auditor's satisfaction of the conditions to express an unbiased, independent and objective opinion.

The Policy and Procedure on the Provision of Permitted Non-Audit Services specify that the Bank's audit firm, any of the Bank's subsidiaries, or any entity belonging to the same network may provide permitted services to the Bank (or its subsidiaries) only if such services are unrelated to the Bank's or its subsidiary's tax policy. Additionally, such services may only be provided after the Bank's Audit and Risk Committee has conducted an assessment of threats and safeguards to independence and granted its approval for the provision of the permitted service.