

9M'24 Financial results

Record quarter for Bank Pekao

Warsaw, November 7th, 2024

Record quarter for Bank Pekao



Record high recurring net profit



Revival of lending and growth of loan portfolio by 5% y/y



Fast growth in digital channels



Robust capital position

AGENDA

- ▶ **Key achievements - financials**
- ▶ Business achievements
- ▶ Macro & Financial results
- ▶ Appendix

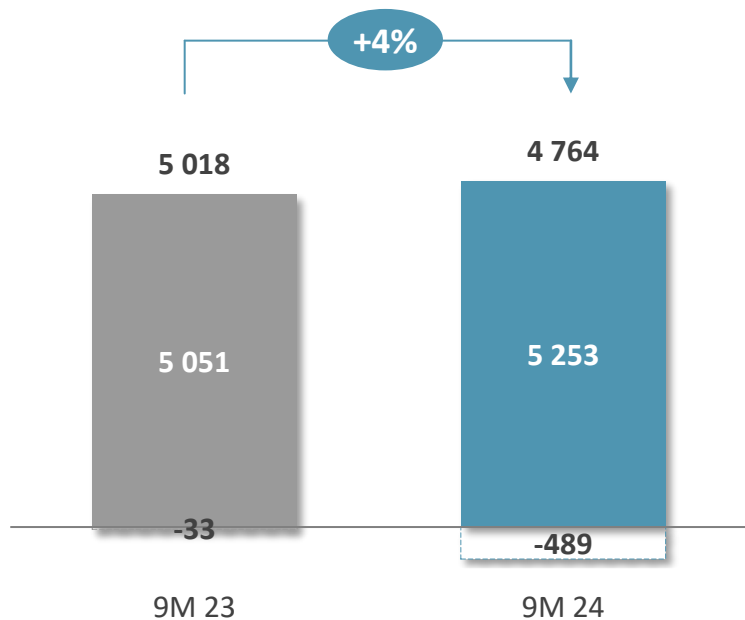




Recurring net profit up 4% y/y to record high level

Net profit generation

PLN m



XX

Dynamics adjusted for payment moratoria effect and CHF mortgage loans provisions

Key levers of financial performance in 9M'24



Profitability: Reported net profit impacted by payment moratoria and additional provisions for CHF mortgage loans



Net interest margin: Further growth in net interest margin (excluding payment moratoria effect) in high interest rate environment



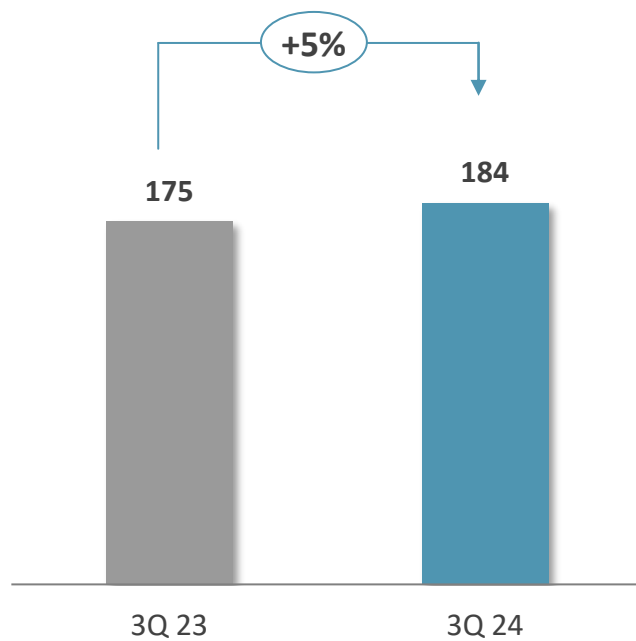
Business activities : Further growth in volumes in retail segment. Continuation of positive trends in enterprise banking segment



Revival of lending. Loan portfolio growth dynamics +5% y/y

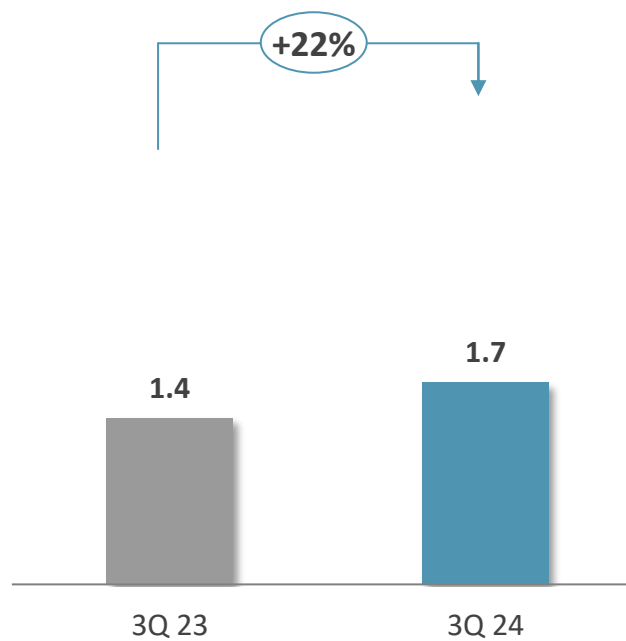
Loan portfolio

PLN bn



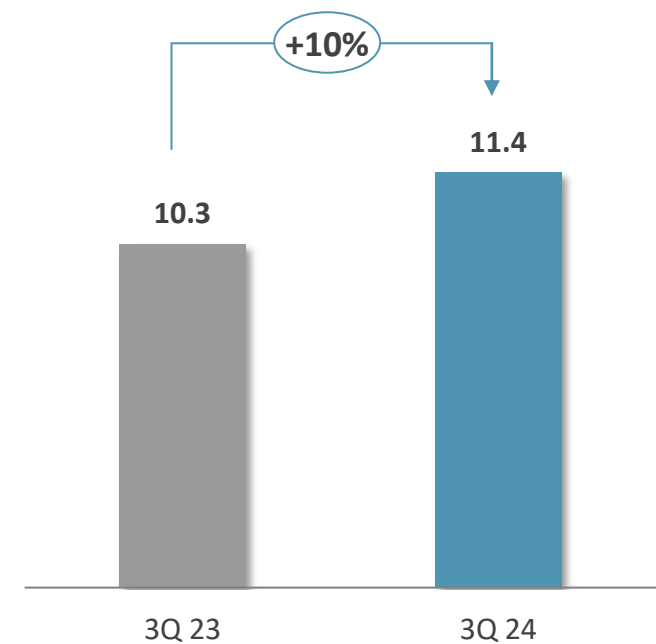
New sales of cash loans

PLN bn, net



SME financing volume

PLN bn





All our businesses contributed to 9M'24 performance

9M'24 (vs 9M'23)



Retail banking

+58% New sales of mortgage loans

+23% New sales of cash loans (net)

+27% Micro financing volume



Enterprise banking

+26% Acquisition in MID segment

+11% SME financing volume

+12% Fees in SME segment



Corporate banking

+31% Income from issuance of debt securities

+10% Payment fees

+9% Custody

Note: Enterprise Banking segment consists of former MID and SME segments

- ▶ Key achievements - financials
- ▶ **Business achievements**
- ▶ Macro & Financial results
- ▶ Appendix





We are on track to fulfill our 2021-2024 Strategy

Strategic goals of Bank Pekao

	9M'23	9M'24	2024
	Execution	Execution	Target
ROE (%)	26.0	21.4	~10 ¹
C/I (% , incl. BGF)	32.0	34.7	42
Active mobile banking customers (m)	3.1	3.4	3.2
Digitisation rate (%)	~50 ²	93	~100

¹ Assuming the NBP reference rate at 0.1%

² Starting value for the new strategy adopted and published in March 2021



Implementation of ESG Strategy published in June'21



Dividend payment of 50% of net profit from 2023 and undistributed profit from 2019

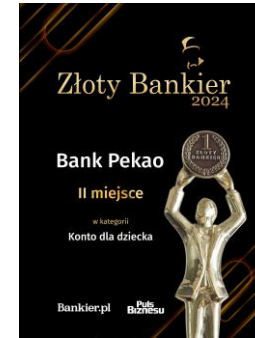
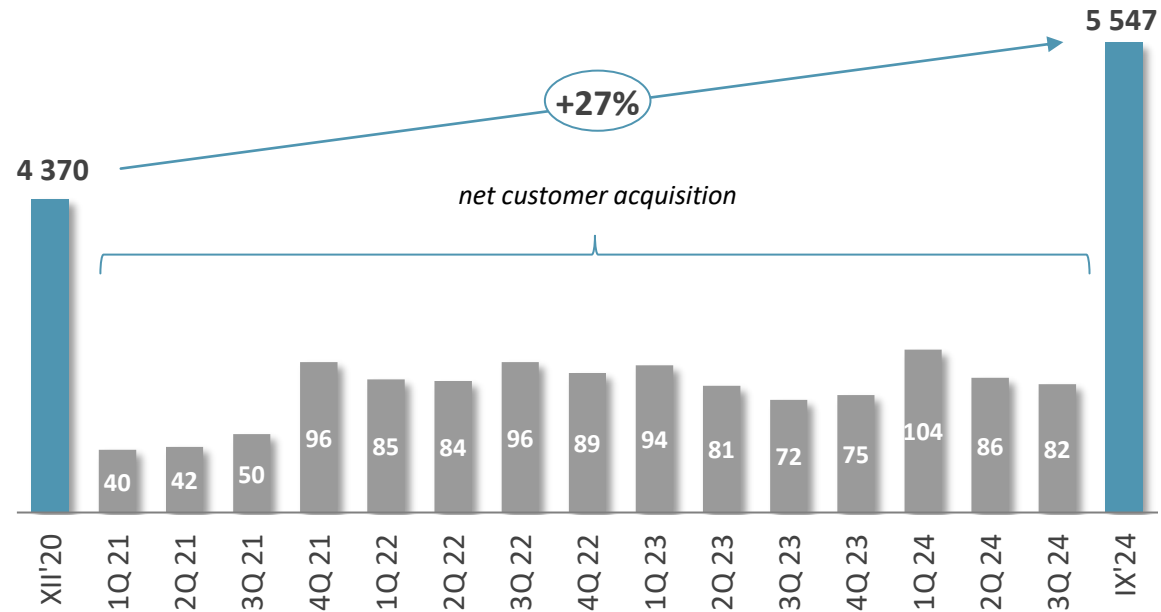




Acceleration of new individual customer acquisition

Current accounts – individual clients

ths



Second place in Golden Banker 2024 competition in 4 categories: personal account, child account, mortgage loan and payment card design

Second Best Bank in Poland in the "Institution of the Year" competition and first place in the categories: **Best Mobile Banking** and **Best Internet Banking**



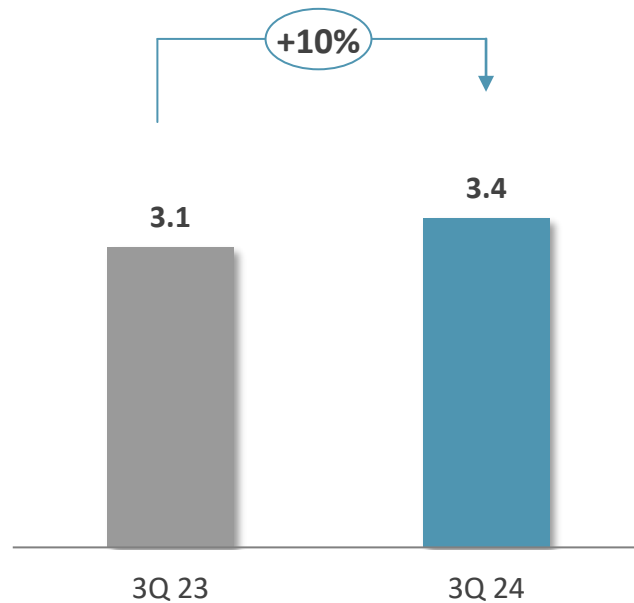


Dynamic growth of active mobile banking customers - strategic goal of 3.2 m exceeded by 180 ths

Active mobile banking customers

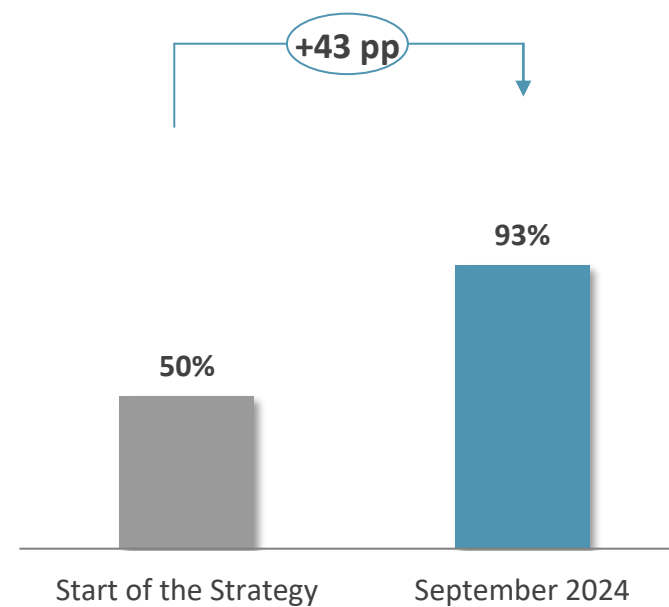
m

3.1 m Number of active PeoPay users (+12% y/y)



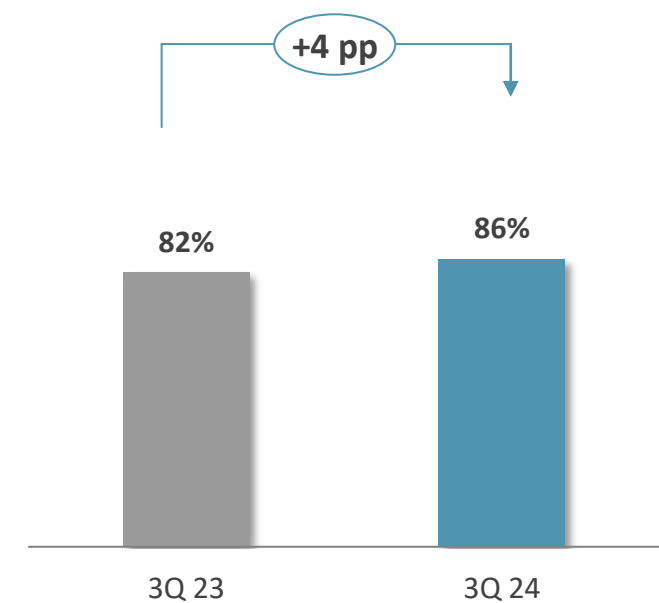
Digitisation rate¹

%



PEX digital sales of total

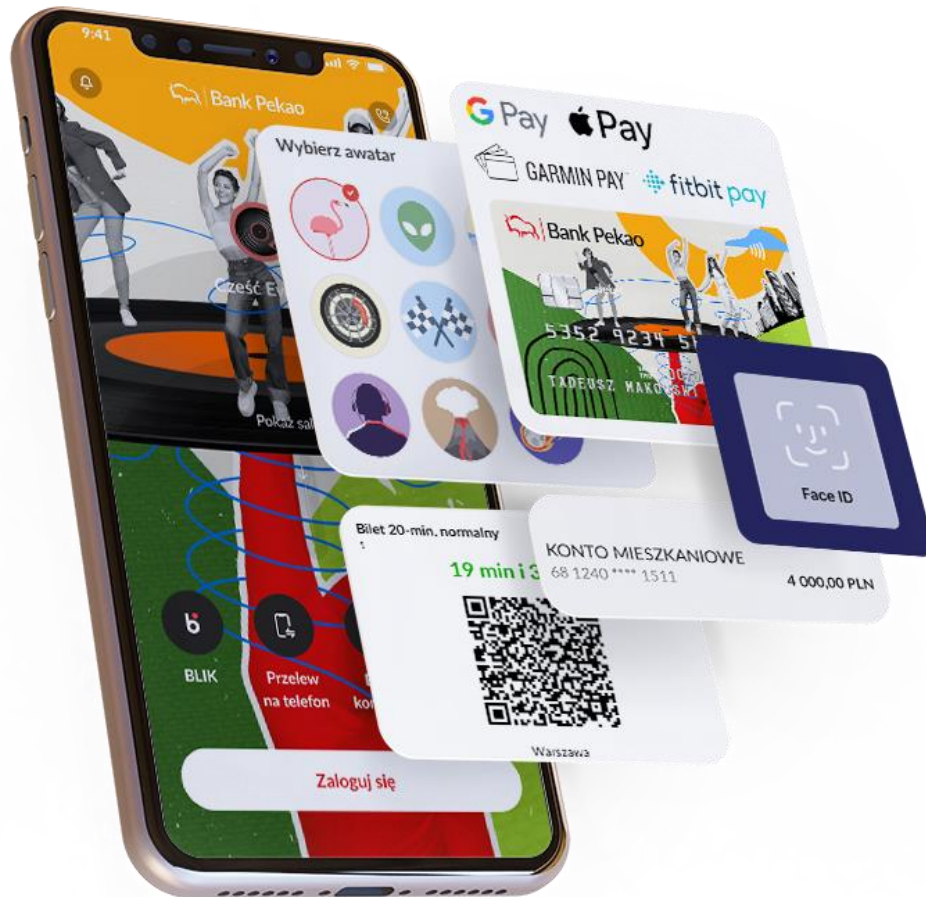
%



¹ Digitisation rate defined as the percentage of processes that a customer can perform in digital channels in the entire offer of retail banking processes and services

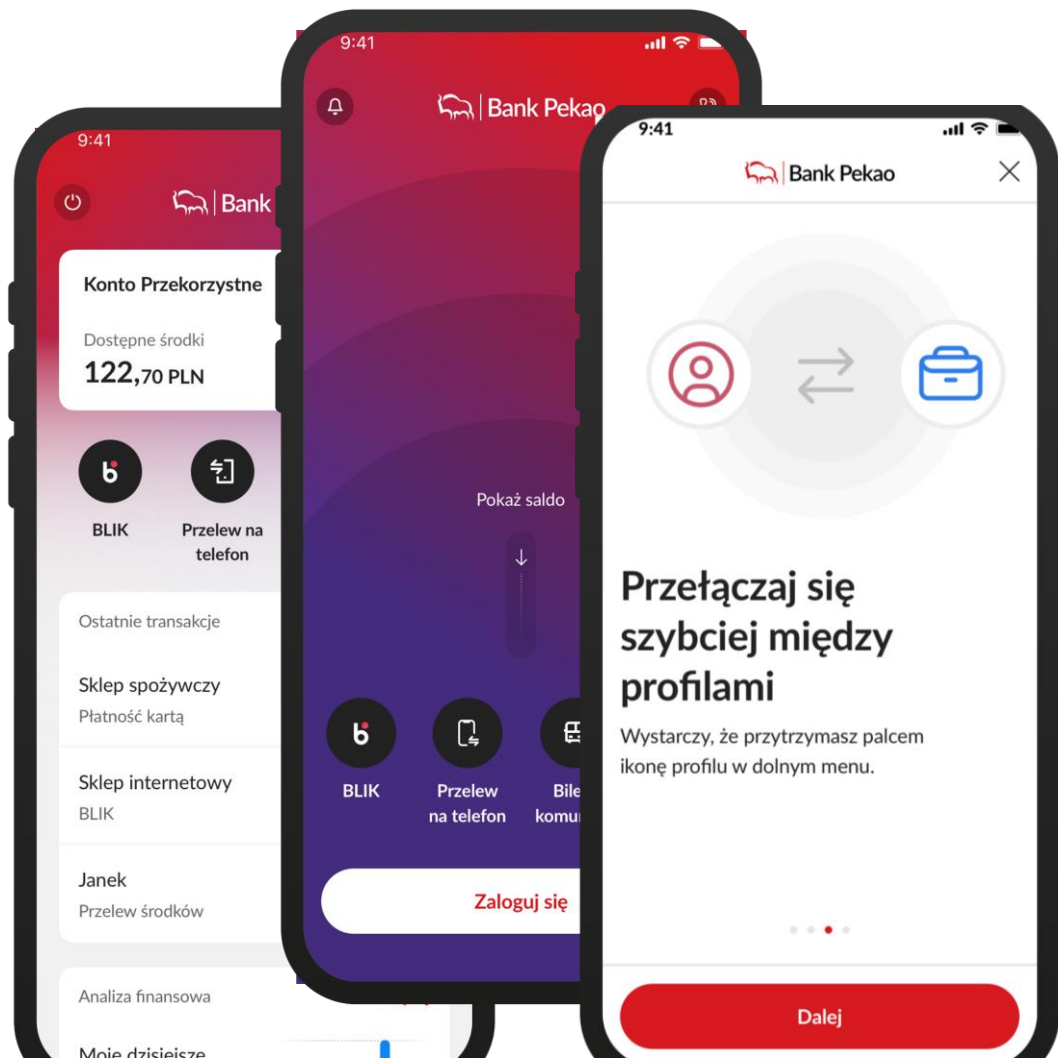


We are changing for our customers - new functions in electronic channels in 3Q'24



- New discount program „Deals with Wisent”
- Possibility of opening account with identity confirmation by logging into another bank
- Improvements for customer identity verification in the processes of remotely establishing relationships with the bank

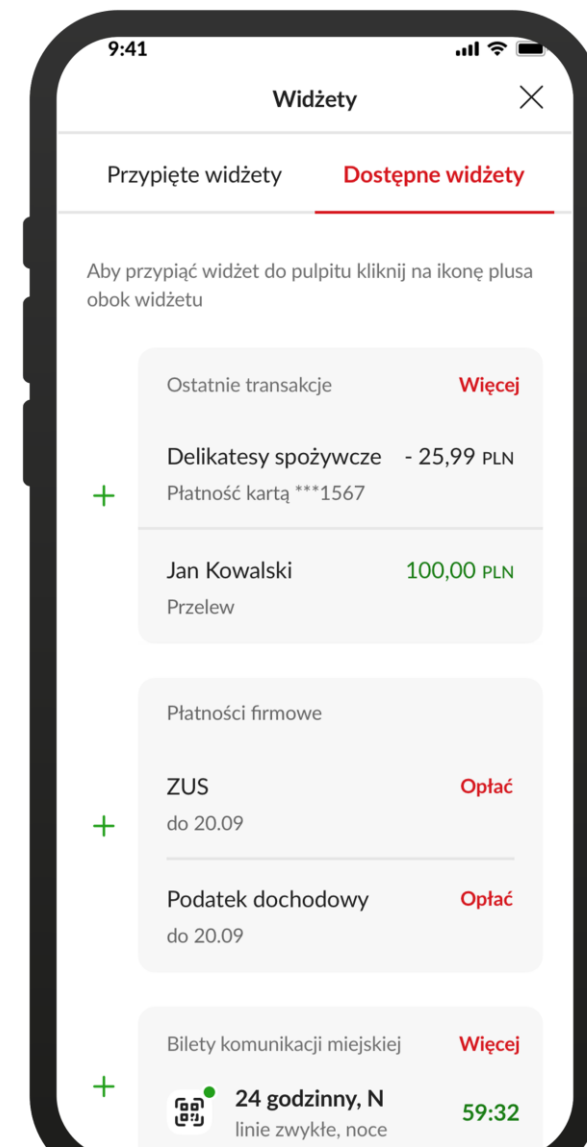
Company Profile - coming soon to PeoPay



Dedicated backgrounds for your company profile

Quickly switch between profiles

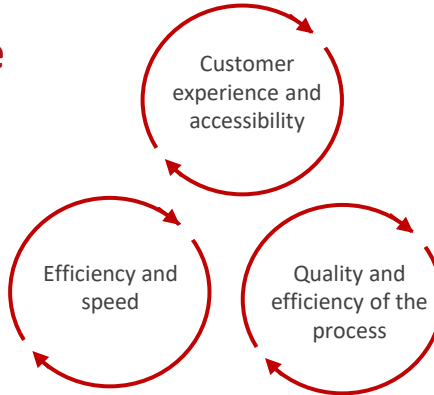
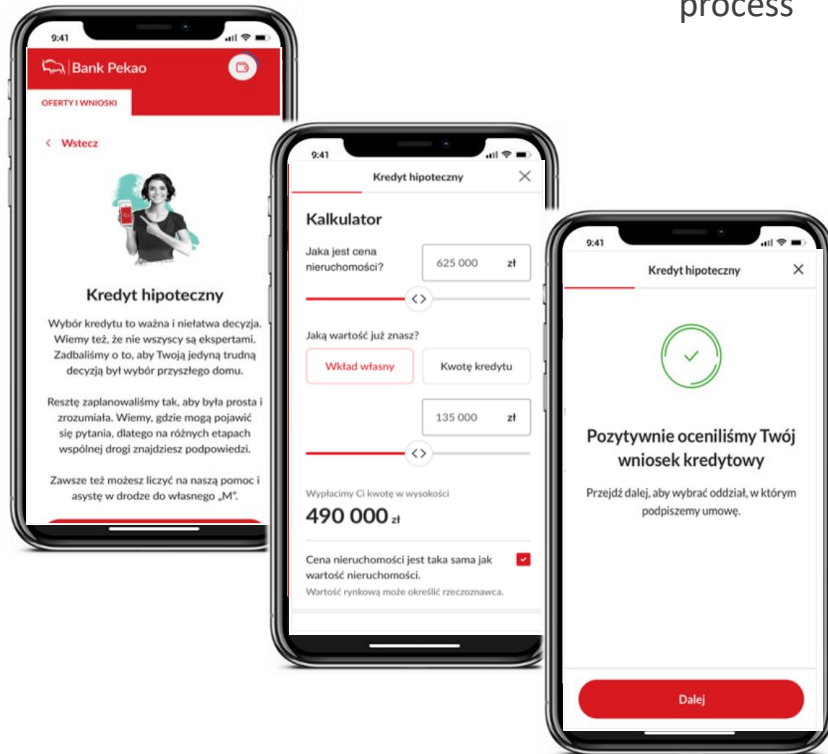
Corporate Payments Widget





Digital mortgage – housing loan available 24/7 in PeoPay mobile app and on Pekao24 online service

Digital mortgage digital mortgage process

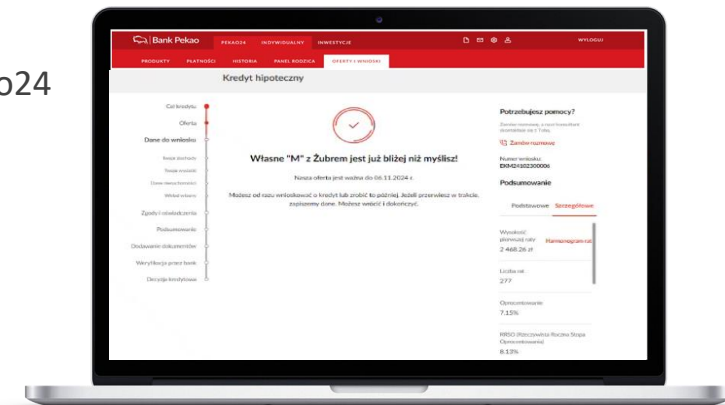


In first stage, we provide possibility of applying for a loan:

- to bank clients with employment contract applying individually,
- for a property from the secondary market.

In subsequent stages, we will expand the target group to include other sources of income and credit purposes.

- Available in PeoPay mobile application and in Pekao24
- Intuitive and simple UX
- Client tips
- Remote document delivery
- Current information on the application status (push/SMS/email)
- Application supervisor support at every stage





We consistently support development of our clients

ESG **Grenevia**

PLN 850 m

Sustainability-linked loan

Facility Agent, Security Agent

ESG **ECHO** **AFI EUROPE**
investment POLAND

EUR 103 m

Investment loan

MLA, Facility Agent

eSky

PLN 285 m

Investment loan

MLA



Bank Pekao was recognized as the **best custodian bank in Poland** and won the "Best Sub-Custodian Bank" award

ESG **KARIMPOI** **SKYLINER**
GROUP O COMPANIE by KARIMPOL

EUR 50 m

Investment loan
BREEAM certified building

MLA, Facility Agent

MIASTO TORUŃ

City of Toruń
PLN 95 m

Bond issue programme

ESG **Polenergia**

Namysłów Wind Farm
PLN 90 m

Investment loan

Lender

Winner in 3 categories of Euromoney ranking: **Poland's Best Cash Management Bank, Poland's Best Bank for Cash Management Products, Poland's Best Cash Management Bank for Client Service**



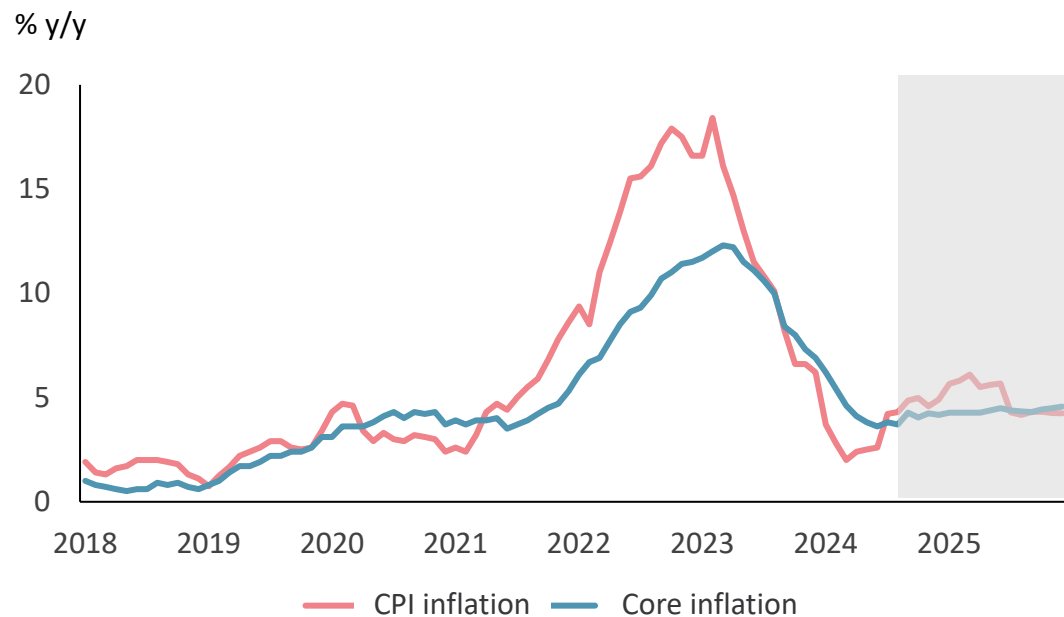
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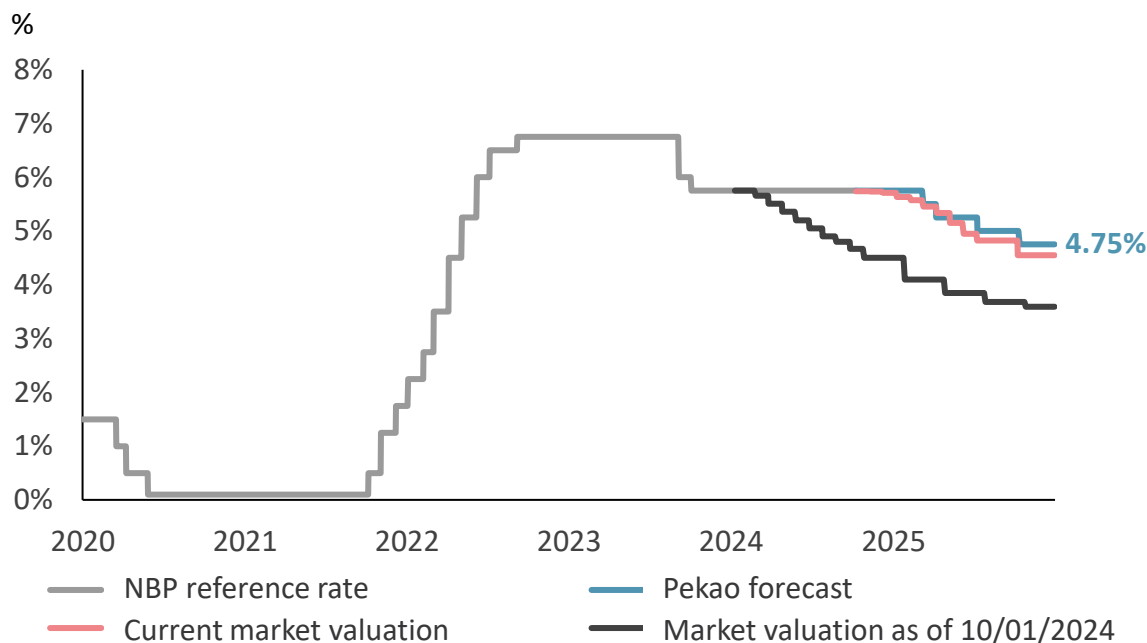


Polish macro data will not support deep interest rate cuts

Inflation and core inflation with forecast



NBP interest rate with expectations



- Monetary Policy Council announces resumption of interest rate cuts in the first half of 2025. Moreover, according to Monetary Policy Council, such a step would require certainty that inflation has stabilized, even if this did not happen around the inflation target.
- Change in the Council's reaction function prompts us to revise interest rate forecasts. We now expect rates to fall by about 100 basis points next year, i.e. on a slightly smaller scale than the market currently assumes.
- High rate of wage growth and rebound in core inflation suggest caution.

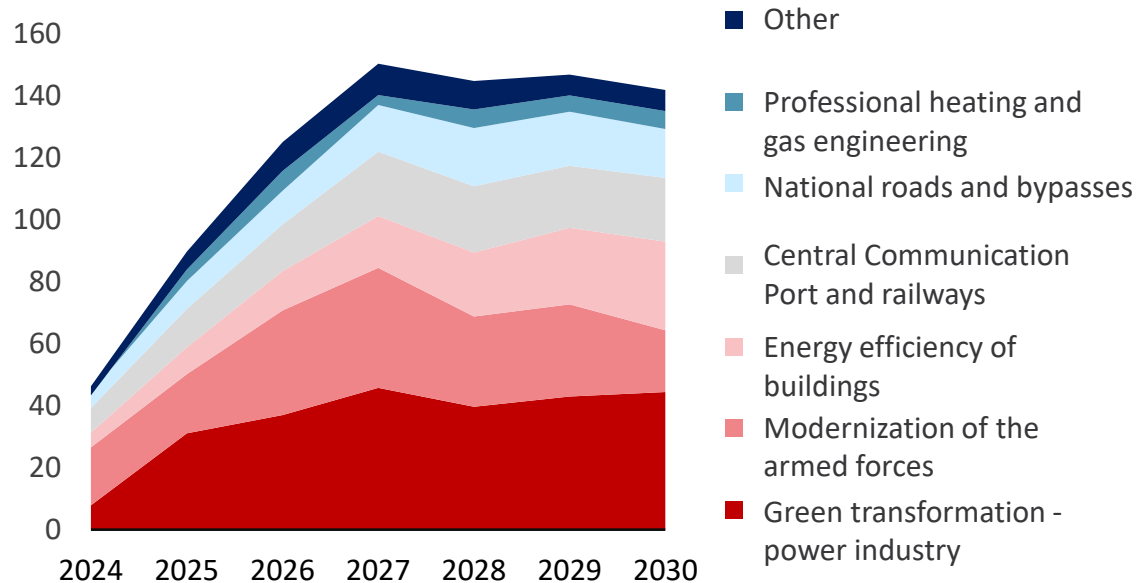
Source: Pekao S.A., Statistics Poland, NBP, Refinitiv



New 5-year investment plan

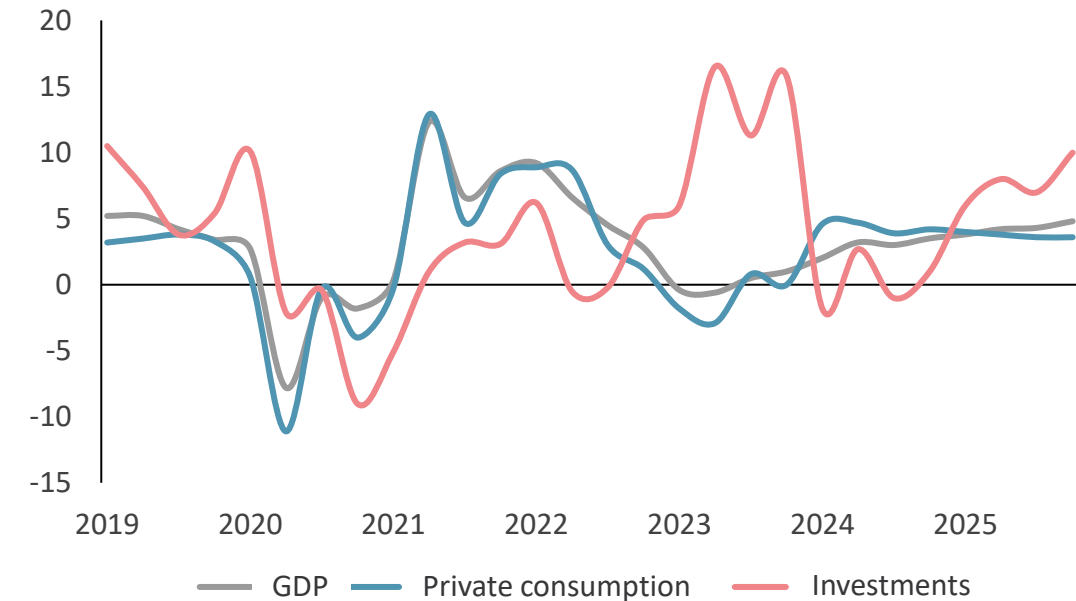
Estimated growth in capital expenditure above the 2021-23 average

PLN bn, yearly



Poland's GDP and its main components

% y/y



- Our GDP growth forecast for 2025 (4.3%) is above consensus due to higher expectations for investments (especially public ones). In fact, we assume that 2025 will be the beginning of a new five-year investment plan.
- We expect a significant increase in investments, resulting from implementation of transformational undertakings, large investment projects and improving quality and resilience of infrastructure. This investment effort includes spending funds from KPO and PS, budget funds and a large share of domestic banks. We expect it to be concentrated in sectors such as energy, transport and industrial processing.

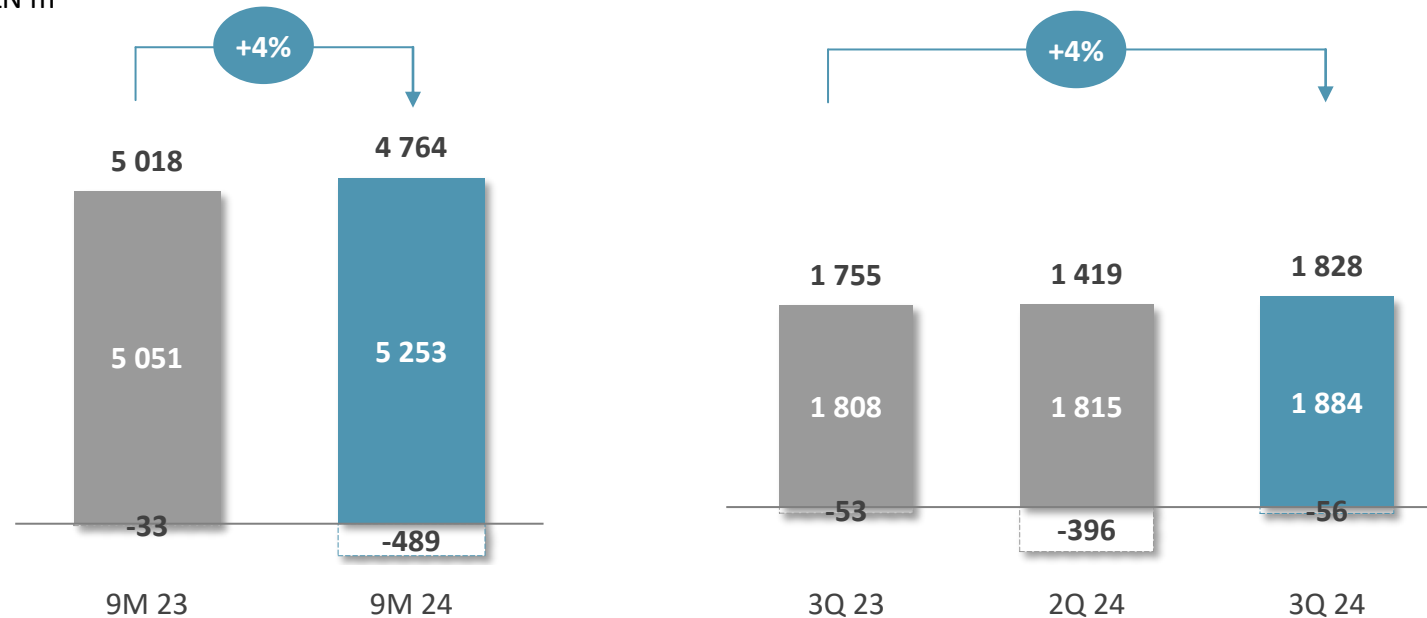
Source: Pekao S.A., Statistics Poland



Recurring net profit up 4% y/y in 9M'24

Net profit generation

PLN m



XX

Adjusted dynamics

Includes:

- effect of payment moratoria (2Q'23: +PLN 65 m net, 2Q24: -PLN 190 m net)
- CHF related provisions (1Q'23: -PLN 11 m net, 2Q'23: -PLN 34 m net, 3Q'23: -PLN 53 m net, 1Q'24: -PLN 37 m net, 2Q'24: -PLN 206 m net, 3Q'24 -PLN 56 m net)

Increase in recurring net profit in 9M'24 mainly due to:

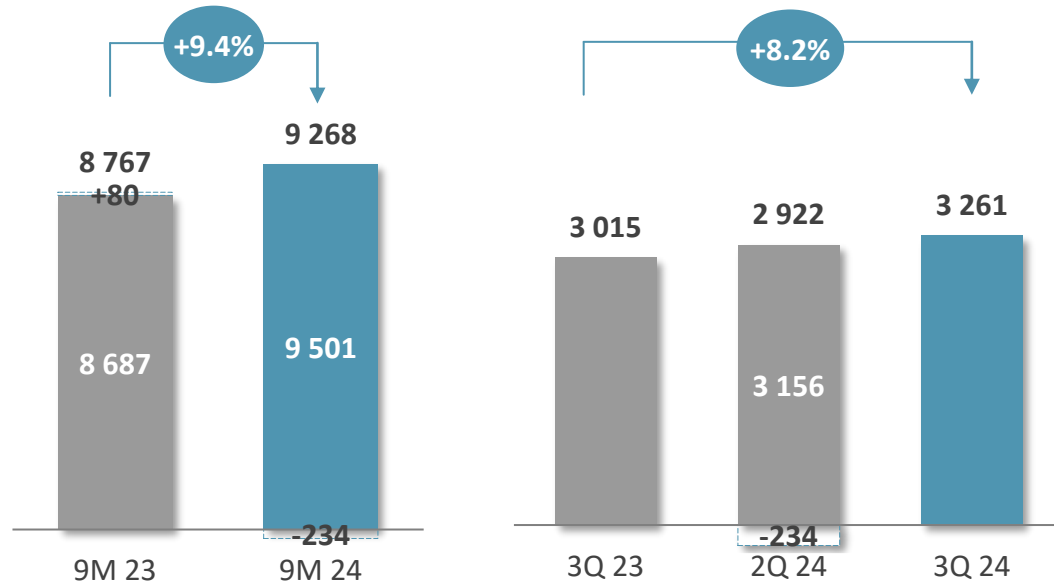
- increase in net interest income (+9% y/y) despite market rates lower by ~90 bps
- increase in loan (+5% y/y) and deposit volumes (+6% y/y)
- higher NIM (+6 bps y/y)
- RoE in 1H'24 at 21.4%
- Cost/Income ratio (inc. BGF) in 9M'24 at the level of 34.7%



Increase in net interest income by 9% y/y and adjusted net interest margin despite lower market rates

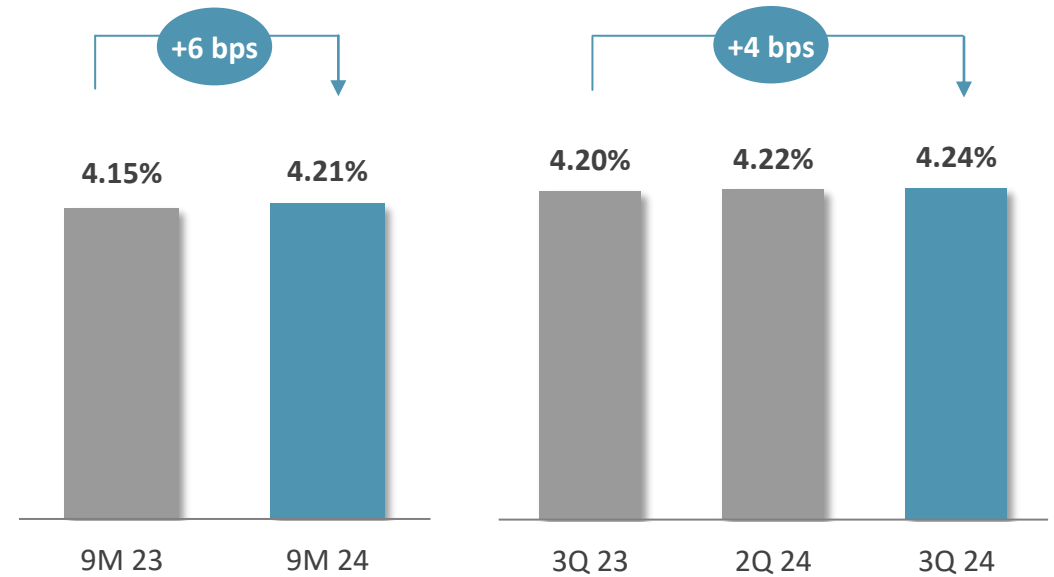
Net interest income

PLN m



Net interest margin (adjusted for effect of payment moratoria)

%



XX Dynamics excluding negative impact of payment moratoria

Effect of payment moratoria

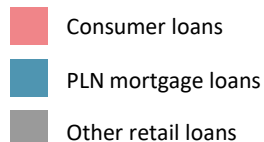
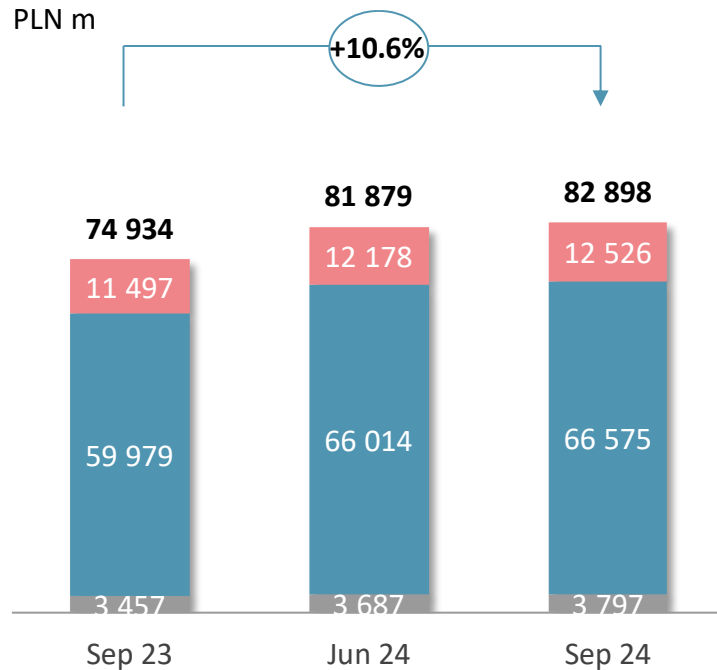
Average WIBOR 3M



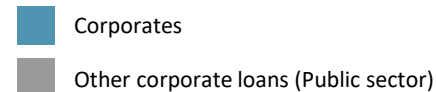
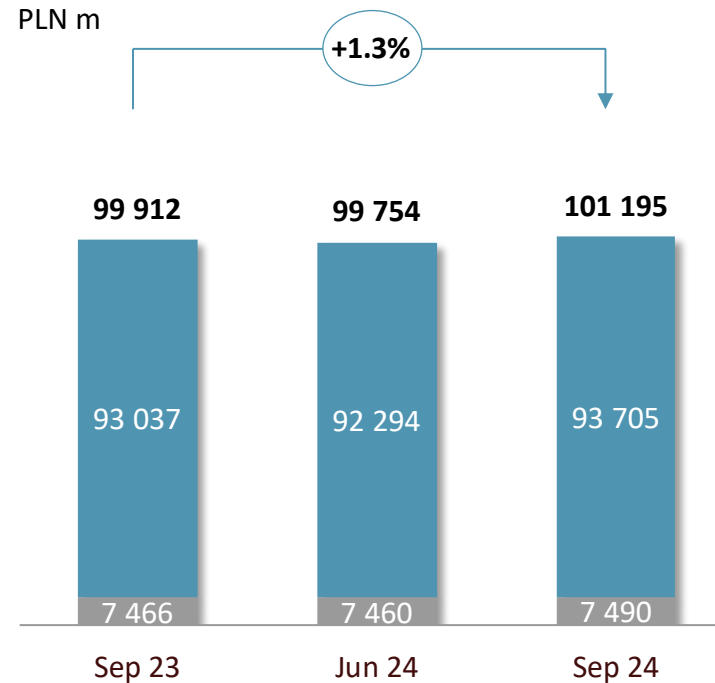


Retail loan volume growth by 11% y/y. Increase in volume of loans to small and medium-sized enterprises by 6% y/y

Retail loan volumes¹



Corporate loan volumes²



- Total loans increased by 5% y/y
- +11% y/y growth in retail loan portfolio, including:
 - +11% y/y growth in mortgage loan volume with PLN 8.7 bn in new mortgage sales in 9M'24 (+58% y/y)
 - +9% y/y growth in cash loan volume with +23% y/y growth in sales
- Corporate loans up 1% y/y, driven by +6% y/y increase in enterprise loans (MID + SME)

¹ Gross loans

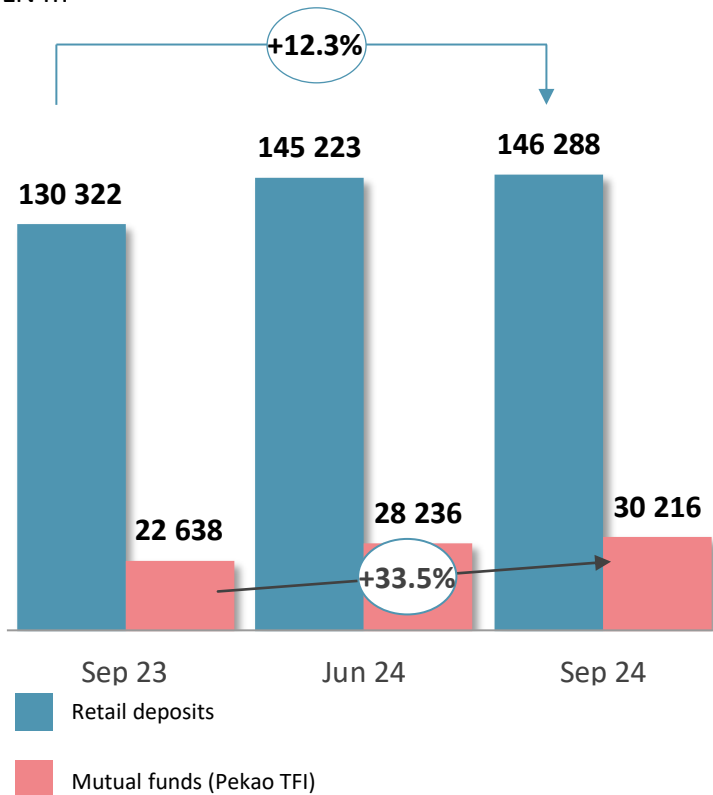
² Gross loans, Corporate and Enterprise segments including leasing and factoring, excl. BSB and reverse repo transactions.



Increase in total deposit base by 6% y/y and increase in volume of investment funds by 33% y/y

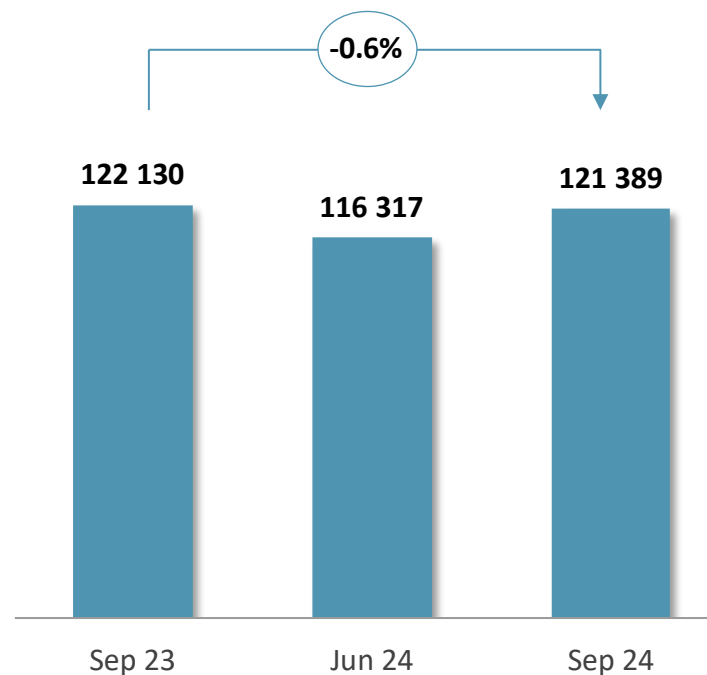
Customer retail savings

PLN m



Corporate deposits

PLN m



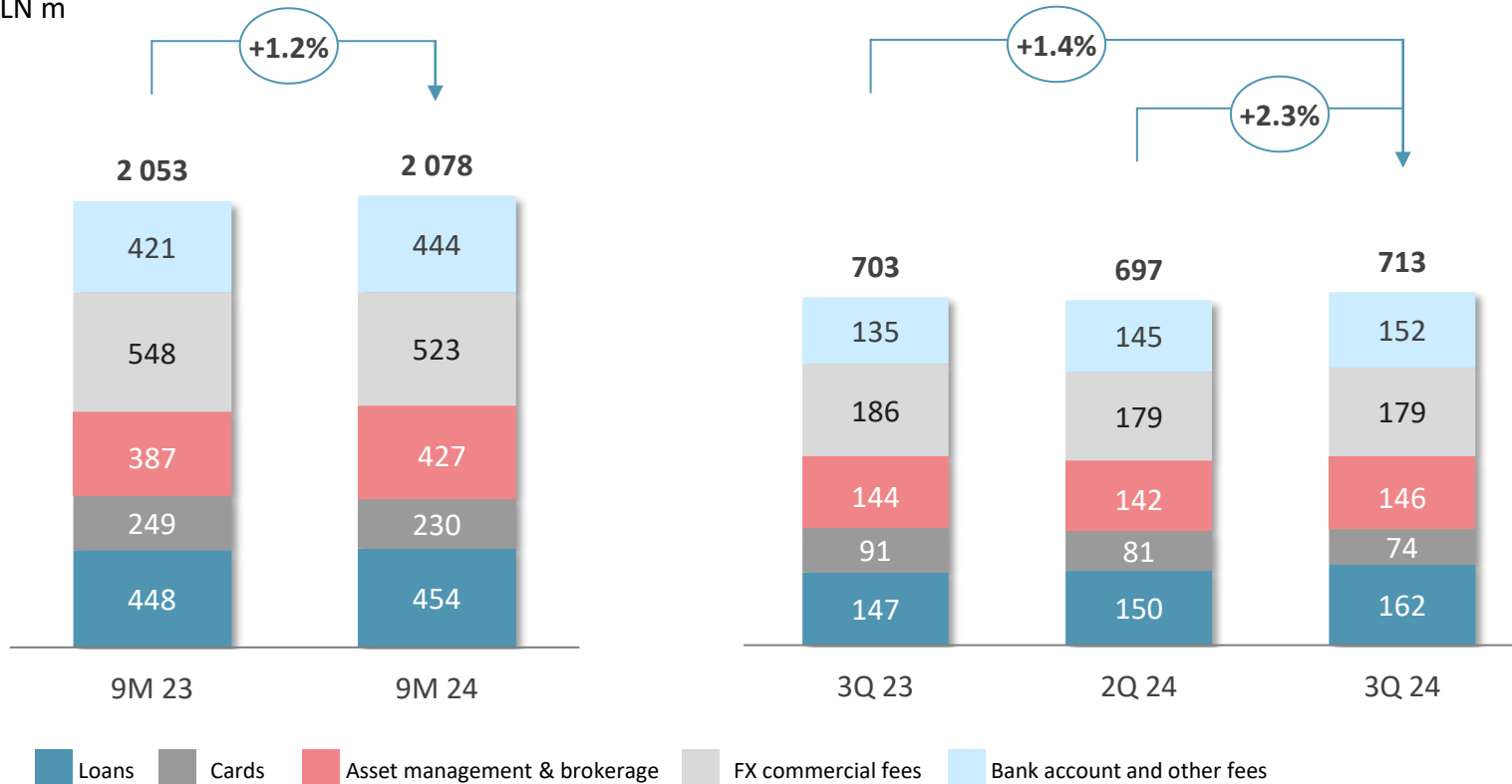
- Total deposit base increased by 6% y/y
- Growth of retail deposits supported by high acquisition of new customers and high sales of savings accounts (increase of 284 ths YTD)
- Record net sales of investment products PLN 13.7 bn in 9M'24 (+66% y/y)
- Stabilization of corporate deposits



Stable net fee and commission income +1% y/y

Net fee and commission income

PLN m



- Growing contribution of capital market-related income, including asset management, due to growth in investment fund assets
- Positive effects of distribution of treasury Bonds (PLN 8 bn in sales in 9M'24)



Cost/Income ratio at 34.7% - level better than the strategic target

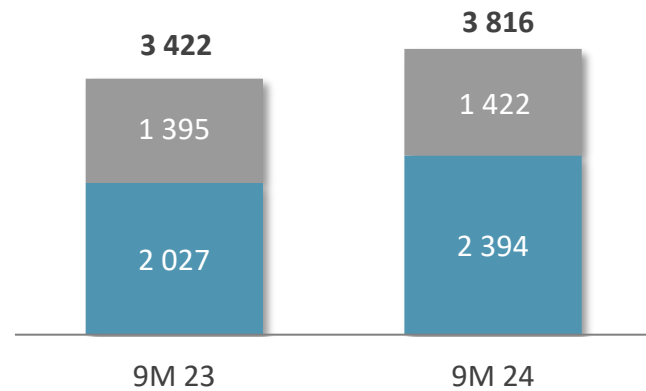
Operating costs

PLN m

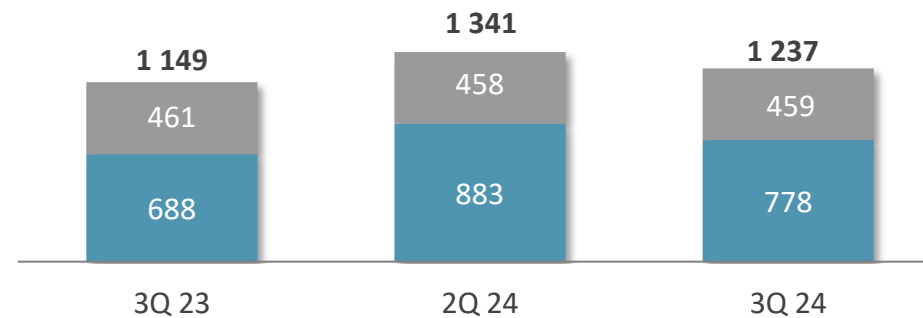
Employment
in Pekao
Group (ths)



+11.5%



+7.7%



Personnel costs Non-personnel, D&A costs

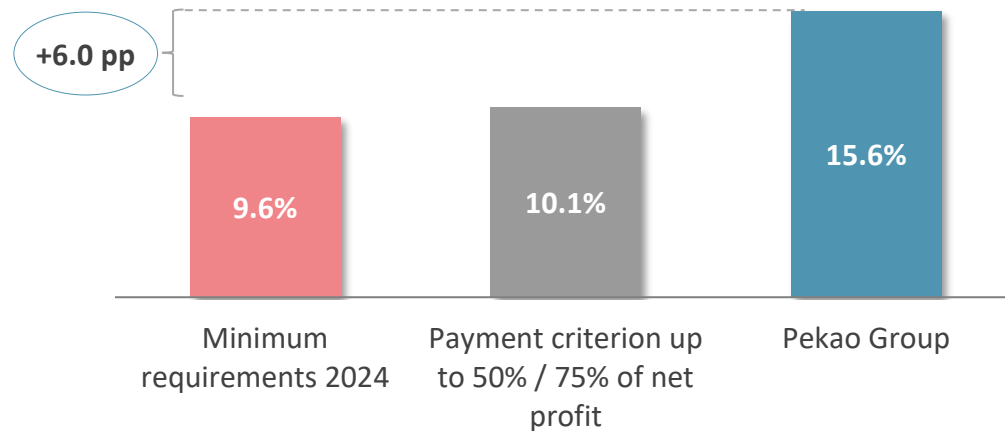
- Increase in personnel costs mainly due to inflationary indexation of salaries and building own resources in IT and AML areas
- Non-personnel costs growth of +2% y/y in 9M'24
- Increase in contributions to BGF by 26% y/y
- Cost/Income ratio (inc. BGF) at the level of 34.7% in 9M'24



Robust capital position. Dividend potential in line with the strategy (50-75% of net profit). We are prepared for expected increase in countercyclical buffer

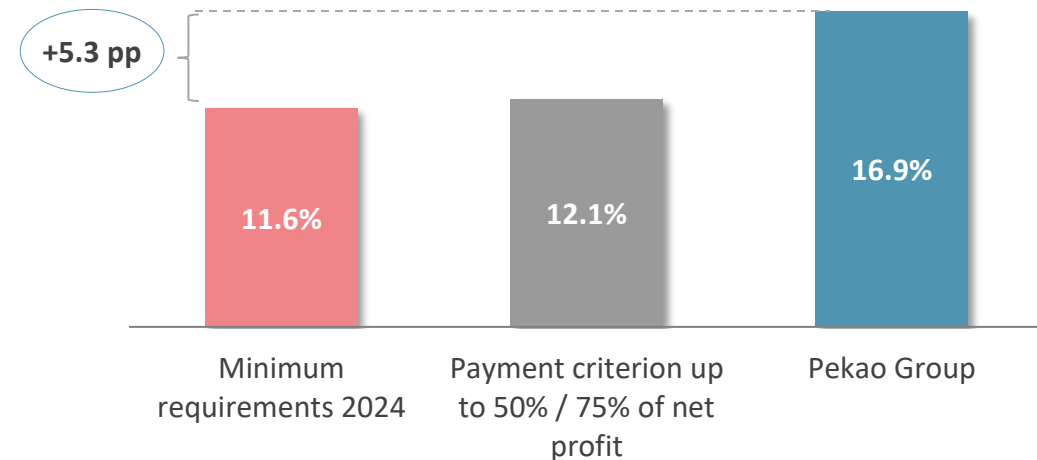
Tier 1

%



Total capital adequacy ratio

%



- Given >5 pp surplus over the regulatory minimums, the Bank is prepared for expected increase in countercyclical buffer

Note: the criterion for payment of up to 50% of net profit in the form of a dividend is the minimum requirement for the Group (9.53%) increased by the P2G parameter (0.49%)

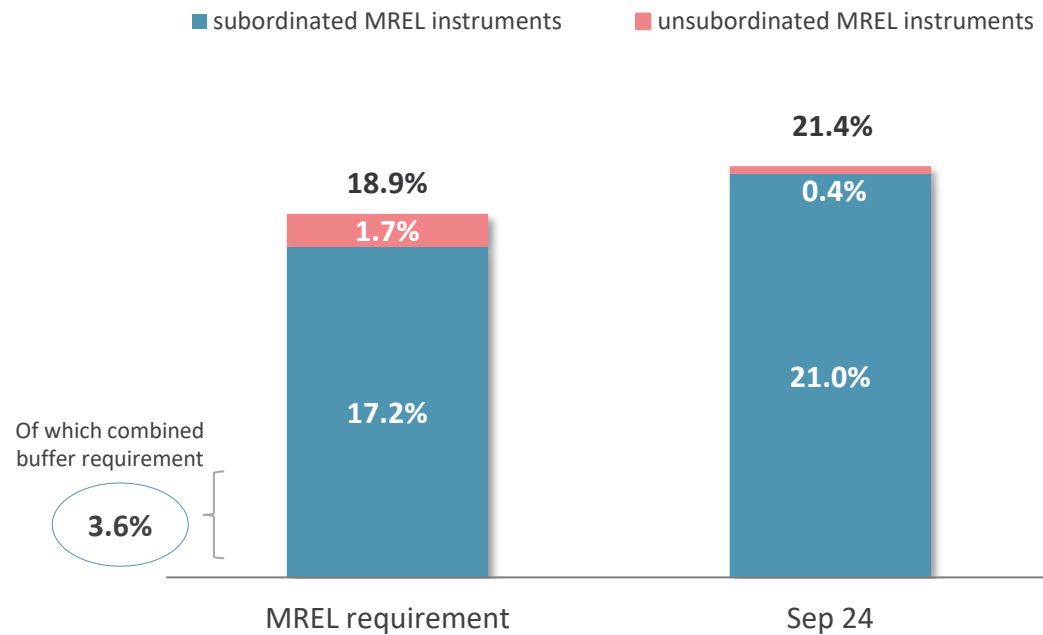
The criterion for payment of up to 75% of net profit in the form of dividend is the fulfilment of the criterion for payment of 50% (10.02%) and the additional criterion: the share of NPL in the portfolio of receivables from the non-financial sector at a level of up to 5%



Minimum requirement for own funds and eligible liabilities (MREL)

MREL requirements

%



- Target of total MREL is 18.9%¹, while for subordinated MREL is 17.2%¹ of total risk exposure amount
- Issuances of SP bonds in the amount of PLN 600 m and SNP bonds in the amount of EUR 500 m carried out in 3Q'24 resulted in increase in total MREL by 1.7 pp.
- Both total and subordinated MREL requirements are met

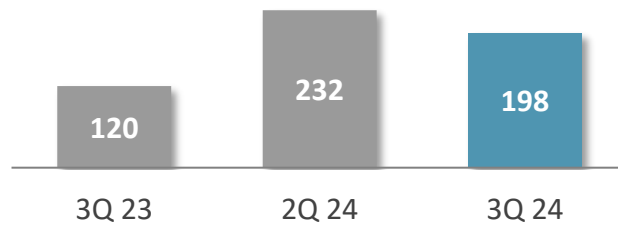
¹ Taking into account combined buffer requirement of 3.56 pp.



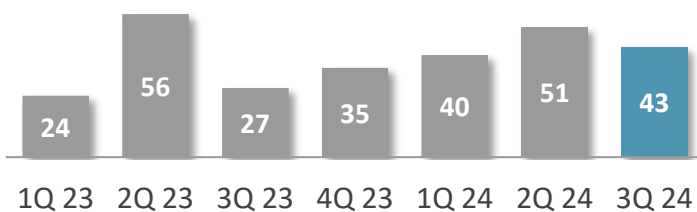
Cost of risk below strategy assumptions

Cost of risk

PLN m



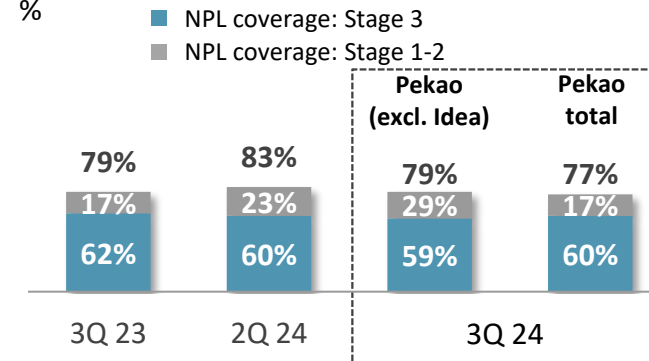
bps



¹ Indicator for the non-financial sector as of 09'2024 - 5.2%

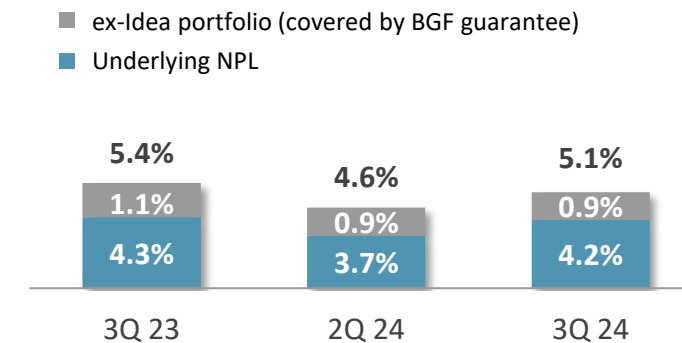
NPL coverage ratio

%



NPL ratio¹

%



- Cost of credit risk in 3Q'24 below the one realized in the first half of the year and assumed in the Strategy
- Deterioration of NPL ratio to a level slightly above 5% resulted from recognition of default for several corporate clients. The ratio improved y/y
- Stable level of NPL coverage in Stage 3



Record quarter for Bank Pekao



Record high recurring net profit



Revival of lending and growth of loan portfolio by 5% y/y



Fast growth in digital channels



Robust capital position

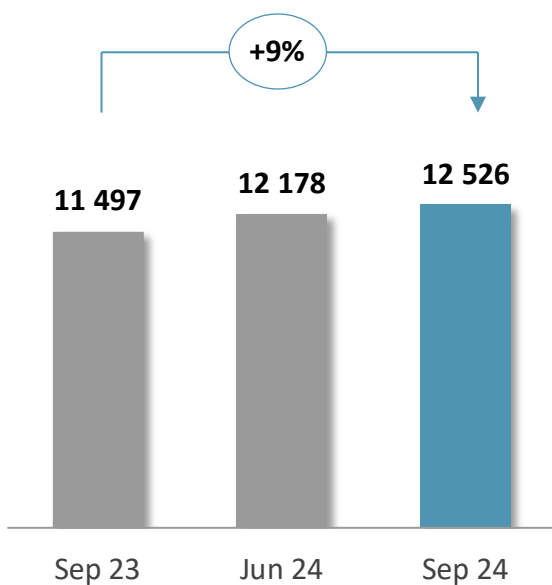
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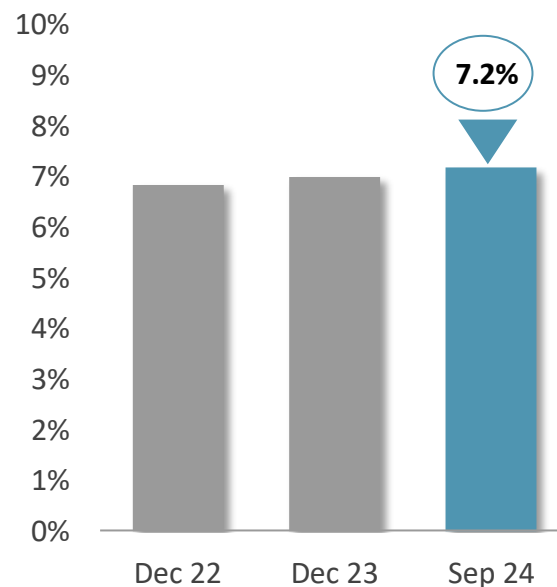


Retail banking: Increase in sales of cash loans by 23% y/y in 9M'24 and high share of sales in electronic channels

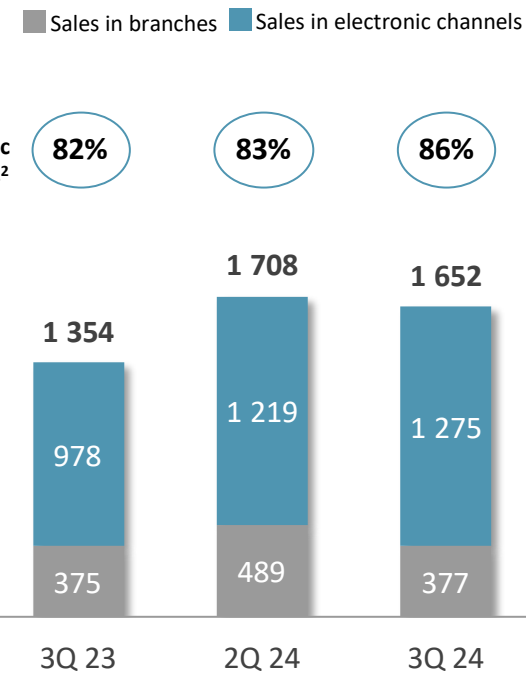
Cash loan volume growth PLN m



Market shares - consumer loan portfolio in PLN %



New sales of cash loans¹ PLN m



- Market share increased by 0.3 pp to 7.2%
- Share of loan sales in electronic channels has already increased to 86%
- We are the only bank in Poland to provide loans for financing medical studies with a BGK guarantee - we have already signed ~3.5 ths agreements for over PLN 700 m³

¹ Net sales – solely new money

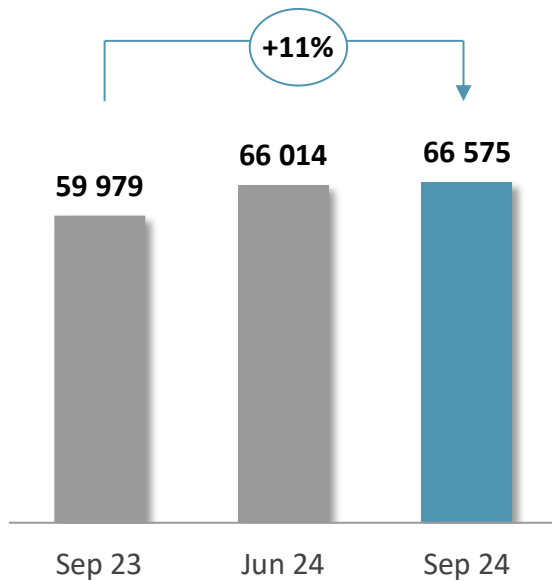
² Share in number

³ Data as of 10'2024

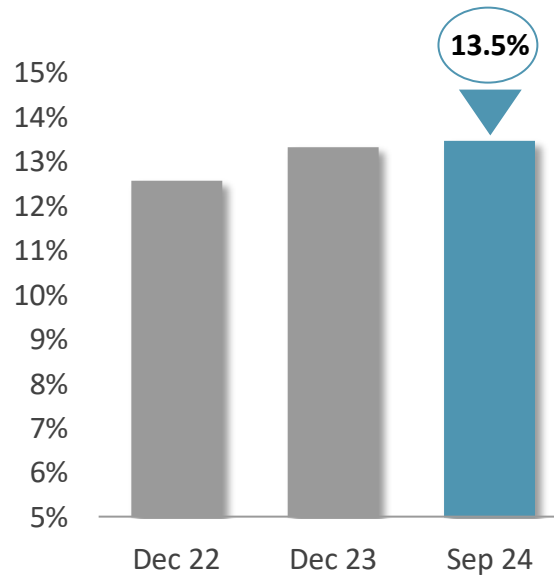


Retail banking: New sales of mortgage loans increased by 58% y/y in 9M'24. High interest in the settlement program for CHF loans

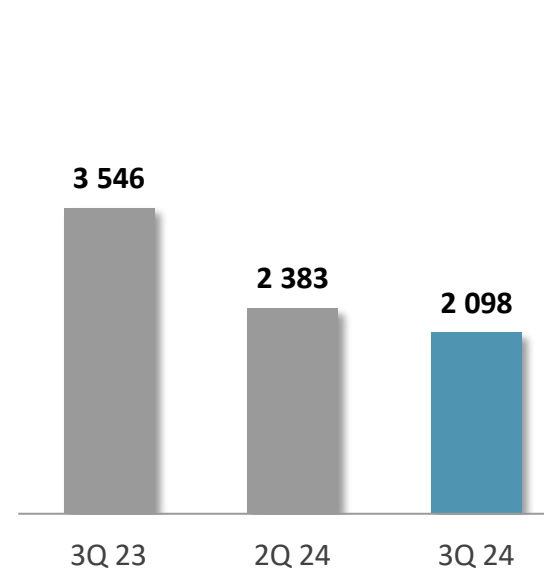
PLN mortgage volume growth
PLN m



Market share development in total mortgage
%



New sales of mortgage loans
PLN m



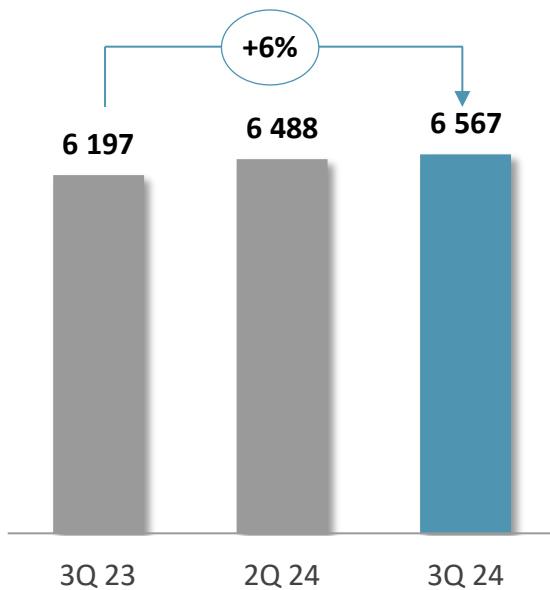
- Settlement proposals for >84% of CHF contracts covered by the “2% Settlement” program. Over half of customers (7.2 ths) accepted prepared proposal and >7 ths settlements already signed
- SOS aid package for flood victims (suspension of installment repayments for up to 3 months) and support under FWK (non-refundable repayment of 12 instalments of mortgage)



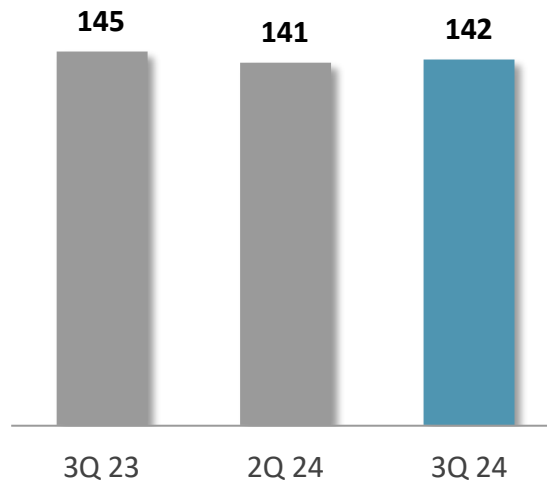
Retail banking: Continuation of high sales of accounts and credit cards

Number of individual customers ths

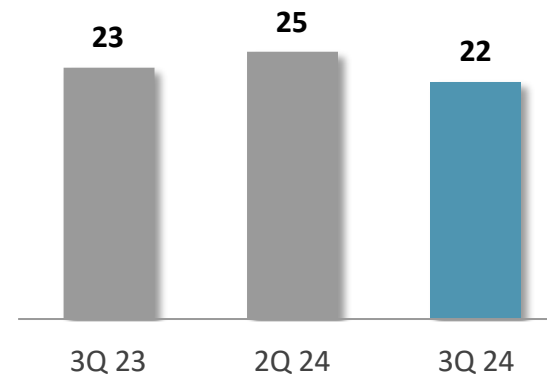
+370 ths Increase in number of individual customers y/y



Current accounts: gross sales ths



Gross sales of new credit cards ths



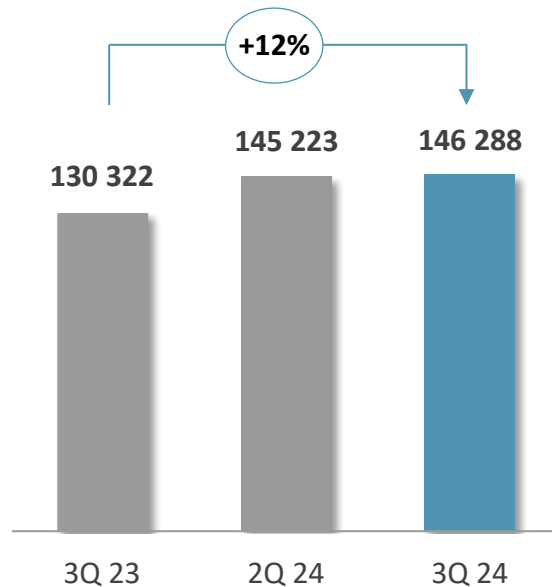
- Record sales of new Premium Accounts - 27 ths since the beginning of the year (+26% y/y)
- Deals with Wisent - new discount program with attractive discounts in hundreds of branded stores
- Digital First - new solution that allows customers to use debit card for the account immediately after ordering it, without waiting for plastic



Retail banking: Continuation of record sales results for investment products and savings accounts

Retail deposits

PLN m

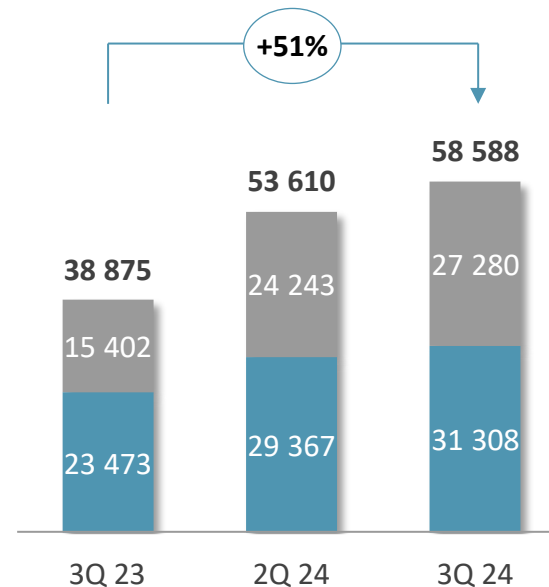


Investment products: AUM

PLN m

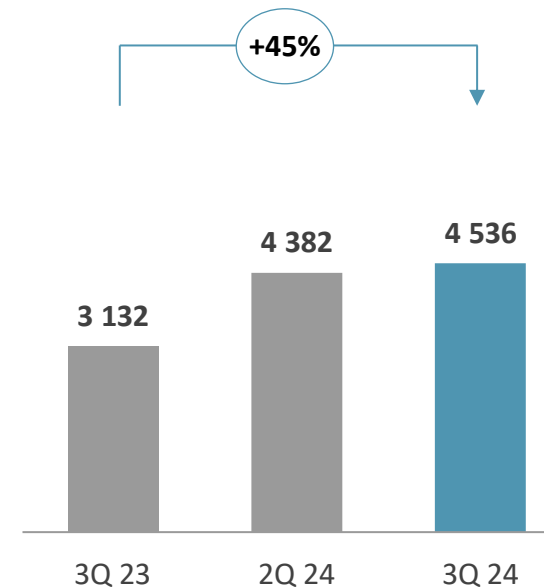
■ Other investment products¹

■ Investment funds



Investment products: net sales²

PLN m



- Record sales of new savings accounts supported by attractive interest rate promotions for new and inactive customers – 284 ths accounts since the beginning of the year (+40% y/y)
- Another good quarter in net sales of investment products - PLN 4.5 bn

¹ Other investment products include structured products, bonds, insurance investment products for retail clients and Private Banking, PPK

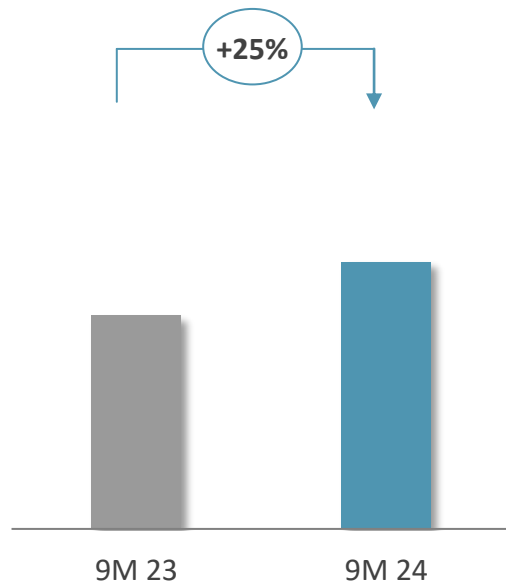
² Net sales of total investment products of Retail individual and Private customers



Retail banking: Growth in bancassurance business

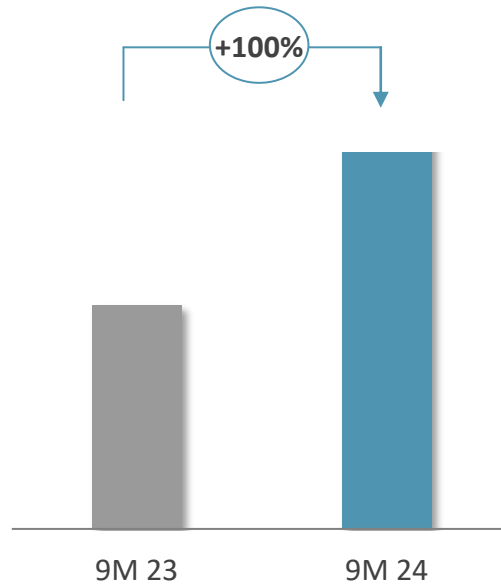
Volume of cash loans with CPI insurance

PLN bn



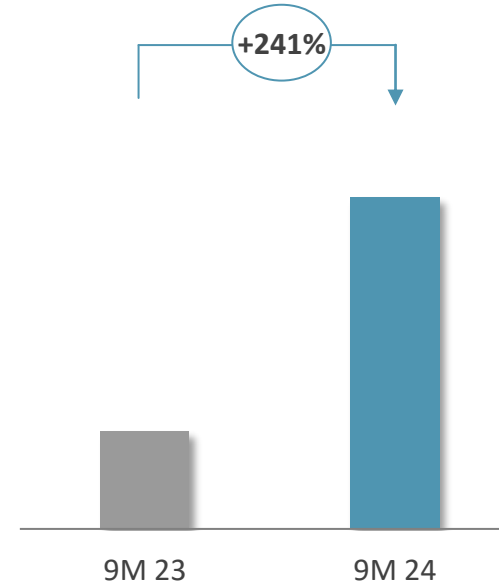
Volume of mortgage loans with CPI insurance

PLN bn



Number of motor insurance policies¹

ths



- High insurance sales results: collected premium from protection insurance up 88% y/y in 3Q'24, premium including investment products up 134% y/y
- High dynamics of sales of insurance unrelated to banking products:
 - Motor: over 2x more policies y/y
 - Tourist: ~60% more policies y/y

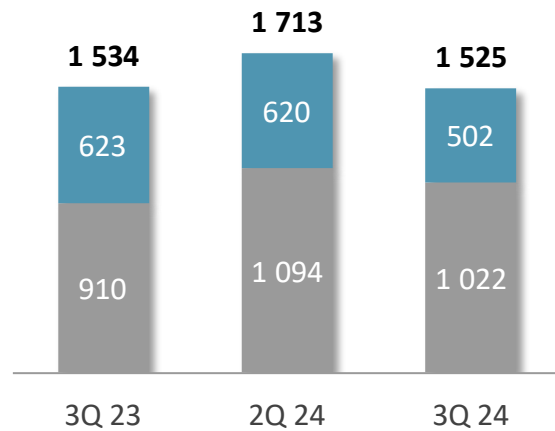
¹ PZU and Link4 offer



Enterprise Banking: SME loan sales up 12% y/y and volumes up 6% y/y

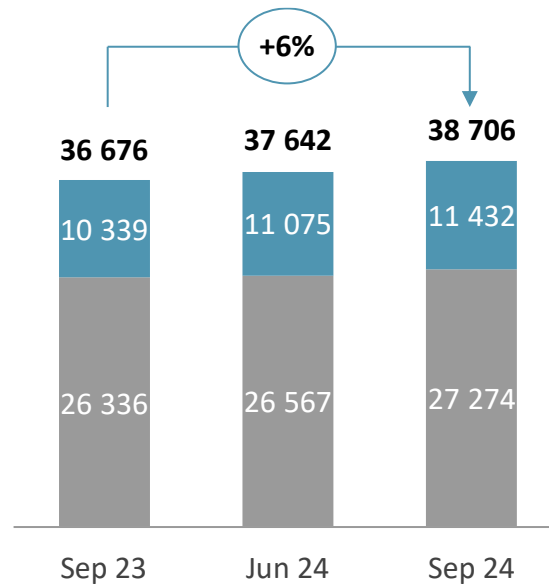
Sales of SME financing PLN m

Loans Leasing and Factoring

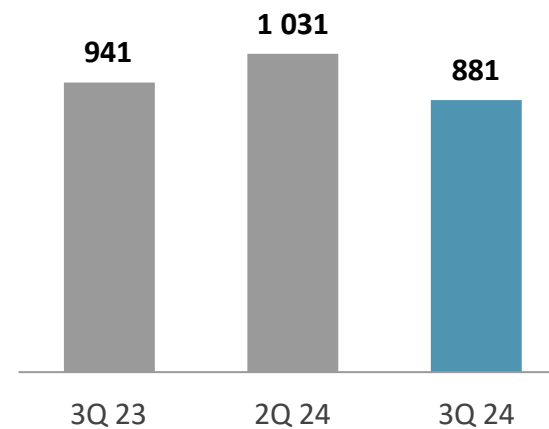


Financing volumes PLN m

MID Enterprises SME



Customer acquisition



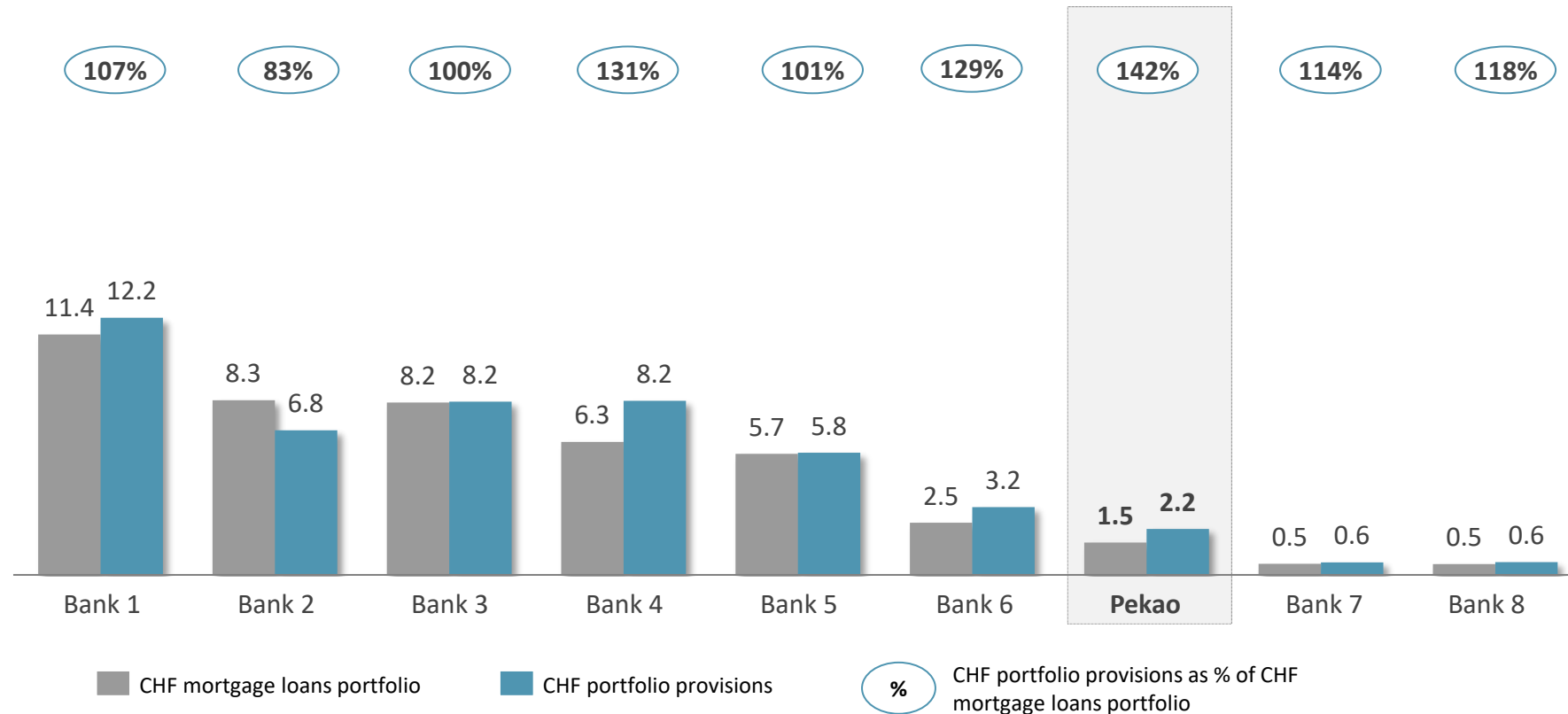
- Investmax Guarantees under InvestEU
- Free guide "Compendium of knowledge about European funds,,
- Ability to apply online for a treasury limit
- EUR 250 m loan from CEB and EUR 150 m loan from EIB for Pekao Leasing for SME investments



CHF mortgage loans portfolio and CHF portfolio provisions in Pekao compared to the market

CHF mortgage loans portfolio and CHF portfolio provisions

PLN bn



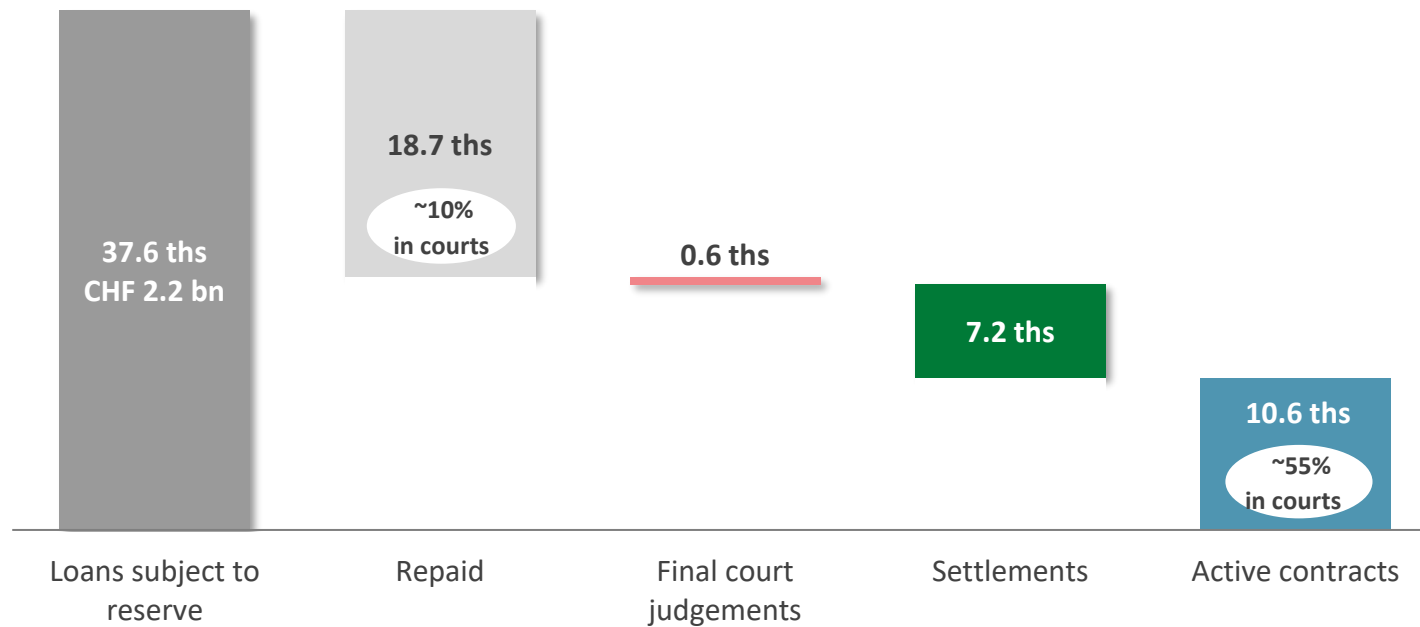
Note: CHF loan portfolio including off-balance sheet transfers. Data for Pekao as at June 30, 2024, for the sector as at March 31, 2024. Source: financial statements, current reports, own calculations according to a consistent methodology



Limited risk of CHF portfolio

Structure of CHF mortgage loans

pcs



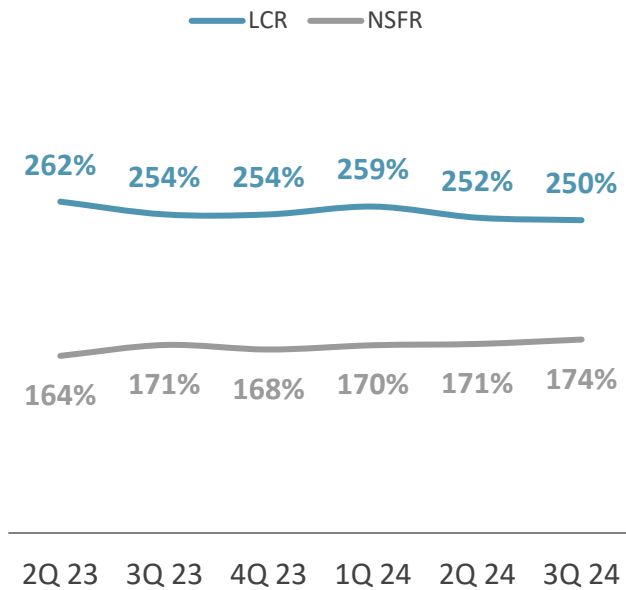
- One of the smallest portfolios on the market, one of the highest reserve coverage
- More than half of the portfolio fully repaid
- Approaching the end of the settlement program, decrease in inflow of lawsuits on active contracts



Robust financial and liquidity position

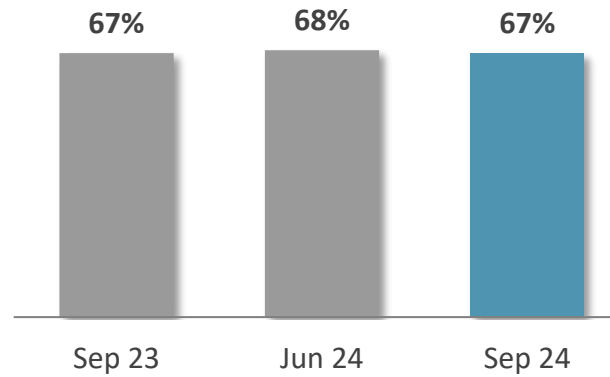
LCR and NSFR

%



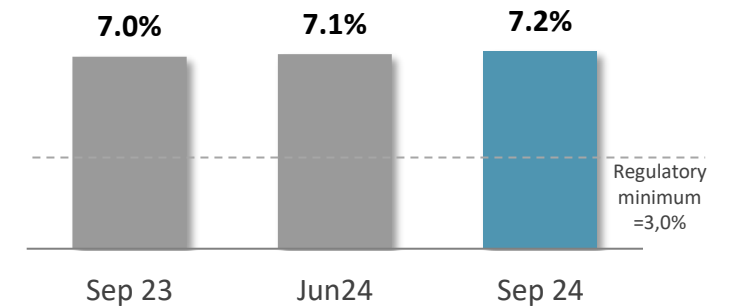
Loans/Deposits¹

%



Leverage ratio

%



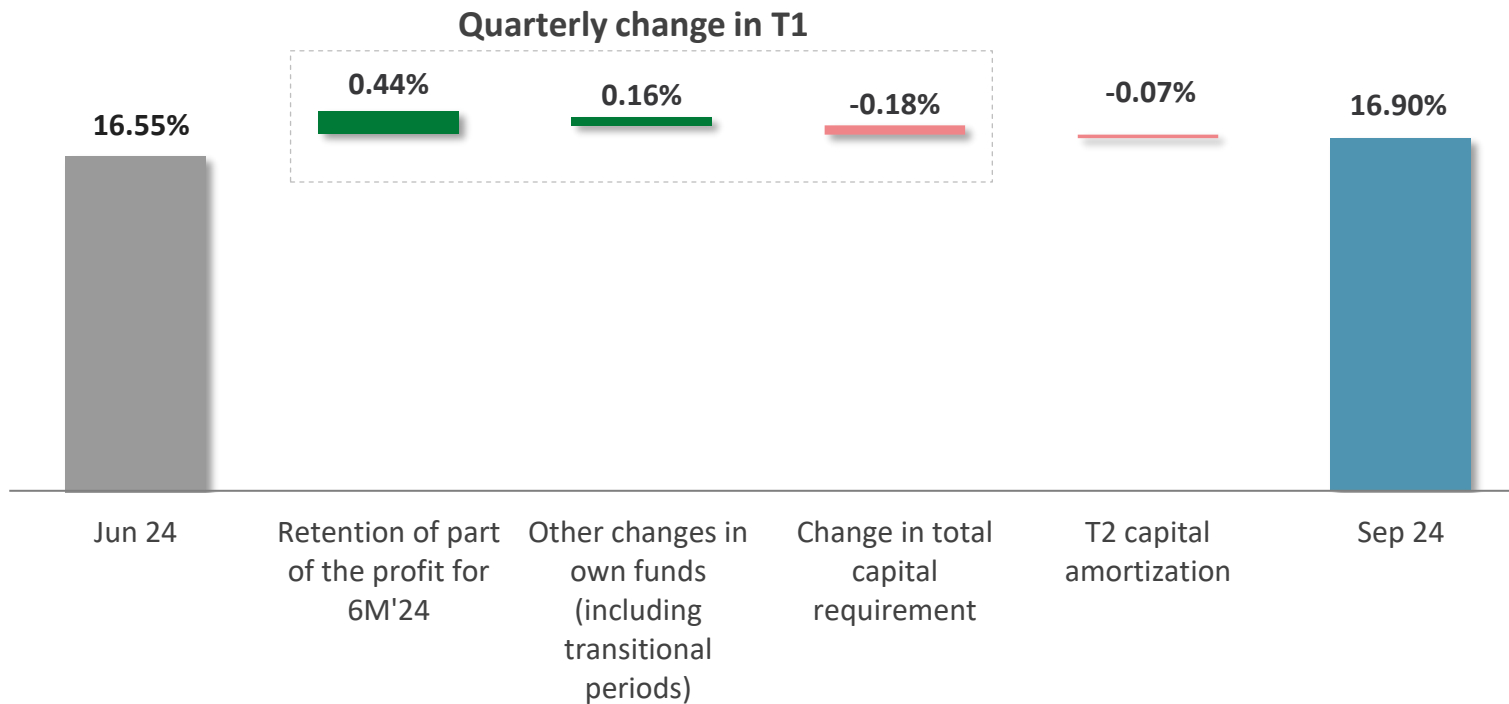
¹ Customer financing (excluding reverse repo transactions) / amounts due to clients, including debt securities (excluding repo transactions)



Change in Total Capital Ratio

TCR quarterly change

%

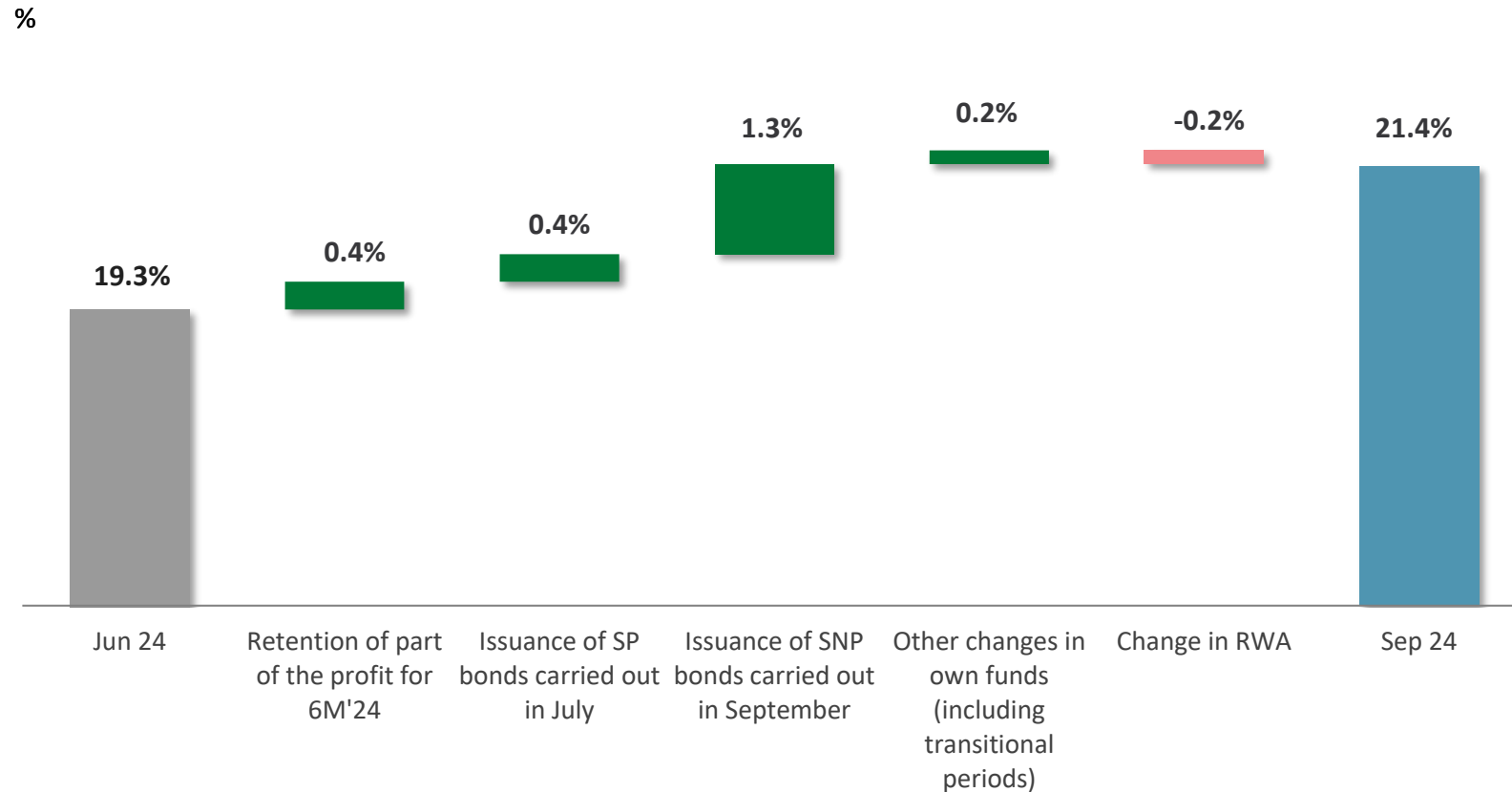


- Increase in TCR ratio by 0.35 pp. mainly due to retention of part of the profit for 6M'24, despite increase in the total capital requirement resulting mainly from the increase in requirement for credit risk
- Lower amount of Tier 2 capital results from amortization of subordinated bonds of series A and series B (in the last 5 years of the instrument's maturity)



MREL increase by 2.1 pp q/q

Items affecting MREL



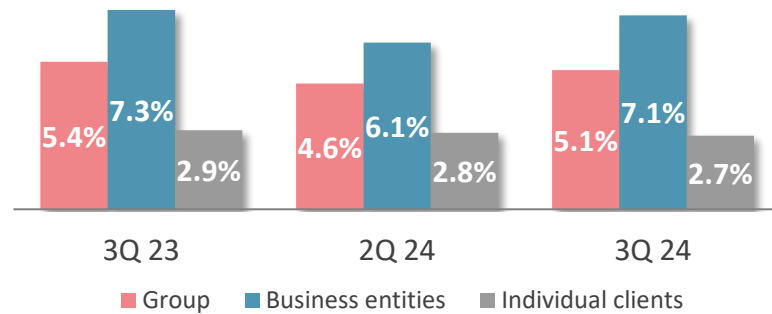
- Increase in total MREL in 3Q'24 by 2.1 pp due to:
 - inclusion of part of the profit (+0.4 pp) for 6M'24 after obtaining consent of PFSA,
 - issuance of SP bonds in the amount of PLN 600 m (+0.4 pp) carried out in July,
 - issuance of SNP bonds in the amount of EUR 500 m (+1.3 pp) carried out in September.



Asset quality

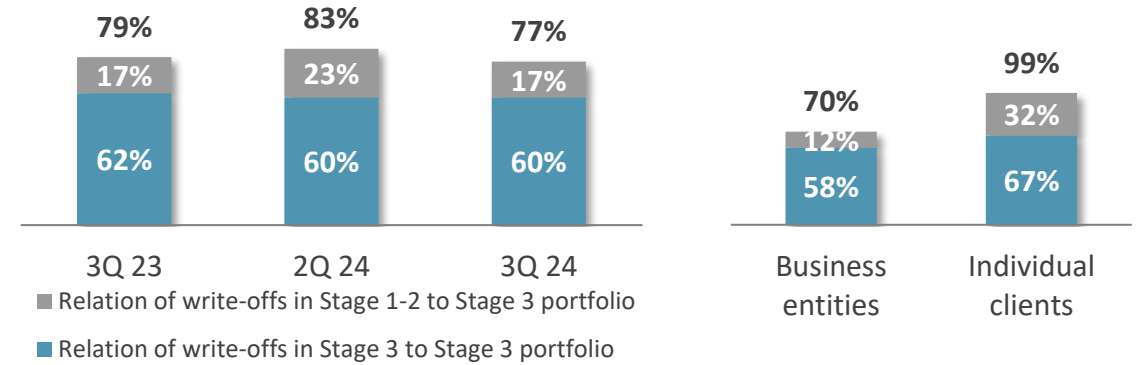
NPL ratio

%



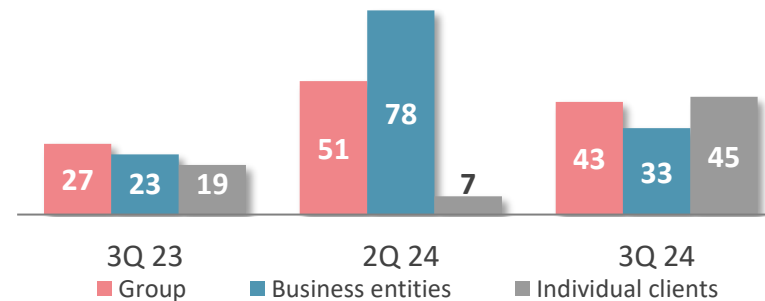
NPL coverage

%



Quarterly cost of credit risk¹

bps



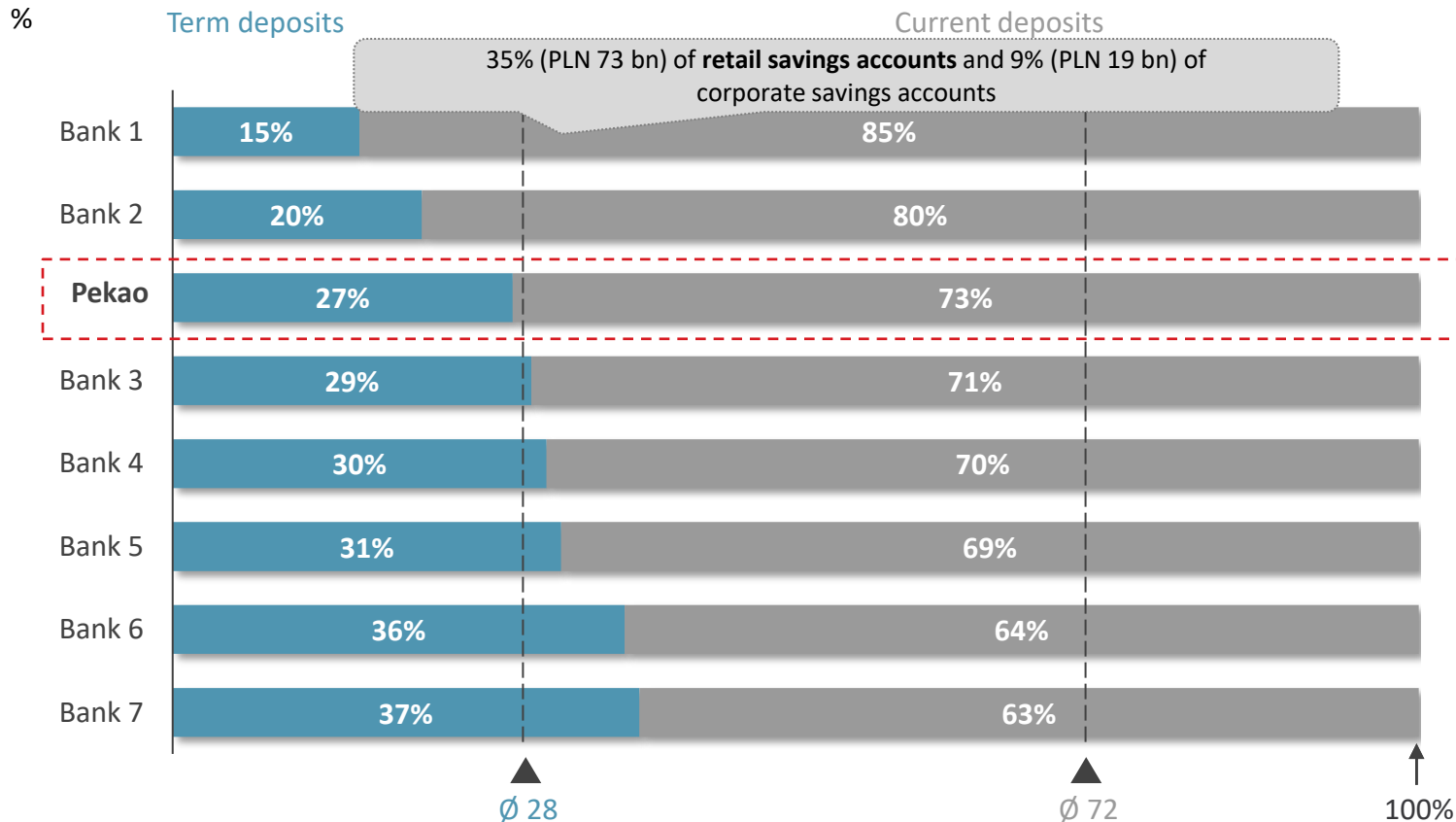
Note: to ensure comparability of data, indicators for earlier periods were estimated in accordance with the principles of presenting CHF mortgage and ex-Idea loans in force at the end of June 2024

¹ Segment breakdown excluding ex-Idea Bank)

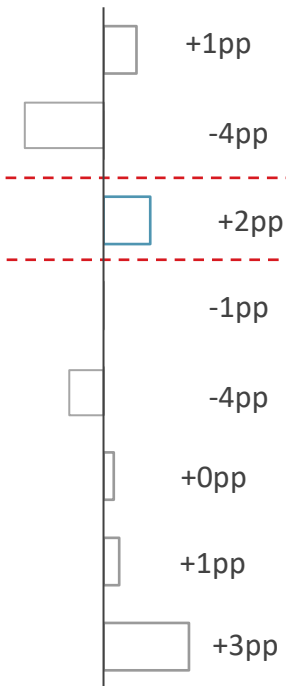


Low share of term deposits in Pekao does not pose a threat at high liquidity levels, positively affecting net interest margin

Deposit structure¹ of TOP8 banks as of the end of 2Q'24



Change in share of term deposits in the bank's deposit base 2Q'24 vs 2Q'23



¹ Current deposits include balance of savings accounts.

Source: consolidated financial statements, own calculations according to a consistent methodology



Government program supporting mortgage borrowers

- ✓ **Payment moratoria 2022-2023:**
 - possibility of suspending loan instalment repayments - two months in the third and fourth quarter of 2022 and one month in each of the four quarters of 2023
 - for all mortgage borrowers who have loans in Polish zloty
 - all dates provided for in a loan agreement will be extended
 - payment moratoria will apply to the capital part as well as the interest part of the instalment

PLN 1.9 bn

(cost for Pekao, recognized in 3Q-4Q'22, 2Q'23 and 4Q'23 results)

- ✓ **Borrowers Support Fund:**
 - maximum support from the Borrowers Support Fund is 2,000 PLN and can be paid for up to 36 months - which gives a total of 72,000 PLN funding
 - part of the support may be cancelled
 - possibility to submit the application online
 - one need to meet one of the conditions: at least one of the borrowers is unemployed; monthly mortgage loan instalments exceed 50% of monthly income; monthly income after deducting loan instalment does not exceed: PLN 1,552/person in 1 person household or 1,200 PLN/person in multi-person households

PLN 170 m

(cost for Pekao, recognized in 3Q-4Q'22 results)

- ✓ **Amendment of the act on mortgage bonds and mortgage banks and some other acts (institutional protection system for commercial banks)**

PLN 482 m

(cost for Pekao; recognized in 2Q-3Q'22 results)

- ✓ **Payment moratoria 2024:**
 - possibility of suspending loan installment repayments - max 4 months between June 1 and December 31, 2024
 - for mortgage borrowers who have loans in Polish zloty concluded before July 1, 2022
 - value of loan granted does not exceed PLN 1,200,000
 - for borrowers for whom the arithmetic average of the DSTI (debt service to income) ratio for the last three months preceding the month of submitting the application for suspension of loan repayment exceeds 30% or who have at least three children to support

PLN 234 m

(cost for Pekao; recognized in 2Q'24 results)



2024 Outlook: Recovery at a moderate pace

Economic outlook

	2023	2024	2025
GDP, %	0.2	3.0	4.3
Private consumption, % y/y	-0.9	4.3	3.7
Investments, % y/y	13.1	-0.4	8.6
Unemployment, % eop	5.1	5.1	4.8
CPI, % avg	11.4	3.7	5.0
3M Wibor, % eop	5.88	5.86	4.86
Reference rate, % eop	5.75	5.75	4.75
Exchange rate EUR, eop	4.35	4.25	4.30
Exchange rate USD, eop	3.94	3.94	3.93
Public sector balance, % GDP	-5.1	-5.4	-5.4

Banking sector outlook

	2023	2024	2025
Loans, % y/y	0.0	2.8	4.0
Retail, % y/y	-2.2	2.0	5.0
Mortgage loans PLN	2.2	5.1	5.5
Consumer loans¹	1.9	3.8	6.0
Corporate, % y/y	-3.0	2.4	3.8
Savings², % y/y	12.9	10.2	9.7
Deposits, % y/y	9.6	9.0	8.9
Retail, % y/y	11.2	10.9	10.3
Corporate, % y/y	8.8	6.0	8.0

- Polish economy is gradually gaining momentum due to low inflation and rising real wages. We expect large contribution of consumption to GDP growth. Investments in 2024 will temporarily decline due to the EU spending cycle.
- Credit market will grow in 2024, benefiting from the improving economic situation. Mortgage sales remain high despite lack of government support – however, in 2H'24, volume dynamics will be curbed by last year's high base. Growth in volume of deposits will be increasingly slower due to expected interest rate cuts.

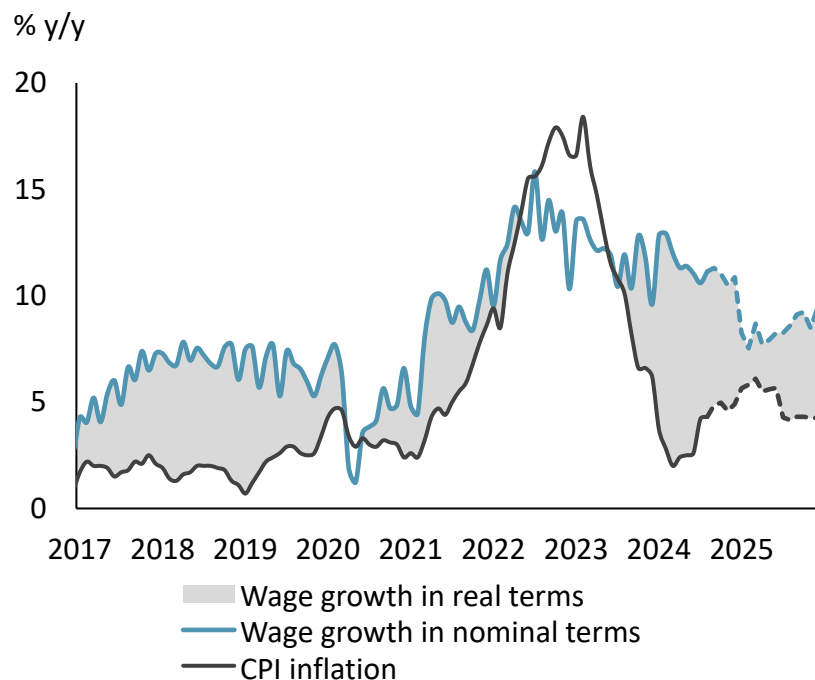
Source: Pekao Research forecasts as of October 2024

¹ All non-housing loans ² Deposits + retail customers assets in investment funds units



Macroeconomic backdrop: Dynamics of real wages is slightly slowing down

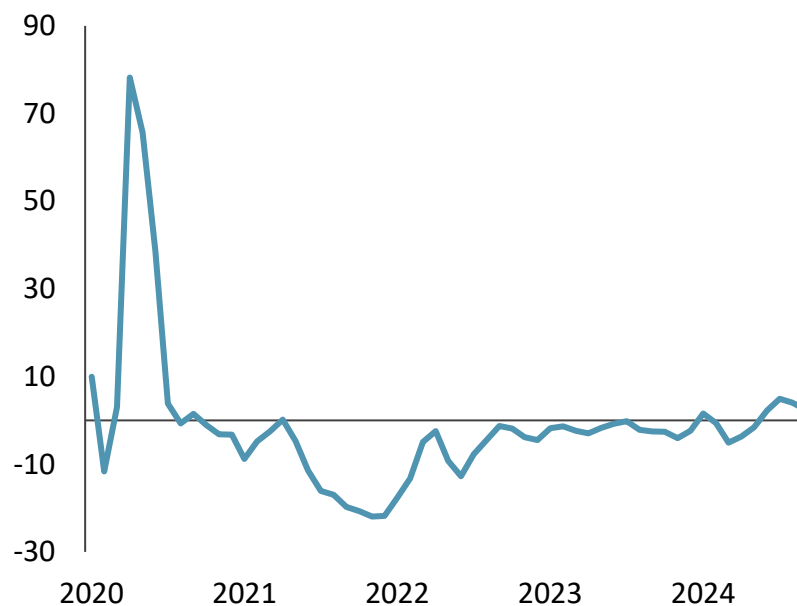
Growth rate of wages and prices



	2019	2020	2021	2022	2023	2024e	2025e
Wages (% y/y)	6.5	4.8	8.6	12.9	11.9	11.7	8.5
CPI (% y/y, avg.)	2.3	3.4	5.1	14.4	11.4	3.7	5.0

Change in number of unemployed, m/m

thousands of people, seasonally adjusted



	2019	2020	2021	2022	2023	2024e	2025e
Unemployment rate (% eop)	5.2	6.8	5.8	5.2	5.1	4.8	4.5

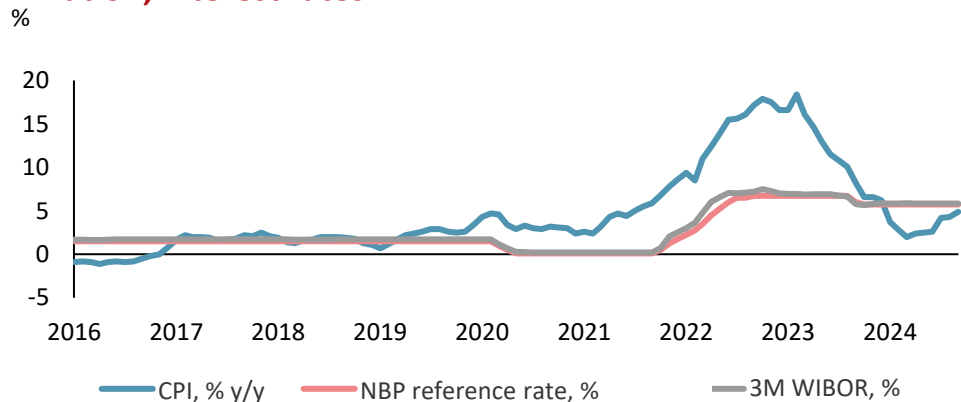
- Pace of wage growth is slightly slowing down. In August it was still in double digits and is unlikely to slow down significantly until the end of the year. It is being driven by, among other things, high increase in minimum wage in January and July 2024 (by total of 19%). Wage growth will most likely slow down in 2025, as companies are less and less willing to raise wages.
- Since June, number of unemployed people in Poland has started to grow slightly. After seasonal adjustments, total of 11,000 more people have joined workforce in three months. This was accompanied by decline in employment in corporate sector by 18,000 full-time positions. However, deterioration in labour market is slight and we do not expect it to deepen due to improvement in economic conditions.

Source: Macrobond, Statistics Poland, Pekao Research

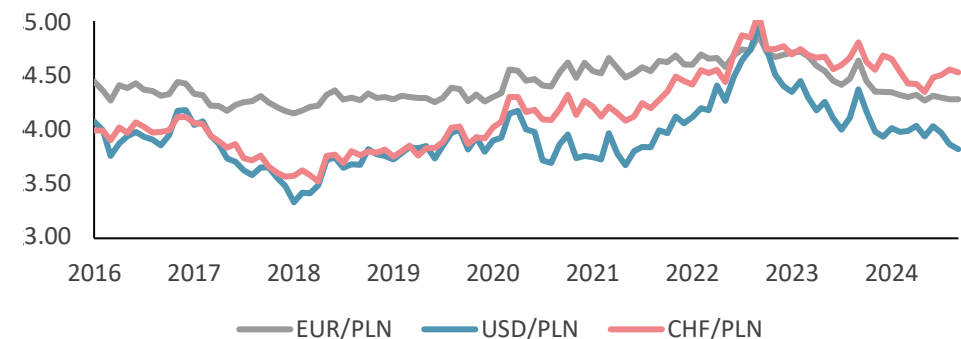


Macroeconomic backdrop : Bottom of inflation is behind us, interest rates will slowly fall

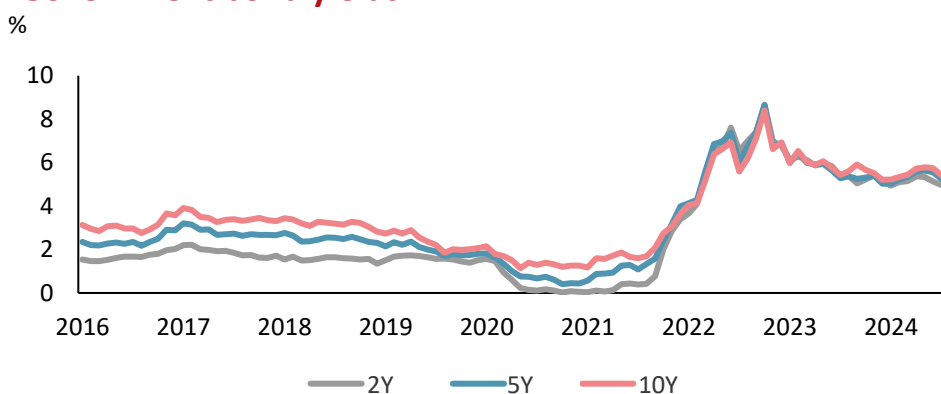
Inflation, interest rates



Exchange rates



Government bond yields

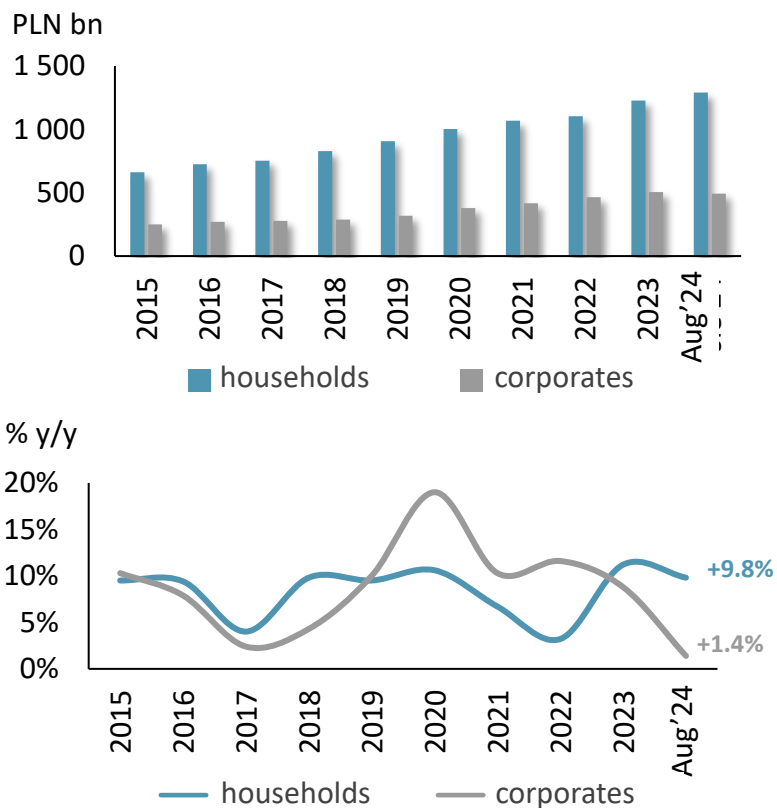


- At the beginning of second half of the year, we jumped with inflation above 4% due to partial unfreezing of energy prices and low reference base. Inflation will remain close to 5% until the end of the year. Core inflation, on the other hand, has already passed its minimum in this cycle and will remain persistently high in the coming months (especially in services sector). We should now expect it to grow gradually, but it will not be a dynamic process.
- At the beginning of 2025, we assume another increase in CPI inflation (to approx. 6% in 1Q), among others due to further unfreezing of energy prices and low base. We will not return to the range of permissible fluctuations from the NBP target any time soon - in our opinion, this will not be possible before 2026.



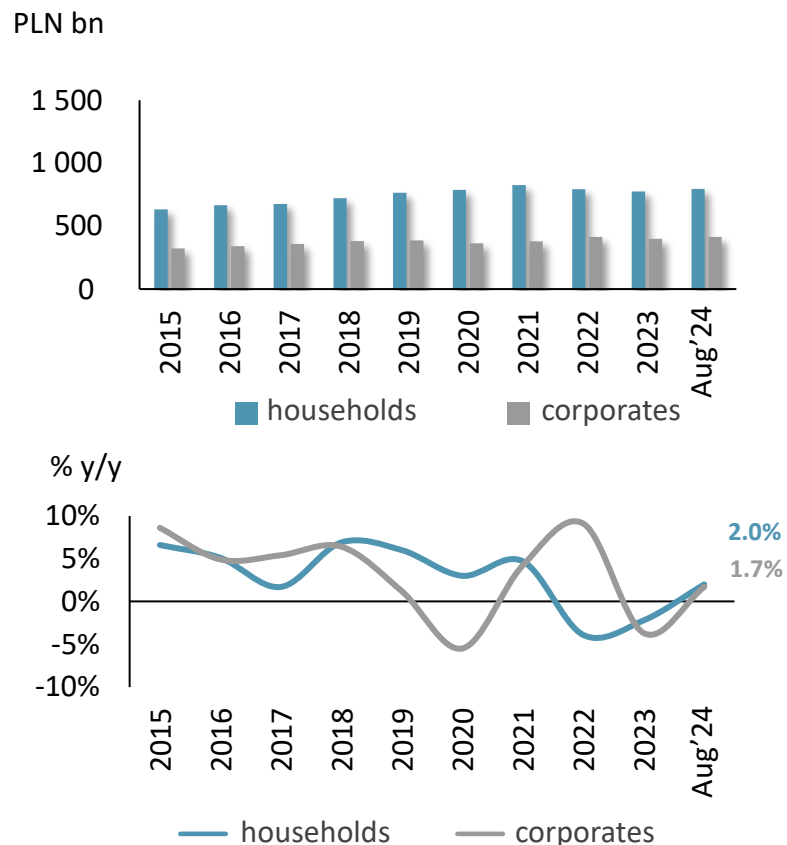
Macroeconomic backdrop: Moderate dynamics of lending

Loans and advances to households and institutional clients



Source: NBP

Deposits of households and institutional clients



- Retail loans:** growth in volume dynamics is primarily due to consumer loans (4.8% y/y in August), driven by double-digit wage dynamics; mortgages also broke the line (2.7% y/y, and in PLN 9.4% y/y) despite the fact that the #NaStart program has not been implemented. At the end of the year, PLN mortgages should slow down due to base effect (5.1% y/y), while consumer loans will continue to strengthen (6.1% y/y).
- Corporate loans:** broke the line only in July this year. Investment loans remain the strongest category (4.2% y/y), which is related to preparations for investment boom in 2025.
- Deposits:** nominal retail deposits are growing – this is effect of rebuilding real savings. Dynamics of corporate deposits is slowing down, which requires careful monitoring of liquidity situation of companies.



Consolidated balance sheet

PLNm	Sep 23	Jun 24	Sep 24	q/q%	y/y%
Cash and cash equivalents	17 617	15 523	20 515	32,2%	16,5%
Loans and advances to banks	147	325	202	(37,8%)	37,0%
Loans and advances to customers ¹	168 998	176 762	179 013	1,3%	5,9%
Investment securities ²	100 819	104 065	105 393	1,3%	4,5%
Intangible assets	2 340	2 416	2 466	2,1%	5,4%
Tangible fixed assets	1 769	1 985	1 948	(1,9%)	10,1%
TOTAL ASSETS	310 021	316 046	324 411	2,6%	4,6%
Amounts due to other banks	7 792	6 572	8 688	32,2%	11,5%
Financial liabilities held for trading	431	920	1 063	15,5%	146,5%
Amounts due to customers	241 308	247 344	251 263	1,6%	4,1%
Debt securities issued	9 912	13 298	15 786	18,7%	59,3%
Subordinated liabilities	2 846	2 782	2 833	1,8%	(0,4%)
Other	19 227	16 907	14 121	(16,5%)	(26,6%)
Total liabilities	281 516	287 823	293 754	2,1%	4,3%
Total equity	28 505	28 223	30 657	8,6%	7,5%

¹ Including loans and advances from customers, receivables from finance leases and non-treasury debt securities ² Excluding non-treasury debt securities



Consolidated income statement

PLNm	3Q 23	2Q 24	3Q 24	q/q%	y/y%	9M 23	9M 24	y/y%
Net interest income ¹	3 015	2 922	3 261	11,6%	8,2%	8 767	9 268	5,7%
Net fee and commission	703	697	713	2,3%	1,4%	2 053	2 078	1,2%
Operating income	3 797	3 802	4 022	5,8%	5,9%	11 270	11 700	3,8%
Operating costs²	(1 149)	(1 341)	(1 237)	(7,8%)	7,7%	(3 422)	(3 816)	11,5%
Personnel cost	(688)	(883)	(778)	(11,9%)	13,1%	(2 027)	(2 394)	18,1%
Non-personnel cost & depreciation	(461)	(458)	(459)	0,2%	(0,4%)	(1 395)	(1 422)	1,9%
OPERATING PROFIT	2 648	2 461	2 785	13,2%	5,2%	7 848	7 884	0,5%
Provisions	(120)	(232)	(198)	(14,7%)	65,0%	(471)	(611)	29,7%
Costs of legal risk of foreign currency mortgage loans	(53)	(206)	(56)	(72,8%)	5,7%	(98)	(299)	205,1%
Guarantee funds charges	0	0	0	-	-	(190)	(239)	25,8%
Banking tax	(222)	(225)	(223)	(0,9%)	0,5%	(659)	(671)	1,8%
PROFIT BEFORE INCOME TAX	2 254	1 800	2 310	28,3%	2,5%	6 434	6 070	(5,7%)
Income tax	(498)	(380)	(481)	26,6%	(3,4%)	(1 414)	(1 303)	(7,9%)
GROUP NET INCOME³	1 755	1 419	1 828	28,8%	4,2%	5 018	4 764	(5,1%)

¹ NII excl. dividends and other income from equity investments ² Costs excl. guarantee funds charges and regulator and incl. FSA ³ Net profit attributable to equity holders of the Bank

Note: Data as reported



Key performance indicators

	3Q 23	2Q 24	3Q 24	q/q net	y/y net	9M 23	9M 24	y/y net
ROE (%)	25,7%	19,8%	24,8%	4,98	-0,86	26,0%	21,4%	-4,54
ROA (%)	2,3%	1,8%	2,3%	0,50	-0,05	2,3%	2,0%	-0,26
NIM (%)	4,20%	3,91%	4,24%	0,33	0,04	4,21%	4,10%	-0,11
L/D (%)	66,9%	67,6%	66,9%	-0,72	-0,03	66,9%	66,9%	-0,03
Cost/Income Ratio (%)	30,3%	35,3%	30,8%	-4,52	0,50	30,4%	32,6%	2,25
Cost/Income Ratio inc. BGF (%)	30,3%	35,3%	30,8%	-4,52	0,50	32,0%	34,7%	2,61
Cost of Risk (%)	0,27%	0,51%	0,43%	-0,08	0,16	0,36%	0,45%	0,09
TCR	17,3%	16,6%	16,9%	0,30	-0,40	17,3%	16,9%	-0,40
Tier 1	15,6%	15,1%	15,6%	0,50	0,00	15,6%	15,6%	0,00



Selected data

Bank	Sep 23	Jun 24	Sep 24	q/q%	y/y%
Outlets	580	572	572	0,0%	(1,4%)
ATM's	1 301	1 297	1 308	0,8%	0,5%
Employees	12 734	12 743	12 841	0,8%	0,8%
No of PLN current accounts (ths) ¹	7 851	8 377	8 560	2,2%	9,0%
No of mortgage loan accounts (ths) ²	364	362	359	(0,7%)	(1,3%)
No of clients holding a consumer loan accounts (ths) ³	585	578	574	(0,7%)	(1,9%)
Number of individuals active users electronic banking Pekao24 (ths) ⁴	3 571	3 757	3 822	1,7%	7,0%
Number of individuals with an access to mobile banking (ths) ⁴	4 970	5 279	5 377	1,9%	8,2%
Group	Sep 23	Jun 24	Sep 24	q/q%	y/y%
Employees	15 086	15 259	15 447	1,2%	2,4%
Number of MF accounts (ths)	742	787	803	2,0%	8,1%
Number of Brokerage accounts (ths)	206	203	205	0,6%	(0,5%)

¹Number of accounts including pre-paid card accounts ²Retail clients' accounts

³Pożyczka Ekspresowa (Express Loan) ⁴Including individuals and micro companies



Activity by segments

Bank Pekao Group level – incl. subsidiaries

PLNm	Retail Banking			Private Banking			Corporate&Investment Banking			Enterprise Banking			Assets&Liabilities Management & Others			Group		
	9M 23	9M 24	y/y%	9M 23	9M 24	y/y%	9M 23	9M 24	y/y%	9M 23	9M 24	y/y%	9M 23	9M 24	y/y%	9M 23	9M 24	y/y%
Net interest income	5 051	4 984	(1,3%)	238	217	(8,8%)	1 629	1 563	(4,1%)	1 289	1 331	3,3%	560	1 173	109,5%	8 767	9 268	5,7%
Non-interest income	838	896	6,9%	110	117	6,4%	726	641	(11,7%)	553	584	5,6%	276	194	(29,7%)	2 503	2 432	(2,8%)
Operating income	5 889	5 880	(0,2%)	348	334	(4,0%)	2 355	2 204	(6,4%)	1 842	1 915	4,0%	836	1 367	63,5%	11 270	11 700	3,8%
Operating costs ¹	(2 254)	(2 472)	9,7%	(133)	(158)	18,8%	(457)	(524)	14,7%	(490)	(572)	16,7%	(88)	(90)	2,3%	(3 422)	(3 816)	11,5%
OPERATING PROFIT	3 635	3 408	(6,2%)	215	176	(18,1%)	1 898	1 680	(11,5%)	1 352	1 343	(0,7%)	748	1 277	70,7%	7 848	7 884	0,5%
Net write-downs/provision	(199)	(227)	14,1%	4	1	(75,0%)	(239)	(267)	11,7%	20	(48)	(340,0%)	(57)	(70)	22,8%	(471)	(611)	29,7%
Guarantee funds charges	(99)	(107)	8,1%	0	0	-	(72)	(72)	0,0%	(33)	(34)	3,0%	14	(26)	(285,7%)	(190)	(239)	25,8%
Banking tax	(246)	(268)	8,9%	(1)	(1)	0,0%	(192)	(190)	(1,0%)	(85)	(88)	3,5%	(135)	(124)	(8,1%)	(659)	(671)	1,8%
PROFIT BEFORE INCOME TAX	2 993	2 507	(16,2%)	218	176	(19,3%)	1 395	1 151	(17,5%)	1 254	1 173	(6,5%)	574	1 063	85,2%	6 434	6 070	(5,7%)

¹ Operating costs excluding guarantee funds charges, fee paid for the Protection Schemes, fee paid for the Borrowers Support Fund

Note: Data for Pekao Group. Income statement consistent with presentation version



Group net profit structure

PLNm		Group's share in capital %	9M 23	9M 24	y/y%
Bank Pekao S.A.	Banking - Poland		5 074	4 754	-6,3%
Entities - consolidated under full method			188	212	12,8%
of which:					
Pekao Investment Management S.A.	Mutual Funds	100%	70	93	32,9%
Pekao Leasing Sp. z o.o.	Leasing	100%	74	84	13,5%
Pekao Faktoring Sp. z o.o.	Factoring	100%	33	24	-27,3%
Pekao Bank Hipoteczny S.A.	Mortgage bank	100%	(21)	(17)	-
PEUF Sp. z o.o.	Financial support	100%	5	5	0,0%
Pekao Financial Services Sp. z o.o.	Transferable agent	66,5%	5	8	60,0%
Centrum Kart S.A.	Cards	100%	4	7	75,0%
Pekao Direct Sp. z o.o.	Call Centre	100%	3	6	100,0%
Pekao Property S.A. in liquidation	Real estate development	100%	1	1	0,0%
Pekao Fundusz Kapitałowy Sp. z o.o. in liquidation	Business consulting	100%	2	2	0,0%
FPB "MEDIA" Sp. z o.o. in bankructcy	Real estate development	100%	0	0	-
Pekao Investment Banking S.A.	Brokerage	100%	12	(1)	-
Entities valued under the equity method - associates			4	6	50,0%
Krajowy Integrator Płatności S.A.	Financial intermediary	38,3%	4	6	50,0%
Exclusions and consolidation adjustments			(248)	(208)	-
Group Net Profit			5 018	4 764	-5,1%



Breakdown of customer financing

PLNm	Sep 23	Jun 24	Sep 24	q/q%	y/y%
Loans¹	164 472	170 175	172 457	1,3%	4,9%
retail	74 934	81 879	82 898	1,2%	10,6%
corporate	89 538	88 296	89 559	1,4%	0,0%
Non-treasury debt securities	10 374	11 458	11 636	1,6%	12,2%
Other	1 702	2 158	2 231	3,4%	31,1%
Impairment losses	(7 549)	(7 027)	(7 311)	4,0%	(3,1%)
Net loans and advances	168 999	176 764	179 013	1,3%	5,9%
TOTAL CUSTOMERS' FINANCING²	174 846	181 633	184 093	1,4%	5,3%

¹Including debt securities eligible for rediscounting at Central Bank, net investments in financial leases to customers

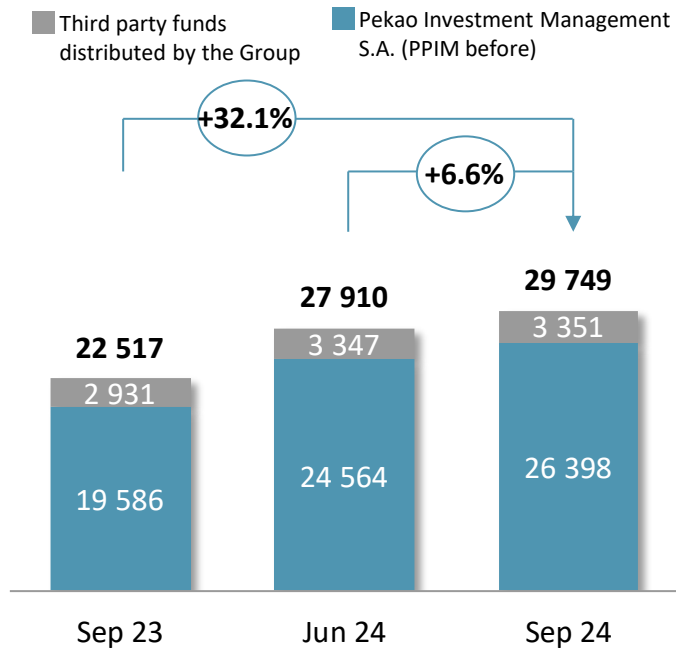
²Total customers' financing includes loans and advances at nominal value



Mutual Funds distributed by the Group

Mutual funds - volumes

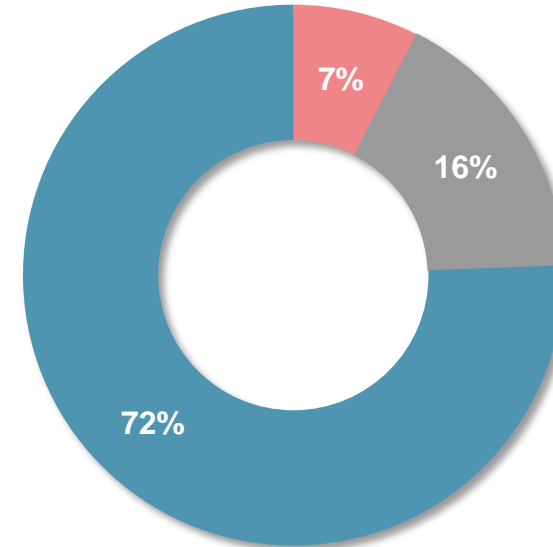
PLN m



Pekao Investment Management S.A.

%

Legend:
■ Equity funds
■ Balance funds
■ Money and bonds funds





Ratings of Bank Pekao S.A.

30.09.2024

	PEKAO	POLAND	
FITCH RATINGS	Long-term rating (IDR)	BBB	A-
	Short-term rating	F2	F1
	Viability rating	bbb	-
	Outlook	Stable	Stable

	PEKAO	POLAND	
S&P GLOBAL RATINGS	Long-term rating	A-	A-
	Short-term rating	A-2	A-2
	Stand-alone	bbb+	-
	Outlook	Stable	Stable

	PEKAO	POLAND	
MOODY'S INVESTORS SERVICE LTD (unsolicited rating)	Long-term foreign-currency deposit rating	A2	A2
	Short-term deposit rating	Prime-1	Prime-1
	BCA	baa2	-
	Outlook	Stable	Stable

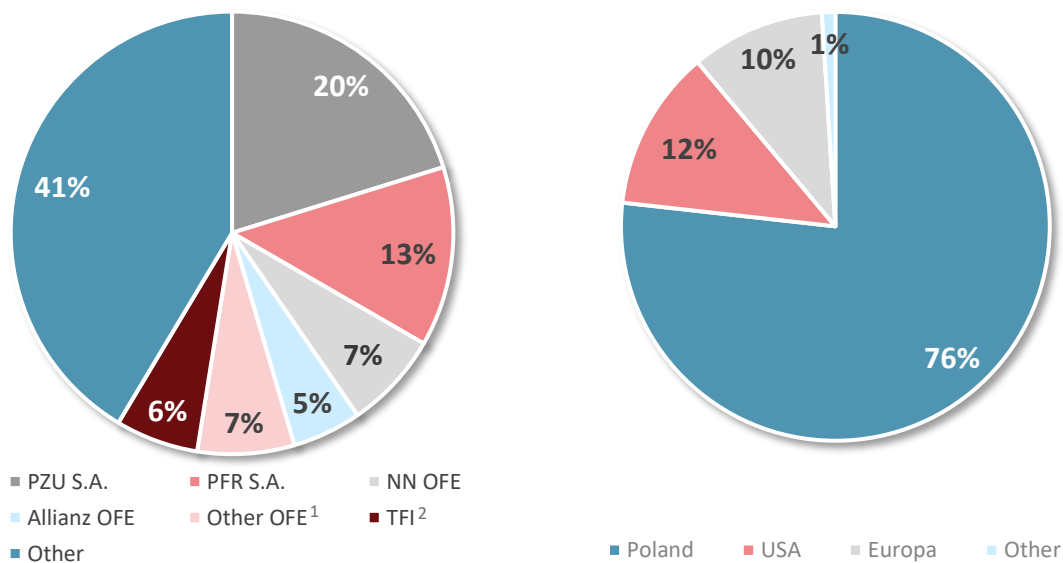
ESG RATINGS

Institution	ESG Rating
MSCI	BBB
FTSE4Good Russell	3.1
Sustainalytics	23.4 Medium risk
Bloomberg Gender Equality Index	79.9/100
Moody's Analytics	49/100
CDP	C



Shareholders: Diversified shareholder base

Shareholding structure



■ PZU S.A. ■ PFR S.A. ■ NN OFE
 ■ Allianz OFE ■ Other OFE¹ ■ TFI²
 ■ Other

■ Poland ■ USA ■ Europa ■ Other



PZU Group is the largest financial group in CEE

~470 bn PLN of assets under management. More than 22 million clients in 5 countries



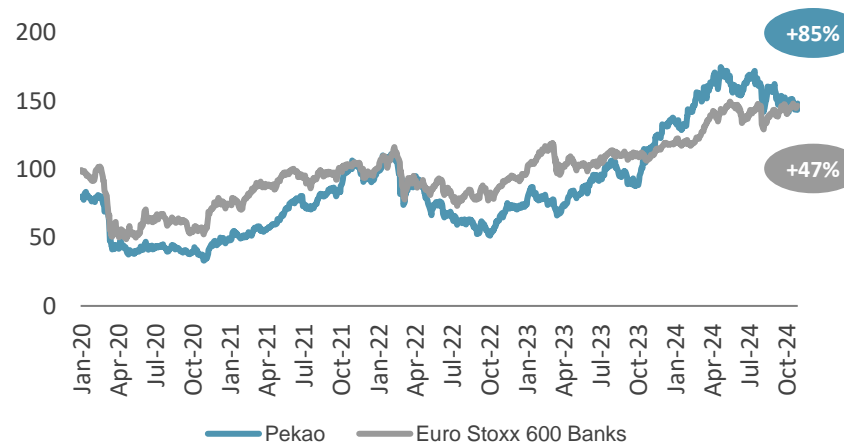
The Polish Development Fund (PFR) is a group of financial and advisory institutions supporting companies, local governments and individuals

¹ Source: Polish Pension Funds annual reports dated 30th of June 2024 ² Source: Anality online, as of 31st of December 2023 ³ Bloomberg as of 29th of October 2024

Listing and valuation

- The second largest bank in terms of assets (PLN 324 bn) and third largest bank in Poland in terms of market capitalization (PLN 39 bn)
- Member of several local and global indices: WIG Banki, WIG 20, WIG 30, MSCI Emerging Markets, STOXX Europe 600 Index, FTSE Developed Equity Index, FTSE4Good, Bloomberg Gender-Equality Index
- Reliable dividend payer: PLN 19 bn dividend paid out over last decade
- P/BV'24: 1.2x, P/E'24: 6.1x³

TSR Performance vs. sector³ (%)





Investor Relations Team: Contact and calendar

CONTACT DETAILS

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FINANCIAL CALENDAR

22 February 2024

Annual Report 2023
and Webcasting

30 April 2024

First Quarter Report
and Webcasting

8 August 2024

Semi-annual Report
and Webcasting

7 November 2024

Third Quarter Report
and Webcasting

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