



Directors' Report on the operations of
GETIN NOBLE BANK S.A. CAPITAL GROUP
and
GETIN NOBLE BANK S.A.
in 2020

Warsaw, March 2021

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The Directors' Report on the operations of the Getin Noble Bank S.A. Capital Group in the 2020 also includes the information required for the Directors' Report on operations of Getin Noble Bank S.A.

The Bank prepared a separate report on non-financial information referred to in Article 49b(9) of the Accounting Act.

1. Activities of the Bank and the Group in 2020

1.1. Recovery Plan of the Getin Noble Bank S.A. Group

Since January 2020, the Bank has been implementing the Recovery Plan referred to in Article 141n of the Banking Law Act of 29 August 1997, i.e. the group recovery plan of Getin Noble Bank S.A. Group. The Recovery Plan of GNB Group S.A. ("RP"), was approved on 9 January 2020 by the Polish Financial Supervision Authority and subsequently launched on 10 January 2020 by decision of the Management Board. The Recovery Plan replaced the "Plan for a sustainable improvement in profitability of Getin Noble Bank S.A. for 2017–2021. UPDATE of the Recovery Program for 2016–2019" implemented previously by the Bank.

It is assumed that the recovery measures taken as part of the Group Recovery Plan in order to return to sustainable profitability and to reach required capital ratio levels will be performed until the end of 2024, provided that no external or internal factors hampering the planned recovery path will materialise.

The outbreak of the pandemic and concerns about the further spread of the COVID-19 coronavirus resulted in increased uncertainty in financial markets since January 2020, which was reflected in particular in March-May 2020 in significant fluctuations in exchange rates as well as in a strong slump in prices of financial market instruments. In view of the significant share of foreign currency-linked loans in the Bank's assets, the Bank's financial ratios are characterised by a significant sensitivity to such events. Market disturbances caused by the spread of the COVID-19 coronavirus generate factors affecting the entire banking sector both directly and indirectly, inter alia, as a consequence of support and stabilisation measures taken by the state authorities.

Moreover, the outbreak of the COVID-19 pandemic and the expected negative consequences for the Polish economy were the premise for the Monetary Policy Council's ("MPC") decisions of 17 March, 8 April and 28 May 2020 to cut the NBP's interest rates, including the reference rate, by a total of 1.4 percentage points, which had a negative impact on the Bank's and the Group's interest income in 2020 relative to the objectives of the Plan.

The effects of the COVID-19 coronavirus pandemic, including, among others, weakening of PLN, as well as the expectations in terms of worsening financial condition of the Bank's credit customers, have a negative bearing on asset quality and increase the cost of credit risk. In addition, deterioration of prospects for global and domestic economic situation also results in reduced customer activity and reduced sales of banking products, and consequently impacts the Bank's business and financial results.

The Bank's management Board has adjusted its measures in an active manner to the prevailing economic conditions, as well as to the requirements related to the Recovery Plan, and has taken steps to limit the negative impact of the above factors on the Bank's financial position.

The Bank has revised the objectives of the Recovery Plan with respect to, among other things, financial projections in the baseline and shock scenarios and the recovery options, aligning the objectives of the Recovery Plan with the current market situation and the Bank's financial position, as well as with the NBP's assumed macroeconomic projections for the coming periods. On 15 January 2021, the Bank submitted an application to the Polish Financial Supervision Authority with an update

of the Group Recovery Plan of Getin Noble Bank S.A. Group, requesting, pursuant to Article 141q(1) of the Banking Law, the Polish Financial Supervision Authority's approval of the aforementioned document. The administrative proceedings of the PFSA on the application submitted by the Bank are currently underway.

1.2. Implementation of the business model transformation provided for in the Recovery Plan

The Bank's management has implemented in previous years and is implementing the modernisation of the entire institution as part of the Recovery Plan. Measures taken in this area, which cover key elements of the Bank's operations, include above all a change of the business model. The bank has been switching from a product and sales-based approach to building long-term relationships with customers, offering a comprehensive range of banking and related services. The operating and sales network management model has also changed. High quality of service remains the Bank's priority. The Bank carried out IT implementations that were important for operational efficiency, developing the Customer Relationship Management (hereinafter "CRM") system and a new system for processing credit applications. The risk management culture has changed and the financial management model has been upgraded.

Operational efficiency – sales network optimisation

In 2020, the Bank continued to optimise its sales network which included adapting its work organisation to the conditions and restrictions caused by the COVID-19 pandemic. In view of the changes triggered in the market and in the banking business by the fight against the spread of the COVID-19 coronavirus, the Bank took a number of measures aimed at maintaining the continuity of operations of all sales network units, including modifying the opening hours of the outlets according to current needs and restrictions, introducing a limit on the maximum number of Customers in an outlet and hours for seniors, providing personal protective equipment and preventive measures in the outlets, implementing appropriate communication to Customers on preserving security. Proactive steps were taken to increase the use of remote channels and payment cards, particularly for contactless payments.

In 2020, the Bank continued to optimise and modernise its Branch Network by adapting the profile and location of branches to the needs of customers. The number of own branches was reduced by 44 and the number of franchise outlets was reduced by 41 locations. The aim of reducing the number of branches of the Bank's own network was to improve the effectiveness of the sales network by adjusting the number and geographical distribution to the Customer base and the scale of operations on individual micro-markets, while reducing the overall costs. In addition, changes were implemented in the working model of some of the outlets – the opening hours of the outlets were adjusted to the needs of customers, with a simultaneous change in the prioritisation and timing of tasks performed by employees during the working day.

A significant change carried out in 2020 was also the relocation of the Bank's Head Office to the Warsaw HUB building, accompanied by the opening of one of the most state-of-the-art retail branches in Poland. Four Wealth Management Centres were also relocated to new, prestigious locations. In order to adapt to changing customer preferences, the Bank modernised two branches located in shopping malls by enabling cash services in these branches.

As part of service optimisation initiatives, automatic redirection of incoming calls to the branch directly to the helpline was launched, allowing customers calling the Bank to handle most matters over the phone.

The Bank actively communicated with customers using remote channels (website, text messages, the Bank's Helpline) to notify them of upcoming changes in the manner of operation of branches and products.

Digital banking

The change in the number of branches is also directly related to the Bank's strategy aimed at the systematic and rapid development of remote channels, which is important in the era of the Covid-19 pandemic. The Electronic Banking Development Strategy and measures taken within the Digital Transformation Area support three, equally important objectives:

- acquisition of new, active customers,
- activation of Customers in remote channels enabling indirect reduction of financing costs and improvement of sales potential,
- sales of products translating into an overall increase in sales volumes at the Bank.

The Digital Transformation Programme was launched, aimed at building a comprehensive knowledge of the customer, implementing tools to collect and use data and implementing changes in Electronic Banking.

In 2020, a number of initiatives were implemented in Electronic Banking to increase product sales via this channel, including a new credit per transaction, a limit in the current account and a single external consolidation.

In addition to its sales initiatives, the Bank enabled customers to apply for funds under the Anti-Crisis Shield, to apply for the Good Start allowance for the 2020/2021 school year and introduced MyId, i. e. the ability to confirm one's identity in commercial services, thereby expanding the range of services and products available online without leaving home.

Development of IT systems and IT security

Measures implemented in 2020 can be divided into three groups related to: (I) the coronavirus pandemic, (II) business development and (III) improvements to IT systems. The outbreak of the pandemic made it necessary to prioritise the preparation of IT infrastructure and solutions to enable the Bank's smooth transition to the remote working mode. At the same time, the Bank actively supported anti-crisis measures by introducing loan deferral functionalities and mechanisms enabling the operation of the Financial Shield of the Polish Development Fund. In 2020, a number of product initiatives were implemented to enhance the Bank's competitiveness, including the Digital Banking products mentioned above and, among other things, enabling the dynamic management of the Bank's offerings using a tool for automatic calculation of fees and commissions. Owing to the implementation of the mobile authorisation functionality in the Bank's branches, the customer service process has been streamlined by eliminating the physical signature under the instruction placed and second-party approval. The streamlining measures included the migration of the legacy loan processing system and a change to the hotline solution used by the Contact Centre Area. 2020 was also marked by a significant involvement of the IT area in the Digital Transformation programme, whose products will be implemented between 2021 and 2022 and will form the basis for the Bank's continued dynamic growth.

Change of the risk management model

One of the key elements of the Bank's 2020 redevelopment was the upgrade of the risk management system across all key components.

The organisational changes implemented in 2020 at the Bank will further enhance the effectiveness of operations of individual units in the Risk Management Division, in the process of supporting the achievement of the Bank's strategic objectives.

Over the past years, the Bank has been analysing and verifying the approaches applied in the area of credit risk models and tools used in this field. This review covered not only decision/application models in retail and corporate banking, but also models used in the area of valuation of the Bank's assets (provisions and allowances) and in the process of early amicable debt collection.

In 2019-2020, the Bank adjusted its credit policy on an ongoing basis to the materialisation of credit risk levels resulting from previously introduced changes, improvements in the process of assessing customers' creditworthiness or ongoing macroeconomic changes (e.g. progressive reduction of interest rates resulting in the need to ensure the profitability of loans granted or the situation caused by the COVID-19 epidemic). A dedicated process has also been implemented for granting assistance tools to customers who request concessions due to a deterioration in their financial situation (grace periods, extensions).

Depending on the customer's current situation, the Bank directs the application to the appropriate decision-making path, proposing a solution that takes into account the outcome of the individual analysis of the customer.

A key part of redesigning and upgrading the risk management function is ensuring that the right IT tools are in place to support individual processes and areas. In recent years, the Bank has implemented a major redevelopment of its risk management IT infrastructure.

1.3. Significant factors affecting the performance of the Bank and the Group

Recovery Plan

Since January 2020, the Bank has been implementing the Recovery Plan referred to in Article 141n of the Banking Law Act of 29 August 1997, i.e. the group recovery plan of Getin Noble Bank S.A. Group. The Recovery Plan of GNB Group S.A. ("RP"), was approved on 9 January 2020 by the Polish Financial Supervision Authority and subsequently launched on 10 January 2020 by decision of the Management Board. The Recovery Plan replaced the "Plan for a sustainable improvement in profitability of Getin Noble Bank S.A. for 2017-2021. UPDATE of the Recovery Program for 2016-2019" implemented previously by the Bank.

It is assumed that the recovery measures taken as part of the Group Recovery Plan in order to return to sustainable profitability and to reach required capital ratio levels will be performed until the end of 2024, provided that no external or internal factors hampering the planned recovery path will materialise. In view of the negative impact of the COVID-19 pandemic (both on financial markets and the economy and directly on GNB S.A.'s business), the Bank has revised the objectives of the Recovery Plan with respect to, among other things, financial projections in the baseline and shock scenarios and the recovery options, aligning the objectives of the Recovery Plan with the current market situation and the Bank's financial position, as well as with the NBP's assumed macroeconomic projections for the coming periods.

On 15 January 2021, the Bank submitted an application to the Polish Financial Supervision Authority with an update of the Group Recovery Plan of Getin Noble Bank S.A. Group, requesting, pursuant to Article 141q(1) of the Banking Law, the Polish Financial Supervision Authority's approval of the aforementioned document. The administrative proceedings of the PFSA on the application submitted by the Bank are currently underway.

The COVID-19 pandemic

On 13 March 2020, the Ordinance of the Minister of Health on declaring an epidemic emergency in the Republic of Poland was published. To address this situation, the Bank monitors its financial standing, including the impact of external factors, on an ongoing basis. The risk associated with COVID-19 had an impact on the Group's operations in 2020 and will have an impact on the Bank's financial standing in the future.

The outbreak of the pandemic and concerns about the further spread of the COVID-19 coronavirus resulted in increased uncertainty in financial markets since January 2020, which was reflected in particular in March-May 2020 in significant fluctuations in exchange rates as well as in a strong slump in prices of shares and other financial market instruments. The Bank's financial ratios are characterised by a significant level of sensitivity to such events. Market disturbances caused by the

spread of the COVID-19 coronavirus generate destabilising factors affecting the entire banking sector both directly and indirectly, inter alia, as a consequence of support and stabilisation measures taken by the state authorities.

On 16 March 2020, as a result of the strong repricing of financial instruments and the depreciation of the Polish zloty, in particular against the Swiss franc, the Bank breached the level of the total capital ratio referred to in Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("CRR"), increased by an additional requirement in respect of own funds above the value resulting from the requirements calculated in accordance with the detailed principles set out in the CRR, as referred to in Article 138(1)(2a) of the Act.

As estimated by the Bank, the level of the total capital ratio referred to above, calculated as at 16 March 2020, was approximately 8.9%, i.e. about 0.4 p.p. below the mandatory level of 9.32%. This is a result of only external factors which are independent of the operating activities of the Bank and stem from the measures taken to minimise the effects of the spread of the COVID-19 epidemic. In the case of this Bank, the reason for the breach of the level of the capital standard should primarily be identified as the unfavourable changes in the prices of Polish Treasury bonds, resulting from the decisions of the US Central Bank (FED) of 15 March 2020 (e.g. a reduction of the key interest rate to 0.0-0.25%), and a significant scale of the appreciation of Swiss franc as compared to Polish zloty, which translates to the increasing level of the capital requirement in connection with the portfolio of mortgage loans held by the Bank in this currency with a risk weight of 150%.

Market turbulence stemming from the spread of the COVID-19 coronavirus also translated into increased deposit outflows at the Bank recorded in March 2020. Consequently, the Bank has taken measures aimed at halting the declining level of deposit balances. In particular, the measures involved changes to the price offering, which translated into a temporary suspension of the objective to reduce the level of financing costs, which is an essential element of the Recovery Plan in the area of profitability improvement.

On 19 March 2020, the Ordinance of the Minister of Finance of 18 March 2020, repealing the Ordinance on the systemic risk buffer, came into force. At the end of 2020, the total capital ratio (TCR) requirement for the Bank is 11.86%, and for TIER1 – 9.52%.

In July 2020, the Financial Stability Committee (FSC) recommended reducing the risk weights for loans secured with commercial real estate used for the borrower's own business and not generating rental income or gains from their sale from 100% to 50%. The Ordinance of the Minister of Finance, Funds and Regional Policy of 8 October 2020 amending the Ordinance on the higher risk weight for exposures secured by mortgages on real estate came into force on 9 October 2020.

Moreover, the outbreak of the COVID-19 pandemic and the expected negative consequences for the Polish economy were the premise for the Monetary Policy Council's ("MPC") decisions of 17 March, 8 April and 28 May 2020 to cut the NBP's interest rates, including the reference rate, by a total of 1.4 percentage points, which had a negative impact on the Bank's and the Group's interest income in 2020 relative to the objectives of the Plan. As a consequence, the net interest income reported by the Bank in the fourth quarter of 2020 was lower by PLN 40 million than that recorded in the first quarter of 2020.

At the same time, the COVID-19 pandemic is also adversely affecting the financial standing of borrowers. On 27 August 2020, the Bank's Management decided to recognise allowances related to the impact of pandemic COVID-19 in the Bank's profit or loss. The amount of allowances estimated on this account was PLN 90 million and in the following months the Bank increased the level of allowances recognised in connection with the impact of the COVID-19 pandemic to a total of PLN 122 million as at 31 December 2020.

In addition, in the Bank's opinion, the deterioration of prospects for global and domestic economic situation also results in reduced customer activity and reduced sales of banking products, and consequently impacts the Bank's business and financial results.

The COVID-19 pandemic also has an impact on the level of costs of operations – including labour costs (availability and costs of staff resources) and costs of services (availability and prices of services provided to the Bank by third parties);

The Bank has adjusted its measures in an active manner to the prevailing economic conditions, as well as to the requirements related to the Recovery Plan, and has taken active steps to limit the negative impact of the factors related to the COVID-19 epidemic on the Bank's financial position. Measures have been implemented to minimize risk of infections on the part of employees, while ensuring uninterrupted access to banking services for our Customers. The measures taken include: extending remote work and, where this is not possible, allocating employees across the office space; providing protective measures; limiting the working time of branches. Moreover, the Bank increased the limit of contactless transactions without the need to use a PIN to PLN 100 and has taken intensive communication efforts to encourage Customers to use remote banking access channels. The Bank has been systematically observing the restrictions imposed by the government in connection with the epidemic situation. It actively notifies Customers via text messages/PUSH/BI of changes to the operation of branches, in relation to changes related to COVID-19 (limited service, temporary closure of a branch). The processes in place at the Bank to prevent the spread of the coronavirus and the immediate steps taken to minimise its impact allowed for the maintenance of business continuity across most of the Bank's branches. The branches operated without interruptions.

In terms of customer relations, the Bank has implemented support solutions for its customers, including, among others, the opportunity to benefit from a suspension of performance of an agreement or an extension of a loan term.

Getin Noble Bank is also among the banks that enable submission of applications under the "Financial Shield of the Polish Development Fund" programme. As part of this programme, micro, small and medium-sized businesses that are Customers of Getin Noble Bank could apply for a financial subsidy under the "Financial Shield of the Polish Development Fund" and "Financial Shield of the Polish Development Fund 2.0" via online banking channels. The Polish Development Fund's Anti-Crisis Shield aid programme is designed to protect the Polish labour market and provide businesses with financial liquidity in times of severe economic disruption caused by the COVID-19 epidemic.

The Bank signed a cooperation agreement with Bank Gospodarstwa Krajowego with respect to the portfolio guarantee line of the Liquidity Guarantee Fund and with respect to interest rate subsidies for bank loans granted to provide financial liquidity to entrepreneurs affected by the COVID-19 pandemic.

The Bank continuously analyses the situation of the economy and the resulting situation of its customers. Recent developments and macroeconomic projections published by the National Bank of Poland for the coming years indicate the likelihood of a recession in the Polish economy, with accompanying phenomena such as an increase in unemployment, a slowdown in investment and a reduction in consumption.

Exogenous events/ impairment losses

In 2020, the Bank recorded a loss of PLN -567.4 million.

Factors adversely affecting the Bank's/Group's performance:

- net impairment losses on loan assets and other financial assets and on off-balance sheet liabilities – they reduced the Bank's profit before tax by PLN 658.7 million, including PLN 122 million of impairment losses related to the estimated impact of the COVID-19 pandemic on asset quality and the increase in the cost of risk,

- recognition of impairment losses on investments in associates in the total amount of PLN 25.1 million,
- following the CJEU judgment of 3 October 2019, the Bank has identified an increased risk related to court judgments concerning CHF-indexed loans. Therefore, considering the risk that the scheduled cash flows from the CHF-indexed mortgage loan portfolio may not be fully recoverable and/or a liability may arise resulting in a future cash outflow, the Bank estimated the provision for these loans pursuant to provisions of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Following the assessment, additional provisions for legal risk of CHF-denominated loans were recognised in 2020 in the amount of PLN 121.3 million, which increased the total portfolio provision recognised by the Bank for this purpose to PLN 279.5 million,
- in connection with the CJEU judgment of 11 September 2019, which stated that if the loan is repaid in full before the deadline specified in the agreement, the obligation to reduce the total cost of the loan arising from Article 49 of the Act on Consumer Loan refers to all costs, including commissions, and not only to those spread over time, the Bank recognised the costs of reimbursement of fees on the above loans in the amount of PLN 44.3 million in the 2020 pre-tax profit,
- in 2020, the Bank launched another collective redundancy process – it was dictated by the need to improve cost effectiveness and optimise employment, and to adapt the level and conditions of employment to the scale of the Bank's operations – In 2020, a provision of PLN 7.5 million was recognised on this account,
- cash flow modifications for loan agreements subject to facilitation measures for borrowers (e.g. moratoria, statutory suspension of repayment, credit vacations) had an impact on the recognition of a loss under "Gain (loss) on non-substantial modifications" in the amount of PLN 27.7 million,
- the introduced changes in NBP interest rates had a negative impact on the level of the Bank's interest income in 2020 – the outbreak of the COVID-19 pandemic and the expected negative consequences for the Polish economy were the premise for the Monetary Policy Council's decisions of 17 March, 8 April and 28 May 2020 to cut the NBP's interest rates, including the reference rate, by a total of 1.4 percentage points. The net interest income reported by the Group in the fourth quarter of 2020 was lower by PLN 43 million than that recorded in the first quarter of 2020.

In 2020, the Getin Noble Bank S.A. Group reported a loss of PLN -559.4 million.

Capital adequacy

The required level of capital ratios for the Bank and the Group as at 31 December 2020 includes:

- additional capital requirements for the Bank's own funds to cover the risk associated with the portfolio of foreign currency mortgage loans for households; on the basis of an individual PFSA's recommendation for Getin Noble Bank S.A. of 2020, the Bank is required to maintain an additional capital requirement at 1.36 p.p. (1.35 p.p. for the Group) over the value of the total capital ratio and 1.02 p.p. (1.01 p.p. for the Group) over the Tier 1 capital ratio,
- safety buffer of 2.5 p.p. in terms of the capital ratio based on Tier 1 capital (CET 1) and total capital ratio (TCR) – resulting from the provisions of the *Act of 5 August 2015 on macro-prudential supervision of the financial system and crisis management in the financial system*.

On 18 March 2020, the Polish Financial Supervision Authority developed and published a package of measures to additionally strengthen the resilience of the banking sector and the financing capacity of the economy in connection with the COVID-19 pandemic (the so-called "Supervisory Stimulus Package for Security and Development"). The package implemented, among other things, measures in the area of capital buffers, namely the reduction of the systemic risk buffer to release banks' capital resources - the reduction of the buffer was implemented by the Ordinance of the Minister of Finance of 18 March 2020, repealing the Ordinance on the systemic risk buffer (of 1 September 2017).

At 31 December 2020, the Bank's combined capital buffer requirement is as follows:

31.12.2020	TCR	T1	CET1
1. basic ratio	8.00%	6.00%	4.50%
2. safety buffer	2.50%	2.50%	2.50%
3. additional buffer to cover the risk associated with the portfolio of foreign currency mortgage loans for households	1.36%	1.02%	0.76%
4. systemic buffer*	0.00%	0.00%	0.00%
COMBINED BUFFER REQUIREMENT – minimum level that activates the capital conservation plan	11.86%	9.52%	7.76%

* as of 19 March 2020, the system risk buffer of 3% was repealed by virtue of the Ordinance of the Minister of Finance of 18 March 2020.

On 29 May 2020, the Ordinary General Meeting of Shareholders of GNB S.A. adopted a resolution to cover the loss of Getin Noble Bank S.A. for 2019 and losses from previous years by allocation of:

- PLN 190.79 million from the capital reserve of GNB S.A.,
- PLN 279.08 million from the reserve capital of GNB S.A.

Negative factors affecting the level of capital adequacy ratios in 2020 included:

- net loss of PLN 567 million (on a stand-alone basis) whose level was determined by the recognition of costs of contributions to the BGF in the amount of PLN 142.1 million, recognition of a provision for the costs of legal risk related to foreign currency loans (in the amount of PLN 121.3 million) and the negative impact of events related to the outbreak of the COVID-19 pandemic (including falling interest rates, increased credit risk),
- reduction of Tier 2 capital by an amount of PLN 257 million (in accordance with the rules for amortising subordinated debt as the papers mature),
- increase from 15% to 30%, as of 1 January 2020, in the level of amortisation of the effects of implementation of IFRS 9 in 2018 (the Bank exercised an option enabling this approach specified in the Regulation (EU) 2017/2395 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State).

As a consequence of the above factors, as at 31 December 2020, the Bank's total capital ratio was below the capital requirement referred to in Article 142(1)(1) of the Banking Law of 29 August 1997 (the "Act"), i.e. the level of the total capital ratio referred to in Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("CRR"), increased by an additional requirement in respect of own funds above the value resulting from the requirements calculated in accordance with the detailed principles set out in the CRR, as referred to in Article 138(1)(2a) of the Act. At 31 December 2020, the Bank's total capital ratio referred to above was 0.9 percentage points below the regulatory requirement of 9.36%.

The Bank takes all necessary measures to improve capital ratios, in particular those contained in the Recovery Plan implemented since January 2020.

As at the end of 2020, Getin Noble Bank S.A. reported the following capital adequacy ratios:

CAPITAL RATIOS BANK	31.12.2020			Below requirement combined buffer requirement p.p.
	Combined Buffer Requirement */	CRR capital standard (Pillar 1 + Pillar 2)**/	Actual	
T1 Capital ratio	9.52%	7.02%	7.22%	2.30
Total capital ratio	11.86%	9.36%	8.42%	3.44

CAPITAL RATIOS GROUP	31.12.2020			Below requirement combined buffer requirement p.p.
	Combined Buffer Requirement */	CRR capital standard (Pillar 1 + Pillar 2)**/	Actual	
T1 Capital ratio	9.51%	7.01%	7.40%	2.11
Total capital ratio	11.85%	9.35%	8.59%	3.26

*/ pursuant to Article 55 of the Act of 5 August 2015 on Macroprudential Supervision over the Financial System and on Crisis Management in the Financial System

**/ pursuant to Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("CRR"), increased by an additional requirement in respect of own funds above the value resulting from the requirements calculated in accordance with the detailed principles set out in the CRR, as referred to in Article 138(1)(2a) of the Banking Law

As of 1 January 2018, the Bank was not in compliance with the combined buffer requirements on both a standalone and consolidated basis, which has its historical origin in both legal and regulatory factors that came into effect in 2017, including in particular the Ordinance of the Minister of Development and Finance of 25 May 2017 regarding higher (150%) risk weights for exposures secured with mortgages on property, and in the negative financial result of the Bank. The Group is currently implementing the capital adequacy remedial measures contained in the Recovery Plan approved by the PFSA and launched by the Bank in January 2020. In view of the negative impact of the COVID-19 pandemic (both on financial markets and the economy and directly on GNB S.A.'s business), the Bank has revised the objectives of the Recovery Plan with respect to, among other things, financial projections in the baseline and shock scenarios and the recovery options, aligning the objectives of the Recovery Plan with the current market situation and the Bank's financial position, as well as with the NBP's assumed macroeconomic projections for the coming periods. On 15 January 2021, the Bank submitted an application to the Polish Financial Supervision Authority with an update of the Group Recovery Plan of Getin Noble Bank S.A. Group, requesting, pursuant to Article 141q(1) of the Banking Law, the Polish Financial Supervision Authority's approval of the aforementioned document. The administrative proceedings of the PFSA on the application submitted by the Bank are currently underway. Notwithstanding the foregoing, the Bank does not rule out the possibility of future measures to raise external capital.

At the same time, the decision to recognise a portfolio provision for legal risk related to CHF-indexed loan agreements against the profit or loss for 2020, accompanied by simultaneous reduction of own funds by another tranche of amortisation of the impact of IFRS 9 implementation in January this year, in the amount of PLN 222 million, as well as inclusion, in the preliminary financial result for January 2021, of the estimated provision for contributions to the Bank Guarantee Fund (the provision for the annual contribution to the bank resolution fund and the provision for the quarterly contribution to the deposit guarantee scheme), resulted in lowering of the total capital ratio (TCR) as at 31 January 2021 to a level below 8%, i.e. below the threshold resulting from Article 92(1)(c) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRR") (Pillar 1).

According to the preliminary data of the Bank, the estimated total capital ratio (TCR) as at 28 February 2021 was 7.4% on a stand-alone basis, i.e. 0.6 p.p. below the threshold specified in Article 92(1)(c) of the CRR.

Cost of funding

Market turbulence stemming from the spread of the COVID-19 coronavirus also translated into significant deposit outflows at the Bank recorded in March 2020. Intensified measures were immediately taken to halt the declining level of deposit balances. In particular, the measures involved changes to the price offering, which translated into a temporary suspension of the objective to reduce the level of financing costs, which is an essential element of the Recovery Plan in the area of profitability improvement. The Bank has now returned to the path of lowering the cost of funding.

In 2020, the average cost of acquiring customer deposits was 1.2%, down 0.6 p.p. on the figure recorded in December 2019, while the monthly figure for December 2020 was 0.7%, down 1.1 p.p. on December 2019. Three NBP interest rate cuts (in March, April and May 2020), reducing the NBP reference rate by a total of 1.4 p.p. and a corresponding reduction in WIBOR rates, translate into a need to adjust the pricing policy on the deposit side and a gradual decrease in the cost of acquisition of customer deposits. However, the average cost of acquisition is declining at a slower rate than the fall in market interest rates which is due to the fact that most term deposits in the Bank's portfolio bear interest at a fixed rate.

Other events

- In 2020, the Bank carried out a group redundancy process dictated by the need to improve cost effectiveness and optimise employment, and to adapt the level and conditions of employment to the scale of the Bank's operations. The process covered employees of support units in the Head Office and units responsible for the performance of the Bank's customer service processes. In 2020, the Bank's headcount was reduced by 824 employees.
- On 20 April 2020, the Bank carried out the final settlement and closing of the transaction of securitisation of a portfolio of receivables from lease contract portfolios acquired by the Bank, concluded in November 2015 with a special purpose vehicle – GNB Leasing Plan DAC. The bonds issued by the company have been redeemed, the loans granted and the securitisation liability have been fully settled.
- In May 2020, some of the derivative transactions (CHF 225 million) were terminated early, as a consequence of the counterparty taking advantage of the possibilities offered by the provisions of the ISDA agreement in the context of Fitch Ratings downgrading the Bank's rating in April 2020. Additional costs related to early termination of some agreements and renegotiation of other transactions amounted to USD 1.3 million.
- On 29 May 2020, the Ordinary General Meeting of Shareholders of GNB S.A. adopted a resolution to cover the loss of Getin Noble Bank S.A. for 2019 and losses from previous years by allocation of:
 - PLN 190.79 million from the capital reserve of GNB S.A.,
 - PLN 279.08 million from the reserve capital of GNB S.A.

The remaining amount of the loss, i.e. PLN 177.79 million, will be covered from future profits.

- On 29 June 2020, the Shareholders' Meeting of Noble Concierge Sp. z o.o. resolved to dissolve the Company and close its operations. The liquidation proceedings are in their final stages.
- On 25 September 2020, the Bank received from the Polish Financial Supervision Authority a request to the Bank's General Shareholders' Meeting to dismiss a Member of the Bank's Supervisory Board, Mr Leszek Czarnecki, Chairman of the Bank's Supervisory Board ("Request"), in connection with failure to meet the requirements set forth in Article 22aa of the Banking Law Act of 29 August 1997. In addition, on 25 September 2020 the Bank also received from the PFSA a notice of initiation of administrative proceedings on the suspension of Mr Leszek Czarnecki, Chairman of the Bank's Supervisory Board, from his duties of a Member of the Bank's Supervisory Board, until the Bank's General Shareholders' Meeting adopts a resolution regarding the Request, as referred to in Article 22d section 2 in conjunction with Article 22aa section

1 of the Act. Pursuant to the decision of the Extraordinary General Shareholders' Meeting of Getin Noble Bank S.A. of 29 October 2020 (Resolution IV/29/10/2020) the Extraordinary Shareholders' Meeting of the Bank decided not to grant this motion and not to dismiss Mr Leszek Czarnecki from the Bank's Supervisory Board.

- On 20 November 2020, the Bank's Management Board resolved to agree to proceed to the execution stage of a synthetic securitisation transaction for a portfolio of CHF mortgage loans with a minimum assumed volume of CHF 750 million. The transaction planned by the Bank was intended to transfer the credit risk of the Portfolio, including the risk arising from changes in exchange rates, and thereby reduce the level of the capital requirement. If the Transaction is concluded, the Bank's capital ratios would improve. Legal and regulatory risks, including litigation and forced currency conversion of CHF mortgage loans were not to be transferred. In addition to the above, the said resolution of the Bank's Management Board expressed the intention to approach, with the support of the arranger of the Transaction, a selected group of potential investors with a proposal to participate in the synthetic securitisation transaction of the Portfolio. The Bank has completed the process of analysing the non-binding proposals received from 11 investors. The declared demand from the investors has exceeded the level of issues expected by the Bank. At the same time, the Bank points out that the financial terms proposed have not fully reflected the Bank's expectations. Moreover, because of other external factors concerning the current market environment, including the factors indicated by the arranger, the completion of the transaction in a manner that ensures the achievement of the economic effect contemplated by the Bank is currently significantly hampered. Notwithstanding the above, the Bank will continue its efforts to complete the synthetic securitisation of its CHF mortgage portfolio and plans to approach potential investors again as soon as possible with a proposal to participate in such a transaction, with the caveat that its success, including the achievement of the expected impact on capital ratios, depends on many external factors beyond the Bank's control and which, given the current environment, are difficult to predict.
- On 21 December 2020, the Bank signed an agreement to sell portfolios of unsecured retail receivables with a total debt value of PLN 0.8 billion. The transaction translated primarily into an improvement in the structure of the Bank's loan portfolio, affecting, among other things, an improvement in the non-performing loan ratio, particularly in the retail loan portfolio – the gross gain on the transaction was PLN +25.4m.
- In 2020, the Group redeemed bonds with a total value of PLN 967.5 million, including PLN 595.3 million for subordinated bonds and PLN 350.7 million for securitization transactions.
- Due to high level of uncertainty as to the impact of the ongoing COVID-19 pandemic on the economic situation, customer behaviour and thus on credit portfolios, the Group decided to apply a management adjustment to the expected credit loss model for 12 months of 2020 in the total amount of PLN 122 million. As part of the calculation of the allowance, the macroeconomic scenarios effective as at 31 December 2019 were used as a basis, and subsequently an alternative value of the allowance was determined based on an additional scenario which took into account the impact of the pandemic on macroeconomic ratios and, consequently, on the quality of the loan portfolio.
- In 2020, the Group recognised a provision for costs of legal risk of foreign currency loans in the amount of PLN 121.3 million (as a result of the assessment and identification of increased risk related to court judgments concerning CHF-indexed loans).
- A significant event was the decision of the Bank Guarantee Fund of 30 December 2020 to initiate a forced restructuring proceedings against Idea Bank S.A., to cancel the capital instruments, to apply the instrument of forced restructuring in the form of a takeover of the company and to appoint an administrator. In connection with the implementation of forced restructuring, shares in Idea Bank S.A. held by Getin Noble Bank S.A. were cancelled (9.99% share in the capital of Idea

Bank S.A.). The event referred to above may also be of consequence with respect to the Bank's assumption regarding the growth of the portfolio of purchased lease receivables, where the Bank cooperates with Idea Getin Leasing S.A.

Internal conditions

Key factors and events affecting the Bank's and the Group's performance in 2020:

- lower sales of loans and investment products – the epidemic situation and travel restrictions introduced by the government translated into a temporary reduction of demand for both loan and investment products; in addition, it was necessary for the Bank to adapt its lending policy to the changing macroeconomic environment in order to limit potential growth of credit losses;
- increased cost of risk and additional impairment losses – an increase in the cost of risk due to the deterioration of the loan portfolio quality in connection with adverse changes in the financial condition of borrowers (both retail and corporate) and the translation into the level of realised impairment losses of negative macroeconomic projections due to their inclusion in the expected loss estimation models. The provision for legal risk related to CHF loans was also updated/increased, and cash flow modifications for loan agreements subject to facilitation measures for borrowers (e.g. moratoria, statutory suspension of repayment, credit vacations) had an impact on the recognition of a loss under "Gain (loss) on non-substantial modifications" in the amount of PLN 27.7 million,
- optimisation of administrative expenses – in connection with cost optimisation and continuous improvement of business efficiency, the Bank continued to centralise certain tasks and reorganise selected functions in the Bank and carried out efforts aimed at optimising non-personnel costs of the Group's operations (including administrative expenses and services),
- transformation of the customer service network – implementation of adopted product strategies and new offerings for Customers, optimisation of sales network, optimisation of sales based on the Bank's existing Customers, further improvement of service quality, optimisation of internal and external communication, development of mobile banking; launch of the Digital Transformation Programme, aimed at building a comprehensive knowledge of the Customer's behaviour, implementing tools to collect and use data and implementing changes in Electronic Banking;
- reduction of the funding cost – in 2020, the interest rate on newly acquired retail term deposits in PLN amounted to 1.0%, i.e. it was 1.1 pp lower than in 2019. In December 2020, the cost of newly acquired retail term deposits in PLN stood at 0.7%, i.e. 1.1 pp lower than in December 2019. In 2020, the NBP reference rate decreased by 1.4 pp to 0.1% at the end of 2020;
- support to Customers as part of mitigating the impact of the COVID-19 pandemic – the Bank introduced a package of solutions for its customers to facilitate the settlement of credit liabilities. The proposal was addressed to both individual customers and businesses. Getin Noble Bank is also among the banks that enable submission of applications under the "Financial Shield of the Polish Development Fund" and "Financial Shield of the Polish Development Fund 2.0" programmes. As part of this programme, micro, small and medium-sized businesses that are Customers of Getin Noble Bank could apply for a financial subsidy under the said Shields via online banking channels. The Bank also signed a cooperation agreement with Bank Gospodarstwa Krajowego with respect to the portfolio guarantee line of the Liquidity Guarantee Fund and with respect to interest rate subsidies for bank loans granted to provide financial liquidity to entrepreneurs affected by the COVID-19 pandemic;
- acquisition of new current accounts – in 2020, a total of new 99.4 thousand new current accounts were opened, i.e. down by 43% compared to 2019, and the number of current accounts maintained as at the end of 2020 reached 1.1 million, staying at a level similar to that recorded as at the end of 2019. The decline in the acquisition of new current accounts

compared to 2019 was largely influenced by the epidemic situation and the restrictions on movement introduced by the government, which translated into a temporary reduction in demand for banking products.

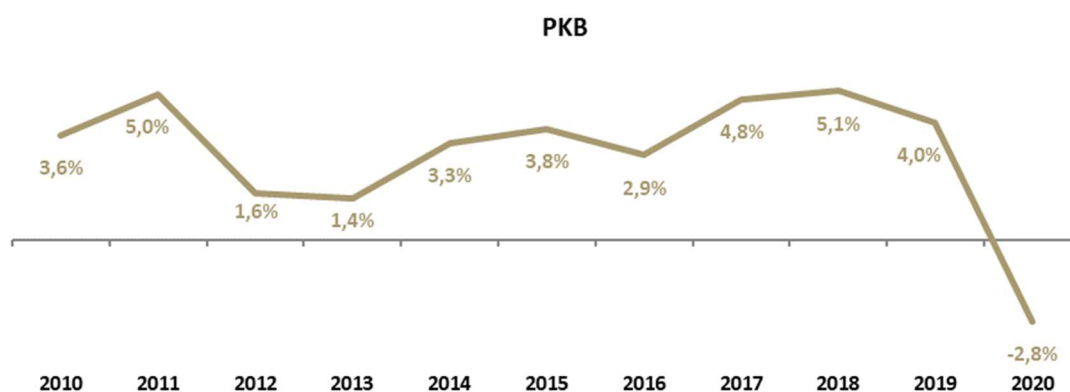
External conditions

The outbreak of the COVID-19 pandemic caused a global economic crisis, resulting in major changes both on the financial markets and in almost all areas of the national and global economy. Concerns about the further spread of the COVID-19 coronavirus were reflected in significant fluctuations in exchange rates as well as in a strong slump in prices of shares and other financial market instruments, among other things. At the same time, the lockdowns imposed in Poland and abroad led to the collapse of many branches of the economy, resulting in a significant slump in GDP. The compensation and indemnities paid out by states may, in the long term, contribute to increased inflation and budget deficits in many countries.

Macroeconomic situation

According to preliminary data from the Central Statistical Office, gross domestic product in 2020 decreased by 2.8% year-on-year.

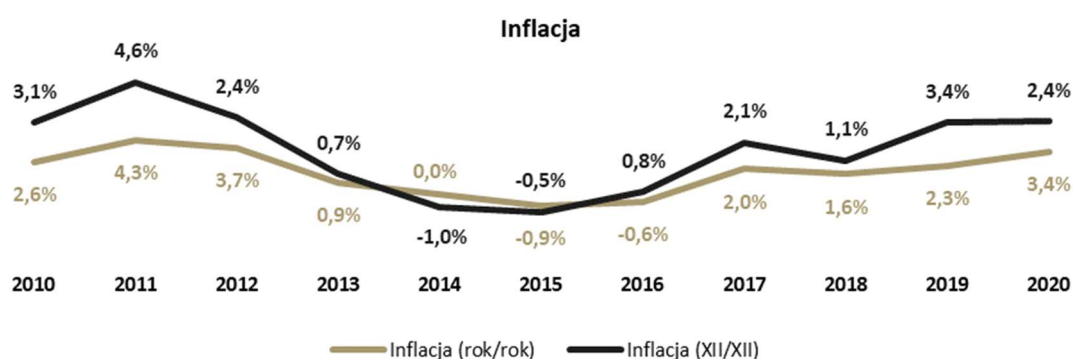
In the previous year, GDP growth stood at 4.0%.



PKB	GDP
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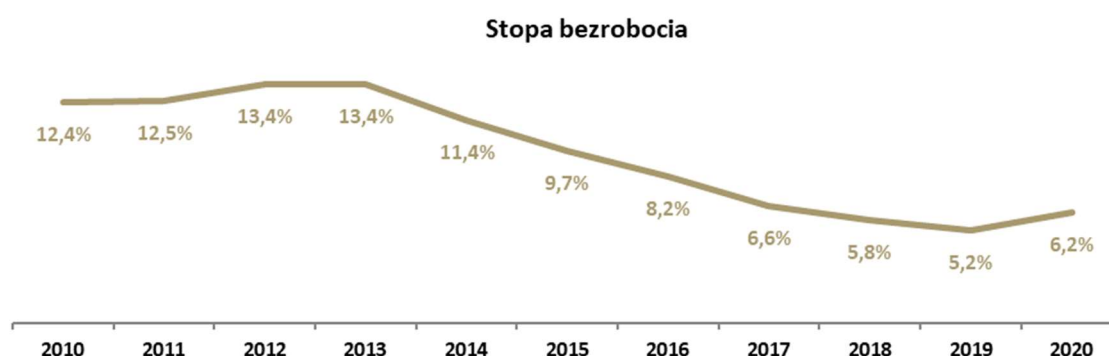
Total consumption was 1.5% lower year-on-year, of which in the household sector it decreased by 3.0% (an increase of 4.4% and 4.0% respectively in 2019). Gross fixed capital formation decreased by 8.4% in 2020, compared with an increase of 7.2% in 2019. Domestic demand in 2020 decreased by 3.7% compared to 2019, when an increase of 3.5% was recorded. Gross value added in the national economy in 2020 decreased by 2.9% year-on-year, down from an increase by 4.5% in 2019. In industry, gross value added decreased by 0.2% and in construction – by 3.7%.

In 2020, consumer prices rose by a greater rate than in 2019 (3.4% in 2020 versus 2.3% in 2019). The annual average consumer price index in 2020 was higher than that projected in the Budget Law. In December 2020, year-on-year inflation was 2.4%, down from December 2019.



Inflacja	Inflation
Inflacja (rok/rok)	Inflation (y/y)
Inflacja (XII/XII)	Inflation (Dec/Dec)

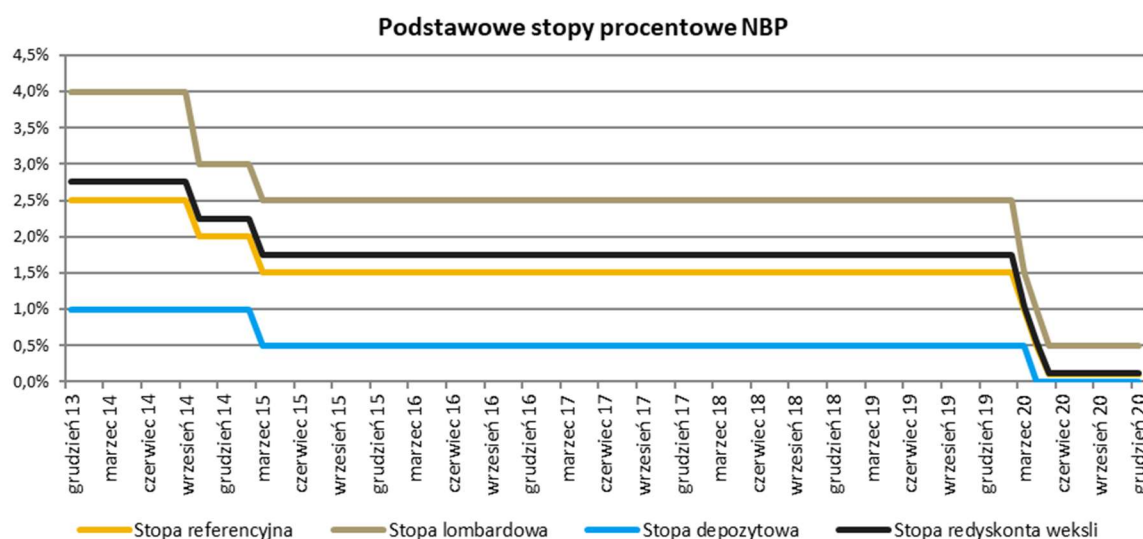
The registered unemployment rate stood at 6.2% at the end of December 2020, up by 1.0 percentage points compared with December 2019 (5.2%).



Stopa bezrobocia	Unemployment rate
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The outbreak of the COVID-19 pandemic and the expected negative consequences for the Polish economy were the premise for the Monetary Policy Council's decisions of 17 March, 8 April and 28 May 2020 to cut the NBP's interest rates, including the reference rate, by a total of 1.4 percentage points. Thus, after a five-year period of constant interest rates, there has been a fall in rates which has had a significant impact on the Bank's operations – the fall in rates affects the Bank's loss of interest income due to the revaluation of interest rates on the loan portfolio and the need to adjust the pricing policy on the deposit side. The current interest rate are as follows: reference rate – 0.10%;

- lombard rate – 0.50%;
- deposit rate – 0.00%;
- rediscount rate – 0.11%;
- discount rate on bills of exchange – 0.12%.



Podstawowe stopy procentowe NBP	Key NBP interest rates
grudzień	December
marzec	March
czerwiec	June
wrzesień	September
Stopa referencyjna	Reference rate
Stopa lombardowa	Lombard rate
Stopa depozytowa	Deposit rate
Stopa redyskonta weksli	Discount rate on bills of exchange

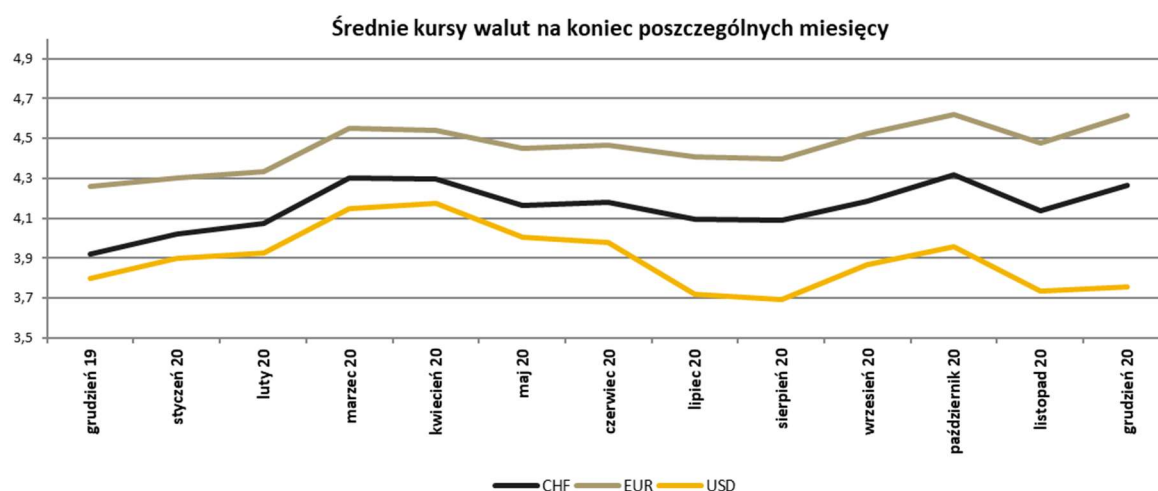
Interest rates in the United States were also reduced in 2020 – by decision of the US central bank, the federal funds rate was cut twice in March 2020 to 0.25% (from 1.75% at the end of 2019). The federal funds rate range is 0-0.25%. The FOMC also announced that it would maintain near-zero interest rates until it felt the maximum employment target had been reached and inflation had reached 2%, aiming for levels "moderately above" 2% for some time. The European Central Bank reference rate ECB was unchanged at 0.0% at the end of 2020.

Currency market

The year 2020 was characterised by high exchange rate volatility which was most directly influenced by the outbreak of the COVID-19 pandemic, while indirect factors included relief and stabilisation measures taken by state authorities. As a consequence, at the end of 2020 compared to the end of 2019, PLN depreciated against EUR and CHF, but appreciated against USD.

On 29 October 2020, the EUR/PLN exchange rate reached a peak of 4.6330 and on 15 January 2020 – a floor of 4.2279; at the end of the year, it stood at 4.6148 (up 8.4% on the end of 2019). On 23 March 2020 the USD/PLN exchange rate reached its peak of 4.2654 and on 17 December 2020 – its floor of 3.6254 (at the end of 2020 it was 3.7584, i.e. 1.0% lower than at the

end of 2019). On 24 March 2020 the CHF/PLN exchange rate reached its peak of 4.3563 and on 7 January 2020 – its floor of 3.8992 (at the end of 2020 it was 4.2641, i.e. 8.7% higher than at the end of 2019).



Średnie kursy walut na koniec poszczególnych miesięcy	Average exchange rates at the end of each month
grudzień	December
styczeń	January
luty	February
marzec	March
kwiecień	April
maj	May
czerwiec	June
lipiec	July
sierpień	August
wrzesień	September
październik	October
listopad	November
grudzień	December

Banking sector

The year 2020 in the banking sector was determined by the outbreak and impact of the COVID-19 pandemic and the relief and stabilisation measures taken by the government. As a result of the pandemic, lower customer activity and reduced sales of banking products have been observed, with resulting impacts on banks' business and financial performance. Interest rate cuts by the National Bank of Poland translated into lower profitability for banks – institutions earned less from interest on loans, whose interest rates are generally adjusted to changes in market interest rates faster than interest rates on deposits. 2020 saw an increasing number of lawsuits brought against banks by borrowers with loans indexed to foreign currencies. Polish courts have not yet developed a uniform view on the consequences of declaring clauses contained in CHF-indexed/denominated loan agreements as prohibited, which confirms the possibility of presenting different legal views on

this issue. Common courts – already after the CJEU's judgment in Case C-260/18 – referred a further 16 preliminary questions to the CJEU in 7 different proceedings, as well as submitted legal issues concerning doubts arising in cases of CHF-indexed/denominated loans to the Supreme Court for resolution.

In view of this non-uniformity of case law, a resolution is planned to be adopted on 25 March 2021 by the full panel of the Civil Law Chamber of the Supreme Court, in response to six questions posed on 29 January 2021 by the First President of the Supreme Court on the following legal issues related to foreign currency mortgage loans:

- 1) whether the abusive provisions relating to the method of determining the currency rate in an indexed or denominated loan agreement can be replaced by provisions of civil or customary law,
- 2) if it is impossible to establish a binding exchange rate for a foreign currency in a denominated loan agreement, the agreement may bind the parties in the remaining scope,
- 3) if it is impossible to establish a binding exchange rate for a foreign currency in the loan agreement, the agreement may bind the parties in the remaining scope,
- 4) whether in the event of the invalidity or ineffectiveness of a loan agreement under which the bank has disbursed to the borrower all or part of the amount of the loan and the borrower has made repayments on the loan, separate claims arise for wrongful performance in favour of each of the parties, or whether there is only one claim, equal to the difference in performance, in favour of the party whose total performance was higher,
- 5) whether in the event that the loan agreement is invalid or ineffective as a result of the unlawful nature of some of its terms, the limitation period for the bank's claim for repayment of the sums advanced under the loan begins to run from the time at which those sums are disbursed,
- 6) whether in the event that a loan agreement is invalid or ineffective, either party has a claim to repayment of the consideration given in performance of that agreement, that party may also claim consideration for the use of its funds by the other party.

The resolution of the Supreme Court in question may have a significant impact on the future development of the line of case law in Poland regarding the consequences of declaring contractual provisions relating to the manner of determining the exchange rate in an indexed or denominated loan agreement abusive, as well as on the level of provisions for CHF-indexed/denominated loans. At the time of preparing these financial statements, given the unpredictability of the Supreme Court's resolution of the various issues, it is not possible to make a reliable estimate of its impact on the Bank's financial position.

Awards and distinctions received

In the first half of 2020, Getin Noble Bank received numerous awards and distinctions for high quality of its services, attractive product range and activities for its employees.

The most important achievement of the past year was the Bank's first place in the prestigious "Złoty Bankier" banking ranking in the main category "Złoty Bank 2020 – Best multi-channel service quality". The Bank was also distinguished in the "Secure Bank – Best Practices" category, and was runner-up in the "Credit Card" category. The annual "Złoty Bankier" (Golden Banker) ranking is organised by the leading industry media companies, Puls Biznesu and Bankier.pl.

In January, Getin Noble Bank reached the leading position for the seventh year in a row in the ranking of the best banks according to the Polish Association of Developers. The Bank was recognised for the high standard of its services and the flexibility of its cooperation in handling development projects.

In March, Getin Noble Bank won the prestigious "Forbes" rating for the ninth consecutive year. The bank was recognised for its rich and original private banking offer which caters for the needs of the most affluent clients. Also, the offer of Bank was ranked fifth in Poland in the private banking ranking prepared by "Euromoney" magazine.

In June, the Bank was recognized for building customer relationships in the "Banking Stars" ranking. It made the podium in the "Star of Customer Relationship" category, achieving 3rd place. The Bank was ranked third; the winners in this category were selected based on an online survey conducted on a sample of several thousand customers evaluating their relationship with the bank.

According to the MojeBankowanie.pl portal, Getin Noble Bank was the second best-prepared bank to serve customers at its branches during the COVID-19 pandemic. As part of the study, independent experts took into account all factors ensuring the safety of customers at branches, including equipping branches with protective gear and equipment, managing customer flow and methods of customer interaction. In September, the bank was again rated by the Mojebankowanie.pl portal, ranking 1st in a survey of the level of service provided to customers interested in opening accounts via remote channels.

In October, Getin Noble Bank was rewarded as an employer. It won two distinctions – Friendly Workplace 2020 and Best Quality Employer 2020. The former was awarded for its modern approach to implemented management practices, conducive to creating a healthy and friendly work environment, supporting the Employees' commitment. The Friendly Workplace distinction is awarded by the editorial staff of the MarkaPracodawcy.pl web portal to distinguish companies which demonstrate a modern approach to HR and staff development policies. The latter title was awarded to the Bank for its good practices in employment policy, effective management of human capital and nurturing of organisational culture and good working atmosphere.

In December, the MojeBankowanie.pl portal recognised the bank for the best quality of service in remote channels. The survey was carried out in the traditional expert format, assessing 3 stages: available forms of contact, telephone contact and contact through selected other contact channels.

In 2020, the Bank was also recognised in a number of product rankings. The "Bonus for activity" savings account was particularly appreciated by industry experts. It has made it to the podium of product rankings more than 20 times. The "Flexible Savings Account" was also rewarded and reached the podium 7 times. In addition, the experts have also recognised several times: the "Mobile deposit" and "Deposit for new funds".

Assessment of financial creditworthiness – ratings

On 23 October 2019, the Moody's Investors Service rating agency ("Agency") published information on the Bank's rating.

In the communiqué, the Agency announced that all previous ratings of the Bank had been maintained at an unchanged level:

- LT Bank Deposits at the level of: Caa1
- LT Counterparty Risk Assessment at the level of: B2 (cr)
- Baseline Credit Assessment — BCA at the level of: ca
- Adjusted Baseline Credit Assessment at the level of: ca
- ST Counterparty Risk Assessment at the level of: Not Prime (cr)
- ST Bank Deposits at the level of: Not Prime

The Agency also announced a change in the outlook for LT Bank Deposits rating to negative. So far, the rating in question was included on the watch list with a negative indication.

On 23 February 2021, the Fitch Ratings agency ("Agency") published information on the Bank's rating. In its communiqué, the Agency announced that it had downgraded the Bank's ratings:

- Long-Term Issuer Default Rating (LT IDR) from: CCC+ to CCC
- National Long-Term Rating from: B+(pol) to B(pol)
- VR (Viability Rating) from: ccc+ to ccc

At the same time, the Agency confirmed that the current level was maintained for:

- Short-Term Issuer Default Rating (ST IDR) at C
- National Short-Term Rating at B(pol)
- Support Rating at the level of: "5"
- Support Rating Floor at the level of: "No Floor".

In its communiqué, the Agency also informed that the below ratings had been placed on the Rating Watch Negative list:

- Long-Term Issuer Default Rating (IDR)
- National Long-Term Rating
- National Short-Term Rating
- VR (Viability Rating)

2. Organisation of the Group and the Bank's capital investments

2.1. Share capital and shareholding structure of the Bank

The share capital of the Bank amounts to PLN 2,851,630,418.91 and is divided into 883,381,106 series A shares, 18,315,019 series B shares, 69,597,068 series C shares, 36,630,037 series D shares and 36,630,037 series E shares with a nominal value of PLN 2.73 each. The Bank's shares are ordinary bearer shares, each of which carries the right to one vote at the Bank's General Meeting. The shares are admitted to trading on the Warsaw Stock Exchange and are quoted under the abbreviated name of GETINOBLE, labelled with the code PLGETBK00012.

At the date of publication of this report, the ownership structure of major holdings of shares in Getin Noble Bank S.A. according to information available to the Bank was as follows:

	Number of shares held	Number of votes at GM	Ownership interest (%)	% of votes at GM
LC Corp B.V.	499,731,696	499,731,696	47.84%	47.84%
Leszek Czarnecki (directly)	88,208,870	88,208,870	8.44%	8.44%
Getin Holding S.A.	66,771,592	66,771,592	6.39%	6.39%
Other shareholders	389,841,109	389,841,109	37.33%	37.33%
Total	1,044,553,267	1,044,553,267	100.00%	100.00%

As at 31 December 2020 and 31 December 2019, the Bank did not hold any treasury shares.

The Bank does not operate outside the territory of the Republic of Poland.

2.2. Structure of the Capital Group and its changes

Getin Noble Bank S.A. Capital Group consists of Getin Noble Bank S.A. as the parent, and its subsidiaries. The Bank also holds shares in associates.

	% of ownership interest/ voting rights held by the Group	
	31.12.2020	31.12.2019
Noble Securities S.A.	100%	100%
Noble Concierge sp. z o.o. w likwidacji (in liquidation)	100%	100%
Sax Development sp. z o.o.	100%	100%
Property Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych ¹⁾	100%	100%
ProEkspert sp. z o.o.	100%	100%
Debtor Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty	100%	100%
Open Finance Wierzytelności Detalicznych Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty	87.98%	87.47%
GNB Leasing Plan DAC ²⁾	-	0%
GNB Auto Plan 2017 sp. z o.o. ²⁾	0%	0%

¹⁾ Property Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (Non-public assets closed-end investment fund) holds 100% of shares in 9 special purpose vehicles.

²⁾ Special purpose vehicle with which the Bank carried out a securitisation transaction; the Group does not hold any equity interest in this entity.

All subsidiaries are fully consolidated.

As at 31 December 2020 and 31 December 2019, the Group held 42.91% of the share capital of an associate, Open Finance S.A., and 36.39% of the share capital of an associate, Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A., both accounted for using the equity method.

Due to the nature of relations between Getin Noble Bank S.A. and special purpose vehicle – GNB Auto Plan 2017 sp. z o.o. – with whom the Bank carried out securitisation transactions concerning receivables, the company was consolidated using the full method, despite the fact that the Group does not hold any equity interest in this entity. At 31 December 2019, the special purpose vehicle GNB Leasing Plan DAC was also consolidated.

As at 31 December 2020 and 31 December 2019, the Bank's share in total voting rights in subordinates was equal to its holdings in the share capital of those entities.

Changes in the Getin Noble Bank S.A. Capital Group that took place in 2020 are described in Note II.3.1 to the consolidated financial statements for the year ended 31 December 2020.

The Group does not operate outside the territory of the Republic of Poland.

Headcount

	31.12.2020	31.12.2019
Number of employees in FTEs – Bank	3,677.7	4,494.3
Number of employees in FTEs – Group	3,809.5	4,647.4

Related-party transactions

Related parties of Getin Noble Bank S.A. include the Bank's subsidiaries and associates, their subordinates and entities related through the ultimate parent – Mr Leszek Czarnecki.

Transactions of Getin Noble Bank S.A. and its subsidiaries with related parties are made on an arm's length basis. Detailed information on the Group's transactions with related parties is presented in Note II.49 to the consolidated financial statements of the Getin Noble Bank S.A. Capital Group prepared for the 12-month period ended 31 December 2020.

As at 31 December 2020, the total exposure of Getin Noble Bank S.A. on account of loans and advances granted by the Bank to related parties amounted to PLN 209.3 million (PLN 1,098 million at the end of 2019), including PLN 69.5 million of subordinated loans granted on account of securitisation.

3. Scope of activities, products and services of the Bank and the Group companies

3.1. Getin Noble Bank S.A.

Getin Noble Bank S.A. with its registered office in Warsaw is the parent company of the Group – a universal bank, which offers a wide range of products addressed primarily to:

- individual customers with different income ranges;
- small and medium-sized enterprises;
- local government units;
- Corporate clients,
- housing communities and cooperatives,
- developers.

The scope of the Bank's business includes banking and financial services, both in PLN and foreign currencies, for domestic and foreign natural persons and legal entities, as well as for other entities, including those conducting business activities without legal personality, and for international organisations.

The activities of the Bank include the performance of the following banking activities:

1. Accepting call or term deposits and maintaining the accounts for these deposits,
2. Maintaining other bank accounts,
3. Extending loans,
4. Granting and confirming bank guarantees, opening and confirming L/Cs,
5. Issuing bank securities,
6. Carrying out banking money settlements,
7. Extending cash loans,
8. Issuing payment cards and making operations with the use thereof,
9. Futures transactions,
10. Acquiring and selling cash debt claims,
11. Running the purchase and sale of FX values,
12. Granting and endorsing sureties,
13. Performing commissioned activities connected with issuing securities,
14. Intermediation in the execution of money orders and foreign exchange settlements,
15. Cheque and bill of exchange operations as well as warrant operations,

16. Storage of valuables and securities and provision of safe deposit boxes,
17. Issuing electronic money instruments.

The Bank uses various channels of contact with the Customer – from traditional banking outlets to modern technological solutions used in online banking, mobile banking and new generation banking outlets.

The Bank carries on the retail banking business under the Getin Bank brand, which specialises in the deposit service for the Customers and the sale of retail loans. Retail banking in the Bank includes two dedicated segments dedicated to affluent customers, i.e. Noble and Noble Private Banking. The Bank also offers investment products and services and is an active player in the segment of financial services dedicated to enterprises and local government entities.

The product offering of the Bank is supplemented by the products offered by its subsidiaries and associates, such as brokerage services related to the securities and commodities markets, distribution of participation units, investment consultancy, establishment and management of investment funds as well as services in the area of financial and credit intermediation, savings, investments and personal finances.

Retail banking

The Bank carries on the retail banking business under the Getin Bank brand. Getin Bank offers lending, deposit, savings and settlement accounts and individual pension accounts, savings products, investment products and services as well as insurance products.

Getin Bank stands out from the competitors in terms of service quality in various channels, which has been confirmed by numerous quality awards of Newsweek, or the Złoty Bankier (Golden Banker) awards. Getin Bank has a very well developed network of franchise outlets, which, coupled with its own facilities, allows the Bank to be present in approx. 240 cities in Poland, and the Bank also offers its Customers access to modern mobile and Internet banking. Getin Bank has also introduced many innovations in payment cards on the Polish market.

Customers

Within Retail Banking, the Bank serves Retail Customers from three segments:

- Retail segment – for individual retail Customers;
- Noble Segment – dedicated to Customers who invest assets in the Bank or through the Bank of at least PLN 200 thousand or generate inflows to the account of at least PLN 10 thousand per month;
- Noble Private Banking segment – dedicated to customers who invest assets through the Bank in the amount of at least PLN 1 million.

Private Banking customers (Noble Private Banking) are treated on an individual basis and have access to personalised service by specialised consultants and dedicated outlets. A range of treasury products is also available to Private Banking Customers, including the ability to execute foreign exchange transactions.

Sales network

Getin Noble Bank's sales network operates via five sales channels:

- Own Branch Network - these include retail branches, bank operating points (BPOs) and Wealth Management Centres. The outlets provide services to retail banking customers (Retail Segment), personal banking customers (Noble Segment) and private banking customers (Noble Private Banking Segment). In addition, the branch network also provides services to corporate banking customers and Local Government Units (City and Municipality Councils, among others).
- Franchise Branch Network – these are universal branches providing banking services to all types of Customers, both individual and corporate, similarly to the branches of our own network, but with the exception of investment products;

- Intermediary network – the Bank cooperates with Intermediaries in the sale of cash loans with insurance and loans for the purchase of vehicles, machinery and equipment;
- Electronic Banking – the Bank offers access to Mobile Banking services through the Getin Mobile and Noble Mobile apps available for Android and iOS smartphones, as well as to the Online Banking service through web browsers. In e-banking, customers can manage their products and purchase additional ones, such as deposits, cards, travel and property insurance, accounts and lending products dedicated to selected customers – cash loans, overdrafts and credit cards. Customers can use applications for 500+ benefits, 'Good Start' and self-service processes such as changing contact details, transferring an account from another bank and completing a tax residency statement, among others;
- Contact Center – the Bank offers access to the Contact Center via dedicated telephone numbers for respective segments of Customers (separate numbers for Retail Customers, Noble Customers and Corporate Customers). In telephone banking, the customer has access to all banking services and products except for investment products. In the current operating model, Customers also have access to an e-mail channel and a chat room. The Bank has also recently introduced the ability to open an account using a remote verification (selfie) process, which has increased the ability to offer services and products remotely.

Personal accounts and savings offerings

For retail banking Customers, the Bank provides a full range of financial products and solutions allowing for a comprehensive service of financial needs of individual Customers. Apart from traditional solutions, the offering is constantly evolving, providing innovative tools such as mobile payments, instant payments, modern card payments (contactless payments using a smartphone) or 3D Secure service, which increases the security of online payments.

Among personal accounts, the Bank offers the Simple Rules Account. The range of personal accounts for the retail segment is supplemented by the Simple Rules Junior Account dedicated to young people aged 13-18, which, together with a card, is also opened and maintained free of charge. Our youngest personal account Customers have access to online and mobile banking and a Savings Account where they can save for any purpose they choose.

For affluent clients, the Bank offers the Noble Personal Account as part of its overall product package. The package includes a personal account, a savings account, a debit card allowing free withdrawals from the account in Poland and abroad. As part of the Noble package, the Customer benefits from the assistance of a personal consultant and access to a wider range of investment products. With the Noble Personal Account, customers can perform domestic transactions in PLN executed through all channels – in-branch, online, mobile and telephone – free of charge. Customers holding a Noble Personal Account are further supported in their service by personal Noble Customer Advisors.

Holders of personal accounts with GNB also have a range of enhancements to improve the convenience of personal finance, including the ability to make contactless payments using a smartphone with Apple Pay, GPay (formerly Google Pay), Garmin Pay, as well as the most recent form of payment released in December 2020, SwatchPAY! In addition, for customers who use the mobile application, the Bank offers access to BLIK, which enables convenient payments for purchases in regular and online shops, as well as making cash deposits and withdrawals from an ATM. In 2020, the Bank launched another BLIK-based service allowing users to send a transfer request from the Getin Mobile app.

The Noble Private Banking Account was created for the most affluent Customers. Customers are served on a daily basis by Noble Private Banking advisors. Meetings are held in comfortable Noble Bank branches in Poland's largest cities, as well as in Getin Bank's extensive branch network. The Bank has also created a separate hotline and electronic banking for private banking account holders. Noble Private Banking customers have access to a wide range of investment products and many benefits, including a free payment card with insurance, commission-free ATM withdrawals in Poland and abroad, free domestic and international transfers.

The key product is the savings account, which is systematically promoted by the Bank through internal CRM campaigns and external online campaigns. Thanks to attractive interest rates under the New Funds on Flexible Savings Account and Activity Bonus offerings, it is regularly recognised by industry rankings. In addition, the Bank continues to raise funds in EUR and USD through the "For new funds" offering on savings accounts in these currencies.

Retail customer savings are one of the key factors ensuring the Bank's liquidity and the basis for funding the Bank's lending. A key measure is to systematically reduce the cost of funding by changing their structure, in which the share of current accounts and savings accounts is increasing at the expense of term deposits. Promotional offers regarding deposits require holding a current account, which is one of the ways the Bank rewards active customers.

Investment products

In 2020, the Bank's offering for retail banking Customers included a wide and risk-diversified range of investment solutions. The Bank provided numerous services in the area of investment products, namely: accepting and forwarding orders for participation titles in open-end investment funds, investment certificates of closed-end investment funds. As an agent of Noble Securities S.A., an investment firm, it performed on behalf of Noble Securities S.A. activities in the area of services provided by Noble Securities S.A. to the Customer. The Bank acted as an intermediary in concluding insurance agreements with the Customer and accepting other declarations of will from the Customer with respect to insurance products with an investment component (the Bank acted as an agent of an insurance company).

As part of their access to a wide range of solutions, customers were able to get support when making investment decisions by entering into an investment services agreement with the Bank and, after indicating their objectives, needs and attitude to investment risk, seeking general advice.

Working with the Bank, customers of all the Bank's segments were able to invest their funds in domestic and foreign open-ended investment funds with a diverse level of investment risk.

Personal Banking and Private Banking customers were offered insurance products with an investment element based on a wide range of strategies to invest funds in Poland and abroad.

Thanks to a wide range of investment solutions, the Bank's customers were able to increase the diversification of their investment portfolio, and for customers taking their first steps in the world of investments – to find solutions appropriate to their needs, knowledge and experience.

Loan offering

As part of its loan offering, Getin Noble Bank S.A. provides a number of products aimed at financing various consumer needs of the Customer, i.e:

- cash loan – for any purpose, to repay the borrower's credit commitments, to finance specific consumer goods,
- overdraft facility,
- a financial advance secured on financial assets for any consumer or investment purpose, not related to business or farming, to finance current household needs,
- a full range of credit cards representing the two main settlement systems, Visa and Mastercard. The offering is complemented by the most prestigious Mastercard Elite credit card, made of solid metal.

The Bank sells its products through various distribution channels. Cash loans are available in branches of the Bank, Franchise outlets, remote sales channels and from intermediaries cooperating with the Bank. The financial advance is offered through the Bank's own network and Noble Securities S.A. On the other hand, credit cards and overdraft facilities are available from the Bank's branches, franchise outlets, Call Center as well as Online and Mobile Banking service.

The Bank implemented and offered assistance facilities to customers affected by the coronavirus pandemic under the EBA Moratorium (until the end of September 2020). Currently, the Bank's offering still includes the possibility of a statutory

suspension of loan agreement execution and new banking support tools under a dedicated programme offered from October 2020.

Unsecured lending

In 2020, there was an increase in the share of cash loan sales through remote channels, from 6% in 2019 to 12% in 2020. Improvements were implemented in remote channels including the introduction of a full cash loan application process in the online and mobile banking channels for GNB customers, a selfie loan over the phone for non-relationship Customers and temporary price offers in online banking/mobile banking. Customer segmentation was introduced, which has a positive impact on the quality of cash loans granted. Sales to groups of best customers were increased and dedicated offerings were implemented for employees of Local Government Units, a commission-free acquisition loan for relationship Customers or an Eco-loan offering to finance renewable energy sources.

Mortgage lending

In the area of mortgage loans, the Bank consistently sought to reduce the balance of foreign currency loans by continuing its package of pro-client solutions for borrowers who repay mortgage loans in particular in foreign currencies. Since January 2019, the Bank has invariably allowed full early repayment of loans at the average NBP exchange rate and waived the fee for early repayment of loans in foreign currency and in PLN.

In 2020, the Bank's main measures in the area of mortgage loans focused on the implementation of numerous assistance solutions for borrowers due to the COVID-19 epidemic. In the second quarter of 2020, the Bank implemented simplified processes for suspending repayments to Customers and, in accordance with the Position of the banks on the unification of the principles for offering assistance facilities to customers in the banking sector, implemented a non-legislative moratorium within the meaning of the European Banking Authority's (EBA) Guidelines on legislative and non-legislative moratoria on loan repayments applied by banks in the light of the COVID-19 crisis which was notified to the European Banking Authority by the Office of the Polish Financial Supervision Authority.

In the second quarter of 2020, the Polish Parliament also adopted the Act of 4 June 2020 on subsidies to interest rates on bank loans granted to provide financial fluidity to entrepreneurs affected by COVID-19 (hereinafter: "Shield 4.0."), which introduces, among others, amendments to the Act of 2 March 2020 on special solutions related to preventing, counteracting and combating COVID-19, other infectious diseases and crisis situations caused by them (hereinafter the "COVID - 19 Act"), including with regard to the possibility for borrowers to request suspension of the execution of the loan agreement on the basis of Articles 31fa.-31fc. of the Shield 4.0. These statutory obligations have also been implemented in the Bank and made available to Customers.

The Bank focused on the high quality of customer service in its mortgage portfolio by launching a completely new website for customers who repay a mortgage loan with the Bank. The website has been supplemented with information on the facilities that the Customer may take advantage of under the "PBA six-pack", a list of documents has been made available, a calculator for drawing up a simulation of the instalment after overpayment of the loan, graphic simulations of swapping the property for a cheaper or more expensive one, depending on the Customer's instructions. To meet the expectations of our customers, it is also possible to remotely submit an application under the Borrower Support Fund.

2020 also saw the migration of systems in the area of mortgage loans, following which the Bank will gradually release new functionalities previously unavailable to Customers from the migrated portfolio and increase quality in this area of the Bank's operations.

Debit cards

The range of cards includes a full range of debit cards issued within the Mastercard and VISA organizations. All cards issued under the Getin Bank brand are equipped with contactless payment functionalities authorised in real time. The offering is

complemented by mobile payments available through Apple Pay, GPay (formerly Google Pay), Garmin Pay, as well as the newest form of payment, SwatchPAY!, which will be made available in December 2020. In addition, for the entire debit card portfolio, the Bank offers a multi-currency service that enables transactions made in EUR, USD, CHF and GBP to be settled without currency conversion costs. The portfolio is complemented by a wide range of image cards addressed to retail customers. In mid-2020, in partnership with Mastercard, the Bank has prepared a unique debit card offering with the image of one of the characters from the popular game, League of Legends.

Insurance products

The range of banking products for customers is complemented by protective insurance products distributed by the Bank under agreements concluded with Insurers.

The overriding principle of constructing the product offer is to maintain a wide range of insurance products addressed to particular groups of Customers, responding to their needs, offered through various distribution channels. The development of the offer is focused in particular on the creation of insurance products offered together with lending products. These insurances secure the Customer's obligations towards the Bank and the interest of the Customer and his/her family. The Bank also offers insurance dedicated to holders of personal accounts and bank cards.

The main insurance product offered by the Bank is the "Easy Repayment Package", which offers the possibility to secure repayment of the loan by the Customer in the event of accidents such as death, serious illness, loss of job or limb fracture. A great advantage of the product, which distinguishes it from other banks' offers, is the additional benefits paid directly to the Customer (additional PLN 50 thousand of sum insured in the event of a serious illness) over and above the benefits paid to repay the loan with the Bank (sum insured = the original amount of the loan granted). Since November 2020, an additional insurance option – the Light Easy Repayment Package – has been made available in online banking. The product offer is addressed to cash loan borrowers and the Customer can choose between the currently available Easy Repayment Package insurance or a new option of the Easy Repayment Package insurance. The additional insurance option is intended to expand the insurance portfolio in the electronic banking channel that is so important in the era of the pandemic.

The insurance offer for Personal Accounts in the form of a package of assistance services is aimed at making the offer more attractive and providing additional services that Customers can use in real life on a daily basis. The Reliable Package insurance covers medical assistance (max. 7 services per year), home assistance (max. 7 services per year).

Holders of the Simple Rules Account and Noble Personal Account also have access to the offer of insurance protecting against the effects of card theft and cash loss. The insurance covers, among others, unauthorized use of the Card, loss of cash withdrawn, purchases made with the Card, loss of personal belongings.

The package also guarantees third party insurance in the private life of the Customer.

For holders of the Noble Private Banking Account, the Bank offers card insurance enriched with protection during a trip abroad, e.g. assistance during a trip abroad, baggage loss/delay, departure delay and legal aid insurance.

In response to the rapidly evolving expectations of Customers, the Bank is implementing the concept of an insurance supermarket, the idea of which is to provide standalone insurance in remote channels - Internet Banking, Mobile Banking and Contact Centre in the omnichannel formula, which, among other things, enables Customers to start the insurance application process in one channel and purchase the policy in another. The process of purchasing an insurance policy is simple and quick and does not require a visit to a Bank branch. The insurance market also offers travel insurance in several options, and the range of risks insured under this product includes, among others: medical, rescue and transport insurance, personal accident insurance, third-party liability insurance, travel cancellation insurance.

In February 2020, the Bank added another insurance to its insurance market offering – My Safe Home property insurance. The My Safe Home insurance can cover property, outbuildings, small architectural items and household movables. The

insurance can also cover risks such as third party liability in private life for the landlord or tenant, loss of rent, Home Assistance, Pet Assistance, Bicycle Assistance as well as legal and tax assistance.

Corporate banking

Customers

Getin Noble Bank S.A. is active in the area of SMEs and public sector entities, housing communities and cooperatives, as well as developers, offering a wide range of financial products and services adapted to the changing economic situation of Poland. The Bank serves 6 basic groups of corporate customers. The classification of a corporate client into a particular segment is determined, among other things, by the type of products held and the legal form, as defined below:

- Portfolio Segment – natural persons conducting business activities, including partners in civil law partnerships, individual farmers, legal persons or organizational units without legal personality of an enterprise, having an active product with the Bank, credit exposure or deposit products above certain values;
- Car segment – Customers with car loans or lease liabilities to companies cooperating with the Bank;
- Special Segment – Corporate Customers operating in the broadly understood real estate area, e.g. real estate developers for sale, constructing and investing in income-generating real estate or purchasing investment land, Customers from the public finance sector, corporate clients of strategic importance for the Bank, Group companies, capital/organisational affiliates of the Bank, other companies benefiting from specialist financing under non-standard product solutions;
- Public Sector Segment – Local Government Units (cities, municipalities, counties, provinces), budget units (e.g. kindergartens, schools), housing cooperatives, housing communities, property managers, hospitals, medical institutes, municipal companies, universities;
- Mass Segment – Customers who do not have any lending or deposit products with the Bank or who do not meet the definition of a portfolio customer, special customer, public customer, car customer or customer in debt collection;
- Debt collection Segment – Customers served by the Bank's debt collection departments.

Sales network

A team of advisors specializing in corporate customer service is responsible for building and developing relations with Customers. Cooperation with Customers is based on the identification of needs and professional customer support in the selection of optimal financial solutions to meet those needs. In everyday customer service, Corporate Customers' Advisors are supported by a dedicated CRM system.

Getin Noble Bank SA has a specialized group of advisors dedicated to local government units. Experienced employees ensure the highest standard of service in the area of financial solutions for hospitals and other medical entities, taking into account the specific nature of their business. In addition, they provide financial services for a number of municipal companies from the thermal power industry, water and sewage systems, public transport and research and development. The competence of the experts combined with the product range enables financing a wide range of municipal investments, with financing of up to 100% of the project value also based on preferential sources of financing with the participation of domestic and international institutions (e.g. the European Investment Bank). The portfolio of investment loans for institutional Customers operating in the real estate area is intended for developers and other entities implementing residential and commercial projects for sale or lease.

Products

The aim of corporate banking is to ensure a universal and diversified range of products and services to businesses. The Bank provides comprehensive solutions for Corporate customers that support the development of enterprises, in particular

financial liquidity management, trade financing, financing of current assets and investment projects, as well as reducing business risk. The product portfolio includes:

- transaction banking products – a comprehensive offering from basic account packages (including a housing trust account) to cash management solutions, e.g. closed deposits, mass payments;
- online banking – the online banking system for natural persons conducting business activities, the GB24 system dedicated to enterprises with the requirement of multi-person acceptance of instructions and the budget sector;
- investment of excess cash – term deposits, investment account, negotiated deposits and automatic funds investing;
- current operations financing – working capital financing, debit limits, overdraft facility, revolving and non-renewable loans, loans with de minimis guarantees;
- investment financing – investment loans, financing of projects co-financed from EU funds;
- specialist products – for corporations / strategic clients;
- real estate financing (residential, service, office, retail, warehouse) – maintaining housing trust accounts, offering investment loans, working capital loans, corporate credit line;
- servicing public sector units – account maintenance, current and investment financing, organizing municipal bond issues, dedicated cash management solutions;
- car financing – loans for the purchase of cars, stock loan (for car dealers for the purchase of cars), full factoring for car dealers, purchase of debt claims (product for leasing companies).

In 2020, the Bank and Bank Gospodarstwa Krajowego signed three agreements for offering:

- de minimis guarantees to secure loans to micro, small and medium-sized enterprises;
- guarantees from the Liquidity Guarantee Fund securing repayment of loans and assisting in maintaining the liquidity of medium and large enterprises;
- interest rate subsidies for bank loans granted to provide financial liquidity to entrepreneurs affected by the COVID-19 pandemic.

The Bank also signed an agreement with the Polish Development Fund and enabled customers to submit applications under the "Financial Shield of the Polish Development Fund" programme, and implemented the assistance measures for companies in time COVID 19 – a simplified application process for grace periods, extensions and renewals of loans.

Car business financing is a key area of corporate banking. Since 2018, the Bank has continued to take steps to optimise this area:

- the Bank's organisational structure was restructured and optimised, and a Car Financing Team was established, responsible for the product portfolio and cooperation with Idea Getin Leasing SA and its subsidiaries;
- current processes were mapped and inefficient areas were diagnosed;
- a new cooperation agreement was signed for the distribution of the car loan, significantly reducing the Bank's intermediation costs, and the distribution network was optimised;
- a new agreement for the purchase of leasing and lending receivables was signed;
- cooperation with Noble Finance S.A. was established for the purchase of leasing receivables, including the purchase of loan receivables;
- the car loan distribution network was expanded to include franchise branches of the Bank and Noble Finance S.A.

The main products in the Bank's loan offering for the car business include:

- car loan – the loan is intended for the purchase or refinancing of a car, truck, bus, motorbike, trailer, semi-trailer, machinery, etc;

- stock loan – lending of vehicle stocks; the loan is granted to entrepreneurs engaged in the sale of vehicles – dealers, second-hand car dealers. The loan is granted in PLN and offered as a revolving overdraft facility. The loan is drawn down in tranches under the facility. Each repayment of the loan renews it to the original amount and can be drawn on repeatedly until the loan agreement expires. The loan is intended for the purchase of vehicles for resale. In addition, dealers and second-hand car dealers are motivated to generate more car loan sales to private individuals by linking the volume of sales to more favourable terms and conditions of the stock loan;
- importer financing – non-recourse factoring financing for the importer/general distributor or manufacturer and its dealer network. As part of factoring, the Bank grants a limit to individual dealers, thus financing their current activities. Financing consists of extending the repayment date of the debt in relation to the payment date originally specified on the invoice;
- debt repurchase – repurchase by the Bank of lease instalments and loan instalments under lease and loan agreements entered into by leasing companies.

The bank is one of the leaders of the car loan market in Poland. Loans are sold through a network of over 400 intermediaries cooperating with the Bank, authorised dealers and second-hand car dealers. The network is managed in cooperation with Idea Getin Leasing S.A. Loans are sold through a dedicated system accessible to intermediaries cooperating with the Bank.

As part of its lending activities, the Bank finances the purchase of all types of vehicles. The lending option also includes the financing of a wide range of costs associated with the purchase of the car, such as the costs of additional car fittings, motor insurance, borrower's insurance and costs associated with the operation and maintenance of the financed car. In addition, the Bank offers a stock financing loan for dealers and second-hand car dealers. The Bank also provides so-called balloon loans in cooperation with selected partners. The Bank responds to changes in the market environment on an ongoing basis and is supported in this regard by Idea Getin Leasing S.A.

Treasury products for corporate customers

The Bank offers corporate clients a complete set of tailor-made treasury products. It enables the execution of basic treasury operations, hedging against currency and interest rate risks, as well as the investment of excess funds. The main products include spot, forward and currency option transactions. The Treasury Products Department also enters into derivative transactions on the interbank market which are offered as structured products. For customers carrying out investment projects, in addition to hedging the project currency risk, the Bank enables hedging interest rate risk by entering into interest rate swap (IRS) transactions. The treasury products offered to hedge foreign exchange and interest rate risks are used in investment and development projects that the Bank has carried out together with its customers.

3.2. Business areas of subsidiaries and associates

Noble Securities S.A.

Noble Securities S.A. is a brokerage house that has been an active participant in the Polish capital market since 1994, offering comprehensive services to its clients in the following areas:

- brokerage in trading in financial instruments on all markets organized by the Warsaw Stock Exchange,
- agency in trading in exchange commodities (electricity and natural gas, agricultural and food commodities market) and property rights on the markets organized by the Polish Power Exchange,
- implementation of investment banking projects.

Noble Securities S.A. acts as an intermediary in trading in financial instruments on the main market of the Warsaw Stock Exchange (WSE) and in the Alternative Trading System (ATS) operated by the WSE - on the NewConnect and Catalyst markets. The brokerage house offers attractive conditions for investing in all financial instruments available on the market, a rich

promotional policy as well as a friendly transaction system accessible online and via a mobile application. Its clients are assisted by a team of brokers and advisors who serve them over the phone, electronically and in person at branches located throughout the country.

The investment advisory service is addressed to people seeking professional support and care of experienced brokers and investment advisors in their activities on the capital market. The investment strategy includes financial instruments available in the offering of Noble Securities S.A. services, i.e. shares, bonds and derivatives. The Company also maintains Individual Pension Accounts and Individual Pension Security Accounts for retail customers.

Noble Securities S.A. offers companies whose financial instruments are listed on the main market of the WSE or in the ATS on the NewConnect or Catalyst markets to perform the functions of Issuer's Market Maker or Market Maker, respectively. Additionally, the broker provides liquidity to WIG20 companies and derivatives based on them.

Noble Securities S.A. offers advice on public and private issues combined with the introduction of shares to the WSE and the ATS on the NewConnect market. The Brokerage House organises public and private bond placements, which are then addressed to the regulated market or to ATS on the Catalyst market. The offering of Noble Securities S.A. also includes public subscriptions with pre-emptive rights, issues connected with transferring a company's quotations from NewConnect to the regulated market of the WSE, servicing of calls and repurchases, and issues of other financial instruments. For non-public joint-stock companies and limited joint-stock partnerships, NS brokerage house offers the service of implementing and maintaining a Shareholders Register using a state-of-the-art application.

The offering of Noble Securities S.A. also includes comprehensive services in the area of concluding transactions and representing clients on the markets organized by the Polish Power Exchange. On the Property Rights Market, the company acts as an agent for its clients in obtaining the status of a member of the Certificates of Origin Register, represents them in exchange transactions and performs activities related to cancellation of certificates of origin.

Sax Development sp. z o.o.

The Company provides property rental and management services to Group entities.

ProEkspert sp. z o.o.

The company acts as an insurance broker and agent. ProEkspert performs insurance intermediation activities for a number of insurance companies on the basis of agency agreements concluded with insurance companies.

Open Finance S.A.

The company provides financial intermediation services for customers purchasing products from companies cooperating with the company from the financial sector, including primarily banks, insurance companies and investment fund companies.

Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.

The company provides services in the areas of:

- establishing and managing open-ended and closed-ended investment funds,
- asset management, consisting in the professional management of an individual portfolio of financial instruments,
- investment advisory.

Noble Funds TFI's services and products are available at banks, brokerage houses, financial advisory firms and insurance companies.

4. Financial position and performance in 2020

4.1. Separate income statement of the Bank

	2019 PLN '000	2020 PLN '000	Change y/y PLN '000
Net interest income	920,814	1,013,888	93,074
Net fee and commission income	44,433	29,149	(15,284)
Net other income*	(85,138)	(16,824)	68,314
Costs of legal risk of foreign currency loans	(158,160)	(121,330)	36,830
Administrative expenses	(909,847)	(832,593)	77,254
Gain (loss) on modification	(5,510)	(27,678)	(22,168)
Net impairment losses	(514,139)	(679,173)	(165,034)
Share of profit/(losses) of equity-accounted associates	151	4,295	4,144
Profit before tax	(707,396)	(630,266)	77,130
Income tax	66,551	62,826	(3,725)
Net profit	(640,845)	(567,440)	73,405

* Net other 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, gain (loss) on investments in subsidiaries, associates and joint ventures, and net other operating income and expenses.

Net interest income

In 2020, the Bank recorded a year-on-year increase in net interest income (up 10.1% on 2019). Interest income decreased by 20.6% in 2020 – the main component of interest income is income from lending activities (83.4% of the Bank's interest income), which decreased by 16.4% in 2020. The bank reported a decrease in interest expenses by 44.1% in 2020 as compared to expenses incurred in 2019. The main component of interest expense is interest expense on amounts due to customers which decreased by 45.6% in 2020.

The main factor driving the change in interest income and interest expense was the outbreak of the COVID-19 pandemic, which resulted in:

- decisions of the Polish Monetary Policy Council to cut NBP interest rates – having a negative effect on the level of the interest margin realised as a result of lower interest income from lending activity, partially offset by measures aimed at reducing the cost of funding the deposit base,
- deterioration of the domestic economic outlook, which has reduced the sales of lending products,
- increased outflows of deposit balances in March 2020, resulting in a temporary increase in the interest expense to halt the declining level of deposit balances - the market turmoil caused by the spread of the COVID-19 coronavirus translated into significant outflows of the Bank's deposit balances recorded in March 2020. Intensified measures were immediately taken to halt the declining level of deposit balances. In particular, the measures involved changes to the price offering, which translated into a temporary suspension of the objective to reduce the level of financing costs. The Bank has now returned to the path of lowering the cost of funding.

In addition, as part of interest income, the Bank recognised the cost of reimbursement of fees for granting the loan in case of repayment of the loan before the contractual term in the amount of PLN 41.9 million – the effect of the CJEU ruling of 11 September 2019.

The Bank's interest margin, calculated as net interest income relative to average interest-bearing assets over the period, increased from 1.9% for the 12 months of 2019 to 2.1% for the 12 months of 2020.

The 3M WIBOR interbank market rates, underlying the majority of loans bearing interest at base rates, fell from 1.71% to 0.21% in 2020. The largest reductions occurred in March, April and May 2020, and the average rate in 2020 stood at 0.66%.

The 3M LIBOR rate for CHF in 2020 stood at an average level of -0.71%, and increased by 0.03 percentage points compared to the average level in 2019.

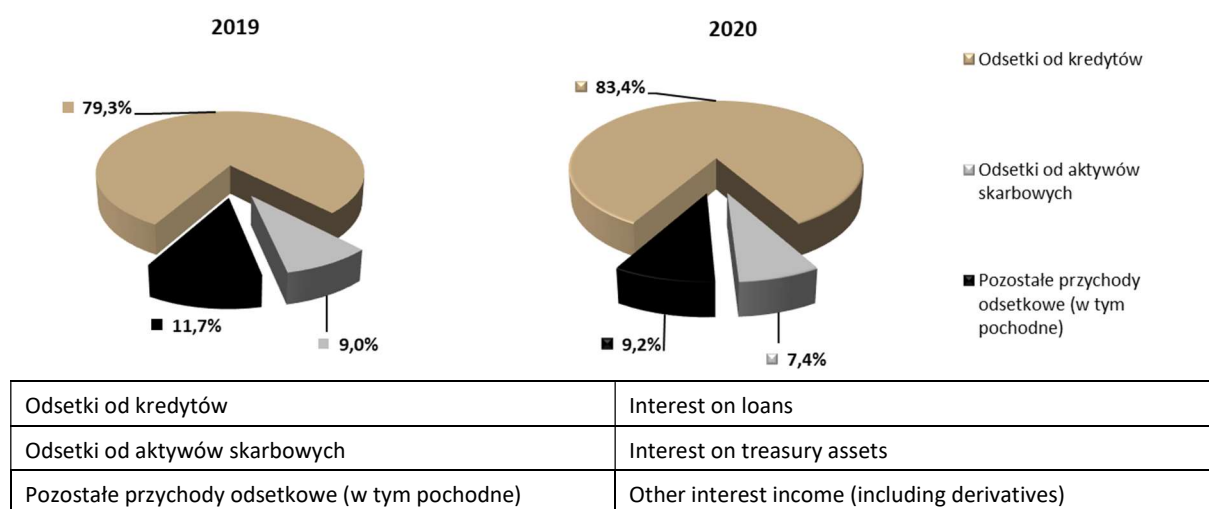
The average return on the Bank's loan portfolio (calculated as the ratio of interest income earned to the average net credit exposure) decreased by 0.4 percentage points compared to 2019 and stood at 3.9%.

The average cost of acquiring customer deposits decreased by 0.9 percentage points to 1.2% in 2020. The average cost of raising new funds in 2020 decreased by 1.1 percentage points to 1.0%. In December 2020, the cost of acquiring new and renewed PLN term deposits of retail customers was 0.7%, down 1.1 percentage points from December 2019.

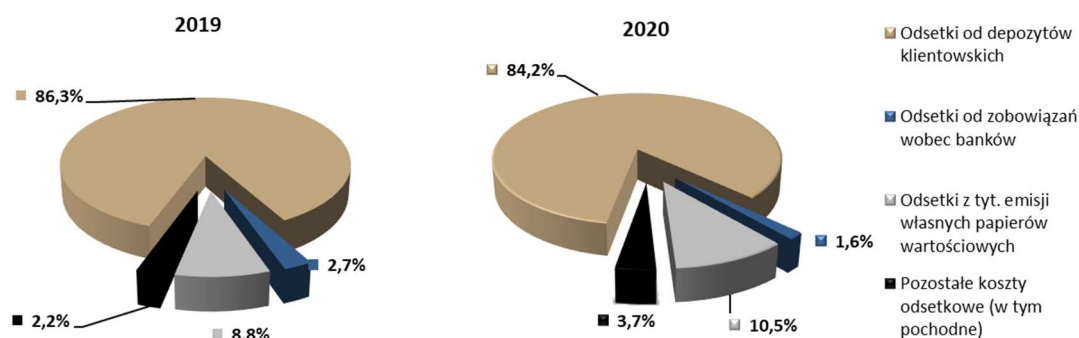
At the end of 2020, the Bank's deposit base included 50% of funds held in current and savings accounts and 13% of customer funds with a minimum original maturity of 12 months.

Costs related to the issue of debt securities decreased by 33.2% y/y and represented 10.5% of the Bank's interest expense in 2020.

Structure of interest income in 2019 and 2020



Structure of interest expense in 2019 and 2020



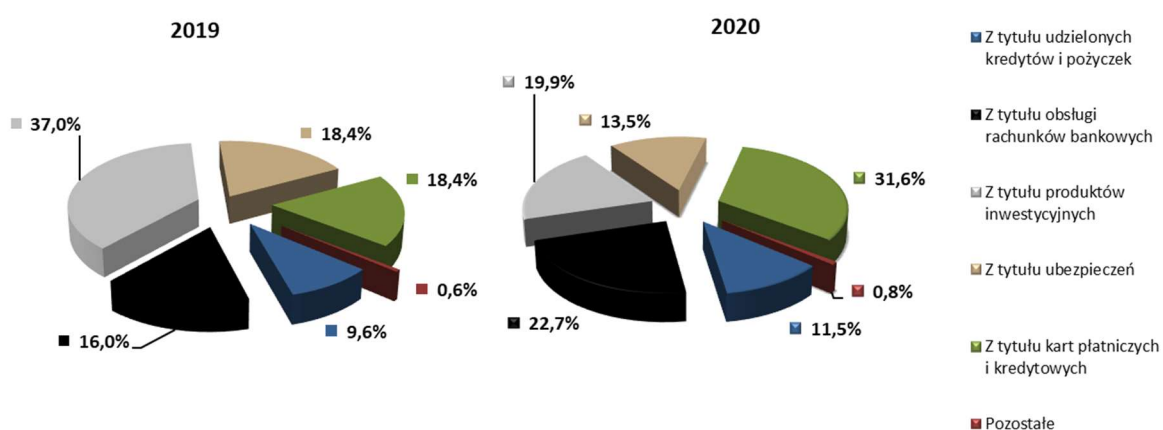
Odsetki od depozytów klientów	Interest on customer deposits
Odsetki od zobowiązań wobec banków	Interest on amounts due to banks
Odsetki z tyt. emisji własnych papierów wartościowych	Interest on own debt securities issued
Pozostałe koszty odsetkowe (w tym pochodne)	Other interest expense (including derivatives)

Net fee and commission income

Net fee and commission income amounted to PLN 29.1 million in 2020 and was PLN 15.3 million (or 34.4%) lower than in 2019. The main components of net fee and commission income were commissions and fees on loans and advances (PLN 13.0 million) and the portion of income from the sale of insurance not recognised in the effective interest rate account (PLN 12.7 million). In 2020, commission income from payment and credit cards increased by PLN 8.5 million, which, with a similar level of costs in 2020 compared to 2019 (PLN 53.7 million in 2019 and PLN 55.0 million in 2020), resulted in an increase in the commission income from payment and credit cards by PLN 7.2 million.

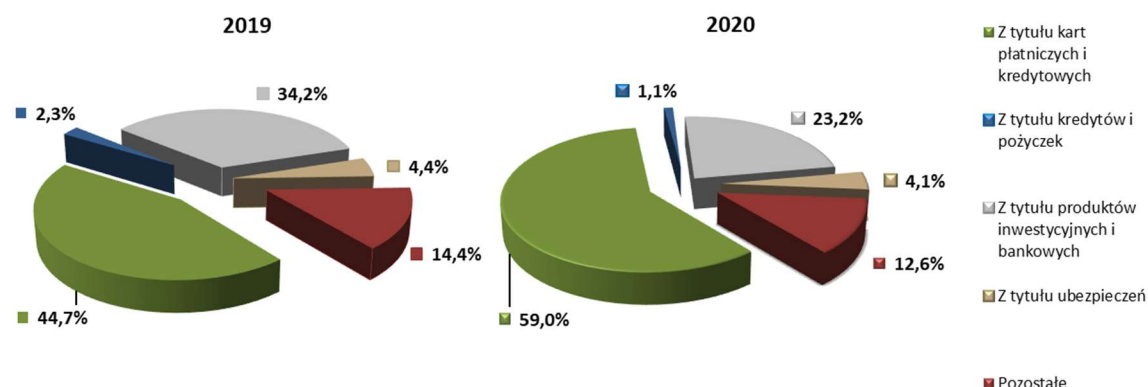
The decrease in net fee and commission income was primarily driven by a significant decline in sales of investment products as a result of the spread of the COVID-19 pandemic. Customers were withdrawing funds from investment products, which was most noticeable in March and April 2020 (this affected the entire market), and there was little interest in purchasing investment products at that time. As a result, the level of the Bank's commission income from investment products decreased significantly (by PLN 36.5 million, or 59.9%, compared to 2019), resulting in a reduction of the total net income from investment and banking products by PLN 17.0 million, or 86.4%, in 2020.

Structure of fee and commission income in 2019 and 2020



Z tytułu udzielonych kredytów i pożyczek	On loans and advances granted
Z tytułu obsługi rachunków bankowych	On maintenance of bank accounts
Z tytułu produktów inwestycyjnych	On investment products
Z tytułu ubezpieczeń	On insurance
Z tytułu kart płatniczych i kredytowych	On payment and credit cards
Pozostałe	Other

Structure of fee and commission expense in 2019 and 2020



Z tytułu kart płatniczych i kredytowych	On payment and credit cards
Z tytułu kredytów i pożyczek	On loans and advances
Z tytułu produktów inwestycyjnych i bankowych	On investment and banking products
Z tytułu ubezpieczeń	On insurance
Pozostałe	Other

Net other income

	2019 PLN '000	2020 PLN '000	Change y/y PLN '000
Dividend income	30,774	24,326	(6,448)
Gain (loss) on financial instruments measured at fair value through profit or loss and net foreign exchange income	(35,375)	(4,561)	30,814
Gain (loss) on derecognition of financial assets not measured at fair value through profit or loss	25,816	42,623	16,807
Other operating income	57,783	42,095	(15,688)
Other operating expenses	(164,136)	(121,307)	42,829
Net other income*	(85,138)	(16,824)	68,314

Net other income recorded in 2020 amounted to PLN -16.8 million and was higher by PLN 68.3 million (i.e. by 80.2%) than in 2019.

In 2020, net other income was most significantly driven by:

- Net other operating income and expenses – in 2020 it reached PLN -79.2 million (higher by PLN 27.1 million than in 2019); As part of other operating expenses, the Bank recognised provisions for future liabilities - litigation in the amount of PLN 32.3 million (PLN 12.8 million in 2019) and provisions for reimbursement of fees for granting a loan in case of repayment of the loan before the date specified in the agreement in the amount of PLN 2.4 million (PLN 54.7 million in 2019) – the effect of the CJEU ruling of 11 September 2019,
- Gain (loss) on derecognition of financial assets not measured at fair value through profit or loss in the amount of PLN 42.6 million (higher by PLN 16.8 million than in 2019) – mainly the effect of achieving a higher than in 2019 positive

result from the sale of securities measured at fair value through other comprehensive income (Treasury bonds, NBP bills),

- Dividend income of PLN 24.3 million, including PLN 24.1 million of dividends received from the Bank's subsidiaries,
- Loss on financial instruments measured at fair value through profit or loss and net foreign exchange income of PLN - 4.6 million (up by PLN 30.8 million on 2019) – largely the result of a PLN 27.0 million increase in the gain on derivatives.

Costs of legal risk of foreign currency loans

Following the CJEU judgment of 3 October 2019, the Bank has identified an increased risk related to court judgments concerning CHF-indexed loans. Therefore, considering the risk that the scheduled cash flows from the CHF-indexed mortgage loan portfolio may not be fully recoverable and/or a liability may arise resulting in a future cash outflow, the Bank estimated the provision for these loans pursuant to provisions of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Following the assessment, additional provisions for legal risk of CHF-denominated loans was recognised in 2020 in the amount of PLN 121.3 million.

Administrative expenses

	2019 PLN '000	2020 PLN '000	Change y/y amount
Amortisation and depreciation	163,475	161,430	(2,045)
Employee benefits	408,062	352,977	(55,085)
Other administrative expenses	219,894	176,050	(43,844)
Payments towards the BGF	118,416	142,136	23,720
Total	909,847	832,593	(77,254)
Total excluding costs of BGF	791,431	690,457	(100,974)

In 2020, the Bank's administrative expenses stood at PLN 832.6 million, down by PLN 77.3 million, or 8.5%, on 2019.

The largest decrease in costs was recorded under costs of employee benefits (by PLN 55.1 million), as a result of the Bank's continuing employment restructuring policy in 2020.

Other administrative expenses decreased by PLN 43.8 million, or 19.9%, compared to 2019, with the largest decrease in the cost of third-party services (by PLN 32.3 million, or 18.0%). Within costs of third-party services, the largest decreases were recorded in marketing and advertising costs (down by PLN 15.3 million, or 46.6% on 2019) and rental and lease costs (down by PLN 7.9 million, or 32.0% on 2019).

A slight decrease was recorded for depreciation and amortisation costs which fell by PLN 2.0 million, or 1.3%.

Administrative expenses excluding fees to the BGF amounted to PLN 690.5 million in 2020 and were lower than the corresponding expenses incurred in 2019 by PLN 101.0 million (i.e. by 12.8%).

The decrease in administrative expenses compared to 2019, combined with higher income earned by the Bank compared to 2019, improved the cost/income ratio, with the ratio reaching 81.1% in 2020 (an improvement of 22.2 percentage points compared to 2019).

Net impairment losses on financial assets

Impairment losses on financial assets recognised by the Bank as costs in 2020 amounted to PLN 679.9 million and were higher by PLN 165.8 million (or 32.2%) compared to 2019.

The structure of net impairment losses on financial assets in 2019 and 2020 is presented in the table below:

Net change in provisions recognised in profit or loss	2019 PLN '000	2020 PLN '000	Change y/y %	Change y/y amount
Loans and advances to customers, of which:	537,704	672,228	25.0	134,524
corporate	(49,828)	14,144	(128.4)	63,972
car loans	17,645	6,232	(64.7)	(11,413)
mortgage	100,120	271,515	171.2	171,395
retail	469,767	380,337	(19.0)	(89,430)
Investments in subsidiaries and associates	73,779	20,503	(72.2)	(53,276)
Other financial assets and off-balance sheet liabilities	(97,344)	(13,558)	(86.1)	83,786
Total	514,139	679,173	32.1	165,034

The increase in the level of impairment losses by PLN 165.0 million in 2020 was attributable to:

- the decision taken by the Bank's Management Board to include impairment losses related to the impact of the COVID-19 pandemic in the Bank's profit or loss. The amount of estimated impairment losses on this account amounted to a total of PLN 122.0 million in 2020, including PLN 72.0 million on mortgage loans,
- an increase in the cost of risk due to the deterioration of the loan portfolio quality in connection with adverse changes in the financial condition of borrowers (both retail and corporate) and the translation into the level of realised impairment losses of negative macroeconomic projections due to their inclusion in the expected loss estimation models,
- recognition in the net impairment loss of impairment losses on investments in subsidiaries and associates of PLN 20.5 million, i.e. PLN 53.3 million (72.2%) less than was recognised in 2019
- a decrease in the amount of impairment losses on other financial assets and off-balance sheet liabilities reversed in 2020 by PLN 83.8 million compared to 2019.

Compared to the end of 2019, the value of coverage ratios for impaired loans decreased. The average level of the ratio for Stage 3 loans was 57.1% in 2020 (in 2019, 59.4% of impaired loans were covered by impairment losses). The largest decrease in the ratio was recorded for corporate loans, with the second category of loans with the largest decrease in the ratio being retail loans.

Key financial ratios of the Bank

	2019 %	2020 %	Change in pp
Net ROE	(20.1)	(21.8)	(1.6)
Net ROA	(1.2)	(1.1)	0.1
C/I (cost to income ratio)	103.4	81.1	(22.2)
CAPITAL RATIOS:			
T1 Capital ratio	8.1	7.2	(0.9)
Total capital ratio	9.9	8.4	(1.4)

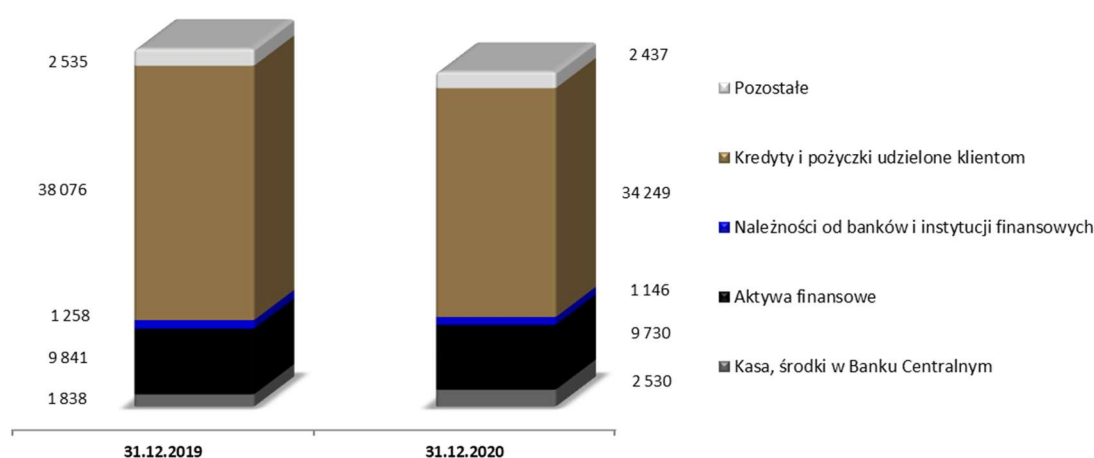
4.2 Statement of financial position of the Bank

ASSETS

In 2020, total assets decreased to PLN 50.1 billion, i. e. by 6.5%. The Bank's assets were dominated by loans and advances to customers (68.4% of total assets). The change in the balance sheet structure is achieved primarily through a reduction in the volume of loans, including mainly the volume of corporate and mortgage loans.

The total balance of financial assets (financial assets at fair value through profit or loss, financial instruments at amortised cost and at fair value through other comprehensive income) at the end of 2020 stood at PLN 9.7 billion (down by PLN 0.1 billion, or 1.1%) and included mainly a portfolio of bonds issued by the State Treasury worth PLN 5.4 billion and NBP money bills worth PLN 3.7 billion.

Structure of the Bank's assets at the end of 2019 and 2020 (in PLN million)

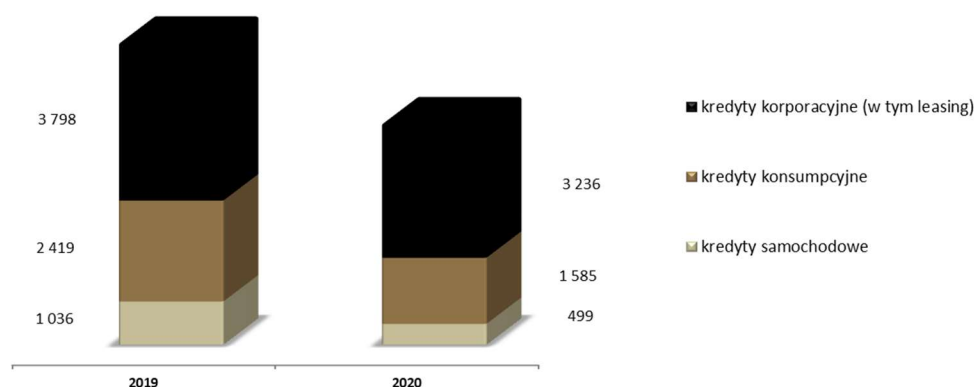


Pozostałe	Other
Kredyty i pożyczki udzielone klientom	Loans and advances to customers
Należności od banków i instytucji finansowych	Amounts due from banks and financial institutions
Aktywa finansowe	Financial assets
Kasa, środki w Banku Centralnym	Cash and balances with the Central Bank

Loan portfolio

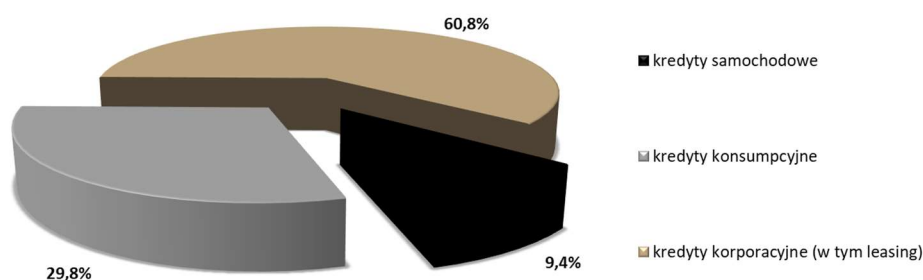
The total value of loans sold in 2020 was PLN 5.3 billion, down 27% on 2019. The decline in loan sales is related to lower demand for cash loans due to the current economic situation caused by the COVID-19 pandemic. The leading products in loan sales were purchase of lease receivables, retail loans and corporate loans. Loans granted in PLN accounted for 100% of the structure of new loans granted in 2020.

Loan sales in 2019 and 2020 (in PLN million)



kredyty korporacyjne (w tym leasing)	corporate loans (including leases)
kredyty konsumpcyjne	consumer loans
kredyty samochodowe	car loans

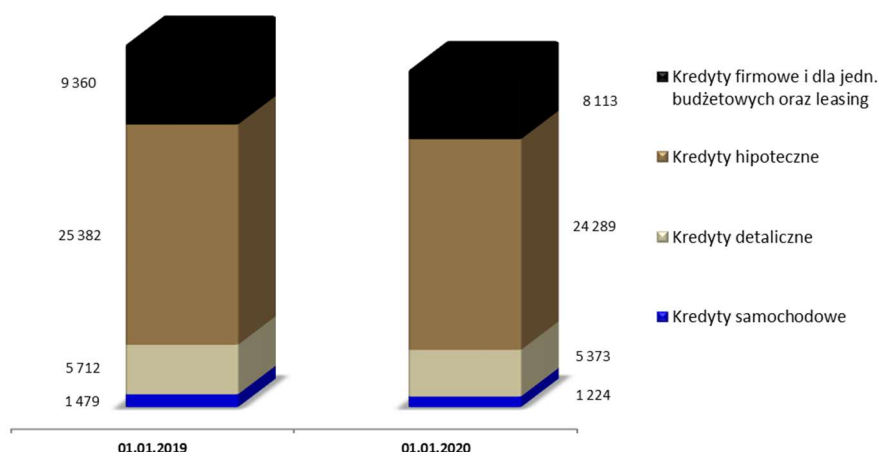
Structure of loan sales in 2020



kredyty samochodowe	car loans
kredyty konsumpcyjne	consumer loans
kredyty korporacyjne (w tym leasing)	corporate loans (including leases)

Mortgage loans still account for nearly 2/3 of the loan portfolio in the Bank's balance sheet, as a result of the high volumes of sales in previous years. Since 2014, due to the decision to consistently strengthen the Bank's capital base, mortgage loans have been treated as a niche product and distribution has been kept to a minimum. Mortgage loans account for 62% of the Bank's gross loan portfolio balance. Another important group of loans is made up of loans to corporate and state-budget entities and the purchase of leasing receivables (21% of the balance in total).

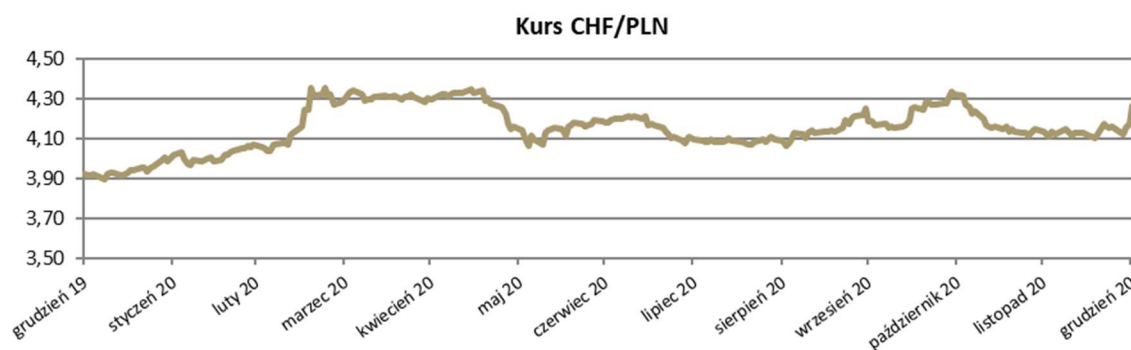
Gross loan receivables of the Bank at the end of 2019 and 2020 (in PLN million)



Kredyty firmowe i dla jedn. budżetowych oraz leasing	Corporate loans, loans for state budget entities and leases
Kredyty hipoteczne	Mortgage loans
Kredyty detaliczne	Retail loans
Kredyty samochodowe	Car loans

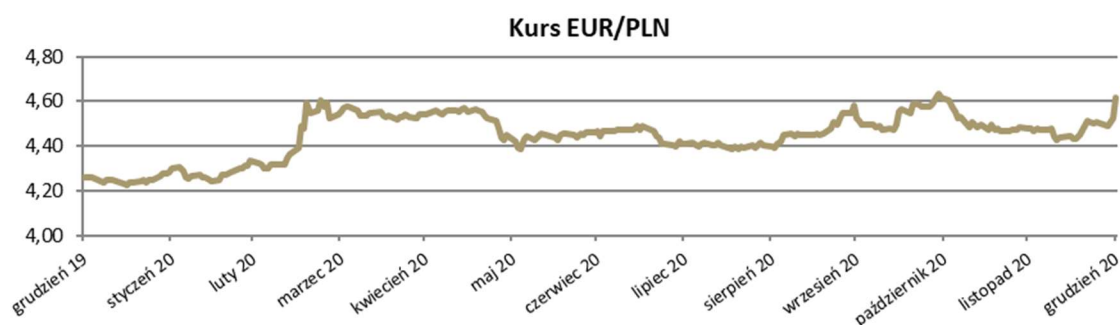
CHF loans account for 26.4% of the net carrying amount of Getin Noble Bank S.A.'s entire loan portfolio at the end of 2020, up 2.9 percentage points from the end of 2019. The increase of the CHF loans' share in the loan balance is mainly due to the decrease of the total loan balance over 2020 (by PLN 3.8 billion) and to the increase of the CHF exchange rate at the end of 2020 by PLN 0.3428, which caused an increase of CHF loans translated into PLN by approximately PLN 0.7 billion.

The evolution of the exchange rates of the basic currencies over 2020 is presented in the charts below:

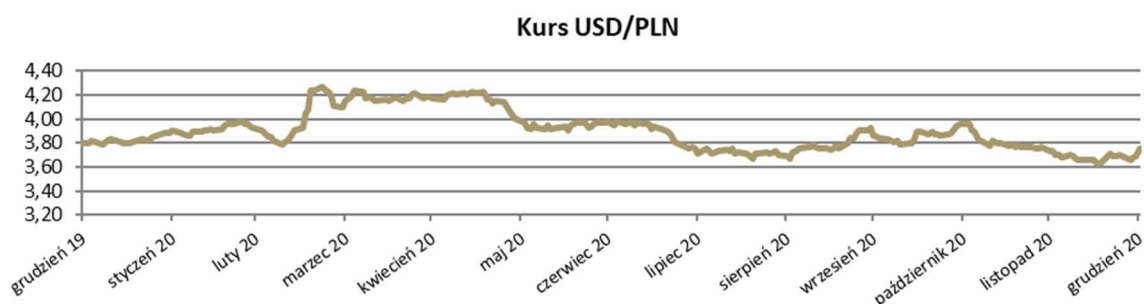


Kurs CHF/PLN	CHF/PLN exchange rate
grudzień	December
styczeń	January
luty	February
marzec	March
kwiecień	April
maj	May

czerwiec	June
lipiec	July
sierpień	August
wrzesień	September
październik	October
listopad	November
grudzień	December



Kurs EUR/PLN	EUR/PLN exchange rate
grudzień	December
styczeń	January
luty	February
marzec	March
kwiecień	April
maj	May
czerwiec	June
lipiec	July
sierpień	August
wrzesień	September
październik	October
listopad	November
grudzień	December



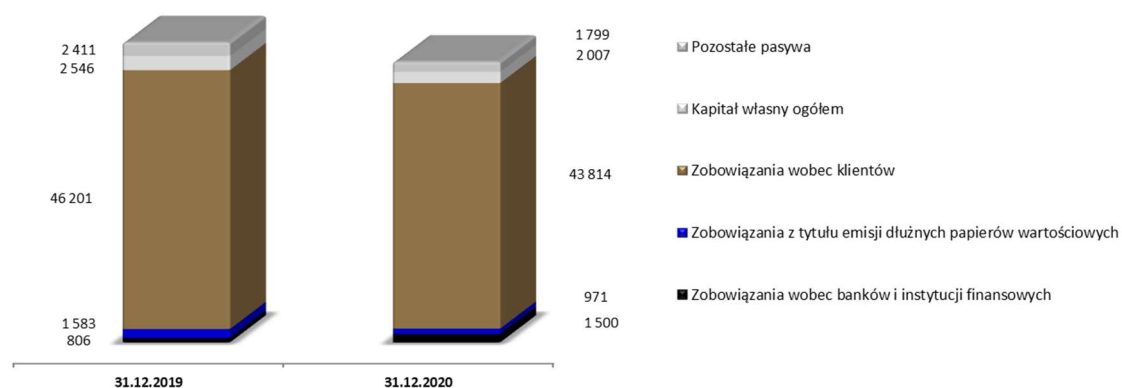
Kurs USD/PLN	USD/PLN exchange rate
grudzień	December
styczeń	January
luty	February
marzec	March
kwiecień	April
maj	May
czerwiec	June
lipiec	July
sierpień	August
wrzesień	September
październik	October
listopad	November
grudzień	December

In 2020, the level of foreign exchange rates that are crucial from the point of view of the currency structure of the Bank's balance sheet changed by approx. -1%/+9%, which directly affected the change in the balance of loans denominated in or indexed to foreign currencies. The CHF exchange rate increased by 8.74% (PLN 0.34) to 4.2641 at the end of 2020. The average CHF/PLN exchange rate in 2020 was 4.1534, and the maximum level was 4.3563.

LIABILITIES

Customer deposits were the primary source of funding for the Bank's lending activities at the end of 2020. As at 31 December 2020, amounts due to customers amounted to PLN 43.8 billion and accounted for 87.5% of total assets (down by PLN 2.4 billion year-on-year).

Structure of the Bank's liabilities at the end of 2019 and 2020 (in PLN million)



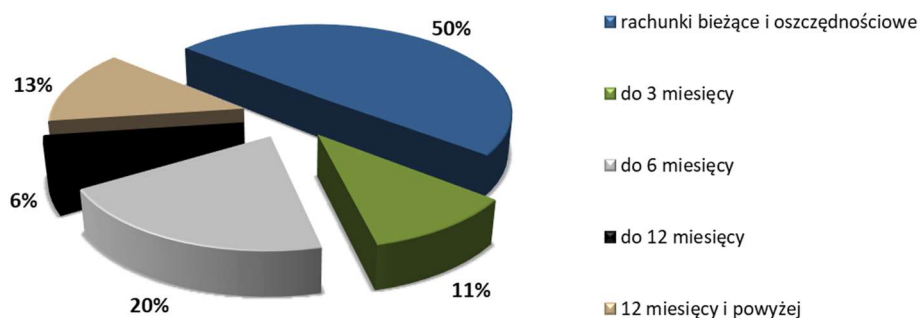
Pozostałe pasywa	Other liabilities
Kapitał własny ogółem	Total equity
Zobowiązania wobec klientów	Amounts due to customers
Zobowiązania z tytułu emisji dłużnych papierów wartościowych	Debt securities issued
Zobowiązania wobec banków i instytucji finansowych	Amounts due to banks and financial institutions

Deposit base

In 2020, the balance of amounts due to customers fell by PLN 2.4 billion (i.e. by 5.2%) to PLN 43.8 billion. Time deposits represent the largest part of amounts due to customers (51.7% of the Bank's deposit base, down 2.5 percentage points from the end of 2019). The decrease in the balance of amounts due to customers in 2020 was mainly driven by a decrease in the balance of term accounts by PLN 2.4 billion to PLN 22.6 billion. The balance of customer current and savings deposits increased by PLN 19.6 million to PLN 21.2 billion.

The total cost of acquiring customer deposits was 1.2% in 2020, i.e. down by 0.9 percentage points compared to 2019. On the other hand, the cost of raising new and renewed PLN term funds of retail customers decreased from 1.79% in December 2019 to 0.70% in December 2020.

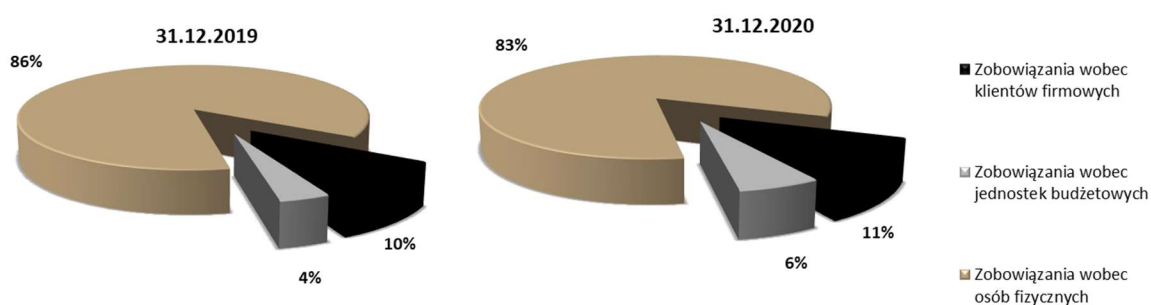
Structure of customer deposit balances by original maturity as at the end of 2020



rachunki bieżące i oszczędnościowe	current and savings accounts
do 3 miesięcy	up to 3 months
do 6 miesięcy	up to 6 months
do 12 miesięcy	up to 12 months
12 miesięcy i powyżej	12 and more

At the end of 2020, the share of deposits with original maturity of 12 months or more in the total deposit balance was 13%.

Structure of amounts due to customers at the end of 2019 and 2020



Zobowiązania wobec klientów firmowych	Amounts due to corporate entities
Zobowiązania wobec jednostek budżetowych	Amounts due to state budget entities
Zobowiązania wobec osób fizycznych	Amounts due to individuals

4.3 Consolidated income statement

The key figures of the consolidated income statement of the Getin Noble Bank S.A. Capital Group for 2020 and the changes relative to the previous year are as follows:

	2019 PLN '000	2020 PLN '000	Change y/y PLN '000
Net interest income	949,787	1,037,504	87,717
Net fee and commission income	76,999	61,420	(15,579)
Net other income*	(119,310)	(33,095)	86,215
Costs of legal risk of foreign currency loans	(158,160)	(121,330)	36,830
Administrative expenses	(945,515)	(867,591)	77,924
Gain (loss) on modification	(5,510)	(27,678)	(22,168)
Net impairment losses	(491,884)	(667,451)	(175,567)
Share of profit/(losses) of equity-accounted associates and joint ventures	151	4,295	4,144
Profit/ (loss) before tax	(693,442)	(613,926)	79,516
Income tax	101,891	54,537	(47,354)
Net profit	(591,551)	(559,389)	32,162
attributable to equity holders of the parent	(591,551)	(559,389)	32,162
attributable to non-controlling interests	-	-	-

* Net other 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 and net other operating income and expenses.

Net interest income

In 2020, the Group recorded a 9.2% increase in net interest income compared to 2019. The increase in net interest income earned resulted from a decrease in both interest income and interest expense.

Interest income decreased by PLN 409.4 million, or 19.6%, in 2020. The product structure of the loan balance determines the level of interest income earned – the Group has a significant volume of mortgage loans in its loan portfolio; interest on these loans accounted for 40.0% of interest income on loans and advances to customers in 2020. The Group's income from loans and advances decreased by PLN 249.3 million, or 15.1%, in 2020.

Interest expense decreased by PLN 497.1 million, or 43.8%, in 2020. The main component of interest expense is the cost of deposit-taking activities (interest on amounts due to customers accounted for 83.2% of the Group's interest expense) which decreased by PLN 416.4 million, or 43.9%, in 2020. However, it should be noted that interest expense for 2019 was materially affected by the cost of rebuilding the Bank's liquidity position following the liquidity crisis of November 2018 (described in detail in the financial statements for 2018).

The factor driving the change in interest income and interest expense was the outbreak of the COVID-19 pandemic, which resulted in:

- decisions of the Polish Monetary Policy Council to cut NBP interest rates – this resulted in lower interest income from lending activities and a decrease in the cost of customer deposits – the Group's interest income in the fourth quarter of 2020 was lower by PLN 43 million compared to the net income earned in the first quarter of 2020.
- deterioration of the domestic economic outlook, which has reduced the sales of lending products,
- increased outflows of deposit balances in March 2020, resulting in a temporary increase in the interest expense to halt the declining level of deposit balances – the market turmoil caused by the spread of the COVID-19 coronavirus translated into significant outflows of the Bank's deposit balances recorded in March 2020. Intensified measures were immediately

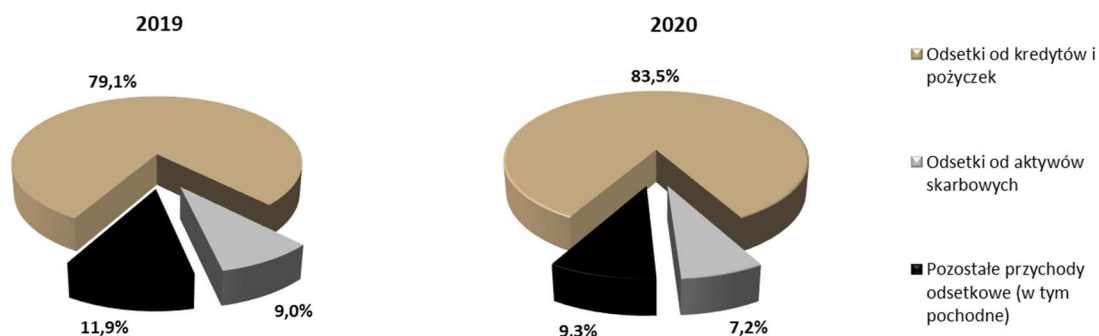
taken to halt the declining level of deposit balances. In particular, the measures involved changes to the price offering, which translated into a temporary suspension of the objective to reduce the level of financing costs. The Bank has now returned to the path of lowering the cost of funding.

In addition, as part of interest income, the Group recognised the cost of reimbursement of fees for granting the loan in case of repayment of the loan before the contractual term in the amount of PLN 41.9 million – the effect of the CJEU ruling of 11 September 2019.

At the end of 2020, the Group's deposit base included 50% of funds held in current (including savings) accounts and 13% of customer funds with a minimum original maturity of 12 months.

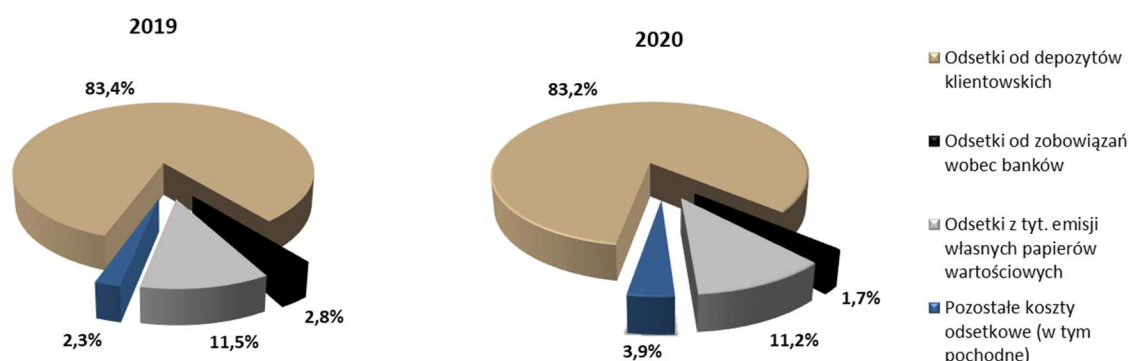
Costs related to the issue of debt securities decreased by 45.2% y/y and represented 11.2% of the Group's interest expense in 2020.

Structure of interest income in 2019 and 2020



Odsetki od kredytów i pożyczek	Interest on loans and advances
Odsetki od aktywów skarbowych	Interest on treasury assets
Pozostałe przychody odsetkowe (w tym pochodne)	Other interest income (including derivatives)

Structure of interest expense in 2019 and 2020



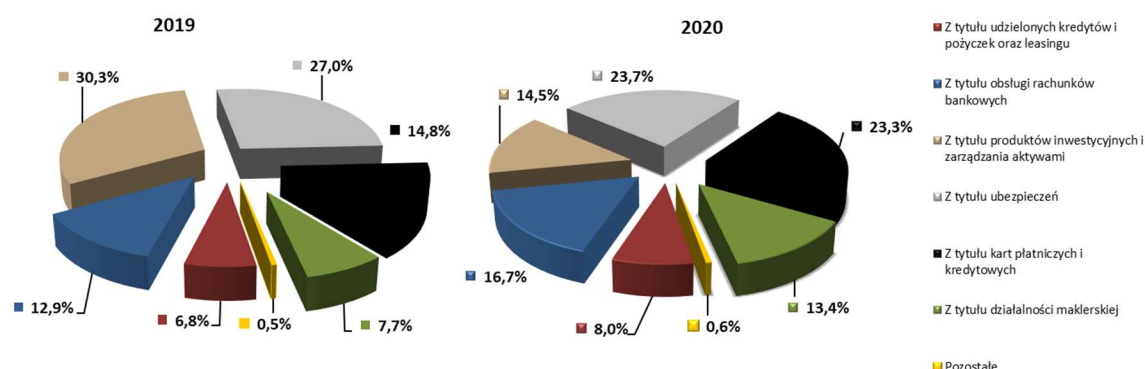
Odsetki od depozytów klientów	Interest on customer deposits
Odsetki od zobowiązań wobec banków	Interest on amounts due to banks
Odsetki z tyt. emisji własnych papierów wartościowych	Interest on own debt securities issued

Pozostałe koszty odsetkowe (w tym pochodne)	Other interest expense (including derivatives)
---------------------------------------------	------------------------------------------------

Net fee and commission income

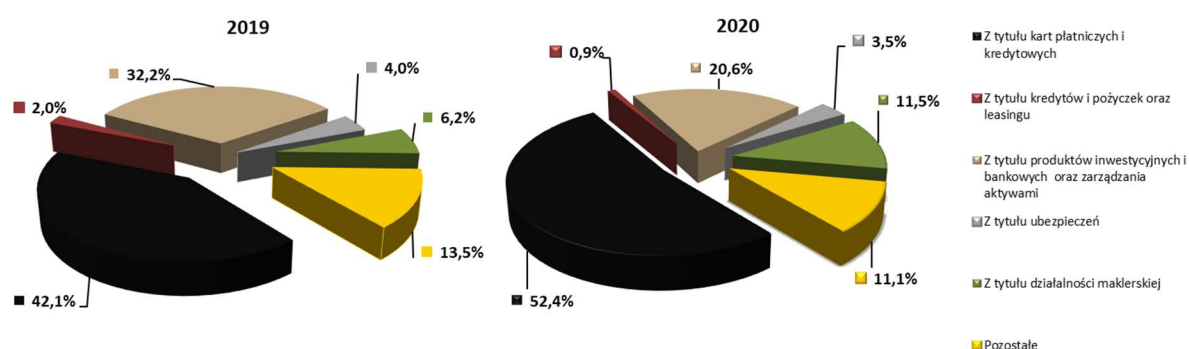
Net fee and commission income amounted to PLN 61.4 million in 2020 and was PLN 15.6 million (or 20.2%) lower than in 2019. The main component of net fee and commission income was the portion of insurance sales income not recognised in the effective interest rate account (58.3% of net fee and commission income). The decrease in net fee and commission income was primarily driven by a significant decline in sales of investment products as a result of the spread of the COVID-19 pandemic. Customers were withdrawing funds from investment products, which was most noticeable in March and April 2020 (this affected the entire market), and there was little interest in purchasing investment products at that time. As a result, the level of the Group's commission income from investment and banking products and asset management decreased significantly (by PLN 38.0 million, or 31.0%, compared to 2019), resulting in a reduction of the total net income from investment and banking products by PLN 18.5 million, or 88.6%, in 2020.

Structure of fee and commission income in 2019 and 2020



Z tytułu udzielonych kredytów i pożyczek oraz leasingu	On loans and advances granted and leases
Z tytułu obsługi rachunków bankowych	On maintenance of bank accounts
Z tytułu produktów inwestycyjnych i zarządzania aktywami	On investment products and asset management
Z tytułu ubezpieczeń	On insurance
Z tytułu kart płatniczych i kredytowych	On payment and credit cards
Z tytułu działalności maklerskiej	On brokerage activities
Pozostałe	Other

Structure of fee and commission expense in 2019 and 2020



Z tytułu kart płatniczych i kredytowych	On payment and credit cards
Z tytułu udzielonych kredytów i pożyczek oraz leasingu	On loans and advances granted and leases
Z tytułu osługi rachunków bankowych	On maintenance of bank accounts
Z tytułu produktów inwestycyjnych i zarządzania aktywami	On investment products and asset management
Z tytułu ubezpieczeń	On insurance
Z tytułu działalności maklerskiej	On brokerage activities
Pozostałe	Other

Net other income

	2019 PLN '000	2020 PLN '000	Change y/y PLN '000
Dividend income	6,969	258	(6,711)
Gain (loss) on financial instruments measured at fair value through profit or loss and net foreign exchange income	(21,711)	3,208	24,919
Gain (loss) on derecognition of financial assets not measured at fair value through profit or loss	25,816	42,623	16,807
Other operating income	71,273	55,369	(15,904)
Other operating expenses	(201,657)	(134,553)	67,104
Net other income	(119,310)	(33,095)	86,215

Net other income recorded in 2020 was PLN 86.2 million higher than that recorded in 2019.

In 2020, net other income was most significantly driven by:

- Net other operating income and expenses – in 2020 it reached PLN -79.2 million (higher by PLN 51.2 million than in 2019); as part of other operating expenses, the Group recognised provisions for future liabilities - litigation in the amount of PLN 32.3 million (PLN 12.8 million in 2019) and provisions for reimbursement of fees for granting a loan in case of repayment of the loan before the date specified in the agreement in the amount of PLN 2.4 million (PLN 54.7 million in 2019) – the effect of the CJEU ruling of 11 September 2019,
- Gain (loss) on derecognition of financial assets not measured at fair value through profit or loss in the amount of PLN 42.6 million (higher by PLN 16.8 million than in 2019) – mainly the effect of achieving a higher than in 2019 positive result from the sale of securities measured at fair value through other comprehensive income (Treasury bonds, NBP bills),

- Gain on financial instruments measured at fair value through profit or loss and net foreign exchange income of PLN 3.2 million (up by PLN 24.9 million on 2019) – largely the result of a PLN 27.0 million increase in the gain on derivatives.

Costs of legal risk of foreign currency loans

Following the CJEU judgment of 3 October 2019, the Group has identified an increased risk related to court judgments concerning CHF-indexed loans. Therefore, considering the risk that the scheduled cash flows from the CHF-indexed mortgage loan portfolio may not be fully recoverable and/or a liability may arise resulting in a future cash outflow, the Group estimated the provision for these loans pursuant to provisions of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Following the assessment, additional provisions for legal risk of CHF-denominated loans was recognised in 2020 in the amount of PLN 121.3 million.

Administrative expenses

	2019 PLN '000	2020 PLN '000	Change y/y %
Amortisation and depreciation	160,696	159,336	(1,360)
Employee benefits	429,838	372,601	(57,237)
Other administrative expenses	236,535	193,509	(43,026)
Payments towards the BGF	118,446	142,145	23,699
Total	945,515	867,591	(77,924)
Total excluding costs of BGF	827,069	725,446	(101,623)

In 2020, the Group's administrative expenses decreased by PLN 77.9 million, or 8.2%, compared to 2019. Administrative expenses excluding fees to the BGF, PFSA amounted to PLN 725.4 million in 2020 and were lower than the corresponding expenses incurred in 2019 by PLN 101.6 million (i.e. by 12.3%).

The largest decrease in costs was recorded under costs of employee benefits (by PLN 57.2 million), as a result of the Group's continuing restructuring policy in 2020.

Other administrative expenses decreased by PLN 43.0 million, or 18.2%, compared to 2019, with the largest decrease in the cost of third-party services (by PLN 30.3 million, or 16.4%). Within costs of third-party services, the largest decreases were recorded in marketing and advertising costs (down by PLN 11.7 million, or 41.6% on 2019) and rental and lease costs (down by PLN 9.2 million, or 34.3% on 2019).

The cost of fees to the BGF increased by PLN 23.7 million, or 20.0%, in 2020.

The decrease in administrative expenses compared to 2019, combined with higher income earned by the Group compared to 2019, improved the cost/income ratio, with the ratio reaching 81.4% in 2020 (an improvement of 22.8 percentage points compared to 2019).

Net impairment losses on financial assets

Impairment losses on financial assets recognised by the Group as costs in 2020 amounted to PLN 667.5 million and were higher by PLN 175.6 million (or 35.7%) compared to 2019.

The structure of net impairment losses on financial assets in 2019 and 2020 is presented in the table below:

Net change in provisions recognised in profit or loss	2019 PLN '000	2020 PLN '000	Change y/y %	Change y/y amount
Loans and advances to customers, of which:	537,704	672,228	25.0	134,524
corporate	(49,828)	14,144	(128.4)	63,972
car loans	17,645	6,232	(64.7)	(11,413)
mortgage	100,120	271,515	171.2	171,395
retail	469,767	380,337	(19.0)	(89,430)
Investments in associates	49,218	25,060	(49.1)	(24,158)
Other	(95,038)	(29,837)	(68.6)	65,201
Total	491,884	667,451	35.7	175,567

The increase in the level of impairment losses by PLN 175.6 million in 2020 was attributable to:

- the decision taken by the Bank's Management Board to include impairment losses related to the impact of the COVID-19 pandemic in the Bank's profit or loss. The amount of estimated impairment losses on this account amounted to a total of PLN 122.0 million in 2020, including PLN 72.0 million on mortgage loans,
- an increase in the cost of risk due to the deterioration of the loan portfolio quality in connection with adverse changes in the financial condition of borrowers (both retail and corporate) and the translation into the level of realised impairment losses of negative macroeconomic projections due to their inclusion in the expected loss estimation models,
- recognition in the net impairment loss of impairment losses on investments in subsidiaries and associates of PLN 25.1 million, i.e. PLN 24.2 million (49.1%) less than was recognised in 2019
- a decrease in the amount of impairment losses on items reversed in 2020 by PLN 65.2 million compared to 2019.

Key financial ratios of the Group

	2019 %	2020 %	Change in pp
Net ROE	(18.6)	(21.1)	(2.5)
Net ROA	(1.1)	(1.1)	(0.0)
C/I (cost to income ratio)	104.2	81.4	(22.8)
CAPITAL RATIOS:			
T1 Capital ratio	8.2	7.4	(0.8)
Total capital ratio	10.0	8.6	(1.4)

4.4 Consolidated statement of financial position

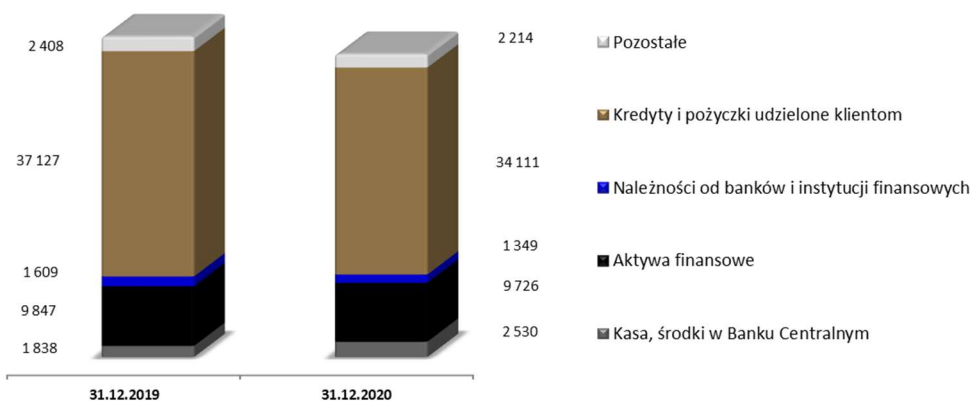
ASSETS

In 2020, the Group's total assets decreased to PLN 49.9 billion, i. e. by 5.5%. The Group's assets are dominated by loans and advances to customers (68.3% of total assets).

The total balance of the Group's financial assets (held for trading, at fair value through profit or loss, financial instruments at amortised cost and at fair value through other comprehensive income) at the end of 2020 stood at PLN 9.7 billion (19.5% of

total assets) and included mainly a portfolio of bonds issued by the State Treasury worth PLN 5.4 billion and NBP money bills worth PLN 3.7 billion.

Structure of the Group's assets at the end of 2019 and 2020 (in PLN million)

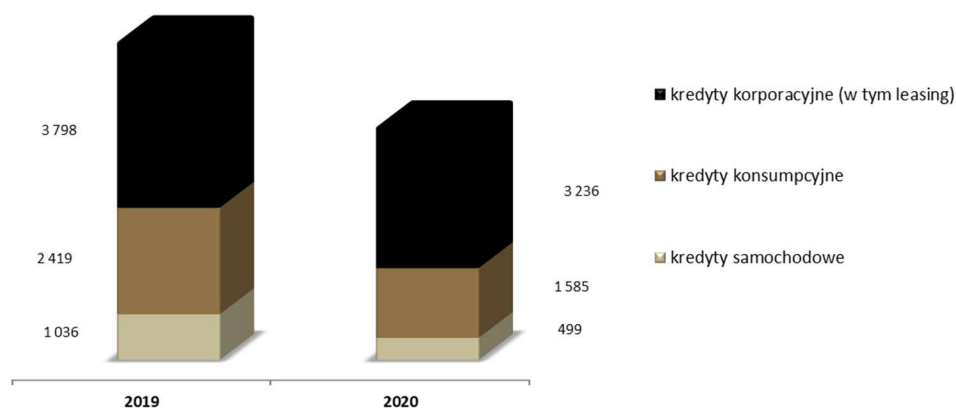


Pozostałe	Other
Kredyty i pożyczki udzielone klientom	Loans and advances to customers
Należności od banków i instytucji finansowych	Amounts due from banks and financial institutions
Aktywa finansowe	Financial assets
Kasa, środki w Banku Centralnym	Cash and balances with the Central Bank

Loan portfolio

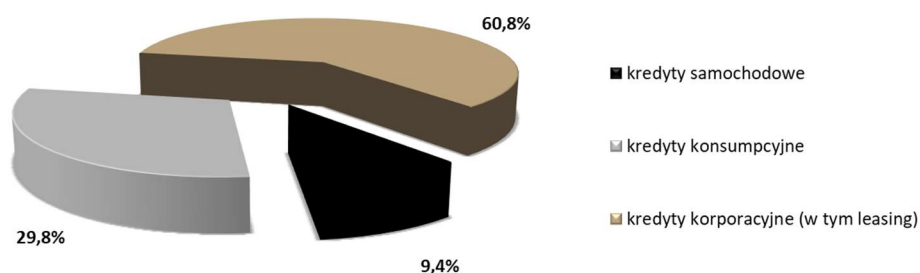
The total value of loans sold in 2020 was PLN 5.3 billion, down 27% on 2019. The decline in loan sales is related to lower demand for cash loans due to the current economic situation caused by the COVID-19 pandemic. The leading products in loan sales were purchase of lease receivables, retail loans and corporate loans. There were no sales of mortgage loans in 2020, which is in line with the Group's lending policy. Loans granted in PLN accounted for 100% of the structure of new loans granted in 2020.

Loan sales in 2019 and 2020 (in PLN million)



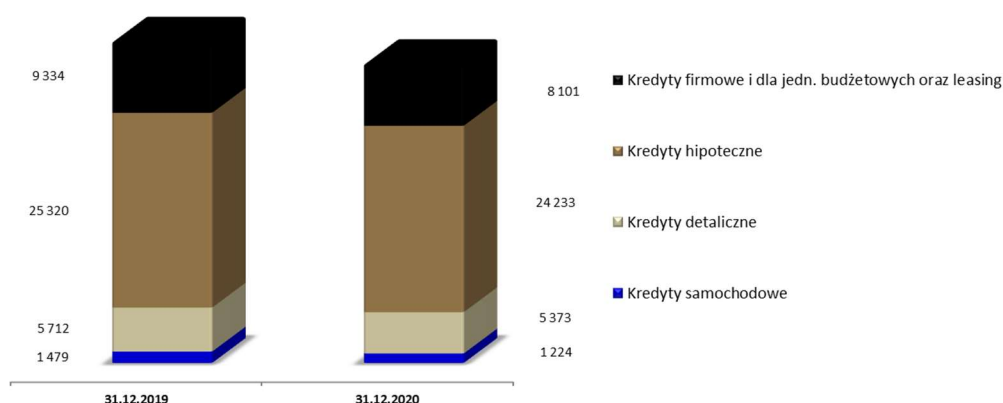
kredyty korporacyjne (w tym leasing)	corporate loans (including leases)
kredyty konsumpcyjne	consumer loans
kredyty samochodowe	car loans

Structure of loan sales in 2020



kredyty samochodowe	car loans
kredyty konsumpcyjne	consumer loans
kredyty korporacyjne (w tym leasing)	corporate loans (including leases)

Gross loan receivables of the Group at the end of 2019 and 2020 (in PLN million)

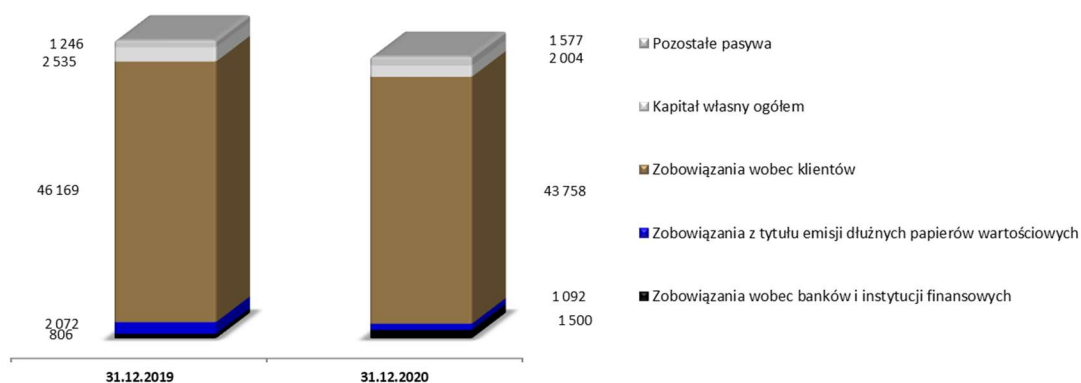


Kredyty firmowe i dla jedn. budżetowych oraz leasing	Corporate loans, loans for state budget entities and leases
Kredyty hipoteczne	Mortgage loans
Kredyty detaliczne	Retail loans
Kredyty samochodowe	Car loans

LIABILITIES

Customer deposits were the primary source of funding for the Group's lending activities at the end of 2020. As at 31 December 2020, amounts due to customers amounted to PLN 43.8 billion and accounted for 87.6% of total assets (down by PLN 2.4 billion year-on-year).

Structure of the Group's liabilities at the end of 2019 and 2020 (in PLN million)



Pozostałe pasywa	Other liabilities
Kapitał własny ogółem	Total equity
Zobowiązania wobec klientów	Amounts due to customers

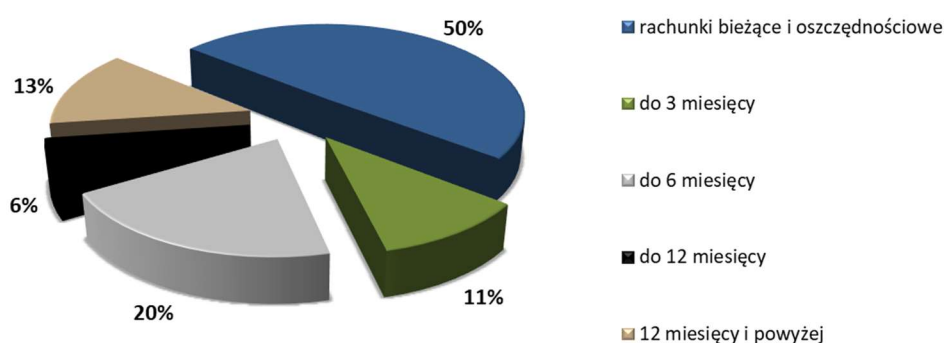
Zobowiązania z tytułu emisji dłużnych papierów wartościowych	Debt securities issued
Zobowiązania wobec banków i instytucji finansowych	Amounts due to banks and financial institutions

Deposit base

In 2020, the balance of amounts due to customers of the Group fell by PLN 2.4 billion (i.e. by 5.2%) to PLN 43.8 billion. Time deposits represent the largest part of amounts due to customers (51.5% of the Group's deposit base). The decrease in the balance of amounts due to customers in 2020 was driven by a decrease in the balance of term deposits by PLN 2.5 billion to PLN 22.5 billion. The balance of customer current and savings deposits increased by PLN 94.2 million to PLN 21.2 billion.

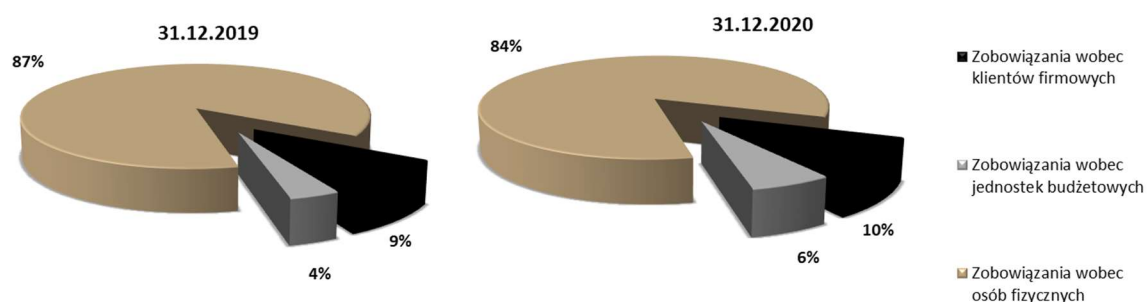
The total cost of acquiring customer deposits was 1.2% in 2020, i.e. down by 0.9 percentage points compared to 2019. On the other hand, the cost of raising new and renewed PLN term funds of retail customers decreased from 1.79% in December 2019 to 0.7% in December 2020, i.e. by 1.1 percentage point.

Structure of customer deposit balances by original maturity as at the end of 2020



rachunki bieżące i oszczędnościowe	current and savings accounts
do 3 miesięcy	up to 3 months
do 6 miesięcy	up to 6 months
do 12 miesięcy	up to 12 months
12 miesięcy i powyżej	12 and more

Structure of amounts due to customers at the end of 2019 and 2020



Zobowiązania wobec klientów firmowych	Amounts due to corporate entities
Zobowiązania wobec jednostek budżetowych	Amounts due to state budget entities
Zobowiązania wobec osób fizycznych	Amounts due to individuals

4.5 Contingent liabilities

As at 31 December 2020, the Bank's liabilities on account of loans granted and loan repayment guarantees issued amounted to PLN 2.0 billion.

Contingent commitments given	31.12.2019	31.12.2020
	PLN '000	PLN '000
Financial commitments	1,857,692	1,869,636
Guarantee commitments	92,523	85,180
Total contingent commitments given	1,950,215	1,954,816

Contingent commitments received	31.12.2019	31.12.2020
	PLN '000	PLN '000
Financial commitments	-	-
Guarantee commitments	70,238	80,981
Total contingent commitments received	70,238	80,981

In 2020 or 2019, the Bank did not issue a surety or guarantee to a single entity or its subsidiaries where the aggregate amount of such sureties or guarantees would represent 10% or more of the Bank's equity.

As at 31 December 2020, the Group's liabilities on account of loans granted and loan repayment guarantees issued amounted to PLN 2.0 billion.

Contingent commitments given	31.12.2019	31.12.2020
	PLN '000	PLN '000
Financial commitments	1,860,409	1,872,971
Guarantee commitments	92,523	84,116
Total contingent commitments given	1,952,932	1,957,087

Contingent commitments received	31.12.2019	31.12.2020
	PLN '000	PLN '000
Financial commitments	12,255	11,572
Guarantee commitments	70,238	80,981
Total contingent commitments received	82,493	92,553

In 2020 or 2019, the Group did not issue a surety or guarantee to a single entity or its subsidiaries where the aggregate amount of such sureties or guarantees would represent 10% or more of the consolidated equity.

5 Financial risk management in the Bank and the Group

The Getin Noble Bank S.A. Capital Group is exposed primarily to risks typical for the operations of universal banks. Therefore, credit risk, liquidity risk, market risk and operational risk management are of key importance in the Group's operations. The compliance risk management also becomes more and more important.

The purpose of risk management is to stabilise the Group's financial performance in the long term and, in the short term, to maintain the expected value of asset quality parameters and the desired structure of balance sheet and off-balance sheet items, as well as the quality of operating processes to maintain the assumed income to risk ratio.

Due to unfavourable development of the credit risk profile, a number of measures have been taken to change the manner the Bank is managed, including strengthening the role of the risk management division in the Bank's structure, including the implementation of a new organizational structure tailored to the scale and type of business, organisational structure, and improvement of risk management processes. The loan portfolio was reviewed based on the assessment of the probability of recovery of non-performing exposures. These activities were accompanied by the intention to build a solid base for the gradual recovery by the Bank of the assumed level of profitability and rebuilding of capital adequacy ratios and their stabilization in the long term at the expected level.

In line with legal obligations, supervisory requirements and good market practice, the Bank's Management Board is responsible for risk management at the strategic level. Objectives in this respect are included in the "Strategy and policy for the management of credit exposure risk of Getin Noble Bank S.A.". Operational risk management is assigned to the committees responsible for recommendations and decisions and for monitoring particular risks. These are:

- Credit Committee,
- Asset and Liability Committee,
- Operational Risk and Process Quality Committee

In addition to the aforementioned tasks related to risk level monitoring, the committees make decisions that determine risk management policies and internal exposure limits for particular risks on an ongoing basis. These tasks are carried out as part of the strategies adopted by the Bank's Management Board, taking into account regulatory requirements, including supervisory limits.

Corporate governance in terms of risk management policy is exercised by the Bank's Supervisory Board. In terms of market risks management, individual Group companies take into account the market regulations and the requirements of the relevant supervisory authorities, especially of the Polish Financial Supervision Authority. Corporate governance in terms of the financial risk management policy is exercised by the supervisory boards appointed within the Group companies.

5.5 Credit risk

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

Getin Noble Bank S.A. manages credit risk in order to build and maintain loan portfolios with a risk level expected by the Bank expressed as averaged risk costs for particular portfolios, understood as a ratio of allowances for expected losses recognised in a given period to the average balance of credit exposures. To this end, the Bank manages credit risk at all stages of life of credit transactions, i.e. at the stage of:

- customer acquisition and lending process,
- monitoring the credit exposures and the financial situation of customers,
- monitoring the risk parameters of individual loan portfolios,
- restructuring and recovery of credit exposures.

The tools for risk management in this area are credit policies, including industry-specific policies, acceptance rules, scoring and rating models used in the decision-making process for transaction selection and creditworthiness assessment, the organisation of the loan granting process, including the rules and decision-making powers included in the operational procedures.

In 2020, further organisational changes were implemented in the Risk Management Division. Within the new unit created, i.e. the Credit Risk Management and Risk Models Department, the area of the Bank's credit policy, risk models, processes and credit regulations for retail and non-retail products was centralised. The regulatory functions of the credit risk area were separated from the tasks related to the issue of credit decisions. The operational risk management tasks were transferred from the Financial Risk Department to the anti-fraud unit for credit and transaction processes. The organisational changes implemented in 2020 further enhanced the effectiveness of operations of individual units in the Risk Management Division, in the process of supporting the achievement of the Bank's strategic objectives.

In 2020, the Bank adjusted its credit policy on an ongoing basis to the materialisation of credit risk levels resulting from previously introduced changes, improvements in the process of assessing customers' creditworthiness or ongoing macroeconomic changes (e.g. progressive reduction of interest rates resulting in the need to ensure the profitability of loans granted or the situation caused by the COVID-19 epidemic). As part of the changes implemented, the Bank's 'risk appetite' in the retail area was updated to bring it in line with the objectives of the financial plan. The risk policy parameters for the most risky segments were significantly tightened by, among other things, significantly increasing the cut-off points in the scoring models in place. A new risk segmentation was implemented at the loan application stage, which differentiates the maximum limit amounts for customers and also serves as a 'risk-based pricing' tool. A maximum available limit for unsecured products in the banking sector has been implemented to mitigate the risk of customer overlending. In the area of corporate risk, changes were introduced in the process of repurchase of lease receivables, and work continued in the area of assessment and monitoring of risk of individual loan portfolios.

The collateral for the portfolio of lease receivables and loan receivables purchased by the Bank from Idea Getin Leasing/ Idea Getin Leasing Automotive was enhanced. A new methodology for risk assessment of leasing companies has been implemented to assess the leasing counterparty of the Bank in the debt purchase process. A new rating methodology has also been implemented to assess the risk of clients engaged in property development activities and preparing financial statements in accordance with the Accounting Act.

Structure and organisation of the credit risk management process

The basic participants of the Bank's credit risk management system include:

Supervisory Board of the Bank

The role of the Supervisory Board is to approve credit risk management strategy and credit policy, perform periodic assessments of the implementation by the Management Board of the objectives of the Bank's credit strategy and policy, supervise the control over the credit risk management system and assess its adequacy and efficiency.

Management Board of the Bank

The Bank's Management Board is responsible for the development, implementation and updates of strategies and procedures related to the credit risk management system as well as the credit policy, periodical reporting to the Supervisory Board on the effects of the implementation of the credit policy and on functioning of the credit risk management system, maintaining communication with the supervisory authorities and reporting to these authorities as well as making available to these authorities all required by law information on credit risk. The Management Board of the Bank is also responsible for the development of the credit risk management system and for overseeing credit risk management in all areas of the Bank's operations. Pursuant to the Management Board's decision, a Credit Committee has been established in the Bank. The Bank's Management Board makes credit decisions regarding exposures in accordance with given decision levels (expressed as the amount of exposure).

Credit Committee of the Bank

The role of the Bank's Credit Committee is to support the Bank's Management Board by fulfilling opinion-making and advisory functions in the process of making credit decisions, or making independent decisions in accordance with the powers granted.

It is also responsible for recommending to the Bank's Management Board system solutions related to the determination of internal limits of exposure to issuers of securities and to other banks. The Credit Committee of the Bank takes the majority of credit decisions and adopts recommendations regarding credit exposures reserved by its size to the discretion of the Bank's Management Board.

Internal audit function

The role of the internal audit function is to control and assess the quality of credit risk management system and to conduct periodic reviews of the credit risk management process in the Bank. The aim of the internal audit function is to identify any irregularities in executing roles and tasks by credit risk management system participants.

Credit risk management strategy and processes

The Bank conducts its lending activities in the following six areas:

- mortgage loans (the Bank does not sell mortgage loans since October 2014),
- unsecured lending to individuals – cash loans, credit cards, overdraft facilities, etc. (retail loans),
- private banking,
- car purchase financing,
- servicing small and medium-sized enterprises and local government units,
- financing of residential and commercial property developers.

The lending strategy for all areas is set out in documents, primarily in the "Strategy and policy for the management of credit exposure risk of Getin Noble Bank S.A.", which set out the principles, guidelines and recommendations regarding issues related to lending activities.

The credit risk policy is subject to reviews and adjustments to external regulations (changes in the legal and regulatory environment), as well as to macroeconomic factors that may, in the Bank's opinion, have an impact on the credit risk increase.

Credit risk in the Bank is managed on the basis of internal procedures concerning risk identification, measurement, monitoring and control. The applied credit risk identification and measurement models are adjusted to the profile, scale and complexity of the risk assumed, however, the Bank intensively implements changes in the applied risk identification and measurement models, consistently implementing the approach based on estimation of expected loss (EL).

Within these business areas, there are procedures for particular credit products. In order to ensure objectivity of credit risk assessment, the sales (customer acquisition) process has been separated in the structures of the trading areas from the process of assessing and accepting customers' credit risk. The assessment and acceptance of individual credit applications and the preparation of recommendations for senior decision-making bodies are the responsibility of specialised risk management staff.

The procedure of making credit decisions is subject to approval of the Bank's Management Board. Credit approval authorities are granted to the Bank's employees on an individual basis, depending on their skills, experience as well as the functions performed. Credit decisions exceeding the authorisation limits granted individually to staff members are made by the Credit Committees operating in the acceptance centres. The Bank's Credit Committee located in the Bank's Head Office is responsible for making credit decisions exceeding the authorisation limits granted to the approval centres. Credit decisions at the highest level of authority are taken by the Bank's Management Board. Any changes to the decision making procedure must be approved by the Bank's Management Board.

In accordance with the consolidation of the relational bank model, the methods applied in the area of loan acceptance will be gradually changed further, aiming at consistent models based on the management of the customer's credit profile instead of the product approach.

Scope and type of risk reporting and measurement systems

The Bank monitors and assesses the quality of loan portfolio on the basis of an internal procedure which includes monitoring the Bank's entire loan portfolio, both by individual units within the trading divisions and by credit risk management units. The results of analyses performed by the above units are presented in periodic reports (monthly, quarterly and half-yearly). Conclusions from such analyses are used for the purpose of ongoing credit risk management at the Bank.

The applied risk monitoring system includes individual risk monitoring (related to particular customers) and overall monitoring of the Bank's entire loan portfolio.

As part of the monitoring of individual risk, the Bank performs periodic assessments of the borrower's financial and economic standing, timeliness of payments to the Bank as well as the value and condition of accepted collateral. Both the scope and the frequency of the above reviews are in line with external regulations and depend in particular on the type of the borrower, the amount of the loan exposure and the form of collateral.

As part of the overall monitoring of the loan portfolio, credit risk management units perform a number of analyses and activities, including:

- monitoring the quality of the Bank's loan portfolio, including large exposures,
- periodic assessments of exposure concentration risk including: industry risk (to determine maximum exposure concentration limits for particular industries), exposure concentration risk to individual entity and groups of related entities (to monitor the so-called large exposures),
- assessing the financial standing of banks-counterparties, determine maximum concentration limits for particular banks,
- performing stress tests for selected product groups,
- submitting periodic management reports to the Supervisory and the Management Board.

The Bank strives to limit the concentration of exposures to individual customers or groups of related customers. The Management Board of the Bank established the concentration limit at more restrictive level than the one required by the CRR Regulation, i.e. 5% of the Bank's own funds, however the sum of all large exposures cannot be higher than 400% of the Bank's own funds. As at 31 December 2019 (except for the exposure to National Bank of Poland and governments, including State Treasury, as well as exposures resulting from interbank market transactions) only exposure to the group of entities related to the Bank by the parent and the exposure to GNB Leasing Plan Ltd. (own securitization exposure) exceeds 10% of the Bank's own funds.

Management of risk of loans denominated in and indexed to foreign currencies

Getin Noble Bank S.A. systematically analyses the effect of changes in foreign exchange rates and interest rates on credit risk incurred in the area of car, mortgage and retail loans. The effect of currency risk on the quality of the portfolio of loans denominated or indexed to foreign currency is examined, and in the case of mortgage-backed exposures, the Bank also analyses the effect of exchange rate changes on the value of exposure collateral.

The Bank carries out stress tests twice a year for mortgage loans and once a year for loans to purchase vehicles and retail loans granted in a currency other than PLN. With respect to analyses and simulations carried out in the stress-test procedure, the Bank takes into account scenarios assuming materialisation of the risk of an increase in exchange rates, risk of interest rate increase, risk of reduction in the value of real property used as collateral for loans granted and increase in unemployment rate on the market. Under the PLN depreciation scenario, the analysis assumes an increase in exchange rates by 10%, 30%, 50% or the maximum increase observed over the last 10 years. Under the interest rate scenario, the analysis assumes an increase by 1, 2, 4 and 6 percentage points, and for the unemployment rate – by 2, 4 and 6 percentage points. In addition, scenarios with a decrease in the value of real property by 5%, 10% and 15% (for mortgage-backed exposures) and, optionally, by any other higher rate determined by the Bank, are taken into account. The Bank considers both individual scenarios (e.g. only the PLN depreciation scenario) and combined scenarios (e.g. interest rate, unemployment and exchange rate increases) under the conservative approach, i.e. assuming no correlation between risks.

Currently, the Bank grants retail loans in the Polish currency only. As regards loans for business entities intended to finance their operations, loans in convertible currencies are granted only to customers who earn revenue from business activities in a given currency or hedge against the currency risk. Currency loans are primarily also granted to finance income-generating real property, due to the specificity of this market, where EUR is still the reference currency.

Policies on the use of collateral and risk mitigation

In order to mitigate credit risk, the Bank applies a wide range of legally permitted collateral, selected based on the characteristics of products and business area. Detailed rules for selection, use and establishment of collateral are contained in internal regulations and product procedures of particular trading areas. The collateral accepted should ensure that the Bank will satisfy itself in the event of the borrower's default under the loan agreement. When selecting the collateral, the Bank takes into account the type and amount of the loan, the lending period, legal status and financial standing of the borrower, as well as the Bank's risk and other threats. Preference is given to collateral in a form that guarantees full and quick recovery of debts through debt collection. Typical forms of collateral required by the Bank are as follows:

For mortgage loans, the basic collateral is a first-rank mortgage over real property, as well as the assignment of rights from the insurance policy against fire and other random events.

When granting loans for the purchase of a vehicle, the Bank requires a registered pledge over the vehicle, partial or total transfer of the ownership right to the vehicle, as well as personal collateral (a blank promissory note, a third party guarantee in the form of a promissory note or a civil-law surety) and the conclusion of insurance agreements (e.g. in the event of the

borrower's death or total disability and the assignment of rights under the insurance policy or the designation of the Bank as the policy beneficiary).

Collateral for consumer loans comprises: an insurance policy and personal collateral (e.g. a third party guarantee in the form of a promissory note or a civil-law surety).

Collateral such as a first-rank mortgage over real property, a registered pledge (over the company's assets or the complete transfer of ownership of the borrower's business or the borrower's or the company's management's personal assets) or a cash deposit or a pledge over cash in an escrow account, are some of the types of collateral used for corporate loans. The Bank also accepts personal collateral (third party guarantee in the form of a promissory note or civil-law surety, blank promissory note) and assignment of receivables.

5.6 Operational risk

Operational risk management definition and objective

Operational risk is the risk of loss resulting from inadequate or failed internal procedures, human and system errors or from external events, including legal risk. The operational risk category does not include strategic risk and reputational risk.

The strategic objective of operational risk management is the optimisation of the internal business and non-business processes, enabling the reduction of costs and losses and the improvement of the operational security and reduction of the reputational risk. Operational risk management is aimed at prevention of threats, effective decision-making, prioritisation and resources allocation, ensuring better understanding of potential risks and its possible adverse effects.

The core operational objective of operational risk management is to strive to identify operational risk and to measure the size and assess its profile as precisely as possible. For this purpose, solutions concerning the model of operational risk measurement and management are being improved, taking into account the Bank-specific factors and parameters of operational risk, i.e. closely related to the Bank's business profile.

Structure and organisation of the operational risk management unit

The following organisational units are actively involved in the operational risk management process:

- all functions and organisational units of the Bank's Head Office, operational units (constituting local organisational units of the Bank);
- related entities – the Bank's subsidiaries;
- third parties – franchise units and agencies.

From a functional point of view, there are two groups of organisational units involved in the process:

- system units – responsible for systemic operational risk management, establishing internal regulations and developing solutions for day-to-day operational risk management, performing also tasks relating to day-to-day operational risk management;
- operational units – involved in day-to-day operational risk management.

In all divisions and at all levels of the Bank's organisational structure, the following groups of units, persons and functions, which are executed at the following three levels, are to be distinguished:

- basic level – units and staff dealing with operational risk management in their everyday activities;
- supervisory level – staff holding managerial positions, performing functional control;
- superior level, functioning in centralized form – its main function is operational risk management. This function is performed by individuals performing the tasks of a separate operational risk management unit – the Operational Risk Management Team, operating within the structure of the Risk Management Division of the Financial Risk Department and the Operational Risk, Quality and Processes Committee.

The leading role in the operational risk management in the Bank is performed by the governing bodies of Getin Noble Bank S.A.: the Supervisory Board and the Management Board.

The activities of the Bank's Management Board, at the operational level, are performed by the Committee for Operational Risk, Quality and Processes – it is responsible for monitoring operational risk, evaluating regulations concerning operational risk management and recommending measures and standards for risk exposure.

The main, superior role in operational risk management in the Bank is performed by designated employees of an independent operational risk management unit – the Operational Risk Management Team which is part of the Risk Management Division of the Operational and Fraud Risk Department.

Operational risk management strategies and processes, and scope and type of risk reporting and measurement systems

Operational risk management is a process which encompasses activities for risk identification, measurement, mitigation, monitoring and reporting. It covers all processes and systems, with particular focus on those related to the performance of banking activities that ensure the provision of financial services to customers.

The Bank manages the operational risk in accordance with the "Operational Risk Management Strategy" established by the Management Board and approved by the Bank's Supervisory Board:

- taking into account the prudential regulations resulting from the Banking Law and relevant resolutions and recommendations of banking supervision authority,
- containing a description of the policies already in place at the Bank and those that are under development and planned for the future.

The existing operational risk reporting and measurement system is supported by an IT system that allows the recording of operational risk events, and the record of the effects of their occurrence. At the same time, it is the base and environment for cross-sectional analysis of operational risk, providing the basis for risk measurement and for the operational risk reporting system which includes reports for internal (management) and external (supervisory) purposes.

The management and supervisory reporting is based on assumptions resulting from:

- guidelines included in the Recommendation M,
- supervisory regulations concerning the rules and methods for announcing qualitative and quantitative information on capital adequacy by banks.

Operational risk measurement includes, among others, the following calculations and estimations:

- own capital required to cover operational risk,
- ratios indicating the level of the Bank's exposure to operational risk, also called the Bank's sensitivity to operational risk,
- aggregate volume of actual losses.

Policies and strategies related to mitigation of operational risk

Depending on the magnitude and profile of operational risk, proper adjusting and preventive activities are applied, which are adequate to the diagnosed risk and ensure the selection and implementation of 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) to ensure the Bank's ability to continue operations at a defined level;
- insurance against the effects of errors or operational events which are not easily predictable and may give rise to significant financial consequences;

- outsourcing of activities.

In addition, in order to secure any processes requiring the transfer of funds, operational risk is mainly mitigated by introducing the four-eyes principle.

Key business processes have been described in appropriate documents – Policies and Procedures. The correctness of business operations is monitored on an ongoing basis, and reports are submitted directly to the Management Board.

The efficiency 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.

5.7 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 the Bank's risk management. The objective of liquidity risk management in the Bank is to ensure the possibility of fulfilment of obligations on a daily basis, the ability to maintain liquidity over a short, medium and long term both under normal conditions and in the case of crisis events.

For effective liquidity management, the Bank adequately shapes the structure of assets and liabilities through the deposit and credit policy, products price structure, etc. In doing so, the Bank takes into account the current, short-term liquidity needs, on the one hand, and the long-term strategy aimed at building the Bank's liquidity profile based on growing and stable sources of funding. This was reflected in the Bank's reconstruction strategy, the important element of which is the implementation of the relational model which will, inter alia, ensure the growth of stable sources of financing in the form of deposits on current accounts and saving accounts of retail customers and the segment of small and medium enterprises, reducing the importance of term deposits in the Bank's financing.

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. These documents define the risk appetite level understood as the expected risk exposure level and the extent of tolerance, i.e. the maximum risk levels that must not 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 strategic and operational level, is aligned with the requirements of Recommendation P of the KNF.

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, macroeconomic situation, level of exchange rates),
- risks arising from internal factors (such as the ability to maintain stable sources of financing, including the ability to renew customer deposits at an acceptable cost, the impact of reducing the creditworthiness on the Bank's liquidity).

Maintaining current, short-, medium- and long-term liquidity is based on the implementation by the Bank of the following objectives:

- maintaining of desired balance sheet structure,
- financing of loans granted by the Bank with own funds and stable sources,
- use of unstable liabilities as a source of financing of easily marketable assets,
- securing quick and easy access to external sources of financing.

Medium- and long-term liquidity management is within the competence of the Bank's Management Board, while the current and short-term liquidity management is the responsibility of the Treasury Department. The consultative and advisory role in the liquidity management process is performed by the Assets and Liabilities Committee which monitors the liquidity risk level on the basis of information prepared by the Financial Risk Department.

The Bank's regulations cover also aspects of the management of intraday liquidity.

The assessment of liquidity risk involves the monitoring of:

- supervisory liquidity standards, including LCR (Liquidity coverage ratio) and NSFR (Net stable funding ratio) ratios,
- internally determined measures of maturity mismatch of assets, balance sheet structure ratios and measures of stability of financing sources,
- results of stress tests taking into account crisis scenarios referring to internal factors as well as factors relating to the situation on the financial markets.

Basic measures, key liquidity measures and the level of utilization of liquidity limits (including compliance with the supervisory liquidity standards and LCR ratio) are subject to daily monitoring and reporting to the Bank's Management Board.

The Financial Risk Department prepares a monthly report summarizing the Bank's liquidity position. The report contains, among others, information about:

- the level of key liquidity ratios (including supervisory measures),
- the structure and level of liquid assets,
- liquidity gap,
- stability of financing sources,
- transactions financing the portfolio of foreign currency loans.

The report is submitted to the Assets and Liabilities Committee and the Bank's Management Board.

Information on the liquidity situation is provided periodically to the Supervisory Board.

To ensure the required level of liquidity, the Bank creates the structure of assets and liabilities in line with the accepted internal limits and the recommendations of NBP and PFSA; for this purpose:

- the Bank maintains liquidity reserves in safe and liquid financial assets,
- the Bank has a possibility of using additional sources of financing such as lombard intraday facilities with the National Bank of Poland,
- lending is financed mainly by own funds and a stable deposit base,
- the Bank is operationally ready to apply to the NBP for a refinancing facility (periodically verifies the available facility amount).

The effectiveness of liquidity risk management (including its hedging) is evaluated on the basis of the level of utilisation of limits on exposure to risk, including supervisory limits.

The Bank carries out simulations of the Bank resilience in case of increased cash outflows (stress tests). The analyses are an important element in the process of asset and liability management. The Bank has a procedure for situation threatening the significant increase in the liquidity risk, entitled "The procedure for the liquidity contingency plan of Getin Noble Bank S.A. in crisis situations".

The procedure sets out, among others, signs of deterioration in the liquidity position of the Bank, the so-called warning and crisis signs, which are intended to indicate potential threats in advance. They are monitored on a daily basis. In the event of

a situation threatening the liquidity of the Bank, the Management Board and the Assets and Liabilities Committee are informed of the occurrence of the threat.

In 2020, the Bank complied with supervisory liquidity security requirements, including compliance with supervisory liquidity standards such as LCR or M3 and M4.

The table below presents the development of supervisory measures of Getin Noble Bank S.A. in the period from 1 January 2020 to 31 December 2020:

Supervisory liquidity measures		Minimum value	31.12.2020	31.12.2019
LCR	Short-term liquidity ratio – Bank	100%	149.1%	161.7%
LCR	Short-term liquidity ratio – Group	100%	157.5%	169.8%
M3	Own funds to non-liquid assets ratio – Bank	1	1.33	1.69
M4	Own funds and stable external funds to non-liquid and limited liquidity assets ratio – Bank	1	1.19	1.19

Customer deposits are the main source of financing lending activities of the Bank; the net loans to amounts due to customers ratio does not exceed 80%, and this level did not undergo significant fluctuations throughout 2020. Approx. 96% of customer deposits are stable sources of financing, with the largest share of retail customers' deposits (currently accounting for 83% of the volume), while stable corporate customers' deposits and local government units' funds supplement the general base of stable funding sources.

Risk monitoring in the Group is carried out through periodic risk measurements on a consolidated basis for the entire Group. The impact of consolidated entities on the level of liquidity risk incurred by the Group is insignificant, but positive (the LCR ratio in consolidated terms is higher than the standalone one).

5.8 Currency risk

The Bank's currency risk results from the negative effects of exchange rate volatility for the financial results. The basic objective of currency risk management is to shape the structure of the Bank's currency position in order to minimize sensitivity to exchange rate volatility. The tool serving this purpose is a system of monitoring internal limits and prudential standards resulting from supervisory regulations. The Bank's currency position arises from transactions entered into with the Bank's customers. The Bank does not carry trading positions related to currency risk.

The Treasury Department monitors the level of the open currency position on an ongoing basis and regulates its size through FX transactions concluded on the interbank market. These are predominantly spot transactions. In addition, the Bank enters into derivative transactions within internal limits. A separate issue is the management of currency risk resulting from the existing portfolio of mortgage loans indexed to CHF and EUR. In this respect, the volatility of cash flows of these portfolios is hedged by the portfolio of CIRS transactions. The effect of this hedge is reflected in the Bank's accounting books with the application of hedge accounting, observing the necessary cash flow adjustment regime and their valuation.

The analysis of the Bank's exposure to currency risk takes place on the basis of market-based methods based on estimation of the impact of volatility on profit or loss and on the use of the Bank's own funds. The basic methods in this area include:

- measurement of the Value of Risk (VaR),
- stress tests,
- analysis of the size of the currency position in relation to own funds and calculation of the capital requirement for covering currency risk.

The Bank's exposure to currency risk and the calculation of the capital requirement necessary to cover currency risk is carried out daily and is part of a daily set of management information provided to the Bank's management, including the Management Board. The Financial Risk Department provides a full set of information on currency risk to the Assets and Liabilities Committee. The report contains, among other things, information on the size of the Bank's currency positions in particular currencies, the size of risk measures and the degree of utilisation of limits on open currency positions.

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

The total currency position and within the key currencies is presented in the table below:

Bank	31.12.2020		31.12.2019	
	amount PLN '000	% of own funds	amount PLN '000	% of own funds
USD	687	0.02	(1,425)	0.03
EUR	1,899	0.06	(1,660)	0.04
CHF	5,269	0.17	4,990	0.12
Total currency position*	10,235	0.33	7,185	0.17

Group	31.12.2020		31.12.2019	
	amount PLN '000	% of own funds	amount PLN '000	% of own funds
USD	928	0.03	(1,324)	0.03
EUR	1,970	0.06	(1,629)	0.04
CHF	5,269	0.17	4,990	0.12
Total currency position*	10,561	0.34	7,185	0.17

* Total position – sum of long positions (excess of "+" assets) or short positions (with "-") for all currencies (depending on which absolute figure is higher).

Analysis of sensitivity to currency risk

Getin Noble Bank S.A. prepares an analysis of the Bank's sensitivity to currency risk on a daily basis and an analysis of the Group's sensitivity to currency risk on a quarterly basis.

VAR (1D, 99.9%)	31.12.2020 PLN '000	31.12.2019 PLN '000
Currency risk – Bank	468	66
Currency risk – Group	484	66

This method is based on the value-at-risk (VaR) model and consists in examining, with 99.9% probability, the amount of the maximum loss that the Bank may incur on a single day from the valuation of a currency position (as a result of changes in exchange rates), assuming normal market conditions. The volatility used in the model is calculated using exponentially weighted moving average (EWMA) of daily relative changes in exchange rates over the last 251 business days. A time series of the same length has been used to determine the correlation matrix between particular exchange rates. The VaR measure does not express the absolute maximum loss to which the Bank is exposed. VaR is a measure that determines the level of risk at a given moment in time, reflecting the positions for a specific moment, which do not have to reflect the risk of the Bank's position at another point in time and is a tool for the current management of the currency position.

In 2020, the share of total currency position (the higher of the sum of net long positions or short positions in individual currencies) in the regulatory own funds of the Group amounted to 0.14% of the funds, whereas the maximum share in 2020

was 0.57% of the funds. The Bank does not hold open currency positions at a level which would generate significant currency risk in any of the currencies.

5.9 Interest rate risk

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

The Bank's primary objective in interest rate risk management in the banking book is to mitigate the risk of decrease in the expected interest income due to changes in market interest rates and to maintain the value of open balance sheet and off-balance-sheet items exposed to changes in market interest rates within the limits that do not pose a threat to the Bank's security.

The main objective of the Bank in the area of interest rate risk management in the trading book is to generate an additional gain on the portfolio of financial instruments by using projected changes in the level of market interest rates within the limits of the rights held and the limits granted. The scale of the Bank's operations in the trading book is insignificant.

The interest rate risk management boils down to minimising the risk of negative impact of the fluctuation of the market interest rates on the Bank's financial situation by, without limitation:

- setting and observing limits reducing the acceptable level of interest rate risk,
- preparing periodic analyses examining the level of interest rate risk and sensitivity of profit or loss to interest rate changes,
- entering into transactions limiting risk exposure (derivatives, sale/purchase of fixed coupon securities).

The effectiveness of risk management (including its hedging) is evaluated on the basis of the level of utilisation of limits on exposure to risk.

The Bank complies with the EBA guidelines on the management of interest rate risk arising from non-trading activities.

Interest rate risk is monitored, among others, through:

- analysis of assets, liabilities and off-balance sheet items sensitive to changes in interest rates broken down into currencies, according to the repricing of interest rates,
- analysis of underlying risk, profitability curve risk and customer option risk,
- testing the sensitivity of profit or loss to changes in interest rates (EaR method),
- analysis of exposure of the economic value of equity (EVE method),
- analysis of value at risk of the Bank's portfolio related to market valuation (VaR method) and backtesting of VaR model,
- stress tests showing the susceptibility of the Bank to losses in case of unfavourable market conditions or in case the key assumptions of the Bank become invalid,
- analysis of changes in the interest margin and its impact on the Bank's profit or loss.

The process of managing and measuring interest rate risk, its control and monitoring is supported by a number of IT tools whose key element is the Market Analysis and Liquidity Risk System (SARRP).

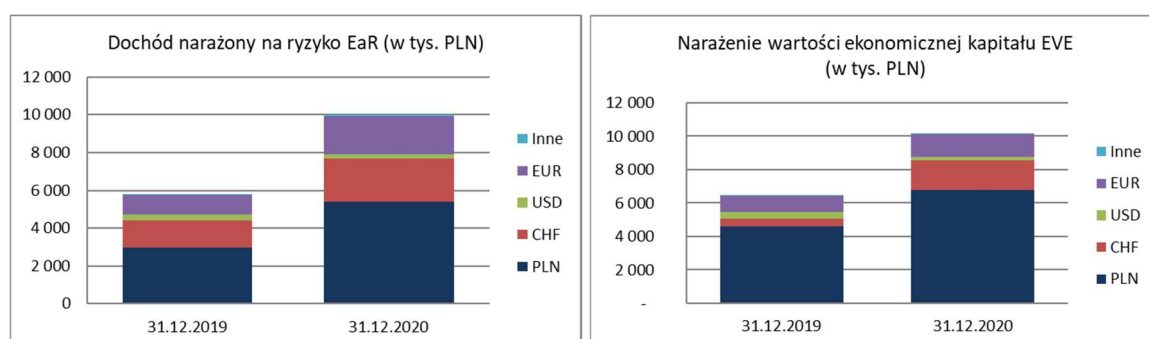
The Financial Risk Department monitors interest rate risk parameters and provides a full set of information on interest rate risk to the Assets and Liabilities Committee. The report contains, among other things, information on the size of risk measures and the degree of utilisation of individual internal limits.

Analysis of sensitivity to interest rate risk

The EaR measure represents a potential change in the Bank's net interest income (sensitivity of profit or loss) over the next 12 months if interest rates change by 25 basis points (parallel shift of the yield curve) for all currencies (according to the exposure direction for particular currencies).

The EVE measure represents a potential change in the Bank's economic value of equity if interest rates change by 25 basis points (parallel shift of the yield curve) for all currencies (according to the exposure direction for particular currencies).

At 31 December 2020, the risk measures for the Bank are as follows:



Dochód narażony na ryzyko EaR (w tys. PLN)	EaR (earnings at risk) (PLN '000)
Inne	Other
Narażenie wartości ekonomicznej kapitału EVE (w tys. PLN)	Exposure of the economic value of equity (EVE) (PLN '000)

When measuring its exposure to interest rate risk, the Bank takes into account the impact of assumptions regarding deposits with an unspecified maturity, i.e. current deposits, by estimating the level of core deposits held on those accounts. The maturity/ revaluation date for such items is modelled on the basis of models specific to these balance sheet items.

The Bank tests changes in the structure of receivables and liabilities by taking into account the risk of the customer options (increased level of early repayments of fixed-rate loans or increased withdrawal of deposits - depending on the exposure direction) and potential changes in the Bank's income and changes in the economic value of the portfolio assuming "shocking" changes in interest rates, for the revised structure of the portfolio. As regards assumptions concerning changes in interest rates, the Bank adopts the following options:

- parallel shifts in the yield curve,
- different nature of changes in the shape of the yield curve.

In addition, the Bank carries out quarterly supervisory stress tests as set out in EBA/GL/2018/02 guidelines, involving a parallel shift by +/- 200 basis points (the so-called "standard supervisory shock") and six specific EBA supervisory scenarios with different nature of yield curve changes.

At 31 December 2020, the economic value of the Bank's portfolio was exposed to the risk of a decrease in interest rates (for significant currencies), the amounts of potential losses (for the options: +/- 100 and +/- 200 bp.) are as follows:

Change in interest rates	31 December 2020
	PLN '000
+/- 1 pp	(33,392)
+/- 2 pp.	(59,873)

The impact of consolidated entities on the level of interest rate risk incurred by the Group is insignificant.

5.10 Capital management

Capital strategy

The primary objective of the capital management strategy in the Getin Noble Bank S.A. Group is to ensure an appropriate level and structure of equity and own funds in relation to risk exposure. As part of a long-term capital development strategy, the Bank strives to achieve set goals in terms of safety and profitability of its operations and adjusts the level of equity to the profile, scale and complexity of risk to which it is or may be exposed in the future.

Capital management in the Bank and the Group consists in defining capital objectives for risk appetite, the desired capital structure and funding structure, monitoring the achievement of the objectives set and the level of capital adequacy ratios and defining threshold values beyond which capital emergency measures are implemented.

The long-term capital targets are currently defined in the Getin Noble Bank S.A. Group Recovery Plan and reflect the Bank's aspirations to restore capital adequacy, i.e. to achieve capital ratios above the minimum supervisory standards taking into account the combined buffer requirement and individual capital add-ons. In terms of the preferred capital structure, the Bank assumes having a structure with the largest share of Tier 1 core funds.

Equity

The Group's equity decreased year-on-year by (-)21%. The decrease in equity was mainly driven by the loss for 2020 in the amount of PLN 557 million.

Getin Noble Bank S.A. Capital Group	31.12.2020	31.12.2019
	PLN '000	PLN '000
Share capital	2,851,630	2,851,630
Retained earnings	(546,572)	(259,987)
Net profit/ (loss)	(559,389)	(591,551)
Other components of equity	258,608	534,857
Total equity	2,004,277	2,534,949

Minimum capital ratios

The capital requirements that are obligatory for banks in 2020 are determined by the following components:

- minimum capital ratios determined in the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR),
- combined buffer requirement determined in the Act of 5 August 2015 on Macroprudential Supervision over the Financial System and on Crisis Management in the Financial System,
- additional individual capital add-ons for risks arising from a portfolio of housing loans in foreign currency, as determined by supervisory authorities.

Minimalne współczynniki kapitałowe **	2019*			2020		
	TCR	T1	CET1	TCR	T1	CET1
1. CRR	8,00%	6,00%	4,50%	8,00%	6,00%	4,50%
2. bufor systemowy	3,00%	3,00%	3,00%	0,00%	0,00%	0,00%
3. bufor zabezpieczający	2,50%	2,50%	2,50%	2,50%	2,50%	2,50%
4. indywidualny domiar	1,32%	0,99%	0,74%	1,36%	1,02%	0,76%
5. bufor OSII	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
razem 1+2+3+4+5	14,82%	12,49%	10,74%	11,86%	9,52%	7,76%

Minimalne współczynniki kapitałowe**	Minimum capital ratios**
1. CRR	CRR
2. bufor systemowy	systemic buffer
3. bufor zabezpieczający	safety buffer
4. indywidualny domiar	individual add-on
5. bufor OSII	OSII buffer
razem 1+2+3+4+5	total 1+2+3+4+5
TCR	TCR
T1	T1
CET1	CET1

* The values presented for 2019 are the values given on the basis of the CRR, taking into account the combined buffer requirement and individual add-on, i.e. a system comparable to 2020.

**The legal bases for the individual components of the minimum level of capital ratios are as follows:

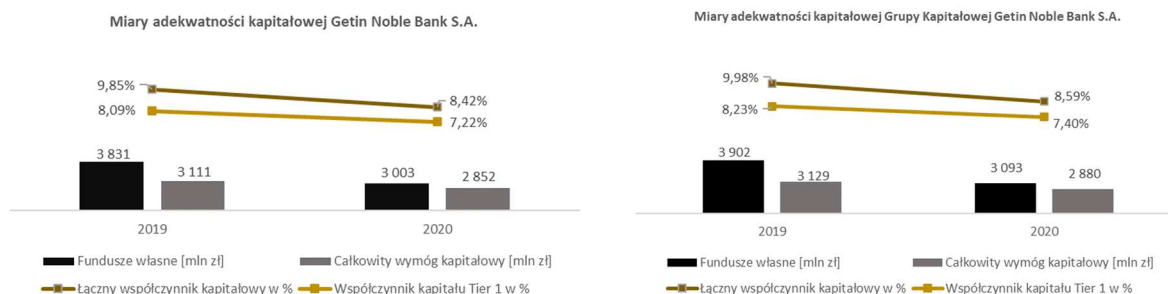
1. in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR);
2. in accordance with the Regulation of the Minister of Development and Finance of 1 September 2017 regarding the Systemic Risk Buffer – from 1 January 2018 banks shall have a systemic buffer at the level of 3%;
3. in accordance with the Act of 5 August 2015 on Macroprudential Supervision over the Financial System and on Crisis Management in the Financial System – the safety buffer is 2.5% - this is the target level as of 1 January 2019;
4. in accordance with the PFSA's decision of 20 November 2020, the additional capital requirement to cover risk arising from mortgage-backed foreign currency loans and advances to households was increased from 1.32% to 1.36%, i.e. by 4 basis points (the requirement is to be composed of at least 75% Tier 1 capital and at least 56% Common Equity Tier 1 capital).
5. in accordance with the PFSA's decision of 31 July 2018, the PFSA's earlier decision identifying Getin Noble Bank S.A. as a systemically important institution was revoked in its entirety.
6. In accordance with the Regulation of the Minister of Finance of 18 March 2020, repealing the Ordinance on the systemic risk buffer, the systemic risk buffer is 0%.

At the end of 2020, the minimum required capital ratios for the Group were as follows: TCR – 11.85%, T1 – 9.51%, CET1 – 7.76%.

Capital adequacy measures

As at 31 December 2020, capital adequacy measures were calculated based on the provisions of the CRR, including the principles of prudential consolidation.

At the end of 2020, the total capital ratio of the Capital Group amounted to 8.59%, which means a decrease by (-)1.38 pp. in annual terms, while the Tier 1 capital ratio amounted to 7.40% (down by (-)0.82 pp y/y). The capital ratios for the Bank amounted to 8.42% and 7.22%, respectively.



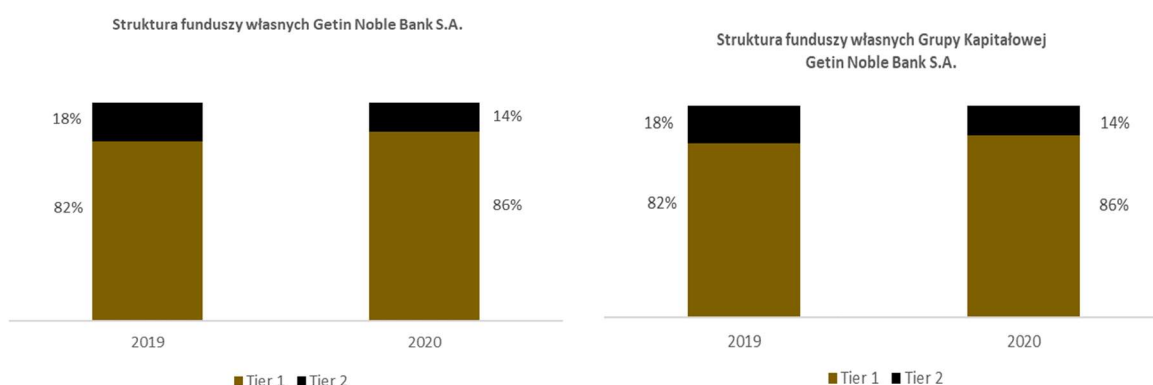
Miary adekwatności kapitałowej Getin Noble Bank S.A.	Capital adequacy measures of Getin Noble Bank S.A.
Miary adekwatności kapitałowej Grupy Kapitałowej Getin Noble Bank S.A.	Capital adequacy measures of Getin Noble Bank S.A. Capital Group
Fundusze własne [mln zł]	Own funds [PLN million]
Całkowity wymóg kapitałowy [mln zł]	Total capital requirement [PLN million]
Łączny współczynnik kapitałowy w %	Total capital ratio in %
Współczynnik kapitału Tier 1 w %	T1 Capital ratio in %

Bank (PLN million)	2019	2020
Credit risk	2,933	2,691
Operational risk	171	153
Market risk	0	2
CVA	7	6
Total capital requirement	3,111	2,852

Group (PLN million)	2019	2020
Credit risk	2,939	2,708
Operational risk	180	161
Market risk	3	5
CVA	7	6
Total capital requirement	3,129	2,880

As part of the capital requirement, the dominant position (94% of the total capital requirement of the Bank and the Group) is the requirement for credit risk. In 2020, the Group's and the Bank's capital requirements decreased by approx. (-)8%, which was mainly the result of a declining loan portfolio.

The Group's and the Bank's capital structure is dominated by Tier 1 Capital and its share in 2020 increased by 4 percentage points for the Bank and the Group mainly due to a reduction in Tier 2 Capital due to the scheduled redemption and amortisation of further tranches of subordinated debt (with no new issues).



Struktura funduszy własnych Getin Noble Bank S.A.	Structure of own funds of Getin Noble Bank S.A.
Struktura funduszy własnych Grupy Kapitałowej Getin Noble Bank S.A.	Structure of own funds of Getin Noble Bank S.A. Capital Group

The following events had impact on the capital situation of the Group and the Bank in 2020:

- the effects of the ongoing COVID-19 coronavirus pandemic, including in particular the reduction in income potential resulting from the decisions to cut interest rates taken by the Monetary Policy Council in 2020, as well as the appreciation of the Swiss franc which directly translated into an increase in the valuation of some of the Bank's risk-weighted assets;
- increase in amortisation of the impact of IFRS 9 implementation;
- recognition of additional portfolio provision for legal risk associated with mortgage loan agreements indexed to CHF;
- reduction of the amount of subordinated debt included in Tier 2 capital in accordance with the redemption and amortisation schedule of the successive tranches;
- an increase in the individual capital add-on for risk for foreign currency housing loans (increase in the minimum required total capital ratio by 4 basis points);

As at the end of 2020, the Bank (and the Group) did not meet the combined buffer requirement. The actual values of capital ratios in relation to the combined buffer requirement and the capital gap are presented in the table below.

CAPITAL RATIOS	2020-12-31		Gap in p.p.
	Combined buffer requirement	Actual	
BANK			
CET1 Capital ratio	7.76%	7.22%	-0.54 p.p.
T1 Capital ratio	9.52%	7.22%	-2.30 p.p.
Total capital ratio	11.86%	8.42%	-3.44 p.p.
CAPITAL RATIOS	2020-12-31		Gap in p.p.
	Combined buffer requirement	Actual	
GROUP			
CET1 Capital ratio	7.76%	7.40%	-0.36 p.p.
T1 Capital ratio	9.51%	7.40%	-2.11 p.p.
Total capital ratio	11.85%	8.59%	-3.26 p.p.

Due to the existence of capital shortfalls in relation to the combined buffer requirement, the Bank prepared the "Getin Noble Bank S.A. Group Recovery Plan", which was adopted by the Bank's Management Board and Supervisory Board in December 2019 and approved by the PFSA and launched in January 2020.

Measures aimed at increasing the capital base

The recovery measures implemented in connection with the launch of the Recovery Plan are focused on restoring financial efficiency, the Bank's organic growth and returning to a path of sustainable profitability. Moreover, the Bank will take appropriate measures to increase the capital ratio level. The Bank assumed that the recovery measures taken as part of the Group Recovery Plan in order to return to sustainable profitability and to reach required capital ratio levels will be performed until the end of 2024. In view of the negative impact of the COVID-19 pandemic (both on financial markets and the economy as well as directly on GNB S.A.'s business), the Bank has revised the objectives of the Recovery Plan with respect to, among other things, financial projections in the baseline and shock scenarios and the recovery options, aligning the objectives of the Recovery Plan with the current market situation and the Bank's financial position, as well as with the NBP's assumed macroeconomic projections for the coming periods. On 15 January 2021, the Bank submitted an application to the Polish Financial Supervision Authority with an update of the Group Recovery Plan of Getin Noble Bank S.A. Group, requesting, pursuant to Article 141q(1) of the Banking Law, the Polish Financial Supervision Authority's approval of the aforementioned document.

The administrative proceedings of the PFSA on the application submitted by the Bank are currently underway.

Capital adequacy assessment (ICAAP)

The objective of capital management and internal capital assessment in the Bank is to adjust the capital base to the size and profile of risk occurring in its operations.

Capital management consists of the following stages:

- defining risk appetite and desired capital targets and threshold values for capital adequacy measures,
- defining the development of financing sources and the role of growth in own funds in financing long-term assets in the strategy,
- identification and monitoring of significant risks and their inclusion in the Bank's risk map,
- measurement of significant risks and estimation of internal capital to cover them,
- determining the level of total internal capital,
- monitoring, reporting and forecasting in terms of capital adequacy measures,
- defining of the catalogue of activities undertaken as part of the capital emergency plan,
- managing the risk of excessive financial leverage,
- stress tests and sensitivity analyses in the area of capital adequacy,
- analysis in the scope of capital allocation for product and business segments,
- analysis of the return on equity.

The Bank's internal capital, calculated on the basis of the internal capital assessment procedure, was at the end of 2020 at a level lower than the Bank's regulatory funds. Under Pillar II the Bank uses its own models of assessment and evaluation of internal capital, including the capital for additional risks in relation to Pillar I (liquidity risk, financial result risk, reputation risk, capital risk).

Subsidiaries

The capital management, in accordance with regulatory requirements, is in place also on the subsidiary level at Noble Securities S.A.

Noble Securities S.A., as a brokerage house, is obliged to maintain capital requirements in accordance with the Act of 29 July 2005 on financial instrument trading and the CRR Regulation on prudential requirements for credit institutions and investment firms. The company controls financial liquidity and capital adequacy ratios on an ongoing basis. All significant

financial information, including information regarding to financial liquidity and capital adequacy, is submitted to the Supervisory Board of Noble Securities S.A. Information on the level of own funds is submitted to the Polish Financial Supervision Authority. As at 31 December 2020, the company's own funds and common equity Tier 1 capital stood at PLN 66,667 thousand. Statutory minimal initial capital of Noble Securities S.A. amounts to PLN 3,305 thousand. Moreover, as at 31 December 2020 the company set the total risk exposure in the amount of PLN 280,015 thousand and calculated total capital requirement (requirement due to so-called II Pillar) in the amount of PLN 36,956 thousand. As at 31 December 2020 the company had not any additional Tier 1 capital and Tier 2 capital. The level of own funds of Noble Securities S.A. as at 31 December 2020 was higher than internal capital, Tier 1 common equity ratio was higher than 4.5%, Tier 1 capital ratio was higher than 6%, total capital ratio was higher than 8%, which means that the company complied with capital adequacy requirements.

6 Prospects and growth factors for the Bank and the Group

The Group's future performance will depend on both internal and external factors. The Bank's and Group's activities will focus on the implementation of the objectives and tasks specified mainly in the Recovery Plan.

6.1 External factors

- COVID-19 pandemic – the risk associated with COVID-19 had an impact on the Group's operations in 2020 and will have an impact on the Bank's financial standing in the future, with the scale of this impact depending in particular on how the COVID-19 risk will affect:
 - changes in the Bank's environment affecting its income potential – including: administrative decisions, changes in the legislative and macroeconomic environment, situation on financial markets (including currency markets), changes in the Bank's customers' behaviour, both in deposit and credit areas, and changes in demand for banking services (including demand for credit products);
 - costs of operations – including labour costs (availability and costs of staff resources) and costs of services (availability and prices of services provided to the Bank by third parties);
 - quality of the loan portfolio – changes in the functioning of the economy as a result of the pandemic may cause higher unemployment and deterioration of the financial condition of entrepreneurs and businesses, which may be reflected in the deterioration of quality of banks' loan portfolio;
 - financial standing of entities related to the Bank, including in particular entities in respect of which the Bank has capital exposure.

Moreover, high level of uncertainty as to the actual impact of the coronavirus epidemic on the economy may have an impact on other factors not mentioned in this Report.

- Regulatory environment – the following factors may have a significant impact on the Group's performance (and the banking sector as a whole):
 - Solutions concerning portfolios of foreign-currency mortgage loans – The key risks associated with the portfolio of mortgages indexed to foreign currencies include first and foremost the risk associated with the increasing number of lawsuits brought against the bank by borrowers, which occurs basically throughout the banking sector, credit risk arising from this problem and the risk of refinancing the currency position in the Swiss franc (CHF). The Bank identifies the legal risk of the CHF portfolio, which arises primarily from the inconsistent case law of Polish courts to date in cases involving these loans. Due to the allegations changing over the past years and

arguments of borrowers, the statements of the judicature on the issue of loans indexed with the Swiss franc (CHF) exchange rate are very diverse. The judgment of the Court of Justice of the European Union ("CJEU") of 3 October 2019 in Case C-260/18 (Dziubak), issued in response to preliminary questions raised by a Polish court hearing an action brought by a borrower holding a CHF-indexed loan granted by one of the banks in Poland, has not removed the existing divergence in case law. The CJEU judgment turned out to be so vague and ambiguous that the Polish courts not only have not yet developed a uniform view on its implications, but have also submitted another 7 questions to the CJEU for a preliminary ruling on the issue in question, which fully confirms the possibility of presenting different legal views on this background. It should be added that, according to the official position of the First President of the Supreme Court, the complexity of the issue of the so-called Franc loans is so great that it is difficult to formulate the relevant legal issues so that their resolution would be of real help to the courts in resolving Franc disputes. At the same time, a ruling is awaited from the Civil Law Chamber of the Supreme Court which, on 25 March 2020, is expected to decide on a number of issues relevant to these loans from the Bank's point of view, including the possibility of converting a CHF loan into a PLN loan while retaining LIBOR as the interest rate base or the possibility for banks to charge a fee for the use of principal in the event of cancellation of the agreement. The solutions reached on the above issues will have a significant impact on the Bank's performance and capital ratios.

- Implementation of European regulations concerning MREL (minimum requirement for own funds and eligible liabilities) – as of 2024, banks will be required to maintain an adequate level of bank resolution facilities so that their insolvency will not endanger the financial system. MREL comprises own funds and eligible liabilities subject to cancellation or conversion that can be converted into capital in the event of a bank resolution. Final work is currently underway on the legal regulation of MREL. The need for banks to issue significant volumes of eligible liabilities may adversely affect both individual financial institutions and the sector as a whole.
- Macroeconomic environment – In the coming months, the macroeconomic environment will be influenced mainly by the development of the COVID-19 pandemic and measures to limit its impact; the level of GDP change, the unemployment rate, deterioration of prospects for global and domestic economic situation may result in reduced customer activity and reduced sales of banking products, and consequently impact the Bank's business and financial performance.
- Currency market – the Bank holds a portfolio of foreign currency loans and CHF-indexed loans and is thus sensitive to fluctuations in the exchange rate of this currency. Changes in foreign exchange rates may have an adverse impact on the Bank's financial performance and capital adequacy.
- Financial market – further declines in interest rates may exacerbate the negative impact of the interest rate cuts already introduced in 2020 on financial performance and the level of customers' willingness to save in banks, as they may, for example, choose to invest their savings in investment funds managed by Investment Fund Management Companies or use other forms of investing available funds.
- Cost of acquiring deposits – in the event of any actions by competitors to make the interest rates on customer deposits offered more attractive, the need to align the pricing policy with the practices of competing banks could adversely affect the Bank's financial performance.
- The activities of the Group's companies are strongly linked to the sentiment prevailing on both Polish and foreign markets. Negative customer attitudes towards investments in the capital market and a reduction in margins due to significant competition among Brokerage Houses and Investment Fund Companies, may have a negative impact on the companies' business and financial performance.

6.2 Internal factors

Getin Noble Bank S.A. is in the process of implementing the Getin Noble Bank S.A. Group Recovery Plan approved by the Polish Financial Supervision Authority in January 2020. The primary objective is to ensure the Bank's return to sustainable positive profitability by building a relationship-based Bank and achieving a stable level of net profit generation. The main objectives of the programme, which depend on the Bank's internal factors, will be implemented by GNB during the period covered by the Recovery Plan, i.e. the assumed directions of development, improvement of the return on banking activities, development of the capital base. The essence of the Recovery Plan implemented by the Bank is the implementation of the recovery options indicated in the Recovery Plan and the achievement of the ratios (capital, profitability and liquidity) indicated in the Recovery Plan at optimal levels, including capital ratios that meet the combined buffer requirements.

The transformation of Getin Noble Bank S.A., which is being implemented, mainly comprises redevelopment of retail banking, changing the structure of the loan portfolio, striving to maintain the leading position in the segment of car loans and leases, as well as further digitalization of services.

7 Corporate governance

The Corporate Governance Rules determining the guidelines for the operation of the bodies of Getin Noble Bank S.A. (hereinafter: "Getin Noble Bank", the "Bank", the "Issuer"), including in relation to its stakeholders, result from the statutory regulations, in particular the Code of Commercial Companies and the Banking Law, regulations governing the functioning of the capital market and the principles set forth in the following documents: "Best Practice for WSE Listed Companies 2016" and "Principles of Corporate Governance for Supervised Institutions" issued by the Polish Financial Supervision Authority on 22 July 2014.

7.1 Compliance with best practices

Corporate governance rules laid down in the "Best Practice for WSE Listed Companies 2016"

In 2020, Getin Noble Bank complied with the principles of corporate governance contained in the document "Best Practice of WSE Listed Companies 2016" ("Best Practice 2016") introduced by Resolution No 26/1413/2015 of the Supervisory Board of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) of 13 October 2015, except for the recommendations described below which were not applied by the Bank.

The document can be accessed on the website of the Warsaw Stock Exchange at <https://www.gpw.pl/dobre-praktyki>.

IV.R.3. Where securities issued by a company are traded in different countries (or in different markets) and in different legal systems, the company should strive to ensure that corporate events related to the acquisition of rights by shareholders take place on the same dates in all the countries where such securities are traded.

The securities issued by the Company are not traded in different countries (or markets) or in different legal systems.

Due to the fact that the GPW Rules in par. 29 point 3 obliges companies to publish a report only if a specific rule and not a recommendation is not applied incidentally or continuously in a deliberate manner, on 1 January 2020 the Bank was not obliged to publish a report on non-compliance with any of the recommendations. The Bank's website provides information on the status of the Bank's application of the recommendations and principles contained in the Best Practice 2016 (<http://www.gnb.pl/lad-korporacyjny>) each year. This information, prepared on the form set by the GPW, indicates the detailed status of compliance or non-compliance with each of the recommendation and principle and is directly applicable to the rule I.Z.1.13.

Principles of corporate governance for supervised institutions issued by the Polish Financial Supervision Authority

By Resolution No 218/2014 of 22 July 2014, the Polish Financial Supervision Authority adopted the *Principles of corporate governance for supervised institutions* (hereinafter: "Principles"). According to the Authority's expectations, compliance analysis was carried out in the Bank, as a result of which, where necessary, actions were taken to adapt the internal regulations to the requirements set by the Supervision Authority. Consequently, all governing bodies of the Bank adopted resolutions on the application of said principles to the extent required by them (Resolution XXII/12/05/2015 of the General Meeting of 12 May 2015, Resolution 125/2014 of the Supervisory Board of 23 December 2014 and Resolution 2556/2014 of the Bank's Management Board of 10 December 2014).

In 2020, the Bank, in view of the special conditions resulting from the spread of the COVID-19 coronavirus pandemic, decided to allow the Bank's shareholders to participate in the General Meetings by means of electronic communication, which includes:

- a) real-time transmission of the session to the Internet public network,
- b) real-time bilateral communication of all persons participating in the General Meeting, enabling the persons to take the floor during the General Meeting session while staying in a location other than the General meeting venue,
- c) voting in person or by proxy at the General Meeting.

The above solution is regulated in the Regulations for participation in the General Meeting by means of electronic communication adopted by resolution of the Bank's Management Board No 209/2020 of 29 April 2020 and approved by resolution of the Supervisory Board No 50/2020 of 29 April 2020.

The above implies the Bank's implementation in 2020 of the regulation described in §8(4) of the Principles, i.e:

When it is justified by the number of shareholders, the regulated entity should seek to facilitate participation of all shareholders in the meetings of its governing bodies, including by ensuring the possibility to actively participate in the meetings using electronic means.

The Code of Banking Ethics (Principles of Good Banking Practice)

Notwithstanding the principles of corporate governance, the Bank, in order to manage values consistently and uniformly within the capital group, also adheres to the provisions of good practices developed by the Polish Bank Association in the form of the Code of Banking Ethics (Principles of Good Banking Practice), adopted at the 25th General Meeting of the Polish Bank Association on 18 April 2013. This document is a set of rules of conduct that apply to banks, their employees and persons through whom they carry out banking activities. The Code of Banking Ethics is available on the website of the Polish Bank Association: <https://www.zbp.pl/dla-klientow/poradniki-i-rekomendacje>.

The Bank's shareholders with major shareholding

In accordance with information available to the Bank, the ownership structure of major holdings of the Bank's shares as at the date of submission of the Directors' Report was as follows:

	Number of shares held	Number of votes at GM	Ownership interest (%)	% of votes at GM
LC Corp B.V.	499,731,696	499,731,696	47.84%	47.84%
Leszek Czarnecki (directly) ¹⁾	88,208,870	88,208,870	8.44%	8.44%
Getin Holding S.A.	66,771,592	66,771,592	6.39%	6.39%
Other shareholders	389,841,109	389,841,109	37.33%	37.33%
Total	1,044,553,267	1,044,553,267	100.00%	100.00%

¹⁾ Mr Leszek Czarnecki holds directly and indirectly 655,728,249 shares of the Bank representing 62.77% of the share capital and 62.77% of the total number of votes at the General Meeting. To the best of Mr Leszek Czarnecki's knowledge, his subsidiaries hold the following volumes of shares in the Bank: LC Corp B.V. – 499,731,696 shares, Getin Holding S.A. – 66,771,592 shares, Jolanta and Leszek Czarnecki Foundation – 979,541 shares, Idea Money S.A. – 2,600 shares, RB Inwestcom Sp. z o.o. – 33,950 shares.

The share capital of the Bank amounts to PLN 2,851,630,418.91 and is divided into 883,381,106 series A shares, 18,315,019 series B shares, 69,597,068 series C shares, 36,630,037 series D shares and 36,630,037 series E shares with a nominal value of PLN 2.73 each. All shares are book-entry ordinary bearer shares introduced and admitted to trading on the regulated market operated by the Warsaw Stock Exchange S.A. Each share carries one vote at the General Meeting.

In 2020, the Issuer did not increase its share capital or introduce any shares to organised trading.

Special rights and restrictions concerning the Issuer's securities

All shares in Getin Noble Bank S.A. are ordinary bearer shares and do not carry any special control rights.

The Bank's Articles of Association do not impose any restrictions on voting rights, such as limitation of the voting rights of holders of a given percentage or number of votes, time limits on the exercising of voting rights, or provisions under which equity rights attaching to securities are separated from the holding of the securities.

There are also no restrictions on the transfer of ownership of securities issued by the Bank.

7.2 Diversity policy applied to managing and supervisory bodies

In the processes of selecting and employing the managerial staff, the Bank is guided by values that support individuality and diversity of candidates. The Bank provides equal opportunities and counteracts discrimination based on sex, age, nationality, ethnic origin, religion, political beliefs, state of health, psychosexual orientation, family status, lifestyle, etc.

The current composition of the Management Board and the Supervisory Board of GNB fully meets the requirements of diversity in terms of experience, education and age of members of these bodies.

The Suitability assessment policy developed by the Bank in accordance with the Banking Law Act of 29 August 1997, as amended, is of key importance in the approach to the qualifications of members of management bodies, taking into account guidelines on the assessment of the suitability of members of the management body and key function holders (EBA Guidelines EBA/GL/2017/12).

The purpose of this Policy is to establish transparent and uniform rules for the appointment, succession and assessment of the suitability of persons holding the most important functions at the Bank. As part of the assessment of knowledge, skills and experience, both theoretical competences acquired through education and training, as well as practical competences

gained in previous workplaces, i.e.: theoretical competences in terms of level and profile of education and the relationship of education with banking, finance or other relevant areas, in particular those related to the competences required for the position to be assessed, as well as practical competences acquired in previous work places are taken into account.

The assessment also takes into account the potential conflicts of interest, the ability to allocate sufficient time, the general composition of the body, the collective knowledge required and the ability of members to perform their duties in an independent manner, without undue influence from others.

The policy referred to above, internal regulations regarding recruitment and employment as well as good practices reflect the principles of diversity in the organisation.

7.3 Supervisory and management bodies of the Bank

Procedures and powers of the General Shareholders' Meeting

The General Shareholders Meeting is the superior governing body of the Bank. The General Meeting is convened as an ordinary or extraordinary one pursuant to the generally applicable regulations, the Bank's Articles of Association and the Rules of Procedure of the General Meeting. Corporate documents are available at the Bank's website.

In addition to other matters set out in the Bank's Articles of Association and by law, the powers of the General Meeting include:

- review and approval of the Bank's financial statements for the previous financial year,
- review and approval of the Directors' Report on the Bank's operations in a financial year,
- adopting resolution on the distribution of profits or covering of losses,
- acknowledgment of fulfilment of duties by the members of Supervisory and Management Board,
- appointing and dismissing members of the Supervisory Board,
- amending the Bank's Articles of Association and determining the consolidated text thereof,
- adopting resolutions to increase or decrease the Bank's share capital,
- adopting resolutions on the cancellation of the Bank's shares, terms and conditions thereof,
- adopting resolutions on issuing convertible bonds or bonds with pre-emptive rights to acquire shares and subscription warrants,
- adopting resolutions concerning the sale or lease of, or creation of limited property rights in, the Company's business or its organised part;
- adopting resolutions in other matters brought to the General Meeting by authorised entities and reserved for the powers thereof by provisions of the law and the Articles of Association.

Except where the provisions of the Commercial Companies Code provide otherwise, the General Meeting is valid irrespective of the number of shares represented.

All matters to be submitted to the General Meeting are first presented for consideration to the Supervisory Board.

Subject to specific exceptions, resolutions of the General Meeting are passed in an open ballot by a simple majority of votes, unless the Code of Commercial Companies or the Articles of Association impose a stricter requirement for the passing of resolutions on specific issues. A secret ballot is ordered in the case of voting on election or removal from office of members of the Bank's governing bodies or its liquidators, on bringing them to account and on personnel matters. A secret ballot shall also be ordered if at least one shareholder present or represented at the General Meeting so demands.

The General Meeting may be held at the Bank's registered office or at any other venue within the territory of the Republic of Poland.

In accordance with the provisions of the Rules of Procedure of the General Meeting, it is also permissible to participate in the General Meeting by means of electronic communication if the Bank's Management Board so decides.

The proceedings of the General Meeting are broadcast live over the Internet for all interested parties, and a recording of the broadcast is posted on the Bank's website dedicated to the General Meeting, allowing it to be played back at a later date. Information on the scheduled broadcast of the general meeting is communicated together with the notice of convening of the general meeting concerned.

Draft resolutions, justifications for resolutions and other materials submitted to the General Meeting (evaluations, reports and positions of the Bank's Supervisory Board) are made available on the Bank's website in sufficient time to allow shareholders to review them.

Representatives of the media may attend the General Meeting, unless the subject matter of the meeting is of such a nature that their presence could expose the Bank to harm.

Shareholders' rights

The Company's shareholders exercise their rights in accordance with the generally applicable regulations, the Bank's Articles of Association and Rules of Procedure of the General Meeting.

The Company Shareholders may attend the General Meeting and exercise their voting rights in person or by proxy. In accordance with the Rules of Procedure of the General Meeting, it is also permissible to participate in the General Meeting by means of electronic communication if the Bank's Management Board so decides.

Draft resolutions proposed for adoption by the General Meeting and other relevant materials should be presented to the shareholders together with a justification and the opinion of the Supervisory Board prior to the General Meeting.

The management board has the obligation to provide shareholders, at their request, with information about the company, if such information is needed to assess a matter placed on the meeting's agenda. The Management Board should refuse a request for information if:

- granting such request could adversely affect the Company, its related entity or subsidiary, including by disclosure of their technical, trade or business secrets.
- this could expose a Member of the Management Board to criminal, civil or administrative liability.

In justified cases, the Management Board may provide requested information in writing within two weeks of the closing of the General Meeting.

Shareholders have the right to share in the Company's profit disclosed in the Company's audited financial statements and allocated by the General Meeting for distribution to shareholders.

Procedure for amending the Articles of Association;

Amendments to the Articles of Association of the Bank are made by the General Meeting in the manner and form prescribed by the Commercial Companies Code, i.e. any amendment to the Company's Articles of Association requires a relevant resolution by the General Meeting and must be entered in the National Court Register. In addition, pursuant to Article 34(2) of the Banking Law, an amendment to the Bank's Articles of Association requires a permit from the Polish Financial Supervision Authority.

Amendments to the Bank's Articles of Association in 2020

By Resolution No XXIX/29/05/2020, the Bank's Ordinary General Meeting of 29 May 2020 amended the Bank's Articles of Association. Some of the amendments were subsequently entered into the National Court Register by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register.

The Bank's Articles of Association were amended in such a way that the following items (23) and (24) were added to § 4 paragraph 3:

- 23) provide payment transaction initiation services,
- 24) provide account information access services.

The Bank obtained the permission of the Financial Supervision Authority for the above amendments.

The amendment to the Articles of Association introduced by §1(1) of Resolution No XXIX/29/05/2020 of the Annual General Meeting of the Bank of 29 May 2020 concerning §4(3)(20) of the Bank's Articles of Association was not processed by the Financial Supervision Authority and was not entered in the register.

Composition and operation of the Supervisory Board

The Supervisory Board operates on the basis of the provisions of the Banking Law, the Commercial Companies Code and other relevant generally applicable laws, as well as on the basis of the Articles of Association and the Rules of Procedure. The Supervisory Board shall exercise on-going supervision over the Bank's business to the extent provided for by the laws and regulations referred to above. The Supervisory Board consists of 5 to 8 members appointed and dismissed by the General Meeting in a manner specified in the Articles of Association. In performing its duties, the Supervisory Board shall act as a collective body; however, it may delegate its members to perform specific supervisory duties individually. Members of the Supervisory Board are appointed for a joint term of office of three years.

On 23 January 2020, Mr Krzysztof Bielecki resigned from his position as Deputy Chairman of the Bank's Supervisory Board.

On 29 May 2020, the Annual General Meeting resolved to reappoint the following persons to the Bank's Supervisory Board:

1. Mr Leszek Czarnecki – as a Member of the Supervisory Board,
2. Mr Mariusz Grendowicz – as a Member of the Supervisory Board,
3. Ms Barbara Bakalarska – as a Member of the Supervisory Board,
4. Mr Jacek Lisik – as a Member of the Supervisory Board,
5. Mr Tadeusz Hołyński – as a Member of the Supervisory Board.

The above-named persons were appointed to perform the specified functions for a joint, three-year term of office.

On 29 October 2020, the Extraordinary General Meeting appointed Mr Maciej Stańczuk and Mr Piotr Liszcz to the Supervisory Board for a joint three-year term of office. At the same Extraordinary General Meeting a resolution was passed to reject the request of the Polish Financial Supervision Authority to dismiss Mr Leszek Czarnecki from the Bank's Supervisory Board.

As at the date of publication of this report, the composition of the Bank's Supervisory Board was as follows:

Supervisory Board of Getin Noble Bank S.A.	
Chairman of the Supervisory Board	Leszek Czarnecki
Members of the Supervisory Board	Barbara Bakalarska
	Mariusz Grendowicz
	Tadeusz Hołyński
	Jacek Lisik
	Piotr Liszcz
	Maciej Stańczuk

Suitability assessment

All Supervisory Board Members are subject to an individual suitability assessment (primary and secondary). The Supervisory Board as a whole is also subject to a suitability assessment (collective suitability assessment). The aforementioned processes are carried out in accordance with the adopted Policy for the Assessment of the Suitability of Persons Performing Key Functions in GNB S.A. developed in accordance with the joint Guidelines of the European Banking Authority and the European Securities and Markets Authority No EBA/GL/2017/12 and Guidelines of the European Banking Authority on internal governance No EBA/GL/2017/11, taking into account generally applicable laws, in particular the Banking Law and the Commercial Companies Code. The assessment is carried out in accordance with the Methodology for assessing the suitability of members of the bodies of entities supervised by the Polish Financial Supervision Authority.

Audit Committee

The Audit Committee is composed of at least 3 (three) members appointed for a joint term of office which coincides with the term of office of the Supervisory Board Members. When appointing the members of the Audit Committee, the Supervisory Board takes into account the competence, knowledge and experience of the candidate for a member of the Audit Committee. At least one member of the Audit Committee has expertise and competence in accounting or auditing of financial statements. The majority of the Audit Committee members, including Chairman thereof, shall be independent from the Bank.

Audit Committee members meeting statutory independence criteria: Mr Mariusz Grendowicz, Ms Barbara Bakalarska and Mr Tadeusz Hołyński.

Audit Committee members with expertise and competence in accounting or auditing of financial statements: Ms Barbara Bakalarska (qualified statutory auditor).

Audit Committee members with expertise and skills specific to the industry in which the Issuer operates, including the manner of their acquisition: Mr Mariusz Grendowicz and Mr Tadeusz Hołyński (holding a degree in banking and many years of experience in financial institutions).

The purpose of the Audit Committee is to advise the Supervisory Board on matters relating to separate and consolidated financial reporting, internal control and risk management, and to cooperate with statutory auditors.

The Audit Committee's primary responsibilities include in particular:

- 1) monitoring the financial reporting process,
- 2) monitoring the effectiveness of internal control and risk management systems as well as internal audit systems in place at the Company, including effectiveness of the financial reporting process,
- 3) controlling and monitoring of the independence of the qualified auditor and the audit firm,
- 4) developing a policy for selecting an audit firm to conduct the audit;

The Audit Committee shall be convened as necessary, at least four (4) times during a financial year. In 2020, 13 Audit Committee meetings were held and 3 circulation votes were taken.

Key assumptions of the policy for the selection of the audit firm to audit financial statements and a policy for the provision of non-audit services by the auditing firm, its affiliates and members of its network

The Policy for the selection of the audit firm to audit financial statements and provide permitted non-audit services (the "Policy") is intended to assist the Supervisory Board's decision-making processes in the area of ensuring the reliability of financial statements. The Policy fulfils the requirements of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the "Act") and the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

The Audit Committee is responsible for the development of the Policy, as well as the procedure for the selection of the audit firm to audit the financial statements, as well as controls and monitors the independence of the auditor and the audit firm.

The Audit Committee and the Bank's Supervisory Board pay particular attention to the need to avoid conflicts of interest, to maintain the impartiality and independence of the audit firm and the statutory auditor. For this purpose, in the process of selecting an audit firm, the scope of services performed by the audit firm for the Bank and the Capital Group in the period preceding the selection is analysed, among other things. In addition, the audit firm provides the Audit Committee with written confirmation that the statutory auditor, the audit firm and the partners, senior executives and managers conducting the statutory audit are independent of the Bank.

The policy incorporates the principle of auditor rotation. The maximum duration of uninterrupted statutory audit engagements with an audit firm may not exceed 10 years, and that a key auditor may not carry out statutory audits of the Bank's financial statements for a period longer than 5 years, and the key auditor may again carry out statutory audits of the Company's financial statements after at least 3 years from the end of the most recent statutory audit.

The policy enables the provision of the permitted services referred to in Article 136(2) of the Act. The provision of permitted services is only allowed to the extent they do not relate to the Bank's or its capital group's tax policy, after a risk assessment has been performed and independence referred to in Article 69–73 of the Act has been ensured by the Audit Committee.

The audit firm selected to audit and review the financial statements of Getin Noble Bank and the consolidated financial statements of the Getin Noble Bank Capital Group for 2020 has also been appointed to provide the following permitted non-audit services, following a prior assessment of the audit firm's independence and approval of the service:

- assessment of the Report of the Supervisory Board of Getin Noble Bank S.A. on the remuneration of the Management Board and the Supervisory Board,
- assurance service on asset safe-keeping requirements provided to a subsidiary.

HR and Appointment Committee

The Committee is composed of three members who are appointed by the Supervisory Board from among its members. The majority of the members of the HR and Remuneration Committee, including Chairman thereof, shall be independent from the Bank.

The purpose of the Committee is to advise the Supervisory Board on matters related to the rules of remuneration of members of the Management Board and other positions covered by relevant procedures of the Bank, to determine the terms and

conditions of employment of members of the Management Board, and to evaluate persons appointed to perform the duties of members of the Management Board of the Bank.

The Committee's responsibilities include, in particular: (i) issuing opinions on the operation of the variable remuneration components policy for individuals whose professional activity has a material impact on the risk profile of the Bank, including in particular the remuneration amounts and components; (ii) monitoring and issuing opinions on variable components of remuneration for persons whose professional activity in the Bank is related to risk management and compliance of the Bank's activity with laws and internal regulations; (iii) assessing the persons appointed to act as Members of the Bank's Management Board, including the terms of succession, and the assessment of the candidates' qualifications, as well as the on-going assessment of the persons acting as Members of the Bank's Management Board and of the Bank's Management Board, in accordance with the "Policy for the Assessment of the Suitability of Persons Performing Key Functions in Getin Noble Bank S.A."; (iv) carrying out a periodic evaluation of the structure, size, composition and effectiveness of the Management Board and of the knowledge, competence and experience of the Management Board as a whole and of individual members of the Management Board. The Committee also informs the Management Board of the results of this evaluation.

Risk Committee

The Risk Committee is primarily a consulting and advisory body of the Supervisory Board. Its work consists mainly in assessing the Bank's current and future readiness to take risk and the risk management strategies in the Bank's operations. In addition, the Risk Committee verifies the manner in which the Bank's business model and its risk strategy are reflected in the prices of the liabilities and assets offered to customers. The Committee is composed of at least two members of the Supervisory Board, including an independent member of the Supervisory Board.

Composition, rules of procedure, appointment and dismissal, and powers of the Management Board

The Bank's Management Board acts on the basis of provisions of the Act of 29 August 1997 – the Banking Law, the Act of 15 September 2000 – Code of Commercial Companies, the Bank's Articles of Association and the Rules of procedure of the Management Board, which defines the detailed scope of organization and procedures for the Management Board's acting and procedures of adopting resolutions, making decisions and expressing opinions. The Management Board manages the affairs of the Bank and represents it outside. The members of the Management Board fulfil their duties personally. The Management Board makes decision within its powers during the meetings convened in accordance with provisions of the Rules of Procedure for the Management Board. The Management Board's meetings are held at least once a week and are convened by the President of the Management Board, who also chairs them. In case of his absence, the President is replaced by the First Vice-President, Vice-President or another member of the Management Board appointed by the President. Conclusions of the Management Board's meetings are made through resolutions. In order for a resolution to be valid the presence of majority of the Management Board members is required. The participation in a meeting is also possible by means of remote communication, especially by means of phone or video communication, enabling identification of meeting participant. Resolutions of the Management Board are passed with a simple majority of votes. In the case of a voting tie, the President of the Management Board has the casting vote. After fulfilment of conditions determined in the Rules of Procedure for the Management Board, resolutions may be adopted by the Management Board also in special course, without convening and holding a meeting of the Management Board, i.e. (i) in a circular manner by means of remote communication, particularly by voting with the use of e-mail, or fax and then placing a signature to resolutions by the Management Board's members in accordance with the vote cast, (ii) in writing by each Management Board member signing of proposed resolution (cards with

signatures of the Management Board's members to given resolution) with indication whether member votes "for", "against" or "abstain from voting" and submitting signed resolution to the Management Board's President.

The Management Board is composed of three to eight members. The number of Management Board members is determined by the Supervisory Board. The Management Board is composed of the President, the First Vice President, the Vice President or Vice Presidents and the Member or Members of the Management Board. The President, Vice Presidents and Members of the Management Board are appointed by the Supervisory Board in accordance with the requirements of the Banking Law.

The appointed Member of the Management Board should have the powers to manage the Bank's affairs resulting from:

- 1) knowledge (acquired by virtue of education, training, professional titles obtained, or otherwise acquired in the course of a professional career),
- 2) experience (acquired in the exercise of certain functions or in certain positions),
- 3) the skills required to perform the function.

A member of the Management Board should give the guarantee of proper performance of the duties entrusted to him/her, and the individual competences of each Member of the Management Board should complement each other in such a way as to ensure an appropriate level of collective management of the Bank.

The appointment of the President of the Bank's Management Board and the Member of the Management Board supervising the management of risk material to the Bank's operations as well as the entrusting of the position of the Member of the Management Board supervising the management of risk material to the Bank's operations to the appointed Member of the Bank's Management Board are subject to approval by the Polish Financial Supervision Authority.

Members of the Management Board are appointed for a joint term of office of three years. The mandate of a member of the Management Board expires on or before the date of the General Meeting approving the financial statements and directors' report for the last full financial year in which the member held the office. Mandates of the Management Board members shall expire following their death, resignation or dismissal. A member of the Management Board, including the President, may be dismissed at any time.

As at the date of approval of this report, the composition of the Bank's Management Board was as follows:

Management Board of Getin Noble Bank S.A.	
President of the Management Board	Artur Klimczak
Members of the Management Board	Karol Karolkiewicz
	Maciej Kleczkiewicz
	Mateusz Solak
	Maja Stankowska
	Wojciech Tomasik

On 28 April 2020, the Bank's Supervisory Board adopted a resolution on the appointment of the Bank's Management Board for another joint term of office of 3 years starting from 9 May 2020.

Mr Marcin Romanowski did not express the intention to be appointed Member of the Bank's Management Board for another term of office, therefore he served as Member of the Management Board until 8 May 2020.

On 26 June 2020, the Bank's Supervisory Board appointed Mr Mateusz Solak to the Management Board of the Bank, effective as of 1 July 2020. Mr Mateusz Solak has been entrusted with supervision of the management of risk material for the Bank's

activities, in accordance with Article 22a section 4 of the Banking Law act, provided that the Polish Financial Supervision Authority grants required consent and effective from the date of such consent. This consent was granted on 30 November 2020.

On 3 September 2020, Mr Tomasz Misiak tendered his resignation as Member of the Management Board with effect as of 3 September 2020.

There were no other changes in the composition of the Bank's Management Board during the 12 months ended 31 December 2020.

By the date of authorisation of this report, the following changes in the composition of the Bank's Management Board took place:

- on 14 January 2021, Mr Jerzy Pruski was appointed and entrusted with the function of Vice-President of the Management Board.
- on 25 February 2021, Mr Jerzy Pruski resigned from his function and membership of the Management Board of the Bank.

Pursuant to §29a of the Bank's Articles of Association, the Management Board is authorised to increase the share capital within the authorised capital. As at the date of authorisation of this report, the value of the remaining authorised capital is PLN 2.49. The Articles of Association do not confer on the Bank's Management Board or individual members of the Bank's Management Board the right to decide on the repurchase of shares. Pursuant to Article 77(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, the repurchase of the bank's treasury shares requires the consent of the Polish Financial Supervision Authority.

Suitability assessment

All Management Board Members are subject to an individual suitability assessment (primary and secondary). The Management Board as a whole is also subject to a suitability assessment (collective suitability assessment). The aforementioned processes are carried out in accordance with the adopted Policy for the Assessment of the Suitability of Persons Performing Key Functions in GNB S.A. developed in accordance with the joint Guidelines of the European Banking Authority and the European Securities and Markets Authority No EBA/GL/2017/12 and Guidelines of the European Banking Authority on internal governance No EBA/GL/2017/11, taking into account generally applicable laws, in particular the Banking Law and the Commercial Companies Code. The assessment is carried out in accordance with the Methodology for assessing the suitability of members of the bodies of entities supervised by the Polish Financial Supervision Authority.

Committees

In accordance with the Organisational Regulations of the Bank's Head Office adopted by the Management Board, the following committees operate in the Bank's Head Office on the basis of separate internal regulations:

Asset and Liability Committee

Asset and Liability Committee (ALCO) acts as a consultative and advisory body, assisting the Bank's Management Board in the effective management of assets and liabilities of the Bank to ensure the implementation of the current financial plans and secure long-term development of the Bank. The scope of ALCO's responsibilities includes mainly: liquidity risk, interest rate risk, currency risk, capital risk, transfer risk, business cycle risk as part of market risk, country risk.

Credit Committee of the Bank

The Bank's Credit Committee is a consultative and/or decision-making body, according to the credit decision mode adopted in the Bank, dealing with all matters relating to the credit risk of the ongoing transactions. In assessing the credit risk, the Credit Committee considers matters related to the lending activity, such as: loan applications or applications for other type of exposure beyond the competence of individual units, and applications for a loan containing derogations from the existing procedures and internal regulations; applications for setting exposure limits to customers of the Bank and exposure limits to borrowers, issuers and other banks. The Bank's Credit Committee consists of four members and their deputies, including the chairman and deputy Chairman(s) who are appointed by the President of the Management Board of the Bank from among the members of the Bank's Management Board or employees of the Bank with the principle that persons who are appointed by virtue of their post are responsible for reviewing debt claims and management of credit risk in the Bank.

In the process of making a credit decision, four decision making bodies/ranks are distinguished, depending on the amount of exposure being requested:

- 1) One, two or three-person competences,
- 2) Credit Committee of the Retail Credit Risk Area (KKD) or
- 3) Credit Committee of the Corporate Credit Risk Area (KKR),
- 4) Credit Committee of the Bank (KKB),
- 5) the Bank's Management Board.

Credit Committee of the Corporate Credit Risk Area

The Credit Committee of the Corporate Credit Risk Area is a consultative and/or decision-making body, according to the credit decision mode adopted in the Bank, dealing with all matters relating to the credit risk of the ongoing transactions. As part of the credit risk assessment, the Committee deals with matters related to the Bank's current lending activities up to an amount specified in the Bank's internal regulations.

Credit Committee of the Retail Credit Risk Area (KKD)

The Credit Committee of the Retail Credit Risk Area is a consultative and/or decision-making body, according to the credit decision mode adopted in the Bank, dealing with all matters relating to the credit risk of the ongoing transactions. Within its powers, the Committee makes lending decisions in the Retail Credit Decision Department and determines the competence to make lending decisions towards a client or a related group. In the Committee, decisions are made as part of the credit competencies in the area of unsecured retail commercial loans, financial loans, micro-company loans, mortgage-secured loans, loans for the purchase of vehicles as well as machinery and equipment.

Operational Risk, Quality and Process Committee

Operational Risk, Quality and Processes Committee fulfils the supporting role to the Bank's Management Board with regard to: operational risk management – through the exercise of consultative and advisory functions in the process of operational risk management and the management of compliance risk – because of its close association with the legal risk constituting a category of operational risk – by the performance of advisory function, recommending specific procedure for the management of compliance risk; customer service quality – by setting directions for monitoring and improving the quality of services provided by the Bank and process management – by setting directions for actions aimed at increasing the efficiency and effectiveness of processes implemented at the Bank.

Investment Product Committee

The Bank's Investment Product Committee is the consultative body dealing with all issues related to the assessment of the adequacy of the offered investment products to the needs of customers of the Bank. The Committee performs its duties in accordance with the principles of transparency of the structure of products and its documentation.

Commercial Committee

The Commercial Committee is a consultative and decision-making body, which results from the Bank's mode of decision-making in the development and changes of the Banking Product. The Committee, as part of its activities, also fulfils the role of supporting the Management Board by monitoring of key indicators for the customer base of the Bank, various segments of customers and sales and financial performance – in terms of key banking products and accepting initiatives – important from the perspective of business development, with a view to ensure the implementation of current financial plans and to secure long-term development of the Bank, as well as monitoring the Bank's competitive environment and reviewing distribution strategies and target groups/markets for investment products.

Data Committee

The Data Committee fulfils the supporting role to the Bank's Management Board with regard to: management of data classified in significant groups of data, monitoring of data quality verification, assuring high quality of data in the Bank, consulting the development plans for standards affecting the data quality. The aim of the Data Committee is, among others, to recommend actions ensuring high data quality to the Management Board, as well as taking actions aiming at quality data promotion. Members of the Data Committee are appointed by a decision of the President of the Management Board. The Committee is led by the Chairman of the Committee, who sets the dates of meetings, at least once a quarter.

Property Repossession Committee

The Property Repossession Committee is a consultative and/or decision-making body dealing with all issues related to the repossession of property by the Bank under the debt collection processes conducted by the Debt Collection Area, in both voluntary and in enforcement proceedings. In the process of property takeover, the Committee issues opinions on proposals of the Debt Collection Area for matters being subject to decisions of the Management Board and takes decisions on proposals submitted by the Debt Collection Area according to its powers granted in this regard.

Cost Committee

The Cost Committee is a consultative and decision-making body responsible for ensuring that the Bank's operating costs (excluding staff costs) are controlled. The tasks of the Committee include effective management of the Bank's operating costs, making decisions on contracting any liabilities that increase costs, administrative costs (excluding formal and legal costs) or commission costs as well as expenditure and expenses, and confirming decisions regarding the selection of service provider or goods selected in the tender process.

HR Committee

The HR Committee is a consultative and decision-making body in the scope of ensuring the control of personnel costs and assessing the suitability of persons holding the most important functions at the Bank, based on the Suitability Policy applicable at the Bank.

Project and Initiative Management Committee

The Project and Initiative Management Committee is a decision-making body in the field of management of development projects and initiatives whose implementation requires the involvement of IT resources and decision-making to direct

projects and initiatives for analysis and/or implementation – significant from the business development perspective, with the aim of ensuring the implementation of current financial plans and safe long-term development of the Bank.

Investment Committee

The Investment Committee issues opinions on loan applications of housing associations regarding the compliance of the scope of planned investments with the requirements of the Regional Operational Programs.

Remuneration of the Bank's Supervisory Board and Management Board

The amount of remuneration (excluding overheads) paid to individual members of the Management Board of Getin Noble Bank S.A. in 2020 is presented in the table below:

01.01.2020 – 31.12.2020	Fixed remuneration	Termination benefits	Total
	PLN '000	PLN '000	PLN '000
Artur Klimczak	4,865	-	4,865
Karol Karolkiewicz	1,364	-	1,364
Maciej Kleczkiewicz	1,707	-	1,707
Marcin Romanowski	1,766	2,330	4,096
Tomasz Misiak	1,718	1,280	2,998
Wojciech Tomasiak	1,266	-	1,266
Maja Stankowska	1,260	-	1,260
Mateusz Solak	540	-	540
Total remuneration of the Bank's Management Board	14,486	3,610	18,096

01.01.2020 – 31.12.2020	Remuneration
	PLN '000
Leszek Czarnecki	1,244**
Barbara Bakalarska	249
Krzysztof Bielecki	498*
Mariusz Grendowicz	303
Jacek Lisik	203
Tadeusz Hołyński	298
Piotr Liszcz	17
Maciej Stańczuk	17
Total remuneration of the Bank's Supervisory Board	2,829

* Due to the change in the frequency of payment of the remuneration of the Chairman and Deputy Chairman of the Supervisory Board from annual to monthly, which took place on the basis of Resolution of the AGM No XXVII/29/05/2020 of 29 May 2020, the remuneration of the Chairman and Deputy Chairman of the Supervisory Board in 2020 was paid for 2 years - as remuneration for 2019 (annual remuneration) and for 2020 (monthly remuneration),

Benefits for members of the Bank's Management Board and Supervisory Board for their functions in the authorities of subsidiaries and associates are presented below:

01.01.2020– 31.12.2020 PLN '000
Maciej Kleczkiewicz
Leszek Czarnecki
Jacek Lisik
Piotr Liszcz
Total benefits for members of the Bank's Management Board and Supervisory Board for their functions in the authorities of subsidiaries, joint ventures and associates
177

	01.01.2020– 31.12.2020 PLN '000
Benefits for members of the Management Boards of subsidiaries	1,721

Shares of the Bank held by members of its management and supervisory staff

The number of shares in Getin Noble Bank S.A. held by members of the Management Board and Supervisory Board as at the date of approval of this report is as follows:

Members of the Bank's Supervisory Board and Management Board	Function	Number of shares on the own account
Leszek Czarnecki ¹⁾	Chairman of the Supervisory Board	88,208,870
Karol Karolkiewicz	Member of the Management Board	25,579

¹⁾ To the best of Mr Leszek Czarnecki's knowledge, his subsidiaries hold the following volumes of shares in the Bank: LC Corp B.V. – 499,731,696 shares, Getin Holding S.A. – 66,771,592 shares, other – 1,403,191

7.4 Internal control and risk management systems relating to the financial statements

The process of preparing financial statements in Getin Noble Bank S.A. is carried out within the Financial Division, and is based on the accounting policy adopted by the Management Board of the Bank and the organisation of accounting in the Bank. Substantive control over the preparation of financial statements is exercised by the Head of the Accounting Department and the Member of the Management Board of the Bank responsible for the financial area.

In order to ensure reliable and correct information in the financial statements, the Bank has in place an internal control system constituting an element of the management system.

The objective of the internal control system operating in Getin Noble Bank S.A. is to support decision-making processes in a way that contributes to ensuring the effectiveness and efficiency of the Bank's operations, reliability of financial reporting, compliance with the Bank's risk management rules and compliance of the Bank's operations with the law, prudential regulations, internal regulations and market standards.

The Management Board of the Bank is responsible for the proper design, implementation and functioning of an adequate and effective internal control system, adapted to the size and profile of the risk related to the Bank's activity. The Management Board of the Bank also ensures the functioning of the internal control system in subsidiaries.

The Supervisory Board supervises the implementation and ensuring the functioning of the internal control system and performs an annual assessment of its adequacy and effectiveness – including an annual assessment of the adequacy and effectiveness of the control function, compliance function and internal audit function. In performing supervisory duties with respect to the internal control system, the Bank's Supervisory Board is assisted by the Audit Committee of the Supervisory Board, which monitors the effectiveness of the internal control system and the risk management system, as well as the internal audit system, including with respect to financial reporting.

The internal control system in the Bank is organised at three independent levels, constituting three subsequent lines of defense. The first level consists of risk management in the Bank's operating activities (the first line of defense), in particular the activities of core organisational units dealing with the sale of products and services and with Customer service, as well as organisational units performing risk-generating tasks specified in the Bank's internal regulations. The second level (second line of defense) consists of activities of:

1. organisational units managing financial risk, financial result risk, capital risk, credit risk, concentration risk, reputation risk, legal risk, model risk, macroeconomic risk, fraud risk,

2. the compliance function,
3. the tax function,
4. the accounting function,
5. the function responsible for managing security, including information security and the security of communication environment,
6. the function responsible for the control activities of the operation,
7. the function responsible for pre-implementation IT testing,
8. the function responsible for reporting and disclosures,
9. the function responsible for determining the standards of service quality,
10. the function responsible for the control activities within the sales network.

The third level consists of internal audit activities (third line of defense).

The internal control system in place at Getin Noble Bank S.A. includes:

1. the control function responsible for ensuring compliance with control mechanisms, including in particular the Bank's risk management, which involves positions, groups of people or organisational units responsible for carrying out the tasks assigned to that function,
2. the compliance function responsible for identifying, evaluating, controlling and monitoring the risk of non-compliance of the Bank's activities with the law, internal regulations and market standards and to report thereon,
3. the internal audit function responsible for examining and assessing, in an independent and objective manner, the adequacy and effectiveness of the risk management and internal control systems, excluding the internal audit unit.

The control function is an element of the internal control system, which consists of all controls in the processes functioning in the Bank, independent monitoring of compliance with these controls and reporting within the control function. Controls are internal control mechanisms adjusted to the specifics of the Bank's activity and applied across all three lines of defense.

They fulfil three roles:

1. a preventive role by preventing irregularities,
2. a detection role by detecting irregularities,
4. a corrective role by correcting irregularities.

Compliance with controls operating in all processes at the Bank is subject to independent monitoring, which includes on-going verification and testing tailored to the category, frequency, group and type of controls in question.

The compliance function is performed by the Compliance Department within the Division of the President of the Bank's Management Board. The Compliance Department performs key tasks in the area of compliance risk management, i.e.:

1. it examines the compliance of the Bank's regulations and products with laws, prudential regulations and market standards adopted by the Bank,
2. it conducts periodic assessment of compliance of internal regulations with the changing legal regulations and market standards adopted by the Bank.

The risk management process is understood as preventing the effects of non-compliance with the legal regulations, prudential regulations, internal regulations and the standards of behaviour adopted by the Bank, and it includes:

1. risk identification,
2. risk profile assessment,

3. risk monitoring,
4. risk control,
5. risk reporting.

As part of its control function, the Compliance Department monitors the controls, with particular emphasis on key controls designed to ensure compliance of the Bank's operations with the laws, prudential regulations, internal regulations and market standards. In addition, the Compliance Department maintains and monitors the control function matrix by defining the matrix template and guidelines for filling it in, providing methodological support to process owners and periodically verifying the quality and completeness of information contained in the matrix. The matrix of control functions takes into account in particular:

1. mapping the general and specific objectives of the internal control system to the Significant Processes,
2. the manner in which key controls are monitored,
3. assessing the adequacy and effectiveness of key controls.

The Compliance Department also keeps a register of irregularities detected within the internal control system, periodically reports results of vertical testing of key controls and conducts a review of internal controls and procedures.

The third line of defense is the Internal Audit Department which provides independent and objective assurance and advisory services to the Management Board and Supervisory Board, supporting the organization in achieving its objectives. The head of the internal audit reports administratively directly to the President of the Management Board and functionally to the Supervisory Board, which ensures organisational independence. Auditors act in accordance with the laws, internal audit standards and the Code of Ethics of the Institute of Internal Auditors. The primary task of the Internal Audit is to ensure activities aimed at assessing the adequacy and effectiveness of the risk management system and the internal control system through audit audits covering the entire Bank's activity. The advisory activity of internal audit is undertaken in relation to system solutions that are crucial from the Bank's point of view.

The independence of the Compliance Department and the Internal Audit Department results from the Bank's Articles of Association and is related in particular to the fact that these functions form part of the Division of the President of the Management Board, reporting to the Management Board, the Audit Committee of the Supervisory Board and the Supervisory Board, participation of the heads of these units in the meetings of the Management Board and the Supervisory Board, as well as the possibility of their direct contact with the members of the Management Board and the Supervisory Board of the Bank. Moreover, the Bank has a detailed procedure for controlling the remuneration of employees of the Compliance and Internal Audit functions, which ensures independence and objectivity in the performance of their tasks and enables the employment of people with appropriate qualifications, experience and skills. There are also mechanisms in place to protect employees of these units against unjustified termination of employment contracts.

The effectiveness and adequacy of the internal control system is assessed once a year by the Bank's Supervisory Board, taking into account in particular:

1. the Audit Committee's opinion,
2. information of the Bank's Management Board on the adequacy and effectiveness of the internal control system, the scale and nature of significant and critical irregularities and the most important measures aimed at removing such irregularities, ensuring independence of the compliance and internal audit functions, ensuring adequate human resources necessary for effective performance of tasks and the necessary financial resources to systematically improve qualifications, experience and skills of the compliance function employees and internal auditors,
3. periodical reports of the compliance function and the internal audit function,

4. information obtained from subsidiaries that is significant (from the point of view of adequacy and effectiveness of the internal control system),
5. the findings made by the statutory auditor,
6. arrangements resulting from supervisory activities, in particular those performed by the Office of the Polish Financial Supervision Authority and the Office of Competition and Consumer Protection,
7. significant (from the point of view of adequacy and effectiveness of the internal control system) evaluations and opinions made by external entities - if such opinions were issued.

An essential purpose of the internal control system is to secure assets, review the credit exposures, prevent errors and detect data processing errors, ensure reliability of the financial records, improve the effectiveness of operations and stimulate the observance of the strategy and policies established by the Bank.

The operation of the internal control system and the risk management system in respect of the process of preparation of the financial statements is based on control mechanisms incorporated in the functionality of the reporting systems, and on consistent verification of compliance with the accounting books and other documents which are the basis for compilation of financial statements and with current legal regulations in the area of the accounting rules and preparation of financial statements.

The controls encompass the manner of performing tasks in the Bank, in particular: competence, principles, limits and procedures relating to the operations of Getin Noble Bank S.A., and the inspection activities performed by employees and their supervisors in respect of the pursued business activity. These controls serve inspection purposes and are incorporated both in the internal regulations and in the Bank's IT system. In addition, the Bank's Management Board takes steps to ensure the continuity of monitoring of the effectiveness of internal control mechanisms and identifies the areas of activity, the operations, transactions and other activities supposed to be continuously monitored.

Entity authorised to audit the financial statements

On 25 May 2020, the Bank's Supervisory Board resolved to appoint Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with its registered office in Poznań as the entity authorised to audit the financial statements for 2020-2021. The agreement on the review and audit of the financial statements was signed on 22 June 2020.

Information on remuneration for agreements concluded with an entity authorised to audit financial statements is presented in Note II.46 to the financial statements of Getin Noble Bank S.A. and in Note II.50 to the consolidated financial statements of the Getin Noble Bank S.A. Capital Group prepared for the year ended 31 December 2020.

8 Social support

Both Getin Noble Bank S.A. and the remaining Group companies are engaged in social activities. Employees of the Group willingly participate in all types of pro-social campaigns as part of corporate social responsibility (CSR). The social involvement of the employees of the Bank and the Group is further described in the document "Statement on Non-Financial Information of the Getin Noble Bank S.A. Group and of Getin Noble Bank S.A. for 2020"

9 Supplemental disclosures

Conclusion of significant agreements

No significant agreements were entered into by the Bank or Group Companies in 2020.

Changes in the Company's significant management policies

There were no significant changes in the Bank's management policies in 2020.

The Bank's cooperation with international public institutions

In 2020, Getin Noble Bank S.A. continued its cooperation with the European Investment Bank (EIB).

Information on significant agreements between the Bank and the central bank or supervisory authorities

There were no significant agreements with the central bank or supervisory authorities in 2020

Explanation of differences between actual financial performance and previously published forecasts

Getin Noble Bank S.A. did not publish any forecasts for 2020.

Description of the Issuer's use of proceeds from the issue of securities

Getin Noble Bank S.A. did not issue any bonds in 2020.

Enforcement titles and value of collateral

In 2020, 15,964 enforcement titles were issued with a total value of PLN 0.9 billion. The fair value of collateral for individually impaired loan and credit exposures calculated as the sum of discounted future expected cash flows from collateral, other repayments and settlements and from probable return to regular servicing was PLN 1.1 billion at the end of 2020.

Loan and advances contracted

In 2020, neither Getin Noble Bank S.A. nor its subsidiaries contracted or terminated any loans or advances.

Significant court proceedings

In 2020, no entity of the Getin Noble Bank S.A. Capital Group was a party to any proceedings concerning liabilities or receivables whose value would account for 10% or more of the Group's equity.

Control system for employee share ownership schemes

The Bank has not implemented employee any share ownership schemes.

Other information

As at 31 December 2020, the Bank was not party to any agreements referred to in Article 141t (1) of the Banking Law.

In 2020, the Bank did not receive any financial support from state funds under the Act of 12 February 2009 on the provision of State Treasury support to financial institutions (Journal of Laws of 2016, item 1436).

10 Representations by the Management Board

10.1 Reliability and accuracy of the presented financial statements

To the best knowledge of the Management Board, the consolidated financial statements of the Getin Noble Bank S.A. Capital Group and the financial statements of Getin Noble Bank S.A. for the year ended 31 December 2020 together with comparative

figures have been prepared in accordance with the International Financial Reporting Standards and give a true, fair and clear view of the assets, financial position of the Group and the Bank and the financial performance of the Group and the Bank.

Moreover, the Directors' Report on the operations of the Getin Noble Bank S.A. Capital Group and Getin Noble Bank S.A. contained in this document gives a true view of the development, achievements and situation of the Group and the Bank in 2020, including a description of key risks and threats.

10.2 Appointment of a qualified auditor of financial statements

Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa, an entity authorised to audit financial statements, performing the audit of the consolidated financial statements of Getin Noble Bank S.A. Capital Group and financial statements of Getin Noble Bank S.A. prepared for the year ended 31 December 2020, was appointed in accordance with the applicable laws. This entity and the auditors, who audited these statements, fulfilled the conditions for expressing an impartial and independent opinion on the audited annual financial statements, in accordance with the applicable regulations and professional standards.

Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa ("Grant Thornton") was selected as the audit firm to audit and review the Bank's financial statements and the consolidated financial statements of the Bank Group for the years 2020-2021. The selection was made by the Bank's Supervisory Board on 25 May 2020. In 2020, Grant Thornton provided permitted non-audit services to the Bank in respect of the review of the Bank's financial statements and the consolidated financial statements of the Bank's Capital Group. As part of the selection of the audit firm, the Bank obtained a representation from Grant Thornton that the firm had identified no obstacles to becoming the Bank's auditor for 2020-2021.

The Policy for the selection of the audit firm to audit financial statements and provide permitted non-audit services (the "Policy") is intended to assist the Supervisory Board's decision-making processes in the area of ensuring the reliability of financial statements. The audit firm to audit the financial statements of the Bank and the Bank's Capital Group is selected by way of a competitive tender procedure supported, as appropriate, by additional negotiations. The selection in the form of a resolution is made by the Bank's Supervisory Board after reviewing the recommendation of the Bank's Audit Committee which contains no less than two options for the selection of the audit firm together with a justification and an indication of a justified preference for one of them (when the selection does not concern the extension of the agreement with the audit firm). Detailed rules / criteria for the selection of the audit firm to perform the statutory audit are determined by the Audit Committee at the stage of preparation of the request for proposals as part of the tender conducted. When selecting an audit firm, the Bank's bodies should be guided by the following rules and considerations:

- a) knowledge and professional competence demonstrated by the audit firm and the statutory auditor appropriate to the scale and complexity of the business pursued by the Bank and the Bank's Capital Group, their risk profile and, in particular, the transactions carried out by them,
- b) the auditor's objectivity and professional scepticism,
- c) the auditor's integrity and due care,
- d) the auditor's observance of the principles of ethics and professional secrecy in accordance with the provisions of the Act on Statutory Auditors (Journal of Laws of 2017, item 1089, as amended),
- e) experience in auditing the financial statements of financial institutions, in particular banks, and companies listed on the Warsaw Stock Exchange,
- f) the statutory auditor meets the conditions for expressing an impartial, independent and objective opinion.

The Policy and Procedure for the provision of permitted non-audit services specify that the audit firm of the Bank or a subsidiary of the Bank, or any entity belonging to the same network, may provide permitted services to the Bank (and, respectively, the Bank's subsidiaries) only to the extent not related to the Bank's or the Bank's subsidiary's tax policy and only after the Bank's Audit Committee (respectively, the Audit Committee of the Bank's subsidiary) has carried out an assessment of the risk and safeguards of independence and the Bank's Audit Committee (respectively, the Audit Committee of the Bank's subsidiary) has approved the provision of the permitted service.

Signatures of members of the Management Board of Getin Noble Bank S.A.:

Signatures of members of the Management Board of Getin Noble Bank S.A.:

Artur Klimczak	<i>President of the Management Board</i>	Signed with a qualified electronic signature
Karol Karolkiewicz	<i>Member of the Management Board</i>	Signed with a qualified electronic signature
Maciej Kleczkiewicz	<i>Member of the Management Board</i>	Signed with a qualified electronic signature
Mateusz Solak	<i>Member of the Management Board</i>	Signed with a qualified electronic signature
Maja Stankowska	<i>Member of the Management Board</i>	Signed with a qualified electronic signature
Wojciech Tomasik	<i>Member of the Management Board</i>	Signed with a qualified electronic signature

Warsaw, 17 March 2021