



**ANNUAL REPORT ON  
PERFORMANCE OF GETIN HOLDING S.A.  
AND GETIN HOLDING  
CAPITAL GROUP  
FOR 2021**

**Wrocław, April 5, 2021**

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## **I. Description of Getin Holding Capital Group**

### **1. Details of the stand-alone and the consolidated financial statements for 2021**

The stand-alone financial statements of Getin Holding S.A. and the consolidated financial statements of the Getin Holding Capital Group for the reporting period from 01.01.2021 to 31.12.2021, comprise the following:

- respectively, stand-alone and consolidated financial statements for the reporting period from 01.01.2021 to 31.12.2021, and as of 31.12.2021, drawn up in accordance with the International Financial Reporting Standards approved by the EU, including (respectively the stand-alone and consolidated): report on the financial standing, profit and loss account, statement of comprehensive income, statement of changes in equity, cash flow statement, and additional information and notes to financial statements.
- comparative financial data as of 31.12.2020 and for the 12-month period ended on 31.12.2020;
- Management Board's report on performance of Getin Holding S.A. and Getin Holding Capital Group for the period from 01.01.2021 to 31.12.2021. (issued as one document in compliance with Art 71 section 8 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and on conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state ("the Regulation");
- statements, information and assessments of the Issuer's relevant authorities in compliance with the Regulation;
- non-financial statement in compliance with the Accounting Act dated 29 September 1994 and the Regulation.

### **2. Information on Getin Holding Capital Group**

#### **a. General information about the Issuer**

Getin Holding S.A.

ul. Gwiaździsta 66

53-413 Wrocław

Share capital PLN 759,069,368 (fully paid up), NIP 895-16-94-236, KRS 0000004335, REGON 932117232

The Company's main object is operating financial holdings.

Getin Holding Capital Group is controlled by Dr. Leszek Czarnecki.

Getin Holding Capital Group (hereinafter referred to as "Getin Holding Capital Group", "Getin Holding Group", "Capital Group" or "Group") comprises the parent company Getin Holding S.A. (hereinafter referred to as "Getin Holding", "Issuer" or "Company") and its subsidiary companies.

## **b. Organisation of Getin Holding Capital Group**

Getin Holding is a parent company in the diversified Capital Group operating in the sector of financial services.

Getin Holding Group companies are financial institutions that operate in sectors of banking, debt collection and advisory services, and distribution of financial products. Close cooperation within Getin Holding Capital Group structure guarantees a wide range of products, close cooperation and coordination of operations, which boosts efficiency of each company.

During the reporting period, Getin Holding Group operated both in Poland and abroad, in Ukraine. It operated also (until the sale of assets) in Belarus and, until the end of Q3 of 2021, in Romania. Since the operations in these markets were discontinued, they are not included in the results for 2021. The Group's banks, lease companies, and financial brokers benefited greatly from pooling their know-how and resources while providing complementary products and services to clients, which considerably boosted Getin Holding Group's competitiveness in the financial markets, both in Poland and Eastern and South-Eastern Europe.

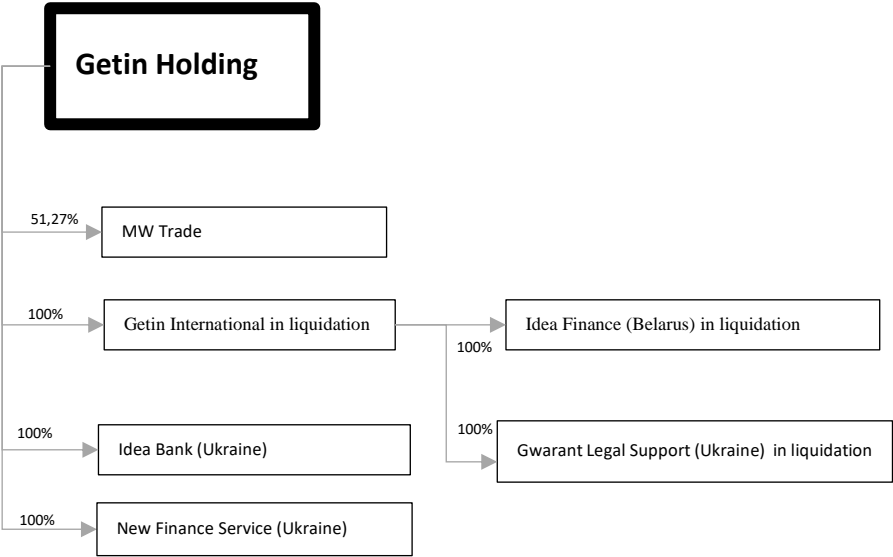
In 2021, the Group operated through a network of companies and had over 1,500 employees on the payroll.

## **c. Getin Holding Capital Group's operations in the financial market**

Getin Holding is one of the companies listed on the sWIG80 at the Warsaw Stock Exchange. The Company is engaged in seeking and carrying out new investment projects in banking and financial services (agency, advisory services and leasing). The holding actively influences the strategy and management of the controlled companies so as to ensure growth of the assets value, their security and to utilize potential synergy opportunities emerging within the Group.

As at 31 December 2021, Getin Holding Group comprised M.W. Trade S.A. operating in the segment of financial services in Poland, Idea Bank (Ukraine) operating in the Ukrainian banking sector, and New Finance Service sp. z o.o. operating in the sectors of debt trading and credit and insurance brokerage.

d. The Issuer Capital Group's organisation chart



\*

**e. Indication of entities consolidated within the Capital Group**

As at December 31, 2021, the Group comprises Getin Holding and the following companies:

**Associates:**

Name and registered office	Type of activity	Effective share in capital		Additional information
		31.12.2021	31.12.2020	
MW Trade S.A. with its registered office in Wrocław	financial services	51,27%	51,27%	Getin Holding S.A. holds 51,27% shares
Getin International S.A. in liquidation with its registered office in Wrocławiu	holding activity for foreign entities of the Group	100,00%	100,00%	Getin Holding S.A. holds 100% shares
Idea Bank S.A. with its registered office in Lviv (Ukraine)	banking	100,00%	100,00%	Getin Holding S.A. holds 100% shares
Gwarant Legal Support sp. z o.o. in liquidation with its registered office in Lviv (Ukraine)	legal services	100,00%	100,00%	Getin International S.A. in liquidation holds 100% shares
New Finance Service sp. z o.o. with its registered office in w Kyiv (Ukraine)	factoring	100,00%	100,00%	Getin Holding S.A. holds 100% shares
Idea Bank S.A. with its registered office in w Minsk (Belarus)	banking	N/A	100,00%	On 01.04.2021 Getin Holding S.A. and Getin International S.A. in liquidation disposed of all the shares of Idea Bank S.A.(Belarus)
Idea Finance sp. z o.o. with its registered office in w Minsk (Belarus)	brokerage in financial services	100,00%	100,00%	Getin International S.A. in liquidation holds 100% shares
Idea Bank S.A. with its registered office in Bucharest (Romania)	banking	N/A	100,00%	
Idea Investment S.A. with its registered office in Bucharest (Romania)	other financial activity	N/A	100,00%	On 29.10.2021 Getin Holding S.A. and Getin International S.A. in liquidation disposed of all the shares of Idea Bank S.A. (Romania) and Idea Investment S.A. (Romania)
Idea Leasing IFN S.A with its registered office in Bucharest (Romania)	leasing	N/A	100,00%	
Idea Broker de Asigurare SRL with its registered office in Bucharest (Romania)	brokerage in the sale of insurance	N/A	100,00%	

As of 31.12.2021 and 31.12.2021 the share in the total votes held by the Group in its subsidiaries equalled the Group's direct share held in share capitals of respective subsidiaries.

## II. Business operations of Getin Holding Capital Group in 2020

### 1. Financial Result of Getin Holding Capital Group

Key balance-sheet items for Getin Holding Capital Group:

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thous. PLN):

	31.12.2021	31.12.2020
<b>ASSETS</b>		
Cash and balances in the Central Bank	-	466 139
Receivables from banks and financial institutions	20 398	115 790
Derivative hedging instruments	54 378	71 733
Derivatives measured at fair value through profit or loss	76 811	79 459
Loans and advances to customers measured at amortized cost	-	1 433 874
Finance lease receivables	105	886 515
Other receivables measured at amortized cost	-	86 752
Investment securities, including:	215 946	355 403
<i>Debt instruments measured at fair value through other comprehensive income</i>	<i>194 245</i>	<i>271 013</i>
<i>Equity instruments measured at fair value through other comprehensive income</i>	<i>21 701</i>	<i>15 100</i>
<i>Debt instruments measured at amortized cost</i>	<i>-</i>	<i>69 290</i>
Intangible assets	38	49 986
Tangible assets	1 735	64 667
Investment property	-	3 481
Fixed assets held for sale	979 795	585 517
Current income tax receivables	-	1 561
Deferred tax assets	9 653	22 785
Other assets	96 638	100 135
<b>TOTAL ASSETS</b>	<b>1 455 497</b>	<b>4 323 797</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Liabilities to other banks and financial institutions	-	228 746
Derivative hedging instruments	-	2 186
Amounts due to customers	-	2 708 953
Liabilities from the issue of debt securities	-	46 290
Other liabilities measured at amortized cost	59 746	103 986
Corporate income tax liabilities	-	6 313
Other liabilities	6 955	57 690
Deferred tax liability	3 470	855
Other provisions	91	2 938
Liabilities related to assets classified as held for sale	693 659	511 129
<b>TOTAL LIABILITIES</b>	<b>763 921</b>	<b>3 669 086</b>
<b>Equity (attributable to equity holders of the parent company)</b>	<b>662 274</b>	<b>625 112</b>
Share capital	759 069	759 069
Net profit (loss)	(315 964)	(309 360)
Other reserves	219 169	175 403
<b>Non-controlling interest</b>	<b>29 302</b>	<b>29 599</b>
<b>Total equity</b>	<b>691 576</b>	<b>654 711</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 455 497</b>	<b>4 323 797</b>

Key performance and efficiency indicators for Getin Holding Group are specified in the table below (in thous. PLN):

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	2021/2020
<b>Net profit (loss) from continuing operations</b>	<b>(52 130)</b>	<b>(29 657)</b>	175,8%
<b>Net profit (loss) on discontinued operations</b>	<b>(79 912)</b>	<b>(315 845)</b>	25,3%
<b>Total net profit (loss), including:</b>	<b>(132 042)</b>	<b>(345 502)</b>	38,2%
Attributable to equity holders of the parent company	(131 745)	(347 252)	37,9%
Attributable to non-controlling interests	(297)	1 750	-
ROA <sup>(1)</sup>	-4,57%	-2,54%	(2,03)p.p.
ROE <sup>(2)</sup>	-20,47%	-45,95%	25,48p.p.

(1) net income / [(total assets as at the end of the present year + total assets as at the end of the previous year)/2]

(2) net profit attributable to equity holders of the parent / [(total equity attributable to shareholders of the parent at the end of the current year + total equity attributable to shareholders of the parent at the end of the previous year)/2]

The Issuer's Capital Group closed 2021 with a loss of PLN 132.0 million, which was by PLN 213 million lower than the loss of PLN 345.5 million incurred in 2020.

In 2021, the Group disposed of two subsidiaries: Idea Bank Belarus for PLN 75.7 million and Idea Bank Romania for PLN 192.3 million.

The loss generated by the Group resulted mainly from the sale of Idea Bank Belarus, settled in April 2021, and the related transfer from other reserves to consolidated loss of exchange loss on translation of PLN 143.3 million. The loss on the sale of Idea Bank Romania, closed in October 2021, totalled PLN 54.6 million.

Following the disposal of subsidiaries, the Group's balance sheet total for 2021 went down from PLN 4.3 billion reported at the end of 2020 to PLN 1.5 billion at the end of the period under review. The Group's total liabilities at the end of 2021 amounted to PLN 763.9 billion compared to PLN 3.7 billion at the end of 2020. The balance sheet structure was also affected by the classification as at the balance sheet date of assets and liabilities of Idea Bank Ukraine and MW Trade as assets and liabilities held for sale. The Group's consolidated equity grew to PLN 662.3 million (from PLN 625.1 million a year earlier).

The Group's performance data are reported in detail in the consolidated financial statements of Getin Holding Capital Group for the period of the 12 months ended 31.12.2021, and comments to the results generated in the reported period for the Group's specific operating sectors are reported in Section II, point 3 hereof.



The key performance data of Getin Holding S.A. are presented in the table below (in thous. PLN):

<b>STAND-ALONE PROFIT AND LOSS ACCOUNT (in thous. PLN)</b>		
	<b>01.01.2021 - 31.12.2021</b>	<b>01.01.2020 - 31.12.2020</b>
Dividend income	46 630	72 923
Interest received	248	141
Profit on sale of investments	-	44 072
Other financial income	2 969	6 232
Other income	12 871	11 152
<b>Total income</b>	<b>62 718</b>	<b>134 520</b>
Loss on liquidation/redemption of investments	(36 444)	(126 172)
Operating costs	(24 163)	(18 952)
Financial costs	(4 071)	(7 052)
Other operating costs	(5 806)	(118 491)
<b>Total costs</b>	<b>(70 484)</b>	<b>(270 667)</b>
Result on financial instruments at fair value through profit or loss	(19 616)	(1 444)
Result on impairment losses on financial assets and provisions for off-balance sheet liabilities	1	-
<b>Gross profit (loss)</b>	<b>(27 381)</b>	<b>(137 591)</b>
Income tax	(12 580)	(15 842)
<b>Net profit (loss)</b>	<b>(39 961)</b>	<b>(153 433)</b>
<b>Profit (loss) per share (PLN)</b>		
- profit (loss)	(0,21)	(0,81)
- diluted profit (loss)	(0,21)	(0,81)

The key efficiency indicators of Getin Holding S.A. are presented in the table below:

<b>No.</b>	<b>The key efficiency indicators</b>	<b>At the end of 2021</b>	<b>At the end of 2020</b>	<b>Change</b>
1	Total equity (kPLN)	632 728	666 146	-5,0%
2	Total assets (kPLN)	702 804	758 009	-7,3%
2	Net profit (loss) (kPLN)	-39 961	-153 433	-74,0%
3	ROA <sup>(1)</sup> Return on assets	-5,47%	-16,79%	11,3% pp
4	ROE <sup>(2)</sup> Return on equity	-6,15%	-20,59%	14,4% pp

<sup>(1)</sup> Total net profit (loss) / [(total assets as at the end of the present year + total assets as at the end of the previous year/2)]

<sup>(2)</sup> Net profit (loss) / [(equity as at the end of the present year + equity as at the end of the previous year/2)]

In 2021, the Company generated a net loss of PLN 40 million compared to the loss of PLN 153.4 million incurred in 2020.

In 2021, the Company's income totalled PLN 62.7 million compared to PLN 134.5 million generated in the previous year. The main income item in 2021 were dividends of PLN 46.6 million (PLN 72.9 million in 2020).

The Issuer's operating expenses went down as well, to PLN 70.5 million (against PLN 270.7 million in 2020). The main cost item was loss on disposal of investment of 36.4 PLN million. Financial costs incurred in 2021 amounted to PLN 4.1 million being 40% lower than in the previous year. Administrative costs went up to PLN 24.2 million being by around 27% higher than in the previous year, mainly due to the higher cost of disposal of investment.

The Issuer's performance data are discussed in detail in the stand-alone financial statements of Getin Holding S.A. for the period of 12 months ended 31.12.2021.

## **2. Getin Holding Capital Group's market situation and strategy**

### **a. Directions and performance of the operations of Getin Holding Capital Group**

Over the past few years, there have been a number of significant events in the Company's environment that have affected the perception of Getin Holding Group. The coronavirus pandemic has significantly increased the level of uncertainty in all of the markets where the Group operates. All this added to modification of Getin Holding Group's strategy, due to which during the reporting period the Company focused on generating cash using an opportunistic approach, i.e. it focused on limiting its presence in the market where investors' interest in the Company's assets allowed to obtain a fair return on investment. On the other hand, in the markets with no satisfactory offers for the Group's assets, the Company pursued a strategy of maximising the organic growth of an entity by leveraging market potential and competitive advantages in targeted market segments, followed by a dividend policy tailored to the capabilities of such entity.

Besides, in the difficult situation caused by the ongoing coronavirus pandemic, the focus was on implementing easier access to services and products, financial management and professional support for advisers through remote access channels. This was intended to maintain the business continuity while ensuring the security of both customers and employees of the Group.

Increase in the value of companies included in the Getin Holding S.A. investment portfolio was obtained by stimulating the profitability of their assets, incl. thanks to the optimization of efficiency, increasing the scale of operations and enhancing the market position. These goals were achieved by the Company by:

1. participation in reorganisation related processes, and subsequently by management of companies, development and implementation of their growth strategy;
2. providing the necessary financial resources for the development of a given project,
3. assistance in the field of business and industry know-how, seeking cooperation and complementary opportunities within the Company's investment portfolio;
4. continuous strategic monitoring;
5. substantive and personal support in the activities performed.

In the process of its investment portfolio management, Getin Holding expects to make a profit on sale of the projects at the moment that guarantees the maximum return on the investment, either to strategic investors or through local capital markets. The Company's additional revenue sources are benefits from its assets, such as dividends.

The present difficult situation in Ukraine, as a result of the war started by Russia, affects the Group's business prospects in this country. It is also difficult to predict future developments, which generates a number of risks relating to possible future dividend yields, the value of these assets, as well as the ability to sell them in the future. Aware of all risks arising from the present situation, the Company regularly implements measures to protect Idea Bank (Ukraine) employees and their families, as well as the company's property in order to minimise losses.

## **b. Major events for the Issuer in 2020**

### **Sale of assets in Belarus**

On 1 April 2021, the Issuer sold 120,990 shares of Idea Bank Belarus to MTB for the total amount of BYR 49,999,117.50 (equivalent to PLN 75,703,663.81 at the average exchange rate of the National Bank of Poland as at 31 May 2021), while Getin International S.A. in liquidation with its registered office in Wroclaw, wholly owned subsidiary of the Issuer, sold two shares of Idea Bank Belarus to MTB for the total amount of BYR 882.50 (equivalent to PLN 1,336.19 at the average exchange rate of the National Bank of Poland as at 31 March 2021).

On 23 March 2021, Getin International S.A. in liquidation with its registered office in Wroclaw bought 4.9% stake in Idea Finance sp. z o.o. with its registered office in Minsk from ZSA Idea Bank of Minsk.

Consequently, Getin International S.A. in liquidation is the sole shareholder of Idea Finance sp. z o.o.

On 22 September 2021, Getin International S.A. in liquidation, member of Getin Holding Group, resolved to liquidate Idea Finance Sp. z o.o., subsidiary of Getin International S.A., and initiated the liquidation procedure. The liquidation is pending.

### **Sale of assets in Romania**

On 2 June 2021, the Issuer and Getin International S.A. in liquidation with its registered office in Wroclaw (GISA) concluded a conditional sale agreement with BANCA TRANSILVANIA S.A. with its registered office in Cluj-Napoca, Romania (BT) and BT INVESTMENTS S.R.L. with its registered office in Cluj-Napoca, Romania (BT Investment). The agreement provided for the sale of 2,519,756,099 shares of IDEA Bank S.A. with its registered office in Bucharest, Romania ("Idea Bank Romania"), representing 100% of the share capital of Idea Bank Romania.

On 29 October 2021, since the conditions laid down in the conditional sale agreement had been met, the transaction was closed. The Issuer sold 2,519,756,098 shares, representing 99.99999996031% of the share capital of Idea Bank Romania, to BT; GISA sold one share, representing 0.00000003969% of the share capital of Idea Bank Romania, to BT Investments. GISA sold 87 shares, representing 0.0038659% of the share capital of Idea Investment S.A. with its registered office in Bucharest, Romania, subsidiary of Idea Bank Romania ("Idea Investment Romania"), to BT.

The contractual price for the shares was EUR equivalent of RON 213,000,000.00, i.e. EUR 43,038,997.78 (PLN 198,874,000) ("Base Amount"). The Base Amount was distributed among the Shareholders as follows: the Issuer received EUR 29,038,982.82 (PLN 134,183,000) for the sale of 2,519,756,098 shares of Idea Bank Romania held by the Issuer. Besides, the amount of EUR 14,000,000.00 (PLN 64,691,000) was transferred to an escrow account for a maximum period of three years to secure, among others, price adjustments and buyers' claims, if any, against the Issuer under

guarantees lodged by the Issuer. GISA received EUR 0.20 (PLN 0.92) for the sale of one share of Idea Bank Romania and EUR 14.75 (PLN 68.16) for the sale of 87 shares of Idea Investment Romania. After the Transaction Closing Date, the Base Amount was adjusted for the difference between the consolidated net asset value of Idea Bank Romania as at 31 October 2021 and the consolidated net asset value of Idea Bank Romania as at 31 December 2020.

On 16 February 2022, i.e. after the period covered by this report, in connection with a decision of the Romanian National Agency for Fiscal Administration (hereinafter: "ANAF") imposing an obligation to pay tax on a subsidiary of Idea Bank Romania (hereinafter: "Subsidiary"), i.e. an event for which the Issuer is responsible under the agreement, the Company ordered to pay EUR 3,443,419.26 (equivalent to PLN 15,466,461.95 at the exchange of the National Bank of Poland as at 16 February 2022) to the Subsidiary from the escrow account to which part of the price for Idea Bank Romania shares sold by the Issuer had been transferred under the agreement. The Company will make every effort to appeal against the ANAF decision within the deadlines and in accordance with the Romanian laws, as reported by the Issuer in Current Report 4/2022. The resolution of this matter is material for many entities in the Romanian market. Such practice has been common. Presently, many administrative proceedings are pending and it is likely that this matter will be resolved for the benefit of all entities in a similar situation.

In accordance with the conditional sale agreement, on 14 March 2022 the Base Amount was adjusted for the difference between the consolidated net asset value of Idea Bank Romania as at 31 October 2021 and the consolidated net asset value of Idea Bank Romania as at 31 December 2020. Following the adjustment, the Issuer and GISA were paid EUR equivalent of RON 9,665,000 (equivalent to PLN 9,359,586 at the exchange rate of the National Bank of Poland as at 11 March 2022), of which 99.99996526%, i.e. EUR 1,952,958.57, was paid to the Issuer and 0.00003474% was paid to GISA. Besides, since the consolidated net asset value of Idea Bank Romania as at 31 October 2021 was higher than the consolidated net asset value of Idea Bank Romania as at 31 December 2020, the amount of EUR 1,000,000 (equivalent to PLN 4,792,400 at the exchange rate of the National Bank of Poland as at 11 March 2022) was disbursed to the Issuer from the escrow account to which part of the price for Idea Bank Romania shares sold by the Issuer had been transferred. The Issuer received that amount on 21 March 2022.

### **Assets in Ukraine**

On 05.02.2021, the Issuer decided to allow the selected bidder potentially interested in acquisition perform the due diligence of Idea Bank (Ukraine) and New Finance Service. The bidder informed the Issuer on 31.03.2021 that it would not submit a firm acquisition offer. The Management Board of the Issuer decided to continue its efforts to dispose of its assets in the Ukrainian market, entrusting Rothschild & Co. with further activities to dispose of its entire share in Idea Bank (Ukraine) and New Finance Service.

Following actions taken, on 10 November 2021 the Issuer, as the seller, concluded a conditional sale agreement for 100% of Idea Bank (Ukraine) shares with JSC "First Ukrainian International Bank" with its registered office in Kiev, Ukraine, as the buyer (hereinafter: FUIB).

After the balance sheet date, on 3 February 2022 the Antimonopoly Committee of Ukraine approved the acquisition of Idea Bank (Ukraine) shares by FUIB, thus FUIB holds more than 50% of votes at the supreme authority of Idea Bank (Ukraine).

The tense geopolitical situation, ended with the war started by Russia in the last week of February 2022, led to an extended procedure on the part of the National Bank of Ukraine and, consequently, resulted in a failure to meet the deadlines set in the agreement with FUIB. Since all conditions for transfer of Idea Bank (Ukraine) shares laid down in the agreement with FUIB had not been met by 25 February 2022, the agreement was terminated.

#### **Claims of M.W. Trade S.A. against the liquidated Ostrowice Municipality**

Following the closure of the court proceedings on 18 August 2021, the bank account of M.W. Trade S.A. was credited with the claims under its submission of claims against the State Treasury in the total amount of PLN 37.0 million, including PLN 35.4 million awarded by the District Court in Szczecin on 28 May 2021 (ref. no. I C 583/20), and the amount previously acknowledged by the Zachodniopomorskie Voivode, i.e. PLN 1.6 million.

#### **Sale of shares of M.W. Trade S.A. by Getin Holding S.A. under a public tender**

On 23 December 2021, Getin Holding concluded an agreement for sale of shares under public tender offer ("Agreement") with M.W. Trade S.A. with its registered office in Wrocław ("MWT"), Beyondream Investments Ltd with its registered office in Larnaca (Cyprus) ("BI") and Mr. Rafał Wasilewski ("RW"). The purpose of the Agreement was to lay down the rights and obligations of the parties to announce and execute the tender offer for the sale of MWT shares, as referred to in Article 74(1) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies (consolidated text: Journal of Laws 2021, item 1983, as amended) ("Tender Offer"). In response to the Tender Offer, the Issuer intended to dispose of all 4,298,301 shares held in MWT to the inviting entities, representing 51.27% of the share capital of MWT and 51.27% of votes at the general meeting of MWT. The shares were to be disposed of for the price of PLN 5.00 (five) per share. The parties to the Agreement could terminate the Agreement or withdraw from it (as the case may be), until the announcement of the Tender Offer, in specified situations, in particular if: 1. the price per share fixed by the parties to the Agreement (i.e. PLN 5.00) was lower than the minimum price to be paid in the Tender Offer pursuant to the Act on Public Offering, and 2. the General Meeting of MWT did not approve the share buyback by MWT. The Agreement provided that the Tender Offer was effective if an organisational agreement was concluded between MWT, BI and RW, however, MWT, BI and RW were not obliged to conclude such agreement. In the event of full sale made under the Tender Offer, the Issuer would lose its status as a shareholder (including as a dominant shareholder) of MWT. On 15 March 2022, i.e. after the balance sheet date, the Issuer responded to the Tender Offer by subscribing to the sale of MWT shares in the number specified above, while the remaining conditions for the Tender Offer to be effective had been met. On 25 March 2022, all shares of MWT were disposed of, due to which the Issuer lost control over MWT and held no shares in MWT as at the date of publication of this Report. The Issuer received PLN 21,491,505 under this transaction. The Agreement also obligated the Issuer to grant a cash loan to BI, upon request of the latter, in the maximum amount of PLN 652,200 on an arm's length basis and for a period until 23 December 2023, subject to the provision of collateral for such loan.

BI applied for that loan after the balance sheet date. On 26 January 2022, the Issuer granted a cash loan of PLN 652,200 with floating interest rate to BI. The collateral for the loan was an ordinary pledge on MWT shares established by BI in favour of the Issuer. On 25 March 2022, the aforesaid loan in the principal amount of PLN 652,200 was repaid and, on 28 March 2022, the Company's account was credited with the interest due on the same.

#### **Reduction of the Company's share capital**

On 21 December 2021, the Extraordinary General Meeting of the Company resolved to reduce the share capital of the Issuer by PLN 740,092,633.80 (seven hundred and forty million ninety two thousand six hundred and thirty three zlotys 80/100), i.e. from PLN 759,069,368.00 (seven hundred and fifty nine million sixty nine thousand three hundred and sixty eight zlotys 00/100) to PLN 18,976,734.20 (eighteen million nine hundred and seventy six thousand seven hundred and thirty four zlotys 20/100), by reducing the share nominal value by PLN 3.90 (three zlotys 90/100), i.e. from PLN 4.00 (four zlotys 00/100) to PLN 0.10 (ten groszy). The share capital of the Company was reduced to pay the amount of PLN 189,767,342.00 (one hundred and eighty nine million seven hundred and sixty seven thousand three hundred and forty two zlotys and 00/100) to the shareholders on account of the share capital reduction and to transfer the amount of PLN 550,325,291.80 (five hundred and fifty million three hundred and twenty five thousand two hundred and ninety one zlotys 80/100) to the Company's supplementary capital, so that the amounts transferred under the share capital reduction could be allocated to cover any possible future losses of the Company and, besides, to create the conditions for future payments to shareholders from the supplementary capital in the part in which the capital was created from the Company's profits.

The Company's share capital reduction is in progress and proceeds in accordance with the Commercial Companies Code. On 29 March 2022, the three-month deadline for creditors to submit claims against the Company under the procedure of notifying the creditors of share capital reduction, referred to in Article 456 of the Commercial Companies Code, expired. Subsequently, on 4 April 2022 the Issuer applied to the Registry Court for registration of an amendment to the Company's Articles of Association, concerning the reduced amount of the Company's share capital.

### **c. Risk factors common for the entire Issuer's Capital Group**

The Group is constantly monitoring markets where it operates, analysing and adapting its business models to current changes resulting from local and market regulations, also those caused by SARS-CoV-2 pandemic and, more recently, by the geopolitical situation following the war in Ukraine. There is a high risk of high losses caused by direct hostilities in the area where the Issuer's subsidiaries operate. Relevant resources and experience allow to take timely and adequate actions to ensure the stable development of the Capital Group companies, as well as to influence efforts to rebuild businesses after the war.

In the opinion of the Issuer, the following factors are forecast for future periods and will affect the Company's standalone performance and the Group's consolidated performance:

1. the risk relating to hostilities in Ukraine; inability to estimate the duration of the war and the scale of losses it will cause to the economy and people's daily lives, which will definitely affect the operations of the Group companies in Ukraine;
2. potential risks may arise where regulatory changes are made due to further negative reputational developments and a possibility that relevant institutions may influence the Group's operations. The main risk for Getin Holding is possible restrictions on dividend payments by subsidiaries and possible sanctions that make it impossible to obtain payments for assets, arising from the nature of M&A transactions, which may disrupt financial flows within the Company;

3. the situation relating to SARS-CoV-2 coronavirus pandemic will continue to affect income and the quality of the loan portfolio;
4. market conditions (global and local); macroeconomic indicators of economies (where the Group's investments/divestments are, or will be, made) affecting the return on projects; difficult to predict fluctuations in the economic situation of markets, geopolitics;
5. the ability of Group companies to adjust their risk management mechanisms to prevailing market trends and tendencies on an ongoing basis;
6. specific nature of business operations of Getin Holding S.A.; the parent company is exposed to risks of new activities or risks of sale of its assets.

Getin Holding Capital Group companies are, or may be, exposed mainly to the following risks:

- **Other risks**

*Risk of hostilities in Ukraine and the threat of armed conflict in Europe*

Russia's military aggression against Ukraine and the demands made by Russia against not only Ukraine but also the European Union and the North Atlantic Alliance, generate the risk of military conflict on an unimaginable scale, the effects of which could be tragic for the global economy. In consequence, it may seriously jeopardize the closure of pending M&A processes and the receipt of proceeds from the completed asset sale project in Russia, from which Getin Holding expects payments which, in accordance with the agreement, will be disbursed from escrow accounts in the coming years, after all terms and conditions laid down in the agreement are met.

The present geopolitical environment, sanctions imposed on Russia and the devastation in Ukraine, caused by the invasion of the Russian army, of a scale not earlier seen since World War II, may cause the divestment of assets in Ukraine to be postponed and may also adversely affect the ability to sell them in the future.

It is also difficult to predict future developments, which generates a number of risks relating to possible future dividend yields and the value of these assets. It is certain, however, that the scale of the damage, not only to infrastructure but also to business prospects, will be enormous.

At the present stage, it is difficult to estimate both the time and cost of rebuilding the businesses operated by Getin Holding Group in Ukraine. Presently, the scale of operations of Idea Bank (Ukraine) is reduced. If the conflict further escalates, it is possible that the Bank will cease all its activities, should the situation threaten the lives of our employees and an attack on the IT infrastructure prevent the operation of the Bank's systems.

Long-lasting hostilities will translate into a further exodus of civilians, including the employees of the Bank, which may seriously jeopardise the ability of Idea Bank (Ukraine) to continue its operations or the scope of its business.

The Group's priority is to ensure safety of the employees and, therefore, Getin Holding and the Bank take measures to secure the employees and their families and to evacuate them from areas that are particularly vulnerable to the invasion of the Russian army.

*Situation in stock exchange markets*

The current situation in the capital market is one of the risk factors since it impacts opportunities of gaining funds for financing further growth of the Group companies.

### *Competition risk*

Another risk factor that may materially affect the Group's financial results of the Group is considerably growing competition in the financial intermediation sector. This is mainly due to the emergence of a large number of new financial intermediaries and investment firms on the market.

### *Risk of legislative changes*

The operations of the Group companies are subject of several EU and local law regulations, both presently binding and adopted in the future. Law regulations and interpretations regulating the financial sector are subject of frequent changes. The scope of the changes, their trends and impact on companies operating in the financial sector are hardly predictable. Changes in regulations applicable to financial institutions and their associates, as well as to products offered by such institutions, may apply to the Group companies. Introduction of changes into law and regulations and changing their interpretation (specifically by the regulators) may bring about additional requirements to be satisfied by the Group companies, which in turn may result in increased operational costs and diminished profitability or may have other adverse effect on the Group. Specifically, as we already know, there have recently emerged, both in the European Union and in Poland, initiatives to spread regulatory supervision over entities and persons engaged in financial consulting. Such changes are supposed to aim at providing wider protection for financial services' buyers, e.g. regulation of the liability for damage caused by misleading advice. Since neither the scope nor direction of the said changes has been formally specified, their potential impact on the Group's operations is difficult to estimate.

Another risk, to which especially companies operating in Poland are exposed, is risk of interpretation of newly adopted by the parliament tax regulations related to the complex tax system reform, which may require taking additional steps in order to mitigate such new risks originating from the reform.

### *Regulatory risk*

Getin Holding, as a parent company controlling companies operating in regulated markets in several countries, is in particular exposed to regulatory risk. Should Getin Holding Group companies violate any legal or regulatory requirements, such as e.g. capital requirements, manner of running business by such companies, etc., Getin Holding, as the main shareholder, may be obliged to take relevant corrective measures to restore the situation in the regulated company to the required by binding regulations.

### *Foreign investment and operations related risk*

The Company holds shares in companies operating in a foreign market (Ukraine). Therefore, their operations are subject to a foreign jurisdiction, as well as to foreign regulations on financial regulatory supervision, tax regulations, accounting and reporting regulations, and in the context of the situation after the balance sheet date, to additional tightening of the aforesaid regulations due to the war in Ukraine, which may cause the scope of available information on operations of some of the Group companies to be narrower compared to the standards applicable in Poland and other member states of the European Union. That may also bring about additional impediments and inconveniences in seeking their rights by the Group companies.

The Group companies are also exposed to the risk of adverse changes in law regulations in countries where they run their business. Each change in law regulations may increase their operating costs and



adversely affect their performance and impede evaluation of the effects of future events and decisions. Another factor that materially affects conditions for business activity in new markets is the development of economic relations by Poland with those markets, including laws regulating the free movement of capital, know-how and labour force. Also risks related to possibility of imposing limits and restrictions on foreign investors in countries where the Group companies have invested or intend to invest should be taken into consideration, or even the risk of nationalization.

The financial risk management is discussed in detail in the Financial Statements of the Issuer and the Group for the period of 12 months ended on 31.12.2021.

- **Risks in banking**

*Credit risk*

Credit risk is the risk that debtors default on debt or other liability (e.g. settlements of interbank transactions) by failing to make payments. The risk is managed by the implementation and compliance with loan granting procedures and loan limits as well as loan monitoring recommendations and regular analysis of loan repayment and financial standing of debtors and transaction parties.

Because of limited exposure to loans denominated in foreign currencies, the Group faces hardly any additional risk resulting from the fact that clients' risk is unsecured either by hedging transactions or the flow of earnings in case of retail products that may result from other obligations of clients of the Group companies.

Similarly, possible increase of the unemployment rate may have an adverse impact on credit risk. The scale of that risk will depend on the scale of changes in business cycles and the unemployment rate and therefore it is difficult to estimate.

*Interest rate risk*

In case of mismatch of balance sheet and off-balance sheet items any interest rates fluctuations may affect the Group banks' assets and liabilities as well as their financial result. The risk is limited by using derivatives. Increasing interest rates in the interbank market may furthermore materially diminish the loan merchantability. Increasing interest rates in the interbank market may furthermore materially diminish the loan merchantability. In some countries, the process of raising interest rates has already started.

*Currency risk*

Foreign currency risk occurs as a result of transactions made with clients. The risk is managed by making opposite transactions in the interbank market and a system of limits for open positions.

*Liquidity risk*

Liquidity risk management means forming balance sheet structure and off-balance sheet items so that strategic goals are accomplished, such as maximising the market value of equity by accomplishing the expected financial result by the Group companies while keeping the financial risk exposure at a level set by boards of the banks. The liquidity management is based on presenting assets and liabilities of such companies according to realigned maturity dates, which allows for identification of potential mismatches.

Furthermore, in case of financing investment assets with debt instruments, specifically with bonds, or loans, the liquidity risk may increase. The liquidity risk may materialize when a given company lacks

sufficient cash to pay current liabilities or its assets lack marketability or cannot take new debt in order to pay current and future liabilities.

#### *Operating risk*

Operational risk expresses possibility of incurring loss as a result of the adverse effect of the following factors: staff, IT, customer relations, relations with customers and third parties, fixed assets and project management. For the purpose of effective operational risk management, internal management systems have been implemented.

#### *Long-term financing of loan sale*

Loan sale is exposed to risk of insufficient financing resources. The Group applies diversified capital raising methods in order to mitigate the risk. Funds are raised both from non-financial sector clients through dynamically expanding branch network and by issuing direct or indirect medium-term securities.

#### **d. The adopted growth strategy for the Issuer and for its capital group, activities taken to implement the strategy and description of the growth perspectives for the next financial year**

Getin Holding has always aimed to take strategic approach to M&A transactions and to build value by developing its assets for further sale. In recent quarters, the Company has successfully completed a number of multi-year investment projects, and therefore, has been able to repay existing liabilities and significantly accumulate capital.

The current economic and political situation in foreign markets and the increasing regulatory restrictions in the European financial sector are far from the conditions under which shareholders set the Company's objectives and mission. Besides, present market conditions do not encourage new investments in the European financial services sector and an expected return on investment can hardly be called attractive. Besides, a difficult formal and legal situation, as well as reputational issues significantly hinder the Company's operations on regulated markets.

Therefore, it was decided that the optimal way to allocate the capital released in recent quarters is to return it to the shareholders. Therefore, the Extraordinary General Meeting of the Company resolved to pay PLN 189 million on account of the Company's share capital reduction, which is an exercise of the shareholders' right to return on investment. Besides, with respect to other aspects of the share capital reduction and the transfer of funds to supplementary capital, formal conditions are developed to allow for payment of dividends upon the completion of subsequent investment projects. Therefore, the Company considered the solution adopted by the Extraordinary General Meeting in Q4 of 2021 as optimal for both itself and its shareholders.

Following the capital reduction and distributions to shareholders, Getin Holding will continue its operations on a smaller scale, focusing on portfolio investments. Possible strategic decisions on further directions of the Company's development may be communicated in the second half of 2022, taking account of the stabilisation of the situation in Ukraine.

It should be remembered that decisions on actions relating to the reduction of Getin Holding's share capital were made in a totally different geopolitical environment. The current war in Ukraine, caused by Russia, the risk of occupation of Ukraine and the further development of the conflict, which is

difficult to estimate, and thus the prospects for our Ukrainian business and the ability to sell it, which are difficult to predict now, will affect Getin Holding's capacity to pay dividends in the future.

**e. Impact of the SARS-CoV-2 coronavirus on the Group's operations and financial performance**

The factor affecting the business environment in all markets where Getin Holding Capital Group operated in 2021 was the recovery of the scale of operations with the still high risk of SARS-CoV-2 coronavirus pandemic. The consequences of the pandemic and a gradual recovery of demand affected both the financial performance for the subsequent quarters and the decisions concerning the manner and rules of operation of businesses of Group companies.

The nature of the Company business allows for nearly 90% of all tasks to be fulfilled remotely. This has made it possible to introduce a hybrid work system (home/office) for all the Company's employees, without the risk of interrupting ongoing projects and other important processes, including those related to asset management or ongoing reporting both internally and externally. Getin Holding's management model involves remote cooperation using modern ICT solutions. Practice to date has shown the high effectiveness of working in a 'mixed' model.

Potential risks may arise in a situation of regulatory changes due to further negative developments and the need for the relevant institutions to respond to the Group's areas of operation.

SARS-CoV-2 coronavirus pandemic was present in all markets where Getin Holding operated to date. The scale of operations varied from country to country, and so did the responses of local authorities, their recommendations and the restrictions on particular sectors of the economy. Therefore, the Group companies were continuously implementing regulations appropriate to the top-down restrictions on changes to work organisation and special procedures to ensure business continuity in pandemic conditions. The common element was to allow the widest possible group of Getin Holding Capital Group employees to work from home to ensure the highest possible level of security and minimise the risk of virus transmission to other people, as well as to ensure continuity of processes at the level of each organisation.

As estimated by the Management Board of Getin Holding, negative economic effects were suffered by all markets where the Group's business operations were conducted and came down mainly to reduced demand for financial services, especially loans, and thus to lower interest and commission income.

Nevertheless, the past year saw a gradual recovery of demand for financial services, and owing to the implemented remedies and further development - also during the pandemic - of modern sales platforms, Getin Holding Group companies were able to quickly respond to the growing demand and adjust their offer to customer needs. 2021 was one of the best years in terms of sales in Ukraine, as well as in Romania, which translated into record results in these markets.

Despite a noticeable improvement in the financial markets, the Management Board of Getin Holding S.A. draws attention to the risk of failure to achieve the intended business goals, resulting from the fact that the effect of highly volatile market situation on the financial performance cannot be precisely estimated. The further development of the Russia-West crisis, which is difficult to predict, global SARS-CoV-2 coronavirus pandemic, as well as its unpredictable duration, have introduced a level of volatility and concern about the state of the economy and the basis for further economic growth, locally and globally, not seen in years. Negative scenarios of further developments in Ukraine, if realised, may affect the prospects of Idea Bank's operations in Ukraine, ability to generate profits and the Bank's capacity to pay dividends, which may impact the standing of Getin Holding.

The above described factors will have a negative impact on the generated results and the amount of equity of the Group companies, which may result in the materialisation of the risk of some of them failing to meet regulatory capital requirements.

The ultimate impact of the war in Ukraine and the pandemic on Getin Holding Capital Group's operations cannot be precisely measured and assessed at this stage. The Company's Management Board monitors the market environment, adapting its activities to the current situation.

#### **f. Major achievements in research and development**

Not applicable to companies in the Getin Holding Capital Group.

### **3. Business operations of Getin Holding Capital Group in 2021 by segments**

Since the procedures of disposal of the Issuer's assets were closed in 2021, as described in item 2(b) above, segment descriptions of the banking business in Belarus and Romania are not broken down into territories compared to the Annual Report on Performance of Getin Holding Group for 2020.

Segment in Belarus – sold by the Issuer at the beginning of Q2 2021 – has been classified as discontinued operations under IFRS.

Segment in Romania – sold by the Issuer in Q4 2021 – has been classified as discontinued operations under IFRS.

Moreover, in connection with the ongoing buyback of shares by MW Trade S.A., a subsidiary, and an agreement on sale of all MWT shares held by Getin Holding S.A. under a public tender offer, concluded on 23 December 2021 with MWT, the Company's Management Board decided to classify the investment held in MWT as at 31 December 2021 as non-current assets held for sale. On the consolidated basis, the results of the company are classified as discontinued operations while assets and liabilities are classified as assets and liabilities held for sale.

In connection with the conditional sale agreement for 100% of Idea Bank (Ukraine) shares concluded with FUIB on 10 November 2021, which was terminated after the balance sheet date since all the conditions for transfer of ownership of Idea Bank (Ukraine) shares laid down therein had not been met by 25 February 2022, as at 31 December 2021 the Group classified the assets of Ukrainian companies as assets held for sale and their operations as discontinued operations, in accordance with IFRS 5.

#### **3.1. Segment of banking services in Ukraine**

##### **a. Business operations and model in the segment**

The segment of banking services of the Issuer's Capital Group in Ukraine is represented by:

- Idea Bank S.A. (Ukraine) offering banking products and services to individuals,
- New Finance Service sp. z o.o., the activities of which during the reporting period included the purchase, turnover, debt collection and credit and insurance brokerage,

Idea Bank S.A. (Ukraine) offers banking products and services addressed to individual clients. The bank's core products include cash loans, credit and debit cards, deposits and current accounts. Idea Bank (Ukraine) offers a comprehensive range of services for individuals, continuing to develop services provided through online banking.

Idea Bank (Ukraine) also provides services for entrepreneurs – offering corporate loans, deposit products and cash and clearing services.

The Bank sells products through its own branches and online channels and through partner banks, and also New Finance Service sp. z o.o.

## b. Segment performance, including factors and events that affected accomplished results

### Segment result:

	kPLN		Change %	kUAH		Change %
	12M 2021	12M 2020		12M 2021	12M 2020	
Net interest income	261 751	203 298	28,8%	1 841 372	1 412 855	30,3%
Interest income	312 221	279 565	11,7%	2 196 419	1 942 885	13,0%
Interest expense	(50 470)	(76 267)	-33,8%	(355 047)	(530 031)	-33,0%
Net fee and commission income	51 520	49 063	5,0%	362 434	340 972	6,3%
Fee and commission income	70 961	66 612	6,5%	499 198	462 932	7,8%
Fee and commission expense	(19 441)	(17 549)	10,8%	(136 764)	(121 960)	12,1%
Other net operating income and expenses	5 316	8 088	-34,3%	37 397	56 209	-33,5%
Result on revaluation write-offs	(72 622)	(91 638)	-20,8%	(510 883)	(636 854)	-19,8%
Administrative expenses	(112 613)	(99 426)	13,3%	(792 212)	(690 978)	14,7%
Income tax	(24 781)	(12 365)	100,4%	(174 330)	(85 933)	102,9%
<b>Net profit</b>	<b>108 571</b>	<b>57 020</b>	<b>90,4%</b>	<b>763 778</b>	<b>396 270</b>	<b>92,7%</b>

### Selected balance sheet data:

	kPLN		Change %	kUAH		Change %
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
Balance sheet total	912 947	682 821	33,7%	6 139 523	5 149 480	19,2%
Loans and advances	719 136	505 742	42,2%	4 836 153	3 814 042	26,8%
Deposits	628 638	506 875	24,0%	4 227 559	3 822 587	10,6%

### The key efficiency indicators:

No.	The key efficiency indicators	At the end of 2021	At the end of 2020	Change	Description for the year-end ratios
1	ROA Return on assets	13,61%	7,31%	6,30 p.p.	Net profit / [(Total assets at the end of the current year + Total assets at the end of the previous year)/2]
2	ROE Return on equity	61,22%	39,37%	21,85 p.p.	Net profit / [(Total equity at the end of the current year + Total equity at the end of the previous year)/2]
3	NIM Net interest margin	35,25%	27,93%	7,32 p.p.	Net interest income / [(Total interest-earning assets at the end of the current year + Total interest-earning assets at the end of the previous year)/2]
4	COF Cost of financing	8,60%	12,56%	-3,97 p.p.	Interest expenses / [(Total interest-bearing liabilities at the end of the current year + Total interest-bearing liabilities at the end of the previous year)/2]
5	COR Cost of risk	11,88%	15,65%	-3,77 p.p.	Net impairment result on loans, advances and leasing receivables / [(Total receivables from loans, advances, leasing at the end of the current year + Total receivables from loans, advances and leasing at the end of the previous year)/2]
6	C/I Cost-to-income ratio	35,35%	38,17%	-2,83 p.p.	general administrative expenses / net operating income

The Group closed year 2021 in Ukraine with a record result, compared to corresponding periods throughout the history of the segment. At the end of 2021, net income totalled PLN 108.6 million and was 90% higher compared to 2020.

The main drivers of improved results are a growth in the loan portfolio due to a significant increase in the sale of loan products, lower write-downs on the loan portfolio, better customer payment discipline and an overall improvement of the portfolio quality. In the period under review, sales increased and totalled PLN 701.6 million (UAH 4,935,961 thousand) and were 67.8% (in UAH 69.8%) higher than in the corresponding period of 2020.

In 2021, the Group's operations in Ukraine were affected by significant regulatory changes in the financial sector. There was a noticeable increase in net interest income (28.8%) and an increase in net commission income (5%), amounting to PLN 261.8 million and PLN 51.5 million, respectively. Compared to 2020, write-downs were 20.8% lower and totalled PLN 72.6 million. This was mainly driven by a better quality of new loans as a result of a change in the Bank's credit policy.

In the period under review, the Group's operating expenses in Ukraine increased by 13.3% year over year from PLN 99.4 million to PLN 112.6 million. The reason for the increase in costs, despite strict control of administrative expenses, was the significant expansion of this segment's business, initiated in 2019, and the pressure of market factors (high inflation).

The segment's loan portfolio grew by 42.2% to PLN 719.1 million at the end of 2021, while the deposit portfolio grew to PLN 628.6 million (24%). The segment's balance sheet total at the end of the reported period amounted to PLN 912.9 million and was 33.7% higher than at the end of 2020. The net interest margin (NIM) in the period under review amounted to 35.25% and was 7.32 p.p. higher than in the previous year. That was mainly due to the cost of financing (COF) that decreased to 8.6% (against 12.56% as at the last day of the comparative period). The cost of risk (COR) at the balance sheet date amounted to 11.88% and was 1.26 p.p. lower than in the comparative period (15.65% at the end of 2020). The cost-to-income (C/I) ratio amounted to 35.35%, and was by 2.83 p.p. lower than a year earlier.

It should be noted that the ongoing war in Ukraine, caused by Russia, will materially affect the performance for 2022. At this moment, since the war and active military operations are conducted in Ukraine and the timing of their termination is not known, the Issuer is not able to estimate either the scope of permanent losses or the costs of business recovery when the Group could resume its operations in Ukraine in normal conditions. With stability achieved in Ukraine, Idea Bank will face new challenges and new prospects for operations.

### **c. Material events in 2021, adopted strategy and perspectives**

Idea Bank (Ukraine) continued to implement new solutions in the area of internet banking, which had a positive impact on the segment's operations during the period when some of the New Finance Service points of sale were closed.

Set by O.Bank digital bank and the mobile application, the new model of communication with customers without the need for customers to be physically present in branches, had a major role in the era of the pandemic. Eventually, O.Bank will provide users with access to the full range of products, as well as all services and websites of the Ukrainian bank from Getin Holding Group.

During the reporting period, Idea Bank (Ukraine) complied with all regulatory requirements concerning asset quality and capital adequacy based on the analysis of emergency scenarios (testing under adverse/crisis macroeconomic scenarios), and liquidity standards (quick, current, short-term liquidity), and credit risk assessment requirements. Even in the face of the pandemic, the Bank's efficient business model allowed to ensure growth in sales, loan portfolio and assets in 2021.

In terms of efficiency, the Bank ranked high among banks in the Ukrainian banking system. The segment in Ukraine remained profitable and allowed for regular dividend payments. In 2021, Idea Bank (Ukraine) and New Finance Service paid a total of nearly PLN 45.7 million on this account to the Issuer.

As part of the ongoing reform of the financial sector, regulatory changes were introduced in 2021 concerning capital requirements for banks. To maintain an appropriate level of capitalisation and to further develop the bank, on 31 May 2021 the Supervisory Board of Getin Holding S.A. approved the Company's subscription to Idea Bank (Ukraine) shares, under the increase of the bank's share capital, with the total issued value up to UAH 100 million. On 25 August 2021, the Issuer, as the sole shareholder of Idea Bank (Ukraine), resolved to increase the bank's share capital by UAH 24,330,900.00 through the issue of 24,330,900 ordinary registered shares with nominal value of UAH 1.00 (one hryvnia 00/100) per share, payable in cash. The newly issued Idea Bank (Ukraine) shares were fully subscribed to by the Issuer. After the balance sheet date, the increase in the share capital of Idea Bank (Ukraine) was completed - the Regulator's Certificate of Registration of the new issue shares and the Global Certificate were obtained. Currently, the share capital of Idea Bank (Ukraine) amounts to UAH 323,072,875.00 and is divided into 323,072,875 ordinary registered shares with nominal value of UAH 1.00 (one hryvnia 00/100) per share.

With the outbreak of the war on 24 February 2022, all spheres of life activity in Ukraine, in particular the Ukrainian banking system, had to switch to work under martial law, which involves a number of limitations on the existing operations. Presently, the priority of banks in Ukraine, including Idea Bank, is to provide citizens with continuous and safe access to funds and operations to secure their main life needs. Besides, Ukrainian banks offer solution for financial support of the Armed Forces of Ukraine by opening special bank accounts for domestic payments and foreign transfers. Market participants, supported by the National Bank of Ukraine, also focus on providing continuous operations of the banking system, which additionally guarantees the business continuity of Ukrainian enterprises, in particular critical infrastructure. In this context, the banking indicators and requirements applicable so far will undoubtedly change. Idea Bank estimates them regularly and the Group will present relevant data in the future.

#### **d. Material events and risks that may affect future operations in the segment**

The main risk that significantly affects all spheres of activity in Ukraine, including the banking sector, is the unstable geopolitical situation caused by the military aggression of the Russian Federation against Ukraine on 24 February 2022, i.e. after the balance sheet date. Regular battles for towns in the east and south of Ukraine, bombing of the capital city Kiev, activities that directly threaten the lives of civilians, the scale of which is unprecedented in recent history, make it impossible to estimate losses and translate them now into the Group's future operations. The Company will present the effect of these events on the Ukrainian segment in the reports for the next periods.

Getin Holding Group takes measures to protect employees in Ukraine and their families, and to secure the Group's assets in Ukraine. The measures taken by Idea Bank (Ukraine) include, among others,

providing the Bank's clients with access to savings, offering credit holidays, extending the validity periods of payment cards, all in compliance with the regulations of the National Bank of Ukraine (NBU).

The Bank's Management Board takes measures to support employees and protect them from Russian aggression. To this end, employees were provided with assistance during evacuation, substitute premises were secured away from towns where intense hostilities are going on, and support was provided to employees who had been called up for military service.

Idea Bank has become involved in the Fund created by the NBU to support the defence of Ukraine.

The Group has taken measures to secure the Bank's systems against increasing cyber-attacks by the Russian Federation and against attacks on the network infrastructure, which may result in cutting off access to the Bank's transaction system.

Getin Holding has arranged housing facilities in Poland, should the families of our employees fleeing areas of hostilities need to use them.

Another risk faced by the Ukrainian segment, as well as the global economy, was SARS-CoV-2 pandemic. The government "frozen" activity in the market with quarantine and other measures to combat coronavirus. In December 2021, the number of new COVID-19 infections increased rapidly. The vaccination rate in Ukraine did not reach the target of minimum 60%.

In times of pandemic, the Ukrainian market still noted high dependence of the stability of the country's economy and macroeconomic indicators on cooperation with the International Monetary Fund. This had implications for the country's ability to meet its obligations and the stability of the exchange rate.

As a consequence of the pandemic crisis, in 2021 the Ukrainian segment faced the risk of reduced customer demand for the products and services offered (decrease in sales volume), deterioration in the quality of the portfolio and reduced payment discipline of customers. On the national scale, in addition to the crisis caused by the war, SARS-CoV-2 pandemic will continue to affect the Ukrainian economy and its ability to recover.

The growth in the rate of inflation in the world affected the inflation rate in Ukraine. In 2021, the inflation rate was 10%, 5 p.p. higher than in 2020. The regulator's monetary policy was aimed at slowing the inflation rate. The National Bank of Ukraine raised the refinancing rate in several steps, from 6% (at the end of 2020) to 9% (at the end of 2021), which had impact on deposit interest rates. The further weakening of hryvnia was also observed, which affected liquidity of the Ukrainian banking system.

Since the outbreak of the war, i.e. the situation Ukraine has faced after the balance sheet date, the National Bank of Ukraine has focused primarily on keeping the banking system in operation and ensuring its stability until the end of martial law.

In the reporting period, Idea Bank (Ukraine) was also affected by the growing competition in the local banking market in the area of retail cash loans and deposit products, especially from large banking entities. In the past period, competition in the retail loan market affected the costs of loans and deposits offered by Idea Bank (Ukraine), and reduced margins.

The development strategy of Idea Bank (Ukraine), the assumptions of which were being implemented at the necessary minimum level due to the ongoing war in Ukraine, was consistently aimed at running a highly effective business model (while optimising operating costs) and maintaining the position of one of the market leaders. Depending on future developments, which cannot be predicted or



estimated at the moment, the Company will communicate future priorities for Idea Bank (Ukraine)'s operations in next reporting periods.

In 2021, as part of monitoring the compliance with requirements of local laws for shareholders of parent banks, the National Bank of Ukraine requested Idea Bank (Ukraine) and Getin Holding to provide additional information on Getin Holding as a shareholder of the bank, as well as LC Corp BV and Mr. Leszek Czarnecki as shareholders of Getin Holding. The Company replied within the deadlines set by the National Bank of Ukraine.

#### e. Changes in the segment structure in 2021

On 26 March 2021, Getin International SA in liquidation (subsidiary of the Issuer), as the sole shareholder of Gwarant Legal Support Sp. z o.o., resolved to liquidate Gwarant Legal Support and appointed a liquidator. The liquidation is pending

### 3.2. Sector of financial services in Poland

#### a. Business operations and model in the segment

The segment of banking services of the Issuer's Capital Group in Poland is represented by M.W. Trade S.A. (MWT). The company's main specialisation is debt restructuring of public entities and offering comprehensive financial services. The typical feature of this niche market is concentration of demand and supply, which in turn leads to the company dependency on the market situation, specifically on changes in legislation and activities of competitors. MWT, operating in the medical sector, was the Group company most directly affected by the pandemic.

#### b. Segment performance, including factors and events that affected accomplished results

##### Segment result:

	kPLN		Change %
	12M 2021	12M 2020	
Net interest income	1 059	2 155	-50,9%
Interest income	1 983	4 092	-51,5%
Interest expense	(924)	(1 937)	-52,3%
Net fee and commission income	(243)	30	-
Fee and commission income	(174)	103	-
Fee and commission expense	(69)	(73)	-5,5%
Other net operating income and expenses	109	30	263,3%
Result on revaluation write-offs	660	(404)	-
Administrative expenses	(3 120)	(3 951)	-21,0%
Income tax	926	(1 704)	-
<b>Net profit</b>	<b>(609)</b>	<b>(3 844)</b>	<b>-84,2%</b>

##### Selected balance sheet data:

	kPLN		Change %
	31.12.2021	31.12.2020	
Balance sheet total	69 018	103 555	-33,4%
Loans and receivables	17 223	86 752	-80,1%

### The key efficiency indicators:

No.	The key efficiency indicators	At the end of 2020	At the end of 2019	Change	Description for the year-end ratios
1	ROA Return on assets	-0,71%	-3,17%	2,47 p.p.	Net profit / [(Total assets at the end of the current year + Total assets at the end of the previous year)/2]
2	ROE Return on equity	-1,00%	-5,34%	4,34 p.p.	Net profit / [(Total equity at the end of the current year + Total equity at the end of the previous year)/2]
3	NIM Net interest margin	1,25%	1,81%	-0,56 p.p.	Net interest income / [(Total interest-earning assets at the end of the current year + Total interest-earning assets at the end of the previous year)/2]
4	COF Cost of financing	3,80%	4,03%	-0,23 p.p.	Interest expenses / [(Total interest-bearing liabilities at the end of the current year + Total interest-bearing liabilities at the end of the previous year)/2]
5	COR Cost of risk	-1,27%	0,42%	-1,69 p.p.	Net impairment result on loans, advances and leasing receivables / [(Total receivables from loans, advances, leasing at the end of the current year + Total receivables from loans, advances and leasing at the end of the previous year)/2]
6	C/I Cost-to-income ratio	337,30%	178,37%	158,92 p.p.	General administrative expenses / net operating income

In 2021, MWT recorded PLN 19.7 million in early repayments of the portfolio, which reduced the financial liabilities by almost PLN 22 million. Taking into account scheduled repayments as well, financial assets and financial liabilities went down by 80% compared to the amount at the end of 2020.

The major event for MWT's operations, with effect on its 2021 performance, was the recovery by MWT from the State Treasury on 18 August 2021 of almost PLN 37 million as repayment of claims against the liquidated Ostrowice Municipality, early repayment of two other balance sheet exposures, which caused MWT to lose some of its interest margin. All repayments resulted in a reversal of the expected loss and affected tax settlements. Additionally, MWT adjusted commission income due to the early repayment of loans intermediated by MWT in the past.

In the period from 1 January 2021 to 31 December 2021, MWT generated a net loss of PLN 609,000. This result is by PLN 3.2 million better than in the corresponding period of the previous year.

The structure of sources of income remained unchanged compared to previous periods. MWT generated primarily interest income from its balance sheet portfolio consisting of lending and restructuring products offered to medical entities and local government units, which represent the main item of all income generated.

In 2021, income from sale amounted to PLN 1.8 million, i.e. PLN 2.2 million less than in 2020, down 56%. The lower income resulted mainly from a lower average monthly value of the debt portfolio, which was PLN 58.3 million in the period under review (in 1Y'2020, the average value of the portfolio was PLN 95.3 million, down 39%).

Aggregate costs incurred by MWT in 2021 amounted to PLN 3.4 million, i.e. 46% less than in the corresponding period (PLN 6.4 million in 1Y'2020). The lower costs, compared to the corresponding period in 2020, resulted mainly from a decrease in portfolio financing costs (down by 50%), administrative costs (down by 21%), and a reversal of write-downs due to significant portfolio repayments, and a reversal of impairment losses made in 2014 in the total amount of PLN 660,000.

In 2021, the Company did not generate balance sheet contracting, as assumed and analogically to the same period of 2020.

MWT's debt portfolio, including long-term and short-term receivables and loans granted, amounted to PLN 17.3 million on the last day of the year, compared to PLN 87.2 million in the corresponding period of 2020, down 80%. The high decrease resulted from early repayments made by clients and recovery by MWT from the State Treasury of claims under the exposure to the liquidated Ostrowice Municipality.

As at 31 December 2021, the share of equity in MWT funding was 88%. The remainder were long-term and short-term liabilities. The total value of liabilities went down from PLN 42.3 million at the end of 2020 to PLN 8.4 million as at 31 December 2021.

In the reporting period, MWT repaid its last bank loan and also paid some of its debt repurchase liabilities in the part early repaid by a client.

The key item of financial liabilities is debt repurchases in the total amount slightly over PLN 8 million. Due to this structure of balance sheet financing and a liquidity buffer available as at the balance sheet date, MWT is able to match its balance sheet cash flows while reducing its sensitivity to various market factors, including those caused by unusual events.

The balance sheet total at the end of 1Y'2021, compared to the amount at the end of 2020, went down by PLN 34.5 million i.e. 33% (from PLN 103.6 million at the end of 2020).

### **c. Material events in 2021, adopted strategy and prospects**

The events that were unusual due to their size and which affected assets, liabilities, equity, net profit and cash flows in 2021 were, among others, significant debt repayments, including the recovery by MWT from the State Treasury on 18 August 2021 of almost PLN 37 million as repayment of claims against the liquidated Ostrowice Municipality and settlement of the related balance sheet exposures.

#### Significant debt repayments

a. On 16 June 2021, Central Teaching Clinical Hospital in Warsaw made an early repayment of debt in the amount of PLN 9 million. MWT included that repayment in income tax calculations and allocated the funds received to early repayment of financial liabilities on account of debt repurchases in the total amount of PLN 10.7 million.

b. On 18 August 2021, the bank account of MWT was credited with claims under its submission of claims against the State Treasury in the total amount of almost PLN 37 million, including PLN 35.3 million awarded by the District Court in Szczecin on 28 May 2021 (ref. no. I C 583/20) in the case initiated as a result of MWT's objections to the information of the Mayor of Zachodniopomorskie Province regarding the submission of claims due to MWT from the liquidated Ostrowice Municipality, and the amount previously acknowledged by the Zachodniopomorskie Voivode, i.e. PLN 1.6 million.

c. On 15 December 2021, the Voivodeship Specialist Hospital in Legnica made an early full repayment of its exposure to MWT. The total repayment amounted to PLN 10.6 million. At the same time, on the same date MWT made an early full repayment of the repurchase of the aforesaid debt in the total amount of PLN 10.8 million.

#### Events relating to balance sheet exposure to the Ostrowice Municipality, liquidated as of 1 January 2019

In the period from April 2019 to August 2021, three proceedings concerning the exposure to the liquidated Ostrowice Municipality were conducted, including the proceedings to recognise the claims submitted by MWT under Article 6(1)-(3) of the Act of 5 July 2018 on Special Solutions for the Ostrowice Municipality in the Zachodniopomorskie Voivodeship, in the total amount of almost PLN 37 million.

On 18 August 2021, the aforesaid claims were paid in full. In the period from 1 January to 30 September 2021, MWT calculated the expected loss for this exposure in accordance with the assumed scenarios and settled it in full upon the payment made by the Zachodniopomorskie Voivode. The total amount to increase net impairment losses on receivables in the income statement was PLN 541,000. At the same time, MWT settled the deferred tax asset and reversed the impairment loss on the deferred tax asset arising from the tax loss in 2016, which was consumed upon the settlement of the debt repayment in the total amount of PLN 1.2 million.

In the period from 1 January to 31 December 2021, MWT's customer relations were conducted as allowed under the subsequent waves of the coronavirus pandemic. Due to the specific nature of business run by MWT's clients in the epidemiological situation, diverse priorities can still be noticed for activities taken within the framework of such business. Hospitals faced considerable organisational and staffing challenges.

The above circumstances have adversely affected and will continue to affect, with potential further waves of the pandemic, off-balance sheet contracting and commission income generated and, consequently, the financial performance as well as the overall financial position and capacity of independent public healthcare units as such.

In view of the developments, MWT is continuously monitoring the effect of SARS-CoV-2 spread on its business.

On 23 December 2021, Getin Holding S.A., Beyondream Investments Limited, Mr. Rafał Wasilewski and MWT concluded an agreement for the sale of MWT shares under a public tender offer. A detailed description of the provisions of the agreement and related events, that are significant for the Issuer, is presented in section 2(b) of this report.

Under the Tender Offer, MWT intended to purchase not more than 6,574,000 shares representing (rounded up to the nearest hundredth) 78.41% of MWT's share capital and entitling in total to not more than 6,574,000 votes at the general meeting of MWT, representing (rounded up to the nearest hundredth) 78.41% of the total number of votes at the general meeting of MWT. Since the shares under the Tender Offer were MWT's issued treasury shares, MWT was to purchase the shares at a total purchase price not exceeding the amount which, in accordance with the Commercial Companies Code of 15 September 2000, may be allocated for distribution among MWT shareholders. The remainder of the shares, i.e. 130,440 shares, were to be purchased by BI as Inviting Entity No. 2. The expected effect of the Tender Offer was to change the dominant shareholder.

The value of security established by MWT in the form of blockage of funds was PLN 32,870,000. Following the settlement of the transaction, the treasury shares purchased by MWT will be recognised as short-term financial assets until their redemption, which will be made under a court decision following a relevant motion preceded by a resolution of the general meeting.

After the reporting period, the extraordinary general meeting of the company was held, which authorised the management board of MWT to purchase a maximum of 6,574,000 treasury shares by

MWT under the Tender Offer, for consideration not exceeding PLN 32,870,000. The Tender Offer was announced by MWT on 27 January 2022. The subscription for the sale of shares in the Tender Offer began on 16 February 2022 and ended on 18 March 2022. In the current report of 23 March 2022, MWT announced that in the Tender Offer the shareholders subscribed for the sale of 5,831,901 MWT shares, representing 69.56% of the company's share capital and the total number of votes at the company's general meeting. The transaction was settled on 25 March 2022, as described by the Issuer above in the section "Getin Holding Capital Group's market situation and strategy".

In performance of the obligation imposed by law for the inviting entity to present its intentions towards the company whose shares are subject to the tender offer, the Inviting Entities, i.e. MWT and BI, declared that they intended to redeem the MWT shares purchased under the Tender Offer. Besides, BI, as the future parent company, indicated that it intended MWT to continue in the existing form as a public company to the extent corresponding to MWT's profile and competences, and to expand into new business areas that might result from the Company's strategy to be developed and presented after the Tender Offer. Until the Tender Offer is settled, i.e. until BI takes control over MWT, it will continue its existing strategy.

In the context of the adopted strategy, the activity of the segment is focused on building a portfolio of high-quality assets for cooperating entities and on maintaining its own portfolio based on restructuring the debts of medical entities and local government units.

In the opinion of the Issuer, it is not possible to assess the development prospects of MWT as it is impossible to clearly forecast the end of the pandemic and its effect on the macroeconomic and market environment, the effect of the reform of the hospital sector designed by the government (the project is included in the government's legislative work) and the appetite of MWT's partners to build a portfolio of assets under mutual cooperation, and since the prospects of MWT after the planned change of control are not known.

#### **d. Material events and risks that may affect future operations in the segment**

The Company recorded a material direct adverse effect of SARS-CoV-2 pandemic on its operations and financial performance as a result of reduced credit intermediation revenues. On the one hand, a limited demand for the services offered by the Company in the market of healthcare entities was visible at the beginning of 2021 and, on the other hand, the restrictions being introduced limited, and sometimes prevented, continuous relations with clients through direct contacts in the form of visits to healthcare units. Due to this key impediment, a lower number of applications was processed, an already complicated credit process was extended, and the possibility to file new projects was severely limited. Staff changes in the Ministry of Health and changing strategies to fight coronavirus may be connected with the risk of losing the contract with the National Health Fund, which is a key risk for the medical business.

The pandemic has increased the risk of intermediary transactions arising from the situation in the financial markets, which has definitely affected the banking sector and may adversely affect the appetite of financial institutions in building balance sheet exposures in the healthcare sector.

In the long term, further pandemic waves may be a key driver of new developments in many areas, including credit risk, liquidity risk, operational risk and legal risk.

The factor affecting the company's credit risk remains the Hospital Network introduced by the Minister of Health, that is the system ensuring basic hospital healthcare services, the aim of which is to secure

access to healthcare services on a broad basis. The Hospital Network established a classification of medical entities in a system containing the appropriate level of the security system: profiles under which services are provided and ranges and types of services subsidised by the NFZ. The system covers all medical facilities ensuring continuity of access to services and comprehensiveness of their provision. For the company, this confirms the risk assessment methodology and policy of focusing on regionally significant entities applied to date. The definition of the Network of Hospitals under the current qualification was extended until 30 June 2022.

The Company is also exposed to the risk of failure of the public entities, with which it already cooperates, to service their debts in a timely manner. A shift or lack of positive cash flow may result in the company periodically having no cash to meet its current obligations. The company's liabilities arise from deferred repayments for purchased receivables, borrowings and completed accounts receivable purchasing. The need to repay the aforementioned liabilities and cover the costs of current operations results in current and future negative cash flows. The Company covers these from positive cash flows arising from its portfolio of receivables and possibly newly incurred liabilities. The volume and complexity of assets and liabilities means that the schedules of positive and negative cash flows are not always fully synchronised, which may result in temporary liquidity gaps. The company mitigates this risk by assigning a concentration limit to each customer and maintaining an adequate level of available cash for the asset portfolio as a company liquidity security buffer. It is difficult to predict how long the NFZ will finance hospitals in the amount of 100% of the concluded contracts despite the lack of actual provision of services resulting from contracts and the lump sum contracted. The fact that facilities do not carry out certain procedures in times of pandemic does not mean that they do not incur considerable fixed operation costs, including those relating to salaries.

Moreover, for the results of the Company will matter the scale of impact of factors such as:

- market conditions, including strong price competition,
- the situation on the financial market in Poland,
- co-financing of the sector by NFZ,
- very strong salary pressure in the public health sector with limited resources of medical personnel in Poland,
- implementation of individual adaptation programmes by medical facilities,
- new definition of the Hospital Network and changes to the way hospitals are supervised,
- the effects of sanitary inspections in medical facilities on safety and hygiene levels for patients,
- the increase in total liabilities of medical entities, the growing need for working capital financing among both suppliers and medical entities.
- situation in the financial markets and the cost of external financing and its availability,
- activities of competing market players,

#### **e. Changes in the segment structure in 2021**

There were no significant changes in the segment structure in 2021.

### III. Other financial information concerning business operations of the Issuer's Capital Groups in 2021

#### 1. Transactions, including transactions with related companies

##### a. Information about substantial transactions concluded by the Company or its subsidiary with related entities on terms other than at arm's length

In 2021, neither the Company nor its subsidiaries concluded any transactions with related entities on terms other than at arm's length.

##### b. Information on loans granted, in particular loans granted to the Company's related entities

Outside the regular core operations in 2021, Getin Holding Capital Group companies issued no other loans.

##### c. Information on guarantees and sureties granted and received in 2021, in particular guarantees and sureties granted to the Issuer's related entities

Outside the regular core operations in 2021, Getin Holding Capital Group companies issued no guarantees or sureties.

##### d. Information on loan or credit facility agreements contracted and terminated in 2021

None of the Group companies had a loan agreement or a loan agreement terminated during the reporting period.

#### 2. Issuer's shares held by members of the Issuer's boards and rules for their remuneration

##### a. Total number and face value of all Company's shares held by members of Management and Supervisory Boards of Getin Holding

Person	Function	As of 31.12.2020 (pcs.)	Change	As of 31.12.2021 (pcs.)
Piotr Kaczmarek	President of	6,000	-	6,000
Piotr Miąkowski	I Vice Chairman of	0	-	0
Leszek Czarnecki	Chairman of Supervisory Board	20,468,082 <sup>1)</sup> 83,848,372 <sup>2)</sup>	-	20,468,082 <sup>1)</sup> 83,848,372 <sup>2)</sup>
Remigiusz Baliński	Vice Chairman of	49,410	-	49,410
Bogdan Frąckiewicz	Member of Supervisory	0	-	0
Adam Maciejewski	Member of Supervisory	0	-	100 000
Stanisław Wlazło	Member of Supervisory	0	-	0
Jerzy Pruski	Member of Supervisory	-	-	0

1) directly

2) indirectly

The face value of one share of the Issuer is PLN 4.0.

**b. Remuneration, bonuses, benefits, including incentive payments and the Company's capital related bonuses disbursed or to be disbursed to members of the Management Board or Supervisory Board and information about remuneration for such members arising from holding by them positions in subsidiaries' governing bodies. Information on the Company's remuneration policy**

The following tables present the amount of remuneration paid to members of the Company's Management Board in 2021 and 2020:

Name of member of Management Board, position		Fixed salary components			Variable remuneration components			Benefits for next of kin	Sum of all remuneration components	Proportion of variable versus fixed remuneration
		Remuneration under management contract	Additional cash and non-cash benefits	PPK	Annual bonus	Standard bonus	Asset sales bonus			
<b>Piotr Kaczmarek</b> , President of Management Board	2020	1500	76	0	2241	0	753	0	4570	190%
	2021	1500	76	0	1354	0	1007	0	3937	150%
<b>Krzysztof Bielecki</b> , I Vice Chairman of Management Board (1)	2020	660	51	0	691	0	176	0	1578	122%
	2021	290	1,3	0	256	0	146	0	693,3	138%
<b>Izabela Lubczyńska</b> , Member of Management Board (1)	2020	720	0	0	0	432	0	0	1152	60%
	2021	294	0	0	0	289	220	0	803	173%
<b>Piotr Miałkowski</b> , Vice Chairman of Management Board (2)	2020	0	0	0	0	0	0	0	0	N/A
	2021	851	53	0	0	0	279	0	1183	31%

(1) Member of Supervisory Board until 25.05.2022

(2) Member of Supervisory Board until 11.02.2022



The following table presents the amounts of remuneration paid to Members of the Company's Management Board in 2021 and 2020 for exercising functions in the authorities of subsidiaries:

Name of member of Management Board, position		Paying entity	Fixed salary components				Variable remuneration components		Benefits for next of kin	Sum of all remuneration components
			Fixed remuneration			Additional cash and non-cash benefits	Remuneration	Basis		
			Remuneration	Basis	Function					
<b>Piotr Kaczmarek</b> , President of Management Board	2020	N/A	0	N/A	N/A	0	0	N/A	0	0
	2021	N/A	0	N/A	N/A	0	0	N/A	0	0
<b>Krzysztof Bielecki</b> , I Vice Chairman of Management Board	2020	Idea Bank Group	97	appointment	Member of Supervisory Board	0	0	N/A	0	97
	2021	entities GGH	1,8*	appointment	Member of Supervisory Board	0	0	N/A		
<b>Izabela Lubczyńska</b> , Member of Management Board	2020	Idea Bank Group	256	appointment	Member of Supervisory Board	0	0	N/A	0	256
	2021	entities GGH	9,3**	appointment	Member of Supervisory Board	0	0	N/A	0	0
<b>Piotr Miałkowski</b> , Vice Chairman of Management Board	2020	N/A	0	0	0	0	0	N/A	0	0
	2021	N/A	0	0	0	0	0	N/A	0	0

\*) compensation for 2020 for performing functions in the Supervisory Board of Idea Bank SA paid in 2021

\*\*\*) remuneration for December 2020 for serving in the Supervisory Board of Idea Bank SA paid in 2021

The following table presents the amount of remuneration paid to members of the Company's Supervisory Board in 2021 and 2020:

Name of member of Supervisory Board, position		Fixed salary components			Benefits for next of kin	Sum of all remuneration components
		Basic salary for appointment	Allowance for holding the position on the selected committee	PPK		
<b>Leszek Czarnecki</b> , President of Supervisory Board	2020	1703,20	0	0	0	1703,20
	2021	1622,11	0	0	0	1622,11
<b>Remigiusz Baliński</b> , Vice-President of Supervisory Board	2020	436,14	0	0	0	436,14
	2021	435,39	0	0	0	435,39
<b>Bogdan Frąckiewicz</b> , Member of Supervisory Board	2020	105,51	31,01	0	0	136,53
	2021	97,41	129,88	0	0	227,28
<b>Adam Maciejewski</b> , Member of Supervisory Board	2020	100,73	15,51	0,58	0	116,82
	2021	97,41	64,94	2,44	0	164,78
<b>Stanisław Wlazło</b> , Member of Supervisory Board	2020	115,85	62,03	0	0	177,88
	2021	97,41	260,11	0	0	357,52
<b>Jerzy Pruski</b> <sup>1</sup> Member of Supervisory Board	2020	N/A	N/A	N/A	N/A	0
	2021	56,82	75,76	0	0	132,58

(1) Member of Supervisory Board from 28.05.2021

The following table presents the amounts of remuneration paid to Members of the Company's Supervisory Board in 2021 and 2020 for exercising functions in the authorities of subsidiaries:

Name of member of Supervisory Board, position		Paying entity thous. PLN	Fixed salary components				Variable remuneration components		Benefits for next of kin	Sum of all remuneration components
			Fixed remuneration			Additional cash and non-cash benefits	Remuneration Thous. PLN	Basis		
			Remuneration	Basis	Function					
<b>Leszek Czarnecki</b> , President of Supervisory Board	2020	Idea Bank SA Group	0 <sup>2</sup>	appointment	President of Supervisory Board	0	0	-	0	0
		Open Finance Group	81	Appointment	President of Supervisory Board	0	0	-	0	81
	2021	entities GGH	0	appointment	Member of Supervisory Board	0	0	0	0	0
<b>Remigiusz Baliński</b> , Vice-President of Supervisory Board	2020	Idea Bank SA	409	appointment	Member of Supervisory Board	0	0	-	0	409
	2021	entities GGH	20*	appointment	Member of Supervisory Board	0	0	-	0	20
<b>Bogdan Frąckiewicz</b> ,	2020	MW Trade SA	38	appointment	Member of Supervisory Board	0	0	-	0	38

Member of Supervisory Board <sup>3</sup>		Open Finance Group	146	appointment	Member of Supervisory Board	0	0	-	0	146
	2021	entities GGH	33	appointment	Member of Supervisory Board	0	0	0	0	33
Adam Maciejewski, Member of Supervisory Board	2020	N/A	0	0	0	0	0	0	0	0
	2021	N/A	0	0	0	0	0	0	0	0
Stanisław Wlazio, Member of Supervisory Board	2020	Open Finance Group	259	appointment	Member of Supervisory Board	0	0	0	0	259
	2021	entities GGH	19	appointment	Member of Supervisory Board	0	0	0	0	19
Jerzy Pruski, Member of Supervisory Board	2020	Idea Bank SA	3026	appointment	Member of Supervisory Board	0	0	0	0	3026
	2021	entities GGH	0	N/A	N/A	0	0	0	0	0

\*remuneration for 2020 for serving in the Supervisory Board of Idea Bank SA paid in 2021

### c. General information about the remuneration system adopted in the Company

The Company applies employment on the basis of a managerial contracts with respect to the Members of the Management Board. Both in the fixed and variable part, is strictly related to the Company's strategy, its short- and long-term goals, long-term interests and performance, and the amount of remuneration is sufficient to hire, maintain and motivate an individual who possess competences indispensable for accomplishing the Company's goals.

Individuals in charge of management and supervision obtain remuneration for performing functions in supervisory boards in subsidiaries provided that corporate regulations provide for such remuneration.

With members of the Management Board the Company signs managerial contracts. The said contracts may be terminated at a 6-month termination notice. In case of dismissing a member of the Management Board for reasons other than attributable to such a member before the date specified in the relevant managerial contract, such a member of the Management Board is entitled to 100% of the fixed monthly remuneration paid for 6 months from the termination date.

According to the Company's remuneration policy and pursuant to individual managerial contracts Members of the Management Board will be eligible for 3 types of bonuses: annual bonus, standard bonus and bonus for the sale of assets. Detailed information on the remuneration policy applied by the Company can be found on the Getin Holding website at: [www.getin.pl](http://www.getin.pl) in the "About us" tab.

The Management Board positively assesses the remuneration policy as regards its efficiency in goal accomplishment and in particular long-term increase in the shareholder value and stability of the company's operations.

**d. Information on pension related and similar benefits for former members of management and supervisory boards or members of administration authorities and liabilities related to such pensions.**

Getin Holding did not assume any liabilities to members of management or supervisory boards, or any former members of management or supervisory boards of Getin Holding related to pensions or any similar benefits or any liabilities related to such pensions.

**e. Agreements concluded by the Issuer with its managers providing for compensations in case of their resignation or dismissal without presenting material grounds or their recalling or dismissal in consequence of the Company's merger or take-over.**

The managerial contract with Mr. Piotr Miałkowski holding the position of Vice President of the Management Board since 11 February 2021 provides that if Mr. Piotr Miałkowski is dismissed from his office before 31 December 2022 for reasons other than the cause for immediate termination, as laid down in the contract, Mr. Piotr Miałkowski is entitled to 100% fixed remuneration for the period of six months from the termination date.

On account of non-competition after the termination or expiration of the managerial contract, Mr. Piotr Miałkowski is entitled to additional remuneration amounting to 50% of the fixed remuneration for the period of six months.

**f. Information on agreements being known to the Issuer (including the ones concluded after the balance sheet date) which may result in future changes to the proportions of the shares held by the current shareholders and bondholders.**

Not applicable.

**g. Information on share incentive plan control system.**

Not applicable.

**3. Other material information**

**a. Financial resources management and assessment of implementation of investment plans, including capital expenditure, as compared to funds owned, taking into account possible changes in the structure of financing such investments**

In 2021, Getin Holding Group companies carried out reasonable management of financial resources, they were paying their liabilities omitting the threat of losing financial liquidity.

Potential capital expenditure was made based on analysis of financial resources available to the company, according to the adopted policy. The Capital Group does not expect any substantial changes in the investment financing structure.

**b. Explanation of the differences between the financial results disclosed in the annual report and published financial forecasts**

Getin Holding Capital Group companies did not publish financial forecasts for 2021.

**c. Material off-balance items by contractors, products and value.**

Detailed information about off-balance items in Getin Holding S.A. Capital Group is reported in notes 39 and 43 of explanatory notes to the stand-alone and consolidated financial statements, respectively.

**d. Agreements significant to the operations of the Capital Group companies, including agreements concluded between its shareholders as well as insurance or cooperation agreements.**

Agreements significant to operations of the Capital Group companies (including agreements between shareholders, insurance agreements or cooperation agreements, if any) are reported in Section II hereof, separately for each segment.

**e. Amendments to the core principles of corporate management.**

In 2021, no changes in the basic business management principles of Getin Holding Capital Group were made.

**f. Acquisition of own shares**

In the reporting period, Getin Holding S.A. Capital Group companies did not acquire own shares.

**g. Information on the issue of securities by entities of the Issuer's Capital Group and description of the use of proceeds from such issue**

Information on issuing securities in 2021 by the Issuer's Capital Group companies and the manner of using proceeds from such issues is reported in Section II of this report, and in explanatory notes 32 and 39 to stand-alone and consolidated financial statements of the Issuer, respectively.

**h. Information concerning conclusion of an agreement with an entity authorised to audit financial reports**

On 12 July 2021, pursuant to the resolution of the Company's Supervisory Board which, taking account of a recommendation of the Audit Committee, decided to extend the cooperation of the Company with Grant Thornton Polska sp. z o.o. sp.k. with its registered office in Poznan, the Issuer concluded an agreement with the aforesaid audit firm on the audit and review of the standalone and consolidated financial statements of Getin Holding for financial years 2021-2023. The agreement was concluded for the duration of the related work. So far, the Issuer has used the services of Grant Thornton Polska sp. z o.o. sp.k. for the audit and review of the standalone and consolidated financial statements of Getin Holding for 2019 and 2020.

Remuneration of Grant Thornton Polska sp. z o.o. sp.k. for the reiew of the stand-alone interim financial statements for the period from 01.01.2021 to 30.06.2021 and audit of the stand-alone financial statements for 2021 amounted to PLN 91.2 thousand .

Remuneration of Grant Thornton Polska sp. z o.o. sp.k. for the reiew of the stand-alone interim financial statements for the period from 01.01.2021 to 30.06.2021 and audit of the consolidated financial statements for 2020 amounted to PLN 72 thousand .

Remuneration of Grant Thornton Polska sp. z o.o. sp.k. on account of verification of the Issuer's remuneration report amounted to PLN 13 thousand.

**i. Information on the Company's organizational and capital connections and determination of the major domestic and foreign investments of the Capital Group (securities, financial instruments, intangible assets and real property), including capital expenditure outside its group of related entities and the method of their financing.**

The Company's organizational and capital connections are reported in Section I hereof. In 2021, neither the Company nor the Group companies made any significant investments in intangible assets or real property.

**j. List of material pending proceedings before court or arbitration court or before public administration authorities concerning liabilities and receivables**

On 7 January 2021, the Company lodged an appeal to the Voivodeship Administrative Court in Warsaw against the decision of the Polish Bank Guarantee Fund (BFG) of 30 December 2020 to initiate a compulsory restructuring of Idea Bank S.A. with its registered office in Warsaw (Idea Bank), to redeem the equity instruments of Idea Bank, to apply the instrument of compulsory restructuring through acquisition of the company and appointment of the administrator of Idea Bank S.A. in Warsaw (file ref. nos. DPR.720.2.2019, DPR.720.4.2019, DPR.720.8.2019, DPR.720.9.2019) (BGF Decision), claiming that that the necessary conditions for the initiation of the resolution procedure had not been met.

On 25 August 2021, at a closed session, the Voivodeship Administrative Court in Warsaw examined the appeals lodged by the Issuer and other appellants against the BGF Decision, combined them for joint examination and dismissed them.

Presently, proceedings are pending under a cassation appeal lodged to the Supreme Administrative Court in Warsaw by Getin Holding S.A. on 13 October 2021 against the judgment of the Voivodeship Administrative Court in Warsaw of 25 August 2021.

Getin Holding S.A. appealed against the aforesaid judgment of the Voivodeship Administrative Court in its entirety, requesting the judgment to be reversed and the case to be re-examined by the court of first instance or, alternatively, the judgment to be reversed and the case to be examined by declaring that the BGF Decision appealed against was issued in violation of law.

The cassation appeal was based on allegations regarding violation of the regulations on the court and administrative procedure, regulations of the administrative procedure and the substantive law. The appeal alleged, among others, an unjustified dismissal of evidence submitted by the Issuer resulting in erroneous factual findings regarding the lack of independence of PWC Advisory (the author of the Estimate), incorrect findings of the Estimate and inconsistency of the content of the Estimate with other documents that were groundlessly denied evidential value, unjustified disregard by BFG of a number of evidences and information available to BFG ex officio, which were the argument against the statement that there had been conditions justifying the initiation of forced restructuring of Idea Bank S. A. in Warsaw, as well as remedial measures taken by Idea Bank S. A. and their significance for meeting the conditions for forced restructuring of the bank. The Issuer alleged that it and the other appellants in the cases combined for joint examination under case file no. VI SA/Wa 201/21 had been unlawfully denied access to the files of the administrative procedure, while in the reasons of the judgment the court had omitted (concealed) the allegations lodged by the Supervisory Board of Idea Bank S.A. in Warsaw, the basis of which was solely documents contained in those files. Consequently, the Issuer and the other appellants were denied the possibility of formulating allegations in this respect and having the appealed judgement regarding the BGF Decision duly examined. The Issuer and the

other appellants were rendered defenceless, which in the Issuer's opinion renders the procedure invalid. The Supreme Administrative Court should consider such invalidity ex officio, also in cases under cassation appeals lodged by other appellants. The Issuer sustained its position regarding the infringement of the BRR Directive, as well as sustained the motions submitted in the procedure before the Voivodeship Administrative Court.

**k. Expenses incurred by the Company and the Group for purposes other than the core business**

In 2021, neither the Company nor its Group incurred expenses for the purposes of supporting culture, sports, charitable institutions, media, social organisations, trade unions, etc.

## **IV. Corporate Governance Statement**

In performance of the obligation set forth in §70 section 6 item 5 of the Regulation of the Minister of Finance on current and periodic information published by issuers of securities and on conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state, the Management Board of Getin Holding S.A. hereby reports information concerning the Company's compliance with the corporate governance principles in 2021 (the "Statement").

### **1. Information concerning corporate governance principles**

#### **a. Indication of the corporate governance principles applicable to the Company and of the place where the text of the principles is publicly available**

Getin Holding as a company with shares listed on the Warsaw Stock Exchange S.A. (hereinafter: Stock Exchange, GPW), is subject to the Best Practice for GPW Listed Companies adopted by the Stock Exchange Board.

In the period from 1 January 2021 to 30 June 2021, Getin Holding was subject to the Best Practice for GPW Listed Companies 2016, adopted by the Stock Exchange Board on 13 October 2015.

The text of this document is available on the website of GPW: [www.gpw.pl](http://www.gpw.pl), "GPW Best Practice" tab. In the period from 1 July 2021 to 31 December 2021, Getin Holding was subject to the Best Practice for GPW Listed Companies 2021, adopted by the Stock Exchange Board on 29 March 2021 (DPSN 2021). The text of this documents is available on the website of GPW: [www.gpw.pl](http://www.gpw.pl), "GPW Best Practice" tab.

#### **b. Corporate governance principles laid down in DPSN 2016 from the application of which the Issuer has withdrawn, the scope of such withdrawal and explanation of the circumstances and reasons for the withdrawal**

In the period from 1 January 2021 to 30 June 2021, the Company did not apply one recommendation under DPSN 2016, i.e. VI.R.3., and two specific principles under DPSN 2016, i.e. II.Z.5. and II.Z.7. By Resolution No. 50/2021 of 23 June 2021, the Company's Management Board introduced DPSN 2021 for application in Getin Holding as of 1 July 2021, therefore, DPSN 2016 were applied and/or not applied in 2021 on the dates indicated in this section.

##### **i) Recommendations**

**VI.R.3.** If the supervisory board has a remuneration committee, principle II.Z.7 applies to its operations.

The Company does not comply with the afore recommendation since it does not comply with the recommendation set forth in principle II.Z.5 concerning independence of Members of the Supervisory Board.

##### **ii) Principles**

**II.Z.5.** Each member of the Supervisory Board should provide the other members of the supervisory board as well as the company's management board with a statement of meeting the independence criteria referred to in principle II.Z.4. The principle is not applied.

The Company pursues to comply with the abovementioned principle, which will be expressed by



requesting the Company's Supervisory Board to implement the relevant procedure confirming independence.

**II.Z.7.** Annex I to the Commission Recommendation referred to in principle II.Z.4 applies to the tasks and the operation of the committees of the supervisory board. Where the functions of the audit committee are performed by the Supervisory Board, the foregoing should apply accordingly.

The principle was not applied. The Company does not comply with the afore principle since it does not comply with the principle set forth in II.Z.5 concerning independence of members of the Supervisory Board.

**c. Corporate governance principles laid down in DPSN 2021 from the application of which the Issuer has withdrawn, the scope of such withdrawal and explanation of the circumstances and reasons for the withdrawal**

In the period from 1 July 2021 to 31 December 2021, the Company did not apply 9 principles under DPSN 2021, i.e. 1.2., 1.3.1., 1.3.2., 1.4., 1.4.1., 1.4.2., 2.1., 2.2., 2.11.6.

**1.2.** The Company announces its financial performance included in the interim report as soon as possible after the end of the reporting period or, if that is not possible for justified reasons, it publishes at least preliminary estimated financial results as soon as possible.

The Company does not apply this principle in the part concerning the publication of preliminary estimates. The Company aims to publish periodic reports as soon as possible taking into account the specific nature and complexity of the Group. It communicates significant events that affect its financial performance to the market in the way prescribed by the MAR Regulation and in accordance with the Polish laws.

**1.3.** The Company also includes ESG issues in its business strategy, in particular:

**1.3.1.** environmental issues, including metrics and risks related to climate change and sustainable development;

**1.3.2.** social and employee matters, concerning, among others, actions taken and planned to ensure gender equality, sound working conditions, respect for employee rights, dialogue with local communities, and customer relations.

The Company does not apply principle 1.3.1. The Company has not developed a strategy in the area of ESG, but in its day-to-day operations it takes measures to protect the climate, also by using products in biodegradable or reusable packaging, reducing the consumption of office materials, and selecting highly energy-efficient equipment. The Company plans to develop the strategy in the second half of 2022. The strategy will include ESG issues.

The Company does not apply principle 1.3.2 - the Company has not developed the ESG strategy. The Company plans to develop the strategy in the second half of 2022. The strategy will include ESG issues.

**1.4.** In order to ensure correct communications with stakeholders on the business strategy adopted, the Company posts information on its website about the strategic assumptions, measurable objectives, including in particular long-term objectives, planned activities and their progress defined by financial and non-financial metrics. Among other things, the information on the strategy in the ESG area should:

**1.4.1.** explain how climate change issues are taken into account in the decision-making processes of the Company and its Group, indicating the risks arising from the same;

**1.4.2.** present the value of the gender pay gap ratio for its employees, calculated as a percentage difference between the average monthly remuneration (including bonuses, awards and other allowances) of women and men for the last year, and present the information on activities taken to eliminate possible inequalities in this respect, including presentation of risks associated therewith and the time horizon in which it is planned to achieve equality.

The Company does not apply principle 1.4 - Getin Holding is implementing a divestment process to raise capital in all markets on which Getin Holding Capital Group operates. The result of this process will allow to determine new directions, which is estimated to take place in the second half of 2022 and, consequently, to develop the Company's strategy corresponding to this principle. The Company has not developed a strategy in the area of ESG, but in its day-to-day operations it takes measures to protect the climate, also by using products in biodegradable or reusable packaging, reducing the consumption of office materials, and selecting highly energy-efficient equipment.

Since principle 1.4 is not applied, principles 1.4.1 and 1.4.2 are not applied, either.

**2.1.** The Company should have a diversity policy for the Management Board and the Supervisory Board, adopted by the Supervisory Board or the General Meeting, respectively. The diversity policy defines the objectives and criteria for diversity in areas such as gender, field of study, expertise, age and professional experience, and sets the timeline and method for monitoring the achievement of such objectives. In terms of gender diversity, the condition for ensuring the diversity of the Company's bodies is that the minority share in the body concerned is not less than 30%.

This principle is not applied. The Company has not adopted a diversity policy for the Management Board and the Supervisory Board as in view of the size and scope of the Company's operations, taking account of the principles of proportionality and adequacy, the Company currently sees no possibility to make changes in the composition of the Management Board and the Supervisory Board, to the extent that would make it possible to achieve a minority share in the body concerned of not less than 30%.

**2.2.** Those making decisions on the election of members of the Company's Management Board or Supervisory Board should ensure that such bodies are versatile, by appointing such members who ensure diversity and allow to achieve the target ratio of a minimum minority share of not less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1.

Since principle 2.1. is not applied, this principle is not applied, either.

**2.11.** In addition to the activities required by law, once a year the Supervisory Board prepares and presents the Annual General Meeting with an annual report for approval. The aforesaid report includes at least:

**2.11.6.** information on the progress of implementation of the diversity policy with regard to the Management Board and the Supervisory Board, including the achievement of the objectives referred to in principle 2.1.

Since principle 2.1 is not applied, principle 2.11.6 is not applied, either.

## **2. Description of the main features of internal control systems and risk management systems used in the Company with reference to the process of preparing financial statements**

### **a. Description of the internal control and risk management system**

In order to ensure reliable and correct information in the financial statements and to manage risks in the process of preparing the financial statements, the Company has an effective Internal Control System which forms part of its management system. The Internal Control System is adapted to the Company's organisational structure.

The Company's Management Board is in charge of developing an efficient Internal Control System that ensures drawing up reliable financial statements, efficient and effective Company's operations and of its compliance with applicable regulations, whereas the Company's Supervisory Board supervises the work of the System by assessing its adequacy and effectiveness. In the process of preparation of financial statements the Internal Control System is to ensure accurate, complete and correct recognition of all business transactions in the reported period.

The Internal Control system in Issuer's Capital Group is based on the following defence lines:

- control function that is to ensure compliance with the control mechanisms concerning in particular risk management that covers all organisational units and departments in GH Group companies.
- compliance function that aims specifically at shaping the compliance policy and following the noncompliance risk management in cooperation with organisational units in companies.
- internal audit function to add value and improve processes and to assess, in a systematic and orderly manner, the adequacy and effectiveness of the management system, including in particular the risk management system and the internal control system.

The Risk Control Mechanism is one of the main elements of the Internal Control System that ensures accuracy of financial statements.

The Risk Control Mechanisms comprise controls contained in the Company's internal regulations and in the information systems used in the preparation of the financial statements and functional control.

In addition, as part of its control mechanisms, the Company analyses the accounting policies applied in its subsidiaries and their changes regarding the recognition and accrual of income and expenses, and provides its comments and recommendations as necessary.

Functional control is exercised by individual employees and their immediate supervisors. It is founded on proper distribution of responsibilities which mitigates the risk of affecting data by a single employee.

Control mechanisms include furthermore bylaws that ensure organisational autonomy to the Finance Department and Audit Department, systems of employees self-assessment and employees evaluation, incentive schemes, security policy and IT management instruction.

The Company has in place the Getin Holding S.A. Internal Audit Organizational Regulations and the Getin Holding S.A. Internal Audit Methodology, regulating the functioning of this area.

The mission of Internal Audit is to support the risk management system and internal control system at Getin Holding S.A., resulting in adding value and improving the business and ensuring safe operation of the Company. Internal Audit, within the scope of its activities, examines and evaluates the adequacy, effectiveness and efficiency of the risk management and internal control processes and provides reasonable assurance to the Management Board, the Audit Committee and the Supervisory Board on their effectiveness and functioning. The Internal Audit Area is functionally subordinated to the Audit Committee of the Supervisory Board of Getin Holding S.A., which ensures that the scope of audit activity is not restricted and that the resulting reports, statements and conclusions are properly handled.

The Member of the Management Board responsible for Internal Audit of Getin Holding S.A. exercises administrative supervision over Internal Audit. Audits are carried out both on the basis of Annual Audit Plans, approved by the Company's Supervisory Board following the opinion of the Audit Committee of the Supervisory Board of the Company, and unscheduled (ad hoc) audit assignments resulting from the current needs of the Company, the Audit Committee and the Supervisory Board of the Company. Audits of processes carried out by the Internal Audit aim at independent verification of the compliance of the reporting process with binding regulations, correctness and effectiveness of functional control and correctness of the financial statement preparation process. Information on the results of conducted audits is presented to the Management Board and the Audit Committee and the Supervisory Board of Getin Holding S.A.

#### **b. Drawing up the financial statements**

While drawing up financial statements the Company applies the International Financial Reporting Standards approved by the European Union (IFRS-EU) and based on accounting books kept in accordance with the provisions of the Accounting Act. Similarly, consolidated financial statements are drawn up in accordance with IFRS and based on financial statements of Getin Holding Capital Group companies that are subject to audit by an independent auditor.

Financial statements and consolidated financial statements are drawn up by the Company's Financial Department that is an organisationally separate unit reporting directly to the Member of the Management Board in charge of the financial area of Getin Holding Capital Group.

Specific tasks in the scope of controlling the process of drawing up financial statements, in the scope of monitoring the financial reporting process – in compliance with the binding provisions of the Act dated 11.05.2017 on Expert Auditors, Auditing Firms and Public Supervision – were entrusted to the Auditing Committee at the Issuer's Supervisory Board.

The obligations of the Audit Committee include, in particular, monitoring the financial reporting process and the performance of financial review activities, including the audit of financial statements by audit company, as well as monitoring the independence of the statutory auditor and the entity authorized to audit financial statements.

### 3. Information concerning the Issuer shareholders and securities

#### a. Shareholders holding, either directly or indirectly through controlled companies, at least 5% of the overall number of votes in the general meeting of the Company.

**SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE OVERALL NUMBER OF VOTES IN THE GENERAL MEETING OF GETIN HOLDING S.A.**

**AS OF 31.12.2021**

Shareholder	Number of shares held/number of votes per share (pcs.)	Percentage of share capital/votes at general meeting (pcs.)
Leszek Czarnecki directly and indirectly* including but not limited	104,316,454	54.97%
LC Corp B.V. with its registered office in Amsterdam	64,845,032	34.17%
Getin Noble Bank S.A. with its registered office in Warsaw	18,957,758	9.99%

\* to the best of Issuer's knowledge, dr Leszek Czarnecki holds:

- directly 20,468,082 shares constituting 10.79% of the Share Capital (% of votes in the GMs of the Company), and
  - indirectly - through his subsidiaries - 83,848,372 shares accounting for 44.18% of the share capital (% of votes in the GMs of the Company);
- Subsidiaries of dr Leszek Czarnecki, holding property of Getin Holding S.A., are as follows:
- LC Corp B.V. based in Amsterdam and Getin Noble Bank S.A. based in Warsaw, the holdings of which are indicated above,
  - RB Investcom sp. z o.o., based in Wrocław, holding 8,231 shares accounting for 0.004% of the Share Capital (% of votes in the GMs of the Company);
  - Idea Money S.A., based in Warsaw, which holds 631 shares accounting for 0.0003% of the Share Capital (% of votes in the GMs of the Company),
  - The Jolanta and Leszek Czarnecki Foundation which holds 29,970 shares accounting for 0.016% of the Share Capital (% of votes in the GMs of the Company),
  - Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI SA which holds 6,750 shares accounting for 0.0036% of the share capital (% of votes in the GMs of the Company).

**SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE OVERALL NUMBER OF VOTES IN THE GENERAL MEETING OF GETIN HOLDING S.A.**

**AS OF THE DATE OF SUBMITTING THIS REPORT**

Shareholder	Number of shares held/number of votes per share (pcs.)	Percentage of share capital/votes at general meeting (pcs.)
Leszek Czarnecki directly and indirectly* including but not limited	104,316,454	54.97%
LC Corp B.V. with its registered office in Amsterdam	64,845,032	34.17%
Getin Noble Bank S.A. with its registered office in Warsaw	18,957,758	9.99%

\* to the best of Issuer's knowledge, dr Leszek Czarnecki holds:

- directly 20,468,082 shares constituting 10.79% of the Share Capital (% of votes in the GMs of the Company), and

- indirectly - through his subsidiaries - 83,848,372 shares accounting for 44.18% of the share capital (% of votes in the GMs of the Company);

Subsidiaries of dr Leszek Czarnecki, holding property of Getin Holding S.A., are as follows:

- LC Corp B.V. based in Amsterdam and Getin Noble Bank S.A. based in Warsaw, the holdings of which are indicated above,

- RB Investcom sp. z o.o., based in Wrocław, holding 8,231 shares accounting for 0.004% of the Share Capital (% of votes in the GMs of the Company);

- Idea Money S.A., based in Warsaw, which holds 631 shares accounting for 0.0003% of the Share Capital (% of votes in the GMs of the Company),

- The Jolanta and Leszek Czarnecki Foundation which holds 29,970 shares accounting for 0.016% of the Share Capital (% of votes in the GMs of the Company),

- Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI SA which holds 6,750 shares accounting for 0.0036% of the share capital (% of votes in the GMs of the Company).

#### **b. Holders of any securities that confer special control rights over the Company, and description of such rights**

To the best of the Company's knowledge, there are no securities that confer special control rights over the Company.

#### **c. Restrictions to transferring title in the Company's securities and restrictions to exercising voting rights carried by the Company's shares**

To the best of the Company's knowledge, there are no restrictions to transferring title in the Company's securities or restrictions to exercising voting rights carried by the Company's shares.

### **4. Information concerning Issuer's governing bodies and corporate issues**

#### **a. Principles for appointing and dismissing members of the management board and authorisations of members of the management board, in particular the authorisation to decide about issuing or redemption of shares.**

According to the Company's Articles of Association, the Management Board is composed of 1 to 5 persons. The term of office of the Management Board is 3 years long. Mandates of members of the Company's Management Board expire upon holding the General Meeting approving the financial statements for the last full fiscal year of the term of the office.

Members of the Management Board are appointed by the Supervisory Board that may also temporarily suspend the Management Board or individual members of the Management Board.

Resolutions on appointing or dismissing members of the Management Board are adopted by a majority of votes cast in a secret vote. In case of a deadlock, the vote of the Chairman of the Supervisory Board shall decide.

Individual members of the Management Board may be dismissed at any time. Mandate of a member of the Management Board appointed to replace another member who was dismissed before the end of the term expires along with the end of the term of the entire Management Board. The same rule applies in the event of dismissal of the entire Management Board and appointing a new Management Board, and in the event of extending the Management Board by appointing new members before the end of the term for the entire Management Board.

#### **b. Amendments to the Company's Articles of Association**

Any amendments to the Company's Articles of Associations must comply with the Commercial Companies Code and making amendments is the sole competence of the Company's General Meeting. The General Meeting may authorise the Supervisory Board to draw up a uniform text of the Articles of Associations or to make editorial changes thereto, as specified in relevant resolutions adopted by the General Meeting. Other competences of the Supervisory Board include giving their opinion on amendments to the Articles of Association.

In order to make any amendments to the Company's Articles of Association, the presently binding provisions and any planned amendments thereto should be included in the announcement of the convocation of the General Meeting. If planned amendments are extensive, the announcement may include the draft of uniform Articles of Association along with indicating new or amended provisions.

Any amendment to the Company's Articles of Association requires a resolution to be adopted by a 3/4 majority of votes and entered into the National Court Register.

**c. Manner of operation of the general meeting and its essential powers and rights of shareholders and the manner of their execution**

The General Meeting operates in accordance with the provisions of the Commercial Companies Code, the Company's Articles of Association, Regulations of the General Meeting, the Bylaws determining detailed rules of participation in the general meeting of Getin Holding S.A. using electronic means of communication and taking into account the principles adopted by the Company's bodies contained in the document entitled Best Practice for GPW Listed Companies.

The Company shall ensure participation in the General Meeting by means of electronic communication. Detailed rules of participation in the General Meeting using means of electronic communication are specified in the Bylaws determining detailed rules of participation in the General Meeting of Getin Holding S.A. by means of electronic communication adopted by the Supervisory Board of the Company. The company provides real-life broadcast of the General Meeting.

The General Meeting is convened by the Management Board. The Supervisory Board may convene the Annual General Meeting if the Management Board fails to convene it within six months upon the end of the fiscal year at the latest or on the date provided for by provisions of the applicable law, and the Extraordinary General Meeting, if it deems it advisable.

Shareholders representing at least half of the share capital or at least half of the votes in the Company may convene the Extraordinary General Meeting. Shareholders shall elect the chairman of such a meeting. A shareholder or shareholders representing at least one twentieth of the share capital may, pursuant to conditions and terms provided for by the applicable law:

- demand that the Extraordinary General Meeting be convened and certain issues be put on the agenda;
- demand that certain issues be put on the agenda of the subsequent General Meeting;
- submit draft resolutions concerning issues included in the agenda of the General Meeting or issues that are to be put on the agenda of the General Meeting.

Demands and motions specified hereinabove should be submitted to the Management Board in a written or electronic form. Shareholders who intend to make use of the electronic means of communication are obliged to use special forms available on the Company's website and email them to the address specified on the Company website to submit their demands or draft resolutions.

The General Meeting is held at the Company's registered office or in the town/city of the registered office of the Stock Exchange where the Company's shares are admitted to organized trading (exclusively in the Republic of Poland). The General Meeting is convened by publishing an announcement on the Company's website in a manner provided for publication of current reports, pursuant to the regulations on public offering, conditions governing the introduction of financial instruments to organized trading, and public companies. The announcement shall be published not later than 26 days prior to the date of the General Meeting. The announcement shall be published not later than 26 days prior to the date of the scheduled General Meeting.

When the agenda of a General Meeting includes certain issues requested by authorised entities or if it was convened at the request of such entities, then such a meeting can be cancelled only upon consent of the authors of such request. Otherwise, the General Meeting may be cancelled if there are extraordinary obstacles against carrying it out or if it is certainly groundless. Cancellation is done exactly in the same way as the meeting was convened, ensuring minimization of adverse effects for the Company and shareholders, in any case no later than 13 days before the originally scheduled date. Changing the date of a General Meeting is done in the same way as the Meeting was cancelled, even if the suggested agenda is not changed, with the reservation that the changed date of the General Meeting should fall at least 26 (twenty six) days after the announcement concerning the change of the date of the Meeting. Cancellation of the General Meeting and change of its date shall be justified.

The General Meeting may be attended by persons who have been the Company shareholders sixteen days prior to the General Meeting date (the date of registration of participation in the General Meeting) and who applied to the entity maintaining the Company's securities account for issuing a personal certificate confirming their right to participate in the General Meeting. The certificate shall be issued according to provisions of the applicable law. At the shareholder's request the certification shall indicate part or all shares registered on their securities account for which the shareholder intends to exercise their right to vote in the General Meeting.

The list of shareholders entitled to participate in the General Meeting is prepared by the Company on the basis of the list made available by the securities depository. The list of shareholders, approved by the Management Board, indicating surnames and names or companies (names) of the eligible shareholders, their place of residence (registered seat), number and type of shares held and number of votes they are entitled to, will be made available at the office of the Company's Management Board for 3 business days prior to the General Meeting date. At shareholder's request, the list may be e-mailed to the address indicated by them, free of charge.

Representatives of media may participate in the General Meeting, unless their presence could lead to the Company's detriment because of the nature of discussed issues. The motion to admit representatives of media to the proceedings is submitted for vote by the Chairman immediately after signing the attendance list.

Shareholders may participate in the General Meeting and exercise their right to vote in person or through a proxy holder(s). A proxy to represent shareholders in the General Meeting and exercise the right to vote may be in a written or electronic form. An electronic proxy does not have to bear a secure electronic signature verified with a valid qualified certificate. A shareholder shall notify the Company of establishing a proxy electronically in a form available on the Company's website in the section related to the General Meeting, or in a way determined in the announcement of the General Meeting.

Provisions mentioned hereinabove shall respectively apply to revocation of a proxy.



Unless specified otherwise in a proxy, a proxy holder shall enjoy the same rights as a shareholder in the General Meeting. A proxy holder may grant further proxies only if his/her proxy provides so. One proxy holder may represent several shareholders and cast different votes for each shareholder. Members of the Management Board or employees of the Company may act as proxy holders in the General Meeting, as prescribed by the provisions of the applicable law. A proxy may authorise representation at only one General Meeting. The granting of a further proxy shall be forbidden.

A shareholder holding shares registered on one consolidated account may appoint separate proxy holders to exercise the rights for shares registered on such account. A shareholder holding shares registered on several securities accounts may appoint separate proxy holders to exercise the rights for shares registered on each account.

The General Meeting is opened by the Chairman or Vice-Chairmen of the Supervisory Board and if they are both absent – by another Member of the Supervisory Board. If all members of the Supervisory Board are absent, the General Meeting is opened by the President of the Management Board or a person appointed by the Management Board, who proceeds without ungrounded delay to the election of the Chairman of the General Meeting, thereafter referred to as the Chairman.

The Chairman is elected from among the persons who have a right to participate in the General Meeting. The person who opens the General Meeting determines the sequence of speaking who name their candidates. Persons who were suggested as candidates are included in a list of candidates for Chairman, if they agree. The list of candidates is made by the person who opens the General Meeting and there must not be more than 3 candidates. Every shareholder may vote only for one candidate. The Chairman of the General Meeting is the person who has received the most votes.

The chairman chairs the proceedings according to the settled agenda. The Chairman ensures efficient organisation of the proceedings and observance of rights and interests of all shareholders. The Chairman should especially oppose any abuse of their rights by the participants of the Meeting and ensure the observance of the rights of minority shareholders. The Chairman should not resign from his function for no material reasons and he/she must not groundlessly delay signing of the minutes of the General Meeting. The Chairman's duties include in particular:

- ensuring efficient and correct proceedings;
- granting the right to speak;
- issuing relevant administrative regulations;
- organising votes and supervising their course;
- announcing the results of votes;
- settling doubts concerning regulations.

The Chairman ensures that the proceedings proceed without groundless breaks or delays. Short breaks in the proceedings, which do not lead to the adjournment of the meeting, are announced by the Chairman in grounded cases, but they must not serve to hamper the shareholders from exercising their rights.

Votes on administrative matters may concern only issues related to conducting the meeting's proceedings. In this mode no resolutions can be considered which may affect the execution of the shareholders' rights.

Immediately upon the election, the Chairman checks whether the shareholders have signed the attendance list and submitted the required proxies or documents authorizing them to represent the shareholders at the General Meeting. Then, those shareholders who have not done that yet sign the attendance list. The Chairman signs the attendance list and then the list is made available for the participants of the General Meeting to read it. In case of any changes, the attendance list is adjusted and supplemented. After signing the attendance list, upon consultation with the notary who prepares the minutes, the Chairman declares the validity of convening the General Meeting and its capability to pass resolutions, and then he/she announces the fact to the present shareholders and presents them with the agenda.

Members of the Supervisory Board and Management Board participate in the General Meeting.

Members of the Supervisory Board, members of the Management Board participate in the General Meeting, and should, within their competences and in the scope necessary for settling issues discussed by the General Meeting according to provisions of the Law, explain problems and inform participants of the Meeting about the Company.

In order to ensure the proper conduct of voting, the Company makes efforts to ensure that the voting and counting of votes at the General Meeting takes place in electronic form. In the case of no such possibility, considering the efficiency of proceedings, the Chairman may organise the election of Commissions: Commission for Checking Mandates and Counting Votes, and Commission for Resolutions and Motions or the person responsible for conducting the vote and counting the results. Considering the efficiency of proceedings, the Chairman may organise the election of Commissions: for checking mandates and counting votes and for resolutions and motions, or a person in charge of organising votes and counting their results. The duties of the Commission for Checking Mandates and Counting Votes or of the person mentioned hereinabove include supervision of the correct course of a vote, declaration of the results of votes and presentation of these results to the Chairman, as well as other tasks related to organising votes. The Commission (person in charge) is obliged to promptly notify the Chairman of any irregularities revealed in a vote. Documents indicating the results of every vote are signed by all members of the Commission for Checking Mandates and Counting Votes and by the Chairman of the General Meeting. The duties of the Commission for Resolutions and Motions include the wording of motions submitted by shareholders.

The Commission for Checking Mandates and Counting Votes consists of 3 to 5 members and the number of members is determined in each case by the Chairman of the General Meeting. The Commission for Resolutions and Motions consists of 3 members. Members of the Commissions are elected from among the persons eligible to participate in a General Meeting. If the number of candidates for members of the Commissions is equal to the number of members, the Chairman may decide that the Commissions will be elected in a single vote for all candidates. If the number of candidates for members of the Commissions exceeds the number of members, the members of the Commissions are elected by way of subsequent votes for each of the submitted candidates. The Commissions consist of persons who have received the most votes. If more than one candidate receives the same number of votes, taking the last winning position, the Chairman chooses the member of the commission by way of drawing lots. The Commissions choose their chairpersons and secretaries from among their members.

Every issue included in the agenda is presented by the Chairman or a person he/she indicates. After presentation of every issue included in the agenda, the Chairman opens a discussion, granting the

right to speak on the basis of the sequence of calling. The Chairman may allow members of the Management Board and Supervisory Board to speak regardless of the sequence. The speakers may refer only to the issues included in the agenda and currently being discussed. The Chairman may limit the duration of speeches to 5 minutes per one participant of the General Meeting allowed to speak by the Chairman. During discussion about every item on the agenda, one participant may speak only twice. The second speech must not last longer than 2 minutes. The Company's Management Board and Supervisory Board may reply to motions submitted during the discussion. Such a reply should not last longer than 5 minutes, but in grounded cases the Chairman may prolong this duration. The Chairman is responsible for the course of discussion. If a speaker exceeds the allowed duration of his/her speech or changes the subject of the discussion, the Chairman has a right to deprive him/her of the right to speak.

A resolution to waive considering an issue included in the agenda and to take the issue off the agenda may be passed only if there are important and serious arguments supporting it. A motion to waive considering an issue should be justified in detail by the person who submits it. It is inadmissible to waive considering an issue or to pass a resolution to take an issue off the agenda in case of issues submitted for the agenda by the shareholders.

The resolution subjected to a vote should be expressed in a way allowing every eligible person who does not agree with the essence of resolution to appeal against such a resolution.

The Chairman allows participants of the General Meeting to speak apart from the issues on the agenda and discussion, only for submitting formal motions. Formal motions may concern only issues which are on the agenda of proceedings or the course of proceedings. In this mode no resolutions can be considered which may affect the execution of the shareholders' rights. Formal motions include especially motions concerning:

- breaks in proceeding, adjournment or closing of proceedings;
- closing a discussion;
- proceeding to the agenda;
- voting without a discussion;
- modification of the mode of voting;
- limiting the duration of speeches;
- checking the number of votes present at the General Meeting.

The General Meeting resolves a formal motion by an ordinary majority of votes cast after listening to the motion's author and its opponent. An ordinary majority means a majority of votes "for" or "against", without taking the "abstained" votes into account. Before submitting a motion to vote, the Chairman specifies the content of the draft motion and announces it to the gathering. At first, the Chairman submits to vote this motion, which goes the furthest, as it may exclude the necessity to vote over all other motions. If a formal motion is rejected by a vote, it must not be re-submitted during discussion on the same issue.

The General Meeting elects Members of the Supervisory Board from among persons who have relevant education, expertise, professional and life experience and who represent high morals, and who have enough time to perform the duties of a member of the Supervisory Board in a proper way.

At the motion submitted by a shareholder or shareholders who represent at least one fifth of the share capital, the Supervisory Board should be elected by the nearest General Meeting by way of voting in separate groups, even if the Articles of Association provide for another way of appointing the Supervisory Board. The motion mentioned hereinabove should be submitted to the Management Board in time for allowing for the election in groups at the nearest General Meeting. A motion submitted later may be considered only at the subsequent General Meeting. If a person appointed by an entity indicated in a separate act is a member of the Supervisory Board, only the remaining members of the Supervisory Board are elected. Those persons who represent at the General Meeting such a part of shares which corresponds to the result of division of the total number of represented shares by the number of members of the Supervisory Board may create a separate group in order to elect one member of the Board, however then they do not participate in the election of the remaining members. Mandates in the Supervisory Board, which have not been taken in votes of relevant groups of shareholders are distributed by way of a vote. The participants of such a vote are all the shareholders whose votes were not cast during the election of members of the Supervisory Boards, who were elected in separate groups. If at the General Meeting not a single group capable to elect a member of the Supervisory Board is created, no vote is organised, unless the General Meeting's agenda included not only the election in groups, but also changes to the composition of the Supervisory Board. At the moment when at least one member of the Supervisory Board is elected in a vote in separate groups, the terms of all previous members of the Supervisory Board expire before the end of their mandate, with the exception of the person appointed by an entity mentioned in a separate act.

As a rule, votes at General Meeting are open. A secret vote shall be ordered for elections and on motions to dismiss members of the Company's bodies or liquidators, to hold them liable, and on personal matters. Besides, a secret vote must be organised if at least one shareholder present or represented at the General Meeting requests it.

In case of a secret vote, the Chairman or the Commission for Checking Mandates and Counting Votes distributes voting cards to shareholders. The cards should have the Company's official seal on them and indicate the date of the General Meeting, number of shares and votes at the General Meeting the shareholder holds. This shall not apply where voting and counting are carried out by electronic means.

Resolutions are passed by an absolute majority, unless the provisions of the Articles of Association or of the Code of Commercial Companies and Partnerships stipulate otherwise. A shareholder may cast different votes for each share that s/he holds. A shareholder may vote as a proxy holder in a voting for adopting a resolution concerning himself/herself only according to the provisions of the applicable law. A resolution is passed if the number of votes cast "for" it exceeds the total number of votes cast "against" and "abstained". Votes are counted by the Chairman, the Commission for Checking Mandates and Counting Votes or by an elected person. If votes are counted by the Commission for Checking Mandates and Counting Votes, the Commission draws up the minutes of the vote and delivers to the Chairman. Having counted the votes, the Chairman announces the results of the vote. In votes at the General Meeting, an electronic device for voting and counting votes may be used. The relevant decision is taken by the Chairman. Electronic devices for voting and counting votes should ensure that the number of votes cast corresponds to the number of shares held and, in the case of secret vote, eliminate the possibility of identifying how individual shareholders cast their votes. After the votes are counted, the President announces the results of the vote.

A person who votes against a resolution may request recording his/her objections with a short justification in the minutes. At a request of a participant of the General Meeting, his/her written declaration is included in the minutes.

The resolutions of the General Meeting are minuted by a notary public. A copy of the minutes and the documentation of the General Meeting shall be kept at the Company's office and made available to the shareholders of the Company in accordance with the applicable provisions of law.

#### **d. Diversity policy**

The Company has not developed a diversity policy, however it pursues to ensure that the Company's governing bodies and key managers should differ as regards their gender, education, age, and professional experience. Furthermore, the Company's Management Board creates work place where all employees are treated equally as regards the terms and conditions for conclusion and termination employment relationship, promotion, and access to professional skills development training, specifically irrespective of their gender, age, disability, race, religion, nationality, political views, membership in trade unions, ethnicity, denomination, sexual orientation, or irrespective whether their employment is for specific or indefinite time, part-time or full-time. The company sees the diversity of its authorities, key managers and other employees as a competitive advantage, among others thanks to the effective use of the diverse potential of employees.

#### **e. Personal composition and principles of operation for management and supervisory bodies of the company and their committees**

In 2021, the following changes occurred in the composition of the Management Board of the Company:

- on 5 February 2021, the Supervisory Board of the Company appointed Mr Piotr Miałkowski to the Management Board of the Company and entrusted him with the function of Vice President of Management Board of the Company starting from 11 February 2021;
- on 28 May 2021, Mr. Krzysztof Bielecki, 1st Vice President of the Management Board, submitted a statement of resignation from the position in the Management Board with effect on the date of submission of the Statement;
- on 28 May 2021, Ms. Izabela Lubczyńska, Member of the Management Board, submitted a statement of resignation from the position in the Management Board with effect on the date of submission of the Statement;
- on 31 May 2021, the Company's Supervisory Board appointed the existing members of the Company's Management Board - Mr. Piotr Kaczmarek and Mr. Piotr Miałkowski for a new joint term of office, to the positions held by them until that date, i.e. Mr. Piotr Kaczmarek as President of the Management Board and Mr. Piotr Miałkowski as Vice President of the Management Board.

As at 31 December 2021, the Management Board of Getin Holding S.A. was composed of:

- Piotr Kaczmarek – President of Management Board,
- Piotr Miałkowski – Vice President of Management Board.

As at the date of the Statement, the composition of the Management Board did not change.

President of the Management Board is in charge of the Company's operations and work of the Management Board. He also co-ordinates tasks entrusted to members of the Management Board and he chairs meetings of the Management Board. A member of the Management Board nominated by the President substitutes the President of Management Board in case of his/her absence.

Each member of the Management Board is authorized and obliged to run the Company's operations. The Management Board may divide competences among individual members regarding areas of management and governance for which each member shall be accountable.

Members of the Management Board supervise operations of dependent departments and organizational units of the Company within the scope assigned by the Company competent bodies pursuant to internal procedures binding in the Company. President of the Management Board may also nominate one or more members of the Management Board to deal with specific tasks or a category of tasks. Each member of the Management Board is authorized and obliged to receive declarations of will and correspondence addressed both to the Company's headquarters' address or otherwise.

A member of the Management Board who has received a declaration of will or other correspondence addressed to the Company shall promptly initiate proceedings in accordance with the binding corporate procedures.

The Management Board meetings shall be convened by the President of the Management Board, or a member nominated by the President, at least twice a month. An invitation to such a meeting shall specify the agenda, the place and time of the meeting and shall be delivered 24 hours before the date of the meeting at latest in any manner that guarantees its receipt by the addressee and confirmation of that fact (registered mail, courier, fax, e-mail or on telephone, etc.). Should the date of the Management Board's meeting be established during the previous meeting, the obligation to inform does not apply.

Each member of the Management Board may submit a motion to the President of the Management Board to convene a meeting due to matters that require prompt reaction of the Management Board or in order to inform about matters that are important to the Company. The agenda may not be supplemented unless all members of the Management Board are present and consent to the supplement.

The Management Board may not adopt resolutions unless all members of the Management Board have been duly notified about the meeting. Votes are open. A secret vote is adopted in personal issues. Resolutions of the Management Board pass with an absolute majority, and each member of the Management Board has one vote only. In the case of a voting tie, the President of the Management Board shall have the casting vote. After every meeting of the Management Board minutes are drawn up. Members of the Management Board may take part in adopting resolutions casting their vote in writing through another member. Casting a vote through another member of the Management Board may not refer to items included in the Agenda during the meeting or personal issues. The Management Board resolutions may be adopted by circulation or with the support of means of long distance communication (telephone, fax, e-mail, videoconference). A resolution so adopted shall be valid if all members of the Management Board have been notified of the contents of a draft resolution. While adopting resolutions by circulation, members of the Management Board cast their votes by putting their signatures in the right place on a copy of a draft resolution (circulation copy) or by putting their signatures on separate copies of a draft resolution prepared for each member (circular letter).

Resolutions may also be adopted under the combined procedure with the use of both aforementioned forms of voting.

In the event of adopting resolutions with the support of means of long distance communication, members of the Management Board shall cast their votes respectively orally or in writing.

In the subsequent Meeting of the Management Board, the President of the Management Board presents the remaining members of the Supervisory Board with a list of resolutions adopted by the Management Board by circulation or with the support of means of long distance communication.

Each member of the Management Board who voted against a resolution may raise objections in writing. The objections shall comprise justification. Objections shall be noted in the minutes from the Management Board's meeting. The other members of the Management Board may not raise objections against including in the minutes the objection of the member who opposes the adopted Resolution.

The Supervisory Board acts in accordance with the Company's Articles of Association, Regulations of the Supervisory Board, the Bylaws of the General Meeting, the provisions of the Commercial Companies Code and taking into account the principles of the Best Practices adopted by the bodies of the Warsaw Stock Exchange S.A., to the extent adopted by the Company's bodies.

In the period from 1 January 2021 through 29 May 2021, the Supervisory Board of Getin Holding S.A. was composed of:

- Leszek Czarnecki – Chairman of Supervisory Board,
- Remigiusz Baliński – Vice Chairman of Supervisory Board,
- Bogdan Frąckiewicz – Member of Supervisory Board,
- Adam Maciejewski – Member of Supervisory Board,
- Stanisław Wlazło – Member of Supervisory Board.

On 28 May 2021, the Annual General Meeting of Getin Holding S.A. appointed the Company's Supervisory Board for a new two-year term of office, with effect from 30 May 2021, with the following composition:

- Leszek Czarnecki – Chairman of Supervisory Board,
- Remigiusz Baliński – Vice Chairman of Supervisory Board,
- Bogdan Frąckiewicz – Member of Supervisory Board,
- Adam Maciejewski – Member of Supervisory Board,
- Stanisław Wlazło – Member of Supervisory Board,
- Jerzy Pruski – Member of Supervisory Board.

As at 31 December 2021 and as at the date of submission of the Statement, the composition of the Supervisory Board of Getin Holding S.A. did not change

The Supervisory Board is composed of five to seven members, including Chairman and Vice-Chairman. Members of the Supervisory Board are appointed by the General Meeting for a 2-year term of office.

Members of the Supervisory Board are appointed for a joint term of office. The Supervisory Board elects the Chairman and Vice-Chairman of the Supervisory Board from among its members.

Any person being a shareholder or a person from outside the Company may be appointed to the Supervisory Board. A member of the Management Board, a commercial proxy, a liquidator, the head of department or plant, a chief accountant, attorney-at-law or advocate employed with the Company or other persons directly accountable to a member of the Management Board or a liquidator and a member of the Management Board and a liquidator of a subsidiary company may not, at the same time, be a member of the Supervisory Board. A member of the Supervisory Board should not resign from the function during his/her term of office if this could make the work of the Supervisory Board impossible, and in particular, if this could make a timely adoption of an important resolution impossible. A member of the Supervisory Board shall inform the Management Board about the functions performed as well as personal, actual and organizational relations of the member of the Supervisory Board with shareholders, in particular with the majority shareholder, and any changes in this respect for the purpose of their disclosure. A member of the Supervisory Board shall inform the Management Board about disposal or acquisition of shares in the Company or in companies controlling or controlled by the Company, as well as about transactions with such companies as far as they are relevant for his/her economic situation or if an obligation to disclose such information on performed transactions results from relevant provisions concerning current and periodical information submitted by issuers of securities, in a manner allowing the Management Board to publicly disclose such information in accordance with the aforementioned law regulations.

Meetings of the Supervisory Board shall be held at the Company's registered office or in another place in the Republic of Poland specified in the invitation. Meetings of the Supervisory Board, save for matters directly concerning the Management Board or its members, in particular: dismissal, liability and setting forth the remuneration, should be available and open for the Members of the Management Board. The Supervisory Board may invite to its meetings the Company's employees or other persons from outside, if their presence is relevant for the matters under discussion. The decision concerning an invitation of any third parties shall be taken by the person convening a meeting or its chairman.

The Supervisory Board adopts resolutions if a majority of its members, including the Chairman and Vice Chairman, are present at the meeting and all its members have been duly invited to the meeting. An invitation is deemed duly delivered if it has been made in a written form, sent by fax to the fax number provided by the Member of the Supervisory Board or by e-mail. An invitation should specify the meeting's date and the agenda. A member of the Supervisory Board who is unable to attend the meeting shall immediately inform the Chairman of the Supervisory Board thereof.

The Supervisory Board meeting may also be attended by means of direct remote communication, unless the Company's Articles of Association provide otherwise.

The Supervisory Board shall determine, in the form of Bylaws, detailed rules for participation in meetings of the Supervisory Board by means of direct remote communication.

An invitation should specify the meeting's date and the agenda. The receipt of the invitation should be confirmed by the member of the Supervisory Board by the endorsement on the invitation, in writing, by fax or by e-mail.



Members of the Supervisory Board may participate in adopting of resolutions by casting their votes in writing through another member of the Supervisory Board. Written votes may not be cast in respect of matters arising during the meeting of the Supervisory Board.

The Supervisory Board resolutions may be adopted under the written procedure (by circulation) or with the support of means of long distance communication (e.g. telephone, telefax, e-mail, videoconference). A resolution so adopted is valid if all members of the Supervisory Board have been notified of the contents of a draft resolution, and at least half of Members of the Board participated in passing the resolution.

The Supervisory Board may also adopt resolutions in writing or by means of direct remote communication in matters for which the Company's Articles of Association provide for a secret vote, provided that no member of the Supervisory Board objects.

Members of the Supervisory Board participating in the passing of resolutions by means of direct remote communication shall receive copies of the resolutions adopted in this manner, which they shall sign and return to the Company as soon as possible. In the event of adopting resolutions with the support of means of long distance communication, Resolutions signed by members of the Supervisory Board shall be archived with minutes of the Supervisory in the Company's headquarters.

The agenda of a meeting of the Supervisory Board shall be scheduled 7 days before the scheduled date of the meeting and approved by the Chairman. An invitation, including the date and a draft agenda, should be delivered to members of the Supervisory Board at least 3 business days before the scheduled date of the meeting. The invitation shall be accompanied by materials containing information about items on the agenda. The aforementioned deadline may be shortened if justified by extraordinary circumstances. The agenda of the Supervisory Board meeting shall not be amended or supplemented during the meeting, unless all members of the Supervisory Board are present and consent to the amendment or supplementing the agenda or in the event that certain actions of the Supervisory Board are required to protect the Company against damage or loss and in the event of a resolution concerning decision whether a conflict of interests exists between a member of the Supervisory Board and the Company.

Resolutions of the Supervisory Board are adopted by a majority of the votes cast, unless mandatory provisions of the Commercial Companies Code require application of stricter rules for voting. In case of a voting tie, the Chairman of the Supervisory Board shall have the casting vote.

Votes during the meetings of the Supervisory Board are open. A secret vote is adopted in matters specified in the Company's Articles of Association. A secret vote may also be decided by the Chairman on his/her own authority or upon the request of any member of the Supervisory Board.

The Supervisory Board meetings are convened by the Chairman of the Supervisory Board, or in case of his/her absence, by the Vice-Chairman of the Supervisory Board. The Supervisory Board meetings are convened if and when required, at least once in a quarter. A meeting of the Supervisory Board may be requested by the Management Board or a member of the Supervisory Board, and such request shall include a draft agenda. The Chairman, or in case of his/her absence the Vice-Chairman, convenes the meeting within two weeks of the date of receipt of the request. Should the Chairman or Vice-Chairman fail to convene the meeting, the requesting party may convene such a meeting independently, by announcing the date, place and draft agenda. Resolutions of the Supervisory Board are recorded by a

minutes secretary elected from outside the Supervisory Board or a person designated by the Chairman from amongst the members of the Supervisory Board.

The Supervisory Board performs its duties as a collective body, but it may delegate its members to perform specified supervisory duties independently. The Supervisory Board is represented by the Chairman of the Supervisory Board, or in case of his/her absence, by the Vice-Chairman of the Supervisory Board. The Supervisory Board is managed by the Chairman of the Supervisory Board, or in case of his/her absence, by the Vice-Chairman of the Supervisory Board. A member of the Supervisory Board delegated by the Supervisory Board or by the group to perform supervisory tasks should provide the Supervisory Board with detailed, written reports of the duties performed.

Members of the Supervisory Board are entitled to remuneration. The amounts of and the rules for the payment of remuneration shall be determined by the General Meeting. Information on the total remuneration of all members of the Supervisory Board, as well as the remuneration of each Member individually, is disclosed in the Company's annual report.

The Supervisory Board, in determining the remuneration of the Members of Management Board, takes into account its motivational nature and ensuring effective and smooth management of the Company. The remuneration shall remain appropriate to the size and economic performance of the Company and shall be related to the scope of responsibility arising from the function and take into account the level of remuneration of members of the Management Board in similar companies on a comparable market. The Supervisory Board endeavours to ensure that remuneration of Management Board Members is determined in accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of Getin Holding S.A. in force in the Company.

The Supervisory Board prepares an annual remuneration report for each member of the Management Board and Supervisory Board in accordance with the applicable regulations.

The Supervisory Board considers and gives its opinion on proposals presented by the Management Board to amend the Remuneration Policy for Members of the Management Board and Supervisory Board of Getin Holding S.A. adopted in the Company or a proposal to keep the existing content of the Policy in force.

If a conflict of interest arises, the Interest Conflict Management Policy of Getin Holding SA shall be applied.

## **Committees**

- a) Remuneration and Employment Committee at Supervisory Board of Getin Holding S.A.

The Remuneration and Employment Committee is a consultative body to the Supervisory Board of the Issuer. It was established in the Company by virtue of the resolution of the Supervisory Board of the Issuer No. 1/2015 dated 15.01.2015.

The Audit Committee operates and fulfils its tasks based on the commonly binding law regulations and bylaws adopted in the Company, including the Remuneration and Employment Bylaws of Getin Holding S.A. approved by the Company's Supervisory Board.

In the period from 1 January 2021 to 30 May 2021, the Remuneration and Employment Committee

was composed of:

- Mr. Stanisław Wlazło – Chairman of Committee,
- Mr. Bogdan Frąckiewicz – Member of Committee.

On 31 May 2021, the Company's Supervisory Board appointed a new composition of the Remuneration and Employment Committee:

- Mr. Stanisław Wlazło – Chairman of Committee,
- Mr. Bogdan Frąckiewicz – Member of Committee,
- Mr. Jerzy Pruski – Member of Committee.

As at 31 December 2021 and as at the date of submission of the Statement, the composition of the Committee did not change.

b) Audit Committee at Supervisory Board of Getin Holding S.A.

The Audit Committee at the Supervisory Board of Getin Holding S.A. was established in compliance with the Company's Articles of Association as a permanent consultative body to the Supervisory Board on 19.10.2017, pursuant to the resolution adopted by the Supervisory Board of Getin Holding in compliance with the Act on Expert Auditors, Audit Firms and Public Supervision of 11.05.2017.

In the period from 01.01.2021 to 30.05.2021, the Audit Committee operated in the following composition:

- Mr Stanisław Wlazło – President of Audit Committee,
- Mr. Bogdan Frąckiewicz – Member of Audit Committee
- Mr Adam Maciejewski – Member of Audit Committee.

On 31 My 2021, the Company's Supervisory Board appointed the Audit Committee composed of:

- Mr. Stanisław Wlazło – President of Audit Committee,
- Mr. Bogdan Frąckiewicz – Member of Audit Committee,
- Mr. Adam Maciejewski – Member of Audit Committee,
- Mr. Jerzy Pruski – Member of Committee.

As at 31 December 2021 and as at the date of submission of the Statement, the composition of the Committee did not change.

Mr. Stanisław Wlazło, Mr. Bogdan Frąckiewicz, and Mr. Adam Maciejewski meet the independence criteria for audit committee members in public interest entities, as provided for in Article 129(3) of the Act on Auditors, Audit Firms and Public Supervision of 11 May 2017, and the independence criteria within the meaning of the Best Practice for GPW Listed Companies 2021 (and the Best Practice for GPW Listed Companies 2016 in force until 30 June 2021).

All members of the Audit Committee have extensive professional experience and comprehensive education, hence they have relevant competences in accounting or auditing financial statements as well as expertise and skills in the sector where the Company operates. Qualifications and experience information is available at <https://www.getin.pl/rada-nadzorcza>.

The Audit Committee operates and fulfils its tasks based on the commonly binding law regulations, and in particular on the provisions of the Act on Auditors, Auditing Firms and bylaws adopted in the Company, including the Audit Committee Bylaws in Getin Holding S.A. approved by the Company Supervisory Board.

In 2021, the Company was provided with permitted non-audit services (attestation services relating to reports or other financial information intended for the regulatory bodies, the supervisory board or any other supervisory body of the company or the owners, other than statutory audit services, intended to assist these bodies in fulfilling their statutory duties) by the audit firm auditing its financial statements and, accordingly, the Audit Committee assessed the independence of the audit firm and approved the provision of these services. As part of the aforesaid services, audit firm Grant Thornton Polska sp. z o.o. sp.k. made an assessment of the Report on Remuneration of the Company's Management Board and Supervisory Board for the period from 1 January 2019 to 31 December 2020 (for fee of PLN 13,000 net) and certification of the documentation required by the National Bank of Ukraine (for auditor's fee of PLN 23,000 net).

In financial year 2021, the Audit Committee held meetings and adopted resolutions both at physical meetings and by means of remote communication. The Audit Committee acted efficiently and complied with the binding law regulations while staying in contact with the Company Management and Supervisory Boards and the auditor as required by law regulations.

The Company complies with binding regulations concerning the rotation of auditing firms and the key auditor and with the binding waiting periods. The audit firm Grant Thornton Polska sp. z o.o. Sp.k. was chosen on 13.06.2019 by a resolution of Supervisory Board of Getin Holding S.A. no. 19/2019 as the entity auditing and reviewing the stand-alone and consolidated financial statements for the years 2019 and 2020. The audit firm Grant Thornton Polska sp. z o.o. sp.k. was chosen on 13 June 2019 by Resolution No. 19/2019 of the Supervisory Board of Getin Holding S.A. as the entity auditing and reviewing the stand-alone and consolidated financial statements for 2019 and 2020. By Resolution No. 31/2021 of the Company's Supervisory Board of 29 June 2021, taking account of a recommendation of the Audit Committee, satisfying the applicable conditions, it was decided to extend the cooperation of the Company with the aforesaid audit firm on the audit and review of standalone and consolidated financial statements for financial years 2021-2023.

The Company applies the Policy for selecting an audit firm to audit financial statements and to provide other permitted services not constituting audit of financial statements in Getin Holding S.A. and the Procedure for selecting an audit firm to audit financial statements and provide other permitted services in Getin Holding S.A.

The overriding objective of the Policy for selecting an auditing firm and providing permitted services is to enhance the role of the Audit Committee in the process of selection of an auditing firm, which supports more conscious decision making by the Company's Supervisory Board and General Meeting of Shareholders and the main objectives include:

- method of selection of an auditing firm by invitation for tenders (tender procedure) with possible additional negotiations;
- an auditing firm is selected by the Company's Supervisory Board based on the recommendation of the Audit Committee;
- the selection criteria include bidders experience in auditing financial statements of financial institutions and GPW listed companies and experience in the following areas: financial and credit

risk management, prudential requirements for financial institutions, internal control, corporate governance and the choice of corporate social responsibility;

- in the selection process the impartiality and independence of the auditing firm are considered as well as the analysis of its previous work performed for the Company or GH Capital Group that exceeds the scope of auditing or reviewing financial statements of the Company or GH Capital Group, in order to avoid conflict of interests;
- the Audit Committee and Supervisory Board apply the auditor rotation principle;
- the remuneration paid by the Company to the auditing firm and the structure of such a remuneration may not jeopardise the independence of the expert auditor or the auditing firm.

## **V. Non-financial statement**

We present the statement of Getin Holding S.A. (the Company) and Getin Holding Capital Group (the Group, Getin Holding Group), drawn up in compliance with Art. 49b(2)-(8) of the Accounting Act of 29 September 1994 (J. L. 2019, item 351, i.e. dated 22.02.2019) and § 71(6) of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and on conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state (J. L. 2018, item 757, i.e. dated 20.04.2018) that describes non-financial aspects of sustainable growth and corporate social responsibility. The non-financial information has been compiled according to the Global Reporting Initiative (GRI Standards) selected guidelines.

Our statement includes explanation of policies applied by the Company and Group companies concerning:

- social issues;
- employees issues;
- environmental issues;
- respect for human rights, and
- anti-corruption issues.

The information is presented from the synthetic level. While forming one group we operate in diverse legal, cultural and business systems. We run different (supplementary) types of business. We are aspiring to cohesion, while appreciating and respecting diversity.

Therefore the below policies in each company of the Group may function in slightly different dimensions or scopes, they may also employ different means, have different objectives and results of applying and complying with the principles by individual entities in the Group.

### **Brief description of the business model**

Together we create a diverse Capital Group. Our operations focus on management of subsidiary companies, investment projects and creating value of portfolio companies. We operate in attractive, international environment in:

- Poland, and
- Ukraine.

Our companies provide mutually complementary services, including:

- banking services;
- financial services;
- financial intermediation, and

- accounting consultancy services.

To this end we employ:

- unique know-how;
- innovative organisation methods, and
- experience and potential of our people.

### **The key non-financial indicators of efficiency – tangible effects of soft power**

We strive not only for stable economic foundations, but also for the quality of non-financial aspects. We aim to conduct sustainable business in compliance with ethical standards and social needs. Therefore in 2018, we implemented Getin Holding Group Corporate Social Responsibility and Sustainable Growth Policy.

Following the CSR philosophy we want to:

- support growth of entrepreneurship in the region;
- increase the attractiveness and availability of offered services/products (including innovative ones), focus on continuous improvement of product and service quality, customer satisfaction, safety, responsibility, openness;
- to have exemplary compliance, build credibility;
- friendly educate and support the development of economic awareness;
- integrate a diverse team in an atmosphere of commitment, satisfaction, and respect.

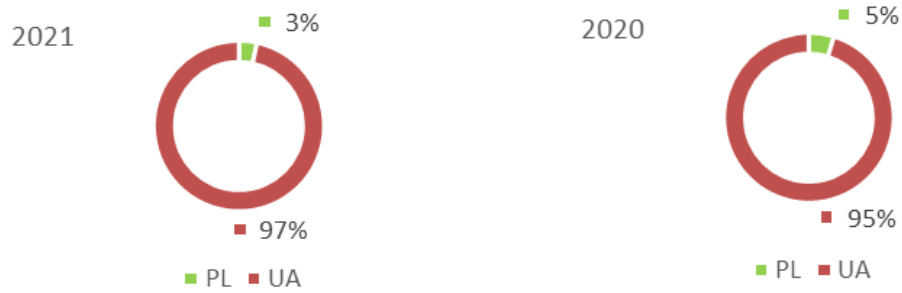
The key non-financial indicators of diversity<sup>4</sup>, measured for 2021/2020 are:

- The Group's employment structure, the power of diversity:

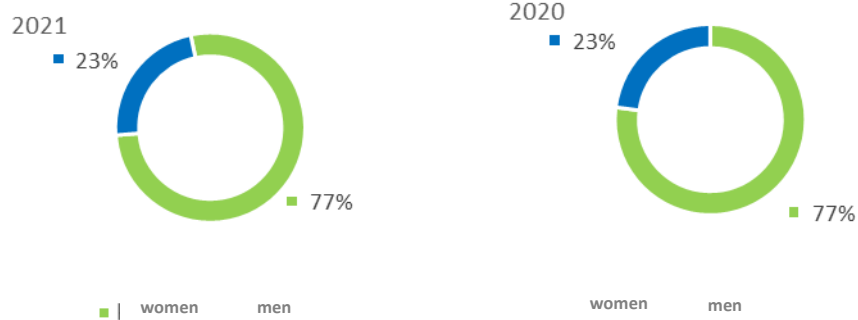
Employment in the Group – country (2021 | 2020)

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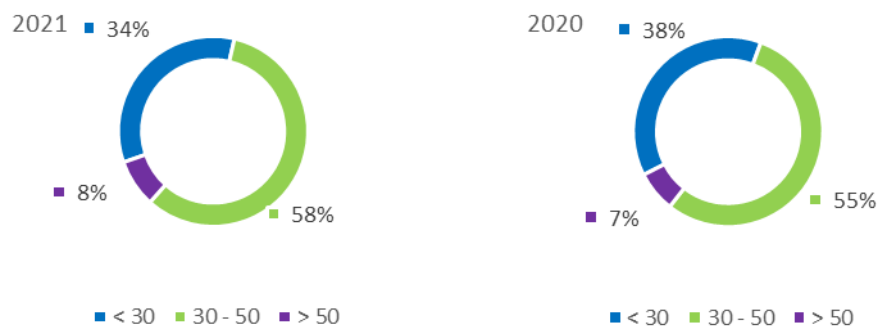
<sup>4</sup> the study did not cover smaller companies of the Group, as the data obtained from these companies would not have a significant impact on the results of the Group's non-financial data; in addition - data for 2020 have been adjusted for the Group's assets in Belarus and in Romania due to the sale of assets in these markets in 2021, the comparative data was adjusted accordingly



Employment in the Group – gender (2021 | 2020)



Employment in the Group – age (2021 | 2020)



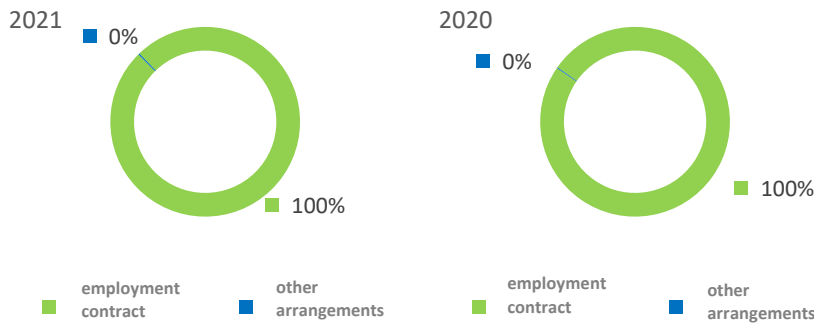
The Group promotes diversity among the employed team, while at the same time taking into account only the knowledge, skills, experience and predispositions related to the given position.

- Terms and conditions of employment:

Employment under employment contract and other arrangements (2021 | 2020)

Women employed in the governing bodies of companies of the Group (2020 | 2019)





	GH	IBU	NFS	MWT
2021	1	0	6	2
2020	2	0	6	2

■ Group’s customer satisfaction survey

Companies in the Getin Holding Group have a diverse methodology for measuring customer satisfaction. The findings for 2021 are presented below:

The main method for verifying customer satisfaction in Idea Bank (Ukraine) is measurement of NPS Score. The score for the bank at the end of 2021 was 41.91%.

M.W Trade S.A. estimates (thanks to direct conversations during trade meetings) that in 2021, about 2/3 of customers rated the quality of service provided by the company as good, while approx. 50% rated its product offer as good.

In view of the difficult situation resulting from the constraints imposed by the intensity of the restrictions aimed at limiting the transmission of the virus, the Companies are developing new methods of customer satisfaction surveys that will make it possible to check the level of quality of the new contact channels and access to the offer of each company during the pandemic. Getin Holding Group companies monitor customer satisfaction on an ongoing basis, looking at reported problems and reviewing internal procedures to adapt them to current conditions.

■ Corruption

No case of corruption was reported in the companies of the Group in 2021. In Getin Holding Group we counteract any fraud, guided by the explicit, principal idea: “Zero tolerance to fraud”, which is described in more detail later in the statement.

**Friendly to communities**

At the very heart of our assumptions is enriching local communities, and – further – the society, by creating jobs, but also by mutual efforts to improve economic conditions and development in local markets. Therefore our companies not only aim at maximizing satisfaction of our clients and

investors, but also promote charity and facilitate and support engagement of our employees in charity initiatives and events that promote our common values.

A vital aspect of our operations is dialogue and communication with our environment. We have defined the circle of stakeholders and developed communication standards. Each company could adjust the communication model to their business operations. We accepted both traditional communication channels, as well as social media communication (including Facebook, LinkedIn, YouTube), if it suits well the business profile of a given company.

We apply good market policies, principles and demands for respecting human rights, decent operational procedures and highest consumer standards responsibly.

Our pro-social ideology concentrates on:

- supporting micro-, small and medium-sized companies by providing capital for their projects or promotion of business education;
- charity;
- sports sponsoring.

Proofs of the efficiency of our pro-social policy include:

- higher level of enterprise in regions where the Group operates;
- our reputation as a reliable employer;
- high customer satisfaction with the customer service, offered deposits, loans and credit cards;
- high ratings of our companies in foreign banking rankings;
- renowned awards, especially in categories promoting digitalization and advanced technologies, internet banking, e-services and mobile Internet.

The client relations and their satisfaction is the key issue for us.

### **Power of diversity**

In 2021, we made up a colourful group of individuals.

In the Group, we apply top-down guidelines based on universal human rights conventions. Down the ladder, HR management issues in Getin Holding Group are set out in internal, individual for each company, personnel / HP policies concerning diversities and in detailed bylaws.

We promote respect for individuality, employment stability and work-life balance.

Because the Group operates in several markets, our business activity is of international and multicultural nature. We aim to create friendly, diverse and non-discriminating workplace and promote talents and potentials that stem from the team heterogeneity.

We want to respond to the real development needs of employees. That is why we offer them specialised industry-specific training (on sales techniques, customer service, new products,

business risks) and soft skills training, language courses (including e-learning), coaching, mentoring and motivational talks.

We seek their opinion which helps us to adjust non-financial motivation tools to individual career and development plans.

Operating in diverse environments we attempt to ensure friendly working environment based on transparent communication, cooperation, mutual respect, partnership and trust. We encourage the atmosphere of mutual help, appreciate the team's initiative and resourcefulness. We promote formation of tight teams who like their work and colleagues.

We offer attractive benefits that vary depending on the cultural context and individual needs.

The benefits include:

- prepaid medical care packages;
- sports/fitness packages;
- group insurance;
- training systems;
- flexible working hours;
- home office (teleworking);
- additional days off in special situations;
- team-building events.

We believe that well-motivated employees are more efficient and ensure competitive edge for our companies. Tight teams contribute to creating unique organisational culture, which substantially helps to accomplish our business goals.

Therefore in our units we appreciate:

- ability to form lasting relations and efficient cooperation (by mutual respect, friendliness, positive approach and good manners);
- commitment and initiative;
- goal and task orientation;
- streamlining the organisation;
- identification with the company, promoting its good reputation and image;
- openness to changes and new solutions, flexibility.

The assumptions for each company HR policy specify:

- strictly defined career paths;
- training systems;

- clear incentive programmes;
- fair employee evaluation (developed evaluation systems);
- rules for promotions and migrations (lateral promotions).

Coherent HR strategy contributes to the growth of the company goodwill. So managers face the difficult task of selecting the right personnel whose qualifications will meet both present and future challenges.

### **In harmony with the environment**

Because of its nature our business has hardly any impact on the environment. However, in accordance with current trends, we are trying to increase our eco-responsibility in the long term in micro scale.

In 2021, the implemented by us Getin Holding Policy regarding natural environment was in place.

The bioidea contained in the document serves primarily to promote: ecological sensitivity and pro-ecological initiatives involving our team in activities for the protection of the Earth's resources.

In the micro-scale (bottom-up, everyday activities) it may include aware, eco-logical/-onomic consumption of office supplies, waste segregation, bio-diet, or choosing pro-ecological means of transport while commuting.

On the macro (strategic) level we intensify digitalization of the offered products, which has no small importance for the environment.

### **Human rights – uncompromising**

In 2018, we implemented the Policy of Respecting Human Rights in Getin Holding Group. The overriding guidelines of the document dictate promotion of diversity and multicultural work environment assuming cooperation with individuals of diverse attributes, such as sex, age, nationality, origin, confession and world views. According to the document we counteract any discrimination by promoting work environment that supports dialogue and open communication.

The basis for recruitment, hiring, development, trainings, remuneration and development of each individual employed with Getin Holding Group are their qualifications, skills, experience and 'soft skills' profile. The adopted policy is the foundation for procedures for each of the Group companies.

We respect the human rights universally and unquestionably in the atmosphere of honesty and responsibility.

Specifically, we seriously take:

- fair treatment, prevention of the discrimination because of age, disability, ethnic origin, gender (including maternity), racial background, political views, confession,

- taking steps that promote respect for human dignity, including elimination of any mobbing or harassment practices.

We comply with the principles set out in international, universal conventions and declarations, as well as (as appropriate) local laws on the universally accepted values of respect for others.

We have included the aforementioned issues in the companies' internal documents such as:

- HR policies;
- recruitment and hiring procedures;
- ethical codes;
- good practices;
- anti-mobbing procedures;
- whistle blowing procedures.

We have various (indirect, including anonymous, and direct) channels for reporting irregularities (dedicated mailboxes, online forms (platforms), telephone and personal channels) to HR, Compliance, Internal Audit, Management Board, and Corporate Governance units/departments/or representatives.

## **"No" to corruption**

In Getin Holding Group we counteract any fraud guided by the explicit, principal idea: "Zero tolerance to fraud". The main components of the anti-fraud (also anti-corruption) system, depending on the company size, the sector in which a given company operates, identification of operational risks, include the following:

### a. Formal regulations:

- (Group) Anti-Fraud Policy and individual policies;
- anti-fraud procedures;
- whistle blowing procedures;
- interest conflict management procedures;
- anti-money laundering procedures and anti-terrorism financing procedures;
- reputation policies;
- organisational bylaws;
- employees bylaws;
- ethical codes/codes of conduct;
- good practices;
- corporate governance principles;

- job descriptions;
  - codes of conduct.
- b. Reporting channels – whistleblowing:
- direct:
    - face2face interviews;
    - phone calls (including dedicated lines);
    - communicators, etc.
  - indirect:
    - Intranet;
    - websites/application forms (platforms);
    - e-mail addresses (including dedicated ones);
    - post;
- c. Communication recipients:
- members of management and supervisory boards;
  - immediate superiors;
  - audit/security/internal control departments (units);
  - legal departments (units) / law firms;
  - compliance departments (units).
- d. education:
- training;
  - theme / profiled meetings;
  - Intranet;
  - e-learning platforms;
  - direct conversations with immediate superiors or management that increase the team's awareness.
- e. measures:
- risk identification and assessment;
  - system control solutions;
  - prevention and detection;
  - reports verification;
  - investigation, if needed.

In 2019 we have adopted the umbrella, universal Anti-Fraud Policy in Getin Holding Group that takes into account diverse value systems. By adopting written principles we promote (now formally) fraudfree working environment. We put emphasis on the prevention, detection and punishing fraud and mitigating adverse consequences of unwanted behaviour.

The Group companies may have (and usually they do have) individual regulations of this problem.

We wish each company to implement the anti-corruption policy by:

- educational means (prevention/counteracting);
- identification of corporate hazards;
- setting procedures for handling possible abuse;
- creating relevant control units within the organisation;
- monitoring supervisory processes and systems;
- sealing mechanisms by the implementation of hazard mitigating procedures;
- making available channels for reporting suspected frauds that guarantee confidentiality, anonymity and protection.

**CSR risks and their management, that is CSR policies and due diligence procedures, description of their results**

When it comes to identifying and managing CSR risks, we follow the guiding principle, “Prevent”. We believe that it is easier to prevent fires than to put them out. We coordinate corporate risks by:

- identification of hazards;
- implementing policies, procedures and rules to prevent CSR risks;
- preventive elimination of circumstances that may cause the occurrence of adverse events;
- elimination of hazardous incidents.

We have described the results of combating CSR risks as a result of our activities (including policies and procedures) in the section on non-financial performance indicators.

CSR risks and their management by CSR policies and due diligence procedures are described in the table below:

<b>CSR Risk</b>	<b>Risk management - Safety precautions (policies, highest diligence procedures, measures)</b>
concerning Society  Stakeholders: – clients – employees – suppliers – contractors	– theme trainings addressed to employees (prevention), concerning: – customer service standards – IT security – communication and education initiatives – incentive schemes – monitoring adequacy of applied security mechanisms – data backups

<ul style="list-style-type: none"> <li>– investors / shareholders</li> <li>– capital market analysts</li> <li>– regulators</li> <li>– media</li> </ul> <p>Risks:</p> <ul style="list-style-type: none"> <li>– reputation risk (reputational damage)</li> <li>– risk of data leaks</li> <li>– IT systems-related risk</li> <li>– risk of negative perception of the Group companies that translates to the Holding image</li> <li>– risk of diminishing share price</li> </ul> <p>Description of risk sources:</p> <ul style="list-style-type: none"> <li>– business mistakes of management and employees</li> <li>– frauds of management and employees</li> <li>– unethical, irresponsible, unprofessional customer service</li> <li>– poorly defined incentive schemes</li> <li>– leak of data (clients' personal data, performance, trade secrets, confidential information)</li> <li>– poor security of IT systems</li> </ul>	<ul style="list-style-type: none"> <li>– sensitive data encryption</li> <li>– firewall and safe gates</li> <li>– policies, bylaws, procedures and instructions, such as:</li> <li>– ethical codes</li> <li>– Code of Good Practices for Capital Group</li> </ul> <p>Companies</p> <ul style="list-style-type: none"> <li>– books of customer service standards</li> <li>– industry codes</li> <li>– reputation policies</li> <li>– IT systems management instructions</li> <li>– data security policies</li> <li>– operational risk management policies</li> <li>– good banking policies</li> <li>– principles for financial market good practices</li> <li>– Personal Data Protection Regulation policies</li> <li>– rules for granting and controlling access to information</li> <li>– procedures for storing, using and disclosing confidential data</li> <li>– data security policy</li> <li>– purchasing policy</li> <li>– procedures for purchasing goods and services</li> <li>– updating lists of qualified suppliers and providers based on the ethical, environment and social responsibilitybased experience (in one of the Group companies)</li> <li>– conducting constant monitoring of service quality</li> <li>– establishing verification units, including: <ul style="list-style-type: none"> <li>– internal security departments</li> <li>– audit departments</li> <li>– compliance departments</li> </ul> </li> <li>– cooperation with the corporate governance</li> <li>– cooperation with public administration authorities</li> <li>– open communication concerning the Group current activity</li> <li>– constant and ongoing communication with the media</li> <li>– conducting long-term relations consisting in reliable information of the environment about plans and actions</li> </ul>
<p>concerning Employee issues</p> <p>Stakeholders:</p> <ul style="list-style-type: none"> <li>– employees</li> </ul>	<ul style="list-style-type: none"> <li>– personnel policies</li> <li>– HR policies</li> <li>– remuneration policies</li> <li>– diversity policies</li> </ul>



<p>Risks:</p> <ul style="list-style-type: none"> <li>– dissatisfaction of employees</li> <li>– diminished team loyalty and motivation</li> <li>– limited HR potential</li> <li>– HR migrations</li> <li>– personnel turnover</li> <li>– less experienced and qualified staff members remaining</li> <li>– higher outlays on trainings</li> <li>– increased number of (unconscious) fraud events</li> <li>– delays (abandoning) in project implementations</li> <li>– diminishing income</li> </ul> <p>Description of risk sources:</p> <ul style="list-style-type: none"> <li>– poor HR management systems</li> <li>– inadequate incentive mechanisms</li> <li>– no open communication with employees</li> <li>– no career development paths, promotions, trainings</li> </ul>	<p>equivalents of the afore mentioned policies, such as bylaws and procedures</p> <ul style="list-style-type: none"> <li>– periodic (post task completion) evaluations</li> <li>– benefits (medical insurance, gym discounts, group insurance)</li> <li>– team satisfaction survey</li> <li>– carrying out and analysing exit interviews</li> <li>– developing and explaining incentive systems for employees</li> <li>– open communication with the team</li> <li>– training, competence development programme</li> <li>– personnel relocation</li> <li>– internal promotions</li> <li>– retraining opportunities</li> <li>– team-building events</li> <li>– building knowledge management system to transfer knowledge and share it</li> <li>– management development programmes</li> <li>– building engaging work environment</li> <li>– making space for development and innovation</li> <li>– conducting satisfaction surveys and periodic conversations of employees with superiors</li> </ul>
<p>concerning Environment</p> <p>Stakeholders:</p> <ul style="list-style-type: none"> <li>– the environment</li> <li>– local communities</li> <li>– alternatively pro-eco organisations</li> </ul> <p>Risks:</p> <ul style="list-style-type: none"> <li>– policy-violation by employees</li> <li>– impediments in the implementation of the customer service systems digitalization in the Group companies</li> <li>– possible sanctions</li> </ul> <p>Description of risk sources:</p>	<ul style="list-style-type: none"> <li>– implementation of the Getin Holding Policy concerning the environment</li> <li>– long-horizon efforts for increasing ecoresponsibility and sensitivity in protection of the earth resources</li> <li>– aiming at eco-responsible consumption of office supplies</li> <li>– promotion of employee bio-initiatives, including initiatives spreading ecoawareness, selection of environmentally friendly means of transport (while commuting), waste segregation</li> </ul>

<p>– marginal impact on the global environment</p>	
<p>concerning Human Rights</p> <p>Stakeholders:</p> <p>– (mainly) employees</p> <p>Risks:</p> <p>– loss of reputation</p> <p>– sanctions</p> <p>– loss of valuable personnel</p> <p>Description of risk sources:</p> <p>– possible discrimination</p> <p>– possible mobbing</p>	<p>– implementation of the Policy of Respecting Human Rights of Getin Holding Group</p> <p>– applying individually adopted policies and procedures based on universal human rights conventions:</p> <ul style="list-style-type: none"> <li>– personnel policies</li> <li>– diversity policies</li> <li>– employees bylaws and rules for remuneration</li> <li>– ethical codes</li> <li>– whistle blowing procedures</li> <li>– anti-mobbing procedures</li> <li>– personal data protection policies</li> <li>– soft-skills trainings (HR management, motivating, coaching)</li> </ul>
<p>concerning Corruption</p> <p>Stakeholders:</p> <p>– employees</p> <p>– clients</p> <p>– contractors</p> <p>Risks:</p> <p>– loss of reputation</p> <p>– legal and financial sanctions</p> <p>Description of risk sources:</p> <p>– insubordinate employees, non-complying with procedures, codes and policies</p> <p>– conflicts of interests</p> <p>– corruption</p> <p>– financial frauds</p> <p>– violation of personal data protection regulations</p>	<p>promotion of the overriding Anti-Fraud Policy in Getin Holding Group and implementation by each company of:</p> <ul style="list-style-type: none"> <li>– ethical codes</li> <li>– anti-fraud procedures</li> <li>– rules for accepting gifts</li> <li>– good practices</li> <li>– conflict of interest management procedures</li> <li>– anti-corruption policies</li> <li>– whistle blowing procedures</li> <li>– anti-money laundering procedures and anti-terrorism financing procedures</li> <li>– anti-fraud policies</li> <li>– risk management policies</li> <li>– collective decision making (investment or credit committees)</li> <li>– internal control systems</li> <li>– internal and external audits (auditing specific units, systems)</li> <li>– trainings in anti-fraud, anti-corruption, compliance and conflict of interest</li> <li>– surveillance</li> </ul>

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As described above, the corporate group Getin Holding S.A. conducts its operations with due diligence procedures, both on the basis of external guidelines and internal regulations, and strives to ensure the highest standards. When making business decisions, the companies of the Group are guided not only by legal requirements, the expectations of regulators, and the adopted ethical standards.

## **VI. Statements and Information from the Management Board**

Management Board of Getin Holding S.A. states that:

- to the best of its knowledge, the annual stand-alone and consolidated financial statements and the comparative data have been drawn up in compliance with the applicable accounting principles and that they give a true, accurate and fair view on assets, financial position and financial performance of the Company and the Capital Group of the Issuer; and
- annual report on operations of Getin Holding S.A. and the Corporate Group of the Issuer gives a true picture of developments and achievements and the situation of the Company and the Corporate Group of the Issuer, including description of basic hazards and risks.

Wrocław, April 5, 2022

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Piotr Kaczmarek

President of Management Board

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Piotr Miałkowski

Vice Chairman of Management  
Board