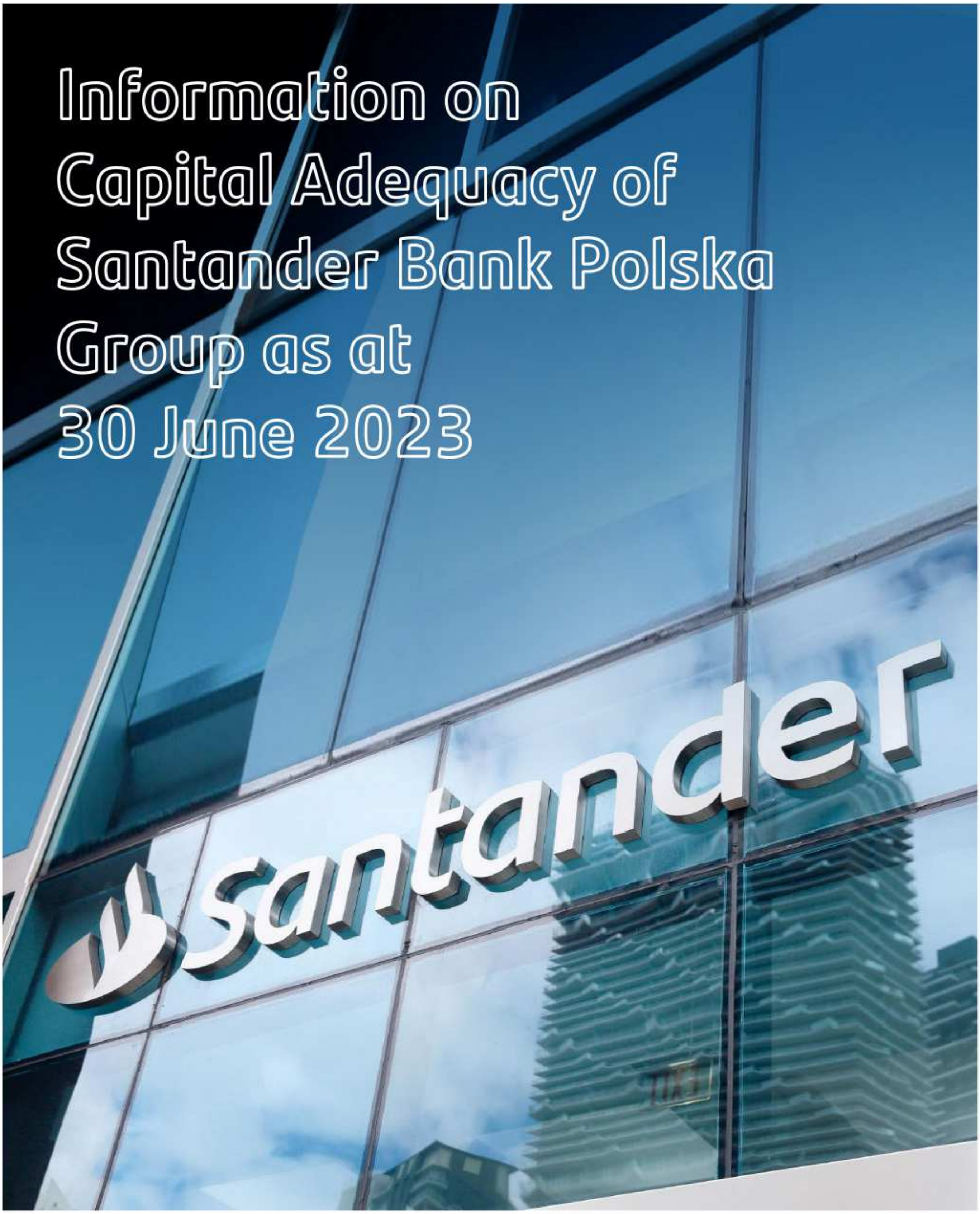
Information on Capital Adequacy of Santander Bank Polska Group as at 30 June 2023



I. Introduction

This document is issued under the Santander Bank Polska Group Disclosure Strategy formulated based on Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 amended by Regulation (EU) No 2019/876 of the European Parliament and of the Council of 20 May 2019. (CRR) which formed the legal basis of the reporting date i.e. 30 June 2023.

Starting from January 1st, 2014 by the decision of the European Parliament and of the Council the new regulations of the CRD IV/CRR package come into force. The CRD IV/CRR package consists of two parts, the CRD IV Regulation and CRR Directive. Amendments to the above regulations are introduced by the CRD V / CRR II package as well as Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic. The regulations are directly applicable in all EU member states. The Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management in the financial system transposes CRD IV into the Polish law.

Santander Bank Polska S.A. is the significant subsidiary of Banco Santander S.A. with its seat in Spain, which is the EU parent institution. Santander Bank Polska S.A. discloses information about the capital adequacy on a subconsolidated basis – at the highest local level of prudential consolidation – i.e. based on the data of Santander Bank Polska Group.

The objective of the report is to present information about the capital adequacy of Santander Bank Polska Group in accordance with the requirements set out in Article 13 of CRR II. Information is published in accordance with the Commission Implementing Regulation (UE) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200.

The data presented in the report were prepared as at 30 June 2023. The information contained herein refers to the foregoing regulations to the extent applicable to the Bank and Santander Bank Polska Group. The figures presented in the Report are expressed in thousand PLN, unless otherwise stated. Any potential differences in the sums and percentages are due to presentation of the amounts with a specific degree of accuracy.

Disclosure of capital adequacy	Guidelines on disclosures	Article of CRR
I. Introduction		
2. Capital Group 3. Outline of differences in consolidation	Scope of application of the regulatory framework	Article 436 point b)
II. Own funds	Own funds	Article 437 point (a)
	Transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds	Guidelines EBA/GL/2020/12
	Own funds and eligible liabilities	Article 437a
III. Capital requirements	Capital requirements	Article 438 point d), Article 447
1. Total capital requirements		
2. Credit risk	Credit risk and its mitigation	Article 442 point (c), (e), (f), (g), Article 444 point (e), Article 453 point (f)–(j)
3. Counterparty credit risk	Counterparty credit risk	Article 439 points (e)-(l), Article 444 point (e)
4. Market risk	Market risk	Article 445
IV. Capital buffers	Macroprudential supervisory measures	Article 440
V. Capital adequacy		
1. Capital adequacy management		
2. Regulatory capital adequacy		
3. Internal capital adequacy		
VI. Securitization	Exposure to securitization positions	Article 449 point (j)–(l)
VII. Leverage ratio	Leverage ratio	Article 451(1) points (a) and (b)
VII. Remuneration Policy	Remuneration	Article 450
VIII. Liquidity measures	Liquidity information	Article 448(1) point (a) and (b), Article 451a(2)(3)
N/A	Specialised lending	Article 438 point (e)
N/A	The IRB approach for credit risk purpose	Article 452 point (g)
N/A	Use of internal market risk measurement models	Article 455 point (d), (e), (g)
N/A	The variations in the risk-weighted exposure amounts that result from the use of internal models.	Article 438 Point (h)

1. Capital Group

Santander Bank Polska S.A. forms a Group with following subsidiaries which are consolidated in accordance with IFRS 10 and associates which are accounted for using the equity method.

EU LI3 – OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY) AS AT 30.06.2023

Name of the entity	Accounting consolidation method	Regulatory consolidation method					Business profile
		Full consolidation	Equity method consolidation	Proportional consolidation	Neither consolidated nor deducted from common equity	Deducted	
Santander Factoring sp. z o.o.	Full consolidation	X					Factoring services
Santander F24 S.A.	Full consolidation	X					Lending services
Santander Leasing S.A.	Full consolidation	X					Lease services
Santander Finanse sp. z o.o.	Full consolidation	X					Financial, lease and insurance intermediary services
Santander Inwestycje sp. z o.o.	Full consolidation	X					Purchase and sale of shares in commercial companies and other securities; prospecting activities
Santander Towarzystwo Funduszy Inwestycyjnych S.A.	Full consolidation	X					Management of open-end investment funds, specialised open-end investment funds and portfolios comprising one or more financial instruments
Santander Consumer Bank S.A.	Full consolidation	X					Banking services
Santander Consumer Multirent sp. z o.o.	Full consolidation	X					Lease and factoring services
Santander Consumer Finanse sp. z o.o. 1)	Full consolidation	X					Investing cash surpluses and financial intermediary services
SC Poland Consumer 23-1 DAC	Full consolidation	X					SPV set up for the purpose of securitisation
SCM Poland Auto 2019-1 DAC	Full consolidation	X					SPV set up for the purpose of securitisation
Santander Consumer Financial Solutions sp. z o.o.	Full consolidation	X					Lease services
Stellantis Consumer Financial Services Polska sp. z o.o.	Full consolidation	X					Financial services supporting the sale of DS, PEUGEOT, CITROEN, OPEL and FIAT cars and related (consumer loans)
Stellantis Financial Services Polska sp. z o.o.	Full consolidation	X					Financial services supporting the sale of DS, PEUGEOT, CITROEN, OPEL and FIAT cars and related (leasing, including consumer leasing, factoring and corporate loans)
Santander Allianz Towarzystwo Ubezpieczeń S.A.	Equity method		X				Insurance services (personal and property insurance)
Santander Allianz Towarzystwo Ubezpieczeń na Życie S.A.	Equity method		X				Insurance services (life insurance)
Polfund - Fundusz Poręczeń Kredytowych S.A.	Equity method		X				Issuing loan guarantees, investing and managing entrusted funds

1) The General Meeting held on 23 December 2020 adopted a resolution to dissolve Santander Consumer Finanse sp. z o.o. and start the liquidation process.

Compared to 31 December 2022, the list of members of Santander Bank Polska Group has not changed. In relation to the formation of the automotive manufacturing corporation Stellantis N.V. in 2021 as a result of merger between the Italian–American conglomerate Fiat Chrysler Automobiles and the French Groupe PSA, on 3 April 2023 PSA Finance Polska Sp. z o.o. and PSA Consumer Finance Polska Sp. z o.o. were renamed Stellantis Financial Services Polska Sp. z o.o. and Stellantis Consumer Financial Services Polska Sp. z o.o., respectively.

Compared with 31 December 2022, the list of associates did not change.

II. Own funds

The level of own funds of the Santander Bank Polska Group is adjusted to the Group's business.

Own funds are calculated in accordance with the Banking Law and the rules set out in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 amended by Regulation (EU) No 2019/876 of the European Parliament and of the Council of 20 May 2019 as amended.

According to CRR, own funds of the Group are a sum of:

- Tier I capital,
- Tier II capital.

Tier I capital consists of:

- Common Equity Tier I capital, which is a sum of items of Common Equity Tier I capital items after adjustments, deductions and inclusions
- Additional Tier I capital

Tier II capital includes items of Tier II capital after deductions.

Common Equity Tier I consists of:

1. Share capital, fully paid and registered at its nominal value
2. Emission premium
3. Supplementary capital
4. Profit or loss eligible– pursuant to Art. 26 of CRR, the non-audited profit for the current period or the annual profit may be included in Common Equity Tier I capital, as long as the Bank is granted approval from a relevant authority (KNF in this case). Relevant authority shall issue the approval on conditions that:
    a. Profits have been verified by institution-independent persons responsible for analysing financial statements of the institution
    b. The institution has satisfactorily proved that the profit amount has been reduced by all forseeable encumbrances and dividends
5. Accumulated other comprehensive income
6. Other reserves
7. Funds for general banking risk
8. Minority interest recognised in Common Equity Tier I capital – calculated in line with the standards indicated in Art. 84 of CRR
9. Adjustment and deductions from Common Equity Tier I items:
    a. Additional value adjustments due to the requirements of prudent valuation – acc. to Article 34 and 105 of CRR
    b. Goodwill arising on acquisition
    c. Other intangible assets
    d. Surplus of deferred tax assets or liabilities exceeding 10% of Tier I - according to EBA's interpretation re. inclusion of assets and reserves under deferred tax, in line with the answer Q&A 2014_980, the Bank nets deferred tax assets and deferred tax liabilities in order to determine the treshold value necessary to calculate the deductible amount
    e. Surplus of material exposure in financial sector institutions exceeding 10% of Tier I

f. Portion of deferred income tax assets depending on future profitability and arising from temporary differences, as well as direct and indirect holdings in Common Equity Tier I instruments, where the institution has invested a considerable amount of funds, which shall be deducted
g. Defined benefit pension fund assets
h. Cash flow hedge reserve
i. Adjustments re IFRS 9 phase in – acc. to Article 473a
j. Securitisation positions which can alternatively be subject to a 1 250% risk weight
k. Shortage of coverage due to non-performing exposures acc. to Article 47 of CRR,
l. Own CET1 instruments.

Tier II capital includes eligible subordinated loans of the bank and instruments issued by subsidiaries that are given recognition in Tier II Capital.

Reconciliation between balance sheet items used to calculate own funds and regulatory own funds, according to methodology described in Annex to the Commission Implementing Regulation (UE) 2021/637, is presented in the table below.

EU CC2 - RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE FINANCIAL STATEMENTS AS AT 30.06.2023 (PLN K)

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements				
1	Intangible fixed assets	756 482	318 862	III. Condensed consolidated statement of financial position (Assets)
2	Goodwill	1 712 056	1 712 056	
3	Deferred tax assets (net)	1 855 931	1 952 232	
	-including assets that do not exceed the threshold set in Article 48(1)(a)	1 855 931	1 952 232	
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements				
1	Subordinated obligations	2 723 525	-	III. Condensed consolidated statement of financial position
	-including loans eligible as instruments under Tier II	2 622 475	2 066 599	
Shareholders' Equity				
1	Share capital	1 021 893	1 021 893	III. Condensed consolidated statement of financial position (Liabilities and Equity)
2	Other capital items	27 403 094	26 911 225	
3	Revaluation reserve	-299 360	-299 360	
4	Non-controlling interests	1 831 379	743 797	
5	Retained earnings	1 128 921	838 428	
6	Current year profit	2 322 216	-	
	Total Equity	33 408 143	29 215 984	

As at 30 June 2023, the total own funds of the Santander Bank Polska Group amounted to PLN **29 254 437k**.

The amounts and nature of their specific items are presented in EU CC1 table. The disclosure uses the template presented in Annex of Commission Implementing Regulation (UE) 2021/637, which states the disclosure requirement of own funds items. The table is limited to lines relevant for Santander Bank Polska Group.

EU CC1 - COMPOSITION OF REGULATORY OWN FUNDS AS AT 30.06.2023 (PLN K)

		Amounts
	Common Equity Tier 1 (CET1) capital: instruments and reserves	
1	Capital instruments and the related share premium accounts	9 003 867
	of which: Instrument type 1	9 003 867
2	Retained earnings	838 428
3	Accumulated other comprehensive income (and other reserves)	17 980 082
EU-3a	Funds for general banking risk	649 810
5	Minority interests (amount allowed in consolidated CET1)	743 797
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**29 215 984**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments	
7	Additional value adjustments (negative amount)	-130 628
8	Intangible assets (net of related tax liability) (negative amount)	-2 030 919
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-54 766
15	Defined-benefit pension fund assets (negative amount)	-13 884
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-37 214
EU-20c	of which: securitisation positions (negative amount)	-37 214
27a	Other regulatory adjustments	105 505
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-2 161 904**
29	**Common Equity Tier 1 (CET1) capital**	**27 054 079**
	Additional Tier 1 (AT1) capital: instruments	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-
	Additional Tier 1 (AT1) capital: regulatory adjustments	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-
44	**Additional Tier 1 (AT1) capital**	-
45	**Tier 1 capital (T1 = CET1 + AT1)**	**27 054 079**
	Tier 2 (T2) capital: instruments	
46	Capital instruments and the related share premium accounts	2 066 599
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	133 759
51	**Tier 2 (T2) capital before regulatory adjustments**	**2 200 358**
	Tier 2 (T2) capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-
58	**Tier 2 (T2) capital**	**2 200 358**
59	**Total capital (TC = T1 + T2)**	**29 254 437**
60	**Total Risk exposure amount**	**140 839 685**
	Capital ratios and requirements including buffers	
61	Common Equity Tier 1 capital	19,21%
62	Tier 1 capital	19,21%
63	Total capital	20,77%
64	Institution CET1 overall capital requirements *	3,52%
65	of which: capital conservation buffer requirement	2,50%
66	of which: countercyclical capital buffer requirement	0,01%
67	of which: systemic risk buffer requirement	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1,00%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0,01%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**14,71%**
	Amounts below the thresholds for deduction (before risk weighting)	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	1 087 391
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	1 952 233

* The institution CET1 overall capital requirements were calculated taking into account the institution specific countercyclical capital buffer.

1. Tier I

Common Equity Tier I

Share capital in accordance with the Bank's Statutes and the entry to the Court Register as at 30 June 2023 amounted to PLN **1 021 893k.**

Detailed information about prices of the above instruments, including Tier 1 capital, are presented in Table 3.

Supplementary capital is created from profit allocations and from share premium. By the Bank's Statutes, the supplementary capital is created from net profit allocations. Its purpose is to cover any balance sheet losses. The value of the allocations is determined by the General Meeting of Shareholders. As at 30 June 2023, the supplementary capital in own funds was PLN **9 301 211k**. incl. share premium of PLN **7 981 974k.**

Other reserves are created from net profit allocations in an amount approved by the General Meeting of Shareholders. Other reserve are used to cover balance sheet losses if they are greater than the supplementary capital. The decision to resort to the reserve capital is taken by the General Meeting of Shareholders. As at 30 June 2023, after including prudential consolidation adjustments, the other reserves and accumulated other comprehensive income in own funds were PLN **17 980 082k**.

Funds for general banking risk are used to cover costs and losses connected with unidentified banking risks that were not separately provided for. As at 30 June 2023, the general risk fund earmarked for unidentified risks of the banking business was PLN **649 810k**.

Net profit of Santander Bank Polska Group from 1 January 2023 to 30 June 2023 totaled PLN **2 363 461k**, including PLN 41 245k of profit attributable to shareholders who do not exercise control. As at 30 June 2023 Santander Bank Polska Group not included the current year profit in own funds.

As at 30 June 2023 in Own Funds of Santander Bank Polska Group the **retained earnings** are included in the amount of PLN **838 428k**.

In April 2023, the General Meeting of Santander Bank Polska S.A. Shareholders agreed on the distribution of the net profit of **PLN 2 449 043k** for the accounting year from 1 January 2022 to 31 December 2022 as follows:

- PLN 72 357k was allocated to capital reserves;
- PLN 2 376 686k was allocated to the Dividend Reserve created by the Ordinary General Meeting of the Bank by Resolution No. 6 of 22 March 2021 on the distribution of profit and the creation of capital reserve ("Resolution No. 6/2021").

Additionally, the amount of PLN 840 887k was allocated to the Dividend Reserve, which represents the profit earned on the sale of shares in AVIVA insurance companies and posted under other comprehensive income.

According to the letter from the Polish Financial Supervision Authority dated 16 March 2023, the KNF stated that based on data as at 31 December 2022 the Bank met all dividend policy criteria to be able to pay dividends up to 100% of its net profit earned in 2022, both at standalone and consolidated level. Pursuant to the recommendation of the KNF, specified in the same letter, the possibility of paying dividends is contingent on the decision of the CJEU's in case C-520/21 and receiving a positive opinion of the Polish Financial Supervision Authority.

Minority interests

As at 30 June 2023, the minority interests recognised in the consolidated Tier 1 capital totalled PLN **743 797k** and were attributed of SCB Group.

Minority interest are no longer included in own funds based on the balance sheet value, but are calculated according to article 84 of CRR.

Adjustment and deductions from Common Equity Tier I

Santander Bank Polska Group has calculated the additional value adjustments due to the requirements for prudent valuation according to articles 34 and 105 of CRR. It amounted to PLN **(130 628)k**.

As at 30 June 2023, the adjustment of the Common Equity Tier 1 capital due to goodwill amounted to PLN **(1 712 056)k**, including:

- PLN 1 688 516k – goodwill arising from the merger of Santander Bank Polska S.A. and Kredyt Bank on 4 January 2013. The goodwill recognised as at the date of the merger between Santander Bank Polska S.A. and Kredyt Bank represents a control premium and arises from the possibility to generate additional benefits from the expected synergies, increase in revenues and market share, combination of staff competencies and an increase in the effectiveness of processes, in relation to the fair value of the acquired net assets.
- PLN 23 540k – goodwill arising from the acquisition by Santander Consumer Bank S.A. of shares in PSA Finance Polska sp. o.o. Santander Consumer Bank S.A. holds 50% of shares in PSA Finance Polska sp. o.o., in turn, Santander Bank Polska S.A. holds a 60% of shares in Santander Consumer Bank S.A.

As at 30 June 2023, deduction from Common Equity Tier I regarding other intangible assets amounted to PLN **(318 862)k**. The value of the shortage in coverage due to non-performing exposures amounted to PLN **(14 805)k**.

2. Tier II

Subordinated liabilities

Own funds of Santander Bank Polska Group include:

- funds raised through the issuance of variable-rate registered bonds which were taken up and paid up by the European Bank for Reconstruction and Development. In 2016, the bank amended the agreement under which subordinated registered bonds had been issued on 5 August 2010. The amendments included a maturity extension to 5 August 2025, among other things. Pursuant to the KNF decision of 18 May 2016 (letter No. DBK/DBK 2/7100/2/7/2016), the foregoing subordinated bonds of EUR 100m were allocated to Tier 2 capital.
- pursuant to the KNF decision of 24 February 2017 (letter No. DBK/DBK 2/7100/6/7/2016/2017), the subordinated bonds of EUR 120m issued by Santander Bank Polska S.A. on 2 December 2016, maturing on 3 December 2026 and taken up by investors, were allocated to Tier 2 capital.
- pursuant to the KNF decision of 19 October 2017 (letter No. DBK/DBK 2/7100/1/14/2017), the subordinated bonds of EUR 137.1m issued by Santander Bank Polska S.A. on 22 May 2017, maturing on 22 May 2027 and taken up by an investor, were allocated to Tier 2 capital.
- pursuant to the Decision of KNF of 6 June 2018 (document DBK-DBK2.7100.3.2018.) subordinated loan PLN 1b with maturity of 5 April 2028 were allocated to Tier II capital.

From August 5, 2020, the amount of the first, from December 3, 2021, the amount of the second, from May 22, 2022, the amount of the third and from April 5, 2023 the amount of the fourth of the above-mentioned subordinated loans are amortized due to the last 5 years of maturity, in accordance with Art. 64 CRR.

Hence, as at 30 June 2023, own funds include subordinated liabilities of PLN **2 066 599k**.

Instruments issued by subsidiaries that recognised in Tier II capital

Following the acquisition of control over Santander Consumer Bank in 2014, its qualifying own funds of PLN **133 759k**, calculated in accordance with Art. 88 of CRR as own funds of a subsidiary, represent another item of Tier II capital of Santander Bank Polska Group.

More details about the subordinated liabilities are presented in Note 26 to the *Interim Report 2023 of the Condensed Interim Consolidated Financial Statements of Santander Bank Polska Group for the 6-month period ended 30 June 2023*.

3. Transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds

On 12 December 2017, the European Parliament and the Council adopted Regulation No 2017/2395 amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State. This Regulation entered into force on the next day following its publication in the Official Journal of the European Union and has been applicable since 1 January 2018. The European Parliament and the Council concluded that the application of IFRS 9 may lead to a sudden significant increase in expected credit loss provisions and consequently to a sudden decrease in institutions' Common Equity Tier 1 capital.

The regulation regarding the mitigation of impact of IFRS 9 on Tier 1 capital provides for the following:

- Where an institution's opening balance sheet on the day that it first applies IFRS 9 reflects a decrease in Common Equity Tier 1 capital as a result of increased expected credit loss provisions, including the loss allowance for lifetime expected credit losses for financial assets that are credit-impaired, compared to the closing balance sheet on the previous day, Santander Bank Polska Group should be allowed to include in its Common Equity Tier 1 capital a portion of the increased expected credit loss provisions for a transitional period. That transitional period should have a maximum duration of 5 years and should start in 2018. The portion of expected credit loss provisions that can be included in Common Equity Tier 1 capital should decrease over time down to zero to ensure the full implementation of IFRS 9 on the day immediately after the end of the transitional period.
- The multipliers (f1) that can be applied in consecutive years of the transitional period are as follows: 95%, 85%, 70%, 50%, 25%.
- If Santander Bank Polska Group decides to apply the IFRS 9 transitional arrangements, it should publicly disclose its own funds, capital ratios and leverage ratio both with and without the application of those arrangements in order to enable the recipients of financial statements to determine the impact of those arrangements.
- Institution should decide whether to apply those transitional arrangements and inform the Regulatory Supervision accordingly.
- During the transitional period, Institution may reverse once its initial decision, subject to the prior permission of the Polish Financial Supervision Authority, which should ensure that such decision is not motivated by considerations of regulatory arbitrage.
- Institutions that decide to apply transitional arrangements should be required to adjust the calculation of regulatory items which are directly affected by expected credit loss provisions to ensure that they do not receive inappropriate capital relief.

Having analysed Regulation No. 2017/2395, the bank as the parent company has decided to apply the transitional arrangements provided for therein, which means that the full impact of the introduction of IFRS 9 will not be taken into account for the purpose of capital adequacy assessment of Santander Bank Polska Group.

Bank fulfilled its obligations imposed by the CRR by informing the Polish Financial Supervision Authority about its intention to apply transitional provisions (letter ref. GZP/06/01/2018 of 31 January 2018).

As at 30th June 2023, the Group applied the updated rules for transitional arrangements related to IFRS 9. In accordance with the Regulation of the European Parliament and of the Council (EU) 2020/873 of 24 June 2020 the formula on the basis of which the amount included in own funds is determined has been modified in such a way that the dynamic factor is calculated in relation to the status as of 01/01/2020 instead of 01/01/2018 and the transitional period for the dynamic factor is extended until 31 December 2024. Starting from 2020, the multipliers (f2) for the dynamic factor that can be applied in the subsequent years of the transition period are: 100%, 100%, 75%, 50%, 25%, respectively. In addition, a factor was added to the formula, calculated as the change in provisions for expected credit losses between 01/01/2020 and 01/01/2018.

Based on the changes resulting from the above-mentioned Regulation and Art. 473a (7a) from June 2020 The Group uses a derogation in the form of assigning a risk weight equal to 100% to the adjustment value included in own funds.

Below, Santander Bank Polska Group has disclosed own funds, capital ratios, as well as the leverage ratio, both including and excluding application of transitional solutions stemming from Article 473a of Regulation (EU) No 575/2013:

COMPARISON OF INSTITUTIONS' OWN FUNDS AND CAPITAL AND LEVERAGE RATIOS WITH AND WITHOUT THE APPLICATION OF TRANSITIONAL ARRANGEMENTS FOR IFRS 9 AS AT 30.06.2023 (PLN K)

	Available capital (amounts)	30.06.2023	31.03.2023*	31.12.2022*	30.09.2022	30.06.2022
1	Common Equity Tier 1 (CET1) capital	27 054 079	26 765 107	26 423 081	23 702 494	23 350 609
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	26 933 769	26 644 797	26 166 155	23 509 368	23 194 052
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	27 054 079	26 765 107	26 423 081	23 702 494	23 350 609
3	Tier 1 capital	27 054 079	26 765 107	26 423 081	23 702 494	23 350 609
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	26 933 769	26 644 797	26 166 155	23 509 368	23 194 052
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	27 054 079	26 765 107	26 423 081	23 702 494	23 350 609
5	Total capital	29 254 437	29 047 221	28 783 032	26 151 901	25 874 078
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	29 134 127	28 926 911	28 524 999	25 958 647	25 717 244
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	29 254 437	29 047 221	28 783 032	26 151 901	25 874 078
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	140 839 685	138 044 910	136 189 011	138 135 913	134 891 388
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	140 789 927	137 995 152	136 082 829	137 976 846	134 825 176
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	19,21%	19,39%	19,40%	17,16%	17,31%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19,13%	19,31%	19,23%	17,04%	17,20%
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	19,21%	19,39%	19,40%	17,16%	17,31%
11	Tier 1 (as a percentage of risk exposure amount)	19,21%	19,39%	19,40%	17,16%	17,31%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19,13%	19,31%	19,23%	17,04%	17,20%
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	19,21%	19,39%	19,40%	17,16%	17,31%
13	Total capital (as a percentage of risk exposure amount)	20,77%	21,04%	21,13%	18,93%	19,18%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20,69%	20,96%	20,96%	18,81%	19,07%
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	20,77%	21,04%	21,13%	18,93%	19,18%
	Leverage ratio					
15	Leverage ratio total exposure measure	276 388 249	271 334 767	270 469 138	282 267 175	257 502 286
16	Leverage ratio	9,79%	9,86%	9,77%	8,40%	9,07%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9,75%	9,82%	9,68%	8,33%	9,01%
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	9,79%	9,86%	9,77%	8,40%	9,07%

* data includes profits included in own funds, taking into account the applicable EBA guidelines

4. Own funds and eligible liabilities

The information below fulfils the requirements arising from the entry into force of Regulation (EU) No. 575/2013 of the European Parliament and of the Council dated 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019. As a member of the international Santander Group, whose parent entity is Banco Santander, Santander Bank Polska S.A. belongs to a group considered a global systemically important institution.

Santander Bank Polska S.A. as subsidiary of Santander Group, a global systemically important institution, is required to comply with Article 92a of the CRR with respect to the obligation to satisfy the requirements for own funds and bailed-in liabilities laid down in the CRR, taking into account the transitional period under Article 494 of the CRR.

According to Article 92a of the CRR, the requirements for own funds and eligible liabilities are calculated as 18% of the total risk exposure amount ("TREA") and 6,75% of the total exposure measure ("TEM").

In accordance with Article 128 of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("CRD V"), institutions should not use Common Equity Tier 1 capital that is maintained to meet the combined buffer requirement to meet the risk-based components of the requirements set out in Article 92a of the CRR.

Based on these provisions, the required minimum regulatory TLAC (total loss-absorbing capacity) is increased by the value of capital buffers that the Bank is required to maintain.

This means that the minimum regulatory TLAC must be maintained at 21.50% of the TREA.

For Santander Bank Polska Group, the TLAC calculated as own funds and eligible liabilities in relation to the TREA as at 30 June 2023 is 24.86%. The TLAC calculated as own funds and eligible liabilities in relation to the TEM as at 30 June 2023 is 12.67%.

In relation to the minimum requirements specified in Article 92a of the CRR, the Bank obtained the approval from resolution authorities, in accordance with the conditions laid down in Article 72b(3) of the CEE, to use the liabilities that do not meet the subordination requirement defined in Article 72b(2)(d) of the CRR in the amount not exceeding 3.5% of the TREA as of 1 January 2022.

The Bank is also required to meet the requirements for own funds and eligible liabilities (MREL) based on Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

Based on the decision of the Bank Guarantee Fund of 5 May 2023, the target value of the MREL requirement for the Bank is 15.39% in relation to the total risk exposure amount (the subordination requirement is 14.24%)and 5.91% in relation to the total exposure measure. The Bank must reach that target by 31 December 2023. At the same time, the Bank should meet the interim targets set by the supervision authority at 11.70 in relation to the TREA (the subordination requirement is 11.13%) and 4.46% in relation to the TEM.

At the same time in accordance with Article 19(2)(3), Article 21(3)(3), Article 42(3) and Article 48(3) of the Act on macro-prudential supervision, which transposes Article 128 of the CRD, Common Equity Tier 1 instruments maintained by the entity in accordance with the combined buffer requirement are not eligible for the MREL requirement expressed as a percentage of the total risk exposure. This rule does not apply to the MREL requirement expressed as a percentage of the total exposure measure.

As a result, the Bank needs to maintain the target MREL at 18.89% in relation to the total amount of risk exposure, including in respect of subordination at 17.74%. As at 30 June 2023 the minimum MREL requirement, taking into account capital buffers is 15.20%, including 14.63% in respect of subordination.

As at 30 June 2023 the Bank met both requirements. the MREL in relation to the TREA was 24.86%, while the MREL including own funds and eligible subordinated liabilities was 22.49%. As at 30 June 2023, the MREL in relation to the TEM was 12.67%, in retation to subordinated debt 11.46%.

EU KM2 – KEY METRICS - MREL AND, WHERE APPLICABLE, G-SII REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES AS AT 30.06.2023 (PLN K)

		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
		a	b	c	d	e	f
		30.06.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022
Own funds and eligible liabilities, ratios and components							
1	Own funds and eligible liabilities	35 014 765	35 014 765	34 969 560	35 085 058	33 842 443	33 181 045
EU-1a	Of which own funds and subordinated liabilities	31 677 040					
2	Total risk exposure amount of the resolution group (TREA)	140 839 685	140 839 685	138 044 910	136 189 011	138 135 913	134 891 388
3	Own funds and eligible liabilities as a percentage of TREA (row1/row2)	24,86%	24,86%	25,33%	25,76%	24,50%	24,60%
EU-3a	Of which own funds and subordinated liabilities	22,49%					
4	Total exposure measure of the resolution group	276 388 249	276 388 249	271 334 767	270 469 138	282 267 175	257 502 286
5	Own funds and eligible liabilities as percentage of the total exposure measure	12,67%	12,67%	12,89%	12,97%	11,99%	12,89%
EU-5a	Of which own funds or subordinated liabilities	11,46%					
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)		No	No	No	No	No
6b	Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)		4 929 389	3 506 625	3 517 425	4 834 757	4 721 199
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)		100,00%	100,00%	100,00%	98,88%	99,85%
Minimum requirement for own funds and eligible liabilities (MREL)*							
	TLAC as a percentage of TREA		18,00%	18,00%	18,00%	18,00%	18,00%
	TLAC as percentage of TEM		6,75%	6,75%	6,75%	6,75%	6,75%
EU-7	MREL requirement expressed as percentage of the total risk exposure amount	11,70%					
EU-8	Of which to be met with own funds or subordinated liabilities	11,13%					
EU-9	MREL requirement expressed as percentage of the total exposure measure	4,46%					
EU-10	Of which to be met with own funds or subordinated liabilities	4,46%					

* Without taking into account the combined buffer requirement

EU TLAC1 - COMPOSITION - MREL AND, WHERE APPLICABLE, G-SII REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES SANTANDER BANK POLSKA GROUP AS AT 30.06.2023 (PLN K)

		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not TLAC
Own funds and eligible liabilities and adjustments				
1	Common Equity Tier 1 capital (CET1)	27 054 079	27 054 079	-
2	Additional Tier 1 capital (AT1)	-	-	-
3	Empty set in the EU			
4	Empty set in the EU			
5	Empty set in the EU			
6	Tier 2 capital (T2)	2 200 358	2 200 358	-
7	Empty set in the EU			
8	Empty set in the EU			
11	Own funds for the purpose of Articles 92a CRR and 45 BRRD	29 254 437	29 254 437	-
Own funds and eligible liabilities: Non-regulatory capital elements				
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	1 900 000	1 900 000	-
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-	-	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-	-	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	522 603	522 603	-
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	3 337 725	3 337 725	-
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-	-	-
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	3 337 725	3 337 725	-
15	Empty set in the EU			
16	Empty set in the EU			
17	Eligible liabilities items before adjustments	5 760 328	5 760 328	-
EU-17a	Of which subordinated	2 422 603	2 422 603	-
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements				
18	Own funds and eligible liabilities items before adjustments	35 014 765	35 014 765	-
19	(Deduction of exposures between MPE resolution groups)		-	
20	(Deduction of investments in other eligible liabilities instruments)		-	
21	Empty set in the EU			
22	Own funds and eligible liabilities after adjustments	35 014 765	35 014 765	-
EU-22a	Of which own funds and subordinated	31 677 040		
Risk-weighted exposure amount and leverage exposure measure of the resolution group				
23	Total risk exposure amount	140 839 685	140 839 685	-
24	Total exposure measure	276 388 249	276 388 249	-
Ratio of own funds and eligible liabilities				
25	Own funds and eligible liabilities (as a percentage of total risk exposure amount)	24,86%	24,86%	0,00%
EU-25a	Of which own funds and subordinated	22,49%		
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	12,67%	12,67%	0,00%
EU-26a	Of which own funds and subordinated	11,46%		
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	19,21%	19,21%	
28	Institution-specific combined buffer requirement		3,50%	
29	of which: capital conservation buffer requirement		2,50%	
30	of which: countercyclical buffer requirement		0,00%	
31	of which: systemic risk buffer requirement		0,00%	
EU-31a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		1,00%	
Memorandum items				
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR		112 490 313	

Table EU TLAC3A can be found in Annex „Pillar III 2023 06 Tables", which is available on the Santander Bank Polska website.

III. Capital requirements

1. Total capital requirements

The capital requirements of Santander Bank Polska Group are set in accordance with part III of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 ("CRR") as amended, inter alia, by CRR II, Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic, which was the official legal basis as at 30 June 2023.

In 2023, Santander Bank Polska applied the standardised approach to the calculation of capital requirement for credit, market and operational risk. Under this approach the total capital requirement for credit risk is calculated as a sum of risk-weighted assets multiplied by 8%. To calculate risk-weighted exposures, risk weights are allocated to all exposures in accordance with the CRR. The Group measures its balance sheet assets and liabilities in accordance with International Accounting Standards and International Financial Reporting Standards.

The Bank calculates and monitors capital requirements for all key risks, including:

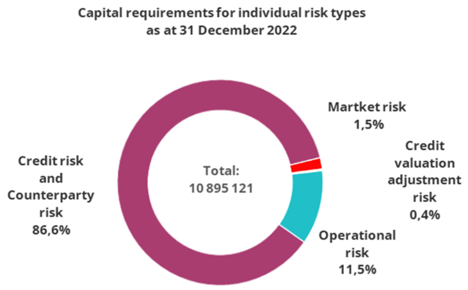
- capital requirement for credit risk
- capital requirement for market risk, including:
  - ✓ capital requirement for positions risk, including:
    - specific and general risk of debt instruments
    - specific and general risk of equity instruments
  - ✓ capital requirement for FX risk
- capital requirement for the settlement, supplier and counterparty risk
- capital requirement for credit valuation adjustments
- capital requirement for the excess of large exposures limit
- capital requirement for the excess of capital concentration limit
- capital requirement for operational risk
- capital requirement for securitization.

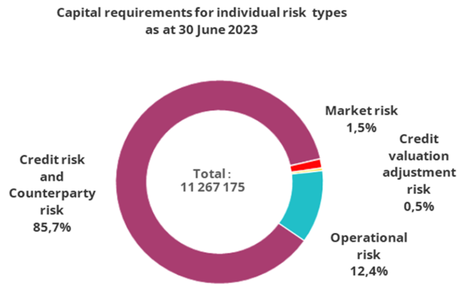
Santander Bank Polska Group calculates capital requirement separately for the exposures classified into the banking and trading book.

As at 30 June 2023, the total capital requirements of Santander Bank Polska Group calculated in line with the CRR was PLN **11 267 175k**, including:

- for credit risk, counterparty credit risk, credit valuation risk, securitization **PLN 9 706 842k**
- for market risk **PLN 167 537k**
- for operational risk **PLN 1 392 796k.**

PERCENTAGE STRUCTURE OF THE CAPITAL REQUIREMENTS FOR 12/2022 VS 06/2023





Below the most important metrics in accordance with Article 447 CRR.

EU KM1 - KEY METRICS AS AT 30.06.2023 (PLN K)

		30.06.2023	31.03.2023*	31.12.2022*	30.09.2022	30.06.2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	27 054 079	26 765 107	26 423 081	23 702 494	23 350 609
2	Tier 1 capital	27 054 079	26 765 107	26 423 081	23 702 494	23 350 609
3	Total capital	29 254 437	29 047 221	28 783 032	26 151 901	25 874 078
Risk-weighted exposure amounts						
4	Total risk exposure amount	140 839 685	138 044 910	136 189 011	138 135 913	134 891 388
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	19,21%	19,39%	19,40%	17,16%	17,31%
6	Tier 1 ratio (%)	19,21%	19,39%	19,40%	17,16%	17,31%
7	Total capital ratio (%)	20,77%	21,04%	21,13%	18,93%	19,18%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0,01%	0,01%	0,01%	0,02%	0,02%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0,01%	0,01%	0,01%	0,01%	0,01%
EU 7d	Total SREP own funds requirements (%)	8,02%	8,02%	8,02%	8,03%	8,03%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0,01%	0,01%	0,01%	0,01%	0,01%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	1,00%	1,00%	1,00%	0,75%	0,75%
11	Combined buffer requirement (%) **	3,51%	3,51%	3,51%	3,26%	3,26%
EU 11a	Overall capital requirements (%) **	11,53%	11,53%	11,53%	11,29%	11,29%
12	CET1 available after meeting the total SREP own funds requirements (%)	12,75%	13,02%	13,11%	10,90%	11,15%
Leverage ratio						
13	Total exposure measure	276 388 249	271 334 767	270 469 138	282 267 175	257 502 286
14	Leverage ratio (%)	9,79%	9,86%	9,77%	8,40%	9,07%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,00%	3,00%	3,00%	3,00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3,00%	3,00%	3,00%	3,00%	3,00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	66 996 115	65 545 484	66 679 371	67 558 911	69 228 871
EU 16a	Cash outflows - Total weighted value	50 784 488	49 333 834	47 361 142	44 692 470	42 356 588
EU 16b	Cash inflows - Total weighted value	13 340 397	11 815 709	10 337 555	9 326 377	7 909 171
16	Total net cash outflows (adjusted value)	37 444 091	37 518 125	37 023 586	35 366 093	34 447 418
17	Liquidity coverage ratio (%)	179%	175%	180%	191%	201%
Net Stable Funding Ratio						
18	Total available stable funding	190 756 686	190 342 122	187 329 790	184 427 253	182 475 190
19	Total required stable funding	128 042 302	128 165 663	123 106 911	124 417 668	124 292 706
20	NSFR ratio (%)	149%	149%	152%	148%	147%

* data includes profits included in own funds, taking into account the applicable EBA guidelines
** the combined buffer requirement was calculated taking into account the institution specific countercyclical capital buffer.

EU OV1 – OVERVIEW OF RWA AS AT 30.06.2023 (PLN K)

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.06.2023	31.03.2023	30.06.2023
1	**Credit risk (excluding CCR)**	**115 947 678**	**113 955 520**	**9 275 814**
2	Of which the standardised approach	115 947 678	113 955 520	9 275 814
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**4 687 928**	**4 107 760**	**375 034**
7	Of which the standardised approach	3 321 333	2 748 968	265 707
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	89 316	101 072	7 145
EU 8b	Of which credit valuation adjustment - CVA	663 264	646 485	53 061
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**699 924**	**740 429**	**55 994**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	75 000	75 000	6 000
19	Of which SEC-SA approach	624 924	665 429	49 994
EU 19a	Of which 1250%	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**2 094 210**	**1 831 257**	**167 537**
21	Of which the standardised approach	2 094 210	1 831 257	167 537
22	Of which IMA	-	-	-
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**17 409 945**	**17 409 945**	**1 392 796**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	17 409 945	17 409 945	1 392 796
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	7 599 058	7 656 217	607 925
29	**Total**	**140 839 685**	**138 044 910**	**11 267 175**

* In row EU 19a institution disclose the own funds requirement for securitisation exposures on the non-trading book deducted from own funds in accordance with Chapter 5 of Title II of Part Three CRR. This own funds requirement is deducted from own funds and does not generate RWEAs with risk-weigh at 1 250 %.

The biggest item is the total capital requirement of Santander Bank Polska Group is the capital requirement for credit risk (excluding counterparty credit risk), which on 30 June 2023 accounted for 82% of the total capital requirement. Santander Bank Polska S.A. manages credit risk on a priority basis, using its internal rating systems, credit concentration limits and sectoral exposure limits, seeking to maintain the possible highest quality of the credit portfolio.
The Santander Bank Polska uses contractual netting according to art. 295-298 of CRR.

2. Credit risk

The structure of the exposure

In the capital adequacy assessment process, Santander Bank Polska Group classified each of these exposures in accordance with the standardised approach as provided for in Article 112 CRR.
The tables below present details of exposures in accordance with (UE) 2021/637 Regulation.
The exposure classes for which no items have been identified, have been disregarded.

Pursuant to Article 1 of Commission Delegated Regulation (EU) No 183/2014 of 20 December 2013 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, with regard to regulatory technical standards for specifying the calculation of specific and general credit risk adjustments, the Santander Bank Polska Group's capital adequacy account includes adjustments connected with general and specific risk which were applied to Tier 1 capital to reflect losses related to credit risk, in accordance with the applicable accounting standards, and disclosed accordingly in the income statement, regardless of whether they arise from impairment, value adjustment or provisions for off-balance sheet items.

EU CR1 - PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS AS AT 30.06.2023 (PLN K)

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005 Cash balances at central banks and other demand deposits	9 653 159	9 653 159	0,14	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	170 778 122	162 121 554	8 382 989	7 631 642	-	6 941 197	-1 541 634	-691 294	-844 001	-4 510 521	-	-4 325 647	-1 366 484	103 219 864	2 427 332
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	299 506	293 149	6 357	3	-	3	-604	-519	-85	-2	-	-2 -	0,00	95 050	-
040 Credit institutions	16 463 274	16 463 274	-	-	-	-	-1 639	-1 639	-	-	-	-	-	-	-
050 Other financial corporations	2 779 097	2 766 537	12 500	24 236	-	23 738	-15 263	-13 515	-1 748	-18 645	-	-18 323 -	3 396	814 626	5 237
060 Non-financial corporations	71 108 845	66 125 795	4 971 355	3 621 678	-	3 190 649	-695 726	-247 928	-447 684	-1 982 656	-	-1 922 932	-774 314	48 939 133	1 531 310
070 Of which SMEs	53 860 758	49 743 554	4 108 791	3 473 042	-	3 042 012	-629 819	-217 091	-412 615	-1 917 014	-	-1 857 290	-770 912	39 741 420	1 470 593
080 Households	80 127 400	76 472 800	3 392 778	3 985 725	-	3 726 807	-828 403	-427 693	-394 485	-2 509 219	-	-2 384 391	-588 774	53 371 054	890 784
090 Debt securities	61 704 819	61 569 047	66 870	95 104	-	76 301	-2 331	-1 864 -	467	-94 468	-	-75 907	-	-	242
100 Central banks	5 493 818	5 493 818	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	40 414 530	40 351 672	62 859	-	-	-	-1 490	-1 100 -	390	-	-	-	-	-	-
120 Credit institutions	8 874 837	8 874 837	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	6 679 738	6 610 836	-	-	-	-	- 14	- 14	-	-	-	-	-	-	-
140 Non-financial corporations	241 895	237 884	4 011	95 104	-	76 301	-827	-750 -	77	-94 468	-	-75 907	-	-	242
150 Off-balance-sheet exposures	55 564 508	54 648 401	906 779	53 904	-	36 247	47 930	33 955	13 947	15 790	-	3 546		-	1 408
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170 General governments	545 713	545 713	-	-	-	-	184	184	-	-	-	-		-	-
180 Credit institutions	8 281 004	8 281 004	-	-	-	-	559	559	-	-	-	-		-	-
190 Other financial corporations	3 303 366	3 303 160	202	-	-	-	4 485	3 977	508	-	-	-		-	-
200 Non-financial corporations	37 813 170	36 975 504	832 369	42 038	-	26 034	37 205	25 522	11 678	15 782	-	3 541		-	1 408
210 Households	5 621 255	5 543 021	74 208	11 866	-	10 213	5 496	3 713	1 761	9	-	5		-	-
220 Total	**297 700 608**	**287 992 161**	**9 356 638**	**7 780 650**	**-**	**7 053 745**	**-1 591 895**	**-727 113**	**-858 415**	**-4 620 779**	**-**	**-4 405 100**	**-1 366 484**	**103 219 864**	**2 428 982**

As at 30.06.2023, the gross carrying amount of NPLs calculated in accordance with 2021/637 Regulation was 4.28%, it is higher compared to the previous reporting period (as at 31.12.2022 NPL was 4.13%).

EU CQ1 - CREDIT QUALITY OF FORBORNE EXPOSURES AS AT 30.06.2023(PLN K)

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	2 019 606	2 076 608	2 076 608	2 076 344	-130 315	-889 386	2 547 222	1 068 014
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	162	-	-	-	- 48	-	115	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	1 166	6 324	6 324	6 324	-203	-5 110	2 152	1 189
060 Non-financial corporations	1 145 488	1 044 652	1 044 652	1 044 652	-84 645	-418 752	1 440 991	603 281
070 Households	872 790	1 025 632	1 025 632	1 025 368	-45 419	-465 524	1 103 964	463 544
080 Debt Securities	-	53 204	53 204	39 832	-	-52 962	242	242
090 Loan commitments given	56 753	2 541	2 541	2 541	1 078	2 533	-	-
100 Total	**2 076 359**	**2 132 352**	**2 132 352**	**2 118 717**	**-131 393**	**-944 880**	**2 547 464**	**1 068 256**

EU CQ3 - CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYSW AS AT 30.06.2023 (PLN K)

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005 Cash balances at central banks and other demand deposits	9 653 159	9 653 159	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	170 778 122	169 817 470	960 652	7 631 642	2 446 713	712 343	1 098 000	983 035	1 805 844	202 190	383 518	7 631 642
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	299 506	299 504	2	3	-	1	-	-	1	-	-	3
040 Credit institutions	16 463 274	16 463 274	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	2 779 097	2 778 072	1 025	24 236	3 958	3 132	3 023	5 045	8 264	692	122	24 236
060 Non-financial corporations	71 108 845	70 908 475	200 370	3 621 678	1 225 757	237 829	479 253	320 733	910 697	139 374	308 035	3 621 678
070 Of which SMEs	53 860 758	53 687 673	173 086	3 473 042	1 187 580	217 107	462 805	308 109	878 707	131 904	286 831	3 473 042
080 Households	80 127 400	79 368 144	759 255	3 985 725	1 216 998	471 380	615 724	657 258	886 881	62 124	75 360	3 985 725
090 Debt securities	61 704 819	61 704 819	-	95 104	53 204	-	-	-	27 270	-	14 630	95 104
100 Central banks	5 493 818	5 493 818	-	-	-	-	-	-	-	-	-	-
110 General governments	40 414 530	40 414 530	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	8 874 837	8 874 837	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	6 679 738	6 679 738	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	241 895	241 895	-	95 104	53 204	-	-	-	27 270	-	14 630	95 104
150 Off-balance-sheet exposures	55 564 508			53 904								53 904
160 Central banks	-			-								-
170 General governments	545 713			-								-
180 Credit institutions	8 281 004			-								-
190 Other financial corporations	3 303 366			-								-
200 Non-financial corporations	37 813 170			42 038								42 038
210 Households	5 621 255			11 866								11 866
220 Total	**297 700 608**	**241 175 448**	**960 652**	**7 780 650**	**2 499 917**	**712 343**	**1 098 000**	**983 035**	**1 833 114**	**202 190**	**398 148**	**7 780 650**

Table EU CR1-A can be found in Appendix „Pillar III 2023 06 Tables", which is available on the Santander Bank Polska website.

Santander Bank Polska S.A. does not present the table EU CQ4-Quality of non-performing exposures by geography because exposures in foreign countries do not exceed 10% of total exposures.

Credit risk mitigation

The Group uses credit risk mitigation techniques both for funded credit protection and for unfunded credit protection.

In the latter case, borrowers protected by guarantees are allocated a risk grade that corresponds to the risk grade of the guarantor. Most providers of unfunded credit protection are banks, including Bank Gospodarstwa Krajowego (with its “de minimis” guarantee programme) and the Ministry of Finance as a State unit.

As at 30 June 2023, the Group’s debt instruments portfolio included PLN **6 530 333k** worth of bonds of Bank Gospodarstwa Krajowego and PLN **6 110 307k** worth of bonds of Polski Fundusz Rozwoju (PFR), which were fully guaranteed by the State Treasury. In the case of debt issued in the domestic currency, a risk weight of 0% was assigned, while the remaining ones in EUR were assigned a risk weight of 4%.

In the case of funded credit protection, Santander Bank Polska Group recognizes exposures secured by financial collateral.

EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES AS AT 30.06.2023 (PLN K)

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	76 363 572	105 647 196	94 832 370	10 814 826	-
2	Debt securities	61 702 882	242	242	-	
3	**Total**	**138 066 454**	**105 647 438**	**94 832 612**	**10 814 826**	**-**
4	Of which non-performing exposures	694 184	2 427 574	2 245 633	181 941	-
EU-5	Of which defaulted	694 184	2 427 574			

EU CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS AS AT 30.06.2023 (PLN K)

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	54 503 058	2 194 141	73 237 635	897 733	5 290 406	7,14%
2	Regional government or local authorities	979 441	204 988	979 441	49 498	205 788	20,00%
3	Public sector entities	197 704	56 590	197 354	2 185	99 770	50,00%
4	Multilateral development banks	2 344 504	-	6 027 324	-	-	0,00%
5	International organisations	-	-	-	-	-	
6	Institutions	15 268 046	5 366 319	13 617 830	984 070	4 938 671	33,82%
7	Corporates	38 446 870	28 070 648	25 090 590	2 555 708	26 186 211	94,72%
8	Retail	49 207 590	11 350 015	46 796 314	1 654 831	33 822 880	69,81%
9	Secured by mortgages on immovable property	62 158 060	4 413 719	61 257 105	719 204	35 676 874	57,57%
10	Exposures in default	2 949 975	21 641	2 783 036	8 144	3 199 475	114,63%
11	Exposures associated with particularly high risk	1 717 199	368 876	459 713	4 543	696 383	150,00%
12	Covered bonds	-	-	-	-	-	
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	
14	Collective investment undertakings	-	-	-	-	-	
15	Equity	1 140 991	-	1 140 991	-	2 772 077	242,95%
16	Other items	5 677 354	-	5 677 354	-	3 059 143	53,88%
17	TOTAL	234 590 791	52 046 938	237 264 688	6 875 915	115 947 678	47,49%

Allocating risk weights to the credit portfolio

The risk weights used in the calculation of capital requirement for credit risk in the standardised approach are based on the provision of Chapter 2, Title II, Part III of the CRR. Risk weights are allocated in line with the category of the exposure and the credit quality of the exposure/entity.

Defaulted exposures have their risk weight allocated in accordance with the rules laid down in Article 127 of the CRR.

Pursuant to Article 125(2) of the CRR, Santander Bank Polska Group additionally assigns a preferential risk weight of 35% to a part of an exposure which is fully and completely secured by a mortgage on a residential property and whose value does not exceed 80% of the market value of the property in question. Pursuant to Article 126 of the CRR and to Regulation of the Minister of Finance, Development Funds and Regional Policy of 8 October 2020 amending the Regulation on a higher risk weight for exposures secured with mortgages on properties, Santander Bank Polska Group identifies exposures effectively secured by mortgage on a commercial property used by the borrower to conduct his own business and not generating income generated by rent or profits from their sale, to which preferential risk weight is applied.

Pursuant to Regulation of the Minister of Economic Development and Finance of 25 May 2017 on a higher risk weight for exposures secured with mortgages on properties, for exposures secured by mortgages on a residential property, where the principal or interest instalment is linked to an exchange rate of a currency or currencies other than the currency of the debtor's revenue, the risk weight is set at 150%.

In each asset class, appropriate risk weight is allocated depending on the available credit rating of external rating institutions or export credit agencies. The Santander Bank Polska Group accepts ratings of the following agencies:

- Fitch Ratings;
- Moody's Investors Service;
- Standard and Poor's Ratings Services.

If two credit ratings are available for an exposure and the ratings are linked to different risk weight of the particular exposure, the Santander Bank Polska Group uses the higher risk weight. If for an exposure three or more credit ratings are available, the Bank uses two ratings with the lowest risk weights and if the two are different, the higher risk weight is applied.

EU CR5 – STANDARDISED APPROACH AS AT 30.06.2023 (PLN K)

		Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
	Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	66 813 114	-	4 090 071	-	1 279 950	-	-	-	-	-	-	1 952 233	-	-	-	74 135 368	68 326 518
2	Regional government or local authorities	-	-	-	-	1 028 939	-	-	-	-	-	-	-	-	-	-	1 028 939	1 028 939
3	Public sector entities	-	-	-	-	-	-	199 539	-	-	-	-	-	-	-	-	199 539	199 539
4	Multilateral development banks	6 027 324	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 027 324	6 027 324
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	134 995	-	-	7 695 362	-	6 749 289	-	-	22 254	-	-	-	-	-	14 601 899	841 395
7	Corporates	-	-	-	-	72 199	-	184 992	-	-	27 389 105	1	-	-	-	-	27 646 298	26 234 465
8	Retail exposures	-	-	-	-	-	-	-	-	48 451 145	-	-	-	-	-	-	48 451 145	48 451 145
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	32 134 084	10 546 739	-	-	15 068 740	4 226 746	-	-	-	-	61 976 309	61 976 309
10	Exposures in default	-	-	-	-	-	-	-	-	-	1 974 590	816 589	-	-	-	-	2 791 180	2 791 179
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	464 255	-	-	-	-	464 255	464 255
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	53 601	-	1 087 391	-	-	-	1 140 991	1 140 991
16	Other items	2 608 409	-	-	-	12 252	-	-	-	-	3 056 693	-	-	-	-	-	5 677 354	5 677 354
17	TOTAL	75 448 847	134 995	4 090 071	-	10 088 703	32 134 084	17 680 560	-	48 451 145	47 564 983	5 507 593	3 039 623	-	-	-	244 140 603	223 159 416

3. Counterparty credit risk

The structure of the exposition

The tables below present detailed information about instruments held in trading and non-trading portfolios in relation to counterparty credit risk (CCR).

Counterparty credit risk is calculated in accordance with the provisions of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 amended by Regulation (EU) No 2019/876 of the European Parliament and of the Council of 20 May 2019.

Santander Bank Polska Group uses the standard approach (SA CCR) to calculate the exposures and risk weighted assets for counterparty credit risk.

EU CCR1 – CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH AS AT 30.06.2023 (PLN K)

	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1 EU - Original Exposure Method (for derivatives)	-	-		1,4	-	-	-	-
EU-2 EU - Simplified SA-CCR (for derivatives)	-	-		1,4	-	-	-	-
1 SA-CCR (for derivatives)	1 480 284	2 011 478		1,4	4 891 265	4 891 265	4 891 265	3 321 333
2 IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a Of which securities financing transactions netting sets			-		-	-	-	-
2b Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c Of which from contractual cross-product netting sets			-		-	-	-	-
3 Financial collateral simple method (for SFTs)					-	-	-	-
4 Financial collateral comprehensive method (for SFTs)					12 334 988	289 759	289 759	68 072
5 VaR for SFTs					-	-	-	-
6 Total					17 226 253	5 181 023	5 181 023	3 389 405

* The scope of disclosed information compliant with the CRR.

EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS AS AT 30.06.2023 (PLN K)

	Risk weight											
	a	b	c	d	e	f	g	h	i	j	k	l
Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1 Central governments or central banks	-	-	-	-	53 568	-	-	-	-	-	-	53 568
2 Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	324	92	-	-	-	-	-	416
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	4 404 562	-	-	1 206 323	2 534 676	-	-	-	-	-	8 145 562
7 Corporates	-	-	-	-	5 551	91 669	-	-	2 343 045	-	-	2 440 264
8 Retail	-	-	-	-	-	-	-	44 887	-	-	-	44 887
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	82	-	82
11 Total exposure value	-	4 404 562	-	-	1 265 766	2 626 437	-	44 887	2 343 045	82	-	10 684 779

EU CCR2 – TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK AS AT 30.06.2023 (PLN K)

		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	2 688 751	663 264
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**2 688 751**	**663 264**

EU CCR8 – EXPOSURES TO CCPS AS AT 30.06.2023 (PLN K)

		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**89 316**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4 404 562	88 091
3	(i) OTC derivatives	4 398 102	87 962
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	6 460	129
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	35 977	1 225
10	Unfunded default fund contributions	-	-

Credit risk mitigation

The Santander Bank Polska Group uses contractual netting according to art. 295-298 of CRR.

EU CCR5 – COMPOSITION OF COLLATERAL FOR CCR EXPOSURES AS AT 30.06.2023 (PLN K)

Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1 Cash – domestic currency	-	314 063	89 618	225 423	-	724 894	-	-
2 Cash – other currencies	-	1 171 697	165 142	1 433 412	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	3 279 830	-	-
4 Other sovereign debt	-	105 122	-	-	-	8 432 642	-	-
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	121 264	-	332 118	-	-	-	-
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 Total	**-**	**1 712 146**	**254 760**	**1 990 953**	**-**	**12 437 367**	**-**	**-**

Santander Bank Polska Group does not disclose the EU CCR6 table due to the fact that it does not have credit derivatives.

4. Market risk

The table below presents the elements of own funds requirements for market risk under the standardized approach.

EU MR1 - MARKET RISK UNDER THE STANDARDISED APPROACH AS AT 30.06.2023 (PLN K)

		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	2 024 363
2	Equity risk (general and specific)	69 848
3	Foreign exchange risk	0
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total**	2 094 210

Santander Bank Polska Group presents information on exposures to interest rate risk on positions not held in the trading book with point (a) and (b) of Article 448(1).

Below presented the changes in the economic value of equity calculated under the six supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU and the changes in the net interest income calculated under the two supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU at 30.06.2023 and for the comparative period for which data are available 31.12.2022.

The tables present data for the Santander Bank Polska Group. In calculating the sensitivities for these scenarios, assumptions made by the EBA are used. The worst case scenario (WCS) is applied to Tier 1 Capital per Group. The regulatory limit is 15% and it only applies to the sensitivity of the MVE.

EU IRRBB1 - INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES AS AT 30.06.2023 (PLN K)

	Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income (NII)	
		30.06.2023	31.12.2022	30.06.2023	31.12.2022
1	Parallel up	-646 086	270 837	410 585	488 485
2	Parallel down	7 821	-1 274 906	-856 399	-1 006 993
3	Steepener	149 549	167 268		
4	Flattener	-662 950	-561 932		
5	Short rates up	-729 368	-254 186		
6	Short rates down	305 737	-50 684		
	Worst case scenario	-729 368	-1 274 906		
	Tier 1 - Grupa	27 054 079	23 877 392		
	Result	**2,70%**	**5,34%**		

At 31.12.2022 for the sensitivity of the EVE the test result is 5.34%, which means that the regulatory limit (15%) is not exceeded. NII sensitivity: in the case of the Basel Parallel Up scenario, net interest income would increase by PLN 488 485 thousand PLN . In the case of the Parallel Down scenario, net interest income would decrease by approx. PLN 1 006 993 thousand PLN.

At 30.06.2023 for the sensitivity of the EVE the test result is 2.70%, which means that the regulatory limit (15%) is not exceeded. NII sensitivity: in the case of the Basel Parallel Up scenario, net interest income would increase by PLN 410 585 thousand PLN . In the case of the Parallel Down scenario, net interest income would decrease by approx. PLN 856 399 thousand PLN.

The main factor that translated into a change in sensitivity compared to December 2022 was the interest rate risk hedging strategy implemented by the Bank, under which the Bank increased the size of the cash flow hedge portfolio.

IV. Capital buffers

The Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management in the financial system transposed CRD IV into the Polish law with regard to, among other things, additional capital buffers to be maintained by banks.

Moreover, the KNF set the minimum capital ratios for banks. Since 2018, banks should maintain Tier 1 capital ratios at the minimum levels under Pillar 1 as set out in Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended and under Pillar 2 ("add-on") arising from Article 138(1)(2a) of Banking Law (consolidated text: Journal of Laws of 2017, item 1876) and combined buffer requirement set out in Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management (consolidated text: Journal of Laws of 2017, item 1934).

From 1 January 2019 the conservation buffer is 2.5 p.p.

Based on the assessment of the systemic importance of the bank, the KNF in its decision of 19 December 2017, as presented in letter No DAZ/7105/5/7/2017, identified the bank as an other systemically important institution (O-SII) and imposed O-SII buffer on the bank. Based on the Polish Financial Supervision Authority's decision dated 16 December 2022 the Bank is currently required to maintain the O-SII buffer in the amount equivalent to 1% of the total risk exposure amount calculated in accordance with art. 92 par. 3 of the Regulation (EU) No 575/2013. The Bank' Group maintains the O-SII buffer at the same level.

On 12 November 2019 Bank received the decision of the Polish Financial Supervision Authority (letter no DBK.700.57.2019 dated 5 November 2019) regarding the expiry of a decision issued by Polish Financial Supervision Authority dated of 15 October 2018 (no DBK-DBK2.700.21.2018) in the subject of maintain own funds to cover the additional capital requirement to secure the risk arising from FX mortgage loans for households at over the amount calculated in accordance with the detailed rules set in Regulation. Thus, the Bank is not obliged to keep the additional capital requirement indicated in the expired decision.

Bank recived letter from the Polish Financial Supervision Authority no DBK-DBK2B.700.11.2022 dated 30 December 2022 concerning imposing on the Bank the amount of an additional capital requirement over the amount calculated in accordance with detailed rules defined in Regulation (EU) No 575/2013 for the Bank' Group. The Polish Financial Supervision Authority imposed the additional capital requirement covering the risk of the foreign currency mortgage loans for households, at Bank's Group level at amount 0.016 p.p., for the amount calculated in accordance with article 92 item 1 letter c of the Regulation (EU) No 575/2013, which should be covered at least in 75% by Tier I funds (equivalent to own funds requirement of 0.012 p.p. over the amount calculated in accordance with article 92 item 1 letter b of the Regulation (EU) No 575/2013) and at least in 56.25% of the Common Equity Tier I capital (equivalent to own funds requirement of 0.009 p.p. over the amount calculated in accordance with art. 92 clause 1 letter a of the Regulation (EU) No 575/2013).

To mitigate the risk of credit crunch arising from the Covid-19 pandemic, on 18 March 2020 the Minister of Finance, issued a regulation based on the recommendation of the Financial Stability Committee removing banks' obligation to keep the systemic risk buffer of 3%. The released funds may be used by banks to support their lending activity and cover potential losses in the upcoming quarters.

On 11 February 2022 the Bank received a letter from the Polish Financial Supervision Authority with a recommendation on mitigating the risk of the Bank's operations by maintaining, at both standalone and consolidated level, own funds to cover a capital add-on in order to absorb potential losses that may arise from stress conditions (P2G buffer). The add-on should consist in full of Common Equity Tier 1 capital. According to letter dated 23 December 2022 the recommended capital add-on at standalone level is 0.26p.p and at consolidated level is 0.23p.p. based on supervisory stress tests carried out by the Polish Financial Supervision Authority in 2022.

Taking into account the above requirements the minimum capital ratios as at 30 June 2023 are as follows:

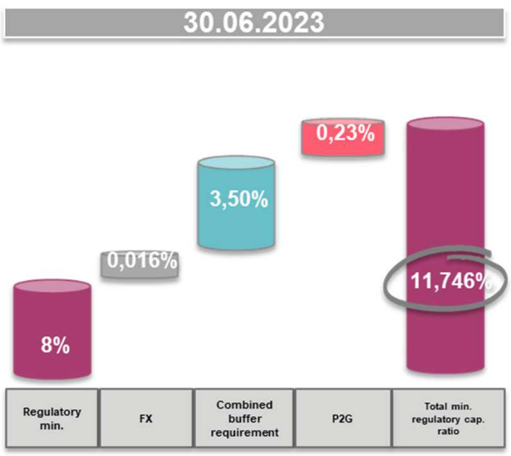
- ✓ Tier 1 capital ratio of 9.76% and 9.742% for the Bank and the Group, respectively;
- ✓ total capital ratio of 11.76% and 11.746% for the Bank and the Group, respectively.

The table below presents unconsolidated and consolidated minimum ratios.

CAPITAL BUFFERS OF BANK AND SANTANDER BANK POLSKA GROUP AS AT 30.06.2023

Components of the minimum capital requirement		30.06.2023
Minimal capital ratios	Common Equity Tier 1 capital ratio	4.5%
	Tier 1 capital ratio	6%
	Total capital ratio	8%
Additional capital requirement for Santander Bank Polska relating to the portfolio of FX mortgage loans for households	Santander Bank Polska	no requirement
	Santander Bank Polska Capital Group:	
	· *for total capital ratio:*	✓ 0.016 p.p.
	· *Tier 1 capital ratio:*	✓ 0.012 p.p.
	· *for Common Equity Tier 1 capital ratio:*	✓ 0.009 p.p
The capital buffer for Santander Bank Polska as other systemically important institution		✓ 1 p.p.
The capital conservation buffer maintained in accordance with the Macroprudential Supervision Act		✓ 2.5 p.p.
The systemic risk buffer (SRB)		✓ 0 p.p.
The bank's sensitivity to an unfavorable macroeconomic scenario measured using the supervisory stress tests results (P2G)	Santander Bank Polska	✓ 0.26 p.p.
	Santander Bank Polska Capital Group	✓ 0.23 p.p.

CAPITAL BUFFER AND RATIOS OF SANTANDER BANK POLSKA GROUP AS AT 30.06.2023



Since 1 January 2016, the countercyclical capital buffer ratio of 0% has been applied to credit exposures in Poland. The ratio shall be effective until it is changed by way of an ordinance of the Finance Minister.

The institution specific countercyclical capital buffer for other countries as at 30 June 2023 for the Group amounts to 0.01%.

Santander Bank Polska Group calculates the bank-specific countercyclical capital buffer in accordance with the Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management.

EU CCYB2 - AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER AS AT 30.06.2023 (PLN K)

1	Total risk exposure amount	140 839 685
2	Institution specific countercyclical capital buffer rate	0,01%
3	Institution specific countercyclical capital buffer requirement	20 654

Table EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer can be found in Appendix „Pillar III 2023 06 Tables", which is available on the Santander Bank Polska website.

V. Capital adequacy

The capital requirements of Santander Bank Polska Group are set in accordance with part III of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 amended by Regulation (EU) No 2019/876 of the European Parliament and of the Council of 20 May 2019 and amended by Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic, which was the official legal basis as at 30 June 2023.

The **total capital ratio** as at 30 June 2023 vs. 31 December 2022 was impacted by the following:

- an increase in own funds mainly caused by the decrease in unrealized losses due to the valuation of debt instruments recognized in equity (in the item other comprehensive income).;
- an increase in risk weighted assets as a result of an increase in the value of the capital requirement due to operational risk calculated according to the standardized method based on the annual results of business lines achieved in 2020-2022 and an increase in the value of the capital requirement due to credit risk.

The minimum capital ratios set by the Polish Financial Supervision Authority (KNF) for Santander Bank Polska Group are as follows:

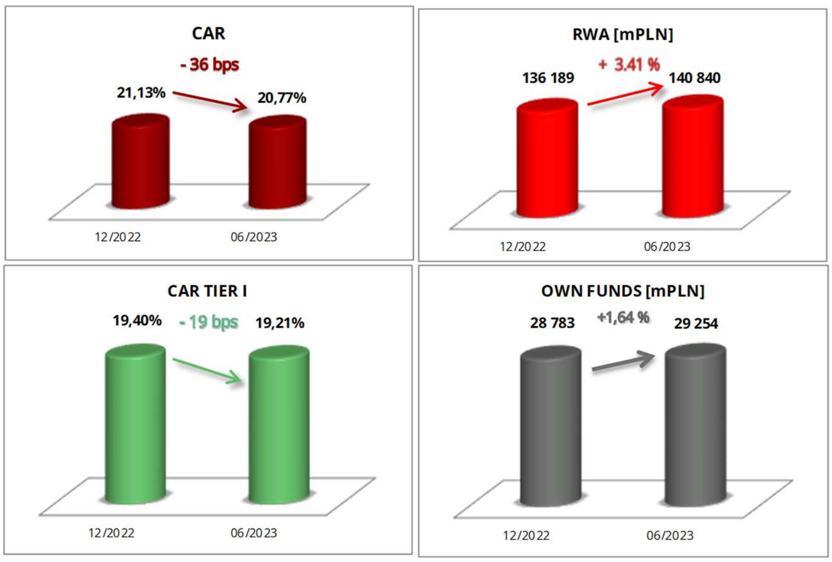
- a Tier 1 capital ratio of 9.742%;
- a total capital ratio of 11.746%.

The capital ratios of Santander Bank Polska Group calculated in accordance with the CRR amended CRR II requirements and an individual capital decision of the supervisory body are above the minimum requirements.

The charts below presents a details of own funds, risk weighted assets and capital adequacy ratios as at 30 June 2023 vs.

31 December 2022.

OWN FUNDS, RISK WEIGHTED ASSETS AND CAPITAL RATIOS AS AT 30 JUNE 2023 VS.31 DECEMBER 2022



VI. Securitization

Santander Bank Polska Group presents information on securitization in accordance with points j)-l) of Article 449 of the CRR.

Securitization tables for the Santander Bank Polska Capital Group (EU SEC1, EU SEC3, EU SEC4, EU SEC5) can be found in Annex „Pillar III 2023 06 Tables", which is available on the Santander Bank Polska website.

Santander Bank Polska S.A.

Synthetic securitisation 2018

On 7 December 2018, the bank signed a guarantee agreement with the European Investment Fund (EIF) in respect of PLN 2 150 031 k worth of cash loan portfolio, the purpose of which is to release capital further allocated to financing projects supporting the development of the SME, corporate and public sector client segments.

The transaction transfers credit risk to the EIF and implements the Bank's Tier I capital optimization strategy. The transaction is a synthetic securitization without a financing element, which does not involve financing and covers the selected portfolio of cash loans which remain on the bank's balance sheet. The entire securitized portfolio is risk weighted according to the standard approach.

The transaction is set to expire on 10 September 2031.

Santander Bank Polska is the originator of the synthetic securitisation and it does not perform any other roles in the synthetic structure in question. No Securitisation Special Purpose Entities (SSPE) participate in the transaction.

As part of the transaction, the securitised portfolio is divided into three tranches: senior (80%), mezzanine (18.5%) and junior, i.e. the first loss tranche (1.5%). As at the guarantee activation date, the senior tranche totalled PLN 1 720 025 k, the mezzanine tranche was PLN 397 756 k and the junior tranche amounted to PLN 32 251 k.

The senior and mezzanine tranches are fully guaranteed by the EIF (in relation to the principal component of the underlying exposures). In addition, the mezzanine tranche is secured by a counter-guarantee from the European Investment Bank (EIB). The first loss tranche was retained by the Bank and deducted from Common Equity Tier I capital in accordance with Art. 36 sec. 1 lit. k) CRR. Deduction from Common Equity Tier I capital implies the application of the "full deduction method" according to Art. 245 sec. 1 lit. b) CRR.

As at June 30, 2023, the total amount of deductions from Common Equity Tier I capital due to securitization amounts to PLN 28 057 k.

As at 30 June 2023, the gross carrying amounts of the individual tranches were as follows: senior tranche: PLN 315 709 k, mezzanine tranche: PLN 73 008 k and junior tranche: PLN 32 306 k. In the reporting period, credit losses allocated outside the securitisation structure using the synthetic excess spread mechanism totalled PLN 15 626 k.

The structure of the transaction assumes that losses up to the amount of the junior tranche are covered by the Bank, and only after its consumption, further losses will be covered by the EIF guarantee.

Synthetic securitisation 2022

On 31 March 2022, Santander Bank Polska S.A. concluded with the International Finance Corporation (IFC) a securitization transaction, as a result of which a portfolio of cash loans in the amount of PLN 2 443 520 k was covered by the guarantee, with the possibility of increasing this amount in the future to the level of PLN 2 878 788 k. The transaction is the first transaction concluded by the Bank and entities of the SBP Group with this investor. Its purpose is to release the capital that the Bank will allocate to finance climate projects (projects related to climate change mitigation, focusing mainly on renewable energy sources, energy efficiency and financing green real estate projects) with a total value of at least USD 600 000 k.

The transaction is a synthetic securitization without a financing element, and the selected portfolio of cash loans covered by it remains included in the Bank's balance sheet.

The transaction is set to expire by 31 January 2030.

Santander Bank Polska is the originator of the synthetic securitisation and it does not perform any other roles in the synthetic structure in question. No Securitisation Special Purpose Entities (SSPE) participate in the transaction.

The transaction is an implementation of the Bank's Tier I capital optimization strategy by transferring a significant part of the risk (SRT) related to securitized credit exposures to a third party (IFC), in accordance with Art. 245 (1) (a) and Art. 245 (2) (a) of the CRR Regulation. The structure of the transaction assumes the division of the securitized portfolio into three tranches: the senior tranche (82.67% of the portfolio), the guaranteed mezzanine tranche (16.5% of the portfolio) and the first loss tranche junior (0.83% of the portfolio). Only the guaranteed tranche is covered by unfunded credit protection in the form of a guarantee granted to the Bank by IFC on the basis of the Guarantee Agreement. The IFC is qualified according to Art. 117 of the CRR Regulation as a multilateral development bank which, based on the principles set out in the CRR Regulation, can be assigned a risk weight of 0%.

As at 30 June 2023, the gross carrying amounts of the individual tranches were as follows: senior tranche: PLN 2 016 152 k mezzanine tranche: PLN 402 401 k and junior tranche: PLN 20 242 k.

The risk-weighted exposure amounts for the retained tranches (ie senior and first loss tranches) are calculated using the SEC-SA standardized approach in accordance with Art. 261 (the transaction is not an STS securitization).

The first loss tranche is deducted from Common Equity Tier I items pursuant to Art. 36 sec. 1 lit. k) of the CRR, as an alternative to applying a risk weight of 1,250%. Deduction from CET 1 capital implies the application of the "full deduction method" as set out in Art. 245 section 1 lit. b) of the CRR Regulation.

As at 30 June 2023, the senior tranche generated a risk-weighted exposure amount of PLN 270 644 k.

ERBA Securitisation 2023 (approach based on external ratings)

On 28th February 2023 Santander Bank Polska has purchased bonds issued by VCL Master Poland DAC (SSPE). Bonds were externally rated by Fitch Ratings (AAAsf) and Moody's (Aa1 sf).

Transaction was externally certified with a STS status. Banks intention is to hold the bonds till the maturity. Primary risk of the bonds is credit risk.

The risk-weighted exposure amounts for the bonds are calculated under the securitisation external ratings-based approach (SEC-ERBA).

As at 30 June 2023, the senior tranche generated a risk-weighted exposure amount of PLN 75 000 k.

Santander Consumer Bank S.A.

Synthetic securitisation

In December 2022, Santander Consumer Bank S.A. carried out a synthetic securitization transaction of the portfolio of installment loans granted by the Bank. The purpose of the transaction was to obtain a capital relief on the retail loan portfolio, which provides additional capacity to finance projects supporting the development of the SME customer segment. The transaction is a synthetic securitization consisting of three tranches. On 15 December 2022, the Bank signed an agreement with the European Investment Fund (EIF), under which it obtained a financial guarantee for 100% of the senior and mezzanine tranches (classes A and B). At the same time, the Bank retained 100% of the class C first loss tranche, which was deducted from Common Equity Tier I capital, in accordance with Art. 36 sec. 1 lit. k) CRR. The deduction from Common Equity Tier I capital means the application of the "full deduction method" in accordance with Art. 245 sec. 1 lit. b) CRR. The structure of the transaction includes a Synthetic Excess Spread corresponding to the equivalent of 0.65% of the portfolio working on the "use-it-or-lose-it" mechanism. As part of the transaction, the Bank maintains randomly selected exposures corresponding to not less than 5% of the nominal value of the securitized exposures, in accordance with Art. 405 sec. 1 lit. c) CRR. The guarantee was activated in December 2022 - the impact on the Bank's risk-weighted assets was recognized as at the reporting date of 31 December 2022. As a result, the guarantee covered the portfolio of installment loans in the amount of PLN 1 146 009k, of which the guarantee covers the capital part of the loans granted. The securitized portfolio is risk-weighted according to the standardized approach. The transaction includes a two-year revolving period, during which the Bank may supplement the amortized amount of the securitized portfolio with new exposures that meet the criteria set out in the agreement. The final date of completion of the transaction is 31 October 2031. The transaction does not have a financing element, and the selected portfolio of installment loans covered by it remains in the Bank's balance sheet. The transaction is part of the Bank's Tier I capital optimization strategy.

In 2021 and 2022, Santander Consumer Bank S.A. continued the, initiated in 2019, transaction of synthetic securitization of the portfolio of cash and installment loans granted by the Bank. The purpose of the transaction was to obtain a capital relief on the retail loan portfolio, which provides additional capacity to finance projects supporting the development of the MSP customer segment.

Liquidity securitisation

In December 2022, Santander Consumer Bank S.A closed the securitization transaction concluded in 2019 and at the same time concluded a new securitization transaction of the cash loan portfolio. The new transaction is similar in nature to the previous transaction - it is a traditional, revolving securitization with a maximum duration of 10 years, however, SCB estimates that it will take place within 2 years from the date of the transaction.

As part of this transaction, SCB transferred the ownership rights from future cash flows, worth PLN 1 250 000k , to the special purpose entity: SC Poland Consumer 23-1 DAC (SPV) based in Ireland, and granted a subordinated loan of PLN 250 000k to this company. The loan is subordinated to senior and secured obligations. Interest on the loan is paid in cascade payments, i.e. in a specific order, from the funds held by the SPV, and the total capital repayment will take place after full redemption of the obligations. The interest rate on the loan is based on a fixed rate.

The acquisition by the SPV of receivables from SCB took place thanks to the issue of obligations secured by a registered pledge on the company's assets worth PLN 1 000 000k, bearing interest based on the WIBOR rate.

In the light of the provisions of IFRS 9, the contractual terms of both securitizations do not meet the conditions for not including the securitized assets in the Bank's statement of financial position.

As at 30 June 2023, the fair values were:

Subordinated loan granted - PLN 255 852,82k

Securitized assets - PLN 1 001 622,93k

At the same time, SCB recognizes a liability for securitization flows in the statement of financial position, under the field: amounts due to customers, in the amount as at 30 June 2023 of PLN 1 257 475,74k.

The fair value of the securitization flow liability estimated as at 30 June 2023 was PLN 1 250 234,65k.

Santander Consumer Multirent

Liquidity securitisation

In May 2022, Santander Consumer Multirent Sp z o.o. (SCM) restructured the securitization transaction of the July 2020 lease portfolio. The concluded transaction is a traditional and revolving securitization involving the transfer of ownership of the securitized receivables to the special purpose entity SCM POLAND AUTO 2019-1 DAC (SPV3) with its registered office in Ireland.

As at 30 June 2023, this company issued obligations based on securitized assets with a total value of PLN 891 000k. The interest on the issued bonds consists of the WIBOR 1M rate and a margin. As a result of the securitization, SCM obtained financing for its operations in exchange for giving up the rights to future flows resulting from the securitized loan portfolio.

In order to support the financing of the transaction, SCM granted SPV3 a subordinated loan with a value of PLN 216 700k as at 30 June 2023. The loan is subordinated to senior and secured obligations. Interest on the loan is paid in cascade payments, i.e. in a specific order, from the funds held by SPV4, and the total repayment of the principal will take place after full redemption of the bonds. The interest rate on the loan is based on a variable rate based on WIBOR 1M.

In the light of the provisions of IFRS 9, the contractual terms of the securitization transaction do not meet the conditions for not including the securitized assets in the SCM's statement of financial position. In connection with the above, SCM recognizes securitized assets as at 30 June 2023 under Finance lease receivables in the amount of PLN 1 100 000k.

At the same time, SCM recognizes a liability for securitization flows under the field: Other liabilities, in the amount as at 30 June 2023 of PLN 1 107 700k.

As at 30 June 2023, SCM also had receivables due to current settlements with the SPV in the amount of PLN 7 414k, these receivables are presented in Trade receivables and other receivables.

Santander Leasing S.A.

Synthetic securitisation 2020

On 19 June 2020 Santander Leasing SA made a guarantee agreement with the European Investment Fund (“EIF”). The pertinent guarantee relates to a lease and loan portfolio totalling approx. PLN 2 014 000k. The transaction is set to expire on 31 May 2031.

The guarantee agreement made by Santander Leasing conforms to the requirements set out in CRR Regulation (amended by Regulation (EU) 2017/2041) regarding synthetic securitisation, however, it is not an STS transaction. The transaction is a synthetic securitisation which does not involve financing and it covers the selected portfolio of lease and loans which remain on the Company’s balance sheet.

Structure of the transaction is that the securitised portfolio is divided into three tranches: senior (85% portfolio), mezzanine (14.2%) and junior, i.e., the first loss tranche (0.8%). As at the guarantee activation date, the senior tranche totalled PLN 1 700 000k, the mezzanine tranche was PLN 284 000k and the junior tranche amounted to PLN 16 000k. The senior and mezzanine tranches are fully guaranteed by the EIF (in relation to the principal component of the underlying exposures). In addition, the mezzanine tranche is secured by a counter-guarantee from the European Investment Bank (EIB).

To ensure the stability of the portfolio structure, the transaction provides for synthetic excess spread (SES) based on the use-it-or-lose-it mechanism that makes it possible to allocate losses up to 0.7% of the portfolio per year outside the securitisation structure during the first two years after activation of the guarantee. The mechanism is renewed every 3rd quarter.

On 31 May 2022 a two-year period of replenishment ended and the depreciation period started. Since then the structure of the transaction is different: senior and mezzanine tranches are systematically depreciated, but the junior tranche remains unchanged.

As at 30 June 2023 the senior tranche totalled PLN 907 732k, the mezzanine tranche was PLN 151 645k and the junior tranche amounted to PLN 15 332k.

Santander Leasing is the originator of the synthetic securitisation and it does not perform any other roles in the synthetic structure in question. No Securitisation Special Purpose Entities (SSPE) participate in the transaction.

The purpose of the synthetic securitisation made by Santander Leasing is to release capital on the level of the Group of Santander Bank Polska. Furthermore, the agreement signed by Santander Leasing transfers part of credit risk arising from exposures included in the lease and loan portfolio secured by the EIF guarantee and optimises the Bank's Tier I capital.

For the purposes of the said synthetic securitisation meeting capital adequacy, under Article 245(1)(b) of CRR the principal component of the junior tranche exposures will be deducted from common equity Tier I. In addition, the value of common equity Tier I will be reduced by a value of the available Synthetic Excess Spread. As at 30 June 2023 the cumulative deductions from common equity Tier I on account of securitisation amount to PLN 9 156k.

Synthetic securitisation 2021

On 16 December 2021 Santander Leasing SA made a guarantee agreement with the European Investment Fund ("EIF"). The pertinent guarantee relates to a lease and loan portfolio totalling PLN 2 736 219k. The transaction is set to expire on 30 November 2030.

The guarantee agreement made by Santander Leasing SA (hereinafter "SL") conforms to the requirements set out in CRR Regulation (amended by Regulation (EU) 2017/2041) regarding synthetic securitisation, however, it is not an STS transaction. The transaction is a synthetic securitisation which does not involve financing and it covers the selected portfolio of lease and loans which remain on SL's statement of financial position.

Structure of the transaction is that the securitised portfolio is divided into two tranches: senior (87.5% portfolio) and junior, i.e. the first loss tranche (12.5% portfolio). As at the guarantee activation date, the senior tranche was PLN 2 394 192k and the junior tranche amounted to PLN 342 027k. The junior tranche was guaranteed by EIF. Both the principal, as well as the interest components of the underlying exposures are covered by EIF guarantee. The Synthetic Excess Spread (SES) was not applied in the transaction.

As at 30 June 2023 the senior tranche totalled PLN 1 253 877k and the junior tranche amounted to PLN 176 510 k.

SL is the originator of the synthetic securitisation process and does not perform any other roles in the synthetic structure in question. No Securitisation Special Purpose Entities (SSPE) participate in the transaction.

The purpose of the synthetic securitisation made by Santander Leasing is to release capital on the level of the Group of Santander Bank Polska. Furthermore, the agreement signed by Santander Leasing transfers part of credit risk arising from exposures included in the lease and loan portfolio secured by the EIF guarantee and optimises the Bank's Tier I capital.

The maximum value of credit losses attributable to the EIF-guaranteed exposures is equal to the current amount of the junior tranche.

The guarantee agreement made by Santander Leasing does not give grounds for removing from the balance sheet the receivables from the above contracts in full or in part.

The amount of risk-weighted exposure with respect to the retained tranche is defined with the use of a standard SEC-SA method, in line with Article 262 of CRR.

As at 30 June 2023 the senior tranche generated risk-weighted exposure of PLN 354 280k.

VII. Leverage ratio

The leverage ratio of Santander Bank Polska Group is set in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 amended by Regulation (EU) No 2019/876 of the European Parliament and of the Council of 20 May 2019.

The leverage ratio of Santander Bank Polska Group is disclosed in accordance with the Regulation (UE) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295.

The leverage ratio (LR) shall be calculated as an institution's capital measure divided by that institution's total exposure measure and shall be expressed as a percentage.

A reference day for the following data is 30 June 2023. Presented leverage ratio is calculated in relation to Tier 1 capital phase in definition. Santander Bank Polska Group disclose the information on sub-consolidated basis. Fiduciary items are not eliminated from the total leverage ratio exposure.

EU LR2 - LRCOM: LEVERAGE RATIO COMMON DISCLOSURE AS AT 30.06.2023 (PLN K)

		CRR leverage ratio exposures	
		a	b
		30.06.2023	31.12.2022*
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	247 578 927	240 196 198
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	327 726	357 657
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-1 653 477	-2 049 578
6	(Asset amounts deducted in determining Tier 1 capital)	-2 161 904	-1 713 892
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**244 091 272**	**236 790 386**
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	5 638 682	6 366 817
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	4 503 599	4 242 261
13	**Total derivatives exposures**	**10 142 281**	**10 609 078**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	11 993 332	14 248 006
16	Counterparty credit risk exposure for SFT assets	280 859	639 687
18	**Total securities financing transaction exposures**	**12 274 191**	**14 887 693**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	52 102 232	43 275 307
20	(Adjustments for conversion to credit equivalent amounts)	-42 221 727	-35 093 325
22	**Off-balance sheet exposures**	**9 880 505**	**8 181 981**
	Excluded exposures		
EU-22k	**(Total exempted exposures)**	**-**	**-**
	Capital and total exposure measure		
23	**Tier 1 capital**	**27 054 079**	**26 423 081**
24	**Total exposure measure**	**276 388 249**	**270 469 138**
	Leverage ratio		
25	Leverage ratio (%)	9,79%	9,77%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9,79%	9,77%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	9,79%	9,77%
26	Regulatory minimum leverage ratio requirement (%)	3,00%	3,00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3,00%	3,00%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	transitional	transitional
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	14 685 199	19 613 900
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	11 993 332	14 248 006
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	279 080 116	275 835 032
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	279 080 116	275 835 032
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9,69%	9,58%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9,69%	9,58%

* The scope of disclosed information compliant with the CRR.

As at 30 June 2023, the leverage ratio of Santander Bank Polska Group totalled 9.79% and was three-fold higher than the minimum requirement of 3%.

Tables EU LR1 and LR3 can be found in Appendix „Pillar III 2023 06 Tables", which is available on the Santander Bank Polska website.

VIII. Policy of variable components of remuneration

Information on the variable components of remuneration is the fulfillment of the obligations in accordance with Part eighth CRR and complements the information in the annual *report Information on Capital Adequacy of Santander Bank Polska Groupas at December 31, 2022*.

EU REM1 - REMUNERATION AWARDED AS AT 31.12.2022 (PLN K)

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	10	9	32	116
2		Total fixed remuneration	2 088	16 655	18 275	37 134
3		Of which: cash-based	1 817	14 251	17 370	36 293
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7		Of which: other forms	272	2 404	905	841
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	10	9	32	116
10		Total variable remuneration	-	17 650,00	14 461,81	17 094,11
11		Of which: cash-based	-	8 825,00	6 536,41	8 098,72
12		Of which: deferred	-	3 530,00	2 614,56	2 701,68
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	8 825,00	7 925,41	8 995,40
EU-14b		Of which: deferred	-	8 825,00	6 536,41	4 293,20
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		2 088	34 305	32 736	54 228

EU REM5 - INFORMATION ON REMUNERATION OF STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE AS AT 31.12.2022 (PLN K)

	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										**167**
Of which: members of the MB	10	9	19							
Of which: other senior management				5	6	6	3	5	7	
Of which: other identified staff				3	-	21	2	4	86	
Total remuneration of identified staff	2 088	34 305	36 394	8 990	6 889	14 902	4 078	7 102	45 003	
Of which: variable remuneration	-	17 650	17 650	4 093	3 304	5 161	1 781	2 791	14 426	
Of which: fixed remuneration	2 088	16 655	18 744	4 897	3 585	9 742	2 298	4 311	30 577	

The above data presents information on additional components of variable remuneration that have not been presented in the information on variable remuneration components presented in the annual report Information on capital adequacy of Santander Bank Polska Group as at 31 December 2022.

IX. Liquidity measures

Santander Bank Polska S.A. presents information on liquidity measures in accordance with Article 451a para. 2, 3.

The table below presents the disclosure of the amount and components of the net income coverage ratio.

EU LIQ1 - QUANTITATIVE INFORMATION OF LCR AS AT 30.06.2023 (PLN K)

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2023	31.03.2023	31.12.2022	30.09.2022
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					66 996 115	65 545 484	66 679 371	67 558 911
	CASH - OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	134 378 996	133 322 150	133 405 665	133 165 571	10 968 887	10 868 857	10 822 101	10 722 448
3	*Stable deposits*	*81 295 801*	*80 726 238*	*81 506 867*	*82 254 823*	*4 064 790*	*4 036 312*	*4 075 343*	*4 112 741*
4	*Less stable deposits*	*48 208 542*	*47 748 827*	*47 190 944*	*46 297 934*	*6 904 097*	*6 832 545*	*6 746 758*	*6 609 707*
5	Unsecured wholesale funding	57 925 166	55 961 102	53 595 224	51 410 335	28 833 355	28 186 758	27 280 627	26 005 974
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	*57 525 817*	*55 505 818*	*53 047 179*	*50 807 188*	*28 434 007*	*27 731 473*	*26 732 582*	*25 402 827*
8	*Unsecured debt*	*399 348*	*455 285*	*548 045*	*603 148*	*399 348*	*455 285*	*548 045*	*603 148*
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	31 483 786	30 480 803	29 838 504	29 154 078	8 268 244	7 400 035	6 332 376	5 464 335
11	*Outflows related to derivative exposures and other collateral requirements*	*5 854 424*	*5 147 388*	*4 178 955*	*3 333 668*	*5 854 424*	*5 147 388*	*4 178 955*	*3 333 668*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*25 629 363*	*25 333 415*	*25 659 549*	*25 820 410*	*2 413 821*	*2 252 647*	*2 153 421*	*2 130 667*
14	Other contractual funding obligations	2 099 450	2 399 201	2 440 337	2 143 026	1 855 385	2 113 806	2 098 730	1 762 921
15	Other contingent funding obligations	17 484 630	15 545 830	15 572 656	15 384 252	858 616	764 378	827 307	736 792
16	TOTAL CASH OUTFLOWS					50 784 488	49 333 834	47 361 142	44 692 470
	CASH - INFLOWS								
17	Secured lending (e.g. reverse repos)	8 727 900	6 918 314	5 205 327	3 363 062	-	-	-	-
18	Inflows from fully performing exposures	10 375 425	9 493 140	8 633 913	8 268 004	9 276 359	8 438 545	7 610 377	7 277 771
19	Other cash inflows	4 064 038	3 377 164	2 727 178	2 048 607	4 064 038	3 377 164	2 727 178	2 048 607
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	23 167 362	19 788 618	16 566 418	13 679 672	13 340 397	11 815 709	10 337 555	9 326 377
EU-20a	***Fully exempt inflows***	-	-	-	-	-	-	-	-
EU-20b	***Inflows subject to 90% cap***	-	-	-	-	-	-	-	-
EU-20c	***Inflows subject to 75% cap***	*23 167 362*	*19 788 618*	*16 566 418*	*13 679 672*	*13 340 397*	*11 815 709*	*10 337 555*	*9 326 377*
	TOTAL ADJUSTED VALUE								
EU-21	LIQUIDITY BUFFER					66 996 115	65 545 484	66 679 371	67 558 911
22	TOTAL NET CASH OUTFLOWS					37 444 091	37 518 125	37 023 586	35 366 093
23	LIQUIDITY COVERAGE RATIO					179%	175%	180%	191%

The main factors influencing the Liquidity Coverage Ratio (hereinafter 'LCR') are:

- on the outflow side, retail deposits, and then non-operating non-retail deposits, additional outflows due to the impact of a negative market scenario on the valuation of derivatives and outflows due to irrevocable off-balance sheet liabilities, including those related to trade financing,

- on the inflows side, these are mainly the expected inflows from receivables from financial institutions (interbank and central bank deposits),

- on the side of liquid assets, the main part are liquid Treasury bonds or bonds fully guaranteed by the Treasury (including securities issued by the Polish Development Fund and Bank Gospodarstwa Krajowego as part of anti-crisis shields during the COVID-19 pandemic), government bonds of Germany, Spain and bonds issued by the European Investment Bank, NBP bills (NBP), and then cash and the surplus on NBP accounts over the amount of the required reserve.

The main factors remain substantially the same over time, although it should be noted that in 2022 there was an increase in the share of assets in foreign currencies in the composition of liquid assets.

Disclosed LCR in June 2023 remains on high and safe level, much above both the regulatory and internal Group's limits. The indicator that remains at a high level is primarily the result of high level of deposit base (especially in 'stable retail deposits' category) and realized issues, allocated mainly in high quality liquid assets.

In line with the Liquidity Risk Policy, the Group prudently manages an appropriately diversified deposit base. Financing is mostly based on the current accounts and term deposits of individual clients and enterprises, mainly non-financial. The Group also focuses on diversifying sources of long-term financing, being present on wholesale markets by issuing debt and taking long-term loans on the financial market. A significant, but much smaller than the aforementioned, part of financing are own issues in the form of both subordinated and ordinary debt. It should be noted that in June 2023 r. Santander Leasing S.A. issued PLN 200 million of bonds. In the current strategy, the Group attempts to minimize the share of secured financing.

General description of the institution's liquidity buffer structure:

High quality liquid assets (HQLAs) consists of: extremely liquid securities (mainly Treasury Bonds or bonds fully guaranteed by Polish Central Government, government bonds of Germany, Spain and bonds issued by the European Investment Bank), central bank assets (including NBP bills), cash, surplus in current accounts of National Bank of Poland (NBP) over the amount of mandatory reserve. As of June 2023, 30th the above mentioned categories accounted for 86.1%, 10.2%, 3.7% oraz 0%, respectively, of the liquid buffer. All components of liquid buffer are recognized as level 1 of liquid assets.

The main derivatives exposures of Group come from cross currency and fx swaps transactions. These transactions are aimed at obtaining funding in foreign currency (eg. CHF for financing of mortgages) from one side, and are the form of managing of liquidity surplus in currencies (eg. EUR) from the other hand.

LCR calculation include derivative payables and receivables during the next 30 days, posted and received collaterals (margin calls) due to valuation of derivative contracts and additional outflows due to impact of an adverse market scenario on derivative transactions (calculated with the usage of regulatory method of 'historical look back approach').

Notwithstanding the fulfillment of the required LCR limits at the aggregated level for all currencies, the Group maintains the LCR ratio above 100% for the domestic currency (PLN). In the case of the second currency identified as significant within the meaning of the CRR provisions, the periodically occurring mismatches are additionally monitored as part of the adjusted gap analysis and stress scenarios for the EUR currency. The Bank has the option of adjusting the liquidity position in EUR by acquiring liquid funds in this currency on the wholesale financial market, including, inter alia, FX swap transactions on dates beyond the LCR horizon (i.e. over 30 days).

The Group uses secured instruments to fund its activity to a limited degree only. However, in accordance with the existing contractual provisions, if the Group’s rating is reduced by one notch (to BBB), the maximum potential additional security on account of those instruments would be as at June 2023, 30th PLN 23.6 million. At the same time, it should be noted that this potential obligation is not unconditional and its final value would depend on negotiations between the bank and its counterparty in relation to the above transactions.

EU LIQ2: NET STABLE FUNDING RATIO AS AT 30.06.2023 (PLN K)

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	Available stable funding (ASF) Items					
1	**Capital items and instruments**	**29 254 437**	**-**	**-**	**2 200 358**	**29 254 437**
2	*Own funds*	*27 054 079*	*-*	*-*	*2 200 358*	*29 254 437*
3	*Other capital instruments*		*-*	*-*	*-*	*-*
4	**Retail deposits**		**136 909 217**	**1 180 893**	**270 357**	**128 721 235**
5	*Stable deposits*		*83 395 410*	*170*	*0,16*	*79 225 801*
6	*Less stable deposits*		*53 513 807*	*1 180 723*	*270 357*	*49 495 434*
7	**Wholesale funding:**		**65 400 307**	**2 700 719**	**3 570 244**	**30 727 456**
8	*Operational deposits*		*-*	*-*	*-*	*-*
9	*Other wholesale funding*		*65 400 307*	*2 700 719*	*3 570 244*	*30 727 456*
10	**Interdependent liabilities**		**-**	**-**	**-**	**-**
11	**Other liabilities:**	**3 571**	**9 337 125**	**43 097**	**2 032 009**	**2 053 558**
12	*NSFR derivative liabilities*	*3 571*				
13	*All other liabilities and capital instruments not included in the above categories*		*9 337 125*	*43 097*	*2 032 009*	*2 053 558*
14	**Total available stable funding (ASF)**					**190 756 686**
	Required stable funding (RSF) Items					
15	**Total high-quality liquid assets (HQLA)**					**1 462 828**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		**-**	**-**	**-**	**-**
16	**Deposits held at other financial institutions for operational purposes**		**-**	**-**	**-**	**-**
17	**Performing loans and securities:**		**38 160 873**	**10 117 918**	**120 027 103**	**109 156 078**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		*9 421 067*	*-*	*-*	*-*
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*7 509 772*	*35 173*	*1 050 866*	*1 819 429*
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*11 746 202*	*9 265 640*	*83 230 379*	*81 426 491*
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*-*	*-*	*-*	*-*
22	*Performing residential mortgages, of which:*		*555 628*	*580 100*	*31 792 882*	*21 501 713*
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		*503 328*	*527 103*	*30 450 505*	*20 308 044*
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*8 928 204*	*237 006*	*3 952 976*	*4 408 445*
25	**Interdependent assets**		**-**	**-**	**-**	**-**
26	**Other assets:**		**11 144 964**	**44 249**	**14 116 403**	**14 980 917**
27	*Physical traded commodities*				*-*	*-*
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		*-*			*-*
29	*NSFR derivative assets*		*-*			*-*
30	*NSFR derivative liabilities before deduction of variation margin posted*		*2 167 085*			*108 354*
31	*All other assets not included in the above categories*		*8 977 879*	*44 249*	*14 116 403*	*14 872 563*
32	**Off-balance sheet items**		**48 421 898**	**879 921**	**2 093 005**	**2 442 479**
33	**Total RSF**					**128 042 302**
34	**Net Stable Funding Ratio (%)**					**149%**

Signatures of the persons representing the entity

Date	Name	Function	Signature
25.07.2023	Michał Gajewski	President	The original Polish document is signed with a qualified electronic signature
25.07.2023	Andrzej Burliga	Vice-President	The original Polish document is signed with a qualified electronic signature
25.07.2023	Juan de Porras Aguirre	Vice-President	The original Polish document is signed with a qualified electronic signature
25.07.2023	Arkadiusz Przybył	Vice-President	The original Polish document is signed with a qualified electronic signature
25.07.2023	Lech Gałkowski	Member	The original Polish document is signed with a qualified electronic signature
25.07.2023	María Elena Lanciego Pérez	Member	The original Polish document is signed with a qualified electronic signature
25.07.2023	Patryk Nowakowski	Member	The original Polish document is signed with a qualified electronic signature
25.07.2023	Magdalena Proga-Stępień	Member	The original Polish document is signed with a qualified electronic signature
25.07.2023	Maciej Reluga	Member	The original Polish document is signed with a qualified electronic signature
25.07.2023	Dorota Strojkowska	Member	The original Polish document is signed with a qualified electronic signature

Signature of a person who is responsible for maintaining the book of account

Date	Name	Function	Signature
25.07.2023	Wojciech Skalski	Financial Accounting Area Director	The original Polish document is signed with a qualified electronic signature