MANAGEMENT BOARD REPORT ON

Santander Bank Polska Group Performance in 2024

(including Report on
Santander Bank Polska S.A. Performance)

santander.pl

CONTENTS

I. Overview of activities of Santander Bank Polska S.A. and its Group in 2024

1. Introduction

Scope

This Management Board Report on Santander Bank Polska Group Performance in 2024 contains the information required in both consolidated and separate Management Board reports of Santander Bank Polska S.A. Chapter XIII includes the first "Consolidated sustainability statement of Santander Bank Polska Group for 2024", which was prepared in accordance with the European Sustainability Reporting Standards (ESRS) and based on new Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (CSRD).

Performance of Santander Bank Polska Group vs the commercial banking sector

The financial performance of the Polish banking sector is predominantly driven by net interest income and affected by fluctuations in the reference rate. As indicated by the monthly statistics of the Polish Financial Supervision Authority (KNF), the total net profit posted by the Polish commercial banks as at the end of November 2024 was PLN 36.8bn and increased by 44.9% YoY. Interest income, which accounted for 84.6% of total operating income of commercial banks, was PLN 86.6bn and up 13.5% YoY. Net fee and commission income grew by 5.1% YoY in the same period to PLN 16.2bn.

The sector results for 2024 were adversely affected by legal risk connected with CHF mortgage loans due to pro-consumer legal solutions and court judgments. Banks' profitability was also under pressure due to higher operating expenses and net expected credit loss allowances.

The gross loan portfolio grew mainly on account of business loans. It was also driven by PLN home loans (an effect of the 2% Safe Mortgage programme) and consumer loans (a result of improved consumer sentiments and increased repayment capacity). The assets of the banking sector showed a clear increase in the share of bonds issued or guaranteed by the State Treasury.

The above market trends were reflected in the results and volumes of Santander Bank Polska Group. The only exception is a 14.4% YoY decrease in net expected credit loss allowances vs the overall growth reported by the commercial banks sector.

In 2024, the consolidated profit attributable to shareholders of the parent entity increased by 7.9% YoY on account of a 5.8% YoY rise in net interest income. The profitability was also supported by higher net fee and commission income (+7.1% YoY) and lower costs of settlements with CHF mortgage borrowers. Negative factors included cost of legal risk of CHF mortgage loans (+19.6% YoY) and total operating expenses (+7.4% YoY).

In 2024, Santander Bank Polska Group reported solid growth in its key business volumes, including a 9.2% YoY increase in gross loans and advances to customers and a 10.9% YoY rise in deposits from customers. The share of treasury securities in the investment securities portfolio grew by 22.1% YoY.

In line with its strategy for 2024–2026, in the past year Santander Bank Polska Group focused on building its competitive edge by ensuring unparalleled experience for its key stakeholders: customers and employees. It fostered the image of a bank that is close to people, trying to evoke positive emotions and develop lasting relationships based on trust. It continued to optimise and simplify processes and extend the functionality of digital channels, while maintaining high security standards. As part of the ESG agenda, it took measures to support communities, environment and governance.

2. Key achievements

EFFICIENCY AND SECURITY	▸ Group's solid capital position confirmed by capital ratios as at 31 December 2024, including the total capital ratio of 17.68%, i.e. well above the statutory and regulatory minimum (18.65% as at 31 December 2023). ▸ Steadily higher ROE YoY (20.4% vs 20.3% as at 31 December 2023). ▸ Sound liquidity position. Net customer loans to deposits ratio at 75.3%. Supervisory liquidity ratios well above the regulatory minimum. ▸ Close monitoring of risk and implementation of relevant prudential measures. ▸ Group's high cost efficiency with a cost to income ratio of 29.6% (29.5% for 2023) despite growing regulatory, transformation and business costs and a lower contribution of net interest income to total income due to the impact of lower reference rate, the statutory solution known as payment holidays and competitive environment. ▸ Further automation and optimisation of operational processes. ▸ Improved availability, reliability, performance and cybersecurity of the Group's systems.
BUSINESS VOLUMES AND ASSET QUALITY	▸ 10.0% YoY increase in total assets to PLN 304.4bn supported by growing business volumes in key product lines and customer segments. ▸ 10.9% YoY growth in deposits from customers to PLN 232.0bn supported by an increase in term deposits (+14.8% YoY) and current and savings account balances (+9.5% YoY). ▸ 9.2% YoY increase in gross loans and advances to customers to PLN 180.3bn, including lease receivables (+12.9% YoY), loans and advances to individuals (+6.9% YoY) and loans and advances to business customers and the public sector (+11.1% YoY). ▸ Continuously high quality of the credit portfolio, with the NPL ratio of 4.4% (4.6% as at 31 December 2023), Group's prudential approach to risk management and an increase in credit receivables. ▸ Decrease in the cost of credit risk from 0.72% in 2023 to 0.58% in 2024 amid gradual economic recovery. ▸ Relatively stable annualised Ytd net interest margin on a comparative basis, i.e. excluding the impact of the so-called payment holidays (5.32% for 2024 vs 5.39% for 2023), supported by the growth of business volumes and regular adjustments to external and internal conditions. ▸ 7.1% YoY rise in net fee and commission income on account of higher net income from the investment fund, stock and bancassurance markets and from currency exchange. ▸ Growth in the number of transactions made via mobile banking (+26.5% YoY) and in the share of this channel in remote credit sales. ▸ 26.5% YoY increase in the net asset value of investment funds, reflecting strong positive net sales of investment funds in 2024 and higher valuation of assets. Rates of return above the benchmarks.
CUSTOMERS AND COMMUNITIES	▸ 7.5m customers of Santander Bank Polska S.A. and Santander Consumer Bank S.A., including 3.7m loyal customers. ▸ 4.9% YoY increase in the number of accounts held by customers of Santander Bank Polska S.A. to 7.0m, including 3.8m Santander Accounts. ▸ 4.5m digital customers of both banks, including 3.6m mobile banking customers. ▸ Further automation, robotisation, optimisation and simplification of operational processes. ▸ Continuation of IT projects aimed at improving experience of customers and employees. ▸ Implementation of measures to support sustainable development and promote cybersecurity culture. ▸ Further enhancement of the remote channel functions, including improvements in the new Santander mobile application and iBiznes24. ▸ Introduction of solutions to support customers affected by the flood, including the so-called non-statutory payment holidays (deferral of principal and/or interest payments).
AWARDS	▸ Golden Banker Award for the best service quality, the main category in the largest survey in the banking sector organised by Bankier.pl and Puls Biznesu. Santander Bank Polska S.A. was particularly recognised for the quality of services in electronic contact channels as well as branches. ▸ Top positions of Santander Bank Polska S.A. in four categories of the Institution of the Year ranking: best bank for business, best customer service in remote channels, best customer service in branches, best personal banking. Lower rankings in terms of internet banking, private banking and account opening in branch. Individual recognitions for branches that scored at least 80% in two measurements (34 branches of Santander Bank Polska S.A.). ▸ Recognition for Santander Bank Polska S.A. as one of the most digitally advanced banks in the global Digital Banking Maturity 2024 survey. The Bank was among 10% of top global banks in the DBM Global Digital Champion category and received the best results in Poland in terms of channels accessibility and bancassurance. ▸ Top ranking in the 10th edition of the Banking Stars competition organised by Dziennik Gazeta Prawna and PwC and the main prize in recognition of the Bank's overall performance as indicated by the scoring achieved in four categories (customer relationships, finance, ESG, technology and innovation) and an independent assessment by the jury. ▸ Third place in the Commercial Bank category of the survey-based competition organised by Gazeta Bankowa in recognition of outstanding customer service, customer experience and sustainable development. Recognitions in

the technological competition for: Santander mobile application in the "Banking" category and Santander Leasing S.A. in the "Insurance and other financial institutions" category.

- First place in the annual Business-Friendly Bank ranking for the fourth time, including in the new category: the Best Bank for Affluent Customers.
- First place in the Banker of the Year ranking by Forbes (for the second time) and the Banking Manager of 2023 title from Gazeta Bankowa for the CEO of Santander Bank Polska S.A. Michał Gajewski.
- Equal Pay Certificate from Dziennik Gazeta Prawna and the founder of the accolade.
- Top Employer Certificate awarded to Santander Bank Polska S.A. for the ninth time, in recognition of excellent work environment, friendly corporate culture and high HR management standards.

3. Financial and business highlights of Santander Bank Polska Group for 2020–2024

Key financial data of Santander Bank Polska Group for the last five years

Selected income statement items		2024	2023	2022	2021	2020	YoY change (2024/2023)
Total income	PLN m	17,131.7	15,992.3	12,381.5	9,141.6	8,647.3	7.1%
Total costs	PLN m	(5,065.0)	(4,715.0)	(4,697.7)	(3,988.3)	(4,488.0)	7.4%
Net expected credit loss allowances	PLN m	(983.4)	(1,149.4)	(894.7)	(1,124.2)	(1,762.8)	-14.4%
Profit before tax	PLN m	7,265.7	6,850.0	4,353.0	2,057.8	1,880.9	6.1%
Profit attributable to the shareholders of Santander Bank Polska S.A.	PLN m	5,212.7	4,831.1	2,799.1	1,111.7	1,037.2	7.9%
Selected balance sheet items		**31.12.2024**	**31.12.2023**	**31.12.2022**	**31.12.2021**	**31.12.2020**	**YoY change (2024/2023)**
Total assets	PLN m	304,373.9	276,651.9	257,517.2	243,017.3	228,748.9	10.0%
Total equity	PLN m	34,441.2	33,691.0	28,465.3	27,213.6	28,658.0	2.2%
Net loans and advances to customers	PLN m	174,776.3	159,520.0	152,508.7	146,391.3	141,436.3	9.6%
Deposits from customers	PLN m	232,028.7	209,277.4	196,496.8	185,373.5	171,522.3	10.9%
Selected off-balance sheet items		**31.12.2024**	**31.12.2023**	**31.12.2022**	**31.12.2021 1)**	**31.12.2020**	**YoY change (2024/2023)**
Net assets of investment funds 1)	PLN bn	24.0	18.9	12.3	17.6	16.2	5.1
Selected ratios 2)		**31.12.2024**	**2023**	**2022**	**2021**	**2020**	**YoY change (2024/2023)**
Costs/Income	%	29.6%	29.5%	37.9%	43.6%	51.9%	0.1 p.p.
Total capital ratio	%	17.68%	18.65%	19.74%	19.05%	20.42%	-0.97 p.p.
ROE	%	20.4%	20.3%	11.9%	4.7%	4.4%	0.1 p.p.
Basic earnings per share	PLN	51.01	47.28	27.4	10.9	10.2	3.73
Book value per share	PLN	337.03	329.69	278.56	266.31	280.44	7.34
NPL ratio	%	4.4%	4.6%	5.0%	5.0%	5.8%	-0.2 p.p.
Cost of credit risk	%	0.58%	0.72%	0.59%	0.76%	1.21%	-0.14 p.p.
Loans/Deposits	%	75.3%	76.2%	77.6%	79.0%	82.5%	-0.9 p.p.

Key non-financial data of Santander Bank Polska Group for the last five years

Selected non-financial data 3)		2024	2023	2022	2021	2020	YoY change (2024/2023)
Number of shares	item	102,189,314	102,189,314	102,189,314	102,189,314	102,189,314	0
Dividend paid 4)	PLN	44.63	23.25	2.68	2.16	-	21.4
Electronic banking users 5)	m	6.5	6.4	6.3	5.7	5.4	0.1
Active digital customers 6)	m	4.5	4.2	3.6	3.2	2.9	0.3
Active mobile banking customers	m	3.6	3.0	2.7	2.4	2.0	0.6
Debit cards	m	5.0	4.8	4.6	4.4	4.3	0.2
Credit cards	m	0.9	0.9	0.9	1.1	1.2	0
Customer base	m	7.5	7.5	7.4	7.2	7.1	0
Branch network	locations	349	369	385	437	550	-20
Santander Zones and off-site locations	locations	13	17	16	13	12	-4
Partner outlets	locations	399	421	433	435	380	-22
Employment	FTEs	11,396	11,471	11,309	11,323	12,616	-75

1) Assets in investment funds managed by Santander Towarzystwo Funduszy Inwestycyjnych S.A.
2) For definitions of ratios presented in the table above, see Chapter X "Financial performance in 2024", Part 3 "Selected financial ratios of Santander Bank Polska Group".
3) The selected non-financial data refer to Santander Bank Polska S.A. and Santander Consumer Bank S.A., except for the number of shares, dividend paid and debit cards.
4) For more information about the dividend, see Chapter VII "Investor relations".
5) Registered users with active access to internet and mobile banking services of Santander Bank Polska S.A. and Santander Consumer Bank S.A.
6) Active users of electronic banking services of Santander Bank Polska S.A. and Santander Consumer Bank S.A. who at least once used the services in the last month of the reporting period.

4. Key external factors

Key macroeconomic factors impacting financial and business performance of Santander Bank Polska Group in 2024

Economic growth	▸ A rebound of economic growth to approx. 3% p.a. in line with Poland's economic potential, largely supported by consumer demand. ▸ Subdued growth in investments with the prospect of a recovery in subsequent quarters. Gradual deterioration of the foreign trade balance due to weak economic conditions in the eurozone and acceleration of domestic demand supporting imports.
Labour market	▸ Unemployment rate at a record low level. ▸ Double-digit wage growth.
Inflation	▸ Inflation again increasing above the upper band of the NBP inflation target, mainly influenced by rising energy and food prices.
Monetary policy	▸ Interest rates kept unchanged amid increasing inflation, high wage growth and expansionary fiscal policy. ▸ Mixed signals from the central bank with regard to possible interest rate cuts in 2025.
Fiscal policy	▸ Revision of the state budget for 2024 with an increase in the fiscal deficit from 5.1% to 5.7% of GDP due to generation of lower-than-expected income. Fiscal deficit of 5.5% of GDP assumed in the draft budget for 2025, implying no significant fiscal consolidation. ▸ Continued increase in debt to GDP, borrowing needs and treasury security issues.
Credit market	▸ Recovery of the credit market with an improved credit delivery in volume terms. Record sales of consumer loans. Normalisation of the demand for mortgage loans as a result of closure of the Safe Mortgage 2% programme. ▸ Expected continuation of positive trends along with further growth in economic activity.
Financial markets	▸ High volatility of debt markets amid changing expectations as to global inflation and monetary policy, including initial growth and then decrease in the expected pace and scale of monetary policy easing by the Federal Reserve. Rising bond yields observed for the greater part of the year, reflecting revised expectations as to the scale and pace of interest rate cuts. ▸ Exceptionally stable EUR/PLN rate throughout the year despite the US dollar strengthening against the euro in H2 and real appreciation of the Polish zloty. Moderate reactions of the currency market to the domestic and global developments.

5. Corporate events

Major corporate events in the reporting period until the release date of the report for 2024

General Meetings	**Extraordinary General Meeting** ▸ On 11 January 2024, the Extraordinary General Meeting (EGM) of Santander Bank Polska S.A. was held. It amended the AGM resolution of 19 April 2023 authorising the Bank's Management Board to buy back own shares for the purpose of Incentive Plan VII by setting their new maximum price. The EGM also amended the Bank's Statutes and presented changes to the Terms of Reference of the Supervisory Board. **Annual General Meeting** ▸ On 18 April 2024, the Annual General Meeting (AGM) of Santander Bank Polska S.A. was held. It approved standard corporate documents, distributed the profit and approved the dividend in accordance with the recommendation of the Bank's Management Board of 21 March 2024. The AGM also appointed the Supervisory Board for a new term of office and determined its remuneration. Furthermore, it created a capital reserve for the repurchase of own shares under Incentive Plan VII and reported on its execution. Lastly, the AGM amended the Bank's Statutes by refining certain provisions. ▸ For more information on GM resolutions, see Chapter XII "Statement on corporate governance in 2024".
Registration of changes to the Statutes	▸ Changes to the Statutes of Santander Bank Polska S.A. approved by the EGM of 11 January 2024 and the AGM of 18 April 2024 were recorded in the National Court Register on 25 January 2024 and 9 May 2024, respectively. For more information, see Chapter XII "Statement on corporate governance in 2024".
Changes to the composition of governing bodies	**Resignation of the Vice President of the Management Board of Santander Bank Polska S.A.** ▸ On 27 February 2024, Arkadiusz Przybył resigned as the Vice President of the Bank's Management Board (effective as of 1 April 2024) due to his plans to take up a new role in Santander Group. **Composition of the Supervisory Board for a new term of office** ▸ The AGM of 18 April 2024 appointed the Supervisory Board for a new term of office. Kamilla Marchewka-Bartkowiak and Tomasz Sójka joined the Supervisory Board, while David Hexter and Marynika Woroszylska-Sapieha stepped down. Antonio Escámez Torres was reappointed as the Chairman. **Resignation of the member of the Management Board of Santander Bank Polska S.A.** ▸ On 6 November 2024, Patryk Nowakowski resigned as a member of the Bank's Management Board (effective as of 1 January 2025) due to his plans to take up the role of Senior Executive Vice President in charge of Technology and Operations with Santander Holdings USA, Inc., a member of Santander Group.

Major corporate events in the reporting period until the release date of the report for 2024 (cont.)

<table>
<tr><td rowspan="4">Profit distribution and dividend payment</td><td>Individual recommendation of the KNF with regard to satisfaction of the criteria for payment of a dividend from the net profit of 2023
On 21 February 2024, the Management Board of Santander Bank Polska S.A. received an individual recommendation from the Polish Financial Supervision Authority (KNF) that the Bank should limit the risk present in its operations by:
distributing not more than 75% of the profit earned in 2023, while ensuring that the maximum payout must not be higher than the annual profit reduced by profit earned in 2023 already allocated to own funds;
consulting upfront with the supervisory authority any other measures which could reduce the Bank's own funds (if they go beyond the scope of the ordinary business and operational activity), including the distribution of the profit retained in previous years or the buyback or redemption of own shares.
The above recommendation took into consideration the Bank's satisfaction of the basic criteria of the dividend policy, sound quality of the Bank's loan portfolio, and the share of the foreign currency home loans to households which did not exceed 5% of the Bank's total receivables from the non-financial sector.</td></tr>
<tr><td>Information on potential payment of additional dividend in 2024 from retained profits
on 19 March 2024, the Management Board of Santander Bank Polska S.A. was advised by the Polish Financial Supervision Authority (KNF) that the KNF did not have any objections to the potential payout of the additional amount of PLN 1,056,637,506.76 as a dividend to shareholders in 2024. This amount represents 50% of the profit earned in 2019 and transferred to the dividend reserve.</td></tr>
<tr><td>Management Board's recommendation on 2023 profit distribution and dividend reserve
On 21 March 2024, the Management Board of Santander Bank Polska S.A. issued a recommendation on 2023 profit distribution and dividend reserve, which was approved by the Bank's Supervisory Board.
The Management Board proposed that the profit of PLN 4,672,978,361.27 earned in 2023 be distributed as follows:
PLN 3,504,071,577.06 to be allocated to dividend for shareholders;
PLN 87,042,000.00 to be allocated to the capital reserve;
PLN 1,081,864,784.21 to be left undistributed.
Furthermore, the Management Board recommended that PLN 1,056,637,506.76 of the dividend reserve be allocated to dividend for shareholders.
The dividend to be paid out from the 2023 profit and from the dividend reserve totalled PLN 4,560,709,083.82.</td></tr>
<tr><td>Approval and payment of dividend
On 18 April 2024, the AGM of Santander Bank Polska S.A. distributed the profit and approved the dividend in accordance with the recommendation of the Bank's Management Board. The dividend was PLN 44.63 per share.
The dividend record date was 16 May 2024 and the dividend was paid on 23 May 2024.
More information on dividend payments is presented in Chapter VII "Investor Relations".</td></tr>
<tr><td rowspan="2">Buyback of own shares for the purpose of Incentive Plan VII</td><td>Definition of buyback rules
On 16 February 2024, the Bank's Management Board adopted a resolution on the buyback of own shares to pay out awards for 2023 and deferred awards for 2022 payable in 2024 to the participants of Incentive Plan VII (Buyback 2023).
The maximum amount allocated to Buyback 2023 was PLN 72,357k. The maximum number of own shares to be repurchased was 271k (representing approx. 0.27% of the Bank's share capital and voting rights). Buyback 2023 was planned to take place in two periods: a) between 19 February 2024 and 29 March 2024 and b) between 2 May 2024 and 21 June 2024.
The Bank's shares could be repurchased from capital reserve on the regulated market of the Warsaw Stock Exchange (WSE) via the agency of Santander Brokerage Poland. The price of own shares subject to Buyback 2023 could not be lower than PLN 50 or higher than PLN 1,000. The Bank could repurchase not more than 25% of average daily share volume traded in the period of 20 session days preceding the repurchase day.
The Management Board had the right to withdraw from Buyback 2023 at any time or close it early if the maximum number of shares were repurchased or the maximum allocated amount was used before the set date.</td></tr>
<tr><td>Buyback process and performance of related obligations
To meet the obligations towards the participants of Incentive Plan VII (i.e. to pay out the awards payable in 2024), from 19 February 2024 to 13 March 2024 the Bank bought back 134,690 own shares representing 0.132% of the share capital and the total voting power. As the amount allocated to the buyback in 2024 was used in full, on 13 March 2024 the Bank's Management Board closed the programme.
By 14 March 2024, instructions were made to transfer all 134,690 repurchased shares to the brokerage accounts of the participants of Incentive Plan VII.
The above measures were taken with the KNF consent for the buyback of 2,331k own shares in the period between 1 January 2023 and 31 December 2033 to meet obligations towards the Bank's employees arising from Incentive Plan VII.</td></tr>
</table>

Major corporate events in the reporting period until the release date of the report for 2024 (cont.)

Sale of a portion of Banco Santander S.A.'s stake in Santander Bank Polska S.A.	▸ On 10 September 2024, an accelerated book-building process was completed to sell a portion of ordinary bearer shares in Santander Bank Polska S.A. held by the majority shareholder to qualified institutional investors. ▸ The placement was exempt from the obligation to publish a prospectus as defined by relevant laws. ▸ 5,320,000 shares representing 5.21% of the company's share capital were sold. The sale price per share was PLN 463. Following the settlement of the sale transaction, Banco Santander S.A. holds the majority stake of 63,560,774 shares in the company, representing 62.2% of its share capital. ▸ The transaction was settled on 13 September 2024 on standard terms.
Bond issue programme	**Change in the value of the bond issue programme and early redemption of bonds** ▸ On 19 February 2024, the Bank's Management Board adopted a resolution to change the value of the bond issue programme calculated as the nominal value of issued and outstanding bonds from PLN 5bn to PLN 10bn. Other issue terms and conditions remained unchanged. ▸ The Bank also decided to exercise a call option with regard to series 1/2023 non-preferred bonds in accordance with their issue terms and conditions. The early redemption took place on the interest payment date, i.e. 31 March 2024, and covered all the bonds issued, i.e. 3,800 bonds with the total nominal value of PLN 1.9bn. ▸ The early redemption of bonds was made through the Central Securities Depository of Poland (KDPW) in accordance with its regulations.
	Issue of series 1/2024 senior non-preferred bonds ▸ On 7 March 2024, the Bank's Management Board decided to issue series 1/2024 unsecured senior non-preferred bonds as part of the bond issue programme for the total nominal value of PLN 1.9bn. ▸ The issue was settled on 2 April 2024. All the bonds were taken up by bondholders on the terms and conditions set out in current report no. 15/2024 of 7 March 2024. ▸ The nominal value per bond is PLN 500k. The bonds bear a floating rate equal to the sum of 6M WIBOR and the margin of 1.50% per annum. The redemption date was set to 2 April 2027 subject to the Bank's right to exercise a call option. The bonds were classified as eligible liabilities as defined in the Polish Act of 10 June 2016 on the Bank Guarantee Fund, deposit guarantee scheme and resolution.
	Issue of series 2/2024 senior non-preferred bonds ▸ On 17 September 2024, Santander Bank Polska S.A. decided to issue series 2/2024 unsecured senior non-preferred bonds as part of the bond issue programme for the total nominal value of PLN 1.8bn. ▸ The issue was settled on 30 September 2024. All the bonds were taken up by bondholders on the terms and conditions set out in current report no. 35/2024 of 17 September 2024. ▸ The nominal value per bond is PLN 500k. The bonds bear a floating rate equal to the sum of 6M WIBOR and the margin of 1.4% per annum. The redemption date is 30 September 2027 subject to the Bank's right to exercise a call option. The bonds were classified as eligible liabilities as defined in the Polish Act of 10 June 2016 on the Bank Guarantee Fund, deposit guarantee scheme and resolution.
Supervisory requirements for own funds and eligible liabilities (MREL)	**Setting MREL for Santander Bank Polska Group** ▸ On 9 May 2024, the Management Board of Santander Bank Polska S.A. received a letter from the Bank Guarantee Fund (BFG) with information about the joint decision taken with the resolution college of Santander Group set up by the Single Resolution Board (SRB) on the minimum requirement for own funds and eligible liabilities (MREL). ▸ MREL for Santander Bank Polska Group is 15.38% of the total risk exposure amount (TREA) and 5.91% of the total exposure measure (TEM). ▸ The Bank is obliged to meet the minimum MREL subordination requirement of 15.02% of TREA and 5.91% of TEM.
	No requirement for capital add-on (P2G) to absorb potential losses resulting from the materialisation of stress conditions ▸ On 17 December 2024, the Management Board of Santander Bank Polska S.A. received a letter from the KNF stating that as a result of the supervisory review and evaluation process the Bank's sensitivity to the possible materialisation of stress scenarios (affecting the level of own funds and risk exposure) was assessed as low. ▸ The total capital add-on recommended under Pillar 2 offset by the capital conservation buffer is 0.00 p.p. on a standalone and 0.00 p.p. on a consolidated basis.

II. Basic information about the Bank and Santander Bank Polska Group

1. History, ownership structure and profile

> History of Santander Bank Polska S.A. (key ownership events)

2001 >	Incorporation of Bank Zachodni WBK S.A. (BZ WBK S.A.) as a result of a merger of Bank Zachodni S.A. with Wielkopolski Bank Kredytowy S.A. (13 June 2001)	
2011 >	Sale of all shares of Bank Zachodni WBK S.A. held by AIB European Investments Ltd. (70.36% of share capital and voting power) to Banco Santander S.A. (1 April 2011)	> Acquisition of 95.67% of share capital and voting power of BZ WBK S.A. by Banco Santander S.A. in the tender offer for 100% of the Bank's shares
2013 >	Merger of BZ WBK S.A. and Kredyt Bank S.A. by way of acquisition (transfer of all assets of the acquired bank to the acquirer in exchange for newly issued series J shares allotted to shareholders of Kredyt Bank S.A.) (4 January 2013)	
2014 >	Acquisition of ordinary and preference shares of Santander Consumer Bank S.A. (SCB S.A.) with its registered office in Wrocław by BZ WBK S.A., representing 60% of the share capital of SCB S.A. and 67% of votes at the General Meeting of SCB S.A. (1 July 2014)	
2018 >	Registration of the change of the Bank's name from Bank Zachodni WBK S.A. to Santander Bank Polska S.A. and its registered office address from Wrocław to Warsaw in the National Court Register (7 September 2018)	> Acquisition of a demerged part of Deutsche Bank Polska S.A. and 100% of DB Securities S.A. along with registration of an increase in the share capital of Santander Bank Polska S.A. by demerger shares (9 November 2018)

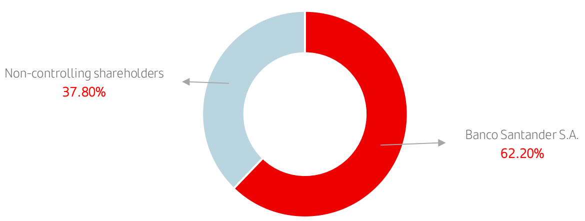
Ownership structure of share capital

Share capital

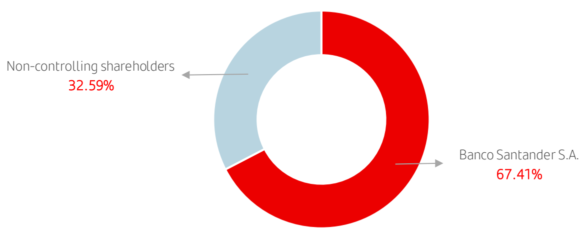
As at 31 December 2024, the share capital of Santander Bank Polska S.A. totalled PLN 1,021,893,140, divided into 102,189,314 ordinary bearer shares with a nominal value of PLN 10 each.

The number of shares and votes held by individual shareholders as at the end of 2023 and 2024 is presented in the table included in Chapter XII "Statement on corporate governance in 2024", Section 2 "Issuer's securities".

Ownership structure of Santander Bank Polska share capital
as at 31.12.2024



Ownership structure of Santander Bank Polska share capital
as at 31.12.2023



As at 31 December 2024, Banco Santander S.A. held a controlling stake of 62.20% in the registered capital of Santander Bank Polska S.A. and in the total number of votes at the Bank's General Meeting. The remaining shares were held by the minority shareholders, of which, according to the information held by the Bank's Management Board, only Nationale-Nederlanden Otwarty Fundusz Emerytalny (OFE) exceeded the 5% threshold in terms of share capital and voting power.

The share of Banco Santander S.A. in the share capital of Santander Bank Polska S.A. decreased by 5.21 p.p. compared to the end of December 2023 and June 2024 as a result of the sale of 5,320,000 shares in the Bank (representing a shareholding of 5.21%) as part of block trades executed on 11 September 2024 on the Warsaw Stock Exchange following the accelerated book-building completed on 10 September 2024. The sale price per share was PLN 463.

Following the settlement of the sale transaction on 13 September 2024, Banco Santander S.A. holds the majority stake of 63,560,774 shares in the company, representing 62.20% of its share capital.

Banco Santander S.A. has undertaken to comply with a 180-day post-closing lock-up period, subject to customary exemptions.

Banco Santander S.A. remains a long-term majority shareholder in the company. As Poland is one of its core markets, it will continue to support the current strategy of the company and its strategic objectives for 2024–2026.

According to the information held by the Management Board, the ownership structure did not change in the period from the end of the financial year of 2024 until the date the Annual Report of Santander Bank Polska Group for 2024 was authorised for issue.

Majority shareholder

Since 2011, Santander Bank Polska S.A. has been a member of Santander Group, with Banco Santander S.A. as a parent entity.

Banco Santander S.A., having its registered office in Santander and operating headquarters in Madrid, is one of the largest commercial banks in the world in terms of market capitalisation, with around 167 years of history. The bank is listed on the stock exchanges in Spain, Mexico, Poland, the USA and the UK.

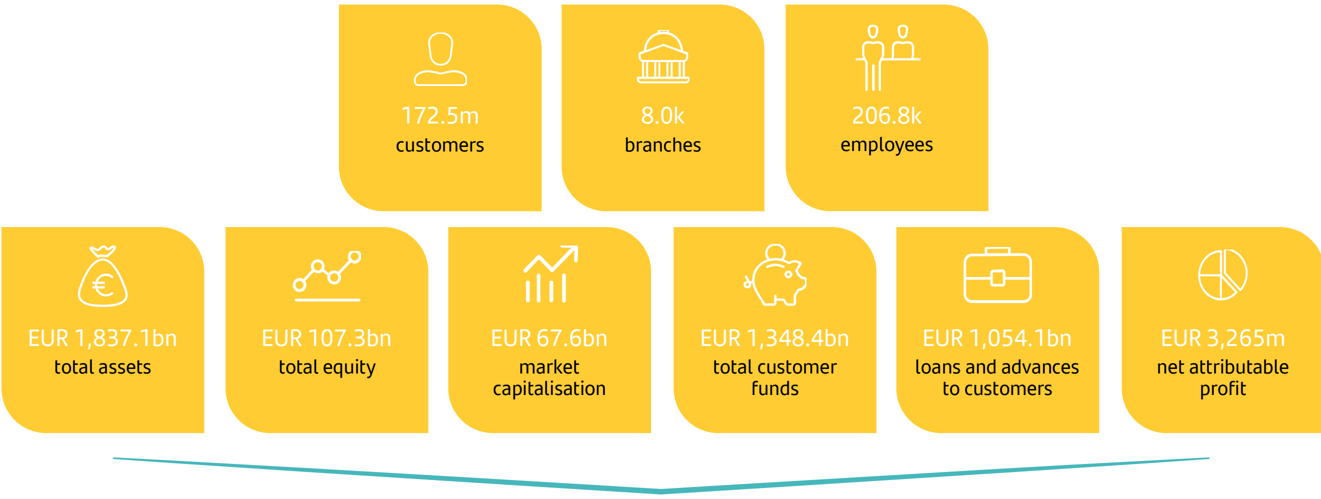
Santander Group specialises in retail banking, private banking, business and corporate banking, as well as asset management and insurance. The business of the Group is geographically diversified, but it focuses on ten core markets: Spain, Poland, Portugal, the UK, Germany, Brazil, Argentina, Mexico, Chile and the USA.

The Group's operating model is based on three pillars: customer focus, global and local scale, and business and geographical diversification.

The primary level of segmentation, which is based on the Group's management structure, comprises five operating segments: Retail & Commercial Banking, Digital Consumer Bank, Corporate & Investment Banking, Wealth Management & Insurance and Payments. At the secondary level, which is based on geographical presence, there are four operating segments: Europe, DCB Europe (consumer business, open platform), North America and South America.

Santander Group's global strategy is to be the best open financial services platform by acting responsibly and earning the lasting loyalty of people, customers, shareholders and communities. Its purpose is to help people and businesses prosper while being Simple, Personal and Fair.

> Santander Group in numbers (as at 31 December 2024)



2nd largest financial institution in the eurozone in terms of market capitalisation

(source: Financial Report of Santander Group for Q4 2024)

Profile of the organisation

Legal form

Santander Bank Polska S.A. with its registered office in Warsaw started operations in 1989 as one of the first universal commercial banks in post-war Poland. Since 1993, it has been listed on the Warsaw Stock Exchange. After several ownership changes and more than 30-year presence on the Polish banking market, it was the second largest bank in terms of market capitalisation and third in terms of total assets as at 31 December 2024.

The Bank is a parent entity of Santander Bank Polska Group and forms a domestic bank holding group as defined in the Polish Banking Law Act together with its related entities, including Santander Consumer Bank S.A. (a domestic subsidiary bank). It is also registered as a foreign bank holding group with Spain-based Banco Santander S.A. as the ultimate parent entity. No financial support agreements referred to in Article 141t of the Polish Banking Law Act have been concluded as part of the above-mentioned holding groups.

Santander Bank Polska S.A. operates in Poland and has standard business and operational relationships with foreign banks and financial institutions. It also provides services to foreign customers and cooperates with Santander Group companies on a large scale. The Bank does not conduct active cross-border operations in other countries.

Business model of Santander Bank Polska Group

Business profile

Santander Bank Polska S.A. is a universal bank which provides a full range of services for personal customers, SMEs, large companies, corporates and public sector institutions. The Bank's offer is modern, comprehensive and satisfies diverse customer needs with regard to bank accounts and credit, savings, investment, settlement, insurance and card products. The financial services of Santander Bank Polska S.A. also include cash management, payments, trade finance and transactions in the capital, money, FX and derivative markets, as well as underwriting and brokerage services.

The Bank continuously develops its product range to ensure that solutions offered to customers are transparent, simple, digital, flexible and available in self-service channels. It offers unique solutions which are developed within Santander Group based on its global presence, infrastructure and market potential. Customers are provided with comprehensive services in traditional sales channels and in technologically advanced remote channels. The Bank's outlets are located Poland-wide.

The Bank's own product range is complemented by specialist products offered by its group of related companies, including: Santander Towarzystwo Funduszy Inwestycyjnych S.A., Santander Leasing S.A., Santander Factoring Sp. z o.o., Santander Allianz Towarzystwo Ubezpieczeń S.A. and Santander Allianz Towarzystwo Ubezpieczeń na Życie S.A. In cooperation with all these companies, the Bank provides its customers with access to investment funds, asset portfolios, insurance, leasing and factoring products.

Santander Consumer Bank S.A. and its subsidiaries form a separate business segment with its own customer base, product range and distribution channels. It offers credit facilities to households, mainly in the consumer finance and car finance sectors. It also provides financing to businesses, mainly car dealers and importers. Santander Consumer Bank Group offers consumer loans, car finance through car loans, lease and factoring, credit facilities for car dealers, retail and business deposits and insurance products.

As at 31 December 2024, Santander Bank Polska Group provided banking services to 7.5m customers, including 1.5m customers of Santander Consumer Bank S.A.

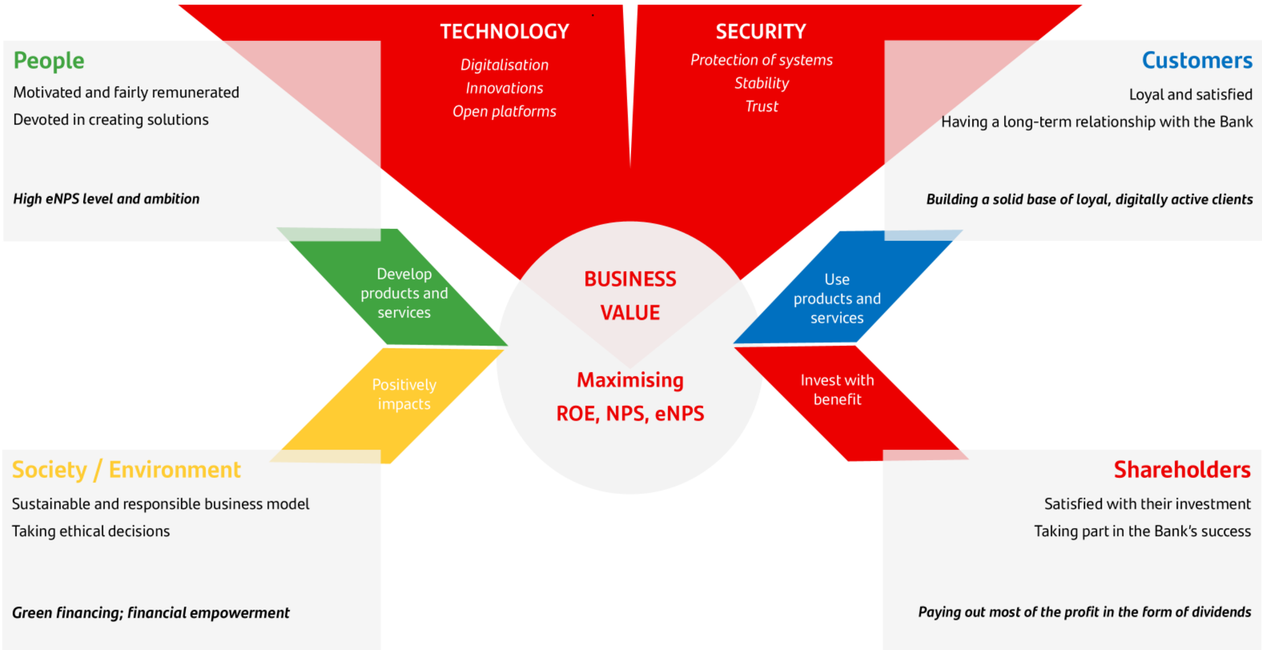
Group's strengths

Santander Bank Polska Group has stable sources of funding, solid capital and liquidity position and a diversified asset portfolio. The Group's competitive edge is built on a clear and consistent strategic vision focused on customers and employees and continuous improvement of quality, effectiveness and security of processes through their simplification and digitalisation. What also gives the Group an advantage is an effective and simple business model, robust risk management system, extensive and diversified business profile, functional and well-integrated distribution channels as well as membership in Santander Group. The Group also greatly contributes to sustainable development through undertaking measures to reduce emissions, financing sustainable goals and building the ESG culture.

The business scale, quality of products and services, pursuit of operational excellence and strong focus on building lasting relationships with customers and employees allow the Group to compete successfully with the largest players in the Polish banking market, while supporting the economic, social and environmental development.

2. Value creation at Santander Bank Polska Group

> Value creation at Santander Bank Polska Group



Customers, employees and their needs are at the heart of all measures taken by Santander Bank Polska Group. The products, processes and communication channels are created using the service design methodology in order to continuously increase the satisfaction of customers and employees and build lasting relationships with them based on trust.

Employees are key to creating value for customers. The Group gives priority to developing a friendly work environment and corporate culture by promoting cooperation and inclusion and increasing the motivation, engagement and professionalism of employees.

The Group provides top quality services and solutions based on the latest technologies, innovation and open platforms. Security, stability of systems and sustainable and socially responsible development are key aspects of the Group's business model and strategy. The Group conducts its business activity taking into consideration the interests of all stakeholders, including shareholders and communities.

The value creation model is the cornerstone of the Group's strategy for 2024–2026 "We help you achieve more", which consists of three strategic directions: Total Experience, Total Digitalisation and Total Responsibility. For more information, please see Chapter IV "Development strategy".

In the value creation process, the Group uses the following types of capital:	The resources and results of management of individual types of capital are presented in the following sections of this Management Board Report:
Human capital	Chapter V "Relations with employees" Chapter XIII "Consolidated sustainability statement of Santander Bank Polska Group for 2024"
Social and relationship-building capital	Chapter V "Relations with employees" Chapter VI "Relation with customers" Chapter VII "Investor relations" Chapter XII "Statement on corporate governance in 2024" Chapter XIII "Consolidated sustainability statement of Santander Bank Polska Group for 2024"
Intellectual and infrastructure capital	Chapter V "Relations with employees" Chapter XI "Organisational and infrastructure development" Chapter XIII "Consolidated sustainability statement of Santander Bank Polska Group for 2024"
Financial capital	Chapter X "Financial performance in 2024"
Environmental capital	Chapter XIII "Consolidated sustainability statement of Santander Bank Polska Group for 2024"

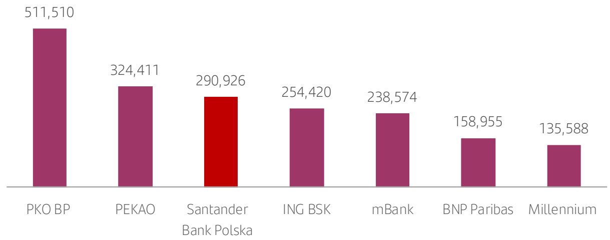
3. Position of Santander Bank Polska S.A. and its Group in the Polish banking sector

Position in the banking sector

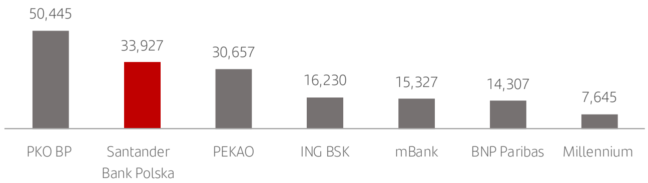
Santander Bank Polska S.A. is ranked among the top three banks in the Polish banking sector (together with PKO BP S.A. and Pekao S.A.) and is the largest private bank in Poland.

According to the interim reports for the quarter ended 30 September 2024, which at the date of authorisation of this Management Board report for issue were the most up-to-date source of comparable data on the performance of banks listed on the Warsaw Stock Exchange (WSE), Santander Bank Polska S.A. – including its subsidiaries and associates – was Poland's second largest banking group in terms of total equity and market capitalisation and third largest one in terms of total assets, net loans and customer deposits.

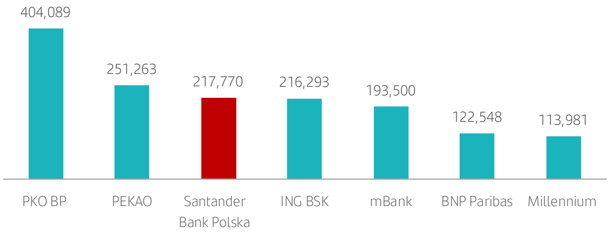
Total assets (PLN m) of Santander Bank Polska Group as at 30.09.2024 against the peer group



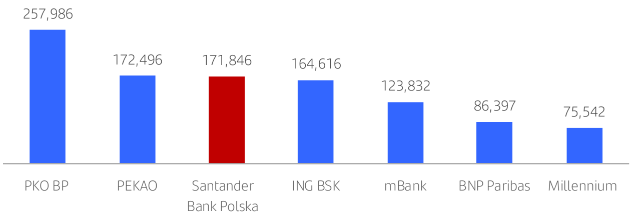
Total equity of Santander Bank Polska Group (PLN m) as at 30.09.2024 against the peer group



Customer deposits of Santander Bank Polska Group (PLN m) as at 30.09.2024 against the peer group



Customer loans and advances of Santander Bank Polska Group (PLN m) as at 30.09.2024 against the peer group



Share in key market segments

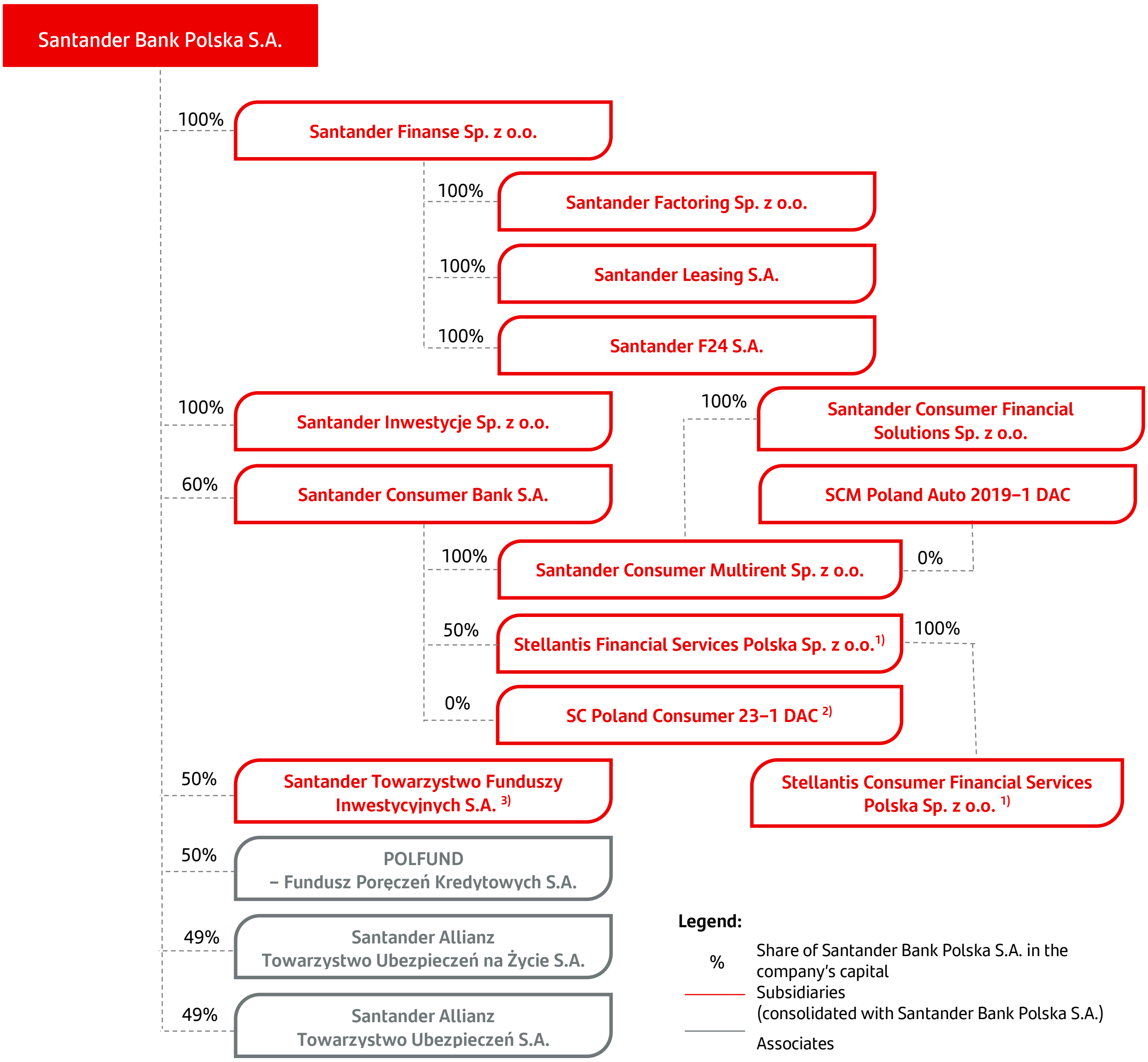
According to the NBP statistics on the banking market, as at the end of December 2024 Santander Bank Polska Group had a 12.9% share in the credit market (12.4% as at 31 December 2023) and 11.2% in the deposit market (11.0% as at 31 December 2023).

The Group operates in the factoring and leasing markets via its subsidiaries, holding a market share of 10.0% and 9.5%, respectively, as at 31 December 2024 (according to the Polish Factors Association and the Polish Leasing Association). In the same period, the Group's share in the retail investment fund market was 10.7% (according to Analizy Online).

* Total share of Santander Leasing S.A. and Santander Consumer Multirent Sp. z o.o.
** Share in the retail investment fund market.

4. Structure of Santander Bank Polska Group

> Subsidiaries and associates of Santander Bank Polska S.A. as at 31 December 2024



1) As a result of the formation of the automotive manufacturing corporation Stellantis N.V. in 2021 in a merger of the Italian–American conglomerate Fiat Chrysler Automobiles and the French Groupe PSA, on 3 April 2023 PSA Finance Polska Sp. z o.o. and its wholly-owned subsidiary, 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. Stellantis Financial Services Polska Sp. z o.o. is a subsidiary undertaking for the purposes of consolidated financial reporting as it is controlled by Santander Consumer Bank S.A. (directly) and Santander Bank Polska S.A. (indirectly). Under the terms of the framework agreement, Santander Consumer Bank S.A. (SCB S.A.) has the right to make decisions regarding key areas such as financing and risk management. In practice, the Bank has ability to direct activities that significantly affect investment returns and is exposed to potential risks (e.g. losses) and benefits (e.g. dividends).

2) SC Poland Consumer 23-1 Designated Activity Company (DAC) is a special purpose entity (SPE) incorporated in Dublin on 17 June 2022 for the purpose of securitising a part of the retail loan portfolio of Santander Consumer Bank S.A. (SCB S.A.) The SPE does not have any capital connections with SCB S.A., which nevertheless exercises control over the entity in accordance with IFRS 10.7. based on contractual rights. The combined stipulations of Servicing Agreement and Asset Transfer Agreement give SCB S.A. power over the management and operations of the SPE. In addition, the entity relies on SCB S.A. for access to financing and guarantees as well as technology, know-how and other resources, which further enhances the controlling power of the Bank.

3) The owners of Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI S.A.), i.e. Santander Bank Polska S.A. and Banco Santander S.A., are members of global Santander Group and hold an equal stake of 50% in the company's share capital. Santander Bank Polska S.A. exercises control over Santander TFI S.A. within the meaning of the International Financial Reporting Standard 10 (IFRS 10) because it has a practical ability to {unilaterally} direct the relevant activities of Santander TFI S.A. Furthermore, it significantly affects the company's operations and returns as the major business partner and distributor of investment products. At the same time, through its ownership interest, Santander Bank Polska S.A. is exposed and has right to variable returns generated by Santander TFI S.A. Considering the guidance provided in IFRS 10 par. B18, the Bank's Management Board concluded that, having regard to legal requirements concerning Santander TFI S.A. and its operations, the Bank has a practical ability to unilaterally direct the relevant activities of Santander TFI S.A. even if it does not have a contractual right to do so. The Bank can have a real impact on the composition of the Supervisory Board and through it – on the composition of the Management Board of Santander TFI S.A. and these governing bodies decide on the relevant activities of Santander TFI S.A. It should therefore be concluded that by having power and right to variable returns (benefits), the Bank has control over Santander TFI S.A.

Subsidiaries

As at 31 December 2024, Santander Bank Polska Group comprised Santander Bank Polska S.A. and the following subsidiaries:

1. Santander Consumer Bank S.A. (SCB S.A.)
2. Santander Consumer Multirent Sp. z o.o. (SCM Sp. z o.o. – subsidiary of SCB S.A.)
3. Santander Consumer Financial Solutions Sp. z o.o. (subsidiary of SCM Sp. z o.o.)
4. SCM Poland Auto 2019-1 DAC (subsidiary of SCM Sp. z o.o.)
5. SC Poland Consumer 23-1 DAC (subsidiary of SCB S.A.)
6. Stellantis Financial Services Polska Sp. z o.o. (subsidiary of SCB S.A.)
7. Stellantis Consumer Financial Services Sp. z o.o. (subsidiary of Stellantis Financial Services Polska Sp. z o.o.)
8. Santander Towarzystwo Funduszy Inwestycyjnych S.A.
9. Santander Finanse Sp. z o.o.
10. Santander Factoring Sp. z o.o. (subsidiary of Santander Finanse Sp. z o.o.)
11. Santander Leasing S.A. (subsidiary of Santander Finanse Sp. z o.o.)
12. Santander F24 S.A. (subsidiary of Santander Finanse Sp. z o.o.)
13. Santander Inwestycje Sp. z o.o.

Compared with 31 December 2023, the list of subsidiaries of Santander Bank Polska S.A. did not change.
All subsidiaries of Santander Bank Polska Group as at 31 December 2024 are consolidated with the Bank in accordance with IFRS 10.

Associates

In the consolidated financial statements of Santander Bank Polska Group for 2024, the following companies are accounted for using the equity method in accordance with IAS 28:

1. Santander Allianz Towarzystwo Ubezpieczeń S.A.
2. Santander Allianz Towarzystwo Ubezpieczeń na Życie S.A.
3. POLFUND – Fundusz Poręczeń Kredytowych S.A.

Compared with 31 December 2023, the list of associates did not change.

III. Macroeconomic situation in 2024

Economic growth

Polish GDP expanded by 2.9% in 2024, thus returning to a pace close to its potential growth (i.e. around 3%) after the stagnation of 2023. GDP growth was driven by a recovery in private consumption, which increased by 3.1% and accounted for more than half of the overall expansion. The recovery in consumer activity, seen particularly well in the data for the first half of the year, slowed unexpectedly in the third quarter, raising concerns about further growth prospects, but preliminary full-year GDP data suggest that this was only a one-off disruption to the trend. Investment growth was modest at 1.3% in 2024, partly because it was still an early stage of the EU's financial perspective for 2021-2027, and inventory growth added 0.5 p.p. to overall GDP growth. The economic weakness of Poland's Western trading partners, primarily Germany, coupled with the recovery in domestic demand for imported goods, resulted in net exports reducing Polish GDP growth by 0.9 p.p.

Labour market

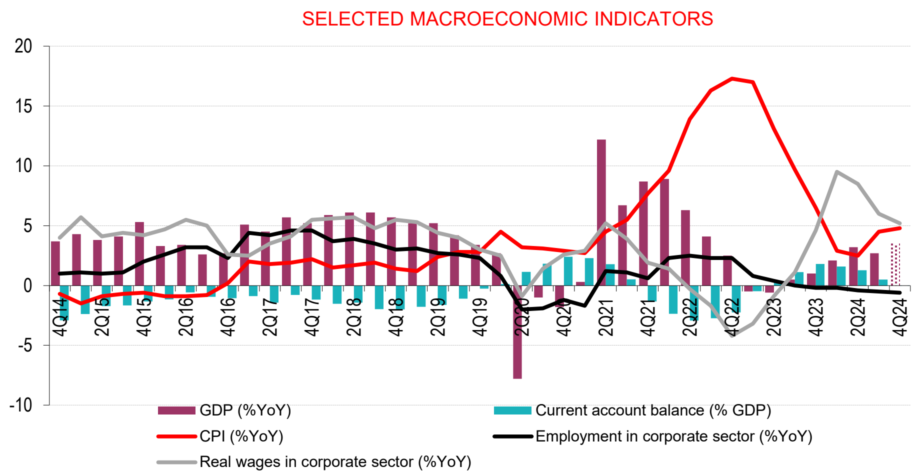
The labour market situation remained relatively stable, although a slight weakening could be seen over the year. The number of unemployed, both the Labour Force Survey measure and the one based on labour office registers, increased slightly, and the number of jobs in the private sector, primarily in manufacturing, went down. Despite this, the registered unemployment rate remains close to historical lows of around 5%, and in LFS terms it stands at 3%, which makes it the second lowest in the European Union. Wage growth remained at double-digit levels and, thanks to the fall in inflation, it averaged over 7% YoY in real terms.

Inflation

CPI inflation was declining at the beginning of the year and reached a minimum of 2.0% YoY in March. It picked up in the following months, partly due to the reinstatement of VAT on food. Changes in household energy prices in July pushed CPI inflation up to 4.2% YoY, i.e. outside the +/-1 percentage point tolerance band around the 2.5% YoY target and CPI remained above 4% YoY until the end of the year. The drought and the base effect (extension of the eligibility for free medicines introduced in September 2023) also contributed to the rise in inflation. The average annual CPI inflation was 3.6%. In the first half of the year, core inflation declined but rebounded slightly in the second half, ending the year at 4.0% YoY.

Monetary policy

The Monetary Policy Council has kept rates unchanged since the end of 2023, including the NBP reference rate at 5.75%. Although inflation continued to surprise downwards in the first half of 2024, a reluctance to change rates had built up within the Council. This stance was justified initially by high regulatory and fiscal uncertainty and later by the projected rise in inflation above the inflation target. In the third quarter, a number of MPC members began to hint at the possibility of starting to cut rates once the NBP's March 2025 projection was known, provided that it showed a gradual decline in inflation towards the target and current inflation readings confirmed the end of its build-up. However, towards the end of the year, the MPC's stance evolved again towards increased caution, with statements from NBP Governor Adam Glapiński suggesting that the prospect of the start of rate cuts had moved further away, possibly even to 2026, following the government's decision to maintain the energy price freeze only until September 2025.



Source: GUS, NBP, Santander

Credit and deposit market

In 2024, the credit market was in a phase of moderate recovery and grew by 5% after zero growth in 2023. At the beginning of the year, high activity was recorded in the mortgage market, which was due to the introduction of the 2% Safe Mortgage government programme in July 2023. After the programme's budget was exhausted, market activity decreased but remained at a solid level. Throughout the year, the value of new PLN-denominated mortgage originations amounted to almost PLN84bn, which is only slightly less than the all-time high recorded in 2021. At the end of the year, the volume of mortgage loans was 3.3% higher than the year before. Throughout the year, the consumer loan market was gaining momentum and it broke monthly sales records several times. In the whole 2024, contracts for new loans worth a record amount of PLN108bn were signed in the banking sector, a quarter more than a year earlier. At the end of the year, the consumer loan portfolio was 6% larger than in 2023. Similarly, the corporate loan market gradually gained strength during the year, the portfolio increased by approximately 5.5% and new loan sales amounted to PLN165bn, which was a record value.

Deposit growth was quite stable at around 8% YoY. Term deposits increased by approximately 5% and current deposits by 10%. The increase in deposits came mainly from the increase in net foreign assets in the banking sector, although it was also supported by accelerating loan growth.

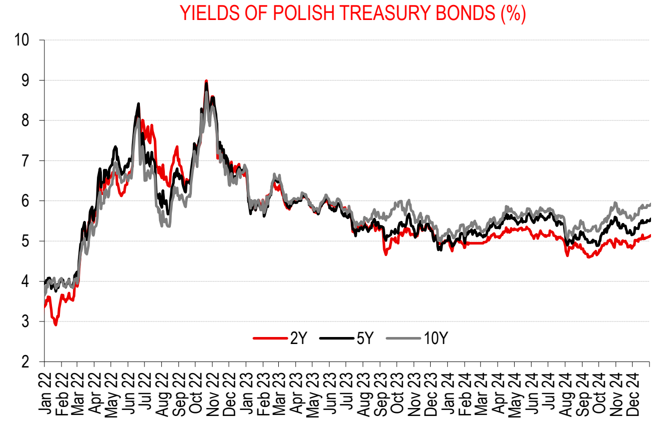
Financial markets

The first half of 2024 in financial markets was characterised by a gradual decline in the size of rate cuts expected to be delivered by the Fed and the ECB. The decline in monetary policy easing expectations was related to persistently high inflation (with expectations of its slow decline), solid labour market data in the US, as well as slightly better data from the eurozone. This tendency to retreat from the valuation of numerous rate cuts was reversed in the middle of the year, when fears of a stronger deceleration in the US economy temporarily built up. Those concerns led to the Fed surprising the market with a cut of 50 b.p. in September. In the autumn, however, strong data returned in the US, followed by reduced expectations about the scale of monetary easing by major central banks. The ECB began cutting rates in June and made three more cuts by the end of 2024, totalling 135 b.p. for the benchmark rate and 100 b.p. for the deposit rate. The Fed moved to the monetary easing phase in September and also cut rates at the remaining meetings of 2024, i.e. in November and December. In total, US interest rates were reduced by 100 b.p. last year. The second key factor affecting sentiment in financial markets was the uncertainty surrounding the US presidential and parliamentary elections and the impact on asset prices of expected changes in the country's economic policy following the victory of Donald Trump and the Republicans. The EURUSD exchange rate remained in the 1.06-1.10 range until the end of July, before breaking higher for two months on a wave of fears of a US recession, and before moving into a downtrend at the end of September, which lasted until the end of the year and ended near 1.03.

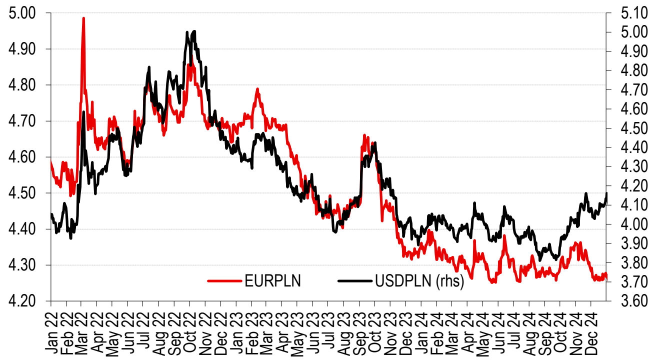
The zloty remained relatively stable against the euro and reacted to a limited extent to changes in market sentiment and shifts in the EURUSD exchange rate. The EURPLN exchange rate oscillated between 4.25 and 4.40. This stability of the Polish currency was supported by the unblocking of EU funds for Poland, the relatively hawkish tone of the National Bank of Poland with the prospect of a later start of interest rate cuts than in the euro area, and an increase in real interest rates along with a decrease in inflation. In the case of USDPLN, volatility was higher – the range of fluctuations in the first half of the year was 20 cents wide (3.90-4.10) and in Q4 there was an upward movement in the exchange rate of around 35 cents (from around 3.80 to 4.15).

In the domestic interest rate market, as in the core markets, expectations for interest rate cuts diminished rapidly in Q1. In contrast, the opposite occurred in Q3, and by the end of the year markets saw a renewed reluctance of the MPC to cut rates quickly and extensively. The range of fluctuations over the course of the year in FRA rates covering outlying periods reached around 150 b.p. In the case of IRS rates, fluctuations in the first months of the year had a range of 100-125 b.p. Domestic bond yields fluctuated to a lesser extent despite large Treasury debt issues. In the last four months of the year, the increase in yields was already more pronounced at around 60 bps along the entire length of the yield curve. 2Y yields ended 2024 at 5.20%, 30 bps higher than they started it, while 10Y yields rose by nearly 100 bps during the year, from around 5% to just under 6%. The yield curve therefore steepened from around +30 b.p. to +70 b.p. The 3M WIBOR rate remained very close to 5.86% throughout the year.

YIELDS OF POLISH TREASURY BONDS (%)



EXCHANGE RATE OF THE ZLOTY VS THE EURO AND THE DOLLAR



Source: Bloomberg, Santander

Stock market

2024 was not a particularly successful year for the Warsaw Stock Exchange. While some of the indices hit new all-time highs in the first half of the year, they started to lag behind the major global stock markets thereafter. Declining since May, the Polish stock exchange was finally outperformed by other emerging markets. In July, it took another hit from shifting sentiments related to the US presidential campaign, as polls swung clearly in favour of Donald Trump after J.D. Vance, a fierce opponent of aid for Ukraine and the continuation of the war, was named vice-presidential nominee. As there were no new capital inflows and foreign investors became more risk-averse, the WSE indices closed the year well below their global counterparts. WIG, a broad-based index, gained a mere 1.42%, while WIG20 lost 6.44%. On the other hand, SME indices – sWIG80 and mWIG40 – grew by 3.01% and 5.82%, respectively. The market expectations were higher as all the above indices reached new highs in 2024, but failed to stay at those levels until the end of the year. Political and economic developments in Poland were yet another headwind to the Warsaw floor. Replacement of board members in state-owned companies dominating the Polish stock market was not smooth and revealed many irregularities. Meanwhile, the inflationary pressure persisted due to increasing expenses driven by higher energy prices, making any real debate on interest rate cuts impossible.

Against this background, the prospects of global economic growth in 2025 with the new US president at the helm remain uncertain. With the presidential elections on the horizon, the Polish economy will require further measures to be taken to stimulate the growth as high interest rates continue to impede the investment demand, the second key indicator of the country's economic power next to consumption.

Legal environment of the banking sector

The table below shows the selected legislation which came into effect in 2024 and impacted the financial sector in Poland.

Act or regulation	Effective date	Selected regulations affecting the financial sector
Act of 26 May 2023 on state aid for saving for housing purposes	1 July 2023; part of provisions: 1 January and 1 March 2024	▸ The act introduced 2% Safe Mortgage with state-subsidised repayments and a housing account with a bonus from the state budget. ▸ It limited the assignment of reservation and development agreements.
Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 ("DORA")	17 January 2025	▸ The regulation requires financial entities to set relevant roles and responsibilities in relation to ICT risk management. ▸ It introduces: ▹ an obligation to adopt a dedicated ICT risk management policy and strategies, in particular: business continuity policy, audit plans, digital operational resilience strategy; ▹ a requirement to develop and regularly update ICT risk scenarios and a list of threats; ▹ an obligation to test digital resilience, including to test regularly all key ICT systems and tools in terms of vulnerability, performance, security, etc. ▸ It governs the relationships with ICT service providers and establishes the rule for sharing and exchanging information about ICT risks between financial institutions and service providers.
Act of 7 July 2023 amending certain acts to limit certain effects of identity theft	1 June 2024	▸ The act introduces a possibility to lock the PESEL number. ▸ Starting from 1 June 2024, the entities specified in the act (banks, payment service providers, payday lenders, etc.) must verify whether the customer's PESEL number has not been locked before they enter into certain types of agreements or pay out cash in the amount exceeding three times the minimum salary.
Act of 12 April 2024 amending the Act on support for mortgage borrowers in financial distress and Act on crowdfunding for business and support for borrowers	15 May 2024	▸ The act introduced a solution known as payment holidays for 2024 for borrowers who met the following criteria: had a PLN mortgage loan of up to PLN 1.2m and had at least three dependants or met an income criterion (the instalment to income ratio of min. 30%). ▸ Borrowers could suspend two loan instalments in Q3 and two loan instalments in Q4 2024.
Act of 14 June 2024 on the protection of whistleblowers	25 September 2024; part of provisions: 25 December 2024	▸ The act transposes Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law. ▸ According to the act, a whistleblower is an individual who reports or publicly discloses information on breaches acquired in a work-related context. ▸ The act defines the conditions for protecting persons who report or publicly disclose information on breaches, protection measures, rules on establishing an internal procedure for reporting breaches and taking follow-up actions, rules on reporting breaches to public authorities, and rules on publicly disclosing information on breaches.

Act or regulation	Effective date	Selected regulations affecting the financial sector
Amendment of the Act on special arrangements related to flood recovery and certain other acts	5 October 2024	▸ The act introduces non-repayable support for borrowers affected by the flood. ▸ Home loan borrowers (as defined by the Act on support for borrowers) whose mortgaged property has been damaged by the flood or is temporarily uninhabitable can apply for financial aid and have 12 monthly principal and interest instalments repaid from the Borrowers Support Fund. The equivalent PLN amount is to be transferred by Bank Gospodarstwa Krajowego to an account indicated by the lender.
Act of 12 July 2024 on the provisions introducing the Electronic Communications Law Act	10 November 2024	▸ The act introduces significant changes for businesses using electronic communication channels for marketing activities, requiring them to review existing marketing consents. It supersedes the previous legislation applicable in this respect, including the Telecommunications Law Act and Article 10 of the Act on providing services by electronic means. ▸ The new legislation requires that a separate consent be obtained for each marketing communication channel (e.g. phone, email or text message). Consent must be freely given, informed, specific and unambiguous. ▸ The Electronic Communications Law (ECL) applies both to consumers and businesses, which means that B2B prospecting activities must meet the same requirements. ▸ Existing consents remain valid if they meet the requirements of ECL and GDPR. They still have to be reviewed by the controllers to make sure they comply with the new standards. ▸ Users should be able to easily withdraw their consents at any time.
Bill amending the Act on the national cybersecurity system and certain other acts	Q4 2024/ 2025	▸ The planned amendment of the act: ▹ extends the list of entities of the national cybersecurity system to include new economic sectors; ▹ imposes obligations related to cybersecurity risk management in accordance with the NIS2 Directive (including on essential and important entities); ▹ enables essential and important entities to report incidents to relevant sectoral and national CSIRTs via an ICT system of the minister responsible for digitalisation; ▹ increases supervisory powers of authorities responsible for cybersecurity; ▹ introduces new administrative sanctions for essential and important entities in case they fail to perform their statutory obligations; ▹ introduces a national response plan for large-scale cybersecurity incidents and crises.
Regulation of the Minister of Finance of 6 May 2024 on detailed rules for organisational separation of the bank's brokerage activities and activities that can be performed by a separate organisational unit or other units of the bank (Journal of Laws of 2024, item 718)	28 May 2024 (selected provisions: 28 November 2024)	▸ The regulation supersedes the existing legislation in this respect and sets the rules for organisational separation of brokerage activities from other operations performed by the bank. ▸ The key updates include: ▹ Identification of permitted areas of cooperation between the brokerage office and the bank (AML, IT systems, GDPR, tax law, target markets, etc.). ▹ Refinement of provisions on protecting information subject to professional secrecy exchanged as part of the above cooperation subject to strict confidence and procedural safeguards. ▹ A requirement for a mandate to be issued to perform certain activities.

Act or regulation	Effective date	Selected regulations affecting the financial sector
Regulation of the Minister of Finance of 24 September 2024 on detailed technical and organisational conditions for investment firms, state-owned banks conducting brokerage activities, banks referred to in Article 70(2) of the Act on trading in financial instruments, and custodian banks (Journal of Laws of 2024, item 1423)	28 September 2024	▸ The regulation supersedes the previous legislation and generally repeats the existing rules. The main changes refer to the compliance function, control and internal audit of activities performed under Article 113(1) of the Act on trading in financial instruments. ▹ The compliance function covers all brokerage activities performed by the bank irrespective of the execution venue. ▹ The internal audit of activities referred to in Article 113(1) of the Act on trading in financial instruments should be performed by the bank's internal audit unit operating at the level of the bank rather than the brokerage office. ▹ The internal control system should be based on three lines of defence: the first line at the bank (business units), the second line at the brokerage office (compliance units) and the third line at the bank (internal audit).

Regulatory recommendations and guidelines	Effective date	Selected guidelines affecting the financial sector
New Recommendation S on best practice in the management of mortgage-backed credit exposures	1 July 2024	▸ New Recommendation S introduces the following: ▹ state-guaranteed home loan; ▹ home loan with state-subsidised interest payments; ▹ interest rate increase buffer to be used in repayment capacity calculations; ▹ new expectations regarding prepayment models and information for customers about risks connected with mortgage loans.
New Recommendation U	1 July 2024	▸ The purpose of the recommendation is to ensure appropriate value for customers in terms of insurance products, specifically payment protection insurance. ▸ New requirements have been introduced in relation to the marketing of insurance products (including group insurance plans) as part of bancassurance activities. ▸ Processes related to the offering of insurance products must be monitored as part of the internal control system and the risk management system.

IV. Development strategy

1. Purpose, aim, values and strategic objectives

At the end of 2023, the Bank's Management Board adopted the strategy of Santander Bank Polska Group for 2024–2026, which is a continuation of the previous course of action and is based on the same values and assumptions as applied before.

The Group's purpose is to help customers and employees prosper with an aim to become the most profitable bank in Poland.

Purpose

To help customers and employees prosper

Aim

To be the best open financial services platform by acting responsibly and earning the lasting loyalty of employees, customers, shareholders and communities

Values

Simple | Personal | Fair

> Strategy of Santander Bank Polska Group for 2024–2026

Strategic directions

The Group's strategy for 2024–2026 "We help you achieve more" has been developed to meet the priorities of the Bank as a modern organisation. It is based on three strategic directions: Total Experience, Total Digitalisation and Total Responsibility.

Its key pillar is Total Experience, which is focused on maximising customer and employee experience. The second one, i.e. Total Digitalisation means further development of digital service channels for customers and an effective digitalised work environment for employees. The third one, which is Total Responsibility,

reflects the Bank's responsible business agenda and covers both environmental and social aspects.

When setting the strategic directions, the Group also defines strategic objectives and key success measures that let it track the progress in delivery of the strategy.

Total Experience

It stands for:

→ A unique corporate culture where customer experience (CX) and employee experience (EX) are equally important.

→ A unique process of designing solutions together with users, focusing on people needs, which lays at the heart of our competitive advantage. We also ensure pragmatic value and positive emotional connection with customers and employees.

How do we embrace this direction?:

→ We combine CX and EX to increase the synergy of our actions:

- We have created an integrated TX approach. This is how we design and deliver unique experience to our customers and employees. This will make us joyfully brave, happily human and seriously impactful.

→ We care about fundamentals:

- We are surprisingly simple, as we streamline processes, solutions, documents and communication for customers and employees.
- We care about work-life balance, competitive remuneration and physical and mental wellbeing of our employees.

→ We develop tools:

- We always take into account employee perspective when designing solutions for customers. The experience of one group does not negatively affect the experience of the other.
- We strengthen process ownership based on comprehensive customer and employee experience: Total Experience Ownership.

→ We are transforming our culture:

- We strengthen the corporate culture of Santander Group based on cooperation, trust, diversity, empowerment and continuous development.
- We build the culture of cooperation in the spirit of One Team, promoting experimentation and continuous improvement.
- We support leadership as the key element in building a human-centred organisation.

→ We are becoming a Love Brand:

- We support customers and employees by communicating with them using emotional differentiators.
- We design and test products and services with customers and employees based on TX Guide.

Total Digitalisation

The scope of this direction includes:

→ The digital business model is developed on the basis of the following objectives:

- We deliver the best digital experience to our customers and employees, making it unique. This will make us joyfully brave, happily human and seriously impactful.
- We strengthen process ownership – business owners have greater decision-making powers in managing all customer and employee paths (sales, post sales, internal processes). To this end, they use KPIs, monitoring and budget.
- We ensure digital, end-to-end self-service of all processes, unless it is not cost-effective or customers prefer in-branch or remote service (Optichannel).
- We maximise customer and employee self-service. We migrate customers to digital self-service, and at the same time provide them with assistance in traditional channels.
- We leverage personalised communication, digital proposition and 360º customer view (hyperpersonalisation) to make us joyfully brave, happily human and seriously impactful in Optichannel.
- We have open APIs – we design all interfaces from scratch to speed up delivery to external partners.
- We use artificial intelligence and machine learning to support cost and operational efficiency.

→ Reduced Time to Value:

- We accelerate Time to Value and Time to Market without compromising on quality.
- We ensure a flexible approach to experiments according to the needs of their owners.
- We implement and use modern layers of integration and data access (New Backends).

→ Relationships with employees and customers:

- We have all the necessary information about customer preferences and behaviours to provide them with a smooth and personalised service path.
- We wish to maintain interpersonal relationships with customers, especially through branches, managers and product experts (BCB and CIB). At the same time, we help customers settle into the digital world.

- Our customers are not afraid to give us their data.
- We provide excellent quality paths that make customers and employees want us to be their partner in non-banking services. That said, our services include more than just banking.

Total Responsibility

Our objectives as part of this direction are based on the ESG areas:

→ E (Environmental):

- We are a role model in terms of sustainability and transformation.
- We help and guide customers through green transition.
- We build business networks, finding trusted partners and helping them arrange finance.

→ S (Social):

- We support society by providing education, preventing financial exclusion and making social investments.
- We provide comprehensive communication on our social activities that build the awareness of our impact.
- We promote equality and diversity among employees.
- We counteract digital exclusion, offering friendly digital products and advising customers.
- We ensure a high level of cybersecurity and transparent communication with customers, talking straight about risks.

→ G (Governance):

- We live up to our commitments to all stakeholders and are transparent about our plans and activities.
- Our regulatory compliance ensures security and stability, whereby we can strengthen customer trust.
- We talk with regulators and industry organisations about new legislative directions that favour a sustainable transition.

Ambitions of Santander Bank Polska Group as part of the strategy for 2024–2026

KPI	Ambition	Performance 2024	Performance 2023
Return on Equity (ROE)	TOP3 for the Polish banking sector	20.4%	20.3%
NPS	TOP3 for the Polish banking sector	TOP3 for the Polish banking sector	
Employer Certificate	Maintaining certification	Top Employer Certificate maintained	
Total Capital Ratio	Dividend triggering level	17.68%	18.65%*
Cost of Risk (CoR)	70-90 p.b.	0.58%	0.72%
Cost to income ratio	<35%	29.6%	29.5%
Dividend payout	Dividend payment in the amount permitted by the regulator	PLN 4.56bn	PLN 2.38bn

*Data include profits classified as own funds in accordance with the applicable EBA guidelines.

Source: NPS, Top Employer Certificate and the level of dividend payments are bank data. Other figures are based on consolidated figures excluding Santander Consumer Bank S.A.

In view of dynamic and complex changes in the macroeconomic conditions, the strategy of Santander Bank Polska Group is regularly verified, which helps take prompt action in response to market trends and other developments in the fast changing environment.

The priorities set in the strategy are met in line with the strategic initiative agenda. In 2024, the strategy was kept unchanged and all objectives were delivered.

Sustainability as an integral part of the Group's development strategy

Sustainability is one of the key and integral elements of Santander Bank Polska Group strategy for 2024–2026.

The three strategic directions: Total Experience, Total Digitalisation and Total Responsibility have their own independent objectives but complement each other at the same time.

Sustainability is predominantly a part of the Total Responsibility agenda, which sets commitments in terms of stakeholder value creation based on a sustainable business model and analysis of relevant ESG issues, opportunities and risks. A detailed scope of the direction is described in the section "Integrating Sustainability Goals into Strategy for 2024-2026".

Key achievements in 2024

TOTAL EXPERIENCE

Actions delivered in 2024 as part of the TOTAL EXPERIENCE direction	
	▶ The new strategic direction, its objectives and indicators were communicated to employees. A range of information and education activities were carried out, including theoretical and practical training such as interactive e-learning courses that met the needs of different employee groups. ▶ Tools were developed to facilitate the implementation of the Total Experience approach in day-to-day work, such as a guide with examples, standards, templates and checklists. ▶ Intensive efforts were undertaken to promote the culture of innovation and grow business. Work was launched to develop a systemic approach to the design of products and services based on customer and employee journeys. ▶ TX tools designed in accordance with user needs were further improved and promoted among employees. ▶ The first banking projects and initiatives for employees were delivered in line with the new approach. ▶ Systemic measurement and monitoring of TX indicators was developed. The data will be used to plan actions for 2025. ▶ A comprehensive feedback loop on TX approach was carried out, covering updated customer-centric standards and available tools. The results will be used for improving the methodology going forward.

TOTAL DIGITALISATION

Actions delivered in 2024 as part of the TOTAL DIGITALISATION direction	
	▶ The functionality and stability of the One App mobile application were further enhanced. ▶ Measures were taken to increase the number of processes/ services/ products available online without customers having to visit the branch, while ensuring process excellence of the banking systems. ▶ The functionality and availability of products and services for SME and corporate customers in remote channels were improved. ▶ Selected banking systems were upgraded or replaced to ensure highest security standards and stability of services.

TOTAL RESPONSIBILITY

Actions delivered in 2024 as part of the environmental aspect of the TOTAL RESPONSIBILITY direction	
	▶ Energy efficiency was further increased, as the Bank launched the project of solar power generation at branches, continued the conversion to LED lighting, and tested solutions to reduce heat consumption in outlets. Currently, the Bank uses 100% renewable energy, as confirmed by the guarantees of origin. ▶ The Bank and Santander Leasing S.A. were awarded the ISO14001 certificate, confirming that the environmental management system in the companies' headquarters meets the specific standards. ▶ The Bank launched Santander New Energy, Europe's first platform supporting the green transition of SME and corporate customers. Apart from information about available EU funds and educational materials, the platform offers tools to track the company's carbon footprint and calculate cost-effectiveness of energy transition taking into account the company's business model. ▶ The Bank developed "Santander New Energy on Tour", Poland's largest programme for employees and SME and corporate customers focusing on energy transition, sustainability and the related regulations. In partnership with Poland's largest media group, the Bank launched a podcast series entitled "With new energy about finances", bringing together renowned experts from the world of business and science. ▶ More than two thousand customer advisors took part in training programmes focusing on commercial aspects of energy transition in terms of products and tools offered by the Bank for the corporate sector. ▶ Record high growth was reported in sustainable finance (according to the Bank's Sustainable Finance and Investment Classification System) based on mortgage-backed facilities and funds from Corporate & Investment Banking Export Credit Agency (CIB ECA). ▶ New products and services were developed to support customers in improving assets with the greatest potential for increasing operational efficiency and reducing the carbon footprint as part of scope 1 and 2. ▶ ESG risk concentration limits were introduced for sectors which are the largest contributors to climate change and for high physical risk exposures. The financed emissions were recalculated and the quality of data used for that purpose was improved. Decarbonisation levers were defined for the selected material portfolios.

Actions delivered in 2024 as part of the social aspect of the TOTAL RESPONSIBILITY direction

- In 2024, a total of 56 350 people benefited from the following initiatives of Santander Universidades:
  - Free online language courses (five foreign languages to choose from) offered in partnership with British Council and eTutor on the Santander Open Academy platform to a limited number of participants.
  - Free instant access unlimited training courses available as part of Santander Open Academy (business skills, technology skills, digital tools for business, soft skills).
  - Cooperation with universities, scholarships, grants for students and PhD students.
- A number of educational projects were delivered, reaching 1,213,474 people. The key projects were as follows:
  - Finansiaki – a financial education project for parents of children over 3 and teachers, including a website (www.finansiaki.pl), online campaigns, social media, classes at schools and a tutorial ("Finansiaki to My").
  - Cybersecurity – educational campaigns on how to protect oneself against cyber fraud, run in partnership with the Polish Bank Association and the Warsaw Institute of Banking in internet and mobile banking channels, on the Bank's website and social media (including "Don't believe in fairy tales" campaign).
- In 2024, the Santander Foundation delivered numerous social projects, including:
  - We Multiply the Good – a fundraiser for pediatric oncology, a social objective chosen for 2024 (with a donation made by the Foundation).
  - Together for Eco-Change – financing of electric car charging stations for 17 local authorities (with five stations built by the end of 2024).
  - Scholarship programme – scholarships of PLN 10,000 were paid out to 52 people, including 25 scholarships awarded in the 2024/25 school year for particularly talented primary and secondary school students.
  - Here I live, here I make ECO friendly changes – 15 grants of PLN 15k each for projects contributing to changes in the local environment (mini parks, rain gardens, etc.).
  - Bank of Young Sports Champions – 11 sports initiatives were financed for young people (e.g. sports tournaments and competitions).
- Flicker Club – renovation and furnishing of three units in children's hospitals in line with beneficiaries' and patients' needs.
- Another edition of the "ESG knowledge bank" training was launched for employees to consolidate and expand their knowledge and skills related to sustainable development and ESG.
- Cyber education initiatives for employees were undertaken to increase the Bank's resilience to different cyber risk scenarios. Similar initiatives were also delivered for customers to enhance their safety, while increasing the Bank's NPS.
- The Bank continued the culture-related initiatives for employees in respect of diversity, equality and inclusion, promotion of corporate values and behaviours, employee development, healthy lifestyle and wellbeing.
- To foster the corporate culture, the following initiatives and events were organised: BeHealthy Week, Family Day, Diversity and Pride Month, along with development of employee networks and clubs, and increase in leaders' engagement (e.g. through mentoring programmes such as "She is a Leader" or "Santander Women").
- The social agenda was further developed as part of the model of support for local communities.

Actions delivered in 2024 as part of the governance aspect of the TOTAL RESPONSIBILITY direction

- Measures were taken to strengthen the 1LoD and 2LoD units and foster the risk culture.
- The monitoring of implementation of regulatory recommendations was enhanced.
- The Bank received the following awards and accolades: Top Employer Poland and Top Employer Europe 2024, "Ethical Company" from Puls Biznesu, "Institution of the Year" from Moje Bankowanie, Great Place to Work, ESG White Leaf from Polityka, Diversity IN Check, Best Annual Report, ESG Visionary.
- Sustainability disclosures were made as part of communication with stakeholders, including: Management Board's Report, Pillar 3 disclosures and ESG Report (https://esg.santander.pl/2023/).
- Further measures were taken to integrate ESG data and implement CSRD requirements. An internal ESG database will be developed going forward.
- Comprehensive Greenwashing Risk Management Guidelines were developed and are planned to be implemented across the Group in early 2025.

Monitoring of the Group's strategy

The strategy is managed in accordance with the Strategic Planning Policy of Santander Bank Polska Group ("Policy") adopted under the resolutions of the Bank's Management Board and Supervisory Board. The process consists of the following key stages:

Monitoring of the progress against the strategy	▸ Monitoring is conducted on a quarterly basis and its results are presented to the Management Board and the Supervisory Board. ▸ During the meetings of the above governing bodies, the values of strategic metrics and the progress against the strategy are reviewed. ▸ If the targets are not met, remedial actions are defined.
Review of the strategy delivery	▸ The delivery of the strategy is subject to a comprehensive annual review. Its objective is to verify the progress, identify risks, check the validity of the strategy and decide if it should be further pursued. ▸ As a result of the annual review, the strategy can be continued or modified.
Strategic analyses and conclusions	▸ A decision on the scope, continuation or abandonment of the strategy is taken on the basis of analyses and double materiality assessments. Their purpose is to identify the impact, opportunities, threats and trends which affect the Group's activities and reflect its impact on the key stakeholder groups.
Development and approval of the strategy	▸ If the strategy horizon ends or the Management Board decides that the strategy is invalid, a relevant group of stakeholders is involved in the development of a new strategy.
Implementation of the strategy	▸ The implementation of the strategy involves the definition of objectives, indicators and metrics, and their proper top-down communication, starting from the Management Board. The portfolio of initiatives is monitored on an ongoing basis to launch projects which contribute most to the delivery of the strategic directions.

2. Corporate culture

The corporate culture of Santander Bank Polska Group is based on the values and ethical standards which help build trust and earn lasting loyalty of employees, customers, shareholders and local communities.

→ The foundations of the corporate culture of Santander Bank Polska Group and Banco Santander Group are the **General Code of Conduct** and Simple | Personal | Fair values and behaviours.

→ The Simple | Personal | Fair values reflect the Group's philosophy, including rules it follows when taking decisions and interacting with customers, shareholders and other stakeholders. In line with these values, the Group strives not only to fulfil its business commitments and comply with laws, regulations and best practice, but also to exceed expectations of its stakeholders, particularly customers. Special focus is placed on the areas where the Group may significantly help customers achieve financial success and sustainable growth.

Simple	Personal	Fair
The Group's products and services are tailored to customers' needs and expectations and based on easy-to-understand and uncomplicated solutions and procedures. The Group continuously improves operational processes and communicates with customers using plain and clear language.	The Group builds lasting relationships with customers. Customers are provided with tailored products and personalised services. The Group strives to treat each employee and customer in a way that makes them feel special and appreciated.	Employees and customers are treated equally and fairly. Banking business is conducted with due care in a transparent and compliant manner. The Group maintains satisfactory relationships with shareholders, trusting that what is good for them is good for Santander Group. It keeps promises and fulfils its commitments towards communities.

→ The Group promotes five corporate behaviours among its employees, which are additionally used as a performance review criterion:

Corporate behaviours applicable since 2022 speed up transformation of the organisation and make it more attractive for customers. They form an acronym: "T.E.A.M.S.", indicating that people - our teams and our customers - are our top priority.

→ The risk culture promoted by Santander Bank Polska S.A. is called Risk Pro and consists of five principles: responsibility, resilience, simplicity, challenge and customer focus. Activities implemented within this culture include: education of the Bank's employees; awareness-raising activities among employees relating to risks encountered in day-to-day work; providing channels for anonymous reporting of issues of concern; and features of the incentive system encouraging employees to adhere to the risk culture values.

→ Diversity and inclusion in the workplace, the quality of product offer and services for customers and outstanding relations with other stakeholders are seen by the Group as the sources of its strength and competitive advantage.

→ The Group promotes diversity, among other things, by eliminating gender pay gaps, increasing the female representation on managerial positions, employing people with disabilities and delivering the Barrier-free Banking Programme.

→ The Group conducts its activity in line with the principles of responsible banking and sustainable development ("Responsible Banking and Sustainability Policy"), understanding the role and importance of banks to customers, the economy, the environment and the community. It focuses on developing fair and transparent relationships with customers and making a positive contribution to communities and the environment.

3. Forecast of economic situation in 2025

Economic growth

We assume that in 2025 the Polish economy will grow at a rate exceeding 3% YoY, supported by moderate private consumption growth and accelerating investment growth, stimulated primarily by the growing use of EU funds. However, the relatively slow contracting process of EU funds poses a risk to the expected scale of the investment recovery. The international environment is likely to remain difficult for domestic manufacturers and exporters, and the protectionist trade policy of the US will pose an additional risk to the prospects for growth in eurozone demand for Polish goods. Nonetheless, we expect Polish exports to grow slightly, although the growth will be noticeably weaker than the increase in imports stimulated by domestic demand. As a result, the foreign trade balance will deteriorate further.

Labour market

The continuation of the economic recovery, and above all the increase in investments, should translate into a slight increase in labour demand, and allow the unemployment rate to remain close to historical lows. Economy-wide wage growth should, however, decelerate, in our view to 7-8% YoY, due to a much more modest scale of minimum wage and public sector wage increases than in 2024, lower observed inflation and a marked deterioration in companies' margins, which narrows their room for wage negotiations.

Inflation

Inflation will still rise at the beginning of the year and will peak at just over 5% YoY in March. It will decline in the following months, including a larger drop in July due to the statistical base effect. By the end of the year, it should be just below 4% YoY. In the second half of the year, the decisions of the Energy Regulatory Office (URE) on new electricity and gas tariffs will be key to the trajectory of CPI inflation. Core inflation will gradually decline, but should remain above 3%.

Monetary policy

In early 2025, the Monetary Policy Council maintained a cautious tone, suggesting no rush to ease monetary policy and making future decisions dependent on incoming data and information affecting inflation forecasts. Some MPC members pointed to July as a possible date for the start of the interest rate cut cycle. The expectations of the financial market, reflected in the pricing of interest rate derivatives, have also shifted in this direction. In the baseline scenario, we assume that a monetary easing phase will start in July, bringing the reference rate to 4.5% by the end of 2025.

Credit and deposit market

In 2025, the loan portfolio will most likely continue to grow. The quite strong consumer demand should support an increase in consumer loans, while the economic and investment recovery should support an increase in corporate loans. Growth in the mortgage loan market will probably remain at the level recorded in the second half of 2024. However, the government announced the introduction of a new borrower support programme and it may have a decisive impact on the market behaviour. However, no details about this programme have been published yet. Deposits will continue to grow at a solid pace, supported by expansionary fiscal policy.

Financial markets

In 2025, the following key global factors will shape the mood on financial markets: economic policy, including trade policy, of the new US administration, the scale of further loosening of monetary policies by major central banks, and geopolitical tensions. The uncertainty caused by these factors may weaken the Polish zloty. However, such a tendency should be limited by further economic recovery in Poland based on investments from EU funds and the hawkish attitude of the National Bank of Poland. As a result, in the second half of 2025, the EUR/PLN rate may remain above 4.30.

The debt market should be dominated by a decline in domestic yields, especially when the Monetary Policy Council starts reducing rates. However, due to the government's large borrowing needs, the yield curve may gradually steepen, especially in the second half of the year.

V. Relations with employees

1. Human capital

Employment

As at 31 December 2024, the number of FTEs in Santander Bank Polska Group was 11,396 (11,471 as at 31 December 2023), including 9,486 FTEs of Santander Bank Polska S.A. (9,420 as at 31 December 2023) and 1,361 FTEs of Santander Consumer Bank Group (1,513 as at 31 December 2023).

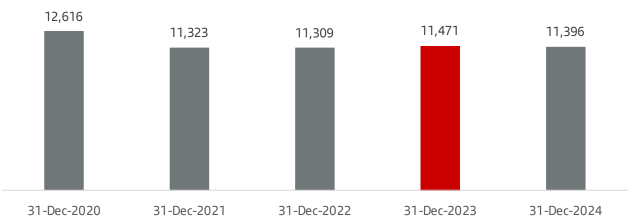
The employment in Santander Bank Polska Group decreased by 75 FTEs YoY.

The Group continues the transformation of the business model through digitalisation, branch network optimisation, migration of products and services to remote distribution channels, and gradual implementation of technological and organisational solutions increasing operational efficiency. The objective is to allocate the maximum resources to strengthen customer relationships, grow business and build skills matching the target profile for the organisation.

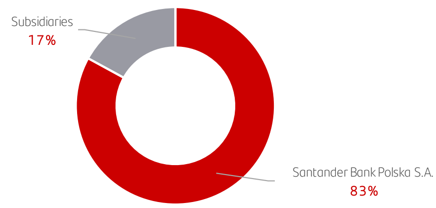
The HR processes take into account present operational needs, development requirements as well as the market and regulatory environment.

> Employment of Santander Bank Polska Group

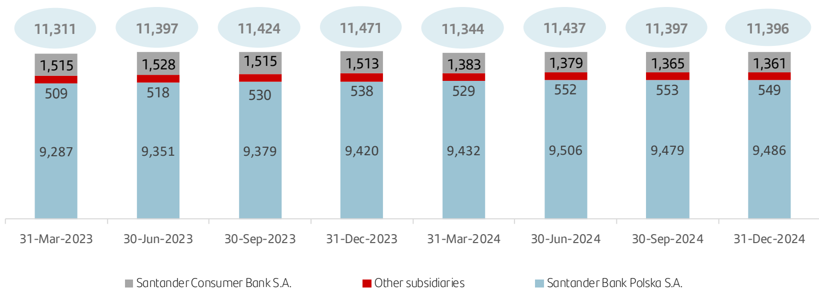
Employment in Santander Bank Polska Group as at 31 December in years 2020-2024 (in FTEs)



Employment structure in Santander Bank Polska Group as at 31.12.2024



Employment at Santander Bank Polska Group (in FTE) by quarter in 2023 and 2024

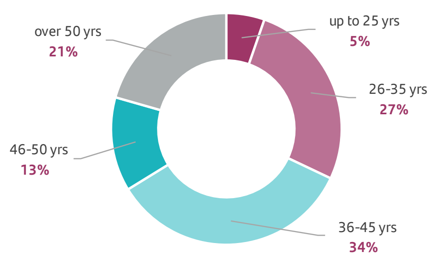


1) The employment data provided above do not include employees of the Shared Services Platform of Stellantis Financial Services Polska Sp. z o.o., who are employed in Poland but serve clients based abroad.

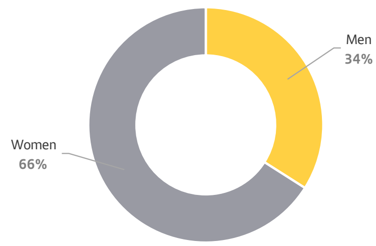
- Human and intellectual capital of Santander Bank Polska Group is created by highly-qualified employees who constantly develop their competencies as part of day-to-day activities and top-quality development programmes.
- Comprehensive development programmes for managers and employees and continuous focus on knowledge sharing and self-education contribute to the growth of the intellectual potential as well as efficiency and stability of the Group's human capital.

> Employment structure of Santander Bank Polska Group in 2024

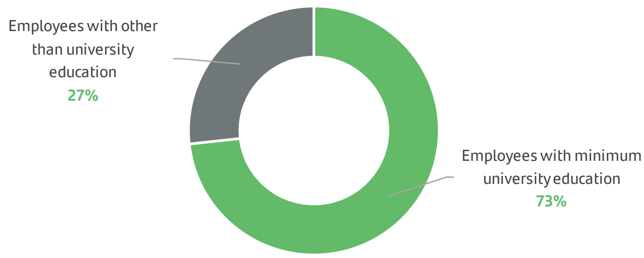
Employee structure by age at Santander Bank Polska Group



Employee structure by gender at Santander Bank Polska Group



Employee structure by education at Santander Bank Polska Group



- Women make up the majority of Santander Bank Polska Group's workforce (66%).
- The age structure is diversified with the highest share of employees in the 36-45 age group.
- 73% of employees have at least the first-level university degree.

More quantitative data on employment in the Group can be found in Chapter XIII "Consolidated Sustainability Statement of Santander Bank Polska Group for 2024".

2. Remuneration policy and bonus schemes

Scope and perimeter of the remuneration policy

The rules for remunerating employees are set out in the Remuneration Policy of Santander Bank Polska Group, which covers employees of the Bank and its subsidiaries, including identified employees (known as material risk takers, i.e. employees whose professional activity has a significant impact on the risk profile of the organisation) excluding members of the Management and Supervisory Boards. The remuneration for members of the management and supervisory bodies is governed by separate policies described in Chapter XII "Statement on corporate governance in 2024", Part 4 "Governing bodies".

The Group's remuneration policy covers a wide range of topics. It defines the rules for determining fixed and variable remuneration, awarding bonuses for sales staff, identifying and awarding bonuses to material risk takers in the Group, determining remuneration of control function employees and applying malus clauses (identification, assessment and ex-post adjustment to variable remuneration payable to material risk takers of the Group).

The purpose of the policy is to support long-term sustainable growth of the Group by ensuring that employees are adequately remunerated and effectively motivated to deliver best results and to achieve the strategic goals. The remuneration system is consistent with the interests of key stakeholder groups (shareholders, employees, customers and communities) and supports long-term value creation, while taking into account such aspects as risk management, strategy, interests of the organisation, capital requirements and corporate culture. The practices related to the remuneration policy are gender neutral. They allow the Group to recruit and retain top talents using a competitive remuneration package including base salary, bonus schemes and attractive benefits.

Changes to the Remuneration Policy

In 2024, the Remuneration Policy was reviewed and minor changes were introduced to ensure that it complies with:

- Regulation of the Minister of Finance on the risk management system, internal control system, remuneration policy and detailed method of internal capital estimation in banks;
- EBA Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04);
- Remuneration Policy of Santander Group;
- ESMA Guidelines on certain aspects of the MIFID II remuneration requirements (ESMA35-43-3565).

Fixed remuneration

The key component of remuneration at Santander Bank Polska S.A. is the base salary, which is determined on the basis of the role performed, scope of responsibility, qualifications and experience. In its approach to job valuation, the Bank's remuneration unit uses best market practice to ensure competitiveness of remuneration.

In response to dynamic changes in the labour market, the Group's remuneration system is periodically reviewed using payroll reports of leading advisory companies and data published by Statistics Poland (GUS). Salary review is a standard element of the Bank's management, recognition and talent acquisition/ retention. The main objective of the process is to increase the pay of the lowest earners, reward contribution to the Bank's digital transformation and strategic projects and initiatives, reward top performers and employees acting in line with corporate values, benchmark base salaries of the Bank's units, and ensure equal pay for women and men performing the same roles.

The last comprehensive review of base salaries took place in Q3 2023, leading to pay rises for a significant number of the Bank's employees. This way, the Bank increased the competitiveness of remuneration and reduced the gender pay gap as part of the remuneration strategy.

The previous salary review took place in Q3 2024, leading to rises in base salaries but on a smaller scale than in the previous year.

Variable remuneration

Variable components of remuneration

The employees of Santander Bank Polska Group are subject to bonus schemes based on which they are awarded variable remuneration. The bonus schemes increase staff motivation and support the delivery of strategic objectives set by the organisation. The awarding criteria and bonus levels are strictly linked to business and qualitative results of the Group and individual employees, whose performance, delivery of objectives, behaviours and engagement are reviewed on a regular basis.

The Group's employees are set individual objectives that correspond to the activities of a given organisational unit. The objectives of the employees of control units (internal audit, compliance area, risk management units and HR units) arise from the roles they perform and their remuneration does not depend on the financial performance of business areas they control. In the case of the sales staff, in addition to quantitative and qualitative objectives the performance review also covers the indicators related to customer service, risk management and compliance with the applicable regulations.

Variable remuneration depends on a bonus scheme relevant to a given employee (including bonus regulations for front-office staff, back-office staff and employees of control units). Individual bonus schemes differ in terms of eligibility criteria, bonus amount and payment frequency. Bonus payment is conditioned upon the delivery of specific quantitative objectives (e.g. a stated gross or net profit growth rate or amount, credit cost, NPL, RWA) and satisfaction of qualitative criteria (e.g. customer satisfaction). It also has an option of awarding individual discretionary awards pursuant to the internal regulations.

The rules for determination and payment of variable remuneration for material risk takers are presented in Chapter XII "Statement on corporate governance in 2024", Part 5 "Remuneration policy".

The overall variable remuneration cannot exceed 100% of fixed remuneration even in the case of an outstanding performance. However, in exceptional cases, this limit may be increased to maximum 200% of fixed remuneration subject to the approval by the AGM.

Variable remuneration components also include long-term incentive plans addressed to key employees of the Bank. In 2024, there was five-year Incentive Plan VII in place at the Bank. The Plan was introduced under resolution no. 30 of the Annual General Meeting of Santander Bank Polska S.A. held on 27 April 2022 and covers the employees of the Bank and its subsidiaries who significantly contribute to growth in the value of the organisation. The rules of the Plan are presented below.

As the business and quality targets were met at the level triggering a bonus pool for 2023, in Q1 2024 the Bank's Management Board decided to pay variable remuneration in its full amount. Objectives were also achieved to pay the awards under the long-term Incentive Plan VII.

Incentive Plan VII

Rules

On 27 April 2022, Incentive Plan VII was established in Santander Bank Polska Group under resolution no. 30 of the Annual General Meeting. The Plan is addressed to the employees of the Bank and its subsidiaries (excluding Santander Consumer Bank S.A.) who significantly contribute to growth in the value of the organisation. Its purpose is to motivate the participants to achieve business and qualitative goals in line with the Group's long-term strategy. This mechanism is to strengthen the employees' relationship with the Group and encourage them to act in its long-term interest.

The Plan obligatorily covers all persons with an identified employee status in Santander Bank Polska Group (material risk takers). Other key employees indicated by the Management Board and approved by the Supervisory Board may participate in the Plan on a voluntary basis.

The Plan covers the period of five years (2022–2026). However, as the payment of variable remuneration is deferred, the share buyback and allocation will be completed by 2033.

The participants are entitled to variable remuneration in the form of the Bank's shares provided that they meet the terms and conditions stipulated in the participation agreement and the resolution. To that end, Santander Bank Polska S.A. will buy back up to 2,331,000 shares from 1 January 2023 until 31 December 2033.

Participants who join the Plan are excluded from other incentive schemes applicable in the Bank and are not entitled to bonuses defined in the bonus rules applicable at their units in a given year. This provision does not apply to material risk takers who receive variable remuneration in line with the Rules for payment of variable remuneration to identified employees of Santander Bank Polska Group applicable in a given year.

Information on the vesting conditions for the award under the VII Incentive Programme is included in Chapter XII "Statement of corporate governance in 2024", Part 4 "Governing bodies".

Control of the Incentive Plan in 2024

The Supervisory Board defines the list of participants at the Management Board's request.

In each year of the Plan, the Supervisory Board sets the matrix of targets for Management Board members. Their achievement impacts the value of the award granted. Likewise, in each year of the Plan, the Bank's Management Board approves the matrix of targets for individual organisational units. The value of the award depends on their delivery. The heads of individual organisational units set the matrix of targets and communicate it to the participants.

The entitlement to the award or retention award may be denied in part or in full if a conflict of interest is identified because an employee has put their personal interests or the Bank's interests before customer's interests or has acted to the detriment of a customer.

The Supervisory Board may periodically review the list of participants, in particular in order to verify the rationale behind their further participation in the Plan.

Delivery of the Incentive Plan in 2024

The Annual General Meeting of Santander Bank Polska S.A. held on 19 April 2023 authorised Management Board members to repurchase fully covered own shares for the Plan participants in respect of the awards for 2023 and part of the award for 2022 (which was subject to annual retention). As the amount allocated to the buyback in 2024 was used in full, on 13 March 2024 the programme was closed. The Bank bought back 134,690 own shares (of 271,000 shares eligible for buyback) with the value of PLN 72,333,668 (from PLN 72,357,000 worth of capital reserve allocated to the delivery of the Plan for 2024). The average buyback price per share in 2024 was PLN 539.15. All shares were transferred to brokerage accounts of the eligible participants. Having settled the instructions, the Bank does not hold any own shares.

The Annual General Meeting of Shareholders of Santander Bank Polska S.A. held on 18 April 2024 authorised the Bank's Management Board to buy back the Bank's fully covered own shares in 2025. The total amount that the Bank can spend on the purchase of own shares in 2025, including the cost of purchase, is PLN 87.0m.

In 2024, the total amount recognised in line with IFRS 2 in the Group's equity was PLN 100.2m and was taken in full to staff expenses for 2024. This amount comprises expenses incurred in 2024 and part of the costs attributable to subsequent years of the Incentive Plan as the award will be vested in stages. As at 31 December 2024, PLN 72.3m worth of shares were transferred to eligible employees.

Social and employee benefits

The Bank offers a broad range of employee benefits which help make it a more attractive workplace. Employees can use benefits which:

- encourage them to lead a healthy lifestyle (e.g. Multisport card);
- enhance their comfort and security (e.g. financial aid for employees in distress, group life insurance for employees and their families);
- help achieve work-life balance (e.g. a cafeteria system offering a variety of tourist, sports, leisure, and culture options, which can be paid for using points awarded to each employee; the number of points depends on the employee's average monthly household income per capita).

All employees who work under the employment contract have access to private healthcare provided by Medicover, including reimbursement of costs of services rendered by other providers (two options to choose from), physiotherapy treatments (manual therapy), consultations with psychologists and psychiatrists and a dedicated helpline. Employees can also purchase a medical package for their family members.

As part of the Employee Benefit Fund, the Bank offers benefits to support:

- families with children – co-financing of summer/winter camps for children, school starter kits and nursery and kindergarten fees;
- employees in a difficult life and financial situation – including aid paid to flood victims this year;
- home budget – loans for housing and renovation purposes and a Christmas benefit to be used for grocery shopping

In 2024, the Bank introduced five days of excused absence for employees affected by the flood (e.g. if they could not get to work or had to take care of children aged 8 or less because of closed schools or kindergartens) and for employees taking part in rescue operations.

Santander Bank Polska S.A. also offers its employees a range of banking products on preferential terms and undertakes numerous development and wellbeing initiatives that meet current needs.

Employees with disabilities can avail of a dedicated benefit package including a financial benefit, additional two days off (also available to employees with a mild degree of disability) and 100% remote work in agreement with the manager.

3. HR policy

Recruitment policy

Santander Bank Polska S.A. recruits new employees both internally and externally using methods and sources which are relevant to existing vacancies. They include specialist recruitment portals, the Referrals Programme, recruitment agencies, PR campaigns and targeted recruitment campaigns in social media, practical training and internships and cooperation with Santander Universidades.

The Bank's employees have precedence over other candidates in the internal recruitment processes at Santander Bank Polska S.A. and the companies from Santander Consumer Bank Group, which increases their development opportunities and helps build individual career paths.

The candidate profiles are checked to see if they meet the required job criteria in terms of their competencies, experience, knowledge, motivation, personality and compatibility with the organisational culture. All persons involved in the recruitment process must comply with the business ethics principles arising from the Labour Code and internal policies, in particular with the confidentiality and non-discrimination regulations.

The Referrals Programme of Santander Bank Polska S.A. engages employees in the recruitment process as it provides an opportunity to recommend candidates for vacant job roles in the Bank. The system helps to reach a wider group of prospective employees who have relevant skills, aptitude and motivation, and are interested in taking up a job at the Bank.

The Bank's recruitment policy describes the recruitment process, establishes the criteria for defining recruitment needs and sets FTE limits.

Management of employee potential

Talent management

Santander Bank Polska S.A. manages employee potential based on the Talent Management Policy which sets out the principles and standards for identifying key talents in the organisation that determine the future results and strategies.

Identification of employee potential is critical for managing talents in a more effective and conscious way, planning their career, maximising mobility opportunities as well as creating succession plans and appropriate development initiatives.

The process is performed every two years in the case of employees with at least 12 months of service (the last one was conducted in 2023) and each year in the case of top talents and employees with more than 12 months of service without prior potential assessment, the process is performed each year (the last one was conducted in 2024).

The process results support managers in making decisions concerning employees. The process also helps employees learn, develop and realise their potential, which affects their performance, engagement and job satisfaction.

Succession planning

Succession planning is yet another process aimed to support development of the future leaders and ensure long-term stability and competitiveness of Santander Bank Polska S.A. Business continuity is critical to the Bank, therefore succession planning is a periodical process which covers Management Board members and senior executives.

Measures are taken to ensure that prospective successors have competencies and experience necessary for effective management in a dynamically changing business environment. To effectively respond to the changing needs of the organisation, the succession planning covers three time horizons: short, medium and long.

At the same time, strong focus is placed on diversity and balanced representation of men and women among successors.

Management by objectives

Santander Bank Polska S.A. pursues management by objectives, which supports delivery of strategic goals and staff development and promotes behaviours in accordance with the Simple, Personal and Fair values and five corporate behaviours. This standardised process is the same across the entire Santander Group in terms of the model and schedule. It allows for flexibility (as the objectives can be modified along the way) and for communication efficiency (as it facilitates communication between employees and their line managers due to more frequent meetings, regular feedback and system support).

The model was introduced in 2022 and consists of three dimensions: WHAT (individual objectives linked to the Bank's strategic goals), HOW (the way the objectives are delivered, taking into account the TEAMS corporate behaviours as well as personal and team development) and RISK (personal responsibility for managing all risks related to one's job role and for building risk culture).

In 2024, the Bank developed digital tools to support the management by objectives and facilitate completion of the related tasks by employees, managers and HR business partners (including verification of objectives and risk KPIs, completion of annual performance review forms and progress monitoring).

4. Strategic HR development directions

Total employee experience

In accordance with the strategy for 2024–2026 "We help you achieve more", measures were taken under the Total Experience (TX) strategic direction, which assumes that employee experience is as important as customer experience.

The comprehensive agenda included change management, use of methodology and tools, in accordance with the TX strategy roadmap for 2024–2026 (organisation and implementation of a training program, communication activities, tool tests, business workshops, etc.) as well as delivery of the following strategic HR objectives: focus on employee experience, process digitalisation (continuation of the paperless strategy) and development of new technologies for HR.

Engagement survey

In H1 2024, the Your Voice engagement survey was held. The overall response rate was 87%. eNPS (Employee Net Promoter Score) was record high and exceeded the True Benchmark, ranking the Bank as TOP 1 among Santander Group companies in Europe. Based on conclusions from the Your Voice survey, specific projects were run in 2024 both in relation to strengths and areas for improvement of the Bank as an employer.

Solutions were developed to monitor the impact of key initiatives and processes on employee experience (using e.g. the Employee Effort Score). EX Health Check solution for business owners was implemented. Project work on prioritisation of strategic projects taking into account the employee's perspective is about to be completed, with the process roll-out planned for 2025.

Transformation of corporate culture

The Bank continued to transform its corporate culture as part of delivery of strategic HR objectives. In 2024, a particular focus was placed on areas which drive innovation such as experimentation and co-creation. To that end, a co-creation platform was designed and implemented, making it possible for employees to co-design and co-test new products and solutions for employees and customers in a more direct and effective way.

In line with the Employee Experience management model, in 2024 a range of initiatives were undertaken as part of Hot & Gain Spots (interdisciplinary teams led by managers from various units of the Bank) in relation to financial and non-financial recognition, effectiveness, development and promotion of a role of employees as ambassadors of the Bank's products and services.

Communication with employees was supported by numerous activities such as quantitative and qualitative surveys and EX forum EX #OnTheGo meetings across Poland aimed to improve employee experience by co-creating internal banking solutions.

Employee wellbeing

A range of initiatives were undertaken to support mental and physical wellbeing of employees, including as part of the Wellbeing Day and Be Healthy Week. To foster the diversity and inclusion culture, the Bank promoted Employee Networks and Interest Clubs.

As the Bank's ambition is to be the employer of choice in the banking sector, employer branding activities were focused on increasing employee satisfaction, engagement and loyalty. In recognition of those measures, Santander Bank Polska S.A. was awarded the title of Top Employer 2024 by Top Employers Institute and received the Great Place to Work! certificate based on an employee survey conducted by an independent research company.

The Bank's endeavours to create a safe and hygienic work environment were positively assessed by the Central Institute for Labor Protection. The Bank received the Green Card of the Leader of Safe Work in the fourth quarter of 2024.

Process digitalisation

The Bank steadily works on digitisation of HR processes and self-service of employee matters. It improves employee digital experience and user-friendliness of self-service functions. By involving employees in the co-design of solutions, the Bank can directly respond to their needs and enhance the culture of user-centered design.

Thanks to the digitisation and agile approach, 97% of key HR documents were digitised and can be easily and conveniently processed by employees in the self-service HR portal without the assistance of administrators.

In 2024, a cutting-edge mobile version of the self-service HR solution was launched, as a result of which the number of users with access to the HR portal on their smartphones increased from 1.5k to 10k. Employees can now handle their HR tasks at any time and place, which positively affects their job satisfaction, engagement and effectiveness.

The HR self-service standards also include applications supporting talent acquisition, staff development and delivery of strategic directions:

- Information panel for recruiters
- Co-creation platform
- An application supporting employees in setting objectives
- A dashboard for retail sales managers designed to support the onboarding of new customer advisors.

Work is underway to check if AI can be used to optimise and automate HR processes. Analyses related to the migration to the new payroll system were completed. As part of the system upgrade in 2025, processes will be simplified and employees will be provided with more intuitive and modern tools.

5. Training and development

In 2024, the Training Policy was implemented in Santander Bank Polska Group, setting out the HR management framework in the area of learning and development. The key stages of the training organisation process were transferred from the Policy to the Training Manual.

Development programmes are delivered in accordance with the 70/20/10 model.

It means that employees develop their skills:

- by taking part in various projects (70)
- by using development tools such as tutoring and mentoring (20)
- by participating in onsite training and webinars (10).

Thematic training is delivered as part of such initiatives as BeHealthy Week, ESG Week, Santander Week or RiskPro which focus on healthy lifestyle, sustainable development, corporate culture and risk culture.

The Bank supports employees in development of competencies of the future, ensuring access to best-in-class training courses on dedicated platforms such as DOJO and LinkedIn Learning.

There are also development programmes dedicated to particular employee groups: Management Board members and leaders (Leader Academy, Leader's Quest, psychoeducational webinars, Advisor of the Future, POWERful Leader).

Thanks to close cooperation with Santander Group, employees can participate in global programmes such as Young Leaders, BeTech and Global Mobility.

Regulatory compliance is the Bank's key priority. To this end, there are mandatory training courses for new and existing employees, and the training completion rate is monitored on an ongoing basis.

Key training and development programmes:

- Total Leader & TotaLeadership – leadership skill development programmes for managers;
- Leader's Quest – a series of induction training sessions for new managers.
- Onboarding programme for new employees.
- Co-financing of foreign language learning.
- Mentoring – knowledge sharing across the organisation.

Statistical data on training activities are provided in Chapter XIII "Consolidated sustainability statement of Santander Bank Polska Group for 2024"

VI. Relations with customers

1. Service quality and customer experience management

Dynamic progress measured by the NPS and FC

Customer experience (CX) is a key success factor and the main competitive advantage, particularly in the banking sector where services are easily comparable due to the regulatory regime and technology. Based on their experience with other sectors, customers expect simpler and more intuitive solutions which anticipate their needs, while still prioritising trust, safety and accessibility of services.

In 2019, the Bank launched a large-scale transformation programme focused on customer experience (CX), which was combined in 2023 with employee experience (EX) and importance of emotions in building relationships with customers and employees. This Total Experience (TX) approach was implemented in all existing elements of CX management system (standards, tools, processes and competencies).

The Bank's ambition for the coming years is to achieve TX excellence and become not only the most recommended bank (as measured by NPS) but also the first choice bank (as measured by FC).

The Bank has developed and steadily implements systemic solutions for managing customer and employee experience. They are intended for customer-facing staff, developers of products and services as well as employees responsible for creating a friendly work environment. They include a structured approach to customer satisfaction surveys, TX initiatives planning and implementation in accordance with applicable rules, and monitoring and reporting procedures. The Bank projects the impact of the key initiatives on customer satisfaction measured by the NPS and defines additional customer impact metrics. The Customer Forum is periodically held to discuss delivery of the objectives in particular business segments and identify key challenges. The Forum is also a platform for sharing experience and ideas on how to build customer experience.

With this approach, the Bank steadily and markedly increases its NPS.

Santander Bank Polska S.A. is among the top banks in Poland in terms of customer experience management. In 2024, it was among the three most recommended banks in the mass customer segment.

Apart from commitment and competencies of employees, customers highly rated such aspects as a simple procedure for restoring access to the mobile application, card payments and activation of a previously locked card.

Accessibility, user-friendliness and functionality of the mobile application remain the Bank's priority.

In 2024, Santander Bank Polska S.A. was the most recommended bank in the SME segment and one of the top three banks in the affluent customer segment.

To deliver consistent customer experience across multiple channels and touchpoints, the Bank steadily develops and refines its customer-centric standards.

Customer-centric standards – development in 2024

Compass: product and service design standard (combined with the research standard)

Since 2024, the Bank has applied Compass, the combined research and design standard to ensure a holistic approach to customers and their needs.

- Qualitative and quantitative surveys can be created using templates with ready-to-use questions, ratings and guidance on when to apply them.
- Teams responsible for developing key solutions for customers upgraded their research and design skills.
- The network of Compass leaders, i.e. people who supervise and support the use of Compass standards in their units (including the monitoring of adherence as part of business projects), grew considerably,
- as did the Compass Guild, which brings together employees responsible for creating solutions for customers and employees, and provides an opportunity for sharing experience and developing skills (e.g. through internal conferences and webinars).

Communication/ plain language standard	In 2024, the following measures were taken: → The communication standard was updated. → Guidelines on different forms of communication were elaborated. → A manual, guidelines and process were put in place in relation to the preparation of accessible digital documents. → Work was launched to replace existing documents with accessible digital documents for people with individual needs. → Agreements, terms and conditions and other documents were assessed in terms of their usability, clarity and ease-of-use, including for people with individual needs.
Empathic customer service standard	In 2024, the Bank published the updated "Customer Delight Canon" service standard in line with the Total Experience approach. → All customer advisors were trained in new standards. → During the workshops, they learnt about changes and key principles such as: • to be empathetic and appreciate customers; • to respect diversity in terms of race, age, net worth, sexual orientation and gender identity; • to promote cybersecurity rules and help customers stay safe online; • to promote paperless services and support sustainable development; • to learn how to talk to customers in difficult situation, while keeping one's emotional balance.
UX digital accessibility standard	Work is underway to improve digital accessibility. → Users' satisfaction with Santander mobile application increased considerably as changes and improvements are designed and implemented based on the customers' feedback.

2. Complaints management

Customers of Santander Bank Polska S.A. may file complaints at their convenience: in branch, by mail, by phone or via electronic banking, including via video call or chat.

Responses to complaints are provided in the customer's preferred form: by letter, text message or via internet and mobile banking. Text messages inform customers about the receipt of the complaint, closure of the case and the form of providing response. If the case takes more than five (and subsequently ten) days to process, a text message is also sent to communicate that fact to the customer.

In 2024, 75% of customer complaints were filed in remote channels (over phone and electronic banking services). 79% of replies were sent electronically.

In 2024, the quality of responses was further improved and measures were continued to shorten the turnaround times. The Bank takes efforts to ensure that responses are clear and comprehensive. Banking jargon and complicated language are avoided. Robots are used in the complaint handling processes, which significantly reduces complaint resolution times.

Effectiveness of complaints handling in 2024

- 70% of cases were resolved within three business days.
- 24% of cases were resolved at first contact by authorised Bank employees who had received the complaint. It means that the decision was communicated to the customer immediately after filing the complaint.
- 96% of cases were processed as part of the simplified procedure and resolved within one business day.

The complaint handling process meets regulatory requirements. The quality and speed of complaint handling and customer satisfaction (measured by surveys) are verified on a regular basis. All conclusions and results of analyses and surveys are implemented across the organisation to improve the entire complaint handling process (from the moment of filing the complaint to its resolution). Customers who are not satisfied with the response may appeal to the Customer Care Officer, who provides the relevant support.

For more information about the complaint handling process (including quantitative data), please see Chapter XIII "Consolidated Sustainability Statement of Santander Bank Polska Group for 2024".

3. Barrier-free banking and digital accessibility

Inclusive banking

The Bank makes sure that its offer, services and communication systems accommodate the needs of all customers. Services are provided in traditional branches, in digital channels and via the network of self-service devices. Accessibility is steadily improved as part of the Barrier-free Banking programme run by the Bank since 2010. Its purpose is to ensure access to the Bank's products and services for people with various needs, including people with disabilities and special needs. With the use of new technologies, the Bank steadily increases accessibility of products and services in remote channels, while ensuring appropriate conditions for customers in traditional branches.

Accessibility of the Bank's products and services:

All branches and partner outlets adhere to the Barrier-free Banking Standards. Branches and partner outlets are equipped with mini magnifying glasses and signature frames for visually-impaired or blind customers. Customers who cannot read or write can confirm their statements of will with the assistance of a branch advisor. At branches and partner outlets, customers can connect online with an advisor who speaks Polish Sign Language. This option is also available to users of Santander mobile application, Santander internet services and the Bank's website.

99% of the Bank's ATMs have features which make them easier to use by people with disabilities, including an audio system ("talking" ATMs/ CDMs), a high-contrast mode, a screen switch-off mode and Braille symbols.

Branches are designed and modernised in accordance with accessibility guidelines. 74% of the Bank's branches are accessible to wheelchair users and people with individual needs without the need for help of an assistant or branch advisor.

52 branches are equipped with a tactile path and 15 branches with a typhlographic plan. 60 locations are equipped with TOTUPOINT, a navigation and information system supporting spatial orientation and increasing safety for people with visual impairment. The system is planned to be installed in new locations.

All branches are equipped with portable induction loops, i.e. devices which facilitate interactions with customers who use hearing aids.

Remote channels (internet and mobile banking, www.santander.pl) are developed and assessed in terms of accessibility for all customers, including people with disabilities. Customers can log into the mobile application with a fingerprint or face recognition. In 2024, the accessibility of the Bank's website (www.santander.pl) was further improved and conforms to WCAG 2.1.

The Bank's advertisements are adapted to the needs of persons with visual and hearing disabilities. Videos published on the Barrier-Free Banking website and the Bank's YouTube channel are available with audio description (voice-over) and translation by a Polish Sign Language interpreter.

In accordance with the Act on accessibility for persons with special needs, the Bank provides accessible documents (non-personalised templates of agreements and regulations) at the customer's request. In 2024, the Bank and the Polska bez Barier Foundation created an inclusive language guide: "Barrier-free language: a glossary. What we say and how we say it influence others".

4. Marketing communications

Marketing campaigns

Mass segment

The Bank ran three campaigns to promote Santander mobile application as a tool that supports customers when it matters most:

- → "Application helps with important matters": a campaign focusing on:
  - Free instant transfers: a feature which is the Bank's competitive edge and an important factor for prospective customers.
  - A card locking and unlocking option.
- → "Application comes in handy when you travel": a campaign promoting FX payments during summer holidays.
- → "Application helps you manage your daily affairs": a campaign focusing on personalisation options.

Other campaigns:

- "Santander helps children handle their own money": a campaign encouraging parents to build self-reliance of their children and open an account with PLN 150 of pocket money (two editions).
- "Saving makes you worry less" Savings Account campaign.
- "Don't improvise, just learn languages": an image-building and educational campaign focusing on the Bank's social commitment and support for development and education of people of all ages.

Young segment

In 2024, the Bank launched its first campaign aimed at younger audience, showing how good savings habits can be automated thanks to the Santander mobile application.

SME segment

In 2024, a wide range of marketing activities were undertaken in relation to the SME segment. The Bank launched campaigns to support the main brand attributes (best bank for business, helpful expert):

- "Free Business Account forever with tools": an acquisition campaign promoting the Bank as a partner in business that understands challenges faced by entrepreneurs.
- "About business over coffee": an educational campaign in the form of webinars for businesses led by experts.

Social media

Santander Bank Polska S.A. has 15 profiles on six platforms (Meta, TikTok, YouTube, LinkedIn). With its brand image building initiatives, the Bank engages with the audience, builds relationships and supports users when needed. The Bank's social media accounts vary in purpose, content and style, ranging from formal to less formal ones. Through its social media presence, the Bank:

- Supports education and life-long learning by offering free educational programmes dedicated to different social groups (financial education for children, skills development, foreign language courses, training for business owners).
- Raises awareness of financial security, publishes alerts and promptly responds to incidents which may affect customers. For example, it keeps customers informed about emerging cyberthreats, earning itself a reputation of a secure and trustworthy financial service provider.
- Entertains users with captivating content and new engaging formats.
- Uses event-based campaigns to share tips on how to bank conveniently.
- Promotes sustainable development, inclusion and barrier-free banking.
- Directly replies to customers' queries.

As a result, the Bank is among the top market players in terms of KPI (sentiment and engagement) and develops key brand consideration attributes (*Supports matters that are important for me; I like this bank*).

VII. Investor relations

1. Investor relations at Santander Bank Polska S.A.

The ambition of Investor Relations at Santander Bank Polska S.A. is to maintain best-in-class standards of communication with capital market participants in Poland and abroad. The Bank is focused on providing accurate and transparent information, while ensuring a level playing field for all stakeholders.

Santander Bank Polska S.A. actively communicates with its stakeholders in order to satisfy their information needs in accordance with the highest market standards, applicable law and best practice.

Particularly important to the Bank is the communication with shareholders, investors and analysts. Santander Bank Polska S.A. makes best efforts to provide the above market participants with regular and timely access to high quality and clear information in order to facilitate the accurate assessment of the Bank's and the Group's financial standing, market position and effectiveness of their strategy and business model.

The Bank's Investor Relations unit maintains relationships with institutional investors and stock market analysts, informing them about the development and financial performance of Santander Bank Polska Group and other relevant aspects which may affect investment decisions.

The purpose of investor relations is to enable capital market participants to accurately assess the Bank's financial standing, market position and delivery of the strategy and objectives.

In 2024, the following initiatives were undertaken as part of standard investor relations activities:

- Four conference calls were held to present market analysts with the Bank's quarterly results. In line with best market practice, they were open to everyone interested and were broadcast online in Polish and English. The recordings are available on the Bank's website at https://bank. santander.pl/relacje-inwestorskie/serwis-relacjiinwestorskich.html.
- The representatives of the Bank's Management Board and the Investor Relations Office organised regular meetings with investors and stock market analysts (around 120 ones held in 2024).
- The Bank's representatives took part in five conferences organised by various Polish and foreign brokerage offices and several meetings related to bond issue.

At the end of 2024, 13 analysts from Polish and foreign financial institutions prepared and published reports and recommendations concerning the Bank's shares.

All information published by the Bank (concerning both current and past years) is available on the website of the Bank's Investor Relations (https://bank.santander.pl/relacje-inwestorskie/ serwis-relacji-inwestorskich.html). The Investor Relations website also includes the "Best Practice" tab with detailed information on how the Bank applies the principles contained in Best Practice for GPW Listed Companies 2021 (https://www.santander.pl/relacje-inwestorskie/dobre-praktyki).

2. Share capital, ownership structure and share price

Ownership structure in 2024 and the majority shareholder

As at 31 December 2024, the share capital of Santander Bank Polska S.A. totalled PLN 1,021,893,140, divided into 102,189,314 ordinary bearer shares with a nominal value of PLN 10 each.

The number of shares and votes held by individual shareholders as at the end of 2023 and 2024 is presented in the table included in Chapter XII "Statement on corporate governance in 2024", Section 2 "Issuer's securities".

Majority shareholder

The profile of Banco Santander S.A. and its Group is presented in Chapter II "Basic information about the Bank and Santander Bank Polska Group", Section 1 "History, ownership structure and profile".

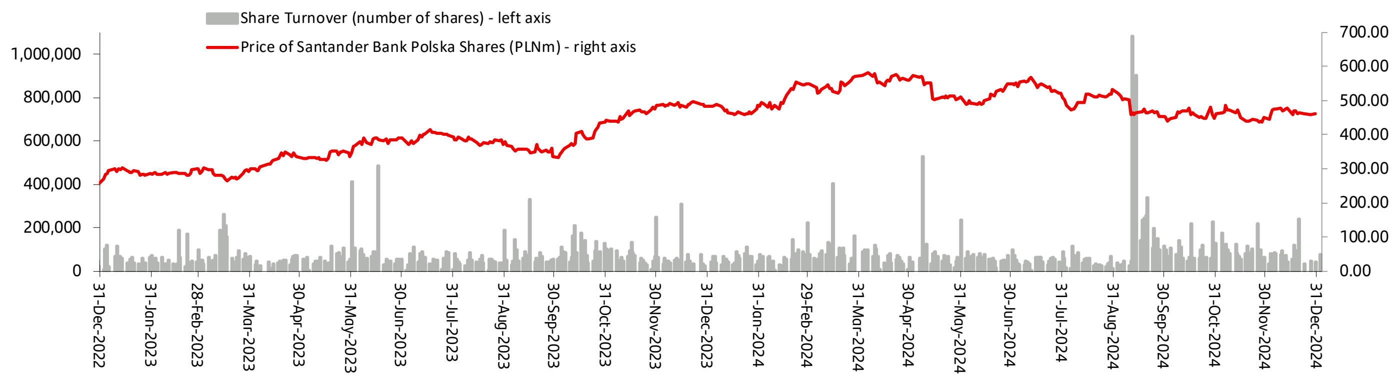
Share price of Santander Bank Polska S.A. vs the market

Share price of Santander Bank Polska S.A. in 2024

Price at the end of the previous period (29.12.2023)	Price at the end of the current reporting period (31.12.2024)	Minimum intraday price in 2024	Maximum intraday price in 2024
PLN 489.80	PLN 457.60	PLN 423.80	PLN 590.0

Share price of Santander Bank Polska S.A. and trading volumes in 2023 and 2024

Price of Santander Bank Polska shares and their stock exchange trading volumes in 2023 and 2024



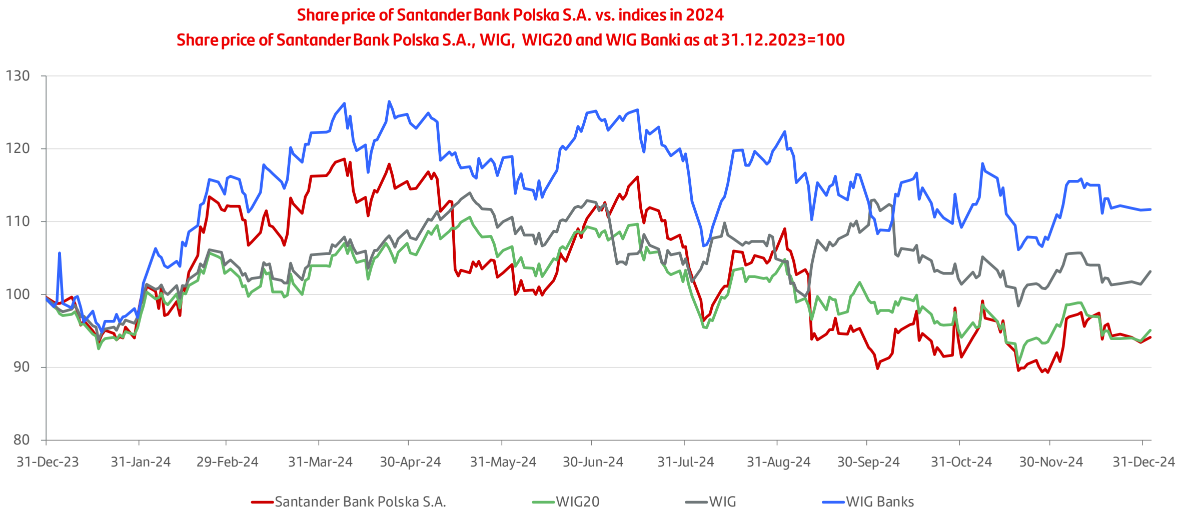
Key data on shares of Santander Bank Polska S.A.	Unit	31.12.2024	31.12.2023
Total number of shares at the end of the period	item	102,189,314	102,189,314
Nominal value per share	PLN	10.00	10.00
Closing share price at the end of the reporting period	PLN	457.60	489.80
Ytd change	%	-6.6%	+88.8%
Highest closing share price Ytd	PLN	581.0	496.20
Date of the highest closing share price	-	8.04.2024	27.12.2023
Lowest closing share price Ytd	PLN	437.20	256.0
Date of the lowest closing share price	-	29.11.2024	2.01.2023
P/E for 12 months at the end of the period (Bank)	-	9.00	10.71
P/E for 12 months at the end of the period (Group)	-	8.97	10.36
Basic earnings per share for the reporting period (Bank)	PLN	50.86	45.73
Basic earnings per share for the reporting period (Group)	PLN	51.01	47.28
Capitalisation at the end of the period	PLN m	46,761.83	50,052.33
Average trading volume per session	-	84,928	70,208
Dividend per share paid [1]	PLN	44.63	23.25
Dividend record date	-	16.05.2024	22.12.2023
Dividend payment date	-	23.05.2024	29.12.2023

1) For more information, see the "Dividend" section below.

In 2024, WIG-Banks gained 11.61%, even though it grew twice as much in the first half of the year and was one of the best performing WSE indices at that time. It decelerated in the second half of the year along with a clear deterioration of market sentiment. The share price of Santander Bank Polska S.A. followed suit, losing the momentum after the first six months and closing the year 6.6% down on 2023. However, adjusted for the record dividend of PLN 44.63 per share paid in May, the annual rate of return reached 1.66%. The highest price of PLN 590 was recorded in April, i.e. before payment of the dividend. The lowest price of PLN 423.80 was paid in November. Banks' weaker performance in the second half of the year may be attributed to the overall aversion to Polish equities as well as foreign investors' anticipation of possible interest rate cuts in 2025.

2025 will be a challenging year for the banking sector. While there is still pressure to keep strong credit growth momentum and maximise profits in the continued high interest rate environment, the scenario of economic slowdown leading to interest rate cuts cannot be ruled out. Despite its hawkish stance, the Monetary Policy Council may make some unexpected move if the scale of investments and consumption deteriorates significantly.

Share price of Santander Bank Polska S.A. vs key indices



3. Dividend

Dividend policy and profit distribution in 2024

Individual recommendation of the KNF with regard to satisfaction of the criteria for payment of a dividend from the net profit earned in 2023 and the previous years

On 21 February 2024, the Management Board of Santander Bank Polska S.A. received an individual recommendation from the Polish Financial Supervision Authority (KNF) that the Bank should limit the risk present in its operations by:

- not distributing more than 75% of the profit earned in 2023 with the proviso that the maximum payout must not be higher than the annual profit reduced by profit earned in 2023 already allocated to own funds;
- consulting upfront with the supervisory authority any other measures which could reduce the Bank's own funds (in particular if they go beyond the scope of the ordinary business and operational activity), including the distribution of the profit retained in previous years or the buyback or redemption of own shares.

The above recommendation took into consideration the following factors:

- As at 31 December 2024, the Bank met the basic criteria of the dividend policy to pay a dividend up to 50% of its net profit earned in 2023.
- In view of the sound quality of the Bank's loan portfolio measured as the share of NPLs in the total portfolio of receivables from the non-financial sector (including debt instruments), the potential dividend payout ratio was increased to 75%.
- The Bank's receivables arising from foreign currency home loans to households did not account for more than 5% of its total receivables from the non-financial sector.
- On 19 March 2024, the Management Board of Santander Bank Polska S.A. was advised by the KNF that it did not have any objections to the potential payout of the additional amount of PLN 1,056,637,506.76 as a dividend to shareholders in 2024. This amount represented 50% of the profit earned in 2019 and allocated to the dividend reserve.

Profit distribution and dividend payment

On 18 April 2024, the AGM of Santander Bank Polska S.A. distributed the profit and approved the dividend in accordance with the recommendation of the Bank's Management Board of 21 March 2024 approved by the Supervisory Board.

The profit of PLN 4,672,978,361.27 earned in 2023 was distributed as follows:

PLN 3,504,071,577.06 was allocated to dividend for shareholders;
PLN 87,042,000.00 was allocated to the capital reserve;
PLN 1,081,864,784.21 was left undistributed.
Furthermore, it was recommended that PLN 1,056,637,506.76 of the dividend reserve be allocated to dividend for shareholders.

The dividend paid out from the 2023 profit and from the dividend reserve totalled PLN 4,560,709,083.82.

102,189,314 series A, B, C, D, E, F, G, H, I, J, K, L, M, N and O shares carried dividend rights. The dividend was PLN 44.63 per share.

The dividend record date was 16 May 2024 and the dividend was paid on 23 May 2024.

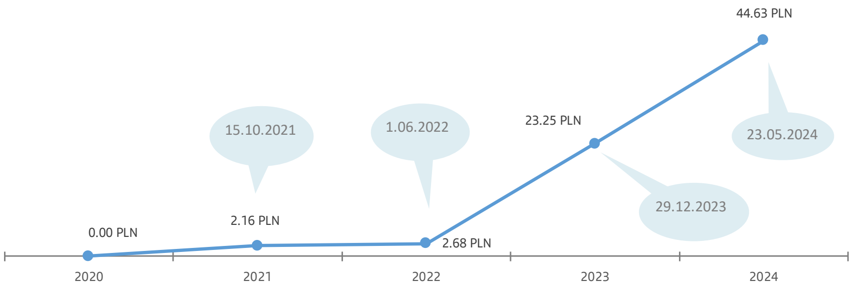
Dividend in 2023

On 29 December 2023, an interim dividend of PLN 23.25 per share was paid from the portion of the dividend reserve totalling PLN 2,375,901,550.50. 102,189,314 series A, B, C, D, E, F, G, H, I, J, K, L, M, N and O shares carried interim dividend rights.

The resolution of the Bank's Annual General Meeting of 19 April 2023 provided for the following profit distribution and increase in the capital reserve:

- distribution of the profit of PLN 2,449,042,525.50 earned in 2022 and allocation of:
  - PLN 72,357,000.00 to the capital reserve;
  - PLN 2,376,685,525.50 to the dividend reserve;
- allocation of PLN 840,886,574.78 worth of profit earned on the sale of shares in AVIVA insurance companies and posted under other comprehensive income to the dividend reserve.

Dividend per share paid out by Santander Bank Polska S.A. in years 2020-2024*



* Santander Bank Polska S.A. pays dividends in accordance with the dividend policy in place, taking into account individual recommendations of the KNF in this respect.

4. Rating of Santander Bank Polska S.A.

Santander Bank Polska S.A. has bilateral credit rating agreements with Fitch Ratings and Moody's Investors Service.

The tables below show the latest ratings assigned by the agencies to the Bank, which remained in effect on the date the Report of Santander Bank Polska Group for 2024 was authorised for issue.

Ratings by Fitch Ratings

Rating category	Ratings changed /affirmed on 17.02.2025	Ratings changed/affirmed on 17.07.2024, 14.09.2022 and 6.09.2023[1)]
Long-term Issuer Default Rating (long-term IDR)	A-	BBB+
Outlook for the long-term IDR	stable	stable
Short-term Issuer Default Rating (short-term IDR)	F1	F2
Viability Rating (VR)	bbb	bbb
Shareholder Support Rating	a-	bbb+
National long-term rating	AA+(pol)	AA(pol)
Outlook for the long-term IDR	stable	stable
National short-term rating	F1+(pol)	F1+(pol)
Long-term senior preferred debt rating	A-	BBB+
Short-term senior preferred debt rating	F1	F2
Short-term senior non-preferred debt rating	BBB+	BBB

1) Ratings of Santander Bank Polska S.A. applicable as at 31 December 2024

On 17 February 2025, Fitch Ratings upgraded Santander Bank Polska S.A.'s Long-Term Issuer Default Rating (LT IDR) from "BBB+" to "A-" and its Shareholder Support Rating (SSR) from "bbb+" to "a-". The outlook for the Long-Term IDR remained stable. The agency also upgraded the following ratings: Short-Term Issuer Default Rating (ST IDR) (to "F1"), National Long-Term Rating (Natl LT) (to "AA+") and debt ratings.

The Viability Rating (VR) of "bbb" and the National Short-Term Rating (Natl ST) of "F1+ (pol)" were not changed.

The above rating actions reflect an upgrade of the rating of Banco Santander S.A. (majority shareholder) from "A-/Outlook stable/a-" to "A/Outlook stable/a" on 11 February 2025 as well as potential support of the Spain-based parent for Santander Bank Polska S.A.

According to the rationale provided by Fitch Ratings, the one-notch difference between the Long-Term IDR of Banco Santander S.A. and Santander Bank Polska S.A. reflects the high propensity of the parent to support the Bank if need be. It also confirms the strategic importance of the Polish market to Banco Santander S.A. as well as the synergies and integration between the Bank and its parent, reflected in its product offering and risk management, and translating into the Bank's support for the Group's objectives.

Ratings by Moody's Investors Service

Rating category	Ratings affirmed on 10.04.2024, 20.12.2022 and 19.02.2025[1)]	Ratings upgraded on 3.06.2019
Long-term/short-term counterparty risk rating	A1/P-1	A1/P-1
Long-term/short-term deposit rating	A2/P-1	A2/P-1
Outlook for long-term deposit rating	stable	stable
Baseline credit assessment (BCA)	baa2	baa2
Adjusted baseline credit assessment	baa1	baa1
Long-term/short-term counterparty risk assessment	A1 (cr)/P-1 (cr)	A1 (cr)/P-1 (cr)
Senior unsecured euro notes rating (EMTN Programme)	(P) A3	(P) A3

1) Ratings of Santander Bank Polska S.A. applicable as at 31 December 2024

VIII. Business development in 2024

1. Group's business management structure

Operating structure

Santander Bank Polska S.A., together with its non-banking subsidiaries, conducts its operations through the following central units: Retail Banking Division, Wealth Management and Insurance Division, Business and Corporate Banking Division, and Corporate and Investment Banking Division.

Santander Consumer Bank Group (SCB Group), which specialises in consumer finance, forms a separate business segment with its own customer base, product range and distribution channels.

Segment reporting

The business management structure presented above corresponds to business segments identified as part of segment reporting (Note 3 to the Consolidated Financial Statements of Santander Bank Polska Group for 2024), except for Wealth Management and Insurance which is included in the Retail Banking segment. The business segments identified on the basis of customer and product criteria are complemented by the ALM and Central Operations segment, which covers funding, management of strategic investments and transactions which generate expenses/ income that cannot be allocated to individual segments.

The table below presents the business segments of Santander Bank Polska Group in three dimensions: customer profile, key product lines, and service model.

Segment	Area	Operating model
Retail Banking	→ Customer profile	▸ Personal customers (divided into Standard, Premium, Select and Private Banking customer segments based on their diverse needs and expectations). ▸ Micro, small and medium-sized companies (with annual turnover up to PLN 10m). Portfolio breakdown by branch, remote (Multichannel Communication Area) and digital customers.
	→ Key product lines	▸ Current and business accounts, savings products, consumer and mortgage loans, credit and debit cards, insurance and investment products, clearing services, brokerage services, foreign payments, services for high-net-worth customers, open banking services. ▸ Business loans, business deposits, cash management, leasing facilities, factoring, payment orders, letters of credit, collections and guarantees, payment terminals, additional online services, Kantor Santander currency exchange platform. ▸ Asset management services as part of investment funds. ▸ Access to the global offer of Santander Group, third-party investment funds, and structured deposits for Private Banking customers.
	→ Service model	▸ Relationship-building, sales and after-sales contacts with retail customers through the network of branches, partner outlets and remote channels (Multichannel Communication Area, Santander internet and Santander mobile). ▸ Premium customers are served by dedicated advisors as part of their individual portfolios, based on a personalised approach and regular contacts aimed at strengthening relationships and customer loyalty. ▸ Private Banking and Select customers benefit from a personalised service model under which they can use the support of a specialised advisor and the Select Line operating as part of the Multichannel Communication Area, which offers support via telephone. Private Banking customers are served by over 60 Private Banking Directors operating from 24 locations around Poland, including four Private Banking Centres. ▸ SMEs are handled by SME advisors in branches and partner outlets. Business customers can also use the services of the Multichannel Communication Area as well as internet and mobile channels (Santander mobile and dedicated services: Mini Firma, Moja Firma plus and iBiznes24). ▸ Customers of Santander Brokerage Poland may invest via the Inwestor online system, Inwestor mobile application, helpline of the Multichannel Communication Area and at the Bank's branches providing brokerage services.

Segment	Area	Operating model
Business and Corporate Banking	→ Customer profile	▸ Businesses and corporations with turnover of PLN 8m–PLN 1.2bn, local authorities and the public sector.
	→ Key product lines	▸ Payment transactions, loans, deposits, cash management, leasing facilities, factoring, letters of credit and guarantees. ▸ Services to customers of other banks and financial institutions provided under agreements with those institutions.
	→ Service model	▸ Business customers are managed by the Business Clients Department and the Corporate Clients Department. These units encompass six regional centres (three Business Banking Centres and three Corporate Banking Centres) divided into 29 offices located across Poland. ▸ Premium customers and entities from the public and commercial properties sector are handled by four dedicated offices. ▸ Customers have dedicated advisors who are responsible for the overall relationship. They are supported by units specialised in transaction structuring, lending and product development. ▸ Customers are provided with access to the Bank's products and services via remote channels, including internet and mobile iBiznes24 platform (featuring such modules as currency exchange and trade finance) as well as contact centres which handle a wide range of operating processes (Business Service Centre, SME Service Centre, and Trade Finance Service Centre).

Segment	Area	Operating model
Corporate and Investment Banking	→ Customer profile	▸ Largest corporate customers allocated to that segment based on their turnover (nearly 250 of the largest companies and groups). ▸ Corporations served within the international Santander Corporate and Investment Banking structures. ▸ Treasury, syndicated lending, and advisory services for customers of other Divisions.
	→ Key product lines	▸ Transactional banking (including cash management), deposits, working capital finance, mid- and long-term finance, leasing facilities, factoring, letters of credit, guarantees, and trade finance. ▸ Project finance, syndicated loans, arranging and financing of securities issues, financial advisory services (including those related to mergers and acquisitions), and brokerage services for financial institutions. ▸ FX and interest rate risk hedging products (offered to all customers of the Bank). ▸ Through its presence in the wholesale market, the segment also generates revenues from interest rate and FX risk management business.
	→ Service model	▸ Customers of the Corporate and Investment Banking Segment have dedicated product specialists and managers who are responsible for the overall relationship. ▸ They are provided with access to the Bank's products and services via remote channels, including internet and mobile iBiznes24 platform, as well as dedicated call centres (Business Service Centre and Trade Finance Service Centre).

Segment	Area	Operating model
Santander Consumer	Customer profile	▸ Personal and business customers
	Key product lines	▸ Instalment loans, cash loans (including consolidation loans), credit cards, online renewable limits, special-purpose loans, car finance (refinance solutions, leasing facilities and leasing loans), business loans, factoring and bank guarantees. ▸ Term deposits and insurance products (mainly related to credit facilities).
	Service model	▸ The bank sells its products through: ▹ a network of own branches and franchise outlets, which offer cash loans, credit cards and retail deposits; ▹ a structure for mobile sales of car loans and leasing facilities; ▹ a structure for mobile sales of corporate deposits; ▹ a structure for mobile sales of instalment loans; ▹ remote channels, i.e. a call centre and internet and mobile banking used to sell cash loans, credit cards and instalment loans; ▹ a network of partners offering the Bank's car loans and leasing facilities (car dealers, second-hand car dealers and intermediaries) as well as instalment loans and credit cards (retail chains and stores); ▹ a remote channel for car loans.

2. Business development of Santander Bank Polska S.A. and non-banking subsidiaries

2.1. Retail Banking Division

The Retail Banking Division offers products and services to personal and Private Banking customers as well as micro and small companies (with annual turnover of up to PLN 10m).

Main development directions

Strategic priorities of the Retail Banking Division of Santander Bank Polska S.A.:

- Ensuring unparalleled experience for customers and employees.
- Simplifying and digitalising products and processes.
- Acquiring new customers and growing business, particularly in digital channels.
- Fostering risk culture and increasing cybersecurity.
- Providing green finance and raising the awareness of green transition among customers and employees.

Transformation directions of the Retail Banking Division of Santander Bank Polska S.A.:

- Digitalisation, investments in digital tools, implementation of omnichannel processes to provide innovative services.
- Improving service quality by introducing new functions and solutions and increasing accessibility of new channels.
- Optimisation of processes and procedures for customers and employees (simplification, modification and customisation).
- Increasing efficiency through transformation of the business model of distribution (new roles of channels and central functions and new responsibilities and competencies of employees).

Key achievements:

- Third position in terms of Mass NPS and first position in terms of SME NPS.
- Growth in the number of customers (notably high-yield Select customers) and acquisition of young customers below 18.
- Increase in the volume of deposits, cash loans, mortgage loans and SME finance.
- Increase in the number of digital and mobile customers and in the share of remote sales (including cash loans sold via buy-by-click).
- Mass replacement of CDMs and ATMs.
- Further optimisation of the distribution network, increase in the number of branches without cashier services.
- Growth of green finance and further support for transition (implementation of the Santander New Energy platform).
- Extension of the product range to include Visa Bonus card, eight new currencies available in Santander Exchange platform and FX account, eLoan and Business New Energy investment loan for SMEs.

The activities of individual Divisions are presented in the tables below.

Personal customers

Product line for personal customers	Activities of the Retail Banking Division in 2024
Cash loans	▸ In 2024, the Bank continued to digitalise cash loan sales and post-sales processes. Particularly noteworthy are the following initiatives: ▹ Optimisation of an online cash loan application form – a range of changes were implemented to ensure that the form better suits customers' needs. ▹ Additional cash loan offers – customers applying for a cash loan could choose offer options which did not involve additional formalities. ▹ Manual credit decisions on online applications – selected customers could apply for a high-amount loan entirely remotely based on a dedicated manual credit decision-making process involving an analyst. ▹ Automatic verification of PESEL numbers – a process implemented in relation to cash loan applications. ▹ Deferral of loan repayments for flood victims – the Bank contributed to sector-wide support for customers who had suffered property damage or lost their job/ main source of income in or as a direct result of the flood. Customers could suspend their principal or principal and interest instalments on multiple loans for one, two or three months (without an annex fee). ▸ The Bank made a range of seasonal pricing offers during summer and winter holidays, black week, Christmas, etc. Special terms were also offered to selected customer groups: new customers, customers without a cash loan/consolidated loan, and employees of selected companies. ▸ Work was underway to align banking processes with the European Accessibility Act, Consumer Credit Directive 2, Recommendation S, Recommendation U and guidelines issued by the KNF. ▸ In 2024, cash loan sales of Santander Bank Polska S.A. were PLN 11.4bn, up 18.0% YoY. Sales generated via remote channels accounted for 75.1% vs 67.1% last year. As at 31 December 2024, the cash loan portfolio of Santander Bank Polska S.A. totalled PLN 18.0bn, up 8.8% YoY.
Mortgage loans	▸ In 2024, the Bank continued the campaigns: a) for PLN mortgage borrowers, offering them to switch from variable to adjustable fixed rate; and b) for CHF mortgage borrowers, enabling them to convert the loan to PLN on preferential terms. ▸ The Bank launched a pilot of the Good Energy (Dobra Energia) home loan for customers looking to improve the energy performance of their houses. ▸ A mortgage loan was promoted among customers with a prelimit. ▸ Process changes were implemented as required by legal regulations: ▹ Customers were provided with a possibility to apply for the so-called payment holidays (suspension of mortgage loan payments on the terms and conditions specified in the Act on crowdfunding for business and support for borrowers). ▹ The loan sanction process and templates of agreements and other documents were changed in accordance with Recommendation S, Recommendation U and guidelines issued by the KNF. ▹ The verification of PESEL numbers (whether locked) was launched in line with the Act amending certain acts to limit certain consequences of identity theft. ▹ The application for aid under the Borrowers Support Fund was modified in accordance with the amended Act on supporting borrowers. ▸ Changes were implemented to improve the mortgage lending process in terms of: ▹ Dispatch of documents to customers. ▹ Generation of loan agreements and automation of PESEL number verification (whether locked). ▹ Archiving of selected documents. ▸ In 2024, the value of new mortgage loans totalled PLN 11.2bn (including PLN 4.0bn worth of mortgage loans granted under the 2% Safe Mortgage programme), up 47.4% YoY. Mortgage loans with a five-year fixed rate accounted for 96.1% of sales. ▸ The gross mortgage loan portfolio of Santander Bank Polska S.A. increased by 6.2% YoY to PLN 54.8bn as at 31 December 2024. PLN mortgage loans totalled PLN 53.6bn, up 9.5% YoY. ▸ The Bank is ranked fourth in the mortgage loan market with a share of 13.36% in terms of new loans. The market share in terms of the gross value of the retail mortgage loan portfolio is 11.26%.

Product line for personal customers	Activities of the Retail Banking Division in 2024 (cont.)
Personal accounts and bundled products, including:	▸ The number of PLN personal accounts grew by 3.8% YoY and reached 4.7m as at 31 December 2024. The number of Santander Accounts (the main acquisition product for a wide group of customers) was 3.8m. Together with FX accounts, the account base was 6.1m (+4.8% YoY). In 2024, there were two million active BLIK users. ▸ The Bank's acquisition activities were focused on Santander Account, Santander Max Account, Select Account and Child's Account. Santander Account was ranked third in the personal account category of the "2024 Golden Banker" ranking. ▸ Account opening and closing processes were ranked high in the Newsweek's ranking, with the Bank taking the second place in the "Bank for Mr Kowalski" category. ▸ In April 2024, the Bank started to send eStatements for accounts for children under 13 to parents or guardians. ▸ Customer experience in remote channels was continuously improved by introducing: ▹ an option to reduce a personal overdraft amount via Santander internet or Santander mobile application; ▹ a possibility to change the type of personal account via internet or mobile banking services; ▹ an option of data verification via the mObywatel application in a selfie-based or courier-based account opening processes. ▸ Since June 2024, personal customers can open FX Account24 (Konto24 walutowe) in eight new non-standard currencies: CZK, SEK, NOK, DKK, JPY, CAD, AUD, HUF. ▸ Along with changes to personal FX accounts, a new buy-by-click process was implemented in the mobile application and internet banking, enabling customers to open FX Account24 in any of the twelve currencies. ▸ In 2024, the Bank continued to offer personal accounts for Ukrainian refugees on special terms. It waived account maintenance fees, card fees and fees for transfers to and from Ukraine.
Payment cards	▸ In 2024, the Bank took promotional, sales and relationship-building activities to increase payment card turnover. ▸ The credit card offer was expanded and aligned with regulatory requirements and its functionality was improved: ▹ The product range was extended to include Visa Bonus credit card with a 1% bonus on the surplus of purchases above PLN 300 per month. ▹ A fully remote credit card application process was launched for new customers with a Polish ID card that can authenticate themselves using the available methods (including: eDO App and mObywatel). A virtual credit card is immediately available in electronic banking services where new customers also have access to transaction history, list of operations, post-sales services and option to buy new products via electronic contact channel (ECC). ▹ The multi-currency function was extended to include five new currencies: CZK, DKK, NOK, SEK and CHF. Customers can link their debit card with an FX account(s) and pay directly in a chosen currency without a conversion fee. ▹ The offer and regulations for customers were aligned with Recommendation U, by withdrawing the Platinum and MasterCard World group credit card insurance plans. ▹ In November 2024, the critical authorisation and settlement card system was upgraded. ▸ As at 31 December 2024, the personal debit card portfolio comprised 4.5m cards and increased by 4.2% YoY. Together with the business debit card portfolio (515.9k cards), it increased by 4.5% YoY and generated 11.9% higher non-cash turnover YoY. ▸ The credit card portfolio of Santander Bank Polska S.A. included 630.3k cards and increased by 1.2% YoY, generating 6.6% higher non-cash turnover YoY. The credit card debt was up 1.6% YoY.
Deposit and investment products, including:	▸ In 2024, the Bank's priority in terms of managing deposit and investment products in the continued high interest rate environment was to optimise the average cost of deposits, while growing the savings and investment portfolio and increasing its profitability. This was combined with measures taken to ensure high satisfaction of savers (NPS). ▸ The key change was the launch of personalised deposit offers in Santander online (mobile application, internet banking) as part of the Smart Pricing project (June 2024) for customers who met specific criteria. ▸ The Bank's investment offer consisted mainly of brokerage services and investment funds, including funds managed by the Bank's subsidiary Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI S.A.) and selected Polish and foreign funds. ▸ The Bank's share in the retail deposit market was stable in the reporting period, while the share of investment funds managed by Santander TFI S.A. in the investment fund market decreased slightly.

<table>
<tr><th>Product line for personal customers</th><th>Activities of the Retail Banking Division in 2024 (cont.)</th></tr>
<tr><td>➢ Deposits</td><td>

In 2024, the deposit offer of Santander Bank Polska S.A. was adjusted to market conditions characterised by relatively stable market rates and to pricing terms offered by competitors.
During the year, the Bank optimised interest rates on PLN term deposits and negotiated deposits, which stabilised the overall deposit cost. The offer of PLN savings accounts was modified multiple times as well.
To meet customers' expectations, the Bank offered limited special deals for both depositors of new funds and existing customers.Overall, more than 420k customers opened deposits on special terms. The limitation of the promotional offers and optimisation of the standard offer helped to reduce the total cost of personal customer deposits.

The Bank actively promoted the limited offers of term deposits for existing customers, paying attractive interest rates on balances up to PLN 50k. At the beginning of the year, the Bank offered Winter Deposit (Lokata Zimowa) with a 5% rate, in March – Spring Deposit (Lokata Wiosenna) with a 4.5% rate (reduced to 4% after a month), in June – Holiday Deposit (Lokata Wakacyjna) with a 4% rate, in September – Autumn Deposit (Lokata Jesienna) with a 4% rate, and in December – again Winter Deposit with a 4% rate.
Between January and June 2024, the Bank offered Investor Deposit (Lokata dla Inwestora) on promotional terms (6.25%) for customers investing their money in investment funds. In October, the Deposit for Investor paying 6.5% became a part of the Bank's regular offer.
Between March and June 2024, the Bank offered 6% on balances up to PLN 100k as part of the promotion called "New funds in the Multi Savings Account" (supported by an extensive marketing campaign) and 4.5% on balances up to PLN 100k in the Select savings account as part of the promotion for loyal and active Select customers called "We reward active customers 8".
As part of the Smart Pricing project, at the end of June the Bank launched the first three offers of the Deposit for You (Lokata dla Ciebie) for balances up to PLN 100k. The target group included over 70k customers who used special offers on savings accounts, high net worth (Select) customers and as a retention tool for customers who already availed of that product.

The number of users of My Goals (Moje Cele), an innovative and automatic savings solution, exceeded 600k, including 460k active users at the end of the year.
Between 23 October 2024 and 5 November 2024, personal customers could subscribe for a USD structured deposit.
As at 31 December 2024, deposits from personal customers totalled PLN 117.7bn, up 9.8% YoY. Term deposit balances grew by 11.9% YoY to PLN 39.3bn and current account balances increased by 8.8% YoY to PLN 78.3bn (including a 9.0% YoY rise in savings account balances).
</td></tr>
<tr><td>➢ Investment funds</td><td>

In 2024, net sales of funds managed by Santander TFI S.A. were positive at PLN 3.9bn. With the above performance, the company established itself as one of the market leaders.
Particularly popular were short-term debt sub-funds (47% of sales) and bond sub-funds (24% of sales), notably Santander Prestiż Corporate Bonds sub-fund with the highest sales growth rate. Customers were also interested in Santander Prestiż Alfa, an absolute return sub-fund.
As at 31 December 2024, the total net assets of investment funds managed by Santander TFI S.A. were PLN 24.0bn, up 26.9% YoY. Santander PPK SFIO, an Employee Capital Plan sub-fund, managed assets of PLN 0.5bn from nearly 101k unitholders.
In 2024, Santander TFI S.A. continued to work closely with Santander Bank Polska S.A. in terms of sales of products for Private Banking and Select segments and development of distribution in the Mass and Premium segment. Santander TFI S.A. provided product training for the Bank's employees handling customers from the above segments, and representatives of the company participated in the meetings with high net worth customers of Santander Bank Polska S.A.
In 2024, the product range of Santander TFI S.A. was expanded as follows:

In September 2024, customers were provided with a new sub-fund: Santander Prestiż Calm Investment (Santander Prestiż Spokojna Inwestycja) launched on 7 March 2024. This debt sub-fund invests mainly in bonds issued, underwritten or guaranteed by the State Treasury or EU member states as well as in treasury bills, corporate bonds, bank bonds, certificates of deposit and covered bonds. It is targeted at customers looking for investments with a low risk, short investment horizon and resilience to economic changes.
In June 2024, Santander TFI S.A. successfully completed subscription for its first closed-end fund, i.e. Santander Private Equity FIZ. It is a master-feeder fund established in partnership with one of the leaders of the private equity sector.

In Q4 2024, Santander TFI S.A. expanded its Santander fund distribution network to include two new distributors.
The company received the following awards:

Santander Small and Medium Caps Equity won the Alfa 2023 award as the Best Polish Small and Medium Caps Equity Fund. Apart from the main award, Santander TFI S.A. received six recognitions, including for the best investment fund company.

It was also awarded Grand Prix 2024 Consumer Laurel, having been voted by consumers as the most credible company in communicating with the market and the most reliable one over the last three years.
</td></tr>
</table>

Product line for personal customers	Activities of the Retail Banking Division in 2024 (cont.)
➢ **Brokerage activities**	▸ On 30 September 2024, a new brokerage system Promak Next was launched, along with changes to internet services, mobile application and back-office system. The most important ones included: ▹ modern front-ends for customers based on UX design solutions; ▹ combination of four back-office systems into a single system, facilitating customer relationship management. ▸ The Bank's offer was expanded to include: ▹ an individual pension security account (IKZE); ▹ a lower fee on orders placed on foreign markets via the internet or mobile application, including the minimum fee in relation to the most popular markets; ▹ a possibility to lower the tax on US dividends from 30% to 15% without the need to submit additional statements according to the double tax treaty; ▹ Trading View, i.e. a tool for investors, with any knowledge level, enabling them to create and track stock market charts and technical analysis indicators); ▹ DISO and OCA orders relating to all categories of financial instruments. ▸ With the new system in place, the brokerage services for customers were further digitalised, which reduced the workload for the Bank's branches. Customers can also choose hybrid services, i.e. start the process by contacting the Bank on the phone and end it at the branch if they need to sign some documents or certify their signature. ▸ In Q2 2024, the Bank issued first series A investment certificates of Santander Private Equity Fundusz Inwestycyjny Zamknięty. Developed by Santander Brokerage Poland and Santander TFI S.A., the product is dedicated to Private Banking customers. ▸ In Q4 2024, the IPO of Żabka Group was completed. Due to oversubscription by individual investors, orders were reduced by more than 90%. ▸ The share of retail customers in the WSE equity reached an all-time high since 2010. ▸ The Institutional Brokers Team of Santander Brokerage Poland came top in the annual ranking published by Parkiet for another year in a row. The Equity Research Team was also ranked high, taking the third position overall, nine positions among the top three analysts by sector, and three positions among 10 best analysts without the breakdown by sector.
Bancassurance	▸ In 2024, the Bank's offer was modified in line with the results of the customer needs analysis and KNF regulations: ▹ Two new benefits were offered as part of the key non-linked Life and health (Życie i zdrowie) insurance: Medicines for you and Recovery, with a range of additional services available to customers. ▹ The scope of the Business Guarantor (Biznes Gwarant) insurance was modified. ▹ The Partner in Business (Partner w Biznesie) and Partner in Business Plus (Partner w Biznesie Plus) insurance products were replaced by a new My Business (Moja Firma) property insurance dedicated to SME customers. ▹ Worry-free Travel (Podróż bez obaw) insurance was implemented and is available in Santander internet and mobile application. ▸ Buyers of motor insurance were provided with a possibility to sign documents with e-signature. Apart from that, new sales channels were launched and procedures were simplified thanks to the integration with CEPIK (central register of drivers and vehicles). ▸ New post-sales features were implemented, including detailed information about insurance (scope, payments, documentation and claim procedure). In the case of Santander Allianz products, customers have access to pre-populated claim form, which simplifies the process. ▸ In 2024, the insurance premium decreased by 13.6% YoY as a combined effect of 23.3% YoY lower sales of related insurance products (mainly cash loan insurance) and 22.1% YoY higher sales of non-related ones.
Private Banking	▸ The Private Banking offer of Santander Bank Polska S.A. includes the following additional distinctive services: investment advisory (in relation to Polish and foreign investment funds, investment certificates and stock exchange instruments), currency exchange services available on the Santander Exchange platform and with a Private Banker, Santander Exclusive service (support in specialised areas of expertise), and Cyber Rescue service. ▸ In 2024, the Private Banking offer was extended to include Santander Prestiż Calm Investment, a new sub-fund of Santander Prestiż SFIO offered by Santander TFI S.A. ▸ Customers were also provided with access to a full range of solutions available under a new Fidelity International fund – Fidelity Funds US Dollar Bond Fund A (Acc) (EUR) (hedged). ▸ Private Banking FX Account was introduced with 12 currencies to choose from and a multi-currency package for eight of them. ▸ Santander Bank Polska S.A. placed first in the new category of Forbes ranking: "Best Bank for Affluent Customers".

Small and Medium Enterprises (SMEs)

<table>
<tr><th>Product line for SMEs</th><th>Activities of the Retail Banking Division in 2024</th></tr>
<tr><td>Business accounts and bundled products</td><td>

In 2024, account promotions for SME customers included, among other things:

Business Account promotion targeted at all types of businesses and supported by an extensive campaign on TV, in digital channels and on social media, resulting in more than 4k accounts opened.
“Plenty of benefits with Online Business Account”, a promotion supported by a radio campaign, providing a bonus for customers who opened a business account in remote channels and performed certain banking operations (made card or BLIK payments, exchanged currency on the currency exchange platform, opened the Lokata Biznes Impet deposit or signed a POS terminal agreement).
Promotions offering a bonus or e-voucher for retail chains or e-commerce platforms for customers who opened an account and met specific conditions.
Another edition of the “Account with an instalment” promotional offer (linked to Online Business Account and combined with the “Plenty of benefits with Online Business Account” promotion) for customers of Santander Leasing S.A. who did not have a business account.

A new “My Business” insurance was introduced, providing extensive coverage at times of distress.
A range of educational and special initiatives were undertaken, including:

“EmPOWERed in business”, a series of ten workshops for business owners and a grant programme delivered in partnership with the Polish Entrepreneurs Foundation and Polfund. Between January and June, nearly 9k people took part in webinars and three business plans were awarded in four categories (New business idea, Business growth idea, Ecology and Barrier-free business).
The Entrepreneurs Week, as part of which the Bank offered a range of promotions and discounts on services. Customers were informed about them via various contact channels. The initiative also included campaigns rewarding long-term customers and educational podcasts.
“About business over coffee”, a series of six webinars to share knowledge about finance, law, accounting, marketing, cybersecurity and communication, which can be handy when setting up and doing business.

New special offer of POS terminals:

“POS terminal up to 12 months without subscription”: customers could use the POS terminal for free for 12 months after the end of the 12-month subsidy period under the Cashless Poland (Polska Bezgotówkowa) programme.
Special deal on softPOS terminals: with the softPOS application, customers could use their tablet or phone as a terminal.

In partnership with Elavon, the ScanPay service was implemented enabling fast service at restaurants. Customers can check the menu, make an order and pay without having to install an application on their phones.
</td></tr>
<tr><td>Deposits</td><td>

The liquidity and pricing policy related to deposits for SMEs reflected the Bank’s balance sheet position and trends in the interest rate market.
As the market interest rates were stable, the interest rates and tenors of standard deposits were not changed. Standard 1-month deposit was the most popular product. Current account balances had the biggest impact on the value of deposits from customers.
The negotiated deposit offer for customers with higher cash surpluses was modified on an ongoing basis.
Customers looking for higher returns were offered investment products, including structured deposits.
Projects were underway to improve access to deposit and investment products in internet and mobile banking.
Deposits were promoted as part of initiatives undertaken to reward customers (e.g. the Entrepreneurs Week).
</td></tr>
<tr><td>Loans</td><td>

In 2024, the range of products and services for SME customers was extended to include new financing solutions:

Business New Energy loan to finance electric cars, charging stations, photovoltaic panels, energy storage facilities and heat pumps.
Eco Loan with BGK subsidy for businesses making sustainable investments. The subsidy is granted at the customer’s request in the form of an eco bonus and is used to repay part of the principal of Eco Loan.

The following initiatives were undertaken in the ESG area:

SME customers were provided with access to Santander New Energy, a platform with information about ESG, tools for estimating savings on investments in photovoltaic panels or electric cars and a carbon footprint calculator. Customers can also find there information about aid programmes and contact details of verified suppliers.
The Bank organised two editions of Santander New Energy on tour meetings with energy experts (in 13 cities) to share knowledge about ESG and present the features of the Santander New Energy platform.

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</table>

Product line for SMEs	Activities of the Retail Banking Division in 2024 (cont.)
Loans (cont.)	▸ In 2024, the Bank offered a range of promotions and solutions to increase customers' satisfaction with financing. They included: ▹ Special pricing terms offered in remote channels – waiver of an arrangement fee on a variable-rate business loan. ▹ "Business loan with a medical package" – a voucher for free private healthcare at LUX MED over 12 months for customers availing of a business loan. ▹ A new campaign enabling customers to transfer to a fixed-rate loan. ▹ A possibility to get a Business Express loan secured with a mortgage if the property value is lower than the minimum value indicated by the rating application. ▹ Business Express loan with annuity instalments available in any path or channel in Smart Loans to selected customers. ▹ Relaunch of liquidity loans for customers from the agricultural sector. ▹ A new rate of an arrangement fee offered to SME customers applying for a business loan with business insurance and/or treasury products. ▹ New lending rules for customers looking to transfer their exposure from other banks (Balance Transfer). ▹ An all-purpose fixed instalment loan. ▹ A lower arrangement fee on the Business New Energy (Biznes Nowa Energia) loan. ▸ Customised support for customers affected by the flood, including solutions for borrowers such as deferral of principal payments for SME and Agri customers. ▸ In 2024, credit delivery to SME customers of Santander Bank Polska S.A. totalled PLN 5.3bn, down 2.1% YoY on account of a decline in overdrafts. As at 31 December 2024, the credit portfolio of Santander Bank Polska S.A. totalled PLN 17.6bn, up 4.0% YoY.
Leasing products offered by Santander Leasing S.A.	▸ As part of an upgraded version of the electronic customer service portal (eBOK 2.0) customers can use a new contact channel (chat online) and new self-service solutions (partial repayment, extension of the lease agreement, settlement of prepayments). ▸ The loan agreement as well as general conditions and related documents were modified in accordance with plain language rules. The documents also have a new layout, which makes them easier to read and navigate. ▸ Changes were introduced to improve and digitalise credit processes, including: ▹ automated notification of customers who have been denied financing; ▹ preparation of agreements (ordering agreement delivery, changes in the process of obtaining spouse's consent). ▸ The product offer for consumers was extended to include a repayable loan. ▸ A process was implemented to verify if PESEL numbers of customers applying for consumer loans have not been locked. ▸ The corporate customer financing process was modified including: ▹ changes in the processing of transactions as part of limits (reduction of the minimum thresholds, extension of the automated procedure to include preferred assets); ▹ an option to assign limits to corporate customers using lease facilities only. ▸ The following changes were introduced to the simplified procedure to improve access to finance for SME customers: ▹ increase in the exposure limit to PLN 1m and waiver of the minimum deposit for external customers applying for car finance; ▹ financing of solar systems up to 150 kW, improved fast-track procedure for solar panels up to 50 kW and changes in the financing of heat pumps, energy storage facilities and charging stations; ▹ increase in the amount subject to a simplified procedure (without a security in the form of a promissory note) to PLN 1m; ▹ financing of quads; ▹ new terms for external customers (limited liability companies) applying for financing of passenger cars, trucks or trailers up to 3.5t. ▸ The target group of eFactoring, a product offered by the National Guarantee Fund (NFG), was extended. ▸ Since May 2024, SME customers can again conclude lease or loan agreements secured by de minimis guarantee issued by Bank Gospodarstwa Krajowego. ▸ The range of products for customers from the Agri segment was extended to include: ▹ An express loan for any purpose related to farming, an equity release for financing working capital needs, repaying debt or financing any other purpose related to agri business and a modified land purchase loan; ▹ An eLoan for start-ups (a new version of eLeasing); ▹ Assistance Agro – a new product on the agri market launched on 1 August 2024, ensuring assistance in case of breakdown or damage of farm vehicles. ▹ A fee financing option introduced in December. ▸ New vendor schemes were launched in cooperation with manufacturers of tractors and farm machinery and equipment. ▹ In 2024, Santander Leasing S.A. financed assets of PLN 8.8bn (+10.9% YoY). The growth was driven mainly by sales in the segment of passenger cars (+24.1% YoY).

2.2. Business and Corporate Banking Division

The Business and Corporate Banking Division provides services to businesses and corporations with turnover of PLN 8m–PLN 1.2bn, local authorities and the public sector. The Bank's offer includes all types of banking products and services, including payment transactions, loans, deposits, cash management, leasing facilities, factoring, letters of credit and guarantees.

Main directions

Strategic priorities

The Business and Corporate Banking Division pursues the strategic goal of Santander Bank Polska S.A. which is to become the best business bank and to be among the top three banks in terms of the market share. By investing in cutting-edge CRM solutions and automating and digitalising processes, it strives to ensure best-in-class customer experience, as confirmed by high NPS (Net Promoter Score). The ambition of Santander Bank Polska S.A. is to be both the bank of choice and the employer of choice.

This strategic goal is measured using a range of indicators which cover all stakeholder groups. The market position is assessed on the basis of NPS as well as employee engagement and motivation.

The strategic priorities of the Business and Corporate Banking Division for 2024 were set in accordance with the development strategy of Santander Bank Polska Group and focused on:

- Ensuring unparalleled experience for customers and employees and strengthening the Bank's market position.
- Simplifying and digitalising key products and services.
- Attracting and growing new business, notably in digital channels.
- Delivering projects in partnership with Santander Group.

The Business and Corporate Banking Division continues to pursue the growth strategy in line with the key priorities. The relationship-building and acquisition activities contributed to the continued growth in the majority of business lines along with a satisfactory quality of the credit portfolio. The table below presents the business highlights of 2024 in different areas.

Key achievements and business highlights of 2024

- Implementation of innovative technological solutions, including a digital customer onboarding process and changes in the preparation of credit references.
- Automation of CLP platform processes, ensuring faster and more effective management of operations and, ultimately, improved customer service.
- Implementation of advanced CRM systems to track interactions with customers, analyse their needs and customise the offer in real time. Customer segmentation based on various criteria including company size, industry and financial needs, making it possible to adjust services to specific needs of particular segments.
- New rules regarding identification of loan purpose, energy performance certificates, strategy and automation of processes.

- The Business and Corporate Banking Division continues to pursue the growth strategy in line with the key priorities. The relationship-building and acquisition activities contributed to the continued growth in the majority of business lines along with a satisfactory quality of the credit portfolio. Below are the business highlights of 2024 in different areas.

Increase in the number of mobile customers	+11% YoY
Increase in the number of customer transactions	+8% YoY
Increase in FX income from the eFX platform	+12% YoY
Growth of credit volumes	+12% YoY
Growth of credit limits	+13% YoY

<table>
<tr><th>Direction</th><th>Activities of the Business and Corporate Banking Division in 2024</th></tr>
<tr><td>Business trends in the main product lines</td><td>

Business growth driven by customer acquisition and further diversification of the business model.
Strong focus on non-interest income and steady increase in customer exposures.
Leading role in key transactions financing energy transition and investments in different sectors.
Providing customers with working capital finance and solutions mitigating risk in trade transactions, including international ones.
Increase in the effectiveness of the lending process and service model, translating into fast growth of the credit portfolio.
Growth in sales across all business lines, notably leasing (+13.8% YoY).
High credit quality of the corporate portfolio, with a low and stable cost of risk.
</td></tr>
<tr><td>Business transformation/ digitalisation</td><td>
People-centric transformation

Further delivery of innovative transformation programmes focused on improving the work environment, developing skills and sharing leadership experiences.

Business transformation/ digitalisation

Continuation of digital transformation, particularly in terms of process digitalisation and development of the data environment.
Implementation of new analytical tools and data models which support customer relationship management, facilitate optimisation of the offer and commercial activities, and help gather information and prepare for meetings with customers.
Further development of the new iBiznes24 electronic banking platform and iBiznes24 mobile application based on the defined strategy and customer feedback loop. Key changes:

completion of customer migration to the new version (iBiznes24 2.0);
adding the Cash module;
implementation of new solutions and functional changes to facilitate navigation of the application and the banking platform.

Setting up the Trade Desk offering system support for corporate customers using the Trade Finance module in iBiznes24 electronic banking.
Introduction of an option for customers taking out loans secured by BGK guarantees to sign documents with a qualified electronic signature.
Setting up the Credit Desk providing information about disbursed loans as part of post-sales processes.
Implementation of GTS/One Trade Portal for corporate customers. Launch of outgoing instant transfers in EUR for corporate customers participating in Target Instant Payment Settlement (TIPS)/ Euro Express Elixir.
Development of the CLP (Corporate Lending Platform), including changes resulting in a considerable increase in the number of processed cases and limitation of email correspondence on the Business side, reducing turnaround times.
</td></tr>
<tr><td>Products</td><td>

Introduction of a new BGK loan repayment guarantee as part of the InvestEU programme, with a counter guarantee granted by the European Investment Fund in the form of public aid.
Launch of One App Lite – a simplified, passive version of the mobile application enabling customers to use basic functions even during maintenance breaks.
Implementation of two new BGK guarantee schemes – Biznesmax Plus and Ekomax.
Launch of the Santander New Energy, the first platform of this kind in Europe focusing on commercial aspects of SME transition.
Implementation of a carbon footprint tracker for BCB customers so that they can calculate their CO_2 emissions.
</td></tr>
<tr><td>Public sector</td><td>

A steady increase in the number of local authorities served by the Bank, from provinces to cities and towns to municipalities.
Growth of structured finance for local authorities combined with optimisation of average RWA levels.
Active support for new solutions related to energy transformation and zero-emission public transport.
</td></tr>
</table>

Direction	Activities of the Business and Corporate Banking Division in 2024 (cont.)
International Banking	▸ Leveraging Santander Group's global footprint and cooperation with foreign banks and bilateral partners to support the expansion of Polish exporters and companies with foreign capital doing business in Poland, for example through the organisation of B2B meetings and other online and onsite events to: ▹ provide an opportunity to share knowledge and experience and promote networking among business partners; ▹ reach out to foreign investors planning to enter the Polish market and representatives of Polish companies with foreign capital. ▸ Active participation in a number of prestigious events in 2024 as: ▹ a supporting partner of the 8th Entrepreneurship and Financial Education Convention organised by the Warsaw Institute of Banking and the WSE Foundation; ▹ a partner of the Inter-Chamber Golf Tournament; ▹ a co-organiser of an ESG event in Poznań; ▹ an organiser of a series of conferences for businesses to promote EU funds as a growth driver. ▸ Preparation of sector flash reports on freight transport by road and automotive market analyses for customers. ▸ Participation in a Dutch trade mission to Poland focused on sustainable mobility and manufacturing industry. Participation in the Polish-Dutch Business Forum in Warsaw and VIP Round Table with representatives of Dutch business associations and companies doing business in Poland. ▸ Participation in the 1st Polish-Japanese Economic Forum in Łódź and the accompanying Business Mixer event, bringing together representatives of the Japanese Embassy, Japanese Foreign Trade Organisation, Łódź Special Economic Zone, City of Łódź and Japanese companies present in Poland.
Awards and recognitions	▸ Santander Bank Polska S.A. received the following awards and recognitions: ▹ First place in the 10th edition of the "Banking Stars" ranking published by Dziennik Gazeta Prawna and PwC in recognition of the Bank's overall performance as indicated by the scoring achieved in four categories (customer relationships, finance, ESG, technology and innovation) and an independent assessment by the jury. ▹ Leader of Biznesmax Guarantees title granted by BGK in recognition of satisfactory cooperation with the state bank, highly automated guarantee issuance process as well as high quality of the guarantee portfolio and documents. ▹ First place (together with Erste Group Bank and Rand Merchant Bank) in the "Financing Story of the Year" category of 1st CEE Property Forum Awards for refinancing of Galeria Młociny for EPP & Echo Investment. ▹ CEE Financing Provider of the Year, one of the most important and prestigious awards in the commercial properties sector received at 14th Eurobuild Awards gala.

Area	Activities of Santander Factoring Sp. z o.o. in 2024
Factoring	▸ The credit portfolio of Santander Factoring Sp. z o.o. increased by 11.4% YoY to PLN 8.7bn as at 31 December 2024. ▸ The receivables purchased by the company went up by 5.5% YoY to PLN 47.3bn.

2.3. Corporate and Investment Banking Division

The Corporate and Investment Banking (CIB) Division provides an end-to-end support to the largest corporate customers of Santander Bank Polska S.A. As at 31 December 2024, the active CIB customer base included around 250 of the largest companies and groups in Poland (allocated to that segment based on the turnover) representing all economic sectors.

Leveraging the global footprint of Santander Group, the CIB Division renders services to corporations within international structures of Santander Corporate and Investment Banking and cooperates with several Santander Group units.

Main directions

Strategic priorities

The ambition of Santander Bank Polska S.A. is to become a bank of choice for the largest corporate customers. To that end, the Corporate and Investment Banking Division puts customers at the heart of its business, trying to accommodate their needs and enhance their positive experience, while focusing on service quality, market position and staff development.

Service quality	▸ Continuous improvement of service quality through customisation, digitalisation and diversification of the product range.
Market positioning	▸ Strengthening market position through a range of activities, ensuring top ranking positions of strategic products and services.
Employees	▸ Employees pursuing their professional careers in accordance with the Group's values, taking advantage of experience-sharing opportunities in an international work environment.

Key achievements

- First position in the Bloomberg League Table in terms of the value and number of transactions in the Polish capital market.
- First place in terms of the value of project finance transactions in Poland (Infralogic).
- Second position among bond issue arrangers (DCM) in Poland in the Bloomberg League Table.
- Third place in terms of M&A advisory services in Poland (by value).
- First position of the brokers team and third position of the equity research team in the ranking published by Parkiet.
- First place of the Bank's stock market analyst in two sectors (Consumer and e-Commerce).
- First position in the Treasury Securities Dealers ranking published by the Ministry of Finance after Q4 2024.

Performance of selected areas

In 2024, units of the Corporate and Investment Banking Division focused on the following initiatives:

Unit	Key activities in 2024
Credit Markets Department	▸ In 2024, banks were proactively acquiring credit assets both through IPOs and transactions in the secondary market. Talks were regularly held with the Bank's key customers as regards project finance (particularly in connection with renewable energy), securitisation, and debt, rating and ESG advisory services. Debt transactions were executed mainly with entities from the industrial output, telecommunications, logistics, manufacturing, property and energy sectors. Portfolio solutions such as securitisation or risk participation framework agreements with third-party financial institutions were increasingly used to achieve higher-volume asset turnover. ▸ In the project finance and syndicated lending area, the following transactions are particularly noteworthy: ▹ Leading role in the financing of onshore wind farm projects. ▹ Co-financing of the transaction in the logistics sector. ▹ Co-financing of commercial property development projects. ▹ Participation in a syndicated facility to refinance the debt of a group from the food sector and in refinancing of syndicated loans in the pharmaceutical industry. ▹ Co-financing of acquisition of a company from the manufacturing sector. ▹ Co-financing of a telecommunications infrastructure development project. ▹ Co-financing for a leader of the European footwear market. ▹ Participation in securitisation transactions. ▹ Leading role in the financing of student housing developments in Poland. ▹ Co-financing of a transaction in the energy sector. ▹ Acting as the rating advisor and ESG coordinator in the issue of eurobonds in the commercial property sector. ▸ Acting as the lead arranger of bond issues in the domestic and foreign markets for customers from Poland: ▹ Participation in the issue of eurobonds for customers from the public sector (EUR 4.25bn in the European market and USD 8.0bn in the US market), financial sector (EUR 0.75bn) and corporate sector (EUR 0.3bn). ▹ Issue of own shares for the purpose of MREL/TLAC at PLN 3.7bn (Bank) and PLN 3.2bn (subsidiaries). ▹ Participation in PLN 3.7bn worth of corporate bond issues in Poland, notably in the financial, renewable energy and property sectors.
Capital Markets Department	▸ The key initiatives of the Capital Markets Department included: ▹ Advisory services for a listed company from the building materials and systems sector in relation to the sale of two business lines. ▹ Capital raising advisory services for a company from the electric vehicle infrastructure sector. ▹ Acting as the joint bookrunner in the IPO of a company from the retail sector. ▹ Acting as the global joint coordinator in the accelerated book building for shares of companies from the financial and banking services sectors. ▹ Acting as the joint bookrunner in the accelerated book building for shares of a company from the logistics sector. ▹ Advisory services for a telecommunications company regarding divestment and for a renewable energy company regarding the sale of an asset portfolio. ▹ Intermediary and financial advisory services in the tender offer for shares of a company from the IT sector. ▹ Advisory services in relation to the sale of a large-scale solar farm. ▹ Acting as the joint global coordinator as part of the accelerated book building for existing shares of a company from the financial sector. ▹ Transactional advisory and intermediary services for an acquirer in the tender offer for shares of a company from the electrical goods distribution sector.

Unit	Key activities in 2024 (cont.)
Global Transactional Banking Department	▸ Business trends in trade finance: ▹ Customers' demand for working capital finance solutions increased in the second half of the year compared to the first one. High interest rates continued to impact the market. A growing number of customers were interested in mitigating counterparty risk on a standalone and portfolio basis. Supplier financing programmes were more popular too. ▹ Documentary letters of credit and collections were increasingly used to reduce counterparty risk and the risk of the counterparty's country, particularly in the infrastructure finance sector. The cooperation with foreign banks was expanded. ▹ Customers looking for stable long-term sources of financing actively used export finance products as part of existing transactions and new relationships. ▸ Business trends in transactional banking: ▹ Net interest income significantly contributed to the results of the Corporate and Investment Banking segment, as did portfolio diversification and new customer relationships. The negative factors included relatively lower deposit balances and the expected shortening of the average deposit tenor. ▹ Strong focus was placed on the development of cash management products and services for property developers and the housing market at large, resulting in at least 100% growth in income from these two areas. The above changes were driven by the expansion of the product offer, acquisition of new customers and successful leverage of current trends and market opportunities. ▸ Business trends in other areas: ▹ Due to uncertainty regarding the new interest rate benchmark for PLN and sustained high interest rates, an increasing number of customers were interested in fixed-rate financing. Particularly popular were fixed-rate loans granted for two to four years. ▹ While the average overdraft drawdown was steady throughout the year at around 65–75%, with a stable level of limits granted, the use of mid-term working capital loans increased substantially. Customers looked for stable sources of financing for the next two to four years.

3. Business development of Santander Consumer Bank Group

Strategic priorities

The key goal of the strategy of Santander Consumer Bank S.A. (SCB S.A.) for 2023–2025 is to strengthen the business position and image of the Bank as an innovative, secure and customer-friendly financial institution with a strong capital base, a unified structure and corporate culture harmonised across the global group, as well as strong position in the consumer finance market, both in traditional and remote channels.

In 2024, the Bank delivered this goal through the following strategic priorities:

Priority	Objective	Actions
Leader of consumer and car finance (B2B2C)	→ Ensuring effective cooperation with the Bank's partners by developing and implementing solutions that provide best-in-class financing options for customers buying products and services from the bank's partners, with a particular use of remote sales channels.	• Developing processes and financial products that meet the requirements of the consumer and car markets. • Building partnerships with companies from the consumer and car sales sectors. • Leveraging the potential of products offered by subsidiaries to provide car finance.
Innovative customer-centric bank (B2C)	→ Strengthening relationships with customers and increasing their satisfaction by leveraging existing channels, in particular remote ones. → Further developing and providing innovative solutions to build long-term relationships with customers in terms of savings products.	• Increasing the use of self-service and remote channels in online sales. • Increasing the use of the mobile application. • Rising the rate of conversion of customer contacts to credit sales across all channels. • Responding to customers' needs at all sales and post-sales stages.
Maximised efficiency	→ Increasing competitive advantage in terms of operational efficiency.	• Using effectively the customer data from external sources. • Enhancing the effectiveness of sales, credit and operational models. • Improving the quality and effectiveness of processes. • Improving existing and implementing new technological solutions. • Using resources in an effective and agile way.
Personal bank	→ Continuing to create engaging work environment by attracting, retaining and developing talents (especially digital and agile competencies), reinforcing corporate culture based on the TEAMS behaviours, developing an agile organisation and promoting sustainable development.	• Building the employer brand. • Creating a development offer that suits employees' needs. • Reinforcing the culture of innovation and agility. • Promoting and supporting corporate social responsibility initiatives undertaken by employees. • Promoting responsible business conduct (ESG).

Focus areas in 2024

The key priorities of Santander Consumer Bank Group (SCB Group) in the reporting period were:

- → Maintaining the strong position in the installment loan market, ensuring stable share in traditional sales, continuation of relationships with large retailers, profitability of cooperation with trade partners and further growth of online sales.
- → Continuing to acquire customers based on consumer finance products and maximisation of sales opportunities through cross-selling and up-selling.
- → Optimising sale processes and cash loan offer. Maximising the potential of customer contact.
- → Further increasing the share of deposits in the overall funding structure.
- → Maintaining the strong position in the car finance market by focusing on consumers and SMEs. Actively increasing the base of partners for the purpose of product distribution. Looking for solutions to meet new customer needs.
- → Continuing the strategy to increase cost effectiveness in a dynamic environment, including through optimisation of branch network, hyperautomation, digitalisation, optimisation and simplification of processes and continuous improvement of the Agile way of working.
- → Maintaining double-digit growth through initiatives focused on increasing access to products, services and sale processes in self-service electronic channels, automation and digitalisation of back-office services and growth of the number and activity of mobile application users.

Direction	Activities of Santander Consumer Bank Group in selected areas in 2024
Lending	▸ As at 31 December 2024, net loans and advances granted by SCB Group totalled PLN 18.9bn and increased by 10.0% YoY on account of record high sales of cash loans (with a growing share of the remote channel), higher car finance through lease and an increase in stock finance and factoring. The value of instalment loans decreased, reflecting selective sales and increased focus on the product profitability and acquisition of new customers. The value of the mortgage loan portfolio gradually declined as no new sales were generated. ▸ In 2024, cash loan sales by SCB were all-time high at PLN 5.7bn, up PLN 1.7bn YoY (i.e. nearly 43%). The share of remote channels in the above figure was record high too, exceeding 58% in volume terms. SCB offered customers a competitive cash loan based on a simple and fast application process and top quality services. ▸ In the automotive market, SCB focused on increasing the profitability of sales and optimising risk. It cooperated with car importers based on the existing captive model. Particularly noteworthy were agreements with Ford and Chinese car brands offering high sales growth potential. ▸ In 2024, Santander Consumer Bank S.A. sold the written-off loan portfolio of PLN 714.7m, with a positive P&L impact of PLN 121.5m gross (PLN 98.8m net).
Deposits	▸ As at 31 December 2024, deposits from customers of SCB Group totalled PLN 16.1bn and increased by 17.3% YoY owing to attractive terms offered both to new customers and customers already availing of term deposits or savings accounts. ▸ SCB actively managed the pricing offer in the environment of stable interest rates and decreasing inflation in order to grow the profitability of the deposit portfolio. ▸ With the rise in the balance of customer deposits, the level of deposits from banks was reduced.
Synthetic securitisations	▸ In June 2024, SCB entered into a synthetic securitisation transaction in relation to its cash and instalment loan portfolio. The transaction is an STS synthetic securitisation with a significant risk transfer and comprises three tranches. On 29 June 2024, SCB signed an agreement with a private investor under which it received a financial guarantee to secure 100% of the mezzanine tranche. The transaction does not involve financing and covers the selected portfolio of cash and instalment loans which remain on the SCB's balance sheet. It is a part of the strategy aimed at optimising Tier 1 capital.
Bond issues	▸ On 24 June 2024, Santander Consumer Multirent Sp. z o.o. and Santander Consumer Bank S.A. issued the next tranche of one-year unsecured bonds with a nominal value of PLN 300m as part of the joint issue programme. They bear a variable interest rate based on WIBOR.
Other	▸ In the reporting period, credit card CPI was modified to meet the requirements arising from the new Recommendation U. ▸ In 2024, SCB started cooperation with an importer of Omoda Chinese cars in terms of car finance and with an importer of Ford in terms of dealer stock finance. ▸ In 2024, SCB renewed or extended cooperation with three key partners from the household appliances sector, maintaining its strong position in the consumer finance market.

IX. Organisational and infrastructure development

1. Organisational changes in Santander Bank Polska S.A.

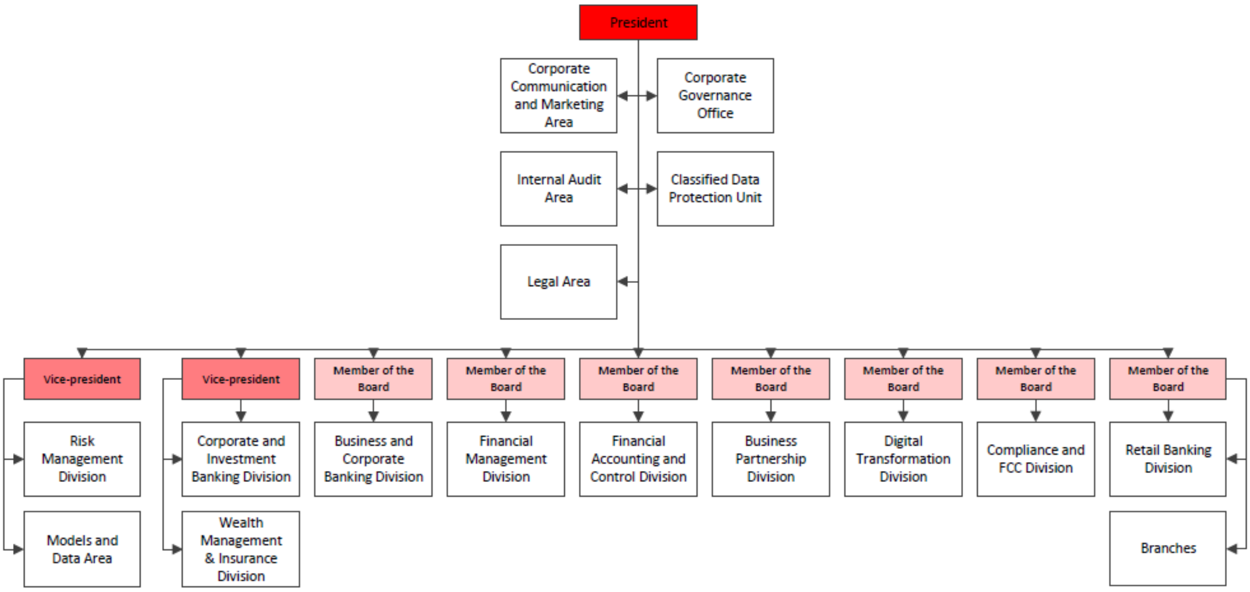
Optimisation of the organisational structure

In 2024, a number of changes were made to the organisational structure of Santander Bank Polska S.A. to increase the operational efficiency of the organisation through its better alignment with the business environment and optimisation of management processes.

Retail Banking Division and Branch Network	▸ The structure and processes of the Retail Banking Division and the Branch Network are being modified in line with the segment model implemented since May 2023. Process review and streamlining translate into more effective use of resources and functional synergies. ▸ The key structural changes in the Division were as follows: ▹ The structure of the Multichannel Communication Area was aligned with the modified strategy focused on building customer experience and increasing sales efficiency. ▹ A new unit was set up in the SME segment to facilitate acquisition and provision of digital services. ▹ The Santander Digital Area was established to develop digital business. ▹ Operational and support functions were centralised in the External Distribution Area.
Wealth Management and Insurance Division	▸ The Operational Risk and Compliance Function Support Office was established.
Risk Management Division	▸ The structure of the Risk Management Division was simplified by creating the Enterprise-Wide Risk Management Centre, which is responsible for delivering cross-segment tasks related to the consolidation of financial and non-financial risks. In addition, three units were established to manage portfolio credit risks.
Compliance and FCC Division	▸ The compliance management structure was simplified by separating advisory and monitoring functions in accordance with the expectations of regulatory authorities (KNF and EBA).
Units outside the divisional structure	▸ The Models and Data Area was set up to integrate the Business Intelligence competencies. The unit reports to the Vice President of the Management Board in charge of the Risk Management Division. It is responsible for managing technological changes (NextGenCRM, cloud computing, Generative AI) and delivering solutions for business and AML units.

In 2024, changes were designed to prepare selected units for further organisational transformation in 2025.

> Organisational units of the Business Support Centre of Santander Bank Polska S.A.



Hybrid work model

The Covid-19 pandemic period and legislative changes implemented in 2023 have led to remote work becoming more popular.

Since 2022, all head office units in Santander Bank Polska S.A. have worked in the hybrid model, i.e. partly in the office and partly remotely. It flexibly meets the needs of both the organisation and its employees.

Self-service tools were implemented to support employees and managers in fulfilling formal requirements and managing the hybrid work (statements, applications for remote work, special statutory solutions for selected groups of employees, e.g. parents of children with disabilities or below eight years of age). Since Q3 2023, employees have received quarterly lump sum for remote work.

Agile methodology at Santander Bank Polska S.A.

To achieve lasting success in a dynamically developing market, Santander Bank Polska S.A. has been steadily increasing the use of Agile methods in day-to-day work of interdisciplinary teams. Poland tops the quarterly Agile Maturity survey that measures agility of Santander Group geographies with a score of 2.7 vs the Group average of 1.93. The survey looks at techniques, work in teams, corporate culture, support from the management, compliance with the mission and strategy, and governance.

Currently, there are 19 Tribes at the Bank, and nearly two thousand employees work in Agile structures. Agile units commonly use Jira (a comprehensive tool for standardisation of processes and workflows in teams) and a quarterly planning process. The development of Agile competencies in Tribes and non-Agile structures is supported by Agile Coaches.

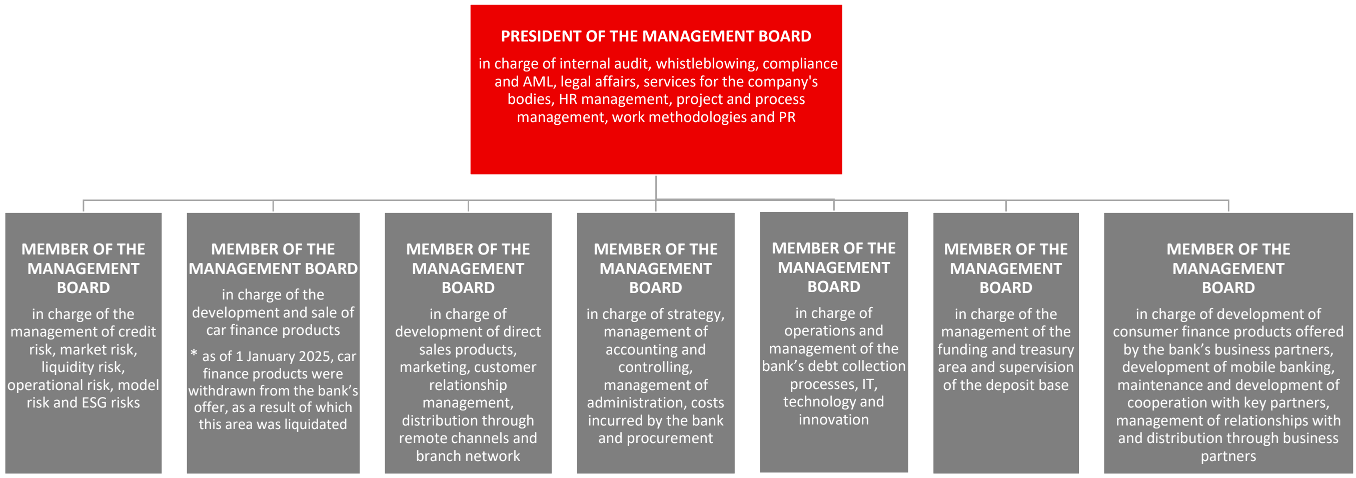
In 2024, a model was developed to verify work standards in teams and promote continuous improvement. A number of development initiatives for Product Owners were continued. Actions were also taken to reinforce Agile competencies across the organisation, for example cyclical inspirational meetings and making Agile methodology part of the onboarding process.

2. Organisational structure of Santander Consumer Bank S.A.

The organisational structure of the head office of Santander Consumer Bank S.A., which is aligned with the Agile model applicable across the organisation since September 2021 (divisions replaced by tribes), was stable in 2024. Changes were limited and did not significantly affect the scope of tasks delivered by individual units.

The diagram below presents the functional areas of responsibility of members of the Management Board of Santander Consumer Bank S.A.

> High-level organisational structure of Santander Consumer Bank S.A.



3. Changes in the structure of Santander Bank Polska Group

Compared with 31 December 2023, the composition of Santander Bank Polska Group excludes Santander Consumer Finanse Sp. z o.o. w likwidacji, a subsidiary of SCB S.A. More information about this change and members of Santander Bank Polska Group is presented in Chapter II, Part 2 "Structure of Santander Bank Polska Group".

4. Changes in the equity investment portfolio

Selected investments in the investment securities portfolio

As at 31 December 2024 and 31 December 2023, Santander Bank Polska Group owned at least 5% of share capital or voting power in the following companies:

		% in the share capital	% of the total votes at AGM	% in the share capital	% of the total votes at AGM
No.	Company	31.12.2024		31.12.2023	
1.	Polski Standard Płatności S.A.	14.29%	14.29%	14.29%	14.29%
2.	Krajowa Izba Rozliczeniowa S.A.	14.23%	14.23%	14.23%	14.23%
3.	System Ochrony Banków Komercyjnych S.A.	12.91%	12.91%	12.91%	12.91%
4.	Biuro Informacji Kredytowej S.A.	7.72%	9.22%	7.72%	9.22%

According to the equity portfolio management strategy of Santander Bank Polska Group, investments not connected with the Bank's core business are limited.

5. Cooperation with international financial institutions in terms of equity optimisation

Cooperation with international financial institutions

In 2024, the Group continued the cooperation with international financial institutions in terms of optimisation of the Group's risk weighted assets, including through securitisation and guarantees. This also includes effective allocation of equity released to support customers from the SME and Midcap segment (as defined by the EU), less developed regions, and to finance environmental and social projects.

On 20 November 2024, Santander Leasing S.A. concluded a synthetic securitisation transaction with the European Investment Bank (EIB) Group. The purpose of the transaction is to guarantee the portfolio of leased assets worth approx. PLN 3.9bn and release equity of approx. PLN 2.5bn. That equity will be used to deliver the responsible banking agenda with an estimated cost of PLN 3.8bn until November 2027 (more information is provided in the section below).

Santander Bank Polska Group expects to sign more agreements with international financial institutions in 2025 depending on market conditions, liquidity needs and further optimisation of risk weighted assets.

Selected agreements

Securitisation transactions made by Santander Bank Polska S.A. in 2024

Synthetic securitisation of a corporate receivables portfolio of Santander Bank Polska S.A.

On 26 June 2024, Santander Bank Polska S.A. entered into a synthetic securitisation of a corporate receivables portfolio with a total nominal value of PLN 3.7bn. The securitised portfolio was divided into three tranches corresponding to the sequence of allocation of credit losses: senior (92.4%), mezzanine (6.85%) and first loss tranche (0.75%).

The junior and senior tranches were acquired by the Bank. The mezzanine tranche was acquired by external investors not related to the Bank. The risk of the securitised portfolio was transferred through funded credit linked notes (CLN). The CLNs cover losses on the securitisation portfolio in the amount of the mezzanine tranche. The requirement to retain material net economic interest is met by retaining randomly selected eligible exposures representing at least 5% of the nominal value of the securitised loans.

The transaction is an STS synthetic securitisation with risk transfer as defined by Regulation (EU) 2402/2017 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, as amended (Securitisation Regulation).

As part of the transaction, on 26 June 2024 the Bank issued CLNs with a nominal value of PLN 256.0m and a maturity date of 31 December 2033. The Bank has the option of earlier repayment of its obligations under the CLNs. On 26 June 2024, the CLNs were introduced to trading in the alternative trading system on the Vienna MTF organised by Wiener Börse AG (Vienna Stock Exchange).

As at 31 December 2024, the securitised portfolio totalled PLN 3.0bn.

Exercise of a clean-up option in relation to the synthetic securitisation of the cash loan portfolio of Santander Bank Polska S.A.

On 25 October 2024, the Bank exercised a clean-up option in relation to the synthetic securitisation of the cash loan portfolio entered on 7 December 2018 with the European Investment Fund (EIF). The purpose of the transaction was to release capital to finance projects supporting the development of SME, corporate and public sector customers. The Bank met all contractual obligations. The Bank was entitled to exercise that option if the value of the securitised portfolio decreases below 10% of its initial value.

Synthetic securitisation of a cash loan portfolio of Santander Bank Polska S.A.

On 17 December 2024, Santander Bank Polska S.A. entered into a synthetic securitisation of a personal cash loan portfolio with a total nominal value of PLN 4.5bn.

The securitised portfolio was divided into three tranches: senior (89.49%), mezzanine (8.76%) and junior (first loss) tranche (1.75%). The junior and senior tranches were acquired by the Bank. The mezzanine tranche was acquired by external investors not related to the Bank.

The transaction is an STS synthetic securitisation with risk transfer as defined in the Securitisation Regulation. The transfer of risk related to the securitised portfolio to cover losses in the amount of the mezzanine tranche was completed by the use of CLNs.

As part of the transaction, on 17 December 2024 the Santander Bank Polska S.A. issued CLNs with a nominal value of PLN 394.0m and a maturity date of 7 February 2033. The Bank has the option of earlier repayment of its obligations under the CLNs. On 17 December 2024, the CLNs were introduced to trading in the alternative trading system on the Vienna MTF.

The requirement to retain material net economic interest is met by retaining randomly selected eligible exposures representing at least 5% of the nominal value of the securitised loans. The agreement provides for a one-year replenishment period during which the Bank may replenish the amortised amount of the securitised portfolio.

As at 31 December 2024, the securitised portfolio totalled PLN 4.1bn.

Securitisation transactions made by the subsidiaries

Guarantee agreement between Santander Leasing S.A. and the European Investment Fund

On 20 November 2024, Santander Leasing S.A. signed a guarantee agreement with the European Investment Fund to secure the portfolio of leases and loans totalling approx. PLN 3.9bn. Pursuant to the agreement, the transaction is set to expire on 31 March 2035.

The guarantee agreement meets the criteria of a synthetic securitisation which does not involve financing, as set out in the CRR (amended by Regulation 2017/2041). It covers the selected portfolio of lease and loan agreements which remains on the company's balance sheet.

The effective date of the guarantee agreement was subject to the satisfaction of specific conditions, including to meet the commitment to pre-allocate the capital released under the transaction for new SME and MidCap lending, as required by the European Investment Fund (EIF) and European Investment Bank (EIB).

Santander Bank Polska Group met all conditions necessary to activate the guarantee agreement on 16 December 2024. It means effective credit protection of the securitised portfolio in the form of a guarantee for 100% of the senior and mezzanine tranches. The first loss (junior) tranche was fully retained and will be deducted from the Common Equity Tier 1 capital.

The guarantee agreement provides for a two-year replenishment period during which the company may replenish the amortised amount of the securitised portfolio. To ensure stability of the portfolio structure, the transaction includes a synthetic excess spread (SES) available on a use-it-or-lose-it basis that makes it possible to allocate losses up to 0.7% of the portfolio per year outside the securitisation structure.

As at 31 December 2024, the securitised portfolio totalled PLN 3.7bn.

Synthetic securitisation of cash and instalment loan portfolio of Santander Consumer Bank S.A.

On 29 June 2024, Santander Consumer Bank S.A. entered into a synthetic securitisation transaction in relation to its cash and instalment loan portfolio with a total amount of PLN 3.4bn. The transaction is a part of the Tier 1 capital optimisation strategy aimed to obtain a capital relief in relation to the retail loan portfolio.

As part of the transaction, the securitised portfolio is divided into three tranches: senior (88.77%), mezzanine (8.23%) and junior (first loss) tranche (3%).

The transaction is an STS synthetic securitisation with a significant risk transfer. Pursuant to the agreement with a private investor, SCB received a financial guarantee to secure 100% of the mezzanine tranche. Additionally, in order to secure payments, the investor made a deposit in an amount equal to the amount of the financial guarantee.

The transaction includes a two-year replenishment period during which SCB may replenish the amortised amount of the securitised portfolio with new exposures that meet the criteria specified in the agreement. The transaction does not involve financing and covers the selected portfolio of cash and instalment loans which remain on the SCB's balance sheet.

As at 31 December 2024, the total gross carrying amount of the tranches was PLN 3.4bn.

6. Development of distribution channels of Santander Bank Polska S.A.

Santander Bank Polska S.A. invests in the digitalisation of business and development of digital tools to provide highly innovative and top quality services. The range of functionalities available in the distribution channels is steadily extended, as is the accessibility of services. The Bank's focus is to grow sales in remote channels and increase the share of self-service branches.

Basic statistics on distribution channels

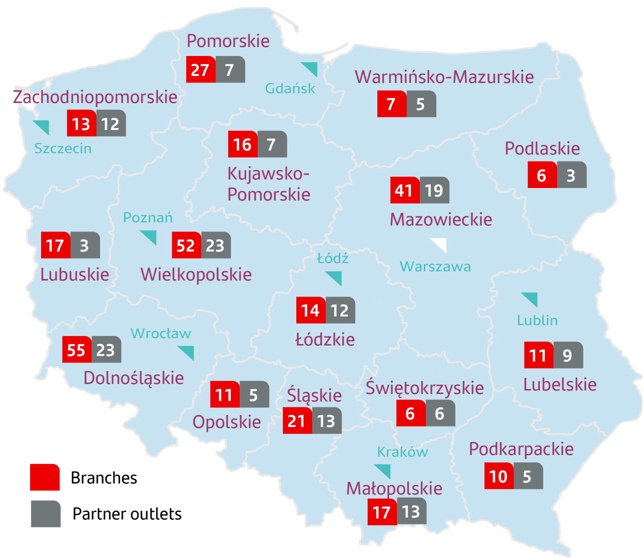
Santander Bank Polska S.A.	31.12.2024	31.12.2023
Branches (locations)	311	319
Off-site locations	2	2
Santander Zones (acquisition stands)	11	15
Partner outlets	166	171
Business and Corporate Banking Centres	6	6
Single-function ATMs 1)	130	429
Dual-function machines 1)	1,242	975
Registered internet and mobile banking customers 2) (in thousand)	5,197	5,012
Digital (active) mobile and internet banking customers 3) (in thousand)	3,765	3,497
Digital (active) mobile banking customers 4) (in thousand)	3,112	2,608
iBiznes24 – registered companies 5) (in thousand)	27	26

1) Network of ATMs of Santander Bank Polska S.A. maintained by specialised operators as at the end of 2024 (following the migration of machines started in 2023).
2) Number of customers who signed an electronic banking agreement under which they can use the available products and services remotely.
3) Number of active internet and mobile banking users (digital customers) who at least once logged into internet or mobile banking or checked their balance without logging in the last month of the reporting period.
4) Number of active mobile banking customers who at least once logged into the mobile application or its light version or checked their balance without logging in the last month of the reporting period.
5) Only the customers using iBiznes24 – an electronic platform for business customers (iBiznes24, iBiznes24 mobile and iBiznes24 Connect).

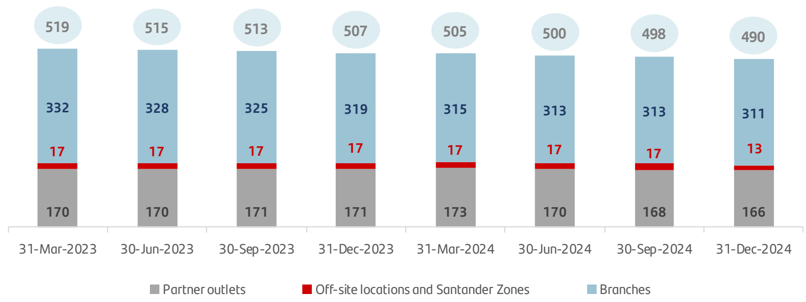
Traditional distribution channels

As at 31 December 2024, Santander Bank Polska S.A. had 311 branches, 2 off-site locations, 11 Santander Zones and 166 partner outlets. In 2024, the number of bank outlets (branches, off-site locations and Santander Zones) decreased by 12, and the number of partner outlets declined by 5.

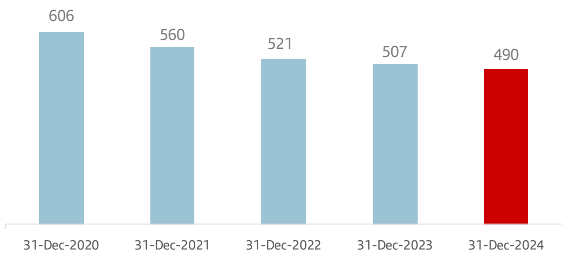
> Location of branches and partner outlets of Santander Bank Polska S.A. by province



Number of branches and partner outlets of Santander Bank Polska S.A.
by quarter in 2023 and 2024



Number of branches and outlets
of Santander Bank Polska S.A. in years 2020-2024



Priorities of branch network development

- Modernisation of branches, including relocation, remodelling and downsizing.
- Launch of further branches without cashier services.
- Implementation of the network coverage strategy.
- Continued optimisation of branches and their transformation into partner outlets, taking into account the operating cost analysis.

Below are some of the major developments in the branch network in 2024:

→ Two new branches were opened in Poznań: one in a standard format and the other in the Work Café Light model, combining traditional banking space (cashier services and customer advisors' support) with additional coworking and meeting space.
→ The implementation of the cashless service model in branches was continued, with self-service zones available 24/7. By the end of 2024, the number of branches without cashier services increased to 79.
→ Eight branches were closed as part of the branch network optimisation.
→ Two branches were transformed into partner outlets and 15 partners were changed.
→ Work was continued to improve accessibility for customers with disabilities.

For many years now, the Bank has been taking measures as part of the Barrier-free Banking project to increase the accessibility of branches for customers with disabilities. As a result:

→ All branches and partner outlets adhere to the Barrier-free Banking Standards.
→ All branches are equipped with portable induction loops, i.e. devices which facilitate interactions with customers who use hearing aids.
→ 99% of the Bank's ATMs have features which make them easier to use by people with disabilities, including an audio system ("talking" ATMs/ CDMs), a high-contrast mode, a screen switch-off mode and Braille symbols.
→ 74% of the Bank's branches are accessible to wheelchair users and people with individual needs.
→ 52 branches are equipped with a tactile path and 15 branches with typhlographic maps.
→ 60 locations are equipped with TOTUPOINT, a navigation and information system supporting spatial orientation.

At the end of December 2024, the Private Banking model included 64 Private Bankers operating from 24 locations across Poland (4 Private Banking Centres and 20 branches with services dedicated to Private Banking customers).

Services to businesses and corporations were provided by two departments: the Business Clients Department and the Corporate Clients Department with their 6 Banking Centres (3 Business Banking Centres and 3 Corporate Banking Centres) operating within three regional structures through 29 offices located Poland-wide. Premium customers and entities from the public and commercial properties sector were handled by four dedicated offices.

Intermediaries network

Indirect distribution channels, whose main role is to acquire new customers, include mainly agents and intermediaries/ brokers.

- As at the end of 2024, the number of agents cooperating with the Bank as part of the Mobile Agent Network exceeded 200. The Bank used their services to offer cash loans, mortgage loans, SME loans, loan insurance, personal and business accounts, and leasing facilities.
- Cooperation with network agents in terms of mortgage loans was centrally managed under ten agreements. The mortgage loan offer did not change, neither did the terms of cooperation between the Bank and brokers.
- As part of a centralised management model, the Bank collaborated with network and local agents (under more than 360 agreements) in terms of cash loans, SME products and personal accounts.

ATMs

As at 31 December 2024, the network of self-service devices of Santander Bank Polska S.A. comprised 1,372 units, including 130 ATMs (cash dispense functionality only) and 1,242 dual function machines (cash dispense and deposit functionality) including 1,159 recyclers, i.e. devices enabling withdrawal of cash that has been previously deposited by other customers.

Between September 2023 and November 2024, the Bank migrated the machines to the ATM-as-a-service model of Euronet and ITCARD. Through the partnership with specialised operators, the Bank can provide customers with access to innovative and convenient ATMs and CDMs as well as fast and efficient maintenance and support in the case of any incidents.

In Q3 2024, ATMs of Santander Bank Polska S.A. were equipped with a speech-to-text technology, enabling visually impaired customers to make all types of transactions without additional assistance. The number of ATMs with NFC readers was significantly increased and customers could use cards from their digital wallets.

Remote channels

In 2024, Santander Bank Polska S.A. continued to improve the functionality and capacity of digital contact channels in line with its long-term strategy which is to increase the share of such channels in customer acquisition and sales. The changes were intended to improve the user-friendliness of existing features and processes, and add new ones, while enhancing security of operations. Channel integration was continued, harmonising customer service across the Bank.

Electronic channel	Selected solutions and improvements introduced in 2024
santander.pl	▸ In 2024, new solutions were developed to support sales via santander.pl. Access to products and services was facilitated by redirecting users from the website to the mobile application. Content personalisation based on the user's activity was further improved. ▸ The Cookie Policy for santander.pl was updated and a new mechanism was put in place to manage cookie consents. The solution, which meets regulatory and legal requirements, is used in all customer contact channels. ▸ Work was continued to implement the Web Content Accessibility Guidelines (WCAG), ensuring digital accessibility of its website at 84%. Further improvements and changes are steadily introduced to reach 100%. ▸ A range of image-building activities were run online to support the "We Multiply Good" fundraiser for flood victims or the Santander Letnie Brzmienia summer music festival. ▸ A new reCAPTCHA security service was implemented to protect the Bank's forms against cyberattacks. ▸ The Bank's domain was optimised for better visibility on search engines.

<table>
<tr><th>Electronic channel</th><th>Selected solutions and improvements introduced in 2024 (cont.)</th></tr>
<tr><td>Internet and mobile banking</td><td>

In 2024, the Bank focused on improving the new version of the Santander mobile application, adding the following features:

the Financial Coach feature to analyse account and credit card inflows and outflows by category;
the view of transfer limits in the application;
subscriptions – information about services subscribed for by the customer, including subscription cost summary;
Santander on the go – useful services and tips for customers planning or taking a trip;
new tips on credit cards in the Price advisor functionality;
a possibility to open an FX account in 12 different currencies.

The internet and mobile banking services were further developed to include:

new currencies available on the Santander Exchange platform: NOK, SEK, DKK, CZK, JPY, HUF, AUD and CAD;
FX Account24 available in new currencies: NOK, SEK, DKK, CZK, JPY, HUF, AUD and CAD;
extension of the multi-currency functionality up to eight currencies: EUR, USD, GBP and new ones: CHF, NOK, SEK, DKK, CZK.

</td></tr>
<tr><td>Santander Open</td><td>

In 2024, the Santander Open services were extended to include Nest Bank (payment initiation service) and VeloBank (account integration service). Customers of Santander Bank Polska S.A. can now integrate their accounts held with any of the following ten banks: Alior Bank, Bank Millennium, BNP Paribas, Credit Agricole, ING Bank Śląski, mBank, Nest Bank, PKO BP, Pekao S.A. and VeloBank and initiate payments in relation to accounts held with the above banks (except for VeloBank).
AIS and PIS are available both in Santander internet and Santander mobile.
</td></tr>
<tr><td>Contact Centre (Multichannel Communication Area and Remote Distribution Area)</td><td>

The processes delivered by the Contact Centre were further improved and technologically optimised:

The Bank launched sales of motor insurance by phone and provided personal customers with an option to buy that insurance via helpline.
The scope of helpline and Online Advisor services for business customers was extended to include a possibility to place an instruction for early loan repayment.
An incident management application was implemented in the Contact Centre to improve the flow of information and ensure consistent communication with customers in case of failure.
Processes were put in place allowing personal customers to grant a power of attorney to use Santander online services, and personal and business customers to change their mobile banking limits in the video channel.
Processes were modified to enable the verification of PESEL numbers (whether locked).
Business customers were provided with an option to increase the monthly debit card limit to the maximum amount via the Contact Centre (previously, they could increase it only at a branch).
The functionality of Poczta 2.0 was further extended to allow business customers to send information about the number of employees or the closing date of the last financial year (such information can also be sent via helpline or Online Advisor).
To increase security, customers are sent text message notifications and asked to contact the helpline if the conversation held in the chat channel is stopped due to suspected fraud.
A new tool for cash withdrawal notifications was implemented.
New processes were introduced and existing processes were optimised as part of the tool used to send documents to customers, reducing turnaround times.
A process was implemented for identification of Mass, SME and Select customers via: a) Mobile Authorisation (a tool also used to confirm the identity of the Bank’s employee in outgoing calls); b) Click2Call (a service whereby customers contacting the Bank via the mobile application are treated as authenticated users).
A MIS application was deployed to manage knowledge tests and process items registered in PAS (Sales Activation Programme).

The use of bots was further extended:

Sandi was trained to handle a wider range of topics related to SME and Select customers. A bot was deployed at www.centrum24.pl to help customers with problems with logging in or other queries. The main menu of the chatbot includes the “Guide for new customers” button with the key information about the Bank’s services.
Sandi services were adapted to WCAG standards (navigation without a mouse, messages for people using screen readers, etc.).
At the beginning of July, the “Santander on the go” tab was added to the main menu of the virtual assistant. Customers can find there information about products and services that can come in handy during travelling.
In 2024, Sandi provided more than 1.2m answers.
Customers calling the Bank’s helpline (1 9999) can listen to informative and educational messages before they contact the advisor. It is to increase their awareness of certain aspects, keep them up-to-date and enhance their experience.

</td></tr>
</table>

Electronic channel	Selected solutions and improvements introduced in 2024 (cont.)
Contact Centre (cont.) (Multichannel Communication Area and Remote Distribution Area)	▸ The quality of services was further improved: ▹ The Bank came first in the main category of the Golden Banker 2024 ranking: "Golden Bank – the best multichannel customer service quality", and first in the first wave of the MASS NPS Banchmark survey in the following categories: Waiting time to be connected to an advisor" and "Overall assessment of CC". ▹ Hot Alerts were implemented in relation to SMS surveys sent to customers served by the Contact Centre in order to gather more feedback from detractors.
e-commerce	▸ Santander Bank Polska S.A. develops an e-commerce channel to sell strategic products online. The Bank offers personal accounts, business accounts and cash loans in partnership with affiliate networks in Poland, i.e. the largest online platforms. The Bank also takes active measures in electronic channels (website, electronic banking platform, mobile application) in relation to existing customers, providing them with tailored products and services.

The new features of iBiznes24 for corporate customers are described in Chapter IX "Business development in 2024", section on Business and Corporate Banking and Corporate and Investment Banking.

Active digital customer base

As at 31 December 2024, the number of digital customers of Santander Bank Polska S.A. (i.e. electronic banking customers who used electronic banking services at least once a month) went up by 7.7% YoY to 3.8m, accounting for 72.4% of customers with access to electronic banking services. The number of active mobile banking users increased by 19.3% YoY to 3.1m (including 1.9m customers who used Santander mobile only and 653.0k customers who used only internet banking). In 2024, mobile application users made 370.9m transactions (up 26.5% YoY). At the same time, the number of transactions via the internet banking platform decreased by 5.3% YoY to 190.5m.

7. Development of distribution channels of Santander Consumer Bank S.A.

The section below presents the main sales channels of Santander Consumer Bank S.A.

Santander Consumer Bank S.A.	31.12.2024	31.12.2023
Branches	38	50
Partner outlets	233	250
Car loan sales partners	1,124	1,266
Instalment loan sales partners	5,638	5,887
Registered internet and mobile banking customers [1)] (in thousand)	1,270	1,413
Digital (active) mobile and internet banking customers [2)] (in thousand)	691	751
Digital (active) mobile banking customers [3)] (in thousand)	491	403

1) Customers who signed an agreement with Santander Consumer Bank S.A. and at least once used the bank's electronic banking system in the reporting period.
2) Number of active internet and mobile banking users (digital customers) who at least once logged into internet or mobile banking or checked their balance without logging in the last month of the reporting period.
3) Number of active mobile banking customers who at least once logged into the mobile application or its light version or checked their balance without logging in the last month of the reporting period

8. IT development

Development of IT resources

In 2024, the Bank completed one of its biggest technology projects over the last five years: it implemented a cutting-edge system for authorisation and settlement of card payments. The project involved a full upgrade of the key technology infrastructure, from data migration to integration with existing systems to modernisation of the architecture and implementation of innovative functions.

The Bank also launched a simplified, passive version of the Santander mobile application, enabling customers to use basic functions even during maintenance breaks. Not only did it increase the reliability and efficiency of mobile banking, but also ensured convenience and security of use. With the new version of the application, customers can log in, check their account and deposit balances, stop cards, call the helpline and use mCommerce 24/7.

The Bank launched Azure Data Lake, a cloud-based platform. Developed using the Databricks technology, the solution makes it possible to store data from multiple systems in one place, facilitating the analysis and data-driven decision-making.

In 2024, the Digital Transformation Division had a stable and gender-balanced workforce of more than 2,000 FTEs. Employees with more than nine years of service were the largest population. The proportion of male and female employees was equal.

Main IT development directions in 2024

In 2024, Santander Bank Polska Group concentrated on further digitalisation and automation, simplification of processes and products, and development of the mobile application and functionality of remote channels to ensure unparalleled services that meet customers' expectations in terms of speed and ease of use. Particular focus was placed on the security and stability of systems. Another priority was the protection of personal and financial data of customers against increasingly advanced cyber attacks such as ransomware, phishing, DDoS and malware. Increased activity of hackers requires constant monitoring of emerging threats and a quick response to incidents.

The table below presents the selected strategic projects delivered by Santander Bank Polska Group in 2024 in line with the main directions of digital transformation.

Initiative	Selected strategic projects delivered in 2024
Improvement of availability, reliability and performance of the Bank's systems	▸ A new version of the Inwestor online service was launched for customers of Santander Brokerage Poland, offering advanced and improved analytical tools. Customers were also provided with Inwestor mobile 2.0, a brand new brokerage application. ▸ A simplified, passive version of the Santander mobile application was launched, enabling customers to use basic functions even during maintenance breaks.
Participation in global optimisation initiatives of Santander Group	▸ Cross-border transaction monitoring was launched as part of the OneFCC global programme, increasing the effectiveness of fraud detection. ▸ Databricks-based Azure Data Lake was implemented in the live environment. ▸ Syndicated lending transactions were successfully migrated to the dedicated LoanIQ platform, and Sorbnet payment execution was automated.
Enhancement of security of the Bank's systems	▸ In 2024, Disaster Recovery tests were run, for the first time covering both critical and support systems. All tests were passed. ▸ The core system for monitoring payments made via electronic banking was migrated to a new more effective system, enabling the implementation of machine learning models. At the same time, existing fraud prevention rules were reviewed and developed to ensure highest possible security for customers. ▸ A mobile authorisation function was implemented in the Santander mobile application, making it possible for customers to verify the identity of employees calling from the Bank to protect them against phone scams. ▸ A range of initiatives were undertaken to increase customers' awareness of cyber risk. More than three million customers received regular education materials via internet and mobile banking. A new edition of the educational campaign: "Don't believe in fairy tales 2.0" was launched on social media and on the radio. The target group included not only customers but also internet users, including less frequent ones. The campaign reached around 8.4 million social media users and 17.7 million radio listeners. In partnership with Santander Foundation, the Bank recorded an educational programme for seniors. As part of the Polish Bank Association, a campaign "Don't make it easy for cybercriminals" was created and broadcast in various channels, including on TV. ▸ Measures were completed to enhance cybersecurity in accordance with DORA (e.g. agreements with suppliers were modified to ensure they incorporate necessary provisions on cybersecurity).
Automation and optimisation of operational processes	▸ The system for authorisation of card transactions was successfully migrated to a brand new application layer and a new database engine. The process was delivered smoothly without any service disruptions. ▸ 1,372 ATMs were migrated to Euronet and ITCARD.

The table below presents the key optimisation projects and projects resulting from regulatory requirements.

Initiative	Selected optimisation projects delivered in 2024
Improvement of functionality of electronic and mobile banking channels	▸ eStatements were digitalised, enabling customers to modify their settings and manage their accounts via remote channels. In the case of accounts for children over 13, eStatements can be sent to parents' inbox (Poczta 2.0) so they can conveniently keep track of the child's finances. ▸ A screen sharing solution was introduced for users of iBiznes24, enabling customer advisors to provide immediate help with electronic banking or assist in placing orders or completing electronic applications during a phone call with a customer. ▸ Corporate customers using the Trade Finance module in iBiznes24 were offered system support during placement of new orders and at each stage of the transaction.
Optimisation of credit processes	▸ A remote process was put in place, making it possible for retail customers to have their credit limits reduced without the need to visit a branch to complete formalities. ▸ A remote solution was implemented as part of the central mortgage services to enable E2E processing of collateral modification instructions, limiting the number of customer visits to branches. ▸ The credit process was further optimised, including in relation to the verification, disbursement and settlement of loans. Simpler solutions were introduced and the process of applying for post-sales changes was streamlined. A system was also deployed for automated disbursement of refinanced loans as well as management of the related collateral and debt. ▸ To speed up the execution of loan agreements, customers were provided with an option to sign credit documents at branches and partner outlets using an eSignature. ▸ A system was put in place for automated dispatch of digitalised mortgage loan-related documents directly to customers. The solution facilitates document circulation, increases security and minimises the risk of errors. ▸ The management of receiver instructions related to the accounts of customers in consumer bankruptcy was centralised. The new solution helps to simplify the process, improve the coordination of actions and standardise the procedures, while minimising the risk of errors.
Extension of the range of products and services	▸ The list of currencies available with a multi-currency card (linked to an FX account) for personal customers was extended to include CZK, SEK, DKK, NOK and CHF (in addition to EUR, USD and GBP).
Automation and optimisation of other operational processes	▸ The bot dedicated to agreements secured by de minimis guarantees was modified in line with the new agreement with BGK. ▸ A new transactional banking service was launched whereby customers can apply to have a cash storage device installed on their premises. ▸ The following operational processes were automated to reduce risk and workload and improve customer satisfaction: account closing, PESEL verification, unblocking, bereavement services, collateral verification, credit processes and settlement of remuneration for external sales networks. ▸ The Click2Call function was implemented (customers can directly connect with a chosen advisor by calling 19999 from their mobile application). ▸ The closure of inactive personal accounts (i.e. not used for 10 years) was automated and optimised. ▸ The DRONN service was launched, whereby a voicebot calls customers who have recently fallen into arrears.

Initiative	Selected optimisation projects delivered in 2024 (cont.)
Implementation of regulatory requirements	▸ A new self-service process was put in place to enable SME, CIB and BCB customers to single-handedly update their data for FINREP purposes. The reporting process was improved, as was the control of collection, flow and submission of information. ▸ The information in the corporate data warehouse used for ESG reporting purposes was updated. The registration of performance certificates for the purpose of mortgage loans was automated and a system was implemented to monitor the missing documents. ▸ In Q3 2024, the WIBOR reform was put on hold due to the review of interest rate benchmarks by the Financial Stability Committee of the National Bank of Poland. The project will be resumed once a decision on a new WIBOR replacement rate is announced. ▸ To ensure the compliance of bancassurance activities with the new Recommendation U and to mitigate legal and regulatory risks, the banking systems were modified, internal regulations were updated, insurance products were changed and new controls were implemented. ▸ As part of measures taken to support flood victims, the Bank processed mortgage borrowers' applications for aid from the Borrowers Support Fund. Customers were also offered an option to suspend their loan repayments and a bot was adapted to handle applications placed via electronic banking. ▸ Changes were implemented in the reporting of cross-border payments via the Central Electronic System of Payment information (CESOP). ▸ The new consumer bankruptcy model was optimised and centralised. ▸ Work was underway to implement the new guidelines on payment holidays arising from the amended act (change of terms and conditions, e.g. of customer income verification). ▸ The trade repository was created in accordance with EMIR (European Markets Infrastructure Regulation) as part of implementation of EMIR REFIT reporting for all treasury transactions. ▸ The system for settlement of state subsidies for agricultural loans was modified to provide automated access to personal data in accordance with regulatory requirements. ▸ The Bank launched the cooperation with Noble Securities S.A. in terms of settlement of transactions made on the WSE and management of securities held in the Central Securities Depository.

Main directions of future IT development

In 2025, Santander Bank Polska Group will continue to develop Amazon AWS Landing Zone, an operating model for cloud computing services. Further measures will be taken to implement a new CRM platform and a new fraud prevention system.

Customers will be provided with an option to single-handedly reset their passwords, which will enhance user experience, reduce workload of customer-facing staff and ensure 24/7 access to banking services. A new process will be put in place to proactively identify customers with high risk of arrears.

Work will be underway to implement mass conversion of variable-rate to fixed-rate mortgage loans based on an automated credit decision, without the need for customers to submit any documents. The objective is to mitigate the impact of interest rate movements on the mortgage loan portfolio and ensure fixed mortgage payments for customers during a specific period.

As part of development of the system for sale and conversion to fixed-rate mortgage loans, an option will be implemented to add co-borrowers, and loan disbursement and settlement processes will be fully automated.

Customers will be also provided with a possibility to apply for mortgage loans at partner outlets as part of the centralised process.

Further measures will be taken to replace the existing system supporting transactional, sales and post-sales processes delivered by branches, operational units and call centres. To ensure compliance with ISO20022, the migration from Sorbnet2 to Sorbnet3 will be completed and XML messages compliant with SWFIT requirements will be implemented.

Achievements in innovation and research and development

As the banking activity is being redefined by new technologies such as artificial intelligence or big data on one hand and cyber risks on the other, banks keep developing innovative high-tech solutions.

In 2024, Santander Bank Polska S.A. continued to improve the functionality of its innovative mobile application, which was used by three million customers at the end of the year. Santander mobile is a global solution and the largest project of this kind implemented in Europe. It is an intuitive and safe tool that helps the Bank increase NPS and develop relationships with customers.

A range of new enhancements were implemented:

- an option for personal and business customers to contact the helpline directly from the application as identified callers;
- separation of domestic transfers from FX and foreign ones;
- change of the layout of the transfer form and reduction in the number of steps;
- an option for customers to apply for Family 800+ and Good Start 300+ benefits and update their ID documents.

In 2024, a data bunker was created to store the Bank's critical data. Independent of the existing Data Centres, the bunker allows the Bank to increase data security and resilience to unforeseen external events that may affect the continuity of the Bank's services.

Furthermore, a range of improvements were introduced in the Sandi virtual assistant services available on the Bank's website at santander.pl, including:

- "Guide for new customers", with the key information on how to bank with Santander.
- "Santander on the go" section with information about currency conversion and transactions abroad.
- The materials in English were expanded and a FAQ section was added.
- The website was aligned with WCAG (Web Content Accessibility Guidelines) and solutions were implemented to facilitate the use of bot services by people with special needs.

9. Capital expenditure

In 2024, Santander Bank Polska Group incurred PLN 632.7m worth of capital expenditure compared with PLN 634.9m in 2023. The majority of expenses were spent on projects aimed at developing systems, software and hardware, as well as purchasing and maintaining software licences. Particularly noteworthy in terms of capital intensity and benefits for customers is the implementation of the upgraded Inwestor online service for Santander Brokerage Poland customers and a passive version of the Santander mobile application. Furthermore, the Bank launched a cutting-edge system for authorisation and settlement of card payments and a system for monitoring cross-border transactions. Work was underway to improve the anti-fraud functions and cybersecurity of systems. Furthermore, Databricks-based Azure Data Lake was implemented in the live environment. Syndicated lending transactions were successfully migrated to the dedicated platform, and Sorbnet payment execution was automated.

The most capital-intensive IT projects are described above in the "Key IT projects" and "Remote channels" sections.

Another key item was the expenditure incurred in relation to branches as part of their continued modernisation and transformation to new formats (branches without cashier services, work café, smart red, new distribution model). New equipment was also purchased for the head office buildings.

X. Financial performance in 2024

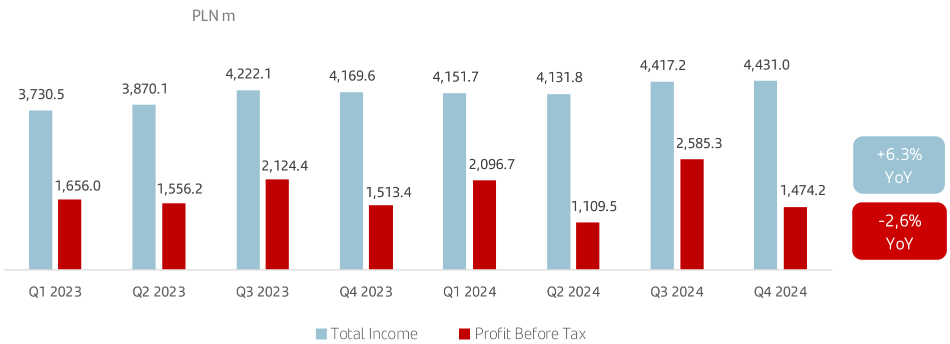
1. Consolidated income statement

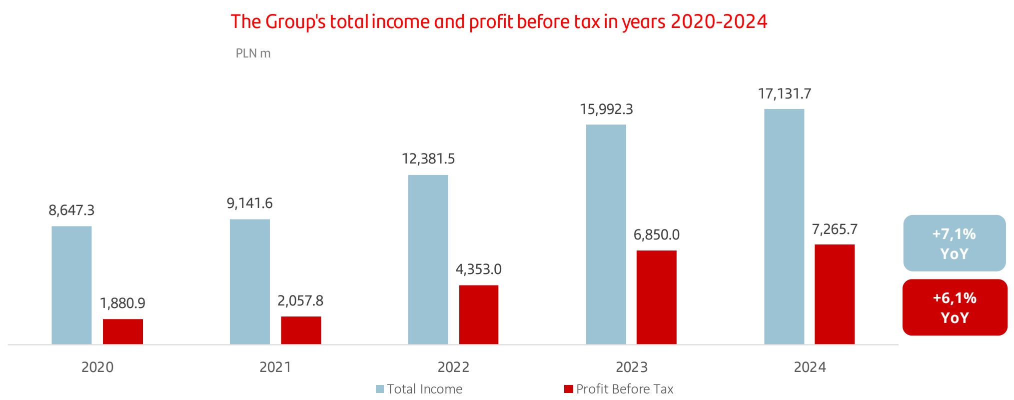
Structure of Santander Bank Polska Group's profit before tax

Condensed consolidated income statement of Santander Bank Polska Group in PLN m (for analytical purposes)	2024	2023	YoY change
Total income	**17,131.7**	**15,992.3**	**7.1%**
- Net interest income	13,873.2	13,115.9	5.8%
- Net fee and commission income	2,909.5	2,717.0	7.1%
- Other income [1]	349.0	159.4	118.9%
Total costs	**(5,065.0)**	**(4,715.0)**	**7.4%**
- Staff, general and administrative expenses	(4,237.7)	(3,934.8)	7.7%
- Depreciation/amortisation [2]	(614.2)	(569.5)	7.8%
- Other operating expenses	(213.1)	(210.7)	1.1%
Net expected credit loss allowances	**(983.4)**	**(1,149.4)**	**-14.4%**
Cost of legal risk connected with foreign currency mortgage loans [3]	**(3,101.3)**	**(2,592.3)**	**19.6%**
Share of profit/loss of entities accounted for using the equity method	102.3	96.9	5.6%
Tax on financial institutions	(818.6)	(782.5)	4.6%
Consolidated profit before tax	**7,265.7**	**6,850.0**	**6.1%**
Corporate income tax	(2,020.9)	(1,902.2)	6.2%
Net profit for the period	**5,244.8**	**4,947.8**	**6.0%**
- Net profit attributable to owners of the parent entity	**5,212.7**	**4,831.1**	**7.9%**
- Net profit attributable to non-controlling interests	32.1	116.7	-72.5%

1) Other income includes total non-interest and non-fee income of the Group comprising the following items of the full income statement: dividend income, net trading income and revaluation, gain/loss on other financial instruments, gain/loss on derecognition of financial instruments measured at amortised cost and other operating income.
2) Depreciation/amortisation includes depreciation of property, plant and equipment, amortisation of intangible assets and depreciation of the right-of-use asset.
3) This line item reflects the raised and released provisions for legal risk and legal claims related to foreign currency mortgage loans. Together with the gain/loss on derecognition of financial instruments measured at amortised cost (included in other income), it presents the total impact of legal risk connected with the above-mentioned loans on the Group's performance in line with the accounting treatment based on IFRS 9. Starting from 1 January 2022, the Group measures and presents legal risk connected with the foreign currency mortgage loan portfolio reducing the gross carrying amount of loans in line with IFRS 9. If there is no exposure to cover the estimated provision (or the existing exposure is insufficient), the provision is recognised in accordance with IAS 37.

The Group's total income and profit before tax by quarter in 2023 and 2024





The profit before tax of Santander Bank Polska Group for the 12-month period ended 31 December 2024 was PLN 7,265.7m, up 6.1% YoY. The profit attributable to the shareholders of the parent entity increased by 7.9% YoY to PLN 5,212.7m.

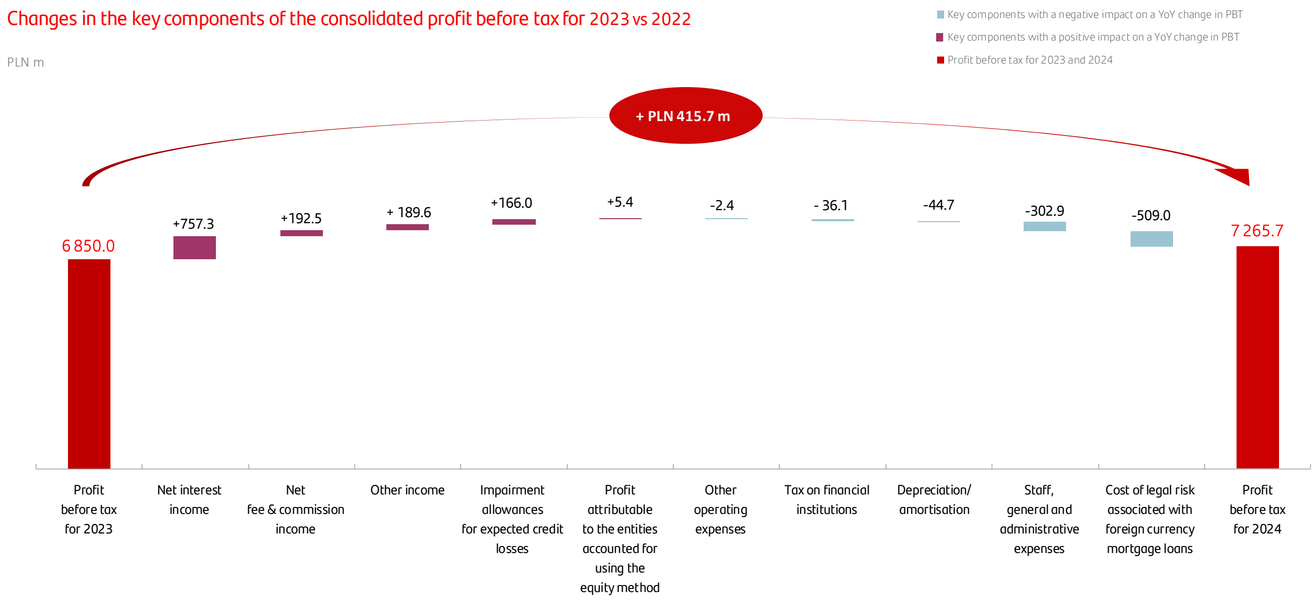
The table presented in the "Comparability of periods" section below contains the selected items of the income statement of Santander Bank Polska Group which affect the comparability of the analysed periods. After the relevant adjustments:

- the underlying profit before tax increased by 9.6% YoY;
- the underlying profit attributable to the shareholders of the parent entity went up by 11.7% YoY.

Comparability of periods

Selected items of the income statement affecting the comparability of periods	2024	2023
Cost of legal risk connected with foreign currency mortgage loans *(income statement item)*	PLN 3,101.3m	PLN 2,592.3m
Contributions to the BFG resolution fund made by Santander Bank Polska S.A. and Santander Consumer Bank S.A. *(general and administrative expenses)*	PLN 249.9m	PLN 174.6m
Negative adjustment to interest income on mortgage loans due to the so-called statutory payment holidays *(interest income)*	PLN 134.5m – a one-off adjustment (taken to Q2 2024) accounting for payment holidays for PLN mortgage borrowers in 2024 subject to specific eligibility criteria.	PLN 49.3m – update of the adjustment to interest income in respect of payment holidays for PLN mortgage borrowers in 2022–2023 to account for changes in the assumptions regarding borrowers' participation in the programme.
Negative impact of changes to the criteria of a significant increase in credit risk *(net expected credit loss allowances)*	PLN 130.8m – a rise in expected credit loss allowances resulting from the change in the criteria of a significant increase in credit risk determining the classification of exposures to Stage 2	Not applicable
Cost of settlements connected with foreign currency mortgage loans *(gain/loss on derecognition of financial instruments measured at amortised cost)*	PLN 74.1m	PLN 329.8m

Determinants of the Group's profit for 2024



In 2024, Santander Bank Polska Group generated solid growth in net interest income (+5.8% YoY) in an environment of lower YoY but still high interest rates and an increased demand for credit, notably consumer loans and business loans.

Credit delivery to retail customers accelerated on account of private consumption driven by increased household income and improved consumer sentiment. Due to the approaching closure of the 2% Safe Mortgage government programme, mortgage loan sales grew rapidly at the beginning of the year and decelerated thereafter. The volumes of lease receivables also continued to rise, as did investment loans in the Business and Corporate Banking (BCB) and Corporate and Investment Banking (CIB) segments as well as overdraft drawdowns by BCB customers. The cumulative net interest margin decreased by 0.12 p.p. in nominal terms, mainly due to a one-off charge of PLN 134.5m to net interest income for Q2 2024 on account of estimated financial impact of the so-called payment holidays extended for 2024 for eligible PLN mortgage borrowers under the amended Act on crowdfunding. Another factor contributing to the margin decrease was the repricing of the Group's assets and liabilities to account for the conditions of the money market and expectations of its participants, as well as the competitive environment, and the Group's objectives in terms of liquidity and balance sheet structure management.

Net fee and commission income grew by 7.1% YoY, reflecting a significant YoY increase in net income from FX fees (+14.4% YoY) resulting from exchange rate fluctuations, and higher net income from insurance fees (+19.5% YoY) driven by sales of mortgage loans and life insurance. Also noteworthy is a 6.1% YoY rise in net fee and commission income from lending, leasing and factoring activities. What also contributed to the growth in net fee and commission income was the Group's activity in the stock and investment fund markets, which translated into higher net income from brokerage fees (+11.2% YoY) and distribution and asset management fees (+25.7% YoY).

Furthermore, the profit before tax was positively affected by other non-interest and non-fee income, which grew by PLN 189.6m due to a decrease of 77.5% YoY in the cost of settlements with foreign currency mortgage borrowers (presented in the Group's full income statement under gain/loss on derecognition of financial instruments measured at amortised cost). Borrowers' propensity to accept settlement proposals is a combined effect of such factors as interest rate of PLN loans, CHF/PLN conversion rate, developments in case-law and the duration of court proceedings.

Expected credit loss allowances were down 14.4% YoY, reflecting a gradual recovery of economic activity in Poland, further sale of credit receivables and a stable condition of the Group's credit portfolio, with a negligible share and financial impact of one-off items. In 2024, credit risk parameters were routinely updated, alongside the extension of the criteria for assessing a significant increase in credit risk, a determinant of exposure classification to Stage 2. Based on the new assumptions implemented in 2024 in relation to the retail and SME credit portfolios, credit allowances were increased by PLN 130.8m.

The Group's profitability was adversely impacted by a 19.6% YoY rise in cost of legal risk connected with foreign currency mortgage loans, resulting from the review and update of the risk assessment parameters in 2024, including the likelihoods of different judgments considered by the Group.

What also weighed down on the Group's profitability was a 7.7% YoY increase in staff, general and administrative expenses, reflecting an inflationary pressure, pay rises in line with market rates, higher contribution to the BFG bank resolution fund, and growing operating expenses in respect of third party services, consultancy and advisory fees, maintenance of premises and access to specialised information platforms.

Profit before tax of Santander Bank Polska Group by contributing entities

Components of Santander Bank Polska Group's profit before tax in PLN m (by contributing entities)	2024	2023	YoY change
Santander Bank Polska S.A.	**7,029.6**	**6,396.3**	**9.9%**
Subsidiaries:	**330.7**	**587.3**	**-43.7%**
Santander Consumer Bank S.A. and its subsidiaries [1)]	31.6	254.9	-87.6%
Santander Towarzystwo Funduszy Inwestycyjnych S.A.	139.7	115.2	21.3%
Santander Finanse Sp. z o.o. and its subsidiaries (Santander Leasing S.A., Santander Factoring Sp. z o.o., Santander F24 S.A.)	158.0	215.3	-26.6%
Santander Inwestycje Sp. z o.o.	1.4	1.9	-26.3%
Equity method valuation	**102.3**	**96.9**	**5.6%**
Exclusion of dividends received by Santander Bank Polska S.A. and consolidation adjustments	**(196.9)**	**(230.5)**	**-14.6%**
Profit before tax	**7,265.7**	**6,850.0**	**6.1%**

1) In both periods under review, SCB Group comprised Santander Consumer Bank S.A. and the following entities: Santander Consumer Multirent Sp. z o.o., Stellantis Financial Services Polska Sp. z o.o., Stellantis Consumer Financial Services Polska Sp. z o.o., Santander Consumer Financial Solutions Sp. z o.o., SCM Poland Auto 2019-1 DAC and S.C. Poland Consumer 23-1 DAC. Until the end of Q3 2023, SCB Group also included Santander Consumer Finanse Sp. z o.o. w likwidacji, which was struck off the register of entrepreneurs in November 2023 following its liquidation. The amounts provided above represent profit before tax of SCB Group for the periods indicated after intercompany transactions and consolidation adjustments. 2)

Santander Bank Polska S.A. (parent entity of Santander Bank Polska Group)

The profit before tax of Santander Bank Polska S.A. was PLN 7,029.6m, up 9.9% YoY.

The results of Santander Bank Polska S.A. are presented in detail in Part 4 "Separate income statement".

Subsidiaries

The subsidiaries consolidated by Santander Bank Polska S.A. reported a profit before tax of PLN 330.7m, down 43.7% YoY on account of deterioration of performance of Santander Consumer Bank Group as well as leasing and factoring companies controlled by Santander Finanse Sp. z o.o.

SCB Group

The contribution of Santander Consumer Bank Group to the consolidated profit before tax of Santander Bank Polska Group for 2024 (excluding intercompany transactions and consolidation adjustments) was PLN 31.6m and decreased by 87.6% YoY as a combined effect of the following:

- A 19.4% YoY increase in net interest income to PLN 1,602.8m amid the continued high interest rate environment, driven by growth of the credit portfolio and favourable changes in its structure (a higher share of high-margin products and a lower share of instalment and mortgage loans).
- Higher net fee and commission income of PLN 124.8m (+2.3% YoY), as a combined effect of higher income from insurance fees and higher cost of securitisation.
- A 4.8% YoY rise in other non-interest and non-fee income to PLN 66.2m, resulting primarily from higher other operating income.
- Negative balance of net expected credit loss allowances of PLN 259.5m, up PLN 86.8m YoY resulting from normalisation of credit risk along with changes in the credit portfolio structure (a lower share of mortgage loans and a higher share of consumer loans).
- A 9.9% YoY increase in operating expenses to PLN 613.5m due to higher staff and general and administrative expenses, higher depreciation/ amortisation and higher other operating expenses.
- Upward revision of cost of legal risk connected with foreign currency mortgage loans to PLN 848.8m (+66.2% YoY).

Other subsidiaries

The profit before tax of Santander TFI S.A. for 2024 increased by 21.3% YoY to PLN 139.7m, as a result of 19.6% YoY higher net fee and commission income. Asset management fees, the main contributor, grew YoY along with a rise in the average assets under management supported by sound net sales of investment funds and a positive change in the value of investment fund units. The asset growth was accompanied by a lower margin reflecting changes in the asset structure (higher share of low-margin assets, particularly short-term debt sub-funds). Income from performance fees went down. Rates of return generated by individual sub-funds still exceeded benchmarks but to a lower degree than in 2023. At the same time, the company reported an increase in staff expenses (as a result of bonus payments and salary review) and in general and administrative expenses (on account of inflation and business and development initiatives).

The profit before tax posted by companies controlled by Santander Finanse Sp. z o.o. decreased by 26.6% YoY to PLN 158.0m.

- Total profit before tax of Santander Leasing S.A., Santander Finanse Sp. z o.o. and Santander F24 S.A. for 2024 declined by 26.9% YoY to PLN 103.3m, reflecting higher net expected credit loss allowances (+137.0% YoY) and higher fees on synthetic securitisation (+29.2% YoY) resulting from a new project launched in December 2024. Strong sales generated in 2024 (notably in the vehicles segment) triggered an increase in lease receivables (+11% YoY), net interest income (+5.2% YoY) and net insurance income (+19.8% YoY). The quality of the lease portfolio remained high, with the NPL ratio of 3.50% (-0.13 p.p. YoY).
- The profit before tax posted by Santander Factoring Sp. z o.o. decreased by 26.1% YoY to PLN 54.7m, reflecting a decline in net fee and commission income resulting from higher costs of transactions made under the Risk Participation Agreement as well as a pressure from net expected credit loss allowances and operating expenses. At the same time, the company's net interest income grew on account of YoY higher factoring receivables.

Structure of Santander Bank Polska Group's profit before tax

Total income

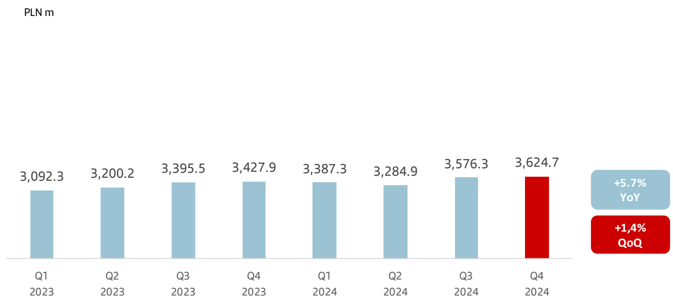
Total income of Santander Bank Polska Group for 2024 increased by 7.1% YoY to PLN 17,131.7m. Excluding the impact of a statutory solution known as payment holidays for PLN mortgage borrowers and settlements with CHF mortgage borrowers (a total of PLN 208.6m for 2024 and PLN 379.1m for 2023), the underlying total income was up 5.9% YoY.

Net interest income

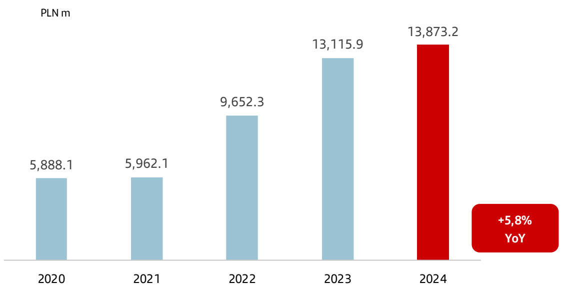
Net interest income for 2024 totalled PLN 13,873.2m and increased by 5.8% YoY as a result of growth in business volumes achieved in the environment of lower YoY but still high interest rates. In September 2023, interest rates were cut for the first time since 2020 by 0.75 p.p., marking the start of the monetary policy easing cycle. With the interest rate cut of 0.25 p.p. in October, the total reduction in 2023 was 1.0 p.p. and was not continued in the subsequent months. As a result, the NBP reference rate was stable in 2024 at 5.75%.

The net interest income for 2024 includes the negative adjustment of PLN 134.5m reflecting the estimated financial impact of the so-called payment holidays for eligible PLN mortgage borrowers in 2024 arising from the amended Act on crowdfunding for business and support for borrowers. The Bank's customers who meet the specific criteria can suspend their mortgage payments for two months in Q3 2024 and two months in Q4 2024. In turn, a charge of PLN 49.3m was made to the income statement for 2023, reflecting a revision of the negative adjustment to interest income recognised in full in 2022 on account of the previous edition of the statutory payment holidays applicable in 2022–2023. The estimated value was increased as a result of changes in the assumed participation of eligible PLN mortgage borrowers.

Net interest income by quarter in 2023 and 2024



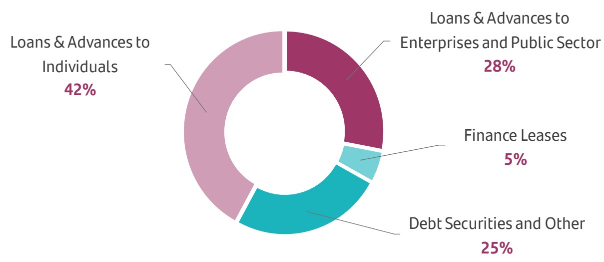
Net interest income in years 2020-2024



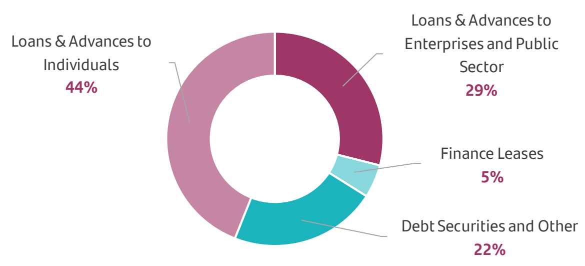
Interest income for 2024 totalled PLN 19,127.4m and was up 3.9% YoY, supported by debt securities portfolios, leasing receivables, loans and advances to banks, and receivables under buy-sell-back transactions. At the same time, a slight decrease was reported in interest income on loans and advances to personal customers, which was attributed to decelerated mortgage lending.

Interest expense went down by 0.7% YoY to PLN 5,254.2m on account of lower interest expense connected with deposits from business and personal customers. This was combined with an increase in other portfolios, notably subordinated liabilities and debt securities in issue.

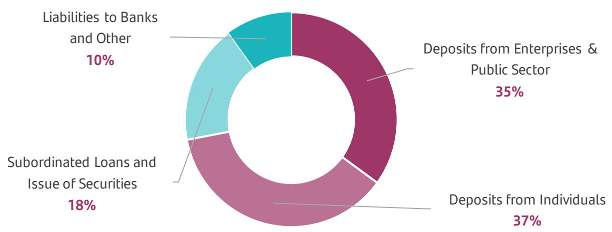
Structure of interest revenue for 2024



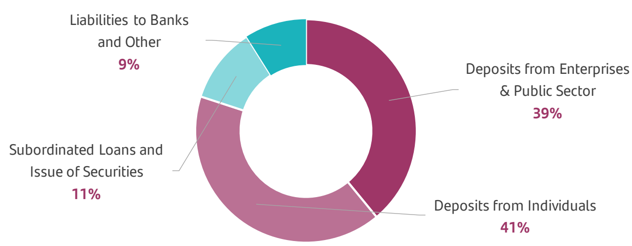
Structure of interest revenue for 2023



Structure of interest expense for 2024



Structure of interest expense for 2023



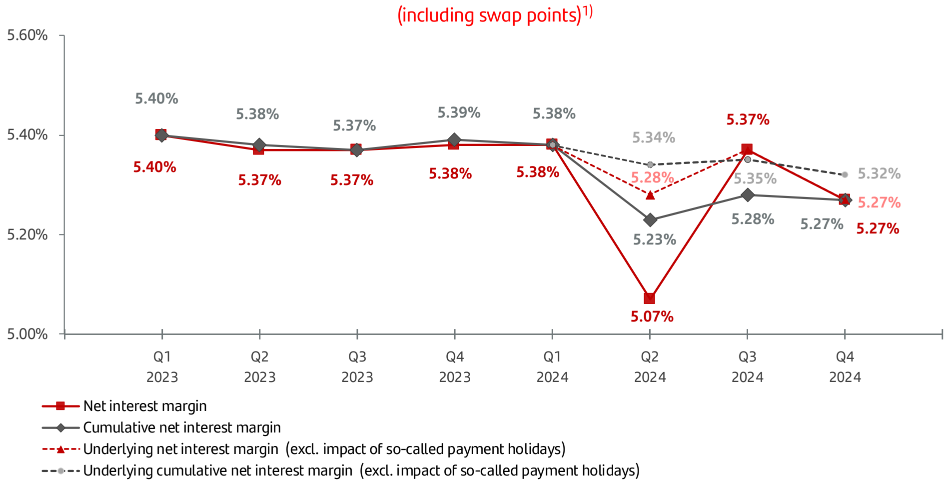
The cumulative net interest margin (annualised on a year-to-date basis) decreased from 5.39% in 2023 to 5.27% in 2024. Excluding the impact of the so-called payment holidays, it was 5.32% (-0.07 p.p. YoY). A slight YoY decrease in the underlying net interest margin generated in the period of growth of the Group's key business volumes reflects modifications made by the Group, mainly to account for cuts in NBP interest rates and their expected evolution.

In 2024, the pricing of the Group's deposit and credit products was regularly modified in line with market conditions and internal objectives in terms of competitive position, balance sheet structure, liquidity and profitability. At the same time, interest expense was optimised through targeted deposit promotions and higher share of solutions based on an adjustable fixed rate. Debt securities portfolios generated a clear increase in both interest income and expense.

Lease receivables increased by 12.9% YoY, loans and advances to personal customers were up 6.9% YoY, and loans and advances to enterprises and the public sector grew by 11.1% YoY. Term deposits from individuals continued to grow dynamically (+14.5% YoY), as did term deposits from enterprises and the public sector (+15.4% YoY).

In 2024, the underlying quarterly net interest margin (annualised on a quarterly basis) fluctuated from 5.38% in Q1 2024 to 5.27% in Q4 2024. The decline reflects changes in market interest rates. Similarly to the cumulative net interest margin, the impact of that decline was offset by such measures as the selective offering of deposits and differentiation of interest rates depending on the customer's activity in accordance with the Smart Pricing approach. The fluctuations observed during the year resulted from, among other things, the management of prices of assets and liabilities and growth of business volumes.

Net interest margin by quarter in the years 2023 and 2024 (including swap points)[1)]



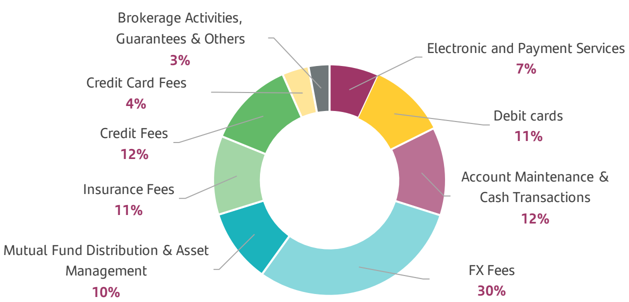
1) The calculation of the net interest margin of Santander Bank Polska S.A. takes account of swap points allocation from derivative instruments used for the purpose of liquidity management but excludes interest income from the portfolio of debt securities held for trading and other exposures connected with trading.

Net fee and commission income

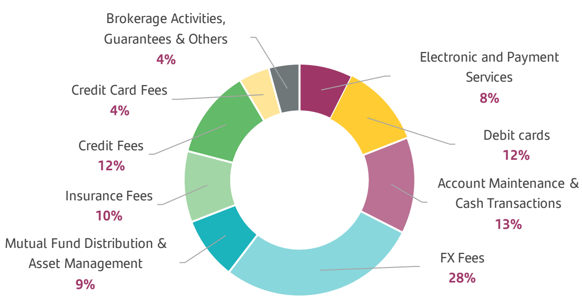
Net fee and commission income (PLN m)	2024	2023	YoY change
FX fees	871.1	761.2	14.4%
Account maintenance and cash transactions	359.2	363.8	-1.3%
Credit fees 1)	356.4	336.0	6.1%
Insurance fees	319.9	267.7	19.5%
Debit cards	311.1	315.9	-1.5%
Asset management and distribution	298.4	237.3	25.7%
Electronic and payment services 2)	201.3	202.9	-0.8%
Brokerage activities	140.4	126.3	11.2%
Credit cards	107.8	116.6	-7.5%
Guarantees and sureties	53.7	55.7	-3.6%
Other fees 3)	(109.8)	(66.4)	65.4%
Total	**2,909.5**	**2,717.0**	**7.1%**

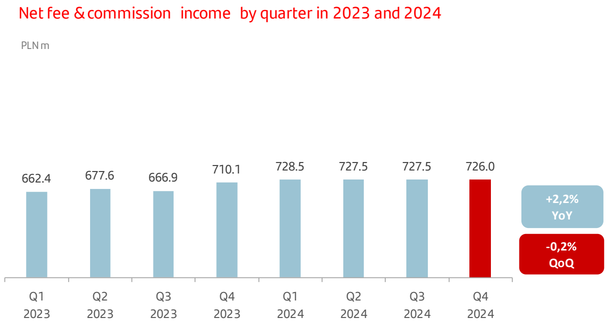
1) Net fee and commission income from lending, factoring and leasing activities which is not amortised to net interest income. This line item includes, among other things, the cost of credit agency.
2) Fees for payments (foreign and mass payments, Western Union transfers), trade finance, services for third party institutions as well as other electronic and telecommunications services.
3) Issue arrangement fees, fees paid to other banks and other fees.

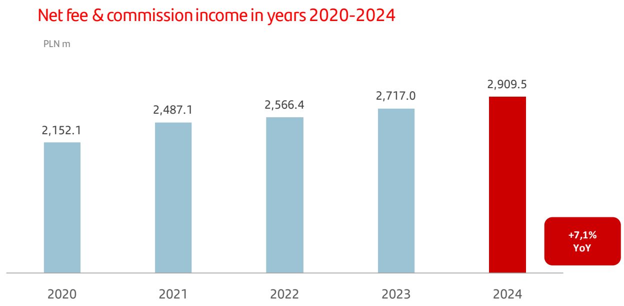
Net fee & commission income structure in 2024



Net fee & commission income structure in 2023





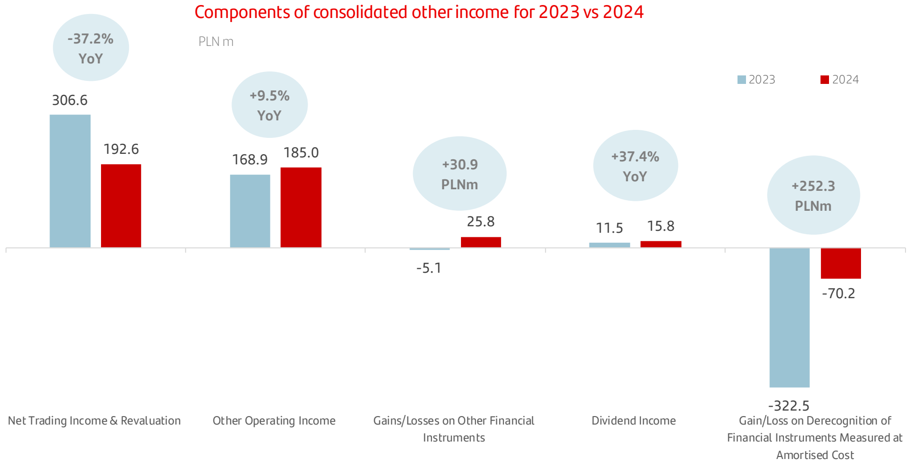


Net fee and commission income for 2024 was PLN 2,909.5m and increased by 7.1% YoY on account of the Group's diversified operations, including activities in the investment fund, stock, bancassurance and foreign exchange markets, with higher rates of return generated in the reporting period.

The key changes to net fee and commission income items were as follows:

- Net FX fee income grew by 14.4% YoY as a combined effect of higher average quotations and slightly lower FX turnover, taking into account the total performance in both currency exchange channels available to customers. The above trends were most pronounced in the traditional channel, with lower turnover reported across all the major segments of retail and business customers. The electronic platform, on the other hand, generated clear growth in turnover in individual segments and a significant increase in quotations.
- Net fee and commission income from distribution and asset management grew by 25.7% YoY on account of higher income from fees collected by Santander TFI S.A. for fund asset management, resulting from a higher average value of net assets driven by strong net sales and a positive change in the value of fund units. At the same time, income from asset management was negatively affected by a decrease in margin reflecting changes to the structure of funds' net assets (a growing share of low margin short-term sub-funds). Income from performance fees, the second contributor to the net fee and commission income of Santander TFI S.A., declined YoY but was still relatively high. While the performance was weaker compared to the last year, it still exceeded the benchmarks for individual funds.
- The insurance products line shows a rise of 19.5% YoY, reflecting accelerated sales of mortgage loan insurance at the start of the year, driven by a high demand for property finance in connection with the approaching closure of the 2% Safe Mortgage government programme. The second contributor to higher net income from insurance fees was the Life and health (Życie i zdrowie) insurance, a key product not linked to standard banking products offered by Santander Bank Polska S.A.
- An 11.2% YoY rise in net income from brokerage activities reflects stronger performance in the secondary market amid favourable conditions (upturn in the global capital markets and stabilisation of the economic situation in Poland). As economic uncertainty abated, foreign investors' activity on the Warsaw Stock Exchange increased, translating into higher turnover. In effect, trading volumes of Polish individual investors, including the customers of Santander Brokerage Poland, continued at satisfactory levels.
- A 6.1% YoY rise in net credit fee income reflects mainly lower costs of credit agency for both Santander Bank Polska S.A. and Santander Consumer Bank S.A., the Group's continued solid performance in terms of project finance, and increased use of overdrafts by Business and Corporate Banking customers in the second half of the year.
- Despite higher income from guarantee activities, net fee and commission income from guarantees and sureties was down 3.6% YoY due to higher costs related to new securitisation projects launched in 2024.
- A 1.5% YoY decrease in net income from debit cards reflects, among other things, lower income from cash transactions resulting from changes in the schedule of fees and charges and higher costs of Apple Pay services caused by a growing number of mobile wallets linked to cards, as well as settlement of support provided to Santander Bank Polska S.A. by payment organisations in accordance with existing agreements. While an 11.9% YoY increase in non-cash turnover generated by debit instruments positively affected the Bank's income, it involved higher amounts payable to payment organisations.
- Net fee and commission income from issuance and management of a combined portfolio of credit cards of Santander Bank Polska S.A. and Santander Consumer Bank S.A. decreased by 7.5% YoY due to, among other things, lower fee and commission income from cash transactions and card transfers resulting from declining turnover, higher costs arising from an increased volume of non-cash transactions, acquisition campaigns including waivers of fees, and lower support from payment organisations compared to contractual provisions on mutual settlements.
- Other changes in net fee and commission income reflected standard business operations.

Non-interest and non-fee income



Non-interest and non-fee income of Santander Bank Polska Group presented above totalled PLN 349.0m and was up PLN 189.6m YoY on account of changes in the following components:

- Net trading income and revaluation went down by 37.2% YoY to PLN 192.6m due to a YoY decline in gain on transactions in derivative and FX markets (PLN 108.1m in 2024 vs PLN 221.4m in 2023). The decrease was most pronounced in transactions used by the Bank to manage FX liquidity. Furthermore, the portfolio of credit cards measured at fair value through profit or loss generated a lower positive change from remeasurement (PLN 0.2m in 2024 vs PLN 10.7m in 2023). On the other hand, total gain on trading in equity and debt financial assets measured at fair value through profit or loss increased by PLN 9.8m YoY, mainly on account of the gain on treasury bonds.
- Gain on other financial instruments totalled PLN 25.8m and rose by PLN 30.9m YoY, largely supported by higher gain on hedging and hedged instruments (+PLN 33.9m YoY) and sale of debt investment securities measured at fair value through other comprehensive income (+PLN 9.2m YoY), mainly treasury bonds. The above increase was partly offset by a decline resulting from the sale of the entire stake in Visa Inc. held by Santander Bank Polska S.A. In the comparative period, the valuation and sale of the above-mentioned shares brought in a total gain of PLN 13.9m.
- Other operating income was PLN 185.0m and increased by 9.5% YoY due to releases of higher amounts of provisions for legal claims and other assets in Santander Bank Polska S.A. and a rise in the "other" line item in Santander Consumer Bank S.A. and Santander Consumer Multirent Sp. z o.o.
- The loss on derecognition of financial instruments measured at amortised cost was PLN 70.2m vs PLN 322.5m the year before. This line item includes mainly costs of voluntary settlements with CHF mortgage borrowers, which totalled PLN 74.1m in 2024 and PLN 329.8m in 2023. Overall, the Bank made 3 704 such settlements in 2024 (6 296 in 2023 alone), both pre-court and following the legal disputes. Settlement proposals made by Santander Bank Polska S.A. take into account the elements of conversion proposed by the KNF Chairman in 2020, as well as solutions developed internally by the Bank. Borrowers' propensity to accept settlement proposals depends on many factors such as the interest rate of PLN loans, the CHF/PLN conversion rate, the development of the case-law and the duration of court proceedings.

Expected credit loss allowances

Net expected credit loss allowances on loans and advances measured at amortised cost (PLN m)	Stage 1		Stage 2		Stage 3		POCI		Total	Total
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Allowance on loans and advances to banks	0.2	(0.3)	-	-	-	-	-	-	0.2	(0.3)
Allowance on loans and advances to customers	(22.4)	(153.5)	(571.8)	(573.9)	(581.2)	(468.7)	118.1	71.5	(1,057.3)	(1,124.6)
Recoveries of loans previously written off	-	-	-	-	45.5	38.9	-	-	45.5	38.9
Allowance on off-balance sheet credit liabilities	7.8	(9.4)	4.2	(37.6)	16.2	(16.4)	-	-	28.2	(63.4)
Total	**(14.4)**	**(163.2)**	**(567.6)**	**(611.5)**	**(519.5)**	**(446.2)**	**118.1**	**71.5**	**(983.4)**	**(1,149.4)**

In 2024, the charge made by Santander Bank Polska Group to the income statement on account of net expected credit loss allowances was PLN 983.4m, down 14.4% YoY. The lower level of allowances is attributed, among other things, to gradual economic recovery, which positively affected revision parameters and warranted a more optimistic assessment of the Group's future cash flows, that is customers' repayment capacity.

In Q2 2024, the quantitative criteria of a significant increase in credit risk were modified in relation to retail and SME portfolios. They were extended to include an absolute threshold and a backstop indicator (min. threefold increase in the lifetime PD), which resulted in the reclassification of PLN 8.1bn worth of loans and advances to Stage 2 and a rise of PLN 130.8m in expected credit loss allowances. In September 2024, the Bank reclassified a significant corporate exposure to the NPL portfolio. Apart from the foregoing reclassification and modification of the criteria of a significant increase in credit risk, no other material events occurred in the reporting period.

Net allowances of subsidiaries and associates from Santander Consumer Bank Group (which are members of Santander Bank Polska Group) totalled PLN 259.5m and increased by 50.3% YoY due to, among other things, the normalisation of credit risk resulting from changes in the portfolio structure, with a growing share of consumer loans and a decreasing share of mortgage loans.

Sale of credit receivables of Santander Bank Polska S.A. and Santander Consumer Bank S.A. totalled PLN 2,084.8m and generated a profit before tax of PLN 248.8m (last year, receivables of PLN 2,249.7m were sold at a profit before tax of PLN 238.8m).

In 2024, the cost of credit risk of Santander Bank Polska Group was 0.58% vs 0.72% in the previous year.

The Group steadily monitors its credit portfolio and the impact of the current macroeconomic and geopolitical situation on risk levels, adjusting credit ratings and classification of exposures to individual stages accordingly. The quality of credit portfolios is considered to be good and the key risk indicators are stable.

Total costs

Total costs (PLN m)	2024	2024	YoY change
Staff, general and administrative expenses, of which:	**(4,237.7)**	**(3,934.8)**	**7.7%**
- Staff expenses	(2,418.3)	(2,284.3)	5.9%
- General and administrative expenses	(1,819.4)	(1,650.5)	10.2%
Depreciation/amortisation	**(614.2)**	**(569.5)**	**7.8%**
- Depreciation/amortisation of property, plant and equipment and intangible assets	(472.6)	(424.6)	11.3%
- Depreciation of the right-of-use asset	(141.6)	(144.9)	-2.3%
Other operating expenses	**(213.1)**	**(210.7)**	**1.1%**
Total costs	**(5,065.0)**	**(4,715.0)**	**7.4%**

Total operating expenses of Santander Bank Polska Group for 2024 increased by 7.4% YoY to PLN 5,065.0m on account of an inflationary pressure, salary review, higher contributions to the Bank Guarantee Fund, higher costs of third party services as well as increased depreciation of property, plant and equipment and amortisation of intangible assets, resulting from the delivery of investment projects and capitalisation of the related costs.

As total costs grew by 7.4% YoY and total income by 7.1% YoY, the Group's cost to income ratio was stable at 29.6% in 2024 vs 29.5% in 2023. The corresponding ratios for the Bank were 28.2% and 27.9%, respectively.

Staff expenses

Staff expenses for 2024 totalled PLN 2,418.3m and increased by 5.9% YoY. The average employment was relatively stable in both periods. The main components of staff expenses, i.e. salaries, bonuses and statutory deductions from salaries, went up by 5.3% YoY to PLN 2,323.8m on account of the salary review in line with market rates conducted in Q4 2023. The costs related to the Group's long-term share-based incentive plan (Incentive Plan VII) were PLN 100.2m vs PLN 126.8m last year.

General and administrative expenses

General and administrative expenses of Santander Bank Polska Group went up by 10.2% YoY to PLN 1,819.4m.

Amounts payable to market regulators (BFG, KNF and KDPW) totalled PLN 294.0m and were up 39.1% YoY due to the recognition of 43.1% YoY higher contribution to the bank resolution fund, which totalled PLN 249.9m in accordance with the BFG Council's resolution of 16 April 2024 (PLN 233.1m payable by Santander Bank Polska S.A. and PLN 16.8m payable by Santander Consumer Bank S.A.). No contribution to the guarantee fund is an effect of the decision taken in February 2024 by the BFG Council to waive contributions to this fund for 2024. This contribution was suspended in 2023 too.

Excluding the mandatory contributions to the BFG, the Group's general and administrative expenses increased by 6.3% YoY, mainly on account of costs of third party services, consulting and advisory services, maintenance of premises, purchase of equipment and access to specialised external information sources.

The costs of equipment grew considerably (+155.0% YoY) due to the continued remodelling of branches and purchase of furniture for the head office buildings.

The costs of third party services were up 36.6% YoY due to, among other things, the launch of new external services as part of banking operations which were previously performed by the Bank's units and generated costs in other line items. In the case of ATM maintenance services outsourced to external operators, the increase in the costs of third party services was accompanied by a reduction in the costs of cars, transport and cash-in-transit services (-22.5% YoY). The costs of consumables, prints, cheques and cards went down by 19.7% YoY due to the recognition of card issuance outsourcing in the costs of other third party services and optimisation of stationery purchases.

A significant rise reported under the KIR and SWIFT settlements (+33.8% YoY) is an effect of the extension of cooperation with Bloomberg and BIK Group due to business growth and statutory obligations. Consultancy and advisory fees were also up (+16.2% YoY) as a result of digital and process transformation projects implemented by the subsidiaries, as were the costs of maintenance of premises (+7.2% YoY), reflecting higher service charges and cleaning costs.

A 7.8% YoY decline reported under marketing and entertainment reflects higher cost effectiveness of activities related to audiovisual production and organisation of PR meetings for customers, as well as the reduction in printouts for branches and the number of text messages sent to customers. At the same time, the cost of data transmission decreased by 24.3% YoY along with the cost of Microsoft and Azure cloud computing services and the NextGenCRM project.

Tax and other charges

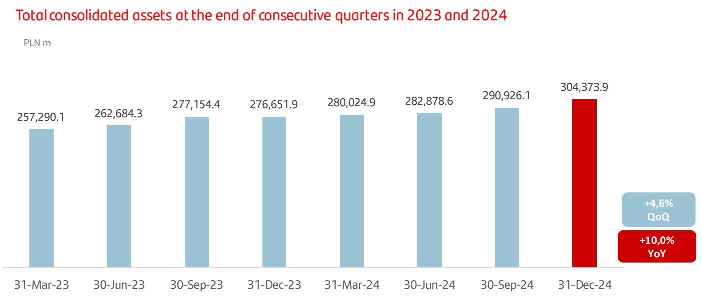
Tax on financial institutions for 2024 totalled PLN 818.6m and was up 4.6% YoY, reflecting a YoY increase in assets (including loans and advances) and a rise in the portfolio of treasury securities lowering the tax base.

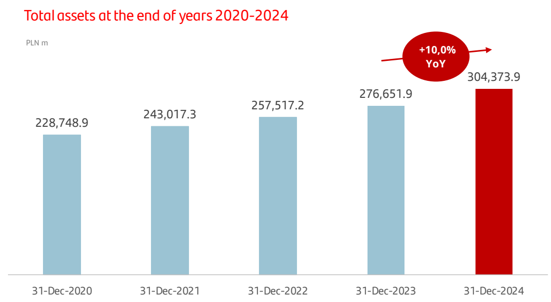
Corporate income tax was PLN 2,020.9m and effectively stable (the effective tax rate was 27.8% in both comparable periods) as a combined effect of a 6.1% increase in profit before tax and a rise in contributions to the BFG, tax on financial institutions and costs of legal risk connected with foreign currency mortgage loans.

2. Consolidated statement of financial position

Consolidated assets

As at 31 December 2024, the total assets of Santander Bank Polska Group were PLN 304,373.9m, and increased by 10.0% YoY mainly on account of loans and advances to customers and investment securities. The value and structure of the Group's financial position is determined by the parent entity, which held 90.7% of the consolidated total assets vs 91.2% as at the end of December 2023.





Structure of consolidated assets

Assets in PLN m (for analytical purposes)	31.12.2024	Structure 31.12.2024	31.12.2023	Structure 31.12.2023	YoY change
	1	2	3	4	1/3
Loans and advances to customers	174,776.3	57.4%	159,520.0	57.7%	9.6%
Investment securities	76,912.7	25.3%	67,523.0	24.4%	13.9%
Reverse sale and repurchase agreements and assets pledged as collateral	13,325.2	4.4%	12,948.5	4.7%	2.9%
Financial assets held for trading and hedging derivatives	10,749.3	3.5%	10,514.4	3.8%	2.2%
Cash and balances with central banks	10,575.1	3.5%	8,417.5	3.0%	25.6%
Loans and advances to banks	8,813.0	2.9%	9,533.9	3.4%	-7.6%
Property, plant and equipment, intangible assets, goodwill and right-of-use assets	3,975.9	1.3%	3,853.5	1.4%	3.2%
Other assets [1)]	5,246.4	1.7%	4,341.1	1.6%	20.9%
Total	**304,373.9**	**100.0%**	**276,651.9**	**100.0%**	**10.0%**

1) Other assets include the following items of the full version of financial statements: investments in associates, deferred tax assets, assets classified as held for sale and other assets.

In the above condensed statement of financial position as at 31 December 2024, net loans and advances to customers were the key item of the consolidated assets (57.4%). They totalled PLN 174,776.3m and increased by 9.6% YoY along with a rise in loans to personal customers, enterprises and the public sector, and in lease receivables.

Investment securities, the second largest asset item, grew by 13.9% YoY supported by higher investments in treasury bonds which accounted for 73.6% of the Group's portfolio of debt investment securities. Compared to 31 December 2023, the structure of the above portfolio changed in terms of a measurement approach, with a greater share of instruments measured at amortised cost (a rise from 29.2% to 46.6%) and a lower share of instruments measured at fair value through other comprehensive income.

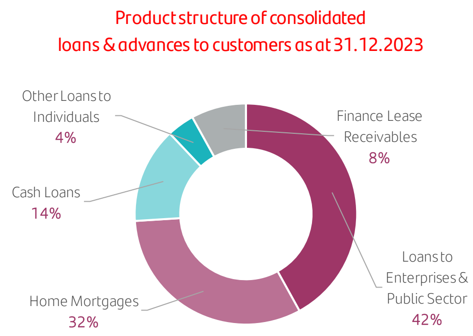
As part of ongoing liquidity management, the level of cash and balances with central banks went up by 25.6% YoY, reflecting a significantly higher balance of the current account at the central bank.

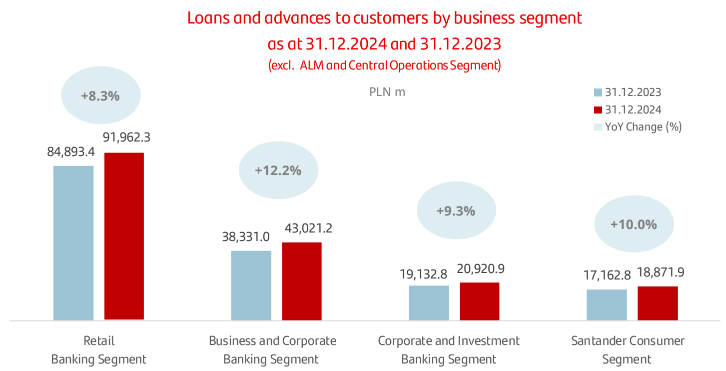
Reverse sale and repurchase agreements and assets pledged as collateral increased too (+2.9% YoY), reflecting a higher value of bonds used to secure repo transactions.

On the other hand, loans and advances to banks decreased by 7.6% YoY due to lower current account balances with third party banks.

Credit portfolio

Gross loans and advances to customers in PLN m	31.12.2024	31.12.2023	YoY change
Loans and advances to individuals	88,814.2	83,052.5	6.9%
Loans and advances to enterprises and the public sector	76,315.9	68,666.2	11.1%
Finance lease receivables	15,145.2	13,418.7	12.9%
Other	70.3	74.5	-5.6%
Total	**180,345.6**	**165,211.9**	**9.2%**





As at 31 December 2024, consolidated gross loans and advances to customers were PLN 180,345.7m and increased by 9.2% YoY. The portfolio includes loans and advances to customers measured at amortised cost of PLN 160,747.1m (+8.0% YoY), loans and advances to customers measured at fair value through other comprehensive income of PLN 4,390.0m (+51.9% YoY), loans and advances to customers measured at fair value through profit or loss of PLN 63.3m (-25.6% YoY), and finance lease receivables of PLN 15,145.2m described below.

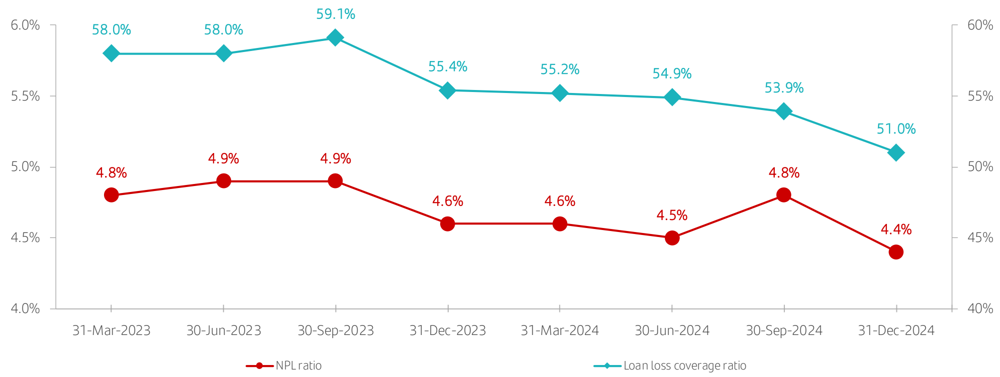
The section below presents the Group's credit exposures by key portfolios in terms of customer segments and products:

→ Loans and advances to individuals increased by 6.9% YoY to PLN 88,814.2m at the end of December 2024. Home loans, which were the main contributor to this figure, totalled PLN 55,931.2m and went up by 5.5% YoY as a result of recovery in the mortgage loan market with the record high sales reported in Q1 2024 on account of loans disbursed under the closing 2% Safe Mortgage programme. Cash loans were the second largest item and totalled PLN 25,632.1m (+12.4% YoY) supported by growth in sales driven by macroeconomic factors (continued low unemployment rate, increase in real income, etc.).

→ Loans and advances to enterprises and the public sector (including factoring receivables) went up by 11.1% YoY to PLN 76,315.9m on account of higher exposures in respect of term loans, including loans for investment purposes in the Business and Corporate Banking segment and the Corporate and Investment Banking segment as well as the utilisation of overdrafts by Business and Corporate Banking customers.

→ Finance lease receivables of the subsidiaries of Santander Bank Polska S.A. rose by 12.9% YoY to PLN 15,145.2m, supported by solid sales, particularly in the vehicles segment

Credit quality ratios by quarter in 2023 and 2024



As at 31 December 2024, the NPL ratio was 4.4% and the provision coverage ratio for impaired loans was 51.0% (vs 4.6% and 55.4% as at the end of December 2023, respectively).

Structure of consolidated equity and liabilities

Equity and liabilities in PLN m (for analytical purposes)	31.12.2024	Structure 31.12.2024	31.12.2023	Structure 31.12.2023	YoY change
	1	2	3	4	1/3
Deposits from customers	232,028.7	76.2%	209,277.4	75.6%	10.9%
Subordinated liabilities and debt securities in issue	14,080.1	4.6%	11,933.5	4.3%	18.0%
Financial liabilities held for trading and hedging derivatives	10,517.4	3.5%	9,699.0	3.5%	8.4%
Deposits from banks and sale and repurchase agreements	6,347.1	2.1%	4,430.0	1.6%	43.3%
Other liabilities 1)	6,959.4	2.3%	7,621.0	2.8%	-8.7%
Total equity	34,441.2	11.3%	33,691.0	12.2%	2.2%
Total	**304,373.9**	**100.0%**	**276,651.9**	**100.0%**	**10.0%**

1) Other liabilities include lease liabilities, current tax liabilities, deferred tax liabilities, provisions for financial and guarantee liabilities, other provisions and other liabilities.

As at 31 December 2024, deposits from customers totalled PLN 232,028.7m and were the largest constituent item of the Group's total equity and liabilities (76.2%) disclosed in its consolidated statement of financial position and the main source of funding for the Group's assets. During 2024, they increased by 10.9% as a combined effect of a steady inflow of funds to term deposit accounts and current accounts in all customer segments defined for financial reporting purposes.

A considerable increase (+43.3% YoY) was reported in deposits from banks and sale and repurchase agreements, reflecting the Group's activity in the repo market and a higher balance of loans granted by banks. Financial liabilities held for trading and hedging derivatives grew by 8.4% YoY on account of derivatives (notably IRS) and liabilities in respect of short sale.

Subordinated liabilities and liabilities in respect of debt securities in issue increased by 18.0% vs 31 December 2023, with the latter item rising by 28.2% to PLN 11,851.2m, as a combined effect of the issue of debt instruments of PLN 8,159.6m and redemption of PLN 5,577.4m worth of securities on their maturity dates.

Santander Bank Polska S.A. made the following issues:

- On 2 April 2024, the Bank issued series 1/2024 senior non-preferred bonds of PLN 1,900m as part of the issue programme. The bonds bear an interest rate of 6M WIBOR + 1.50% and mature on 2 April 2027 (subject to the Bank's right to exercise a call option). The bonds were classified as eligible liabilities as defined in the Act of 10 June 2016 on the Bank Guarantee Fund, deposit guarantee scheme and resolution.
- As part of a synthetic securitisation of a corporate loan portfolio, on 26 June 2024 the Bank issued funded credit linked notes (CLNs) with a nominal value of PLN 256.0m and a maturity date of 31 December 2033. The Bank has the option of earlier repayment of its obligations under the CLNs. On 26 June 2024, the CLNs were introduced to trading in the alternative trading system on the Vienna MTF organised by Wiener Börse AG (Vienna Stock Exchange).
- On 30 September 2024, the Bank issued series 2/2024 senior non-preferred bonds of PLN 1,800m as part of the issue programme. The bonds bear an interest rate of 6M WIBOR + 1.40% and mature on 30 September 2027. The bonds were issued as eligible liabilities within the meaning of the Act of 10 June 2016 on the Bank Guarantee Fund, deposit guarantee scheme and resolution.

- As part of a synthetic securitisation of a cash loan portfolio, on 17 December 2024 the Bank issued CLNs with a nominal value of PLN 394.0m and a maturity date of 31 December 2032. The Bank has the option of earlier repayment of its obligations under the CLNs. On 17 December 2024, the CLNs were introduced to trading in the alternative trading system on the Vienna MTF organised by Wiener Börse AG (Vienna Stock Exchange).

In 2024, Santander Factoring Sp. z o.o. issued several series of bonds with a variable interest rate based on 1M WIBOR, including:

- On 16 February 2024: PLN 600m worth of series R bonds with a maturity date of 16 August 2024.
- On 1 March 2024: PLN 200m worth of series S bonds with a maturity date of 3 June 2024.
- On 26 June 2024: PLN 325m worth of series T bonds with a maturity date of 23 December 2024 and PLN 100m worth of series V bonds with a maturity date of 1 October 2024.
- On 28 June 2024: PLN 200m worth of series U bonds with a maturity date of 27 September 2024.
- On 19 August 2024: series W, X and Y bonds of: PLN 390m, PLN 100m and PLN 110m, respectively, and maturity dates of: 19 February 2025, 8 August 2025 and 19 May 2025.
- On 8 October 2024: PLN 200m worth of series Z bonds with a maturity date of 8 October 2025.
- On 23 October 2024: PLN 120.5m worth of series ZA bonds with a maturity date of 23 April 2025.
- On 23 December 2024: PLN 480m worth of series ZB bonds with a maturity date of 23 June 2025.

All the above issues made by Santander Factoring Sp. z o.o. were guaranteed by the Bank up to 110% of their nominal values. The proceeds are used for the issuer's general corporate purposes.

Santander Leasing S.A. made the following issues:

- On 23 July 2024: PLN 365m worth of series P bonds with an interest rate of 3M WIBOR plus margin and a maturity date of 23 July 2025 (with the bondholders' right to exercise a put option).
- On 23 October 2024: PLN 169.1m worth of series R bonds with an interest rate of 3M WIBOR plus margin and a maturity date of 23 October 2025 (with a put option).
- On 20 December 2024: PLN 150m worth of series S bonds with an interest rate of 3M WIBOR plus margin and a maturity date of 18 December 2025 (with a put option).

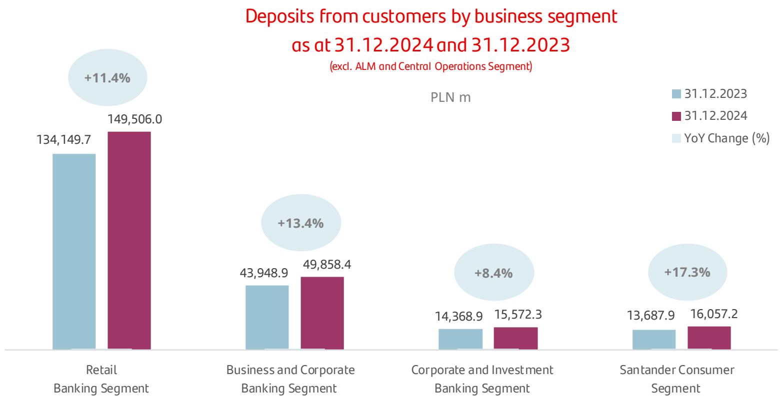
All the above issues made by Santander Leasing S.A. were guaranteed up to their nominal values. The proceeds are used for the issuer's general corporate purposes.

Furthermore, on 24 June 2024 Santander Consumer Multirent Sp. z o.o. issued the next tranche of one-year unsecured bonds with a nominal value of PLN 300m as part of the issue programme. They bear a variable interest rate based on WIBOR, and mature on 24 June 2025.

Deposit base

Deposits by entities

Deposits from customers in PLN m	31.12.2024	31.12.2023	YoY change
Deposits from individuals	127,764.5	115,261.2	10.8%
Deposits from enterprises and the public sector	104,264.2	94,016.2	10.9%
Total	**232,028.7**	**209,277.4**	**10.9%**



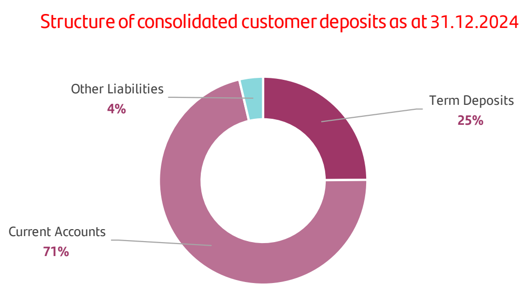
As at 31 December 2024, consolidated deposits from customers were PLN 232,028.7m and increased by 10.9% YoY due to higher balances of term deposits and current accounts of individuals, enterprises and public sector entities.

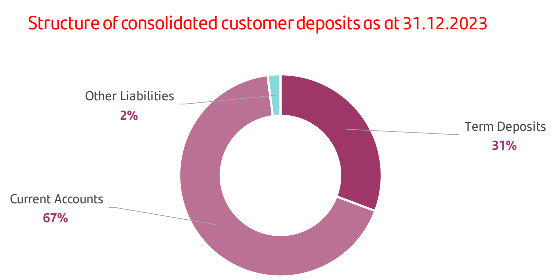
- The retail deposit base totalled PLN 127,764.5m, up 10.8% YoY due to a solid inflow of funds, the total balance of current and savings accounts increased by 8.8% YoY to PLN 79,583.7m, while term deposits went up by 14.5% YoY to PLN 47,896.5m.

  In 2024, the most popular products among personal customers were savings accounts available on special terms such as Multi Savings Account (Konto Multi Oszczędnościowe) and Select Savings Account (Konto Oszczędnościowe Select), and limited offers of PLN term deposits: Winter Deposit (Lokata Zimowa), Holiday Deposit (Lokata Wakacyjna), Autumn Deposit (Lokata Jesienna), as well as non-limited offers of 3- and 6-month deposits and negotiated deposits for Wealth Management and Select customers.

- Deposits from enterprises and the public sector increased by 10.9% YoY to PLN 104,264.2m, reflecting a rise of 15.4% YoY in term deposits to PLN 25,936.3m and growth of 10.3% YoY in current account balances to PLN 74,487.7m.

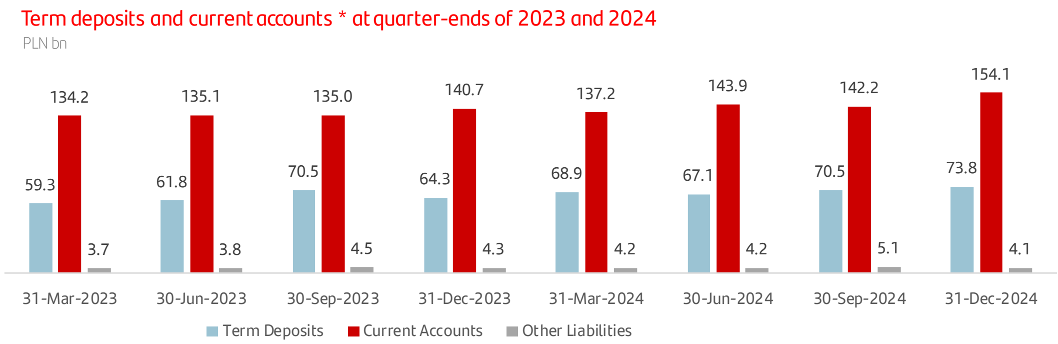
Deposits by tenors





The Group's total term deposits from customers were PLN 73,832.8m, up 14.8% YoY. Current account balances rose by 9.5% YoY to PLN 154,071.3m, and other liabilities were PLN 4,124.6m, down 3.4% YoY.

Loans and advances from financial institutions (PLN 906.1m vs PLN 950.4m as at 31 December 2023) were one of the components of other liabilities and were recognised under deposits from enterprises, which included loans granted by international financial organisations (the European Investment Bank/ EIB, the European Bank for Reconstruction and Development/ EBRD and the Council of Europe Development Bank/ CEB) to finance the lending activity of the Bank and its subsidiaries. The YoY decrease in the above line item is the result of scheduled repayments.



*including savings accounts

3. Selected financial ratios of Santander Bank Polska Group

Selected financial ratios of Santander Bank Polska Group	31.12.2024	31.12.2023
Cost/Income	29.6%	29.5%
Net interest income/Total income	81.0%	82.0%
Net interest margin 1)	5.27%	5.39%
Net fee and commission income/Total income	17.0%	17.0%
Net loans and advances to customers/Deposits from customers	75.3%	76.2%
NPL ratio 2)	4.4%	4.6%
NPL provision coverage ratio 3)	51.0%	55.4%
Cost of credit risk 4)	0.58%	0.72%
ROE 5)	20.4%	20.3%
ROTE 6)	22.4%	21.2%
ROA 7)	1.8%	1.8%
Total capital ratio 8)	17.68%	18.65%
Tier 1 capital ratio 9)	16.78%	17.27%
Book value per share (PLN)	337.03	329.69
Earnings per ordinary share (PLN) 10)	51.01	47.28

1) Net interest income annualised on a year-to-date basis (excluding interest income from the portfolio of debt securities held for trading and other exposures related to trading) to average net earning assets as at the end of consecutive quarters after the end of the year preceding the particular accounting year (excluding financial assets held for trading, hedging derivatives, other exposures related to trading and other loans and advances to customers).
2) Lease receivables and gross loans and advances to customers measured at amortised cost and classified to Stage 3 and POCI exposures to the total gross portfolio of such lease receivables and loans and advances as at the end of the reporting period.
3) Impairment allowances for lease receivables and loans and advances to customers measured at amortised cost and classified to Stage 3 and POCI exposures to the gross value of such lease receivables and loans and advances as at the end of the reporting period.
4) Net expected credit loss allowances (for four consecutive quarters) to average gross loans and advances to customers measured at amortised cost and lease receivables (as at the end of the current reporting period and the end of the previous year).
5) Net profit attributable to the parent's shareholders (for four consecutive quarters) to average equity (as at the end of the current reporting period and the end of the previous year), excluding non-controlling interests, current period profit and dividend reserve.
6) Net profit attributable to the parent's shareholders (for four consecutive quarters) to average tangible equity (as at the end of the current reporting period and the end of the previous year) defined as common equity attributable to the parent's shareholders less revaluation reserve, current year profit, dividend reserve, intangible assets and goodwill.
7) Net profit attributable to the parent's shareholders (for four consecutive quarters) to average total assets (as at the end of the current reporting period and the end of the previous year).
8) The capital ratio was calculated on the basis of own funds and total capital requirements established for the individual risk types by means of the standardised approach, in line with the CRD IV/CRR package. The comparative period includes profits allocated to own funds pursuant to EBA guidelines.
9) Tier 1 capital ratio calculated as a quotient of Tier 1 capital and risk-weighted assets for credit, market and operational risk. The comparative period includes profits allocated to own funds pursuant to EBA guidelines.
10) Net profit for the period attributable to the parent's shareholders to the average weighted number of ordinary shares.

4. Separate income statement

Condensed separate income statement of Santander Bank Polska S.A. in PLN m (for analytical purposes)	2024	2023	YoY change
Total income	**14,904.8**	**14,111.2**	**5.6%**
- Net interest income	11,917.5	11,439.6	4.2%
- Net fee and commission income	2,552.5	2,385.8	7.0%
- Other income [1]	434.8	285.8	52.1%
Total costs	**(4,206.7)**	**(3,936.5)**	**6.9%**
- Staff, general and administrative expenses	(3,566.7)	(3,309.0)	7.8%
- Depreciation/amortisation [2]	(518.8)	(477.5)	8.6%
- Other operating expenses	(121.2)	(150.0)	-19.2%
Net expected credit loss allowances	**(637.9)**	**(945.7)**	**-32.5%**
Cost of legal risk connected with foreign currency mortgage loans [3]	**(2,252.6)**	**(2,081.5)**	**8.2%**
Tax on financial institutions	(778.0)	(751.2)	3.6%
Profit before tax	**7,029.6**	**6,396.3**	**9.9%**
Corporate income tax	(1,832.1)	(1,723.3)	6.3%
Net profit for the period	**5,197.5**	**4,673.0**	**11.2%**

1) Other income includes total non-interest and non-fee income of the Bank comprising the following items of the full income statement: dividend income, net trading income and revaluation, gain/loss on other financial instruments, gain/loss on derecognition of financial instruments measured at amortised cost and other operating income.
2) Depreciation/amortisation includes depreciation of property, plant and equipment, amortisation of intangible assets and depreciation of the right-of-use asset.

In 2024, profit before tax of Santander Bank Polska S.A. increased by 9.9% YoY to PLN 7,029.6m, and the net profit for the period grew by 11.2% YoY to PLN 5,197.5m.

The table presented in the "Comparability of periods" section below contains the selected items of the income statement of Santander Bank Polska S.A. which affect the comparability of the analysed periods. After the relevant adjustments:

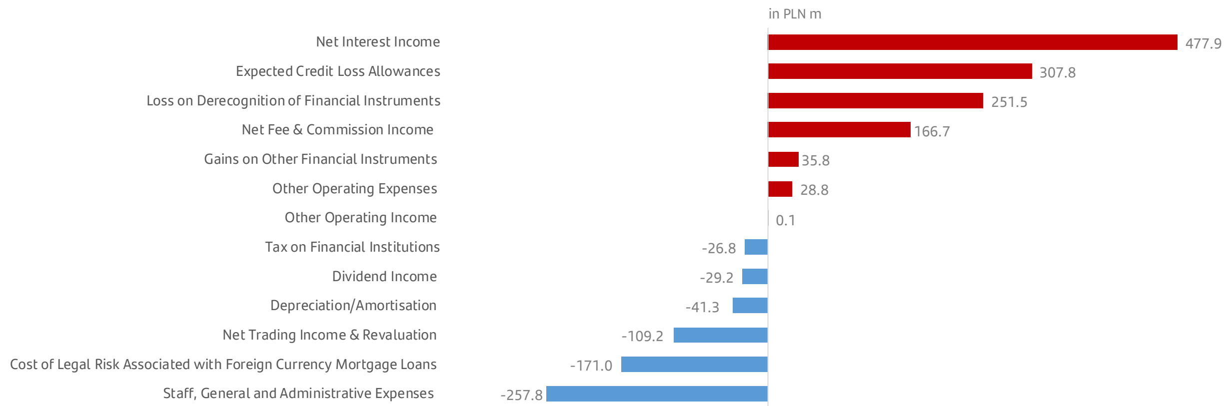
- → the Bank's underlying profit before tax went up by 9.9% YoY and
- → the underlying net profit for the period increased by 10.9% YoY.

Comparability of periods

Selected items of the income statement affecting the comparability of periods	2024	2023
Cost of legal risk connected with foreign currency mortgage loans *(income statement item)*	▸ PLN 2,252.6m	▸ PLN 2,081.5m
Contributions to the BFG resolution fund made by Santander Bank Polska S.A. *(general and administrative expenses)*	▸ PLN 233.1m	▸ PLN 159.0m
Dividend income *(income statement item)*	▸ PLN 212.3m	▸ PLN 241.6m
Negative adjustment to interest income on mortgage loans due to the so-called statutory payment holidays *(interest income)*	▸ PLN 134.5m – a one-off adjustment (taken to Q2 2024) accounting for payment holidays for PLN mortgage borrowers in 2024 subject to specific eligibility criteria	▸ PLN 49.3m – revision of the adjustment to interest income in respect of payment holidays for PLN mortgage borrowers in 2022–2023 to account for changes in the assumptions regarding borrowers' participation in the programme
Negative impact of changes to the criteria of a significant increase in credit risk *(net expected credit loss allowances)*	▸ PLN 130.8m – a rise in the Bank's expected credit loss allowances resulting from the change in the criteria of a significant increase in credit risk determining the classification of exposures to Stage 2	▸ Not applicable
Cost of settlements connected with foreign currency mortgage loans *(gain/loss on derecognition of financial instruments measured at amortised cost)*	▸ PLN 69.2m	▸ PLN 324.1m

Changes to the components of the profit before tax earned by the Bank are presented below.

Year-on-year changes in the main items of the income statement of Santander Bank Polska S.A. for 2024 in absolute numbers



Changes in the main components of the standalone profit reflect the trends relating to the consolidated profit. Similarly to the Group, the Bank's profit before tax was positively affected by net interest income, net fee and commission income, loss on derecognition of financial instruments measured at amortised cost, gains on other financial instruments, net expected credit loss allowances and other operating expenses. The increase driven by the above-mentioned items was partly offset by a negative impact of changes in staff, general and administrative expenses, amortisation/depreciation, cost of legal risk connected with foreign currency mortgage loans, as well as net trading income and revaluation, and dividend income.

Structure of total income of Santander Bank Polska S.A.

Total income of Santander Bank Polska S.A. for 2024 increased by 5.6% YoY to PLN 14,904.8m. Excluding dividend income, impact of payment holidays and costs of settlements with foreign currency mortgage loan borrowers, the underlying total income was up 4.6% YoY.

Net interest income

Interest income of Santander Bank Polska S.A. in PLN m in respect of:	2024	2023	YoY change
Loans and advances to individuals	6,348.2	6,530.2	-2.8%
Loans and advances to enterprises and the public sector, and lease receivables	5,250.8	5,221.7	0.6%
Debt securities and reverse sale and repurchase agreements	3,676.7	3,103.3	18.5%
IRS and loans and advances to banks	827.6	748.8	10.5%
Total	**16,103.3**	**15,604.0**	**3.2%**
Interest expense of Santander Bank Polska S.A. in PLN m in respect of:	**2024**	**2023**	**YoY change**
Deposits from individuals	(1,572.5)	(1,783.1)	-11.8%
Deposits from enterprises and the public sector, and lease liabilities	(1,561.8)	(1,705.9)	-8.4%
Sale and repurchase agreements	(271.9)	(230.3)	18.1%
Subordinated liabilities and debt securities in issue	(657.6)	(348.1)	88.9%
IRS and deposits from banks	(122.0)	(97.0)	25.8%
Total	**(4,185.8)**	**(4,164.4)**	**0.5%**
Net interest income	**11,917.5**	**11,439.6**	**4.2%**

The Bank's interest income went up by 3.2% YoY, and interest expense grew by 0.5% YoY. The growth rate of costs and income reflects a dynamic increase in credit and deposit volumes as well as investments and liabilities in respect of debt securities, combined with a slight YoY decline in interest rates. It is also an effect of the Bank's management of the balance sheet structure, product offer parameters and sales and promotion support system, taking into account external and internal developments.

Net interest income, the main source of the Bank's profit, increased by 4.2% YoY in 2024 to PLN 11,917.5m. Excluding the negative adjustment of PLN 134.5m to interest income in respect of the statutory payment holidays on PLN home loans, the underlying net interest income was up 4.9% YoY. The cumulative net interest margin decreased from 5.2% in 2023 to 5,0% in 2024, reflecting the actual and expected interest rate movements and the negative impact of the above-mentioned payment holidays.

Net fee and commission income

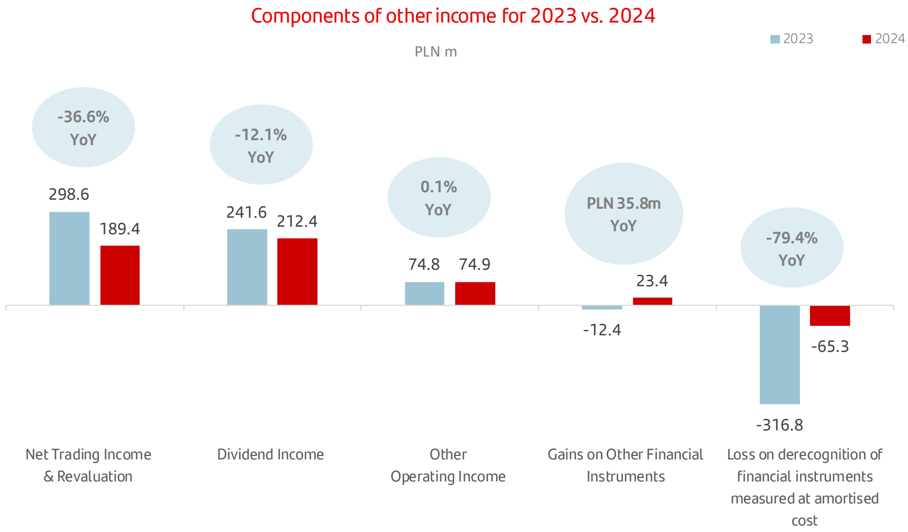
Net fee and commission income of Santander Bank Polska S.A. in PLN m	2024	2023	YoY change
FX fees	871.1	761.2	14.4%
Account maintenance and cash transactions	357.3	368.7	-3.1%
Debit cards	311.2	315.9	-1.5%
Credit fees 1)	292.1	288.5	1.2%
Electronic and payment services 2)	202.0	203.5	-0.7%
Insurance fees	148.5	121.9	21.8%
Brokerage activities	140.9	126.3	11.6%
Guaranties and sureties	127.1	99.1	28.3%
Distribution fees	97.2	69.6	39.7%
Credit cards	78.6	81.3	-3.3%
Other fees 3)	(73.5)	(50.2)	46.4%
Total	**2,552.5**	**2,385.8**	**7.0%**

1) Net fee and commission income from lending, factoring and leasing activities which is not amortised to net interest income. This line item includes, among other things, the cost of credit agency.
2) Fees for payments (foreign and mass payments, Western Union transfers), trade finance, services for third party institutions as well as other electronic and telecommunications services.
3) Issue arrangement fees, fees paid to other banks and other fees.

Net fee and commission income for 2024 totalled PLN 2,552.5m and increased by 7.0% YoY on account of considerably higher net income from the majority of key product lines, including distribution of investment funds (+39.7% YoY), guarantees and sureties (+28.3% YoY), insurance (+21.8% YoY), currency exchange (+14.4% YoY) and brokerage activities (+11.6% YoY). A moderate growth of 1.2% YoY was also reported in credit fees, reflecting lower costs of credit agency.

Other income

Structure of non-interest and non-fee income of Santander Bank Polska S.A.



The Bank's other income (non-interest and non-fee income) presented in the figure above increased by 52.1% YoY to PLN 434.8m as a result of changes to the following components:

- Net trading income and revaluation went down by 36.6% YoY to PLN 189.4m, mainly due to a YoY decline in total gain on derivative instruments and interbank FX operations (PLN 104.2m in 2024 vs PLN 210.6m in 2023). The decrease was most pronounced in transactions used by the Bank to manage FX liquidity. Furthermore, the portfolio of credit cards measured at fair value through profit or loss generated a lower positive change from remeasurement (PLN 1.0m in 2024 vs PLN 13.5m in 2023). On the other hand, total gain on trading in equity and debt securities measured at fair value through profit or loss increased by 13.1% YoY, mainly on account of the gain on treasury bonds.
- Dividend income went down by 12.1% YoY to PLN 212.4m, mainly on account of lower dividends from Santander Finanse Sp. z o.o. (PLN 40m in 2024 vs PLN 80.0m in 2023) and Santander Inwestycje Sp. z o.o. (PLN 1.8m in 2024 vs PLN 35.1m in 2023).
- Gain on other financial instruments totalled PLN 23.4m and rose by PLN 35.8m YoY, largely supported by higher gain on hedging and hedged instruments and sale of debt securities measured at fair value through other comprehensive income (+PLN 9.2m YoY), mainly treasury bonds. Having sold its entire stake in Visa Inc., the Bank did not recognise any gain on the valuation or sale of those instruments (PLN 13.9m disclosed in 2023 in this respect).
- Other operating income totalled PLN 74.9m and was broadly stable YoY.
- The Bank incurred a loss of PLN 65.3m on derecognition of financial instruments measured at amortised cost (-PLN 316.8m in 2023), of which the amount of -PLN 69.2m related to settlements with customers (-PLN 324.1m in 2023).

Expected credit loss allowances

Net expected credit loss allowances on loans and advances measured at amortised cost (PLN m)	Stage 1		Stage 2		Stage 3		POCI		Total	Total
	2024	2023	2024	2023	2024	2023	2024	2024	2023	2024
Allowance on loans and advances to banks	0.1	(0.1)	-	-	-	-	-	-	0.1	(0.1)
Allowance on loans and advances to customers	(30.8)	(126.6)	(336.6)	(297.1)	(360.2)	(511.8)	106.0	64.1	(621.6)	(871.4)
Recoveries of loans previously written off	-	-	-	-	3.6	5.2	-	-	3.6	5.2
Allowance on off-balance sheet credit liabilities	1.7	(9.6)	12.1	(40.0)	(33.8)	(29.8)	-	-	(20.0)	(79.4)
Total	**(29.0)**	**(136.3)**	**(324.5)**	**(337.1)**	**(390.4)**	**(536.4)**	**106.0**	**64.1**	**(637.9)**	**(945.7)**

Net expected credit loss allowances totalled PLN 637.9m in 2024, down 32.5% YoY. The lower level of allowances is attributed, among other things, to gradual economic recovery, which positively affected the condition of the credit portfolios and revision parameters. Another positive factor was further sale of credit receivables of PLN 1,370.1m at a profit before tax of PLN 127.3m. In 2024, the Bank changed the criteria of a significant increase in credit risk in relation to all of its credit portfolios, which resulted in an increase of PLN 130.8m in expected credit loss allowances.

Staff, general and administrative expenses of Santander Bank Polska S.A.

Total costs of Santander Bank Polska S.A. (PLN m)	2024	2023	YoY change
Staff, general and administrative expenses, of which:	(3,566.7)	(3,309.0)	7.8%
- Staff expenses	(2,037.8)	(1,922.6)	6.0%
- General and administrative expenses	(1,528.9)	(1,386.4)	10.3%
Depreciation/amortisation	(518.8)	(477.5)	8.6%
- Depreciation of property, plant and equipment and amortisation of intangible assets	(387.7)	(350.7)	10.6%
- Depreciation of the right-of-use asset	(131.1)	(126.8)	3.4%
Other operating expenses	(121.2)	(150.0)	-19.2%
Total costs	**(4,206.7)**	**(3,936.5)**	**6.9%**

Total costs increased by 6.9% YoY in 2024 to PLN 4,206.7m on account of staff, general and administrative expenses, and depreciation/amortisation.

A 6.0% YoY rise in staff expenses is mainly an effect of a salary review in relation to market rates in Q4 2023. The Bank's general and administrative expenses increased by 10.3% YoY to PLN 1,528.9m. Amounts payable to market regulators (BFG, KNF and KDPW) totalled PLN 273.3m, up 42.3% YoY due to a 46.6% higher contribution to the bank resolution fund (PLN 233.1m) recognised in 2024. Excluding the mandatory contributions to the BFG, the Bank's general and administrative expenses increased by 5.6% YoY, mainly on account of costs of third party services, purchase of equipment and access to specialised information platforms.

As total operating expenses grew at a similar pace as total income (6.9% vs 5.6% YoY), the Bank's cost to income ratio was relatively stable at 28.2% for 2024 (27.9% for 2023).

5. Separate statement of financial position

Assets of Santander Bank Polska S.A. in PLN m (for analytical purposes)	31.12.2024	31.12.2023	YoY change
Loans and advances to customers	152,257.4	140,903.1	8.1%
Investment securities	71,821.0	62,952.6	14.1%
Reverse sale and repurchase agreements	12,126.4	12,676.6	-4.3%
Financial assets held for trading and hedging derivatives	10,729.9	10,501.3	2.2%
Cash and balances with central banks	10,240.3	8,275.1	23.7%
Loans and advances to banks	9,003.0	9,048.4	-0.5%
Property, plant and equipment, right-of-use assets, intangible assets and goodwill	3,380.0	3,340.7	1.2%
Investments in subsidiaries and associates	2,330.9	2,377.4	-2.0%
Assets pledged as collateral	1,198.8	271.9	340.9%
Other assets [1)	3,003.2	2,054.1	46.2%
Total	**276,090.9**	**252,401.2**	**9.4%**

Equity and liabilities of Santander Bank Polska S.A. in PLN m (for analytical purposes)	31.12.2024	31.12.2023	YoY change
Deposits from customers	215,776.4	195,365.9	10.4%
Financial liabilities held for trading and hedging derivatives	10,526.3	9,663.6	8.9%
Subordinated liabilities and debt securities in issue	9,642.4	8,514.5	13.2%
Deposits from banks	3,050.4	2,668.3	14.3%
Sale and repurchase agreements	1,198.5	273.6	338.0%
Other liabilities [2)	5,669.5	6,429.8	-11.8%
Total equity	30,227.4	29,485.5	2.5%
Total	**276,090.9**	**252,401.2**	**9.4%**

1) Other assets include the following items of the full statement of financial position: current income tax assets; deferred tax assets; property, plant and equipment classified as held for sale and other assets.
2) Other liabilities include leasing liabilities, current income tax liabilities, provisions for financial and guarantee liabilities, other provisions and other liabilities.

As at 31 December 2024, the total assets of Santander Bank Polska S.A. were PLN 276,090.9m, up 9.4% YoY.

Net loans and advances to customers, the key contributor, accounted for 55.1% of the Bank's assets. They totalled PLN 152,257.4m and increased by 8.1% YoY due to acceleration of credit delivery to personal and business customers.

Investment securities, the second largest item, went up by 14.1% YoY in 2024 mainly as a result of the purchase of treasury bonds and EIB bonds allocated to the portfolio of debt securities measured at amortised cost.

A considerable increase was also reported under assets held as collateral for liabilities in respect of repurchase transactions (+340.9% YoY), which was reflected in the growth of those liabilities (+338.0% YoY), mainly on account of transactions with customers.

Deposits from customers were the largest contributor to liabilities and accounted for 78.2% of the balance sheet total. They rose by 10.4% YoY to PLN 215,776.4m as a consequence of an increase in term deposits and current account balances of personal customers as well as enterprises and public sector entities.

As part of ongoing liquidity management, the level of financial assets held for trading and hedging derivatives increased significantly in the analysed period (+8.9% YoY), mainly on account of interest rate derivatives.

Subordinated liabilities and debt securities in issue grew by 13.2% YoY, reflecting the Bank's activity in the debt securities market. In 2024, the Bank made four issues of own bonds totalling PLN 4,350.0m and redeemed PLN 2,787.4m worth of debt securities. The Bank's issues are presented in detail in section 2 "Consolidated statement of financial position" of this chapter, section "Consolidated liabilities and equity".

Loans and advances to customers and deposits from customers

Gross loans and advances to customers of Santander Bank Polska S.A. (PLN m)	31.12.2024	31.12.2023	YoY change
Loans and advances to enterprises and the public sector	80,171.8	74,177.3	8.1%
Loans and advances to individuals	75,754.7	70,583.1	7.3%
Other	61.5	67.1	-8.3%
Total	**155,988.0**	**144,827.5**	**7.7%**

Gross loans and advances to customers totalled PLN 155,988.0m and were up 7.7% YoY as a combined effect of:

- an 8.1% YoY increase in loans and advances to enterprises and the public sector to PLN 80,171.8m, largely on account of investment loans in the Business and Corporate Banking (BCB) and Corporate and Investment Banking (CIB) segments as well as an increased use of overdrafts by BCB customers;
- a 7.3% YoY rise in loans and advances to individuals to PLN 75,754.7m, reflecting dynamic sales of cash loans throughout the year and strong mortgage delivery at the beginning of the year due to the closing Safe Mortgage 2% government programme. As a result, the cash loan portfolio grew by 8.8% YoY to PLN 18,012.0m and the home loan portfolio increased by 6.9% YoY to PLN 54,551.1m

The NPL ratio was 3.6% as at 31 December 2024 (3.9% as at the end of 2023), while the ratio of net expected credit loss allowances to average gross loans and advances measured at amortised cost was 0.43% (0.68% the year before).

The provision coverage ratio for impaired loans was 47.2% compared with 51.6% as at 31 December 2023.

As at 31 December 2024, the total adjustment to the gross carrying amount and provisions for legal risk and legal provisions (for legal claims and a collective portion) accounted for 129.4% of the gross value of the active CHF loan portfolio (before adjustment to the gross carrying amount in line with IFRS 9).

Deposits from customers of Santander Bank Polska S.A. (PLN m)	31.12.2024	31.12.2023	YoY change
Deposits from individuals	117,707.7	107,212.3	9.8%
Deposits from enterprises and the public sector	98,068.7	88,153.6	11.2%
Total	**215,776.4**	**195,365.9**	**10.4%**

Deposits from customers went up by 10.4% YoY to PLN 215,776.4m, reflecting a 9.8% YoY increase in personal deposits and an 11.2% YoY rise in deposits from enterprises and the public sector.

The main contributors to the overall growth in deposits from customers were current account balances of individuals, business entities and the public sector (+PLN 13,257.9m), including savings account balances (+PLN 1,456.9m). Term deposits grew dynamically across all key segments (+PLN 7,551.0m) supported by attractive promotional offer with pricing aligned with high interest rate environment.

6. Selected ratios of Santander Bank Polska S.A.

Selected financial ratios of Santander Bank Polska S.A.	2024	2023
Cost/Income	28.2%	27.9%
Net interest income/Total income	80.0%	81.1%
Net interest margin 1)	5,0%	5.2%
Net fee and commission income/Total income	17.1%	16.9%
Net loans and advances to customers/Deposits from customers	70.6%	72.1%
NPL ratio 2)	3.6%	3.9%
NPL provision coverage ratio 3)	47.2%	51.6%
Cost of credit risk 4)	0.43%	0.68%
ROE 5)	22.2%	21.4%
ROTE 6)	25.2%	22.3%
ROA 7)	2.0%	1.9%
Total capital ratio 8)	19.74%	21.37%
Tier 1 capital ratio 9)	18.73%	19.76%
Book value per share (PLN)	295.80	288.54
Earnings per ordinary share (PLN) 10)	50.86	45.73

The approach to calculation of the financial ratios of Santander Bank Polska S.A. presented and numbered in the above table is provided under the corresponding table with ratios of Santander Bank Polska Group numbered in the same way.

7. Additional financial information about Santander Bank Polska S.A. and Santander Bank Polska Group

Transactions with related parties

Key intercompany transactions with subsidiaries and associates

Transactions between Santander Bank Polska S.A. and its related parties are banking operations carried out on an arm's length basis as part of their ordinary business and mainly involve loans, bank accounts, deposits, guarantees and leases.

As at 31 December 2024, the Bank's total exposure in respect of loans granted to banking and non-banking subsidiaries (including Santander Factoring Sp. z o.o., Santander Leasing S.A., Santander Consumer Multirent Sp. z o.o. and Santander Consumer Bank S.A.) was PLN 19,903.9m compared with PLN 19,760.2m as at 31 December 2023.

Deposits held with the Bank by its subsidiaries (including Santander Finanse Sp. z o.o., Santander Inwestycje Sp. z o.o., Santander TFI S.A., Santander Factoring Sp. z o.o., Santander Leasing S.A., Santander F24 S.A., Santander Consumer Multirent Sp. z o.o., Santander Consumer Bank S.A., Santander Consumer Financial Solutions Sp. z o.o.) totalled PLN 692.6m vs PLN 321.0m as at 31 December 2023. Liabilities towards associates were PLN 61.4m vs PLN 108.9m as at 31 December 2023.

Contingent liabilities were PLN 5,984.9m as at 31 December 2024 (PLN 4,902.5m as at 31 December 2024), including guarantees granted to the subsidiaries totalling PLN 4,488.3m (PLN 3,604.7m as at 31 December 2023).

The above transactions were eliminated from the consolidated financial statements.

Intercompany transactions with the parent entity

The Bank's receivables from the parent entity (Banco Santander S.A.) were PLN 6,680.4m (PLN 5,895.1m as at 31 December 2023), while liabilities were PLN 1,519.4m (PLN 518.3m as at 31 December 2023).

Detailed information on related party transactions is available in Note 52 to the Consolidated Financial Statements of Santander Bank Polska Group for 2024 and in Note 50 to the Separate Financial Statements of Santander Bank Polska S.A. for 2024.

Off-balance sheet items

Guarantees and derivatives

The tables below present contingent liabilities and nominal values of derivative transactions of Santander Bank Polska Group.

Contingent liabilities (granted) (PLN m)	31.12.2024	31.12.2023
Financial:	**46,005.5**	**41,675.4**
- credit lines	41,533.2	37,526.1
- credit cards	3,768.7	3,470.8
- import letters of credit	689.7	669.5
- term deposits with future start date	13.9	9.0
Guarantees	**18,001.6**	**15,210.6**
Provision for off-balance sheet liabilities	**(93.9)**	**(123.1)**
Total	**63,913.2**	**56,762.9**

Contingent liabilities (received) (PLN m)	31.12.2024	31.12.2023
Financial	**189.8**	**504.6**
Guarantees	**58,191.6**	**59,202.8**
Total	**58,381.4**	**59,707.4**

Nominal values of derivatives (PLN m)	31.12.2024	31.12.2023
Forward transactions (hedging)	65,210.3	57,294.2
Forward transactions (trading)	1,625,771.9	1,026,949.4
Spot transactions	2,836.4	7,321.7
Transactions in equity instruments	123.2	26.4
Total	**1,693,941.8**	**1,091,591.7**

Description of guarantees issued

Santander Bank Polska S.A. issues guarantees to secure obligations arising from customers' operating activities. These are: payment guarantees, performance bonds, warranty guarantees, bid bonds, loan repayment guarantees and customs guarantees. In justified cases, the Bank issues counter-guarantees and standby letters of credit.

All guarantees are granted in accordance with the Polish Banking Law and the Polish Civil Code. Guarantees issued by the Bank to secure cross-border transactions may be subject to applicable rules as agreed by the parties (e.g. Uniform Rules for Demand Guarantees) or to foreign law if a guarantee is governed by such law.

The process and information required in the case of guarantees are similar to the lending process. The Bank adopts the same approach to credit risk here as in the case of balance sheet exposures.

Pending court proceedings

The table below presents the amounts disputed in pending court proceedings with regard to claims made by or against the Bank or its subsidiaries as at 31 December 2024 and 31 December 2023.

Court proceedings with Santander Bank Polska Group as a party (PLN m)	31.12.2024	31.12.2023
Value of claims in lawsuits filed by the Group	3,284.0	1,842.0
Value of claims in lawsuits filed against the Group	8,406.9	6,601.7
Receivables of the Group in arrangement or bankruptcy cases	110.1	84.1
Value of claims in all pending court proceedings	**11,801.0**	**8,527.8**
Value of claims in completed proceedings	848.5	635.4

As at the end of 2024, there were 3,804 cases against Santander Bank Polska Group (2,873 as at 31 December 2023), where the claim value was high (equal to or above PLN 500k). The total amount of provisions recognised in accordance with IAS 37 and the adjustment to gross carrying amount under IFRS 9 related to such legal claims was PLN 1,871.1m (PLN 1,258.6m as at 31 December 2023).

21,537 lawsuits were filed against the Group over loans indexed to or denominated in foreign currency, with the disputed amount totalling PLN 7,730.9m (vs 17,859 lawsuits with the disputed amount of PLN 6,150.4m as at 31 December 2023). This included one class action filed under the Class Action Act: a class action in respect of 263 CHF-indexed loans, with the disputed amount of PLN 51.0m.

For more information on legal claims related to foreign currency mortgage loans, see Note 47 “Legal risk connected with foreign currency mortgage loans” to the Consolidated Financial Statements of Santander Bank Polska Group for 2024.

Collateral

As at 31 December 2024, the value of collateral established on borrowers’ accounts, assets and leased assets in favour of Santander Bank Polska Group was 148,143.6m, including PLN 114,255.9m in relation to Santander Bank Polska S.A. (PLN 138,622.5m as at 31 December 2023, including PLN 106,764.5m in relation to the Bank).

8. Factors which may affect the financial performance in the next year

The following external factors may significantly affect the financial results and the operations of the Capital Group Santander Bank Polska S.A. in the next year:

- The shape, scope and severity of the “tariff wars” in connection with the new US administration's revision of trade policy, the implementation in the USA of the remaining election promises on migration control, deregulation and improving business competitiveness.
- Scale and pace of further interest rate cuts by major central banks and fluctuations in market pricing of future interest rate paths in major economies.
- Continued economic weakness in the eurozone, and thus relatively low foreign demand for Polish goods and services.
- A change of the US approach to the conflict in Ukraine and the US relations with Europe.
- The war between Russia and Ukraine, the impact of sanctions and restrictions on international trade. A potential increase in migratory movements if the conflict ceases. Possible disruptions in the supply of energy resources. An increased defence spending in Poland.
- Possible escalation of the conflict in the Middle East, with a potential impact on global oil and gas prices and global risk aversion.
- The path of inflation in Poland impacting the market valuation of changes in NBP rates and their timing.
- The MPC's decisions on interest rates, potential reduction of NBP’s balance sheet.
- Foreign currency loans: decisions of banks on settlements with customers and a further course of litigation.
- Potential introduction of a new government programme supporting the financial availability of housing.
- Changes in the valuation of credit risk in financial markets, also resulting from changes in the assessment of geopolitical risk.
- Changes in bond yields depending on such factors as expectations regarding monetary and fiscal policy.
- Changes in loan demand in the context of liquidity, persistently high rates, and the impact of the armed conflict in Ukraine and the significant increase in housing prices in recent quarters.
- Changes in the financial situation of households driven by labour market trends and benefits obtained.
- Changes in customers' decisions regarding savings allocation influenced by expected returns on various asset classes and changes in attitudes toward saving and increased spending.
- Further developments in global stock markets and their impact on demand for mutual funds and stocks.
- The degree of utilisation of funds from EU’s multiannual financial framework, cohesion policy and the National Recovery Plan.

XI. Risk and capital management

1. Key risk management principles and structure in the Bank and in Santander Bank Polska Group

Key risk management principles

Both the Bank and other members of Santander Bank Polska Group are exposed to various risks within their day-to-day activities which adversely affect the delivery of strategic priorities of the organisation. The main types of risks include: credit risk (including concentration risk), market risk (in the banking book and in the trading book), liquidity risk, operational risk, compliance risk and reputational risk.

Risk management allows Santander Bank Polska S.A. and its Group to conduct effective and safe operations that enable profit generation and business development within approved risk parameters. The Bank follows a range of external standards and requirements in this respect which are binding on financial institutions. It also relies on best practice and standards developed by Santander Group.

The Bank and Santander Bank Polska Group have defined their risk profile which corresponds to the general risk appetite established by the Group. It is expressed as quantitative limits and captured in the Risk Appetite Statement adopted by the Management Board and approved by the Supervisory Board. The limits are set using stress tests and scenario analyses. They ensure stability of the Bank's and the Group's position even if special situations occur. Global limits are used to set watch limits and define risk management policies.

The integrated risk management structure includes relevant committees which have been set up to decide on identification of individual risks and internal risk management standards and policies, and to monitor the risk level.

The Bank has also established a relevant organisational structure to mitigate risk at three independent and complementary levels (lines of defence), i.e.:

- organisational units which generate risk and are required to comply with the rules ensuring high quality and correctness of their performance;
- units responsible for identification, measurement, monitoring and mitigation of risks in a way that ensures independence of risk control functions from risk-taking units;
- the internal audit function, whose tasks involve assessment of the management system of the Bank and its subsidiaries, including the effectiveness of managing the risk related to the Bank's business and the business of its subsidiaries.

Risk management structure

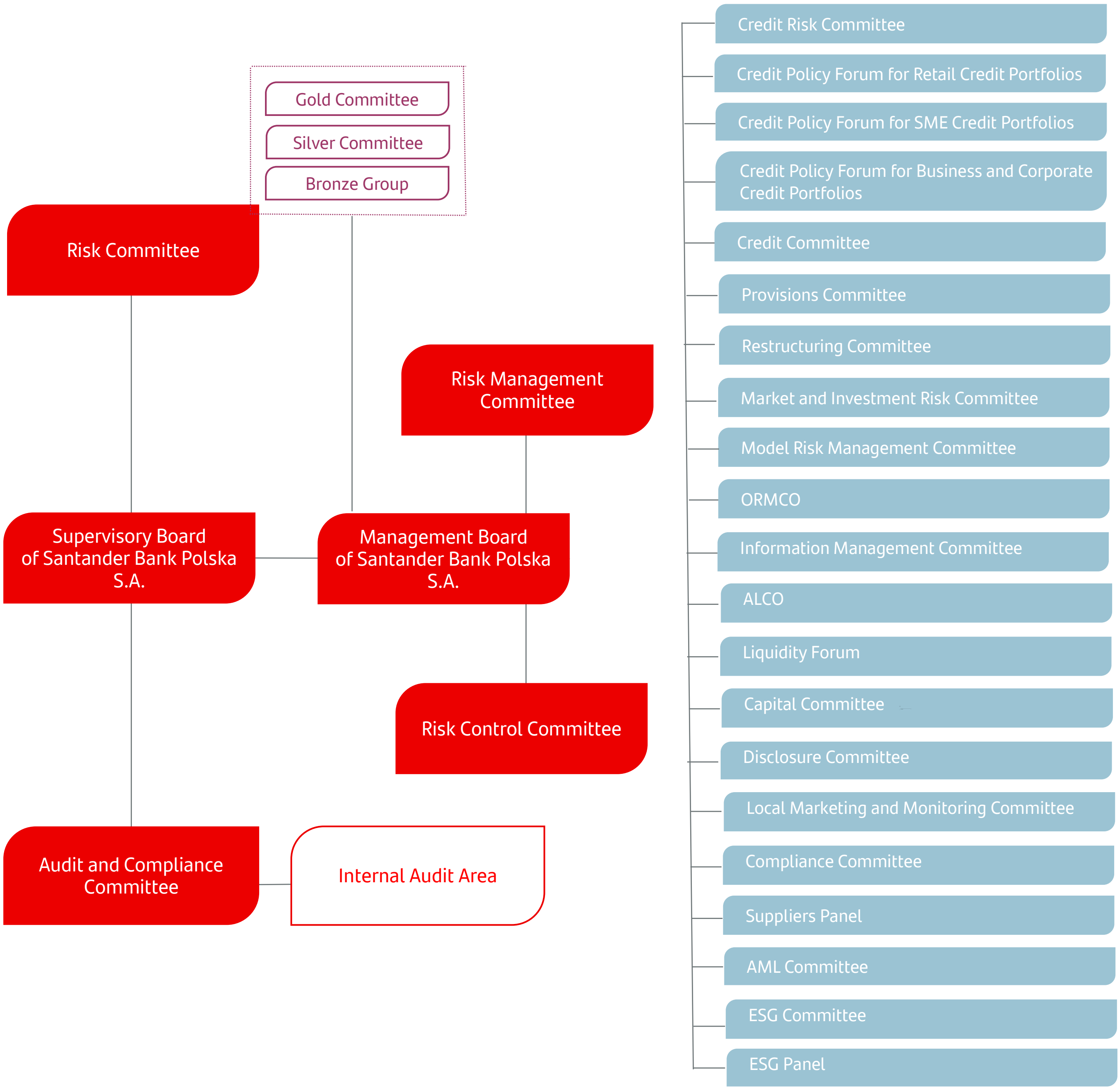
The Bank's Supervisory Board, supported by the Audit and Compliance Committee of the Supervisory Board and the Risk Committee, is responsible for ongoing supervision of the risk management system in Santander Bank Polska S.A. The Supervisory Board approves the strategy, key risk management policies and risk appetite, and monitors the use of internal limits from the perspective of current business strategy and the macroeconomic environment. It reviews the key risk areas, the identification of threats and the process of defining and monitoring remedial actions. The Supervisory Board also assesses the effectiveness of risk management measures taken by the Management Board.

The Bank's Management Board is responsible for implementing an effective risk management system that is compliant with the regulatory requirements and internal regulations. Specifically, the Bank's role in this regard is to set up an organisational structure tailored to the size and profile of the risks taken, to segregate responsibilities in order that risk assessment and control functions remain independent of operational functions, to introduce and update a risk management strategy and ensure an adequate information policy.

The Management Board fulfils its risk management role through the following two committees:

- The Risk Management Committee, which approves the key decisions taken by the main lower-level risk committees (mainly credit decisions), annual limits for securities trading and ALM transactions and an annual plan of risk assessment models.
- The Risk Control Committee, which monitors the risk level across different areas of the Bank's operations and supervises the activities of lower-level risk management committees set up by the Management Board.

> Governance structure for risk supervision and management



The Risk Control Committee supervises the following committees responsible for risk management in the Group:

- Credit Risk Committee
- Credit Policy Forum for Retail Credit Portfolios
- Credit Policy Forum for SME Credit Portfolios
- Credit Policy Forum for Business and Corporate Credit Portfolios
- Credit Committee
- Provisions Committee
- Restructuring Committee
- Market and Investment Risk Committee
- Model Risk Management Committee
- Information Management Committee
- Operational Risk Management Committee/ ORMCO
- Assets and Liabilities Committee/ ALCO
- Liquidity Forum

- Capital Committee
- Disclosure Committee
- Anti-Money Laundering and Terrorism Financing Committee
- Local Marketing and Monitoring Committee
- Compliance Committee
- Suppliers Panel
- ESG Committee
- ESG Panel

The Bank has dedicated authorities which are convened in crisis situations:

- Gold Committee
- Silver Committee
- Bronze Group

These committees, acting within their respective remits defined by the Management Board, are directly responsible for developing risk management methods and monitoring risk levels in specific areas. Through these committees, the Bank also supervises the risk attached to the operations of its subsidiaries.

The subsidiaries implement risk management policies and procedures that reflect the approach adopted by Santander Bank Polska S.A., which ensures the consistency of risk management processes across the Group.

The Bank oversees the risk management structure of Santander Consumer Bank S.A. (SCB S.A.) under the applicable law and in line with the same oversight rules as applied to other Santander Bank Polska Group companies. The Bank's representatives on the Supervisory Board of Santander Consumer Bank S.A. are: the Management Board member in charge of the Risk Management Division and the Management Board member in charge of the Digital Transformation Division. Together with SCB S.A. Supervisory Board, they are responsible for supervision over SCB S.A. and make sure that the company operates in line with the adopted plans and operational security procedures. The Bank monitors the profile and level of SCB S.A. risk via risk management committees of Santander Bank Polska S.A., which receive relevant reports on SCB S.A.'s operations

2. Risk management priorities in 2024

Geopolitical and macroeconomic situation

Due to the ongoing armed conflicts (the war in Ukraine and the war in the Middle East), the importance of geopolitical risk in risk management processes is still high. The Group identifies this risk both in its operations and in relation to its credit portfolio and financial assets. It is based on the definition and assessment of material risks that may arise due to the geopolitical and macroeconomic situation and threaten the delivery of business plans of Santander Bank Polska S.A.

To maintain business continuity, the Group closely monitors external developments and their impact on its operations. The monitoring covers, among other things, the key threats related to the above armed conflicts to ensure that the Group appropriately adjusts its control mechanisms to possible future developments and is prepared to minimise the impact of emerging risks. First and second line of defence units are involved in this process and key information is provided to senior management.

As in the previous years, in 2024 the Group regularly monitored the credit portfolio in terms of the influence of the macroeconomic situation in individual economic segments and sectors in order to ensure prompt and adequate response and align the credit policy parameters accordingly. Particular focus was placed on the assessment of impact of such factors as inflation, interest rates, exchange rates, export growth as well as gas and energy prices on the quality of credit portfolios based on stress tests and sensitivity analysis. The Group also continued to monitor the factors directly related to the geopolitical situation, such as sanctions and restriction of operations of business customers on the territory of armed conflicts. In addition, the Group kept track of the planned legislative changes that might significantly affect the situation in individual sectors to take adequate proactive measures in relation to the credit portfolio.

As part of regular reviews of ECL parameter models, the Group takes into account the latest macroeconomic projections and uses in-house predictive models based on historical observations of relationships between those variables and risk parameters. ECL parameters were updated in Q4 2024 to account for the impact of the geopolitical environment on the current economic situation and macroeconomic projections.

Furthermore, as part of ongoing monitoring, the Group assessed the impact of the geopolitical factors on borrowers through individual reviews, analysis of macroeconomic indicators, monitoring of behavioural models (including transactional patterns), analysis of trends in individual economic sectors and comprehensive management information.

Cybersecurity

The importance of cybersecurity has been steadily growing because of the increasing digitalisation of the banking sector. The geopolitical situation did not improve in 2024, therefore the risk of targeted attacks made by well-structured, disciplined and sophisticated hacker groups had to be monitored on an ongoing basis. The risk connected with the consequences of attacks was regularly analysed and relevant measures were taken where justified.

Disinformation campaigns aimed to destabilise the financial sector were also subject to close monitoring. The Group was taking measures to build awareness among employees and customers, e.g. by issuing security warnings about emerging threats. Particular focus was still placed on the problem of unauthorised transactions and on the security of processes, including the authentication and authorisation of transactions in remote channels. Other priority issue was the risk of DDoS attacks, supply chain attacks, application attacks, malware and attacks against customers and employees with the use of social engineering.

Cyberattacks are becoming more sophisticated and specialised. Particularly popular are attacks based on new technologies offered by cybercriminals under a service model.

The Group is analysing the growing importance of artificial intelligence technologies in terms of their use by attackers and their potential as control mechanisms, including to facilitate risk and cybersecurity management. A special focus is placed on the European law on artificial intelligence (EU AI Act) and its impact on the organisation.

ESG risks

The ESG Risk Management Office, which was set up in the Risk Management Division in 2023, ensures proper organisation of the ESG risk management function. The Office is particularly responsible for integrating ESG risks into the internal risk management framework, including credit risk assessment and monitoring.

The Group does not recognise ESG risk as a separate material risk, but indicates its channels of transmission to credit, market, liquidity, compliance, reputational, business, and operational risks as well as market risk in the trading book. The use of this approach has implications for the process of estimating and quantifying material risks.

The methodology used to assess climate risks (physical and transition) connected with individual sectors and properties was extended, allowing the Group to conduct a collective analysis of the materiality of such risks connected with the credit portfolio. Relevant reports are presented to the competent committees.

In 2023, the Group formalised the assessment of social and environmental risks in the financed projects. The analysis is made in line with the Equator Principles, a market standard and a common language for assessment of environmental and social risks in projects, applied by large financial institutions worldwide. This assessment is carried out by the business line and ESCC analysts acting together. In the first step, project category is identified in the context of its potential impact on environmental and social issues. Next, the project is analysed in detail (the level of such analysis depending on the category assigned). The follow-up recommendation is recognised in the credit application.

The admission process for sustainable finance was formalised across all segments, both at a transaction and credit product level. The ESG Panel, which was set up in 2023 as part of the Risk Management Division, handles the certification of sustainable finance based on internal and external regulations, this way mitigating greenwashing risk. A series of meetings were held to raise the awareness of ESG risks and present the impact of ESG requirements on the Bank's operations. In particular, a training was delivered to members of the Bank's Management and Supervisory Boards and key management personnel.

The Group calculates financed emissions in accordance with the PCAF methodology in order to analyse the structure of emissions in all sectors and business segments and to develop decarbonisation levers.

In 2024, a new ESCC risk assessment process was being tested in the medium corporate segment, covering the largest exposures and customers reporting on ESG in accordance with NFRD and CSRD. Based on the sector risk assessment, general information about environmental risk and information from the customer, the customer is classified to a relevant ESCC risk category.

In 2024, the mortgage collateral valuation criteria were expanded to include ESG factors. The analyses showed that valuation varies depending on transition risk approximated by building energy performance.

Legal risk of foreign currency mortgage loans

As the ruling practice regarding loans indexed to and denominated in a foreign currency has not been completely unanimous, at the date of this report the Group estimated the legal risk associated with the above portfolio using a model which considers different observed court judgments (in the form of adjustment to the gross carrying amount for active exposures or provisions for inactive exposures). The model can also be affected by subsequent CJEU rulings on questions referred by the Polish courts, the stance of the Supreme Court and the ruling practice of national courts. The Group is monitoring court decisions taken with regard to foreign currency loans in terms of the ruling practice and its possible changes. The model might also be affected by a potential intervention of legislators aimed to restore the balance between the parties following the removal of an unfair clause from an agreement to protect legal relationships from mass annulment of mortgage loan agreements or by introduction of sector-wide solutions for mass and amicable resolution of disputes with borrowers. The possibility of introducing such solutions is being consulted by the Minister of Justice with representatives of the banking sector, borrowers' organisations, the Polish Financial Supervision Authority (KNF) and the Office of Competition and Consumer Protection (UOKiK).

In view of the above, the Group identified the risk that in the case of lawsuits which have already been filed or are predicted to be filed based on applicable models the scheduled cash flows from the portfolio of mortgage loans denominated in and indexed to CHF might not be fully recoverable and/or that a liability might arise, resulting in a future cash outflow. The Group recognises the impact of legal risk associated with foreign currency mortgage loans in line with the requirements arising from: IFRS 9 Financial Instruments in the case of active loans and IAS 37 Provisions, Contingent Liabilities and Contingent Assets in the case of loans repaid in full or if the gross carrying amount of an active loan is lower than the value of risk.

As at 31 December 2024, the Group had a portfolio of 24.4k CHF-denominated and CHF-indexed loans of PLN 4.8bn gross (PLN 6.3bn gross as at 31 December 2023) before adjustment to the gross carrying amount at PLN 4.4bn reducing contractual cash flows in respect of legal risk. The Group also had PLN loans which used to be denominated in or indexed to CHF. Their total gross amount was PLN 0.4bn (PLN 0.3bn as at 31 December 2023) before adjustment to the gross carrying amount at PLN 0.3bn.

As at 31 December 2024, the total impact of legal risk connected with foreign currency mortgage loans recognised in the consolidated statement of financial position was PLN 6.6bn vs PLN 5.0bn as at 31 December 2023. The total cost in this regard recognised in the income statement was PLN 3.1bn for 2024 and PLN 2.6bn for 2023.

For more information, please see Note 47 "Legal risk connected with CHF mortgage loans" to the Consolidated Financial Statements of Santander Bank Polska Group for 2024.

Interest rate benchmark reform

Santander Bank Polska S.A. ran the IBOR Programme from 2022 to mid-2023 to prepare the Bank and its subsidiaries for changes resulting from the decision of ICE Benchmark Administration on the gradual phasing out of the calculation of LIBOR indices.

When the National Working Group (NWG) for the benchmark reform in Poland was established, the Bank adjusted the scope and structure of the above Programme in order to introduce new products based on risk-free rates. The work is carried out in accordance with the decisions and recommendations of the NWG Steering Committee and the assumptions of the Road Map for the process of replacing the WIBOR and WIBID reference rates. According to the announcements, the final conversion of the legacy portfolio is planned for the end of 2027.

The work on the reform is carried out by a wide group of experts representing all business lines of the Bank, supported by a renowned consulting company, under the supervision of the Steering Committee consisting of Management Board members and senior managers. It is also coordinated with the ongoing preparations both in the subsidiaries and at the level of Santander Group.

3. Material risk factors expected in the future

GDP growth projections for 2024 are cautiously optimistic (3% on average). The economic growth is driven mainly by an increasing purchasing and saving power of consumers. Investments should also continue the upward trend. Meanwhile, lower exports, strong zloty, rising labour costs and limited possibility to transfer higher costs to consumers will weigh down on the performance of companies, except for the services sector.

This may put pressure on the quality of credit portfolios of companies from the manufacturing and freight transport sectors, in particular the highly leveraged ones (negligible share of the Bank's loan book). Exports are yet another sensitivity area due to their large share in GDP, with a particular focus placed on the growth rate and the impact of the zloty appreciation.

The inflation rate has been rising as projected, mainly on account of higher energy prices. Despite the continuously high interest rates, the repayment capacity of personal customers is largely unaffected due to a significant increase in salaries.

Cyber risk and risk related to modern digital technology have been the top concerns for many years. This relates both to human behaviour and technological aspects. The following threats still prevail: the loss or theft of sensitive data, disruption of key services, attacks against customer assets and fraudulent transactions. They result from the dynamic growth of modern IT technologies and digital transformation.

There is still a considerable risk of ransomware attacks, DDoS attacks or use of social engineering. As expected, supply chain attacks, mobile malware attacks, cyber spying and attacks involving artificial intelligence are a growing threat to cybersecurity. Other challenges include supplier risk management, cloud computing and shadow IT.

Due to the geopolitical situation connected with the war in Ukraine, the Group will continue to place a special focus on the risk of targeted attacks made by well-structured, disciplined and sophisticated hacker groups.

The Group will continue to build, test and improve digital operational resilience ensuring the continuity and high quality of services in accordance with the Digital Operational Resilience Act (DORA).

4. Credit risk management

Credit risk

Credit risk is defined as the possibility of suffering a loss if the borrower fails to meet their credit obligation, including payment of interest and fees. It results in the impairment of credit assets and contingent liabilities as a consequence of the borrower's worsening credit quality. Credit risk measurement is based on the estimation of credit risk weighted assets, with the relevant risk weights representing both the probability of default and the potential loss given default of the borrower.
Credit risk in the Bank and the Group arises mainly from lending activities on the retail, corporate and interbank markets. This risk is managed as part of the policy approved by the Management Board on the basis of the applicable credit procedures and discretionary limits. The internal system of credit grading and monitoring used by the Bank and the Group enables early identification of potential defaults that might impair the loan book. Additionally, the Bank and the Group use credit risk mitigation tools: collateral (financial and non-financial) and specific credit provisions and clauses (covenants).

Credit risk management in the Bank and the Group involves measures taken as a result of the ongoing analysis of the macroeconomic environment and internal reviews of particular credit portfolios. These advanced credit risk assessment tools allow quick remedial actions to be taken in response to the first signs of any change in the portfolio's quality or structure.

Credit policy

The credit policy adopted by the Bank and the Group is a set of principles and guidelines included in credit policies and procedures which are reviewed on a regular basis. Internal limits are crucial components of the credit policy because they facilitate the monitoring of exposure concentration within individual sectors, geographical regions and foreign currencies. Pursuant to the policy in place, the Bank and Santander Bank Polska Group ensure adequate diversification of the credit portfolio in terms of exposure towards individual customers and sectors.

The Bank's credit policy is defined by the Credit Risk Committee for the consolidated portfolio and cross-segment cases, and by three Credit Policy Forums for individual portfolios (personal customers, SMEs and corporate customers). Higher-level policies are approved by the Bank's Management Board. The above-mentioned committees, together with the Risk Control Committee (at the Management Board level) and the Risk Committee, also monitor the Bank's and the Group's credit portfolios based on regular management reports. In 2024, the Bank and the Group continued to pursue the existing credit risk management policy, keeping credit risk at a safe level while ensuring high profitability of loan portfolios, growth of business volumes and an increase in market share. Credit policies and processes were optimised in response to macroeconomic developments, including increased interest rates, zloty appreciation and persistently high inflation.

The lending activity of subsidiaries is modelled on the Bank's credit policies. In the decision making process, the Bank and Santander Bank Polska Group follow a consistent approach to credit risk and use the same IT platform to assign rating/ scoring (this does not apply to SCB S.A.). Subsidiaries have credit risk management procedures in place which are consistent with the regulations applied by the Bank.

Credit risk management process

Key elements of the credit risk management process in the Bank and in Santander Bank Polska Group

Credit decision making process	▸ The credit decision making process is based on individual credit discretions vested in credit officers, commensurate with their knowledge and experience relating to particular activities and specific needs of respective segments (branch banking, SME banking, business banking and corporate banking). ▸ Large credit exposures in excess of PLN 50m are referred to the Credit Committee composed of senior managers. Transactions above stated thresholds (from PLN 48.75m to PLN 195m, depending on the type of financing and the customer's rating) are additionally signed off by the Management Board's Risk Management Committee.
Credit grading	▸ Credit risk assessment tools are regularly developed and adapted to the KNF's guidelines, International Accounting Standards/ International Financial Reporting Standards and best market practice. ▸ Rating models are used in relation to the majority of credit portfolios, including corporate customers, SMEs, home loans, property loans, cash loans, credit cards and personal overdrafts. ▸ The Group periodically monitors credit grading. For all portfolios, credit grade is automatically verified based on the number of days past due. Additionally, for the majority of portfolios, the automated process also includes an analysis of behavioural factors.
Credit reviews	▸ The Group performs regular reviews to determine the actual quality of the credit portfolio, confirm that appropriate credit grading and provisioning processes are in place and verify compliance with the procedures and credit decisions. ▸ The reviews are conducted by specialised units that are independent of credit risk-taking units.
Collateral	▸ The Collateral and Credit Agreements Department is a central unit responsible for ensuring that any security items at Santander Bank Polska Group are duly established and held effective in line with the lending policy for respective business segments, and that they are properly monitored and released. The Department also provides assistance to credit units in credit decision making and development of credit policies, collects data on security covers and ensures appropriate management information. It also handles property valuations at the Bank. ▸ Data about collateral are registered both in ICBS and in the Central Collateral Database (CCD) whose business owner is the Collateral and Credit Agreements Department.
Credit risk stress testing	▸ Stress tests are used to evaluate potential effects of specific events, movements in financial and macroeconomic ratios or changes in the risk profile on the condition of the Group. As part of these tests, potential changes in credit portfolio quality under adverse conditions are assessed. The process also provides management information about the adequacy of the agreed limits and internal capital allocation.
Forbearance	▸ As part of proactive management of credit risk and credit portfolio quality, Santander Bank Polska Group takes measures aimed at early implementation of debt restructuring (forbearance solutions) with respect to customers in financial difficulty. The purpose of debt restructuring is to better match repayment terms with the current and projected financial standing of the customer, minimise default risk and/or maximise recovery.

Recommendation R

Santander Bank Polska Group applies rules for classification of credit exposures, estimation and recognition of expected credit losses and management of credit risk as required by Recommendation R of the Polish Financial Supervision Authority (KNF). In particular:

- Credit exposures are classified as follows:
  - Where the Bank has balance sheet exposures to the borrower which are more than 90 days past due and which exceed 20% of all balance sheet exposures to that borrower, all balance sheet and off-balance sheet exposures to that borrower are considered non-performing.
  - Where an exposure is more than 90 days past due but the materiality threshold for past due credit obligations is not met, the exposure is classified to Stage 2.
  - POCI exposures are identified based on all customer's exposures.
  - If the Bank learns about the submission of a request for any restructuring proceedings as defined by the Restructuring Law Act, the Bank may classify the case to the non-performing loan portfolio.
- The Bank has parameter models for the calculation of expected credit losses (ECLs) as well as their validation and monitoring processes:
  - Before the ECL parameter models are first used, the implementation process is validated.
  - The Audit Committee is notified of any significant changes that are planned to be introduced.
  - Backtesting results are reported with the required frequency.
- The credit risk management and supervision process comprises the following elements:
  - The Management Board and the Supervisory Board approve the regulations concerning the calculation of ECL allowances and regularly monitor results of that process.
  - The member of the Bank's Management Board in charge of risk management approves the level of ECL allowances.
  - The Bank analysed and adjusted a range of internal regulations.
  - Collateral for the selected credit exposures is monitored more frequently.
  - The definition of a gross carrying amount applied by the Bank includes all interest on a credit exposure accrued in accordance with the loan agreement.

> Homogeneous exposure portfolio – receivables from retail customers at amortised cost as at 31 December 2024 and 31 December 2023 (PLN k)

31.12.2024	PD scale	Initial gross balance sheet exposures	Off-balance sheet exposures	EAD after credit risk mitigation and use of credit conversion factor	Average PD in % permitted range (0%-100%)	Number of exposures	Average LGD in %	Average maturity	Expected Credit Loss (ECL)
Stage1	from 0.00% to <0.15%	787,196	1,563,693	978,052	0%	141,110	27%	7	319
	from 0.15% to <0.25%	294,089	209,813	419,439	0%	126,682	40%	0	346
	from 0.25% to <0.50%	493,794	1,445,231	621,199	0%	127,375	38%	2	922
	from 0.50% to <0.75%	1,773,026	101,398	1,701,368	1%	183,077	39%	3	6,420
	from 0.75% to <2.50%	9,391,994	775,419	9,187,077	1%	408,850	47%	5	49,290
	from 2.50% to <10.0%	3,666,854	115,307	3,550,454	4%	235,842	47%	5	68,575
	from 10.0% to <45.0%	440,852	20,541	428,557	10%	81,762	45%	4	19,882
	from 45.0% to <100.0%	2,650	0	2,559	22%	75	47%	6	258
Stage 2	from 0.00% to <0.15%	187,894	32,553	220,670	7%	49,343	31%	5	1,765
	from 0.15% to <0.25%	68,997	51,252	78,608	5%	32,597	40%	1	1,292
	from 0.25% to <0.50%	72,940	1,514	74,575	18%	17,696	32%	5	2,071
	from 0.50% to <0.75%	352,960	230,099	332,822	37%	53,462	37%	4	28,214
	from 0.75% to <2.50%	1,571,572	41,340	1,508,760	41%	128,114	46%	6	150,335
	from 2.50% to <10.0%	673,275	38,051	641,934	57%	207,493	44%	5	111,264
	from 10.0% to <45.0%	174,527	150	166,173	46%	548,782	44%	3	25,510
	from 45.0% to <100.0%	10,334	0	10,238	49%	77,319	44%	5	1,647
POCI	from 2.50% to <10.0%	-	495	-	-	-	-	-	-
	from 10.0% to <45.0%	-	1,558	-	-	-	-	-	-
	from 45.0% to <100.0%	37,729	0	32,182	0%	9,144	0%	5	3,500

31.12.2024	Time in default	EAD after credit risk mitigation and use of credit conversion factor	Number of exposures	Average LGD in %	Expected Credit Loss (ECL)
Stage 3	up to 12 months	937,645	64,481	47%	446,806
	from 13 to 24 months	369,509	15,409	48%	180,548
	from 25 to 36 months	164,107	6,556	52%	87,908
	from 37 to 48 months	74,901	3,373	70%	52,874
	from 49 to 60 months	28,736	665	79%	22,958
	from 61 to 84 months	44,363	911	84%	38,249
	above 84 months	25,358	692	99%	25,702
POCI	up to 12 months	40,497	6,944	56%	23,103
	from 13 to 24 months	24,286	5,201	66%	16,462
	from 25 to 36 months	14,889	2,526	83%	12,842
	from 37 to 48 months	5,294	602	99%	5,413
	from 49 to 60 months	1,705	101	95%	1,672
	from 61 to 84 months	5,811	188	98%	5,888
	above 84 months	11,543	142	100%	12,052

31.12.2023	PD scale	Initial gross balance sheet exposures	Off-balance sheet exposures	EAD after credit risk mitigation and use of credit conversion factor	Average PD in % permitted range (0%-100%)	Number of exposures	Average LGD in %	Average maturity	Expected Credit Loss (ECL)
Stage1	from 0.00% to <0.15%	1,144,010	2,552,715	12,920,715	0%	316,785	18%	19	7,575
	from 0.15% to <0.25%	652,421	643,573	1,370,279	1%	174,901	31%	7	2,879
	from 0.25% to <0.50%	190,201	0	2,603,251	1%	24,851	16%	19	4,040
	from 0.50% to <0.75%	2,522,703	347,901	3,013,713	3%	239,986	33%	7	31,066
	from 0.75% to <2.50%	8,891,730	412,375	9,347,213	2%	410,955	45%	7	101,238
	from 2.50% to <10.0%	3,384,316	122,771	3,455,721	6%	214,965	44%	6	87,644
	from 10.0% to <45.0%	358,392	15,033	344,518	11%	126,610	45%	4	17,557
	from 45.0% to <100.0%	2,732	0	2,618	25%	93	47%	6	306
Stage 2	from 0.00% to <0.15%	23,114	19	123,092	28%	22,502	20%	17	4,507
	from 0.15% to <0.25%	27,311	595	44,056	31%	5,714	32%	9	3,519
	from 0.25% to <0.50%	9,893	496	88,335	35%	8,559	17%	20	3,496
	from 0.50% to <0.75%	85,250	2,953	91,893	54%	19,368	35%	7	13,383
	from 0.75% to <2.50%	316,480	12,143	356,654	53%	65,768	41%	8	59,106
	from 2.50% to <10.0%	473,559	26,356	503,252	57%	159,833	43%	6	93,728
	from 10.0% to <45.0%	211,835	153	201,032	49%	528,992	45%	3	34,624
	from 45.0% to <100.0%	11,930	-1	11,764	42%	130,558	45%	3	1,878
POCI	from 45.0% to <100.0%	39,740	14	62,679	32%	7,662	28%	10	4,603

31.12.2023	Time in default	EAD after credit risk mitigation and use of credit conversion factor	Number of exposures	Average LGD in %	Expected Credit Loss (ECL)
Stage 3	up to 12 months	860,091	54,904	53%	455,501
	from 13 to 24 months	238,630	15,493	57%	138,981
	from 25 to 36 months	96,495	6,124	77%	75,167
	from 37 to 48 months	40,255	1,277	88%	35,815
	from 49 to 60 months	30,786	989	87%	27,944
	from 61 to 84 months	26,043	1,017	92%	25,190
	above 84 months	10,895	517	98%	11,190
POCI	up to 12 months	54,126	8,177	53%	29,237
	from 13 to 24 months	46,544	6,407	56%	26,872
	from 25 to 36 months	13,269	994	76%	10,450
	from 37 to 48 months	4,465	240	87%	4,035
	from 49 to 60 months	2,080	98	78%	1,684
	from 61 to 84 months	19,026	288	94%	18,725
	above 84 months	13,893	254	100%	14,352

> Homogeneous exposure portfolio – receivables from retail customers in respect of mortgage loans at amortised cost as at 31 December 2024 and 31 December 2023 (PLN k)

31.12.2024	PD scale	Initial gross balance sheet exposures	Off-balance sheet exposures	EAD after credit risk mitigation and use of credit conversion factor	Average PD in % permitted range (0%-100%)	Number of exposures	Average LGD in %	Average maturity	Expected Credit Loss (ECL)
Stage1	from 0.00% to <0.15%	37,307,409	950,346	38,337,343	0,15%	157,013	13,96%	21	8,002
	from 0.15% to <0.25%	945,813	275	942,778	0,30%	13,139	10,99%	16	322
	from 0.25% to <0.50%	5,611,896	125,450	5,649,354	0,32%	33,233	12,01%	20	2,253
	from 0.50% to <0.75%	1,396,832	12,051	1,405,677	0,38%	8,351	11,58%	20	646
	from 0.75% to <2.50%	1,634,947	13,943	1,660,988	0,64%	10,145	12,22%	20	1,312
	from 2.50% to <10.0%	406,849	1,675	408,036	1,29%	2,727	12,26%	19	661
	from 10.0% to <45.0%	390	0	378	0,60%	3	8,20%	6	0
	from 45.0% to <100.0%	0	0	0	0,0%	0	0,0%	0	0
Stage 2	from 0.00% to <0.15%	4,406,928	0	4,537,522	16%	16,629	15%	21	49,224
	from 0.15% to <0.25%	118,328	0	119,028	26%	1,564	12%	18	2,065
	from 0.25% to <0.50%	989,362	0	996,022	25%	4,793	12%	20	16,069
	from 0.50% to <0.75%	290,812	65	292,780	27%	1,526	11%	20	4,837
	from 0.75% to <2.50%	362,807	12,263	370,634	27%	2,162	12%	21	6,015
	from 2.50% to <10.0%	139,751	107,974	139,249	27%	1,022	12%	16	2,492
	from 10.0% to <45.0%	5,162	60	5,165	25%	27	12%	13	88
	from 45.0% to <100.0%	311	0	305	5%	2	7%	4	1
POCI	from 2.50% to <10.0%	0	73	0	-	0	-	0	0
	from 10.0% to <45.0%	0	37	0	-	0	-	0	0
	from 45.0% to <100.0%	94,074	21	64,117	18%	693	12%	15	1,060

31.12.2024	Time in default	EAD after credit risk mitigation and use of credit conversion factor	Number of exposures	Average LGD in %	Expected Credit Loss (ECL)
Stage 3	up to 12 months	243,341	1,467	16%	40,397
	from 13 to 24 months	203,354	1,120	22%	47,002
	from 25 to 36 months	134,359	844	29%	42,361
	from 37 to 48 months	55,279	381	43%	24,509
	from 49 to 60 months	24,315	199	53%	13,506
	from 61 to 84 months	56,557	391	76%	45,354
	above 84 months	49,927	364	100%	52,233
POCI	up to 12 months	6,126	52	18%	1,104
	from 13 to 24 months	5,092	55	25%	1,314
	from 25 to 36 months	12,430	70	25%	3,111
	from 37 to 48 months	10,412	45	42%	4,405
	from 49 to 60 months	2,555	19	50%	1,300
	from 61 to 84 months	6,628	45	84%	5,837
	above 84 months	30,009	106	100%	31,772

31.12.2023	PD scale	Initial gross balance sheet exposures	Off-balance sheet exposures	EAD after credit risk mitigation and use of credit conversion factor	Average PD in % permitted range (0%-100%)	Number of exposures	Average LGD in %	Average maturity	Expected Credit Loss (ECL)
Stage1	from 0.00% to <0.15%	35,934,917	798,710	35,612,487	0%	161,722	17%	21	17,536
	from 0.15% to <0.25%	1,504,114	70	1,452,690	1%	16,549	14%	16	1,934
	from 0.25% to <0.50%	6,875,330	116,796	6,694,404	1%	39,711	15%	20	8,222
	from 0.50% to <0.75%	1,731,851	56,034	1,684,044	1%	10,303	15%	20	2,502
	from 0.75% to <2.50%	1,991,544	37,048	1,943,660	1%	12,402	16%	20	3,978
	from 2.50% to <10.0%	552,343	23,627	549,000	2%	3,335	19%	20	2,036
	from 10.0% to <45.0%	319	0	299	6%	4	11%	9	2
	from 45.0% to <100.0%	0	0	0	0%	0	0%	0	0
Stage 2	from 0.00% to <0.15%	569,271	0	554,881	19%	2,000	18%	22	10,961
	from 0.15% to <0.25%	66,665	0	64,881	33%	380	18%	20	2,602
	from 0.25% to <0.50%	312,401	0	302,949	27%	1,211	17%	21	8,657
	from 0.50% to <0.75%	60,715	0	58,803	30%	289	16%	21	1,882
	from 0.75% to <2.50%	189,969	1,755	189,670	30%	804	17%	22	6,403
	from 2.50% to <10.0%	148,416	7,391	145,183	32%	892	16%	18	4,546
	from 10.0% to <45.0%	5,127	72	5,094	23%	25	15%	13	101
	from 45.0% to <100.0%	115	0	95	1%	1	15%	0	0
POCI	from 2.50% to <10.0%	-	171	-	-	-	-	-	-
	from 10.0% to <45.0%	-	16	-	-	-	-	-	-
	from 45.0% to <100.0%	89,622	21	74,282	23%	630	15%	15	1,985

31.12.2023	Time in default	EAD after credit risk mitigation and use of credit conversion factor	Number of exposures	Average LGD in %	Expected Credit Loss (ECL)
Stage 3	up to 12 months	335,486	1,787	19%	64,972
	from 13 to 24 months	206,911	1,141	27%	57,225
	from 25 to 36 months	92,947	529	38%	36,614
	from 37 to 48 months	49,981	299	51%	26,578
	from 49 to 60 months	64,515	316	64%	44,165
	from 61 to 84 months	75,561	444	85%	66,102
	above 84 months	47,896	218	100%	49,742
POCI	up to 12 months	10,711	84	21%	2,268
	from 13 to 24 months	38,809	177	25%	9,688
	from 25 to 36 months	16,165	54	38%	6,133
	from 37 to 48 months	4,027	23	46%	1,888
	from 49 to 60 months	5,143	28	66%	3,465
	from 61 to 84 months	13,982	64	80%	11,811
	above 84 months	32,710	111	100%	34,538

> Homogeneous exposure portfolio – receivables from corporate customers at amortised cost as at 31 December 2024 and 31 December 2023 (PLN k)

31.12.2024	PD scale	Initial gross balance sheet exposures	Off-balance sheet exposures	EAD after credit risk mitigation and use of credit conversion factor	Average PD in % permitted range (0%-100%)	Number of exposures	Average LGD in %	Average maturity	Expected Credit Loss (ECL)
Stage1	from 0.00% to <0.15%	23,136,536	16,351,853	22,982,207	0%	485	31%	2	4,270
	from 0.15% to <0.25%	3,160,361	5,461,699	3,532,095	0%	5,141	35%	3	2,597
	from 0.25% to <0.50%	14,008,627	9,992,612	14,295,192	0%	11,221	33%	4	23,548
	from 0.50% to <0.75%	6,524,387	8,427,225	6,370,417	1%	4,134	36%	3	16,977
	from 0.75% to <2.50%	14,720,218	11,142,960	14,124,675	1%	25,082	37%	4	60,923
	from 2.50% to <10.0%	3,694,604	1,552,827	3,523,327	3%	33,579	36%	4	34,422
	from 10.0% to <45.0%	300,060	1,033	287,974	4%	4,093	38%	4	5,379
	from 45.0% to <100.0%	18	0	14	3%	3	40%	0	0
Stage 2	from 0.00% to <0.15%	25,858	4	25,095	21%	83	26%	4	1,053
	from 0.15% to <0.25%	223,378	25,664	234,620	7%	650	39%	5	3,910
	from 0.25% to <0.50%	538,404	25,477	513,763	20%	2,434	38%	4	26,012
	from 0.50% to <0.75%	528,399	108,848	545,052	22%	892	42%	4	37,926
	from 0.75% to <2.50%	1,503,291	376,959	1,435,129	31%	5,561	37%	4	123,440
	from 2.50% to <10.0%	970,281	597,569	937,156	35%	18,661	35%	3	93,712
	from 10.0% to <45.0%	1,001,748	23,254	964,134	29%	11,267	30%	1	79,128
	from 45.0% to <100.0%	18,908	0	17,342	66%	68	17%	3	1,826
POCI	from 0,15% to <0,25%	-	7	-	-	-	-	-	-
	from 0,25% to <0,50%	-	16	-	-	-	-	-	-
	from 0,50% to <0,75%	-	-	-	-	-	-	-	-
	from 0,75% to <2,50%	-	43	-	-	-	-	-	-
	from 2.50% to <10.0%	-	21	-	-	-	-	-	-
	from 10.0% to <45.0%	-	-	-	-	-	-	-	-
	from 45.0% to <100.0%	4,034	-	4,034	28%	532	41%	5	228

31.12.2024	Time in default	EAD after credit risk mitigation and use of credit conversion factor	Number of exposures	Average LGD in %	Expected Credit Loss (ECL)
Stage 3	up to 12 months	1,359,697	20,485	16%	496,294
	from 13 to 24 months	617,411	10,426	30%	283,799
	from 25 to 36 months	278,847	6,414	38%	158,796
	from 37 to 48 months	141,841	4,399	47%	105,825
	from 49 to 60 months	129,540	1,786	25%	76,036
	from 61 to 84 months	179,008	2,275	29%	115,040
	above 84 months	284,760	752	13%	187,604
POCI	up to 12 months	64,616	2,081	18%	30,562
	from 13 to 24 months	76,020	2,728	22%	37,781
	from 25 to 36 months	74,916	2,646	13%	23,853
	from 37 to 48 months	58,894	1,983	9%	25,532
	from 49 to 60 months	18,459	856	16%	7,928
	from 61 to 84 months	149,182	1,232	5%	52,190
	above 84 months	32,186	234	30%	25,808

31.12.2023	PD scale	Initial gross balance sheet exposures	Off-balance sheet exposures	EAD after credit risk mitigation and use of credit conversion factor	Average PD in % permitted range (0%-100%)	Number of exposures	Average LGD in %	Average maturity	Expected Credit Loss (ECL)
Stage1	from 0.00% to <0.15%	22,530,650	8,253,803	24,241,969	0%	1,182	38%	1	6,835
	from 0.15% to <0.25%	4,473,319	3,008,143	4,458,890	0%	2,809	35%	3	6,028
	from 0.25% to <0.50%	13,617,382	8,740,118	13,673,055	1%	13,702	32%	3	25,897
	from 0.50% to <0.75%	6,391,699	5,838,993	5,968,108	1%	4,679	39%	3	21,728
	from 0.75% to <2.50%	12,157,647	8,094,311	11,463,216	2%	31,137	39%	3	71,617
	from 2.50% to <10.0%	3,925,830	999,234	3,583,688	3%	30,561	36%	5	44,174
	from 10.0% to <45.0%	223,391	8,456	204,776	3%	11,888	42%	4	3,244
	from 45.0% to <100.0%	328	0	308	4%	56	5%	7	1
Stage 2	from 0.00% to <0.15%	8,484	0	7,673	33%	36	23%	8	483
	from 0.15% to <0.25%	220,192	442	243,865	8%	72	39%	2	5,718
	from 0.25% to <0.50%	285,897	0	295,374	55%	369	48%	5	73,498
	from 0.50% to <0.75%	570,564	45,873	492,804	18%	283	47%	7	30,878
	from 0.75% to <2.50%	947,788	140,617	1,046,217	30%	2,632	36%	4	89,962
	from 2.50% to <10.0%	1,105,290	326,919	1,231,494	28%	21,815	30%	3	92,081
	from 10.0% to <45.0%	663,231	59,035	618,029	39%	4,527	41%	3	85,168
	from 45.0% to <100.0%	51,826	0	44,086	70%	47	21%	3	6,407
POCI	from 0,25% to <0,50%	-	123,836	-	-	-	-	-	-
	from 0,50% to <0,75%	-	-	-	-	-	-	-	-
	from 0,75% to <2,50%	-	680	-	-	-	-	-	-
	from 2.50% to <10.0%	-	3,320	-	-	-	-	-	-
	from 10.0% to <45.0%	-	1	-	-	-	-	-	-
	from 45.0% to <100.0%	3,676	-	3,135	23,6%	458	51%	3	232

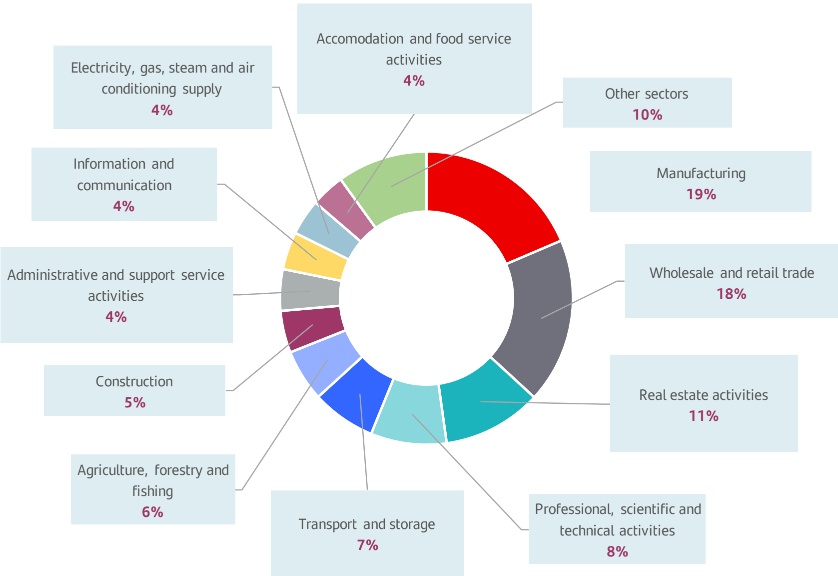
31.12.2023	Time in default	EAD after credit risk mitigation and use of credit conversion factor	Number of exposures	Average LGD in %	Expected Credit Loss (ECL)
Stage 3	up to 12 months	970,855	23,422	28%	397,934
	from 13 to 24 months	545,552	12,061	35%	316,041
	from 25 to 36 months	267,626	13,019	59%	198,110
	from 37 to 48 months	213,042	4,928	41%	139,618
	from 49 to 60 months	240,203	3,124	28%	175,462
	from 61 to 84 months	108,026	2,589	74%	99,128
	above 84 months	350,249	872	12%	221,236
POCI	up to 12 months	78,115	1,976	21%	34,279
	from 13 to 24 months	239,739	2,216	5%	39,896
	from 25 to 36 months	64,252	1,873	14%	37,022
	from 37 to 48 months	24,462	1,090	31%	14,222
	from 49 to 60 months	126,528	1,082	8%	47,596
	from 61 to 84 months	42,858	1,170	27%	16,247
	above 84 months	37,963	160	24%	29,363

Diversification of the credit portfolio

The purpose of the Group's policy on the concentration of risk-generating debt of one entity or entities linked capital- or organisation-wise is to minimise concentration risk by, among other things, applying stricter standards than those provided for in the Banking Law Act. The policy helps the Group to maintain high diversification of exposures to customers.

The Group's lending policy also assumes sectoral diversification of credit delivery to reduce the risk of excessive exposures to entities from a particular sector.

Diversification of consolidated loans and advances to customers by business sector as at 31.12.2024



Credit portfolio quality

> Santander Bank Polska Group's loans and advances by stages

Loans and advances to customers measured at amortised cost (PLN m)	31.12.2024	31.12.2023
Stage 1		
Gross value	150,736.1	146,042.2
Expected credit loss allowance	(548.4)	(679.8)
Stage 2		
Gross value	17,478.6	8,710.4
Expected credit loss allowance	(1,004.4)	(777.6)
Stage 3		
Gross value	7,081.5	6,674.0
Impairment allowance	(3,792.4)	(3,977.3)
POCI		
Gross value	596.1	810.0
Expected credit loss allowance	(124.1)	(165.2)
Total gross loans and advances	**175,892.3**	**162,236.6**
Expected credit loss allowance	**(5,469.3)**	**(5,599.9)**
Net loans and advances to customers measured at amortised cost and finance lease receivables	**170,423.0**	**156,636.7**
NPL ratio	**4.4%**	**4.6%**
NPL coverage ratio	**51.0%**	**55.4%**

> Santander Bank Polska S.A. loans and advances by stages

Loans and advances to customers measured at amortised cost (PLN m)	31.12.2024	31.12.2023
Stage 1		
Gross value	131,745.2	130,084.3
Expected credit loss allowance	(299.4)	(450.3)
Stage 2		
Gross value	14,405.9	6,374.1
Expected credit loss allowance	(761.4)	(562.1)
Stage 3		
Gross value	4,904.0	4,742.8
Impairment allowance	(2,470.0)	(2,690.7)
POCI		
Gross value	541.4	724.9
Expected credit loss allowance	(99.8)	(129.3)
Total gross loans and advances	**151,596.5**	**141,926.1**
Expected credit loss allowance	(3,630.6)	**(3,832.4)**
Net loans and advances to customers measured at amortised cost	**147,965.9**	**138,093.7**
NPL ratio	**3.6%**	**3.9%**
NPL coverage ratio	**47.2%**	**51.6%**

5. Market risk and liquidity risk management

Market risk

Market risk is defined as an adverse earnings impact of changes in interest rates, FX rates, share quotations, stock exchange indices, etc. It arises both in trading and banking activity (FX products, interest rate products, index-linked products).

Market risk within the operations of the Bank and Santander Bank Polska Group is associated mainly with customer service operations, transactions effected to maintain liquidity in the money market and the capital market as well as proprietary trading in debt, FX, interest rate and equity instruments.

The key objective of the market risk policy adopted by the Bank and the Group is to reduce the impact of interest and FX rates movements on the Group's profitability and market value as well as to increase income within strictly defined risk limits and to ensure the Group's liquidity.

Market risk management

The Market and Investment Risk Committee approves market risk management strategies and policies as well as limits that define the maximum acceptable exposure to individual risk types, in accordance with the Risk Appetite Statement.

The Management Board takes its strategic decisions on the basis of recommendations from the Market and Investment Risk Committee, to which direct supervision of market risk management has been delegated.

ALCO – supported by the Financial Management Division – is responsible for managing market risk in the banking book, while the market risk in the trading book is managed by the Corporate and Investment Banking Division. Santander Brokerage Poland, a unit of the Retail Banking Division, is responsible for managing equity risk.

Identification and assessment of market risk

Interest rate and FX risks associated with the banking book are managed by the Financial Management Division, which is also responsible for managing open positions in interest rate and FX risks of companies from Santander Bank Polska Group.

The responsibility for measurement, monitoring and reporting of market risk and compliance with risk limits is vested in the Risk Management Division, which is responsible for regular reviews of market risk exposure and reporting results to the Market and Investment Risk Committee. This role is performed by the Financial Risk Department in the Risk Management Division, which is responsible for ongoing risk measurement, implementation of control procedures and risk monitoring and reporting. The Department is also responsible for formulating the market risk policy, proposing risk measurement methodologies and ensuring consistency of the risk management process across the Group.

With the division of roles, management of risk in the banking book is fully separate from the management of risk in the trading book, and the risk measurement and reporting functions are separate from the risk managing and taking units.

The market risk management policies adopted by the bank and the Group set out a number of measures in the form of obligatory and watch limits and ratios. The limits are reviewed and the market risk appetite is updated on an annual basis. The process is coordinated by the Financial Risk Department in the Risk Management Division.

To control the banking book risk, the following maximum sensitivity limits have been set for the risk of interest rate changes:

- NII sensitivity limit (i.e. the sensitivity of net interest income to a parallel shift of the yield curve by 100 b.p.);
- MVE sensitivity limit (the sensitivity of the market value of equity to a parallel shift of the yield curve by 100 b.p.).

The table below shows NII and MVE sensitivity to a parallel shift of the yield curve as at the end of 2024 and the comparative period. It presents the results of scenarios in which the impact of changes in interest rates on net interest income and market value of equity would be negative. The values are presented in PLN million and refer to Santander Bank Polska S.A. (on a standalone basis) and to Santander Bank Polska Group including: Santander Bank Polska S.A., Santander Leasing S.A., Santander Factoring Sp. z o.o. and Santander Consumer Bank S.A. with subsidiaries.

> Sensitivity of the banking book to interest rate movements as at 31 December 2024 and 31 December 2023

1-day holding period (PLN k)	Net Interest Income (NII) sensitivity		Market value of equity (MVE) sensitivity	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Santander Bank Polska S.A.	(313)	(130)	(963)	(665)
Santander Bank Polska Group	(376)	(188)	(1,143)	(819)

The levels of interest rate risk limit utilization for both interest income sensitivity and economic capital sensitivity increased compared to 2023. There were no exceedances of RED operational limits. The increase in MVE exposure was caused by the implementation of the interest income sensitivity hedging strategy, which consequently increased the duration of the banking book portfolio. The implementation of the aforementioned hedging strategy was mainly based on concluding cash flow hedging transactions under hedge accounting (Cash-Flow Hedge Accounting) and increasing the ALCO portfolio with fixed-coupon debt securities. Additionally, the increase in NII exposure was caused by a change in the treatment of new sales for current accounts.

The Bank and Santander Bank Polska Group use the following measures and limits to mitigate and control exposure to market risk in the trading book:

- daily VaR limit and Stressed VaR limit for interest rate risk, FX risk and the repricing risk of equity instruments held by Santander Brokerage Poland;
- PV01 limit set for individual currencies and transaction repricing dates;
- stop-loss mechanism used to manage the risk of loss on trading positions subject to fair value measurement through profit or loss;
- maximum limit of the total FX position and open FX position limits for individual currencies;
- intraday FX position limits monitored in the trading and banking books.

As these measures relate to the calculation of a potential loss under normal market conditions, the Bank and Santander Bank Polska Group also use stress tests which show the estimated potential losses in the event of the materialisation of adverse market conditions.

> VaR as at 31 December 2024 and 31 December 2023 for interest rate, FX and equity risk in the trading book of Santander Bank Polska Group

1-day holding period (PLN k)	Interest rate risk VaR		Currency risk VaR		Equity risk VaR	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Average	8,203	7,443	679	749	761	379
Maximum	12,892	14,049	1,742	2,411	2,059	759
Minimum	3,913	3,258	234	81	439	112
At the end of the period	3,913	6,952	356	648	2,059	424
Limit	**16,036**	**13,812**	**3,691**	**3,542**	**1,638**	**1,574**

In 2024, the total VaR limit was not exceeded, neither were the VaR limits for interest rate or FX risks. There was 1 exceedance of the VAR limit for equity risk resulting from high volatility of prices at the last session. The average VaR increased YoY due to an organic growth of the Bank's business, but the maximum VaR did not exceed the acceptable limits during the year. The maximum interest rate risk of the Bank's trading book did not change significantly compared to the previous year.

Financial instruments used for management of market and other risks

The Bank and the Group use the following financial instruments in relation to repricing risk, credit risk, cash flow risk and liquidity risk:

- derivative instruments held for trading – proprietary transactions in connection with treasury services rendered to bank customers in order to mitigate market risk, maintain liquidity or as part of underwriting services;
- other financial instruments, including investment securities held for sale, hedging derivatives and equity instruments.

The market risk associated with open positions in financial instruments is mitigated through a set of limits (defined separately for the trading book and the banking book). The credit risk of such positions is curbed using concentration limits in respect of individual counterparties. In order to mitigate liquidity risk, the Bank and the Group keep an adequate level of liquid financial assets bearing low credit risk (in particular government bonds and NBP bills) in line with the liquidity risk appetite defined by the Bank and the Group.

No derivative instruments were used by the Bank or the Group to hedge credit risk.

The market risk of the balance sheet is managed by the Bank and the Group using, inter alia, derivative instruments and hedge accounting with respect to:

- mortgage loans bearing WIBOR rate – interest rate swaps are used to receive fixed interest and pay floating interest thus hedging the risk of movements in cash flows relating to floating interest loans;
- mortgage loans in CHF and EUR – basis swaps are used to hedge the risk of movements in interest rates (CHF LIBOR, EURIBOR) and exchange rates (CHF/PLN and EUR/PLN);
- fixed interest cash loans – interest rate swaps are used to receive floating interest and pay fixed interest thus hedging the fair value of positions;
- selected fixed coupon bonds – interest rate swaps are used to hedge the fair value of bonds whereby the bank and the Group receive floating interest and pay fixed interest.

Liquidity risk

Liquidity risk is the risk of failure to meet contingent and non-contingent obligations made to customers and counterparties.

The liquidity risk policy adopted by the Bank and the Group is to ensure that all outflows expected in the short term are fully covered by anticipated inflows or liquid assets. In addition, the aim of the policy is to ensure an appropriate structure of funding for the Bank's and the Group's operations by maintaining medium- and long-term liquidity ratios at a pre-defined level and monitoring stress testing results. This policy covers all assets and liabilities as well as off-balance sheet items impacting the liquidity level.

Liquidity risk management

ALCO and the Market and Investment Risk Committee have overall responsibility for the supervision of liquidity risk on behalf of the Management Board. As part of their roles, they make recommendations to the Management Board on appropriate strategies and policies for strategic liquidity management. Liquidity risk reports and stress test results are regularly reviewed by senior management.

ALCO also supervises the liquidity management process in subsidiaries.

Liquidity management is the responsibility of the Financial Management Division, which develops and updates relevant strategies and reviews the Contingency Liquidity Plan (approved by the Management Board and the Supervisory Board). The Risk Management Division is responsible for the independent measurement and reporting of liquidity risk and for defining liquidity risk management policies. The Financial Risk Department in the Risk Management Division also performed regular stress tests with respect to liquidity.

Identification and assessment of liquidity risk

Liquidity risk is identified and measured daily, mainly using modified liquidity gap reports, intraday liquidity reports and regulatory reports. These reports cover a number of internal and regulatory limits. Cyclical liquidity measurement reports are supported by stress test results. The Bank regularly calculates the measures laid down in CRD IV/CRR (LCR and NSFR).

> Cumulative liquidity gap for Santander Bank Polska Group as at 31 December 2024 and in the comparative period (by nominal value)

31.12.2024 (PLN k)	Payable on demand	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Above 5 years
Contractual liquidity gap	(128,550,664)	(11,967,387)	(13,403,689)	7,800,333	16,566,936	27,599,582	62,240,347	68,997,551
Cumulative contractual liquidity gap	(128,550,664)	(140,518,050)	(153,921,740)	(146,121,407)	(129,554,471)	(101,954,888)	(39,714,542)	29,283,009
Net derivatives	59,628,874	6,285,776	934,587	587,866	761,252	371,504	633,572	23
31.12.2023 (PLN k)	**Payable on demand**	**Up to 1 month**	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 to 12 months**	**From 1 to 2 years**	**From 2 to 5 years**	**Above 5 years**
Contractual liquidity gap	(118,942,101)	(1,959,177)	(7,663,436)	4,599,971	10,837,917	28,289,955	56,843,411	59,622,334
Cumulative contractual liquidity gap	(118,942,101)	(120,901,278)	(128,564,714)	(123,964,743)	(113,126,826)	(84,836,871)	(27,993,460)	31,628,875
Net derivatives	48,805,527	6,070,637	1,070,736	491,057	411,334	493,731	423,367	23

According to the Group's policy, the Bank should have sufficient funds to cover in full outflows expected over a one-month horizon, including under the selected stress test scenarios. The liquidity position over a longer time horizon and the level of liquid assets are also monitored.

In 2024, the Bank's funds significantly exceeded the level required to cover the expected outflows. The Bank also met the regulatory quantitative requirements for liquidity. Key regulatory indicators (LCR and NSFR) exceeded the required levels.

Last year Santander Bank Polska S.A. focused on maintaining an appropriate level of liquidity buffer and effective liquidity allocation. Stabilization of market interest rates in PLN and growth of liquidity surpluses in the market resulted in moderate competition for customer deposits in the banking sector. The bank also ensured proper diversification of financing sources by limiting funds obtained from the wholesale market and from the strategic investor.

6. Operational risk management

Santander Bank Polska S.A. adopted the definition of operational risk provided by the Basel Committee on Banking Supervision, according to which operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The objective of operational risk management is to minimise the likelihood and/or reduce the impact of unexpected adverse events.

Santander Bank Polska Group has an integrated operational risk management framework ensuring that all risks having material impact on its operations are identified, measured, monitored and controlled. Operational risk management at the Bank and Santander Bank Polska Group is the task of employees at all levels of the organisation and covers a number of interrelated concepts. Operational risk is inherent in all Bank's and Group's business processes, including outsourced functions or services delivered jointly with third parties.

The Bank and other Group members have developed and apply the Operational Risk Management Strategy.

The Operational Risk Management Committee (ORMCO) established by the Management Board is responsible for setting operational risk management standards for Santander Bank Polska Group. ORMCO is the main forum for discussions on operational risk and internal control. It sets the strategic direction for operational risk management, determines and monitors objectives for managing operational risk, including business continuity, information security, outsourcing/ insourcing and fraud prevention. The results of ORMCO's work are reported to the Risk Control Committee.

In view of a growing importance of cyber risk, the Bank set up Digital Risk Express Active Meetings (DREAM), a forum responsible for reporting and monitoring of technology and operational risks, escalation of significant IT risk issues, and review of the IT, Cybersecurity and Operations Strategy and the related key projects. DREAM takes prompt and effective decisions to mitigate the identified risk.

Employees' and customers' awareness is critical to protecting individuals and the Bank from cyberthreats. That is why the CyberEducation Forum was established to review and coordinate all initiatives which promote cybersecurity culture among the Bank's customers and employees. The Forum is responsible for building the Bank's image of a secure institution and promoting cyber rules in a holistic and consistent way.

Tools used by the Bank and the Group to manage operational risk

Identification and assessment of operational risk	As part of the Risk Control Self-Assessment, the Bank and Santander Bank Polska Group identify the risks they may be exposed to when delivering their functions, assess inherent and residual risks in terms of their likelihood and impact, and verify the design and effectiveness of existing controls as part of the assessment of the internal control system. The operational risk identification and assessment process is additionally supported by the following tools: scenario analysis, business impact analysis, analysis of risk in new initiatives, and assessment of risk of customer and third party claims arising from non-performance or improper performance of outsourced services subject to the Polish Banking Law Act (using a dedicated calculator).
Reporting	Each organisational unit must report operational risk events identified in its area of responsibility. In addition, relevant operational risk events are escalated to senior management using a fast-track procedure. Santander Bank Polska Group runs a database of operational risk events identified across the organisation. The data are used to analyse the causes and consequences of operational risk events, facilitate the lessons learned process and implement remedial and preventive actions. The Group also makes inputs to the external database of operational risk events run by the Polish Bank Association (ZBP) and uses information about external events from a number of sources. The analysis of external events enables benchmarking and lesson learning from events identified outside the Group.

Tools used by the Bank and the Group to manage operational risk (cont.)

Analysis of risk indicators	Santander Bank Polska Group monitors financial, operational and technological risk indicators. They provide an early warning of emerging threats and support the monitoring of an operational risk profile.
Defining mitigation actions	The process of managing operational risk mitigants is designed to eliminate or reduce operational risk. Risk mitigation measures are determined based on the results of analyses carried out using various operational risk tools (including operational risk events database, risk indicators, risk self-assessment, analysis of the control environment).
Business continuity management (BCM) plans	Each organisational unit is required to develop and update its business continuity management plan to ensure that critical business processes remain uninterrupted following an unplanned disruption. BCM plans are tested on a regular basis to provide assurance to Santander Bank Polska Group that critical business processes may be restored at the required service level and within the agreed time frame. Santander Bank Polska Group has backup locations where critical processes can be restored and continued if a special situation occurs.
Information security	Santander Bank Polska S.A. has the Information Security Management System in place, which is certified for compliance with the ISO/IEC 27001:2013 standard. The purpose of this system is to supervise information security in the business environment of Santander Bank Polska S.A. and assess specific information and system security requirements.
Insurance	Santander Bank Polska Group has financial risks, motor, property and professional indemnity insurance policies in place to mitigate operational risk.
Reporting to the Risk Control Committee and the Supervisory Board	The aim of operational risk reporting is to provide up-to-date and appropriate information to the management team. Operational risk reports include details on operational risk events and losses, information security incidents, risk indicators and defined mitigants.

7. ESG risk management

Climate-related risk

At Santander Bank Polska Group, environmental matters are embedded in decision-making processes. The ESG (Environmental, Social, Governance) guidelines are used for evaluating assets to be financed by the Group.

The Bank and the Group analysed the main transition and physical risks. Based on the key risks identified for the region, the Group evaluated the risk of sectors which are most affected by climate change. This helped to improve the risk assessment of individual business customers in the above respects.

Stress tests were conducted in relation to credit risk parameters of credit portfolios, including transition risk. The results were taken into account in the internal capital adequacy assessment process. The stress tests did not indicate significant dependency of the portfolio parameters in the analysed horizon. The scope of analyses performed as part of stress tests is to be extended next year to include, among other things, the impact of physical risks on the tested scenario.

At the same time, the Group completed the next iterations of analyses aimed to identify transition and physical risks under a systemic and quantitative approach. By estimating emissions of all business entities and retail mortgage loans, the Group more thoroughly analyses transition risks, which makes it possible to define targeted actions in relation to the key parts of the portfolio. It also allows the Group to integrate environmental aspects into standard portfolio analyses and set adequate targets and limits.

Physical risks

The sources of physical risks are among other things extreme weather conditions such as severe storms or floods which may cause infrastructure disruption or damage in many sectors. Due to the nature of its activities, the agri sector is particularly exposed to physical risks, with an increased risk of soil erosion affecting crop quality and yields.
In a medium and long term, there is a physical risk related to deteriorating hydrological conditions in Poland and the risk of drought. Water scarcity and the lack of relevant retention systems may adversely affect the economy, including the energy sector. For example, the CHP plants that use river water for cooling purposes may be forced to limit energy production during drought. Fire risk is also identified in the soft commodities sector, e.g. risk of potential losses caused by fire in wood production. River flood risk affects mainly the mortgage loan portfolio, that is why the Bank continues to develop the methodology that would enable more thorough assessment.

Transition risks

The most sensitive sectors in the context of transition to a low-carbon economy are the sectors based on coal and other fossil fuels that dominate the Polish energy mix. There are regulatory and legal risks connected with higher costs of CO_2 emissions, more stringent data reporting and collection requirements as well as regulatory changes that may limit the operations of some high-carbon businesses.

Regulatory risks also involve legislative changes imposing more climate-friendly solutions, which may result in higher operating costs for some companies. For example, in the automotive sector, there are no scalable low-carbon solutions, which is a serious impediment. That said, some customers have already been testing new solutions and implementing them where possible, gaining a competitive advantage. Market competition may force companies from the Bank's portfolio which are less active in pursuing the transition to invest in more innovative solutions. That is why a range of measures are taken to increase the awareness of the Bank's customers from both corporate and SME segments.

The Group also identifies market risks resulting from the impact of climate change on market factors such as consumer preferences, interest rates and commodity prices. Reputational risks connected with higher consumer awareness and increasing number of greenwashing regulations are important too. All the above risks may affect the Bank's and Group's position, both directly and through their customers.

The same exercise was conducted with respect to climate-related opportunities. The transition to a green economy allows the Group to help existing and future customers as well as to support economic transformation by providing relevant financing solutions. The Group intends to continue to develop new products and services (including advisory services for customers), earning a reputation of a trusted partner. Opportunities for the Group were identified as part of the analysis.

Responsibility for ESG risk management

The responsibility for managing climate risk and leveraging climate-related opportunities rests with the Management Board and the Supervisory Board. Members of the above governing bodies support risk management strategies by approving key policies, sitting on dedicated committees, participating in reviews and approving risks and reports. ESG risk management is supervised by the Management Board member in charge of the Risk Management Division.

The ESG Risk Management Office, which was set up in the Risk Management Division in 2023, ensures proper organisation of the ESG risk management function.

The Bank's Management Board is responsible for defining long-term action plans and approving the responsible banking strategy, including the climate strategy and its main objectives (in a short, medium and/or long term), and as part of the risk management framework. ESG is encapsulated in the Total Responsibility direction, which is one of the three pillars of the Group's strategy for 2024–2026 next to Total Experience and Total Digitalisation.

The Supervisory Board verifies the Bank's management strategy and ESG risk management strategy, also in terms of the Bank's long-term interest.

There is also the ESG Committee, which provides support to the Bank's Management Board in the oversight of the responsible banking and sustainability strategy both at the level of the Bank and Santander Bank Polska Group. The Committee, which is chaired by the President of the Management Board, defines the strategy and annual goals related to responsible banking, sustainable finance, ESG risks and climate agenda, and ensures compliance with environmental and social policies of Santander Bank Polska S.A. The Committee is supported by the ESG Forum composed of senior managers representing all Divisions. The Forum analyses challenges, opportunities and risks related to the EU Sustainable Finance agenda (including ESG risks), plans activities and coordinates their implementation at the Bank.

The admission process for sustainable finance was formalised across all segments, both at a transaction level and a credit product level. The ESG Panel, which was set up as part of the Risk Management Division in 2023, handles the certification of sustainable finance based on internal and external regulations, this way mitigating greenwashing risk.

The Bank is finalising the development of the Greenwashing Risk Management Guidelines addressing the following aspects: ESG strategy and policies, financial products and activities, lending process, communication and marketing, reporting and disclosures, suppliers.

8. Legal and compliance risk management

Legal risk management

Operating in the complex legal and regulatory environment, the Bank and Santander Bank Polska Group are exposed to the risk of misapplication or misinterpretation of legal provisions, regulatory requirements, industry codes and ethical codes adopted by the Bank, as well as internal policies and procedures (including codes of best practice). Non-compliance might expose the Bank to loss of reputation or to administrative or criminal sanctions.

The management and control of compliance risk includes application of controls, independent monitoring of their execution and reporting. The control function is performed under three lines of defence:

First line of defence:
Management of risk arising from the Bank's operations

Second line of defence:
Ongoing vertical verification and vertical testing

Third line of defence:
Internal audit function

Pursuant to the Compliance Policy, Santander Bank Polska S.A. has a compliance function which is independent of business units. This function acts as the second line of defence by setting and enforcing compliance standards, providing advice and reporting in the interest of employees, customers, shareholders and the public.

The compliance function supports the Bank's strategy with respect to managing regulatory risk, conduct risk and reputational risk. Its activity is determined by the Bank's business profile: it carries out tasks related to the protection of consumer rights and to ongoing digitalisation and standardisation of financial services.

In particular, the compliance function is responsible for:

- independent identification, monitoring and assessment of compliance risk that the Group is exposed to (with particular focus on new products and services, prevention of using the financial system for the purpose of money laundering and terrorist financing, protection of confidential information, management of conflicts of interest and private account share dealing by employees);
- providing advice and reporting to the Risk Management Committee, the Bank's Management Board and the Audit and Compliance Committee on the effectiveness of processes established to ensure compliance with legal and regulatory requirements;
- communication of policies and procedures, providing the management and staff with guidance on compliance risk management;
- coordination of contacts with market regulators;
- coordination of the approval of new products;
- strengthening the principles of ethical business conduct;
- cooperation with the Corporate Communication and Marketing Area and the Risk Management Division in terms of reputational risk management;
- cooperation with the Anti-Money Laundering and Terrorism Financing Department in matters related to money laundering and terrorism financing risk;
- cooperation with the Data Protection Officer Office in matters related to personal data protection.
  The compliance function also coordinates the activities of committees supporting compliance risk management processes in particular areas of the Group:
- Compliance Committee
- Local Marketing and Monitoring Committee.

These committees are composed of representatives of key organisational units that have the necessary expertise and authority to ensure that relevant decisions are taken and high quality advice is provided in the course of the proceedings.

Employees of the compliance function support the Bank's senior management in effective compliance risk management and report on key compliance issues to the Bank's Management Board, the Risk Management Committee and the Audit and Compliance Committee of the Supervisory Board.

The Management Board and the Supervisory Board (through the Audit and Compliance Committee) regularly review key compliance issues identified by the compliance function. The review particularly includes:

- product monitoring
- test compliance monitoring
- monitoring of employees' own trades
- information on the activity of market regulators
- review of upcoming legislative initiatives
- review of anti-money laundering issues
- review of ethical issues
- review of customer complaints.

In February 2024, the Bank's Supervisory Board positively assessed the effectiveness of compliance risk management at Santander Bank Polska S.A., based on a positive recommendation of the Audit and Compliance Committee.

In addition to the compliance function, the second line of defence also includes other organisational units operating under internal regulations, in particular:

- responsibilities related to anti-money laundering and terrorism financing and compliance with international sanctions programmes – AML unit
- labour law responsibilities – personnel unit
- companies and partnerships law responsibilities – corporate governance unit
- occupational health and safety responsibilities – health and safety unit
- accounting, reporting and tax responsibilities – financial, accounting and tax units
- prudential requirements – risk units
- personal data protection responsibilities – unit of Data Protection Officer
- activities of Santander Brokerage Poland – Support and Control Office, Supervision Inspector.

Reputational risk management

Reputational risk is defined as the risk of actual or potential adverse impact on the Bank connected with deterioration of perception of the Bank and other members of Santander Bank Polska Group by customers, employees, regulators, shareholders/ investors and communities at large.

Potential sources of this risk are internal operational incidents and external events, such as adverse publicity, dissemination of negative feedback by customers, e.g. via the Internet, in social media and other mass media. They may refer directly to Santander Bank Polska Group and its products and services, as well as the Bank's shareholders and the entire banking or financial sector (both domestic and international).

The elements of reputational risk also include customer complaints and claims related to the process of offering banking products and services (both directly and through third parties/ suppliers/ intermediaries), including complaints about the lack of sufficient (i.e. complete, true, reliable and non-misleading) information about products/ services and related risks, the complexity of products, failures of systems and applications, misselling, capital loss, as well as establishment of relationships with entities considered to be sensitive due to the type and profile of their business (high risk sectors).

The management of reputational risk is the responsibility of the Corporate Communication and Marketing Area, the Compliance Department and the Compliance Monitoring Department.

The objective of reputational risk management is to protect the image of Santander Bank Polska Group and to limit and eliminate negative events which affect the image and financial results of the Group.

The key risk mitigation measures include:

- Disclosure Policy of Santander Bank Polska S.A.
- Reputational risk management model consisting of: The Reputational Risk Management Policy, the Reputational Risk Management Procedure and the Methodology for Reputational Risk Management at Santander Bank Polska S.A.
- Reputational Risk Analysis Procedure and Guidelines of Santander Bank Polska S.A.
- Guidelines on cooperation with partners at Santander Bank Polska S.A.
- Santander Bank Polska S.A. Policy on Financing for Sensitive Sectors
- Defence Sector Policy of Santander Bank Polska S.A.
- Criteria for reputational risk analysis of customers and transactions
- Donation Policy of Santander Bank Polska Foundation and Donation Policy of Santander Bank Polska S.A.
- Policy on financing political parties
- Daily monitoring of local, nationwide and selected international mass media sources (Corporate Communication and Marketing Area)
- Social Media Policy of Santander Bank Polska S.A. (Corporate Communication and Marketing Area)
- Daily monitoring of social media sources (in particular: Facebook, Twitter) in terms of references to the Bank (Corporate Communication and Marketing Area)
- Analysis of image-sensitive information by the Press Office (Corporate Communication and Marketing Area)
- Response to information which poses a threat to public perception of the Bank (Corporate Communication and Marketing Area)
- Keeping the representatives of national and local media posted on new products and changes to regulations regarding existing products
- Regular monitoring of reputational risk events and reputational risk profile (Compliance Department and Compliance Monitoring Department)
- Monitoring of changes in laws and market standards and unfair clauses in contracts (Compliance Department)
- Customer satisfaction survey (Chief Customer Officer)
- Recommendations and preventive actions arising from the analysis of complaints (Chief Customer Officer)
- Preparation and control by relevant units of Santander Bank Polska S.A. of all important communications and reports for shareholders, the Polish Financial Supervision Authority (KNF) and the Warsaw Stock Exchange, and timely publication of such communications and reports
- Evaluation of new products/ services or their modifications, and the related procedures, communications, commercial materials, initiatives addressed to customers (promotions, contests) and training materials for sales staff in terms of their compliance with laws and regulatory guidelines, ethical business conduct, ESG matters and reputational risk (Compliance Department)
- Participation in the processing of customer complaints, especially those filed with regulators (Compliance Department)
- Supervision of post-sales control of investment products (Compliance Monitoring Department)
- Mystery shopping
- Regular monitoring of reputational risk associated with products/ services offered by Santander Bank Polska Group through the analysis of customer complaints, sales volumes, number of customers and rate of return, if applicable (Compliance Monitoring Department)
- Periodic monitoring of customers and transactions in terms of compliance with applicable reputational risk management policies and procedures (Compliance Monitoring Department)
- Reviewing agreements with external suppliers and third parties (in particular the ones regarding outsourcing, critical services and high-risk services) (Compliance Monitoring Department)
- Participation in the analysis of customers and transactions from sensitive sectors (including defence, gambling, tobacco, media and cannabis industries) (Compliance Monitoring Department)
- Participation in the analysis of customers and transactions from other sectors in the case of identification of reputational risk (Compliance Monitoring Department)
- Participation in the ESG Panel to ensure proper identification and classification of transactions in accordance with SFCS and EU Taxonomy to prevent greenwashing risk (Compliance Monitoring Department)

9. Capital management

Introduction

The policy of Santander Bank Polska Group is to maintain a level of capital adequate to the type and scale of operations and the level of risk.

The level of own funds required to ensure safe operations of the Bank and Santander Bank Polska Group and capital requirements estimated for unexpected losses is determined in accordance with the provisions of the CRD IV/CRR package, regulations of the European Parliament and of the Council (EU) (2019/876 of 20 May 2019, 2019/630 of 17 April 2019, 2020/873 of 24 June 2020), and the Polish Macroprudential Supervision Act, taking into account KNF recommendations.

The Management Board is accountable for capital management, calculation and maintenance processes, including the assessment of capital adequacy in different economic conditions and the evaluation of stress test results and their impact on internal and regulatory capital and capital ratios. Responsibility for the general oversight of internal capital estimation rests with the Supervisory Board.

The Management Board has delegated ongoing capital management to the Capital Committee which conducts a regular assessment of the capital adequacy of the Bank and Santander Bank Polska Group, including in extreme conditions, the monitoring of the actual and required capital levels and the initiation of transactions affecting these levels (e.g. by recommending the value of dividends to be paid). The Capital Committee is the first body that defines the capital policy, principles of capital management and principles of capital adequacy assessment.

However, ultimate decisions regarding any increase or decrease in capital are taken by relevant authorities within the Bank in accordance with the applicable law and the Bank's Statutes.

- In 2024, the Bank and Santander Bank Polska Group met all regulatory requirements regarding capital management.
- As at 31 December 2024, the Group had a capital surplus of PLN 9.08bn above the regulatory requirements.

Santander Bank Polska Group does not consider the full impact of introduction of IFRS 9 for the purpose of capital adequacy assessment and applies transitional arrangements provided for in Regulation (EU) 2017/2395 amending Regulation (EU) No 575/2013, updated in accordance with Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020. Based on the above-mentioned changes, the Group uses derogation in the form of assigning a risk weight of 100% to the value of the adjustment included in own funds.

Category measuring capital adequacy of Santander Bank Polska Group as at 31 December 2024	Impact of transitional arrangements related to IFRS 9
Total own funds	+PLN 69,881k
Total capital ratio	+4 b.p.
Tier 1 capital ratio	+4 b.p.

Capital policy

As at 31 December 2024, the minimum capital ratios satisfying the provisions of the CRR and the Macroprudential Supervision Act as well as regulatory recommendations regarding additional own funds requirements under Pillar 2 were as follows:

→ at the level of Santander Bank Polska S.A.:	→ 9.52% for Tier 1 capital ratio; → 11.52% for total capital ratio;
→ at the level of Santander Bank Polska Group:	→ 9.530% for Tier 1 capital ratio; → 11.533% for total capital ratio;

The aforementioned capital ratios at the Bank and Group level take into account:

Components of the minimum capital requirement		Group		Bank	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
Minimum capital ratios	Common Equity Tier 1 capital ratio	4,5%	4,5%	4,5%	4,5%
	Tier 1 capital ratio	6%	6%	6%	6%
	Total capital ratio	8%	8%	8%	8%
Additional capital requirement for risk related to foreign currency mortgage loans for households	Common Equity Tier 1 capital ratio	0.007 p.p	0.007 p.p	No requirement	
	Tier 1 capital ratio	0.010 p.p.	0.010 p.p.		
	Total capital ratio	0.013 p.p	0.013 p.p		
Capital buffer for Santander Bank Polska S.A. as other systemically important institution		1 p.p.	1 p.p.	1 p.p.	1 p.p.
Capital conservation buffer maintained in accordance with the Macroprudential Supervision Act		2.5 p.p	2,5 p.p.	2.5 p.p.	2.5 p.p.
Systemic risk buffer		0 p.p.	0 p.p.	0 p.p.	0 p.p.
Institution-specific countercyclical capital buffer		0.02 p.p.	0.02 p.p.	0.02 p.p.	0.02 p.p.
Bank's sensitivity to an adverse macroeconomic scenario measured based on the results of the regulatory stress tests (P2G)		0 p.p.	0.37 p.p.	0 p.p.	0.37 p.p.

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 countercyclical buffer implemented by the Macroprudential Supervision Act and amended by the Minister of Finance by a way of regulation was set on 1 January 2016 at 0 p.p. for credit exposures in Poland. At the meeting held on 14 June 2024, the Financial Stability Committee passed a resolution on the recommendation for setting the countercyclical capital buffer at:

- 1% – after 12 months;
- 2% – after 24 months;

from the date when the Minister of Finance issues a relevant regulation in this respect. Regulation of the Minister of Finance on the countercyclical buffer (dated 18 September 2024) came into force on 24 September 2024.

As at 31 December 2024, the institution-specific counter-cyclical buffer for exposures from other countries was 0.02% for Santander Bank Polska S.A. (on a consolidated basis). Santander Bank Polska Group calculates the institution-specific countercyclical buffer as per the Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management in the financial system.

On 17 December 2024, the Bank received a letter from the KNF stating that the Bank's sensitivity to the possible materialisation of stress scenarios (affecting the level of own funds and risk exposure) was assessed as low in the supervisory review and evaluation process. The total capital add-on recommended under Pillar 2 offset by the capital conservation buffer is 0.00 p.p. on a standalone and 0.00 p.p. on a consolidated basis. Consequently, the KNF does not set an additional P2G add-on to absorb potential losses caused by a stress event.

Regulatory capital

The capital requirement for Santander Bank Polska Group is determined in accordance with Part 3 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 by: CRR2, Regulation (EU) No 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulation (EU) No 575/2013, and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic.

Santander Bank Polska Group uses the standardised approach to calculate the capital requirement for credit risk, market risk and operational risk. According to this approach, the total capital requirement for credit risk is calculated as the sum of risk-weighted exposures multiplied by 8%. The exposure value for these assets is equal to the balance sheet total, while the value of off-balance sheet liabilities corresponds to their balance sheet equivalent. Risk-weighted exposures are calculated by applying risk weights to all exposures in accordance with the CRR.

The table below presents the calculation of the capital ratio for Santander Bank Polska Group as at 31 December 2024 and 31 December 2023.

> Calculation of the capital adequacy ratio for Santander Bank Polska Group as at 31 December 2024 and 31 December 2023

	Santander Bank Polska Group (PLN m)	31.12.2024	31.12.2023 1)
I	**Total capital requirement (Ia+Ib+Ic+Id+Ie), including:**	**11,817.7**	**11,241.5**
Ia	– for credit risk and counterparty credit risk	9,589.2	9,584.4
Ib	– for market risk	255.2	155.4
Ic	– for credit valuation adjustment risk	77.3	52.6
Id	– for operational risk	1,785.5	1,392.8
Ie	– for securitisation	110.6	56.3
II	Total capital and funds	28,614.7	28,927.6
III	Deductions	2,494.1	2,721.8
IV	**Capital and funds after deductions (II–III)**	**26,120.6**	**26,205.8**
V	**Capital ratio [IV/(I*12.5)]**	**17.68%**	**18.65%**
VI	**Tier 1 capital ratio**	**16.78%**	**17.27%**

1) Including profits allocated to own funds pursuant to EBA guidelines.

> Calculation of the capital adequacy ratio for Santander Bank Polska S.A. as at 31 December 2024 and 31 December 2023

	Santander Bank Polska S.A. (PLN m)	31.12.2024	31.12.2023 1)
I	**Total capital requirement (Ia+Ib+Ic+Id), including:**	**9,528.2**	**8,906.8**
Ia	– for credit risk and counterparty credit risk	7,666.4	7,570.5
Ib	– for market risk	256.4	154.4
Ic	– for credit valuation adjustment risk	77.1	51.9
Id	– for operational risk	1,455.1	1,105.9
Ie	– for securitisation	73.2	24.1
II	Total capital and funds	26,233.5	26,720.2
III	Deductions	2,723.6	2,926.6
IV	**Capital and funds after deductions (II–III)**	**23,510.0**	**23,793.6**
V	**Capital ratio [IV/(I*12.5)]**	**19.74%**	**21.37%**
VI	**Tier 1 capital ratio**	**18.73%**	**19.76%**

1) Including profits allocated to own funds pursuant to EBA guidelines.

Pursuant to the Bank's disclosure strategy, details about the level of own funds and capital requirements are presented in a separate report on capital adequacy of Santander Bank Polska Group ("Information on capital adequacy of Santander Bank Polska Group as at 31 December 2024").

Internal capital

Notwithstanding the regulatory methods for measuring capital requirements, Santander Bank Polska S.A. carries out an independent assessment of current and future capital adequacy as part of the internal capital adequacy assessment process (ICAAP). The purpose of the process is to ensure that the level and nature of own funds guarantee the solvency and stability of the Bank's and the Group's operations.

The capital adequacy assessment is one of the fundamental elements of the Bank's strategy, the process of defining risk appetite and the process of planning.

In the ICAAP the Group uses assessment models based on the statistical loss estimation for measurable risks, such as credit risk, market risk and operational risk, plus its own assessment of capital requirements for other material risks not covered by the model, e.g. reputational risk and compliance risk.

The internal capital for credit risk is estimated on the basis of risk parameters including the probability of default (PD) by Santander Bank Polska S.A. customers and the loss given default (LGD).

The Group performs an internal assessment of capital requirements, also under stressed conditions, taking into account different macroeconomic scenarios.

Internal capital estimation models are assessed and reviewed annually to adjust them to the scale and profile of the business of Santander Bank Polska S.A. and to take account of any new risks and the management's judgement.

The review and assessment is the responsibility of the Bank's risk management committees, including: the Capital Committee and the Model Risk Management Committee.

Subordinated liabilities

Information on bond issue	Date of KNF consent to allocate the bonds to the Tier 2 capital	Nominal value of the bonds allocated to subordinated liabilities
Issue of bonds of Santander Bank Polska S.A. on 2 December 2016	24.02.2017	EUR 120m
Issue of subordinated bonds of Santander Bank Polska S.A. on 22 May 2017	19.10.2017	EUR 137.1m
Issue of series F subordinated bonds of Santander Bank Polska S.A. on 5 April 2018	12.06.2018	PLN 1bn

The information on subordinated liabilities is also provided in Note 5 and in Note 34 to the Consolidated Financial Statements of Santander Bank Polska Group for 2024.

XII. Statement on corporate governance in 2024

XII. Statement on corporate governance in 2024

1. Corporate governance at Santander Bank Polska S.A.

Corporate governance sets out the rules for operation of the governing bodies, systems and processes at Santander Bank Polska S.A. Its objective is to build good relationships with shareholders, customers and other stakeholders, and to increase effectiveness of internal oversight, key internal systems and functions as well as statutory bodies. The corporate governance principles adopted by the Bank focus on professionalism and integrity of members of the management and supervisory bodies, transparency and due care, which helps build trust in Santander Bank Polska Group, supports sustainable development and increases credibility of the capital market in Poland.

The Bank's corporate governance framework is based on applicable laws (in particular the Commercial Companies Code, the Banking Law Act and capital market regulations) as well as the rules set out in Best Practice for GPW Listed Companies 2021, Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority (KNF) and the Code of Banking Ethics. Since 1 January 2022, the Bank has complied with Recommendation Z on internal governance in banks issued by the Polish Financial Supervision Authority (KNF).

- In 2024, Santander Bank Polska S.A. adhered to all the rules set out in the Best Practice for GPW Listed Companies 2021 adopted by virtue of Resolution no. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange dated 29 March 2021.
- Furthermore, the Bank applied all Principles of Corporate Governance for Supervised Institutions issued by the KNF on 22 July 2014.
- In the reporting period, no departures from the above-mentioned regulations were reported.

The Bank has complied with the official corporate governance principles since 2002 when the first issue of best practice was published by the Warsaw Stock Exchange (Best Practice for Public Companies 2002). It also follows best sector practice contained in the Banking Ethics Code developed by the Polish Bank Association (ZBP).

The Bank has adopted the following internal regulations setting out in detail the corporate governance rules: the Group-Subsidiary Governance Model and Guidelines for Subsidiaries, Specific Corporate Frameworks, Internal Governance Rules of Santander Bank Polska S.A., Corporate Governance Rules of Santander Bank Polska Group, the General Code of Conduct and specific bylaws and policies e.g. the Disclosure Policy, the Conflict of Interest Prevention Policy, the Code of Conduct in the Securities Markets, the Anti-Money Laundering Policy, the Anti-Corruption Programme and the Sustainability Policy, the Code of Conduct in the Securities Markets, the Anti-Money Laundering Policy, the Anti-Bribery and Corruption Policy, the Responsible Banking Model and the Responsible Banking and Sustainability Policy.

This Statement on corporate governance in 2024 has been prepared in accordance with § 70(6)(5) of the Finance Minister's Regulation of 29 March 2018 on current and financial reports published by the issuers of securities and the rules of equal treatment of the information required by the laws of a non-member state.

In accordance with Commission Recommendation of 9 April 2014 on the quality of corporate governance reporting (2014/208/EU), the section below presents details on application of corporate governance rules regarding the topics of most importance for shareholders.

Pursuant to Article 5(2) of Directive (EU) 2022/2464 which obliges the Bank to follow reporting standards in respect of sustainable development information presented in the report for the year started on 1 January 2024 and pursuant to Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (ESRS Regulation), the Bank disclosed the selected additional information about corporate governance (required under the ESRS Regulation) in this Statement on corporate governance.

- → Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies.
- → Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies.
- → Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes.

Irrespectively of its disclosure in Chapter XIII "Consolidated Sustainability Statement of Santander Bank Polska Group for 2024" and the ESG Report for 2024", the selected information presented in this Statement was highlighted as disclosed by reference to the specific requirement arising from the ESRS 2 standard (e.g. *[ESRS 2, Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]*).

Best Practice for GPW Listed Companies 2021

The Best Practice for GPW Listed Companies 2021 effective as of 1 July 2021 was adopted by virtue of Resolution no. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange dated 29 March 2021.

The full text is available on the website of the Warsaw Stock Exchange at:
https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf

The above version of best practice was adopted by the Bank by way of Management Board Resolution no. 160/2021 of 21 July 2021, Supervisory Board Resolution no. 108/2021 of 27 July 2022 and Resolution no. 33 of the Annual General Meeting of 27 April 2022.

On 29 July 2021, the Bank published a report on application of the rules set out in Best Practice for GPW Listed Companies 2021 (it is available on the Bank's website at: https://www.santander.pl/regulation_file_server/time20210729112136/download?id=163350&lang=pl_PL. The Bank has been strictly following all these rules since then. The table below describes the delivery of initiatives which are of key importance to the Bank's shareholders.

Chapter	Important aspects of application of Best Practice for GPW Listed Companies 2021
Disclosure policy, investor communications (Chapter 1)	▸ The Bank has an **effective and transparent disclosure policy** in place in relation to shareholders, investors and analysts, which is supported by modern communication tools. Pursuant to the Disclosure Policy of Santander Bank Polska S.A. (available on the Bank's website: https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=4), the Bank actively communicates with its stakeholders in order to meet their information needs, with particular activities adjusted to their profile. ▸ The **communication with capital market participants** is based on the following rules: ▸ Periodic reports (including information about the Bank's sponsorship and corporate giving activities) are published at the earliest possible date following the end of the reporting period. The market is informed in advance, via current reports, about the planned dates of publishing reports. ▸ Current reports providing information required by applicable laws are published at the dates specified therein. ▸ Each year, the Bank organises four conferences to present analysts, investors and all the interested parties with quarterly figures. They are broadcast online in Polish and English. To the extent permitted by law, the Bank answers questions asked during the conferences and sent by email to the email address of the Investor Relations Director (available on the Bank's Investor Relations website). ▸ The corporate website is available in Polish and English at: www.santander.pl and includes the Investor Relations tab with all the information required to be published in accordance with law and Best Practice for GPW Listed Companies 2021. ▸ The Bank also has a website dedicated to General Meetings, which is available at www.santander.pl/wza. ▸ As part of open communication with the shareholders, the Bank (acting through the representatives of its governing bodies) provides them with all answers and explanations, ensures the possibility to participate in the general meetings by means of electronic communication and enables media representatives to join such meetings. ▸ The Bank promptly replies to any questions about the published information, and in the case of questions from investors concerning unpublished data, the Bank takes efforts to reply as soon as possible and no later than within 14 days (in accordance with laws and market standards). ▸ The Bank participates in investor conferences organised by Polish and foreign brokerage companies. ▸ The Bank publishes its financial results achieved in a given reporting period before the deadlines prescribed by law, being **one of the leaders** in this respect among the companies listed on the Warsaw Stock Exchange. ▸ The Bank's Investor Relations service at www.santander.pl includes a section dedicated to Best Practice for GPW Listed Companies, which contains all the required information such as: report on application of Best Practice for GPW Listed Companies 2021, information about the Supervisory Board committees and their composition and terms of reference, information about changes in the share capital and transactions in shares, information about incentive plans, dividend policy, questions asked by investors (along with answers), information about pay equality between men and women (including measures taken to eliminate any gaps), the Group's structure, schedule of corporate events, information about shareholders, statement on non-financial information, information about the Diversity Policy, information about members of the Bank's governing bodies and the General Meetings, basic corporate documents, financial statements (including presentations), development strategy, recommendations and analyses of rating agencies, current reports, records of meetings with investors, channels of communication between investors and the Bank, and information about mergers and acquisitions. ▸ On its website, the Bank publishes information about its strategy, including strategic directions and objectives, results of actions taken to implement the strategy as well as financial and non-financial metrics. ▸ **The Bank's strategy addresses ESG aspects, both environmental protection and social and employee matters**, defining precise metrics and taking into account sustainable development. The Bank publishes annual ESG reports on its corporate website. ▸ For 2024–2026, the Bank's Management Board adopted the "**We Help You Achieve More**" strategy. It is based on the purpose: "To help customers and employees prosper" and **three strategic directions**: **Total Experience, Total Digitalisation and Total Responsibility.** Sustainability is addressed in the Bank's strategy, in particular the Total Responsibility strategic direction which defines the Bank's ESG objectives and ambitions. The strategy is published on the Bank's corporate website (Development strategy - Santander). ▸ **Environmental protection and climate issues** are some of the key areas of **Total Responsibility**. As part of the above direction, the Bank defined strategic goals for the transformation of the Bank and its customers: being a role model in terms of sustainable development and transition, supporting and advising customers on green transition, building a business network, i.e. finding trusted partners and helping them arrange finance. The objectives and metrics are described in detail in Chapter XIII "Consolidated Sustainability Statement of Santander Bank Polska Group for 2024". They cover such issues as: reduction of own emissions by increasing energy efficiency, purchase of energy from renewable sources, integration of environmental risks in the business model, analysis of portfolio emissions and definition of decarbonisation levers, raising

	employees' awareness of green finance, identification of ESG risks and prevention of greenwashing, development of transition-related products and provision of advisory services in relation to all business segments, volumes of green finance compliant with the internal Sustainability Finance and Investment Classification System. ▸ **Social and employee issues** are reflected in the following strategic directions: **Total Experience** and **Total Responsibility**. The Bank's ambition as part of the Total Responsibility direction is to support society through education, social investments and prevention of financial and digital exclusion. The Bank promotes inclusion and diversity among employees and ensures a high level of cybersecurity. ▸ The Total Experience direction defines the Bank's ambition to have a unique corporate culture where customer experience and employee experience are equally important. The Bank always takes into account employee perspective when designing solutions for customers. The Bank cares about work-life balance, competitive remuneration and physical and mental wellbeing of its employees. The Bank strengthens the corporate culture of Santander based on cooperation, trust, diversity, empowerment and continuous development. It builds the culture of cooperation in the spirit of **One Team**, placing emphasis on experimentation and continuous improvement. The Bank supports leadership as the key element in building a human-centred organisation. The metrics used to monitor the effectiveness of measures taken to ensure gender equality include: the number of women holding top executive positions (%), equal pay gap (%) and gender pay gap (%).The Bank's equal pay index is published on the site dedicated to the Best Practice: https://www.santander.pl/relacje-inwestorskie/dobre-praktyki. In 2024, the index was 99.50%. For details about metrics, please see Chapter XIII "Consolidated Sustainability Statement of Santander Bank Polska Group for 2024". ▸ **The principles of equal treatment, prevention of discrimination and ensuring decent working conditions are the basis of the Bank's corporate culture.** They are described in the Responsible Banking and Sustainability Policy (https://www.santander.pl/regulation_file_server/download?id=162369&lang=pl_PL), Respect and Dignity Policy, and Corporate Culture Policy of Santander Bank Polska Group https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/strategia-rozwoju#strategia=2 ▸ The Bank has held regular **dialogue sessions** since 2014. They are organised in accordance with the AA1000SES standard and attended by representatives of the Bank's social and business partners. The purpose of the sessions is to gather the participants' feedback and learn their expectations with regard to the Bank's Responsible Banking agenda. The Bank carefully listens to suggestions made by its stakeholders. They are analysed and taken into account when implementing the Bank's strategy, in planning processes and in non-financial reporting. The last dialogue sessions were held in 2024 as part of the double materiality assessment in the banking sector (for more information, please see: Selection of topics important to the Bank – Santander ESG Report of 2023). ▸ The Bank is committed to ensuring positive banking experience for all customers and takes efforts to improve customer satisfaction with products and services. All products and services are designed and implemented taking into account the customer's perspective. ▸ Each year, the Bank publishes a list of expenses incurred by the Group to support culture, sports, charity organisations, media and civil society organisations – they are presented below this table. ▸ The Bank's disclosure policy concerning investor relations is described in more detail in Section 7 "Investor relations". For more information about the arrangements facilitating communication with shareholders, see "General Meeting" below (Part 4 "Governing bodies").
Management Board, Supervisory Board (Chapter 2)	▸ All members of the Bank's Management Board and the Supervisory Board have appropriate knowledge, experience and skills to duly perform their duties. Detailed information about their qualifications is presented in the later part of this statement (Part 4 "Governing bodies", Sections: "Management Board" and "Supervisory Board"). ▸ The Bank has a diversity policy in place. It promotes diversity among members of the Management Board and the Supervisory Board in terms of their qualities and skills, gender, educational background, expertise, age, professional experience and geographical provenance. It also requires the Supervisory Board to ensure at least 30% representation of women in the Management Board by 2025. As regards the Supervisory Board, the Bank is to ensure 40%–60% representation of women (this requirement has already been met; more details are presented in Part 4 "Governing bodies" and Part 8 "Diversity policy"). ▸ The independence criteria (specified in the Act on statutory auditors, audit firms and public oversight, Commission Recommendation 2005/162/EC of 15 February 2005, and additional criteria stipulated in the Bank's Statutes as agreed with the KNF) are met by five of ten members of the Supervisory Board, who do not have actual or material connections with a shareholder holding at least 5% of total voting power at the Bank's General Meeting. These criteria are met by the Chairman and all members of the Audit and Compliance Committee. The criterion that half of the Supervisory Board members should have independent status is critical to the shareholders, including the minority ones. To ensure that this best practice is continuously met, the Bank decided to temporarily reduce the number of the Supervisory Board members from ten to eight (between 18 April and 30 June 2024, there were four independent members). It resulted from the fact that on 11 May 2024 Jerzy Surma lost the independent status and Adam Celiński met the independence criteria starting from 1 July 2024. For more information, please see Part 4 "Governing bodies". ▸ Members of the Management Board and the Supervisory Board commit sufficient time to perform their duties. The functions performed on the Bank's Management Board are the main area of the professional activity of its members, some of whom also sit on the supervisory boards of the Bank's subsidiaries, which facilitates oversight and operation of the Group as a whole. Management Board members may perform roles on the boards of entities outside Santander Bank Polska Group exclusively with the consent of the Supervisory Board. ▸ The Supervisory Board exercises an effective oversight of the Bank's operations, verifies the activities of the Management Board in terms of delivery of the strategic objectives and monitors the Bank's performance. The Management Board provides the Supervisory Board with access to information about matters related to the Bank as well as relevant resources and opportunity to use independent, professional advisory services if need be. The Supervisory Board provides the General Meeting with the Report on the Supervisory Board's activity, which includes detailed information about supervisory activities as well as the assessment of the Bank's position, internal control system, assessment of the remuneration policy, assessment of the Bank's performance of its information obligations and the sponsorship and corporate giving policy.

Internal systems and functions (Chapter 3)	▶ The Bank has an effective internal control, risk management and compliance system in place, as well as an effective internal audit function adequate to the size of the Bank and the type and scale of its operations. Their effectiveness is monitored and assessed by the Supervisory Board in coordination with the Audit and Compliance Committee. ▶ The Bank's organisational structure includes units responsible for the tasks of individual systems and functions. ▶ The Head of the Internal Audit Area adheres to international standards for the professional practice of internal auditing and reports directly to the President of the Management Board, with a dotted reporting line to the Chairman of the Audit and Compliance Committee. ▶ Remuneration payable to persons responsible for risk management and compliance and the Head of the Internal Audit Area depends on the delivery of the tasks set rather than short-term results of the Bank. ▶ The compliance unit is headed by the Management Board member in charge of the Compliance and FCC Division. The Risk Management Division is headed by the Vice President of the Management Board. ▶ The internal audit function meets the international standards for the professional practice of internal auditing, which is verified as part of independent third-party assessment at least once every five years. The last assessment was carried out in June 2024 by the Institute of Internal Auditors. The overall opinion was that the **Internal Audit Function at Santander Bank Polska S.A. "Generally Conforms" with the Standards and Code of Ethics of the Institute of Internal Auditors**. Commendable aspects included: (i) a high regard for the professionalism and skills of the Internal Audit function at Santander Bank Polska; (ii) the Internal Audit staff's strong commitment; (iii) an effective skills matrix, incorporated into the internal audit strategy.
General Meeting, shareholder relations (Chapter 4)	▶ Annual General Meetings are convened as soon as possible after the publication of an annual report at the date set in keeping with the applicable legislation. In 2024, the Annual General Meeting was held on 18 April. The information about candidates for the Supervisory Board members was published on 21 March 2024, i.e. on the date of notice of the General Meeting, allowing shareholders to take an informed decision. ▶ When selecting the venue for the General Meeting, the Bank enables the participation of the largest-possible number of shareholders (the General Meetings of the Bank are held in Warsaw). ▶ Since 2011, the **Bank's shareholders can participate in General Meetings by means of electronic communication channels** (e-meetings) and exercise their rights from anywhere in the world. General Meetings are broadcast live on the Bank's website. The representatives of media can participate in General Meetings. ▶ To help shareholders make informed voting decisions, on the date of the notice of the General Meeting the Bank publishes justifications of all resolutions (except for points of order and where justification follows from the materials submitted to the General Meeting) together with their drafts on a dedicated website (www.santander.pl/wza). The materials to be considered by the General Meeting are presented in a manner convenient to the shareholders. ▶ In the case of resolutions requested by a shareholder to be included on the agenda, justifications are published immediately after receiving the shareholder's request (in the case of requests made in the course of the General Meeting, the justification is presented to shareholders prior to adopting a resolution). Additionally, members of the Bank's governing bodies provide verbal information prior to the vote on the matter if it is required so to consider the matter properly. The Bank takes efforts to ensure that draft resolutions are submitted no later than three days before the General Meeting. ▶ The General Meeting should be attended by members of the Management Board and the Supervisory Board who will be able to give substantive answers to questions asked during the meeting. ▶ Answers to shareholders' questions are provided in line with the applicable legislation within the set time limits. ▶ The **Bank strives to distribute profit to the shareholders** in accordance with the dividend policy and the KNF recommendations. Pursuant to Resolution no. 6 of 18 April 2024, the Annual General Meeting allocated approx. PLN 3.5bn of the Bank's net profit for 2023 and PLN 1bn from the dividend reserve created under Resolution no. 6 of the Annual General Meeting of 22 March 2021 on profit distribution and creation of capital reserve to the dividend for the shareholders. In all, **the Annual General Meeting allocated PLN 4,560,709,083.82 to the dividend for the shareholders, which represented nearly 100% of PAT, a level similar to the last year.**
Conflict of interest, related party transactions (Chapter 5)	▶ The Bank and its subsidiaries have transparent procedures in place for managing conflicts of interest. They are described in the General Code of Conduct and the Conflict of Interest Prevention Policy as well as policies applicable in individual companies. They specify the criteria and circumstances in which a potential conflict of interest may arise and procedures to be followed in such cases. They also define ways to prevent, identify and resolve conflicts of interest. ▶ Members of the Management Board and the Supervisory Board refrain from professional activities which might cause a conflict of interest. They must not participate in decision-making if there is an actual or potential conflict of interest. They must also inform the Bank about such situations. Potential conflicts of interest involving members of the Management Board and the Supervisory Board are also considered when assessing the suitability of candidates for these bodies and as part of ongoing suitability assessments. ▶ The Bank ensures equal treatment of customers and suppliers. No shareholder has preference over other shareholders in related party transactions. ▶ Transactions with related parties are made in accordance with the Bank's internal regulations and market standards. Approval from the Supervisory Board is required if: transactions with related parties exceed 5% of the Bank's total assets, transactions with a single entity during the accounting year exceed PLN 50,000,000 or if transactions exceed the PLN equivalent of EUR 4,000,000 (if applicable by law). ▶ The Supervisory Board may seek external expert advice when making a valuation and analysing economic effects of related party transactions. If the transaction requires the approval of the General Meeting, the Supervisory Board assesses the need for seeking such advice.

Remuneration (Chapter 6)	▸ The Bank's Remuneration Policy meets all the requirements prescribed by law and supports the Group's growth and security. It complies with the principles of sound and effective risk management, prudent capital management, and it is consistent with the Bank's business strategy, objectives, values and long-term interests. ▸ The Bank ensures the stability of its management team through such measures as transparent, fair, consistent and non-discriminatory terms of remuneration. ▸ The remuneration of members of the Management Board and the Supervisory Board and key managers is sufficient to attract, retain and motivate persons with skills necessary for proper management and supervision of the Bank. The remuneration structure fully reflects market practices while the remuneration levels match the ones offered in the banking sector, taking into account the size of business. Remuneration is adequate to the scope of tasks performed. ▸ In the case of the incentive plan established under the resolution of the Annual General Meeting of 27 April 2022, the level of remuneration depends on financial and non-financial performance in the long term (PAT, ROTE, NPS), including sustainability factors (delivery of ESG objectives). ▸ The remuneration of Supervisory Board members does not depend on the Bank's results. The Supervisory Board members receive fixed monthly remuneration irrespective of the number of Supervisory Board meetings held. Supervisory Board members receive additional remuneration for work on the Supervisory Board committees.

Santander Bank Polska S.A.'s expenditures covering the social causes and other projects not related to its core business:

Expenditure of the Santander Bank Polska Group for purposes other than the core business (PLN k)	2024	2023
Education, including:	6,367.3	6,995.2
– Financial education	1,342.7	1,853.0
– Climate education	9.8	84.4
Sport	3,795.3	4,135.1
Culture	6,010.9	4,813.9
Environmental protection	255.8	297.1
Charity events and statutory activities of foundations/associations, including:	4,917.5	6,049.5
– "We Will Double Your Impact"| "Double The Power of Giving" fundraiser	2,028.5	360.4
Industry conferences	3,901.3	2,241.5
Total	**25,248.1**	**24,532.3**

Principles of Corporate Governance for Supervised Institutions

Santander Bank Polska S.A. is required to apply the Principles of Corporate Governance for Supervised Institutions issued by the KNF on 22 July 2014.

The document describes internal and external relations of supervised institutions, including relations with shareholders and customers, their organisation, internal oversight framework and key internal systems and functions, as well as statutory bodies and the rules of their cooperation.

The document is available on the KNF website at:

https://www.knf.gov.pl/knf/pl/komponenty/img/knf_140904_Zasady_ladu_korporacyjnego_22072014_38575.pdf

and on the Bank's website at:

https://static3.santander.pl/asset/z/a/l/zal.-do-uchwaly-objetej-pkt-13-porzadku-obrad_pl_55449.pdf .

The Principles of Corporate Governance for Supervised Institutions were approved for full application in Santander Bank Polska S.A. starting from 1 January 2015 by force of Management Board resolution no. 116/2014 of 9 October 2014 and Supervisory Board Resolution no. 58/2014 of 17 December 2014. Then, the Principles were approved by the General Meeting of Santander Bank Polska S.A. on 23 April 2015.

The table below describes the delivery of initiatives which are of the key importance to the Bank's shareholders.

Chapter	Important aspects of application of the Principles of Corporate Governance for Supervised Institutions
Organisation and organisational structure (Chapter 1)	▸ The organisation of the Bank facilitates the delivery of long-term objectives, among other things by combining strategic planning with analysis of the required resources. The Bank sets its strategic objectives taking into account the character and scale of business activity in its strategy approved by the Management Board and the Supervisory Board. ▸ The Bank has a transparent and appropriate organisational structure with functions assigned to organisational and tasks clearly allocated to Management Board members, head office units, branches and specific groups of positions. The effectiveness of the Bank's structure is analysed on an ongoing basis, taking into account market trends and benchmark data. The Bank's structure is available at: https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/wladze-banku. ▸ The organisation of the Bank makes it possible to change priorities as part of quarterly planning and business review, taking into account the analysis of business risks it is exposed to. Furthermore, the Bank has clear procedures to be followed in a special situation, i.e. in case of significant deterioration of its financial position or occurrence of operational events that disrupt or prevent the Bank from conducting its business activity. The Bank also has business continuity plans to minimise losses and ensure continuity of operations if special situations materialise. ▸ The Bank complies with law and supervisory and regulatory recommendations and has specialised units (Legal Area, Compliance Area) which support the Bank in adhering to regulations and monitor the performance of the Bank's obligations in this respect. The Bank's internal control system is effective and efficient. Its objective is to ensure the Bank's compliance with law and risk management rules, reliability of financial reporting and effectiveness of the Bank's operations. The Bank's employees may anonymously report breaches using the whistleblowing channels available at the Bank without fear of retaliation from managers or colleagues. The effectiveness of the procedure for anonymous reporting of breaches is assessed at least once a year by the Supervisory Board.
Relations with supervised institution's shareholders (Chapter 2)	▸ The Bank conducts its activity taking into account the interests of all stakeholders as long as they are not contrary to the interests of the Bank. To that end, the Bank has adopted detailed guidelines setting out rules of conduct and principles for preventing conflicts of interest. ▸ The Bank provides its shareholders with appropriate access to information and facilitates their participation in General Meetings, as described in detail in the section that discusses the material aspects of application of the Best Practice for GPW Listed Companies 2021 set out in Chapter 4 "General Meeting, shareholder relations". ▸ By exercising oversight, the shareholders contribute to effective and proper functioning of the Management Board and Supervisory Board. Members of the Management Board do not exercise their voting rights attached to the shares they hold. 50% of the Supervisory Board members meet the independence criterion, which prevents worsening of the effectiveness of the shareholder oversight. ▸ The Bank's shareholders do not hold any individual or other specific rights. Each share of the Bank gives one vote at the General Meeting. ▸ Transactions with related parties are made in line with legal and tax requirements. The Bank has relevant internal policies in place, ensuring that such transactions are made in the interest of the Bank, are transparent and comply with market standards. ▸ The purpose of the Bank's dividend policy is to ensure stable profit distribution in the long term and optimal capital structure of the Bank and Santander Bank Polska Group. The Bank's Management Board recommends payment of dividend by way of a resolution, taking into account prudent management and capital surplus over the acceptable capital ratios, as well as laws and recommendations and individual guidance issued by the supervisory authority (KNF).
Management body (Chapter 3)	▸ The Bank is managed by the Management Board which is a collective body. All members of the Management Board meet the criteria arising from law, best practice, regulatory recommendations and principles of corporate governance for supervised institutions, giving assurance of proper performance of their duties. It is verified by the Nominations Committee and the Supervisory Board as part of suitability assessment conducted before the appointment of the Management Board members and periodically (at least annually). ▸ The Management Board is the only body with the authorisation and duty to manage the Bank's operations. While pursuing the adopted strategy, the Management Board is guided by safety of the Bank, applicable law, recommendations of supervisors and internal regulations of the Bank. ▸ Members of the Management Board are collectively responsible for decisions which are within its remit, irrespective of the internal of responsibility for particular areas. The internal division of powers among Management Board members is transparent and covers all operational areas of the Bank. It is based on the organisational structure and adopted in the form of the Management Board resolution approved by the Supervisory Board. ▸ None of the Management Board members conducts an activity which could lead to a conflict of interest or adversely affect his or her reputation as a member of the Management Board. Functions performed on the Management Board are their main area of professional activity, which ensures that they commit relevant time and effort to their responsibilities. ▸ There is a succession plan for Management Board members, approved by the Supervisory Board, which enables their immediate replacement (if need be).

Supervisory body (Chapter 4)	▸ The Bank is supervised by the Supervisory Board. All members of the Supervisory Board meet the criteria arising from law, best practice, regulatory recommendations and principles of corporate governance for supervised institutions, giving assurance of proper performance of their duties. It is verified by the Nominations Committee as part of suitability assessment conducted before appointment of the Supervisory Board members and periodically (at least annually). The suitability assessment is submitted to the General Meeting for approval. ▸ The composition of the Supervisory Board ensures an appropriate number of persons who speak Polish (six out of ten members) and have appropriate experience and knowledge of the Polish financial market (six out of ten members). The Supervisory Board members who do not speak Polish use the assistance of interpreters and documentation translated into English. Half of the members of the Supervisory Board (including all members of the Audit and Compliance Committee and its Chairman) have independent status (the independence criteria arise from the Act on statutory auditors, audit firms and public oversight, and they include in particular no direct or indirect connections with the Bank, members of the governing bodies, major shareholders and their connected entities). ▸ As part of its tasks described in its Terms of Reference, the Audit and Compliance Committee monitors the performance of financial audit activities and agrees the rules of conducting these activities, including their proposed plan. The co-operation of the Audit and Compliance Committee and of the Supervisory Board with the external auditor is documented in the reports and letters addressed to these bodies and in the minutes of their meetings. ▸ Members of the Supervisory Board actively perform their functions and are sufficiently engaged in the work of the Supervisory Board, as demonstrated e.g. by high attendance at the meetings in 2024. All members of the Supervisory Board give assurance of proper performance of their duties. Specifically, all members of the Supervisory Board meet the criteria set out in Article 22aa of the Banking Law Act related to the maximum number of functions performed. ▸ The Supervisory Board exercises ongoing oversight of the Bank's operations and takes preventive and remedial measures. The Supervisory Board receives reports on all areas of the Bank's operations, including reports on the delivery of strategic objectives, significant changes in the level of risk or materialisation of significant risks as well as on financial reporting and the accounting policy. ▸ There is a succession plan for Supervisory Board members which enables their immediate replacement (if need be). ▸ Each year, the Supervisory Board assesses compliance with the Principles of Corporate Governance for Supervised Institutions and Best Practice for GPW Listed Companies. A relevant statement in this respect is an element of the report on the Supervisory Board's activities and is available on the website at: https://www.santander.pl/relacje-inwestorskie/dobre-praktyki.
Remuneration policy (Chapter 5)	▸ The rules regarding remuneration for members of the Management Board and the Supervisory Board are set out in the Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A. and in the Remuneration Policy for Members of the Supervisory Board of Santander Bank Polska Group approved by the General Meeting. ▸ The remuneration policy takes into account the Bank's financial position and payment of variable remuneration depends on the achievement of specific financial and non-financial objectives by the Bank. ▸ The Supervisory Board oversees the remuneration policy, including verification of the criteria for payment of variable components of remuneration. The Supervisory Board submits an annual report on the remuneration policy to the General Meeting, indicating whether the policy supports the Bank's growth and security. ▸ The remuneration of the Management Board members is set by the Supervisory Board and the remuneration of the Supervisory Board members is set by the General Meeting, considering the functions performed and the scale of the Bank's business. The Supervisory Board members who sit on committees are remunerated for additional tasks performed. ▸ Remuneration regulations for key function holders (other than Management Board members) are adopted and supervised by the Management Board. ▸ Variable remuneration is awarded to Management Board members based on the evaluation of their performance. Variable remuneration for the Bank's Management Board members and key managers depends on the assessment of the company's long-term financial position, long-term growth in shareholder value, stability of the company's operations and risk appetite. ▸ Members of the Bank's Management Board do not receive remuneration for performing duties of supervisory board members in the companies to which they have been designated by the Bank.
Disclosure policy (Chapter 6)	▸ The Bank has a disclosure policy in place, providing clear and reliable information to its shareholders, customers and other stakeholders. The policy provides for active measures to be taken by the Bank to satisfy information requirements of its stakeholders. The Bank communicates with capital market participants in a way that is adjusted to the needs of specific groups. ▸ The Bank's Disclosure Policy is available on the Bank's website at: https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=5. Detailed information about its assumptions is presented above in the Chapter 1 "Disclosure policy, investor communications" in the section on the application of Best Practice for GPW Listed Companies 2021.
Promotional activities and customer relationships (Chapter 7)	▸ Customer focus and customer experience are among the Bank's strategic priorities. The Bank's Consumer Protection Policy establishes the criteria for identification, organisation and protection of consumer rights in all activities of the Bank, including as part of the use of customer-centric model of products and services, agreed rules for communication, complaints handling and application of predefined control mechanisms. ▸ When offering financial products and services, the Bank is focused on providing customers with accurate information and meaningful explanations. Before entering into an agreement, customers receive necessary information about products and services in due course. The Bank makes sure that documents provided to customers are made in plain language and are easy to understand. ▸ Customer complaints are handled by the Customer Care Office in accordance with clear and transparent rules. They are also periodically analysed to identify causes and take remedial actions. ▸ The Bank has formal rules in place with respect to marketing communication and advertising messages, ensuring that they are accurate and not misleading and that they comply with applicable laws, principles of fair trade and good conduct.

Key internal systems and functions (Chapter 8)	▸ The Bank has an effective and appropriate internal control system in place that covers all levels of the Bank's organisational structure and is annually assessed by the Audit and Compliance Committee and the Supervisory Board. ▸ The Bank ensures independence of the internal audit function and the compliance function. The Head of the Internal Audit Area adheres to international standards for the professional practice of internal auditing and reports directly to the President of the Management Board, with a dotted reporting line to the Chairman of the Audit and Compliance Committee. The head of the compliance function reports directly to the Member of the Management Board in charge of the Compliance and FCC Division. The Head of the Internal Audit Area and the head of the compliance function take part in all meetings of the Management Board, the Audit and Compliance Committee, the Risk Committee and the Supervisory Board. ▸ The Bank's risk management system is organised according to the nature, scale and complexity of the business, taking into account the strategic objectives, the risk management strategy and the risk appetite. It is assessed by the Risk Committee and the Supervisory Board on an annual basis.
Exercise of rights resulting from assets acquired at customer's risk (Chapter 9)	▸ When buying assets at the customer's risk, the Bank (Santander Brokerage Poland) executes the customer's orders in line with the terms and conditions and the general terms of providing services which include the principle of best execution (Best Execution Policy). The decision-making process is duly documented.

Recommendation Z of the Polish Financial Supervision Authority (KNF) on corporate governance in banks

Recommendation Z has been effective as of 1 January 2022. Recommendation Z is a set of best practice on internal governance for banks. It supplements, refines and develops existing laws in this respect as well as KNF documents, in particular the Principles of Corporate Governance for Supervised Institutions described above.

Pursuant to Recommendation Z, in March 2024 the Bank's Management Board and Supervisory Board conducted an annual assessment of internal governance in the Bank and Santander Bank Polska Group based on the dedicated "Methodology for the assessment of internal governance in Santander Bank Polska S.A." approved by the Supervisory Board. Findings from the assessment confirmed a very high level of internal governance both in the Bank and in the Bank's subsidiaries.

The section below presents the main aspects of application of Recommendation Z by the Bank. Recommendation Z is available on the KNF's website at:

https://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja_Z_70998.pdf.

Chapter of Recommendation Z	Important aspects of application of Recommendation Z by Santander Bank Polska S.A.
A. General principles of internal governance in the Bank	▸ The Bank has a transparent, effective and legally compliant internal governance framework, defined in the Bank's Statutes and the hierarchical system of internal regulations, i.e. internal governance rules, operational models, policies, terms of reference, procedures, guidelines and other internal regulations. The Bank also ensures appropriate internal governance across the Group and exercises effective shareholder oversight of its subsidiaries. ▸ The said internal governance assessment methodology supports the Management Board and the Supervisory Board in making that assessment and verifying if internal governance is adjusted to the changing situation in the Bank and its external environment. The Supervisory Board assesses the Bank's internal governance and its implementation at least once a year. The detailed assessment criteria refer mainly to the financial performance against the plans, the adopted strategy, capital requirements, and the suitability of Management Board members, Supervisory Board members and key function holders in the Bank. Moreover, the overall assessment is affected by the potential deficiencies of the internal governance identified by the Internal Audit Area, by the effectiveness of controls forming the Control Function Matrix, and by potential deficiencies identified by the KNF during its inspections. Issues related to cooperation with suppliers, the adequacy of and adherence to internal regulations, changes in the Bank's organisational structure and the Bank's compliance with ethical and risk culture principles have also been taken into account.

B. Rules of procedure, powers, duties and responsibilities of the Supervisory Board members, the Management Board members and key function holders in the Bank, their mutual relations and suitability	▸ The Bank's Management Board defines the mission, long-term plans and strategic objectives of the Bank. ▸ The Bank provides the Supervisory Board with access to information, resources and support necessary to perform its tasks. ▸ The Bank has regulations in place governing the appointment and removal of members of the Management Board and the Supervisory Board. The composition of the governing bodies takes into account the ownership structure, business profile and business plans of the Bank. ▸ Members of the Supervisory Board and the Management Board and key function holders at the Bank meet the suitability requirements, i.e. they have the knowledge, skills and experience required to perform their functions and can commit sufficient time to the performance of their duties (they meet the minimum time commitment). At least once a year, the Bank assesses the suitability of all the persons mentioned above. ▸ The Supervisory Board and the Management Board perform their tasks based on written terms of reference. The General Meeting is informed about any amendments to the Terms of Reference of the Supervisory Board. The appropriateness of internal regulations on the Supervisory Board and the Management Board operations as well as effectiveness of these bodies are subject to regular assessment (including with the participation of independent advisors – the report on independent assessment of the Bank's Supervisory Board by KPMG Advisory spółka z ograniczoną odpowiedzialnością sp.k. was presented to the Extraordinary General Meeting on 12 January 2023 and it is available online at santander.pl/wza).
C. Rules of conduct and conflicts of interest at the Bank	▸ The Bank adheres to ethical standards set out in the General Code of Conduct. The Code regulates basic standards of behaviour and is an important element of the corporate culture. When making business decisions, the Bank is guided not only by legal or regulatory requirements but also by ethical standards adopted by the organisation. Those values are the foundation for building an effective internal governance framework in the Bank (the General Code of Conduct is available on the Bank's Investor Relations site, "Corporate documents" tab: https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne). At least one a year, the Management Board verifies and assesses the compliance with ethical standards and informs the Supervisory Board about the results. ▸ The Bank has effective and transparent rules for managing conflicts of interest. The internal regulations in this respect cover in particular relations, agreements and transactions with connected entities and between the Bank and: ▹ the Bank's customers; ▹ the Bank's shareholders; ▹ members of the Supervisory Board and the Management Board; ▹ the Bank's employees; ▹ material suppliers and business partners; ▹ other related parties than those listed above. ▸ Prices of transactions made between the Bank and its connected entities must be made on an arm's length basis. Transactions are made upon the verification of conflicts of interest (even potential ones). Approval from the Supervisory Board is required if: transactions with related parties exceed 5% of the Bank's total assets, transactions with a single entity during the accounting year exceed PLN 50,000,000 or if transactions exceed the PLN equivalent of EUR 4,000,000 (if applicable by law).
D. Outsourcing policy, remuneration rules and dividend policy of the Bank	▸ The Bank has relevant internal regulations setting out the rules for outsourcing activities to third parties and ensures strict supervision over the outsourced activities. The Bank also complies with Regulation (EU) on digital operational resilience for the financial sector (DORA). Every six months, the Management Board reports to the Supervisory Board on the assessment of contracts in terms of their correctness and compliance with law as well as quality and timeliness of outsourced activities. ▸ The remuneration rules in the Bank support in particular: ▹ Appropriate and effective management of risk and avoidance of excessive risk-taking beyond the maximum risk appetite approved by the Supervisory Board; ▹ Implementation of the Bank management strategy and risk management strategy and prevention of conflicts of interest. ▸ The Bank's dividend policy takes into account in particular the Bank's current economic and financial standing, macroeconomic environment, assumptions arising from internal regulations on the Bank management strategy and risk management strategy, the KNF's position on the dividend policy for financial institutions, limitations arising from the Act on macroprudential supervision over the financial system and crisis management in the financial system, and the assumed dividend payout ratio. The policy is regularly updated as part of the review of the Bank's internal regulations.

E. Risk management	▸ The Bank has the risk management system developed and implemented by the Management Board and covering the Bank's organisational units. It is based on three independent and complementary levels (lines of defence) and: ▹ takes into account the significance of the Bank's exposure to risk; ▹ covers all significant risk types (including environmental, social and governance risks), including adequacy and effectiveness and interdependencies between particular risk types; ▹ enables effective decision making with regard to the execution of the Bank management strategy. ▸ The risk culture principles applicable at the Bank cover the entire organisation and are aimed to raise the awareness of risk management obligations of all employees. The risk culture is promoted through numerous training sessions and initiatives. ▸ The Bank's product approval policy ensures compliance with regulatory requirements and takes into account valuation models and the impact on the risk profile, capital adequacy, profitability and availability of resources. The risk management unit and the compliance unit are involved in approving new products.
F. Disclosures	▸ The Bank has the disclosure strategy, whose main purpose is to provide market participants with reliable and exhaustive information about the Bank's risk profile. The strategy sets out the scope, frequency, time limits and forms of disclosure and rules for approval and verification of information subject to disclosure, and assessment whether market participants are provided with a comprehensive picture of the risk profile (the Strategy document is available on the Bank's Investor Relations site, "Corporate documents" tab).

Code of Banking Ethics

In addition to the foregoing corporate governance principles, Santander Bank Polska S.A. follows best sector practice established by the Polish Bank Association (ZBP) in the Code of Banking Ethics adopted by the 25th General Meeting of ZBP dated 18 April 2013.

The Code of Banking Ethics is composed of two parts:

Code of Best Banking Practice – a set of rules to be followed by banks in their relations with customers, employees, business partners and competitors;

Bank Employee Code of Ethics – rules of conduct for bank employees.

The Code of Banking Ethics is available on the website of the Polish Bank Association at: https://www.zbp.pl/dla-klientow/poradniki-i-rekomendacje.

Internal regulations

The general corporate governance principles are described in detail in the Bank's internal regulations.

The Bank has the Group-Subsidiary Governance Model and Guidelines for Subsidiaries as well as Specific Corporate Frameworks in place. The above-mentioned model sets out the basic rules to be followed by the Group in its relations with subsidiaries. It also includes guidelines on management and supervisory bodies and corporate governance concerning key business, support and control functions.

The Internal Governance Rules of Santander Bank Polska S.A. define the key rules with regard to the management system, organisational structure, internal and external relations, including relations with shareholders and customers, internal supervision and key internal systems and functions, as well as the rules of procedure, powers, obligations and responsibilities of members of the Supervisory Board and the Management Board and key function holders and mutual relations between them. Furthermore, the Corporate Governance Rules of Santander Bank Polska Group define the organisation and functioning of the Group entities as well as the rules for cooperation and intragroup reporting.

Irrespective of their role, all employees of the Bank and the Group must follow ethical principles and rules of conduct established in the General Code of Conduct. It is a set of key principles and values reflecting the corporate culture of Santander Group, whose aim is to build trust and lasting loyalty of employees, customers, shareholders and communities. These rules are strictly connected with the Bank's business strategy and mission, which is to help customers and employees prosper in a Simple, Personal and Fair way.

The Bank's corporate behaviour model is based on the following five behaviours: **Think customer, Embrace change, Act now, Move together and Speak up.** They emphasise that people, teams and customers are the top priority for the Bank. They are also used as performance review criteria.

The formal framework of the Bank's corporate culture also includes the Responsible Banking and Sustainability Policy, which defines the organisation's approach to sustainable development in terms of responsible banking as well as the Bank's voluntary ethical, social and environmental commitments. For details, please see Chapter XIII "Consolidated Sustainability Statement of Santander Bank Polska Group for 2024".

2. Issuer's securities

Structure of share capital

The table below presents the entities with significant holdings of Santander Bank Polska S.A. shares as at 31 December 2024 and 31 December 2023.

	Number of shares and voting rights		% in the share capital and total votes at GM	
Shareholders with a stake of 5% and higher	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Banco Santander S.A.	63,560,774	68,880,774	62.20%	67.41%
Nationale-Nederlanden OFE [1)]	5,123,581	5,123,581	5.01%	5.01%
Other shareholders	33,504,959	28,184,959	32.79%	27.58%
Total	102,189,314	102,189,314	100.00%	100.00%

1) Nationale-Nederlanden Otwarty Fundusz Emerytalny (OFE) is managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne (PTE) S.A.

As at 31 December 2024, Banco Santander S.A. held a controlling stake of 62.20% in the registered capital of Santander Bank Polska S.A. and in the total number of votes at the Bank's General Meeting. The remaining shares were held by the minority shareholders, of which, according to the information held by the Bank's Management Board, only Nationale-Nederlanden Otwarty Fundusz Emerytalny (OFE) exceeded the 5% threshold in terms of share capital and voting power.

On 10 September 2024, the Bank was informed by Banco Santander S.A. that the accelerated book-building process was completed to sell a portion of shares held by the majority shareholder to eligible institutional investors. 5,320,000 shares representing 5.2% of the Bank's share capital were sold. Following the settlement of the sale transaction, Banco Santander S.A. holds the majority stake of 63,560,774 shares in the Bank, representing 62.2% of its share capital. The Bank provided information about the above transactions in current reports no. 32/2024 and 33/2024 of 10 September 2024:

(https://www.santander.pl/relacje-inwestorskie/raporty?year=2024)

As informed in the above-mentioned reports: Banco Santander S.A. will remain a long-term majority shareholder in the company. As Poland is one of its core markets, Banco Santander S.A. will continue to support the current strategy of the company and its strategic objectives for 2024–2026, including an ambition to become one of the top three banks in Poland in terms of ROE and NPS. The sale of shares is aligned with Banco Santander S.A.'s strategic focus on proactive capital allocation to create shareholder value. The majority shareholder expects to redeploy the capital released from the transaction into organic growth and/or additional share buybacks.

According to the information held by the Management Board, the ownership structure as regards shareholders with a minimum 5% stake in terms of the voting power did not change in the period from the end of the financial year of 2024 until the date the Annual Report of Santander Bank Polska Group for 2024 was authorised for issue.

Rights and restrictions attached to the issuer's securities

The shares of Santander Bank Polska S.A. are ordinary bearer shares. Each share carries one vote at the General Meeting. The nominal value is PLN 10 per share. All shares are fully paid.

The Bank did not issue any series of shares that would give their holders any special control rights towards the issuer or would limit their voting power or other rights. Neither are there any restrictions on the transfer of title to the issuer's shares.

Planned share buyback in relation to Incentive Plan VII

The Bank's Annual General Meeting of 27 April 2022 established Incentive Plan VII and determined its terms and conditions. For the purpose of the Plan, between 2023 and 2033 the Bank will buy back up to 2,331,000 own shares in accordance with the revised remuneration strategy for key employees of the Bank for 2022–2026, which introduced variable remuneration based on the Bank's shares. In the case of participants of Incentive Plan VII who are material risk takers within the meaning of Article 9ca(1a) of the Banking Law Act, the form of variable remuneration was changed from phantom stock to the Bank's actual shares.

Buyback of the Bank's shares in 2024

On 19 April 2023, the Extraordinary General Meeting authorised the Bank's Management Board to buy back the Bank's fully covered own shares to perform obligations under Incentive Plan VII. In 2024, as part of the buyback under Incentive Plan VII, the Bank acquired the total of 134,690 own shares (with nominal value of PLN 1,346,900) at PLN 72,333,668.00. The shares represent 0.132% of the Bank's share capital and carry 0.132% votes at the Bank's General Meeting. Instructions were made to transfer all 134,690 shares to brokerage accounts of the participants of Incentive Plan VII. Having settled all these instructions, the Bank does not hold any of its own shares.

On 13 March 2024, the 2024 buyback programme related to Incentive Plan VII was closed. The buyback programme was delivered under: (i) Resolution no. 30 of the Annual General Meeting of 27 April 2022 regarding Incentive Plan VII and conditions of its execution and (ii) Resolution no. 29 of the Annual General Meeting of 19 April 2023 regarding the authorisation of the Bank's Management Board to purchase (buy back) own shares in order to execute

Incentive Plan VII and to create a capital reserve for that purpose (amended by Resolution no. 3 of the Extraordinary General Meeting of 11 January 2024). The own shares were bought back to be offered free of charge to the participants of Incentive Plan VII as the award for 2023 and deferred awards due for 2022 and payable in 2024.

Information on the buyback of the Bank's own shares for the purpose of execution of Incentive Program VII in the period from 2023 to 2024

As part of 2023-2024 buyback programme carried out to execute Incentive Plan VII, the Bank bought back the total of 300,096 own shares (with the nominal value of PLN 3,000,960) for PLN 121,217,860.40. The shares represent 0.294% of the Bank's share capital and carry 0.294% of votes at the General Meeting. Instructions were made to transfer 300,096 shares to brokerage accounts of the participants of Incentive Plan VII. Having settled all these instructions, the Bank does not hold any of its own shares.

The Bank's Management Board informed the Annual General Meeting about details of the share buyback in 2023 and 2024 during the meetings held on 19 April 2023 and 18 April 2024.

Pursuant to Resolution no. 29 of the Bank's Annual General Meeting of 18 April 2024, the Bank is going to buy back up to 326,000 own shares in 2025 as part of Incentive Plan VII.

3. Amendment of the Statutes of Santander Bank Polska S.A.

Any amendments to the Statutes of Santander Bank Polska S.A. may be made by way of a resolution of the General Meeting and must be entered into the register of entrepreneurs of the National Court Register in order to be valid. In accordance with the Banking Law Act, such amendments also require consent from the Polish Financial Supervision Authority (KNF).

In 2024, the Statutes were amended as follows:

1) Pursuant to Resolution no. 4 of the Extraordinary General Meeting, the provisions of § 7(2)(7a)(b)–(c) of the Bank's Statutes were amended in order to provide a more detailed catalogue of activities (as listed in Article 69(2)(2) and Article 69(2)(5) of the Act of 29 July 2005 on trading in financial instruments (Journal of Laws of 2022 no. 1500 as amended)) that the Bank performs pursuant to Article 70(2) of this Act. The amendments were effective as of 25 January 2024.

Provisions of the Statutes before and after the change:

Section	Previous wording	Current wording
§7(2)(7a)(b):	→ b) execution of orders to buy or sell non-publicly traded securities on behalf of the party placing the order;	→ b) execution of orders to buy or sell financial instruments on behalf of the party placing the order;
§7(2)(7a)(c):	→ c) proprietary trading in the securities issued by the State Treasury and the National Bank of Poland and in non-publicly traded instruments: securities, units in collective investment undertakings other than securities, money market instruments, derivatives, including options, forwards, swaps and contracts for difference;	→ c) buying or selling financial instruments on the Bank's own account;

The above-mentioned changes to the Bank's Statutes were registered by the registry court and came into force on 25 January 2024.

2) Pursuant to Resolutions of the Annual General Meeting no. 44 and 45 of 18 April 2024, amendments were made to the Bank's Statutes to align their content with the provisions introduced by the Act of 16 August 2023 on amending certain acts in connection with ensuring the development of the financial market and the protection of investors in this market (Journal of Laws of 2023, item 1723). They were registered by the registry court and came into force on 9 May 2024.

Provisions of the Statutes before and after the change:

Section	Previous wording	Current wording
§ 7(1)(10)	→ 10) performing term financial transactions;	→ (repealed)
§ 7(1)(15)	→ 15) performing operations related to the issue of securities;	→ 15) performing operations related to the issue of securities, including conducting business consisting in: → a) performing activities as part of the issue agent service consisting in the verification of: documents, completeness of documentation and statements and representations, compliance of securities and their issuer with the conditions for registration in the depository, and in the conclusion, on behalf of the issuer, of an agreement on registration; → b) providing payment agent services; → c) providing documentation agent services;
§ 7(2)(1)	→ 1) taking up or acquiring shares and rights to shares of another corporate entity and contributions to limited partnerships or limited joint stock partnerships, or units and investment certificates of investment funds, and making contributions to limited liability companies within the limits specified by the Banking Law Act;	→ (repealed)
§ 7(2)(2)	→ 2) raising liabilities related to the issue of securities;	→ (repealed)
§ 7(2)(3)	→ 3) trading in securities on the Bank's own account or at the request of third parties	→ (repealed)
§ 7(2)(7)(a)	→ a) performing the function of an investment firm's agent;	→ a) performing activities consisting in acquisition of brokerage customers or prospective brokerage customers or activities equivalent to investment advisory performed by an investment company in respect of structured deposits, acquisition of holders or potential holders of structured deposits, activities related to making brokerage agreements, agreements for activities equivalent to investment advisory performed by the investment company in respect of structured deposits, agency agreements for making structured deposit agreement(s) or facilitating performance of such agreements, including in the capacity of the investment firm's agent;
§ 7(2)(7)(g)	→ g) providing leasing, factoring and forfaiting services as well as stand-by and firm commitment underwriting;	→ g) providing leasing, factoring and forfaiting services;
§ 7(2)(7)(i)	→ i) performing activities, as requested by the Minister of Treasury and set forth in the Act of 30 August 1996 on commercialisation and privatisation of state owned enterprises;	→ (repealed)
§ 7(2)(7a)(a)	→ a) receiving and transmitting orders to buy or sell non-publicly traded instruments: units of collective investment undertakings and non-treasury debt instruments issued under the Bonds Act or the Civil Code, including municipal bonds, corporate bonds and short-term debt instruments;	→ a) receiving and transmitting orders to buy or sell financial instruments;
§ 7(2)(7a)(e)	→ e) offering securities issued by the State Treasury and the National Bank of Poland, including non-publicly traded instruments: units of collective investment undertakings other than securities, money market instruments, derivatives including options, forwards, swaps, contracts for difference, and securities including municipal bonds, corporate bonds and short-term debt instruments;	→ e) offering financial instruments;

§ 7(2)(7a)(f)	→ f) providing services under firm commitment underwriting and stand-by underwriting agreements or making and performing other similar agreements regarding securities as defined by the Act on trading in financial instruments, excluding securities not covered by the Act on public offer and conditions for introducing financial instruments to organised trading, and on public companies;	→ f) providing services under underwriting agreements or making and performing other similar agreements regarding financial instruments;
§ 7(2)(7b)	→ 7b) performing brokerage activities;	→ 7b) performing brokerage activities, i.e.: → a) receiving and transmitting orders to buy or sell financial instruments; → b) executing orders referred to in item a) on behalf of the party placing an order; → c) buying or selling financial instruments on own account; → d) providing investment advisory; → e) offering financial instruments; → f) providing services under underwriting agreements or making and performing other similar agreements regarding financial instruments; → g) safekeeping or registering financial instruments, including maintenance of securities accounts, derivative accounts, omnibus accounts or cash accounts, and keeping a record of financial instruments; → h) providing corporate advisory services with respect to capital structures, business strategies or other aspects related to such structures or strategies; → i) providing advisory and other services with respect to mergers, demergers and acquisitions; → j) providing foreign exchange services in connection with brokerage services to the extent stipulated in items a-f; → k) preparing investment analyses, financial analyses and other general recommendations concerning transactions in financial instruments; → l) providing additional services related to underwriting agreements;
§ 7(2)(8)	→ 8) providing sales-related services for open-end pension funds;	→ (repealed)
§ 7(2)(9)	→ 9) performing the function of a depositary as defined in the Act on organisation and functioning of pension funds;	→ (repealed)
§ 7(2)(10)	→ 10) performing the function of a depositary as defined in the Act on investment funds;	→ (repealed)
§ 7(2)(13)	→ 13) providing services related to maintenance of the register of investment fund unitholders, including especially: management of unitholders' instructions and registers, management of direct contributions, management of the register of distributors and agency in settlements with them, handling complaints and correspondence with customers of funds, providing data from the transaction register to duly authorised entities, data archiving, providing software to distributors and its maintenance, administrative service of bank accounts owned by funds;	→ 13) as requested by investment funds, foreign funds or entities managing these funds, providing services which consist in performing activities stipulated by law (including regulations on discharging tax obligations and anti-money laundering and counter-terrorist financing obligations), accepting instructions and orders as part of special schemes based on funds or as part of individual pension account/ individual pension security account programmes, as well as services consisting in archiving and storing data, including documents of fund unitholders;
§ 7(2)(16)	→ 16) keeping share registers for companies pursuant to agreements signed with such companies;	→ (repealed)

§ 7(2)(18)	→ (none)	→ 18) providing distribution services within the meaning of the Act of 27 May 2004 on investment funds and management of alternative investment funds.

The Bank received a consent from the KNF to amend the Statutes as above.

4. Governing bodies

General Meeting

Organisation and powers of the General Meeting

The Bank's General Meeting is held as provided for in the Commercial Companies Code of 15 September 2000, the Bank's Statutes and the Terms of Reference of the General Meeting. The Statutes as well as the Terms of Reference of the General Meeting are available on the Bank's website:

https://www.santander.pl/relacje-inwestorskie/dokumenty-korporacyjne#dokument=7

The Annual General Meeting is held once a year by 30 June. The Extraordinary General Meeting is convened when it is required to take a decision on a specific matter or when such a meeting is requested by eligible parties.

The General Meeting adopts resolutions in matters within its remit, as defined by the above-mentioned laws and internal regulations. The Annual General Meeting:

- reviews and approves the Management Board's report on the company's performance and the financial statements for the previous financial year;
- adopts a resolution on profit distribution or loss coverage;
- gives discharge to the members of the company's governing bodies;
- reviews and approves the financial statements of the Group within the meaning of the accounting regulations;
- reviews other reports (e.g. report on the activities of the Supervisory Board).

The Annual General Meeting or the Extraordinary General Meeting may:

- adopt a resolution to amend the Bank's Statutes;
- appoint members of the Supervisory Board;
- remove members of the Management Board;
- adopt a resolution to increase share capital;
- decide on a merger with another company;
- adopt a resolution on remuneration policies for members of the Management Board and the Supervisory Board, set the remuneration for members of the Supervisory Board.

Since 2011, the Bank's shareholders may participate in the General Meeting using electronic communication channels (without the physical presence of themselves or their proxies). This enables two-way real-time communication and makes it possible for shareholders to exercise their voting rights. The Bank's approach, applied and improved for years, proved particularly effective during the Covid-19 pandemic, when the physical participation in the General Meeting was significantly impeded.

Voting (including via electronic communication channels) takes place using an electronic voting system which returns the number of votes ensuring that they correspond to the number of shares held, and in the case of a secret ballot – allows shareholders to remain anonymous. Shareholders may vote in person or by proxy.

The General Meeting is broadcast live online to all interested parties and a recording is available on the Bank's website dedicated to the General Meeting for later review. The information about the planned broadcast is published at least seven days before the date of the General Meeting.

Draft resolutions, rationale, and other submissions to the General Meeting (assessments, reports and opinions of the Bank's Supervisory Board) are published on the Bank's website early enough for the General Meeting participants to read them.

The representatives of the press, radio and TV may also attend the General Meeting.

General Meetings held in 2024

On 18 April 2024, the Annual General Meeting of Santander Bank Polska S.A. was held. It approved the 2023 reports submitted by the Management Board and the Supervisory Board, and the Supervisory Board's assessments of the required areas. The AGM decided on the profit distribution and allocation of PLN 4,560,709,083.82 (approx. 100% of profit for 2023) for dividend payment. It also approved the collective suitability assessment of the Supervisory Board and the individual suitability assessment of the Supervisory Board members, granted discharge to members of the Management Board and the Supervisory Board, reviewed the report on the remuneration of the Management Board and Supervisory Board members for 2023, made amendments to the Bank's Statutes as indicated in Section 3 above, created a capital reserve to be earmarked for the purchase of own shares under Incentive Plan VII and authorised the Management Board to purchase the Bank's own shares under Incentive Plan VII in 2025. Furthermore, the Bank informed the General Meeting about the KNF's stance on assessment of the adequacy of internal regulations and effectiveness of the Supervisory Board's operations (a relevant current report was distributed to the General Meeting and published at santander.pl/wza). The General Meeting also appointed the Supervisory Board members for a new term of office (Antonio Escámez Torres, José Luis de Mora, Dominika Bettman, José García Cantera, Adam Celiński, Danuta Dąbrowska, Isabel Guerreiro, Kamilla Marchewka-Bartkowiak, Tomasz Sójka and Jerzy Surma), appointed the Chairman of the Supervisory Board and determined the remuneration for the Supervisory Board members. Isabel Guerreiro and Jerzy Surma were appointed Supervisory Board members as of 1 July 2024 (for details, please see the section on the Supervisory Board below).

On 12 January 2024, the Extraordinary General Meeting was held. It adopted a resolution amending Resolution no. 29 of the General Meeting of 19 April 2023 in terms of the maximum price per share for the Bank's shares to be bought back as part of Incentive Plan VII, increasing it from PLN 500 to PLN 1,000 to account for a considerable growth of the Bank's market price since 19 April 2023. The EGM also passed a resolution to amend the Bank's Statutes, as specified in Section 3 "Amendment of the Statutes of Santander Bank Polska S.A.".

Shareholders' rights

The rights of shareholders of Santander Bank Polska S.A. are set out in the Terms of Reference of the Bank's General Meeting in line with the Commercial Companies Code.

The fundamental right of shareholders is to attend the General Meeting and vote (personally or through proxies).

Pursuant to the Terms of Reference of the General Meeting, shareholders or their proxies may participate in the General Meeting via electronic communication channels (i.e. they may vote, make an objection, communicate with the meeting room, ask questions, etc.). Each share carries one vote at the General Meeting.

- Shareholders have certain rights with respect to the General Meeting, as specified in the Commercial Companies Code. In particular, they may:
  - object to adopting a resolution;
  - appeal against resolutions adopted by the General Meeting to the court (action for revocation or cancellation of a resolution);
  - request voting by secret ballot;
  - submit draft resolutions and propose amendments and supplements to draft resolutions concerning the business of the General Meeting by the end of discussion of a particular agenda item;
  - ask questions and request information from the Management Board regarding issues on the General Meeting agenda, as provided for by the Commercial Companies Code;
  - apply for the role of the Chairman of the General Meeting or propose a candidate for that role;
  - challenge decisions made by the Chairman of the General Meeting;
  - give a brief presentation and a short response to questions concerning individual items of the agenda.
- Shareholders may also:
  - request that a list of shareholders be emailed to them free-of-charge to the indicated address, inspect the list of shareholders available in the Bank's Management Board office and request a copy of the list at their own expense;
  - demand copies of requests included in the General Meeting agenda one week before the General Meeting;
  - have access to the General Meeting minutes and request copies of resolutions confirmed by the Bank's Management Board as true copies.

The Management Board members, acting within their powers and in accordance with the Act on trading in financial instruments, have an obligation to respond to shareholders' questions which are relevant to the business of the General Meeting (for important reasons only – the response must be given in writing within two weeks of the request). The Management Board refuses to provide the requested information if it might:

- be prejudicial to the company or its subsidiaries or affiliates due to disclosure of technical, trade or organisational secret;
- cause a member of the Management Board to face criminal, civil or administrative liability.

Shareholders may request the Bank to provide information concerning the Bank outside of the General Meeting. In such a case, the Management Board may provide the requested information in writing, unless it might be prejudicial to the Bank, its subsidiary or affiliate, in particular due to disclosure of the company's technical, trade or organisational secret.

If the Bank provides information outside of the General Meeting, it publishes a current report with answers to the questions asked.

Supervisory Board

Rules of procedure of the Supervisory Board

The Supervisory Board of Santander Bank Polska S.A. operates under the Banking Law Act of 29 August 1997, the Commercial Companies Code of 15 September 2000, the Bank's Statutes and the Terms of Reference of the Supervisory Board, available on the Bank's website.

Composition, rules for appointment and removal of Supervisory Board members

The Supervisory Board consists of at least five members appointed for a joint three-year term of office. Terms of office are set in full financial years. The Supervisory Board members, including the Chairman of the Supervisory Board, are appointed and removed by the General Meeting. The Management Board informs the KNF about the composition of the Supervisory Board. The term of office of the Supervisory Board member expires no later than on the date of the General Meeting held to approve the financial statements for the last full financial year in which the member served on the Supervisory Board. It also expires as a result of the member's death, resignation or removal. The term of office of the Supervisory Board member who was appointed before the end of the term of the Supervisory Board expires at the same time as those of the remaining members.

Pursuant to the Bank's Statutes, at least half of the Supervisory Board members should be of independent status.

Powers of the Supervisory Board

The Supervisory Board exercises ongoing oversight of the Bank's operations. Apart from the rights and obligations provided for by the law and the Statutes, the Supervisory Board also has the following powers:

- to assess the financial statements in terms of their consistency with the books of account, documents and factual circumstances;
- to approve the Bank's annual and long-term development and financial plans, strategy and rules of prudential and stable management established by the Management Board;
- to approve the Management Board's proposals as regards setting up and winding up the Bank's units abroad;
- to give consent to equity investments to be made by the Bank if:
  - the value of such investment exceeds the PLN equivalent of EUR 4,000,000;
  - the value of such investment exceeds EUR 400,000 and, concurrently, as a result of such investment, the Bank's share in another entity will be equal to, exceed or will be reduced below 20% of the votes at the General Meeting;
- with the exception of underwriting agreements, the total exposure of the Bank under such agreements does not exceed one tenth of the total own funds of the Bank;
- to give consent to buy, sell or encumber non-current assets (as defined in the Accounting Act), in particular real property, if the value of a non-current asset exceeds the PLN equivalent of EUR 4,000,000, except for foreclosure of real property by the Bank as a mortgagee, as a result of an unsuccessful auction held as part of enforcement proceedings or foreclosure of another non-current asset or securities by the Bank as a creditor secured by a registered pledge pursuant to the provisions of the Act on registered pledge and the register of pledges, or as a creditor secured by a transfer of title to secure loan repayment pursuant to the provisions of the Banking Law Act;
- to review the Management Board reports and proposals concerning profit distribution and loss coverage;
- to set remuneration for the President and members of the Management Board;
- to conclude agreements on behalf of the Bank with members of the Management Board (where authorised to do so), including employment contracts and management contracts (the Supervisory Board may appoint its Chairman or another member of the Supervisory Board to make statements of will in this respect);
- to adopt the Terms of Reference of the Bank's Management Board and other terms of reference and rules provided for by the Statutes or law, and to approve the Bank's Organisational Regulations and Policy on internal control system;
- to appoint an entity authorised to audit the Bank's financial statements and to conduct financial audits in the Bank;
- to request consent from the KNF to appoint two Management Board members, including the President of the Management Board;
- to inform the KNF about:
  - other Management Board members and each change in the Management Board composition;
  - compliance of the Management Board members with the criteria set out in the Banking Law Act, after performing the compliance assessment;
  - approving and changing the distribution of duties within the Management Board;
  - including the information on the Management Board member in charge of material risk in the Bank's operations;
- to appoint and remove the President and other members of the Management Board;
- to suspend the Management Board members for important reasons and delegate the Supervisory Board members to perform the role of the suspended Management Board members;
- to present the Annual General Meeting with a brief assessment of the Bank's situation, including the assessment of the internal control system and the material risk management system;
- to approve the policies developed by the Management Board: risk management policy, risk appetite, internal capital assessment and maintenance policy, internal control policy, remuneration policy, for each category of material risk takers;
- to approve the distribution of duties within the Management Board as decided by the Management Board;

→ to review the matters to be considered by the General Meeting.

The Supervisory Board takes decisions in the form of resolutions which are adopted by absolute majority in open voting. The Supervisory Board adopts resolutions in a secret ballot in the cases stipulated by law. The Supervisory Board meetings are held as and when required and at least three times in any financial year. The Supervisory Board members convene in a single location, or in different locations using remote communication channels.

Selected forms of communication with the shareholders

Each year, the Supervisory Board prepares and presents to the Annual General Meeting a report on its activities in the previous year, including a summary of operations of the Supervisory Board committees, a report from the audit of the annual financial statements of the Group and the Management Board's proposal of profit distribution, as well as assessment of the Group's activities (including internal control, risk management and compliance systems and internal audit function), corporate governance practices, remuneration policy and the rationale for sponsorship and corporate giving-related expenses. The above report of the Supervisory Board is published on the Bank's website at least 26 days before the General Meeting.

Assessment of adequacy of regulations concerning the Supervisory Board

On 21 March 2024, the Supervisory Board self-assessed the regulations concerning its activities in line with KNF's Recommendation Z no. 8.9. Having analysed the regulations in detail, the Supervisory Board found that they cover all of the required issues, are adequate and enable it to operate efficiently and effectively as well as facilitate an effective governance over the Bank's operations. The regulations duly reflect the specific nature of the Bank's operations, its size and organisational structure. Moreover, they meet all the regulatory requirements, both in terms of the provisions of law, KNF recommendations and EBA's guidelines on internal governance. The Bank's General Meeting agreed with the conclusion that the regulations are adequate and enable the Supervisory Board to operate efficiently (Resolution no. 19 of the Annual General Meeting of 18 April 2024).

Assessment of the efficiency and effectiveness of the Supervisory Board

On 21 March 2024, the Supervisory Board (acting jointly with the Nominations Committee) self-assessed the effectiveness of its activities in line with KNF's Recommendation Z no. 8.9. The Supervisory Board indicated that it duly and effectively discharged its responsibilities arising from applicable laws, including the Commercial Companies Code, the Banking Law Act, the Bank's Statutes and the KNF recommendations, as well as from corporate governance rules. The Bank's General Meeting approved the foregoing self-assessment (Resolution no. 19 of the Annual General Meeting of 18 April 2024).

Suitability assessment

All Supervisory Board members are subject to individual suitability assessment (initial and ongoing). The Supervisory Board is also subject to collective suitability assessment. The foregoing processes are delivered in accordance with the Policy on suitability assessment of Supervisory Board members in Santander Bank Polska S.A. developed in line with the Joint Guidelines of the European Securities and Markets Authority and the European Banking Authority no. EBA/GL/2021/06, Guidelines of the European Banking Authority no. EBA/GL/2021/05 on internal governance, taking into account applicable laws, in particular the Banking Law Act and the Commercial Companies Code. The assessment is conducted according to the Suitability assessment methodology for members of governing bodies of supervised entities published by the KNF ("KNF's Suitability assessment methodology"). The individual and collective suitability assessments are conducted at least once a year and as required under the above-mentioned policy, e.g. when candidates are proposed for the Supervisory Board positions (in this case, the assessment should be generally performed before the formal appointment), when membership of the Supervisory Board changes or when the Bank's business model is significantly modified. The Supervisory Board presents the results of the suitability assessment at the next General Meeting.

Supervisory Board's operations in 2024

In 2024, the Supervisory Board carried out its activities based on the adopted schedule of meetings and the general work plan adjusted to the current circumstances. The Supervisory Board regularly requested and received from the Bank's Management Board exhaustive materials on issues covered by the agendas of its meetings as well as those pertaining to other matters important to the Bank's operations. The agenda of each meeting covered business issues, important developments in the Bank, matters submitted by the Bank's Management Board for consideration and any other issues mandated by the Supervisory Board or deemed necessary to be covered by the agenda by the Board. In 2024, the Supervisory Board focused on, among other things: implementation of the new strategy, transformation, sustainability (ESG), issues arising from the KNF's supervisory priorities for 2024 (management of IRRBB in the context of hedging against excessive risk exposure, preparations for the management of liquidity risk in crisis situations, management of large credit exposures and credit concentration risk) as well as monitoring of the implementation of KNF recommendations. The Supervisory Board's activities are described in detail in the minutes of its meetings which, together with the adopted resolutions, are kept at the Bank's headquarters. Irrespective of regular meetings, the Supervisory Board members stayed in regular contact with the Bank's Management Board members in order to exercise comprehensive oversight of the Bank's operations. The individual matters were also considered by the Supervisory Board's Committees in accordance with their powers. In 2024, the Supervisory Board focused on, among other things: strategy implementation, finances, relations with external auditors, internal audit, regulatory and compliance issues, the risk management system and internal control system, as well as day-to-day issues related to the operations of individual business lines and the Bank a whole.

In 2024, the Supervisory Board committees analysed the issues within their scope of responsibility, both in detail and at the general level, and issued follow-up recommendations to the Supervisory Board (for more information, please see the section on committees below).

Composition of the Supervisory Board

[ESRS 2, Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies, section 19]

The table below presents the composition of the Supervisory Board of Santander Bank Polska S.A. as at 31 December 2024 and 31 December 2023.

Role in the Supervisory Board	No.	Composition as at 31.12.2024	No.	Composition as at 31.12.2023
Chairman of the Supervisory Board:	1.	Antonio Escámez Torres	1.	Antonio Escámez Torres
Deputy Chairman of the Supervisory Board:	2.	José Luis de Mora	2.	José Luis de Mora
Members of the Supervisory Board:	3.	Dominika Bettman	3.	Dominika Bettman
	4.	José García Cantera	4.	José García Cantera
	5.	Danuta Dąbrowska	5.	Danuta Dąbrowska
	6.	Isabel Guerreiro *	6.	Isabel Guerreiro
	7.	Adam Celiński	7.	David Hexter ***
	8.	Jerzy Surma *	8.	Adam Celiński
	9.	Tomasz Sójka **	9.	Jerzy Surma
	10.	Kamilla Marchewka Bartkowiak **	10.	Marynika Woroszylska-Sapieha ***

* Supervisory Board members until 18 April 2024 and since 1 July 2024
** Supervisory Board members since 18 April 2024
*** Supervisory Board members until 18 April 2024

In view of the above-mentioned developments, the Supervisory Board composition between 18 April and 30 June 2024 was as follows:

Role in the Supervisory Board	No.	Composition in the period from 18.04.2024 to 30.06.2024
Chairman of the Supervisory Board:	1.	Antonio Escámez Torres
Deputy Chairman of the Supervisory Board:	2.	José Luis de Mora
Members of the Supervisory Board:	3.	Dominika Bettman
	4.	José García Cantera
	5.	Danuta Dąbrowska
	6.	Adam Celiński
	7.	Tomasz Sójka
	8.	Kamilla Marchewka Bartkowiak

As the mandates of the Supervisory Board members expired on the date of the General Meeting held on 18 April 2024 to approve the financial statements for 2023, on 20 March 2024 the Nominations Committee of the Supervisory Board of Santander Bank Polska S.A. assessed individual suitability of prospective Supervisory Board members as well as collective suitability of the Supervisory Board of Santander Bank Polska S.A. for the new term of office.

The assessment had the form of annual re-assessments of the following existing members of the Supervisory Board appointed for the new term of office:

1) Antonio Escámez Torres — Chairman of the Supervisory Board
2) José Luis de Mora — Deputy Chairman of the Supervisory Board
3) José García Cantera — Member of the Supervisory Board
4) Dominika Bettman — Member of the Supervisory Board
5) Isabel Guerreiro — Member of the Supervisory Board
6) Danuta Dąbrowska — Member of the Supervisory Board
7) Adam Celiński — Member of the Supervisory Board
8) Jerzy Surma — Member of the Supervisory Board

Additionally, the Committee assessed the individual suitability of candidates for the Supervisory Board members who had not previously performed any role on the Board:

9) Kamilla Marchewka-Bartkowiak
10) Tomasz Sójka.

The Nominations Committee decided that each of the assessed persons met the suitability criteria set out in Article 22(aa) of the Banking Law Act, i.e. with regard to the knowledge, skills and experience required to perform duties and responsibilities on the Bank's Supervisory Board, warranted proper discharge of these duties, and met the criteria for reputation, honesty and integrity. In the Committee's opinion, there were no objective and demonstrable circumstances or factors that could raise concerns about good repute of the said individuals and each person met the independence of mind criteria and was able to commit sufficient time to perform his/her duties, including in periods of particularly increased activity of the Bank. As regards the collective suitability assessment, the Committee unanimously stated that the structure, size, composition and effectiveness of the Supervisory Board in the target composition were suitable and complied with the applicable regulations, in particular Article 22(aa) of the Banking Law Act. The information about the candidates for the Supervisory Board members was published on the Bank's website and in current report no. 20/2024 of 21 March 2024 together with notice of the Annual General Meeting. The Annual General Meeting held on 18 April 2024 approved the results of the suitability assessments and appointed the following Supervisory Board members for the new term of office in accordance with the recommendation of the Nominations Committee:

1) Antonio Escámez Torres	Chairman of the Supervisory Board
2) José Luis de Mora	Deputy Chairman of the Supervisory Board
3) José García Cantera	Member of the Supervisory Board
4) Dominika Bettman	Member of the Supervisory Board
5) Isabel Guerreiro*	Member of the Supervisory Board
6) Danuta Dąbrowska	Member of the Supervisory Board
7) Adam Celiński	Member of the Supervisory Board
8) Jerzy Surma*	Member of the Supervisory Board
9) Kamilla Marchewka-Bartkowiak	Member of the Supervisory Board
10) Tomasz Sójka	Member of the Supervisory Board.

* as of 1 July 2024

The information about the Supervisory Board members appointed for the new term of office, including their academic and professional background, was published in current report no. 24/2024 of 18 April 2024. Adam Celiński met the independence criteria as of 1 July 2024 given the lapse of the cool-off period of three years from 30 June 2021 when he ceased to be a partner at PwC – the Bank's auditor. On 11 May 2024, Jerzy Surma lost the independent member status as he had been performing the function on the Supervisory Board for more than 12 years. Therefore, given the need to comply with the requirement set out in § 25(2) of the Bank's Statutes, namely that at least half of the Supervisory Board members should be independent, the Committee recommended that all the assessed individuals be appointed to the Supervisory Board for the new term of office with the proviso that Isabel Guerreiro's and Jerzy Surma's appointment should take effect as of 1 July 2024. This ensured that there is the required number of independent members of the Supervisory Board at all times. Between 18 April 2024 and 30 June 2024, the Supervisory Board was composed of eight members, including four independent ones (Dominika Bettman, Danuta Dąbrowska, Kamilla Marchewka-Bartkowiak, Tomasz Sójka), and starting from 1 July 2024 – of ten members, including five independent ones (together with Adam Celiński).

The General Meeting also approved the results of the collective suitability assessment of the Supervisory Board conducted by the Nominations Committee. The structure, composition and effectiveness of the Supervisory Board in the target composition was deemed to be suitable and comply with the applicable regulations, in particular Article 22(aa) of the Banking Law Act. Half of the Supervisory Board members continuously meet the independence criteria (both as part of ten- and eight-person composition) arising from the Act on statutory auditors, audit firms and public oversight, Commission Recommendation 2005/162/EC of 15 February 2005 as well as relevant criteria stipulated in the Bank's Statutes (as agreed with the KNF), Terms of Reference of the Supervisory Board and Terms of Reference of the Audit and Compliance Committee. The following members of the Supervisory Board held independent status: Dominika Bettman, Danuta Dąbrowska, David Hexter (Supervisory Board member until 18 April 2024), Marynika Woroszylska-Sapieha (Supervisory Board member until 18 April 2024), Jerzy Surma (until 10 May 2024), Adam Celiński (since 1 July 2024) and Tomasz Sójka and Kamilla Marchewka-Bartkowiak (Supervisory Board members since 18 April 2024). Each of the above persons made a relevant statement which is subject to suitability assessment. The results of individual and collective suitability assessments of the Supervisory Board are approved by the General Meeting.

In 2024, members of the Supervisory Board committed sufficient time to perform their functions. During the year 18 Supervisory Board meetings were held at which 146 resolutions were passed. Average attendance of the Supervisory Board members was 94.8%.

The table below presents the attendance of the Supervisory Board members:

Role in the Supervisory Board	No.	Composition as at 31.12.2024	Attendance at meetings in 2024		No.	Composition as at 31.12.2023	Attendance at meetings in 2023	
Chairman of the Supervisory Board:	1.	Antonio Escámez Torres	18/18	100%	1.	Antonio Escámez Torres	28/28	100%
Deputy Chairman of the Supervisory Board:	2.	José Luis de Mora	16/18	89%	2.	José Luis de Mora	28/28	100%
Members of the Supervisory Board:	3.	Dominika Bettman	15/18	83%	3.	Dominika Bettman	28/28	100%
	4.	José García Cantera	18/18	100%	4.	José García Cantera	23/28	82%
	5.	Danuta Dąbrowska	17/18	94%	5.	Danuta Dąbrowska	27/28	96%
	6.	Isabel Guerreiro *	12/14	86%	6.	Isabel Guerreiro	24/28	86%
	7.	Adam Celiński	18/18	100%	7.	David Hexter ***	27/28	96%
	8.	Jerzy Surma *	14/14	100%	8.	Adam Celiński	11/11	100%
	9.	Tomasz Sójka **	14/14	100%	9.	Jerzy Surma	27/28	96%
	10.	Kamilla Marchewka Bartkowiak **	14/14	100%	10.	Marynika Woroszylska-Sapieha***	28/28	100%

* Supervisory Board members until 18 April 2024 and since 1 July 2024
** Supervisory Board members since 18 April 2024
*** Supervisory Board members until 18 April 2024y. Between 1 January 2024 and 17 April 2024, Marynika Woroszylska and David Hexter took part in four out of four meetings (100%).

Members of the Bank's Supervisory Board have various academic background, extensive expertise and considerable professional experience in banking and business, including finance, accounting, financial analysis, IT law and economics. Individual competencies and experience of the Supervisory Board members guarantee due performance of the obligations entrusted with them, while their complementarity ensures effective discharge of collective supervisory obligations. The diversity of the Supervisory Board in terms of gender, age, geographical provenance and length of service with the Bank is presented in Section 8 "Diversity policy" ("Diversity policy regarding the governing bodies").

The individual suitability assessment of Supervisory Board members (or candidates) and collective suitability assessment of the Supervisory Board (as a whole) focus on the expert knowledge and skills in the area of sustainable development – the Bank verifies whether the assessed persons have knowledge, skills as well as theoretical and practical experience relating to risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk, including environmental, social and governance risks and risk factors) and collects relevant statements from these persons. The Bank also provides the Management and Supervisory Board members with access to training delivered by both internal and external experts so that they can improve their competencies in that area on an ongoing basis. In 2024, the Bank provided specialist training on sustainable development, which was attended by the Management and Supervisory Board members:

- ESG strategy and leadership. Role and responsibilities of Management and Supervisory Board members in the context of regulatory requirements and market expectations;
- Management of ESG risks in the context of supervisory guidelines and disclosure requirements.

The training covered legal requirements and EU regulatory frameworks, greenwashing, decarbonisation, climate change-related risks and their impact on the Bank's operations (including the impact on the loan portfolio, risk management methodologies, and the ensuing opportunities and threats). Furthermore, in 2024 the Management Board members attended conferences and events devoted to broadly-defined sustainable development and ESG. They included:

- Energy transition and artificial intelligence – European Financial Congress
- Banks want to finance the green revolution but not all projects will qualify – European Financial Congress
- Situation of the banking sector and economic development challenges – European Financial Congress
- Technological revolution. New era of innovations – Impact 2024
- Modern bank – Banking Forum & Insurance Forum.

The active participation of the Bank's top executives in events themed around sustainable development and the presentation of the Bank's and the Group's approach to a wide audience makes it possible to share experiences with leaders and ESG experts, and therefore to build knowledge and experience of top executives and employees across the organisation.

At the meetings, members of the Management Board and Supervisory Board supported the initiatives aimed at increasing the Bank's sustainable development-related competencies (training for employees, recruitment of experts in a given area – both for business units and for 2LoD and 3 LoD units).

The information about the academic background and professional experience of the Bank's Supervisory Board members is presented below. It is also published on the Bank's website at: https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/wladze-banku.

Members of the Supervisory Board of Santander Bank Polska S.A.

Antonio Escámez Torres

Chairman of the Supervisory Board

Academic background:

- Law degree from Complutense University of Madrid

Professional background:

- 1973–1999: Banco Central (including the role of the Chairman and Chief Executive Officer with responsibility for the North American operations, member of the Board of Directors, member of the Executive Committee and member of the Management Committee)
- since 1999: Santander Group (including the role of the member of the Board of Directors, member of the Executive Committee, member of the Management Committee, member of the Banco Santander International Advisory Board and member of Technology and International Committees)
- 2009-2018: Chairman of Spain India Council Foundation
- 2007-2018: Chairman of Banco Santander Foundation
- 1994-2018: Vice Chairman of Attijariwafa Bank
- since 1999: Santander Consumer Finance S.A.: Chairman of the Board of Directors (1999–2020) and Non-Executive Director (since 2020)

José Luis de Mora

Deputy Chairman of the Supervisory Board

Academic background:

- Graduate of ICADE University (Law and Economics)
- MBA degree from Boston College
- Chartered Financial Analyst

Professional background:

- 1992–1994: Corporate Finance at Bank of Spain and Daiwa Securities
- 1994–1998: Analyst with Kleinwort Benson (London), responsible for Spain's equity and banking market
- 1998–2003: Analyst with Merrill Lynch (London), responsible for pan-European banks, including Spanish, French and Italian banks
- since 2003: Santander Group (currently: Senior Vice President supervising financial planning and corporate development, responsible for planning an organic growth strategy, corporate acquisitions and Group's expansion)
  - 2012–2015: member of the Board of Sovereign Bank NA
  - 2012–2013: member of the Board of Santander Consumer USA
  - since 2015: member of the Board of Santander Consumer Finance S.A.
- since 2011: Deputy Chairman of the Supervisory Board of Santander Bank Polska S.A.

Dominika Bettman

Independent member of the Supervisory Board

Academic background:

- Graduate of Warsaw School of Economics, Foreign Trade Faculty, and IESE Advanced Management Programme in Barcelona

Professional background:

- Employed for approx. 25 years with Siemens Polska:
  - 1995-1997: Logistics Manager, Siemens Nixdorf Polska
  - 1997-2002: Senior Commercial Manager, Siemens sp. z o.o.
  - 2002-2007: Finance Director at Siemens IT (until 2004) and Siemens Telecommunication (from 2004)
  - 2007-2009: member of the Management Board and Chief Financial Officer, Nokia Siemens Network
  - 2009-2018: Chief Financial Officer, Siemens sp. z o.o.
  - 2018-2021: President of the Management Board of Siemens sp. z o.o.
- 2015-2019: member of the Supervisory Board of Eurobank S.A.
- 2019-2021: Head of Digital Industries at Siemens Polska
- 2021-2024: President of the Management Board of Microsoft Polska sp. z o.o.
- since 2020: member of the Supervisory Board of Santander Bank Polska S.A.
- since 2024: member of the Board of SGH Warsaw School of Economic
- since 2025: member of the Supervisory Board of Kruk S.A.

José García Cantera

Member of the Supervisory Board

Academic background:

- MBA degree from IE Business School

Professional background:

- until 2003: Latin America stock analyst; senior executive positions at Salomon Brothers-Citigroup
- 2003: Senior Vice President in charge of Global Banking and Markets Division of Banesto
- 2006–2012: CEO of Banesto
- 2012–2015: Head of Global Banking and Markets of Santander Group
- since 2015: Senior Vice President, Chief Financial Officer and Head of the Finance Division of Banco Santander S.A.
- Chairman of the Board of Santander de Titulizaciones SGFT and Santander Investment S.A.
- since 2015: member of the Supervisory Board of Santander Bank Polska S.A.

Danuta Dąbrowska

Independent member of the Supervisory Board

Academic background:

- MA degree from the University of Horticulture and Food Industry in Budapest
- Since 1999: member of the Association of Chartered Certified Accountants (ACCA)
- Completed the Advanced Strategic Management Programme at IMD, Switzerland, and "Best-In-Retail" Programme at Harvard Business School
- Founding member of FINEXA (Polish Association for Finance Directors)

Professional background:

- 1991–1993: Financial Assistant, Arthur Andersen & Co., Warsaw
- 1993–1997: Audit Manager, Coopers & Lybrand
- 1997–2001: Head of Financial and Business Control Department of Ericsson, Warsaw and Stockholm
- 2002–2003: CFO of TP Internet (France Telecom Group)
- 2004–2008: member of the Board, CFO (for Eastern Europe and Middle East) at ECCO Sko A/S
- 2009-2019: member of the Board, Vice President, CFO for Eastern Europe at Pandora Jewelry CEE
- 2012–2017: member of the Supervisory Board of Herkules S.A.
- 2016–2018: member of the Board, Vice President, CFO for Middle East and Africa at Panmeas Jewellery LLC (Pandora)
- since 2014: member of the Supervisory Board of Santander Bank Polska S.A.
- 2018-2021: member of the Audit Committee at the Polish Council of Shopping Centres (Polska Rada Centrów Handlowych)
- since 2019: member of the Supervisory Board and Chairman of the Audit Committee at Budimex S.A.
- since 2022: co-founder of Grupa Oryx sp. z o.o.
- since 2023: member of the Supervisory Board and Audit Committee of VRG S.A. (Vistula Retail Group)
- since 2024: member of the Supervisory Board of W.KRUK S.A. (Vistula Retail Group)

Isabel Guerreiro

Member of the Supervisory Board

Academic background:

- MEng degree in Computer Software Engineering from Instituto Superior Técnico in Lisbon and MBA degree from INSEAD
- Graduate of Strategic Finance in Banking at Wharton Business School
- Completed a number of specialist courses for senior executives, e.g. Design Thinking BootCamp at Stanford University, and Driving Digital and Social Strategy at Harvard University

Professional background:

- 1992–1994: Lecturer in Computer Science at Instituto Superior Técnico in Lisbon
- 1995–2003: Programmer, System Analyst, Project Manager and Senior Manager at Novabase Sistemas de Informação S.A.
- since 2005, employed with Banco Santander Totta S.A., Portugal:
  - 2005-2006: Sub-Director of Retail Banking
  - 2006–2008: member of the Retail Banking Office
  - 2009-2013: Head of Branch Network Dynamics
  - 2013-2014: Head of Wholesale Strategy
  - 2014-2018: Head of Digital Transformation in charge of traditional and digital channels
  - Board member in charge of Digitalisation and Transformation (since January 2019)
- since 2019: member of the Supervisory Board of Santander Bank Polska S.A.

Tomasz Sójka

Independent member of the Supervisory Board

Academic background:

- Lawyer; graduate, law professor and lecturer at Adam Mickiewicz University in Poznań
- Completed scholarships at the Oxford University as well as at DePaul University in Chicago and TMC Asser Institute in the Hague
- Run several research projects at Max Planck Institute in Hamburg

Professional background:

- since 2005, he has worked at Adam Mickiewicz University in Poznań, currently as a full professor at the Civil, Commercial and Insurance Law Department of the Law and Administration Faculty
- 2003-2018: founder and managing partner at Sójka, Maciak & Mataczyński law firm
- 2006-2008: member of the Supervisory Board of the Warsaw Stock Exchange
- 2014-2017: member of the European Corporate Governance Institute
- since 2024: member of the Supervisory Board of Santander Bank Polska S.A.

Adam Celiński

Independent member of the Supervisory Board

Academic background:

- Master's degree from SGH Warsaw School of Economics
- Master of Philosophy in International Finance at the Glasgow University
- 1996: member of the Association of Chartered Certified Accountants (ACCA)
- 1999: awarded the UK Audit Practicing Certificate
- 2000: member of the Polish Chamber of Auditors

Professional background:

- 1984–1990: employed with the Ministry of Finance
- 1990–1991: employed with KPMG in Warsaw
- 1991–2021: employed with PricewaterhouseCoopers (PwC), in particular:
  - 2015-2018: as the Financial Services Leader and Risk Management Partner for Eurasia in PwC office in Almaty in Kazakhstan;
  - 2008–2015: the Financial Services Leader in Poland and the Baltic states; and at the same time the Risk Management Partner in Poland and the Baltic states (and subsequently in Poland, Slovakia and Hungary.)
  - 2001: Partner in the Audit department of PwC Central and Eastern Europe partnership (PwC CEE)
- since 2023: member of the Supervisory Board of Santander Bank Polska S.A.

Jerzy Surma

Member of the Supervisory Board

Academic background:

- Graduate of the Wrocław University of Technology (Computer Science and Management)
- PhD in Economic Science from the Wrocław University of Economics
- Completed the IFP programme at IESE Business School and Executive Programme at MIT Sloan School of Management

Professional background:

- 1999–2002: Head of the Software Development Department of T-Systems Polska
- 2002–2006: Director in charge of Business Consulting in IMG Information Management Polska responsible for the implementation of Business Intelligence systems, re-engineering business processes, IT advisory
- since 2006: Academic at Warsaw School of Economics (currently: Associate Professor in Collegium of Economic Analysis, 2018–2019: Head of Post-graduate Business Intelligence and Cybersecurity Management Studies)
- 2008–2017: member of the Supervisory Board of Kęty Group
- 2011–2014: Visiting Scholar at Harvard Business School and University of Massachusetts
- Since 2012: member of the Supervisory Board of Santander Bank Polska S.A.
- 2018-2019: Head of the National Cryptology Centre (Narodowe Centrum Kryptologii)

Kamilla Marchewka-Bartkowiak

Independent member of the Supervisory Board

Academic background:

- Graduate of Poznań University of Economics and Business (Finance and Monetary Policy) Completed numerous scientific internships abroad, e.g. at Belgium's and Italy's central banks Advisor to the National Democratic Institute (NDI) during its aid programme for the Parliament of Kosovo
- PhD and Associate Professor at the Department of Investments and Financial Markets of Poznań University of Economics and Business as well as an expert at the Bureau of Research (former: the Sejm Analyses Bureau) at the Chancellery of the Polish Sejm She has vast academic experience in finance and banking. Since December 2024: member of the Sustainable Finance Platform as part of the research, education and training task force and EU Taxonomy task force

Professional background:

- Member of the Committee on Financial Sciences of the Polish Academy of Sciences, the European Finance Association (EFA), the European Association for Evolutionary Political Economy (EAEPE) and the European Association of Environmental and Resource Economists (EAERE) Management Board member of the Polish Finance and Banking Association
- Since 1998, she has worked at the Poznań University of Economics and Business; currently – as an Associate Professor. From October 2016 to September 2019, she was the Dean of the Faculty of Economics. Earlier, from October 2016 to September 2019, she was the Dean of the Faculty of Economics. She was also the Head of Postgraduate Studies: Internal Audit and Management Control as well as Finance and Budgetary Accounting.
- From 2015 to 2019, she worked for CDM brokerage unit at Pekao S.A. She was a member of the Supervisory Board, chair of the Audit Committee and member of the Nominations and Remuneration Committee.
- since 2009: Public Finance Expert at the Chancellery of the Polish Sejm
- 1995-2002: co-owner of ZHU Dampol, a family business
- since 2024: member of the Supervisory Board of Santander Bank Polska S.A.

Members of the Supervisory Board of Santander Bank Polska S.A. who ceased to perform their roles on 18 April 2024

David R. Hexter

Independent member of the Supervisory Board

Academic background:

- Graduate of Oxford University (Philosophy, Politics and Economics) and University College London (Legal and Political Theory)
- MBA degree from Cranfield School of Management
- MPhil degree from Birkbeck College London and PhD degree from Queen Mary University of London

Professional background:

- 1970–1992: executive positions at Citibank N.A. in Europe and the USA, including:
  - 1986: Senior Credit Officer
  - 1989–1992: Division Executive for Central and Eastern Europe
- 1992–2004: European Bank for Reconstruction and Development:
  - 1992–1996: Head of the Financial Institutions Department
  - 1996–2004: Deputy Vice President of the Banking Department; Chairman of the Equity Investment Committee, responsible for approval of EBRD loans and projects
- since 2004: independent director and consultant to a number of commercial firms, banks and equity funds operating in Russia, Kazakhstan, Denmark, Vietnam and Greece
- since 2016: member of the Board of Piraeus Bank
- from 2013 to 18 April 2024: member of the Supervisory Board of Santander Bank Polska S.A.

Marynika Woroszylska-Sapieha

Independent member of the Supervisory Board

Academic background:

- Graduate of the Medical University of Warsaw and INSEAD International Executive Programme in Fontainebleau
- Member of INSEAD Alumni Club; awarded the National Order of the Legion of Honour

Professional background:

- Many years of service with the Institute of Cardiology in Anin as part of the team responsible for introducing new techniques in the field of interventional cardiology
- Started her professional career in the pharmaceutical industry in 1994: until 1996 with Infa Biocom, since 1998 with Sanofi Group (President of the Management Board and General Manager of the branch in Poland in 2004–2015)
- since 2016: advisor to the President of the Management Board of Polpharma Group
- since 2017: member of the Supervisory Board of Polpharma Group
- 2005–2012: member of the Management Board of INFARMA (Employers' Union of Innovative Pharmaceutical Companies) in charge of activities related to the code of ethics and the transparency directive, protection of intellectual property rights and promotion of innovation in Poland
  - 2012–2014: President of the Management Board of INFARMA
- from 2014 to 18 April 2024: member of the Supervisory Board of Santander Bank Polska S.A.

Supervisory Board committees

The Supervisory Board may establish committees and designate individuals responsible for managing the work of such committees. These committees are designed to facilitate the current activities of the Supervisory Board by preparing draft Supervisory Board recommendations and decisions with regard to their own motions or the motions presented by the Management Board.

The following Supervisory Board committees operate in Santander Bank Polska S.A.: Audit and Compliance Committee, Risk Committee, Nominations Committee and Remuneration Committee. The responsibilities of these committees are set out in their respective terms of reference introduced by virtue of the Supervisory Board resolutions.

The table below presents the membership of the Supervisory Board committees and attendance at the their meetings.

Composition of the Supervisory Board committees and attendance of their members at the meetings in 2024 and 2023

Role in the Supervisory Board	No.	Members of the Supervisory Board as at 31.12.2024	Members of the Supervisory Board as at 31.12.2023	Audit and Compliance Committee		Risk Committee		Nominations Committee		Remuneration Committee	
				2024	2023	2024	2023	2024	2023	2024	2023
Chairman of the Supervisory Board:	1.	Antonio Escámez Torres	Antonio Escámez Torres								
Deputy Chairman of the Supervisory Board:	2.	José Luis de Mora	José Luis de Mora					3/4	4/5	5/7	5/7
Members of the Supervisory Board:	3.	Dominika Bettman	Dominika Bettman	9/10	9/9	5/6	6/6			6/7	7/7
	4.	José García Cantera	José García Cantera								
	5.	Danuta Dąbrowska[1]	Danuta Dąbrowska	9/10[1]	8/9			4/4	5/5	6/7	7/7
	6.	Isabel Guerreiro	Isabel Guerreiro								
	7.	Adam Celiński[2]	Adam Celiński[2]	5/5		6/6	2/2				
	8.	Jerzy Surma[3]	Jerzy Surma[3]	3/3	9/9	4/4[3]	6/6	1/1	5/5		
	9.	-	David Hexter[4]	3/3	9/9	1/1	6/6	1/1	5/5		
	10.	-	Marynika Woroszylska-Sapieha[4]	3/3	9/9			1/1	5/5	2/2	7/7
	11.	Tomasz Sójka[5]	-	7/7				3/3		5/5	
	12.	Kamilla Marchewka-Bartkowiak[5]	-	7/7		5/5		3/3			
Number of meetings in a given year				**10**	**9**	**6**	**6**	**4**	**5**	**7**	**7**

Chairman
Member

1) Between 18 April 2024 and 30 June 2024, Danuta Dąbrowska chaired the Audit and Compliance Committee.
2) Member of the Supervisory Board and Risk Committee as of 1 August 2023. Chairman of the Audit and Compliance Committee as of 1 July 2024.
3) Chairman of the Risk Committee until 18 April 2024 and member of the Risk Committee as of 1 July 2024. Member of the Nominations Committee and the Audit and Compliance Committee until 18 April 2024.
4) Supervisory Board members until 18 April 2024.
5) Members of the Supervisory Board and its committees since 18 April 2024.

The operations of the Supervisory Board committees in the last year is presented below, and it will be discussed in more detail in the report on activities of the Supervisory Board in 2024, which will be submitted to the General Meeting of Santander Bank Polska S.A. and published in due course before that meeting.

Audit and Compliance Committee

The **Audit and Compliance Committee** supports the Supervisory Board in fulfilment of its oversight obligations towards shareholders and other stakeholders in terms of:

- the quality and integrity of the accounting policies, financial statements and disclosure practices;
- compliance of the Bank's business with laws and internal regulations;
- independence and effectiveness of activities undertaken by internal and external auditors;
- internal control system and risk management system.

The Committee also establishes procedures for auditor selection by the Bank (the main assumptions are included in the Policy of Auditor Selection at Santander Bank Polska S.A. presented in Section 10 "External auditor", Subsection "Selection of the external auditor"), develops the auditor services policy, as well as prepares and submits recommendations to the Supervisory Board regarding appointment, reappointment and removal of the external auditor in accordance with the applicable laws and the Policy of Auditor Selection at Santander Bank Polska S.A. The Committee assesses the independence of the statutory auditor, gives consent for such auditor to render other permitted non-audit services at the Bank and monitors financial audits.

An important role of the Committee is also to support the Supervisory Board in overseeing the compliance function and compliance risk management. To that end, the Committee conducts regular reviews of key compliance matters and changes in the regulatory environment, and assesses measures taken by the Management Board in this respect.

In 2024, the Audit and Compliance Committee:

- reviewed the following documents and submitted them to the Supervisory Board for approval: the Bank's audited financial statements for 2023, financial statements of the Bank and the Group for Q1, Q3 and H1 2024;
- reviewed the following documents and submitted them to the Supervisory Board for approval: Capital Adequacy Report and Report on Disclosure Committee Operations in 2023 as well as the Condensed Capital Adequacy Report of the Group as at 30 June 2024;
- issued a recommendation to the Supervisory Board to appoint PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. to review and audit the financial statements of the Bank and the Group for 2025;
- approved the assignment of permitted non-audit services to the external auditor:
  - review of interim financial statements of the Bank/ Group;
  - verification of consolidation packages;
  - verification of capital adequacy disclosures;
  - verification of reports on remuneration of the Management and Supervisory Boards;
  - services connected with an issue prospectus;
  - assurance services related to safekeeping of customers' assets;
  - assurance services related to the company's sustainability report for 2024;
  - assurance services related to risk management and prospectuses for Santander TFI S.A.;
  - issuance of attestation letters in connection with the EMTN prospectus.
- reviewed and monitored the implementation of the recommendations issued by the external auditor as specified in the letter on the audit for 2023 addressed to the Management Board. Detailed information about the cooperation with the auditor and related fees is presented in Section 10 "External auditor".
- supervised the activity of the Internal Audit Area on a regular basis and monitored the Audit Plan delivery on an ongoing basis (including the status of recommendations, review of the report on the delivery of the quality assurance programme in 2024);
- reviewed the reports of the Head of Internal Audit in Santander Brokerage Poland (as part of its oversight of the internal audit function);
- monitored the operations of the compliance unit in 2024, as well as assessed and recommended to the Supervisory Board the approval of the 2024 Compliance Programme;
- reviewed the compliance risk reports;
- reviewed the ESG report;
- coordinated the auditor's selection process.

Pursuant to the Act on statutory auditors, audit firms and public oversight, the majority of audit committee members should meet the statutory independence criteria, which are also specified in the Bank's Statutes (please note that this does not mean the "independence of mind" mentioned in Article 22a of the Banking Law Act or in the suitability assessment criteria for members of the Bank's Management Board and Supervisory Board applicable under Guidelines no. EBA/GL/2021/06 and KNF's Suitability assessment methodology – rather, it means the independence as defined in Article 129(3) of the Act on statutory auditors, audit firms and public oversight). In accordance with the Principles of Corporate Governance for Supervised Institutions, particularly members of the audit committee should have an independent status. In its Best practice for public interest entities on the rules for appointment, composition and operations of the Audit Committee (a document binding for the Bank), the KNF stipulates that "audit committee member is deemed independent if they have no financial interest related to the entity they control except for the remuneration received for the role performed as a member of the supervisory board or other supervisory or controlling body (including the audit committee) of that entity". The Bank goes beyond the statutory requirement and applies it to all members of the Audit and Compliance Committee (in line with the Act, the majority of audit committee members are independent). In the Bank's opinion, such approach is beneficial both for minority shareholders and transparency of the Bank's operations as well as facilitates efficient oversight in the company. It complies with the best practice developed in Santander Group – the Group-Subsidiary Governance Model assumes that all members of the Audit Committee meet the independence criteria. It means that no they have not been members of the Management Board of the Bank or its connected entity over the last five years, have not been employees of the Bank or its connected entity over the last three years, have not received additional substantial remuneration from the Bank or its connected entity except for remuneration for performing their role on the Supervisory Board, are not shareholders of the parent entity nor represent it, have not had actual or material connections with a shareholder holding at least 5% of total voting power at the Bank's General Meeting. The suitability assessment also takes into account the Audit Committee member's employment with other companies in the context of actual and potential conflicts of interest.

Furthermore, all members of the Audit and Compliance Committee have independence of mind understood as an ability to make their own sound, objective and independent decisions and judgments when performing their functions and responsibilities. Such behavioural skills are assessed at least once a year as part of assessment of suitability of individual Supervisory Board members conducted in accordance with the Suitability assessment methodology published by the KNF.

In line with the criteria indicated in the "Best practice for public interest entities relating to the appointment, composition and operations of the audit committee", the following members of the Audit and Compliance Committee are deemed to have relevant knowledge and skills in accountancy and examination of financial statements:

1) ACCA certificates (Association of Chartered Certified Accountants) acquired in the past and long-term professional experience:

- Danuta Dąbrowska
- Adam Celiński who was also granted an auditor licence in the past;

2) have at least two-year professional experience connected directly with financial accounting, management accounting or financial statements auditing. In other cases, the knowledge and skills of the candidate can be confirmed by: 1) education in the field of accounting or financial statements auditing confirmed by a university degree diploma or specialist courses and training in accounting or financial statement auditing confirmed by a certificate or other documents, and (2) accounting or financial statement auditing skills gained during the professional career:

- Dominika Bettman: degree in economics and extensive professional experience gained in previous positions, including as CFO at companies from Siemens Group.
- Kamilla Marchewka-Bartkowiak: degree in economics (graduate of Poznań University of Economics and Business – Faculty of Finance and Monetary Policy, PhD, an Associate Professor at the Department of Investments and Financial Markets of Poznań University of Economics and Business), formerly Dean of the Faculty of Economics and Head of Postgraduate Studies: Internal Audit and Management Control as well as Finance and Budgetary Accounting; Public Finance Expert at the Chancellery of the Polish Sejm since 2009.

Knowledge and skills in terms of banking arising from the professional experience or academic background:

- Dominika Bettman: competencies gained as the member of the Supervisory Board of Eurobank S.A.
- Tomasz Sójka: educational background, recognised academic record and a broad knowledge of the Polish financial and business market, including the banking sector; professional consultancy services provided to many financial institutions, including banks
- Adam Celiński: many years of experience as a chartered auditor and partner in PricewaterhouseCoopers (PwC), including the Financial Services Leader
- Kamilla Marchewka-Bartkowiak: knowledge and academic background in terms of finance and banking; completed numerous scientific internships abroad, e.g. at Belgium's and Italy's central banks.

Apart from the Committee's members, the attendees included the representatives of the Bank's Auditor, Vice President of the Management Board in charge of the Risk Management Division, member of the Management Board in charge of the Financial Accounting and Control Division, member of the Management Board in charge of the Financial Management Division, Head of the Internal Audit Area, member of the Management Board in charge of the Compliance and FCC Division. Other members of the Management Board and executives are also invited to attend the Committee meetings to present reports and discuss issues related to the areas under their management.

Risk Committee

The **Risk Committee** is specifically responsible for:

- issuing opinions on the Bank's current and future risk propensity;
- issuing opinions on the risk management strategy developed by the Bank's Management Board and supervising its delivery;
- supporting the Supervisory Board in overseeing the implementation of the risk management strategy by the senior management;
- checking if the prices of liabilities and assets offered to customers match the Bank's business model and risk management strategy, and if not – making a proposal to the Management Board to ensure adequacy of asset and liability prices in relation to different risk types;
- issuing opinions in relation to appointment and removal of the Management Board member in charge of risk management and opinions on his/her annual objectives and their delivery.

The Risk Committee convenes at least four times per year at dates corresponding to the reporting and audit cycle. Additional meetings are held when necessary. In 2024, six Committee meetings were held.

When performing its responsibilities, the Committee takes into account the fact that risk-taking by the Bank has to be adequate to the scale and profile of its business. Risk management is governed by the industry standards and regulatory guidance and recommendations concerning, among other things, operational risk, credit risk, market risk and liquidity risk. The Committee provided support to the Supervisory Board in exercising continued oversight over all risks related the Bank's operations.

In 2024, the Committee focused on the risks related to: the war in Ukraine, the Bank's ICT environment, the CHF loan portfolio (including provisions), ESG risks (including responsible banking) and the cost of risk. The Committee supervised the work performed at the Bank to ensure compliance with the requirements arising from the Regulation on digital operational resilience for the financial sector (DORA). The Committee also monitored the current macroeconomic situation and its impact on the level of risk.

Nominations Committee

The **Nominations Committee** supports the Supervisory Board in performing its tasks, issues recommendations on the appointment and removal of members of the Supervisory Board, Management Board and other key function holders by the Bank's relevant bodies, and contributes to the performance of the Bank's duties with respect to the assessment of the suitability of members of the Supervisory Board, Management Board and key function holders.

The Nominations Committee holds regular meetings at last four times a year, as per the schedule agreed upon at the beginning of the year. Additional meetings are held when necessary. In 2024, four Committee meetings were held.

In 2024, the Nominations Committee focused on: (i) suitability assessment of members of the Management Board and Supervisory Board and candidates for members of the Bank's bodies as well as on the suitability assessment of these governing bodies as a whole; (ii) succession plans; (iii) review of the diversity policy and policies concerning the suitability assessment, selection, appointment and succession planning.

Remuneration Committee

The **Remuneration Committee** supports the Supervisory Board in performing its tasks concerning remuneration of members of the Bank's governing bodies and key function holders, reviews and monitors the remuneration policy and supports the General Meeting, the Supervisory Board and the Management Board in developing and implementing that policy.

The Committee holds regular meetings four times a year, as per the schedule agreed upon at the beginning of the year. Additional meetings are held when necessary. In 2024, seven Committee meetings were held.

In 2024, the Remuneration Committee:

- reviewed the Management Board members' performance and set their targets for 2024 (including the target matrix for Management Board members for the purpose of Incentive Plan VII);
- recommended the 2023 bonus for Management Board members, the Head of Internal Audit Area and the Head of Compliance;
- reviewed and assessed the compliance with the triggers for payment of variable remuneration to the individuals with the status of identified employees and recommended that the Supervisory Board should approve the payment of deferred portions of variable remuneration payable in 2024;
- reviewed the bonus schemes for key executives, management, employees of the Business Support Centre and branch banking employees;
- recommended the amount of remuneration for newly-appointed members of the Management Board;
- reviewed and evaluated the current remuneration policy;
- reviewed and identified the Material Risk Takers;
- reviewed the existing remuneration levels and the Management Board's decisions on adjustment of remuneration levels;
- reviewed the remuneration levels for members of the Management Board and Supervisory Board and issued change recommendations;
- confirmed that requirements for payment of award to participants of Incentive Plan VII for 2023 were met
- reviewed the internal regulations within the scope of the Committee's operations.

Management Board

Appointment and removal of Management Board members

Members of the Management Board of Santander Bank Polska S.A. are appointed and removed in accordance with the Commercial Companies Code, Banking Law Act and the Bank's Statutes.

The Bank's Management Board consists of at least three persons (including the Management Board President) appointed by the Supervisory Board for a joint three-year term of office. Terms of office are set in full financial years. At least half of the Management Board members (including the Management Board President) are required to speak Polish, have a university degree, be permanent residents of Poland, have good knowledge of the Polish banking sector and experience of the Polish market to manage a Polish banking institution. Two Management Board members, including the Management Board President, are appointed with the approval of the KNF. Management Board members may be removed by the Supervisory Board or the General Meeting at any time.

The term of office of the Management Board member expires no later than on the date of the General Meeting held to approve the financial statements for the last full financial year in which the member served on the Management Board. It also expires as a result of the member's death, resignation or removal. The term of office of the Management Board member who was appointed before the end of the term of the Management Board expires at the same time as those of the remaining members.

All Management Board members are subject to individual suitability assessment (initial and ongoing). The Management Board is also subject to collective suitability assessment. The foregoing processes are delivered in accordance with the Policy on suitability assessment of Management Board members and key function holders in Santander Bank Polska S.A. developed in line with the Joint Guidelines no. EBA/GL/2021/06, Regulation of the Minister of Finance of 7 May 2018 on specific tasks of the nomination committees in significant banks, and other applicable laws, in particular the Banking Law Act and the Commercial Companies Code. The assessment is also conducted according to the KNF's Suitability assessment methodology. The individual and collective suitability assessments are conducted at least once a year and as required under the above-mentioned policy, e.g. when candidates are proposed for the Management Board positions (in this case, the assessment should be generally performed before the formal appointment), when membership of the Management Board changes or when the Bank's business model is significantly modified.

Pursuant to Article 22b(1) of the Banking Law Act, the Management Board President and the Management Board member in charge of material risk management are appointed with the approval of the KNF. Such approval was required in relation to the appointment of Michał Gajewski as the President of the Management Board and Andrzej Burliga as the Vice President of the Management Board in charge of the Risk Management Division and the Models and Data Area (formerly: Business Intelligence Area).

The individual and collective suitability assessments confirmed that each member of the Management Board and the Management Board as a whole have appropriate knowledge and skills and meet all the suitability criteria to perform their functions.

Powers of Management Board members

The Management Board of Santander Bank Polska S.A. manages and represents the Bank.

The Management Board takes decisions to raise obligations or transfer assets where the total value for one entity exceeds 5% of the Bank's own funds. It may also, by way of resolution, delegate its powers to take such decisions to other committees or persons at the Bank. The Management Board members run the Bank's affairs jointly, and in particular: define the Bank's mission, set long-term action plans and strategic objectives, prepare assumptions for the Bank's business and financial plans, approve proposed plans and monitor their performance, regularly report to the Supervisory Board on the Bank's position in the scope and at the dates agreed with the Supervisory Board, appoint permanent or ad hoc committees and designate individuals responsible for managing the work of such committees. The committees are composed of both Management Board members and persons from outside the Management Board.

Management Board members acting severally do not have any specific powers and cannot take decisions on issuing or redeeming shares.

Standing committees operating at the Bank include among others:

- Assets and Liabilities Committee (ALCO)
- Credit Policy Forum for Retail Credit Portfolios
- Credit Policy Forum for SME Credit Portfolios
- Credit Policy Forum for Business and Corporate Credit Portfolios
- Provisions Committee
- Operational Risk Management Committee (ORMCO)
- Disclosure Committee
- Information Management Committee
- Risk Management Committee
- Model Risk Management Committee
- Regulatory and Reputational Risk Committee
- AML Committee
- Credit Committee
- Local Marketing and Monitoring Committee
- ESG Committee
- Capital Committee
- Suppliers Panel
- Capital Stress Test Forum
- Risk Control Committee
- Special Situations Management Committees (Gold, Silver, Bronze Group)
- Compliance Committee
- Market and Investment Risk Committee
- Credit Risk Committee
- Restructuring Committee

Rules of procedure of the Management Board

The Management Board operations are primarily governed by the Banking Law Act, the Commercial Companies Code, the Bank's Statutes and the Terms of Reference of the Management Board, available on the Bank's Investor Relations website, section: Corporate documents.

According to the Bank's Statutes, the following individuals are authorised to represent and bind the Bank: a) the Management Board President acting individually, and b) two members of the Management Board acting jointly, or a member of the Management Board acting jointly with a commercial representative (*prokurent*), or two commercial representatives acting jointly. Attorneys may be appointed and authorised to act individually or jointly with any of the persons indicated in b) or with another appointed and authorised attorney.

The Management Board deals with all issues which have not been restricted to the remit of the General Meeting or the Supervisory Board. The Management Board takes decisions in the form of resolutions which are adopted by absolute majority in open voting.

The Management Board adopts resolutions in a secret ballot in cases stipulated by law. Management Board meetings are held as required. The Management Board members convene in a single location, or in different locations using remote communication channels.

Assessment of adequacy of regulations concerning the Management Board

On 13 March 2024, the Management Board self-assessed the effectiveness of regulations concerning its activities in line with KNF's Recommendation Z no. 8.9 and concluded that they were adequate and effective. Next, on 21 March 2024, the Supervisory Board analysed these regulations, approved the self-assessment results and determined that the regulations duly reflect the specific nature of the Bank's operations, its size and organisational structure. Moreover, they meet all the regulatory requirements, both in terms of the provisions of law, KNF recommendations and EBA/GL/2021/14 guidelines on internal governance.

Assessment of the efficiency and effectiveness of the Management Board

On 13 March 2024, the Management Board self-assessed the effectiveness of its activities in line with KNF's Recommendation Z no. 8.9. The Management Board stated it had duly and effectively managed the Bank and discharged its responsibilities arising from applicable laws, including the Commercial Companies Code, the Banking Law Act, the Bank's Statutes and the KNF recommendations, as well as from corporate governance rules. On 21 March 2024, the Supervisory Board assessed the Management Board's activities and concluded that it operated in an effective and efficient manner. The assessment took into account the Bank's record high financial performance for 2023, well above the budget, which confirms the effective management of the identified risks and the institution's capacity to effectively face market challenges. Furthermore, the following key internal and external factors were taken into account: persisting weak economic environment in Europe, the NBP's monetary policy and its impact on interest rates levels, implications of Russia's invasion of Ukraine and war in Ukraine, fluctuations of the Polish zloty, introduction of 2% Safe Mortgage and the ensuing record high demand for mortgage loans, volatility of inflation, challenging regulatory environment, challenges related to the labour market (attraction and retention of talents in the environment of record low unemployment and continuing market pay pressure).

Activities of the Management Board in 2024

In 2024, the Management Board carried out its activities based on the adopted schedule of meetings and the general work plan adjusted to the current circumstances. The agenda of each meeting covered business issues, important developments in the Bank and matters submitted by unit heads for consideration. In 2024, the Management Board focused on, among other things: implementation of the new strategy, transformation, sustainability (ESG), issues arising from the KNF's supervisory priorities for 2024 (management of IRRBB in the context of hedging against excessive risk exposure, preparations for the management of liquidity risk in crisis situations, management of large credit exposures and credit concentration risk) as well as monitoring of the implementation of KNF recommendations. Activities of the Management Board in 2024 are covered in full in this report.

Composition of the Management Board

[ESRS 2, Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

The table below presents the composition of the Management Board of Santander Bank Polska S.A. as at 31 December 2024 and 31 December 2023 and the roles and responsibilities of its members. The Bank's organisational structure is presented in Part 1 of Chapter X "Organisational and infrastructure development".

Role in the Management Board	No.	Composition as at 31.12.2024	Reporting area as at 31.12. 2024	No.	Composition as at 31.12.2023	Reporting area as at 31.12.2023
President of the Management Board:	1.	Michał Gajewski	1) Internal Audit Area 2) Legal Area 3) Other units outside of the divisional structure: Corporate Communication and Marketing Area, Corporate Governance Department	1.	Michał Gajewski	1) Internal Audit Area 2) Legal Area 3) Other units outside of the divisional structure: Corporate Communication and Marketing Area, Customer Excellence Centre, Corporate Governance Department
Vice Presidents of the Management Board:	2.	Andrzej Burliga	1) Risk Management Division 2) Models and Data Area (formerly: Business Intelligence Area, a unit outside the divisional structure)	2.	Andrzej Burliga	1) Risk Management Division 2) Business Intelligence Area (unit outside the divisional structure)
	3.	Juan de Porras Aguirre	Corporate and Investment Banking Division, Wealth Management and Insurance Division[1)]	3.	Juan de Porras Aguirre	Corporate and Investment Banking Division
	4.	-	-	4.	Arkadiusz Przybył[2)]	Wealth Management and Insurance Division
Members of the Management Board:	5.	Lech Gałkowski	Business and Corporate Banking Division	5.	Lech Gałkowski	Business and Corporate Banking Division
	6.	Patryk Nowakowski[3)]	Digital Transformation Division	6.	Patryk Nowakowski	Digital Transformation Division
	7.	Maciej Reluga[4)]	Financial Management Division	7.	Maciej Reluga	Financial Management Division
	8.	Wojciech Skalski	Financial Accounting and Control Division	8.	María Elena Lanciego Pérez[5)]	Financial Accounting and Control Division
	9.	Dorota Strojkowska	Business Partnership Division	9.	Dorota Strojkowska	Business Partnership Division
	10.	Artur Głembocki	Compliance and FCC Division	10.	Artur Głembocki[6)]	Compliance and FCC Division
	11.	Magdalena Proga-Stępień	1) Retail Banking Division 2) Branch Network	11.	Magdalena Proga-Stępień[7)]	1) Retail Banking Division 2) Branch Network

1) In charge of the Wealth Management and Insurance Division as of 1 April 2024.
2) Until 1 April 2024, Arkadiusz Przybył was the Vice President of the Management Board in charge of the Wealth Management and Insurance Division.
3) On 6 November 2024, Patryk Nowakowski resigned as a member of the Bank's Management Board (effective as of 1 January 2025).
4) Maciej Reluga has been temporarily in charge of the Digital Transformation Division since 1 January 2025.
5) From 1 January 2023 to 31 December 2023. Replaced by Wojciech Skalski on 1 January 2024.
6) As of 14 November 2023.
7) As of 4 April 2023.

In 2024, the composition of the Management Board changed.

On 1 January 2024, a new member of the Management Board in charge of the Financial Accounting and Control Division was appointed. On 26 October 2023, María Elena Lanciego Pérez resigned from this position, effective as of 1 January 2024. On 13 December 2023, the Supervisory Board appointed Wojciech Skalski, the Head of the Financial Accounting Area, in her place.

On 27 February 2024, Arkadiusz Przybył resigned as the Vice President of the Bank's Management Board in charge of the Wealth Management and Insurance Division (effective as of 1 April 2024). Since 1 April 2024, Juan de Porras Aguirre, the Vice President of the Management Board in charge of the Corporate and Investment Banking Division, has also been in charge of the Wealth Management and Insurance Division.

Furthermore, on 6 November 2024 Patryk Nowakowski resigned as a member of the Bank's Management Board (effective as of 1 January 2025) due to his decision to take up the role of Senior Executive Vice President in charge of Technology and Operations with Santander Holdings USA, Inc., a member of Santander Group. As a result, since 1 January 2025 Maciej Reluga, the Management Board member in charge of the Financial Management Division, has been temporarily in charge of the Digital Transformation Division until the successor of Patryk Nowakowski is appointed.

Suitability assessment, knowledge and skills related to sustainable development

[ESRS 2, Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

The individual and collective suitability assessments confirmed that each member of the Management Board and the Management Board as a whole have appropriate knowledge and skills and meet all the suitability criteria to perform their functions. They are also an important and clear sign that the Bank has proper succession plans in place, and therefore ensures stable management and long-term development of talents within the organisation as well as recognises the professional experience and longtime engagement in the development of the Bank.

The professional activities of the Management Board members focused on the performance of obligations connected with their role in the Management Board and this was their main task. The Management Board members complied with the limitation of the positions held with other companies, as stipulated in Article 22aa of the Banking Law Act. The succession of the Management Board members and the continued delivery of the business processes at the senior management levels is ensured by the Nomination and Succession Planning Policy for Management Board Members and Key Function Holders at Santander Bank Polska S.A. and the succession plans in place.

As in the case of the Supervisory Board, the individual suitability assessment of Management Board members (or candidates) and collective suitability assessment of the Management Board (as a whole) focus on the expert knowledge and skills in the area of sustainable development – the Bank verifies whether or not the assessed persons have knowledge, skills as well as theoretical and practical experience relating to risk management (identifying, assessing, monitoring, controlling and mitigating the main types of risk, including environmental, social and governance risks and risk factors) and collects relevant statements from these persons. The Bank recognises the level of ESG knowledge when performing the suitability assessment. Management Board members have demonstrated their competencies in this area. The Bank also provides the Management Board members with access to training delivered by both internal and external experts so that they can improve their competencies in that area on an ongoing basis. In 2024, the Bank provided specialist training on sustainable development, which was attended by the Management and Supervisory Board members (for more information, please see the section on the Supervisory Board above).

The information about the participation of the Management Board members in conferences and events concerning sustainable development is provided in the section on the Supervisor Board above.

The information about the academic background and professional experience of the Bank's Management Board members is presented below. It is also published on the Bank's website at: https://www.santander.pl/relacje-inwestorskie/informacje-o-spolce/wladze-banku.

Members of the Management Board of Santander Bank Polska S.A.

Michał Gajewski

President of the Management Board

Academic background:

- Legal counsel
- Graduate of Adam Mickiewicz University in Poznań, Northwestern University in Chicago and London Business School

Professional background:

- 1992–2008: WBK Group and BZ WBK Group (including the role of BZ WBK Management Board member in charge of Retail Banking)
- 2008–2011: Vice President of the Management Board of BGŻ S.A. in charge of Retail, SME and Corporate Banking
- 2012–2015: Macroregional Director in the Retail Banking Division, Bank Millennium S.A.
- 2015: member of the Management Board of Bank Millennium S.A. in charge of the Retail Banking Division
- since 2016: President of the Management Board of Santander Bank Polska S.A.
- since 2024: Vice Chairman of the Supervisory Board of Polski Standard Płatności sp. z o.o. and member of the Board of Adam Mickiewicz University in Poznań

Andrzej Burliga

Vice President of the Management Board

Risk Management Division

Academic background:

- Graduate of the Faculty of Theoretical Mathematics at Wrocław University
- Completed programmes in management and risk management (e.g. INSEAD International Executives Development Programme, BZ WBK Development Programme for Executives, LMC Consulting – Lilley Moncrieff Taylor)
- Member of Professional Risk Managers' International Association (PRMIA)

Professional background:

- 1995–2001: Treasury Department of Bank Zachodni S.A. (including the role of the Head of the Department)
- 2001–2006: Head of the Risk Management Department at Bank Zachodni WBK S.A.
- 2007–2017: member of the Management Board of Bank Zachodni WBK S.A.
- since 2017: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Risk Management Division

Juan De Porras Aquirre

Vice President of the Management Board
Corporate and Investment Banking Division and Wealth Management and Insurance Division

Academic background:

- Graduate of Universidad de Granada (Law)
- MBA degree from Escuela Superior de Administración y Dirección de Empresas in Barcelona
- Completed the Investment Banking Executive Programme at Northwestern University in Chicago

Professional background:

- 1989–1998: Commerzbank and Lloyds Bank (credit risk)
- 1997-2004: Société Générale (manager of relationships with telecommunication and energy companies, Deputy Head of the Madrid-based Corporate & Investment Banking)
- 2004-2005: Rabobank in Madrid (responsible for building the Spanish energy and telecom sector portfolio)
- 2005-2007: Senior Director at Royal Bank of Scotland in Madrid, responsible for the energy, oil and gas sectors
- since 2007: Managing Director of Global Banking & Markets at Banco Santander S.A.
- 2011-2017: member of the Management Board of Bank Zachodni WBK S.A.
- since 2017: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Corporate and Investment Banking Division and since 2024 – also in charge of the Wealth Management and Insurance Division

Lech Gałkowski

Member of the Management Board
Business and Corporate Banking Division

Academic background:

- Graduate of the SGH Warsaw School of Economics (Finance and Banking)
- Holder of scholarship at Staffordshire University Business School

Professional background:

- 1996–1998: Senior Auditor responsible for the banking sector, Coopers & Lybrand sp. z o.o.
- 1998–2003: Senior Banker responsible for the automotive, consumer and healthcare sectors, ABN AMRO Bank (Polska) S.A.
- 2003-2007: CFO and commercial representative, Volvo Auto Polska sp. z o.o.
- 2008–2012: member of the Management Board in charge of Corporate and Investment Banking, RBS Bank (Polska) S.A. (formerly ABN AMRO Bank (Polska) S.A.)
- since 2010: Chairman of the Supervisory Board of Telestrada S.A.
- 2012-2021: Head of the Corporate and Investment Banking Department (until 2018) and – following an organisational change – Head of the Investment Banking Department of Santander Bank Polska S.A. responsible for development and implementation of a customer relationship strategy
- since 2021: member of the Management Board of Santander Bank Polska S.A. in charge of the Business and Corporate Banking Division

Wojciech Skalski

Member of the Management Board
Financial Accounting and Control Division

Academic background:

- Graduate of the Wrocław University of Economics (Banking and Finance)
- Holder of scholarship at the University of Limerick
- Completed the executive programme at the ICAN Institute, Harvard Business Review
- Certified chartered auditor and a member of the Association of Certified Chartered Accountants (ACCA)

Professional background:

- Prior to joining Santander Bank Polska S.A. Wojciech Skalski, he gained experience with audit and consulting companies: Ernst & Young (2002-2003) and Arthur Andersen (1998-2002).
- He has worked for Santander Bank Polska S.A. since 2003, first as the accounting policy manager, to be then promoted, over the next couple of years, to the Head of the Tax and Methodological Support. At the same time, he was the Deputy Head of the Financial Accounting Area. From 2008, he was the Head of the Financial Accounting Area.
- Since January 2024, he has been member of the Management Board of Santander Bank Polska S.A. in charge of the Financial Accounting and Control Division.

Maciej Reluga

Member of the Management Board
Financial Management Division

Academic background:

- Graduate of the faculty of Economic Science at Warsaw University; completed the Finance Management Programme at the University of Namur (Belgium)
- Studied at ICAN Institute's Strategic Leadership Academy and completed Senior Management Programme in Banking at Swiss Finance Institute
- Attended a number of programmes and training courses (including at the University of Cambridge)

Professional background:

- 1996–1998: Analyst at NBP
- 1998–2002: Economist at ING Bank Śląski and ING Barings
- since 2002: Bank Zachodni WBK S.A. (Chief Economist)
- since 2017: member of the Management Board of Santander Bank Polska S.A. in charge of the Financial Management Division

Dorota Strojkowska

Member of the Management Board
Business Partnership Division

Academic background:

- Graduate of Polish and Classical Philology at Adam Mickiewicz University in Poznań
- Postgraduate of Poznań University of Economics and Business and Kozminski University
- Completed a number of training courses on HR management, coaching, strategic planning, financial management and business psychology, including Development of Managerial Skills at Nottingham Trent University and Advanced Leadership Programme at ICAN Institute, Harvard Business Review

Professional background:

- 2005–2012: Team Manager in the CRM and Sales Support Department of Bank Zachodni WBK S.A.
- 2012–2013: Retail Banking Business Model Coherency Director at Bank Zachodni WBK S.A.
- 2013–2016: Head of the Organisational Effectiveness Area at Bank Zachodni WBK S.A.
- from April to December 2016: Head of the HR Division at PKO BP
- since 2017: member of the Management Board of Santander Bank Polska S.A. in charge of the Business Partnership Division

Magdalena Proga-Stępień

Member of the Management Board
Retail Banking Division

Academic background:

- Graduate of the SGH Warsaw School of Economics (faculties: Finance & Banking and International Economic & Political Relations)
- MBA degree from the Northwestern University in Illinois, Kellogg School of Management

Professional background:

- 1999: Analyst at Bank Austria Creditanstalt, Austria
- 2000: Financial Institutions Auditor at KPMG Sp. z o.o
- 2001: Business Analyst at Monitor Deloitte, Germany
- 2001-2011: Partner at McKinsey & Company Sp. z o.o.
- 2011-2015: Chief Sales & Distribution Officer at Citi Handlowy
- 2015-2017: CEO of T-Mobile Bank for Poland and Romania (2015-2017)
- 2017-2020: Chief Strategy & Transformation Officer at Alior Bank
- 2020-2021: Top Management Advisor at Egon Zehnder Sp. z o.o.
- 2021-2023: Head of Distribution, Santander Bank Polska S.A.
- since 2023: member of the Management Board of Santander Bank Polska S.A. in charge of the Retail Banking Division

Artur Głembocki

Member of the Management Board
Compliance and FCC Division

Academic background:

- Graduate of the Wrocław University of Science and Technology (Management)
- Completed a number of courses in leadership, risk management, money laundering prevention, and financial crime compliance

Professional background:

- since 2008 at Santander Bank Polska S.A. (formerly Bank Zachodni WBK S.A.):
- 2013-2016: Head of the Corporate Portfolio Risk Management Department
- 2016-2022: Head of the Risk Management Area
- 2022-2023: Deputy CRO, Head of the Risk Management Area
- since 2023: member of the Management Board of Santander Bank Polska S.A. in charge of the Compliance and FCC Division

Members of the Management Board of Santander Bank Polska S.A. who ceased to perform their roles in 2024

María Elena Lanciego Pérez

Member of the Management Board
Financial Accounting and Control Division

Academic background:

- Graduate of the University of Salamanca (Economics and Business Administration)
- MBA (European and US programme) from Deusto University Business School and Economic Department of Adolfo Ibanez University
- Completed numerous specialist courses for executives at Stanford University and IESE (programme for board members at IESE Business School)
- Holds CFA ESG Certificate

Professional background:

- Control and management functions in International Private Banking and Internal Audit (1993–2001)
- Vice President of Compliance and Risk Management in Banco Santander International Miami (2001–2002)
- Member of the Board of Integritas Trust S.A. and Banco Santander Suisse S.A. (2002–2008)
- Financial Control Director in Santander Group Global Banking and Markets Division (2008–2010)
- Advisor to the CEO of Santander Group (2010–2013)
- Head of Select and Affluent Business in Banco Santander (2013–2016)
- Director at Santander Consulting Beijing Co Ltd and Senior Advisor for International Control and Compliance at Banco Santander S.A. Consumer Area (BOBCFC) (2017–2019)
- Vice President in Banco Santander S.A. responsible for Strategic and Corporate Development (2019-2022)
- from 2023 to 1 January 2024: member of the Management Board of Santander Bank Polska S.A. in charge of the Financial Accounting and Control Division

Arkadiusz Przybył

Vice President of the Management Board
Wealth Management and Insurance Division

Academic background:

- Graduate of the University of Łódź (Management, Finance and Banking)
- MBA degree from INSEAD, France

Professional background:

- 1997–2005: Engagement Manager at McKinsey & Company in Warsaw
- 2005–2008: Head of Retail Banking at GE Money for Central and Eastern Europe, Zurich/Paris Headquarters
- 2009–2010: Executive Director at GE Money Bank (Latvia) and GE Money (Latvia)
- 2011–2012: Business Director in the Headquarters of Santander Consumer Finance in Madrid, responsible for strategy development, market integration and company acquisition projects
- 2012–2017: President of the Management Board of Santander Consumer Bank S.A. in Wrocław
- 2017: member of the Management Board of Santander Bank Polska S.A.
- 2018–2023: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Retail Banking Division and the branch network
- from 2023 to 1 April 2024: Vice President of the Management Board of Santander Bank Polska S.A. in charge of the Wealth Management and Insurance Division

Patryk Nowakowski

Member of the Management Board
Digital Transformation Division

Academic background:

- MSc in Economics from the Poznań University of Economics (IT and Econometrics)

Professional background:

- 2004–2007: gained international experience as Business Intelligence Consultant at Business & Decision AG Zurich, and then as Associate Director in UBS AG and Senior Principal Consultant in Oracle
- since 2002 (except the period above): employed with Bank Zachodni WBK S.A., initially as IT Systems Development Specialist
  - 2008–2016: in charge of the Management Information Team, Information Management Competence Centre, Systems Development Area and CRM and Business Development Area
  - 2016-2019: Chief Information Officer, including from 2017 to 2018 he managed acquisition of the demerged part of Deutsche Bank Polska S.A. and completed the legal and operational merger as well as migration of products held by retail and business customers of the acquired bank to the systems of Santander Bank Polska S.A.
- from 2019 to 1 January 2025: member of the Management Board of Santander Bank Polska S.A. in charge of the Digital Transformation Division

5. ESG management (including ESG risk)

[ESRS 2 – Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies;

- Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies]

Issues related to responsible banking (ESG) are a regular subject of analyses and decisions made by the Management Board, the Supervisory Board and relevant committees.

The Management Board and the Supervisory Board approved the Bank's new strategy for 2024–2026, which sets out the directions for the Bank's ESG development, i.e. environmental and social initiatives and management actions, by identifying goals related to significant effects, threats and opportunities. In 2024, the ESG Committee adopted the following document: Operationalisation of the ESG strategy – action plan for 2024. The above-mentioned documents were drawn up in coordination with the Bank's relevant organisational units and committees, in line with their scope of responsibilities. The Management Board and Supervisory Board receive regular reports on the progress in implementing the strategy, including the ESG strategy.

As part of the allocation of powers within the Management Board (described in Section 4 "Governing bodies"), the following division of responsible banking (ESG) tasks and responsibilities has been introduced:

- ESG risk management – Deputy President of the Management Board in charge of the Risk Management Division;
- Green finance – member of the Management Board in charge of the Business and Corporate Banking Division;
- Coordination of the Group's responsible banking activities, including ESG qualitative reporting – Head of the Communication and Brand Experience Area (Corporate Communication and Marketing Area until 31 December 2024), a unit outside the divisional structure;
- Quantitative reporting on ESG – member of the Management Board in charge of the Financial Accounting and Control Division.

The ESG governance structure of the Bank includes:

- ESG Committee, a management committee holding powers to set the strategy and standards and manage responsible banking and corporate culture in the Bank. The Committee is the main forum to discuss issues concerning responsible banking, sustainable development, ESG and corporate culture. It sets and monitors the related objectives across all areas of the Bank.
- ESG Forum, which coordinates the development and implementation of solutions related to responsible banking, ESG, corporate culture, sustainable finance, ESG risks and climate strategy.

When taking decisions, the Management Board considers assessments, information and analyses of the ESG risk management unit. Based on that, it adopts the Risk Appetite Statement, which is then approved by the Supervisory Board. Specific limits are used to set watch limits and define risk management policies. The Management Board member in charge of risk management provides the Supervisory Board members with relevant information about risk to ensure they have a full picture of the Bank's risk profile and can make informed decisions in this respect.

In line with its terms of reference, the Supervisory Board oversees the development, implementation and execution of the responsible banking programme and compliance with regulatory requirements on ESG. The Supervisory Board committees – the Risk Committee and the Audit and Compliance Committee – also have powers related to ESG. ESG risks are taken into account when reviewing the Group's risk profile, as in the case of the review and recommendation to the Supervisory Board of risk policies comprising the general risk management framework of the organisation. The Audit and Compliance Committee reviews the ESG Report and ESG ratings of the Bank and the Group.

[ESRS 2, Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

As the body responsible for managing the company's affairs, the Management Board deals with ESG matters under the general mandate for managing the Bank. The roles of individual members of the Management Board, committees and organisational units related to ESG are defined in relevant terms of reference of the Supervisory Board, organisational units and committees, in the Responsible Banking Model that describes key accountabilities, processes, roles and key responsibilities, and the approach to responsible banking, as well as other internal regulations.

[ESRS 2 – Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies;

- Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies]

According to the internal allocation of powers referred to above, responsibility for the management of risk related to responsible banking rests with the Risk Management Division. ESG risks were integrated with the divisional strategy (by defining risk transmission channels to traditional banking risks) and reflected in the terms of reference of the Division (roles and responsibilities). In order to ensure an adequate organisation of the ESG management function, the ESG Risk Management Office was set up in the Risk Management Division. The Office is responsible for integrating ESG risks with internal risk management framework, including risk reporting, credit risk assessment and monitoring, reflecting climate risk in collateral valuation, and setting internal exposure and concentration limits.

Oversight of risk management is exercised through reports submitted by relevant persons and units at meetings of the Management Board committees (ESG Committee, Risk Control Committee), the Management Board, the Risk Committee of the Supervisory Board, and the Supervisory Board.

Day-to-day work of individual employees and teams is supervised through reporting lines – by line managers and Management Board members in charge of specific issues.

In 2024, the Management Board, Supervisory Board and relevant committees took into consideration significant effects, threats and opportunities arising from climate, physical and transition risks ESG-wise.

Appropriate identification of risks and opportunities related to climate transition allows Santander Bank Polska Group to take measures to increase resilience to negative climate factors and to leverage positive factors to accelerate growth, improve financial results and build reputation of the Bank and the Group.

The sources of physical risks are among other things extreme weather conditions such as severe storms or floods which may cause infrastructure disruption or damage in many sectors. Due to the nature of its activities, the agri sector is particularly exposed to physical risks, with an increased risk of soil erosion affecting crop quality and yields.

In a medium and long term, there is a physical risk related to deteriorating hydrological conditions in Poland and the risk of drought. Water scarcity and the lack of relevant retention systems may adversely affect the economy, including the energy sector. For example, the CHP plants that use river water for cooling purposes may be forced to limit energy production during drought.

The most sensitive sectors in the context of transition to a low-carbon economy are the sectors based on coal and other fossil fuels that dominate the Polish energy mix. There are regulatory and legal risks connected with higher costs of CO_2 emissions, more stringent data reporting and gathering requirements as well as regulatory changes that may limit the operations of some high-carbon businesses.

The Bank has Environmental, Social and Climate Change Risk Management Policy, approved by the Management Board, which sets the criteria to be met by customers from the sensitive sectors. The document defines the activities divided into two categories: prohibited activities and activities subject to additional analysis. As credit processes were aligned with the Policy, certain exposures with high and unmanaged transition risks are not acceptable.

The Bank defined the concentration limits for physical and transition risks as well as risk appetite metrics related to the Bank's declarations in the Environmental and Climate Change Policy.

Depending on the assessment of climate risks for individual sectors, new elements are incorporated into the credit process, affecting the estimation of credit risk.

In 2024, the mortgage collateral valuation criteria were expanded to include ESG factors. The analyses showed that valuation varies depending on transition risk approximated by building energy performance. The Bank is aware that climate changes and transformation of the economy bring both risks and new business opportunities. The transition to a green economy allows Santander Bank Polska Group to help existing and future customers as well as to support economic transformation by providing relevant financing solutions.

6. Remuneration policy

Remuneration of Management and Supervisory Board members

Remuneration of Supervisory Board members

Internal regulations concerning remuneration for supervisory function holders

The rules regarding fixed and variable components of remuneration for Management Board members are set out in the Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A. introduced by virtue of Supervisory Board Resolution no. 31 of 27 April 2022 and in the Remuneration Policy of Santander Bank Polska Group updated on 15 July 2024.

Remuneration principles

The remuneration of members of the Supervisory Board of Santander Bank Polska S.A. is set by the Bank's General Meeting, depending on the function performed on the Supervisory Board, membership of the Supervisory Board Committees and the related additional tasks performed. The General Meeting may authorise the Supervisory Board to determine additional remuneration for the Supervisory Board members entrusted with ongoing individual oversight. The remuneration for Supervisory Board members is paid in cash only.

No additional discretionary pension benefits or early retirement programmes are envisaged for the Supervisory Board members.

Amount of remuneration

The amount of remuneration of the Supervisory Board members is specified in Resolution no. 43 of the Annual General Meeting of 18 April 2024, which repealed Resolution no. 5 of the Annual General Meeting of 22 July 2023. Members of the Supervisory Board are paid monthly remuneration for performing their role on the Supervisory Board and additional remuneration for participating in each of the meetings of the Supervisory Board Committees on which they sit. Three members of the Supervisory Board related to Santander Group did not receive remuneration, namely: José García Cantera, Isabel Guerreiro and José Luis de Mora.

The table below presents the remuneration paid to members of the Supervisory Board of Santander Bank Polska S.A. in 2023 and 2024.

Name and surname	Role in the Supervisory Board	2024		2023	
		for the period	Amount (PLN k)[3]	for the period	Amount (PLN k)
Antonio Escámez Torres	Chairman of the Supervisory Board	1.01.2024-31.12.2024	311	1.01.2023-31.12.2023	328
José Luis de Mora [1]	Vice Chairman of the Supervisory Board	1.01.2024-31.12.2024	-	1.01.2023-31.12.2023	-
Dominika Bettman	Member of the Supervisory Board	1.01.2024-31.12.2024	374	1.01.2023-31.12.2023	334
José García Cantera[1]	Member of the Supervisory Board	1.01.2024-31.12.2024	-	1.01.2023-31.12.2023	-
Danuta Dąbrowska	Member of the Supervisory Board	1.01.2024-31.12.2024	368	1.01.2023-31.12.2023	288
Isabel Guerreiro[1] [2]	Member of the Supervisory Board	1.01.2024-31.12.2024	-	1.01.2023-31.12.2023	-
David Hexter	Member of the Supervisory Board	1.01.2024-18.04.2024	236	1.01.2023-31.12.2023	270
Jerzy Surma[2]	Member of the Supervisory Board	1.01.2024-31.12.2024	248	1.01.2023-31.12.2023	342
Adam Celiński	Member of the Supervisory Board	1.01.2024-31.12.2024	358	1.08.2023-31.12.2023	102
Kamilla Marchewka-Bartkowiak	Member of the Supervisory Board	18.04.2024-31.12.2024	226	1.01.2023-31.12.2023	n/a
Tomasz Sójka	Member of the Supervisory Board	18.04.2024-31.12.2024	212	1.01.2023-31.12.2023	n/a
Marynika Woroszylska-Sapieha	Member of the Supervisory Board	1.01.2024-18.04.2024	140	1.01.2023-31.12.2023	307

1) José García Cantera, José Luis de Mora and Isabel Guerreiro did not receive remuneration for their membership of the Supervisory Board.
2) Supervisory Board members until 18 April 2024 and since 1 July 2024
3) In 2024, members of the Supervisory Board of Santander Bank Polska S.A. received remuneration from the Bank's related entities in the amount of PLN 200 k (PLN 97 k in 2023).

Remuneration of Management Board members

Internal regulations concerning remuneration for executives

The rules regarding fixed and variable components of remuneration for Management Board members are set out in the Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A. introduced by virtue of Supervisory Board Resolution no. 31 of 27 April 2022 and in the Remuneration Policy of Santander Bank Polska Group updated on 15 July 2024.

Remuneration principles that apply to Management Board members are determined by the Supervisory Board on the basis of recommendations from the Remuneration Committee, except for remuneration paid under Incentive Plan VII, whose terms were determined by the General Meeting (Resolution no. 30 of the Annual General Meeting of 27 April 2022 on Incentive Plan VII and conditions of its execution, as amended).

Agreements between Santander Bank Polska S.A. and its executives

The Management Board members signed employment contracts with Santander Bank Polska S.A. for the current term of office. The contractual terms and conditions comply with general laws and internal regulations, in particular with the Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A. The Management Board members also signed agreements prohibiting competitive activity after termination of their employment with Santander Bank Polska S.A.

A Management Board member who is not appointed for a new term of office or is removed from the Board is entitled to one-off severance pay. It does not apply to Management Board members who accept a new role in the Bank, are removed due to gross violation of their obligations or standards of integrity, culture and professional conduct, resign or are not granted discharge.

Santander Bank Polska S.A. does not have an obligation to pay pension or other similar benefits to former members of the Management Board or the Supervisory Board.

Fixed remuneration

Pursuant to the Statutes of Santander Bank Polska S.A. and the aforementioned regulations, the remuneration of the President and members of the Management Board is set by the Supervisory Board, taking into account recommendations of the Remuneration Committee. The Committee defines the remuneration policy for Management Board members and individual terms and conditions as part of remuneration packages for each Management Board member.

Fixed remuneration includes base salary, additional benefits specified in the internal awarding regulations (e.g. health insurance) as well as severance pay and compensation arising from external regulations.

When determining the amount of the base salary of a Management Board member, the following criteria are specifically taken into account: function performed, scope of responsibilities as well as the need to ensure the adequacy of remuneration received by individual members of the Management Board given their duties and responsibilities, qualifications and professional experience and market competitiveness of the remuneration offered. No additional discretionary pension benefits or early retirement programmes are envisaged for Management Board members.

The table below presents the total remuneration and additional benefits received by members of the Management Board of Santander Bank Polska S.A. in 2024 and 2023 for their membership of the Management Board.

Name and surname	Position	2024			2023		
		Period	Remuneration (PLN k)	Additional benefits[2] (PLN k)	Period	Remuneration (PLN k)	Additional benefits[2] (PLN k)
Michał Gajewski	President of the Management Board	1.01.2024-31.12.2024	3,327	367	1.01.2023-31.12.2023	3,150	325
Andrzej Burliga	Vice President of the Management Board	1.01.2024-31.12.2024	1,428	314	1.01.2023-31.12.2023	1,368	272
Juan de Porras Aguirre	Vice President of the Management Board	1.01.2024-31.12.2024	1,714	743	1.01.2023-31.12.2023	1,612	756
Arkadiusz Przybył	Vice President of the Management Board	1.01.2024-1.04.2024	592	90	1.01.2023-31.12.2023	1,536	256
Lech Gałkowski	Member of the Management Board	1.01.2024-31.12.2024	1,536	249	1.01.2023-31.12.2023	1,398	218
Patryk Nowakowski	Member of the Management Board	1.01.2024-31.12.2024	1,476	209	1.01.2023-31.12.2023	1,416	179
Maciej Reluga	Member of the Management Board	1.01.2024-31.12.2024	1,356	244	1.01.2023-31.12.2023	1,248	214
Magdalena Proga-Stępień	Member of the Management Board	1.01.2024-31.12.2024	1,260	295	4.04.2023-31.12.2023	853	114
Artur Głembocki	Member of the Management Board	1.01.2024-31.12.2024	1,080	233	14.11.2023-31.12.2023	171	6
Wojciech Skalski	Member of the Management Board	1.01.2024-31.12.2024	1,080	229	n/a	n/a	n/a
Dorota Strojkowska	Member of the Management Board	1.01.2024-31.12.2024	1,428	275	1.01.2023-31.12.2023	1,326	234

1) Changes to the composition of the Management Board in 2024 are presented above in section "Management Board".
2) Additional benefits received by Management Board members include, among other things, life insurance cover without pension option and, in the case of Juan de Porras Aguirre, also medical cover, accommodation and travel expenses.

No Management Board member received remuneration for their membership in the governing bodies of the subsidiaries or associates in any of the analysed periods.

Variable remuneration

The general rules for determining variable remuneration for Management Board members of Santander Bank Polska S.A. are laid down in the Remuneration Policy of Santander Bank Polska Group, and defined in more detail in the Remuneration Policy for Members of the Management Board of Santander Bank Polska Group.

The annual bonus of a Management Board member depends on the annual base bonus, the availability of the bonus pool and the overall evaluation of the Management Board member's performance.

Variable remuneration is awarded to Management Board members based on the evaluation of their performance. The selection of metrics (as well as their granularity) for individual Management Board members takes into account their individual duties and responsibilities in the process of managing the Bank.

Based on the metrics and evaluation of performance against the objectives under WHAT, HOW and RISK categories as well as relevant weights assigned to them, the rating is established and adjusted by a multiplier, which arises, among other things, from the assessment of performance against a three-year horizon, as proposed by the Supervisory Board Remuneration Committee and approved by the Supervisory Board.

The base bonus is set on the basis of an individual scope of responsibility, taking into account market conditions and other criteria. Each year, the Remuneration Committee reviews the performance of each Management Board member in line with a separate policy and a detailed procedure for evaluating the performance of Management Board members. The final decision on the amount of the annual bonus for Management Board members is taken by the based on the Remuneration Committee's recommendation.

The level of the annual bonus is determined on the basis of global quantitative, qualitative and risk indicators as well as potential adjustments in respect of unexpected events. The indicators are set in accordance with the Bank's financial plan and strategic goals and take into account risk management requirements. The Bank's performance used to define variable components of remuneration considers the cost of risk, the cost of capital, and liquidity risk in a long-term perspective.

The total variable remuneration paid to Management Board members and material risk takers for a given calendar year cannot exceed 100% of the total fixed remuneration paid for that year. However, in exceptional cases, this limit may be increased up to 200% of fixed remuneration subject to the approval of the Bank's General Meeting.

Variable remuneration is awarded in accordance with bonus regulations and paid in cash or financial instruments (shares or related instruments such as phantom stock). The remuneration paid in financial instruments may not be lower than 50% of the total amount of variable remuneration. Payment of min. 40% of variable remuneration (min. 60% in the case of variable remuneration exceeding an equivalent of EUR 1m) is conditional and deferred for the period of at least four years (five years in the case of Management Board members and senior executives). It is paid in equal annual instalments in arrears during the deferral period, unless there are reasons for reduction or non-payment.

The Management Board members may also receive variable remuneration provided for in the long-term incentive plans designed to reinforce the connection between the long-term financial effectiveness of the Bank, expectations of shareholders and awards for executives while adhering to market standards. Subject to certain criteria, the plans enable their participants to take up a certain number of the Bank's shares.

The table below presents variable remuneration paid to Management Board members in 2024 and 2023.

Name and surname	Position	2024		2023	
		Period	Variable remuneration [3] (PLN k)	Period	Variable remuneration [2] (PLN k)
Michał Gajewski	President of the Management Board	1.01.2024-31.12.2024	3,451	1.01.2023-31.12.2023	2,749
Andrzej Burliga	Vice President of the Management Board	1.01.2024-31.12.2024	1,146	1.01.2023-31.12.2023	971
Juan de Porras Aguirre	Vice President of the Management Board	1.01.2024-31.12.2024	1,810	1.01.2023-31.12.2023	1,604
Arkadiusz Przybył	Vice President of the Management Board	1.01.2024-1.04.2024	1,351	1.01.2023-31.12.2023	1,239
Lech Gałkowski	Member of the Management Board	1.01.2024-31.12.2024	1,163	1.01.2023-31.12.2023	810
Patryk Nowakowski	Member of the Management Board	1.01.2024-31.12.2024	1,147	1.01.2023-31.12.2023	893
Maciej Reluga	Member of the Management Board	1.01.2024-31.12.2024	1,135	1.01.2023-31.12.2023	936
Magdalena Proga-Stępień	Member of the Management Board	1.01.2024-31.12.2024	595	4.04.2023-31.12.2023	n/a
Artur Głembocki	Member of the Management Board	1.01.2024-31.12.2024	255	14.11.2023-31.12.2023	n/a
Wojciech Skalski	Member of the Management Board	1.01.2024-31.12.2024	0		n/a
Dorota Strojkowska	Member of the Management Board	1.01.2024-31.12.2024	1,173	1.01.2023-31.12.2023	969

4) Changes to the composition of the Management Board in 2024 are presented above in section "Management Board".
5) Variable remuneration paid in 2023 includes part of the award for 2018–2021 which was conditional and deferred in time, and non-deferred part of the award paid for 2022.
6) Variable remuneration paid in 2024 includes part of the award for 2019–2022 which was conditional and deferred in time, and non-deferred part of the award paid for 2023.

Incentive Plan VII

In 2022, Santander Bank Polska S.A. introduced Incentive Plan VII under Resolution no. 30 of the Annual General Meeting ("Plan"). The Plan is addressed to the employees of the Bank and its subsidiaries who significantly contribute to growth in the value of the organisation. The purpose of the Plan is to motivate the participants to achieve business and qualitative goals in line with the Group's long-term strategy and to provide an instrument that strengthens the employees' relationship with the organisation and encourages them to act in its long-term interest.

The plan obligatorily covers all persons with an identified employee status in Santander Bank Polska Group (key function holders at the Bank appointed in accordance with Article 22aa(10) of the Polish Banking Act). The list of other key participants is determined by the Management Board and approved by the Bank's Supervisory Board. Those employees can participate in the Plan on a voluntary basis.

The participants who satisfy the conditions stipulated in the Participation Agreement and the Resolution will be entitled to an award which is variable remuneration in the form of the Bank's shares classified as an equity-settled share-based payment under IFRS 2. To that end, the Bank will buy back up to 2,331,000 own shares from 1 January 2023 until 31 December 2033.

The Bank's Management Board will buy back the shares to execute Incentive Plan VII based on the authorisation granted by the General Meeting in a separate resolution. If it is not possible to buy back the shares (e.g. due to illiquidity of the shares on the Warsaw Stock Exchange, share prices going beyond the thresholds defined by the General Meeting, lack of the General Meeting's authorisation for the Management Board to buy back shares in a given year of Incentive Plan VII or lack of the General Meeting's decision to create a capital reserve for share buyback in a given year) in the number corresponding to the value of the awards granted, the Bank will reduce pro-rata the number of shares granted to the participant. The difference between the value of the awards granted and the value of the shares transferred by the Bank to the participants as part of the award will be paid out as a cash equivalent.

Below are the vesting conditions that must be met jointly in a given year:

1) Delivery of at least 50% of the profit after tax (PAT) target of Santander Bank Polska S.A. (SAN PL) for a given year.
2) Delivery of at least 80% of the team business targets for a given year at the level of SAN PL, Division or unit; the performance against the target is calculated as the weighted average of performance against at least three business targets defined as part of the financial plan approved by the Supervisory Board for a given year for SAN PL, Division or unit where the participant works, in particular:
    a) PAT (profit after tax) of SAN PL Group (excluding Santander Consumer Bank);
    b) ROTE (return on tangible equity expressed as a percentage calculated in line with SAN PL reporting methodology);
    c) NPS (Net Promoter Score calculated in line with SAN PL reporting methodology);
    d) RORWA (return on risk weighted assets calculated in line with SAN PL reporting methodology);
    e) number of customers;
    f) number of digital customers.
3) The participant's performance rating for a given year at the level not lower than 1.5 on the 1–4 rating scale.

In addition, at the request of the Bank's Management Board, the Supervisory Board can decide to grant a retention award to a participant, if the following criteria are met:

1) the participant's average annual individual performance rating is at least 2.0 on the 1–4 rating scale during the period of their participation in Incentive Plan VII;
2) the average annual weighted performance against the Bank's targets in the years 2022–2026 is at least 80%, taking into account the following weights:
    a) 40% for the average annual performance against the PAT target;
    b) 40% for the average annual performance against the RORWA target;
    c) 20% for the average annual performance against the ESG target.

The maximum number of own shares to be transferred to participants as the retention awards is 451,000.

For the purpose of the Plan, in 2024 Santander Bank Polska S.A. bought back 134,690 own shares (of 271,000 shares eligible for buyback) with the value of PLN 72,333,668 (from PLN 72,357,000 worth of capital reserve allocated to the delivery of the Plan for 2024).

The average buyback price per share in 2024 was PLN 539.15.

The Plan covers the period of five years (2022–2026). However, as the payment of variable remuneration is deferred, the share buyback and allocation will be completed by 2033.

All the above shares were transferred to individual brokerage accounts of the participants. As the amount allocated to the buyback in 2024 was used in full, on 13 March 2024 the Bank's Management Board closed the programme of buyback of own shares in 2024 in respect of the award for 2023 and part of the award for 2022 subject to one-year deferral payable to participants of Incentive Plan VII. Instructions were made to transfer the above shares to brokerage accounts of the eligible participants. Having settled all the instructions, the Bank does not hold any own shares.

Bank's shares held by Supervisory and Management Board members

As at the release dates of the financial reports for the periods ended 31 December 2024, 30 September 2024 and 31 December 2023, no member of the Supervisory Board held any shares of Santander Bank Polska S.A.

The table below shows shares of Santander Bank Polska S.A. held by Management Board members as at the release dates of the above-mentioned reports as well as shares conditionally awarded as part of Incentive Plan VII.

Management Board members as at the end of the current reporting period and the release date of the report	25.02.2025 and 29.10.2024			16.02.2024	
	Total shares held as at the report release date	Shares transferred to brokerage accounts as part of Incentive Plan VII[1]	Shares conditionally awarded as part of Incentive Plan VII[2]	Total shares held as at the report release date	Shares conditionally awarded as part of Incentive Plan VII[3]
Michał Gajewski	8,603	3,808	14,310	4,795	9,519
Andrzej Burliga	2,408	1,524	3,702	884	2,539
Lech Gałkowski	120	1,774	4,598	-	2,956
Artur Głembocki	272	-	770	-	-
Patryk Nowakowski	-	1,491	3,767	-	2,484
Juan de Porras Aguirre	-	2,177	5,310	1,279	3,627
Magdalena Proga-Stępień	606	-	1,293	-	-
Maciej Reluga	3,792	1,491	3,659	2,301	2,484
Wojciech Skalski	3,669	-	-	3,124	-
Dorota Strojkowska	4,223	1,491	3,751	2,732	2,484

1) Shares awarded to members of the Management Board of Santander Bank Polska S.A. as part of Incentive Plan VII for 2022 which were transferred to their individual brokerage accounts in 2024.
2) Shares conditionally awarded to members of the Management Board of Santander Bank Polska S.A. as part of Incentive Plan VII for 2022 and 2023 to be transferred to their individual brokerage accounts in years 2024–2030.
3) Shares conditionally awarded to members of the Management Board of Santander Bank Polska S.A. as part of Incentive Plan VII for 2022 to be transferred to their individual brokerage accounts in 2024–2029.

Relationship between the remuneration paid to Management Board members and key managers and long-term business and financial objectives of the company

[ESRS 2, Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes]

The remuneration policy of Santander Bank Polska S.A., which regulates variable components of remuneration paid to material risk takers (identified employees), has an overall objective to incentivise employees to meet short-, medium- and long-term objectives of the Group, exceed plans, and achieve progress in individual performance.

The criteria that affect the type and amount of fixed and variable remuneration paid to Management Board members were defined so as to support the delivery of the Bank's business strategy, long-term interests and stability, in particular by:

- → setting annual objectives in accordance with the Bank's financial and strategic plans, and assessing the performance of individual Management Board members;
- → applying a flexible remuneration policy by maintaining a proper balance between fixed and variable components;
- → awarding part of remuneration in the form of financial instruments and deferring payment of variable remuneration for a minimum of five years ensuring that the Bank's financial performance has influence on remuneration in the long-term perspective;
- → applying malus clauses, which ensures proper and effective risk management and discourages excessive taking of risk which might materialise in the deferral period;
- → awarding the variable components of remuneration only if it does not represent any threat to the solid capital base of the Bank or the Group in the long-term horizon;
- → a possibility to set up incentive plans to support delivery of the Bank's strategy in the long-term perspective.

Variable remuneration of identified persons (including Management Board members) depends on the assessment of their individual performance and on the results of their organisational unit, area under management and the Bank. The individual performance is assessed in accordance with the standard procedure, based on financial and non-financial criteria.

The performance review covers the period of minimum three years and takes into account the Bank's economic cycle and business risk. At least 50% of variable remuneration is paid in the form of phantom stock based on the Bank's shares. In addition, payment of min. 40% of variable remuneration is deferred for the period of at least four years (five years in the case of Management Board members and senior executives). It is paid in equal annual instalments in arrears during the deferral period, unless there are reasons for reduction or non-payment.

Santander Bank Polska Group has a formal process in place for identification, assessment and ex-post review of performance resulting in the adjustment of the variable remuneration for identified employees (material risk takers) and other employees subject to those regulations.

The variable components of remuneration for the identified employees responsible for risk management, compliance with the law, internal regulations, and market and internal audit standards are reviewed and monitored by the Remuneration Committee of the Supervisory Board. Variable remuneration of the heads of the compliance and internal audit areas is approved by the Supervisory Board.

Management Board members and key employees may receive awards under long-term incentive plans established to retain the above-mentioned staff and improve the efficiency and value of the organisation. The plans set out in detail the criteria that must be met by Management Board members and other participants for an award to be granted, and the right of the Bank's Supervisory Board to change the terms and conditions of the incentive plan, e.g. in the event of any substantial deterioration of the financial standing or risk profile. The Bank has Incentive Plan VII in place, as described above.

The Bank ensures also consistency of the Remuneration Policy with the Bank's strategy for integrating risks related to sustainable development by linking it to variable remuneration of the employees responsible for developing investment recommendations as part of investment advisory services. In addition, fixed and variable remuneration are aligned with the Group's ESG objectives/ limits by linking variable remuneration of the Group's key function holders to the achievement of such objectives, preventing excessive risk-taking in this area and misinformation about the Group's ESG-related measures ("green-washing" practices).

Moreover, ESG (environment, social responsibility and governance) is one of the factors included in qualitative indicators applied to calculate the bonus pool for top executives and key employees and its weight ranges from -5% to +5%.

7. Other transactions with the Bank's executives

Loans and advances

Loans and advances granted by Santander Bank Polska S.A. to the Bank's executives and their relatives totalled PLN 2,697k as at 31 December 2024 vs PLN 3,667k as at 31 December 2023. These facilities were sanctioned on regular terms.

Deposits placed with Santander Bank Polska S.A. by the Bank's executives and their relatives totalled PLN 12,565k as at 31 December 2024 (PLN 7,701k as at 31 December 2023).

8. Diversity policy

Foundations of the diversity management approach

Santander Bank Polska S.A. complies with the laws on diversity, inclusion and equal opportunities. It is committed to promoting diversity in accordance with best practice and ensuring equal treatment of employees and other stakeholders regardless of their gender, age, education, health conditions, race, religion, national or ethnic origin, political beliefs, trade union membership, family status or sexual orientation.

Aspects such as respect for individuality, promotion of equal treatment and prevention of discrimination are addressed by a number of policies and procedures applicable at the Bank, including the Responsible Banking and Sustainability Policy, the Santander Bank Polska Management Board Diversity Policy, the Respect and Dignity Policy and the Corporate Culture Policy of Santander Bank Polska Group.

Furthermore, as a signatory to the Diversity Charter (the international initiative supported by the European Commission), Santander Bank Polska S.A. committed itself to respecting and supporting diversity. The Bank is also a member of the Responsible Business Forum and the Polish ESG Association. Respect for individualism, equal treatment and prevention of discrimination are the cornerstones of the Bank's corporate culture.

The diversity and inclusion culture is supported at the Bank by such initiatives as: Diversity Ambassadors (role performed by senior executives), employee networks (bottom-up initiatives focused on promotion of diversity), educational campaigns, training, webinars (e.g. the Diversity Month). The Bank's activities in this area are supported by strategic partnerships with expert organisations: Share the Care, UN Global Compact Network Poland, Vital Voices, Responsible Business Forum.

The Bank was included in the list of the most advanced employers in Poland in terms of diversity and inclusion. The list was based on the Diversity IN Check survey, which checks the maturity of organisations in managing diversity and building an inclusive work environment. The survey is conducted by the Responsible Business Forum, which coordinates the Diversity Charter in Poland. The Bank's activities were also recognised with many awards, such as the "Top Employer" title for 2023-2025, the "Great Place to Work!" certificate, *Polityka*'s "CSR White Leaf" for 2024, the "Ethical Company" title awarded by *Puls Biznesu* and the "Equal Company" title from the *Forbes Woman* magazine.

Diversity policy regarding the governing bodies

[ESRS 2, Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies]

The Bank pursues its diversity strategy as part of selection, assessment of suitability and succession of members of supervisory and management bodies.

The above processes are delivered in a way that prevents discrimination on any grounds, particularly based on gender, race, colour, ethnic or social origin, genetic features, religion or beliefs, membership of a national minority, property, birth, disability, age or sexual orientation.

The Bank's internal regulations in this respect are based on Joint ESMA and EBA Guidelines EBA/GL/2021/06 and comply with the applicable laws, including the Banking Law Act and the Commercial Companies Code.

The Bank strives to ensure that members of the Management and Supervisory Boards have a wide range of competencies, professional skills, adequate professional experience, capabilities and impeccable reputation, while ensuring diversity in terms of age, academic and professional background and geographical origin. The Bank's ambition is also to have an adequate representation of women and men on these boards.

The Management Board Diversity Policy of Santander Bank Polska S.A. promotes diversity among Management Board members in terms of their qualities and skills to ensure different perspectives and extensive experience, prevents exclusion (promotes inclusion) and supports independent judgment and informed decision making based on a wide range of criteria.

Pursuant to the above policy, the Supervisory Board strives to achieve minimum 30% representation of women on the Management Board by 2025 and ensure diversity in terms of age and geographical provenance.

Furthermore, the Nomination and Succession Policy for Management Board Members and Key Function Holders of Santander Bank Polska S.A. is to ensure the continuity of business processes delivered by senior managers, while maintaining the best possible balance of the management team in terms of gender, knowledge, skills and experience.

The diversity of the Supervisory Board is governed by the Policy on the Suitability Assessment of Supervisory Board Members in Santander Bank Polska S.A. and the Nomination and Succession Planning Policy for Supervisory Board Members in Santander Bank Polska S.A., which require that – apart from having adequate education, professional experience and good repute – the candidates for the Supervisory Board and the Management Board positions should possess a wide spectrum of qualities and skills and independence of mind. Moreover, the former policy set out an objective of 40%–60% of female representation on the Supervisory Board by 2025, which has already been met.

To ensure the above representation of women and men on the Management and Supervisory Boards, the Nominations Committee of the Supervisory Board takes into account all personnel of Santander Group and business objectives related to cross-border activities. Further to this, it takes measures to ensure that the succession plans include an appropriate percentage of women to achieve the set objective and that the women considered in such plans are ready to take up their role within the prescribed time frame.

As at 31 December 2024, there were four women on the Bank's Supervisory Board: Danuta Dąbrowska, Dominika Bettman, Isabel Guerreiro and Kamilla Marchewka-Bartkowiak (40% representation). On the Management Board, women were represented by Dorota Strojkowska in charge of the Business Partnership Division and Magdalena Proga-Stępień in charge of the Retail Banking Division (20% representation). In total, women accounted for 30% of the supervisory and management bodies.

The composition of the Supervisory and Management Boards ensures diversity in terms of gender, age, experience and academic background. The tables and graphs below show diversity of the above-mentioned bodies (as at 31 December 2024):

Independent members	Number (percentage)
Supervisory Board	5 (50%)

Executive and non-executive members	Number
Management Board members (executives)	10
Supervisory Board members (non-executives)	10

Gender	Women	Men
Supervisory Board	4	6
Management Board	2	8

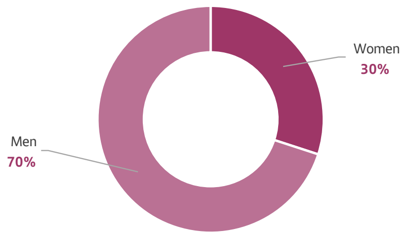
Age	31–40	41–50	51–60	above 60
Supervisory Board	-	1	7	2
Management Board	1	4	5	-

Years of service with Santander Bank Polska S.A.[1)]	up to 5	6–10	11–15	16–20	21–25
Supervisory Board	6	2	2	-	-
Management Board	5	3	2	-	-

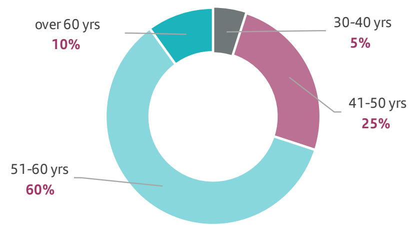
1) Counted from their first appointment to the Supervisory Board or Management Board.

International experience	Number
Supervisory Board	7
Management Board	5

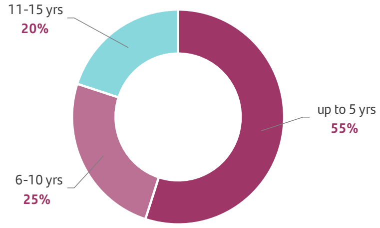
Gender of supervising and executive staff of Santander Bank Polska S.A.



Age of supervising and executive staff of Santander Bank Polska S.A.



Work experience of supervising and executive staff with Santander Bank Polska S.A.



9. Internal control and risk management systems for financial reporting

Objective of the internal control system

Santander Bank Polska Group has an internal control system in place, which – together with the risk management system – is a fundamental element of the Group's management system.

The internal control system supports decision-making processes, contributes to an increase in effectiveness and operational efficiency of the organisation, and ensures adherence to risk management principles, laws, internal regulations and standards, regulatory requirements and best market practice. The effective system allows the Bank to ensure the reliability of financial reporting and its compliance with laws, international standards, internal regulations and supervisory recommendations.

Organisation and operation of the internal control system

The Bank's Management Board is responsible for developing and implementing an effective internal control system in all organisational units, and for updating internal regulations and establishing adequacy and effectiveness criteria for evaluating that system. Its role is also to ensure the continuity of the system and to verify control mechanisms and procedures as well as to define and take relevant measures to remove any deficiencies after they are identified.

The Supervisory Board oversees the implementation and operation of the adequate and effective internal control system based on information obtained from the compliance unit, internal audit unit, the Bank's Management Board and the Audit and Compliance Committee and carries out annual assessment of that system.

The internal control and risk management systems of Santander Bank Polska Group are based on three lines of defence.

Three lines of defence in the internal control and risk management systems

First line of defence

The first line of defence is focused on the management of risks in the Bank's operational activity and involves business units which, as part of their day-to-day activities, generate risks that affect achievement of the Bank's objectives.

The first line includes activities performed by each employee to ensure the quality and correctness of the completed tasks.

The first line of defence checks the compliance with procedures and responds to any identified irregularities.

The rules of independent monitoring as part of this line of defence are established by the Management Board member in charge of a Division or a Bank/Area Director or the President of the Management Board of a subsidiary in the form of relevant internal regulations, taking into account the segregation of duties.

Second line of defence

The second line of defence involves risk management by employees in dedicated roles or organisational units and the operations of the compliance function.

Risk management as part of the second line of defence is independent of risk management in the first line of defence.

The second line of defence comprises functions which support the Bank's managers in identification and management of risks. To that end, the second line of defence provides relevant tools and develops internal regulations and techniques for managing, monitoring, verifying, testing and reporting risks.

The units of the second line of defence conduct independent vertical monitoring in order to verify whether the first line of defence takes effective measures and applies the required control mechanisms.

Third line of defence

The third line of defence is formed by the Internal Audit function, which provides independent and objective examination and assurance of the control mechanisms applied as part of the first and second lines of defence as well as assesses the management system of the Bank and its subsidiaries, including the effectiveness of managing the risk related to their operations.

In line with the Internal Control System Model of Santander Bank Polska S.A., at all three lines of defense, the Bank's employees apply controls or independently monitor compliance with controls while performing their professional duties.

The internal control system is adjusted to the organisational structure as well as to the size and complexity of the operations of Santander Bank Polska Group. It covers all units across the Bank as well as its subsidiaries. The assessment of adequacy and effectiveness of the internal control system takes into account in particular: the complexity of processes, resources, risk of deficiencies in individual processes and the assessment of the adequacy and effectiveness of the first, second and third line of defence. The Management Board, the Audit and Compliance Committee and the Supervisory Board are regularly informed about material and critical deficiencies of the internal control system as well as the status of implementation of remedial actions by responsible organisational units.

The internal control system of Santander Bank Polska Group was developed on the basis of the requirements defined in the Regulation of the Minister of Finance, Funds and Regional Policy on the risk management system, internal control system and remuneration policy in banks, and KNF's Recommendation H on the internal control system in banks.

Furthermore, the internal control system meets specific requirements arising from such regulations as:

- the Sarbanes-Oxley Act (SOX);
- the Volcker Rule (section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act);
- RDA/RRF (Basel Committee on Banking Supervision 239: Principles for effective risk data aggregation and risk reporting);
- FATCA (Foreign Account Tax Compliance Act);
- GDPR;
- EMIR;
- MiFID 2.

Although this report focuses on control mechanisms used in financial reporting processes, the internal control system covers all significant areas of the Bank's operations.

In the light of the Sarbanes-Oxley Act, Santander Bank Polska Group operates as a material and independent organisation within the structure of Santander Group and as such is required to implement, maintain and assess the effectiveness of the internal control environment pursuant to the above-mentioned act. Accordingly, the **Bank's management** carries out an annual certification process to confirm that the control mechanisms in place effectively mitigate the risk of any failure to identify any material error in the financial statements.

The certification process for compliance with the Sarbanes-Oxley Act in 2024 covered all key business areas of Santander Bank Polska S.A. and was carried out using the solutions and methodology based on Santander Group's approach. As part of the SOX certification process for 2024, the Bank's management confirmed that no incidents had been identified in Santander Bank Polska Group which could significantly affect the relevant processes or threaten the effectiveness of the internal control over financial reporting.

Control mechanisms related to financial reporting

One of the key objectives of the internal control system is to ensure full accuracy and reliability of financial reporting.

To manage the risk associated with the preparation of financial statements, the Bank monitors legal and regulatory changes to the reporting obligations of banks. It updates its accounting policies and the scope and form of disclosures in financial statements on an ongoing basis. The Bank also controls its consolidated entities through its representatives sitting on the supervisory boards of individual subsidiaries.

Data inputs in the source systems are subject to formal operational and approval procedures, which state the responsibilities of individual staff members. Data processing for the purpose of financial reporting is subject to relevant control mechanisms, such as procedures for securing data or specialist internal controls whose objective is to monitor and test the correctness and accuracy of data. All manual adjustments, including management overrides, are under strict control, which covers all IT systems used to prepare financial reports. The systems meet the integrity and cybersecurity requirements for IT architecture. Their business continuity plans are updated on an ongoing basis.

The quality of financial input data is ensured by the Information Control Department. The Financial Control Department controls the consistency and completeness of the Bank's books, while the Reporting Department prepares the Bank's and Group's financial statements and monitors the financial statements of the Bank's subsidiaries in terms of their correctness, consistency and completeness. The above-mentioned departments operate within the Financial Accounting and Control Division. Their scopes of responsibilities ensure the division of tasks between support and executive units. The process of preparing the Bank's and Group's financial statements is based on accounting data from the reporting application and is to a large extent automated, including the consolidation module. Additional reference information (both qualitative and quantitative) is obtained from the Group's organisational units in line with their scope of responsibilities.

→ Moreover, the adequacy and effectiveness of control mechanisms related to financial reporting is assessed by an independent external auditor as part of the annual certification process for compliance with the Sarbanes-Oxley Act.

Financial reporting is subject to multi-stage verification:

→ Financial statements are subject to analytical verification carried out by specialists, by the management of units involved in their preparation, and by specialised controlling entities/ structures. For instance:
  - ✓ Annual and semi-annual financial statements are subject to the mandatory review by a **statutory auditor**.
  - ✓ Financial statements are formally approved by the **Disclosure Committee**, which is responsible for ensuring that the financial disclosures of Santander Bank Polska Group comply with all legal and regulatory requirements before they are released.

→ Financial statements are submitted for the approval of the Bank's Management Board and approved by all Management Board members with qualified electronic signatures.

→ Annual and interim financial statements are also reviewed by the Audit and Compliance Committee of the Supervisory Board and approved by the Supervisory Board.

→ The **Audit and Compliance Committee** monitors the financial reporting process, taking into account information about changes in the accounting and reporting policies, analyses all recommendations issued for the **Bank's Management Board** by an external auditor (along with the **Management Board**'s response), and supervises their implementation.

10. External auditor

Entity authorised to audit financial statements

In accordance with the Bank's Statutes and applicable regulations and pursuant to the recommendation of the Audit and Compliance Committee, on 13 December 2023 the Bank's Supervisory Board adopted Resolution no. 161/2023 reappointing PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. (PwC) to:

- review the Bank's semi-annual financial statements and the Group's semi-annual consolidated financial statements for H1 2024;
- audit the Bank's financial statements and the Group's consolidated financial statements for 2024.

On 26 June 2024, the Bank signed an agreement with PwC on the audit and review of financial statements for the periods indicated above.

According to the amended Accounting Act, which became effective on 1 January 2025, the sustainability reporting must be subjected to assurance services performed by an auditor with relevant qualifications. The Bank delegated those services to PwC, an audit firm selected to review financial statements, in accordance with all applicable procedures. On 20 December 2024, the Bank and PwC signed an agreement on assurance services related to sustainability reporting.

The foregoing audit firm has been providing services to the Bank since 2016. The Bank also uses advice services provided by this firm and other entities from the PwC network. In the Bank's view, the above services do not affect the impartiality or independence of the auditor.

Santander Bank Polska S.A. and Banco Santander S.A. retain auditors from the same network, which ensures a consistent approach to the audit process across Santander Group.

Santander Bank Polska S.A. selects an entity authorised to audit financial statements pursuant to the Auditor Appointment Policy (adopted by the Supervisory Board on 4 October 2017 pursuant to the recommendation of the Audit and Compliance Committee, and amended on 25 April 2019). The Policy complies with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and the Act of 11 May 2017 on statutory auditors, audit firms and public oversight.

Detailed rules of cooperation with the audit firm and the audit team are specified in the Audit Services Policy of Santander Bank Polska S.A. of 6 May 2021.

The audit of financial statements of Santander Bank Polska Group for the period ended 2024 marks the ninth year of cooperation with PwC as an auditor of the Group's financial statements. Having regard to the limitations arising from Regulation (EU) No 537/2014 regarding the maximum duration of engagement of an audit firm, the Group started necessary preparations to appoint an entity authorised to audit the financial statements for 2026 and 2027.

Selection of external auditor

A decision to appoint or reappoint an entity authorised to audit the Bank's and the Group's financial statements is made by the Bank's Supervisory Board based on the recommendation of the Audit and Compliance Committee.

Pursuant to the Auditor Appointment Policy of Santander Bank Polska S.A., the Bank selects an audit firm in line with the following rules:

- The Bank and the Committee may invite any audit firm to place bids for carrying out statutory audits on condition of a four-year cooling-off period after the end of the relationship following the expiry of the maximum duration of the engagement.
- An audit firm is selected taking into account findings and conclusions made in the annual report of the Polish Agency for Audit Oversight (PANA) published on its website.
- The Audit and Compliance Committee's recommendation regarding the selection of an entity authorised to audit financial statements takes into consideration the following aspects where applicable:

Initial engagement of an auditor:

- at least two audit firms to choose from, along with the rationale and the Audit and Compliance Committee's justified preference for one of them;
- competencies of the audit firms and their ability to perform the required services;
- independence of the entity authorised to audit financial statements;
- legal requirements;
- consistency and effectiveness of the audit from the Group's perspective as well as from the higher-level consolidation perspective;
- comparison of individual proposals in accordance with the agreed criteria, having regard to the weights allocated on the basis of a relevant questionnaire.

Reappointment of the auditor:

- assessment of the quality of services provided to date;
- independence of the entity authorised to audit financial statements;
- legal requirements;
- consistency and efficiency of the audit from local Group perspective as well as from the higher level consolidation perspective.

- The Bank/ the Group complies with the applicable laws with respect to the minimum and maximum duration of an audit engagement and the minimum cooling-off period.

According to EU Regulation No 537/2014, the maximum engagement of the same audit firm cannot exceed ten years.

The recommendation issued by the Audit and Compliance Committee before the appointment of PwC to review and audit the financial statements of Santander Bank Polska S.A. and Santander Bank Polska Group for 2023 and 2024 met all the required criteria and was presented to the Supervisory Board as part of the selection procedure carried out in accordance with the applicable principles (reappointment of the auditor). The process included, among other things, the assessment of PwC's independence and the quality of services provided to date.

Permitted non-audit services

The rules for provision of permitted non-audit services to Santander Bank Polska S.A. by the audit firm performing the audit, entities connected with the audit firm or by members of the audit firm network are laid down in the Policy for audit-related and non-audit services rendered by the auditor, which was reviewed by the Audit and Compliance Committee and approved by the Supervisory Board on 29 September 2021. The Policy meets the requirements arising from Act on statutory auditors, audit firms and public oversight as well as EU regulations, including Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 on statutory audits of annual accounts and consolidated accounts.

Pursuant to the foregoing Policy:

- Appointment of an auditor to render audit-related or permitted non-audit services must be approved by the Audit and Compliance Committee based on the assessment of whether such services will not affect the independence of the auditor.
- Once a year, before the conclusion of the audit of the Group's annual financial statements, summary information on non-audit services is sent to the Committee for assessment of their potential impact on the auditor's independence and objectivity.
- When the statutory auditor or the audit firm provides permitted non-audit services to the audited entity, its parent undertaking or its controlled undertakings, for a period of three or more consecutive years, the total fees for such services must not exceed 70% of the average total fees paid in

the last three consecutive years for statutory audits of separate and consolidated financial statements of the above-mentioned entities. The above limit does not apply if the auditor has not rendered non-audit services for at least one year.

The scope of permitted services (i.e. services which, under the existing regulations, the statutory auditor can provide when auditing the financial statements of the Bank/ Group) includes audit-related services (e.g. review of interim financial statements, assurance services) and non-audit services (e.g. general advisory services).

The Policy also lists prohibited services. Specifically, the auditor must not:

- audit and/or review its own work (self-review);
- perform a management role in the audited company or in relation to the services provided (management functions);
- represent the audited company or Group (advocacy).

In addition, it is not permitted to provide accounting, financial, actuarial, outsourcing (as part of internal audit) and mediation services as well as services related to valuation, design and implementation of financial information systems and specific tax services.

In 2024, PwC, the audit firm appointed to audit the financial statements of Santander Bank Polska S.A. and its Group for 2023 and 2024 (along with other entities from the PwC network) provided the following permitted non-audit services:

- review of interim financial statements of the Bank/ Group;
- verification of consolidation packages;
- verification of capital adequacy disclosures;
- verification of reports on remuneration of the Management and Supervisory Boards;
- services connected with an issue prospectus;
- assurance services related to safekeeping of customers' assets;
- assurance services related to the company's sustainability report for 2024;
- assurance services related to risk management and prospectuses for Santander TFI S.A.;
- issuance of attestation letters in connection with the EMTN prospectus.

The Audit and Compliance Committee approved the appointment of PwC and other entities from its network to provide the foregoing permitted non-audit services. Before the relevant recommendations were presented to the Supervisory Board, the independence of the auditor had been verified with a positive outcome.

Remuneration of external auditor

The table below shows the remuneration paid to PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. (PwC) in 2023 and 2024 for the audit of the financial statements of Santander Bank Polska S.A. and its subsidiaries, and for audit-related services and other permitted services rendered under the agreements in place.

Remuneration of external auditor (PLN k)	Financial year ended 31 December 2024	Financial year ended 31 December 2023
Audit fees in respect of the parent entity [1)]	3,869	4,516
Audit fees in respect of the subsidiaries	3,051	2,786
Fees in respect of other assurance services, including the review of the accounts of the parent entity and subsidiaries[2)]	3,533	1,574
Fees in respect of non-assurance services[3)]	420	414

1) Fees in respect of audits performed by PricewaterhouseCoopers sp. z o.o. Audyt sp.k. in 2023 and 2024 under the agreements with Santander Bank Polska S.A. on audit and review of financial statements of 26 June 2024 and 28 June 2023, including assurance services with respect to the compliance of annual financial statements with the requirements of the European Single Electronic Format (ESEF). Pursuant to Annex 1 of 26 October 2023 to the Agreement of 28 June 2023, in 2023 PwC also audited the Interim Condensed Special Purpose Financial Statements of Santander Bank Polska S.A. for the 9-month period ended 30 September 2023.

2) Fees in respect of the review of financial statements under the agreements referred to in point 1 and for assurance services related to capital adequacy disclosures, report on remuneration of Management and Supervisory Board members, compliance with requirements regarding the safekeeping of customers' assets, report on risk management system and prospectuses for Santander TFI S.A. Furthermore, PwC provided assurance services in relation to the sustainability report of Santander Bank Polska Group for 2024 under a relevant agreement of 20 December 2024, while a year earlier assurance services were conducted in relation to corporate social responsibility report for 2023.

3) Fees in respect of non-assurance services refer to the issuance of attestation letters made in connection with the EMTN prospectus.

XIII. Consolidated sustainability statement of Santander Bank Polska Group for 2024

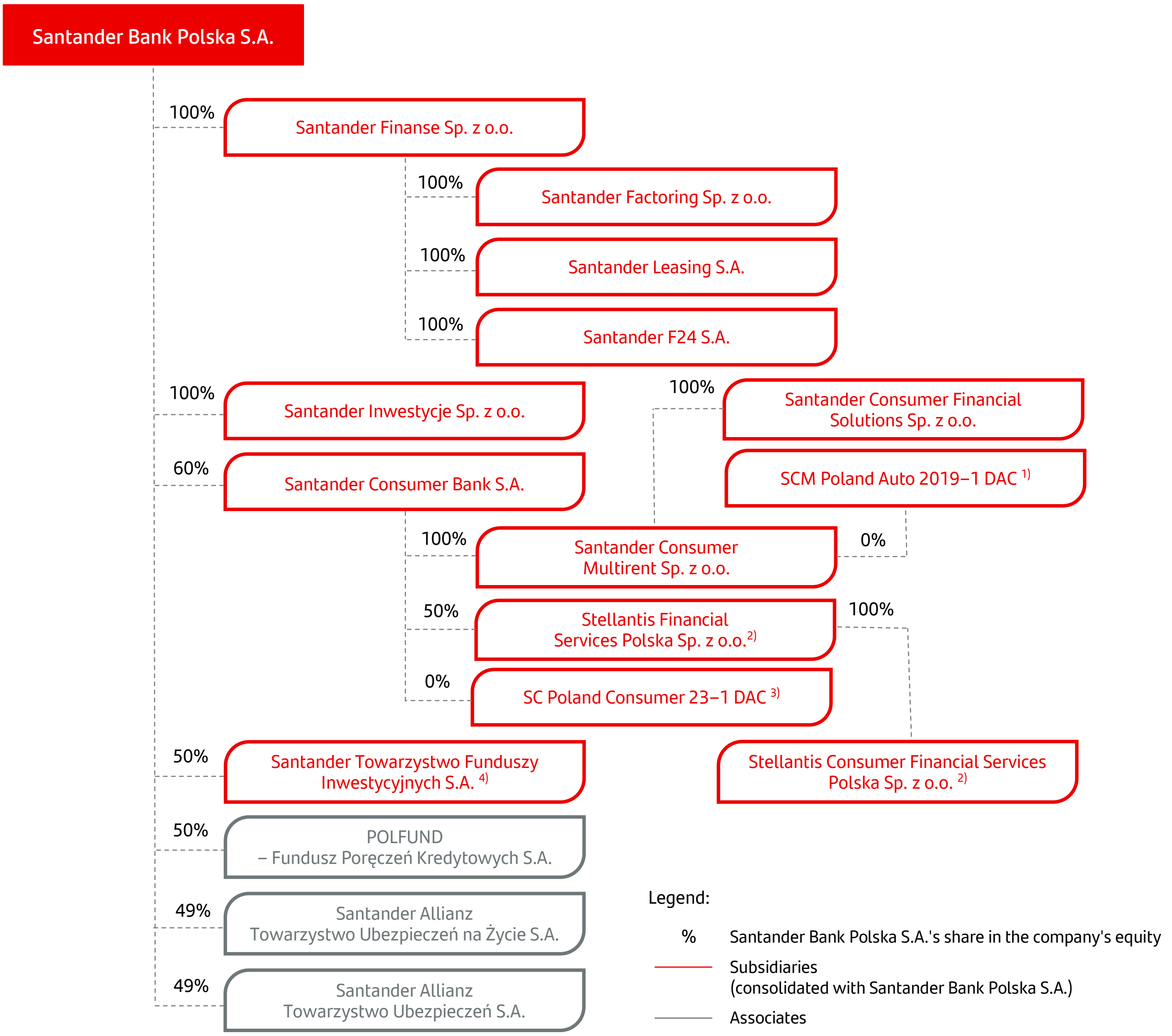
Contents

Basis for preparation

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

In accordance with the Accounting Act of September 29, 1994, Journal of Laws 1994 No. 121, item 591, as amended (hereinafter referred to as "Accounting Act") and the Directive of the European Parliament and of the Council (EU) 2022/2464[1] (known as the CSRD) on corporate sustainability reporting, the Santander Bank Polska Group (hereinafter: "the Group") has prepared its first Consolidated Sustainability Statement (hereinafter: "the sustainability statement" or "statement"). This statement has been developed in compliance with the European Sustainability Reporting Standards (hereinafter: "ESRS"[2]). We have incorporated the double materiality perspective and taken into account material impacts, risks, and opportunities related to environmental, social, and governance (ESG) matters. The reporting scope aligns with the consolidation scope applied in the Consolidated Financial Statements of the Santander Bank Polska Group for 2024.

The Group includes:



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1 *Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards corporate sustainability reporting.*

2 *Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards.*

If the statement refers to the Bank, it shall be understood as Santander Bank Polska S.A. If the statement refers to Santander Consumer Bank, it shall be understood as Santander Consumer Bank S.A. and its subsidiaries Santander Consumer Multirent Sp. z o.o. and Santander Consumer Financial Solutions Sp. z o.o. If the statement refers to Santander Leasing, it shall be understood as Santander Leasing S.A., Santander Finanse Sp. z o.o., and Santander F24 S.A.

Santander Consumer Bank Polska S.A. is a subsidiary of the Bank that is exempt from its own consolidated sustainability reporting based on Article 63u(1) of the Accounting Act.

The information contained in this sustainability statement takes into account material impacts, risks, and opportunities across the entire value chain, both upstream and downstream, arising from the business relationships of the Group, including its suppliers, partners, and customers.

To define the value chain, we referred to the guidelines set out in the CSRD, ESRS, and the supplementary ESRS "Implementation Guidance on the Value Chain" developed by European Financial Reporting Advisory Group (EFRAG). The value chain analysis, conducted as part of the double materiality assessment process, covered both the direct operations of the Bank and the Group as well as indirect impacts stemming from the activities of our partners at all stages of the supply chain and in relationships with customers (for more details on the value chain, see section “Strategy, business model and value chain” of this statement).

Since there was no such a necessity, for the purpose of disclosures in the Statement, the Group has not availed itself of the possibility to omit detailed information on intellectual property, know-how, and the results of innovation, as provided for in ESRS 1. Furthermore, we have not exercised the exemption from disclosing information on upcoming events or negotiations.

The publication covers the period from 1 January 2024 to 31 December 2024 and the information and indicators refer to the Group, unless otherwise specified in the text.

Disclosures in relation to specific circumstances (BP-2)

Time Horizons

The time horizons for impacts, risks, and opportunities that reflect the expected effects on stakeholders and the environment, or the anticipated financial effects, are identified in accordance with ESRS 1 as follows:

- Short-term time horizon: a period of one year, corresponding to the reporting period of the financial statements.
- Medium-term time horizon: a period from one to five years. This time horizon focuses on achieving strategic operational and financial objectives, considering material sustainability-related risks and opportunities.
- Long-term time horizon: a period beyond five years. This horizon encompasses our long-term commitments and aspirations related to sustainability, including goals associated with energy transition, innovation, and social and environmental impacts.

Metrics based on estimates or characterised by high levels of uncertainty

The majority of metrics used in our reporting are based on actual data obtained from direct sources. In cases where full actual data is not available, estimates are applied to ensure the continuity and completeness of the reported information. These estimates are based on best industry methods and practices to reflect actual data as accurately as possible.

The following indicators are determined using estimation methods due to the lack of complete actual data:

- Electricity consumption: Estimates are applied for certain locations, such as Santander zones, offsite locations, and selected ATMs, where individual energy consumption data is unavailable.
- Thermal energy: Thermal energy consumption is estimated for locations without direct measurements, using available cost data and average unit prices.
- Electricity and thermal energy consumption in the final quarter of the reporting period: Estimates are used due to the lack of invoices confirming actual consumption, resulting from the timing of invoice issuance and delivery by energy providers. These estimates are based on consumption during the same period in the previous reporting year.
- Greenhouse gases emissions ("GHG") linked to client activities: Most Scope 3 emissions are calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology and are based on estimates, as access to actual data from clients is limited.
- Employee commuting (Scope 3): Emissions data related to employee commuting is estimated based on survey results, which account for the modes of transport employees use for commuting.

- Business travel (Scope 3): Emission metrics for business travel include both actual data (when available) and estimates, particularly for rail and bus travel, where average distances are applied.
- Number of beneficiaries of social initiatives: For social initiatives supported by multiple organizations (partners), the estimated number of beneficiaries attributable to the Group is proportional to our financial contribution to the initiative's total budget. In the lack of tools to calculate the exact number of beneficiaries of an initiatives, a 30% cap is applied due to potential double counting of beneficiaries.

Detailed information on the methodology for determining the above indicators and the estimation methods applied is presented in the relevant sub-sections. To improve the accuracy of metrics based on indirect data, we undertake ongoing efforts to enhance data quality. We engage in dialogue with clients and other stakeholders to obtain more comprehensive actual data and to gradually reduce reliance on estimates. At the same time, we refine estimation methods by applying available methodologies. We systematically verify data from external entities, cross-check it with invoices and accounting records, and analyze deviations from historical data. This allows us to identify and correct inaccuracies on an ongoing basis.

For the assessment of negative and positive impacts, risks and opportunities, as well as the applied measurement of indicators related to the financing of specific client groups, more detailed information can be expected in the future. This takes into account, among other factors, that clients will provide data in their sustainability reports, and that EFRAG guidelines and new sectoral standards will be published. As a Group, we are making use of transitional provisions, including in the area of the value chain. The double materiality assessment process and the Statement include forward-looking information. Therefore, assumptions, judgments, forecasts, and projections have been applied regarding, among other things, climate risks, transition risks, and opportunities. As a result, forward-looking information reflects the Group’s current expectations and may be subject to uncertainty. It may also change, particularly due to economic developments, regulatory changes, market dynamics, or climate change.

Alignment with the EU Taxonomy

As part of the sustainability statement, in section "Disclosures under Regulation no. 2020/852), we disclose information prepared in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council (hereinafter: "EU Taxonomy").

Incorporation by reference

In this statement, we refer to matters described in other sections of the Management Board Report or in other documents of the Group. This includes topics such as:

- Detailed information about the experience of Management Board Members, which can be found in Chapter XII “Statement on corporate governance in 2024”,
- Information on business segments in terms of customer profiles and product lines, which can be found in Chapter VIII “Business development in 2024”.
- Detailed information on actions taken in the area of own workforce can be found in Chapter V “Relations with employees” and Chapter IV “Development strategy”. Detailed information on actions taken in the area of consumers and end users can be found in Chapter VI “Relations with customers” and Chapter VIII “Business development in 2024”. Detailed information on actions taken in the area of affected communities can be found in Chapter IV “Development strategy”.

Application of phased-in disclosure requirements

The table below presents disclosures resulting from the phased-in disclosure requirements. By applying the provisions of the ESRS in this regard, the Group does not disclose the information listed in the table below in this statement.

ESRS	Required Disclosure	Description of Disclosure
ESRS 2	SBM-3, section 48 e)	Potential financial effects
ESRS E1	E1-9	Potential financial effects arising from significant physical and transition risks, as well as climate-related opportunities
ESRS S1	S1-14	Health and safety: Information on non-employees
ESRS 2	SBM-1	Breakdown of total revenue by material ESRS sectors

1. General Disclosures (Sustainability of the Group)

1.1. Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

In 2024, we conducted, together with experienced experts from an external consulting firm, a double materiality assessment in accordance with the ESRS and EFRAG guidelines[3]. The purpose of that assessment was to identify the material impacts, risks, and opportunities for the Group arising from sustainability-related issues. Understanding the results of this analysis serves as the foundation for the Group's disclosure of key ESG information. The assessment was carried out taking into account directional methodological assumptions consistent across the Banco Santander Group and included an assessment of:

- the Group's impact on the external environment (impact materiality),
- risks and opportunities affecting the Group (financial materiality).

The double materiality assessment process began with dialogue with key stakeholders, including employees, customers, investors, representatives of non-governmental organizations, regulators, academic institutions and business partners. The analysis was conducted in multiple stages and included both dialogue sessions and survey research.

- Employee survey: An online survey was conducted among employees of the Group between 10-14 June 2024, allowing participants to anonymously share their opinions on material ESG topics.
- Stakeholder dialogue session: A dialogue session with stakeholders of the Group was held on 17 June 2024 via the MS Teams online platform. This was the 12th session dedicated to sustainability and responsible business practices. The session was conducted in accordance with the AA1000SES international standard, with the participation of independent moderators. During the dialogue session, discussions were organized into three thematic groups:
  - Responsible business relationships and their impact on the environment and society,
  - Responsibility for employees and the Bank's social activities,
  - Sustainable financing and relationships with customers.

> Incorporating the opinions of key stakeholders in the double-materiality assessment

	Stakeholder Group	Impact Materiality	Financial Materiality
Stakeholders affected by impacts	Customers	X	
	Non-governmental organizations (NGOs)	X	
	Employees of the Group	X	
Users of reports	Investors/stakeholders (including Banco Santander Group)		X
	Top Management		X
	Regulatory and supervisory bodies	X	X

We also used portfolio analyses in the process. These included an assessment of impacts, risks and opportunities through the Group's portfolio of products and services. The analyses focused particularly on our loan portfolio and served to identify impacts, risks and opportunities, as well as to assess the materiality of identified risks and opportunities. The portfolio analyses used recognised methodologies and analytical tools, as well as solutions developed by the Group. These included:

- UNEP FI Impact Tool, for assessing the impacts, risk and opportunities of financial institutions,
- 'Heat maps' illustrating climate risks (including transition and physical risks), developed using, among others, the TCFD[4] methodology and NGFS[5] climate scenarios,
- Encore tool for assessing environmental risks,
- Bank's sales forecasts on, inter alia, green, social and sustainability-related financing.

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3 *European Financial Reporting Advisory Group*

4 *Task Force on Climate-Related Financial Disclosures created by the Financial Stability Board (FSB).*

5 *Network for Greening the Financial System.*

Stages of the Double Materiality Assessment in the Group

The double materiality analysis serves as the foundation for the Group's strategic approach to sustainability. It enables the Group to:

- Identify key ESG topics that are material from the perspective of stakeholders and the Group's operations,
- Assess risks and opportunities associated with each ESG issue, facilitating effective management,
- Prioritize actions in the area of sustainability.

The analysis process was conducted in four stages:

- **Stage 1:** Contextual Analysis

  In this stage, we defined the assumptions for the analysis and identified the Group's value chain, encompassing stakeholders across upstream operations, our own operations, and downstream operations. The analysis accounted for internal and external factors, such as regulations, stakeholder expectations and market trends. We used external sources mentioned above. We analysed the information gathered during the dialogue session and from the stakeholder survey on sustainability issues to use in the materiality assessment.

- **Stage 2:** Identification of Impacts, Risks and Opportunities (IROs)

  In the second stage, we reviewed sustainability topics in line with ESRS. The contextual analysis initially identified 100 IROs. We categorised them and assigned them to a topic or sub-topic, and key impacts, risks, and opportunities – within ESRS 1, AR 16. We also analysed the Group's portfolio of products and services, with particular focus on the loan portfolio.

  Each IRO was:

  - mapped to the value chain, assigned relationships between impacts and risks, assessing whether and how impacts could lead to new risks and opportunities, with a particular focus on potentially negative human rights impacts,
  - assigned to the responsible unit within the organisation for the process in question,
  - estimated for the potential financial impact resulting from the risks or opportunities.

  The methodology we used to measure materiality is based on EFRAG's guidance on materiality assessment . After applying it at this stage, we classified 32 IROs as material.

- **Stage 3:** Assessment of Materiality of Impacts, Risks and Opportunities

  We assessed impacts, risks, and opportunities based on the dimensions specified in ESRS: scale, scope, likelihood of occurrence, and, for negative impacts, the irrevocable nature. The assessment included both the impact of our activities on the external environment (impact materiality), and risks and opportunities that could affect the financial performance of the Group (financial materiality).

- **Stage 4:** Materiality thresholds and confirmation of results

  Finally, we ranked the identified material topics and developed a materiality matrix, which forms the basis for further strategic actions. To identify significant IROs, we adopted a threshold of 3.5 on a scale of 1 to 5 for both impact perspective and financial materiality. This means that IROs with materiality ranging from medium (3) to high or higher were considered material, taking as a reference point that values greater than 3.5 represent events of medium-high severity and events of medium-high probability of occurrence.

  We also assessed the validity and consistency of the list of IROs identified as material. From a quantitative perspective, assuming that the distribution of materiality events follows a normal distribution (mean = 3 and standard deviation = 0.5), the probability of a value of 3.5 is approximately 16%, which is considered reasonable for a material event.

The results of the analysis were confirmed by top management representatives and approved by the ESG Committee. The materiality matrix is designed to help effectively manage ESG issues within the strategic directions and to target the areas of greatest importance to the Group and its stakeholders. As the identification of IROs took place with reference to 2024, the Group as of 31 December 2024 did not yet have processes in place dedicated to the ongoing monitoring and management of material IROs as part of the integration of IROs into the overall management processes specific to the Group. In 2025, the Group will be taking steps to supplement existing processes with the component of material IROs.

Materiality Matrix of the Group

As a result of the process described above, we developed a materiality matrix that enables the identification of key impacts, risks, and opportunities significant both from the perspective of their impact on the external environment and the financial performance of the organization. Each material topic was classified based on its relevance to the operations of the Group.

The resulting matrix serves as the foundation for integrated management of ESG issues, strategic decision-making, and the implementation of actions within the Group’s business model. The outcomes of the materiality analysis highlighted topics of critical importance as well as those of an informational nature. This allows for the prioritization of actions in a way that best addresses the risks and needs associated with the operations of the Group.

ESRS	Subtopic	Impact perspective		Financial perspective	
		+	–	Risk	Opport.
* E1: Climate Change	1. Climate change mitigation 2. Energy				
E2: Pollution					
E3: Water and Marine Resources					
E4: Biodiversity and Ecosystems					
E5: Circular Economy					
* S1: Own Workforce	3. Working conditions 4. Equal treatment and opportunities for all 5. Other work-related rights				
S2: Workers in the Value Chain					
* S3: Affected Communities	6. Communities' economic, social and cultural rights				
* S4: Consumers and End-Users	7. Information-related impacts for consumers and/or end-users 8. Social inclusion of consumers and/or end users				
* G1: Business Conduct	9. Corporate culture 10. Protection of whistleblowers 11. Management of relationships with suppliers including payment practices 12. Corruption and bribery				

Legend

* Material topic

Topic evaluation: Critical ≥4.5 Significant 4.5>x≥3.5 Informative 3.5>x≥2.5 Minimal <2.5

Based on the double materiality assessment, we classified five sustainability-related topics for inclusion in this statement.

The results of the assessment include distribution of impacts, risks, and opportunities according to the ESRS thematic standards.

ESRS E1 Climate Change

Material Subtopic	Type of IRO	Description and location of Impact, Risk or Opportunity (IRO)
Climate Change Mitigation	Impact	Negative environmental impact resulting from financing borrowers who are unable to adapt their business models to a low-carbon economy.
	Impact	Increase in greenhouse gas emissions related to portfolio activities (retail banking loans).
	Impact	Increase in greenhouse gas emissions related to portfolio activities (institutional banking loans).
	Opportunity	Increase in revenues due to (1) the growth in the volume of financing granted for real estate that meets the criteria of our Sustainable Finance and Investment Classification System, (2) financing and advisory services for the expansion of electric vehicle charging infrastructure, (3) financing and advisory services for the transition to electric vehicles, and (4) financing for water, waste, and soil treatment, improved energy efficiency, and lower emissions.
	Opportunity	Increased customer trust by offering loans and advisory services to help identify opportunities for property modernization.
	Opportunity	Market leadership through (1) funding of technologies to support low-carbon mobility and (2) funding and advice on emission reduction technologies in agriculture.
	Opportunity	Differentiation in the market through (1) encouraging and supporting clients across the entire value chain in adopting more sustainable business practices and (2) providing financing and advisory services for early-stage companies focused on solutions enabling the energy transition.
	Opportunity	Growth in green bonds, green loans, and sustainability-linked financial instruments.
	Opportunity	Increased revenue by financing the development of new technologies, such as hydrogen, carbon capture, utilization and storage (CCUS), biofuels, and energy storage in a broader sense.
	Risk	Reputational risk stemming from perceptions by customers, investors, and other stakeholders that banks are not doing enough to achieve low-carbon goals or are acting contrary to their policies.

	Risk	Reputational risk due to failure to achieve climate and environmental goals, including those related to the bank's own operations and those of its clients, which may result in financial losses.
	Risk	Risks arising from activities in various sectors that hinder climate mitigation.
Energy	Impact	Contributing to environmental protection through increased use of renewable energy and other low-carbon technologies.

ESRS S1 Own workforce

Material Subtopic	Type of IRO	Description and location of Impact, Risk or Opportunity (IRO)
Working conditions	Impact	Flexible working conditions enabling employees to balance work with their personal circumstances.
	Impact	Promoting employee health and well-being through appropriate monitoring and best practices, as well as health and safety initiatives.
	Impact	Potential harm to employees through exposure to longer working hours, controversies related to corruption and human rights violations, or proven breaches.
	Impact	Protecting employees through adequate wages and benefits.
	Impact	Positive impact on employee wages due to adjustments aligned with the current economic situation in Poland.
Equal treatment and equal opportunities for all	Impact	Upskilling employees through training and professional development initiatives.
	Impact	Gender pay gaps and underrepresentation of women across all levels of employment.
Other work-related rights	Impact	Lack of employee privacy protection due to the database infrastructure and data management software used by the Bank to host and manage all operations.

ESRS S3 Affected Communities

Material Subtopic	Type of IRO	Description and location of Impact, Risk or Opportunity (IRO)
Economic, social, and cultural rights of communities	Impact	Human rights are not guaranteed due to financing activities with known past and recurring incidents, without prior validation processes.
	Impact	Failure to consider human rights issues in the assessment of financial projects.
	Impact	Lack of protection for affected communities due to the absence of monitoring mechanisms and compliance reviews for funds used in sectors and/or activities with a high risk of environmental and social impacts.
	Impact	Financing clients engaged in activities deemed unauthorized, contrary to the Bank's policies and ethical standards, which could pose risks to society.
	Impact	Adverse impacts on human rights due to insufficient or preliminary evaluation and/or monitoring of financed projects.

ESRS S4 Consumers and End-Users

Material Subtopic	Type of IRO	Description and location of Impact, Risk or Opportunity (IRO)
Impact of information on consumers or end-users	Impact	Educating retail customers on online threats and ways to mitigate them.
	Impact	Quality of information and data protection are not guaranteed for vulnerable customers regarding how their data is used, stored, and shared, or ensuring that customers sufficiently understand how their data is managed.
	Impact	Customer inquiries, complaints, and claims are not addressed or do not result in necessary changes and modifications due to a lack of systems and processes.
	Impact	Lack of price transparency for customers caused by the Bank engaging in price abuses without prior notice or justification.
	Impact	Lack of customer privacy protection due to the database infrastructure and data management software used by the Bank to host and manage all operations.
	Impact	High trust among Polish customers in data security reflects the positive impact of banks on data protection.
	Risk	Risk of cyberattacks threatening customer data privacy.
	Risk	Risk of severe security breaches caused by malicious practices or human errors by employees, such as the use of unauthorized software, technical user violations, or data exfiltration and leaks.
	Risk	Risk of violating personal data protection regulations concerning vulnerable customers.
	Risk	Risk of not addressing customer inquiries, complaints, and claims due to ineffective systems.

	Risk	Risk of lack of price transparency for customers due to the Bank engaging in price abuses without prior notice or justification.
Inclusion of consumers or end-users	Impact	Lack of access to products and services for vulnerable customers due to the absence of inclusive and accessible product/service identification in the catalogue.
	Impact	Failure to ensure financial well-being, utility, and accessibility of financial services for customers due to a lack of product modifications or monitoring of their effective implementation.
	Impact	Insufficient reach and utility of products for the entire population and/or contributing to barriers in access to financial products due to product and service design processes.
	Impact	Lack of additional conditions for vulnerable customers in debt collection or recovery processes due to improper identification.
	Impact	Financial abuse of vulnerable customers due to a lack of preventive transaction monitoring for individuals with legal guardians.

ESRS G1 Business conduct

Material Subtopic	Type of IRO	Description and location of Impact, Risk or Opportunity (IRO)
Corporate Culture	Impact	Acting responsibly by considering not only the interests of investors and the Bank but also the impacts on employees, society, and the environment, including paying taxes.
	Impact	Failure to uphold commitments to respect human rights due to a lack of appropriate governance structures, communication channels, and scalability.
	Risk	Risk arising from the absence of adequate governance structures, internal regulations, and scalability to manage and address ESG issues.
Whistleblower Protection	Impact	Protecting the confidentiality of whistleblower information through an effective communication system where the Bank provides uniform information to authorities via robust, unified rules and procedures in whistleblowing channels.
	Impact	Increase in recurring incidents due to the lack of internal measures to effectively address issues reported through complaint channels and the failure to implement continuous improvements.
Supplier Relationship Management, including Payment Practices	Risk	Risk resulting from the failure to implement operational resilience solutions, such as meeting DORA (Digital Operational Resilience Act) requirements across the entire value chain.
Corruption and Bribery	Impact	Combating all forms of corruption.

During the double materiality analysis, we conducted an assessment of impacts, risks, and opportunities arising from various sustainability areas, based on the list of reporting topics indicated in ESRS 1, paragraph AR 16. As part of this analysis, we utilized tools such as UNEP FI Impact Analysis and Encore (providing data on dependencies between production processes and ecosystem services), opinions from our stakeholders (both internal and external), as well as an analysis of activities financed by the Group.

Based on the results obtained, the following topics were not deemed material, meaning that the related impacts, risks, and opportunities do not meet the materiality thresholds:

- ESRS E2: Pollution
- ESRS E3: Water and Marine Resources
- ESRS E4: Biodiversity and Ecosystems
- ESRS E5: Resource Use and Circular Economy
- ESRS S2: Workers in the Value Chain

The key considerations behind this assessment include:

- Qualitative and quantitative analysis (including established materiality thresholds).
- Portfolio structure, where approximately 60% of exposures relate to households, and the implemented "Environmental, Social, and Climate Change Risk Management Policy" limits the Group's exposure to financing companies from polluting or resource-intensive industries. As a result, the Group’s impact and exposure to issues related to pollution, water, biodiversity, and the circular economy were assessed as immaterial.
- Stakeholder engagement sessions and surveys have shown that our stakeholders perceive the above-mentioned issues as less critical in the context of the Group’s activities.

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

The Group's climate-related impacts

The materiality of the Group's impact on climate has been assessed in accordance with the methodology discussed in the previous subsection. As part of the materiality assessment process, the Group considered its energy consumption from own operations (see disclosures in subsection E1-5), as well as its greenhouse gas (GHG) emissions across the value chain – a review of the Group's activities to identify sources of GHG emissions across its entire value chain was conducted in line with the methodological assumptions outlined in the GHG Protocol (see disclosures in subsection E1-6). Through these analyses and in line with the characteristics specific to the banking sector, no significant climate-related impacts were identified within the upstream segment of the Group's value chain. However, as is typical for financial institutions and considering the structural aspects of the Group's portfolios, significant climate-related impacts were identified in connection with GHG emissions financed by the Group, which represent downstream value chain impacts. Financial institutions' own operations are not characterized by high emissions, as they primarily involve office-based activities. Nevertheless, the Group acknowledges the importance of responsible energy management, which translates into Scope 1 and Scope 2 GHG emissions, and has also deemed its impact in this area as material. The analysis also considered the strategic plans and objectives of the Group, which are discussed in more detail in subsection E1-4. A complete list of the Group's identified material climate-related impacts can be found in the previous subsection.

Climate change risks and their impact on the business

Properly identifying the risks associated with climate change allows us to take action to increase our resilience to these risks. It also allows us to better take advantage of opportunities and address challenges posed by climate change in order to improve the growth dynamics, financial performance and the reputation of the Group. In line with available regulatory guidance, we identify and analyse climate change risks under two categories: physical and transition risks. Based on market practice, available literature and the results of our double materiality assessment, we assume that climate change risks are of key importance in the financial industry for the entities financed by a given institution through their impact on the profitability of exposures to these entities and on the institution's reputation arising from business relationships with financed entities. Compared to the financial risks potentially arising from the impact of climate change risks on the financial instruments portfolio, the potential financial risks associated with the impact of climate change on the Group's own operations and suppliers are negligible.

Physical risks

Physical risks arise from the increasing severity and frequency of extreme weather events, such as severe storms or flooding (acute physical risks). In many sectors, these can cause direct damage to assets and disruption to infrastructure. These risks can also affect companies indirectly, by necessitating a change in their business profile, increasing costs (e.g. insurance) or even preventing them from conducting business.

The second group of physical risks are those associated with gradual and prolonged changes in climate patterns over the medium to long term, particularly as a result of increases in average temperatures (chronic physical risks). In this category, the agricultural sector has a particular risk exposure, due to an increase in the risk of land erosion, which has an impact on the quality and quantity of the crops. In the medium and long term, the deteriorating hydrological situation in Poland and the threat of drought are also risk factors. Lack of adequate water retention systems and water shortages can have a number of negative effects. They may affect various sectors of the economy, including, among others, the energy sector (e.g. thermal power plants using river water in cooling systems may have to reduce energy production during periods of drought). Deterioration of hydrological conditions may also mean an increase in fire risk and potential losses in, among others, timber production.

Transition risks

Transition risks are associated with the transition towards a low-carbon economy, in line with the goals of the Paris Agreement and the strategic direction set by the European Green Deal. Such a transition implies major structural changes in the global economy, entailing many risks, including rapidly emerging losses from so-called stranded assets. The consequences of these processes are complex and multidimensional, making the assessment of transition risks difficult, but extremely important. From the Group's perspective, these risks can affect the Group both directly and indirectly through their impact on the Group's customers.

One category of transition risks is regulatory risks. These are related to the amendment of regulations to combat climate change and promote adaptation to it. New, stricter regulations that will force climate-friendly solutions may translate into higher operating costs for some companies. Sectors dependent on coal and other fossil fuels, on which the Polish energy mix is predominantly based, are particularly vulnerable to these risks. Regulatory risks arise from the rising cost of CO_2 emissions, stricter reporting and data collection requirements and even regulatory changes restricting the operation of some particularly high-emission entities. A risk not yet so widespread in Poland, but already noticeable in Western European countries, are lawsuits brought, for example, by NGOs.

These are aimed at holding companies legally responsible for contributing to climate change or fighting greenwashing practices. The risk of litigation applies largely to companies operating in the most polluting and carbon-intensive sectors.

Technological risks are another group, as decarbonisation and the transformation of the economy will require support in the form of technological innovation. For many companies and industries, profound technological change may mean the loss of asset and infrastructure value, as well as the need to invest in R&D and the implementation of new technologies.

The transformation and structural changes of the economy are also associated with market risks. Changes in the demand and supply of raw materials and commodities will affect their prices and, as a result, the production costs of companies. Consumer choices and the broad macroeconomic environment, including the level of competitiveness of the economy or the level of interest rates, will also be subject to change.

The last group of transition risks are reputational risks. These relate to increased consumer awareness and unethical or unconscious greenwashing actions by companies.

Analysis and assessment of the transmission of climate risks to banking risks

Climate risks, and ESG risks more broadly, have not been singled out as a separate category of risks relevant to our Group. The approach taken is to analyse and assess the transmission of climate risks into traditional financial risk categories, in line with currently available supervisory and regulatory guidance.

The results of the analysis we carried out for the Bank are shown in the table below.

Impact of physical risks	Impact of transition risks	Risk management approach in the Bank
Credit risk (downstream)		
Climate risk can negatively affect borrowers and reduce their ability to service their debt. More frequent and intense weather emergencies and natural disasters may also reduce the value of the loan collateral.	EU or national regulations may reduce the debt servicing capacity of business borrowers operating in certain sectors, primarily in high-carbon sectors such as: → energy, → fuel sector, → transport.	We integrate ESG risks into the credit risk assessment and monitoring process, both at the customer level and at the loan portfolio level. The following section describes the changes that are gradually being introduced into the credit process. ESG issues are becoming increasingly important in sector analyses and strategies.
Market risk (downstream)		
Risk of losses arising from changes in the value of the Bank's assets and liabilities caused by natural disasters and sudden weather events.	The cost of CO_2 emissions may increase costs for some companies (particularly in carbon-intensive sectors such as energy and fuel). This may lead to a reduction in revenue for these companies and, consequently, a reduction in investment capacity. This, in turn, may reduce the number of new credit applications. Regulatory pressures may indirectly affect the financial market by reducing investment in selected customer groups.	Due to the current structure of the trading book, the Bank does not identify a quantifiable impact of ESG factors on market risk. This means that there is no material impact of supply, demand or instrument prices on the Bank's result or on the level of risk incurred. At the same time, the Bank continuously analyses whether the impact of ESG factors on market risk is becoming material, in particular with regard to potential changes in the structure of the trading book.
Liquidity risk (downstream)		
Climate change, including natural disasters and sudden weather events, can cause a sudden increase in the need for cash.	No significant impact of transition risk was identified.	Appropriate procedures have been defined so that ESG risks are included in the annual liquidity adequacy assessment process (ILAAP) in which we estimate net outflows.
Operational risk (own operations and upstream)		
Sudden weather events may affect the conduct of business in the Bank's branches (e.g. flooding, lack of power supply).	Higher energy costs may increase the burden on the Bank (e.g. increase in the cost of renting space).	ESG risks are identified, valued and monitored as part of the risk self-assessment process. They are mandatory risks in this process. As part of the scenario analyses, a scenario is examined that assumes the materialisation of events whose cause lies in ESG factors. Under current regulations, the bank's units are required to report ESG events to the operational event database. In November 2023, operational risk indicators monitoring ESG risks were included in the reporting.
Business risks (entire value chain)		
No significant impact of physical risk was identified.	In the short term, there is an increase in costs associated with the transition to a low-carbon economy. Some of these costs are passed on to consumers, which may reduce their willingness and/or ability to take out consumer loans (e.g. to buy new cars).	The impact of transition risks on the Bank's business operations is analysed on an ongoing basis, and this is reflected in the Bank's strategic activities and product portfolio.

	Regulations and shifts in customer decisions may create new opportunities to offer products or services. Failure to act appropriately may lead to a loss of customers to competitors.	
Reputational risk (entire value chain)		
No significant impact of physical risk was identified.	Continued financing of sectors negatively perceived by regulators, the market and rating agencies (this is mainly in relation to carbon-intensive sectors) could negatively affect the Bank's rating. Possible inadequacies in the management of communications to customers (greenwashing) may negatively affect the Bank's reputation. Possible collaboration with suppliers with controversial sustainability practices may negatively affect the Bank's reputation.	We pay particular attention to the transparent communication of sector policies. We apply reputational risk management policies. We seek to engage clients in addressing climate change and environmental conditions. We conduct appropriate analysis in terms of reputational risk and analyse clients' climate plans.
Compliance risk (entire value chain)		
No significant impact of physical risk was identified.	Regulatory pressures are likely to intensify, which may increase in-house and/or consultancy costs as a result of meeting the obligation to comply with new regulations. In the event of non-compliance with the new regulations, there may be a risk of penalties imposed by market regulators.	We keep our Bank's regulations under review and fully comply with the requirements set by EU and national regulators. As an entity of the global Santander Group, we are one of the founding members of the Net Zero Banking Alliance.

Group companies are developing their approach to managing climate risks in line with their regulatory schedules. In particular, at Santander Consumer Bank, as an independent banking institution, an analysis of the materiality of the impact of ESG risk factors, with a particular focus on climate risks on traditional financial risks, was conducted in 2024. Based on the analysis, Santander Consumer Bank will carry out further activities to develop its approach to managing climate risks in its current processes. Meanwhile, in the subsidiaries Santander Leasing and Santander Factoring, the Bank's subsidiaries, best practices derived from the banking approach are being implemented, taking into account the specific nature of these activities.

We also considered the risks associated with climate change when preparing the financial statements in accordance with International Financial Reporting Standards – detailed information can be found in the "Climate-related risk" chapter of the financial report. Based on our analysis, we found no material impact of environmental issues on the financial statements as a whole.

More details regarding the process of identifying and assessing the materiality of climate risks can be found in the SBM-3 disclosures in the section of the report titled "Qualitative and quantitative analysis of the resilience of the strategy and business model to climate risks supporting the overall resilience assessment of the Group's strategy and business model", which describes the results of scenario analyses for the credit portfolio (downstream in the value chain), including the application of the so-called high-emission scenario. The scenario analyses were based on the scenarios defined by the Network for Greening the Financial System (NGFS) that were up-to-date at the time of their execution. As indicated at the beginning of this section, based on its expert knowledge, the Group has not identified any material physical climate-related risks concerning its own operations and the upstream part of the value chain.

Climate opportunities

The opportunities facing our Group relate in particular to the development of the renewable energy sources (RES) market and the possibility of investing in projects and companies related to this sector, as well as the possibility of engaging in the financing of transport electrification projects, including the adoption of electric and low-emission cars and low-emission public transport. Another growing area includes projects focused on the construction and redevelopment of energy-efficient buildings, as well as investments in circular economy processes. The possibility to participate in the financing of clients' transformation projects is also an opportunity. New business opportunities identified in the longer term will be related to cooperation with companies operating in the area of the transformation of the Polish energy sector, the development of advisory services for selecting low-emission and optimisation solutions for the agricultural sector, and the expansion of financial services in this area.

1.2. Sustainability Strategy of the Group

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

Description of the business model – products and services offered

The business model of the Group is based on providing financial solutions to individual clients, micro, small, and medium-sized enterprises, as well as Polish and international corporations. We offer a wide range of banking and financial services for both domestic and international markets. Our priority is to foster customer loyalty and employee engagement, which drives growth in revenue, receivables, and deposits.

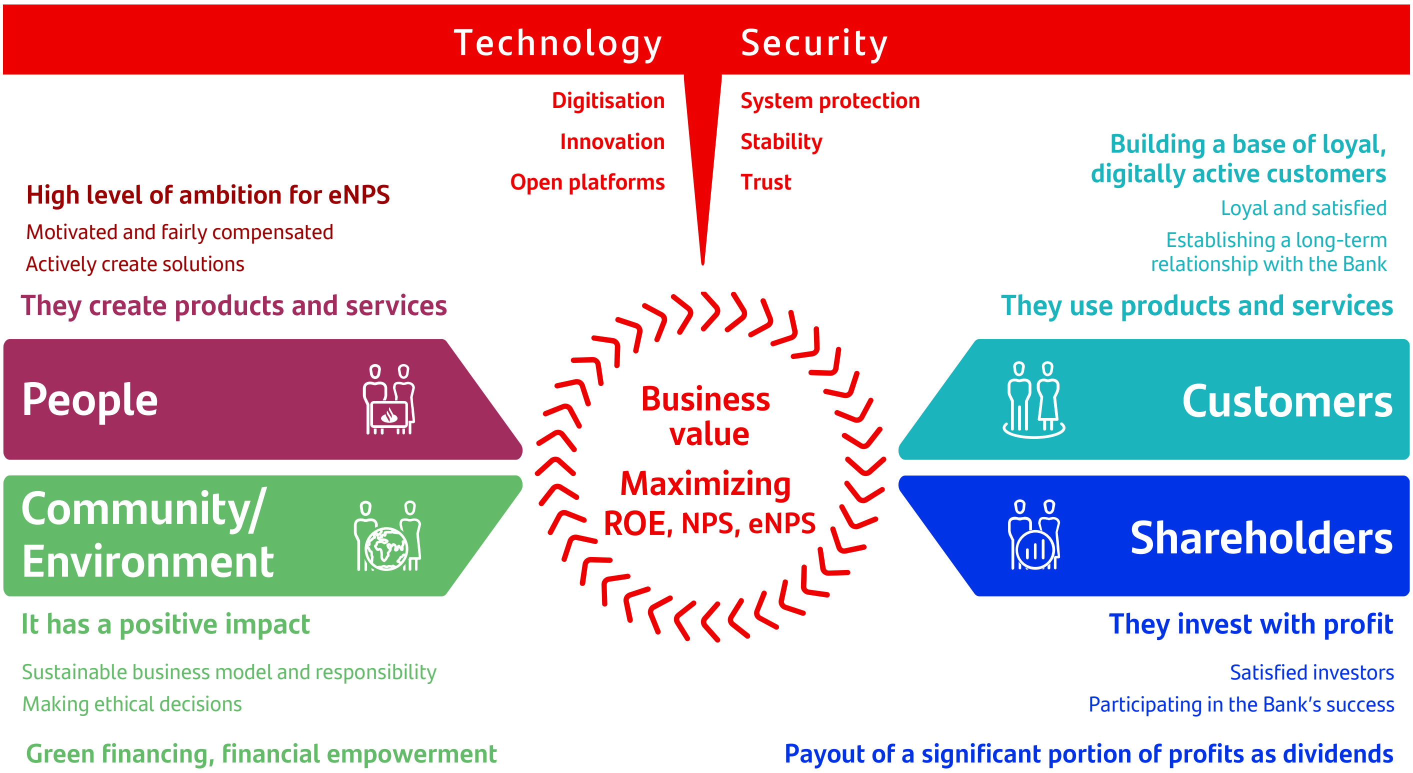
The Bank's offering is comprehensive and tailored to meet diverse customer needs, covering banking accounts, credit products, savings and investment products, payment solutions, insurance, and card services. The Bank's services are developed based on technology, innovation and open platforms. They include cash management, payment processing, foreign trade support, operations in the capital, money, and foreign exchange markets, derivatives transactions, as well as guarantee and brokerage activities.

The Bank's own offering is complemented by specialized products provided by entities capital-linked to and forming the Group, such as Santander TFI (Santander Investment Fund Company), Santander Leasing, Santander Factoring, and Santander Consumer Bank. Through collaboration with these entities, the Bank enables its customers to access investment funds, asset portfolios, leasing and factoring products, and consumer loans:

Santander Bank Polska S.A.	Universal bank, which provides a full range of services for individual clients, small and medium-sized enterprises, large companies, corporations, and public sector institutions.
Santander Towarzystwo Funduszy Inwestycyjnych S.A.	The company manages assets of investment funds. It has extensive experience in creating and managing Employee Pension Plans (EPPs) and Individual Pension Accounts (IPAs).
Santander Leasing S.A.	It offers financing for a wide range of fixed assets to clients from the small and medium-sized business sector as well as corporate clients. Santander Leasing's main products include operating leasing, financial leasing, loans for purchasing fixed assets and land, as well as vehicle rentals.
Santander Factoring Sp. z o.o.	It provides sales financing (receivables factoring) for domestic and international buyers and purchase financing (payables factoring) for suppliers operating in Poland and abroad. The company serves small and medium-sized enterprises, corporations, and international firms with a global reach.
Santander Consumer Bank S.A.	Focused on meeting the credit needs of households, mainly in the consumer finance sector and the car loan market. It also finances business entities, primarily car dealers and importers. Santander Consumer Bank's offering includes consumer loans, car financing (via car loans, leasing, and factoring), dealer financing, retail and business deposits, and insurance products.

More information about the customer profile of the Group, the main product lines, and the service model can be found in Chapter IX in the section "Organisational and infrastructure development". As a Group, we operate in compliance with local and international regulations and therefore do not offer products or services prohibited in respective jurisdictions.

Value Creation in the Group



The foundations of the value built by the Group are as follows:

- Stable funding sources,
- A strong capital and liquidity base,

- A diversified asset portfolio,
- A clear, cohesive, and consistently implemented strategic vision, focused on customer and operational efficiency,
- Streamlined processes, digital technologies, and the adoption of agile principles,
- An effective and straightforward business model,
- A diversified scope of operations and belonging to the global Banco Santander Group, which allows us to leverage international experience.

All our actions are guided by the needs and expectations of our customers. We design products, processes, and communication channels using service design principles to ensure that our customers will have high-level satisfaction and interest in continued cooperation. Our employees are a key driver of the value we create for our customers. As a Group, we place emphasis on building friendly work environment and organizational culture that promotes collaboration, equality, diversity, and inclusivity, while enhancing employee motivation, engagement, and professional development.

Our team

As of 31 December 2024, the Group employed 11,959 people in Poland, many of whom are specialists in customer service, financial analysis, and risk management. Detailed information about the employment structure can be found in the "Our Employees" section further in the statement.

More information about the profile of our operations can be found in Chapter II "Basic Information about the Bank and Santander Bank Polska Group."

Group Strategy for 2024–2026

We continue to live our purpose of helping people and bussineses prosper in order to become the most profitable bank in Poland

Our Mission	Help customers and employees prosper.					
Our Vision	The best open **PLATFORM** for financial services, operating **RESPONSIBLY** and earning the lasting **LOYALTY** our people, customers, shareholders and communities.					
Our Values	Simple | Personal | Fair					
Behaviours	Think Customer	Embrace Change	Act Now	Move Together	Speak up	risk pro
Strategic Directions	TOTAL Experience	TOTAL Digitalisation	TOTAL Responsibility			

For the years 2024-2026, the Bank's Management Board adopted the strategy titled "We help you achieve more", which is based on the mission: "Helping customers and employees prosper" and focuses on three strategic directions: "Total Experience", "Total Digitalisation" and "Total Responsibility". This strategy applies to the entire Group, except for Santander Consumer Bank, which holds its own banking license and therefore independently develops its own operational strategy.

Key Assumptions of the "We help you achieve more" strategy:

- People – Customers and Employees – are at the core of our strategy. As a Group, we are committed to creating positive emotions by offering exceptional experiences that exceed the expectations of our stakeholders. We aim to deliver these experiences in the world our customers live in-a world that is increasingly digital yet still requires human interaction. We understand that customer satisfaction and employee engagement are critical to achieving success. This is embodied in the first strategic direction – "Total Experience",
- We know that positive emotions and experiences depend largely on digital interactions. With growing determination, we pursue the path of digital innovation, providing new opportunities to customers through remote channels and ensuring efficient processes for employees. This commitment is reflected in the second strategic direction – "Total Digitalisation",
- The challenges we face as a Bank and as a society demand great responsibility. We consciously make ethical decisions, ensuring we consider our impact on communities and the environment. Through a sustainable business model, we create value for customers, employees, shareholders, and local

communities, while working toward a better future for us, our children, and our planet. This idea is captured in the third strategic direction – "Total Responsibility".

More details about our strategy can be found in Chapter IV of the Management Report titled "Development strategy".

Integration of sustainability goals into the strategy

All three strategic directions included in the strategy complement each other. Sustainability has been embedded in each of them, particularly in the strategic direction Total Responsibility, which defines a series of ambitions across the ESG areas:

- Environmental: We aim to be a role model for sustainability and transformation, supporting its clients in navigating the green transition.
- Social: We support society by promoting education, preventing financial and digital exclusion, and implementing social investments. It fosters inclusivity and diversity among employees and ensures a high level of cybersecurity.
- Governance: We fulfil our commitments to all stakeholders by complying with regulatory requirements, ensuring security and stability, and building customer trust. Additionally, we engage in dialogue with regulators and industry organizations on new legislative directions and develop the risk management culture.

Through our activities as a Group, we focus on the eight UN Sustainable Development Goals. These goals also reflect our impact on our key stakeholder groups:

Revenues of the Group

In 2024, the total revenues of the Group amounted to PLN 23,440,451 thousand. Our consolidated revenues primarily stem from banking activities and operations in capital markets (mainly through Santander TFI). This year, we are not publishing a quantitative analysis of revenues by industry sectors in which we operate, due to the lack of published sectoral ESRS.

More information about our financial performance can be found in Chapter I "Overview of activities of Santander Bank Polska S.A. and its Group in 2024".

The Group's activities in the fossil fuels sector and controversial industries

The Group's activities in these sectors are governed by internal policies, such as the 'Social, Environmental and Climate Risk Management Policy', the 'Sensitive sector financing policy', and the 'Defence sector policy'. According to these policies:

- **Fossil fuels (coal, oil, gas):** in 2020 we committed to eliminate all exposures financing thermal coal mining by 2030, regardless of location. Currently, as a Group, we do not hold such exposures and have introduced a zero limit for the exposures in the acceptable risk level Declaration.
- **Weapons:** we do not collaborate with entities involved in the production or distribution of controversial weapons, including anti-personnel mines, cluster munitions, nuclear weapons, chemical and biological weapons, and depleted uranium ammunition. Prior to entering into cooperation, entities from the defence sector are required to sign a declaration that they will not produce, sell, or distribute these products.
- **Tobacco cultivation and production:** we enforce a strict prohibition on financing and investment activities in the tobacco sector if their production, trade, or distribution violates the World Health Organisation Framework Convention on Tobacco Control or fails to meet legal standards regarding packaging and health warnings. The prohibition also includes next-generation products such as nicotine inhalers and e-cigarettes. Products containing cannabinoids are subject to additional regulations under the criteria for the cannabis industry.

Value Chain

The value chain of the Group encompasses three key areas: upstream activities, internal operations, and downstream activities. These areas reflect our position in relationships with suppliers, customers, and stakeholders at every stage of our operations. When defining the value chain, we considered the requirements of ESRS and the EFRAG Implementation Guidance on the Value Chain.

Upstrem	Own operations	Downstream
• **Financial institutions and supervisory bodies** • **Regulators** • **Suppliers of products and services**	• **Group's assets** • **Departments and functions in the headquarters**	• **Retail** (Retail banking) • **Consumer** (Santander Consumer Bank) • **CIB** (Corporate and Investment Banking) • **BCB** (Business and Corporate Banking) • **Associated companies** • **Points of sale** (including partner locations) • **Payments and withdrawals from ATMs**

→ **Upstream**
At the upstream level of the value chain, we collaborate with a wide range of suppliers, partners, and regulatory institutions. Key contributors include providers of technology, services, and infrastructure that support banking operations. In our partnerships, we place particular emphasis on adherence to ESG standards to ensure that our supply chain supports sustainability goals.

→ **Own operations**
Our own operations encompass the Group's activities related to managing financial products and services. Our resources are focused on delivering innovative solutions, supporting clients in achieving their financial goals, and implementing principles of responsible business. This part of the value chain includes strategic actions related to risk management, operational efficiency, and the implementation of solutions that comply with regulatory requirements and ESG principles.

→ **Downstream**
At the downstream level of the value chain, we work directly with clients, offering a broad range of financial services. Our key customer groups include individual clients, small and medium-sized enterprises, corporations, and public institutions. Downstream activities also involve developing long-term relationships with business partners and financing projects that promote sustainability, such as the green transition, investments in renewable energy, and support for local communities.

Interests and views of stakeholders (SBM-2)

Stakeholders of the Group and the Bank

The Group maintains a dialogue and engagement with our stakeholders to understand their interests and views, set priorities, and identify opportunities and areas for improvement. We identify specific stakeholder groups[6] and update their profiles. We not only listen to stakeholders but also strive to ensure that the voice of the Group is heard. Therefore, we use various communication channels in our interactions.

[6] The stakeholder identification process is based on a qualitative analysis, carried out for the sustainability disclosures purposes, among others, and on dialogue sessions held in accordance with AA1000SES since 2014.

Retail customers

Communication channels:
- bank outlets
- website and other online channels (bank's blog, Facebook, X, LinkedIn, Tik Tok, Instagram)
- customer satisfaction surveys
- meetings, conferences and training sessions
- conversation with an advisor
- video chat
- web form

Business customers

Communication channels:
- bankers and customer advisers
- Business and Corporate Banking Centres
- conferences
- virtual trade missions
- opinion and satisfaction surveys
- online advisor

Employees

Communication channels:
- employee opinion surveys
- intranet
- newsletters, bulletins, mailings
- meetings with top management
- team-building events, workshops and training courses

Shareholders and the investment community

Communication channels:
- quarterly performance presentations (meetings, conferences, stock exchange and press releases)
- General Meeting of Shareholders

Regulators

Communication channels:
- reports
- formal correspondence
- day-to-day cooperation during supervisory inspections

Media and public opinion

Communication channels:
- conferences and press briefings
- interviews, expert commentaries
- face-to-face meetings
- press releases
- social media channels

Santander Group

Communication channels:
- reports
- regular correspondence
- meetings and experience sharing

Natural environment

Communication channels:
- ESG reports
- reports to institutions
- contacts and cooperation with environmental organisations

Suppliers and business partners

Communication channels:
- direct contact
- conferences and industry events

Social partners

Communication channels:
- face-to-face meetings and cooperation
- dialogue sessions with stakeholders
- activities of the Santander Bank Polska Foundation
- participation in conferences and local events
- corporate volunteering

Industry organisations and associations

Communication channels:
- direct meetings and cooperation

The Management Board and the Supervisory Board are informed about the views and expectations of stakeholders in the context of sustainability primarily through the presentation of such information at the meetings of the relevant committees.

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

The strategy of the Group forms the foundation for the preparation of business and financial plans by individual units, whose implementation leads to the achievement of strategic objectives. The Management Board of the Bank is responsible for the overall strategic planning processes, while the Finance Management Division is the owner of the Strategic Planning Policy. The integral stages of strategic planning include: quarterly and annual reviews of the current strategy's implementation; preparation of strategic analyses and insights (market, business model, financial and business plans, as well as resource and competency analyses); development and approval of the strategy; implementation of the strategy; and monitoring the degree of its delivery.

Although the Group's strategy for 2024-2026 was developed prior to the 2024 double materiality assessment, the material impacts, risks, and opportunities identified in the medium-term horizon are closely linked to the strategy and serve as the foundation for its further development and the adaptation of activities to the evolving socio-economic and regulatory environment. The double materiality analysis provided valuable insights, enabling a better understanding of the impacts of the Group's activities on the environment and society, as well as an assessment of how these factors translate into development opportunities and potential financial risks. Currently, the Group, is in the process of analysing the identified impacts, risks, and opportunities across business units to better align our policies, objectives, and activities.

The table below presents the key material impacts, risks, and opportunities and how they are linked to our strategy. The resources allocated to manage significant impacts, risks and opportunities are described in dedicated sections of the statement.

ESRS	Subtopic	Type of IRO	Description and location of IRO	Area of the Group's strategy
Climate Change (E1)	Climate change mitigation	Impacts	Negative environmental impact due to financing borrowers unable to adapt their business models to a low-carbon economy.	Total Responsibility: ▶ Incorporating environmental risks into the business model and transforming the investment portfolio towards low-emission assets. ▶ Development of products supporting the green transition of clients and society.
			Increase in greenhouse gas emissions related to portfolio activities (retail banking loans).	
			Increase in greenhouse gas emissions related to portfolio activities (institutional banking loans).	
		Opportunities	Increase in revenues due to (1) growth in the volume of financing granted for real estate that meets the criteria of our Sustainable Finance and Investment Classification System, (2) financing and advisory services for the expansion of electric vehicle charging infrastructure, (3) financing and advisory services for the transition to electric vehicles, and (4) financing for water, waste, and soil treatment, improved energy efficiency, and lower emissions.	Total Responsibility: ▶ Development of advisory services for clients on green transition
			Increased customer trust by offering loans and advisory services to help identify opportunities for property modernization	
			Market leadership through (1) funding of technologies to support low-carbon mobility and (2) funding and advice on emission reduction technologies in agriculture	
			Differentiation in the market through (1) encouraging and supporting clients across the entire value chain in adopting more sustainable business practices and (2) providing financing and advisory services for early-stage companies focused on solutions enabling the energy transition.	
			Growth in green bonds, green loans, and sustainability-linked financial instruments	
			Increased revenue by financing the development of new technologies, such as hydrogen, carbon capture, utilization and storage (CCUS), biofuels, and energy storage in a broader sense	
		Risks	Reputational risk stemming from perceptions by customers, investors, and other stakeholders that banks are not doing enough to achieve low-carbon goals or are acting contrary to their policies.	
			Reputational risk due to failure to achieve climate and environmental goals, including those related to the bank's own operations and those of its clients, which may result in financial losses.	Total Responsibility: ▶ Proactive management of regulatory initiatives and transparent communication of ESG activities.
			Risks arising from activities in various sectors that hinder climate mitigation.	
	Energy	Impacts	Contributing to environmental protection through increased use of renewable energy and other low-carbon technologies.	Total Responsibility: ▶ Supporting the energy transition by promoting the use of renewable energy sources and low-emission technologies, both in operational activities and in client offerings.
Own workforce (S1)	Working conditions	Impacts	Flexible working conditions enabling employees to balance work with their personal circumstances.	Total Experience: ▶ Building an exceptional organisational culture that supports work-life balance.
			Promoting employee health and well-being through appropriate monitoring and best practices, as well as health and safety initiatives.	
			Potential harm to employees through exposure to longer working hours, controversies related to corruption and human rights violations, or proven breaches.	
			Protecting employees through adequate wages and benefits.	

			Positive impact on employee wages due to adjustments aligned with the current economic situation in Poland.	
	Equal treatment and equal opportunities for all	Impacts	Upskilling employees through training and professional development initiatives.	
			Gender pay gaps and underrepresentation of women across all levels of employment.	
	Other work-related rights	Impacts	Lack of employee privacy protection due to the database infrastructure and data management software used by the Bank to host and manage all operations.	
Affected communities (S3)	Economic, social, and cultural rights of communities	Impacts	Human rights are not guaranteed due to financing activities with known past and recurring incidents, without prior validation processes.	Total Responsibility: ▶ Ensuring the alignment of financial processes with ESG requirements and monitoring social impacts.
			Failure to consider human rights issues in the assessment of financial projects.	
			Lack of protection for affected communities due to the absence of monitoring mechanisms and compliance reviews for funds used in sectors and/or activities with a high risk of environmental and social impacts.	
			Financing clients engaged in activities deemed unauthorized, contrary to the Bank's policies and ethical standards, which could pose risks to society.	
			Adverse impacts on human rights due to insufficient or preliminary evaluation and/or monitoring of financed projects.	
Consumers and end-users (S4)	Impact of information on consumers or end-users	Impacts	Educating retail customers on online threats and ways to mitigate them.	Total Responsibility: ▶ High cybersecurity standards and educational programs on finance and cybersecurity. Total Experience: ▶ We design and test products and services with customers based on a catalogue of Total Experience principles.
			Quality of information and data protection are not guaranteed for vulnerable customers regarding how their data is used, stored, and shared, or ensuring that customers sufficiently understand how their data is managed.	
			Customer inquiries, complaints, and claims are not addressed or do not result in necessary changes and modifications due to a lack of systems and processes.	
			Lack of price transparency for customers caused by the Bank engaging in price abuses without prior notice or justification.	
			Lack of customer privacy protection due to the database infrastructure and data management software used by the Bank to host and manage all operations.	
			High trust among Polish customers in data security reflects the positive impact of banks on data protection.	
		Risks	Risk of cyberattacks threatening customer data privacy.	Total Responsibility: ▶ Ensuring a high level of digital security for clients and employees.
			Risk of severe security breaches caused by malicious practices or human errors by employees, such as the use of unauthorized software, technical user violations, or data exfiltration and leaks.	
			Risk of violating personal data protection regulations concerning vulnerable customers.	
			Risk of not addressing customer inquiries, complaints, and claims due to ineffective systems.	
			Risk of lack of price transparency for customers due to the Bank engaging in price abuses without prior notice or justification.	

	Inclusion of consumers or end-users	Impacts	Lack of access to products and services for vulnerable customers due to the absence of inclusive and accessible product/service identification in the catalogue.	Total Responsibility: ▸ The Bank is developing a range of user-friendly digital products and financial services that are easily accessible and designed for vulnerable clients. One initiative may include reviewing available products to ensure compliance with principles of inclusivity and accessibility, as well as introducing appropriate product labels in the catalogue so that clients can easily identify them.
			Failure to ensure financial well-being, utility, and accessibility of financial services for customers due to a lack of product modifications or monitoring of their effective implementation.	
			Insufficient reach and utility of products for the entire population and/or contributing to barriers in access to financial products due to product and service design processes.	
			Lack of additional conditions for vulnerable customers in debt collection or recovery processes due to improper identification.	
			Financial abuse of vulnerable customers due to a lack of preventive transaction monitoring for individuals with legal guardians.	
Business conduct (G1)	Corporate Culture	Impacts	Acting responsibly by considering not only the interests of investors and the Bank but also the impacts on employees, society, and the environment, including paying taxes.	Total Responsibility: ▸ Building trust through responsible ESG management and combating greenwashing.
			Failure to uphold commitments to respect human rights due to a lack of appropriate governance structures, communication channels, and scalability.	
		Risks	Risk arising from the absence of adequate governance structures, internal regulations, and scalability to manage and address ESG issues.	Total Responsibility: ▸ Strengthening the risk culture and the effectiveness of the control system in the ESG context.
	Whistleblower Protection	Impacts	Protecting the confidentiality of whistleblower information through an effective communication system where the Bank provides uniform information to authorities via robust, unified rules and procedures in whistleblowing channels.	Total Responsibility: ▸ A comprehensive whistleblower protection system ensuring the confidentiality of reports and uniform reporting procedures, in line with regulatory requirements.
			Increase in recurring incidents due to the lack of internal measures to effectively address issues reported through complaint channels and the failure to implement continuous improvements.	
	Supplier Relationship Management, including Payment Practices	Risks	Risk resulting from the failure to implement operational resilience solutions, such as meeting DORA (Digital Operational Resilience Act) requirements across the entire value chain.	Total Digitalisation: ▸ We recognise digital and process management competencies, including robotics, as key to a successful transformation. Total Responsibility: ▸ We ensure the safety of our clients in their digital interactions with us.
	Corruption and Bribery	Impacts	Combating all forms of corruption.	Total Responsibility: ▸ We build trust among clients, employees, investors, and regulators as a safe and reliable bank.

As a Group, we currently do not identify any financial effects of material risks or opportunities on our balance sheet, financial result, or cash flows that are not already reflected in our financial statements and could result in a significant adjustment to the previously reported figures in the following year.

In order to take full advantage of sustainability opportunities and efficiently manage potential risks, as a Group we take actions, both strategic and operational, which are described in dedicated environmental, social and governance sections of the disclosure. These actions lead to capital and operating expenditures, which are now embedded in the Group's overall operating mechanism. We measure the progress of our sustainability strategy and actions through strategic objectives and operational metrics – these are reviewed periodically by the Management Board, but are not validated by an external entity other than the assurance provider. The setting of strategic targets and their revision are done taking into account the expectations of stakeholders such as the Banco Santander Group and regulators.

Assessment of the resilience of the Group's strategy and business model in relation to material impacts and risks and in relation to its ability to take advantage of significant opportunities

As indicated in the SBM-1 disclosure, the Group's business model is based on a wide range of complementary products and services for specific customer segments, a network of branches and franchise outlets throughout Poland, banking technologies and remote distribution channels under development. The Group's business model consists in offering financial services to a diverse range of institutional and individual customers located mainly in Poland. The Group's services can be and are continuously adapted to the evolving market environment, taking into account customer preferences and regulatory and technological changes. The Group's business model is characterised by flexibility in the design and implementation of customised services and is not dependent on fossil fuels or on locations significantly exposed to physical climate risks – consequently, it is reasonable to conclude that the Group's business model is resilient to significant climate change impacts and risks (see the next section for detailed analysis of the resilience of the strategy and business model to climate risks). In addition, given its operations in the European Union and the extensive regulation and supervision to which the banking sector is subject, it is reasonable to conclude that the Group's business model is resilient to material impacts and risks related to employee resources, consumer and end-user relationships and corporate governance.

The Group's periodically updated strategy, in which strategic directions are set and revised by qualified and experienced management, reflects the Group's willingness to recognise and pursue significant sustainability opportunities. At the same time, through its strategy and existing internal regulations (described in the next section), the Group limits or excludes financing or fossil fuel sectors and industries or locations with higher physical climate-related risks. The directions of the Group's Strategy 2024-2026, described in the SBM-1 disclosure, illustrate that the strategy seeks to set targets for the implementation of activities that reflect positive material sustainability impacts, and identifies and supports the realisation of material sustainability opportunities. Consequently, in the Group's assessment, it is reasonable to conclude that our strategy is resilient to significant sustainability impacts and risks and enables the realisation of significant sustainability opportunities.

Qualitative and quantitative analysis of the resilience of the strategy and business model to climate risks to support a combined assessment of the resilience of the Group's strategy and business model

The resilience of our strategy was verified through a sensitivity analysis of the Bank's portfolio to climate risks – details of this analysis are available below). We excluded the other elements of the value chain from the analysis as climate risks were not identified as material for them as a result of the double materiality test. Risks identified in other areas are assessed as part of the ongoing process of monitoring strategy implementation.

The Bank has a methodology for assessing the level of climate risks – physical and transition for individual climate sectors and real estate, which introduces a taxonomy of climate sectors to the Bank. It has enabled a portfolio analysis of the materiality of climate risks for the loan portfolio. These reports are already presented at selected committees and this information is used in the credit risk assessment of clients and transactions.

In the Group (excluding Santander Consumer Bank companies due to the specificity of their operations), the Social, Environmental and Climate Change Risk Management Policy applies, as approved by the Bank's Management Board. It defines the criteria conditioning the Bank's ability to cooperate with customers operating in selected sensitive sectors. The document defines areas of activity into two categories: prohibited activities and activities subject to additional analysis. In connection with the adaptation of credit processes to the provisions of the Policy, certain exposures characterised by excessive and unmanaged transition risk are not accepted.

Limits of concentration have been defined:

- for sectors contributing most to climate change while being most exposed to transition risk
- for business and mortgage-backed exposures in locations assessed as highly exposed to physical risks.

and measures of acceptable risk levels relating to the Bank's declarations included in the Social, Environmental and Climate Change Risk Management Policy. Issues related to the aforementioned asset groups exposed to climate risk are incorporated into the Bank's strategic objectives aimed at increasing the volume of environmentally sustainable exposures. This approach helps mitigate the risk associated with the concentration of exposures vulnerable to climate risks (see disclosures on objectives in subsection E1-4).

Depending on the level of assessment of climate risks for each sector, elements affecting the estimation of credit risk levels are added to the credit process. For selected customers in the business segments, an individual ESCC (Environmental, Social & Climate Change) risk analysis is performed for customers or transactions, operating in the sectors defined in the Bank's policies. The conducted ESCC risk analysis and recommendation is included in the customer's credit application and, if it affects the assessment of credit risk parameters, is taken into account in the customer's rating.

In 2024, the requirements for mortgage collateral valuation were strengthened to incorporate ESG factors. From this change onward, valuations must consider both transition risks related to the energy efficiency of properties and physical risks associated with their location. Conducted analyses have shown that, in the case of transition risk approximated by the energy efficiency level of buildings, valuation differences based on this risk level are already observable within the existing collateral portfolio.

In 2024, the Bank revised its sensitivity analysis of the portfolio to climate risks, taking into account the assessment of the sensitivity of the most exposed sectors. In order to capture the nature of climate risk, the analysis was performed over three long-term time horizons – i.e. for the years 2030, 2040 and 2050. For the purpose of this analysis, it was decided to use climate scenarios defined by the Network for Greening the Financial System (NGFS). We considered the following three scenarios[7]:

- **Below 2°C Scenario** assumes that, through the gradual tightening of climate policies (with a 67% probability), the rise in average temperature will be limited to below 2°C. This scenario falls under the category of Orderly Transition scenarios.
- **Delayed Transition Scenario** assumes no reduction in emission levels until 2030 and a limited scope of negative emissions. Restricting the temperature increase to below 2°C in this scenario will require very firm climate policy actions. This scenario belongs to the category of Disorderly Transition scenarios.
- **Current Policies Scenario** assumes that currently implemented actions will be continued, but goals that remain at the level of declarations will not be achieved. The implementation of this scenario will involve a high level of physical risks and belongs to the category of Hot House World scenarios.

In addition, for physical risks, an analysis was carried out based on external data defining the level of physical risks for more than 15 climate phenomena (acute and chronic) at the municipality level using RCP (representative concentration pathways) scenarios. These are four scenarios for changes in carbon dioxide concentrations that were accepted by the Intergovernmental Panel on Climate Change in the Global Climate Model Comparison Project.

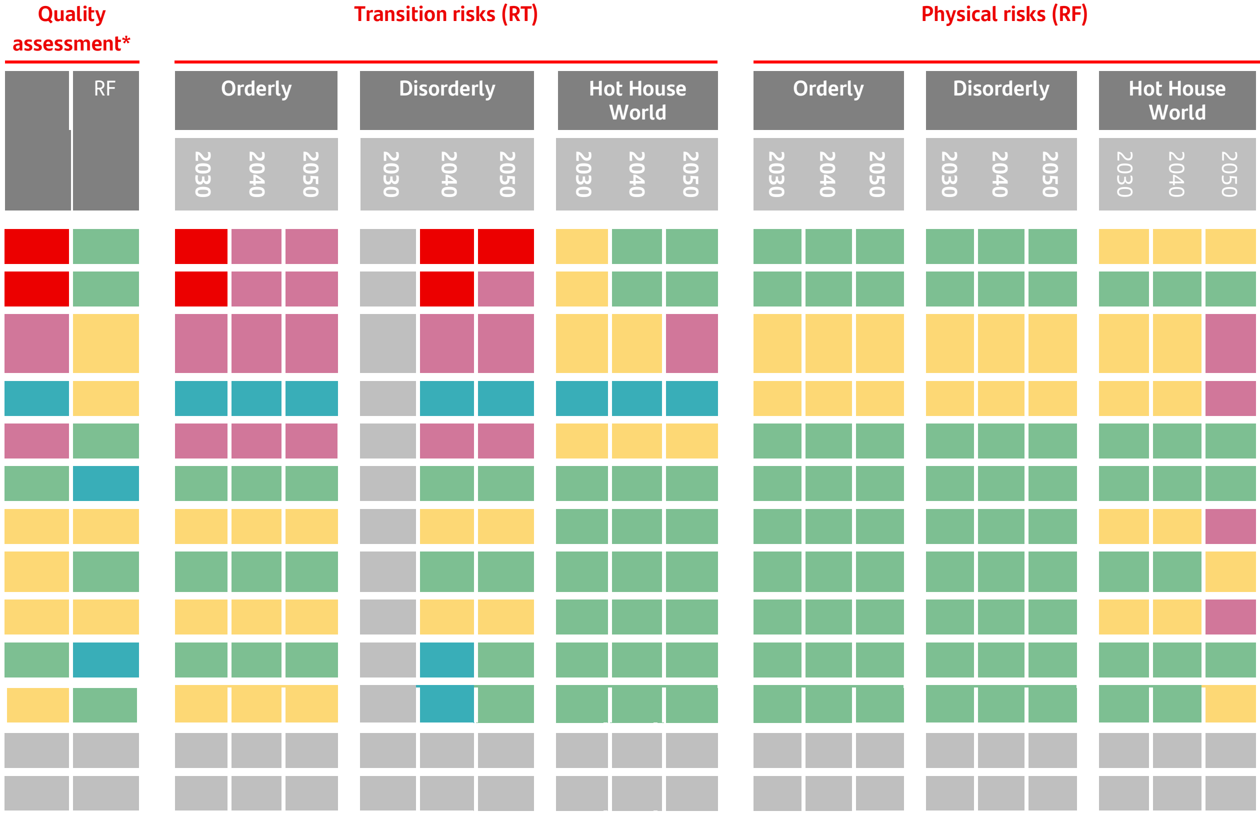
We analysed the evolution of physical and transition risks in 11 sectors most sensitive to climate risks, in which Banco Santander Group's clients operate. Nine of these 11 sectors are materially represented in the Bank's portfolio. The table below presents the results of this analysis, along with the materiality of each sector in the Bank's portfolio, including information on their share of the Group's loan portfolio as of 31 December 2024. The remaining sectors were either excluded from the analysis as accounting for an insignificant part of the portfolio or their exposure to climate risks was assessed as minimal.

The gross value of the Group’s loan portfolio (gross loans and advances to customers) amounted to PLN 180,345,564 thousand as of 31 December 2024, including: loans and advances to enterprises: PLN 73,876,598 thousand, loans and advances to individuals: PLN 88,814,191 thousand (including PLN 55,931,181 thousand related to mortgage loans), other receivables: PLN 17,654,775 thousand. Further details are available in the “Consolidated Financial Statements of Santander Bank Polska Group for 2024”.

The sensitivity analysis performed is an analysis that identifies concentrations of credit exposures in sectors or locations for which publicly available and recognised climate scenarios assume increased climate change risks. Consequently, the analysis is subject to uncertainties mainly due to the long-term nature of the climate risks, the characteristics of the scenario analyses and the qualitative approach to the development of a heatmap illustrating the potential sensitivity of the portfolio to these risks over the assumed time horizons.

[7] *Defined by the NGFS as part of Phase III in September 2022.*

The impact of climate change on the Bank's operations has been defined at a high level, but we plan to expand this analysis with a deeper quantification of the impact of risks:



Sectors sensitive to climate risks	Current sector share in the segment** BCB	CIB	SME	Individual clients	Retail
Fossil Fuel	0.2%	4.6%	0.0%	0.0%	1.0%
Mining and Metallurgy	7.4%	4.5%	4.0%	0.0%	3.6%
Energy Sector – Conventional Energy Generation	0.5%	11.6%	0.3%	0.0%	2.6%
Renewable Energy Generation (RES)	0.0%	8.6%	0.0%	0.0%	1.0%
Transport	6.7%	1.7%	10.0%	0.0%	3.6%
Consumer car loans and leasing***					
Agriculture	1.2%	0.2%	17.5%	0.0%	1.9%
Industrial Processing	20.1%	6.6%	8.4%	0.0%	8.5%
Water Supply***	1.1%	0.0%	0.6%	0.0%	0.4%
Construction	9.6%	4.4%	10.8%	0.0%	4.9%
Real Estate and Mortgage Sector	10.9%	2.6%	1.8%	70.9%	31.6%
Retail sector unsecured	0.0%	0.0%	0.0%	29.1%	11.3%
Non-climate sectors	42.3%	58.8%	46.6%	0.0%	29.8%
Total	**100%**	**100%**	**100%**	**100%**	**100%**

** For the purpose of a rapid assessment of the portfolio structure, a simplified materiality matrix at the aggregate macro-sector level may also be used.*

*** Portfolio structure at the end of 2024.*

**** The Consumer Car Loans and Leasing and Water Supply sectors are locally immaterial to the bank's portfolio.*

BCB – Business & Corporate Banking

CIB – Corporate & Investment Banking

SME – Small and Medium-sized Enterprises

Risk:

Very low (1)

Low (2)

Average (3)

High (4)

Very high (5)

Regarding physical risks, in most scenarios, the portfolio is predominantly composed of sectors assessed as being exposed to "low risk". A slightly higher risk assessment ("medium risk") applies to the energy and renewable energy (RES) sectors, as well as agriculture and water supply. This explains the higher share of this category and exposure to risk in the Corporate and Investment Banking (CIB) and SME segments. This applies to the entire analysis period, as significant materialisation of physical risks, according to the adopted NGFS scenarios, is projected to occur only after 2050. The exposure would look slightly different under the Current Policies scenario, where higher risk assessments would also apply to the fossil fuel sector and several other sectors by 2050, as physical risks may materialise somewhat earlier in this scenario.

Regarding transition risks, in the scenario of limiting the average temperature increase to below 2°C (Below 2°C), the portfolio's exposure to these risks is slightly higher in the period to 2030, due to the very high risk assessment for the fuel sector as well as the metallurgical and mining sectors. In the medium and long term, the risk ratings for these two sectors are slightly lower, resulting in lower portfolio exposure to climate risks across all segments. The highest exposure is observed in the Corporate and Investment Banking (CIB) segment due to the relatively large share of the energy sector and the mining and metallurgy sector in the portfolio. In other segments, exposure results from the share of the transport sector, while in the Business and Corporate Banking (BCB) segment, exposure is additionally driven by the significant presence of the metallurgy sector.

In the Delayed Transition scenario, exposure to climate risks is highest in the medium term – over 20% of the Corporate and Investment Banking (CIB) portfolio will fall into the very high-risk category (13% for the Business and Corporate Banking (BCB) segment). For comparison, this category does not appear within this time horizon if the transition is orderly. In the period by 2050), the share of the very high-risk category will decrease significantly (none in the portfolios of the Business and Corporate Banking (BCB) and SME segments).

The last scenario considered, Current Policies, does not assume rapid or ambitious actions within climate policy, resulting in significantly lower transition risk ratings compared to the other scenarios. Portfolio exposure to climate risks in this scenario will decrease slightly in the period by 2040. However, for the Corporate and Investment Banking (CIB) portfolio, exposure will increase in the 2050 horizon due to the energy sector's share.

Climate stress tests in 2024

In 2024, in Santander Bank Polska stress tests were carried out on the credit risk parameters of the credit portfolios, taking into account transition risk, and the result was taken into account in the process of assessing the adequacy of allocated internal capital. The results obtained do not indicate a significant dependence of the portfolio parameters over the time horizon analysed in the stress tests. In the following year, it is planned to extend the analyses performed as part of the stress tests carried out, including the consideration of the impact of physical risks on the scenario considered.

Applied methodology:

The stress tests were performed based on climate scenarios provided by the Network for Greening the Financial System (NGFS). In the transition scenario, the main macroeconomic policy factor is the carbon price, designed to alter relative prices and accelerate the transition. The scale of the carbon price increase in the scenario reflects, in a simplified manner, the strength of climate policies modelled in each scenario.

As part of the Internal Capital Adequacy Assessment Process (ICAAP) exercise, we focused on the scenario of short-term disorderly transition risks. To do this we use the Phase III NGFS Disorderly (Delayed) Transition scenario. In the NGFS Delayed Transition scenario, policy actions aimed at reducing carbon emissions are delayed. For governments to still meet the goals of the Paris Agreement, a sharp and unexpected increase in the carbon price is necessary. However, while in the long-term disorderly transition scenario the sharp increase in the carbon price occurs from 2030 onwards, the ICAAP scenario assumes that the economic effects appear as early as 2024.

Stress tests results:

- The simulated shock in this scenario has a negative impact on the global economy.
- The scenario is not as severe as a typical stress test scenario in terms of the aggregate decline in GDP, but it has significant effects on some particularly vulnerable sectors.
- The impact on property prices is negative but moderate, consistent with the effects on GDP and inflation.
- In the medium term, the scenario generates inflationary pressure, and overall, inflation at the end of the scenario exceeds the baseline level. However, in the short term, the negative effect of the shock on economic activity leads to a slightly negative impact on inflation.
- Accordingly, central bank interest rates are initially lower than in the baseline scenario but exceed them by the end of the scenario.
- Overall, the disruptions and reallocation of resources caused by the sudden increase in the carbon price are leading to a decline in asset values.
- The abrupt policy response triggers volatility in financial markets, an initial loss of confidence, and a correction in financial market valuations, such as stock prices.

The results of the stress tests are subject to uncertainties mainly due to the long-term nature of the climate risks, the characteristics of the scenario analyses and the features associated with each modelling exercise of certain parameters – the stress tests represent a certain model of the consequences of occurrence arising from assumptions made in the scenario analyses

1.3. Governance

The Role of the Management Board and the Supervisory Board (GOV-1)

Composition of the Management Board

Below is the management structure of the Bank, as the parent company of the Group. Information about the management structure of other companies within the Group is available on their respective websites. The Bank operates under a dual governance model, in accordance with the Commercial Companies Code, which divides management and supervisory competencies between the Management Board (management body) and the Supervisory Board (supervisory body). The Chairperson of the Supervisory Board is not simultaneously a member of the Management Board. All members of the Management Board are executive members. All members of the Supervisory Board are non-executive members.

As of 31 December 2024, the Management Board consisted of 10 members, of whom 20% were women. Members of the Management Board did not hold other significant positions that would negatively affect their ability to allocate sufficient time to their duties, as confirmed by the suitability assessment (each member must receive a positive assessment regarding the availability of sufficient time to perform their functions). Employees and other persons employed did not have representation on the Bank's management or supervisory bodies.

As of 31 December 2024, the Management Board of Santander Bank Polska S.A. consisted of:

Michał Gajewski

President of the Management Board/ Chief Executive Officer of Santander Bank Polska S.A.

Andrzej Burliga
Vice President of the Management Board
of Santander Bank Polska S.A.
in charge of the Risk Management Division and Data and Models Area

Juan de Porras Aguirre
Vice President of the Management Board
of Santander Bank Polska S.A. in charge of the Corporate and Investment Banking Division and Wealth Management & Insurance Division

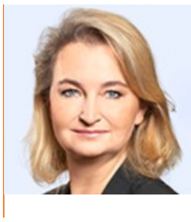
Dorota Strojkowska
Member of the Management Board
of Santander Bank Polska S.A.
in charge of the Business Partnership Division

Lech Gałkowski
Member of the Management Board
of Santander Bank Polska S.A. in charge
of the Business and Corporate Banking Division

Artur Głembocki
Member of the Management Board
of Santander Bank Polska S.A. in charge of the Compliance and FCC Division

Wojciech Skalski
Member of the Management Board
of Santander Bank Polska S.A. in charge of the Financial Accounting and Control Division

Patryk Nowakowski
Member of the Management Board
of Santander Bank Polska S.A.
in charge of the Digital Transformation Division
(resigned on 6 November 2024, effective as of 1 January 2025)

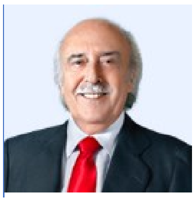


Magdalena Proga-Stępień
Member of the Management Board
of Santander Bank Polska S.A.
in charge of the Retail Banking Division and branch network

Maciej Reluga
Member of the Management Board
of Santander Bank Polska S.A.
in charge of the Financial Management Division,
Chief Economist

Composition of the Supervisory Board

As of 31 December 2024, the Supervisory Board of the Bank consisted of 10 members, of whom 40% were women. All members of the Supervisory Board are non-executive members, and 5 members (50%) were independent.



Antonio Escámez Torres
Chairman of the Supervisory Board, he does not meet the independence criteria.

José Luis De Mora
Deputy Chairman of the Supervisory Board
he does not meet the independence criteria.

Dominika Bettman
Member of the Supervisory Board
she meets the independence criteria.

José García Cantera
Member of the Supervisory Board,
he does not meet the independence criteria.

Adam Celiński
Member of the Supervisory Board,
he meets the independence criteria.

Danuta Dąbrowska
Member of the Supervisory Board,
she meets the independence criteria.

Isabel Guerreiro
Member of the Supervisory Board,
she does not meet the independence criteria.

Kamilla Marchewka-Bartkowiak
Member of the Supervisory Board,
she meets the independence criteria.

Tomasz Sójka
Member of the Supervisory Board,
he meets the independence criteria.

Jerzy Surma
Member of the Supervisory Board,
he does not meet the independence criteria.

Experience and competencies of the Members of the Management Board and Supervisory Board

Detailed information on the experience of the Members of the Management Board and the Supervisory Board of the Bank, including their expertise related to key sectors, products, and the geographic locations in which Group operates, is presented in the Chapter XII "Statement on corporate governance in 2024". This information is also available on the Bank's website.

All Members of the Management Board possess the knowledge, experience, and qualifications necessary to perform their functions effectively. As part of the process for assessing the individual suitability of Supervisory Board members (or candidates) and the collective suitability of the Supervisory Board as a whole (as well as the Management Board and its members), the Bank pays particular attention to expertise and skills related to sustainability. The Bank verifies whether the assessed individuals possess theoretical and practical knowledge, skills, or experience in risk management (identifying, assessing, monitoring, controlling, and mitigating key types of risks, including environmental, governance, and social (ESG) risks and risk factors) and collects relevant declarations. Additionally, the Bank provides Members of the Management Board and Supervisory Board with access to training, conducted by both internal and external experts, to facilitate continuous improvement of competencies in this area.

In 2024, the Bank conducted specialised training sessions on sustainability for Members of the Management Board and Supervisory Board, including:

- Strategy and leadership in ESG: The role and responsibilities of the Management Board and Supervisory Board in the context of regulatory requirements and market expectations.
- Managing ESG risks in the context of supervisory guidelines and disclosure requirements.

The training agenda included information on legal requirements, European regulatory frameworks, greenwashing, decarbonisation, climate-related risks and their impact on the Bank's activities (including the credit portfolio), methodologies for managing these risks, as well as the risks and opportunities they present. Furthermore, in 2024, Members of the Management Board participated in conferences and events focused on sustainability and ESG. These included, among others:

- Energy transition in the context of artificial intelligence – European Financial Congress
- Banks want to finance the green revolution. But not all projects will qualify – European Financial Congress
- The situation of the banking sector and the challenges of economic development – European Financial Congress
- Technological revolution: A new era of innovation – Impact 2024
- What a modern bank should look like – Banking Forum & Insurance Forum.

The active participation of the Bank's management staff in events dedicated to sustainability topics and presenting the Bank's and the Group's approach to a wide audience fosters the exchange of experiences with leaders and experts in ESG. This, in turn, contributes to expanding the knowledge and awareness of the management team and the entire organisation.

More information about the Bank's governing bodies and their competencies can be found in Chapter XII "Statement on corporate governance in 2024".

Information provided to and sustainability matters addressed by the Management Board and the Supervisory Board (GOV-2)

The role of the Management Board and the Supervisory Board in the area of sustainability

The role of the Bank's Management Board includes:

- Joint management of the Bank's affairs,
- Representing the Bank's interests,
- Preparing business plan assumptions, approving them, and monitoring their implementation,
- Preparing financial plan assumptions, approving them, and monitoring their implementation,
- Defining the Bank's mission,
- Setting long-term plans and strategic objectives,
- Establishing standing and ad hoc committees and appointing individuals responsible for leading their work,
- Implementing corporate governance in the Bank and ensuring adherence to it,
- Evaluating, at least once a year, the level of compliance with ethical principles within the Bank.

Sustainability-related matters are discussed by the Management Board and the Supervisory Board, as well as by relevant committees. The Management Board and the Supervisory Board actively participate in setting objectives related to material impacts, risks, and opportunities by approving the business strategy, including in the ESG area. The Management Board oversees and approves the achievement of strategic objectives within the framework of Total Responsibility and is responsible for integrating impacts, risks, opportunities and ESG criteria into the business strategy (in the short-, medium-, or long-term perspective) and the risk management process. This includes, among other responsibilities, managing climate-related risks and including in the Group's ambition to seek Net Zero by the Santander Banco Group by 2050. Both governing bodies approve key policies and the internal control system and participate in reviews and acceptance of risks. The Management Board and the Supervisory Board are periodically presented with reports on the implementation of the strategy (quarterly reports and annual report), including the ESG objectives under the Total Responsibility strategic direction.

As part of the division of responsibilities among the Management Board members, the following allocation of tasks and duties related to the ESG agenda has been introduced:

- The Vice President of the Management Board responsible for the Risk Management Division is responsible for the management of ESG risks,
- The Member of the Management Board responsible for the Business and Corporate Banking Division is responsible for matters related to sustainable financing,
- The Head of the Communications and Brand Experience Area (former: Corporate Communication and Marketing Area, the name change was formally introduced in January 2025), operating outside the divisional structure, is responsible for coordinating the Group's activities related to responsible banking, including qualitative ESG reporting,
- The Member of the Management Board responsible for the Accounting and Financial Control Division is responsible for matters related to quantitative ESG reporting.

The Supervisory Board exercises continuous oversight of the Bank's activities, exercises the powers provided for in the Commercial Companies Code and the Bank's Articles of Association, and approves the annual and long-term development plans, financial plans, operational strategies, and the principles of prudent and stable management of the Bank, as developed by the Management Board. In accordance with its regulations, the Supervisory Board oversees the process of developing, implementing, and executing the responsible banking programme, as well as compliance with regulatory requirements related to the ESG area. From 2024, the competencies of the Supervisory Board's Committees, namely the Risk Committee and the Audit and Compliance Committee, have been expanded. It has been established that ESG risks will also be taken into account when verifying the risk profile of the Group, as well as during the review and recommendation to the Supervisory Board for approval of policies related to the general risk management framework applicable within the organisation. The Audit and Compliance Committee will review the Sustainability Statement and the ESG ratings awarded to the Bank and the Group.

In 2024, a dual-materiality analysis was carried out and the results were presented to the Management Board and the Supervisory Board. In addition, meetings were held with representatives of the units involved in the implementation of the objectives, dedicated to the identified impacts, risks and opportunities and their impact on the strategy and objectives of the Group.

Appointment of the Management Board and the Supervisory Board

The procedures for appointing and dismissing Members of the Management Board of Santander Bank Polska S.A. comply, among others, with:

- Commercial Companies Code,
- Banking Law,
- Statutes of Santander Bank Polska S.A.,
- Policy for the Appointment and Succession of Members of the Management Board of Santander Bank Polska S.A.

Members of the Management Board are appointed by the Supervisory Board. In accordance with the regulations, the appointment of the President of the Management Board and the Member of the Management Board overseeing the management of significant risks at the bank requires the approval of the Polish Financial Supervision Authority (hereinafter: PFSA). Members of the Management Board may be dismissed by the Supervisory Board or the General Meeting at any time. The term of office for the Management Board and the Supervisory Board is three years. Members of the Supervisory Board, including the Chairman are elected and dismissed by the General Meeting of Shareholders.

As part of the process of appointing a Management Board Member, a suitability assessment is conducted in accordance with legal regulations, the Policy for the Selection and Suitability Assessment of Members of the Management Board and Key Function Holders at Santander Bank Polska S.A., and the Methodology for the Suitability Assessment of Members of Governing Bodies of Supervised Entities, published by the PFSA.

The Management Board and the Supervisory Board are appointed with consideration of criteria ensuring the versatility and diversity of these bodies. Each Member of the Management Board undergoes an individual, independent suitability assessment, while the Management Board as a whole is subject to a collective, independent suitability assessment. These assessments are conducted at least once a year and in situations specified in the Policy, such as a change in the composition of the Management Board or a significant change in the scope of responsibilities of individual Members. If a person is deemed unsuitable to perform the role of a Management Board Member, they immediately cease to hold their position.

The Supervisory Board monitors the effectiveness of the Management Board and its members. The process of assessing the qualifications of Management Board Members and other key function holders at the Bank is carried out by the Nomination Committee and the Remuneration Committee of the Supervisory Board. The Supervisory Board evaluates the Management Board at least once a year. The Supervisory Board consists of five members who meet the independence criteria (50% of its composition). The work of the Supervisory Board is evaluated by the General Meeting, i.e., the Bank's shareholders. Once every three years, the assessment is conducted by an independent external entity and approved by the General Meeting of Shareholders.

Committees

The most important committee responsible for managing sustainability and ESG matters at the Bank is **the ESG Committee** (by resolution of the Management Board dated 27 June 2024, the Responsible Banking and Corporate Culture Committee was renamed the ESG Committee).Its tasks include supporting the Management Board in fulfilling its management responsibilities concerning strategic sustainability activities within the Bank. The committee sets the direction for strategic actions and establishes and monitors sustainability goals across all areas of the Bank's operations. The Chairman of this committee is the President of the Management Board.

The ESG Committee consists of the following members:

- President of the Management Board of the Bank – Committee Chairperson,
- Vice President of the Management Board in charge of the Corporate and Investment Banking Division and Wealth Management and Insurance Division,
- Vice President of the Management Board in charge of the Risk Management Division,
- Member of the Management Board in charge of the Retail Banking Division,
- Member of the Management Board in charge of the Business Partnership Division,
- Member of the Management Board in charge of the Financial Management Division,
- Member of the Management Board in charge of the Business and Corporate Banking Division,
- Member of the Management Board in charge of the Digital Transformation Division,
- Member of the Management Board in charge of the Financial Accounting and Control Division,
- Member of the Management Board in charge of the Compliance and FCC Division,
- Head of the Corporate Governance Department,
- Head of the Legal Area,
- Head of the Corporate Communication and Marketing Area (currently the Communications and Brand Experience Area),
- Head of the Talent Management and Organisational Culture Transformation Department,
- Chief Employee Experience Officer.

To coordinate the ongoing implementation of activities related to developing and implementing ESG solutions, including responsible banking, sustainability, corporate culture, sustainable finance, ESG risks, and the climate agenda, the Committee established a working group called the ESG Forum. The tasks of the ESG Forum include: analysing challenges, opportunities, and risks associated with the EU Sustainable Finance agenda, planning and coordinating ESG activities, regularly reporting to the ESG Committee and the Bank's Management Board (at least four times a year). The Forum also monitors progress in the implementation of ESG strategic actions by the Bank's subsidiaries. The members of the ESG Forum include senior management representatives from all divisions and areas, as well as from Santander Leasing.

In addition to the ESG Committee, the management of the Bank's impact on the environment, society, and the economy is also carried out by, among others:

- Operational Risk Management Committee,
- Disclosure Committee,
- Information Management Committee,
- Risk Management Committee,
- Risk Management Forum,

- Compliance Committee,
- Credit Committee,
- Local Marketing and Product Monitoring Committee,
- Public Policy Committee.

Supervisory Board Committees in 2024:

- Audit and Compliance Committee,
- Risk Committee,
- Nominations Committee,
- Remuneration Committee.

All of the above committees – within the scope of their responsibilities – are tasked with making decisions and overseeing the management of the organisation's impact on the economy, the environment and people. From 2024, the competencies of the Supervisory Board Committees have been expanded. It has been established that the ESG risks are also taken into account when verifying the risk profile of the Group, as well as during the review and recommendation to the Supervisory Board for the approval of policies related to the general risk management framework in the organisation (Risk Committee) and indicated that the Audit and Compliance Committee approves the sustainability statement.

Detailed information about the Bank's corporate governance, the nomination process, and the independence criteria for Members of the Bank's governing bodies can be found in the Statement on Corporate Governance of the Bank for 2024, the Statutes, and the Rules of the Supervisory Board of Santander Bank Polska S.A. Additional information on the division of responsibilities, key competencies, fulfilment of independence criteria, and the term of office of the Supervisory Board Members is available on the Bank’s website in the “Investor Relations” section.

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

Incentive Programs and Remuneration Policies Related to Sustainability Issues

The remuneration policies for the Bank’s management ensure an appropriate level of compensation for the Management Board, Supervisory Board, and key members of senior management. The adopted principles enable the recruitment, retention, and motivation of individuals with the competencies necessary for effectively managing and overseeing the Bank.

The remuneration of the Management Board and Supervisory Board is governed by two documents: the “Remuneration Policy for Members of the Management Board of Santander Bank Polska S.A.” and the “Remuneration Policy for Members of the Supervisory Board of Santander Bank Polska S.A.” These policies include a link between remuneration of the Management Board salaries and the achievement of sustainability goals. The ESG component is one of the qualitative factors considered when calculating the bonus pool for Management Board, with a weight ranging from -5% to +5% of variable remuneration. In the context of climate targets, the evaluation takes into account metrics such as the level of implementation of the sustainable finance agenda and progress on Banco Santander Group's global climate agenda, including Net Zero efforts.

The Bank also has a long-term incentive program based on the Bank’s shares, which incorporates ESG goals as one of the three key evaluation elements regarding the retention award. The weight of ESG goals within the program is 20%. This includes indicators such as the number of women in managerial positions and the gender pay gap (EPG/GPG).

It is worth noting that all Bank employees, in line with the new strategy, have mandatory goals related to the “Total Responsibility” direction as one of the key pillars.

The conditions of incentive programs, including ESG and climate goals, are approved and updated at the level of the Bank’s Supervisory Board. The remuneration of Supervisory Board members is fixed and is not linked to the achievement of ESG or climate goals.

More details on the remuneration of the Supervisory and Management Boards, the Incentive Program, and Bank shares held by Members of the Management Board can be found in the Chapter XII “Statement on corporate governance for 2024”.

Statement on due diligence (GOV-4)

The due diligence process in the Group has been designed in accordance with the guidelines outlined in ESRS 1. The table below indicates the sections of the statement where the various stages of the due diligence process are described.

Core element of due diligence	Chapters/Subchapters in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	Management of risks and internal controls over sustainability reporting (GOV-5) Material impacts, risks, and opportunities and their interconnections with strategy and business model (SBM-3) Policies related to climate change mitigation and adaptation (E1-2) Policies related to own workforce (S1-1) Policies related to consumers and end-users (S4-1) Policies related to affected communities (S3-1) Business conduct policies and corporate culture (G1-1)
b) Engaging with affected stakeholders in all key steps of the due diligence	Interests and views of stakeholders (SBM-2) Employee engagement and procedures for cooperation with employees and their representatives (S1-8) Engagement processes regarding impacts on consumers and end-users (S4-2) Engagement processes regarding impacts on affected communities (S3-2)
c) Identifying and assessing adverse impacts	Processes for remediation of adverse impacts and channels for raising concerns by own workforce (S1-3) Processes for remediation of adverse impacts and channels for raising concerns by consumers and end-users (S4-3) Processes for remediation of adverse impacts and channels for raising concerns by affected communities (S3-3) Mechanisms for identifying, reporting, and investigating violations (S3-4)
d) Taking actions to address those adverse impacts	Actions and resources regarding climate policy (E1-3) Actions addressing material impacts on own workforce, and approaches to managing material risks and leveraging material opportunities related to own workforce, as well as the effectiveness of these actions (S1-4) Actions addressing material impacts on consumers and end-users, and approaches to managing material risks and leveraging material opportunities related to consumers and end-users, as well as the effectiveness of these actions (S4-4) Actions addressing material impacts on affected communities, and approaches to managing material risks and leveraging material opportunities related to these communities, as well as the effectiveness of these actions (S3-4)
e) Tracking the effectiveness of these efforts and communicating	Metrics and targets (E1) Metrics and targets (S1) Metrics and targets (S4) Metrics and targets (S3) Metrics and targets (G1)

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

In the context of sustainability reporting, the main risks relate to the adequacy, accuracy, and completeness of the reported data (including the completeness of disclosures in sustainability reporting). We manage these risks in several ways. We have implemented appropriate internal regulations, including the "Guidelines for preparing sustainability reporting in accordance with CSRD" and the accompanying "Guidelines for double materiality assessment" according to which:

- The designated units of the Bank are responsible for analysing double materiality and preparing sustainability reporting in accordance with the regulations. This includes, among other things, the collection and verification of the quantitative and qualitative data used in the disclosures.
- The business owners responsible for the individual data points and reported metrics within the Group ensure the quality of the quantitative and qualitative data, including its completeness, accuracy and verifiability. These owners also implement the control processes to ensure this data quality.
- Sustainability reporting is subject to attestation by a certified auditor with appropriate qualifications.
- The content of the statement is approved together with the Management Board Report on Activities by the Bank's bodies, including the Management Board, Supervisory Board and relevant committees.

In 2024, work was carried out to adapt the Bank's systems to collect and process ESG data and to expand the central repository of this data. As part of the development of data governance processes, end-to-end solutions are being implemented to establish quantitative and qualitative controls at successive stages: data acquisition from source systems, data processing and finally calculation of sustainability metrics. The completeness of the entire process will increase along with the level of automation of the individual stages of the data management process. Another element that will affect data consistency is the achievement of stability in terms of the scope of reported metrics in subsequent reporting periods.

The Bank is also working on strengthening the control environment within the Internal Control Model (ICM)., Controls are being implemented to monitor the quality and reliability of the information contained in the Consolidated Sustainability Statement. The model is in line with international standards and guidelines established by the COSO Committee (Committee of Sponsoring Organisation of the Treadway Commission). Under ICM, the Bank identifies the most significant risks and then establishes necessary controls to mitigate them, which includes the process of reporting sustainability information. As with financial information, controls are periodically evaluated (at least annually) both in their design and implementation through the formal ICM certification process. This process is designed to ensure that the Internal Control Model is functioning properly. The Model will be developed and completed to cover all aspects of reporting of sustainability data.

More details can be found in Chapter XII-"Statement on corporate governance in 2024".

Issues relating to sustainability reporting, and more broadly ESG metrics reporting, are a standing item on the ESG Forum agenda. As part of the Forum's work, the status of the preparation of the current report is monitored, significant challenges and risks related to the reporting process are notified and solutions are developed. Conclusions and recommendations are then presented to the ESG Committee for decision, and if strategic decisions are required, to the Bank's Management Board.

Additionally, processes related to sustainability reporting are reviewed by the internal audit function. In 2024, the Bank fully implemented the recommendations of this function, which included:

- → Ensuring an appropriate process for preparing reports, including defining the roles and responsibilities of involved units, the process of reviewing and approving disclosures, and updating the internal control system.
- → Implementing internal regulations regarding the process for conducting the double materiality analysis and preparing reports.

2. Environmental information – climate change (ESRS E1)

2.1. Strategy

Material impacts, risks and opportunities in the area of climate change

As a Group, we are committed to making ethical decisions in managing our environmental impact. This is reflected in one of the pillars of our 2024-2026 Strategy – **Total Responsibility**. Our strategic environmental goals are:

- To be a role model in sustainability and transformation.
- To help clients navigate the green transition and advise them on how to carry it out.
- To build a business network by identifying trusted partners and assisting them in organising financing.

We intend to achieve our strategic goals through the transformation of the Group and our clients in line with the objectives adopted for the coming years:

How do we achieve our strategic goals?

Transformation of the Group

- We reduce our own emissions, including by increasing energy efficiency. 100% of the electricity purchased directly by the Bank comes from RES, for the remaining volume of electricity the Bank obtains guarantees of energy origin.
- We have initiated energy production from photovoltaics on our own buildings, to be expanded in the coming years. We are also testing solutions to reduce heat energy consumption in branches.
- We integrate environmental risks into our business model.
- We train and support employees in providing green transactions, identifying ESG risks and preventing greenwashing.
- We increase the Green Asset Ratio and diversify the portfolio of green assets and products.
- We analyse "Scope 3" emissions within our portfolio and identify decarbonisation levers.
- We develop transition plans that include adaptation and climate change mitigation goals, aligned with the Santander Group strategy.
- We are preparing preferential offers for employees for ecological purposes.

Transformation of Clients

- We create transformational products and advisory services across all segments.
- We identify and leverage synergies within supply chains.
- We develop a program for the transformation of cities.
- We provide solutions for agribusiness.
- We support the energy transformation of buildings.

To assess the impact of the Group on climate change, we performed a portfolio sensitivity analysis and calculated both our own emissions (applying the GHG Protocol assumptions) and financed portfolio emissions using an internal methodology based on the assumptions of the PCAF (Partnership for Carbon Accounting Financials) methodology. The double materiality assessment identified that key impacts, risks, and opportunities exist in the following areas:

- Climate change mitigation – key impacts include negative effects on the environment through financing entities not aligned with a low-emission economy and greenhouse gas emissions from portfolio activities. However, we see opportunities such as the development of green mortgages, financing the modernisation of buildings, electric vehicles, and charging infrastructure, as well as supporting low-emission technologies in agriculture and industry. Risks include reputational damage resulting from the failure of the Group or its clients to achieve climate goals.
- Energy – impacts in this area include contributing to environmental protection by increasing the use of renewable energy and supporting low-emission technologies.

Transition plan for climate change mitigation (E1-1)

The Santander Bank Polska Group plans to adopt a transition plan for climate change mitigation. We are currently at the stage of analytical works. This involves assessing current greenhouse gas emissions, analysing climate risks, and reviewing our actions and processes. To talk responsibly and credibly about a transition plan, reliable data on greenhouse gas emissions from our own operations is essential and, above all, greater availability of actual data on the emissions of the investments and customers we finance, and their analysis, combined with an understanding of conditions and regulatory and market trends.

Only when the necessary actual data has been collected and analysed, we will be able to indicate a date for the adoption of a transition plan, however, we assume that this should be no later than with the 2026 reporting.

As part of this statement, for the first time, we have calculated and disclosed the greenhouse gas emissions financed by us, particularly those resulting from the business activities of clients financed through our loan portfolio. These estimates were conducted using the knowledge and methodologies currently available on the market. More information can be found in section E1-6.

The foundation for developing the transition plan for the Group's loan portfolio lies in the activities we are gradually implementing as part of the global climate agenda of the Banco Santander Group, including the Net Zero efforts. This strategy assumes aligning our portfolio with the goals of the Paris Agreement and the European Union policy, which highlights the significant role of the financial sector in alleviating climate change. We strive to achieve net-zero emissions by 2050, including in the entire value chain of the Group.

Additionally, in our work on the transition plan, we consider international and EU initiatives and guidelines, including:

- UN Sustainable Development Goals,
- EU Taxonomy Regulation,
- Sustainable Finance Disclosure Regulation (SFDR),
- Corporate Sustainability Reporting Directive (CSRD),
- UNEP FI Principles for Responsible Banking,
- Equator Principles,
- Material industry aspects identified by ESG ratings, such as S&P ESG Scores and MSCI ESG,
- EBA/GL/2020/06 Guidelines on loan origination and monitoring,
- Draft guidelines of the European Banking Authority on ESG risk management.

The climate actions of the Group are based on three pillars

The ambition of the entire Group is striving to achieve net zero emissions by 2050.

Striving to align our portfolio and own operations with the goals of the Paris Agreement	Supporting our clients in their green transformation	Integrating climate into risk management
Adjusting the portfolio to ensure that projected carbon emissions align with the goal **of limiting temperature increases to 1.5°C**, in line with NZBA and NZAM. Sourcing electricity from renewable sources to reduce our environmental impact	Helping **clients transition to a low-emission economy** by providing guidance, advice, as well as investment and business solutions for clients	Ensuring compliance with regulatory/supervisory expectations and incorporating climate considerations into risk management

Current goals for reducing the emissions of the loan portfolio:

- By no later than 2030, we will discontinue financing of energy companies where revenue from coal-based energy production exceeds 10%.
- We support clients in the transition process through comprehensive financing of renewable energy sources and the development of adequate financial products.

We support the transformation of the Polish economy towards a low-emission model by providing sustainable financing, particularly in the area of renewable energy sources (RES). We are systematically increasing the share of the RES portfolio among energy sector clients. Additionally, we offer loans linked to sustainability goals (SLL). We support both businesses and individual clients through tailored products aimed at financing solutions that enhance energy efficiency in buildings, electric vehicles, heat pumps, electric vehicle charging stations, and energy storage systems. We continuously analyse market conditions and identify further actions to most effectively support the transition of clients and to limit emissions of our portfolio. More information can be found in E1-3.

In 2024, we developed more detailed metrics related to ESG risks (including in the areas of energy sectors and those sensitive to climate change) and incorporated them into relevant internal reports. These metrics were included in the update of the risk appetite and in the determination of concentration and exposure limits. In the longer term, developments in this area will also include verifying the degree of implementation of decarbonisation levers (primarily the growth of financing for green buildings, RES and electric vehicles).

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

Significant impacts, risks and opportunities related to climate change mitigation and adaptation

As the Group, we are aware that we have a significant impact on the environment and the climate through the greenhouse gas emissions resulting from our loan portfolio, in particular from the financing of high-emission entities or those struggling to transition to low-carbon ways of doing business. We recognise and manage significant climate change risks on an ongoing basis,, in particular those related to the aforementioned financing of activities generating significant volumes of greenhouse gas emissions, which may translate negatively into the credit quality of such exposures, as well as our reputational risk. At the same time, we identify a number of significant business opportunities related to climate change, including in the context of financing activities that contribute to climate change mitigation. We see the opportunities as increasing the volumes of environmentally sustainable financing, as well as differentiating ourselves from the competition by funding and advising early-stage companies focused on solutions to enable energy transformation. Our approach to identifying and managing significant climate-related risks and opportunities is described in more detail later in this chapter in section E1.IRO-1.

Policies on management of impacts, risks and opportunities related to climate change mitigation and adaptation (MDR-P)

Policy	Description of policy content	Description of the scope of the policy or its exclusions
Responsible Banking and Sustainability Policy	The policy sets out the Group's approach to minimising the environmental impact of its activities. ***Addressed IRO:*** ▶ *Increase in greenhouse gas emissions associated with portfolio activities (retail and institutional banking).* ▶ *Increase in revenue through growth in the volume of financing granted for properties that meet the criteria of the internal Classification System for Sustainable Financing and Investment, financing and consulting on the expansion of electric vehicle charging infrastructure, financing and consulting on the transition to electric vehicles, and financing for water, waste and soil, greater energy efficiency and lower emissions.* ▶ *Market leadership through financing technologies that support low-carbon mobility and financing and advising on emission reduction technologies in agriculture.* ▶ *Increase customer trust through tailored offerings and advice to help them identify opportunities to upgrade their properties* ▶ *Growth in green bonds, green loans and sustainability-linked financial instruments.* ▶ *Increase revenue by financing the development of new technologies such as hydrogen, carbon capture, utilisation and storage, biofuels and energy storage in a broader sense.* ▶ *Contribute to environmental protection by increasing the use of renewable energy and other low-carbon technologies.*	Group
Social, Environmental and Climate Change Risk Management Policy	The policy sets out the Group's approach to analysing the environmental and social risks of financed customers and applicable investment exemptions. Application of the document's principles is intended to support customers in their transition to a low-carbon economy. ***Addressed IRO:*** ▶ *Standing out in the market by encouraging and supporting clients along the entire value chain to adopt more sustainable business practices and by financing and advising early-stage companies focused on solutions enabling the energy transition.* ▶ *Reputational risk due to clients, investors and other stakeholders believing that banks are not doing enough to achieve low-carbon goals or are acting inconsistently with their policies.*	Group

- *The reputational risk of not achieving climate and environmental goals, including those related to own and client activities, can result in loss.*
- *Risks from the activities of companies operating in various sectors that do not enable climate mitigation.*
- *Negative environmental impact due to financing borrowers who are unable to adapt their business models to a low-carbon economy.*

In matters relating to environmental impact, we operate according to the precautionary principle. This approach is described in the "Responsible Banking and Sustainability Policy", in which we include our actions and commitments in this regard. In line with the policy, recognising society's right to live in a healthy and clean environment, we aim at minimising the environmental impact of our activities by:

- analysis and identifying negative environmental impacts as part of the risk assessment process for financial and investment activities in a manner consistent with international standards,
- gradual development of transactional portfolios in line with the idea of promoting and financing a low-carbon and climate-resilient economy (in particular renewable energy sources or energy-efficient construction or infrastructure), which is essential for climate change mitigation,
- managing the environmental impact generated by the Bank's infrastructure by applying management systems based on international regulatory standards, taking into account continuous improvement, and by controlling the most important aspects of the energy efficiency of own operations (including the use of renewable energy sources), consumption, waste and emissions.

The Bank's Management Board is responsible for the implementation of the policy. It is applied accordingly in all Group Companies (excluding Stellantis – due to the size and nature of the company's operations) and is publicly available on the Bank's website. There were no significant changes to the content of the Policy in 2024.

We analyse environmental and social risks to clients operating in the oil and gas, energy, mining and metals and soft commodities sectors. These issues are governed by the "Social, Environmental and Climate Change Risk Management Policy", which sets out the criteria for identifying, assessing, monitoring and managing socio-environmental risks. In addition, it defines our standards for investing and cooperating with clients operating in industries with the greatest impact on the climate. The Bank's Management Board is responsible for the implementation of the policy and the policy is adapted and applied in all Group Companies (excluding Santander Consumer Bank entities due to the specific nature of their business) and it is publicly available on the Bank's website. The Policy has been revised and updated, but there were no significant changes to its content in 2024.

These criteria apply to clients in all segments (CIB, BCB and SME), as well as to the Group as a whole in relation to financing, advisory services, capital management services, asset management and insurance. "Social, Environmental and Climate Change Risk Management Policy" identifies the types of activities subject to prohibitions or restrictions. These include:

- **Oil and gas:** exploration, production, production and processing, including refining, transportation, storage and wholesale distribution.
- **Power generation and transmission:** All power plants regardless of energy source, and construction and maintenance of transmission lines.
- **Mining:** prospecting and mining exploration, mine construction and operation, restoration and reclamation of natural areas.
- **Metals:** processing of ores to extract the metal they contain, production of alloys from ingots, processing of by-products: scree, waste rock, slag and sand.
- **Soft commodities:** manufacture and wholesale distribution of wood products processed into lumber, wood-based cellulose, paper and textiles; soya; palm oil; rubber; cocoa; coffee; cotton; sugar cane; biomass or biofuel; beef production in high-risk geographical areas. This includes customers who purchase these commodities directly from plantations or farms, accounting for more than 10% of their total purchases.

In addition, we ended our credit services for power station coal producers in 2023 (according to the Policy, this was to be achieved by 2030 at the latest). We also introduced a zero limit for this item in the Declaration of Acceptable Risk Level.

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

Key actions we are taking to implement climate policies

The key measures we are taking to implement our climate policy relate to our own operations and the downstream part of our value chain. The downstream activities are carried out for clients, for the loan portfolio and investment funds and are mainly related to our Sustainable Finance and Investment Classification System (SFICS) and to counteracting greenwashing.

The expected outcomes of the measures described below are expressed in the strategic objectives defined by the Bank for climate issues in the area of climate policy – these objectives and the associated time horizons are presented in subchapter E1-4.

Own operations

The internal measures we undertake within the framework of the "Responsible Banking and Sustainability Policy" are:

- promoting environmental protection in accordance with international regulatory standards and a system of continuous improvement – in 2024, the Bank received ISO14001 certification, which confirmed that the environmental management system for the Bank's head office buildings meets the requirements of the standard. Santander Leasing is also ISO 14001 certified,
- measuring and monitoring natural resource consumption, emissions and waste production in most of the Bank's facilities.

Currently we do not implement activities that qualify as nature-based solutions. Due to the nature of our business, the implementation of planned climate change mitigation and adaptation activities is not dependent on the availability or allocation of resources. These activities are an internal part of our strategy and determined primarily by regulatory requirements and market demand.

In the Group companies, we are taking measures to mitigate the Group's negative impact on the climate. We are identifying sources of greenhouse gas emissions and changing our vehicles to low-emission ones. We are increasing the efficiency of energy consumption. In 2024, 100% of electricity purchased directly by the Bank came from RES, for the remaining volume of electricity used by the Bank we have obtained guarantees of energy origin. Percentage consumption of electricity from RES in Group’s subsidiaries:

Santander Consumer Bank*	100%
Santander Leasing	32%
Santander TFI	79%
Santander Stellantis Financial Services	75%

**Order of companies based on energy consumption – from highest to lowest. Since Santander Factoring subleases space from Santander Bank Polska, the company's electricity consumption is counted as the Bank's consumption.*

The Bank has also started producing its own energy from photovoltaics (in 2024 we produced 32 MWh – the total consumption of the Group is 23,609 MWh), we are continuing to replace lighting with LED and we are testing solutions to reduce the consumption of thermal energy in branches. Educational activities are also being carried out to raise climate awareness among employees.

	MWh	% of own production RES energy
Energy from our own RES production	32	
Energy from RES in the Group	23,486	0.14%
Total energy in the Group	23,609	0.13%

Credit portfolio

Actions taken towards external stakeholders are:

- limiting financing for activities that may have a direct negative impact on the environment and society and cause long-term effects related to climate change,
- engaging in dialogue with customers to encourage them to change their business practices to more sustainable ones,
- supporting the transformation of clients in the above-mentioned area through funding,
- encouraging suppliers to adopt environmental commitments and to move towards a low-carbon economy.

In the Group, we have carried out a decarbonisation leverage analysis. Based on the analysis of transition risk for our clients (presented in section E1.SBM-3) and market trends, we highlighted four sectors that could prove to be such levers in our loan portfolio:

- real estate (both commercial and residential),
- industry – while we see potential for decarbonisation measures here, given the complexity of this sector and the lack of reliable data, further analysis is required. In addition, this sector is heavily dependent on the national energy mix,

- energy sector – funding renewable energy sources (RES),
- transport – leasing electric cars, financing low-emission public transport.

The barriers to leveraging these opportunities include, in our view, the low level of public support for the transition, technological challenges (in many cases, a lack of competitive low- or zero-carbon alternatives), and logistical barriers (e.g., insufficient charging infrastructure for electric vehicles).

In 2024, the effective fund distribution occurred in two programmes – support for electromobility and decarbonisation of residential buildings. However, a broad distribution of funds from the National Recovery Plan programmes was not launched. There is also a lack of a comprehensive approach to reducing the main existing sources of emissions. In the mortgage portfolio, a significant challenge relates to the low coverage of the real estate market by energy performance certificates, energy prices are regulated (which reduces the economic motivation for thermo-modernisation from the users' perspective) and the substantial part of the carbon footprint is related to emissions generated by systemic heating and electricity generation. An additional difficulty, from the customers' perspective, is the change in the billing system for RES systems.

Regardless of the above-mentioned barriers, in 2024 we acted on the above-mentioned decarbonisation levers and saw an increase in green financing, in line with the internal classification system (data in 'Measures and targets' chapter). It was influenced mainly by the financing of RES, energy efficiency and low-carbon transport (i.a. as a part of 'My Electric Car' programme). The last two areas are a significant component of our clients' cost base, crucial in the face of high inflation and strong competition.

Our focus is on education activities that address needs of customers in the investment decision-making process. These efforts aim to help clients understand the economic benefits of transitioning to a more sustainable business model. The green financing initiatives in the retail and corporate customer segment focused on:

- Commercialising a 'Santander New Energy' platform targeting SME and corporate segment customers. It allows to estimate the carbon footprint and calculate the cost-effectiveness of investments to support the decarbonisation of the main asset classes responsible for generating it in scope 1 and 2, including using public support schemes (assuming their expansion in scope/scale and bankability in the future).
- Delivering a commercial training programme to equip advisors and bankers with the knowledge to have practical discussions with clients on the quantifiable benefits of investing in energy efficient assets and/or upgrading assets to improve operational efficiency and reduce business costs.
- Educational activities for clients. These included a series of podcasts called 'Z nową energią o finansach' (With new energy about finance) and a cycle of nationwide customer meetings focused on demonstrating the business benefits of using the technology in retrofitting corporate assets to reduce emissions, and outlining the future regulatory pressures associated with sustainability that could translate into increased costs of doing business across industries.

In 2024, the Bank offered products to support the economy transition (below). In 2025, the Bank plans to continue and expand these activities, with the exact direction of these activities depending on the launch of a public support programme calibrated to the actual needs of customers.

- Transformation Loan for sustainable investments (Business New Energy):
  - segment: SMEs
  - financing objectives: photovoltaic panels, electric cars, energy storage, EV charging stations, heat pumps.
- Environmental Credit with BGK (loan partially repaid with a subsidy in the form of an ecological bonus paid by Bank Gospodarstwa Krajowego from the European Funds for a Modern Economy 2021-2027 Programme):
  - segment: SMEs, Small-midcaps
  - Financing objectives: the loan is intended to finance expenditure related to the modernisation of infrastructure – to make the company more energy efficient.
- Ekomax Loan – investment loan with BGK guarantee and loan capitalization refund. Intended to finance a modernisation investment, including obligatorily a thermo-modernisation element (unless otherwise indicated by the thermo-modernisation audit) and additionally, among other things, investments related to renewable energy sources, circular economy and construction and replacement of heating systems.

In the Corporate and Investment Banking segment, which includes the largest companies, the Bank supports the country's energy transition by providing financing for the construction of wind farms and photovoltaic installations. The total renewable energy sources (RES) portfolio value at the end of the year amounted to approximately PLN 7.8 billion, of which at least one-third represents project financing. The total capacity of the RES projects we financed in 2024 is 170 MW.

Although financing renewable energy sources is a cornerstone of the energy transition, it is not the only crucial element of this complex process. In addition to direct project finance and green bond issuance, we support our clients through advisory services. We provide guidance in areas such as the purchase and sale of green assets, structuring sustainability-linked loans (SLL), and developing energy transition plans. In 2024, we granted five SLL financings for clients operating in the retail, information technology, transportation and logistics sectors.

For clients operating in high-emission sectors, such as energy, fossil fuels, and aviation, we conduct detailed analyses of greenhouse gas emissions, decarbonization targets, and energy transition plans. Since these sectors are particularly sensitive to climate change, we help our clients understand the opportunities and risks associated with the transition.

We also regularly meet with clients from other sectors. Among other topics, we discuss sustainability-linked financing options, which often include commitments to reduce greenhouse gas emissions. We also address current regulatory requirements, investor expectations, and best market practices.

Environmental considerations, as part of ESG factors, are also integrated into our investment analysis. Within our Group, we see the inclusion of non-financial factors as an opportunity to gain a more comprehensive view of the assets we manage and to make more balanced investment decisions. Our analysis includes aspects such as environmental strategy and management, climate change impact, resource utilization, and pollution prevention

Funds compliant with SFDR

Santander TFI offers investment funds classified as Article 8 of the SFDR (so-called light green) and Article 9 of the SFDR (so-called dark green) products.

As at 31 December 2024, Santander TFI managed 6 such funds:

- 5 sub-funds classified as Article 8 products under SFDR (-light green): Santander Prestiż Global Responsible Investment, Santander Prestiż European Equity, Santander Prestiż Future Wealth and Santander Prestiż Technology and Innovation which are sub-funds of the Santander Prestiż SFIO fund and Santander Equity Growth, sub-fund of the Santander FIO fund.
- 1 sub-fund classified as an Article 9 SFDR product (so-called dark green): Santander Prestiż Prosperity a sub-fund of the Santander Prestiż SFIO fund.

As of 31 December 2024, the share of ESG funds' net assets in the total net assets of investment funds managed by TFIs was 4.4%.

Internal regulations for sustainable finance

Actions described above are in line with the internal classification system and the product commercialisation process. Environmental and climate issues are taken into account in the development of products and services, as well as in credit analysis.

Sustainable Finance and Investment Classification System (SFICS)

Since 2022, we have had an internal methodology within the Santander Bank Polska Group for classifying sustainable financial and investment products and services, in particular describing how we define green, social and sustainable financing. The system applies to financial products, investments and services, among others, and is common to the entire Banco Santander Group. The document is periodically updated to reflect regulatory changes and market practices. The last update in 2024 mainly concerned the inclusion of some of the technical criteria of the EU Taxonomy (with regard to the criteria of material contribution to the environmental goals of the EU Taxonomy). However, it should be noted that SFICS is not identical to the EU Taxonomy. In particular, it does not assume full verification of the 'do no significant harm' (DNSH) and minimum social safeguards (MSS) criteria.

In general, the classification system distinguishes between two types of financing: use-of-proceeds transactions and sustainability-linked transactions. Instruments, products and financial services with a dedicated purpose are those for which it can be guaranteed that 100% or a certain part of the funds from the transaction will be allocated to activities or projects that comply with the guidelines mentioned in the regulation. In order to be categorised as compliant, the financing must relate to a specific sector or economic activity and meet the definitions and technical eligibility criteria specified for them in the SFICS. The SFICS is based on internationally recognised guidelines and industry principles, such as the ICMA Social and Green Bond Principles, Climate Bond Standards and the aforementioned EU Taxonomy.

It defines the scope, criteria, applicable due diligence requirements in the environmental and social fields and the approach to their verification. It serves as a reference point for the creation of sustainable financial products and services.

Tackling greenwashing

To mitigate the risk of greenwashing, we have established an ESG Panel. The task of this working group is to support the Group's business segments in correctly identifying and classifying sustainable credit transactions and products, both in terms of compliance with the criteria of the internal Sustainable Finance and Investment Classification System (SFICS) as well as the EU Taxonomy. The Panel is chaired by the Head of ESG Risks (Risk Management Division) and overseen by the Risk Control Committee at the Bank Management Board level.

Regulations relating to the implementation of new products and services ensure that consultation with the Compliance Department and the Sustainability and ESG Team is required for all ESG-related products and services, including non-credit ones.

With regard to greenwashing risk, further policies, procedures and guidelines are gradually being defined to address this risk, which occurs across all of the Bank's operations. So far:

- we have aligned the approach to defining sustainable transactions and products through the Sustainable Finance and Investment Classification System (SFICS),
- we have developed the 'Sustainability Communication and Advertising' guidelines, applicable to staff preparing marketing and branding messages,
- we have incorporated the risk of greenwashing in the 'Compliance Assurance Area Guidelines for working with partners'.

We are developing 'Greenwashing Management and Control Guidelines' (to be implemented at the beginning of 2025).

Additional information on undertaken actions

This report has been prepared in accordance with ESRS standards for the first time. Due to the fact that this is the first reporting cycle, the Group has not defined a previous base year in relation to which it could disclose the achieved GHG emission reductions. In connection with the described completed or planned activities, the Group does not identify capital expenditures or operating expenses that would be significant in relation to the scale of the entire Group's operations.

2.4. Metrics and targets

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

Targets and metrics related to climate change mitigation and adaptation depend on the development of the transition plan. Targets and metrics may be set as the transition plan is being developed, in line with the agreed strategy. In particular, the transition plan is crucial for defining GHG emission reduction targets. As at the end of 2024, the Group did not have a transition plan in place and, consequently, did not set targets for reducing GHG emissions from its own operations or those financed as part of the portfolio.

For the environmental area, we set two basic targets (MDR-T) that are linked to the Group’s strategy and policies. They are subject to formal approval processes by the Management Board, periodic verification and updates depending on the market situation and the financial and operational results of the Bank. These objectives have been set on the basis of the knowledge and business experience of the Bank's employees and Management Board and do not refer to specific studies or scientific research.

- Purchased electricity from renewable sources.

  The target is 100% share of electric energy from renewable sources (RES) in Bank’s total electric energy consumption. The target supports the ambition related to the reduction of emissions in scope 1 and 2 (market-based own operations). The target measured is as a percentage of electricity from renewable sources. The starting point was 87% of electric energy from renewable sources in 2023 at the Bank. The target was to achieve 100% renewable electric energy in 2024 and to maintain this performance in subsequent years, currently looking ahead to 2027.

  We currently ensure the purchase of 100% of electric energy for the Bank from renewable sources through direct green energy supply contracts and guarantees of origin for the remainder of consumption. Implementation is monitored on a quarterly basis as part of the strategy implementation progress report delivered to the Management Board and Supervisory Board and as part of the sustainability objectives reporting at the ESG Committee. Implementation of the target is progressing according to plan.

- Volume of financing in line with the internal classification system SFICS

The target relates to the volume of new finance provided according to the criteria of the internal SFICS classification system (as described in the section 'Sustainable Finance and Investment Classification System (SFICS)'). This system comprises financing with dedicated purpose (use of proceeds) and sustainability-linked transactions. This objective supports the redirection of capital to environmentally sustainable projects.

The target is set in accordance with the planning processes applicable at the Bank, at the moment within the 2027 horizon. The target covers customers (downstream), and applies to the Group excluding Santander Consumer Bank which has its own banking licence, which means that it autonomously creates its own operating strategy, including and objectives.

In line with the above assumptions, we have planned to mobilise PLN 31,046 million of new financing according to SFICS in the planning horizon for 2024-2027. In 2024, the volume of new financing according to SFICS amounted to PLN 8,669 million.

Progress is evaluated quarterly in reports presented to the ESG Committee, and presented to the Management Board and the Supervisory Board. The target level is reviewed in annual planning processes, taking into account internal factors such as changes in methodology and external factors, including regulatory changes.

Energy consumption and mix (E1-5)

The following table presents information on the Group's energy consumption during the reporting period.

We calculated the volumes of energy consumed on the basis of consumption data provided by the Group companies (data primarily from invoices from suppliers and meter readings, and in the absence of actual data, consumption estimates). Our renewable energy consumption is attributed to the Group's purchase of guarantees of origin for renewable electric energy issued by energy suppliers.

Energy consumption and energy mix	2024
Fuel consumption from coal and coal products (MWh)	–
Fuel consumption from crude oil and petroleum products (MWh)	32.54
Fuel consumption from natural gas (MWh)	5,919.97
Fuel consumption from other fossil sources (MWh)	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	123.48
Total fossil energy consumption (MWh)	**7,424.13**
Share of fossil sources in total energy consumption (%)	20%
Consumption from nuclear sources (MWh)	–
Share of consumption from nuclear sources in total energy consumption (%)	–
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	23,485.76
The consumption of self-generated non-fuel renewable energy (MWh)	32.00
Total renewable energy consumption (MWh)	**23,517.76**
Share of renewable sources in total energy consumption (%)	80%
Total energy consumption (MWh)	**29,437.73**

As a Group, we do not operate in sectors with a significant climate impact, such as mining, coal, cement, steel or other industries associated with intensive fossil fuel consumption.

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

In the table below, we present information on our carbon footprint in relation to our own operations and the emissions financed within our financial asset portfolios.

Detailed information on the financial asset portfolio is available in the Consolidated Financial Statements of Santander Bank Polska Group for 2024. As of 31 December 2024, the Group held, in particular, a portfolio of net amounts due from customers amounting to PLN 174,776,281 thousand and a portfolio of investment financial assets amounting to PLN 76,912,655 thousand.

Greenhouse gas (GHG) emissions in tonnes CO_2eq	2024
Gross Scope 1 GHG emissions	5,817.57
Gross location-based Scope 2 GHG emissions	21,745.58
Gross market-based Scope 2 GHG emissions	7,163.71
Scope 3 – Category 6 (business travel)	770.39
Scope 3 – Category 7 (employee commuting)	2,062.32
Scope 3 – Category 15 – GHG emissions financed by the Group	14,620,548.48
Total Gross indirect (Scope 3) GHG emissions:	
Group's Total GHG Scope 3 emissions (location-based)	**14,623,381.19**
Group's Total GHG Scope 3 emissions (market-based)	**14,623,381.19**

For the calculation of CO_2 emission levels, we used the Greenhouse Gas Protocol (GHG Protocol) standards, based on the revised version: 'A Corporate Accounting and Reporting Standard Revised Edition, GHG Protocol Scope 2 Guidance Amendment to the GHG Protocol Corporate Standard' and "Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Supplement to the GHG Protocol Corporate Accounting and Reporting Standard" as required by the ESRS. We use the PCAF standard – The Global GHG Accounting and Reporting Standard for the Financial Industry – for portfolio emission disclosures.

The biogenic emissions of Group are generated by the consumption of fuel with biocomponents by its vehicle fleet. We calculated biogenic emissions using indicators published by the Department for Environment, Food and Rural Affairs (DEFRA). In 2024, they amounted to 280.4 tCO_2e due to diesel oil consumption and 8.72 tCO_2e due to gasoline use.

Methodological assumptions used to calculate the carbon footprint for the own operations:

We used emission factors developed by the UK Department for Environment Food & Rural Affairs (DEFRA 2022), the National Centre for Balancing and Emissions Management (KOBiZE) and the Energy Regulatory Authority (URE). We assess these emission factors as published by reliable institutions and suitable for application to the Group's operations. We have also applied these coefficients in previous years and have updated their values accordingly this year. The emission factors used for the calculations do not exclude the emission of gases other than CO_2 (e.g. CH_4 or N_2O), with the exception of the metrics used for Scope 2 for electricity and heat emissions published by KOBiZE and URE respectively (KOBiZE and URE metrics refer to CO_2 only). GHG emissions were calculated using data consolidation based on operational control. The calculations were performed for the entire Group using calculation sheets specifically designed for this purpose.

The following table describes the scope of the emissions calculation, the emission sources and the calculation methodology:

Scope	Emission sources included in the report		Calculation methodology
Scope 1	Leakage of refrigerants	R410A R417A R32	Emissions calculated on the basis of replenishment volume data for R410A, R417A, R32 provided by Santander Group companies and the emission factor obtained from DEFRA 2024 and EPA / Schiessl (R32) databases.
	Emissions from mobile sources	1. diesel 2. petrol	Emissions calculated using diesel oil and petrol consumption data for the transport fleet, provided by Santander Group companies, and an emissions factor obtained from DEFRA 2024.
	Emissions from stationary sources	1. natural gas 2. fuel oil 3. diesel fuel	Emissions calculated using consumption data for heating oil and natural gas for heating, and diesel for emergency generators, and an emissions factor obtained from DEFRA 2022.
Scope 2	Electricity	Offices	Emissions calculated on the basis of electricity consumption data and an emission factor obtained from the KOBiZE. Market-based emissions were calculated from data on the fuel mix of suppliers. Due to the lack of data on suppliers for some of the premises used by Santander, an average indicator determined from available indicators for suppliers of Santander Group companies was used.
	District heating	Offices	Emissions were calculated on the basis of consumption data provided by Group subsidiaries and an emission factor obtained from URE. Market-based emissions calculated from data on the fuel mix of suppliers. Due to the lack of knowledge of suppliers in some of the premises used by Santander, an average indicator determined from available indicators for suppliers Group companies was used.

Scope 3	Business trips	By private car	Emissions were calculated on the basis of consumption data provided by Group subsidiaries (from HR systems to account for business travel) and an emissions factors obtained from DEFRA.
		By bus	Emissions were calculated on the basis of consumption data provided by Group subsidiaries (from HR systems to account for delegations) and an emissions factors obtained from DEFRA.
		By train	Emissions were calculated on the basis of consumption data provided by Group subsidiaries (from HR systems to account for delegations) and an emissions factors obtained from DEFRA.
		Flights	Emissions were calculated on the basis of consumption data provided by Group subsidiaries (from HR systems to account for delegations) and an emissions factors obtained from DEFRA.
	Employee commuting	Employee commuting	Emissions were calculated using data provided Group subsidiaries and emission factors obtained from DEFRA. Data on the distance travelled by employees came from surveys conducted among employees. The surveys were conducted in 2024 (except for Santander Consumer Bank S.A., where the survey was conducted in 2023). On average, 66% of employees took part in the survey.

As a financial institution, the Group is not directly covered by the EU ETS (European Emissions Trading Scheme), therefore the above calculations do not include greenhouse gas emissions from regulated emission trading schemes.

Emissions from the credit portfolio

The table below presents the financed emissions of the Santander Bank Polska Group's portfolio, broken down into business loans, retail loans, and government and corporate bonds. **In business loans**, we disclose emissions related to: general financing of companies and other entities, project financing, commercial real estate and corporate bonds. Definitions of the individual financing categories can be found on the following page. **Retail real estate** refers to mortgage-backed emissions. These categories and their definitions are taken from the PCAF methodology. The PCAF standard also defines a Data Quality Score ranging from 1 (highest) to 5 (lowest), which is applied to each asset class covered by the standard. The Group uses the emission metrics indicated by PCAF, which are expressed as CO_2 equivalents (CO_2e). This means that they include not only the emissions of carbon dioxide (CO_2) itself, but also other greenhouse gases (e.g. methane – CH_4, nitrous oxide – N_2O) converted to their equivalent impact on global warming in relation to CO_2.

The scope of data covered by the calculation for business loans is approximately 98% of the total portfolio, while for mortgage loans it is 96%. The lack of full coverage is due to the exclusion of intangible parts of the balance sheets of subsidiaries and cases of lack of sufficient data in the systems.

Product type	Financed emissions (tCO_2)	Total exposure (PLN million)	Exposure with calculated emissions (PLN million)	Intensity ($kgCO_2$/PLN 1)	Average Data Quality Score
Business loans	9,461,333.02	81,196.52	79,174.23 (98%)	0.120	4.03
Retail real estate	864,869.45	58,509.38	56,044.82 (96%)	0.015	3.91
Government bonds	4,294,346.01	66,831.71	66,831.71 (100%)	0.064	1.00
Total	**14,620,548.48**	**206,537.61**	**202,049.76 (98%)**	**0.072**	**3.09**

The following product types were excluded:

- Listed shares and interests in associated companies (due to the immateriality of the exposure),
- Central bank securities and trading assets (due to the non-investment nature of these products),
- Motor vehicles (leasing under Scope 3, Category 13 of financed emissions)) – a significant portion of the Group's finance leases consists of assets other than cars (e.g., agricultural machinery), for which an emissions calculation methodology has not yet been developed. The Group is actively participating in the work of the Polish Leasing Association on a comprehensive methodology, which, once completed, will enable full disclosure of emissions for this category. At the same time, initial estimates indicate that motor vehicles account for less than 1% of total financed emissions, making this exposure immaterial from an emissions perspective.

Annual emissions are presented in tonnes of CO_2-equivalent (tCO_2e) and converted into PLN per unit of exposure. The calculation includes all three scopes of customer emissions. The exceptions are mortgages and commercial real estate, where only scope 1 and 2 are considered. Depending on the availability of data needed for the calculation, an average Data Quality Score (on a scale of 1-5) is assigned for each category. The level of detail provided depends on the availability of data in the Bank's systems and the extent of actual emission data from customer disclosures.

Methodological assumptions used to calculate the carbon footprint for emissions financed by the portfolio of financial assets:

When calculating financed emissions, we use an internal methodology based on the PCAF standard ('The Global GHG Accounting and Reporting Standard for the Financial Industry'). According to the PCAF standard, GHG emissions associated with loans and investments (category 15) are calculated based on the proportional share of a given loan or investment in the entity that benefits from the financing or is the subject of the investment. The allocation is based on the annual GHG emissions of the borrower or the invested entity for the year 2023.

Financed emissions are always calculated by multiplying the allocation factor (determined separately for each asset class) by the emissions of the borrower or investment entity. This is the proportion of the borrower's or investment entity's total annual greenhouse gas emissions accounted for by a given financing or investment. The allocation factor is calculated by determining the outstanding amount – the outstanding value of the loan or investment – relative to the sum of the equity and liabilities of the entity, project etc. benefiting from the financing or capital investment.

→ **BUSINESS LOANS:**

We disclose emissions related to all loans and credit lines (included in the balance sheet records) to companies, non-profit organisations and any other entities. These loans are not traded on the market and are for general corporate purposes, i.e. with no specified use of the funds, as defined in the GHG Protocol. We include here also emissions from our material corporate bond exposures. The business loans category represents the predominant share of financed emissions.

For this part of the portfolio, estimated emissions are calculated on the basis of data collected from the client's reports (resulting in the highest Data Quality Score = 1) or based on the size of the company (capital and own assets), its revenue and type of business. In the absence of sufficient client information, emissivity is calculated based on the amount of exposure and the client's type of business (lowest Data Quality Score = 5). We are currently working to collect as much emissivity information as possible directly from the client in the future, thus strengthening the relationship and establishing a dialogue to support their transformation. We have implemented a free carbon footprint calculator for small and medium-sized enterprises, which should also support the data collection and reporting process.

This category also includes **financed projects**, i.e., financing (recorded in the balance sheet) for specific investments or activities with a clearly identified use of the funds as defined in the GHG Protocol. For example, this could be the financing of a specific activity or activities, e.g. concerning a wind or photovoltaic farm or an energy efficiency project. Emissions are calculated only for the ring-fenced activities being financed. Emissions and financial data unrelated to the funded project are excluded. This is an important part of our business portfolio due to the significant volume of energy project financing, with a high share of RES projects (around 30% of the total energy portfolio). The data quality score for this category is better than in other categories (2.89) – we assume that the financed GHG emissions from this type of projects (RES) are approximately 0 and treat them as the actual reported emissions from the project.

Another category aggregated under this item includes **commercial real estate (CRE)** loans (recorded in the balance sheet) designated for specific corporate purposes: the purchase and refinancing of commercial real estate (CRE) and balance sheet investments in CRE, where the financial institution does not exercise operational control over the property. According to this definition, the financed property is used for commercial purposes, such as retail and service facilities, hotel, office, industrial, or residential spaces (large multi-family buildings for rental purposes). In all these cases, the property owner utilizes the real estate for profit-generating activities (general construction is outside the scope of CRE). The methodology for estimating emissions is described in the section on retail real estate (below).

→ **RETAIL REAL ESTATE:**

We disclose loans (recorded in the balance sheet) for specific consumer purposes, such as the purchase and refinancing of residential real estate, including single-family houses and multi-family buildings with a small number of flats. This definition indicates that the property is used exclusively for residential purposes and is not used for commercial activities. We disclose here Santander Bank Polska's portfolio, excluding Santander Consumer Bank's mortgage portfolio, under which new loans are no longer granted, the value of which has been gradually decreasing and has been deemed immaterial. At the end of 2024 the mortgage portfolio of Santander Consumer Bank represented 0.01% of the mortgage exposure of the Santander Bank Polska Group. The methodology for calculating emissivity is the same as for commercial real estate. We rely here on the emissivity factors assigned to the type and size of the building from the publicly available PCAF factor database and on information from the energy certificates of buildings.
To improve data quality, we are working towards using emissivity factors assigned to the energy labels of buildings, which are based on primary energy demand. This information is obtained directly from energy performance certificates. Next year, we plan to use a model to estimate emissivity for mortgages where we lack certificates, covering the rest of the portfolio's collateral or commercial real estate.

→ **GOVERNMENT BONDS**

Financed emissions from government bonds include investments in securities issued by national governments and public institutions. For these types of assets, the financial institution does not have direct operational control over how the funds are used. According to the PCAF methodology, emissions attributed to government bonds are estimated based on the total greenhouse gas emissions of a given country's economy and its total debt. The methodology relies on emission intensity factors available in the PCAF database, which provides the highest-quality data (Data Quality Score 1). These data are based on verified annual greenhouse gas emission reports submitted by countries to the UNFCCC. The PCAF database provides emission intensities expressed as annual GHG emissions per unit of a country's international debt, taking into account purchasing power parity-adjusted GDP (PPP-adjusted GDP). The analysis can use emission factors that either include or exclude emissions from land use, land-use change, and forestry (LULUCF).

The figures presented in the table above include emissions related to LULUCF, meaning that financed emissions also reflect the impact of the land use sector on a country's overall emissions balance. Financed emissions values are allocated proportionally to the value of the held bonds relative to the country's total government debt. The category includes also exposures of bonds not directly issued by the Treasury but fully guaranteed by it, which implies an allocation of issuance according to the national issuance profile.

Greenhouse gas intensity based on net revenue

The Group's carbon footprint per unit of net revenue is 0.62 kg CO_2e/1PLN.

GHG intensity per net revenue	
Total greenhouse gas emissions (location-based method) per net revenue (tCO_2-equivalent/monetary unit)	0.00062
Total greenhouse gas emissions (market-based method) per net revenue (tCO_2-equivalent/monetary unit)	0.00062

The denominator assumes the value of consolidated net revenue amounting to PLN 23,440,451 thousand determined in accordance with ESRS 2 as the sum of the following items from the Consolidated Financial Statements of the Santander Bank Polska Group for 2024. Consolidated income statement of the Group: 'Interest income and similar to interest', 'Commission income', 'Dividend income', 'Net profit on shares in affiliates', 'Trading income and revaluation', 'Profit on other financial instruments', 'Profit on discontinued recognition of financial instruments measured at amortized cost' and 'Other operating income', less the value of the result on exchange items in the amount of PLN 375,075 thousand.

Other climate-related disclosures (E1-7, E1-8, E1-9)

As a Group, we do not engage in direct activities related to the removal and storage of greenhouse gases within our own operations or in the value chain. However, in 2024, we purchased 13,658 CER units, which offset 13,657.54 tonnes of CO_2 equivalent emissions. These are an additional environmental measure by the Banco Santander Group, and their purchase does not affect the objectives or activities of the Santander Bank Polska Group in terms of reducing its own emissions or financed emissions. Credits are obtained from two projects that are carried out outside the value chain and outside the European Union. These are reduction projects that are validated by the Gold Standard (GS) and the Verified Carbon Standard (VCS). The purchase of credits for all subsidiaries is coordinated by the Banco Santander Group, which carries out the selection and due diligence process.

We do not apply internal carbon pricing (E1-8).

With respect to disclosures regarding expected financial impacts from significant physical and transition risks and potential climate-related opportunities (E1-9), we have chosen to apply a "phase-in" period and therefore we do not disclose this information in this statement.

Disclosures under Regulation no. 2020/852

EU Taxonomy for sustainable activities

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy) lays down a unified classification system for sustainable activities designed to increase the transparency and comparability across the market and support investors in taking investment decisions.

The six environmental objectives of the EU Taxonomy are: climate change mitigation (CCM), climate change adaptation (CCA), sustainable use and protection of water and marine resources (WTR), transition to a circular economy (CE), pollution prevention and control (PPC), and protection and restoration of biodiversity and ecosystems (BIO).

Taxonomy-eligible finance includes exposures financing the objectives or projects related to the activities referred to in Delegated Regulation no. 2021/2139 as amended (Climate Delegated Act), Delegated Regulation no. 2023/2486 (Taxonomy Environmental Delegated Act), irrespective of whether such activities meet the Taxonomy's technical screening criteria for environmental sustainability.

Environmentally sustainable finance, that is Taxonomy-aligned finance, includes exposures financing the objectives or projects related to the activities which meet all the following criteria:

- contribute substantially to at least one of the six environmental objectives;
- do no significant harm to any of the other environmental objectives (DNSH);
- are carried out in compliance with the minimum (social) safeguards.

Activities contribute substantially to an environmental objective and do no significant harm to other environmental objectives if they meet the strict technical screening criteria defined in the above-mentioned delegated acts (Climate Delegated Act or Taxonomy Environmental Delegated Act).

Activities comply with the minimum safeguards if they are carried out in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. The minimum safeguards require companies to have due diligence processes in place that cover the following topics addressed in the OECD Guidelines for Multinational Enterprises: human rights, employment and industrial relations, environment, combating bribery and other forms of corruption, consumer interests, science and technology, competition and taxation.

Quantitative disclosures

Scope of Taxonomy disclosures

Pursuant to Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 as regards corporate sustainability reporting (CSRD), which replaced the previous Directive on non-financial reporting (NFRD), Santander Bank Polska Group, as a public-interest entity preparing sustainability reports, must disclose information on the percentage share of its portfolio financing environmentally sustainable activities. The content, methodology and presentation of information about environmentally sustainable economic activities are defined in Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

In the case of credit institutions, including Santander Bank Polska S.A., the reporting obligations concerning Taxonomy disclosures became fully effective as of 2024 (except for two templates applicable as of 2026) following the two-year transition period.

As part of GAR reporting for 2024, Santander Bank Polska Group conducted a full assessment of transactions in terms of Taxonomy eligibility and Taxonomy alignment with regard to the first two environmental objectives (CCM and CCA) defined in the Climate Delegated Act (as amended). As regards the other four environmental objectives specified in the Taxonomy Environmental Delegated Act, the assessment of transactions as part of reporting for 2024 covered only Taxonomy eligibility, as required under the applicable regulatory schedule.

Summary of KPIs

The key performance indicator for sustainable activities of credit institutions is the green asset ratio (GAR), which represents investments and exposures related to Taxonomy-aligned activities with regard to the six environmental objectives as a proportion of the assets included in the GAR calculation. This ratio covers the main lending and investment activities of credit institutions, including loans and advances, debt securities, and equity instruments in the banking book. It reflects the proportion of a credit institution's assets that finance environmentally sustainable activities.

The GAR numerator includes the following types of exposures and counterparties:

- debt and equity exposures in the banking book for financial or non-financial entities required to make their own Taxonomy disclosures (directly or indirectly as part of the consolidated Taxonomy disclosures of the parent entity).
- loans secured by residential properties, building renovation loans and car loans for households;
- loans for local governments for the purpose of financing housing needs and other specific purpose investments;
- collateral obtained by repossessing residential and commercial properties.

The GAR denominator includes total gross assets excluding exposures to central governments and supranational institutions, exposures to central banks and the trading book.

The table below presents the summary of Taxonomy KPIs of Santander Bank Polska Group for 2024 and the comparative period, providing static (as at the balance sheet date) and dynamic view (flow in the reporting period in respect of active exposures as at the balance sheet date) in two variants for each view. As part of the static view, exposures financing general corporate purposes of entities were assessed on the basis of turnover KPIs published by those entities. The dynamic view is based on capex KPIs. Off-balance sheet exposures (financial guarantees and assets under management) were included as well. The same approach was also applied to other reporting templates published later in this chapter.

The KPIs are presented using template 0 contained in Annex VI to Commission Delegated Regulation (EU) 2021/2178 (as amended).

Summary of KPIs as at 31.12.2024

		Total environmentally sustainable assets (TURNOVER)	Total environmentally sustainable assets (CAPEX)	KPI (TURNOVER)	KPI (CAPEX)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Main KPI Green asset ratio (GAR) stock	Green asset ratio (GAR) stock	1,445,912	1,382,353	0.63%	0.60%	73.43%	38.49%	26.57%

		Total environmentally sustainable assets (TURNOVER)	Total environmentally sustainable assets (CAPEX)	KPI (TURNOVER)	KPI (CAPEX)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Additional KPIs Green asset ratio (GAR)	Green asset ratio (GAR) flow	574,850	476,829	0.99%	0.66%	79.20%	43.03%	20.80%
	Trading book	n/a	n/a	n/a	n/a			
	Financial guarantees	0.00	0.00	0.00%	0.0%			
	Assets under management	383,377	653,861	1.58%	2.70%			
	Fees and commissions income	n/a	n/a	n/a	n/a			

Summary of KPIs as at 31.12.2023

		Total environmentally sustainable assets (TURNOVER)	Total environmentally sustainable assets (CAPEX)	KPI (TURNOVER)	KPI (CAPEX)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Main KPI Green asset ratio (GAR) stock	Green asset ratio (GAR) stock	826,727,422	1,127,250,261	0.38%	0.52%	76.1%	39.30%	23.86%

		Total environmentally sustainable assets (TURNOVER)	Total environmentally sustainable assets (CAPEX)	KPI (TURNOVER)	KPI (CAPEX)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR	% of assets excluded from the denominator of the GAR
Additional KPIs Green asset ratio (GAR)	Green asset ratio (GAR) flow	256,134,838	225,849,521	0.41%	0.36%	85.28%	50.20%	14.72%
	Trading book	n/a	n/a	n/a	n/a			
	Financial guarantees	0.00	0.00	0.00%	0.0%			
	Assets under management	128,785,430	128,785,430	9.6%	9.6%			
	Fees and commissions income	n/a	n/a	n/a	n/a			

Santander Bank Polska Group's assets classified as environmentally sustainable total PLN 1,445,912k by turnover KPI and PLN 1,382,353k by capex KPI. They include:

- PLN 962,234k of mortgage loans for purchase of residential property which meet the EU Taxonomy alignment criteria;
- PLN 174,954k of a credit exposure to a customer from the energy sector related to the electricity generation from wind power, certified internally as Taxonomy-aligned as part of an individual assessment;
- other general purpose loans and advances to NFRD/CSRD customers, calculated as a product of their exposures as at 31 December 2024 and turnover and capex KPIs published by those customers.

Key and partial performance indicators

The tables below present quantitative information reflecting the extent to which the activities of Santander Bank Polska Group are Taxonomy-eligible or Taxonomy-aligned, broken down by six environmental objectives, customer segments and financial instruments.

The quantitative disclosures have been prepared using templates 1–5 contained in Annex VI to Commission Delegated Regulation (EU) 2021/2178 (as amended). The Group does not publish disclosures on fees and commissions income from services other than lending and asset management (template 6) or trading portfolio (template 7). They will become effective and will be reported as of 1 January 2026. Accordingly, the Group does not publish the qualitative disclosure on the trade portfolio referred to in Annex XI to the aforementioned regulation either.

The figures presented in the tables come from the FINREP ITS, i.e. prudentially consolidated financial statements prepared for central banks. Information about customers and products (including leasing and factoring ones in respect of Santander Leasing S.A. and Santander Factoring Sp. z o.o.) which was not available in FINREP ITS was taken from the corporate data warehouse in accordance with the FINREP granularity. The Group also used information from specialised systems of the Business and Corporate Banking Division (BCBD), Corporate and Investment Banking Division (CIBD) and Risk

Management Division, as well as non-financial data from the system developed by Santander Bank Polska S.A. for the purpose of ESG reporting. Lastly, the Group used external databases (ESG BIK and Clarity) to obtain information about customers required to publish non-financial reports and Taxonomy KPIs derived from publicly available annual reports. Total assets presented in the balance sheet templates are reconciled with FINREP ITS.

Data about customers and products of Santander TFI S.A. and Santander Consumer Bank S.A. and its subsidiaries (including Santander Consumer Multirent sp. z o.o. and Stellantis Financial Services Polska sp. z o.o.) were obtained directly from those entities.

Assets for the calculation of GAR by stock as at 31.12.2024 - based on turnover KPIs

	PLN k	Disclosure reference date 31.12.2024																													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	108,764,620	54,504,976	1,395,358	174,954	42	18,274	51,141	50,486	0	44,047	20	18	0	6	2,401	17	0	6	52	17	0	6	513	17	0	6	54,559,103	1,445,912	174,954	42	62,345
2	Financial undertakings	6,659,975	387,720	235,170	0	7	7	3,242	2,899	0	6	20	18	0	6	20	17	0	6	19	17	0	6	19	17	0	6	391,039	238,138	0	7	37
3	Credit institutions	6,647,521	387,720	235,170	0	7	7	3,242	2,899	0	6	20	18	0	6	20	17	0	6	19	17	0	6	19	17	0	6	391,039	238,138	0	7	37
4	Loans and advances	84,606	1,000	139	0	7	7	361	18	0	6	20	18	0	6	20	17	0	6	19	17	0	6	19	17	0	6	1,438	226	0	7	37
5	Debt securities, including UoP	6,562,915	386,720	235,031	0	0	0	2,881	2,881	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	389,601	237,912	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	12,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
20	Non-financial undertakings	9,594,703	814,115	197,954	174,954	35	18,268	47,898	47,587	0	44,040	0	0	0	0	2,381	0	0	0	32	0	0	0	495	0	0	0	864,922	245,541	174,954	35	62,308
21	Loans and advances	9,594,703	814,115	197,954	174,954	35	18,268	47,898	47,587	0	44,040	0	0	0	0	2,381	0	0	0	32	0	0	0	495	0	0	0	864,922	245,541	174,954	35	62,308
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	Households	92,438,334	53,258,013	962,234	0	0	0	0	0	0	0					0	0	0	0									53,258,013	962,234	0	0	0
25	of which loans collateralised by residential immovable property	52,043,946	51,364,633	962,234	0	0	0	0	0	0	0					0	0	0	0									51,364,633	962,234	0	0	0
26	of which building renovation loans	737,571	737,571	0	0	0	0	0	0	0	0					0	0	0	0									737,571	0	0	0	0
27	of which motor vehicle loans	1,155,808	1,155,808	0	0	0	0																					1,155,808	0	0	0	0
28	Local governments financing	71,609	45,128	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,128	0	0	0	0
29	Housing financing	1,484	1,484	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	1,484	0		0	0
30	Other local government financing	70,125	43,645	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43,645	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	119,780,744	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PLN k	Total gross carrying amount	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33 Financial and Non-financial undertakings	103,856,924																														
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	72,049,439																														
35 Loans and advances	71,949,645																														
36 of which loans collateralised by commercial immovable property	21,572,182																														
37 of which building renovation loans	501																														
38 Debt securities	27,270																														
39 Equity instruments	72,523																														
40 Non-EU country counterparties not subject to NFRD disclosure obligations	1,160,321																														
41 Loans and advances	1,150,455																														
42 Debt securities	1,247																														
43 Equity instruments	8,619																														
44 Derivatives	1,401,753																														
45 On demand interbank loans	2,195,369																														
46 Cash and cash-related assets	1,226,432																														
47 Other categories of assets (e.g. Goodwill, commodities etc.)	11,100,267																														
48 Total GAR assets	228,545,364	54,504,976	1,395,358	174,954	42	18,274	51,141	50,486	0	44,047	20	18	0	6	2,401	17	0	6	52	17	0	6	513	17	0	6	54,559,103	1,445,912	174,954	42	62,345
49 Assets not covered for GAR calculation	82,684,345																														
50 Central governments and Supranational issuers	56,793,626																														
51 Central banks exposure	15,344,299																														
52 Trading book	10,546,421																														
53 Total assets	311,229,710	54,504,976	1,395,358	174,954	42	18,274	51,141	50,486	0	44,047	20	18	0	6	2,401	17	0	6	52	17	0	6	513	17	0	6	54,559,103	1,445,912	174,954	42	62,345
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54 Financial guarantees	218,144	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55 Assets under management	24,188,345	1,783,253	328,698	174,512	6,907	147,279	302,258	53,696	46,404	7,293	533	463	455	8	277,529	338	126	211	79,079	182	182	0	4,471	0	0	0	2,447,123	383,377	221,679	6,907	154,791
56 Of which debt securities	20,237,146	1,159,565	249,800	160,308	1,843	87,649	139,653	6,298	5,864	434	114	48	40	8	43,824	313	125	188	55,297	179	179	0	3,558	0	0	0	1,402,011	256,638	166,516	1,843	88,279
57 Of which equity instruments	3,848,746	623,687	78,897	14,203	5,064	59,630	162,605	47,398	40,540	6,858	418	415	415	0	233,705	25	2	23	23,782	2	2	0	912	0	0	0	1,045,109	126,737	55,162	5,064	66,511

Assets for the calculation of GAR by stock as at 31.12.2023 - based on turnover KPIs

	PLN k	Disclosure reference date 31.12.2023																													
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	104,042,038	55,366,053	826,727	0	2	54,604	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	55,366,053	826,727	0	2	54,604
2	Financial undertakings	11,765,209	2,437,189	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,437,189	0	0	0	0
3	Credit institutions	11,730,707	2,437,016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,437,016	0	0	0	0
4	Loans and advances	11,210,991	2,208,341	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,208,341	0	0	0	0
5	Debt securities, including UoP	519,716	228,675	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	228,675	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
7	Other financial corporations	34,501	173	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	173	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
12	of which management companies	2,179	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	0	0	0	0
13	Loans and advances	2,179	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
16	of which insurance undertakings	32,323	162	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162	0	0	0	0
17	Loans and advances	32,323	162	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	162	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
20	Non-financial undertakings	5,758,051	819,146	82,472	0	2	54,604	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	819,146	82,472	0	2	54,604
21	Loans and advances	5,758,051	819,146	82,472	0	2	54,604	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	819,146	82,472	0	2	54,604
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	Households	86,413,599	52,109,718	744,256	0	0	0	0	0	0	0					0	0	0	0									52,109,718	744,256	0	0	0
25	of which loans collateralised by residential immovable property	50,439,911	50,439,911	285,200	0	0	0	0	0	0	0					0	0	0	0									50,439,911	285,200	0	0	0
26	of which building renovation loans	743,558	743,558	459,055	0	0	0	0	0	0	0					0	0	0	0									743,558	459,055	0	0	0
27	of which motor vehicle loans	926,250	926,250	0	0	0	0																					926,250	0	0	0	0
28	Local governments financing	105,180	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	92,241	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
30	Other local government financing	12,939	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	110,980,826	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
33	Financial and Non-financial undertakings	95,459,227																														

Disclosure reference date 31.12.2023

	PLN k	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	95,134,773																														
35	Loans and advances	80,478,214																														
36	of which loans collateralised by commercial immovable property	0																														
37	of which building renovation loans	0																														
38	Debt securities	14,385,278																														
39	Equity instruments	271,281																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	324,454																														
41	Loans and advances	308,764																														
42	Debt securities	4,011																														
43	Equity instruments	11,679																														
44	Derivatives	1,575,056																														
45	On demand interbank loans	2,019,785																														
46	Cash and cash-related assets	2,609,876																														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	9,316,882																														
48	Total GAR assets	215,022,864																														
49	Assets not covered for GAR calculation	67,379,900																														
50	Central governments and Supranational issuers	46,276,174																														
51	Central banks exposure	12,054,012																														
52	Trading book	9,049,714																														
53	Total assets	282,402,764																														
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees	22,197	188	0	0	0	0	0	0	0	0	188	0	0	0	0	22,197	188	0	0	0	0	0	0	0	0	188	0	0	0	0	22,197
55	Assets under management	19,188,939	1,112,753	128,715	0	12,969	115,746	228,163	71	0	71	1,340,916	128,785	0	12,969	115,817	19,188,939	1,112,753	128,715	0	12,969	115,746	228,163	71	0	71	1,340,916	128,785	0	12,969	115,817	19,188,939
56	Of which debt securities	15,530,810	683,442	63,402	0	6,965	56,437	149,502	62	0	62	832,945	63,464	0	6,965	56,499	15,530,810	683,442	63,402	0	6,965	56,437	149,502	62	0	62	832,945	63,464	0	6,965	56,499	15,530,810
57	Of which equity instruments	3,652,406	436,933	65,780	0	6,048	59,732	79,556	9	0	9	516,489	65,789	0	6,048	59,741	3,652,406	436,933	65,780	0	6,048	59,732	79,556	9	0	9	516,489	65,789	0	6,048	59,741	3,652,406

Assets for the calculation of GAR by stock as at 31.12.2024 - based on CapEx KPIs

Disclosure reference date 31.12.2024

	PLN k	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	108,764,620	54,540,147	1,300,199	174,954	49,841	43,982	65,569	32,236	0	3,948	30	27	0	9	7,345	26	0	9	120	25	0	9	163,011	49,841	0	9	54,776,223	1,382,353	174,954	49,841	47,966
2	Financial undertakings	6,659,975	1,010	148	0	10	10	371	27	0	10	30	27	0	9	29	26	0	9	29	25	0	9	148	10	0	9	1,618	263	0	10	56
3	Credit institutions	6,647,521	1,010	148	0	10	10	371	27	0	10	30	27	0	9	29	26	0	9	29	25	0	9	148	10	0	9	1,618	263	0	10	56
4	Loans and advances	84,606	1,010	148	0	10	10	371	27	0	10	30	27	0	9	29	26	0	9	29	25	0	9	148	10	0	9	1,618	263	0	10	56
5	Debt securities, including UoP	6,562,915	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
7	Other financial corporations	12,454	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
20	Non-financial undertakings	9,594,703	1,235,996	337,817	174,954	49,831	43,972	65,198	32,209	0	3,939	0	0	0	0	7,316	0	0	0	91	0	0	0	162,863	49,831	0	0	1,471,464	419,857	174,954	49,831	47,910
21	Loans and advances	9,594,703	1,235,996	337,817	174,954	49,831	43,972	65,198	32,209	0	3,939	0	0	0	0	7,316	0	0	0	91	0	0	0	162,863	49,831	0	0	1,471,464	419,857	174,954	49,831	47,910
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	Households	92,438,334	53,258,013	962,234	0	0	0	0	0	0	0				0	0	0	0	0									53,258,013	962,234	0	0	0
25	of which loans collateralised by residential immovable property	52,043,946	51,364,633	962,234	0	0	0	0	0	0	0					0	0	0	0									51,364,633	962,234	0	0	0
26	of which building renovation loans	737,571	737,571	0	0	0	0	0	0	0	0					0	0	0	0									737,571	0	0	0	0
27	of which motor vehicle loans	1,155,808	1,155,808	0	0	0	0																					1,155,808	0	0	0	0
28	Local governments financing	71,609	45,128	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45,128	0	0	0	0
29	Housing financing	1,484	1,484	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,484	0	0	0	0
30	Other local government financing	70,125	43,645	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	43,645	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	119,780,744	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	0
33	Financial and Non-financial undertakings	103,856,924																														

Disclosure reference date 31.12.2024

	PLN k	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	72,049,439																														
35	Loans and advances	71,949,645																														
36	of which loans collateralised by commercial immovable property	21,572,182																														
37	of which building renovation loans	501																														
38	Debt securities	27,270																														
39	Equity instruments	72,523																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,160,321																														
41	Loans and advances	1,150,455																														
42	Debt securities	1,247																														
43	Equity instruments	8,619																														
44	Derivatives	1,401,753																														
45	On demand interbank loans	2,195,369																														
46	Cash and cash-related assets	1,226,432																														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	11,100,267																														
48	Total GAR assets	228,545,364	54,540,147	1,300,199	174,954	49,841	43,982	65,569	32,236	0	3,948	30	27	0	9	7,345	26	0	9	120	25	0	9	163,011	49,841	0	9	54,776,223	1,382,353	174,954	49,841	47,966
49	Assets not covered for GAR calculation	82,684,345																														
50	Central governments and Supranational issuers	56,793,626																														
51	Central banks exposure	15,344,299																														
52	Trading book	10,546,421																														
53	Total assets	311,229,710	54,540,147	1,300,199	174,954	49,841	43,982	65,569	32,236	0	3,948	30	27	0	9	7,345	26	0	9	120	25	0	9	163,011	49,841	0	9	54,776,223	1,382,353	174,954	49,841	47,966
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees	218,144	12,408	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,408	0	0	0	0
55	Assets under management	24,188,345	1,743,789	597,594	224,868	38,739	333,987	151,814	55,103	52,975	2,128	1,045	685	682	3	8,173	217	143	74	43,671	261	261	0	2,322	1	1	0	1,950,814	653,861	278,930	38,739	336,192
56	Of which debt securities	20,237,146	1,224,257	405,538	146,656	18,891	239,991	49,969	6,869	6,832	36	343	19	16	3	7,781	213	141	72	41,732	256	256	0	2,148	0	0	0	1,326,230	412,895	153,901	18,891	240,102
57	Of which equity instruments	3,848,746	519,532	192,055	78,212	19,848	93,995	101,844	48,234	46,142	2,092	702	666	666	0	392	4	2	2	1,939	5	5	0	173	1	1	0	624,582	240,965	125,028	19,848	96,089

Assets for the calculation of GAR by stock as at 31.12.2023- based on CapEx KPIs

		Disclosure reference date 31.12.2023																													
	PLN k	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	104,042,038	56,212,008	1,127,250	0	9,087	235,855	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56,212,008	1,127,250	0	9,087	235,855
2	Financial undertakings	11,765,209	2,381,289	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,381,289	0	0	0	0
3	Credit institutions	11,730,707	2,380,977	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,380,977	0	0	0	0
4	Loans and advances	11,210,991	2,152,302	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,152,302	0	0	0	0
5	Debt securities, including UoP	519,716	228,675	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	228,675	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
7	Other financial corporations	34,501	312	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	312	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
12	of which management companies	2,179	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21	0	0	0	0
13	Loans and advances	2,179	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
16	of which insurance undertakings	32,323	291	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	291	0	0	0	0
17	Loans and advances	32,323	291	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	291	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0			0	0		0	0
20	Non-financial undertakings	5,758,051	1,721,001	382,994	0	9,087	235,855	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,721,001	382,994	0	9,087	235,855
21	Loans and advances	5,758,051	1,721,001	382,994	0	9,087	235,855	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,721,001	382,994	0	9,087	235,855
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
24	Households	86,413,599	52,109,718	744,256	0	0	0	0	0	0	0					0	0	0	0									52,109,718	744,256	0	0	0
25	of which loans collateralised by residential immovable property	50,439,911	50,439,911	285,200	0	0	0	0	0	0	0					0	0	0	0									50,439,911	285,200	0	0	0
26	of which building renovation loans	743,558	743,558	459,055	0	0	0	0	0	0	0					0	0	0	0									743,558	459,055	0	0	0
27	of which motor vehicle loans	926,250	926,250	0	0	0	0																					926,250	0	0	0	0
28	Local governments financing	105,180	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	92,241	0	0		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	0
30	Other local government financing	12,939	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	110,980,826	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	95,459,227																														

Disclosure reference date 31.12.2023

PLN k	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	95,134,773																														
35 Loans and advances	80,478,214																														
36 of which loans collateralised by commercial immovable property	0																														
37 of which building renovation loans	0																														
38 Debt securities	14,385,278																														
39 Equity instruments	271,281																														
40 Non-EU country counterparties not subject to NFRD disclosure obligations	324,454																														
41 Loans and advances	308,764																														
42 Debt securities	4,011																														
43 Equity instruments	11,679																														
44 Derivatives	1,575,056																														
45 On demand interbank loans	2,019,785																														
46 Cash and cash-related assets	2,609,876																														
47 Other categories of assets (e.g. Goodwill, commodities etc.)	9,316,882																														
48 Total GAR assets	215,022,864																														
49 Assets not covered for GAR calculation	67,379,900																														
50 Central governments and Supranational issuers	46,276,174																														
51 Central banks exposure	12,054,012																														
52 Trading book	9,049,714																														
53 Total assets	282,402,764																														
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54 Financial guarantees	22,197	188	0	0	0	0	0	0	0	0	188	0	0	0	0	22,197	188	0	0	0	0	0	0	0	0	188	0	0	0	0	22,197
55 Assets under management	19,188,939	1,112,753	128,715	0	12,969	115,746	228,163	71	0	71	1,340,916	128,785	0	12,969	115,817	19,188,939	1,112,753	128,715	0	12,969	115,746	228,163	71	0	71	1,340,916	128,785	0	12,969	115,817	19,188,939
56 Of which debt securities	15,530,810	683,442	63,402	0	6,965	56,437	149,502	62	0	62	832,945	63,464	0	6,965	56,499	15,530,810	683,442	63,402	0	6,965	56,437	149,502	62	0	62	832,945	63,464	0	6,965	56,499	15,530,810
57 Of which equity instruments	3,652,406	436,933	65,780	0	6,048	59,732	79,556	9	0	9	516,489	65,789	0	6,048	59,741	3,652,406	436,933	65,780	0	6,048	59,732	79,556	9	0	9	516,489	65,789	0	6,048	59,741	3,652,406

GAR sector information as at 31.12.2024- based on turnover KPIs

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL			
		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable	PLN k	of which environmentally sustainable
1	20.14 - Manufacture of other organic basic chemicals	347	0			0	0			0	0			0	0			0	0			0	0			347	0		
2	20.15 - Manufacture of fertilisers and nitrogen compounds	457,715	0			0	0			0	0			0	0			0	0			0	0			457,715	0		
3	22.19 - Manufacture of other rubber products	4,937	0			0	0			0	0			0	0			0	0			0	0			4,937	0		
4	22.22 - Manufacture of plastic packing goods	34,494	0			0	0			0	0			34,494	0			0	0			0	0			34,494	0		
5	25.11 - Manufacture of metal structures and parts of structures	17,039	0			0	0			0	0			0	0			0	0			0	0			17,039	0		
6	27.12 - Manufacture of electricity distribution and control apparatus	5,123	0			0	0			0	0			5,123	0			0	0			0	0			5,123	0		
7	27.51 - Manufacture of electric domestic appliances	533	0			0	0			0	0			533	0			0	0			0	0			533	0		
8	28.12 - Manufacture of fluid power equipment	6,143	0			0	0			0	0			0	0			0	0			0	0			6,143	0		
9	28.21 - Manufacture of ovens, furnaces and furnace burners	9,802	0			0	0			0	0			0	0			0	0			0	0			9,802	0		
10	29.31 - Manufacture of electrical and electronic equipment for motor vehicles	7,818	5,680			0	0			0	0			0	0			0	0			0	0			7,818	5,680		
11	30.20 - Manufacture of railway locomotives and rolling stock	18	0			0	0			0	0			0	0			0	0			0	0			18	0		
12	35.11 - Production of electricity	216,979	175,035			0	0			0	0			0	0			0	0			0	0			216,979	175,035		
13	35.13 - Distribution of electricity	1,029,035	0			0	0			0	0			0	0			0	0			0	0			1,029,035	0		
14	38.11 - Collection of non-hazardous waste	2,403	889			0	0			0	0			2,403	0			0	0			0	0			2,403	889		
15	38.21 - Treatment and disposal of non-hazardous waste	2,447	905			0	0			0	0			2,447	0			2,447	0			0	0			2,447	905		
16	41.10 - Realization of building projects related to erection of buildings	25,053	0			0	0			0	0			25,053	0			0	0			0	0			25,053	0		
17	41.20 - Building works related to erection of residential and non-residential buildings	50	0			0	0			0	0			50	0			0	0			0	0			50	0		
18	42.11 - Works related to construction of roads and motorways	55,959	70			0	0			0	0			55,959	0			0	0			0	0			55,959	70		
19	46.35 - Wholesale of tobacco products	0	0			0	0			0	0			85,575	0			0	0			0	0			85,575	0		
20	46.42 - Wholesale of clothing and footwear	0	0			0	0			0	0			238,848	0			0	0			0	0			238,848	0		
21	46.46 - Wholesale of pharmaceutical goods	0	0			0	0			0	0			53,306	0			0	0			0	0			53,306	0		
22	46.69 - Wholesale of other machinery and equipment	0	0			0	0			0	0			13,748	0			0	0			0	0			13,748	0		
23	46.90 - Non-specialised wholesale trade	0	0			0	0			0	0			641,306	0			0	0			0	0			641,306	0		
24	47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	0	0			0	0			0	0			75	0			0	0			0	0			75	0		
25	47.41 - Retail sale of computers, peripheral units and software in specialised stores	0	0			0	0			0	0			37,018	0			0	0			0	0			37,018	0		
26	47.71 - Retail sale of clothing in specialised stores	0	0			0	0			0	0			801,133	0			0	0			0	0			801,133	0		
27	47.72 - Retail sale of footwear and leather goods in specialised stores	0	0			0	0			0	0			37,039	0			0	0			0	0			37,039	0		
28	47.91 - Retail sale via mail order houses or via Internet	0	0			0	0			0	0			3,476	0			0	0			0	0			3,476	0		
29	61.10 - Wired telecommunications activities	169,212	0			0	0			0	0			169,212	0			0	0			0	0			169,212	0		
30	61.20 - Wireless telecommunications activities, excluding satellite telecommunications activities	1,195,449	0			0	0			0	0			1,195,449	0			0	0			0	0			1,195,449	0		
31	61.30 - Satellite telecommunications activities	182,735	5,957			0	0			0	0			182,735	0			0	0			0	0			182,735	5,957		
32	63.12 - Web portals	0	0			0	0			0	0			71,844	0			0	0			0	0			71,844	0		

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL			
		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable	PLN k	of which environmentally sustainable
33	68.10 - Buying and selling of own real estate	75,448	702			0	0			0	0			0	0			0	0			0	0			75,448	702		
34	68.20 - Rental and operating of own or leased real estate	52,856	0			0	0			0	0			0	0			0	0			0	0			52,856	0		
35	71.12 - Engineering activities and related technical consultancy	11,190	0			11,190	0			0	0			0	0			11,190	0			0	0			11,190	0		
36	77.11 - Rental and leasing of cars and light motor vehicles	46,698	0			0	0			0	0			46,698	0			0	0			0	0			46,698	0		
37	77.12 - Rental and leasing of other motor vehicle, excluding motorcycles	200,006	0			0	0			0	0			200,006	0			0	0			0	0			200,006	0		

GAR sector information as at 31.12.2024- based on CapEx KPIs

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL			
		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable	PLN k	of which environmentally sustainable
1	20.14 - Manufacture of other organic basic chemicals	347	0			0	0			0	0			0	0			0	0			0	0			347	0		
2	20.15 - Manufacture of fertilisers and nitrogen compounds	457,715	0			0	0			0	0			0	0			0	0			0	0			457,715	0		
3	22.19 - Manufacture of other rubber products	4,937	0			0	0			0	0			0	0			0	0			0	0			4,937	0		
4	22.22 - Manufacture of plastic packing goods	34,494	0			0	0			0	0			34,494	0			0	0			0	0			34,494	0		
5	25.11 - Manufacture of metal structures and parts of structures	17,039	0			0	0			0	0			0	0			0	0			0	0			17,039	0		
6	27.12 - Manufacture of electricity distribution and control apparatus	5,123	0			0	0			0	0			5,123	0			0	0			0	0			5,123	0		
7	27.51 - Manufacture of electric domestic appliances	533	0			0	0			0	0			533	0			0	0			0	0			533	0		
8	28.12 - Manufacture of fluid power equipment	6,143	0			0	0			0	0			0	0			0	0			0	0			6,143	0		
9	28.21 - Manufacture of ovens, furnaces and furnace burners	9,802	0			0	0			0	0			0	0			0	0			0	0			9,802	0		
10	29.31 - Manufacture of electrical and electronic equipment for motor vehicles	7,818	6,909			0	0			0	0			0	0			0	0			0	0			7,818	6,909		
11	30.20 - Manufacture of railway locomotives and rolling stock	18	0			0	0			0	0			0	0			0	0			0	0			18	0		
12	35.11 - Production of electricity	216,979	175,704			0	0			0	0			0	0			0	0			0	0			216,979	175,704		
13	35.13 - Distribution of electricity	1,029,035	0			0	0			0	0			0	0			0	0			0	0			1,029,035	0		
14	38.11 - Collection of non-hazardous waste	2,403	1,081			0	0			0	0			2,403	0			0	0			0	0			2,403	1,081		
15	38.21 - Treatment and disposal of non-hazardous waste	2,447	1,101			0	0			0	0			2,447	0			2,447	0			0	0			2,447	1,101		
16	41.10 - Realization of building projects related to erection of buildings	25,053	0			0	0			0	0			25,053	0			0	0			0	0			25,053	0		
17	41.20 - Building works related to erection of residential and non-residential buildings	50	0			0	0			0	0			50	0			0	0			0	0			50	0		
18	42.11 - Works related to construction of roads and motorways	55,959	85			0	0			0	0			55,959	0			0	0			0	0			55,959	85		
19	46.35 - Wholesale of tobacco products	0	0			0	0			0	0			85,575	0			0	0			0	0			85,575	0		
20	46.42 - Wholesale of clothing and footwear	0	0			0	0			0	0			238,848	0			0	0			0	0			238,848	0		
21	46.46 - Wholesale of pharmaceutical goods	0	0			0	0			0	0			53,306	0			0	0			0	0			53,306	0		
22	46.69 - Wholesale of other machinery and equipment	0	0			0	0			0	0			13,748	0			0	0			0	0			13,748	0		
23	46.90 - Non-specialised wholesale trade	0	0			0	0			0	0			641,306	0			0	0			0	0			641,306	0		
24	47.11 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	0	0			0	0			0	0			75	0			0	0			0	0			75	0		
25	47.41 - Retail sale of computers, peripheral units and software in specialised stores	0	0			0	0			0	0			37,018	0			0	0			0	0			37,018	0		
26	47.71 - Retail sale of clothing in specialised stores	0	0			0	0			0	0			801,133	0			0	0			0	0			801,133	0		
27	47.72 - Retail sale of footwear and leather goods in specialised stores	0	0			0	0			0	0			37,039	0			0	0			0	0			37,039	0		
28	47.91 - Retail sale via mail order houses or via Internet	0	0			0	0			0	0			3,476	0			0	0			0	0			3,476	0		
29	61.10 - Wired telecommunications activities	169,212	0			0	0			0	0			169,212	0			0	0			0	0			169,212	0		
30	61.20 - Wireless telecommunications activities, excluding satellite telecommunications activities	1,195,449	0			0	0			0	0			1,195,449	0			0	0			0	0			1,195,449	0		
31	61.30 - Satellite telecommunications activities	182,735	23,993			0	0			0	0			182,735	0			0	0			0	0			182,735	23,993		
32	63.12 - Web portals	0	0			0	0			0	0			71,844	0			0	0			0	0			71,844	0		

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL			
	Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD		Non-Financial corporates (Subject to CSRD)		SMEs and other NFC not subject to CSRD	
	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCM)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (CCA)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (WMR)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (CE)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (PPC)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable (BIO)	PLN k	of which environmentally sustainable	PLN k	of which environmentally sustainable
33 68.10 - Buying and selling of own real estate	75,448	30,117			0	0			0	0			0	0			0	0			0	0			75,448	30,117		
34 68.20 - Rental and operating of own or leased real estate	52,856	0			0	0			0	0			0	0			0	0			0	0			52,856	0		
35 71.12 - Engineering activities and related technical consultancy	11,190	0			11,190	0			0	0			0	0			11,190	0			0	0			11,190	0		
36 77.11 - Rental and leasing of cars and light motor vehicles	46,698	0			0	0			0	0			46,698	0			0	0			0	0			46,698	0		
37 77.12 - Rental and leasing of other motor vehicle, excluding motorcycles	200,006	0			0	0			0	0			200,006	0			0	0			0	0			200,006	0		

GAR KPI stock as at 31.12.2024 - based on turnover KPIs

% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL					Proportion of total assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50.11%	1.28%	0.16%	0.00%	0.02%	0.05%	0.05%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.16%	1.33%	0.16%	0.00%	0.06%	34.95%
2 Financial undertakings	5.82%	3.53%	0.00%	0.00%	0.00%	0.05%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.87%	3.58%	0.00%	0.00%	0.00%	2.14%
3 Credit institutions	5.83%	3.54%	0.00%	0.00%	0.00%	0.05%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.88%	3.58%	0.00%	0.00%	0.00%	2.14%
4 Loans and advances	1.18%	0.16%	0.00%	0.01%	0.01%	0.43%	0.02%	0.00%	0.01%	0.02%	0.02%	0.00%	0.01%	0.02%	0.02%	0.00%	0.01%	0.02%	0.02%	0.00%	0.01%	0.02%	0.02%	0.00%	0.01%	1.70%	0.27%	0.00%	0.01%	0.04%	0.03%
5 Debt securities, including UoP	5.89%	3.58%	0.00%	0.00%	0.00%	0.04%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.94%	3.63%	0.00%	0.00%	0.00%	2.11%
6 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20 Non-financial undertakings	8.49%	2.06%	1.82%	0.00%	0.19%	0.50%	0.50%	0.00%	0.46%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	9.01%	2.56%	1.82%	0.00%	0.65%	3.08%
21 Loans and advances	8.49%	2.06%	1.82%	0.00%	0.19%	0.50%	0.50%	0.00%	0.46%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	9.01%	2.56%	1.82%	0.00%	0.65%	3.08%
22 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24 Households	57.61%	1.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									57.61%	1.04%	0.00%	0.00%	0.00%	29.70%
25 of which loans collateralised by residential immovable property	98.69%	1.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									98.69%	1.85%	0.00%	0.00%	0.00%	16.72%
26 of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									100.00%	0.00%	0.00%	0.00%	0.00%	0.24%
27 of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%																					100.00%	0.00%	0.00%	0.00%	0.00%	0.37%
28 Local governments financing	63.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	63.02%	0.00%	0.00%	0.00%	0.00%	0.02%
29 Housing financing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 Other local government financing	62.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	62.24%	0.00%	0.00%	0.00%	0.00%	0.02%
31 Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	23.85%	0.61%	0.08%	0.00%	0.01%	0.02%	0.02%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.87%	0.63%	0.08%	0.00%	0.03%	73.43%

GAR KPI stock as at 31.12.2023 - based on turnover KPIs

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	53.2%	0.8%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	53.2%	0.8%	0.0%	0.0%	0.1%	36.8%
2	Financial undertakings	20.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.7%	0.0%	0.0%	0.0%	0.0%	4.2%
3	Credit institutions	20.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.8%	0.0%	0.0%	0.0%	0.0%	4.2%
4	Loans and advances	19.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19.7%	0.0%	0.0%	0.0%	0.0%	4.0%
5	Debt securities, including UoP	44.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	44.0%	0.0%	0.0%	0.0%	0.0%	0.2%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	of which management companies	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
13	Loans and advances	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16	of which insurance undertakings	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	14.2%	1.4%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.2%	1.4%	0.0%	0.0%	0.9%	2.0%
21	Loans and advances	14.2%	1.4%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.2%	1.4%	0.0%	0.0%	0.9%	2.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	60.3%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									60.3%	0.9%	0.0%	0.0%	0.0%	30.6%
25	of which loans collateralised by residential immovable property	100.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									100.0%	0.6%	0.0%	0.0%	0.0%	17.9%
26	of which building renovation loans	100.0%	61.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									100.0%	61.7%	0.0%	0.0%	0.0%	0.3%
27	of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%																					100.0%	0.0%	0.0%	0.0%	0.0%	0.3%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

GAR KPI stock as at 31.12.2024 -based on CapEx KPI

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50.15%	1.20%	0.16%	0.05%	0.04%	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.05%	0.00%	0.00%	50.36%	1.27%	0.16%	0.05%	0.04%	34.95%
2	Financial undertakings	0.02%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	2.14%
3	Credit institutions	0.02%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	2.14%
4	Loans and advances	1.19%	0.17%	0.00%	0.01%	0.01%	0.44%	0.03%	0.00%	0.01%	0.04%	0.03%	0.00%	0.01%	0.03%	0.03%	0.00%	0.01%	0.03%	0.03%	0.00%	0.01%	0.17%	0.01%	0.00%	0.01%	1.91%	0.31%	0.00%	0.01%	0.07%	0.03%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.11%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	Non-financial undertakings	12.88%	3.52%	1.82%	0.52%	0.46%	0.68%	0.34%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.70%	0.52%	0.00%	0.00%	15.34%	4.38%	1.82%	0.52%	0.50%	3.08%
21	Loans and advances	12.88%	3.52%	1.82%	0.52%	0.46%	0.68%	0.34%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.70%	0.52%	0.00%	0.00%	15.34%	4.38%	1.82%	0.52%	0.50%	3.08%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	Households	57.61%	1.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									57.61%	1.04%	0.00%	0.00%	0.00%	29.70%
25	of which loans collateralised by residential immovable property	98.69%	1.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									98.69%	1.85%	0.00%	0.00%	0.00%	16.72%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									100.00%	0.00%	0.00%	0.00%	0.00%	0.24%
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%																					100.00%	0.00%	0.00%	0.00%	0.00%	0.37%
28	Local governments financing	63.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	63.02%	0.00%	0.00%	0.00%	0.00%	0.02%
29	Housing financing	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	62.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	62.24%	0.00%	0.00%	0.00%	0.00%	0.02%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	23.86%	0.57%	0.08%	0.02%	0.02%	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.02%	0.00%	0.00%	23.97%	0.60%	0.08%	0.02%	0.02%	73.43%

GAR KPI stock as at 31.12.2023 -based on CapEx KPI

% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL					Proportion of total assets covered
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	54.0%	1.1%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	54%	1%	0.0%	0.0%	0.0%	37%
2 Financial undertakings	20.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	4%
3 Credit institutions	20.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	4%
4 Loans and advances	19.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	19%	0.0%	0.0%	0.0%	0.0%	4%
5 Debt securities, including UoP	44.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	44%	0.0%	0.0%	0.0%	0.0%	0.0%
6 Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7 Other financial corporations	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1%	0.0%	0.0%	0.0%	0.0%	0.0%
8 of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9 Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11 Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12 of which management companies	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1%	0.0%	0.0%	0.0%	0.0%	0.0%
13 Loans and advances	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1%	0.0%	0.0%	0.0%	0.0%	0.0%
14 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15 Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16 of which insurance undertakings	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1%	0.0%	0.0%	0.0%	0.0%	0.0%
17 Loans and advances	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1%	0.0%	0.0%	0.0%	0.0%	0.0%
18 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19 Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20 Non-financial undertakings	29.9%	6.7%	0.0%	0.2%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.0%	7%	0.0%	0.0%	4%	2%
21 Loans and advances	29.9%	6.7%	0.0%	0.2%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	30.0%	7%	0.0%	0.0%	4%	2%
22 Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23 Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24 Households	60.3%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									60.0%	1%	0.0%	0.0%	0.0%	31%
25 of which loans collateralised by residential immovable property	100.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									100.0%	1%	0.0%	0.0%	0.0%	18%
26 of which building renovation loans	100.0%	61.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									100.0%	62%	0.0%	0.0%	0.0%	0.0%
27 of which motor vehicle loans	100.0%	0.0%	0.0%	0.0%	0.0%																					100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28 Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29 Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30 Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31 Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

GAR KPI flow as at 31.12.2024 - based on turnover KPIs

#	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	30.92%	1.97%	0.00%	0.00%	0.06%	0.19%	0.19%	0.00%	0.15%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	31.13%	2.16%	0.00%	0.00%	0.22%	36.17%
2	Financial undertakings	5.40%	3.21%	0.00%	0.00%	0.12%	0.39%	0.39%	0.00%	0.30%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.82%	3.60%	0.00%	0.00%	0.42%	9.25%
3	Credit institutions	5.89%	3.58%	0.00%	0.00%	0.00%	0.04%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.94%	3.63%	0.00%	0.00%	0.00%	7.96%
4	Loans and advances	1.00%	0.88%	0.00%	0.32%	0.31%	0.98%	0.86%	0.00%	0.31%	0.96%	0.85%	0.00%	0.30%	0.94%	0.83%	0.00%	0.29%	0.92%	0.81%	0.00%	0.29%	0.90%	0.80%	0.00%	0.28%	5.69%	5.04%	0.00%	0.32%	1.79%	0.00%
5	Debt securities, including UoP	5.89%	3.58%	0.00%	0.00%	0.00%	0.04%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.94%	3.63%	0.00%	0.00%	0.00%	7.96%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	Non-financial undertakings	2.37%	0.91%	0.00%	0.00%	0.89%	2.53%	2.50%	0.00%	2.13%	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.13%	3.41%	0.00%	0.00%	3.02%	1.29%
21	Loans and advances	2.37%	0.91%	0.00%	0.00%	0.89%	2.53%	2.50%	0.00%	2.13%	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.13%	3.41%	0.00%	0.00%	3.02%	1.29%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	Households	41.57%	1.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									41.57%	1.58%	0.00%	0.00%	0.00%	25.63%
25	of which loans collateralised by residential immovable property	99.67%	4.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									99.67%	4.24%	0.00%	0.00%	0.00%	9.54%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									100.00%	0.00%	0.00%	0.00%	0.00%	0.28%
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%																					100.00%	0.00%	0.00%	0.00%	0.00%	0.86%
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	14.12%	0.90%	0.00%	0.00%	0.03%	0.09%	0.09%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.22%	0.99%	0.00%	0.00%	0.10%	79.20%

GAR KPI flow as at 31.12.2024 -based on CapEx KPI

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	30.92%	1.46%	0.00%	0.12%	0.19%	0.36%	0.21%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.12%	0.00%	0.00%	31.62%	1.79%	0.00%	0.12%	0.20%	36.61%
2	Financial undertakings	2.87%	0.66%	0.00%	0.24%	0.37%	0.70%	0.42%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.66%	0.24%	0.00%	0.00%	4.24%	1.32%	0.00%	0.24%	0.39%	9.36%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.06%
4	Loans and advances	1.49%	1.32%	0.00%	0.48%	0.47%	1.46%	1.30%	0.00%	0.46%	1.44%	1.27%	0.00%	0.45%	1.41%	1.25%	0.00%	0.44%	1.38%	1.22%	0.00%	0.42%	1.32%	0.48%	0.00%	0.42%	8.50%	6.84%	0.00%	0.48%	2.67%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.05%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	Non-financial undertakings	20.56%	4.72%	0.00%	1.71%	2.63%	5.02%	3.00%	0.00%	0.13%	0.00%	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.72%	1.71%	0.00%	0.00%	30.37%	9.42%	0.00%	1.71%	2.76%	1.31%
21	Loans and advances	20.56%	4.72%	0.00%	1.71%	2.63%	5.02%	3.00%	0.00%	0.13%	0.00%	0.00%	0.00%	0.00%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.72%	1.71%	0.00%	0.00%	30.37%	9.42%	0.00%	1.71%	2.76%	1.31%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	Households	41.57%	1.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									41.57%	1.58%	0.00%	0.00%	0.00%	25.94%
25	of which loans collateralised by residential immovable property	99.67%	4.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									99.67%	4.24%	0.00%	0.00%	0.00%	9.66%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									100.00%	0.00%	0.00%	0.00%	0.00%	0.28%
27	of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%																					100.00%	0.00%	0.00%	0.00%	0.00%	0.87%
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	14.34%	0.67%	0.00%	0.06%	0.09%	0.17%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.06%	0.00%	0.00%	14.67%	0.83%	0.00%	0.06%	0.09%	79.20%

KPI off-balance sheet exposures by stock as at 31.12.2024 - based on turnover KPIs

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	7.37%	1.36%	0.72%	0.03%	0.61%	1.25%	0.22%	0.19%	0.03%	0.00%	0.00%	0.00%	0.00%	1.15%	0.00%	0.00%	0.00%	0.33%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	10.12%	1.58%	0.92%	0.03%	0.64%

KPI off-balance sheet exposures by stock as at 31.12.2024 - based on CapEx KPIs

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	5.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.69%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	7.21%	2.47%	0.93%	0.16%	1.38%	0.63%	0.23%	0.22%	0.01%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	8.07%	2.70%	1.15%	0.16%	1.39%

KPI off-balance sheet exposures by flow as at 31.12.2024 - based on turnover KPIs

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	6.30%	1.19%	0.64%	0.03%	0.52%	0.64%	0.09%	0.06%	0.02%	0.00%	0.00%	0.00%	0.00%	1.09%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	8.33%	1.28%	0.71%	0.03%	0.54%

KPI off-balance sheet exposures by flow as at 31.12.2024 - based on CapEx KPIs

	% (compared to total eligible off-balance sheet assets)	Disclosure reference date 31.12.2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WMR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	5.93%	1.75%	0.81%	0.10%	0.85%	0.40%	0.08%	0.08%	0.00%	0.01%	0.01%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	6.55%	1.84%	0.89%	0.10%	0.85%

KPIs for activities related to gas and nuclear energy

Based on the list of non-financial entities subject to non-financial reporting obligations, the Group identified the customers which stated in their annual reports for 2023 that they conduct Taxonomy-eligible activities related to gas and nuclear energy.

Below are the disclosure templates provided in Annex XII to Delegated Regulation 2021/2178 (as amended) on the activities of the Group's customers in the above-mentioned sectors based on turnover KPIs and capex KPIs published by them.

Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Taxonomy-aligned economic activities (denominator)as at 31.12.2024 - based on turnover KPIs

Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,445,843.5	0.63%	1,395,357.8	0.61%	50,485.7	0.02%
8	**Total applicable KPI**	1,445,843.5	0.63%	1,395,357.8	0.61%	50,485.7	0.02%

Taxonomy-aligned economic activities (denominator)as at 31.12.2024 - based on CapEx KPIs

Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,332,434.5	0.58%	1,300,198.5	0.57%	32,236.0	0.01%
8	**Total applicable KPI**	1,332,434.5	0.58%	1,300,198.5	0.57%	32,236.0	0.01%

Taxonomy-aligned economic activities (numerator) as at 31.12.2024 - based on turnover KPIs

Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	1,445,843.5	100.0%	1,395,357.8	96.50%	50,485.7	3.49%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	1,445,912.2	100.0%	1,395,357.8	96.50%	50,485.7	3.49%

Taxonomy-aligned economic activities (numerator) as at 31.12.2024 - based on CapEx KPIs

Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	1,332,434.5	96.39%	1,300,198.5	94.06%	32,236.0	2.33%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	1,382,353.3	96.39%	1,300,198.5	94.06%	32,236.0	2.33%

Taxonomy-eligible but not taxonomy-aligned economic activities as at 31.12.2024 - based on turnover KPIs

Economic activities		Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,822.6	0.0%	2,822.6	0.0%	0.0	0.0%
6	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	182.1	0.0%	182.1	0.0%	0.0	0.0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	53,107,268.7	23.23%	53,106,613.8	23.23%	654.9	0.0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of the applicable KPI**	53,110,273.3	23.23%	53,109,618.4	23.23%	654.9	0.0%

Taxonomy-eligible but not taxonomy-aligned economic activities as at 31.12.2024 - based on CapEx KPIs

Economic activities		Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16,935.4	0.01%	16,935.4	0.01%	0.0	0.0%
5	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,912.1	0.0%	1,912.1	0.0%	0.0	0.0%
6	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	53,254,434.5	23.29%	53,221,101.2	23.28%	33,333.3	0.01%
8	**Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of the applicable KPI**	53,273,281.9	23.30%	53,239,948.7	23.29%	33,333.3	0.01%

Taxonomy non-eligible economic activities as at 31.12.2024 - based on turnover KPIs

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	54,205,516.9	23.71%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	54,205,517.7	23.71%

Taxonomy non-eligible economic activities as at 31.12.2024 - based on CapEx KPIs

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.4	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.4	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.4	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	53,988,396.2	23.62%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'**	53,988,397.6	23.62%

Rules for Taxonomy assessment for the purpose of GAR reporting for 2024

Identification of customers subject to NFRD/CRSD and general rules

Santander Bank Polska Group identifies financial and non-financial entities to be subject to Taxonomy assessment and included in the GAR numerator using databases of third parties, i.e. BIK (in the case of domestic companies) and Clarity (in the case of EU companies registered outside Poland). The identified customers were required to make their own Taxonomy disclosures for 2023 as they are public-interest entities, meet the definition of a large company and employ more than 500 people on average per year. The list of customers was extended to include special purpose vehicles and subsidiaries of the entities that meet NFRD/CSRD criteria. As part of the review of the database of entities subject to assessment in terms of Taxonomy eligibility and Taxonomy alignment, the Group analysed the active portfolio of customers based on expert judgment and internal systems which have been steadily updated since 2024 using information about employment and financial data on turnover and total assets provided by customers.

In the case of general purpose credit exposures or bonds used by financial and non-financial entities to finance their working capital needs, the value of Taxonomy-eligible and Taxonomy-aligned assets was calculated as a product of the gross value of exposures and relevant turnover and capex KPIs reported by the Group's customers or their parent entities. These indicators were provided by third parties, i.e. BIK (in terms of domestic entities) and Clarity (in terms of non-residents). They come from the publicly available statements on non-financial information for 2023 published by entities subject to NFRD/CRSD. If there were any doubts as to the accuracy of KPIs provided by third parties, the Group analysed the source information, i.e. Taxonomy disclosures published by the aforementioned financial or non-financial entities.

In the case of loans and leases granted as well as acquired bonds financing specific purposes (assets, projects), the economic activities financed by the Group were assessed on a case-by-case basis in terms of Taxonomy eligibility. If the result of the assessment was positive, they were subsequently analysed in terms of Taxonomy alignment, i.e. if they met the technical screening criteria and the minimum safeguards criteria.

The methodology, analysis and results of both stages of the Taxonomy assessment were reviewed and approved by the ESG Panel. The Panel reviews the transactions made by business units of Santander Bank Polska Group (excluding Santander Consumer Bank Group) and decides if they meet the criteria of the EU Taxonomy and internal Sustainable Finance and Investment Classification System (SFICS). Entities of Santander Consumer Bank Group collect data and conduct Taxonomy assessments independently. The final templates are aggregated at the level of Santander Bank Polska S.A. as a parent entity.

Off-balance sheet exposures to non-financial entities subject to NFRD/CSRD (i.e. financial guarantees granted and assets managed by Santander TFI S.A.) are assessed as Taxonomy-eligible and Taxonomy-aligned based on the indicators concerning turnover and capital expenditure.

Assessment of exposures to customers subject to NFRD/CSRD

Assessment of Taxonomy eligibility of exposures to customers subject to the NFRD

Transactions with credit institutions and other financial institutions (understood exclusively as insurance companies, investment firms and asset managers) gave rise to general purpose exposures and qualified as Taxonomy-eligible or Taxonomy-aligned to the extent indicated by the KPIs published by the above-mentioned customers.

In the Corporate and Investment Banking Division, specific purpose exposures to corporate customers subject to NFRD/CSRD arising from term/investment loans, syndicated loans, trade finance and project finance were assessed in terms of Taxonomy eligibility in relation to individual environmental objectives using expert judgment.

In the Business and Corporate Banking Division, Taxonomy-eligible debt instruments were identified either on the basis of expert judgment (in the case of older exposures) or digitalised results of the questionnaire obligatorily completed by customers subject to NFRD/CSRD applying for specific purpose loans as part of the regular classification of loans based on the EU Taxonomy and the internal Sustainable Finance and Investment Classification System (in the case of new exposures).

Taxonomy eligibility of leasing transactions with customers subject to NFRD/CSRD was assessed on the basis of the leased assets.

Assessment of Taxonomy alignment of exposures to customers subject to NFRD/CSRD

General rules

Exposures financing general corporate purposes of NFRD/CSRD customers are assessed in terms of Taxonomy alignment based on Taxonomy KPIs published by those entities. The Group's approach to assessing Taxonomy alignment of specific purpose exposures is described in detail below.

Exposures financing specific purposes (assets/projects) classified by the ESG Panel of Santander Bank Polska S.A. as sustainable finance in line with the internal Sustainable Finance and Investment Classification System (SFICS) were thoroughly reviewed in terms of Taxonomy alignment.

The verification of technical screening criteria and the DNSH criterion is based on the analysis of technical documentation of the project, environmental decisions and other reports provided by the customer. The assessment covers the environmental and social impact as well as the investor's effectiveness in implementing the required mitigation and compensation measures to protect the environment and local community. Furthermore, to identify potential physical risks in the location of the financed investment, the Bank uses a database fed with data from an external EU provider.

The environmental and social analysis is conducted in line with the Equator Principles, a formal methodology adopted by the Bank to assess investments related to projects.

Each majority investor is also verified in terms of compliance with the minimum safeguards. Specifically, the Bank checks if the investor has rules or due diligence processes in place regarding human rights, good tax practices, fair competition and prevention of corruption, and if all employees and suppliers are required to adhere to them. To that end, in 2024 the Group introduced two types of statements for customers, with requirements and wording depending on the size of their business. Investors in projects classified by Santander Bank Polska S.A. as Taxonomy-aligned meet the minimum safeguards criteria.

Factors affecting the reporting of Taxonomy-aligned activities

The Bank keeps improving its reporting systems and processes by developing new solutions to facilitate the certification of transactions.

At the same time, it is aware of challenges connected with the robust criteria for assessing different types of economic activities and the availability of the underlying data. Similarly to the last year, there were insufficient data about certain assets and activities to confirm that they were Taxonomy-aligned. The number of customers which are subject to CSRD and therefore required to report on Taxonomy-related issues was still low in 2024, which limited the value of GAR. Customers' awareness and data availability are expected to increase in the coming years along with growth in the number of customers subject to CRSD reporting obligations.

Another issue is the lack of consistent rules or sufficient evidence to assess the DNSH and minimum safeguards criteria. Due to the above limitations, Santander Bank Polska S.A. updated the internal Sustainable Finance and Investment Classification System (SFICS). It sets out the technical criteria to be met by specific and general purpose lending to be classified as green, social or sustainable finance. The system is based on the recognised market standards, in particular the EU Taxonomy in respect of technical screening criteria. Other guidelines that the system refers to are: ICMA Social and Green Bond Principles, Climate Bond Standards and LMA Sustainability Linked Loan Principles. This regulation was updated in 2024 in line with evolving market standards and regulations.

Results of assessment and documentation of Taxonomy-aligned activities in 2024

In 2024, the ESG Panel assessed specific purpose lending in the form of project finance originated by the Corporate and Investment Banking Division. Based on the information collected, one transaction with an SPV of a customer subject to NFRD/CSRD was identified.

Santander Bank Polska Group collected and assessed documentary evidence for the purpose of Taxonomy disclosures and the financing was certified by the ESG Panel as Taxonomy-aligned. As part of the transaction, a loan of PLN 237.6m was granted, of which PLN 175.0m was disbursed as at 31 December 2024. The activity subject to assessment is electricity generation from wind power, which contributes to climate change mitigation. As part of assessment of the DNSH criterion in relation to climate change adaptation, the Group analysed the external data and concluded that the location of the wind farm does not generate any physical risks during the lifetime of wind turbines in any of the climate scenarios. As regards the transition to a circular economy, the wind turbines used in the project were confirmed to be supplied by a company that publicly declares that the turbines are in 85% intended for recycling, which meets the Bank's internal requirements. The supplier is aware of the challenge and is actively developing technology for recycling composite materials in order to achieve the goal of zero waste production from wind turbines by 2040. Next, the project was analysed in terms of protection and restoration of biodiversity and ecosystems, using documentary evidence collected (environmental impact assessment reports, annual pre-implementation monitoring reports, etc.). The analysis concluded that the project does not negatively affect the environment but will be monitored going forward in accordance with the decision issued by a relevant government authority. If any negative impact is identified, the customer will have to take relevant mitigation measures. The assessment of compliance with the minimum safeguards is based on the analysis of disclosures of non-financial entities made in statements or reports on non-financial information, corporate materials available online and data from the BIK database. Since 1 March 2024, the Bank has also used customers' statements on compliance with the minimum safeguards, broken down by customers which meet CSRD requirements, SME customers and other customers. The statements address such issues as human and employee rights, taxation, fair competition and prevention of bribery. As part of the Business and Corporate Banking segment, no Taxonomy-aligned specific purpose transactions with NFRD/CSRD customers were identified.

Assessment of Taxonomy eligibility and Taxonomy alignment of exposures to households

Santander Bank Polska Group identified the following finance for households as Taxonomy-eligible: home loans and cash loans for environmentally sustainable purposes (including improvement of energy efficiency of buildings), biomass-fuelled heating devices, electric car charging stations, photovoltaic panels/installations, heat pumps, motorbikes, passenger cars and delivery vans up to 3.5t, granted on or after 1 January 2022.

The above loans for households are presented in the quantitative disclosure templates under “loans secured by residential properties”, “loans for building renovation” and “motor vehicle loans” as Taxonomy-eligible products contributing to climate change mitigation.

As part of reporting for 2024, the Taxonomy-aligned products only included mortgage loans granted to personal customers of Santander Bank Polska S.A. for purchase of residential property (excluding the portfolio of Santander Consumer Bank S.A. as those loans were withdrawn from the offer in 2009) that:

- met the criterion of substantial contribution based on the analysis of energy performance certificates obtained from customers and recorded in the Bank’s systems since 2024 as well as historical data from the central register of energy performance of buildings (including certificates issued in Poland since 2015);
- were positively verified in terms of physical risks.

Pursuant to Section 7.7 of Annex I to the Climate Delegated Act, residential buildings built before 31 December 2020 meet the criterion of substantial contribution to climate change mitigation if they are within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED). According to the analysis of PED distribution conducted by the Ministry of Development and Technology based on the central register of energy performance of buildings, top 15% energy-efficient buildings built before 31 December 2020 (which have energy performance certificates in place) have PED below 83.91 kWh/(m^2*year) in the case of single-family houses and below 81.86 kWh/(m^{2*} year) in the case of multi-family houses.

For buildings built after 31 December 2020, the criterion of substantial contribution to climate change mitigation is met if the EP ratio is at least 10% lower than the threshold set for nearly zero-energy buildings, which, according to the national legislation (Notice of the Minister of Infrastructure of 12 April 2002 on the technical conditions to be met by buildings and their locations), means below 63 kWh/(m^2*year) for single-family houses and below 58.5 kWh/(m^{2*} year) for multi-family houses.

The compliance with the DNSH criterion as part of contribution to climate change mitigation was analysed on the basis of the exposure of financed properties to physical risk. The analysis was based on the location of the property and information about severe or recurrent climate threats in that location obtained from the external database.

The Group chose not to analyse compliance with the minimum safeguards in relation to mortgage loans as it is virtually impossible in the case of properties purchased by consumers on the secondary market. Likewise, such analysis is not feasible in the case of properties bought on the primary market or developed and managed by consumers themselves as it would need to cover a wide range of contractors, manufacturers of components or lessors of construction machines. Furthermore, the requirements set out in Commission Notice no. C/2024/6691 on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation regarding the assessment of compliance with the minimum safeguards by manufacturers of goods purchased by consumers do not directly apply to properties. The examples of minimum safeguard verification provided in the Notice refer mainly to the manufacturers of such goods as photovoltaic panels or electric cars.

As there is no established uniform market practice in this respect, the interpretation adopted by the Group which permits not to assess the above exposures in terms of compliance with the minimum safeguards may not be valid in the next reporting periods.

Taxonomy-eligible financing for other purposes of households was considered by the Group as not Taxonomy-aligned in full, as it was not possible to obtain sufficient documentary evidence of compliance with the minimum safeguards and certain technical screening criteria. In line with Commission Notice no. C/2024/6691, in order to disclose a loan granted to a retail customer for the purchase of a product as Taxonomy-aligned, a credit institution should not only establish if the product meets the relevant technical screening criteria, but also obtain documentary evidence that the producer complies with the minimum safeguards. As there are no systemic solutions in place for gathering information about producers and certain product features (e.g. SPF in the case of heat pumps), it is not possible to assess the Taxonomy alignment of exposures presented in the quantitative disclosures under “loans for building renovation”.

Local governments

The scope of disclosure includes loans to local governments for investment purposes, including for financing residential and commercial properties.

As part of the assessment, several exposures to local governments were identified as Taxonomy-eligible. They finance activities related to construction, extension and operation of waste water collection and treatment systems, modernisation of water collection, treatment and supply systems, urban and suburban transport and renovation of existing buildings. None of the above exposures was considered to be Taxonomy-aligned.

Comparability of periods

As part of disclosures for 2023, Santander Bank Polska Group was required to publish the results of assessment of its portfolio in terms of Taxonomy eligibility and Taxonomy alignment only with regard to two climate objectives: climate change mitigation (CCM) and climate change adaptation (CCA). As regards the other four environmental objectives, the activities of non-financial entities were assessed only in terms of Taxonomy eligibility. The assessment was made under a simplified approach, i.e. on the basis of customers' main business codes in the NACE system. The results were presented in aggregate by NACE code. Exposures to financial institutions were not assessed in terms of Taxonomy eligibility for other environmental objectives as Taxonomy KPIs were not publicly available. They will be published for the first time as part of disclosures for 2024.

As it was not possible to automatically separate mortgage loans for development of new buildings or loans for purchase of residential properties in the disclosures for 2023, a more stringent approach was used to assess the substantial contribution to climate mitigation, namely the criterion applicable to the buildings built after 31 December 2020.

In 2023, the Group disclosed the portfolio of cash loans for environmentally friendly purposes as Taxonomy-aligned. However, this portfolio can no longer be classified as environmentally sustainable as part of the reporting for 2024 because of the interpretation included in Commission Notice no. C/2024/6691 of 8 November 2024, requiring credit institutions to ascertain compliance with the minimum safeguards by producers of goods or providers of services bought by customers and financed with a bank loan. The prevailing interpretation last year was that the minimum safeguards did not apply to loans and advances to households.

Due to better understanding of the requirements and methodology for presentation of sustainability KPIs (based on, inter alia, the guidance included in Commission Notice no. C/2024/6691), the presentation of cash with the central bank of PLN 5,807.6m in the tables for 2023 was changed by transferring the above amount from cash and cash-equivalent assets to the central banks line item. Furthermore, the amount provided in the central governments line item, which was last year disclosed in accordance with the original capacity of FINREP ITS, was adjusted by excluding PLN 1,227.5m of exposures to local governments and disclosing them under local governments financing (PLN 105.2m) and other assets (PLN 1,122.3m).

In the household segment, the higher line item presents the total portfolio of loans and advances to households of PLN 86,413.6m (including an amount of PLN 34,303.9m previously disclosed under other assets) instead of the sum of lower line items, i.e. PLN 52,109.7m according to the approach used last year.

In 2023, the segment of financial and non-financial entities not subject to NFRD included a separate line item dedicated to financial entities, under which an amount of PLN 19,857.4m was disclosed. In 2024, it is disclosed under financial instruments as part of the SMEs and entities not subject to NFRD.

1. Voluntary disclosure

In the Business and Corporate Banking segment, one specific purpose transaction with non-NFRD/CSRD customer was assessed as complying with the technical screening criteria of the EU Taxonomy. As part of the transaction, a loan of PLN 115m was granted. The gross carrying amount as at 31 December 2024 was PLN 113.3m. The assessed activity is the acquisition and ownership of buildings, which contributes to climate change adaptation. The verification of technical screening criteria concluded that the customer had assessed physical climate risk relevant to its operations using external databases. It identified the main threats and took measures to increase resilience.

In relation to the climate mitigation objective and the DNSH criterion, it was confirmed that the building is not dedicated to extraction, storage, transport or manufacture of fossil fuels, as evidenced by the building permit and design. The subsidiary's compliance with the minimum safeguards was evidenced by a legal document. The Bank also reviewed the policies, processes and code of conduct of the parent entity in terms of implementation of declarations in line with the OECD and UN Guidelines. The compliance with the minimum safeguards, technical screening criteria and DNSH criterion was evidenced by multiple reports, certificates and the Second Party Opinion. The analysis presented in the documentation was assessed by the Bank as reasonable, relevant and performed with due diligence.

2. Taxonomy-aligned activities and the sustainable development agenda

Due to the high level of difficulty of the Taxonomy assessment of credit institutions as well as strict technical screening criteria and other conditions which must be met to classify financing as Taxonomy-aligned, the quantitative Taxonomy disclosures of Santander Bank Polska Group do not precisely reflect the extent of measures taken by the Group as part of its sustainable development agenda. The results of the Group's initiatives supporting environmental sustainability and energy transition are presented in more detail in the section 2.3 "Actions and resources in relation to climate change policies (E1-3)".

The portfolio of Taxonomy-aligned loans and advances is expected to grow going forward along with the statutory extension of the scope of entities subject to CSRD as well as development of know-how and system for collecting, processing and documenting technical data and other non-financial information on the financed customers and products. That said, the observations from the last two years, during which the Group identified isolated transactions which were (or could be) Taxonomy-aligned and classified part of the portfolio of home loans as Taxonomy-aligned, are not sufficient to draw meaningful conclusions or predict future trends.

3. EU Taxonomy in the Group's business strategy, product design processes and engagement with clients and counterparties

Due to the limitations mentioned above, specifically the marginal percentage of customers subject to NFRD (and CSRD, starting from the current reporting period), the Group does not design products dedicated to financing Taxonomy-aligned activities.

One of the priorities of the Total Responsibility area of the Group's business strategy is to support customers in their sustainable transition.

The direction of this transition is linked with climate goals of the EU Taxonomy, namely: adaptation to and mitigation of climate changes. To support the customers, the Group engages in a dialogue to analyse their investments and determine if they are Taxonomy-aligned (or can be in a longer-time perspective). It is particularly important in the case of such customers as managers of older commercial properties who look to improve energy efficiency of the buildings.

An important step towards transformation of the energy system in Poland is to support projects related to renewable energy sources and other low-carbon solutions delivered by customers which currently generate energy mainly from conventional sources. Santander Bank Polska S.A. actively contributes to that process.

The value of lending granted by the Bank for environmentally sustainable purposes has been steadily rising. Such purposes include renewable energy sources, improvement of energy efficiency of buildings and electromobility. The Bank also intends to increase its lending for sustainable agriculture technologies and new energy technologies such as energy storage facilities or other strategic solutions for the energy sector.

For more information, please see the section 2.3 "Actions and resources in relation to climate change policies (E1-3)".

3. Social information

3.1. Our People – own workforce (ESRS S1)

3.1.1 Impacts, risks and opportunity management

Policies related to own workforce (S1-1)

Significant impacts on our employees

Our employees play a key role in the implementation of the Group's strategy and objectives, so we listen to their voice and we try to get their point of view. In the "We Help You Achieve More" strategy for 2024-2026, employees are at the centre of our activities and it highlights their importance to the long-term success of the Group. As part of the strategic direction 'Total Experience', we developed an integrated Total Experience (TX) approach – a way of designing solutions, combining customer experience (CX) and employee experience (EX).

The results of the double materiality assessment clearly indicate that topics of working conditions, equal treatment and equal opportunities as well as employee data protection are material to our business:

- In the working conditions area, we identified the importance of flexible solutions to reconcile work and personal responsibilities, as well as promote the health and well-being of employees by initiatives that support workplace safety and comfort.
- Equal treatment includes measures to equalise salaries, increase the proportion of women in senior positions and promote professional development through training.
- In the context of data protection, we focused on the need to ensure employee privacy in connection with the use of advanced IT infrastructure and data management systems.

Due to the early stage of work on the transition plan, we are currently not identifying impacts on employees resulting from transformation activities. Analysis of such impacts will be carried out in the later stages of the transition plan preparation. As the Group, we did not identify material negative impacts on our employee resources – due to the nature of our business, the risk of occurrence of things such as child labour, forced labour or serious industrial accidents is really low.

Policies regarding the management of impacts, risks and opportunities related to the Group's own workforce (MDR-P)

The primary and overarching document we use to achieve our strategic objectives in the employee is the Human Resources Management Corporate Framework', which outlines the process of managing the 'employee life cycle' within the organization. This life cycle includes recruitment, hiring, adaptation, training, development, goal setting, performance appraisal, remuneration, succession, and, where appropriate, termination of employment.

In addition, the management of impacts on own workforce is governed by various policies, with key ones applying across the Group. Disclosures in the Own Workforce section (ESRS S1) refer to all employee resources of the Group, with a particular focus on employees under employment contracts. Nonetheless, it is worth emphasising that the Group's policies, in particular those related to human rights, ethical conduct, respect, inclusiveness and diversity, also extend to other categories of non-employees who are part of own workforce. This includes the self-employed, employees employed by employment agencies and those working under civil law contracts. In this way, as the Group, we ensure that all team members, regardless of their form of employment, are treated with equal care and respect. These policies promote decent working conditions, equal treatment and the creation of a working environment based on ethical values.

Policies that are confidential and intended for internal use are available to employees via the intranet. Policies that are public in nature are made available through the Bank and the Group Companies' websites, which ensures transparency and access to information. Each policy has an assigned owner within each of the Group Companies, who is responsible for its implementation and the implementation of the obligations according to its regulation.

The implementation of each policy is described in detail in sections related to the respective areas. Responsibility for implementing the policies usually lies with the Management Board, unless otherwise stated in the content.

Policy	Description of content	Scope of application of the policy or exclusions
General Code of Conduct	The Code requires all Group employees to adhere to the principles of ethics, integrity and equal opportunities, regardless of their form of employment. It prohibits discrimination, promotes equal treatment and provides a system for reporting irregularities. The Code emphasises social responsibility, safe working conditions and employee development. ***Addressed IRO:*** *The Code primarily addresses impacts related to working conditions, including 'Potential harm to employees through experiencing situations related to long working hours, controversies regarding corruption and human rights violations, or proven infringements'.*	Group (Stellantis companies have implemented their own regulations in this regard)
Corporate Culture Policy of Santander Bank Polska Group	The policy describes areas such as mission, vision, values, TEAMS behaviours, risk cultures, leadership, diversity, equality and inclusivity, employee volunteering, monitoring and control. ***Addressed IRO:*** *The Policy primarily addresses the impact of working conditions and equal treatment and opportunities for all.*	Group (excluding Stellantis companies)
Respect and Dignity Policy	The policy emphasises guidelines and standards for a safe, supportive working environment by addressing mobbing, discrimination and other forms of unethical behaviour in employee relations. The Bank undertakes education and intervention activities to ensure compliance with the Policy. The Policy was updated in July 2024 to implement the provisions of the 'Protocol Against Mobbing, Discrimination, Sexual Harassment and for Moral Integrity in the Workplace'. ***Addressed IRO:*** *The Policy addresses the impacts related to equal treatment and equal opportunities for all.*	Group (excluding Stellantis)
Health, Safety and Wellbeing Policy	The policy sets out the guidelines and standards to be followed to protect health and life and ensure the highest levels of safety and wellbeing of employees, promote healthy lifestyles and create long-term value for employees and local communities. ***Addressed IRO:*** *The Policy addresses impacts related to working conditions, equal treatment and equal opportunities for all, and above all 'Promoting the health and well-being of employees based on appropriate monitoring and best practices and initiatives for health and safety of the organisation.*	Bank (The Group companies have an occupational health and safety system in place, but it is not regulated in the form of a policy)
Diversity Policy with regard to the composition of the bank's Management Board	The purpose of the document is to diversify the Board Members and to achieve diversity in the composition of the Management Board. ***Addressed IRO:*** *Wage gaps and the participation of women at all levels of employment.*	Bank
Remuneration policy of the Santander Bank Polska S.A. Group.	The document sets out framework standards for remuneration, which reduces the risk of wage inequality and promotes equal treatment. The Management Board and Supervisory Board are responsible for approving the policy, ***Addressed IRO:*** *Wage differences and share of women at all levels of employment, Protection of employees through adequate wages and benefits, Positive impact on employees' wages in connection with adjusting wages to current economic situation in Poland.*	Group (regulation adjusted to the profile and scope of activities of each Group company)
Training and Development Policy	The policy describes the operating framework and criteria for developing, reviewing, implementing, overseeing and modifying training and development activities; supporting the Group's cultural and business transformation strategy; and promoting learning management and knowledge transfer, as well as innovation and skills development needed by employees now and in the future. ***Addressed IRO:*** *Improving employee qualifications through training and professional development initiatives.*	Group (Stellantis companies implemented their own regulations in this regard)
Performance Management in Santander Bank Polska Group Policy	The policy outlines the Group's performance management model for all employees. In addition, it sets out the framework, tools, terms and terminology for performance management and indicates the scope of application and expectations of the individuals and units involved in the process. ***Addressed IRO:*** *Potential harm to workers through experiencing situations related to long working hours, controversies regarding corruption and human rights violations, Flexible working conditions enabling workers to reconcile work with their personal situation.*	Group (excluding Santander Consumer Bank and Stellantis)
Whistleblowing Policy	The Whistleblowing Policy defines the rules for the operation of a system of reporting violations by employees, including violations of the law, ethical standards and internal regulations. The system ensures confidentiality, the possibility of anonymous reporting and protection against reprisals against whistleblowers. In 2024, the process was extended to include a new internal Reporting Procedure (whistleblower protection), which implements the Whistleblower Protection Act in the Bank. ***Addressed IRO:*** *Potential harm to employees through experience of situations involving long working hours, controversies regarding corruption and human rights violations, or proven violations.*	Group (Stellantis companies implemented their own regulations in this regard)
Responsible Banking and Sustainability Policy	With regard to labour issues, the policy addresses the provision of decent working conditions, equal opportunities, anti-discrimination and anti-harassment, compliance with health and safety regulations and protection of personal data. The policy supports the right to association, fair wages and work flexibility, promoting work-life balance. ***Addressed IRO:*** *Potential harm to employees through experience of situations involving long working hours, controversies regarding corruption and human rights violations or proven violations, lack of protection of employee privacy resulting from the database infrastructure and data processing software used by the Bank to host and manage all operations.*	Group (excluding Stellantis companies)

Respect for human rights

The respect and protection of human rights in the Group are governed by, among other things, the "Responsible Banking and Sustainability Policy". The policy emphasises the relevance of our commitments to stakeholders and explain processes of applying social, environmental and corporate governance standards in accordance with the "Responsible Banking Model". The policy sets out, among other things, the principles, commitments, objectives and strategy in relation to employees and other stakeholders, as well as to social issues, diversity, respect for human rights and the prevention of illegal activities (including child labour, forced labour and human trafficking).

In the area of relations with employees, we are committed to:

- prevention of discrimination and practices that violate human dignity,
- avoiding forced or child labour,
- respect for the right of association and collective bargaining,
- ensuring health and safety in the workplace (health and safety standards),
- decent employment conditions.

The international standards underlying the "Responsible Banking and Sustainability Policy" include:

- Equator Principles of the International Finance Corporation,
- Universal Declaration of Human Rights,
- United Nations Global Compact initiative,
- Principles for Responsible Banking (UNEP FI),
- UN Sustainable Development Goals,
- UN Guiding Principles on Business and Human Rights,
- OECD Guidelines for Multinational Enterprises,
- Fundamental Conventions of the International Labour Organisation (ILO).

As part of our activities, we apply mechanisms aimed at preventing human rights violations (including the equal treatment policy, training on ethics and compliance issues – more in the section 'Preventive and educational activities'). In addition, the Group has whistleblowing mechanisms in place – for details, see the section entitled 'Reporting violations'.

2. Involvement of employees and procedures for working with employees' representatives (S1-2)

At the Bank, as well as across the whole Group, we are in constant dialogue with employees. We periodically gather employee opinion through YourVoice surveys, questionnaires and interviews and communicate information through internal tools such as the intranet, newsletters, bulletins and mailings. Every quarter, Management Board and members of the top management of the Bank meets with employees to summarise the past three months. Team-building meetings, workshops and training sessions are organised and used to build commitment, dialogue and information sharing within the Group. As the Group, we encourage all employees to be involved in activities that foster sustainable development in the spirit of inclusion and declare the active listening necessary to improve cooperation and respect the right of association and collective bargaining.

Delivering on our 2024-2026 strategy "We Help You Achieve More", we have developed an integrated Total Experience (TX) approach as part of our Total Experience (TX) direction. Adopting the employee experience (EX) management model, at Santander Bank Polska S.A. we have created an Employee Experience Competence Centre – empowered directly under the Management Board Member in charge of the Business Partnerships Division.

Ways of employee engagement:

- Research – we implement it at every stage of the employee 'life cycle' – from recruitment, to onboarding, to the survey sent to departing employees. We regularly conduct employee engagement surveys, including the YourVoice survey. The results of the survey, including the eNPS indicator, are analysed in detail and results influence corrective actions. We pay attention to making the employee voice present at all stages of the operation.
- Hot & Gain Employee Spots – in response to the voice of our staff, we have identified key areas to work on (including both our strengths and weaknesses) that need continuous improvement and change so that we can build activities that shape positive experiences. Such activities are carried out by multidisciplinary teams.
- In the first half of 2024 at the Bank, we completed work on the EX Health Check project, which monitors the impact of key initiatives and processes on employee experience through various indicators (including the Employee Effort Score). In addition, we have considered the EX perspective as a criterion

for prioritising strategic projects. In November 2024, we launched a platform for co-creation, through which we involve employees in the development of products and services. We have strengthened dialogue with employees through "EX #WDrodze" meetings organised at various locations.

- Organisation of periodic meetings of the EX Forum with the Board of Directors and the Quality Spot Review, which provide an opportunity to review the implementation of activities and set further work plans to successively improve the employee experience.

Educational and preventive actions in employee relation area

The Bank's Ethics and Relationships Office carries out activities to educate, prevent and support ethical working relationships. In 2024, we implemented, among other things:

- 4 webinars with external experts on topics such as discrimination and ethics in communication.
- A series of articles on the intranet, e.g. "Mobbing – what do I know about it?" and "Stop for a moment", addressed to managers.
- Educational publication l titled "Diagnosis of the working environment" for managers, where for educational/preventive purposes we share tips on how to manage difficult employee situations.
- "Catching up with dialogue" project, which trained HR Business Partners (HRBPs) in mediation and early response to difficulties in employee relations.
- Meetings with managers, HRBPs and the development unit to share findings and recommendations from analyses of reported cases.
- Promoting a relational helpline for consultation on difficult situations in employee relations (the "Don't be alone" campaign).

Trade unions

We take care of relations with our employees among others by organising regular meetings with trade union representatives. This cooperation also includes consultations and providing opinions on regulations required by law that affect working conditions. We also strive to keep this dialogue open to current needs and expectations, which is why we are in constant contact with trade union representatives.

Health and safety at work

The Bank has a "Health, Safety and Wellbeing Policy", which sets out the guidelines and standards to be followed to protect health and life and ensure the highest levels of safety and wellbeing for employees. It also includes the promotion of healthy lifestyles and the creation of long-term value for employees and local communities. Working time and work-life balance issues are also regulated in the "Labour regulations". The Group companies do not have health and safety policies in place, but employees are covered by the company's internal health and safety management system.

Each Group Company provides safe and hygienic workplaces – all our employees (100%) are covered by the occupational health and safety system. There are Social Labour Inspectors and a Health and Safety Committee within our structures. The working environment at the Bank is monitored by the Health, Safety and Wellbeing Office, which conducts regular audits and reviews of occupational risk assessments for individual positions. Among other things, we take into account factors affecting physical safety, work ergonomics issues, as well as psycho-social risks and hazards associated with, for example, remote working. When updating the risk assessment, the experts take into account information on previous accidents as well as current legislation. We consult with employees and professional organisations. In special situations, we set up a crisis management team.

The process of assessing occupational risk for individual positions in the Group consists of five elements.:

1. Gathering information,
2. Identifying risks,
3. Estimating the probability of the hazard occurrence and its consequences,
4. Determining risk acceptability according to the PN-N-18002-2011 standard,
5. Monitoring and possible corrective action.

Within the Group, we verify and improve the correct operation of the health and safety management system. Specialists from the health and safety management units continuously enhance their qualifications at training courses, conferences and industry meetings.

All our employees receive health and safety training. Their scope and frequency are determined by legislation, changing external circumstances and needs reported by employees. Information on situations that pose a threat to the life or health of employees at the Bank is reported to the supervisor and to the staff of the Health, Safety and Wellbeing Office directly, by email, via an electronic form or phone. The effectiveness of conducted health and safety training is systematically verified through, among other things, health and safety audits, interviews with employees, analysis of accident incidents and post-training surveys.

In addition, we have implemented Business Continuity Plans throughout the Group, which consist of procedures and information to ensure business continuity in the event of an emergency. These allow the most important processes to be restored in the shortest possible time while ensuring an acceptable scope of operation for the Group.

In the Group we promoted a culture of caring for physical and mental health. In 2024 employees had access to webinars and expert training, competitions and preventive medical examinations, such as first aid or caring for mental well-being (e.g., webinar series “How to live with pain,” Emotional Health and Safety (2nd edition), and Managerial Psychominutes, available to all Bank employees). We implemented contests and thematic programs to engage employees, such as “Health Culture Hero” and BeHealthy Week. We encouraged preventive examinations through training programs, such as “Keep Your Vision Sharp” and “Ergonomics in 7 Steps,” and campaigns of selected preventive examinations at the Bank's headquarters.

We also care about the health and safety of employees with disabilities. At the Bank, we have been implementing the ‘Differently Abled’ project for several years, which aims to create a diverse working environment. We are preparing the organisation to employ people with disabilities (complying with workplace standards and regulations, allowing employees with disabilities to request full remote work if the nature of the work permits, and granting an additional two days off). An employee with a disability may also benefit from a one-time financial allowance.

Preventing and combating discrimination and diversity, and inclusivity in the workplace

How we foster an inclusive and respectful working environment

As we declare in the General Code of Conduct and the "Respect and Dignity Policy", we want to make sure that the Group is a safe place to work, where employees can be themselves and have equal opportunities. We do not tolerate any form of discrimination, mobbing, harassment or other behaviour that violates human dignity. We eliminate any unequal treatment related to gender, age, sexual orientation, gender identity, race, religion, nationality or other protected characteristics. The "Respect and Dignity Policy" is the foundation of our work against discrimination and inequality in employment, promotions and access to training. Part of the policy is the Protocol against mobbing, sexual harassment and discrimination, which expresses our firm lack of tolerance for such unethical behaviour. Each employee is required to read the General Code of Conduct, confirm this and complete the mandatory e-learning.

Prevention and education actions

We carry out activities such as:

- **Mandatory e-learning course "General Code of Conduct":** this course is provided to all employees to increase awareness of compliance with the law, internal procedures, and ethical standards. It covers compliance with laws, internal regulations, and ethical standards in general and highlights the existence of reporting channels for violations.
- **Mandatory e-learning course 'Show respect – be fair':** this training raises awareness of undesirable behaviour in the work environment, such as mobbing, discrimination and harassment, and teaches how to respond and where to look for support when it occurs.
- **Information and education campaigns:** We regularly publish articles, organise webinars, educational meetings and workshops to promote a culture of respect and integrity in our workplace.
- **Relationship helpline:** At the Bank, we provide employees with a tool for consulting difficult situations in employee relations, supporting our colleagues in resolving problems issues and fostering collaboration.

Reporting breaches

Violation reporting Policy (whistleblowing) underpins the promotion of a working environment free from discrimination and inequality. It ensures that all instances of breaches of equal treatment are reported and dealt with effectively. The Bank conducts regular training and awareness-raising campaigns to raise employees' awareness of their rights, available reporting channels and investigation policies. Employees can anonymously or non-anonymously report incidents related to discrimination, sexual harassment, derogatory or demeaning behaviour, mobbing and other forms of workplace harassment and inappropriate behaviour that violates organisational values and corporate ethics. Details of the process for reporting, monitoring and investigating incidents can be found in section S1-3.

Programmes promoting access to skills development

The Group has a "Training and Development Policy", which promotes the management of learning and knowledge transfer, as well as innovation and development of skills needed by employees now and in the future. The policy provides for the preparation of training plans tailored to the strategic needs of the Group and ensures that all employees have access to training activities that enable them to perform their duties effectively and develop their competencies.

Activities in the area of competence development

In the Group, we offer various forms of development. We post information on the intranet site regarding:

- training initiatives and development opportunities available to employees,
- tools to manage their own professional development,
- educational and inspirational materials to support personal and professional development.

Employees have access to training platforms which offer a wide range of customised online courses and opportunities for development in technical, soft and leadership skills. We deliver comprehensive training programmes including:

- bank-wide initiatives that promote growth in key areas for the Group,
- leadership training to support the development of management and leadership skills,
- programmes for branch networks that respond to the specific needs of employees in these structures,
- training for selected groups of employees, designed on the basis of a detailed analysis of their development needs.

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

In our Group, we prioritise the wellbeing of our employees and strive to create a working environment that is transparent, safe and open to dialogue. Aware of the potential challenges in a dynamic financial environment, we implemented comprehensive procedures to identify, report and effectively address concerns about working conditions.

Whistleblowing Policy

Our Group has a "Whistleblowing Policy" and an "Internal Reporting Procedure (whistleblower protection)", which are overseen at the Bank by the Compliance Department. In accordance with these documents, we operate a comprehensive system that enables employees to report irregularities such as violations of the law, internal procedures or ethical standards. The system operates in accordance with the Banking Law and the Whistleblower Protection Act. The purpose of the regulations is, among other things, to ensure effective and uniform whistleblowing procedures that enable consistent reporting of information to management bodies. Regulations ensure that initiatives are in place to promote the usage of whistleblowing channels, their availability, information to our staff on whistleblowing statistics and lessons learned from investigations, and a regular review of the operation of the whistleblowing system by internal audit.

When a violation in the area of employee relations is confirmed, we take action to eliminate negative behaviour. Responsibility for compliance with the regulations rests with all employees, supported by appropriate communication and educational activities (an example is the mandatory e-learning course 'Show respect – Be Fair'). The Bank Management Board is responsible for the adequacy and effectiveness of procedures for employees to report violations.

The bank maintains a register of whistleblowing reports, which includes all reports received through whistleblowing channels. This allows for the analysis of received reports, taking actions in response to them and formulating development recommendations at the organisation-wide level.

Breach reporting channels

Information on breach reporting channels is widely available on the intranet. In addition, we promote awareness of the whistleblowing channels (through e-learning courses and articles on the intranet).

As the Group, we provide employees with the opportunity to report violations both anonymously and openly, using channels such as:

1. **KLAKSON application** – online form available on the intranet 24/7 (excluding Santander Consumer Bank companies).
2. **Ethical helpline** – operated by the compliance unit on weekdays (excluding Santander Consumer Bank companies).
3. **Email address** – an email account used exclusively for this purpose.
4. **Postal mail** – correspondence addressed to the compliance unit or directly to the Bank's Management Board.

The system ensures the anonymity of breaches reporting, the protection of the reporter's identity and the possibility to provide detailed information on violations, such as descriptions of events, evidence or other documents. The system has mechanisms in place to ensure the protection of employees making notifications:

- confidentiality – the applicant's data are protected at every stage,
- no retaliation – no retaliation against persons making reports,
- anonymity – the possibility to submit reports without revealing one's identity.

The whistleblowing channels indicated above are intended in particular for persons employed by the Bank under an employment contract or a civil law contract, including top management and members of the Bank's management and supervisory bodies, Group Companies have their own reporting channels.

Employees can also use a relationship helpline for consultation on difficult incidents in employee relations area. The Group also has trade unions to which employees can report problems and, as the Group, we engage in dialogue with them and respond to reported issues.

Monitoring

The management of the whistleblowing channel at the Bank is coordinated by the Compliance Unit, and in Group's companies it is handled by dedicated units. In order to ensure that the whistleblowing processes operate as intended by our regulations, we evaluate the functioning of the whistleblowing channels by periodic internal audits. In addition, they are subject to regular external audits. At Santander Bank Polska, the Ethics and Relationships Office analyses employee whistleblowing in the area of employee relations and, on the basis of this, makes recommendations on the preventive measures needed. For example, the Office regularly creates and makes available to managers the educational material 'Diagnosis of the working environment', in which it shares the conclusions of its investigations and provides guidance on how to manage difficult employee situations.

We check whether employees are aware of whistleblowing mechanisms and whether they trust them to be effective. Once a year, as a Bank, we conduct an anonymous survey addressed to all employees regarding compliance with the Bank's ethical principles, which includes questions on whistleblowing channels and questions on trust in these channels.

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

In 2024, we have taken a number of actions stemming from our strategy to prevent negative impacts, contribute to positive ones, minimize risks and take advantage of opportunities arising from our operations. Taking care of our employees is a priority for us, which is why we are taking actions on a continuous basis and will continue and adjust them in the years to come (for more details on ongoing activities and initiatives in the area of our own employee resources, see subsections S1-1, S1-3, S1-5) and Chapter IV “Development strategy” and Chapter V “Relations with employees”.

Safety of the working environment

We regularly monitor the working environment at each job position and carry out risk assessment reviews. These cover risks affecting the safety and health of employees, such as psychological, ergonomic, health or other workplace-related risks. Our activities are aimed at creating a safe and healthy working environment that goes beyond standard legal requirements.

Culture of taking care of health and safety

We take actions to minimise the risks associated with health issues and the physical safety of our employees. Details on this topic can be found in the Health and Safety subsection.

Competence development and equal opportunities

We create and implement training initiatives that are accessible to all employees and targeted at specific groups according to their needs. These activities support personal and professional development, helping employees to achieve individual business objectives in line with the Bank's organisational culture and risk management principles. Employees and managers are introduced to a model that includes strategy, organisational culture and elements of risk management.

Equal treatment and diversity

We promote equal opportunities and diversity in the workplace. We support employee networks that bring together people with shared values and interests. These networks foster personal and professional development and increase employees' sense of belonging and commitment. Actions aimed at countering violations are described in subsection 'How we ensure an inclusive and respectful working environment'.

Monitoring the effectiveness of measures

We continuously analyse the effectiveness of our actions through indicators of participation in initiatives and employee satisfaction surveys. The processes for monitoring and identifying necessary mitigation actions are described in the subsection Remediation processes for negative impacts and channels for employees to raise concerns.

The main tool for assessing the employee experience is the Your Voice survey. In 2024, we conducted one round of the survey, in which 87% of Bank's employees participated, providing over 42 thousand comments. The results were analysed and communicated to competence centres and Hot Spots working on 'pain points'.

3.1.2 Metrics and targets

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

In the Group we set goals that allow us to monitor and manage the impact of our activities on employees. These goals help minimise material negative impacts, strengthen positive effects, and manage significant risks and opportunities in employee relations. Both employee representatives and the teams themselves participate in setting goals, sharing their opinions and needs through consultations, surveys and focus groups.

The objectives that result from the strategy are subject to an appropriate management process – they undergo planning, Management Board approval, monitoring and periodic review, taking into account external factor, including regulations, and the operational performance of the Bank. In addition to this, the Group also has operational measures in place, which we treat as developing indicators and may also meet the requirements of MDR-T in the future.

Targets resulting from strategy (MDR-T)

In the area of own workforce, we have set the following targets:

→ **Share of women in managerial positions**

The Bank aims at providing diversity in managerial positions and ensuring adequate gender representation; hence, it monitors the share of women in managerial positions. The target applies to the Bank along with Santander Leasing and Santander Factoring (employees in middle and senior management positions). In 2024, we revised and reformulated the objectives, therefore we are using 2024 as the baseline The share of women in managerial positions in 2024 was 55.0%. The target set for 2027 is 56.5%. The progress toward this goal is on track.

→ **Wage equalisation measured by Equal Pay Gap (EPG)**

The Bank aims to provide equal pay for the same job or jobs of equal value. Therefore, in addition to calculating the overall gender pay gap (unadjusted pay gap – see more details in the "Remuneration Metrics" subsection), we also measure the Equal Pay Gap (EPG). The measurement captures the difference in average pay between men and women in the same jobs (taking into account employment level and location). It includes positions where at least three employees are employed, and the least represented gender constitutes a minimum of 20% of the workforce. The EPG is calculated as a weighted average across various aggregations, where an aggregation is defined as a combination of business unit, location, and job classification category.

As a result, the indicator reflects the adjusted pay gap, differing from the unadjusted pay gap presented in section S1-16. The baseline year is 2023, when the target was adjusted as part of the Bank's new strategy planning. The target set for 2027 is to keep the EPG below 1.70%.

	2023 actual	2024 actual	2027 plan
Equal Pay Measured by EPG	1.17%	0.50%	<1.70%

The progress of the aforementioned targets is monitored on a quarterly basis as part of the Bank's strategy and sustainability strategy progress reports, presented to the ESG Committee, the Management Board and the Supervisory Board. The scope and level of ambition of the targets is reviewed in the annual planning processes and can be adjusted taking into account the trajectory of the Group's strategic objectives to date and external factors.

Operational measures

Name of the target	Measure
One hundred per cent efficiency in carrying out post-accident investigations	% of accident investigations completed on time
One hundred per cent effectiveness in carrying out inspections of working conditions	% of completed audits
Creating a culture of caring for health	% of registered participants in initiatives
Effective delivery of information and knowledge to employees	▸ status of implementation of mandatory e-learning ▸ completion rate of annual training ▸ completion rate of on-time training ▸ level of implementation of required mandatory training ▸ level of delivery of optional risk category training – Number of hours spent on training delivery ▸ level of completion of optional risk category training – Number of trainees
Promoting the employment of people with disabilities	% of Bank employees with disabilities
Aiming to reduce the gender pay gap	Gender Pay Gap (unadjusted gender pay gap indicator)
Aiming to increase the representation of women in leadership positions at Promontorio, Faro and Solaruco (PFS)	% of women at senior managerial level (PFS)
Effective implementation of the Whistleblowing Policy and Internal Reporting Procedure (whistleblower protection)	the average number of notifications made through whistleblowing channels in a given quarter per 1,000 employees.
Effective implementation of the Group's Organisational Culture Policy	Average engagement survey score and eNPS – both of which take into account the following four factors: 1) Recommend: measures the likelihood of an employee recommending the Group as a place to work. 2) Loyalty: measures the likelihood of an employee remaining with the Group if they receive a similar job offer from another employer. 3) Conviction: measures the likelihood of an employee recommending the Group's products and services to family and friends. 4) Job satisfaction: measures overall job satisfaction.
Effective implementation of the Policy "Work Performance Management in Santander Bank Polska Group".	% of employees undergoing evaluation have completed annual assessment % of newly recruited employees with assigned mandatory targets % of employees with a correct target structure

We set the operational objectives of the units, including those directly affecting employees, on the basis of the Group's strategic goals. Periodic surveys are conducted at the Bank level to assess our progress in achieving them – we have named them the TX Barometer. Employees are involved in the work of setting and monitoring the achievement of objectives – we have described in detail how this is done in the section Involvement of employees and procedures for working with employees' representatives.

Characteristics of employees (S1- 6)

As of 31 December 2024, there were 11,959 employees working under employment contracts in the Group, the largest number of whom were employed by the Bank[8]. In addition, 7,014 non-employees provided work for the Group within the meaning of ESRS standards.

[8] *Figures on Stellantis Financial Services Polska include Shared Services Platform employees who are employed in Poland but serve customers from abroad.*

The figures below refer to the headcount as at 31 December 2024.

11,959 Group employees, including:

10,216 in the Bank

1,345 in Santander Consumer Bank

347 in Santander Leasing

117 in Santander Factoring

99 in Santander TFI S.A.

172 in Stellantis

In the Group, we have adopted the principle that employees working for more than one Group company are included in the reporting as follows:

- For Group consolidation: each employee is counted only once, regardless of the number of Companies in which they are employed. This eliminates double or multiple counting of the same person in the Group structure.
- For the data of individual Group companies, an employee is counted for every company in which he or she is formally employed. Consequently, the number of employees in all companies differs from the number of the employees of the Group.

> Number of employees by gender and contract type as of 31 December 2024

Group	Women	Men	Total
Employed for an indefinite term	6,918	3,443	10,361
Fixed-term employees	1,013	585	1,598
Total number of employees	7,931	4,028	11,959
Total number of FTEs	7,628	3,799	11,427

Full employment means working full-time, which according to Article 129 §1 of the Labour Code, is 8 hours per day and average of 40 hours in an average five-day working week in the adopted reference period.

> Number of employees by gender and FTE as of 31 December 2024

Group	Women	Men	Total
Full-time	7,457	3,731	11,188
Part-time	474	297	771
Total	7,931	4,028	11,959

> Number of employee leavers persons) and turnover rate in 2024.

	Number of attritions among employees	Employees turnover rate[9]
Women	1,150	14.4%
Men	529	13.1%
Total	1,679	14.0%

In 2024, we did not note any significant fluctuations in the number of employees in the Group, and those that did occur were due to standard employee turnover. The number of leavers includes all employees who terminated their employment during the reporting period and may include employees who changed employment within Group companies. The methodology for calculating the turnover rate is based on a comparison of the number of employee departures to the average headcount in the Group during the reporting period.

Characteristics of non-employees in the Group's own workforce (S1-7)

We have defined non-employees as persons who perform work for the Group but are not employed under a standard employment contract. This category includes:

- Self-employed – individuals running their own business and providing services under contracts with a Group.
- Persons employed by employment agencies – individuals who perform work for a Group but are formally employed by external temporary employment agencies.
- Persons on civil law contracts – individuals who perform work on the basis of specific-task contract or commission agreement concluded directly with a Group company and are not in an employment relationship with that company within the meaning of the Labour Code.

> Number of non-employee in the Group's own workforce by type of employment as of 31 December 2024

	Number of people
Self-employed persons	1,904
Persons employed by work agencies	584
Persons on civil law contracts	4,526
Total	7,014

Collective bargaining coverage and social dialogue (S1-8)

There are no collective agreements in the Group. By employee representatives, we mean persons elected by employees to represent their interests, e.g. within employee councils or trade unions. Under Polish law, employees may be represented by trade unions (Trade Union Act of 23 May 1991) or through other forms of representation, e.g. an employee council, if the conditions of the Act of 7 April 2006 on Informing and Consulting Employees are met. As of 31 December 2024, there were 5 trade union organisations in the Bank and 3 trade unions in Santander Consumer Bank. Moreover, in Santander Leasing and Stellantis other forms of employee representation were used, i.e. staff councils.

> Participation of employees covered by collective bargaining agreement and trade union representation

	2024
% of employees covered by (at least one) collective bargaining agreement	0.0%
% of employees covered by workers' representatives through trade unions or other forms of employees' representation	97.6%

[9] *The turnover rate is the number of employee departures divided by the average number of employees during the year,*

Diversity metrics (S1-9)

In accordance with the ESRS requirements, we have defined top management as employees on two levels below the management and supervisory bodies, namely the Management Board and the Supervisory Board of the Bank as a parent company. This definition also includes members of Management Boards of our Group subsidiaries and persons under their direct authority.

> Diversity of the Management Board and top management by gender in the Group as of 31 December 2024.

	Women	Men	Total
Number of people in the Management Board of the Bank's parent entity	2	8	10
Percentage breakdown	20.0%	80.0%	100.0%
Number of employees in the top management of the Group (one and two levels below the administrative and supervisory bodies of the Group)	77	125	202
Percentage breakdown	**38.1%**	**61.9%**	**100.0%**

> Age distribution of employees in the Group as of 31 December 2024

	Number of employees	Percentage distribution
Employees under 30 years of age	1,819	15.2%
Employees aged between 30 and 50	7,724	64.6%
Employees over 50 years of age	2,416	20.2%

Adequate Wages (S1-10)

All employees in the Group receive remuneration at least at the level of the national minimum wage.

According to the ESRS definition, adequate pay refers to remuneration that ensures a decent standard of living for employees and their families, covering basic needs while enabling savings and active participation in society.

The EU Directive 2022/2041 provides additional guidelines for adequate minimum wages aimed at improving workers' living standards in Member States. Poland is currently in the process of transposing this directive into national legislation, with the draft law regulating the minimum wage under review by Parliament.

Although the EU provisions have not yet been fully implemented, the Group has adopted the national minimum wage (as stipulated in the Minimum Wage Act of 31 December 2002) as its reference point. As of 30 September 2024, the minimum wage in Poland was PLN 4,300 gross per month and the minimum hourly rate was PLN 28.10 (effective from 1 July 2024).

Social protection (S1-11)

All employees in our Group are covered by full social protection – they are protected against loss of income as a result of major life events such as illness, unemployment, accidents at work, disability, parental leave and retirement. This protection is provided by both public schemes and additional benefits offered by particular Group Companies (e.g. group insurance).

In addition, the Bank and Group companies offer their employees social protection. This includes benefits such as:

- Subsidised access to private health care facilities for employees and their families,
- The option of subsidised or free group insurance,
- Support in difficult life situations, e.g. in the form of psychological aid or benefits from the Company Social Benefits Fund.

Persons with disabilities (S1-12)

As a Group, we support the employment of people with disabilities and attach great importance to creating a friendly and supportive working environment. In accordance with ESRS S1-12, as a Group we report the percentage of employees with a disability certificate broken down by gender. This information is collected on the basis of certificates provided voluntarily by employees.

In Polish law, the definition of a person with a disability can be found in the Act on Vocational and Social Rehabilitation and the Employment of Persons with Disabilities of 27 August 1997. Such persons are entitled to special rights such as reduced working hours, additional breaks or adaptation of the workstation, which, as the Group, we provide to all employees with a disability certificate.

> Number and percentage of employees with a disability certificate as of 31 December 2024.

	Women	Men	Total
Number of employees with a disability certificate	159	49	208
Percentage of employees with a disability certificate	1.9%	1.2%	1.7%

Training and Skills Development metrics (S1-13)

As a Group, we consider employee development to be a prerequisite for our market success. In each Group Company, we have prepared 'customised' training courses to suit its business characteristics and the needs of the organisation.

In 2024, the number of training hours and the average number of hours per employee in the Group reflect our commitment to developing employee competence. The training programmes encompass the development of both professional skills and those related to responsible management, sustainability and compliance with legislation. As the Group, we ensure that all employees, regardless of gender, have equal access to training, reflecting our commitment to equal opportunities, inclusion, and professional development.

> Number of training hours provided to Group employees, by gender. Status as of 31 December 2024.

Gender	Number of completed training hours	Average number of training hours per employee
Women	291,380	36.7
Men	148,267	36.8
Total / average	439,647	36.8

> Number of training hours provided to Group employees, by employment category and gender. Status as of 31 December 2024

	Women		Men		Total	
	No. of training hours completed	Average no. of training hours per employee	No. of training hours completed	Average no. of training hours per employee	No. of training hours completed	Average no. of training hours per employee
Senior management	4,584	58.0	5,578	41.9	10,162	47.9
Middle management	19,169	21.3	13,740	21.0	32,909	21.1
Other employees	267,628	38.5	128,950	39.7	396,577	38.9
Total / average	291,381	36.7	148,267	36.8	439,647	36.8

> Percentage of employees that participated in regular performance and career development reviews in 2024, broken down by gender and employment category. Status as of 31 December 2024.

	Women	Men	Total
Senior Management	87	150	237
Middle Management	856	622	1,478
Other employees	6,038	2,962	9,000
Total number of employees that participated in regular performance and career development reviews	**6,981**	**3,734**	**10,715**
% of employees that participated in regular performance and career development reviews	**88.0%**	**92.7%**	**89.6%**

The ratio of performance and career development reviews actually carried out against planned reviews as of 31 December 2024 was 96.4% – we have not included reviews that did not take place due to employee departures or long-term absences in the analysis. The number of reviews actually conducted per employee during the reporting period (calculated as the number of reviews conducted relative to the number of Group employees) is 0.90.

Health and safety metrics (S1-14)

In 2024, we did not record serious or fatal accidents in the Group. Work-related hazards that could pose a serious risk include bank robbery, traffic accident, fire, terrorist attack and electrocution. In 2024, none of these hazards resulted in serious injury to our employees. Due to data collection limitations, we do not have complete information on potential accidents or injuries involving non-employees, but no such incidents were reported to us.

> Accidents (incidents) at work. Status as of 31 December 2024

Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of recordable work-related accidents	39
Rate of work-related accidents per million hours worked	2.06
Number of cases of recordable work-related ill health	0
Number of days lost due to work-related injuries and poor health related to work	1,012

The following table presents key indicators related to occupational health and safety (OHS) in the Group. The data includes both the number and rates of occupational accidents and related health issues during the reporting period:

- Number of fatalities as a result of work-related injuries and work-related ill health – this indicator includes the number of individuals who died as a result of work-related injuries or as a result of work-related ill-health. This data includes both employees and others working at the unit's locations, provided that the incidents were work-related and duly reported."
- Number of recordable work-related accidents – the number of accidents that occurred in the course of performing work duties and which, in accordance with current legislation, must be reported to the relevant authorities.
- Rate of recordable work-related accidents – this rate measures the number of reportable accidents per million hours worked by employees.
- Number of cases of recordable work-related ill health – the number of cases of work-related ill-health that must be reported under the law. Includes cases of occupational diseases such as musculoskeletal disorders, circulatory problems.
- Number of days lost due to work-related injury and work-related ill-health – the number of days on which employees were absent due to work-related injury or ill-health. Full calendar days are included, regardless of whether they were working days, weekends or public holidays. The methodology for collecting this data is limited because of the way in which cases are reported and documented, as well as because of data protection issues.

Work-life balance metrics (S-15)

As the Group, we make effort to ensure that our employees are supported in balancing work and family responsibilities. In 2024, all employees were fully entitled to take various forms of family-related leave, including maternity, paternity, parental and carer's leave. These types of leave include time spent caring for newborn children, absences for providing care to family members, or children who are ill.

In this section of the report, we present data on the percentage of employees entitled to take these leaves and the percentage of those who have actually taken them in 2024, divided by gender. This data helps us to understand how our family-friendly policies are put into practice and how we support employees in maintaining their work-life balance.

> Employees who took family-related leave in 2024 by gender

	Women	Men	Total
Percentage of employees entitled to family-related leave	100%	100%	100%
Percentage of employees who took family-related leave*	30.7%	16.4%	25.9%

** The calculation of this metric includes maternity, paternity, parental, childcare, adoption, and caregiver leave*

At the Bank and in Group companies, we use solutions that support employees' work-life balance. These are solutions that go beyond legal requirements, such as flexible working hours, hybrid working and additional hours or days off. For example, at the Bank we use solutions such as:

- Flexible working hours for parents of children under 8, as well as the possibility to temporarily reduce working hours,
- Hybrid working: remote working of 2-3 days per week (for positions where it is possible),
- Additional days/hours off: 21 days of additional leave after maternity or paternity leave has been taken, 1 additional day off provided there is no outstanding leave on 1 January, '2 hours for the family' for all employees.

Compensation metrics (pay gap and total compensation) (S1-16)

In the table, we present data on the salaries of employees in the Group as of 31 December 2024. The unadjusted wage gap has been calculated in accordance with the requirements of the ESRS – it takes into account the average gross hourly wage of all employees under employment contracts during the reporting period. This methodology enables a transparent and accurate assessment of the gender pay gap. Basic salary refers to the gross base salary explicitly stated in the employment contract. Full remuneration, on the other hand, includes both other fixed components of remuneration (e.g., allowances, fixed benefits) and variable components (e.g., bonuses, awards, or commissions). The unadjusted pay gap compares the pay of men and women employed at different grades and positions and in different locations. The indicator therefore presents a different value than the Equal Pay Gap indicator reported in section S1-5.

> Unadjusted pay gap as of 31 December 2024

Pay gap for basic remuneration	33.94%
Pay gap for full remuneration	34.50%

The total renumeration ratio reflects the relationship between total annual renumeration of the highest-paid person in the Group and the median of the total annual renumeration of all employees (with the exception of this highest-paid person). It takes into account all components of the highest-paid person's compensation (fixed and variable) awarded in 2024. The ratio of 1:73.77 includes the variable remuneration granted to this individual in 2024 for the year 2023 in its full value, including the portion deferred for five years and subject to additional conditions. However, if only the non-deferred portion, paid in cash, of the variable remuneration granted in 2024 for the year 2023 is taken into account, the ratio would be 1:40.82.

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

In 2024, we have not registered any cases of discrimination, including harassment, or serious incidents of human rights violations in the Group. Accordingly, no fines, penalties or compensation were imposed on the Group as a result of employee complaints.

Employees reported 15 complaints through internal channels for reporting violations. During the reporting period, we did not record reports brought to external bodies (to the national contact points for the OECD Guidelines for Multinational Enterprises).

Number of registered and confirmed cases of discrimination, including harassment	0
Number of complaints filed by employees through complaint channels, taking into account issues of discrimination or other violations	15
Number of complaints filed with National Contact Points for the OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties and compensation paid as a result of discrimination incidents, including harassment and other complaints of labour rights violations	0
Number of serious incidents related to human rights violations	0
Number of serious labour-related human rights incidents that are cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labor Organization Declaration, or the OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties and compensation for damages resulting from incidents regarding respect for human rights related to an individual's workforce	0

3.2. Our customers – consumers and end-users (ESRS S4)

3.2.1 Impact, risk and opportunity management

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

Impacts and risks for consumers and end-users

The ESRS S4 standard refers to the consumers and end-users, which in the light of the Group's activities means the customers who use our financial products and services. Customers, alongside employees, are at the heart of our activities and are the foundation of our 2024-2026 strategy.

Consumers and end-users are individuals who make use of bank accounts, loans, investment products or advisory services provided by us, but also our branches or online banking. We are committed to ensuring that our products and services meet their needs and comply with the standards of quality, security and transparency.

Customer relations are a priority for us, which is reflected in the results of the double materiality assessment. In terms of consumers and end users, impacts and risks were identified in the following areas:

- Information impact – as a Group we have an impact on retail customer awareness, information quality and data protection, the complaints and enquiries process and price transparency. We also identify in those areas risks related to cyber-attacks and other security breaches due to human error, insufficient price transparency or the claims process.
- Social inclusion – in this area, ensuring access to our products and services for all customers, including those belonging to the most vulnerable groups, is essential. We also make an impact by providing financial education and fraud protection.

We are aware that as a Group we depend on our clients – they are the basis of our business model, their trust is our top priority. In order to manage this dependency, the Group has risk management systems in place (described in more detail in the chapter 'Risk Management' in Consolidated Financial Statements of Santander Bank Polska S.A. Group for 2024), and we undertake a number of measures regarding the monitoring of clients' experiences, the protection of their data, and the transparency of products and services – these measures are described in more detail in dedicated subsections.

In the double materiality analysis process, we did not identify any material impacts that would be common and systemic. The identified impacts are related to the nature of the business. As Group, we do not offer products or services that: are inherently harmful to people or increase the risk of chronic diseases, products that negatively affect human rights in terms of freedom of expression.

In order to manage these impacts and risks, the Group has a number of policies in place to help us achieve our strategic objectives. We also carry out many activities, the effectiveness of which we measure on an ongoing basis.

Policies for managing impacts, risks and opportunities in customer relationships

The policies for impact and opportunities management in terms of customer relations apply to the entire Group, with the exception of Santander Factoring, which does not provide services to individual customers. The management of this area is addressed by policies that are broad in scope (covering all stakeholders concerning all stakeholders), and those that address specific elements of activity directly related to the management of impacts, risks, and opportunities in relation to customers.

All of the Group companies serving individual customers have the Customer Experience (CX) Management Policy in place, which is a key document governing the management of material risks and opportunities related to customers. The policy does not currently make specific provisions for particular groups of consumers, such as low-income, elderly or digitally excluded individuals, but its application takes into account the needs of such groups as part of overall operational activities The "Customer Experience Management Policy" is an internal document, however, the Bank's general approach to customer service and consumer relationship management is communicated on an ongoing basis through:

- the Bank's website,
- information sheets and handouts made available to customers,
- communication activities carried out through various channels, such as social media or e-mailing campaigns.

Other policies are also in place in the Group, to support the management of impacts, risks and opportunities in customer relations, including those addressing the issues of data protection, price transparency, counteracting digital exclusion and ethical sales. The highest-level body responsible for the implementation of policies is the Management Board, unless otherwise stated in the document. The Bank as well as certain Group companies (Santander TFI, Santander Leasing) implement the 'Consumer Protection Policy'. It describes the principles we follow with regard to:

- fair treatment of consumers,
- a customer-centric model for products and services,
- transparent communication with consumers,
- responsible sales practices,
- responsible pricing policy.

This policy defines vulnerable customers and how we identify and manage their needs. It also describes how we protect consumers from excessive levels of debt through responsible lending and how we conduct responsible debt collection and recovery. The document also sets out the principles for protecting customer data and preventing fraud and abuse. It defines the rules according to which we handle complaints. Finally, it touches on the issue of consumer financial education, including that in general and on banking products. We apply the principles of this policy at the stage of product and service design, communication and customer service. The Compliance department is responsible for ensuring that the Bank's decision-making bodies, including the Management Board and relevant committees, receive the information necessary for effective supervision of consumer protection issues.

According to the "Consumer Protection Policy", a vulnerable customer is a consumer who, due to his personal situation, is more exposed to negative effects or financial or personal losses than others. Indicators that a consumer may be vulnerable include, but are not limited to: disability, age-related limitations, incapacity to work, serious illness, low level of education, difficult economic or personal circumstances. We take sensitivity criteria into account in the design of products and services and in key processes that have a significant impact on consumers, such as fraud management, complaints handling, lending and debt recovery. Employees who interact with consumers are trained to be able to identify and serve vulnerable customers. It is monitored by the compliance function and the Management Board.

Additionally, we apply the "Product and Service Commercialisation Policy at Santander Bank Polska S.A.". It describes the acceptance process of new or modified products and services of the Group, as well as the process of monitoring throughout their life cycle. We are protecting consumers and mitigating the risks associated with our products and services with the help of this policy, including compliance, conduct and reputational risks. In line with this policy, we strive to offer products and services tailored to our clients' needs and we promote good sales practices. This document sets out the decision-making process that precedes the release of products and services for sale. This includes both feedback from the relevant specialist units and decision-making, in which the Local Product Marketing and Monitoring Committee (LMMC) plays a key role. Our policy for the commercialisation of products and services describes the principles that relate to:

- fair treatment of customers,
- employees training ensuring they possess adequate knowledge of the products and services they sell and the risks associated with them,
- educating customers to help them choose the right products and services and to understand how they work,
- protection of customers' personal data,
- prevention of financial crime,
- responsible implementation of innovation (without loss to customers),
- policies on employee remuneration designed to protect customers, including linking employee performance appraisal to the quality and effectiveness of service in relation to risk management and control.

> List of policies for managing impacts, risks and opportunities in terms of customer relations (MDR-P)

Policy	Description of content	Scope of application of the policy and exclusions
Customer Experience (CX) Management Policy	The aim of the policy is to increase the customer-centric maturity of the bank and its employees and to effectively manage the process of building positive customer experience. It describes the process of managing the customer experience. ***Addressed IRO:*** *Failure to guarantee the financial well-being, utility and accessibility of financial services to clients by not establishing ~~g~~ introducing product modifications and/or not monitoring their effective implementation, lack of adequate coverage and usefulness of products for the whole society and/or contributing to the creation of obstacles in accessing financial products resulting from the process of designing products and services.*	Group (excluding Stellantis companies)

Responsible Banking and Sustainability Policy	The policy emphasises our commitment to creating value for customers by promoting responsible banking practices that take into account environmental, social and governance aspects. ***Addressed IRO:*** *Lack of access to products and services for vulnerable clients due to a lack of identification of products and/or services in the catalogue that violate the principles of inclusivity and/or accessibility, lack of adequate coverage and usability of products for the whole of society and/or the creation of obstacles to access to financial products resulting from the design process of products and services.*	Group (excluding Stellantis companies)
Brand and Marketing Policy	The Policy sets out the criteria for defining and regulating strategy and for executing and controlling the brand and marketing management function. The purpose of the Policy is to establish the rules for the operation of the marketing function, to ensure the consistency of the Santander brand and to establish the rules of cooperation within the global Santander Group in the field of marketing and branding. The document sets out uniform principles, responsibilities and key processes in the area of brand management, marketing and communication. ***Addressed IRO:*** *Failure to guarantee price transparency for clients resulting from the Bank committing price abuses without prior notification or justification, The risk arising from the Bank's committing price abuses without prior notification or justification, resulting in the lack of guaranteed price transparency for clients.*	Group (excluding Santander Consumer Bank and Stellantis companies)
Policy of 5 Principles of Cybersecurity	The Policy promotes responsible use of IT resources by the Bank's employees, based on five key principles of cybersecurity. Its purpose is to minimize the risk of information loss or leakage and to protect IT resources against cyber threats. ***Addressed IRO:*** *Education of retail clients about online risks and how to mitigate them, Quality of information and data protection are not guaranteed to sensitive clients in terms of how their data is used, stored and shared, or does not provide sufficient understanding by the client of how the data is used, Lack of client privacy protection resulting from the database infrastructure and the data management software used by the Bank to host an manage all operations, Risk of cyber-attacks threatening the privacy of client data, Risk of serious security breaches causes by malicious practices or human error committed by employees, such as the use of unauthorised software, technical user violations, information exfiltration or leakage, Risk arising from violation of data protection regulations for vulnerable clients.*	Group (Stellantis has implemented its own regulations in this regard)
Policy for handling complaints, inquiries and cause analysis	The document defines the principles related to the handling of problems reported by current and potential customers (enquiries, complaints reported through various channels) and to the analysis of the causes of complaints. ***Addressed IRO:*** *Inquiries, complaints and client claims are not processed and do not result in necessary changes and modifications due to a lack of systems and processes, Risk resulting from not processing and addressing inquiries, complaints and client claims due to a lack of effective systems.*	Bank
General Code of Conduct	The document defines ethical standards and rules of conduct to be followed by all Group employees, including in relations with customers (e.g. in the context of the sale of banking products and services, gifts and invitations, conflicts of interest). ***Addressed IRO: Failure*** *to guarantee price transparency for clients resulting from the Bank committing price abuses without prior notification or justification.*	Group (Stellantis has implemented its own regulations in this regard)
Consumer protection policy	Defines a vulnerable customer and sets out principles for working with a vulnerable customer ***Addressed IRO:*** *Lack of access to products and services for vulnerable clients due to failure to identify products and/or services in the catalogue that violate the principles of inclusivity and/or accessibility, Failure to provide additional conditions for vulnerable clients in debt collection or recovery processes due to incorrect identification, Fraud against vulnerable clients resulting from lack of preventive transaction monitoring among people with legal guardians, Risk to vulnerable clients resulting from breach of data protection regulations.*	Bank, Santander Leasing, Santander TFI
Product and service commercialisation policy	The process of acceptance of new or modified products and services of the Group, as well as the process of their monitoring in their life cycle. The Management Board and the Supervisory Board are responsible for the policy. ***Addressed IRO:*** *Lack of adequate product coverage and utility for general public and/or the creation of obstacles to accessing financial products as a result of the product and service design process.*	Bank, Santander Leasing, Santander Factoring, Santander TFI

Actions on significant impacts on consumers and end-users and applying approaches to manage significant risks and opportunities related to consumers and end-users, and the effectiveness of these actions (S4-4) (MDR-A)

In 2024, we have taken a number of actions to manage significant impacts related to consumers and end users. We are implementing these activities on a continuous basis and will continue and adjust them in future years For more details on ongoing activities and initiatives in the area of consumers and end-users, see subsections S4-1, S4-3.and Chapter VI, “Customer Relations” and Chapter VIII, “Business Development in 2024”.

Customer Experience Management

Taking care of customer satisfaction is one of the key elements of our strategy. This dimension describes the Total Experience strategic direction, in which we have adopted the Net Promoter Score (NPS) as the main measure of customer experience. We manage it systemically, in line with the Group's 'Customer Experience (CX) Management Policy'.

In accordance with the provisions of the policy, we conduct regular NPS and customer satisfaction attributes surveys for all business segments. Our knowledge about the customer is also enriched by other sources, e.g. additional research on contact channels, analysis of complaints or the customer's voice in social media.

Based on this information, each of the business segments defines priorities and develops an annual action plan. We identify both positive and negative impacts on clients in order to manage them accordingly. Progress towards customer satisfaction goals is monitored on a quarterly basis including the with the involvement of the Management Board.

The CX policy not only describes the process of managing customer satisfaction in the Bank, but also formalises a set of mandatory customer-centric standards regarding communication and plain language, service across all channels, and research and design of solutions for customers. The role of standards is to continuously improve the quality and consistency of the customer experience, regardless of the communication channel they choose.

As a Group, we have adopted an approach that we call "customer-centricity". In line with our strategy, we aspire to be a market leader in terms of service quality, focused on the needs and expectations of customers. The standards we have adopted include:

- the "Compass" product and service design standard, which is based on modern customer-centric principles of design,
- the "Rzecz jasna" ("Clear Thing") standard of simple communication , which we have implemented both in the process of exchanging information with customers and internally,
- the standard of empathetic service, in which it is increasingly important to combine digital solutions with in-branch customer service.

Customer service standards apply to every stage of the customer relationship cycle – from the moment of interest in our offer to the end of the business relationship. In accordance with the "Santander Bank Polska S.A. Information Policy", we are committed to reliable, comprehensive and timely communication to customers, both current and potential, in terms of the services and products offered, as well as information about the Bank's financial condition. The overriding aim of communication with the customer is to enable them to fully understand the principles and the offer of the Bank, so that they can consciously and responsibly make decisions about the use of specific products. We inform our customers about changes in our products and services, in compliance with statutory and contractual deadlines, Bank's range of products and services, rules for using products and services, and we respond to our customers' inquiries and doubts.

Selected principles of customer service standards in the Group:

We communicate with customers in a simple and understandable way	We support the financial education of clients and inform them about the cybersecurity rules	We respect the diversity of our customers and support people with disabilities – so that everyone feels comfortable in our Group
We help customers even with matters unrelated to the Bank. We do for them more than they expect on our own initiative	We recommend modern and eco-friendly solutions for paperless operations	We provide information about charitable activities and encourage customers' participation

Human rights in relation to customers

As part of our commitments to protect human rights in relations with customers and end users, as a Group, we rely on the provisions of the "General Code of Conduct" and the " Responsible Banking and Sustainability Policy". The latter document includes a comprehensive approach to managing issues related to human rights, sustainable development and stakeholder responsibility.

In the area of customer relations, as a Group, we are committed to:

- Equal treatment of customers: regardless of origin, gender, age, religion or social status, all customers are treated fairly and equally, in accordance with the principles of responsible banking.
- Privacy and personal data protection: A key element of the policy is to guarantee the security of customer data, in accordance with the law, including the GDPR (as implemented under Polish law), and international privacy standards.
- Responsible marketing: we strive to present our products in a fair, transparent and understandable manner, in accordance with the principles of ethics and transparency.
- In addition, our human rights policies and activities are aligned with international standards, such as:UN Guiding Principles on Business and Human Rights,
- Universal Declaration of Human Rights,
- OECD Guidelines for Multinational Enterprises,
- Principles of Responsible Banking (UNEP FI).

In the period from 1 January to 31 December2024, no incidents of human rights violations were recorded in the Group. The Group has policies in place to manage the impact on the consumer and end-user, including human rights. These processes include responsible sales principles, data protection, and complaint reporting and handling mechanisms – detailed information can be found further down in the statement.

Transparent communication

We understand that transparent communication is one of the key elements of effective cooperation with the client. We know how important it is to communicate effectively, have clear rules and regulations and listen to the voice of the customer and learn from them.

In the Group, the standards for communication with customers are defined by:

- "Brand and Marketing Policy", which sets out uniform principles, responsibilities and key processes in the area of brand management, marketing and communication.
- "Customer Experience Management (CX) Policy", which defines a communication system to provide customers with a consistent experience related to the Santander brand.

In the creation of information materials, marketing communication and organisation of events, we are guided by the principle of honest and complete information about the Bank's and the Group's products. We create communication with customers in a clear, simple and understandable way, taking into account the characteristics of the target group, including all mandatory information resulting from regulations and standards set by financial supervisory authorities. Information and advertising materials concerning the products and services offered by the Bank are prepared and made available in accordance with the applicable regulations and fair competition principles.

The Bank is a signatory of the "Code of Banking Ethics" and the "Banks' Declaration on the Plain Language Standard". We systematically introduce the principles of plain language in contracts and other documents, resulting in their becoming more understandable and readable for customers. When preparing communication, we are guided by the principles of consistency, coherence, transparency and neutrality.

We align communication, marketing, and sales practices with applicable law and the ethical standards. We are committed to:

- informing about significant changes in regulations and guidelines (in the form of messages in the mobile and web application),
- monitoring the implementation of regulatory projects,
- applying procedures for the approval of new products and significant changes in products,
- verifying model contracts, communication and advertising, procedures and training, and periodically monitor processes and products.

The general rules for preparing and verifying marketing materials are also set out in the "Handbook of Advertising and Marketing Communication of Santander Bank Polska S.A.". Detailed standards for a given product group are included in the guidelines developed by the Financial Crime Compliance and Prevention

Division. The basic principle is that the marketing material should be reliable, honest, true and written in an understandable and simple language, adapted to the recipient. Before publication, each material is verified to ensure that it meets the standards described in the guidelines. In addition, training and workshops are held periodically for units preparing marketing communication, which strengthen the knowledge and skills of employees.

At the Bank, we are also aware of the fact that customers' decisions to purchase products are increasingly dictated by the desire to reduce the impact on the environment or to have a positive impact on it. We want to provide customers with reliable and honest information that they can rely on when making purchasing decisions. Therefore, we apply the "Sustainability Communication and Advertising Guidelines". We review business projects and new product proposals for greenwashing at an early stage of preparing the offer to make sure that the change does not generate the risk of misleading the customer or greenwashing.

As part of our efforts to improve the quality of communication, the Bank conducts regular language audits to assess the degree of simplicity of the language used in both internal and external communication. The audit is based on the PLI (Plain Language Index), which measures the compliance of the content with the principles of simple and understandable language. We analyse representative samples of texts, including content published on the intranet, formal documents, agreements, responses to complaints and materials available on the Bank's website. This process identifies areas for improvement, in particular in terms of eliminating banking jargon and using more accessible wording.

These activities are in line with the Bank's strategy, which is aimed at transparent and friendly communication with customers and improving the experience related to the use of financial products and services.

Security of services, transactions and customer data

Due to the nature of our business, we process significant amounts of customer personal data and other confidential and sensitive information. Maintaining standards of customer data security is one of the key areas for us to build trust in the strategic direction of "Total Responsibility".

In our Group, we have implemented a number of regulations relating to the principles of protecting the security of our customers' services, transactions and data. The overarching one is the "Principles of Corporate Governance in the Field of Cybersecurity". These are the rules, tasks, and responsibilities, but also the processes and elements of supervision for managing this area for all Group Companies. In addition, we implemented in the Group the "5 Principles of Cybersecurity" Policy, which aims to promote responsible use of the Internet and IT resources by our employees. We know that every employee has a part to play in the protection of personal data, which is why the policy is available on the intranet and all employees, regardless of seniority, are obliged to know its provisions. The implementation of this goal is monitored by regular phishing tests, which provide a practical educational element for employees – thus, they learn the techniques used by cybercriminals.

We meet national and EU standards for data protection against cyber threats. The information security management system is certified in accordance with ISO/IEC 27001:2013 and includes supervision over information security in the Group's business environment and assessment of specific requirements for information and IT systems security.

We monitor regulations and technologies related to IT security and adapt our systems to changing conditions on an ongoing basis. This allows us to continuously improve our internal transaction systems and tools that our clients use on a daily basis.

The security of customer data is our priority, which is why we strive to raise awareness of today's cyber threats. As a Bank, we conduct regular education campaigns, using various communication channels, including those that reach customers who are less active on the Internet:

- **Online and mobile banking educational campaigns** – CRM campaigns are carried out every month, targeted at individual customers and SMEs, which reach about 3 million users.
- **Social media** – we regularly publish cyber-educational posts on social media (Facebook, Instagram) every two weeks as part of the "Don't believe in fairy tales for adults" ("Nie wierz w bajki dla dorosłych") campaign and, if necessary, warnings. The reach of these activities exceeds 2 million users and includes both customers and other Internet users.
- **"Don't believe in fairy tales" ("Nie wierz w bajki") campaign** – in October 2024, we expanded our education campaigns to include radio to reach less digitised customers.
- **Website and support tools** – we regularly update the security website and promote the use of the CyberRescue tool.
- **Programme for seniors** – The Santander Bank Foundation launched the "Independent and safe seniors online" programme.
- **Nationwide campaigns** – we cooperate with the Polish Bank Association, for example on the nationwide campaign 'Watch out for cybercriminals – don't let yourself get robbed' ("Uważaj na cyberprzestępców – nie pomagaj się okraść"), and with the Warsaw Institute of Banking, on cyber-educational activities addressed to young people and students.

Activities addressed to employees:

- **Adaptation program:** we implement a monthly training program (over 1,000 participants) in the field of cybersecurity for new employees of the Branch Network, CWB, and Multichannel Communication Area.
- **Education on the intranet:** we regularly publish content on the intranet about current cyber threats and cyber events at the Bank.
- **Phishing tests:** hands-on tests allow employees to enhance their ability to recognise suspicious messages.
- **CyberOctober:** During Cybersecurity Month, we organized webinars and other educational initiatives with experts.

Inclusive banking

In the Group, we adapt our offerings, services, and communication systems to meet the needs of all customers. Our services are available through traditional branches, digital channels, and a network of self-service devices. Accessibility is enhanced through the 'Barrier-Free Banking' program, which has been consistently implemented by the Bank since 2010. The program aims to ensure access to the Bank's offerings for customers with various needs, including people with disabilities and special requirements. All branches and partner outlets follow the 'Barrier-Free Banking Standards.' Partner branches and Bank branches are equipped with magnifying glasses and signature frames to assist visually impaired and blind customers. Customers who are unable to read or write can receive advisor support in confirming their intent. In partner outlets, Bank branches, and remote channels, customers can connect online with an advisor fluent in Polish Sign Language (PJM).

Branches are designed and retrofitted according to accessibility guidelines. Solutions used there include, among other things, portable induction loops and independent access for wheelchair users or people with individual needs.

Remote channels – including online and mobile banking, as well as the www.santander.pl portal – are continuously developed and tested for accessibility for all customers, including people with disabilities. In accordance with the Act on Ensuring Accessibility for People with Special Needs, the Bank provides accessible documents upon request, including non-personalized contract and regulation templates.

More details on the barrier-free service and digital accessibility solutions can be found in point 3, Chapter VI "Relations with customers".

Legal and administrative proceedings involving clients

In 2024, there were legal and administrative proceedings relating to our business in the context of customers rights.

The ongoing court cases mainly concerned historically granted CHF-denominated and CHF-indexed mortgage loans. These matters are described in detail in Chapter X 'Financial performance in 2024'.

In 2024, the court of appeal issued ruling regarding the financial penalty imposed on the Bank by the Office of Competition and Consumer Protection (UOKiK) in 2020. The penalty related to provisions in annexes to CHF- and EUR-denominated mortgage agreements concerning the rules for determining foreign exchange buy and sell rates. The Court of Appeal ruled that the violation was unintentional and reduced the penalty from PLN 23.6 to PLN 5.9 million. The Bank published information about the decision on its website, paid the fine, and filed a cassation appeal.

Additionally, in 2024, the Financial Ombudsman imposed a minor financial penalty on the Bank due to an incomplete response to a customer complaint. The Bank paid the required penalty.

In addition, there were ongoing administrative proceedings of the UOKiK against the Bank, which concerned:

- principles of processing unauthorized payment transactions / customer reports of unauthorized payment transactions,
- determination of whether patterns used in consumer trade contain prohibited contractual provisions with regard to changes in rates of fees and commissions for banking activities and modification of other terms of the agreement during its execution,
- early repayment of mortgages, in which the OCC examines whether banks settle correctly with consumers. The proceedings concern settlement after full or partial repayment of a mortgage loan.

In addition, in 2024 the Financial Ombudsman fined the Bank a small value due to an incomplete response to a customer complaint. The Bank paid the due penalty.

In the context of customer data privacy, the Office for Personal Data Protection (UODO) imposed a financial penalty of PLN 1.44 million on the Bank in 2024 for failing to provide information about the data breach in 2018. The Bank appealed against the decision to the Regional Administrative Court. In addition, the

President of the UODO issued 9 warnings against the Bank concerning matters of non-financial nature. The Bank appealed against 7, for which, and accepted 2 of them, appropriate corrective measures have been implemented.

In 2024, the Office of Competition and Consumer Protection conducted 2 proceedings against Santander Consumer Bank:

- A proceeding regarding practices infringing collective consumer interests, which concerned unauthorized transactions,
- A proceeding related to an appeal against a UOKiK President's decision (court proceedings) – this involved an individual customer offer and the inclusion of insurance in the total cost of credit.

As a result of a hacker attack on the IT infrastructure of the PGD Group (Santander Consumer Bank intermediary), documents containing personal data were stolen and then made public on the Darknet.

In May 2024, the Bank detected unauthorized access to a Santander Group database hosted by a third-party provider. In the case of Poland, the data breach did not involve customers, but employees and job applicants. We informed the President of the Office of Personal Data Protection of the breach and took appropriate steps to minimize the impact on those whose data was leaked and to prevent similar cases in the future.

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

The cooperation with customers in our Group is regulated by the "Customer Experience Management (CX) Policy", which sets out the rules for diagnosing customer needs, improving their experience, as well as monitoring and reporting progress. The Management Board is responsible for the implementation and execution of this policy, but the operational responsibility for individual initiatives is decentralised.

To manage customer impact, we want to understand their needs and the quality of the experience we provide. The diagnosis of customer needs is carried out through various forms of information collection, which we use to improve the quality of our services. Sources of information include:

- Strategic research, which identifies trends and values important to customers, is taken into account in the process of initiative planning to improve their experience.
- Supporting research, conducted on a continuous basis or for specific projects, to monitor customer sentiment and socio-economic developments.
- Design research, carried out in accordance with the Compass standard, which allows for the identification and verification of hypotheses regarding customer needs, target groups and usability of products and services.
- Data collected from other touchpoints, such as complaints, social media comments, phone calls, in-person reports, and analytics from banking systems.

All these activities are aimed at ongoing monitoring and adapting the Group's products and services to the needs of our customers. Customers are involved in the various stages of product and service design – exploration, design, testing, and monitoring. We ask for customer opinions as part of ongoing research (e.g. in relational or benchmarking research) and research related to specific initiatives. We make the results of the research available to employees, including in the form of the "Voice of the Customer" dashboard, reports, databases and repositories, webinars and newsletters, along with actions recommended actions. In addition, the Bank implemented the research and design standard "Compass" explaining how and at which points along the design path research should be conducted.

Customers' needs, aspirations, problems and requirements are the foundation for the initiatives we undertake. One of the key metrics by which we assess the satisfaction and the extent to which we respond to the fulfilment of customer expectations is the Net Promoter Score (NPS), which operates across all companies of the Group that provide services to individual clients.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

We strive to ensure that all our products and services benefit consumers and end-users, but we recognise that not all activities or processes are without the risk of negative impacts. Therefore, within the Group, we pay particular attention to providing our customers with easy access to effective mechanisms for reporting concerns and complaints, as well as transparent remedial procedures.

In July 2024, the Bank implemented the "Policy for handling complaints, inquiries and cause analysis", which covers the receipt of complaints, distribution of tasks between units, evaluation of complaints, communication with customers, monitoring request, inspections and analysis of the reasons for complaints. The compliance unit is responsible for interpreting the policy, and the Management Board for its approval.

All Group companies offer contact channels enabling consumers to raise concerns and obtain answers quickly and in accordance with the standards of customer service. Detailed information on complaint procedures and available channels for reporting concerns is available on the websites of each Group company. The channels for accepting and investigating complaints are described in the terms and conditions of individual products (and for loans, in the loan agreements). These are for instance:

- Online forms available on the websites of the Group companies,
- Telephone helpline, available in Poland and abroad,
- Mobile apps and online banking services,
- Traditional branches of the Bank and Group companies as well as partner branches, where it is possible to file a complaint in person,
- Video calls and chat for deaf people (service available on the Bank's website),
- E-mail addresses for filing reports and complaints,
- Traditional postal correspondence, in which customers can send their messages in writing to the address specified by the particular Group company.

The process of registering and monitoring complaints in the Group differs depending on the Group's entity, but all activities are conducted in accordance with the applicable laws and internal regulations. For each entity, the process of registering reports is precisely defined, which allows for effective monitoring of their progress and ensuring timely responses. The Bank's customers can receive a response in the form of a letter or a message sent via online or mobile banking. They are informed about each stage of the process (receiving the complaint, closing the case and providing the response) by text messages. In the event of a longer complaint evaluation time (more than 5 and 10 days), customers receive additional SMS notifications.

In 2024, the Bank continued its efforts to shorten the response time to complaints and improve the quality of communication. Thanks to automation, simple cases are resolved faster, which streamlines the service process. Responses to complaints are prepared in an accessible, understandable way, free from banking jargon – in accordance with accepted simple language standard. If the complaint is not accepted, the Bank informs customers about the appeal process – internally to the Customer Ombudsman, or to external institutions. At the Bank, all customer reports are registered and monitored in the Bank's internal complaint system. The system enables a thorough analysis of notifications, response time and effectiveness of the actions taken. This allows us to identify areas for improvement. To ensure the effectiveness of the process, we analyse complaint trends and incidents that cause an increase in the number of complaints. This information is reported quarterly to the Management Board and the Supervisory Board and discussed once a year at the meetings of the Management Board and the Audit and Compliance Committee.

We work to provide remedies when we identify a negative impact on customers. The Customer Ombudsman's Office has a key role in this regard, dealing with more complex cases, including the third and subsequent complaint on the same issue. The Office also responds to reports from regulators and institutions, such as the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego), the three or more complaints Financial Ombudsman (Rzecznik Finansowy) or the Banking Arbitrator (Arbiter Bankowy) hen a customer’s complaint is accepted as justified, we reimburse the amount charged.

We provide that our complaint process is in line with the Group's customer service standards – we try to ensure that customers trust the channels for reporting breaches and guarantee that there is no retaliation.

	2024
Number of complaints from customers and end users in the reporting period	254,407
Ratio of complaints considered justified (%)	21.74%
Average Complaint Response Time (days)	5.18

The average complaint response time for our Group is calculated as a weighted average of the number of days it takes to process a complaint, weighted by the total number of complaints received from consumers and end users during the reporting period. The complaints concerned various areas of activity – depending on the Group company- in the Bank, the most frequent issues were related to: fees and commissions (including account maintenance fees and card fees), fraudulent transactions and ATM transactions. At Santander Consumer Bank, complaints most often concerned provisions of loan agreements, while other Group's companies were mainly concerned with issues related to insurance and fee calculation processes.

3.2.2 Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

The most important objectives we have set for our customers stem from the "Total Experience" direction in our strategy. These are:

- A unique organizational culture where customer and employee experience are equally important.
- A unique process of creating solutions with users – we are an organization that focuses on human needs, which is our competitive advantage, we provide pragmatic value and a positive emotional relationship with customers and employees.

We measure the progress of achieving these objectives on a quarterly basis using strategic indicators and operational indicators contributing to strategic indicators. We set goals in a one-year and three-year perspective. Thanks to this, we can identify deviations from the plan and react in a timely manner to them. The results are discussed at the meetings of the Management Board and the Supervisory Board.

Our strategic goal (MDR-T) is to achieve a TOP 2 in the Net Promoter Score (NPS) within the banking sector (for individual client) in Poland. This target relates to the Bank's individual customer segment and is set for 2026, in line with the time horizon of the "We Help You Achieve More" strategy. The NPS indicator measures the loyalty and satisfaction of the Bank's customers and is an important measure of the strategy. It allows for an analysis of the overall customer experience and their willingness to recommend the Bank's services. NPS is measured on a scale of 0-10, where promoters are responses of 9-10 and detractors are responses of 0-6. 2023 was taken as the base year with an NPS score of TOP 3. Monitoring of the progress of the target is carried out quarterly and is currently on schedule – in 2024 we also achieved a TOP 3 position.

We develop operational goals in the area of customer experience (CX) based on:

- Net Promoter Score (NPS) results.
- Analysis of customer requests and complaints, which help us monitor customer satisfaction and indicate key challenges in service, products and services.
- Benchmark, relational, transactional research, as well as brand image research.
- Monitoring the quality of processes and services provided to customers in branches, ATMs, and digital channels.

We regularly track the performance of our metrics, analyse trends in requests and customer feedback to assess the impact of the measures we implement. We use the results of the analysis to design new solutions, which are tested as part of the policy with the involvement of customers. These changes include both improvements in service processes and modification of the product offer, always taking into account the feedback of our customers.

3.3. Affected communities (ESRS S3)

3.3.1 Impact, risk and opportunity management

Policies related to affected communities (S3-1)

Impacts and risks associated with affected communities

In the area of affected communities, we have identified our significant impacts in terms of their economic, social and cultural rights. These are indirect impacts through the business customers we serve, in particular those to whom we provide financing. This impact may be related to customers who operate in industries with high environmental and social risk, or those who act contrary to the law or ethical standards.

Communities that the Group has an impact on through the business customers it finances or serves:

- Local communities affected by investment projects financed by the Group (e.g. mining or industrial plants).
- Communities influenced by the Group's business customers who operate in high-risk industries in a social and environmental context.
- Communities influenced by the Group's business customers who do not comply with ethical standards or community rights (e.g. human rights).

In the Group, we are committed to conduct our business with respect for the rights of the communities affected by our activities, both directly and indirectly through cooperation with business partners and financing investments. Social responsibility is also an integral element of the Group's strategy for 2024-2026, in which we commit to supporting society through education, counteracting financial exclusion and implementing social activities.

As part of our policies and standards, we strive to minimize the negative impact on communities, while strengthening activities that generate positive effects for them. We place great value on compliance with international standards on human rights and the principles of social responsibility.

The key policies that govern our approach to managing impacts on communities are those related to human rights, counteracting the negative effects of investments and involvement in the life of local communities. Some of them are available on the Bank's website. The Management Board is responsible for implementing the policies (unless otherwise stated in the text).

Human rights are addressed first and foremost in the "Responsible Banking and Sustainability Policy". It addresses topics like the impact on communities through customers and our commitment to due diligence in managing social impact. It refers to the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Equatorial Principles. The policy is approved by the Management Board and the matters regulated therein are discussed by the ESG Committee and the ESG Forum. In 2024, we recorded no serious human rights issues, nor incidents related to affected communities.

> Policies to manage significant impacts, risks and opportunities related to communities (MDR-P)

Policy	Description of content	Scope of application of the policy and exclusions
Social, Environmental and Climate Change Risk Management Policy	Describes the Group's policy on investing, providing financial products and services to clients operating in sectors such as oil and gas, energy production and transmission, mining, metals, soft raw materials. The policy is supervised by the ESG Risk Management Office. ***Addressed IRO:*** *Lack of protection of affected communities through lack of mechanisms to monitor and review compliance of the use of proceeds related to sectors and activities with high risk of impact on environmental and social issues, Financing of clients involved in activities considered prohibited, contrary to the Bank's policies and ethical standards, may pose a risk to society.*	Bank, Santander Factoring, Santander Leasing, Santander TFI
Corporate governance principles for responsible banking	Define common principles, roles and responsibilities, key processes as well as governance and supervision structure for responsible banking activities. The Management Board and the Supervisory Board are responsible for the document. ***Addressed IRO:*** *The policy generally addresses all impacts identified for the area of affected communities.*	Group (excluding Stellantis companies)
Responsible Banking and Sustainability Policy	Covers issues such as social inclusion through financial education, the right of communities to live in a healthy and clean environment, mitigation and management of environmental and social impacts. ***Addressed IRO:*** *The policy addresses all impacts identified for the area of affected communities.*	Group (excluding Stellantis companies)
Sensitive sectors financing policy	Sets out specific terms for financing clients from certain sensitive sectors, where reputational risk is increased. This policy applies to industries like the gambling and sports betting industry, the cannabis industry and the tobacco industry. ***Addressed IRO:*** *Financing clients involved in activities considered illegal, contrary to the Bank's policies and ethical standards, may pose a threat to society.*	Bank, Santander Factoring, Santander Consumer Bank
Defence sector policy	Lists prohibited and restricted activities, like controversial weapons, production or trade in dual-use weapons and technologies, and also compliance with international sanctions and conventions. ***Addressed IRO:*** *Financing clients involved in activities considered illegal, contrary to the Bank's policies and ethical standards, may pose a threat to society, Human rights are not guaranteed due to the financing of activities in which past and repeated incidents are known to have occurred without prior validation processes.*	Bank, Santander Factoring, Santander TFI (Santander Leasing implemented their own regulations in this regard)
Reputational risk management policy	The document describes how we manage the risks associated with a negative impact on the Group's image, including issues of perception by key stakeholders.	Bank, Santander Factoring, Santander Leasing, Santander TFI

Subsidies policy	The policy sets out criteria for beneficiaries and purpose-related donations (i.e. human rights, education, science, job creation, innovation, entrepreneurship, research, human well-being and social development, etc.).	Bank, Santander TFI
Corporate Culture Policy of Santander Bank Polska Group	Defines and supports employee volunteering activities through volunteering and delivering initiatives that improve society and support the voluntary sector in specific areas. The Management Board and the Supervisory Board are responsible for the policy.	Group (excluding Stellantis companies)

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4) (MDR-A)

The Group engages in responsibly managing responsible management the impact of our activities on communities. This impact can be direct, as in the case of our social activities, or indirect, through the business customers we serve, particularly those to whom we provide funding for. In 2024, we took a number of actions to manage significant impacts on affected communities. We are implementing these activities on a continuous basis and will continue and adjust them in the years to come. For more details on ongoing activities and initiatives, see the following subsections and Chapter IV "Development strategy."

Impact on communities through customers

The impact we have on communities through our business clients is managed in two ways: we finance companies that pursue social goals, and we manage the risks associated with serving companies.

We finance companies that have a positive impact on communities, including in cooperation with development banks. In 2024, we signed an agreement with the European Investment Bank Group to securitise a portfolio of lease assets. We have committed to use the capital freed up by the transaction for additional financing of enterprises, with a particular focus on green and social assets. In the social area, the supported goal concerns the development of women's entrepreneurship. The cooperation will enable the mobilisation of a total of up to PLN 5 billion of new financing, of which at least one third will go to companies owned or run by women, or those offering products that address the effects of gender inequality. This is the largest transaction of its kind in terms of commitment made by the European Investment Bank (EIB) and the European Investment Fund (EIF) in cooperation with a commercial bank.

In the area of risk management, our activities address three main matters:

- community impacts associated with the investment projects we fund,
- impacts on communities related to the activities of the business clients we manage in relation to environmental, social and climate change risks,
- impacts on communities related to the activities of business clients we manage in relation to reputational risk.

With regard to the financing of investment projects, the Banco Santander Group is a signatory to the Equator Principles. The Bank has a procedure in place which, for projects financed by the Corporate and Investment Banking Division, implements the Equator Principles into a specialised process of assessing the environmental and social risk of projects. In addition, our internal regulations, 'Responsible Banking and Sustainable Development Policy' and 'Social, Environmental and Climate Change Risk Management Policy', are based on the Equator Principles. These principles are voluntary guidelines for financial institutions and concern the identification, assessment and management of environmental and social risks when financing projects. The Equator Principles define specific financing parameters that should be included in the study. These criteria to the total investment cost of the project (from 10 million USD of total cost, regardless of the value of financing from the Bank), the project phase, and the type of financing. We require our clients to provide relevant documents to carry out a due diligence analysis, including in the area of human rights, for compliance with the 'UN Guiding Principles on Business and Human Rights'. Then, as part of the environmental and social risk management process, we require our clients to inform the local community about the potential adverse impacts of the project and mitigation options, to make documentation available, to establish a mechanism for handling complaints, and to conduct a process of informed public consultation before construction begins. If material potential risks are identified, the clients manage them by implementing an Environmental & Social Action Plan (ESAP). This is prepared by an independent consultant in cooperation with the banks financing the project. For projects with a high potential risk, the Bank then requires monitoring reports, at contractually defined intervals, also prepared by an independent consultant, which are verified by the Bank. These issues are managed by the ESG risk unit, and its opinions are taken into account by decision-makers in the credit process. This process requires the Bank's involved units to collect relevant documentation and is subject to an internal control mechanism.

The process of assessing environmental and social risks at the level of the client is regulated by the Bank's internal procedures concerning clients of the Corporate and Investment Banking Division and clients of the Business and Corporate Banking Division who are subject to the 'Social, Environmental and Climate Change Risk Management Policy' or, in accordance with this Policy, conduct activities considered sensitive by the Bank. In the process concerning clients of the Corporate and Investment Banking Division, we take into account the impact of the client's activities on affected communities, among other things. We verify whether clients have appropriate policies, procedures or processes in place to prevent negative impacts on communities that result from the activities of the client or its suppliers. Through media monitoring, we also examine whether clients implement the provisions of their documents in practice. The environmental and social risk analysis process for clients of the Business and Corporate Banking Division is currently in the pilot phase and will be developed further in 2025.

In terms of reputational risk management, we monitor the activities of our business clients and the associated reputational risks for the Group. In accordance with the 'Reputational risk management policy' the process is carried out by the relevant units of the first and second line of defence, and is supervised by a member of the Bank's Management Board in charge of the Compliance Financial Crime and Prevention Division. For this purpose, we make use of, for instance, media monitoring. As part of it, we verify that the company or investment project is not controversial among the local community and take into account controversies related to respect of human rights or the social impact of the client or financed project in the decision-making process. Such cases are reviewed by the reputational risk unit. A negative opinion:

- may lead to the decision not to engage with the client,
- is taken into account in financing applications when a decision is made by the relevant body (e.g. credit committee), for new products or an existing commitment.

Remedies and termination of the customer relationship

In 2024, we have carried out activities that support the use of corrective measures. We introduced an internal procedure at the Bank for examining whether clients' investment projects comply with the Equator Principles. We have also broadened the scope of coverage of the 'Policy on financing sensitive sectors'. These actions complement internal processes, including those related to client monitoring and client remediation of potential damages. A detailed description can be found in the section S3-3 'Processes to remediate negative impacts and channels for affected communities to raise concerns'.

The termination of a business relationship through contract termination by the Bank is regulated by legal provisions, banking regulations, and the terms of agreements concluded with clients. If a client is found to have violated their obligations, particularly the provisions of the agreement, decisions on further actions are made appropriately, considering the nature and severity of the breach. These actions may include suspending the disbursement of subsequent financing tranches, increasing the margin, or terminating the contract. A client's negative impact on affected communities may constitute a violation of specific contractual obligations. An example includes agreements related to projects assessed under the Equator Principles methodology (details in section S3-3). Additionally, a client's negative impact on the community may serve as a basis for ending the business relationship in ways other than termination, such as refusing to extend financing

Corporate social responsibility measures

Our own social activities are addressed primarily to the residents of Poland. We carry out initiatives mainly in the field of:

- **the development of entrepreneurship, professional competences and education.** They are mainly aimed at entrepreneurs, students and other young people. In this area, in 2024, we offered, among others, assistance in entering the labour market in the form of training and educational materials available on the Santander Open Academy platform, concerning foreign languages and professional competences,
- **financial education.** We provide this education mainly for children and young people (and their guardians), including through the 'Finansiaki' project, which has been developed over the past few years,
- **education in the field of cybersecurity.** It is aimed at clients and the general public. We conduct our activities via internet and mobile banking channels, on the Bank's website, as well as on social media (including the 'Don't believe in fairy tales' campaign),
- **increasing access to financial services.** These are aimed at people with insufficient banking services or otherwise financially excluded. We offer them appropriately designed financial services and service channels, including partner branches and ATMs in smaller towns, accounts for children under 13 and the 'Cashless Poland' programme,
- **social support through the activities of the Santander Foundation.** These are mainly aimed at people in difficult life situations or at risk of social exclusion, as well as at local communities. This group of activities covers areas such as education and youth activities, socio-economic development, social assistance, humanitarian aid and environmental issues. Examples of projects include employee volunteering, grant programmes (such as ' Here I Live, Here I Make ECO Changes'' and 'Together for ECO-Change') and other charitable activities (such as 'We Multiply Good – in 2024, the aim of the collection and donation was to support paediatric oncology wards, or the 'Flame Club', as part of which we renovate and equip rooms in children's hospitals).

Our social action agenda refers to the international Business for Societal Impact Standards. Those actions are oriented towards the UN Sustainable Development Goals. Mostly, they contribute to the goals: Good quality education (SDG 4) and Good health and quality of life (SDG 3). Other goals implemented include: Ending Poverty (SDG 1), Less Inequality (SDG 2), Economic Growth and Decent Work (SDG 8), Climate Action (SDG 13) and Partnerships for the Goals

(SDG 17). In 2024, we were preparing to implement a new model for social activities, according to which the Group will devote most of its resources to social goals related to education, improving professional skills and developing entrepreneurship.

We measure the effectiveness of social programs primarily by their reach, thus by the number of social support beneficiaries and people reached by the educational content. We also monitor the value of funds that the Group allocates to social purposes. These activities are supervised by the Head Director of the Communications and Brand Experience Department and the results of the implementation of the activities are reported to the ESG Committee on a quarterly basis.

Processes for engaging with affected communities about impacts (S3-2)

Communities that we affect through customers have limited options to contact us, like filing complaints, which is a result of banking secrecy, because banking law prohibits us to share information about our customers. As a general rule, communities are thus not aware of the business relationship between us and our customers who exert influence over these communities. When it comes to working with affected communities, we therefore focus on the requirements we set for our clients.

In the case of investment projects financed by the Bank, we oblige clients to consult with the local community and to share appropriate documentation available to the community in the local language and in a culturally appropriate way, revealing any potential adverse impacts of the project on the environment and community. Our clients consult with stakeholders and then incorporate the results of these consultations into their operations. The process takes place at an early stage of the project, before construction begins. For projects with a high potential risk of negative environmental or social impacts, we require the client to hire an independent, qualified consultant. Their task is to evaluate the public consultation process in terms of legal requirements, to ensure taking the results into account in the client's further operations.

When we manage reputational risk, we monitor whether our clients' actions are controversial, including community protests. Where this is the case, we check whether the client has fulfilled its public consultation obligations, whether it is implementing a policy or plan for communicating with stakeholders, and whether it is participating in meetings with local communities.

When defining the objectives of the Group's social agenda, we address the needs of the community. We analyse them on the basis of publicly available analyses of social challenges and needs in Poland. We also carry out surveys commissioned by the Bank when we design specific social initiatives. We work with NGOs to determine both the directions of action and the optimal way to spend the funds. The objectives of activities related to employee volunteering are defined in cooperation with employees.

In 2024, we conducted opinion surveys on:

- financial and economic education needs,
- customer needs related to financial health,
- priorities of potential donors regarding the social causes they would like to support.

Cooperation processes with the affected community are carried out by the relevant organisational units responsible for respective matters, including:

- units responsible for reviewing media content and information from NGOs as part of reputation risk management,
- units implementing the Bank’s ESG risk management policies in the context of ensuring that local communities are able to voice their opinions and concerns about the activities of the Bank’s business customers,
- units implementing and coordinating the Group’s social activities (including the Fundacja Santander, ESG and sponsorship teams),
- units carrying out (potential and current) customer research and marketing research, in the case of social activities linked to business objectives,
- Units coordinating membership and collaborating with sustainability organisations on behalf of the Bank.

The implementation of processes is supervised by the managers of these units, who are either a department heads director or a member of the Management Board.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

In the context of corrective actions, we have not identified cases where the Group has a significant direct and negative impact on communities. Such a potential negative impact may occur in relation to the activities of our business customers. Due to the nature of our business relationship with them, we have limited influence on their activities, including remediation. Nevertheless, we monitor whether and how such actions are implemented.

With regard to the financing of investment projects within the Corporate and Investment Banking (CIB) Division, the application of the Equator Principles prevents the Bank from having a negative indirect impact. The clients minimise potential negative effects by implementing a plan (ESAP – Environmental & Social Action Plan). This is prepared by an independent consultant in cooperation with the project's financing banks. However, if such an impact cannot be avoided, we strive to ensure that clients minimise the impact on the community and implement the appropriate countermeasures, both in the social and environmental areas. Clients of the Corporate and Investment Banking Division whose projects are evaluated using the Equator Principles methodology are obliged by contractual provisions to inform us of negative environmental and social events related to the investment. The contract specifies sanctions or conditions for the disbursement of subsequent tranches of financing related to the client's compliance with the relevant standards (also specified in the contract). At the same time, we require these clients to have a grievance mechanism in place for the affected community for each investment project. The client is obliged to inform the community about this mechanism as part of the stakeholder engagement process.

In the process of assessing the client's environmental and social risks, we also verify that the client has put in place mitigation measures in the event of a negative impact and what their stance on the issue is. Such verification takes place in connection with the periodic review of clients of the Corporate and Investment Banking Division subject to the 'Social, environmental and climate change risk management policy'. Information about possible negative impacts and the corrective measures implemented by the client are taken into account when making a credit decision.

When managing reputational risk, we monitor whether the client carrying out controversial activities has offered compensation to affected communities and whether it is committed to community engagement. We conduct annual reviews, as well as ad hoc reviews if we identify a significant reputational factor on the client side. If we assess that the client's business requires corrective action, the compliance function commits the business unit to periodic reviews, the frequency of which depends on circumstances of the specific case. The business unit carries out media monitoring combined with direct dialogue with the client.

3.3.2 Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

Within the Group, we set strategic goals that allow us to monitor and manage the impact of our activities on communities. These goals relate to our direct influence and are subject to planning, approval, monitoring, and periodic review processes. The social responsibility strategy is developed, among other factors, based on stakeholder consultations, including representatives of civil society. In addition to strategic goals, we use operational metrics, which, as the strategy evolves, may be adapted to MDR-T requirements and classified as targets in the future.

Regarding community engagement efforts, the Bank has set a strategic goal (MDR-T) related to the number of beneficiaries of financial inclusion initiatives. This goal supports the Group's social impact strategy, which aims, among other things, to reduce financial exclusion, and is linked to the implementation of the "Responsible Banking and Sustainable Development Policy". It relates to increasing access to basic financial products and services, such as accounts, transactions, payments, and digital services, for unbanked individuals or those with insufficient access to banking services.

The goal is executed by ensuring access to a network of partner branches and ATMs in areas where the Bank does not have physical branches. These initiatives are carried out using an internal methodology, consistent across Banco Santander Group, based on international standards and verified by an independent external entity.

This target applies specifically to the Bank. The baseline year is 2023, when the goal was revised and incorporated into the Bank's new strategy. In 2023, the metric value was 145,849 beneficiaries. Within the 2024-2027 planning horizon (aligned with the Bank's strategic planning process), the target is to reach a total of 660,070 people

	2024 actual	2024-2027 plan
Number of beneficiaries of financial inclusion measures	201,573	660,070

The progress of the target is monitored on a quarterly basis as part of sustainability strategy progress reports, presented to the ESG Committee, the Management Board and the Supervisory Board. The level of ambition of the targets is reviewed in the annual planning processes, taking into account the trajectory of the Group's strategic objectives as well as plans and possibilities as to future activities.

Currently applied and monitored operational metrics (apply to the entire Group):

Name of operational metric	Metric
Support for society through educational programmes, addressing financial exclusion and social investment	▸ number of beneficiaries of financial education (and concerning cybersecurity). ▸ number of beneficiaries of social support. ▸ value of investments for community.
Building stakeholder trust through our social responsibility and stakeholder trust thro awareness	The image of a socially engaged bank. This NPS indicator reflects the perception of the Bank by current and potential customers compared to its direct competitors. It addresses the social responsibility dimension of the Bank's image.

Results of selected metrics in 2024:

- Number of beneficiaries of social support: 1.01 million.
- Number of beneficiaries of financial (and cyber-security) education: 744.6 thousand.
- Amount of social investment (in social support and financial education): PLN 10.61 million.

The number of social support beneficiaries includes Group support in the form of financial, material and employee volunteering. The number is based on the reach of individual initiatives, in line with accepted methodologies for reporting social metrics. We avoid double counting so that particular beneficiary benefiting from different activities under one initiative is only included once. In the absence of the tools to determine the exact number of beneficiaries of an initiative, we use an estimation method that involves subtracting 30% of people from the total reach of it.

We report on the beneficiaries of a social initiative after it has been completed, when the beneficiaries have already benefited from the support (which we provide to them directly or through social partners). We report on the amount of social investments at the beginning of a given project, when the Group's expenses are accounted for.

4. Governance information – Business conduct (G1)

4.1. Governance

Business conduct policies and corporate culture (G1-1)

Impacts and risks in business conduct

In the area of business activity and business conduct, according to the conducted double materiality analysis, topics such as corporate culture, whistleblower protection, supplier relationship management and anti-corruption are of key importance to us. The analysis identifies both significant impacts and risks that need to be managed appropriately in the Group.

- Impacts related to corporate culture include efforts to conduct business responsibly, taking into account the interests of employees, society and the environment. In the area of whistleblower protection, it is crucial to ensure confidentiality and effective channels for reporting violations, which fosters transparency and trust.
- Risks include supplier relationship management, where non-compliance with requirements such as operational resilience (e.g. DORA) can lead to business interruptions. In addition, risks exist in the area of corruption, where a lack of effective action can expose the organisation to reputational and financial losses.

The area of political influence and lobbying activities (G1-5) was not considered material in the double materiality analysis, as the Group is not engaged in activities that involve funding political parties, engaging in lobbying or undertaking other activities aimed at exercising political influence. Consequently, disclosures in this regard are not applicable to our business.

Business conduct policies (MDR-P)

Corporate governance in the Group defines the principles of the bodies and key systems and processes, shapes appropriate relations with the Bank's shareholders, customers and other stakeholders. The adopted principles build market confidence in the Group and indirectly support the sustainability and credibility of the domestic capital market. We place particular emphasis on the professionalism and ethical profile of the members of the management and supervisory bodies, as well as on transparency and utmost diligence in operations.

At Group Companies, corporate governance is based on applicable laws such as the 'Code of Commercial Companies' and the 'Banking Law', as well as supervisory guidelines, including the 'Corporate Governance Principles for Supervised Institutions' developed by the Polish Financial Supervision Authority (PFSA). In the case of the Bank, documents such as the 'Good Practices of Companies Listed on the WSE', 'Recommendation Z' on internal governance principles in banks issued by the PFSA and the 'Code of Banking Ethics' of the Polish Bank Association also play a key role. These standards and guidelines ensure consistency of operations, transparency and the highest quality of management within the Group.

A full description of the Bank's corporate governance is provided in Chapter XII 'Statement on corporate governance in 2024'

As a Group, we have developed and implemented internal regulations that set out policies for business conduct. These policies are made available to employees via the Intranet, during the onboarding process via training and induction materials, and through an internal knowledge base. The Management Board and, in some cases, the Supervisory Board are usually responsible for their implementation. Among the key documents are:

Policy	Description of policy content	Scope of applicability of the policy and exclusions
'Corporate Culture Policy of Santander Bank Polska Group	Defines the values, principles and standards of conduct that shape the way the Group and its employees operate. The Management Board and the Supervisory Board are responsible for the policy, ***Addressed IRO:*** *Acting in a responsible manner that takes into account not only the interests of investors and the Bank, but also the impact on employees, society and the environment, including the payment of taxes. Failure to fulfil the commitment to respect human rights due to the lack of adequate management structures, communication channels and scalability.*	Group (excluding Stellantis companies)
'Respect and Dignity Policy'	Sets out principles for countering mobbing, harassment and discrimination and promoting fairness to ensure a safe and decent working environment for all employees and stakeholders. ***Addressed IRO:*** *Act responsibly and take into account not only the interests of investors and the Bank, but also the impact on employees, society and the environment, including paying taxes.*	Group (excluding Stellantis companies)

'General Code of Conduct'	Defines ethical standards, compliance and accountability principles that apply to all employees, promoting integrity, transparency and the prevention of conflicts of interest in the Bank's operations. ***Addressed IRO:*** *Acting responsibly and taking into account not only the interests of investors and the Bank, but also the impact on employees, society and the environment, including paying taxes. Failure to fulfil the commitment to respect human rights due to lack of adequate management structures, communication channels and scalability.*	Group (Stellantis companies implemented a similar Code of Conduct for companies)
'Conflict of interest Policy'	Describes the process for identifying and managing conflicts of interest, in particular with a view to meeting the requirements set out in legislation. ***Addressed IRO:*** *Failure to respect human rights due to lack of appropriate governance structures, communication channels and scalability. Risk arising from lack of appropriate governance structures, internal regulations and scalability to manage and resolve ESG issues.*	Group (Stellantis companies implemented their own regulations in this regard)
'Anti-Bribery and Corruption Policy' (ABC Policy)	Sets out rules and procedures to prevent unethical actions such as offering, accepting or demanding financial or personal benefits in exchange for abuse of position or function. The Management Board and Supervisory Board are responsible for the policy. ***Addressed IRO:*** *Combating all forms of corruption.*	Group (Stellantis companies implemented a similar Code of Conduct)
'Whistleblowing Policy'	This policy, together with the 'Internal Reporting Procedure (protection of whistleblowers)', indicates the principles and procedures for safely reporting violations of laws, regulations or ethical standards within the organisation, considering the prohibition of retaliation. Amendments to both documents were implemented in December 2024 in connection with the opening of whistleblowing channels to customers and suppliers. ***Addressed IRO:*** *Protecting the confidentiality of whistleblower information through and effective communication system, in which the Bank provides the authorities with uniform information through solid, standardised rules and procedures in whistleblowing channels. Increase in the number of repeated incidents due to the failure to implement internal measures to effectively resolve incidents reported through complaint channels and the failure to implement continuous improvements.*	Group (Stellantis companies implemented their own regulations in this regard)
'Supplier Cooperation and Outsourcing Policy'	Sets out principles for supplier selection, assessment and monitoring, risk management and regulatory compliance. ***Addressed IRO:*** *The Policy addresses supplier relationship management issues, including payment practices and the risk arising from the non-implementation of operational resilience solutions related, for example, to DORA (Digital Operational Resilience Act) requirements for the entire value chain.*	Group (excluding Santander Factoring, Stellantis companies implemented their own regulations in this regard)
'Information Policy'	Scope and disclosure principles	Group (excluding Santander Factoring and Stellantis companies, Santander Leasing implemented its own regulations in this regard)
'Purchasing Policy' of Santander Bank Polska S.A.	Processing and verification of purchase requests, rules for the selection of suppliers. ***Addressed IRO:*** *The Policy addresses supplier relationship management issues, including payment practices.*	Group (excluding Santander Factoring and Santander Consumer Financial Solutions, Stellantis companies implemented their own regulations in this regard)

Business Conduct Actions (MDR-A)

The Bank implements a number of actions that stem from the policies described above and serve to prevent negative influences, contribute to positive ones, minimize risks and take advantage of opportunities in the area of business conduct. They are continuous in nature, which means that they will be continued and developed in future years. The following subsections detail the initiatives and actions taken in 2024 in areas such as organizational culture, protection of whistleblowers, managing practices with suppliers, and combating all forms of corruption.

Our corporate culture

In the Group, we adhere to the idea of the 'Santander Way' which defines the purpose and ways in which we operate. Our three corporate values – Simple, Personal, Fair – describe how we approach customers to whom we offer financial services, and employees working in Group companies.

The day-to-day operation of the Group is supported by a set of desirable corporate behaviours. Their acronym 'T.E.A.M.S' defines our priorities.

As a Group, we act ethically, following the values and principles written down in our key document, the publicly available 'General Code of Conduct', applicable to all companies. We defined in the Code detailed principles of ethical work in our organisation, present examples of behaviour desirable in specific situations and clearly communicate the consequences of violating ethical standards. The Code's standards are addressed to all employees of the Bank under an employment contract or those who cooperate with us under civil law contracts, including top management and members of the Bank's management and supervisory bodies. The organisational culture assessment process is carried out in accordance with the 'Corporate Culture Policy of Santander Bank Polska Group'. The assessment includes an analysis of how values are perceived among key stakeholders, in the Your Voice survey and customer satisfaction.

Selected aspects addressed by the provisions of the Code

1. **Corporate culture - 'Santander Way' and T.E.A.M.S. motto**
2. **Equal opportunities and non-discrimination**
3. **Inclusive and respectful work environment**
4. **Counteracting conflicts of interest**
5. **Processing confidential information and personal data**
6. **Rules of conduct in the media and during public appearances**
7. **Procedures to be followed in the securities markets**
8. **Maintaining fair and responsible relations with competitors**
9. **Cybersecurity**
10. **Responsible use of social media**
11. **Credibility and transparency of financial information**
12. **Control of staff expenditure**
13. **Respect for intellectual and industrial property rights**
14. **Selling banking products and services**
15. **Contacts with suppliers and intermediaries**
16. **Gifts and invitations from third parties**
17. **Countering financial crime**
18. **Cooperation with public authorities**

All employees are required to read and comply with the Code of Conduct. The principles described in the document are presented during onboarding training. They are also recalled periodically during mandatory training courses, such as the Bank's training in the 'General Code of Conduct'. Anti-corruption programme and prevention of the risk of criminal liability'. The Code is reviewed annually and was updated in 2024 in connection with the recommendation of the PFSA, regulatory changes and the amendment of the Labour Code, taking into account, among other things, issues of compliance with social and environmental regulations and an update of the breach reporting rules.

The Group's corporate culture in 2024 was also defined by:

- 'Responsible Banking and Sustainability Policy',
- 'Corporate Culture Policy of Santander Bank Polska Group',
- three corporate values – Simple, Personal, Fair,
- behaviours in line with T.E.A.M.S.

Mechanisms for identifying, reporting and investigating violations

At the Group we have implemented a whistleblowing system that ensures that internal and external stakeholders can report violations and irregularities through dedicated communication channels. This system is an integral part of our corporate culture, supporting adherence to the ethical standards and principles of social and business responsibility.

- Employees can report issues relating to, among other things, violations of the law, internal procedures or ethical standards in accordance with the 'Whistleblowing Policy'. Reports can be made both anonymously and openly using the KLAKSON application, the helpline, email addresses and traditional mail. Details of this process are described in the 'Our employees' section. In addition, based on the provisions of the 'Internal reporting procedure (whistleblower protection)', both employees and other persons who are bound to the Bank by their employment context can report violations of the law as defined in the Whistleblower Protection Act, via email address, traditional mail or during a meeting.
- Reports are handled in accordance with the "Whistleblowing Policy" and the "Internal Reporting Procedure (Whistleblower Protection)," the provisions of which set forth principles for preventing conflicts of interest at the stage of clarifying reported cases, maintaining confidentiality and anonymity, non-retaliation, and regular audits of the functioning of the whistleblowing model.
- Individual customers can report complaints, remarks and problems in accordance with the 'Consumer Protection Policy': online (via the e-banking system or mobile app, as well as using the online form), by phone, in person at any branch or partner branch and by letter. Deaf people can also use the option of video chat with the help of a sign language interpreter. For more on this, please see the 'Our customers' section.
- Other stakeholders can use the dedicated email address, make comments and suggestions by letter or phone, or in person at any branch or partner facility. For more on this topic, see the section 'Affected communities'.

[Own indicator: Number of reports of irregularities and/or issues for clarification to the, ,ethics mailbox' and helpline]

In 2024, we received 165 reports via whistleblowing channels (including ethics and "whistleblower" mailboxes, by letter, through the app, and a helpline)

At the Bank, as authorised by the Bank's Management Board, the Chief Compliance Officer is responsible for the operation of the whistleblowing procedures, and designated employees of the compliance function are authorised to receive and follow up on reports, as well as perform quarterly reporting of the results of investigations carried out to the Management Board.

The member of the Management Board who manages the Compliance and Anti-Financial Crime Division shall provide updates to the President of the Management Board and the Supervisory Board at least once every six months of material reports from whistleblowing channels. Material reports are understood to include, among other things matters:

- concerning specific individuals in the Bank,
- concerning persistent, repeated or major irregularities in the application of procedures or in the execution of processes,
- which may pose a risk of criminal, civil or administrative liability of the Bank or expose the Bank to regulatory sanctions,
- which contain information causing a high reputational risk for the Bank, the Group or the Banco Santander Group.

The Supervisory Board assesses the adequacy and effectiveness of the procedures as required, but at least once a year.

The whistleblowing system in Group companies also operates in accordance with the 'Whistleblowing Policy' The companies have adapted this system to the specific nature of their business and structure. They provide a variety of channels, such as applications, dedicated mailboxes, helplines or traditional mail. All Group companies provide the opportunity to report violations anonymously and openly, they also apply measures to protect whistleblowers from retaliation, maintain registers of reports, and communicate the results of investigations to management or supervisory bodies.

In 2024, educational efforts were continued to prepare employees to report workplace violations and preventive measures such as:

- A communication campaign, promoting ethical attitudes, a 'Speak Up' culture and how to report violations and irregularities,
- Educational activities by the Office of Ethics and Relationships for managers including meetings, articles and educational materials, aimed at sharing lessons learned from employee relations reports.
- A series of articles and webinars on labour relations violations for employees,
- Meetings held by the Director of the Ethics and Relations Office with members of the Management Board to discuss the conclusions and recommendations developed based on staff reports on workplace relations

Management of relationships with suppliers (G1-2) and payment practices (G1-6)

Supplier relations

In accordance with the Group's 'Responsible Banking and Sustainability Policy', we take care that ESG obligations are respected throughout the supply chain. The management of supplier relations is based on the 'Purchasing Policy', the 'Supplier Cooperation and Outsourcing Policy' and numerous procedures related to supplier management. The purchasing process involves a CSR survey, which bidders participating in tender procedures are required to complete, and the results form part of the merit evaluation. In 2024, we have introduced a comprehensive supplier ESG risk assessment system at the Bank – a step towards a more complete integration of environmental, social and corporate governance criteria in supplier relationship management. Additionally, in 2024, we developed an ESG Code for Suppliers to replace the CSR survey and establish minimum standards in the areas of environmental, social, and governance practices that we expect our partners to meet. Its formal adoption is planned for Q1 2025. In other Group companies, procurement and contract management procedures include elements of social responsibility, but we are implementing the above-mentioned measures exclusively at the Bank for now.

The most important regulations related to the supply chain management of Group companies are as follows:

	Santander Bank Polska S.A.	Santander Leasing S.A.	Santander Factoring Sp. z o. o.	Santander Consumer Bank S.A.	Santander TFI S.A.
'Purchasing Policy' of Santander Bank Polska	+	+		Purchasing and supplier management procedure	+
'Supplier Selection Procedure' of Santander Bank Polska	+		+		+
'Policy on cooperation with suppliers and outsourcing' of Santander Bank Polska	+			Outsourcing and supplier management model	+
'Responsible Banking and Sustainability Policy'	+	+	+	+	+
'Supplier management and outsourcing procedure' at Santander Bank Polska	+	+	+		+

* *Santander Leasing has regulations modelled on the Bank's documents – these include a supplier management procedure, a supplier cooperation policy and a purchasing procedure.*

We consider compliance with the principles of fair and equitable treatment, transparency and integrity in our dealings with suppliers. We expect our suppliers to implement policies on ethics and legal compliance, anti-corruption mechanisms and initiatives to ensure business integrity, health and safety standards, workplace diversity and inclusivity, as well as compliance with the UN Universal Declaration of Human Rights and the 10 principles of the UN Global Compact.

When qualifying suppliers for cooperation, the Bank verifies, among other things:

- whether they diversify their revenue streams and do not become dependent on the Bank,
- whether they have relevant certifications, e.g. on environmental protection and labour relations,
- whether they apply ESG principles, have codes of ethics, implement anti-corruption proceedings and programmes and publish reports,
- whether they operate ethically in financial matters, including paying employee contributions, taxes, and obligations to counterparties.

Ultimately, we want all Group Companies to include social and environmental criteria in the supplier selection processes they carry out directly for their operations. In 2024, some of the Group Companies undertook such assessments.

> Group companies incorporating sustainability criteria in their contractor selection procedure

	Santander Bank Polska S.A.	Santander Consumer Bank S.A.	Santander Leasing S.A.	Santander Factoring Sp. z o. o.	Santander TFI S.A.	Stellantis
Social criteria	+	+	–	–	–	–
Environmental criteria	+	+	–	–	–	–

Payment practices

In the Group, we do not have a formal, separate policy for preventing delays in payments to suppliers. Neither do we use standard payment terms – payments to suppliers are made on the basis of contractual or statutory arrangements. Instead, we have implemented procedures and regulations for the circulation and processing of accounting documents, as well as payment procedures to minimise the risk of delays. Electronic document workflow systems are in place throughout the Group to support the fast and efficient processing of invoices and other accounting documents.

> Key indicators reflecting payment practices in 2024:

	31.12.2024
Average time to pay the invoice (days)[10]	10.17
Percentage of payments made in accordance with agreed payment deadlines[11]	96.38%
Number of court cases concerning late payments	1

There are no supplier categories in the Group, so we report the indicators on payment practices together for all suppliers.

In 2024, we completed the implementation of the changes resulting from the DORA (Digital Operational Resilience Act) Regulation, the EU regulation on digital resilience of financial institutions. Throughout the implementation cycle, the project was monitored by Management Board Members within the Steering Committees and also within the banking compliance committee. The following units were involved in the project in the substantive and GAP analysis: Legal Area, Technology Risk Area, Supplier Control Team, CIO, CISO. Prior to the entry into force of the Regulation, we underwent an audit carried out by an independent audit firm on the Bank's compliance with the Regulation. We actively participate and have participated both in the cooperation with the Banco Santander Group and within the DORA project teams at the Polish Bank Association.

Prevention and detection of corruption and bribery (G1-3)

Conflicts of interest

The Group's conflict of interest policies are based on the regulations implemented in the Bank as the parent company. 'Conflict of Interest Policy at Santander Bank Polska S.A.' clarifies the provisions of the 'General Code of Conduct', imposing on all employees the obligation to prioritise the interests of the Group, customers and other stakeholders, which they may under no circumstances subordinate to their private interest.

According to the Code, employees and company management are bound by, among other things:

- no special treatment or offer of special terms and conditions of employment on the basis of personal or family ties,
- no additional benefit from a position held in the Group, except where expressly permitted,
- no participation in approving transactions or influencing transactions with economically or familial related persons acting as beneficiaries or guarantors.

The 'Conflict of interest policy at Santander Bank Polska S.A.' governs situations of conflict of interest, including:

- between customers,
- between the Bank and its customers,
- arising from the relationship between a Group company and the Bank acting as its parent,
- between Group companies and members of their governing bodies,
- with significant shareholders of Group companies,
- between the Bank and its suppliers, third parties or major business partners,
- between lines and/or business units of the Bank,
- between business two Group Companies,
- between members of the Bank's Supervisory Board or Management Board or between members of these bodies and other employees (arising, among other things, as a result of non-service relationships arising from kinship or affinity),
- between the Bank and related parties other than those listed above.

[10] *Data on the average time taken to pay invoices in the Group has been calculated according to a methodology in which, at Group Company level, the arithmetic average of the number of days taken to pay invoices in the reporting period is taken. At Group level, a weighted average is used, where the weight is the number of invoices paid by each entity. With this method, the indicator takes into account the diversity of suppliers and provides a representative picture of payment practices.*

[11] *Percentage indicator re. what proportion of invoices have been paid within the deadlines according to commercial agreements or arrangements with suppliers.*

In the Bank, potential conflicts of interest are assessed by experts from the Compliance and Anti-Financial Crime Division. They have the right to request certain data or information about personal or professional conditions that may affect the performance of employees' duties and their decisions.

Members of the Bank's Management and Supervisory Boards prevent conflicts of interest primarily by avoiding professional activities that may lead to their occurrence. They are also not permitted to take part in the resolution of matters where a conflict of interest involving them has arisen or may arise. They are furthermore obliged to inform the Bank of such situations. The issues of possible conflicts of interest concerning members of the Management Board and the Supervisory Board are examined prior to their appointment to these bodies and as part of regular secondary suitability assessments.

In accordance with generally applicable laws, the Bank discloses in its periodic financial statements to stakeholders:

- memberships on boards of directors/supervisory boards of other organisations,
- ownership of shares in supplier companies and other stakeholders,
- existence of controlling shareholders in the company,
- related parties, their relationships and transactions, as well as outstanding receivables.

Information on the assessment of the suitability of the members of the Bank's Management Board and Supervisory Board is submitted to the PFSA. In line with the Bank's suitability policies for members of its governing bodies, a reassessment of the time commitment required from a member of the Management Board or Supervisory Board is conducted if they assume an additional directorship or undertake other significant activities, including political engagements. The suitability assessment of Supervisory Board members is carried out by the General Meeting and the documents are published on the website.

In addition, the Bank complies with its legal obligation to disclose information about major shareholdings in accordance with the Public Offering Act. Issues of disclosure of conflicts of interest are also included in the 'Regulations for investment by or for the account of Obligated Persons in Financial Instruments at Santander Bank Polska SA'. It requires those discharging managerial responsibilities and those closely associated with them to provide the Polish Financial Supervision Authority and the Bank with information on any transaction concluded for their account with respect to the Bank's shares, the Bank's debt instruments, derivatives or other related financial instruments.

This policy is binding in the Bank and serves as a reference document to be followed by other entities within the Group in activities related to the matters it addresses. Group companies are required to use this document as the foundation for all related policies, procedures and regulations that they develop and implement in the field in question, while making any required changes to bring its provisions into line with local policies, recommendations and orders issued by supervisory authorities.

Counteracting corruption

Corruption prevention issues are described in the 'General Code of Conduct' in force across the Group. It is supplemented by the 'Anti-Bribery and Corruption Policy (ABC)', which clarifies, among other things, training requirements in this area. All Group companies operate according to the 'zero tolerance for corruption' principle, and the implemented regulations concern, among other things:

- offering gifts and invitations to public officials,
- gifts and invitations handed to employees,
- relations with third parties,
- implementation of additional control mechanisms,
- channels for reporting violations of the rules.

Another element of the anti-corruption and anti-bribery system in the Bank and in Santander Consumer Bank is a set of specific rules clarifying the conditions for accepting and offering gifts and invitations in relations with those outside the Bank, which are described within the 'Guidelines for gifts and invitations'. This regulation specifies which types of gifts and invitations cannot be given or accepted, as well as what the rules of conduct are for permitted cases, including but not limited to:

- conditions (adapted to the type and value of the gift or invitation) of the acceptance process for the acceptance or presentation of a gift/invitation are defined, applicable to all Bank employees,
- all gifts and invitations accepted or given by Bank employees are subject to entry in the gifts and invitations register,
- on a quarterly basis, we monitor the register according to the principles set out in the Guidelines and record the results,
- in the event of the identification of a case that may have the appearance of corruption, the matter is referred to the unit responsible for counteracting corruption.

Investigation of potential corruption or bribery cases

Within the Group, the committees of inquiry investigating corruption or bribery cases are independent of the management structures responsible for the prevention and detection of these cases. This operating model ensures the objectivity and transparency of the investigations. The composition of the committees is selected in each case in a way that eliminates potential conflicts of interest, which allows for a fair and impartial analysis of reported cases. The committee's work is conducted in accordance with the guidelines contained in the 'Anti-Bribery and Corruption Policy (ABC Policy)' and other internal Group regulations. Thus, we ensure that each report of corruption or bribery is dealt with in a fair manner, respecting the principles of confidentiality and professionalism, and that recommended corrective actions are implemented in accordance with accepted standards.

In the Bank, information on the number of reports categorised as corruption or bribery received through whistleblowing channels is reported to the Management Board and the Audit and Compliance Management Committee on a quarterly basis. In addition, these bodies receive an annual report that summarises the operation of the employee whistleblowing procedures. On this base, the Management Board assesses the adequacy and effectiveness of these procedures.

Anti-corruption training

Training on anti-bribery and corruption is mandatory for all our employees (including members of the Management Board and Supervisory Board). Training courses are held online, usually once a year, except for Santander Consumer Bank, where they are renewed every 2 years. Their scope includes local regulations, ethical rules, anti-corruption policies, gifts, conflicts of interest, the corporate defence model and case studies. Companies also provide additional training during onboarding or make materials available when regulations change. Data on training completion is systematically collected and monitored.

> Results of the Group's anti-corruption and ethics-related training programmes in 2024

	% of employees who received anti-corruption training in 2024
Group's top management – one level below the Management Board *	91.4%
Group's top management – two levels below the Management Board *	90.1%
Other Group employees **	91.2%
Group Total	91.2%

* *Top management: Defined as one or two levels below the management and supervisory bodies, which in the Group are the Management Board and the Supervisory Board. This includes senior executives and managers in the Bank, as well as members of the Boards of Directors of Group companies and individuals reporting directly to these Boards.*
** *Employees with long-term absences were not included.*

4.2. Measures and targets

Business conduct targets (MDR-T)

As of 31 December 2024, we have not set measurable, time-bound and results-oriented strategic targets in the Group that comply with MDR-T requirements for business conduct. Nonetheless, the effectiveness of our policies and activities is monitored through operational metrics such as:

- effective implementation of the Group Culture Policy through the average score of the engagement survey and eNPS.
- effective implementation of the Whistleblowing Policy (whistleblowing) and Internal Reporting Procedure (whistleblower protection) through the average number of reports per 1,000 employees per quarter (for more details, see subsection S1-5 'Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities').

Incidents of corruption or bribery (G1-4)

In the period from 1 January to 31 December 2024, there were three confirmed cases of corruption and bribery in the Group – as a result of those incidents, disciplinary measures were taken, and reports of suspected offences were filed against the employees. The detected incidents indicate that the procedures in force in the Group are effective in identifying and eliminating irregularities. We have not identified any gaps in the existing procedures, but we plan to continue monitoring their effectiveness and verifying the scope of training in counteracting corruption and bribery.

We have no information that, during the reporting period, any final convictions were handed down in connection with cases of corruption and bribery. Likewise, there were no penalties imposed on the Group for violations of anti-corruption and bribery laws. There were also no cases involving contracts with business partners that were terminated or not renewed due to breaches related to corruption or bribery.

5. Additional information

ESRS disclosure requirements covered by the entity's sustainability statement (IRO-2)

> ESRS table

Index code	Name	Place in report section
ESRS 2	General disclosure	General Disclosures (Sustainability of the Group)
BP-1	Basis for preparation of sustainability statement	General basis for preparation of the sustainability statement (BP-1)
BP-2	Disclosure in relation to special circumstances	Disclosures in relation to specific circumstances (BP-2)
GOV-1	The role of the administrative, management and supervisory bodies	The Role of the Management Board and the Supervisory Board (GOV-1)
GOV-2	Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake	Information provided to and sustainability matters addressed by the Management Board and the Supervisory Board (GOV-2)
GOV-3	Including sustainability-related outcomes in incentive systems	Integration of sustainability-related performance in incentive schemes (GOV-3)
GOV-4	Due diligence statement	Statement on due diligence (GOV-4)
GOV-5	Risk management and internal controls over sustainability reporting	Risk management and internal controls over sustainability reporting (GOV-5)
SBM-1	Strategy, business model and value chain	Strategy, business model and value chain (SBM-1
SBM-2	Stakeholder interests and opinions	Interests and views of stakeholders (SBM-2)
SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
IRO-1	Description of processes to identify the assessment of significant impacts, significant risks and significant opportunities	Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)
IRO-2	ESRS disclosure requirements covered by the entity's sustainability statement	ESRS disclosure requirements covered by the entity's sustainability statement (IRO-2)
ESRS E1	Climate change	Environmental information – climate change (ESRS E1)
ESRS 2 GOV-3	Including sustainability-related outcomes in incentive schemes	Integration of sustainability-related performance in incentive schemes (GOV-3)
E1-1	Transformation plan for climate change mitigation	Transition plan for climate change mitigation (E1-1)
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
ESRS 2 IRO-1	Description of processes for identifying and assessing climate-related significant impacts, risks and opportunities	Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)
E1-2	Policies related to climate change mitigation and adaptation	Policies related to climate change mitigation and adaptation (E1-2)
E1-3	Action and resources in relation to climate policy	Actions and resources in relation to climate change policies (E1-3)
E1-4	Climate change mitigation and adaptation objectives	Targets related to climate change mitigation and adaptation (E1-4)
E1-5	Energy consumption and energy mix	Energy consumption and energy mix (E1-5)
E1-6	Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions	Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions (E1-6)
E1-7	GHG removal and reduction projects using carbon credits	Other climate-related disclosures (E1-7, E1-8, E1-9)

E1-8	Internal determination of greenhouse gas emission charges	Other climate-related disclosures (E1-7, E1-8, E1-9) Disclosure does not apply to the Group
E1-9	Anticipated financial impacts from significant physical and transition risks and potential climate-related opportunities	Other climate-related disclosures (E1-7, E1-8, E1-9) Phase-in
ESRS S1	Own workforce	Our People – own workforce (ESRS S1)
ESRS 2 SBM-2	Stakeholder interests and opinions	Interests and views of stakeholders (SBM-2)
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
S1-1	Policies related to own workforce	Policies related to own workforce (S1-1)
S1-2	Procedures for working with your own employees and employee representatives to influence	Involvement of employees and procedures for working with employees' representatives (S1-2)
S1-3	Mitigation processes and channels for reporting problems by unit staff	Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)
S1-4	Taking action on significant impacts on its own workforce and using approaches to mitigate significant risks and exploit significant opportunities associated with its own workforce, and the effectiveness of these actions	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4) (MDR-A)
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)
S1-6	Characteristics of the Undertaking's Employees	Characteristics of employees (S1- 6)
S1-7	Characteristics of non-employees in the undertaking's own workforce	Characteristics of non-employees in the Group's own workforce (S1-7)
S1-8	Collective bargaining coverage and social dialogue	Collective bargaining coverage and social dialogue (S1-8)
S1-9	Diversity metrics	Diversity metrics (S1-9)
S1-10	Adequate wages	Adequate wages (S1-10)
S1-11	Social protection	Social protection (S1-11)
S1-12	Persons with disabilities	Persons with disabilities (S1-12)
S1-13	Training and skills development indicators	Training and Skills Development metrics (S1-13)
S1-14	Health and safety metrics	Health and safety metrics (S1-14)
S1-15	Work-life balance	Work-life balance metrics (S1-15)
S1-16	Remuneration metrics (pay gap and total remuneration)	Remuneration metrics (pay gap and total remuneration) (S1-16)
S1-17	Incidents, complaints and serious human rights impacts	Incidents, complaints and severe human rights impacts (S1-17)
ESRS S3	Affected communities	Affected communities (ESRS S3)
ESRS 2 SBM-2	Stakeholder interests and opinions	Interests and views of stakeholders (SBM-2)
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
S3-1	Policies related to affected communities	Policies related to affected communities (S3-1)
S3-2	Processes for engaging with affected communities about impacts	Processes for engaging with affected communities about impacts (S3-2)
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

S3-4	Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4) (MDR-A)
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)
ESRS S4	Consumers and end-users	Our customers – consumers and end-users (ESRS S4)
ESRS 2 SBM-2	Stakeholder interests and opinions	Interests and views of stakeholders (SBM-2)
ESRS 2 SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
S4-1	Policies related to consumers and end-users	Policies related to consumers and end-users (S4-1)
S4-2	Processes for engaging with consumers and end-users about impact	Processes for engaging with consumers and end-users about impacts (S4-2)
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)
S4-4	Taking action on significant impacts on consumers and end-users and applying approaches to manage significant risks and opportunities related to consumers and end-users, and the effectiveness of these actions	Taking action on material impacts on consumers and end- users,, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions (S4-4) (MDR-A)
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)
ESRS G1	Business Conduct	Governance information – Business conduct (G1)
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	The Role of the Management Board and the Supervisory Board (GOV-1)
ESRS 2 IRO-1	Description of processes to identify and assess significant impacts, risks and opportunities	Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)
G1-1	Business conduct policies and corporate culture	Business conduct policies and corporate culture (G1-1)
G1-2	Management of relationships with suppliers	Management of relationships with suppliers (G1-2) and payment practices (G1-6)
G1-3	Prevention and detection of corruption and bribery	Prevention and detection of corruption and bribery (G1-3)
G1-4	Incidents of corruption or bribery	Incidents of corruption or bribery (G1-4)
G1-5	Political influence and lobbying activities	Disclosure does not apply to the Group
G1-6	Payment practices	Management of relationships with suppliers (G1-2) and payment practices (G1-6)

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU)2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to Controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	

ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1			
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy- efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Paragraph 34;Template 2:Banking book -Climate Change transition risk: Loans collateralised by immovable		

		property – Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1			
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1			
ESRS 2- IRO 1 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1			
ESRS 2- IRO 1 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1			
ESRS 2- IRO 1 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1			
ESRS E4-2 Sustainable oceans / seas practices or Policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1			

ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1		
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1		
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1		
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I		
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I		
ESRS S1-1 Human rights policy Commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I		
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I		
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I		
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14	Indicator number 3 Table #3 of Annex I		

Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)		
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I	
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I	
ESRS S2-1 Human rights policy Commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1	
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		Delegated Regulation (EU) 2020/1816,Annex II
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1	

ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1		
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art. 12 (1)	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1		
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art. 12 (1)	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1		
ESRS G1-1 United Nations Convention against corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1		
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1		
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anticorruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1		

XIV. Statement of the Management Board

True and fair presentation of the financial statements

To the best of the Management Board's knowledge, the financial figures for the current and comparative reporting periods presented in the financial statements included in the "Annual Report of Santander Bank Polska S.A. for 2024" and "Annual Report of Santander Bank Polska Group for 2024" were prepared in keeping with the applicable accounting policies and give a true and fair view of the state of affairs and earnings of Santander Bank Polska S.A. and Santander Bank Polska Group. The Management Board's Report contained in this document shows a true picture of the development, achievements and position of Santander Bank Polska S.A. and its Group (including the underlying risks) in 2024.

Selection of auditor

The audit firm responsible for auditing the separate and consolidated financial statements of Santander Bank Polska S.A. for 2024 was selected in compliance with the applicable legislation. The Bank has the "Auditor Appointment Policy at Santander Bank Polska S.A.", the "Auditor Services Policy at Santander Bank Polska S.A." and the "Policy for Non-Audit Services Rendered by the Auditor", which include, among other things, the policy of selection of an audit firm and the policy of provision of non-audit services by an audit firm, an affiliate of an audit firm or a member of its network. The Bank complies with the applicable legal provisions relating to the rotation of audit firms and the key statutory auditor, and the appropriate cooling-off periods.

The following persons have signed this Management Board Report with a qualified electronic signature.

Date	Name and surname	Function	Signature
24.02.2025	Michał Gajewski	President of the Management Board	Signed with a qualified electronic signature
24.02.2025	Andrzej Burliga	Vice President of the Management Board	Signed with a qualified electronic signature
24.02.2025	Juan de Porras Aguirre	Vice President of the Management Board	Signed with a qualified electronic signature
24.02.2025	Lech Gałkowski	Member of the Management Board	Signed with a qualified electronic signature
24.02.2025	Artur Głembocki	Member of the Management Board	Signed with a qualified electronic signature
24.02.2025	Magdalena Proga-Stępień	Member of the Management Board	Signed with a qualified electronic signature
24.02.2025	Maciej Reluga	Member of the Management Board	Signed with a qualified electronic signature
24.02.2025	Wojciech Skalski	Member of the Management Board	Signed with a qualified electronic signature
24.02.2025	Dorota Strojkowska	Member of the Management Board	Signed with a qualified electronic signature