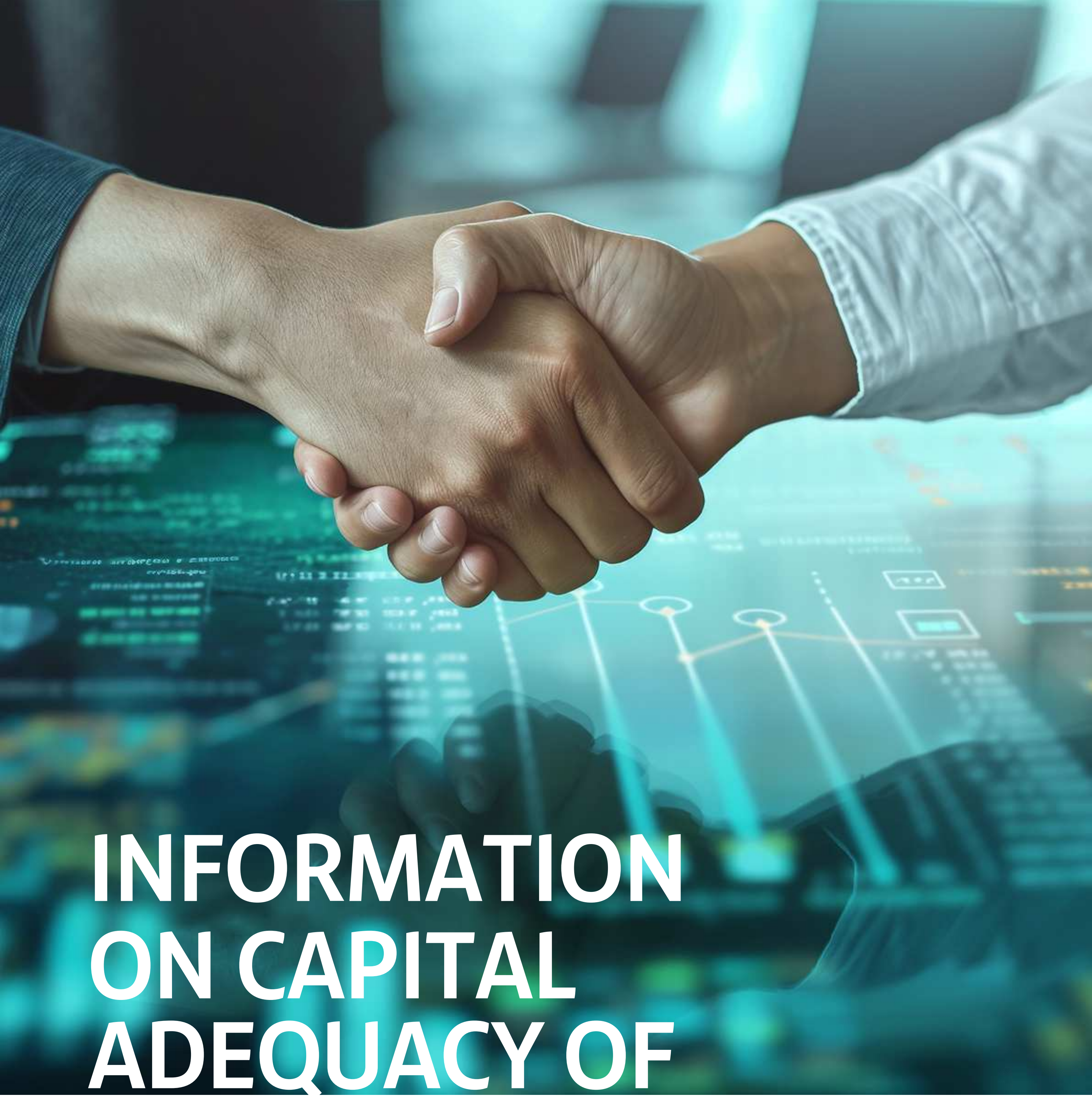


INFORMATION ON CAPITAL ADEQUACY OF

Santander Bank Polska Group as at 30 June 2025

Santander

I. Introduction

This document is issued under the Santander Bank Polska Group Disclosure Strategy formulated based on Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (hereinafter referred to as CRR), i.e. Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR II), as well as Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR III), which constituted the legal basis as at the reporting date, i.e. 30 June 2025.

Starting from January 1st, 2014 by the decision of the European Parliament and of the Council the new regulations of the CRD IV/CRR package come into force. The CRD IV/CRR package consists of two parts, the CRD IV Regulation and CRR Directive. Amendments to the above regulations are introduced by the CRD V/ CRR II package, the CRD VI/CRR III package. The regulations are directly applicable in all EU member states. The Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management in the financial system transposes CRD V and CRD VI into the Polish law.

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

The objective of the report is to present information about the capital adequacy of Santander Bank Polska Group in accordance with the requirements set out in Article 13 of CRR. The information is published in accordance with Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024. laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council as regards the public disclosure by institutions of the information referred to in Titles II and III of Part Eight of that Regulation and repealing Commission Implementing Regulation (EU) 2021/637.

The data presented in the report were prepared as at 30 June 2025. The information contained herein refers to the foregoing regulations to the extent applicable to the Bank and Santander Bank Polska Group. The figures presented in the Report are expressed in thousand PLN, unless otherwise stated. Any potential differences in the sums and percentages are due to presentation of the amounts with a specific degree of accuracy.

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

1. Capital Group

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

EU LI3 – OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY) AS AT 30.06.2025

Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Santander Factoring sp. z o.o.	Full consolidation	X					Factoring services
Santander F24 S.A.	Full consolidation	X					Lending services
Santander Leasing S.A.	Full consolidation	X					Lease services
Santander Finanse sp. z o.o.	Full consolidation	X					Financial, lease and insurance intermediary services
Santander Inwestycje sp. z o.o. *	Full consolidation	X					Purchase and sale of shares in commercial companies and other securities; prospecting activities
Santander Towarzystwo Funduszy Inwestycyjnych S.A.	Full consolidation	X					Management of open-ended investment funds and specialised open-ended investment funds, private closed-ended investment fund and portfolios that include one or more financial instruments
Santander Consumer Bank S.A. **	Full consolidation	X					Banking services
Santander Consumer Multirent sp. z o.o. **	Full consolidation	X					Leasing activities (finance and operating leases, leasing loan)
SC Poland Consumer 23-1 DAC **	Full consolidation	X					SPV set up for the purpose of securitisation
SCM Poland Auto 2019-1 DAC **	Full consolidation	X					SPV set up for the purpose of securitisation
Santander Consumer Financial Solutions sp. z o.o. **	Full consolidation	X					Lending institution-consumer loan
Stellantis Consumer Financial Services Polska sp. z o.o. **	Full consolidation	X					Financial services in support of car sales (consumer credit)
Stellantis Financial Services Polska sp. z o.o. **	Full consolidation	X					Financial services to support car sales (leasing, borrowing, factoring)
Santander Allianz Towarzystwo Ubezpieczeń S.A.	Equity method			X			Insurance services (personal and property insurance)
Santander Allianz Towarzystwo Ubezpieczeń na Życie S.A.	Equity method			X			Insurance services (life insurance)
Polfund - Fundusz Poręczeń Kredytowych S.A.	Equity method			X			Providing credit guarantees, investing and managing entrusted funds, financing activities (granting loans); training and advisory activities, promotional activities, supporting initiatives promoting entrepreneurship.

* On 27.06.2025, the Extraordinary Meeting of Shareholders of Santander Inwestycje Sp. z. o.o. decided to start the liquidation process of the company as of 1 July.

** Due to the intention to sell the companies, they are presented as discontinued operations in the consolidated financial statements. More detailed information on this transaction is presented in the section 'Corporate events', chapter I 'Review of the activities of the Santander Bank Polska S.A. Capital Group in 2025'. As a result of the above actions, in the 'Condensed interim consolidated financial statements of the Santander Bank Polska S.A. Capital Group for the 6-month period ended 30 June 2025'.

Subsidiaries

As at 30 June 2025, Santander Bank Polska Group comprised Santander Bank Polska S.A. and the following subsidiaries:

- Santander Consumer Bank S.A. (SCB S.A.);
- Santander Consumer Multirent Sp. z o.o. (SCM Sp. z o.o. – subsidiary of SCB S.A.);
- Santander Consumer Financial Solutions Sp. z o.o. (subsidiary of SCM Sp. z o.o.);
- SCM Poland Auto 2019-1 DAC (subsidiary of SCM Sp. z o.o.);
- SC Poland Consumer 23-1 DAC (subsidiary of SCB S.A.);
- Stellantis Financial Services Polska Sp. z o.o. (subsidiary of SCB S.A.);
- Stellantis Consumer Financial Services Sp. z o.o. (subsidiary of Stellantis Financial Services Polska Sp. z o.o.);
- Santander Towarzystwo Funduszy Inwestycyjnych S.A.;
- Santander Finanse Sp. z o.o.;
- Santander Factoring Sp. z o.o. (subsidiary of Santander Finanse Sp. z o.o.);
- Santander Leasing S.A. (subsidiary of Santander Finanse Sp. z o.o.);
- Santander F24 S.A. (subsidiary of Santander Finanse Sp. z o.o.);
- Santander Inwestycje Sp. z o.o.

Compared with 31 December 2024, the list of subsidiaries of Santander Bank Polska S.A. did not change.

As at 30 June 2025, all companies within Santander Bank Polska Group were consolidated with the Bank in accordance with IFRS 10.

On 5 May 2025, an announcement was published informing about an agreement concluded between Erste Group Bank AG (Erste Group) and Banco Santander S.A. (Santander Group) was published, pursuant to which the Erste Group will acquire the following shareholdings from the Santander Group: 49% of the shares in Santander Bank Polska S.A. in exchange for a cash payment of EUR 6.8 billion (which amounts to PLN 584 per share) and 50% of the shares in Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI S.A.) for EUR 0.2 billion. The total value of the transaction will amount to EUR 7 billion.

The sale is expected to be finalised at the end of 2025 and is subject to regulatory approvals and the fulfilment of other preconditions, including the sale to the Santander Group of 60% of the shares in Santander Consumer Bank S.A. currently held by Santander Bank Polska S.A.

The acquisition of 49% of the shares of Santander Bank Polska S.A. will give the Erste Group the status of the largest shareholder, and Banco Santander S.A. will retain a stake representing 13% of the share capital of Santander Bank Polska S.A.

On 12 May 2025, Santander Bank Polska S.A. announced that it had entered into discussions with Banco Santander S.A. regarding the sale of Santander Consumer Bank S.A.

For the purposes of the transaction on 13 June 2025. Ernst & Young limited liability company Corporate Finance sp.k. issued a fairness opinion for the Bank's Management Board on the financial terms of the potential transaction (fairness opinion).

The closing of the transaction will take place subject to all regulatory approvals (including the approval of the FSA) and the fulfilment of the other conditions set out in the transaction documentation.

In the first half of 2025, decisions was made to sell Santander Consumer Bank S.A. and liquidate Santander Inwestycje Sp. z o.o.:

- On 16 June 2025 Santander Bank Polska S.A. entered into a preliminary agreement with Santander Consumer Finance S.A. for the sale of 3 120k shares in Santander Consumer Bank S.A., representing 60% of the share capital and votes at the General Meeting of the company, for a total sale price of PLN 3 105b. The actual impact of the sale of shares on the Bank's equity may differ from the amount estimated on 16 June 2025. More detailed information on this transaction is presented in the section 'Corporate events', chapter I 'Review of the activities of the Santander Bank Polska S.A. Capital Group in 2025'. As a result of the above actions, in the *Condensed Interim Consolidated Financial Statements of the Santander Bank Polska S.A. Capital Group for the 6-month period ended 30 June 2025*. Santander Consumer Bank S.A. - together with its subsidiaries - was classified as a discontinued operation, i.e. meeting the criteria of a business held for sale.
- On 27 June 2025, the Extraordinary Shareholders' Meeting of Santander Inwestycje Sp. z o.o. decided to commence the process of liquidation of the company as of 1 July, appoint a liquidator and change its name to SPV XX04062025 sp. z o.o, which will be effective as of its registration in the National Court Register.

The Bank has estimated the impact of the deconsolidation of the SCB S.A. Group according to data as at 30 June 2025 on the consolidated total capital ratio, which would be 19.67% (+ 160 basis points) and the consolidated Tier I ratio would be 18.92% (+161 basis points).

Associates

In the consolidated financial statements of Santander Bank Polska Group for the 6-month period ended 30 June 2025, the following companies are accounted for using the equity method in accordance with IAS 28:

- Santander Allianz Towarzystwo Ubezpieczeń S.A.;
- Santander Allianz Towarzystwo Ubezpieczeń na Życie S.A.;
- POLFUND – Fundusz Poręczeń Kredytowych S.A.

Compared with 31 December 2024, the list of associates did not change.

Detailed information on the structure of the Santander Bank Polska S.A. Group is provided in the *Condensed Interim Consolidated Financial Statements of the Santander Bank Polska S.A. Group for the 6-month period ended 30 June 2025*.

II. Own funds

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

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

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

- Tier I capital;
- Tier II capital.

Tier I capital consists of:

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

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

Common Equity Tier I consists of:

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

f. Portion of deferred income tax assets depending on future profitability and arising from temporary differences, as well as direct and indirect holdings in Common Equity Tier I instruments, where the institution has invested a considerable amount of funds, which shall be deducted;

g. Defined benefit pension fund assets;

h. Cash flow hedge reserve;

i. Adjustments re IFRS 9 phase in – acc. to Article 473a;

j. Securitisation positions which can alternatively be subject to a 1 250% risk weight;

k. Shortage of coverage due to non-performing exposures acc. to Article 47 of CRR;

l. Own CET1 instruments.

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

Reconciliation between balance sheet items used to calculate own funds and regulatory own funds, according to methodology described in Annex to the Commission Implementing Regulation (UE) 2024/3172, is presented in the table below.

EU CC2 - RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE FINANCIAL STATEMENTS AS AT 30.06.2025 (PLN K)

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets - Breakdown by asset clases according to the balance sheet in the published financial statements				
1	Intangible fixed assets	845 252	347 684	III. Condensed consolidated statement of financial position (Assets)
2	Goodwill	1 688 516	1 712 056	
3	Deferred tax assets (net)	262 124	866 431	
	-including assets that do not exceed the threshold set in Article 48(1)(a)	262 124	866 431	
Liabilities - Breakdown by liability clases according to the balance sheet in the published financial statements				
1	Subordinated obligations	2 118 085	-	III. Condensed consolidated statement of financial position (Liabilities and Equity) - Note 25
	-including loans eligible as instruments under Tier II	2 118 085	980 649	
Shareholders' Equity				
1	Share capital	1 021 893	1 021 893	III. Condensed consolidated statement of financial position (Liabilities and Equity)
2	Other capital items	23 816 497	23 324 629	
3	Revaluation reserve	513 252	515 954	
4	Non-controlling interests	1 976 657	668 627	
5	Retained earnings	3 123 365	3 084 625	
6	Current year profit	2 751 594	-	
	Total Equity	33 203 258	28 615 728	

As at 30 June 2025, the total own funds of the Santander Bank Polska Group amounted to PLN **26 780 173k**.

The amounts and nature of their specific items are presented in EU CC1 table. The disclosure uses the template presented in Annex of Commission Implementing Regulation (UE) 2024/3172, which states the disclosure requirement of own funds items. The table is limited to lines relevant for Santander Bank Polska Group.

EU CC1 - COMPOSITION OF REGULATORY OWN FUNDS AS AT 30.06.2025 (PLN K)

			Amounts
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts		9 003 867
2	Retained earnings		3 084 625
3	Accumulated other comprehensive income (and other reserves)		15 208 800
EU-3a	Funds for general banking risk		649 810
5	Minority interests (amount allowed in consolidated CET1)		668 627
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**		**28 615 728**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-	108 135
8	Intangible assets (net of related tax liability) (negative amount)	-	2 059 741
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	575 826
15	Defined-benefit pension fund assets (negative amount)	-	5 424
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	170 701
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		-
EU-20c	of which: securitisation positions (negative amount)	-	170 701
EU-20d	of which: free deliveries (negative amount)		-
27a	Other regulatory adjustments	-	31 303
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-**	**2 951 131**
29	**Common Equity Tier 1 (CET1) capital**		**25 664 598**
Additional Tier 1 (AT1) capital: instruments			
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**		**-**
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		**-**
44	**Additional Tier 1 (AT1) capital**		**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**		**25 664 598**
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts		980 649
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		134 927
51	**Tier 2 (T2) capital before regulatory adjustments**		**1 115 576**
Tier 2 (T2) capital: regulatory adjustments			
57	**Total regulatory adjustments to Tier 2 (T2) capital**		-
58	**Tier 2 (T2) capital**		**1 115 576**
59	**Total capital (TC = T1 + T2)**		**26 780 173**
60	**Total Risk exposure amount**		**148 260 004**
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital		17,31%
62	Tier 1 capital		17,31%
63	Total capital		18,06%
64	Institution CET1 overall capital requirements		3,52%
65	of which: capital conservation buffer requirement		2,50%
66	of which: countercyclical capital buffer requirement		0,02%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement		1,00%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage		0,00%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**		**12,81%**
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		1 459
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		1 270 981
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		866 431

* Total Common Equity Tier 1 capital requirements have been calculated taking into account the institution specific countercyclical capital buffer.

1. Tier I

Common Equity Tier I

Share capital in accordance with the Bank's Statutes and the entry to the Court Register as at 30 June 2025 amounted to PLN **1 021 893k.**

Supplementary capital is created from profit allocations and from share premium. By the Bank's Statutes, the supplementary capital is created from net profit allocations. Its purpose is to cover any balance sheet losses. The value of the allocations is determined by the General Meeting of Shareholders. As at 30 June 2025, the supplementary capital in own funds was PLN **9 432 268k**. incl. share premium of PLN **7 981 974**k**.**

Other reserves are created from net profit allocations in an amount approved by the General Meeting of Shareholders. Other reserve are used to cover balance sheet losses if they are greater than the supplementary capital. The decision to resort to the reserve capital is taken by the General Meeting of Shareholders. As at 30 June 2025, after including prudential consolidation adjustments, the other reserves and accumulated other comprehensive income in own funds were PLN **15 208 800k**.

Funds for general banking risk are used to cover costs and losses connected with unidentified banking risks that were not separately provided for. As at 30 June 2025, the general risk fund earmarked for unidentified risks of the banking business was PLN **649 810k**.

Net profit of Santander Bank Polska Group from 1 January 2025 to 30 June 2025 totaled PLN **2 847 659k**, including PLN 96 064k of profit/(loss) attributable to shareholders who do not exercise control. As at 30 June 2025 Santander Bank Polska Group not included the current year profit in own funds.

As at 30 June 2025 in Own Funds of Santander Bank Polska Group the **retained earnings** are included in the amount of PLN **3 084 625k**. In April 2025, the General Meeting of Santander Bank Polska S.A. Shareholders agreed on the distribution of the net profit of **PLN 5 197 480k** for the accounting year from 1 January 2024 to 31 December 2024 as follows:

- PLN 3 897 632k was allocated to the dividend for shareholders;
- PLN 104 130k was allocated to capital reserves;
- PLN 1 195 718k kept undistributed.

Additionally, It was decided to allocate to dividend for shareholders the amount of PLN 840 887k out of the dividend reserve created by force of resolution no. 6 of the Annual General Meeting of 22 March 2021 on profit distribution and creation of capital reserve ("Resolution No. 6/2021"). Total amount allocated for Dividend was PLN 4 738 518k.

102,189,314 (say: one hundred two million, one hundred eighty nine thousand and three hundred fourteen) series A, B, C, D, E, F, G, H, I, J, K, L, M, N and O shares give entitlement to the dividend.
Dividend per one share was PLN 46.37.

The Dividend record day was 13 May 2025 and the dividend was paid out on 20 May 2025.

Minority interests

As at 30 June 2025, the minority interests recognised in the consolidated Tier 1 capital totalled PLN **668 627k** and were attributed of SCB Group.
Minority interest are no longer included in own funds based on the balance sheet value, but are calculated according to article 84 of CRR.

Adjustment and deductions from Common Equity Tier I

Santander Bank Polska Group has calculated the additional value adjustments due to the requirements for prudent valuation according to articles 34 and 105 of CRR. It amounted to PLN **(108 135)k**.

As at 30 June 2025, the adjustment of the Common Equity Tier 1 capital due to goodwill amounted to PLN **(1 712 056)k**, including:

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

As at 30 June 2025, deduction from Common Equity Tier I regarding other intangible assets amounted to PLN **(347 684)k**. The value of the shortage in coverage due to non-performing exposures amounted to PLN **(31 303)k**. The value of securitisation positions which can alternatively be subject to a 1 250% risk weight amounted to PLN **(170 701)k**.

2. Tier II

Subordinated liabilities

Own funds of Santander Bank Polska Group include:

- pursuant to the KNF decision of 24 February 2017 (letter No. DBK/DBK 2/7100/6/7/2016/2017), the subordinated bonds of EUR 120m issued by Santander Bank Polska S.A. on 2 December 2016, maturing on 3 December 2026 and taken up by investors, were allocated to Tier II capital;
- pursuant to the KNF decision of 19 October 2017 (letter No. DBK/DBK 2/7100/1/14/2017), the subordinated bonds of EUR 137.1m issued by Santander Bank Polska S.A. on 22 May 2017, maturing on 22 May 2027 and taken up by an investor, were allocated to Tier II capital;
- pursuant to the Decision of KNF of 6 June 2018 (document DBK-DBK2.7100.3.2018.) subordinated loan PLN 1b with maturity of 5 April 2028 were allocated to Tier II capital.

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

Hence, as at 30 June 2025, own funds include subordinated liabilities of PLN **980 649k**.

Instruments issued by subsidiaries that recognised in Tier II capital

Following the acquisition of control over Santander Consumer Bank in 2014, its qualifying own funds of PLN **134 927k**, calculated in accordance with Art. 88 of CRR as own funds of a subsidiary, represent another item of Tier II capital of Santander Bank Polska Group.

More details about the subordinated liabilities are presented in Note 25 to the Interim Report of the Condensed Interim Consolidated Financial Statements of Santander Bank Polska Group for the 6-month period ended 30 June 2025.

3. Own funds and eligible liabilities

The following information fulfils the obligations arising from the entry into force of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended.

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

According to Article 92a of the CRR, the requirements for own funds and eligible liabilities are calculated as 18% of the total risk exposure amount ("TREA") and 6.75% of the total exposure measure ("TEM").

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

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

This means that the minimum regulatory TLAC must be maintained at 21.52% of the TREA.

For Santander Bank Polska Group, the TLAC calculated as own funds and eligible liabilities in relation to the TREA as at 30 June 2025 is 23,40%. The TLAC calculated as own funds and eligible liabilities in relation to the TEM as at 30 June 2025 is 10.55%.

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

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

Based on the decision provided by the Bank Guarantee Fund of 22 April 2025, the target value of the MREL requirement for the Bank is 15.36% in relation to the total risk exposure amount (the subordination requirement is 15,22%) and 5.91% in relation to the total exposure measure.

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

As a result, the Bank needs to maintain the target MREL at 18.88% in relation to the total amount of risk exposure, including in respect of subordination at 18,74%.

As at 30 June 2025 the Bank met both requirements. the MREL in relation to the TREA was 23.40%, while the MREL including own funds and eligible subordinated liabilities was 21.31%. As at 30 June 2025, the MREL in relation to the TEM was 10.55%, in relation to subordinated debt 9.61%.

EU KM2 – KEY METRICS - MREL AND, WHERE APPLICABLE, G-SII REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES AS AT 30.06.2025 (PLN K)

		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
		a	b	c	d	e	f
		30.06.2025	30.06.2025	31.03.2025**	31.12.2024**	30.09.2024	30.06.2024
Own funds and eligible liabilities, ratios and components							
1	Own funds and eligible liabilities	34 690 117	34 690 117	34 413 017	34 272 990	34 813 235	33 174 728
EU-1a	Of which own funds and subordinated liabilities	31 590 117					
2	Total risk exposure amount of the resolution group (TREA)	148 260 004	148 260 004	144 593 326	147 720 782	151 357 992	147 447 770
3	Own funds and eligible liabilities as a percentage of TREA (row1/row2)	23,40%	23,40%	23,80%	23,20%	23,00%	22,50%
EU-3a	Of which own funds and subordinated liabilities	21,31%					
4	Total exposure measure of the resolution group	328 865 883	328 865 883	331 862 729	319 718 445	308 110 946	300 226 806
5	Own funds and eligible liabilities as percentage of the total exposure measure	10,55%	10,55%	10,37%	10,72%	11,30%	11,05%
EU-5a	Of which own funds or subordinated liabilities	9,61%					
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)		No	No	No	No	No
6b	Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)		3 100 000	3 100 000	3 100 000	3 955 820	3 962 600
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)		100%	100%	100%	100%	100%
Minimum requirement for own funds and eligible liabilities (MREL)*							
	TLAC expressed as a percentage of TREA		18,00%	18,00%	18,00%	18,00%	18,00%
	TLAC expressed as a percentage of TEM		6,75%	6,75%	6,75%	6,75%	6,75%
EU-7	MREL requirement expressed as percentage of the total risk exposure amount	15,36%					
EU-8	Of which to be met with own funds or subordinated liabilities	15,22%					
EU-9	MREL requirement expressed as percentage of the total exposure measure	5,91%					
EU-10	Of which to be met with own funds or subordinated liabilities	5,91%					

* Without taking into account the requirement for a combined buffer

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

EU TLAC1 - COMPOSITION - MREL AND, WHERE APPLICABLE, G-SII REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES SANTANDER BANK POLSKA GROUP AS AT 30.06.2025(PLN K)

		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not TLAC
Own funds and eligible liabilities and adjustments				
1	Common Equity Tier 1 capital (CET1)	25 664 598	25 664 598	-
2	Additional Tier 1 capital (AT1)	-	-	-
6	Tier 2 capital (T2)	1 115 576	1 115 576	-
11	Own funds for the purpose of Articles 92a CRR and 45 BRRD	26 780 173	26 780 173	-
Own funds and eligible liabilities: Non-regulatory capital elements				
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	3 700 000	3 700 000	-
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-	-	-
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	-	-	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	1 109 944	1 109 944	-
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	3 100 000	3 100 000	-
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	-	-	-
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	3 100 000	3 100 000	-
17	Eligible liabilities items before adjustments	7 909 944	7 909 944	-
EU-17a	Of which subordinated	4 809 944	4 809 944	-
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements				
18	Own funds and eligible liabilities items before adjustments	34 690 117	34 690 117	-
19	(Deduction of exposures between MPE resolution groups)		-	
20	(Deduction of investments in other eligible liabilities instruments)	-	-	
22	Own funds and eligible liabilities after adjustments	34 690 117	34 690 117	-
EU-22a	Of which own funds and subordinated	31 590 117		
Risk-weighted exposure amount and leverage exposure measure of the resolution group				
23	Total risk exposure amount	148 260 004	148 260 004	-
24	Total exposure measure	328 865 883	328 865 883	-
Ratio of own funds and eligible liabilities				
25	Own funds and eligible liabilities (as a percentage of total risk exposure amount)	23,40%	23,40%	0,00%
EU-25a	Of which own funds and subordinated	21,31%		
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	10,55%	10,55%	0,00%
EU-26a	Of which own funds and subordinated	9,61%		
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	5,40%	5,40%	
28	Institution-specific combined buffer requirement		3,52%	
29	of which: capital conservation buffer requirement		2,50%	
30	of which: countercyclical buffer requirement		0,02%	
31	of which: systemic risk buffer requirement		0,00%	
EU-31a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		1,00%	
Memorandum items				
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR		125 076 313	

Table EU TLAC3A can be found in Annex „Pillar III 2025 06 Tables", which is available on the Santander Bank Polska website.

III. Capital requirements

1. Total capital requirements

The capital requirements of Santander Bank Polska Group are set in accordance with part III of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended, which constituted the legal basis as at the reporting date, i.e. 30 June 2025.

In 2025, Santander Bank Polska S.A. applied the standardised approach to the calculation of capital requirement for credit and market risks and a new standardized approach for calculating the capital requirement for operational risk. Under this approach the total capital requirement for credit risk is calculated as a sum of risk-weighted assets multiplied by 8%. To calculate risk-weighted exposures, risk weights are allocated to all exposures in accordance with the CRR as amended. The Group measures its balance sheet assets and liabilities in accordance with International Accounting Standards and International Financial Reporting Standards.

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

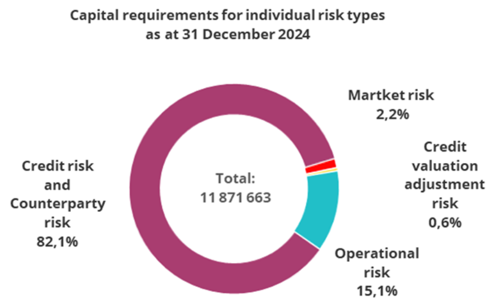
- capital requirement for credit risk;
- capital requirement for market risk, including:
  - ✓ capital requirement for positions risk, including:
    - specific and general risk of debt instruments;
    - specific and general risk of equity instruments;
  - ✓ capital requirement for FX risk;
- capital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

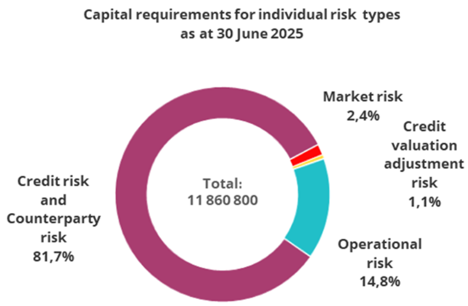
Santander Bank Polska Group calculates capital requirement separately for the exposures classified into the banking and trading book.

As at 30 June 2025, the total capital requirements of Santander Bank Polska Group calculated in line with the CRR was PLN **11 860 800k**, including:

- for credit risk, counterparty credit risk, credit valuation risk, securitization PLN **9 825 422k;**
- for market risk PLN **284 674k;**
- for operational risk PLN **1 750 704k.**

PERCENTAGE STRUCTURE OF THE CAPITAL REQUIREMENTS FOR 12/2024 VS 06/2025





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

EU KM1 - KEY METRICS AS AT 30.06.2025 (PLN K)

		30.06.2025	31.03.2025*	31.12.2024*	30.09.2024	30.06.2024
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	25 664 598	25 413 073	25 249 668	24 861 776	24 653 318
2	Tier 1 capital	25 664 598	25 413 073	25 249 668	24 861 776	24 653 318
3	Total capital	26 780 173	26 630 101	26 578 050	26 374 254	26 299 192
Risk-weighted exposure amounts						
4	Total risk exposure amount	148 260 004	144 593 326	147 720 782	151 357 992	147 447 770
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	17,31%	17,58%	17,09%	16,43%	16,72%
6	Tier 1 ratio (%)	17,31%	17,58%	17,09%	16,43%	16,72%
7	Total capital ratio (%)	18,06%	18,42%	17,99%	17,43%	17,84%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0,00%	0,00%	0,01%	0,01%	0,01%
EU 7e	of which: to be made up of CET1 capital (percentage points)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	0,00%	0,00%	0,00%	0,00%	0,00%
EU 7g	Total SREP own funds requirements (%)	8,00%	8,00%	8,01%	8,01%	8,01%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	0,02%	0,02%	0,02%	0,02%	0,01%
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer (%)	1,00%	1,00%	1,00%	1,00%	1,00%
11	Combined buffer requirement (%)	3,52%	3,52%	3,52%	3,52%	3,51%
EU 11a	Overall capital requirements (%)	11,52%	11,52%	11,53%	11,53%	11,52%
12	CET1 available after meeting the total SREP own funds requirements (%)	10,06%	10,42%	9,98%	9,42%	9,83%
Leverage ratio						
13	Total exposure measure	328 865 883	331 862 729	319 718 445	308 110 946	300 226 806
14	Leverage ratio (%)	7,80%	7,66%	7,90%	8,07%	8,21%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,00%	3,00%	0,03	0,03
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3,00%	3,00%	3,00%	0,03	0,03
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	88 277 146	83 932 106	80 153 395	78 738 271	78 759 401
EU 16a	Cash outflows - Total weighted value	58 461 208	55 601 152	53 178 983	52 589 006	53 158 751
EU 16b	Cash inflows - Total weighted value	15 999 047	15 034 456	14 770 379	14 393 214	15 020 467
16	Total net cash outflows (adjusted value)	42 462 161	40 566 696	38 408 604	38 195 791	38 138 285
17	Liquidity coverage ratio (%)	208%	207%	209%	207%	207%
Net Stable Funding Ratio						
18	Total available stable funding	225 289 087	224 341 645	220 903 388	212 099 324	208 195 299
19	Total required stable funding	146 155 502	141 768 384	142 507 759	139 844 267	136 163 566
20	NSFR ratio (%)	154%	158%	155%	152%	153%

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

EU OV1 – OVERVIEW OF RWA AS AT 30.06.2025 (PLN K)

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		30.06.2025	31.03.2025**	30.06.2025
1	**Credit risk (excluding CCR)**	**114 788 216**	**112 173 416**	**9 183 057**
2	Of which the standardised approach	114 788 216	112 173 416	9 183 057
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**4 632 804**	**4 363 490**	**370 624**
7	Of which the standardised approach	3 794 002	3 589 502	303 520
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	669 633	630 897	53 571
9	Of which other CCR	169 170	143 091	13 534
10	**Credit valuation adjustments risk - CVA risk**	**1 646 078**	**1 632 696**	**131 686**
EU 10a	Of which the standardised approach (SA)	-	-	-
EU 10b	Of which the basic approach (F-BA and R-BA)	1 646 078	1 632 696	131 686
EU 10c	Of which the simplified approach	-	-	-
15	**Settlement risk**	**-**	**-**	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**1 750 679**	**1 380 040**	**140 054**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	1 750 679	1 380 040	140 054
EU 19a	Of which 1250% / deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**3 558 422**	**3 159 879**	**284 674**
21	Of which the Alternative standardised approach (A-SA)	-	-	-
EU21a	Of which the Simplified standardised approach (S-SA)	3 558 422	3 159 879	284 674
22	Of which the Alternative Internal Models Approach (A-IMA)	-	-	-
EU 22a	**Large exposures**	**-**	**-**	**-**
23	**Reclassifications between trading and non-trading books**	**-**	**-**	**-**
24	**Operational risk**	**21 883 805**	**21 883 805**	**1 750 704**
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	5 343 532	6 469 192	427 483
29	**Total**	**148 260 004**	**144 593 326**	**11 860 800**

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

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

The biggest item is the total capital requirement of Santander Bank Polska Group is the capital requirement for credit risk (excluding counterparty credit risk), which on 30 June 2025 accounted for 77% of the total capital requirement. Santander Bank Polska S.A. manages credit risk on a priority basis, using its internal rating systems, credit concentration limits and sectoral exposure limits, seeking to maintain the possible highest quality of the credit portfolio.

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

2. Credit risk

The structure of the exposure

In the capital adequacy assessment process, Santander Bank Polska Group classified each of these exposures in accordance with the standardised approach as provided for in Article 112 CRR. The tables below present details of exposures in accordance with (UE) 2024/3172 Regulation. The exposure classes for which no items have been identified, have been disregarded.

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

EU CR1 - PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS AS AT 30.06.2025 (PLN K)

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005 Cash balances at central banks and other demand deposits	10 218 787	10 218 787	-	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	172 671 622	156 303 298	16 238 203	6 184 894	-	5 598 094	-1 209 424	-352 519	-855 144	-2 873 688	-	-2 770 147	-1 101 529	114 738 986	2 296 728
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	1 726 048	1 718 647	7 401	4	-	4	-2 095	-2 045	-51	-2	-	-2	-	15 337	-
040 Credit institutions	14 201 008	14 201 008	-	-	-	-	-352	-352	-	-	-	-	-	8 199 396	-
050 Other financial corporations	8 037 017	7 977 177	59 834	34 222	-	32 199	-21 666	-17 584	-4 082	-22 616	-	-22 339	- 10 602	4 907 434	8 886
060 Non-financial corporations	69 969 931	62 195 480	7 770 005	3 899 884	-	3 416 291	-608 394	-170 429	-437 847	-1 707 404	-	-1 648 473	-703 891	46 446 767	1 645 548
070 Of which SMEs	49 916 000	43 964 508	5 947 045	3 410 941	-	3 040 336	-549 554	-142 022	-407 415	-1 691 011	-	-1 632 080	-703 164	37 087 253	1 599 153
080 Households	78 737 617	70 210 986	8 400 962	2 250 784	-	2 149 600	-576 917	-162 109	-413 164	-1 143 666	-	-1 099 332	-387 036	55 170 052	642 295
090 Debt securities	74 448 166	74 447 804	-	27 270	-	27 270	-	-	-	-26 876	-	-26 876	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	61 902 562	61 902 562	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	10 492 512	10 492 512	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	2 053 093	2 052 731	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	27 270	-	27 270	-	-	-	-26 876	-	-26 876	-	-	-
150 Off-balance-sheet exposures	68 644 031	66 686 635	1 955 052	118 838	-	100 022	49 600	35 405	14 180	28 852	-	15 640		-	1 236
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170 General governments	2 932 468	2 931 773	695	-	-	-	323	322	1	-	-	-		-	-
180 Credit institutions	5 055 481	5 055 481	-	-	-	-	356	356	-	-	-	-		-	-
190 Other financial corporations	7 788 351	7 778 725	9 626	-	-	-	5 994	5 621	374	-	-	-		-	-
200 Non-financial corporations	46 863 538	45 243 205	1 619 980	110 147	-	93 339	36 707	25 128	11 577	28 847	-	15 636		-	1 236
210 Households	6 004 193	5 677 451	324 751	8 692	-	6 683	6 221	3 978	2 229	4	-	4		-	-
220 Total	**325 982 605**	**307 656 524**	**18 193 254**	**6 331 003**	**-**	**5 725 386**	**-1 259 025**	**-387 924**	**-869 324**	**-2 929 416**	**-**	**-2 812 663**	**-1 101 529**	**114 738 986**	**2 297 964**

* The escrows presented do not include the receivables of SCB and its subsidiaries, which are assets of the group classified as assets held for sale in accordance with IFRS5 'Non-current assets held for sale and discontinued operations' .For details, see Note 32 'Discontinued operations' in the Condensed Interim Consolidated Financial Statements of the Santander Bank Polska S.A. Group for the six months ended 30 June 2025.

As at 30 June 2025, the gross carrying amount of NPLs calculated in accordance with 2024/3172 Regulation was 3.46%, it is lower compared to the previous reporting period (as at 31 December 2024 NPL was 3.85%). The NPL ratio as at 30 June 2025 does not include receivables of SCB S.A. and its subsidiaries, which constitute the group's assets classified as assets held for sale in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'. Detailed information is presented in Note 32 'Discontinued operations' in the *Condensed Interim Consolidated Financial Statements of the Santander Bank Polska S.A. Capital Group for the six months ended 30 June 2025*.

EU CQ1 - CREDIT QUALITY OF FORBORNE EXPOSURES AS AT 30.06.2025(PLN K)

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	2 269 760	1 905 132	1 905 132	1 905 132	-127 606	-610 358	2 429 849	735 800
020 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	261	5 975	5 975	5 975	-42	-4 207	1 705	1 571
060 Non-financial corporations	1 296 358	1 425 744	1 425 744	1 425 744	-101 336	-409 903	1 464 167	539 324
070 Households	973 142	473 413	473 413	473 413	-26 227	-196 248	963 978	194 906
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	34 559	10 384	10 384	10 384	621	10 382	-	-
100 Total	**2 304 320**	**1 915 516**	**1 915 516**	**1 915 516**	**-128 226**	**-620 740**	**2 429 849**	**735 800**

* The escrows presented do not include the receivables of SCB and its subsidiaries, which are assets of the group classified as assets held for sale in accordance with IFRS5 'Non-current assets held for sale and discontinued operations' .For details, see Note 32 'Discontinued operations' in the Condensed Interim Consolidated Financial Statements of the Santander Bank Polska S.A. Group for the six months ended 30 June 2025.

EU CQ3 - CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYSW AS AT 30.06.2025 (PLN K)

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005 Cash balances at central banks and other demand deposits	10 218 787	10 218 787	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	172 671 622	171 965 980	705 642	6 184 894	2 487 712	525 462	991 625	960 849	723 840	274 151	221 255	6 184 894
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	1 726 048	1 726 046	2	4	-	-	1	3	-	-	-	4
040 Credit institutions	14 201 008	14 201 008	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	8 037 017	8 035 629	1 388	34 222	17 784	1 617	2 385	2 908	8 811	7	709	34 222
060 Non-financial corporations	69 969 931	69 775 378	194 553	3 899 884	1 598 450	233 222	617 978	631 312	417 443	223 592	177 887	3 899 884
070 Of which SMEs	49 916 000	49 726 553	189 447	3 410 941	1 389 047	233 159	355 142	629 898	416 400	209 450	177 845	3 410 941
080 Households	78 737 617	78 227 918	509 699	2 250 784	871 478	290 623	371 262	326 625	297 586	50 552	42 659	2 250 784
090 Debt securities	74 448 166	74 448 166	-	27 270	-	-	-	-	-	27 270	-	27 270
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	61 902 562	61 902 562	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	10 492 512	10 492 512	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	2 053 093	2 053 093	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	27 270	-	-	-	-	-	27 270	-	27 270
150 Off-balance-sheet exposures	68 644 031			118 838								118 838
160 Central banks	-			-								-
170 General governments	2 932 468			-								-
180 Credit institutions	5 055 481			-								-
190 Other financial corporations	7 788 351			-								-
200 Non-financial corporations	46 863 538			110 147								110 147
210 Households	6 004 193			8 692								8 692
220 Total	**325 982 605**	**256 632 932**	**705 642**	**6 331 003**	**2 487 712**	**525 462**	**991 625**	**960 849**	**723 840**	**301 421**	**221 255**	**6 331 003**

* The escrows presented do not include the receivables of SCB and its subsidiaries, which are assets of the group classified as assets held for sale in accordance with IFRS5 'Non-current assets held for sale and discontinued operations' .For details, see Note 32 'Discontinued operations' in the Condensed Interim Consolidated Financial Statements of the Santander Bank Polska S.A. Group for the six months ended 30 June 2025.

Table EU CR1-A, EU CQ4 and EU CQ5 can be found in Appendix „Pillar III 2025 06 Tables", which is available on the Santander Bank Polska website.

Credit risk mitigation

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

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

As at 30 June 2025, the Group's debt instruments portfolio included PLN **5 998 413k** worth of bonds of Bank Gospodarstwa Krajowego and PLN **2 052 731k** worth of bonds of Polski Fundusz Rozwoju (PFR), which were fully guaranteed by the State Treasury. In the case of debt issued in the domestic currency, a risk weight of 0% was assigned, while the remaining ones in EUR were assigned a risk weight of 4%.

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

EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES AS AT 30.06.2025 (PLN K)

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	67 956 476	117 035 714	102 558 770	14 476 944	-
2	Debt securities	74 448 560	-	-	-	
3	**Total**	**142 405 036**	**117 035 714**	**102 558 770**	**14 476 944**	**-**
4	Of which non-performing exposures	1 014 872	2 296 728	1 886 650	410 078	-
EU-5	Of which defaulted	1 014 872	2 296 728			

* The escrows presented do not include the receivables of SCB and its subsidiaries, which are assets of the group classified as assets held for sale in accordance with IFRS5 'Non-current assets held for sale and discontinued operations'.For details, see Note 32 'Discontinued operations' in the Condensed Interim Consolidated Financial Statements of the Santander Bank Polska S.A. Group for the six months ended 30 June 2025.

EU CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS AS AT 30.06.2025 (PLN K)

		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
	Exposure classes	a	b	c	d	e	f
1	Central governments or central banks	77 082 285	-	89 779 931	580 178	2 411 368	2,67%
2	Non-central government public sector entities	1 713 455	470 615	1 778 520	64 788	402 728	21,85%
EU 2a	Regional government or local authorities	1 539 587	240 366	1 676 134	53 620	345 951	20,00%
EU 2b	Public sector entities	173 868	230 249	102 386	11 168	56 777	50,00%
3	Multilateral development banks	5 032 627	-	9 978 260	-	-	
EU 3a	International organisations	-	-	-	-	-	
4	Institutions	13 227 117	6 092 099	13 502 716	754 071	4 430 386	31,08%
5	Covered bonds	-	-	-	-	-	
6	Corporates	34 879 425	38 236 042	24 879 903	3 343 451	25 773 758	91,32%
6.1	Of which: Specialised Lending	1 967 000	687 404	1 967 000	35 931	1 606 701	80,22%
7	Subordinated debt exposures and equity	1 306 388	-	1 306 388	-	3 252 619	248,98%
EU 7a	Subordinated debt exposures	-	-	-	-	-	
EU 7b	Equity	1 306 388	-	1 306 388	-	3 252 619	248,98%
8	Retail	39 503 062	11 901 932	37 851 623	2 648 614	27 575 697	68,09%
9	Secured by mortgages on immovable property and ADC exposures	82 017 609	7 554 519	79 639 107	1 499 116	41 730 548	51,43%
9.1	Secured by mortgages on residential immovable property - non IPRE	56 250 761	267 085	55 683 334	71 377	20 829 663	37,36%
9.2	Secured by mortgages on residential immovable property - IPRE	553 226	86 893	549 126	4 413	394 385	71,25%
9.3	Secured by mortgages on commercial immovable property - non IPRE	15 439 655	5 018 663	13 729 577	972 835	10 479 015	71,27%
9.4	Secured by mortgages on commercial immovable property - IPRE	6 954 030	17 743	6 892 951	6 796	5 359 247	77,67%
9.5	Acquisition, Development and Construction (ADC)	2 819 937	2 164 134	2 784 120	443 696	4 668 239	144,63%
10	Exposures in default	3 249 577	77 698	2 935 833	27 204	3 416 169	115,29%
EU 10c	Other items	7 072 508	-	7 072 508	-	5 794 943	81,94%
12	**TOTAL**	**265 084 054**	**64 332 905**	**268 724 789**	**8 917 423**	**114 788 216**	**41,34%**

Allocating risk weights to the credit portfolio

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

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

Pursuant to Article 125(2) of the CRR, Santander Bank Polska Group additionally assigns a preferential risk weight of 20% to a part of an exposure which is fully and completely secured by a mortgage on a residential property and whose value does not exceed 55% of the value of the property in question calculated according to Article 229(1) CRR. Pursuant to Article 126 CRR a risk weight of 60% is applied to a part of exposure which is fully and completely secured by a mortgage on a commercial property. Santander Bank Polska Group identifies income producing real estate exposures ("IPRE") and land acquisition, development and construction exposures ("ADC"). For IPRE a preferential risk weight is assigned according to the derogation specified in Articles 125(3) and 126(3) CRR. For exposures that meet the requirements set out in Article 123 CRR Santander Bank Polska Group applies the factor of 1.5 to an exposure's risk weight. Santander Bank Polska Group identifies project finance exposures to which risk weights are assigned as set out in Article 122a CRR.

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

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

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

For exposures to institutions for which no credit assessment by a nominated ECAI is available the risk weight is assigned according to Article 121 CRR

EU CR5 – STANDARDISED APPROACH AS AT 30.06.2025 (PLN K)

Exposure classes	Risk weight 0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	105%	110%	130%	150%	250%	370%	400%	1250%	Others	Total	Of which unrated
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa
1 Central governments or central banks	86 600 274	-	2 280 409	-	597 094	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	882 332	-	-	-	-	90 360 109	87 482 606
2 Non-central government public sector entities	-	-	-	-	1 729 754	-	-	-	-	113 554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 843 308	1 843 308
EU 2a Regional governments or local authorities	-	-	-	-	1 729 754	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 729 754	1 729 754
EU 2b Public sector entities	-	-	-	-	-	-	-	-	-	113 554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113 554	113 554
3 Multilateral development banks	9 978 260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9 978 260	9 978 260
EU 3a International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Institutions	-	218 103	-	-	1 953 705	11 453 652	-	462	-	310 519	-	-	-	-	-	30 503	-	-	-	289 843	-	-	-	-	-	14 256 787	552 904
5 Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Corporates	-	-		-	56 116	-		-	-	554 694	-	-	1 013 126	2 889	-	26 118 822	-	-	477 706	-	-	-	-	-	-	28 223 354	26 203 221
6.1 Of which: Specialised Lending	-	-	-	-	-	-		-	-	-	-	-	-	2 889	-	1 522 335	-	-	477 706	-	-	-	-	-	-	2 002 931	2 002 931
7 Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 900	-	-	-	-	1 297 488	-	-	-	-	1 306 388	1 306 388
EU 7a Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7b Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8 900	-	-	-	-	1 297 488	-	-	-	-	1 306 388	1 306 388
8 Retail exposures	-	-	-	-	-	-	-	-	340 067	-	-	-	40 160 170	-	-	-	-	-	-	-	-	-	-	-	-	40 500 237	40 500 237
9 Secured by mortgages on immovable property and ADC exposures	-	-	-	-	38 327 797	-	-	-	-	-	11 369 821	-	18 865 617	-	-	7 284 053	-	-	164 645	5 126 291	-	-	-	-	-	81 138 223	81 138 223
9.1 Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	38 173 161	-	-	-	-	-	-	-	17 483 165	-	-	98 385	-	-	-	-	-	-	-	-	-	55 754 711	55 754 711
9.1.1 No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	10 562 748	-	-	91 431	-	-	-	-	-	-	-	-	-	10 654 179	10 654 179
9.1.2 loan splitting applied (secured)	-	-	-	-	38 173 161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38 173 161	38 173 161
9.1.3 loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	6 920 416	-	-	6 954	-	-	-	-	-	-	-	-	-	6 927 370	6 927 370
9.2 Secured by mortgages on residential immovable property - IPRE	-	-	-	-	154 636	-	-	-	-	-	-	-	-	-	-	350 555	-	-	-	48 347	-	-	-	-	-	553 538	553 538
9.3 Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-	7 008 591	-	1 382 452	-	-	6 146 724	-	-	164 645	-	-	-	-	-	-	14 702 412	14 702 412
9.3.1 No loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	1 179 111	-	-	3 628 182	-	-	164 645	-	-	-	-	-	-	4 971 939	4 971 939
9.3.2 loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	7 008 591	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7 008 591	7 008 591
9.3.3 loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	203 341	-	-	2 518 542	-	-	-	-	-	-	-	-	-	2 721 883	2 721 883
9.4 Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	4 361 230	-	-	-	-	341 418	-	-	-	2 197 099	-	-	-	-	-	6 899 746	6 899 746
9.5 Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	346 971	-	-	-	2 880 845	-	-	-	-	-	3 227 816	3 227 816
10 Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 056 774	-	-	-	906 263	-	-	-	-	-	2 963 037	2 963 037
EU 10a Claims on institutions and corporates with a short-term credit assessment	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10c Other items	1 133 691	-	-	-	179 844	-	-	-	-	-	-	-	-	-	-	5 758 974	-	-	-	-	-	-	-	-	-	7 072 508	7 072 508
EU 11c TOTAL	97 712 224	218 103	2 280 409	-	42 844 309	11 453 652	-	462	340 067	978 767	11 369 821	-	60 038 913	2 889	-	41 258 027	-	-	642 351	6 322 398	2 179 819	-	-	-	-	277 642 211	259 040 692

Santander Bank Polska Group does not disclose the EU CMS1 and EU CMS2 tables due to the fact that it only calculates credit risk capital requirements under the standard method.

3. Counterparty credit risk

The structure of the exposition

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

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

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

EU CCR1 – CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH AS AT 30.06.2025 (PLN K)

		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1,4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1,4	-	-	-	-
1	SA-CCR (for derivatives)	1 980 907	3 614 508		1,4	7 833 581	7 833 581	7 833 581	3 794 002
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					12 863 573	413 667	413 667	169 170
5	VaR for SFTs					-	-	-	-
6	**Total**					**20 697 155**	**8 247 248**	**8 247 248**	**3 963 172**

EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS AS AT 30.06.2025 (PLN K)

		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	19 060	-	-	-	691 354	-	-	-	-	-	-	710 414
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	0	-	-	-	-	-	-	0
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	3 241 251	-	-	835 344	0	-	-	-	13 830	6 024 817	10 115 243
7	Corporates	-	-	-	-	10 799	104 619	-	465 094	2 053 562	-	40 111	2 674 185
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	666	-	666
11	**Total exposure value**	**19 060**	**3 241 251**	**-**	**-**	**1 537 498**	**104 619**	**-**	**465 094**	**2 053 562**	**14 496**	**6 064 928**	**13 500 508**

EU CCR8 – EXPOSURES TO CCPS AS AT 30.06.2025 (PLN K)

		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**66 298**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	3 241 251	64 825
3	(i) OTC derivatives	3 227 355	64 547
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	13 896	278
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	73 667	1 473
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		**603 334**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	2 012 008	603 334
13	(i) OTC derivatives	2 012 008	603 334

Credit risk mitigation

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

EU CCR5 – COMPOSITION OF COLLATERAL FOR CCR EXPOSURES AS AT 30.06.2025 (PLN K)

	Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	1 074 428	63 636	4 479	-	2 630 785	-	3 600 917
2	Cash – other currencies	-	519 906	670 182	982 742	-	-	-	7 872 106
3	Domestic sovereign debt	-	-	-	-	-	3 508 363	-	2 678 811
4	Other sovereign debt	-	173 983	-	-	-	7 613 798	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	17 873	-	372 099	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**-**	**1 786 189**	**733 818**	**1 359 320**	**-**	**13 752 946**	**-**	**14 151 834**

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

For the calculation of CVA risk Santander Bank Polska Group uses the Reduced BA-CVA method as specified in article 384 CRR. Considering the application of the Reduced BA-CVA method for calculating CVA Bank does not disclose the EU CVA4 table.

4. Market risk

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

EU MR1 - MARKET RISK UNDER THE STANDARDISED APPROACH AS AT 30.06.2025 (PLN K)

		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	2 364 286
2	Equity risk (general and specific)	1 194 136
3	Foreign exchange risk	-
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total**	**3 558 422**

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

In order to hedge interest rate risk in the banking portfolio, the Bank conducts an annual limit planning process. The limit structure includes risk appetite statement (RAS) limits and operational limits. RAS limits are approved by the Management Board and Supervisory Board, while operational limits are approved by the Market and Investment Risk Committee. For the most important metrics, i.e., MVE sensitivity and NII sensitivity, the limit structure includes both operational limits and RAS limits. The interest rate risk management strategy for the banking book is approved by the Asset and Liability Management Committee (ALCO), primarily within the first-line of defense mandates. The main instruments for rate risk management include:

- Balance sheet management to ensure structural exposure is aligned with the expected risk appetite;
- Interest rate swaps. These are used for both hedge accounting and economic hedging;
- Bond portfolio management (ALM).

The table below presents the sensitivity of MVE and NII for the Santander Bank Polska Capital Group, including Santander Consumer Bank S.A.

EU IRRBB1 - INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES AS AT 30.06.2025 AND 31.12.2024 (PLN K)

	Supervisory shock scenarios	Changes of the economic value of equity *		Changes of the net interest income **	
		30.06.2025	31.12.2024	30.06.2025	31.12.2024
1	Parallel up	-3 165 584	-2 727 740	348 127	434 453
2	Parallel down	627 423	539 645	-1 005 599	-1 087 046
3	Steepener	470 252	435 702		
4	Flattener	-1 735 130	-1 534 429		
5	Short rates up	-2 631 746	-2 316 714		
6	Short rates down	1 072 098	988 751		

* MVE sensitivity is calculated in accordance with the EBA guidelines contained in EBA/RTS/2022/10

** NII sensitivity is calculated in accordance with the EBA guidelines contained in EBA/RTS/2022/10

The increase in MVE sensitivity between 30 June 2025 and 31 December 2024 is primarily due to new investments in fixed-coupon bonds. The decrease in NII sensitivity was primarily due to a decrease in the volume of short-term securities held and the Bank's actions as part of its interest income hedging strategy.

No significant changes have been made to the assumptions or parameters used in the models since the previous disclosures in the report *Information on Capital Adequacy of Santander Bank Polska Group as at 31 December 2024*.

Most of the key model assumptions and parameters used for the disclosures included in Table EU IRRBB1 (in Annex XXXVIII – Instructions for Disclosure of Information in Templates Regarding Interest Rate Risk for Positions Not Included in the Trading Book) are consistent with the Bank's assumptions adopted for its internal measurement of interest rate risk in the banking book. For internal purposes of calculating the combined MVE sensitivity and NII sensitivity, the Bank uses an internal model for aggregating the sensitivity of positions in different currencies, which takes into account correlations between currencies and their historical volatility. Additionally, it is worth noting that the Bank does not use a floor for the curves used in internal measurement.

Behavioral models used for both internal and regulatory purposes play a significant role in the IRRBB measurement. The following models have the greatest impact on risk measures:

- The loan prepayment model, which distinguishes cash loans (divided into fixed and variable interest rates), mortgage loans (divided into fixed-variable and variable interest rates), and loans for the SME and BCB segments;
- The term deposit break model (divided into retail and wholesale customers);
- The model for undated deposits, which includes a sub-model that takes into account the relationship between market interest rates and the amortization profile of the deposit balance.

The models are regularly monitored to assess their performance and adapt to the changing regulatory and legal environment, market conditions, and the Bank's internal situation.

The table below presents the average and longest repricing period for deposits without maturity as of June 30, 2025.

Product	Average period (in years)	Maximum period (in years)
Retail current accounts	4,78	10
Retail saving accounts	0,13	10
Wholesale current accounts	2,53	10
Wholesale saving accounts	0,08	10

IV. Capital buffers

The Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management in the financial system implemented the provisions of CRD IV, as amended, into Polish law, including in particular the provisions on the maintenance of additional capital buffers by banks.

Moreover, the KNF set the minimum capital ratios for banks. Since 2018, banks should maintain Tier 1 capital ratios at the minimum levels under Pillar 1 as set out in Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended and under Pillar 2 ("add-on") arising from Article 138(1)(2a) of Banking Law (consolidated text: Journal of Laws of 2017, item 1876) and combined buffer requirement set out in Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management (consolidated text: Journal of Laws of 2025, item 819).

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

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

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

Bank received a letter from the Polish Financial Supervision Authority (letter no. DBK-DBK2B.7100.1.2025 dated 11 March 2025) regarding the expiry of a decision issued by Polish Financial Supervision Authority dated 21 December 2023 (no. DBK-DBK2B.7100.2.2023) concerning imposing on the Bank the amount of an additional capital requirement over the amount calculated in accordance with detailed rules defined in Regulation (EU) No 575/2013 for the Bank' Group. The Polish Financial Supervision Authority imposed the additional capital requirement covering the risk of the foreign currency mortgage loans for households, at Bank's Group level at amount 0.013 p.p., for the amount calculated in accordance with article 92 item 1 letter c of the Regulation (EU) No 575/2013, which should be covered at least in 75% by Tier I funds (equivalent to own funds requirement of 0.010 p.p. over the amount calculated in accordance with article 92 item 1 letter b of the Regulation (EU) No 575/2013) and at least in 56.25% of the Common Equity Tier I capital (equivalent to own funds requirement of 0.007 p.p. over the amount calculated in accordance with art. 92 clause 1 letter a of the Regulation (EU) No 575/2013).

To mitigate the risk of credit crunch arising from the Covid-19 pandemic, on 18 March 2020 the Minister of Finance, issued a regulation based on the recommendation of the Financial Stability Committee removing banks' obligation to keep the systemic risk buffer of 3%.

On December 17, 2024, the Bank received a letter from the Polish Financial Supervision Authority informing that in the supervisory review process, the Bank's sensitivity to the potential materialization of stress scenarios affecting the level of own funds and risk exposures was assessed as low. The total capital add-ons recommended under Pillar II, offset by the capital conservation buffer requirement, amount to 0.00 percentage points on a standalone basis and 0.00 percentage points on a consolidated basis, therefore the PFSA doesn't set an additional P2G capital add-on to absorb potential losses resulting from the occurrence of stress conditions.

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

At the meeting of the Financial Stability Committee held on 14 June 2024, the Committee adopted a resolution on the recommendation to set the countercyclical capital buffer rate at the level of:

- 1% - after 12 months;
- 2% – after 24 months.

since the announcement of the regulation by the Minister of Finance. The representative of the Minister of Finance accepted the recommendation and declared to take appropriate legislative actions. By Regulation of the Minister of Finance of 18 September 2024 on the countercyclical buffer rate, the buffer rate will be 1% after 12 months.

The institution specific countercyclical capital buffer for other countries as at 30 June 2025 for the Group amounts to 0.02%. Santander Bank Polska Group calculates the bank-specific countercyclical capital buffer in accordance with the Act of 5 August 2015 on macroprudential supervision over the financial system and crisis management.

EU CCYB2 - AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER AS AT 30.06.2025 (PLN K)

1	Total risk exposure amount	148 260 004
2	Institution specific countercyclical capital buffer rate	0,02%
3	Institution specific countercyclical capital buffer requirement	32 930

Table EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer can be found in Appendix „Pillar III 2025 06 Tables", which is available on the Santander Bank Polska website.

Taking into account the above requirements the minimum capital ratios as at 30 June 2025 are as follows:

- Tier 1 capital ratio of 9.52% and 9.52% for the Bank and the Group, respectively;
- total capital ratio of 11.52% and 11.52% for the Bank and the Group, respectively.

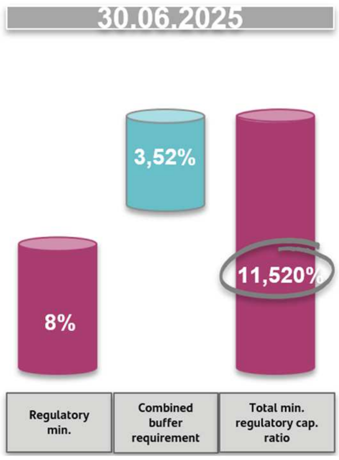
The table below presents unconsolidated and consolidated minimum ratios.

CAPITAL BUFFERS OF BANK AND SANTANDER BANK POLSKA GROUP AS AT 30.06.2025

IV. CAPITAL BUFFERS

Components of the minimum capital requirement		30.06.2025
Minimal capital ratios	Common Equity Tier 1 capital ratio	4.5%
	Tier 1 capital ratio	6%
	Total capital ratio	8%
Additional capital requirement for Santander Bank Polska relating to the portfolio of FX mortgage loans for households	Santander Bank Polska	no requirement
	Santander Bank Polska Capital Group:	
	· for total capital ratio:	✓ 0 p.p.
	· Tier 1 capital ratio:	✓ 0 p.p
	· for Common Equity Tier 1 capital ratio:	✓ 0 p.p
The capital buffer for Santander Bank Polska as other systemically important institution		✓ 1 p.p.
The capital conservation buffer maintained in accordance with the Macroprudential Supervision Act		✓ 2.5 p.p.
The systemic risk buffer (SRB)		✓ 0 p.p.
The institution specific countercyclical capital buffer		✓ 0.02 p.p.
The bank's sensitivity to an unfavorable macroeconomic scenario measured using the supervisory stress tests results (P2G)	Santander Bank Polska	✓ 0 p.p.
	Santander Bank Polska Capital Group	✓ 0 p.p.

CAPITAL BUFFER AND RATIOS OF SANTANDER BANK POLSKA GROUP AS AT 30.06.2025



V. Capital adequacy

Pursuant of Article 92 of CRR, as amended, total capital ratio is determined on the basis of own funds and total capital requirements multiplied by 12.5.

The capital requirement for Santander Bank Polska Group as at 30 June 2025 was determined in accordance with Regulation no. 575/2013 of the European Parliament and the Council of 26 June 2013 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (hereinafter referred to as CRR), i.e. Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR II), as well as Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (CRR III), which constituted the legal basis as at the reporting date, i.e. 30 June 2025.

The capital requirements for credit and market risks were calculated using a standardized approach, and capital requirement for operational risk was calculated using a new standardized approach. The capital requirement for credit risk is the most significant one.

The value of asset exposure is the carrying value of the asset after adjustments for specific credit risk, additional value adjustments and other own fund deductions related to a particular asset. The off-balance sheet exposure is the percentage of the nominal value less adjustments for specific credit risk.

Taking into account total capital requirements of PLN **11 860 800k** as at 30 June 2025 and own funds of PLN **26 780 173k**, the capital ratio of Santander Bank Polska Group is **18.06%.**

The **total capital ratio** as at 30 June 2025 vs. 31 December 2024 was impacted by the following:

- allocation of the profit for 2024 to Tier 1 capital and the dividend payment;
- amortization of subordinated loans recognized in Tier II capital;
- reduction in the value of the portfolio of foreign currency loans secured on residential real estate;
- securitization transaction - on 26 June 2025, Santander Bank Polska S.A. entered into a synthetic securitisation transaction on a corporate loans portfolio.

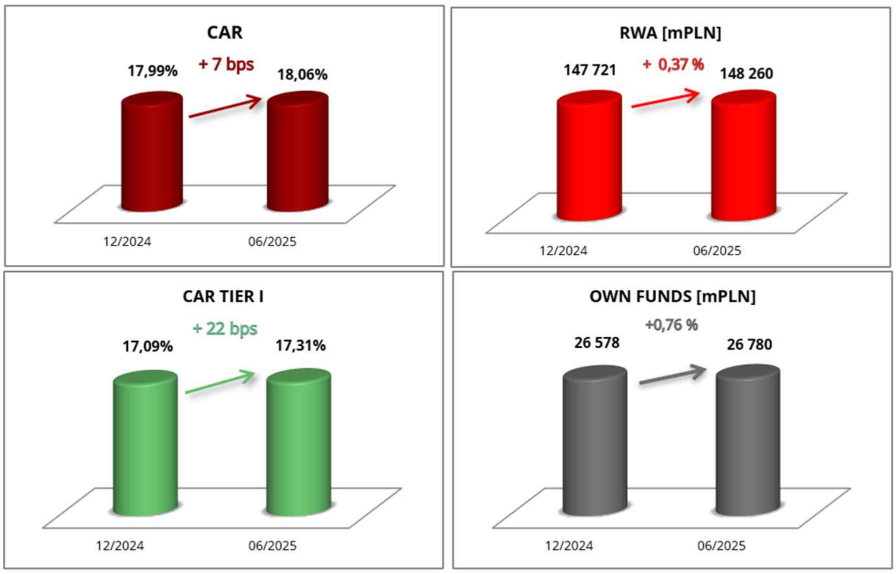
The minimum capital ratios set by the Polish Financial Supervision Authority (KNF) for Santander Bank Polska Group are as follows:

- a Tier 1 capital ratio of 9.52%;
- a total capital ratio of 11.52%.

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

The charts below presents a details of own funds, risk weighted assets and capital adequacy ratios as at 31 December 2024 vs. 30 June 2025.

OWN FUNDS, RISK WEIGHTED ASSETS AND CAPITAL RATIOS AS AT 31 DECEMBER 2024 VS 30 JUNE 2025



VI. Securitisation

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

Securitisation tables for the Santander Bank Polska Capital Group (EU SEC1, EU SEC3, EU SEC5) can be found in Annex „Pillar III 2025 06 Tables", which is available on the Santander Bank Polska website.

The EU SEC4 table includes data on securitisation transactions in which the institution acts as an investor. As at the date of this document, the Bank has no such exposures.

Santander Bank Polska S.A.

Synthetic securitisation 2022

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

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

The transaction is set to expire by 31 January 2030. Santander Bank Polska S.A. is the originator of the synthetic securitisation and it does not perform any other roles in the synthetic structure in question. No Securitisation Special Purpose Entities (SSPE) participate in the transaction.

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

As at 30 June 2025, the amounts of the individual tranches were as follows:

- Senior tranche PLN 485 592k;
- Mezzanine tranche: PLN 96 919k;
- Junior tranche: PLN 23 856k.

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

The first loss tranche is deducted from Common Equity Tier 1 items pursuant to Art. 36 sec. 1 lit. k) of the CRR, as an alternative to applying a risk weight of 1.250%.

As at 30 June 2025, the total amount of deductions from Tier 1 capital due to the above securitisation is PLN **19 799k**, and the senior tranche generated risk-weighted assets of PLN **130 693k**.

Synthetic securitisation 2024

On 26 June 2024, Santander Bank Polska S.A. entered into a synthetic securitisation transaction on a corporate loans portfolio with a total nominal value of PLN 3 730 485k. The securitised portfolio was divided into three tranches, determining the order of credit loss allocation: senior (92.4% of the portfolio), mezzanine (6.85% of the portfolio) and first loss tranches (0.75% of the portfolio).

The junior tranche and senior tranche were acquired by Santander Bank Polska S.A. The mezzanine tranche was acquired in full by external investors. The transaction structure does not use the Synthetic Excess Spread. As part of the transaction, Santander Bank Polska S.A. obtained credit risk protection in a synthetic form in relation to the exposures from the portfolio, in the form of funded credit linked notes ("CLNs") issued directly by Santander Bank Polska S.A. The CLNs cover losses on the securitisation portfolio in the amount of the mezzanine tranche. The requirement to maintain a significant net economic share is met by retaining randomly selected eligible exposures representing at least 5% of the nominal value of the securitised loans.

As part of the transaction on 26 June 2024, Santander Bank Polska S.A. issued CLNs marked with ISIN code XS2846982820, maturing on 31 December 2033, with a nominal value of PLN 256 000k. The Bank has the option of earlier repayment of its bonds 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 30 June 2025, the values of individual tranches were as follows:

- Senior tranche PLN 2 136 146;
- Mezzanine tranche PLN 158 669k;
- Junior tranche PLN 27 979k.

As of 30 June 2025, the senior tranche generated the amount of risk-weighted assets of PLN **341 678k**. Moreover, in connection with the application of a regulatory volatility adjustment in the event of a currency mismatch for the securitisation position resulting from the mezzanine tranche covered by credit protection, the Bank includes an additional amount of risk-weighted assets in the amount of PLN **40 975**k. The total amount of risk weighted assets for securitisation is PLN **382 653k**.

On 17 December 2024, Santander Bank Polska S.A. concluded a synthetic securitisation transaction on a portfolio of cash loans granted to natural persons with a total nominal value of PLN 4 499 975k.

The securitized receivables portfolio was divided into three tranches: senior tranche (89.49% of the portfolio), mezzanine (8.76% of the portfolio) and junior tranche, which is the first loss tranche (1.75% of the portfolio). The junior and senior tranches were taken up by the Bank. The mezzanine tranche was taken up in full by external investors not related to the Bank.

As part of the transaction, on December 17, 2024, Santander Bank Polska S.A. issued CLN Bonds marked with the ISIN code XS2944989313 with a maturity date of February 7, 2033, with a nominal value of PLN 394 000k. The Bank has the option of early repayment of liabilities arising from the CLN Bonds. On December 17, 2024, the CLN Bonds were introduced to trading in the alternative trading system on the Vienna MTF organized by Wiener Börse AG (Vienna Stock Exchange).

The requirement to maintain a significant net economic participation is met by retaining randomly selected eligible exposures representing at least 5% of the nominal value of the securitized loans. The agreement assumes a one-year replenishment period during which the Bank may supplement the transaction structure with the value of the amortized portfolio.

As at 30 June 2025, the value of the securitized portfolio is PLN 4 251 833k. The amounts of the tranches were as follows:

- Senior tranche PLN 3 779 083k;
- Mezzanine tranche PLN 394 000k;
- Junior tranche PLN 78 750k.

As at 30 June 2025, the total amount of deductions from Common Equity Tier 1 capital due to securitisation is PLN **56 370k**, and the senior tranche generated the amount of risk-weighted assets of PLN **377 908k**.

Synthetic securitisation 2025

On 26 June 2025, Santander Bank Polska S.A. entered into a synthetic securitisation transaction on a corporate loans portfolio with a total nominal value of PLN 4 182 447k. The securitised portfolio was divided into three tranches, determining the order of credit loss allocation: senior (91.5% of the portfolio), mezzanine (7.65% of the portfolio) and first loss tranches (0.85% of the portfolio).

The junior tranche and senior tranche were acquired by Santander Bank Polska S.A. The mezzanine tranche was acquired in full by external investors. The transaction structure does not use the Synthetic Excess Spread. As part of the transaction, Santander Bank Polska S.A. obtained credit risk protection in a synthetic form in relation to the exposures from the portfolio, in the form of funded credit linked notes ("CLNs") issued directly by Santander Bank Polska S.A. The CLNs cover losses on the securitisation portfolio in the amount of the mezzanine tranche. The requirement to maintain a significant net economic share is met by retaining randomly selected eligible exposures representing at least 5% of the nominal value of the securitised loans.

As part of the transaction on 26 June 2025, Santander Bank Polska S.A. issued CLNs marked with ISIN code XS3097964541, maturing on 31 March 2036, with a nominal value of PLN 320 000k. The Bank has the option of earlier repayment of its bonds under the CLNs. On 26 June 2025, 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 30 June 2025, the values of individual tranches were as follows:

- Senior tranche PLN 3 826 851k;
- Mezzanine tranche PLN 320 000k;
- Junior tranche PLN 35 552k.

As at 30 June 2025, the total amount of deductions from Tier 1 capital due to the above securitisation is PLN **25 493k**, and the senior tranche generated risk-weighted assets of PLN **483 969k**.

In 2024 and 2025, Santander Bank Polska S.A. carried out securitisation transactions in which it acted as the originator, but did not perform any other roles within the analysed synthetic structure. No special purpose securitisation entities (SSPEs) participated in these transactions.

The transactions carried out took the form of synthetic STS securitisation with risk transfer, in accordance with Regulation (EU) No 2402/2017 of the European Parliament and of the Council on laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended – hereinafter referred to as the "Securitisation Regulation". The securitisation involved selected loan portfolios that remain on the Bank's balance sheet.

The transactions implement the Bank's Tier 1 capital optimization strategy by transferring a significant part of the risk (SRT) related to securitized credit exposures to a third party, in accordance with Art. 245(1)(a) and Art. 245(2)(a) of the CRR Regulation.

The entire securitized portfolio is risk weighted according to the standard method. To calculate risk weights for individual tranches, the Bank used the SEC-SA method, in accordance with Art. 262 of the CRR Regulation.

First loss tranches are deducted from Common Equity Tier 1 capital items, based on Art. 36 section 1 letter k) CRR Regulation, as an alternative to the use of a risk weight of 1.250%.

Securitisation risks

The securitisation transactions carried out by the Bank are designed to reduce credit risk and release part of the capital. In the case of Santander Bank Polska S.A., securitisation risks include, but are not limited to risks resulting from the Bank's role as the entity initiating and handling the transaction (monitoring of underlying transactions, reporting and debt collection). The Bank constantly analyses risks that may materialise after the conclusion of the securitisation transactions, as well as risks that may materialise in connection with the planned execution of subsequent securitisation transactions.

Santander Consumer Bank S.A.

Synthetic securitisation

On 29 June 2024, Santander Consumer Bank S.A. carried out a synthetic securitisation transaction of the Bank's portfolio of cash and instalment loans in the total amount of PLN 3 409 981k. The transaction is part of the Bank's Tier 1 capital optimisation strategy and was aimed at obtaining capital relief on the retail loan portfolio.

The structure of the transaction includes the division of the securitised portfolio into three tranches: senior (88.77% of the portfolio) mezzanine (8.23% of the portfolio) and junior(i.e. the first-loss tranche) (3% of the portfolio).

The transaction takes the form of a synthetic STS securitisation with a recognised transfer of a significant portion of risk. As part of the agreement signed with the private investor, the Bank obtained a financial guarantee for 100% of the mezzanine tranche. In addition, the investor has deposited cash equivalent to the guaranteed amount under the financial guarantee to secure the payment.

The transaction includes a six-month revolving period during which the Bank has the option to replenish the amortised amount of the securitised portfolio with new exposures that meet the criteria set out in the agreement. The transaction does not have a funding element and the securitised portfolio of cash and installment loans covered by the transaction remains on the Bank's balance sheet.

As at 30 June 2025, the gross carrying amounts of the tranches were as follows:

- Senior tranche PLN 1 951 599k;
- Mezzanine tranche PLN 180 836k;
- Junior tranche PLN 72 798k.

As at 30 June 2025, the total amount of deductions from Tier 1 capital due to the above securitisation is PLN **22 177k**, and the senior tranche generated a risk-weighted exposure amount of PLN **264 442k**.

In 2025, Santander Consumer Bank S.A. continued the synthetic securitisation transaction entered into December 2022 with the European Investment Fund for the Bank's portfolio of cash and instalment loans. The purpose of the transaction carried out was to obtain capital relief on the retail loan portfolio, which provides additional capacity to finance projects supporting the development of the SME customer segment.

Liquidity securitisation

In December 2024, the SCB S.A. extended the securitisation transaction from December 2022. The revolving period of the original transaction expired in December 2024.

As part of the transaction, SCB S.A. has transferred ownership rights from future cash flows of PLN 1 250 000k to SC Poland Consumer 23-1 DAC (SPV), a special purpose vehicle (SPV) based in Ireland, and provided a subordinated loan to this company in the amount of PLN 250 000k. The loan is subordinated to senior and secured notes. Interest payments on the loan are cascaded i.e. made in a specified sequence, from funds held by the SPV, and full repayment of the principal will take place upon full redemption of the bonds. The interest rate on the loan is based on a fixed rate.

The SPV's acquisition of receivables from SCB S.A. was achieved through the issue of bonds secured by a registered pledge on the company's assets with a value of PLN 1 000 000k bearing interest on the basis of the WIBOR rate.

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

As at June 30, 2025, the fair values were:

- Subordinated loan granted - PLN 250 616k;
- Securitized assets - PLN 1 198 975k.

At the same time, Santander Consumer Bank recognizes a liability for securitisation cash flows in the statement of financial position in the item Amounts due to customers in the amount equal to PLN 1 250 000k as at 30 June 2025.

Santander Consumer Multirent Sp. z o.o.

Liquidity securitisation

In May 2025, Santander Consumer Multirent Sp z o.o. (SCM Sp. z o.o.) restructured the securitization transaction of the July 2020 lease portfolio. The concluded transaction is a traditional and revolving securitization involving the transfer of ownership of the securitized receivables to the special purpose entity SCM POLAND AUTO 2019-1 DAC (SPV3) with its registered office in Ireland.

As at June 30, 2025, this company issued obligations based on securitized assets with a total value of PLN 891 000k. The interest on the issued bonds consists of the WIBOR 1M rate and a margin. As a result of the securitization, SCM obtained financing for its operations in exchange for giving up the rights to future flows resulting from the securitized loan portfolio.

In order to support the financing of the transaction, SCM granted SPV3 a subordinated loan with a value of PLN 230 700k as at June 30, 2025. The loan is subordinated to senior and secured obligations. Interest on the loan is paid in cascade payments, i.e. in a specific order, from the funds held by SPV4, and the total repayment of the principal will take place after full redemption of the bonds. The interest rate on the loan is based on a variable rate based on WIBOR 1M.

In the light of the provisions of IFRS 9, the contractual terms of the securitization transaction do not meet the conditions for not including the securitized assets in the SCM's Sp. z o.o. statement of financial position. In connection with the above, SCM Sp. z o.o. recognizes securitized assets as at 30 June 2025 under *Finance lease receivables* in the amount of PLN 1 113 904k.

At the same time, SCM Sp. z o.o.recognizes a liability for securitization flows under the field: Other liabilities, in the amount as at June 30 2025 of PLN 1 121 700k.

As at June 30, 2025, SCM Sp. z o.o. also had receivables due to current settlements with the SPV in the amount of PLN 7 838k, these receivables are presented in Trade receivables and other receivables.

Santander Leasing S.A.

Synthetic securitisation 2020

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

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

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

As at 30 June 2025, the amounts of the tranches were as follows:

- Senior tranche PLN 185 102k;
- Mezzanine tranche PLN 23 402k;

- Junior tranche PLN 15 332k.

In the synthetic securitisation process, Santander Leasing acts as the initiating entity and does not play any other roles within the analyzed synthetic structure. The transaction does not involve special purpose entities for securitisation purposes (SSPE).

For the purposes of the said synthetic securitisation meeting capital adequacy, under Article 245(1)(b) of CRR the principal component of the junior tranche exposures will be deducted from Common Equity Tier 1. In addition, the value of Common Equity Tier 1 will be reduced by a value of the available Synthetic Excess Spread.

As at 30 June 2025 the cumulative deductions from Common Equity Tier 1 on account of securitisation amount to PLN **7 728k**.

Synthetic securitisation 2021

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

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

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

As at 30 June 2025, the tranche amounts were as follows:

- Senior tranche PLN 173 564k;
- Junior tranche PLN 170 415k.

SL is the originator of the synthetic securitisation process and does not perform any other roles in the synthetic structure in question. Securitisation special purpose entities (SSPEs) are not involved in the transaction. The amount of risk-weighted exposure with respect to the retained tranche is defined with the use of a standard SEC-SA method, in line with Article 262 of CRR.

As at 30 June 2025 the senior tranche generated a risk-weighted exposure amount of PLN **26 034k**.

Synthetic securitisation 2023

On 28 September 2023 Santander Leasing SA made a guarantee agreement with the European Bank for Reconstruction and Development "EBRD". The pertinent guarantee relates to a lease and loan portfolio totalling approx. PLN 2 382 979k. The transaction is set to expire on 28 February 2032.

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

Structure of the transaction is that the securitised portfolio is divided into three tranches: senior, mezzanine and first loss.

As at the guarantee activation date, the senior tranche was PLN 2 097 021k (88% portfolio), protected was PLN 254 979k (10.70% portfolio) and the first loss tranche amounted to PLN 30 979k (1.3% portfolio). The protected tranche was guaranteed by EBRD. Both the principal, as well as the interest components of the underlying exposures are covered by EBRD guarantee.

The synthetic securitisation structure created under the guarantee agreement does not generate additional exposure for the company to risks typical of traditional securitisation transactions (e.g. liquidity risk related to the securitized assets).

As at 30 June 2025, the tranche amounts were as follows:

- Senior tranche PLN 849 786k;
- Protected tranche PLN 103 326k;
- Junior tranche PLN 28 357k.

As at 30 June 2025, the total amount of deductions from Tier 1 capital due to the above securitisation is PLN **22 908k**, and the senior tranche generated a risk-weighted exposure amount of PLN **84 978k.**

In the synthetic securitisation process, Santander Leasing acts as the originator and has no other roles within the synthetic structure under review. No securitisation special purpose entities (SSPEs) are involved in the transaction.

On 20 November 2024, Santander Leasing signed a guarantee agreement with the European Investment Fund. The agreement assumes that the securitisation transaction covers a portfolio of receivables arising from leasing agreements and loan agreements worth PLN 3 945 652k.

The effective date of the Guarantee Agreement depends on the fulfillment of specified conditions. One of the key conditions determining the effective date of activation of the guarantee was the fulfillment of the obligation regarding the pre-allocation of capital released as part of the transaction for newly granted loans to the SME and MidCap sectors, in accordance with the requirements set by the European Investment Fund (EIF) and the European Investment Bank (EIB).

The Santander Bank Polska Group met all conditions necessary to activate the Guarantee Agreement on 16 December 2024. This means effective coverage of the securitized portfolio with credit protection in the form of a guarantee for 100% of the senior tranche and 100% of the mezzanine tranche. The first loss tranche (junior) has been retained in its entirety and will be deducted from Common Equity Tier 1 capital items, based on Art. 36 section 1 letter k) CRR Regulation, as an alternative to the use of a risk weight of 1.250%. Deduction from CET 1 capital implies the application of the "full deduction method" as set out in Art. 245 section 1 lit. b) of the CRR Regulation.

As at 30 June 2025, the total amount of deductions from Common Equity Tier 1 capital due to securitisation is PLN **16 135k**.

The guarantee agreement assumes a two-year replenishment period, during which the entity may supplement the transaction structure with the value of the amortized portfolio. In order to maintain the stability of the portfolio structure, the transaction used the Synthetic Excess Spread (SES) mechanism with economic use-it-or-lose-it characteristics, enabling the allocation of losses outside the securitisation structure up to 0.7% of the portfolio size annually.

As of 30 June 2025, the value of the securitized portfolio is PLN 3 643 480k. The amounts of the tranches were as follows:

- Senior tranche PLN 2 977 705k;
- Mezzanine tranche PLN 497 452k;
- Junior tranche PLN 28 025k.

VII. Leverage ratio

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

The leverage ratio of Santander Bank Polska Group is disclosed in accordance with the Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

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

A reference day for the following data is 30 June 2025. Presented leverage ratio is calculated in relation to Tier 1 capital fully loaded definition. Santander Bank Polska Group disclose the information on sub-consolidated basis. Fiduciary items are not eliminated from the total leverage ratio exposure.

EU LR2 - LRCOM: LEVERAGE RATIO COMMON DISCLOSURE AS AT 30.06.2025 AND 31.12.2024(PLN K)

		CRR leverage ratio exposures	
		a	b
		30.06.2025	31.12.2024*
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	295 243 927	284 644 910
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	339 303	442 031
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-930 161	-1 365 527
6	(Asset amounts deducted in determining Tier 1 capital)	-2 951 131	-2 495 587
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**291 701 938**	**281 225 827**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	4 987 282	3 312 558
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	7 641 921	6 863 087
13	**Total derivatives exposures**	**12 629 203**	**10 175 645**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	11 501 698	14 532 176
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	407 664	638 156
18	**Total securities financing transaction exposures**	**11 909 362**	**15 170 332**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	64 425 764	63 994 226
20	(Adjustments for conversion to credit equivalent amounts)	-51 800 384	-50 847 585
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	
22	**Off-balance sheet exposures**	**12 625 380**	**13 146 641**
Excluded exposures			
EU-22m	**(Total exempted exposures)**	**-**	**-**
Capital and total exposure measure			
23	**Tier 1 capital**	**25 664 598**	**25 249 668**
24	**Total exposure measure**	**328 865 883**	**319 718 445**
Leverage ratio			
25	Leverage ratio (%)	7,80%	7,90%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	7,80%	7,90%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7,80%	7,90%
26	Regulatory minimum leverage ratio requirement (%)	3,00%	3,00%
EU-27a	Overall leverage ratio requirement (%)	3,00%	3,00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	fully phased in	transitional
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	17 273 169	16 436 153
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	11 501 698	14 532 176
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	334 637 354	321 622 422
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	334 637 354	321 622 422
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7,67%	7,85%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7,67%	7,85%

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

As at 30 June 2025, the leverage ratio of Santander Bank Polska Group totalled 7.80% and was more than two fold higher than the minimum requirement of 3%.

Tables EU LR1 and LR3 can be found in Appendix „Pillar III 2025 06 Tables", which is available on the Santander Bank Polska website.

VIII. Policy of variable components of remuneration

Information on the variable components of remuneration is the fulfillment of the obligations in accordance with Part eighth CRR and complements the information in the annual report *Information on Capital Adequacy of Santander Bank Polska Group as at 31 December 2024*.

EU REM1 - REMUNERATION AWARDED AS AT 31.12.2024 (PLN K)

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	12	11	38	124
2		Total fixed remuneration	2 471	19 525	23 407	50 382
3		Of which: cash-based	1 516	16 277	22 227	48 913
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7		Of which: other forms	955	3 249	1 180	1 469
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	12	11	38	124
10		Total variable remuneration	-	19 534	15 788	24 486
11		Of which: cash-based	-	9 767	6 844	12 877
12		Of which: deferred	-	4 402	2 737	3 871
EU-13a		Of which: shares or equivalent ownership interests	-	9 767	8 945	8 374
EU-14a		Of which: deferred	-	4 402	2 737	2 262
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	3 235
EU-14b		Of which: deferred	-	-	-	1 294
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	Total remuneration (2 + 10)		2 471	39 060	39 195	74 868

* During the first half of the year, additional remuneration in the amount of PLN 232.2 k was paid to the members of the Supervisory Board for 2024.

EU REM5 - INFORMATION ON REMUNERATION OF STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE AS AT 31.12.2024 (PLN K)

		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										185
2	Of which: members of the MB	12	11	23							
3	Of which: other senior management				4	12	1	11	6	4	
4	Of which: other identified staff				6	8	3	4	20	83	
5	Total remuneration of identified staff	2 471	39 060	41 531	13 099	20 070	2 327	10 913	16 562	51 093	
6	Of which: variable remuneration	-	19 534	19 534	5 924	8 010	895	4 065	5 454	15 926	
7	Of which: fixed remuneration	2 471	19 525	21 997	7 175	12 059	1 432	6 848	11 108	35 167	

* During the first half of the year, additional remuneration in the amount of PLN 232.2 k was paid to the members of the Supervisory Board for 2024.

IX. Liquidity risk measures

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

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

EU LIQ1 - QUANTITATIVE INFORMATION OF LCR AS AT 30.06.2025 (PLN K)

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.06.2025	31.03.2025	31.12.2024	30.09.2024	30.06.2025	31.03.2025	31.12.2024	30.09.2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					88 277 146	83 932 106	80 153 395	78 738 271
	CASH - OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	158 003 952	155 430 349	152 505 963	149 605 212	12 632 476	12 933 936	13 101 710	12 786 107
3	*Stable deposits*	*103 101 397*	*98 045 146*	*94 065 426*	*91 498 317*	*5 155 070*	*4 902 257*	*4 703 271*	*4 574 916*
4	*Less stable deposits*	*54 445 977*	*56 821 151*	*57 577 062*	*56 380 319*	*7 477 406*	*8 031 679*	*8 398 438*	*8 211 191*
5	Unsecured wholesale funding	68 184 879	64 776 730	61 876 554	59 778 298	29 934 450	28 297 459	26 695 494	26 013 600
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	*11 881 385*	*10 998 927*	*10 287 885*	*8 330 126*	*2 671 661*	*2 534 929*	*2 415 331*	*1 967 037*
7	*Non-operational deposits (all counterparties)*	*55 412 752*	*53 161 718*	*51 220 487*	*50 979 370*	*26 372 047*	*25 146 445*	*23 911 981*	*23 577 760*
8	*Unsecured debt*	*890 742*	*616 085*	*368 182*	*468 802*	*890 742*	*616 085*	*368 182*	*468 802*
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	37 471 536	36 368 178	36 276 486	36 204 920	12 247 985	11 032 149	10 404 199	10 262 879
11	*Outflows related to derivative exposures and other collateral requirements*	*8 917 708*	*8 001 625*	*7 451 608*	*7 363 957*	*8 917 708*	*8 001 625*	*7 451 608*	*7 363 957*
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	*28 553 829*	*28 366 554*	*28 824 878*	*28 840 963*	*3 330 277*	*3 030 524*	*2 952 591*	*2 898 922*
14	Other contractual funding obligations	2 496 534	2 234 862	1 974 412	2 625 518	2 203 618	1 918 808	1 634 142	2 288 156
15	Other contingent funding obligations	28 853 585	28 376 009	26 868 765	25 438 839	1 442 679	1 418 800	1 343 438	1 238 264
16	TOTAL CASH OUTFLOWS					58 461 208	55 601 152	53 178 983	52 589 006
	CASH - INFLOWS								
17	Secured lending (e.g. reverse repos)	5 864 161	5 970 178	6 598 968	6 791 497	-	-	-	-
18	Inflows from fully performing exposures	9 494 998	9 290 209	9 720 471	9 728 339	8 168 219	8 058 851	8 525 068	8 524 024
19	Other cash inflows	7 830 828	6 975 605	6 245 311	5 869 190	7 830 828	6 975 605	6 245 311	5 869 190
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	23 189 986	22 235 992	22 564 750	22 389 025	15 999 047	15 034 456	14 770 379	14 393 214
EU-20a	***Fully exempt inflows***	-	-	-	-	-	-	-	-
EU-20b	***Inflows subject to 90% cap***	-	-	-	-	-	-	-	-
EU-20c	***Inflows subject to 75% cap***	*23 189 986*	*22 235 992*	*22 564 750*	*22 389 025*	*15 999 047*	*15 034 456*	*14 770 379*	*14 393 214*
	TOTAL ADJUSTED VALUE								
EU-21	LIQUIDITY BUFFER					88 277 146	83 932 106	80 153 395	78 738 271
22	TOTAL NET CASH OUTFLOWS					42 462 161	40 566 696	38 408 604	38 195 791
23	LIQUIDITY COVERAGE RATIO					208%	207%	209%	206%

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

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

- On the inflows side, these are mainly the expected inflows from receivables from financial institutions (interbank and central bank deposits);
- On the side of liquid assets, the main part are liquid Treasury bonds or bonds fully guaranteed by the Treasury (including securities issued by the Polish Development Fund and Bank Gospodarstwa Krajowego as part of anti-crisis shields during the COVID-19 pandemic), government bonds of Germany, Spain, UK and bonds issued by the European Investment Bank, NBP bills (NBP), and then cash and the surplus on NBP accounts over the amount of the required reserve;
- An additional factor impacting the LCR value in the second quarter of 2025 was the dividend payment of approximately PLN 4 739m by the Santander Bank Polska S.A.

The main factors remain substantially the same over time.

Disclosed LCR in June 2025 remains on high and safe level, much above both the regulatory and internal Group's limits. The indicator that remains at a high level is primarily the result of high level of deposit base (especially in 'stable retail deposits' category), realized issues, allocated mainly in high quality liquid assets and specification of operational deposits within non-retail customer deposits.

In line with the Liquidity Risk Policy, the Santander Bank Polska Group prudently manages an appropriately diversified deposit base. Financing is mostly based on the current accounts and term deposits of individual clients and enterprises, mainly non-financial. The Santander Bank Polska Group also focuses on diversifying sources of long-term financing, being present on wholesale markets by issuing debt and taking long-term loans on the financial market. A significant, but much smaller than the aforementioned, part of financing are own issues in the form of both subordinated and ordinary debt. It should be noted that in the second quarte of 2025 r. Bank has issued Credit-linked notes as a part of securitization in the amount of PLN 320m, Santander Factoring Sp. z o.o. issued PLN 559m. In the current strategy, the Santander Bank Polska Group attempts to minimize the share of secured financing.

General description of the institution's liquidity buffer structure:

High quality liquid assets (HQLAs) consists of: extremely liquid securities (mainly Treasury Bonds, Treasury Bills or bonds fully guaranteed by Polish Central Government, government bonds of the United States, Spain, the Great Britain, France and bonds issued by the European Investment Bank), central bank assets (including NBP bills), cash, surplus in current accounts of National Bank of Poland (NBP) over the amount of mandatory reserve. As of June 30th 2025 the above mentioned categories accounted for 98.1%, 0%, 1.2% and 0.7%, respectively, of the liquid buffer. All components of liquid buffer are recognized as level 1 of liquid assets.

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

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

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

The Santander Bank Polska Group uses secured instruments to fund its activity to a limited degree only. However, in accordance with the existing contractual provisions, if the Group's rating is reduced to BBB (Fitch Rating / to Baa2 (Moody's Rating)), the maximum potential additional collateral on account of those instruments would be as at June 30th 2025 PLN 6.4m. At the same time, it should be noted that this potential obligation is not unconditional and its final value would depend on negotiations between the bank and its counterparty in relation to the above transactions.

EU LIQ2: NET STABLE FUNDING RATIO AS AT 30.06.2025 (PLN K)

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**28 615 728**	**-**	**-**	**1 115 576**	**29 731 304**
2	*Own funds*	28 615 728	-	-	1 115 576	29 731 304
3	*Other capital instruments*		-	-	-	-
4	**Retail deposits**		**162 278 930**	**244 124**	**5 812**	**151 993 786**
5	*Stable deposits*		114 161 951	182 547	736	108 628 010
6	*Less stable deposits*		48 116 979	61 577	5 075	43 365 776
7	**Wholesale funding:**		**79 443 379**	**493 660**	**10 446 856**	**41 491 105**
8	*Operational deposits*		13 821 129	-	-	6 910 565
9	*Other wholesale funding*		65 622 250	493 660	10 446 856	34 580 540
10	**Interdependent liabilities**		**-**	**-**	**-**	**-**
11	**Other liabilities:**	**-**	**12 224 920**	**-**	**2 072 892**	**2 072 892**
12	*NSFR derivative liabilities*	-				
13	*All other liabilities and capital instruments not included in the above categories*		12 224 920	-	2 072 892	2 072 892
14	**Total available stable funding (ASF)**					**225 289 087**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**1 008 225**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		**-**	**-**	**-**	**-**
16	**Deposits held at other financial institutions for operational purposes**		**-**	**-**	**-**	**-**
17	**Performing loans and securities:**		**39 966 819**	**13 429 745**	**133 061 429**	**122 933 942**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		9 428 693	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		6 357 725	1 187 546	4 144 937	5 374 482
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		14 075 330	10 047 778	88 028 775	87 036 109
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		801 233	839 656	34 506 556	23 483 929
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		752 975	786 191	33 335 439	22 437 618
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		9 303 839	1 354 765	6 381 160	7 039 422
25	**Interdependent assets**		**-**	**-**	**-**	**-**
26	**Other assets:**		**10 571 272**	**54 166**	**18 294 978**	**19 111 483**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		200 000	-	-	170 000
29	*NSFR derivative assets*		191 326	-	-	191 326
30	*NSFR derivative liabilities before deduction of variation margin posted*		1 661 584	-	-	83 079
31	*All other assets not included in the above categories*		8 518 362	54 166	18 294 978	18 667 078
32	**Off-balance sheet items**		**55 781 458**	**1 175 388**	**2 809 950**	**3 101 852**
33	**Total RSF**					**146 155 502**
34	**Net Stable Funding Ratio (%)**					**154%**

X. ESG risks

As at 30 June 2025, Santander Bank Polska S.A. Group presents information on ESG risks in accordance with Article 449a, Commission Implementing Regulation (EU) 2024/3172, taking into account the consultation document EBA/CP/ 2025/07 of 22 May 2025, which is a draft of implementing technical standards amending Commission Implementing Regulation (EU) 2024/3172 with regard to the disclosure of information on ESG risks, capital exposures and total exposures to entities in the parallel banking system.

Strategy and business processes

Environmental, social and governance (ESG) matters are covered by the Bank's **strategy**.

Since 2024, the Bank has been pursuing its "We help you achieve more" strategy. It emphasises that the challenges the Bank and the society face require a huge responsibility. That is why the Bank consciously makes ethical decisions, keeping in mind its impact on the community and the environment. With a sustainable business model, the Bank creates value for customers, employees, shareholders and local communities, working towards a better future for us, our children and our planet. This is what the Bank's third strategic direction – Total Responsibility – is about.

Santander Bank Polska Group follows the **Responsible Banking and Sustainability Policy.** According to the document, responsible banking is based on building sustainable value for all stakeholders. For this reason, the Group is committed to developing opportunities and managing the attendant environmental, social and governance risks. The document lays down the Group's principles, commitments, goals and strategy in relation to shareholders, employees, customers and suppliers.

Under the policy, Santander Bank Polska Group manages its **environmental impact ("E")** in accordance with the prudence principle. As part of the assessment of financial and investment risk, the Bank analyses and manages negative environmental impacts. It alsotakes steps towards a gradual development of its portfolios supporting a low-carbon economy resilient to the climate change. TheGroup supports its customers in the transition to a more sustainable economy and strive to reduce greenhouse emissions in its business operations.

In the social risks area ("S") the Group supports and respects human rights in the value chain in accordance with applicable regulations and international treaties, and adheres to the principle of equal treatment of customers. It identifies social impacts, risks and opportunities and on this basis takes actions to integrate social issues into its financial activity and supplier assessment, adjust its products and services to the needs of sensitive customers, comply with applicable regulations, foster financial inclusion, contribute to the society through education, including in finance and cyber security, promote entrepreneurship and help people in need.

As regards employee relations, Group observes the following principles:

- Preventing discrimination and practices against personal dignity;
- Preventing forced labour or child labour;
- Respecting the freedom of association and collective bargaining;
- Compliance with Occupational Safety and Health Standards (OSHS);
- Offering fair employment conditions;
- Facilitating work-life balance;
- Safeguarding the right to the protection of personal data and privacy.

In the governance area ("G"), The Group promotes behaviours and implement processes and policies that support ethical and responsible conduct of business. It has a strong and effective risk governance system and apply a prudential approach to risk management. The Bank listens to its stakeholders and takes care to ensure that this relationship is Simple, Personal and Fair. The Bank maintains channels of dialogue and cooperation with stakeholders. In particular, the Bank is engaged in dialogue with its shareholders. Cooperation with business partners is based on the principle of equal treatment and non-corruption policy. At the same time, the Bank encourages its suppliers to make commitments related to sustainability and transition to a low carbon economy. In 2024, the Bank amended its procurement process by replacing the CSR questionnaire with a comprehensive ESG screening system for suppliers. It is a step towards full integration of environmental, social and corporate governance criteria into the management of relations with suppliers. In the first half of 2025, the Bank also implemented an ESG Code for suppliers, which sets the minimum environmental, social and governance standards that its counterparties must comply with. The document is available at the Bank's website.

The Responsible Banking and Sustainability Policy also applies to voluntary commitments of the Santander Bank Polska Group which contribute to the mitigation of ESG risks. These are international conventions and standards such as:

- Equator Principles (International Finance Corporation guidelines);
- Universal Declaration of Human Rights;
- United Nations Global Compact;
- Principles for Responsible Banking (UNEP FI);
- United Nations Sustainable Development Goals;
- United Nations Guiding Principles on Business and Human Rights;
- OECD Guidelines for Multinational Enterprises;
- Fundamental conventions of the International Labour Organization.

Santander Bank Polska Group undertakes climate-related initiatives in compliance with the **Net Zero global ambition** of Banco Santander. The Bank takes steps to align its portfolio with the goals set in the Paris Agreement, regulatory requirements (in particular: ESRS and EBA guidelines) and EU policies which indicate that the financial sector plays a major role in tackling climate change. That is why the Group strives to achieve net zero emissions across the entire value chain by 2050. The Group's strategic objectives in this area are:

- By 2030, to stop providing financial services to power generation customers with more than 10% of revenues dependent on thermal coal;
- To support customers in their transition process by providing comprehensive RES financing and developing adequate financial products.

These goals are pursued by providing green financing (especially in the area of renewable energy sources), sustainable growth of the share of the RES portfolio among energy sector clients (approx. 30% of the total energy portfolio at the end of 2024), and by providing sustainability-linked loans (SLL). The Bank's initiatives are addressed both at corporate and retail customers. The Group's offer comprises well-fitted products designed to finance energy efficiency solutions for buildings, electric vehicles, heat pumps, electric vehicle charging stations and energy storage. The Group has been analysing the market on an ongoing basis and identifying the successive, most impactful initiatives to support the decarbonization of its portfolio.

One of the priorities of Bank's Total Responsibility business strategy is to support customers in their "green" transition. Bank helps customers to analyse their investments whether they comply with the EU Taxonomy or represent a intermediate step toward the Taxonomy goals in the long-term perspective. Also, the Bank consistently applies the ESG criteria in its credit analyses. Since 2024, the Bank has been publishing GARs (green asset ratios). They show the portion of the Santander Bank Polska Group's assets that represent the financing provided in line with the EU Taxonomy, environmentally sustainable in the context of mitigating climate changes and adapting to them. As at 31 December 2024, the key GAR was 0.6% in terms of turnover and capex.

To support customers in their ESG-oriented transformation, Santander Bank Polska Group implemented an in-house classification system for sustainable transactions as early as in 2022. It specifies the 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, including the EU taxonomy. Other guidelines that the system complies with are: ICMA Social and Green Bond Principles, Climate Bond Standards and LMA Sustainability Linked Loan Principles.

This system is common for the whole Banco Santander Group. The regulation is updated on a regular basis in order to align it with evolving market standards and regulations. The last update made in 2024 concerned primarily the alignment with certain technical criteria of the EU Taxonomy (with respect to the criteria of substantial contribution to the environmental objectives of the EU Taxonomy). However, it should be borne in mind that SFICS is not the same as the EU Taxonomy. Specifically, is does not provide for a comprehensive verification of the "do no significant harm" criteria or the minimum social safeguards.

As of 31 December 2024 the total amount of green and sustainable financing extended in line with SFICS criteria was PLN 8,669m.

The Group helps customers with their transition to a low carbon economy through well-fitted financing offers:

- Energy sector – an opportunity to engage in projects and cooperate with companies specialising in RES solutions and new energy technologies, such as energy storage or other strategic solutions for the energy sector;
- Real estate sector – financing of new energy-efficient commercial and residential real estates;
- Transport/ automotive sector – an opportunity to finance projects promoting the use of electric or low-emission vehicles as well as solutions for low-emission transport;
- Agriculture sector – work on the development of advisory services regarding the use of low-carbon solutions in agriculture and development of financial services in this respect;
- Cross-sector – an opportunity to finance decarbonisation projects of existing customers.

The Group defines specific criteria for cooperation, as well as identification, assessment, monitoring and management of environmental and social risks and other activities impacting climate change performed by customers, in particular those from the energy, oil and gas, soft commodities, mining and metal sectors. For more details, please see the section "ESG Risk Management".

Corporate governance

Issues related to responsible banking (including ESG risks) are discussed by the Bank's Management Board, the Supervisory Board and relevant committees. The **Management Board** oversees and approves the implementation of strategic objectives falling within the Total Responsibility approach as well as handles the integration of ESG criteria into the Bank's business strategy (in the short-, medium- or long-term perspective) and the risk management process. This responsibility involves the management of climate risks, including the integration of Santander Bank Polska Group's strategy into the Net Zero ambition of Banco Santander Group. Both decision-making bodies approve the key policies and internal control system as well as participate in risk review and approval processes.

Strategic documents are drawn up by the Bank's relevant organisational units (stakeholders) and committees, in line with their responsibilities. The Management Board and Supervisory Board receive regular reports on the progress in implementing the strategy, including the ESG goals.

The allocation of powers within the Management Board provides for the following division of ESG agenda-related tasks and responsibilities:

- ESG risk management – Vice 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 and the Corporate and Investment Banking Division;
- Coordination of the Group's responsible banking activities, including ESG qualitative reporting – Head of the Communication and Brand Experience Area operating outside the divisional structure;
- Quantitative reporting on ESG – member of the Management Board in charge of the Financial Accounting and Control Division.

Under the new strategy, all employees of the Bank have Total Responsibility-related goals assigned as obligatory targets recognised in their performance assessment. These goals support the implementation of the sustainability strategy throughout the organization. In addition, the ESG component is one of the qualitative factors taken into account in calculating the bonus pool for top executives, with weights ranging from -5% to +5% of their variable salary. As regards climate-related objectives, the following indicators are analysed when assessing performance: progress in implementing the sustainable finance agenda and the global climate agenda of Banco Santander Group, including efforts to achieve the Net Zero ambition.

Examples of other aspects considered in the assessment:

- Green finance volume;
- Volume of optimised emissions from proprietary operations;
- Number of women holding managerial positions;
- Equal pay gap.

In line with its terms of reference, the **Supervisory Board** oversees the development, implementation and execution of the responsible banking agenda and compliance with regulatory requirements on ESG. Starting from 2024, the powers of Supervisory Board committees, namely the Risk Committee and Audit and Compliance Committee, have been expanded. It was agreed that ESG risks would also be addressed when reviewing the Group's risk profile, in the same way as when reviewing and making recommendations to the Supervisory Board with regard to risk policies comprising the general risk management framework of the organisation. The Audit and Compliance Committee reviews the sustainability disclosures and ESG ratings of the Bank and the Group.

The key committee in charge of responsible banking and ESG-related matters is the **ESG Committee.** It supports the Management Board in defining the Bank's strategic directions and standards as well as in managing the responsible banking and ESG. Moreover, the Committee assists the Management Board in defining and monitoring the objectives and in supervising their delivery – both in the Bank and across Santander Bank Polska Group. It also makes sure that the Bank successfully implements its social and environmental policies. The Committee is chaired by the President of the Management Board.

The Committee is composed of the following members:

- President of the Management Board of Santander Bank Polska S.A. – Chair of the Committee;
- Vice-President of the Management Board in charge of the Business and Corporate Banking Division and the Corporate and Investment Banking Division;
- Vice President of the Management Board in charge of the Risk Management Division;
- Member of Management Board in charge of the Retail Banking Division;
- Member of Management Board in charge of the Business Partnership Division;
- Member of Management Board in charge of the Financial Management Division;
- Member of Management Board in charge of the Digital Transformation Division;
- Member of Management Board in charge of the Accounting and Financial Control Division;
- Member of the Management Board in charge of the Legal and Compliance Division;
- Head of the Corporate Governance Department;
- Head of the Communication and Brand Experience Area;
- Head of the Talent Management and Organisational Culture Transformation Department;
- Chief Employee Experience Officer.

The Committee established the ESG Forum, a working group that coordinates the ongoing delivery of initiatives concerning responsible banking and ESG. The Forum also analyses the challenges, opportunities and threats related to the EU Sustainable Finance agenda, plans and coordinates the delivery of ESG initiatives as well as submits periodic reports to the ESG Committee. The Forum is composed of the top executives from all divisions and areas.

In addition to the ESG Committee, the following decision-making bodies are responsible for the management of the Bank's impact on ESG dimensions:

- Operational Risk Management Committee;
- Disclosure Committee;
- Information Management Committee;
- Risk Management Committee;
- Risk Management Forum;

- Compliance Committee;
- Credit Committee;
- Local Marketing and Monitoring Committee;
- Public Policy Committee.

Supervisory Board committees in 2025:

- Audit and Compliance Committee;
- Risk Committee;
- Nominations Committee;
- Remuneration Committee.

ESG powers are defined in the terms of reference of decision-making bodies, organisational units and committees, as well as in the **Responsible Banking Model**. The latter internal regulation of the Bank defines the key accountabilities and processes concerning responsible banking so that they can be performed properly. It also specifies the roles and responsibilities with regard to the crucial initiatives as well as the common approach to responsible banking.

The ESG risk management lies within the remit of the **ESG Risk Management Office** in the Risk Management Division. ESG risks are reflected in:

- the Division's strategy (by defining risk transmission channels to traditional banking risks);
- the Division's terms of reference (roles and responsibilities).

Oversight of this area is exercised through reports submitted 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.

The Risk Management Division also includes the **ESG Panel** which certifies sustainable financing in the context of internal and external regulations. This contributes to the prevention of greenwashing risk.

Greenwashing is becoming more prevalent and taking new forms. In 2024, the EU and EBA introduced new regulations in this respect. The Bank followed suit by developing and implementing the "Guidelines for greenwashing risk management and control", an internal regulation covering all processes that may be affected by such risk, from strategy definition through products and services to communication.

The Group is taking steps to align its processes and procedures for the management of ESG risks to EBA requirements formulated in the final Guidelines on the management of ESG risks.

ESG risk management

When defining the ESG risk management framework, the Group relies on a number of regulations, guidelines and acknowledged standards, including:

- Guidelines of the European Banking Authority, and in particular the Guidelines on the management of ESG risks;
- Obligatory and voluntary non-financial disclosure standards, in particular CSRD and its transposition into the Polish legal framework;
- Guidelines of the Polish Financial Supervision Authority (KNF) outlined in the "Letter to commercial banks on supervisory expectations in the ESG area";
- Guidelines of the European Central Bank;
- Recommendations of the TCFD;

- United Nations Principles for Responsible Investment (UNPRI).

The Group does not recognise ESG risk as a separate material risk, but indicates its transmission channels to the following risks: credit, liquidity, compliance, reputational, business, and operational risk. At the same time, the Bank keeps extending its analysis of risk transmission channels and currently the analysed impact is being expanded to include market risk in the trading book and liquidity risk. The use of this approach has implications for the process of estimating and quantifying material risks.

ESG risk is also considered in the Bank's annual risk profile assessment.

The risk report presented to the Bank's Management Board and Supervisory Board includes qualitative information about ESG risk management. In 2024, the Bank extended the methodology adopted to assess climate risks (physical and transition ones) connected with individual sectors and properties, allowing the Bank to conduct a collective analysis of the materiality of climate risks connected with the credit portfolio.

The Bank follows the **Environmental, Social and Climate Change Risk Management Policy** approved by the Management Board. It specifies the conditions of cooperation with customers from sensitive sectors such as oil and gas, energy production and transmission, mining and metals, and soft commodities. The document divides the activities in the above sectors into two categories: prohibited activities and activities subject to additional analysis. The adopted criteria are consistent with best practice and standards applicable in Santander Group and worldwide.

As regards the mining sector, the Bank committed to terminate all of its exposures to thermal coal mining worldwide by 2030. The Group fulfilled these commitments in 2023 upon expiry of the last loan agreements. The Bank has also set a zero limit for this item in the Risk Appetite Statement. At the same time, the Bank defined more comprehensive indicators concerning ESG risks, which were integrated into the risk appetite in 2024.

Environmental, Social & Climate Change Risk Management Policy provides for such limitations as:

- No financing for any projects or activities related to oil and gas extraction, power generation or transmission, mining and metals, manufacturing, plantations or other major infrastructure projects located in the areas classified as Ramsar Sites, World Heritage Sites or by the International Union for Conservation of Nature (IUCN) as categories I, II, III or IV;
- No financing for any projects or expansion of existing facilities of the gas and oil sector located north of the Arctic Circle;
- No financing for the extraction, processing or wholesale distribution of asbestos.

Specific regulations are set out in implementing rules, such as the environmental and social risk analysis procedure for customers from the Corporate and Investment Banking (CIB) segment and the Business and Corporate Banking (BCB) segment.

The **ESG risk assessment** of CIB customers is performed on the local level, taking into account the solutions applied by Santander Group. ESCC (Environmental, Social and Climate Change) risk of customers/ transactions from the sectors defined in the relevant policy (in particular: oil and gas, power generation and transmission, mining and metals and soft commodities sectors) is analysed on a case-by-case basis. Analysts recommend the ESCC risk which is reflected in the customer's credit application and covered by periodic reviews. The assessment process is expanded to include new sensitive sectors, such as: automotive, food and chemical – in particular: production of plastics and agrochemicals.

In addition, a structured analysis of plans for transition into lower emissions is carried out for customers from high-emission industries such as energy production based on fossil fuels, coal mining, airlines, and steelmaking.

Project finance is based on analyses 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 assessment of other corporate customers is currently largely automated and uses an algorithm which enables the preselection of climate risks. Customers are assigned environmental flags indicating the level of those risks. The flags are assigned to all customers as part of portfolio preselection carried out on the basis of the characteristics of specific companies (including their PKD business code indicating the nature of their business).

In addition, the Group implemented a pilot standardised and systemic solution for analysing ESG risk of medium-sized companies in order to fully use all available data to assess inherent risk and optimise residual risk assessment as part of cooperation with customers. The solution has received a positive customer feedback and work is underway to roll it out.

With regard to personal customers, the Bank is primarily working on extending the scope of held and analysed data about transition risk and the risk of a change in consumer preferences in respect of the mortgage loan portfolio. Those data will also be crucial for developing the assessment of ESG risks (including climate risks) in the real estate segment.

Sector	Examples of sub-sectors
Agriculture	Crop growing, animal husbandry, horticulture, forestry
Industry	Food, beverages, tobacco, wood products, chemicals, plastics, building materials, machinery
Mining and metallurgy	Coal and metal ore mining, coke production, metal and steel production
Oil and gas	Mining, processing, distribution, integrated companies
Generation of electricity, with the split into conventional and renewable sources	All energy sources: coal, gas, oil, nuclear energy, solar energy, wind, biomass, energy distribution
Real estate, construction, mortgage loans	Mortgage loan for personal customers, financing of commercial real estate, construction
Transport	Production of cars and trucks and other means of transport, maritime transport, air transport, rail transport, car transport

The Group thoroughly analysed flood risk related to its mortgage collateral using interactive flood maps provided by government agencies. While the Group did not suffer significant losses as a consequence of the flood in September 2024, it recognises a growing importance of this risk. Accordingly, it decided to modify the Bank's mortgage lending policy for personal customers by extending the minimum required insurance cover for the mortgaged property to include flood risk and changing the acceptable level of flash flood risk. This is to reduce the Bank's credit risk arising from climate risks but, more importantly, protect customers against such risks.

In 2024, the Bank revised the sensitivity analysis of its credit portfolio to climate risks, taking into account the sensitivity assessment of the most exposed sectors covered by the portfolio. The Group considered physical and transition risks in the 11 sectors in which Banco Santander customers are active and which are exposed most to climate risks. Nine out of those 11 sectors are strongly represented in the portfolio of Santander Bank Polska S.A. Renewable energy generation was included as a separate sector, just as the year before. The sectors identified in the above process were assessed as relatively sensitive to climate risks. Other sectors and the non-mortgage retail credit portfolio were assessed as relatively insensitive to climate risk.

A climate risk materiality matrix was prepared for the identified sectors. The matrix is used as a basis for reporting for the following portfolios: the Corporate and Investment Banking (CIB), the Business and Corporate Banking (BCB), SME customers and mortgage loans (the remaining portfolios will be covered with the assessment as the methodology evolves).

The analysis looked at three horizons: by 2030, by 2040 and by 2050. The Bank used climate scenarios defined by the Network for Greening the Financial System (NGFS), the world's leading group of central banks and supervision authorities with more than 130 members (including the biggest institutions such as the European Central Bank, the Bank of England and the US Federal Reserve System) determined to ensure a better understanding and management of climate risks. The NGFS methodology provides for the following three scenarios:

- The Orderly Transition scenario, which assumes that climate policies are introduced early and become gradually more stringent, letting both physical and transition risks to become relatively subdued.
- The Disorderly Transition scenario, which assumes that climate policy efforts will be delayed or divergent across countries and sectors, thus increasing transition risks.
- The Hot House World scenario, which assumes that global efforts are insufficient to halt significant global warming, leading thus to severe physical risks and irreversible impacts.

The main types of risks from both categories (physical risks and transition risks) were considered during the analysis. The risk was graded on a 1 to 5 scale, with 1 representing very low risk and 5 – very high risk. The analysis was qualitative, but it included the concept of double materiality: it considered both the channels of the Bank's impact on climate change and the impact of climate change on the

Bank's performance. The methodology and scope of this analysis are being constantly developed to more accurately reflect the impact of climate risks on the Bank's portfolio.

In the majority of scenarios, most sectors in the portfolio will be exposed to low **physical risks**. The risk was assessed slightly higher (as medium) in the Orderly Transition and Disorderly Transition scenarios for the energy and renewable energy sectors – hence the higher share and risk exposure of that category in the CIB and SME segments. This situation applies to the entire analysis period because NGFS scenarios predict that physical risks will only start to materialise in a significant way after 2050. The exposure would look slightly different in the Hot House World scenario, in which the risk is also assessed higher for the fuel sector, agricultural sector and several other sectors in 2050 as physical risks may start to materialise a bit earlier in this scenario.

In the case of **transition risks**, the portfolio exposure to the transformation risk in the Orderly Transition scenario is slightly higher in the 2030 perspective owing to the very high risk assessment of the fuel sector and the metal and mining sector. The risk assessment of those two sectors is slightly lower in the 2040 and 2050 perspectives, which results in a lower portfolio exposure across all segments. The exposure is largest for the Corporate and Investment Banking (CIB) segment, given that the energy, mining and metal sectors represent a relatively sizable part of that portfolio. For other segments, the exposure results from the share of the transport sector in the said portfolio, and – in the case of the Business and Corporate Banking (BCB) segment – additionally from the considerable share of the metal sector.

In the slower-than-expected (Disorderly Transition) scenario, the exposure to climate risks in the 2040 perspective is the highest in the fuel, mining and metal sectors: more than 20% of the CIB portfolio will be classified as very high risk (for the BCB portfolio, this figure will be 13%). For comparison, this category is not present at all within this time horizon if the transformation is orderly. In the period until 2050, the percentage share of high-risk categories will be much lower, especially in the BCB and SME segments.

The last of the analysed scenarios ("Hot House World") does not assume any fast or ambitious climate policy efforts, which leads to a significantly lower transition risk assessment compared to other scenarios. The exposure will slightly decline further by 2040. It is only the CIB portfolio where the exposure will grow by 2050 due to the share of the power sector.

The **results of the analyses of physical and transition climate risks** are included in the definition of transmission channels for relevant risks.

Credit risk:

- Impact of physical risk – a negative impact on borrowers and their repayment capacity, particularly in the case of the agri sector, where physical risk may reduce crop yields. More frequent and severe weather conditions and natural disasters may also decrease the value of loan collateral;
- Impact of transition risk – EU or national regulations may cause deterioration in the repayment capacity of business borrowers operating in specific sectors, notably high-carbon sectors such as energy, fuel, transport and logistics, or agriculture.

Liquidity and funding risk:

- Impact of physical risk – climate changes, including natural disasters and severe weather conditions, may cause a sudden increase in liquidity needs;
- Impact of transition risk – no significant impact of transition risk was identified.

Market risk:

- Impact of physical risk – risk of losses arising from changes in the value of the Bank's assets and liabilities caused by natural disasters and severe weather conditions;
- Impact of transition risk – higher costs related to CO_2 emissions may result in an increase in costs for some companies (notably in the high-carbon sectors such as energy or fuel sectors). This may lead to a decrease in income generated by those companies and then in their investment capacity, which in turn may cause a reduction in the number of new credit applications. Furthermore, regulatory pressure may indirectly affect the financial market through the limitation of investments in specific customer groups.

Operational risk:

- Impact of physical risk – severe weather conditions may affect the operations of the Bank's branches (e.g. flood, power outage);

- Impact of transition risk – increased costs of energy may cause a rise in expenses incurred by the Bank (e.g. higher rental costs).

Reputational risk:

- Impact of physical risk – no significant impact of physical risk was identified;
- Impact of transition risk – continued financing of sectors which are negatively perceived by regulators, market participants and rating agencies (mainly high-carbon sectors) may adversely affect the perception of the Bank.

In 2025, the Bank took the following steps to develop the environmental risk quantification system: start of a project to improve accuracy of physical risk estimates with the use of a physical risk calculator, accuracy of the assessment of sensitive sectors and in-depth analysis of selected physical risks in Poland.

The Bank manages environmental risk using internal data (collected during the lending process), publicly available data (e.g. non-financial reports of its counterparties) and data from external suppliers (e.g. rating agencies and physical risk data providers). The availability of the data of some counterparties about their exposure to environmental risks is currently limited. The Bank monitors data availability on an ongoing basis and takes measures to obtain additional information from its counterparties. Moreover, the Bank cooperates with BIK to develop the taxonomy data platform. The Bank has been amending its current processes on an ongoing basis so as to collect the widest-possible range of environmental risk data. It is also building an analytical database to collect ESG-related data. The database will be used as a single data source for all business lines and risk units of the Bank. The above solutions are implemented in stages. Their purpose is to create as accurate an ESG data repository as possible.

When developing the risk framework, supervising and managing the delivery of objectives and adherence to the strategy and policies related to **social and governance risk management**, the Bank takes into account the employee relationships and labour standards at its counterparties. In particular, when selecting suppliers, the Bank takes into consideration the implementation of policies regarding ethical conduct, compliance with law and social standards such as occupational health and safety requirements, diversity and inclusion in the workplace as well as adherence to the UN Global Compact principles. Currently, the Bank's assessment of counterparties does not include an analysis of their assessment of customer protection and responsibility for products.

The Bank presents information on its banking book exposures (including loans and advances, debt securities, and equity instruments) to non-financial corporations by economic activity sector in the European Union (NACE) that significantly contributes to climate change, as well as a subtotal of exposures to other sectors. The data presented specifically covers the sectors listed in Sections A-H and L of Annex I to Regulation (EC) No 1893/2006, which includes the oil, gas, mining, and transport sectors as sectors that significantly contribute to climate change, in accordance with point 6 of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.

Counterparties that are excluded from the EU Paris-aligned benchmarks, as specified in Article 12.1, points (d) to (g) and Article 12.2 of Commission Delegated Regulation (EU) 2020/1818, meet the criteria:

- 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO_2 e/kWh;
- as well as companies that are found or estimated to significantly harm one or more of the environmental objectives.

The data on financed emissions presented in Template 1 (columns i-k) show the results of the Bank's carbon footprint calculation for Scope 3, Group 15 (investments) for the corporate customer financing portfolio, corresponding to individual sectors. In the process of estimating emissions, the Bank uses the PCAF methodology, which, in the absence of information on emissions directly from the contractor, provides the possibility of estimating emissions based on its physical or economic activity.

Template 1 can be found in the appendix to this report, 'Pillar III 2025 06 Tables,' which is available on the Santander Bank Polska website.

Template 2 presents the gross carrying amount of the commercial and residential real estate distribution and the foreclosed security on the real estate, including information on energy capacity, measured by taking into account the ownership of non-renewable primary energy in [kWh/(m²·year)] based on the security performance certificate referred to in Article 2(12) of Directive 2010/31/EU. The Bank presented a disclosure based on data from energy performance certificates and expert determination of the basic non-renewable primary energy demand based on the year of construction of the property and its type (according to the building's intended use), as well as the basic values of the annual primary energy demand counter for individual types of uses, which are based on the year of construction and intended use, Ministry of Development and Technology.

Template 2 presents the gross carrying amount of loans secured by commercial and residential real estate and repossessed real estate security, including information on the energy efficiency level of the security measured in terms of non-renewable primary energy demand in [kWh/(m2·year)] based on the security's energy performance certificate referred to in Article 2(12) of Directive 2010/31/EU. The Bank prepared the disclosure based on data from energy performance certificates and an expert estimate of the average non-renewable primary energy demand based on the year of construction of the property and its type (according to the building's purpose) and the average values of the annual primary energy demand indicator for individual building types depending on the year of construction and purpose from the Ministry of Development and Technology, which is an annex to Resolution No. 23/2022 of the Council of Ministers of February 9, 2022. In the case of buildings constructed after December 31, 2020, the maximum value of the primary energy demand indicator was estimated based on the provisions of the Regulation of the Minister of Infrastructure of April 12, 2002 on the technical conditions to be met by buildings and their location. For some of the exposures, actual values regarding the energy efficiency of security measures were disclosed, collected from customers or obtained from the central register of building energy performance. The bank is gradually updating the data in its systems.

TEMPLATE 2: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY - ENERGY EFFICIENCY OF THE COLLATERAL, AS AT 30.06.2025 (MLN. EUR)

Counterparty sector	Gross carrying amount (Mln EUR)															
		Energy efficiency level (energy performance indicator in kWh/m² of collateral)						Energy efficiency level (energy performance certificate label of the collateral) ***							Without an energy performance certificate label for the collateral	
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Including estimated energy efficiency level (energy performance indicator in kWh/m² of collateral)
1 Total EU area	18 567	5 541	4 842	3 351	747	44	722	-	-	-	-	-	-	-	18 567	70%
2 Of which Loans collateralised by commercial immovable property	6 311	340	1 432	1 048	191	26	22	-	-	-	-	-	-	-	6 311	39%
3 Of which Loans collateralised by residential immovable property	12 256	5 201	3 410	2 304	555	18	700	-	-	-	-	-	-	-	12 256	86%
4 Including collateral obtained through foreclosure: residential and commercial real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100%
5 Including estimated energy efficiency level (energy performance indicator in kWh/m² of collateral)	13 079	4 550	3 948	3 170	687	24	700								13 079	100%
6 Total EU area **	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	
7 Of which Loans collateralised by commercial immovable property	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
8 Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Including collateral obtained through foreclosure: residential and commercial real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Including estimated energy efficiency level (energy performance indicator in kWh/m² of collateral)	-	-	-	-	-	-	-								-	-

* The presented exposures do not include receivables from SCB and its subsidiaries, which constitute group assets classified as assets held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations." Detailed information is presented in Note 32 "Discontinued operations" in the Condensed Interim Consolidated Financial Statements of Santander Bank Polska Group for the six-month period ended 30 June 2025.

** The commercial property located outside the EU is located in the United States. Due to the lack of information on primary energy demand and intangible assets, the exposure has not been included in a separate table.

*** Columns h-n are empty because the Bank does not have exposures secured by real estate with assigned energy performance certificates labels (building energy efficiency classes A-G).

**** The table above uses the average EUR exchange rate of the National Bank of Poland as of 30 June 2025.

The table below presents information on the Santander Bank Polska Group's portfolio alignment indicators to the global decarbonization goals for 2030 in the Net Zero 2050 scenario defined in the International Energy Agency's (IEA) "Net Zero Roadmap – A Global Pathway to Keep the 1.5 oC Goal in Reach ("World Energy Outlook 2024" - update)" document.

This disclosure applies only to the high-emission sectors identified in lines 1-8 of the disclosure template (so-called "IEA sectors") and therefore only covers 15% of the Santander Bank Polska Group's total exposure to non-financial corporations.

Due to the significant operational challenges associated with obtaining reliable source data for calculating the alignment indicators, it was assumed that the alignment indicators are determined only for those MEA sectors where exposure exceeds 2% of the total exposure to non-financial corporations.

Therefore, Santander Bank Polska Group has determined adjustment indicators for the following IEA sectors:

- "Energy" (under NACE codes 35.11 and 35.13);
- "Production of iron and steel, coke and metal ores" (under NACE codes 07.29 and NACE code group 25).

The adjustment indicators in the "Energy" sector were determined as the gross balance sheet value-weighted average greenhouse gas emission intensity per MWh of electricity produced. For targeted financing of solar and wind energy, an emission intensity of zero was assumed. For other exposures, the greenhouse gas and energy production volumes disclosed by customers or the emission intensity published by KOBiZE in its document "Emission Indicators for Electricity for 2023, published in December 2024" were used. The global decarbonization target for 2030 comes directly from the IEA publication mentioned above.

The adjustment indicator for the "Production of iron and steel, coke and metal ores" sector under NACE code "07.29 Mining of other non-ferrous metal ores" was estimated based on information published by the reference market-leading Polish capital group engaged in non-ferrous metal mining and smelting. In turn, the adjustment indicator for NACE code group 25 (activities related to the production of various types of metal objects) was estimated based on the average carbon intensity of enterprises financed by the Group (using PCAF indicators) and the average volume of metal product production per enterprise based on data from the Central Statistical Office. The IEA does not explicitly provide a 2030 decarbonization target for these industries. Based on the assumptions described by the IEA for heavy industry in the document Net Zero Roadmap – A Global Pathway to Keep the 1.5 oC Goal in Reach ("World Energy Outlook 2024" - update)", it was assumed that the 2030 target assumes a 20% emission reduction compared to the base year.

TEMPLETE 3: BANKING PORTFOLIO - INDICATORS OF POTENCIAL TRANSITION RISK RELATED TO CLIMATE CHANGE- ADJUSTMENT INDICATORS, AS AT 30.06.2025 (MLN. EUR)

	Sector	Sectors NACE (minimum)	Gross carrying amount (Mln EUR)	Adjustment indicator	Reference year	Value missing to reach the target defined in the MAE scenario NZE2050, w % **	Target (reference year + 3 years)
1	Energy	35.11	408,36	0,35 t CO2eq / MWh	2024	80,3%	n/a - none*
		35.12	0,05	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
		35.13	230,46	0,88 t CO2eq / MWh	2024	352,0%	
		35.14	13,20	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
		27.1 27.2 27.3 27.4 27.5 27.9	166,13	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
		33.1	5,19	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
		35.3	33,48	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
		43.2	73,90	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
2	Fossil fuel combustion	19.2 46.7 20.1 08.1 35.2 09.1 46.1 09.9 06.1 06.2	117,00	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - none*
3	Automotive	29.3 29.1 29.2 28.1	153,91	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - none*
4	Aviation	51.2 51.1 33.1 30.3 52.2	23,41	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - none*
5	Maritime transport	52.2 50.2 30.1 33.1 50.4 50.1 50.3	163,63	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - none*
6	Cement, lime and coal production	23.6 23.5 08.1 08.9	70,30	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - none*
7	Iron and steel, coke and metal ore prodution	07.29	395,91	9,04 t CO2eq / t	2024	25,0%	n/a - none*
		25.1 25.6 25.9 25.7 25.2 25.4 25.5 25.3	506,45	6,34 t CO2eq / t	2024	25,0%	
		24.5 24.1 24.4 24.3 24.2	62,23	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
		46.7	12,97	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	
8	Chemicals	20.1 20.5 20.4 20.3 20.2 20.6	221,23	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - sector with a share below 2% of the total portfolio	n/a - none*

* As of June 30, 2024, the Group does not yet have its own transformation plan and has therefore not defined business decarbonization targets.

** The missing value at this moment to achieve the data points set for 2030 in the NZE2050 scenario, in %, (with respect to each indicator).

*** The table above uses the average EUR exchange rate of the National Bank of Poland as of 30 June 2025.

Template 5 provides information on banking book exposures (including loans and advances, debt securities, and equity instruments) to non-financial corporations, as well as loans secured by mortgages on real estate and repossessed collateral in the form of real estate, which are sensitive to climate-related risks.

In Template 5, the Bank presents information on banking book exposures (including loans and advances, debt securities, and equity instruments) to non-financial corporations and loans secured by real estate, which are sensitive to the impact of both long-term and acute climate change-related risks. Data is presented by economic activity sector (NACE) and by geographic area in which the counterparty is registered or where the collateral is located. The Bank identifies exposures sensitive to physical risk based on data on physical risk factors provided by external providers. For loans and advances secured by mortgages on real estate and repossessed collateral, the Bank collects data on the collateral's location and matches it to individual climate risks using hazard maps. Due to limited availability of information on the precise coordinates of the company's operations, the company's registered office address was used in the data disclosed in the above template.

TEMPLATE 5: BANKING BOOK - CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK, AS AT 30.06.2025 (MLN. EUR)

Variable: Geographical area subject to climate change physical risk - acute and chronic events	Gross carrying amount (Mln EUR)													
		Of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity classes					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 lat	> 5 lat <= 10 lat	> 10 lat <= 20 lat	> 20 lat	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	97	-	-	-	-	-	-	-	-	-	-	-	-	-
B - Mining and quarrying	416	-	-	-	-	-	-	-	-	-	-	-	-	-
C - Manufacturing	2 442	-	-	-	-	-	-	-	-	-	-	-	-	-
D - Electricity, gas, steam and air conditioning supply	676	-	-	-	-	-	-	-	-	-	-	-	-	-
E - Water supply; sewerage, waste management and remediation activities	113	-	-	-	-	-	-	-	-	-	-	-	-	-
F - Construction	778	-	-	-	-	-	-	-	-	-	-	-	-	-
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2 721	-	-	-	-	-	-	-	-	-	-	-	-	-
H - Transportation and storage	900	-	-	-	-	-	-	-	-	-	-	-	-	-
L - Real estate activities	325	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans collateralised by residential immovable property	12 256	17	46	228	340	20	-	632	-	-	-	-	-	-
Loans collateralised by commercial immovable property	6 312	185	79	20	2	4	-	286	-	-	-	- 22	- 2	- 20
Repossessed colalterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other relevant sectors (breakdown below where relevant)	3 015	-	-	-	-	-	-	-	-	-	-	-	-	-

* The presented exposures do not include receivables from SCB and its subsidiaries, which constitute group assets classified as assets held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations." Detailed information is presented in Note 32 "Discontinued operations" in the Condensed Interim Consolidated Financial Statements of Santander Bank Polska Group for the six-month period ended 30 June 2025.

** The table above uses the average EUR exchange rate of the National Bank of Poland as of 30 June 2025.

Template 4 concerns engagement with the world's 20 largest carbon emissions companies and entities within their capital groups. For this purpose, the Bank used the Carbon Majors Database 2023 report, updated in March 2025. The Bank analysed its exposures to the entities included in the above-mentioned list, as well as to their subsidiaries, identified on the basis of consolidated financial statements. As a result of the analysis, as at 30 June 2025, no significant exposure to the indicated companies (PLN 1k) was identified, and therefore the Bank does not present Template 4..

Statement of the Management Board of Santander Bank Polska S.A.

The Management Board of Santander Bank Polska S.A. declares that, to the best of its knowledge, the arrangements contained in this "Information on Capital Adequacy of Santander Bank Polska Group as at 30 June 2025" give a true view of the facts, while the risk management arrangements, notably with regard to liquidity risk, give assurance that the risk management systems in use are appropriate in terms of the risk profile and strategy of the Bank's Group.

The Management Board of Santander Bank Polska S.A. approves this "Information on Capital Adequacy of Santander Bank Polska Group as at 30 June 2025", which contains details about risks, discusses the general risk profile of the Bank and the Bank's Group associated with the business strategy, and includes key metrics and figures that provide external stakeholders with a comprehensive view of risk management by the Bank's Group, including interaction between the Bank's risk profile and risk appetite expressed in the form of strategic risk tolerance limits, as determined by the Management Board and approved by the Supervisory Board.