



REPORT

of Santander Bank Polska Group
for the first half of 2025

FINANCIAL HIGHLIGHTS

		PLN k		EUR k	
		1.01.2025- 30.06.2025	1.01.2024- 30.06.2024* represented	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024* represented
Consolidated financial statements of Santander Bank Polska Group					
I	Net interest income	6 353 927	5 911 548	1 505 385	1 371 303
II	Net fee and commission income	1 471 628	1 385 196	348 661	321 324
III	Profit before tax	4 120 377	3 380 895	976 208	784 267
IV	Net profit attributable to owners of the parent entity	2 751 594	2 359 646	651 913	547 367
V	Net profit attributable to owners of the parent entity from continuing operations	3 078 978	2 453 443	729 477	569 125
VI	Net profit(loss) attributable to owners of the parent entity from discontinued operations	(327 384)	(93 797)	(77 564)	(21 758)
VII	Profit of the period attributable to non-controlling interests	96 064	(25 948)	22 760	(6 019)
VIII	Total net cash flows	(7 477 361)	(8 860 338)	(1 771 551)	(2 055 334)
IX	Earnings per ordinary share in PLN/EUR	27,87	22,84	6,60	5,30
X	Diluted earnings per ordinary share in PLN/EUR	27,87	22,84	6,60	5,30
XI	Earnings per ordinary share from continuing operations in PLN/EUR	30,13	24,01	7,14	5,57
XII	Diluted earnings per ordinary share from continuing operations in PLN/EUR	30,13	24,01	7,14	5,57
Separate financial statements of Santander Bank Polska S.A.					
I	Net interest income	6 168 600	5 740 222	1 461 476	1 331 560
II	Net fee and commission income	1 355 759	1 272 122	321 209	295 094
III	Profit before tax	4 055 730	3 336 850	960 891	774 050
IV	Profit for the period	2 674 447	2 455 547	633 635	569 614
V	Total net cash flows	(6 986 192)	(8 157 322)	(1 655 182)	(1 892 255)
VI	Profit per share in PLN/EUR	26,17	24,03	6,20	5,57
VII	Diluted earnings per share in PLN/EUR	26,17	24,03	6,20	5,57

* Data represented following the separation of the discontinued operations; details are presented in Note 32

FINANCIAL HIGHLIGHTS

		PLN k		EUR k	
		30.06.2025	31.12.2024	30.06.2025	31.12.2024
Consolidated financial statements of Santander Bank Polska Group					
I	Total assets	314 556 758	304 373 920	74 154 685	71 231 903
II	Deposits from banks	3 418 447	5 148 660	805 876	1 204 929
III	Deposits from customers	221 040 233	232 028 762	52 108 780	54 301 138
IV	Total liabilities	281 353 500	269 932 734	66 327 235	63 171 714
V	Total equity	33 203 258	34 441 186	7 827 449	8 060 189
VI	Non-controlling interests	1 976 657	1 913 719	465 984	447 863
VII	Number of shares	102 189 314	102 189 314		
VIII	Net book value per share in PLN/EUR	324,92	337,03	76,60	78,87
IX	Capital ratio	18,06%	17,99%**		
X	Declared or paid dividend per share in PLN/EUR	46,37***	44,63	10,99	10,37
Separate financial statements of Santander Bank Polska S.A.					
I	Total assets	284 304 479	276 090 920	67 022 909	64 612 900
II	Deposits from banks	2 699 484	3 050 432	636 386	713 885
III	Deposits from customers	220 873 364	215 776 367	52 069 442	50 497 629
IV	Total liabilities	255 492 869	245 863 553	60 230 762	57 538 861
V	Total equity	28 811 610	30 227 367	6 792 147	7 074 039
VI	Number of shares	102 189 314	102 189 314		
VII	Net book value per share in PLN/EUR	281,94	295,80	66,47	69,23
VIII	Capital ratio	20,26%	20,15%**		
IX	Declared or paid dividend per share in PLN/EUR	46,37***	44,63	10,99	10,37

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

***Detailed information are described in note 44.

The following rates were applied to determine the key EUR amounts for selected financial statements line items:

- for balance sheet items – average NBP exchange rate as at 30.06.2025: EUR 1 = PLN 4,2419 and as at 31.12.2024: EUR 1 = PLN 4,2730
- for profit and loss items – as at 30.06.2025 - the rate is calculated as the average of NBP exchange rates prevailing as at the last day of each of the six months in 2025: EUR 1 = PLN 4,2208 ; as at 30.06.2024 - the rate is calculated as the average of NBP exchange rates prevailing as at the last day of each of the six months in 2024: EUR 1 = PLN 4,3109

As at 30.06.2025, FX denominated balance sheet positions were converted into PLN in line with the NBP FX table no. 124/A/NBP/2025 dd. 30.06.2025.



Condensed Interim Consolidated Financial Statements

of Santander Bank Polska Group
for the 6-month period
ended 30 June 2025

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I. Condensed consolidated income statement

		1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024*	1.01.2024- 30.06.2024*
	for the period:			represented	represented
Interest income and income similar to interest		4 387 175	8 724 657	3 961 718	8 022 105
Interest income on financial assets measured at amortised cost		3 683 664	7 326 423	3 331 968	6 726 350
Interest income on financial assets measured at fair value through other comprehensive income		510 283	1 014 399	442 152	939 095
Income similar to interest on financial assets measured at fair value through profit or loss		26 800	49 573	23 757	33 202
Income similar to interest on finance leases		166 428	334 262	163 841	323 458
Interest expense		(1 209 076)	(2 370 730)	(1 066 429)	(2 110 557)
Net interest income	Note 6	3 178 099	6 353 927	2 895 289	5 911 548
Fee and commission income		921 522	1 786 327	837 202	1 655 293
Fee and commission expense		(177 661)	(314 699)	(147 436)	(270 097)
Net fee and commission income	Note 7	743 861	1 471 628	689 766	1 385 196
Dividend income		12 512	12 514	12 051	12 069
Net trading income and revaluation	Note 8	109 601	136 302	79 084	80 194
Gains (losses) from other financial securities	Note 9	791	561	902	7 822
Gain/loss on derecognition of financial instruments measured at amortised cost	Note 32	(10 802)	(7 146)	(20 573)	(28 343)
Other operating income	Note 10	20 311	42 747	34 496	56 645
Allowances for expected credit losses	Note 11	(123 366)	(243 254)	(292 067)	(448 180)
Cost of legal risk associated with foreign currency mortgage loans	Note 31	(738 781)	(818 110)	(799 333)	(1 013 322)
Operating expenses incl.:		(1 109 733)	(2 476 532)	(1 086 181)	(2 258 571)
-Staff, operating expenses and management costs	Note 12,13	(943 182)	(2 140 385)	(928 359)	(1 948 705)
-Amortisation of property, plant and equipment and intangible assets		(110 429)	(219 246)	(100 328)	(197 471)
-Amortisation of right of use assets		(34 761)	(69 597)	(32 173)	(68 625)
-Other operating expenses	Note 14	(21 361)	(47 304)	(25 321)	(43 770)
Share in net profits (loss) of entities accounted for by the equity method		29 165	58 020	28 773	53 061
Tax on financial institutions		(205 918)	(410 280)	(187 386)	(377 224)
Profit before tax		1 905 740	4 120 377	1 354 821	3 380 895
Corporate income tax	Note 15	(493 526)	(1 008 483)	(428 704)	(899 844)
Net profit for the period from continuing operations		1 412 214	3 111 894	926 117	2 481 051
Profit/(loss) for the period from discontinued operations	Note 32	(355 577)	(264 236)	(189 993)	(147 353)
Profit for the period		1 056 637	2 847 658	736 124	2 333 698
Profit/(loss) for the period attributable to:					
- owners of the parent entity		1 017 969	2 751 594	794 902	2 359 646
- non-controlling interests		38 668	96 064	(58 778)	(25 948)
Profit/(loss) for the period attributable to owners of the parent entity from:					
- continuing operations		1 395 668	3 078 978	912 074	2 453 443
- discontinued operations		(377 699)	(327 384)	(117 172)	(93 797)
Profit/(loss) for the period attributable to owners of the parent entity		1 017 969	2 751 594	794 902	2 359 646
Net earnings per share from continuing operations					
Diluted earnings per share (PLN/share)		13,66	30,13	8,93	24,01
Diluted earnings per share (PLN/share)		13,66	30,13	8,93	24,01
Net earnings per share					
Consolidated profit/(loss) for the period		10,34	27,87	7,20	22,84
Diluted earnings per share (PLN/share)		10,34	27,87	7,20	22,84

* Data represented following the separation of the discontinued operations; details are presented in Note 32

II. Condensed consolidated statement of comprehensive income

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024	1.01.2024- 30.06.2024
Consolidated net profit for the period	1 056 637	2 847 658	736 124	2 333 698
Items that will be reclassified subsequently to profit or loss:	397 417	794 137	(64 245)	(287 565)
Revaluation and sales of debt financial assets measured at fair value through other comprehensive income, gross	166 316	355 995	7 211	317 296
Deferred tax	(31 600)	(67 639)	(1 370)	(60 286)
Revaluation of cash flow hedging instruments, gross	324 322	624 421	(86 526)	(672 315)
Deferred tax	(61 621)	(118 640)	16 440	127 740
Items that will not be reclassified subsequently to profit or loss:	(38 867)	(38 892)	95 728	95 716
Revaluation of equity financial assets measured at fair value through other comprehensive income, gross	(55 380)	(55 411)	116 612	116 597
Deferred and current tax	10 522	10 528	(22 065)	(22 062)
Provision for retirement benefits – actuarial gains/losses, gross	7 396	7 396	1 458	1 458
Deferred tax	(1 405)	(1 405)	(277)	(277)
Total other comprehensive income, net	358 550	755 245	31 483	(191 849)
Total comprehensive income for the period	1 415 187	3 602 903	767 607	2 141 849
Total comprehensive income for the period is attributable to:				
- owners of the parent entity	1 362 469	3 483 489	826 765	2 170 451
- non-controlling interests	52 718	119 414	(59 158)	(28 602)
Total comprehensive income for the period attributable to owners of the parent entity from:				
- continuing operations	1 319 575	3 376 323	944 450	2 268 330
- discontinued operations	42 894	107 166	(117 685)	(97 879)

III. Condensed consolidated statement of financial position

	as at:	30.06.2025	31.12.2024* restated	1.01.2024* restated
ASSETS				
Cash and cash equivalents	Note 16	21 526 145	29 003 506	34 575 193
Loans and advances to banks	Note 17	3 822 144	4 031 165	262 995
Financial assets held for trading	Note 18	14 253 573	9 347 575	8 939 360
Hedging derivatives	Note 19	1 626 592	1 401 753	1 575 056
Loans and advances to customers incl.:	Note 20	159 236 705	174 776 281	159 520 007
- measured at amortised cost		144 062 541	155 594 869	143 488 004
- measured at fair value through other comprehensive income		4 369 435	4 289 996	2 798 234
- measured at fair value through profit and loss		983	63 289	85 093
- from finance leases		10 803 746	14 828 127	13 148 676
Reverse sale and repurchase agreements		1 537 032	4 475 404	2 036 133
Investment securities incl.:	Note 21	74 496 266	70 917 031	61 276 635
- debt securities measured at fair value through other comprehensive income		31 901 885	34 847 851	41 352 202
- debt securities measured at fair value through profit and loss		-	1 247	2 005
- debt investment securities measured at amortised cost		42 187 113	35 596 997	19 639 468
- equity securities measured at fair value through other comprehensive income		406 906	462 317	277 121
- equity securities measured at fair value through profit and loss		362	8 619	5 839
Assets pledged as collateral		1 683 193	1 198 845	271 933
Investments in associates	Note 22	930 457	967 209	967 514
Intangible assets		845 252	979 811	881 857
Goodwill		1 688 516	1 712 056	1 712 056
Property, plant and equipment		672 735	795 006	765 278
Right of use assets		433 677	489 056	494 296
Deferred tax assets	Note 32	262 124	1 414 382	1 751 189
Assets of the group classified as held for sale	Note 32	27 456 518	5 400	6 453
Other assets		4 085 829	2 859 440	1 615 930
Total assets		314 556 758	304 373 920	276 651 885
LIABILITIES AND EQUITY				
Deposits from banks	Note 23	3 418 447	5 148 660	4 156 453
Hedging derivatives	Note 19	190 311	607 737	880 538
Financial liabilities held for trading	Note 18	12 613 641	9 909 687	8 818 493
Deposits from customers	Note 24	221 040 233	232 028 762	209 277 356
Sale and repurchase agreements		1 700 759	1 198 455	273 547
Subordinated liabilities	Note 25	2 118 085	2 228 898	2 686 343
Debt securities in issue	Note 26	10 008 399	11 851 163	9 247 159
Lease liabilities		281 276	348 450	365 833
Current income tax liabilities		363 610	741 297	1 174 609
Deferred tax liability		859	686	435
Provisions for financial liabilities and guarantees granted	Note 27	78 452	93 919	123 085
Other provisions	Note 28	2 013 084	2 075 840	967 106
Other liabilities	Note 29	4 849 945	3 699 180	4 989 910
Liabilities directly associated with assets of the group classified as held for sale	Note 32	22 676 399	-	-
Total liabilities		281 353 500	269 932 734	242 960 867
Equity				
Equity attributable to owners of the parent entity		31 226 601	32 527 467	31 762 645
Share capital		1 021 893	1 021 893	1 021 893
Other reserve capital		23 816 497	24 424 796	25 097 202
Revaluation reserve		513 252	(218 647)	(298 688)
Retained earnings		3 123 365	2 086 694	1 111 131
Profit for the period		2 751 594	5 212 731	4 831 107
Non-controlling interests		1 976 657	1 913 719	1 928 373
Total equity		33 203 258	34 441 186	33 691 018
Total liabilities and equity		314 556 758	304 373 920	276 651 885

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5.

IV. Condensed consolidated statement of changes in equity

Equity attributable to owners of parent entity								
Consolidated statement of changes in equity 1.01.2025 - 30.06.2025	Share capital	Own shares	Other reserve capital	Revaluation reserve	Retained earnings and profit for the period	Total	Non- controlling interests	Total equity
As at the beginning of the period	1 021 893	-	24 424 796	(218 647)	7 299 425	32 527 467	1 913 719	34 441 186
Total comprehensive income	-	-	-	731 895	2 751 594	3 483 489	119 414	3 602 903
Consolidated profit for the period	-	-	-	-	2 751 594	2 751 594	96 064	2 847 658
Other comprehensive income from continuing operations	-	-	-	696 834	-	696 834	(25)	696 809
Other comprehensive income from discontinued operations	-	-	-	35 061	-	35 061	23 375	58 436
Share-based incentive scheme	-	-	33 848	-	-	33 848	-	33 848
Purchase of own shares	-	(82 367)	-	-	-	(82 367)	-	(82 367)
Settlements under share-based incentive scheme	-	82 367	(83 172)	-	-	(805)	-	(805)
Profit allocation to other reserve capital	-	-	281 132	-	(281 132)	-	-	-
Profit allocation to dividends	-	-	(840 887)	-	(3 897 632)	(4 738 519)	(56 476)	(4 794 995)
Other changes	-	-	780	4	2 704	3 488	-	3 488
As at the end of the period	1 021 893	-	23 816 497	513 252	5 874 959	31 226 601	1 976 657	33 203 258

As at the end of the period revaluation reserve in the amount of PLN 513,252 k comprises: change in revaluation of debt securities in the amount of PLN (373,479) k, revaluation of equity securities in the amount of PLN 307,582 k, revaluation of cash flow hedge instruments in the amount of PLN 575,826 k and accumulated actuarial gains of PLN 3,323 k.

Equity attributable to owners of parent entity								
Consolidated statement of changes in equity 1.01.2024 - 30.06.2024	Share capital	Own shares	Other reserve capital	Revaluation reserve	Retained earnings and profit for the period	Total	Non- controlling interests	Total equity
As at the beginning of the period	1 021 893	-	25 097 202	(298 688)	5 942 238	31 762 645	1 928 373	33 691 018
Total comprehensive income	-	-	-	(189 195)	2 359 646	2 170 451	(28 602)	2 141 849
Consolidated profit for the period	-	-	-	-	2 359 646	2 359 646	(25 948)	2 333 698
Other comprehensive income	-	-	-	(189 195)	-	(189 195)	(2 654)	(191 849)
Share-based incentive scheme	-	-	38 752	-	-	38 752	-	38 752
Purchase of own shares	-	(72 334)	-	-	-	(72 334)	-	(72 334)
Settlements under share-based incentive scheme	-	72 334	(72 592)	-	-	(258)	-	(258)
Profit allocation to other reserve capital	-	-	342 769	-	(342 769)	-	-	-
Profit allocation to dividends	-	-	(1 056 637)	-	(3 504 072)	(4 560 709)	(46 573)	(4 607 282)
Transfer of revaluation of equity financial assets measured at fair value through other comprehensive income	-	-	-	(482)	482	-	-	-
Other changes	-	-	236	1 406	707	2 349	-	2 349
As at the end of the period	1 021 893	-	24 349 730	(486 959)	4 456 232	29 340 896	1 853 198	31 194 094

As at the end of the period revaluation reserve in the amount of PLN (486,959) k comprises: change in revaluation of debt securities in the amount of PLN (802,842) k, revaluation of equity securities in the amount of PLN 296,341 k, revaluation of cash flow hedge instruments in the amount of PLN 17,762 k and accumulated actuarial gains of PLN 1,780 k.

V. Condensed consolidated statement of cash flows

	for the period	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024* restated
Cash flows from operating activities			
Profit before tax		4 120 377	3 206 140
Adjustments for:			
Share in net profits of entities accounted for by the equity method		(58 020)	(53 061)
Depreciation/amortisation		288 843	304 049
Net interest income		(6 345 253)	(6 672 205)
Net gains on investing activities		(8 424)	1 577
Dividends		(109 381)	(118 959)
Impairment losses (reversal)		748	2 742
Changes in:			
Provisions		(78 223)	404 150
Financial assets / liabilities held for trading		(2 093 676)	442 155
Assets pledged as collateral		(125 147)	(1 698 979)
Hedging derivatives		(977 190)	211 858
Loans and advances to banks		226 997	(1 962 114)
Loans and advances to customers		15 277 498	(8 622 484)
Deposits from banks		(1 552 949)	(15 799)
Deposits from customers		(11 094 648)	5 944 425
Buy-sell/ Sell-buy-back transactions		3 418 745	3 971 761
Assets/Liabilities of the group classified as held for sale		(2 428 650)	-
Other assets and liabilities		1 741 370	(1 545 441)
Interest received on operating activities		7 563 770	7 327 496
Interest paid on operating activities		(1 579 512)	(1 766 202)
Paid income tax		(1 316 873)	(1 601 821)
Net cash flows from operating activities		4 870 402	(2 240 712)
Cash flows from investing activities			
Inflows		7 423 148	9 286 860
Sale/maturity of investment securities		6 257 343	8 022 303
Sale of intangible assets and property, plant and equipment		8 404	16 633
Dividends received		104 246	114 002
Interest received		1 053 155	1 133 922
Outflows		(14 460 645)	(11 817 839)
Purchase of investment securities		(14 291 883)	(11 589 807)
Purchase of intangible assets and property, plant and equipment		(168 762)	(228 032)
Net cash flows from investing activities		(7 037 497)	(2 530 979)
Cash flows from financing activities			
Inflows		3 093 188	5 242 793
Debt securities issued		1 735 000	3 866 600
Drawing of loans		1 358 188	1 376 193
Outflows		(8 403 454)	(9 331 440)
Debt securities buy out		(1 352 400)	(2 600 000)
Repayment of loans and advances		(1 637 236)	(1 493 713)
Repayment of lease liabilities		(69 765)	(79 848)
Dividends to shareholders		(4 794 995)	(4 607 282)
Purchase of own shares		(82 367)	(72 334)
Interest paid		(466 691)	(478 263)
Net cash flows from financing activities		(5 310 266)	(4 088 647)
Total net cash flows		(7 477 361)	(8 860 338)
Cash and cash equivalents at the beginning of the accounting period		29 003 506	34 575 193
Cash and cash equivalents at the end of the accounting period		21 526 145	25 714 855

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5.

The comparative period does not include the reclassification of part of the Group's activities to discontinued operations. Cash flows arising from the discontinued operations are presented in Note 32.

VI. Additional notes to condensed consolidated financial statements

1. General information about issuer

Santander Bank Polska SA is a bank located in Poland, 00-854 Warszawa, al. Jana Pawła II 17, National Court Registry identification number is 0000008723, TIN os 896-000-56-73, National Official Business Register number (REGON) is 930041341.

Consolidated financial statement of Santander Bank Polska Group includes the Bank's financial information as well as information of its subsidiaries (forming together the "Group").

The immediate and ultimate parent entity of Santander Bank Polska is Banco Santander, having its registered office in Santander, Spain.

Santander Bank Polska Group offers a wide range of banking services to individual and business customers and operates in domestic and interbank foreign markets. It also offers the following services:

- intermediation in trading in securities,
- leasing,
- factoring,
- asset/ fund management,
- insurance distribution services,
- trading in shares of commercial companies,
- brokerage services.

Santander Bank Polska Group consists of the following entities:

Subsidiaries:

Subsidiaries	Registered office	[%] of votes on AGM at 30.06.2025	[%] of votes on AGM at 31.12.2024
1. Santander Finanse sp. z o.o.	Poznań	100%	100%
2. Santander Factoring sp. z o.o.	Warszawa	100% of AGM votes are held by Santander Finanse sp. z o.o.	100% of AGM votes are held by Santander Finanse sp. z o.o.
3. Santander Leasing S.A.	Poznań	100% of AGM votes are held by Santander Finanse sp. z o.o.	100% of AGM votes are held by Santander Finanse sp. z o.o.
4. Santander Inwestycje sp. z o.o. ⁴⁾	Warszawa	100%	100%
5. Santander F24 S.A.	Poznań	100% of AGM votes are held by Santander Finanse sp. z o.o.	100% of AGM votes are held by Santander Finanse sp. z o.o.
6. Santander Towarzystwo Funduszy Inwestycyjnych S.A. ¹⁾	Poznań	50%	50%
7. Santander Consumer Bank S.A. ⁵⁾	Wrocław	60%	60%
8. Stellantis Financial Services Polska Sp. z o.o. ^{2)and5)}	Warszawa	50% of AGM votes are held by Santander Consumer Bank S.A. and 50% of AGM votes are held by Stellantis Financial Services S.A.	50% of AGM votes are held by Santander Consumer Bank S.A. and 50% of AGM votes are held by Stellantis Financial Services S.A.
9. Stellantis Consumer Financial Services Polska Sp. z o.o. ^{2)and5)}	Warszawa	100% of AGM votes are held by Stellantis Financial Services Polska Sp. z o.o.	100% of AGM votes are held by Stellantis Financial Services Polska Sp. z o.o.
10. Santander Consumer Multirent sp. z o.o. ⁵⁾	Wrocław	100% of AGM votes are held by Santander Consumer Bank S.A.	100% of AGM votes are held by Santander Consumer Bank S.A.
11. SCM POLAND AUTO 2019-1 DAC ⁵⁾	Dublin	subsidiary of Santander Consumer Multirent S.A.	subsidiary of Santander Consumer Multirent S.A.
12. Santander Consumer Financial Solutions Sp. z o.o. ⁵⁾	Wrocław	subsidiary of Santander Consumer Multirent S.A.	subsidiary of Santander Consumer Multirent S.A.
13. S.C. Poland Consumer 23-1 DAC. ^{3)and5)}	Dublin	subsidiary of Santander Consumer Bank S.A.	subsidiary of Santander Consumer Bank S.A.

1. The owners of Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI S.A.), i.e. Santander Bank Polska S.A. and Banco Santander S.A., are members of global Santander Group and hold an equal stake of 50% in the company's share capital.

Santander Bank Polska S.A. exercises control over Santander TFI S.A. within the meaning of the International Financial Reporting Standard 10 (IFRS 10) because it has a practical ability to unilaterally direct the relevant activities of Santander TFI S.A. Furthermore, it significantly affects the company's operations and returns as the major business partner and distributor of investment products. At the same time, through its ownership interest, Santander Bank Polska S.A. is exposed and has right to variable returns generated by Santander TFI S.A.

Considering the guidance provided in IFRS 10 par. B18, the Bank's Management Board concluded that, having regard to legal requirements concerning Santander TFI S.A. and its operations, the Bank has a practical ability to unilaterally direct the relevant activities of Santander TFI S.A. even if it does not have a contractual right to do so.

The Bank can have a real impact on the composition of the Supervisory Board and through it – on the composition of the Management Board of Santander TFI S.A. and these governing bodies decide on the relevant activities of Santander TFI S.A. It should therefore be concluded that by having power and right to variable returns (benefits), the Bank has control over Santander TFI S.A. The planned sale of a stake in Santander Bank Polska S.A. by Banco Santander S.A. does not affect the Bank's judgment in this respect.

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

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

4. On 27 June 2025, the Extraordinary General Meeting of Santander Inwestycje Sp. z o.o. decided to start the liquidation of the company on 1 July 2025, appoint a liquidator and change the company's name to SPV XX04062025 (effective as of its registration in the National Court Register).

5. As at 30 June 2025, and for the period between 1 January 2025 and 30 June 2025, the activities of SCB and its subsidiaries have been classified and presented in these statements as discontinued operations due to the planned divestment of those entities and fulfilment of the requirements arising from IFRS 5. Detailed information is presented in Note 32.

Associates:

Associates	Registered office	[%] of votes on AGM at 30.06.2025	[%] of votes on AGM at 31.12.2024
1. POLFUND - Fundusz Poręczeń Kredytowych S.A.	Szczecin	50%	50%
2. Santander - Allianz Towarzystwo Ubezpieczeń S.A.	Warszawa	49%	49%
3. Santander - Allianz Towarzystwo Ubezpieczeń na Życie S.A.	Warszawa	49%	49%

2. Basis of preparation of consolidated financial statements

2.1 Statement of compliance

These condensed interim consolidated financial statements of Santander Bank Polska S.A. Group were prepared in accordance with the International Accounting Standard 34 "Interim financial reporting" as adopted by the European Union.

The accounting principles were applied uniformly by individual units of the Santander Bank Polska S.A. Group. Santander Bank Polska S.A. Group applied the same accounting principles and calculation methods as in the preparation of the consolidated financial statements for the year ended as at 31 December 2024, except for the income tax charge, which was calculated in accordance with the principles set out in IAS34.30c and changes in accounting standards p. 2.4. Santander Consumer Bank Group is presented in these financial statements as a disposal group and discontinued operations. The Group's data in the consolidated income statement for the 6-month period ended 30 June 2024 have been restated accordingly, while the data in the consolidated statement of financial position as at 31 December 2024 have not been restated – as required by IFRS 5. As a result, because of the transfer of a portion of assets and liabilities to assets/liabilities held for sale, the balance sheet data of Santander Bank Polska Group as at 31 December 2024 may not be comparable to the data as at 30 June 2025. For more information see Note 32 *Discontinued operations*.

2.2 Basis of preparation of financial statements

Presented consolidated condensed interim financial statement does not contain information and disclosures required in annual financial statement and should be read together with consolidated financial statements as at 31 December 2024.

These consolidated financial statements have been prepared on the assumption that the Group companies will continue in non-significantly reduced scope as going concern in the foreseeable future, i.e. for a period of at least 12 months from the date on which these financial statements were prepared. The sale of 60% of shares in Santander Consumer Bank to Santander Consumer Finance S.A., where Santander Consumer Bank S.A. has so far operated as a separate, relatively independent entity, according to the analysis of the Management Board of Santander Bank S.A., will not affect the ability of Santander Bank Polska S.A. Group to continue its operations also in the changed structure. Details regarding discontinued operations are presented in note 32.

Consolidated financial statements are presented in PLN, rounded to the nearest thousand.

These condensed interim consolidated financial statements of Santander Bank Polska S.A. Group have been prepared in accordance with the International Accounting Standard 34 "Interim financial reporting" adopted by the European Union. Santander Bank Polska S.A. Group prepared consolidated financial statements in accordance with following measurement methods:

Item	Balance sheet valuation rules
Held-for-trading financial instruments	Fair value through profit or loss
Loans and advances to customers which meet the contractual cash flows test	Amortized cost
Loans and advances to customers which do not meet the contractual cash flows test	Fair value through profit or loss
Financial instruments measured at fair value through other comprehensive income	Fair value through other comprehensive income
Share-based payment transactions	According to IFRS 2 "Share-based payment" requirements
Equity investment financial assets	Fair value through other comprehensive income – an designation option
Equity financial assets-trading	Fair value through profit or loss
Debt securities measured at fair value through profit or loss	Fair value through profit or loss
Non-current assets	The purchase price or production cost reduced by total depreciation charges and total impairment losses
Right of use assets (IFRS 16)	Initial measurement reduced by total depreciation charges and total impairment losses
Non-current assets held for sale and groups of non-current assets designated as held for sale	Are recognised at the lower of their carrying amount and their fair value less costs of disposal.

The accounting principles have been applied uniformly by all the entities forming Santander Bank Polska S.A. Group.

The same accounting principles were applied as in the case of the consolidated financial statements for the period ending 31 December 2024, except for changes in accounting standards p. 2.4, changes in the presentation of "Cash and cash equivalents" described in note 2.5, and discontinued operations described in note 32.

2.3. New standards and interpretations or changes to existing standards or interpretations which can be applicable to Santander Bank Polska S.A. Group and are not yet effective and have not been early adopted

IFRS	Nature of changes	Effective from	Influence on Santander Bank Polska S.A. Group
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Amendments regarding classification and measurement of financial instruments clarify derecognition of a financial liability settled through electronic transfer, present examples of contractual terms that are consistent with a basic lending arrangement, clarify characteristics of non-recourse features and contractually linked instruments and specify new disclosures.	1 January 2026	The amendment may have impact on classification, cash in transits and some of the disclosures in consolidated financial statements.
Annual Improvements to IFRS Accounting Standards	Collection of amendments to IFRS Accounting Standards that will not be a part of any other project and address necessary, but non-urgent, minor updates. Amendments concern IFRS 7, IFRS 9, IFRS 10, IAS 7.	1 January 2026	The amendment will not have a significant impact on consolidated financial statements.
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	The amendments made to IFRS 9 include detail on which power purchase agreements (PPAs) contracts can be used in hedge accounting, and the specific conditions allowed in such hedge relationships. The amendments made to IFRS 7 introduce some new disclosure requirements for contracts referencing nature-dependent electricity as defined in the amendments to IFRS 9.	1 January 2026	The amendment will not have a significant impact on consolidated financial statements.
IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. IFRS 18 replaces IAS 1.	1 January 2027	The amendment may have impact on cash flow statement, some of the disclosures and income statement in consolidated financial statements.*
IFRS 19 Subsidiaries without Public Accountability: Disclosures	IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027	The amendment will not have an impact on consolidated financial statements.*

* New standards and amendments to the existing standards issued by the IASB, but not yet adopted by EU

2.4 Standards and interpretations or changes to existing standards or interpretations which were applied for the first time in the accounting year 2025

IFRS	Nature of changes	Effective from	Influence on Santander Bank Polska S.A. Group
Amendments to IAS 21 Lack of Exchangeability	Amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.	1 January 2025	The amendment doesn't have a significant impact on consolidated financial statements.

2.5 Comparability with the results from the previous periods

Presentation of cash and cash equivalents in the statement of financial position

The section below describes presentation changes made to the consolidated financial statements of Santander Bank Polska Group for H1 2025, affecting the consolidated statement of financial position as at 1 January 2024 and 31 December 2024.

Financial assets with original maturity of up to three months, meeting the definition of cash and cash equivalents namely loans and advances to banks and debt investment securities (NBP bills), are presented under "Cash and cash equivalents" together with assets that used to be disclosed under "Cash and balances with central banks". In the Group's view, such presentation is reliable and more relevant for readers of the statement of financial position as the total amount of cash and cash equivalents is directly indicated. It is also consistent with the guidelines of the IFRS Interpretations Committee and requirements of IAS 1 Presentation of Financial Statements. The foregoing changes in the accounting policies made it necessary to restate the comparative data but did not affect the Group's total assets, net profit or equity. The changes also had no effect on the value of cash and cash equivalents presented in the cash flow statement.

The impact of the above change on the published consolidated financial statements as at 1 January 2024 and 31 December 2024 is presented below.

Items in the consolidated statement of financial position

	as at: 1.01.2024		
	before	adjustment	after
Cash and cash equivalents	-	34 575 193	34 575 193
Cash and balances with central banks	8 417 519	(8 417 519)	-
Loans and advances to banks	9 533 840	(9 270 845)	262 995
Reverse sale and repurchase agreements	12 676 594	(10 640 461)	2 036 133
Investment securities incl.:	67 523 003	(6 246 368)	61 276 635
- debt securities measured at fair value through other comprehensive income	47 598 570	(6 246 368)	41 352 202
Total assets	276 651 885	-	276 651 885

	as at: 31.12.2024		
	before	adjustment	after
Cash and cash equivalents	-	29 003 506	29 003 506
Cash and balances with central banks	10 575 107	(10 575 107)	-
Loans and advances to banks	8 812 988	(4 781 823)	4 031 165
Reverse sale and repurchase agreements	12 126 356	(7 650 952)	4 475 404
Investment securities incl.:	76 912 655	(5 995 624)	70 917 031
- debt securities measured at fair value through other comprehensive income	40 843 475	(5 995 624)	34 847 851
Total assets	304 373 920	-	304 373 920

Presentation of net interest income in the statement of cash flows

Changes were made to the presentation of net interest income. Previously, interest accrued on operating activities adjusted, among other things, the balance of financial assets/liabilities held for trading, hedging derivatives, loans and advances to banks, loans and advances to customers, deposits from banks and deposits from customers. Now, it is presented under a separate line item: Net interest income including accrued interest excluded from operating activities, with the latter item previously presented separately.

Such presentation is based on prevailing market practice and, in the Group's opinion, better reflects the nature of the above items in the statement of cash flows. The foregoing changes in the accounting policies made it necessary to restate the comparative data but did not affect the total net cash flows.

Items of the consolidated statement of cash flows

	for the period:		
	1.01.2024-30.06.2024		
	before	adjustment	after
Cash flows from operating activities			
Profit before tax	3 206 140		3 206 140
Adjustments for:			
Net interest income	-	(6 672 205)	(6 672 205)
Interest accrued excluded from operating activities	(941 563)	941 563	-
Changes in:			
Provisions	404 150		404 150
Financial assets / liabilities held for trading	409 910	32 245	442 155
Assets pledged as collateral	(1 698 979)		(1 698 979)
Hedging derivatives	238 288	(26 430)	211 858
Loans and advances to banks	(2 395 648)	433 534	(1 962 114)
Loans and advances to customers	(15 658 099)	7 035 615	(8 622 484)
Deposits from banks	52 015	(67 814)	(15 799)
Deposits from customers	7 796 976	(1 852 551)	5 944 425
Buy-sell/ Sell-buy-back transactions	3 795 718	176 043	3 971 761
Other assets and liabilities	(1 545 441)		(1 545 441)
Net cash flows from operating activities	(2 240 712)	-	(2 240 712)
Total net cash flows	(8 860 338)	-	(8 860 338)
Cash and cash equivalents at the beginning of the accounting period	34 575 193	-	34 575 193
Cash and cash equivalents at the end of the accounting period	25 714 855	-	25 714 855

2.6 Use of estimates

Preparation of financial statement in accordance with the IFRS requires the management to make subjective judgements and assumptions, which affects the applied accounting principles as well as presented assets, liabilities, revenues and expenses.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and assumptions are reviewed on an ongoing basis. Changes to estimates are recognised in the period in which the estimate is changed if the change affects only that period, or in the period of the change and future periods if the change affects both current and future periods

Key accounting estimates made by Santander Bank Polska S.A. Group

Key estimates include:

- Allowances for expected credit losses
- Estimates for legal claims
- Estimates of risk arising from mortgage loans in foreign currencies

Allowances for expected credit losses in respect of financial assets

The IFRS 9 approach is based on estimation of the expected credit loss (ECL). ECL allowances reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. ECL allowances are measured at an amount equal to a 12-month ECL or the lifetime ECL, when it is deemed there has been a significant increase in credit risk since initial recognition (Stage 2) or impairment (Stage 3). Accordingly, the ECL model gives rise to measurement uncertainty, especially in relation to:

- measurement of a 12-month ECL or the lifetime ECL;
- determination of whether/when a significant increase in credit risk occurred;
- determination of any forward-looking information reflected in ECL estimation, and their likelihood.

As a result, ECL allowances are estimated using the adopted model developed using many inputs and statistical techniques. Structure of the models that are used for the purpose of ECL estimation consider models for the following parameters:

- PD - Probability of Default, i.e. the estimate of the likelihood of default over a given time horizon (12-month or lifetime);
- LGD - Loss Given Default, i.e. the part of the exposure amount that would be lost in the event of default;
- EAD - Exposure at Default, i.e. expectation for the amount of exposure in case of default event in a given horizon 12-month or lifetime.

Changes in these estimates and the structure of the models may have a significant impact on ECL allowances.

In accordance with IFRS 9, the recognition of expected credit losses depends on changes in credit risk level which occur after initial recognition of the exposure. The standard defines three main stages for recognising expected credit losses:

- Stage 1 – exposures with no significant increase in credit risk since initial recognition, i.e. the likelihood of the exposure being downgraded to the impaired portfolio (Stage 3 exposures) has not increased. For such exposures, 12-month expected credit losses are recognised
- Stage 2 – exposures with a significant increase in credit risk since initial recognition, but with no objective evidence of impairment. For such exposures, lifetime expected credit losses are recognised.
- Stage 3 – exposures for which the risk of default has materialised (objective evidence of impairment has been identified). For such exposures, lifetime expected credit losses are recognised

For the purpose of the collective evaluation of ECL, financial assets are grouped on the basis of similar credit risk characteristics that indicate the debtors' ability to pay all amounts due according to the contractual terms (for example, on the basis of the Group's credit risk evaluation or the rating process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). The characteristics chosen are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. The rating/scoring systems have been internally developed and are continually being enhanced, e.g. through external analysis that helps to underpin the aforementioned factors which determine the estimates of impairment charges.

In the individual approach, the ECL charge was determined based on the calculation of the total probability-weighted impairment charges estimated for all the possible recovery scenarios, depending on the recovery strategy currently expected for the customer.

In the scenario analysis, the key strategies / scenarios used were as follows:

- Recovery from the operating cash flows / refinancing / capital support;
- Recovery through the voluntary realisation of collateral;
- Recovery through debt enforcement;
- Recovery through systemic bankruptcy/recovery proceeding/liquidation bankruptcy;
- Recovery by take-over of the debt / assets / sale of receivables
- Recovery as part of legal restructuring.

In addition, for exposures classified as POCI (purchased or originated credit impaired) - i.e. purchased or originated financial assets that are impaired on initial recognition, expected credit losses are recognized over the remaining life horizon. Such an asset is created when impaired assets are initially recognized and the POCI classification is maintained over the life of the asset.

A credit-impaired assets

Credit-impaired assets are classified as Stage 3 or POCI. A financial asset or a group of financial assets are impaired if, and only if, there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset or asset was recognized as POCI and that impairment event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

It may not be possible to identify a single event that caused the impairment, rather the combined effect of several events may have caused the impairment. Objective evidence that a financial asset or group of assets was impaired includes observable data:

- significant financial difficulty of the issuer or debtor;
- a breach of contract, e.g. delay in repayment of interest or principal over 90 days in an amount exceeding the materiality threshold (PLN 400 for individual and small and medium-sized enterprises and PLN 2,000 for business and corporate clients) and at the same time relative thresholds (above 1% of the amount past due in relation to the balance sheet amount);
- the Santander Bank Polska S.A. Group, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the Santander Bank Polska S.A. Group would not otherwise consider, which fulfil below criteria:
 - (1) restructuring transactions classified in the Stage 3 category (before restructuring decision),
 - (2) transactions restructured in the contingency period that meet the criteria for reclassification to the Stage 3 (quantitative and/or qualitative),
 - (3) transactions restructured during the contingency period previously classified as non-performing due to observed customer financial difficulties, have been restructured again or are more than 30 days past due,
 - (4) restructured transactions, where contractual clauses have been applied that defer payments through a grace period for repayment of the principal for a period longer than two years,
 - (5) restructured transactions including debt write-off, interest grace periods or repaid in installments without contractual interest,
 - (6) restructured transactions, where there was a decrease in the net present value of cash flows (NPV) of at least 1% compared to the NPV before the application of the forbearance measures,
 - (7) transactions where there is a repeated failure to comply with the established payment plan of previous forbearances that has led to successive forbearances of the same exposure (transaction),
 - (8) transactions where:
 - in inadequate repayment schedules were applied, which are related to, inter alia, repeated situations of non-compliance with the schedule, changes in the repayment schedule in order to avoid situations of non-compliance with it, or
 - a repayment schedule that is based on expectations, unsupported by macroeconomic forecasts or credible assumptions about the borrower's ability or willingness to repay was applied
 - (9) transactions for which the Group has reasonable doubts as to the probability of payment by the customer.
- it becoming probable that the debtor will enter bankruptcy, recovery proceedings, arrangement or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;

Impaired exposures (Stage 3) can be reclassified to Stage 2 or Stage 1 if the reasons for their classification to Stage 3 have ceased to apply (particularly if the borrower's economic and financial standing has improved) and a probation period has been completed (i.e. a period of good payment behaviour meaning the lack of arrears above 30 days), subject to the following:

- In the case of individual customers, the probation period is 180 days.
- In the case of SME customers, the probation period is 180 days, and assessment of the customer's financial standing and repayment capacity is required in some cases. However, the exposure cannot be reclassified to Stage 1 or 2 in the case of fraud, client's death, discontinuation of business, bankruptcy, or pending restructuring/ liquidation proceedings.
- In the case of business and corporate customers, the probation period is 92 days, and positive assessment of the financial standing is required (the Group assesses all remaining payments as likely to be repaid as scheduled in the agreement). The exposure cannot be reclassified to Stage 1 or 2 in the case of fraud, discontinuation of business, or pending restructuring/ insolvency/ liquidation proceedings.

Additionally, if the customer is in Stage 3 and subject to the forbearance process, they may be reclassified to Stage 2 not earlier than after 365 days (from the start of forbearance or from the downgrade to the NPL portfolio, whichever is later) of regular payments, repayment by the client of the amount previously overdue / written off (if any) and after finding that there are no concerns as to the further repayment of the entire debt in accordance with the agreed terms of restructuring.

A significant increases in credit risk

One of the key elements of IFRS 9 is the identification of a significant increase in credit risk which determines the classification to Stage 2. The Group has developed detailed criteria for the definition of a significant increase in credit risk based on the following main assumptions:

- Qualitative assumptions:
 - Implementing dedicated monitoring strategies for the customer following the identification of early warning signals that indicate a significant increase in credit risk
 - Restructuring actions connected with making concessions to the customers as a result of their difficult financial standing
 - Delay in payment as defined by the applicable standard, i.e. 30 days past due combined with the materiality threshold
- Quantitative assumptions:
 - A risk buffer method based on the comparison of curves illustrating the probability of default over the currently remaining lifetime of the exposure based on the risk level assessment at exposure recognition and at reporting date. Risk buffer is set in relative terms for every single exposure based on its risk assessment resulting from internal models and other parameters of exposure impacting assessment of the Group whether the increase might have significantly increased since initial recognition of the exposure (such parameters considered types of the products, term structure as well as profitability). Risk buffer methodology was prepared internally and is based on the information gathered in the course of the decision process as well as in the process of transactions structuring.
 - Absolute threshold criterion - a significant increase in risk is considered to have occurred when, over the horizon of the current remaining life of the exposure, the annualised PD at the reporting date exceeds the corresponding PD at the time the exposure was recognised by an amount greater than the threshold.
 - In addition, the Bank applies the threefold risk criterion. It is met when, over the horizon of the current remaining life of the exposure, the annualised PD as at the reporting date exceeds three times the corresponding PD at the time the exposure was recognised.

The fact that the exposure is supported by the Borrowers' Support Fund is reported as a forborne and a significant increase in credit risk (Stage 2), and in justified cases (previously identified impairment, subsequent restructuring action, inability to service the debt forecasted on the basis of defined criteria) constitutes an indication of impairment (Stage 3).

The average thresholds according to data as at 30.06.2025 (expressed in terms of PD over a one-year horizon), exceeding which results in the classification of the exposure to Stage 2 in accordance with the quantitative risk buffer method used by the Group, are presented in the table below.

Average threshold (annualized) of the probability of default

mortgage loans	3,20%
consumer loans	12,89%
bussines loans	6,44%

Santander Bank Polska S.A. Group independently verifies the fulfillment of other quantitative thresholds (the absolute threshold criterion and the threefold risk increase criterion).

Santander Bank Polska S.A. identifies exposures with low credit risk in its corporate segment in accordance with the rules under IFRS 9, which allows for the recognition of 12-month expected losses even if credit risk has increased significantly since initial recognition. As of 30 June 2025, this portfolio was immaterial and represented 0.034% of Santander Bank Polska S.A.'s portfolio classified as Stage 1 or Stage 2.

Exposure in Stage 2 may be re-classified into Stage 1 without probation period as soon as significant increase in credit risk indicators after its initial recognition end e.g. when the following conditions are met: client's current situation does not require constant monitoring, no restructuring actions towards exposure are taken, exposure has no payment delay over 30 days for significant amounts, no suspension of the contact due to Shield 4.0, and according to risk buffer method no risk increase occurs.

ECL measurement

Another key feature required by IFRS 9 is the approach to the estimation of risk parameters. For the purpose of estimating allowances for expected losses, Santander Bank Polska S.A. Group uses its own estimates of risk parameters that are based on internal models. Expected credit losses are the sum of individual products for each exposure of the estimated values of PD, LGD and EAD parameters in particular periods (depending on the stage either in the horizon of 12 months or in lifetime) discounted using the effective interest rate.

The estimated parameters are adjusted for macroeconomic scenarios in accordance with the assumptions of IFRS 9.

To this end, the Group determines the factors which affect individual asset classes to estimate an appropriate evolution of risk parameters.

The Group uses scenarios developed internally by the analytical team, which are updated on a monthly basis at least every six months.

The models and parameters generated for the needs of IFRS 9 are subject to model management process and periodic calibration and validation. These tools are also used in the financial planning process.

Determination of forward-looking information and their likelihood

Forward-looking events are reflected both in the process of estimating ECL and when determining a significant increase in credit risk, by developing appropriate macroeconomic scenarios and then reflecting them in the estimation of parameters for each scenario. The final parameter value and the ECL is the weighted average of the parameters weighted by the likelihood of each scenario. Group uses three scenario types: the baseline scenario and two alternative scenarios, which reflect the probable alternative options of the baseline scenario: upside and downside scenario. Scenario weights are determined using the expected GDP path and the confidence intervals for this forecast in such a way that the weights reflect the uncertainty about the future development of this factor.

The Group's models most often indicate the dependence of the quality of loan portfolios on the market situation in terms of the level of deposits, loans, as well as the levels of measures related to interest rates.

Baseline scenario

In 2024 the Polish economy expanded by 2.9% as the economy was rebounding after the 2022 shock related to Russian invasion on Ukraine. Poland's economy is expected to continue its recovery and to grow by 3.4% in 2025 and by 3.3% in 2026. While private consumption is expected to remain a backbone of economic momentum, an acceleration will be caused by stronger investment, bolstered by growing usage of EU funds. Labour market is expected to remain robust, with positive real growth of incomes and strong consumer confidence. Inflation is forecast to remain contained at 3.9% on average in 2025 and 3.0% in 2026.

Decline of CPI inflation from double-digit levels seen in 2022-2023 will allow for some normalization in rates and encourage the MPC to cut rates down.

The MPC has cut interest rates by 50bps in the first half-year of 2025. Monetary easing is expected to continue, bringing the reference rate to 3.75% at the end of 2025 and 3.25% at the end of 2026. Fiscal policy is likely to remain loose given the election cycle as well as needs for higher defence spending

EURPLN is expected to remain fairly close to 4.30. On one hand the zloty may benefit from inflow of EU funds, but on the other hand the purchasing parity is putting an upward pressure on the exchange rate.

The rebounding economy, interest rate cuts to be delivered in 2025 will revive the loan market. Deposit growth recorded a high momentum, driven by an uptick in banking sectors' net foreign assets, but is expected to converge towards growth rate of loans.

Best case scenario

The optimistic scenario was built assuming a quick disbursement of EU funds, strong private consumption and a strong inflow of workers into the economy, which will allow it to record higher long-term growth rates.

The economy was expected to accelerate to 4.9% in 2025, 5.3% in 2026 and 5.0% in 2027. Higher growth was expected to contribute to higher CPI inflation, averaging 4.5% in 2025, 3.3% in 2026, and 2.5% in 2027.

Strong economic growth and an increased CPI was expected to decrease the MPC's willingness to cut rates, with NBP rate falling to 5.00% in 2025.

The Polish currency is expected to appreciate in the coming quarters, but the pace of appreciation will be limited by high inflation in Poland. The euro exchange rate is expected to fall to 4.15-4.25 in the coming years.

Accelerating economic activity will have a positive impact on the demand for loans in the banking system, which will also support money creation and the growth of deposits.

Worst case scenario

The pessimistic scenario was built assuming a deterioration in consumer confidence, leading to a decline in private consumption in the short term, accompanied by poor use of EU funds, which translates into lower investment outlays in the economy, as well as a weaker inflow of foreign workers, which will weaken the long-term growth potential in Poland.

In the negative scenario, the economy is expected to grow by 1.8% in 2025, by 1.4% in 2026 and 1.4% in 2027. Slower growth will translate into somewhat faster disinflation, with CPI falling to 3.4% in 2025, 2.7% in 2026 and 2.5% in 2027.

Weaker growth prospects will encourage the NBP to reduce interest rates and will cause the NBP reference rate to drop to 2.50% by the end of 2025 and remain unchanged in 2026.

Less optimistic economic results and low NBP interest rates will weaken the zloty, and the euro exchange rate will increase towards 4.45.

Lower economic activity will negatively impact demand for loans in the banking system, especially in the household sector, as businesses may need liquidity loans.

The table below presents the key economic indicators arising from the respective scenarios.

Scenario as at 30.06.2025		baseline		best case		worst case	
likelihood		60%		20%		20%	
		2025	average, next 3 years	2025	average, next 3 years	2025	average, next 3 years
GDP	YoT	3.4%	3.1%	5.9%	5.0%	1.8%	1.5%
WIBOR 3M	average	4.6%	3.7%	5.5%	5.3%	3.7%	2.7%
unemployment rate	% active	2.6%	2.7%	2.6%	2.5%	2.7%	3.2%
CPI	YoY	3.9%	2.7%	4.5%	2.8%	3.4%	2.6%
EURPLN	period-end	4,28	4,33	4,19	4,21	4,39	4,45

Management ECL overlays

At the end of the second quarter 2025, Santander Banka Polska S.A. Group has no significant overlays due to credit risk.

Potential variability in the level of allowances for expected credit losses

Reclassifications to Stage 2 from Stage 1 could pose a significant variability for the income statement. Theoretically, reclassifying a given share of exposures from Stage 1 with the highest risk to Stage 2 for each exposure type would result in an increase in allowances by the amount presented in the table below. The following estimates represent the expected variability in allowances resulting from changes in the classification of exposures between Stages 1 and 2, resulting in material changes in the coverage of exposures with allowances for different expected loss recognition horizons.

Santander Bank Polska S.A. Group excluding Santander Consumer Bank S.A. Group

		additional expected credit loss (mPLN)				
reclassification from stage 1 to stage 2		individuals	mortgage loans	business	Total 30.06.2025	Total 31.12.2024
	1%	7,7	3,8	3,6	15,0	15,0
	5%	30,6	11,9	44,9	87,4	68,4
	10%	51.1	18.9	73.6	143.7	126.2

Changes to macroeconomic forecasts may result in significant one-off effects affecting the level of impairment losses. Applying macroeconomic parameter estimates based on only one scenario (pessimistic or optimistic) will result in a one-time change in impairment losses at the level presented below.

scenario	in PLN m	change in ECL level			
		individuals	mortgage	business	Total
pessimistic	45,5	9,6	41,3	96,3	66,9
optimistic	(45,9)	(9,7)	(37,0)	(92,6)	(70,4)

Based on GDP as the main factor determining the condition of the economy, Santander Bank Polska S.A. Group estimates that a 1% reduction in the target level of gross domestic production in 2025 would translate into an increase in expected credit losses of PLN 53,202 k. The above analysis was prepared assuming that the relationships between macroeconomic factors remain unchanged.

Estimates for legal claims

Santander Bank Polska S.A. Group raises provisions for legal claims in accordance with IAS 37. The provisions have been estimated considering the likelihood of unfavourable verdict and amount to be paid, and their impact is presented in other operating income and cost.

Details on the value of the provisions and the assumptions made for their calculation are provided in notes 28, 31 and 33.

Due to their specific nature, estimates related to legal claims of mortgage loans in foreign currencies are described below.

Estimates of risk arising from mortgage loans in foreign currencies

Due to the revolving legal situation related to mortgage loans portfolio denominated and indexed to foreign currencies, and inability to recover all contractual cash flows risk materialisation, Group estimates impact of legal risk on future cash flows.

Gross book value adjustment resulting from legal risk is estimated based on a number of assumptions, taking into account a specific time horizon and a number of probabilities such as:

- the probability of possible settlements and
- the probability of submitting claims by borrowers, and
- the probability in terms of the number of disputes

which are described in more details in note 31.

Legal risk is estimated individually for each exposure in the event of litigation and in terms of portfolio in the absence of such.

As explained in the accounting policies, Santander Bank Polska Group accounts for the impact of legal risk as an adjustment to the gross book value of the mortgage loans portfolio. If there is no credit exposure or its value is insufficient, the impact of legal risk is presented as a provision according to IAS 37.

The result on legal risk is presented in a separate position in income statement "Cost of legal risk associated with foreign currency mortgage loans" and "Gain/loss on derecognition of financial instruments measured at amortised cost".

In the first half year of 2025, the Group recognized PLN 818,110 k as cost of legal risk related to mortgage loans in foreign currencies and PLN 8,797 k as a cost of signed settlements.

The Group will continue to monitor this risk in subsequent reporting periods.

Details presenting the impact of the above-mentioned risk on financial statement, assumptions adopted for their calculation, scenario description and sensitivity analysis are contained in notes 31 and 33, respectively.

2.7 Information of significant accounting policies

Santander Bank Polska S.A. Group consistently applied the adopted accounting principles both for the reporting period for all reporting periods presented in these financial statements.

In connection with the planned sale of 60% of the shares in Santander Consumer Bank, the accounting policy regarding assets held for sale gained significance. It was not presented as a significant accounting policy in the consolidated financial statements as of December 31, 2024, but which is significant to the consolidated financial statements as of June 30, 2025.

Santander Bank Polska S.A. Group classifies fixed assets (or disposal groups) as held for sale when their carrying amount is expected to be recovered primarily through a sale transaction rather than through continued use. Fixed assets or disposal groups are measured at the lower of their carrying amount and their fair value less costs of sell.

For an asset (or disposal group) to be classified as held for sale, it must be available for immediate sale in its current condition, subject only to customary and standard terms and conditions, and the sale itself must be highly probable.

A sale is highly probable when:

- the appropriate level of management is committed to the sale plan for the asset (or disposal group) and an active program to find a buyer and complete the plan has been initiated,
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable with respect to its current fair value,
- the sale is expected to be recorded as completed within one year from the date of classification.

A discontinued operation is a part of the Santander Bank Polska S.A. Group's business that represents a distinct, significant line of business or geographic area of operations that has been disposed of or is held for sale or disposal, or is a subsidiary acquired solely for the purpose of resale.

Santander Bank Polska S.A. Group classifies an operation as discontinued upon disposal or when the operation meets the criteria for classification as held for sale. Where an operation is classified as discontinued, comparative figures for the income statement are restated as if the operation had been discontinued at the beginning of the comparative period.

3. Operating segments reporting

Presentation of information about business segments in Santander Bank Polska Group bases on management information model which is used for preparing of reports for the Management Board, which are used to assess performance of results and allocate resources. Operational activity of Santander Bank Polska Group has been divided into five segments: Retail Banking, Business & Corporate Banking, Corporate & Investment Banking, ALM (Assets and Liabilities Management) and Centre, and Santander Consumer (discontinued operation)¹. They were identified based on customers and product types.

Profit before tax is a key measure which Management Board of the Bank uses to assess performance of business segments activity.

Income and costs assigned to a given segment are generated on sale and service of products or services in the segment, according to description presented below. Such income and costs are recognized in the profit and loss account for Santander Bank Polska Group and may be assigned to a given segment either directly or based on reasonable assumptions.

Interest and similar income split by business segments is assessed by Management Board of the Bank on the net basis including costs of internal transfer funds and without split by interests income and costs.

Settlements among business segments relate to rewarding for delivered services and include:

- sale and/or service of customers assigned to a given segment, via sale/service channels operated by another segment;
- sharing of income and costs on transactions in cases where a transaction is processed for a customer assigned to a different segment;
- sharing of income and cost of delivery of common projects.

Income and cost allocations are regulated by agreements between segments, which are based on single rates for specific services or breakdown of total income and/or cost.

Assets and liabilities of a given segment are used for the operational activity and may be assigned to the segment directly or on a reasonable basis.

Santander Bank Polska Group focuses its operating activity on the domestic market.

In 2025 customer resegmentation between business segments was introduced. Once a year, Santander Bank Polska Group carries out the resegmentation / migration of customers between operating segments which results from the fact that customer meets the criteria of assignment for different operating segment than before. This change is intended to provide services at the highest level of quality and tailored to individual needs or the scale of customer operations. Due to immaterial impact of resegmentation in results and balance sheet of particular segment, comparable data are not adjusted.

In 2025 isolation of staff costs from operating costs took place. Comparable data are adjusted accordingly.

In the second quarter of 2025 reclassification of Santander Consumer Group to discontinued operation took place. Comparable data of Profit and Loss Statement are adjusted accordingly.

¹ In accordance to announcement regarding expected sale transaction, as at 30 June 2025 the assets and liabilities of Santander Consumer Bank S.A. and its subsidiaries were classified as a group of assets and liabilities held for sale and as discontinued operations. Due to the classification of Santander Consumer Bank S.A. as discontinued operations, in accordance with IFRS 5 the Group's data in the consolidated income statement for the 6-month period ended 30 June 2024 have been restated accordingly.

In the part regarding Santander Bank Polska, the cost of legal risk connected with the portfolio of FX mortgage were presented in Retail Banking segment. More details regarding the above provisions are described in the note 31.

The principles of income and cost identification, as well as assets and liabilities for segmental reporting purposes are consistent with the accounting policy applied in Santander Bank Polska Group.

Retail Banking

Retail Banking generates income from the sale of products and services to personal customers and small companies. In the offer for customers of this segment there are a wide range of savings products, consumer and mortgage loans, credit and debit cards, insurance and investment products, clearing services, brokerage house services, GSM phones top-ups, foreign payments and Western Union and private-banking services. For small companies, the segment provides, among others, lending and deposit taking services, cash management services, leasing, factoring, letters of credit and guarantees. Furthermore, the Retail Banking segment generates income through offering asset management services within investment funds and private portfolios.

Business & Corporate Banking

Business & Corporate Banking segment covers products and activities targeted at business entities, local governments and the public sector, including medium companies. In addition to banking services covering lending and deposit activities, the segment provides services in the areas of cash management, leasing, factoring, trade financing and guarantees. It also covers insourcing services provided to retail customers based on mutual agreements with other banks and financial institutions.

Corporate & Investment Banking

In the Corporate & Investment Banking segment, Santander Bank Polska Group derives income from the sale of products and services to the largest international and local corporations, including:

- transactional banking with such products as cash management, deposits, leasing, factoring, letters of credit, guarantees, bilateral lending and trade finance;
- lending, including project finance, syndicated facilities and bond issues;
- FX and interest rate risk management products provided to all the Bank's customers (segment allocates revenues from this activity to other segments, the allocation level may be subject to changes in consecutive years);
- underwriting and financing of securities issues, financial advice and brokerage services for financial institutions.

Through its presence in the interbank market, segment also generates revenues from interest rate and FX risk positioning activity.

ALM and Centre

The segment covers central operations such as financing of other Group's segments, including liquidity, interest rate risk and FX risk management. It also includes managing the Bank's strategic investments and transactions generating income and/or costs that cannot be directly or reasonably assigned to a given segment.

Santander Consumer

This segment includes activities of the Santander Consumer Group. Activities of this segment focus on selling products and services addressed to both individual and business customers. This segment focuses mainly on loans products, i.e. car loans, credit cards, cash loans, installment loans and lease products. In addition, Santander Consumer segment includes term deposits and insurance products (mainly related to loans products).

In accordance to announcement regarding expected sale transaction, as at 30 June 2025 the assets and liabilities of Santander Consumer Bank S.A. and its subsidiaries were classified as a group of assets and liabilities held for sale and as discontinued operations.

Due to the classification of Santander Consumer Bank S.A. as discontinued operations, in accordance with IFRS 5 the Group's data in the consolidated income statement for the 6-month period ended 30 June 2024 have been represented accordingly.

Details regarding potential transaction of sale Santander Consumer Bank S.A. were presented in Note 32.

Consolidated income statement by business segments

1.04.2025-30.06.2025	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate& Investment Banking	Segment ALM and Centre	Total
Net interest income	2 191 894	606 681	192 019	187 505	3 178 099
incl. internal transactions	(444)	(4 242)	6 343	(1 657)	-
Fee and commission income	572 515	195 901	153 106	-	921 522
Fee and commission expense	(139 260)	(18 065)	(20 336)	-	(177 661)
Net fee and commission income	433 255	177 836	132 770	-	743 861
incl. internal transactions	99 684	60 908	(160 592)	-	-
Other income	(21 438)	17 028	86 759	37 552	119 901
incl. internal transactions	5 292	15 601	(19 979)	(914)	-
Dividend income	11 269	-	1 243	-	12 512
Staff costs	(363 806)	(121 474)	(65 296)	-	(550 576)
Operating costs	(291 859)	(48 390)	(63 380)	(10 338)	(413 967)
incl. internal transactions	-	-	-	-	-
Depreciation/amortisation	(111 045)	(21 520)	(12 625)	-	(145 190)
Impairment losses on loans and advances	(52 496)	(31 490)	(35 417)	(3 963)	(123 366)
Cost of legal risk associated with foreign currency mortgage loans	(738 781)	-	-	-	(738 781)
Share in net profits (loss) of entities accounted for by the equity method	26 353	-	-	2 812	29 165
Tax on financial institutions	(108 366)	(43 351)	(54 201)	-	(205 918)
Profit before tax	974 980	535 320	181 872	213 568	1 905 740
Corporate income tax					(493 526)
Profit for the period from continuing operations					1 412 214
Profit/(loss) for the period from discontinued operations					(355 577)
Profit for the period					1 056 637
Profit/(loss) for the period attributable to:					
- owners of the parent entity					1 017 969
- non-controlling interests					38 668
Profit/(loss) for the period attributable to owners of the parent entity from:					
- continuing operations					1 395 668
- discontinued operations					(377 699)
Profit/(loss) for the period attributable to owners of the parent entity					1 017 969

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

1.04.2025-30.06.2025	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate & Investment Banking	Segment ALM and Centre	Total
Fee and commission income	572 515	195 901	153 106	-	921 522
Electronic and payment services	48 778	18 345	8 289	-	75 412
Current accounts and money transfer	68 257	28 209	4 950	-	101 416
Asset management fees	82 897	113	-	-	83 010
Foreign exchange commissions	101 195	58 683	69 656	-	229 534
Credit commissions incl. factoring commissions and other	31 453	52 233	19 414	-	103 100
Insurance commissions	59 302	3 492	204	-	62 998
Commissions from brokerage activities	27 877	419	25 176	-	53 472
Credit cards	23 924	-	-	-	23 924
Card fees (debit cards)	116 464	5 517	654	-	122 635
Off-balance sheet guarantee commissions	2 143	27 167	10 736	-	40 046
Finance lease commissions	4 912	532	32	-	5 476
Issue arrangement fees	-	1 191	13 995	-	15 186
Distribution fees	5 313	-	-	-	5 313

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

1.01.2025-30.06.2025	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate& Investment Banking	Segment ALM and Centre	Total
Net interest income	4 347 009	1 213 699	385 053	408 166	6 353 927
incl. internal transactions	(1 549)	(7 896)	11 976	(2 531)	-
Fee and commission income	1 117 623	374 095	294 609	-	1 786 327
Fee and commission expense	(244 129)	(32 837)	(37 733)	-	(314 699)
Net fee and commission income	873 494	341 258	256 876	-	1 471 628
incl. internal transactions	196 973	115 071	(312 044)	-	-
Other income	(27 388)	30 891	150 671	18 290	172 464
incl. internal transactions	10 732	28 870	(38 083)	(1 519)	-
Dividend income	11 269	-	1 245	-	12 514
Staff costs	(721 232)	(240 535)	(130 387)	-	(1 092 154)
Operating costs	(742 149)	(172 135)	(157 896)	(23 355)	(1 095 535)
incl. internal transactions	-	-	-	-	-
Depreciation/amortisation	(220 671)	(42 968)	(25 204)	-	(288 843)
Impairment losses on loans and advances	(176 577)	(39 299)	(23 697)	(3 681)	(243 254)
Cost of legal risk associated with foreign currency mortgage loans	(818 110)	-	-	-	(818 110)
Share in net profits (loss) of entities accounted for by the equity method	55 472	-	-	2 548	58 020
Tax on financial institutions	(223 104)	(91 136)	(96 040)	-	(410 280)
Profit before tax	2 358 013	999 775	360 621	401 968	4 120 377
Corporate income tax					(1 008 483)
Profit for the period from continuing operations					3 111 894
Profit/(loss) for the period from discontinued operations					(264 236)
Profit for the period					2 847 658
Profit/(loss) for the period attributable to:					
- owners of the parent entity					2 751 594
- non-controlling interests					96 064
Profit/(loss) for the period attributable to owners of the parent entity from:					
- continuing operations					3 078 978
- discontinued operations					(327 384)
Profit/(loss) for the period attributable to owners of the parent entity					2 751 594

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate& Investment Banking	Segment ALM and Centre	Total
1.01.2025-30.06.2025					
Fee and commission income	1 117 623	374 095	294 609	-	1 786 327
Electronic and payment services	94 730	36 732	16 374	-	147 836
Current accounts and money transfer	135 327	55 949	11 432	-	202 708
Asset management fees	160 994	268	-	-	161 262
Foreign exchange commissions	199 394	111 663	136 918	-	447 975
Credit commissions incl. factoring commissions and other	64 061	91 556	44 199	-	199 816
Insurance commissions	116 895	8 567	461	-	125 923
Commissions from brokerage activities	57 495	474	44 958	-	102 927
Credit cards	46 037	-	-	-	46 037
Card fees (debit cards)	219 281	10 854	1 168	-	231 303
Off-balance sheet guarantee commissions	4 145	53 878	23 328	-	81 351
Finance lease commissions	8 778	1 890	100	-	10 768
Issue arrangement fees	-	2 264	15 671	-	17 935
Distribution fees	10 486	-	-	-	10 486

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate& Investment Banking	Segment ALM and Centre	Total
1.04.2024-30.06.2024					
Net interest income	1 887 947	566 242	193 940	247 160	2 895 289
incl. internal transactions	(738)	(2 456)	12 413	(9 219)	-
Fee and commission income	540 916	172 145	124 141	-	837 202
Fee and commission expense	(117 842)	(17 826)	(11 768)	-	(147 436)
Net fee and commission income	423 074	154 319	112 373	-	689 766
incl. internal transactions	97 929	52 712	(150 641)	-	-
Other income	(10 201)	26 071	75 274	2 765	93 909
incl. internal transactions	8 504	12 564	(20 265)	(803)	-
Dividend income	10 377	-	1 674	-	12 051
Staff costs	(349 867)	(105 193)	(58 568)	(350)	(513 978)
Operating costs	(297 329)	(59 813)	(68 502)	(14 058)	(439 702)
incl. internal transactions	-	-	-	-	-
Depreciation/amortisation	(103 183)	(19 330)	(9 989)	-	(132 502)
Impairment losses on loans and advances	(201 618)	(67 244)	(26 413)	3 208	(292 067)
Cost of legal risk associated with foreign currency mortgage loans	(799 333)	-	-	-	(799 333)
Share in net profits (loss) of entities accounted for by the equity method	27 497	-	-	1 276	28 773
Tax on financial institutions	(108 319)	(42 654)	(36 412)	-	(187 385)
Profit before tax	479 046	452 398	183 377	240 000	1 354 821
Corporate income tax					(428 704)
Profit for the period from continuing operations					926 117
Profit/(loss) for the period from discontinued operations					(189 993)
Profit for the period					736 124
Profit/(loss) for the period attributable to:					
- owners of the parent entity					794 902
- non-controlling interests					(58 778)
Profit/(loss) for the period attributable to owners of the parent entity from:					
- continuing operations					912 074
- discontinued operations					(117 172)
Profit/(loss) for the period attributable to owners of the parent entity					794 902

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

1.04.2024-30.06.2024	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate & Investment Banking	Segment ALM and Centre	Total
Fee and commission income	540 916	172 145	124 141	-	837 202
Electronic and payment services	47 785	18 125	6 994	-	72 904
Current accounts and money transfer	67 690	26 474	5 433	-	99 597
Asset management fees	71 315	150	-	-	71 465
Foreign exchange commissions	98 154	53 790	68 350	-	220 294
Credit commissions incl. factoring commissions and other	31 152	41 371	19 717	-	92 240
Insurance commissions	58 390	4 085	268	-	62 743
Commissions from brokerage activities	27 417	35	9 820	-	37 272
Credit cards	21 903	-	-	-	21 903
Card fees (debit cards)	109 065	5 281	575	-	114 921
Off-balance sheet guarantee commissions	415	22 079	10 699	-	33 193
Finance lease commissions	2 685	622	41	-	3 348
Issue arrangement fees	-	133	2 244	-	2 377
Distribution fees	4 945	-	-	-	4 945

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate& Investment Banking	Segment ALM and Centre	Total
1.01.2024-30.06.2024					
Net interest income	3 863 335	1 141 620	390 372	516 221	5 911 548
incl. internal transactions	(1 273)	(4 290)	19 377	(13 814)	-
Fee and commission income	1 061 805	333 819	259 669	-	1 655 293
Fee and commission expense	(215 298)	(32 837)	(21 962)	-	(270 097)
Net fee and commission income	846 507	300 982	237 707	-	1 385 196
incl. internal transactions	192 170	100 258	(292 428)	-	-
Other income	(24 928)	44 867	151 319	(54 940)	116 318
incl. internal transactions	14 028	29 324	(42 035)	(1 317)	-
Dividend income	10 377	-	1 692	-	12 069
Staff costs	(691 430)	(209 260)	(117 390)	-	(1 018 080)
Operating costs	(656 486)	(145 983)	(146 868)	(25 058)	(974 395)
incl. internal transactions	-	-	-	-	-
Depreciation/amortisation	(208 455)	(37 783)	(19 858)	-	(266 096)
Impairment losses on loans and advances	(316 023)	(92 644)	(41 967)	2 454	(448 180)
Cost of legal risk associated with foreign currency mortgage loans	(1 013 322)	-	-	-	(1 013 322)
Share in net profits (loss) of entities accounted for by the equity method	52 293	-	-	768	53 061
Tax on financial institutions	(219 119)	(87 357)	(70 747)	-	(377 223)
Profit before tax	1 642 749	914 442	384 260	439 445	3 380 896
Corporate income tax					(899 844)
Profit for the period from continuing operations					2 481 052
Profit/(loss) for the period from discontinued operations					(147 353)
Profit for the period					2 333 698
Profit/(loss) for the period attributable to:					
- owners of the parent entity					2 359 646
- non-controlling interests					(25 948)
Profit/(loss) for the period attributable to owners of the parent entity from:					
- continuing operations					2 453 443
- discontinued operations					(93 797)
Profit/(loss) for the period attributable to owners of the parent entity					2 359 646

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate & Investment Banking	Segment ALM and Centre	Total
1.01.2024-30.06.2024					
Fee and commission income	1 061 805	333 819	259 669	-	1 655 293
Electronic and payment services	94 150	35 344	14 383	-	143 877
Current accounts and money transfer	134 105	52 781	9 927	-	196 813
Asset management fees	140 708	288	-	-	140 996
Foreign exchange commissions	192 817	101 990	131 605	-	426 412
Credit commissions incl. factoring commissions and other	63 685	79 636	44 959	-	188 280
Insurance commissions	112 856	7 397	627	-	120 880
Commissions from brokerage activities	56 069	60	23 464	-	79 593
Credit cards	43 547	-	-	-	43 547
Card fees (debit cards)	208 262	9 843	1 102	-	219 207
Off-balance sheet guarantee commissions	1 139	45 110	21 903	-	68 152
Finance lease commissions	5 034	1 101	93	-	6 228
Issue arrangement fees	-	269	11 606	-	11 875
Distribution fees	9 433	-	-	-	9 433

* Includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

Consolidated statement of financial position by business segments

	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate & Investment Banking	Segment ALM and Centre	Total
30.06.2025					
Loans and advances to customers	94 040 567	44 184 020	21 012 118	-	159 236 705
Investments in associates	879 186	-	-	51 271	930 457
Other assets	9 832 319	2 603 308	18 857 900	95 639 551	126 933 078
Assets of the group classified as held for sale	-	-	-	-	27 456 518
Total assets	104 752 072	46 787 328	39 870 018	95 690 822	314 556 758
Deposits from customers	155 836 601	47 714 794	15 039 436	2 449 402	221 040 233
Other liabilities	2 512 898	656 961	6 636 102	27 830 907	37 636 868
Equity	7 642 808	5 209 862	2 997 189	17 353 399	33 203 258
Liabilities directly associated with assets of the group classified as held for sale	-	-	-	-	22 676 399
Total equity and liabilities	165 992 307	53 581 617	24 672 727	47 633 708	314 556 758

* includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

	Segment Retail Banking *	Segment Business and Corporate Banking	Segment Corporate & Investment Banking	Segment ALM and Centre	Segment Santander Consumer	Total
31.12.2024						
Loans and advances to customers	91 962 332	43 021 156	20 920 878	-	18 871 915	174 776 281
Investments in associates	917 135	-	-	50 074	-	967 209
Other assets	10 237 155	2 638 887	13 990 910	94 873 199	6 890 279	128 630 430
Total assets	103 116 622	45 660 043	34 911 788	94 923 273	25 762 194	304 373 920
Deposits from customers	149 506 043	49 858 414	15 572 278	1 034 835	16 057 192	232 028 762
Other liabilities	2 039 413	445 779	7 891 161	22 133 957	5 393 662	37 903 972
Equity	8 476 341	5 321 716	3 075 074	13 256 715	4 311 340	34 441 186
Total equity and liabilities	160 021 797	55 625 909	26 538 513	36 425 507	25 762 194	304 373 920

* includes individual customers, small companies and Wealth Management (private banking and Santander TFI SA)

4. Risk management

In the first half of 2025, Santander Bank Polska Group managed its risks in accordance with the principles laid down in the consolidated financial statements for 2024.

The Group's main risk management priority is to undertake initiatives to enable secure operations of the organisation (in accordance with the banking supervision requirements), while supporting business growth and profit generation for the shareholders. The Group continues to develop innovative risk management solutions, including advanced risk assessment models and tools that help automate banking processes and reduce human errors. Another rapidly developing area is the management, analysis and use of data in tools and reports to support prompt, informed and secure decision-making leading to sustainable growth of business volumes. The Group regularly reviews processes and procedures for measurement, management and monitoring of the Bank's credit portfolio risk, adjusting them to the amended laws and regulatory requirements, especially to the KNF recommendations and the EBA guidelines.

The main risk management priorities in H1 2025 were: the analysis of consequences of the armed conflicts and monitoring the dynamically changing market situation and ESG risk management.

Due to the ongoing armed conflicts (the war between Russia and Ukraine and the war in the Middle East), the importance of geopolitical risk in risk management processes is still high. The Group identifies this risk both in its operations and in relation to its loan book and financial assets. It is based on the definition and assessment of material risks that may arise due to the geopolitical and macroeconomic situation and threaten the delivery of business plans of Santander Bank Polska S.A. To maintain business continuity, the Group closely monitors external developments and their impact on its operations. The monitoring covers, among other things, the key threats related to the above armed conflicts to ensure that the Group appropriately adjusts its control mechanisms to potential scenarios and is prepared to minimise the impact of emerging risks. Both first and second line of defence units are involved in this process and key information is provided to senior management.

The Group monitors legislative changes on an ongoing basis, including standards issued by other institutions (regulatory and industry standards). Each employee is obliged to discharge their duties in line with legal and regulatory requirements. The Group also monitors the evolution of national and international sanctions, mainly in relation to Russia's unlawful aggression against Ukraine. The Group has the sanctions compliance programme in place to ensure that it complies with all applicable sanctions, including the identification and mitigation of sanctions risks to which it is exposed as part of its business activity.

As in the previous years, in H1 2025 the Group monitored the credit portfolio in terms of the influence of the macroeconomic situation in individual customer segments and economic sectors in order to ensure prompt and adequate response and align the credit policy parameters accordingly. Particular focus was placed on the assessment of impact of such factors as inflation, interest rates, exchange rates, export growth rates as well as energy prices on the quality of the credit portfolios based on stress testing and sensitivity analysis. The Group also continued to monitor the factors directly related to the geopolitical situation, i.e. sanctions and restriction of operations of business customer on the territory of armed conflicts. In addition, the Group kept track of legislative changes that may significantly affect the situation in individual sectors to take adequate proactive measures in relation to the credit portfolio.

As part of regular reviews of ECL parameter models, the Group takes into account the latest macroeconomic projections, using its predictive models based on historical observations of relationships between those variables and risk parameters. ECL parameters were updated in Q2 2025 to account for the impact of the geopolitical environment on the current economic situation and macroeconomic projections.

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

The quality of the Bank's credit portfolios remains satisfactory.

In H1 2025, the Group introduced additional regulations to limit physical risk for the mortgage loan portfolio and strengthened its processes to prevent the risk of greenwashing.

In H1 2025, the Group also continued to maintain the sensitivity of net interest income to interest rate movements. The above strategy was implemented in response to new regulatory limit, i.e. NII SOT at max 5% of Tier 1 capital.

The importance of cybersecurity, another risk factor, has been steadily growing because of the increasing digitalisation of the banking sector. The geopolitical situation did not improve in H1 2025, therefore the risk of targeted attacks made by well-structured, disciplined and sophisticated hacker groups was monitored on an ongoing basis. The risk connected with the consequences of attacks was regularly analysed and relevant measures were taken where justified. Disinformation campaigns aimed to destabilise the financial sector were also subject to close monitoring. The Group was taking measures to build awareness among employees and customers, e.g. by issuing security warnings about emerging threats. Particular focus was still placed on the problem of unauthorised transactions and on the security of processes, including the authentication and authorisation of transactions in remote channels. Other priority issue was the risk of DDoS attacks, supply chain attacks, application attacks, malware and attacks against customers and employees with the use of

social engineering. Cyber attacks are becoming more sophisticated and specialised. Particularly popular are attacks based on new technologies offered by cybercriminals under a service model. The Group is analysing the growing importance of artificial intelligence technologies in terms of their use by attackers and in terms of their potential as control mechanisms that can facilitate risk and cybersecurity management. The Bank is implementing the requirements of the European regulation on artificial intelligence "AI Act".

5. Capital management

Details on capital management have been presented in document „Information on Capital Adequacy of Santander Bank Polska Group as at 30th June 2025”.

6. Net interest income

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Interest income and similar to interest				
Interest income on financial assets measured at amortised cost	3 683 664	7 326 423	3 331 968	6 726 350
Loans and advances to enterprises	1 145 725	2 288 702	1 161 974	2 308 758
Loans and advances to individuals, of which:	1 615 662	3 242 353	1 443 935	3 042 397
<i>Home mortgage loans</i>	965 447	1 933 979	801 632	1 767 410
Loans and advances to banks	218 051	438 173	217 268	424 905
Loans and advances to public sector	30 509	73 422	23 808	48 437
Reverse repo transactions	163 598	334 189	162 154	307 131
Debt securities	508 068	959 362	340 112	622 039
Interest recorded on hedging IRS	2 051	(9 778)	(17 283)	(27 317)
Interest income on financial assets measured at fair value through other comprehensive income	510 283	1 014 399	442 152	939 095
Loans and advances to enterprises	69 535	145 392	70 283	126 713
Loans and advances to public sector	4 088	8 156	4 193	8 335
Debt securities	436 660	860 851	367 676	804 047
Income similar to interest - financial assets measured at fair value through profit or loss	26 800	49 573	23 757	33 202
Loans and advances to individuals	58	117	449	957
Debt securities	26 742	49 456	23 308	32 245
Income similar to interest on finance leases	166 428	334 262	163 841	323 458
Total income	4 387 175	8 724 657	3 961 718	8 022 105

*Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Interest expenses				
Interest expenses on financial liabilities measured at amortised cost	(1 209 076)	(2 370 730)	(1 066 429)	(2 110 557)
Liabilities to individuals	(432 037)	(825 637)	(412 071)	(810 548)
Liabilities to enterprises	(337 383)	(664 765)	(271 872)	(545 991)
Repo transactions	(97 294)	(175 500)	(66 428)	(131 017)
Liabilities to public sector	(89 991)	(193 000)	(89 975)	(175 370)
Liabilities to banks	(37 397)	(81 811)	(50 646)	(100 458)
Lease liability	(4 621)	(9 572)	(4 795)	(9 493)
Subordinated liabilities and issue of securities	(210 353)	(420 445)	(170 642)	(337 680)
Total costs	(1 209 076)	(2 370 730)	(1 066 429)	(2 110 557)
Net interest income	3 178 099	6 353 927	2 895 289	5 911 548

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

7. Net fee and commission income

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Fee and commission income				
Electronic and payment services	75 412	147 836	72 904	143 877
Current accounts and money transfer	101 416	202 708	99 597	196 813
Asset management fees	83 010	161 262	71 465	140 996
Foreign exchange commissions	229 534	447 975	220 294	426 412
Credit commissions incl. factoring commissions and other	103 100	199 816	92 240	188 280
Insurance commissions	62 998	125 923	62 743	120 880
Commissions from brokerage activities	53 472	102 927	37 272	79 593
Credit cards	23 924	46 037	21 903	43 547
Card fees (debit cards)	122 635	231 303	114 921	219 207
Off-balance sheet guarantee commissions	40 046	81 351	33 193	68 152
Finance lease commissions	5 476	10 768	3 348	6 228
Issue arrangement fees	15 186	17 935	2 377	11 875
Distribution fees	5 313	10 486	4 945	9 433
Total	921 522	1 786 327	837 202	1 655 293

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Fee and commission expenses				
Electronic and payment services	(24 458)	(43 753)	(23 702)	(40 781)
Current accounts and money transfer	(12 862)	(21 030)	(5 714)	(9 302)
Distribution fees	(3 050)	(5 850)	(2 699)	(5 294)
Commissions from brokerage activities	(5 787)	(10 435)	(3 828)	(8 295)
Credit cards	(3 027)	(5 263)	(2 415)	(4 192)
Card fees (debit cards)	(40 756)	(71 270)	(37 489)	(65 396)
Credit commissions paid	(27 398)	(42 070)	(8 488)	(15 092)
Insurance commissions	(2 380)	(4 844)	(2 987)	(5 832)
Finance lease commissions	(10 991)	(22 236)	(9 973)	(20 083)
Asset management fees and other costs	(1 010)	(1 385)	(783)	(1 946)
Commissions paid to other banks	(3 083)	(5 553)	(2 951)	(5 431)
Off-balance sheet guarantee commissions	(16 931)	(34 457)	(13 793)	(29 468)
Brokerage fees	(5 440)	(8 694)	(3 224)	(5 883)
Other	(20 488)	(37 859)	(29 390)	(53 102)
Total	(177 661)	(314 699)	(147 436)	(270 097)
Net fee and commission income	743 861	1 471 628	689 766	1 385 196

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

8. Net trading income and revaluation

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Net trading income and revaluation				
Derivative instruments	(66 092)	(61 514)	(12 965)	138 903
Interbank FX transactions and other FX related income	104 387	68 344	60 197	(123 985)
Net gains on sale of equity securities measured at fair value through profit or loss	36 607	78 900	6 979	8 793
Net gains on sale of debt securities measured at fair value through profit or loss	34 343	50 066	23 843	55 104
Change in fair value of loans and advances mandatorily measured at fair value through profit or loss	356	506	1 030	1 379
Total	109 601	136 302	79 084	80 194

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

The above amounts included CVA and DVA adjustments in the amount of PLN (665) k for H1 2025, PLN (554) k for 2Q 2025 and PLN 3,592k for H1 2024, PLN 621 k for 2Q 2024.

9. Gains (losses) from other financial securities

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Gains (losses) from other financial securities				
Net gains on sale of debt securities measured at fair value through other comprehensive income	4 854	5 651	1 269	5 652
Net gains on sale of debt securities measured at fair value through profit or loss	-	-	-	1
Total profit (losses) on financial instruments	4 854	5 651	1 269	5 653
Change in fair value of hedging instruments	(43 548)	(76 747)	(7 898)	29 707
Change in fair value of underlying hedged positions	39 485	71 657	7 531	(27 538)
Total profit (losses) on hedging and hedged instruments	(4 063)	(5 090)	(367)	2 169
Total	791	561	902	7 822

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

10. Other operating income

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Other operating income				
Income from services rendered	4 286	9 044	6 446	12 220
Release of provision for legal cases and other assets	1 887	5 173	17 255	18 555
Recovery of other receivables (expired, cancelled and uncollectable)	13	22	7	13
Gain on sales or liquidation of fixed assets, intangible assets and assets for disposal	1 181	4 452	-	-
Received compensations, penalties and fines	854	1 362	540	998
Settlements of leasing agreements	689	1 316	561	1 199
Income from claims received from the insurer	1 444	2 451	2 434	3 654
Income from additional charges for leasing contracts	3 311	6 460	3 532	6 508
Other	6 646	12 467	3 721	13 498
Total	20 311	42 747	34 496	56 645

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

11. Impairment allowances for expected credit losses

Impairment allowances for expected credit losses on loans and advances measured at amortised cost	1.04.2025-30.06.2025	1.01.2025-30.06.2025	1.04.2024-30.06.2024* represented	1.01.2024-30.06.2024* represented
Charge for loans and advances to banks	(1)	(13)	20	18
Stage 1	(1)	(13)	20	18
Stage 2	-	-	-	-
Stage 3	-	-	-	-
POCI	-	-	-	-
Charge for loans and advances to customers	(129 482)	(255 026)	(277 091)	(455 436)
Stage 1	23 618	156 932	25 157	(3 655)
Stage 2	(135 420)	(295 705)	(246 858)	(328 402)
Stage 3	(58 043)	(162 199)	(94 774)	(175 414)
POCI	40 363	45 946	39 384	52 035
Recoveries of loans previously written off	6 082	5 363	8 506	6 324
Stage 1	-	-	-	-
Stage 2	-	-	-	-
Stage 3	6 082	5 363	8 506	6 324
POCI	-	-	-	-
Off-balance sheet credit related facilities	35	6 422	(23 502)	914
Stage 1	37 519	15 124	(3 367)	(4 207)
Stage 2	240	3 860	(25 419)	(14 622)
Stage 3	(37 724)	(12 562)	5 284	19 743
POCI	-	-	-	-
Total	(123 366)	(243 254)	(292 067)	(448 180)

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

12. Employee costs

Employee costs	1.04.2025-30.06.2025	1.01.2025-30.06.2025	1.04.2024-30.06.2024* represented	1.01.2024-30.06.2024* represented
Salaries and bonuses	(450 346)	(891 985)	(419 367)	(831 003)
Salary related costs	(80 432)	(162 911)	(74 408)	(149 875)
Cost of contributions to Employee Capital Plans	(3 929)	(7 801)	(3 619)	(7 110)
Staff benefits costs	(11 397)	(25 747)	(14 490)	(27 378)
Professional trainings	(4 142)	(3 380)	(1 150)	(1 770)
Retirement fund, holiday provisions and other employee costs	(330)	(330)	(944)	(944)
Total	(550 576)	(1 092 154)	(513 978)	(1 018 080)

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

13. General and administrative expenses

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
General and administrative expenses				
Maintenance of premises	(30 429)	(58 713)	(32 018)	(62 726)
Cost of short-term lease, low-value assets lease and other payments	(1 971)	(4 332)	(2 501)	(5 676)
Non-tax deductible VAT – lease	(9 993)	(19 860)	(8 437)	(18 294)
Marketing and representation	(42 764)	(73 256)	(38 702)	(69 550)
IT systems costs	(123 483)	(257 123)	(118 777)	(234 358)
Cost of BFG, KNF and KDPW	(31 673)	(334 865)	(67 814)	(252 324)
Postal and telecommunication costs	(14 223)	(28 341)	(11 444)	(24 588)
Consulting and advisory fees	(16 217)	(28 556)	(14 590)	(26 511)
Cars, transport expenses, carriage of cash	(8 166)	(16 391)	(11 328)	(23 156)
Other external services	(67 534)	(136 223)	(61 428)	(121 586)
Stationery, cards, cheques etc.	(3 332)	(7 413)	(2 865)	(6 652)
Sundry taxes and charges	(9 955)	(19 582)	(10 687)	(20 914)
Data transmission	(7 270)	(13 244)	(5 477)	(11 804)
KIR, SWIFT settlements	(10 020)	(20 655)	(10 173)	(20 607)
Security costs	(5 205)	(10 092)	(4 796)	(9 704)
Costs of repairs	(2 836)	(5 433)	(1 861)	(3 499)
Other	(7 535)	(14 152)	(11 483)	(18 676)
Total	(392 606)	(1 048 231)	(414 381)	(930 625)

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

14. Other operating expenses

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024* represented	1.01.2024- 30.06.2024* represented
Other operating expenses				
Charge of provisions for legal cases and other assets	(11 283)	(21 949)	(11 001)	(19 039)
Impairment loss on property, plant, equipment, intangible assets covered by lease agreements and other fixed assets	(305)	(761)	(1 221)	(3 156)
Gain on sales or liquidation of fixed assets, intangible assets and assets for disposal	-	-	(1 297)	(2 394)
Costs of purchased services	(178)	(531)	(762)	(1 117)
Other membership fees	(157)	(370)	(467)	(897)
Paid compensations, penalties and fines	(15)	(45)	(64)	(68)
Donations paid	-	(3 650)	(4 014)	(4 018)
Other	(9 423)	(19 998)	(6 495)	(13 081)
Total	(21 361)	(47 304)	(25 321)	(43 770)

* Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

15. Corporate income tax

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024 represented**	1.01.2024- 30.06.2024 represented**
Corporate income tax*				
Current tax charge in the income statement	(608 232)	(1 013 409)	(340 625)	(587 999)
Deferred tax charge in the income statement	114 706	(6 113)	(88 079)	(327 350)
Adjustments from previous years for current and deferred tax	-	11 039	-	15 505
Total tax on gross profit	(493 526)	(1 008 483)	(428 704)	(899 844)

*) It refers to continuing operations, i.e. it does not include a deferred tax liability arising from the difference between the carrying amount and the tax base of the shares of Santander Consumer Bank S.A. (SCB) held for sale.

**) Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024 represented ***	1.01.2024- 30.06.2024 represented ***
Corporate total tax charge information				
Profit before tax on continued operations	1 905 740	4 120 377	1 354 821	3 380 895
Profit before tax on discontinued operations	75 687	193 276	(245 328)	(174 755)
Tax rate	19%	19%	19%	19%
Tax calculated at the tax rate	(362 091)	(782 872)	(257 416)	(642 370)
Non-tax-deductible expenses	(4 530)	(8 342)	(1 921)	(5 465)
Cost of legal risk associated with foreign currency mortgage loans	(102 780)	(105 603)	(139 516)	(158 976)
The fee to the Bank Guarantee Fund	(3 958)	(59 504)	(11 034)	(44 284)
Tax on financial institutions	(39 124)	(77 953)	(35 603)	(71 672)
Non-taxable income	2 377	2 378	2 261	2 264
Non-tax deductible bad debt provisions	(7 674)	(8 623)	(4 841)	(14 409)
Non-taxable income in respect of investments in associates accounted for using the equity method	18 641	18 641	20 626	20 626
Adjustment of prior years tax	-	11 039	-	15 505
Other	5 614	2 356	(1 259)	(1 062)
Total tax on gross profit	(493 525)	(1 008 483)	(428 703)	(899 843)
Total corporate income tax on continued operation	(493 525)	(1 008 483)	(428 703)	(899 843)
Total corporate income tax on discontinued operation**	(431 265)	(457 512)	55 335	27 401

***) A deferred tax liability arising from the difference between the carrying amount and the tax base of the shares of Santander Consumer Bank S.A. (SCB) held for sale. In relation to the sale of SCB shares, the Bank estimated the tax deductible acquisition cost based on the share exchange: the nominal value of own shares issued at the time of acquisition was taken as the acquisition cost for the purpose of determining the taxable income from the sale of SCB shares.

At the time of acquiring SCB shares in 2014, the Bank applied an exemption from recognising a deferred tax liability related to investments in subsidiaries in accordance with IAS 12.39. In 2025, once there was sufficient evidence that the sale of SCB shares was highly probable, the above exemption ceased to apply. As a consequence, SBP recognised a deferred tax liability.

***) Represented data presenting continued operations following the separation of the discontinued operations; details are presented in Note 32.

Deferred tax recognised in other comprehensive income	30.06.2025	31.12.2024
Relating to valuation of debt investments measured at fair value through other comprehensive income	87 078	154 717
Relating to valuation of equity investments measured at fair value through other comprehensive income	(72 149)	(82 677)
Relating to cash flow hedging activity	(135 898)	(17 258)
Relating to valuation of defined benefit plans	(1 601)	(196)
Total	(122 570)	54 586

At the start of 2025, the act implementing a global top-up tax in Poland became effective. As the Group is required to apply the provisions of this act, it assessed their potential impact based on the latest financial statements and tax calculations of the Group companies. In the Group's opinion, the provisions on top-up tax will not result in an additional tax charge in 2025 and 2026.

16. Cash and cash equivalents

Cash and cash equivalents	30.06.2025	31.12.2024* restated
Cash and balances with central banks	9 750 725	10 575 108
Loans and advances to banks	3 866 024	4 781 823
Reverse sale and repurchase agreements to banks	7 909 396	7 650 952
Debt securities measured at fair value through other comprehensive income	-	5 995 623
Total	21 526 145	29 003 506

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5.

Santander Bank Polska SA and Santander Consumer Bank SA hold an obligatory reserve in a current account in the National Bank of Poland. The figure is calculated at a fixed percentage of minimal statutory reserve of the monthly average balance of the customers' deposits, which was 3.5% as at 30.06.2025 and 31.12.2024.

In accordance with the applicable regulations, the amount of the calculated provision is reduced by the equivalent of EUR 500 k.

17. Loans and advances to banks

	30.06.2025	31.12.2024* restated
Loans and advances to banks		
Loans and advances	3 822 098	4 031 141
Current accounts	208	176
Gross receivables	3 822 306	4 031 317
Allowance for expected credit losses	(162)	(152)
Total	3 822 144	4 031 165

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5.

18. Financial assets and liabilities held for trading

	30.06.2025		31.12.2024	
Financial assets and liabilities held for trading	Assets	Liabilities	Assets	Liabilities
Trading derivatives	10 881 455	11 492 149	7 720 642	8 205 923
Interest rate operations	6 430 471	6 710 994	5 116 227	5 220 492
FX operations	4 450 984	4 781 155	2 604 415	2 985 431
Debt and equity securities	3 372 118	-	1 626 933	-
Debt securities	3 073 960	-	1 506 602	-
Government securities:	3 058 495	-	1 490 857	-
- bills	97 432	-	-	-
- bonds	2 961 063	-	1 490 857	-
Other securities:	15 465	-	15 745	-
- bonds	15 465	-	15 745	-
Equity securities	298 158	-	120 331	-
Short sale	-	1 121 492	-	1 703 764
	14 253 573	12 613 641	9 347 575	9 909 687

Financial assets and liabilities held for trading - trading derivatives include the change in the value of counterparty risk in the amount of PLN (1,537) k as at 30.06.2025 and PLN (874) k as at 31.12.2024.

19. Hedging derivatives

	30.06.2025		31.12.2024	
Hedging derivatives	Assets	Liabilities	Assets	Liabilities
Derivatives hedging fair value	111 667	18 360	173 150	95 108
Derivatives hedging cash flow	1 514 925	171 951	1 228 603	512 629
Total	1 626 592	190 311	1 401 753	607 737

As at 30.06.2025, the line item: hedging derivatives – derivatives hedging cash flows reflects a change in the first-day valuation of forward-starting CIRS transactions of PLN (0) k and PLN (114) k as at 31.12.2024.

20. Loans and advances to customers

30.06.2025					
Loans and advances to customers	measured at amortised cost	measured at fair value through other comprehensive income	measured at fair value through profit or loss	from finance leases	Total
Loans and advances to enterprises	68 970 938	4 239 045	-	-	73 209 983
Loans and advances to individuals, of which:	77 266 788	-	983	-	77 267 771
Home mortgage loans*	55 150 705	-	-	-	55 150 705
Finance lease receivables	-	-	-	11 041 694	11 041 694
Loans and advances to public sector	1 472 617	249 605	-	-	1 722 222
Other receivables	73 614	161	-	-	73 775
Gross receivables	147 783 957	4 488 811	983	11 041 694	163 315 445
Allowance for expected credit losses	(3 721 416)	(119 376)	-	(237 948)	(4 078 740)
Total	144 062 541	4 369 435	983	10 803 746	159 236 705

* Includes changes in gross book value described in note 31 Legal risk connected with CHF mortgage loans

31.12.2024					
Loans and advances to customers	measured at amortised cost	measured at fair value through other comprehensive income	measured at fair value through profit or loss	from finance leases	Total
Loans and advances to enterprises	69 736 432	4 140 166	-	-	73 876 598
Loans and advances to individuals, of which:	88 750 902	-	63 289	-	88 814 191
Home mortgage loans*	55 931 181	-	-	-	55 931 181
Finance lease receivables	-	-	-	15 145 171	15 145 171
Loans and advances to public sector	2 189 540	249 725	-	-	2 439 265
Other receivables	70 216	123	-	-	70 339
Gross receivables	160 747 090	4 390 014	63 289	15 145 171	180 345 564
Allowance for expected credit losses	(5 152 221)	(100 018)	-	(317 044)	(5 569 283)
Total	155 594 869	4 289 996	63 289	14 828 127	174 776 281

* Includes changes in gross book value described in note 31 Legal risk connected with CHF mortgage loans

Impact of the legal risk of mortgage loans in foreign currency	Gross carrying amount of mortgage loans in foreign currency before adjustment due to legal risk costs	Impact of the legal risk of mortgage loans in foreign currency	Gross carrying amount of mortgage loans in foreign currency after adjustment due to legal risk costs*
30.06.2025			
Mortgage loans in foreign currency - adjustment to gross carrying amount	3 448 980	3 280 401**	168 579
Provision in respect of legal risk connected with foreign currency mortgage loans		1 899 468	
Total		5 179 869	
31.12.2024***			
Mortgage loans in foreign currency - adjustment to gross carrying amount	5 173 697	4 676 771	496 926
Provision in respect of legal risk connected with foreign currency mortgage loans		1 915 242	
Total		6 592 013	

* Includes changes in gross book value described in note 31 Legal risk connected with CHF mortgage loans

**of which the amount of PLN 3,056,944 k refers to loans denominated in and indexed to CHF, and the amount of PLN 223,457 k converted into PLN loans subject to debt enforcement

***Data as at 31.12.2024 include the SCB Group

Loans and advances to enterprises	Gross carrying amount	Allowance for expected credit losses	Net
30.06.2025			
Stage 1	58 847 539	(164 900)	58 682 639
Stage 2	6 579 619	(395 900)	6 183 719
Stage 3	3 054 010	(1 516 985)	1 537 025
POCI	489 770	(60 228)	429 542
Total	68 970 938	(2 138 013)	66 832 925

Loans and advances to individuals - home mortgage loans	Gross carrying amount	Allowance for expected credit losses	Net
30.06.2025			
Stage 1	49 198 870	(12 502)	49 186 368
Stage 2	5 007 551	(51 716)	4 955 835
Stage 3	817 429	(286 385)	531 044
POCI	126 855	(21 294)	105 561
Total	55 150 705	(371 897)	54 778 808

Loans and advances to individuals - other loans	Gross carrying amount	Allowance for expected credit losses	Net
30.06.2025			
Stage 1	17 843 178	(137 827)	17 705 351
Stage 2	3 023 920	(337 090)	2 686 830
Stage 3	1 153 307	(714 391)	438 916
POCI	95 678	(22 198)	73 480
Total	22 116 083	(1 211 506)	20 904 577

Finance lease receivables 30.06.2025	Gross carrying amount	Allowance for expected credit losses	Net
Stage 1	9 622 298	(24 996)	9 597 302
Stage 2	1 004 559	(41 533)	963 026
Stage 3	413 622	(171 877)	241 745
POCI	1 215	458	1 673
Total	11 041 694	(237 948)	10 803 746

Loans and advances to enterprises 31.12.2024	Gross carrying amount	Allowance for expected credit losses	Net
Stage 1	60 324 832	(180 329)	60 144 503
Stage 2	5 877 532	(398 840)	5 478 692
Stage 3	3 231 882	(1 634 987)	1 596 895
POCI	302 186	(50 706)	251 480
Total	69 736 432	(2 264 862)	67 471 570

Loans and advances to individuals - home mortgage loans 31.12.2024	Gross carrying amount	Allowance for expected credit losses	Net
Stage 1	48 533 198	(23 138)	48 510 060
Stage 2	6 379 941	(84 467)	6 295 474
Stage 3	848 600	(308 623)	539 977
POCI	169 442	(27 696)	141 746
Total	55 931 181	(443 924)	55 487 257

Loans and advances to individuals - other loans 31.12.2024	Gross carrying amount	Allowance for expected credit losses	Net
Stage 1	26 392 892	(308 716)	26 084 176
Stage 2	3 972 794	(445 819)	3 526 975
Stage 3	2 324 896	(1 643 195)	681 701
POCI	129 139	(45 703)	83 436
Total	32 819 721	(2 443 433)	30 376 288

Finance lease receivables 31.12.2024	Gross carrying amount	Allowance for expected credit losses	Net
Stage 1	13 529 475	(36 175)	13 493 300
Stage 2	1 076 145	(75 277)	1 000 868
Stage 3	537 059	(205 592)	331 467
POCI	2 492	-	2 492
Total	15 145 171	(317 044)	14 828 127

Movements on impairment losses on loans and advances to customers measured at amortised cost for reporting period	1.01.2025-30.06.2025	1.01.2024-30.06.2024
Balance at the beginning of the period	(5 152 221)	(5 329 825)
Charge/write back of current period	(267 559)	(653 141)
Stage 1	(4 572)	(15 873)
Stage 2	(83 122)	(401 654)
Stage 3	(176 329)	(239 087)
POCI	(3 536)	3 473
Write off/Sale of receivables	287 598	348 968
Stage 1	-	-
Stage 2	-	-
Stage 3	287 598	347 993
POCI	-	975
Transfer	124 486	74 685
Stage 1	27 164	118 691
Stage 2	86 032	108 768
Stage 3	11 219	(154 781)
POCI	71	2 007
FX differences	5 064	4 470
Stage 1	680	449
Stage 2	1 059	925
Stage 3	3 269	2 854
POCI	56	242
Transfer to assets classified as held for sale	1 281 216	-
Balance at the end of the period	(3 721 416)	(5 554 843)

21. Investment securities

Investment securities	30.06.2025	31.12.2024* restated
Debt investment securities measured at fair value through other comprehensive income	31 901 885	34 847 851
Government securities:	23 109 564	23 834 660
- bills	3 487 179	-
- bonds	19 622 385	23 834 660
Other securities:	8 792 321	11 013 191
-bonds	8 792 321	11 013 191
Debt investment securities measured at fair value through profit and loss	-	1 247
Debt investment securities measured at amortised cost	42 187 113	35 596 997
Government securities:	38 433 797	32 464 124
- bonds	38 433 797	32 464 124
Other securities:	3 753 316	3 132 873
- bonds	3 753 316	3 132 873
Equity investment securities measured at fair value through other comprehensive income	406 906	462 317
- unlisted	406 906	462 317
Equity investment securities measured at fair value through profit and loss	362	8 619
- unlisted	362	8 619
Total	74 496 266	70 917 031

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5.

22. Investments in associates

Balance sheet value of associates	30.06.2025	31.12.2024
Polfund - Fundusz Poręczeń Kredytowych S.A.	51 271	50 074
Santander - Allianz Towarzystwo Ubezpieczeń S.A. and Santander - Allianz Towarzystwo Ubezpieczeń na Życie S.A.	879 186	917 135
Total	930 457	967 209

Movements on investments in associates	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024
As at the beginning of the period	967 209	967 514
Share of profits/(losses)	58 020	53 061
Dividends	(98 113)	(108 559)
Other	3 341	1 737
As at the end of the period	930 457	913 753

23. Deposits from banks

Deposits from banks	30.06.2025	31.12.2024
Term deposits	586 485	100 625
Loans received from banks	952 683	2 385 925
Current accounts	1 879 279	2 662 110
Total	3 418 447	5 148 660

24. Deposits from customers

Deposits from customers	30.06.2025	31.12.2024
Deposits from individuals	124 863 845	127 764 517
Term deposits	37 531 140	47 896 484
Current accounts	87 242 708	79 583 654
Other	89 997	284 379
Deposits from enterprises	86 122 529	92 782 556
Term deposits	19 916 468	24 792 342
Current accounts	62 382 063	64 171 535
Loans received from financial institution	515 138	906 079
Other	3 308 860	2 912 600
Deposits from public sector	10 053 859	11 481 689
Term deposits	732 679	1 143 982
Current accounts	9 178 952	10 316 117
Other	142 228	21 590
Total	221 040 233	232 028 762

25. Subordinated liabilities

Subordinated liabilities in issue on 30.06.2025

Subordinated liabilities	Nominal value	Currency	Redemption date	Book Value (In thousands of PLN)
Issue 2	120 000	EUR	03.12.2026	511 002
Issue 3	137 100	EUR	22.05.2027	589 587
Issue 4	1 000 000	PLN	05.04.2028	1 017 496
Total				2 118 085

Subordinated liabilities in issue on 31.12.2024

Subordinated liabilities	Nominal value	Currency	Redemption date	Book Value (In thousands of PLN)
Issue 2	120 000	EUR	03.12.2026	515 085
Issue 3	137 100	EUR	22.05.2027	594 938
Issue 4	1 000 000	PLN	05.04.2028	1 017 962
SCF Madrid	100 000	PLN	18.05.2028	100 913
Total				2 228 898

Movements in subordinated liabilities	1.01.2025-30.06.2025	1.01.2024-30.06.2024
As at the beginning of the period	2 228 898	2 686 343
Increase (due to):	68 112	94 956
- interest on subordinated loans	68 112	94 956
Decrease (due to):	(178 925)	(107 502)
- interest repayment	(70 367)	(95 576)
- FX differences	(7 645)	(11 926)
- transfer to liabilities associated with assets classified as held for sale	(100 913)	-
As at the end of the period	2 118 085	2 673 797
Short-term	28 824	36 209
Long-term (over 1 year)	2 089 261	2 637 588

26. Debt securities in issue

Debt securities in issue on 30.06.2025

Name of the entity issuing the securities	Type of securities	Nominal value	Currency	Date of issue	Redemption date	Book Value (In thousands of PLN)
Santander Bank Polska S.A.	Bonds	320 000	PLN	26.06.2025	31.03.2036	320 598
Santander Bank Polska S.A.	Bonds	394 000	PLN	17.12.2024	07.02.2033	407 455
Santander Bank Polska S.A.	Bonds	1 800 000	PLN	30.09.2024	30.09.2027	1 832 838
Santander Bank Polska S.A.	Bonds	187 097	PLN	26.06.2024	14.02.2034	194 503
Santander Bank Polska S.A.	Bonds	1 900 000	PLN	02.04.2024	02.04.2027	1 934 013
Santander Bank Polska S.A.	Bonds	3 100 000	PLN	29.11.2023	30.11.2026	3 119 115
Santander Leasing S.A.	Bonds	240 000	PLN	04.04.2025	04.04.2026	242 836
Santander Leasing S.A.	Bonds	100 000	PLN	19.03.2025	19.03.2026	99 887
Santander Leasing S.A.	Bonds	150 000	PLN	20.12.2024	18.12.2025	150 017
Santander Leasing S.A.	Bonds	180 000	PLN	23.10.2024	23.10.2025	181 749
Santander Leasing S.A.	Bonds	365 000	PLN	23.07.2024	23.07.2025	368 907
Santander Factoring Sp. z o.o.	Bonds	364 000	PLN	23.06.2025	23.12.2025	363 736
Santander Factoring Sp. z o.o.	Bonds	185 000	PLN	23.04.2025	23.10.2025	184 960
Santander Factoring Sp. z o.o.	Bonds	507 000	PLN	19.02.2025	19.08.2025	507 532
Santander Factoring Sp. z o.o.	Bonds	100 000	PLN	19.08.2024	08.08.2025	100 253
Total						10 008 399

Debt securities in issue on 31.12.2024

Name of the entity issuing the securities	Type of securities	Nominal value	Currency	Date of issue	Redemption date	Book Value (In thousands of PLN)
Santander Bank Polska S.A.	Bonds	394 000	PLN	17.12.2024	31.12.2032	396 216
Santander Bank Polska S.A.	Bonds	1 800 000	PLN	30.09.2024	30.09.2027	1 833 250
Santander Bank Polska S.A.	Bonds	219 997	PLN	26.06.2024	31.12.2033	228 796
Santander Bank Polska S.A.	Bonds	1 900 000	PLN	02.04.2024	02.04.2027	1 934 817
Santander Bank Polska S.A.	Bonds	3 100 000	PLN	29.11.2023	30.11.2026	3 121 301
Santander Leasing S.A.	Bonds	150 000	PLN	20.12.2024	18.12.2025	149 757
Santander Leasing S.A.	Bonds	169 062	PLN	23.10.2024	23.10.2025	170 606
Santander Leasing S.A.	Bonds	365 000	PLN	23.07.2024	23.07.2025	368 482
Santander Factoring Sp. z o.o.	Bonds	480 000	PLN	23.12.2024	23.06.2025	479 788
Santander Factoring Sp. z o.o.	Bonds	120 500	PLN	23.10.2024	23.04.2025	120 516
Santander Factoring Sp. z o.o.	Bonds	200 000	PLN	08.10.2024	08.01.2025	200 717
Santander Factoring Sp. z o.o.	Bonds	390 000	PLN	19.08.2024	19.02.2025	390 541
Santander Factoring Sp. z o.o.	Bonds	100 000	PLN	19.08.2024	08.08.2025	100 109
Santander Factoring Sp. z o.o.	Bonds	110 000	PLN	19.08.2024	19.05.2025	110 055
Santander Consumer Multirent sp. z o.o.	Bonds	300 000	PLN	24.06.2024	24.06.2025	300 142
Santander Consumer Multirent sp. z o.o.	Bonds	50 000	PLN	26.05.2023	31.03.2025	49 984
S.C. Poland Consumer 23-1 DAC	Bonds	1 000 000	PLN	01.12.2022	16.11.2032	1 002 889
SCM POLAND AUTO 2019-1 DAC	Bonds	891 000	PLN	20.07.2020	31.07.2028	893 197
Total						11 851 163

	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024
Movements in debt securities in issue		
As at the beginning of the period	11 851 163	9 247 159
Increase (due to):	2 094 720	4 194 490
- debt securities issued	1 735 000	3 866 600
- interest on debt securities in issue	347 744	327 890
- other changes	11 976	-
Decrease (due to):	(3 937 484)	(2 915 796)
- debt securities repurchase	(1 352 400)	(2 600 000)
- interest repayment	(338 872)	(306 170)
- FX differences	-	(7 000)
- transfer to liabilities associated with assets classified as held for sale	(2 246 212)	(2 626)
As at the end of the period	10 008 399	10 525 853

27. Provisions for financial liabilities and guarantees granted

Provisions for financial liabilities and guarantees granted	30.06.2025	31.12.2024
Provisions for financial commitments to grant loans and credit lines	57 755	68 804
Provisions for financial guarantees	19 651	20 210
Other provisions	1 046	4 905
Total	78 452	93 919

Change in provisions for financial liabilities and guarantees granted	1.01.2025- 30.06.2025
As at the beginning of the period	93 919
Provision charge	220 202
Write back	(231 998)
Other changes	(450)
Transfer to liabilities associated with assets classified as held for sale	(3 221)
As at the end of the period	78 452
Short-term	41 823
Long-term	36 629

Change in provisions for financial liabilities and guarantees granted	1.01.2024- 30.06.2024
As at the beginning of the period	123 085
Provision charge	100 911
Write back	(122 080)
Other changes	349
As at the end of the period	102 265
Short-term	33 157
Long-term	69 108

28. Other provisions

Other provisions	30.06.2025	31.12.2024
Provision for legal risk connected with foreign currency mortgage loans	1 899 469	1 915 242
Provisions for reimbursement of costs related to early repayment of consumer and mortgage loans	19 424	30 623
Provisions for legal claims and other	94 191	129 975
Total	2 013 084	2 075 840

Change in other provisions 1.01.2025 - 30.06.2025	Provision for legal risk connected with foreign currency mortgage loans*	Provisions for reimbursement of costs related to early repayment of consumer loans	Provisions for legal claims and other	Total
As at the beginning of the period	1 915 242	30 623	129 975	2 075 840
Provision charge/release	544 207	-	69 545	613 752
Utilization	(69 424)	(2 205)	(74 379)	(146 008)
Other	(37 311)	-	-	(37 311)
Transfer to liabilities associated with assets classified as held for sale	(453 245)	(8 994)	(30 950)	(493 189)
As at the end of the period	1 899 469	19 424	94 191	2 013 084

*Detailed information are described in note 31

29. Other liabilities

Other liabilities	30.06.2025	31.12.2024
Settlements of stock exchange transactions	63 689	30 395
Interbank	1 067 075	600 684
Employee provisions	337 664	538 861
Sundry creditors	2 328 395	1 401 524
Liabilities from contracts with customers	151 056	219 021
Public and law settlements	178 180	183 329
Accrued liabilities	576 731	519 694
Liabilities to leasing contractors	144 443	189 333
Other	2 712	16 339
Total	4 849 945	3 699 180
of which financial liabilities *	4 180 333	2 741 630

* Financial liabilities include all items of other liabilities with the exception of employee provisions, public and law settlements, liabilities from contracts with customers and other.

Change in employee provisions 1.01.2025 - 30.06.2025		of which: Provisions for retirement allowances
As at the beginning of the period	538 861	69 985
Provision charge	171 208	1 991
Utilization	(308 879)	-
Release of provisions	(10 049)	(7 396)
Transfer to liabilities associated with assets classified as held for sale	(53 477)	(5 903)
As at the end of the period	337 664	58 677
Short-term	278 987	-
Long-term	58 677	58 677

		<i>of which: Provisions for retirement allowances</i>
Change in employee provisions		
1.01.2024 - 30.06.2024		
As at the beginning of the period	514 628	63 554
Provision charge	157 266	2 809
Utilization	(315 977)	(20)
Release of provisions	(3 005)	(1 458)
As at the end of the period	352 912	64 885
Short-term	288 027	-
Long-term	64 885	64 885

30. Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Below is a summary of the book values and fair values of the individual groups of assets and liabilities not carried at fair value in the financial statements.

	30.06.2025		31.12.2024*	
	Book Value	Fair Value	Book Value	Fair value
ASSETS				
Cash and cash equivalents	21 526 145	21 526 145	29 003 506	29 003 506
Loans and advances to banks	3 822 144	3 822 144	4 031 165	4 031 165
Loans and advances to customers measured at amortised cost	144 062 541	146 118 745	155 594 869	155 660 490
-individuals	20 904 577	21 285 329	30 421 990	30 983 796
-housing loans	54 778 808	55 917 888	55 514 953	54 608 638
-business	66 832 925	67 369 297	67 522 275	67 932 405
Buy-sell-back transactions	1 537 032	1 537 032	4 475 404	4 475 404
Debt investment securities measured at amortised cost	42 187 113	42 705 259	35 596 997	35 404 456
LIABILITIES				
Deposits from banks	3 418 447	3 418 447	5 148 660	5 148 660
Deposits from customers	221 040 233	221 042 951	232 028 762	232 014 242
Sell-buy-back transactions	1 700 759	1 700 759	1 198 455	1 198 455
Subordinated liabilities	2 118 085	2 090 592	2 228 898	2 214 232
Debt securities in issue	10 008 399	10 613 182	11 851 163	12 307 008

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5

Below is a summary of the key methods and assumptions used in the estimation of fair values of the financial instruments shown in the table above.

Financial assets and liabilities not carried at fair value in the statement of financial position

The Group has financial instruments which in accordance with the IFRS are not carried at fair value in the consolidated financial statements. The fair value of such instruments is measured using the following methods and assumptions.

Loans and advances to banks: The fair value of deposits is measured using discounted cash flows at the current money market interest rates for receivables of similar credit risk, maturity and currency. In the case of demand deposits without a fixed maturity date or with maturity up to 6 months, it is assumed that their fair value is not significantly different than their book value. The process of fair value estimation for these instruments is not affected by the long-term nature of the business with depositors. Loans and advances to banks were classified in their entirety as Level 3 of the fair value hierarchy due to application of a measurement model with significant unobservable inputs.

Loans and advances to customers: Carried at net value after impairment charges. Fair value is calculated as the discounted value of the expected future cash flows in respect of principal and interest payments. It is assumed that loans and advances will be repaid at their contractual maturity date. The estimated fair value of the loans and advances reflects changes in the credit risk from the moment of sanction (margins) and changes in interest rates. Loans and advances to customers were classified in their entirety as Level 3 of the fair

value hierarchy due to application of a measurement model with significant unobservable inputs, i.e. current margins achieved on new credit transactions.

Debt investment financial assets measured at amortized cost: fair value estimated based on market quotations. Instruments classified in category I of the fair value hierarchy.

Deposits from banks and deposits from customers: Fair value of the deposits with maturity exceeding 6 months was estimated based on the cash flows discounted by the current market rates for the deposits with similar maturity dates. In the case of demand deposits without a fixed maturity date or with maturity up to 6 months, it is assumed that their fair value is not significantly different than their book value. The process of fair value estimation for these instruments is not affected by the long-term nature of the business with depositors. Deposits from banks and deposits from customers were classified in their entirety as Level 3 of the fair value hierarchy due to application of a measurement model with significant unobservable inputs.

Debt securities in issue and subordinated liabilities: The Group has made an assumption that fair value of those securities is based on discounted cash flows methods incorporating adequate interest rates. Debt securities in issue and subordinated liabilities were classified in their entirety as Level 3 of the fair value hierarchy due to application of a measurement model with significant unobservable inputs.

For Debt securities in issue and other items of liabilities, not carried at fair value in the financial statements, including: lease liabilities and other liabilities - the fair value does not differ significantly from the presented carrying amounts.

Financial assets and liabilities carried at fair value in the statement of financial position

As at 30.06.2025 and in the comparable periods the Group made the following classification of its financial instruments measured at fair value in the statement of financial position:

Level I (active market quotations): debt, equity and derivative financial instruments which at the balance sheet date were measured using the prices quoted in the active market. The Group allocates to this level fixed-rate State Treasury bonds, treasury bills, shares of listed companies and WIG 20 futures.

Level II (the measurement methods based on market-derived parameters): This level includes NBP bills and derivative instruments. Derivative instruments are measured using discounted cash flow models based on the discount curve derived from the inter-bank market.

Level III (measurement methods using material non-market parameters): This level includes equity securities that are not quoted in the active market, measured using the expert valuation model; investment certificates measured at the balance sheet date at the price announced by the mutual fund and debt securities. This level includes also part of credit cards portfolio and loans and advances subject to underwriting, i.e. portion of credit exposures that are planned to be sold before maturity for reasons other than increase in credit risk.

The objective of using a valuation technique is to determine the fair value, i.e., prices, which were obtained by the sale of an asset in an orderly transaction between market participants carried out under current market conditions between market participants at the measurement date.

Level 3: Other valuation techniques.

Financial assets and liabilities whose fair value is determined using valuation models for which input data is not based on observable market data (unobservable input data). In this category, the Group classifies financial instruments, which are valued using internal valuation models:

LEVEL 3	CARRING VALUE	VALUATION METHOD	UNOBSERVABLE INPUT
LOANS AND ADVANCES TO CUSTOMERS: credit cards and underwriting loans and advances;	4 370 418	Discounted cash flow method	Effective margin on loans
CORPORATE DEBT SECURITIES	7 842 263	Discounted cash flow method	Credit spread
SHARES IN BIURO INFORMACJI KREDYTOWEJ SA	61 600	Estimation of the fair value based on the present value of the forecast results of the company	The valuation assumed a payment of 100% of the net result forecasted by the company and the discount estimated at market level.
SHARES IN KRAJOWA IZBA ROZLICZENIOWA SA	74 900	Estimation of the fair value based on the present value of the forecast results of the company	The valuation assumed a payment of 80% of the net result forecasted by the company and the discount estimated at market level.
SHARES IN POLSKI STANDARD PŁATNOŚCI SP. Z O.O.	265 500	Estimation of the fair value based on the present value of the forecast results of the company	The valuation based on the company's forecasted net financial results and revenues and the median P/E and EV/S multipliers based on the comparative group.
SHARES IN SOCIETY FOR WORLDWIDE INTERBANK FINANCIAL TELECOMMUNICATION	1 459	Estimation of the fair value based on the net assets value of the company and average FX exchange rate	The valuation was based on net assets of the company and the Bank's share in the capital (ca0.048%).
SHARES IN SYSTEM OCHRONY BANKÓW KOMERCYJNYCH S.A.	124	Estimation of the fair value based on the net assets value of the company	The valuations were based on the companies' net assets and the Bank's share in capital at the level of: -for SOBK ca. 12.9% -for DCHRS ca. 1.4%. -for WSEZ ca. 0.2%.
SHARES IN DOLNOŚLĄSKIE CENTRUM HURTU ROLNO-SPOŻYWCZEGO S.A.	1 582		
SHARES IN WAŁBRZYSKA SPECJALNA STREFA EKONOMICZNA „INVEST-PARK” SP Z O.O.	1 741		

Expert valuations of capital instruments are prepared whenever required, but at least once a year. Valuations are prepared by an employee of the Department of Capital Management and Capital Investments (DZKiK), and then verified by an employee of the Financial Risk Department (DRF) and finally accepted by a specially appointed team of Directors: Department of Capital Management and Capital Investments (DZKiK), Financial Risk Department (DRF).) and the Financial Accounting Area (ORF) (or employees designated by them). The valuation methodology for estimating the value of financial instruments from the DZKiK portfolio using the expert method is included in the document "Investment strategy of Santander Bank Polska S.A. in capital market instruments. This document is subject to periodic reviews, updated at least once a year and approved by the Management Board and the Supervisory Board of the Bank.

Instruments are transferred between levels of the fair value hierarchy based on observability criteria verified at the ends of reporting periods. In the case of risk factors commonly considered observable on the market, the Bank considers information on directly concluded transactions on a given market to be the primary criterion of observability, and information on the number and quality of available price quotations is an auxiliary criterion.

In the period from January 1 to June 30, 2025, the following transfers of financial instruments between levels of the fair value measurement hierarchy were made:

- derivatives were transferred from Level 3 to Level 2, which on the date of conclusion, due to the original maturity date and liquidity, are classified at level 3, and for which, as their period to maturity shortens, the liquidity of observable quotations increases and are transferred to level 2;

The impact of estimated parameters on measurement of financial instruments for which the Bank applies fair value valuation according to Level 3 as at 30 June 2025 and in comparative period is as follows:

	Fair value as at 30.06.2025	Valuation technique	Unobservable factor	Unobservable factor range	Impact on fair value +/-100 bps	
					Positive scenario	Negative scenario
Corporate debt securities	7 842 263	Discounted cash flow	Credit spread	(0,37%-0,95%)	129 543	(123 893)
Loans and advances measured at fair value through other comprehensive income	4 369 434	Discounted cash flow	Effective margin	(0,90%-3,18%)	150 631	(140 778)

	Fair value as at 31.12.2024	Valuation technique	Unobservable factor	Unobservable factor range	Impact on fair value +/-100 bps	
					Positive scenario	Negative scenario
Corporate debt securities	9 648 274	Discounted cash flow	Credit spread	(0.03%-0.88%)	163 205	(156 328)
Loans and advances measured at fair value through other comprehensive income	4 289 996	Discounted cash flow	Effective margin	(2.21%-3.17%)	140 458	(130 663)

As at 30.06.2025 and in the comparable periods the Group classified its financial instruments to the following fair value levels:

30.06.2025	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading	3 365 747	10 871 637	9 818	14 247 202
Hedging derivatives	-	1 626 592	-	1 626 592
Loans and advances to customers measured at fair value through other comprehensive income	-	-	4 369 434	4 369 434
Loans and advances to customers measured at fair value through profit and loss	-	-	983	983
Debt securities measured at fair value through other comprehensive income	24 059 622	-	7 842 263	31 901 885
Equity securities measured at fair value through profit and loss	-	-	362	362
Equity securities measured at fair value through other comprehensive income	-	-	406 906	406 906
Assets pledged as collateral	1 683 193	-	-	1 683 193
Total	29 108 562	12 498 229	12 629 766	54 236 557
Financial liabilities				
Financial liabilities held for trading	1 121 492	11 522 892	652	12 645 036
Hedging derivatives	-	188 097	-	188 097
Total	1 121 492	11 710 989	652	12 833 133

31.12.2024*	Level I	Level II	Level III	Total
Financial assets				
Financial assets held for trading	1 620 979	7 720 406	6 190	9 347 575
Hedging derivatives	-	1 401 753	-	1 401 753
Loans and advances to customers measured at fair value through other comprehensive income	-	-	4 289 996	4 289 996
Loans and advances to customers measured at fair value through profit and loss	-	-	63 289	63 289
Debt securities measured at fair value through other comprehensive income	25 199 577	-	9 648 274	34 847 851
Debt securities measured at fair value through profit and loss	-	-	1 247	1 247
Equity securities measured at fair value through profit and loss	-	-	8 619	8 619
Equity securities measured at fair value through other comprehensive income	-	-	462 317	462 317
Assets pledged as collateral	1 198 845	-	-	1 198 845
Total	28 019 401	9 122 159	14 479 932	51 621 492
Financial liabilities				
Financial liabilities held for trading	1 703 764	8 204 852	1 071	9 909 687
Hedging derivatives	-	607 737	-	607 737
Total	1 703 764	8 812 589	1 071	10 517 424

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5

The tables below show reconciliation of changes in the balance of financial instruments whose fair value is established by means of the valuation methods using material non-market parameters.

Level III								
	Financial assets for trading	Loans and advances to customers measured at fair value through profit and loss	Loans and advances to customers measured at fair value through other comprehensive income	Debt securities measured at fair value through profit and loss	Debt securities measured at fair value through other comprehensive income	Equity securities measured at fair value through other comprehensive income	Equity securities measured at fair value through profit and loss	Financial liabilities held for trading
30.06.2025								
As at the beginning of the period	6 190	63 289	4 289 996	1 247	9 648 274	462 317	8 619	1 071
Profit or losses								
-recognised in income statement								
---net trading income and revaluation	3 403	865		-	-	-		(916)
---net interest income			132 902	-				
---gains/losses from other financial securities				-	-	-	-	-
-recognised in equity (OCI)	-	-	-	-	165 712	(55 411)	-	-
Purchase/granting	3 643	432	545 531	-	-	-	388	506
Sale	(3 418)	(595)	(218 881)	-	-	-	-	-
Transfer to the discontinued operations	-	(61 752)	-	(1 247)	-	-	(8 619)	-
Matured	-	(1 256)	(361 811)	-	(1 971 723)	-	-	-
Transfer	-	-	-	-	-	-	-	(9)
Other	-	-	(18 303)	-	-	-	(26)	-
As at the end of the period	9 818	983	4 369 434	-	7 842 263	406 906	362	652

Level III

	Loans and advances to customers measured at fair value through profit and loss	Loans and advances to customers measured at fair value through other comprehensive income	Debt securities measured at fair value through profit and loss	Debt securities measured at fair value through other comprehensive income	Equity securities measured at fair value through other comprehensive income	Equity securities measured at fair value through profit and loss	Financial liabilities held for trading
31.12.2024	trading	loss	income	loss	income	income	loss
As at the beginning of the period	9 498	85 093	2 798 234	2 005	11 555 157	277 121	5 840
Profit or losses							
-recognised in income statement							
---net trading income and revaluation	109	3 752		-	-	-	186
---net interest income			292 854				
---gains/losses from other financial securities				(810)	-	-	1 462
-recognised in equity (OCI)				-	256 038	186 145	-
Purchase/granting	6 900	9 184	2 192 326	-	-	1 582	-
Sale	(4 626)	(930)	(203 096)	-	-	(2 531)	-
Matured	-	(33 810)	(778 653)	-	(2 162 921)	-	-
Transfer	(5 691)	-	-	-	-	-	(6 390)
Other	-	-	(11 669)	52	-	-	1 317
As at the end of the period	6 190	63 289	4 289 996	1 247	9 648 274	462 317	8 619

31. Legal risk connected with CHF mortgage loans

As at 30 June 2025, the criteria for classification of assets and liabilities related to the operations of Santander Consumer Bank S.A. (SCB S.A.) and its subsidiaries as discontinued operations were met in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The term "Group" used in this note as at 30 June 2025 refers to the operations of Santander Bank Polska S.A. and its subsidiaries. The disclosures about SCB Group are presented in Note 32 Discontinued operations. As at 31 December 2024, the Group referred to both Santander Bank Polska Group and Santander Consumer Bank Group.

As at 30 June 2025, the Group had a portfolio of 14k CHF-denominated and CHF-indexed loans of PLN 3,157,220k gross before adjustment to the gross carrying amount at PLN 3,056,944k reducing contractual cash flows in respect of legal risk. The Group also had PLN loans which used to be denominated in or indexed to CHF. Their total gross amount was PLN 291,760k before adjustment to the gross carrying amount at PLN 223,457k reducing contractual cash flows in respect of legal risk. There were 34.6k repaid CHF-denominated or CHF-indexed loans exposed to legal risk, and the disbursed amount totalled PLN 4.3bn.

As at 31 December 2024, the Group had a portfolio of 24.4k CHF-denominated and CHF-indexed loans of PLN 4,798,163k gross before adjustment to the gross carrying amount at PLN 4,399,400k reducing contractual cash flows in respect of legal risk. The Group also had PLN loans which used to be denominated in or indexed to CHF. Their total gross amount was PLN 375,534k before adjustment to the gross carrying amount at PLN 277,371k reducing contractual cash flows in respect of legal risk. There were 52.4k repaid CHF-denominated or CHF-indexed loans exposed to legal risk, and the disbursed amount totalled PLN 6.2bn.

For a long period of time, the ruling practice regarding loans indexed to or denominated in foreign currencies has not been unanimous.

The prevailing practice is the annulment of a loan agreement due to unfair clauses concerning loan indexation and application of an exchange rate from the bank's FX table. Some courts issue judgments as a result of which the loan is converted to PLN: the unfair indexation mechanism is removed and the loan is treated as a PLN loan with an interest rate based on a rate relevant for CHF. Other courts adjudicate partly in favour of banks: only the application of an exchange rate based on the bank's FX table is deemed to be unfair and is replaced by an objective indexation rate, i.e. an average NBP exchange rate or market exchange rate. Still others decide on the removal of loan indexation, as a consequence of which the loan is treated as a PLN loan with an interest rate based on WIBOR. Judgments are also passed which declare loan agreements void due to unlawful terms. Those judgments are incidental and as such, in the Group's view, have no significant impact on the assessment of legal risk of court cases regarding mortgage loans denominated in or indexed to CHF.

Lastly, there are still rulings which are entirely favourable to banks, where conversion clauses are not deemed to be unfair and the case against the bank is dismissed.

The foregoing differences in the case-law resulted from discrepancies in the ruling practice of the Supreme Court and the nature of rulings passed by the Court of Justice of the European Union (CJEU), which essentially provide guidance rather than detailed rules on how specific disputes should be adjudicated and claims settled.

Judgments passed by the Supreme Court in cases examined as part of the cassation procedure varied as to the effects of potential unfairness of indexation clauses: from the annulment of a loan agreement (prevailing practice) to its continuation in existence after the removal of unfair terms.

In 2021, the Supreme Court was expected to present its stance on CHF loans in response to the questions asked by the First President of the Supreme Court in 2021 (file no. III CZP 11/21). However, as the Supreme Court's composition was contested the process was suspended, awaiting the CJEU's response to the question concerning the procedure for the appointment of judges. On 9 January 2024, the CJEU refused to respond to that question. The case was remanded to the Supreme Court. On 25 April 2024, the Civil Chamber passed a resolution (file no. III CZP 25/22). Nine judges refused to take part in the hearing on the constitutional grounds. Six judges issued dissenting opinions, mainly in relation to the continuation of an agreement in force after excluding unfair provisions. In accordance with the stance presented by the Supreme Court in the above resolution:

- if a contractual provision of an indexed or denominated loan agreement concerning the determination of a foreign currency exchange rate is found to be an unfair clause and is not binding, based on the current case law it is not possible for this provision to be replaced by any other method of determining exchange rates under the law or prevailing practices;
- if it is not possible to determine a binding exchange rate in an indexed or denominated loan agreement, other provisions of that agreement are not binding either.

In relation to the invalidation of a loan agreement, the Supreme Court further held that:

- if a bank disbursed a loan in full or in part under a loan agreement which is not binding due to unfair clauses and a borrower made loan repayments under that agreement, the parties can make separate claims for reimbursement of undue consideration (two separate claims theory);
- if a loan agreement is not binding due to unfair clauses, then in principle, the limitation period for the bank's claims for reimbursement of amounts disbursed under that agreement starts running as of the next day after the borrower questioned the binding nature of the agreement
- if a loan agreement is not binding due to unfair clauses, there is no legal basis for either party to claim interest or other benefits in respect of the use of that party's funds during the period from performance of undue consideration until the day the party fell in arrears with reimbursement of that consideration.

In September 2024, the grounds for the above resolution and part of dissenting opinions were published. Following the adoption of the above resolution by the Supreme Court, the prevailing ruling practice is still to declare the loan agreement invalid due to unfair indexation and currency exchange clauses. However, there are also judgments which do not follow the argumentation presented by the Supreme Court and declare that the loan agreement should continue in force.

Such rulings in favour of the continued existence of an agreement were also passed by the Supreme Court following the adoption of the resolution on 25 April 2024. They include the judgment of 9 May 2024 (file no. II CSKP 2416/22) and the judgment of 30 October 2024 (file no. II CSKP 1939/22). In the first judgment, the Supreme Court held that loan agreements which could be initially repaid directly in a foreign currency could continue as foreign currency loan agreements after removing the conversion clauses and that there were no grounds for their annulment. In the second judgment, the Supreme Court held that the agreement contained provisions which allowed it to continue in existence after removing the unfair terms. It also stressed that Directive 93/13/EEC does not provide for the absolute invalidity of agreements containing unfair terms, and the general rule is to keep the agreement in force.

In the earlier resolution passed in 2021 (file no. III CZP 6/21), the Supreme Court expressed its opinion on several important matters concerning settlements between the parties in the case of annulment of a loan agreement. It stated that the parties must each reimburse to the other any payments made under the agreement in accordance with the two separate claims theory. This way, the balance theory (ex officio mutual set-off of claims) was rejected. At the same time, the Supreme Court held that there are legal instruments in place, such as set-off and the right of retention, which make it possible to concurrently account for mutual settlements in relation to unjust enrichment following the invalidation of the loan agreement. As there were conflicting opinions about whether the right of retention can be exercised with respect to claims arising from a loan agreement, questions were submitted to the Supreme Court about the legal nature of a loan agreement. Courts also referred to the CJEU for a preliminary ruling.

In the above resolution, the Supreme Court also pointed out that the limitation of the bank's claims for return of unjust enrichment may not commence until the agreement is considered permanently ineffective, i.e. until the consumer takes an informed decision as to invalidity of the agreement, after they have been duly informed about the unfairness of contractual provisions and the related effects. This was in line with the opinion issued by the CJEU in respect of the limitation period for the consumer's claims for reimbursement of instalments paid following the annulment of the agreement, stating that it would be unreasonable to assume that this period should

begin to run from the date of each payment made by the consumer as the consumer might not be aware of the existence or nature of unfair terms in the agreement.

In its ruling practice, the CJEU generally gives priority to the protection of consumer's interests violated by unfair contractual terms. At the same time, it reiterates that the main objective of Directive 93/13/EEC on unfair terms in consumer contracts is to restore the balance between the parties, i.e. to restore the legal and factual situation which the consumer would have been in had they signed the agreement without the unfair term, while not undermining the deterrent effect sought by the Directive (detering sellers or suppliers from including unfair terms in agreements). Therefore, the court should first endeavour to keep the agreement in existence without the unfair term, where possible (i.e. if the main subject of the agreement is not changed). At the same time, the CJEU held that it was permissible for the unfair term to be replaced by a supplementary provision of national law (even the one that entered into force after the conclusion of the agreement) or a rule which the parties opted for, and put forward another option for consideration: that the parties should restore the balance through negotiations within the framework set by the court, this way protecting the consumer from adverse effects of the annulment of an agreement (particularly the need to immediately reimburse the amounts due to the bank). The CJEU takes the view that an agreement should be invalidated only as a last resort and only after the court presents the borrower with consequences of this solution and the borrower agrees to it. However, in order to ensure that the agreement can continue in existence, the court should apply all available measures, including an analysis of the possibility of removing only some of the clauses considered unfair without changing the substance of the contractual obligation. Nevertheless, the prevailing practice of Polish courts is to invalidate the agreement as a result of elimination of unfair clauses.

The CJEU pointed out on several occasions (e.g. in cases: C-6/22, C-349/18 to C-351/18) that settlements between the parties following the annulment of an agreement are governed by national law (provided that the objectives of Directive 93/13/EEC are met). Consequently, the national courts have the exclusive jurisdiction over claims for restitution. That said, losses arising from the annulled agreement should not be equally distributed, i.e. the consumer should not incur a half or more than a half of the related costs.

On 15 June 2023, the CJEU passed judgment in case C-520/21 regarding claims of the parties for settlement of amounts arising from the non-contractual use of the capital in the case of annulment of an agreement pursuant to Directive 93/13/EEC. In the grounds of the judgment the CJEU stated that "in the context of the annulment in its entirety of a mortgage loan agreement on the ground that it cannot continue in existence after the removal of the unfair terms, Article 6(1) and Article 7(1) of Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts must be interpreted as:

- not precluding a judicial interpretation of national law according to which the consumer has the right to seek compensation from the credit institution going beyond reimbursement of the monthly instalments paid and the expenses paid in respect of the performance of that agreement together with the payment of default interest at the statutory rate from the date on which notice is served, provided that the objectives of Directive 93/13/EEC and the principle of proportionality are observed; and
- precluding a judicial interpretation of national law according to which the credit institution is entitled to seek compensation from the consumer going beyond reimbursement of the capital paid in respect of the performance of that agreement together with the payment of default interest at the statutory rate from the date on which notice is served."

In its judgment, the CJEU confirmed that the effects of the annulment of an agreement are governed by the national law subject to the provisions of Directive 93/13 EEC. Consequently, claims for restitution will be assessed by the national court after examining the facts of the case. The grounds of judgment indicate that the bank's claims going beyond the reimbursement of the loan principal are contrary to the objectives of Directive 93/13/EEC, if they would cause the bank to make a similar profit to the one intended to be earned in the performance of the agreement. The deterrent effect would thus be eliminated.

However, several courts issued decisions (which are not yet final) stating that banks' claims for reimbursement of the capital adjusted for changes in the time value of money are admissible and warranted.

At the same time, the CJEU held that the EU law does not preclude the consumer from seeking compensation from the bank beyond reimbursement of the instalments paid. But in its grounds of judgment it asserted that such claims should be assessed in the light of all the facts of the case to ensure that potential benefits derived by the consumer after annulment of the agreement do not go beyond what is necessary to restore the legal and factual situation they would have been in if they had not concluded a defective agreement and that the benefits are not a disproportionate penalty on a seller or supplier (proportionality principle). Furthermore, as any such claims will be assessed in accordance with national laws on unjust enrichment, the decision to uphold them would be questionable as there is no actual enrichment on the part of the bank as a result of the use of funds paid by the borrower (the borrower only reimburses the money provided by the bank under an agreement declared invalid).

On 11 December 2023, the CJEU issued an order in case C-756/22 concerning the bank's restitution claims, stating that the issue in question had already been resolved in the judgment of 15 June 2023 and a separate judgment in this regard was not necessary.

In its order of 12 January 2024 in case C-488/23, the CJEU maintained its stance presented in the judgment of 15 June 2023 in case C-520/21 and issued interpretation, indicating that the bank cannot seek compensation from the consumer in the form of court-ordered

adjustment to the capital paid to the consumer, but only the capital and statutory late payment interest from the date of the demand for payment.

On 7 December 2023, the CJEU passed a judgment in another case brought by the Polish court (C-140/22), in which it stated that the assessment of unfairness of contractual clauses is made by operation of law and the national court should examine disputable provisions ex officio. The CJEU also stressed that the consumer should be able to exercise their rights irrespective of whether they have made a statement before the court that they are aware of the consequences of the invalidity of the agreement and gives their consent to its annulment.

In its judgment of 14 December 2023 in case C-28/22, the TSUE ruled on the limitation period for claims of banks and consumers but did not specifically indicate the start date of that period. It merely concluded that it cannot begin to run as from the date of the final and non-appealable judgment and that the start date for bank's claims cannot be earlier than that for consumer's claims. The CJEU also noted that banks may use their right of retention but it should not automatically mean the suspension of the accrual of late payment interest due to consumers.

In its order of 8 May 2024 in case C-424/22, the CJEU upheld its stance on the retention right, expressing a negative opinion on the very exercise of that right by a bank in relation to a consumer. In its resolution of 19 June 2024 (file no. III CZP 31/23), the Supreme Court also questioned the possibility to exercise a retention right by the bank or the borrower, indicating that whenever claims can be set off, the parties have no right of retention.

In Q4 2024, the Regional Court in Warsaw requested a preliminary ruling from the CJEU regarding the settlements made between the parties following the invalidation of the agreement, mainly in the context of banks' restitution claims. The questions referred by the court concerned the statute of limitations for claims, as well as the rules for enforcing claims and awarding legal costs.

On 19 June 2025, the CJEU issued a judgment in case C-396/24, stating that Directive 93/13 must be interpreted as precluding national case-law according to which, where a term of a loan agreement classified as unfair renders that agreement invalid, the seller or supplier is entitled to require the consumer to repay the full nominal amount of the loan obtained, irrespective of the value of repayments made by the consumer in performance of that agreement and irrespective of the amount remaining due. The CJEU's stance differs in this regard from the two claims theory adopted by the Polish Supreme Court whereby each party must repay all the amounts received (without the automatic offsetting of the two claims to the extent of the lower claim based on the balance theory). Accordingly, the rules for settling claims between parties to the invalidated loan agreement may change if the Polish courts adopt the same stance as the CJEU.

The CJEU's rulings do not address all issues concerning the settlement of an invalidated agreement, but at the same time they refer to the issues subject to national law which have already been adjudicated by the Supreme Court. Accordingly, the final assessment of legal risk related to claims of the parties for consideration arising from the non-contractual use of the capital in the case of annulment of the agreement will still largely depend on the ruling practice of national courts with regard to the enforcement of CJEU and Supreme Court's judgments.

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

In view of the above, the Group identified the risk that in the case of lawsuits which have already been filed or are predicted to be filed based on applicable models the scheduled cash flows from the portfolio of mortgage loans denominated in and indexed to foreign currencies might not be fully recoverable and/or that a liability might arise, resulting in a future cash outflow. The Group recognises the impact of legal risk associated with foreign currency mortgage loans in line with the requirements arising from:

- IFRS 9 Financial Instruments – in the case of active loans and
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets – in the case of loans repaid in full or if the gross carrying amount of an active loan is lower than the value of risk.

The adjustment to the gross carrying amount (in accordance with IFRS 9) and provisions (in accordance with IAS 37) were estimated taking into account a number of assumptions which significantly influence the estimate reflected in the Group's financial statements.

As at 30 June 2025, there were 14,402 pending lawsuits against the Group over loans indexed to or denominated in a foreign currency, with the disputed amount totalling PLN 5,910,912k. Loans repaid as at the lawsuit date accounted for 18% of all lawsuits. The latter included one class action filed against Santander Bank Polska S.A. under the Class Action Act and relating to 233 CHF-indexed loans with the disputed amount of PLN 50,983k.

As at 31 December 2024, there were 21,537 pending lawsuits against the Group over loans indexed to or denominated in a foreign currency, with the disputed amount totalling PLN 7,730,883k. Loans repaid as at the lawsuit date accounted for 16% of all lawsuits. The latter included one class action filed against Santander Bank Polska S.A. under the Class Action Act and relating to 263 CHF-indexed loans with the disputed amount of PLN 50,983k.

As at 30 June 2025, the total cumulative impact of legal risk associated with foreign currency mortgage loans in the Group was estimated at PLN 5,179,869k, including:

- IFRS 9 adjustment to the gross carrying amount at PLN 3,280,401k
- IAS 37 provision at PLN 1,899,468k.

As at 31 December 2024, the total cumulative impact of legal risk associated with foreign currency mortgage loans in the Group was estimated at PLN 6,592,013k, including:

- IFRS 9 adjustment to the gross carrying amount at PLN 4,676,771k (including PLN 3,722,362k in the case of Santander Bank Polska S.A. and PLN 954,409k in the case of Santander Consumer Bank S.A.)
- IAS 37 provision at PLN 1,915,242k (including PLN 1,461,997k in the case of Santander Bank Polska S.A. and PLN 453,245k in the case of Santander Consumer Bank S.A.).

The tables below present the total cost of legal risk connected with mortgage loans recognised in the Group's income statement and statement of financial position, including the cost of settlements discussed in detail in the section below.

	1.04.2025- 30.06.2025	1.01.2025- 30.06.2025	1.04.2024- 30.06.2024	1.01.2024- 30.06.2024**
Cost of legal risk connected with foreign currency mortgage loans				
Impact of legal risk connected with foreign currency mortgage loans recognised as adjustment to gross carrying amount	(37 454)	(17 937)	(428 503)	(492 360)
Impact of legal risk connected with foreign currency mortgage loans recognised as provision	(570 514)	(544 207)	(278 242)	(336 385)
Other costs*	(130 813)	(255 966)	(92 588)	(184 577)
Total cost of legal risk connected with foreign currency mortgage loans	(738 781)	(818 110)	(799 333)	(1 013 322)
Gain/loss on derecognition of financial instruments measured at amortised cost	(10 802)	(7 146)	(20 573)	(28 343)
including: settlements made	(10 841)	(8 797)	(21 918)	(30 789)
Total cost of legal risk connected with foreign currency mortgage loans and settlements made	(749 622)	(826 907)	(821 251)	(1 044 111)

* Other costs include but are not limited to the costs of court proceedings and costs of enforcement of court judgments.

** Data for 2024 have been restated and refer only to Santander Bank Polska Group.

	30.06.2025	31.12.2024*
Adjustment to gross carrying amount in respect of legal risk connected with foreign currency mortgage loans	3 280 401	4 676 771
Provision for legal risk related to foreign currency mortgage loans	1 899 468	1 915 242
Total cumulative impact of legal risk related to foreign currency mortgage loans	5 179 869	6 592 013

*As at 31 December 2024, the total cumulative impact of legal risk related to foreign currency mortgage loans included SCB Group.

As at 30 June 2025, the total adjustment to the gross carrying amount and provisions for legal risk and legal provisions (for legal claims and a collective portion) in respect of the CHF loan portfolio totalled PLN 5,123,256k and accounted for 148.5% of the gross value of the active CHF loan portfolio (before IFRS 9 adjustment to the gross carrying amount).

As at 31 December 2024, the total adjustment to the gross carrying amount and provisions for legal risk and legal provisions (for legal claims and a collective portion) accounted for 127.4% of the gross value of the active CHF loan portfolio (before IFRS 9 adjustment to the gross carrying amount).

The model for assessing legal risk of foreign currency loans which is used to estimate provisions for legal risk derives from statistical data and expert judgments based on observation of developments and trends that may have significant impact on the ruling practice and on the number of legal disputes and their resolution. Accordingly, the scenarios of different court judgments used in the model reflect all developments whose number and significance for risk assessment is relevant from the perspective of the portfolio. At the same time, in order to prevent the model from being overly susceptible to fluctuations caused by data variability in short periods of time, the likelihoods of those scenarios are taken into account when making any potential changes to the underlying parameters.

The change in the value of the provisions between January and June 2025 resulted from the review of legal risk connected with foreign currency mortgage loans.

As a consequence of the review, the Group considered the level of expected settlements and the number of expected lawsuits regarding active and, in particular, repaid loans, as well as settlement costs in the case of invalidation of the loan agreement.

The Group used a statistical model to estimate the likelihood of claims being made by borrowers in relation to both active and repaid loans based on the existing lawsuits against the Group and the estimated growth in their number. The model assesses the so-called lifetime risk and is based on a range of behavioural characteristics related to the loan and the customer. The Group assumes that lawsuits have been or will be filed against the Group in relation to approx. 41% of active and repaid loans (36% in December 2024). These assumptions are highly sensitive to a number of external factors, including but not limited to the ruling practice of Polish courts, the level of publicity around individual rulings, measures taken by the mediating law firms and the cost of proceedings. Customers' interest in proposed settlements is another important aspect affecting the estimates, as is the practice of Polish courts with regard to the enforcement of CJEU rulings.

The Group expects that most of the lawsuits will be filed by the end of 2026, and then the number of new claims will decline as the legal environment will become more structured.

In the Group's opinion, the expected number of cases estimated based on the statistical model is also characterised by uncertainty owing to such factors as: the duration of court proceedings (also estimated based on a relatively short time horizon of available statistics, which does not meet the conditions for application of quantitative methods) and the growing costs related to the instigation and continuation of court proceedings.

For the purpose of calculating the costs of legal risk, the Group also estimated how likely it is that a specific number of lawsuits will be filed and what the possible end scenarios are in this respect. The likelihoods differ between indexed and denominated loans. The likelihood of unfavourable ruling for the Group is higher for the former and lower for the latter. The Group also considered the protracted proceedings in some courts.

As at 30 June 2025, 4,557 final and non-appealable judgments were issued in cases against the Group (considering those passed after the CJEU ruling of 3 October 2019), of which 4,440 were unfavourable to the Group, and 117 were entirely or partially favourable to the Group (compared to 4,841 judgments as at 31 December 2024, including 4,649 unfavourable ones and 192 entirely or partially favourable). When assessing the likelihoods, the Group used the support of law firms and conducted thorough analysis of the ruling practice in cases concerning indexed and denominated loans.

As to date the ruling practice has not been completely unanimous, the Group considered the following scenarios of possible court rulings that might lead to financial losses:

- Annulment of the whole loan agreement due to unfair clauses, with only the nominal of the capital to be reimbursed by the borrower (prevailing scenario);
- Annulment of the loan agreement clauses identified as unfair, resulting in the conversion of the loan into PLN and maintenance of an interest rate based on a rate relevant for CHF;
- Conversion of the loan to PLN with an interest rate based on WIBOR.

These scenarios also vary in terms of likelihood depending on the type of agreement and in terms of the level of losses incurred in the case of their materialisation. They were estimated with the support of external law firms independent from the Group. Each of these scenarios has an estimated expected loss level based on the available historical data.

Settlements

The Group actively encourages customers to make settlements. As part of the settlement, the loan is converted to PLN and/or a method is determined to settle the liabilities arising from the loan agreement. The settlement terms are individually negotiated with customers. Settlement proposals are made both to customers who have taken legal action and to customers who have not yet decided to file a

lawsuit. It is reflected in the model which is currently used to calculate legal risk provisions, both in terms of the impact of proposed settlements on customers' willingness to bring the case to court and with respect to the potential outcomes of court proceedings.

By 30 June 2025, the Group made 10,453 settlements (both pre-court and post-court), of which 952 ones were reached in H1 2025.

In mid-2022, the Group developed a settlement scenario which reflects the level of losses for future settlements. The scenario is based on acceptance levels and losses on loans as part of settlement proposals described above. The acceptance level of future settlements is affected by factors such as the interest rate of PLN loans, the CHF/PLN conversion rate, the development of the ruling practice and the duration of proceedings.

Sensitivity analysis

Due to high uncertainty around both individual assumptions and their total impact, the Group carried out the following sensitivity analysis of the estimated impact of legal risk by assessing the influence of variability of individual parameters on the level of that risk. In December 2024, the sensitivity analysis was extended to include the impact of an increase in the loss on settlement. The amount of loss accepted by the Group as part of the settlement affects the total value of the provision as it is one of the possible ways to terminate the agreement whether or not the customer has filed a lawsuit against the Group.

The estimates were prepared in the form of a univariate analysis of provision value sensitivity.

Taking into account the variability of the parameters outlined below, the collective provision for legal risk as at 30 June 2025 and in the comparative period is affected as follows:

Scenario (PLN m)	Change in the collective provision as at 30.06.2025	Change in the collective provision as at 31.12.2024
Doubling the expected number of new customers filing a lawsuit (active and non-active customers)	798	731
50% reduction in the expected number of new customers filing a lawsuit (active and non-active customers)	(457)	(484)
10% increase in the loss on settlements	6	22

For all the parameters, the variability range in the sensitivity analysis was estimated taking into account the existing market conditions. The adopted variability ranges may change depending on market developments, which may significantly affect the results of the sensitivity analysis.

Taking into account the variability of the parameters outlined below, the provision for individual legal claims as at 30 June 2025 and in the comparative period is affected as follows:

Scenario (PLN m)	Change in the individual provision as at 30.06.2025	Change in the individual provision as at 31.12.2024
1% absolute increase in the likelihood of losing the case	43	57
1% absolute decrease in the likelihood of losing the case	(44)	(57)
10% increase in the loss on settlements	22	59

The Group also estimated the average cost of annulment of a loan agreement depending on whether the loan has been already repaid in full or not. The assumptions adopted in the estimation can change along with changes in the legal system and case law. The results of the analysis are presented below.

Scenario (PLN m)	30.06.2025	31.12.2024
Average loss on the annulment of 1,000 active loans	284	249
Average loss on the annulment of 1,000 repaid loans	77	63

32. Discontinued operations

Expected ownership changes

On 5 May 2025, an announcement was made about an agreement concluded by Erste Group Bank AG (Erste Group) and Banco Santander S.A. (Santander Group) whereby Erste Group will acquire a 49% stake in Santander Bank Polska S.A. for a cash consideration of EUR 6.8bn (PLN 584 per share) and a 50% stake in Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI S.A.) for EUR 0.2bn. Together, this amounts to a total cash consideration of EUR 7bn.

The sale transaction is expected to be closed at the end of 2025, subject to regulatory approvals and other prerequisites such as the sale of a 60% stake in Santander Consumer Bank S.A. currently held by Santander Bank Polska S.A. to Santander Group.

By acquiring 49% of shares in Santander Bank Polska S.A., Erste Group will become the largest shareholder. Banco Santander S.A. will keep a stake representing 13% of the share capital of Santander Bank Polska S.A.

Measures to sell Santander Consumer Bank S.A.

In relation to the agreement made by Banco Santander S.A. (Santander Group) and Erste Group Bank AG (Erste Group), as announced on 5 May 2025, regarding the sale of a 49% stake in Santander Bank Polska S.A. and a 50% stake in Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI), the operations of Banco Santander S.A. in Poland must be reorganised. It involves a change to the ownership structure of Santander Consumer Bank S.A., which, together with its subsidiaries, is part of Santander Bank Polska Group.

On 12 May 2025, Santander Bank Polska S.A. announced the start of discussions with Banco Santander S.A. on the sale of Santander Consumer Bank S.A.

With the consent from the Management Board and Supervisory Board of Santander Bank Polska S.A., on 16 June 2025 the Bank signed a preliminary agreement with Spain-based Santander Consumer Finance S.A. on the sale of 3,120k shares in Santander Consumer Bank S.A. representing 60% of the share capital and voting power for the total price of PLN 3.105bn.

For the purpose of the transaction, on 13 June 2025 the Bank's Management Board received a fairness opinion on the financial terms of the potential transaction.

The closing of the transaction is subject to obtaining all consents required by law (including approval from the Polish Financial Supervision Authority, "KNF") and fulfillment of other terms defined in the transaction documentation.

The Management Board of Santander Bank Polska S.A. concluded that the criteria for classification of SCB Group in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations were met as at 30 June 2025.

The assets related to the activities of Santander Consumer Bank S.A. ("SCB S.A.") and its subsidiaries are available for immediate sale in their present condition. The sale is subject to the consent of the KNF. The Management Board of Santander Bank Polska S.A. assessed the probability of the foregoing and concluded that the consent would be granted and that the sale was highly probable.

Furthermore, according to the Management Board, Santander Consumer Bank S.A. and its subsidiaries are operationally independent entities and represent a major line of business.

In view of the above, as at 30 June 2025 the assets and liabilities of Santander Consumer Bank S.A. and its subsidiaries were classified as a group of assets and liabilities held for sale and as discontinued operations.

In connection with SCB Group being classified as discontinued operations, the Group's data in the consolidated income statement for the 6-month period ended 30 June 2024 have been represented accordingly, while the data in the consolidated statement of financial position as at 31 December 2024 have not been restated, as required by IFRS 5.

In accordance with the policy adopted by Santander Bank Polska Group, non-current assets held for sale and groups of non-current assets held for sale are recognised at the lower of their carrying amount and their fair value less costs of disposal. In relation to the disposal of SCB Group, the measurement at carrying amount was adopted, as this amount is lower than the agreed sales price.

The business of SCB Group represents a separate operating segment. The activities of this segment focus on selling products and services to personal and business customers. The offer comprises mainly credit facilities: car loans, credit cards, cash loans, instalment loans and leasing. The Santander Consumer segment also includes term deposits and insurance products (mostly linked to credit facilities).

The Management Board of Santander Bank Polska S.A. expects to recover the carrying amount of the net assets of SCB Group in the form of economic benefits from the sale. As the carrying amount of those assets exceeds their tax base, the amount of taxable economic benefits will exceed the amount that will be allowed as a deduction for tax purposes. In relation to the sale of SCB shares, Santander Bank Polska S.A. estimated the tax deductible acquisition cost based on the share exchange: the nominal value of own shares issued at the time of acquisition was taken as the acquisition cost for the purpose of determining the taxable income from the sale of SCB shares.

A deferred tax liability has been recognised in relation to the expected tax payable on the transaction. Given that the current tax will be paid by the parent entity, the deferred tax liability is not included in the group of liabilities held for sale.

At the same time, the effect of recognising the deferred tax liability is allocated in the income statement to the discontinued operations because the deferred tax is directly connected with the sale of shares in the entity classified as discontinued operations.

A detailed analysis of the group of non-current assets held for sale and discontinued operations is presented below.

The major classes of assets and liabilities related to the discontinued operations comprising Santander Consumer Bank S.A. and its subsidiaries as at 30 June 2025 (after elimination of intercompany transactions):

	as at:	30.06.2025
ASSETS		
Cash and cash equivalents		232 064
Loans and advances to customers		19 937 584
Investment financial assets		6 089 019
Property, plant and equipment, intangible assets and right-of-use assets		291 499
Non-current assets classified as held for sale		1 703
Net deferred tax assets		604 307
Other assets		300 334
Total assets		27 456 510
LIABILITIES		
Deposits from banks		2 364 676
Deposits from customers		16 506 395
Subordinated liabilities		100 798
Debt securities in issue		2 295 890
Lease liabilities		47 920
Current income tax liabilities		45 707
Provisions for financial liabilities and guarantees granted		3
Other provisions		545 243
Other liabilities		769 767
Total liabilities		22 676 399

SCB Group (disposal group) meets the requirements for presentation as discontinued operations. Accordingly, the results of those operations have been presented as post-tax profit directly in the Group's income statement, taking into account the non-controlling interests related to the discontinued operations.

Income and expenses related to intercompany transactions made between Santander Bank Polska S.A. and SCB Group and intercompany transactions within SCB Group have been eliminated in the consolidated financial statements.

The above eliminations have been made in the income statement of the discontinued operations.

A detailed analysis of results of the discontinued operations (after eliminations) is presented below:

Income statement of the discontinued operations

	for the period:	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024
Interest and similar income		1 342 722	1 191 784
Interest income on financial assets measured at amortised cost		1 058 831	934 570
Interest income on assets measured at fair value through other comprehensive income		68 212	63 741
Income similar to interest on assets measured at fair value through profit or loss		5 234	7 858
Income similar to interest on finance lease		210 445	185 615
Interest expense		(479 160)	(431 126)
Net interest income		863 562	760 658
Fee and commission income		104 140	109 175
Fee and commission expense		(59 216)	(38 333)
Net fee and commission income		44 924	70 842
Dividend income		29	23
Net trading income and revaluation		51	2 037
Gain (loss) on other financial instruments		1 962	(1 893)
Gain (loss) on derecognition of financial instruments measured at amortised cost		131	(4 304)
Other operating income		42 391	30 988
Net expected credit loss allowances		(184 800)	(163 069)
Cost of legal risk connected with foreign currency mortgage loans		(226 900)	(533 216)
Operating expenses, of which:		(326 989)	(318 965)
- Staff, general and administrative expenses		(250 657)	(247 327)
- Depreciation of property, plant and equipment and amortisation of intangible assets		(35 001)	(37 247)
- Depreciation of right-of-use assets		(704)	(704)
- Other operating expenses		(40 627)	(33 687)
Tax on financial institutions		(21 085)	(17 855)
Profit (loss) before tax from discontinued operations		193 276	(174 754)
Corporate income tax *)		(457 512)	27 402
Net profit (loss) for the period from discontinued operations		(264 236)	(147 352)
of which:			
- net profit (loss) from discontinued operations attributable to owners of the parent entity		(327 384)	(93 797)
- net profit (loss) from discontinued operations attributable to non-controlling interests		63 148	(53 556)
Earnings per share from discontinued operations			
Basic earnings (loss) per share (PLN/share)		(2,59)	(1,44)
Diluted earnings (loss) per share (PLN/share)		(2,59)	(1,44)

*) Including a charge (PLN 399,489k) made in respect of a deferred tax liability arising from the difference between the carrying amount and the tax base of the SCB shares held for sale. This tax has been recognised and will be paid by Santander Bank Polska S.A. For presentation purposes, it is disclosed together with the discontinued operations.

Other comprehensive income from discontinued operations

	for the period:	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024
Items that can be subsequently reclassified to profit or loss:		58 436	(6 931)
Revaluation and sale of debt financial assets measured at fair value through other comprehensive income (gross)		49 022	3 818
Deferred tax		(9 314)	(725)
Revaluation of cash flow hedging instruments (gross)		23 121	(12 376)
Deferred tax		(4 393)	2 352
Items that cannot be subsequently reclassified to profit or loss:		-	130
Accrual for retirement bonuses – actuarial gains/losses (gross)		-	160
Deferred tax		-	(30)
Other net comprehensive income		58 436	(6 801)

Net cash flows from discontinued operations

	for the period:	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024
Total net cash flows		(253 377)	246 965
Cash flows from operating activities		116 754	(322 172)
Cash flows from investing activities		(1 002 515)	(111 490)
Cash flow from financing activities		632 384	680 627

The section below also presents information about the fair value of the assets and liabilities of SCB Group, as well as the cost of legal risk connected with foreign currency mortgage loans.

Fair value

Below is a summary of the carrying amounts and fair values of individual groups of assets and liabilities of SCB Group (disposal group) which are not measured at fair value in the financial statements.

	30.06.2025	
ASSETS	Carrying amount	Fair value
Cash and cash equivalents	232 064	232 064
Loans and advances to customers	19 937 584	20 008 596
LIABILITIES		
Deposits from banks	2 364 676	2 361 236
Deposits from customers	16 506 395	16 475 623
Subordinated liabilities	100 798	105 809
Debt securities in issue	2 295 890	2 250 042

30.06.2025	Level 1	Level 2	Level 3	Total
Financial assets				
Loans and advances to customers measured at fair value through profit or loss	-	-	56 212	56 212
Debt investment financial assets measured at fair value through other comprehensive income	3 210 900	-	-	3 210 900
Debt investment financial assets measured at fair value through profit or loss	-	-	1 235	1 235
Equity investment financial assets measured at fair value through profit or loss	-	-	8 539	8 539
Total	3 210 900	-	65 986	3 276 886

Detailed information about the methods for fair value measurement of individual instruments is presented in Note 30 Fair value.

Detailed information about legal risk connected with CHF mortgage loans of Santander Consumer Bank Group is presented below:

As at 30 June 2025, SCB Group had a portfolio of 6.4k CHF-indexed loans of PLN 903,270k gross before adjustment to the gross carrying amount at PLN 792,730k reducing contractual cash flows in respect of legal risk. The company also had PLN loans which used to be denominated in or indexed to CHF. Their total gross amount was PLN 72,162k before adjustment to the gross carrying amount at PLN 37,460k reducing contractual cash flows in respect of legal risk. There were 17.5k repaid CHF-denominated or CHF-indexed loans exposed to legal risk, and the disbursed amount totalled PLN 1.9bn.

As at 31 December 2024, SCB Group had a portfolio of 7.7k CHF-denominated and CHF-indexed loans of PLN 1,090,537k gross before adjustment to the gross carrying amount at PLN 907,426k reducing contractual cash flows in respect of legal risk. SCB Group also had PLN loans which used to be denominated in or indexed to CHF. Their total gross amount was PLN 78,069k before adjustment to the gross carrying amount at PLN 46,983k reducing contractual cash flows in respect of legal risk. There were 17.7k repaid CHF-denominated or CHF-indexed loans exposed to legal risk, and the disbursed amount totalled PLN 2.0bn.

Detailed information about the ruling practice of common courts and the key stances of the CJEU and the Supreme Court regarding loans indexed to or denominated in foreign currencies can be found in the section on legal risk of mortgage loans in Note 31 to these financial statements.

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

In view of the above, SCB Group identified the risk that in the case of lawsuits which have already been filed or are predicted to be filed based on applicable models the scheduled cash flows from the portfolio of mortgage loans denominated in and indexed to foreign currencies might not be fully recoverable and/or that a liability might arise, resulting in a future cash outflow. The Group recognises the impact of legal risk associated with foreign currency mortgage loans in line with the requirements arising from:

- IFRS 9 Financial Instruments – in the case of active loans and
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets – in the case of loans repaid in full or if the gross carrying amount of an active loan is lower than the value of risk.

The adjustment to the gross carrying amount (in accordance with IFRS 9) and provisions (in accordance with IAS 37) were estimated taking into account a number of assumptions which significantly influence the estimate reflected in the Group's financial statements.

As at 30 June 2025, there were 6,906 pending lawsuits against SCB Group over loans indexed to a foreign currency, with the disputed amount totalling PLN 1,847,690k. Loans repaid as at the lawsuit date accounted for 19% of all lawsuits.

As at 31 December 2024, there were 7,637 pending lawsuits against SCB Group over loans indexed to a foreign currency, with the disputed amount totalling PLN 2,008,722k. Loans repaid as at the lawsuit date accounted for 16% of all lawsuits.

As at 30 June 2025, the total cumulative impact of legal risk associated with foreign currency mortgage loans in SCB Group was estimated at PLN 1,328,878k, including:

- IFRS 9 adjustment to the gross carrying amount at PLN 830,190k;
- IAS 37 provision at PLN 498,688k.

As at 31 December 2024, the total cumulative impact of legal risk associated with foreign currency mortgage loans in SCB Group was estimated at PLN 1,407,654k, including:

- IFRS 9 adjustment to the gross carrying amount at PLN 954,409k;
- IAS 37 provision at PLN 453,245k.

As at 30 June 2025, the total adjustment to the gross carrying amount and provisions for legal risk and legal provisions (for legal claims and a collective portion) accounted for 136.2% of the gross value of the active CHF loan portfolio (before adjustment to the gross carrying amount in line with IFRS 9). The corresponding value as at 31 December 2024 was 120.5%.

The change in the value of the provisions between January and June 2025 resulted from the review of legal risk connected with foreign currency mortgage loans.

As a consequence of the review, SCB Group considered the level of expected settlements and the number of expected lawsuits regarding active and and, in particular repaid loans, as well as settlement costs in the case of invalidation of the loan agreement.

Detailed information about the calculation of provisions is presented in Note 31 to these financial statements.

SCB Group assumes that lawsuits have been or will be filed against the Group in relation to approx. 32% of active and repaid loans (31% in December 2024).

In the Group's opinion, the expected number of cases estimated based on the statistical model is also characterised by uncertainty owing to such factors as: the duration of court proceedings (also estimated based on a relatively short time horizon of available statistics, which does not meet the conditions for application of quantitative methods) and the growing costs related to the instigation and continuation of court proceedings.

For the purpose of calculating the costs of legal risk, SCB Group also estimated how likely it is that a specific number of lawsuits will be filed and what the possible end scenarios are in this respect. It also considered the protracted proceedings in some courts. As at 30 June 2025, 2,614 final and non-appealable judgments were issued in cases against SCB Group (considering those passed after the CJEU ruling of 3 October 2019), of which 2,512 were unfavourable to SCB, and 102 were entirely or partially favourable (compared to 1,634 judgments as at 31 December 2024, including 1,549 unfavourable ones and 85 entirely or partially favourable). When assessing the likelihoods the Group used the support of law firms and conducted thorough analysis of the ruling practice in cases concerning indexed and denominated loans, considering different scenarios of possible court rulings which are presented in detail in the section on legal risk of mortgage loans in Note 31 to these financial statements.

Settlements

By 30 June 2025, SCB Group made 4,199 settlements (both pre-court and post-court), of which 658 ones were reached in H1 2025.

Sensitivity analysis

Due to high uncertainty around both individual assumptions and their total impact, SCB Group carried out the following sensitivity analysis of the estimated impact of legal risk by assessing the influence of variability of individual parameters on the level of that risk. In December 2024, the sensitivity analysis was extended to include the impact of an increase in the loss on settlement. The amount of loss accepted by the Group as part of the settlement affects the total value of the provision as it is one of the possible ways to terminate the agreement whether or not the customer has filed a lawsuit against the Group.

The estimates were prepared in the form of a univariate analysis of provision value sensitivity.

Taking into account the variability of the parameters outlined below, as at 30 June 2025 and in the comparative period the collective provision for legal risk is affected as follows:

Scenario (PLN m)	Change in the collective provision as at 30.06.2025	Change in the collective provision as at 31.12.2024
Doubling the expected number of new customers filing a lawsuit (active and non-active customers)	114	147
50% reduction in the expected number of new customers filing a lawsuit (active and non-active customers)	(57)	(73)
10% increase in the loss on settlements	3	6

For all the parameters, the variability range in the sensitivity analysis was estimated taking into account the existing market conditions. The adopted variability ranges may change depending on market developments, which may significantly affect the results of the sensitivity analysis.

Taking into account the variability of the parameters outlined below, the provision for individual legal claims as at 30 June 2025 and in the comparative period is affected as follows:

Scenario (PLN m)	Change in the individual provision as at 30.06.2025	Change in the individual provision as at 31.12.2024
1% absolute increase in the likelihood of losing the case	12	12
1% absolute decrease in the likelihood of losing the case	(12)	(12)
10% relative increase in the loss on settlements	8	12

The Group also estimated the average cost of annulment of a loan agreement depending on whether the loan has been already repaid in full or not. The assumptions adopted in the estimation may change along with changes in the legal system and case law. The results of the analysis are presented below.

Scenario (PLN m)	30.06.2025	31.12.2024
Average loss on the annulment of 1,000 active loans	196	191
Average loss on the annulment of 1,000 repaid loans	47	47

33. Contingent liabilities and litigation and claims

Information about pending court and administrative proceedings

As at 30 June 2025, the criteria for classification of assets and liabilities related to the operations of Santander Consumer Bank S.A. (SCB S.A.) and its subsidiaries as discontinued operations were met in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. The term "Group" used in this note as at 30 June 2025 refers to the operations of Santander Bank Polska S.A. and its subsidiaries. The disclosures about SCB Group are presented in Note 32 Discontinued operations. As at 31 December 2024, the Group referred to both Santander Bank Polska Group and Santander Consumer Bank Group.

As at 30.06.2025 the value of all litigation amounts to PLN 10,109,749 k. This amount includes PLN 3,578,060 k claimed by the Group, PLN 6,419,299 k in claims against the Group and PLN 112,390 k of the Group's receivables due to bankruptcy or arrangement cases.

As at 30.06.2025 the amount of all court proceedings which had been completed amounted to PLN 752,298 k.

As at 30.06.2025 the provisions for instigated lawsuits recognised in accordance with IAS 37 totalled PLN 1,407,862 k and the adjustment to gross carrying amount under IFRS 9 related to instigated lawsuits totalled PLN 2,883,605 k. In 3,838 cases against Santander Bank Polska SA, where the claim value was high (equal or above PLN 500 k), the total value of provisions for legal claims recognised in accordance with IAS 37 and the adjustment to gross carrying amount under IFRS 9 related to legal claims was PLN 1,894,219 k.

As at 31.12.2024 the value of all litigation amounts to PLN 11,800,966 k. This amount includes PLN 3,283,971 k claimed by the Group, PLN 8,406,881 k in claims against the Group and PLN 110,114 k of the Group's receivables due to bankruptcy or arrangement cases.

As at 31.12.2024 the amount of all court proceedings which had been completed amounted to PLN 848,485 k.

As at 31.12.2024 the provisions for instigated lawsuits recognised in accordance with IAS 37 totalled PLN 1,631,423k and the adjustment to gross carrying amount under IFRS 9 related to instigated lawsuits totalled PLN 3,913,821 k. In 3,804 cases against Santander Bank Polska SA, where the claim value was high (equal or above PLN 500 k), the total value of provisions for legal claims recognised in accordance with IAS 37 and the adjustment to gross carrying amount under IFRS 9 related to legal claims was PLN 1,871,052 k.

Administrative penalty proceedings by the Polish Financial Supervision Authority

On 9 May 2025, the Polish Financial Supervision Authority (KNF) decided to dismiss the administrative proceedings instigated on 22 November 2023 against Santander Bank Polska S.A. regarding a fine under Article 176i(1)(4) of the Act on trading in financial instruments.

Court cases over a free credit sanction

As at 30 June 2025, there were 2,551 pending lawsuits against the Bank over a free credit sanction, with the disputed amount totalling PLN 64,402k. The lawsuits are brought by customers or entities that have purchased customers' debt and concern the compliance of consumer cash loan agreements with the Consumer Credit Act.

There are also several proceedings pending before the CJEU following from the requests for preliminary ruling from the Polish courts. They refer to such issues as the permissibility of interest calculation on the loan portion financing non-interest costs, lender's information obligations, appropriateness of application of a free credit sanction for potential infringement of information obligations in the light of the EU proportionality rule, and permissibility of disposal of consumer debt to a professional entity.

On 13 February 2025, the CJEU issued a judgment in case C-472/23, addressing some of the issues mentioned above: contractual information on annual percentage rate of charge (APRC), banks' information obligations in the case of amendment of charges connected with the performance of an agreement and proportionality of the sanction depriving the lender of its right to interest and charges in the case of infringement of an information obligation. While not ruling on the permissibility of interest calculation on the loan portion financing non-interest costs, the CJEU held that an APRC is calculated at the time the agreement is concluded, based on the assumption that the agreement in the wording applicable at that time will remain valid for the period agreed. It means that the bank does not violate its information obligations regarding the APRC even if contractual terms affecting the APRC are subsequently found to be unfair.

Accordingly, the CJEU concluded that such practice does not constitute in itself an infringement of the information obligation set out in Article 10(2)(g) of Directive 2008/48.

In its judgment, the CJEU also outlined the rules for proper performance of information obligations by banks in the case of amendment of charges connected with the performance of an agreement and stated that the proportionality rule should be applied in relation to the sanction rendering the loan free of interest and charges and that sanctions should be effective and dissuasive.

The Group closely monitors the ruling practice in terms of the free credit sanction. At present, the vast majority of rulings are favourable to the Group.

Off-balance sheet liabilities

The value of contingent liabilities and off-balance sheet transactions are presented below. The value of liabilities granted and provision for off-balance sheet liabilities are presented also presented by categories. The values of guarantees and letters of credit as set out in the table below represent the maximum possible loss that would be disclosed as at the balance sheet day if the customers did not meet any of their obligations towards third parties.

30.06.2025				
Contingent liabilities	Stage 1	Stage 2	Stage 3	Total
Liabilities granted and received	60 258 048	1 943 202	89 986	62 291 236
- financial	44 591 944	1 530 437	84 630	46 207 011
- credit lines	40 760 788	1 289 214	76 952	42 126 954
- credit cards debits	3 314 786	215 995	7 155	3 537 936
- import letters of credit	516 370	25 228	523	542 121
- guarantees	15 701 509	426 960	34 208	16 162 677
Provision for off-balance sheet liabilities	(35 405)	(14 195)	(28 852)	(78 452)
Liabilities received				49 819 513
- financial				25 936
- guarantees				49 793 577
Total	60 258 048	1 943 202	89 986	112 110 749

31.12.2024

Contingent liabilities	Stage 1	Stage 2	Stage 3	Total
Liabilities granted and received	61 526 905	2 115 244	271 018	63 913 167
- financial	43 948 161	1 783 150	274 134	46 005 445
- credit lines	39 804 477	1 479 086	249 662	41 533 225
- credit cards debits	3 458 827	301 655	8 207	3 768 689
- import letters of credit	670 970	2 409	16 265	689 644
- term deposits with future commencement term	13 887	-	-	13 887
- guarantees	17 613 728	350 871	37 042	18 001 641
Provision for off-balance sheet liabilities	(34 984)	(18 777)	(40 158)	(93 919)
Liabilities received				58 381 401
- financial				189 847
- guarantees				58 191 554
Total	61 526 905	2 115 244	271 018	122 294 568

34. Shareholders with min. 5% voting power

Shareholder	Number of shares held		% in the share capital		Number of votes at AGM		Voting power at AGM	
	30.07.2025	30.04.2025	30.07.2025	30.04.2025	30.07.2025	30.04.2025	30.07.2025	30.04.2025
Banco Santander S.A.	63 560 774	63 560 774	62,20%	62,20%	63 560 774	63 560 774	62,20%	62,20%
Nationale-Nederlanden OFE *	5 123 581	5 123 581	5,01%	5,01%	5 123 581	5 123 581	5,01%	5,01%
Others	33 504 959	33 504 959	32,79%	32,79%	33 504 959	33 504 959	32,79%	32,79%
Total	102 189 314	102 189 314	100%	100%	102 189 314	102 189 314	100%	100%

* Nationale-Nederlanden OFE is managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne SA

According to the information held by the Bank's Management Board, the shareholders with a min. 5% of the total number of votes at the Santander Bank Polska General Meeting as at the publication date of the condensed interim consolidated report for 1H 2025 /30.07.2025/ are Banco Santander SA and Funds managed by Nationale-Nederlanden Powszechne Towarzystwo Emerytalne SA.

35. Related parties

The tables below present transactions with related parties. They are effected between associates and related entities. Transactions between Santander Bank Polska Group companies and its related entities are banking operations carried out on an arm's length business as part of their ordinary business and mainly represent loans, bank accounts, deposits, guarantees and leases. Intercompany transactions effected within the Group by the Bank and its subsidiaries have been eliminated from the consolidated financial statements. In the case of internal Group transactions, a documentation is prepared in accordance with requirements of tax regulations for transfer pricing.

Transactions with associates	30.06.2025	31.12.2024
Assets	60	246
Loans and advances to customers	-	192
Other assets	60	54
Liabilities	32 501	61 537
Deposits from customers	32 501	61 369
Other liabilities	-	168

	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024
Transactions with associates		
Income	51 774	41 860
Interest income	-	9
Fee and commission income	51 774	41 823
Other operating income	-	28
Expenses	679	1 174
Interest expense	679	1 174

	with the parent company		with other entities	
	31.12.2024*		31.12.2024*	
Transactions with Santander Group	30.06.2025	restated	30.06.2025	restated
Assets	13 994 220	12 802 000	32 405	27 558
Cash and cash equivalents	2 598 893	2 804 630	31 600	27 530
Loans and advances to banks, incl:	3 416 453	3 875 795	-	-
<i>Loans and advances</i>	3 416 453	3 875 795	-	-
Financial assets held for trading	7 977 852	6 120 328	-	-
Loans and advances to customers	-	-	735	-
Other assets	1 022	1 247	70	28
Liabilities	9 062 368	6 681 100	2 091 739	566 159
Deposits from banks incl.:	631 780	1 940 053	1 806 198	323 803
<i>Current accounts and advances</i>	344 854	1 520 942	10 442	10 974
<i>Loans from other banks</i>	286 926	419 111	1 795 756	312 829
Financial liabilities held for trading	8 375 817	4 726 694	-	-
Deposits from customers	-	-	165 146	208 869
Lease liabilities	-	-	25	25
Other liabilities	54 771	14 353	120 370	33 462
Contingent liabilities	7 239 489	7 786 034	31 194	31 543
Sanctioned:	1 168 170	1 324 770	9 958	11 754
<i>guarantees</i>	1 168 170	1 324 770	9 958	11 754
Received:	6 071 319	6 461 264	21 236	19 789
<i>guarantees</i>	6 071 319	6 461 264	21 236	19 789

*Data restated following changes to the presentation of cash and cash equivalents; details are presented in Note 2.5.

	with the parent company		with other entities	
	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024	1.01.2025- 30.06.2025	1.01.2024- 30.06.2024
Transactions with Santander Group				
Income	86 902	886 534	1 607	2 120
Interest income	81 840	150 011	307	809
Fee and commission income	5 062	9 288	42	42
Other operating income	-	17	1 058	685
Net trading income and revaluation	-	727 218	200	584
Expenses	883 397	126 606	146 720	90 003
Interest expense	47 492	76 064	12 665	642
Fee and commission expense	15 251	16 613	186	259
Net trading income and revaluation	788 659	-	-	-
Operating expenses incl.:	31 995	33 929	133 869	89 102
<i>Staff, Operating expenses and management costs</i>	31 964	33 892	133 773	89 038
<i>Other operating expenses</i>	31	37	96	64

Transactions with Members of Management and Supervisory Boards

Remuneration of Santander Bank Polska Management Board Members, Supervisory Board Members and key management personnel Santander Bank Polska Group's. Loans and advances granted to the key management personnel.

As at 30.06.2025, 31.12.2024 and 30.06.2024 members of the Management Board were bound by the non-compete agreements which remain in force after they step down from their function. If a Member of the Management Board is removed from their function or not appointed for another term, he/she is entitled to a once-off severance pay. The severance pay does not apply if the person accepts another function in the Bank.

Loans and advances have been sanctioned on regular terms and conditions.

Transactions with members of Management Board and Key Management Personnel	Management Board Members		Key Management Personnel	
	1.01.2025-30.06.2025	1.01.2024-30.06.2024	1.01.2025-30.06.2025	1.01.2024-30.06.2024
Short-term employee benefits	13 152	12 019	49 602	42 906
Post-employment benefits	-	-	-	-
Long-term employee benefits	9 554	10 462	14 280	14 618
Paid termination benefits	-	-	348	191
Share-based payments	5 291	4 498	11 716	11 363
Total	27 997	26 979	75 946	69 078

	Management Board Members		Key Management Personnel	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
Loans and advances made by the Bank to the Members of the Management Board/Key Management and to their relatives	2 516	2 697	13 023	14 770
Deposits from The Management Board/Key management and their relatives	16 035	12 565	26 858	19 703

The category of key management personnel includes the persons covered by the principles outlined in the "Santander Bank Polska Group Remuneration Policy" and in the justified cases – by the principles separately specified in the companies.

Santander Bank Polska Group applies the "Santander Bank Polska Group Remuneration Policy". The Policy has been approved by the bank's Management Board and Supervisory Board and is reviewed annually or each time significant organisational changes are made.

Persons holding key executive positions are paid variable remuneration once a year following the end of the reference period and release of the Bank's results. Variable remuneration is awarded in accordance with bonus regulations and five-year Incentive Plan VII and is paid in cash and in the Bank's shares. The remuneration paid in shares may not be lower than 50% of the total amount of variable remuneration. Payment of min. 40% of the variable remuneration specified above is conditional and deferred for the period of four or five years. During that period, it is paid in arrears in equal annual instalments depending on the employee's individual performance in the analysed period.

In H1 2025, the total remuneration paid to the Supervisory Board Members of Santander Bank Polska totalled PLN 1,357 k (PLN 1,388k in H1 2024). In H1 2025, members of the Supervisory Board of Santander Bank Polska S.A. received remuneration from the Bank's related entities in the amount of PLN 156 k (PLN 80 k in H1 2024).

36. Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognized at fair value or amortised costs

There were no changes in the business or economic circumstances that would affect the fair value of the entity's financial assets or financial liabilities, whether these assets or liabilities were recognised at fair value or amortised cost. Details in Note 30.

37. Any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period

No such events took place in the reporting period and the comparable period.

38. Character and amounts of items which are extraordinary due to their nature, volume or occurrence

No such events took place in the reporting period.

39. Information concerning issuing loan and guarantees by an issuer or its subsidiary

As at 30.06.2025 and 31.12.2024 Santander Bank Polska SA and its subsidiaries had not issued any guarantees to one business unit or a subsidiary totalling a minimum of 10% of the issuer's equity.

40. Creation and reversal of impairment charges for financial assets, tangible fixed assets, intangible fixed assets and other assets

Details in Note 10 and 14.

41. Material purchases or sales of tangible fixed assets and material obligations arising from the purchase of tangible fixed assets

As at 30.06.2025 and 31.12.2024 or Santander Bank Polska S.A. or its subsidiaries have not made significant sales and purchases of property, plant and equipment. There were no significant liabilities arising from purchase of fixed assets either.

42. Acquisitions and disposals of investments in subsidiaries and associate

Measures to sell Santander Consumer Bank S.A.

In relation to the agreement made by Banco Santander S.A. (Santander Group) and Erste Group Bank AG (Erste Group), as announced on 5 May 2025, regarding the sale of a 49% stake in Santander Bank Polska S.A. and a 50% stake in Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI), the operations of Banco Santander S.A. in Poland must be reorganised. It involves a change to the ownership structure of Santander Consumer Bank S.A., which, together with its subsidiaries, is part of Santander Bank Polska Group.

On 12 May 2025, Santander Bank Polska S.A. announced the start of discussions with Banco Santander S.A. on the sale of Santander Consumer Bank S.A.

With the consent from the Management Board and Supervisory Board of Santander Bank Polska S.A., on 16 June 2025 the Bank signed a preliminary agreement with Spain-based Santander Consumer Finance S.A. on the sale of 3,120k shares in Santander Consumer Bank S.A. representing 60% of the share capital and voting power for the total price of PLN 3.105bn.

For the purpose of the transaction, on 13 June 2025 the Bank's Management Board received a fairness opinion on the financial terms of the potential transaction.

The closing of the transaction is subject to obtaining all consents required by law (including approval from the Polish Financial Supervision Authority, "KNF") and fulfillment of other terms defined in the transaction documentation.

The Management Board of Santander Bank Polska S.A. concluded that the criteria for classification of SCB Group in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations were met as at 30 June 2025.

Details in Note 32

Liquidation of Santander Inwestycje sp. z o.o.

On 27 June 2025, the Extraordinary General Meeting of Santander Inwestycje Sp. z o.o. decided to start the liquidation of the company on 1 July 2025, appoint a liquidator and change the company's name to SPV XX04062025 (effective as of its registration in the National Court Register).

43. Share based incentive scheme

Santander Bank Polska S.A. ("Bank", "SAN PL") established Incentive Plan VII ("Plan"), which is addressed to the employees of the Bank and its subsidiaries who significantly contribute to growth in the value of the organisation. The purpose of the Plan is to motivate the participants to achieve business and qualitative goals in line with the Group's long-term strategy and to provide an instrument that strengthens the employees' relationship with the organisation and encourages them to act in its long-term interest.

The Plan obligatorily covers all employees of Santander Bank Polska Group designated as material risk takers (identified employees). The list of other key participants is defined by the Bank's Management Board and approved by the Supervisory Board. Those employees can participate in the Plan on a voluntary basis.

The participants who satisfy the conditions stipulated in the Participation Agreement and the Resolution confirming the delivery of objectives will be entitled to an award which is variable remuneration in the form of the Bank's shares classified as an equity-settled share-based payment transaction under IFRS 2 *Share-based Payment*. To that end, the Bank will buy back up to 2,331,000 shares from 1 January 2023 until 31 December 2033, i.e.:

- a) not more than 207,000 shares of SAN PL with the maximum value of PLN 55.3m in 2023;
- b) not more than 271,000 shares of SAN PL with the maximum value of PLN 72.4m in 2024;
- c) not more than 326,000 shares of SAN PL with the maximum value of PLN 87.0m in 2025;
- d) not more than 390,000 shares of SAN PL with the maximum value of PLN 104.1m in 2026;
- e) not more than 826,000 shares of SAN PL with the maximum value of PLN 220.5m in 2027;
- f) not more than 145,000 shares of SAN PL with the maximum value of PLN 38.7m in 2028;
- g) not more than 47,000 shares of SAN PL with the maximum value of PLN 12.5m in 2029;
- h) not more than 42,000 shares of SAN PL with the maximum value of PLN 11.2m in 2030;
- i) not more than 35,000 shares of SAN PL with the maximum value of PLN 9.3m in 2031;
- j) not more than 27,000 shares of SAN PL with the maximum value of PLN 7.2m in 2032;
- k) not more than 15,000 shares of SAN PL with the maximum value of PLN 4.0m in 2033.

The Bank's Management Board will buy back the shares to execute Incentive Plan based on the authorisation granted by the General Meeting in a separate resolution. If it is not possible to buy back the shares (e.g. illiquidity of the shares on the Warsaw Stock Exchange, share prices going beyond the thresholds defined by the General Meeting, lack of the General Meeting's authorisation for the Management Board to buy back shares in a given year of Incentive Plan VII or lack of the General Meeting's decision to create a capital reserve for share buyback in a given year) in the number corresponding to the value of the awards granted, SAN PL will reduce pro-rata the number of shares granted to the participant. The difference between the value of the awards granted and the value of the shares transferred by the Bank to the participants as part of the award will be paid out as a cash equivalent.

Below are the vesting conditions that must be met jointly in a given year:

1. Delivery of at least 50% of the profit after tax (PAT) target of SAN PL for a given year.

2. Delivery of at least 80% of the team business targets for a given year at the level of SAN PL, Division or unit; the performance against the target is calculated as the weighted average of performance against at least three business targets defined as part of the financial plan approved by the Supervisory Board for a given year for SAN PL, Division or unit where the participant works, in particular:

- PAT (profit after tax) of SAN PL Group (excluding Santander Consumer Bank S.A.);
- ROTE (return on tangible equity expressed as a percentage calculated in line with SAN PL reporting methodology);
- NPS (Net Promoter Score calculated in line with SAN PL reporting methodology);
- RORWA (return on risk weighted assets calculated in line with SAN PL reporting methodology);
- number of customers;
- number of digital customers.

3. The participant's performance rating for a given year at the level not lower than 1.5 on the 1–4 rating scale.

In addition, at the request of the Bank's Management Board, the Supervisory Board can decide to grant a retention award to a participant, if the following criteria are met:

1) the participant's average annual individual performance rating is at least 2.0 on the 1–4 rating scale during the period of their participation in Incentive Plan VII;

2) the average annual weighted performance against the Bank's targets in the years 2022–2026 is at least 80%, taking into account the following weights:

- a) 40% for the average annual performance against the PAT target;
- b) 40% for the average annual performance against the RORWA target;
- c) 20% for the average annual performance against the ESG target.

The maximum number of own shares to be transferred to participants as the retention awards is 451,000.

On 15 April 2025, the Annual General Meeting of Santander Bank Polska S.A. authorised the Bank's Management Board to buy back the Bank's fully covered own shares in 2026.

The total amount that the Bank can spend on the buyback of own shares in 2026, including the cost of the buyback, is PLN 104,130 k.

The Annual General Meeting set up the capital reserve for the repurchase of own shares.

For the purpose of the Plan, in 2025 Santander Bank Polska S.A. bought back 155,605 shares (of 326,000 shares eligible for buyback) with the value of PLN 82,365,107 (from PLN 87,042,000 worth of capital reserve allocated to the delivery in 2025).

The average buyback price per share in 2025 was PLN 527,46.

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

Due to the exhaustion of the amount allocated for the purchase of the Bank's own shares in 2025, on March 13, 2025, the Bank's Management Board completed the purchase of the Bank's own shares in 2025 for Program participants for the award for 2024 and part of the award for 2022–2023 which were subject to deferral. At the same time, an order was issued to transfer the above-mentioned shares to the brokerage accounts of eligible program participants. After settling all instructions, the Bank has no treasury shares.

In 1H 2025, the total amount recognised in line with IFRS 2 in the Group's equity was PLN 33,848k. The amount of PLN 33,521k was included in staff expenses for 1H 2025. The latter comprises expenses incurred in 2025 and part of the costs attributable to subsequent years of the Incentive Plan as the award will be vested in stages. In 1H 2025, PLN 82,367k worth of shares were transferred to employees.

In 2024, the total amount recognised in line with IFRS 2 in the Group's equity was PLN 100 192k. The amount of PLN 100 192 k was taken to staff expenses for 2024. The latter comprises expenses incurred in 2024 and part of the costs attributable to subsequent years of the Incentive Plan as the award will be vested in stages. In 2024, PLN 72 334 k worth of shares were transferred to employees.

44. Dividend per share

Management Board's recommendation re distribution of profit for 2024 and decision on Dividend Reserve created pursuant to resolution no. 6 of the Annual General Meeting of 22 March 2021.

The Management Board of Santander Bank Polska S.A. reported that on 19 March 2025 it issued a recommendation on the distribution of profit for 2024 and the Dividend Reserve created pursuant to resolution no. 6 of the Annual General Meeting of 22 March 2021 (resolution no. 6). The recommendation was positively reviewed by the Bank's Supervisory Board.

In line with the decision taken, the Bank's Management Board recommends that profit of PLN 5,197,479,813.35 earned in 2024 be distributed as follows:

- PLN 3,897,631,915.40 - to be allocated to the dividend for shareholders;
- PLN 104,130,000.00 - to be allocated to the capital reserve;
- PLN 1,195,717,897.95 - is to be kept undistributed.

Moreover, the Management Board recommended that PLN 840,886,574.78 out of the Dividend Reserve created pursuant to resolution no. 6 be allocated to the dividend for shareholders.

The Management Board recommends that 102,189,314 series A, B, C, D, E, F, G, H, I, J, K, L, M, N and O shares give entitlement to the dividend to be paid out from the profit earned in 2024 and from the Dividend Reserve (Dividend). The dividend will total PLN 4,738,518,490.18 (of which PLN 3,897,631,915.40 represents 74.99% of the net profit earned in 2024 and PLN 840,886,574.78 represents the amount allocated from the Dividend Reserve).

When taking its decision, the Management Board took into account the current macroeconomic environment as well as the recommendations and current guidance of the Polish Financial Supervision Authority (KNF), including that outlined in the KNF's letter of 13 March 2025, of which the Bank informed the market in its current report no. 12/2025 of 13 March 2025 as well as that outlined in the letter of 17 March 2025 confirming the possibility to pay a dividend from the Dividend Reserve of which the Bank informed the market in its current report no. 13/2025 of 17 March 2025.

The Dividend per share was PLN 46.37.

The Dividend record date was 13 May 2025.

The Dividend was paid out on 20 May 2025.

Resolution re. dividend payment

Santander Bank Polska S.A. informed that the Annual General Meeting of the Bank, held on 15 April 2025, adopted a resolution on dividend payment.

Information on potential paying dividend from the dividend reserve in 2025.

The Management Board of Santander Bank Polska S.A. informed you that on 17 March 2025, it was advised by the Polish Financial Supervision Authority (KNF) that the KNF did not have any objections to the potential payout of the additional amount of PLN 840,886,574.78 as a dividend to shareholders in 2025; the amount derives from 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 (Dividend Reserve).

This amount was transferred to the Dividend Reserve pursuant to resolution no. 6 of the Annual General Meeting of 19 April 2023 on profit distribution and decision on the capital reserve created under resolution no. 6 of the Annual General Meeting of 22 March 2021. Thus, in line with the KNF's individual recommendation that the Bank communicated to the market in current report no. 12/2025 of 13 March 2025 and the said information of 17 March 2025 from the KNF, the total amount that the Bank can distribute to shareholders in 2025 is PLN 4,738,518,490.18.

The Management Board's recommendation regarding the distribution of profit and possible dividend payment in 2025, together with the Supervisory Board's opinion, was published in the form of a separate current report once these bodies have reached a decision.

Individual recommendation of the Polish Financial Supervision Authority (KNF) with regard to meeting the criteria for paying dividend from the net profit earned in 2024.

The Management Board of Santander Bank Polska S.A. reported that on 13 March 2025 it received an individual recommendation from the KNF with regard to the commercial banks dividend policy (dividend policy) for 2025, the supervisory review and evaluation of the Bank and the Bank's reporting data.

Additionally, after factoring in the quality of the Bank's loan portfolio measured as the share of NPLs in the total portfolio of receivables from the non-financial sector, including debt instruments, the potential dividend payout ratio was increased to 75% in view of the Bank's sound credit quality.

In order to ensure the stability of the Bank's operations in future periods, as well as its further development, KNF recommended that the Bank should limit the risk present in its operations by:

1. not distributing more than 75% of the profit earned in the period from 1 January 2024 to 31 December 2024 with a proviso that the maximum payout should not be higher than the annual profit reduced by profit earned in 2024 already allocated to own funds;
2. consulting upfront with the supervisory authority any other measures which could reduce its own funds (in particular if they go beyond the scope of the ordinary business and operational activity), including the distribution of the profit retained in previous years or the buy-backs or redemptions of the Bank's own shares.

45. Events which occurred subsequently to the end of the reporting period

There were no major events subsequent to the end of the interim period.

Signatures of the persons representing the entity

Date	Name	Function	Signature
29.07.2025	Michał Gajewski	President	The original Polish document is signed with a qualified electronic signature
29.07.2025	Andrzej Burliga	Vice-President	The original Polish document is signed with a qualified electronic signature
29.07.2025	Lech Gałkowski	Vice-President	The original Polish document is signed with a qualified electronic signature
29.07.2025	Artur Głębowski	Vice-President	The original Polish document is signed with a qualified electronic signature
29.07.2025	Magdalena Proga-Stępień	Vice-President	The original Polish document is signed with a qualified electronic signature
29.07.2025	Maciej Reluga	Vice-President	The original Polish document is signed with a qualified electronic signature
29.07.2025	Wojciech Skalski	Member	The original Polish document is signed with a qualified electronic signature
29.07.2025	Dorota Strojewska	Member	The original Polish document is signed with a qualified electronic signature
29.07.2025	Magdalena Szwarc-Bakuła	Member	The original Polish document is signed with a qualified electronic signature

Signature of a person who is responsible for maintaining the accounting records

Date	Name	Function	Signature
29.07.2025	Anna Żmuda	Financial Accounting Area Director	The original Polish document is signed with a qualified electronic signature