

**SUPPLEMENT DATED 11 DECEMBER 2020  
TO THE BASE PROSPECTUS DATED 12 MAY 2020**

**SANTANDER BANK POLSKA S.A.**

*(Incorporated as a joint stock company in the Republic of Poland)*

**EUR 5,000,000,000  
Euro Medium Term Note Programme**

This supplement (the **Supplement**) is supplemental to, forms part of, and must be read and construed in conjunction with the base prospectus dated 12 May 2020 (the **Base Prospectus**) prepared by Santander Bank Polska S.A. (the **Issuer**) in connection with its EUR 5,000,000,000 Euro Medium Term Note Programme (the **Programme**) and any other supplements to the Base Prospectus issued by the Issuer. Terms defined in the Base Prospectus shall, unless the context requires otherwise, have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended, the **Prospectus Regulation**), and has been approved by the Central Bank of Ireland as a competent authority for the purpose of the Prospectus Regulation. The Central Bank of Ireland assumes no responsibility for the economic or financial soundness of the transactions, or for the quality or solvency of the Issuer. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed under Irish and European Union law pursuant to the Prospectus Regulation.

The purpose of this Supplement is to: (a) incorporate, by reference, the Issuer's unaudited consolidated interim financial statements as at and for the six-month period ended 30 June 2020 and the "Management Board Report on Santander Bank Polska Group Performance in H1 2020"; (b) incorporate, by reference, the Issuer's unaudited condensed consolidated financial statements as at and for the nine-month period ended 30 September 2020; (c) provide the Group's key financial information for the six-month period ended 30 June 2020; (d) add the "Recent Developments"; and (e) include a new "Significant or Material Change" statement.

## **IMPORTANT NOTICES**

The Issuer accepts responsibility for the information contained in this Supplement and declares that, to the best of its knowledge, the information contained in this Supplement is in accordance with the facts and makes no omission likely to affect the import of such information.

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or material inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

The language of the Supplement is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### Information incorporated by reference

The following shall be added on page 41 of the Base Prospectus:

7. the unaudited condensed interim consolidated financial statements of the Group for the six-month period ended 30 June 2020 (the **2020 Consolidated Interim Financial Statements**, published on the Issuer's website [https://static3.santander.pl/asset/2/\\_R/2\\_Report-Group-SBP-2020\\_99659.pdf](https://static3.santander.pl/asset/2/_R/2_Report-Group-SBP-2020_99659.pdf)), prepared in accordance with International Accounting Standard (IAS) 34, included in the consolidated interim report of the Group for the six-month period ended 30 June 2020, which constitute a free translation from the Polish version into the English language:
  - (a) condensed consolidated income statement (page 4);
  - (b) condensed consolidated statement of comprehensive income (page 5);
  - (c) condensed consolidated statement of financial position (page 6);
  - (d) condensed consolidated statement of changes in equity (page 7);
  - (e) condensed consolidated statement of cash flows (page 8); and
  - (f) additional notes to condensed interim consolidated financial statements (pages 9 – 60).
8. the independent registered auditor's report on the review of the 2020 Consolidated Interim Financial Statements (pages 1 – 2), which constitutes a free translation from the Polish version into the English language (published on the Issuer's website [https://static3.santander.pl/asset/5/\\_A/5\\_Auditor-report-Group-SBP-1H-2020\\_99662.pdf](https://static3.santander.pl/asset/5/_A/5_Auditor-report-Group-SBP-1H-2020_99662.pdf)).
9. the "Management Board Report on Santander Bank Polska Group Performance in H1 2020" (pages 1-73), which constitutes a free translation from the Polish version into the English language (published on the Issuer's website: [https://static3.santander.pl/asset/3/\\_M/3\\_Management-report-Grouo-SBP-1H-2020\\_99660.pdf](https://static3.santander.pl/asset/3/_M/3_Management-report-Grouo-SBP-1H-2020_99660.pdf)).
10. the unaudited condensed interim consolidated financial statements of the Group for the nine-month period ended 30 September 2020 (published on the Issuer's website [https://static3.santander.pl/asset/S/B/P/SBP-Group-Report-3Q-2020\\_100346.pdf](https://static3.santander.pl/asset/S/B/P/SBP-Group-Report-3Q-2020_100346.pdf)), prepared in accordance with International Accounting Standard (IAS) 34, included in the consolidated interim report of the Group for the nine-month period ended 30 September 2020, which constitute a free translation from the Polish version into the English language:
  - (a) condensed consolidated income statement (page 4);
  - (b) condensed consolidated statement of comprehensive income (page 5);
  - (c) condensed consolidated statement of financial position (page 6);
  - (d) condensed consolidated statement of changes in equity (page 7);
  - (e) condensed consolidated statement of cash flows (page 8); and

- (f) additional notes to condensed interim consolidated financial statements (pages 14 – 68).

Any other information incorporated by reference that is not included in the cross-reference list above is considered to be additional information to be disclosed to investors rather than information required by the relevant Annexes of the Commission Delegated Regulation (EU) No. 2019/980.

Any non-incorporated parts of a document referred to in this Supplement are either deemed not relevant for an investor or are otherwise covered elsewhere in this Supplement.

### **Group financial information for the six-month period ended 30 June 2020**

The following shall be added on page 51 of the Base Prospectus:

In view of the error correction made in the previous periods as well as other changes described in Note 2.4 "Comparability with the results from the previous periods" to the 2019 Consolidated Financial Statements, the comparative period data presented in 2020 Consolidated Interim Financial Statements were appropriately restated.

In the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows for the period from 1 January 2019 to 30 June 2019, the consolidated profit was reduced by PLN 22,429 thousand for the period from 1 January 2019 to 30 June 2019 and by PLN 10,749 thousand from 1 April 2019 to 30 June 2019, respectively.

This was attributed to the change in the amount of tax on financial institutions resulting from the adjustment of repurchase transactions.

As a result of the above adjustment, the comprehensive income for the reporting period from 1 January 2019 to 30 June 2019 decreased to PLN 1,258,585 thousand, and from 1 April 2019 to 30 June 2019 decreased to PLN 844,205 thousand.

The following changes were made to the consolidated statement of cash flows for the period from 1 January 2019 to 30 June 2019:

1. changes resulting from reclassification of selected transactions in government debt securities from separate purchase and sale transactions to buy-sell-back and sell-buy-back transactions, including in relation to tax on financial institutions;
2. changes resulting from separate presentation of assets held as collateral in the statement of financial position;
3. changes resulting from separate presentation of interest received in relation to operating activities and interest paid in relation to operating activities in the statement of cash flows.

Furthermore, following the analysis made in 2020, the Group changed the presentation of the result of modification of lease assets/liabilities in the consolidated income statement starting from 1 January 2020 in order to better reflect the nature of the underlying transactions. The relevant data for 2019 were restated accordingly. These items were previously disclosed as other operating income under profit on lease modifications and as other operating expenses under costs of lease modifications. Since 1 January 2020, they have been netted and presented as other operating income under profit on lease modifications.

The following tables shall be added on page 57 of the Base Prospectus:

**Group financial information for the six-month period ended 30 June 2020 and 30 June 2019**

*Condensed Consolidated Income Statements*

	<b>Six-month period ended 30 June (unaudited)</b>	
	<b>2020</b>	<b>2019 (restated)</b>
	<b>(PLN thousands)</b>	
Interest income and similar income	3,808,330	4,198,148
Interest expenses	(713,582)	(966,016)
<b>Net interest income</b>	<b>3,094,748</b>	<b>3,232,132</b>
Fee and commission income	1,265,471	1,290,868
Fee and commission expenses	(235,396)	(248,449)
<b>Net fee and commission income</b>	<b>1,030,075</b>	<b>1,042,419</b>
Dividend income	20,671	97,240
Net trading income and revaluation	64,915	78,633
Gains (losses) from other financial securities	53,542	94,751
Other operating income	66,540	82,872
Impairment allowances for expected credit losses	(947,219)	(619,246)
Operating expenses, including:	(2,229,109)	(2,252,684)
<i>Staff, operating expenses and management costs</i>	(1,688,699)	(1,870,060)
<i>Depreciation/amortisation</i>	(194,772)	(202,389)
<i>Amortisation of right of use asset</i>	(104,240)	(107,410)
<i>Other operating expenses</i>	(241,398)	(72,825)
Share in net profits (loss) of entities accounted for by the equity method	36,839	30,283
Tax on financial institutions	(301,128)	(305,296)
<b>Profit before tax</b>	<b>889,874</b>	<b>1,481,104</b>
Corporate income tax	(309,856)	(390,623)
<b>Consolidated profit for the period</b>	<b>580,018</b>	<b>1,090,481</b>
of which		
<i>attributable to owners of the Issuer</i>	475,787	935,472
<i>attributable to non-controlling interests</i>	104,231	155,009
<b>Net earnings per share (PLN/share)</b>		
Basic earnings per share	4.66	9.16
Diluted earnings per share	4.66	9.16

*Condensed consolidated statement of comprehensive income*

	<b>Six-month period ended 30 June (unaudited)</b>	
	<b>2020</b>	<b>2019 (restated)</b>
	<b>(PLN thousands)</b>	
<b>Consolidated profit for the period</b>	<b>580,018</b>	<b>1,090,481</b>
<b>Other comprehensive income which can be transferred to the profit and loss net account:</b>	<b>476,520</b>	<b>180,852</b>
Valuation and sales of debt securities measured at fair value through other comprehensive income gross	550,839	147,207

Deferred tax	(104,659)	(27,969)
Valuation of cash flow hedging instruments gross	37,547	76,067
Deferred tax	(7,117)	(14,453)
<b>Other comprehensive income which can't be transferred to the profit and loss net account</b>	<b>(70,045)</b>	<b>(12,748)</b>
Valuation and sales of equity securities measured at fair value through other comprehensive income gross	(83,472)	(9,691)
Deferred and current tax	15,860	(3,057)
Provision for retirement allowances - actuarial gains/losses, gross	(3,003)	-
Deferred tax	570	-
<b>Other comprehensive income for the period, net of income tax</b>	<b>406,475</b>	<b>168,104</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>986,493</b>	<b>1,258,585</b>
Attributable to:		
<i>owners of the Issuer</i>	877,794	1,107,072
<i>non-controlling interests</i>	108,699	151,513

*Condensed consolidated statement of financial position*

	<u>As at</u>	
	<b>30 June 2020 (unaudited)</b>	<b>31 December 2019 (audited)</b>
	<b>(PLN thousands)</b>	
<b>ASSETS</b>		
Cash and balances with central banks	4,211,854	7,973,014
Loans and advances to banks	3,987,575	3,716,582
Financial assets held for trading	2,720,384	2,058,508
Hedging derivatives	30,546	43,973
Loans and advances to customers	142,622,135	143,402,629
Buy-sell-back transactions	2,169,867	1,851,171
Investment securities	56,806,942	41,328,134
Assets pledged as collateral	1,129,955	1,089,558
Investments in associates	947,922	903,113
Intangible assets	696,945	772,117
Goodwill	1,712,056	1,712,056
Property, plant and equipment	796,281	874,078
Right of use asset	751,195	838,792
Net deferred tax assets	1,910,219	1,847,916
Assets classified as held for sale	10,861	2,679
Other assets	1,104,493	1,061,846
<b>Total assets</b>	<b>221,609,230</b>	<b>209,476,166</b>
<b>LIABILITIES AND EQUITY</b>		
Deposits from banks	5,370,650	5,031,744
Hedging derivatives	1,642,807	995,627
Financial liabilities held for trading	2,867,165	1,856,813
Deposits from customers	165,889,547	156,480,343
Sell-buy-back transactions	1,084,214	990,863
Subordinated liabilities	2,703,243	2,630,271
Debt securities in issue	9,967,063	10,629,516
Lease liabilities	664,663	746,632
Current income tax liabilities	60,750	343,763

Provisions for off-balance sheet credit facilities	60,684	66,109
Other provisions	500,450	445,615
Other liabilities	2,910,485	2,279,360
<b>Total liabilities</b>	<b>193,721,721</b>	<b>182,496,656</b>
<b>Equity</b>		
<b>Equity attributable to owners of the Issuer</b>	<b>26,317,842</b>	<b>25,431,987</b>
Share capital	1,020,883	1,020,883
Other reserve capital	21,296,994	20,141,925
Revaluation reserve	1,724,523	1,316,061
Retained earnings	1,799,655	814,771
Profit for the period	475,787	2,138,347
<b>Non-controlling interests in equity</b>	<b>1,569,667</b>	<b>1,547,523</b>
<b>Total equity</b>	<b>27,887,509</b>	<b>26,979,510</b>
<b>Total liabilities and equity</b>	<b>221,609,230</b>	<b>209,476,166</b>

*Selected financial ratios of the Group (unaudited)*

	<b>6 months ended 30 June 2020 (unaudited)</b>	<b>6 months ended 30 June 2019 (unaudited)</b>
Total costs/Total income	51.5%	48.7%
Net interest income/Total income	71.5%	69.8%
Net interest margin	3.1%	3.5%
Net commission income/Total income	23.8%	22.5%
TCR	18.76%	16.26%
Tier I ratio	16.81%	14.45%
Book value per share (in PLN)	273.17	250.07
Earnings per share (in PLN)	4.66	9.16

	<b>As at 30 June 2020 (unaudited)</b>
Customer net loans/Customer deposits	86.0%
NPL ratio	5.6%
NPL coverage ratio	54.8%
Credit risk ratio*	1.06%
ROE*	7.1%
ROTE*	8.6%
ROA*	0.8%

\* Calculated for the last twelve months financial data, which were compiled by adding the relevant amount for the year ended 31 December 2019 and the amount for the six months ended 30 June 2020 and deducting the amount for the six months ended 30 June 2019

## **Recent Developments**

The following shall be added on page 85 of the Base Prospectus:

### **Recent Developments**

On 1 June 2020, the Issuer announced that its Management Board had estimated that, as a result of the decrease of the reference rates in Poland by 140 basis points, the Group's net interest income in 2020 would be adversely affected.

On 19 June 2020, the Polish Parliament adopted the Act on Interest Rate Subsidies (*Ustawa z dnia 19 czerwca 2020 r. o dopłatach do oprocentowania kredytów bankowych udzielanych przedsiębiorcom dotkniętym skutkami COVID-19 oraz o uproszczonym postępowaniu o zatwierdzenie układu w związku z wystąpieniem COVID-19*). Under this act, an individual borrower under a consumer loan or a mortgage loan who lost their source of income after 13 March 2020 may apply for a three-month suspension of the repayment of principal and interest under the loan if: (i) the loan agreement was signed before 13 March 2020; and (ii) the maturity date of the loan falls at least six months from the date on which the loan agreement was signed. The Group's net interest income may be adversely affected if a significant number of the Group's clients applies for the suspension of the repayment of their loans.

In the six months ended 30 June 2020, the net impairment allowances for expected credit losses of the Group amounted to PLN 947.2 million (an increase of 53.0 per cent. year-on-year), including an additional expected credit loss allowance of PLN 150.3 million as a post-model adjustment in relation to the uncertainty surrounding future developments as a result of COVID-19 and economic climate.

### **General Information**

The paragraph "Significant or Material Change" on page 173 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

Save as described under the headings "*COVID-19 outbreak could have a material adverse effect on the Group's business, results of operations and financial position*" and "*Recent Developments*", there has been no significant change in the financial performance or position of the Issuer since 30 September 2020 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2019.