

28/04/2020

Santander Bank Polska SA Group

Financial results during 1Q 2020



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- 1. Strategy and business**
- 2. Santander Group Results**
- 3. Appendix**

Strategy and business

01

Branch network and basic financial data

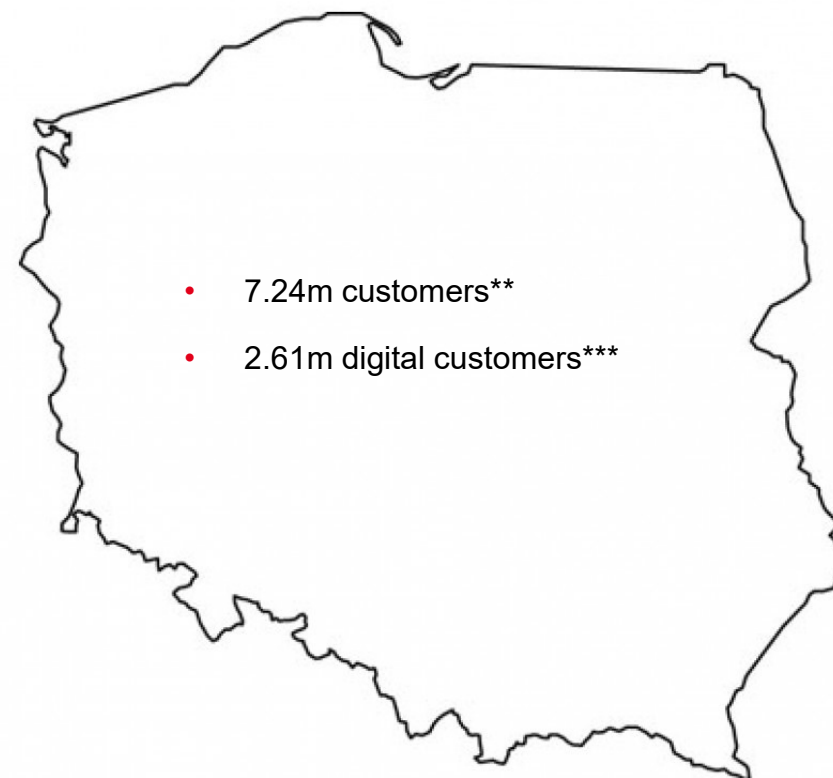
	31.03.2020	YoY
Business and results		
<i>PLN</i>		
Gross Loans	153.2 bn	+7%
Deposits	157.8 bn	+7%
Total customer funds	169.8 bn	+4%
Assets	215.9 bn	+3%

Market Share*

Gross loans	11.9%
Deposits	11.6%

Network and Employees

	Santander Bank Polska S.A.	SCB
Branches	501	139
Employees	10.8k	2.2k



1Q 2020 Basic financial highlights

■ Net Interest Income

vs. 2019

+1.7%
+5.0% underlying*

■ Fee income

vs. 2019

+3.5%

■ Total income PLN 2 249m

vs. 2019

+0.3%
+2.6% underlying*

■ Profit after tax PLN 171m

vs. 2019

-49.6%
+2.8% underlying*

1Q 2020 Basic financial highlights

- Strong capital position well above PFSA criteria

TCR	16.79%
CET1	14.91%

- ROE, ROA – leading position in Peer Group Banks

ROE	8.5% 10.6% underlying*
ROA	0.9% 1.2 % underlying*

- Secure funding position (L/D ratio)

Santander Bank Polska Group	93.6%
Santander Bank Polska S.A.	83.1%

Business growth in January and February, slowdown in March

+47%
YoY

Accounts As I Want growth
1.9 mln opened accounts

+10%
vs. 1Q'19

Cash loans growth
Sales **2.0 bn**

+7%
YoY

Deposits growth
Balance **88.5 bn**

+14%
vs. 1Q'19

Growth of **Insurance**
new business
138 mln written premium

-22%
YoY

Santander TFI Investment Funds
assets growth
AuM **12.0 bn**



We have been recognized



#1 'The best bank in Poland'

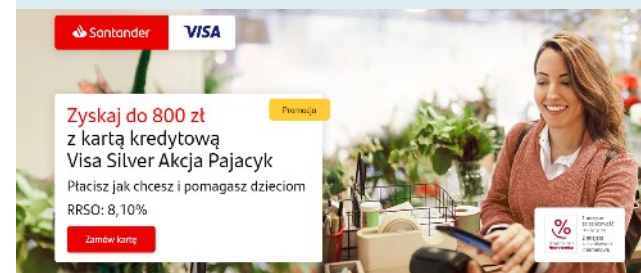
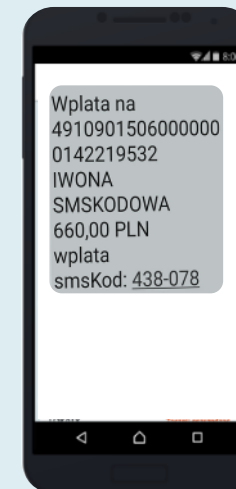
Winner in main category in the
„Institution of the Year”
ranking



5 stars in prestigious
Forbes ranking
... first choice private
banking in Poland

Simpler and easier

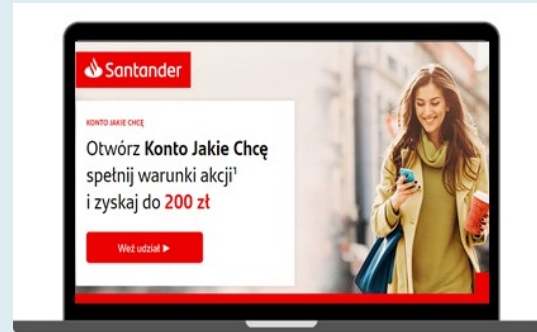
- SMS confirmation of cash transactions in branches ... safe and easy
- Simplified overdraft granting process in Santander internet and mobile



Digital channels development

Sales growth in remote channels

- Personal accounts ... **x 4,0** vs. 1Q'19
- SME accounts ... **x 11,7** vs. 1Q'19
- Cash loans... **x 1,7** vs. 1Q'19



2,6
mln

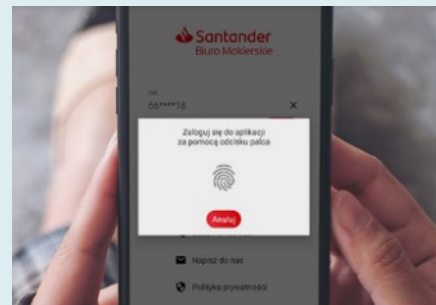
Active digital customers
+9% YoY

1,6
m

Mobile users
+17% YoY

New functionality in Santander mobile and internet

- Parent may now open account for their child below 13 year of age online
- Biometrics in Investor mobile application



25,0
m

Transactions
in mobile banking
+65% vs. 1Q'19

951
ths.

Cards in digital wallets
+89% YoY

Improved banking for entrepreneurs

+30%
vs. 1Q'19

Strong growth
of **SME Installment loans**
Sales **PLN 849 m**

+9%
YoY

SME financing
performing portfolio growth
Balance **13,9 bn**

+26%
YoY

Deposits growth
Balance **16,6 bn**

+19%
vs. 1Q'19

Further **POS terminals**
sales growth
2,1 ths.

18,5
ths.

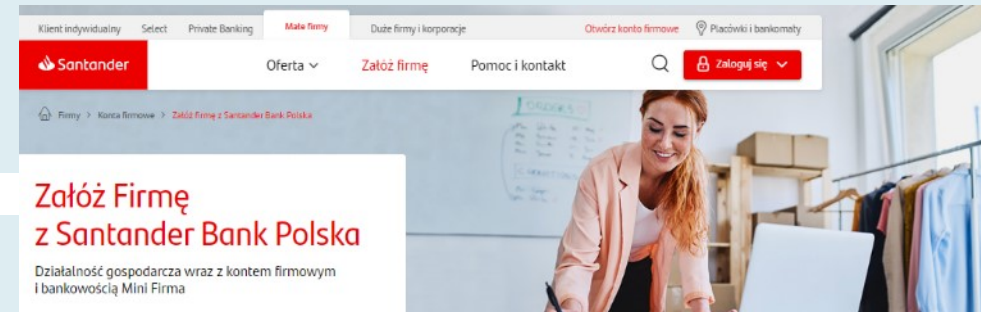
eAccounting users



Recognized by experts

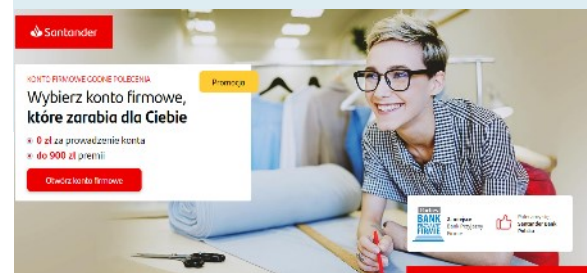
#1 The best bank for entrepreneurs

in the „Institution of the Year”
ranking by mojobankowanie.pl



Offer development

- Customers may register business and open account in digital channels



Retail business vs. Covid-19 outbreak

Communication to customers – SMS and electronic channels

- Promoting digital channels usage
- Communication to customers on changes in branches availability and working hours, and on how to avoid cyberattacks.
- *Communication to customers 60 years of age about a dedicated slot at our branches.
- Special information service at www.santander.pl/koronawirus
- Information of bank charity action and hospitals support

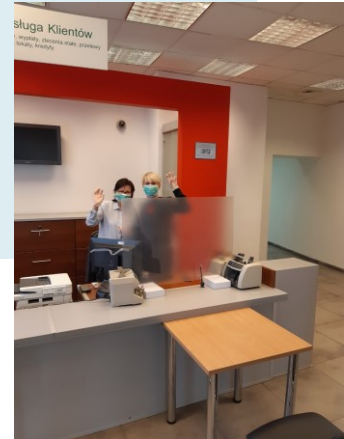
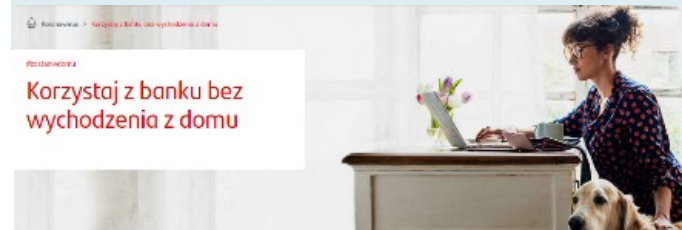


Support for Individual customers

- Suspension of capital installments for cash loans (**49 ths.**) and mortgages (**19 ths.**) for 3 or 6 months via internet
- Temporary promotion - free of charge withdrawals from all ATMs in Poland
- Increased limit of contactless payments at point of sale without PIN (PLN 100)
- Dedicated hourly slot at branches for customers above 60 years of age
- Webinar with investment advisor from brokerage house to explain situation on capital markets

Distribution network

- Temporary closure of 10-20% branch network
- Shorter opening hours
- Additional security measures: masks, disinfection fluids, Plexi glass
- Call Center ready for remote service in 3 cities



Support for entrepreneurs

- Suspension of capital installments for SME loans (**10 ths.**) and leasing (**15 ths.**) for 3 or 6 months via internet
- Automatic prolongation of overdraft repayment for 2 months
- Waiver of fee for SME account for 3 months
- Removal of credit fees for lack on inflows on account and management
- Webinar with experts to explain rules of government anti-crisis support

Business and Corporate Banking



Selected products' sales

Year-on-year revenue growth:

12% Cash Management

8% Total Deposits

14% Factoring

- Award from Bank Gospodarstwa Krajowego for the highest sales in the market of the State aid programme Biznesmax for SMEs / small Corporates – Bank achieved 45% plus share in the entire market sales
- Stable business growth in 1Q in all key lines while executing cost optimization
- Strong market presence and leading role for big transactions on CRE market and other selected sectors: syndicated financing led by SBP for the Energy sector customer for a total amount of PLN 180,000,000
- No material change in portfolio risk profile or observed use of customer credit lines in 1Q 2020
- Continued strong Deposit growth while delivering improved margins

Corporate & Investment Banking

Selected products' sales

Year-on-year revenue growth:

33% Cash management services

102% Equity Capital Market services

15% Trade Finance products

Chosen transactions

- Co-arrangement of the first green bond issue in Poland of PLN 1bn among non-financial entities
- Acting as a Joint Bookrunner of EUR 1.5bn Eurobond issue with negative yield for a state entity issuer. It was the first transaction of this kind outside the Eurozone and for a <AAA country
- Acting as Sole Intermediary Broker and Financial Advisor in a PLN 5.3bn public tender offer, the second largest tender offer in the history of Polish capital market and the biggest one in 9 years
- Carrying out the first IPO on the Warsaw Stock Exchange since April 2019 despite very difficult market conditions caused by the coronavirus pandemic

Business and Corporate Banking and Corporate and Investment Banking – strategy vs. COVID-19



What we did for our Customers:

- We intensified our daily contacts with them with specific talking points directed at the analysis of their current business situation and needs.
- Our bankers have made over 35 thousand direct contacts with our customers through digital channels.
- We have organised targeted webinars with our experts.
- We are extending facilities maturing between March and June by two months in a simplified credit process and at no extra cost.
- Customers may now apply for a deferment of their principal instalments for three or six months (for loans, lease and factoring).
- We signed a cooperation agreement with BGK to give our customers access to the Liquidity Guarantee Fund. Total amount of the guarantees is PLN 13 bn. The guarantee may cover up to 80% of the loan amount, and the maximum financing for a company is PLN 250 million.

What we did for our People:

- Implementation of safety measures to protect Banks' employees by utilizing remote tools and Home Office work model

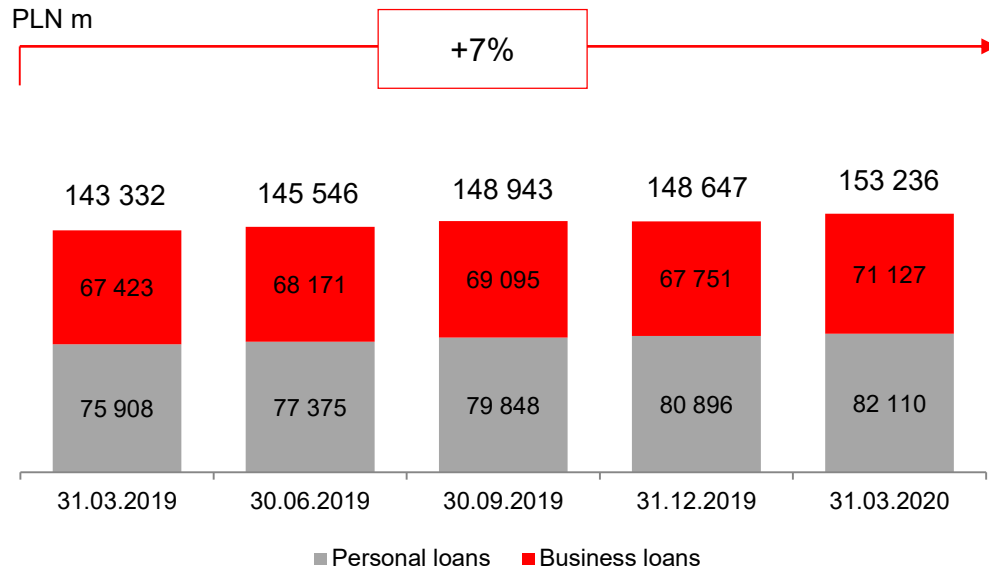
Santander Group Results

03

Loan Performance

Gross Loans +7% YoY and +3% QoQ

Total gross loans



SCB gross loans PLN 19.2bn (+7% YoY)
Mortgage portfolio -2% YoY (CHF mortgage loans -9% YoY)
SCB loans (excluding mortgage) +10% YoY

	31.03.2020	31.03.2019	YoY (%)	QoQ (%)
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Individuals	82 110	75 908	8%	2%
Mortgage	52 511	49 758	6%	3%
Other personal	29 599	26 150	13%	0%
Business	71 127	67 423	5%	5%
Total gross loans	153 236	143 332	7%	3%

Comment

- **Santander Bank Polska S.A. gross loans: +9% YoY and +4% QoQ:**
 - Mortgage loans +6% YoY and +2% QoQ
 - CHF mortgage loans -9% YoY (in PLN -7% YoY)
 - Cash loans +21% YoY and +3% QoQ
 - SME (including leasing and factoring) +9% YoY and +3% QoQ
 - Corporate (BCB) portfolio -1% YoY and +4% QoQ
 - CIB +15% YoY and +10% QoQ.

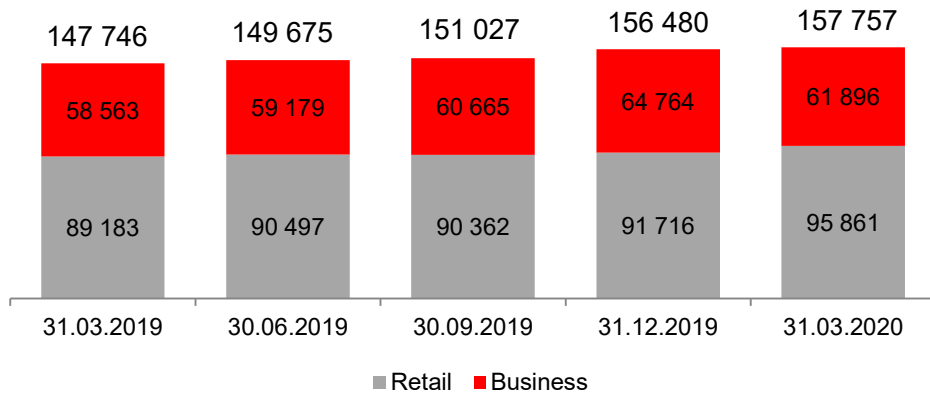
Total Customer Funds

Total Customer Funds +4% YoY

Total Deposits

PLNm

+7%



**SCB deposits: PLN 10.0bn
(+12% YoY)**

	31.03.2020	31.03.2019	YoY (%)	QoQ (%)
Demand	61 505	50 426	22%	5%
Savings	43 052	36 570	18%	7%
Time	53 200	60 750	-12%	-8%
Total	157 757	147 746	7%	1%
Funds under management	12 020	15 381	-22%	-29%
Total Customer Funds	169 777	163 126	4%	-2%

Comment

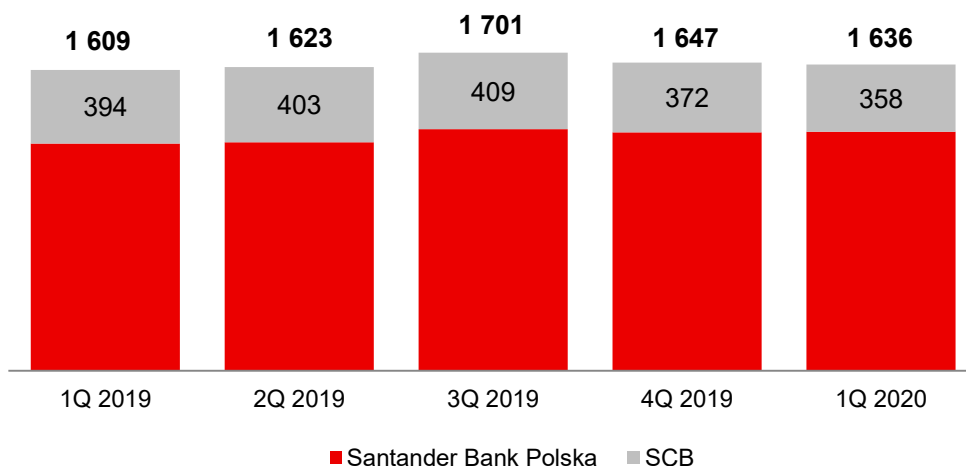
- **Santander Bank Polska Group deposits:**
 - Retail +7% YoY and +5% QoQ
 - Business +6%YoY and -4% QoQ
- **Mutual Funds -22% YoY and -29% QoQ**

Net Interest Income and Net Interest Margin

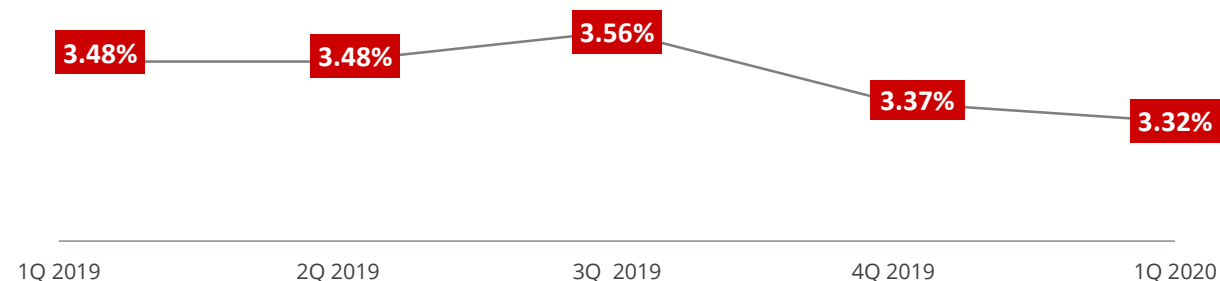
Net Interest Income +1.7% YoY and -0.6% QoQ.

Net Interest Income

PLNm



Net Interest Margin (%) ^{1,2}



SCB Group accounted for PLN 358m in 1Q 2019 and PLN 394m in 1Q 2019.

Comment

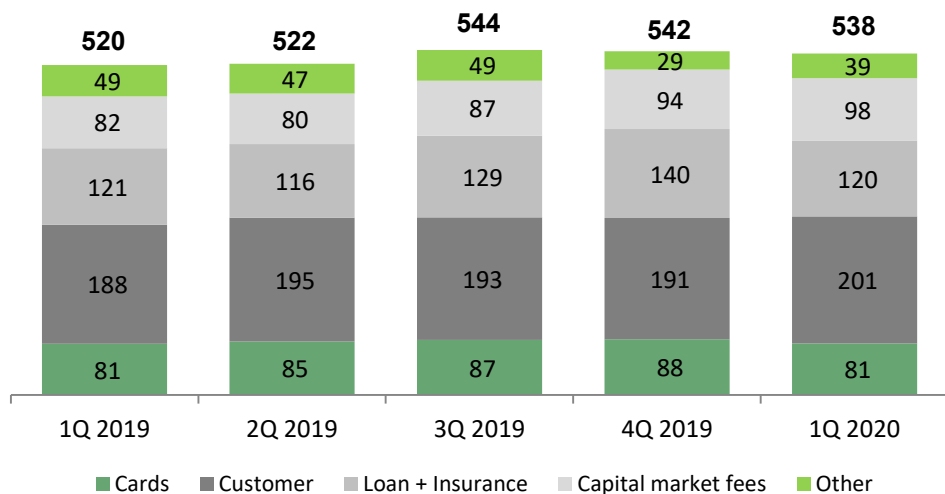
- Net Interest Income +1.7 YoY in 1Q 2020 (-0.6 % QoQ in 1Q). Change in dynamics YoY and QoQ is connected with return of the part of commissions from earlier repaid consumer loans (ECJ). Excluding ECJ ruling impact net interest income would grow by 5% YoY.
- In 1Q 2020, the annualised quarterly net interest margin was 3.32% and was lower QoQ (3.37%) mainly due to impact of the part of commissions from earlier repaid consumer loans (ECJ); when excluding this factor quarterly NIM would be 3.43%.
- Negative impact on NIM had reinvestments in debt securities at lower yields.
- Quarterly dynamic of interest income was -2.3% QoQ, when interest expense was down by 8.2% QoQ and -12.5% YoY due to lowered prices of deposits.

Net fees

Net fees +3% YoY

Net fees

PLNm



Main items of fee income

	1Q 2020	1Q 2019	YoY (%)	QoQ (%)
Cards	81	81	0%	-8%
Customer + Other	201	188	7%	5%
Loan + Insurance	120	121	-1%	-15%
Capital market fees*	98	82	20%	5%
Other	39	49	-21%	35%
Total	538	520	3%	-1%

SCB Group accounted for PLN 37m in 1Q 2019 and PLN 34m in 1Q 2020.

Comment

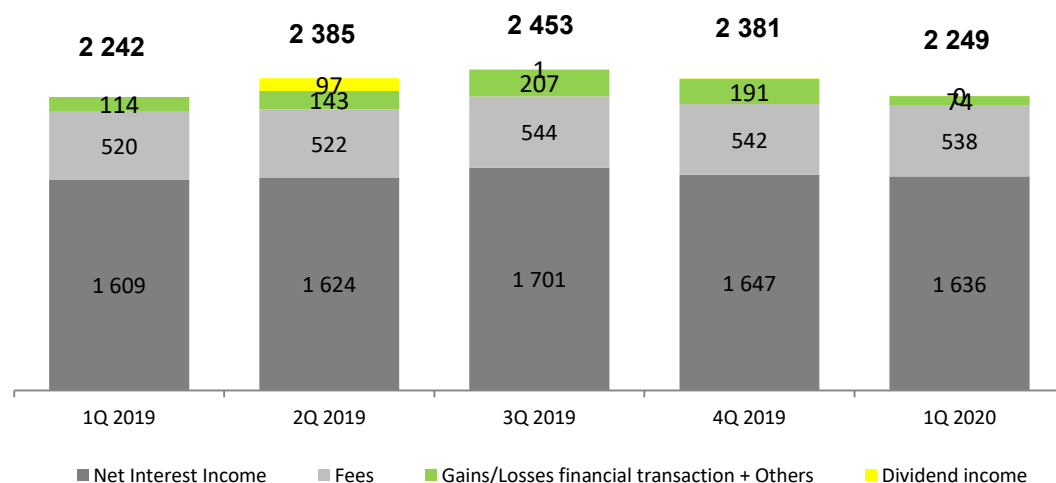
- Fee income +3% YoY and -1 QoQ. Commissions under the pressure due to pandemic situation in the second half of March 2020.
- Good performance in in FX fees (+14% YoY and +10% QoQ), insurance (+28% YoY and +5% QoQ) and brokerage fees (+52% YoY and +147% QoQ).
- Group credit cards commissions stable YoY and -8% QoQ due to worse performance in March and decreased cards commissions in SCB.
- SCB fees +11% YoY and -19% QoQ due to lower commissions from credit cards and higher costs of retail intermediaries settlements.

Gross Income

Gross Income at the same level as in the previous year

Gross income

PLNm



	1Q 2020	1Q 2019	YoY (%)	QoQ (%)
Net Interest Income	1 636	1 609	2%	-1%
Net Fees	538	520	3%	-1%
Subtotal	2 175	2 129	2%	-1%
Gains/losses on financial transactions	33	81	-60%	-73%
Dividends	0	0	41%	-
Other operating income	41	32	26%	-42%
Gross Income	2 249	2 242	0%	-6%
One off items net interest income	53			
Gross Income excl. one offs	2 301	2 242	3%	-7%

SCB Group accounted for PLN 359m in 1Q 2019 and PLN 430m in 1Q 2019.

Comment

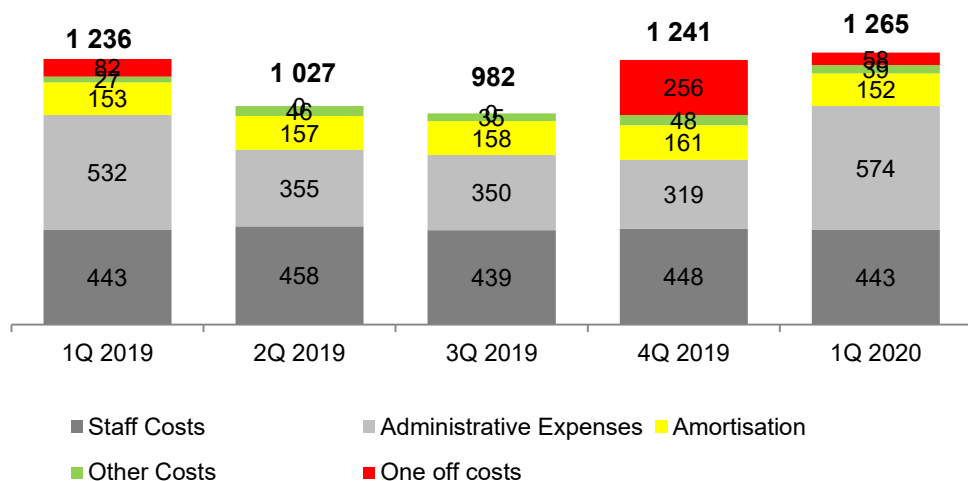
- Total income at the same level as in the previous year and -6% QoQ. Underlying income +3% YoY.
- Profit on sale of debt securities of PLN 52m in 1Q 2020 (PLN 8m in 1Q 2019).
- Negative change in fair value of VISA Inc. shares of PLN 29.8m included in gains from other financial securities (PLN24.6m in 1Q 2019).
- Net trading income and revaluation for Q1 2020 was PLN 6.3m, down 87.0% YoY due to:
 - Total gain on transactions in the derivative market and in the interbank FX market -35% YoY (PLN 28.1m in 1Q 2020).
 - Negative change of PLN 8.0m in the fair value of credit receivables measured through profit or loss in Q1 2020 vs. an increase of PLN 21.5m in their fair value in Q1 2019.

Operating Expenses

Total costs adjusted by one off items -0.4% YoY

Operating expenses

PLNm



	1Q 2020	1Q 2019	YoY (%)	QoQ (%)
General and administrative expenses	(1 022)	(1 057)	-3%	33%
Staff costs	(448)	(525)	-15%	0%
Administration costs	(574)	(532)	8%	80%
Depreciation + Other	(244)	(179)	36%	-48%
General and administrative expenses	(1 265)	(1 236)	2%	3%
One off items	(114)	(80)		
Total expenses – excl. one off	(1 151)	(1 156)	0%	2%

SCB Group accounted for PLN 170m in 1Q 2019 and PLN 172m in 1Q 2019.

Comment

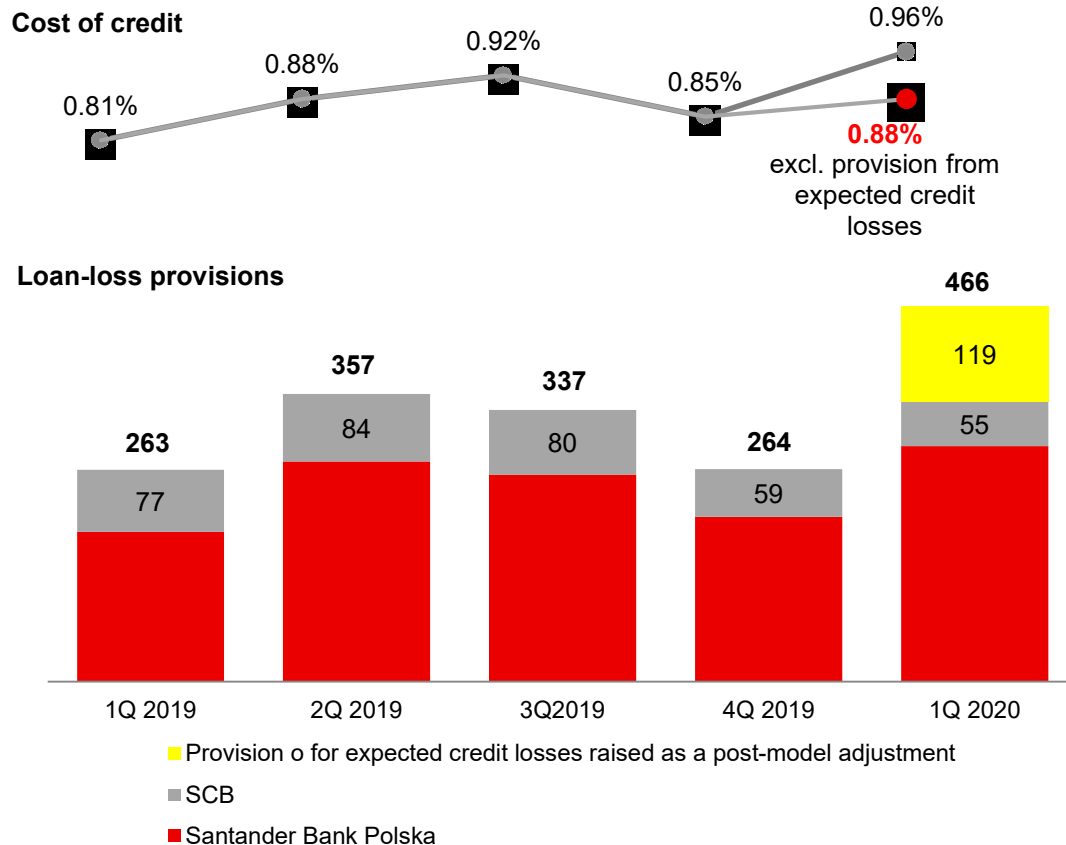
- Administration costs impacted by regulatory costs, which in 2020 amounted to PLN 295m (increase from 228 in 1Q 2019, by 30% YoY) and impacted by legal risk provisions of PLN 47m.
- On quarterly basis decrease of administration costs by 8% - decreases in the following items: third party service, marketing and buildings maintenance.
- In SCB costs unchanged YoY. In 1Q 2020 the restructuring provision of PLN 5m was booked.
- C/I ratio at the level of 56.3% in 1Q 2020 vs. 55.1% in 1Q 2019. Underlying C/I ratio for 2019 was down from 51.6% in 1Q 2019 to 50.0% in 1Q 2020.

Loan-loss provisions (LLPs) and Credit Quality

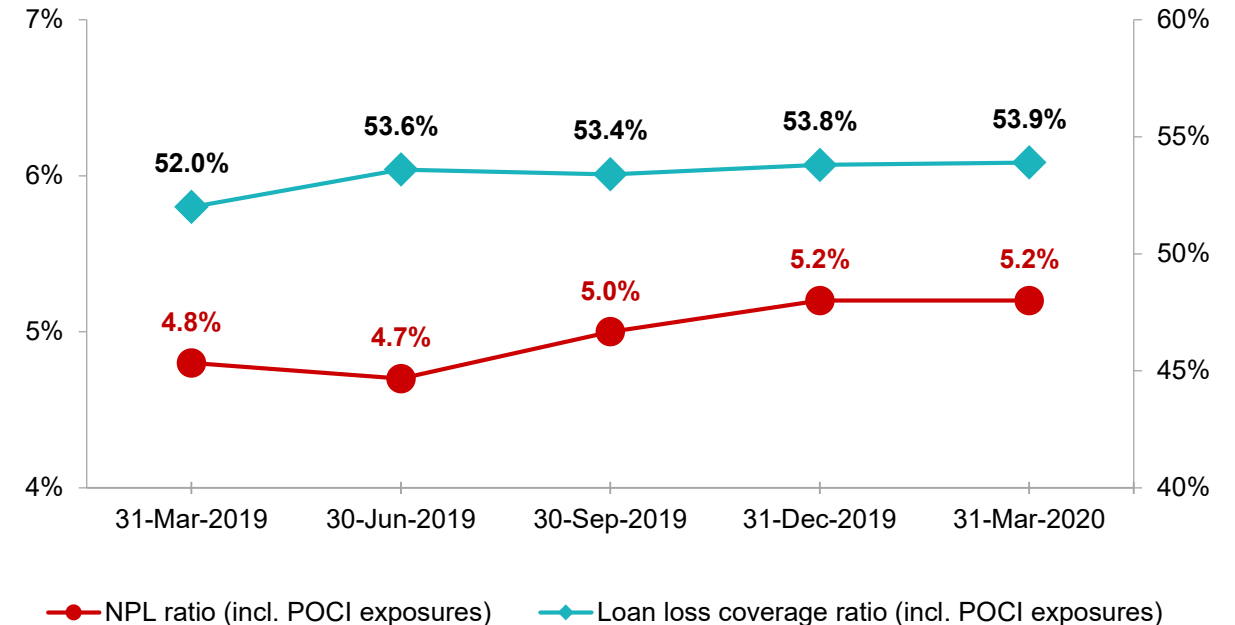
Cost of risk under the pressure of pandemic situation, NPL ratio stable QoQ

mIn PLN

LLPs and Cost of credit



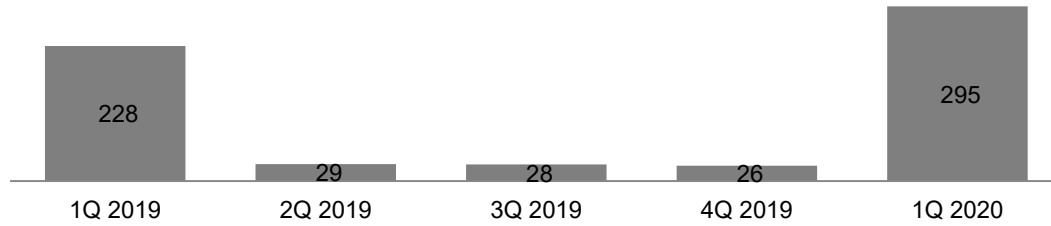
NPL and Coverage ratio*



POCI – purchased or originated credit-impaired asset.
 The NPL ratio and the NPL coverage ratio (including the POCI portfolio) for the period from 31 March 2018 to 30 September 2018 were calculated using gross value of POCI exposures and provision, without adjusting them to the fair value at initial recognition. This presentation was adjusted as of 31 December 2018.

Bank Tax, Regulatory Costs and NPL Sales

Costs related to BGF and PFSA



Resolution Fund contribution:

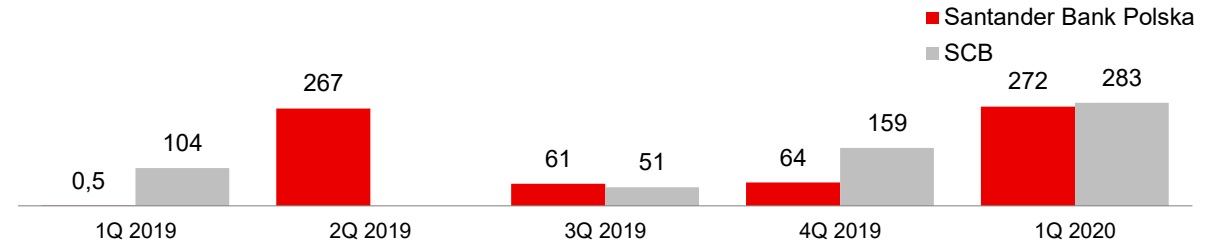
- 2018: SBP PLN 97m; SCB PLN 12m
- 2019: SBP PLN 199m; SCB PLN 26m.
- 2020: SBP PLN 227m; SCB PLN 21m

Banking tax

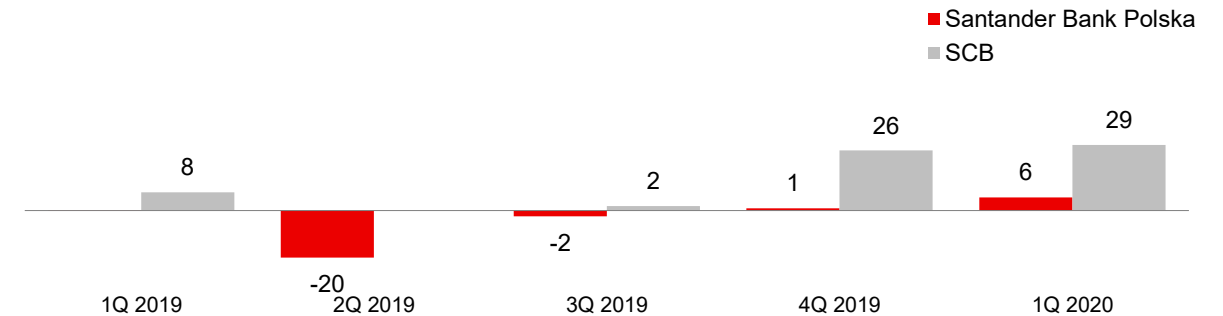
Pursuant to the Act on tax imposed on certain financial institutions, bank assets are subject to tax of 0.0366% per month, effective from 1 February 2016. In 2019, the total tax charged to Santander Bank Polska SA and SCB in this respect was PLN 149m (PLN 137m and PLN 12m respectively).

NPL Sales*

- **Santander Bank Polska:** 1Q 2020 NPL sales of PLN 272.1m, PBT impact PLN 5.8m.
- **SCB:** 1Q2020 NPL sales of PLN 282.5m, PBT gain of PLN 28.7m.



P&L impact (PBT) of sale of NPL



1Q 2020: results under pressure of regulatory factors and loan-loss provisions

1Q 2020 result under influence of significant regulatory and restructuring costs

mIn zł

	1Q 2020	1Q 2019	2020%	Underlying*
NII + Fee income	2 175	2 129	2.2%	4.6%
Gross income	2 249	2 242	0.3%	2.6%
Operating expenses	-1 265	-1 236	2.4%	-0.4%
Loan-loss provisions	-466	-263	77.5%	32.2%
Tax on financial institutions	-149	-154	-3.3%	-3.3%
PBT	385	604	-36.3%	-2.0%
Tax	-152	-192	-20.6%	-20.6%
Attributable profit	171	339	-49.6%	2.8%

Effective Tax Rate

39.5%

31.7%

Growth in core income

Costs impacted by regulatory and legal charges (BGF and ECJ)
Further strong focus on efficiency and synergies

Growth in loan-loss provisions due to growing volumes and structure of the loan portfolio,
Provision for expected credit losses due to COVID-19 pandemic situation

Underlying profit +3% YoY

Effective tax rate impacted by regulatory factors

Conclusions

Actions taken due to COVID-19

- In March 2020, the Group's priorities and focus areas changed due to the outbreak of the SARS-CoV-2. The most important issue was to ensure the safety of employees and customers, whilst maintaining the continuity of business and services. In view of the COVID-19 pandemic, Santander Bank Polska implemented the following temporary solutions to protect personal, SME, business and corporate customers:
 - an option to apply via remote channels for deferral of capital repayments on cash loans and mortgage loans for three or six months;
 - automatic two-month extension of SME business overdrafts due for renewal in the next three months and a possibility for large companies to apply for such extension without additional fees and charges as part of a simplified lending procedure;
 - an option for business customers to apply for an interest-only period of up to 6 months on credit, factoring and lease agreements.

Strategy & Business

- Business strategy is focused on gathering new customers through the development of our multi-channel approach, building long-term relationships with customers based on trust, loyalty and enhanced customer experience.
- Anticipate and respond to customers' needs with tailored products, services and solutions.
- Focus on the growth of profitable business, strengthening its position in the key market segments through organic growth and by embracing opportunities of inorganic growth.
- Combine the increase of shareholder value with the commitment to the growth of local communities.

Results

- Increase in income on core business (interest and fee income) +2% YoY.
 - Efficient management of interest income: net interest income +2% YoY.
 - Increase in fee income by +3% YoY – challenging market environment.
- Cost of risk under pressure due to additional provision for expected credit losses arising from a worsening economic outlook.
- The net profit of PLN 171m impacted by additional regulatory charges and provisions due to worsening outlook amid COVID-19.

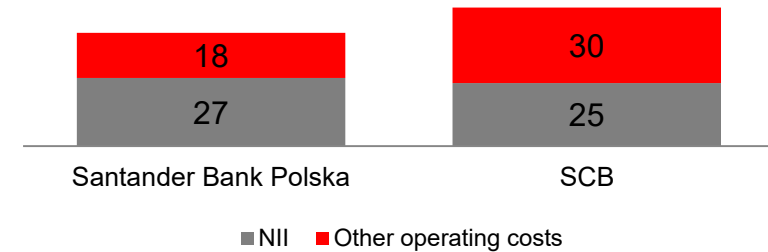
Appendix

04

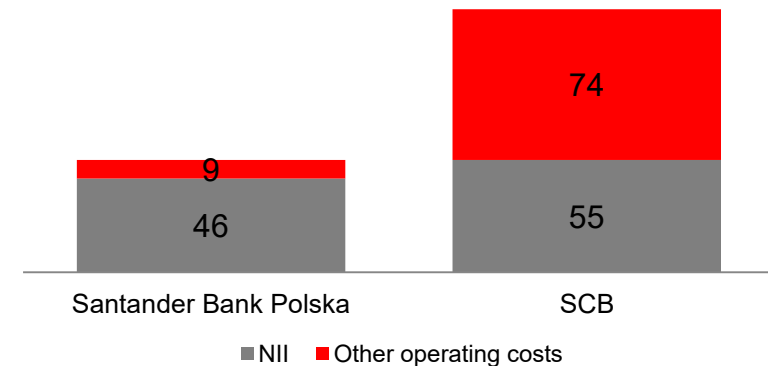
Provisions for reimbursement of a portion of fees charged from customers for early repayment of consumer loans

- On 11 September 2019, the CJEU issued a ruling in case C 383/18, in which it held that pursuant to Article 16(1) in conjunction with Article 3(g) of Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers (“Directive”) the consumer is entitled to an equitable reduction in the total cost of the credit (except for notarial fees and taxes), irrespective of whether such costs are linked to the lending period.
- When assessing the legal risk attached to the court cases in the context of Article 49 of the Consumer Credit Act, the Group raises provisions for legal claims and legal risk in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.
- Based on the history of claims to date, the Group estimated the amount of fees to be reimbursed, using a likelihood matrix corresponding to product types, repayment methods and the reimbursement amount.
- Pursuant to the recommendation issued by the President of the UOKiK in relation to the CJEU judgment, Santander Bank Polska Group calculated the amount of reimbursement on early repaid consumer loans on a straight-line basis and made a relevant charge to the Q1 result in this respect. The estimate takes account of the difference in fee settlement after using a straight-line method, as well as the expected prepayments in this portfolio.

Impact of provisions for the reimbursement obligation on consolidated profit before tax in 1Q 2020

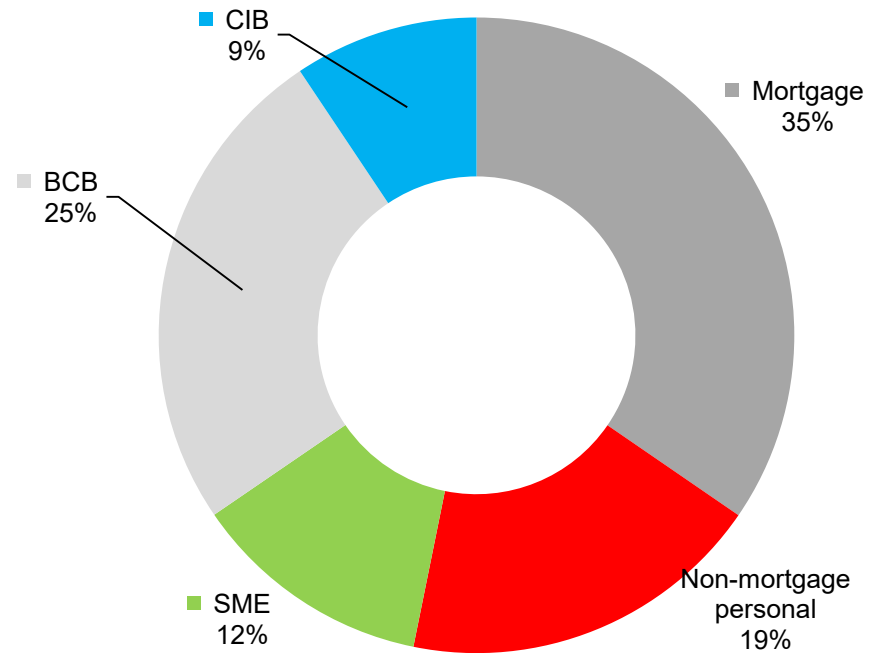


Impact of provisions for the reimbursement obligation on consolidated profit before tax in 4Q 2019



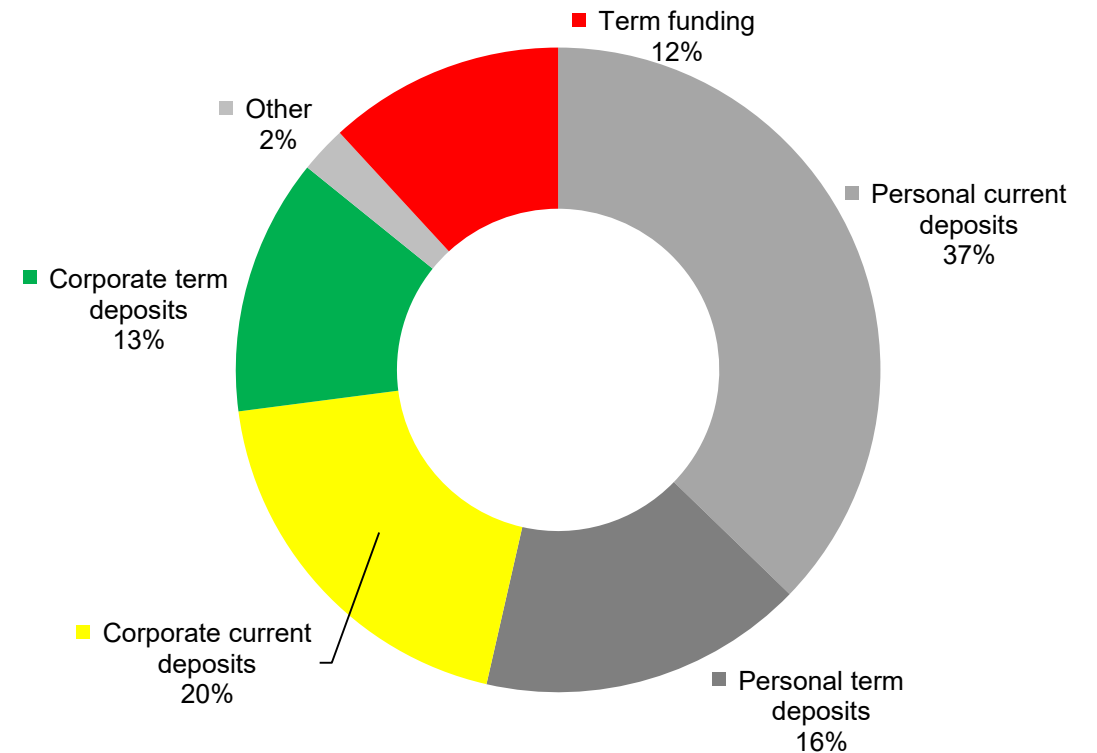
Structure of Loans and Deposits / Term Funding

Gross Loans*



Total PLN 153bn

Deposits & Term Funding*

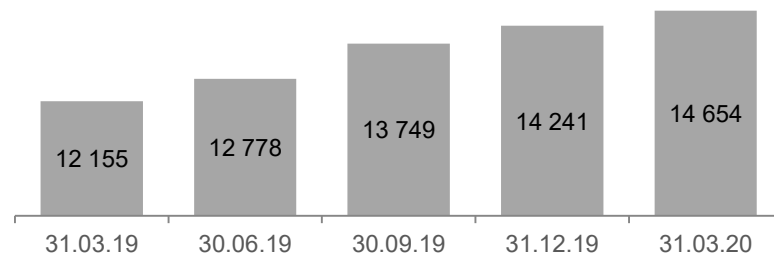


Total PLN 179bn

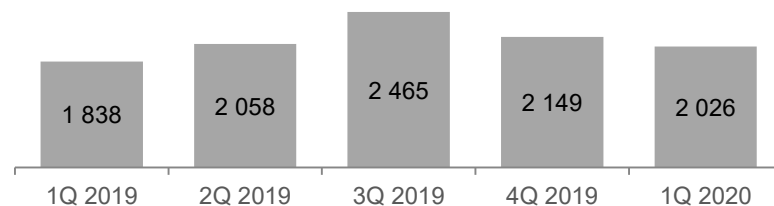
Credit action growth

PLN mln

Cash loans portfolio (gross)

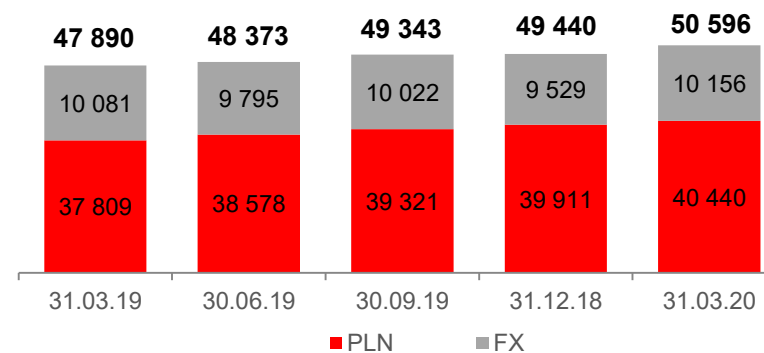


Cash loans - sales

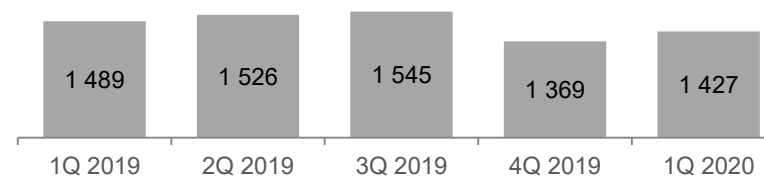


- Cash loans portfolio **+21%** YoY
- Cash loans sales **+10%** Q1 20 / Q1 19

Mortgage loans portfolio (gross)



Mortgage loans - sales

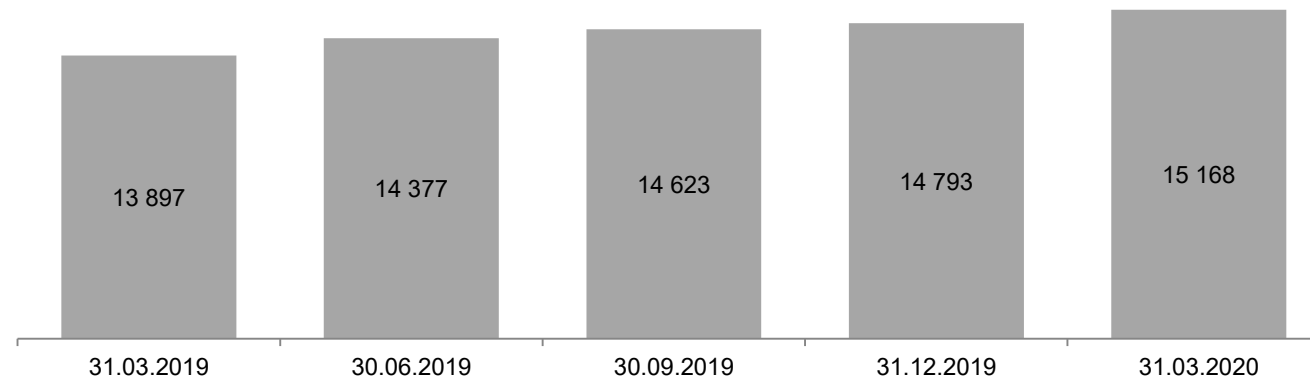


- PLN mortgage loans portfolio **+7%** YoY
- FX mortgage loans portfolio **+1%** YoY
- Mortgage loans sales **-4%** Q1 20 / Q1 19
- Stable market share in mortgage sales: **9,2%***

SME (excluding SCB)

SME Loans (gross)

PLNm



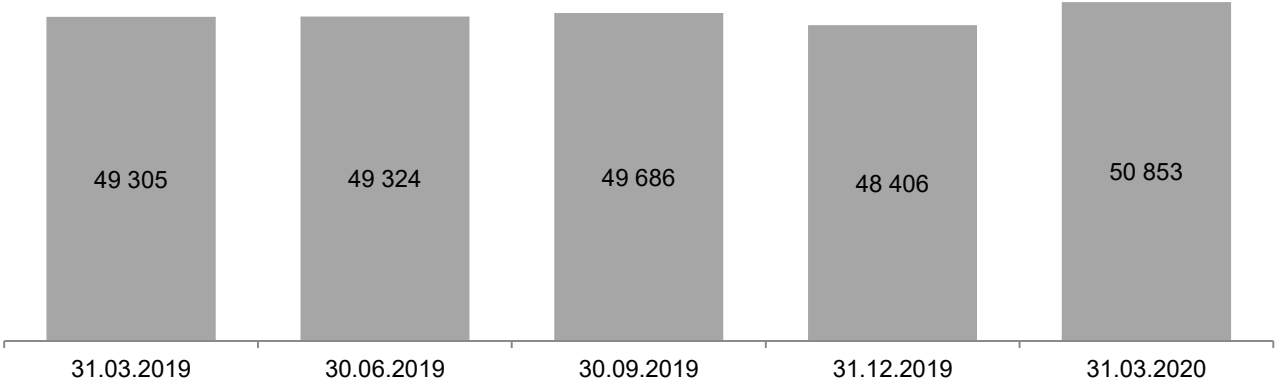
Comment

- SME portfolio growth by +9% YoY.

Corporate & CIB

Corporate & CIB (gross)

PLNm



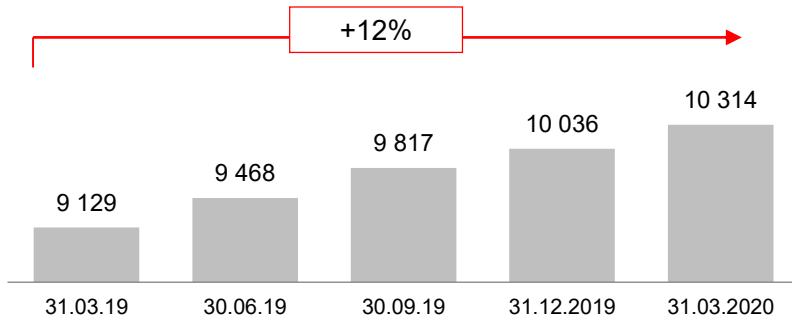
Comment

- Corporate and CIB gross loan portfolio 3% YoY: Corporate loans -1% YoY and CIB +15% YoY.

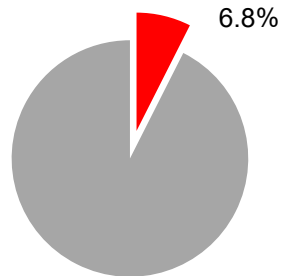
Leasing & Factoring (excluding SCB)

Leasing – empowering the 5th position on the market*

Leasing Portfolio (PLN m)



Market share* (%)

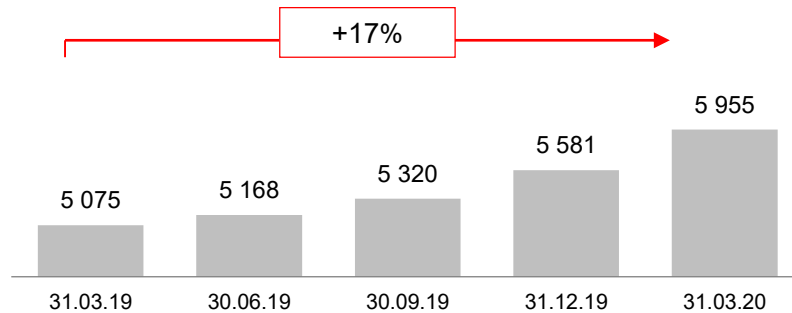


Comment

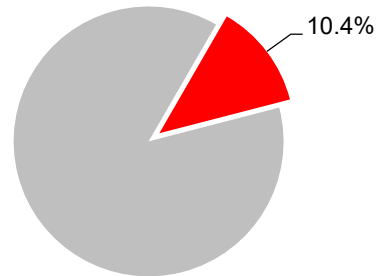
- Leasing portfolio PLN 10bn, i.e. +12% y/y
- Total Income growth +7% y/y
- Net value of financed assets in 1Q 2020 PLN 1.2bn, 5% r/r

Factoring – 4th position on the market

Portfolio (PLN m)



Market share* (%)

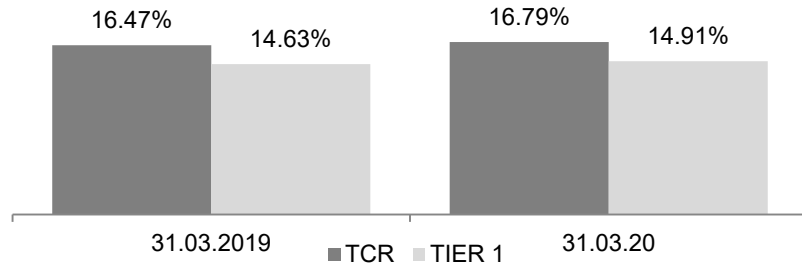


Comment

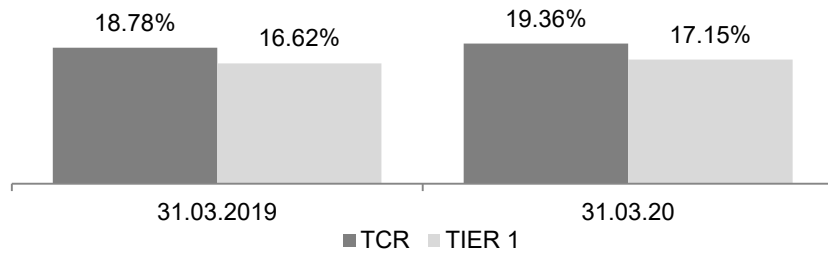
- Portfolio + 17% YoY
- Turnover + 6% YoY
- 4th position in the market
- Confirming / Reverse Factoring - market leader with 26% market share

Capital & Liquidity Position

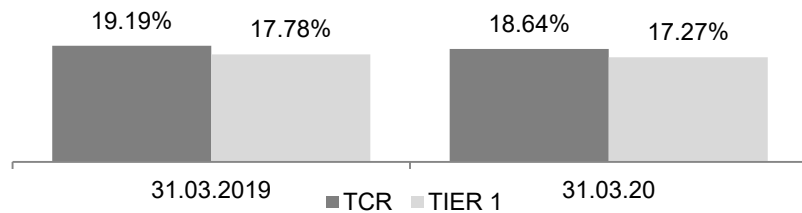
Santander Group Capital Ratio



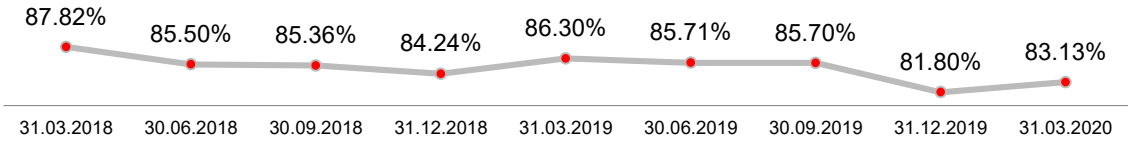
Santander Bank Capital Ratio



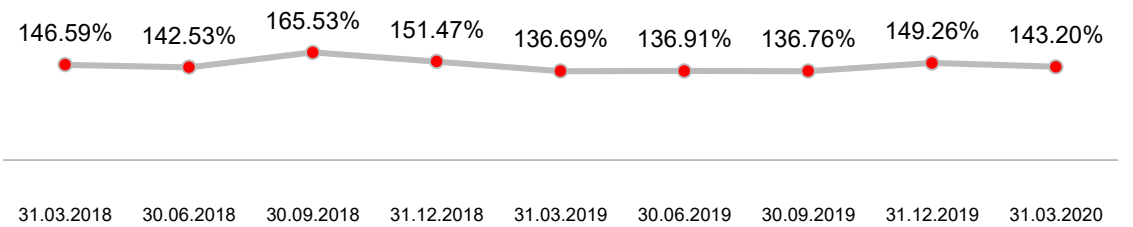
SCB Capital Ratio



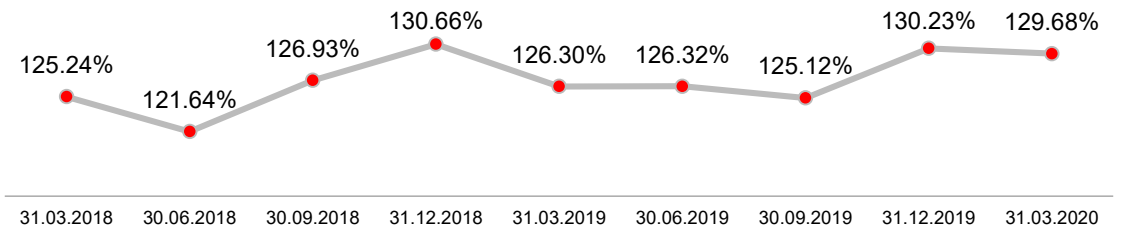
Santander Bank Polska (excl. SCB) Loan to Deposits Ratio (L/D)



Santander Bank Polska Liquidity Coverage Ratio (LCR)



Santander Bank Polska Net Stable Funding Ratio (NSFR)



Santander Bank Polska Group: Key ratios 1Q 2020

Selected financial ratios of Santander Bank Polska Group	1Q 2020	1Q 2019 ¹¹⁾
Total costs/Total income	56.3%	55.1%
Net interest income/Total income	72.8%	71.7%
Net interest margin ¹⁾	3.32%	3.48%
Net commission income/Total income	23.9%	23.2%
Customer net loans/Customer deposits	93.6%	93.9%
NPL ratio ²⁾	5.2%	4.8%
NPL coverage ratio ³⁾	53.9%	52.0%
Credit risk ratio ⁴⁾	0.96%	0.81%
ROE ⁵⁾	8.5%	10.4%
ROTE ⁶⁾	10.1%	12.4%
ROA ⁷⁾	0.9%	1.1%
Capital ratio ⁸⁾	16.79%	16.47%
Tier I ratio ⁹⁾	14.91%	14.63%
Book value per share (in PLN)	266.84	262.42
Earnings per share (in PLN) ¹⁰⁾	1.67	3.32

1) Net interest income annualised on a year-to-date basis (excluding interest income from the portfolio of debt securities held for trading and other exposures related to trading) to average net earning assets as at the end of subsequent quarters after the end of the year preceding the accounting year (excluding financial assets held for trading, hedging derivatives, other exposures related to trading and other loans and advances to customers). 2) Gross loans and advances to customers classified to stage 3 and POCI exposures to the portfolio of gross loans and advances to customers measured at amortised cost at the end of the reporting period.

3) Impairment allowances for loans and advances to customers classified to stage 3 and measured at amortised cost and POCI exposures to gross value of such loans and advances at the end of the reporting period.

4) Impairment allowances (for four consecutive quarters) to average gross loans and advances to customers (as at the end of the current reporting period and the end of the last year).

5) Profit attributable to the parent's shareholders (for four consecutive quarters) to average equity (as at the end of the current reporting period and the end of the last year), net of noncontrolling interests, current period profit and the undistributed portion of the profit. The underlying ROE for 2019 was 10.6% as at 31 March 2020.

6) Profit attributable to the parent's shareholders (for four consecutive quarters) to average tangible equity (as at the end of the current reporting period and the end of the last year) defined as common equity attributable to the parent's shareholders less revaluation reserve, current year profit, dividend, undistributed portion of the profit, intangible assets and goodwill.

7) Profit attributable to the parent's shareholders (for four consecutive quarters) to average total assets (as at the end of the current reporting period and the end of the last year). The underlying ROA was 1.2% as at 31 March 2020.

8) The capital adequacy ratio was calculated on the basis of own funds and total capital requirements established for the individual risk types by means of the standardised approach, in line with the CRD IV/CRR package.

9) Tier 1 capital ratio calculated as a quotient of Tier 1 capital and risk-weighted assets for credit, market and operational risk.

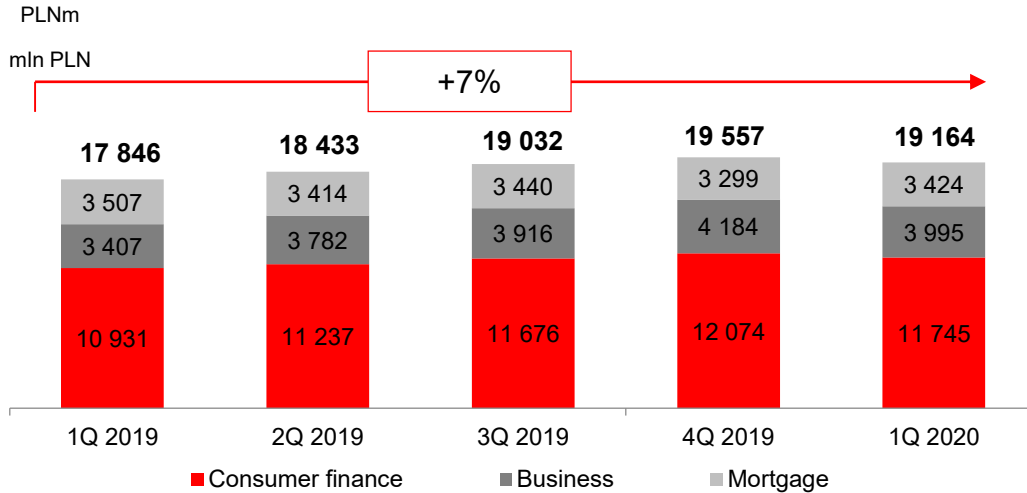
10) Net profit for the period attributable to shareholders of the parent entity divided by the average weighted number of ordinary shares.

11) The ratios for 1Q 2019 were recalculated taking into account the impact of an adjustment to the accounting treatment of repurchase transactions.

SCB Group - Loans

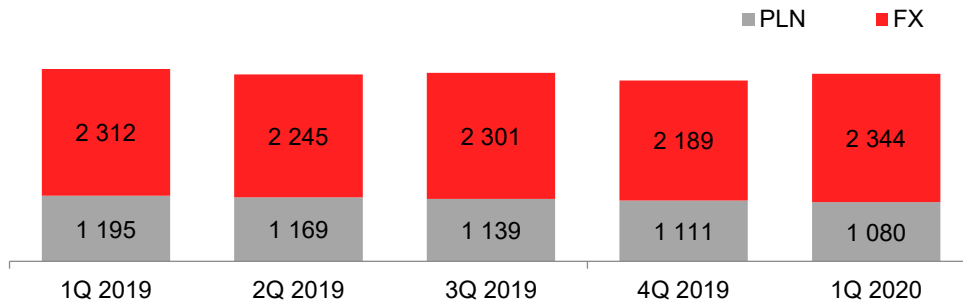
Gross Loans SCB +7% YoY

Total gross loans



	31.12.2019	31.12.2018	YoY (%)	QoQ (%)
Individuals	15 169	14 439	5%	-1%
Mortgage	3 424	3 507	-2%	4%
Consumer finance	11 745	10 931	7%	-3%
MSP/Leasing	3 995	3 407	17%	-5%
Total gross loans	19 164	17 846	7%	-2%

Gross mortgage portfolio



Comment

- **Total gross loans: +7% YoY:**
 - Mortgage portfolio -2% YoY
 - CHF mortgage loans -9% YoY (ca. CHF 55 m)
 - Consumer finance loans +7% YoY
 - Business loans +17% YoY

SCB Group - Key Financial Results 1Q 2020

PLNm	1Q 2020	1Q 2019
Assets	21 713	20 201
Net Loans	17 172	16 032
Deposits	9 956	8 932
Total equity	3 525	3 023
Net profit	99	128
L/D (%)	172.5%	179.5%
C/I (%)*	53.9%	40.6%
ROE (%)	11.3%	15.8%
ROA (%)	1.8%	2.6%
TCR (%)**	18.6%	19.2%



Contacts:

Maciej Reluga
CFO, Chief Economist
maciej.reluga@santander.pl

Agnieszka Dowżycka
Investor Relations Director
agnieszka.dowzycka@santander.pl