

Presentation of financial results for 1-3Q 2020

Santander Bank Polska Group



Bank
Newstrelca

1. miejsce
za bankowość tradycyjną
2. miejsce
za bankowość internetową



2. miejsce
za „Bank przyjazny firmie”



Agenda

Results for 1-3Q 2020

1. Our activities and our people
2. Our business development
3. Our customers
4. Our financial results

More information

5. Attachments

Results for 1-3Q 2020 |

Our activities and our people

01

Our response to COVID-19

We took care of smooth operations

We changed our products and processes to increase safety

- We implemented temporary solutions to support borrowers from personal, SME, business and corporate segments.
- We increased the limit of contactless payments without a PIN from PLN 50 to PLN 100 for holders of debit and credit cards

We limited footfall at branches

- We suspended sales campaigns requiring a visit to the branch.
- New initiatives were launched to promote remote channels.

We introduced remote work solutions

- A range of communication and information campaigns are run to support remote work.
- Employees may borrow their office monitors to work from home.



Our response to COVID-19

We took care of safety of customers and employees

We took care of our employees' health

- During the peak of the pandemic (March–May), we shortened the working time of branch staff from eight to six hours, with five hours dedicated to direct customer service (seven hours since 1 June).
- Vulnerable employees (people above 55 years of age with underlying conditions) were assigned to other tasks than customer service (including tasks performed as part of remote work).
- We implemented a dedicated form followed by an application for monitoring employees' health to ensure that appropriate measures can be taken as needed.



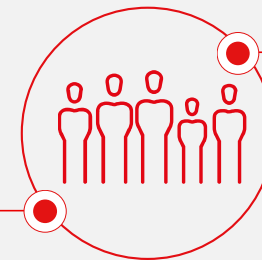
We supported our employees with children

- We provided information and support to employees with children, including dedicated materials with up-to-date information about additional allowances for employees who stayed at home with their children during the closure of schools and kindergartens.

We took measures to help customers and employees stay safe

- We provided personal protective equipment to branch staff (plexiglass screens, face masks, gloves, face shields) and employees working from offices (face masks, gloves).
- Our offices were adapted in accordance with the safety regulations – we have put notice signs, reminding employees of social distancing rules and enhanced hygiene measures.
- Employees who have to work from the office (critical roles) can use parking space next to the office buildings to avoid public transport.
- Employees who return to offices are informed about the new hygiene regime.

We took care of our employees



We looked after our customers

Q3: quarter of isolation

We have carried out the “Power to Help” (“PoMoc jest w nas”) charity campaign in order to increase social awareness about cancer in children and the challenges related to its treatment. We wanted to raise funds for 10 centres for pediatric oncology across Poland. For every BLIK payment, the Bank paid 5 groszy to the campaign fund. Over 600 thousand customers participated and made a total of 3 081 444 BLIK transactions. Thanks to their contribution, we have donated PLN 200 000 to hospitals.



Change of our behaviours

In view of the epidemic situation in Poland, the Bank’s Management Board decided to pause the return of employees to offices and to continue teleworking until the end of the year.

For the employees subject to the plan of returning to the office, we have implemented a rotational system. This allows for managing the employees’ presence in the office, thus limiting the risk of infection.

Ongoing traffic monitoring has been put in place in office buildings to limit staff density, mitigate business disruption risk and facilitate management if an employee tests positive for Covid-19.

We have implemented additional safety measures in branches in high risk zones. We ensure continuous access to protective measures for employees and customers (masks, gloves, plexiglass shields, etc.).

We actively monitor employees’ health indicators and the cases of infections thanks to a special intranet form and the “Our Health” application. The data we obtain lets us ensure safety to our employees and manage the situation on an ongoing basis.

Our response to COVID-19

Support for personal and business customers

- We provided customers with an option to apply for three-month or six-month deferral of principal repayments or principal and interest repayments on cash loans and mortgage loans; to business customers, we offer repayments under loan, factoring and lease agreements.
- We offered a possibility to suspend* the performance of agreements on the following credit facilities:
 - cash loans
 - mortgage loans
 - personal overdrafts
 - credit card limits (for one, two or three months)
 - SME overdrafts with a decreasing limit (for three or six months).
- Our customers could also apply for:
 - automatic renewal of personal overdrafts and credit card limits;
 - automatic free-of-charge two-month extension of SME overdrafts; in the case of large companies: extension of overdrafts with no additional fees and charges as part of a fast-track procedure.

Number of clients for whom the bank recognized aid tools by 30/09/2020 as part of initiatives aimed at mitigating the negative effects of COVID-19

Total number of customers: 149.7k

- **Santander Bank Polska S.A.: 88.9k customers,** including:
 - Individual 62.3k customers
 - SME 24.6k customers
 - BCB and CIB 2k customers
- **Santander Consumer Bank Group: 60.6k customers.**

Our communication



Bank As You Want It

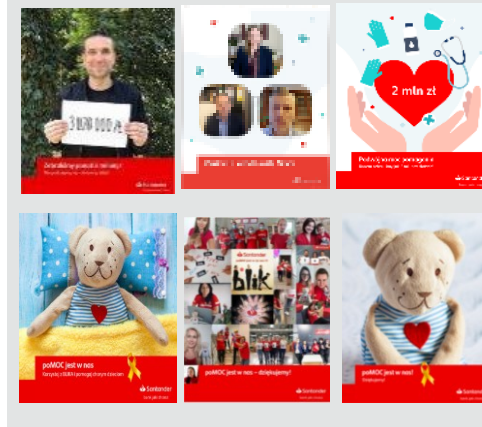
In 2017, we introduced our new brand claim: BANK AS YOU WANT IT. We offer products and services which are tailored to our customers' changing needs. This is one of the banking brand claims that people tend to remember the most.

Communication during the COVID-19 pandemic

Our communication with customers during the pandemic has been intended to give them the sense of security and support (providing customers with advice on how to protect their health, how to avoid cyber attacks and how to bank in a safe way).

We organized two charity campaigns:

- **We will double your impact**, in which our customers joined us in our efforts to provide financial aid to hospitals in a fight against the pandemic – **we donated PLN 5m and we donated money for the purchase of medical equipment.**
- **Power to Help** in which for every transaction made with BLIK, we donated money to help children with cancer (**a total of PLN 200,000**).



Brand Ambassador

Actor **Marcin Dorociński** became our new brand ambassador. As the surveys had shown, he was the most recommended candidate to represent our Bank. Marcin Dorociński is a popular actor who also actively supports social responsibility initiatives.



Advertising campaigns

KJC – summer

We have designed an advertising campaign based on the new communication platform featuring Marcin Dorociński (start: 1 July). Our brand ambassador plays different roles in the commercial, highlighting the Bank's ability to meet all customers' needs and presenting the advantages of mobile payment solutions – BLIK and instant transfers.






Account As I Want It, family banking – autumn

Yet another campaign this year promoting family banking (start: 5 October). Marcin Dorociński impersonates someone who witnesses dreams and problems of adolescence. Using accounts in one bank by the whole family allows teenagers to gain independence under adult supervision. Teenagers can pay with a card and make BLIK transfers to their friends, while their parents can control how their children spend money and transfer pocket money to their accounts.



Responsible Banking (CSR)*

SUSTAINABLE MANAGEMENT	
<p>Our goals</p> <p>Sustainable management and building an inclusive work environment.</p>	
<p>Our achievements</p> <ul style="list-style-type: none"> ▪ Responsible Banking strategy based on ESG indicators ▪ Social and environmental policy package ▪ Environmental and Social Risk Management (ESRM) as criteria for assessing corporate and investment banking projects ▪ Start of the implementation of TCFD recommendations ▪ ESG indicators as part of product and service evaluation process ▪ Simplification and digitisation of processes 	

CSR PROJECTS	
<p>Our goals</p> <p>Supporting local communities and investments in universities</p>	
<p>Our achievements</p> <p>Activities of the Santander Bank Polska Foundation</p> <ul style="list-style-type: none"> ▪ PLN 0.5 million spent on co-financing 68 projects under the "Here I Live, Here I Make ECO Changes" campaign. ▪ More than 250 beneficiaries of the projects implemented by the Foundation. <p>Santander Universidades</p> <ul style="list-style-type: none"> ▪ 59 associated universities ▪ online scholarships in the field of digital law ▪ 252 scholarships granted so far under SU scholarship programs in Poland. 	 

Responsible Banking (CSR)*

GREEN BANK

Our goals

The **Green Strategy** includes:

- green product offering
- support for Poland on its way to zero emissions
- gradual reduction of our own environmental footprint

Our achievements

Green offer

- as of the beginning of 2020, PLN 267 million in support of RES development in Poland (R.Power, Polenergia)
- PLN 165.4 million for Solaris Bus & Coach with BGK's guarantee for the delivery of 50 zero-emission buses for the Municipal Transit Company in Krakow.

Green bank

- as of 2020, 100% of energy purchased from renewable sources
- the only bank in the Ellen Mc Arthur's "Plastics Pact"



INCLUSIVE BANK

Our goals

Development of an inclusive and integrating banking offer tailored to different customer needs and providing financial education.

Our achievements

Bank adapted to specific needs

- An innovative branch for blind persons with a typhlographic (convex images) branch plan and tactile paths as well as the TOTUPOINT system.

Financial education at every stage of life

- "Log in Seniors" educational campaign
- A series of webinars for all customer segments on running a business in times of the pandemic. www.finansiaki.pl website for parents and teachers devoted to financial education



Euromoney Award

Santander Bank Polska awarded in the prestigious Euromoney competition for its actions for clients and society during the pandemic



Santander Bank Polska was the only bank in Poland to be distinguished in Euromoney Awards competition for the actions taken for the benefit of its customers and society during the COVID-19 pandemic.

The award that Santander Bank Polska received within the Excellence in Leadership was granted this year to only three financial institutions from across Central and Eastern Europe.

The jury of the Euromoney competition distinguished Santander Bank Polska for the extensive financial support it provided not only to retail customers, but also to businesses, especially SMEs.

The organisers also appreciated the initiatives undertaken by the Bank, which had a positive impact on the Polish society. The awarded activities include “We will double your impact” campaign, a charity fundraiser for hospitals in Poland to support medical personnel in their fight against the coronavirus, and the launch of the RazemPokonamy.pl website with general information related to the pandemic.



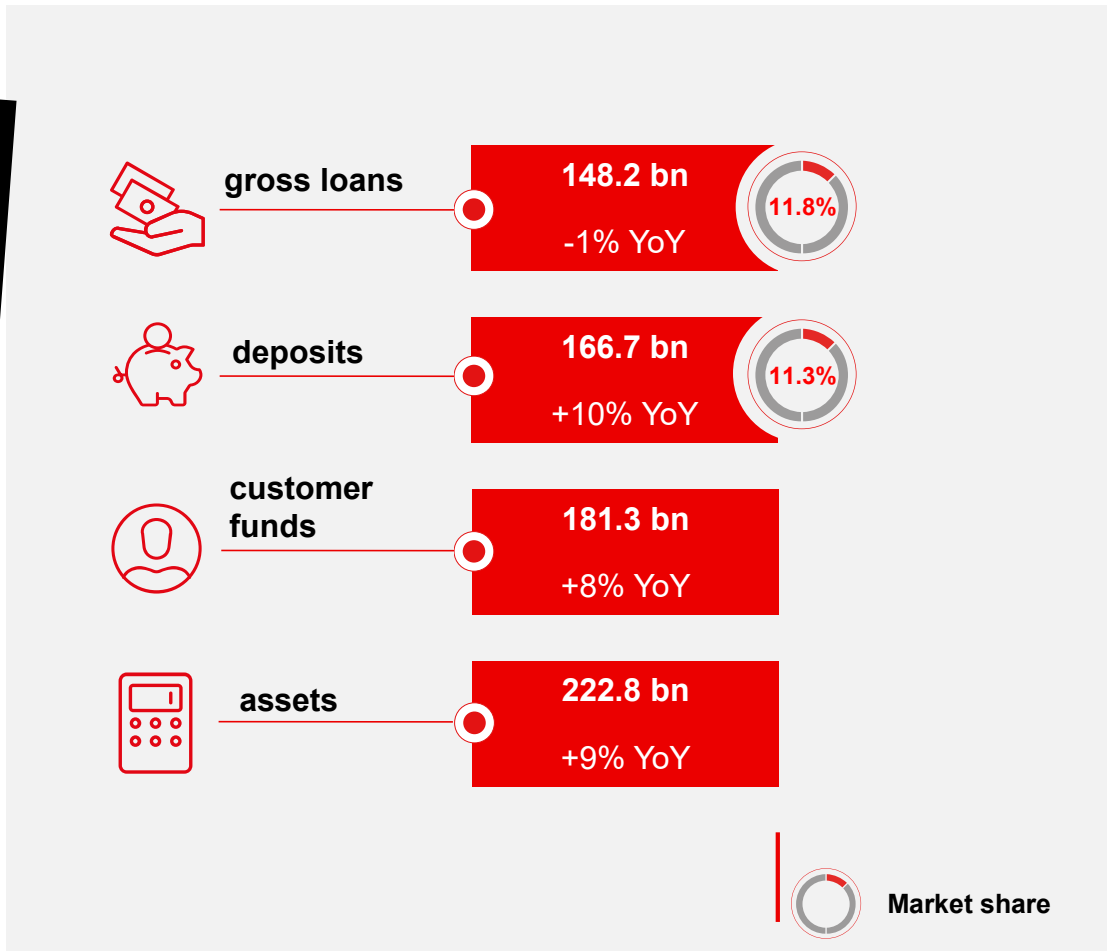
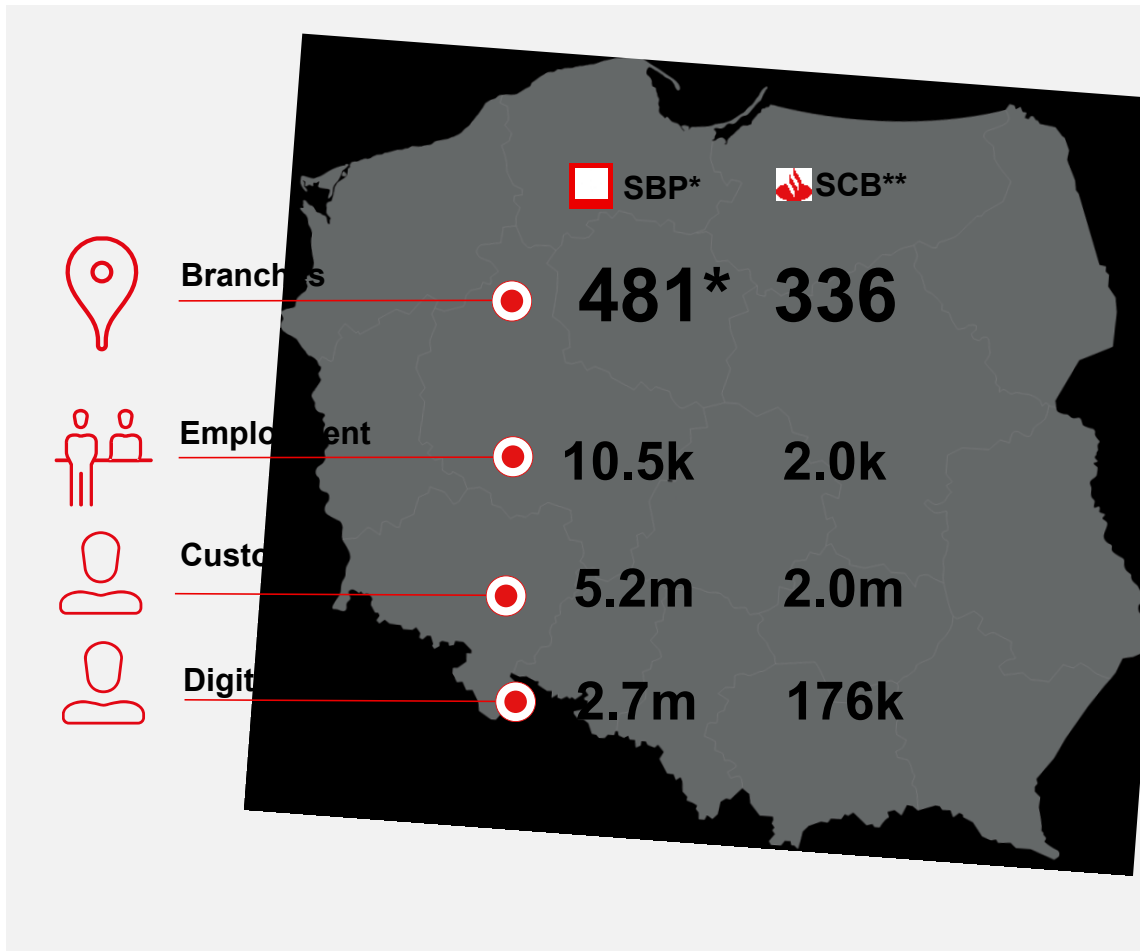
Results for 1-3Q 2020

Our business development

02

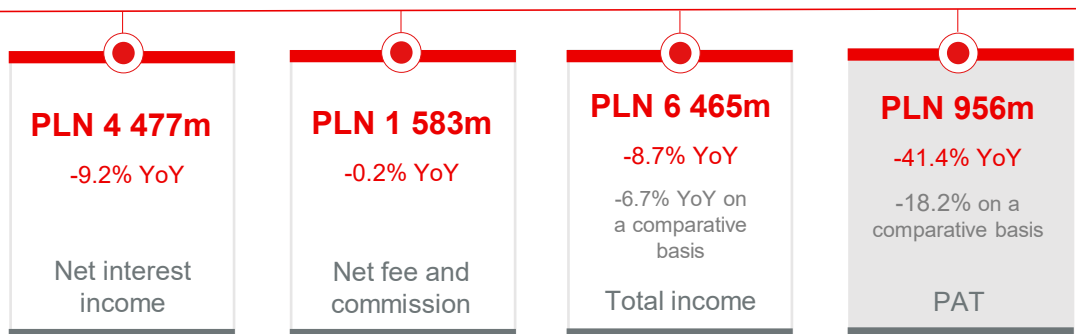
General operational data

Key volumes



Key financial results for 1-3Q 2020

Key results

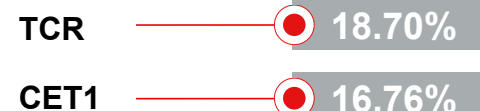


In underlying terms for individual line items, i.e. assuming a fixed level of contributions to the BFG and excluding the following items – from the profit for 1-3Q 2020: an adjustment to interest income accounting for the refund of a portion of fees on early repaid consumer loans (PLN129m), provisions for legal risk connected with the consumer loans portfolio (PLN 47.1m), provision for legal risk connected with the foreign currency mortgage loans portfolio (PLN 63.2m), management provision for expected credit losses arising from a worsening economic outlook (PLN 151.3m), dividend income (PLN 22.5m) and provision for employment restructuring at SCB (PLN 15.4m) income from an update of parameters of the model for calculation of provisions for insurance premium refunds at SCB (PLN 103m), and – from the profit for 1-3Q 2019: dividend income (PLN 98.7m), provision for employment restructuring at Santander Bank Polska S.A. (PLN 88.2m) and profit on preliminary settlement of the sale of an organised part of the enterprise of PLN 50m.

Financial ratios For 1-3Q 2020

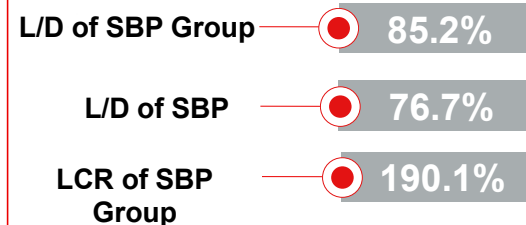
Capital position

Strong capital position well above the KNF requirements



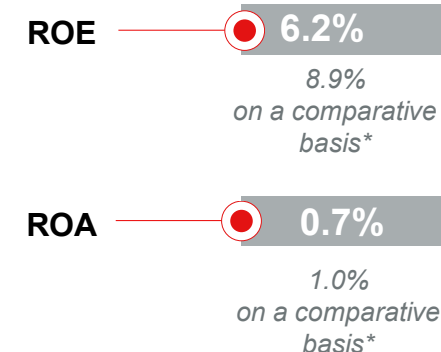
Liquidity position

Safe liquidity position



ROE, ROA

ROE, ROA – leading position in the peer group

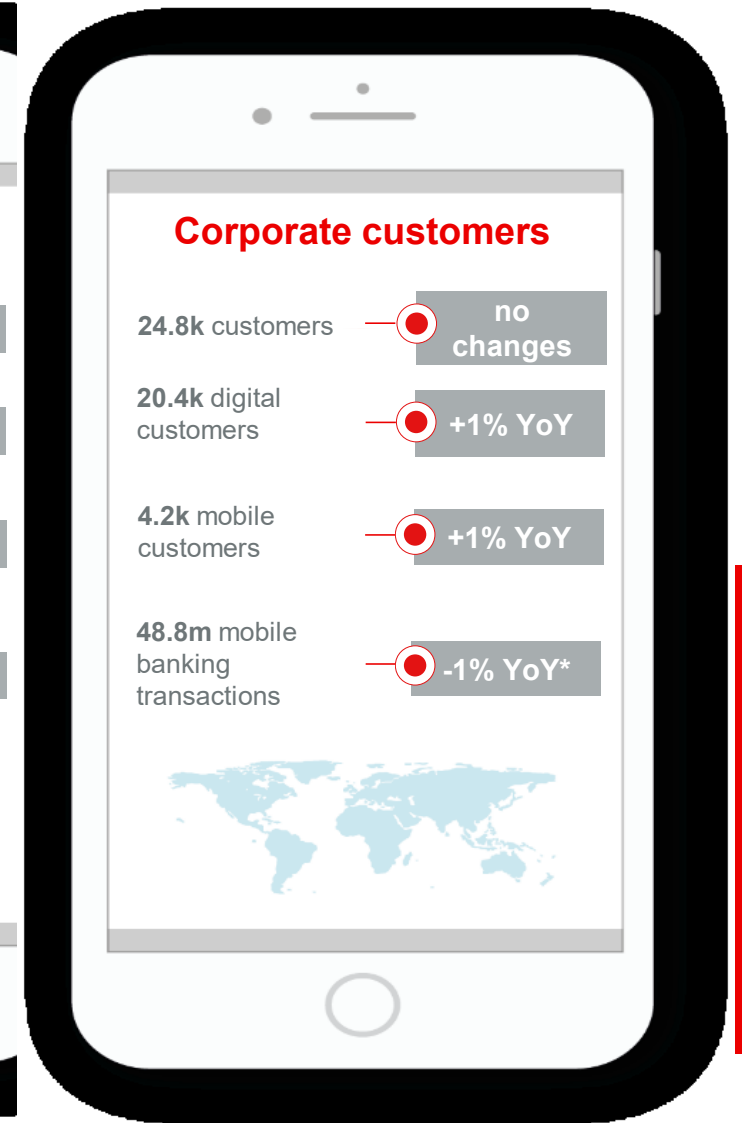
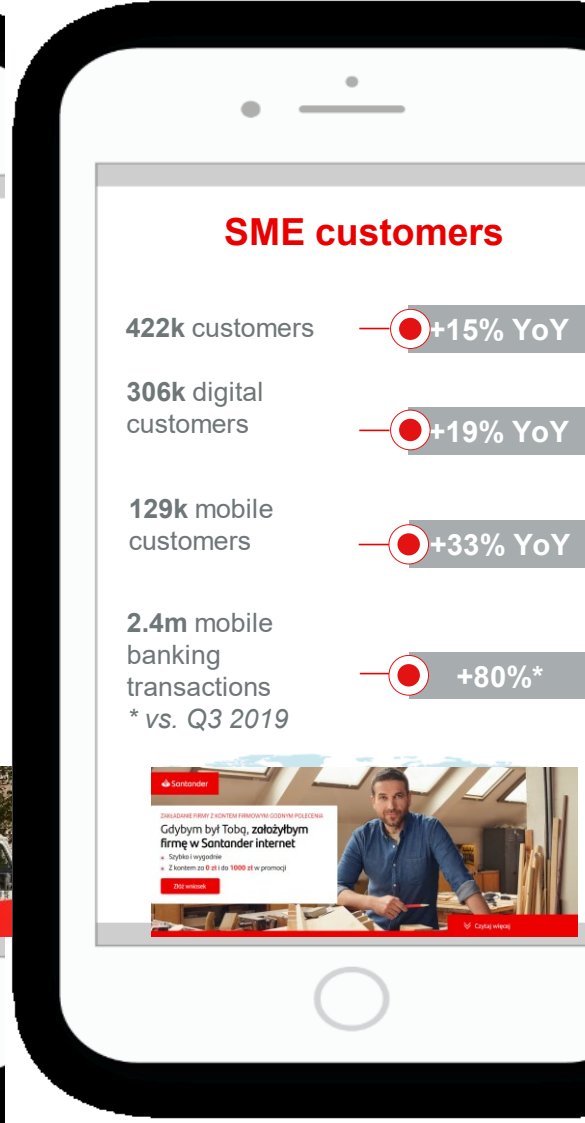
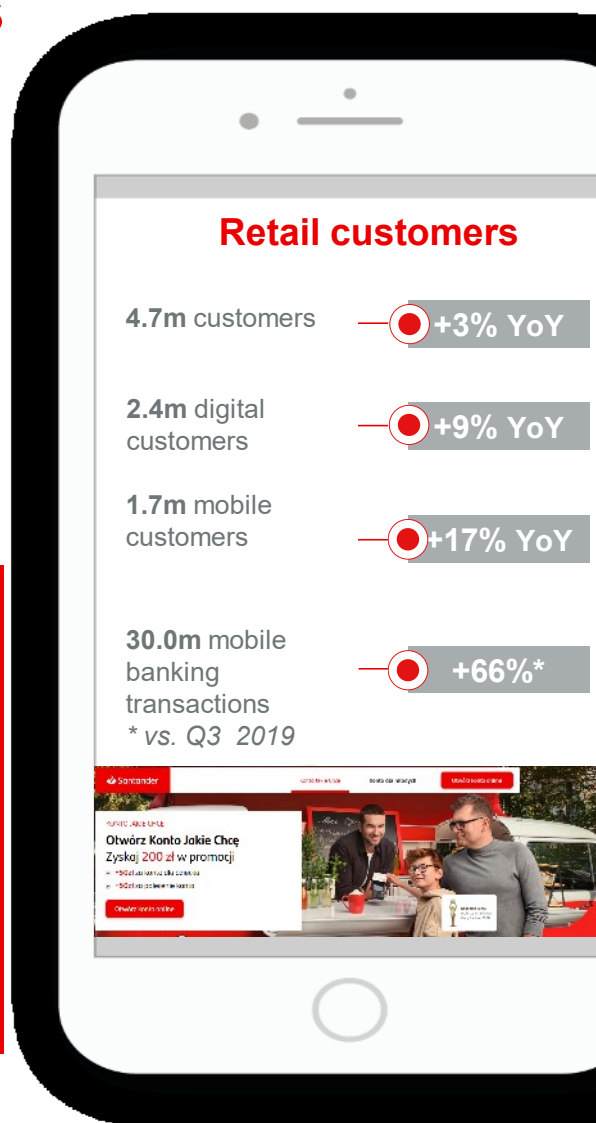


Results for 1-3Q 2020

Our customers

03

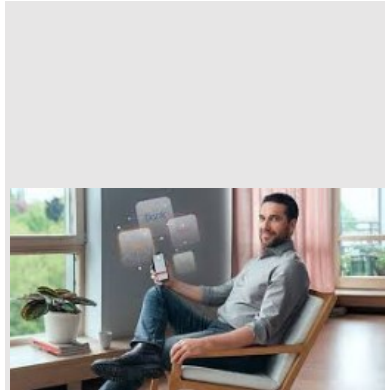
Our customers in numbers*



New products and services

Retail customers

- We have made available transfers from other banks in Santander Open (PKO BP, Pekao, Alior Bank, ING Bank Śląski and T-Mobile Usługi Bankowe)
- We have launched Chatbot Santi on product webpages at santander.pl
- We have launched Work/Café in Gdańsk with all its functionalities; after Warsaw, it is another place that combines a bank branch, cafeteria and co-working space for customers and guests



SME customers

- Special offer: LUX MED medical services package for Mastercard Business Debit holders
- Next edition of „Dostałem szóstkę” – special offer for new and existing customers interested in POS terminal purchase

Rozwijaj swój biznes z terminalem płatniczym

0 zł abonamentu za terminale:

- na zawsze dla terminali mobilnych
- do 24 miesięcy dla terminali stacjonarnych i przenośnych

Sprawdź

Santander

Corporate customers

- We help customers in their development by supporting them during the pandemic - 5,200 customers received funds from the PFR Shield, 2,000 customers availed of BGK guarantees for a total amount of PLN 2.5 billion, over 2,000 customers benefited from deferred capital repayment.
- We have implemented:
 - a possibility of using electronic signature for leasing contracts
 - regular customer surveys in the Net Promoter Score methodology
- As the first financial institution in Poland, we have implemented a cloud-based CRM - one of the most innovative systems in the world: Salesforce CRM.
- As one of the first factors in Poland, we signed an agreement with BGK on supporting factoring limits with guarantees from the Liquidity Guarantee Fund.

Education and support for customers

Retail Customers

- We help to educate seniors – we talk about how to bank remotely („Zaloguj Seniora” programme)
- We have implemented practices regarding services provided to sensitive customers (those more exposed to financial or personal loss due to their life circumstances)
- We are changing our communication to customers: it is more accessible, in accordance with simple language rules



SME Customers

We educate our customers about products and services for SME, and how to:

- verify counterparty account number on VAT White List in electronic banking
- avoid fee for business account
- change transfers limit on their own
- use new services – eWadia (purchase of guarantee online)



BCB Customers

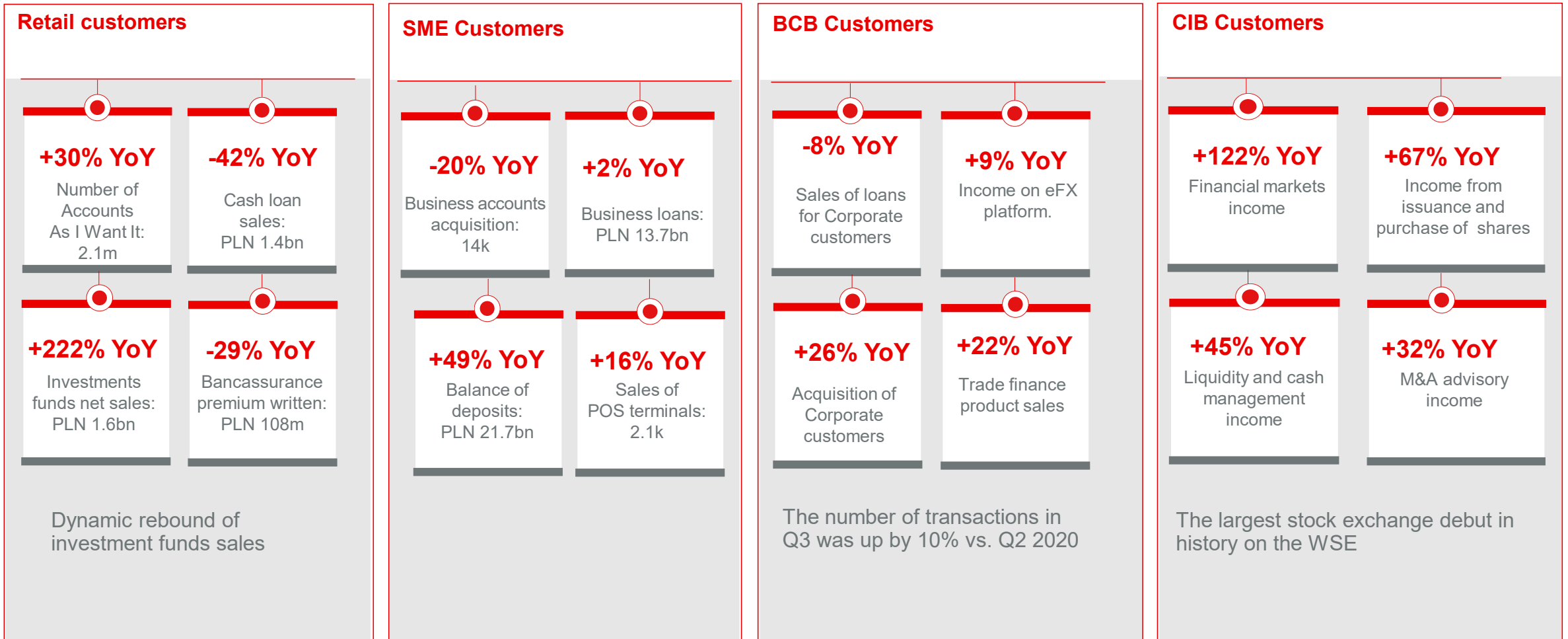


- In the last three months, we organised a series of webinars for customers about the situation in selected sectors and key markets of the Santander Group, and we discussed business activities with the use of Trade Finance instruments.
- Together with SpotData, we published a report: “Time for margins. How Polish food producers can move from volume expansion to increasing efficiency.” The report, preceded by a series of press publications and completed by an expert webinar, has received a very positive feedback from the market and industry experts.

CIB Customers

We issued about 200 stock exchange recommendations in 2020 and organised a conference for institutional investors “2020 CEE Equity Outlook,” attended by several dozen managers from investment and pension funds.

Selected business data (3Q 2020)



Results for 1-3Q 2020

Our financial performance

04

Gross loans

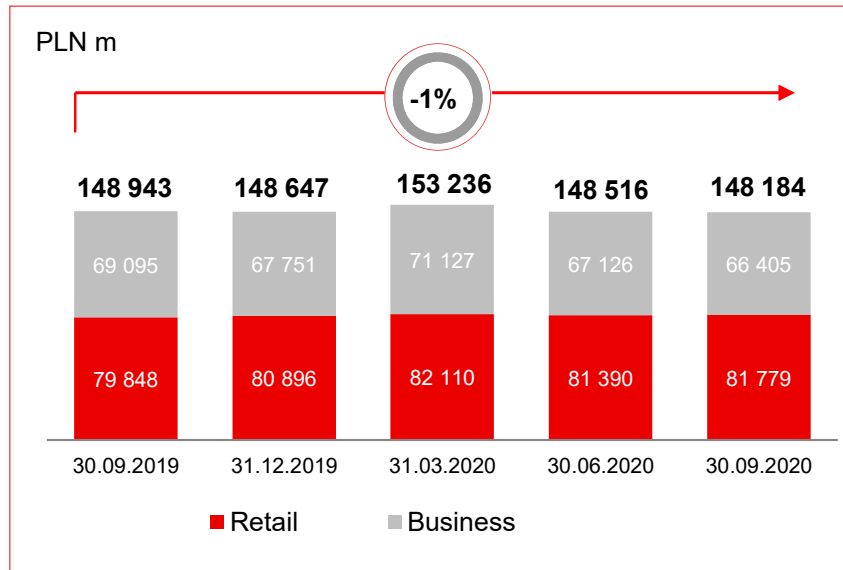
Comment

Santander Bank Polska S.A.

- Gross loans: +1% YoY and -1% QoQ
- Total mortgage loans: +3% YoY and stable QoQ
- CHF mortgage loans: -9% YoY (-5% YoY in PLN)
- Cash loans: +6% YoY and stable QoQ
- SME (including leasing and factoring): +3% YoY and +2% QoQ
- BCB loans: -5% YoY and -2% QoQ
- CIB loans: -11% YoY and -9% QoQ.

Santander Consumer Bank

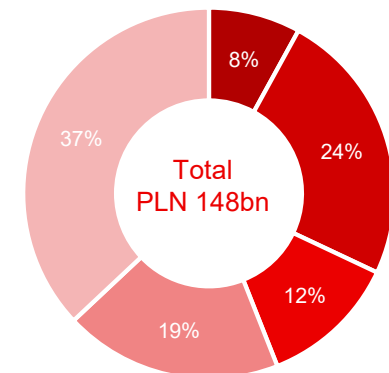
- SCB gross loans: PLN 18bn (-5% YoY)
- Mortgage portfolio: -7% YoY (CHF mortgage portfolio: -9% YoY)
- SCB loans (excluding mortgage loans): -4% YoY.



PLN m

	30/06/2020	30/06/2019	YoY (%)	QoQ (%)
Retail customers	81 779	79 848	2%	0%
Mortgage loans	52 518	51 207	3%	0%
Other – retail customers	29 260	28 641	2%	1%
Business loans	66 405	69 095	-4%	-1%
Total gross loans	148 184	148 943	-1%	0%

Structure of loans*



- CIB
- BCB
- SME
- Non-mortgage personal loans
- Mortgage loans

Customer funds

Comment

Santander Bank Polska Group

Deposits

- Retail deposits: +6% YoY and stable QoQ
- Business deposits: +16% YoY and +2% QoQ

Investment funds

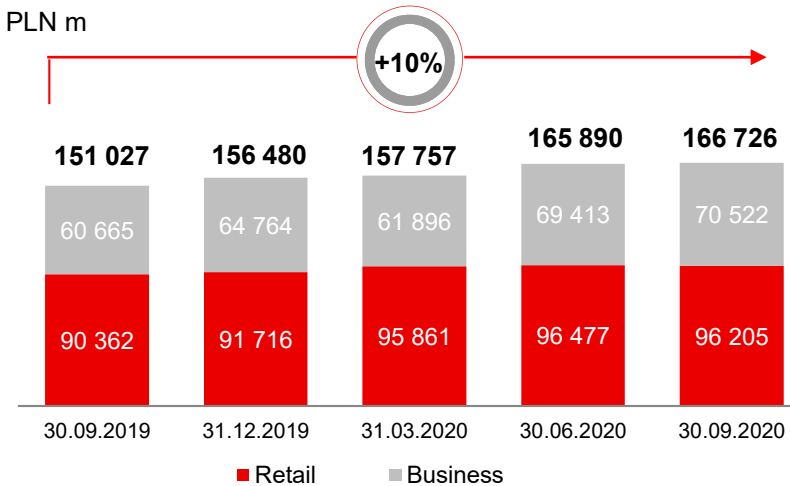
- Investment funds: -11% YoY and +11% QoQ

Santander Consumer Bank

- Deposits: PLN 9.9bn (+3% YoY)

Deposits

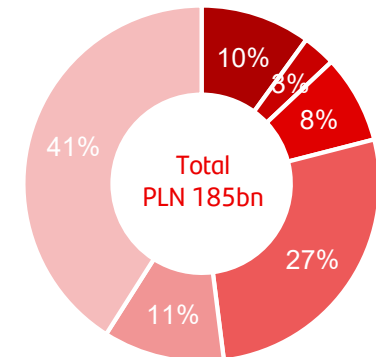
PLN m



PLN m

	30/09/2020	30/09/2019	YoY (%)	QoQ (%)
Current deposits	82 047	51 844	59%	10%
Savings accounts	47 721	38 470	24%	1%
Term deposits	36 958	60 712	-39%	-11%
Total deposits	166 726	151 027	10%	1%
Investment funds	14 536	16 319	-11%	11%
Total customer funds	181 262	167 346	8%	5%

Deposits and term funding*



- Term funding
- Other
- Business term deposits
- Business current deposits
- Personal term deposits
- Personal current deposits

Net interest income and net interest margin

Comment

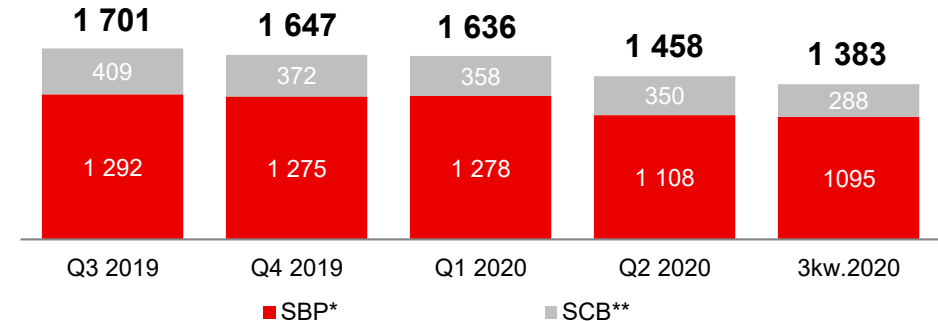
- In 1-3Q 2020, net interest income fell by 9.2% YoY (down 5.2% QoQ in Q3).
- Net interest margin for Q3 2020 (annualised on a quarterly basis) totalled 2.66% and was down from 2.88% QoQ.
- The decreases in net interest income and net interest margins are attributed to interest rate cuts, costs of partial return of fees on early repaid consumer loans (CJEU) and the effects of the COVID-19 pandemic (impact on lending activity).
- Quarterly dynamics of interest income -11.9% 3Q 2020 / Q2 2020, while interest costs decreased by 44.4% Q3 2020 / Q2 2020 due to a reduction in deposit prices. During the year, these dynamics amounted to -15.8% and 38.5%, respectively.

Net interest income of SCB Group**

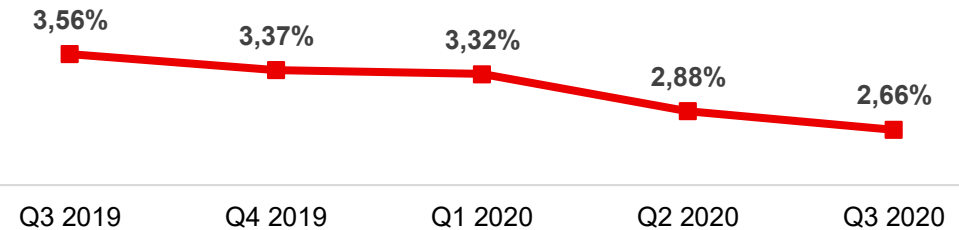
PLN 996m (1-3Q 2020)
PLN 1,205m (1-3Q 2019)

Net interest income

PLN m



Net interest margin



Net fee and commission income

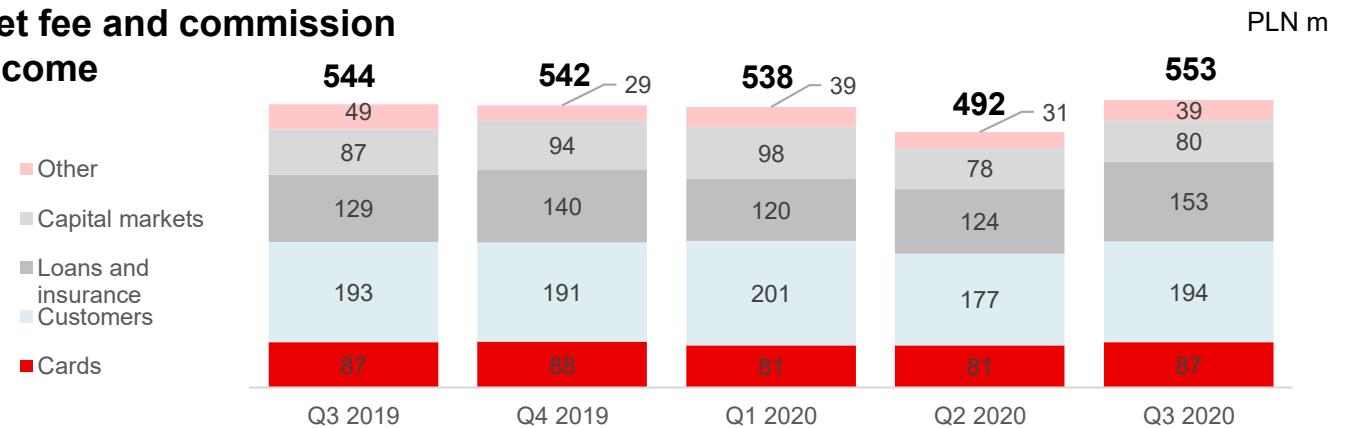
Comment

- Net fee and commission income was down 0.2% YoY and +12.4%. While Q2 was affected by the number of transactions made by customers during the COVID-19 pandemic, Q3 saw an improvement in almost all categories.
- Good results were reported in terms of brokerage fees (+84% YoY) and in credit fees (+13% YoY) as well as in debit card fees (+5% YoY) and insurance fees (+2% YoY).
- SCB commission income + 39% YoY due to one-off income from updating the model of calculating provisions for insurance premium returns. In Q3 alone, the commission income in SCB increased significantly compared to Q2, which was due to the increase in the scale of business and in fees from cooperating companies.

Net fee and commission income of SCB Group*

PLN 122m (1-3Q 2020)
PLN 87m (1-3Q 2019)

Net fee and commission income



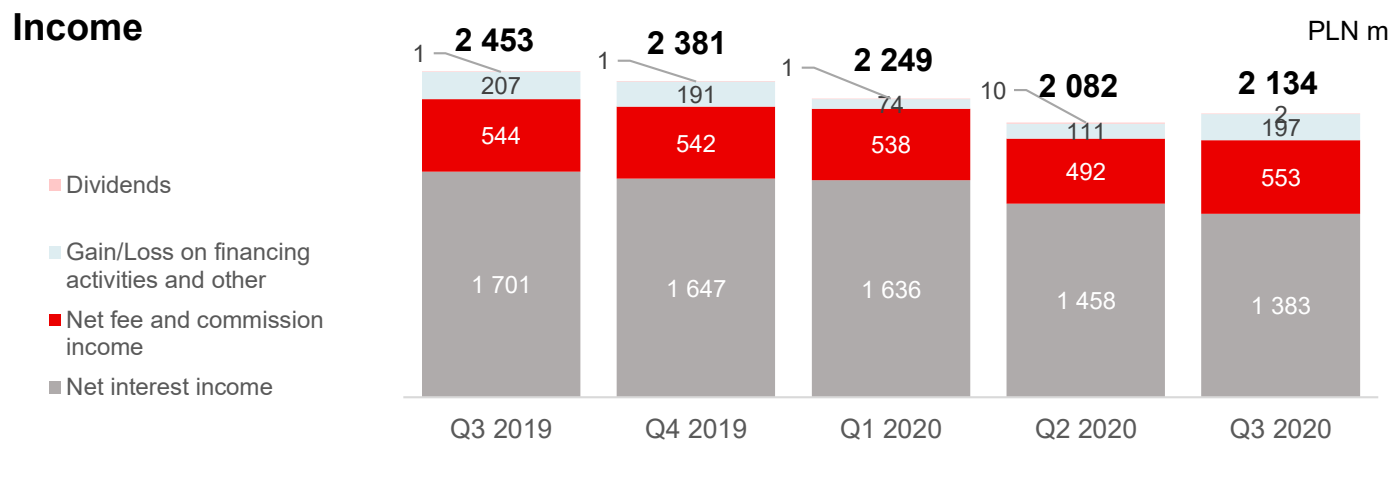
Net fee and commission income

PLN m	1-3Q 2020	1-3Q 2019	YoY (%)	QoQ (%)
Cards	249	252	-1%	7%
Transactional	572	576	-1%	9%
Loans + insurance	397	365	9%	23%
Capital markets*	256	248	3%	3%
Other	109	145	-24%	25%
Total	1 583	1 586	0%	12%

Income

Comment

- Total income of Santander Bank Polska Group for 1-3Q 2020 decreased by 8.7% YoY to PLN 6,465m. Compared to 1-3Q 2019, the underlying total income was down 6.7% YoY.
- Higher income in Q3 2020 vs. Q2 2020 due to increase of commission income and higher profit on sale of government bonds.
- In 1-3Q 2020, gain on sales of government bonds totalled PLN 170.1m (PLN 86.5m in 1-3Q 2019). In Q3 alone, the gain was PLN109.6m.
- Positive change of PLN 15.0m in the fair value of shares in Visa Inc. (PLN 11.7m in Q3 alone) recognised in gains on other financial instruments (+PLN 40.3m in 1-3Q 2019).
- Lower dividend income was affected by the KNF recommendation for the insurance sector.



PLN m	1-3Q 2020	1-3Q 2019	YoY (%)	QoQ (%)
Net interest income	4 477	4 933	-9%	-5%
Net fee and commission income	1 583	1 586	0%	12%
Total	6 060	6 520	-7%	-1%
Gains/ losses on financing activities	275	280	-2%	83%
Dividends	22	99	-77%	-
Other operating income	107	184	-42%	59%
Total income	6 465	7 082	-8.7%	2.5%
One-off items in net interest income	26			
Other one-off items (dividends)	(23)	(149)		
Total income excluding one-off items	6 468	6 933	-6.7%	

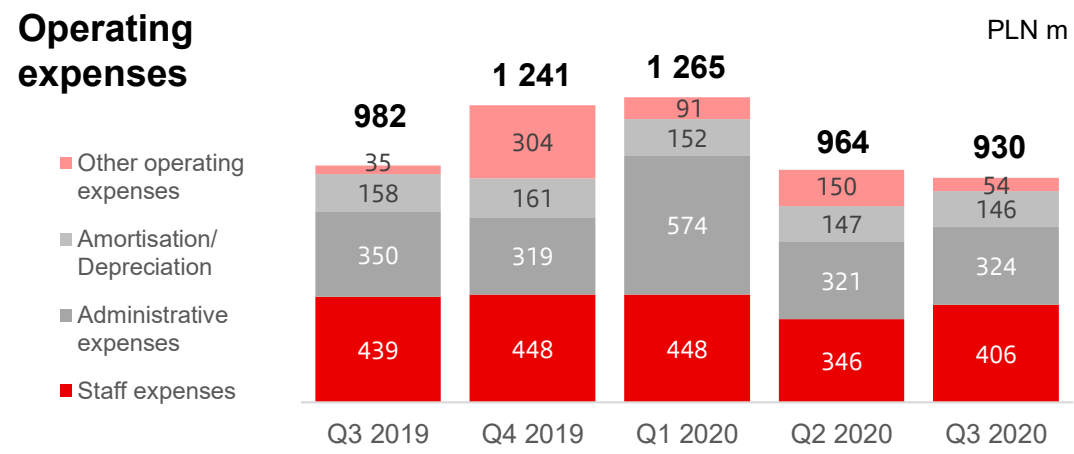
* On a comparative basis, i.e. excluding dividend income (PLN 22.5m in 1-3Q 2020 and PLN 98.7m in 1-3Q 2019), PLN 103m from an update of SCB provision parameters, a negative adjustment of PLN 129m to net interest income on account of partial refund of fees on early repaid consumer loans and profit on preliminary settlement of the sale of an organised part of the enterprise of PLN 50m in 2019.

Operating expenses

Comment

- Total costs were impacted by regulatory costs totalling PLN 389m in 1-3Q 2020 (up 36% YoY from PLN 285m in 1-3Q 2019) and provisions for legal risk totalling PLN 110m (including an additional collective provision of PLN 63m raised in Q2 for FX mortgage loans).
- Administrative expenses adjusted for regulatory costs decreased by 13% YoY, most visibly within costs of marketing, maintenance of premises and third party services.
- Staff expenses fell by 16% YoY. The decrease is due to lower costs of salaries and statutory deductions from salaries, and lower training costs.
- Implementation of a number of initiatives to reduce operating costs and prioritisation of investment initiatives.
- Operating expenses of SCB went down by 7% QoQ and 8% YoY. Staff costs decreased by 11% YoY.

The Group's C/I ratio totalled 48.9% in 1-3Q 2020 vs 45.7% for 1-3Q 2019. The underlying C/I ratio was 45.2% for 1-3Q 2020 and has not changed vs. comparable period in 2019.



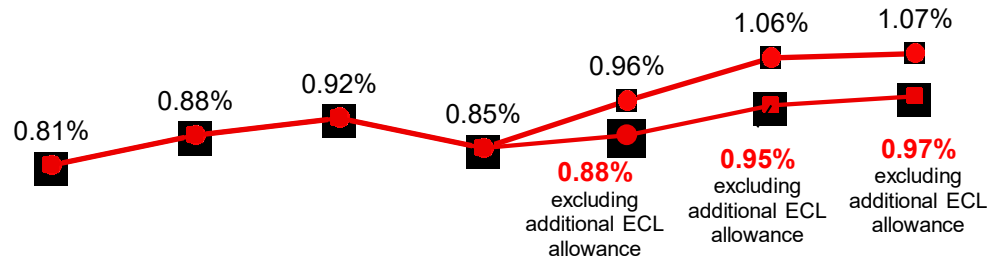
PLN m

	1-3Q 2020	1-3Q 2019	YoY (%)	QoQ (%)
Administrative and staff expenses	(2 418)	(2 659)	-9%	9%
Staff expenses	(1 199)	(1 422)	-16%	17%
Administrative expenses	(1 219)	(1 237)	-1%	1%
Amortisation/depreciation + other	(741)	(576)	29%	-32%
Total costs	(3 159)	(3 235)	-2%	-4%
One-off items	(233)	(98)		
Underlying total costs*	(2 926)	(3 137)	-6.7%	

On a comparative basis for individual line items, i.e. assuming a fixed level of BGF contributions payable in both periods, i.e. excluding the surplus of PLN 107.3m from the cost base of 2020 and excluding: from 1-3Q 2020 – provisions for legal risk of customer claims connected with FX mortgage loans (PLN 63.2m) and partial reimbursement of fees related to early repaid consumer loans (PLN 47.1m); and from both analysed periods – provisions for employment restructuring at Santander Consumer Bank S.A. (PLN 15.4m for 1-3Q 2020 and PLN 8.2m for 1-3Q 2019) and at Santander Bank Polska S.A. (PLN 80m for 1-3Q 2019).

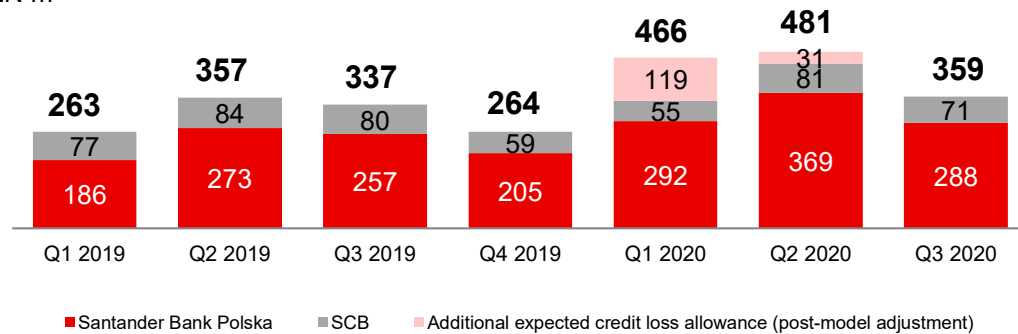
Provisions and credit portfolio quality

Cost of credit

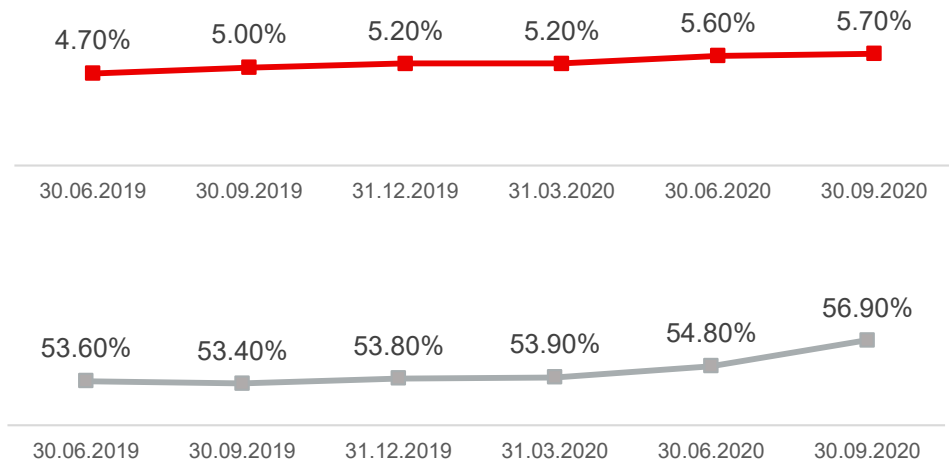


Balance of provisions

PLN m



NPL and NPL coverage ratio*

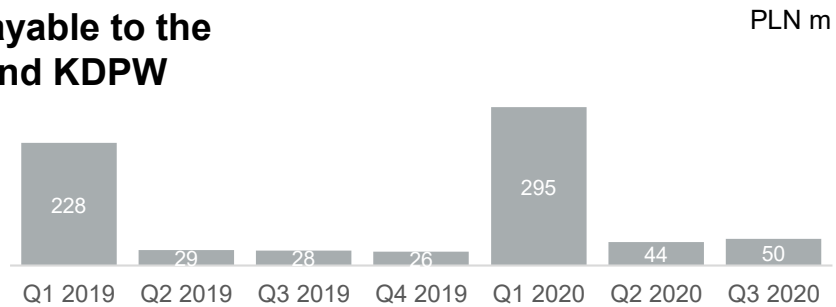


*Including POCI – purchased or originated credit-impaired asset.

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.

Banking tax and regulatory costs

Amounts payable to the BFG, KNF and KDPW



Resolution fund*:

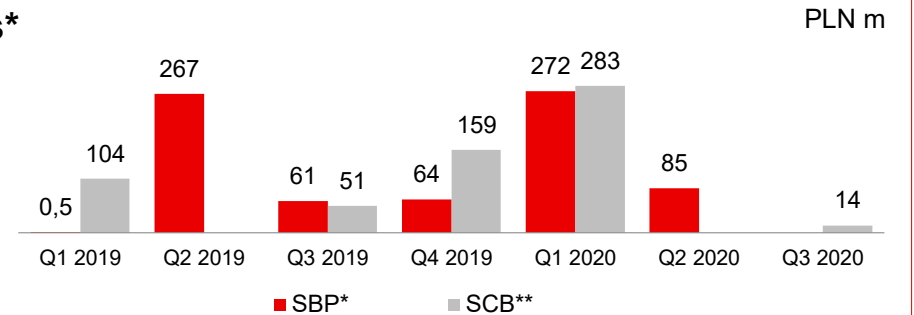
- 2018: SBP PLN 97m SCB PLN 12m
- 2019: SBP PLN 199m SCB PLN 26m
- 2020: SBP PLN 227m SCB PLN 21m

Banking tax

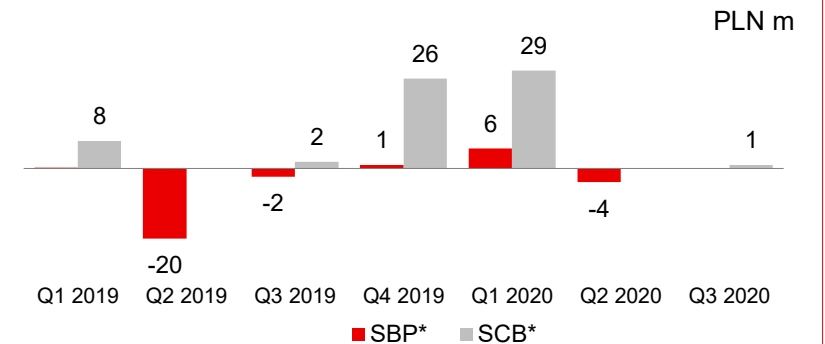
Pursuant to the Act of 1 February 2016 on tax imposed on certain financial institutions, bank assets are subject to tax of 0.0366% per month. In 2020, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 449m (PLN 417m and PLN 32m, respectively).

NPL sales

NPL sales*



Impact of NPL sales on PBT*



SBP 1-3Q 2020: NPL sales: PLN 357m, impact on PBT - PLN 10m
SCB 1-3Q 2020: NPL sales: PLN 296m, impact on PBT PLN 24.4m

Results for 1-3Q 2020

Comment

- The decline in net interest and commission income due to interest rate cuts, CJEU judgments and the COVID-19 pandemic. Net fees and commissions in Q3 alone increased by over 12% compared to Q2.
- Costs influenced by regulatory and legal factors (BFG and CJEU). Significant improvement in costs in underlying terms. In Q3 alone, costs fell by 4%.
- Further emphasis on cost efficiency and synergies.
- Increase in credit provisions due to the COVID-19 pandemic. Significant improvement in the balance of provisions in Q3 with a decrease by 25% compared to the Q2 2020.
- Profit decrease in underlying terms by approx. 18% and a significant improvement in net profit in Q3 alone - an increase by over 50% QoQ.
- Effective tax rate influenced by regulatory costs

Results for 1-3Q 2020 impacted by one-off items

PLN m	1-3Q 2020	1-3Q 2019	% YoY	On a comparative basis*
Net interest and fee income	6 060	6 520	-7.0%	-6.6%
Gross income	6 465	7 082	-8.7%	-6.7%
Operating expenses	-3 159	-3 235	-2.3%	-6.7%
Credit impairment allowances	-1 306	-956	36.7%	20.9%
Tax on financial institutions	-449	-452	-0.6%	-0.6%
PBT	1 619	2 488	-34.9%	-17.7%
Income tax	-499	-618	-19.2%	-19.2%
Profit attributable to shareholders of Santander Bank Polska S.A.	956	1 631	-41.4%	-18.2%
Effective tax rate	30.8%	24.9%		

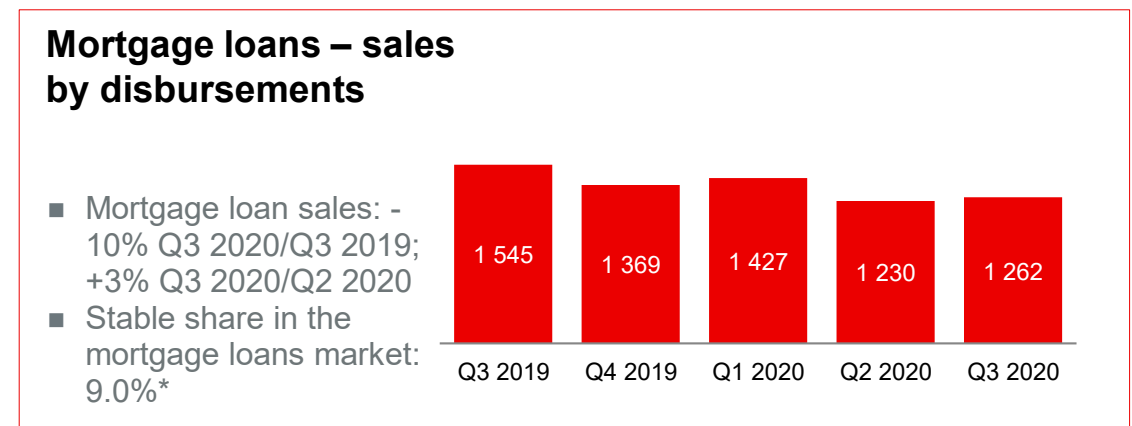
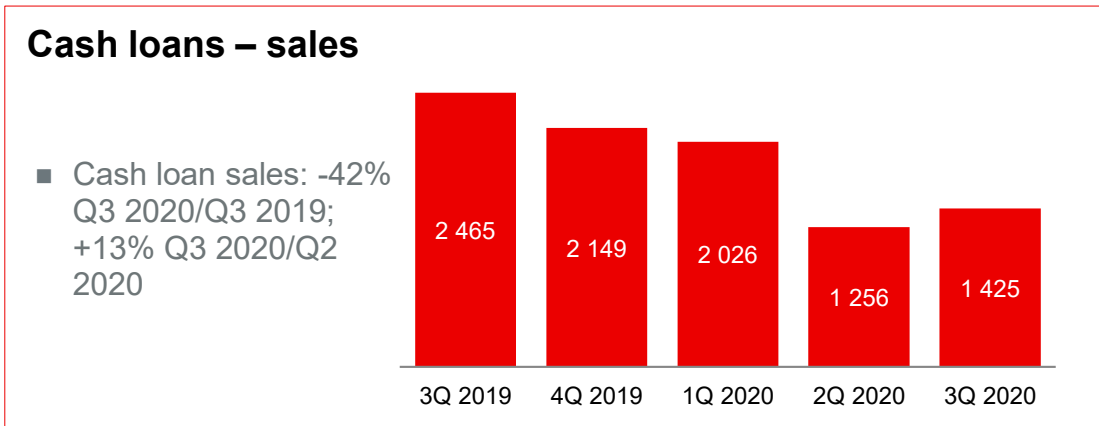
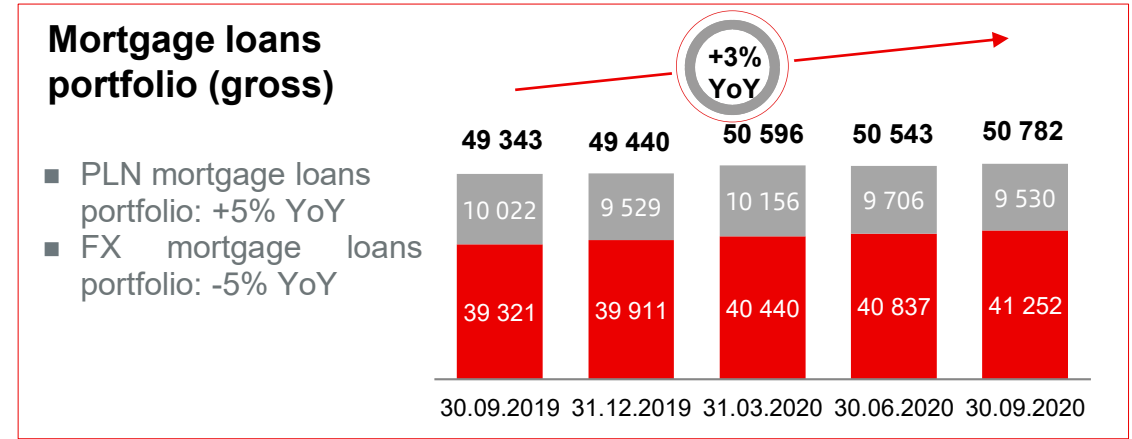
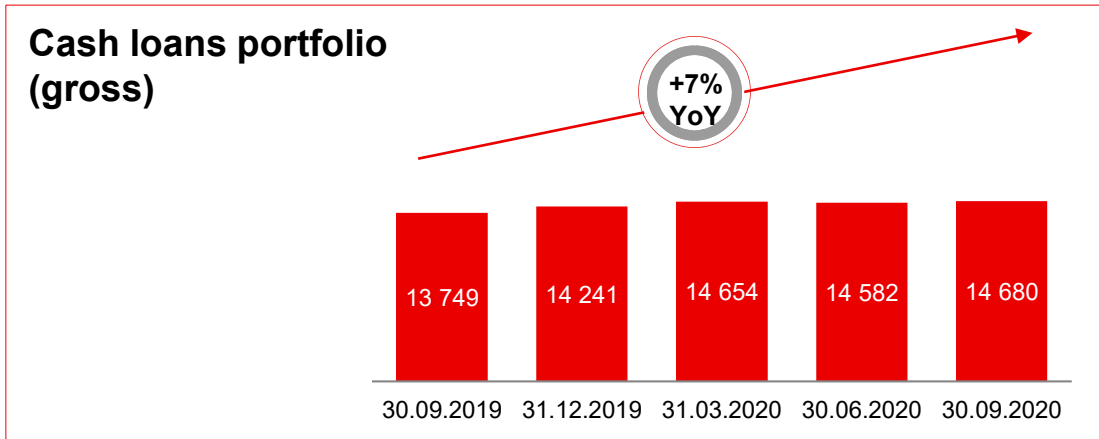
In underlying terms for individual line items, i.e. assuming a fixed level of contributions to the BFG and excluding the following items – from the profit for 1-3Q 2020: an adjustment to interest income accounting for the refund of a portion of fees on early repaid consumer loans (PLN129m), provisions for legal risk connected with the consumer loans portfolio (PLN 47.1m), provision for legal risk connected with the foreign currency mortgage loans portfolio (PLN 63.2m), management provision for expected credit losses arising from a worsening economic outlook (PLN 151.3m), dividend income (PLN 22.5m) and provision for employment restructuring at SCB (PLN 15.4m) income from an update of parameters of the model for calculation of provisions for insurance premium refunds at SCB (PLN 103m), and – from the profit for 1-3Q 2019: dividend income (PLN 98.7m), provision for employment restructuring at Santander Bank Polska S.A. (PLN 88.2m) and profit on preliminary settlement of the sale of an organised part of the enterprise of PLN 50m.

Attachments

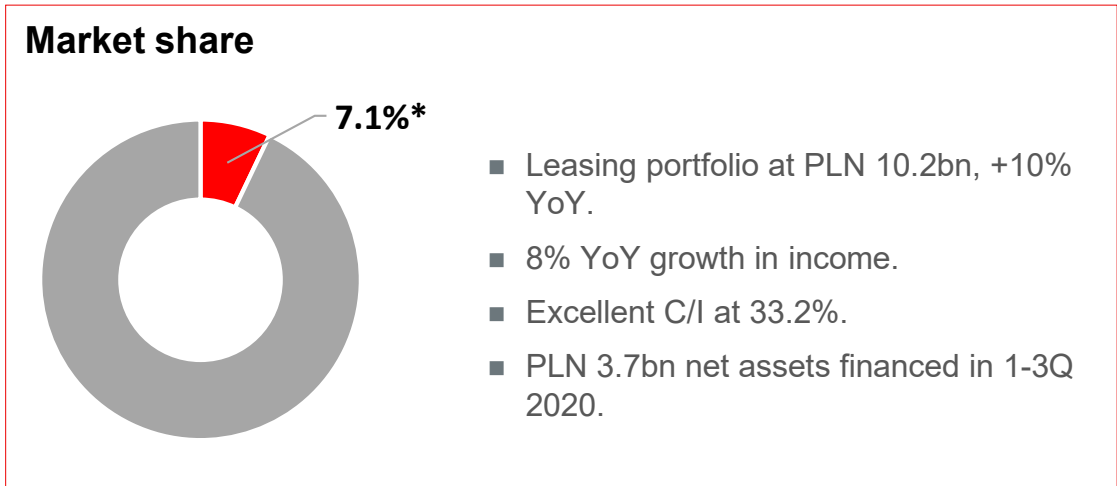
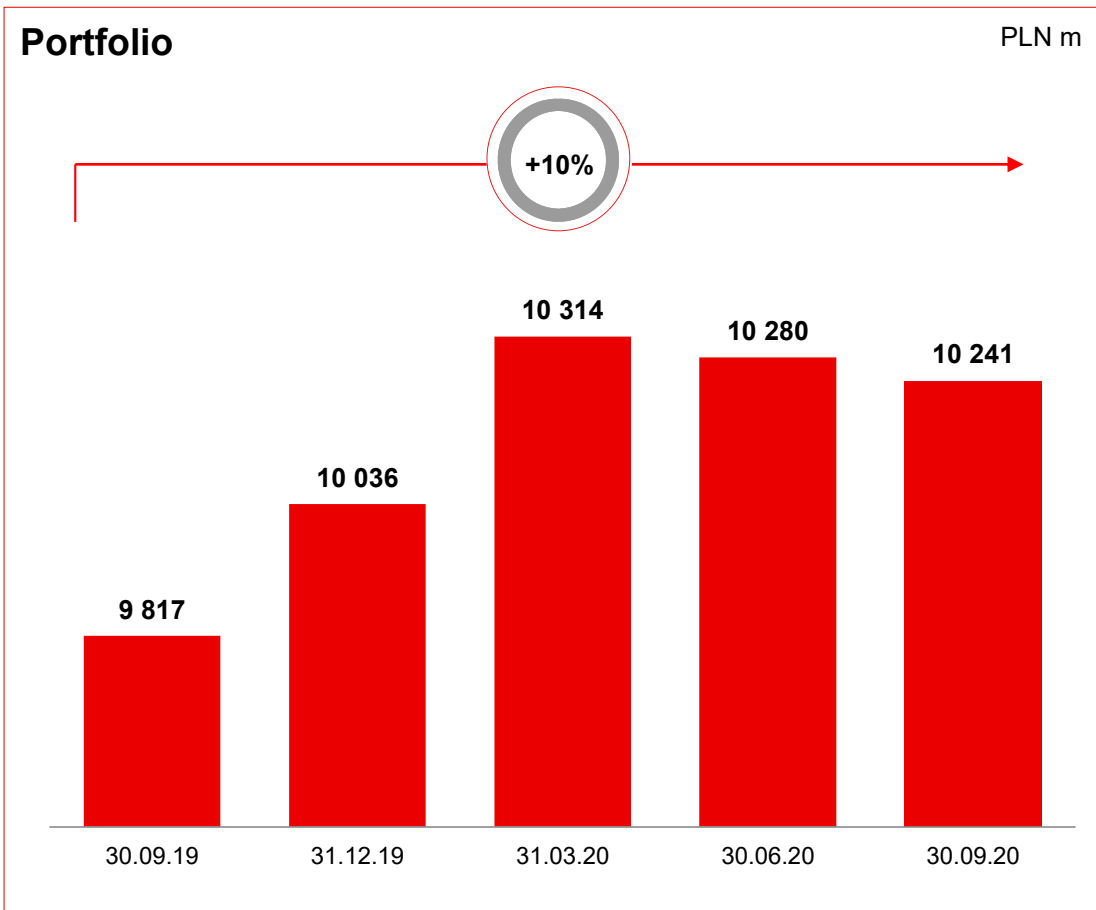
05

Retail Banking - growth in lending activity

PLN m



Santander Leasing



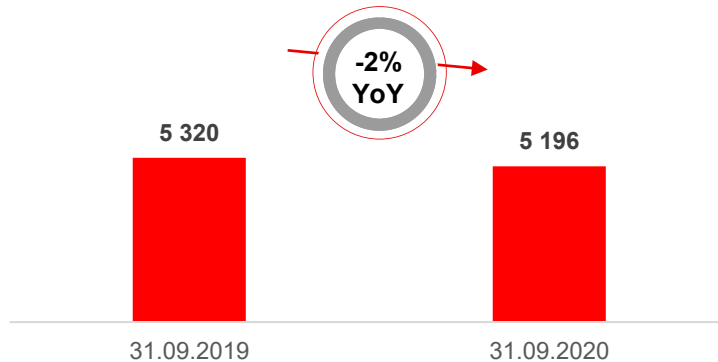
In Q3 2020, Santander Leasing signed an Operational Agreement with Bank Gospodarstwa Krajowego for granting liquidity loans under the Smart Growth Operational Program 2014-2020 for companies from the SME segment from the Pomeranian Voivodeship. The pool of aid funds in this region amounts to PLN 75 million.

* As at 30.06.2020.

Santander Factoring

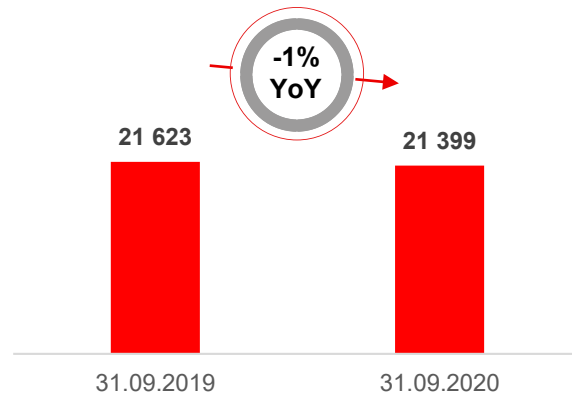
Portfolio

PLN m

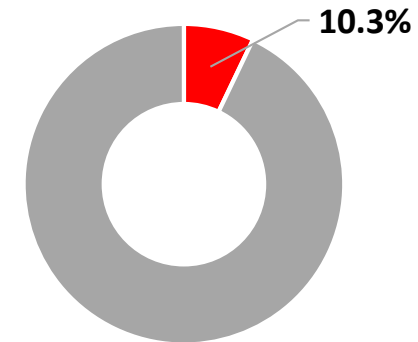


Turnover

PLN m

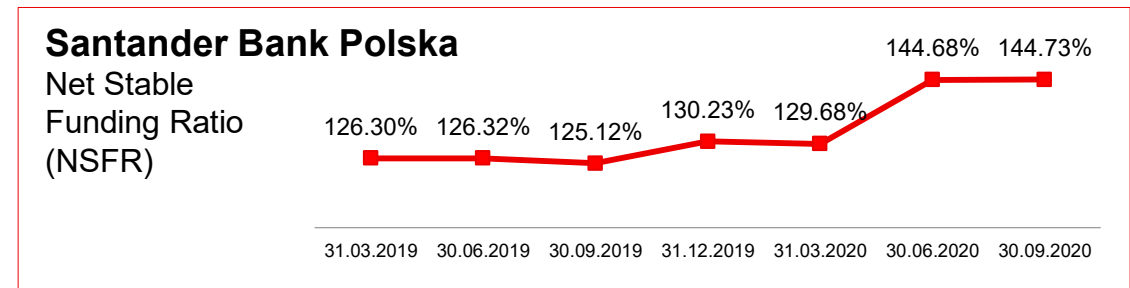
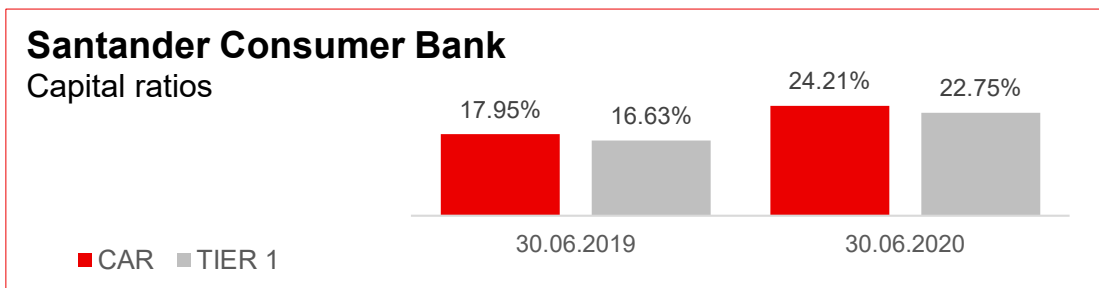
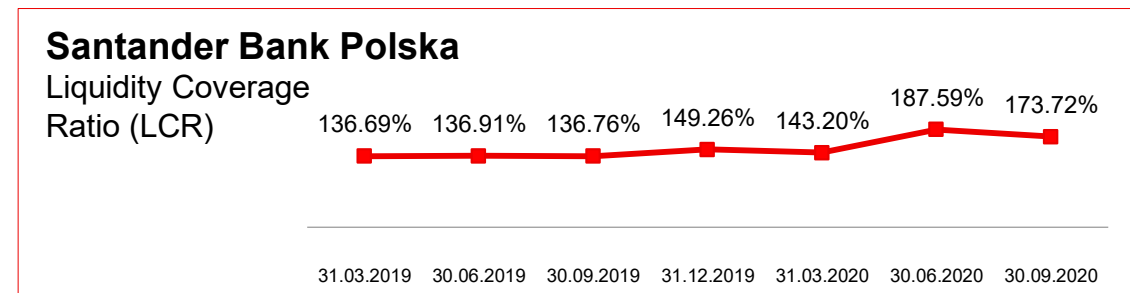
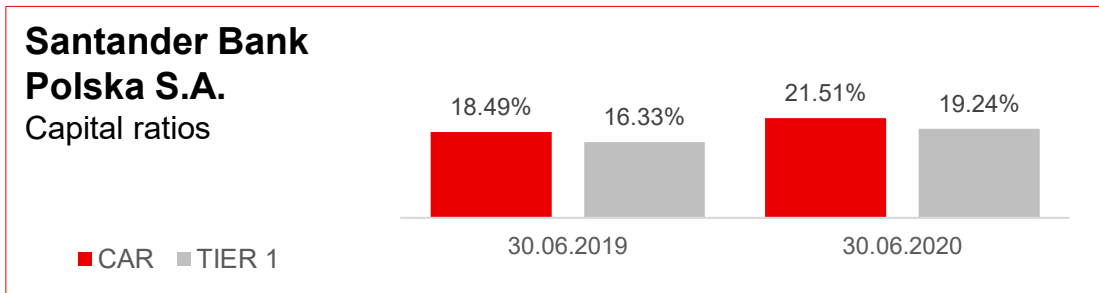
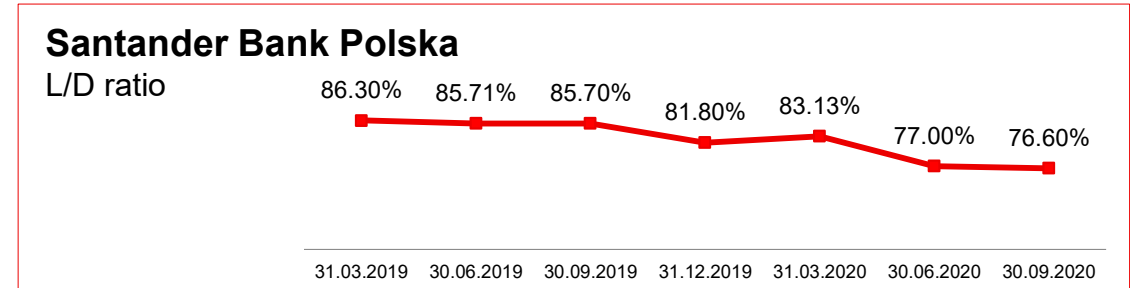
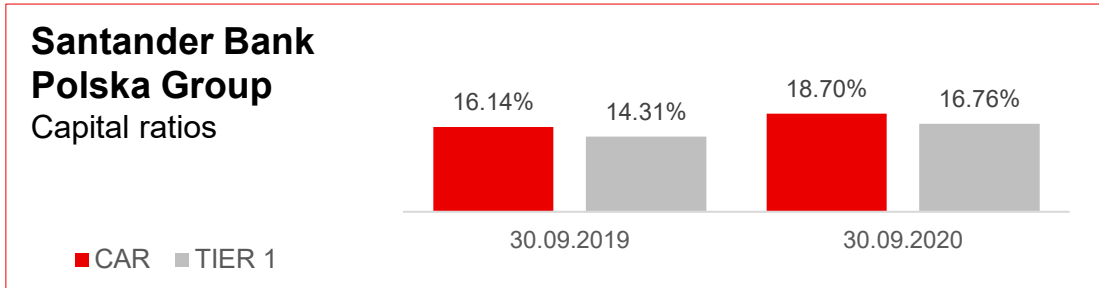


Market share



- In Q3 2020, Santander Factoring maintained its first position on the market in terms of balance sheet.
- Santander Factoring also maintains its first position in liability financing factoring (6% YoY growth and 23% market share).
- After three quarters of 2020, the Polish factoring market recorded a 1% increase YoY.
- As one of the first factors on the market, the company joined the first European Union liquidity programme developed for factoring and introduced a factoring guarantee line to its offer under the BGK fund.

Capital and liquidity position Santander Bank Polska S.A.



Key financial ratios

1-3Q 2020 - Santander Bank Polska Group

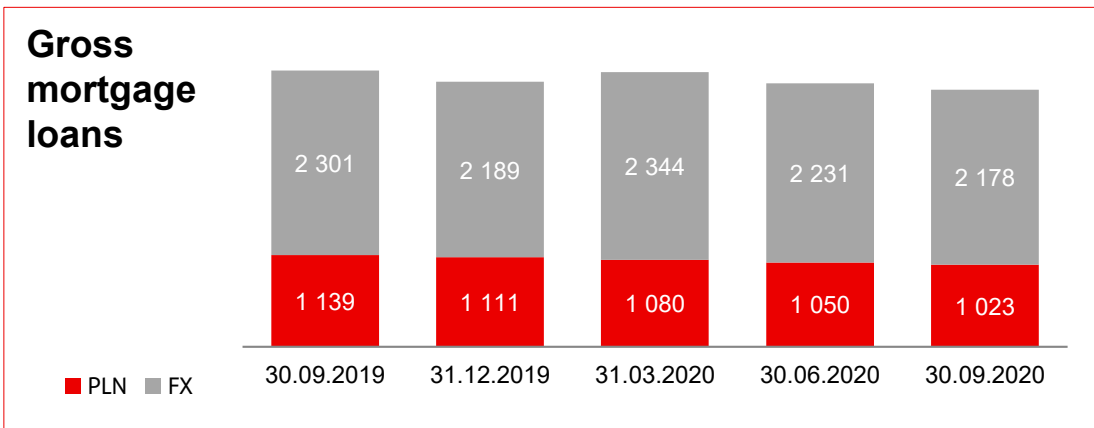
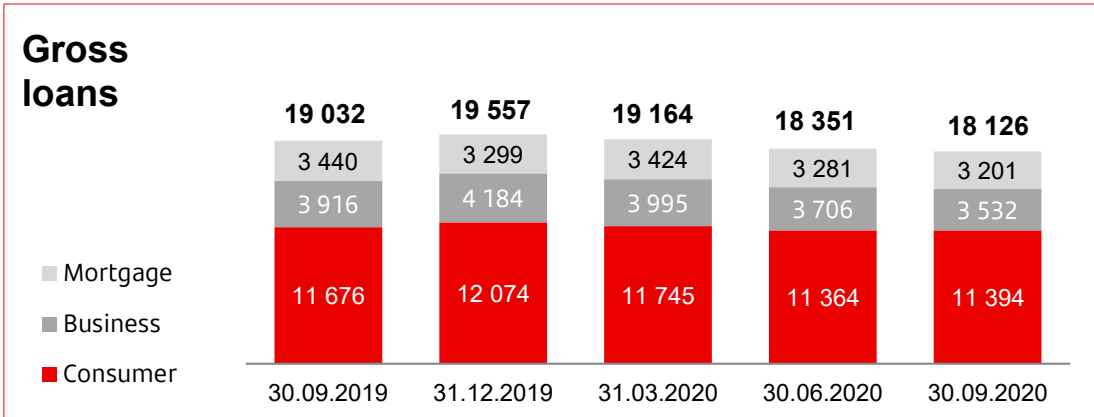
Selected financial ratios of Santander Bank Polska Group	1-3Q 2020	1-3Q 2019 ¹¹⁾
Cost/ income	48.9%	45.7%
Net interest income/ total income	69.3%	69.7%
Net interest margin ¹⁾	2.95%	3.50%
Net fee and commission income/ total income	24.5%	22.4%
Net loans and advances to customers/ deposits from customers	85.2%	91.6%
NPL ratio ²⁾	5.7%	5.0%
NPL provision coverage ratio ³⁾	56.9%	53.4%
Costs of credit ⁴⁾	1.07%	0.92%
ROE ⁵⁾	6.2%	11.0%
ROTE ⁶⁾	7.5%	13.2%
ROA ⁷⁾	0.7%	1.2%
Total capital ratio ⁸⁾	18.70%	16.14%
Tier 1 capital ratio ⁹⁾	16.76%	14.31%
Book value per share (PLN)	278.46	258.78
Earnings per ordinary share (PLN) ¹⁰⁾	9.35	15.97

Key financial ratios - comment

1-3Q 2020 - Santander Bank Polska Group

- 1) Net interest income annualised on a year-to-date basis (excluding interest income from the portfolio of debt securities held for trading and other exposures related to trading) to average net earning assets as at the end of consecutive quarters after the end of the year preceding the 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) less non-controlling interests, current period profit and the undistributed portion of the profit. The underlying ROE was 10.3% as at 30 June 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 1.1% as at 30 June 2020.
- 8) The capital adequacy ratio was calculated on the basis of own funds and total capital requirements established for the individual risk types under the standardised approach, in line with the CRD IV/CRR package.
- 9) Tier 1 ratio is Tier 1 capital expressed as a percentage of risk weighted assets for credit, market and operational risk.
- 10) Net profit for the period attributable to shareholders of the parent entity to the average weighted number of ordinary shares.
- 11) The ratios for 1-3Q 2019 were recalculated taking into account the impact of an adjustment to the accounting treatment of repurchase transactions.

Santander Consumer Bank Group Loans



PLN m

	30/09/2020	30/09/2019	YoY (%)	QoQ (%)
Retail customers	14 595	15 116	-3%	0%
Mortgage loans	3 201	3 440	-7%	-2%
Consumer finance	11 394	11 676	-2%	0%
SME/ Leasing	3 532	3 916	-10%	-5%
Total gross loans	18 126	19 032	-5%	-1%

- Total loans: -5% YoY:
- Mortgage loans: -7% YoY
- CHF mortgage loans: -9% YoY (approx. – CHF 51m)
- Consumer finance: -2% YoY
- Business loans: -10% YoY

Santander Consumer Bank Group

Key financial results for 1-3Q 2020

PLN m	1-3Q 2020	1-3Q 2019
Assets	20 637	21 103
Net loans	16 109	17 048
Deposits	9 917	9 638
Total equity	3 709	3 322
PAT	265	428
L/D (%)	162.4%	176.9%
C/I (%)*	47.1%	37.4%
ROE (%)	9.9%	16.8%
ROA (%)	1.7%	2.8%
TCR (%)**	24.2%	17.9%

Source: Santander Consumer Bank Group.

*C/I excluding tax on financial institutions.

** Preliminary data for SCB

Thank You.

Our purpose is to help people
and business prosper.

Our culture is based on believing
that everything we do should be:

Simple Personal Fair



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