

Financial results of Santander Bank Polska Group for 1Q 2021



Agenda

Results

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

More information

5. Attachments

Results for Q1 2021

Our activities and our people

01

Our response to COVID-19

We took measures to help customers and employees stay safe

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

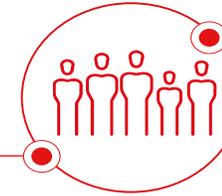
- A range of communication and information campaigns are run to support remote work. We launched an information campaign for employees “#zDystansem” (#KeepYourDistance) with a double purpose: to promote social distancing and other safety measures, and to encourage people get some distance from the situation. We shared golden rules and best practice of remote work.
- Employees could borrow their office monitors to work from home and buy chairs at attractive prices. Funds from the purchase of those chairs have been handed over to the Santander Foundation.



Our response to COVID-19

We took measures to help customers and employees stay safe

We took care of our employees



We looked after our customers

We took care of our employees' health

- We introduced remote work and limited the number of employees in BSC offices. Efforts are in progress to implement a hybrid model of work.
- We use the “Our Health” app to get information from employees who are returning from abroad, are quarantined or have been in contact with infected persons.
- Pool cars are available to our employees so that they may commute without having to resort to public transport.
- Employees who have to work from the office may use parking space next to the office buildings to avoid public transport.
- Employees are provided with sanitisers, face masks and disposable gloves.

We keep our employees up to speed

- We provide up-to-date information about additional care allowances for parents during the closure of schools and kindergartens.
- We keep reminding our employees of safety rules and the options of getting tested for COVID-19 in head offices and branches.
- We have negotiated preferential pricing for coronavirus tests.
- We have a dedicated “Coronavirus” site with up-to-date information and news.

We took measures to help customers and employees stay safe

- We follow the *Procedure for managing suspected and confirmed cases of coronavirus in the workplace*, and applicable law. We respond to every reported case of coronavirus and take measures to keep our employees safe.
- We have provided our branch network with personal protective equipment. As required by law, face shields are no longer allowed and have been replaced with face masks. Plexiglass remains in place as an additional protection.
- A limit has been set for the number of customers who may be in a branch at the same time.

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 maintain remote work arrangements until the end of August 2021.
- For the employees covered by the plan of returning to the office, we have implemented a rotational system to manage their presence in the office and minimise the risk of contagion.
- We are actively monitoring employees' health and the number of coronavirus cases. The data we obtain lets us ensure safety for our employees and manage the situation on an ongoing basis.



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.

Brand Ambassador
This year, we are continuing our cooperation with the brand ambassador – Marcin Dorociński. According to our surveys, he was the most recommended candidate to represent our Bank. Marcin Dorociński is a popular actor who also actively supports social responsibility initiatives.

Social Media

In Q1 2021, we returned to the two regular educational cycles implemented last year:

- **Daily banking with Santander mobile** (demonstrating the application's features), and
- **Online security** (cyber education).

In addition, we launched a campaign promoting our sponsorship as part of the **UEFA Champions League** and prepared a summary of our support for customers during the Covid-19 pandemic.



ATL campaigns / TV

Spring advertising campaign promoting the Account As I Want It with the mobile app which lets our customers do more

We show the spring version of the commercial that we unveiled in the autumn; we emphasize even more how convenient it is both for adults and teenagers to have the mobile app. Spring is the time when feelings come to life and it is the feelings that our commercial talks about. Life is full of surprises and we would like to make it easier for our customers; that's why we've provided them with NFC payments and BLIK transfers. Marcin Dorociński plays different roles in the commercial: a coach, a movie character and others. He comments on the challenges we encounter in our daily life. The advertising campaign covers, among others, TV and internet (including YT, VOD, content marketing and social media). The commercial prepared for internet actions emphasizes additional benefits you get if you open your account online: bonus for opening an account and being its active user.



Other campaigns

Insurance

In Q1 2021, we launched a campaign to promote **new Locum insurance**, which can be adapted to personal needs: protect your house, apartment, garage and even windows and bike. We communicated with our customers via the internet and branches. The promotion Key visual was with Marcin Dorociński.

Business Account Worth Recommending with e-services

In March 2021, we launched a campaign for SME customers, promoting the **Business Account Worth Recommending complete with a package of e-services** for easy and convenient business management. The e-services can be used to issue invoices, collect payments or sign contracts online. Communication was run in branches, on the radio and the internet.

Further embedding ESG to build a more responsible bank



Environmental: supporting the green transition

Helping customers go green

PLN 15 587m

Green Finance since 2019

1st ESG-linked loan in Poland

1st SDG-linked bonds in Poland

Going green ourselves

100% electricity from renewable sources

Carbon Neutral in own our operations

0% of single use plastic



Social: building a more inclusive society

Talented & diverse team

Top Employer Certificate

35.9% women in leadership positions

Financially empowering people

76 935 people¹ since 2019

Supporting society

over 500 k people helped since 2019

5691 k scholarships granted since 2019



Governance: doing business the right way

A strong culture

Simple, Personal, Fair

74% engaged employees²

Taking ESG criteria into account when determining **remuneration**

ESG governance

ESG indicator as a part of the process of evaluating **products and services**

40% women in Supervisory Board

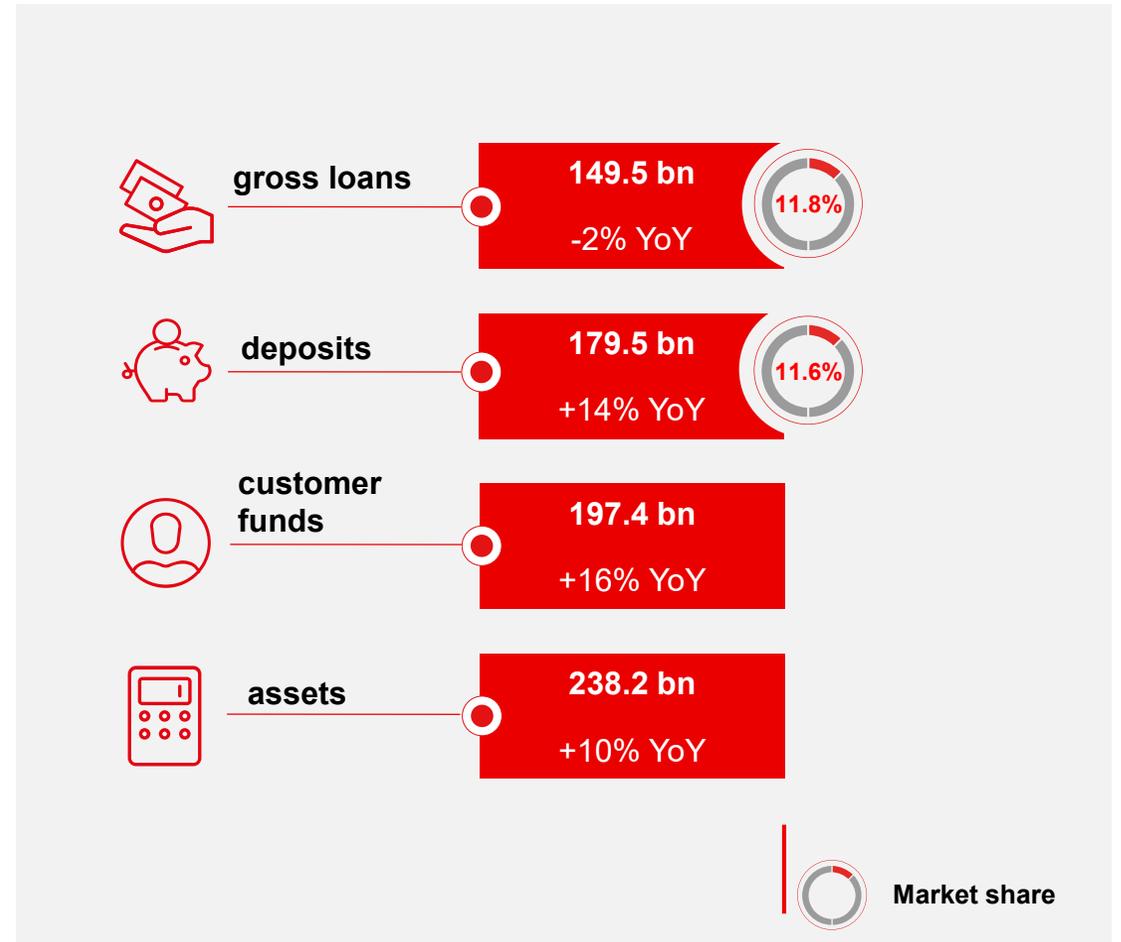
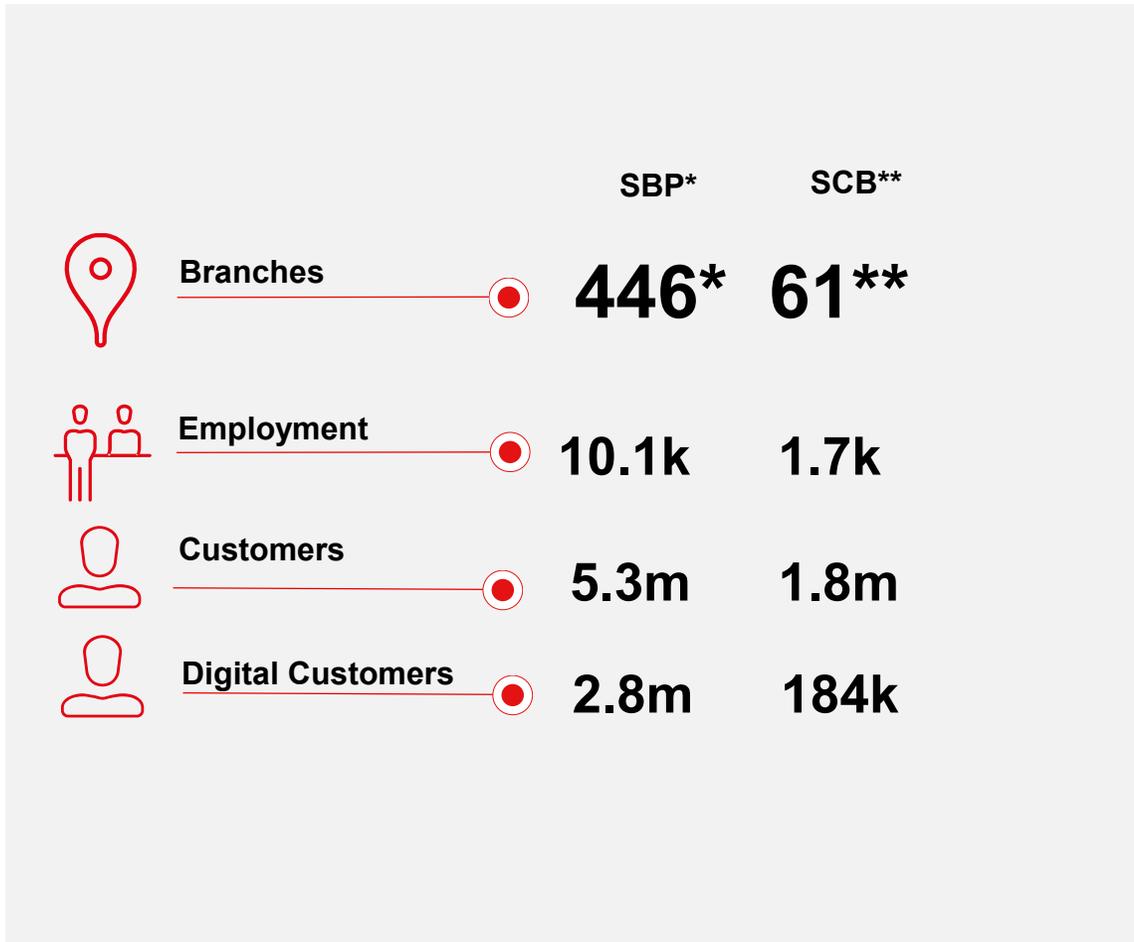
Results

Our business development

02

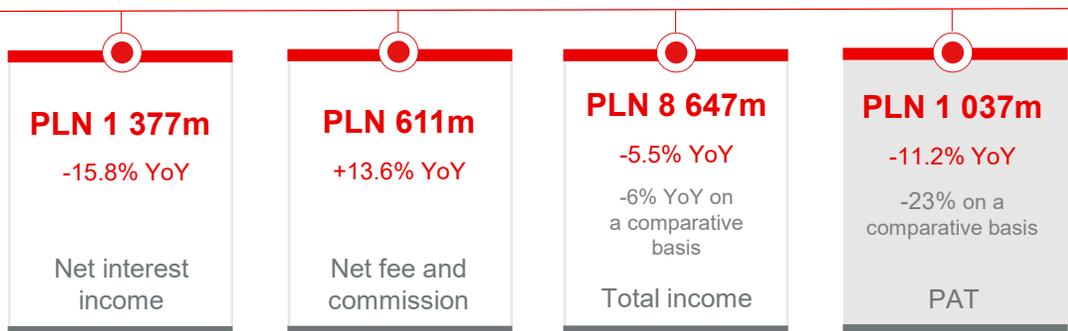
General operational data

Key volumes



Key financial results for 2020

Key results



On a comparative basis for individual items, i.e. assuming a constant level of BFG fees and after excluding from Q1 2021 profit: provisions for disputed liabilities and other assets (PLN 142 million), collective provision for legal risk (PLN 79 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 29 million), and from Q1 2020 profit: provisions for disputed liabilities and other assets (PLN 21 million), collective provision for legal risk (PLN 47 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 53 million), provisions for employment restructuring in SCB (PLN 6 million) and management provisions on the expected credit losses resulting from the deteriorating economic outlook (PLN 119 million).

Financial ratios For 2020

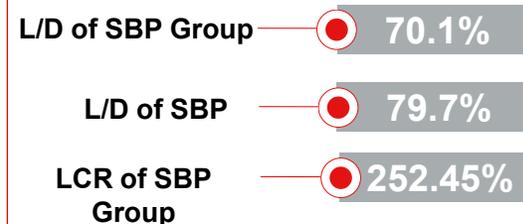
Capital position

Strong capital position well above the KNF requirements



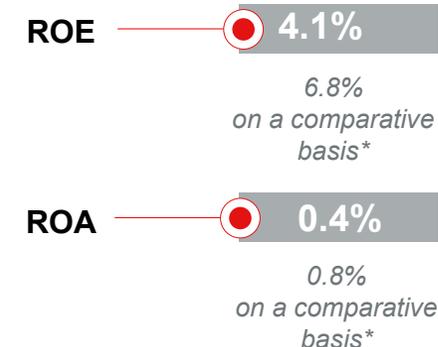
Liquidity position

Safe liquidity position



ROE, ROA

ROE, ROA – leading position in the peer group



data as at 31 March 2020

Results for Q1 2021

Our customers

03

Our customers in numbers*

Retail customers

4.8m customers — **+2% YoY**

2.5m digital customers — **+8% YoY**

1.8m mobile customers — **+16% YoY**

35.1m mobile banking transactions — **+52% YoY**



SME customers

442k customers — **+10% YoY**

317k digital customers — **+9% YoY**

134k mobile customers — **+17% YoY**

2.9m mobile banking transactions — **+60% YoY**



Corporate customers

25.1k customers — **+2% YoY**

20.0k digital customers — **+1% YoY**

3.6k mobile customers — **+21% YoY**

13.2m e-commerce transactions — **+44% YoY**



New products and services

Retail customers

- We have implemented Telemedi.co – medical consultations by phone, video or chat for customers who have the Account As I Want It, or the Select Account.
- We have introduced biometric tablets to sign agreements with new customers when the account is opened via courier.
- Santander Open – we have enabled customers to use our mobile application to make transfers from their accounts held with other banks.
- We have made the Life and Health insurance available in our partner outlets.



SME customers

- We implemented credit process in mobile app for sole traders.
- We introduced new value added service in Mini Firma internet – eWadia (purchase of bid bond online)
- We developed processes available for customers via their mailbox in online banking for businesses: lending, signing annexes and updating data for all companies
- We simplified the process of granting de minimis guarantees.



Corporate customers

- We launched a new iBiznes24 electronic banking platform, now available for customers
- We have implemented:
 - electronic banking hotline on the Salesforce, all operational units handle the non-credit orders in one tool.
 - self-service zone in electronic banking iB24
 - PFR subsidy 2.0 eApplication



Education and support for customers

Retail Customers

- We continue to support university students and graduates – we have prepared a wide range of training and development programs for 2021 as part of Santander Universidades, e.g. Santander Tech Scholarship | Digital Reskilling – Ironhack (websites creating and programming technology) or Santander Development Scholarship | European Foundation Certificate In Banking EFCB 3E UEK, by Economic University in Krakow.



SME Customers

- We organised a webinar about PFR Financial Shield 2.0 in cooperation with inFakt.
- We continue regular educational campaigns about business products and services.



BCB Customers



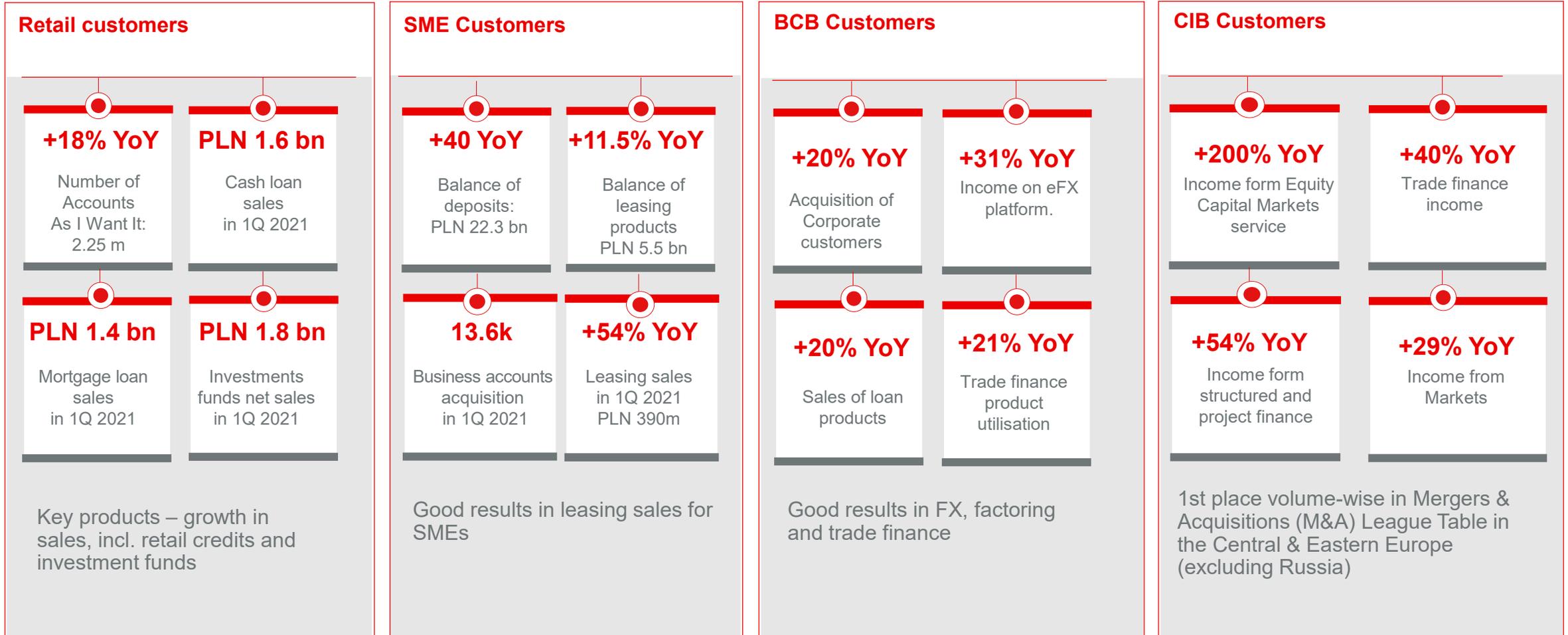
- Biznesmax guarantee – the 1st place in the sale of loans with the BGK coverage
- In Q1 we organised a series of webinars for customers about the situation in selected sectors and key markets of the Santander Group
- We actively used the Santander Trade Alliance portal to support our customers business growth and networking
- Q1 release of bi-weekly, series of in-house sectorial report concerning various industries (incl. agro, e-commerce, automotive, cosmetics, baking & furniture), and customer survey connected with a report (automotive) covering latest information in sectors

CIB Customers

The Equity Research Team of Santander Brokerage Poland took the third position in the annual ranking of analysts of the Parkiet daily.

We issued multiple stock exchange recommendations in Q1 2021 and facilitate participation in conferences for institutional investors (e.g. XXVII Santander Iberian Conference)

Selected business data



Results for Q1 2021

Our financial performance

04

Gross loans

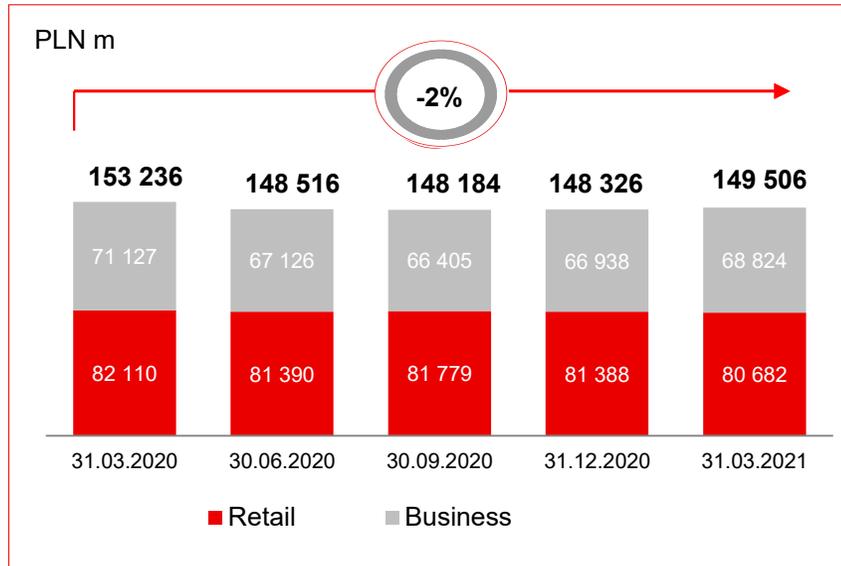
Comment

Santander Bank Polska S.A.

- The loan portfolio in Q1 2021 was influenced by lower demand for loans and government assistance programs offered to customers.
- Increase in sales of mortgage loans by 9% vs. Q4 2020 and cash loans by 16% QoQ.
- CHF mortgage loans: -8% YoY (-10% YoY in PLN)
- SME (including leasing and factoring): -2% YoY and stable QoQ
- BCB loans: -5% YoY and +1% QoQ
- CIB loans: -3% YoY and +9% QoQ.

Santander Consumer Bank

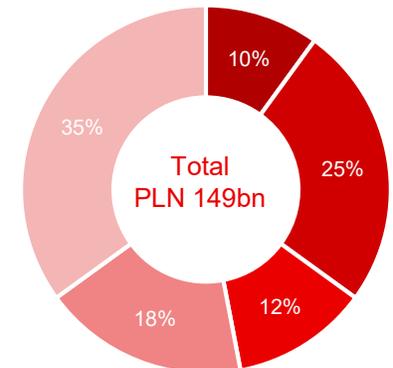
- SCB gross loans: PLN 17bn (-10% YoY)
- Mortgage portfolio: -11% YoY (CHF mortgage portfolio: -9% YoY)
- SCB loans (excluding mortgage loans): -9.7% YoY.



PLN m

	31/03/2021	31/03/2020	YoY (%)	QoQ (%)
Retail customers	80 682	82 110	-2%	-1%
Mortgage loans	52 646	52 511	0%	0%
Other – retail customers	28 036	29 599	-5%	-2%
Business loans	68 824	71 127	-3%	3%
Total gross loans	149 506	153 236	-2%	1%

Structure of loans*



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

Customer funds

Comment

Santander Bank Polska Group

- Increase in customer funds was influenced by government assistance programs offered to customers.

Deposits

- Increase in retail deposits by 5% YoY and +2% QoQ
- Current deposits increased by 9% QoQ
- Business deposits increased by 28% YoY and by 8% QoQ

Investment funds

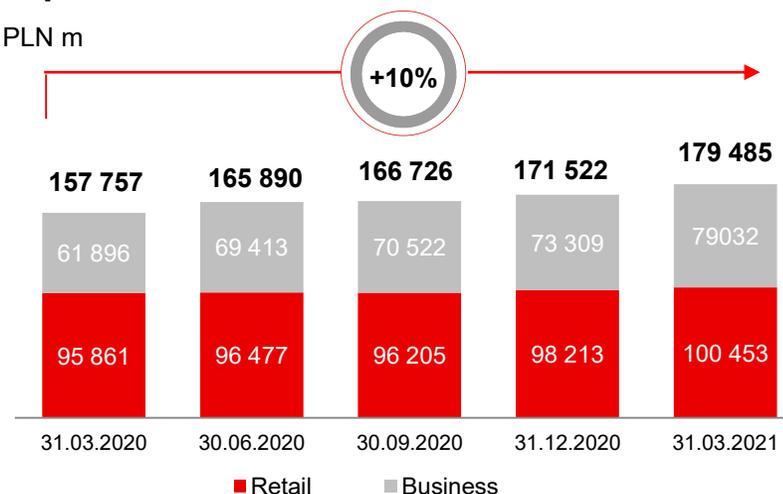
- Investment funds increased by 49% YoY (low base in 2020) and by 11% QoQ

Santander Consumer Bank

- Deposits: PLN 8.9bn (-10% YoY)

Deposits

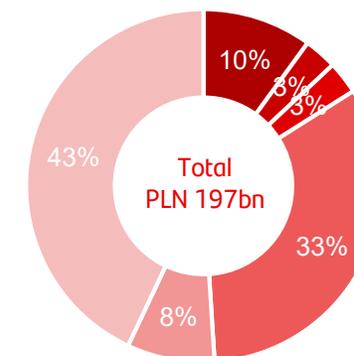
PLN m



PLN m

	31/03/2021	31/03/2020	YoY (%)	QoQ (%)
Current deposits	102 028	61 505	66%	9%
Savings accounts	52 635	43 052	22%	8%
Term deposits	24 822	53 200	-53%	-25%
Total deposits	179 485	157 757	14%	5%
Investment funds	17 933	12 020	49%	11%
Total customer funds	197 418	169 777	16%	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

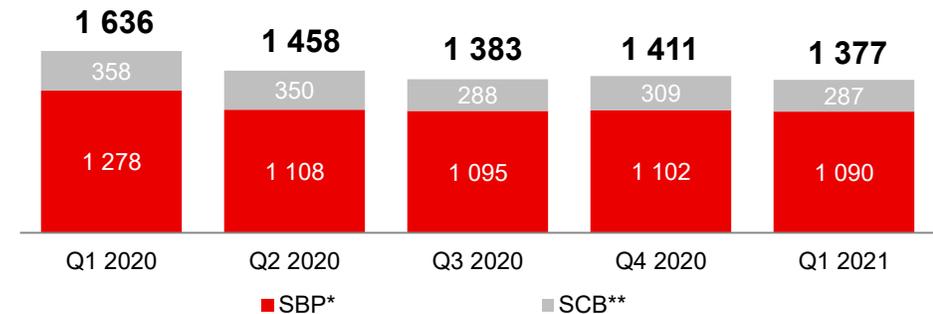
- In Q1 2021, net interest income fell by 15.8% YoY (-2.4% QoQ in Q1).
- Net interest margin for Q1 2021 (annualised on a quarterly basis) totalled 2.66%.
- The decline in net interest income and net interest margins is attributable to interest rate cuts, costs of partial return of fees on early repaid consumer loans (CJEU) and the effects of the COVID-19 pandemic (impact on lending activity).
- Quarterly dynamics of interest income was -3% Q4 2020 / Q3 2020, while interest costs decreased by 10% Q4 2020 / Q3 2020 due to a reduction in deposit prices. During the year, the dynamics amounted to 27% and -72%, respectively.

Net interest income of SCB Group**

PLN 287m (Q1 2021)
PLN 358m (Q1 2020)

Net interest income

PLN m



Net interest margin



Net fee and commission income

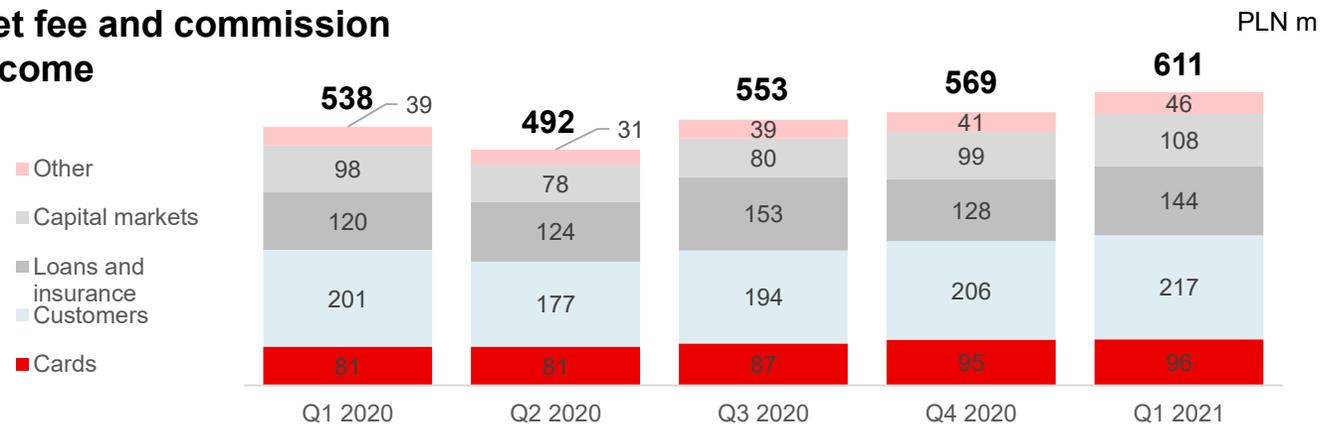
Comment

- Net commission income +13.6% YoY and +7.4% QoQ
- Good results in brokerage commissions thanks to high volatility in the capital markets (+ 60% YoY and + 8% QoQ) and credit markets as a result of servicing syndicated project financing transactions (+ 50% YoY and + 20% QoQ) and debit cards given the increase in the number of these cards and higher number of non-cash transactions (+ 34% YoY and + 5% QoQ).
- Higher commission income from the account and cash turnover services (+22% YoY) results from the increase in the number of Accounts As I Want It and the introduction of a fee conditional on account activity. SCB - stable net commission income YoY.

Net fee and commission income of SCB Group*

PLN 37m (Q1 2021)
PLN 37m (Q1 2020)

Net fee and commission income



Net fee and commission income

PLN m	Q1 2021	Q1 2020	YoY (%)	QoQ (%)
Cards	96	81	19%	1%
Transactional	217	201	8%	5%
Loans + insurance	144	120	21%	13%
Capital markets*	108	98	10%	10%
Other	46	39	18%	12%
Total	611	538	14%	7%

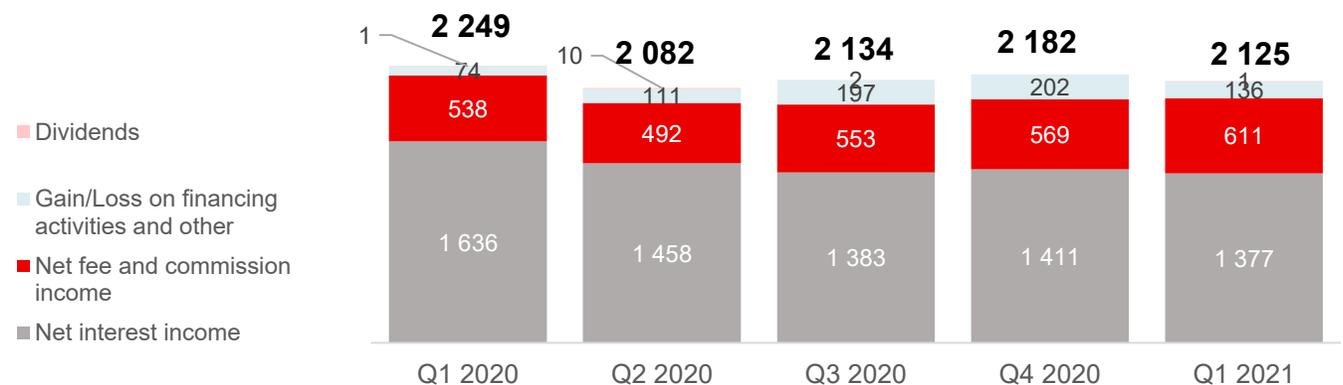
Income

Comment

- The Group's total income in the first quarter of 2021 amounted to PLN 2,125 million and decreased by 5.5% compared to the first quarter of 2021.
- Higher non-interest and non-commission income in Q1 2021 compared to Q1 2020, influenced by an increase in the trading result and revaluation - an increase by 85% YoY resulting from the situation on financial markets.
- Profit on the sale of treasury bonds in the first quarter of 2021 - PLN 28 million (compared to PLN 52 million in 2020).
- Change in the fair value of VISA Inc. shares in the amount of PLN -7 million in 2021 (PLN 30 million in Q1 2020), recognized in the result on other financial instruments

Income

PLN m



PLN m

	Q1 2021	Q1 2020	YoY (%)	QoQ (%)
Net interest income	1 377	1 636	-16%	-2%
Net fee and commission income	611	538	14%	7%
Total	1 988	2 175	-9%	0%
Gains/ losses on financing activities	98	33	198%	-27%
Dividends	1	0	144%	-
Other operating income	38	41	-7%	-45%
Total income	2 125	2 249	-5,5%	-2,6%
One-off items in net interest income	(29)	(53)		
Total income excluding one-off items	2 154	2 301	-6.4%	

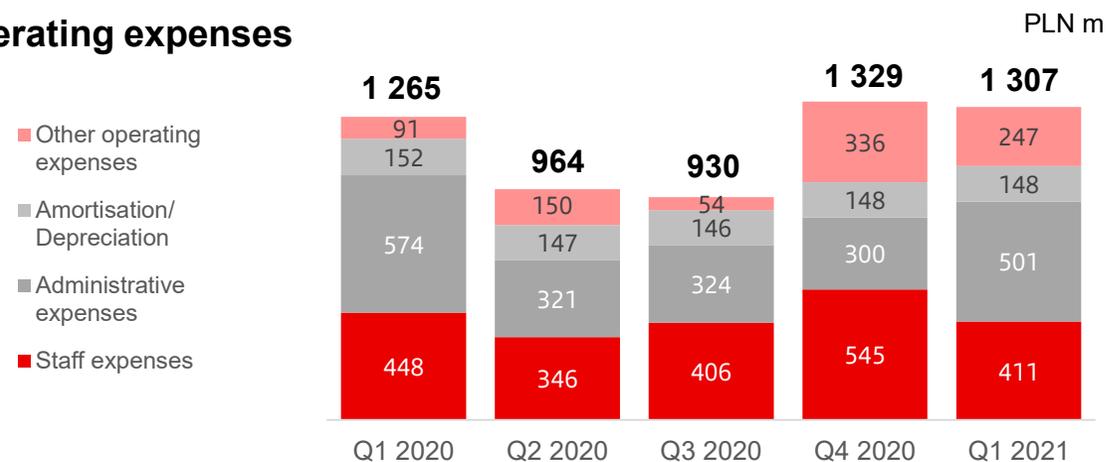
* On a comparative basis for individual items, i.e. after excluding from Q1 2021: adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 29 million), and from Q1 2020: provisions for disputed liabilities and other assets (PLN 21 million).

Operating expenses

Comment

- Total costs in Q1 2021 under the influence of regulatory costs which amounted to PLN 192 million (PLN 295 million in Q1 2020) and the creation of provisions for legal risk related to the FX mortgage loan portfolio in the amount of PLN 193 million disclosed under other operating costs.
 - Excluding regulatory costs, a 3% YoY decrease in administrative costs - the most significant declines under the lines: maintenance of buildings and costs of external services.
 - Employee costs lower by 8% YoY due to lower costs of remuneration and overheads as well as lower training costs.
 - In SCB, operating costs -6% QoQ. and -16% YoY. Staff costs -12% YoY, administrative costs -19% YoY.
-
- Group C/I ratio at 59.6% in Q1 2021 compared to 53.6% in Q1 2020. The comparable C/I ratio was 53.4% in Q1 2021 compared to 51.8% in Q1 2020.

Operating expenses

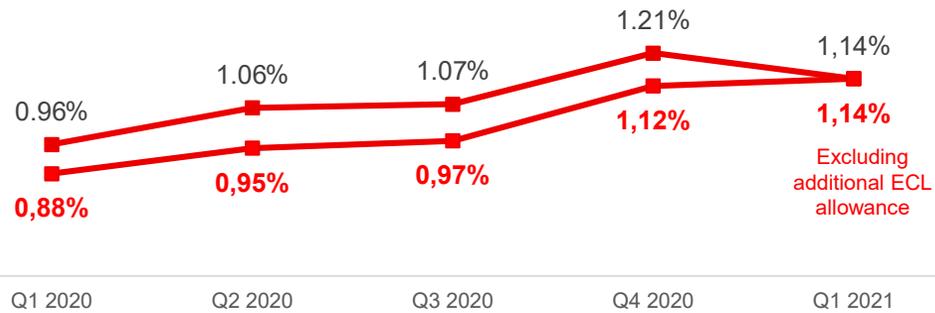


PLN m	Q1 2021	Q1 2020	YoY (%)	QoQ (%)
Administrative and staff expenses	(872)	(1 022)	-15%	3%
<i>Staff expenses</i>	(411)	(448)	-8%	-25%
<i>Administrative expenses</i>	(461)	(574)	-20%	-54%
Amortisation/depreciation + other	(395)	(244)	62%	-19%
Total costs	(1 267)	(1 265)	0%	-5%
One-off items	(116)	(74)		
Underlying total costs*	(1 151)	(1 191)	-3.4%	

On a comparative basis for individual items, i.e. assuming a constant level of BFG fees and after excluding from Q1 2021: provisions for disputed liabilities and other assets (PLN 142 million), collective provision for legal risk related (PLN 79 million), and from Q1 2020: provisions for disputed liabilities and other assets (PLN 21 million), collective provision for legal risk (PLN 47 million), provisions for employment restructuring in SCB (PLN 6 million).

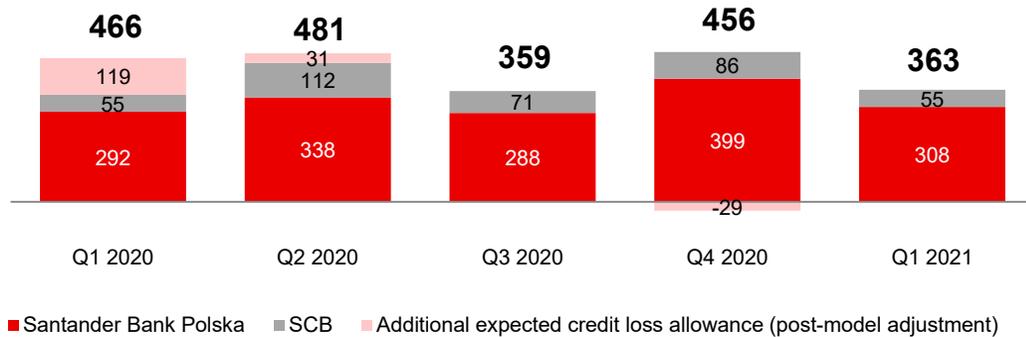
Provisions and credit portfolio quality

Cost of credit

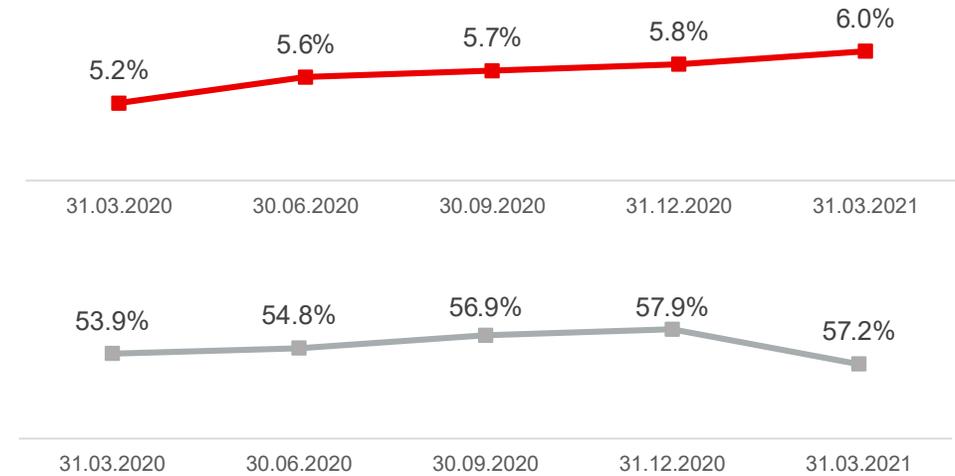


Balance of provisions

PLN m



NPL and NPL coverage ratio*

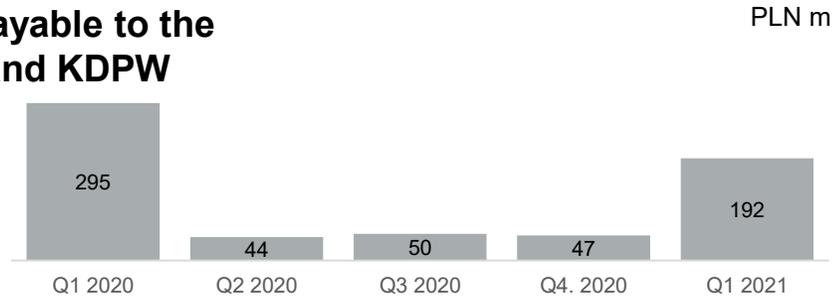


*Including POCI – purchased or originated credit-impaired asset.

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*:

- 2020: SBP PLN 227m SCB PLN 21m
- 2021: SBP PLN 135m SCB PLN 19m

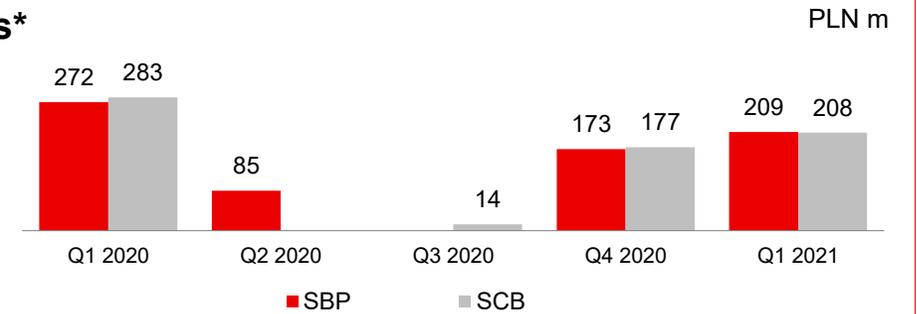
Banking tax

Pursuant to the Act of 1 February 2016 on tax imposed on certain financial institutions, bank assets are subject to a tax of 0.0366% per month.

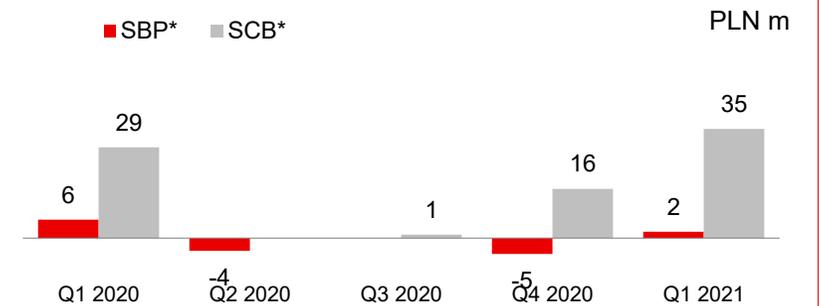
In 2020, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 153m (PLN 145m and PLN 8m, respectively).

NPL sales

NPL sales*



Impact of NPL sales on PBT*



SBP Q1 2021: NPL sales: PLN 209m, impact on PBT PLN 2m
SCB Q1 2021: NPL sales: PLN 208m, impact on PBT PLN 35m

Results for Q1 2021

Comment

- Decline in net interest income due to interest rate cuts and the COVID-19 pandemic.
- Solid net commission income.
- Costs influenced by regulatory factors (BFG) and provisions for legal risk.
- Further emphasis on cost-effectiveness and synergies.
- Profit lower by 11% YoY.
- Effective tax rate influenced by regulatory costs

Results for Q1 2021 impacted by

PLN m	Q1 2021	Q1 2020	% YoY	On a comparative basis*
Net interest and fee income	1 988	2 175	-9%	-8%
Gross income	2 125	2 249	-6%	-8%
Operating expenses	-1 267	-1 265	0%	-9%
Credit impairment allowances	-363	-466	-22%	4%
Tax on financial institutions	-153	-149	3%	3%
PBT	322	385	-16%	-21%
Income tax	-169	-152	-11%	-20%
Profit attributable to shareholders of Santander Bank Polska S.A.	152	171	-11%	-23%
Effective tax rate	52.4%	39.5%		

On a comparative basis for individual items, i.e. assuming a constant level of BFG fees and after excluding from profit for Q1 2021: provisions for disputed liabilities and other assets (PLN 142 million), collective provision for legal risk related (PLN 79 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 29 million), and from Q1 2020 profit: provisions for disputed liabilities and other assets (PLN 21 million), collective provision for legal risk related (PLN 47 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 53 million), provisions for employment restructuring in SCB (PLN 6 million) and management provisions on the expected credit losses resulting from the deteriorating economic outlook (PLN 119 million).

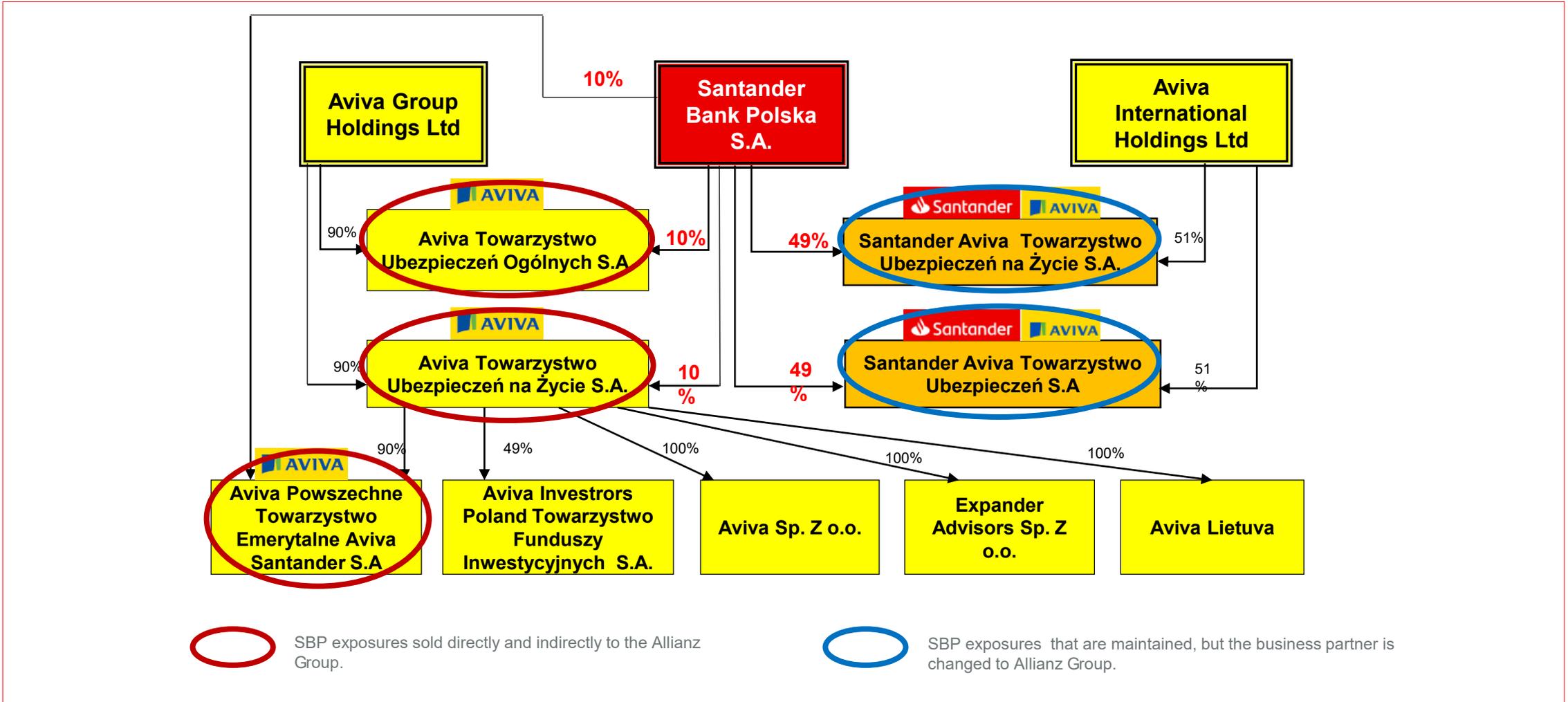
Attachments

05

SBP and Aviva transaction

- On 26 March 2021:
 1. the Bank executed a share sale agreement relating to: **4,125 shares in AVIVA Towarzystwo Ubezpieczeń na Życie S.A.**, representing ca. 10% of the share capital of this company; and **2,968 shares in AVIVA Towarzystwo Ubezpieczeń Ogólnych S.A.**, representing ca. 10% of the share capital of this company; the purchaser is ALLIANZ HOLDING EINS GMBH ("Allianz"); the total **sale price is EUR 243,000,000** (whereby the sale price may be subject to adjustments as set out in the share sale agreement);
 2. the Bank undertook to execute a share sale agreement relating to **1,370 shares in AVIVA Powszechne Towarzystwo Emerytalne Aviva Santander S.A.**, representing ca. 10% of the share capital of this company; the purchaser is AVIVA Towarzystwo Ubezpieczeń na Życie S.A.; the **sale price is EUR 14,000,000** (whereby the sale price may be subject to adjustments as set out in the share sale agreement); and
 3. the Bank undertook to execute with Aviva International Holdings Limited, Aviva International Insurance Limited, **Santander Aviva Towarzystwo Ubezpieczeń na Życie S.A. and Santander Aviva Towarzystwo Ubezpieczeń S.A.** a termination agreement effective as at the completion of the aforementioned transactions in relation to the agreements concerning the cooperation of the Bank and Aviva International Holdings Limited in Santander Aviva Towarzystwo Ubezpieczeń na Życie S.A. and Santander Aviva Towarzystwo Ubezpieczeń S.A. (including the shareholders agreements relating to Santander Aviva Towarzystwo Ubezpieczeń na Życie S.A. and Santander Aviva Towarzystwo Ubezpieczeń S.A.).
- One of the elements of the Transaction will be the execution of new shareholder agreements with **Allianz, which will be the new partner for the Bank in Santander Aviva Towarzystwo Ubezpieczeń na Życie S.A. and Santander Aviva Towarzystwo Ubezpieczeń S.A.**, where Allianz will hold approximately 51% of the shares in their respective share capitals as a result of the Transaction, as well as new bancassurance agreements with Santander Aviva Towarzystwo Ubezpieczeń na Życie S.A. and Santander Aviva Towarzystwo Ubezpieczeń S.A.
- Furthermore, the Bank is entitled to an **additional payment of EUR 10m** after closing the transaction.
- The Bank further announces that the completion of the transaction is dependent on the receipt of all the regulatory approvals required by law, including the required decisions of the Polish Financial Supervision Authority and the European Commission, and the satisfaction of the other conditions specified in the Transaction documentation. It is assumed that the transaction will be completed within 12 months.
- In connection with the concluded agreement for the sale of shares in AVIVA Towarzystwo Ubezpieczeń na Życie S.A., AVIVA Towarzystwo Ubezpieczeń Ogólnych S.A., AVIVA Powszechne Towarzystwo Emerytalne Aviva Santander S.A., as at the end of March 2021, the **Group adopted the fair price for the transactions being the investment sale price with adjustments and additional financial gains. The Group booked PLN 466,673 k as an increase in the valuation under other comprehensive income. After taking into account the tax, the impact on capital in the first quarter of 2021 was PLN 375 million.**

SBP and Aviva transaction: structure of capital ties between SBP and Aviva



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.

The assistance tools provided by the Group as part of initiatives aimed at mitigating the negative effects of the COVID-19 pandemic

The range of tools included:

- debt moratoria resulting from the banks' position regarding the unification of the rules for offering aid tools to customers of the banking sector i.e. non-legislative moratorium within the meaning of the guidelines of the European Banking Authority (EBA),
- Anti-Crisis Shield 4.0,
- financing to stabilize the liquidity situation, under which BGK collaterals were used

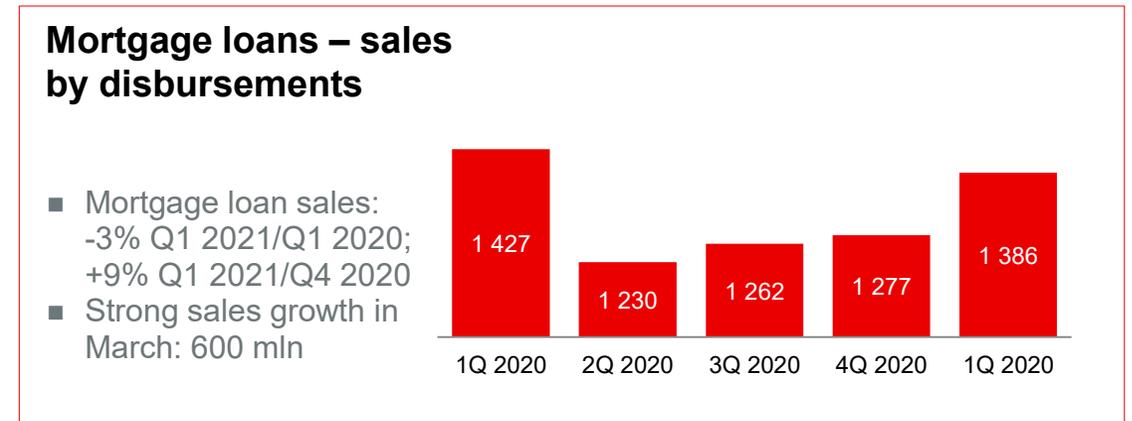
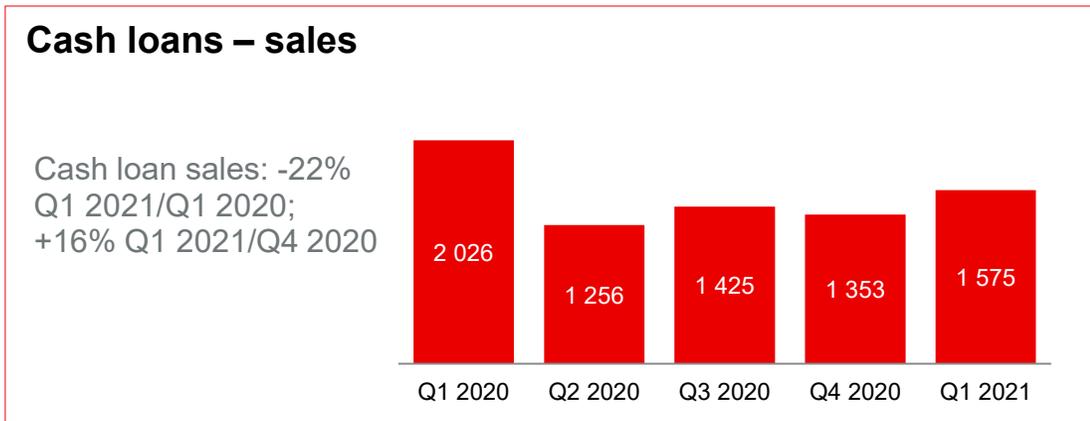
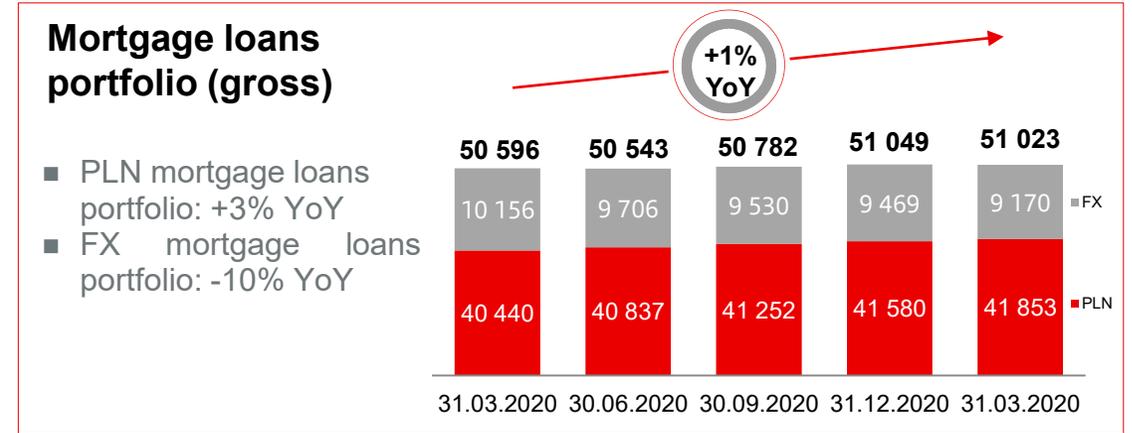
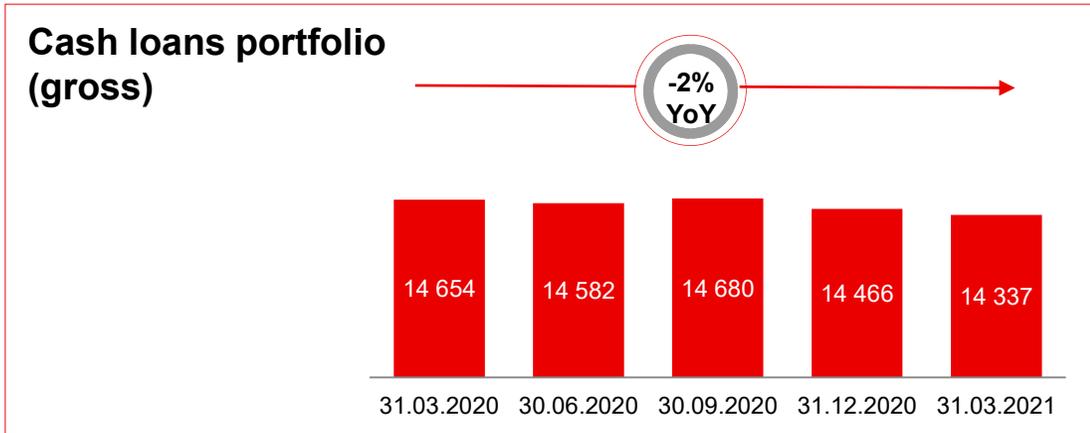
Type of assistance tool	Number of customers with granted assistance tools	Gross carrying amount of granted assistance tools PLNk
Non-legislative moratoria	150 256	20 158 924
Legislative moratoria	3 462	326 879
Total moratoria	153 718	20 485 802
Liquidity BGK	15 716	4 065 076
All assistance tools	169 434	24 550 879

Assistance tools for individual customers and companies during the COVID-19 pandemic - moratoria

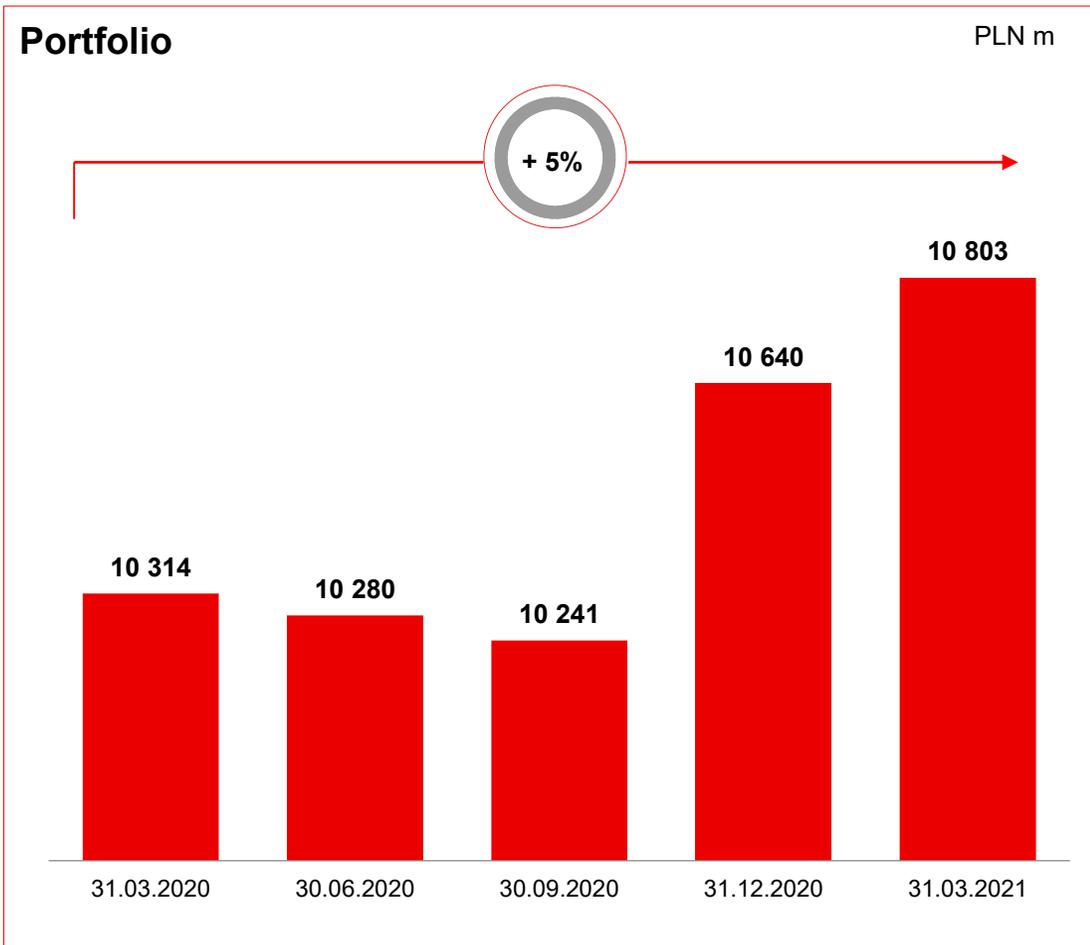
(in PLN thousand)

	Gross carrying amount								
					Performing		Non performing		
	Granted	Expired	Active		Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days
Loans and advances subject to moratorium	20 485 802	18 888 097	1 597 705	19 437 303	961 760	2 968 812	1 048 500	538 587	710 542
Of which: Households	8 270 467	8 014 741	255 727	7 564 237	121 881	693 592	706 231	413 708	505 996
Collateralised by residential immovable property	5 781 292	5 619 625	161 668	5 451 207	78 059	408 630	330 085	265 410	302 428
Consumer loans	2 489 164	2 395 105	94 059	2 113 019	43 822	284 962	376 146	148 298	203 568
of which: Non- financial corporations	12 215 335	10 873 356	1 341 978	11 873 066	839 879	2 275 220	342 269	124 879	204 546
SME loans	2 796 725	2 683 716	113 009	2 604 402	127 061	391 365	192 323	55 306	99 771
Corpotare loans	9 418 610	8 189 640	1 228 970	9 268 664	712 818	1 883 855	149 946	69 573	104 775

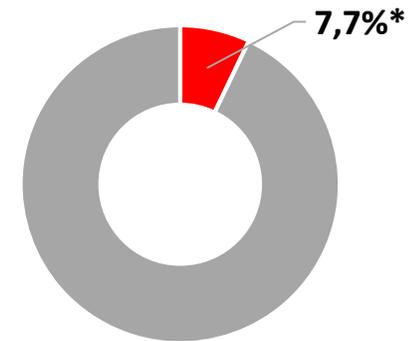
Retail Banking - growth in lending activity



Santander Leasing



Market share



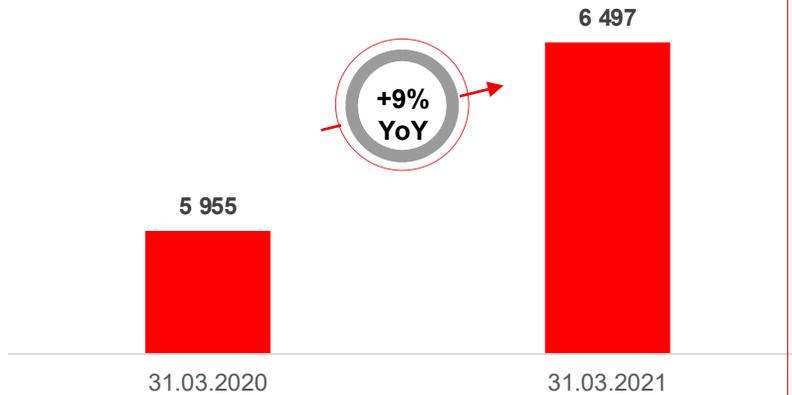
- Leasing portfolio at PLN 10.8bn, +5% YoY.
- Net sales value - 1.57 billion, + 36% YoY.
- 12% YoY growth in income.
- Excellent C/I at 28.5%.

*Data as of 30/09/2020 r.

Santander Factoring

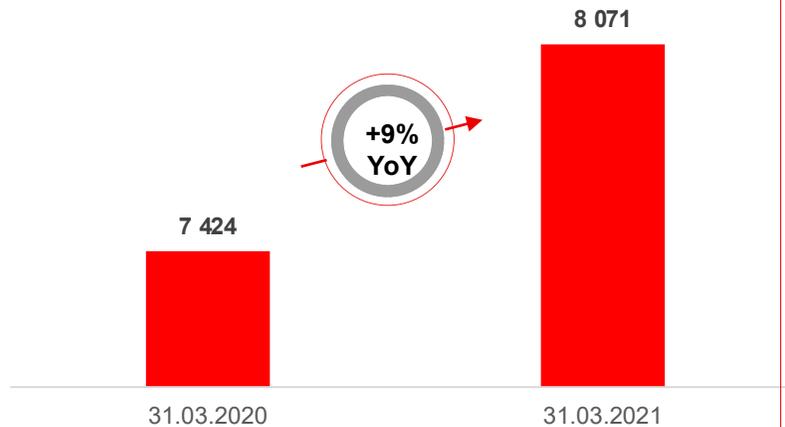
Portfolio

PLN m

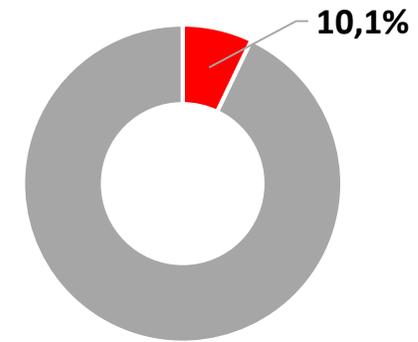


Turnover

PLN m

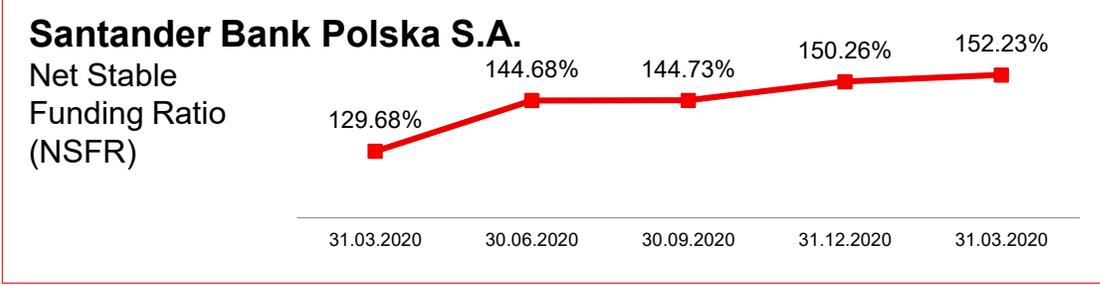
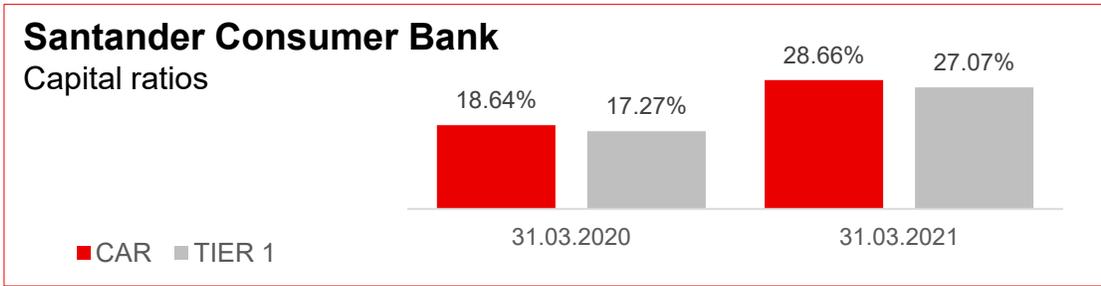
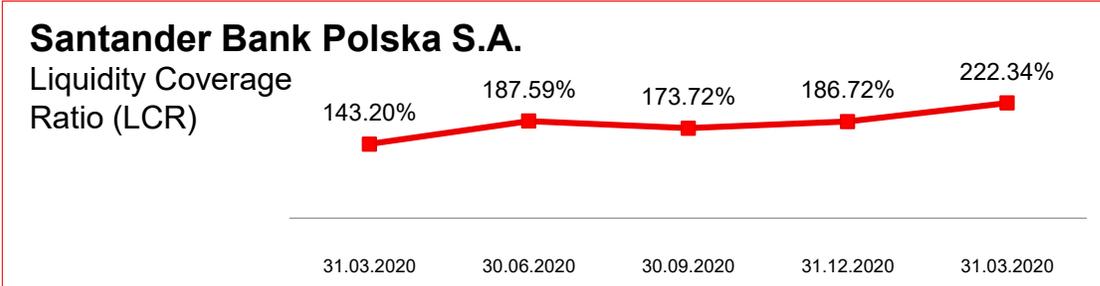
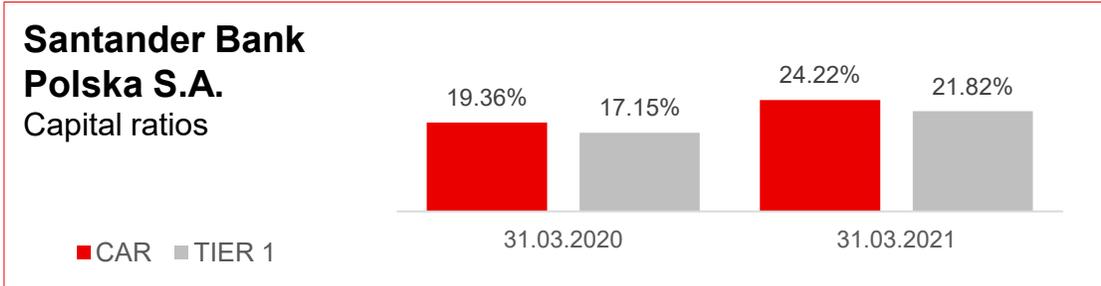
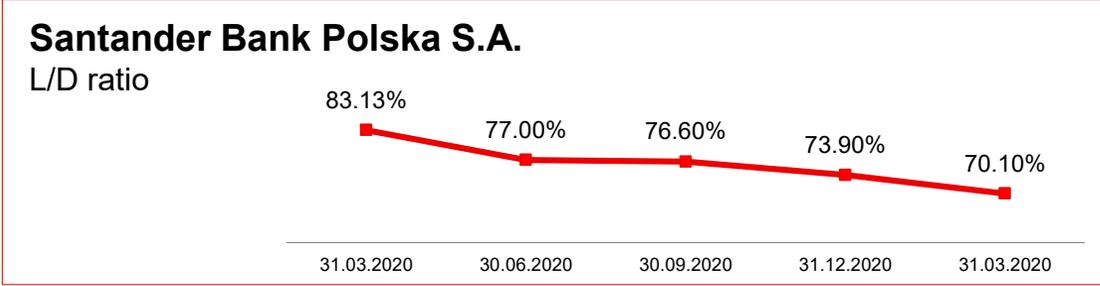
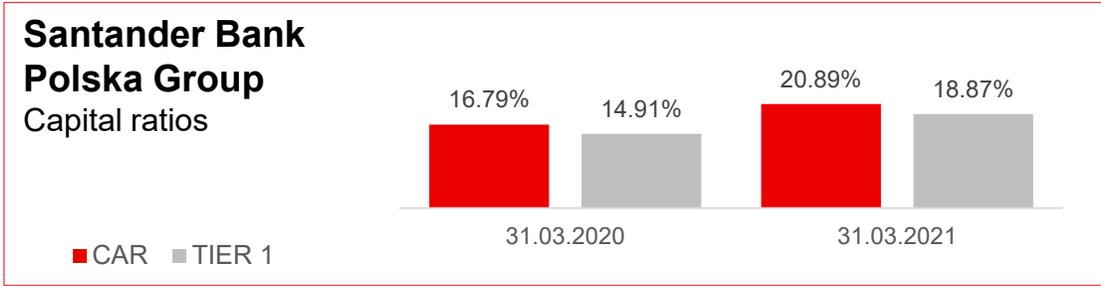


Market share



- In Q1 2021, Santander Factoring maintained its first position on the market in terms of the balance sheet, reporting 9% YoY growth in balances and increase in a respective market share to 19.2%.
- Santander Factoring also maintains its first position in liability financing factoring (20% YoY growth and 25% market share).
- After one quarter of 2021, the Polish factoring market recorded a 12% increase YoY.
- Santander Factoring, as one of the leading factor market players, continues its collaboration with BGK to provide support to customers with guarantees from the Liquidity Guarantee Fund.

Capital and liquidity position



Key financial ratios

1Q 2021 - Santander Bank Polska Group

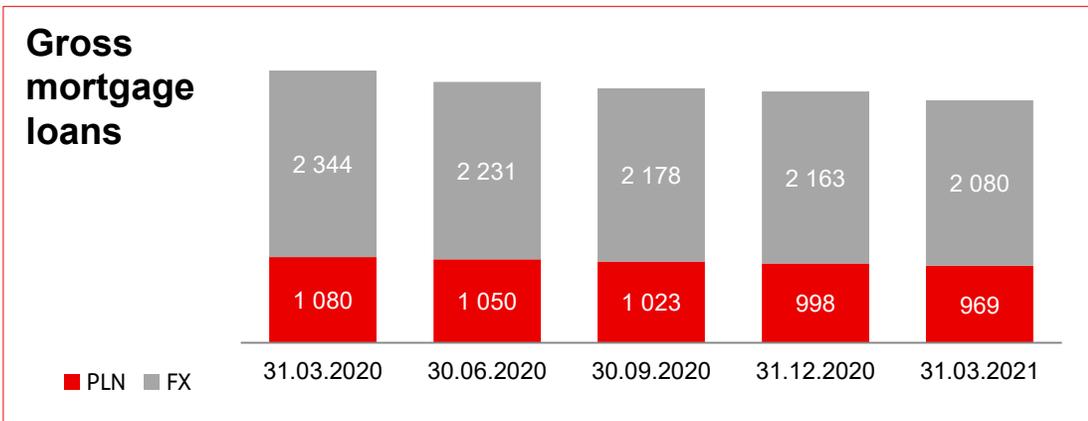
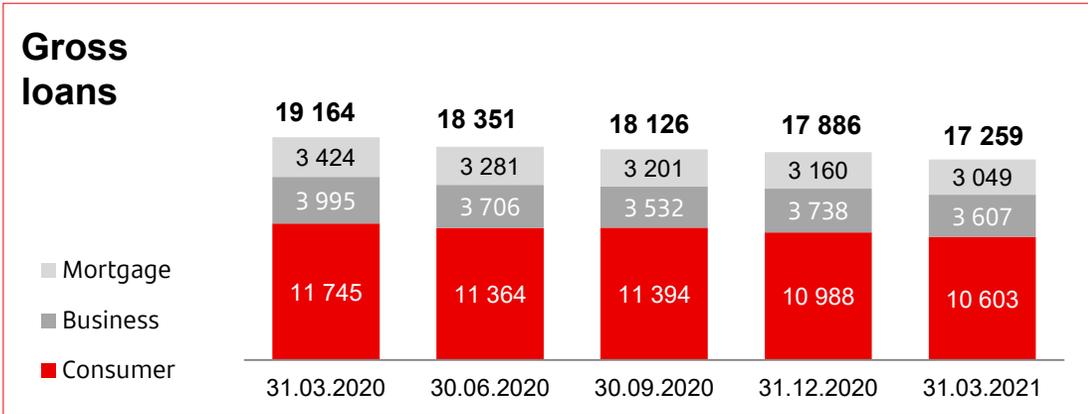
Selected financial ratios of Santander Bank Polska Group	1Q 2021	2019 ¹¹⁾
Cost/ income	59.6%	56.3%
Net interest income/ total income	64.8%	72.8%
Net interest margin ¹⁾	2.56%	3.32%
Net fee and commission income/ total income	28.8%	23.9%
Net loans and advances to customers/ deposits from customers	79.7%	93.6%
NPL ratio ²⁾	6.0%	5.2%
NPL provision coverage ratio ³⁾	57.2%	53.9%
Costs of credit ⁴⁾	1.14%	0.96%
ROE ⁵⁾	4.1%	8.5%
ROTE ⁶⁾	5.0%	10.1%
ROA ⁷⁾	0.4%	0.9%
Total capital ratio ⁸⁾	20.89%	16.79%
Tier 1 capital ratio ⁹⁾	18.87%	14.91%
Book value per share (PLN)	284.26	284.26
Earnings per ordinary share (PLN) ¹⁰⁾	1.09	1.67

Key financial ratios - comment

1Q 2021 - 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 a given 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 POCI exposures and measured at amortised cost to gross value of such loans and advances at the end of the reporting period.*
- 4) *Net expected credit loss allowance (for four consecutive quarters) to average gross loans and advances to customers measured at amortised cost (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 non-controlling interests, current period profit and the undistributed portion of the profit.*
- 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).*
- 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.*

Santander Consumer Bank Group Loans



PLN m

	31/03/2021	31/03/2020	YoY (%)	QoQ (%)
Retail customers	13 652	15 169	-10%	-4%
Mortgage loans	3 049	3 424	-11%	-4%
Consumer finance	10 603	11 745	-10%	-4%
SME/ Leasing	3 607	3 995	-10%	-3%
Total gross loans	17 259	19 164	-10%	-4%

- Total loans: -10% YoY:
- Mortgage loans: -11% YoY
- CHF mortgage loans: -9% YoY (approx. – CHF 51m)
- Consumer finance: -10% YoY
- Business loans: -10% YoY

Santander Consumer Bank Group

Key financial results for 1Q 2021

PLN m	1Q 2021	1Q 2020
Assets	19 530	21 713
Net loans	15 267	17 172
Deposits	8 923	9 956
Total equity	3 833	3 525
PAT	61	99
L/D (%)	171.1%	172.5%
C/I (%)*	56.5%	53.9%
ROE (%)	6.4%	11.3%
ROA (%)	1.2%	1.8%
TCR (%)**	28.7%	18.6%

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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