

# Financial results of Santander Bank Polska Group for 1-3Q 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 1-3Q 2021

# Our activities and our people

01

## Our people

### We care about employees

#### COVID status and work

- In the 3rd quarter of 2021, the pandemic slowed down significantly. We recorded an average of about 300 cases per day in the country, which translated into the situation at the Bank. In 3Q, we closed only 1 branch due to a confirmed case of an employee infected with COVID-19.
- Our offices are safe. We manage the situation related to the COVID-19 pandemic based on the guidelines of *the Crisis Procedure for handling identified and suspected cases of SARS-CoV-2 ("coronavirus") in the workplace* and the applicable rules resulting from the law.

#### COVID tests for employees

- In Q3 we reviewed the terms of employee testing contracts, renegotiating and expanding the testing offer. With our partners, we have negotiated even better test prices and – in order to increase the availability of tests – we have established cooperation with a new supplier.

#### Changes in the operating model

- We are working on the implementation of a hybrid model and the reorganization of offices. Since June, due to the decrease in the level of infections in Poland, we have enabled a gradual return to offices for those employees who feel such a need. We follow the epidemiological situation and react on an ongoing basis, because this is what the new reality requires of us.
- In the third quarter, we conducted an internal campaign "Fruitful meetings", in which we popularized the principles and recommendations for organising online meetings. Their use will greatly facilitate employees' functioning in the new model of work.

#### We care about wellbeing

- As part of our Wellbeing & Mental Health Strategy for 2021, we are constantly enriching the range of well-being activities.

#### Actions for diversity and inclusion

- The newly formed Embrace Polska group is active – supporting diversity, tolerance and respect in the workplace. The group conducts meetings and webinars for employees.
- We have published a series of "Job Stories" podcasts, in which we talk about the labour market, suggest how to take care of employees, their needs, but also how to reach candidates and provide them with the best recruitment experience.

#### Unique EB campaign

- We have continued our the employer-branding campaign "You are like...". The campaign shows development opportunities that the company offers and what employees it is looking for, e.g. in areas such as: IT, risk, data analysis and sales network. It depicts employees as superheroes from well-known films and TV series.

#### We implement modern work tools

- The implementation of the global OneHR tool (Workday system) is also underway – in the third quarter we have conducted training sessions on key processes accompanied by an extensive information campaign. We have also developed a comprehensive model of employee support in the first months of the change, we have established a dedicated HyperCare Team. The implementation of the platform is scheduled for October 19, 2021.

# Our communication



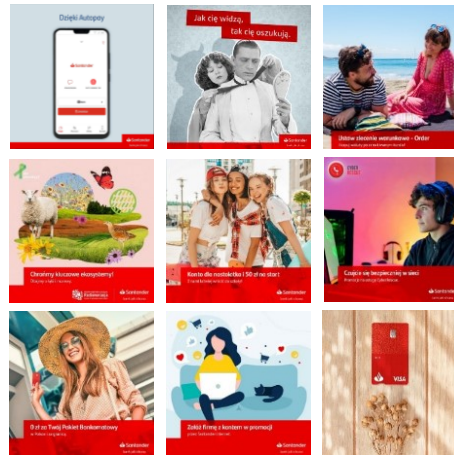
## Brand Ambassador

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 Q3, we focused SM communications on solutions that make our customers' lives easier:

- **Daily banking with Santander mobile** (demonstrating the application's features + summer occasions package),
- **Kantor summer campaign** (promoting its functionalities)
- **Back to school with a PLN 50 bonus** (set up the Account as I Want It with Karta Dopasowana customised card and an app)
- **Online security** (cyber education + CyberRescue)
- **Eco actions** – educational campaign about ecosystems, introduction of an eco card



## ATL campaigns / TV

**Campaigns promoting the Account As I Want it with a mobile application, thanks to which our clients can do more**

**Spring campaign** – we started our TV campaign with a new version of the spot which was broadcast in the autumn. We emphasized even more the convenience of having the application, contactless payments and BLIK transfers to a phone number, available both for adults and teenagers.

**Summer campaign** – "How much can you really afford?" asks Marcin Dorociński in the latest campaign. In the TV commercial, we show the joy that comes from supporting the talent and passion of your loved ones. The Santander mobile app makes it easier thanks to the option of viewing accounts from different banks in one platform.

**In August**, the TV spot from the spring was aired again with an account for young people as part of the "back to school" campaign, showing the new ecocard.

Advertising activities in both campaigns include, among others, TV and the Internet (including YT, VOD, content marketing and social media).



## Other campaigns

### Insurance

In Q1 2021, we launched a campaign to promote **new Locum insurance** which can be adapted to personal needs: you can insure your house, apartment, garage and even windows and bike. We communicated with our customers via the internet and branches. The campaign's ambassador was 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 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.

### "We will double your impact" charity campaign

**"We will double your impact" charity campaign** supporting psychiatric wards of children and adolescents in Poland. The Santander Group donated PLN 1 million at the start of the campaign. It was launched on June 1 – video, social media, display, posters in branches, LCD, ATM.

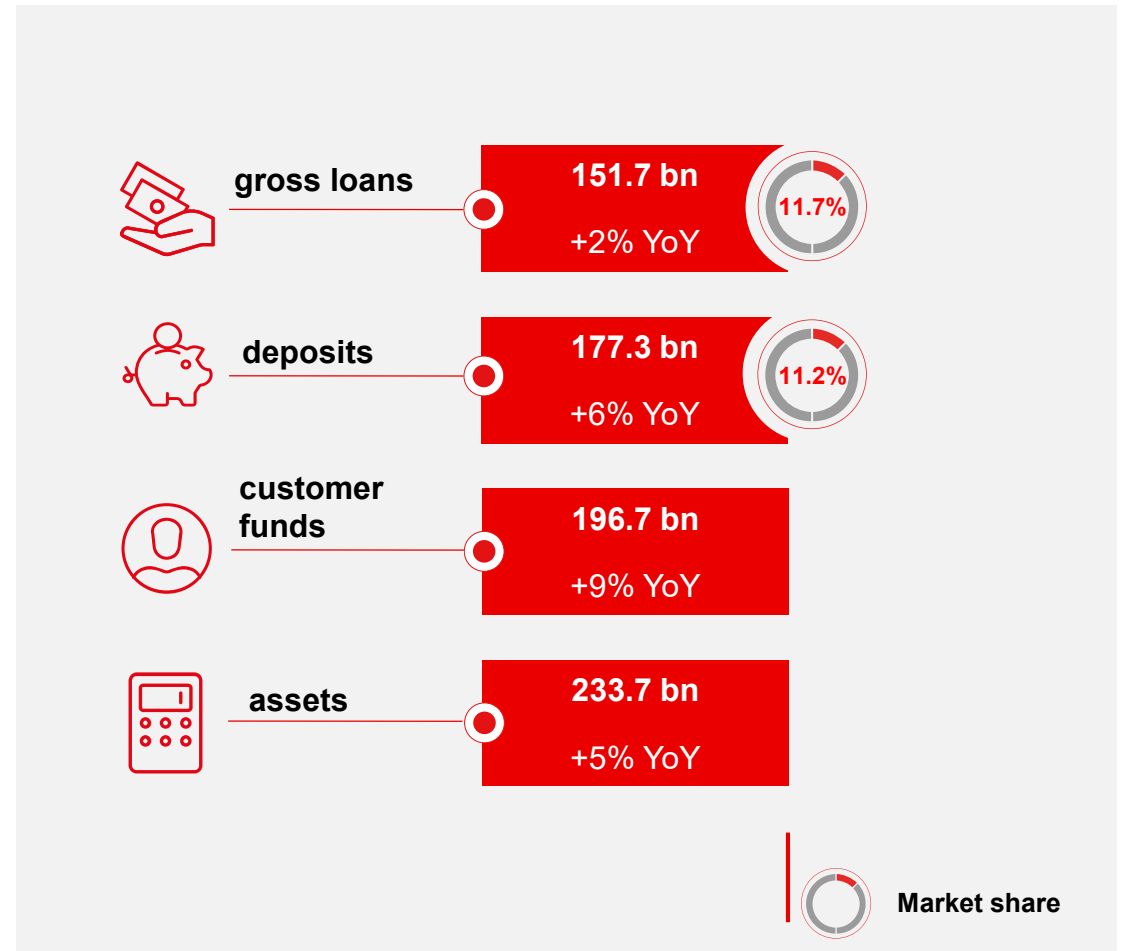
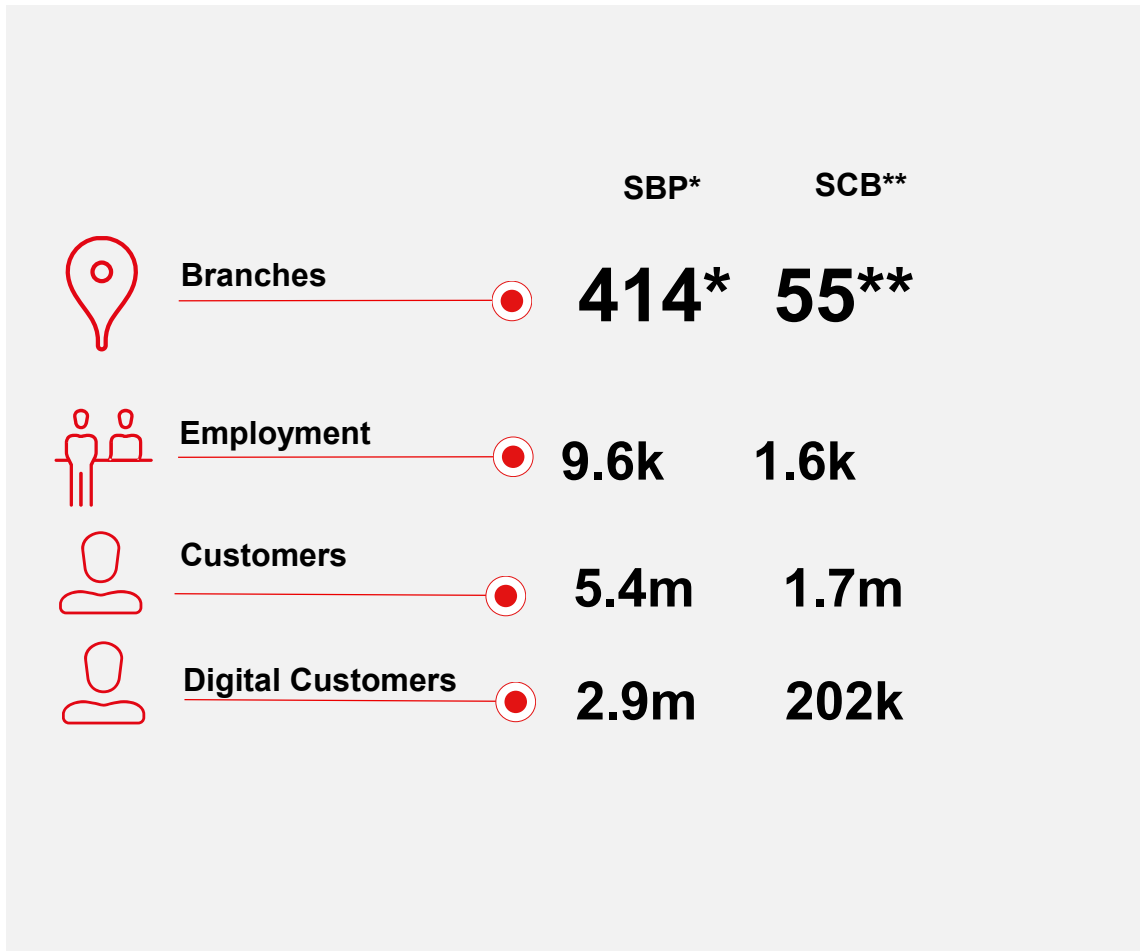
Results

# Our business development

02

## General operational data

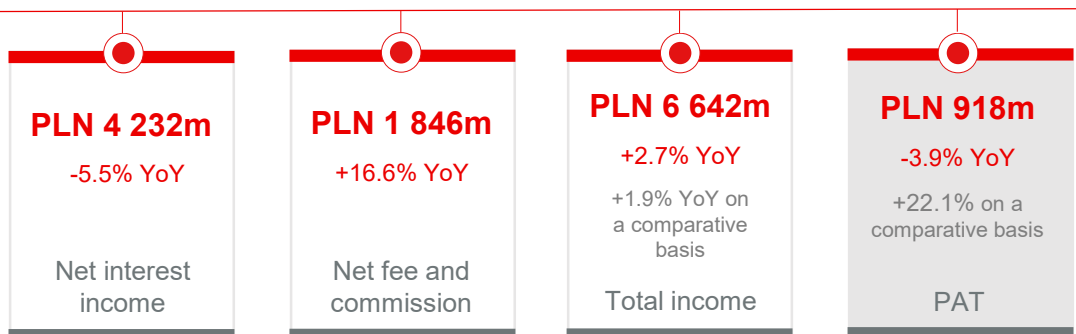
## Key volumes



\*SBP – Santander Bank Polska: 414 SBP branches include: 402 own branches, 2 off-site locations, 10 Santander Zones (acquisition stands).  
 \*\*SCB – Santander Consumer Bank – own branches

## Key financial results for 1-3Q 2021

### Key results

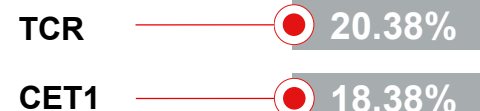


On a comparative basis for individual items, i.e. assuming a constant level of BFG fees and after excluding from 1-3Q 2021 profit: provisions for disputed liabilities and other assets (PLN 728 million), collective provision for legal risk (PLN 196 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 98 million), dividend income (PLN 104 million), release of management provisions on the expected credit losses resulting from COVID-19 (PLN 89 million), and from 1-3Q 2020 profit: provisions for disputed liabilities and other assets (PLN 101 million), collective provision for legal risk (PLN 110 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 129 million), dividend income (PLN 22 million), income of Santander Consumer Bank S.A. from revision of the model for calculation of provisions for insurance premium refunds (PLN 103m) and management provisions on the expected credit losses due to COVID-19 (PLN 151 million).

## Financial ratios For 1-3Q 2021

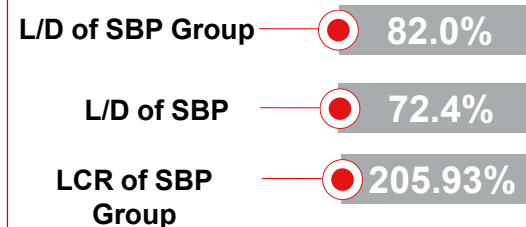
### Capital position

Strong capital position well above the KNF requirements

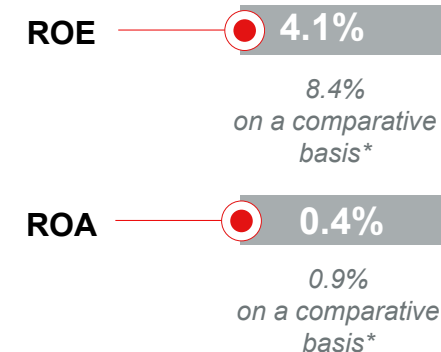


### Liquidity position

Safe liquidity position



### ROE, ROA



\*data as at 30 September 2021



Results for 1-3Q 2021

# Our customers

03

## Our customers in numbers\*

### Retail customers

4.9m customers — **+3% YoY**

2.6m digital customers — **+8% YoY**

1.9m mobile customers — **+16% YoY**

40.6m mobile banking transactions — **+36% YoY**



### SME customers

461k customers — **+9% YoY**

327k digital customers — **+7% YoY**

149k mobile customers — **+16% YoY**

3.5m mobile banking transactions — **+44% YoY**



### Corporate customers

25.6k customers — **+4% YoY**

20.2k digital customers — **+4% YoY**

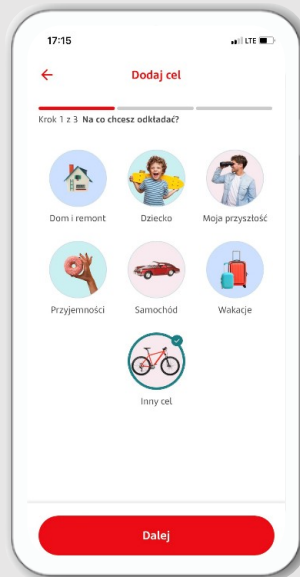
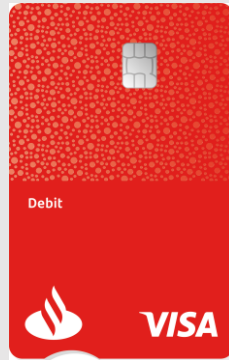
4.2k mobile customers — **+20% YoY**



## New products and services

### Retail customers

- Since the beginning of July, we have been issuing VISA cards made in 85% of recycled plastic.
- We have implemented an application process for consolidation cash loans in internet banking and mobile app.
- We have launched “My goals” - a modern savings formula.
- We have implemented AutoPay service for personal customers.



### SME customers

- We have implemented AutoPay service for business customers.
- We have streamlined complaint handling in Mini Firma and Mini Firma +.
- We have enabled text message authorization for deposits.



### Corporate customers

- We have implemented a new service for public sector customers – open cash withdrawals in cooperation with Poczta Polska. It will allow us to offer a comprehensive solution for local authority units and increase our market share.
- We continue promoting Santander Trade Portal – Bank of China and Dubai Islamic Bank joined the Trade Club Alliance, which increases the business potential and attractiveness of the Portal for our clients



## Education and support for customers

### Retail Customers

- For the third time employees of the North Macroregion and Santander Foundation organised the “North Helps” event to raise funds for Eugeniusz Dutkiewicz Home Hospice for Children in Gdańsk.
- In order to help parents get ready for the new school year, we have put together all necessary information at [www.santander.pl/szkola](http://www.santander.pl/szkola).



### SME Customers

- We have organised “Investment funds as an alternative for deposits” webinar to discuss opportunities offered by investment funds.
- We continue our cyclical educational campaigns about products and services offered to businesses.



### BCB Customers

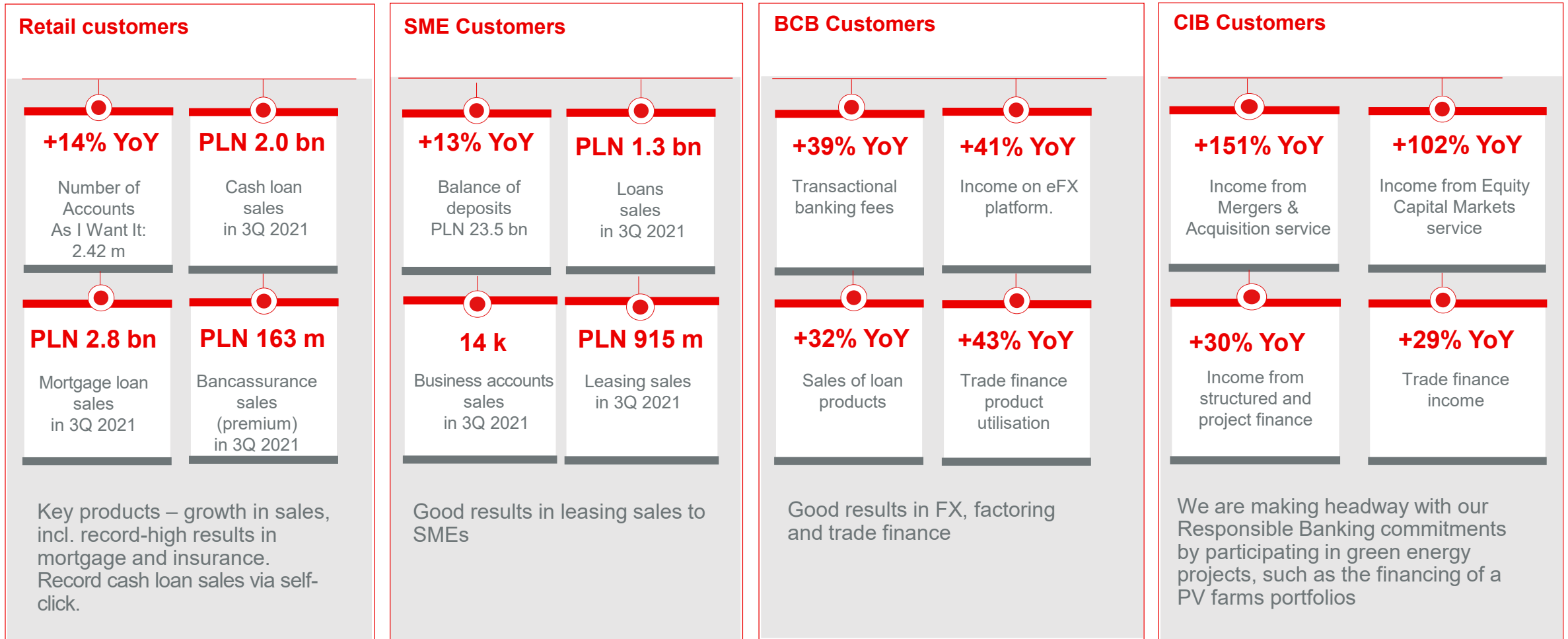


- We organised webinars for food exporters to the UK (Brexit related) and networking sessions for customers from the UK, Germany, Scandinavia and the Netherlands.
- Thanks to the global footprint of Santander Group, we organized an international webinar "Bringing One Europe closer to China" together with other European banks of the Group and Bank of Shanghai. It was the first joint webinar organised by all Santander banks in Europe for European exporters to China.

### CIB Customers

We issued more than 150 stock exchange recommendations in 1-3Q 2021 in the CEE region and facilitated participation in several dozen conferences for institutional investors.

## Selected business data



Results for 1-3Q 2021

# Our financial performance

04

## Gross loans

### Comment

#### Santander Bank Polska S.A.

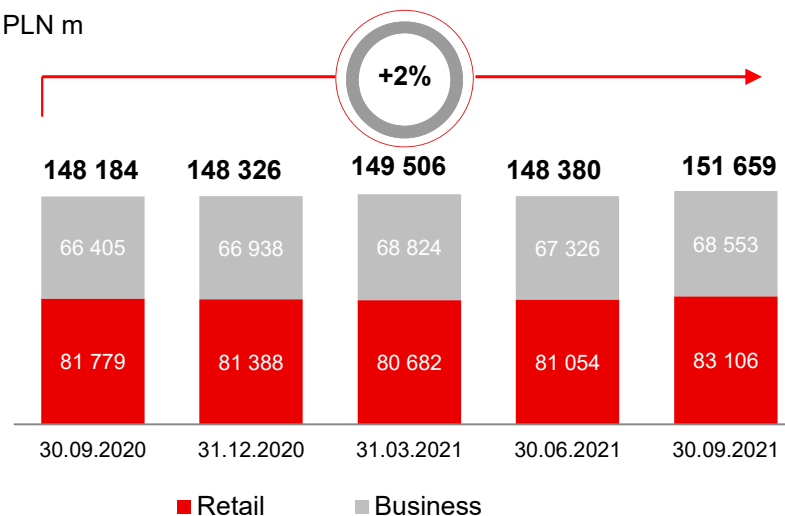
- The loan portfolio in 9M 2021 was influenced by lower demand for loans and government assistance programs offered to business customers.
- An increase in sales of mortgage loans in 3Q 2021 by 126% vs. 3Q 2020 and cash loans by 37%. Sales in 3Q 2021 vs. 2Q2021 increased by 32% for mortgage loans and by 8% for cash loans.
- CHF mortgage loans: -9% YoY (-8% YoY in PLN)
- Including leasing and factoring, SME loans: +6% YoY and +1% QoQ and BCB loans: stable YoY and QoQ
- CIB loans (including leasing and factoring): +6% YoY and -2% QoQ.

#### Santander Consumer Bank

- SCB gross loans: PLN 17bn (-5% YoY)
- Mortgage portfolio: -10% YoY (CHF mortgage portfolio: -10% YoY)
- SCB loans (excluding mortgage loans): --5% YoY.

### Gross loans

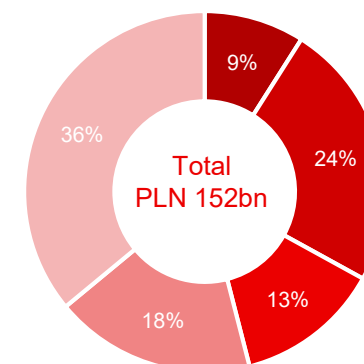
PLN m



PLN m

	30/09/2021	30/09/2020	YoY (%)	QoQ (%)
<b>Retail customers</b>	<b>83 106</b>	<b>81 779</b>	<b>2%</b>	<b>3%</b>
Mortgage loans	54 465	52 518	4%	3%
Other – retail customers	28 641	29 260	-2%	2%
<b>Business loans</b>	<b>68 553</b>	<b>66 405</b>	<b>3%</b>	<b>2%</b>
<b>Total gross loans</b>	<b>151 659</b>	<b>148 184</b>	<b>2%</b>	<b>2%</b>

### Structure of loans\*



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

## Customer funds

### Comment

#### Santander Bank Polska Group

- An increase in customer funds YoY was influenced by government assistance programs offered to customers.

#### Deposits

- An increase in retail deposits by 6% YoY and by 1% QoQ
- Business deposits increased by 7% YoY and by 4% QoQ

#### Investment funds

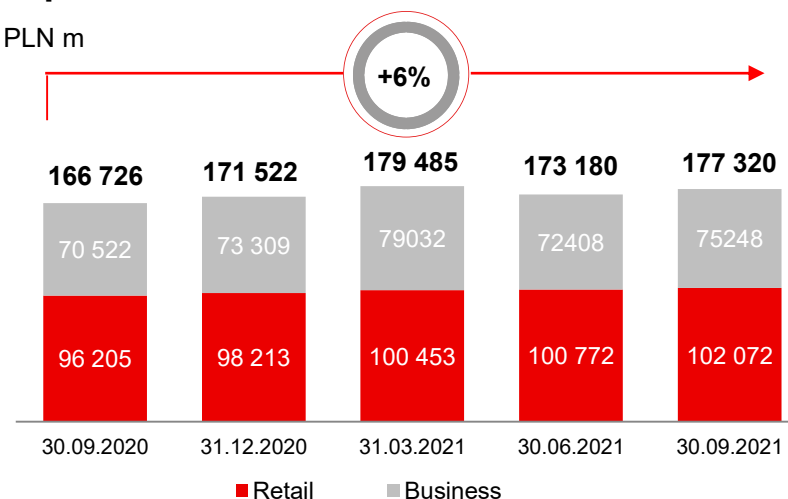
- Investment funds increased by 33% YoY (low base in 2020) and increased by 3% QoQ

#### Santander Consumer Bank

- Deposits: PLN 9bn (-9% YoY)

### Deposits

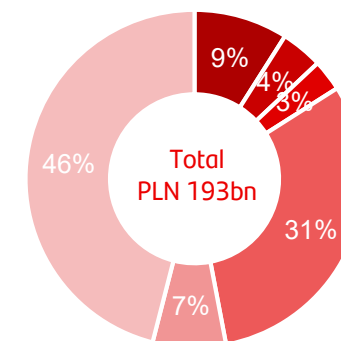
PLN m



PLN m

	30/09/2021	30/09/2020	YoY (%)	QoQ (%)
Current deposits	101 163	82 042	23%	3%
Savings accounts	53 971	47 727	13%	2%
Term deposits	22 187	36 958	-40%	-1%
<b>Total deposits</b>	<b>177 320</b>	<b>166 726</b>	<b>6%</b>	<b>2%</b>
Investment funds	19 350	14 536	33%	3%
<b>Total customer funds</b>	<b>196 670</b>	<b>181 262</b>	<b>9%</b>	<b>2%</b>

### 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

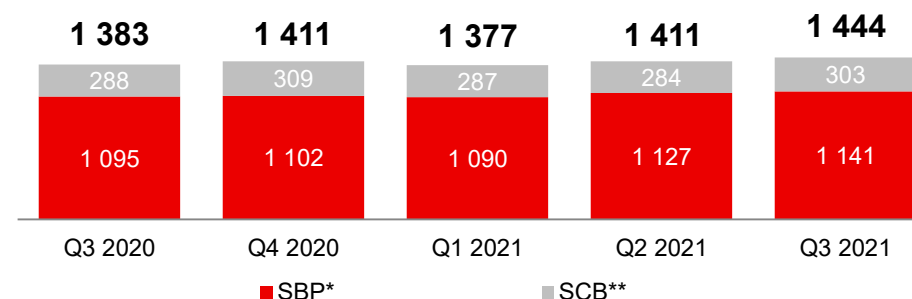
- In 1-3Q 2021, net interest income fell by 5% YoY and increased by 2.3% QoQ in Q3.
- In Q3 2021 increase of 2.3% QoQ and by 4.4% YoY
- Net interest margin for Q3 2021 (annualised on a quarterly basis) totalled 2.64% and increased by 5bp QoQ.
- The decline in net interest income YoY and net interest margins is attributable to interest rate cuts, and the effects of the COVID-19 pandemic (impact on lending activity).
- Quarterly dynamics of interest income was +1.9% in Q3 2021, while interest costs decreased by 4.7%. Compared to Q3 2020, interest income at a similar level and interest expense at almost half the size.

Net interest income of SCB Group\*\*

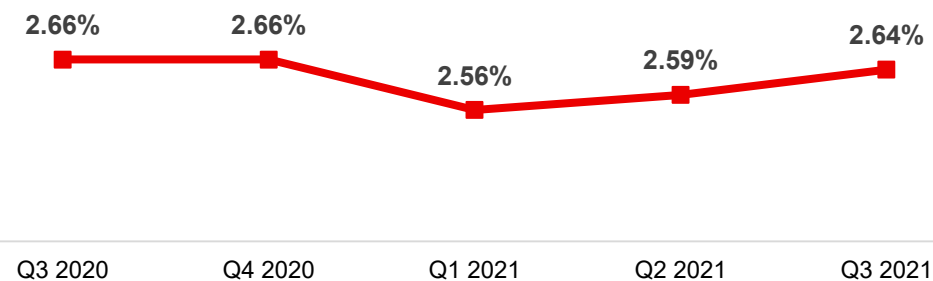
PLN 874m (1-3Q 2021)  
PLN 996m (1-3Q 2020)

### Net interest income

PLN m



### Net interest margin



# Net fee and commission income

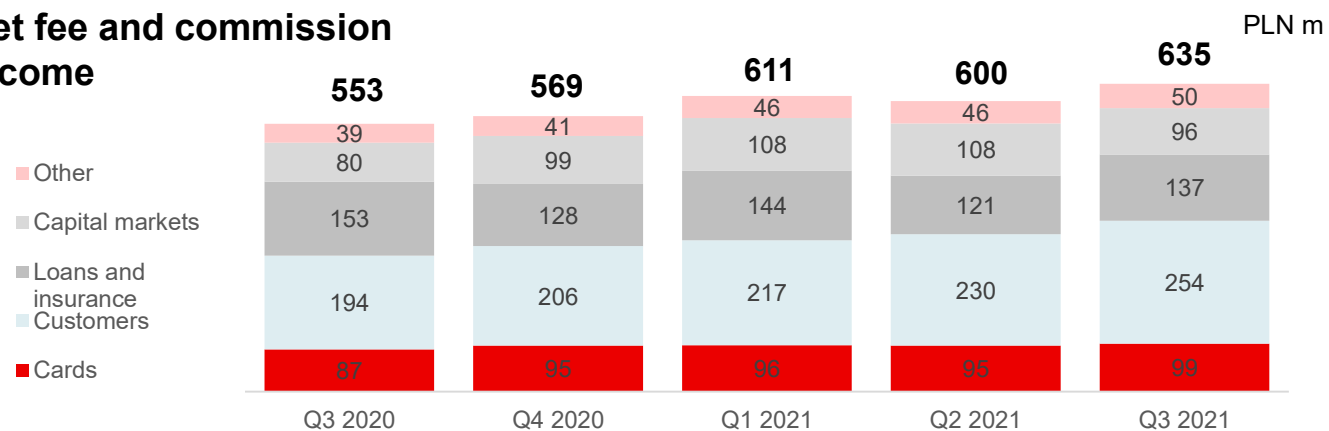
## Comment

- Net commission income +17% YoY and +6% QoQ
- Good results in card commissions (+25% YoY), fees for current accounts and money transfers (+27% YoY) and in asset management fees (+24% YoY). Brokerage commissions (+13% YoY).
- Higher commission income from the account and cash turnover services (+27% YoY) results from the increase in the number of Accounts As I Want It and the introduction of a fee conditional on the account activity.
- SCB - net commission income YoY lower by 16% in comparison to 1-3Q 2020 due to lower activity of clients and lower insurance income.

Net fee and commission income of SCB Group\*

PLN 103m (1-3Q 2021)  
PLN 122m (1-3Q 2020)

## Net fee and commission income



## Net fee and commission income

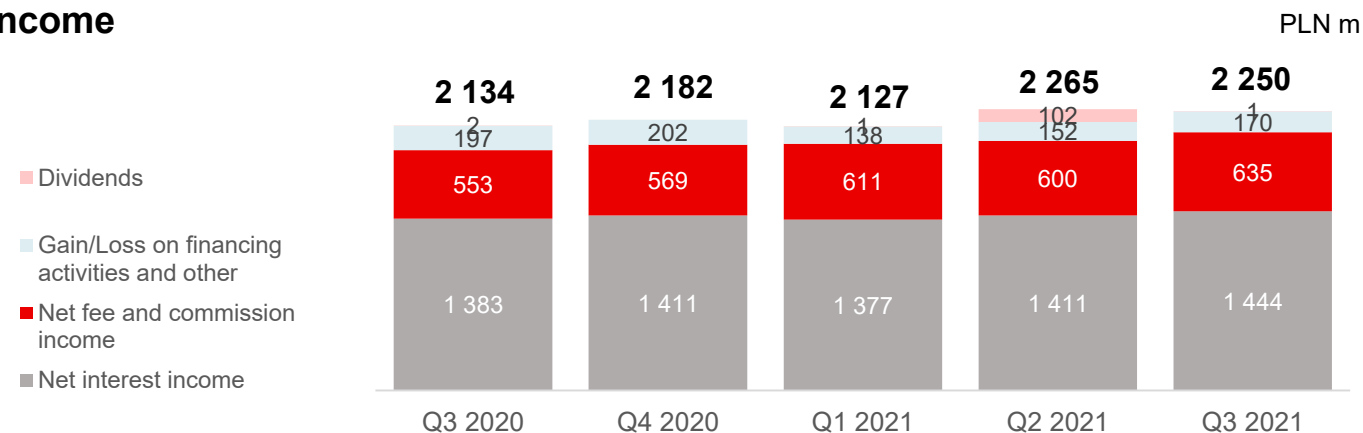
	1-3Q 2021	1-3Q 2020	YoY (%)	QoQ (%)
PLN m				
Cards	290	249	16%	4%
Transactional	701	572	23%	10%
Loans + insurance	402	397	1%	13%
Capital markets*	312	256	22%	-11%
Other	142	109	30%	6%
<b>Total</b>	<b>1 846</b>	<b>1 583</b>	<b>17%</b>	<b>6%</b>

## Income

### Comment

- The Group's total income in 1-3Q 2021 amounted to PLN 6,642 million and increased by 3% compared to 1-3Q 2020, down by 1% QoQ due to dividend income from Aviva Group posted in 2Q 2021.
- In 1-3Q 2021, the group booked dividend income of PLN 104 million vs. PLN 22 million in 2020.
- Higher non-interest and non-commission income in 1-3Q 2021 compared to 1-3Q 2020, influenced by an increase in the trading result and revaluation - resulting from the situation on financial markets.
- Profit on the sale of bonds in 1-3Q 2021 was PLN 96.2m (of which PLN 58m in Q3 2021) compared to PLN 170.1m in 1-3Q 2020.
- Change in the fair value of VISA Inc. shares in the amount of PLN 6m in 1-3Q 2021 (in 1-3Q 2020 PLN 15m) recognized in the result on other financial instruments. In 3Q 2021 alone, the change in the fair value of VISA Inc. shares was PLN -6m.

### Income



PLN m

	1-3Q 2021	1-3Q 2020	YoY (%)	QoQ (%)
Net interest income	4 232	4 477	-5%	2%
Net fee and commission income	1 846	1 583	17%	6%
<b>Total</b>	<b>6 078</b>	<b>6 060</b>	<b>0%</b>	<b>1%</b>
Gains/ losses on financing activities	293	275	9%	10%
Dividends	104	22	363%	-99%
Other operating income	166	107	50%	4%
<b>Total income</b>	<b>6 642</b>	<b>6 465</b>	<b>3%</b>	<b>-1%</b>
One-off items	74	19		
<b>Total income excluding one-off items</b>	<b>6 568</b>	<b>6 446</b>	<b>1.9%</b>	

On a comparative basis for individual items, i.e. excluding the following items from 1-3Q 2021 profit: adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 98 million), dividend income (PLN 104 million), and from 1-3Q 2020 profit: adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 129 million), income of Santander Consumer Bank S.A. from revision of the provisioning model for insurance premium refunds (PLN 103m) and dividend income (PLN 22 million),

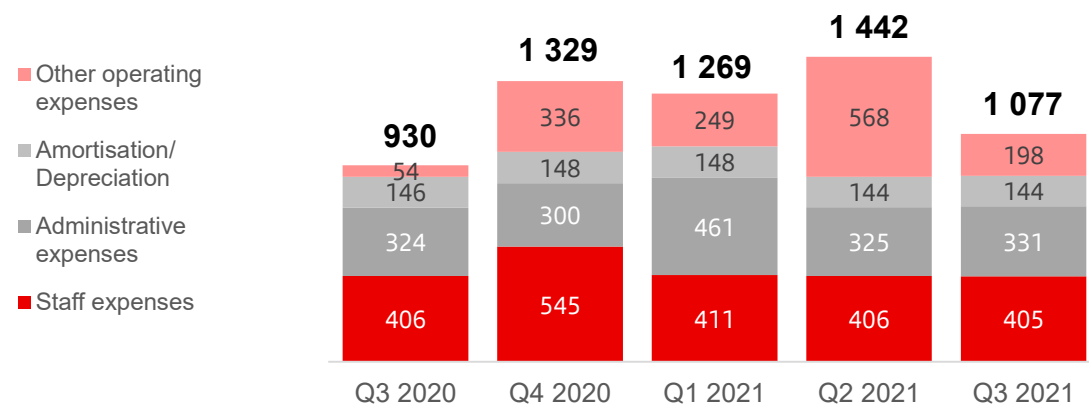
## Operating expenses

### Comment

- Total costs in 1-3Q 2021 under the influence of regulatory costs and the creation of provisions for legal risk related to the FX mortgage loan portfolio.
- Administrative expenses increased by 1.6% compared to the second quarter of 2021 and by 2.2% compared to the third quarter of 2020
- Staff costs at the similar level compared to the previous quarter and to the third quarter of 2020.
- In SCB, operating costs -3% compared to Q2 2021 and -7% compared to Q3 2020. SCB staff costs -1% compared to the previous quarter and -2% compared to Q3 2020. Administrative costs -9% QoQ and -13% vs. Q3 2020.
- Group C/I ratio at 57.0% in 1-3Q 2021 compared to 48.9% in 1-3Q 2020. The comparable C/I ratio was 45.7% in 1-3Q 2021 and has not changed vs. 2020.

### Operating expenses

PLN m



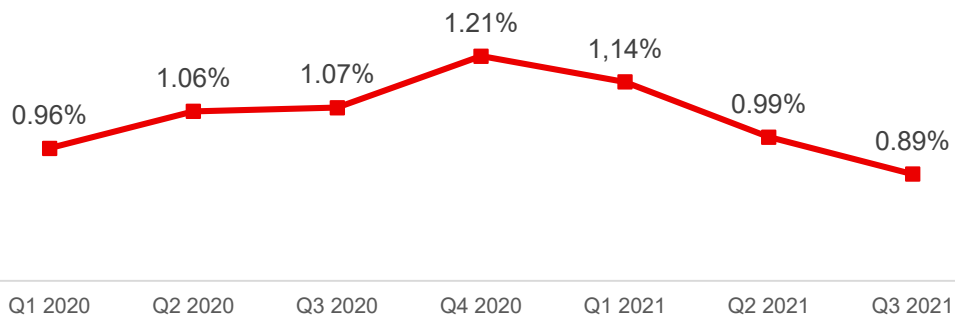
PLN m

	1-3Q 2021	1-3Q 2020	YoY (%)	QoQ (%)
Administrative and staff expenses	(2 338)	(2 418)	-3%	-1%
<i>Staff expenses</i>	(1 221)	(1 199)	2%	-0%
<i>Administrative expenses</i>	(1 117)	(1 219)	-8%	2%
Amortisation/depreciation + other	(1 451)	(741)	95%	-52%
<b>Total costs</b>	<b>(3 789)</b>	<b>(3 159)</b>	<b>20%</b>	<b>-25%</b>
One-off items	(789)	(212)		
<b>Underlying total costs*</b>	<b>(3 000)</b>	<b>(2 947)</b>	<b>1,8%</b>	

On a comparative basis for individual items, i.e. assuming a constant level of BFG fees and after excluding the following items from 1-3Q 2021 profit: provisions for disputable liabilities and other assets (PLN 728 million), collective provision for legal risk (PLN 196 million), and from 1-3Q 2020 profit: provisions for disputable liabilities and other assets (PLN 101 million), collective provision for legal risk (PLN 110 million).

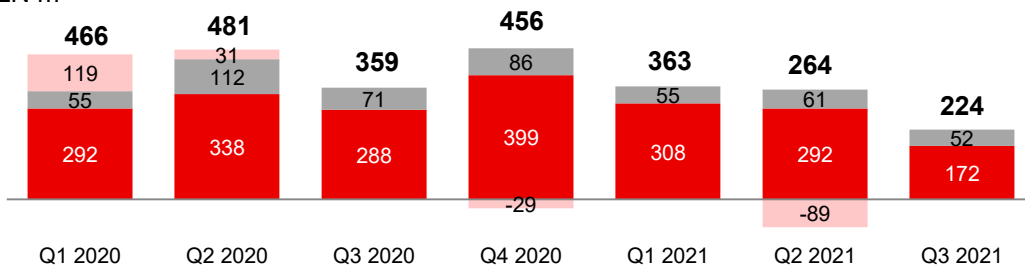
## Provisions and credit portfolio quality

### Cost of credit



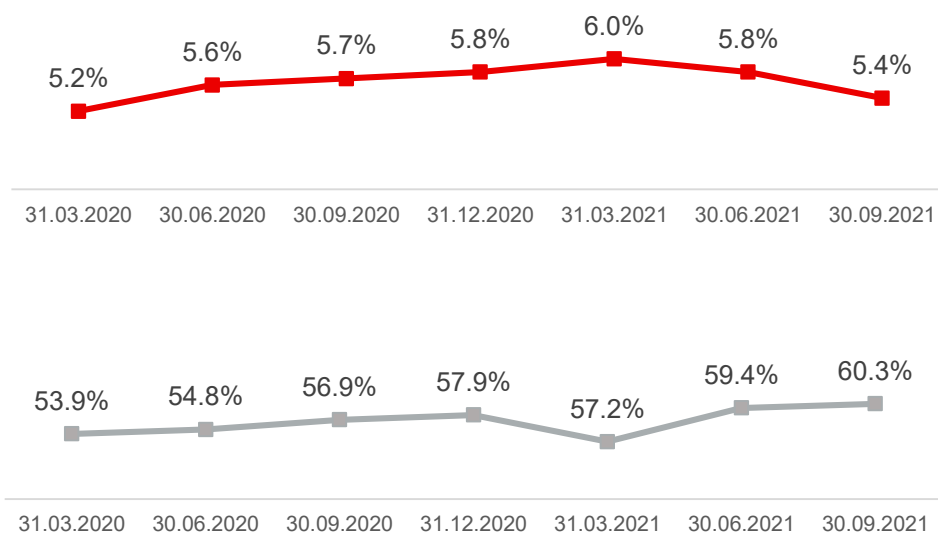
### Balance of provisions

PLN m



■ Santander Bank Polska ■ SCB ■ Additional expected credit loss allowance (post-model adjustment)

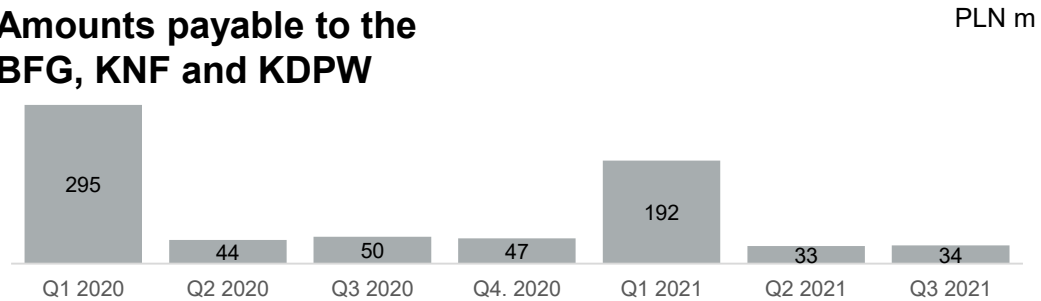
### NPL and NPL coverage ratio\*



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

## 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

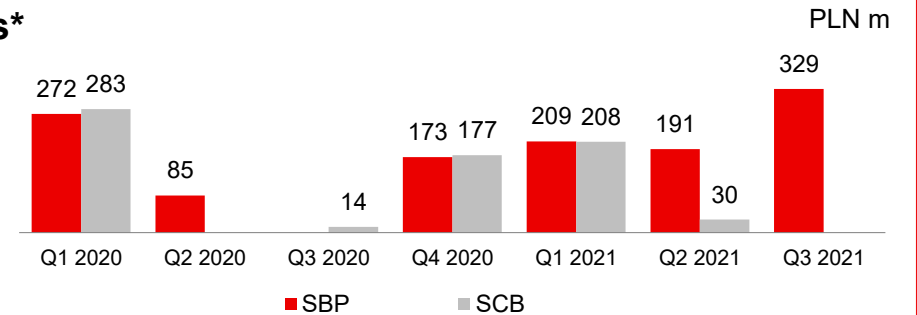
### Banking tax

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.

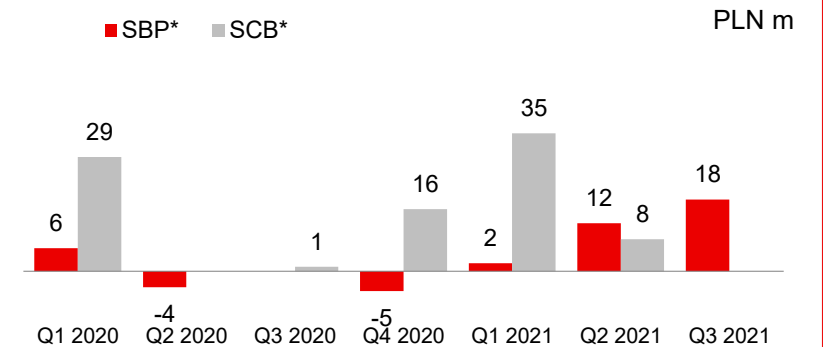
In 2021, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 450m (PLN 427m and PLN 23m, respectively).

## NPL sales

### NPL sales\*



### Impact of NPL sales on PBT\*



**SBP 1-3Q 2021:** NPL sales: PLN 729m, impact on PBT PLN 32.5m  
**SCB 1-3Q 2021:** NPL sales: PLN 238m, impact on PBT PLN 42.2m

## Results for 1-3Q 2021

### Comment

- In Q3, further increase in net interest income (2.3% QoQ and 4.4% YoY) and commission (6% QoQ and 15% YoY)
- Total costs influenced by provisions for legal risk. On a comparative basis increase by 2% YoY, and unchanged compared to the previous quarter. Further emphasis on cost-effectiveness.
- Increase in net profit by 13% compared to the third quarter of 2020.
- Effective tax rate influenced by regulatory costs and provisions for legal risk

### Results for 1-3Q 2021 impacted by regulatory payments and extraordinary factors

PLN m	1-3Q 2021	1-3Q 2020	% YoY	On a comparative basis*
Net interest and fee income	6 078	6 060	0%	0%
Gross income	6 642	6 465	3%	2%
Operating expenses	-3 783	-3 159	20%	2%
Credit impairment allowances	-850	-1 306	-35%	-19%
Tax on financial institutions	-450	-449	0%	0%
<b>PBT</b>	<b>1 610</b>	<b>1 619</b>	<b>-1%</b>	<b>14%</b>
Income tax	-567	-499	13%	13%
<b>Profit attributable to shareholders of Santander Bank Polska S.A.</b>	<b>918</b>	<b>956</b>	<b>-4%</b>	<b>22%</b>
Effective tax rate	35.2%	30.8%		

On a comparative basis for individual items, i.e. assuming a constant level of BFG fees and after excluding the following items from 1-3Q 2021 profit: provisions for disputable liabilities and other assets (PLN 728 million), collective provision for legal risk (PLN 196 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 98 million), dividend income (PLN 104 million), release of management provisions on the expected credit losses resulting from COVID-19 (PLN 89 million), and from 1-3Q 2020 profit: provisions for disputable liabilities and other assets (PLN 101 million), collective provision for legal risk (PLN 110 million), adjustments to interest income related to the reimbursement of part of fees for consumer loans repaid ahead of schedule (PLN 129 million), dividend income (PLN 22 million), income of Santander Consumer Bank S.A. from revision of the provisioning model for insurance premium refunds (PLN 103m) and management provisions on the expected credit losses resulting from COVID-19 (PLN 151 million).

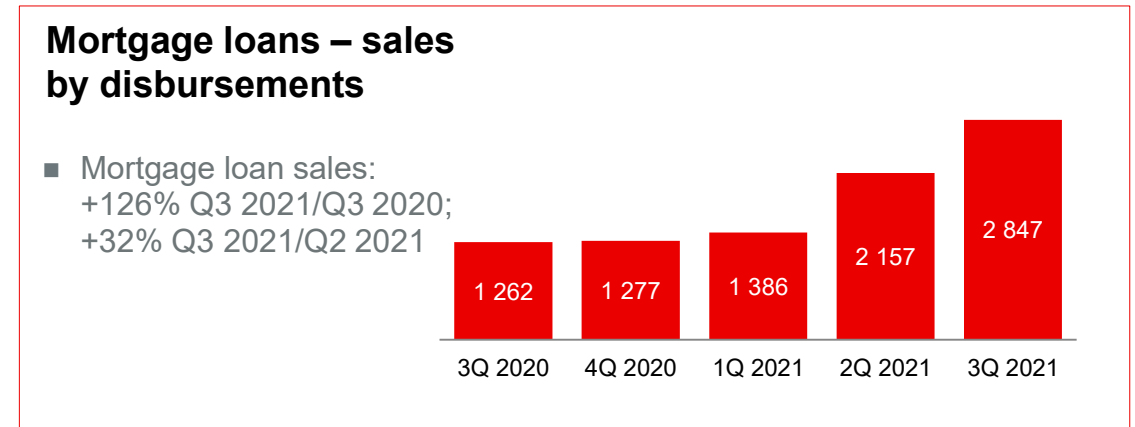
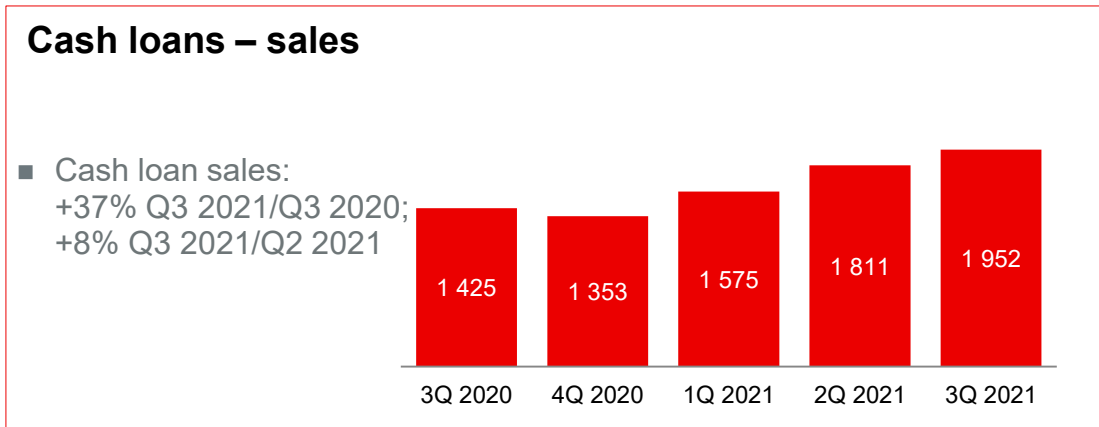
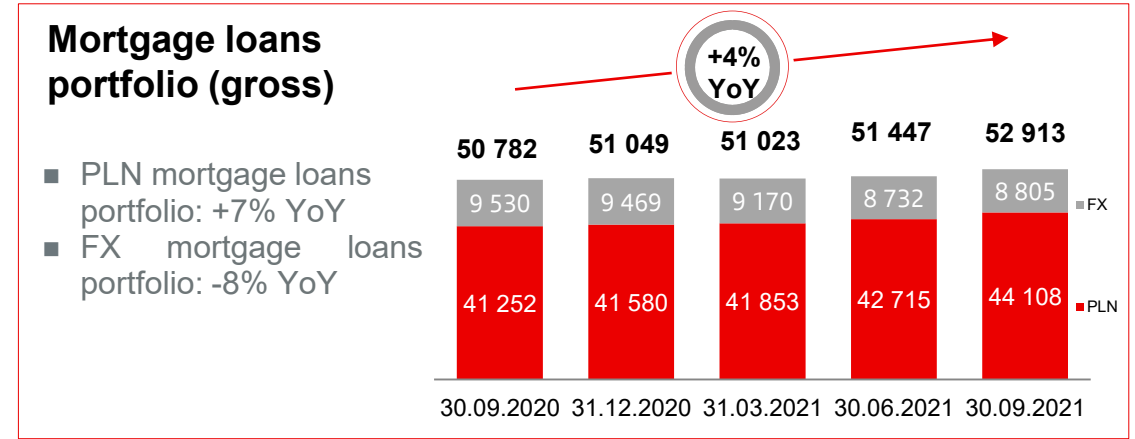
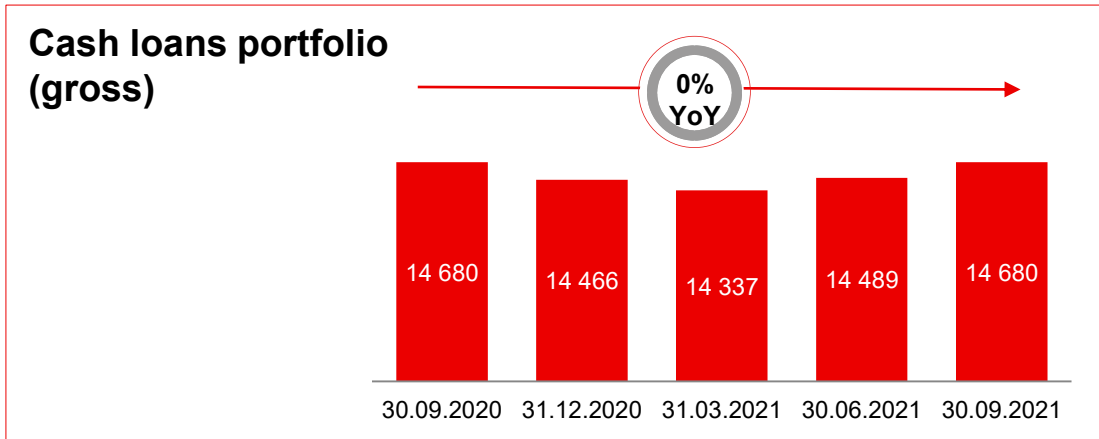
# Attachments

05

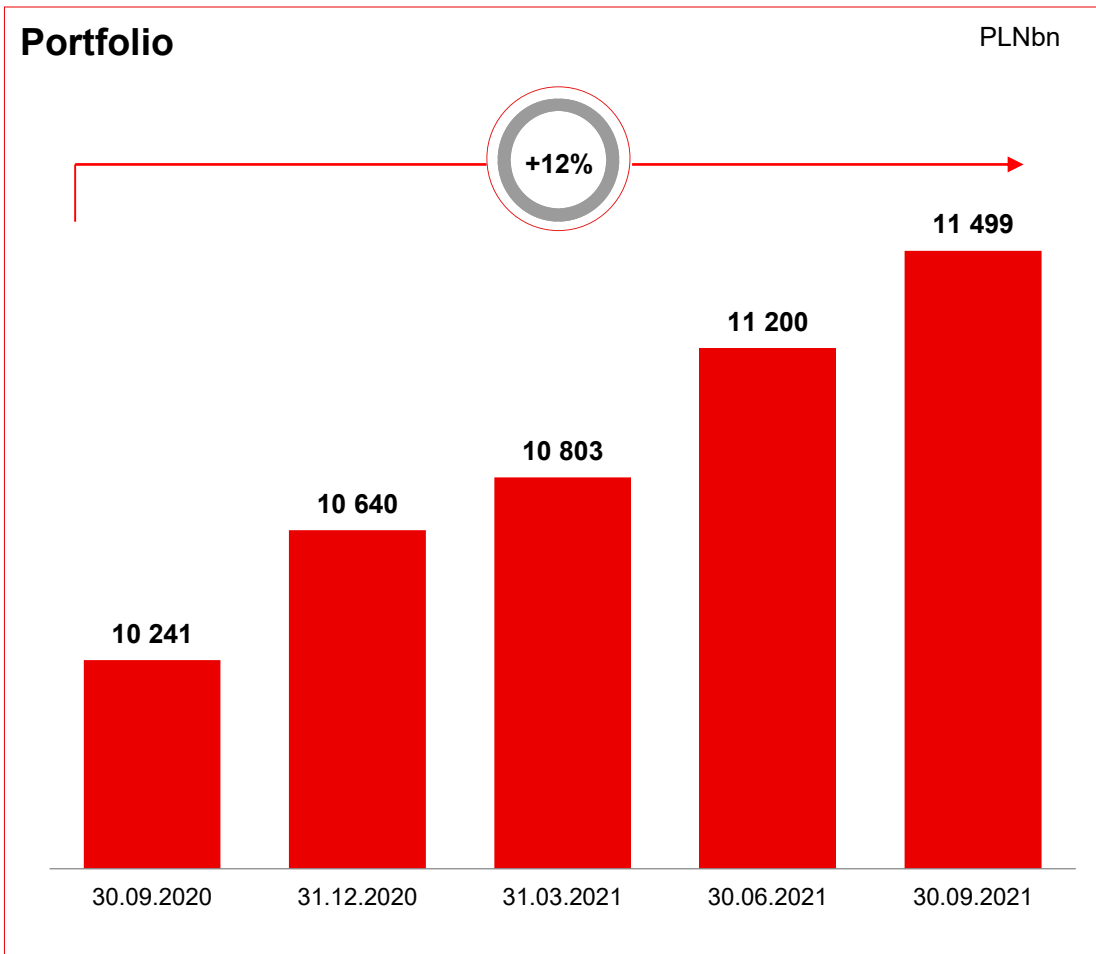


# Retail Banking - growth in lending activity

PLN m



# Santander Leasing



### Market share

- Leasing portfolio at PLN 11.5 bn, +9% YoY,
- Net sales value 5 bn, +34% YoY,
- 16% YoY growth in income
- Excellent C/I at 29.3%

\*As at 30.06.2021

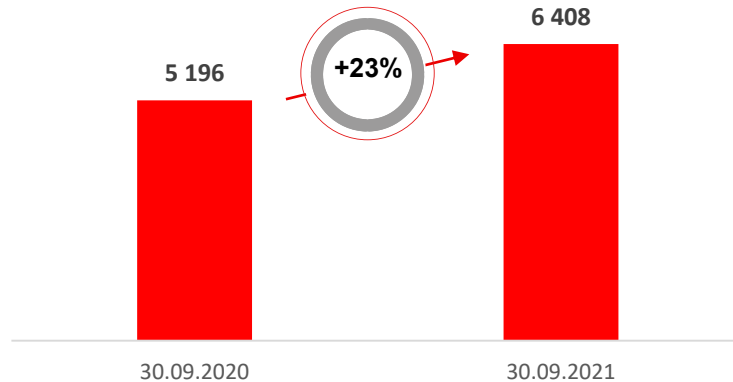
### Bank Gospodarstwa Krajowego - cooperation extension

- liquidity loans dedicated to SME customers to prevent / avoid Covid 19 implications (PLN 87m already allocated till end of May 2021, next PLN 40m in progress, new tender in progress)
- lease / loan guarantee in place, **1st leasing company in Poland**
- credit line (PLN 500m) - obtained/ in use

# Santander Factoring

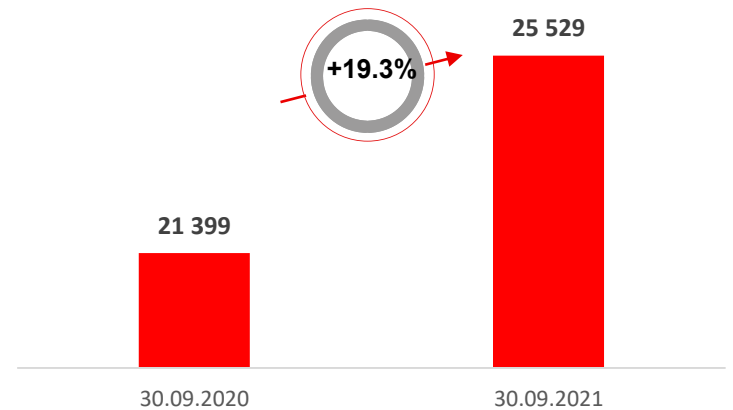
## Portfolio

PLN m

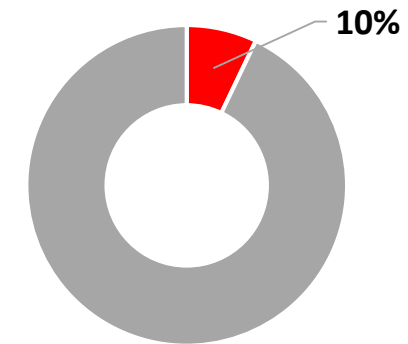


## Turnover

PLN m



## Market Share

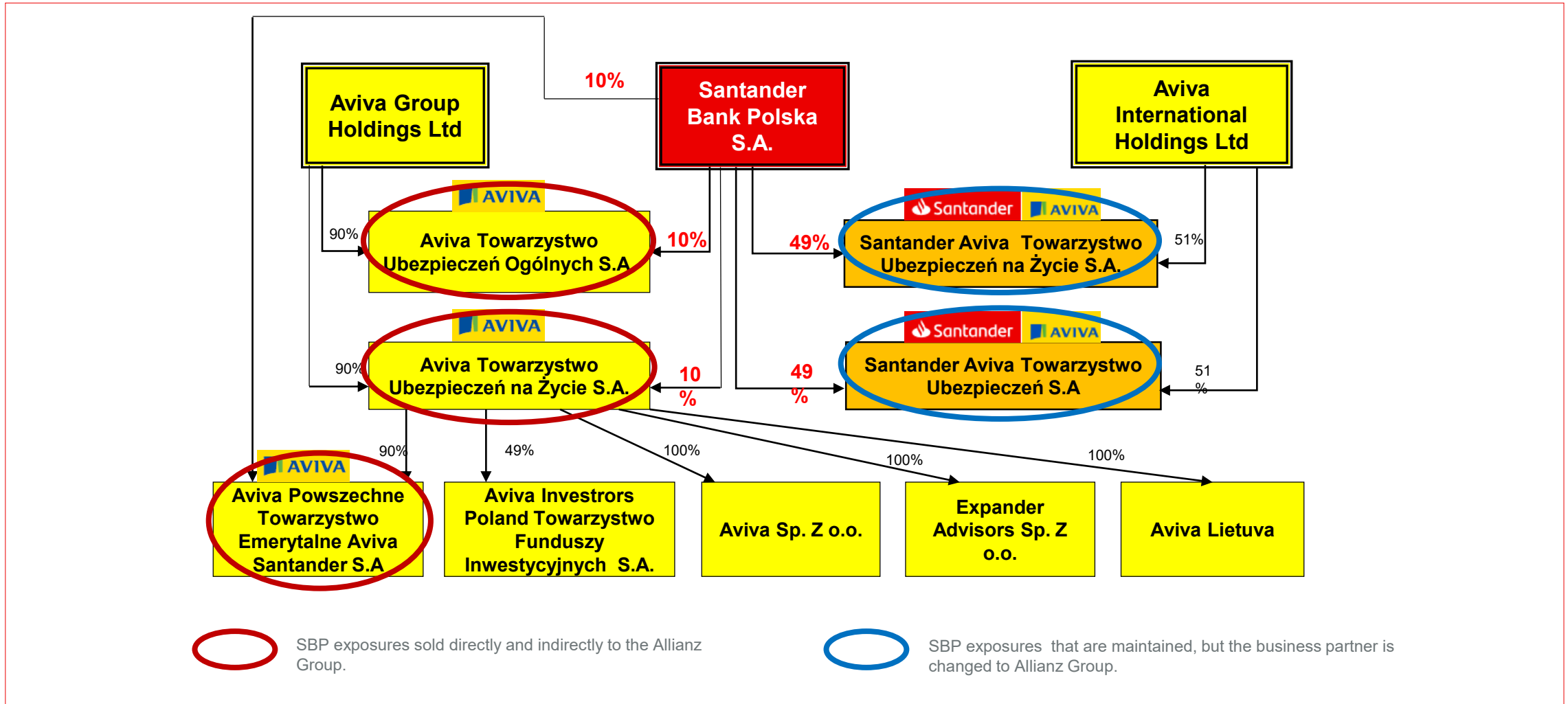


- In Q3 2021, Santander Factoring maintained its first position on the market in terms of the balance sheet, reporting 23.3% YoY growth in balances and increase in the respective market share to 17.6%.
- Santander Factoring also maintains its first position in payables financing (up 25.5% YoY and 25% market share).
- After three quarters of 2021, the Polish factoring market recorded growth by 24% YoY.
- Santander Factoring continues its cooperation with BGK and is the leader in terms of the value of guarantees granted to businesses under the Liquidity Guarantee Fund.

## SBP and Aviva transaction

- On 26 March 2021:
  1. the Bank concluded the agreement on the sale of **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 shares sale agreement);
  2. the Bank undertook to sign the agreement on the sale of **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 shares 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 date 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 become 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** upon closing of the transaction.
- Moreover, the Bank announced that the closing of the transaction was dependent on the obtainment of all the regulatory approvals required by law, including the required decisions of the Polish Financial Supervision Authority and the European Commission, and the fulfilment of the other conditions specified in the transaction documentation. It is assumed that the transaction will be completed within 12 months.
- Pursuant to the share purchase agreement, PLN 89m worth of dividends paid to the bank by Aviva Towarzystwo Ubezpieczeń na Życie S.A. and Aviva Towarzystwo Ubezpieczeń Ogólnych S.A. in June 2021 will be deducted from the amount to be paid to the bank by Allianz upon the closure of the transaction.

# 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 offered deferral of repayments under loan, factoring and lease agreements.
- We offered a possibility to suspend\* the enforcement 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

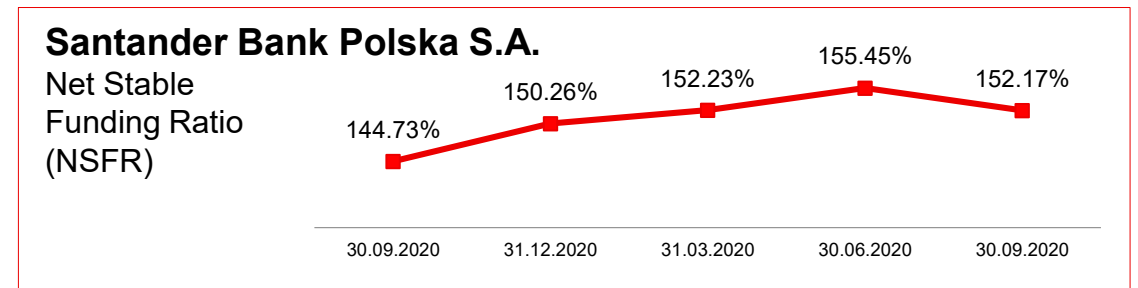
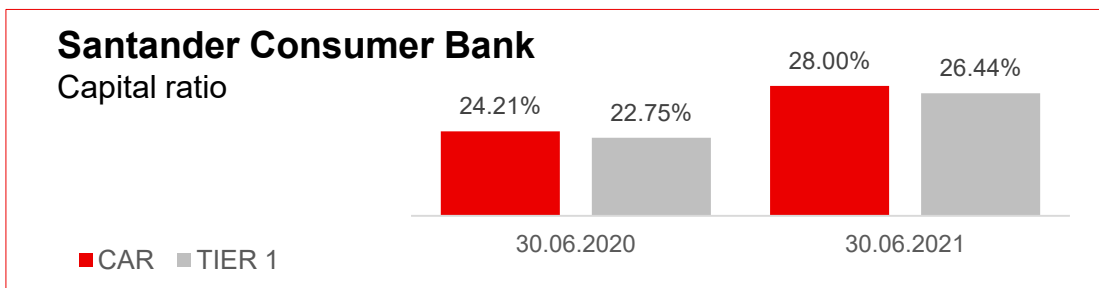
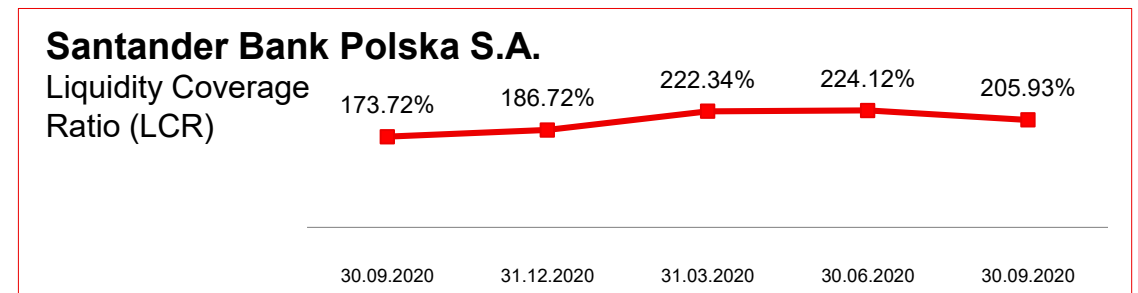
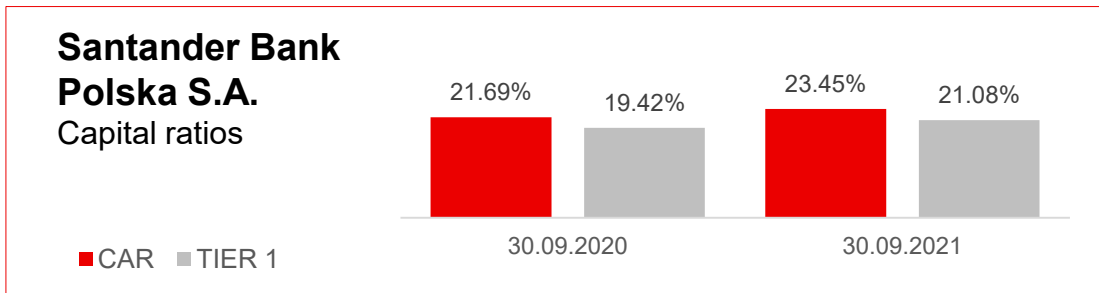
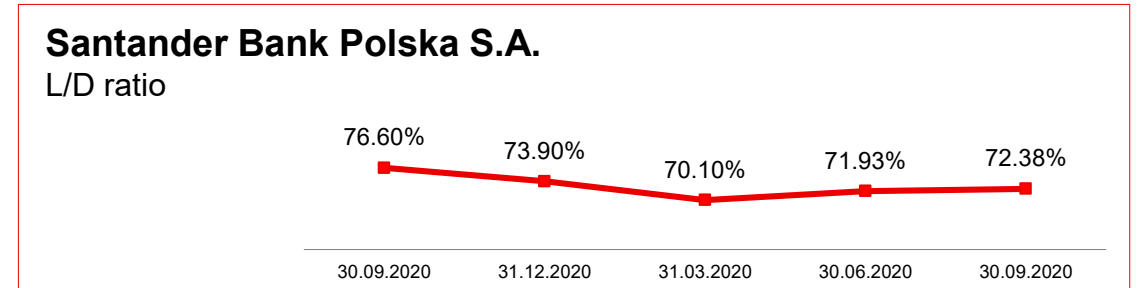
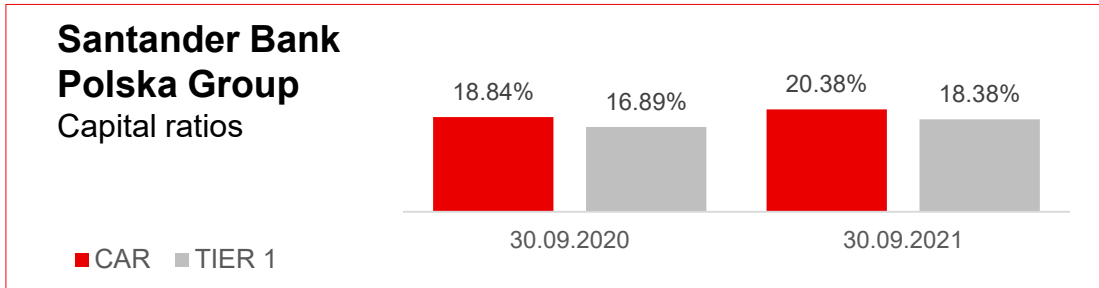
Type of assistance tool	Number of customers with granted assistance tools	Gross carrying amount of granted assistance tools PLNk
Non-legislative moratoria	150 128	18 542 892
Legislative moratoria	3 729	319 522
<b>Total moratoria</b>	<b>153 857</b>	<b>18 862 414</b>
Liquidity BGK	20 733	5 844 532
<b>All assistance tools</b>	<b>172 338</b>	<b>24 706 946</b>

# Assistance tools for individual customers and companies during the COVID-19 pandemic - moratoria (in PLN thousand)

## Gross carrying amount

	Granted	Expired	Active	Performing		Non performing			
				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		
<b>Loans and advances subject to moratorium</b>	<b>17 788 319</b>	<b>17 381 788</b>	<b>406 531</b>	<b>16 521 180</b>	<b>1 035 247</b>	<b>2 607 133</b>	<b>1 267 139</b>	<b>637 827</b>	<b>752 149</b>
<b>Of which: Households</b>	<b>7 566 504</b>	<b>7 484 420</b>	<b>82 084</b>	<b>6 723 961</b>	<b>151 125</b>	<b>563 386</b>	<b>842 543</b>	<b>457 196</b>	<b>533 943</b>
Collateralised by mortgage	5 529 154	5 469 222	59 932	5 168 569	104 994	348 119	360 585	285 664	321 397
Consumer loans	2 037 350	2 015 198	22 152	1 555 392	46 131	215 267	481 958	171 532	212 546
<b>of which: Non- financial corporations</b>	<b>10 221 815</b>	<b>9 897 368</b>	<b>324 447</b>	<b>9 797 219</b>	<b>884 122</b>	<b>2 043 747</b>	<b>424 596</b>	<b>180 631</b>	<b>218 206</b>
SME loans	2 419 411	2 409 708	9 703	2 159 430	110 144	336 988	259 981	97 710	121 274
Corporate loans	7 802 404	7 487 660	314 744	7 637 789	773 978	1 706 759	164 615	82 921	96 932

# Capital and liquidity position





## Key financial ratios

### 1-3Q 2021 - Santander Bank Polska Group

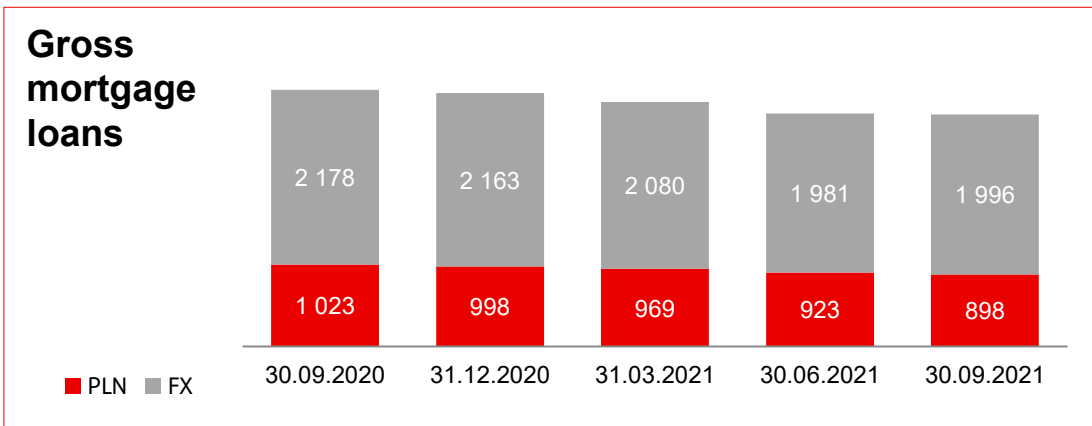
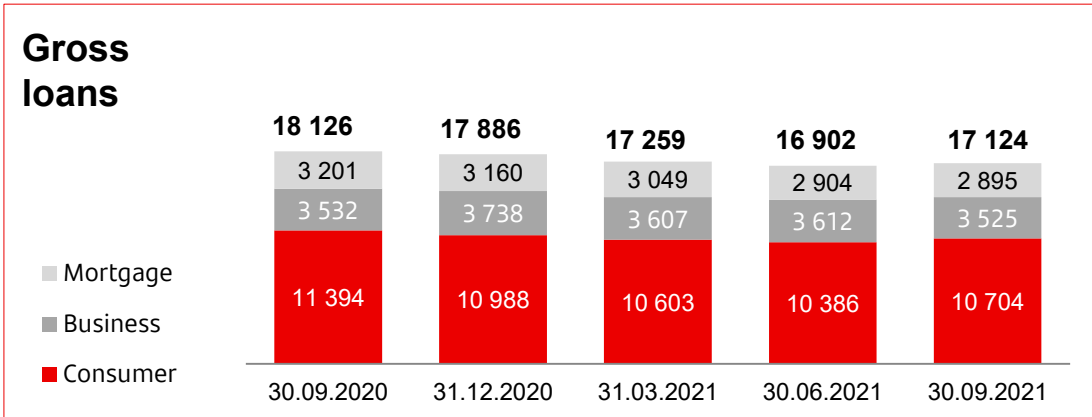
Selected financial ratios of Santander Bank Polska Group	1-3Q 2021	1-3Q 2020
Cost/ income	57,0%	48.9%
Net interest income/ total income	63.7%	69.3%
Net interest margin <sup>1)</sup>	2.6%	2.95%
Net fee and commission income/ total income	27.8%	24.5%
Net loans and advances to customers/ deposits from customers	82,0%	85.2%
NPL ratio <sup>2)</sup>	5.4%	5.7%
NPL provision coverage ratio <sup>3)</sup>	60.3%	56.9%
Costs of credit <sup>4)</sup>	0.89%	1.07%
ROE <sup>5)</sup>	4.1%	6.2%
ROTE <sup>6)</sup>	4.9%	7.5%
ROA <sup>7)</sup>	0.4%	0.7%
Total capital ratio <sup>8)</sup>	20.38%	18.84%
Tier 1 capital ratio <sup>9)</sup>	18.38%	16.89%
Book value per share (PLN)	283.67	278.46
Earnings per ordinary share (PLN) <sup>10)</sup>	8.98	9.36

## Key financial ratios

### 1-3Q 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

	30.09.2021	30.09.2020	YoY (%)	QoQ (%)
<b>Retail customers</b>	<b>13 599</b>	<b>14 595</b>	<b>-7%</b>	<b>2%</b>
Mortgage loans	2 895	3 201	-10%	-
Consumer finance	10 704	11 394	-6%	3%
<b>SME/ Leasing</b>	<b>3 525</b>	<b>3 532</b>	<b>-</b>	<b>-2%</b>
<b>Total gross loans</b>	<b>17 124</b>	<b>18 126</b>	<b>-5%</b>	<b>1%</b>

- Total loans: -5% YoY:
- Mortgage loans: -10% YoY
- CHF mortgage loans: -10% YoY (approx. – CHF 53m)
- Consumer finance: -6% YoY
- Business loans: stable YoY

# Santander Consumer Bank Group

## Key financial results for 1-3Q 2021

PLN m	1-3Q 2021	1-3Q 2020
<b>Assets</b>	<b>19 680</b>	<b>20 637</b>
<b>Net loans</b>	<b>15 201</b>	<b>16 109</b>
<b>Deposits</b>	<b>8 993</b>	<b>9 917</b>
<b>Total equity</b>	<b>3 922</b>	<b>3 709</b>
<b>PAT</b>	<b>186</b>	<b>265</b>
<b>L/D (%)</b>	<b>169.0%</b>	<b>162.4%</b>
<b>C/I (%)*</b>	<b>54.7%</b>	<b>47.1%</b>
<b>ROE (%)</b>	<b>6.4%</b>	<b>9.9%</b>
<b>ROA (%)</b>	<b>1.2%</b>	<b>1.7%</b>
<b>TCR (%)**</b>	<b>28.0%</b>	<b>24.2%</b>

# 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**



MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



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  - a number of risks and other important factors could cause actual results to differ materially from our expectations;
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