

Financial Results of Santander Bank Polska Group for H1 2023



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 H1 2023

Our activities and our people

01

Our communication

Good start of the cooperation with Piotr Adamczyk

Piotr Adamczyk has been our brand ambassador since April. He is a very popular actor liked by all age groups. He has performed in comedies and movies that show the value of close relationships among people thanks to which he is perceived as a trustworthy celebrity.

Campaigns with Piotr translate into very good readings of our brand awareness indicators. We rank third in banking in terms of spontaneous brand awareness. The spots with Piotr have been well assessed by consumers*.

ATL / digital campaign in Q2 2023

Santander Bank Polska has been close to its customers helping them and their business prosper. In our ATL campaigns, we communicate our purpose coherently and consistently – Santander helps in many ways both in finance and in making your life easier:

1. **“Helping has many faces”** campaign. It presents the corporate social responsibility agenda of the Bank and the Santander Foundation and the ways in which we help others. In our campaign, we show the impact of our work and our outstanding initiatives: Santander Universidades, Finansiaki (financial education for children) and Obsługa Bez Barrier (barrier-free banking).
2. **“Saving makes you worry less”** Max savings account campaign. We help our customers to save on attractive terms and conditions.
3. **“Keep your daily hustle trouble-free with our instant transfers”** campaign.
4. **“Santander helps you make your dreams come true”** campaign with an online cash loan which comes in handy in Santander mobile application.



Our agenda in Social Media

- We have continued an image-building and educational cybersecurity campaign (“**Fairy tales for adults**”) that won 1 gold and 2 bronze awards in the “Złote Spinacze” competition and was recognised by the jury of the Golden Arrow and KREATURY competitions.
- We effectively reach our fans and customers with attractive **RTM posts**.
- Ongoing sponsorship projects with well-known brands, e.g. **Ferrari** and **League of Legends**, allowed us to position Santander as a brand appealing to younger customers.
- We communicated our strategic partnership in **Impact’23** congress and **Santander Letnie Brzmienia** summer music festival.
- In June we advertised our charity fundraiser **“We Will Double Your Impact”**.
- We have delivered an educational campaign **“Your English can be better”** – a special offer of Santander Universidades language scholarships in cooperation with the British Council.



Other digital activities

1. Digital Business Accelerator (a global project to optimize activities and digital campaigns) - implementation of the cookieless experiment, Bing search, Tik Tok performance.
2. Image-building and educational campaign of Santander Universidades “Your English can be better”.
3. Brand book digital - optimization of guidelines for creating digital creations - WCAG 2.0, new standards for people with disabilities.



* Kantar, tracking study for Santander, n=400/month, May 2023

Our people

Improving employee experience

- We have completed the first transfer of the Bank's shares to the employees covered by the share-based Long-Term Incentive Programme for key leaders.
- Owing to the implemented Work-life Balance Directive, our employees have gained access to additional parenting rights. We have also expanded the availability of our benefit of two hours off for family-related activities so that it can be used at any time during the calendar year.
- We have introduced a solution to recognise long-standing employees by celebrating the anniversaries of their employment at the Bank (every five years starting from the 10th anniversary).
- We have provided our employees with a flexible option to use company cars on preferential terms and at discounts available for our car fleet.

Development and training

- We continue to pursue our talent development-oriented strategy. It translates into a number of training and development activities which take various forms and are addressed to different target groups. In this respect, we combine the initiatives available in the entire Santander Group with our local projects.

Corporate culture

- We continue dialogue and transparent communication activities – we organise regular meetings with all employees, during which the Management Board comments on financial performance, reflects on the major events in the Bank's life and answers questions from employees.
- We continue promoting a new set of T.E.A.M.S. corporate behaviours.
- We promote our corporate culture outside our organisation by participating in conferences and discussion panels and posts in the social media.

Occupational health & safety and wellbeing

- BeHealthy Week held from 17 to 21 April
- We ran a Santander Pomaga ("Santander Helps") charity campaign prepared in cooperation with the Santander Foundation. As part of the campaign, employees scored points for various types of physical activity in the Activy app. 2,046 people joined the initiative (a four-time increase vs 2022).

Diversity and inclusion

- We are engaged in activities focused on building an inclusive work environment for people with disabilities through communication campaigns and webinars.
- Starting from January 2023, our employees with minor disabilities have gained access to a new benefit: two days off to take care of their health.
- We have organised a meeting on diversity, including neurodiversity, for key leaders of our Bank.

We are developing modern work tools

- We have adapted our payroll solutions to the new regulations of the Polish Labour Code on remote work and to the Work-life Balance Directive. We have also introduced a number of important changes, such as the new forms of leave. Our employees can apply for them in a simple and intuitive way using the HR Portal.
- We have introduced a dedicated application to enable our employees to collect their paper-based personnel files.
- Acting both locally and in cooperation with Santander Group, we are continuously improving the user experience of our employees with respect to our global and local functionalities. We continue the update of global HR processes, focusing especially on the talent acquisition process.

Hybrid work model

- In Q1 2023, intensive actions were taken to get ready for the implementation of the remote work solutions provided for in the amended Polish Labour Code. After consultations with trade unions in Q2, we implemented new regulations on remote work at our Bank. We have launched tools for submitting statements on remote work and guided our employees through the change by means of wide-ranging communication activities and dedicated webinars.

Our work has been recognised

- We have been awarded the Great Place To Work certificate as the first large bank in Poland.

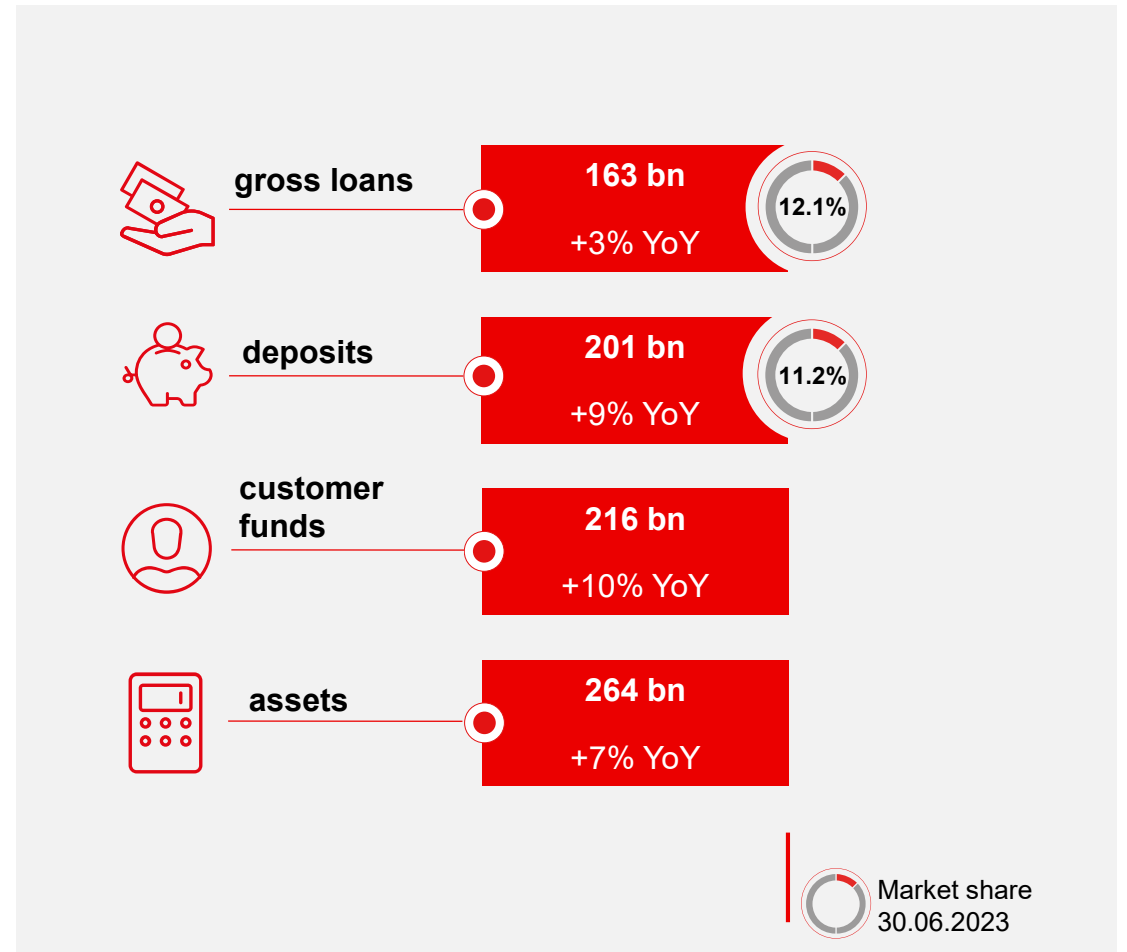
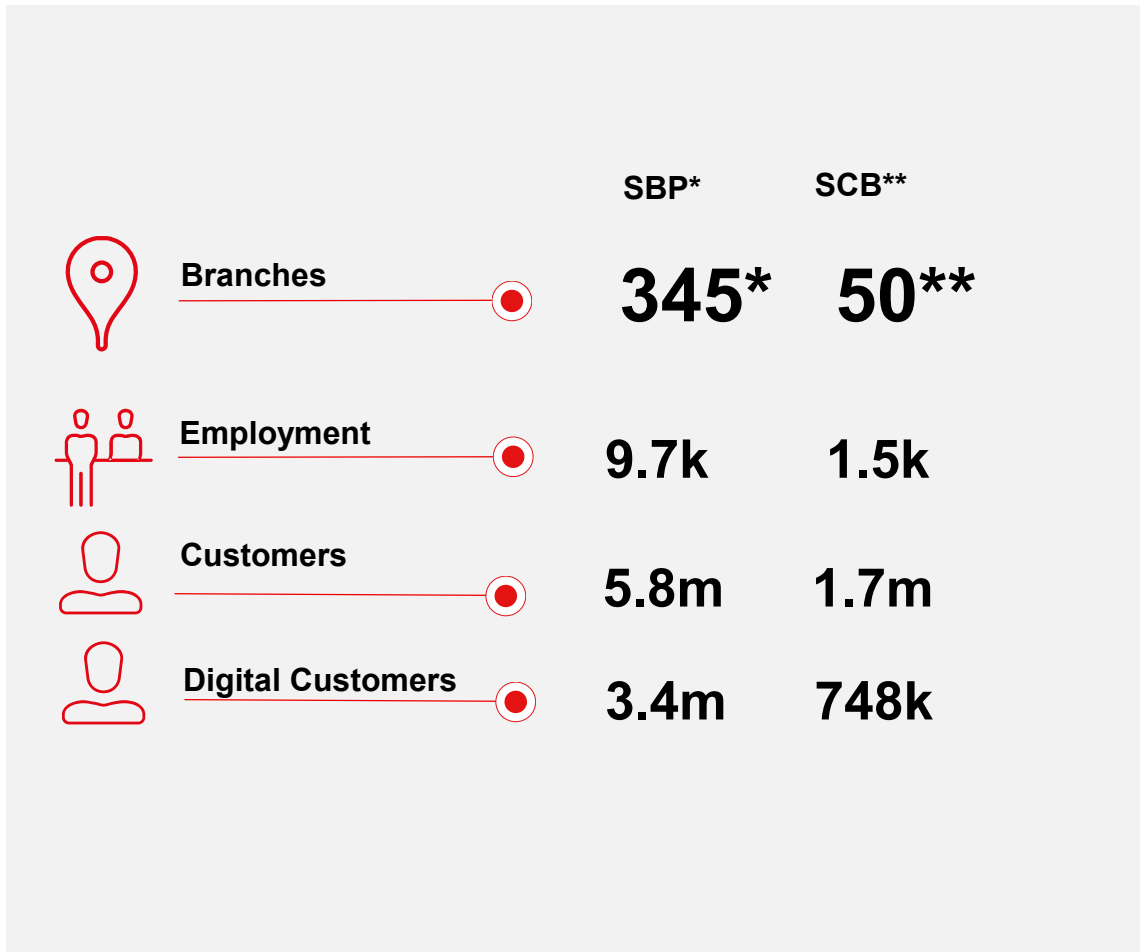
H1 2023 Results

Our business development

02

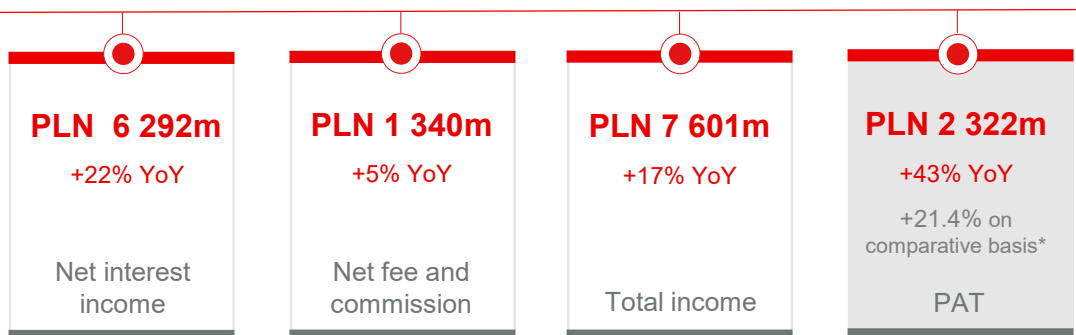
General operational data

Key volumes



Key financial results for H1 2023

Key results



* On a comparable basis, i.e. after excluding the following items from the profit for 2023:

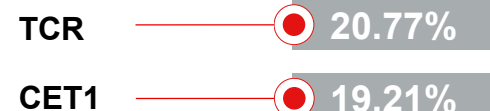
- Cost of legal risk attached to mortgage loans in foreign currencies - PLN 1150m
 - Costs of settlements regarding mortgage loans in foreign currencies - PLN 268m
 - Negative adjustment of interest income given the payment holidays scheme applicable to mortgage loans - PLN 44m
 - Costs related to the Institutional Protection Scheme (IPS) - PLN0.2m
 - BFG contributions - PLN 175m
- and from the profit in 2022:

- Cost of legal risk attached to mortgage loans in foreign currencies - PLN 947m
- Costs of settlements regarding mortgage loans in foreign currencies - PLN 41m
- Costs related to the Institutional Protection Scheme (IPS) - PLN 407m
- BFG contributions - PLN 267m.

Financial ratios For H1 2023

Capital position

Strong capital position well above the KNF requirements

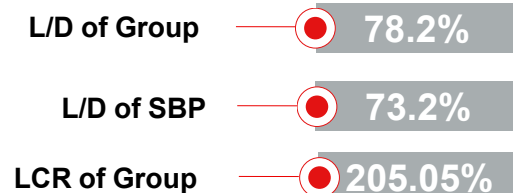


ROE, ROA



Liquidity position

Safe liquidity position



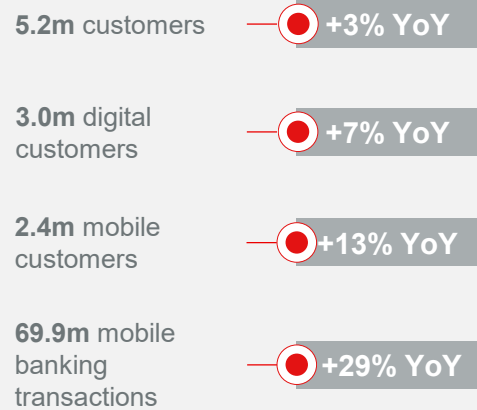
Results for H1 2023

Our customers

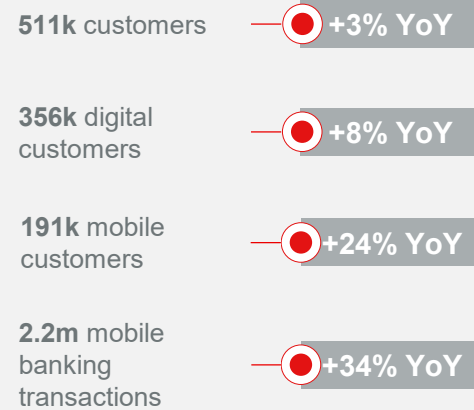
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Our customers in numbers*

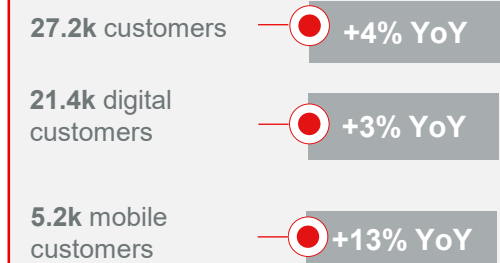
Retail customers



SME customers



Corporate customers



New products and services

Retail customers

- We refreshed our account and debit card offer, including Santander Account, Santander Max Account, Santander on the go – available since 1 July.
- A new functionality – Income Verification Module – is now available to customers so that they can verify their income in the online cash loan module on their own.
- We implemented new mobile payments: Xiaomi Pay and Swatch Pay.



SME customers

- We organised the Entrepreneur Week offering deposits, POS, 10% payback at gas stations, discounts at Kantor Santander, Cyberrescue package, discount for eAccounting and a competition with Lyreco vouchers as prizes.
- We implemented new special offers:
 - “Loan and leasing with a medical package” (free private healthcare over 12 months);
 - “Green 0%” – a waiver of an arrangement fee on loans or leasing used to finance photovoltaic panels, heat pumps, energy storage facilities and charging stations;
 - POS and softPOS terminals – a waiver of a subscription fee during the promotion;
 - business account – with an Allegro voucher worth PLN 700.



Corporate customers

- We continue digitization and development projects aimed at providing customers with the top quality service.
- We introduced further improvements to new iBiznes24 electronic banking platform, e.g. passive preview of the customer's screen for iBiznes24 Advisors, the possibility of executing transactions with future date in the e-FX module, a significant simplification of services for handling of electronic parameterization;
- We increased the spending limit and authorisation limit for corporate cards.



Education and support for customers

Retail Customers

- A new post-sales instruction – commercial grace period – is now available so that customers can flexibly adjust their loan schedules and seek assistance in case of problems with repayment.
- We share knowledge about investments. For example, we organised a webinar with TFI experts on lessons learned from the investment experience in 2022.
- We continue supporting communities via Santander Universidades, in the form of scholarships and development programmes, e.g. Santander Scholarship | Negotiation Programme London School of Economics and Political Science.



SME Customers

- We started #afFIRMation – a series of training sessions for entrepreneurs organised in partnership with the Polish Entrepreneurship Foundation, including a webinar about motivation with Karol Bielecki (a former handball player and Poland's representative). The series of eight webinars will take until the end of September.
- Measures were taken to optimise the lending process and reduce the time to yes.



BCB Customers

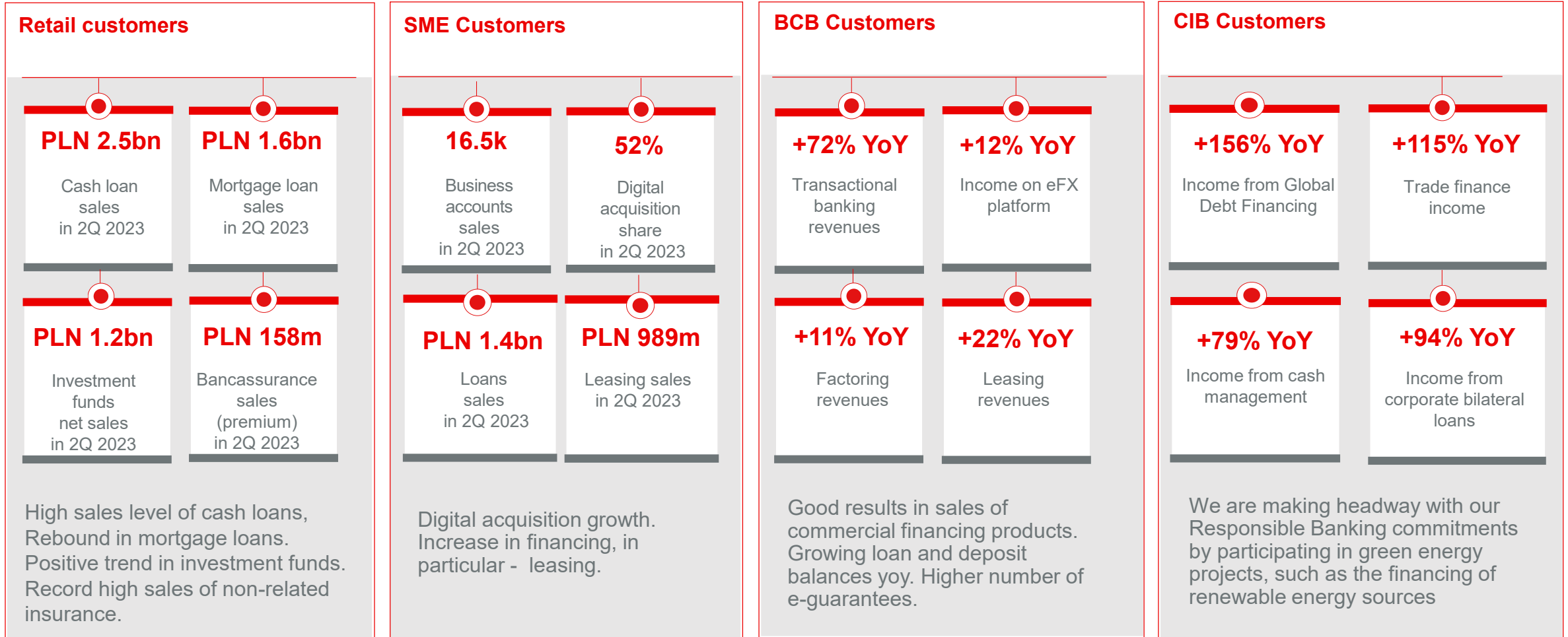


- We took patronage over the 4th edition of Energy Industry Mixer, an international networking meeting based on the structure of "speed dating" meetings between enterprises, local authorities and technology companies from the energy industry.
- In cooperation with Santander UK, we organised a trade mission for British entities from the automotive sector interested in establishing commercial relations with Polish contractors.
- We published a new Barometer for the automotive sector for our clients, including market forecasts for the sector

CIB Customers

- Global Connect development (new shares introduced to trading: Jeronimo Martins, Inditex, Porsche, Zalando, SAP, RWE, Adidas, Bayer).
- Partnership between SAN PL and Banco Santander during conferences organised by the Polish Corporate Treasurers Association and the Polish Wind Energy Association.
- Intensifying cooperation with clients in the area of debt structuring and solutions for Public Finance Sector Entities.

Selected business data



Results for H1 2023

Our financial performance

04

Gross loans

Comment

Santander Bank Polska S.A.

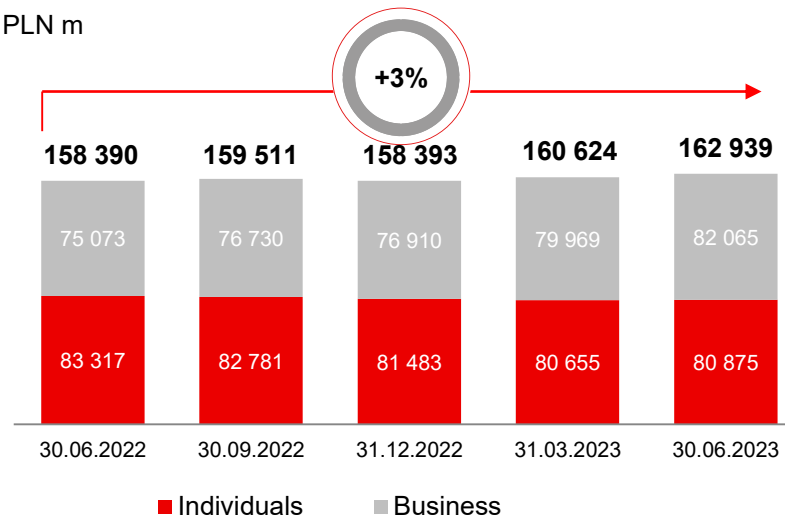
- The loan portfolio increased by 1% YoY.
- Mortgage loan sales: -31% Q2 2023/Q2 2022; +108% Q2 2023/Q1 2023
- Cash loan sales: +3% Q2 2023/Q2 2022; +6% Q2 2023/Q1 2023
- CHF mortgage loans: -49% YoY* (-47% YoY in PLN)
- SME loans (including leasing and factoring): +3% YoY and +1% QoQ and BCB loans: +3% YoY and -1% QoQ
- CIB loans (including leasing and factoring): +15% YoY and +11% QoQ.

Santander Consumer Bank

- SCB gross loans: PLN 18.6bn (+10%YoY and +5% QoQ)
- Mortgage portfolio: -30% YoY (CHF mortgage portfolio: -34% YoY*)
- SCB loans (excluding mortgage loans): +16% YoY and +7% QoQ.

Gross loans

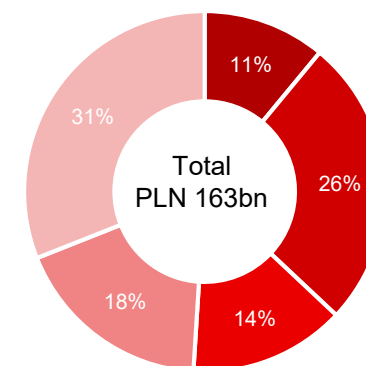
PLN m



PLN m

	30/06/2023	30/06/2022	YoY (%)	QoQ (%)
Retail customers	80 875	83 317	-3%	0%
Mortgage loans	51 547	55 350	-7%	-1%
Other – retail customers	29 328	27 966	5%	2%
Business loans	82 065	75 073	9%	3%
Total gross loans	162 939	158 390	3%	1%

Structure of loans



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

Customer funds

Comment

Santander Bank Polska Group

- Customer funds +10% YoY and +3% QoQ.

Deposits SBP Group

- An increase in retail deposits by 6% YoY and +3% QoQ
- Business deposits increased by 14% YoY and stable QoQ

Investment funds SBP Group

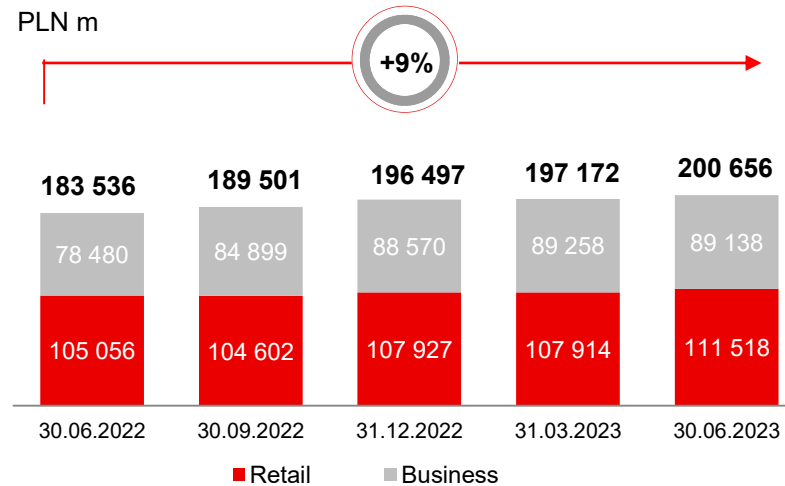
- Investment funds +22% YoY and +13% vs. end of Q1 2023

Santander Consumer Bank

- Deposits: PLN 12.1bn (+35% YoY)

Deposits

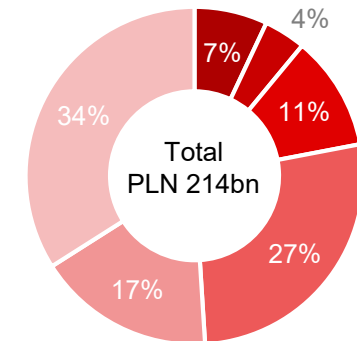
PLN m



PLN m

	30/06/2023	30/06/2022	YoY (%)	QoQ (%)
Current deposits	98 317	100 798	-2%	0%
Savings accounts	39 392	48 149	-18%	3%
Term deposits	62 947	34 589	82%	4%
Total deposits	200 656	183 536	9%	2%
Investment funds	15 483	12 655	22%	13%
Total customer funds	216 139	196 191	10%	3%

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

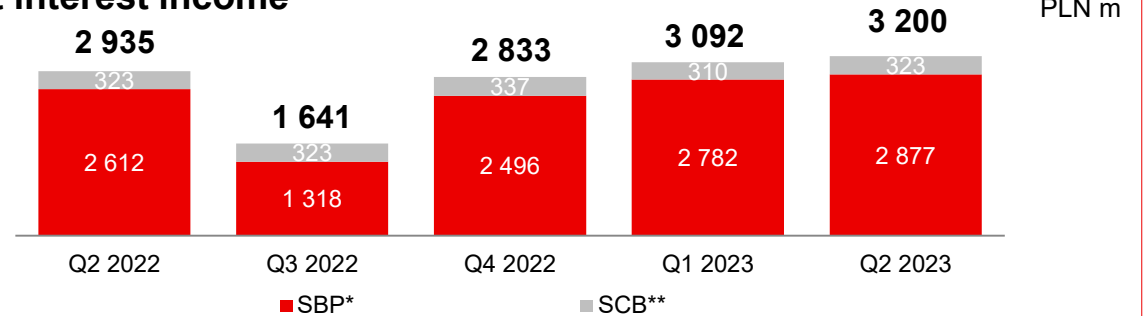
Comment

- In H1 2023, net interest income totalled PLN 6.3bn and increased by 22% YoY.
- In Q2 2023, there was a increase in net interest income by 3.5% vs. Q1 2023.
- YoY interest income increased by 50% and interest expenses increased by 259%. QoQ dynamics were 5% and 8%, respectively.
- The negative adjustment of interest income on housing loans related to payment holidays in Q2 2023 amounted to PLN 44m.
- The net interest margin for Q2 2023 (annualised on a quarterly basis) amounted to 5.37% and dropped slightly compared to Q1 2023 by 3 bps.

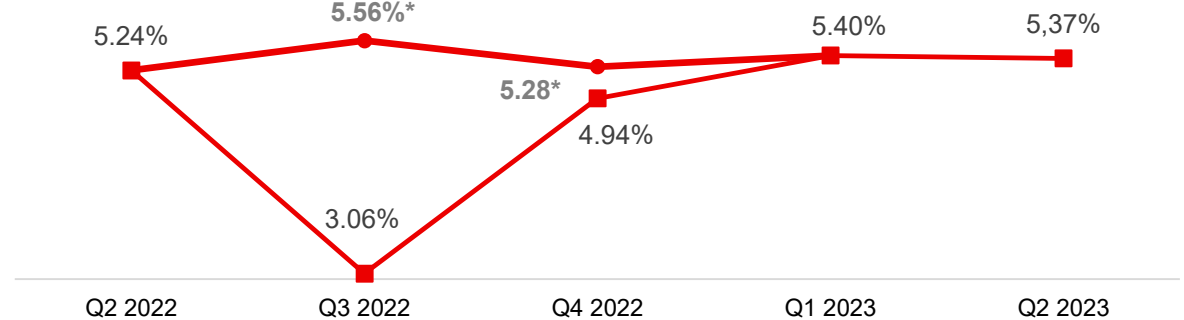
Net interest income of SCB Group

PLN 651m (H1 2023)
PLN 633m (H1 2022)

Net interest income



Net interest margin



1) Net interest margin in consecutive quarters, annualised on a quarterly and year-to-date basis. The data for 2021 have been restated to reflect the new accounting treatment of legal risk attached to the FX mortgage loan-book which is now compliant with IFRS 9.
2) The calculation of the net interest margin of Santander Bank Polska S.A. includes the allocation of swap points from derivative instruments used for liquidity management but excludes interest income from the portfolio of debt securities held for trading and other trading exposures.
* Excluding negative adjustment of interest income due to payment holidays: PLN 1,358m for the SBP Group in Q3 and PLN 186m in Q4 2022 and negative adjustment to interest income on mortgage loans due to reimbursement of a bridge margin and fees on prepaid/ repaid loans of PLN 72m in Q3 and PLN 6m in Q4 2022.

Net fee and commission income

Comment

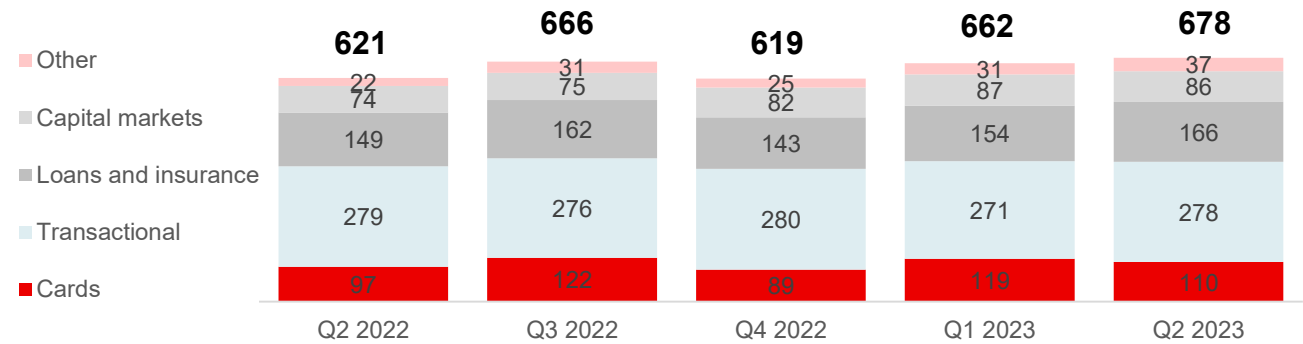
- In H1 2023, net fee and commission income increased by 5% YoY and by 2% QoQ.
 - YoY strong results in credit fees (+14% YoY), debit card fees (+26% YoY), in insurance (+8%) and credit card fees (+4% YoY).
 - QoQ, strong results in FX fees (+5% QoQ), and in fund management fees (+23% QoQ).
- In SCB, net fee and commission income increased by 7% YoY and +30% vs. Q1 2023, the key drivers being credit cards fees, loan fees and insurance.

● Net fee and commission income of SCB Group*

PLN 53m (Q1 2023)
PLN 57m (Q1 2022)

Net fee and commission income

PLN m



Net fee and commission income

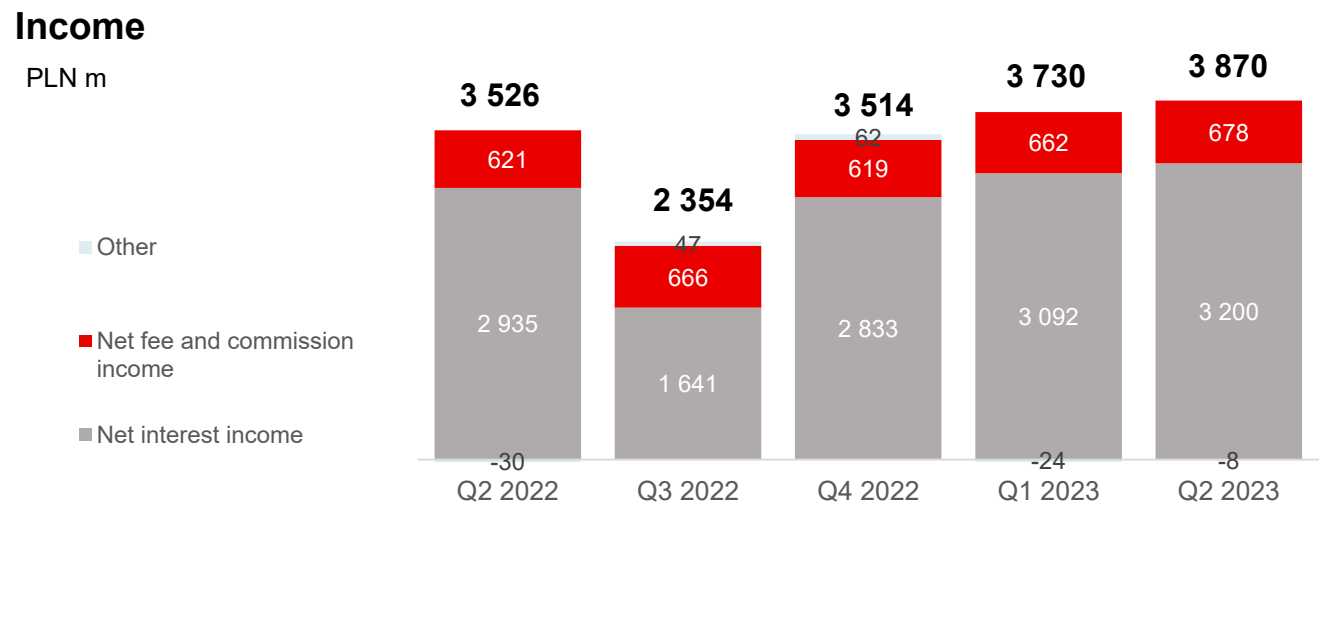
PLN m

	H1 2023	H1 2022	YoY (%)	QoQ (%)
Cards	229	192	19%	-7%
Transactional	549	576	-5%	2%
Loans + insurance	320	285	12%	8%
Capital markets*	173	172	0%	0%
Other	69	56	22%	15%
Total	1 340	1 281	5%	2%

Income

Comment

- The Group's total income in H1 2023 amounted to PLN 7,601m and increased by 17% YoY.
- Higher net interest income due to interest rate hikes, stable level of fee and commission income +5% YoY.
- Lower YoY income on other activities results from actions taken by the bank to make settlements with fx mortgage loans holders – PLN 266m, booked under "Gains (losses) on derecognition of financial instruments measured at amortised cost". (PLN 41m in Q1 2022)
- Excluding the above-mentioned item, other income totalled PLN 232m and increased by 152% YoY and declined by 55% compared to the previous quarter.
- Change in the fair value of VISA Inc. shares in the amount of PLN 16m in H1 2023 (in H1 2022: PLN +12m), recognized in the gains/losses on other financial instruments.



PLN m

	H1 2023	H1 2022	YoY (%)	QoQ (%)
Net interest income	6 292	5 179	22%	3%
Net fee and commission income	1 340	1 281	5%	2%
Total	7 632	6 460	18%	3%
Gains/ losses on financing activities	149	(3)	--	-88%
Dividends	10	9	11%	-
Other income items	(190)	47	-504%	-78%
Total income	7 601	6 513	17%	4%

Operating expenses

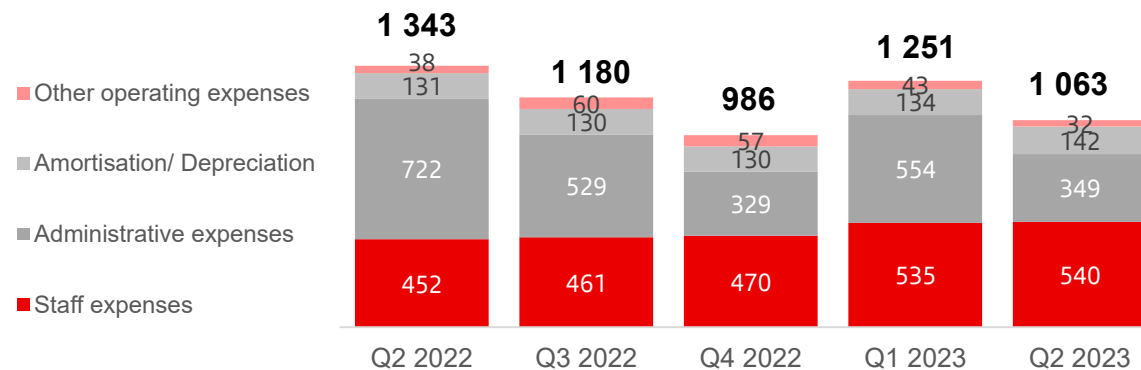
Comment

- Total costs in H1 2023 declined YoY despite the inflationary environment thanks to lower regulatory levies (BFG - PLN 175m in H1 2023 compared to PLN 268m in H1 2022) and IPS charge booked in Q2 2022 of PLN 407m.
- Excluding the contributions to BFG and IPS, total costs increased by 16% YoY, mainly due to inflation, higher staff costs, IT and building maintenance costs and more intensive marketing activities.
- Excluding the above mentioned expenses, a decrease in administrative costs in Q2 by 1% compared to Q1 2023.
- Staff costs increased by 21% YoY, which reflects the indexation of employee salaries in relation to market rates carried out in September 2022 and an increased variable part of remuneration.
- In SCB, operating expenses in H1 2023 amounted to PLN 265m and increased by 7% YoY. SCB staff costs +5% Y/Y. Administrative expenses +7% YoY.

The Group's C/I ratio at 30.4% in H1 2023 vs. 38.9% in H1 2022.

Operating expenses

PLN m

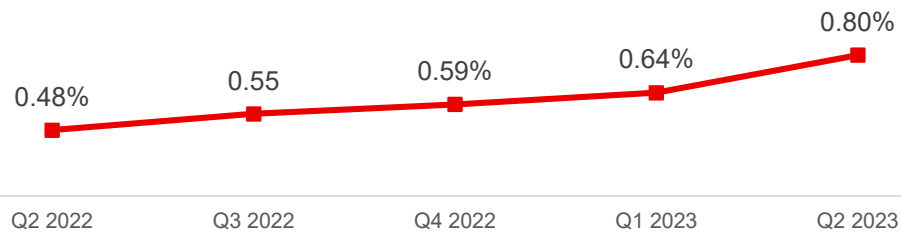


PLN m

	H1 2023	H1 2022	YoY (%)	QoQ (%)
Administrative and staff expenses	(1 978)	(2 189)	-10%	-18%
<i>Staff expenses</i>	(1 075)	(885)	21%	1%
<i>Administrative expenses</i>	(903)	(1 304)	-31%	-37%
Amortisation/depreciation + other	(335)	(343)	-2%	8%
Total costs	(2 313)	(2 532)	-9%	-15%

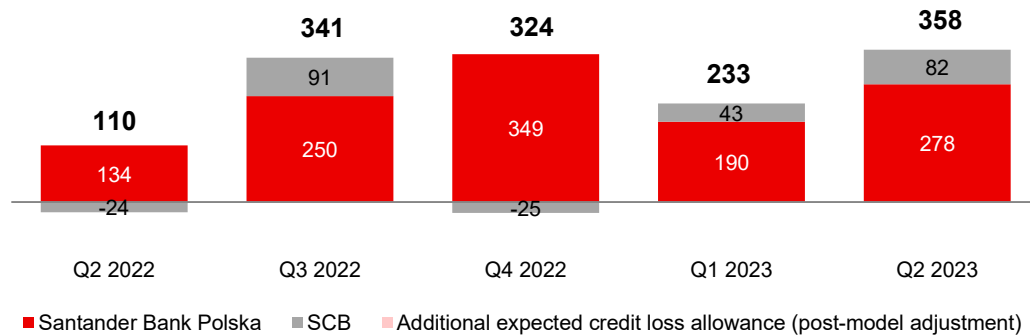
Provisions and credit portfolio quality

Cost of credit

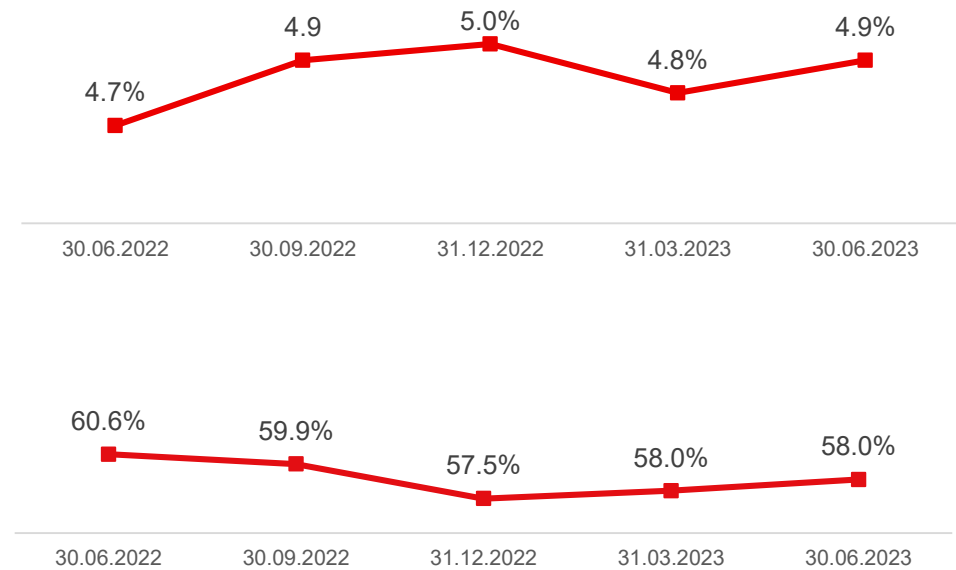


Balance of provisions

PLN m



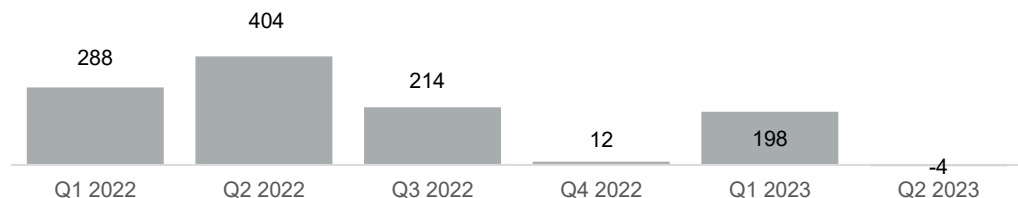
NPL and NPL coverage ratio



Including POCI – purchased or originated credit-impaired asset.

Banking tax and regulatory costs

Amounts payable to the BGF, PFSA, KDPW, IPS and BSF PLN m



Resolution fund*:

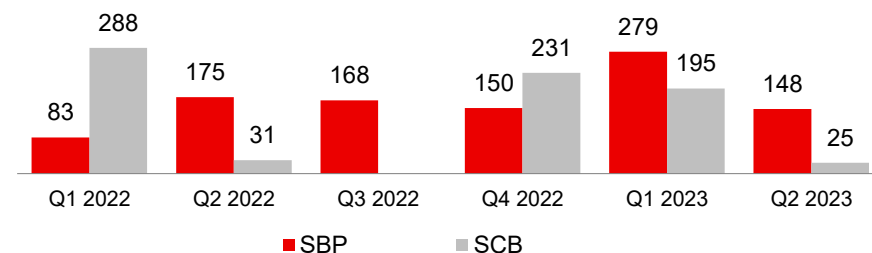
- 2022 SBP Group PLN 209m: SBP PLN 192m, SCB PLN 17m
- 2023 SBP Group PLN 175m: SBP PLN 165m, SCB PLN 16m

Banking tax

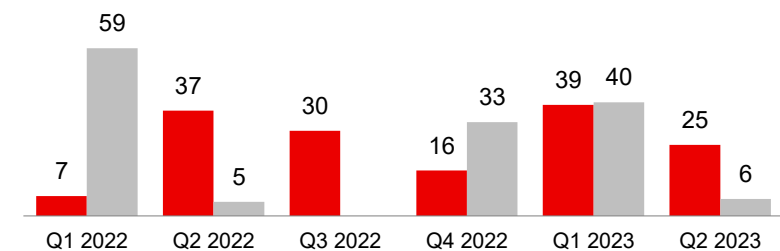
Pursuant to the Act of 1 February 2016 on tax imposed on certain financial institutions, bank assets are subject to a tax of 0.0366% per month. In 2022, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 387m (PLN 373m and PLN 14m, respectively).

NPL sales

NPL sales PLN m



Impact of NPL sales on PBT PLN m



SBP 2023: NPL sales: PLN 427m, impact on PBT: PLN 65m
SCB 2023: NPL sales: PLN 220m, impact on PBT: PLN 46m

Results for H1 2023

Comment

- In H1 2023, net interest and commission income increased by 18% compared to H1 2022 and by 3% in Q2 compared to Q1 2023.
- Excluding regulatory fees, total costs compared to H1 2022 increased by 16% due to inflation and regulation of staff costs. Quarterly increase of comparable total costs by 1%. Continued emphasis on cost-effectiveness.
- Net profit in H1 2023 totalled PLN 2.3 billion.
- Effective tax rate influenced by regulatory costs and the cost of legal risk attached to mortgage loans in foreign currencies.

Results for H1 2023

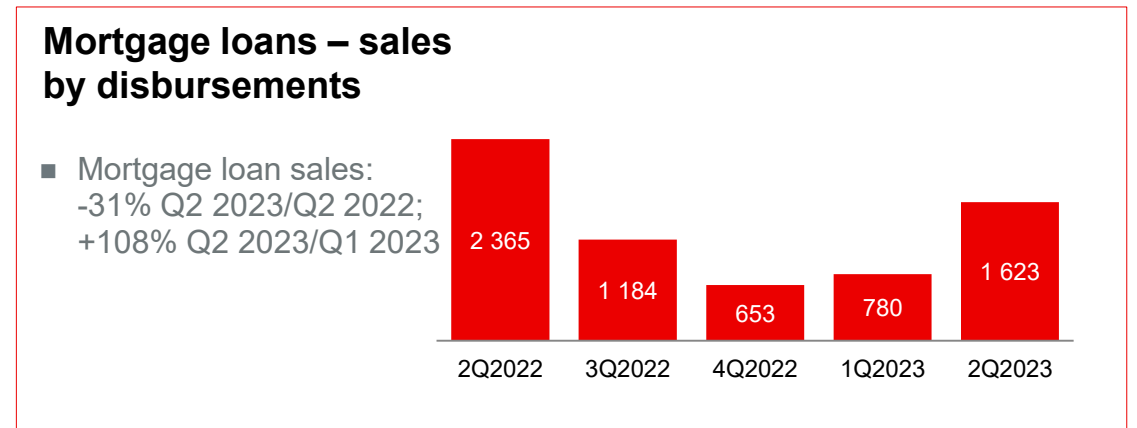
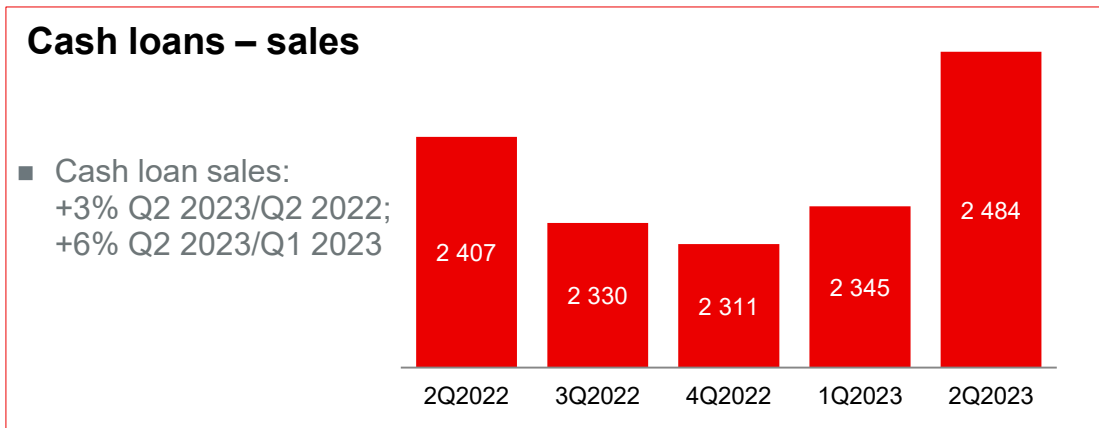
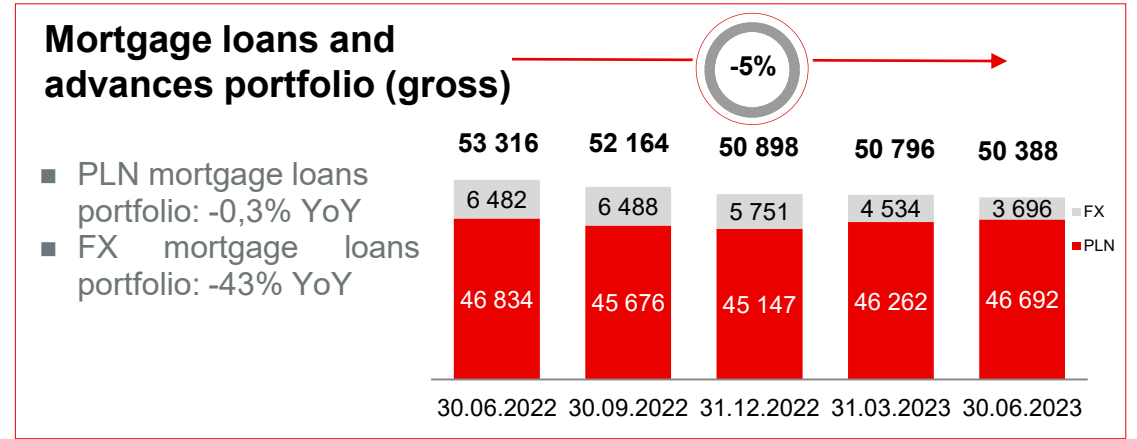
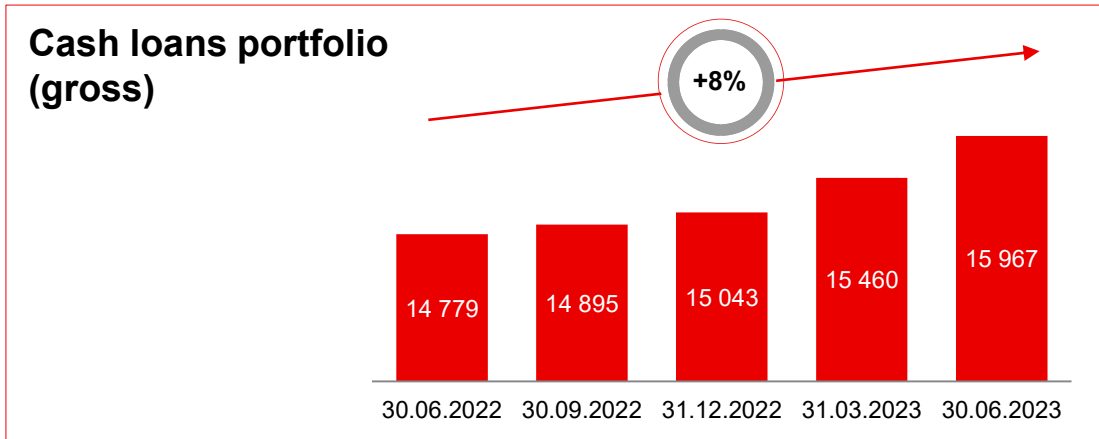
PLN m	H1 2023	H1 2022	% YoY
Net interest and fee income	7 632	6 460	18%
Gross income	7 601	6 513	17%
Total costs	-2 313	-2 532	-9%
Credit impairment allowances	-590	-230	157%
Cost of legal risk associated with foreign currency mortgage loans	-1 149	-947	21%
Tax on financial institutions	-388	-368	5%
PBT	3 212	2 473	30%
Income tax	-849	-732	16%
Profit attributable to shareholders of Santander Bank Polska S.A.	2 322	1 616	44%
Effective tax rate	26.4%	29.6%	

Attachments

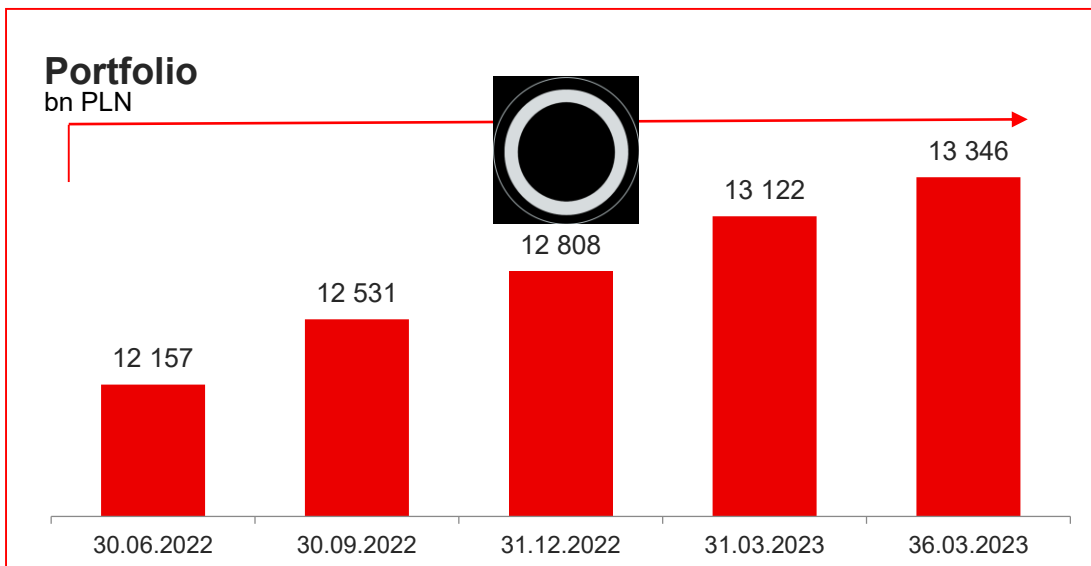
05

Retail Banking - growth in lending activity

PLN m



Santander Leasing



In June, Santander Leasing received the "Gazeta Bankowa" Technobiznes 2023 award and the Best Bank in the "Insurance and other financial institutions" category for being the first in the leasing industry to implement the biometric signature service - "BioSignature -Naturally, it's signed". More than 60 companies took part in the competition, from which the jury chose the best and most modern digital solutions in the industry.



Santander Leasing actively participates, as a financial intermediary of Bank Gospodarstwa Krajowego, in the distribution of funds in the form of zero-interest loans to SME clients affected by COVID-19 or Russian aggression against Ukraine. In March, an Operating Agreement was signed with BGK SA for granting Liquidity Loans under the Intelligent Development Operational Program 2014-2020 for companies from the Łódź Voivodeship. The total financial aid pool in this region is PLN 25m.



In June Santander Leasing together with the Santander Bank Polska Foundation launched the first nationwide grant program in the leasing industry for local governments. The project "Together for eco-change" provides for the transfer and maintenance of a network of charging stations for electric vehicles. The subject of the competition is full financing for the construction of at least 16 electric vehicle charging stations and their maintenance for 2 years. The amount of PLN 1 million was allocated for this purpose.



- Leasing portfolio: PLN: 13,3 bn, +10% YoY
- Value of loans granted and leased items: PLN: 3,78 bn
- Very good C/I: 32,7%

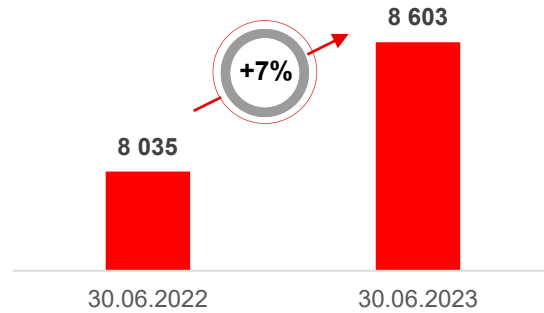
Market share

*Data on 31/12/2022

Santander Factoring

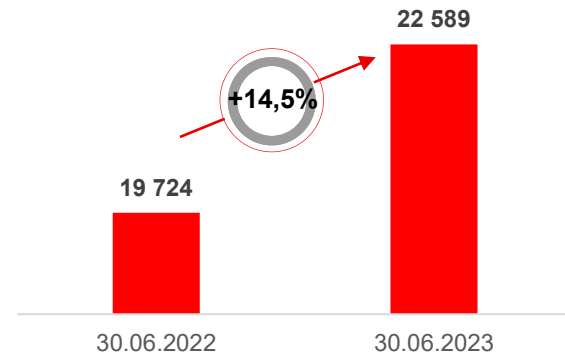
Portfolio

PLNm

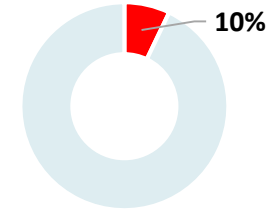


Turnover

PLNm

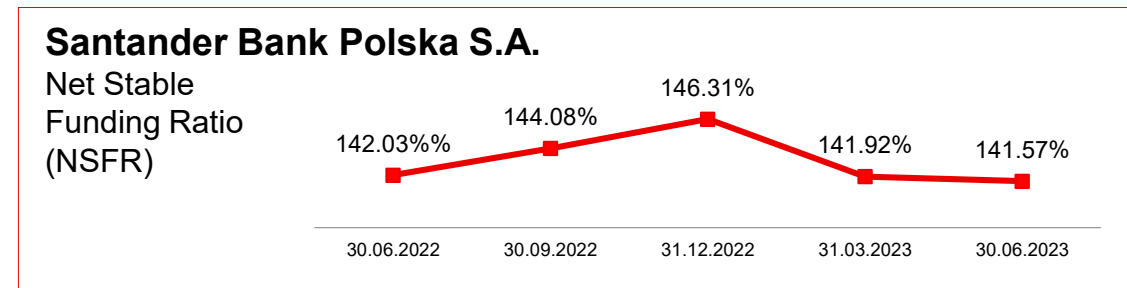
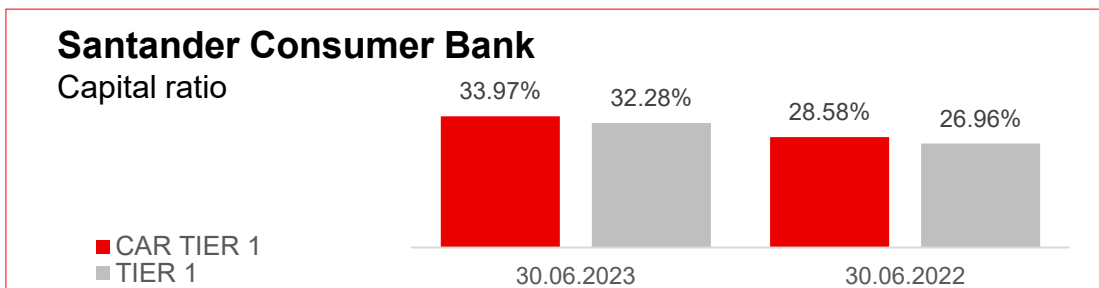
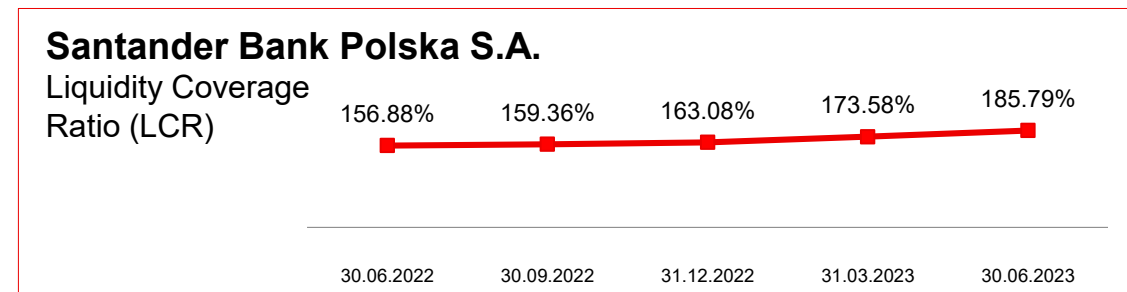
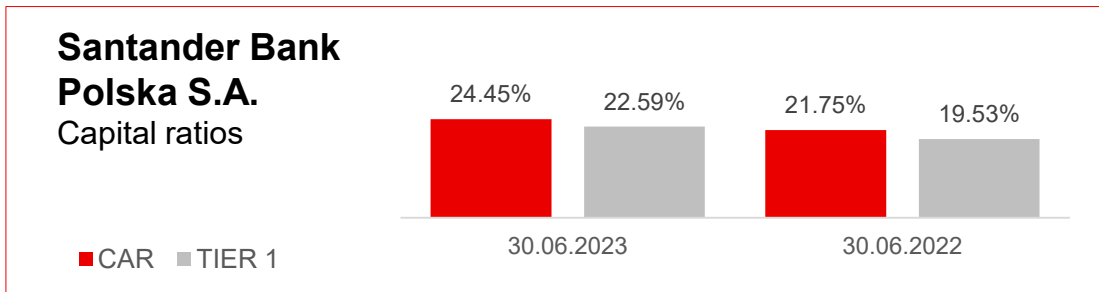
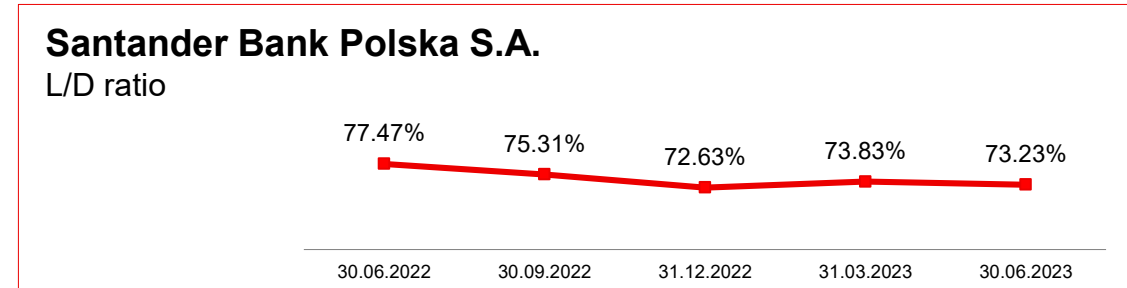
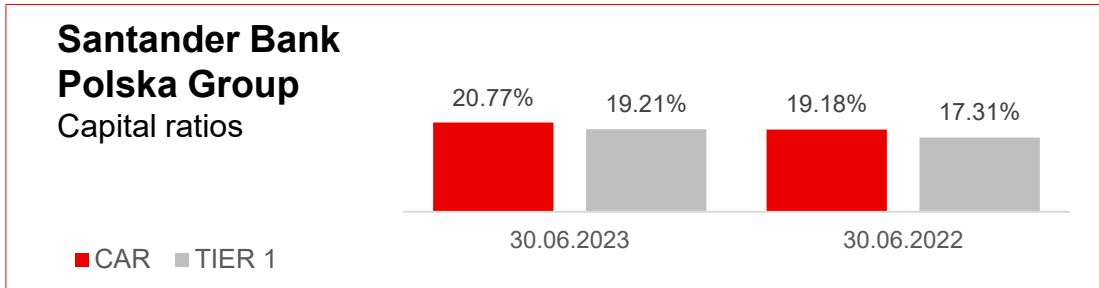


Market Share



- In Q2 2023, Santander Factoring regained a leading position on the market in terms of the balance sheet, reporting 7% YoY growth in balances.
- Santander Factoring also maintains its first position in payables financing (up 15% YoY and 21% market share).
- After Q2 2023, the Polish factoring market recorded a slight growth of 1% YoY.
- Santander Factoring continues its cooperation with BGK within a program under the Crisis Guarantee Fund.

Capital and liquidity position



Regulatory requirements regarding own funds and eligible liabilities – TLAC/MREL

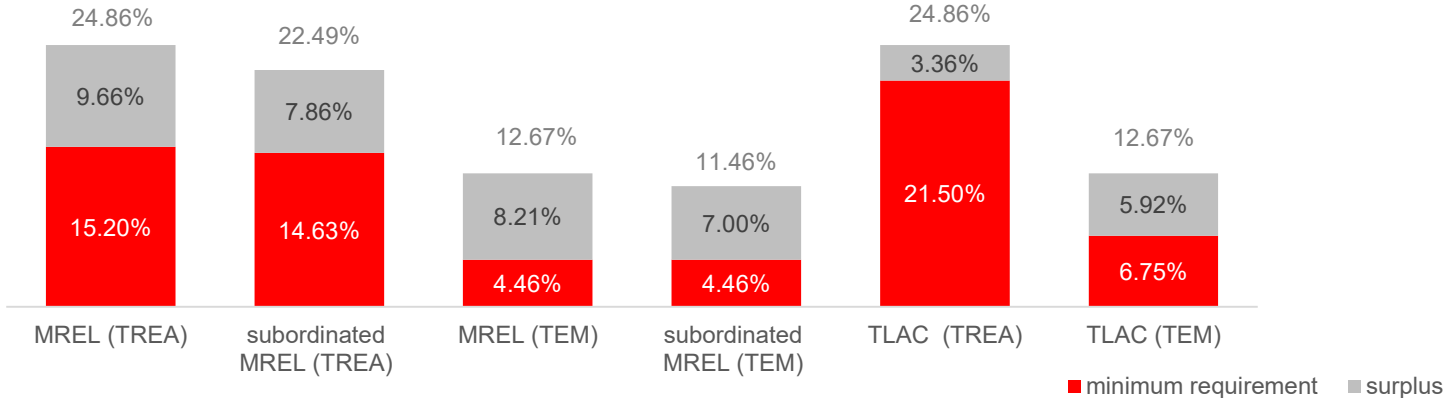
MREL

- On 5 May 2023, the Bank was notified by the Bank Guarantee Fund of the target MREL requirement of 15.39% in relation to the total risk exposure amount (TREA) and 5.91% in relation to the total exposure measure (TEM). The MREL requirement was defined at the consolidated level and should be met by 31 December 2023.
- The Bank is also required to meet the minimum MREL subordination requirement of 14.24% of TREA and 5.91% of TEM.
- The Bank was also notified of the mid-term MREL targets, which are as follows as at 30 June 2023: 11.70% in relation to TREA, 11.13% as a TREA subordination requirement, 4.46% in relation to TEM, 4.46% as a TEM subordination requirement.
- The MREL (TREA) requirement must be met in addition to the combined buffer requirement (i.e. the total systemic risk requirement, countercyclical capital buffer, conservation buffer and the O-SII buffer, now at 3.50%).
- As at 30 June 2023, the regulatory MREL requirements are: MREL (TREA) 15.20%, subordinated MREL (TREA) 14.63%, MREL (TEM) 4.46%, subordinated MREL (TEM) 4.46%

TLAC

- In accordance with Article 92a of the CRR, the minimum TLAC requirement is 18% of total risk exposure amount (TREA) and 6.75% of the total exposure measure (TEM).
- The TLAC (TREA) requirement must be met in addition to the combined buffer requirement (i.e. the total systemic risk requirement, countercyclical capital buffer, conservation buffer and the O-SII buffer, now at 3.50%).
- In relation to the minimum requirements specified in Article 92a of the CRR, the Bank obtained the approval from resolution authorities, in accordance with the conditions laid down in Article 72b(3) of the CRR, to use the liabilities that do not meet the subordination requirement defined in Article 72b(2)(d) of the CRR in the amount not exceeding 3.5% of TREA as of 1 January 2022.
- As at June 30, 2023, the regulatory TLAC (TREA) requirement for SBP Group is 21.50% (TREA) and 6.75% of the total exposure measure (TEM).
- TLAC is the minimum regulatory requirement for own funds and eligible liabilities for global systemically important institutions. MREL is determined for individual banks that must comply with it.
- As an EU-based bank and part of G-SII (Banco Santander), Santander Bank Polska must meet both the TLAC and MREL requirements at the consolidated level.

Compliance with the regulatory requirements regarding own funds and eligible liabilities – TLAC/MREL as at 30 June 2023



Key financial ratios

H1 2023 - Santander Bank Polska Group

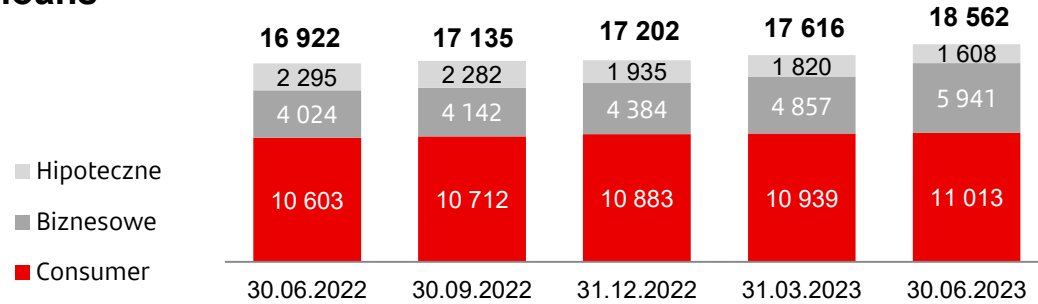
Selected financial ratios of Santander Bank Polska Group	H1 2023	H1 2022
Cost/ income	30.4%	38.9%
Net interest income/ total income	82.8%	79.5%
Net interest margin ¹⁾	5.38%	4.63%
Net fee and commission income/ total income	17.6%	19.7%
Net loans and advances to customers/ deposits from customers	78.2%	83.2%
NPL ratio ²⁾	4.9%	4.7%
NPL provision coverage ratio ³⁾	58.0%	60.6%
Costs of credit ⁴⁾	0.80%	0.48%
ROE ⁵⁾	14.3%	9.8%
ROTE ⁶⁾	15.4%	10.2%
ROA ⁷⁾	1.3%	1.0%
Total capital ratio ⁸⁾	20.77%	19.18%
Tier 1 capital ratio ⁹⁾	19.21%	17.31%
Book value per share (PLN)	326.92	278.55
Earnings per ordinary share (PLN) ¹⁰⁾	22.72	15.82

Key financial ratios

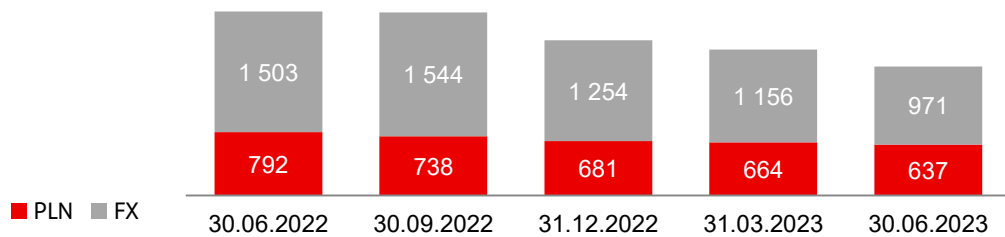
1. *Net interest income annualised on a year-to-date basis (excluding interest income from the portfolio of debt securities held for trading and other exposures related to trading) to average net earning assets as at the end of consecutive quarters after the end of the year preceding a given accounting year (excluding financial assets held for trading, hedging derivatives, other exposures related to trading and other loans and advances to customers).*
2. *Lease receivables and gross loans and advances to customers measured at amortised cost and classified to stage 3 and POCI exposures to the total gross portfolio of such loans and advances and lease receivables as at the end of the reporting period.*
3. *Impairment allowances for loans and advances to customers measured at amortised cost and lease receivables classified to stage 3 and POCI exposures to gross value of such loans and advances and lease receivables as at the end of the reporting period.*
4. *Net expected credit loss allowances (for four consecutive quarters) to average gross loans and advances to customers measured at amortised cost and lease receivables (as at the end of the current reporting period and the end of the previous 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 previous year), excluding non-controlling interests, current period profit, dividend reserve and recommended dividend.*
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 previous year) defined as common equity attributable to the parent's shareholders less revaluation reserve, current year profit, recommended dividend, dividend reserve, 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 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. The comparative period includes profits allocated to own funds pursuant to applicable EBA guidelines.*
9. *Tier 1 capital ratio calculated as a quotient of Tier 1 capital and risk-weighted assets for credit, market and operational risk. The comparative period includes profits allocated to own funds pursuant to applicable EBA guidelines.*
10. *Net profit for the period attributable to shareholders of the parent entity to the average weighted number of ordinary shares.*

Santander Consumer Bank Group Loans

Gross loans



Gross mortgage loans and advances



PLN m

	30.06.2023	30.06.2023	r/r (%)	kw/kw (%)
Retail customers	12 621	12 899	-2%	-1%
Mortgage loans	1 608	2 295	-30%	-12%
Consumer finance	11 013	10 603	4%	1%
SME/ Leasing	5 941	4 024	48%	22%
Total gross loans	17 562	16 922	10%	5%


- Total loans: +10%YoY
- Mortgage loans: -30% YoY
- CHF mortgage loans: -34% YoY (approx. – CHF 107m)
- Consumer finance: +4%YoY
- Business loans: +48% YoY

Santander Consumer Bank Group

Key financial results for 2023

PLN m	H1 2023	H1 2022
Assets	22 132	20 114
Net Loans***	16 951	15 249
Deposits	12 148	9 032
Total equity	4 273	3 936
Net profit	43	253
L/D (%)	139.5%	168.8%
C/I (%)*	72.6%	56.5%
ROE (%)	2.0%	13.0%
ROA (%)	0.4%	2.5%
CAR (%)**	34.0%	28.6%
<i>CHF impact (gross)</i>	<i>-242</i>	<i>-149</i>
<i>Net profit adjusted</i>	<i>283</i>	<i>401</i>
<i>C/I adjusted</i>	<i>38.8%</i>	<i>36.2%</i>
<i>ROE adjusted</i>	<i>13.3%</i>	<i>20.7%</i>
<i>ROA adjusted</i>	<i>2.7%</i>	<i>4.0%</i>

Further embedding ESG to build a more responsible bank



Environmental: supporting the green transition


PLN 1 280m
green buildings

PLN 1 009m
RES¹ Financing

PLN 54.5m
Green transport

PLN 2 344m
Total green finance

8 902
customers received green financing



Social: building a more inclusive society

Diversity IN Check
3rd time on the list of recognised companies²

Double Power of Help
EUR 151 466 collected to help young people struggling with mental health crisis

PLN 2.7m
invested in higher education through Santander Universidades

>690k
financially empowered people 2019-2023

34.7%
women in senior positions



Governance: doing business the right way

2022 ESG Report
published on <https://esg.santander.pl/2022/>

Golden CSR Leaf by Polityka
and award in the special category *Companies for Ukraine and refugees*

Great Place to Work
SBP is the 1st big bank in Poland to have obtained the certificate

>50%
independent directors

41%
women on Supervisory Board

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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 - having taken all such professional or other advice as considers necessary or appropriate in the circumstances;
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