

# Financial results of Santander Bank Polska Group for 1-3Q 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 1-3Q 2023

# Our activities and our people

01

# Our communication

## Successful cooperation with Piotr Adamczyk

Piotr Adamczyk has been Santander's brand ambassador since April. Piotr is a very popular actor liked by all age groups. The spots with Piotr have met with positive consumer feedback\*.

## ATL campaigns, digital and social media

For many years Santander Bank Polska has been close to their customers and has helped them to prosper. In our campaigns, we communicate our purpose – Santander helps in many ways both in finance and in life.

- **“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).
- **“Saving makes you worry less”** Max Savings Account campaign. We help our customers to save on attractive terms and conditions.
- **“Instant transfers help cope with the daily load of duties”** campaign.
- **“We help make dreams come true easier”** campaign with an online cash loan at customer's fingertips in Santander mobile application.
- **“Zielone pojęcie”** (“Being green”) campaign for SME customers. We help to run a business with our business account and our green financing offer, i.e. leasing of PV systems, charging stations and electric cars.
- **“Helping you discover the world on your own account”** campaign for children and PLN 100 for starters.

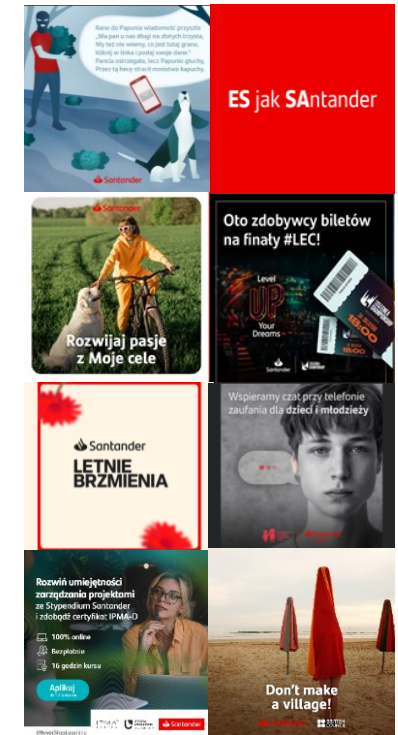


## Other Social Media activities

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

## Other digital activities

- Google Maps – optimising and aligning business profiles of our branches.
- Brand Book digital – optimising guidelines for creating digital content – WCAG 2.0, new standards for people with disabilities.



\* Kantar, tracking study for Santander, n=400/monthly.

# Our people

## Improving employee experience

- We are building continuously positive employee experience. We can see results – both the level of engagement and the internal eNPS indicator are gradually increasing quarter by quarter.

## Corporate culture

- We are continuing to build a culture based on the TEAMS corporate values and behaviours shared across the Santander Group. In September we celebrated Santander Week and in 3Q we organized 26 events for the total of 2520 employees, 161 branches and partner outlets.
- We engage in dialogue and transparent communication – we hold regular meetings with all employees, during which the Management Board comments on financial results, summarises the most important events in the life of the Bank and answers questions from the employees

## Safety & Wellbeing at work

- We promote care for well-being and a healthy lifestyle. In summer we prepared a series of events entitled *How to live with allergies?*. We celebrated the World WellBeing Day in September by organizing webinars and workshops about healthy eating habits for all employees.
- Together with the Saving Kids With Cancer Foundation, we invited employees to participate in the "Rakreaton" charity campaign – 763 employees took part in this sports initiative.

## Diversity and inclusion

- We are working to strengthen the culture of DE&I (*Diversity, Equity & Inclusion*) through employee networks. We currently have more than 500 members in seven employee networks supported by seven Diversity Ambassadors.
- We are continuing our efforts to build a diverse working environment in terms of disability through themed communication campaigns and webinars. A good example is a sign language course organised to mark the Deaf Week and Sign Languages Day.

## Developing modern working tools

- In Q3 we tested a solution that will allow staff to access their personnel files electronically 24/7 in the self-service HR portal. Implementation is planned in Q4 2023.

## Development and training

- We keep pursuing our talent development-oriented strategy. We have recently launched more development programmes for leaders and experts. In addition, we have launched new online academies, including one aimed at developing agile skills.

## Hybrid work model

- The state of epidemic was lifted in Poland on 1 July 2023. As a result as of 1 October 2023 we implemented new rules for remote work. Following the paperless strategy and with the self-service tools at hand, in 3Q we prepared a systemic solution for our employees – the can apply for working from home electronically.

1-3Q 2023 Results

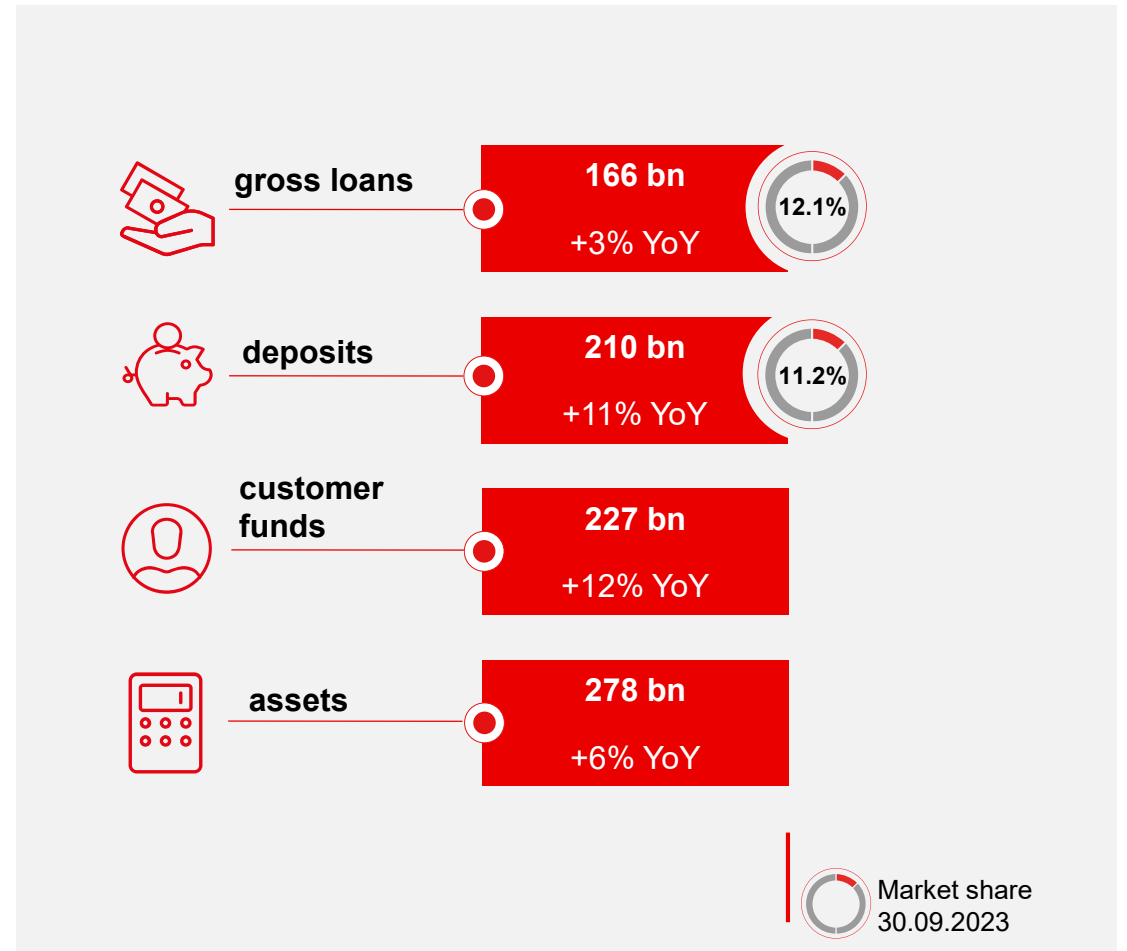
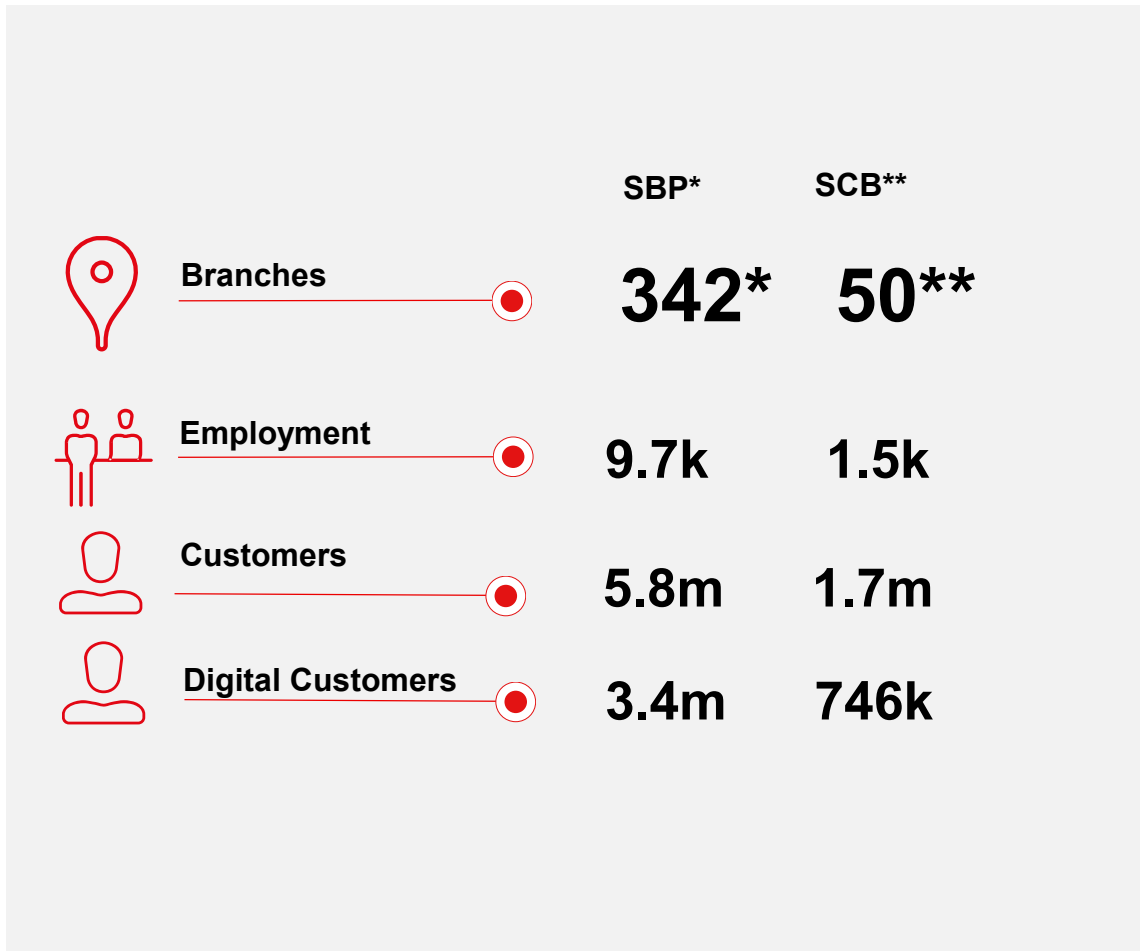
# Our business development

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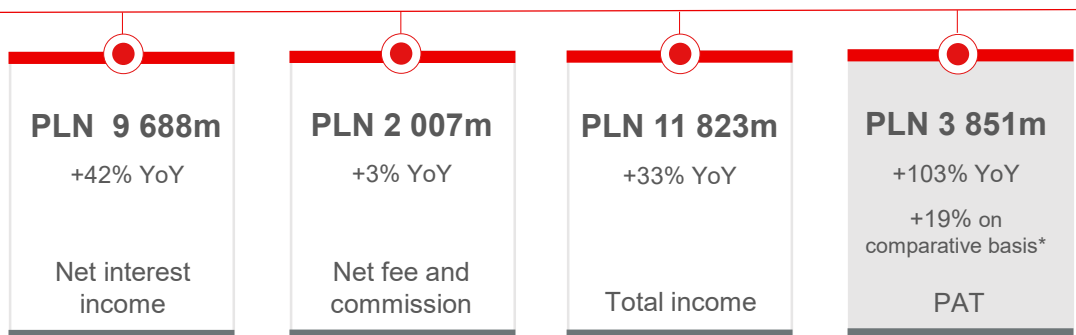
## General operational data

## Key volumes



## Key financial results for 2023

### Key results



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

- Cost of legal risk attached to mortgage loans in foreign currencies - PLN 1 580
- Costs of settlements regarding mortgage loans in foreign currencies - PLN 302m
- Negative adjustment of interest income given the payment holidays scheme applicable to mortgage loans - PLN 44m
- Costs related to the Institutional Protection Scheme (IPS) – PLN 0.3m
- BFG contributions - PLN 175m

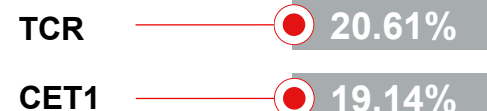
and from 2022 profit:

- Cost of legal risk attached to mortgage loans in foreign currencies – PLN1 070m
- Costs of settlements regarding mortgage loans in foreign currencies - PLN 89m
- Negative adjustment of interest income given the payment holidays scheme applicable to mortgage loans - PLN 1 358m
- Costs related to the Institutional Protection Scheme (IPS) - PLN 446m
- BFG contributions - PLN 269m
- Costs related to Borrowers Support Fund – PLN 165m.

## Financial ratios For 2023

### Capital position

Strong capital position, well above the KNF requirements

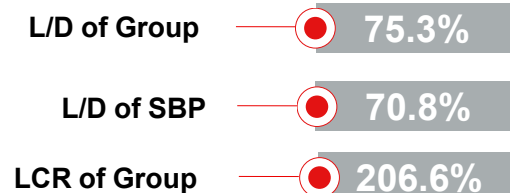


### ROE, ROA



### Liquidity position

Safe liquidity position





Results for 1-3Q 2023

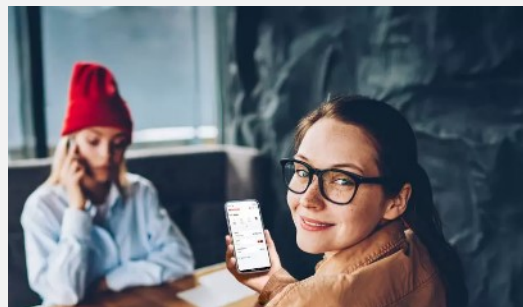
# Our customers

03

# Our customers in numbers\*

## Retail customers

- 5.2m customers — **+3% YoY**
- 3.1m digital customers — **+7% YoY**
- 2.5m mobile customers — **+13% YoY**
- 71.5m mobile banking transactions — **+26% YoY**



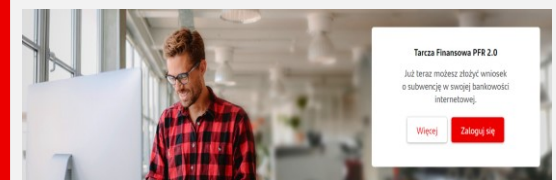
## SME customers

- 522k customers — **+4% YoY**
- 359k digital customers — **+8% YoY**
- 200k mobile customers — **+23% YoY**
- 2.3m mobile banking transactions — **+47% YoY**



## Corporate customers

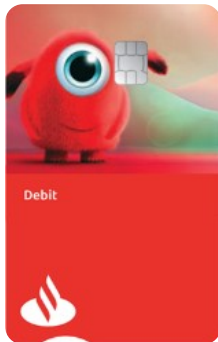
- 27.5k customers — **+5% YoY**
- 21.5k digital customers — **+3% YoY**
- 5.1k mobile customers — **+11% YoY**



## New products and services

### Retail customers

- We implemented a new mobile application, making sure that the migration process was as intuitive as possible.
- We expanded our offer for customers under 13 to include a dedicated debit card and the My Goals regular savings service.
- Once again we have launched our cash loan with ECO special offer.



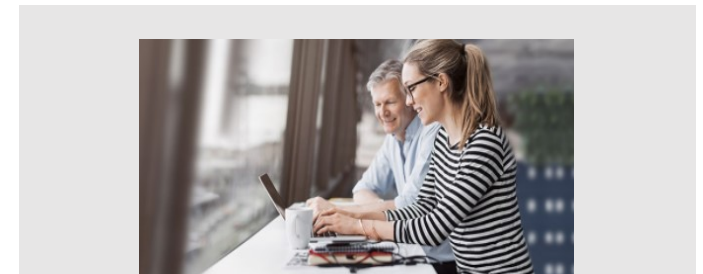
### SME customers

- Business customers were provided access to BLIK service in our new mobile application.
- Product range was extended to include liquidity loans.
- We provided a variety of promotions and special offers for our customers, including:
  - another edition of the special offer for online Business Account Worth Recommending (Konto Firmowe Godne Polecenia)
  - “Bonus with eAccounting”
  - special offer for POS and softPOS terminals
  - a loan with 0% arrangement fee available in remote channels
  - - “Loan and leasing with a medical package”
  - “Green 0%” – financing for green energy projects.



### Corporate customers

- We introduced instant payments in euro which are transferred to our clients' accounts with the payment processing time is no longer than 10 seconds
- We introduced further improvements in credit process - we simplified the process for customers with good financial standing and simplified the conditions required for the letters of credit limit, including the Multiline
- We provided our customers with further improvements in the iBiznes24 electronic banking platform, in such areas as accounts, cards and Trade Finance module; iBiznes24 Connect and iBiznes24 mobile solutions have also been made available.





## Education and support for customers

### Retail Customers

- We supported parents in preparations for a new school year with a special offer of PLN 100 of pocket money, a guide for parents, and discounts for school backpacks and books available with our partners.
- We continued our financial education initiatives for young people: we started the second edition of the project for children and young people aged 12–15 called: “Finansowe roz(g)rywki”.
- We supported a fundraiser organised as part of VI North Macroregion Helps (Północny Pomaga) Charity Run to gather funds for a day care centre for families taking care of chronically ill persons (Centrum Opieki Wytchnieniowej) in Gdańsk.



### SME Customers

- We implemented virtual functionality of debit cards.
- We continued the #afFIRMation project – a series of training sessions for entrepreneurs organised in partnership with the Polish Entrepreneurship Foundation.



### BCB Customers

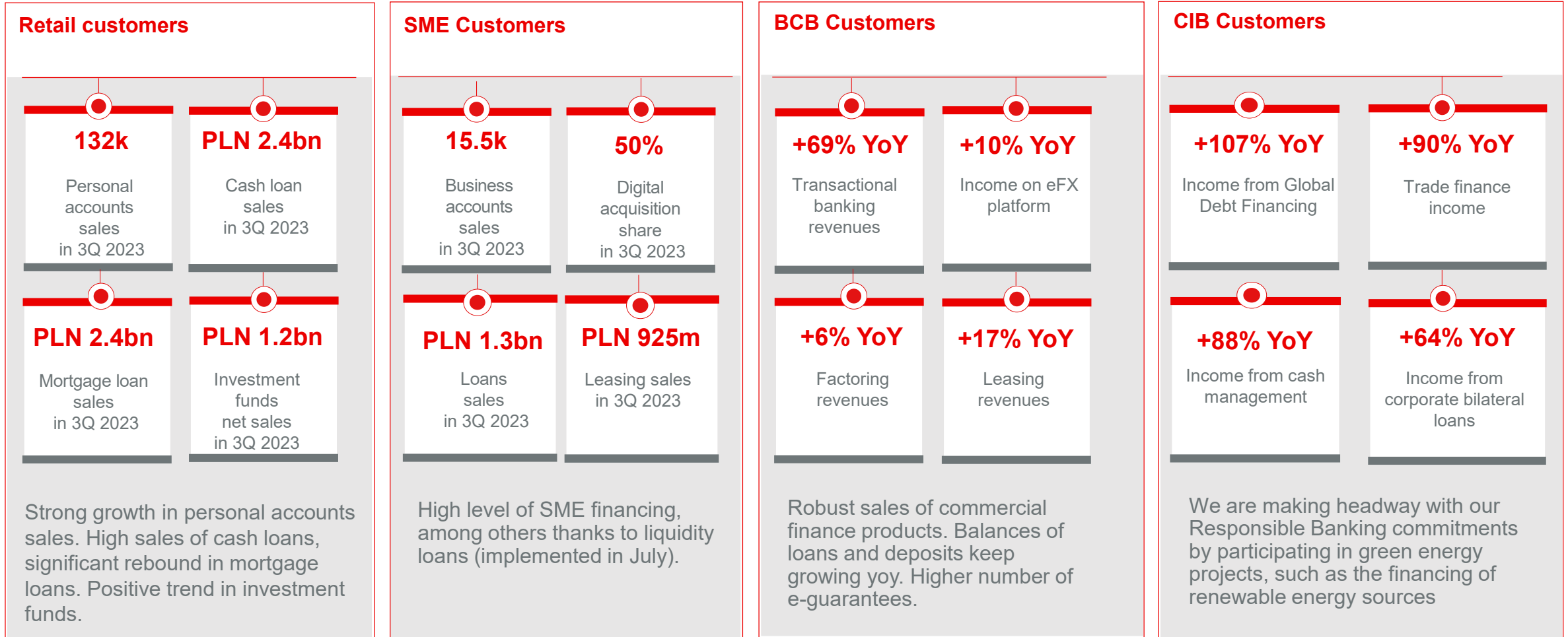
- We prepared a webinar "Eco-loan and other programs for green and development investments" to educate customers in the area of EU subsidies for investments in sustainable development and energy efficiency.
- We organised a series of events for clients:
  - in cooperation with the Polish-British Chamber of Commerce "Tax Train" on reliefs and tax issues related to new investments
  - seminar Chile, Colombia, Mexico, Peru on the export and investment prospects, opportunities and threats, and forms of support
- We prepared a series of market analyses for our clients on the automotive sector, incl. a new Sector Flash for automotive parts manufacturers and car distributors with forecasts for the coming quarters.

### CIB Customers

- Santander Bank Polska S.A. as a subject matter expert and partner during the CEE Treasury Conference in Slovenia,
- More than 217 stock exchange recommendations issued in the CEE Region (in 2023).

**CEE 2023**  
**TREASURY**  
**FORUM**

## Selected business data



Results for 1-3Q 2023

# Our financial performance

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# Gross loans

## Comment

### Santander Bank Polska S.A.

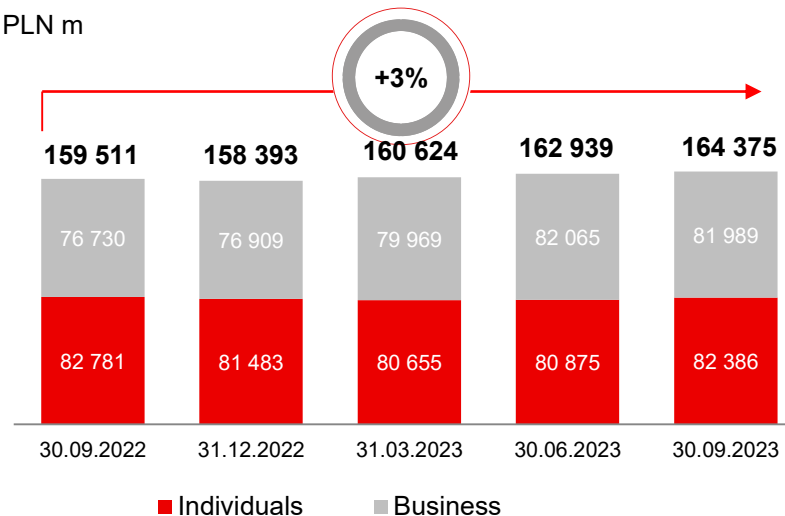
- The loan portfolio increased by 2% YoY and by 2% QoQ.
- Mortgage loan sales: +98% Q3 2023/Q3 2022; +45% Q3 2023/Q2 2023
- Cash loan sales: +3% Q3 2023/Q3 2022; -3% Q3 2023/Q2 2023
- CHF mortgage loans: -49% YoY\* (-52% YoY in PLN)
- SME loans (including leasing and factoring): +5% YoY and +2% QoQ and BCB loans: +4% YoY and +5% QoQ
- CIB loans (including leasing and factoring): +18% YoY and -3% QoQ.

### Santander Consumer Bank

- SCB gross loans: PLN 18.8bn (+10%YoY and +2% QoQ)
- Mortgage portfolio: -31% YoY (CHF mortgage portfolio: -35% YoY\*)
- SCB loans (excluding mortgage loans): +16% YoY and +2% QoQ.

## Gross loans

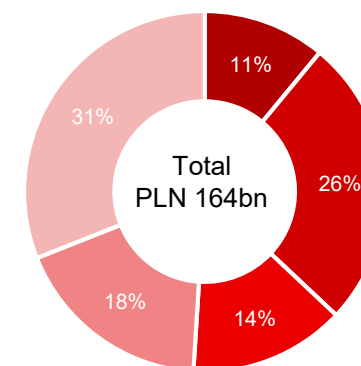
PLN m



PLN m

	30/09/2023	30/09/2022	YoY (%)	QoQ (%)
<b>Retail customers</b>	<b>82 386</b>	<b>82 781</b>	<b>0%</b>	<b>2%</b>
Mortgage loans	52 546	54 682	-4%	2%
Other – retail customers	29 840	28 099	6%	2%
<b>Business loans</b>	<b>81 989</b>	<b>76 730</b>	<b>7%</b>	<b>0%</b>
<b>Total gross loans</b>	<b>164 375</b>	<b>159 511</b>	<b>3%</b>	<b>1%</b>

## Structure of loans



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

# Customer funds

## Comment

### Santander Bank Polska Group

- Customer funds +11% YoY and +5% QoQ.

### Deposits SBP Group

- An increase in retail deposits by 9% YoY and +3% QoQ
- Business deposits increased by 13% YoY and +7% QoQ

### Investment funds SBP Group

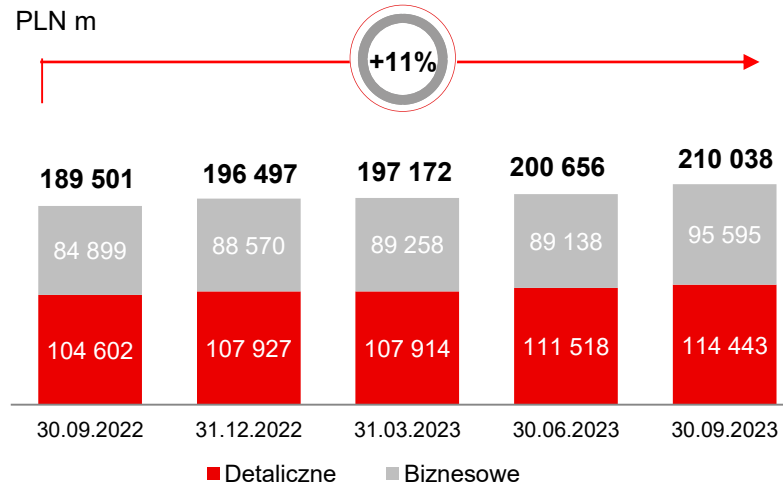
- Investment funds +35% YoY and +8% vs. end of Q2 2023

### Santander Consumer Bank

- Deposits: PLN 12.9bn (+28% YoY and +6 QoQ)

## Deposits

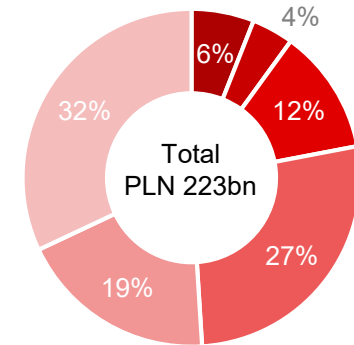
PLN m



PLN m

	30/09/2023	30/09/2022	YoY (%)	QoQ (%)
Current deposits	98 995	100 444	-1%	1%
Savings accounts	39 499	43 149	-8%	0%
Term deposits	71 544	45 908	56%	14%
<b>Total deposits</b>	<b>210 038</b>	<b>189 501</b>	<b>11%</b>	<b>5%</b>
Investment funds	16 751	12 385	35%	8%
<b>Total customer funds</b>	<b>226 790</b>	<b>201 886</b>	<b>12%</b>	<b>5%</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

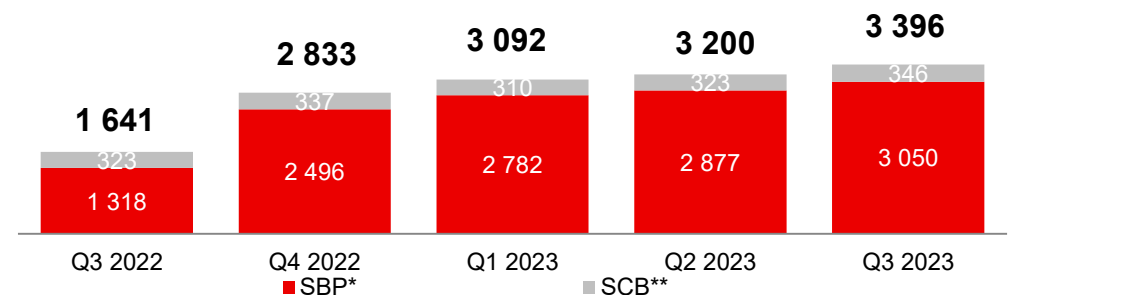
## Comment

- In 1-3Q 2023, net interest income totalled PLN 9.7bn and increased by 42% YoY. After excluding the impact of payment holidays, the increase totalled 19% YoY.
- In Q3 2023 alone, there was an increase in interest income by 6% compared to Q2 2023.
- On an annual basis, interest income increased by 61% and interest costs increased by 139% YoY. On a quarterly basis, these dynamics amounted to 6% and 5%, respectively.
- The net interest margin for the third quarter of 2023 (annualised quarterly) was 5.37% and did not change compared to the margin in the second quarter of 2023.

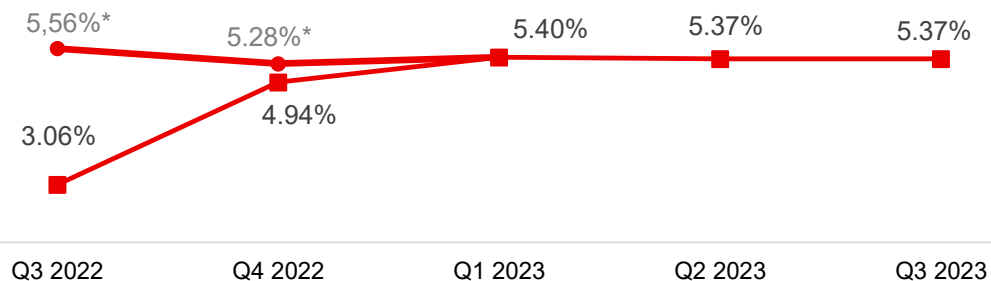
## Net interest income of SCB Group

**PLN 979m** (1-3Q 2023)  
**PLN 974m** (1-3Q 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

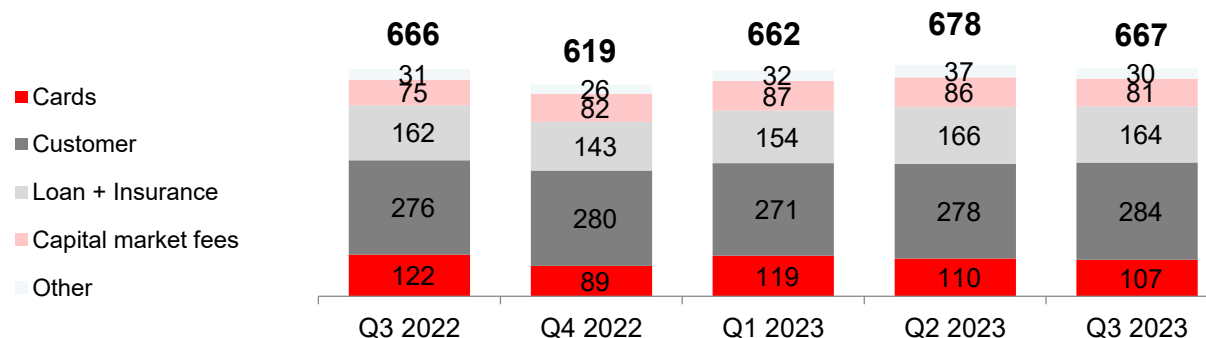
- In 1-3Q 2023, the net fee and commission income increased by 3% YoY. In the third quarter -2% vs. Q2 2023.
- On an annual basis, good results in credit fees (+6% YoY), debit card fees (+10% YoY), insurance fees (+11%) and fx fees (+4% YoY).
- On a quarterly basis, good results in account management fees (+6% QoQ), insurance fees (+4% QoQ) and leasing fees (+7% QoQ)
- At SCB, the net fee and commission income is stable YoY and increases by 9% compared to Q2 2023, mainly in the credit and insurance lines.

● Net fee and commission income of SCB Group\*

PLN 86m (1-3Q 2023)  
PLN 86m (1-3Q 2022)

## Net fee and commission income

PLN m



## Net fee and commission income

	1-3Q 2023	1-3Q 2022	YoY (%)	QoQ (%)
PLN m				
Cards	336	314	7%	-3%
Transactional	834	852	-2%	2%
Loans + insurance	484	446	9%	-1%
Capital markets*	254	247	3%	-6%
Other	99	88	13%	-19%
<b>Total</b>	<b>2 007</b>	<b>1 947</b>	<b>3%</b>	<b>-2%</b>

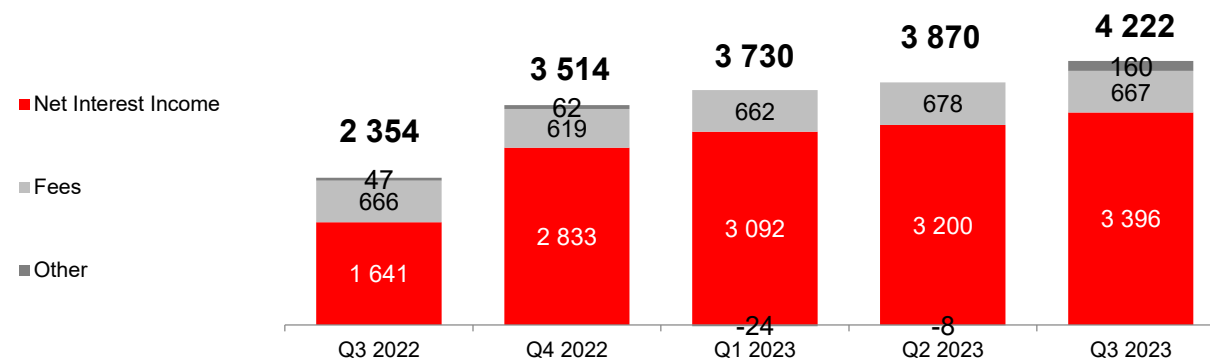
# Income

## Comment

- The Group's total income in 1-3Q 2023 amounted to PLN 11,823m and increased by 33% YoY.
- Higher interest income due to interest rate hikes and higher net fee and commission income +3% YoY.
- Other income line impacted by actions taken by the bank aimed at making settlements with fx mortgage loan borrowers - PLN 302m in 1-3Q 2023, recorded under the item "Result from ceasing to recognize financial instruments measured at amortized cost". (in 3Q 2023 alone: PLN 35m and PLN 89 million in 1-3Q 2022)
- Excluding the above item, other income totalled PLN 424m: it increased by 132% YoY and 168% compared to the previous quarter, mainly due to the increase in net trading and revaluation.

## Income

PLN m



PLN m

	1-3Q 2023	1-3Q 2022	YoY (%)	QoQ (%)
Net interest income	9 688	6 819	42%	6%
Net fee and commission income	2 007	1 947	3%	-2%
<b>Total</b>	<b>11 695</b>	<b>8 767</b>	<b>33%</b>	<b>5%</b>
Gains/ losses on financing activities	285	24	1078%	731%
Dividends	11	10	11%	-85%
Other income items	(168)	66	-356%	-165%
<b>Total income</b>	<b>11 823</b>	<b>8 867</b>	<b>33%</b>	<b>9%</b>

## Operating expenses

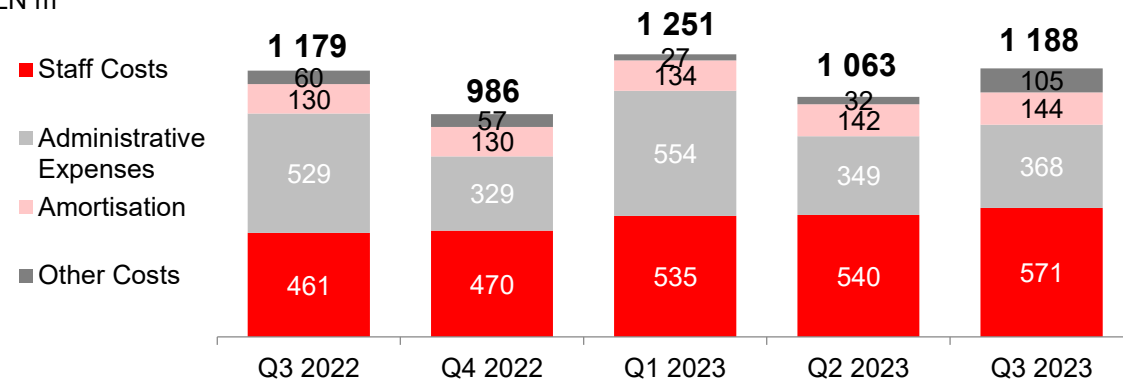
### Comment

- Total costs in 1-3Q 2023 decreased YoY despite the inflationary environment. This is, among others, the result of a lower BFG burden - PLN 175m in 2023 compared to PLN 269m in 2022) as well as cost of IPS in 2022 - PLN 446 million.
- After excluding regulatory costs, the total costs increased by 15% YoY mainly due to inflation, salary increases and IT costs, building maintenance costs and more intensive marketing activities. The Group maintains strong cost discipline.
- The administrative costs in Q3 increased by 5% compared to Q2 2023.
- Employee costs increased by 22% YoY, which reflects the change in salaries introduced in September 2022 and 2023 and the costs of the long-term share-based incentive plan launched in the Group (Incentive Plan VII).
- At SCB, operating costs in Q1-Q3 2023 amounted to PLN 389m and increased by 7% YoY. SCB employee costs +5% YoY. Administrative costs +4% YoY.

Group C/I ratio of 29.6% in 1-3Q 2023 compared to 41.9% in 1-3Q 2022.

### Operating expenses

PLN m



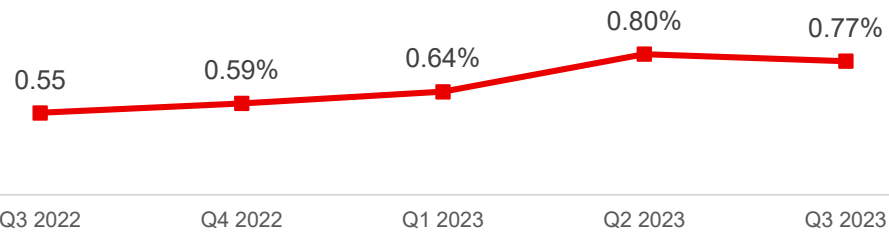
PLN m

	1-3Q 2023	1-3Q 2022	YoY (%)	QoQ (%)
Administrative and staff expenses	(2 918)	(3 178)	-8%	6%
<i>Staff expenses</i>	(1 646)	(1 345)	22%	6%
<i>Administrative expenses</i>	(1 271)	(1 833)	-31%	5%
Amortisation/depreciation + other	(584)	(533)	10%	43%
<b>Total costs</b>	<b>(3 502)</b>	<b>(3 711)</b>	<b>-6%</b>	<b>12%</b>



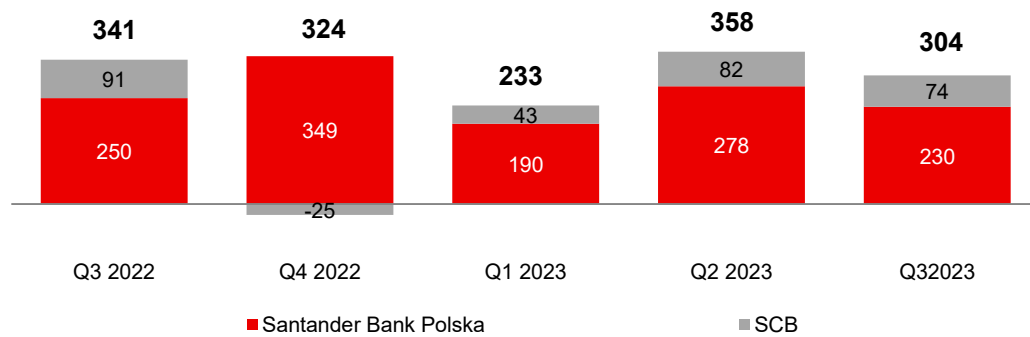
## Provisions and credit portfolio quality

### Cost of credit

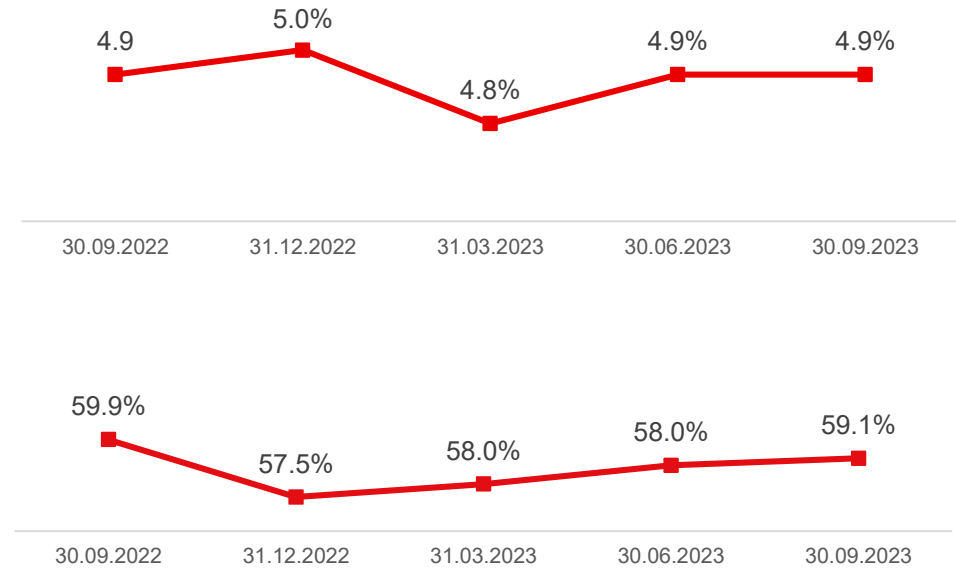


### Balance of provisions

PLN m



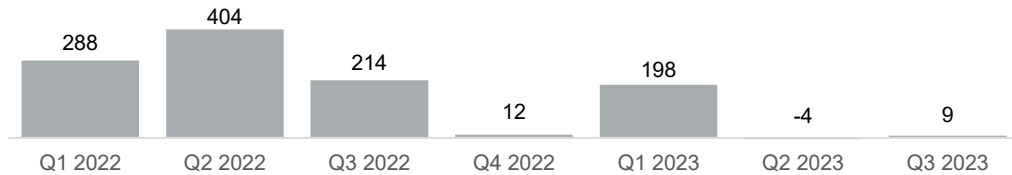
### NPL and NPL coverage ratio



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 159m, SCB PLN 16m

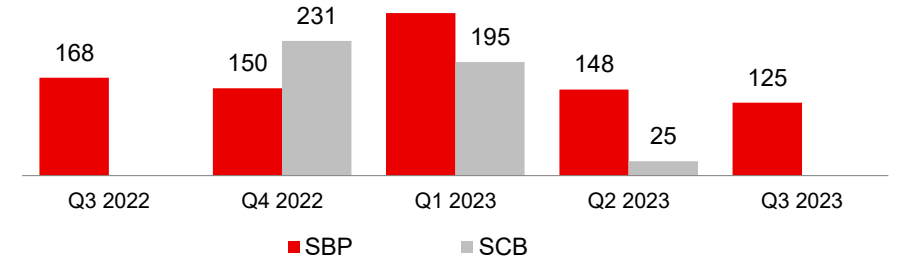
## Banking tax

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.

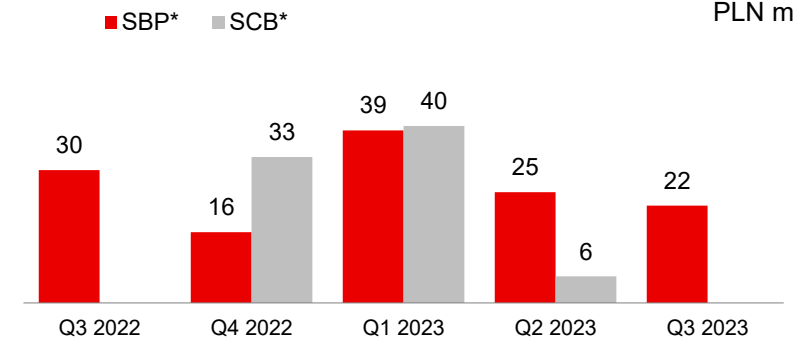
In 2022, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 587m (PLN 565m and PLN 22m, respectively).

## 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 1-3Q 2023

### Comment

- Net profit in 1-3Q 2023 totalled PLN 3.8bn. (in Q3 2023 totalled PLN 1.53bn).
- In 1-3Q 2023, the net interest and fee income increased by 33% YoY and by 5% in Q3 compared to Q2 2023.
- In 1-3Q 2023, total income increased by 33% YoY and by 9% in Q3 compared to Q2 2023.
- C/I ratio below 30%.
- Maintaining a stable cost of credit risk ratio, despite the difficult macroeconomic situation.
- Effective tax rate influenced by regulatory costs and the cost of legal risk attached to mortgage loans in foreign currencies.

### Results for 1-3Q 2023

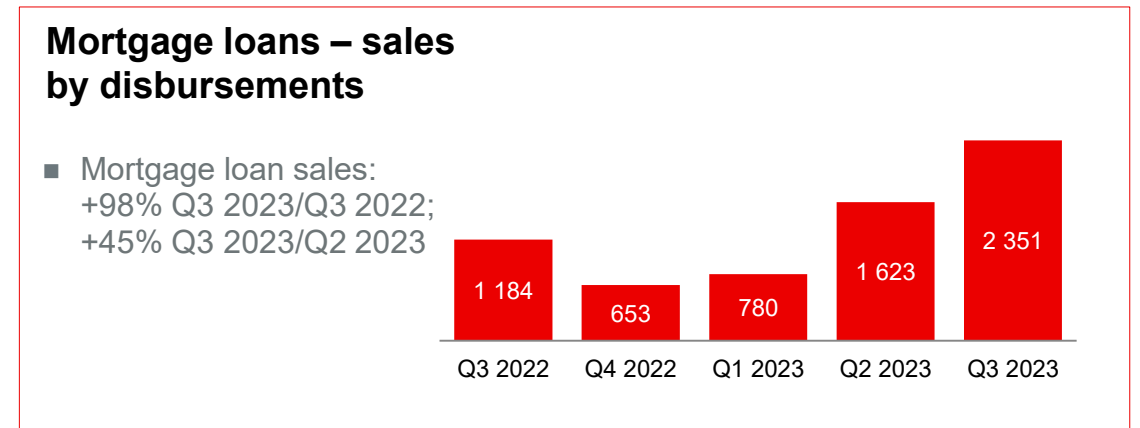
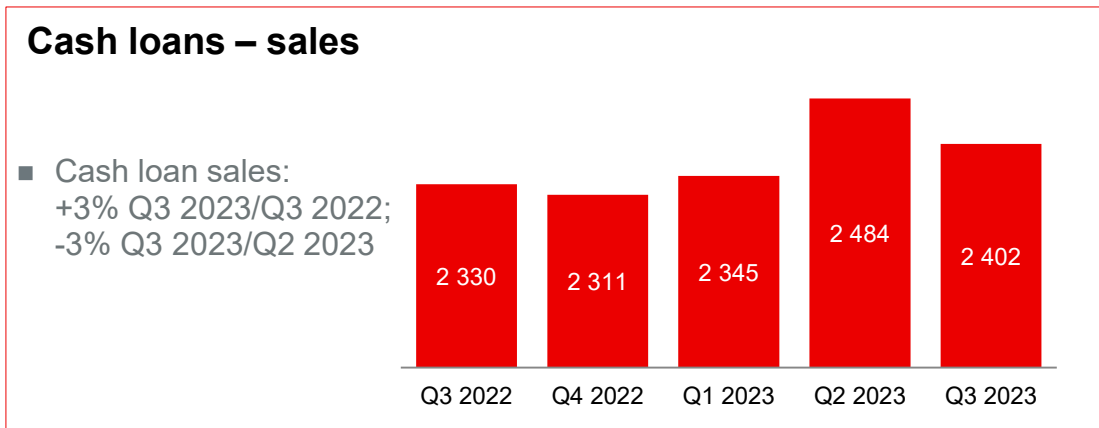
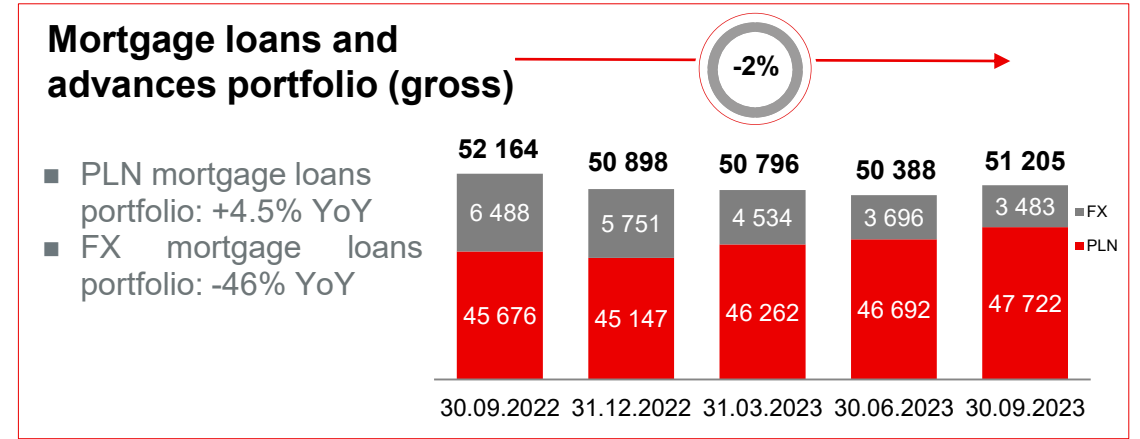
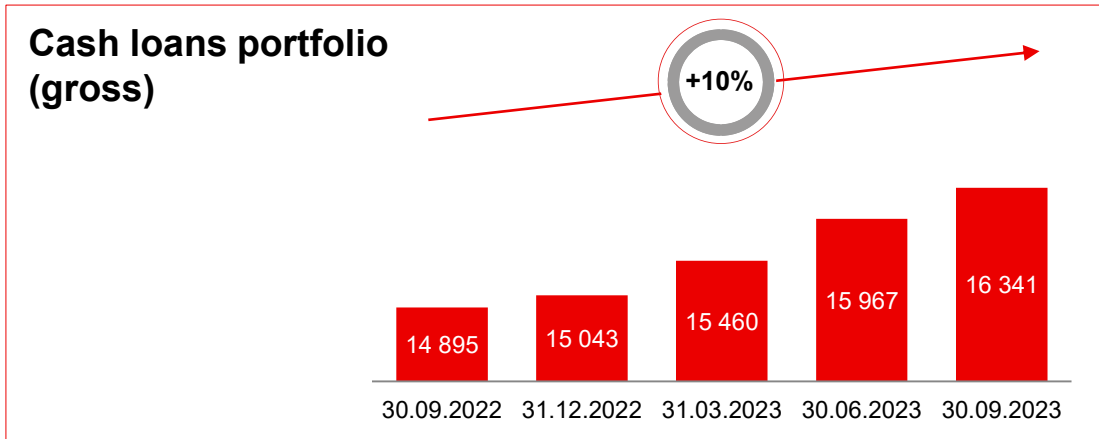
PLN m	1-3Q 2023	1-3Q 2022	% YoY
Net interest and fee income	11 695	8 767	33%
Gross income	11 823	8 867	33%
Total costs	-3 502	-3 711	-6%
Credit impairment allowances	-894	-571	57%
Cost of legal risk associated with foreign currency mortgage loans	-1 580	-1 070	48%
Tax on financial institutions	-587	-570	3%
<b>PBT</b>	<b>5 337</b>	<b>3 004</b>	<b>78%</b>
Income tax	-1 396	-732	91%
<b>Profit attributable to shareholders of Santander Bank Polska S.A.</b>	<b>3 851</b>	<b>1 896</b>	<b>103%</b>
Effective tax rate	26.2%	24.4%	

# Attachments

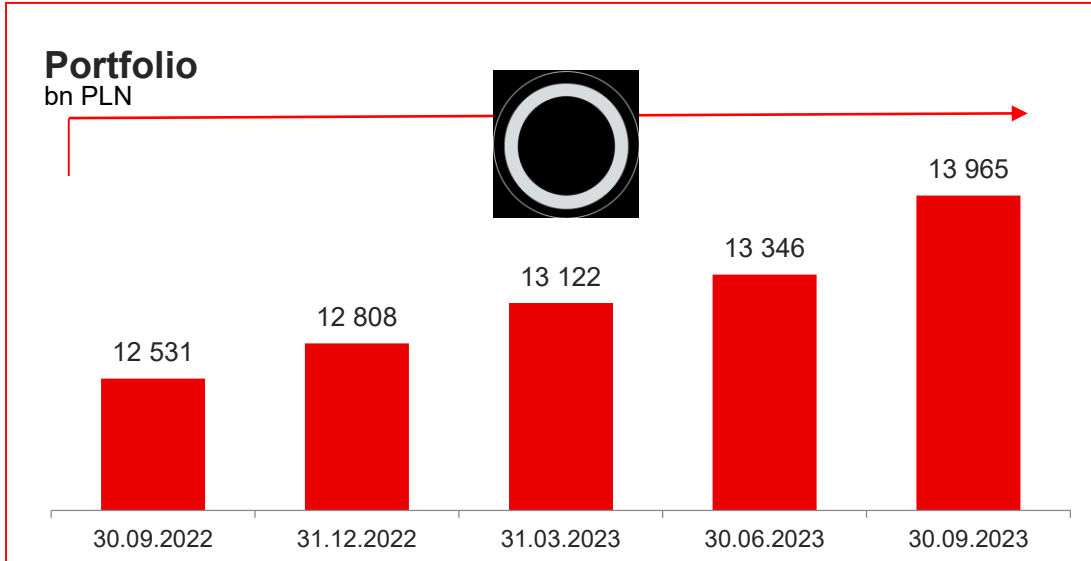
05

# Retail Banking - growth in lending activity

PLN m



# Santander Leasing



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 the effects of COVID19 or Russian aggression against Ukraine. In March, an Operating Agreement was signed with BGK SA to grant Liquidity Loans under the Smart Growth Operational Program 2014-2020 for companies from the Łódź Voivodeship, based on which the company started the loan application collection processes in May and August 2023. Thanks to this agreement with BGK and aid funds available, the company concluded loan agreements with customers worth PLN 50m.



- Leasing portfolio: PLN: 13,9bn, +10% YoY
- Value of loans granted and leased items: PLN: 5.7bn, +18% YoY

**Market share**

7.9%\*

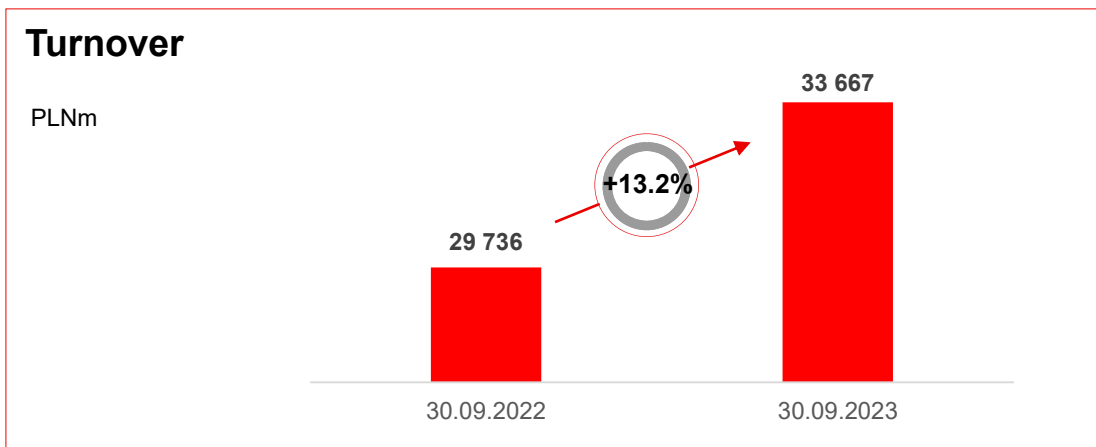
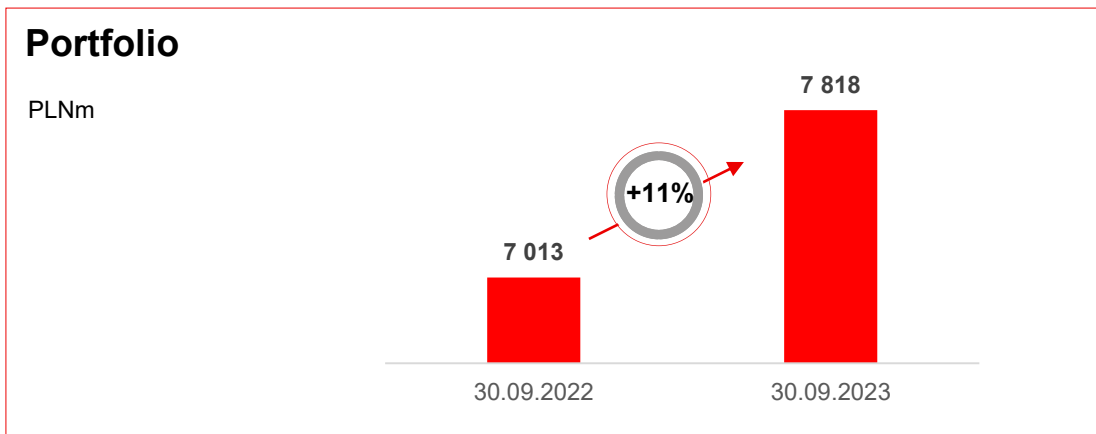
\*Data on 31/12/2022

On 31 August this year Santander Leasing and the Santander Bank Polska Foundation have resolved the competition under the first nationwide grant programme for local governments in the leasing industry. The "Together for Eco-Change" project provides for the transfer and maintenance of a network of electric vehicle charging stations. The grant enables to provide full financing for the construction of at least 17 electric vehicle charging stations and maintaining them for 2 years. An amount of PLN 1m was allocated for this purpose.





# Santander Factoring

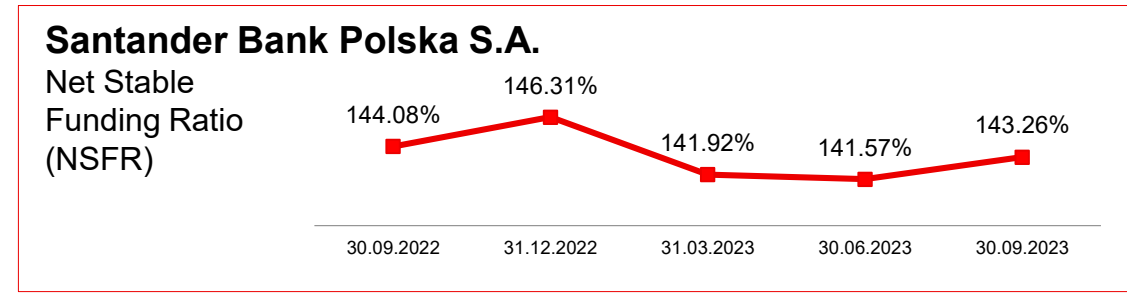
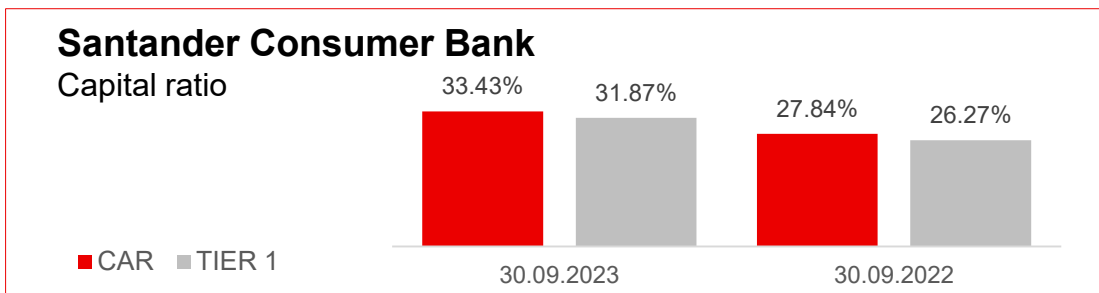
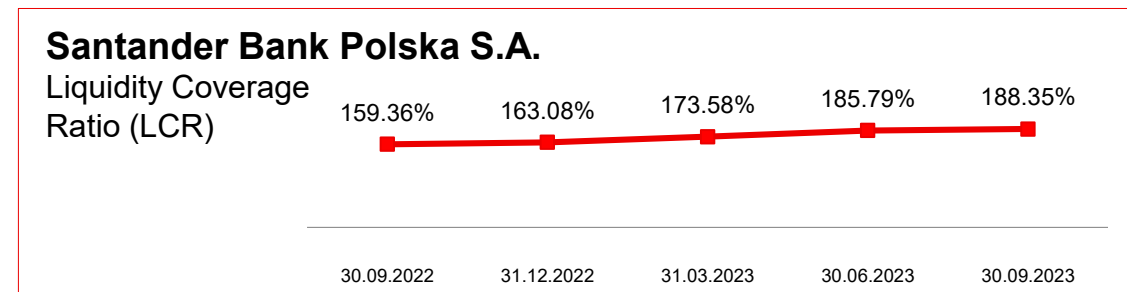
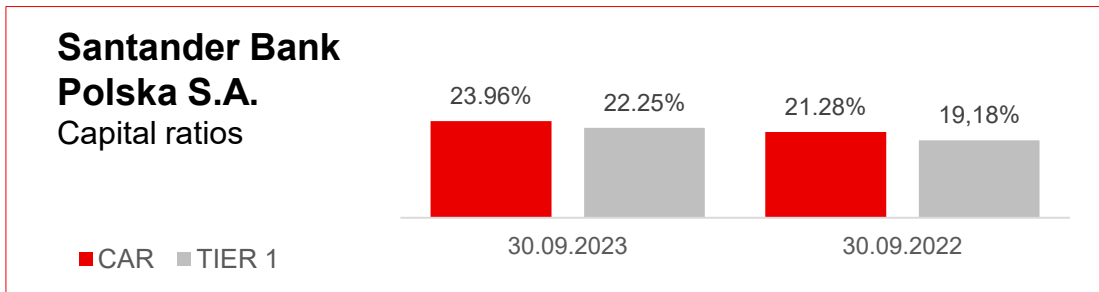
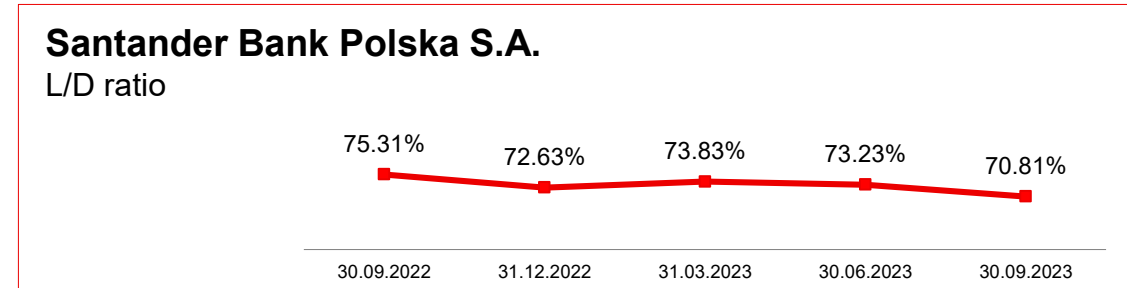
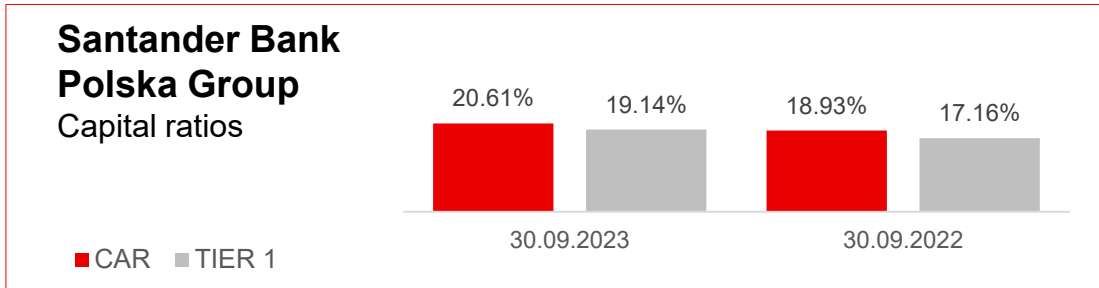


### Market Share

A donut chart with a light blue ring and a red wedge representing 10% of the total.

- In Q2 2023, Santander Factoring regained a leading position on the market in terms of the balance sheet, reporting 11% YoY growth in balances.
- Santander Factoring also maintains its first position in payables financing (up 16% YoY and 21% market share).
- After Q3 2023, the Polish factoring market recorded a slight decline of 3% YoY.
- Santander Factoring continues its cooperation with BGK within a program under the Liquidity Guarantee Fund.

# Capital and liquidity position



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

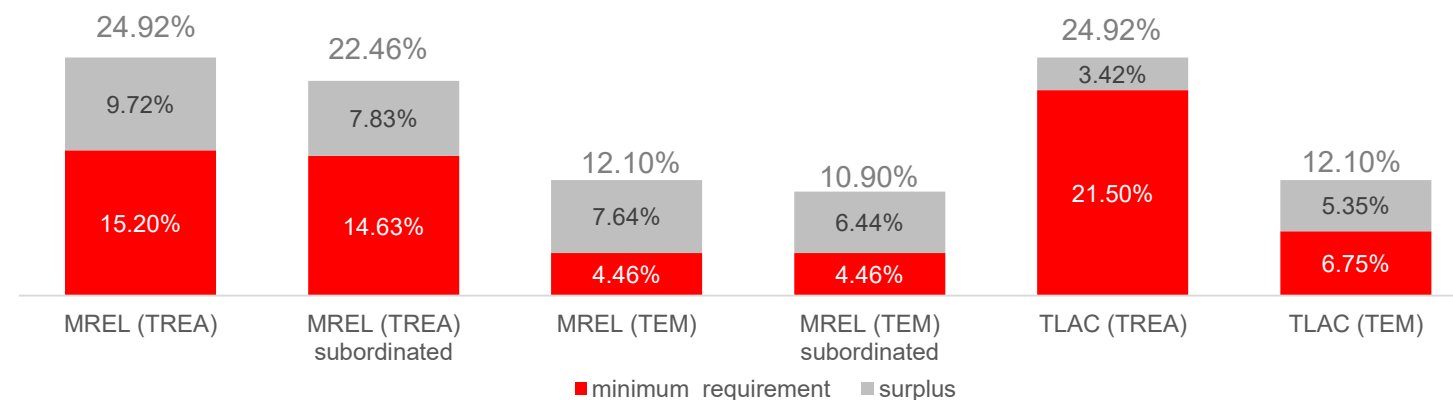
### MREL

- 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 September 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 September 2023, the regulatory MREL requirements including combined buffer 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, now at 3.50% for SBP.
- 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 requirement for SBP Group is 21.50% TREA and 6.75% 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 September 2023



## Key financial ratios

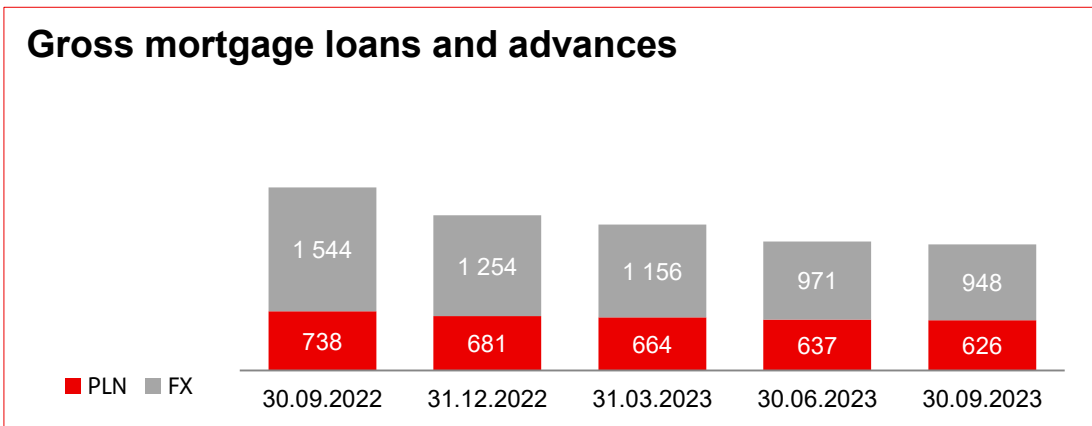
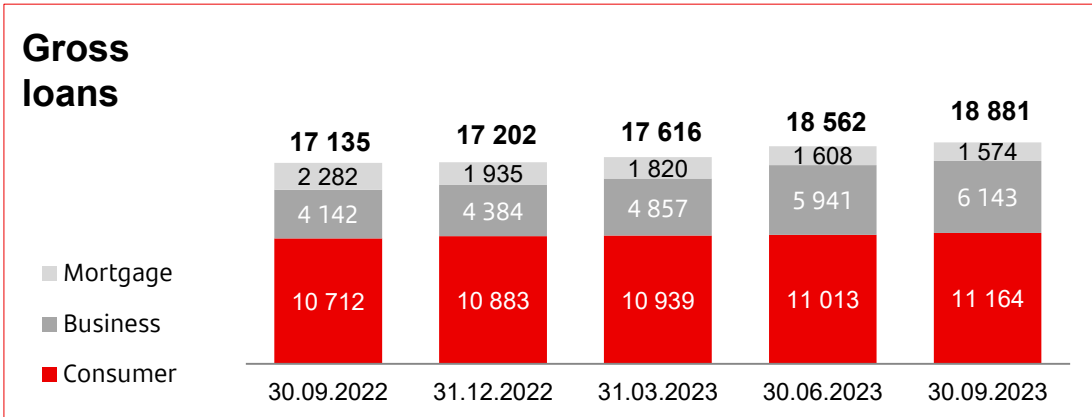
### 1-3Q 2023 - Santander Bank Polska Group

Selected financial ratios of Santander Bank Polska Group	1-3Q 2023	1-3Q 2022
Cost/ income	29.6%	41.9%
Net interest income/ total income	81.9%	76.9%
Net interest margin <sup>1)</sup>	5.37%	4.1%
Net fee and commission income/ total income	17,00%	22,00%
Net loans and advances to customers/ deposits from customers	75.3%	81,00%
NPL ratio <sup>2)</sup>	4.9%	4.9%
NPL provision coverage ratio <sup>3)</sup>	59.1%	59.9%
Costs of credit <sup>4)</sup>	0.77%	0.55%
ROE <sup>5)</sup>	19.3%	8.7%
ROTE <sup>6)</sup>	21,00%	9,00%
ROA <sup>7)</sup>	1.8%	0.8%
Total capital ratio <sup>8)</sup>	20.61%	18.93%
Tier 1 capital ratio <sup>9)</sup>	19.14%	17.16%
Book value per share (PLN)	345.43	282.29
Earnings per ordinary share (PLN) <sup>10)</sup>	37.68	18.55

## 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.*
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



PLN m

	30.09.2023	30.09.2023	r/r (%)	kw/kw (%)
<b>Retail customers</b>	<b>12 737</b>	<b>12 993</b>	<b>-2%</b>	<b>-1%</b>
Mortgage loans	1 574	2 282	-10%	-2%
Consumer finance	11 164	10 712	4%	1%
<b>SME/ Leasing</b>	<b>6 143</b>	<b>4 142</b>	<b>48%</b>	<b>3%</b>
<b>Total gross loans</b>	<b>18 881</b>	<b>17 135</b>	<b>10%</b>	<b>2%</b>

- Total loans: +10%YoY:
- Mortgage loans: -31% YoY
- CHF mortgage loans: -35% YoY (approx. – CHF 107m)
- Consumer finance: +4%YoY
- Business loans: +48% YoY


# Santander Consumer Bank Group

## Key financial results for 2023

PLN m	1-3Q 2023	1-3Q 2023
Assets	22 710	20 542
Net Loans***	17 237	15 404
Deposits	12 860	10 056
Total equity	4 414	4 029
Net profit	134	331
L/D (%)	134.0%	153.2%
C/I (%)*	62.1%	51.4%
ROE (%)	4.1%	11.2%
ROA (%)	0.8%	2.1%
CAR (%)**	33.4%	27.8%
<i>CHF impact (gross)</i>	<i>-275</i>	<i>-143</i>
<i>Net profit adjusted</i>	<i>392</i>	<i>473</i>
<i>C/I adjusted</i>	<i>37.3%</i>	<i>38.3%</i>
<i>ROE adjusted</i>	<i>12.0%</i>	<i>16.1%</i>
<i>ROA adjusted</i>	<i>2.4%</i>	<i>3.1%</i>



# Further embedding ESG to build a more responsible bank




## Environmental: supporting the green transition

**11 501**  
customers received sustainable financing

**€599m** green buildings      **€295.8m** RES<sup>1</sup> Financing

**€920m** Total green finance      **86%** Energy from RES




## Social: building a more inclusive society

**29 776** beneficiaries of the bank's social initiatives      **€451k** Support to education through Santander Universidades

**>707k** financially empowered people      **34.4%** women in senior positions

**Together for eco-change**  
EUR 225m grants for local authorities to build EV stations



## Governance: doing business the right way

**The Best Annual Report by GPW**  
Special award for the best sustainability report in the „Banks and financial institutions” category

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

**>50%** independent directors      **41%** women on Supervisory Board      **2%** Equal Pay Gap

# 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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