

Financial results of Santander Bank Polska Group for 2023

The financial information provided herein and concerning the quarter and the year ended 31 December 2023 includes the selected, preliminary, unaudited data which has been prepared for information purposes, in addition to the interim reporting obligations of Santander Bank Polska Group. The scope of disclosures does not meet the definition of an interim report required by the International Accounting Standard 34 Interim Financial Reporting or the Regulation of the Minister of Finance of 29 March 2018 on current and financial reports published by the issuers of securities and the rules of equal treatment of the information required by the laws of a non-member state. Some financial data may be subject to revision in the Group's Annual Report for 2023 to be published on 16 February 2024 along with an independent auditor's opinion.



Agenda

Results

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

Strategy of Santander Bank Polska Group 2024-2026

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 brand ambassador since April. Piotr is a very popular actor liked by all age groups. The spots with Piotr have received 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 prosper. In our campaigns, we communicate our purpose in a consistent way – Santander helps in many ways both in finance and in life.

- **“Helping has many faces”** campaign. Our campaign shows our social engagement (how we help), the impact of our work (goals delivered by the Bank and the Foundation) and our outstanding initiatives: Santander Universidades, Finansiaki (financial education for children) and Obsługa Bez Barrier (barrier-free banking).
- **“New app helps you manage daily affairs”** campaign – the add presents a modern application with a new look and personalisation options.
- **“We help you bank safely”** mobile app campaign – mobile app with biometric login, Discreet Mode and the Cyber Rescue service.
- **“Saving makes you worry less”** Max Savings Account campaign and Mobile Deposit campaign, subsequent editions as part of **“Saving makes you worry less”**. We help our customers save on attractive terms and conditions.
- **“Instant transfers help cope with the daily load of duties”** campaign.
- **“Santander helps you make your dreams come true”** – a cash loan campaign addressed to mobile app users.
- **“Zielone pojęcie”** (“Green idea”) 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”** which promotes bank accounts for children.
- As part of the Santander Universidades initiative, we delivered an educational campaign named **“Your English can be better”** – a special offer of Santander language scholarships in cooperation with the British Council. The campaign was run in the internet (including social media).

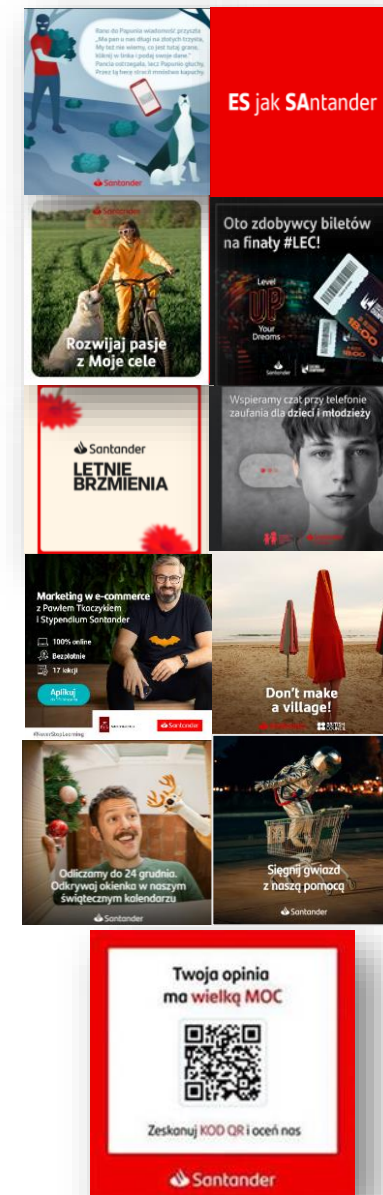


Digital activities

- Optimised business profile of branches in Google Maps and better moderation of user reviews triggered the growth from 563 to 3 873 reviews, with 95% of positive opinions.
- Adjustment of guidelines for creating digital content – WCAG 2.0, new standards for people with disabilities.

Social media initiatives

- We have been successfully building a large and engaged virtual community for a couple of years now. We are present on six social media platforms (Facebook, Instagram, YouTube, Twitter, Tik Tok, LinkedIn).
- We are running a total of 275 campaigns on Meta and Tik Tok, with the total reach of more than 312m page views.
- We cover topics on cyber security, sports and gaming as part of our sponsoring partnership with Ferrari and League of Legends brands, and we promote the Santander Summer Sounds music festival. We have been advertising our charity fundraiser “We Will Double Your Impact”, coupled with ATL and digital campaigns. We have also launched RTM (real time marketing) initiatives. We support the communication related to the Santander Universidades offer.
- We have been ranked 3rd in the Golden Banker competition (Social Media category). Specialists evaluated the bank's effectiveness in building the image of an engaged institution that communicates in a human way in the digital environment.



Our people

Better employee experience

- We completed work over the Bank's new strategy for 2024-2026 that will be delivered based on a premise that the employee experience is as important as the customer experience.
- Positive results of implementing our EX agenda are evident: record high growth in eNPS and employee engagement. We are number one in the Group's eNPS ranking in Europe.

Corporate Culture

- We reinforce the culture of collaboration, dialogue, reward, continuous feedback, trust, diversity, empowerment and continuous development. This allows us to source and retain talent.
- We support leadership as the key element in building a human-centred organisation.
- We build the culture of cooperation in the spirit of One Team with the key elements being continuous drive towards excellence and experimenting.

Health, Safety and Wellbeing

- We were the first bank to join the Safety at Work Leaders Forum operating under the auspices of the Central Institute for Labour Protection – National Research Institute. This is a prestigious recognition and yet another step towards promoting innovative solutions for safety of work in our organisation.
- The Good Life Navigators project has been set up to educate employees and managers in mental wellbeing. We want to equip the project participants with the knowledge that will help to recognise any problems that a co-worker or family member may have.

Diversity & Inclusion

- All the while promoting diversity, equity and inclusion, we continue to support the development of the employee networks. Now, we have over 700 people signed up for seven networks under the auspice of seven diversity ambassadors.
- We continue our efforts to build a diverse working environment in terms of disabilities – local initiatives related to the International Day of Persons with Disabilities.

We develop modern work tools

- Starting from Q4 2023 our people have digital access to their personal documents (e-File). In order to make it more convenient for employees to take care of their health, we have launched an online application to change their healthcare package.

Development and training

- In Q4 we completed a number of leadership programs that were delivered in various units of the Bank.
- We commenced more development initiatives, also those addressed to the employees of the retail network. We continued training both on site and remotely – workshops, e-learning, and online platforms. We delivered social skills training and content-specific training to boost the effectiveness of business units.

Hybrid work model

- The state of epidemic was lifted in Poland on 1 July 2023. Thus as of 1 October 2023 we implemented new rules applicable to working from home. Following the paperless strategy and with the self-service tools at hand, we prepared a systemic solution for our employees. Since the end of September they can apply for working from home electronically.

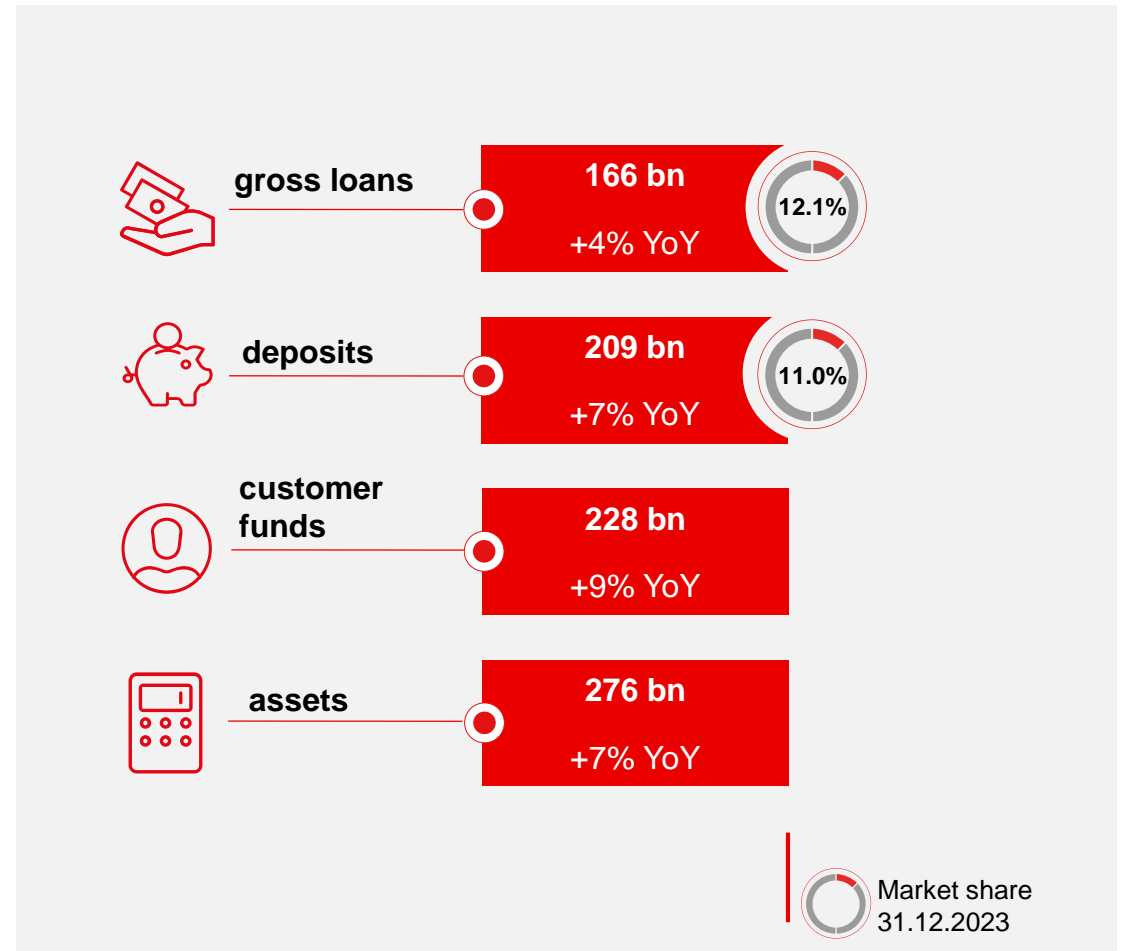
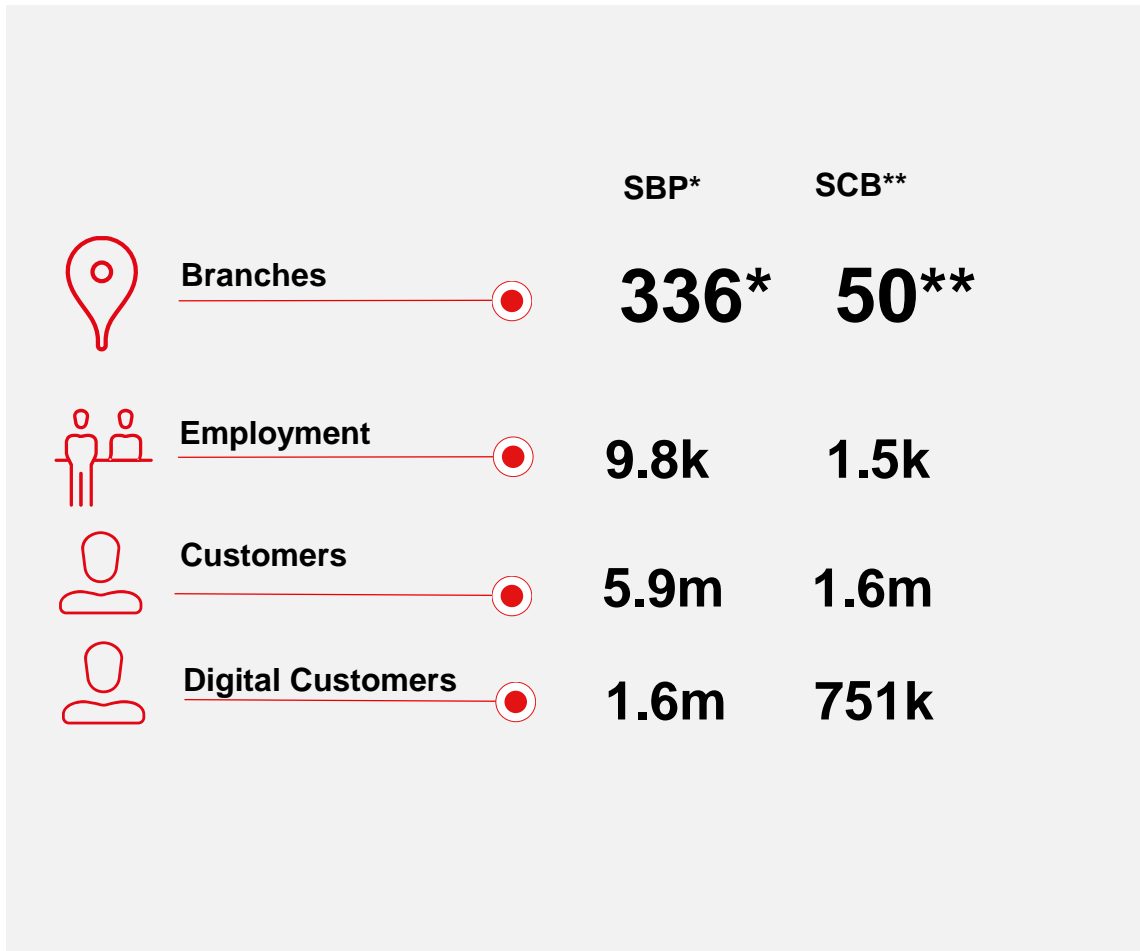
2023 Results

Our business development

02

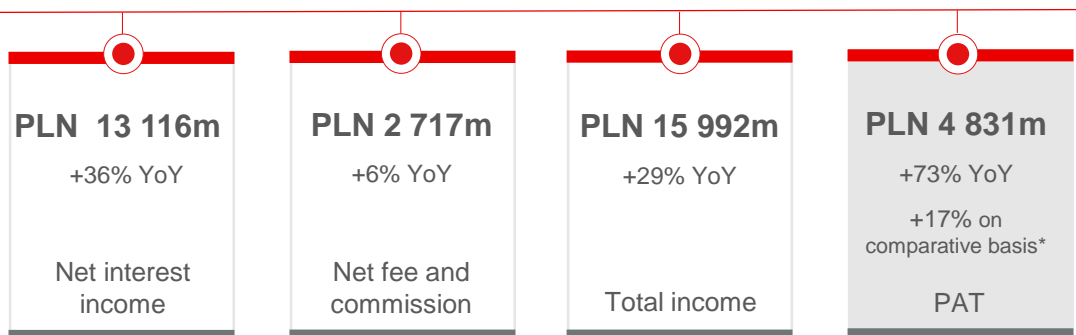
General operational data

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 2 592
- Costs of settlements regarding mortgage loans in foreign currencies - PLN 330m
- Negative adjustment of interest income given the „statutory payment holidays” applicable to mortgage loans - PLN 49m
- Costs related to the Institutional Protection Scheme (IPS) – PLN 0.3m
- BFG contributions - PLN 175m

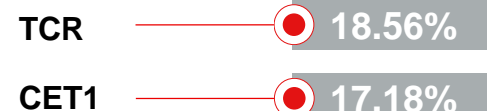
and from 2022 profit:

- Cost of legal risk attached to mortgage loans in foreign currencies – PLN1 739m
- Costs of settlements regarding mortgage loans in foreign currencies - PLN 183m
- Negative adjustment of interest income given the „statutory payment holidays” applicable to mortgage loans - PLN 1 544m
- Costs related to the Institutional Protection Scheme (IPS) - PLN 446m
- BFG contributions - PLN 265m
- Costs related to Borrowers Support Fund – PLN 174m.

Financial ratios For 2023

Capital position

Strong capital position, well above the KNF requirements

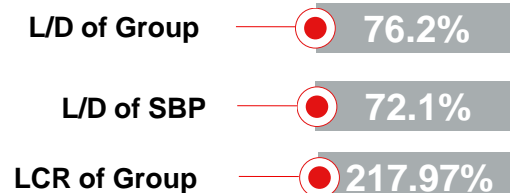


ROE, ROA



Liquidity position

Safe liquidity position



Results for 2023

Our customers

03

Our customers in numbers*

Retail customers

- 5.3m customers — +3% YoY
- 3.1m digital customers — +6% YoY
- 2.6m mobile customers — +12% YoY
- 78.0m mobile banking transactions — +23% YoY



SME customers

- 533k customers — +9% YoY
- 363k digital customers — +7% YoY
- 198k mobile customers — +16% YoY
- 2.9m mobile banking transactions — +57% YoY



Corporate customers

- 27.5k customers — +4% YoY
- 21.6k digital customers — +2% YoY
- 5.4k mobile customers — +12% YoY



New products and services

Retail customers

- We offered 2% Safe Mortgage to our customers.
- Our investment offer was expanded to include the individual retirement protection account (IKZE) with Santander Prestiż SFIO.
- We created special cash loan offers for Black Week and Christmas.
- We launched another edition of the ECO cash loan with a broader range of goods eligible for financing, including energy storage facilities, which are an optional element of the FV module.



SME customers

- We implemented new solutions in the omnichannel Smart Loans process, including:
 - Business Express loan for 96 months;
 - Business Express loan bearing a fixed rate and available online and in the mobile app;
 - possibility to attach documents in the electronic format.
- We provided a variety of promotions and special offers for our customers, including:
 - Business Account Worth Recommending (Konto Firmowe Godne Polecenia) with a bonus of up to PLN 500 (special offer in liaison with eBroker);
 - special leasing offer (no arrangement fee, optional waiver of some fees for 12 months, and up to PLN 600 worth of bonuses for signing the agreement).



Corporate customers

- We introduced a series of upgrades to our electronic banking platform iBiznes24 as well as iBiznes24 Connect and iBiznes24 mobile solutions:
 - implementation of Przelew24 service for electronic banking users
 - function of passive preview of the client's screen for iBiznes24 Advisors
 - multitasking mode, i.e. the ability to work in several modules simultaneously
- We integrated new provider for iBiznes24 Connect – SIMPLE.ERP
- We implemented SignHUB (platform for remote signing of contracts) and mDowód (acceptance of a new identity document)



Education and support for customers

Retail Customers

- We developed an intuitive migration process, including support for customers moving to the new mobile app.
- We offer access to Santander Open Academy – a new global learning platform available to everybody, no matter whether they bank or are employed with us or not.
- With our new discount platform customers can enjoy a variety of special shopping and service offers. They are available to all users of our internet and mobile banking.



SME Customers

- We continued to raise awareness of cybersecurity among our customers.
- We promoted scholarships and training initiatives offered by Santander Open Academy.
- We continued our special offers for various customer groups, e.g. non-profit organisations.



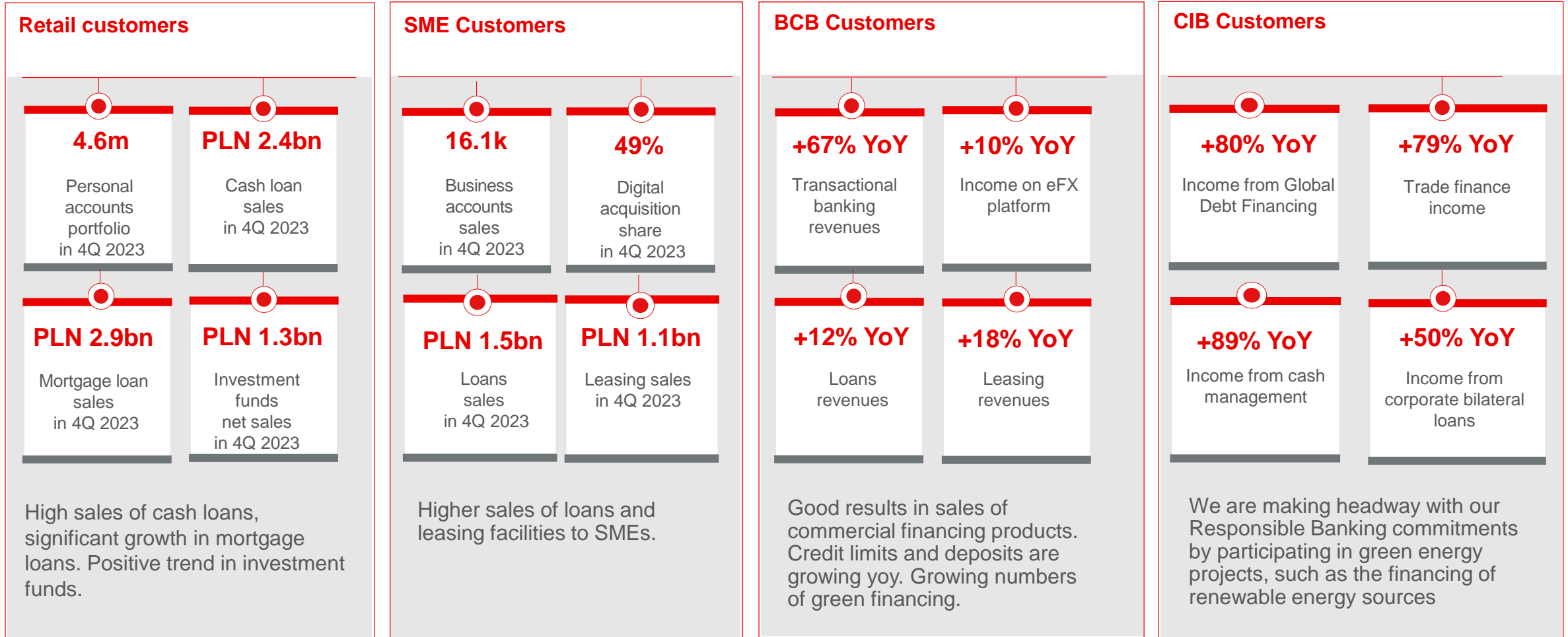
BCB Customers

- We actively support the foreign expansion of Polish exporters and companies with foreign capital, taking advantage of the Group's international footprint and cooperation with foreign partner banks and bilateral partners
- We organised dozens of networking events with Polish and international clients from Germany, Great Britain, the Netherlands, Spain, Portugal, Italy, LATAM countries and Scandinavia
- Bilateral events such as Oktoberfest in Wrocław, International Business Mixer in Warsaw, International Business Christmas in Katowice, BUSINESS FORUM 2023 and Year End Networking in Wrocław brought our customers many valuable relationships and business opportunities.

CIB Customers

- Cooperation with the Polish-German Chamber of Industry and Commerce – meetings with associated entrepreneurs in Gdańsk, Poznań and Wrocław.
- Development of cooperation with clients in the area of debt structuring and solutions for Public Finance Sector Entities, cooperation within the 21st Local Government Capital and Finance Forum.
- 324 stock exchange recommendations issued in the CEE Region (in 2023).

Selected business data



Results for 2023

Our financial performance

04

Gross loans

Comment

Santander Bank Polska S.A.

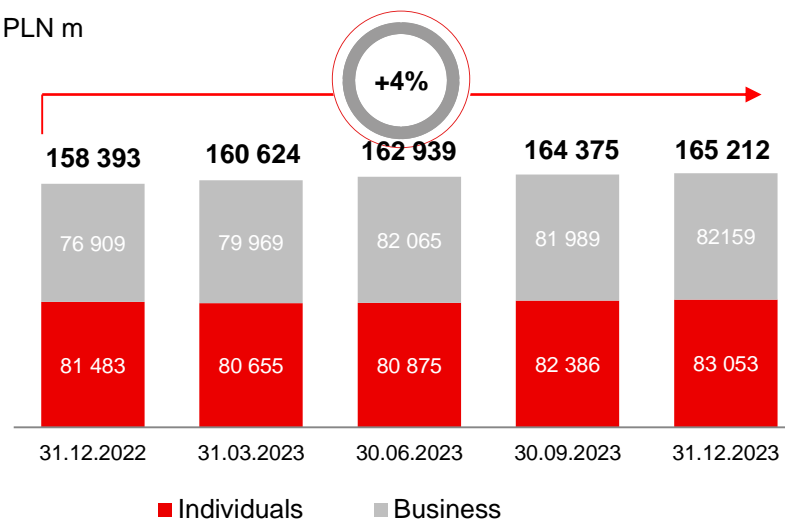
- The loan portfolio increased by 4% YoY and by 1% QoQ.
- Mortgage loan sales: +340% Q4 2023/Q4 2022; +22% Q4 2023/Q3 2023
- Cash loan sales: +6% Q4 2023/Q4 2022; +2% Q4 2023 /Q3 2023
- CHF mortgage loans: -58% YoY* (-48% YoY in PLN)
- SME loans (including leasing and factoring): +6% YoY and stable QoQ and BCB loans: +2% YoY and -2% QoQ
- CIB loans (including leasing and factoring): +15% YoY and +1% QoQ.

Santander Consumer Bank

- SCB gross loans: PLN 18.6bn (+8%YoY and -2% QoQ)
- Mortgage portfolio: -31% YoY (CHF mortgage portfolio: -41% YoY*)
- SCB loans (excluding mortgage loans): +13% YoY and stable QoQ.

Gross loans

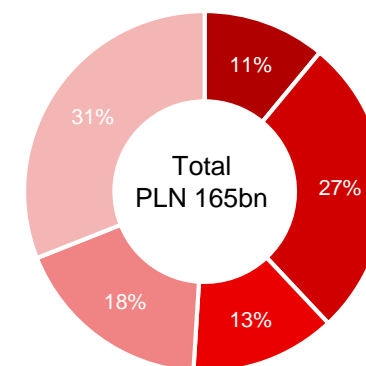
PLN m



PLN m

	31/12/2023	31/12/2022	YoY (%)	QoQ (%)
Retail customers	83 052	81 483	2%	1%
Mortgage loans	53 014	53 176	0%	1%
Other – retail customers	30 038	28 308	6%	1%
Business loans	82 159	76 909	7%	0%
Total gross loans	165 212	158 393	4%	1%

Structure of loans



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

Customer funds

Comment

Santander Bank Polska Group

- Customer funds +9% YoY and +1% QoQ.

Deposits SBP Group

- An increase in retail deposits by 7% YoY and +1% QoQ
- Business deposits increased by 6% YoY and -2% QoQ

Investment funds SBP Group

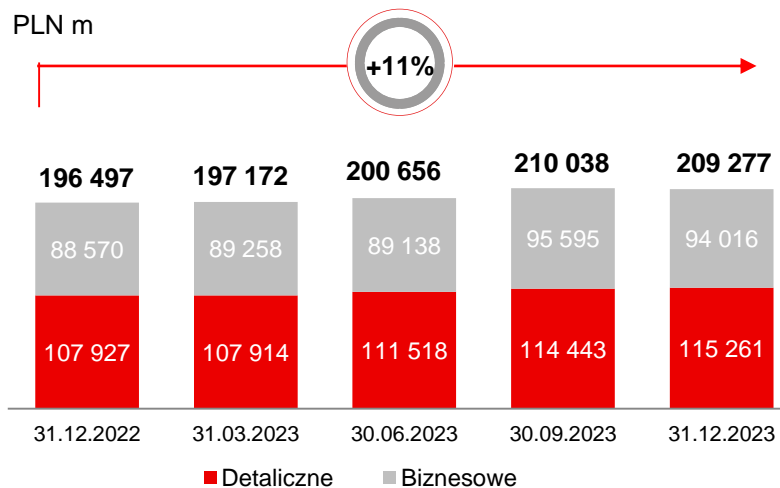
- Investment funds +54% YoY and +13% QoQ

Santander Consumer Bank

- Deposits: PLN 13.7bn (+32% YoY and +6 QoQ)

Deposits

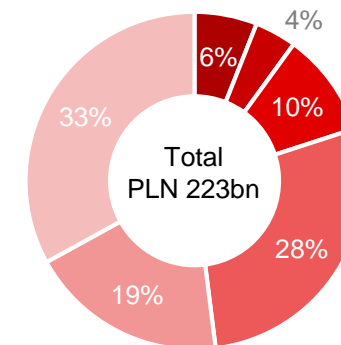
PLN m



PLN m

	31/12/2023	31/12/2022	YoY (%)	QoQ (%)
Current deposits	102 002	100 357	2%	3%
Savings accounts	42 008	38 376	9%	6%
Term deposits	65 267	57 764	13%	-9%
Total deposits	209 277	196 497	7%	0%
Investment funds	18 900	12 259	54%	13%
Total customer funds	228 177	208 756	9%	1%

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

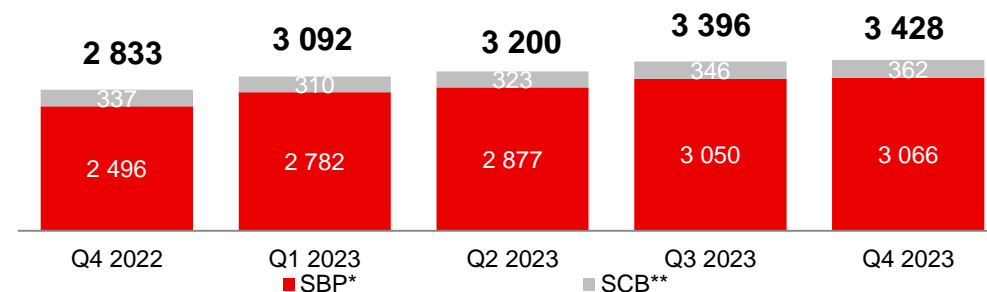
- In 2023, net interest income totalled PLN 13.1bn and increased by 36% YoY. After excluding the impact of the so-called „statutory payment holidays”, the increase totalled 18% YoY.
- In Q4 2023 alone, there was an increase in interest income by 1% compared to Q3 2023.
- On an annual basis, interest income increased by 47% and interest costs increased by 83% YoY. On a quarterly basis, these dynamics amounted to -2% and -8%, respectively.
- The net interest margin for Q4 2023 (annualised quarterly) was 5.38% and was stable all year.

Net interest income of SCB Group

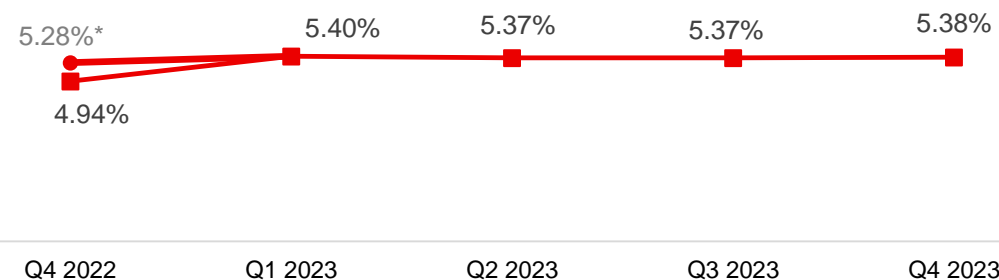
PLN 1 341m (2023)
PLN 1 311m (2022)

Net interest income

PLN m



Net interest margin



1) Net interest margin in consecutive quarters, annualised on a quarterly and year-to-date basis.

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: for the SBP Group 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 6m in Q4 2022.

Net fee and commission income

Comment

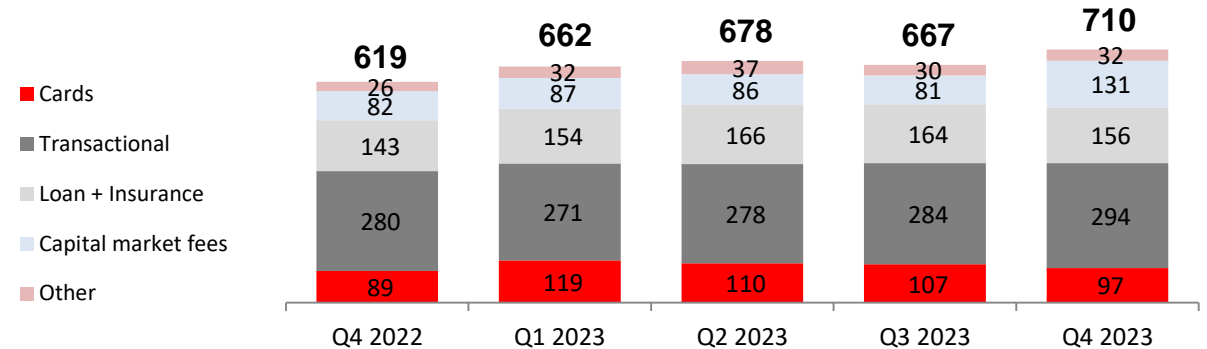
- In 2023, the net fee and commission income +6% YoY and +6% vs. Q3 2023.
- On an annual basis, good results in credit fees (+3% YoY), debit card fees (+12% YoY), insurance fees (+17%) and fx fees (+4% YoY). Asset management fees (+20% YoY) and brokerage fees (+9% YoY).
- On a quarterly basis, good results in asset management fees (+57% QoQ) and in brokerage fees (+30% QoQ), account fees (+2% QoQ), insurance fees (+2% QoQ) and leasing fees (+35% QoQ)
- At SCB, the net fee and commission income +3% YoY and +12% vs. Q3 2023. In Q4 2023, increase mainly in the credit and insurance lines.

Net fee and commission income of SCB Group*

PLN 123m (2023)
PLN 120m (2022)

Net fee and commission income

PLN m



Net fee and commission income

	2023	2022	YoY (%)	QoQ (%)
PLN m				
Cards	433	403	7%	-9%
Transactional	1 128	1 132	0%	3%
Loans + insurance	641	589	9%	-5%
Capital markets*	385	329	17%	62%
Other	131	114	15%	6%
Total	2 717	2 566	6%	6%

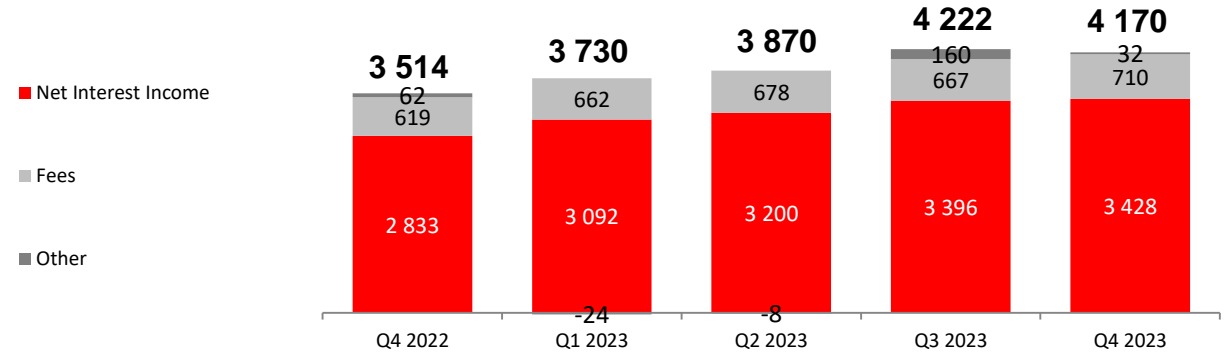
Income

Comment

- The Group's total income in 2023 amounted to PLN 16bn and increased by 29% YoY.
- Higher interest income by 36% due to interest rate changes and higher net fee and commission income by 6% YoY.
- Other income line impacted by actions taken by the bank aimed at making settlements with fx mortgage loan borrowers - PLN 330m in 2023, recorded under the item „Gain/loss on derecognition of financial instruments measured at amortised cost " (in Q4 2023 alone: PLN 24m and PLN 183 million in year 2022).
- Excluding the above item, other income totalled PLN 482m: it increased by 45% YoY. On quarterly basis other income decreased by 70% compared to the previous quarter, mainly due to the decrease in net trading and revaluation in Q4.

Income

PLN m



PLN m

	2023	2022	YoY (%)	QoQ (%)
Net interest income	13 116	9 652	36%	1%
Net fee and commission income	2 717	2 566	6%	6%
Total	15 833	12 219	30%	2%
Gains/ losses on financing activities	301	104	191%	-88%
Dividends	11	11	8%	-96%
Other income items	(154)	48	-417%	-33%
Total income	15 992	12 382	29%	-1%

Operating expenses

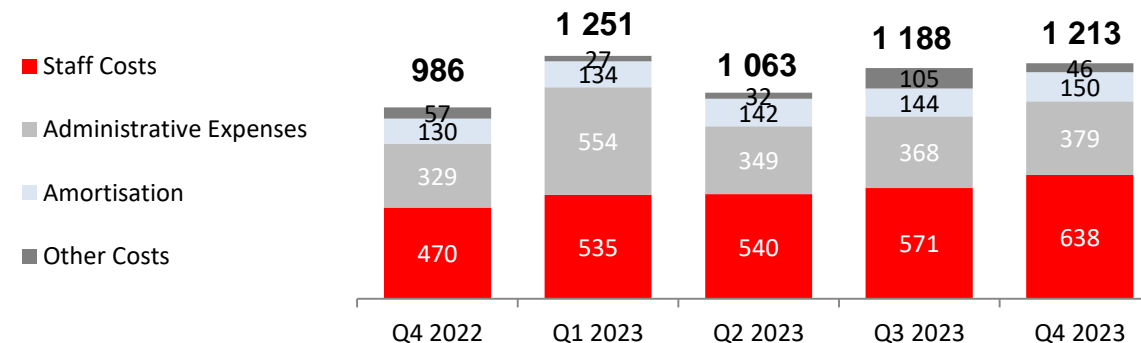
Comment

- Total costs in 2023 were PLN 4.7bn and increased by 0.4% YoY despite the inflationary environment. This is, among others, the result of a lower BFG burden - PLN 175m in 2023 compared to PLN 265m in 2022 as well as cost of IPS in 2022 - PLN 446 million.
- After excluding regulatory costs, the total costs increased by 19% YoY driven mainly by inflation, salary increases and IT costs, building maintenance costs and more intensive marketing activities.
- Employee costs increased by 26% 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).
- In Q4 alone total costs increased by 2% including staff costs +12% and administrative expenses +3% vs. Q3 2023.
- At SCB, operating costs in 2023 totalled PLN 512m and increased by 7% YoY. SCB employee costs +8% YoY. Administrative expenses +4% YoY. On quarterly basis total costs were stable: employee costs +4% QoQ and administrative expenses -8% QoQ.

Group C/I ratio of 29.5% in 2023 compared to 37.9% in 2022.

Operating expenses

PLN m

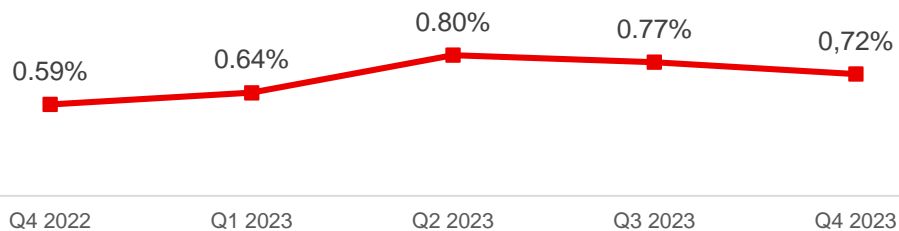


PLN m

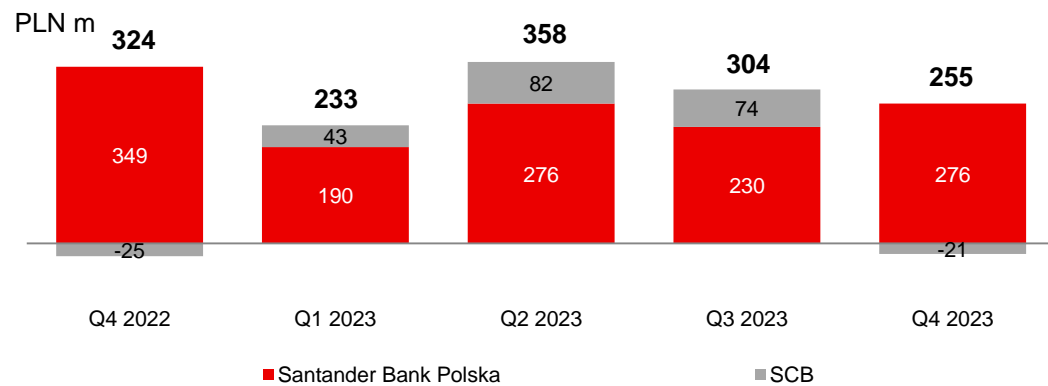
	2023	2022	YoY (%)	QoQ (%)
Administrative and staff expenses	(3 935)	(3 977)	-1%	8%
<i>Staff expenses</i>	(2 284)	(1 816)	26%	12%
<i>Administrative expenses</i>	(1 651)	(2 162)	-24%	3%
Amortisation/depreciation + other	(780)	(720)	8%	-21%
Total costs	(4 715)	(4 698)	0,4%	2,1%

Provisions and credit portfolio quality

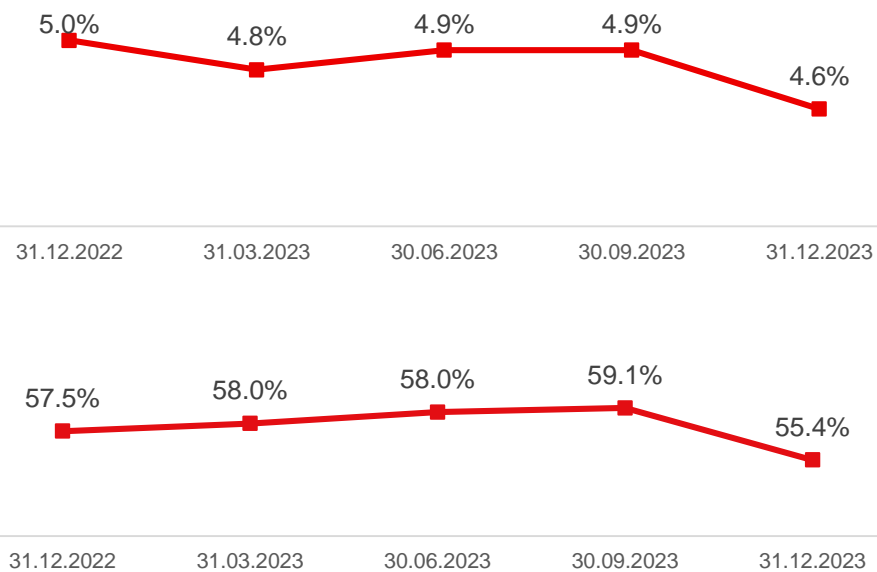
Cost of credit



Balance of provisions



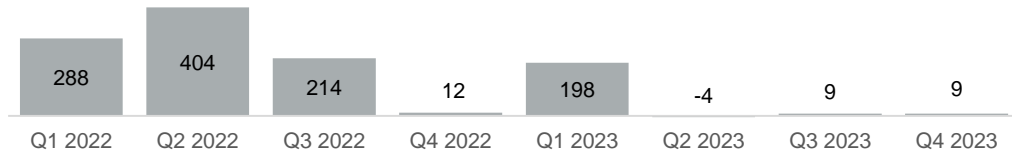
NPL and NPL coverage ratio



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

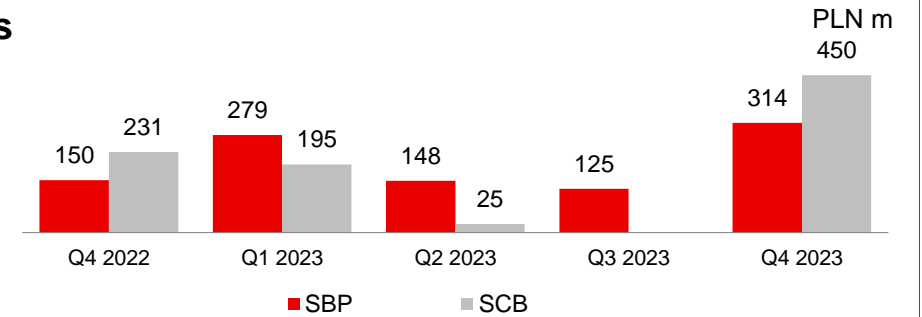
Banking tax

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.

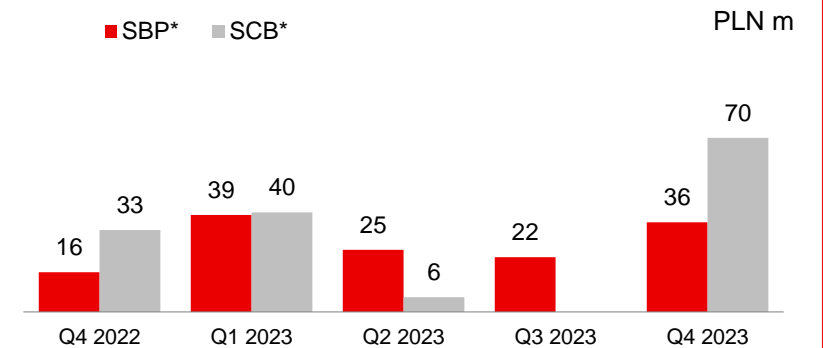
In 2023, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 782m (PLN 752m and PLN 30m, respectively).

NPL sales

NPL sales



Impact of NPL sales on PBT



SBP 2023: NPL sales: PLN 886m, impact on PBT: PLN 122m

SCB 2023: NPL sales: PLN 669m, impact on PBT: PLN 116m

Results for 2023

Comment

- Net profit in 2023 totalled PLN 4.8bn. (in Q4 2023 totalled PLN 980m).
- In 2023, the net interest and fee income increased by 30% YoY and by 2% in Q4 compared to Q3 2023.
- In 2023, total income increased by 29% YoY and decreased by 1% in Q4 compared to Q3 2023 due to lower other income.
- C/I ratio below 30%.
- Improvement of 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 2023

PLN m	2023	2022	% YoY
Net interest and fee income	15 833	12 219	30%
Gross income	15 992	12 382	29%
Total costs	-4 715	-4 698	0%
Credit impairment allowances	-1 149	-895	28%
Cost of legal risk associated with foreign currency mortgage loans	-2 592	-1 739	49%
Tax on financial institutions	-782	-781	0%
PBT	6 850	4 353	57%
Income tax	-1 902	-1 344	42%
Profit attributable to shareholders of Santander Bank Polska S.A.	4 831	2 799	73%
Effective tax rate	27.8%	30.9%	

Strategy of Santander Bank Polska Group for 2024-2026



TOTAL EXPERIENCE

TOTAL DIGITALISATION

TOTAL RESPONSIBILITY



WE HELP YOU ACHIEVE MORE

We help you achieve more

Strategy of Santander Bank Polska Group for 2024-2026

We help people and businesses prosper.

We want to create the best banking experience. We simplify and digitise our processes in a responsible way, caring for sustainable development, financial security and environment.

Now and in the future. By doing that, we help you achieve more.



We continue to live our purpose of helping people and businesses prosper in order to become the most profitable bank in Poland.

THE MOST PROFITABLE BANK IN POLAND

Our Mission

Help people and businesses prosper.

Our Vision

Be the Best Open Financial Services PLATFORM
by acting RESPONSIBLY and earning the lasting LOYALTY of our people, customers, shareholders and communities

Values

Simple – Personal - Fair

Behaviours

Think Customer

Embrace Change

Act Now

Move Together

Speak Up

risk pro

Strategic Directions

**TOTAL
Experience**

**TOTAL
Digitalisation**

**TOTAL
Responsibility**

TOTAL EXPERIENCE

1. A unique corporate culture where **customer and employee experience is equally important.**
2. A unique process of building solutions with users - focused on **evoking specific emotions.**

TOTAL DIGITALISATION

1. **Digital business model**
 - Focus on customer and employee experiences in the digital world.
 - Strengthening process ownership.
 - Remoteness and self-service.
 - Personalization.
 - The use of artificial intelligence and machine learning.
 - Synergies in cooperation with Santander Group.
2. **Time to value**
 - Optimizing the time to value for implemented changes.
 - A flexible environment for experiments.
3. **Customer and Employee relations**
 - Maintaining and developing interpersonal relationships in the digital world.
 - Providing smooth and personalized service based on the information we have.

TOTAL RESPONSIBILITY

1. **E – Environmental**
 - Green transformation of the Bank.
 - Support in customers' green transformation.
2. **S – Social**
 - Educational activities in the field of finance and security.
 - Counteracting exclusions.
 - Promotion of equality and diversity.
 - Cybersecurity.
3. **G – Governance**
 - Adapting the management model to the needs resulting from the goals set out in the strategy.
 - Strengthening the risk culture.
 - Regulatory compliance.

Strategic metrics for 2024-2026

KPI

Ambition level for the strategy life

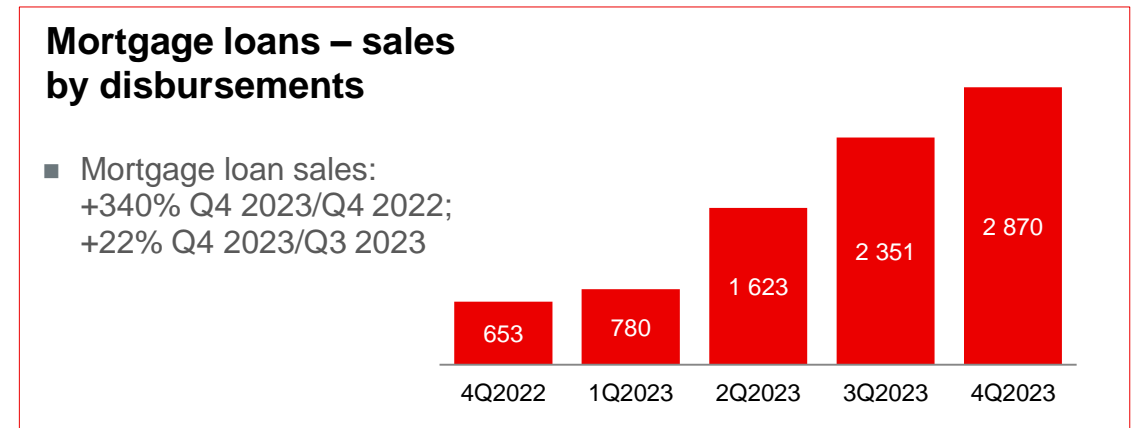
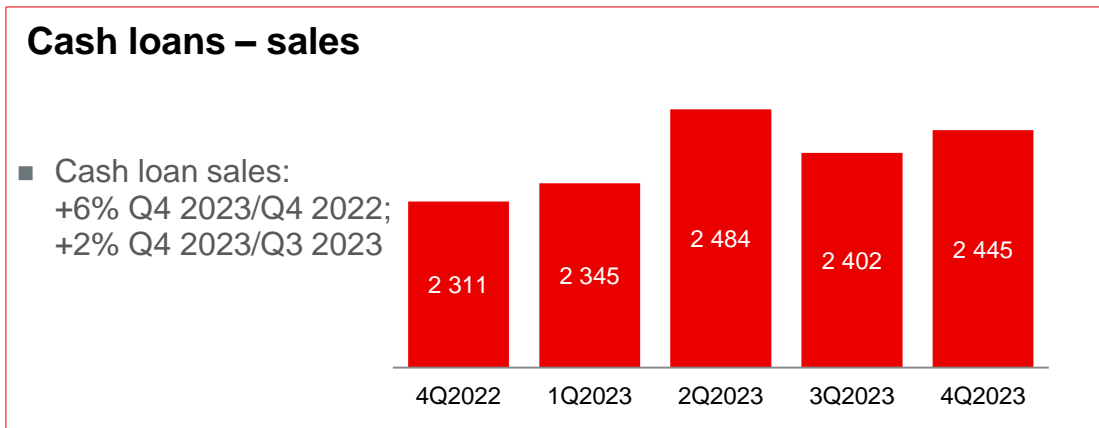
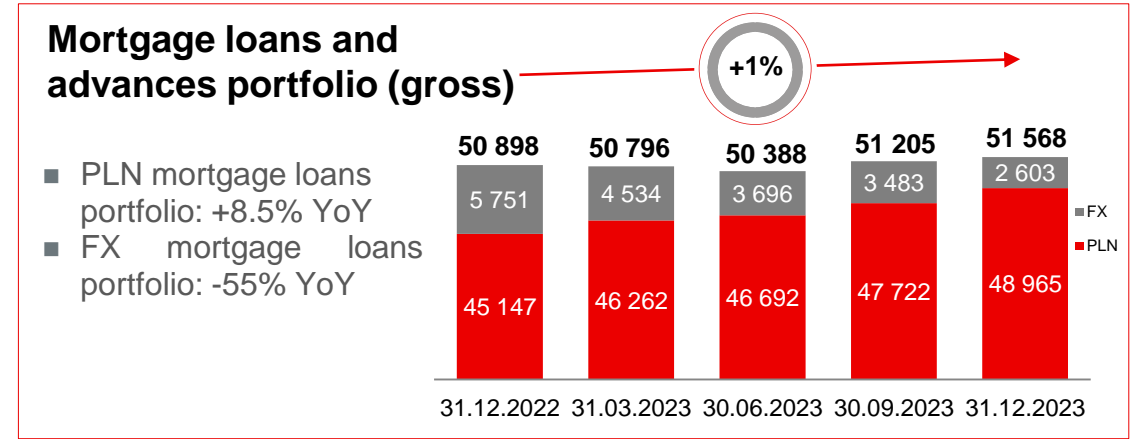
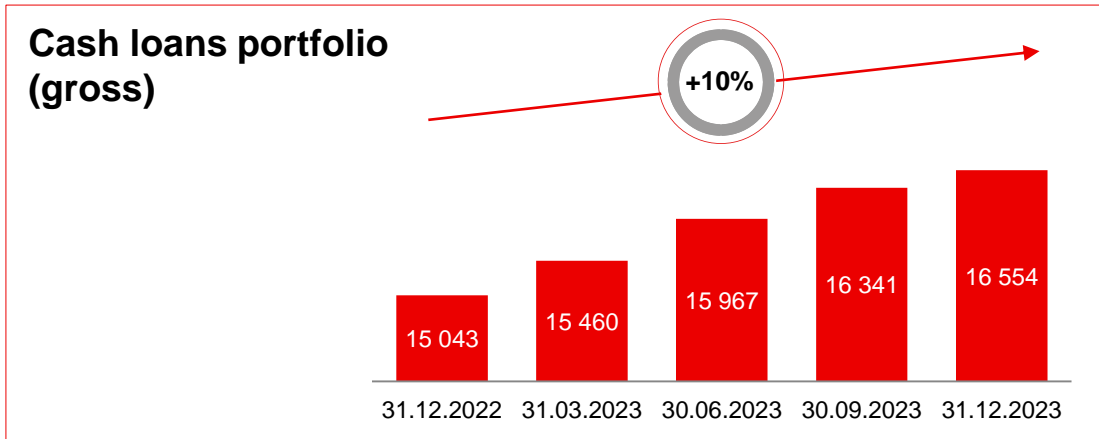
Return on Equity	Top3 for the Polish banking sector
NPS	Top3 for the Polish banking sector
Top Employer Certificate	
Total Capital Ratio	Dividend triggering level
Cost of Risk	70-90bps
Cost to income ratio	<35%
Dividend payout ratio	Dividend payment in the amount permitted by the regulator

Attachments

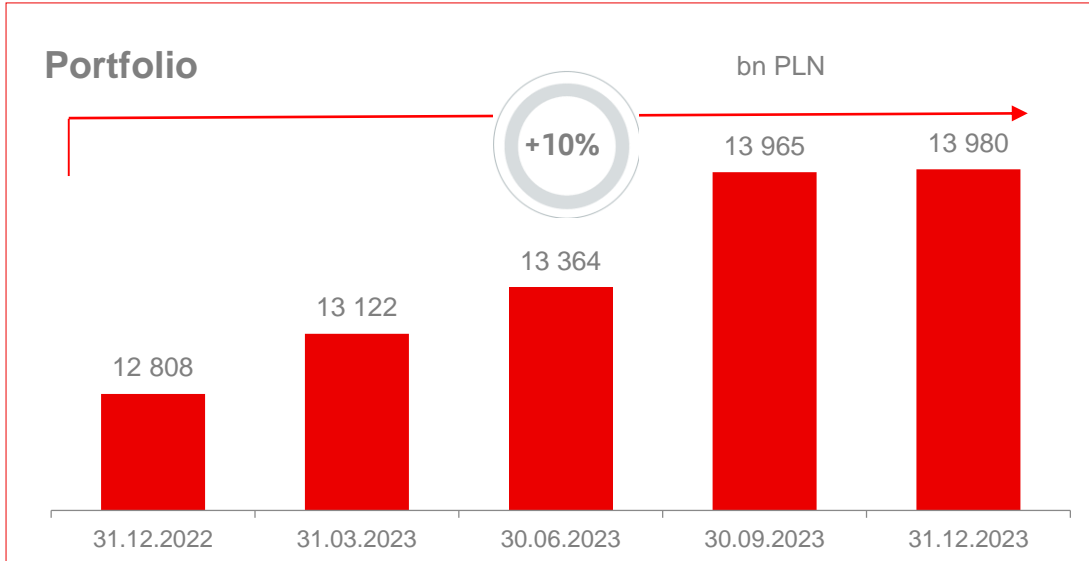
05

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 applied for the competition, from which the jury chose the best and most modern digital solutions in the industry.



Santander Leasing actively participated, 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 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.




- Leasing portfolio at PLN: 13.98 bn, +10% YoY
- Record value of financed assets at PLN: **7.96 bn, +16,8 YoY**
- Record result of financing road transport means PLN **4.73 bn, +32% YoY**

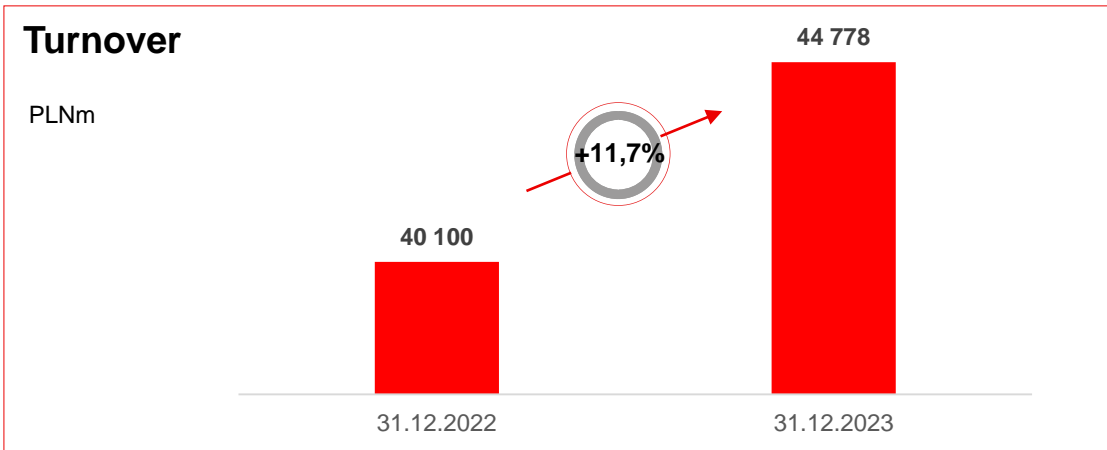
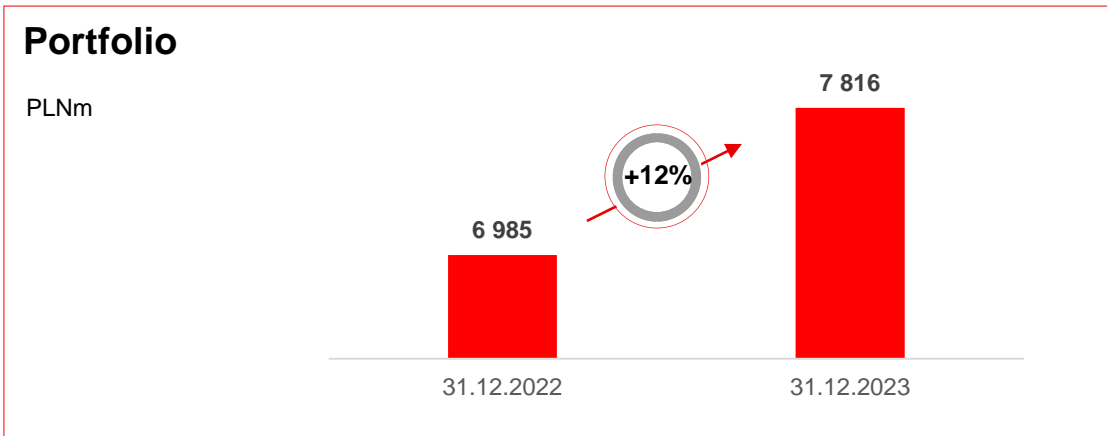
Market share

*Data on 30/09/2023

In June Santander Leasing together with the Santander Bank Polska Foundation launched the first nationwide grant program for local governments in the leasing industry. 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 the full financing of 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.



Santander Factoring



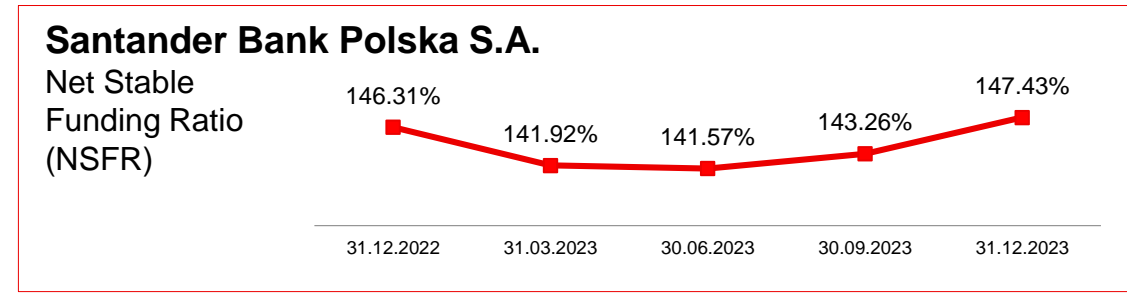
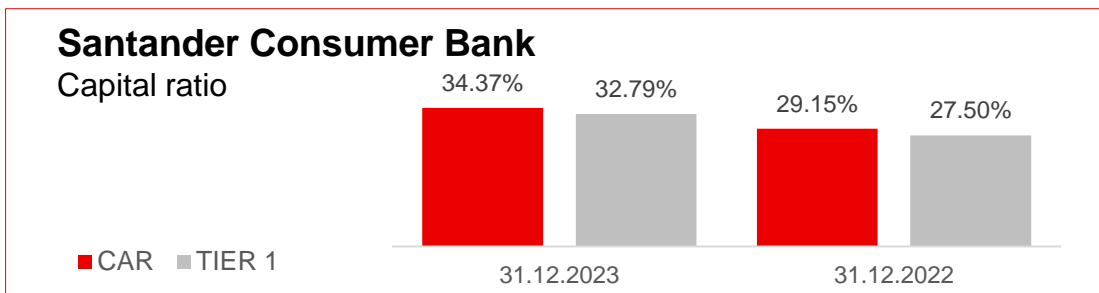
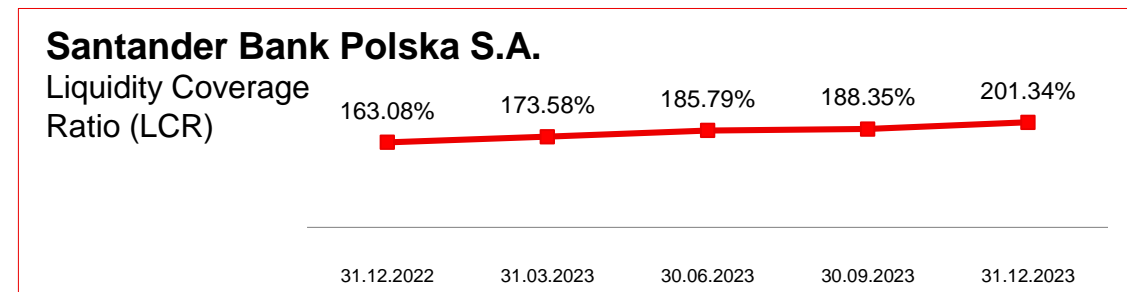
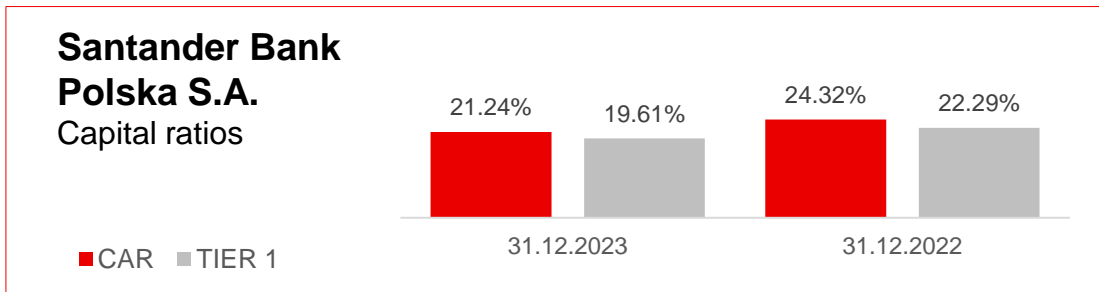
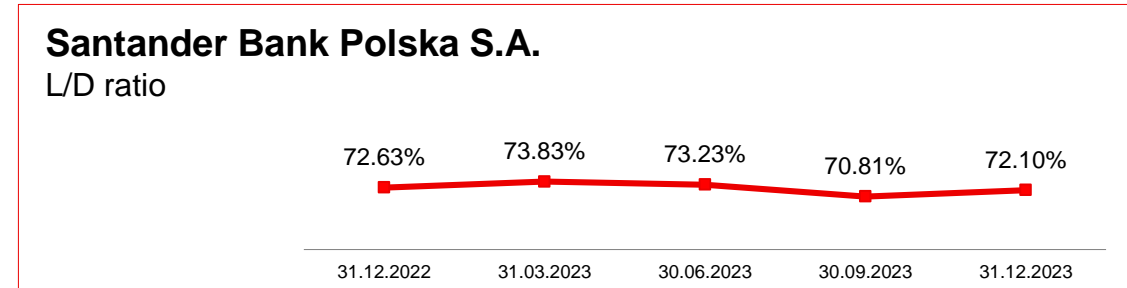
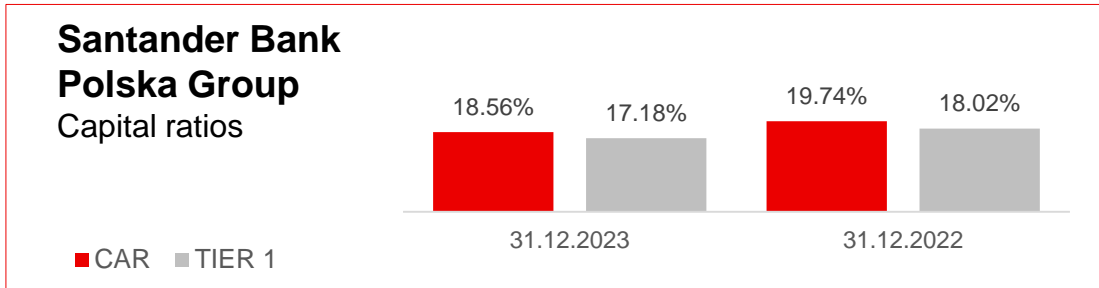
Market Share



- In Q4 2023, Santander Factoring held the second position on the market in terms of the balance sheet, reporting 12% YoY growth in balances.
- Santander Factoring also maintains its first position in payables financing (up 15% YoY and 20% market share).
- After Q4 2023, the Polish factoring market recorded a slight decline of 2% YoY.
- In October 2023 Santander Factoring celebrated its 20 Year Anniversary Gala.
- Santander Factoring won an international competition run by FCI, the global factoring organization, and was awarded **Best Deal of the Year 2023!**



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 as at 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 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 31 December 2023, the regulatory MREL requirements including combined buffer are: MREL (TREA) 18.89%, subordinated MREL (TREA) 17.74%, MREL (TEM) 5.91%, subordinated MREL (TEM) 5.91%.

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 at December 31, 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 31 December 2023



Key financial ratios

2023 - Santander Bank Polska Group

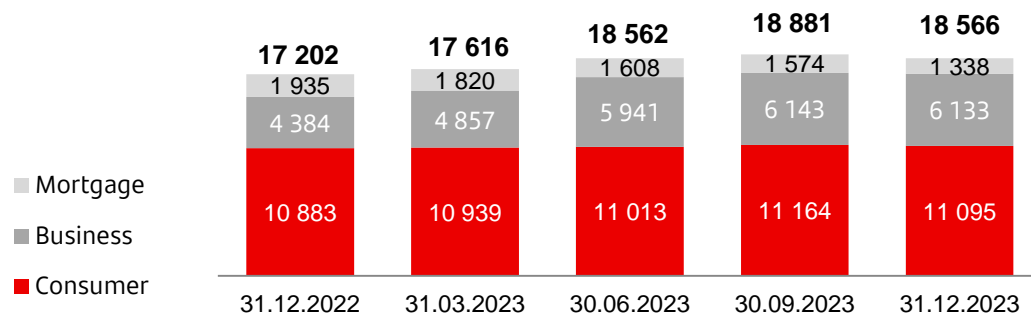
Selected financial ratios of Santander Bank Polska Group	2023	2022
Cost/ income	29.5%	37.9%
Net interest income/ total income	82.0%	78.0%
Net interest margin ¹⁾	5,39%	4.31%
Net fee and commission income/ total income	17.0%	20.7%
Net loans and advances to customers/ deposits from customers	76.2%	77,6%
NPL ratio ²⁾	4.6%	5.0%
NPL provision coverage ratio ³⁾	55.4%	57.5%
Costs of credit ⁴⁾	0.72%	0.59%
ROE ⁵⁾	20.3%	11.9%
ROTE ⁶⁾	21.2%	12.1%
ROA ⁷⁾	1.8%	1.1%
Total capital ratio ⁸⁾	18.56%	19.74%
Tier 1 capital ratio ⁹⁾	17.18%	18.02%
Book value per share (PLN)	329.69	278.56
Earnings per ordinary share (PLN) ¹⁰⁾	47.28	27.39

Key financial ratios

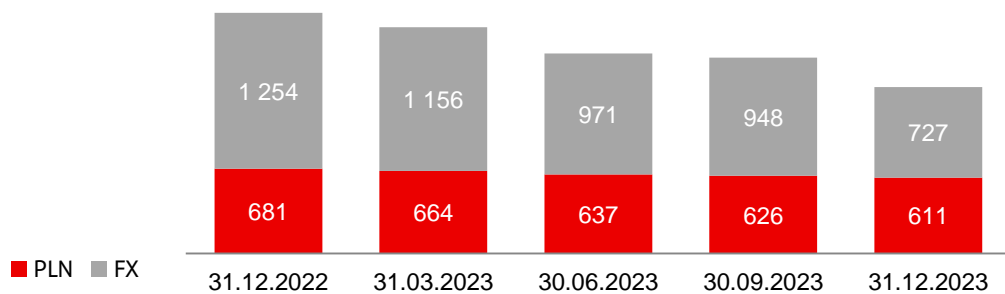
1. *Net interest income annualised on a year-to-date basis (excluding interest income from the portfolio of debt securities held for trading and other exposures related to trading) to average net earning assets as at the end of consecutive quarters after the end of the year preceding a given accounting 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

Gross loans



Gross mortgage loans and advances



PLN m

	31.12.2023	31.12.2022	r/r (%)	kw/kw (%)
Retail customers	12 433	12 818	-3%	-2%
Mortgage loans	1 338	1 935	-31%	-15%
Consumer finance	11 095	10 883	2%	-1%
SME/ Leasing	6 133	4 384	40%	0%
Total gross loans	18 566	17 202	8%	-2%

- Total loans: +8%YoY:
- Mortgage loans: -31% YoY
- CHF mortgage loans: -41% YoY (approx. – CHF 108m)
- Consumer finance: +2%YoY
- Business loans: +40% YoY

Santander Consumer Bank Group

Key financial results for 2023

	2023	2022
Assets	23 677	20 317
Net Loans***	17 163	15 634
Deposits	13 688	10 350
Total equity	4 407	4 266
Net profit	141	408
L/D (%)	125.4%	151.1%
C/I (%)*	69.6%	57.9%
ROE (%)	3.3%	10.1%
ROA (%)	0.6%	2.0%
CAR (%)**	34.3%	27.8%
<i>CHF impact (gross)</i>	<i>-516</i>	<i>-310</i>
<i>Net profit adjusted</i>	<i>639</i>	<i>713</i>
<i>C/I adjusted</i>	<i>35.8%</i>	<i>37.0%</i>
<i>ROE adjusted</i>	<i>14.7%</i>	<i>17.6%</i>
<i>ROA adjusted</i>	<i>2.9%</i>	<i>3.5%</i>




*C/I excluding tax on financial institutions.

** Preliminary data for SCB

In comparable terms, i.e. after excluding the costs of legal risk of mortgage loans in foreign currencies, including the costs of additional provisions, costs of settlements, costs of redemptions and legal costs.

Further embedding ESG to build a more responsible bank




Environmental: supporting the green transition

PLN 5 499m Total green finance

PLN 2 172m SLL¹ financing

13 846 customers received sustainable financing

88% Energy from RES



Social: building a more inclusive society

145 849 beneficiaries of social inclusion activities

> PLN 1.7m financially empowered people

> PLN 4m Support to education through Santander Universidades

34.96% women in senior positions

Financial education

Support through key projects for children and teenagers: *Finansiaki*, *Finansowe roz(g)rywki*



Governance: doing business the right way

The Best Sustainability Report

special award in "The Best Annual Report" competition² and main award in the "Sustainability Reports" competition

1.17% Equal Pay Gap

40% women on Supervisory Board

50% independent directors

(1) Sustainability-linked loans

(2) Award in the „Banks and financial institutions” category. ESG Report 2022 dostępny na stronie <https://esg.santander.pl/2022/en/>

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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 - speak only as of the date of this document and are based on the knowledge, information available and views taken on such date; such knowledge, information and views may change at any time;
 - the Bank does not update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
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