

# Financial Results of Santander Bank Polska Group for H1 2022



# 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 2022

# Our activities and our people

01

# Our communication

## Social media



- **Saving cycle** – continuation of the initiative where we show convenient saving solutions to our customers (cashback for bills/invoices paid, My Goals, Mobile deposit)
- **Summer special package** – handy products and services for holiday-makers (ATM package, online currency conversion service, travel insurance, Bankuj z Rabatami [bank with discounts] )
- **Cyberbesecurity** – continuation of "Don't believe in fairy tales for adults" scam warning campaign. **We have been awarded the Golden Arrow (in the Digital Campaign category) for this initiative.**
- **Level Up Your Dreams** – promoted sponsoring of the League of Legends on Twitch.
- **Other:** Green ribbon for the planet [*Zielona wstążka dla planety*], Strongwomen in the business [*Mocne w Biznesie*] (program addressed to women who run a business enterprise)

## Other campaigns

March: we also promoted our “We Will Double Your Impact” charity campaign to help Ukraine , ultimately raising over PLN 4m together with our customers.



## ATL campaigns / TV

March: we launched a campaign to promote Account As I Want It with the mobile app which makes everyday life easier for our customers.

- 30' spot about the app and its non-obvious functionalities that can make daily non-banking matters easier, for example: parking fee payments, ordering flowers or a cab.
- 15' spot about a customer service option: a video chat with a customer advisor, conducted in the sign language (advertised as an element of the Barrier-Free Banking programme). This way, hearing-impaired customers can talk with their advisors and manage their finances.
- Radio – promotional campaign highlighting cash rewards (PLN 300) for newly opened and actively used accounts

June: information about the account for teenagers with the mobile app.

- 30' and 15" spots which show that a teenager account is a good tool: it helps the boy cope with many situations on his own and, at the same time, helps his parents support their son in becoming more independent.
- 15' spot to promote the mobile deposit with the “saving power”



## Our people

### COVID-19 pandemic

- In March, following the removal of coronavirus restrictions by the Ministry of Health, we invited our employees to come back to the office and announced removal of the majority of our restrictions.
- Pilot of the hybrid-work model. Based on the feedback from our employees and leaders, we are working on the target work model that combines the benefits of teleworking and work in the office.

### Our response to the war in Ukraine

- After the outbreak of the war in Ukraine in late February 2022, we immediately launched communication initiatives and provided financial and non-financial support to our Ukrainian employees and contractors, as well as psychological assistance to all employees of Santander Bank Polska.

### Better employee experience

- We seek employee feedback through quarterly surveys and we use it to improve the work environment in Santander Bank Polska.
- In the first half of the year, we refreshed corporate behaviours so that they better reflect the requirements of the changing circumstances.

### Diversity & Inclusion

- We continue developing an inclusive bank for our customers and diverse workplace in terms of hiring the disabled (“Differently abled at work” and “Barrier-Free Banking” programmes).
- We have active groups of employees who bring people together to support diversity and inclusion.

### Development and training

- We continued a range of training and development initiatives for leaders and employees. We provide workshops and training courses as well access to modern training platforms where they can develop their social and expert skills. We build a community of mentors and tutors in order to support knowledge-sharing within the organisation.

### We develop modern work tools

- On the basis of data analysis and employee feedback (UX), we are constantly striving to automate and simplify the Bank’s processes.
- In January, we launched “My Benefits”, a one-stop-shop portal where employees can check their current benefits, find out more about them and apply for new ones.
- We implemented a solution whereby 50% of tax-deductible costs can be applied to the remuneration of the group of employees who carry out registered copyrighted work.
- We implemented the New Polish Deal tax rules in Santander Bank Polska, which required adjustment of our current systems and processes. We also launched a dedicated communication campaign to employees, including a website and special points of contact.

### Occupational Health and Safety & Wellbeing

- We are continuing the initiatives that promote physical and mental health, successful relationships and financial education: the BeHealthy Week, Kilometers for Ukraine charity campaign and a psychoeducation programme for managers.
- In order to improve safety, we organised first-aid training for staff members.

### Our work has been recognised

- We were awarded with the Top Employer 2022 certificate for our commitment to creating a better work environment and for implementing top HR management standards.
- We were recognised in the “Ethical Company” competition organised by *Puls Biznesu* daily. The purpose of the competition was to recognise organisations that follow ethical principles, respect their business partners, adhere to fair competition rules, support local communities and foster good relationships within the organisation.
- We were recognised in the Human&Family Humanites Wellbeing Award competition in the large companies category.
- We received the Diversity Check IN award. It is a tool to measure the organisation’s maturity in managing diversity and building an inclusive workplace.

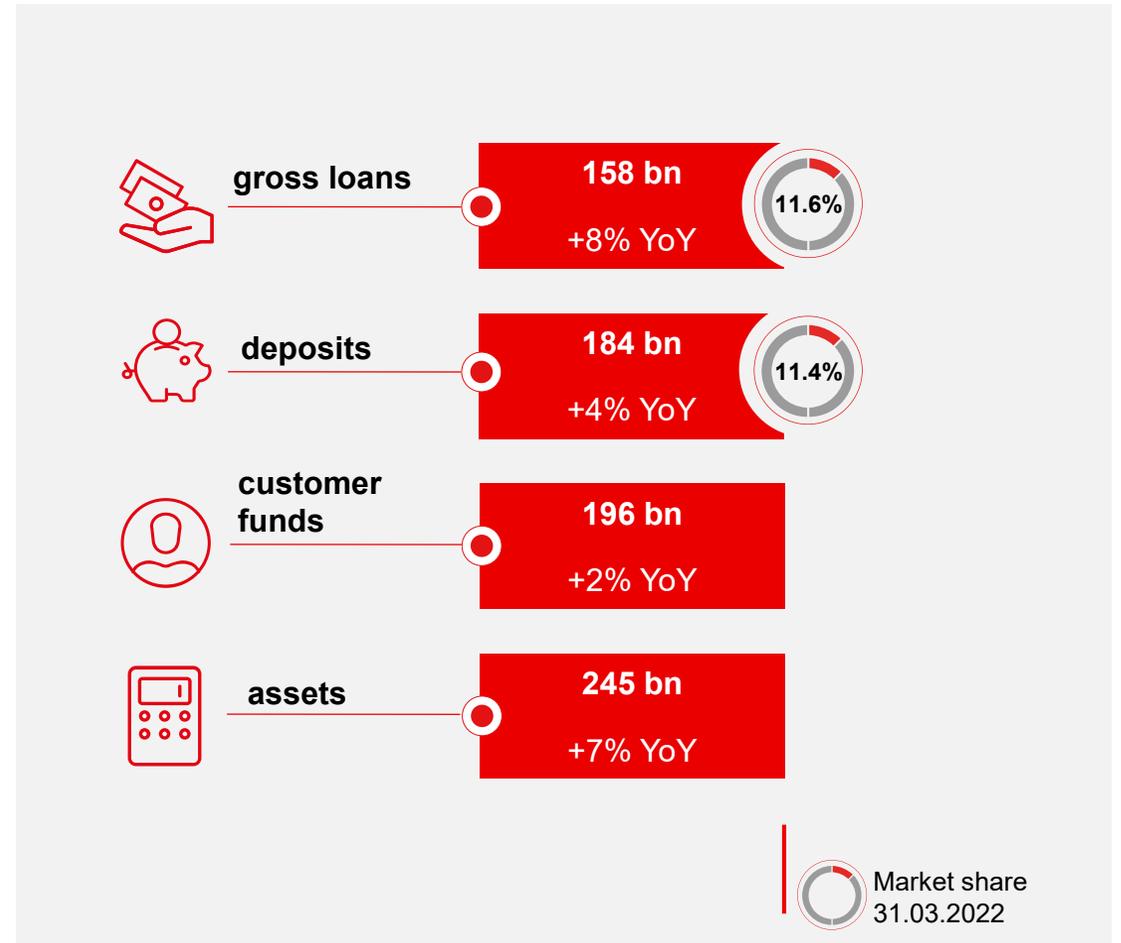
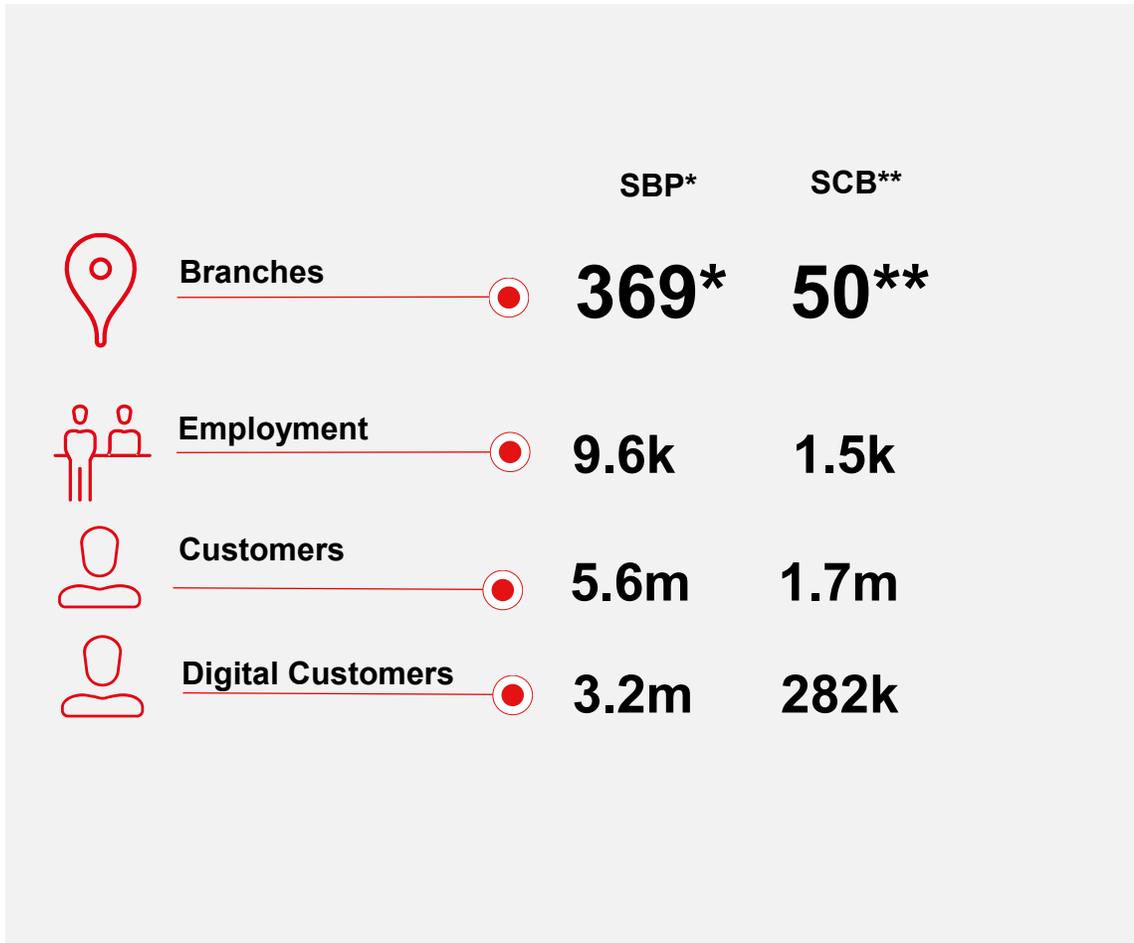
H1 2022 Results

# Our business development

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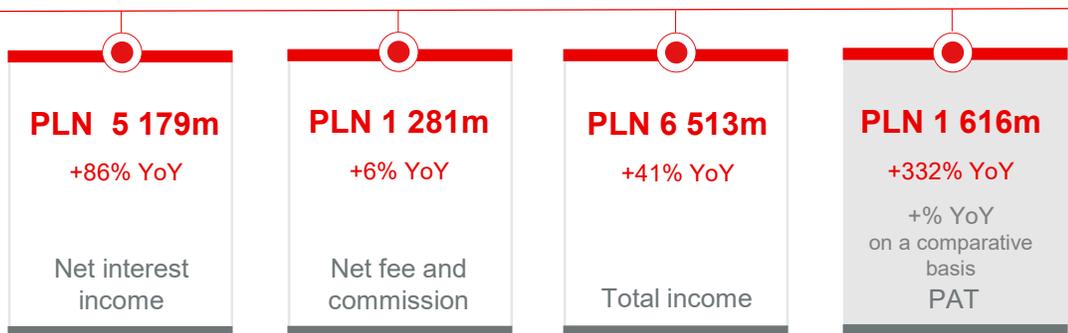
## General operational data

## Key volumes



## Key financial results for 2022

### Key results

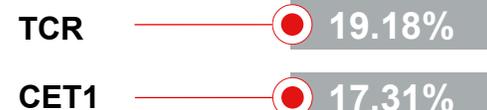


On a comparative basis, i.e. excluding from the profit for 2022: cost of legal risk associated with foreign currency mortgage loans (PLN 947m), IPS costs (PLN 407m), BFG costs (PLN 267m), dividend income (PLN 9m) and from profit for 2021: cost of legal risk associated with foreign currency mortgage loans (PLN 737m), BFG costs (PLN 208m), dividend income (PLN 103m).

## Financial ratios For 2022

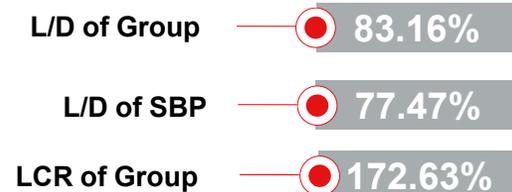
### Capital position

Strong capital position well above the KNF requirements

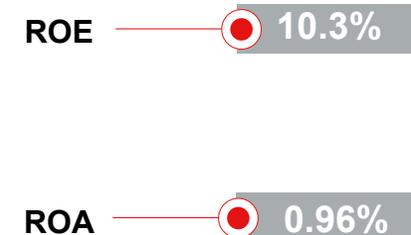


### Liquidity position

Safe liquidity position



### ROE, ROA



Results for H1 2022

# Our customers

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# Our customers in numbers\*

## Retail customers

5.1m customers — **+5% YoY**

2.8m digital customers — **+12% YoY**

2.1m mobile customers — **+14% YoY**

54,2m mobile banking transactions — **+34% YoY**



## SME customers

494k customers — **+9% YoY**

328k digital customers — **+9% YoY**

154k mobile customers — **+12% YoY**

1.6m mobile banking transactions — **+42% YoY**



## Corporate customers

26.1k customers — **+3% YoY**

20.8k digital customers — **+4% YoY**

4.6k mobile customers — **+17% YoY**



## New products and services

### Retail customers

- The customers with access to Santander internet can use the Asseco qualified electronic signature. The signature is issued after their identity is authenticated with the eID service. The customers will be able to use across the European Union.
- We have re-introduced the Max Savings Account (“Konto Max oszczędnościowe”), which is now offered with an increased interest rate as part of a special offer. We have also launched a new edition of our mobile term deposit with an attractive interest rate.
- We have started to promotional offer a fixed-rate cash loan for up to 60 months on special pricing conditions.



### SME customers

- We have started selling Business Impet Deposit (“Lokata Biznes Impet”) and Business Impet Deposit24 (“Lokata24 Biznes Impet”) once again.
- For the participants of the “EmPOWERed in business” (“MOCne w biznesie”) project, we have prepared:
  - a special offer from Santander Leasing;
  - a special offer for Business Account Worth Recommending (“Konto Firmowe Godne Polecenia”): “EmPOWERed at the start” (“MOCne na starcie”).
- Thanks to a discount code, business customers can now exchange currency at the Kantor Santander online platform at a more favourable rate.



### Corporate customers

- We have introduced new functionalities in iBiznes24 electronic enabling customers to perform banking activities in a safe and simple way and we have implemented further changes to the iBiznes24 mobile app.
- We have enhanced credit workflow for corporate clients – we increased the amount of the automatic limit to PLN 5m and implemented a multi-currency credit line and leasing limit.
- We have implemented a simplified process of granting charge card limits for existing customers based on the 6 months account history.



## Education and support for customers

### Retail Customers

- We have continued our support for Ukrainian customers:
  - we implemented the account as required by the KNF;
  - we have organised Polish language courses through Santander Universidades and in cooperation with the University of Szczecin;
  - we have added Ukrainian to the languages available at our ATMs.
- Together with the Warsaw School of Economics and the Warsaw Stock Exchange Foundation, Santander Universidades prepared a free-of-charge online course in the basics of stock market investing.



### SME Customers

- As part of the “EmPOWERed in business” project, we worked together with the Polish Entrepreneurs Foundation to hold workshops on:
  - building a personal brand;
  - investing in yourself and your company;
  - responsibility and diversity in business;
  - events in today’s world and their impact on technology, business and security.
- We collaborated with the Polish Entrepreneurs Foundation to organise a debate on the New Polish Deal and with InFakt to hold a webinar on changes in the Deal after 1 July.
- We have extended our solutions designed for customers from Ukraine.



### BCB Customers

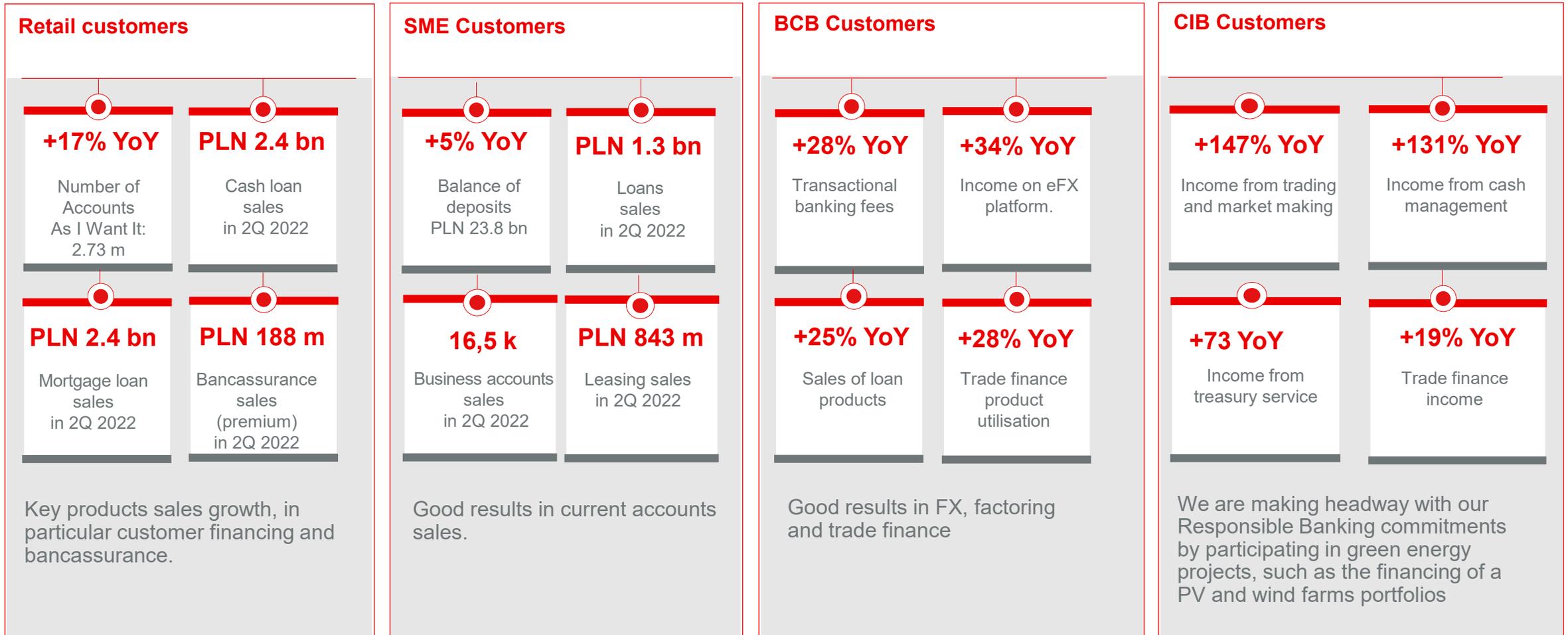


- We support the foreign expansion of Polish exporters and companies with foreign capital operating in Poland:
  - in cooperation with Santander UK, we organised an online event for international clients on foreign expansion to India 'Bringing Europe closer to India'
  - as a partner, we supported Polish exporters as part of the eForum’s “Food Safety Week” and the webinar “Building a Polish brand in the UK” for the Food & Drink industry
- We organised an online meeting for our clients on the current economic situation and the impact of the war on the financial markets

### CIB Customers

We issued 129 stock exchange recommendations in 1H 2022 in the CEE Region and organised conferences for institutional investors.

## Selected business data



Results for H1 2022

# Our financial performance

04

# Gross loans

## Comment

### Santander Bank Polska S.A.

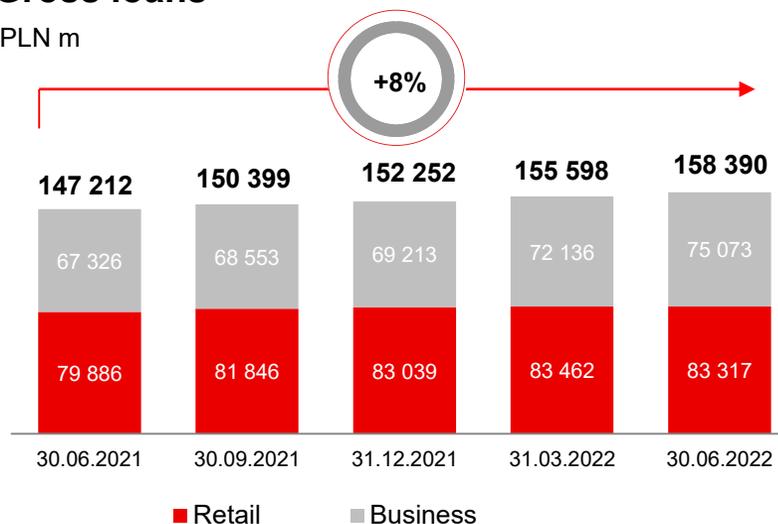
- The loan portfolio increased by 9% YoY.
- Sales of mortgage loans in Q2 2022: +10% vs. Q2 2021 and -18% vs. Q1 2022. Sales of cash loans +33% and +11% respectively.
- CHF mortgage loans: -26% YoY\* (-18% YoY in PLN)
- Including leasing and factoring, SME loans: +2% YoY and +1% QoQ and BCB loans: +8% YoY and +1% QoQ
- CIB loans (including leasing and factoring): +10% YoY and +9% QoQ.

### Santander Consumer Bank

- SCB gross loans: PLN 17bn (stable YoY and +1% QoQ)
- Mortgage portfolio: -21% YoY (CHF mortgage portfolio: -33% YoY\*)
- SCB loans (excluding mortgage loans): +4% YoY and +2% QoQ.

## Gross loans

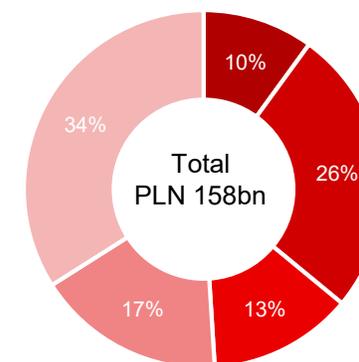
PLN m



PLN m

	30/06/2022	30/06/2021	YoY (%)	QoQ (%)
<b>Retail customers</b>	<b>83 317</b>	<b>79 886</b>	<b>4%</b>	<b>0%</b>
Mortgage loans	55 350	51 807	7%	0%
Other – retail customers	27 966	28 079	0%	0%
<b>Business loans</b>	<b>75 073</b>	<b>67 326</b>	<b>12%</b>	<b>4%</b>
<b>Total gross loans</b>	<b>158 390</b>	<b>147 212</b>	<b>8%</b>	<b>2%</b>

## Structure of loans



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

## Customer funds

### Comment

#### Santander Bank Polska Group

- Customer funds +2% YoY and -3% QoQ.

#### Deposits SBP Group

- An increase in retail deposits by 4% YoY and -2% QoQ
- Business deposits increased by 8% YoY and by -10% QoQ

#### Investment funds SBP Group

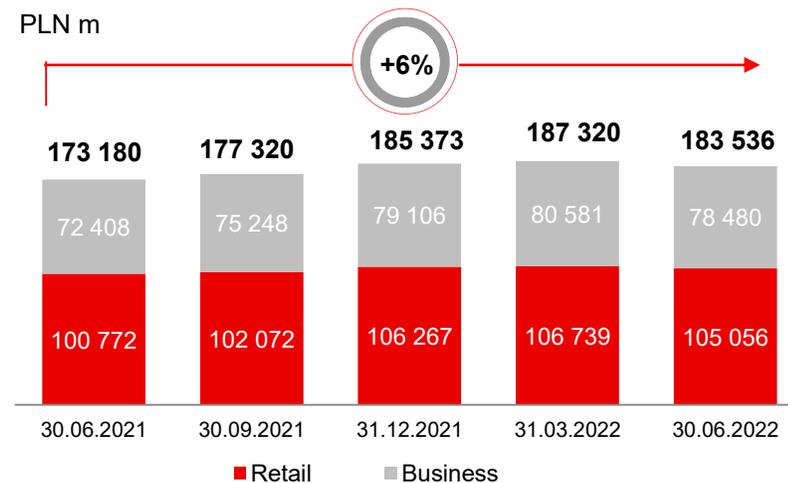
- Investment funds -33% YoY and -10% vs. end of Q1 2022

#### Santander Consumer Bank

- Deposits: PLN 9bn (+4% YoY)

### Deposits

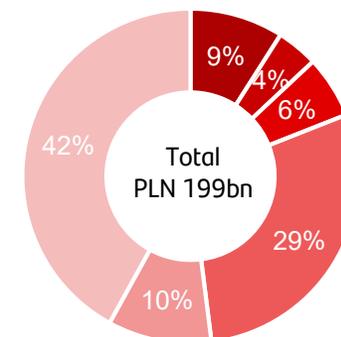
PLN m



PLN m

	30/06/2022	30/06/2021	YoY (%)	QoQ (%)
Current deposits	100 798	97 997	3%	-4%
Savings accounts	48 149	52 835	-9%	-6%
Term deposits	34 589	22 348	55%	12%
<b>Total deposits</b>	<b>183 536</b>	<b>173 180</b>	<b>6%</b>	<b>-2%</b>
Investment funds	12 655	18 850	-33%	-10%
<b>Total customer funds</b>	<b>196 191</b>	<b>192 030</b>	<b>2%</b>	<b>-3%</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

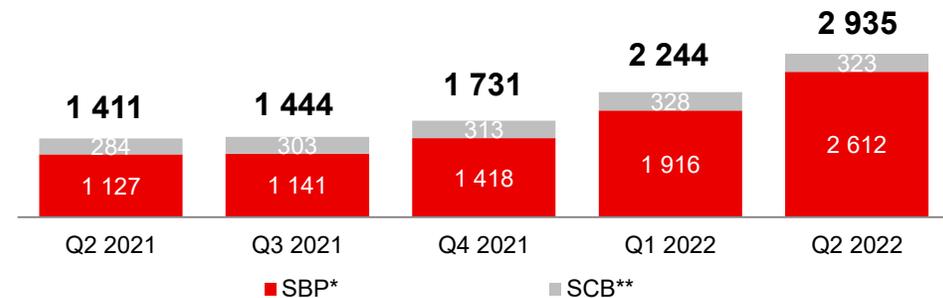
- Net interest income increased by 86% YoY.
- In Q2 2022 net interest income increased by 31% vs. Q1 2022.
- Interest income increase by 97% YoY and 40% QoQ.
- Increase in interest expense by 255% YoY and 135% QoQ.
- The net interest margin for Q2 2021 (annualised on a quarterly basis) was 5.24% and increased by 122 basis points compared to Q1 2022.
- In the first half of 2022, the net interest income was influenced by interest rate hikes, started on October 8, 2021.

## Net interest income of SCB Group

PLN 651m (2022)  
PLN 571m (2021)

## Net interest income

PLN m



## 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.

# Net fee and commission income

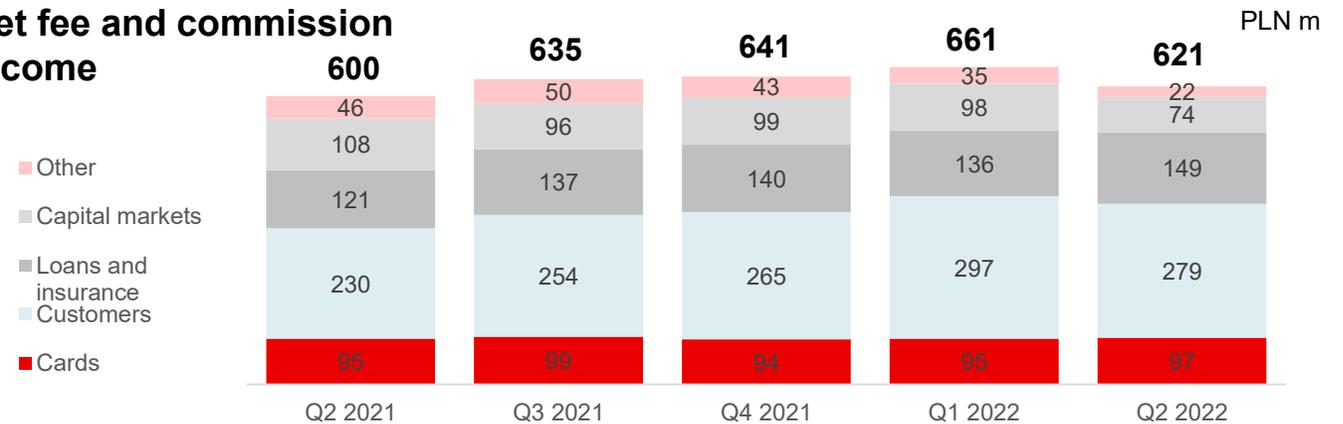
## Comment

- Net commission income increased by 6% YoY and declined by 6% QoQ.
- Good results in accounts and transfer fees (+13% YoY) and in fx fees (+40% YoY).
- On a quarterly basis, growth in card fees (+12% QoQ) and insurance fees (+4% QoQ).
- Compared to the first quarter, net interest income decreased by 6%, mainly due to lower brokerage fees and fund management fees.
- Decrease of SCB fee and commission income vs. the previous quarter mainly under the credit cards line.

PLN 57m (2022)  
PLN 68m (2021)

me of SCB Group\*

## Net fee and commission income



## Net fee and commission income

	H1 2022	H1 2021	YoY (%)	QoQ (%)
PLN m				
Cards	192	191	0%	2%
Transactional	576	447	29%	-6%
Loans + insurance	285	265	7%	9%
Capital markets*	172	216	-20%	-24%
Other	56	92	-39%	-37%
<b>Total</b>	<b>1 281</b>	<b>1 211</b>	<b>6%</b>	<b>-6%</b>

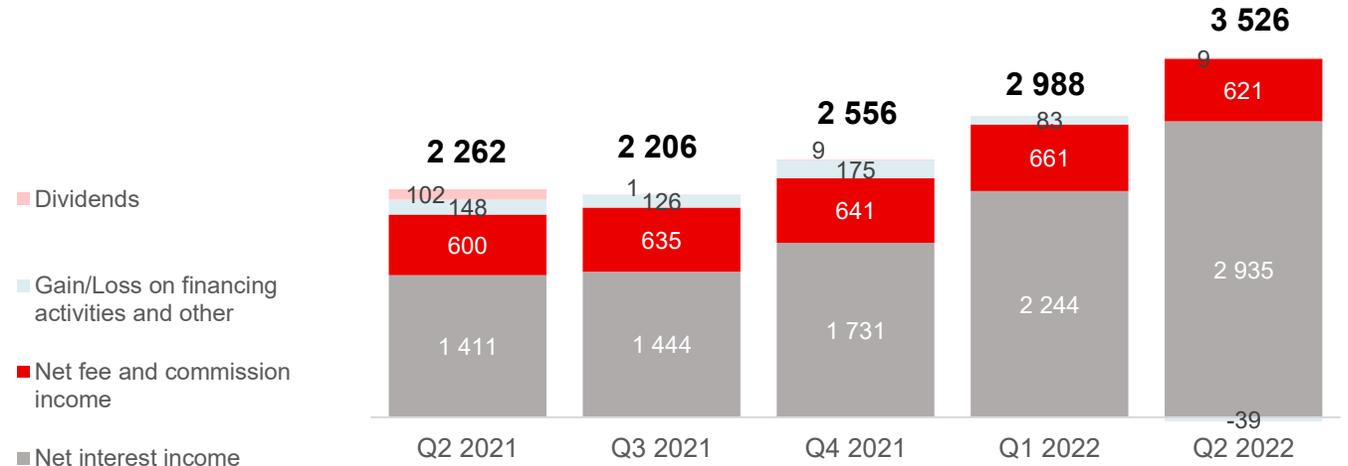
# Income

## Comment

- The Group's total income in H1 2022 amounted to PLN 6,513m and increased by 49% compared to H1 2021 and by 18% compared to Q1 2022.
- Higher interest income due to interest rate hikes, sound growth in fee and commission income.
- Lower income from other activities due to the situation on the financial markets, with trading and revaluation impacted by rising bond yields and IRS spreads and pressure on the zloty.
- Gain on the sale of bonds in H1 2022 was PLN 0.2m compared to PLN 38m in H1 2021.
- Change in the fair value of VISA Inc. shares by PLN -12m in H1 2022 (in H1 2021 PLN +12m) recognised under gains on other financial instruments. Impact of the sale of Visa Inc. shares series A in H1 2021 totalled PLN 8m.
- Dividend income decreased by 91% vs H1 2021 due to sale of companies from Aviva Group. In H1 2021 the dividend income from these companies stood at PLN 96m.

## Income

PLN m

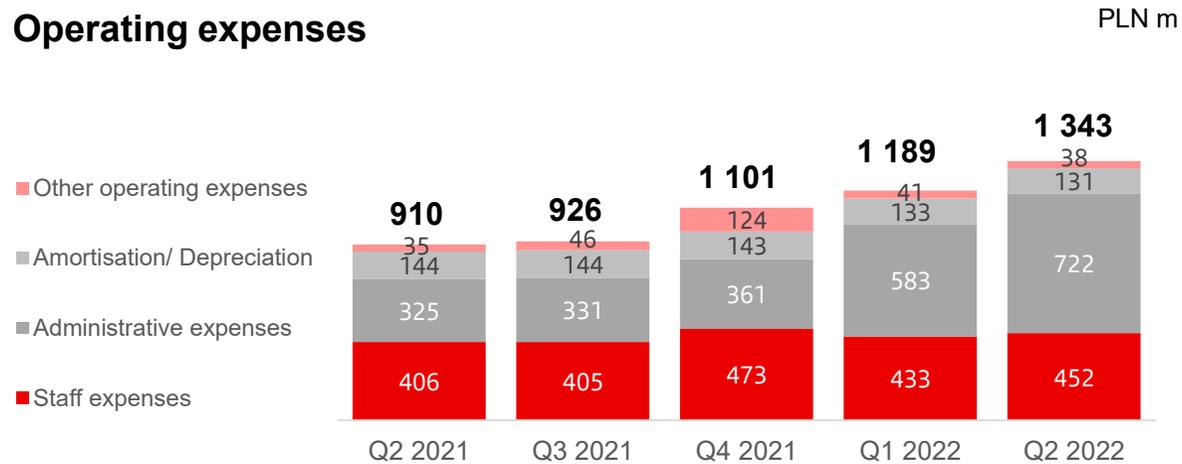


PLN m	H1 2022	H1 2021	YoY (%)	QoQ (%)
Net interest income	5 179	2 787	86%	31%
Net fee and commission income	1 281	1 211	6%	-6%
<b>Total</b>	<b>6 460</b>	<b>3 998</b>	<b>62%</b>	<b>22%</b>
Gains/ losses on financing activities	(3)	193	-102%	-205%
Dividends	9	103	-91%	3595%
Other income items	47	85	-45%	15%
<b>Total income</b>	<b>6 513</b>	<b>4 379</b>	<b>49%</b>	<b>18%</b>

## Operating expenses

### Comment

- Total costs in H1 2022 driven by regulatory levies (BFG and IPS). Regulatory costs (BFG, KNF, KDPW and IPS) increased by 207% YoY.
- Excluding the above-mentioned items, administrative expenses increased by 9% YoY and by 8% compared to Q1 2022 mainly due to inflation.
- Increase in costs on an annual basis due to the increase in prices of services and more intensive marketing activities.
- Staff costs increased by 8% YoY driven by salary increases, and by 4% compared to the previous quarter.
- In SCB, operating costs in H1 2022 amounted to PLN 246mn, -6%YoY and -27% compared to Q1 2022. SCB employee costs +5% YoY. Administrative expenses -17% vs. H1 2021.
- Group C/I ratio at 38.9% in H1 2022 compared to 44.8% in H1 2021. The comparable C/I ratio was 34.8% and 41.0% respectively.

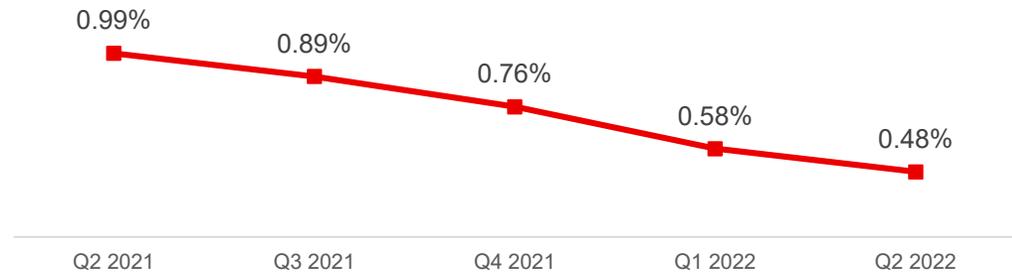


PLN m	H1 2022	H1 2021	YoY (%)	QoQ (%)
Administrative and staff expenses	(2 189)	(1 603)	37%	15%
<i>Staff expenses</i>	(885)	(816)	8%	4%
<i>Administrative expenses</i>	(1 304)	(787)	66%	24%
Amortisation/depreciation + other	(343)	(359)	-5%	-2%
<b>Total costs</b>	<b>(2 532)</b>	<b>(1 962)</b>	<b>29%</b>	<b>13%</b>
One-off items	(674)	(208)		
<b>Underlying total costs*</b>	<b>(1 858)</b>	<b>(1 754)</b>	<b>6%</b>	

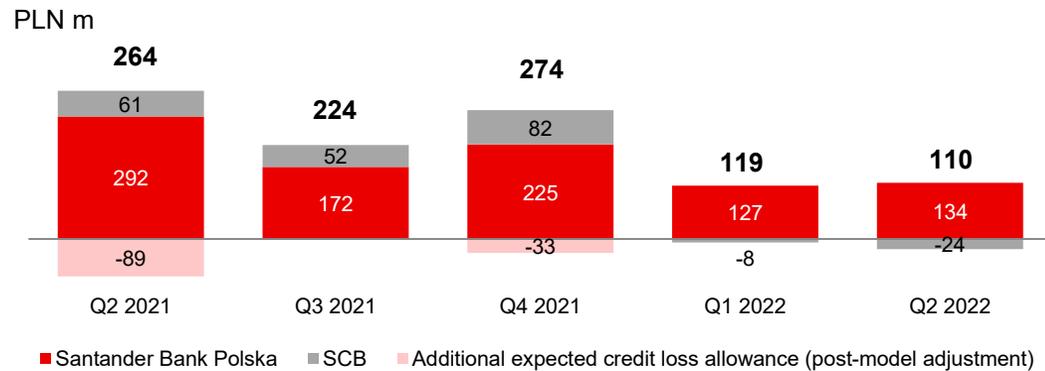
\* On a comparative basis, i.e. excluding from the cost base for 2022: IPS costs (PLN 407m) and BFG costs (PLN 267m), and from profit for 2021: BFG costs (PLN 208m).

# Provisions and credit portfolio quality

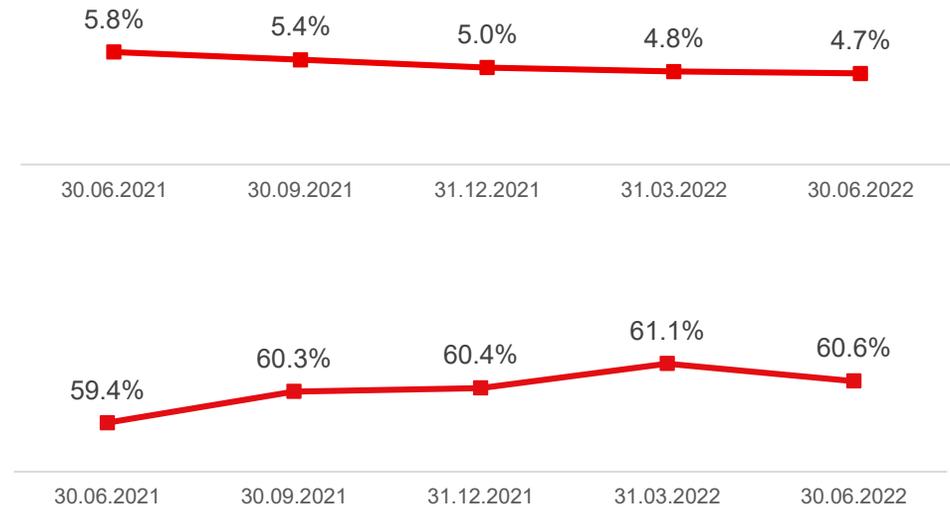
## Cost of credit



## Balance of provisions



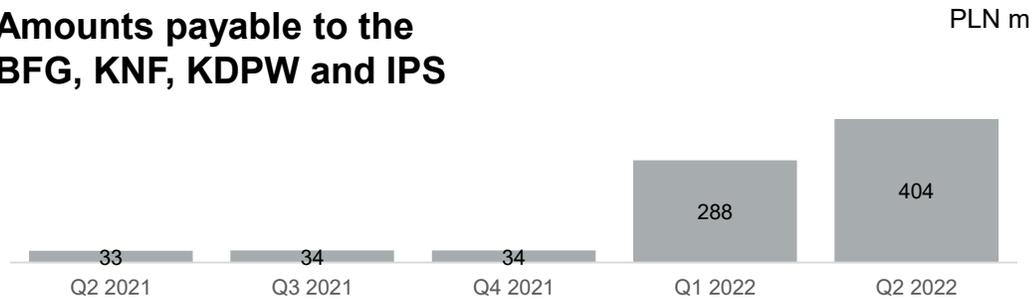
## NPL and NPL coverage ratio



Including POCI – purchased or originated credit-impaired asset.

## Banking tax and regulatory costs

### Amounts payable to the BFG, KNF, KDPW and IPS



#### Resolution fund\*:

- 2021: SBP PLN 135m, SCB PLN 19m
- 2022: SBP PLN 192m, SCB PLN 17m

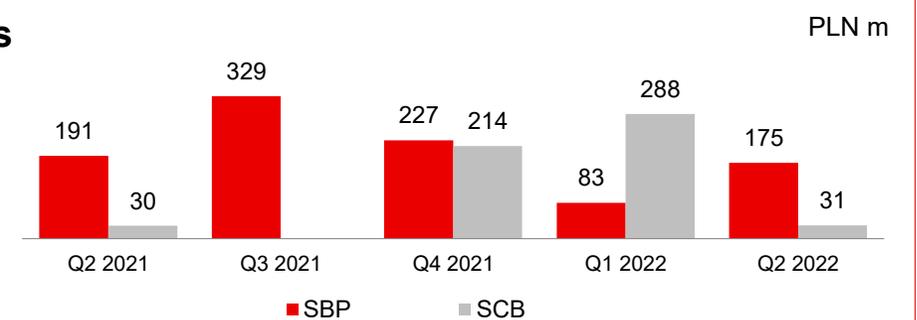
### Banking tax

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.

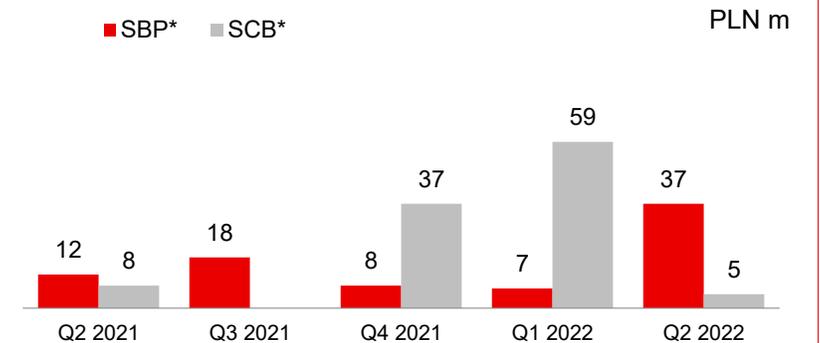
In 2022, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 368m (PLN 354m and PLN 14m, respectively).

## NPL sales

### NPL sales



### Impact of NPL sales on PBT



**SBP 2022:** NPL sales: PLN 258m, impact on PBT: PLN 44m  
**SCB 2022:** NPL sales: PLN 319m, impact on PBT: PLN 64m

## Results for H1 2022

### Comment

- In H1, further increase in net interest income (31% QoQ and 86% vs.H1 2021) and in net commission income (+6% vs.H1 2021)
- Total costs influenced by regulatory levies, inflation and adjustment of staff costs. Continued focus on cost-effectiveness.
- Net profit in H1 2022 of PLN 1.6bn.
- Effective tax rate influenced by regulatory costs and costs of legal risk associated with foreign currency mortgage loans.

### Results for H1 2022

PLN m	H1 2022	H1 2021	% YoY	On a comparative basis*
Net interest and fee income	6 460	3 998	62%	62%
Gross income	6 513	4 379	49%	52%
Operating expenses	-2 532	-1 962	29%	6%
Credit impairment allowances	-230	-627	-63%	-63%
Cost of legal risk associated with foreign currency mortgage loans**	-947	-737	29%	29%
Tax on financial institutions	-368	-301	22%	22%
<b>PBT</b>	<b>2 473</b>	<b>792</b>	<b>212%</b>	<b>150%</b>
Income tax	-732	-354	107%	107%
<b>Profit attributable to shareholders of Santander Bank Polska S.A.</b>	<b>1 616</b>	<b>374</b>	<b>332%</b>	<b>159%</b>
Effective tax rate	29.6%	44.7%		

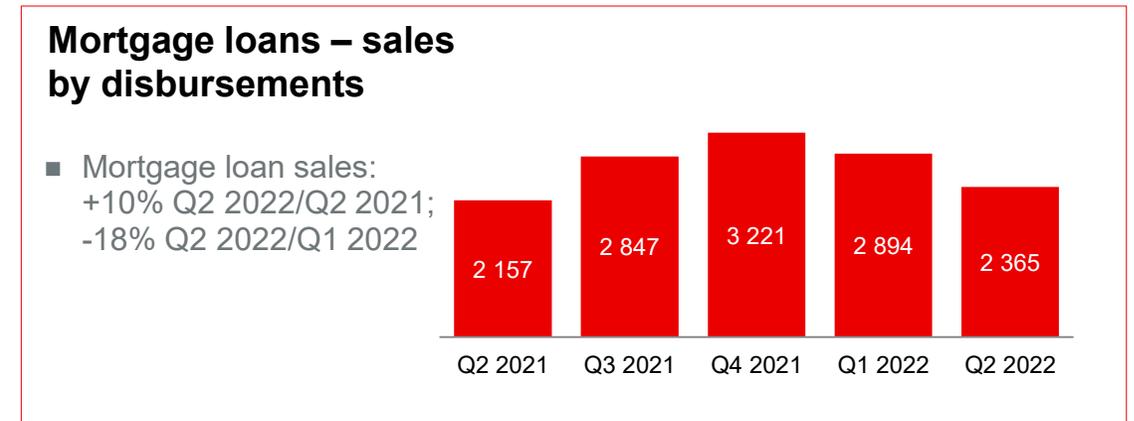
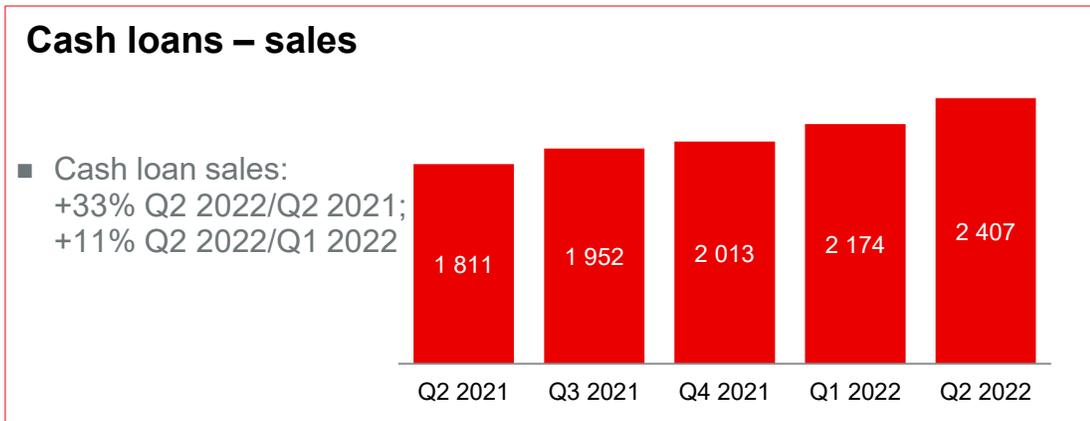
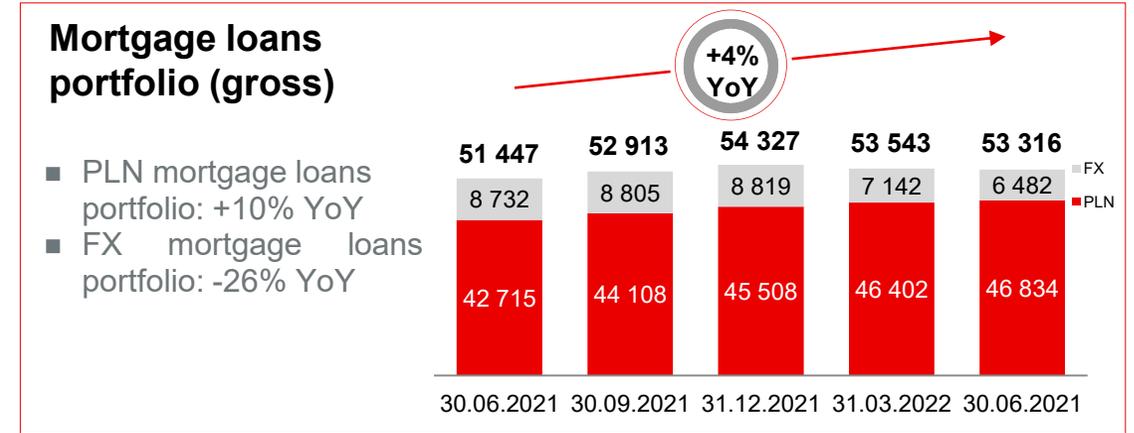
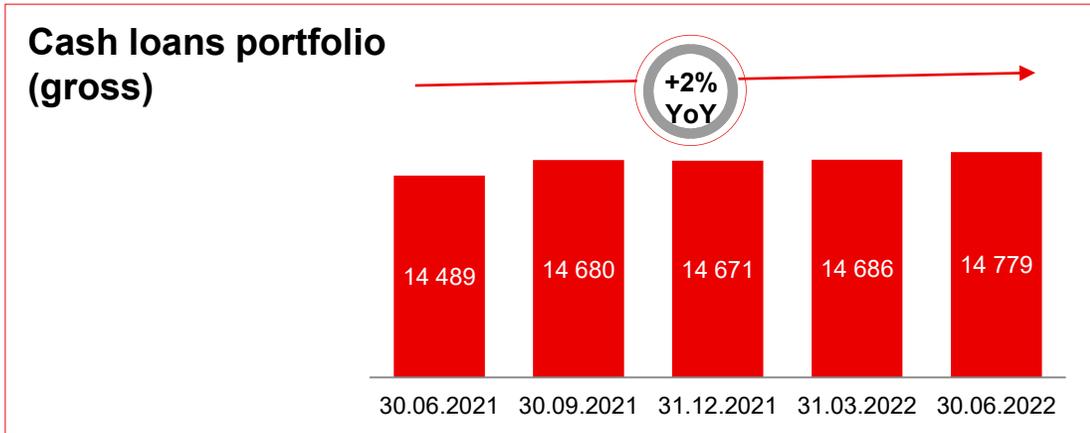
\* On a comparative basis, i.e. excluding from the profit for 2022: cost of legal risk associated with foreign currency mortgage loans (PLN 947m), IPS costs (PLN 407m), BFG costs (PLN 267m), dividend income (PLN 9m) and from profit for 2021: cost of legal risk associated with foreign currency mortgage loans (PLN 737m), BFG costs (PLN 208m), dividend income (PLN 103m).

\*\* As of 1 January 2022, the Group changed the accounting policy rules for recognition of legal risk connected with foreign currency mortgage loans, which is now measured and presented in accordance with IFRS 9 (previously: IAS 37). The Group reduces the gross carrying amount of mortgage loans in line with IFRS 9. If there is no exposure to cover the estimated provision or the existing exposure is insufficient, the provision is recognised in accordance with IAS 37. The total impact of the above risk on the Group's performance is presented in a separate line item of the income statement. It includes provisions for legal risk and legal claims raised and released by the Bank. Those items were previously disclosed separately under other operating expenses and operating income.

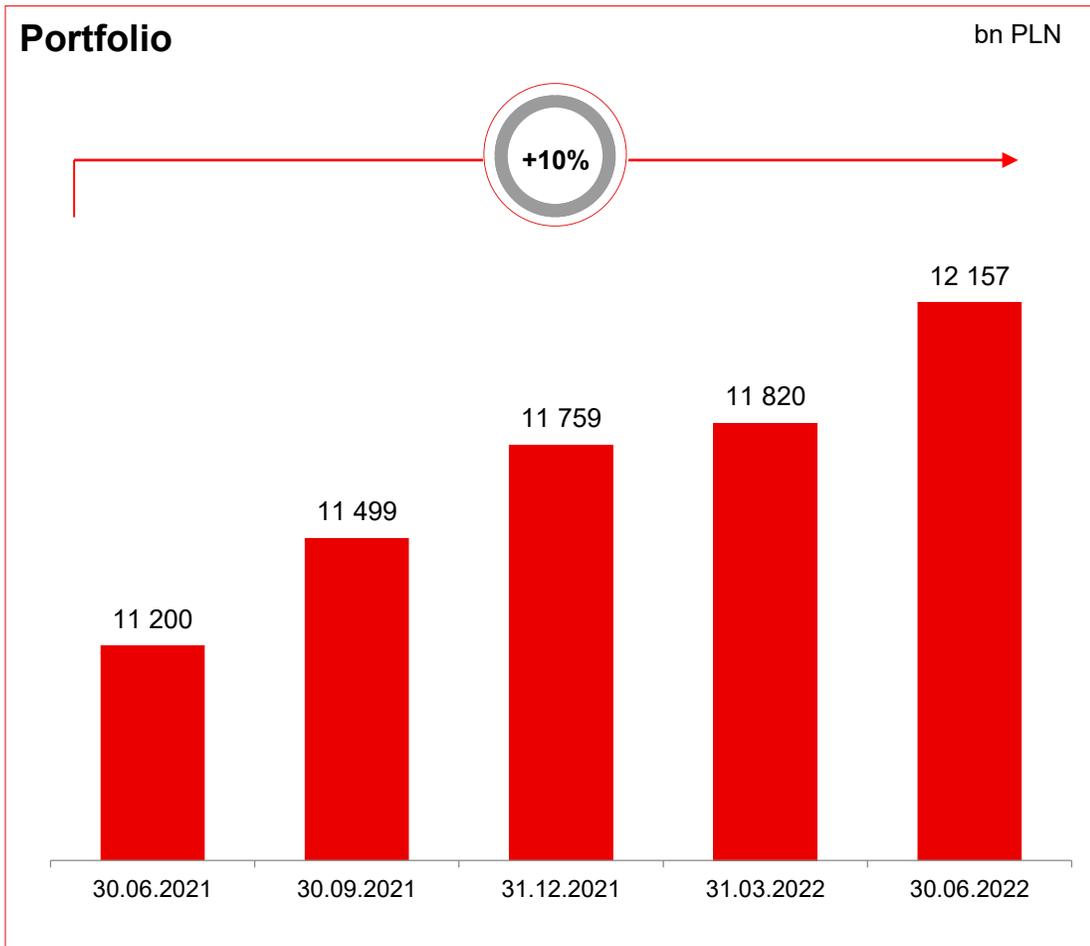
Attachments

05

# Retail Banking - growth in lending activity



# Santander Leasing



## Market share

- Leasing portfolio at PLN 12.15bn, +10% YoY,
- Net sales value at PLN 3.26bn in H1 2022, - 2.7 % YoY,
- Excellent C/I at 34.5%

Santander Leasing was the first in the leasing industry to introduce a biometric signature. Customers can sign a leasing contract on the screen of the leasing advisor, and they receive documents in electronic form.



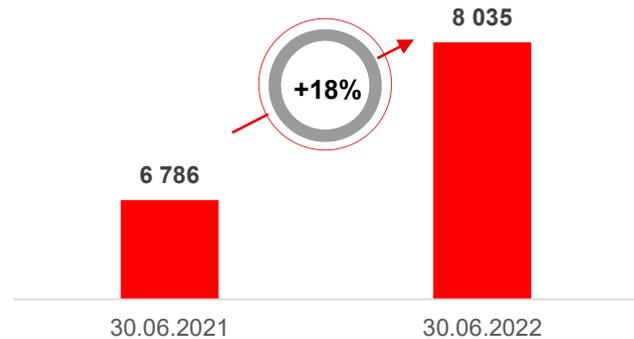
For the third year in a row, Santander Leasing enjoys the greatest trust among entrepreneurs and has been awarded the title of Trustworthy Brand in the leasing category. According to the votes of the owners and management of small and medium-sized enterprises, it was well ahead of other competitors on the market (with twice as many votes as by more than competitors)



# Santander Factoring

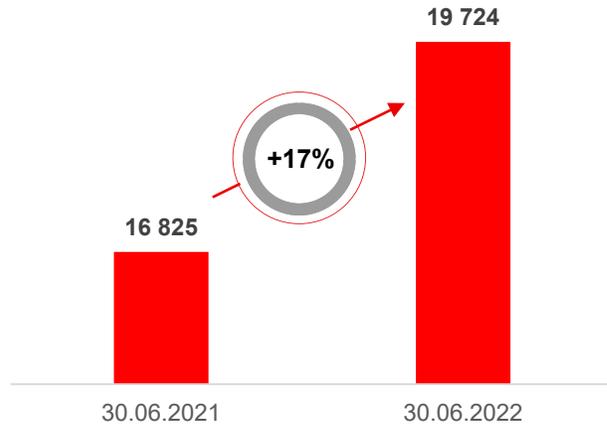
## Portfolio

PLN m

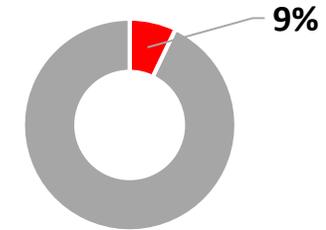


## Turnover

PLN m

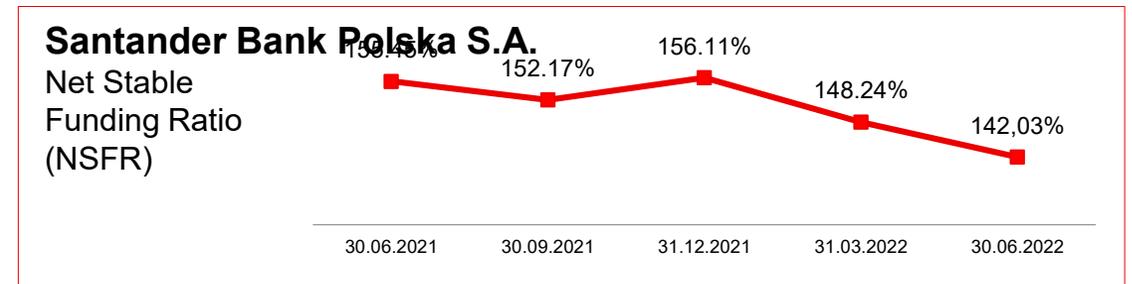
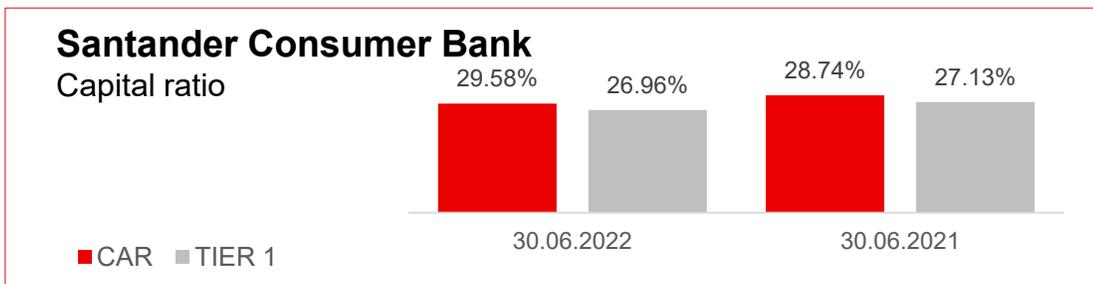
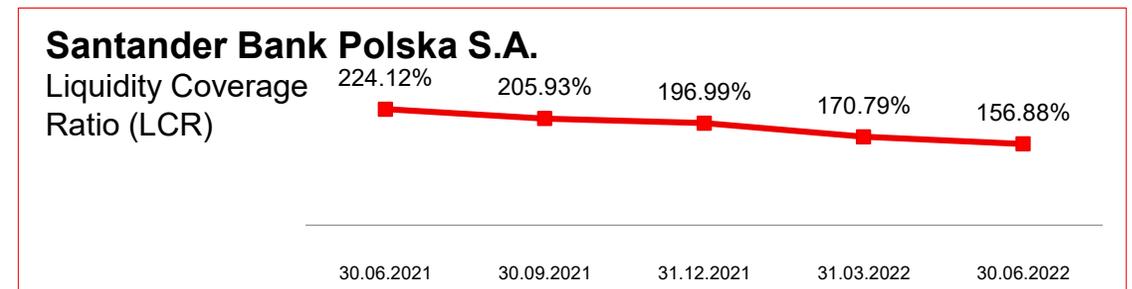
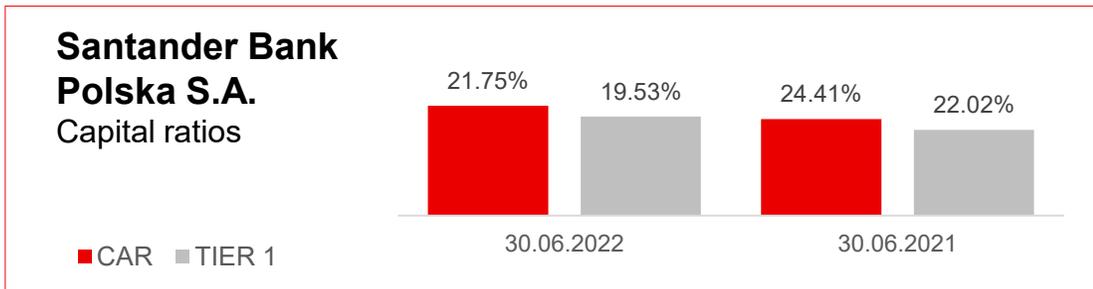
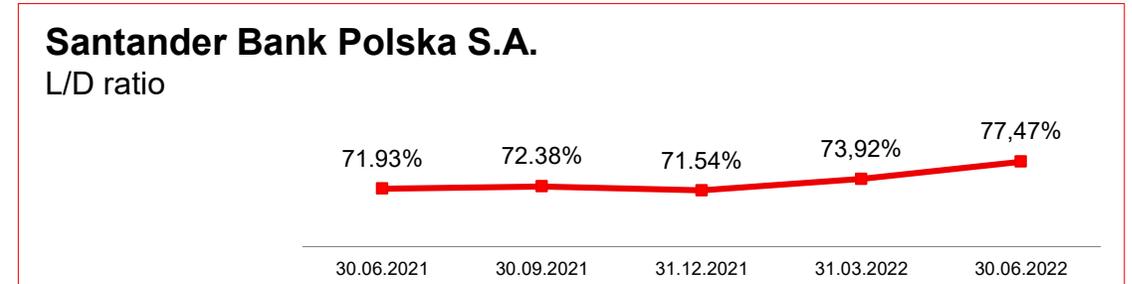
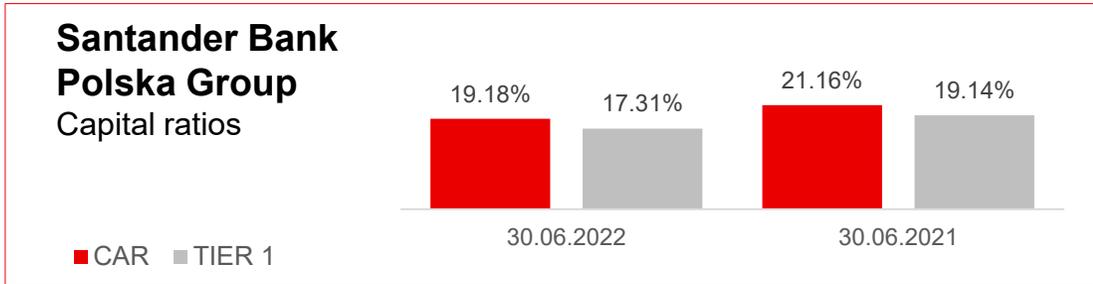


## Market Share



- In H1 2022, Santander Factoring maintained its first position on the market in terms of the balance sheet, reporting 18% YoY growth in balances and 18% market share.
- Santander Factoring also maintains its first position in payables financing (up 8% YoY and 22% market share).
- After Q2 2022, the Polish factoring market recorded a growth of 34% YoY.
- Santander Factoring continues its cooperation with BGK and maintains its market leader position in terms of the value of guarantees granted to businesses under the Liquidity Guarantee Fund. Currently the company is getting ready to launch a new BGK program under the Crisis Guarantee Fund.

# Capital and liquidity position



## Key financial ratios

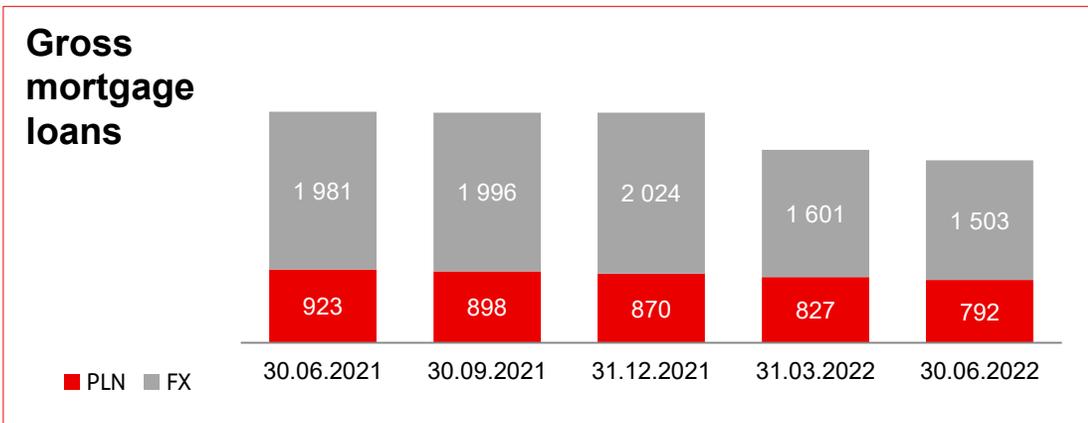
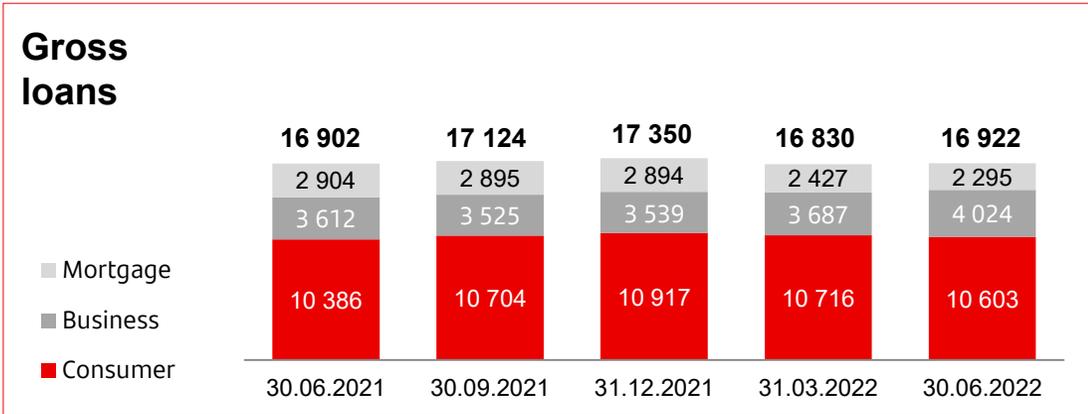
### H1 2021 - Santander Bank Polska Group

Selected financial ratios of Santander Bank Polska Group	H1 2022	H1 2021
Cost/ income	38.9%	44.8%
Net interest income/ total income	79.5%	63.6%
Net interest margin <sup>1)</sup>	4.63%	2.6%
Net fee and commission income/ total income	19.7%	27.7%
Net loans and advances to customers/ deposits from customers	83.2%	81.3%
NPL ratio <sup>2)</sup>	4.7%	5.8%
NPL provision coverage ratio <sup>3)</sup>	60.6%	59.4%
Costs of credit <sup>4)</sup>	0.48%	0.99%
ROE <sup>5)</sup>	10.3%	3.8%
ROTE <sup>6)</sup>	10.7%	4.6%
ROA <sup>7)</sup>	1.0%	0.4%
Total capital ratio <sup>8)</sup>	19.18%	21.16%
Tier 1 capital ratio <sup>9)</sup>	17.31%	19.14%
Book value per share (PLN)	278.55	283.13
Earnings per ordinary share (PLN) <sup>10)</sup>	15.82	3.66

## 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) *Gross loans and advances to customers classified to stage 3 and POCI exposures to the portfolio of gross loans and advances to customers measured at amortised cost at the end of the reporting period.*
- 3) *Impairment allowances for loans and advances to customers classified to stage 3 and POCI exposures and measured at amortised cost to gross value of such loans and advances at the end of the reporting period.*
- 4) *Net expected credit loss allowance (for four consecutive quarters) to average gross loans and advances to customers measured at amortised cost (as at the end of the current reporting period and the end of the last year).*
- 5) *Profit attributable to the parent's shareholders (for four consecutive quarters) to average equity (as at the end of the current reporting period and the end of the last year), net of non-controlling interests, current period profit and the undistributed portion of the profit.*
- 6) *Profit attributable to the parent's shareholders (for four consecutive quarters) to average tangible equity (as at the end of the current reporting period and the end of the last year) defined as common equity attributable to the parent's shareholders less revaluation reserve, current year profit, dividend, undistributed portion of the profit, intangible assets and goodwill.*
- 7) *Profit attributable to the parent's shareholders (for four consecutive quarters) to average total assets (as at the end of the current reporting period and the end of the last year).*
- 8) *The capital adequacy ratio was calculated on the basis of own funds and total capital requirements established for the individual risk types by means of the standardised approach, in line with the CRD IV/CRR package.*
- 9) *Tier 1 capital ratio calculated as a quotient of Tier 1 capital and risk-weighted assets for credit, market and operational risk.*
- 10) *Net profit for the period attributable to shareholders of the parent entity divided by the average weighted number of ordinary shares.*

# Santander Consumer Bank Group Loans



PLN m

	30.06.2022	30.06.2021	YoY (%)	QoQ (%)
<b>Retail customers</b>	<b>12 899</b>	<b>13 290</b>	<b>-3%</b>	<b>-2%</b>
Mortgage loans	2 295	2 904	-23%	-5%
Consumer finance	10 603	10 386	2%	-1%
<b>SME/ Leasing</b>	<b>4 024</b>	<b>3 612</b>	<b>11%</b>	<b>9%</b>
<b>Total gross loans</b>	<b>16 922</b>	<b>16 902</b>	<b>0%</b>	<b>1%</b>

- Total loans: stable YoY:
- Mortgage loans: -21% YoY
- CHF mortgage loans: -33% YoY (approx. – CHF 160m)
- Consumer finance: +2% YoY
- Business loans: +11% YoY

# Santander Consumer Bank Group

## Key financial results for H1 2022

PLN m	H1 2022	H1 2021
Assets	20 114	19 295
Net loans	15 249	14 986
Deposits	9 032	8 656
Total equity	3 936	3 815
PAT	253	80
L/D (%)	168.8%	173.1%
C/I (%)*	56.5%	61.1%
ROE (%)	13.0%	4.2%
ROA (%)	2.5%	0.8%
TCR (%)**	28.6%	28.7%

# Continued embedding ESG to build a more responsible bank



## Environmental: supporting the green transition

<b>PLN 996m</b> green buildings	<b>PLN 600m</b> RES <sup>1</sup> Financing
<b>PLN 1 624m</b> green finance	<b>5966</b> customers received green financing
<b>81%</b> electricity from renewable sources in 1H2022	<b>100%</b> single use plastic free



## Social: building a more inclusive society

<b>Ranking Responsible Companies</b> 2 <sup>nd</sup> place	<b>Best Bank for CR<sup>2</sup></b> 2022 Euromoney Awards for Excellence
<b>&gt;PLN 5m</b> bank donation for Ukrainian Aid	<b>28.5k</b> People helped
<b>&gt;498k</b> financially empowered people 2019-2022	<b>35.4%</b> women in senior positions in 1H2022



## Governance: doing business the right way

<b>Climate Risk analysis</b> TCFD Report	<b>ESG Materiality Matrix</b> 2022 update
<b>ESG yearly goals</b> for board & senior management	
<b>&gt;50%</b> independent directors	<b>41%</b> women on Supervisory Board

# Main aid activities & support for employees and refugees from Ukraine

## Clients with Ukrainian citizenship

- **Free international money transfers** to/from Ukraine (also for SMEs)
- **Suspension of account maintenance and card fees** (also for SME accounts and debit cards)
- Simplification of procedures to facilitate account opening, debit card collection
- Information materials in Ukrainian and hotline strengthened by Ukrainian language speakers.
- Introducing Ukrainian language service at 80% of ATMs.
- Cooperation with the UN Refugee Agency (UNHCR) to develop and implement a solution based on the BLIK check system for quick cash distribution to Ukrainian refugees residing in Poland. Almost 222,560 people have registered in the program to date.

## Ukrainian employees & their families

- One-time financial bonus in the amount of PLN 4900
- The possibility to receive salary for 3 months in advance
- 5 additional paid days off to support relatives coming from Ukraine
- Support in finding a job for relatives from Ukraine
- Psychological support
- Adaptation of 6 apartments owned by the bank in a few cities in Poland for emergency, temporary housing needs for families of our employees who had to flee Ukraine.

## All employees

- Series of webinars and meetings with psychologists and support materials for employees and managers.
- An additional 8 hours of paid absence related to volunteering.
- An internal platform POMAGAMY POMAGAĆ, where employees across the country could exchange information and offers of help for people who found shelter in private homes.
- The project "Volunteering for Ukraine" - within the framework of which the Santander Foundation supports volunteers in contacting local organisations carrying out activities aimed at refugees and helps them implement their own initiatives. Since the beginning of the war, the bank's volunteers have implemented 26 local initiatives, allocating the amount of PLN 15 225.



# Major charity initiatives for Ukrainian refugees



Free Polish language course conducted in cooperation with the University of Szczecin.



**"Ukrainian Fairy Tales".**  
The Santander Foundation has purchased 2,000 books of Ukrainian fairy tales in two languages, Polish and Ukrainian. The books were given to Ukrainian children through organisations and individuals.



**Podwójna Moc Pomagania**  
Razem możemy więcej!  
Dołącz do naszej akcji charytatywnej dla Ukrainy

**"Podwójna Moc Pomagania"**  
Santander matches private donations  
  
Total amount collected:  
**PLN 4.25m**

**Humanitarian Corridors**  
Warsaw - Madrid  
Lviv - Nadarzyn  
In cooperation with Spanish local authorities and Santander Group, the bank organised air transportation and shelter for 180 Ukrainian refugees in Spain.  
  
Together with the PTAK Humanitarian Aid Center in Nadarzyn, bank organised transports for those in need from Lviv to Nadarzyn.



Fundraising for 3 orphanages from Ukraine combined with the involvement of employees and their families in the "Kilometers for Ukraine" campaign. We collected **PLN 360 746.97**

Charity concert for Ukraine in Trzebnica.  
**PLN 22 677.7** was raised.

Santander Bank Poland has received an award from the international magazine Euromoney in the category of "Best Bank for Corporate Responsibility" in the Central and Eastern European region for its efforts to support refugees from Ukraine, in particular for the implementation of the UNHCR Cash Assistance project, which enabled the quick and safe distribution of financial assistance in cash to those in need.



# 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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