



TOTAL EXPERIENCE

TOTAL DIGITALISATION

TOTAL RESPONSIBILITY

 WE HELP YOU ACHIEVE MORE

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# 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.



# Introduction to the Strategy



Helping our customers and employees prosper is **our purpose** and the foundation of our three-year strategy for **2024 - 2026**.

Our actions are people-oriented: we focus on customers and employees. This is why relationships are the focal point of our strategy. We want them to be long-lasting and based on trust. We aim at evoking positive emotions and projecting the image of a bank that is close to people. We believe that caring about the experience will make us stand out on the market. This is what our first strategic direction – **Total Experience** – is about.

We also know that positive emotions and experience to a large extent depend on the interactions in the digital world. For this reason, with increased determination, we follow the path of digital innovation offering our customers new possibilities in remote channels and ensuring our employees simple and effective processes. This is what our second strategic direction – **Total Digitalisation** – is about.

Challenges we face as a bank and society require huge responsibility. And for us, responsibility is not just theory but a rule that guides us in our daily operations. We consciously make ethical decisions, keeping in mind our impact on the community and the environment. With a sustainable business model, we create value for customers, employees, shareholders and local communities, working towards a better future for our children and our planet. This is what our third strategic direction – **Total Responsibility** – is about.

Our path is clearly set – we believe that cooperation, engagement and determination will help us pursue together our strategy and strengthen our market position.

**#We help you achieve more**



# Indeks

1. Macroeconomic environment and banking sector
2. Strategic directions
  - I. Total Experience
  - II. Total Digitalisation
  - III. Total Responsibility
3. Strategic measures and levels of ambition



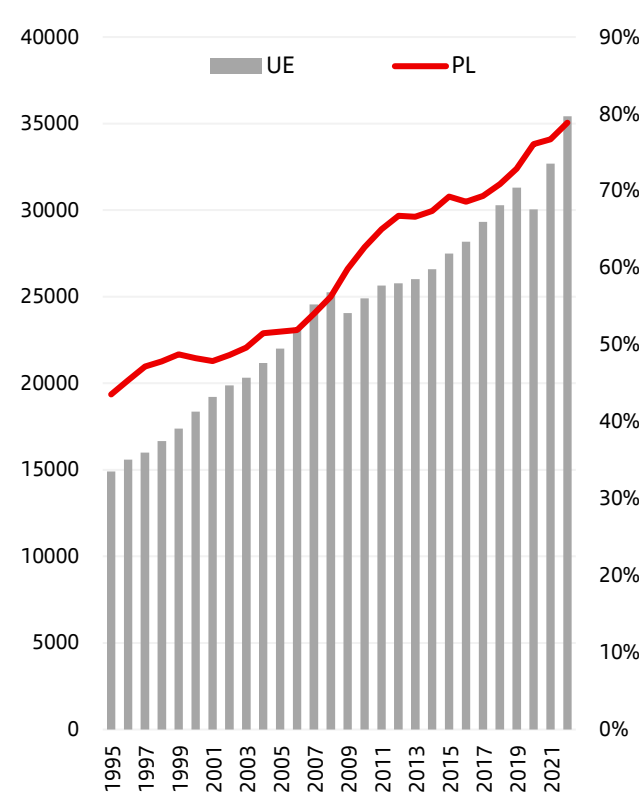


# Macroeconomic environment and banking sector

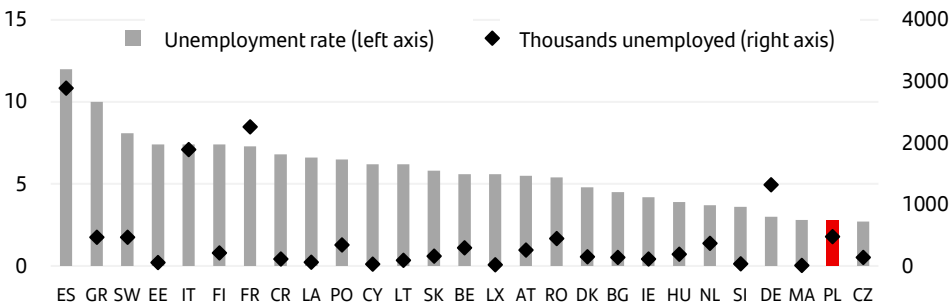
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# Macroeconomic environment favourable for the Bank

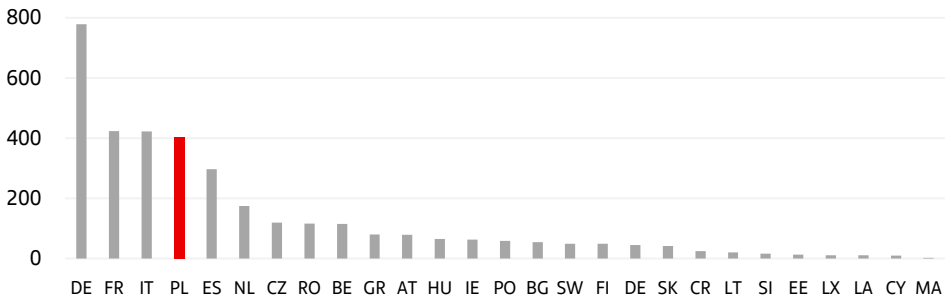
GDP per capita in Poland as a percentage of GDP in the eurozone in Purchasing Power Parity



Unemployment rate and number of unemployed people in Poland compared to other EU member states\*



Greenhouse gases emissions in 2022 (in million tonnes)



Poland has developed significantly over the last 30 years, gradually catching up with Western European countries. In 2022, Polish GDP per capita in Purchasing Power Parity (PPP) constituted close to 80% of the GDP per capita in the eurozone. There are no grounds to think that this trend would reverse in the upcoming years.

In addition, Poland benefits from the fact that compared to other EU member states, we have the second lowest unemployment rate (2.8%).

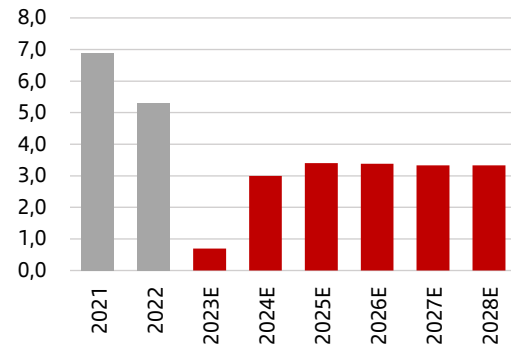
There is still a lot to do in terms of environment protection. In 2022, we were among the top countries in the European Union in terms of greenhouse gas emissions.

Source: Eurostat, Santander

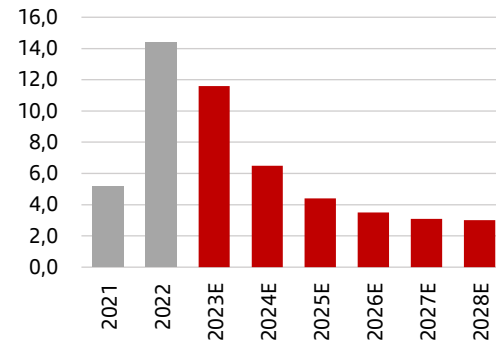


# Good conditions for business growth

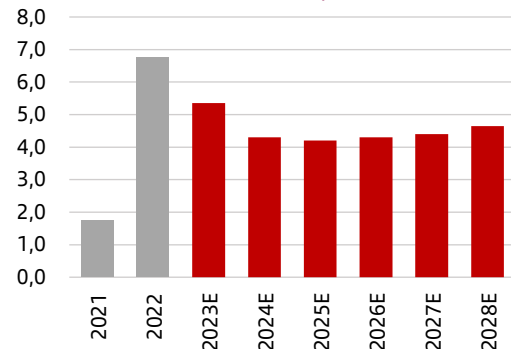
GDP growth, %



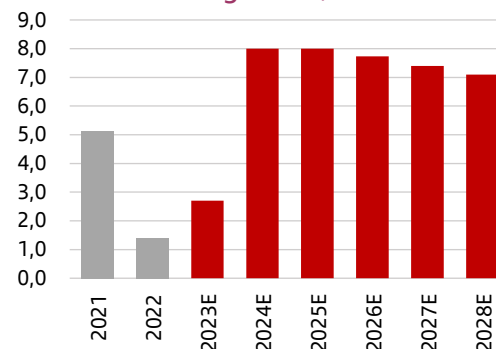
Inflation, %



NBP rate\*, %



Loan growth, %



We expect that favourable conditions for the development of the banking business in Poland will be maintained in the coming years:

- After a temporary slowdown in 2023, the GDP growth rate should accelerate to about 3% in the coming years. This will be driven by the unblocking of European structural funds and the inflow of investment supported by the global supply chain reorganisation (nearshoring).
- After a skyrocketing growth propelled by the energy shock and the war in Ukraine, the inflation clearly is on the retreat and will probably drop below 7% at the end of 2023. In subsequent periods, however, the inflation is likely to drop more slowly and might take several years to return to the 2.5% target.
- After the inflation decline, in 2023, the Central Bank started to cut interest rates, but the room for further reduction is limited. The financial market expects the interest rates to stabilise in mid-term clearly above the pre-pandemic levels.
- The upturn in economic growth and the launch of investment processes co-financed by the EU should, again, increase the lending activity after a temporary stagnation in 2022-2023.

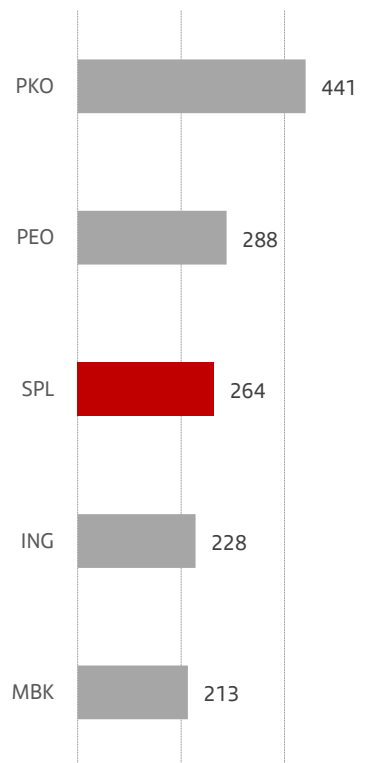
\* Forecasts based on market valuation as at 7.11.2023

Source: GUS, NBP, Eurostat, Santander

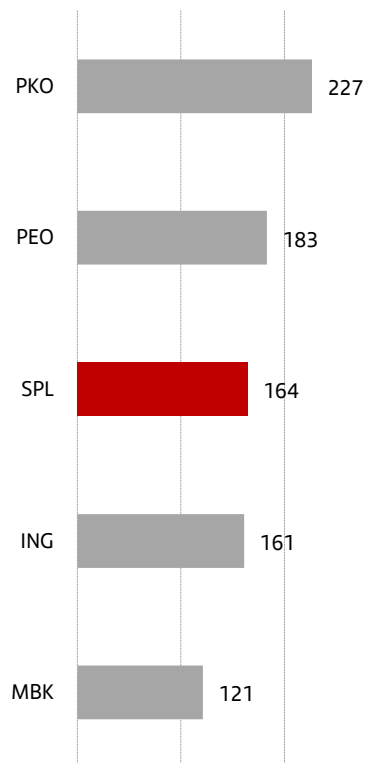


# Strong position in the stable banking sector

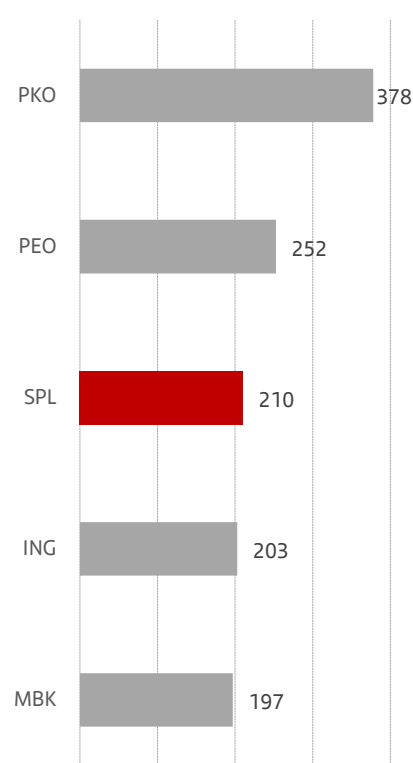
Assets (PLN bn)



Loans (PLN bn)



Deposits (PLN bn)



- The situation of the Polish banking sector looks optimistic – the sector stability is unthreatened irrespective of the CHF lawsuits.
- Santander enjoys an established competitive edge (it ranks 3rd) with market share in the loans and deposits market oscillating around 11%.
- The relatively stable macroeconomic situation as well as the high interest rate environment represent major opportunity for the sector in the next three years. As a result of the high interest rates maintained by the National Bank of Poland, banks should generate relatively high revenue. This situation should persist until 2025 (when the inflation target is expected to be reached).
- The stability of the sector is determined by the economic situation in Poland – in the years to come, we expect stable economic growth (ca. 3% p.a.).
- The biggest threats are imposed by the regulatory environment (stability, quality and speed of adopted legislation) and FX mortgage loans portfolio (the need to adopt a law that would systemically resolve the dispute).

# A stable business model as a response to market challenges and opportunities

## Stable and sustainable business model

- We have built organisational culture oriented at customer and employee experience.
- We have created a work environment that stands out – we work in highly motivated teams (eNPS >60), we have obtained the Great Place to Work certificate.
- We have a complete offer for each customer segment.
- We are part of a financial group with global reach – access to international offer and customers, experience sharing and best practice exchange.
- We use advanced, constantly developed digital solutions.
- We strive for ever more sustainable business model – we measure and limit the GHG emissions from our own operations and the robustness of our environmental solutions was confirmed in 2024 by the ISO14001 certificate
- We have a unique offer and service standard for vulnerable customers.
- We have a strong capital and liquidity position.

## Market environment

- The economic situation – stable economic growth, positive outlook for funds from the National Recovery Plan to be released, public wealth increase and deglobalisation.
- Banking sector – market consolidation, increased importance of stable institutions, increasing customer awareness.
- Advancing digital transformation – digitalisation of sales and post-sales processes and adaptation of new technologies among society.
- Development of new technologies – artificial intelligence, open banking, cooperation with digital economy entities.
- Fast-changing regulatory environment.
- Trends and regulations related to ESG – the need for banks and customers to adapt and growing public awareness.
- Challenges in acquiring and retaining talent and competences.
- Competition from banking and non-banking entities.
- Unpredictability and pace of changes in the environment, geopolitical risks, demography.
- Cybersecurity – growing scope of digital crime.



# Strategic Directions

02



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



## WHY?

## A UNIQUE CORPORATE CULTURE

- A greater percentage of **happy employees** can lead to greater **customer satisfaction**.
- Every 1% improvement in customer satisfaction means a **4.6% increase** in the company's total market value\*.
- There is a **strong link** between the willingness to recommend Santander as an employer and to recommend its products\*\*.
- **We do want** our employees to use the bank's products and services and to be Santander brand ambassadors.

## A UNIQUE PROCESS OF BUILDING USER RELATIONSHIPS

- Total experience is a key trend in our organisational development that combines CX (Customer Experience) EX and (Employee Experience) to give our solutions **competitive Edge**.
- 86% of customers say they are willing to pay extra for unique experience that would involve care not only about their business, but also emotional needs\*\*\*.
- The banking sector tends to **focus on rational aspects**, while the emotional part is an area that is yet to be tapped to build customer loyalty.

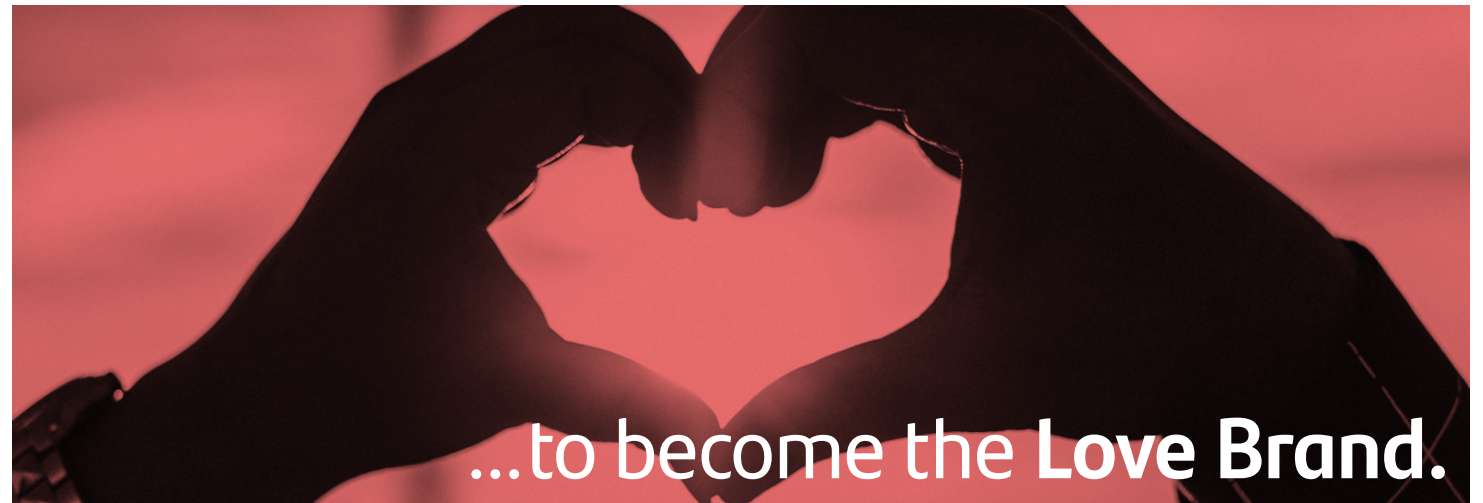
## WHAT?

## A UNIQUE CORPORATE CULTURE

1. We believe that **customer experience and employee experience are equally important**.

## A UNIQUE PROCESS OF BUILDING USER RELATIONSHIPS

1. We are an organisation that **focuses on people needs**, which lays at the heart of our competitive advantage.
2. We ensure **pragmatic value and positive emotional connection** with customers and employees.





## HOW?

## 1. WE HAVE COMBINED CX AND EX TO INCREASE THE SYNERGY OF OUR ACTIONS

We have created an integrated Total Experience (TX) approach. This is how we design and deliver unique experience to our customers and employees. This will make us **joyfully brave, happily human and seriously impactful**.

## 2. WE CARE ABOUT FUNDAMENTALS

- We are **simple by nature**, as we simplify processes, solutions, documents and communication for customers and employees.
- We care about **work-life balance, competitive remuneration** and physical and mental **wellbeing** of our employees.

## 3. WE DEVELOP TOOLS

- We always take into account **employee perspective** when designing solutions for customers. The experience of some is not at the expense of others.
- We strengthen process ownership based on comprehensive customer and employee experience: **Total Experience Ownership**.

## 4. WE TRANSFORM OUR CULTURE

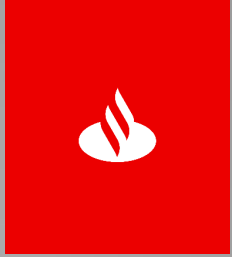
- We strengthen the **corporate culture of Santander** based on cooperation, trust, diversity, empowerment and continuous development.
- We build the **culture of cooperation** in the spirit of One Team, placing emphasis on **experimentation** and continuous improvement.
- We support **leadership** as the key element in building a human-centred organisation.

## 5. WE BECOME A LOVE BRAND

- We support customers and employees by communicating with them using **emotional differentiators**.
- **We design and test products and services with customers and employees** based on the TX Guide.

Unique process

Unique culture



# TOTAL

## DIGITALISATION

## WHY?

### CUSTOMER TRENDS

- Technology plays a vital role in shaping the future in a dynamic and digital world. Today, virtually every aspect of our lives is becoming digital. Poles spend about 5 hours a day on smartphones, and we have to be where our customers are.
- We are digitising our services to give customers easy access to our offer according to their preferences. We provide them with operational support across all digital channels. This direction meets the expectations of our customers.

### EFFICIENCY AND PROFITABILITY

- Digital transformation is key to our long-term profitability. Modern technologies allow us to:
  - optimise processes,
  - increase efficiency and
  - reduce customer service time while improving customer satisfaction.

It also helps in effective acquisition of information about trends, customers and their preferences. The digital transformation will increase our profits and financial stability

### TALENT ACQUISITION

- Employees expect flexible and innovative work environment. And digital transformation attracts talent and specialists. This is one of the fundamental market factors. This direction will not only provide technological excellence to customers, but will also make work environment more attractive.

## WHAT?

### DIGITAL BUSINESS MODEL

1. **We deliver the best digital experience** to our customers and employees, making it unique. This will make us **joyfully brave, happily human and seriously impactful**.
2. **We strengthen process ownership** – business owners have greater decision-making power to manage all employee and customer journeys (sales, post sales, internal processes). To achieve that, they use KPIs, monitoring and budget.
3. **We ensure digital, end-to-end self-service** of all processes, unless it is not cost-effective or customers prefer in-branch or remote service (Optichannel).
4. **We maximize employee and customer self-service**. We migrate customers to digital self-service while assisting them in traditional channels.
5. **We leverage** on personalised communication, digital proposition and 360° customer view (hyperpersonalisation) to make us **joyfully brave, happily human and seriously impactful** in Optichannel.
6. **We have open APIs** – we design all interfaces from scratch to be easily shared with external partners.
7. **We use artificial intelligence and machine learning** to support cost and operational efficiency.

### TIME TO VALUE

1. **We accelerate** Time to Value and Time to Market without compromising on quality.
2. We ensure a **flexible approach to experiments** according to the needs of their owners.
3. **We implement and use modern layers of integration** and data access (**New Backends**).

### CUSTOMER AND EMPLOYEE RELATIONS

1. **We have all the necessary information about customer preferences and behaviours** to provide them with a smooth and personalised service journey.
2. **We wish to maintain interpersonal relationships with customers**, especially through branches, managers and product experts (BCB & CIB). At the same time, we help them settle into the digital world.
3. **Our customers are not afraid to give us their data**.
4. We provide excellent quality journeys that make **customers and employees want us to be their partner in non-banking services**. That said, our services include more than just banking.



## HOW?

## DIGITAL BUSINESS MODEL – COMMON AREAS

1. We have specific owners and tools to manage processes – sales, post-sales and internal processes.
2. **We have KPIs and targets** in place for all customer and employee journeys.
3. **We automate repetitive, low added-value processes** by using a robotics platform.
4. **We centralise post-sales services from physical channels** to automate them.
5. **Capabilities in digital and process management, including robotisation, are key to successful transformation.** We focus on their development and connection with employee objectives.
6. We strive for **quick elimination** of legacy solutions from our processes and systems.
7. **We have open APIs** – we design our solutions to make interfaces available to external partners.
8. We maximize the **use of digital channels by customers**, offering assistance from our advisors if needed.
9. **We focus on simplification of documents and processes and using plain language in communication** with customers and employees.
10. **We favour cross-segment cooperation** to use the same solutions whenever this is viable. We ensure smooth migration between segments.

## SEGMENTS

## Retail &amp; WM/I

- **We are a “mobile first” bank.** We deliver sales and post-sales processes in mobile channels first.
- We have **strong e-commerce sales**, supported with a new CRM complete with analytics and hyperpersonalisation.
- **We make all products and services available in digital channels** to free customers and advisors from physical locations.

## BCB

- We have **one electronic banking platform – the new iBiznes24** – desktop/ERP/mobile, built on a modern and flexible architecture.
- We have **one loan process on the Corporate Lending Platform (CLP)** – we use Smart Loans components from the SME segment.
- We have a **New CRM (Salesforce)** that operationally supports bankers and product specialists. We have a process tool in place for Front, Middle and Back Office.

## CIB

- We **adapt processes and technologies to group solutions** in the global customer segment.
- We are a **local provider of Markets Products solutions** with a growing presence in all segments and all available distribution channels.
- **We integrate group solutions**, whenever optimal, ensuring better experiences and products for all segments.

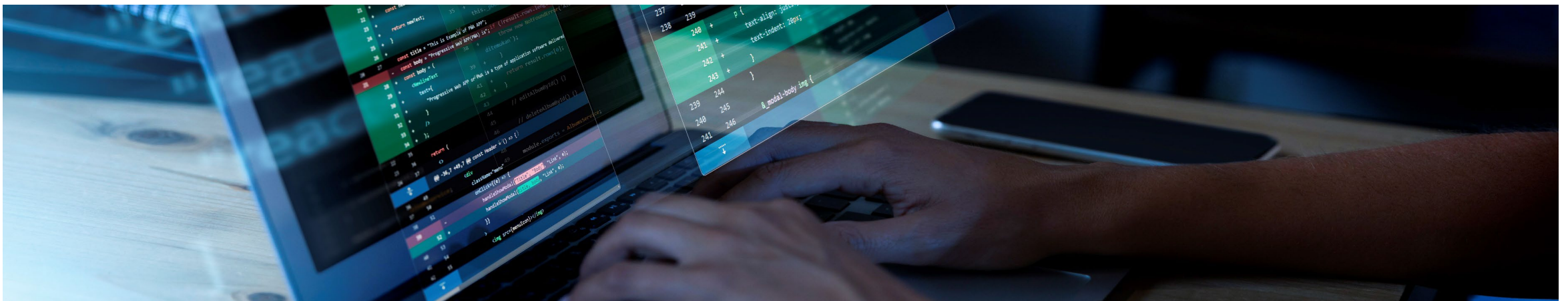
## HOW?

## TIME TO VALUE

1. **We start measuring Time To Value, not just Time To Delivery/Market,** and accelerate this process based on data.
2. **We are business-minded: we make decisions about investments and priorities based on data** stemming from business cases.
3. **We promote experiments** to test response from customers and employees. For this reason, we ensure:
  - **light experiment management** – clear hypotheses and measurements, defined duration and conclusion-drawing – all fit for purpose,
  - **a central budget for experiments.**
4. We promote **quick migration of digital processes to new backends.**

## CUSTOMER AND EMPLOYEE RELATIONS

1. **Process owners** capture and use data relating to all customer and employee interactions across all journeys.
2. **We implement new CRM, modeling and experimentation tools** as a lever for hyperpersonalisation and optichannel.
3. We create an **ecosystem of services through value-added services (VAS).**







# TOTAL

RESPONSIBILITY



## WHY?

**Building trust by being responsible and delivering on our promise**

- Trust is the most precious asset for us in our stakeholder relations.
- In the context of rapid technological, climate and social change, building trust-based relations requires a broader vision. More than 20%\* of customers **believe that the bank's genuine responsibility and commitment to ESG play an important role.** Growing awareness combined with regulatory requirements make this transformation one of the key levers for building trust. **It fits into the aim, purpose and public commitments of the whole Santander Group.**
- The strategic areas for building the trust of our stakeholders include:
  - **security of customer money and data,**
  - **reducing environmental footprint,**
  - **social awareness and CSR,**
  - **delivering on our commitments.**

**Our journey towards Total Responsibility is key to building our image of a seriously impactful organisation.**

## WHAT?

## E

- We are a **role model in terms of sustainability and transformation.**
- **We help and guide customers through green transition.**
- **We build business networks,** finding trusted partners and helping them arrange finance.

## S

- We support society by **providing education, preventing financial exclusion and making social investments.**
- We provide **comprehensive communication** on our social activities that build the awareness of our impact.
- We promote **equality and diversity** among employees.
- **We counteract digital exclusion,** offering friendly digital products and advising customers.
- We ensure a **high level of cybersecurity and transparent communication** with customers, talking straight about risks.

## G

- **We live up to our commitments to all stakeholders** and are transparent about our plans and activities.
- **Our regulatory compliance and strong risk culture** ensure **security and stability,** whereby we can strengthen customer trust.
- **We talk with regulators and industry organisations** about new legislative directions that favour a sustainable transition.

## HOW?

## TRANSFORMATION OF THE BANK

1. We limit our own emissions, inter alia, by increasing the energy efficiency. In 2024 100% of the energy used by the Bank comes from the renewable sources, with the cancellation of guarantees of origin.
2. We start a production of our own energy from photovoltaics in the buildings we operate and test solutions in order to decrease the energy used for heating in our locations.
3. Our business model **takes into account environmental risks**.
4. **We train and support employees in green transactions**, identifying ESG risks and greenwashing practices.
5. We increase the **Green Asset Ratio** and **diversify the portfolio of green assets and products**.
6. We analyse "scope 3" emissions as part of the portfolio and **identify decarbonisation levers**.
7. We develop **transformation plans that cover objectives with respect to the adaptation and mitigation of climate change** in accordance with Santander Group's strategy.
8. We are working on a **preferential offer for employees** connected with environmentally friendly goals

## TRANSFORMATION OF CUSTOMERS

1. We develop **transformation products and advisory services** across segments.
2. We identify and use **synergies in supply chains**.
3. We are working on a **city transformation programme**.
4. We deliver **solutions for agricultural business**.
5. We support the **energy transformation of buildings**.

E

1. We conduct **educational programmes on finance and cybersecurity**.
2. We reduce **financial exclusion and care about vulnerable customers**.
3. We continue development of **social support initiatives**.
4. We promote **diversity, equity and inclusion** among employees.
5. We **increase investments** into the communities that focus on social care, entrepreneurship and the environment.
6. We care about the **security of customers in our digital channels**.

S

1. **We build customer, employee, investor and regulator trust projecting our image as a safe and trustworthy bank**.
2. We support the **proactive process of managing regulatory initiatives**.
3. **We strengthen our risk culture** by ensuring effective control environment.
4. **We prevent greenwashing risk**.
5. **We talk about our ESG actions, plans and aspirations**.
6. We focus on **sustained profitability** that allows us to finance non-business activities.
7. **We work with development banks** and capital providers, **distributing the capital raised from them at a lower cost (greenium)**.
8. **We integrate the process of reporting ESG data** and support the adaptation of systems and processes for **collecting ESG data**.

G

# Strategic measures and levels of ambitions



03



# Strategic metrics for 2024-2026

## KPI

## Ambition level for 2024-2026

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	70-90 bps
Cost to income ratio	<35%
Dividend payout ratio	Dividend payment in the amount permitted by the regulator



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