

Preliminary Financial Results of Santander Bank Polska Group for 2022

The financial information provided herein and concerning the quarter and the year ended 31 December 2022 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 2022 to be published on 22 February 2023 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

More information

5. Attachments

Results for 2022

Our activities and our people

01

Our communication

ATL campaigns 2022

In 2022, we continued ATL communication based on “the bank that makes lives easier” narrative with our brand ambassador – Marcin Dorociński.

We addressed our communication to different customer groups: millennials, families, teenagers, SMEs:

- Personal customer campaigns promoting the mobile app and its features (My goals, public transport tickets, taxi ordering, flower purchases, sign language video chat, BLIK, NFC payments), accounts for teenagers, deposits and savings accounts.
- We encouraged our customers to take part in our “The Power of Winning” lottery, the purpose of which was to appreciate our customers.
- SME customer acquisition campaign. Business owners could open an SME account with value-added services (e-accounting, e-factoring and other).
- Christmas campaign – heart-warming, touching commercial stressing the importance of taking care of cross-generational relations and paying attention to the loved ones. The commercial presents the features of My goals service helping customers to take care of good gifts that have great power.

Help for Ukraine

In March we promoted the fund-raiser “We will double your impact” (Podwójna moc pomagania).

“We Will Double Your Impact” charity campaign to help Ukraine; together with our customers we raised over PLN 4m.

Additionally we pro-actively promoted the proposition and solutions for citizens from Ukraine (free of charge operations/transactions, Polish language classes, fast-track account opening).



Social Media

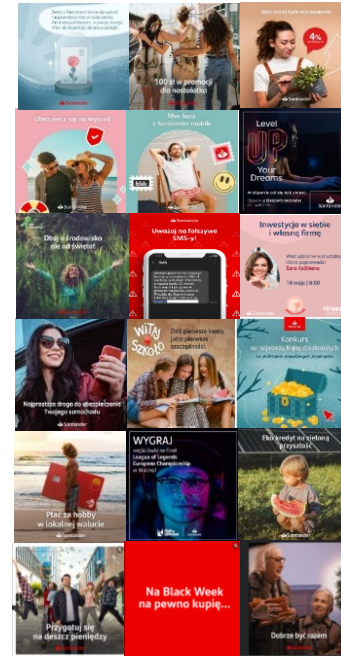
“Fairy tales for adults” – an image-building and educational cybersecurity campaign that won 1 gold and 2 bronze awards in the “Złote Spinacze” competition and was also recognised by the jury of the Golden Arrow and Kreatury awards.

Sponsorship projects with well-known brands, e.g. Ferrari and League of Legends, allowed us to position Santander from a new angle appealing to younger customers.

During peak customer activity periods (such as holidays, beginning of school year, Black Friday), we promoted services such as My goals, Account for a teenager and FX exchange (Kantor). We strengthened our “The Power of Winning” and SME campaigns with interesting Social Media formats.

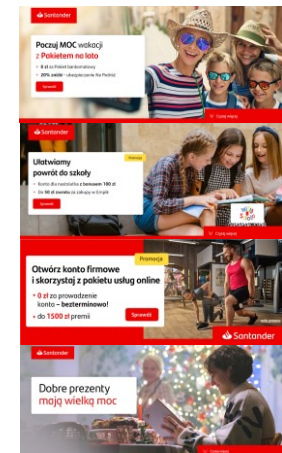
We were the first bank in Poland to launch a TikTok channel, educating the TikTok’s community and using the latest trends.

In December, we have launched a Christmas campaign that thanks to its heart-warming and touching message won hearts of many users.



Digital activities

- We supported the following campaigns in digital channels: Account as I Want It, Account for a teenager, Back to school, Max savings account, SME account, Kantor Santander, “The Power of Winning” lottery, Christmas campaign.
- We were recognised in IAB MIXX Awards 2022 for innovative approach and effective execution of reach-building activities under the „The power of opportunities with Account as I Want It” (“Moc możliwości z Kontem Jakiej Chcę”).



Our people

Our response to the war in Ukraine

- After the Russia's invasion 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 the employee's feedback through quarterly opinion surveys.
- Owing to prioritisation of actions concerning appreciation and rewarding, workload reduction, building staff wellbeing and implementation of hybrid work model, eNPS (Staff Net Promoter Score) grew by 40 points yoy.
- In 2022, we provided biggest pay rises in the Bank's history.
- We have developed and implemented a long-term incentive plan based on the Bank's shares, addressed to key leaders of the Bank.

Development and training

- We continue 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 skills and specialist competencies.
- The development activities included awareness-raising actions aimed at encouraging employees to report difficult situations in the workplace and to react to irregularities.

Corporate culture

- We continue dialogue and transparent communication activities – we organise regular meetings with all employees, during which the Management Board comments on financial performance, reflects on the major events in the Bank's life and answers the staff questions.
- In 2022, we implemented a new set of corporate behaviours – T.E.A.M.S.

Diversity & Inclusion

- We support employment of staff with disabilities. In 2022, the Bank continued awareness-raising projects dedicated to disability. We have extended the benefit offering for people with disabilities. The availability of financial benefit for health-related objectives has been extended by yet another year and starting from 2023, persons with slight level of disability will be entitled to two more days off.
- We have run educational, awareness-raising campaigns concerning the rights and needs of people with disabilities, as well as workshops on diversity, delivered by internal trainers.

We develop modern work tools

- As part of the "paperless HR" strategy, we have implemented an electronic signature for some HR documents.
- We have implemented the requirements of the New Polish Deal and carried out communication activities to explain the changes to employees, we have also provided new templates of tax declarations.
- We have provided employees with new HR Portal applications. We have implemented "My Benefits" – a modern portal with full range of benefits available and the new online application for glasses subsidies.

Occupational Health and Safety & Wellbeing

- In 2022, we continued the initiatives that promote physical health, mental health, successful relationships and financial education. We organised "first aid" training sessions for employees, free of charge medical examinations in mobile dermatology and trichology labs and 8h workshops on first aid. We have also launched an educational campaign for employees on road traffic safety #BezpieczniDoCelu.
- We have implemented a new Health, Safety and Wellbeing Policy.

Hybrid work model

- In September 2022, the Bank's Business Support Centre units have implemented a hybrid work model, which combines the benefits of working in an office with the benefits of remote work.

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.
- We were recognised in Human&Family Humanites Wellbeing Award in the large companies category.
- We were included in the list of employers that are the most advanced in terms of diversity and inclusion management in Poland according to a Diversity IN Check survey.
- We were recognised for the best remuneration report in "The Best Annual Report 2021" competition.
- We received the Equal Salary Certificate granted by the Business Center Club in recognition of our policy of equal salaries for women and for men holding the same positions and in appreciation of our diversity & inclusion activities.

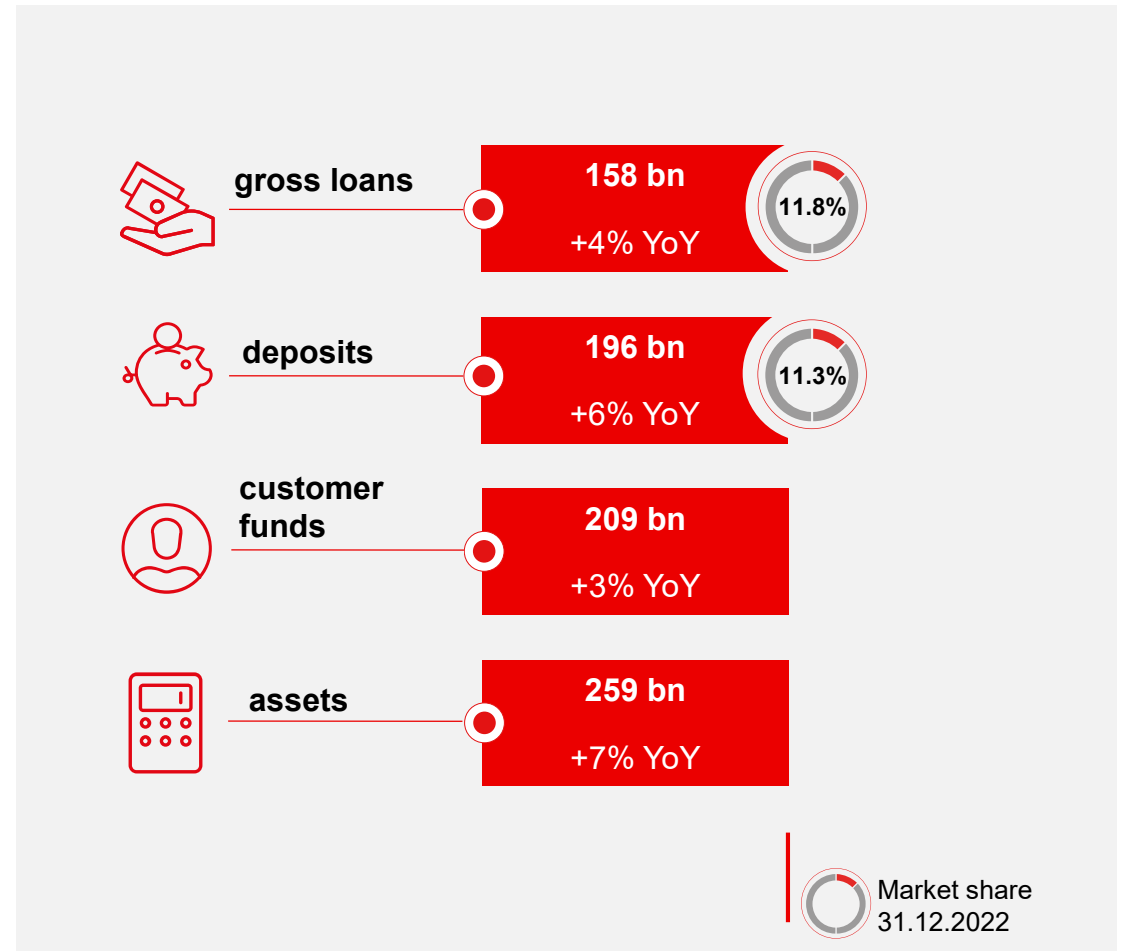
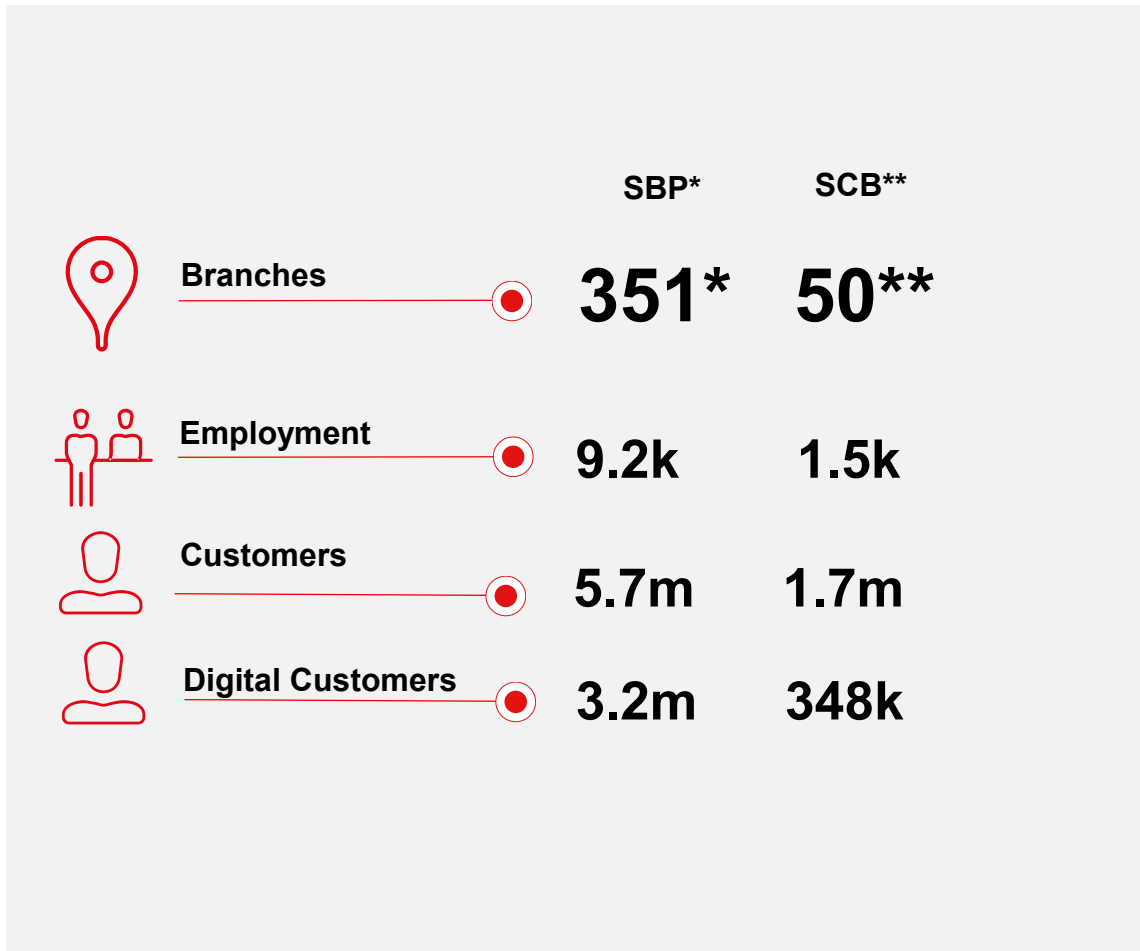
2022 Results

Our business development

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General operational data

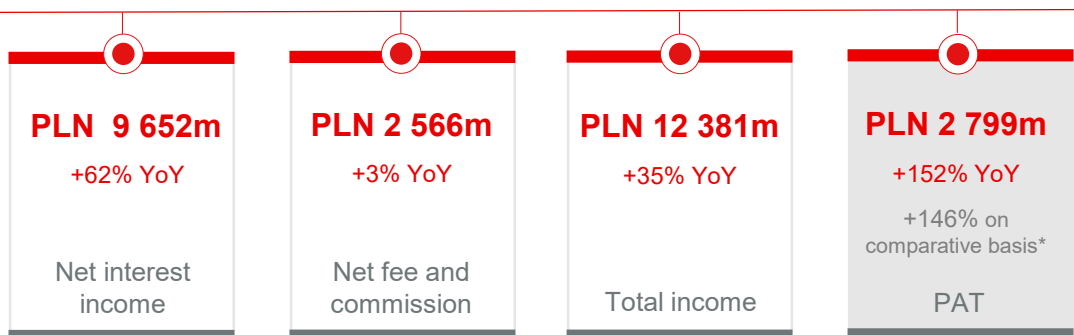
Key volumes



*SBP – Santander Bank Polska: 351 SBP branches include: 335 own branches, 2 off-site locations, 14 Santander Zones (acquisition stands).
 **SCB – Santander Consumer Bank – own branches

Key financial results for 2022

Key results



On a comparative basis, i.e. after excluding from profit for 2022:

- The negative adjustment of interest income from housing loans related to payment holidays: PLN 1.541m
- Adjustments of interest income from housing loans regarding the return of the bridging margin and fees for pre-paid / repaid loans: PLN 78m
- Legal risk costs attached to foreign currency mortgage loans: PLN 1.739m
- Costs for the IPS system: PLN 446m,
- BGF contributions: PLN 265m,
- Contributions to the Borrowers Support Fund: PLN 174m,
- Dividend income: PLN 11m

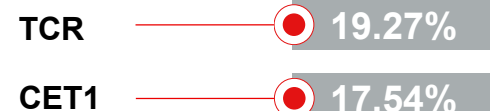
and from the profit for 2021:

- Legal risk costs attached to foreign currency mortgage loans: PLN 1,431m,
- BGF contributions: PLN 263m,
- Dividend income: PLN 113m.

Financial ratios For 2022

Capital position

Strong capital position well above the KNF requirements

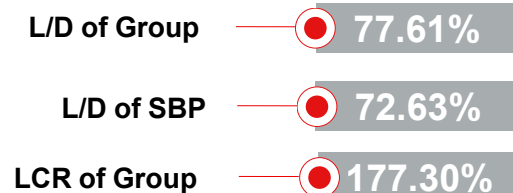


ROE, ROA



Liquidity position

Safe liquidity position



Results for 2022

Our customers

03

Our customers in numbers*

Retail customers

5.2m customers — **+5% YoY**

2.9m digital customers — **+10% YoY**

2.3m mobile customers — **+12% YoY**

63.6m mobile banking transactions — **+31% YoY**



SME customers

491k customers — **+4% YoY**

340k digital customers — **+9% YoY**

171k mobile customers — **+11% YoY**

1.8m mobile banking transactions — **+28% YoY**

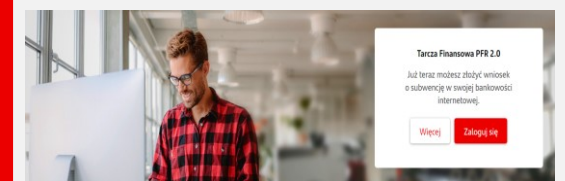


Corporate customers

26.4k customers — **+2% YoY**

21.1k digital customers — **+3% YoY**

4.8k mobile customers — **+10% YoY**



New products and services

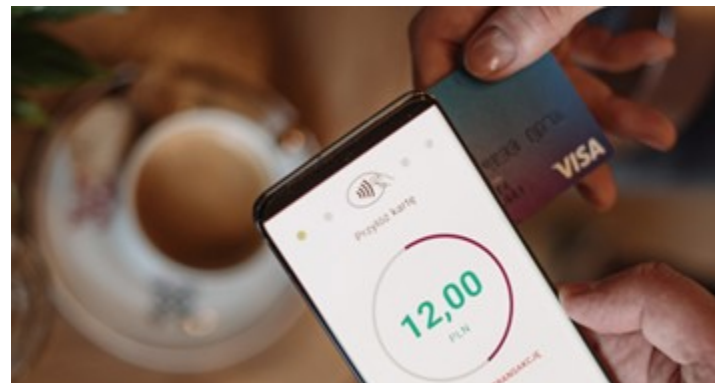
Retail customers

- Our personal customers can buy a SimplySign qualified electronic signature from Asseco via Santander Internet.
- For our Private Banking customers, we have introduced an offer of treasury bonds traded on the secondary interbank market.
- We have created promotional offers for the Black Week, including: the free-of-charge CyberRescue package, 8% interest mobile deposit, fee-free cash loan, a discount on currency conversion in the Kantor Santander, a credit card with fee waived for 6 months and with Allegro e-code, waiver of ATM withdrawal fees.



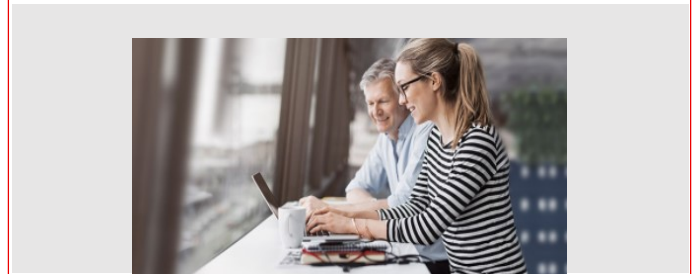
SME customers

- We have prepared a new promotional loan offer for our business customers. Customers who have applied for a loan via remote channels could avail of a 0% arrangement fee (for applications filed at a branch: 0.5%).
- We have introduced a new payment solution – entrepreneurs can turn their smartphone or tablet into a payment terminal.



Corporate customers

- We continued the development of digital projects aimed at providing customers with the highest quality of service.
- We have introduced the possibility of purchasing a qualified e-signature in SBP electronic banking - signing documents with clients is simpler and faster, workload has been reduced, contracts are concluded remotely and are easily archived in electronic form.
- We introduced a new framework agreement based on the global standard of plain language, which is also another step towards encouraging customers to use remote channels.



Education and support for customers

Retail Customers

- We have implemented a new remote process for granting a spouse consent to a cash loan and consolidation loan (this solution is also available to spouses who are not our customers).
- We have implemented a fully digital process for sending repayment schedules to borrowers who have raised a cash loan or a mortgage loan.
- We have launched the Santander Erasmus Scholarship 2023 in Poland – in the first edition, this will be in liaison with Adam Mickiewicz University in Poznań, University of Lodz and University of Warsaw.



SME Customers

- We have organised the 1st edition of “EmPOWERed in business” (“MOCne w biznesie”) – a series of 10 meetings dedicated to business management. There were 3.5k women who participated in that programme. Together with the Polish Entrepreneurship Foundation, we have awarded women who had won educational grants and business funding.



BCB Customers

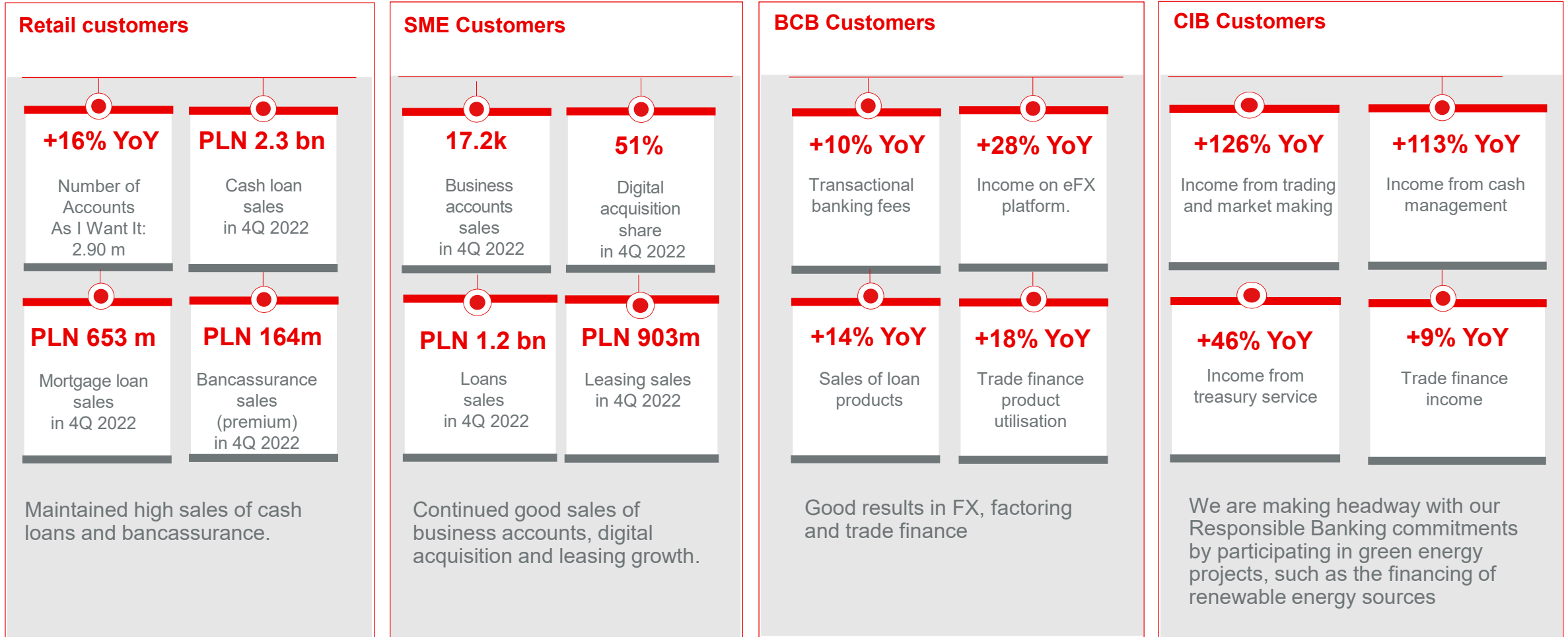


- We support the foreign expansion of Polish exporters - in cooperation with the Scandinavian-Polish Chamber of Commerce we organized webinars for international clients in the Nordic Intro series "Doing business in Finland" and "Doing business in Sweden".
- Together with the Polish-Dutch Chamber of Commerce, we organized a series of Knowledge Circle meetings "Transport & Logistic" for our clients.
- We actively support new solutions in financing the energy transformation and emissions-free public transport.

CIB Customers

We issued more than 300 stock exchange recommendations in 1-4Q 2022 YTD in the CEE Region and organized conferences for institutional investors.

Selected business data



Results for 2022

Our financial performance

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Gross loans

Comment

Santander Bank Polska S.A.

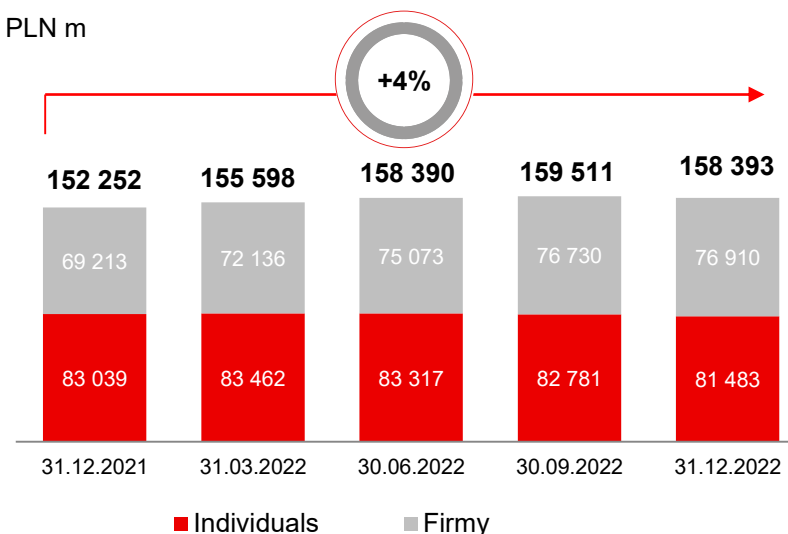
- The loan portfolio increased by 4% YoY.
- Sales of mortgage loans in Q4 2022: -80% vs. Q4 2021 and -45% vs. Q3 2022. Sales of cash loans +15% and -1% respectively.
- CHF mortgage loans: -34% YoY* (-43% YoY in PLN)
- The percentage share of foreign currency mortgage loans for households in the Bank's portfolio of loans and advances to the non-financial sector was below 5% as at 31 December 2022.
- SME loans (including leasing and factoring): +2% YoY and -1% QoQ and BCB loans: +10% YoY and stable QoQ
- CIB loans (including leasing and factoring): +9% YoY and stable QoQ.

Santander Consumer Bank

- SCB gross loans: PLN 17bn (-1YoY and +0.4% QoQ)
- Mortgage portfolio: -33% YoY (CHF mortgage portfolio: -42% YoY*)
- SCB loans (excluding mortgage loans): +6% YoY and +3% QoQ.

Gross loans

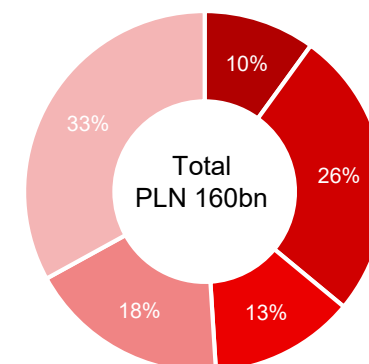
PLN m



PLN m

| | 31/12/2022 | 31/12/2021 | YoY (%) | QoQ (%) |
|--------------------------|----------------|----------------|------------|------------|
| Retail customers | 81 483 | 83 039 | -2% | -2% |
| Mortgage loans | 53 176 | 54 741 | -3% | -3% |
| Other – retail customers | 28 308 | 28 298 | 0% | 1% |
| Business loans | 76 909 | 69 213 | 11% | 0% |
| Total gross loans | 158 393 | 152 252 | 4% | -1% |

Structure of loans



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

Customer funds

Comment

Santander Bank Polska Group

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

Deposits SBP Group

- An increase in retail deposits by 2% YoY and +3% QoQ
- Business deposits increased by 13% YoY and by 4% QoQ

Investment funds SBP Group

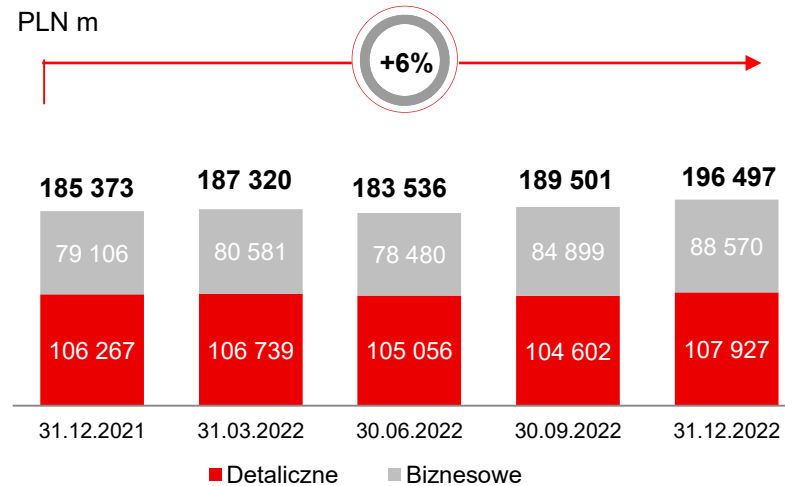
- Investment funds -30% YoY and -1% vs. end of Q2 2022

Santander Consumer Bank

- Deposits: PLN 10bn (+11% YoY)

Deposits

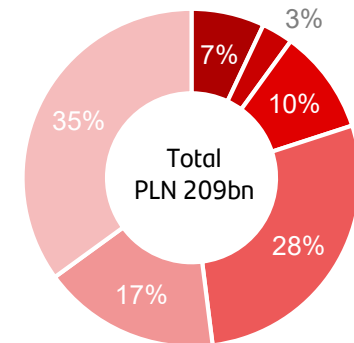
PLN m



PLN m

| | 31/12/2022 | 31/12/2021 | YoY (%) | QoQ (%) |
|-----------------------------|----------------|----------------|-----------|-----------|
| Current deposits | 100 357 | 104 077 | -4% | 0% |
| Savings accounts | 38 376 | 55 304 | -31% | -11% |
| Term deposits | 57 764 | 25 992 | 122% | 26% |
| Total deposits | 196 497 | 185 373 | 6% | 4% |
| Investment funds | 12 259 | 17 561 | -30% | -1% |
| Total customer funds | 208 756 | 202 934 | 3% | 3% |

Deposits and term funding



- Term funding
- Other
- Business term deposits
- Business current deposits
- Personal term deposits
- Personal current deposits

Net interest income and net interest margin

Comment

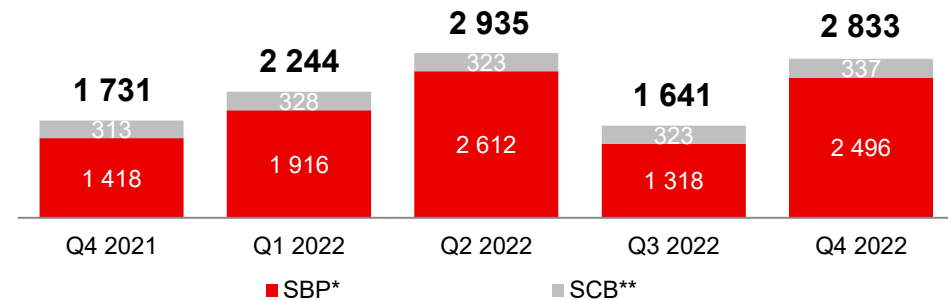
- In 2022, net interest income was PLN 9.7bn and in Q4 2022 alone PLN 2.8bn.
- In Q4 2022 alone, there was a comparable decrease in net interest income by 1.5% compared to Q3 2022 (excluding the booked negative adjustment of interest income due to credit holidays: PLN 1,358 million for the SBP Group in Q3 and PLN 186 million in Q4 2022 and negative adjustment to interest income on mortgage loans due to reimbursement of a bridge margin and fees on prepaid/ repaid loans of PLN 72m in Q3 and PLN 6m in Q4 2022).
- The net interest margin for Q4 2022 (annualised on a quarterly basis) was 4.94% and excluding above mentioned factors, it would have been 5.28%.
- In 2022, net interest income was influenced by interest rate hikes, started on 8 October 2021.

Net interest income of SCB Group

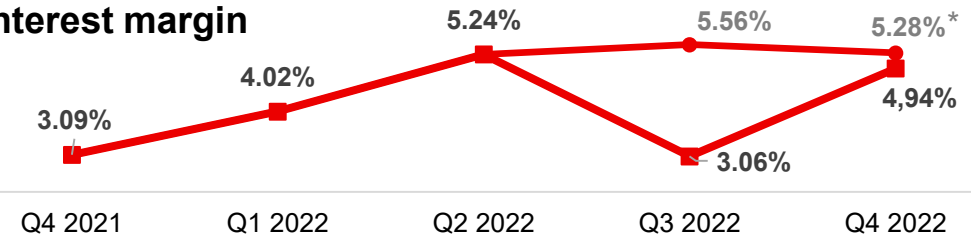
PLN 1 311m (2022)
PLN 1 187m (2021)

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.
* Excluding negative adjustment of interest income due to credit holidays: PLN 1,358 million for the SBP Group in Q3 and PLN 186 million in Q4 2022 and negative adjustment to interest income on mortgage loans due to reimbursement of a bridge margin and fees on prepaid/ repaid loans of PLN 72m in Q3 and PLN 6m in Q4 2022.

Net fee and commission income

Comment

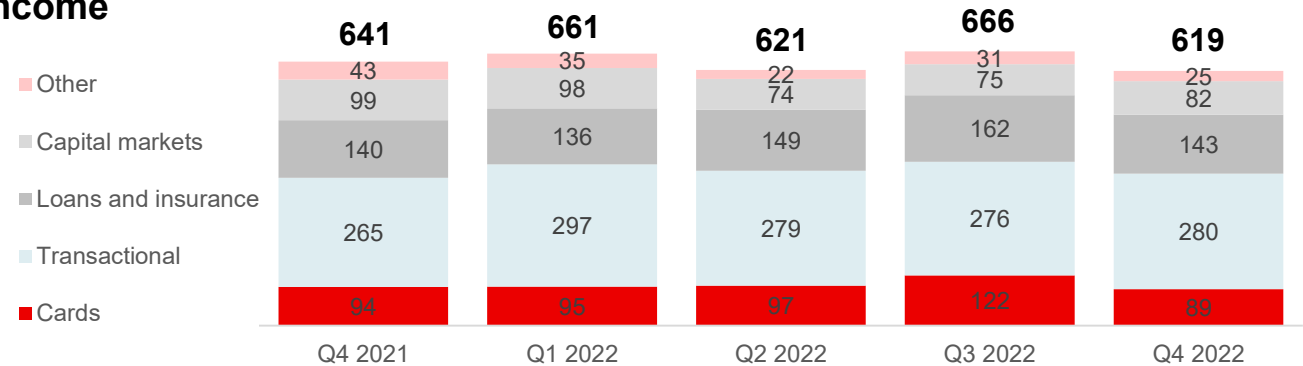
- Net commission income increased by 3% YoY and decreased by 7% QoQ.
- On annual basis good results in fx (+27%), in debit cards (+12%), debit card fees (+16%) and in insurance fees (+9%).
- On a quarterly basis, growth in fx fees (+5%), brokerage fees (+9%) and a decrease in loan commissions due to lower demand for loans at higher interest rates.
- Increase of SCB fee and commission income vs. the previous quarter by 21%. Decrease of the result on annual basis by 9% mainly under the credit cards line.

Net fee and commission income of SCB Group*

PLN 120m (2022)
PLN 132m (2021)

Net fee and commission income

PLN m



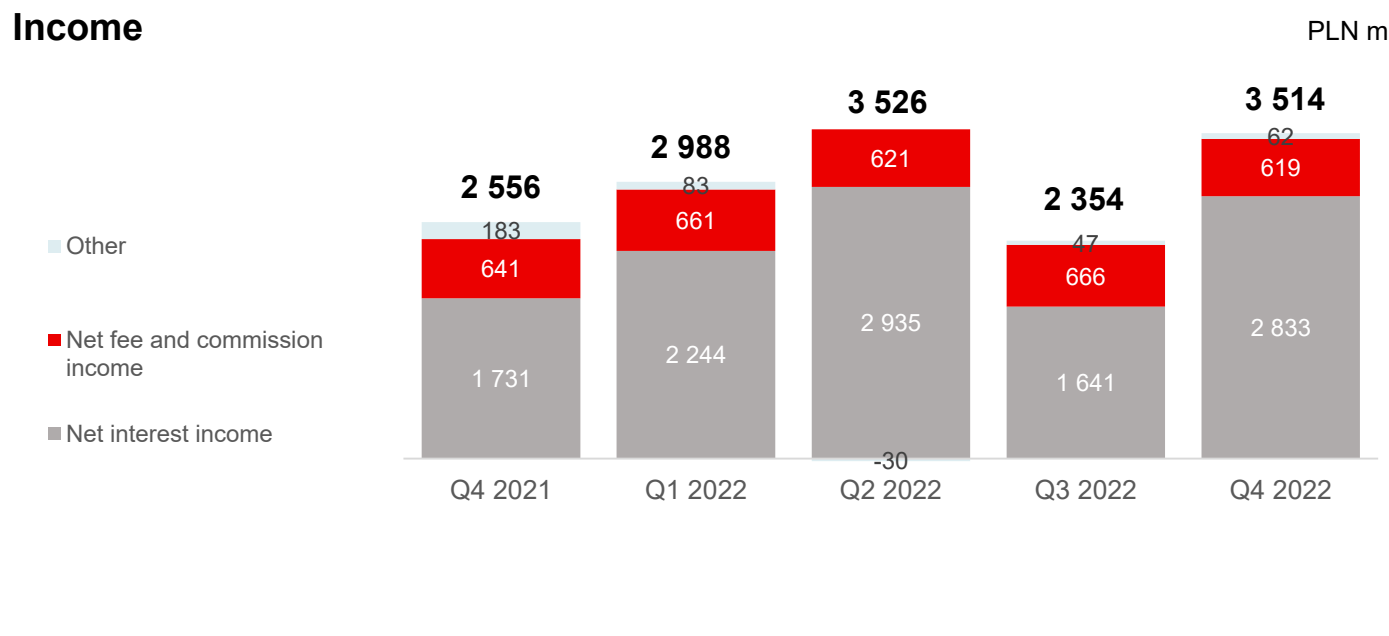
Net fee and commission income

| | 2022 | 2021 | YoY (%) | QoQ (%) |
|-------------------|--------------|--------------|-----------|------------|
| PLN m | | | | |
| Cards | 403 | 384 | 5% | -27% |
| Transactional | 1 132 | 965 | 17% | 1% |
| Loans + insurance | 589 | 542 | 9% | -12% |
| Capital markets* | 329 | 411 | -20% | 9% |
| Other | 114 | 185 | -38% | -15% |
| Total | 2 566 | 2 487 | 3% | -7% |

Income

Comment

- The Group's total income in 2022 amounted to PLN 12,382m and increased by 35% compared to the same period of 2021. Excluding the impact of booking credit holidays, total income increased by 52% y/y and in Q4 2022 remained at the same level as in Q3 2022.
- Higher interest income due to interest rate hikes, sound growth in fee and commission income.
- Lower other operating income given the situation on the financial markets, with trading and revaluation impacted by rising bond yields and IRS spreads and pressure on the zloty.
- Change in the fair value of VISA Inc. shares by PLN -3m in 2022 (in 2021 PLN +2m) recognised under gains on other financial instruments. Impact of the sale of Visa Inc. shares series A in 2021 totalled PLN 8m.
- Dividend income decreased by 91% vs 2021 due to sale of companies from Aviva Group. In 2021 the dividend income from these companies stood at PLN 96m.



| PLN m | 2022 | 2021 | YoY (%) | QoQ (%) |
|---------------------------------------|---------------|--------------|------------|------------|
| Net interest income | 9 652 | 5 962 | 62% | 73% |
| Net fee and commission income | 2 566 | 2 487 | 3% | -7% |
| Total | 12 219 | 8 449 | 45% | 50% |
| Gains/ losses on financing activities | 104 | 363 | -71% | 193% |
| Dividends | 11 | 113 | -91% | -72% |
| Other income items | 48 | 217 | -78% | -192% |
| Total income | 12 382 | 9 142 | 35% | 49% |

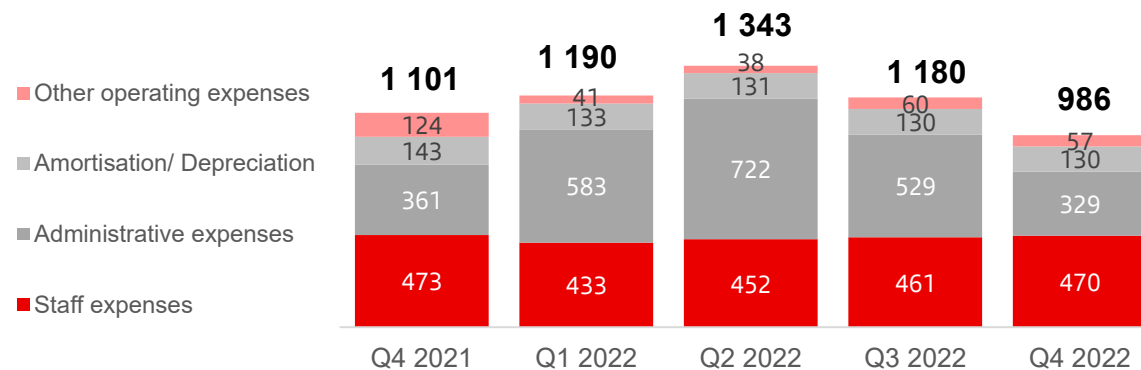
Operating expenses

Comment

- Total costs in 2022 driven by regulatory levies (BFG, IPS and BSF). This category of costs increased by 237% YoY.
- Excluding the above-mentioned items total costs would have increased by 2% and administrative expenses - by 5% YoY mainly due to inflation, IT costs and more intensive marketing activities.
- Staff costs increased by 7% YoY driven by salary increases (in Q4 2021 and in September 2022), and by 2% compared to the previous quarter.
- In SCB, operating costs in 2022 totalled PLN 476m, -6%YoY and -5% compared to Q3 2022. SCB employee costs -1% YoY. Administrative expenses -13% vs. 2021.
- Group C/I ratio at 37.9% in 2022 compared to 43.6% in 2021.

Operating expenses

PLN m



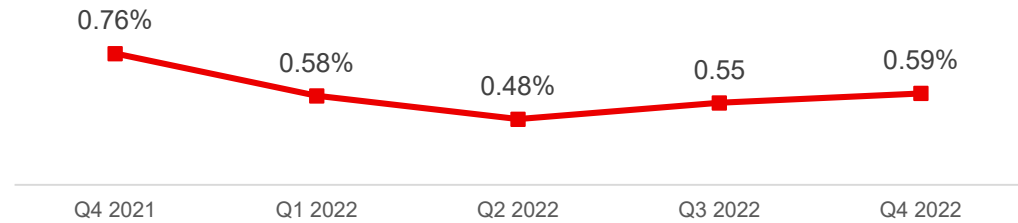
| PLN m | 2022 | 2021 | YoY (%) | QoQ (%) |
|-----------------------------------|----------------|----------------|------------|-------------|
| Administrative and staff expenses | (3 977) | (3 172) | 25% | -19% |
| <i>Staff expenses</i> | (1 816) | (1 694) | 7% | 2% |
| <i>Administrative expenses</i> | (2 162) | (1 478) | 46% | -38% |
| Amortisation/depreciation + other | (720) | (816) | -12% | -2% |
| Total costs | (4 698) | (3 988) | 18% | -16% |

Underlying total costs* (3 814) (3 725) 2.4%

* On a comparative basis, i.e. excluding from the cost base for 2022: IPS costs PLN 446m, BFG costs PLN 265m and Borrowers Support Fund PLN 174m and from 2021: BFG costs PLN 263m.

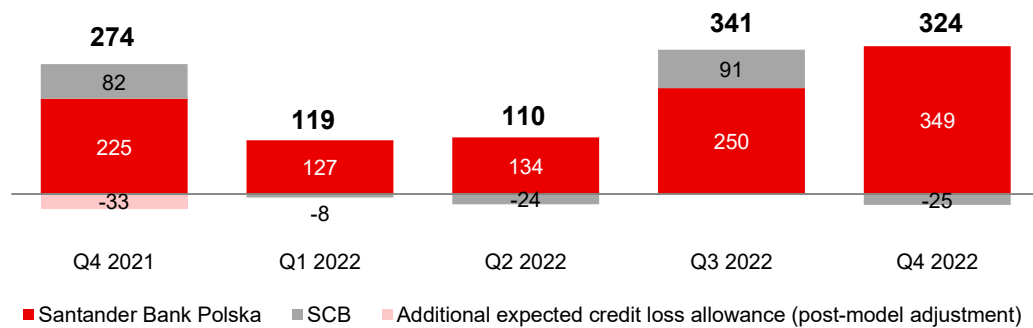
Provisions and credit portfolio quality

Cost of credit

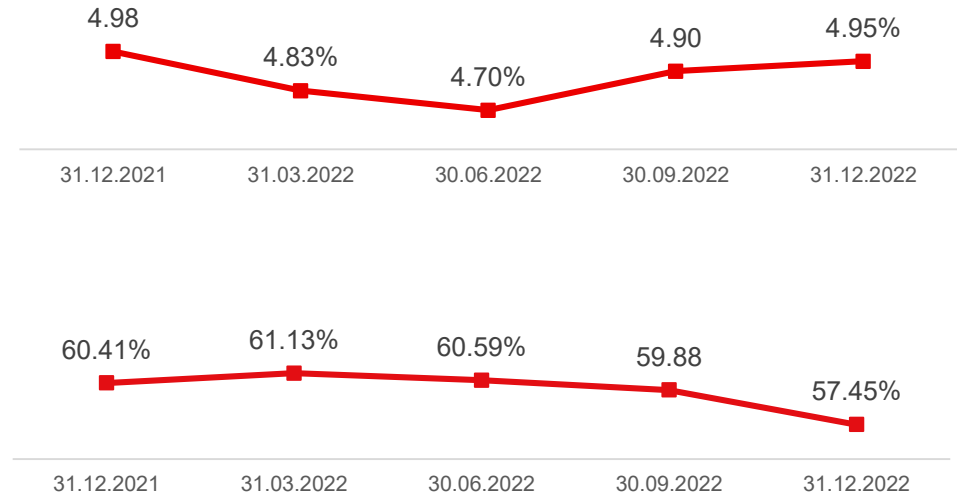


Balance of provisions

PLN m



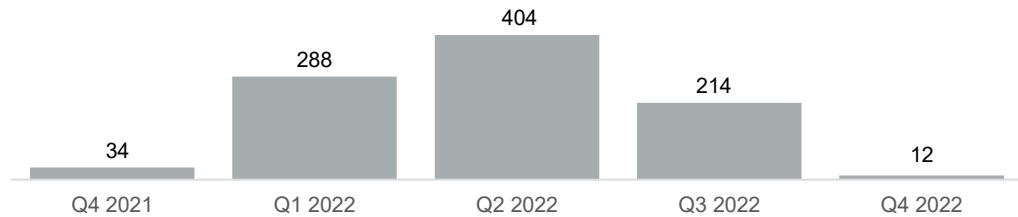
NPL and NPL coverage ratio



Including POCI – purchased or originated credit-impaired asset.

Banking tax and regulatory costs

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



Resolution fund*:

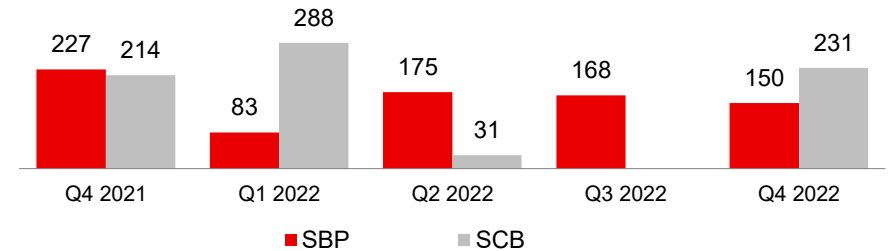
- 2021: SBP PLN 135m, SCB PLN 19m
- 2022: SBP PLN 192m, SCB PLN 17m

Banking tax

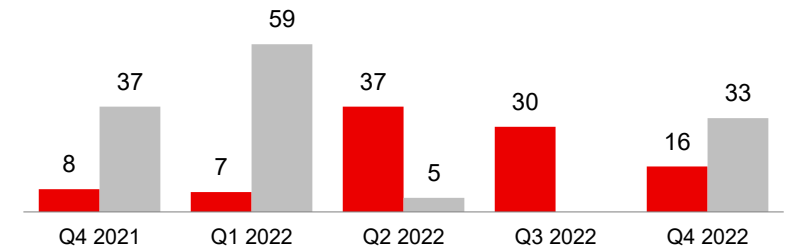
Pursuant to the Act of 1 February 2016 on tax imposed on certain financial institutions, bank assets are subject to a tax of 0.0366% per month. In 2022, the total tax charged to Santander Bank Polska S.A. and SCB S.A. in this respect was PLN 781m (PLN 752m and PLN 29m, respectively).

NPL sales

NPL sales PLN m



Impact of NPL sales on PBT PLN m



SBP 2022: NPL sales: PLN 576m, impact on PBT: PLN 90m
SCB 2022: NPL sales: PLN 550m, impact on PBT: PLN 96m

Results for 2022

Comment

- In 2022, interest income and net commission income increased by 45% compared to 2021.
- Total costs influenced by growing regulatory costs, inflation and adjustments in employee costs. Continued focus on cost-effectiveness. On a comparative basis costs* increased by 2.4%.
- Net profit in 2022 of PLN 2.8bn.
- Effective tax rate influenced by regulatory costs and legal risk costs attached to foreign currency mortgage loans.

Results for 2022

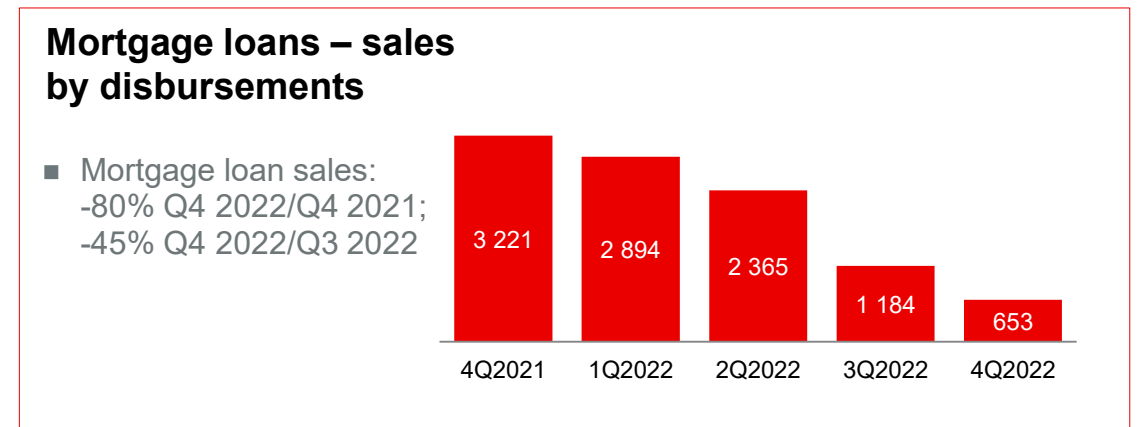
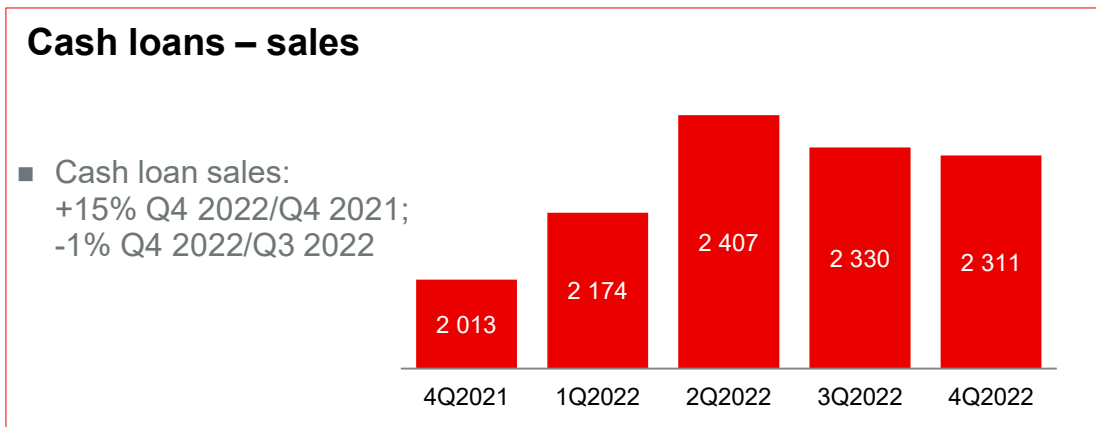
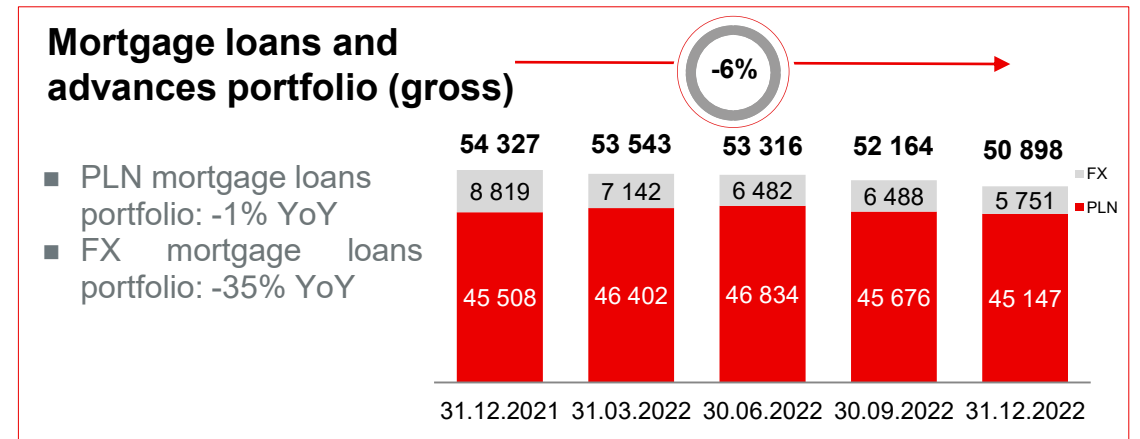
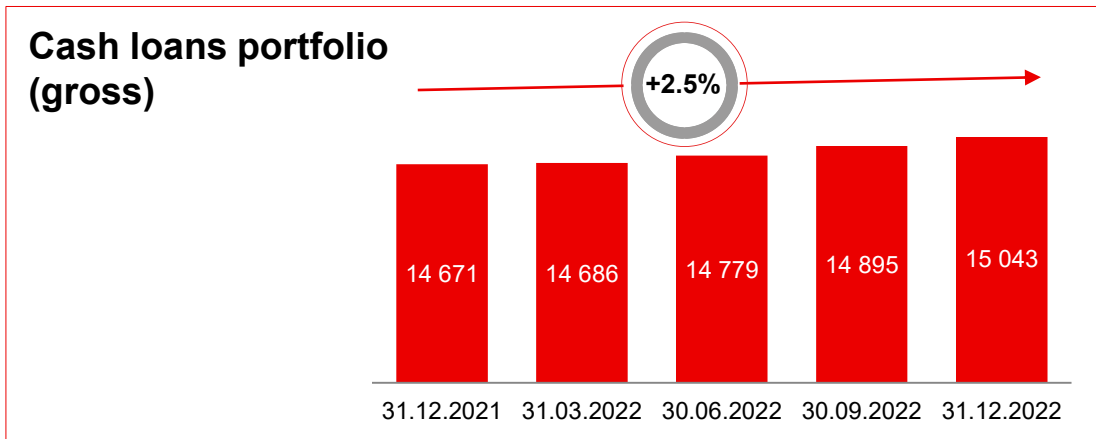
| PLN m | 2022 | 2021 | % YoY |
|--|--------------|--------------|-------------|
| Net interest and fee income | 12 219 | 8 449 | 45% |
| Gross income | 12 382 | 9 142 | 35% |
| Total costs | -4 698 | -3 988 | 18% |
| Credit impairment allowances | -895 | -1 124 | -20% |
| Cost of legal risk associated with foreign currency mortgage loans | -1 739 | -1 431 | 22% |
| Tax on financial institutions | -781 | -614 | 27% |
| PBT | 4 353 | 2 058 | 112% |
| Income tax | -1 344 | -805 | 67% |
| Profit attributable to shareholders of Santander Bank Polska S.A. | 2 799 | 1 112 | 152% |
| Effective tax rate | 30.9% | 39.1% | |

Attachments

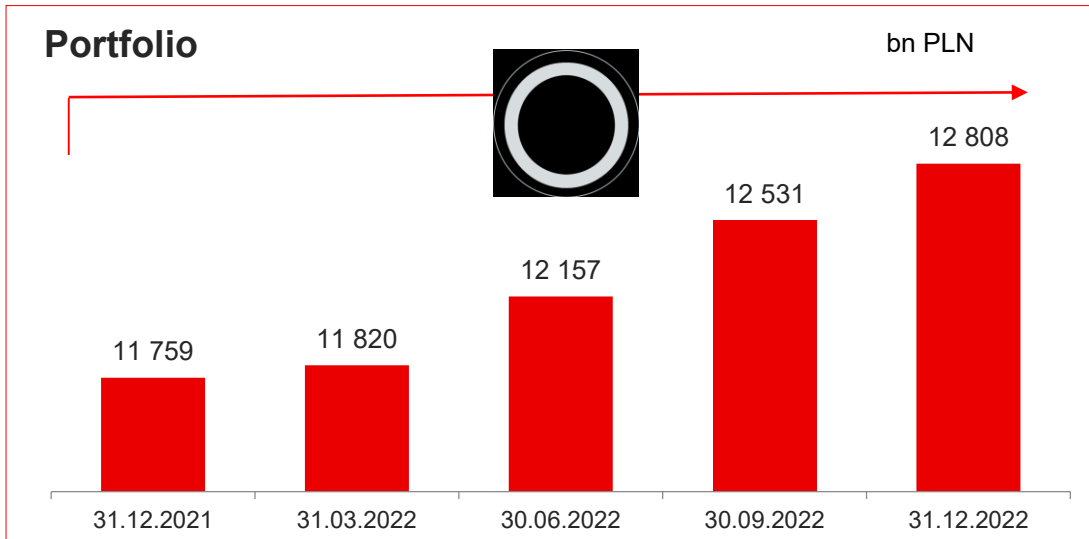
05

Retail Banking - growth in lending activity

PLN m



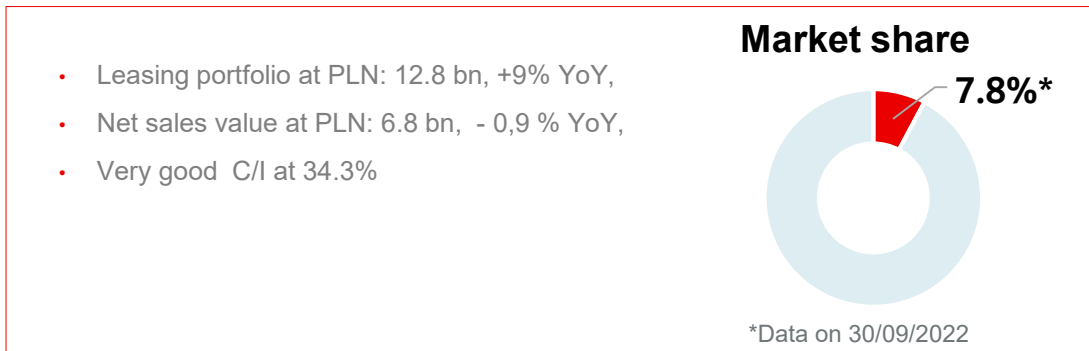
Santander Leasing



Santander Leasing constantly supports eco-transformation and green investments, with extended financing worth PLN 790 million in 2022. The company joined the programme of government subsidies for zero-emission cars - My electric car, and ended the year with the financing dynamics of these vehicles 114% YoY. In turn, in the financing of photovoltaic panels, the dynamics was 89% YoY.



Santander Leasing was the first in the industry to introduce a biometric signature. Customers can sign a leasing contract on the screen of a leasing advisor and receive documents in electronic form. This option is already used by almost 70% of customers, and the percentage of all contracts concluded digitally is almost 90%.



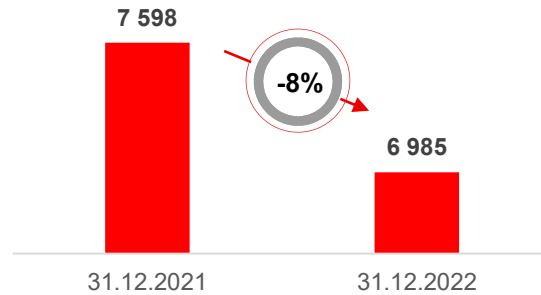
For the third year in a row, Santander Leasing enjoys the greatest trust among entrepreneurs and was awarded the title of the **Trusted Brand** in the leasing category. With the votes of the owners and management of small and medium-sized enterprises, it outperformed other competitors on the market by more than 2 times.



Santander Factoring

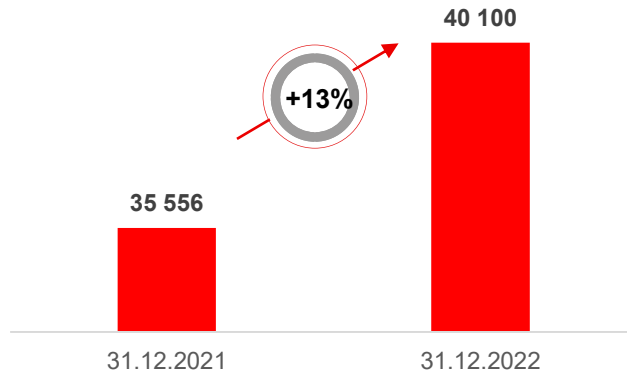
Portfolio

PLNm

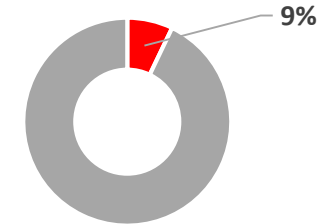


Turnover

PLNm

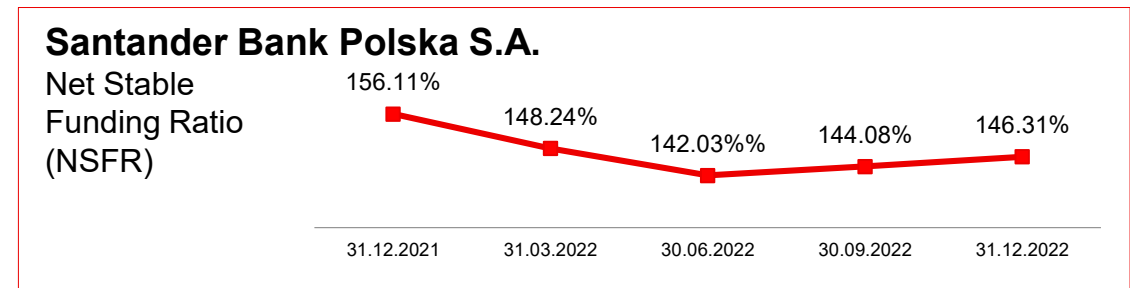
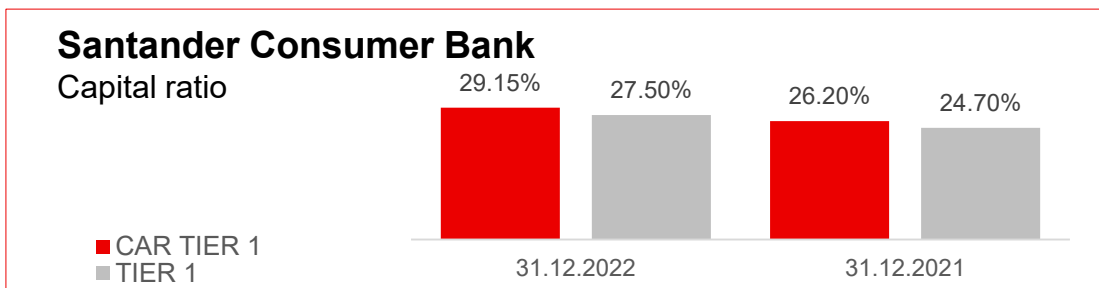
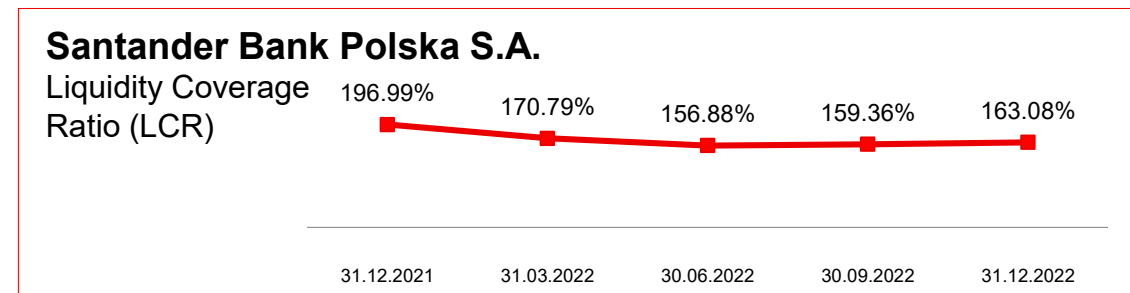
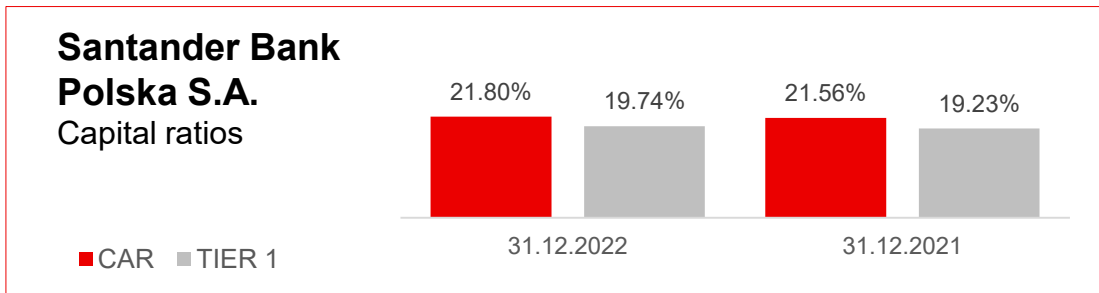
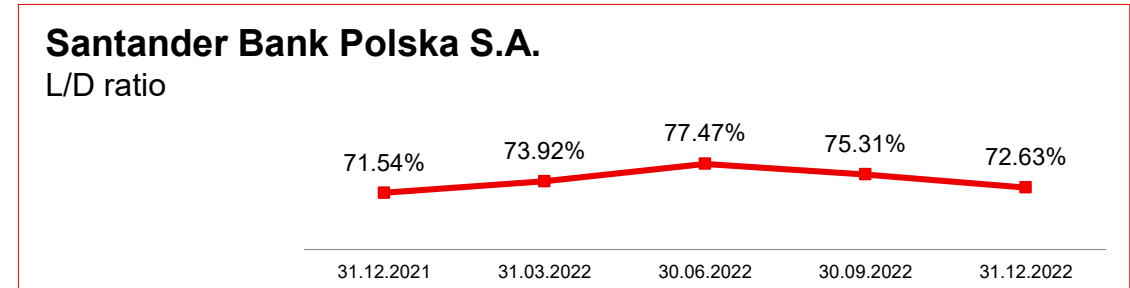
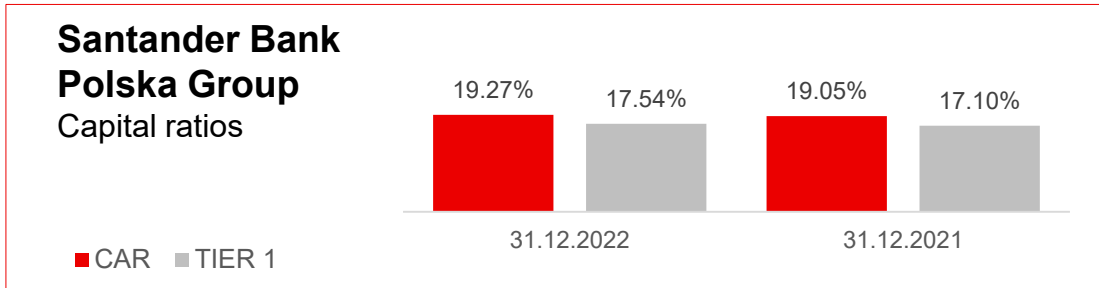


Market Share




- In Q4 2022, Santander Factoring achieved second position on the market in terms of the balance sheet, reporting 8% YoY decline in balances.
- Santander Factoring also maintains its first position in payables financing (up 2% YoY and 21% market share).
- After Q4 2022, the Polish factoring market recorded a growth of 27% YoY.
- Santander Factoring continues its cooperation with BGK within a new program under the Crisis Guarantee Fund.

Capital and liquidity position




Further embedding ESG to build a more responsible bank



Environmental: supporting the green transition

| | |
|--------------------------------------|--|
| PLN 1,433m green buildings | PLN 1,154m RES ¹ Financing |
| PLN 2,668m green finance | 6,142 customers received green financing |
| 83% electricity from RES | PLN 459.5m ESG-linked loan |



Social: building a more inclusive society

| | |
|---|--|
| Euromoney Market Leader In CSR and D&I ² | Bank of the Year For Financial Inclusion by the Banker |
| >PLN 5.3m raised for Ukrainian Aid | >490k People helped |
| >650k financially empowered people 2019-H1'22 | 34.7% women in senior positions |



Governance: doing business the right way

| | |
|--|---|
| 2021 ESG Report³ Grand prize in the Polish Sustainability reports competition | ESG mandatory training >96% employees trained |
| ESG Ratings Improvement in Sustainalytics (Medium-Low), MSCI (A-AA), CSA (34-46) | |
| >50% independent directors | 41% women on supervisory board |

Note: 2022 data, unless otherwise stated

- (1) Renewable energy sources
- (2) Diversity & Inclusion
- (3) For more information see <https://esg.santander.pl/2021/en/>.

Key financial ratios

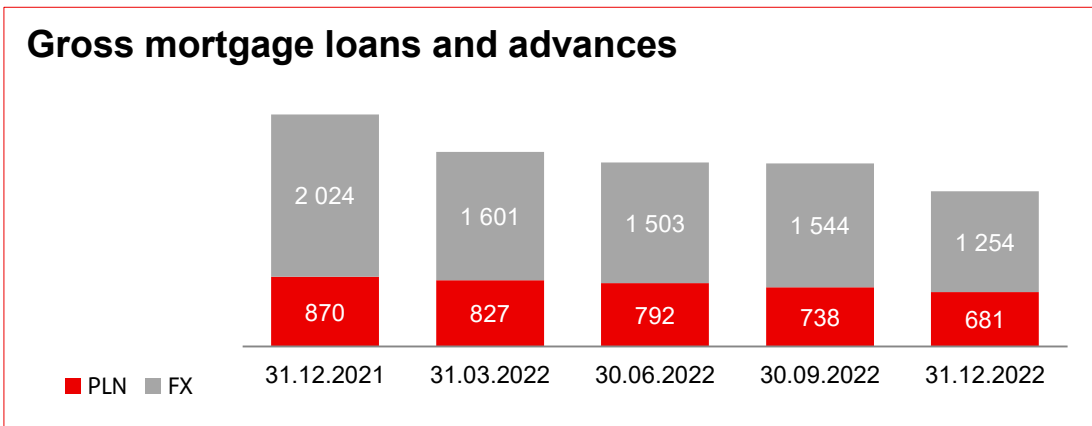
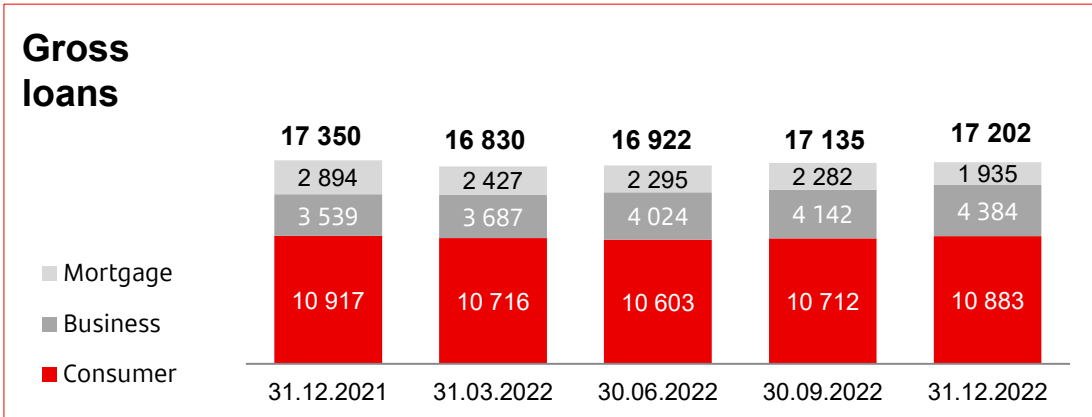
2022 - Santander Bank Polska Group

| Selected financial ratios of Santander Bank Polska Group | 2022 | 2021 |
|--|--------|--------|
| Cost/ income | 37.9% | 43.6% |
| Net interest income/ total income | 78,0% | 65.2% |
| Net interest margin ¹⁾ | 4.31% | 2.72% |
| Net fee and commission income/ total income | 20.7% | 27.2% |
| Net loans and advances to customers/ deposits from customers | 77.6% | 79,0% |
| NPL ratio ²⁾ | 4,95% | 5,01% |
| NPL provision coverage ratio ³⁾ | 57.5% | 60.8% |
| Costs of credit ⁴⁾ | 0.59% | 0.76% |
| ROE ⁵⁾ | 12.3% | 4.7% |
| ROTE ⁶⁾ | 12.8% | 5.3% |
| ROA ⁷⁾ | 1.1% | 0.5% |
| Total capital ratio ⁸⁾ | 19.27% | 19.05% |
| Tier 1 capital ratio ⁹⁾ | 17.54% | 17.1% |
| Book value per share (PLN) | 294.7 | 266.31 |
| Earnings per ordinary share (PLN) ¹⁰⁾ | 27.39 | 10.88 |

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

| | 31.12.2022 | 31.12.2021 | r/r (%) | kw/kw (%) |
|--------------------------|---------------|---------------|------------|-----------|
| Retail customers | 12 818 | 13 811 | -7% | 1% |
| Mortgage loans | 1 935 | 2 894 | -33% | -15% |
| Consumer finance | 10 883 | 10 917 | - | 2% |
| SME/ Leasing | 4 384 | 3 539 | 24% | 6% |
| Total gross loans | 17 202 | 17 350 | -1% | - |

- Total loans: stable YoY:
- Mortgage loans: -33% YoY
- CHF mortgage loans: -42% YoY (approx. – CHF 923m)
- Consumer finance: no change YoY
- Business loans: +24% YoY

Santander Consumer Bank Group

Key financial results for 2022

| PLN m | 2022 | 2021 |
|--------------|--------|--------|
| Assets | 20 317 | 20 488 |
| Net loans | 15 634 | 15 515 |
| Deposits | 10 350 | 9 283 |
| Total equity | 4 266 | 3 822 |
| PAT | 408 | 183 |
| L/D (%) | 151.1% | 167.1% |
| C/I (%)* | 57.8% | 60.3% |
| ROE (%) | 10.1% | 4.8% |
| ROA (%) | 2.0% | 0.9% |
| TCR (%)** | 29.1% | 26.2% |

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
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