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COMPANY PROFILE: Santander Bank Polska S.A.

AMCHAM.PL QUARTERLY IS A VOICE FOR FOREIGN INVESTORS AND THE AMERICAN BUSINESS COMMUNITY IN POLAND. IT STRIVES TO KEEP READERS UP TO DATE WITH AMCHAM NEWS AS WELL AS LEADING TRENDS IN BUSINESS AND POLICY.

THE MAGAZINE ALSO PROMOTES AMCHAM MEMBER COMPANIES.

IN THIS DISPATCH WE PRESENT AN INTERVIEW WITH **MAGDALENA KUSA, INTERNATIONAL BUSINESS MANAGER AT SANTANDER BANK POLSKA S.A.,** A NEW MEMBER COMPANY, WHO TALKS ABOUT BANK'S BUSINESS GOALS AND AMBITIONS.

Company Profile **Santander Bank Polska S.A.**

STRIVING FOR PERFECTION

AmCham.pl Quarterly
Editor Tom Ćwiok talks
with **Magdalena Kusa,**
International Business
Manager at Santander
Bank Polska S.A., about
how the bank positions
itself on the Polish market.

What can you tell me about the company's history in Poland? What were the milestones in the bank's development in Poland?

The history of our bank dates back to 1988, the time of economic transformation in Poland. We were initially Bank Zachodni, and then, after the merger with Wielkopolski Bank Kredytowy in 1999, operated under the name Bank Zachodni WBK. Since 2011, the bank's main shareholder has been Banco Santander, the largest financial institution in the eurozone with over 150 years of experience. Its mission is to help people and businesses prosper in the spirit of its core values—Simple, Personal, Fair—and to become an institution that is increasingly committed to social responsibility.

Our primary goal has always been to help people and businesses prosper, so it was a natural step for us in 2018 to integrate even more closely with the Santander Group. Our goal was to offer our clients in Poland an even greater range of products and services with a global reach, exploiting the potential and opportunities that

Santander has in all the markets in which it operates. This is why 2018 was a landmark year in the history of the bank. We went through a re-branding and renaming and became Santander Bank Poland. We have been appreciated for our efficient re-branding and communication activities, which have been recognized as a market model for other brands wishing to make similar changes in the future.

Today, Santander Bank Polska S.A. Group is one of the largest financial groups and the largest bank with private capital in Poland. We offer financial solutions for individuals, micro, small and medium-sized enterprises, and Polish and international corporations. The bank has one of the largest networks of branches and partner outlets in Poland and provides services through electronic access channels, including mobile banking. It is one of the market leaders in the use of modern technologies in banking services, consistently building its brand in accordance with the strategic goal of becoming the best bank for the client.

What is driving the development of the banking and financial services sector in Poland?

In addition to technological progress, the process of continuous changes in our industry is also driven by customer expectations and developments in the



regulatory environment, including growing burdens imposed on banks—capital, liquidity, technology—and increasingly strong consumer protection mechanisms, generating costs for financial institutions. Fintech's activity increases competition on the market and mobilizes for continuous improvement of products and processes. Increasing information needs of the banks themselves, as well as of supervisors and central banks, force changes in technology. The economic situation and decisions made by customers are of great importance too. Today's world and the challenges posed by the pandemic testify to the importance of focusing on the customer and understanding their needs,

flexibility, and conducting business responsibly while caring for others. Being a large financial institution, we have always been prepared to respond to the changing needs of customers and the world. This is an integral part of our approach to doing

business. It is one of the reasons the mechanisms developed so far, also within the Santander Group structure, and allows us to share our resources with others. During these unexpected changes and transformations, leaders must strive to balance short- and long-term goals. Despite many studies and forecasts, today, we are not sure what our reality will be like in the coming period. We need to prepare for different scenarios and be ready for the next, unforeseen changes. The pandemic has accelerated the race for new digital solutions

and innovations, but at the same time, we must be able to create a vision of the future and set new trends.

What can you tell me about Santander's corporate culture?

Simple, Personal, Fair values guide all our actions. We believe that ideas are not enough to build a culture based on ethics. That is why we care about education and undertake a number of initiatives to broaden the knowledge of our employees and customers about the products we offer and social issues. Activities aimed at employees make Santander Bank Polska a good place to work and contribute to the achievement of the 2015-2030 UN Sustainable Development Goals, which

we particularly care about in our relations with employees. We are oriented towards cooperation, a culture of dialogue, and bottom-up initiatives, with respect for diversity and care for the natural environment.

Responsible banking means, for us, taking into account the broader and long-term context of our activities. That is why we want to be part of an environment in which growth is inclusive and sustainable. We are a strategic partner of the Responsible Business Forum and joined the Partnership for the Implementation of Sustainable Development Goals (SDGs). We aim to be an initiator of activities bringing us all closer to achieving these goals. We listen carefully to the needs and opinions of our social and business partners, who expect us to be effective in doing business and to engage in market, social, educational, and other current issues of importance to the communities. To this end, the Santander Group has committed itself, among other things, to spending more than EUR 120 billion between 2019 and 2025 to finance investments and environmental solutions and to increase access to banking products and services for more than 10 million people over the same period. We consider it our duty to take responsibility for our impact on the environment and our stakeholders, because only with such an approach can we achieve sustainable, stable growth and create economic and social values.

How has the Covid-19 pandemic impacted the banks' business development and operations? What steps have been taken to ensure that the bank can function in the new reality?

The Covid-19 pandemic came unexpectedly and now poses an unprecedented challenge not only for banks, but also for all sectors of the economy. Financial resilience and business models adopted have been put to the test. In a short period of time, we had to revise and adapt our operating procedures to the current situation and needs of our customers or partners. We have smoothly switched to the mode of remote operations and service and reorganized our activities. We are still watching the situation closely and trying to anticipate what might happen in the future. Digital development is certainly an area that has always been at the center of interest in the banking sector, but nowadays, it

particularly deserves attention and a new approach. The majority of society has transitioned to remote mode.

Trends such as the touch-free economy have been strengthened. Some have, as far as possible, completely transferred their activities to the digital world. Customers are increasingly opting for online or mobile banking so that this area will require further transformation and better adaptation to today's world.

We focus on aid packages, on ensuring the safety of our employees, on digitizing and adapting our products and services to the changes in our immediate environment and, more broadly, on changes taking place in the society. Such activities have always been inscribed in our DNA. We actively participate in the implementation of many initiatives proposed by government institutions and launch our own projects. First of all, we extended companies the opportunity to apply for a grace period in the repayment of loan principal installments, the so-called credit holidays, as well as for a grace period in factoring and leasing payments under concluded agreements. Holders of overdraft facilities were allowed to postpone repayment for at least another two months. Customers can also avail themselves of loans with de minimis guarantees covering up to 80 percent of the total financing value and BGK's Liquidity Guarantee Fund for the largest enterprises. We have streamlined remote solutions so that customers can bank from home safely and conveniently.

Thanks to our donations and organized fundraisers, we have donated over PLN 5 million together with our customers to help hospitals in need. Thanks to our educational activities, customers were provided with answers to many questions concerning, among others, government aid solutions, financial assistance available for entrepreneurs, and remote accounting services from a dedicated helpline. We also launched a special website called RazemPomagamy.pl, where customers can find interesting information and advice regarding the pandemic. Moreover, as one of the world's largest institutions, the Santander Group donated EUR 100 million to fight the effects of the pandemic. These are just some examples of the initiatives we have taken. We are still watching closely, analyzing the coronavirus situation, and working on fur-

ther solutions for our customers. We are an institution that has an impact on shaping the "new normal," and we will do our best to make sure it is good for our clients and society as a whole.

What is the bank's involvement in corporate social responsibility?

As the largest private bank in Poland and belonging to an international group, we feel responsible for all of society when deciding how to use our financial potential. We want to contribute to overcoming the great challenges facing society, Poland, and the world. This is part of our strategy, which is based largely on the sustainable development goals that identify the most important and pressing problems needing to be addressed.

We pursue the principle of sustainable growth by supporting environmentally friendly solutions, sustainable and green financing, and supporting the transformation of the Polish energy sector into a low-carbon model.

Joining the pact for the sustainable use of plastics, issuing green bonds, and granting loans and leases supporting energy efficiency are just some of the numerous environmental initiatives that we have recently launched at Santander Bank Polska.

In 2019, we signed the first ESG-linked (Environmental, Social and Governance) loan agreement with Energa in Poland. Such an agreement is based on an assessment of the borrower's commitment to sustainable development to motivate companies to invest in ecological solutions.

We also adopted a package of five environmental and sectoral policies, including policies dedicated to climate and energy. These regulate, among other things, the terms of financing coal companies, the total reduction of exposure to coal mining by 2030 and prohibit new financing for coal mining. They also mandate the reduction of financing for existing coal-fired power plants and prohibit financing for new coal-fired power plant projects.

In June this year, Santander Bank Polska and mBank signed an agreement worth EUR 79 million to finance a solar power plant project. The financing will be used to build 128 solar power plants with a total capacity of 121 MWp, to be built in Poland in 2021. This transaction is the largest solar project financing in Poland so far.

We are continuing to improve the processes related to social, environ-

mental, and management risks. These risks play an increasingly important role from a business perspective, and the streamlining of processes will allow us to increase our involvement in the further development of Renewable Energy Sources in Poland, for example.

From the perspective of foreign investors, how do you evaluate Poland as a market for foreign investment?

Poland is still an attractive destination for foreign investments. With its skilled labor force (and labor costs still among the lowest in Europe), large consumer market, quickly growing productivity, and strategic location in the center of Europe and at the gate to Eastern markets, Poland is an interesting place to be for many multinational companies. In the last twenty years, Poland has been consistently building its position as a manufacturing hub for Europe and as a very strong business services hub. This trend continues and was recently confirmed by the announcements that Microsoft and Google are going to invest in Poland USD 3 billion in the coming years in cloud computing services.

What may raise concerns of foreign investors is Poland's conservative government's policies, which are challenging the rule of law and the stability of the judiciary system. However, it seems that EU membership is an important anchor and ultimate guarantee for institutional stability and sound legal framework. From an investor's point of view, a desirable change in policy would be for much higher stability and predictability of regulations, including tax legislation.

What are the company's plans for 2020 and beyond?

At the heart of our business are our customers, and we are always adjusting to working with them, meeting their expectations, and helping them and their businesses to continue to prosper and grow. As Paweł Stamburski, Head of Product, Business & Corporate Banking at Santander, points out, "One of the ways to measure our customers' level of satisfaction is the Net Promoter Score. Our NPS grew by 13 points from just February to June. This clearly illustrates that our customers very much appreciate and value our support and work with them."