



Bank Zachodni WBK Group Results 1Q 2016

27th April 2016



Bank Zachodni WBK

 Grupa Santander

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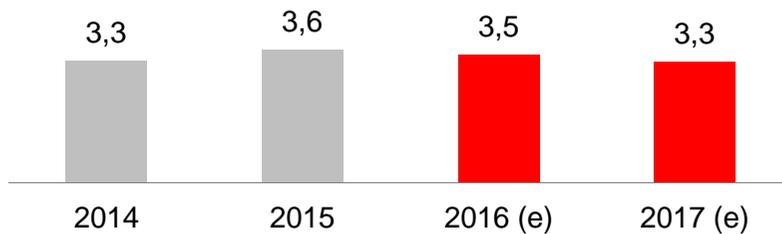
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- **Macro-economic environment and financial system**
- Strategy and business
- BZ WBK Group Results
- Appendix

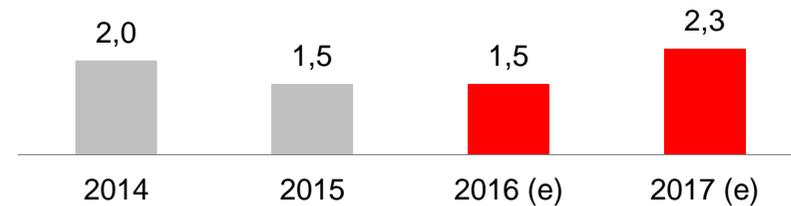
Macro-economic environment

Stable economic growth, very low inflation

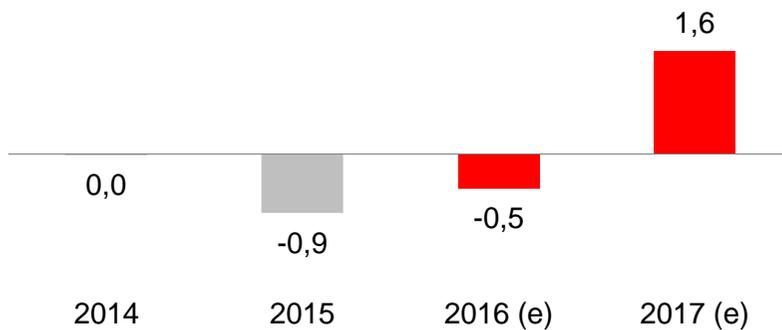
Annual GDP Growth (%. real)



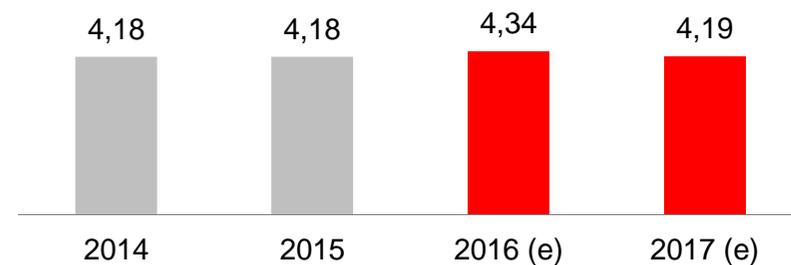
Central Bank monetary policy (%)



Inflation (annual change. %)



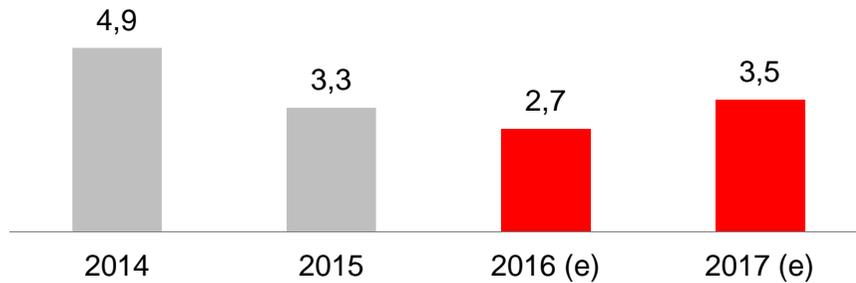
Average exchange rate (EUR/PLN)



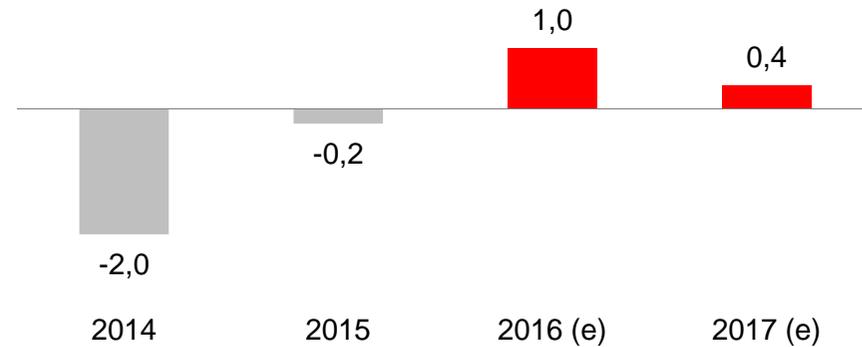
Macro-economic environment

Strong domestic demand, record low unemployment

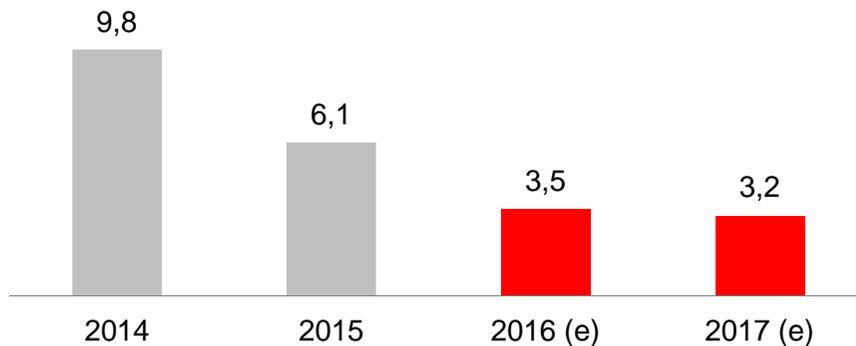
Internal Demand (YoY growth. %)



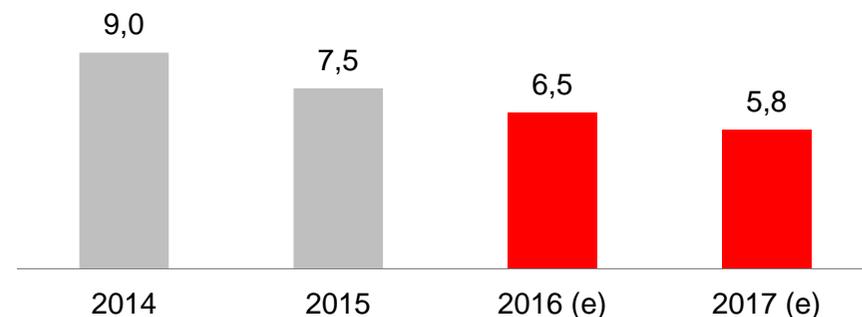
Current account balance (% GDP)



Investment (YoY growth. %)



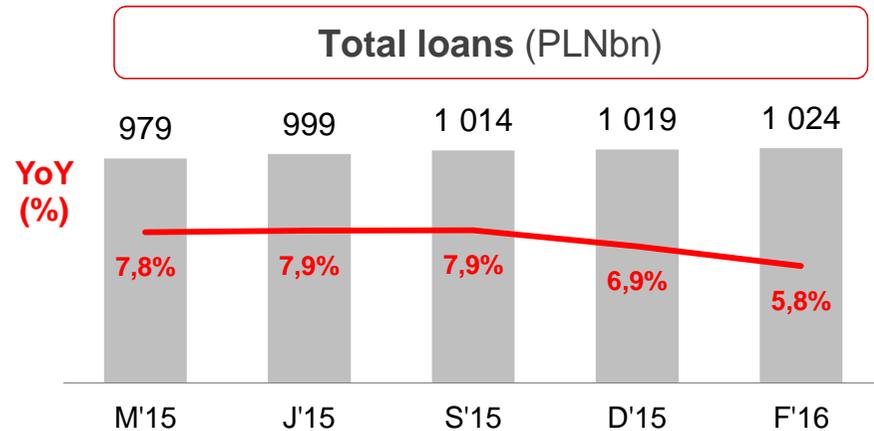
Unemployment (yearly average. %)



Source: GUS, NBP, BZ WBK

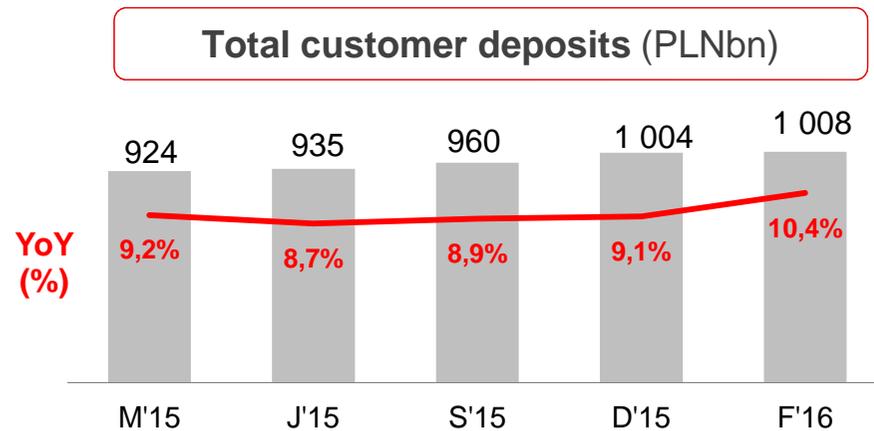
Financial system: Loan and deposit growth

Solid growth in loans and deposits



- Healthy growth of investment loans (c.12% y/y), Consumer loans (c.8% y/y) and steady growth in Mortgage credit (c.2.5% y/y).

- Introduction of bank tax potentially may lower loan growth to 5% in the coming quarters, despite solid economic environment.



- Deposit growth accelerating, mainly due to corporate deposits at c. 12% y/y; individuals' deposit growth steady at c. 10% y/y.

- Deposits are expected to grow by 10% in 2016.

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Overview

Poland's Number 3 Bank

	31.03.2016	YoY
Business and Results		
<i>PLN</i>		
Gross Loans	103bn.	10%
Deposits	102bn.	11%
Total customer funds	115bn.	8%
Market Share*		
Loans	10.0%	
Deposits	10.1%	
Network and Employees		
	BZ WBK	SCB
Branches	700	167
ATM's	1,711	-
Employees	11.5k	2.6k

- 
- No.3 bank by total assets
 - 6.4MM customers**
 - 1.9MM digital customers

BZ WBK Strategy

To become the leading customer-centric bank

A customer-centric bank cares for its customers to achieve sustainable long-term relationships

We believe that a customer wants:

- A **simple** set of products, **fairly priced** and **right for me**, that are easily explained and understood
- Quick and error-free service through the channel of my choice
- Recognition that I'm an individual, with my own needs, whose relationship you value

BZ WBK as a customer-centric bank wants to be:

Simple

Personal

Fair

Our strategy encompasses both elements critical to customer-centricity

Business and operational improvement

Cultural change

Market leading business and financial performance

Creating a bank that is **Simple | Personal | Fair**

Key Highlights

Business Development

- 1Q 2016 Net Interest Margin at 3.59%; 3bps lower than 4Q 2015.
- Net F&C +3% YoY - good quarterly performance in loan and insurance fees.
- 1Q 2016 ALM Gains of PLN 39m (PLN 188m in Q1 2015).

Resilient Profit Generation

- Gross Income stable YoY (excl. one-off income from revised bancassurance model in 1Q 2015).
- Core Income +6% YoY.
- Credit loss ratio at 74bps / PLN 134m. NPL ratio at 7.0%
- Cost to income ratio at 46.8% in 1Q 2016.

Balance Sheet Development

- Increase in Retail, SME and Corporate YoY activity (excl. SCB,): Cash loans +8%, PLN Mortgage loans +21%, SME +12% and Corporate/ Property/GCB +15%.
- SCB Consumer Loans +10% YoY
- Loans +10% YoY / Deposits +11% YoY
- Loan to deposit ratio at 95.4% (BZ WBK at 89.2%)

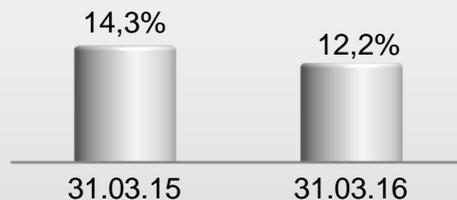
Key Developments

- Merger of BZ WBK Asset Management and BZ WBK TFI completed in 1Q 2016.
- Continuing increase in customer activity and product sales via digital channels.
- Ongoing development of the “Next Generation Bank” strategic programme

Key Ratios

High returns

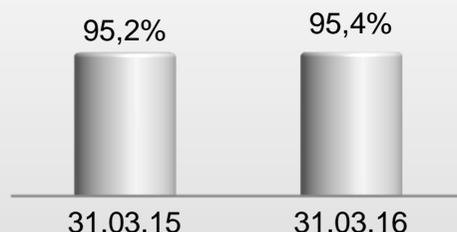
ROE



Leading ROE position in Peer Group

Strong liquidity position

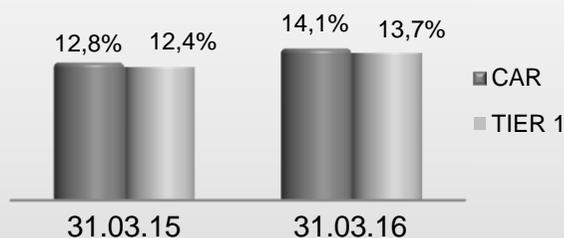
L/D ratio



Secure funding position with access to deposit market
BZ WBK standalone L/D at 89.2%

Strong capitalisation

Solvency



Capital position remains strong and meets requirements of Polish Financial Supervision Authority

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* ROE adjusted by integration costs, SK Wołomin bankruptcy and AVIVA one-off income

** The capital ratio is calculated based on own funds and total capital requirements established for individual risk types using a standardised approach, in line with the CRD IV/CRR package (the Capital Requirements Directive IV and Capital Requirements Regulation), which became effective on 1 January 2014 by virtue of the decision of the European Parliament and the European Banking Authority.

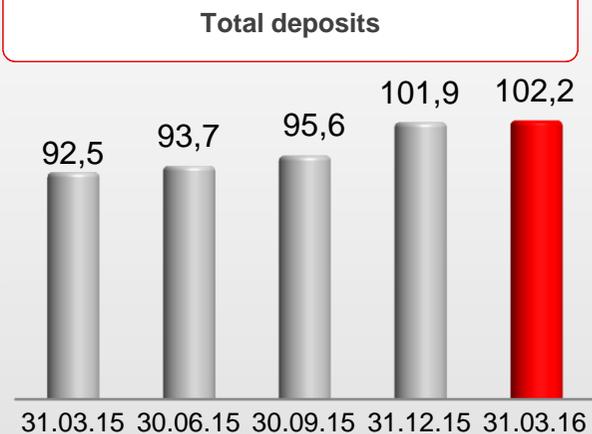
Bank Zachodni WBK

Grupa Santander

Loans/Deposits

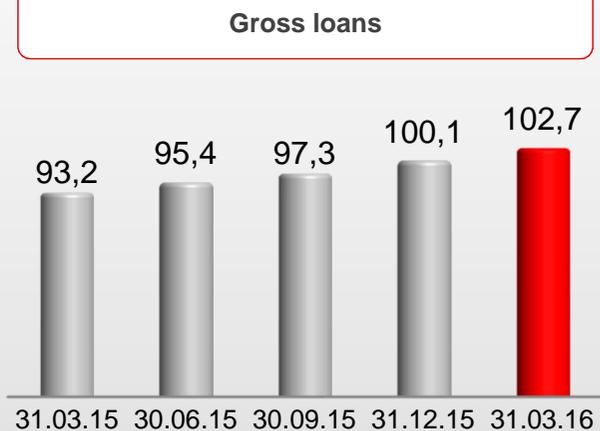
PLNbn

Total Deposits



Retail deposits +9% YoY
Business deposits +12% YoY

Gross Loans

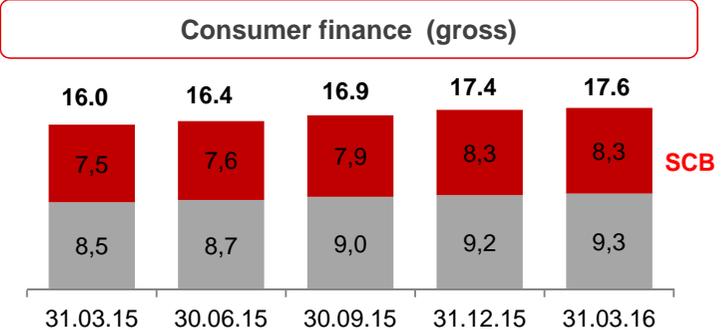


Personal loans +7% YoY
Business loans +14% YoY

Loans to Individuals and SME

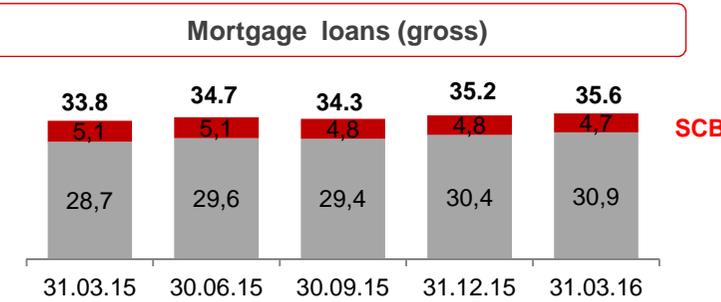
PLN bn

Consumer Finance



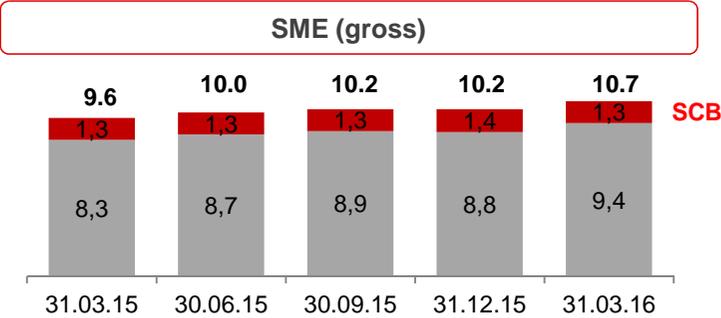
BZ WBK Consumer Finance +10% YoY
 SCB Consumer Finance +10% YoY

Mortgage loans



BZ WBK PLN Mortgages +21% YoY
 BZ WBK CHF Mortgages -7% YoY
 Closed SCB Mortgage Book
 CHF Mortgages -8% YoY

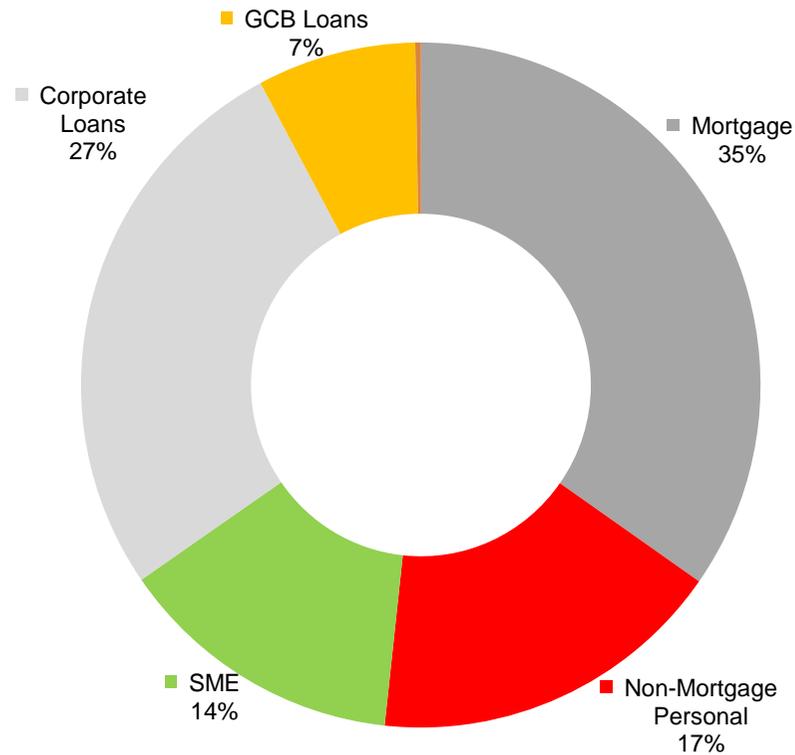
SME loans



Strong growth in portfolio
 +12% YoY (excl. SCB)
 Client activity increasing +15%

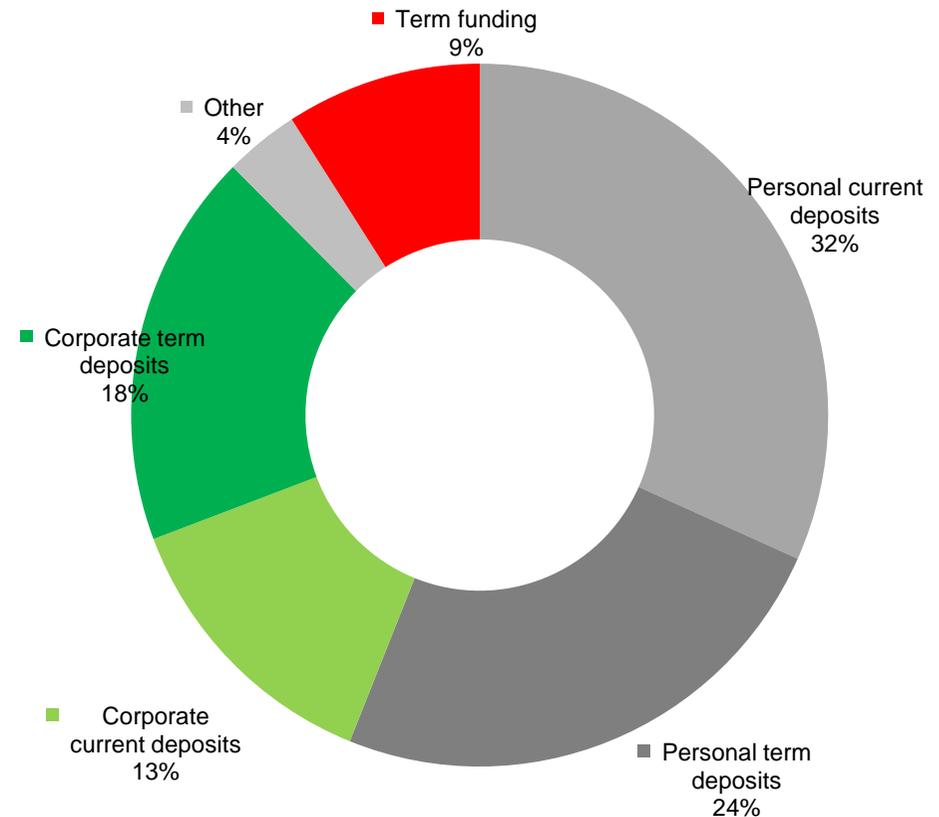
Structure of Loans and Deposits / Term Funding

Gross loans as of 31 March 2016



Total 103 bn PLN

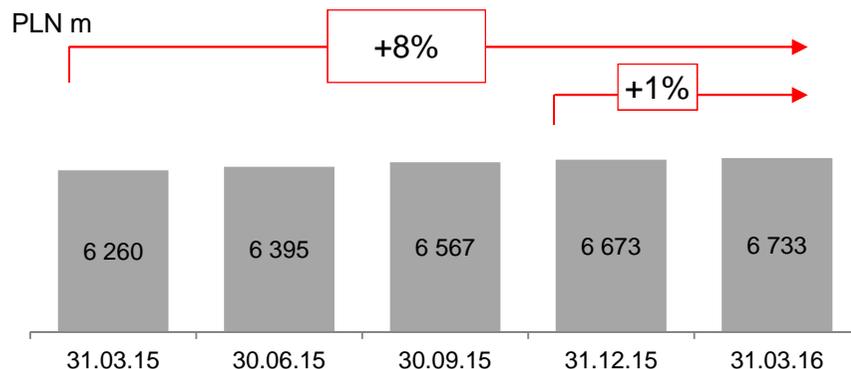
Deposits & term funding* as of 31 March 2016



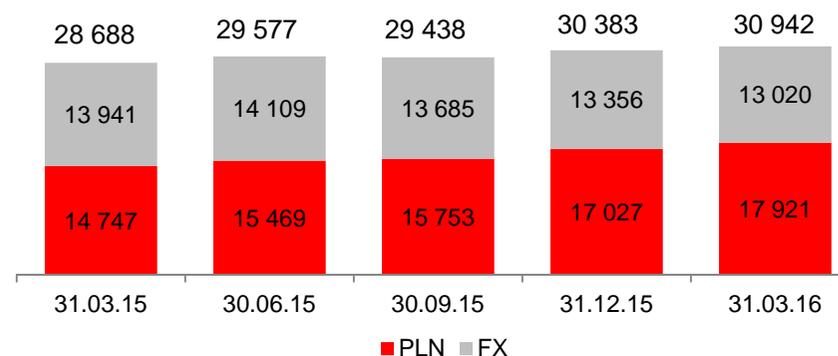
Total 109 bn PLN

Personal Lending (excluding SCB)

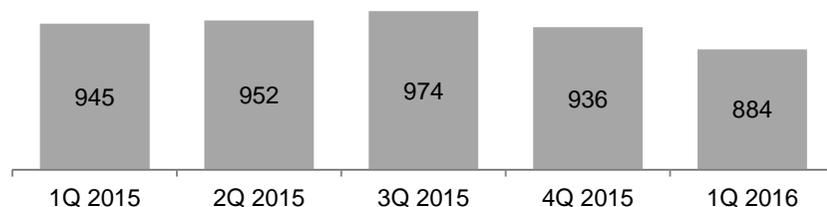
Cash Loans (gross)



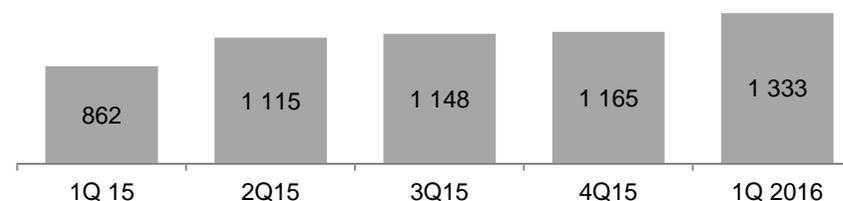
Mortgage Loans (gross)



Cash Loan Sales



Mortgage Loan Sales (by disbursement)



Comment

- Cash loan portfolio +8% YoY and +1% QoQ
- Cash loan sales -7% YoY
- New offer launched and strong campaign in Q2

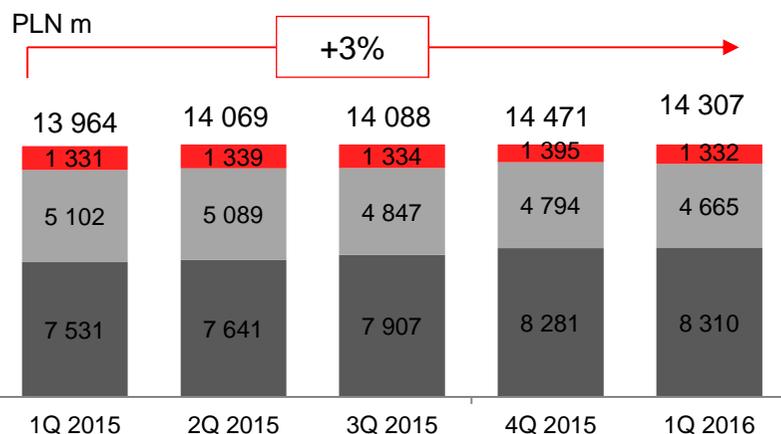
Comment

- PLN mortgage portfolio +21% YoY / Sales +55% YoY
- CHF mortgage portfolio -7% YoY (ca. CHF 265m)
- Strong market share* BZ WBK captured 15% of sales

SCB Group - Loan Performance

Gross Loans +3% YoY

Total gross loans



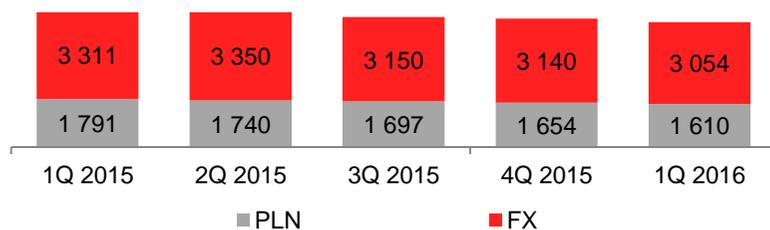
■ Business (Corporate, SMEs, Leasing) ■ Mortgage ■ Consumer finance

	Mar'16	Mar'15	YoY	QoQ
Individuals	12 975	12 633	3%	-1%
Mortgage	4 665	5 102	-9%	-3%
Consumer finance	8 310	7 531	10%	0%
Business	1 332	1 331	0%	-4%
Total gross loans	14 307	13 964	3%	-1%

Comment

- **Total gross loans: +3% YoY:**
 - Mortgage portfolio -9% YoY
 - CHF mortgage loans -8% YoY (ca. CHF 65m)
 - Consumer loans +10% YoY
 - Business loans stable YoY.

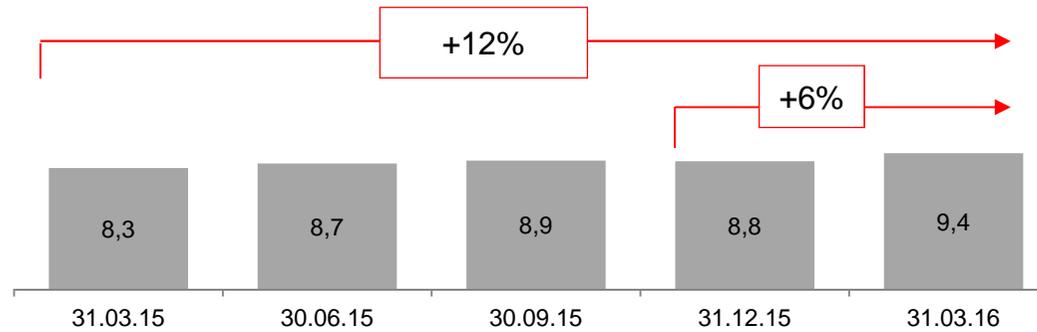
Gross mortgage portfolio



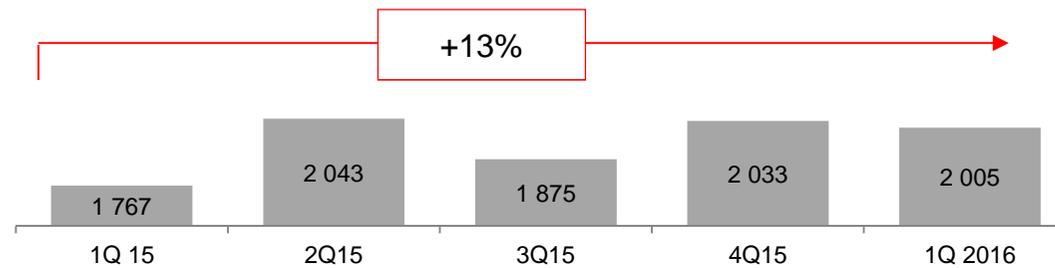
SME (excluding SCB)

SME Loans (gross)

PLN m



SME Loan Sales (by disbursement)



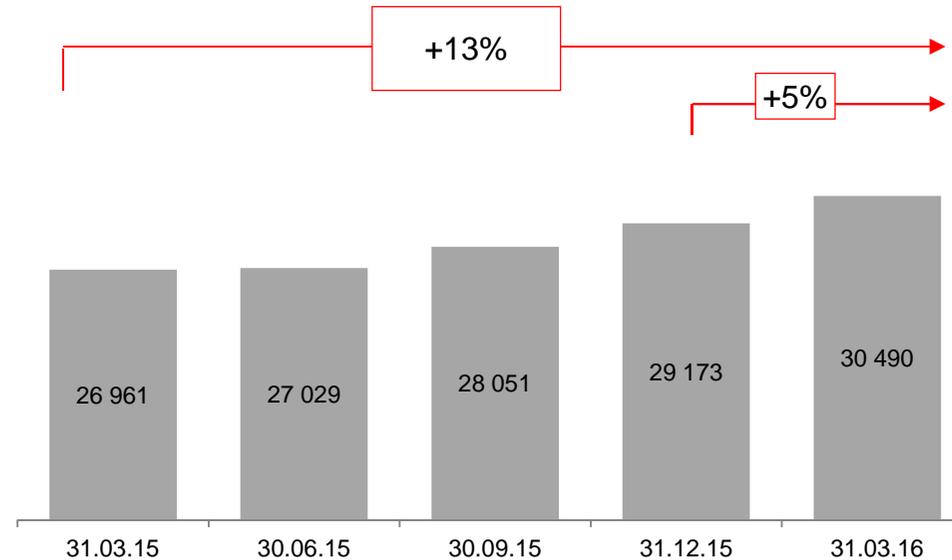
Comment

- SME portfolio (excl. SCB) increased by 12% YoY, +6% QoQ.
- SME new loan production in 1Q 2016 +13% YoY.

Corporate & GCB

Corporate, GCB, Property Loans (gross)

PLN m



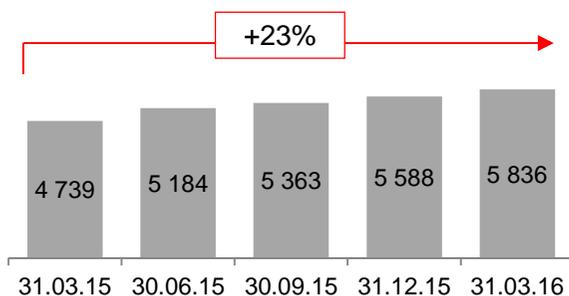
Comment

- GCB, Property and Corporate gross loan portfolio growth +13% YoY and +5% QoQ
- Corporate loans +9% YoY and +1% QoQ
- Property loans (PLN 9bn) +26% YoY and +6% QoQ

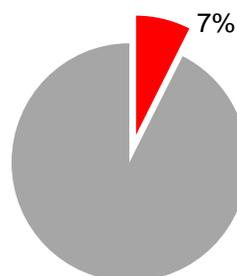
Leasing & Factoring (excluding SCB)

Leasing – 3rd position on the market*

Leasing Portfolio (PLNm)



Market Share *(%)

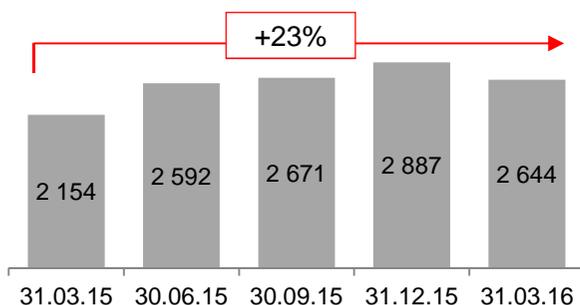


Comment

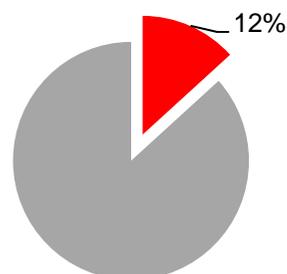
- Best ever sales in 1Q 2016; net value of the leased assets PLN 985m; +25% YoY
- Strengthening of the 3rd position on the market
- Leasing portfolio of PLN 5.8 bn, +23% YoY

Factoring – 3rd position on the market*

Portfolio (PLNm)



Market Share *(%)



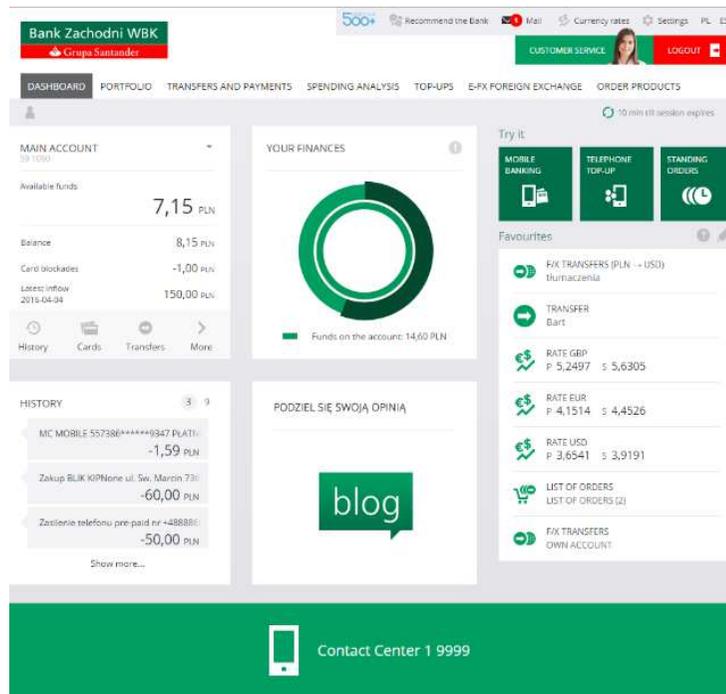
Comment

- Portfolio + 23% YoY
- Turnover + 15% YoY
- Market position – joint 2nd position
- Confirming / FO – 1st position in market
- Customer numbers +7% YoY

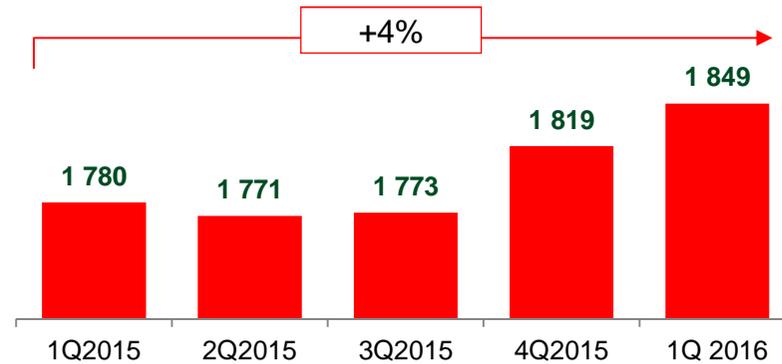
Strong Growth in Internet Banking

BZWBK24 internet

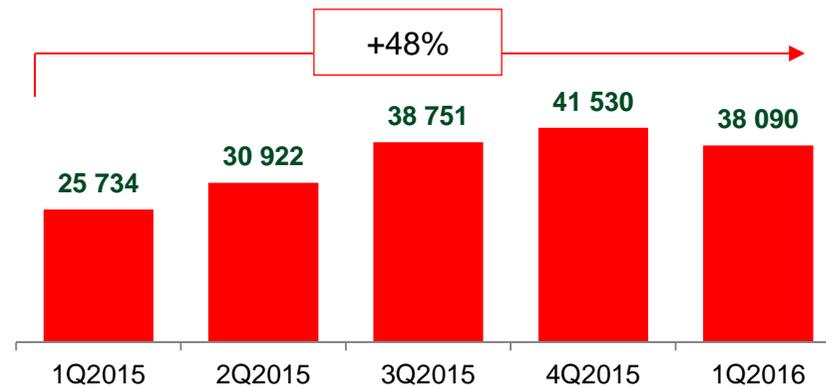
- 1.9m active internet users
- 39.5m transactions in Q1 2016
- 38.1k credit products sold via electronic channels in Q1, +48% YoY



BZWBK24 internet users (k)



No. of credit products sold via internet services



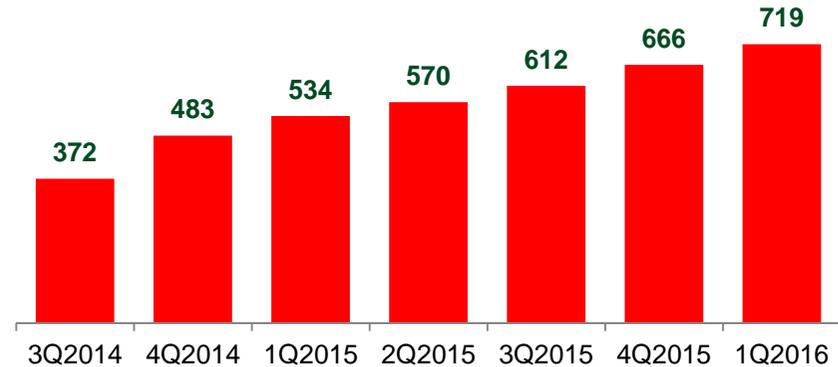
Strong Growth in Mobile Banking

BZWBK24 mobile

- 719k active mobile users in the end of March 2016
+8% QoQ, +35% YoY
- 2.6m transactions via mobile in Q1 2016
+18% QoQ, +111% YoY
- 3.9k credit products sold via mobile in Q1 2016
+287% YoY



BZWBK24 mobile users (k)



BZWBK24 mobile transactions (k)

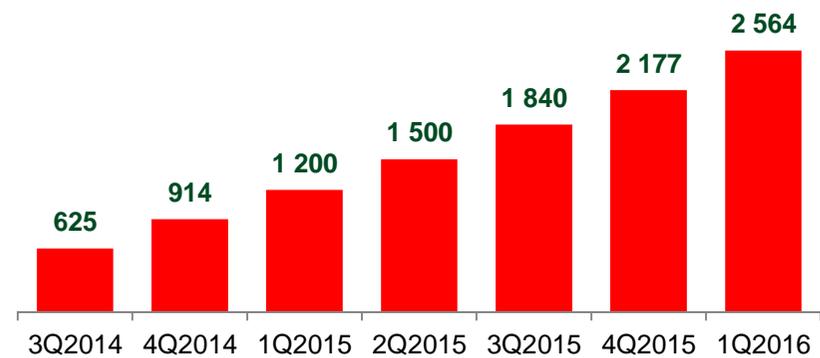


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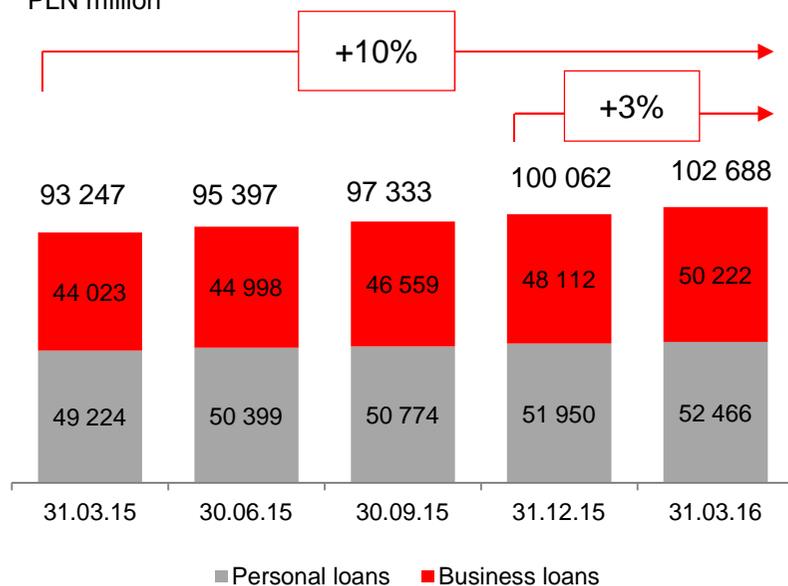
- Macro-economic environment and financial system
- BZ WBK Group Strategy and business
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Loan Performance

Gross Loans +10% YoY

Total gross loans

PLN million



SCB gross loans PLN 14.3bln (+3% YoY)

CHF Mortgage loans -8% YoY

	Mar'16	Mar'15	YoY (%)	QoQ (%)
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Individuals	52 466	49 224	7%	1%
Mortgage	34 167	32 282	6%	1%
Other Personal	18 299	16 942	8%	0%
Business	50 222	44 023	14%	4%

Total gross loans	102 688	93 247	10%	3%
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Comment

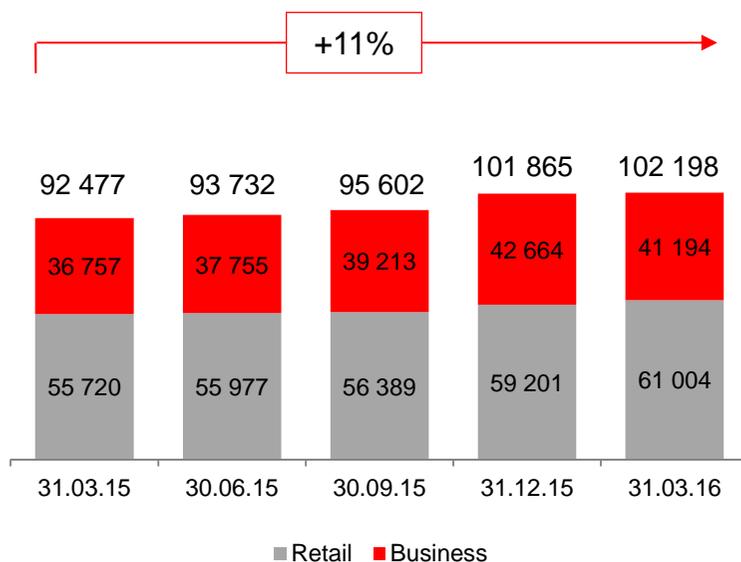
- **BZ WBK gross loans: +10% YoY:**
 - Mortgage Loans +8% YoY
 - Cash Loans / Credit Cards / Overdraft +7% YoY
 - SME / Leasing / Factoring +17% YoY
 - Corporate/GCB/ Property +15% YoY
- **SCB Loans (excl. Mortgages) +9% YoY**

Total Customer Funds

Total Customer Funds +8% YoY

Total Deposits

PLN million



SCB deposits at PLN 7.9bln
(+21% YoY / +12% QoQ)

	Mar'16	Mar'15	YoY (%)	QoQ (%)
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Demand	29 788	26 636	12%	-2%
Savings	20 645	17 876	15%	8%
Time	51 765	47 965	8%	-1%

Total	102 198	92 477	11%	0%
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Funds under mgmt	13 118	14 239	-8%	2%
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Total customer funds	115 317	106 716	8%	0%
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Comment

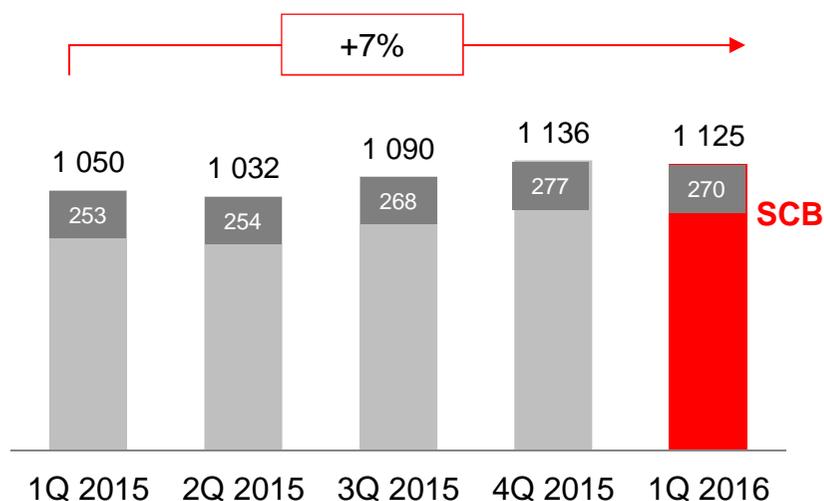
- **BZ WBK Group deposits:**
 - Retail +9% YoY
 - Business +12% YoY
- **Mutual Funds -8% YoY**

Net Interest Income and Net Interest Margin

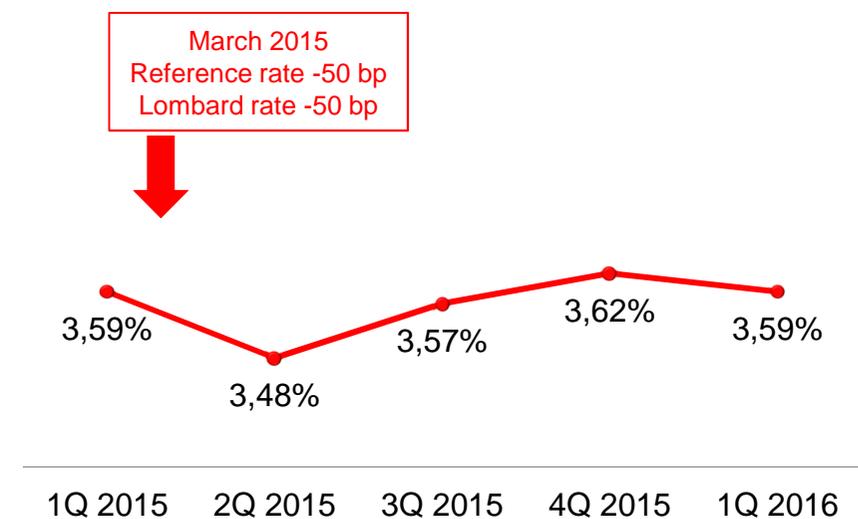
Net Interest Income +7% YoY

Net Interest Income

PLN million



Net Interest Margin (%) *



SCB Group accounted for PLN 270m of NII in 1Q 2016 and for PLN 253m in 1Q 2015

Comment

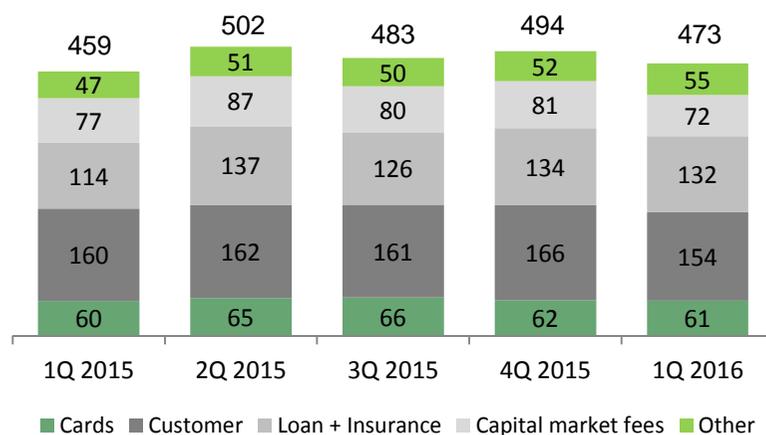
- Net Interest Income +7% YoY / stable QoQ
- NIM lower QoQ by 3bps.

Net Fees

Net Fees +3% YoY

Net Fees

PLN million



Main items

	1Q 2016	1Q 2015	YoY (%)	QoQ (%)
Cards	61	60	1%	-1%
Customer + Other	154	160	-4%	-7%
Loan + Insurance	132	109	21%	6%
Capital market fees*	72	77	-7%	-12%
Other	55	52	5%	-12%
Total	473	459	3%	-4%

SCB Group accounted for PLN 58m of net fees in 1Q 2016 and for PLN 48m in 1Q 2015

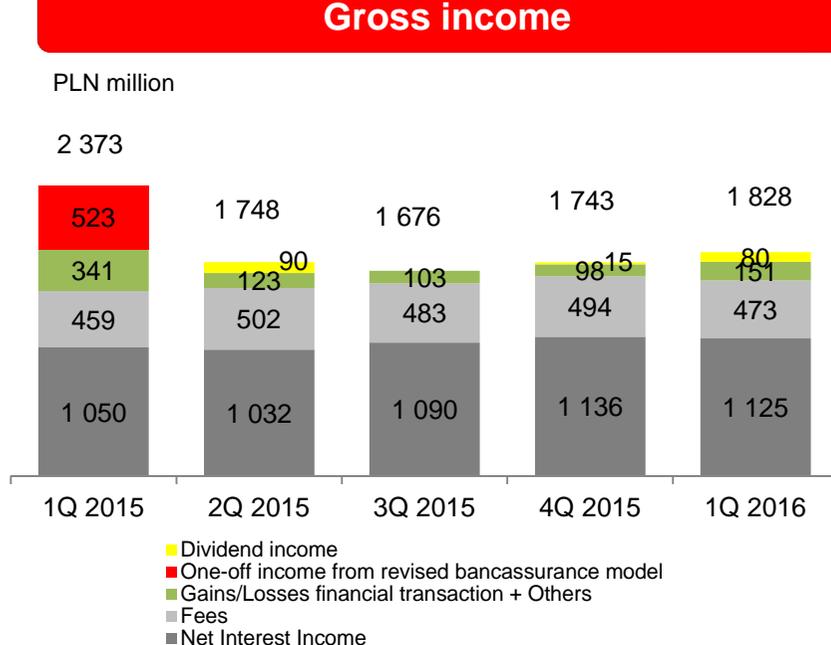
Comment

- Fee income +3% YoY / -4% QoQ
- Good performance on Insurance (+9% QoQ), Credit commissions (+2% QoQ), Seasonality in debit card volumes.
- Card transaction volumes +16% YoY and -6% QoQ
- SCB fees in 1Q 2016 – Increase in insurance and credit card fees

Gross Income

Gross Income stable YoY (excl. one-off gain from revised bancassurance model in 1Q 2015)

Gross income



	1Q 2016	1Q 2015	YoY (%)	QoQ (%)
Net Interest Income	1 125	1 050	7%	4%
Net Fees	473	459	3%	2%
Subtotal	1 597	1 509	6%	4%
Gains/losses on financial transactions	122	268	-55%	-8%
Net gains/(losses) on subordinated entities		523		
Dividends	80			
Other operating income	29	73	-60%	3%
Gross Income	1 828	2 373	-23%	4%
Gross Income excl. one off gain in 1Q 2015	1 828	1 850	-1%	4%

SCB Group accounted for PLN 321m of gross income in 1Q 2016 and for PLN 294m in 1Q 2015

Comment

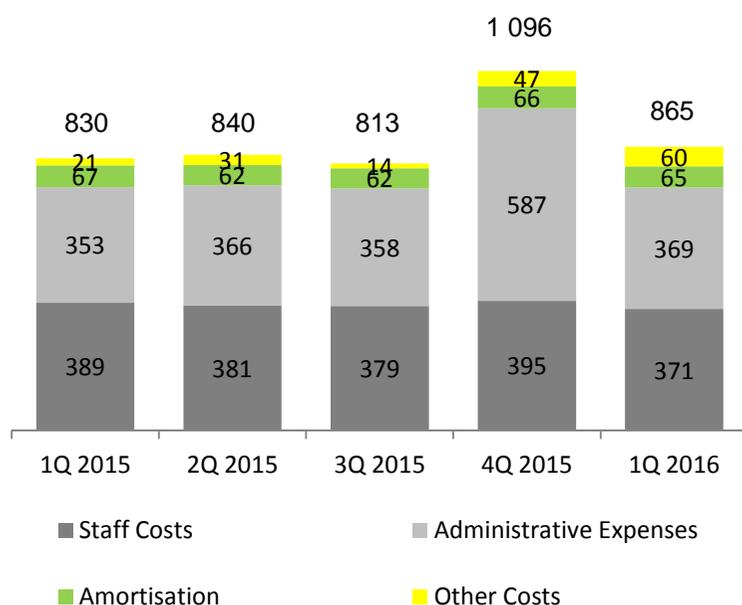
- Gross Income stable YoY (excl. one-off income from revised bancassurance model in 1Q 2015)

Operating Expenses

Operating expenses under tight control

Operating expenses

PLN million



1Q 2016 1Q 2015 YoY (%) QoQ (%)

General and administrative expenses	(740)	(742)	0%	-25%
<i>Staff costs</i>	(371)	(389)	-5%	-6%
<i>Administration costs</i>	(369)	(353)	5%	-37%
Depreciation + Other	(125)	(87)	43%	10%
Total expenses	(865)	(829)	4%	-21%

SCB Group accounted for PLN 128m of operating costs in 1Q 2016 and for PLN 124m in 1Q 2015

Comment

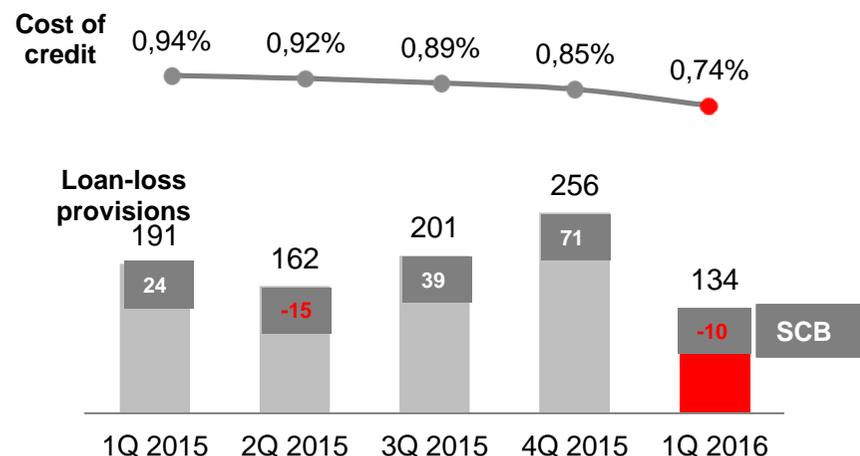
- Operating expenses -1% QoQ adjusted by one-offs* in 4Q 2015.
- Staff cost -5% YoY and -6% QoQ.
- Administration costs +4% YoY due to regulatory costs +PLN 14m and IT.

Loan-loss provisions (LLPs) and Credit Quality

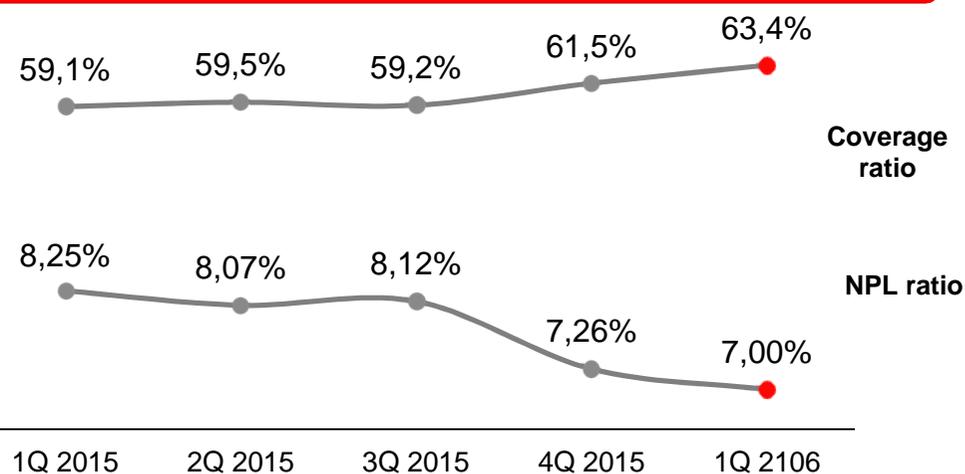
Lower Cost of Credit and NPL Ratio

PLN million

LLPs and Cost of credit



NPL and Coverage ratio



SCB Group accounted for PLN -10m of loan-loss provisions in 1Q 2016 and for PLN 24m in 1Q 2015

Comment

- The portfolio is performing well and within expectations.
- BZ WBK 1Q 2016 NPL sales of PLN 77m, after tax gain in 1Q 2016 of PLN 8.8m.
- SCB 1Q 2016 NPL sales of PLN 327m, after tax gain in 1Q 2016 of PLN 42m.

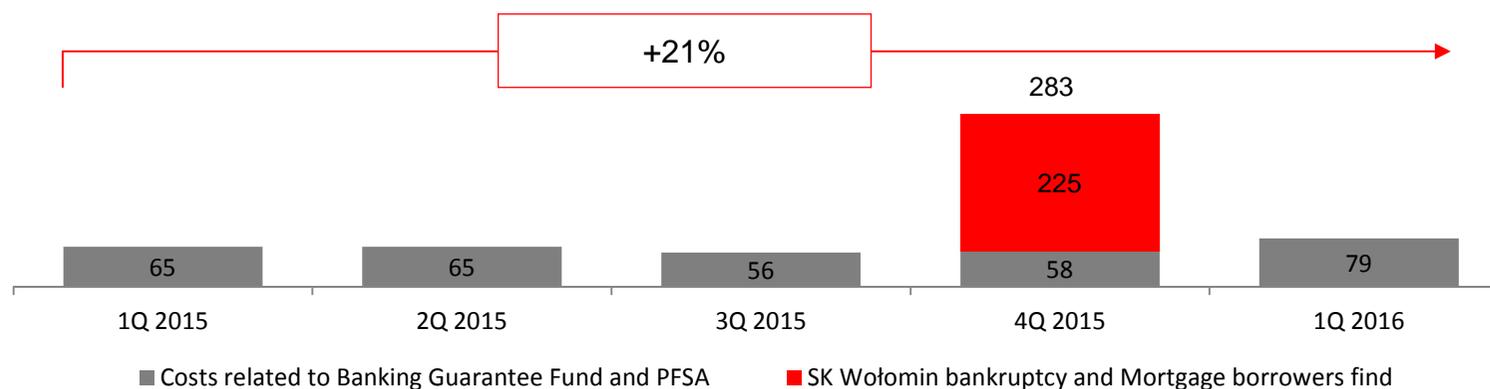
Bank Tax and Regulatory Costs

Banking Tax

Pursuant to the Act on tax imposed on certain financial institutions, bank assets are subject to tax of 0.0366% per month, effective from 1 February 2016.

In Q1 2016, the total tax charged to BZ WBK and SCB in this respect was PLN 67.6m (PLN 62m and PLN 5.6m respectively).

Costs related to BGF and PFSA

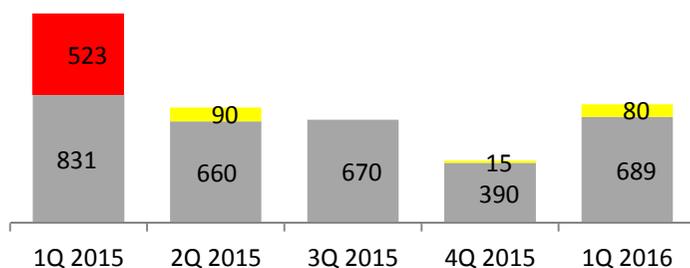


Profit

Underlying* attributable profit stable YoY

PLN million

Profit Before Tax



- Dividend income from AVIVA Group
- One-off income from revised bancassurance model
- Profit Before Tax

1Q 2016 1Q 2015 YoY (%) QoQ (%)

Net Operating Income	896	1 544	-42%	38%
LLPs	(134)	(191)	-30%	-48%
Profit before taxes	769	1 354	-43%	90%
Tax on profit	(148)	(264)	-44%	48%
Net income	621	1 091	-43%	104%
	0	0		
Attributable profit	556	1 036	-46%	101%
Attributable profit excl. one off transaction and banking tax*	612	613	0%	33%**
Effective tax rate	19.2	19.5%		

Comment

- Attributable profit stable YoY, profits impacted among others by banking levy introduced in February 2016 in amount of PLN 68m.

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* Attributable profit excluding banking tax and 1Q 2015 adjusted by one of income from bancassurance transaction (net of tax 19%).

** Q4 2015 adjusted by one-off costs: expenses in Q4 related to Wolomin Bank bankruptcy for BZ WBK PLN 171m and for SCB PLN 13m; obligatory contribution to fund for distressed residential borrowers of PLN 25m for BZ WBK and PLN 16m for SCB.

Bank Zachodni WBK

Grupa Santander

Conclusions

Market Environment & Financial System

- Stable economic growth around 3.5% expected in 2016, boosted mainly by healthy private consumption.
- Deflation may persist until 3Q16 and CPI may not return to the official target before 2018.
- Main interest rates likely to remain on hold, despite very low inflation, as growth outlook is solid and due to concerns about financial sector stability.
- Sector loan growth can slow to 5% due to bank tax.

Strategy & Business

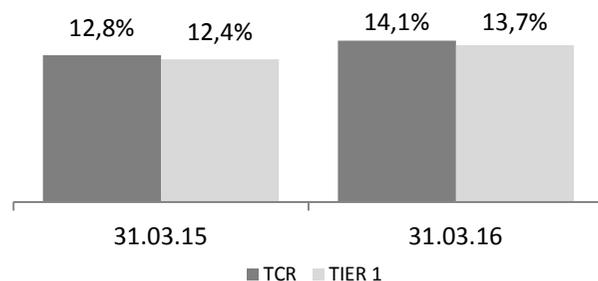
- Business strategy continues to be focused on gathering new customers through the development of our multi-channel approach and increasing loans and related fee income from the Consumer, SME, Leasing, Factoring, Business & Corporate and GCB segments.
- Increasing level of loyal customers through more activity and related income.

Results

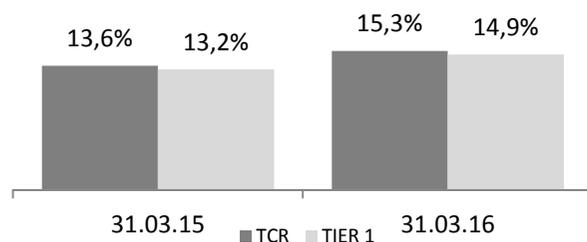
- Close management of Net Interest Income in low interest rate environment.
- Fees +3% YoY showing some seasonality in 1Q 2016.
- Costs under tight control.
- Improvement in credit quality NPL's ratio at 7.0% in the end of March 2016 and lower cost of risk.
- Underlying YoY profit after tax stable YoY, despite rate cuts and higher regulatory costs.

Capital Position

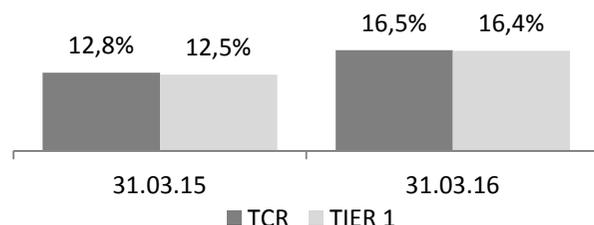
BZ WBK Group Capital Ratio



BZ WBK Bank Capital Ratio



SCB Capital Ratio



DIVIDEND:

Resolution of the Annual General Meeting, held on 20.04.2016, made a decision on dividend payment. It was decided to allocate:

- PLN 587,564,899.06 from the Bank's undivided net profit for 2014 and
- PLN 702,484,042.94 from the Bank's net profit for 2015 to dividend for shareholders

The number of shares eligible for the dividend is 99 234 534 (say: ninety nine million two hundred thirty four thousand five hundred and thirty four).

Dividend per share is PLN 13.

The dividend registration day is 29.04.2016 and the dividend will be paid on 16.05.2016.

FX MORTGAGE CAPITAL BUFFER

The Management Board of Bank Zachodni WBK informed that on 23.10.2015 it received the following recommendations from the Polish Financial Supervision Authority:

- to maintain own funds to cover the additional capital requirement at 0.72% to secure the risk arising from FX mortgage loans for households that should be composed at least in 75% from Tier 1 capital (equivalent of 0.54%),
- and to retain at least 50% of the profit made between 01.01.2014 to 31.12.2014, in relations to the risk of the portfolio of foreign currency mortgage loans to households.

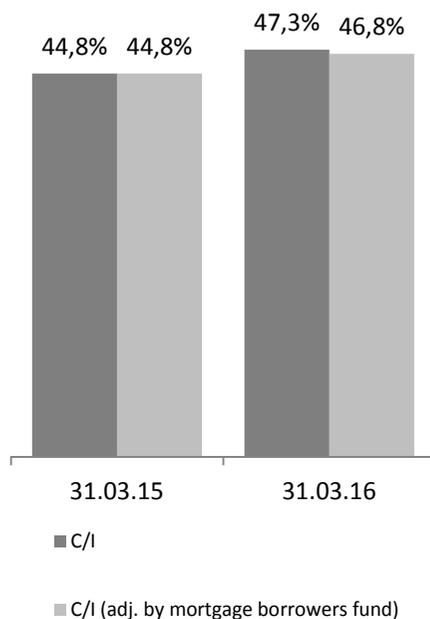
On 23.10.2015, the Management Board of Santander Consumer Bank received the recommendation from the PFSA to maintain own funds to cover the additional capital requirement at 1.07% to secure the risk arising from FX mortgage loans for households that should be composed at least in 75% from Tier 1 capital (equivalent of 0.80%).

CAPITAL CONSERVATION BUFFER

Pursuant to the Act of 05.08.2015 on macro-prudential supervision over the financial system and crisis management in the financial system (Journal of Laws of 2015, item 1513), Polish banks have been advised by the PFSA about imposition of capital conservation buffer of 1.25%. As a result, the existing minimum capital ratios will increase as follows: CET1 from 9% to 10.25% and CAR from 12% to 13.25%. The changes become effective as of 01.01.2016.

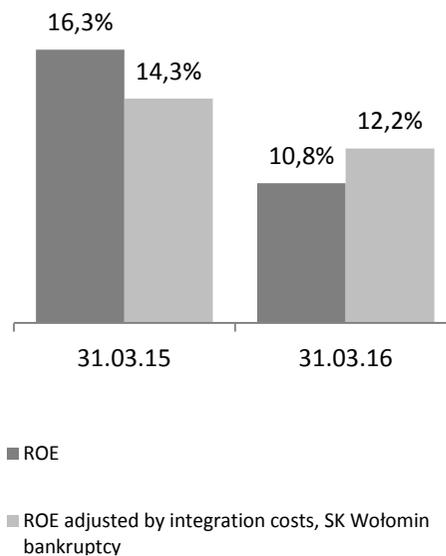
Key Indicators*

C/I %



C/I at 46.8%
(excluding mortgage borrowers fund)

ROE %



ROE at 12.2%
(excluding integration costs,
SK Wołomin Bank bankruptcy)

Other Ratios

	1Q 2016	1Q 2015
Net interest income / Total income	61,5%	56,8%
Net Interest Margin	3,6%	3,6%
Net commission income / Total income	25,9%	24,8%
Customer net loans / Customer deposits	95,4%	95,2%
NPL ratio	7,0%	8,3%
NPL coverage ratio	63,4%	59,1%
ROA	1,3%	1,9%
Capital Ratio	14,1%	12,8%
Tier 1 Ratio	13,7%	12,4%
Book value per share (PLN)	214,60	192,90
Earnings per share (PLN)	5,60	6,20

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- Macro-economic environment and financial system
- BZ WBK Group Strategy and business
- BZ WBK Group Results
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BZ WBK Group Profit & Loss Account

for the period (in PLN k):	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
Interest income	1 461 977	1 458 617	1 412 765	1 383 688	1 453 759
Interest expense	(337 311)	(322 336)	(322 606)	(351 190)	(403 546)
Net interest income	1 124 666	1 136 281	1 090 159	1 032 498	1 050 213
Fee and commission income	577 347	618 690	588 070	594 171	557 141
Fee and commission expense	(104 619)	(124 460)	(105 374)	(92 177)	(97 961)
Net fee and commission income	472 728	494 230	482 696	501 994	459 180
Dividend income	79 569	14 539	832	89 904	3
Net trading income and revaluation	82 793	56 061	38 972	47 980	80 629
Gains (losses) from other financial securities	38 986	13 103	36 015	40 671	187 561
Net gains/(losses) on subordinated entities	100	-	-	-	522 995
Other operating income	29 121	28 470	27 519	34 762	72 856
Impairment losses on loans and advances	(134 144)	(256 405)	(201 101)	(162 484)	(190 702)
Operating expenses incl.:	(864 653)	(1 095 576)	(813 740)	(840 388)	(829 146)
<i>Bank's staff, operating expenses and management costs</i>	(739 825)	(982 068)	(737 715)	(747 195)	(741 723)
<i>Depreciation/amortisation</i>	(65 313)	(66 149)	(61 651)	(62 079)	(66 682)
<i>Other operating expenses</i>	(59 515)	(47 359)	(14 374)	(31 114)	(20 741)
Operating profit	829 166	390 703	661 352	744 937	1 353 589
Share in net profits (loss) of entities accounted for by the equity method	7 638	13 878	8 471	4 681	681
Tax on financial institutions	(67 579)				
Profit before tax	769 225	404 581	669 823	749 618	1 354 270
Corporate income tax	(147 823)	(99 624)	(140 594)	(139 948)	(263 575)
Consolidated profit for the period	621 402	304 957	529 229	609 670	1 090 695
of which:					
attributable to owners of BZ WBK S.A.	556 473	277 142	472 721	541 644	1 035 766
attributable to non-controlling interests	64 929	27 815	56 508	68 026	54 929

BZ WBK Group Balance Sheet

	1Q 2016	4Q 2015	3Q 2015	2Q 2015	1Q 2015
ASSETS					
Cash and balances with central banks	2 064 088	6 229 853	3 480 147	3 031 101	4 675 812
Loans and advances to banks	2 853 130	3 853 257	3 386 246	3 304 549	3 209 297
Financial assets held for trading & hedging	4 141 910	4 330 288	4 774 364	5 139 416	5 734 859
Loans and advances to customers	97 467 955	94 930 844	91 915 873	90 077 975	88 022 427
Investment securities	25 529 462	24 622 078	25 827 142	25 649 150	24 064 364
Investments in associates	838 780	831 142	817 264	808 793	809 833
Intangible assets	444 700	465 687	409 115	399 915	414 748
Goodwill	1 688 516	1 688 516	1 688 516	1 688 516	1 688 516
Property, plant & equipment	811 052	830 493	732 416	751 790	744 870
Current income tax assets	2 979	-	-	-	-
Net deferred tax assets	1 223 576	1 251 808	1 332 314	1 367 704	1 249 300
Assets classified as held for sale	704	1 569	983	678	682
Investment property	-	-	-	-	-
Other assets	718 983	673 165	697 969	830 727	807 902
Total assets	137 785 835	139 708 700	135 062 349	133 050 314	131 422 610
LIABILITIES					
Deposits from banks	3 271 098	5 704 604	7 986 005	9 071 646	7 719 169
Financial liabilities held for trading & hedging	4 056 696	4 615 489	4 403 416	4 981 531	5 260 148
Deposits from customers	102 198 247	101 865 376	95 602 148	93 731 661	92 476 789
Debt securities in issue	4 348 075	4 320 891	4 388 201	3 225 723	3 189 461
Subordinated liabilities	527 838	526 634	524 885	519 734	1 620 155
Current income tax liabilities	-	228 488	250 827	290 877	213 098
Other liabilities	2 090 110	1 879 088	1 992 979	1 737 403	1 806 146
Total liabilities	116 492 064	119 140 570	115 148 461	113 558 575	112 284 966
Equity					
Equity attributable to owners of BZ WBK S.A.	20 072 679	19 392 029	18 772 246	18 403 783	18 118 102
Share capital	992 345	992 345	992 345	992 345	992 345
Other reserve funds	14 705 263	14 685 919	14 681 553	14 676 835	13 394 677
Revaluation reserve	896 642	776 914	438 639	547 615	808 457
Retained earnings	2 921 956	609 578	609 578	609 578	1 886 857
Profit of the current period	556 473	2 327 273	2 050 131	1 577 410	1 035 766
Non-controlling interest in equity	1 221 092	1 176 101	1 141 642	1 087 956	1 019 542
Total equity	21 293 771	20 568 130	19 913 888	19 491 739	19 137 644
Total equity and liabilities	137 785 835	139 708 700	135 062 349	133 050 314	131 422 610

Santander Consumer Group

Key Financial Results 1Q 2016

<i>PLN m</i>	1Q 2015	1Q 2016
Assets	15 567	15 692
Net Loans	12 414	12 728
Deposits	6 469	7 856
Total equity	2 424	2 912
Net profit	112	148
L/D (%)	191,9%	162,0%
C/I (%)	44,1%	42,5%
ROE (%)	18,9%	20,8%
ROA (%)	2,9%	3,7%
TCR (%)	12,8%	16,5%

Key Indicators – calculation definitions

- 1) *The Group's total income, total cost and profit have been adjusted for the one-off gains on interest in BZ WBK-Aviva companies in the calculations of the following ratios for 2015: cost/income, net interest income/total income, net fee and commission income/total income and earnings per share.*
- 2) *C/I: Excluding PLN 8.5m recognised in Q1 2016 on account of contribution to the Borrowers Support Fund, the cost to income ratio totalled 46.8%.*
- 3) *NIM: Annualized net interest income (excluding interest income from the portfolio of trading securities) to average interest-bearing assets (excluding the trading portfolio).*
- 4) *Cost of risk: Impairment losses for four consecutive quarters to average gross loans and advances to customers (as at the beginning and end of the reporting period).*
- 5) *ROE: Net profit attributable to the parent's shareholders for four consecutive quarters to average equity (as at the beginning and end of the reporting period), net of noncontrolling interests, current period profit and the undistributed portion of the profit. Adjusted for the impact of divestment of BZ WBK-Aviva companies, integration costs and one-off items, ROE was 12.2% as at 31 March 2016 vs. 14.3% as at 31 March 2015.*
- 6) *ROA: Net profit attributable to BZ WBK shareholders for four consecutive quarters to average total assets (as at the beginning and end of the reporting period).*
- 7) *Capital Ratio: The calculation of capital ratio takes account of the equity and total capital requirements for relevant risks using a standardised approach in line with CRD IV/CRR package.*
- 8) *Tier 1 ratio is Tier 1 capital expressed as a percentage of risk weighted assets for credit, market and operational risk.*
- 9) *Earnings per share: Net profit for the period attributable to shareholders of the parent entity (excluding one-off items) divided by the number of ordinary shares.*



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