



**BANK ZACHODNI WBK GROUP  
1H 2018 RESULTS**

25 JULY 2018

Bank Zachodni WBK

 Grupa Santander

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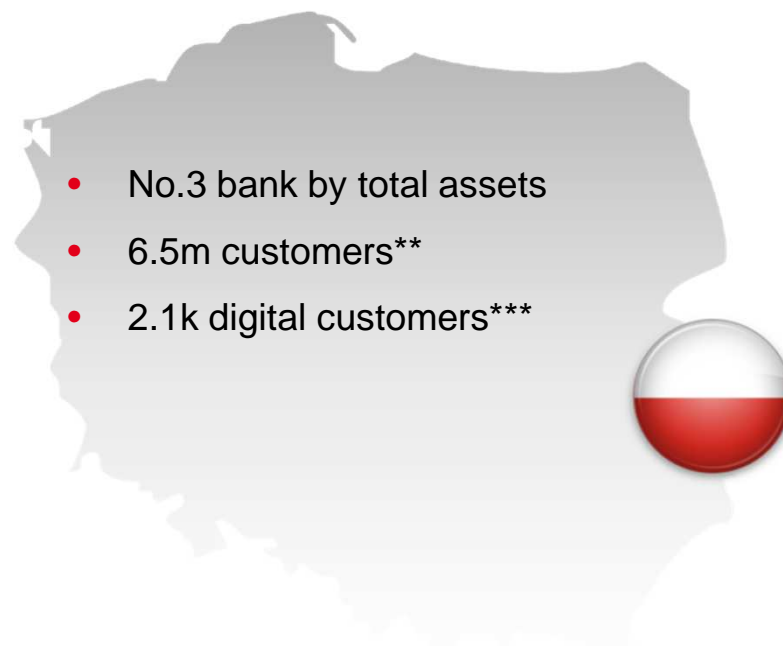
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- **Strategy and business**
  - Macroeconomic environment
  - BZ WBK Group Results
  - Appendix

# Overview

## Poland's 3rd largest Bank

	30.06.2018	YoY
<b>Business and Results</b>		
<i>PLN</i>		
Gross Loans	120.0bn	9%
Deposits	122.0bn	12%
Total customer funds	138.8bn	12%
Assets	168.5bn	12%
<b>Market Share*</b>		
Loans	10.2%	
Deposits	10.0%	
<b>Network and Employees</b>		
	<b>BZ WBK</b>	<b>SCB</b>
Branches	540	153
Employees	11.4k	2.7k



\* Market share for BZ WBK Group as of end of March 2018.

\*\* Including SCB.

\*\*\*Excluding SCB. Digital customers: clients who have logged in at least once in a given month.

# BZ WBK Strategy

## To become the leading customer-centric digital 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**

# Mission, vision and objectives of BZ WBK

## 1 People

...to be **TOP 1 employer**

...have strong internal culture  
**SIMPLE | PERSONAL | FAIR**

## Customers 2

...significantly **outperform the banking sector**

...**simplify and transform our channel(s) proposition**

...develop **best modern bank** proposition and customer experience

...grow our market **share to 11%**

...materially **increase activity per loyal customer**

... a bank that strives to be **SIMPLE | PERSONAL | FAIR** helping individuals and business prosper

...be renowned as a **local Community Bank**

...develop cooperation within **Santander Universidades**

...be the **best governed and stable bank**

...earn sustainable **superior returns for our shareholders**

## 3 Communities

## Shareholders 4

# Retail Banking – business growth, innovations ...

## Key products

0.7  
m

Accounts As I want it

3.2  
bn

Sale of mortgage loans

▶ **+17%** vs. H1 2017

2.4  
bn

Sale of cash loans

▶ **+16%** vs. H1 2017

63.7  
bn

Deposit volume

▶ **+8%** vs. H1 2017

## News in 2Q

- ▶ Santander One Pay FX available for BZ WBK clients



- ▶ Apple Pay



## ... and digital channels development

### 5 cashless mobile methods of payments



BZWBK24



3.53  
m

Customers with access  
to internet and mobile banking

▶ +8% vs. Q2-2017

2.14  
m

Active digital customers

▶ +6% vs. Q2-2017

1.18  
m

Mobile users

▶ +23% vs. Q2-2017

9.5  
m

Transactions  
in mobile banking

▶ +74% vs. Q2-2017

228  
k

Mobile cards in digital wallets

▶ +156% vs. Q2-2017



# Dynamic growth of SME banking

## Sound growth in SME area

15%

Deposit growth YoY

10%

Loans growth YoY

10%

Loyal customers growth YoY

## Innovative solutions

- ▶ **Remote Advisor** – functionality enabling instant connection with a remote advisor. The service is already used by 2400 customers



- ▶ **Real-time fx transfers (Santander One Pay FX)** - blockchain technology enables effecting real-time transfers in GBP to Santander UK



- ▶ **Business account – split payment - with buy-by-click functionality** – sole traders may open their business account on-line, without leaving the comfort of their home



# Corporate Banking

**Strong financial results focused on profitability across all subsegments driven by good revenue performance, loan volume growth with good portfolio quality**

**14%**

**YoY asset growth in corporate banking segment**

**3-rd banks accounts in IB24** -Worldwide access to all company`s accounts through IB24: account details and payments execution (awarded title of Lider 2017 by Gazeta Bankowa) First clients onboarded

**19%**

**Growth YoY in revenues strategic sectors**

**FaceID** and **Mobile Signature** in iBiznes24  
FaceID dedicated to all clients using iPhoneX  
Mobile signature in pilot phase

**20%**

**Deposit growth YoY**

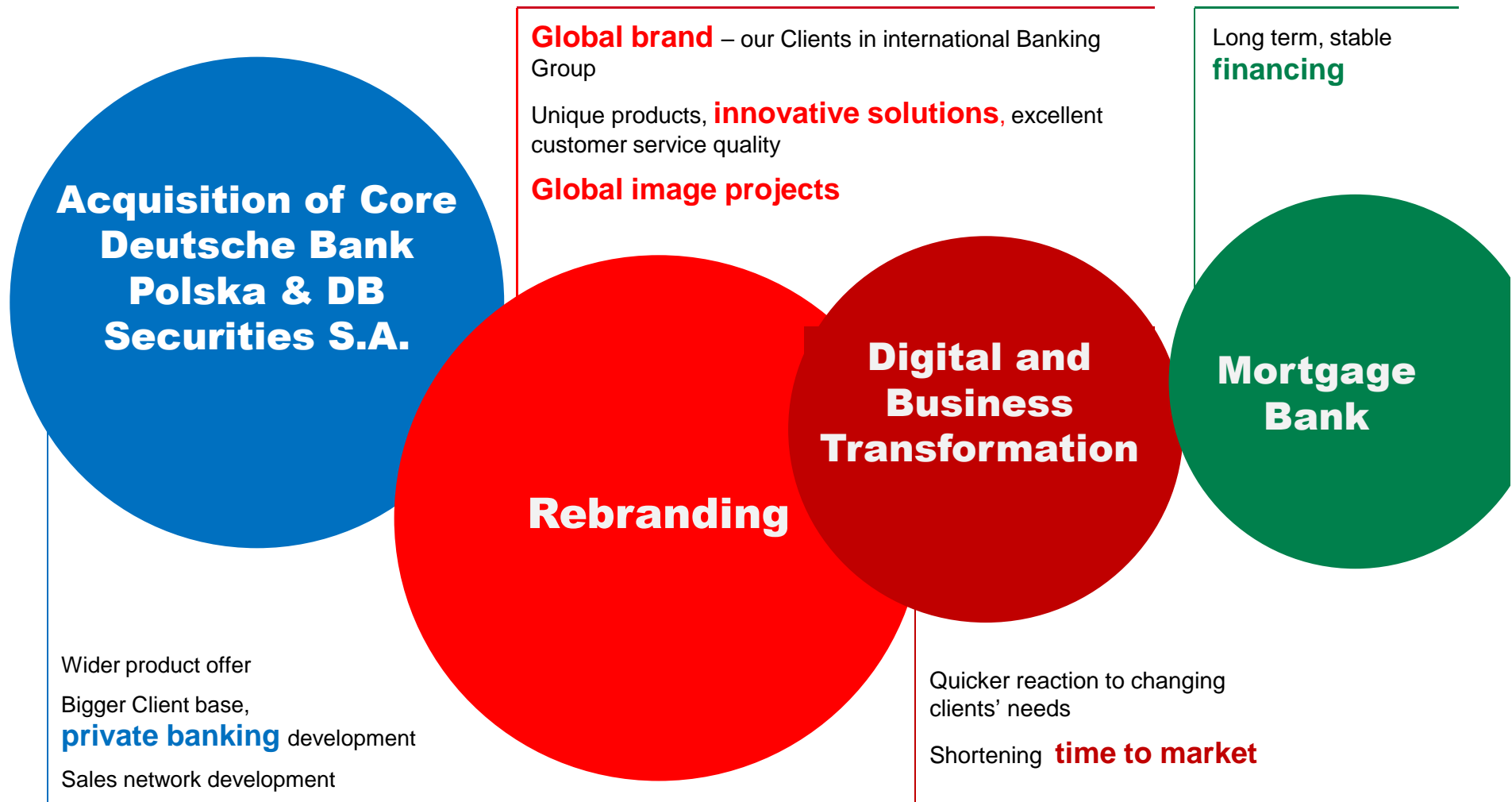
**iBiznes24 Connect** – service host-2-host an automatic and secure data exchange system directly with client's ERP - pilot completed, solution in full rollout phase, 37 companies onboarded

**16%**

**Total international business reveues YoY**

Business Clients with instant GDP transfers to Santander UK thanks to **One Pay FX blockchain** technology.

# 2018 the year of big strategic projects



# Rebranding

## Santander Bank Polska

### CONTINUATION OF WHAT'S GOOD

a strong, safe, local bank



### THE POWER OF A GLOBAL SANTANDER BRAND

part of one of the largest financial groups in the world



### ENHANCING PROMISE

innovation, modernity



**PHYSICAL REBRANDING** over 1500 places in Poland, corporate materials - information and advertising

**PRODUCTS OFFER/ VALUE PROPOSITION** for current and future clients

**REBRANDING OF THE DIGITAL CHANNELS** new IVR, refreshed app, website, all mobile services

**ADVERTISING and PR CAMPAIGN** – a broad campaign will start after the entry into the National Court Register, presence in all media, for the first time the Bank will be so widely communicated to corporate clients, SME and private banking

# 1H 2018 Financial Highlights

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■ Gross loans	vs. 2017	+9%
■ Commission income	vs. 2017	+8%
■ Net operating income 2,301 million	vs. 2017	+8%
■ Attributable profit of PLN 1,074 million	vs. 2017	-2.8%

# 1H 2018 Financial Highlights

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■ Reinforced capital position meeting PFSA criteria

**TCR**

**17.78%**

**CET1**

**15.63%**

■ ROE, ROA – leading position in Peer Group Banks

**ROE**

**11.3%**

**ROA**

**1.4%**

■ Secure funding position (L/D ratio):

**BZ WBK Group**

**93.6%**

**Bank Zachodni WBK SA**

**85.5%**

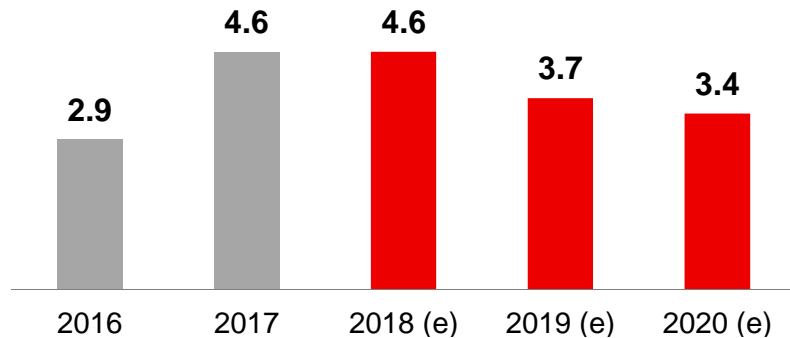
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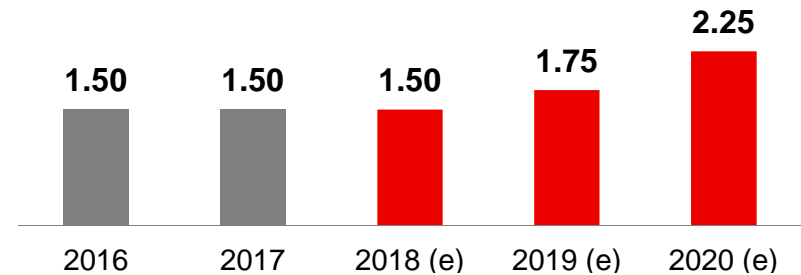
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# GDP growth above 4% with inflation below Central Bank target

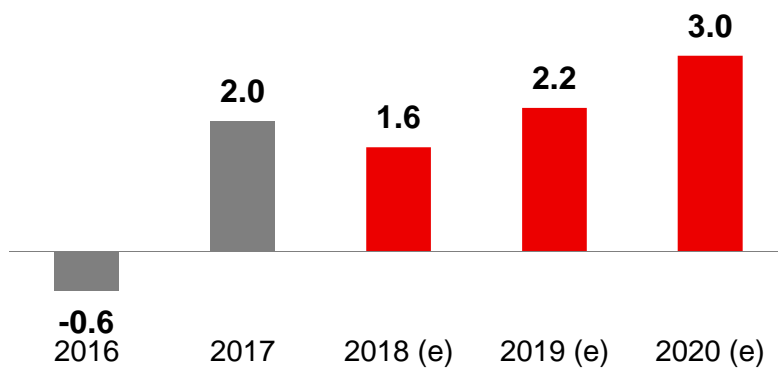
Annual GDP Growth (real, %)



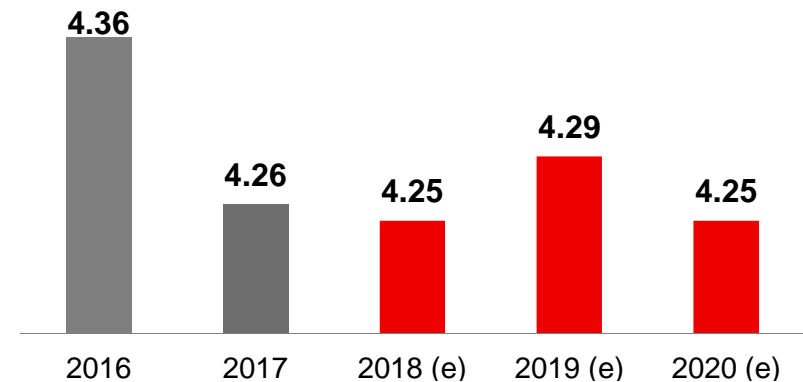
Central Bank Monetary Policy (year end, %)



Annual inflation rate (average, %)



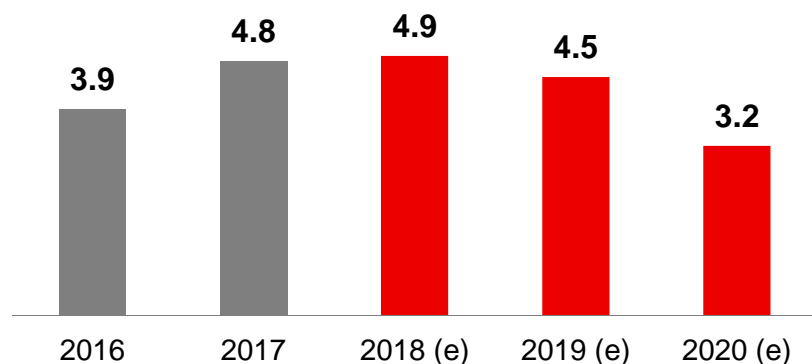
Average exchange rate (EUR / PLN)



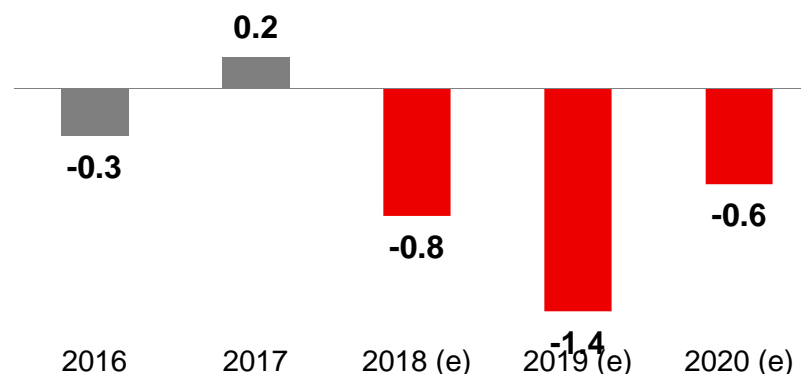


# Strong consumption with record low unemployment and investment recovery

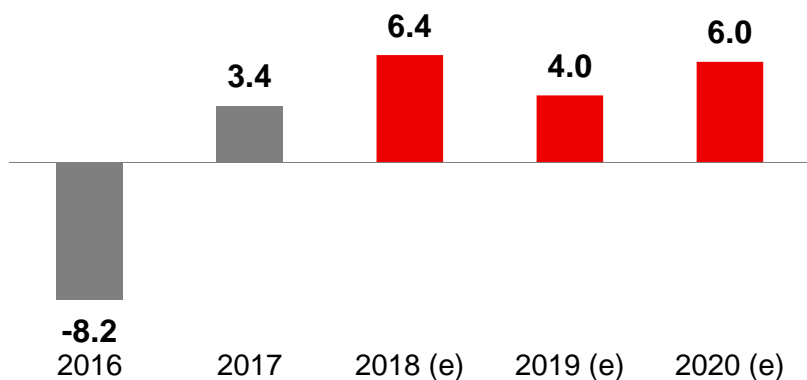
Private Consumption Growth (real, %)



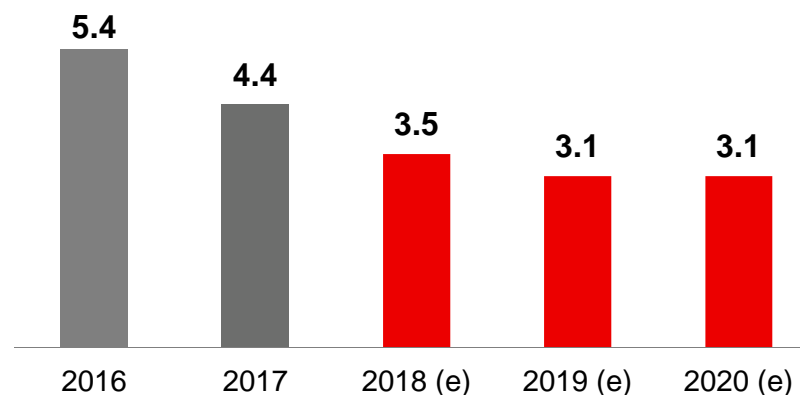
Current Account Balance (year end, % GDP)



Annual Investment Growth (real, %)

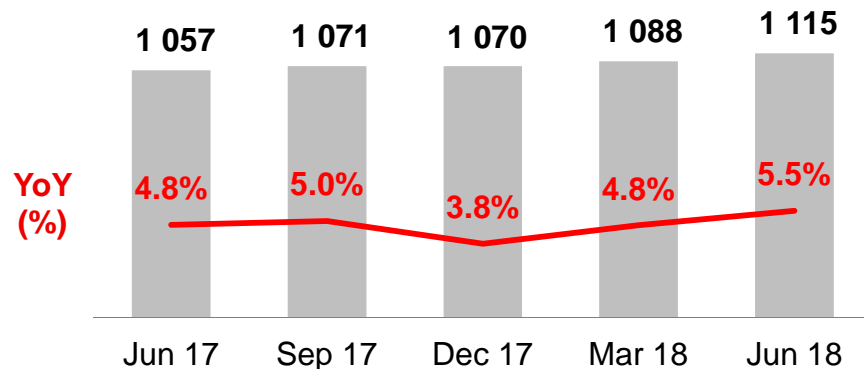


Unemployment (year-end, %)



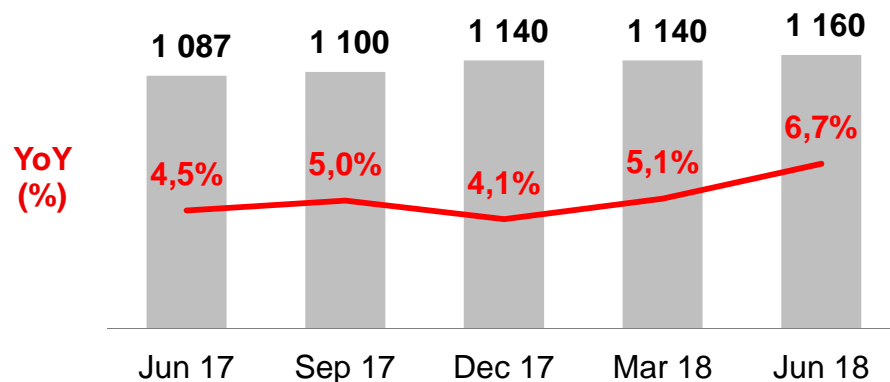
# Revival in loans, slow growth of deposits

**Total loans (PLN bn)**



- ▶ Total market loans rising by c 5-6% YoY. The acceleration vs Dec-17 was mostly due to FX effect (FX-adjusted loan growth stable near 5-6% YoY for the almost a year).
- ▶ Consumer loans are growing at a solid 8-9% YoY while PLN-denominated mortgage loan growth rate is slightly above 10% YoY.
- ▶ In corporate sector loan growth is oscillating near 6% YoY (excluding FX impact).

**Total customer deposits (PLN bn)**



- ▶ Deposit growth slowly picking up, to some extent due to FX effect, but also due to higher growth in households' savings. In June, households deposits rose by almost 6% y/y – fastest in year.
- ▶ Demand deposits continued strong growth, c. 11% YoY, while decline of term deposits seems to be stopping (stabilisation in June). Cost of new deposits in households' segment increased starting in May 2018.

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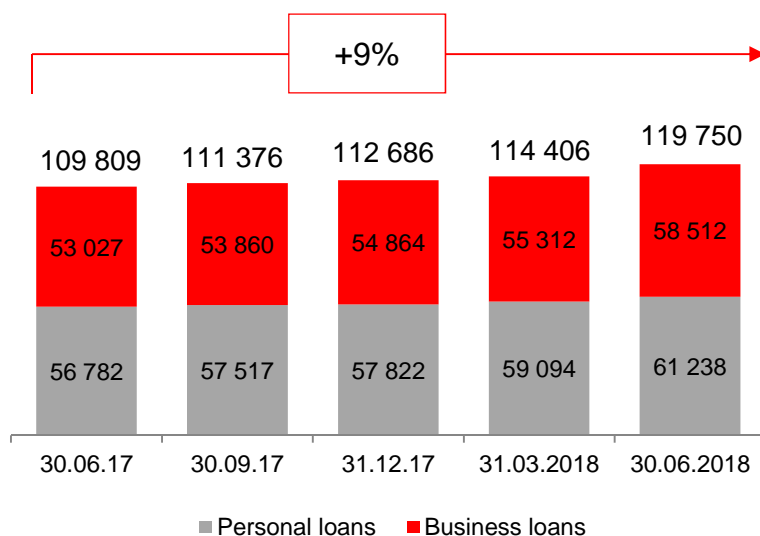
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# Loan Performance

## Gross Loans +9% YoY and +5% QoQ

### Total gross loans

PLNm



**SCB gross loans PLN 17bn (+9% YoY)**  
**CHF mortgage loans -9% YoY (in PLN -10% YoY)**  
**Retail SCB Loans (excl. Mortgages) +16% YoY**

	Jun'18	Jun'17	YoY (%)	QoQ (%)
<b>Individuals</b>	<b>61 238</b>	<b>56 782</b>	<b>8%</b>	<b>4%</b>
Mortgage	39 337	37 214	6%	4%
Other Personal	21 901	19 568	12%	4%
<b>Business</b>	<b>58 512</b>	<b>53 027</b>	<b>10%</b>	<b>6%</b>
<b>Total gross loans</b>	<b>119 750</b>	<b>109 809</b>	<b>9%</b>	<b>5%</b>

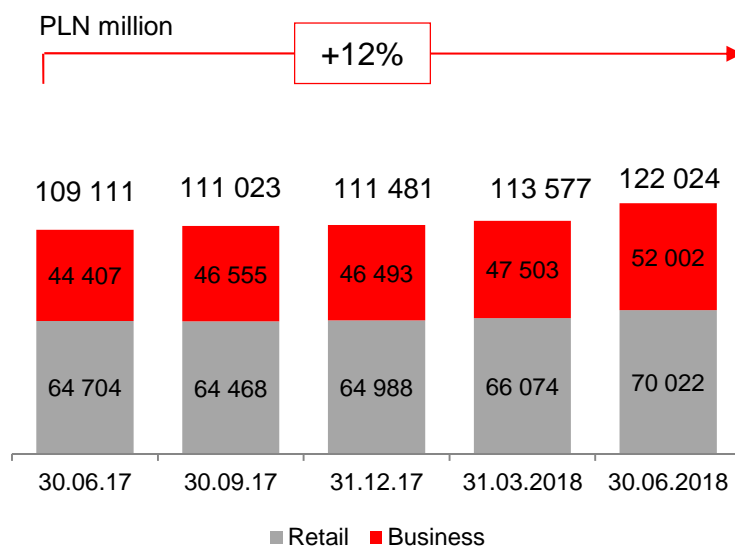
### Comment

- **BZ WBK gross loans: +9% YoY:**
  - Mortgage Loans +7% YoY, in PLN +16% YoY
  - CHF mortgage loans -8% YoY (in PLN -10% YoY)
  - Cash Loans / Credit Cards / Overdraft +8% YoY
  - SME (Including leasing and factoring) +10% YoY
  - Corporate (excl. Property, incl. leasing and factoring) +15% YoY
  - Property stable YoY

# Total Customer Funds

## Total Customer Funds +12% YoY

### Total Deposits



**SCB deposits PLN 8.6bn  
(+7% YoY)**

	Jun'18	Jun'17	YoY (%)	QoQ (%)
Demand	40 378	36 604	10%	1%
Savings	26 322	23 799	11%	3%
Time	55 324	48 709	14%	15%
<b>Total</b>	<b>122 024</b>	<b>109 111</b>	<b>12%</b>	<b>7%</b>
Funds under mgmt	16 812	15 233	10%	-1%
<b>Total customer funds</b>	<b>138 836</b>	<b>124 344</b>	<b>12%</b>	<b>6%</b>

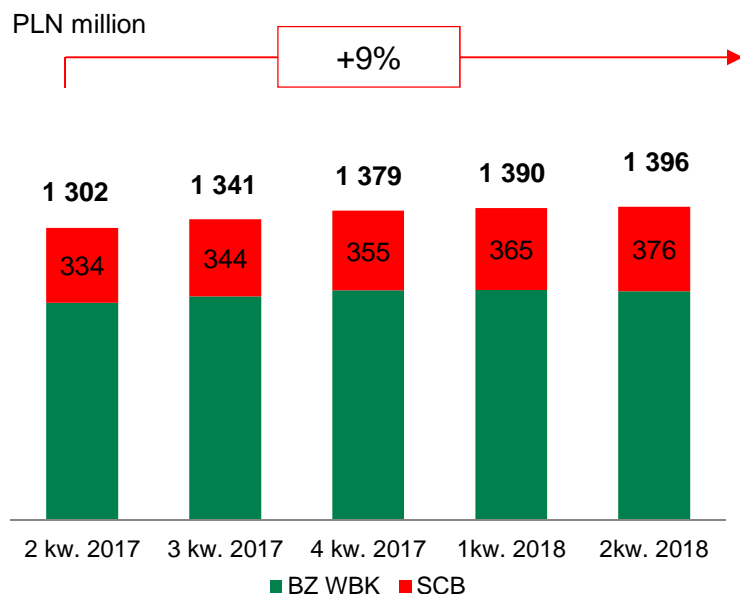
### Comment

- **BZ WBK Group deposits:**
  - Retail +8% YoY
  - Business +17% YoY
- **Mutual Funds +10% YoY**

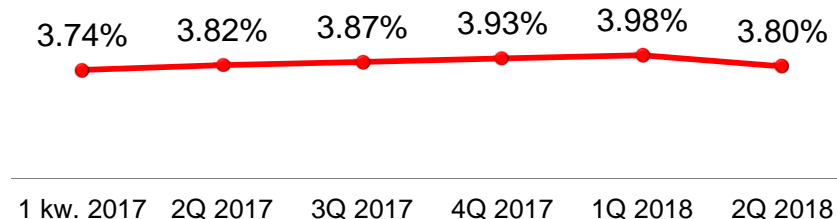
# Net Interest Income and Net Interest Margin

**Net Interest Income +9% YoY. Temporary NIM decline.**

## Net Interest Income



## Net Interest Margin (%)\*



SCB Group accounted for PLN 741m of NII in 1-2Q 2018 and for PLN 653 m in 1-2Q 2017

## Comment

- Net Interest Income +9% YoY / +0.5% QoQ.
- Quarterly NIM in 2Q 2018 lower by -18bps QoQ Impacted by liquidity excess connected with preparation to DB Polska acquisition.

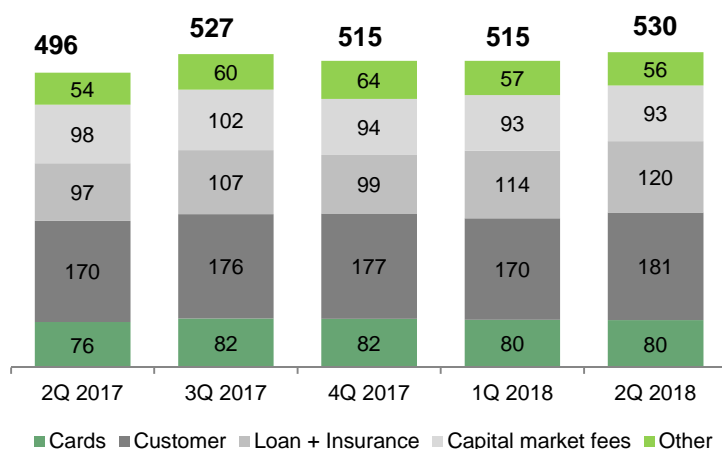
\* Including SWAP income on hedged FX funding.

# Net Fees

## Net Fees +8% YoY

### Net Fees

PLN million



### Main items

	1-2Q 2018	1-2Q 2017	YoY (%)	QoQ (%)
Cards	160	150	7%	-0%
Customer + Other	351	332	6%	6%
Loan + Insurance	234	197	19%	6%
Capital market fees*	187	184	2%	0%
Other	113	109	4%	-2%
<b>Total</b>	<b>1 045</b>	<b>971</b>	<b>8%</b>	<b>3%</b>

**SCB Group accounted for PLN 84m of net fees in 1-2Q 2018 and for PLN 63m in 1-2Q 2017**

### Comment

- Fee income +8% YoY / +3% QoQ
- Good performance especially in credit fees (+40% YoY), FX fees (+16%YoY), asset management (+12% YoY), debit and credit cards (+9% and +4% YoY).

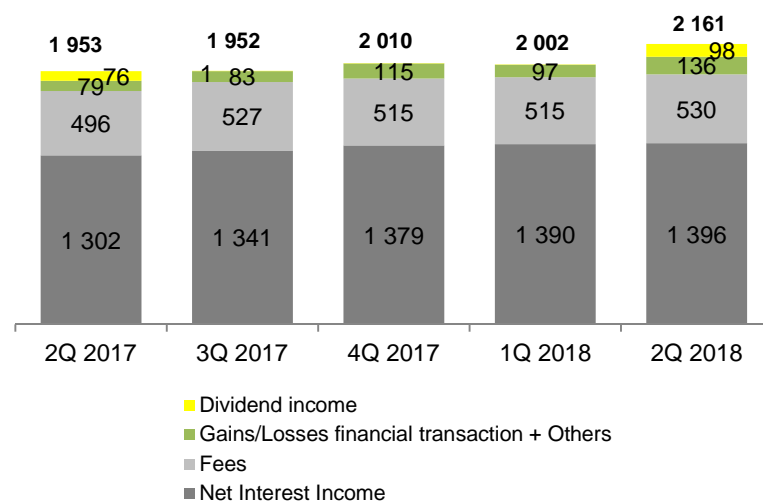
\* Include Investment Fund fees (distribution & management), Brokerage Fees and Issue Arrangement fees.

# Gross Income

## Gross income +10% YoY

### Gross income

PLN million



	1-2Q 2018	1-2Q 2017	YoY (%)	QoQ (%)
Net Interest Income	2 786	2 556	9%	0%
Net Fees	1 045	971	8%	3%
<b>Subtotal</b>	<b>3 831</b>	<b>3 527</b>	<b>9%</b>	<b>1%</b>
Gains/losses on financial transactions	80	120	-34%	203%
Net gains/(losses) on subordinated entities	-	4		-
Dividends	99	76	30%	-
Other operating income	154	75	106%	-1%
<b>Gross Income</b>	<b>4 163</b>	<b>3 802</b>	<b>10%</b>	<b>8%</b>

**SCB Group accounted for PLN 845m of gross income in 1-2Q 2018 and for PLN 726m in 1-2Q 2017**

### Comment

- Gross Income +10%YoY and +8% QoQ.
- Strong growth in NII +9% YoY and commission income +8% YoY.

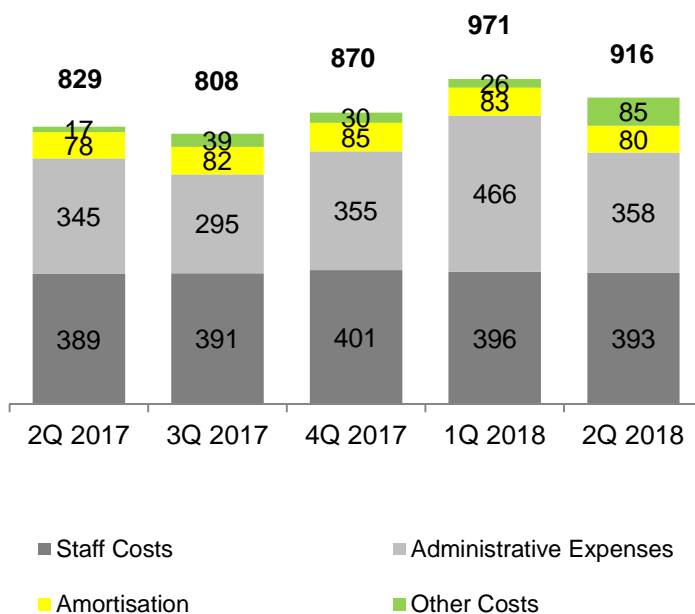


# Operating Expenses

## Expenses impacted by BFG, strategic projects and pressure on wages

### Operating expenses

PLN million



	1-2Q 2018	1-2Q 2017	YoY (%)	QoQ (%)
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General and administrative expenses	(1 614)	(1 498)	8%	-13%
Staff costs	(789)	(772)	2%	-1%
Administration costs	(825)	(726)	14%	-23%
Depreciation + Other	(273)	(197)	39%	51%
<b>Total expenses</b>	<b>(1 887)</b>	<b>(1 695)</b>	<b>11%</b>	<b>-6%</b>

**SCB Group accounted for PLN 290m of operating costs in 1-2Q 2018 and for PLN 274m in 1-2Q 2017**

### Comment

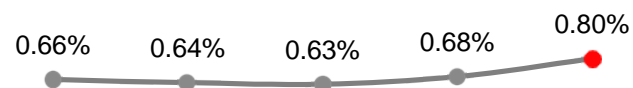
- Total expenses +11%YoY, impacted by investments in strategic projects.
- Staff costs +2% YoY. Wages increases from May.
- Costs related to BFG and PFSA of PLN 167m in 1-2Q 2018. (-PLN 8m YoY).
- Increase in IT related costs +30% YoY due to numerous projects being realised by the Group and due to DB acquisition. Higher marketing costs due to investments in the future.
- In SCB higher costs due to higher IT investments.
- C/I 45.3%, (44.6% in 1H 2017).

# Loan-loss provisions (LLPs) and Credit Quality

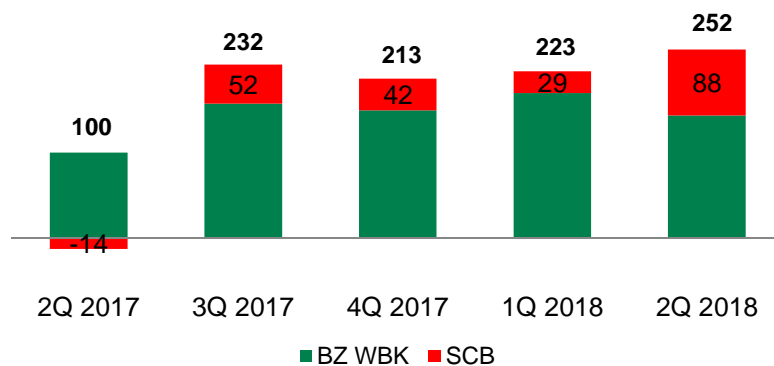
## Cost of Credit in line with expectations

### LLPs and Cost of credit

PLN million  
Cost of risk - quarterly

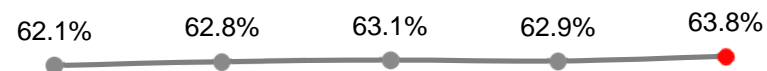


### Loan-loss provisions

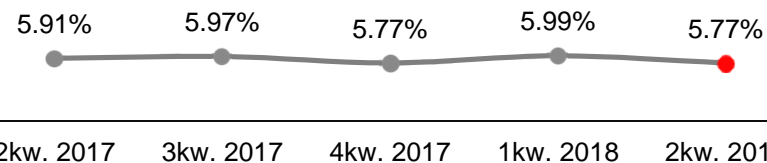


### NPL and Coverage ratio

#### Coverage ratio



#### NPL ratio



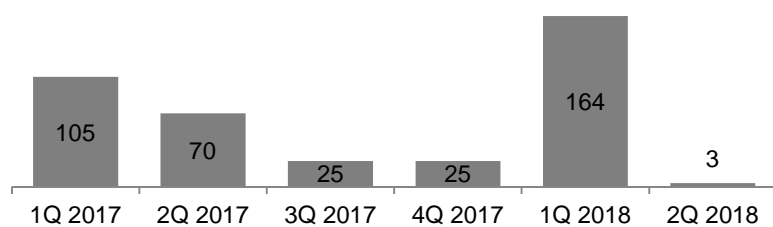
SCB Group accounted for PLN 117m of loan-loss provisions in 1-2Q 2018 and for PLN 14m in 1-2Q 2017

# Bank Tax, Regulatory Costs and NPL Sales

## 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 1Q 2018, the total tax charged to BZ WBK and SCB in this respect was PLN 106m (PLN 97m and PLN 9m respectively).

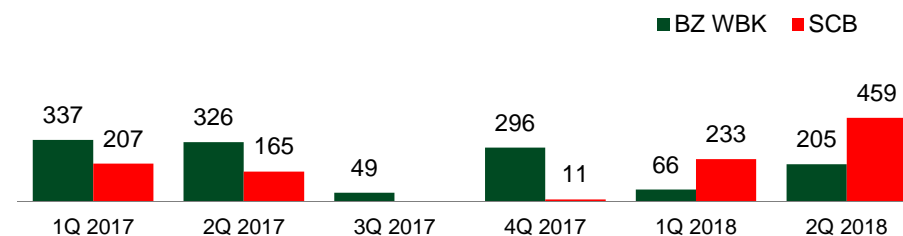
## Costs related to BGF and PFSA



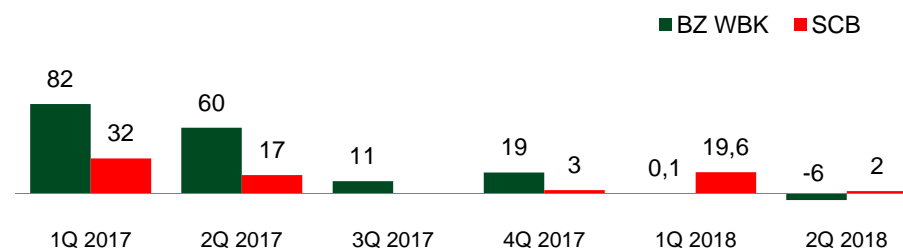
■ Costs related to Banking Guarantee Fund and PFSA

## NPL Sales

- **BZ WBK:** 1-2Q 2018 NPL sales of PLN 271m, PBT gain of PLN -6m.
- **SCB:** 1-2Q 2018 NPL sales of PLN 691m, PBT gain of PLN 22m.



## P&L impact (PBT) of sale of NPL



# 1-2Q 2018: Very good commercial results.

## Strong performance amid significant development investments

PLNm

	1-2Q 2018	1-2Q 2017	2017 %
NII + Fee income	3 831	3 527	9%
Gross income	4 188	3 825	9%
Operating expenses	-1 887	-1 695	11%
Net operating income	2 301	2 131	8%
Loan-loss provisions	-475	-246	93%
Tax on financial institutions	-219	-211	4%
<b>PBT</b>	<b>1 608</b>	<b>1 674</b>	<b>-4%</b>
Tax	-353	-413	-14%
<b>Attributable profit</b>	<b>1 074</b>	<b>1 104</b>	<b>-3%</b>
Effective tax rate	22.0%	24.6%	

**Significant growth in net interest and fee income**

**Costs driven by strategic projects  
Strong focus on efficiency**

**Cost of credit in line with expectations, YoY increase due to sale of receivables in 2017**

**Solid profit amid investments in the future (temporarily increased cost base and lower NIM)**

**Effective tax rate impacted by regulatory factors**

# Conclusions

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## Market Environment & Financial System

- GDP growth running at nearly 5% over the last four quarters, mainly supported by strong private consumption and reviving investments. Labour shortage results in higher wage pressure.
- CPI inflation should stay below 2% throughout 2018 partly due to high base effect in food and fuels. Core inflation still low but should start climbing gradually towards 2.5% YoY in 2019.
- Main interest rates unchanged at 1.5% in 2018 and probably for the next couple of quarters 2019.
- Total loan growth after FX adjustment stabilised near 6% YoY. Gradual acceleration of loan growth is expected in the coming quarters.

## Strategy & Business

- The strategy is a continuation of the previous course of action, based on the same values and behaviours. Focus on the bank's commercial and digital transformation and strategic projects.
- Strategy promotes customer-centric culture in business management, excellent customer service and product range, operational effectiveness, simple, clear and innovative solutions, and corporate culture that reinforces employees' engagement and motivation.

## Results

- Increase in core income (net interest income and fee income) +9% YoY
  - Active management of interest income: NII +9% YoY.
  - Fee income +8% YoY.
- Credit portfolio in line with expectations and steady cost of credit risk.
- Solid net profit despite higher costs connected with investments in the future and development of the Group.

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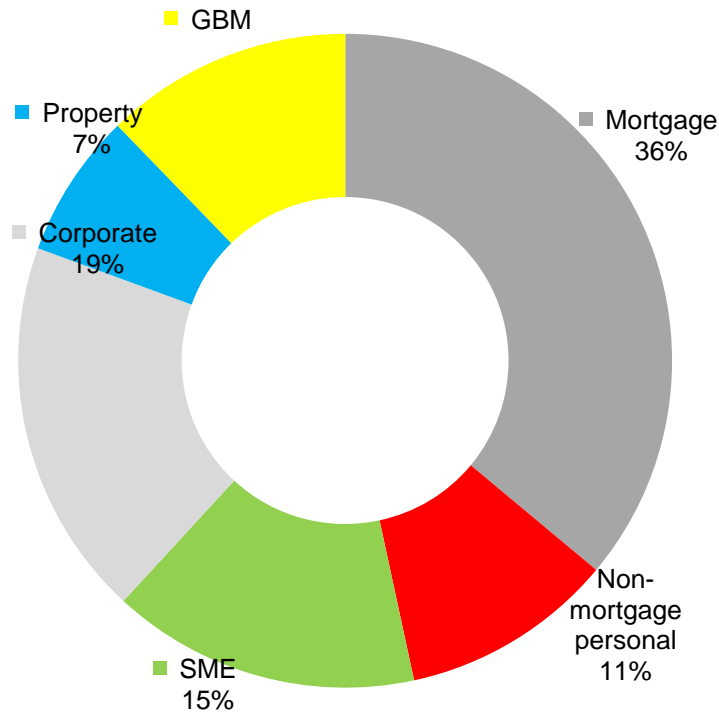
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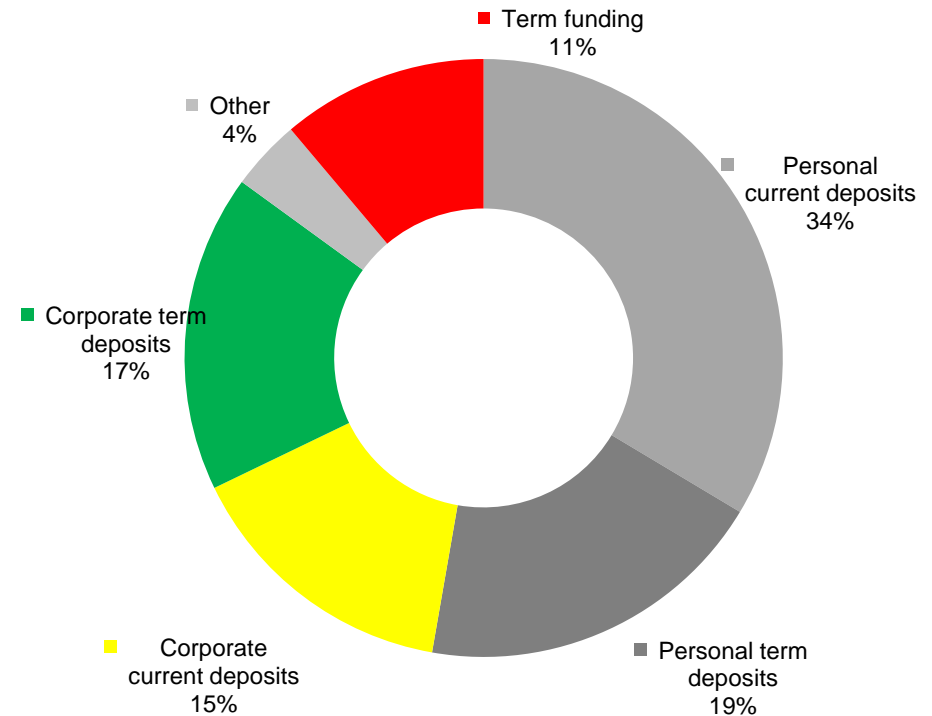
# Structure of Loans and Deposits / Term Funding

## Gross loans



Total 120 bn PLN

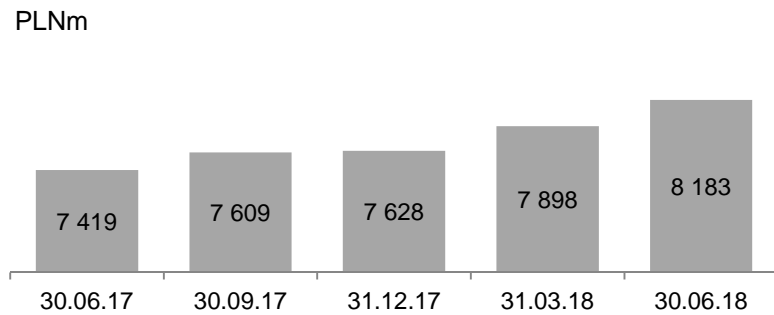
## Deposits & term funding\*



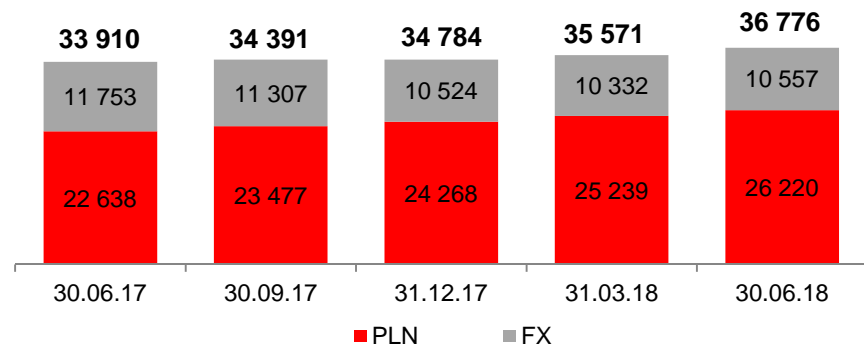
Total 133 bn PLN

# Retail Banking: double-digit credit action increase

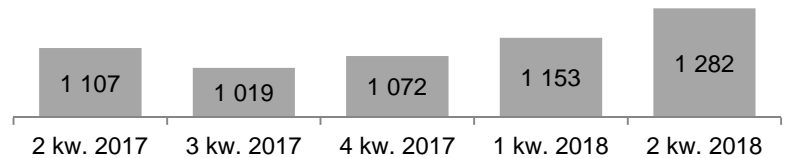
## Cash loans portfolio (gross)



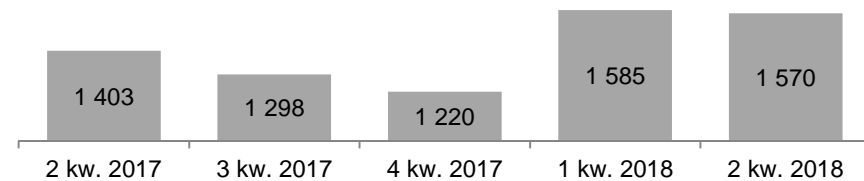
## Mortgage loans portfolio (gross)



## Cash loans - sales



## Mortgage loans - sales



- Cash loans portfolio **+10%** 2Q 18 / 2Q 17
- Cash loans sales **+16%** 2Q 18 / 2Q 17
- Record sales in May over PLN **445 m**

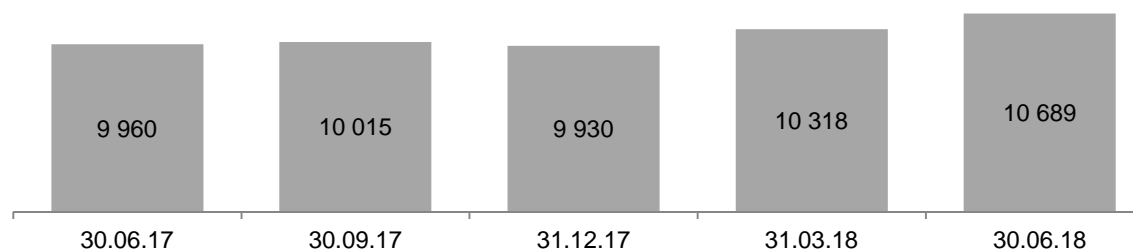
- PLN mortgage loans portfolio **+16%** 1H 18 / 1H 17
- FX mortgage: portfolio **-15%** 1Q 18 / 1Q 17
- Mortgage loans sales **+22%** 1Q 18 / 1Q17
- Record sales in March **PLN 650 m**
- Significant market share in mortgage sales: **11,5%\***



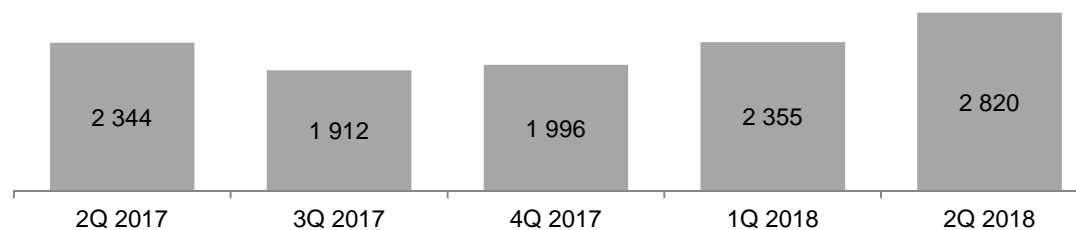
# SME (excluding SCB)

## SME Loans (gross)

PLN m



## SME Loan Sales (by disbursement)



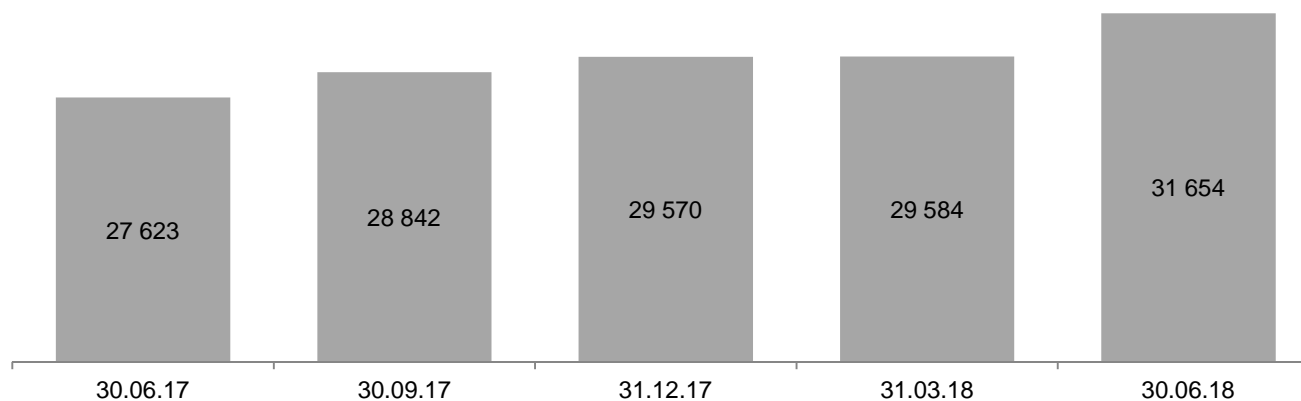
## Comment

- SME portfolio (excl. SCB) +10% YoY and +4% QoQ.
- SME sales +19% YoY and 20% QoQ.
- SME loyal customers +10% YoY.

# Corporate & GCB

## Corporate, GCB, Property Loans (gross)

PLN m



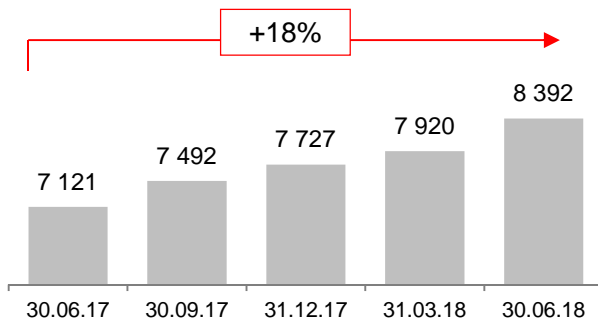
## Comment

- Corporate and GCB gross loan portfolio (excl property and including leasing and factoring) +15% YoY: Corporate loans +15% YoY and GCB +14% YoY.
- Property loans (PLN 7.3bn) stable YoY.

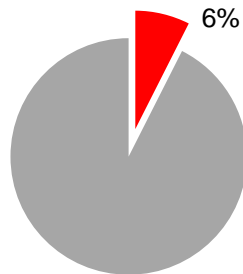
# Leasing & Factoring (excluding SCB)

## Leasing – strengthening 5th\* position on the market

Leasing Portfolio (PLNm)



Market Share\* (%)

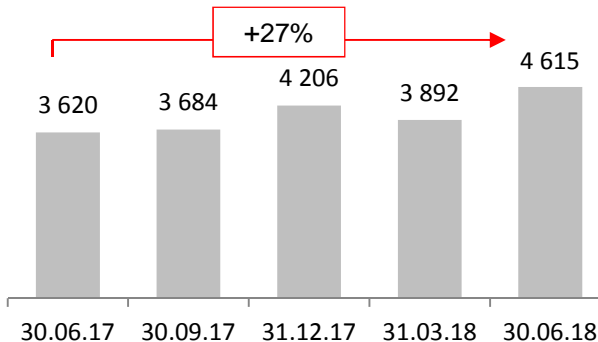


Comment

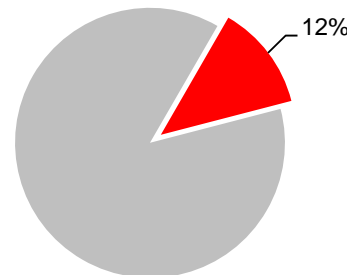
- The best ever half a year – PLN 2,4bn of net value of financed assets, +20% y/y
- Net value of financed vehicles PLN 1,3bn, +27% y/y
- Net value of financed machinery & equipment PLN 1,06bn, +14 y/y
- Leasing portfolio PLN 8,3bn, +18% y/y
- Growth of Client number +14% y/y

## Factoring – 2nd position on the market\*

Portfolio (PLNm)



Market Share (%)

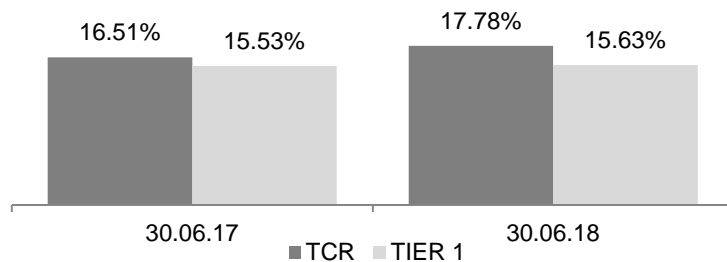


Comment

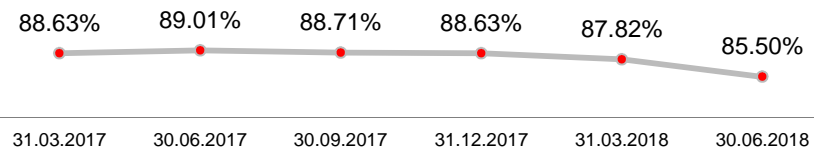
- Portfolio +27% YoY
- Turnover +21% YoY
- Factoring – 2nd position on the market; with 12% market share
- Market leader in reversed factoring with 35% share

# Capital Position & Liquidity

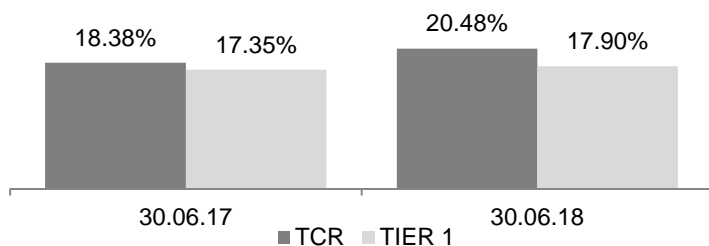
**BZ WBK Group Capital Ratio**



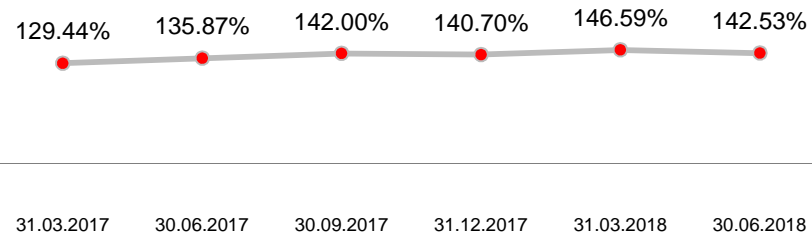
**BZ WBK Group (excl. SCB) Loan to Deposits Ratio (L/D)**



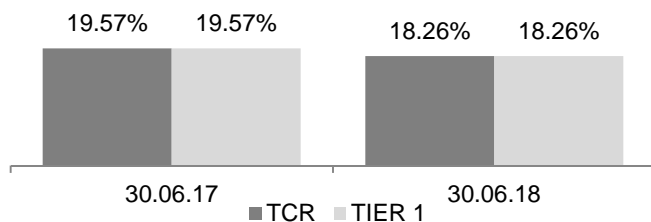
**BZ WBK Bank Capital Ratio**



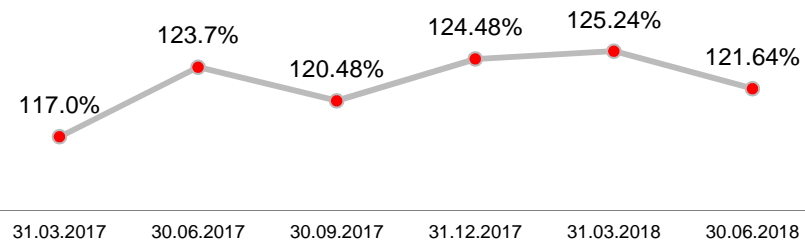
**BZ WBK Liquidity Coverage Ratio (LCR)**



**SCB Capital Ratio**



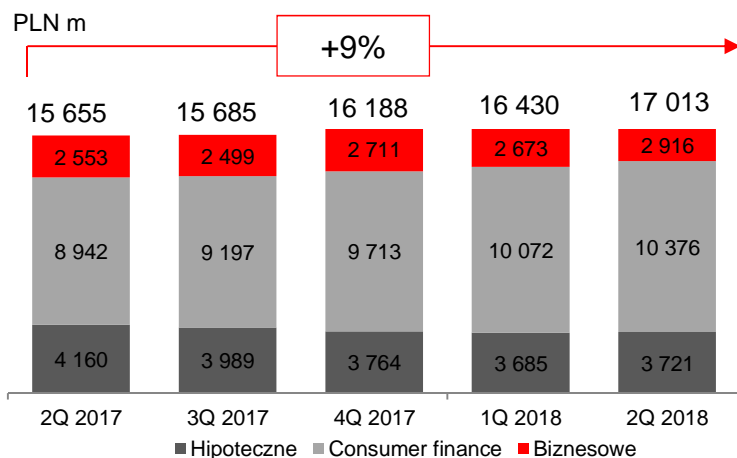
**BZ WBK Net Stable Funding Ratio (NSFR)**



# Santander Consumer Group - Loan Performance

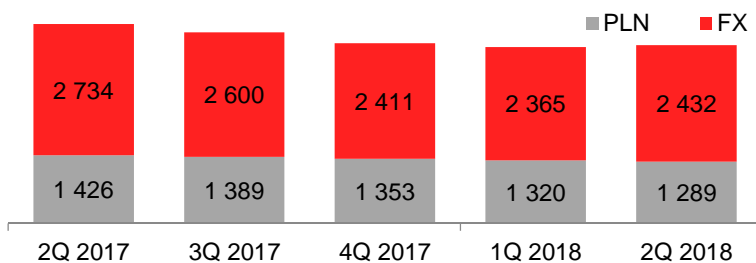
## Gross Loans +9% YoY

### Total gross loans



	Jun'17	Jun'16	YoY (%)	QoQ (%)
<b>Individuals</b>	<b>14 097</b>	<b>13 102</b>	<b>8%</b>	<b>5%</b>
Mortgage	3 721	4 160	-10%	-1%
Consumer finance	10 376	8 942	16%	7%
<b>Business</b>	<b>2 916</b>	<b>2 553</b>	<b>14%</b>	<b>8%</b>
<b>Total gross loans</b>	<b>17 013</b>	<b>15 655</b>	<b>9%</b>	<b>3%</b>

### Gross mortgage portfolio



### Comment

- **Total gross loans: +9% YoY:**
  - Mortgage portfolio -10% YoY
  - CHF mortgage loans -9% YoY (ca. CHF 62m)
  - Consumer loans +16% YoY
  - Business loans +14% YoY.

# Santander Consumer Group

## Key Financial Results 1-2Q 2018

<i>PLN m</i>	1-2Q 2018	1-2Q 2017
Assets	19 249	17 894
Net Loans	15 271	14 014
Deposits	8 559	7 972
Total equity	3 198	3 001
Net profit	325	326
L/D (%)	178.4%	175.8%
C/I (%)*	35.4%	39.6%
ROE (%)	19.9%	21.6%
ROA (%)	3.4%	3.5%
TCR (%)**	18.3%	19.6%

# BZ WBK Group Profit & Loss Account

for the period ( in PLN k):	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Interest income	1 559 802	1 620 968	1 663 808	1 684 729	1 688 501	1 736 743
Interest income on financial assets measured at amortised cost					1 518 899	1 506 838
Interest income on financial assets measured at fair value through other comprehensive income					163 239	174 832
Income similar to interest - financial assets measured at fair value through profit or loss					6 363	55 072
Interest expense	(305 806)	(318 481)	(322 842)	(305 281)	(298 675)	(340 536)
<b>Net interest income</b>	<b>1 253 996</b>	<b>1 302 487</b>	<b>1 340 966</b>	<b>1 379 448</b>	<b>1 389 826</b>	<b>1 396 207</b>
Fee and commission income	582 576	620 824	667 457	655 957	617 725	664 660
Fee and commission expense	(107 383)	(125 182)	(140 552)	(140 571)	(102 611)	(134 900)
<b>Net fee and commission income</b>	<b>475 193</b>	<b>495 642</b>	<b>526 905</b>	<b>515 386</b>	<b>515 114</b>	<b>529 760</b>
Dividend income	345	75 579	712	180	185	98 323
Net trading income and revaluation	55 858	36 228	55 567	47 321	20 073	53 749
Gains (losses) from other financial securities	17 177	10 770	3 962	15 593	(300)	6 153
Net gains/(losses) on subordinated entities	3 757	-	-	-	(65)	-
Other operating income	42 340	32 204	23 671	52 372	77 448	76 421
Impairment losses on loans and advances	(145 512)	(100 366)	(231 653)	(212 942)	(222 966)	(251 792)
Operating expenses incl.:	(865 972)	(828 582)	(807 694)	(870 166)	(971 151)	(915 827)
<i>Bank's staff, operating expenses and management costs</i>	<i>(763 710)</i>	<i>(734 087)</i>	<i>(686 366)</i>	<i>(755 269)</i>	<i>(862 454)</i>	<i>(751 413)</i>
<i>Depreciation/amortisation</i>	<i>(74 269)</i>	<i>(77 840)</i>	<i>(82 167)</i>	<i>(84 657)</i>	<i>(82 536)</i>	<i>(79 866)</i>
<i>Other operating expenses</i>	<i>(27 993)</i>	<i>(16 655)</i>	<i>(39 161)</i>	<i>(30 240)</i>	<i>(26 161)</i>	<i>(84 548)</i>
<b>Operating profit</b>	<b>837 182</b>	<b>1 023 962</b>	<b>912 436</b>	<b>927 192</b>	<b>808 164</b>	<b>992 994</b>
Share in net profits (loss) of entities accounted for by the equity method	8 655	15 157	14 734	19 718	10 998	14 504
Tax on financial institutions	(105 809)	(105 123)	(105 892)	(106 991)	(106 478)	(112 071)
<b>Profit before tax</b>	<b>740 028</b>	<b>933 996</b>	<b>821 278</b>	<b>839 919</b>	<b>712 684</b>	<b>895 427</b>
Corporate income tax	(212 812)	(199 737)	(188 610)	(215 548)	(180 479)	(172 690)
<b>Consolidated profit for the period</b>	<b>527 216</b>	<b>734 259</b>	<b>632 668</b>	<b>624 371</b>	<b>532 205</b>	<b>722 737</b>
of which:						
attributable to owners of BZ WBK S.A.	453 044	651 111	559 908	548 991	438 734	634 952
attributable to non-controlling interests	74 172	83 148	72 760	75 380	93 471	87 785

# BZ WBK Group Balance Sheet

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
<b>ASSETS</b>						
Cash and balances with central banks	4 150 507	4 112 997	5 117 186	4 146 222	5 202 843	4 681 443
Loans and advances to banks	2 618 114	1 870 753	2 179 043	2 136 474	1 810 599	1 704 535
Financial assets held for trading & hedging	2 660 852	5 715 915	2 474 945	3 634 169	5 965 252	6 178 269
Loans and advances to customers	104 018 178	105 053 727	106 475 429	107 839 897	109 077 791	114 176 972
- measured at amortised cost					108 971 391	112 674 986
- measured at fair value through profit or loss					106 400	1 501 986
Buy-sell-back transactions	189 656	8 248	-	-		60 756
Financial assets available for sale/Investment securities	26 500 766	26 735 273	27 586 847	28 415 812	-	-
Investment securities incl.:					29 001 043	34 865 845
- debt securities measured at fair value through other comprehensive income					28 090 221	33 903 526
- equity securities measured at fair value through other comprehensive income					907 432	959 963
- other investment securities measured at fair value through other profit or loss					3 390	2 356
Investments in associates and joint ventures	880 163	853 327	868 482	889 372	901 864	855 457
Intangible assets	452 759	436 761	430 607	490 327	486 567	495 572
Goodwill	1 688 516	1 688 516	1 712 056	1 712 056	1 712 056	1 712 056
Property, plant & equipment	858 934	858 046	857 240	930 717	898 332	900 490
Current income tax assets	24 228	-	-	-	-	-
Net deferred tax assets	1 383 737	1 425 284	1 430 858	1 414 227	1 445 532	1 534 620
Assets classified as held for sale	637	608	733	103	15 261	12 860
Other assets	951 248	1 007 263	1 290 942	1 065 068	1 039 282	1 338 337
<b>Total assets</b>	<b>146 378 295</b>	<b>149 766 718</b>	<b>150 424 368</b>	<b>152 674 444</b>	<b>157 556 422</b>	<b>168 517 212</b>
<b>LIABILITIES</b>						
Deposits from banks	2 635 608	2 591 607	2 730 481	2 783 083	3 838 090	3 252 586
Financial liabilities held for trading & hedging	3 127 371	2 696 300	2 479 711	1 816 502	1 597 220	2 205 906
Deposits from customers	108 452 441	109 111 159	111 022 779	111 481 135	113 576 582	122 024 315
Sell-buy-back transactions	1 529 209	4 168 296	1 861 557	2 650 846	5 378 655	5 376 727
Debt securities in issue	5 384 435	5 961 983	5 895 475	5 895 814	5 164 719	2 665 741
Subordinated liabilities	931 147	929 221	951 054	1 488 602	1 500 901	6 068 808
Current income tax liabilities	-	87 089	143 726	192 925	147 693	114 479
Provisions for off balance sheet credit facilities	51 497	49 198	49 595	50 652	68 036	64 295
Other provisions	82 727	89 589	111 160	102 482	108 114	152 034
Other liabilities	2 492 471	2 181 770	2 522 888	2 868 774	2 410 816	2 603 881
<b>Total liabilities</b>	<b>124 686 906</b>	<b>127 866 212</b>	<b>127 768 426</b>	<b>129 330 815</b>	<b>133 790 826</b>	<b>144 528 772</b>
<b>Equity</b>						
Equity attributable to owners of BZ WBK S.A.	<b>20 358 513</b>	<b>20 615 108</b>	<b>21 294 117</b>	<b>21 907 220</b>	<b>22 234 904</b>	<b>22 577 440</b>
Share capital	992 345	992 345	993 335	993 335	993 335	993 335
Other reserve funds	15 799 143	16 916 409	16 920 093	16 920 129	16 923 096	17 959 061
Revaluation reserve	392 443	531 471	645 109	714 466	827 996	840 282
Retained earnings	2 721 538	1 070 728	1 071 517	1 066 236	3 051 743	1 711 076
Profit of the current period	453 044	1 104 155	1 664 063	2 213 054	438 734	1 073 686
<b>Non-controlling interest in equity</b>	<b>1 332 876</b>	<b>1 285 398</b>	<b>1 361 825</b>	<b>1 436 409</b>	<b>1 530 692</b>	<b>1 411 000</b>
<b>Total equity</b>	<b>21 691 389</b>	<b>21 900 506</b>	<b>22 655 942</b>	<b>23 343 629</b>	<b>23 765 596</b>	<b>23 988 440</b>
<b>Total equity and liabilities</b>	<b>146 378 295</b>	<b>149 766 718</b>	<b>150 424 368</b>	<b>152 674 444</b>	<b>157 556 422</b>	<b>168 517 212</b>





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