



RATES AND FX OUTLOOK

POLISH FINANCIAL MARKETS

January 2016



Bank Zachodni WBK

 Grupa Santander

Table of Contents

Summary	3
Short- and Medium-Term Strategy	4
Domestic Money Market	6
Domestic IRS and T-Bond Market	7
Demand Corner	8
Supply Corner	9
International Money Market and IRS	10
International Bond Market	11
Foreign Exchange Market	12
FX Technical Analysis Corner	13
Economic and Market Forecasts	15
Economic Calendar and Events	17
Appendix	18

Summary

- ▶ The start of 2016 showed that global factors will continue to be one of the most important drivers of Polish assets. As a result of another turmoil in the Chinese market and tensions in the Middle East, the Polish currency lost some ground and bonds weakened the first trading day of the new year. Therefore, after a turbulent December (amid a disappointing ECB and a “dovish” rate hike by the Fed), it seems volatility is here to stay in 2016. One local factor, which recently played an important role in driving Polish yields, was the announcement of and then parliamentary work on the banking tax. A final version of the bill (which parliament probably will finalise next week) that excludes bonds from the tax base of banks’ assets should support the short end of the bond curve. This is especially the case, because NBP bills (outstanding at cPLN99bn at the end of 2015) are not excluded; thus, we should see a substitution effect and shift in liquidity to the front-end of the curve of Treasury papers. This, in our opinion, also should lower asset-swap spreads.
- ▶ One more additional positive factor for the short end is a change in inflation prospects. While a few months ago it was a common view that 12M CPI should end 2015 around zero and deflation should end rather sooner than later, it seems not to be the case anymore. Flash December’s data showed inflation at -0.5%YoY. Additionally, the view on lower energy and gas prices, which we presented in our [annual outlook](#), has materialised, as the regulator approved a cut in tariffs for households. This has not been fully priced-in by the market yet, in our opinion, and thus also should change the market perspective on the inflation outlook and monetary policy. Furthermore, we would not rule out another downside surprise in euro zone inflation numbers.
- ▶ A few months ago when the market had priced-in some monetary policy easing (25-50bp) in the start of 2016, it was mostly due to an expected change in MPC members set-up (eight new members to be appointed in January-February). A few candidates for these positions have said they did not think additional easing was necessary; as a result, expectations on rate cuts were scaled back. However, we think that the new inflation outlook, which will be also reflected in March’s inflation projection of the central bank, may again increase market expectations for further easing. In March all eight new members will be on board, and we would not be surprised if a rate cut is delivered at this meeting, as a ‘welcome bonus’. We note that the annual inflation rate averaged 0% for the last three years (vs a target of 2.5%), and inflation in 2016 might not be far from this average. Therefore, market discussion may change soon from ‘will a new politicised MPC cut rates?’ to ‘what is a scope for monetary easing given inflation well below the target for another year (or more)?’. All things considered, we still believe that the new MPC will be, on average, more dovish than the previous one. We think one factor, which might limit the scope for rate cuts would be a prolonged weakening of the zloty.
- ▶ We believe that the zloty might stabilise against the euro at the elevated level in the first weeks of 2016.

Short- and Medium-Term Strategy: Interest Rate Market

	Change (bp)		Current Level	Expected Trend	
	Last 3M	Last 1M	5 January 2016	1M	3M
Reference rate	0	0	1.50	→	↘↘
3M WIBOR	-1	-1	1.72	→	↘↘
2Y bond yield	-17	-19	1.49	↘	↘
5Y bond yield	2	1	2.21	→	→
10Y bond yield	32	28	2.94	→	→
2/10Y curve slope	49	47	145	→	↗

Note: Single arrow down/up indicates at least a 5bp expected move down/up, double arrow means at least a 15bp move. Source: BZ WBK.

PLN Rates: Our view and risk factors

Money market: After the market has scaled back its expectations of interest rate cuts in 2016, we think that hopes for decisive monetary easing may revive in a couple of weeks due to another deflationary surprise. Our current CPI forecast indicates that its upward trend will be much slower than earlier anticipated, and deflation may persist until 2H16 (much longer than market consensus). In such an environment, even a not extremely dovish MPC would have arguments to cut rates by 50bp. And we think that most of new MPC members would support such a move.

Short end: We think that bond yields at the short end of the curve will be under downward pressure in the coming weeks due to several factors: (1) CPI rising much slower than anticipated by the market and reigniting rate-cut expectations; (2) exemption of treasury debt from the bank tax, which will cause banks to switch their liquidity from NBP bills to T-bills and short-term T-bonds; and (3) fairly low and stable bond yields in the euro zone core debt market, at least in the next few months.

Long end: The long end of the yield curve should remain in a horizontal trend in the nearest month, in our view, as the (slightly) positive impact of bank tax exemption for bonds should be offset to a large extent by a higher political risk premium. We expect the asset swap spread likely will narrow under the impact of the introduction of the bank tax. Global market sentiment also will be important.

Risks to our view: We see three main risk factors, potentially negative for the debt market in the near term: The first is a major emerging market sell-off, caused by worries about China. The second is a set of strong data releases in the USA, boosting expectations for Fed policy tightening. The third risk is if first comments of the new MPC candidates appear surprisingly hawkish, reducing odds of decisive rate cuts at the start of the year.

Short- and Medium-Term Strategy: FX Market

	Change (%)		Current Level	Expected Trend	
	Last 3M	Last 1M		1M	3M
EURPLN	1.7	0.1	4.32	→	→
USDPLN	5.8	1.2	4.01	↘	↘↘
CHFPLN	2.4	0.4	3.98	→	↘
GBPPLN	2.3	-1.9	5.88	→	↗
EURUSD	-3.8	-1.1	1.08	↗	↗

Note: Single arrow down/up indicates at least a 1.5% expected move down/up, double arrow means at least a 5% move. Source: BZ WBK.

PLN FX Market: Our view and risk factors

EUR: We think EUR/PLN could stay in the 4.23-4.37 range in January and only significant improvement in global market sentiment could support the zloty, as the domestic factors will not be very supportive (decent macro data will be overshadowed by political risk, imposition of the bank tax and the likely strengthening of expectations for interest rate cuts by the new MPC).

USD: We are still less positive about the USD than most of other institutions. We expect that additional dollar gains, after those made in the last few months, will be harder to generate. As we assume EUR/USD to trend higher, we expect the USDPLN to decrease amid roughly stable EUR/PLN.

CHF: Our forecast for EUR/CHF assumes a gradual increase, as we still believe the Swiss franc is overvalued. If true, it would imply a stronger zloty against the Swiss currency.

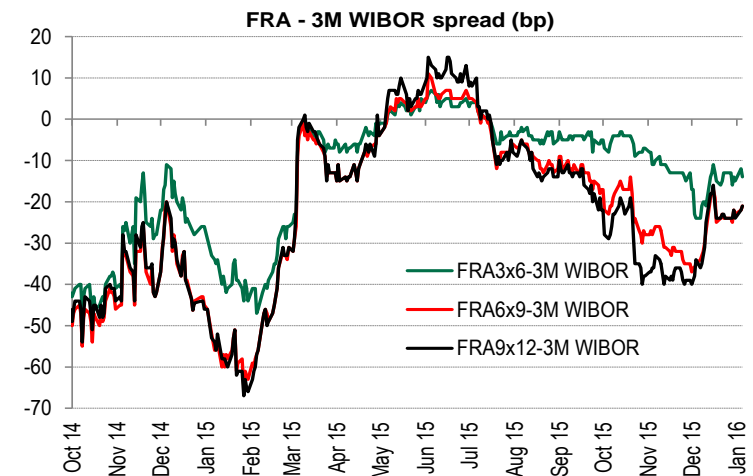
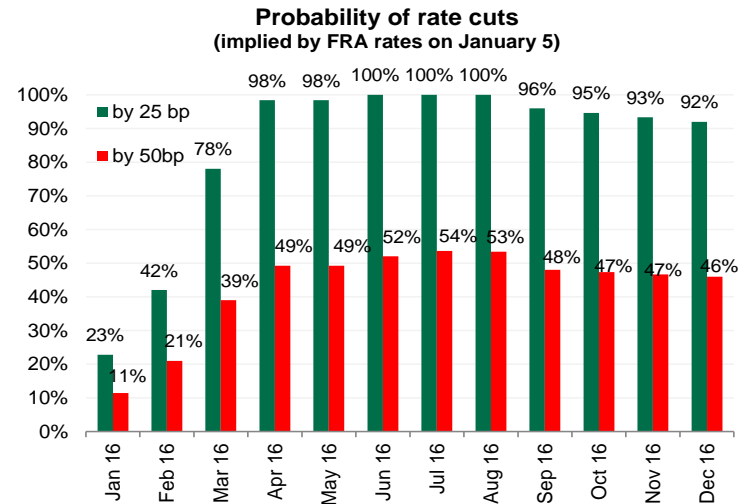
Risks to our view: As in the case of the fixed income market, we believe further turmoil in emerging markets (triggered by China, for example) would be the biggest threat for the zloty. The currency also may suffer if the government comes up with new ideas that stir up controversy; however, we think that the FX conversion bill (potentially most negative for PLN) will be delayed or – if finalised – changed in such way that its impact on the banking sector and the FX market will be low.

Domestic Money Market: Expectations for rate cuts scaled back. But for how long?

In December, investors in the money market significantly cooled down their expectations for monetary easing in early 2016. To some extent this resulted from cautious comments by the MPC members (Glapiński, Kaźmierczak, Osiatyński) and by candidates to a new Council about interest rate reductions. Another reason was an upward move of IRS rates as December's ECB decision disappointed. As a consequence, FRA rates increased by 1-28 bp in the last month of 2015. At the same time, WIBORs decreased by 1-3 bp across the board.

Currently, the market reflects c50% odds of a 25 bp rate cut in a three-month time period (against nearly 100% early December), but is fully pricing-in such a decision in a six-month horizon. On the other hand, the market no longer reflects a expectations of a more aggressive monetary easing (a rate reduction of 50 bp) this year.

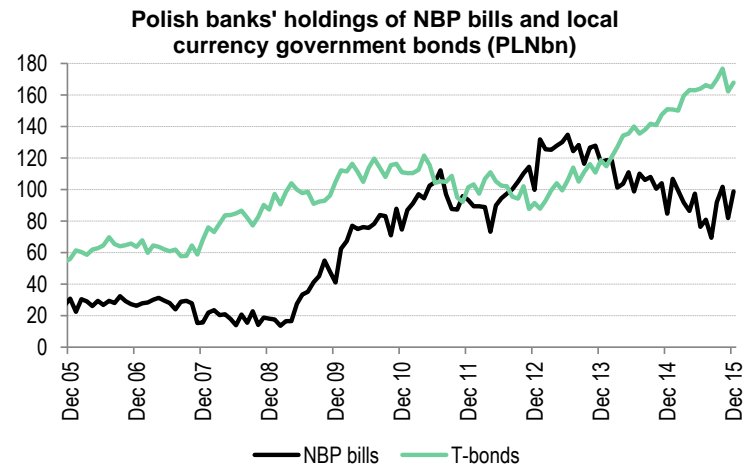
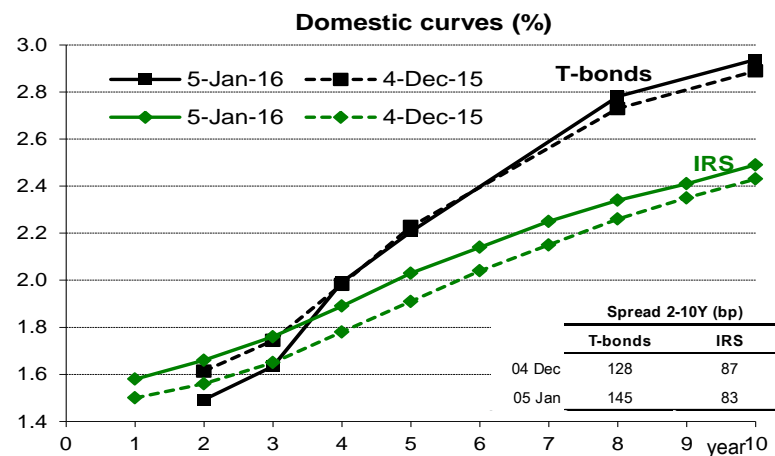
We uphold our baseline scenario assuming that the new MPC is likely to ease monetary conditions in 1Q16. We expect a period of deflation that will last longer and a CPI inflation rebound that will be slower than previously expected. We believe that newly appointed members to the MPC (this month they will be interviewed and selected by Poland's parliament) will support our view, renewing expectations for earlier monetary easing. While a WIBOR rate decline should be still muted in January, FRA rates might show more substantial decline in upcoming weeks.



Source: Reuters, BZ WBK

Domestic IRS and the T-Bond Market: Changes in bank tax could bring support for short-term bonds

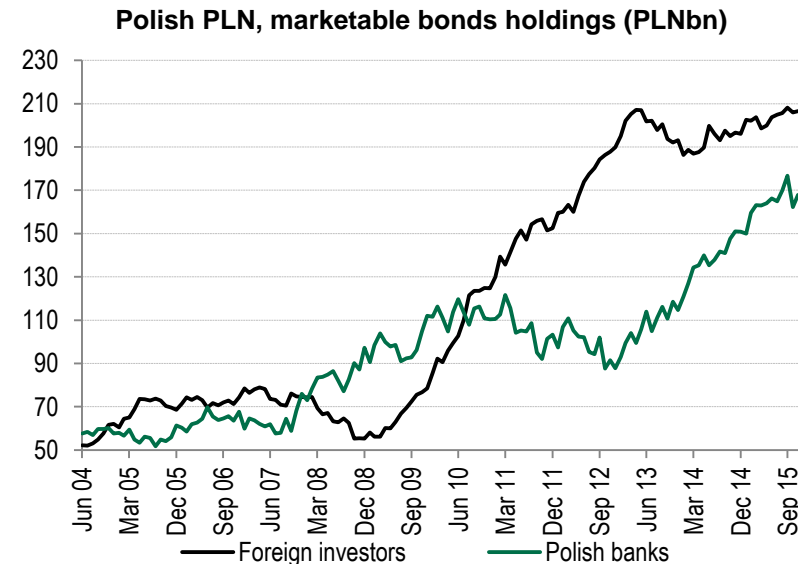
- December was a very volatile month – while T-bonds and IRS lost ground after the disappointing ECB decision, the ‘dovish’ rate hike by the Fed helped the market to revive and recoup most of the earlier losses. All in all, in monthly basis, yields were 16-27 bp higher on the belly and long end of the curve at the end of December, while the front end of the curve was more or less stable. As regards IRS, the curve shifted by 6-24 bp, with the highest increase in the 5Y rate.
- The yield curve steepened markedly at the end of 2015, with the 2-10Y spread widening towards 140 bp, the highest level since February 2014. What is more, the spread over Bunds also widened and reached a temporarily 260 bp (the highest level since April 2014). This was due, among other things, to investors demanding a higher risk premium due to fears of excessive loosening of the fiscal policy by the government.
- We remain still mildly bullish on the front end of the curve as we believe that parliament’s decision to exclude Poland’s government bonds from taxation (contrary to NBP’s bills) should shift domestic commercial banks’ interest towards the front end of the yield curve. What is more, in our view, the new MPC should be more dovish, and we still expect the rate cut by 50 bp in 1Q16. We also think that leaving deflation behind will be a slower process than we had previously expected. Given these factors, we still see room for yield decline at the front of the curve.
- The belly and long end of the curves will remain more vulnerable to global factors, with US macro data and FOMC minutes a key for market direction at the start of 2016. Taking into account the fragile global mood (in particular, the uncertain situation in China), we expect the yield of the 10Y benchmark to stay within the December range of 2.90-3.20%.



Source: Reuters, Bloomberg, NBP, MoF, BZ WBK.

Demand Corner: Polish banks buy, foreign banks sell

- Finance Ministry data showed that in November the biggest changes in PLN-denominated, marketable bond holdings were recorded for Polish banks and individuals.
- After October's PLN14.5bn sale (the biggest monthly reduction since data is available – July 2004), in November Polish banks purchased debt for PLN5.6bn nominal value. Their buying concentrated in the belly of the curve as they purchased the new 5Y benchmark PS0421 for more than PLN5.5bn. They also bought OK0717 for nearly PLN1bn and DS0726 for PLN1.2bn. The total portfolio of the banks stand at nearly PLN168bn, the second highest level ever (after the record high PLN176.6bn in September).
- Individuals bond holdings rose nearly PLN1bn in monthly terms, and the nominal value of this group's portfolio rose above PLN10bn for the first time since December 2010.
- Foreign investors' portfolio did not change much, staying close to PLN205bn. The biggest sellers in this group were the commercial banks that reduced their portfolio by PLN4bn (the biggest monthly reduction for a year). This was offset by buying by pension funds, mutual funds, central banks and others. Nonresidents are still dominant investors in Polish long-term bonds. They hold more than 50% of debt outstanding in each of the DS series (for DS0725 it was even 84% at the end of November) except DS0726 (44%) and DS1017 (45%).

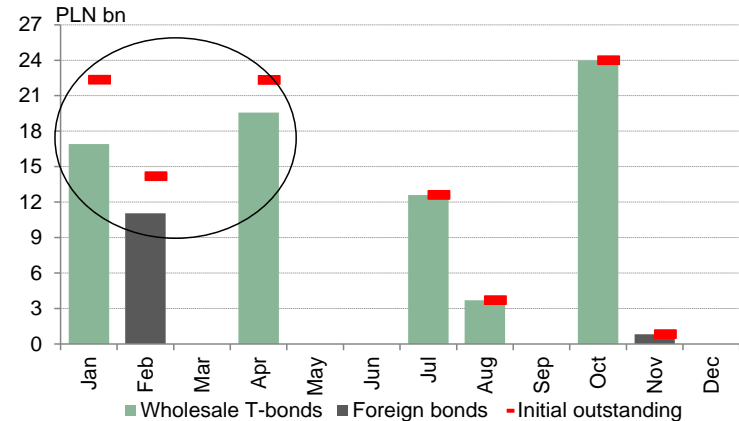


Source: Finance Ministry. BZ WBK.

Supply Corner: MF intends to finance 50% of the 2016 target by the end of 1Q16

- According to preliminary data, Poland's ministry of finance pre-financed some 20% of the 2016 gross borrowing needs as of end-December 2015. The final pre-financing value will become available after closing of 2015 accounts; however, in our view, it probably will not significantly exceed 25%.
- The 1Q16 issuance plan shows that the ministry will offer T-bonds worth PLN28-38bn in the domestic debt market, with the structure of supply depending on the market situation. In January alone, two standard T-bonds auctions are set, offering papers worth PLN6-13bn in total. What is more, this is the first time since 2013 that the ministry will hold a T-bill auction. Detailed T-bill issuance plans will be announced on a monthly basis.
- The ministry also plans to be very active in foreign markets. It intends to sell an equivalent of PLN10-25bn in public issues and an unspecified amount in private placement.
- To sum up, Poland wants to build a safe level of liquidity cushion and finance 50% of the 2016 gross borrowing needs by the end of 1Q16. In our view, while it is an ambitious plan, the liquidity situation should support it as the 1Q16 inflows will reach nearly PLN15bn from domestic T-bonds redemption and interest rate payments and c€3bn from eurobond redemptions.

Treasury security redemptions in 2016, including pre-financing done in 2015 (at the end of December 2015)



Auction plan for January 2016

Auction Date	Settlement Date	T-bond/T-bills to Be Offered	Offer (PLN m)
7 Jan 2016	11 Jan 2016	PS0421	2,500-4,500
18 Jan 2016	20 Jan 2016	32-week T-bills	1,000 – 2,000
28 Jan 2016	1 Feb 2016	choice will depend on the market conditions	4,000 – 8,000

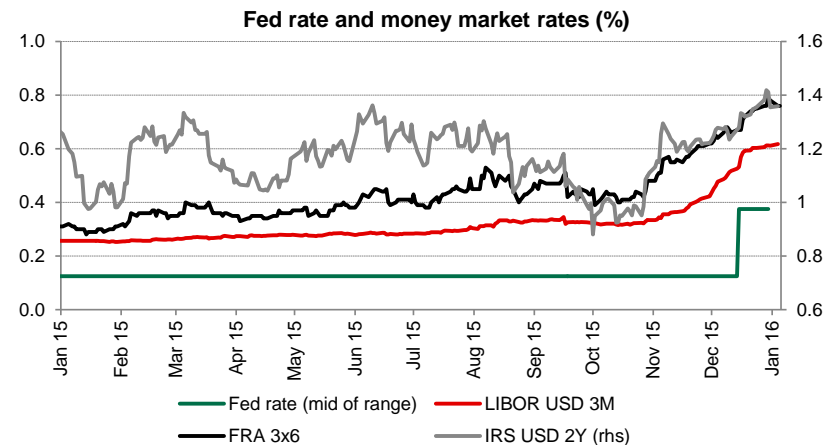
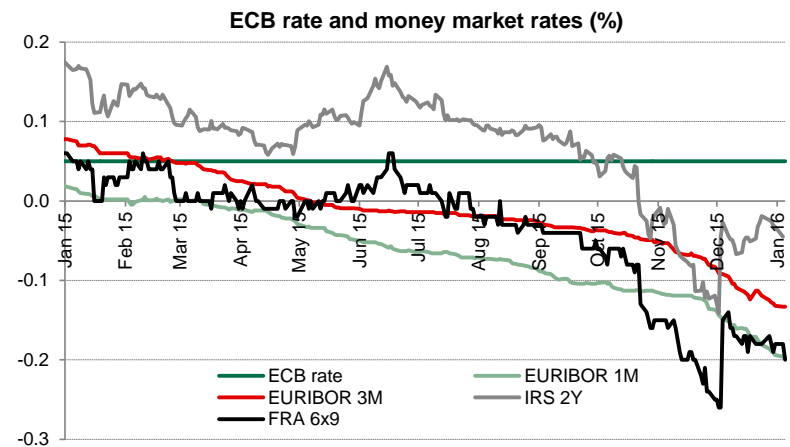
Source: Finance Ministry, BZ WBK.

International Money Market and IRS: Changes in IRS rates will mirror fundamentals

As expected, December brought further monetary easing by ECB and the start of monetary tightening by the Fed. However, the easing package delivered by the ECB was lighter than many market participants had expected, which caused a significant increase in the European IRS rates (EUR IRS curve shifted up 5-16 bp on a monthly basis). At the same time, EURIBOR rates 1M and 3M fell slightly by 2-4 bp in 1M. We point out that market reaction to the FOMC decision was muted as the Fed rate hike removes uncertainty from the market, particularly from markets that have been pressured by Fed lift-off expectations. Consequently, USD LIBOR rates up to 6M increased by 19-20 bp. Expectations for further rate hikes by FOMC and strong steady growth of the US economy pushed USD IRS rates up by 14-19 pb on a monthly basis, with the highest increase on the front end of the curve.

In our view, the inflation outlook and a larger ECB QE programme should keep the EUR money market rates low. However, we believe the euro zone fundamentals are strong enough to support a gradual increase in EUR IRS rates.

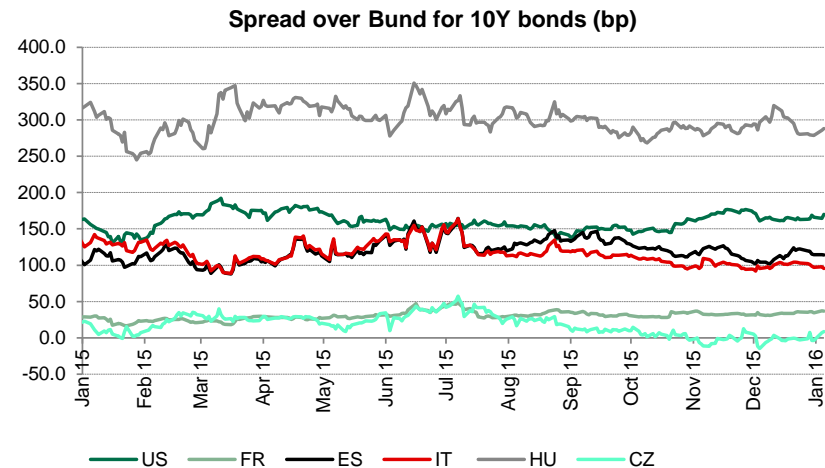
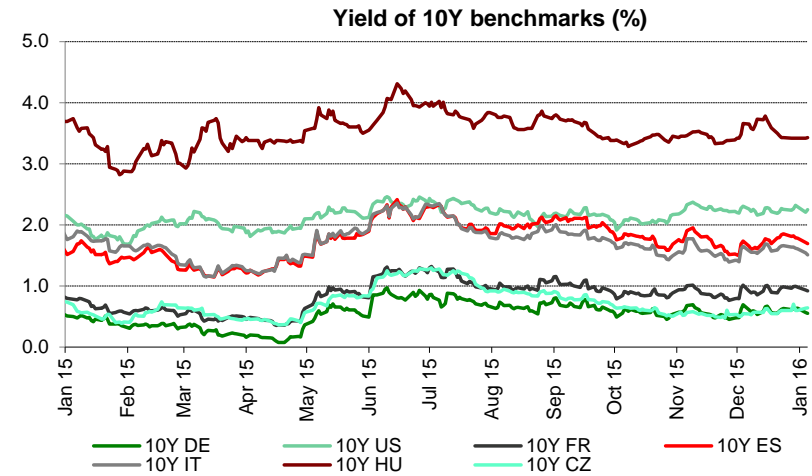
We believe that the Fed will adjust its monetary policy at a very gradual pace in 2016, with the next hike to be delivered in March. In light of this, we find the current market pricing too soft. Currently, we believe the market implies a 50% chance of a rate hike in April and is pricing-in a Fed hike of 25 bp in June. Therefore, we expect USD money market rates to continue to move up gradually. Changes in IRS rates will be strongly data-dependent. We expect rates to continue to trend higher due to further improvement in the labour market and strong, steady GDP growth in upcoming quarters.



Source: Reuters, ECB, Fed, BZ WBK.

International Bond Market: The spillover from the US will be felt in 10Y sectors

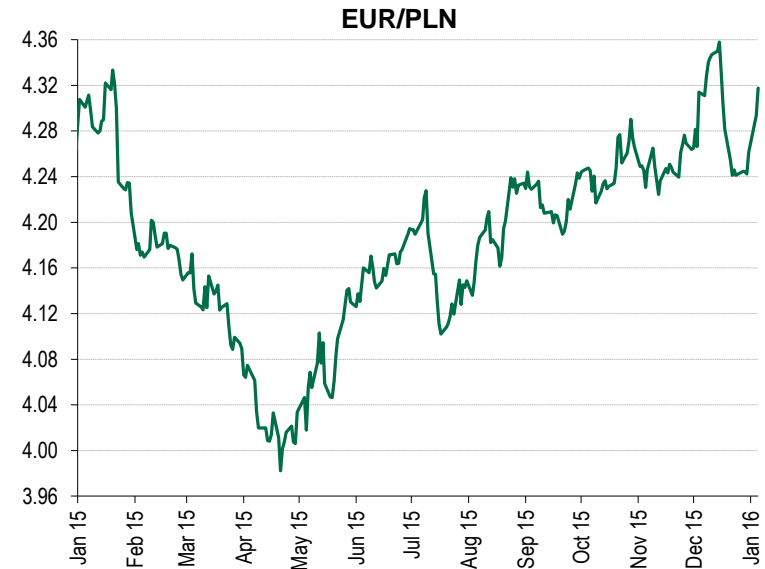
- The start of 2016 has been favourable for both core and peripheral debt markets after high volatility in the last month of 2015. Yields inched lower due to risk-off mood resulting from a sharp drop in stock prices after disappointing macro data from China. CEE bonds were under pressure, with a moderate increase in yields.
- The increasing rate differential between the US and Europe is a key to the debt market direction for upcoming weeks/months. The first months of 2016 (January, February) will not bring any changes in monetary conditions from either the ECB or the Fed. Therefore, we expect the market to remain data-dependent. In our view, the spillover from the US will be felt mainly in the 10Y segment, as the ECB should keep the front end of the EUR curves in check with QE purchases. Therefore, we expect a steepening of the EUR curve, driven by higher 10Y yields on the back of higher US yields.
- We think that peripheral bonds will benefit more from global mood improvement as investors will search for yields and due to better fundamentals. As a result, peripheral spreads over bunds could tighten further in upcoming weeks.
- The ongoing divergence of the monetary policy direction between the US and euro zone will have an impact on CEE debt markets. In our view, monetary conditions in the Czech Republic and Hungary should remain unchanged in upcoming quarters. Therefore, we expect yields in these countries to remain in a horizontal trend.



Source: Reuters, BZ WBK.

Foreign Exchange Market: Weaker zloty at the start of 2016E

- EUR/PLN was quite volatile in the November-December period. First, the zloty depreciated sharply to 4.37 per euro (its weakest level since January) on the disappointing ECB decision. However, the Polish currency recovered fast with EUR/PLN falling to 4.23 after the FOMC managed to deliver a 'dovish' 25 bp rate hike in December.
- Unlike in the final month of 2015, there is no seasonal pattern for EUR/PLN movements in January. In our 2016 outlook piece, we wrote that the zloty has been highly correlated recently with EM stocks, but for equities we do not find any seasonal pattern either as far as the beginning of the year is concerned.
- However, in our year-ahead report, we mentioned China as a crucial risk factor for the zloty. The beginning of 2016 brought fresh worries about the world's second biggest economy pushing EUR/PLN above 4.30. The exchange rate's drop seen in the second half of December was nearly equal in size and time to the correction seen in July. And similarly to this move, the most recent zloty recovery was terminated, along with that of other currencies, by global concerns about China.
- We think the EUR/PLN ratio could stay in the 4.23-4.37 range in January, and only significant improvement in the global market sentiment could support the zloty. In Poland, imposing the bank tax and perhaps the government's moving to the next big issues like lowering the retirement age, conversion of the CHF-denominated mortgage loans and looming interest rate cuts, will not, in our view, likely lead to the zloty's strengthening.



Source: Reuters, BZ WBK

FX Technical Analysis Corner: EUR/USD broke support



- ▶ EUR/USD broke the lower boundary of the 1.08-1.106 range, and this opens the door for more decline.
- ▶ ADX is, however, still in the low 20s, indicating that the move is not too strong so far.
- ▶ The big white candle from early December may slow the decline.

Source: Reuters, BZ WBK.

Macroeconomic Forecasts

Poland		2013	2014	2015E	2016E	1Q15	2Q15	3Q15E	4Q15E	1Q16E	2Q16E	3Q16E	4Q16E
GDP	PLNbn	1,656.3	1,719.1	1,780.9	1,838.1	414.6	432.2	438.6	495.5	426.0	445.3	451.7	515.1
GDP	%YoY	1.3	3.3	3.5	3.5	3.7	3.3	3.5	3.6	3.2	3.4	3.7	3.8
Domestic demand	%YoY	-0.7	4.9	3.1	3.9	2.9	3.1	3.2	3.1	4.6	3.7	3.6	3.8
Private consumption	%YoY	0.2	2.6	3.1	3.2	3.1	3.1	3.1	3.1	3.1	3.2	3.4	3.3
Fixed investment	%YoY	-1.1	9.8	5.9	5.7	11.5	6.1	4.6	4.3	4.0	6.0	6.0	6.0
Unemployment rate ^a	%	13.4	11.4	9.8	9.0	11.5	10.2	9.7	9.8	10.0	9.1	8.8	9.0
Current account balance	EURmn	-5,031	-8,303	-1,954	-3,331	900	864	-2,527	-1,191	-303	419	-2,477	-970
Current account balance	% GDP	-1.3	-2.0	-0.5	-0.8	-1.3	-0.4	-0.5	-0.5	-0.7	-0.8	-0.8	-0.8
General government balance (ESA 2010)	% GDP	-4.0	-3.2	-3.1	-3.3	-	-	-	-	-	-	-	-
CPI	%YoY	0.9	0.0	-0.9	0.0	-1.5	-0.9	-0.7	-0.6	-0.3	-0.2	-0.2	0.7
CPI ^a	%YoY	0.7	-1.0	-0.5	1.0	-1.5	-0.8	-0.8	-0.5	-0.3	-0.1	0.1	1.0
CPI excluding food and energy prices	%YoY	1.2	0.6	0.3	0.5	0.4	0.3	0.3	0.2	0.3	0.4	0.4	0.8

Source: CSO, NBP, Finance Ministry, BZ WBK estimates. ^a at the end of the period

Interest Rate and FX Forecasts

Poland		2013	2014	2015	2016E	1Q15	2Q15	3Q15E	4Q15	1Q16E	2Q16E	3Q16E	4Q16E
Reference rate ^a	%	2.50	2.00	1.50	1.00	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
WIBOR 3M	%	3.02	2.52	1.75	1.30	1.87	1.67	1.72	1.73	1.42	1.25	1.25	1.26
Yield on 2-year T-bonds	%	2.98	2.46	1.70	1.48	1.61	1.75	1.80	1.65	1.50	1.43	1.45	1.55
Yield on 5-year T-bonds	%	3.46	2.96	2.21	2.50	1.90	2.35	2.43	2.19	2.33	2.45	2.57	2.67
Yield on 10-year T-bonds	%	4.04	3.49	2.69	3.14	2.24	2.79	2.93	2.77	2.91	3.03	3.20	3.42
2-year IRS	%	3.10	2.51	1.72	1.47	1.65	1.85	1.78	1.58	1.47	1.46	1.43	1.50
5-year IRS	%	3.51	2.92	2.02	2.25	1.80	2.23	2.17	1.89	2.06	2.20	2.32	2.42
10-year IRS	%	3.86	3.34	2.41	2.82	2.06	2.57	2.62	2.38	2.55	2.73	2.90	3.12
EUR/PLN	PLN	4.20	4.18	4.18	4.24	4.20	4.09	4.19	4.26	4.27	4.24	4.25	4.21
USD/PLN	PLN	3.16	3.15	3.77	3.75	3.72	3.70	3.77	3.90	3.86	3.77	3.74	3.63
CHF/PLN	PLN	3.41	3.45	3.92	3.68	3.93	3.93	3.90	3.93	3.88	3.74	3.63	3.48
GBP/PLN	PLN	4.94	5.19	5.77	6.00	5.64	5.67	5.84	5.91	5.95	6.05	6.07	5.93

Source: CSO, NBP, Finance Ministry, BZ WBK estimates. ^a at the end of period

Economic Calendar and Events

Date		Event:	Note:
13-Jan	PL	Poland's Sejm will start its 3-days session	Sejm's candidates to the MPC will be interviewed
	PL	C/A balance for November	We expect a current account gap of €0.38bn, slightly above market consensus (-€0.30bn)
14-Jan	PL	MPC meeting – interest rate decision	No change in monetary policy conditions
15-Jan	PL	CPI for December	Flash estimate was -0.5%YoY, we expect it to be confirmed
18-Jan	PL	32-weeks T-bill auction	Offer: PLN1.0-2.0bn
20-Jan	PL	Wages and employment for December	We expect employment growth of 1.2%YoY and an increase in wages of 3.6%YoY, close to market consensus
21-Jan	PL	Industrial output for December	We expect an increase of 6.8%YoY, above market expectations (5.3%)
	PL	Construction output for December	In our view, construction output will increase by 3%YoY vs the median forecast of 1.3%YoY
	PL	Retail sales for December	We estimate retail sales growth (in constant prices) of 2.9%YoY, slightly less than market forecasts at 3.2%YoY
	EZ	ECB meeting – interest rate decision	We expect rates to remain unchanged
26- Jan	PL	Minutes from November MPC meeting	-
	HU	HNB meeting – interest rate decision	We expect rates to remain unchanged
28-Jan	PL	T-bond auction	Offer: PLN4.0-8.0bn
	US	FOMC meeting – interest rate decision	We expect rates to remain unchanged
TBA	PL	Unemployment rate for December	We expect increase in the registered unemployment rate to 9.8%, due to seasonal pattern
1-Feb	PL	PMI for manufacturing for January	-
3-Feb	PL	MPC meeting – interest rate decision	-
4-Feb	CZ	CNB meeting – interest rate decision	We expect rates to remain unchanged

Source: CB, Markit, CSO, Finance Ministry

Annex

1. Domestic Market Performance
2. Polish Bonds: Supply Recap
3. Polish Bonds: Demand Recap
4. Euro Zone Bonds: Supply Recap
5. Poland vs Other Countries
6. Central Bank Watch

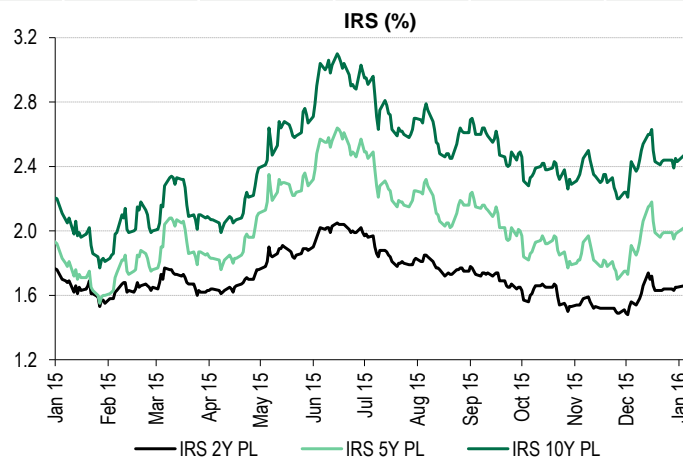
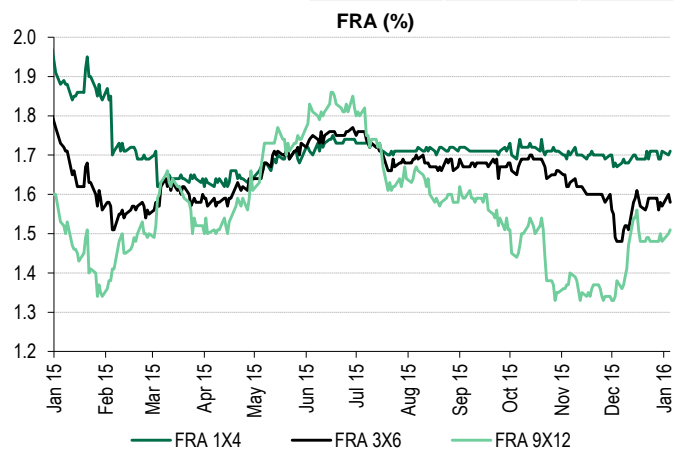
1. Domestic Market Performance

Money market rates (%)

	Reference	Poland	WIBOR (%)				OIS (%)				FRA (%)			
	rate (%)	(%)	1M	3M	6M	12M	1M	3M	6M	12M	1x4	3x6	6x9	9x12
End of December	1.50	1.53	1.65	1.72	1.77	1.79	1.43	1.41	1.31	1.25	1.71	1.57	1.49	1.48
Last 1M change (bp)	0	6	-2	-1	-3	-3	3	1	-1	1	1	-3	11	14
Last 3M change (bp)	0	-1	-2	-1	-4	-5	-4	-6	-16	-17	-1	-11	-7	-3
Last 1Y change (bp)	-50	-13	-43	-34	-28	-25	-45	-39	-42	-42	-26	-23	-12	-12

Bond and IRS market (%)

	BONDS			IRS			Spread BONDS / IRS (bp)		
	2Y	5Y	10Y	2Y	5Y	10Y	2Y	5Y	10Y
End of December	1.55	2.21	2.94	1.65	1.99	2.43	-10	22	51
Last 1M change (bp)	-3	16	27	14	24	19	-17	-8	8
Last 3M change (bp)	-20	-15	11	0	-1	-6	-20	-14	17
Last 1Y change (bp)	-22	8	43	-12	5	22	-10	3	21



Source: Reuters, BZ WBK

2. Polish Bonds: Supply Recap

Total issuance in 2016 by instrument (in PLN mn, nominal terms)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
T-bond auctions	12,000	10,000	10,000	9,500	7,000	8,500	7,500	3,600	4,000	10,000	3,000		85,100
T-bill auctions	1,000	2,000	1,000	1,000	1,000	700	500		700				7,900
Retail bonds	200	600	175	167	175	192	200	215	200	250	1100	250	3,724
Foreign bonds/credits	6,383	8,500	3,900		3,839		3,830			1,917	4,578		32,946
Pre-financing and financial resources at the end of 2015	36,500												36,500
Total	56,083	21,100	15,075	10,667	12,014	9,392	12,030	3,815	4,900	12,167	8,678	250	166,170
Redemption	13,680	11,645	153	19,494	2,146	1,124	9,795	4,888	900	24,073	2,684	910	91,492
Net inflows	42,403	9,455	14,922	-8,827	9,867	8,268	2,234	-1,073	4,000	-11,906	5,994	-660	74,677
Rolled-over T-bonds													0
Buy-back of T-bills/ FX-denominated bonds													0
Total	42,403	9,455	14,922	-8,827	9,867	8,268	2,234	-1,073	4,000	-11,906	5,994	-660	74,677
Coupon payments from domestic debt	1,084			3,767			3,306		1,295	5,487			14,940

Note: Our forecasts = shaded area

Source: MF, BZ WBK

2. Polish Bonds: Supply Recap (cont.)

Schedule of Treasury security redemptions by instrument (in PLN mn)

	Bonds	Bills	Retail bonds	Total domestic redemption	Foreign bonds/credits	Total redemptions
January	13,451		229	13,680	0	13,680
February	0		647	647	10,999	11,645
March	0		153	153	0	153
April	17,443		136	17,579	915	18,494
May	0		146	146	0	146
June	0		124	124	0	124
July	7,658		226	7,884	911	8,795
August	3,689		199	3,888	0	3,888
September	0		200	200	0	200
October	22,420		242	22,662	911	23,573
November	0		1,056	1,056	1,628	2,684
December	0		210	210	0	210
Total 2016	64,662		3,567	68,229	15,364	83,592
Total 2017	72,603		2,485	75,087	11,728	86,815
Total 2018	67,260		1,313	68,573	12,977	81,549
Total 2019	63,811		1,237	65,048	23,512	88,559
Total 2020	56,644		634	57,278	21,805	79,083
Total 2021+	182,376		1,749	184,125	116,866	300,991

Source: MF, BZ WBK.

2. Polish Bonds: Supply Recap (cont.)

Scheduled wholesale bond redemptions by holders (data at the end of November 2015, in PLN mn)

	Foreign investors	Domestic banks	Insurance funds	Pension funds	Mutual funds	Individuals	Non-financial sector	Other	Total
Q1 2016	8,166	4,593	2,386	69	728	34	8	924	16,910
Q2 2016	10,820	3,723	1,679	212	1,016	23	54	2,054	19,580
Q3 2016	5,661	6,348	2,119	104	2,364	39	12	610	17,257
Q4 2016	12,267	6,365	1,466	138	642	17	43	3,048	23,985
Total 2016	36,915	21,029	7,649	524	4,750	113	116	6,636	77,732
	47%	27%	10%	1%	6%	0%	0%	9%	100%
Total 2017	24,839	24,959	7,075	625	6,572	110	144	5,698	70,023
	35%	36%	10%	1%	9%	0%	0%	8%	100%
Total 2018	19,753	27,020	4,182	374	8,367	84	188	6,349	66,317
	30%	41%	6%	1%	13%	0%	0%	10%	100%
Total 2019	21,083	25,556	5,710	437	6,642	83	163	4,137	63,811
	33%	40%	9%	1%	10%	0%	0%	6%	100%
Total 2020	24,971	16,620	4,135	203	6,921	48	53	3,693	56,644
	44%	29%	7%	0%	12%	0%	0%	7%	100%
Total 2021+	78,991	52,639	22,817	636	16,983	213	295	6,071	178,644
	44%	29%	13%	0%	10%	0%	0%	3%	100%

Source: MF, BZ WBK.

3. Polish Bonds: Demand Recap

Holders of marketable PLN bonds

	Nominal value (PLN bn)			Nominal value (PLN bn)			% change in November			Share of total in November (%)
	End Nov'15	End Oct'15	End Sep'15	End 1Q 2015	End 2014	End 2013	MoM	3-mth	YoY	
Domestic investors	316.9	308.4	325.5	309.1	295.9	381.2	2.8	0.0	7.6	60.5 (0.6pp)
Commercial banks	167.8	162.2	176.7	163.1	150.8	114.7	3.5	-1.3	11.2	32.1 (0.5pp)
Insurance companies	51.6	50.3	52.5	52.4	52.8	52.0	2.5	-1.8	-1.2	9.9 (0.1pp)
Pension funds	2.8	2.9	3.0	3.1	3.3	125.8	-1.9	-5.0	-18.3	0.5
Mutual funds	50.2	50.9	49.7	48.5	46.9	46.7	-1.3	2.4	8.1	9.6 (-0.3pp)
Others	44.5	42.1	43.7	42.0	42.0	42.0	5.7	2.6	7.2	8.5 (0.3pp)
Foreign investors*	206.6	206.0	208.2	203.8	196.0	193.2	0.3	0.5	5.1	39.5 (-0.6pp)
Banks	11.5	15.6	13.5	9.9	9.9	n.a.	-25.8	-28.1	16.7	2.2 (-0.8pp)
Central banks	29.1	28.6	28.3	20.3	16.4	n.a.	1.8	38.1	87.0	5.6
Public institutions	10.0	9.7	9.7	8.8	8.1	n.a.	3.6	5.1	13.7	1.9
Insurance companies	11.6	10.9	11.6	11.0	10.7	n.a.	6.5	0.7	10.6	2.2 (0.1pp)
Pension funds	13.6	13.0	13.0	13.2	13.0	n.a.	4.8	4.0	6.7	2.6 (0.1pp)
Mutual funds	59.1	58.6	64.7	80.2	78.1	n.a.	0.9	-14.7	-25.0	11.3 (-0.1pp)
Hedge funds	0.04	0.04	0.04	0.1	1.1	n.a.	-4.1	-5.3	-93.6	0.0
Non-financial sector	9.3	9.3	8.7	12.6	8.2	n.a.	-0.1	16.4	-23.2	1.8
Others	19.1	18.0	19.5	17.0	14.3	n.a.	6.0	1.7	28.6	3.6 (0.1pp)
TOTAL	523.5	514.3	533.7	512.9	491.8	574.3	1.8	-0.3	6.6	100

*Total for foreign investors does not match the sum of values presented for sub-categories due to omission of a very small group of investors. Detailed data on foreign investors are available only since April 2014.

Source: MF, BZ WBK.

4. Euro Zone Bonds: Supply Recap

Euro zone: 2016 net and gross supply by country vs 2015 (€ bn)

	2016 gross issuance	% change (vs 2015)	2016 net issuance	% change (vs 2015)
Austria	19.4	14	5.6	50
Belgium	33.6	3	8.0	84
Finland	15.8	58	5.9	169
France	187.0	0	60.5	-14
Germany	168.6	16	0.0	-100
Greece	-	-	-	-
Ireland	10.8	-20	2.7	-76
Italy	221.9	-10	38.6	-9
Netherlands	36.8	-23	8.5	5
Portugal	11.9	-34	5.1	-55
Spain	138.8	0	45.5	6
Total	844.5	-1	180.3	-1

* YTD is supply since January 1, 2015

Source: European Commission, Euro zone countries' debt agencies, BZ WBK.

5. Poland vs. Other Countries

Main macroeconomic indicators (European Commission forecasts)

	GDP (%)		Inflation (HICP, %)		C/A balance (% of GDP)		Fiscal balance (% of GDP)		Public debt (% of GDP)	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Poland	3.5	3.5	-0.6	1.4	-0.5	-0.9	-2.8	-2.8	51.4	52.4
Czech Republic	4.3	2.2	0.4	1.0	-2.5	-2.4	-1.9	-1.3	41.0	41.0
Hungary	2.9	2.2	0.1	1.9	4.3	5.5	-2.3	-2.1	75.8	74.5
EU	1.9	2.0	0.0	1.1	2.2	2.2	-2.5	-2.0	87.8	87.1
Euro zone	1.6	1.8	0.1	1.0	3.7	3.6	-2.0	-1.8	94.0	92.9
Germany	1.7	1.9	0.2	1.0	8.7	8.6	0.9	0.5	71.4	68.5

Main market indicators (% , end of period)

	Reference rate (%)		3M market rate (%)		10Y yields (%)		10Y spread vs Bund (bp)		CDS 5Y	
	2014	end-Dec 2015	2014	end-Dec 2015	2014	end-Dec 2015	2014	end-Dec 2015	2014	end-Dec 2015
Poland	2.00	1.50	2.06	1.72	2.51	2.94	197	230	71	75
Czech Republic	0.05	0.05	0.04	0.29	0.75	0.60	2	-4	55	50
Hungary	2.10	1.35	2.10	1.35	3.69	3.42	315	279	178	164
Euro zone	0.05	0.05	0.08	-0.13						
Germany					0.54	0.63			17	12

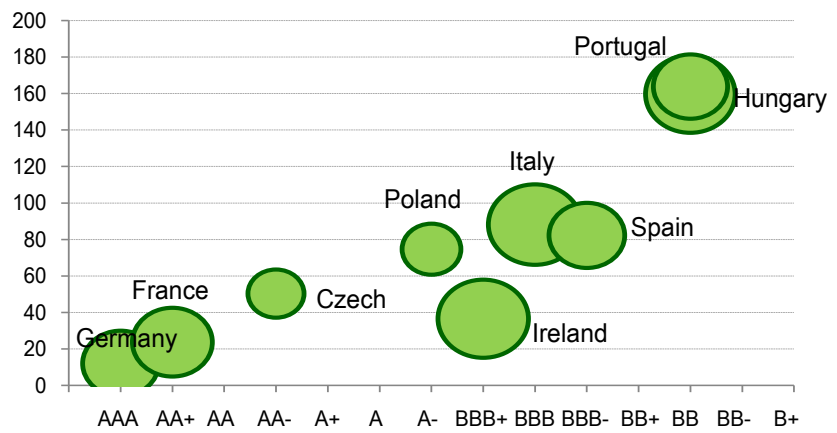
Source: EC – Autumn 2015, statistics offices, central banks, Reuters, BZ WBK.

5. Poland vs. Other Countries (cont.)

Sovereign ratings

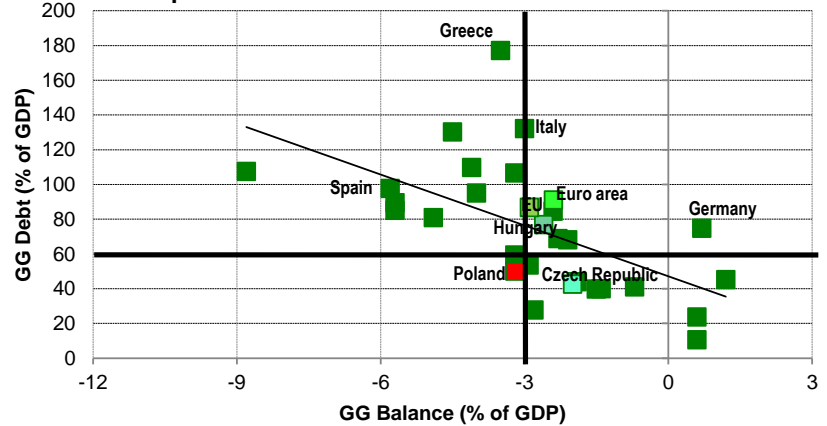
	S&P		Moody's		Fitch	
	rating	outlook	rating	outlook	rating	outlook
Poland	A-	positive	A2	stable	A-	stable
Czech	AA	stable	A1	stable	A+	stable
Hungary	BB+	stable	Ba1	stable	BB+	positive
Germany	AAA	stable	Aaa	stable	AAA	stable
France	AA	negative	Aa2	stable	AA	stable
UK	AAA	negative	Aa1	stable	AA+	stable
Greece	CCC+	stable	Caa3	stable	CCC	stable
Ireland	A+	stable	Baa1	positive	A-	positive
Italy	BBB	stable	Baa2	stable	BBB+	stable
Portugal	BB+	stable	Ba1	stable	BB+	positive
Spain	BBB+	stable	Baa2	positive	BBB+	stable

5Y CDS rates vs credit ranking according to S&P



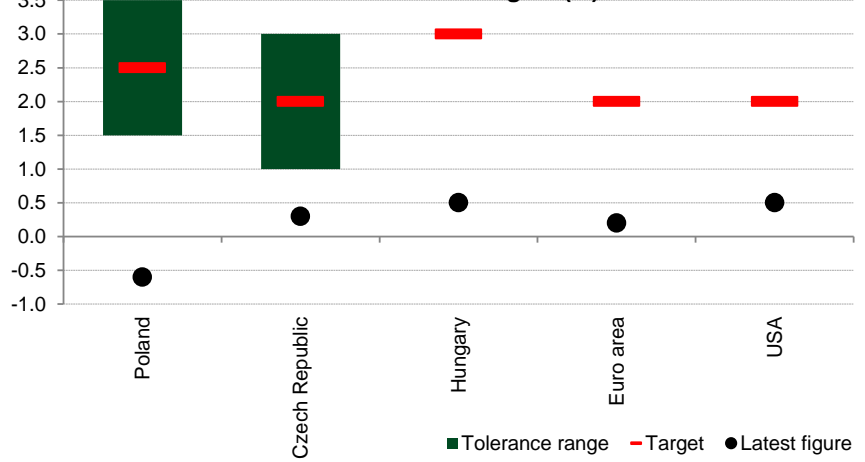
Note: Size of bubbles reflects the debt/GDP ratio

Fiscal position of the EU countries at the end of 2014

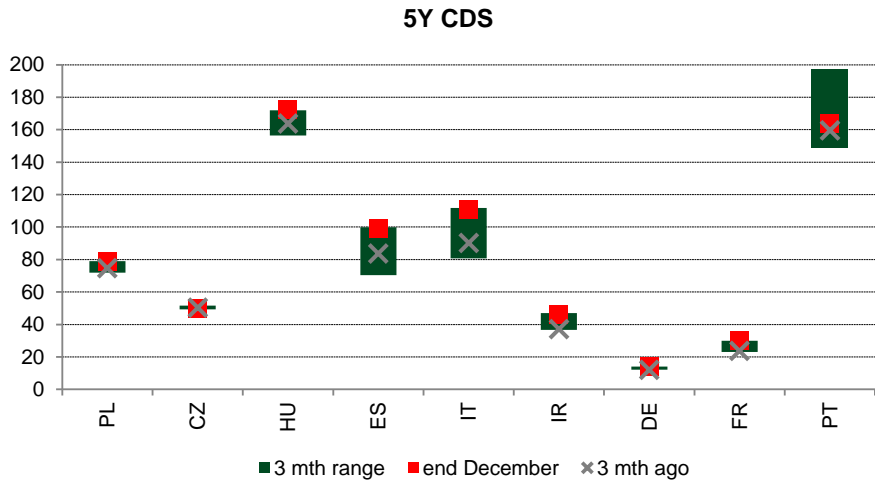
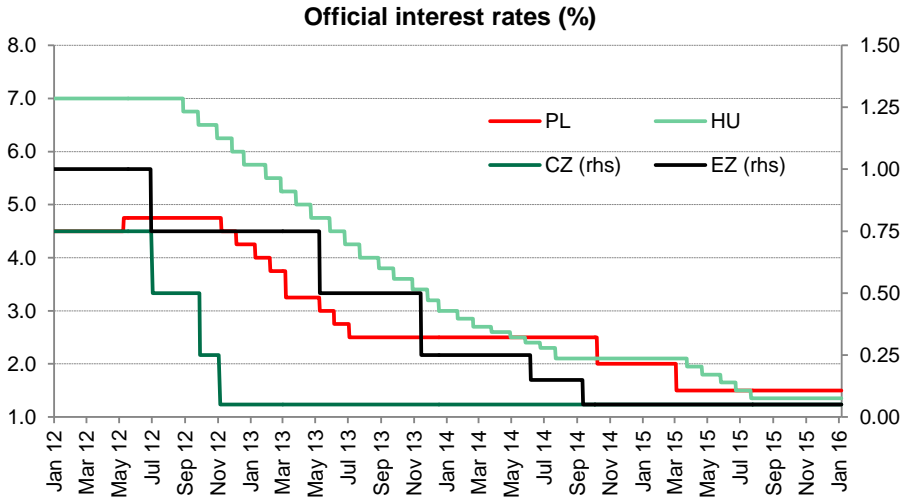
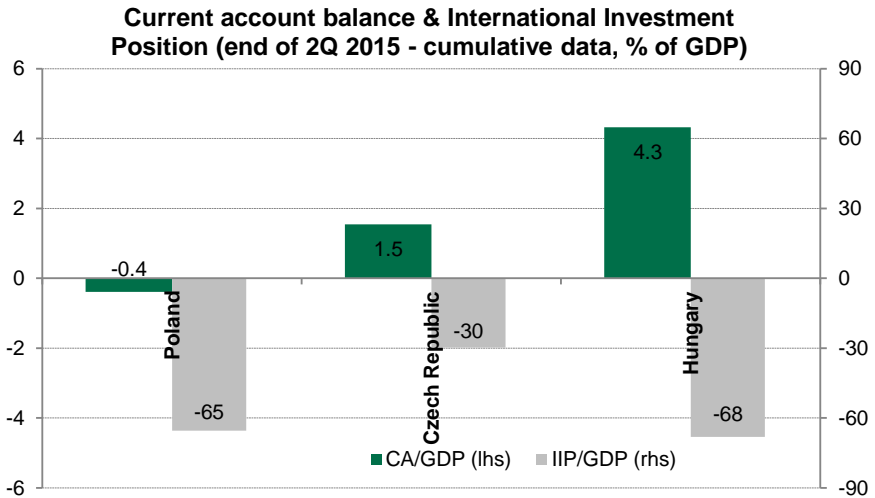
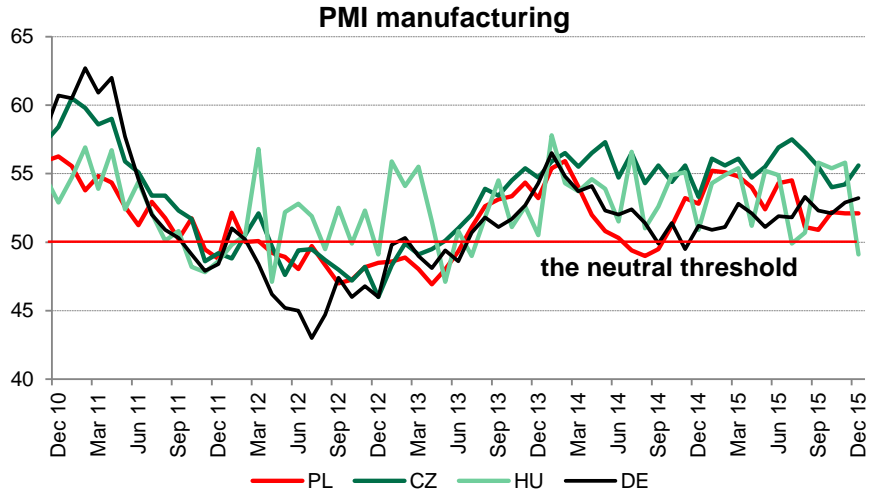


Source: Rating agencies, Reuters, EC, BZ WBK.

Inflation rates vs targets (%)



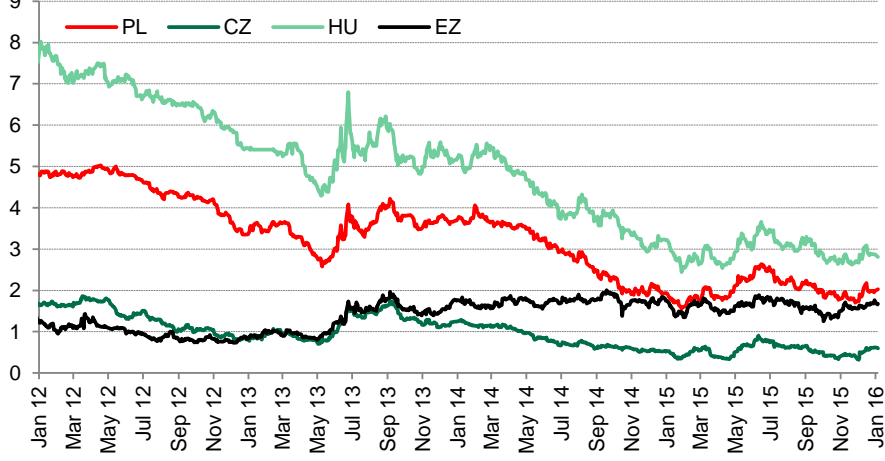
5. Poland vs. Other Countries (cont.)



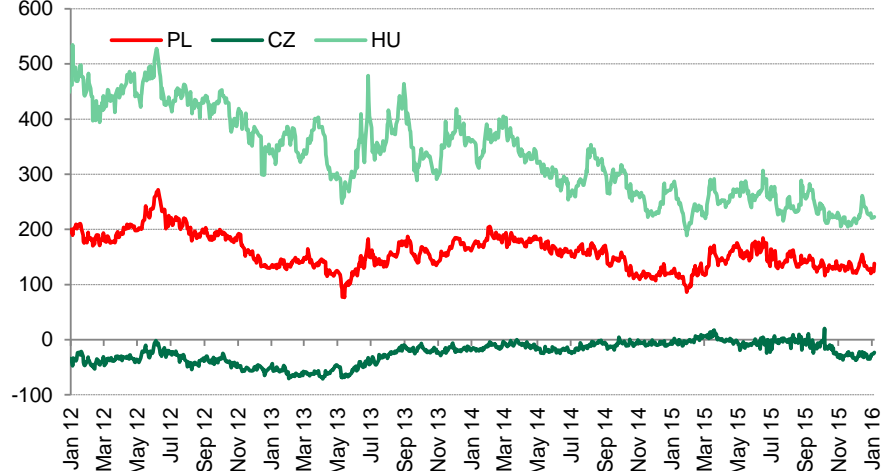
Source: Markit, Eurostat, central banks, Reuters, BZ WBK, EC.

5. Poland vs. Other Countries (cont.)

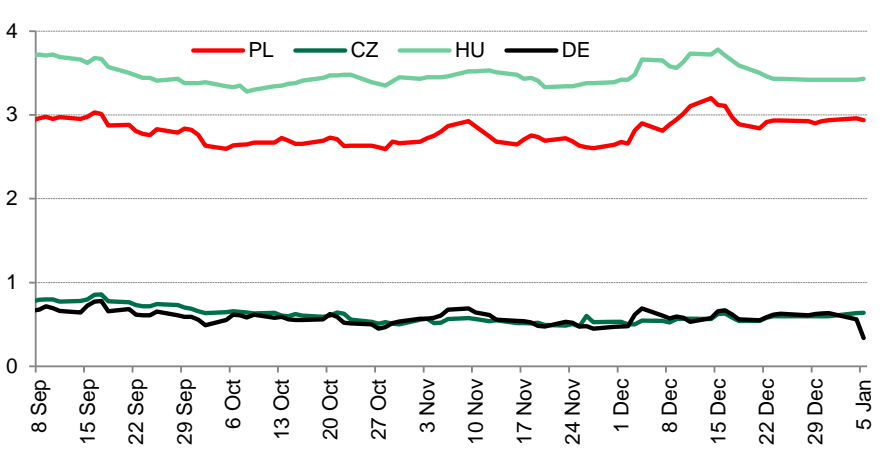
IRS 5Y (%)



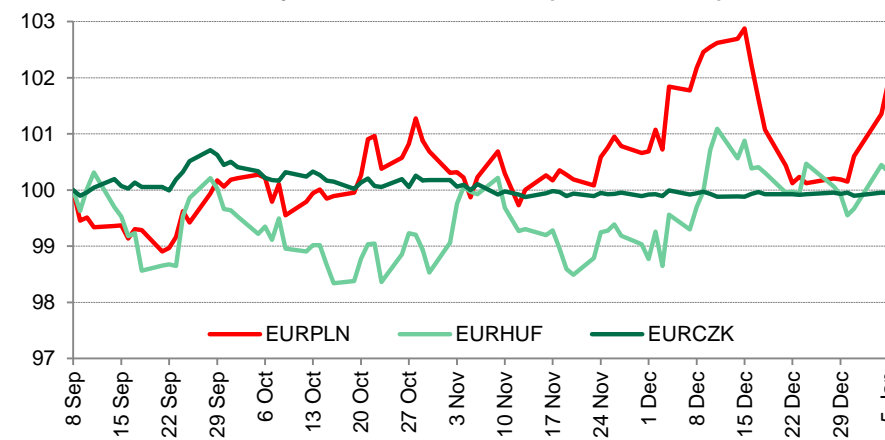
5x5 forward (spread vs EUR, bps)



10Y bond yields (% , last 4 months)



Zloty and CEE currencies (last 4 months)



Source: Reuters, BZ WBK.

6. Central Bank Watch

		Last	2015	2016	Expected changes (bp)			Comments
					1M	3M	6M	
Euro zone	Forecast	0.05	0.05	0.05				The ECB eased monetary conditions at its December meeting. The central bank cut the deposit rate by 10 bp to -0.30% (keeping other official rates unchanged) and expanded the QE programme to March 2017, among other measures. This easing package disappointed market participants, but in our view the ECB will not ease its monetary policy further in 2016 as the existing QE programme is already large enough.
	Market implied »				-21	-24	-25	
UK	Forecast	0.50	0.50	1.00				The official interest rates remained unchanged at the end of 2015, with the base rate at 0.50%. We still see gradual rate hikes as likely starting in February 2016.
	Market implied »				1	5	14	
US	Forecast	0.25-0.50	0.25-0.50	1.50				The FOMC finally started lift off after seven years of an ultra-low Fed funds rate and more than 11 years after the previous tightening cycle kicked off. The Fed hiked the main rate by 25 bp to 0.25-0.50%. We think the Fed will adjust its monetary policy at a very gradual pace throughout 2016, with four hikes of 25 bp each in the year.
	Market implied »				42	62	85	
Poland	Forecast	1.50	1.50	1.00				The reference rate was at 1.50% at the end of 2015. During the press conference after December's meeting Mr Belka reiterated that a rate cut is unnecessary; however, that decision will be in the hands of the new MPC members who, in our view, will be more dovish than current ones. We expects monetary easing to come in 1Q16E and we have a 50bp cut in our baseline scenario.
	Market implied »				-1	-14	-21	
Czech Republic	Forecast	0.05	0.05	0.05				The Czech National Bank (CNB) kept its monetary conditions unchanged in 2015. In our view any exit from the exchange rate commitment before the end of QE in Europe could be very complicated. Moreover, we still see a relatively low probability of negative (policy) interest rates.
	Market implied »				-1	-3	-4	
Hungary	Forecast	1.35	1.35	1.35				The HNB indicated beforehand that the current base rate may be kept flat until the end of 2017. Thus we expect that the interest rate will remain at 1.35% this year. According to the latest minutes, December's ECB decision provided further room for cuts and if 4Q15 GDP growth turns out to be disappointing, the HNB may take rate cuts into consideration.
	Market implied »				0	-3	-3	

This analysis is based on information available through January 5, 2016 and has been prepared by:

ECONOMIC ANALYSIS DEPARTMENT

al. Jana Pawła II 17, 00-854 Warszawa. fax +48 22 586 83 40

Email: ekonomia@bzwbk.pl Economic Service website: <http://skarb.bzwbk.pl/>

Maciej Reluga* – Chief Economist

tel. +48 22 534 18 88. Email: maciej.reluga@bzwbk.pl

Piotr Bielski* +48 22 534 18 87

Agnieszka Decewicz* +48 22 534 18 86

Marcin Luzziński* +48 22 534 18 85

Marcin Sulewski* +48 22 534 18 84

*Employed by a non-US affiliate of Santander Investment Securities Inc. and not registered/qualified as a research analyst under FINRA rules, and is not an associated person of the member firm, and, therefore, may not be subject to the FINRA Rule 2711 and Incorporated NYSE Rule 472 restrictions on communications with a subject company, public appearances, and trading securities held by a research analyst account.

Important Disclosures

ANALYST CERTIFICATION:

The views expressed in this report accurately reflect the personal views of the undersigned analyst(s). In addition, the undersigned analyst(s) have not and will not receive any compensation for providing a specific recommendation or view in this report: **Maciej Reluga***, **Piotr Bielski***, **Agnieszka Decewicz***, **Marcin Luziński***, **Marcin Sulewski***.

EXPLANATION OF THE RECOMMENDATION SYSTEM

DIRECTIONAL RECOMMENDATIONS IN BONDS		DIRECTIONAL RECOMMENDATIONS IN SWAPS	
	Definition		Definition
Long / Buy	Buy the bond for an expected average return of at least 10bp in 3 months (decline in the yield rate), assuming a directional risk.	Long / Receive fixed rate	Enter a swap receiving the fixed rate for an expected average return of at least 10bp in 3 months (decline in the swap rate), assuming a directional risk.
Short / Sell	Sell the bond for an expected average return of at least 10bp in 3 months (increase in the yield rate), assuming a directional risk.	Short / Pay fixed rate	Enter a swap paying the fixed rate for an expected average return of at least 10bp in 3 months (increase in the swap rate), assuming a directional risk.
RELATIVE VALUE RECOMMENDATIONS			
	Definition		
Long a spread / Play steepeners	Enter a long position in a given instrument vs a short position in another instrument (with a longer maturity for steepeners) for an expected average return of at least 5bp in 3 months (increase in the spread between both rates).		
Short a spread / Play flatteners	Enter a long position in given an instrument vs a short position in other instrument (with a shorter maturity for flatteners) for an expected average return of at least 5bp in 3 months (decline in the spread between both rates).		
FX RECOMMENDATIONS			
	Definition		
Long / Buy	Appreciation of a given currency with an expected return of at least 5% in 3 months.		
Short / Sell	Depreciation of a given currency with an expected return of at least 5% in 3 months.		

NOTE: Given the recent volatility seen in the financial markets, the recommendation definitions are only indicative until further notice.

Important Disclosures (cont.)

This report has been prepared by Bank Zachodni WBK S.A. and is provided for information purposes only. Bank Zachodni WBK S.A. is registered in Poland and is authorised and regulated by The Polish Financial Supervision Authority.

This report is issued in the United States by Santander Investment Securities Inc. (“SIS”), in Poland by Bank Zachodni WBK S.A. (“BZ WBK”), in Spain by Banco Santander, S.A., under the supervision of the CNMV and in the United Kingdom by Banco Santander, S.A., London Branch (“Santander London”). SIS is registered in the United States and is a member of FINRA. Santander London is registered in the UK (with FRN 136261) and subject to limited regulation by the FCA and PRA. SIS, BZ WBK, Banco Santander, S.A. and Santander London are members of Grupo Santander. A list of authorised legal entities within Grupo Santander is available upon request.

This material constitutes “investment research” for the purposes of the Markets in Financial Instruments Directive and as such contains an objective or independent explanation of the matters contained in the material. Any recommendations contained in this document must not be relied upon as investment advice based on the recipient’s personal circumstances. The information and opinions contained in this report have been obtained from, or are based on, public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate, complete or up to date and it should not be relied upon as such. Furthermore, this report does not constitute a prospectus or other offering document or an offer or solicitation to buy or sell any securities or other investment. Information and opinions contained in the report are published for the assistance of recipients, but are not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient, are subject to change without notice and not intended to provide the sole basis of any evaluation of the instruments discussed herein.

Any reference to past performance should not be taken as an indication of future performance. This report is for the use of intended recipients only and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BZ WBK.

Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realised. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this report.

The material in this research report is general information intended for recipients who understand the risks associated with investment. It does not take into account whether an investment, course of action, or associated risks are suitable for the recipient. Furthermore, this document is intended to be used by market professionals (eligible counterparties and professional clients but not retail clients). Retail clients must not rely on this document.

To the fullest extent permitted by law, no Santander Group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this report. All estimates and opinions included in this report are made as of the date of this report. Unless otherwise indicated in this report there is no intention to update this report.

BZ WBK and its legal affiliates (trading as Santander and/or Santander Global Banking & Markets) may make a market in, or may, as principal or agent, buy or sell securities of the issuers mentioned in this report or derivatives thereon. BZ WBK and its legal affiliates may have a financial interest in the issuers mentioned in this report, including a long or short position in their securities and/or options, futures or other derivative instruments based thereon, or vice versa.

BZ WBK and its legal affiliates may receive or intend to seek compensation for investment banking services in the next three months from or in relation to an issuer mentioned in this report. Any issuer mentioned in this report may have been provided with sections of this report prior to its publication in order to verify its factual accuracy.

Bank Zachodni WBK S.A. (BZ WBK) and/or a company in the Santander Group is a market maker or a liquidity provider for EUR/PLN.

Bank Zachodni WBK S.A. (BZ WBK) and/or a company of the Santander Group has been lead or co-lead manager over the previous 12 months in a publicly disclosed offer of or on financial instruments issued by the Polish Ministry of Finance or Ministry of Treasury.

Bank Zachodni WBK S.A. (BZ WBK) and/or a company in the Santander Group expects to receive or intends to seek compensation for investment banking services from the Polish Ministry of Finance or Ministry of Treasury in the next three months.

Important Disclosures (cont.)

ADDITIONAL INFORMATION

BZ WBK or any of its affiliates, salespeople, traders and other professionals may provide oral or written market commentary or trading strategies to its clients that reflect opinions that are contrary to the opinions expressed herein. Furthermore, BZ WBK or any of its affiliates' trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

No part of this report may be copied, conveyed, distributed or furnished to any person or entity in any country (or persons or entities in the same) in which its distribution is prohibited by law. Failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

Investment research issued by BZ WBK is prepared in accordance with the Santander Group policies for managing conflicts of interest. In relation to the production of investment research, BZ WBK and its affiliates have internal rules of conduct that contain, among other things, procedures to prevent conflicts of interest including Chinese Walls and, where appropriate, establishing specific restrictions on research activity. Information concerning the management of conflicts of interest and the internal rules of conduct are available on request from BZ WBK.

COUNTRY & REGION SPECIFIC DISCLOSURES

U.K. and European Economic Area (EEA): Unless specified to the contrary, issued and approved for distribution in the U.K. and the EEA by Banco Santander, S.A. Investment research issued by Banco Santander, S.A. has been prepared in accordance with Grupo Santander's policies for managing conflicts of interest arising as a result of publication and distribution of investment research. Many European regulators require that a firm establish, implement and maintain such a policy. This report has been issued in the U.K. only to persons of a kind described in Article 19 (5), 38, 47 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is only regarded as being provided to professional investors (or equivalent) in their home jurisdiction. **United States of America (US):** This report is being distributed to US persons by Santander Investment Securities Inc ("SIS") or by a subsidiary or affiliate of SIS that is not registered as a US broker dealer, to US major institutional investors only. Any US recipient of this report (other than a registered broker-dealer or a bank acting in a broker-dealer capacity) that would like to effect any transaction in any security or issuer discussed herein should contact and place orders in the United States with the company distributing the research, SIS at (212) 692-2550, which, without in any way limiting the foregoing, accepts responsibility (solely for purposes of and within the meaning of Rule 15a-6 under the US Securities Exchange Act of 1934) under this report and its dissemination in the United States. US recipients of this report should be advised that this research has been produced by a non-member affiliate of SIS and, therefore, by rule, not all disclosures required under NASD Rule 2711 apply. **Hong Kong (HK):** This report is being distributed in Hong Kong by a subsidiary or affiliate of Banco Santander, S.A. Hong Kong Branch, a branch of Banco Santander, S.A. whose head office is in Spain. The 1% ownership disclosure satisfies the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for persons licensed by or registered with the Securities and Futures Commission, HK. Banco Santander, S.A. Hong Kong Branch is regulated as a Registered Institution by the Hong Kong Monetary Authority for the conduct of Advising and Dealing in Securities (Regulated Activity Type 4 and 1 respectively) under the Securities and Futures Ordinance. The recipient of this material must not distribute it to any third party without the prior written consent of Banco Santander, S.A. **Japan (JP):** This report has been considered and distributed in Japan to Japanese-based investors by a subsidiary or affiliate of Banco Santander, S.A. - Tokyo Representative Office, not registered as a financial instruments firm in Japan, and to certain financial institutions defined by article 17-3, item 1 of the Financial Instruments and Exchange Law Enforcement Order. Some of the foreign securities stated in this report are not disclosed according to the Financial Instruments and Exchange Law of Japan. There is a risk that a loss may occur due to a change in the price of the shares in the case of share trading and that a loss may occur due to the exchange rate in the case of foreign share trading. **China (CH):** This report is being distributed in China by a subsidiary or affiliate of Banco Santander, S.A. Shanghai Branch ("Santander Shanghai"). Santander Shanghai or its affiliates may have a holding in any of the securities discussed in this report; for securities where the holding is greater than 1%, the specific holding is disclosed in the Important Disclosures section above. **Poland (PL):** This publication has been prepared by Bank Zachodni WBK S.A. for information purposes only and it is not an offer or solicitation for the purchase or sale of any financial instrument. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Information presented in the publication is not an investment advice. Resulting from the purchase or sale of financial instrument, additional costs, including taxes, that are not payable to or through Bank Zachodni WBK S.A., can arise to the purchasing or selling party. Rates used for calculation can differ from market levels or can be inconsistent with financial calculation of any market participant. Conditions presented in the publication are subject to change. Examples presented in the publication is for information purposes only and shall be treated only as a base for further discussion.

Grupo Santander © 2016. All Rights Reserved