

# MACROscope Lite

## Overexcitement about central banks

■ We suggested in our last MACROscope that it is not a good time for upward GDP forecast revisions and the disappointing set of June data proved that call was right. Still, in our view the downward surprises in wages, industrial and construction output were mostly driven by one-offs: low number of working days, Corpus Christi long weekend and extremely high temperatures. July is likely to show a rebound, but the economy is generally moving on a downward trend. Our estimate for 2Q19 sits at 4.5% y/y (flash print due on August 14). In 2H19 private consumption will be supported by the fiscal stimulus **so we feel comfortable with our forecast of mild slowdown towards 4% y/y in 4Q19.**

■ CPI inflation climbed to 2.9% y/y in July from 2.6% in June when it went above the target for the first time since 2012. Core inflation most likely surpassed 2.0% y/y in July and was also the highest in years. We stick to our view that inflation is going to rise further and we are likely to approach 4% in early 2020. **Even though the most hawkish MPC members could be advocating hikes in 4Q19, we gather it is unlikely that the rates will go up,** given the decelerating GDP growth profile and more loose stance of main central banks. The interest rate market is actually more eager to price-in cuts rather than hikes in Poland, especially given that more and more central banks switch back to easing mode. But in our view cuts are not very probable, at least until the GDP and CPI growth remain decent. Note that the MPC did not decide to cut rates deeper than the current levels back in 2016, when the economic growth was at about 3% y/y and inflation was negative.

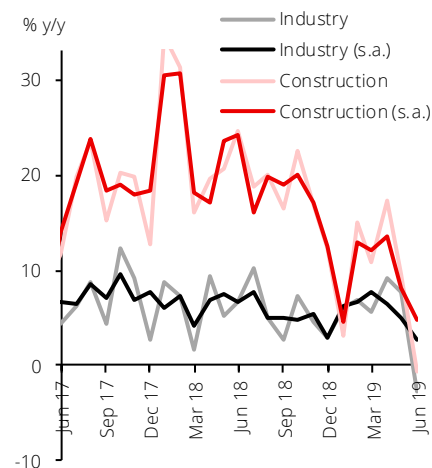
■ It is highly probable that Poland will soon get **a new finance minister**, as Marian Banaś has been put forward by the ruling party to head the Supreme Audit Office. Banaś was sworn in as the finance minister on 4 June. The nearest Sejm meeting, which can accept his candidacy, is scheduled for 31 July. Tadeusz Kościński, Deputy Finance Minister was suggested by press the main candidate for this post.

■ Last data from the euro zone and Germany disappointed, showing that the monetary union has not switched to the upward path yet. The ECB acknowledged this fact and underlined that the economic outlook is becoming worse and worse and monetary stimulus is needed. So far, the ECB refrained from any actions, but suggested that it is mulling rate cuts, a new round of QE as well as interest rate tiering in order to mitigate the adverse effects of negative rates on the banking sector. The Fed is widely expected to cut rates at the upcoming meeting. **The tide clearly turns towards looser global monetary policy.**

■ In our quarterly report released in early July, we have revised our EUR/PLN forecasts down and wrote that the zloty could give up part of its recent gains before it resumes appreciation in the final months of the year. The Polish currency indeed depreciated a bit vs the euro and the dollar since then as it did not benefit neither from the further rise in global equity indexes nor from the continued strengthening of domestic bonds. Also, the zloty and its CEE peers suffered after the ECB disappointed the market in July. In our view, the Fed may also deliver less than expected which together with the recent weaker data from Poland may **put further pressure on the zloty. EURPLN down trend could resume in 4Q** when the global monetary policy easing could be more advanced. The ECJ ruling on CHF mortgage loans expected in the following months is a risk factor for the zloty.

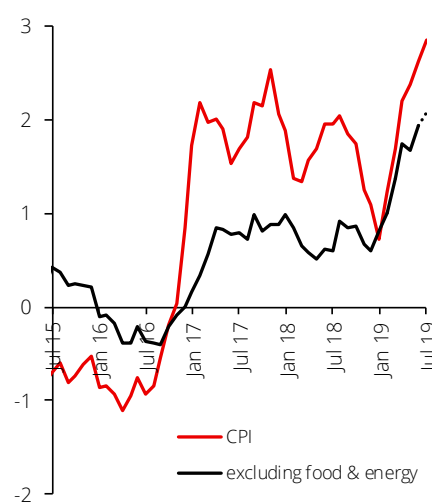
■ Polish bond yields and IRS continued the free-fall with the 10Y bond yield nearing its all-time-low at c.1.94% reached in early 2015. Only after the ECB meeting a sharp jump of the Polish and global market rates was recorded and we think this could continue in the weeks to come when the market may realise that expectations of a substantial monetary policy easing to be delivered in the short-term have been exaggerated. **After the summer, Poland yield's down trend should resume** thanks to the support from the central banks unless the global macro data surprise to the upside and the market attention turns to the Poland CPI rising above 3%.

### Real output, %y/y



Source: GUS, Santander

### Inflation, %y/y



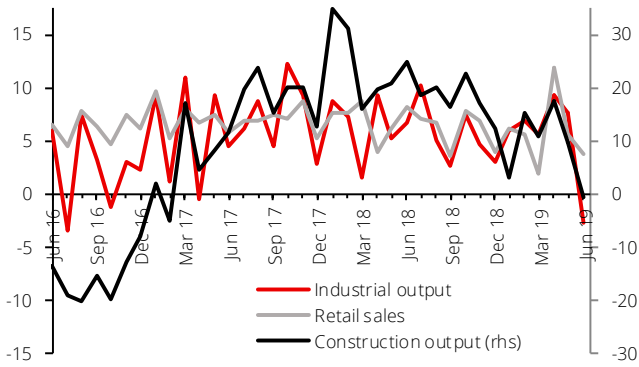
Source: GUS, NBP, Santander

### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa  
 email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
 website: [santander.pl/en/economic-analysis](http://santander.pl/en/economic-analysis)  
**Maciej Reluga** – Chief Economist  
 +48 22 5341888  
**Piotr Bielski** +48 22 534 18 87  
**Marcin Luziński** +48 22 534 18 85  
**Grzegorz Ogonek** +48 22 534 19 23  
**Marcin Sulewski, CFA** +48 22 534 18 84

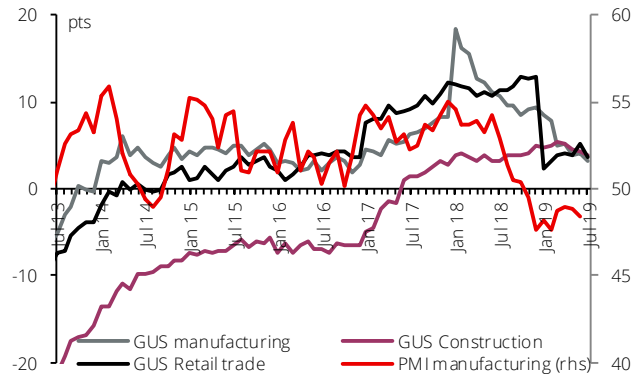
Economy in charts

Real activity figures disappointed in May and June...



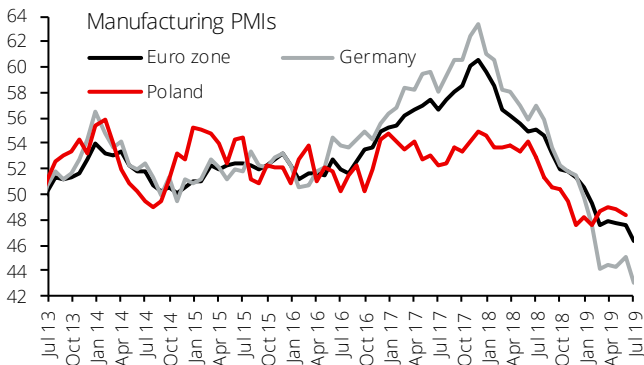
Source: GUS, Santander

...business sentiment continued to fall...



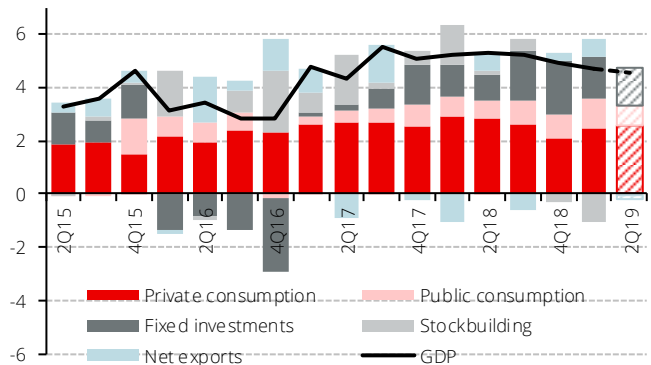
Source: GUS, Markit, Santander

...which fitted the euro zone developments...



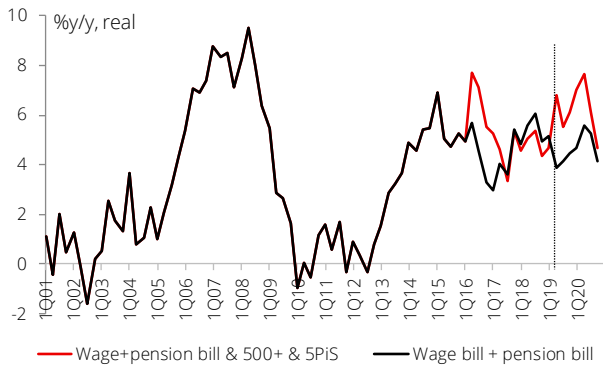
Source: Markit, Santander

...but should not translate to much GDP slowdown.



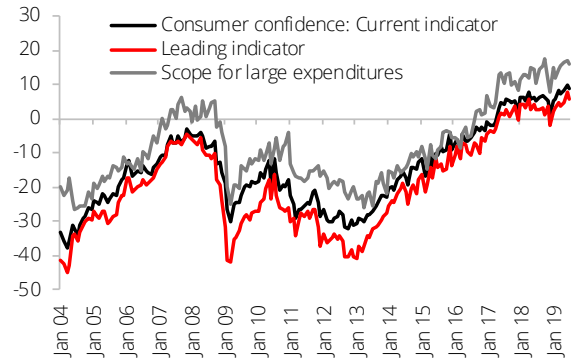
Source: GUS, Santander

Fiscal stimulus is coming...



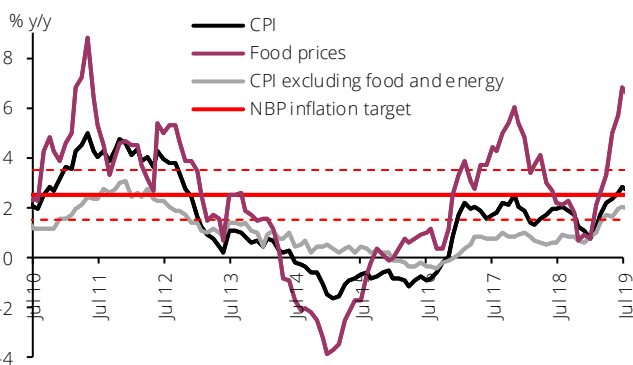
Source: GUS, Santander

...and consumers are willing to spend.



Source: GUS, Santander

Inflation keeps rising...



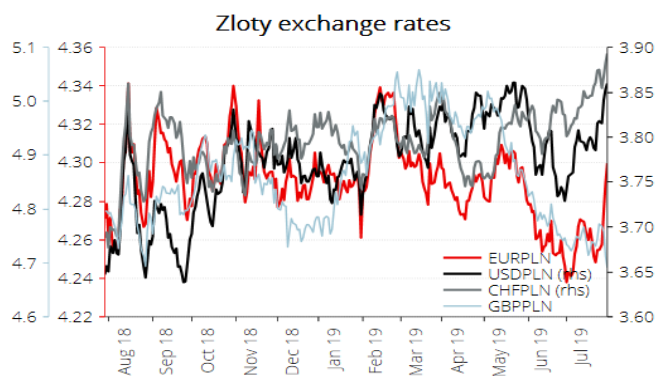
Source: GUS, NBP, Santander

...with much of it coming from food prices.

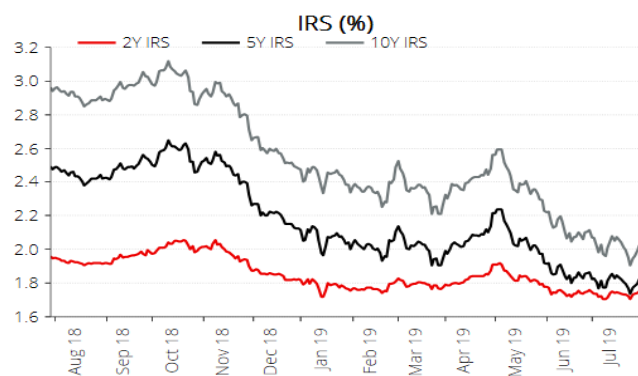


Source: GUS, Santander

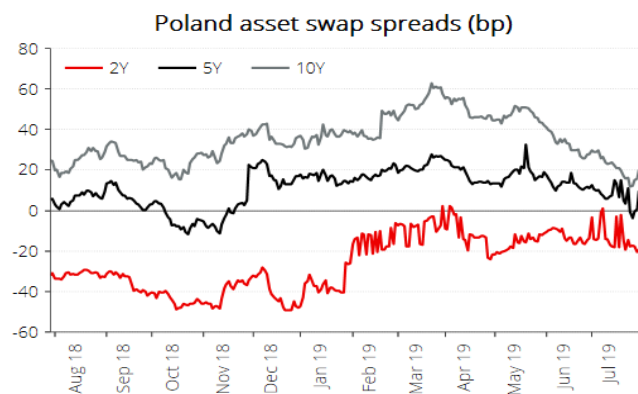
Markets in charts



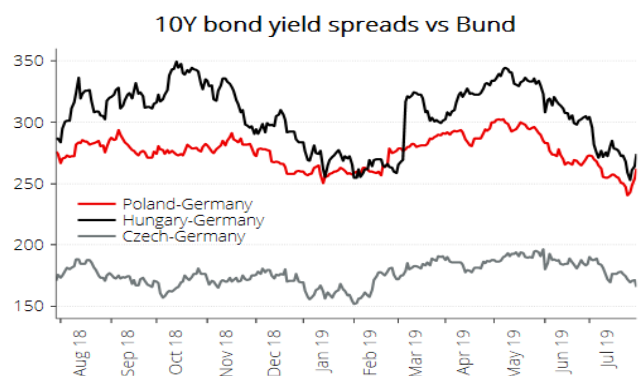
Source: Refinitiv Datastream, Santander Bank Polska



Source: Refinitiv Datastream, Santander Bank Polska



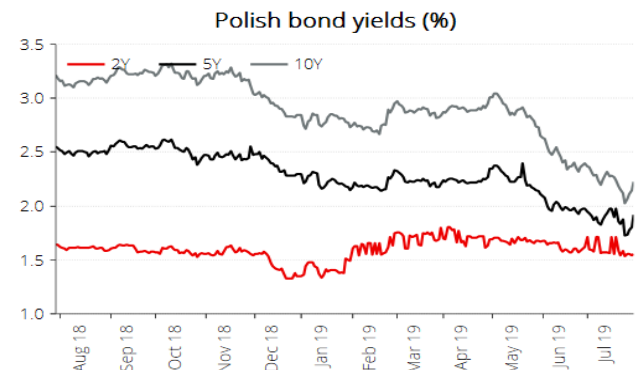
Source: Refinitiv Datastream, Santander Bank Polska



Source: Refinitiv Datastream, Santander Bank Polska

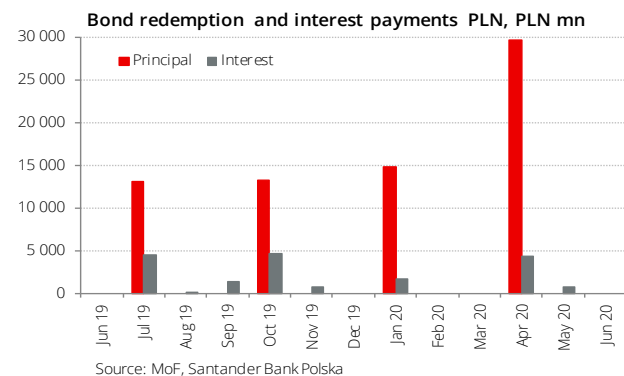


Source: Refinitiv Datastream, Santander Bank Polska

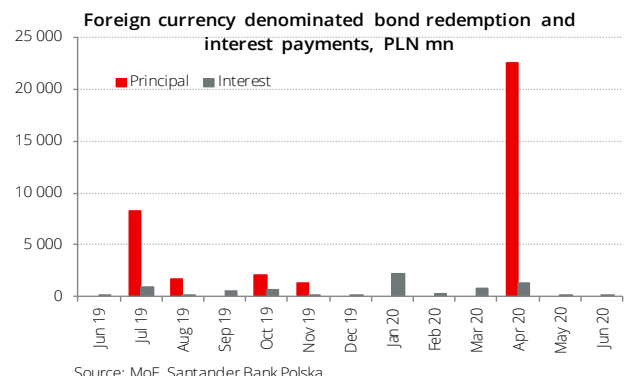


Source: Refinitiv Datastream, Santander Bank Polska

Principal and interest payments



Source: MoF, Santander Bank Polska



Source: MoF, Santander Bank Polska

## Economic Calendar

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
<b>29 July</b>	30 DE: HICP (Jul) US Personal incomes and spending (Jun) US: PCE (Jun) US: Consumer confidence (Jul) US: Pending home sales (Jul)	31 <b>PL: Flash CPI (Jul)</b> EZ: Flash HICP (Jul) EZ: GDP (2Q19) EZ: Unemployment rate (Jun) US: ADP report (Jul) US: FOMC decision	<b>1 August</b> <b>PL: PMI – manufacturing (Jul)</b> EZ: PMI – manufacturing (Jul) DE: PMI – manufacturing (Jul) CZ: central bank decision US: ISM – manufacturing (Jul)	2 EZ: Retail sales (Jun) US: Non-farm payrolls (Jul) US: Unemployment rate (Jul) US: Michigan (Jul) US: Durable goods (Jun)
5 DE: PMI - services (Jul) EZ: PMI – services (Jul) US: ISM – services (Jul)	6 DE: Factory orders (Jun)	7 DE: Industrial output (Jun) HU: Industrial output (Jun)	8 HU: CPI (Jul) US: Wholesale inventories (Jun)	9 DE: Exports (Jun)
12 CZ: CPI (Jul)	13 DE: CPI (Jul) DE: ZEW (Aug) <b>PL: Balance of payments (Jun)</b>	14 DE: GDP (2Q) CZ: GDP (2Q) <b>PL: GDP (2Q)</b> <b>PL: CPI (Jul)</b> EZ: Industrial output (Jun) EZ: GDP (2Q)	15 <b>PL: Bank holiday</b> US: Retail sales (Jul) US: Industrial output (Jul)	16 <b>PL: Core CPI (Jul)</b> US: House starts (Jul) US: Building permits (Jul) US: Michigan (Aug)
19 EZ: CPI (Jul)	20 <b>PL: Employment (Jul)</b> <b>PL: Wages (Jul)</b> EZ: Construction output (Jul)	21 <b>PL: Industrial output (Jul)</b> <b>PL: Construction output (Jul)</b> <b>PL: PPI (Jul)</b> US: FOMC minutes	22 DE: PMI – services (Aug) DE: PMI – manufacturing (Aug) EZ: PMI – services (Aug) EZ: PMI – manufacturing (Aug) <b>PL: Retail sales (Jul)</b> <b>PL: MPC minutes</b> EZ: Consumer confidence	23 <b>PL: M3 money supply (Jul)</b> US: New home sales (Jul)
26 DE: Ifo (Aug) <b>PL: Unemployment rate (Jul)</b> US: Durable goods (Jul)	27 DE: GDP (2Q) HU: Central bank decision	28 EZ: M3 money supply (Jul)	29 DE: CPI (Aug) US: GDP (2Q) US: Wholesale inventories (Jul) US: Pending home sales (Jul)	30 CZ: GDP (Q2) HU: GDP (Q2) <b>PL: GDP (Q2)</b> <b>PL: Flash CPI (Aug)</b> EZ: Unemployment rate (Jul) US: Personal income and spending (Aug) US: PCE (Jul) US: Michigan (Aug)
<b>2 September</b> <b>PL: PMI – manufacturing (Aug)</b> EZ: PMI – manufacturing (Aug) DE: PMI – manufacturing (Aug)	3 US: ISM – manufacturing (Aug)	4 DE: PMI - services (Aug) EZ: PMI – services (Aug) US: ISM – services (Aug) EZ: Retail sales (Jul)	5 DE: Factory orders (Jul) US: ADP report (Aug) US: Factory orders (Jul) US: Durable goods (Jul)	6 DE: Industrial output (Jul) CZ: Industrial output (Jul) HU: Industrial output (Jul) EZ: GDP (2Q) US: Non-farm payrolls (Aug)

Source: GUS, NBP, Ministry of Finance, Bloomberg

## Calendar of MPC meetings and data releases for 2019

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ECB decision	24	-	7	10	-	6	25	-	12	24	-	12
MPC decision	30	-	20	-	1	19	31	-	18	30	-	11
MPC minutes	9	6	6	3	15	5	3	-	11	2	6	4
Flash GDP*	31	21	21	18	30	21	-	22	26	17	21	19
GDP*	31	14	-	-	15	-	-	14	-	-	14	-
CPI	-	28	-	-	31	-	-	30	-	-	29	-
Core inflation	15	15	15	15	15	14	15	14	13	15	14	13
PPI	-	-	18	16	16	17	16	16	16	16	15	16
Industrial output	18	19	20	18	22	21	18	21	19	18	22	19
Retail sales	18	20	20	18	22	21	18	21	19	18	22	19
Gross wages, employment	22	21	21	23	23	24	19	22	20	21	25	20
Foreign trade	18	19	19	17	21	19	17	20	18	17	21	18
Balance of payments*	about 50 working days after reported period											
Balance of payments	-	-	29									
Money supply	14	13	18	12	14							
ECB decision	23	22	22	23	24							

## Economic data and forecasts for Poland

### Monthly economic indicators

		Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19
PMI	pts	52.9	51.4	50.5	50.4	49.5	47.6	48.2	47.6	48.7	49.0	48.8	48.4	48.8	48.6
Industrial production	% y/y	10.3	5.0	2.7	7.4	4.6	2.9	6.0	6.9	5.6	9.2	7.7	-2.7	8.0	3.4
Construction production	% y/y	18.7	20.1	16.5	22.5	17.0	12.3	3.2	15.1	10.8	17.4	9.6	-0.7	5.3	2.6
Retail sales <sup>a</sup>	% y/y	9.3	9.0	5.6	9.7	8.2	4.7	6.6	6.5	3.1	13.6	7.3	5.3	7.3	6.3
Unemployment rate	%	5.8	5.8	5.7	5.7	5.7	5.8	6.1	6.1	5.9	5.6	5.4	5.3	5.2	5.2
Gross wages in corporate sector	% y/y	7.2	6.8	6.7	7.6	7.7	6.1	7.5	7.6	5.7	7.1	7.7	5.3	7.2	7.2
Employment in corporate sector	% y/y	3.5	3.4	3.2	3.2	3.0	2.8	2.9	2.9	3.0	2.9	2.7	2.8	2.7	2.7
Exports (€)	% y/y	12.0	8.9	-1.5	13.2	8.1	1.7	5.4	9.9	7.8	10.1	13.3	-1.7	9.7	1.9
Imports (€)	% y/y	12.4	14.0	4.2	18.1	9.2	2.2	1.6	7.8	2.6	8.5	11.2	-2.5	8.7	4.7
Trade balance	EUR mn	-236.0	-542	-544	-473	99	-1 301	364	-377	342	279	96	-214	-81	-1 065
Current account balance	EUR mn	-754.0	-1 005	-876	-405	343	-1 126	2 438	-718	116	720	1 006	-62	-473	-1 469
Current account balance	% GDP	-0.2	-0.4	-0.6	-0.7	-0.6	-0.6	-0.5	-0.5	-0.3	-0.2	0.0	-0.1	0.0	-0.1
Budget balance (cumulative)	PLN bn	-0.9	1.1	3.2	6.5	11.1	-10.4	6.6	-0.8	-4.5	-0.1	-2.2	-5.0	-9.5	-8.3
Budget balance (cumulative)	% of FY plan	2.1	-2.5	-7.7	-15.6	-26.7	25.1	-23.1	2.8	15.7	0.3	7.6	17.7	33.3	29.3
CPI	% y/y	2.0	2.0	1.9	1.8	1.3	1.1	0.7	1.2	1.7	2.2	2.4	2.6	2.9	2.6
CPI excluding food and energy	% y/y	0.6	0.9	0.8	0.9	0.7	0.6	0.8	1.0	1.4	1.7	1.7	1.9	2.1	1.9
PPI	% y/y	3.4	3.0	3.0	3.2	2.8	2.1	2.2	2.9	2.5	2.6	1.4	0.6	0.4	0.9
Broad money (M3)	% y/y	7.3	7.5	7.9	8.3	8.8	9.2	8.8	9.8	9.9	10.4	9.9	9.3	9.9	9.7
Deposits	% y/y	6.8	7.0	6.9	7.6	8.1	8.7	8.4	9.3	9.7	10.5	10.0	9.3	9.6	9.3
Loans	% y/y	5.6	6.1	5.9	6.7	7.0	7.6	7.4	7.5	8.1	7.7	6.5	6.7	7.1	6.9
EUR/PLN	PLN	4.33	4.29	4.30	4.31	4.30	4.29	4.29	4.31	4.30	4.29	4.30	4.27	4.26	4.29
USD/PLN	PLN	3.70	3.71	3.69	3.75	3.79	3.77	3.76	3.80	3.80	3.81	3.84	3.77	3.80	3.85
CHF/PLN	PLN	3.72	3.75	3.81	3.77	3.78	3.80	3.80	3.79	3.80	3.79	3.80	3.82	3.84	3.85
Reference rate <sup>b</sup>	%	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
3M WIBOR	%	1.70	1.70	1.71	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.71
Yield on 2-year T-bonds	%	1.63	1.61	1.60	1.58	1.58	1.44	1.41	1.62	1.71	1.71	1.69	1.62	1.54	1.53
Yield on 5-year T-bonds	%	2.52	2.50	2.56	2.52	2.46	2.37	2.23	2.19	2.23	2.24	2.26	1.99	1.85	1.83
Yield on 10-year T-bonds	%	3.18	3.15	3.24	3.23	3.20	2.93	2.80	2.75	2.88	2.91	2.89	2.46	2.21	2.18

Note: <sup>a</sup> in nominal terms, <sup>b</sup> at the end of the period.

Source: GUS, NBP, Finance Ministry, Santander Bank Polska estimates.

Quarterly and annual economic indicators

		2017	2018	2019E	2020E	1Q19	2Q19E	3Q19E	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E
GDP	PLN bn	1 989.3	2 115.7	2 256.4	2 403.9	520.2	543.5	559.8	632.9	560.1	577.5	594.0	672.3
GDP	% y/y	4.8	5.1	4.3	3.5	4.7	4.5	4.2	4.0	4.0	3.5	3.4	3.3
Domestic demand	% y/y	4.9	5.5	4.6	4.0	4.2	4.9	4.9	4.4	4.2	4.0	3.8	3.8
Private consumption	% y/y	4.5	4.5	4.5	4.1	3.9	4.3	4.9	4.8	4.5	4.3	4.0	3.8
Fixed investments	% y/y	4.0	8.7	7.5	4.2	12.6	9.0	7.0	5.0	4.5	4.3	4.1	4.0
Industrial production	% y/y	6.5	5.9	5.5	4.9	6.1	4.6	6.3	4.9	3.5	5.9	5.1	5.3
Construction production	% y/y	13.7	19.7	6.6	3.1	9.9	7.8	4.7	5.9	2.0	4.3	4.2	1.9
Retail sales <sup>a</sup>	% y/y	8.2	7.8	7.0	6.0	5.3	8.7	8.0	5.9	5.3	4.3	6.1	6.8
Unemployment rate <sup>b</sup>	%	6.6	5.8	5.4	5.1	5.9	5.3	5.2	5.4	5.5	5.0	4.9	5.1
Gross wages in the national economy <sup>a</sup>	% y/y	5.3	7.2	6.9	8.3	7.1	6.2	6.7	7.5	9.2	9.1	8.5	7.1
Employment in the national economy	% y/y	3.3	2.6	2.1	-0.2	2.6	2.0	2.0	1.9	0.8	0.5	0.2	0.1
Exports (€)	% y/y	13.8	6.6	6.5	4.4	7.7	7.1	6.9	4.4	2.1	6.1	4.7	4.8
Imports (€)	% y/y	14.9	9.9	6.5	6.6	3.9	5.6	9.1	7.4	4.7	8.1	6.7	6.9
Trade balance	EUR mn	1 426	-5 179	-5 600	-11 016	327	161	-2 607	-3 481	-1 110	-1 001	-3 932	-4 974
Current account balance	EUR mn	715	-2 882	-3 607	-9 534	1 832	1 664	-3 767	-3 336	138	887	-5 263	-5 296
Current account balance	% GDP	0.2	-0.6	-0.7	-1.7	-0.3	-0.1	-0.3	-0.7	-1.0	-1.1	-1.3	-1.7
General government balance	% GDP	-1.4	-0.4	-1.7	-1.0	-	-	-	-	-	-	-	-
CPI	% y/y	2.0	1.6	2.3	3.4	1.2	2.4	2.8	3.0	4.2	3.3	2.9	3.0
CPI <sup>b</sup>	% y/y	2.1	1.1	3.2	3.1	1.7	2.6	2.7	3.2	4.1	3.1	2.9	3.1
CPI excluding food and energy	% y/y	0.7	0.7	1.9	2.5	1.1	1.8	2.1	2.6	2.7	2.5	2.5	2.5
PPI	% y/y	2.9	2.2	1.5	2.2	2.5	1.5	0.7	1.2	2.0	1.9	2.5	2.4
Broad money (M3) <sup>b</sup>	% y/y	4.6	9.2	8.9	7.3	9.1	9.0	9.0	8.9	8.5	8.1	7.7	7.3
Deposits <sup>b</sup>	% y/y	4.1	8.7	8.7	7.2	8.7	8.7	8.7	8.7	8.5	8.1	7.7	7.3
Loans <sup>b</sup>	% y/y	3.6	7.6	7.3	6.1	7.5	7.5	7.4	7.3	7.0	6.7	6.4	6.1
EUR/PLN	PLN	4.26	4.26	4.27	4.20	4.30	4.28	4.27	4.22	4.21	4.21	4.20	4.17
USD/PLN	PLN	3.78	3.61	3.76	3.51	3.79	3.81	3.81	3.66	3.59	3.54	3.49	3.43
CHF/PLN	PLN	3.84	3.69	3.79	3.55	3.80	3.80	3.83	3.72	3.63	3.58	3.53	3.46
Reference rate <sup>b</sup>	%	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
3M WIBOR	%	1.73	1.71	1.72	1.71	1.72	1.72	1.72	1.71	1.71	1.71	1.71	1.71
Yield on 2-year T-bonds	%	1.89	1.59	1.61	1.55	1.64	1.66	1.63	1.53	1.49	1.52	1.56	1.63
Yield on 5-year T-bonds	%	2.78	2.51	2.03	1.96	2.23	2.14	1.95	1.81	1.80	1.84	2.01	2.20
Yield on 10-year T-bonds	%	3.44	3.21	2.50	2.35	2.84	2.69	2.35	2.14	2.07	2.22	2.50	2.61

Note: <sup>a</sup> in nominal terms, <sup>b</sup> at the end of period. Source: GUS, NBP, Finance Ministry, Santander Bank Polska estimates.

This analysis is based on information available until 31.07.2019 has been prepared by:

**ECONOMIC ANALYSIS DEPARTMENT**

al. Jana Pawła II 17, 00-854 Warszawa (+48) 22 586 8340

Email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl) Web site: <https://www.santander.pl/en/economic-analysis>

**Maciej Reluga\*** – Chief Economist

tel. (+48) 22 534 1888. Email: [maciej.reluga@santander.pl](mailto:maciej.reluga@santander.pl)

**Piotr Bielski\*** – Director (+48) 22 534 1887

**Marcin Luzziński\*** – Economist (+48) 22 534 1885

**Grzegorz Ogonek\*** – Economist (+48) 22 534 1923

**Marcin Sulewski, CFA\*** – Economist (+48) 22 534 1884

## TREASURY SERVICES DEPARTMENT

### Poznań

pl. Gen. W. Andersa 5  
61-894 Poznań  
tel. (+48) 61 856 58 14/30  
fax (+48) 61 856 4456

### Warszawa

al. Jana Pawła II 17  
00-854 Warszawa  
tel. (+48) 22 586 83 20/38  
fax (+48) 22 586 8340

### Wrocław

ul. Robotnicza 11  
53-607 Wrocław  
tel. (+48) 71 369 9400  
fax (+48) 71 370 2622

## IMPORTANT DISCLOSURES

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

This report is issued in Poland by **Santander Bank Polska S.A.**, 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"). Santander London is registered in the UK (with FRN 136261) and subject to limited regulation by the FCA and PRA. **Santander Bank Polska S.A.**, 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 **Santander Bank Polska S.A.**

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.

**Santander Bank Polska S.A.** and its legal affiliates 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. **Santander Bank Polska S.A.** 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.

**Santander Bank Polska S.A.** 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.

**Santander Bank Polska S.A.** and/or a company in the Santander Group is a market maker or a liquidity provider for EUR/PLN.

**Santander Bank Polska S.A.** 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.

**Santander Bank Polska S.A.** 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.

### ADDITIONAL INFORMATION

**Santander Bank Polska S.A.** 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, **Santander Bank Polska S.A.** 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 **Santander Bank Polska S.A.** is prepared in accordance with the Santander Group policies for managing conflicts of interest. In relation to the production of investment research, **Santander Bank Polska S.A.** 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 **Santander Bank Polska S.A.**

### COUNTRY & REGION SPECIFIC DISCLOSURES

**Poland (PL):** This publication has been prepared by **Santander Bank Polska 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 **Santander Bank Polska 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.

**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.

© **Santander Bank Polska S.A.** 2019. All Rights Reserved.