

Banco Santander reports underlying profit of €1,908 million for first half of 2020 and makes non-cash goodwill and DTA impairments

The group CET1 capital ratio increased by 26 basis points to 11.84% in the quarter, at the top end of the bank's target range of 11% to 12%

The board of directors intends to propose a payment of a scrip dividend (payable in new shares) equivalent to 10 cents per share for 2019

Madrid, 29 July 2020 - PRESS RELEASE

- Following a review of the valuation of the bank's goodwill and deferred tax assets (DTAs) given the deterioration in economic outlook due to covid-19, the bank has recorded a non-cash, non-recurring impairment charge of €12.6 billion, resulting in a statutory attributable loss for the first half of €10.8 billion. This has no impact on the bank's liquidity or credit risk positions, and does not impact the CET1 capital ratio.
- Revenues in the first half were in line with H1'19 on a constant currency basis, despite the challenging environment. The group is ahead of its cost savings plan, with operating expenses down 5% year-on-year in real terms and the European region achieving more than €300 million in costs efficiencies in the first half (75% of the 2020 target).
- As a result, net operating income was €11.9 billion for the first half, up 2% on a constant currency basis.
- The group continued to provide significant financial support to customers throughout the pandemic, extending an average of €1.6 billion every day in new lending during the second quarter and providing more than five million customers with payment holidays.
- Digital adoption accelerated, with 47% of sales taking place through digital channels in the quarter (vs 36% in 2019). The bank has now 40 million digital customers (up 15% year-on-year), of which more than 32 million now use mobile banking (up 22%).
- Credit quality remained robust with the group's non-performing loan ratio falling by 25 basis points since June 2019 to 3.26% and the coverage ratio increasing by four percentage points to 72%. The group continues to expect a cost of credit at year end of 1.4-1.5%.
- While the underlying profitability in most markets was impacted by the pandemic, the group's diversification across business lines remained a core strength, with Santander CIB increasing underlying profit by 23%.
- The board is committed to applying a full cash dividend policy as soon as market conditions normalise, subject to regulatory approvals and guidance. In line with this commitment, the bank has accrued six basis points of CET1 capital in the quarter for a potential cash dividend against 2020 results. This is in addition to the scrip dividend for 2019 mentioned above.

Ana Botín, Banco Santander executive chairman, said:

"The past six months have been among the most challenging in our history. The impact of the pandemic has tested us all and I am proud of how Santander has responded."

Corporate Communications

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During the second quarter, we lent an average of €1.6 billion every day, supporting millions of individuals and businesses. Our teams have raised over €100 million to help communities respond to the pandemic, and we continued to serve our customers while keeping our people safe.

Our resilient model has delivered strong operating performance, with capital increasing, costs falling ahead of plan, and credit quality remaining healthy. While our statutory profit reflects a non-cash revaluation of goodwill and DTAs due to the impact of the pandemic on the economic outlook, it has no impact on the group's balance sheet strength. The foundations of our business remain extremely strong, with capital at the top end of our target range.

Given the strength of our underlying performance, the board expects to propose a dividend in scrip equivalent to 10 cents per share for 2019, to be paid this year. The board is committed to applying a 100% cash dividend policy as soon as market conditions normalise, subject to regulatory approvals and guidance, and we have accrued capital this quarter to reflect this commitment.

We remain confident about the potential for value creation within our business. We are accelerating our transformation plans to leverage both our scale and the collective strengths of our regional and global businesses, with a focus on simplifying operations and improving the customer experience in order to grow profitably with greater efficiency. Given these initiatives, we reiterate the 13-15% return on tangible equity (RoTE) target we announced at our investor day last year and will provide an update to our strategic plans in the coming months."

Underlying Income Statement

	H120 (m)	H120 v H119	H120 v H119 (EX FX)	Q220 (m)	Q220 v Q219	Q220 v Q219 (EX FX)
Total income	€22,518	-8%	0%	€10,704	-13%	-3%
Operating expenses	-€10,653	-8%	-2%	-€5,076	-13%	-4%
Net operating income	€11,865	-8%	+2%	€5,628	-14%	-1%
Net loan-loss provisions*	-€7,027	+63%	+78%	-€3,118	+46%	+66%
Profit before tax	€3,841	-49%	-44%	€1,885	-52%	-43%
Net capital gains and provisions (excl. impairments)	-€106	-	-	-€60	-	-
Goodwill and DTA Impairments	-€12,600	-	-	-€12,600	-	-
Attributable profit	-€10,798	-	-	-€11,129	-	-
Underlying profit	€1,908	-53%	-48%	€1,531	-27%	-15%

* LLPs include covid-19 overlay provisioning in Q1'20.

Underlying business performance

To provide the clearest like-for-like comparison on underlying business performance, all comparisons are year-on-year and on a constant currency basis unless otherwise stated.

Banco Santander achieved an underlying profit of €1,908 million in the first half of 2020, down 48%, due to an increase in loan-loss provisions attributable to the covid-19 pandemic. While the pandemic has had a significant impact on customer activity, the underlying performance of the business was strong, supported by resilient

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customer revenues, higher than expected cost reductions, robust credit quality and good organic capital generation.

Net interest income and customer revenues remained stable year-on-year, at €16.2 billion and €21.3 billion, respectively, driven by revenue growth in Latin America, Santander Corporate & Investment Banking, and Wealth Management & Insurance. This, combined with good cost control, resulted in net operating income growth of 2% to €11.9 billion.

The group is ahead of its cost saving plan, with the European region achieving more than €300 million in efficiencies in the first half of the year, representing 75% of the bank's 2020 target. Operating expenses fell by 2% or 5% in real terms (i.e. excluding inflation).

The group has continued to provide significant financial support to customers throughout the pandemic, extending an average of €1.6 billion every day in new lending during the second quarter and providing more than five million customers with payment holidays. Santander also ensured that its core banking services continued to operate normally while keeping employees and customers safe. Around 90% of branches are currently open and substantially all of the bank's 40,000 ATMs are operating normally.

The bank achieved solid customer volume growth, with loans and deposits increasing by 6% and 9% respectively. In the second quarter, new retail lending saw signs of recovery, while SMEs, corporate and SCIB lending activity returning to more normal levels from the peak in April.

Credit quality remained robust, with the bank's non-performing loan ratio falling by 25 bps to 3.26%, while the coverage ratio, which measures the bank's ability to absorb potential losses from its non-performing loans, increased to 72%.

Cost of credit, the rate at which the bank needs to take provisions when lending money, increased by 28 basis points to 1.26% as loan loss provisions increased by 78% to €7,027 million, reflecting the impact of the crisis. The bank maintains the guidance provided at Q2, with cost of credit expected to increase to 1.4-1.5% at year-end.

Santander's CET1 capital ratio increased by 26 bps in the quarter to 11.84%, at the top end of its medium-term target of 11-12%. The bank's strong pre-provision profitability enabled outstanding organic capital generation (+28bps in the quarter), and while changes to the European Union's Capital Requirements Regulation (CRR) added a further 24 basis points to the CET1 capital ratio, this was offset by corporate transactions, markets and others.

The bank expects to generate capital in the coming quarters and to remain at the top end of its capital target range at year end. Given the strength of the bank's capital and the resiliency of underlying performance, the board of directors intends to propose to shareholders the payment of a scrip dividend (payable in new shares) equivalent to 10 cents per share for 2019, to be paid this year. The board is committed to applying a full cash dividend policy as soon as market conditions normalise, subject to regulatory approvals and guidance. In line with this commitment, the bank has accrued six basis points of CET1 capital in the quarter for a potential cash dividend against 2020 results.

The use of digital services accelerated further during the period, in part due to an increase in digital adoption during the pandemic. The bank now has 40 million digital customers (+15%), of which more than 32 million now use mobile banking (+22%). Nearly half (47%) of sales in Q2 took place through digital channels, 11 percentage points higher than in 2019.

During the first half of 2020 the bank has:

- Launched PagoFX in April in the UK, offering fast, secure and low-cost international transfers to any user, no matter who the user banks with. The service will be available in 20 markets within three to four years.
- Acquired merchant payment solutions company Elavon México with the aim of providing superior acquiring and payment services to merchants, enabled by Getnet, the bank's global merchant platform.
- Continued to invest in Santander OneTrade, the global trade platform for business.

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- Completed the acquisition of a controlling stake in Ebury, one of the best international trade and forex platforms for SMEs.

This ongoing focus on customer loyalty and investment in digital helped the bank maintain a top-three ranking for customer satisfaction in five of its core countries, while also improving operational efficiency. The bank's cost-to-income ratio remained among the lowest of its peers at 47.3%.

Goodwill and DTA Impairments









Due to the deterioration in the economic outlook caused by the global pandemic, the bank has undertaken a review of the valuation of goodwill associated with past acquisitions, and the recoverability of deferred tax assets (DTAs).

Following the review the bank has adjusted the valuation of its goodwill and DTAs, resulting in a non-recurring impairment of €12.6 billion, of which €10.1 billion relates to goodwill (45% of the group's total goodwill valuation) and €2.5 billion to DTAs. While this results in a statutory loss for the first half of 2020 of €10,798 million, these impairment charges are non-cash items and have no impact on the bank's liquidity or market and credit risk positions, and do not impact the CET1 capital ratio.

The goodwill impairment includes €6.1 billion associated with goodwill in the UK, €2.3 billion in the US, €1.2 billion in Poland and €477 million in Santander Consumer Finance. The impairments do not change the strategic importance of any of the group's markets or businesses. The bank continues to invest in its businesses and accelerate its transformation, and remains confident in the potential for long term value creation in each of its regions and markets.

Market Summary (H1'20 v H1'19)

To better reflect the local performance of each market, the percentage changes provided below are presented in constant exchange euros and year-on-year unless stated otherwise. Variations in current euros are available in the financial report.

H1'20 (vs. H1'19)	Net operating income (EUR mn)	Underlying attributable profit (EUR mn)	Contribution to Group's Underlying profit
 Europe	4,314 -10%	1,075 -54%	
 North America	3,301 +2%	617 -29%	
 South America	5,093 +8%	1,383 -13%	
Global businesses	1,683 +32%	928 +23%	Enhancing our local scale with global reach
 SCIB	605 +7%	427 +3%	
 WM&I			

YoY changes in constant euros

Underlying profit contribution excludes Corporate Centre (EUR -1,125 mn) and Santander Global Platform. South America's weight includes Uruguay & Andean Region (EUR 96 mn)

Group net operating income growth was again supported by the bank's geographic and business diversification. The group's global businesses, Santander Corporate & Investment Banking (SCIB) and Wealth Management & Insurance,

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delivered particularly strong results. SCIB achieved 23% growth in underlying profit in the first half as it continued to support its customers through contingency lines and other financial solutions, achieving double digit profit growth in the majority of businesses but particularly Global Markets and Global Debt Financing.

Europe: Underlying profit in Europe fell by 54% as the bank saw an increase in loan loss provisions following the expected macro-economic deterioration. The bank achieved more than €300 million in cost savings in the period – 75% of the target for full year – and continues to leverage digital transformation to improve customer experience. This helped increase loyal customers as a percentage of total customers by 1 percentage point to 36%, while also increasing digital customers by 9% to 14.7 million.

- In Spain, underlying profit fell by 64% to €251 million, impacted by lower non-customer revenue and higher loan loss provisions, partially offset by cost reduction efforts. The bank saw high lending activity in SMEs and corporates, boosted by the ICO guarantee scheme: Santander Spain helped with nearly €24 billion in 150,000 transactions, reaching 27% market share and achieving more than €11 billion net lending growth in the quarter. The NPL ratio improved by 47 bps year-on-year (with a high level of corporate loans granted) and the coverage ratio rose to 43.3%. Digital customers increased by 10% to 5.1 million.
- In Santander Consumer Finance, underlying profit fell by 26% to €477 million due to increased covid-19 related provisions. Most markets were impacted by the pandemic, although there were some signs of recovery in the latter part of the quarter. Net operating income was up 1% driven by strong net interest income growth in the first quarter and good cost control, partially offset by lower net fee income due to a reduction in activity.
- In the UK, underlying profit fell by 76% to €139 million affected by both an increase in provisions due to covid-19, and a reduction in income following the base rate cut and regulatory changes to overdraft fees. This was partially offset by changes to the terms of the 123 account and the continued focus on cost management, with operating expenses down 5% year-on-year through realised efficiencies. Digital customers increased by 7% to 6.1 million.
- In Portugal, underlying profit fell by 39% to €160 million impacted by higher loan loss provisions and lower net interest income due to the fall in average interest rates. Loans and advances to customers grew 4%, while customer deposits increased by 3%, supported by sustained growth in both individuals and companies. Digital customers increased by 14% to 866,000.
- In Poland, underlying profit fell by 50% to €73 million as loan loss provisions increased and net interest income declined due to the fall in base rates, higher BFG contribution (deposit guarantee scheme) and lower dividend income. Costs decreased due to implementation of efficiency projects and a reduction in cost related to commercial activity, while digital customers increased by 9% to 2.6 million.

North America: Underlying profit in North America fell by 29% to €617 million as the bank recorded an increase in loan loss provisions due to the impact of the pandemic. Despite the challenging environment, net operating income increased by 2% with improvements in both revenues and costs. Increased coordination and cooperation between Mexico and the US, including the implementation of joint technology programmes, helped drive this improvement. SCIB revenues linked to the development of the US/Mexico trade increased by 19%.

- In Mexico, underlying profit increased by 4% to €406 million after the bank increased its stake in Banco Santander Mexico to 91.65% in Q3 last year. Net operating income increased by 11% due to higher revenues and efficiency improvements, offsetting in part the impact of the pandemic on loan loss provisions. The bank

saw solid growth in loans, which were up 9% year-on-year and very strong growth in digital customers, which increased by 31% to 4.6 million.

- In the US, underlying profit declined by 56% to €211 million, primarily due to the impact of covid-19 on provisions. The percentage of loyal customers increased by 2 percentage points to 21% and the digital customer base grew by 7% to 1.1 million. The business saw improved year-on-year trends in volumes, with double digit growth in both loans and customer funds. Strong cost control partially offset the decline in revenues due to lower rates and activity.

South America: Underlying profit in South America fell by 13% to €1,383 million as an increase in revenues was offset by a rise in loan loss provisions due to the impact of the pandemic. The bank continued to strengthen connections between its businesses in the region, which supported double-digit growth in both lending and customer deposits. Net operating income grew by 8% year-on-year.

- In Brazil, underlying profit declined by 17% to €995 million due to increased loan loss provisions. However, the bank still achieved a return on tangible equity (RoTE) of 17.1%. Net operating income increased by 5%, driven by double-digit volume growth in lending and customer deposits, reflected in net interest income and gains on financial transactions, and efficiency improvements. The bank's efficiency ratio improved by 67 basis points to 31.8%, supported by a 14% increase in digital customers to 14.5 million.
- In Chile, underlying profit fell by 31% to €183 million. Higher net interest income and efficiency improvements drove a 9% growth in operating income, offset by an increase in loan loss provisions.
- In Argentina, underlying profit increased by 144% to €109 million due to a significant increase in net interest income and further efficiency improvements. The percentage of loyal customers was 44%, while digital customers increased by 20% to 2.56 million. The bank has strong liquidity in both pesos and US dollars.
- In the rest of South America, increased volumes and activity resulted in strong profit growth and profitability, with underlying profit increasing in Uruguay by 14% to €69 million (28% RoTE), in Peru by 28% to €24 million (19% RoTE) and in Colombia by 127% to €10 million (14% RoTE).

About Banco Santander

Banco Santander is one of the largest bank in the euro zone, with a market capitalisation of €36 billion at the end of the quarter. It has a strong and focused presence in ten core markets across Europe and the Americas with more than four million shareholders and 194.000 employees serving 146 million customers.

Key consolidated data (from financial report)

BALANCE SHEET (EUR million)	Jun-20	Mar-20	%	Jun-20	Jun-19	%	Dec-19
Total assets	1,572,881	1,540,359	2.1	1,572,881	1,512,096	4.0	1,522,695
Loans and advances to customers	934,796	935,407	(0.1)	934,796	908,235	2.9	942,218
Customer deposits	846,832	815,459	3.8	846,832	814,751	3.9	824,365
Total funds	1,039,996	1,006,948	3.3	1,039,996	1,032,769	0.7	1,050,765
Total equity	91,859	106,113	(13.4)	91,859	109,985	(16.5)	110,659

Note: Total funds includes customer deposits, mutual funds, pension funds and managed portfolios

INCOME STATEMENT (EUR million)	Q2'20	Q1'20	%	H1'20	H1'19	%	2019
Net interest income	7,715	8,487	(9.1)	16,202	17,636	(8.1)	35,283
Total income	10,459	11,809	(11.4)	22,268	24,436	(8.9)	49,229
Net operating income	5,341	6,220	(14.1)	11,561	12,849	(10.0)	25,949
Profit before tax	(8,301)	1,891	—	(6,410)	6,531	—	12,543
Attributable profit to the parent	(11,129)	331	—	(10,798)	3,231	—	6,515

Change in constant euros:

Q2'20 / Q1'20: NII: -1.9%; Total income: -4.6%; Net operating income: -6.1%; Attributable profit: +/-

H1'20 / H1'19: NII: -0.2%; Total income: -1.1%; Net operating income: -0.9%; Attributable profit: +/-

EPS, PROFITABILITY AND EFFICIENCY (%)	Q2'20	Q1'20	%	H1'20	H1'19	%	2019
EPS (euros)	(0.679)	0.012	—	(0.667)	0.181	—	0.362
RoE	(7.06)	1.47	—	(9.28)	7.41	—	6.62
RoTE	5.19	2.04	—	1.73	10.51	—	11.44
RoA	(0.38)	0.18	—	(0.51)	0.60	—	0.54
RoRWA	(1.02)	0.45	—	(1.34)	1.48	—	1.33
Efficiency ratio	47.4	47.2	—	47.3	47.4	—	47.0

UNDERLYING INCOME STATEMENT ⁽¹⁾ (EUR million)	Q2'20	Q1'20	%	H1'20	H1'19	%	2019
Net interest income	7,715	8,487	(9.1)	16,202	17,636	(8.1)	35,283
Total income	10,704	11,814	(9.4)	22,518	24,436	(7.8)	49,494
Net operating income	5,628	6,237	(9.8)	11,865	12,849	(7.7)	26,214
Profit before tax	1,885	1,956	(3.6)	3,841	7,579	(49.3)	14,929
Attributable profit to the parent	1,531	377	306.1	1,908	4,045	(52.8)	8,252

Variations in constant euros:

Q2'20 / Q1'20: NII: -1.9%; Total income: -2.5%; Net operating income: -1.6%; Attributable profit: +420.9%

H1'20 / H1'19: NII: -0.2%; Total income: 0.0%; Net operating income: +1.7%; Attributable profit: -47.5%

UNDERLYING EPS AND PROFITABILITY ⁽¹⁾ (%)	Q2'20	Q1'20	%	H1'20	H1'19	%	2019
Underlying EPS (euros)	0.084	0.014	487.4	0.098	0.231	(57.5)	0.468
Underlying RoE	6.62	1.52	—	3.98	8.24	—	8.38
Underlying RoTE	8.93	2.11	—	5.44	11.68	—	11.79
Underlying RoA	0.43	0.18	—	0.31	0.66	—	0.65
Underlying RoRWA	1.14	0.46	—	0.80	1.62	—	1.61

SOLVENCY ⁽²⁾ AND NPL RATIOS (%)	Jun-20	Mar-20	Jun-20	Jun-19	Dec-19
CET1	11.84	11.58	11.84	11.30	11.65
Fully loaded Total capital ratio	15.46	15.08	15.46	14.80	15.02
NPL ratio	3.26	3.25	3.26	3.51	3.32
Coverage ratio	72	71	72	68	68

MARKET CAPITALISATION AND SHARES	Jun-20	Mar-20	%	Jun-20	Jun-19	%	Dec-19
Shares (millions)	16,618	16,618	—	16,618	16,237	2.3	16,618
Share price (euros)	2.175	2.218	(2.0)	2.175	4.081	(46.7)	3.730
Market capitalisation (EUR million)	36,136	36,859	(2.0)	36,136	66,253	(45.5)	61,986
Tangible book value per share (euros)	4.00	4.21	—	4.00	4.30	—	4.36
Price / Tangible book value per share (X)	0.54	0.53	—	0.54	0.95	—	0.86

OTHER DATA	Jun-20	Mar-20	%	Jun-20	Jun-19	%	Dec-19
Number of shareholders	4,080,201	4,043,974	0.9	4,080,201	4,054,208	0.6	3,986,093
Number of employees	194,284	194,948	(0.3)	194,284	201,804	(3.7)	196,419
Number of branches	11,847	11,902	(0.5)	11,847	13,081	(9.4)	11,952

(1) In addition to financial information prepared in accordance with International Financial Reporting Standards (IFRS) and derived from our consolidated financial statements, this report contains certain financial measures that constitute alternative performance measures (APMs) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 and other non-IFRS measures, including the figures related to "underlying" results, as they are recorded in the separate line of "net capital gains and provisions", above the line of attributable profit to the parent. Further details are provided on page 14 of this report.

For further details of the APMs and non-IFRS measures used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see 2019 Annual Financial Report, published in the CNMV on 28 February 2020, our 20-F report for the year ending 31 December 2019 registered with the SEC in the United States as well as the "Alternative performance measures" section of the annex to this report.

(2) Data applying the IFRS 9 transitional arrangements.

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IMPORTANT INFORMATION

Non-IFRS and alternative performance measures

In addition to the financial information prepared in accordance with International Financial Reporting Standards ("IFRS") and derived from our financial statements, this document contains certain financial measures that constitute alternative performance measures ("APMs") as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"). The financial measures contained in this document that qualify as APMs and non-IFRS measures have been calculated using the financial information from Santander Group but are not defined or detailed in the applicable financial reporting framework and have neither been audited nor reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for management and investors to facilitate operating performance comparisons from period to period, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the "management adjustment" line and are further detailed in Section 3.2. of the Economic and Financial Review in our Directors' Report included in our Annual Report on Form 20-F for the year ended 31 December 2019. While we believe that these APMs and non-IFRS measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute of IFRS measures. In addition, other companies, including companies in our industry, may calculate or use such measures differently, which reduces their usefulness as comparative measures. For further details of the APMs and Non-IFRS Measures used, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2019 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission on 6 March 2020, as well as the section "Alternative performance measures" of the annex to the Banco Santander, S.A. ("Santander") Q2 2020 Financial Report, published as Inside Information on 29 July 2020. These documents are available on Santander's website (www.santander.com). Underlying measures, which are included in this document, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

Forward-looking statements

Santander cautions that this document contains statements that constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words such as "expect", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "RoRAC", "RoRWA", "TNAV", "target", "goal", "objective", "estimate", "future" and similar expressions. These forward-looking statements are found in various places throughout this document and include, without limitation, statements concerning our future business development and economic performance and our shareholder remuneration policy. While these forward-looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

Numerous factors could affect the future results of Santander and could result in those results deviating materially from those anticipated in the forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Forward-looking statements speak only as of the date of this document and are based on the knowledge, information available and views taken on such date; such knowledge, information and views may change at any time. Santander does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Historical performance is not indicative of future results

Statements as to historical performance or financial accretion are not intended to mean that future performance, share price or future earnings (including earnings per share) for any period will necessarily match or exceed those of any prior period. Nothing in this document should be construed as a profit forecast.

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