

# ING Bank Slaski

## Quarterly Results - 2Q2019

ING Bank Slaski made a net profit of PLN 470 mil in the second quarter of 2019, up 26.2% when compared to the previous year. Total revenues increased 10.8% yoy to PLN 1,451 mil, ROE amounted to 13.6% and the NPL ratio stood at 2.98%. ING Bank Slaski stock appreciated by 5.2% in the second quarter of 2019 to PLN 202 per share and the stock traded at a 12-month trailing PE of 16.2x and PBV of 1.85x based on the closing price at the end of the quarter.

- ✓ Revenues increased 10.8% yoy to PLN 1,451 mil in the second quarter of 2019. Interest income formed 72.2% of total revenues with the net interest margin decreasing 0.02 pp to 2.83% of total assets. Fees added a further 24.8% to total revenue generated in 2Q2019, down from an average of 24.8% as seen in the previous two years.
- ✓ Operating costs grew by 4.7% yoy to PLN 581 mil, so cost to income ratio reached 40.0%, down by 6.83% compared to the previous two years. Staff accounted for 50.4% of total operating expenditures. At the end of second quarter of 2019, ING Bank Slaski operated a network of 332 branches and 8,170 employees.
- ✓ Loans and deposits grew by 2.91% and 2.14% qoq respectively, so loan to deposit ratio reached 89.9% at the end of 2Q2019. That's up from 86.8% the previous year. Equity reached 9.45% of assets and capital adequacy ratio amounted to 15.1% at the end of the second quarter of 2019.
- ✓ NPLs were 2.98% of total loans at the end of the quarter. Provisions covered 73.2% of non-performing loans
- ✓ ING Bank Slaski stock traded at PLN 202 per share at the end of second quarter of 2019 implying a market capitalization of USD 6,950 mil. This put stock at a 12-month trailing price to earnings of 16.2x and price to book value of 1.85x as of the end of 2Q2019.

**Sector:**  
Banking

**Country:**  
Poland

**Share Price:**  
PLN 202

**Market Capitalization:**  
USD 6,950 mil

**Shares Outstanding:**  
130 mil

**Employees:**  
8,170

**Clients:**  
4.98 mil

**Branches:**  
332

**Capital Adequacy Ratio:**  
15.1%

**NPL Ratio:**  
2.98%

**Provision Coverage:**  
73.2%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil		%			%		%
2Q2019	1,451	470	12.5	13.2	16.2	1.85	13.6	0	0
2018	5,233	1,526	11.7	8.75	15.3	1.76	12.1	0	0
2017	4,769	1,403	10.8	12.0	19.1	2.27	12.6	3.20	1.56
2016	4,325	1,253	9.63	11.2	16.8	2.00	11.8	0	0
2015	3,778	1,127	8.66	8.29	13.5	1.43	10.7	4.30	3.67

Source: Company Data, Helgi Analytics, Valuation multiples calculated based on historical prices

Data tells a story



## 1 Company Overview

ING Bank Slaski is Poland's nationwide universal bank. Its product and service offer includes personal accounts, debit and credit cards, overdraft limits, cash and mortgage loans, saving accounts, term deposits, investment funds, brokerage services, structured products, insurance products and pension funds. The bank offers its services to companies, institutions, and to almost 5 mil individual clients through a network of more than 300 branches and 1,000 ATMs. The bank is especially strong at deposit collection and payment card business. Since 1996, the bank's majority shareholder is the Dutch ING Group now holding a 75% stake in the bank

ING Bank Slaski has been growing its revenues and asset by 7.94% and 8.85% a year on average in the last 10 years. Its loans and deposits have grown by 14.5% and 10.4% a year during that time and loans to deposits ratio reached 89.9% at the end of 2Q2019. The company achieved an average return on equity of 12.5% in the last decade with net profit growing 9.79% a year on average. In terms of operating efficiency, its cost to income ratio reached 40.0% in 2Q2019, compared to 53.4% average in the last decade.

Equity represented 9.45% of total assets or 12.9% of loans at the end of 2Q2019. ING Bank Slaski's non-performing loans were 2.98% of total loans while provisions covered some 73.2% of NPLs at the end of the second quarter of 2019.

ING Bank Slaski stock traded at PLN 202 per share at the end of 2Q2019 resulting in a market capitalization of USD 6,950 mil. Over the previous five years, stock price rose by 52.3% or 8.78% a year on average. That's compared to an average ROE of 11.8% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 16.2x and price to book value (PBV) of 1.85x as of the second quarter of 2019.

FINANCIALS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income	PLN mil	869	895	883	920	961	995	1,011	1,048
Total Revenues	PLN mil	1,215	1,227	1,257	1,310	1,306	1,360	1,386	1,451
Operating Profit	PLN mil	685	699	629	755	729	793	665	870
Net Profit	PLN mil	376	367	322	373	379	452	325	470
Customer Loans	PLN mil	90,107	91,108	90,291	94,724	99,224	103,126	107,387	110,510
Total Assets	PLN mil	122,290	126,014	127,310	130,759	134,098	141,590	145,687	150,610
Shareholders' Equity	PLN mil	11,486	11,795	12,059	11,890	12,162	13,336	13,429	14,237
Interbank Borrowing	PLN mil	5,638	4,109	6,289	4,882	6,882	5,196	5,004	7,359
Customer Deposits	PLN mil	98,460	104,503	104,662	109,174	110,205	117,682	120,414	122,992
Issued Debt Securities	PLN mil	4,941	3,341	2,602	2,915	2,734	3,453	3,406	3,132

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	13.3	12.6	10.8	12.5	12.6	14.2	9.73	13.6
Costs (As % Of Income)	%	43.6	43.1	50.0	42.4	44.2	41.7	52.0	40.0
Net Interest Margin	%	2.87	2.88	2.79	2.85	2.90	2.89	2.81	2.83
Equity (As % Of Assets)	%	9.39	9.36	9.47	9.09	9.07	9.42	9.22	9.45
Loans (As % Of Deposits)	%	91.5	87.2	86.3	86.8	90.0	87.6	89.2	89.9
Loans (As % Assets)	%	73.7	72.3	70.9	72.4	74.0	72.8	73.7	73.4
NPLs (As % Of Loans)	%	2.72	2.82	3.00	3.00	2.83	2.79	2.84	2.98
Provisions (As % Of NPLs)	%	67.1	66.8	76.1	77.8	77.4	78.1	74.4	73.2

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	7,286	7,677	7,500	6,220	6,471	6,213	6,565	6,950
Share Price (End Of Period)	PLN	205	206	197	179	183	180	192	202
Price/Earnings (P/E)		20.6	19.1	18.0	16.2	16.5	15.3	16.3	16.2
Price/Book Value (P/BV)		2.32	2.27	2.12	1.96	1.96	1.76	1.86	1.85

Source: Company Data, Helgi Analytics

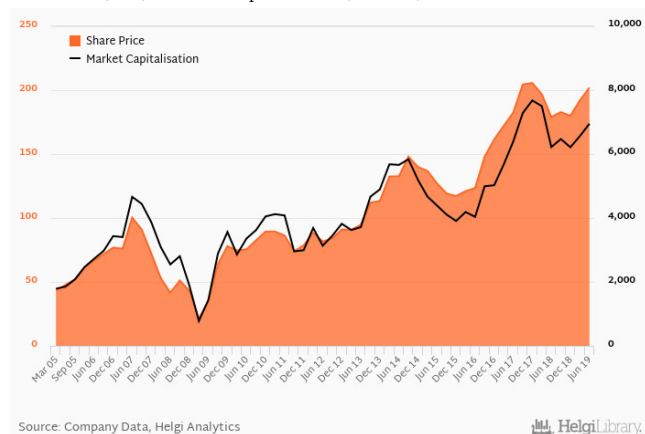


## 2 Valuation

ING Bank Slaski stock traded at PLN 202 per share at the end of 2Q2019 resulting in a market capitalization of USD 6,950 mil. Over the previous quarter, stock appreciated by 5.2%. Over the previous three years, stock price rose by 63.6% or 17.8% a year on average. That's compared to an average ROE of 13.6% the bank generated for its shareholders:

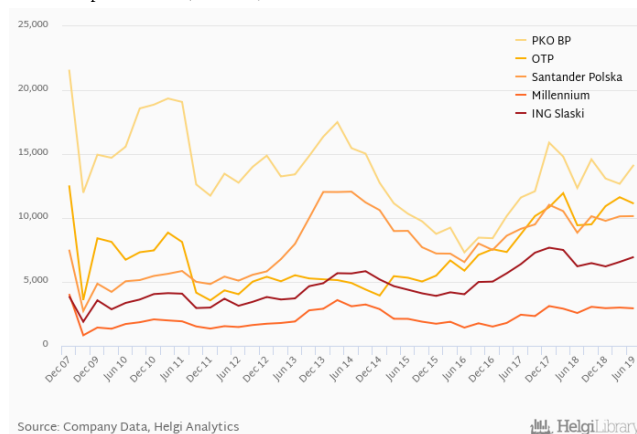
### Share Price & Market Capitalization

Share Price (PLN) & Market Capitalisation (USD mil)



### Market Capitalization Peers Comparison

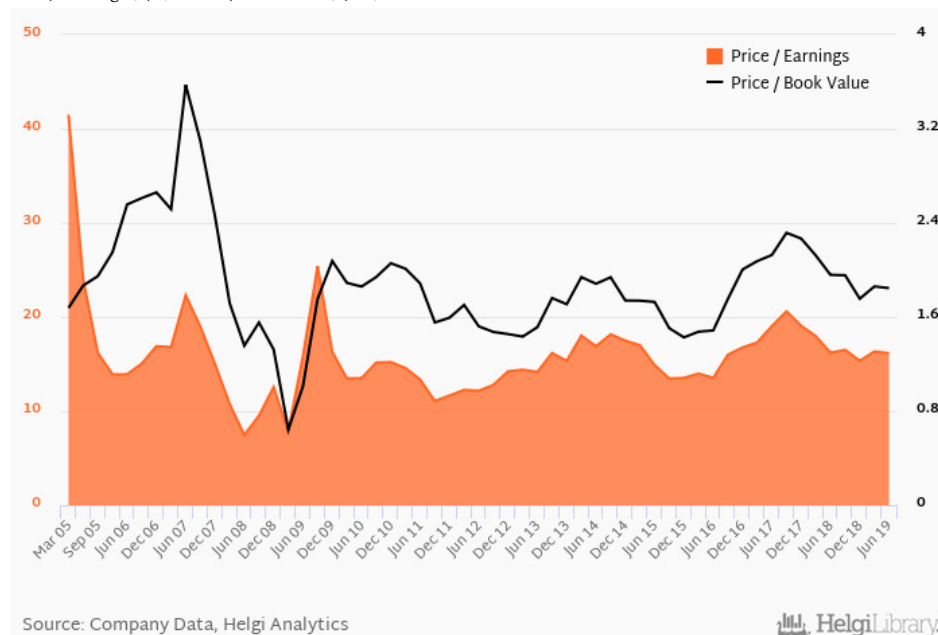
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 16.2x and price to book value (PBV) of 1.85x as of the second quarter of 2019.

### Price to Earnings & Book Value

Price/Earnings (P/E) & Price/Book Value (P/BV)



Over the previous five years, the PE multiple reached a high of 20.6x in 3Q2017 and a low of 13.5x in 3Q2015 with an average of 16.5x.

When compared to selected peers, ING Bank Slaski traded at a 40.8% premium above



average at the end of the second quarter of 2019.

Regarding price to book value, stock was trading at 1.85x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 2.32x in 3Q2017 and a low of 1.43x in 4Q2015 with an average of 1.85x.

In comparison to its peers, ING Bank Slaski traded at 39.3% premium on a trailing basis at the end of the second quarter of 2019.

The detailed comparison of ING Bank Slaski's valuation multiples with its peers be seen below:

VALUATION MULTIPLES		MKT CAP		ROE			PE			PBV	
NAME	COUNTRY	(USD mil)	Dec 18	Mar 19	Jun 19	Dec 18	Mar 19	Jun 19	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	12.1	7.81	7.21	7.39	8.00	8.28	0.702	0.743	0.738
Komerční Banka	Czechia	7,572	15.3	12.1	15.6	10.8	11.9	11.1	1.56	1.67	1.68
MONETA Money Bank	Czechia	1,773	13.5	15.3	16.4	8.84	10.2	9.69	1.47	1.55	1.64
OTP Group	Hungary	11,131	17.3	15.7	21.8	9.65	10.2	9.26	1.68	1.78	1.59
PKO BP	Poland	14,156	10.5	8.75	12.3	13.2	12.5	13.0	1.26	1.21	1.35
Santander Bank Polska	Poland	10,149	12.5	5.24	9.26	15.3	16.9	16.7	1.37	1.45	1.48
mBank	Poland	4,770	8.51	4.30	8.56	13.6	16.9	4.08	1.18	1.18	1.15
Bank Millennium	Poland	2,932	10.3	7.57	8.07	14.6	14.9	14.9	1.32	1.34	1.27
Bank Handlowy	Poland	1,881	8.76	3.37	7.69	14.1	16.0	13.9	1.28	1.25	1.04
ING Bank Slaski	Poland	6,950	14.2	9.73	13.6	15.3	16.3	16.2	1.76	1.86	1.85
Weighted Average			12.8	9.19	12.1	11.6	12.4	11.5	1.29	1.33	1.32
Median			12.3	8.28	10.8	13.4	13.7	12.0	1.35	1.39	1.41

ING BANK SLASKI'S PREMIUM/DISCOUNT TO:										
Weighted Average			11.1%	5.89%	11.9%	31.8%	31.6%	40.8%	36.5%	39.6%
Median			15.3%	17.5%	26.3%	14.4%	19.2%	34.5%	30.2%	33.5%

Source: Company Data, Helgi Analytics

## ING Bank Slaski – Quarterly Valuation

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	7,286	7,677	7,500	6,220	6,471	6,213	6,565	6,950
Number Of Shares (Average)	mil	130	130	130	130	130	130	130	130
Share Price (End Of Period)	PLN	205	206	197	179	183	180	192	202
Earnings Per Share (EPS)		9.92	10.8	11.0	11.0	11.1	11.7	11.8	12.5
Book Value Per Share		88.3	90.7	92.7	91.4	93.5	103	103	109
Dividend Per Share		0	0	0	0	0	0	0	0
Price/Earnings (P/E)		20.6	19.1	18.0	16.2	16.5	15.3	16.3	16.2
Price/Book Value (P/BV)		2.32	2.27	2.12	1.96	1.96	1.76	1.86	1.85
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	7.26	12.0	10.1	15.2	11.6	8.75	7.31	13.2
Book Value Per Share Growth	%	4.64	12.6	11.8	6.59	5.88	13.1	11.4	19.7

Source: Company Data, Helgi Analytics



### 3 Revenues & Costs

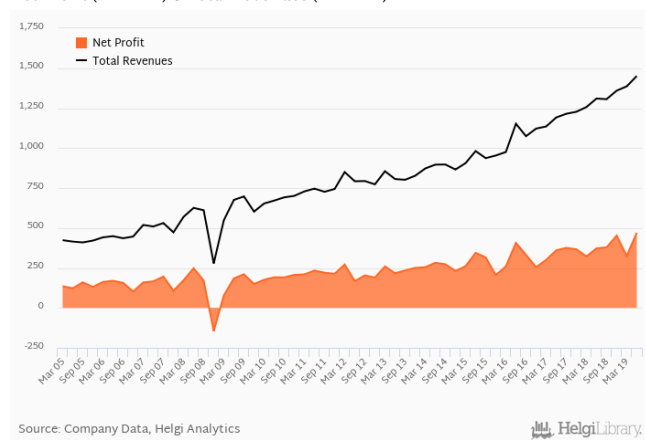
#### 3.1 Revenues

ING Bank Slaski generated total operating revenues of PLN 1,451 mil in the second quarter of 2019, up 10.8% compared to the same period of the previous year. Net interest income represented 72.2% of revenues, fee income contributed 24.8% and other non-interest income added further 3.06% to the overall revenue generated.

Over the previous three years, revenues rose by 7.99% a year on average.

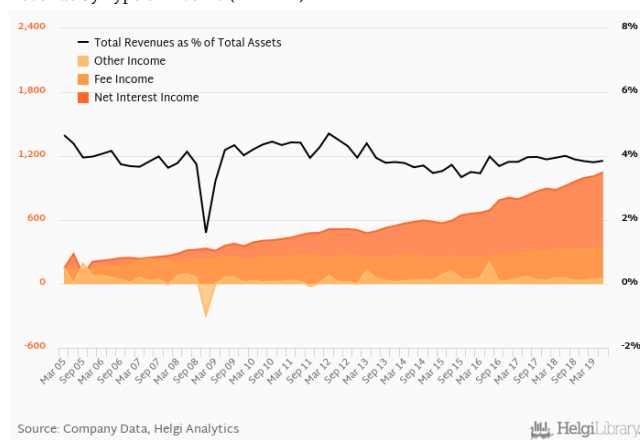
##### Revenue & Profitability

Net Profit (PLN mil) & Total Revenues (PLN mil)



##### Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 2.83% in the second quarter of 2019, down from the 2.85% of the previous year. Historically, ING Bank Slaski's net interest margin reached a high of 3.04% in 2Q2005 and a low of 0.864% in 3Q2005.

Average asset yield was 3.53% in the second quarter of 2019 (down from 3.57%) while cost of funding amounted to 0.777% in 2Q2019 (down from 0.787%).

NET INTEREST MARGIN									
NAME	COUNTRY	Mkt Cap (USD mil)	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	2.03	1.92	1.97	1.99	2.05	1.93	1.90
Komerční Banka	Czechia	7,572	2.10	2.07	2.00	2.06	2.20	2.15	2.02
MONETA Money Bank	Czechia	1,773	3.90	3.74	3.84	4.00	4.02	3.79	3.76
OTP Group	Hungary	11,131	4.39	4.34	4.24	4.33	4.92	4.26	4.19
PKO BP	Poland	14,156	3.07	2.99	3.08	3.13	3.15	3.02	3.10
Santander Bank Polska	Poland	10,149	3.64	3.58	3.43	3.29	3.20	3.11	3.14
mBank	Poland	4,770	2.50	2.46	2.50	2.52	2.53	2.51	2.63
Bank Millennium	Poland	2,932	2.54	2.42	2.51	2.63	2.62	2.46	2.66
Bank Handlowy	Poland	1,881	2.66	2.53	2.44	2.52	2.36	2.24	2.28
ING Bank Slaski	Poland	6,950	2.88	2.79	2.85	2.90	2.89	2.81	2.83
Weighted Average			2.95	2.87	2.86	2.90	2.99	2.81	2.82
Median			2.77	2.66	2.68	2.77	2.75	2.66	2.74

Source: Company Data, Helgi Analytics



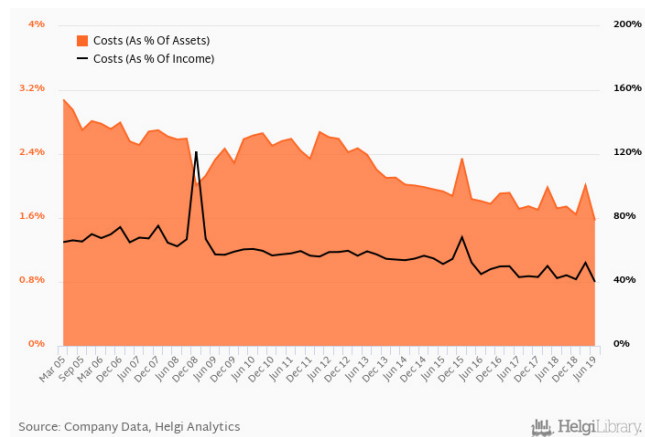
### 3.2 Costs

Operating costs increased by 4.7% yoy to PLN 581 mil in the second quarter of 2019. ING Bank Slaski's cost to income ratio therefore reached 40.0%, down from 42.4% when compared to the previous year.

Historically, operating costs reached a high of 122% of income in 4Q2008 and a low of 40.0% in 2Q2019:

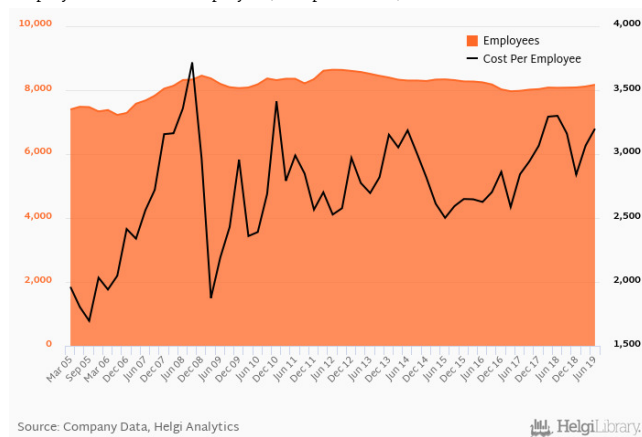
#### Cost Efficiency

Costs As % Of Assets & Income



#### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, ING Bank Slaski operated with a 6.98 pp lower cost to income ratio in the second quarter of 2019:

COSTS (AS % OF INCOME)								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	64.3	58.8	59.6	59.3	63.0	56.6
Komerční Banka	Czechia	7,572	53.6	45.2	41.0	42.7	52.6	42.9
MONETA Money Bank	Czechia	1,773	52.6	46.8	39.7	52.6	52.4	46.3
OTP Group	Hungary	11,131	63.7	56.4	55.9	62.1	61.9	57.0
PKO BP	Poland	14,156	49.1	43.8	42.5	41.7	48.2	38.6
Santander Bank Polska	Poland	10,149	48.9	41.9	44.6	38.8	55.2	42.9
mBank	Poland	4,770	43.5	41.9	43.7	42.0	56.7	40.4
Bank Millennium	Poland	2,932	50.3	45.1	45.8	44.9	51.9	45.2
Bank Handlowy	Poland	1,881	61.0	50.0	53.1	54.2	71.5	48.3
ING Bank Slaski	Poland	6,950	50.0	42.4	44.2	41.7	52.0	40.0
Weighted Average			55.1	48.8	48.8	48.9	56.4	47.0
Median			51.5	45.2	44.4	43.8	53.9	44.0

Source: Company Data, Helgi Analytics

When compared to total assets, operating costs amounted to 1.57% in 2Q2019 down from 1.72% the previous year.

ING Bank Slaski had 8,170 employees in the second quarter of 2019, up by 1.18% when compared to the previous year. The company operated a network of 332 branches in 2Q2019.

The average cost per employee stood at USD 3,199 per month, 3.06% below the



previous year. This figure was USD 3,186 per month five years earlier.

Staff accounted for 50.4% of total operating expenditures in 2Q2019.

STAFF COST (AS % OF TOTAL COST)								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	56.8	60.5	59.8	59.7	55.7	61.5
Komerční Banka	Czechia	7,572	45.5	60.9	56.5	52.4	45.5	55.0
MONETA Money Bank	Czechia	1,773	47.3	51.9	52.1	41.9	40.9	47.4
OTP Group	Hungary	11,131	41.6	44.9	43.1	45.4	40.6	42.9
PKO BP	Poland	14,156	47.7	53.6	53.6	50.4	45.8	55.3
Santander Bank Polska	Poland	10,149	40.8	42.9	46.4	47.2	42.3	44.6
mBank	Poland	4,770	37.9	46.9	45.7	46.4	34.8	47.4
Bank Millennium	Poland	2,932	47.8	52.5	50.9	50.3	44.9	53.7
Bank Handlowy	Poland	1,881	41.2	46.5	45.6	47.1	38.6	45.7
ING Bank Śląski	Poland	6,950	43.8	51.5	49.3	45.7	39.7	50.4
Weighted Average			46.6	52.4	51.7	50.6	45.3	52.1
Median			44.7	51.7	50.1	47.2	41.6	48.9

Source: Company Data, Helgi Analytics



## 4 Balance Sheet Growth, Capital, Funding & Asset Quality

### 4.1 Balance Sheet Growth

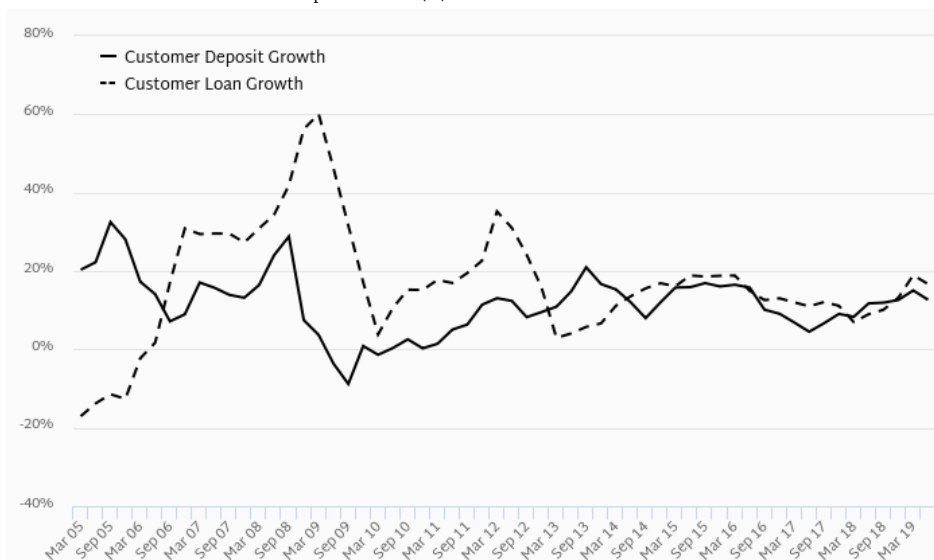
ING Bank Slaski's customer loans grew 2.91% qoq and 16.7% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 2.14% qoq and 12.7% yoy. That's compared to average of 12.2% and 9.89% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 12.2% while deposit growth reached 9.57% on average a year.

At the end of second quarter of 2019, ING Bank Slaski's loans accounted for 89.9% of total deposits and 73.4% of total assets.

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Source: Company Data, Helgi Analytics

HelgiLibrary

LOANS (AS % OF DEPOSITS)								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	88.3	89.0	89.5	88.6	88.5	88.4
Komerční Banka	Czechia	7,572	73.7	73.6	72.6	76.7	73.0	71.1
MONETA Money Bank	Czechia	1,773	87.0	90.3	90.9	83.0	84.6	84.6
OTP Group	Hungary	11,131	68.4	71.2	71.7	71.5	73.2	74.6
PKO BP	Poland	14,156	92.7	94.7	93.8	88.5	91.5	93.5
Santander Bank Polska	Poland	10,149	96.0	93.6	93.5	91.9	93.9	94.0
mBank	Poland	4,770	90.8	91.6	89.2	92.9	90.8	91.0
Bank Millennium	Poland	2,932	80.7	84.0	84.5	79.6	80.9	88.3
Bank Handlowy	Poland	1,881	58.3	58.1	57.6	51.7	57.2	54.1
ING Bank Slaski	Poland	6,950	86.3	86.8	90.0	87.6	89.2	89.9
Weighted Average			84.8	85.7	85.8	84.3	85.1	85.8
Median			86.6	87.9	89.3	85.3	86.6	88.4

Source: Company Data, Helgi Analytics



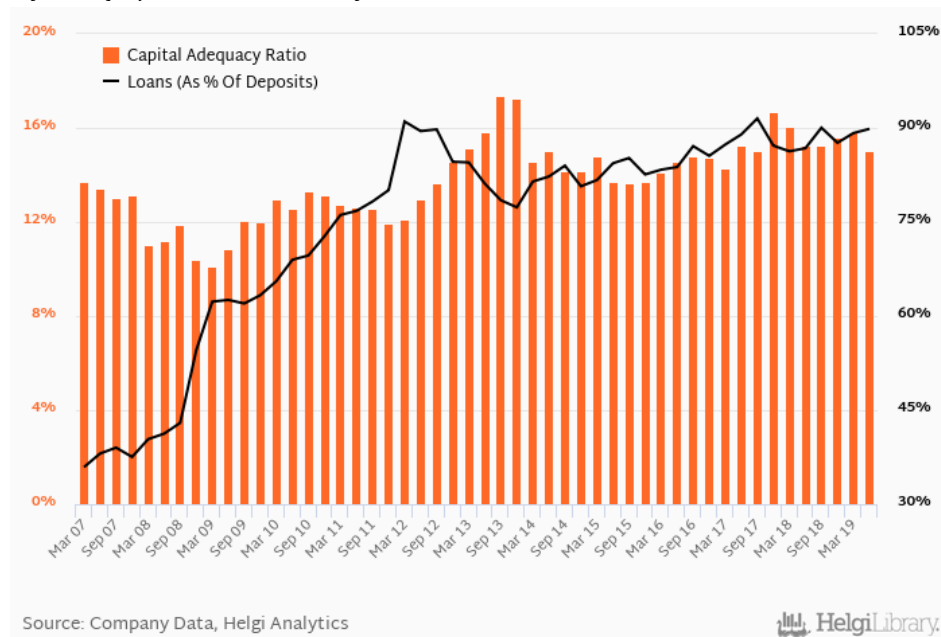


## 4.2 Capital & Liquidity

ING Bank Slaski's capital adequacy ratio reached 15.1% in the second quarter of 2019, down from 15.2% for the previous year. The Tier 1 ratio amounted to 13.8% at the end of the second quarter of 2019:

### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



ING Bank Slaski's capital is below average compared to its peers when measured by the capital adequacy ratio:

CAPITAL ADEQUACY RATIO								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	17.6	17.4	17.2	18.2	18.2	18.4
Komerční Banka	Czechia	7,572	18.3	18.1	18.4	18.5	18.9	19.0
MONETA Money Bank	Czechia	1,773	16.6	16.0	16.6	16.4	17.0	16.7
OTP Group	Hungary	11,131	16.9	16.5	16.2	18.3	16.5	17.4
PKO BP	Poland	14,156	17.8	17.4	18.4	18.9	18.4	18.6
Santander Bank Polska	Poland	10,149	16.7	17.8	17.6	16.0	16.5	16.3
mBank	Poland	4,770	20.9	20.1	20.2	20.7	20.6	19.7
Bank Millennium	Poland	2,932	24.1	23.0	22.6	21.4	25.4	20.1
Bank Handlowy	Poland	1,881	17.3	17.1	16.9	16.8	16.2	16.6
ING Bank Slaski	Poland	6,950	16.1	15.2	15.2	15.6	15.8	15.1
Weighted Average			17.8	17.5	17.6	18.0	18.0	17.8
Median			17.5	17.4	17.4	18.2	17.6	17.9

Source: Company Data, Helgi Analytics

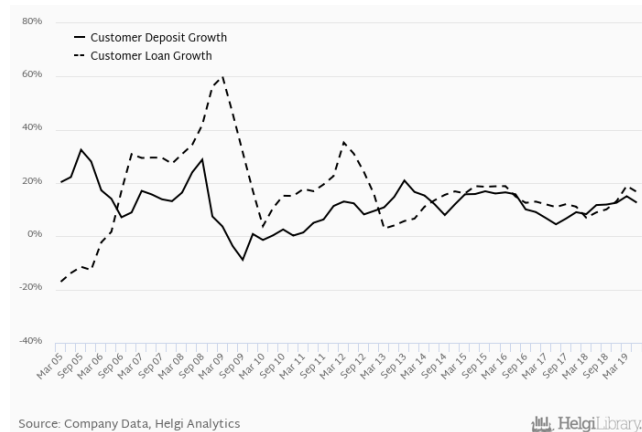


### 4.3 Loan Breakdown

ING Bank Slaski's loans reached PLN 110,510 mil in the second quarter of 2019, up 16.7% when compared to the same period of the previous year:

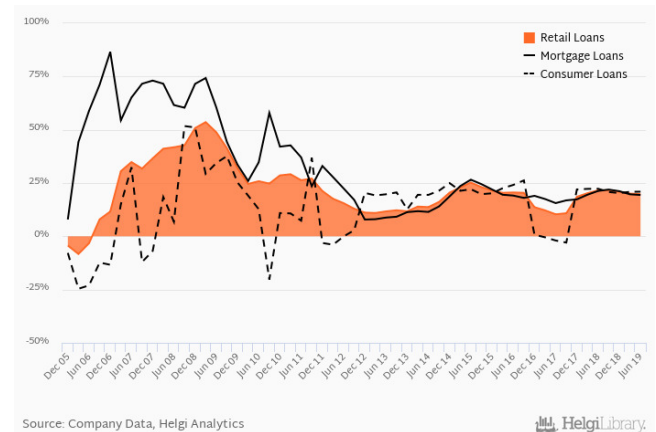
#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



#### Retail Loan Growth

Retail Loan Growth (%)

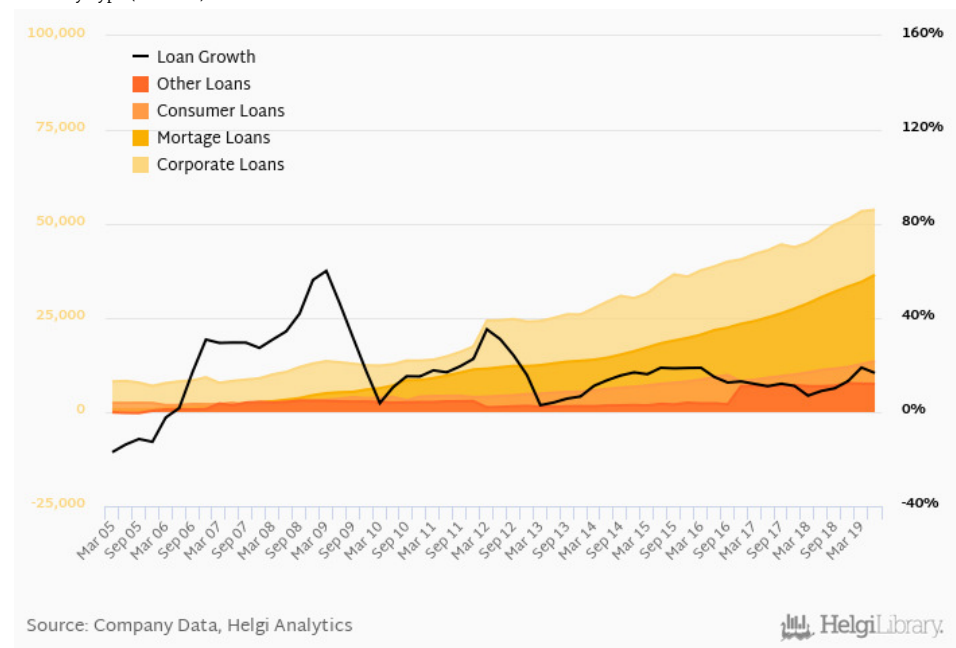


Retail loans grew 5.64% qoq and 19.8% yoy and accounted for 45.2% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 17.1% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 33.0% of the ING Bank Slaski's loan book, consumer loans added a further 12.2% and corporate loans formed 48.7% of total loans.

#### Loan Breakdown

Loans by Type (PLN mil)





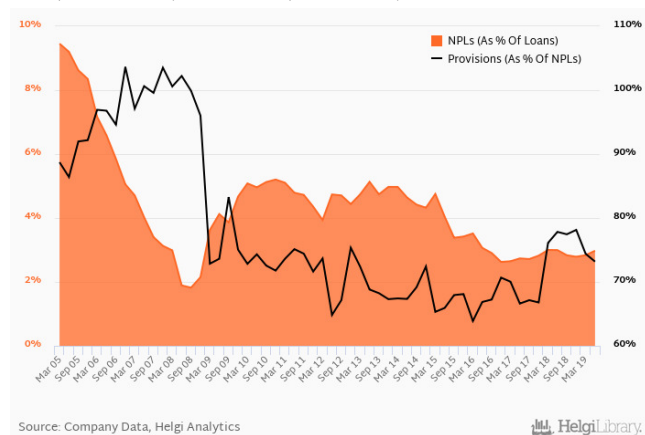
## 4.4 Asset Quality

ING Bank Slaski's non-performing loans were 2.98% of total loans, up from 2.84% when compared to the previous quarter. Historically, the NPL ratio hit a high of 9.77% in 4Q2004 and a low 1.82% in 3Q2008.

Provisions covered some 73.2% of NPLs at the end of the second quarter of 2019, down from 74.4% for the previous three months:

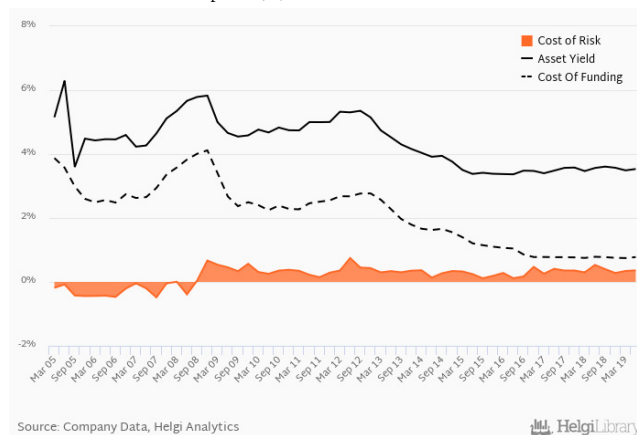
### Asset Quality

NPLs (As % Of Loans) & Provisions (As % Of NPLs)



### Cost of Risk

Cost of Risk vs. Interest Spread (%)



ING Bank Slaski operated with an NPL ratio 0.894 pp lower than the market average at the end of the second quarter of 2019:

NPLS (AS % OF LOANS)								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	3.74	3.58	3.51	3.19	3.02	2.82
Komerční Banka	Czechia	7,572	2.85	2.73	2.77	2.71	2.50	2.30
MONETA Money Bank	Czechia	1,773	3.70	3.30	3.00	2.80	2.00	1.80
OTP Group	Hungary	11,131	8.87	8.15	7.25	6.32	5.86	5.52
PKO BP	Poland	14,156	6.98	5.71	5.35	5.13	4.98	4.60
Santander Bank Polska	Poland	10,149	4.90	4.80	4.60	4.10	4.30	4.30
mBank	Poland	4,770	5.25	5.15	5.18	4.82	4.80	4.79
Bank Millennium	Poland	2,932	4.60	4.70	4.68	4.50	4.40	4.30
Bank Handlowy	Poland	1,881	3.57	3.58	3.48	3.28	3.44	4.53
ING Bank Slaski	Poland	6,950	3.00	3.00	2.83	2.79	2.84	2.98
Weighted Average			5.17	4.76	4.51	4.16	4.02	3.87
Median			4.17	4.14	4.06	3.69	3.87	4.30

Source: Company Data, Helgi Analytics

ING Bank Slaski's cost of risk reached 0.361% of average loans in the second quarter of 2019, up from 0.343% in the previous quarter and compared to 0.531% for the previous year on average.



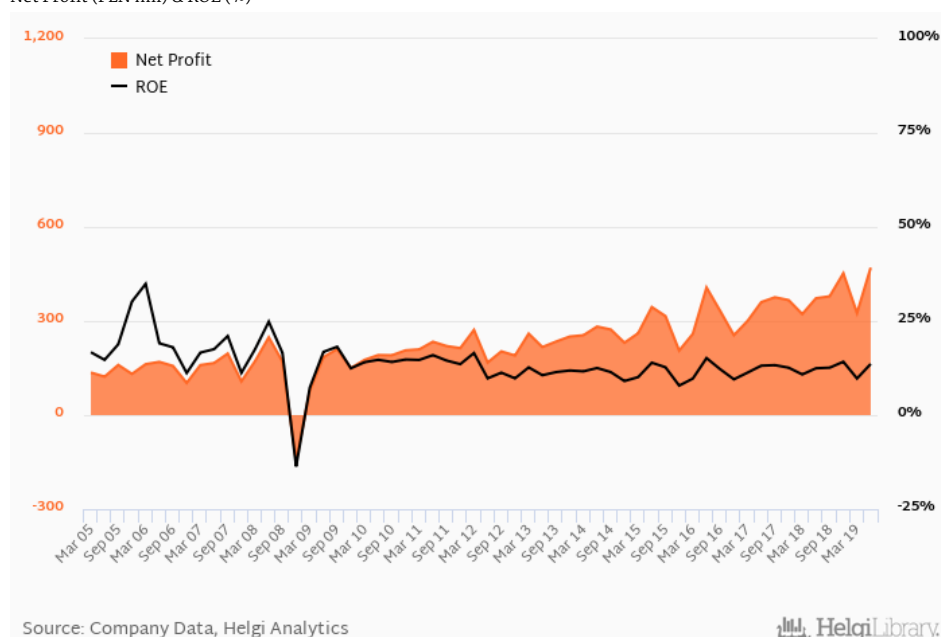
## 5 Profitability

Overall, ING Bank Slaski made a net profit of PLN 470 mil in the second quarter of 2019. This was up 26.2% when compared to the previous year resulting in a return on equity of 13.6%.

Historically, net profit reached a high of PLN 470 mil in 2Q2019 and a low of PLN -145 mil in 4Q2008.

### Profitability

Net Profit (PLN mil) & ROE (%)



The company generated an average return on equity of 12.1% for its shareholders in the previous three years with maximum at 14.2% and minimum at 9.51%.

ROE								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	7.42	9.83	10.1	12.1	7.81	7.21
Komerční Banka	Czechia	7,572	11.9	15.3	17.3	15.3	12.1	15.6
MONETA Money Bank	Czechia	1,773	18.0	15.3	20.9	13.5	15.3	16.4
OTP Group	Hungary	11,131	16.1	21.7	19.8	17.3	15.7	21.8
PKO BP	Poland	14,156	8.32	10.2	11.2	10.5	8.75	12.3
Santander Bank Polska	Poland	10,149	7.49	10.9	8.34	12.5	5.24	9.26
mBank	Poland	4,770	11.5	8.09	7.94	8.51	4.30	8.56
Bank Millennium	Poland	2,932	8.01	9.86	10.00	10.3	7.57	8.07
Bank Handlowy	Poland	1,881	8.31	10.6	9.37	8.76	3.37	7.69
ING Bank Slaski	Poland	6,950	10.8	12.5	12.6	14.2	9.73	13.6
Weighted Average			10.1	12.5	12.4	12.8	9.19	12.1
Median			9.56	10.7	10.6	12.3	8.28	10.8

Source: Company Data, Helgi Analytics

When compared to total assets, ING Bank Slaski generated a return of 1.27% in the second quarter of 2019 (ROA). That's 0.16 pp above average for the previous five years.

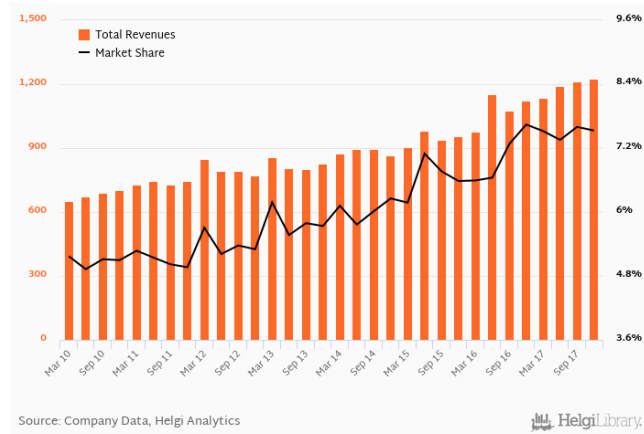


## 6 Market Share Development on the Polish Market

Based on latest available data, ING Bank Slaski accounted for 6.78% of all bank assets managed in Poland at the end of the fourth quarter of 2017.

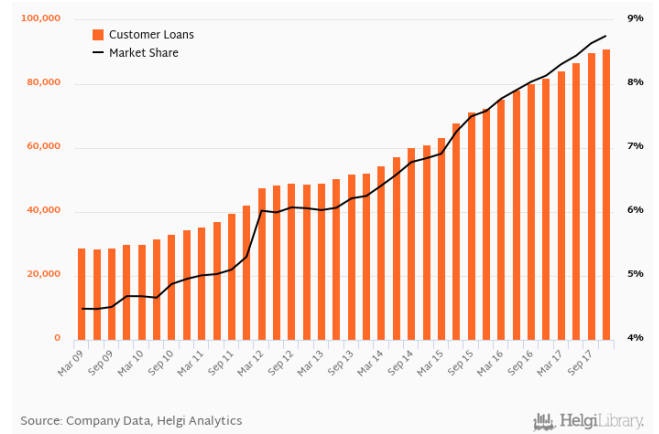
### Market Share in Bank Revenues

Total Revenues (PLN mil)



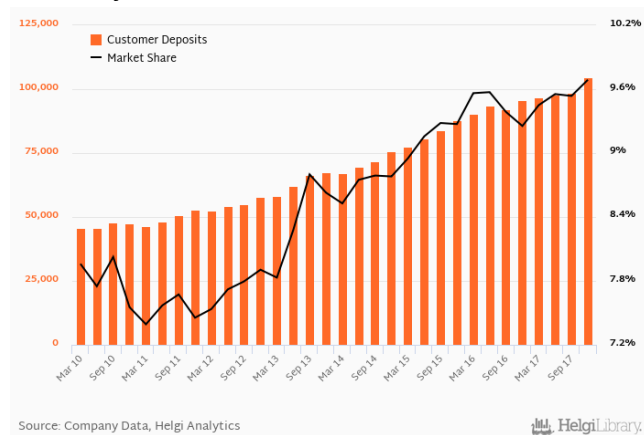
### Market Share in Bank Loans

Customer Loans (PLN mil)



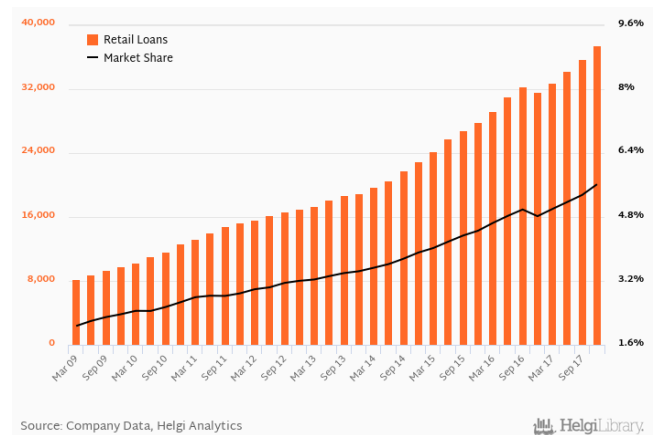
### Market Share in Bank Deposits

Customer Deposits (PLN mil)



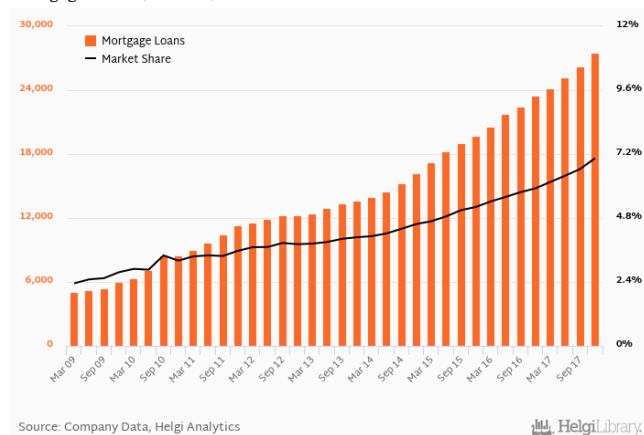
### Market Share in Retail Loans

Retail Loans (PLN mil)



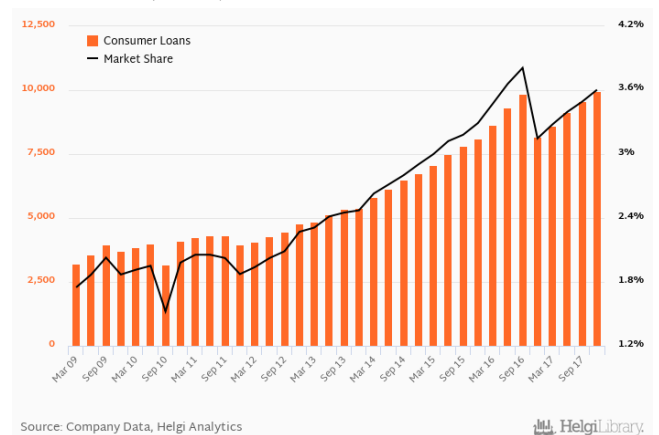
### Market Share in Mortgage Loans

Mortgage Loans (PLN mil)



### Market Share in Consumer Loans

Consumer Loans (PLN mil)



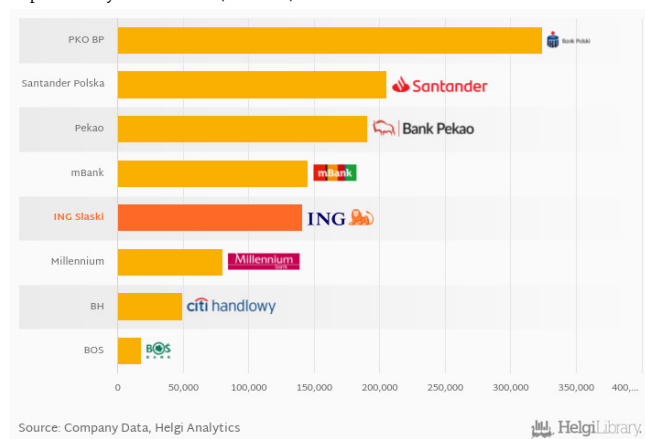


## 7 Market Share Position Within the Polish Market

Based on latest available data, the following charts demonstrate ING Bank Slaski's position compared to the largest players on the Polish banking market:

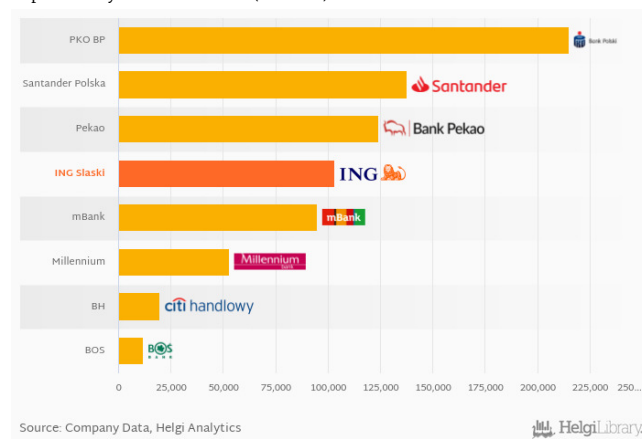
### What Banks in Poland Were the Largest in 2018?

Top Banks by Total Assets (PLN mil)



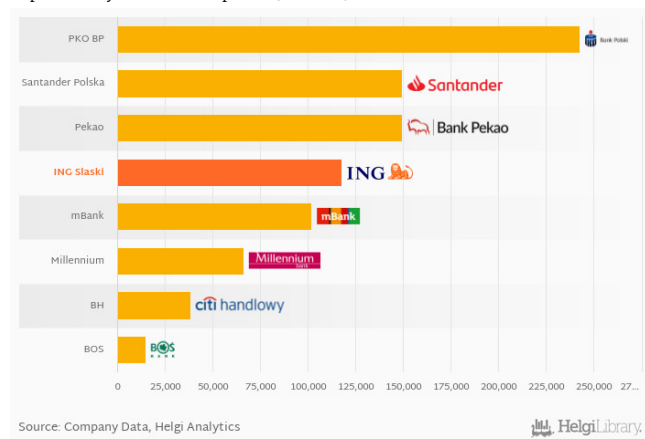
### What Banks in Poland Were the Largest Lenders in 2018?

Top Banks by Customer Loans (PLN mil)



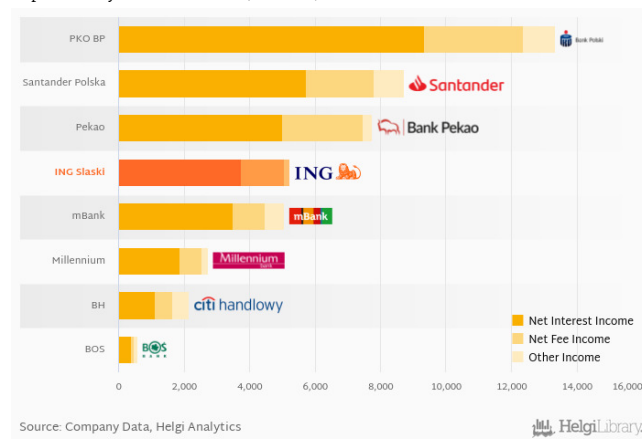
### What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



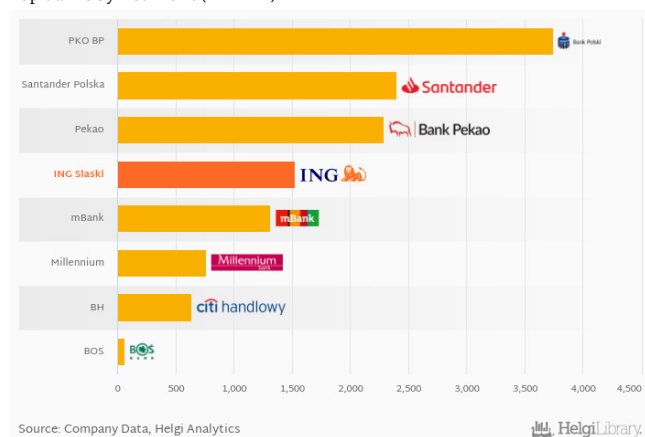
### What Banks in Poland Generated the Most Revenues in 2018?

Top Banks by Total Revenues (PLN mil)



### What Banks in Poland Were the Most Profitable in 2018?

Top Banks by Net Profit (PLN mil)



### What Banks in Poland Had the Most Employees in 2018?

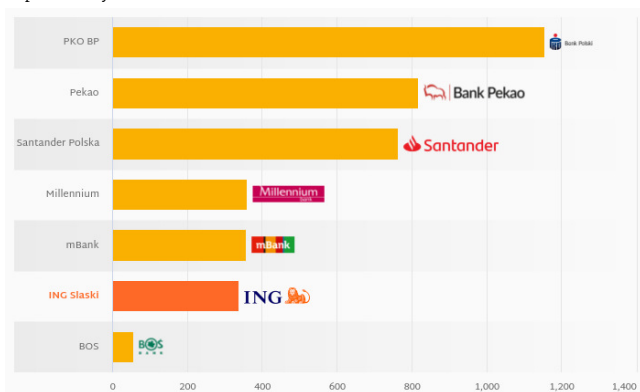
Top Banks by Number of Employees





## What Banks in Poland Had the Most Branches in 2018?

Top Banks by Number of Branches

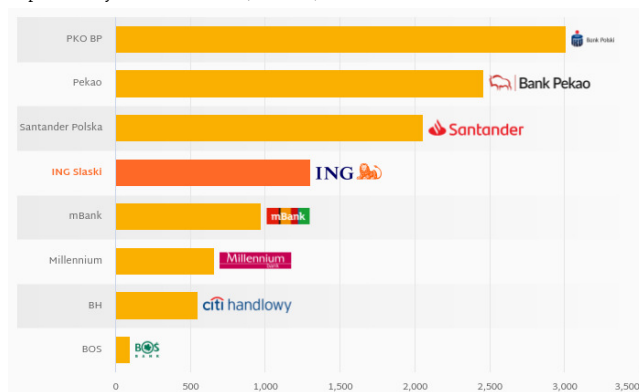


Source: Company Data, Helgi Analytics

HelgiLibrary

## What Banks in Poland Generated the Most Fees in 2018?

Top Banks by Net Fee Income (PLN mil)



Source: Company Data, Helgi Analytics

HelgiLibrary

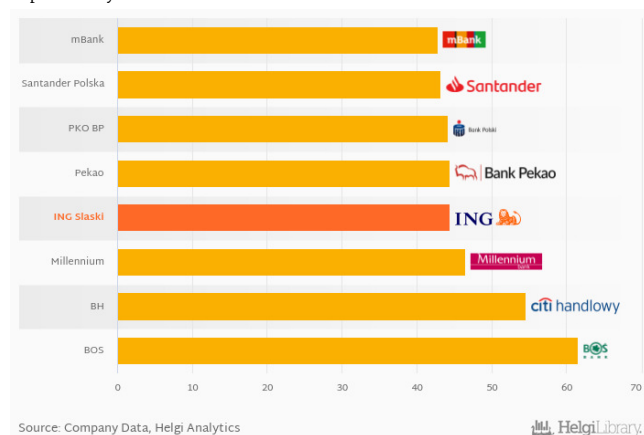


## 8 Relative Performance on the Polish Market

Based on latest available data, the following charts demonstrate ING Bank Slaski's relative performance when compared to the largest players on the Polish banking market:

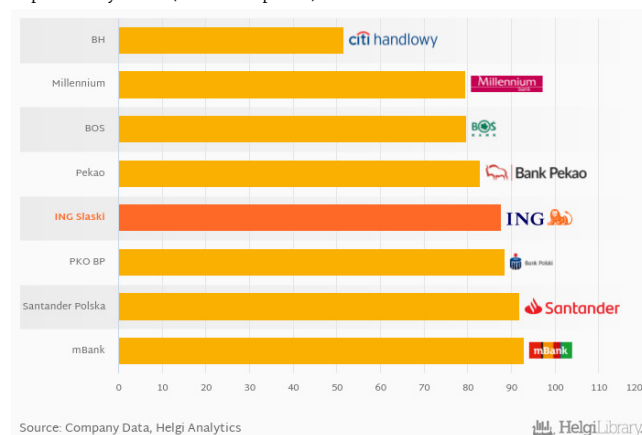
### What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



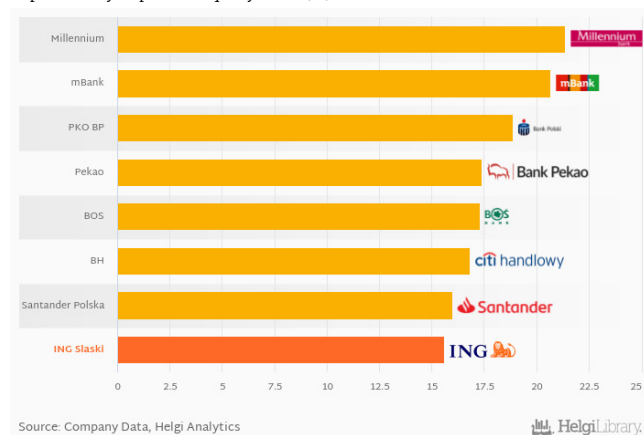
### What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



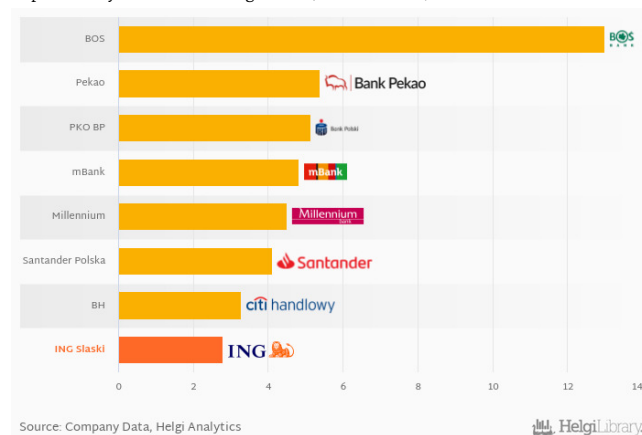
### What Banks in Poland Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



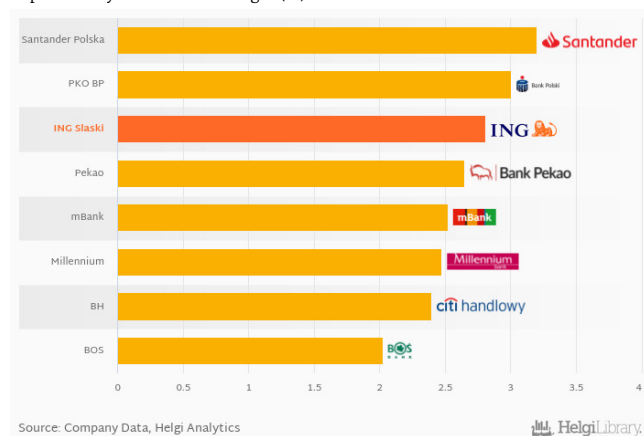
### What Banks in Poland Had the Most Bad Loans in 2018?

Top Banks by Non-Performing Loans (As % of Loans)



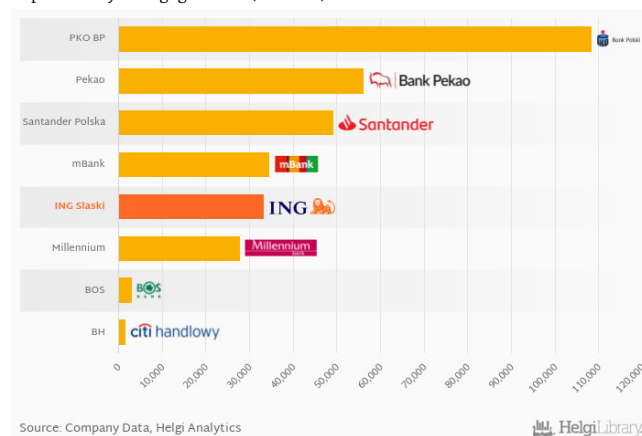
### What Banks in Poland Achieved the Highest Interest Margin in 2018?

Top Banks by Net Interest Margin (%)



### What Banks in Poland Were the Largest Mortgage Lenders in 2018?

Top Banks by Mortgage Loans (PLN mil)







## Financial Data – Quarterly

### Income Statement – Quarterly

INCOME STATEMENT		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Interest Income	PLN mil	1,082	1,111	1,098	1,150	1,195	1,231	1,253	1,309
Interest Cost	PLN mil	213	216	215	230	234	236	243	261
Net Interest Income	PLN mil	869	895	883	920	961	995	1,011	1,048
Net Fee Income	PLN mil	310	302	318	340	317	331	328	359
Other Income	PLN mil	36.1	29.9	55.8	50.6	28.4	33.7	48.4	44.4
Total Revenues	PLN mil	1,215	1,227	1,257	1,310	1,306	1,360	1,386	1,451
Staff Cost	PLN mil	261	264	275	286	284	259	286	293
Depreciation	PLN mil	44.6	46.8	43.7	44.8	45.7	59.3	71.3	67.8
Operating Cost	PLN mil	530	529	628	555	577	566	721	581
Operating Profit	PLN mil	685	699	629	755	729	793	665	870
Provisions	PLN mil	109	113	94.8	174	134	98.5	125	136
Extra and Other Cost	PLN mil	84.1	86.2	87.5	91.1	94.4	99.0	101	107
Pre-Tax Profit	PLN mil	492	500	446	490	501	596	439	627
Tax	PLN mil	116	133	124	118	122	144	114	157
Minorities	PLN mil	0	0	0	0	0	0	0	0
Net Profit	PLN mil	376	367	322	373	379	452	325	470
Dividends	PLN mil	...	...	...	...	...	...	...	...

Source: Company Data, Helgi Analytics

### Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income Growth	%	10.7	10.6	11.1	10.8	10.6	11.2	14.4	13.9
Net Fee Income Growth	%	15.1	6.60	9.39	15.9	2.13	9.43	2.96	5.77
Total Revenue Growth	%	13.1	9.39	10.7	9.95	7.51	10.8	10.3	10.8
Operating Cost Growth	%	2.74	-5.24	11.1	8.38	8.99	7.15	14.8	4.70
Operating Profit Growth	%	22.6	23.8	10.3	11.1	6.36	13.5	5.84	15.2
Pre-Tax Profit Growth	%	13.5	43.4	7.83	3.03	1.73	19.1	-1.66	27.9
Net Profit Growth	%	13.2	43.9	7.29	3.44	0.825	23.3	0.993	26.2

Source: Company Data, Helgi Analytics

### Valuation – Quarterly

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	7,286	7,677	7,500	6,220	6,471	6,213	6,565	6,950
Number Of Shares (Average)	mil	130	130	130	130	130	130	130	130
Share Price (End Of Period)	PLN	205	206	197	179	183	180	192	202
Earnings Per Share (EPS)		9.92	10.8	11.0	11.0	11.1	11.7	11.8	12.5
Book Value Per Share		88.3	90.7	92.7	91.4	93.5	103	103	109
Dividend Per Share		0	0	0	0	0	0	0	0
Price/Earnings (P/E)		20.6	19.1	18.0	16.2	16.5	15.3	16.3	16.2
Price/Book Value (P/BV)		2.32	2.27	2.12	1.96	1.96	1.76	1.86	1.85
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	7.26	12.0	10.1	15.2	11.6	8.75	7.31	13.2
Book Value Per Share Growth	%	4.64	12.6	11.8	6.59	5.88	13.1	11.4	19.7

Source: Company Data, Helgi Analytics



## Balance Sheet – Quarterly

BALANCE SHEET		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Cash	PLN mil	1,638	2,815	2,042	1,782	1,530	1,237	1,760	2,294
Interbank Loans	PLN mil	1,175	2,235	2,017	952	622	777	988	694
Customer Loans	PLN mil	90,107	91,108	90,291	94,724	99,224	103,126	107,387	110,510
Retail Loans	PLN mil	35,795	37,509	39,425	41,723	43,540	45,363	47,321	49,988
Mortgage Loans	PLN mil	26,235	27,540	28,892	30,541	31,989	33,372	34,590	36,465
Consumer Loans	PLN mil	9,561	9,969	10,533	11,182	11,551	11,992	12,732	13,524
Corporate Loans	PLN mil	44,562	43,807	45,051	47,316	49,825	51,192	53,373	53,785
Debt Securities	PLN mil	27,740	28,189	31,360	31,591	30,931	34,559	33,111	34,682
Fixed Assets	PLN mil	437	442	438	446	451	450	446	441
Total Assets	PLN mil	122,290	126,014	127,310	130,759	134,098	141,590	145,687	150,610
Shareholders' Equity	PLN mil	11,486	11,795	12,059	11,890	12,162	13,336	13,429	14,237
Of Which Minority Interest	PLN mil	0	0	0	0	0	0	0	0
Liabilities	PLN mil	110,804	114,219	115,251	118,869	121,936	128,253	132,258	136,373
Interbank Loans	PLN mil	1,175	2,235	2,017	952	622	777	988	694
Customer Deposits	PLN mil	98,460	104,503	104,662	109,174	110,205	117,682	120,414	122,992
Retail Deposits	PLN mil	65,653	68,050	71,112	72,349	74,369	78,318	80,814	81,997
Corporate Deposits	PLN mil	31,288	34,800	31,671	35,119	34,161	37,590	37,840	39,134
Issued Debt Securities	PLN mil	4,941	3,341	2,602	2,915	2,734	3,453	3,406	3,132
Other Liabilities	PLN mil	1,765	2,266	1,698	1,898	2,115	1,922	3,434	2,891

Source: Company Data, Helgi Analytics

## Asset Quality – Quarterly

ASSET QUALITY		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Non-Performing Loans	PLN mil	2,372	2,497	2,741	2,873	2,846	2,905	3,071	3,311
Gross Loans	PLN mil	87,356	88,484	91,367	95,902	100,399	104,227	108,239	111,280
Total Provisions	PLN mil	1,593	1,668	2,086	2,236	2,204	2,270	2,284	2,423

Source: Company Data, Helgi Analytics

## Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Customer Loan Growth	%	12.1	11.1	6.98	8.98	10.1	13.2	18.9	16.7
Retail Loan Growth	%	10.8	18.5	20.2	21.6	21.6	20.9	20.0	19.8
Mortgage Loan Growth	%	16.9	17.3	19.5	21.3	21.9	21.2	19.7	19.4
Consumer Loan Growth	%	-2.94	22.0	22.3	22.3	20.8	20.3	20.9	20.9
Corporate Loan Growth	%	11.4	8.01	7.26	10.0	11.8	16.9	18.5	13.7
Total Asset Growth	%	4.92	7.27	7.12	8.79	9.66	12.4	14.4	15.2
Shareholders' Equity Growth	%	4.64	12.6	11.8	6.59	5.88	13.1	11.4	19.7
Customer Deposit Growth	%	6.67	9.06	8.32	11.7	11.9	12.6	15.1	12.7
Retail Deposit Growth	%	6.58	6.98	9.80	10.9	13.3	15.1	13.6	13.3
Corporate Deposit Growth	%	20.5	14.3	4.52	14.2	9.18	8.02	19.5	11.4

Source: Company Data, Helgi Analytics



## Market Share – Quarterly

MARKET SHARE		Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Market Share in Revenues	%	6.59	6.65	7.28	7.64	7.52	7.35	7.60	7.53
Market Share in Net Profit	%	8.10	8.01	10.8	10.1	10.9	9.14	9.89	11.7
Market Share in Employees	%	4.82	4.84	4.83	4.75	4.74	4.79	4.85	4.89
Market Share in Branches	%	5.27	5.40	5.41	5.45	5.50	5.53	5.45	5.38
Market Share in Customer Loans	%	7.77	7.91	8.04	8.14	8.31	8.45	8.64	8.76
Market Share in Corporate Loans	%	11.2	11.4	11.5	11.8	11.9	12.0	12.1	12.0
Market Share in Retail Loans	%	4.65	4.83	4.99	4.82	5.00	5.18	5.35	5.62
Market Share in Consumer Loans	%	3.47	3.66	3.81	3.15	3.28	3.40	3.49	3.60
Market Share in Mortgage Loans	%	5.42	5.59	5.77	5.91	6.15	6.39	6.64	7.05
Market Share in Total Assets	%	6.59	6.63	6.66	6.56	6.56	6.59	6.68	6.78
Market Share in Customer Deposits	%	9.56	9.57	9.39	9.25	9.45	9.55	9.54	9.69
Market Share in Retail Deposits	%	9.92	9.90	9.67	9.58	9.68	9.80	9.86	9.96
Market Share in Corporate Deposits	%	9.93	9.85	10.0	10.7	11.5	11.7	11.7	11.8

Source: Company Data, Helgi Analytics

## Ratios – Quarterly

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	13.3	12.6	10.8	12.5	12.6	14.2	9.73	13.6
ROA	%	1.24	1.18	1.02	1.16	1.14	1.31	0.906	1.27
Costs (As % Of Assets)	%	1.75	1.70	1.98	1.72	1.74	1.64	2.01	1.57
Costs (As % Of Income)	%	43.6	43.1	50.0	42.4	44.2	41.7	52.0	40.0
Capital Adequacy Ratio	%	15.1	16.7	16.1	15.2	15.2	15.6	15.8	15.1
Tier 1 Ratio	%	14.1	15.8	15.1	14.4	14.4	14.8	14.5	13.8
Net Interest Margin	%	2.87	2.88	2.79	2.85	2.90	2.89	2.81	2.83
Interest Spread	%	2.79	2.81	2.72	2.78	2.83	2.82	2.74	2.76
Asset Yield	%	3.57	3.58	3.47	3.57	3.61	3.57	3.49	3.53
Cost Of Liabilities	%	0.774	0.767	0.750	0.787	0.776	0.754	0.746	0.777
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	71.5	72.9	70.3	70.2	73.6	73.2	72.9	72.2
Fee Income (As % Of Revenues)	%	25.5	24.6	25.3	25.9	24.2	24.3	23.6	24.8
Other Income (As % Of Revenues)	%	2.97	2.44	4.44	3.86	2.17	2.48	3.49	3.06
Cost Per Employee	USD per month	2,943	3,065	3,293	3,299	3,162	2,840	3,066	3,199
Cost Per Employee (Local Currency)	PLN per month	10,837	10,936	11,357	11,809	11,729	10,677	11,764	11,942
Staff Cost (As % Of Total Cost)	%	49.2	49.9	43.8	51.5	49.3	45.7	39.7	50.4
Equity (As % Of Assets)	%	9.39	9.36	9.47	9.09	9.07	9.42	9.22	9.45
Loans (As % Of Deposits)	%	91.5	87.2	86.3	86.8	90.0	87.6	89.2	89.9
Loans (As % Assets)	%	73.7	72.3	70.9	72.4	74.0	72.8	73.7	73.4
NPLs (As % Of Loans)	%	2.72	2.82	3.00	3.00	2.83	2.79	2.84	2.98
Provisions (As % Of NPLs)	%	67.1	66.8	76.1	77.8	77.4	78.1	74.4	73.2
Provisions (As % Of Loans)	%	1.77	1.83	2.31	2.36	2.22	2.20	2.13	2.19
Cost of Provisions (As % Of Loans)	%	0.493	0.497	0.418	0.751	0.552	0.389	0.475	0.499

Source: Company Data, Helgi Analytics



## Financial Data – Annual

### Income Statement – Annual

INCOME STATEMENT		2011	2012	2013	2014	2015	2016	2017	2018
Interest Income	PLN mil	3,386	3,832	3,615	3,725	3,629	3,923	4,238	4,674
Interest Cost	PLN mil	1,534	1,783	1,572	1,394	1,162	970	848	915
Net Interest Income	PLN mil	1,852	2,049	2,043	2,330	2,467	2,953	3,389	3,759
Net Fee Income	PLN mil	1,058	1,048	1,022	1,063	1,017	1,065	1,196	1,305
Other Income	PLN mil	39.7	112	226	139	294	306	184	169
Total Revenues	PLN mil	2,949	3,209	3,290	3,533	3,778	4,325	4,769	5,233
Staff Cost	PLN mil	833	901	927	948	972	1,039	1,036	1,105
Depreciation	PLN mil	133	148	164	175	189	211	182	194
Operating Cost	PLN mil	1,700	1,866	1,868	1,930	2,156	2,099	2,136	2,327
Operating Profit	PLN mil	1,249	1,343	1,422	1,603	1,622	2,225	2,633	2,906
Provisions	PLN mil	172	363	267	268	232	301	421	501
Extra and Other Cost	PLN mil	-41.2	-35.7	-38.1	-12.3	0	280	330	372
Pre-Tax Profit	PLN mil	1,118	1,016	1,193	1,347	1,390	1,645	1,882	2,033
Tax	PLN mil	238	184	231	307	263	391	479	507
Minorities	PLN mil	0	0	0	0.100	0.100	0.100	0	0
Net Profit	PLN mil	880	832	962	1,041	1,127	1,253	1,403	1,526
Dividends	PLN mil	195	0	572	520	559	0	416	0

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	13.8	10.7	-0.307	14.1	5.88	19.7	14.8	10.9
Net Fee Income Growth	%	5.45	-0.879	-2.52	4.01	-4.30	4.68	12.3	9.11
Total Revenue Growth	%	8.97	8.84	2.52	7.36	6.95	14.5	10.3	9.72
Operating Cost Growth	%	5.62	9.78	0.118	3.28	11.7	-2.62	1.74	8.94
Operating Profit Growth	%	13.9	7.56	5.87	12.7	1.22	37.2	18.3	10.4
Pre-Tax Profit Growth	%	19.6	-9.08	17.4	13.0	3.18	18.3	14.4	8.02
Net Profit Growth	%	16.9	-5.43	15.5	8.25	8.29	11.2	12.0	8.75

Source: Company Data, Helgi Analytics

### Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	2,970	4,710	4,896	5,141	4,305	5,024	7,677	6,213
Number Of Shares (Average)	mil	130	130	130	130	130	130	130	130
Share Price (End Of Period)	PLN	78.6	112	113	140	117	161	206	180
Earnings Per Share (EPS)		6.76	6.40	7.39	8.00	8.66	9.63	10.8	11.7
Book Value Per Share		49.3	62.5	66.3	80.4	82.1	80.5	90.7	103
Dividend Per Share		1.50	0	4.40	4.00	4.30	0	3.20	0
Price/Earnings (P/E)		11.6	17.5	15.3	17.5	13.5	16.8	19.1	15.3
Price/Book Value (P/BV)		1.59	1.79	1.71	1.74	1.43	2.00	2.27	1.76
Dividend Yield	%	1.91	0	3.88	2.86	3.67	0	1.56	0
Earnings Per Share Growth	%	16.9	-5.43	15.5	8.25	8.29	11.2	12.0	8.75
Book Value Per Share Growth	%	13.5	26.8	6.05	21.2	2.14	-1.93	12.6	13.1

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	1,493	4,072	6,970	5,331	3,590	1,825	2,815	1,237
Interbank Loans	PLN mil	1,018	1,377	1,400	1,838	1,015	1,113	2,235	777
Customer Loans	PLN mil	42,330	48,985	52,238	61,055	72,520	81,980	91,108	103,126
Retail Loans	PLN mil	15,297	17,020	19,016	22,916	26,454	31,641	37,509	45,363
Mortgage Loans	PLN mil	11,200	12,515	14,018	16,681	20,295	23,469	27,540	33,372
Consumer Loans	PLN mil	4,097	4,396	4,487	5,289	6,159	8,171	9,969	11,992
Corporate Loans	PLN mil	15,987	24,053	25,951	30,268	43,593	40,556	43,807	51,192
Debt Securities	PLN mil	22,949	21,258	25,068	31,259	27,061	31,004	28,189	34,559
Fixed Assets	PLN mil	937	962	943	972	1,017	458	442	450
Total Assets	PLN mil	69,723	78,267	116,682	134,712	108,893	117,478	126,014	141,590
Shareholders' Equity	PLN mil	6,416	8,136	8,629	10,457	10,681	10,475	11,795	13,336
Of Which Minority Interest	PLN mil	2.30	2.30	2.30	2.60	2.60	2.30	0	0
Liabilities	PLN mil	63,307	70,131	108,053	124,256	98,213	107,003	114,219	128,253
Interbank Loans	PLN mil	1,018	1,377	1,400	1,838	1,015	1,113	2,235	777
Customer Deposits	PLN mil	52,816	57,858	67,548	75,659	87,819	95,825	104,503	117,682
Retail Deposits	PLN mil	33,435	37,684	43,629	50,279	58,976	63,610	68,050	78,318
Corporate Deposits	PLN mil	13,887	14,567	18,602	21,261	24,793	30,439	34,800	37,590
Issued Debt Securities	PLN mil	4,526	6,713	4,408	6,338	4,700	4,590	3,341	3,453
Other Liabilities	PLN mil	1,004	1,006	31,487	36,135	1,781	1,544	2,266	1,922

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	1,553	1,895	2,315	2,379	2,268	2,077	2,497	2,905
Gross Loans	PLN mil	43,444	50,415	53,798	62,780	74,067	79,101	88,484	104,227
Total Provisions	PLN mil	1,106	1,429	1,560	1,726	1,547	1,468	1,668	2,270

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	22.7	15.7	6.64	16.9	18.8	13.0	11.1	13.2
Retail Loan Growth	%	21.2	11.3	11.7	20.5	15.4	19.6	18.5	20.9
Mortgage Loan Growth	%	34.2	11.7	12.0	19.0	21.7	15.6	17.3	21.2
Consumer Loan Growth	%	-4.26	7.29	2.08	17.9	16.5	32.7	22.0	20.3
Corporate Loan Growth	%	23.2	50.5	7.89	16.6	44.0	-6.97	8.01	16.9
Total Asset Growth	%	8.07	12.3	49.1	15.5	-19.2	7.88	7.27	12.4
Shareholders' Equity Growth	%	13.5	26.8	6.05	21.2	2.14	-1.93	12.6	13.1
Customer Deposit Growth	%	11.4	9.55	16.7	12.0	16.1	9.12	9.06	12.6
Retail Deposit Growth	%	11.0	12.7	15.8	15.2	17.3	7.86	6.98	15.1
Corporate Deposit Growth	%	11.2	4.90	27.7	14.3	16.6	22.8	14.3	8.02

Source: Company Data, Helgi Analytics



## Market Share – Annual

MARKET SHARE		Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Market Share in Revenues	%	6.59	6.65	7.28	7.64	7.52	7.35	7.60	7.53
Market Share in Net Profit	%	8.10	8.01	10.8	10.1	10.9	9.14	9.89	11.7
Market Share in Employees	%	4.82	4.84	4.83	4.75	4.74	4.79	4.85	4.89
Market Share in Branches	%	5.27	5.40	5.41	5.45	5.50	5.53	5.45	5.38
Market Share in Customer Loans	%	7.77	7.91	8.04	8.14	8.31	8.45	8.64	8.76
Market Share in Corporate Loans	%	11.2	11.4	11.5	11.8	11.9	12.0	12.1	12.0
Market Share in Retail Loans	%	4.65	4.83	4.99	4.82	5.00	5.18	5.35	5.62
Market Share in Consumer Loans	%	3.47	3.66	3.81	3.15	3.28	3.40	3.49	3.60
Market Share in Mortgage Loans	%	5.42	5.59	5.77	5.91	6.15	6.39	6.64	7.05
Market Share in Total Assets	%	6.59	6.63	6.66	6.56	6.56	6.59	6.68	6.78
Market Share in Customer Deposits	%	9.56	9.57	9.39	9.25	9.45	9.55	9.54	9.69
Market Share in Retail Deposits	%	9.92	9.90	9.67	9.58	9.68	9.80	9.86	9.96
Market Share in Corporate Deposits	%	9.93	9.85	10.0	10.7	11.5	11.7	11.7	11.8

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	14.6	11.4	11.5	10.9	10.7	11.8	12.6	12.1
ROA	%	1.31	1.12	0.986	0.828	0.925	1.11	1.15	1.14
Costs (As % Of Assets)	%	2.53	2.52	1.92	1.54	1.77	1.85	1.75	1.74
Costs (As % Of Income)	%	57.7	58.1	56.8	54.6	57.1	48.5	44.8	44.5
Capital Adequacy Ratio	%	11.9	14.6	17.3	14.2	13.7	14.7	16.7	15.6
Tier 1 Ratio	%	11.9	13.4	16.7	14.2	13.7	13.7	15.8	14.8
Net Interest Margin	%	2.76	2.77	2.10	1.85	2.03	2.61	2.78	2.81
Interest Spread	%	2.53	2.51	1.94	1.76	1.93	2.52	2.71	2.74
Asset Yield	%	5.04	5.18	3.71	2.96	2.98	3.47	3.48	3.49
Cost Of Liabilities	%	2.51	2.67	1.76	1.20	1.04	0.945	0.767	0.754
Payout Ratio	%	22.2	0	59.5	50.0	49.6	0	29.7	0
Interest Income (As % Of Revenues)	%	62.8	63.8	62.1	66.0	65.3	68.3	71.1	71.8
Fee Income (As % Of Revenues)	%	35.9	32.7	31.1	30.1	26.9	24.6	25.1	24.9
Other Income (As % Of Revenues)	%	1.35	3.50	6.87	3.95	7.78	7.08	3.85	3.22
Cost Per Employee	USD per month	2,785	2,655	2,956	2,954	3,018	2,671	2,804	3,028
Cost Per Employee (Local Currency)	PLN per month	8,258	8,641	9,341	9,680	9,891	10,792	10,746	11,385
Staff Cost (As % Of Total Cost)	%	49.0	48.3	49.6	49.1	45.1	49.5	48.5	47.5
Equity (As % Of Assets)	%	9.20	10.4	7.39	7.76	9.81	8.92	9.36	9.42
Loans (As % Of Deposits)	%	80.1	84.7	77.3	80.7	82.6	85.6	87.2	87.6
Loans (As % Assets)	%	60.7	62.6	44.8	45.3	66.6	69.8	72.3	72.8
NPLs (As % Of Loans)	%	3.57	3.76	4.30	3.79	3.06	2.63	2.82	2.79
Provisions (As % Of NPLs)	%	71.2	75.4	67.4	72.5	68.2	70.7	66.8	78.1
Provisions (As % Of Loans)	%	2.61	2.92	2.99	2.83	2.13	1.79	1.83	2.20
Cost of Provisions (As % Of Loans)	%	0.449	0.795	0.528	0.473	0.348	0.389	0.487	0.516

Source: Company Data, Helgi Analytics



## ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 99% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit [www.helgilibrary.com](http://www.helgilibrary.com) or contact us at [info@helgilibrary.com](mailto:info@helgilibrary.com).

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