

# Pekao SA

## Quarterly Results - 2Q2019

Pekao SA made a net profit of PLN 582 mil in the second quarter of 2019, up 7.83% when compared to the previous year. Total revenues increased 7.18% yoy to PLN 2,067 mil, ROE amounted to 10.3% and the NPL ratio stood at 5.09%. Pekao SA stock appreciated by 1.64% in the second quarter of 2019 to PLN 112 per share and the stock traded at a 12-month trailing PE of 13.5x and PBV of 1.33x based on the closing price at the end of the quarter.

- ✓ Revenues increased 7.18% yoy to PLN 2,067 mil in the second quarter of 2019. Interest income formed 65.7% of total revenues with the net interest margin increasing 0.06 pp to 2.76% of total assets. Fees added a further 30.6% to total revenue generated in 2Q2019, down from an average of 31.4% as seen in the previous two years.
- ✓ Operating costs grew by 5.43% yoy to PLN 951 mil, so cost to income ratio reached 46.0%, up by 1.56% compared to the previous two years. Staff accounted for 61.7% of total operating expenditures. At the end of second quarter of 2019, Pekao SA operated a network of 812 branches and 16,613 employees.
- ✓ Loans and deposits grew by 1.58% and 0.851% qoq respectively, so loan to deposit ratio reached 86.0% at the end of 2Q2019. That's up from 82.4% the previous year. Equity reached 11.2% of assets and capital adequacy ratio amounted to 17.3% at the end of the second quarter of 2019.
- ✓ NPLs were 5.09% of total loans at the end of the quarter. Provisions covered 91.4% of non-performing loans
- ✓ Pekao SA stock traded at PLN 112 per share at the end of second quarter of 2019 implying a market capitalization of USD 7,867 mil. This put stock at a 12-month trailing price to earnings of 13.5x and price to book value of 1.33x as of the end of 2Q2019.

**Sector:**  
Banking

**Country:**  
Poland

**Share Price:**  
PLN 112

**Market Capitalization:**  
USD 7,867 mil

**Shares Outstanding:**  
262 mil

**Employees:**  
16,613

**Clients:**  
6.07 mil

**Branches:**  
812

**Capital Adequacy Ratio:**  
17.3%

**NPL Ratio:**  
5.09%

**Provision Coverage:**  
91.4%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil	PLN	%			%	PLN	%
2Q2019	2,067	582	8.30	-13.6	13.5	1.33	10.3	0	0
2018	7,757	2,287	8.71	-7.59	12.5	1.25	9.93	7.97	7.31
2017	7,291	2,475	9.43	8.59	13.7	1.46	10.7	8.63	6.66
2016	7,292	2,279	8.68	-0.575	14.5	1.44	9.84	8.61	6.84
2015	6,869	2,292	8.73	-15.6	16.4	1.61	9.66	9.72	6.77

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

Data tells a story



## 1 Company Overview

Bank Polska Kasa Opieki Spółka Akcyjna, commonly using the shorter name Bank Pekao S.A., is the second largest bank in Poland. The bank was founded in 1929 mainly to provide financial services to Poles living abroad. Bank Pekao operates through the second largest network of branches in Poland and employs more than 16,000 people (2019). Group of Bank Pekao consists of the biggest investment fund in Poland, pension fund, brokerage house, as well as leasing and factoring subsidiaries, all of them leading in their respective market fields. The Italian bank UniCredit used to own 59% of the company. It sold the bank in December 2016 with Powszechny Zakład Ubezpieczeń owns a 20% of the company (2019).

Pekao SA has been growing its revenues and asset by 1.13% and 4.38% a year on average in the last 10 years. Its loans and deposits have grown by 5.04% and 4.87% a year during that time and loans to deposits ratio reached 86.0% at the end of 2Q2019. The company achieved an average return on equity of 11.6% in the last decade with net profit growing -0.519% a year on average. In terms of operating efficiency, its cost to income ratio reached 46.0% in 2Q2019, compared to 45.4% average in the last decade.

Equity represented 11.2% of total assets or 17.1% of loans at the end of 2Q2019. Pekao SA's non-performing loans were 5.09% of total loans while provisions covered some 91.4% of NPLs at the end of the second quarter of 2019.

Pekao SA stock traded at PLN 112 per share at the end of 2Q2019 resulting in a market capitalization of USD 7,867 mil. Over the previous five years, stock price fell by 35.7% or 8.45% a year on average. That's compared to an average ROE of 10.1% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 13.5x and price to book value (PBV) of 1.33x 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	1,152	1,190	1,206	1,236	1,258	1,295	1,300	1,358
Total Revenues	PLN mil	1,817	2,022	1,852	1,929	1,933	2,044	1,949	2,067
Operating Profit	PLN mil	1,002	1,168	1,001	1,027	1,089	1,196	1,091	1,117
Net Profit	PLN mil	536	1,054	392	540	606	749	242	582
Customer Loans	PLN mil	125,176	127,949	115,501	117,840	121,393	123,970	127,357	129,363
Total Assets	PLN mil	171,463	185,466	182,744	183,504	183,298	191,090	196,640	196,911
Shareholders' Equity	PLN mil	22,268	23,268	23,010	21,452	22,000	22,808	23,095	22,081
Interbank Borrowing	PLN mil	4,377	4,987	5,492	5,464	4,694	5,621	6,992	6,584
Customer Deposits	PLN mil	136,193	146,186	142,513	142,933	143,768	149,491	151,653	150,363
Issued Debt Securities	PLN mil	5,572	6,133	6,504	6,772	7,778	8,151	9,129	9,437

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	9.75	18.5	6.78	9.71	11.2	13.4	4.22	10.3
Costs (As % Of Income)	%	44.9	42.3	45.9	46.8	43.6	41.5	44.0	46.0
Net Interest Margin	%	2.70	2.67	2.62	2.70	2.74	2.77	2.68	2.76
Equity (As % Of Assets)	%	13.0	12.5	12.6	11.7	12.0	11.9	11.7	11.2
Loans (As % Of Deposits)	%	91.9	87.5	81.0	82.4	84.4	82.9	84.0	86.0
Loans (As % Assets)	%	73.0	69.0	63.2	64.2	66.2	64.9	64.8	65.7
NPLs (As % Of Loans)	%	6.36	5.72	5.56	5.68	5.83	5.38	5.29	5.09
Provisions (As % Of NPLs)	%	70.2	72.5	93.6	90.6	88.6	89.7	89.4	91.4

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	9,200	9,528	9,480	7,922	7,575	7,650	7,519	7,867
Share Price (End Of Period)	PLN	128	130	123	113	106	109	110	112
Price/Earnings (P/E)		17.5	13.7	12.9	11.8	10.8	12.5	13.5	13.5
Price/Book Value (P/BV)		1.51	1.46	1.41	1.38	1.27	1.25	1.25	1.33

Source: Company Data, Helgi Analytics

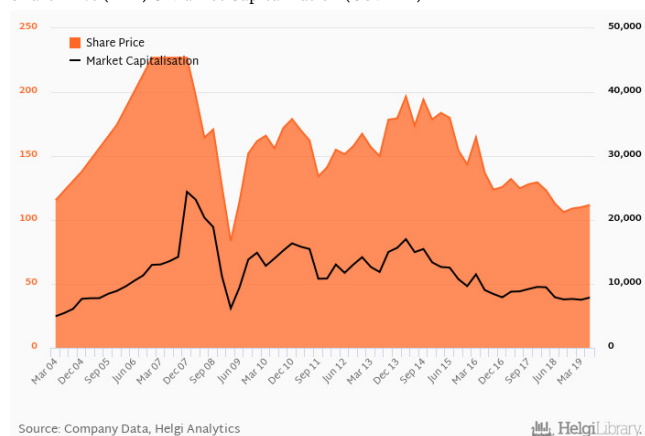


## 2 Valuation

Pekao SA stock traded at PLN 112 per share at the end of 2Q2019 resulting in a market capitalization of USD 7,867 mil. Over the previous quarter, stock appreciated by 1.64%. Over the previous three years, stock price declined by 18.4% or 6.56% a year on average. That's compared to an average ROE of 10.3% the bank generated for its shareholders:

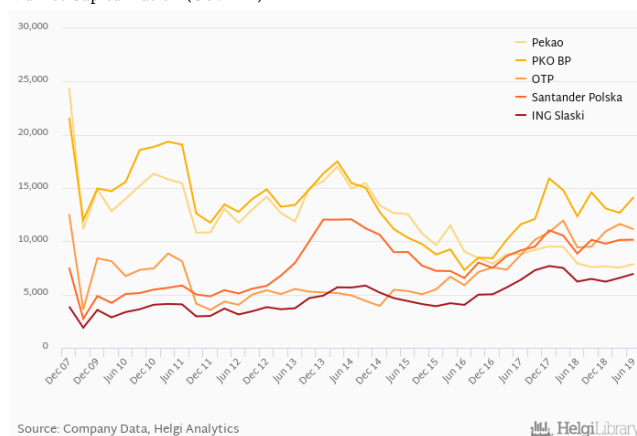
### Share Price & Market Capitalization

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



### Market Capitalization Peers Comparison

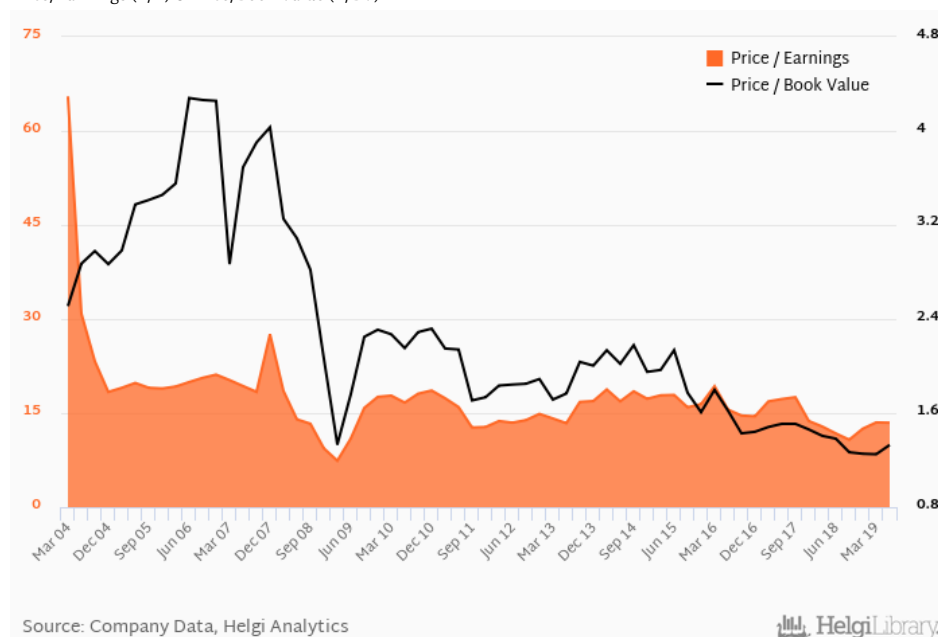
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 13.5x and price to book value (PBV) of 1.33x 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 19.3x in 1Q2016 and a low of 10.8x in 3Q2018 with an average of 15.4x.

When compared to selected peers, Pekao SA traded at a 11.3% premium above average



at the end of the second quarter of 2019.

Regarding price to book value, stock was trading at 1.33x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 2.18x in 3Q2014 and a low of 1.25x in 1Q2019 with an average of 1.59x.

In comparison to its peers, Pekao SA traded at -0.487% discount on a trailing basis at the end of the second quarter of 2019.

The detailed comparison of Pekao SA'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
ING Bank Śląski	Poland	6,950	14.2	9.73	13.6	15.3	16.3	16.2	1.76	1.86	1.85
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
Pekao SA	Poland	7,867	13.4	4.22	10.3	12.5	13.5	13.5	1.25	1.25	1.33
Weighted Average			13.1	8.99	12.2	11.6	12.3	12.1	1.29	1.33	1.34
Median			12.9	8.28	11.3	12.8	13.0	13.2	1.35	1.39	1.41

PEKAO SA'S PREMIUM/DISCOUNT TO:									
Weighted Average	2.27%	-53.0%	-15.4%	7.74%	10.2%	11.3%	-2.74%	-6.26%	-0.487%
Median	3.46%	-49.0%	-8.69%	-2.65%	3.73%	1.91%	-6.96%	-10.3%	-6.07%

Source: Company Data, Helgi Analytics

## Pekao SA – 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	9,200	9,528	9,480	7,922	7,575	7,650	7,519	7,867
Number Of Shares (Average)	mil	262	262	262	262	262	262	262	262
Share Price (End Of Period)	PLN	128	130	123	113	106	109	110	112
Earnings Per Share (EPS)	PLN	7.30	9.43	9.59	9.61	9.88	8.71	8.14	8.30
Book Value Per Share	PLN	84.8	88.6	87.7	81.7	83.8	86.9	88.0	84.1
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		17.5	13.7	12.9	11.8	10.8	12.5	13.5	13.5
Price/Book Value (P/BV)		1.51	1.46	1.41	1.38	1.27	1.25	1.25	1.33
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-13.8	8.59	22.5	32.8	35.3	-7.59	-15.1	-13.6
Book Value Per Share Growth	%	-2.07	1.55	-1.66	-1.19	-1.20	-1.98	0.370	2.93

Source: Company Data, Helgi Analytics



### 3 Revenues & Costs

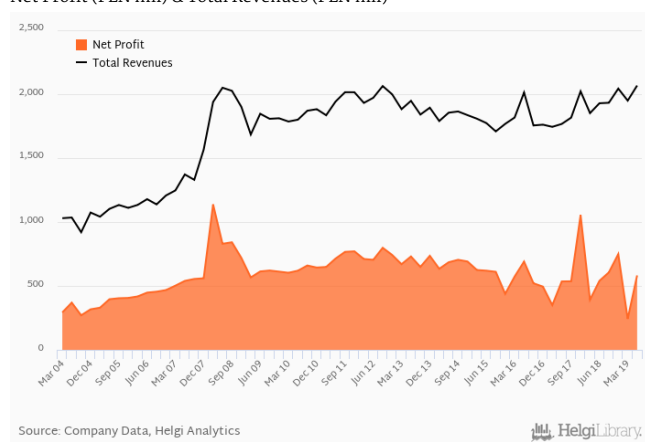
#### 3.1 Revenues

Pekao SA generated total operating revenues of PLN 2,067 mil in the second quarter of 2019, up 7.18% compared to the same period of the previous year. Net interest income represented 65.7% of revenues, fee income contributed 30.6% and other non-interest income added further 3.73% to the overall revenue generated.

Over the previous three years, revenues rose by 0.892% a year on average.

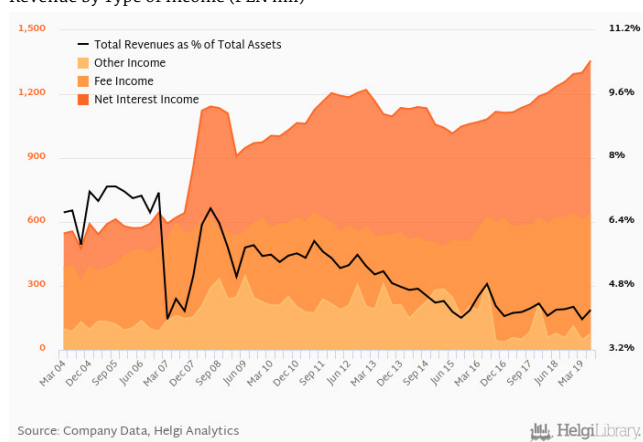
##### Revenue & Profitability

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



##### Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 2.76% in the second quarter of 2019, up from the 2.70% of the previous year. Historically, Pekao SA's net interest margin reached a high of 4.00% in 3Q2005 and a low of 2.00% in 2Q2007.

Average asset yield was 3.39% in the second quarter of 2019 (up from 3.31%) while cost of funding amounted to 0.714% in 2Q2019 (up from 0.697%).

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
ING Bank Śląski	Poland	6,950	2.88	2.79	2.85	2.90	2.89	2.81	2.83
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
<b>Pekao SA</b>	<b>Poland</b>	<b>7,867</b>	<b>2.67</b>	<b>2.62</b>	<b>2.70</b>	<b>2.74</b>	<b>2.77</b>	<b>2.68</b>	<b>2.76</b>
Weighted Average			2.94	2.87	2.87	2.90	3.00	2.82	2.82
Median			2.78	2.70	2.78	2.82	2.83	2.75	2.79

Source: Company Data, Helgi Analytics



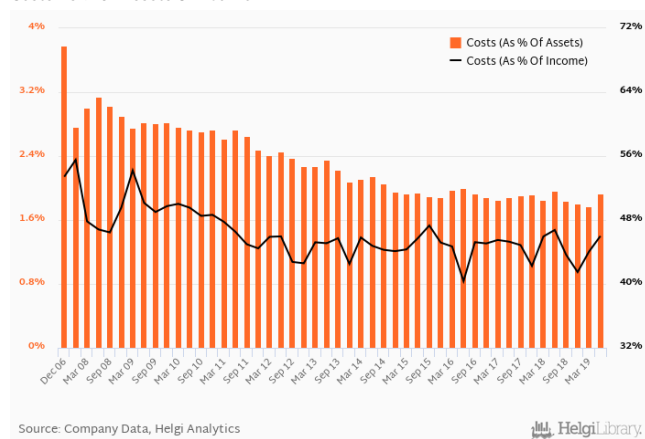
### 3.2 Costs

Operating costs increased by 5.43% yoy to PLN 951 mil in the second quarter of 2019. Pekao SA's cost to income ratio therefore reached 46.0%, down from 46.8% when compared to the previous year.

Historically, operating costs reached a high of 62.7% of income in 3Q2004 and a low of 40.3% in 2Q2016:

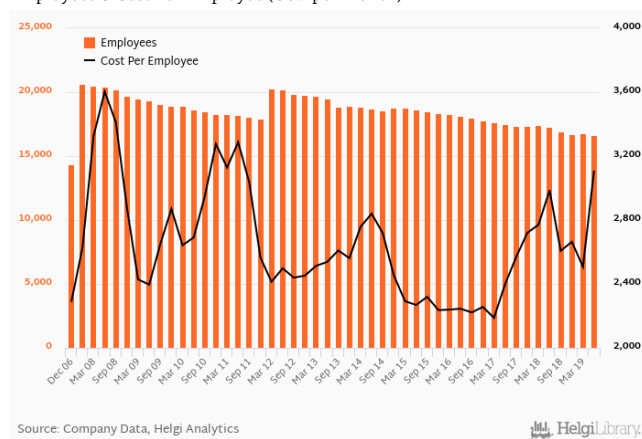
#### Cost Efficiency

Costs As % Of Assets & Income



#### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Pekao SA operated with a 1.31 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
ING Bank Śląski	Poland	6,950	50.0	42.4	44.2	41.7	52.0	40.0
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
Pekao SA	Poland	7,867	45.9	46.8	43.6	41.5	44.0	46.0
Weighted Average			54.9	49.0	48.6	48.6	55.2	47.3
Median			51.5	46.0	44.4	43.8	52.5	45.6

Source: Company Data, Helgi Analytics

When compared to total assets, operating costs amounted to 1.93% in 2Q2019 down from 1.97% the previous year.

Pekao SA had 16,613 employees in the second quarter of 2019, down by 4.01% when compared to the previous year. The company operated a network of 812 branches in 2Q2019.

The average cost per employee stood at USD 3,109 per month, 4.12% above the



previous year. This figure was USD 2,840 per month five years earlier.

Staff accounted for 61.7% 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
ING Bank Śląski	Poland	6,950	43.8	51.5	49.3	45.7	39.7	50.4
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
<b>Pekao SA</b>	<b>Poland</b>	<b>7,867</b>	<b>58.8</b>	<b>61.5</b>	<b>58.2</b>	<b>57.9</b>	<b>55.8</b>	<b>61.7</b>
Weighted Average			48.3	53.6	52.6	51.5	46.9	53.3
Median			46.4	52.2	51.5	48.8	43.6	52.1

Source: Company Data, Helgi Analytics



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

### 4.1 Balance Sheet Growth

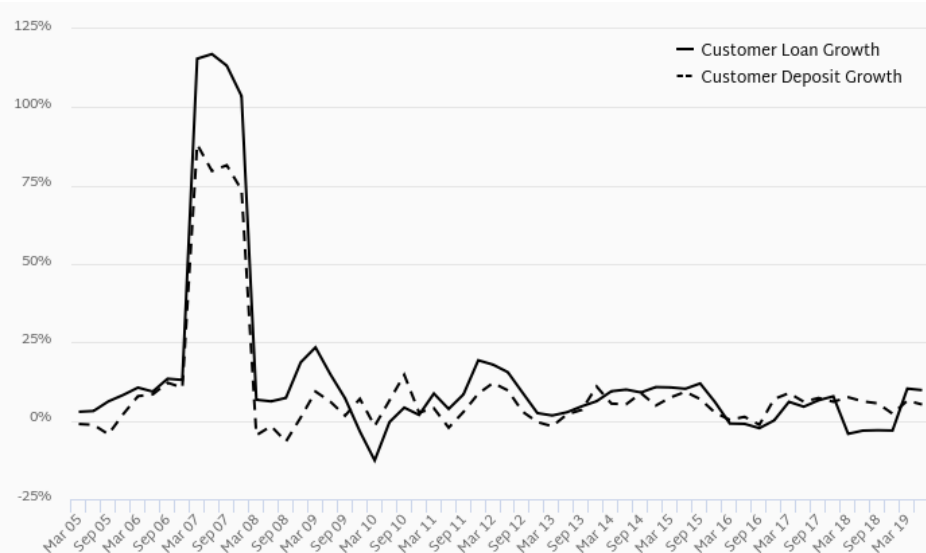
Pekao SA's customer loans grew 1.58% qoq and 9.78% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to -0.851% qoq and 5.20% yoy. That's compared to average of 2.44% and 5.59% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 3.57% while deposit growth reached 5.82% on average a year.

At the end of second quarter of 2019, Pekao SA's loans accounted for 86.0% of total deposits and 65.7% 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
ING Bank Śląski	Poland	6,950	86.3	86.8	90.0	87.6	89.2	89.9
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
Pekao SA	Poland	7,867	81.0	82.4	84.4	82.9	84.0	86.0
Weighted Average			84.1	85.0	85.4	83.6	84.7	85.5
Median			83.7	85.4	87.0	83.0	84.3	87.2

Source: Company Data, Helgi Analytics



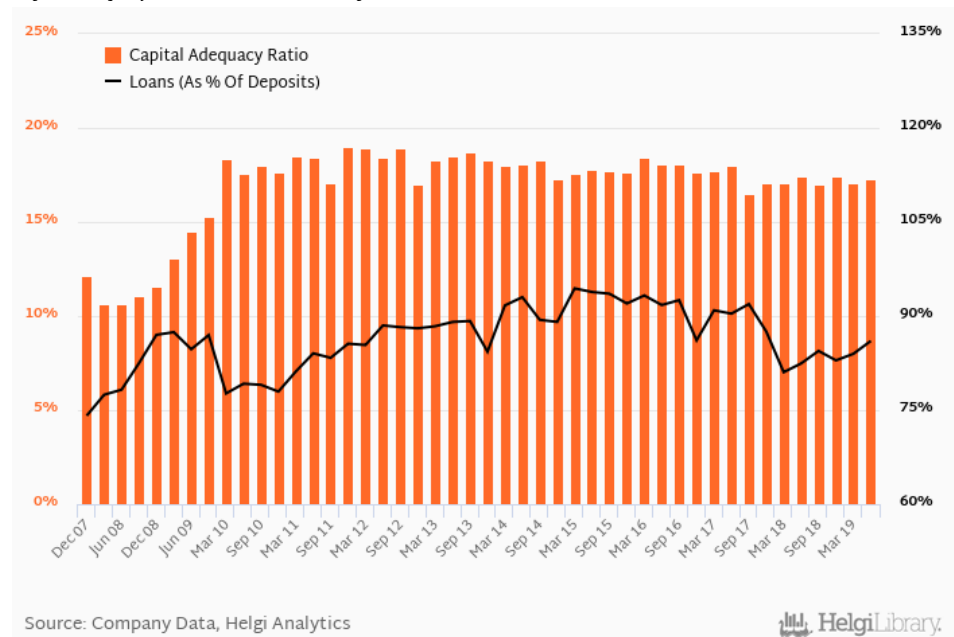


## 4.2 Capital & Liquidity

Pekao SA's capital adequacy ratio reached 17.3% in the second quarter of 2019, down from 17.4% for the previous year. The Tier 1 ratio amounted to 15.8% at the end of the second quarter of 2019:

### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Pekao SA'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
ING Bank Śląski	Poland	6,950	16.1	15.2	15.2	15.6	15.8	15.1
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
<b>Pekao SA</b>	<b>Poland</b>	<b>7,867</b>	<b>17.1</b>	<b>17.4</b>	<b>17.0</b>	<b>17.4</b>	<b>17.1</b>	<b>17.3</b>
Weighted Average			17.5	17.4	17.4	17.8	17.7	17.7
Median			17.2	17.4	17.1	17.8	17.1	17.4

Source: Company Data, Helgi Analytics

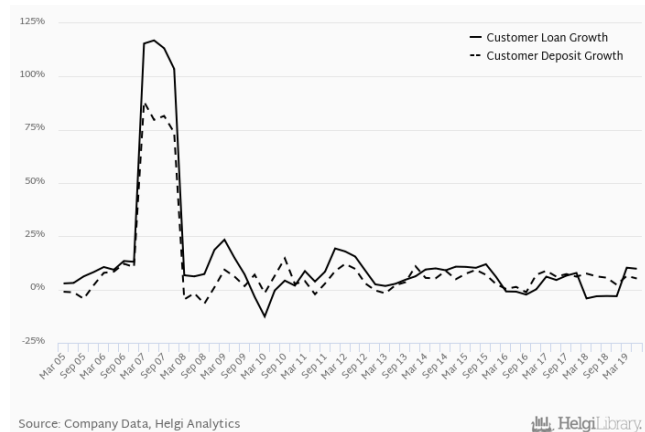


### 4.3 Loan Breakdown

Pekao SA's loans reached PLN 129,363 mil in the second quarter of 2019, up 9.78% when compared to the same period of the previous year:

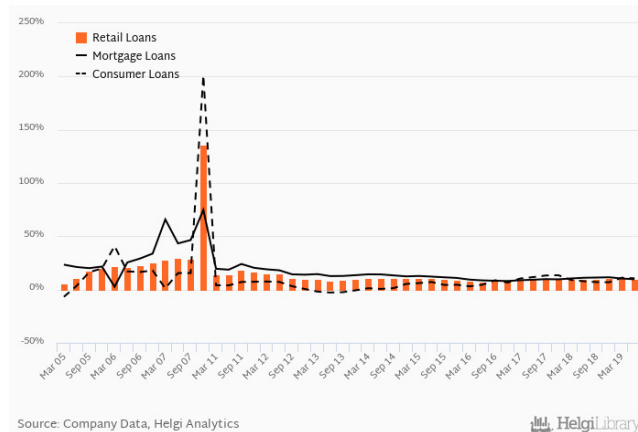
#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



#### Retail Loan Growth

Retail Loan Growth (%)

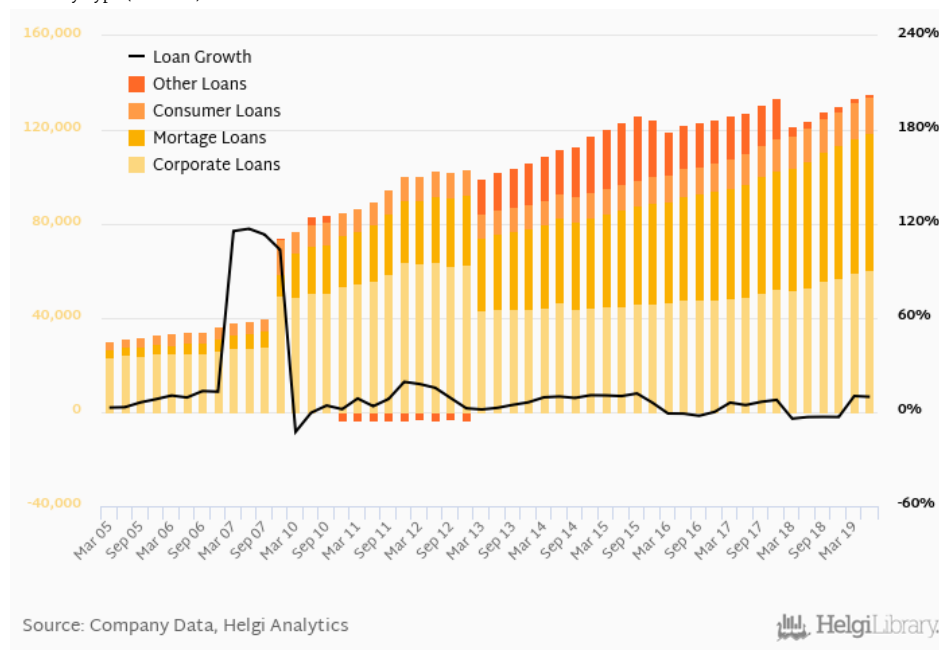


Retail loans grew 2.43% qoq and 9.85% yoy and accounted for 57.3% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 9.99% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 45.4% of the Pekao SA's loan book, consumer loans added a further 11.9% and corporate loans formed 46.7% of total loans.

#### Loan Breakdown

Loans by Type (PLN mil)





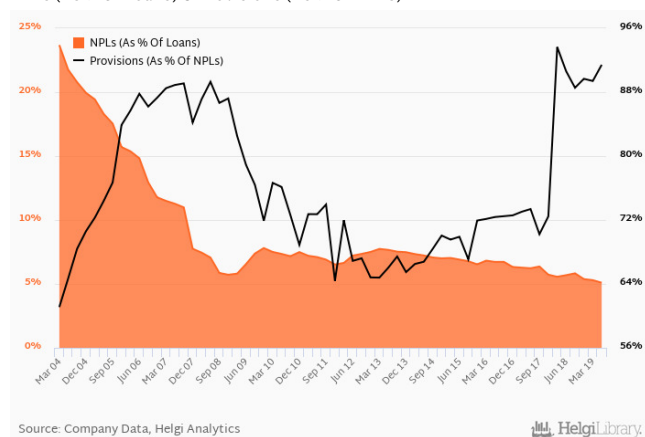
## 4.4 Asset Quality

Pekao SA's non-performing loans were 5.09% of total loans, down from 5.29% when compared to the previous quarter. Historically, the NPL ratio hit a high of 23.7% in 1Q2004 and a low 5.09% in 2Q2019.

Provisions covered some 91.4% of NPLs at the end of the second quarter of 2019, up from 89.4% for the previous three months:

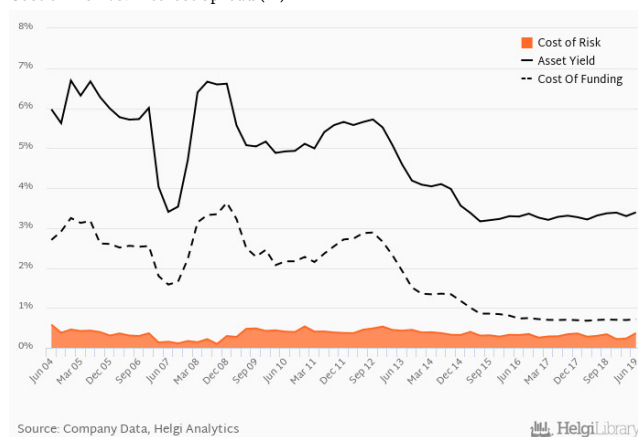
### Asset Quality

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



### Cost of Risk

Cost of Risk vs. Interest Spread (%)



Pekao SA operated with an NPL ratio 1.16 pp higher 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
ING Bank Śląski	Poland	6,950	3.00	3.00	2.83	2.79	2.84	2.98
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
Pekao SA	Poland	7,867	5.56	5.68	5.83	5.38	5.29	5.09
Weighted Average			5.20	4.83	4.60	4.24	4.10	3.93
Median			4.17	4.14	4.06	3.69	3.87	4.30

Source: Company Data, Helgi Analytics

Pekao SA's cost of risk reached 0.367% of average loans in the second quarter of 2019, up from 0.233% in the previous quarter and compared to 0.300% for the previous year on average.



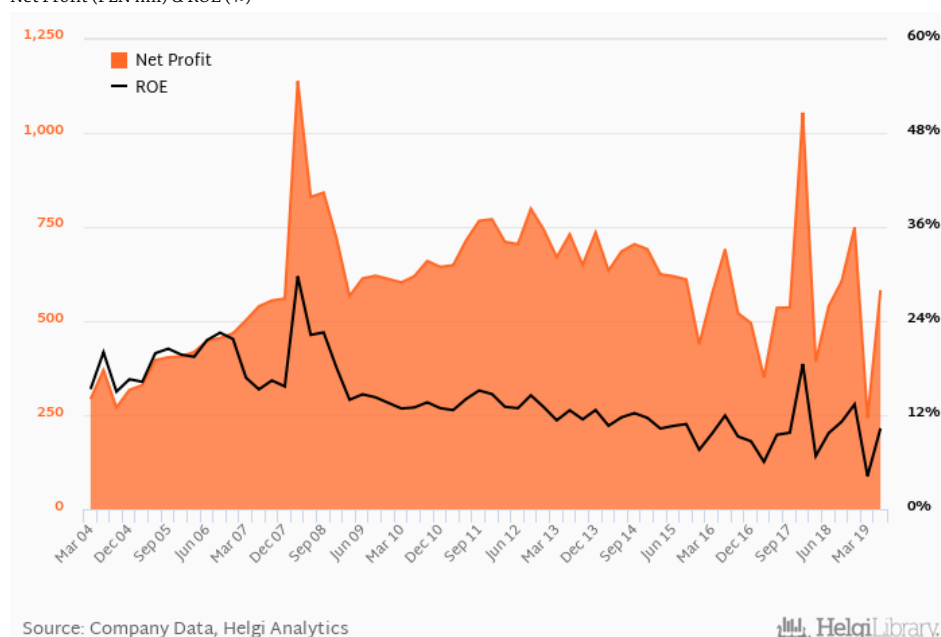
## 5 Profitability

Overall, Pekao SA made a net profit of PLN 582 mil in the second quarter of 2019. This was up 7.83% when compared to the previous year resulting in a return on equity of 10.3%.

Historically, net profit reached a high of PLN 1,138 mil in 1Q2008 and a low of PLN 242 mil in 1Q2019.

### Profitability

Net Profit (PLN mil) & ROE (%)



The company generated an average return on equity of 9.77% for its shareholders in the previous three years with maximum at 18.5% and minimum at 4.22%.

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
ING Bank Śląski	Poland	6,950	10.8	12.5	12.6	14.2	9.73	13.6
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
Pekao SA	Poland	7,867	6.78	9.71	11.2	13.4	4.22	10.3
Weighted Average			9.68	12.5	12.6	13.1	8.99	12.2
Median			8.32	10.7	11.2	12.9	8.28	11.3

Source: Company Data, Helgi Analytics

When compared to total assets, Pekao SA generated a return of 1.18% in the second quarter of 2019 (ROA). That's 0.157 pp below average for the previous five years.

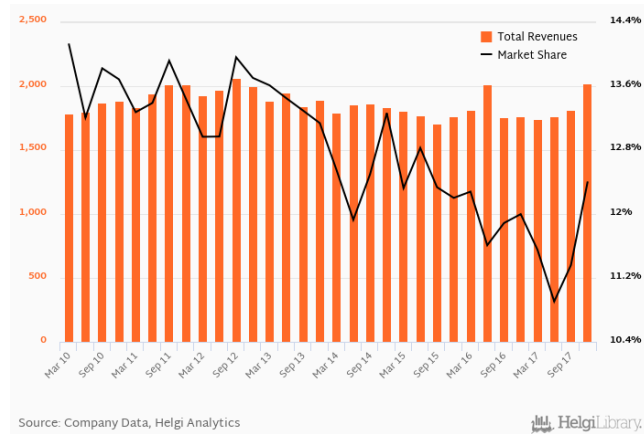


## 6 Market Share Development on the Polish Market

Based on latest available data, Pekao SA accounted for 9.98% of all bank assets managed in Poland at the end of the fourth quarter of 2017.

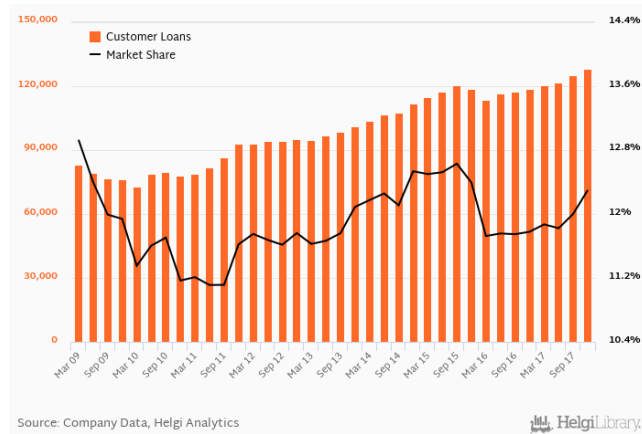
### Market Share in Bank Revenues

Total Revenues (PLN mil)



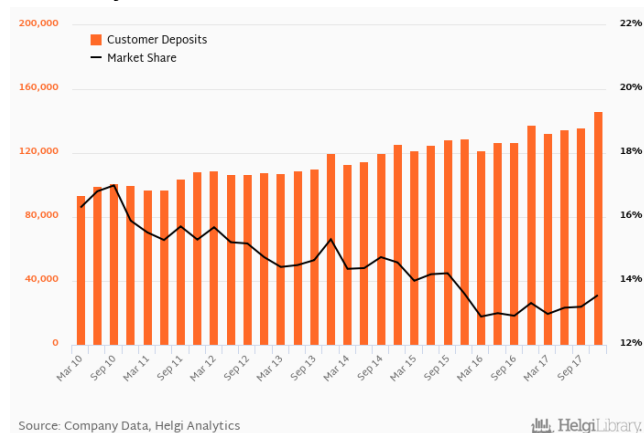
### Market Share in Bank Loans

Customer Loans (PLN mil)



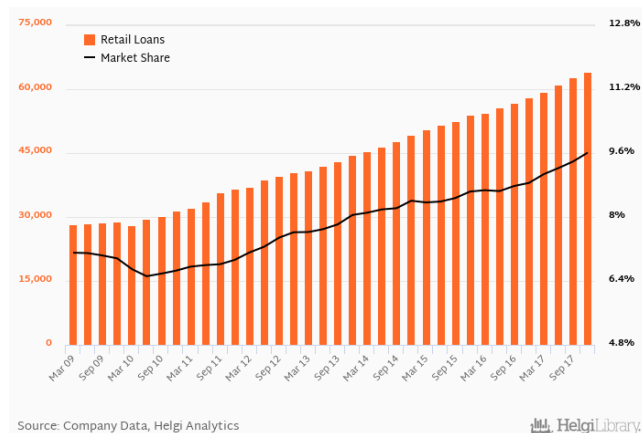
### Market Share in Bank Deposits

Customer Deposits (PLN mil)



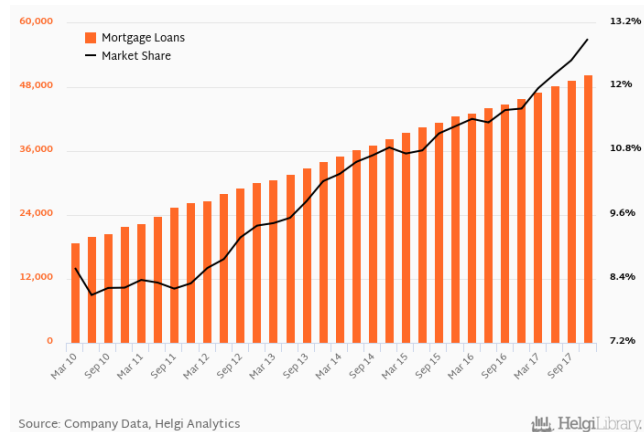
### Market Share in Retail Loans

Retail Loans (PLN mil)



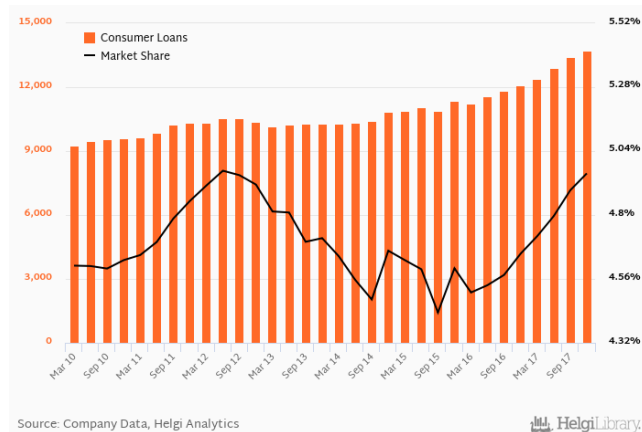
### Market Share in Mortgage Loans

Mortgage Loans (PLN mil)



### Market Share in Consumer Loans

Consumer Loans (PLN mil)



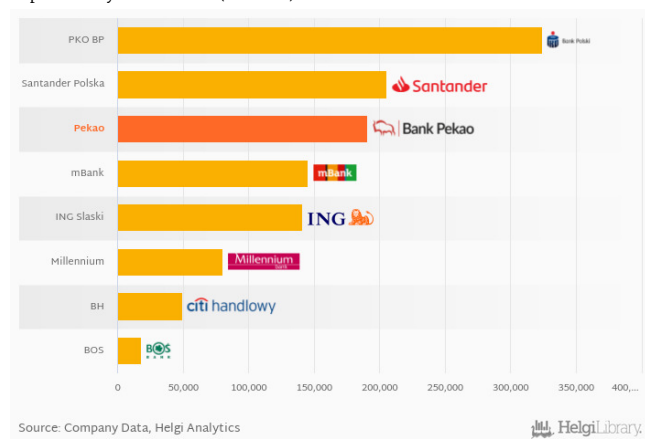


## 7 Market Share Position Within the Polish Market

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

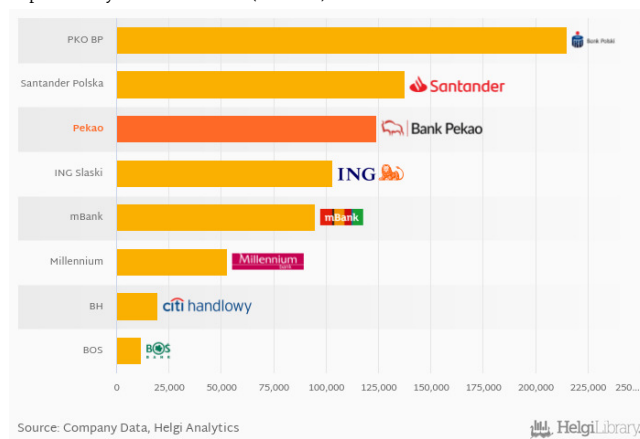
### What Banks in Poland Were the Largest in 2018?

Top Banks by Total Assets (PLN mil)



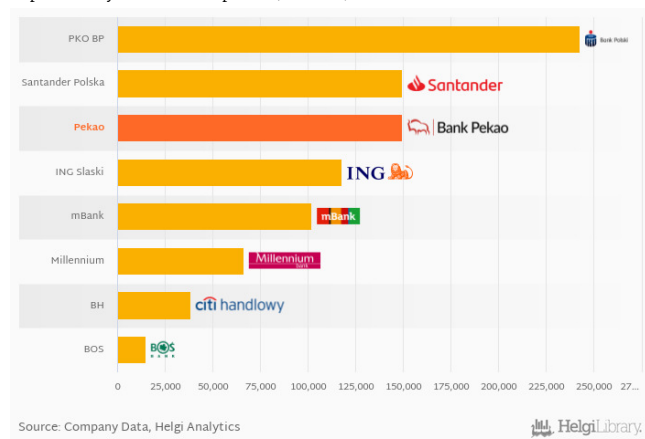
### What Banks in Poland Were the Largest Lenders in 2018?

Top Banks by Customer Loans (PLN mil)



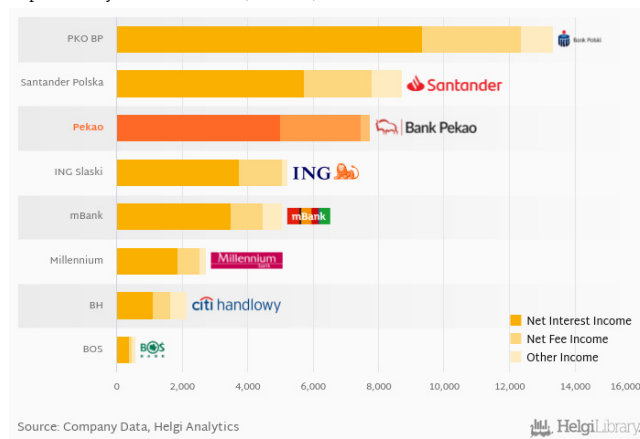
### What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



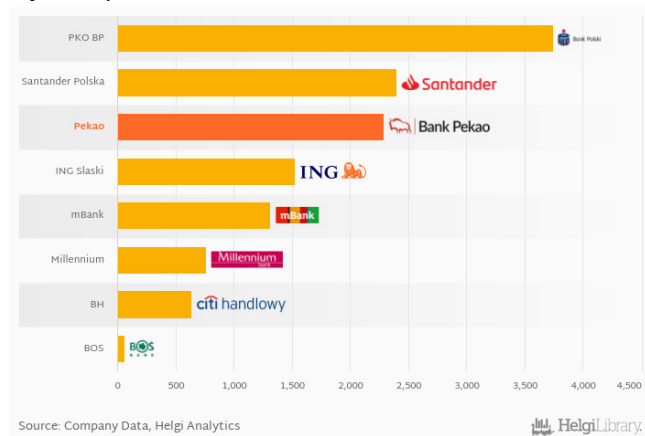
### What Banks in Poland Generated the Most Revenues in 2018?

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?

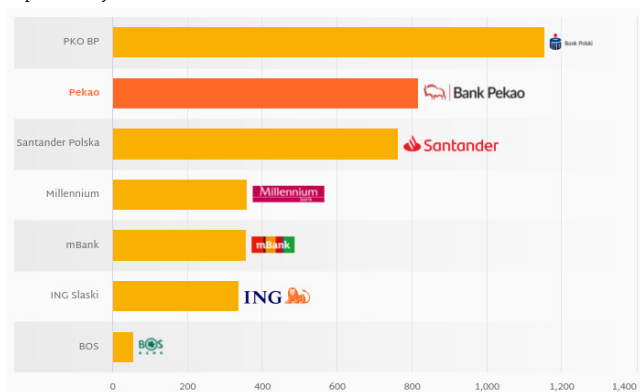
Top Banks by Number of Employees





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

Top Banks by Number of Branches

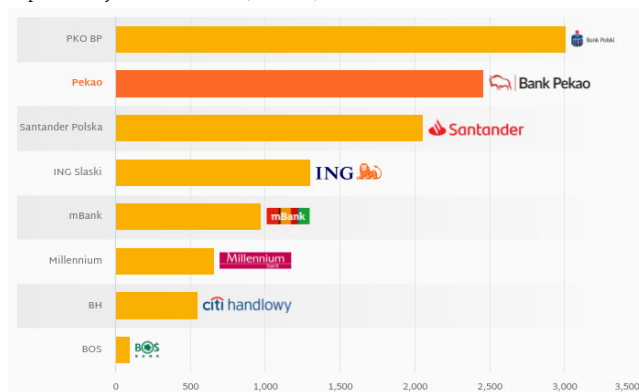


Source: Company Data, Helgi Analytics

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

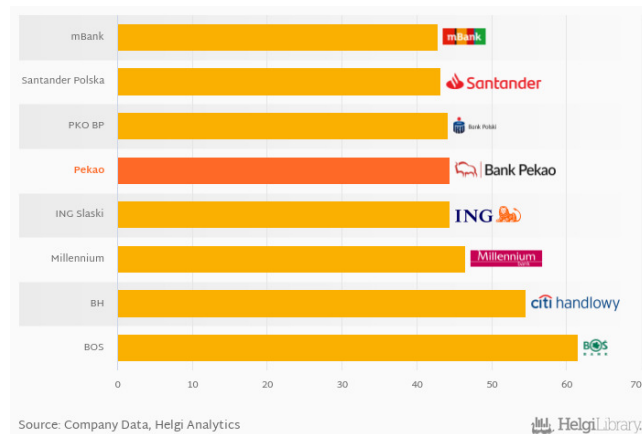


## 8 Relative Performance on the Polish Market

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

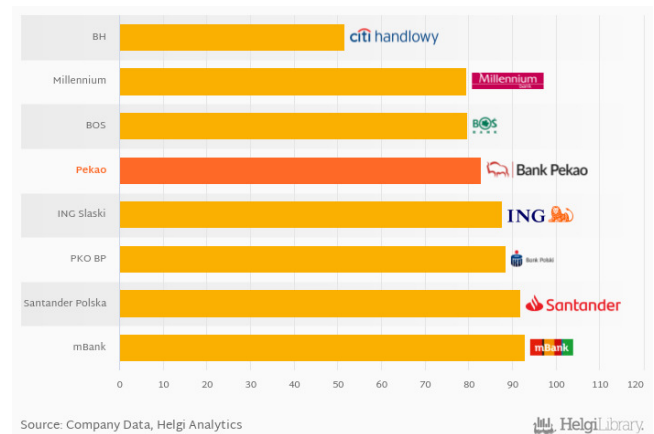
### What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



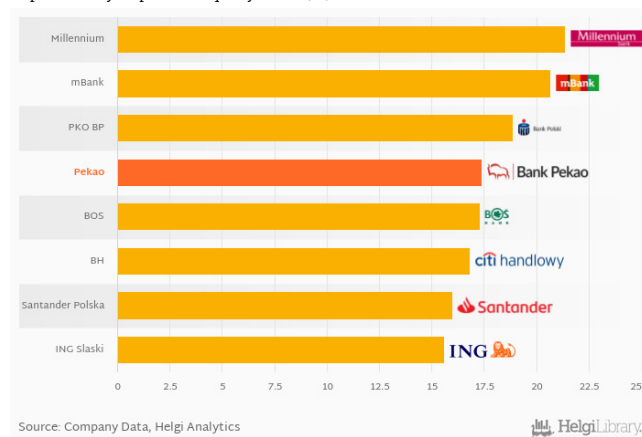
### What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



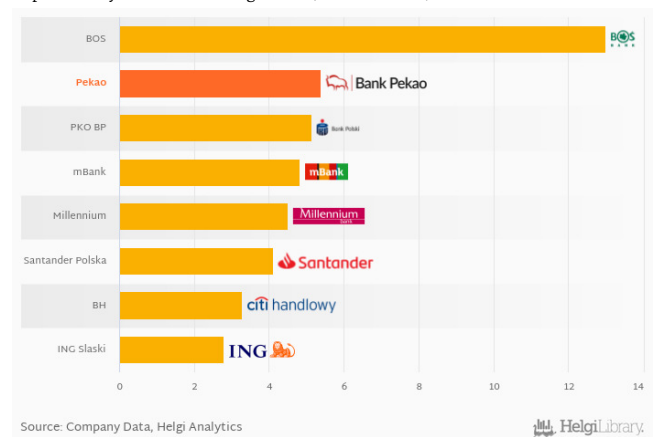
### What Banks in Poland Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



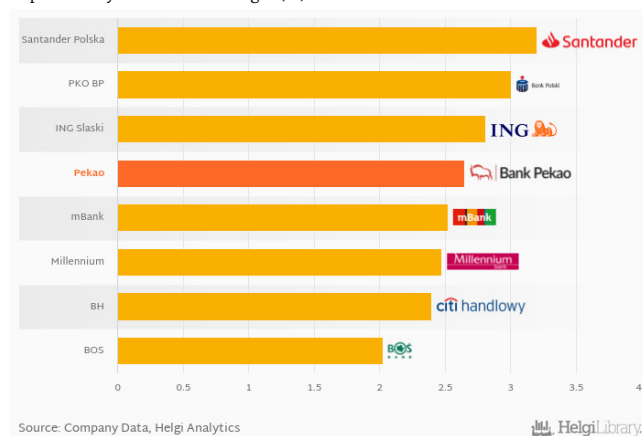
### What Banks in Poland Had the Most Bad Loans in 2018?

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	1,414	1,459	1,479	1,516	1,544	1,584	1,598	1,669
Interest Cost	PLN mil	262	269	273	280	286	289	298	311
Net Interest Income	PLN mil	1,152	1,190	1,206	1,236	1,258	1,295	1,300	1,358
Net Fee Income	PLN mil	580	617	588	617	619	638	604	633
Other Income	PLN mil	84.4	215	58.1	76.2	55.7	111	45.4	77.2
Total Revenues	PLN mil	1,817	2,022	1,852	1,929	1,933	2,044	1,949	2,067
Staff Cost	PLN mil	493	505	500	555	491	491	479	586
Depreciation	PLN mil	84.1	93.7	87.8	89.9	92.7	101	129	127
Operating Cost	PLN mil	815	854	851	902	843	848	859	951
Operating Profit	PLN mil	1,002	1,168	1,001	1,027	1,089	1,196	1,091	1,117
Provisions	PLN mil	146	167	127	138	156	104	114	181
Extra and Other Cost	PLN mil	153	-253	310	175	141	115	540	159
Pre-Tax Profit	PLN mil	702	1,254	563	714	793	977	436	776
Tax	PLN mil	165	200	171	174	187	228	193	194
Minorities	PLN mil	0.366	0	0	0.162	0.516	-0.028	0.724	0.827
Net Profit	PLN mil	536	1,054	392	540	606	749	242	582
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	%	3.10	6.95	8.13	8.74	9.19	8.79	7.85	9.88
Net Fee Income Growth	%	-2.79	0.776	2.54	6.01	6.71	3.41	2.64	2.50
Total Revenue Growth	%	3.49	14.8	6.16	9.16	6.39	1.05	5.27	7.18
Operating Cost Growth	%	2.65	7.64	7.19	12.7	3.48	-0.793	0.933	5.43
Operating Profit Growth	%	4.18	20.7	5.30	6.23	8.76	2.39	8.95	8.71
Pre-Tax Profit Growth	%	10.0	94.1	11.8	2.96	13.0	-22.1	-22.5	8.76
Net Profit Growth	%	2.99	113	12.2	0.887	13.0	-28.9	-38.2	7.83

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	9,200	9,528	9,480	7,922	7,575	7,650	7,519	7,867
Number Of Shares (Average)	mil	262	262	262	262	262	262	262	262
Share Price (End Of Period)	PLN	128	130	123	113	106	109	110	112
Earnings Per Share (EPS)	PLN	7.30	9.43	9.59	9.61	9.88	8.71	8.14	8.30
Book Value Per Share	PLN	84.8	88.6	87.7	81.7	83.8	86.9	88.0	84.1
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		17.5	13.7	12.9	11.8	10.8	12.5	13.5	13.5
Price/Book Value (P/BV)		1.51	1.46	1.41	1.38	1.27	1.25	1.25	1.33
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-13.8	8.59	22.5	32.8	35.3	-7.59	-15.1	-13.6
Book Value Per Share Growth	%	-2.07	1.55	-1.66	-1.19	-1.20	-1.98	0.370	2.93

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	6,106	5,236	8,046	8,014	5,720	13,027	7,444	4,325
Interbank Loans	PLN mil	2,926	2,627	4,203	3,481	4,762	2,268	3,109	2,704
Customer Loans	PLN mil	125,176	127,949	115,501	117,840	121,393	123,970	127,357	129,363
Retail Loans	PLN mil	62,793	64,157	65,501	67,518	69,311	70,915	72,407	74,169
Mortgage Loans	PLN mil	49,398	50,446	51,975	53,601	54,975	56,263	57,375	58,781
Consumer Loans	PLN mil	13,396	13,711	13,527	13,917	14,336	14,652	15,032	15,388
Corporate Loans	PLN mil	50,920	52,389	52,185	53,355	55,820	57,247	59,432	60,356
Debt Securities	PLN mil	28,732	40,245	45,251	44,421	41,002	41,115	47,155	48,535
Fixed Assets	PLN mil	2,040	2,951	2,887	2,858	2,826	2,947	3,503	3,423
Total Assets	PLN mil	171,463	185,466	182,744	183,504	183,298	191,090	196,640	196,911
Shareholders' Equity	PLN mil	22,268	23,268	23,010	21,452	22,000	22,808	23,095	22,081
Of Which Minority Interest	PLN mil	15.5	0	0	11.0	11.5	11.5	10.9	11.7
Liabilities	PLN mil	149,194	162,198	159,734	162,052	161,298	168,282	173,545	174,830
Interbank Loans	PLN mil	2,926	2,627	4,203	3,481	4,762	2,268	3,109	2,704
Customer Deposits	PLN mil	136,193	146,186	142,513	142,933	143,768	149,491	151,653	150,363
Retail Deposits	PLN mil	74,327	76,107	77,888	79,415	81,238	85,298	88,316	89,776
Corporate Deposits	PLN mil	54,594	61,920	58,101	57,659	57,827	60,492	57,694	58,334
Issued Debt Securities	PLN mil	5,572	6,133	6,504	6,772	7,778	8,151	9,129	9,437
Other Liabilities	PLN mil	3,052	4,891	5,225	6,883	5,058	5,018	5,771	8,446

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	8,335	7,635	6,776	7,060	7,461	7,002	7,078	6,911
Gross Loans	PLN mil	131,030	133,481	121,846	124,238	128,000	130,249	133,685	135,682
Total Provisions	PLN mil	5,854	5,532	6,345	6,399	6,607	6,279	6,327	6,319

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	%	6.54	7.80	-4.16	-3.14	-3.02	-3.11	10.3	9.78
Retail Loan Growth	%	10.5	10.4	10.2	10.4	10.4	10.5	10.5	9.85
Mortgage Loan Growth	%	9.79	9.60	10.4	11.1	11.3	11.5	10.4	9.66
Consumer Loan Growth	%	13.2	13.5	9.04	7.80	7.02	6.86	11.1	10.6
Corporate Loan Growth	%	6.27	8.71	7.34	8.57	9.62	9.27	13.9	13.1
Total Asset Growth	%	5.03	6.46	8.03	7.61	6.90	3.03	7.60	7.31
Shareholders' Equity Growth	%	-2.07	1.55	-1.66	-1.19	-1.20	-1.98	0.370	2.93
Customer Deposit Growth	%	7.27	6.07	7.51	6.19	5.56	2.26	6.41	5.20
Retail Deposit Growth	%	9.97	7.61	7.14	8.34	9.30	12.1	13.4	13.0
Corporate Deposit Growth	%	-0.166	1.83	12.1	9.90	5.92	-2.31	-0.700	1.17

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	%	12.3	11.6	11.9	12.0	11.6	10.9	11.4	12.4
Market Share in Net Profit	%	17.9	13.6	16.9	19.6	12.7	13.6	14.1	33.6
Market Share in Employees	%	10.7	10.7	10.6	10.5	10.5	10.5	10.5	10.5
Market Share in Branches	%	6.72	6.72	6.62	6.42	6.54	6.63	6.65	6.37
Market Share in Customer Loans	%	11.7	11.8	11.7	11.8	11.9	11.8	12.0	12.3
Market Share in Corporate Loans	%	13.9	14.1	13.8	14.0	13.8	13.7	13.9	14.3
Market Share in Retail Loans	%	8.67	8.65	8.78	8.85	9.07	9.22	9.39	9.61
Market Share in Consumer Loans	%	4.51	4.54	4.58	4.65	4.72	4.80	4.89	4.96
Market Share in Mortgage Loans	%	11.4	11.3	11.6	11.6	12.0	12.2	12.5	12.9
Market Share in Total Assets	%	9.33	9.52	9.32	9.73	9.33	9.35	9.37	9.98
Market Share in Customer Deposits	%	12.9	13.0	12.9	13.3	13.0	13.2	13.2	13.6
Market Share in Retail Deposits	%	10.6	10.7	10.6	10.7	10.9	11.0	11.2	11.1
Market Share in Corporate Deposits	%	21.3	20.9	21.1	21.3	19.8	20.0	20.3	20.9

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	%	9.75	18.5	6.78	9.71	11.2	13.4	4.22	10.3
ROA	%	1.25	2.36	0.852	1.18	1.32	1.60	0.500	1.18
Costs (As % Of Assets)	%	1.91	1.92	1.85	1.97	1.84	1.81	1.77	1.93
Costs (As % Of Income)	%	44.9	42.3	45.9	46.8	43.6	41.5	44.0	46.0
Capital Adequacy Ratio	%	16.5	17.1	17.1	17.4	17.0	17.4	17.1	17.3
Tier 1 Ratio	%	16.5	16.1	16.0	16.3	16.0	15.8	15.5	15.8
Net Interest Margin	%	2.70	2.67	2.62	2.70	2.74	2.77	2.68	2.76
Interest Spread	%	2.60	2.58	2.53	2.61	2.66	2.68	2.60	2.68
Asset Yield	%	3.31	3.27	3.21	3.31	3.37	3.38	3.30	3.39
Cost Of Liabilities	%	0.703	0.691	0.678	0.697	0.708	0.702	0.696	0.714
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	63.4	58.8	65.1	64.1	65.1	63.4	66.7	65.7
Fee Income (As % Of Revenues)	%	31.9	30.5	31.8	32.0	32.0	31.2	31.0	30.6
Other Income (As % Of Revenues)	%	4.64	10.6	3.14	3.95	2.88	5.41	2.33	3.73
Cost Per Employee	USD per month	2,569	2,720	2,770	2,986	2,607	2,664	2,508	3,109
Cost Per Employee (Local Currency)	PLN per month	9,458	9,705	9,554	10,686	9,672	9,790	9,504	11,766
Staff Cost (As % Of Total Cost)	%	60.5	59.1	58.8	61.5	58.2	57.9	55.8	61.7
Equity (As % Of Assets)	%	13.0	12.5	12.6	11.7	12.0	11.9	11.7	11.2
Loans (As % Of Deposits)	%	91.9	87.5	81.0	82.4	84.4	82.9	84.0	86.0
Loans (As % Assets)	%	73.0	69.0	63.2	64.2	66.2	64.9	64.8	65.7
NPLs (As % Of Loans)	%	6.36	5.72	5.56	5.68	5.83	5.38	5.29	5.09
Provisions (As % Of NPLs)	%	70.2	72.5	93.6	90.6	88.6	89.7	89.4	91.4
Provisions (As % Of Loans)	%	4.68	4.32	5.49	5.43	5.44	5.07	4.97	4.88
Cost of Provisions (As % Of Loans)	%	0.475	0.527	0.418	0.472	0.520	0.341	0.364	0.563

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	7,404	8,316	6,774	6,225	5,456	5,448	5,641	6,122
Interest Cost	PLN mil	2,846	3,511	2,269	1,764	1,290	1,066	1,047	1,128
Net Interest Income	PLN mil	4,558	4,805	4,506	4,461	4,167	4,382	4,594	4,994
Net Fee Income	PLN mil	2,449	2,257	2,143	2,044	2,006	2,390	2,353	2,463
Other Income	PLN mil	721	842	760	706	697	520	345	301
Total Revenues	PLN mil	7,728	7,904	7,408	7,211	6,869	7,292	7,291	7,757
Staff Cost	PLN mil	1,946	1,907	1,881	1,905	1,909	1,897	1,950	2,037
Depreciation	PLN mil	377	369	346	327	331	341	347	371
Operating Cost	PLN mil	3,672	3,623	3,372	3,357	3,292	3,212	3,263	3,444
Operating Profit	PLN mil	4,056	4,281	4,036	3,854	3,577	4,080	4,028	4,313
Provisions	PLN mil	544	685	664	560	519	515	557	525
Extra and Other Cost	PLN mil	-80.7	-83.9	-81.7	-65.0	227	668	318	741
Pre-Tax Profit	PLN mil	3,593	3,680	3,454	3,360	2,831	2,897	3,153	3,047
Tax	PLN mil	684	715	659	635	538	617	677	760
Minorities	PLN mil	9.68	9.55	10.2	10.4	1.02	0.489	0.579	0.650
Net Profit	PLN mil	2,899	2,956	2,785	2,715	2,292	2,279	2,475	2,287
Dividends	PLN mil	1,412	2,202	2,283	2,625	2,551	2,260	2,265	2,092

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	11.1	5.43	-6.24	-0.983	-6.61	5.17	4.83	8.72
Net Fee Income Growth	%	3.41	-7.84	-5.05	-4.63	-1.87	19.2	-1.55	4.66
Total Revenue Growth	%	6.39	2.28	-6.28	-2.65	-4.75	6.15	-0.009	6.39
Operating Cost Growth	%	0.619	-1.33	-6.93	-0.432	-1.93	-2.44	1.60	5.53
Operating Profit Growth	%	12.2	5.55	-5.72	-4.51	-7.20	14.1	-1.28	7.09
Pre-Tax Profit Growth	%	15.8	2.43	-6.14	-2.74	-15.7	2.31	8.85	-3.35
Net Profit Growth	%	14.8	1.94	-5.78	-2.52	-15.6	-0.575	8.59	-7.59

Source: Company Data, Helgi Analytics

### Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	10,760	14,210	15,634	13,248	9,655	7,901	9,756	7,650
Number Of Shares (Average)	mil	262	262	262	262	262	262	262	262
Share Price (End Of Period)	PLN	141	168	180	179	144	126	130	109
Earnings Per Share (EPS)	PLN	11.1	11.3	10.6	10.3	8.73	8.68	9.43	8.71
Book Value Per Share	PLN	81.4	89.4	89.6	91.6	89.2	87.3	88.6	86.9
Dividend Per Share	PLN	5.38	8.39	8.70	10.0	9.72	8.61	8.63	7.97
Price/Earnings (P/E)		12.8	14.9	16.9	17.3	16.4	14.5	13.7	12.5
Price/Book Value (P/BV)		1.73	1.87	2.00	1.95	1.61	1.44	1.46	1.25
Dividend Yield	%	3.81	5.01	4.85	5.60	6.77	6.84	6.66	7.31
Earnings Per Share Growth	%	14.8	1.91	-5.78	-2.52	-15.6	-0.575	8.59	-7.59
Book Value Per Share Growth	%	5.42	9.80	0.236	2.26	-2.58	-2.19	1.55	-1.98

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	4,886	9,207	4,191	9,226	7,882	5,873	5,236	13,027
Interbank Loans	PLN mil	5,586	4,054	7,548	7,170	7,315	3,258	2,627	2,268
Customer Loans	PLN mil	95,679	97,799	101,013	111,872	118,555	118,689	127,949	123,970
Retail Loans	PLN mil	36,733	40,485	44,476	49,264	53,945	58,110	64,157	70,915
Mortgage Loans	PLN mil	26,419	30,111	34,178	38,417	42,609	46,026	50,446	56,263
Consumer Loans	PLN mil	10,315	10,374	7,455	8,052	8,951	12,084	13,711	14,652
Corporate Loans	PLN mil	63,953	62,679	65,075	71,929	74,064	48,190	52,389	57,247
Debt Securities	PLN mil	35,466	34,727	37,477	30,117	25,515	38,056	40,245	41,115
Fixed Assets	PLN mil	2,476	2,340	2,216	2,171	2,097	2,019	2,951	2,947
Total Assets	PLN mil	146,590	150,950	158,522	167,625	168,786	174,215	185,466	191,090
Shareholders' Equity	PLN mil	21,357	23,459	23,514	24,046	23,424	22,912	23,268	22,808
Of Which Minority Interest	PLN mil	85.5	92.2	94.3	28.0	16.0	14.9	0	11.5
Liabilities	PLN mil	125,233	127,491	135,008	143,579	145,361	151,303	162,198	168,282
Interbank Loans	PLN mil	5,586	4,054	7,548	7,170	7,315	3,258	2,627	2,268
Customer Deposits	PLN mil	108,437	107,993	119,797	125,609	128,868	137,816	146,186	149,491
Retail Deposits	PLN mil	48,952	49,758	51,416	55,935	63,865	70,725	76,107	85,298
Corporate Deposits	PLN mil	62,529	62,993	71,444	73,531	67,906	60,807	61,920	60,492
Issued Debt Securities	PLN mil	5,765	7,134	6,435	10,351	7,972	5,788	6,133	8,151
Other Liabilities	PLN mil	5,131	4,581	2,357	2,274	2,563	2,870	4,891	5,018

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	6,320	7,463	7,947	8,237	8,121	7,866	7,635	7,002
Gross Loans	PLN mil	100,302	102,657	106,216	117,642	124,398	124,399	133,481	130,249
Total Provisions	PLN mil	4,623	4,858	5,203	5,729	5,842	5,710	5,532	6,279

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	18.4	2.22	3.29	10.8	5.97	0.113	7.80	-3.11
Retail Loan Growth	%	16.4	10.2	9.86	10.8	9.50	7.72	10.4	10.5
Mortgage Loan Growth	%	20.4	14.0	13.5	12.4	10.9	8.02	9.60	11.5
Consumer Loan Growth	%	7.36	0.571	-28.1	8.01	11.2	35.0	13.5	6.86
Corporate Loan Growth	%	19.0	-1.99	3.82	10.5	2.97	-34.9	8.71	9.27
Total Asset Growth	%	9.32	2.97	5.02	5.74	0.692	3.22	6.46	3.03
Shareholders' Equity Growth	%	5.43	9.84	0.236	2.26	-2.58	-2.19	1.55	-1.98
Customer Deposit Growth	%	8.65	-0.410	10.9	4.85	2.59	6.94	6.07	2.26
Retail Deposit Growth	%	5.09	1.65	3.33	8.79	14.2	10.7	7.61	12.1
Corporate Deposit Growth	%	14.9	0.742	13.4	2.92	-7.65	-10.5	1.83	-2.31

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	%	12.3	11.6	11.9	12.0	11.6	10.9	11.4	12.4
Market Share in Net Profit	%	17.9	13.6	16.9	19.6	12.7	13.6	14.1	33.6
Market Share in Employees	%	10.7	10.7	10.6	10.5	10.5	10.5	10.5	10.5
Market Share in Branches	%	6.72	6.72	6.62	6.42	6.54	6.63	6.65	6.37
Market Share in Customer Loans	%	11.7	11.8	11.7	11.8	11.9	11.8	12.0	12.3
Market Share in Corporate Loans	%	13.9	14.1	13.8	14.0	13.8	13.7	13.9	14.3
Market Share in Retail Loans	%	8.67	8.65	8.78	8.85	9.07	9.22	9.39	9.61
Market Share in Consumer Loans	%	4.51	4.54	4.58	4.65	4.72	4.80	4.89	4.96
Market Share in Mortgage Loans	%	11.4	11.3	11.6	11.6	12.0	12.2	12.5	12.9
Market Share in Total Assets	%	9.33	9.52	9.32	9.73	9.33	9.35	9.37	9.98
Market Share in Customer Deposits	%	12.9	13.0	12.9	13.3	13.0	13.2	13.2	13.6
Market Share in Retail Deposits	%	10.6	10.7	10.6	10.7	10.9	11.0	11.2	11.1
Market Share in Corporate Deposits	%	21.3	20.9	21.1	21.3	19.8	20.0	20.3	20.9

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	13.9	13.2	11.9	11.4	9.66	9.84	10.7	9.93
ROA	%	2.07	1.99	1.80	1.66	1.36	1.33	1.38	1.21
Costs (As % Of Assets)	%	2.62	2.44	2.18	2.06	1.96	1.87	1.81	1.83
Costs (As % Of Income)	%	47.5	45.8	45.5	46.6	47.9	44.0	44.8	44.4
Capital Adequacy Ratio	%	17.0	19.0	18.3	17.3	17.7	17.6	17.1	17.4
Tier 1 Ratio	%	...	...	...	...	...	17.6	16.1	15.8
Net Interest Margin	%	3.25	3.23	2.91	2.74	2.48	2.56	2.55	2.65
Interest Spread	%	2.89	2.81	2.65	2.55	2.35	2.46	2.47	2.57
Asset Yield	%	5.28	5.59	4.38	3.82	3.24	3.18	3.14	3.25
Cost Of Liabilities	%	2.38	2.78	1.73	1.27	0.893	0.719	0.668	0.683
Payout Ratio	%	48.7	74.5	82.0	96.7	111	99.1	91.5	91.5
Interest Income (As % Of Revenues)	%	59.0	60.8	60.8	61.9	60.7	60.1	63.0	64.4
Fee Income (As % Of Revenues)	%	31.7	28.6	28.9	28.3	29.2	32.8	32.3	31.7
Other Income (As % Of Revenues)	%	9.33	10.6	10.3	9.80	10.1	7.13	4.73	3.87
Cost Per Employee	USD per month	3,053	2,802	2,902	2,864	2,609	2,203	2,446	2,763
Cost Per Employee (Local Currency)	PLN per month	9,050	9,117	9,172	9,386	9,705	8,902	9,373	10,154
Staff Cost (As % Of Total Cost)	%	53.0	52.6	55.8	56.7	58.0	59.1	59.8	59.1
Equity (As % Of Assets)	%	14.6	15.5	14.8	14.3	13.9	13.2	12.5	11.9
Loans (As % Of Deposits)	%	88.2	90.6	84.3	89.1	92.0	86.1	87.5	82.9
Loans (As % Assets)	%	65.3	64.8	63.7	66.7	70.2	68.1	69.0	64.9
NPLs (As % Of Loans)	%	6.30	7.27	7.48	7.00	6.53	6.32	5.72	5.38
Provisions (As % Of NPLs)	%	73.2	65.1	65.5	69.6	71.9	72.6	72.5	89.7
Provisions (As % Of Loans)	%	4.83	4.97	5.15	5.12	4.93	4.81	4.32	5.07
Cost of Provisions (As % Of Loans)	%	0.616	0.708	0.668	0.526	0.451	0.434	0.452	0.417

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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