

# PKO BP

## Quarterly Results - 2Q2019

PKO BP made a net profit of PLN 1,217 mil in the second quarter of 2019, up 30.4% when compared to the previous year. Total revenues increased 14.2% yoy to PLN 3,739 mil, ROE amounted to 12.3% and the NPL ratio stood at 4.60%. PKO BP stock appreciated by 11% in the second quarter of 2019 to PLN 42.8 per share and the stock traded at a 12-month trailing PE of 13.0x and PBV of 1.35x based on the closing price at the end of the quarter.

- ✓ Revenues increased 14.2% yoy to PLN 3,739 mil in the second quarter of 2019. Interest income formed 67.9% of total revenues with the net interest margin increasing 0.02 pp to 3.10% of total assets. Fees added a further 20.3% to total revenue generated in 2Q2019, down from an average of 22.4% as seen in the previous two years.
- ✓ Operating costs grew by 0.558% yoy to PLN 1,442 mil, so cost to income ratio reached 38.6%, down by 12.2% compared to the previous two years. Staff accounted for 55.3% of total operating expenditures. At the end of second quarter of 2019, PKO BP operated a network of 1,132 branches and 28,057 employees.
- ✓ Loans and deposits grew by 2.59% and 0.352% qoq respectively, so loan to deposit ratio reached 93.5% at the end of 2Q2019. That's down from 94.7% the previous year. Equity reached 12.0% of assets and capital adequacy ratio amounted to 18.6% at the end of the second quarter of 2019.
- ✓ NPLs were 4.60% of total loans at the end of the quarter. Provisions covered 77.4% of non-performing loans
- ✓ PKO BP stock traded at PLN 42.8 per share at the end of second quarter of 2019 implying a market capitalization of USD 14,156 mil. This put stock at a 12-month trailing price to earnings of 13.0x and price to book value of 1.35x as of the end of 2Q2019.

**Sector:**  
Banking

**Country:**  
Poland

**Share Price:**  
PLN 42.8

**Market Capitalization:**  
USD 14,156 mil

**Shares Outstanding:**  
1,250 mil

**Employees:**  
28,057

**Clients:**  
7.59 mil

**Branches:**  
1,132

**Capital Adequacy Ratio:**  
18.6%

**NPL Ratio:**  
4.60%

**Provision Coverage:**  
77.4%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil	PLN	%			%	PLN	%
2Q2019	3,739	1,217	3.30	21.0	13.0	1.35	12.3	0	0
2018	13,339	3,741	2.99	20.5	13.2	1.26	9.93	...	...
2017	12,045	3,104	2.48	8.00	17.8	1.53	9.02	0.550	1.24
2016	10,767	2,874	2.30	10.1	12.2	1.08	9.15	0	0
2015	10,665	2,610	2.09	-19.5	13.1	1.13	9.02	0	0

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

Data tells a story



## 1 Company Overview

Powszechna Kasa Oszczędności Bank Polski (PKO BP) is Poland's largest bank. The Bank was founded in 1919 and is headquartered in Warsaw, Poland. The bank offers a range of personal and business financial services such as savings account, deposits, mortgage loans and brokerage products through specialized financial services in the area of leasing, factoring, investment funds, pension funds and life insurance. The core business activity of PKO Bank Polski is retail banking and the full name Powszechna Kasa Oszczędności roughly means "General Savings Bank". The bank employs more than 25,000 people and services more than 6 million clients through a network of more than 1,200 branches and 3,000 ATMs.

PKO BP has been growing its revenues and asset by 5.49% and 8.75% a year on average in the last 10 years. Its loans and deposits have grown by 7.63% and 7.74% a year during that time and loans to deposits ratio reached 93.5% at the end of 2Q2019. The company achieved an average return on equity of 12.4% in the last decade with net profit growing 7.15% a year on average. In terms of operating efficiency, its cost to income ratio reached 38.6% in 2Q2019, compared to 46.5% average in the last decade.

Equity represented 12.0% of total assets or 17.6% of loans at the end of 2Q2019. PKO BP's non-performing loans were 4.60% of total loans while provisions covered some 77.4% of NPLs at the end of the second quarter of 2019.

PKO BP stock traded at PLN 42.8 per share at the end of 2Q2019 resulting in a market capitalization of USD 14,156 mil. Over the previous five years, stock price rose by 13.6% or 2.58% a year on average. That's compared to an average ROE of 9.68% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 13.0x and price to book value (PBV) of 1.35x 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	2,197	2,249	2,212	2,287	2,366	2,480	2,455	2,538
Total Revenues	PLN mil	3,191	3,264	3,206	3,275	3,392	3,466	3,494	3,739
Operating Profit	PLN mil	1,819	1,790	1,631	1,841	1,951	2,019	1,809	2,297
Net Profit	PLN mil	902	820	757	933	1,042	1,009	862	1,217
Customer Loans	PLN mil	205,809	205,629	202,788	207,593	211,633	214,912	219,127	224,794
Total Assets	PLN mil	289,961	296,912	295,095	298,667	306,082	324,255	325,833	328,992
Shareholders' Equity	PLN mil	35,340	36,256	36,557	36,776	37,713	39,101	39,728	39,624
Interbank Borrowing	PLN mil	11,103	4,564	1,871	2,095	1,929	2,008	2,790	3,066
Customer Deposits	PLN mil	209,683	220,917	218,715	219,208	225,617	242,816	239,576	240,420
Issued Debt Securities	PLN mil	26,229	25,652	28,974	30,809	30,920	31,358	32,495	32,384

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	10.4	9.16	8.32	10.2	11.2	10.5	8.75	12.3
Costs (As % Of Income)	%	43.0	45.2	49.1	43.8	42.5	41.7	48.2	38.6
Net Interest Margin	%	3.05	3.07	2.99	3.08	3.13	3.15	3.02	3.10
Equity (As % Of Assets)	%	12.2	12.2	12.4	12.3	12.3	12.1	12.2	12.0
Loans (As % Of Deposits)	%	98.2	93.1	92.7	94.7	93.8	88.5	91.5	93.5
Loans (As % Assets)	%	71.0	69.3	68.7	69.5	69.1	66.3	67.3	68.3
NPLs (As % Of Loans)	%	5.60	5.50	6.98	5.71	5.35	5.13	4.98	4.60
Provisions (As % Of NPLs)	%	68.6	66.6	73.9	71.8	71.2	71.7	74.9	77.4

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	12,094	15,897	14,807	12,350	14,590	13,090	12,673	14,156
Share Price (End Of Period)	PLN	35.3	44.3	40.4	37.0	42.9	39.5	38.6	42.8
Price/Earnings (P/E)		15.3	17.8	15.2	13.6	15.1	13.2	12.5	13.0
Price/Book Value (P/BV)		1.25	1.53	1.38	1.26	1.42	1.26	1.21	1.35

Source: Company Data, Helgi Analytics

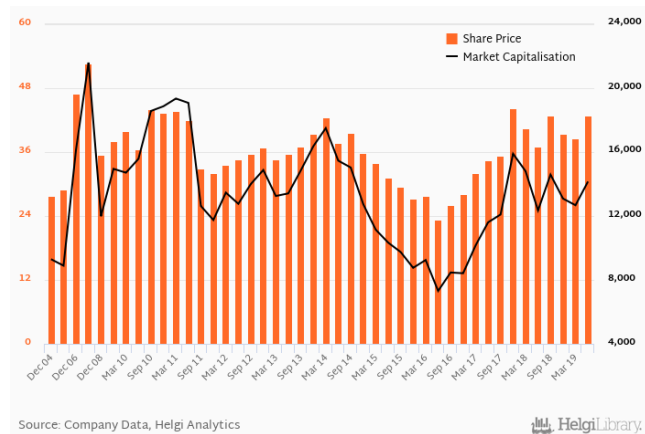


## 2 Valuation

PKO BP stock traded at PLN 42.8 per share at the end of 2Q2019 resulting in a market capitalization of USD 14,156 mil. Over the previous quarter, stock appreciated by 11%. Over the previous three years, stock price rose by 83.9% or 22.5% a year on average. That's compared to an average ROE of 12.3% the bank generated for its shareholders:

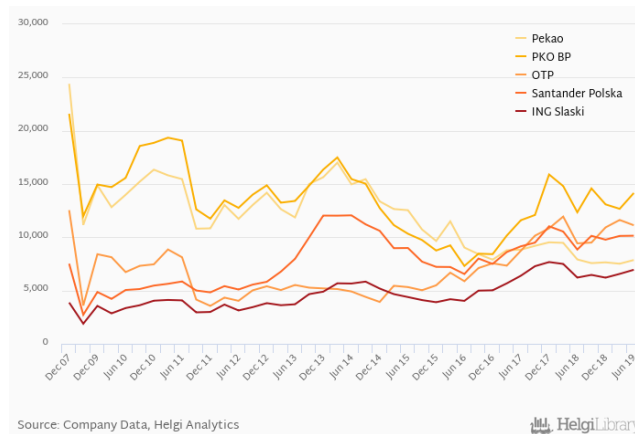
### Share Price & Market Capitalization

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



### Market Capitalization Peers Comparison

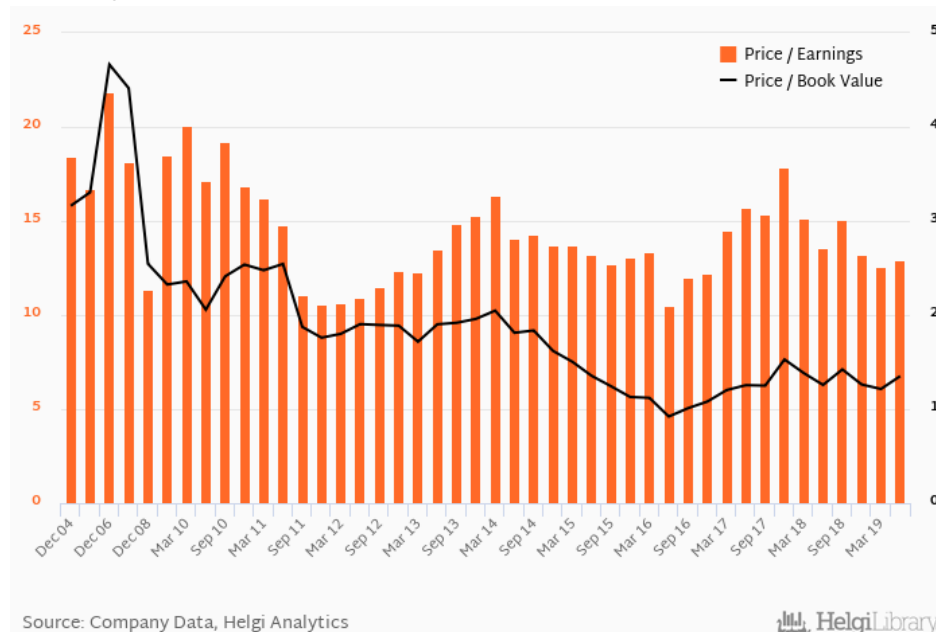
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 13.0x and price to book value (PBV) of 1.35x 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 17.8x in 4Q2017 and a low of 10.5x in 2Q2016 with an average of 13.7x.

When compared to selected peers, PKO BP traded at a 7.16% premium above average at the end of the second quarter of 2019.



Regarding price to book value, stock was trading at 1.35x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 1.84x in 3Q2014 and a low of 0.921x in 2Q2016 with an average of 1.30x.

In comparison to its peers, PKO BP traded at 1.15% premium on a trailing basis at the end of the second quarter of 2019.

The detailed comparison of PKO BP'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
Komerčni 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
Santander Bank Polska	Poland	10,149	12.5	5.24	9.26	15.3	16.9	16.7	1.37	1.45	1.48
Pekao SA	Poland	7,867	13.4	4.22	10.3	12.5	13.5	13.5	1.25	1.25	1.33
ING Bank Slaski	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
PKO BP	Poland	14,156	10.5	8.75	12.3	13.2	12.5	13.0	1.26	1.21	1.35
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

PKO BP'S PREMIUM/DISCOUNT TO:										
Weighted Average		-19.7%	-2.72%	0.730%	13.6%	2.26%	7.16%	-2.16%	-8.98%	1.15%
Median		-18.7%	5.68%	8.69%	2.65%	-3.73%	-1.91%	-6.41%	-12.9%	-4.52%

Source: Company Data, Helgi Analytics

## PKO BP – 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	12,094	15,897	14,807	12,350	14,590	13,090	12,673	14,156
Number Of Shares (Average)	mil	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Share Price (End Of Period)	PLN	35.3	44.3	40.4	37.0	42.9	39.5	38.6	42.8
Earnings Per Share (EPS)	PLN	2.30	2.48	2.67	2.73	2.84	2.99	3.08	3.30
Book Value Per Share	PLN	28.3	29.0	29.2	29.4	30.2	31.3	31.8	31.7
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		15.3	17.8	15.2	13.6	15.1	13.2	12.5	13.0
Price/Book Value (P/BV)		1.25	1.53	1.38	1.26	1.42	1.26	1.21	1.35
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	5.59	8.00	20.9	24.4	23.4	20.5	15.3	21.0
Book Value Per Share Growth	%	9.35	11.3	9.66	7.09	6.71	7.85	8.67	7.74

Source: Company Data, Helgi Analytics



### 3 Revenues & Costs

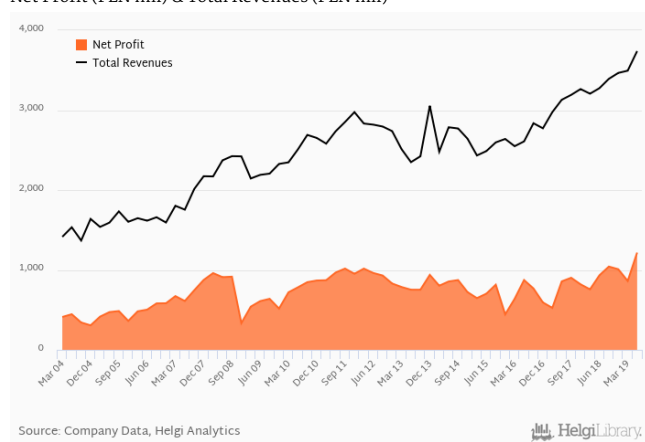
#### 3.1 Revenues

PKO BP generated total operating revenues of PLN 3,739 mil in the second quarter of 2019, up 14.2% compared to the same period of the previous year. Net interest income represented 67.9% of revenues, fee income contributed 20.3% and other non-interest income added further 11.8% to the overall revenue generated.

Over the previous three years, revenues rose by 12.7% a year on average.

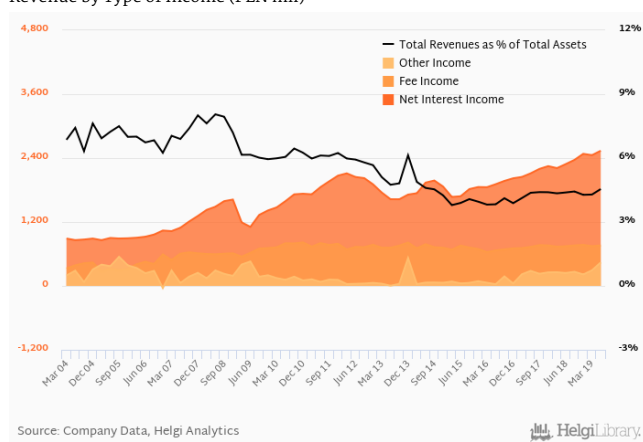
##### Revenue & Profitability

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



##### Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 3.10% in the second quarter of 2019, up from the 3.08% of the previous year. Historically, PKO BP's net interest margin reached a high of 5.31% in 3Q2008 and a low of 2.63% in 2Q2015.

Average asset yield was 3.84% in the second quarter of 2019 (up from 3.82%) while cost of funding amounted to 0.838% in 2Q2019 (down from 0.845%).

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
Santander Bank Polska	Poland	10,149	3.64	3.58	3.43	3.29	3.20	3.11	3.14
Pekao SA	Poland	7,867	2.67	2.62	2.70	2.74	2.77	2.68	2.76
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
PKO BP	Poland	14,156	3.07	2.99	3.08	3.13	3.15	3.02	3.10
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



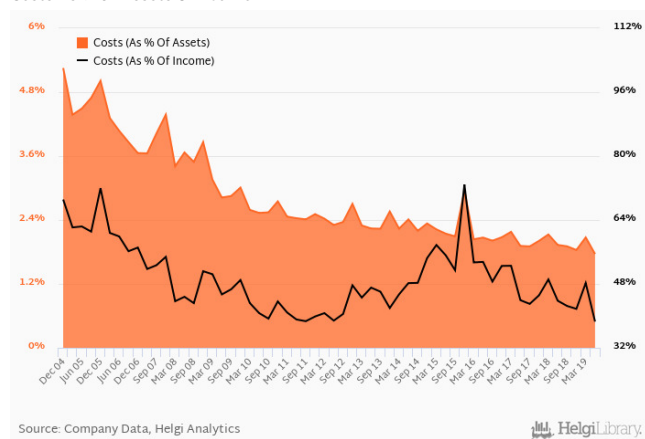
### 3.2 Costs

Operating costs increased by 0.558% yoy to PLN 1,442 mil in the second quarter of 2019. PKO BP's cost to income ratio therefore reached 38.6%, down from 43.8% when compared to the previous year.

Historically, operating costs reached a high of 72.9% of income in 4Q2015 and a low of 38.6% in 2Q2019:

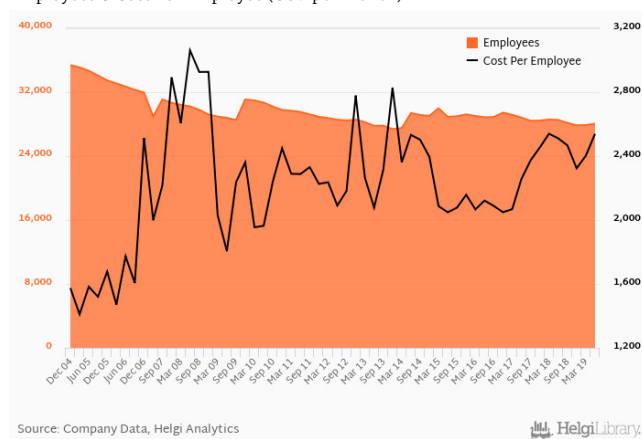
#### Cost Efficiency

Costs As % Of Assets & Income



#### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, PKO BP operated with a 8.74 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
Santander Bank Polska	Poland	10,149	48.9	41.9	44.6	38.8	55.2	42.9
Pekao SA	Poland	7,867	45.9	46.8	43.6	41.5	44.0	46.0
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
<b>PKO BP</b>	<b>Poland</b>	<b>14,156</b>	<b>49.1</b>	<b>43.8</b>	<b>42.5</b>	<b>41.7</b>	<b>48.2</b>	<b>38.6</b>
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 1.76% in 2Q2019 down from 1.93% the previous year.

PKO BP had 28,057 employees in the second quarter of 2019, down by 1.64% when compared to the previous year. The company operated a network of 1,132 branches in 2Q2019.

The average cost per employee stood at USD 2,539 per month, 1.13% above the



previous year. This figure was USD 2,533 per month five years earlier.

Staff accounted for 55.3% 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
Santander Bank Polska	Poland	10,149	40.8	42.9	46.4	47.2	42.3	44.6
Pekao SA	Poland	7,867	58.8	61.5	58.2	57.9	55.8	61.7
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
PKO BP	Poland	14,156	47.7	53.6	53.6	50.4	45.8	55.3
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

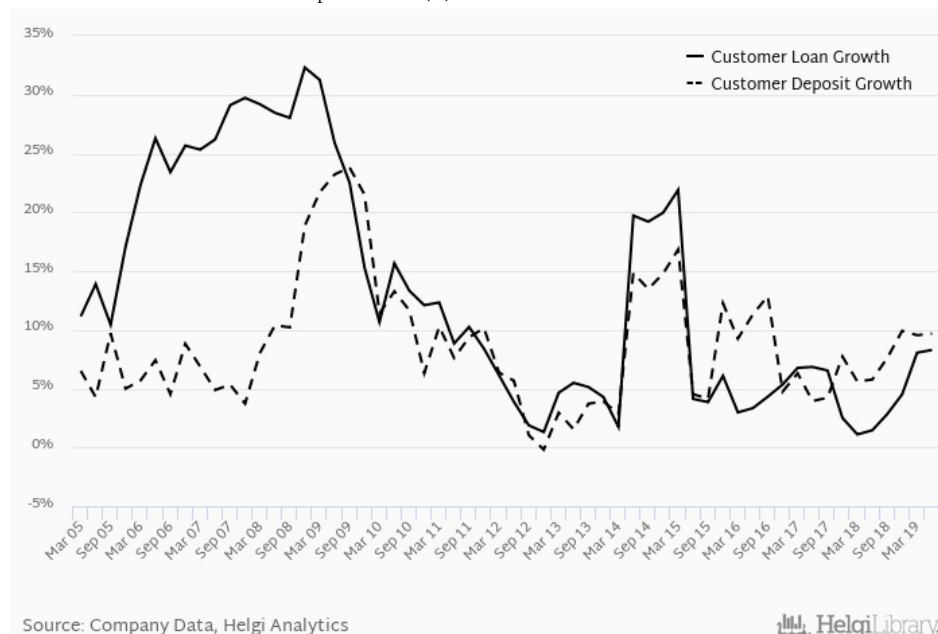
PKO BP's customer loans grew 2.59% qoq and 8.29% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 0.352% qoq and 9.68% yoy. That's compared to average of 4.88% and 7.33% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 5.49% while deposit growth reached 6.44% on average a year.

At the end of second quarter of 2019, PKO BP's loans accounted for 93.5% of total deposits and 68.3% of total assets.

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



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
Santander Bank Polska	Poland	10,149	96.0	93.6	93.5	91.9	93.9	94.0
Pekao SA	Poland	7,867	81.0	82.4	84.4	82.9	84.0	86.0
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
<b>PKO BP</b>	<b>Poland</b>	<b>14,156</b>	<b>92.7</b>	<b>94.7</b>	<b>93.8</b>	<b>88.5</b>	<b>91.5</b>	<b>93.5</b>
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



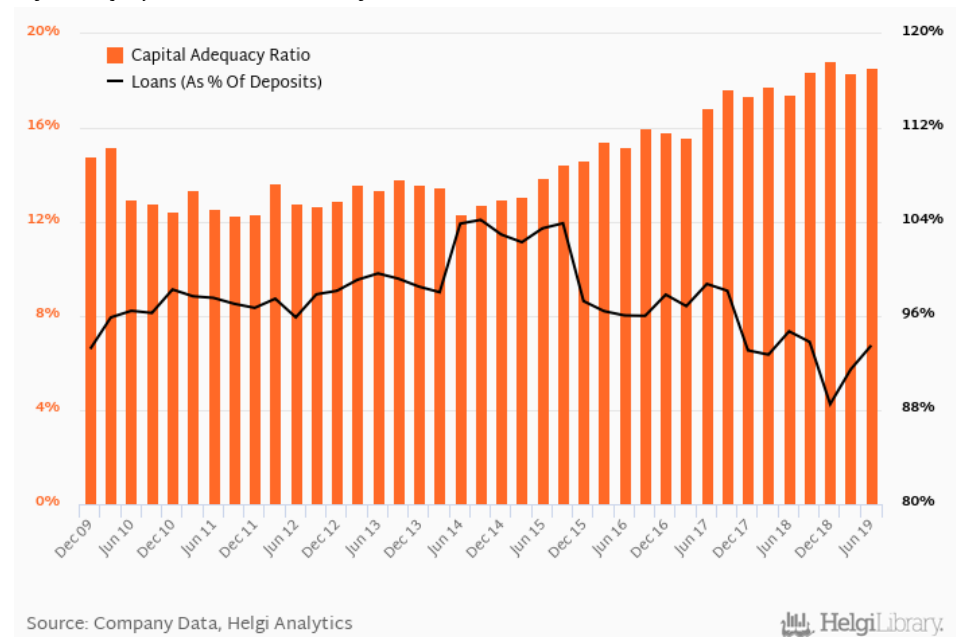


## 4.2 Capital & Liquidity

PKO BP's capital adequacy ratio reached 18.6% in the second quarter of 2019, up from 17.4% for the previous year. The Tier 1 ratio amounted to 17.3% at the end of the second quarter of 2019:

### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



PKO BP's capital is above 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
Santander Bank Polska	Poland	10,149	16.7	17.8	17.6	16.0	16.5	16.3
Pekao SA	Poland	7,867	17.1	17.4	17.0	17.4	17.1	17.3
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>PKO BP</b>	<b>Poland</b>	<b>14,156</b>	<b>17.8</b>	<b>17.4</b>	<b>18.4</b>	<b>18.9</b>	<b>18.4</b>	<b>18.6</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

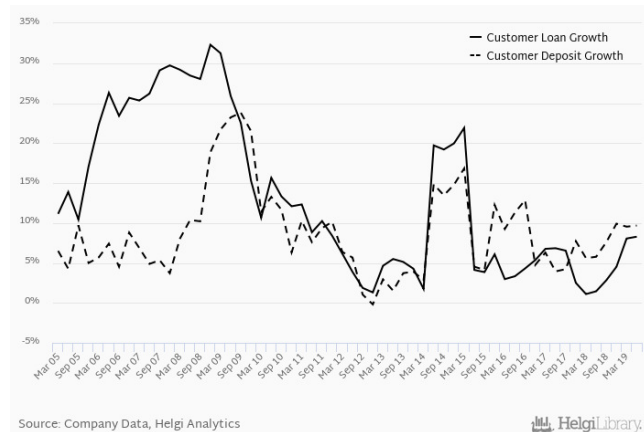


### 4.3 Loan Breakdown

PKO BP's loans reached PLN 224,794 mil in the second quarter of 2019, up 8.29% when compared to the same period of the previous year:

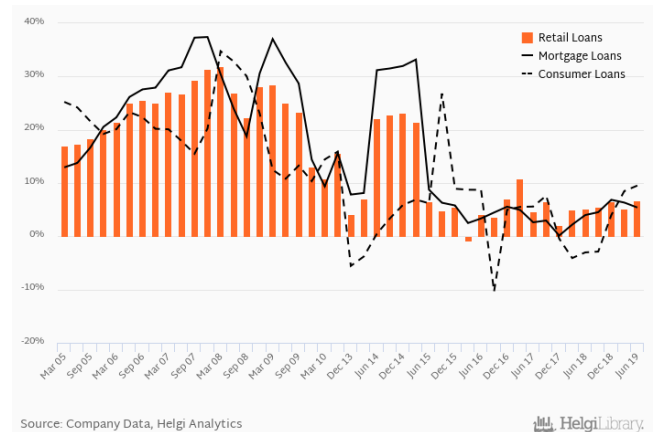
#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



#### Retail Loan Growth

Retail Loan Growth (%)

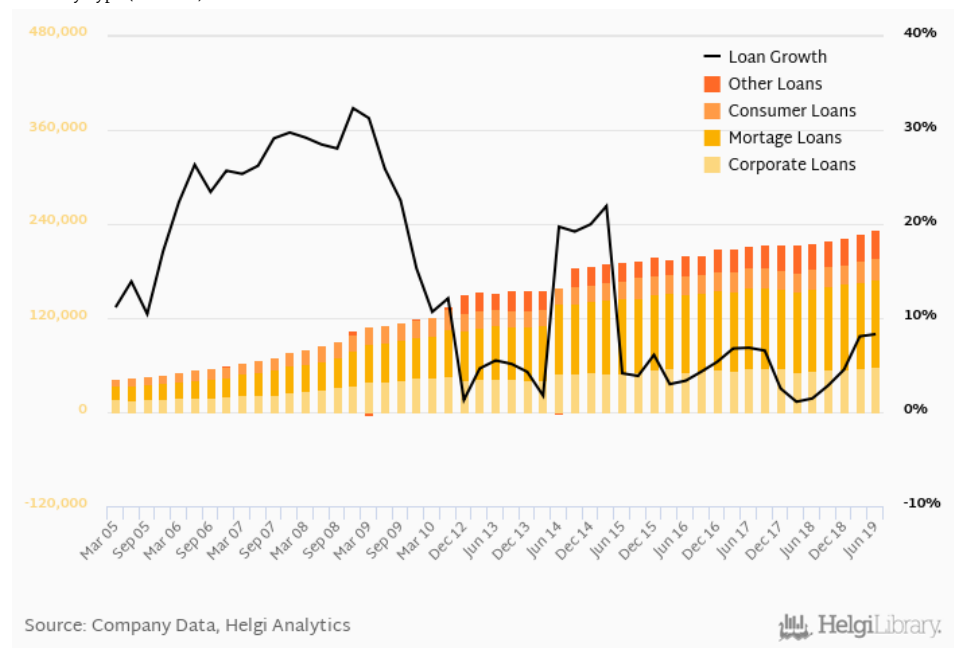


Retail loans grew 2.43% qoq and 6.66% yoy and accounted for 77.6% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 5.54% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 49.4% of the PKO BP's loan book, consumer loans added a further 12.1% and corporate loans formed 26.1% of total loans.

#### Loan Breakdown

Loans by Type (PLN mil)





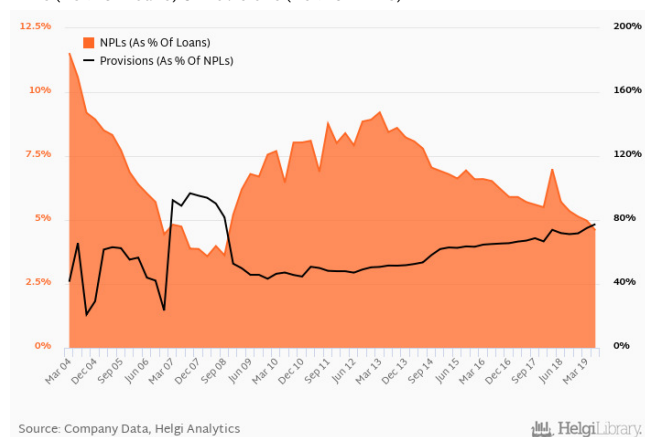
## 4.4 Asset Quality

PKO BP's non-performing loans were 4.60% of total loans, down from 4.98% when compared to the previous quarter. Historically, the NPL ratio hit a high of 11.5% in 1Q2004 and a low 3.58% in 1Q2008.

Provisions covered some 77.4% of NPLs at the end of the second quarter of 2019, up from 74.9% for the previous three months:

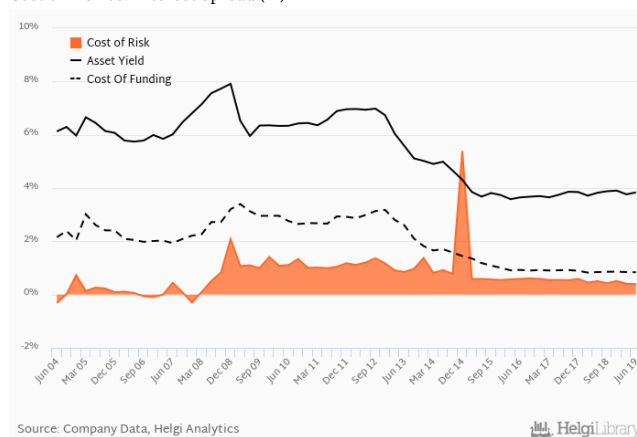
### Asset Quality

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



### Cost of Risk

Cost of Risk vs. Interest Spread (%)



PKO BP operated with an NPL ratio 0.666 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
Santander Bank Polska	Poland	10,149	4.90	4.80	4.60	4.10	4.30	4.30
Pekao SA	Poland	7,867	5.56	5.68	5.83	5.38	5.29	5.09
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
<b>PKO BP</b>	<b>Poland</b>	<b>14,156</b>	<b>6.98</b>	<b>5.71</b>	<b>5.35</b>	<b>5.13</b>	<b>4.98</b>	<b>4.60</b>
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

PKO BP's cost of risk reached 0.391% of average loans in the second quarter of 2019, down from 0.408% in the previous quarter and compared to 0.505% for the previous year on average.



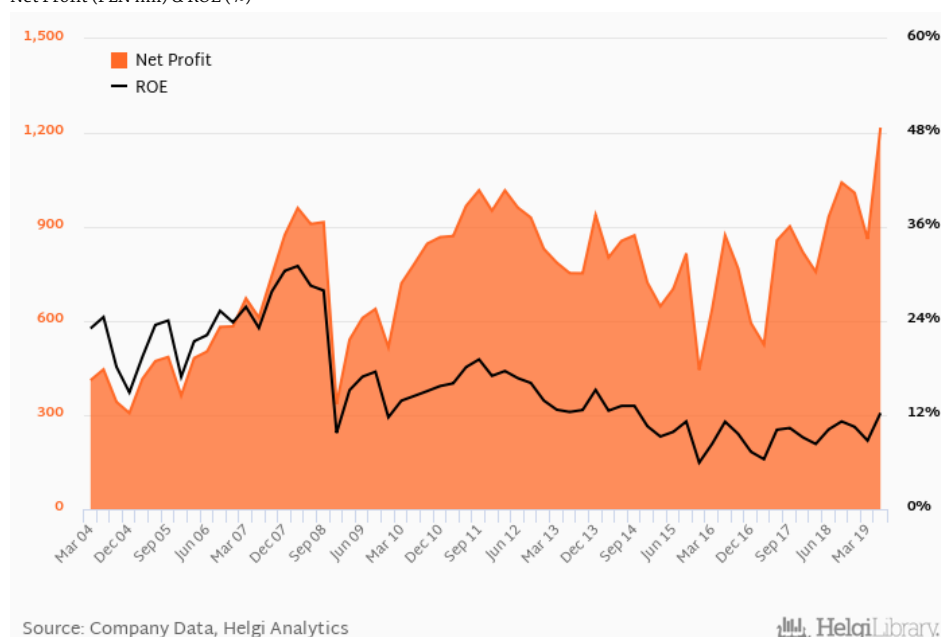
## 5 Profitability

Overall, PKO BP made a net profit of PLN 1,217 mil in the second quarter of 2019. This was up 30.4% when compared to the previous year resulting in a return on equity of 12.3%.

Historically, net profit reached a high of PLN 1,217 mil in 2Q2019 and a low of PLN 306 mil in 4Q2004.

### Profitability

Net Profit (PLN mil) & ROE (%)



The company generated an average return on equity of 9.51% for its shareholders in the previous three years with maximum at 12.3% and minimum at 6.37%.

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
Santander Bank Polska	Poland	10,149	7.49	10.9	8.34	12.5	5.24	9.26
Pekao SA	Poland	7,867	6.78	9.71	11.2	13.4	4.22	10.3
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
<b>PKO BP</b>	<b>Poland</b>	<b>14,156</b>	<b>8.32</b>	<b>10.2</b>	<b>11.2</b>	<b>10.5</b>	<b>8.75</b>	<b>12.3</b>
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, PKO BP generated a return of 1.49% in the second quarter of 2019 (ROA). That's 0.357 pp above average for the previous five years.

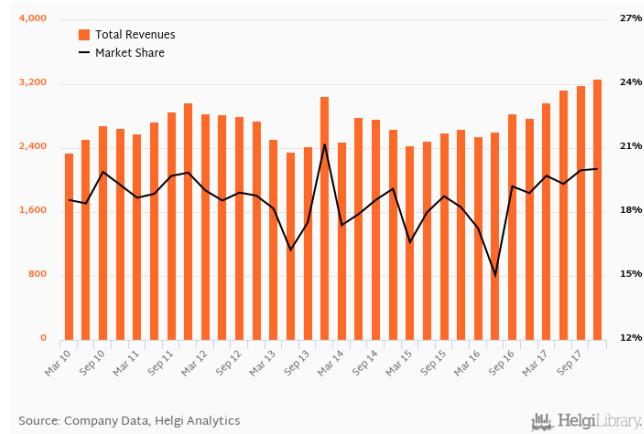


## 6 Market Share Development on the Polish Market

Based on latest available data, PKO BP accounted for 16.0% of all bank assets managed in Poland at the end of the fourth quarter of 2017.

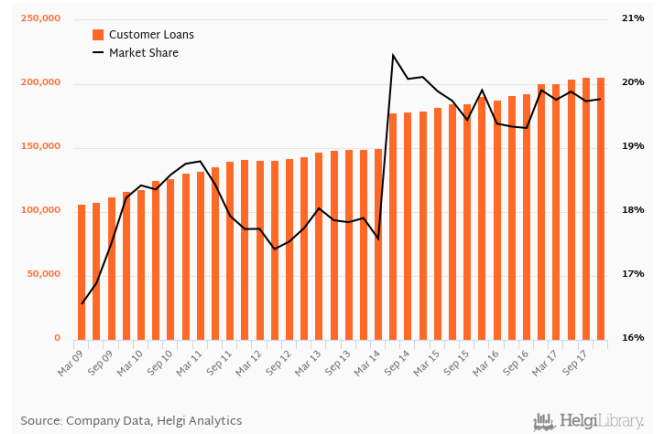
### Market Share in Bank Revenues

Total Revenues (PLN mil)



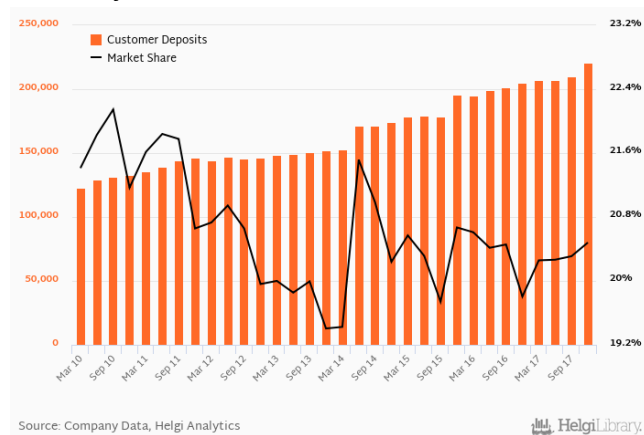
### Market Share in Bank Loans

Customer Loans (PLN mil)



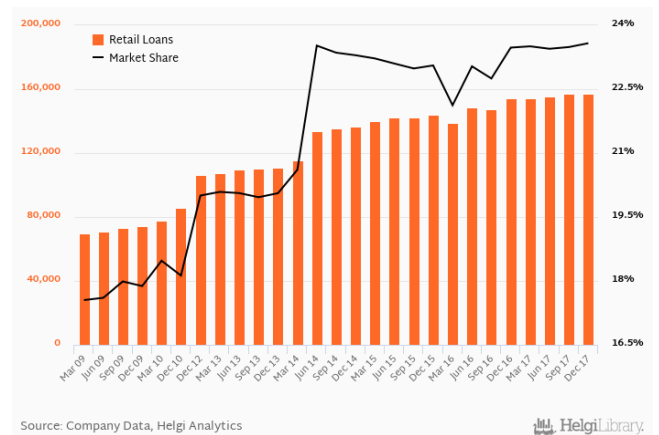
### Market Share in Bank Deposits

Customer Deposits (PLN mil)



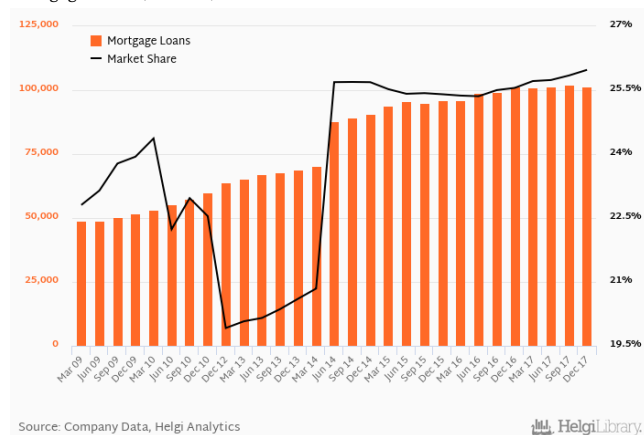
### Market Share in Retail Loans

Retail Loans (PLN mil)



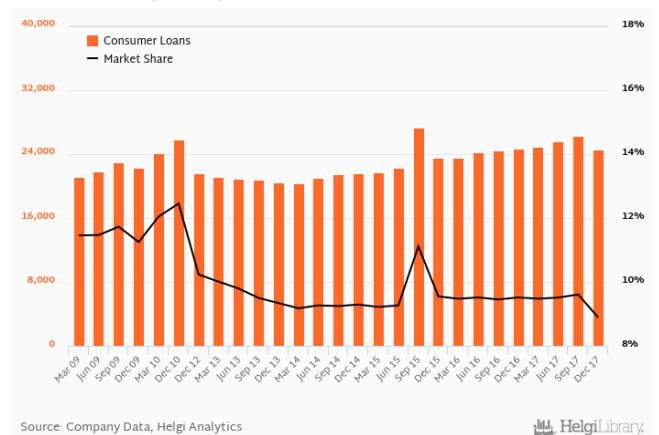
### Market Share in Mortgage Loans

Mortgage Loans (PLN mil)



### Market Share in Consumer Loans

Consumer Loans (PLN mil)



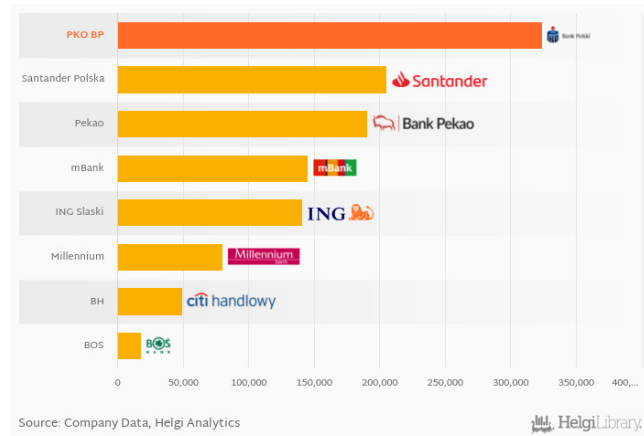


## 7 Market Share Position Within the Polish Market

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

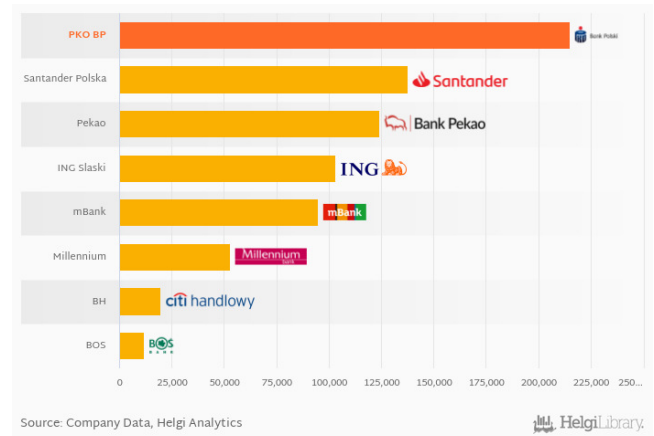
### What Banks in Poland Were the Largest in 2018?

Top Banks by Total Assets (PLN mil)



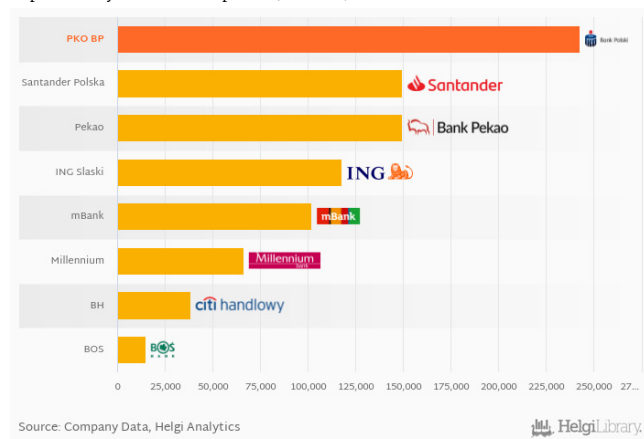
### What Banks in Poland Were the Largest Lenders in 2018?

Top Banks by Customer Loans (PLN mil)



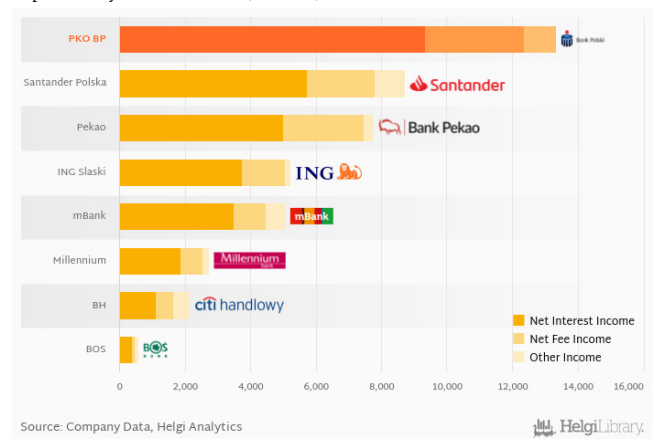
### What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



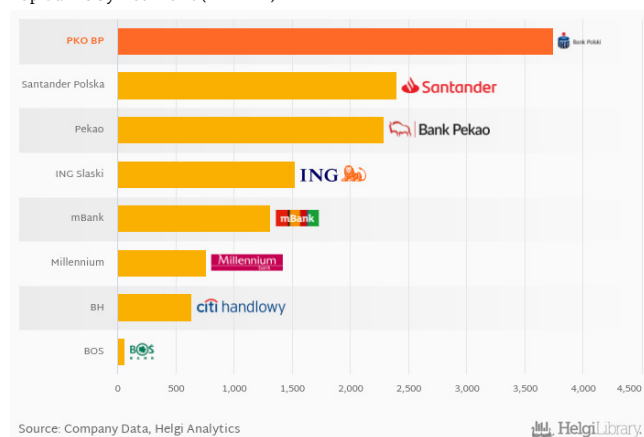
### What Banks in Poland Generated the Most Revenues in 2018?

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?

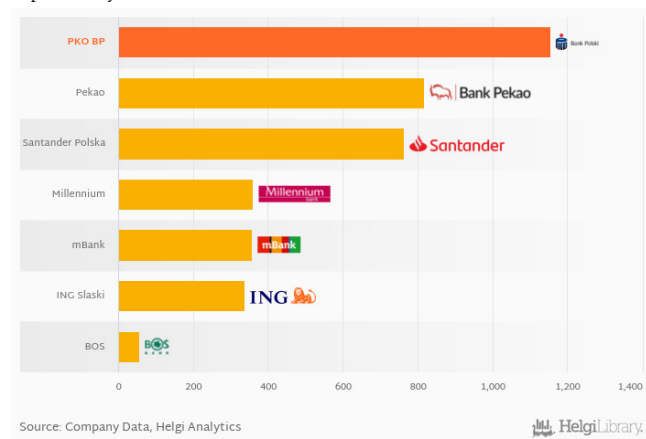
Top Banks by Number of Employees





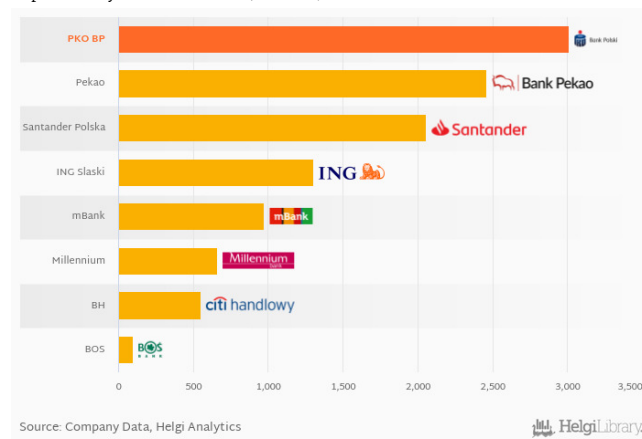
## What Banks in Poland Had the Most Branches in 2018?

Top Banks by Number of Branches



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

Top Banks by Net Fee Income (PLN mil)



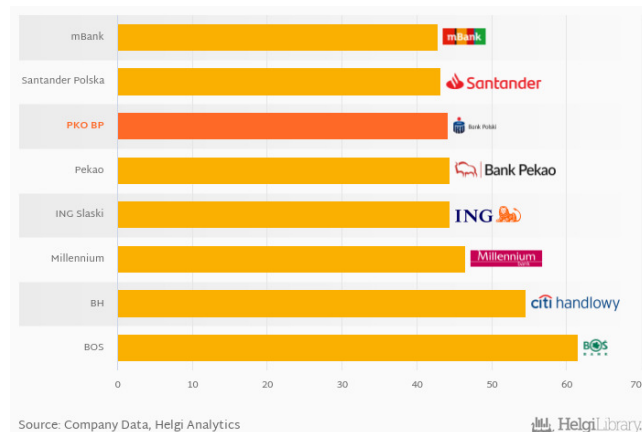


## 8 Relative Performance on the Polish Market

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

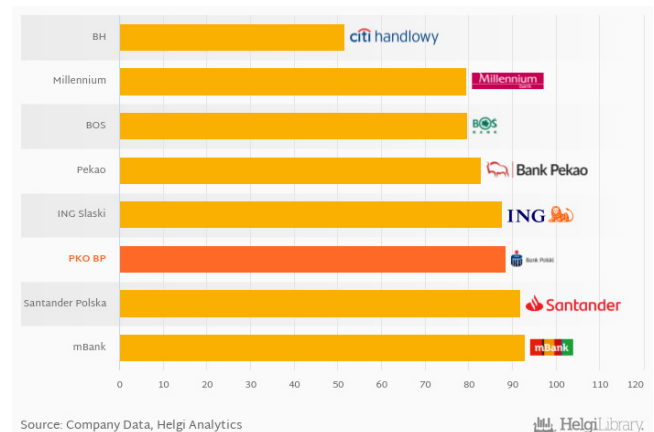
### What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



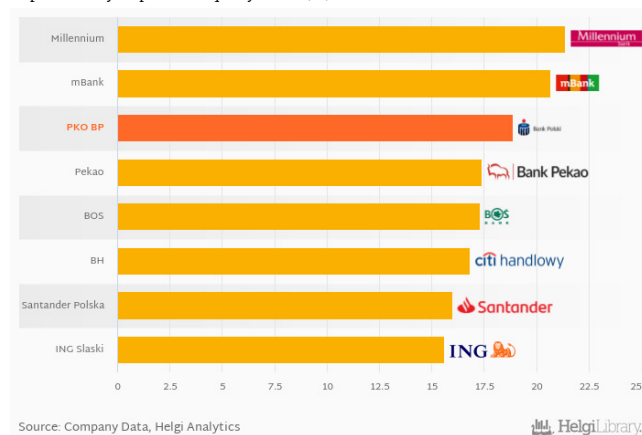
### What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



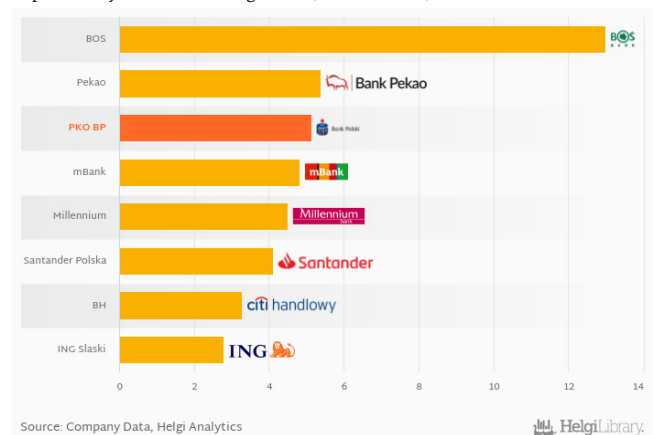
### What Banks in Poland Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



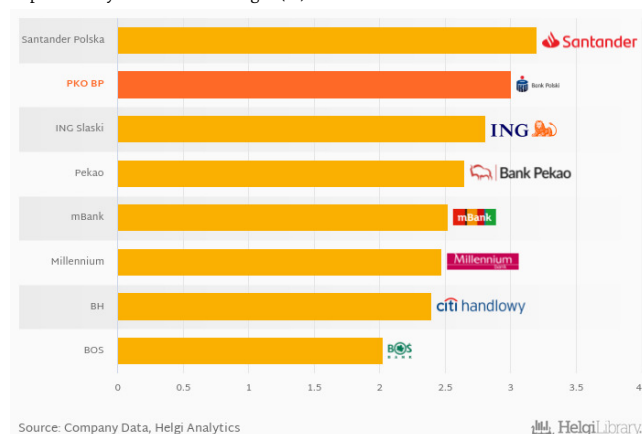
### What Banks in Poland Had the Most Bad Loans in 2018?

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	2,781	2,825	2,748	2,837	2,933	3,076	3,058	3,141
Interest Cost	PLN mil	584	576	536	550	567	596	603	603
Net Interest Income	PLN mil	2,197	2,249	2,212	2,287	2,366	2,480	2,455	2,538
Net Fee Income	PLN mil	766	760	737	745	760	771	746	760
Other Income	PLN mil	228	255	257	243	266	215	293	441
Total Revenues	PLN mil	3,191	3,264	3,206	3,275	3,392	3,466	3,494	3,739
Staff Cost	PLN mil	745	747	751	769	773	730	771	798
Depreciation	PLN mil	211	213	206	201	204	210	240	256
Operating Cost	PLN mil	1,372	1,474	1,575	1,434	1,441	1,447	1,685	1,442
Operating Profit	PLN mil	1,819	1,790	1,631	1,841	1,951	2,019	1,809	2,297
Provisions	PLN mil	392	438	333	377	328	413	332	322
Extra and Other Cost	PLN mil	225	232	222	225	230	236	243	246
Pre-Tax Profit	PLN mil	1,202	1,120	1,076	1,239	1,393	1,370	1,234	1,729
Tax	PLN mil	300	299	320	306	348	362	373	511
Minorities	PLN mil	0	-1.00	1.00	0	-3.00	1.00	1.00	-1.00
Net Profit	PLN mil	902	820	757	933	1,042	1,009	862	1,217
Dividends	PLN mil	0	0	0	0	0	0	0	0

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	%	11.4	11.3	8.11	8.18	7.69	10.3	11.0	11.0
Net Fee Income Growth	%	11.6	7.78	3.80	1.64	-0.783	1.45	1.22	2.01
Total Revenue Growth	%	12.5	17.7	7.76	4.63	6.30	6.19	8.98	14.2
Operating Cost Growth	%	-0.429	1.24	0.768	4.29	5.03	-1.83	6.98	0.558
Operating Profit Growth	%	24.7	35.9	15.5	4.90	7.26	12.8	10.9	24.8
Pre-Tax Profit Growth	%	16.4	37.4	36.2	8.97	15.9	22.3	14.7	39.5
Net Profit Growth	%	17.4	38.2	44.2	8.87	15.5	23.0	13.9	30.4

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	12,094	15,897	14,807	12,350	14,590	13,090	12,673	14,156
Number Of Shares (Average)	mil	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Share Price (End Of Period)	PLN	35.3	44.3	40.4	37.0	42.9	39.5	38.6	42.8
Earnings Per Share (EPS)	PLN	2.30	2.48	2.67	2.73	2.84	2.99	3.08	3.30
Book Value Per Share	PLN	28.3	29.0	29.2	29.4	30.2	31.3	31.8	31.7
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		15.3	17.8	15.2	13.6	15.1	13.2	12.5	13.0
Price/Book Value (P/BV)		1.25	1.53	1.38	1.26	1.42	1.26	1.21	1.35
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	5.59	8.00	20.9	24.4	23.4	20.5	15.3	21.0
Book Value Per Share Growth	%	9.35	11.3	9.66	7.09	6.71	7.85	8.67	7.74

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	16,880	17,810	16,268	9,973	13,372	22,925	15,420	12,901
Interbank Loans	PLN mil	3,651	5,233	3,764	4,973	8,226	7,661	6,207	3,267
Customer Loans	PLN mil	205,809	205,629	202,788	207,593	211,633	214,912	219,127	224,794
Retail Loans	PLN mil	157,100	157,400	161,952	163,621	165,796	167,847	170,380	174,526
Mortgage Loans	PLN mil	102,100	101,544	103,215	105,445	106,727	108,508	109,753	111,144
Consumer Loans	PLN mil	26,300	24,590	23,883	24,826	25,546	25,570	25,912	27,190
Corporate Loans	PLN mil	57,000	56,056	51,865	52,854	54,206	55,268	57,232	58,562
Debt Securities	PLN mil	52,079	59,271	2,315	2,724	1,885	2,565	2,918	3,226
Fixed Assets	PLN mil	6,203	6,157	6,035	5,930	5,924	6,126	6,824	7,592
Total Assets	PLN mil	289,961	296,912	295,095	298,667	306,082	324,255	325,833	328,992
Shareholders' Equity	PLN mil	35,340	36,256	36,557	36,776	37,713	39,101	39,728	39,624
Of Which Minority Interest	PLN mil	-12.0	-11.0	-12.0	-12.0	-9.00	-10.0	-11.0	-10.0
Liabilities	PLN mil	254,621	260,656	258,538	261,891	268,369	285,154	286,105	289,368
Interbank Loans	PLN mil	3,651	5,233	3,764	4,973	8,226	7,661	6,207	3,267
Customer Deposits	PLN mil	209,683	220,917	218,715	219,208	225,617	242,816	239,576	240,420
Retail Deposits	PLN mil	141,900	151,161	152,424	153,655	154,765	165,182	170,291	173,602
Corporate Deposits	PLN mil	67,783	52,667	50,197	49,287	52,209	55,302	49,515	49,106
Issued Debt Securities	PLN mil	26,229	25,652	28,974	30,809	30,920	31,358	32,495	32,384
Other Liabilities	PLN mil	7,606	11,646	8,978	9,779	9,903	8,972	11,244	13,498

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	11,984	11,743	14,932	12,369	11,762	11,450	11,326	10,722
Gross Loans	PLN mil	214,000	213,500	213,819	216,475	220,002	223,115	227,612	233,088
Total Provisions	PLN mil	8,221	7,823	11,029	8,882	8,369	8,204	8,488	8,300

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	2.50	1.10	1.45	2.83	4.51	8.06	8.29
Retail Loan Growth	%	6.65	2.14	5.10	5.22	5.54	6.64	5.20	6.66
Mortgage Loan Growth	%	2.96	0.142	2.19	3.99	4.53	6.86	6.33	5.40
Consumer Loan Growth	%	7.61	-0.445	-4.08	-3.02	-2.87	3.99	8.50	9.52
Corporate Loan Growth	%	8.24	2.86	-3.24	-7.76	-4.90	-1.41	10.3	10.8
Total Asset Growth	%	5.21	3.97	2.28	4.29	5.56	9.21	10.4	10.2
Shareholders' Equity Growth	%	9.35	11.3	9.66	7.09	6.71	7.85	8.67	7.74
Customer Deposit Growth	%	4.23	7.73	5.60	5.77	7.60	9.91	9.54	9.68
Retail Deposit Growth	%	4.96	7.97	6.66	7.98	9.07	9.28	11.7	13.0
Corporate Deposit Growth	%	2.73	-19.1	-21.8	-24.1	-23.0	5.00	-1.36	-0.367

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	%	17.2	15.0	19.2	18.9	19.7	19.3	20.0	20.0
Market Share in Net Profit	%	20.0	17.2	25.0	23.5	19.0	21.7	23.8	26.1
Market Share in Employees	%	16.9	16.9	17.1	17.4	17.4	17.3	17.2	17.3
Market Share in Branches	%	17.1	17.5	17.6	17.6	17.5	18.0	17.9	18.0
Market Share in Customer Loans	%	19.4	19.3	19.3	19.9	19.8	19.9	19.7	19.8
Market Share in Corporate Loans	%	16.9	15.3	15.2	15.8	15.2	15.9	15.5	15.3
Market Share in Retail Loans	%	22.1	23.0	22.8	23.5	23.5	23.4	23.5	23.6
Market Share in Consumer Loans	%	9.47	9.51	9.45	9.51	9.47	9.51	9.61	8.89
Market Share in Mortgage Loans	%	25.4	25.4	25.5	25.6	25.7	25.7	25.8	26.0
Market Share in Total Assets	%	15.6	15.6	15.7	16.0	15.9	15.7	15.8	16.0
Market Share in Customer Deposits	%	20.6	20.4	20.5	19.8	20.3	20.3	20.3	20.5
Market Share in Retail Deposits	%	21.2	21.1	21.2	21.1	21.4	21.4	21.3	22.1
Market Share in Corporate Deposits	%	25.8	25.2	25.4	22.8	24.5	24.7	25.2	17.8

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	%	10.4	9.16	8.32	10.2	11.2	10.5	8.75	12.3
ROA	%	1.25	1.12	1.02	1.26	1.38	1.28	1.06	1.49
Costs (As % Of Assets)	%	1.90	2.01	2.13	1.93	1.91	1.84	2.07	1.76
Costs (As % Of Income)	%	43.0	45.2	49.1	43.8	42.5	41.7	48.2	38.6
Capital Adequacy Ratio	%	17.7	17.4	17.8	17.4	18.4	18.9	18.4	18.6
Tier 1 Ratio	%	16.8	16.5	16.4	16.1	17.1	17.5	17.0	17.3
Net Interest Margin	%	3.05	3.07	2.99	3.08	3.13	3.15	3.02	3.10
Interest Spread	%	2.94	2.96	2.89	2.98	3.02	3.04	2.92	3.00
Asset Yield	%	3.86	3.85	3.71	3.82	3.88	3.90	3.76	3.84
Cost Of Liabilities	%	0.922	0.894	0.826	0.845	0.855	0.861	0.844	0.838
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	68.8	68.9	69.0	69.8	69.8	71.6	70.3	67.9
Fee Income (As % Of Revenues)	%	24.0	23.3	23.0	22.7	22.4	22.2	21.4	20.3
Other Income (As % Of Revenues)	%	7.15	7.81	8.02	7.42	7.84	6.20	8.39	11.8
Cost Per Employee	USD per month	2,374	2,454	2,540	2,511	2,467	2,323	2,403	2,539
Cost Per Employee (Local Currency)	PLN per month	8,740	8,754	8,761	8,986	9,152	8,735	9,217	9,481
Staff Cost (As % Of Total Cost)	%	54.3	50.7	47.7	53.6	53.6	50.4	45.8	55.3
Equity (As % Of Assets)	%	12.2	12.2	12.4	12.3	12.3	12.1	12.2	12.0
Loans (As % Of Deposits)	%	98.2	93.1	92.7	94.7	93.8	88.5	91.5	93.5
Loans (As % Assets)	%	71.0	69.3	68.7	69.5	69.1	66.3	67.3	68.3
NPLs (As % Of Loans)	%	5.60	5.50	6.98	5.71	5.35	5.13	4.98	4.60
Provisions (As % Of NPLs)	%	68.6	66.6	73.9	71.8	71.2	71.7	74.9	77.4
Provisions (As % Of Loans)	%	3.99	3.80	5.44	4.28	3.95	3.82	3.87	3.69
Cost of Provisions (As % Of Loans)	%	0.764	0.852	0.652	0.735	0.626	0.775	0.612	0.580

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	12,038	13,198	10,764	10,737	9,658	9,965	10,919	11,594
Interest Cost	PLN mil	4,429	5,109	4,042	3,215	2,629	2,210	2,313	2,249
Net Interest Income	PLN mil	7,609	8,089	6,722	7,523	7,029	7,755	8,606	9,345
Net Fee Income	PLN mil	3,101	2,917	3,006	2,934	2,851	2,693	2,969	3,013
Other Income	PLN mil	143	616	979	1,070	786	319	470	981
Total Revenues	PLN mil	10,853	11,622	10,707	11,527	10,665	10,767	12,045	13,339
Staff Cost	PLN mil	2,404	2,572	2,515	2,672	2,766	2,836	2,974	3,023
Depreciation	PLN mil	520	541	579	747	819	801	844	821
Operating Cost	PLN mil	4,411	4,683	4,625	5,593	5,998	5,590	5,784	5,897
Operating Profit	PLN mil	6,442	6,939	6,082	5,933	4,667	5,177	6,261	7,442
Provisions	PLN mil	1,930	2,325	2,038	1,899	1,476	1,623	1,620	1,451
Extra and Other Cost	PLN mil	-270	-19.0	0	0	0	-229	392	913
Pre-Tax Profit	PLN mil	4,781	4,633	4,044	4,035	3,191	3,783	4,249	5,078
Tax	PLN mil	976	895	816	792	589	907	1,140	1,336
Minorities	PLN mil	2.45	1.18	1.60	11.3	17.0	2.10	5.00	-1.00
Net Profit	PLN mil	3,807	3,739	3,230	3,243	2,610	2,874	3,104	3,741
Dividends	PLN mil	1,588	2,250	938	0	0	0	688	...

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	16.8	6.31	-16.9	11.9	-6.57	10.3	11.0	8.59
Net Fee Income Growth	%	-1.32	-5.96	3.06	-2.40	-2.83	-5.52	10.2	1.48
Total Revenue Growth	%	6.43	7.08	-7.87	7.66	-7.48	0.961	11.9	10.7
Operating Cost Growth	%	3.82	6.15	-1.24	20.9	7.24	-6.80	3.46	1.95
Operating Profit Growth	%	8.29	7.72	-12.3	-2.45	-21.3	10.9	20.9	18.9
Pre-Tax Profit Growth	%	17.2	-3.09	-12.7	-0.245	-20.9	18.6	12.3	19.5
Net Profit Growth	%	18.4	-1.80	-13.6	0.403	-19.5	10.1	8.00	20.5

Source: Company Data, Helgi Analytics

### Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	11,661	14,909	16,351	12,626	8,757	8,416	15,897	13,090
Number Of Shares (Average)	mil	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Share Price (End Of Period)	PLN	32.1	36.9	39.4	35.8	27.3	28.1	44.3	39.5
Earnings Per Share (EPS)	PLN	3.05	2.99	2.58	2.59	2.09	2.30	2.48	2.99
Book Value Per Share	PLN	18.3	19.5	20.1	22.1	24.2	26.1	29.0	31.3
Dividend Per Share	PLN	1.27	1.80	0.750	0	0	0	0.550	...
Price/Earnings (P/E)		10.5	12.3	15.3	13.8	13.1	12.2	17.8	13.2
Price/Book Value (P/BV)		1.76	1.89	1.96	1.62	1.13	1.08	1.53	1.26
Dividend Yield	%	3.96	4.88	1.90	0	0	0	1.24	...
Earnings Per Share Growth	%	18.4	-1.80	-13.6	0.403	-19.5	10.1	8.00	20.5
Book Value Per Share Growth	%	6.85	7.07	2.94	9.78	9.59	7.61	11.3	7.85

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	9,142	10,290	7,246	11,738	13,744	13,325	17,810	22,925
Interbank Loans	PLN mil	2,396	3,392	1,893	2,487	4,553	5,345	5,233	7,661
Customer Loans	PLN mil	141,634	143,483	149,623	179,497	190,414	200,606	205,628	214,912
Retail Loans	PLN mil	95,493	93,901	97,304	112,413	144,006	154,100	157,400	167,847
Mortgage Loans	PLN mil	71,156	72,134	76,632	90,769	96,061	101,400	101,500	108,508
Consumer Loans	PLN mil	24,337	21,768	20,672	21,645	23,529	24,700	26,300	59,339
Corporate Loans	PLN mil	45,481	47,022	47,970	50,661	54,668	54,500	56,100	55,268
Debt Securities	PLN mil	36,838	33,744	38,120	46,603	49,416	54,691	57,066	2,565
Fixed Assets	PLN mil	4,341	4,585	4,841	6,033	6,053	6,508	6,157	6,126
Total Assets	PLN mil	190,748	193,151	199,231	248,701	266,940	285,573	296,912	324,255
Shareholders' Equity	PLN mil	22,822	24,436	25,154	27,616	30,265	32,569	36,256	39,101
Of Which Minority Interest	PLN mil	1.29	-0.338	1.51	-10.0	-18.4	-16.2	-11.0	-10.0
Liabilities	PLN mil	167,926	168,714	174,077	221,085	236,675	253,004	260,656	285,154
Interbank Loans	PLN mil	2,396	3,392	1,893	2,487	4,553	5,345	5,233	7,661
Customer Deposits	PLN mil	146,474	146,194	151,904	174,387	195,758	205,066	218,800	242,816
Retail Deposits	PLN mil	104,183	110,866	116,538	122,300	128,300	140,000	151,161	165,182
Corporate Deposits	PLN mil	38,469	31,868	30,854	52,087	67,459	65,066	52,667	55,302
Issued Debt Securities	PLN mil	9,386	11,902	12,167	21,294	16,557	17,032	25,652	31,358
Other Liabilities	PLN mil	3,178	2,917	2,926	6,009	6,067	11,697	11,646	8,972

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	11,797	13,446	12,861	12,977	13,101	12,307	11,743	11,450
Gross Loans	PLN mil	147,293	150,652	156,274	187,520	198,701	208,600	213,500	223,115
Total Provisions	PLN mil	5,658	6,776	6,651	8,022	8,287	8,061	7,823	8,204

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	8.39	1.31	4.28	20.0	6.08	5.35	2.50	4.51
Retail Loan Growth	%	8.12	-1.67	3.62	15.5	28.1	7.01	2.14	6.64
Mortgage Loan Growth	%	13.5	1.37	6.24	18.4	5.83	5.56	0.099	6.90
Consumer Loan Growth	%	-5.09	-10.6	-5.03	4.70	8.71	4.98	6.48	126
Corporate Loan Growth	%	-3.64	3.39	2.02	5.61	7.91	-0.308	2.94	-1.48
Total Asset Growth	%	12.4	1.26	3.15	24.8	7.33	6.98	3.97	9.21
Shareholders' Equity Growth	%	6.85	7.07	2.94	9.78	9.59	7.61	11.3	7.85
Customer Deposit Growth	%	10.1	-0.191	3.91	14.8	12.3	4.75	6.70	11.0
Retail Deposit Growth	%	9.54	6.41	5.12	4.94	4.91	9.12	7.97	9.28
Corporate Deposit Growth	%	20.9	-17.2	-3.18	68.8	29.5	-3.55	-19.1	5.00

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	%	17.2	15.0	19.2	18.9	19.7	19.3	20.0	20.0
Market Share in Net Profit	%	20.0	17.2	25.0	23.5	19.0	21.7	23.8	26.1
Market Share in Employees	%	16.9	16.9	17.1	17.4	17.4	17.3	17.2	17.3
Market Share in Branches	%	17.1	17.5	17.6	17.6	17.5	18.0	17.9	18.0
Market Share in Customer Loans	%	19.4	19.3	19.3	19.9	19.8	19.9	19.7	19.8
Market Share in Corporate Loans	%	16.9	15.3	15.2	15.8	15.2	15.9	15.5	15.3
Market Share in Retail Loans	%	22.1	23.0	22.8	23.5	23.5	23.4	23.5	23.6
Market Share in Consumer Loans	%	9.47	9.51	9.45	9.51	9.47	9.51	9.61	8.89
Market Share in Mortgage Loans	%	25.4	25.4	25.5	25.6	25.7	25.7	25.8	26.0
Market Share in Total Assets	%	15.6	15.6	15.7	16.0	15.9	15.7	15.8	16.0
Market Share in Customer Deposits	%	20.6	20.4	20.5	19.8	20.3	20.3	20.3	20.5
Market Share in Retail Deposits	%	21.2	21.1	21.2	21.1	21.4	21.4	21.3	22.1
Market Share in Corporate Deposits	%	25.8	25.2	25.4	22.8	24.5	24.7	25.2	17.8

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	17.2	15.8	13.0	12.3	9.02	9.15	9.02	9.93
ROA	%	2.11	1.95	1.65	1.45	1.01	1.04	1.07	1.20
Costs (As % Of Assets)	%	2.45	2.44	2.36	2.50	2.33	2.02	1.99	1.90
Costs (As % Of Income)	%	40.6	40.3	43.2	48.5	56.2	51.9	48.0	44.2
Capital Adequacy Ratio	%	12.4	13.1	13.6	13.0	14.6	15.8	17.4	18.9
Tier 1 Ratio	%	11.2	12.0	11.8	11.7	13.3	14.5	16.5	17.5
Net Interest Margin	%	4.22	4.21	3.43	3.36	2.73	2.81	2.95	3.01
Interest Spread	%	3.88	3.84	3.13	3.17	2.60	2.70	2.85	2.91
Asset Yield	%	6.68	6.88	5.49	4.79	3.75	3.61	3.75	3.73
Cost Of Liabilities	%	2.80	3.04	2.36	1.63	1.15	0.902	0.901	0.824
Payout Ratio	%	41.7	60.2	29.0	0	0	0	22.1	...
Interest Income (As % Of Revenues)	%	70.1	69.6	62.8	65.3	65.9	72.0	71.4	70.1
Fee Income (As % Of Revenues)	%	28.6	25.1	28.1	25.4	26.7	25.0	24.6	22.6
Other Income (As % Of Revenues)	%	1.31	5.30	9.15	9.28	7.37	2.96	3.90	7.35
Cost Per Employee	USD per month	2,336	2,307	2,421	2,341	2,121	1,987	2,274	2,405
Cost Per Employee (Local Currency)	PLN per month	6,925	7,506	7,652	7,671	7,890	8,027	8,713	9,044
Staff Cost (As % Of Total Cost)	%	54.5	54.9	54.4	47.8	46.1	50.7	51.4	51.3
Equity (As % Of Assets)	%	12.0	12.7	12.6	11.1	11.3	11.4	12.2	12.1
Loans (As % Of Deposits)	%	96.7	98.1	98.5	103	97.3	97.8	94.0	88.5
Loans (As % Assets)	%	74.3	74.3	75.1	72.2	71.3	70.2	69.3	66.3
NPLs (As % Of Loans)	%	8.01	8.93	8.23	6.92	6.59	5.90	5.50	5.13
Provisions (As % Of NPLs)	%	48.0	50.4	51.7	61.8	63.3	65.5	66.6	71.7
Provisions (As % Of Loans)	%	3.99	4.72	4.45	4.47	4.35	4.02	3.80	3.82
Cost of Provisions (As % Of Loans)	%	1.42	1.63	1.39	1.15	0.798	0.830	0.798	0.690

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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