

mBank

Quarterly Results - 2Q2019

mBank made a net profit of PLN 332 mil in the second quarter of 2019, up 13.1% when compared to the previous year. Total revenues increased 9.37% yoy to PLN 1,329 mil, ROE amounted to 8.56% and the NPL ratio stood at 4.79%. mBank stock appreciated by 0.188% in the second quarter of 2019 to PLN 426 per share and the stock traded at a 12-month trailing PE of 4.08x and PBV of 1.15x based on the closing price at the end of the quarter.

- ✓ Revenues increased 9.37% yoy to PLN 1,329 mil in the second quarter of 2019. Interest income formed 75.1% of total revenues with the net interest margin increasing 0.13 pp to 2.63% of total assets. Fees added a further 17.0% to total revenue generated in 2Q2019, down from an average of 19.4% as seen in the previous two years.
- ✓ Operating costs grew by 5.6% yoy to PLN 537 mil, so cost to income ratio reached 40.4%, down by 9.96% compared to the previous two years. Staff accounted for 47.4% of total operating expenditures. At the end of second quarter of 2019, mBank operated a network of 371 branches and 6,677 employees.
- ✓ Loans and deposits grew by 2.76% and 2.5% qoq respectively, so loan to deposit ratio reached 91.0% at the end of 2Q2019. That's down from 91.6% the previous year. Equity reached 10.3% of assets and capital adequacy ratio amounted to 19.7% at the end of the second quarter of 2019.
- ✓ NPLs were 4.79% of total loans at the end of the quarter. Provisions covered 65.0% of non-performing loans
- ✓ mBank stock traded at PLN 426 per share at the end of second quarter of 2019 implying a market capitalization of USD 4,770 mil. This put stock at a 12-month trailing price to earnings of 4.08x and price to book value of 1.15x as of the end of 2Q2019.

Sector:
Banking

Country:
Poland

Share Price:
PLN 426

Market Capitalization:
USD 4,770 mil

Shares Outstanding:
42.3 mil

Employees:
6,677

Clients:
5.58 mil

Branches:
371

Capital Adequacy Ratio:
19.7%

NPL Ratio:
4.79%

Provision Coverage:
65.0%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil	PLN	%			%	PLN	%
2Q2019	1,329	332	26.1	-15.5	4.08	1.15	8.56	0	0
2018	5,059	1,316	31.1	20.5	13.6	1.18	8.92	0	0
2017	4,454	1,092	25.8	-10.5	18.4	1.41	7.98	0	0
2016	4,295	1,219	28.8	-6.39	11.5	1.08	9.63	0	0
2015	4,279	1,301	30.8	0.979	10.5	1.11	11.1	0	0

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

Data tells a story



1 Company Overview

mBank (formerly known as BRE Bank) is a Poland-based commercial bank. The Bank's customer base includes 5.6 mil retail customers and 25 thousand corporations. The bank was established in 1986 as a small specialised bank, but the bank's business profile changed substantially in late 2000 when BRE Bank launched its retail banking arm: mBank, the first Internet bank in Poland for mass clients and micro-enterprises. The domestic success of mBank meant that in 2007, the retail banking arm expanded abroad: mBank outlets were set up in the Czech Republic and Slovakia. Apart from offering the traditional banking services, mBank offers a wide range of other services such as leasing, factoring, brokerage and insurance

mBank has been growing its revenues and asset by 5.76% and 6.54% a year on average in the last 10 years. Its loans and deposits have grown by 6.23% and 11.0% a year during that time and loans to deposits ratio reached 91.0% at the end of 2Q2019. The company achieved an average return on equity of 12.2% in the last decade with net profit growing nan% a year on average. In terms of operating efficiency, its cost to income ratio reached 40.4% in 2Q2019, compared to 48.6% average in the last decade.

Equity represented 10.3% of total assets or 15.6% of loans at the end of 2Q2019. mBank's non-performing loans were 4.79% of total loans while provisions covered some 65.0% of NPLs at the end of the second quarter of 2019.

mBank stock traded at PLN 426 per share at the end of 2Q2019 resulting in a market capitalization of USD 4,770 mil. Over the previous five years, stock price fell by 15.6% or 3.35% a year on average. That's compared to an average ROE of 9.35% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 4.08x and price to book value (PBV) of 1.15x 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	797	825	816	854	902	923	930	998
Total Revenues	PLN mil	1,149	1,142	1,382	1,215	1,217	1,244	1,261	1,329
Operating Profit	PLN mil	664	647	781	707	686	721	546	792
Net Profit	PLN mil	291	312	413	293	291	320	164	332
Customer Loans	PLN mil	85,532	84,476	85,663	89,601	91,349	94,766	97,723	100,421
Total Assets	PLN mil	132,478	131,424	133,640	140,018	146,656	145,750	150,819	152,433
Shareholders' Equity	PLN mil	13,968	14,292	14,486	14,521	14,803	15,216	15,313	15,681
Interbank Borrowing	PLN mil	8,452	5,073	4,475	4,549	3,887	3,078	2,474	2,975
Customer Deposits	PLN mil	90,678	91,496	94,309	97,794	102,425	102,009	107,648	110,341
Issued Debt Securities	PLN mil	16,904	17,576	17,472	20,135	22,232	21,505	21,905	20,125

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	8.43	8.82	11.5	8.09	7.94	8.51	4.30	8.56
Costs (As % Of Income)	%	42.3	43.3	43.5	41.9	43.7	42.0	56.7	40.4
Net Interest Margin	%	2.43	2.50	2.46	2.50	2.52	2.53	2.51	2.63
Equity (As % Of Assets)	%	10.5	10.9	10.8	10.4	10.1	10.4	10.2	10.3
Loans (As % Of Deposits)	%	94.3	92.3	90.8	91.6	89.2	92.9	90.8	91.0
Loans (As % Assets)	%	64.6	64.3	64.1	64.0	62.3	65.0	64.8	65.9
NPLs (As % Of Loans)	%	5.18	5.15	5.25	5.15	5.18	4.82	4.80	4.79
Provisions (As % Of NPLs)	%	64.5	64.6	61.2	64.0	65.2	64.5	64.7	65.0

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	4,846	5,769	5,191	4,518	5,155	4,765	4,731	4,770
Share Price (End Of Period)	PLN	418	475	419	400	448	424	425	426
Price/Earnings (P/E)		16.5	18.4	13.8	12.9	14.5	13.6	16.9	4.08
Price/Book Value (P/BV)		1.27	1.41	1.22	1.16	1.28	1.18	1.18	1.15

Source: Company Data, Helgi Analytics

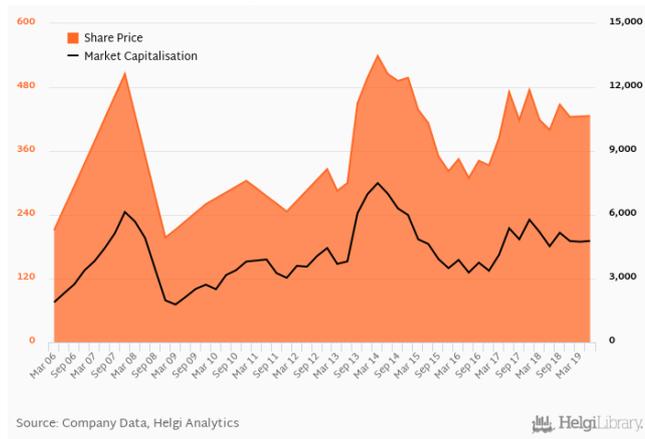


2 Valuation

mBank stock traded at PLN 426 per share at the end of 2Q2019 resulting in a market capitalization of USD 4,770 mil. Over the previous quarter, stock appreciated by 0.188%. Over the previous three years, stock price rose by 37.8% or 11.3% a year on average. That's compared to an average ROE of 8.56% the bank generated for its shareholders:

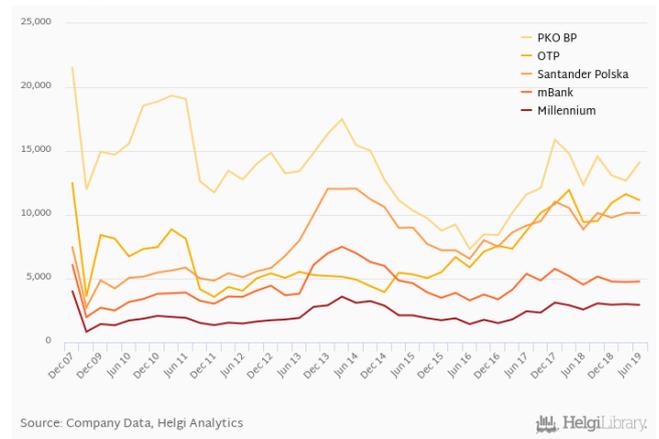
Share Price & Market Capitalization

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



Market Capitalization Peers Comparison

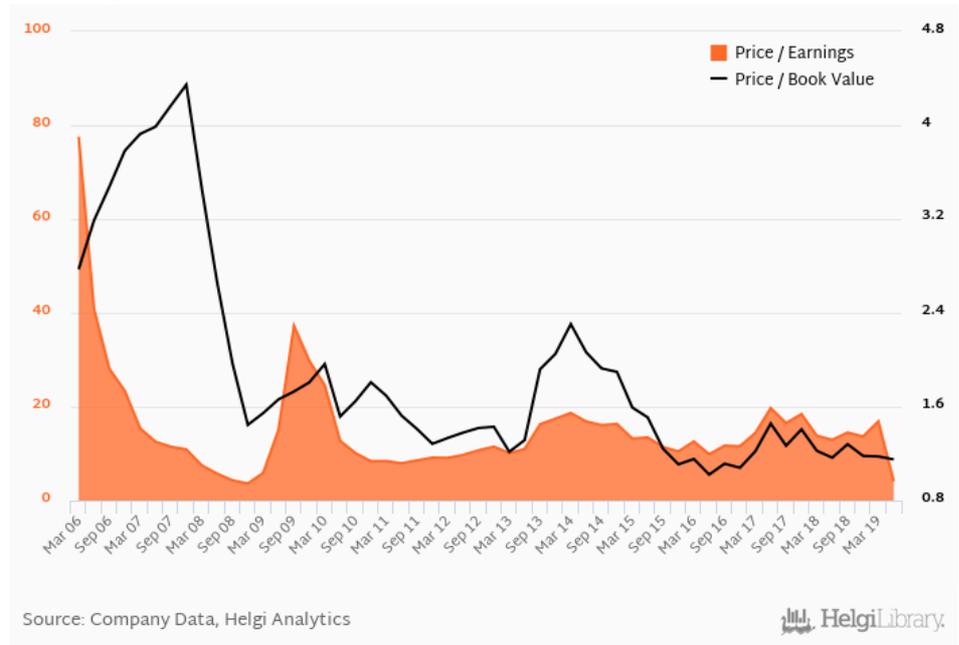
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 4.08x and price to book value (PBV) of 1.15x 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 19.7x in 2Q2017 and a low of 4.08x in 2Q2019 with an average of 13.6x.

When compared to selected peers, mBank traded at a 64.5% discount below average at



the end of the second quarter of 2019.

Regarding price to book value, stock was trading at 1.15x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 1.93x in 3Q2014 and a low of 1.02x in 2Q2016 with an average of 1.31x.

In comparison to its peers, mBank traded at -13.2% discount on a trailing basis at the end of the second quarter of 2019.

The detailed comparison of mBank'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	
mBank	Poland	4,770	8.51	4.30	8.56	13.6	16.9	4.08	1.18	1.18	1.15	
Weighted Average			12.8	9.19	12.1	11.6	12.4	11.5	1.29	1.33	1.32	
Median			12.3	8.28	10.8	13.4	13.7	12.0	1.35	1.39	1.41	

MBANK'S PREMIUM/DISCOUNT TO:											
Weighted Average			-33.3%	-53.2%	-29.5%	17.2%	35.8%	-64.5%	-8.26%	-11.8%	-13.2%
Median			-30.8%	-48.1%	-20.5%	1.69%	22.9%	-66.1%	-12.5%	-15.6%	-18.7%

Source: Company Data, Helgi Analytics

mBank - 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	4,846	5,769	5,191	4,518	5,155	4,765	4,731	4,770
Number Of Shares (Average)	mil	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3
Share Price (End Of Period)	PLN	418	475	419	400	448	424	425	426
Earnings Per Share (EPS)	PLN	25.3	25.8	30.4	30.9	30.9	31.1	25.2	26.1
Book Value Per Share	PLN	330	338	342	343	350	359	362	370
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		16.5	18.4	13.8	12.9	14.5	13.6	16.9	4.08
Price/Book Value (P/BV)		1.27	1.41	1.22	1.16	1.28	1.18	1.18	1.15
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-13.3	-10.5	13.6	29.3	22.0	20.5	-17.0	-15.5
Book Value Per Share Growth	%	7.60	9.42	8.53	6.08	5.93	6.41	5.65	7.93

Source: Company Data, Helgi Analytics



3 Revenues & Costs

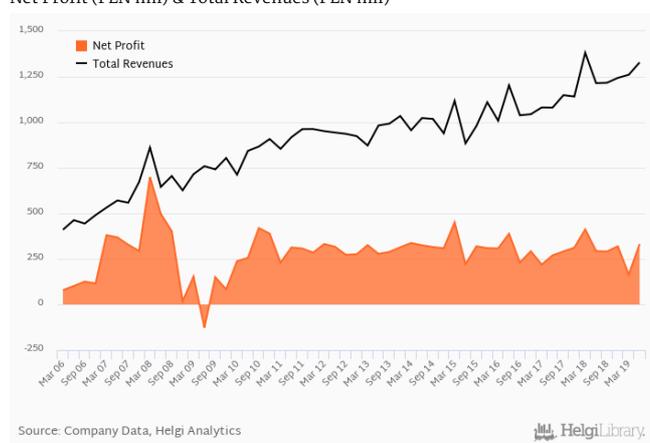
3.1 Revenues

mBank generated total operating revenues of PLN 1,329 mil in the second quarter of 2019, up 9.37% compared to the same period of the previous year. Net interest income represented 75.1% of revenues, fee income contributed 17.0% and other non-interest income added further 7.94% to the overall revenue generated.

Over the previous three years, revenues rose by 3.38% a year on average.

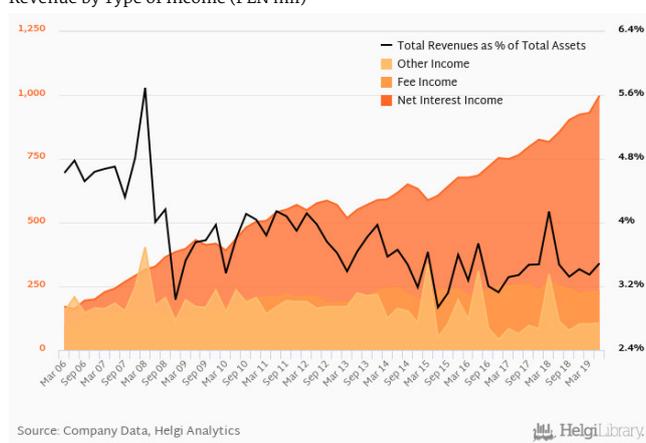
Revenue & Profitability

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



Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 2.63% in the second quarter of 2019, up from the 2.50% of the previous year. Historically, mBank’s net interest margin reached a high of 2.63% in 2Q2019 and a low of 1.73% in 2Q2006.

Average asset yield was 3.33% in the second quarter of 2019 (up from 3.22%) while cost of funding amounted to 0.781% in 2Q2019 (down from 0.812%).

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
mBank	Poland	4,770	2.50	2.46	2.50	2.52	2.53	2.51	2.63
Weighted Average			2.95	2.87	2.86	2.90	2.99	2.81	2.82
Median			2.77	2.66	2.68	2.77	2.75	2.66	2.74

Source: Company Data, Helgi Analytics



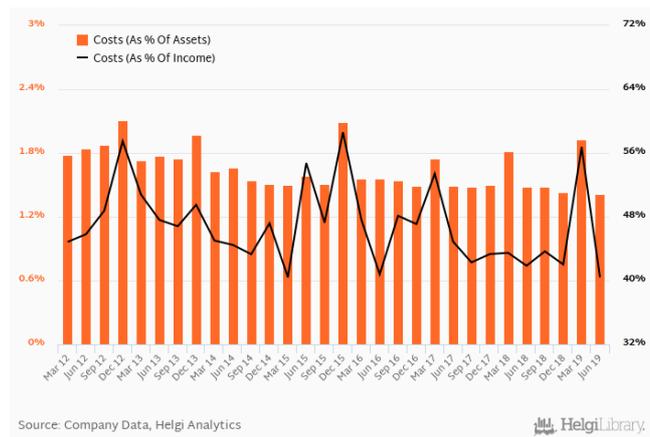
3.2 Costs

Operating costs increased by 5.6% yoy to PLN 537 mil in the second quarter of 2019. mBank’s cost to income ratio therefore reached 40.4%, down from 41.9% when compared to the previous year.

Historically, operating costs reached a high of 80.6% of income in 4Q2008 and a low of 40.4% in 2Q2019:

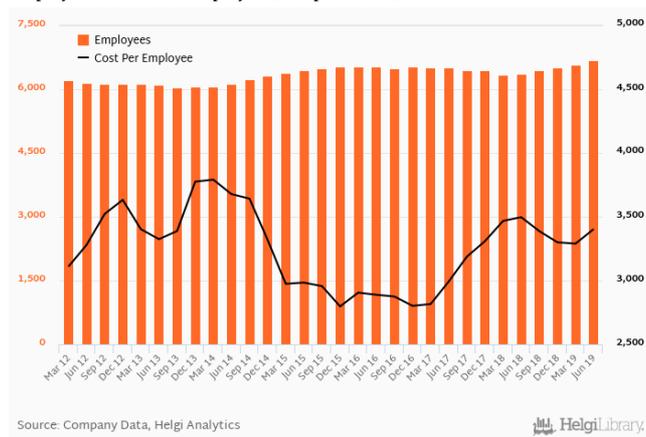
Cost Efficiency

Costs As % Of Assets & Income



Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, mBank operated with a 6.61 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
mBank	Poland	4,770	43.5	41.9	43.7	42.0	56.7	40.4
Weighted Average			55.1	48.8	48.8	48.9	56.4	47.0
Median			51.5	45.2	44.4	43.8	53.9	44.0

Source: Company Data, Helgi Analytics

When compared to total assets, operating costs amounted to 1.42% in 2Q2019 down from 1.49% the previous year.

mBank had 6,677 employees in the second quarter of 2019, up by 5.02% when compared to the previous year. The company operated a network of 371 branches in 2Q2019.

The average cost per employee stood at USD 3,403 per month, 2.68% below the



previous year. This figure was USD 3,678 per month five years earlier.

Staff accounted for 47.4% of total operating expenditures in 2Q2019.

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

Source: Company Data, Helgi Analytics



4 Balance Sheet Growth, Capital, Funding & Asset Quality

4.1 Balance Sheet Growth

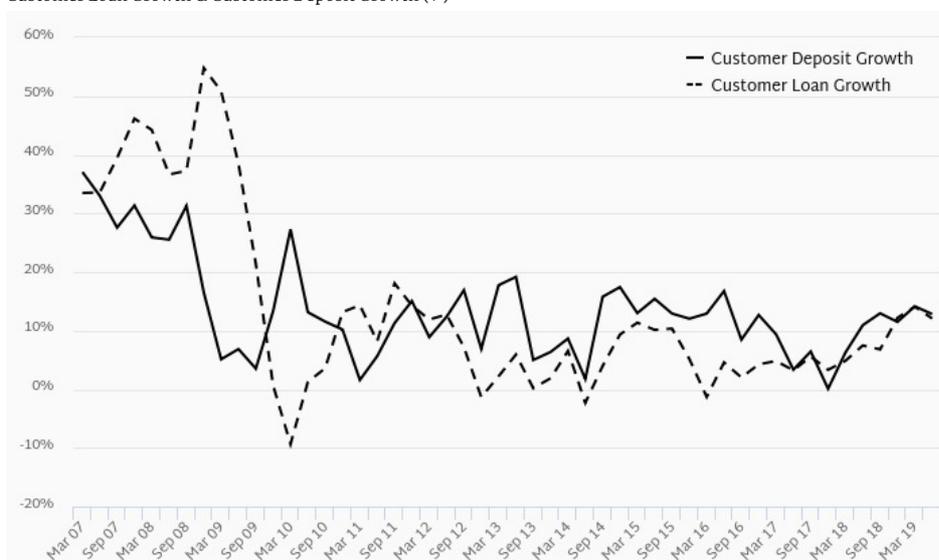
mBank's customer loans grew 2.76% qoq and 12.1% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 2.50% qoq and 12.8% yoy. That's compared to average of 6.72% and 9.08% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 7.53% while deposit growth reached 8.96% on average a year.

At the end of second quarter of 2019, mBank's loans accounted for 91.0% of total deposits and 65.9% of total assets.

Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Source: Company Data, Helgi Analytics



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
Komerčni 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
mBank	Poland	4,770	90.8	91.6	89.2	92.9	90.8	91.0
Weighted Average			84.8	85.7	85.8	84.3	85.1	85.8
Median			86.6	87.9	89.3	85.3	86.6	88.4

Source: Company Data, Helgi Analytics

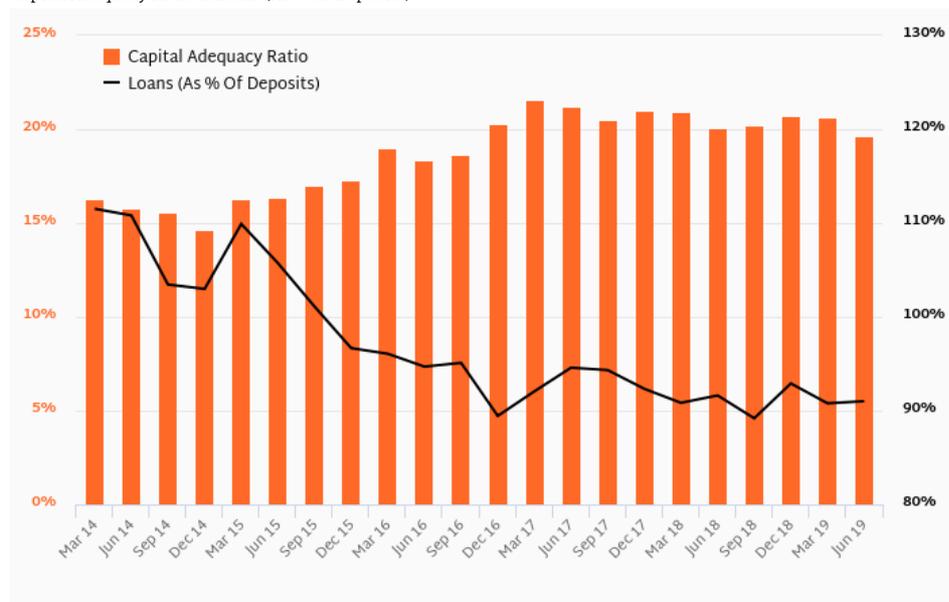


4.2 Capital & Liquidity

mBank's capital adequacy ratio reached 19.7% in the second quarter of 2019, down from 20.1% for the previous year. The Tier 1 ratio amounted to 16.7% at the end of the second quarter of 2019:

Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Source: Company Data, Helgi Analytics



mBank'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
Komerčni 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
mBank	Poland	4,770	20.9	20.1	20.2	20.7	20.6	19.7
Weighted Average			17.8	17.5	17.6	18.0	18.0	17.8
Median			17.5	17.4	17.4	18.2	17.6	17.9

Source: Company Data, Helgi Analytics

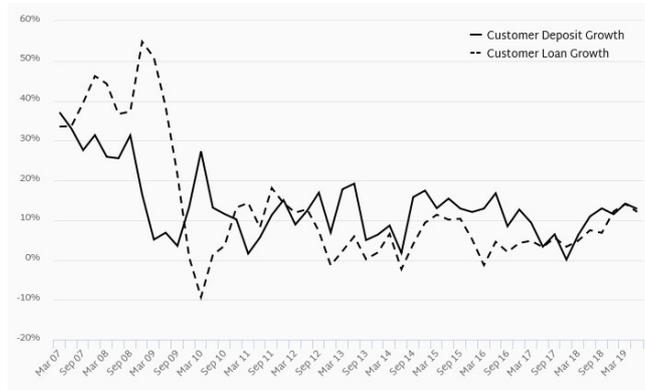


4.3 Loan Breakdown

mBank's loans reached PLN 100,421 mil in the second quarter of 2019, up 12.1% when compared to the same period of the previous year:

Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)

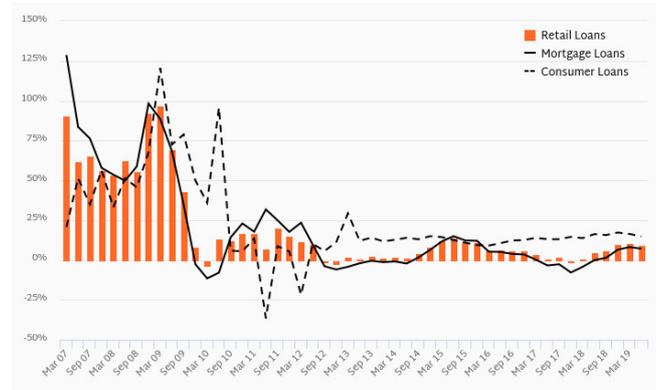


Source: Company Data, Helgi Analytics



Retail Loan Growth

Retail Loan Growth (%)



Source: Company Data, Helgi Analytics

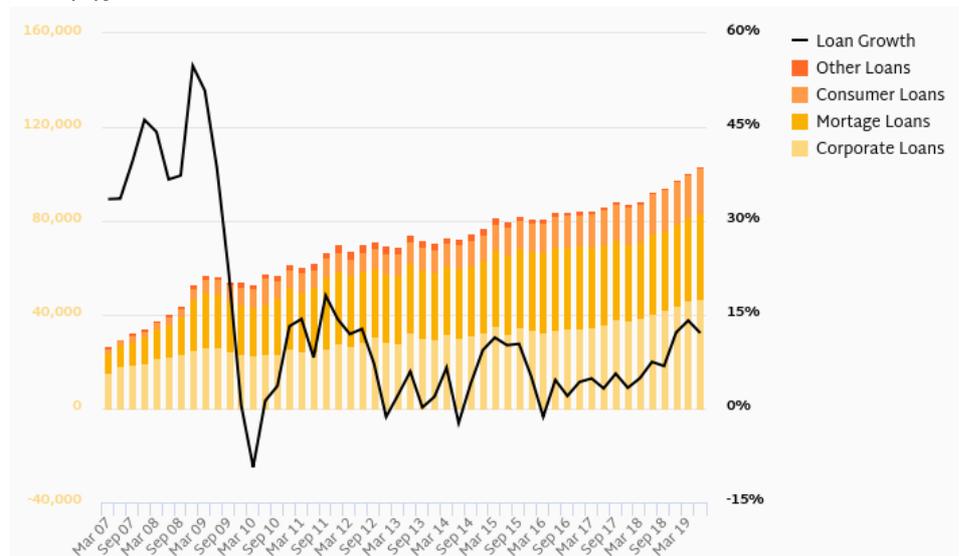


Retail loans grew 3.65% qoq and 9.67% yoy and accounted for 55.8% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 5.1% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 36.2% of the mBank's loan book, consumer loans added a further 19.6% and corporate loans formed 46.8% of total loans.

Loan Breakdown

Loans by Type (PLN mil)



Source: Company Data, Helgi Analytics





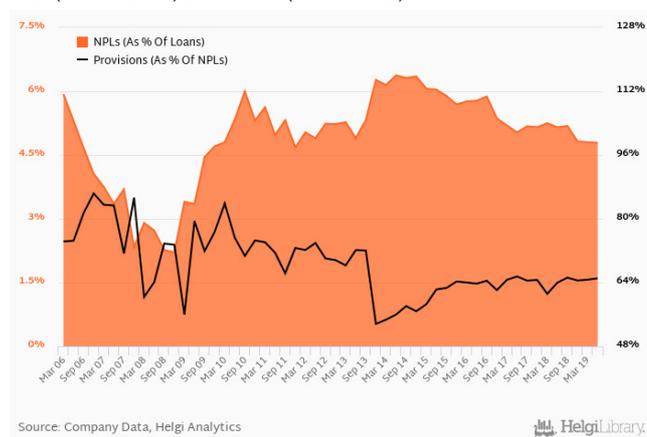
4.4 Asset Quality

mBank's non-performing loans were 4.79% of total loans, down from 4.80% when compared to the previous quarter. Historically, the NPL ratio hit a high of 6.37% in 2Q2014 and a low 2.21% in 4Q2008.

Provisions covered some 65.0% of NPLs at the end of the second quarter of 2019, up from 64.7% for the previous three months:

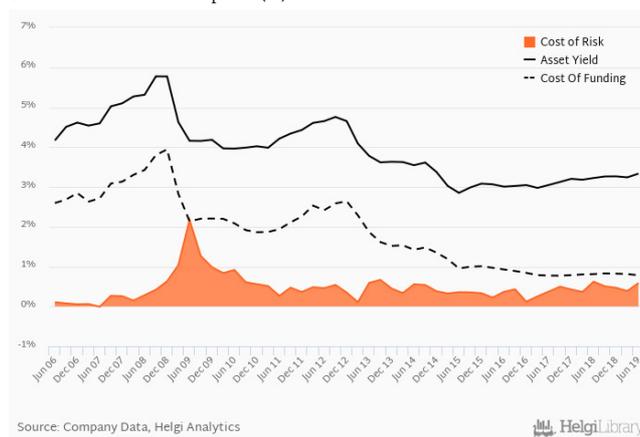
Asset Quality

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



Cost of Risk

Cost of Risk vs. Interest Spread (%)



mBank operated with an NPL ratio 0.921 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
mBank	Poland	4,770	5.25	5.15	5.18	4.82	4.80	4.79
Weighted Average			5.17	4.76	4.51	4.16	4.02	3.87
Median			4.17	4.14	4.06	3.69	3.87	4.30

Source: Company Data, Helgi Analytics

mBank's cost of risk reached 0.588% of average loans in the second quarter of 2019, up from 0.386% in the previous quarter and compared to 0.620% for the previous year on average.



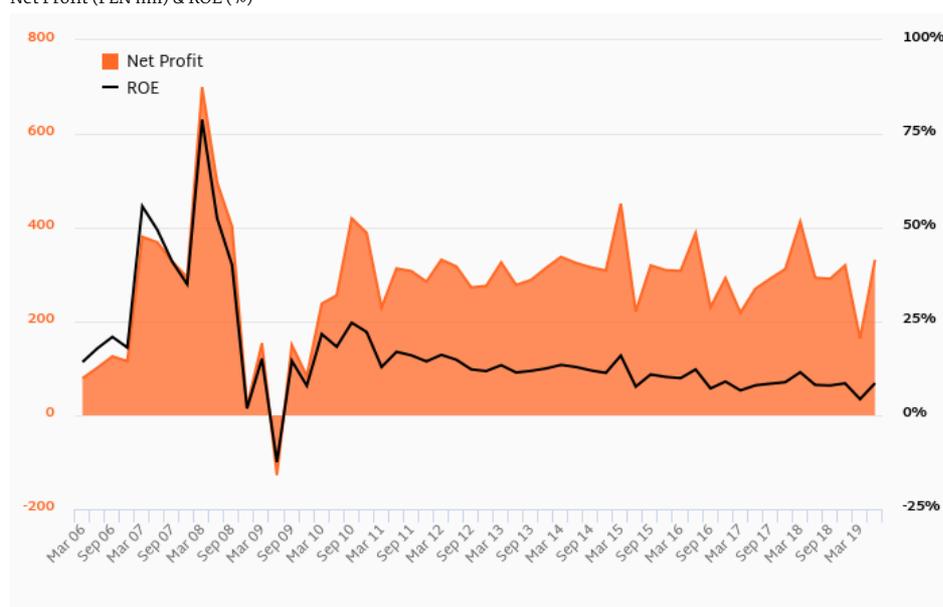
5 Profitability

Overall, mBank made a net profit of PLN 332 mil in the second quarter of 2019. This was up 13.1% when compared to the previous year resulting in a return on equity of 8.56%.

Historically, net profit reached a high of PLN 698 mil in 1Q2008 and a low of PLN -127 mil in 2Q2009.

Profitability

Net Profit (PLN mil) & ROE (%)



Source: Company Data, Helgi Analytics

HelgiLibrary

The company generated an average return on equity of 8.07% for its shareholders in the previous three years with maximum at 11.5% and minimum at 4.30%.

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
Komerčni 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
mBank	Poland	4,770	11.5	8.09	7.94	8.51	4.30	8.56
Weighted Average			10.1	12.5	12.4	12.8	9.19	12.1
Median			9.56	10.7	10.6	12.3	8.28	10.8

Source: Company Data, Helgi Analytics

When compared to total assets, mBank generated a return of 0.875% in the second quarter of 2019 (ROA). That's 0.058 pp below average for the previous five years.

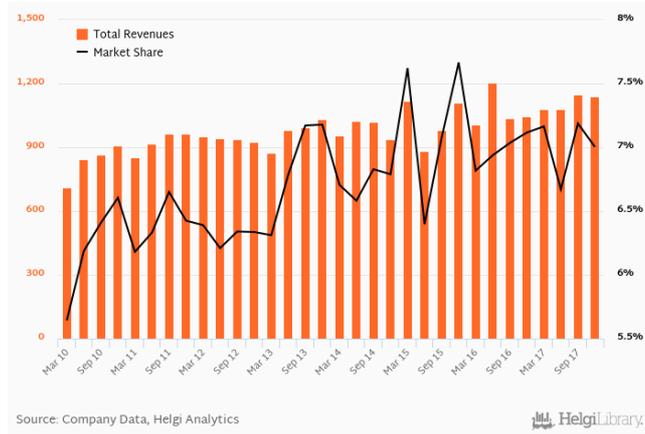


6 Market Share Development on the Polish Market

Based on latest available data, mBank accounted for 7.07% of all bank assets managed in Poland at the end of the fourth quarter of 2017.

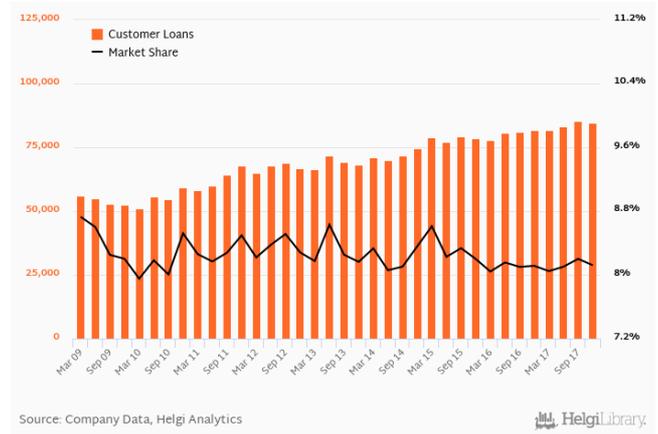
Market Share in Bank Revenues

Total Revenues (PLN mil)



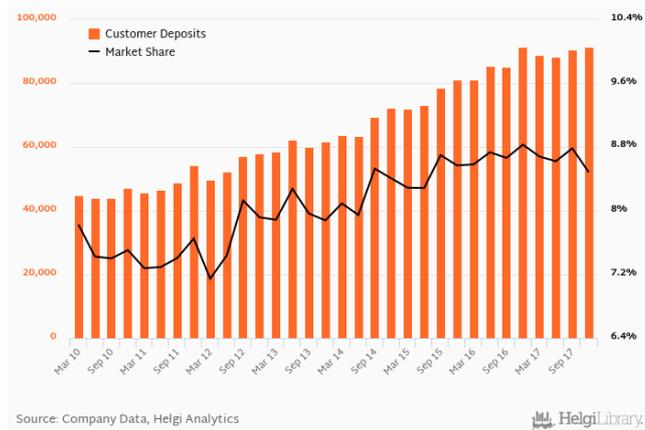
Market Share in Bank Loans

Customer Loans (PLN mil)



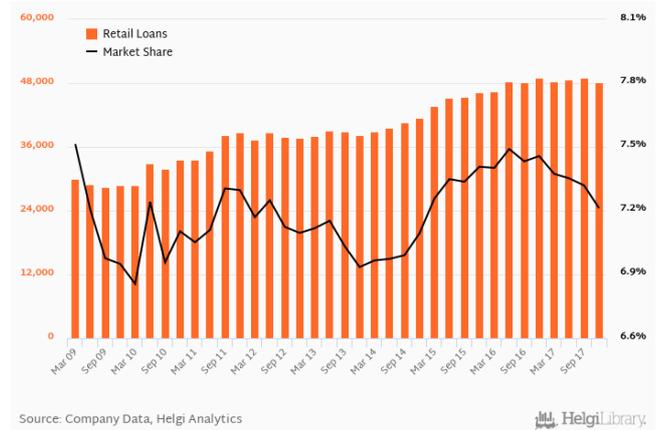
Market Share in Bank Deposits

Customer Deposits (PLN mil)



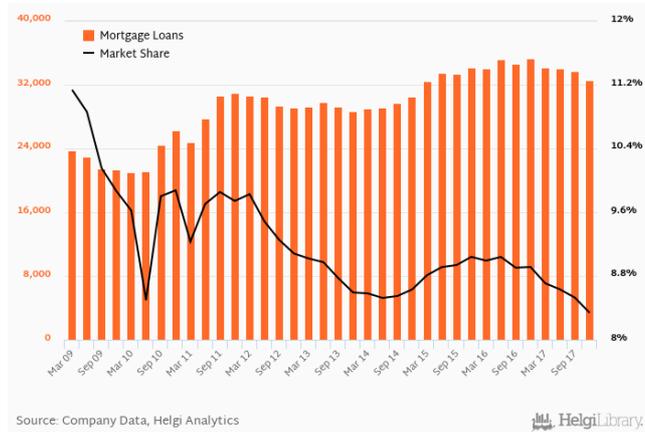
Market Share in Retail Loans

Retail Loans (PLN mil)



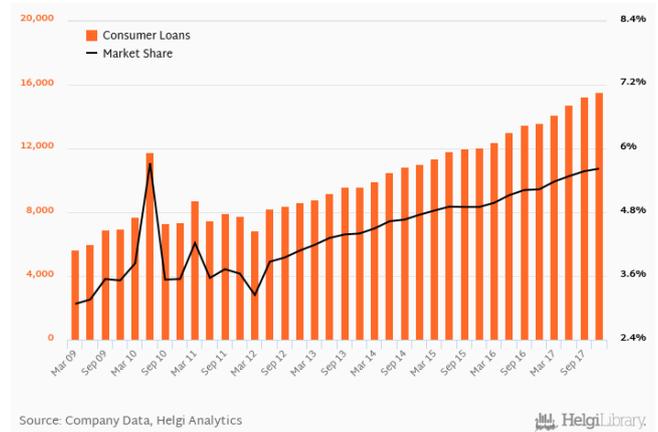
Market Share in Mortgage Loans

Mortgage Loans (PLN mil)



Market Share in Consumer Loans

Consumer Loans (PLN mil)



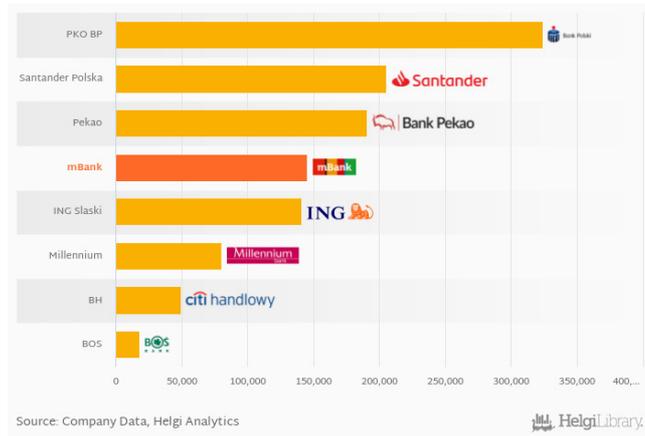


7 Market Share Position Within the Polish Market

Based on latest available data, the following charts demonstrate mBank’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)



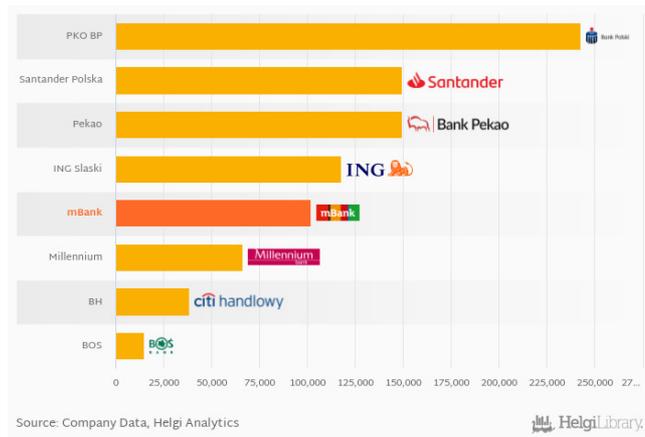
What Banks in Poland Were the Largest Lenders in 2018?

Top Banks by Customer Loans (PLN mil)



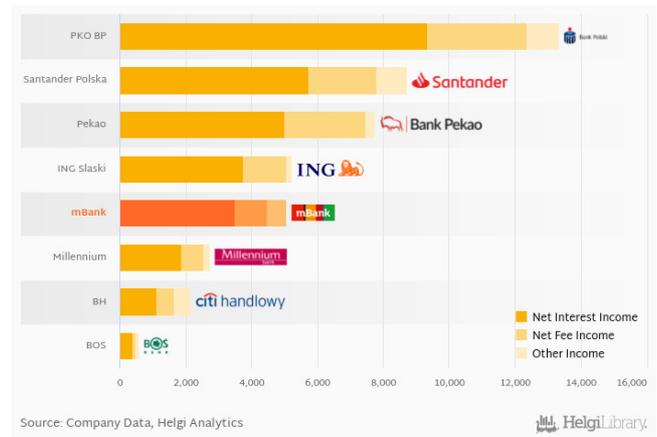
What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



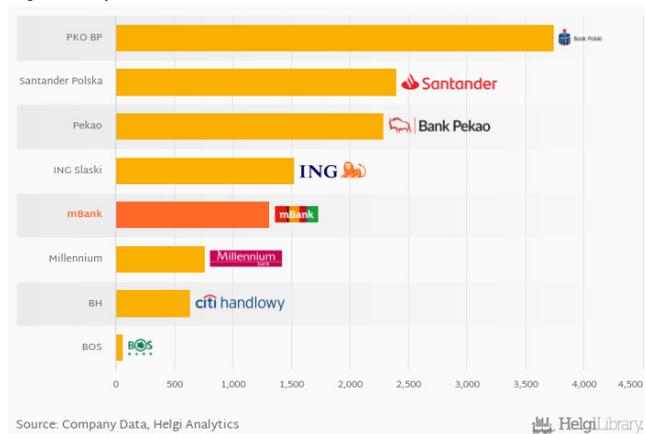
What Banks in Poland Generated the Most Revenues in 2018?

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



What Banks in Poland Generated the Most Fees in 2018?

Top Banks by Net Fee Income (PLN mil)



Source: Company Data, Helgi Analytics



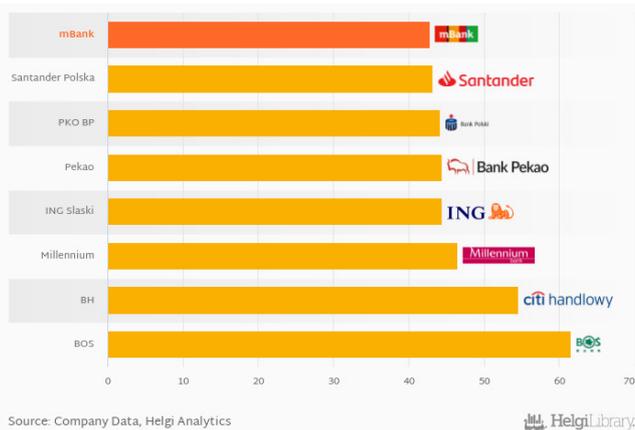


8 Relative Performance on the Polish Market

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

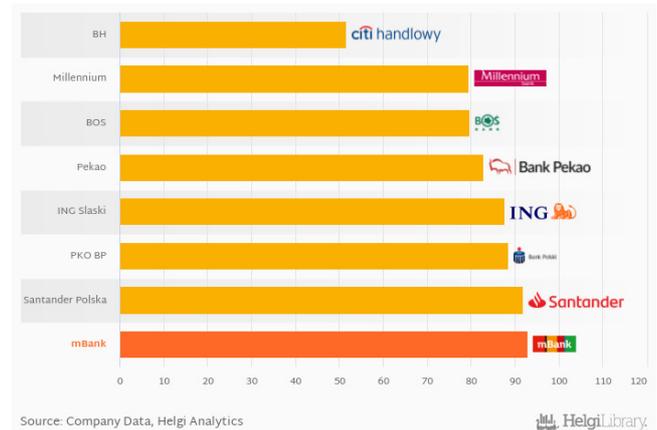
What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



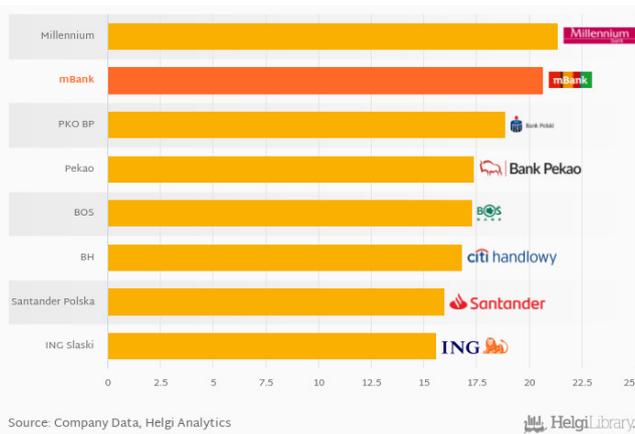
What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



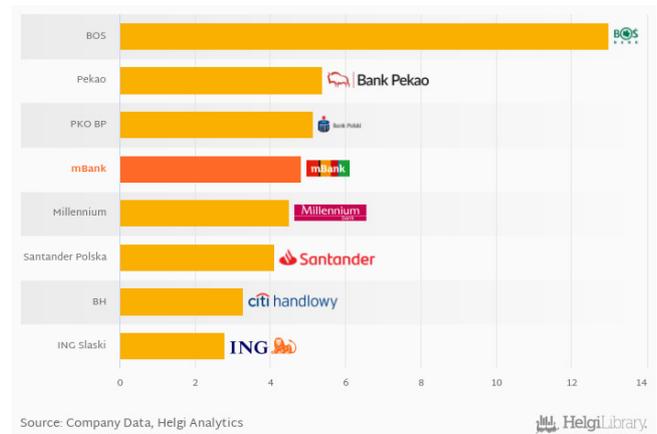
What Banks in Poland Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



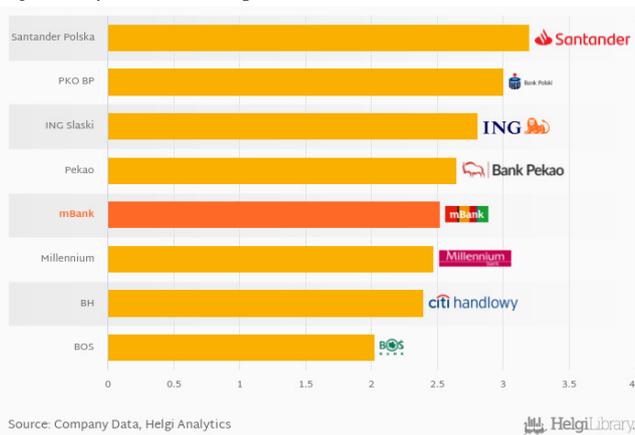
What Banks in Poland Had the Most Bad Loans in 2018?

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	1,023	1,057	1,054	1,103	1,169	1,193	1,201	1,264
Interest Cost	PLN mil	226	231	237	248	266	270	271	266
Net Interest Income	PLN mil	797	825	816	854	902	923	930	998
Net Fee Income	PLN mil	257	233	269	249	239	219	229	226
Other Income	PLN mil	96.1	82.9	297	112	76.2	102	102	106
Total Revenues	PLN mil	1,149	1,142	1,382	1,215	1,217	1,244	1,261	1,329
Staff Cost	PLN mil	227	229	228	239	243	243	249	255
Depreciation	PLN mil	53.7	67.8	65.8	58.7	62.7	65.4	90.0	88.1
Operating Cost	PLN mil	486	495	601	509	532	523	716	537
Operating Profit	PLN mil	664	647	781	707	686	721	546	792
Provisions	PLN mil	164	140	122	217	185	171	146	224
Extra and Other Cost	PLN mil	95.3	95.1	98.2	98.0	103	101	109	150
Pre-Tax Profit	PLN mil	404	412	562	392	397	450	291	418
Tax	PLN mil	112	100	149	98.4	106	130	127	86.8
Minorities	PLN mil	-0.015	-0.014	-0.009	-0.014	-0.013	-0.046	-0.014	-0.031
Net Profit	PLN mil	291	312	413	293	291	320	164	332
Dividends	PLN mil	...	...	...	...	...	...	...	...

Source: Company Data, Helgi Analytics

Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income Growth	%	10.9	9.54	9.00	11.7	13.3	11.9	13.9	16.8
Net Fee Income Growth	%	9.45	-6.85	7.74	-1.44	-6.92	-6.10	-14.9	-9.30
Total Revenue Growth	%	10.6	9.27	27.8	12.4	5.91	8.99	-8.76	9.37
Operating Cost Growth	%	-2.80	0.525	4.03	4.86	9.39	5.71	19.1	5.60
Operating Profit Growth	%	23.1	17.0	55.0	18.6	3.36	11.5	-30.2	12.1
Pre-Tax Profit Growth	%	30.4	-1.99	70.2	2.45	-1.57	9.15	-48.2	6.81
Net Profit Growth	%	26.4	6.54	88.6	8.75	-0.118	2.52	-60.3	13.1

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	4,846	5,769	5,191	4,518	5,155	4,765	4,731	4,770
Number Of Shares (Average)	mil	42.3	42.3	42.3	42.3	42.3	42.3	42.3	42.3
Share Price (End Of Period)	PLN	418	475	419	400	448	424	425	426
Earnings Per Share (EPS)	PLN	25.3	25.8	30.4	30.9	30.9	31.1	25.2	26.1
Book Value Per Share	PLN	330	338	342	343	350	359	362	370
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		16.5	18.4	13.8	12.9	14.5	13.6	16.9	4.08
Price/Book Value (P/BV)		1.27	1.41	1.22	1.16	1.28	1.18	1.18	1.15
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-13.3	-10.5	13.6	29.3	22.0	20.5	-17.0	-15.5
Book Value Per Share Growth	%	7.60	9.42	8.53	6.08	5.93	6.41	5.65	7.93

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	6,028	7,385	5,354	5,515	9,643	9,199	5,553	6,690
Interbank Loans	PLN mil	2,404	1,708	3,811	3,787	4,470	2,546	4,021	3,080
Customer Loans	PLN mil	85,532	84,476	85,663	89,601	91,349	94,766	97,723	100,421
Retail Loans	PLN mil	48,949	48,143	48,802	51,108	51,795	52,925	54,076	56,049
Mortgage Loans	PLN mil	33,693	32,593	32,737	33,963	34,156	34,697	35,388	36,369
Consumer Loans	PLN mil	15,256	15,550	16,065	17,145	17,639	18,229	18,687	19,680
Corporate Loans	PLN mil	38,288	37,942	38,760	40,756	42,015	44,233	46,182	47,047
Debt Securities	PLN mil	35,788	34,906	35,956	38,023	37,695	35,531	39,168	37,963
Fixed Assets	PLN mil	1,338	1,469	1,423	1,419	1,470	1,561	2,140	2,126
Total Assets	PLN mil	132,478	131,424	133,640	140,018	146,656	145,750	150,819	152,433
Shareholders' Equity	PLN mil	13,968	14,292	14,486	14,521	14,803	15,216	15,313	15,681
Of Which Minority Interest	PLN mil	2.20	2.19	2.18	2.17	2.15	2.10	2.08	2.04
Liabilities	PLN mil	118,511	117,132	119,154	125,497	131,854	130,534	135,506	136,752
Interbank Loans	PLN mil	2,404	1,708	3,811	3,787	4,470	2,546	4,021	3,080
Customer Deposits	PLN mil	90,678	91,496	94,309	97,794	102,425	102,009	107,648	110,341
Retail Deposits	PLN mil	54,037	55,694	57,720	59,903	61,693	65,924	68,221	70,268
Corporate Deposits	PLN mil	34,725	34,590	34,025	35,592	38,611	35,346	37,664	38,100
Issued Debt Securities	PLN mil	16,904	17,576	17,472	20,135	22,232	21,505	21,905	20,125
Other Liabilities	PLN mil	2,478	2,987	2,898	3,019	3,309	3,942	3,479	3,312

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	4,580	4,504	4,647	4,774	4,902	4,717	4,842	4,965
Gross Loans	PLN mil	88,484	87,388	88,505	92,655	94,545	97,808	100,855	103,651
Total Provisions	PLN mil	2,952	2,912	2,842	3,053	3,197	3,043	3,133	3,229

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	%	5.58	3.32	4.85	7.47	6.80	12.2	14.1	12.1
Retail Loan Growth	%	1.72	-1.65	0.960	4.82	5.81	9.93	10.8	9.67
Mortgage Loan Growth	%	-2.69	-7.85	-4.30	-0.124	1.37	6.45	8.10	7.08
Consumer Loan Growth	%	13.1	14.5	13.7	16.2	15.6	17.2	16.3	14.8
Corporate Loan Growth	%	10.9	11.0	11.2	12.8	9.73	16.6	19.1	15.4
Total Asset Growth	%	2.08	-1.73	2.42	8.19	10.7	10.9	12.9	8.87
Shareholders' Equity Growth	%	7.69	9.50	8.61	6.14	5.98	6.47	5.71	7.99
Customer Deposit Growth	%	6.44	0.085	6.27	10.9	13.0	11.5	14.1	12.8
Retail Deposit Growth	%	6.51	4.11	7.23	11.3	14.2	18.4	18.2	17.3
Corporate Deposit Growth	%	2.65	-7.47	1.41	8.72	11.2	2.19	10.7	7.05

Source: Company Data, Helgi Analytics



Market Share - Quarterly

MARKET SHARE		Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Market Share in Revenues	%	6.82	6.94	7.03	7.12	7.16	6.67	7.19	7.00
Market Share in Net Profit	%	9.62	7.65	7.49	11.6	7.92	6.84	7.67	9.93
Market Share in Employees	%	3.80	3.83	3.84	3.87	3.87	3.91	3.90	3.93
Market Share in Branches	%	4.07	4.19	4.26	4.49	4.65	4.82	4.93	5.02
Market Share in Customer Loans	%	8.04	8.16	8.10	8.11	8.05	8.10	8.20	8.12
Market Share in Corporate Loans	%	9.80	9.99	9.97	9.91	9.86	10.1	10.4	10.4
Market Share in Retail Loans	%	7.40	7.49	7.43	7.46	7.37	7.35	7.32	7.21
Market Share in Consumer Loans	%	4.98	5.12	5.22	5.23	5.38	5.48	5.57	5.62
Market Share in Mortgage Loans	%	8.99	9.04	8.90	8.91	8.71	8.63	8.53	8.34
Market Share in Total Assets	%	7.20	7.38	7.41	7.47	7.20	7.10	7.24	7.07
Market Share in Customer Deposits	%	8.58	8.73	8.66	8.83	8.68	8.62	8.78	8.48
Market Share in Retail Deposits	%	7.68	7.76	7.96	8.06	8.04	8.09	8.11	8.15
Market Share in Corporate Deposits	%	13.3	13.6	13.0	13.1	12.8	12.5	12.9	11.7

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	%	8.43	8.82	11.5	8.09	7.94	8.51	4.30	8.56
ROA	%	0.890	0.945	1.25	0.857	0.812	0.874	0.442	0.875
Costs (As % Of Assets)	%	1.48	1.50	1.81	1.49	1.48	1.43	1.93	1.42
Costs (As % Of Income)	%	42.3	43.3	43.5	41.9	43.7	42.0	56.7	40.4
Capital Adequacy Ratio	%	20.5	21.0	20.9	20.1	20.2	20.7	20.6	19.7
Tier 1 Ratio	%	17.8	18.3	17.9	17.1	17.3	17.5	17.6	16.7
Net Interest Margin	%	2.43	2.50	2.46	2.50	2.52	2.53	2.51	2.63
Interest Spread	%	2.35	2.42	2.38	2.41	2.43	2.44	2.43	2.55
Asset Yield	%	3.12	3.20	3.18	3.22	3.26	3.26	3.24	3.33
Cost Of Liabilities	%	0.772	0.786	0.803	0.812	0.828	0.823	0.814	0.781
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	69.3	72.3	59.1	70.3	74.1	74.2	73.8	75.1
Fee Income (As % Of Revenues)	%	22.3	20.5	19.5	20.5	19.6	17.6	18.1	17.0
Other Income (As % Of Revenues)	%	8.36	7.27	21.5	9.22	6.26	8.17	8.11	7.94
Cost Per Employee	USD per month	3,187	3,309	3,468	3,497	3,387	3,300	3,289	3,403
Cost Per Employee (Local Currency)	PLN per month	11,734	11,806	11,960	12,516	12,566	12,406	12,619	12,707
Staff Cost (As % Of Total Cost)	%	46.7	46.2	37.9	46.9	45.7	46.4	34.8	47.4
Equity (As % Of Assets)	%	10.5	10.9	10.8	10.4	10.1	10.4	10.2	10.3
Loans (As % Of Deposits)	%	94.3	92.3	90.8	91.6	89.2	92.9	90.8	91.0
Loans (As % Assets)	%	64.6	64.3	64.1	64.0	62.3	65.0	64.8	65.9
NPLs (As % Of Loans)	%	5.18	5.15	5.25	5.15	5.18	4.82	4.80	4.79
Provisions (As % Of NPLs)	%	64.5	64.6	61.2	64.0	65.2	64.5	64.7	65.0
Provisions (As % Of Loans)	%	3.45	3.45	3.32	3.41	3.50	3.21	3.21	3.22
Cost of Provisions (As % Of Loans)	%	0.779	0.659	0.572	0.990	0.819	0.733	0.605	0.904

Source: Company Data, Helgi Analytics



Financial Data – Annual

Income Statement – Annual

INCOME STATEMENT		2011	2012	2013	2014	2015	2016	2017	2018
Interest Income	PLN mil	3,891	4,523	3,950	3,956	3,661	3,873	4,052	4,518
Interest Cost	PLN mil	1,723	2,244	1,724	1,466	1,149	1,040	916	1,022
Net Interest Income	PLN mil	2,167	2,280	2,226	2,491	2,511	2,833	3,136	3,496
Net Fee Income	PLN mil	840	787	835	902	897	906	992	976
Other Income	PLN mil	514	691	823	788	871	556	326	587
Total Revenues	PLN mil	3,521	3,757	3,884	4,180	4,279	4,295	4,454	5,059
Staff Cost	PLN mil	810	808	808	844	855	877	903	952
Depreciation	PLN mil	209	196	188	190	200	224	224	253
Operating Cost	PLN mil	1,680	1,848	1,888	2,012	2,186	1,963	2,043	2,164
Operating Profit	PLN mil	1,840	1,909	1,995	2,169	2,093	2,332	2,410	2,895
Provisions	PLN mil	373	445	478	516	421	365	508	694
Extra and Other Cost	PLN mil	-0.737	0	0	0	54.2	329	375	401
Pre-Tax Profit	PLN mil	1,468	1,465	1,518	1,653	1,618	1,638	1,528	1,800
Tax	PLN mil	324	267	309	363	314	416	433	484
Minorities	PLN mil	9.46	0.581	2.60	2.64	2.88	2.94	3.54	-0.082
Net Profit	PLN mil	1,134	1,197	1,206	1,287	1,301	1,219	1,092	1,316
Dividends	PLN mil	0	421	717	0	0	0	0	0

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	19.7	5.19	-2.36	11.9	0.832	12.8	10.7	11.5
Net Fee Income Growth	%	12.6	-6.36	6.13	8.02	-0.501	1.03	9.46	-1.64
Total Revenue Growth	%	12.7	6.72	3.37	7.64	2.37	0.379	3.68	13.6
Operating Cost Growth	%	3.90	9.97	2.19	6.54	8.66	-10.2	4.07	5.91
Operating Profit Growth	%	22.1	3.75	4.51	8.68	-3.47	11.4	3.35	20.1
Pre-Tax Profit Growth	%	68.2	-0.196	3.61	8.89	-2.11	1.23	-6.71	17.8
Net Profit Growth	%	76.8	5.54	0.756	6.66	1.13	-6.30	-10.5	20.6

Source: Company Data, Helgi Analytics

Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	3,010	4,442	6,977	5,932	3,842	3,369	5,769	4,765
Number Of Shares (Average)	mil	42.1	42.2	42.2	42.2	42.2	42.3	42.3	42.3
Share Price (End Of Period)	PLN	246	326	499	498	322	333	475	424
Earnings Per Share (EPS)	PLN	26.9	28.4	28.6	30.5	30.8	28.8	25.8	31.1
Book Value Per Share	PLN	192	228	243	263	291	309	338	359
Dividend Per Share	PLN	0	9.99	17.0	0	0	0	0	0
Price/Earnings (P/E)		9.14	11.5	17.4	16.3	10.5	11.5	18.4	13.6
Price/Book Value (P/BV)		1.28	1.43	2.05	1.90	1.11	1.08	1.41	1.18
Dividend Yield	%	0	3.06	3.41	0	0	0	0	0
Earnings Per Share Growth	%	50.6	5.48	0.719	6.66	0.979	-6.39	-10.5	20.5
Book Value Per Share Growth	%	14.0	19.1	6.54	7.96	10.7	6.22	9.42	6.41

Source: Company Data, Helgi Analytics



Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	1,038	4,819	1,650	3,055	5,938	9,164	7,385	9,199
Interbank Loans	PLN mil	4,009	3,945	3,471	3,751	1,897	3,083	1,708	2,546
Customer Loans	PLN mil	67,852	66,947	68,210	74,582	78,434	81,763	84,476	94,766
Retail Loans	PLN mil	38,689	37,704	38,308	41,561	46,259	48,950	48,143	52,925
Mortgage Loans	PLN mil	30,942	29,094	28,693	30,511	34,184	35,369	32,593	34,697
Consumer Loans	PLN mil	7,747	8,610	9,615	11,050	12,075	13,581	15,550	18,229
Corporate Loans	PLN mil	27,890	28,405	29,475	32,841	33,447	34,174	37,942	44,233
Debt Securities	PLN mil	23,537	23,949	28,455	34,285	34,644	37,003	34,906	35,531
Fixed Assets	PLN mil	1,269	1,210	1,165	1,183	1,264	1,340	1,469	1,561
Total Assets	PLN mil	98,876	135,591	140,183	117,986	123,523	133,744	131,424	145,750
Shareholders' Equity	PLN mil	8,073	9,619	10,256	11,073	12,275	13,051	14,292	15,216
Of Which Minority Interest	PLN mil	23.9	24.5	27.1	29.7	32.6	27.4	2.19	2.10
Liabilities	PLN mil	90,803	125,972	129,926	106,913	111,248	120,692	117,132	130,534
Interbank Loans	PLN mil	4,009	3,945	3,471	3,751	1,897	3,083	1,708	2,546
Customer Deposits	PLN mil	54,244	57,984	61,674	72,423	81,141	91,418	91,496	102,009
Retail Deposits	PLN mil	26,701	33,234	34,203	39,285	46,117	53,495	55,694	65,924
Corporate Deposits	PLN mil	27,015	24,249	26,753	32,237	34,424	37,384	34,590	35,346
Issued Debt Securities	PLN mil	7,055	11,596	11,620	19,292	16,047	18,320	17,576	21,505
Other Liabilities	PLN mil	2,113	35,282	37,409	1,815	2,041	2,468	2,987	3,942

Source: Company Data, Helgi Analytics

Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	3,287	3,632	4,424	4,915	4,631	4,537	4,504	4,717
Gross Loans	PLN mil	66,953	69,475	70,582	77,373	81,409	84,581	87,388	97,808
Total Provisions	PLN mil	2,176	2,529	2,371	2,791	2,976	2,818	2,912	3,043

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	14.3	-1.33	1.89	9.34	5.16	4.25	3.32	12.2
Retail Loan Growth	%	14.9	-2.55	1.60	8.49	11.3	5.82	-1.65	9.93
Mortgage Loan Growth	%	17.6	-5.97	-1.38	6.33	12.0	3.47	-7.85	6.45
Consumer Loan Growth	%	5.37	11.1	11.7	14.9	9.27	12.5	14.5	17.2
Corporate Loan Growth	%	9.06	1.85	3.77	11.4	1.84	2.18	11.0	16.6
Total Asset Growth	%	9.81	37.1	3.39	-15.8	4.69	8.27	-1.73	10.9
Shareholders' Equity Growth	%	14.1	19.2	6.63	7.96	10.9	6.32	9.50	6.47
Customer Deposit Growth	%	15.0	6.89	6.36	17.4	12.0	12.7	0.085	11.5
Retail Deposit Growth	%	6.51	24.5	2.92	14.9	17.4	16.0	4.11	18.4
Corporate Deposit Growth	%	27.7	-10.2	10.3	20.5	6.78	8.60	-7.47	2.19

Source: Company Data, Helgi Analytics



Market Share – Annual

MARKET SHARE		Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Market Share in Revenues	%	6.82	6.94	7.03	7.12	7.16	6.67	7.19	7.00
Market Share in Net Profit	%	9.62	7.65	7.49	11.6	7.92	6.84	7.67	9.93
Market Share in Employees	%	3.80	3.83	3.84	3.87	3.87	3.91	3.90	3.93
Market Share in Branches	%	4.07	4.19	4.26	4.49	4.65	4.82	4.93	5.02
Market Share in Customer Loans	%	8.04	8.16	8.10	8.11	8.05	8.10	8.20	8.12
Market Share in Corporate Loans	%	9.80	9.99	9.97	9.91	9.86	10.1	10.4	10.4
Market Share in Retail Loans	%	7.40	7.49	7.43	7.46	7.37	7.35	7.32	7.21
Market Share in Consumer Loans	%	4.98	5.12	5.22	5.23	5.38	5.48	5.57	5.62
Market Share in Mortgage Loans	%	8.99	9.04	8.90	8.91	8.71	8.63	8.53	8.34
Market Share in Total Assets	%	7.20	7.38	7.41	7.47	7.20	7.10	7.24	7.07
Market Share in Customer Deposits	%	8.58	8.73	8.66	8.83	8.68	8.62	8.78	8.48
Market Share in Retail Deposits	%	7.68	7.76	7.96	8.06	8.04	8.09	8.11	8.15
Market Share in Corporate Deposits	%	13.3	13.6	13.0	13.1	12.8	12.5	12.9	11.7

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	15.0	13.5	12.1	12.1	11.1	9.63	7.98	8.92
ROA	%	1.20	1.02	0.875	0.997	1.08	0.948	0.823	0.950
Costs (As % Of Assets)	%	1.78	1.58	1.37	1.56	1.81	1.53	1.54	1.56
Costs (As % Of Income)	%	47.7	49.2	48.6	48.1	51.1	45.7	45.9	42.8
Capital Adequacy Ratio	%	15.0	18.7	19.4	14.7	17.3	20.3	21.0	20.7
Tier 1 Ratio	%	...	...	...	12.2	14.3	17.3	18.3	17.5
Net Interest Margin	%	2.29	1.94	1.61	1.93	2.08	2.20	2.37	2.52
Interest Spread	%	2.14	1.79	1.52	1.83	1.98	2.11	2.29	2.44
Asset Yield	%	4.12	3.86	2.86	3.06	3.03	3.01	3.06	3.26
Cost Of Liabilities	%	1.98	2.07	1.35	1.24	1.05	0.897	0.771	0.825
Payout Ratio	%	0	35.2	59.4	0	0	0	0	0
Interest Income (As % Of Revenues)	%	61.6	60.7	57.3	59.6	58.7	65.9	70.4	69.1
Fee Income (As % Of Revenues)	%	23.9	20.9	21.5	21.6	21.0	21.1	22.3	19.3
Other Income (As % Of Revenues)	%	14.6	18.4	21.2	18.9	20.3	12.9	7.31	11.6
Cost Per Employee	USD per month	3,618	3,373	3,509	3,398	3,324	2,770	3,042	3,235
Cost Per Employee (Local Currency)	PLN per month	10,727	10,976	11,091	11,134	10,891	11,191	11,656	12,164
Staff Cost (As % Of Total Cost)	%	48.2	43.7	42.8	42.0	39.1	44.7	44.2	44.0
Equity (As % Of Assets)	%	8.16	7.09	7.32	9.39	9.94	9.76	10.9	10.4
Loans (As % Of Deposits)	%	125	115	111	103	96.7	89.4	92.3	92.9
Loans (As % Assets)	%	68.6	49.4	48.7	63.2	63.5	61.1	64.3	65.0
NPLs (As % Of Loans)	%	4.91	5.23	6.27	6.35	5.69	5.36	5.15	4.82
Provisions (As % Of NPLs)	%	66.2	69.6	53.6	56.8	64.3	62.1	64.6	64.5
Provisions (As % Of Loans)	%	3.21	3.78	3.48	3.74	3.79	3.45	3.45	3.21
Cost of Provisions (As % Of Loans)	%	0.587	0.660	0.707	0.723	0.551	0.456	0.611	0.775

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 or contact us at info@helgilibrary.com.

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