

# Bank Millennium

## Quarterly Results - 2Q2019

Bank Millennium made a net profit of PLN 174 mil in the second quarter of 2019, down 9.87% when compared to the previous year. Total revenues increased 23% yoy to PLN 823 mil, ROE amounted to 8.07% and the NPL ratio stood at 4.30%. Bank Millennium stock depreciated by 2.66% in the second quarter of 2019 to PLN 9.14 per share and the stock traded at a 12-month trailing PE of 14.9x and PBV of 1.27x based on the closing price at the end of the quarter.

- ✓ Revenues increased 23% yoy to PLN 823 mil in the second quarter of 2019. Interest income formed 71.0% of total revenues with the net interest margin increasing 0.15 pp to 2.66% of total assets. Fees added a further 21.3% to total revenue generated in 2Q2019, down from an average of 23.9% as seen in the previous two years.
- ✓ Operating costs grew by 23% yoy to PLN 372 mil, so cost to income ratio reached 45.2%, down by 2.19% compared to the previous two years. Staff accounted for 53.7% of total operating expenditures. At the end of second quarter of 2019, Bank Millennium operated a network of 839 branches and 8,550 employees.
- ✓ Loans and deposits grew by 25.8% and 15.2% qoq respectively, so loan to deposit ratio reached 88.3% at the end of 2Q2019. That's up from 84.0% the previous year. Equity reached 9.29% of assets and capital adequacy ratio amounted to 20.1% at the end of the second quarter of 2019.
- ✓ NPLs were 4.30% of total loans at the end of the quarter. Provisions covered 61.2% of non-performing loans
- ✓ Bank Millennium stock traded at PLN 9.14 per share at the end of second quarter of 2019 implying a market capitalization of USD 2,932 mil. This put stock at a 12-month trailing price to earnings of 14.9x and price to book value of 1.27x as of the end of 2Q2019.

**Sector:**  
Banking

**Country:**  
Poland

**Share Price:**  
PLN 9.14

**Market Capitalization:**  
USD 2,932 mil

**Shares Outstanding:**  
1,213 mil

**Employees:**  
8,550

**Clients:**  
1.95 mil

**Branches:**  
839

**Capital Adequacy Ratio:**  
20.1%

**NPL Ratio:**  
4.30%

**Provision Coverage:**  
61.2%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil	PLN	%			%	PLN	%
2Q2019	823	174	0.615	4.37	14.9	1.27	8.07	0	0
2018	2,728	761	0.627	11.7	14.6	1.32	9.42	0	0
2017	2,572	681	0.562	-2.86	15.9	1.40	9.26	0	0
2016	2,472	701	0.578	28.3	8.98	0.907	10.5	0	0
2015	2,180	547	0.451	-16.0	12.3	1.05	8.95	0	0

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

Data tells a story



## 1 Company Overview

Bank Millennium is Poland's nationwide universal bank, offering its services to all market segments via a network of branches, individual advisors and electronic banking. Its product and service offer includes personal accounts, debit and credit cards, overdraft limits, cash and mortgage loans, saving accounts, term deposits, investment funds, brokerage services, structured products and insurance products. Bank Millennium has made its name through providing of FX-denominated mortgage loans. In 2008, the bank became the second largest mortgage lender in the country with over 11% market share. Banco Comercial Portugues is the strategic shareholder with a 65.5% stake

Bank Millennium has been growing its revenues and asset by 9.89% and 7.48% a year on average in the last 10 years. Its loans and deposits have grown by 6.87% and 8.84% a year during that time and loans to deposits ratio reached 88.3% at the end of 2Q2019. The company achieved an average return on equity of 9.36% in the last decade with net profit growing 34.5% a year on average. In terms of operating efficiency, its cost to income ratio reached 45.2% in 2Q2019, compared to 53.6% average in the last decade.

Equity represented 9.29% of total assets or 12.8% of loans at the end of 2Q2019. Bank Millennium's non-performing loans were 4.30% of total loans while provisions covered some 61.2% of NPLs at the end of the second quarter of 2019.

Bank Millennium stock traded at PLN 9.14 per share at the end of 2Q2019 resulting in a market capitalization of USD 2,932 mil. Over the previous five years, stock price rose by 17.6% or 3.3% a year on average. That's compared to an average ROE of 9.63% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 14.9x and price to book value (PBV) of 1.27x 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	447	449	437	456	481	504	500	584
Total Revenues	PLN mil	658	656	656	669	690	713	741	823
Operating Profit	PLN mil	367	352	326	367	374	393	356	451
Net Profit	PLN mil	187	180	155	193	200	213	160	174
Customer Loans	PLN mil	47,593	47,411	48,000	50,256	50,915	52,712	53,940	67,855
Total Assets	PLN mil	70,468	71,141	73,009	72,666	73,408	80,459	82,307	93,670
Shareholders' Equity	PLN mil	7,594	7,773	7,732	7,908	8,111	8,384	8,517	8,704
Interbank Borrowing	PLN mil	2,173	2,353	1,982	1,166	1,631	1,789	1,868	1,908
Customer Deposits	PLN mil	56,679	57,273	59,474	59,832	60,223	66,244	66,673	76,828
Issued Debt Securities	PLN mil	2,728	2,035	2,067	2,012	1,811	1,939	2,865	3,477

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	10.0	9.35	8.01	9.86	10.00	10.3	7.57	8.07
Costs (As % Of Income)	%	44.2	46.4	50.3	45.1	45.8	44.9	51.9	45.2
Net Interest Margin	%	2.55	2.54	2.42	2.51	2.63	2.62	2.46	2.66
Equity (As % Of Assets)	%	10.8	10.9	10.6	10.9	11.0	10.4	10.3	9.29
Loans (As % Of Deposits)	%	84.0	82.8	80.7	84.0	84.5	79.6	80.9	88.3
Loans (As % Assets)	%	67.5	66.6	65.7	69.2	69.4	65.5	65.5	72.4
NPLs (As % Of Loans)	%	4.60	4.60	4.60	4.70	4.68	4.50	4.40	4.30
Provisions (As % Of NPLs)	%	66.6	66.5	80.0	75.5	73.9	73.4	72.3	61.2

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	2,329	3,113	2,907	2,569	3,053	2,945	2,994	2,932
Share Price (End Of Period)	PLN	7.01	8.94	8.18	7.93	9.25	9.15	9.39	9.14
Price/Earnings (P/E)		13.4	15.9	14.3	13.5	15.4	14.6	14.9	14.9
Price/Book Value (P/BV)		1.12	1.40	1.28	1.22	1.38	1.32	1.34	1.27

Source: Company Data, Helgi Analytics

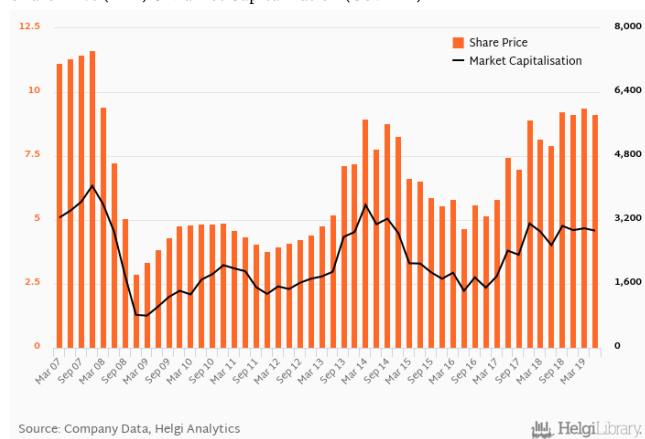


## 2 Valuation

Bank Millennium stock traded at PLN 9.14 per share at the end of 2Q2019 resulting in a market capitalization of USD 2,932 mil. Over the previous quarter, stock depreciated by 2.66%. Over the previous three years, stock price rose by 95.3% or 25% a year on average. That's compared to an average ROE of 8.07% the bank generated for its shareholders:

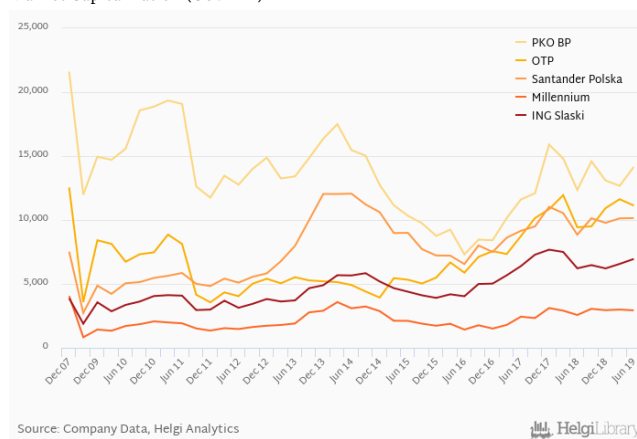
### Share Price & Market Capitalization

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



### Market Capitalization Peers Comparison

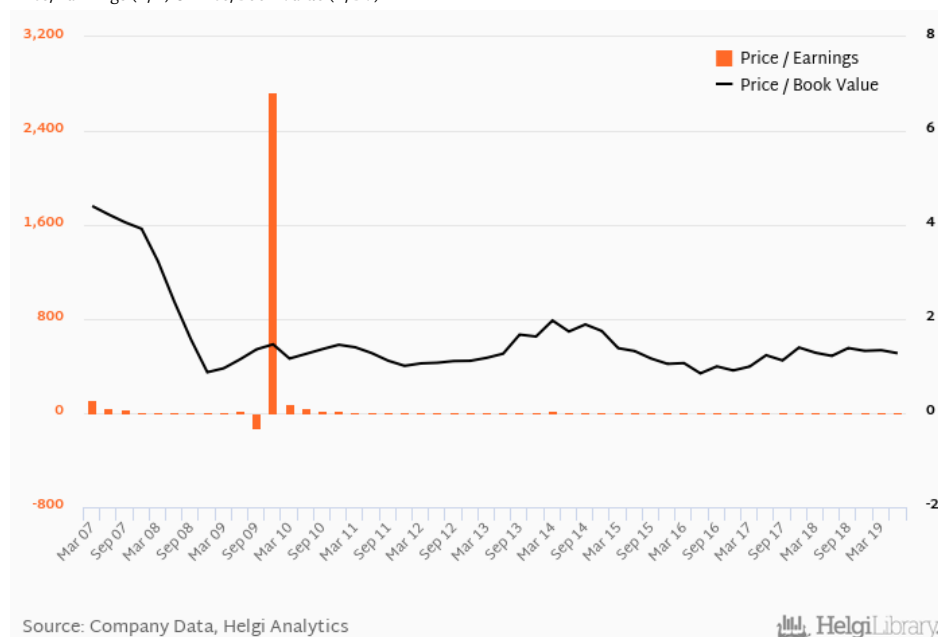
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 14.9x and price to book value (PBV) of 1.27x 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 16.8x in 3Q2014 and a low of 8.74x in 2Q2016 with an average of 13.2x.

When compared to selected peers, Bank Millennium traded at a 29.5% premium above



average at the end of the second quarter of 2019.

Regarding price to book value, stock was trading at 1.27x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 1.89x in 3Q2014 and a low of 0.845x in 2Q2016 with an average of 1.25x.

In comparison to its peers, Bank Millennium traded at -3.85% discount on a trailing basis at the end of the second quarter of 2019.

The detailed comparison of Bank Millennium'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
mBank	Poland	4,770	8.51	4.30	8.56	13.6	16.9	4.08	1.18	1.18	1.15
Bank Handlowy	Poland	1,881	8.76	3.37	7.69	14.1	16.0	13.9	1.28	1.25	1.04
Bank Millennium	Poland	2,932	10.3	7.57	8.07	14.6	14.9	14.9	1.32	1.34	1.27
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

BANK MILLENNIUM'S PREMIUM/DISCOUNT TO:										
Weighted Average		-19.3%	-17.6%	-33.6%	25.3%	19.9%	29.5%	2.91%	0.379%	-3.85%
Median		-16.3%	-8.53%	-25.1%	8.78%	8.55%	23.7%	-1.81%	-3.99%	-9.96%

Source: Company Data, Helgi Analytics

## Bank Millennium – 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	2,329	3,113	2,907	2,569	3,053	2,945	2,994	2,932
Number Of Shares (Average)	mil	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213
Share Price (End Of Period)	PLN	7.01	8.94	8.18	7.93	9.25	9.15	9.39	9.14
Earnings Per Share (EPS)	PLN	0.522	0.562	0.574	0.589	0.600	0.627	0.631	0.615
Book Value Per Share	PLN	6.26	6.41	6.37	6.52	6.69	6.91	7.02	7.18
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		13.4	15.9	14.3	13.5	15.4	14.6	14.9	14.9
Price/Book Value (P/BV)		1.12	1.40	1.28	1.22	1.38	1.32	1.34	1.27
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	1.65	-2.86	-1.21	22.4	15.0	11.7	9.96	4.37
Book Value Per Share Growth	%	10.8	12.0	8.24	7.74	6.81	7.87	10.2	10.1

Source: Company Data, Helgi Analytics



### 3 Revenues & Costs

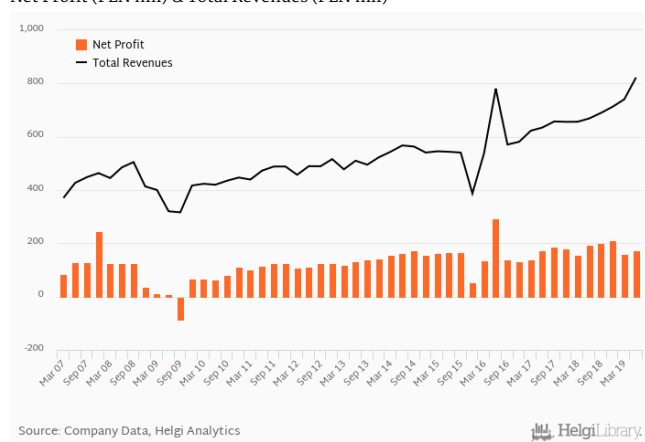
#### 3.1 Revenues

Bank Millennium generated total operating revenues of PLN 823 mil in the second quarter of 2019, up 23% compared to the same period of the previous year. Net interest income represented 71.0% of revenues, fee income contributed 21.3% and other non-interest income added further 7.69% to the overall revenue generated.

Over the previous three years, revenues rose by 1.75% a year on average.

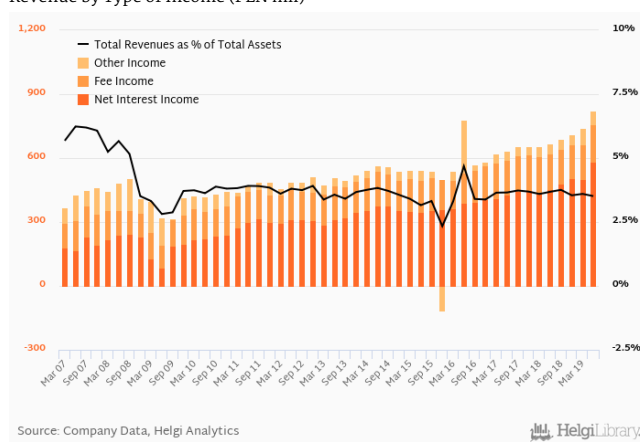
##### Revenue & Profitability

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



##### Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 2.66% in the second quarter of 2019, up from the 2.51% of the previous year. Historically, Bank Millennium's net interest margin reached a high of 3.29% in 3Q2007 and a low of 0.724% in 2Q2009.

Average asset yield was 3.66% in the second quarter of 2019 (up from 3.52%) while cost of funding amounted to 1.11% in 2Q2019 (down from 1.13%).

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
mBank	Poland	4,770	2.50	2.46	2.50	2.52	2.53	2.51	2.63
Bank Handlowy	Poland	1,881	2.66	2.53	2.44	2.52	2.36	2.24	2.28
Bank Millennium	Poland	2,932	2.54	2.42	2.51	2.63	2.62	2.46	2.66
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



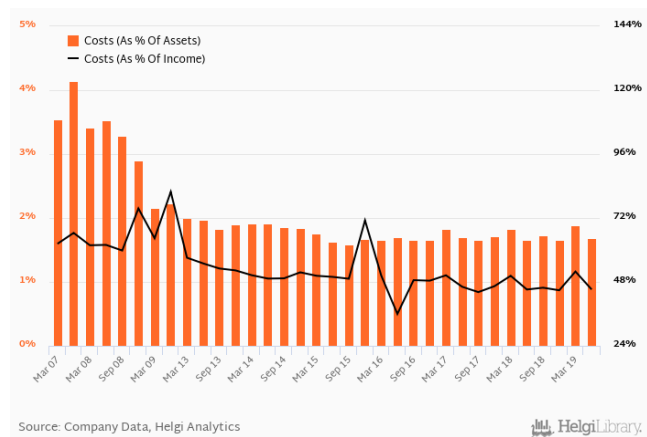
### 3.2 Costs

Operating costs increased by 23% yoy to PLN 372 mil in the second quarter of 2019. Bank Millennium's cost to income ratio therefore reached 45.2%, up from 45.1% when compared to the previous year.

Historically, operating costs reached a high of 82.8% of income in 3Q2009 and a low of 36.0% in 2Q2016:

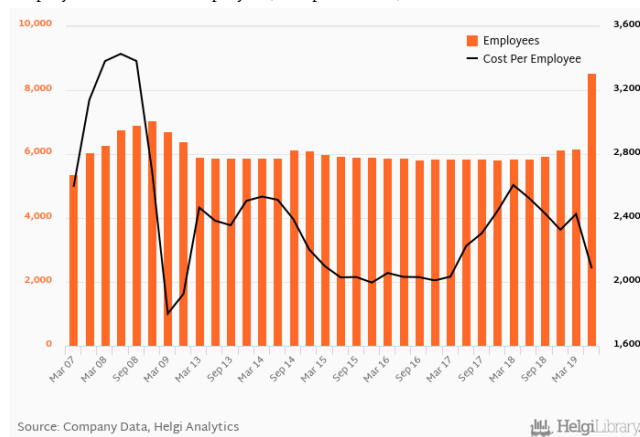
#### Cost Efficiency

Costs As % Of Assets & Income



#### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Bank Millennium operated with a 1.85 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
mBank	Poland	4,770	43.5	41.9	43.7	42.0	56.7	40.4
Bank Handlowy	Poland	1,881	61.0	50.0	53.1	54.2	71.5	48.3
Bank Millennium	Poland	2,932	50.3	45.1	45.8	44.9	51.9	45.2
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 1.69% in 2Q2019 up from 1.66% the previous year.

Bank Millennium had 8,550 employees in the second quarter of 2019, up by 46.3% when compared to the previous year. The company operated a network of 839 branches in 2Q2019.

The average cost per employee stood at USD 2,085 per month, 17.4% below the



previous year. This figure was USD 2,514 per month five years earlier.

Staff accounted for 53.7% of total operating expenditures in 2Q2019.

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

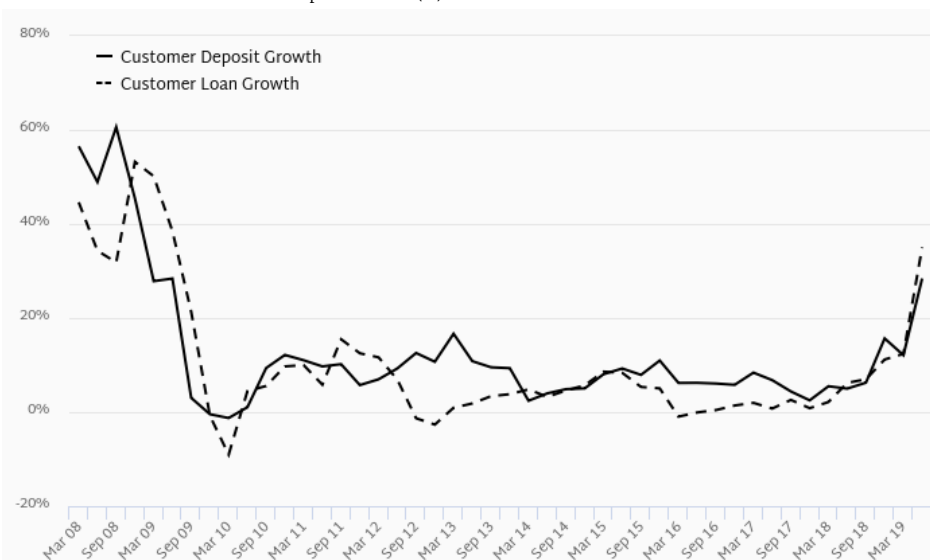
Bank Millennium's customer loans grew 25.8% qoq and 35% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 15.2% qoq and 28.4% yoy. That's compared to average of 6.82% and 8.91% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 13.1% while deposit growth reached 12.9% on average a year.

At the end of second quarter of 2019, Bank Millennium's loans accounted for 88.3% of total deposits and 72.4% of total assets.

#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Source: Company Data, Helgi Analytics

HelgiLibrary

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



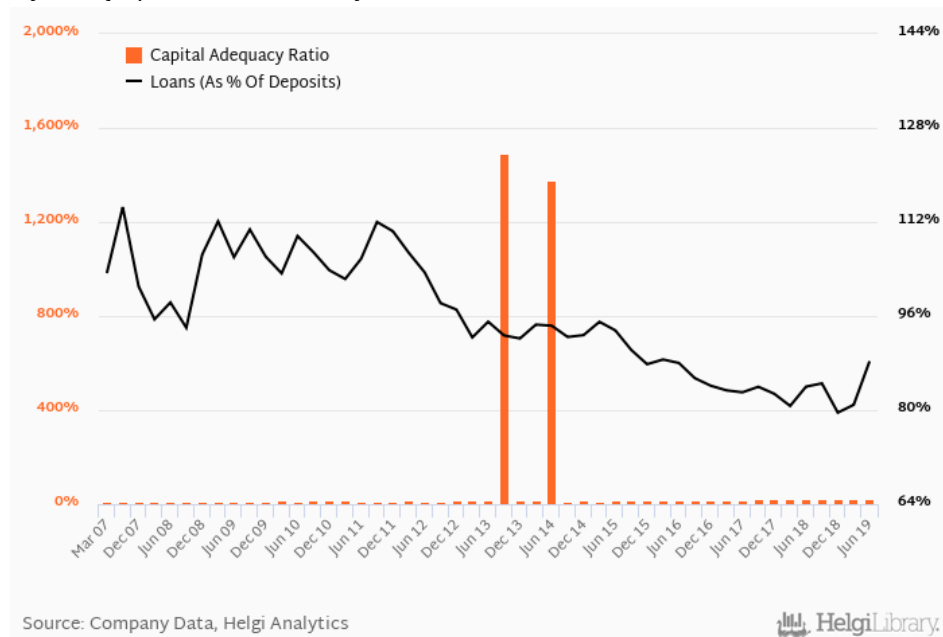


## 4.2 Capital & Liquidity

Bank Millennium's capital adequacy ratio reached 20.1% in the second quarter of 2019, down from 23.0% for the previous year. The Tier 1 ratio amounted to 16.9% at the end of the second quarter of 2019:

### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Bank Millennium'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
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
mBank	Poland	4,770	20.9	20.1	20.2	20.7	20.6	19.7
Bank Handlowy	Poland	1,881	17.3	17.1	16.9	16.8	16.2	16.6
<b>Bank Millennium</b>	<b>Poland</b>	<b>2,932</b>	<b>24.1</b>	<b>23.0</b>	<b>22.6</b>	<b>21.4</b>	<b>25.4</b>	<b>20.1</b>
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

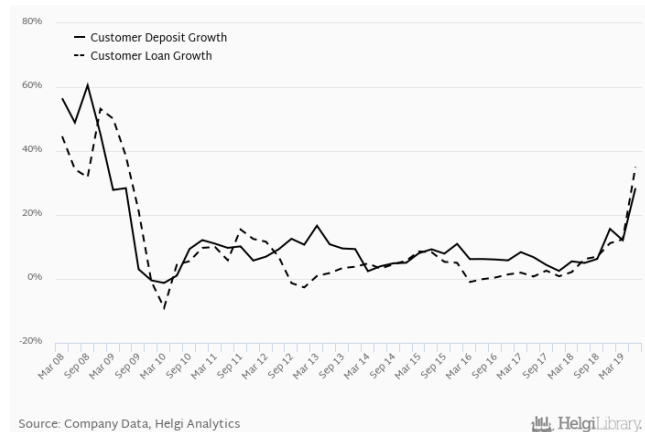


### 4.3 Loan Breakdown

Bank Millennium's loans reached PLN 67,855 mil in the second quarter of 2019, up 35% when compared to the same period of the previous year:

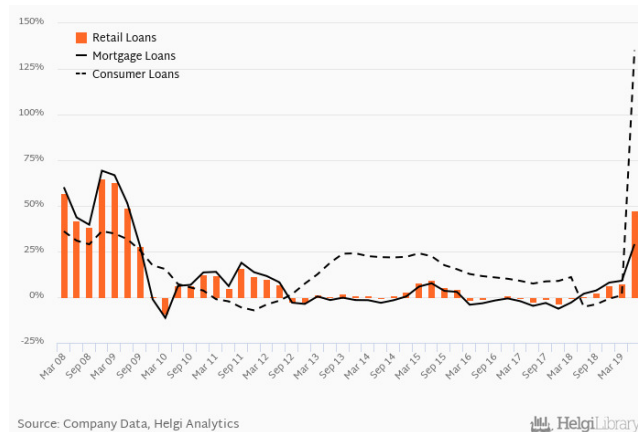
#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



#### Retail Loan Growth

Retail Loan Growth (%)

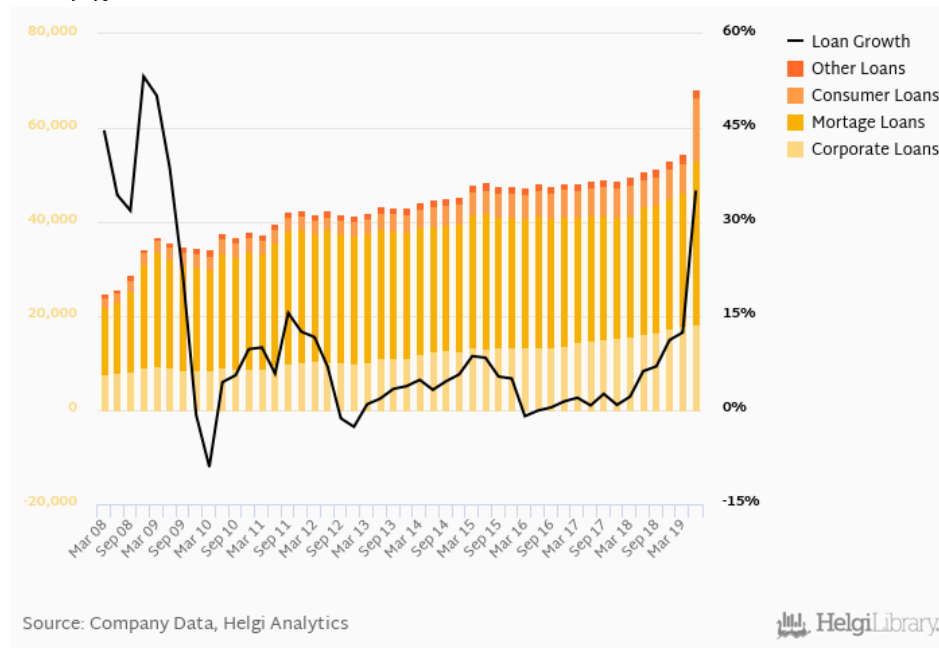


Retail loans grew 38.6% qoq and 47.5% yoy and accounted for 71.0% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 13% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 51.3% of the Bank Millennium's loan book, consumer loans added a further 19.7% and corporate loans formed 27.0% of total loans.

#### Loan Breakdown

Loans by Type (PLN mil)





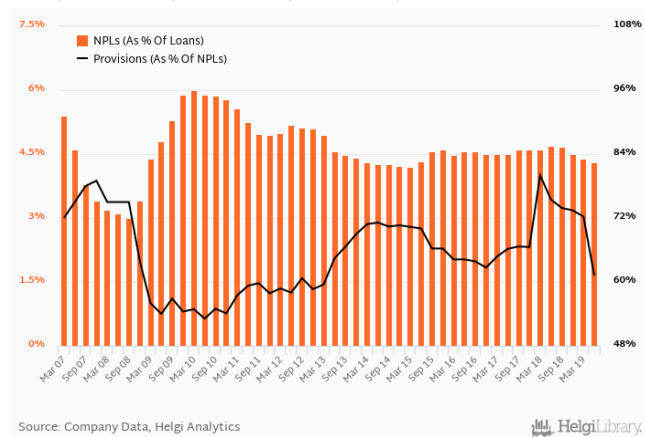
## 4.4 Asset Quality

Bank Millennium's non-performing loans were 4.30% of total loans, down from 4.40% when compared to the previous quarter. Historically, the NPL ratio hit a high of 6.00% in 1Q2010 and a low 3.00% in 3Q2008.

Provisions covered some 61.2% of NPLs at the end of the second quarter of 2019, down from 72.3% for the previous three months:

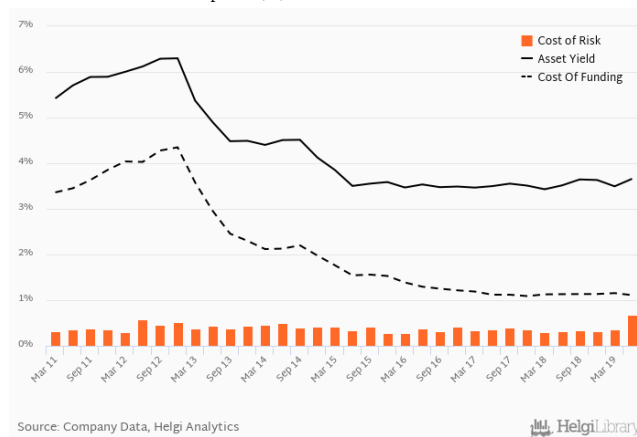
### Asset Quality

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



### Cost of Risk

Cost of Risk vs. Interest Spread (%)



Bank Millennium operated with an NPL ratio 0.43 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
mBank	Poland	4,770	5.25	5.15	5.18	4.82	4.80	4.79
Bank Handlowy	Poland	1,881	3.57	3.58	3.48	3.28	3.44	4.53
Bank Millennium	Poland	2,932	4.60	4.70	4.68	4.50	4.40	4.30
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

Bank Millennium's cost of risk reached 0.674% of average loans in the second quarter of 2019, up from 0.352% in the previous quarter and compared to 0.321% for the previous year on average.



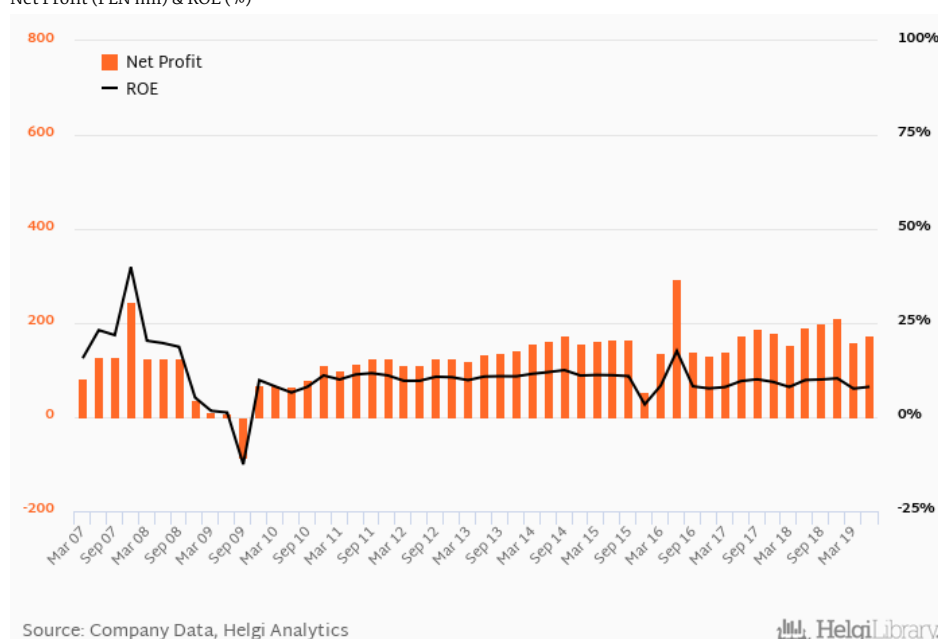
## 5 Profitability

Overall, Bank Millennium made a net profit of PLN 174 mil in the second quarter of 2019. This was down 9.87% when compared to the previous year resulting in a return on equity of 8.07%.

Historically, net profit reached a high of PLN 294 mil in 2Q2016 and a low of PLN -87.0 mil in 3Q2009.

### Profitability

Net Profit (PLN mil) & ROE (%)



The company generated an average return on equity of 8.88% for its shareholders in the previous three years with maximum at 10.3% and minimum at 7.57%.

ROE								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	7.42	9.83	10.1	12.1	7.81	7.21
Komerční Banka	Czechia	7,572	11.9	15.3	17.3	15.3	12.1	15.6
MONETA Money Bank	Czechia	1,773	18.0	15.3	20.9	13.5	15.3	16.4
OTP Group	Hungary	11,131	16.1	21.7	19.8	17.3	15.7	21.8
PKO BP	Poland	14,156	8.32	10.2	11.2	10.5	8.75	12.3
Santander Bank Polska	Poland	10,149	7.49	10.9	8.34	12.5	5.24	9.26
ING Bank Śląski	Poland	6,950	10.8	12.5	12.6	14.2	9.73	13.6
mBank	Poland	4,770	11.5	8.09	7.94	8.51	4.30	8.56
Bank Handlowy	Poland	1,881	8.31	10.6	9.37	8.76	3.37	7.69
Bank Millennium	Poland	2,932	8.01	9.86	10.00	10.3	7.57	8.07
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, Bank Millennium generated a return of 0.789% in the second quarter of 2019 (ROA). That's 0.18 pp below average for the previous five years.

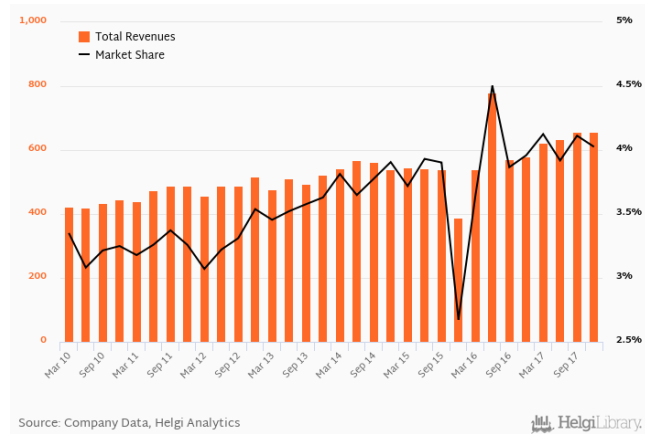


## 6 Market Share Development on the Polish Market

Based on latest available data, Bank Millennium accounted for 3.83% of all bank assets managed in Poland at the end of the fourth quarter of 2017.

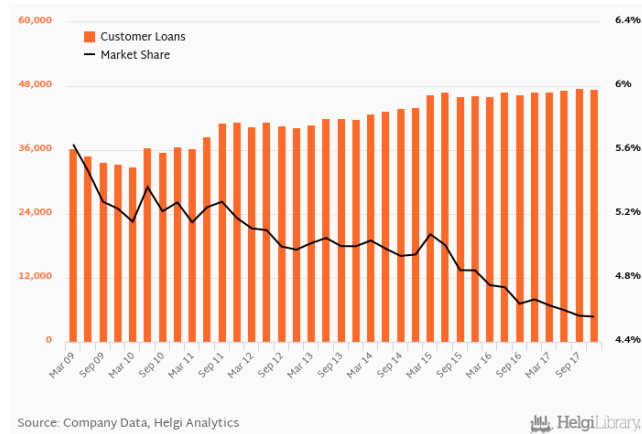
### Market Share in Bank Revenues

Total Revenues (PLN mil)



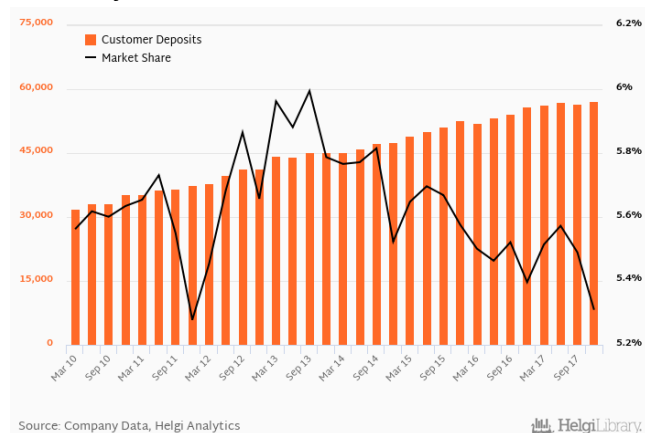
### Market Share in Bank Loans

Customer Loans (PLN mil)



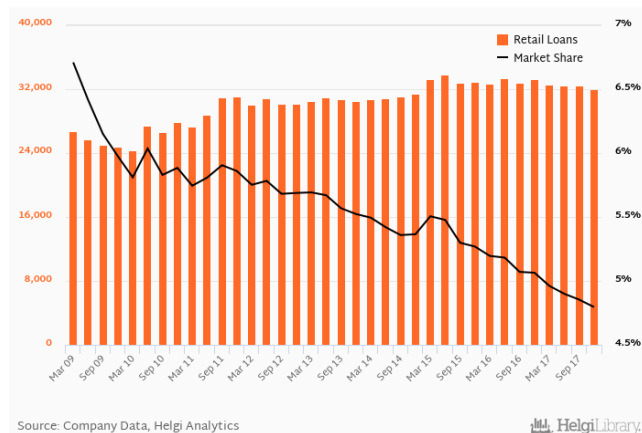
### Market Share in Bank Deposits

Customer Deposits (PLN mil)



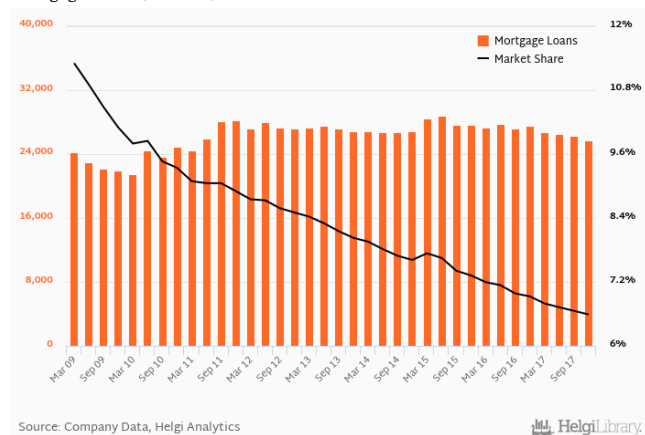
### Market Share in Retail Loans

Retail Loans (PLN mil)



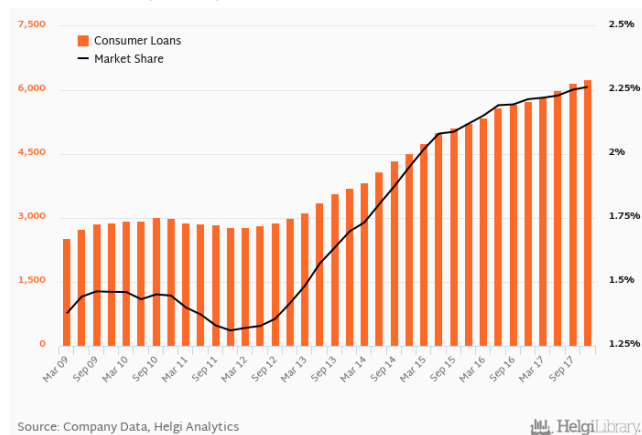
### Market Share in Mortgage Loans

Mortgage Loans (PLN mil)



### Market Share in Consumer Loans

Consumer Loans (PLN mil)



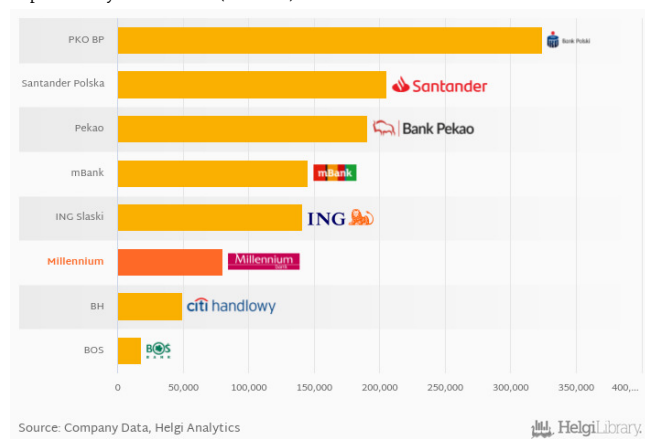


## 7 Market Share Position Within the Polish Market

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

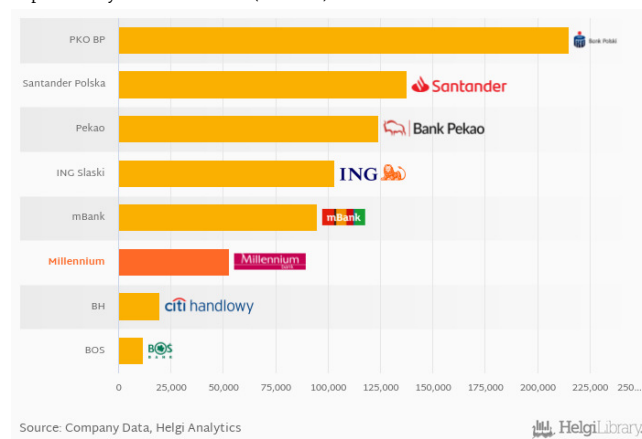
### What Banks in Poland Were the Largest in 2018?

Top Banks by Total Assets (PLN mil)



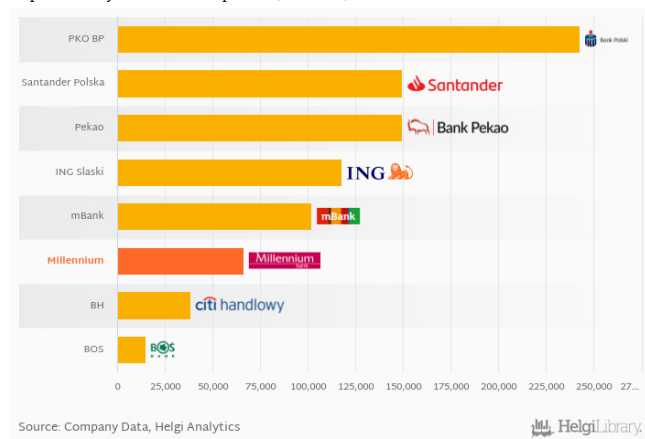
### What Banks in Poland Were the Largest Lenders in 2018?

Top Banks by Customer Loans (PLN mil)



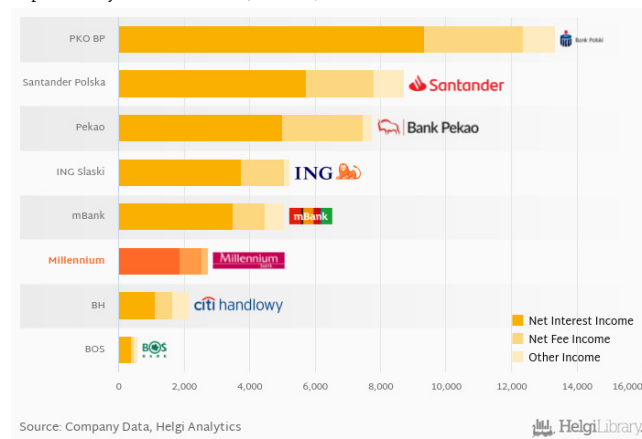
### What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



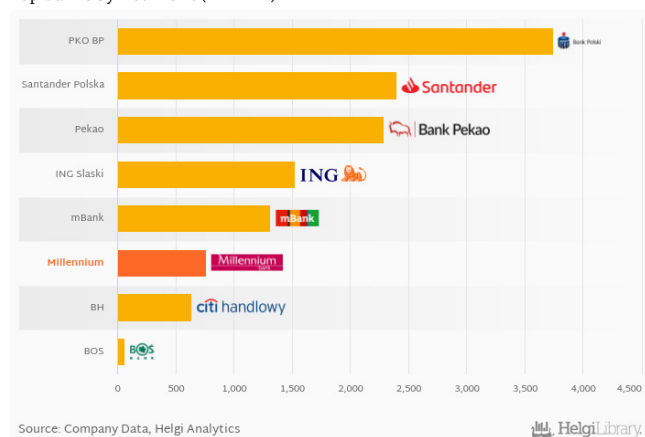
### What Banks in Poland Generated the Most Revenues in 2018?

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?

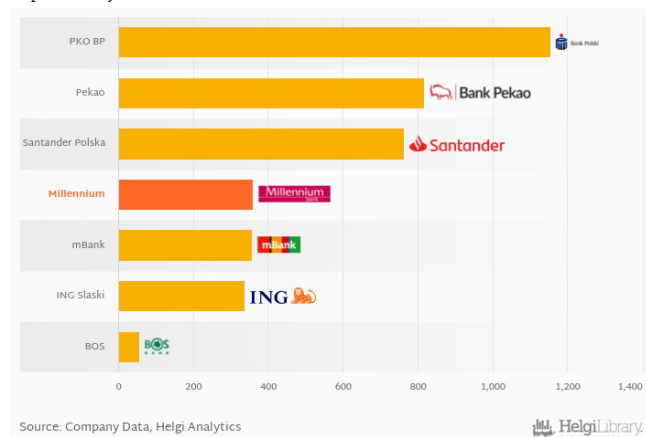
Top Banks by Number of Employees





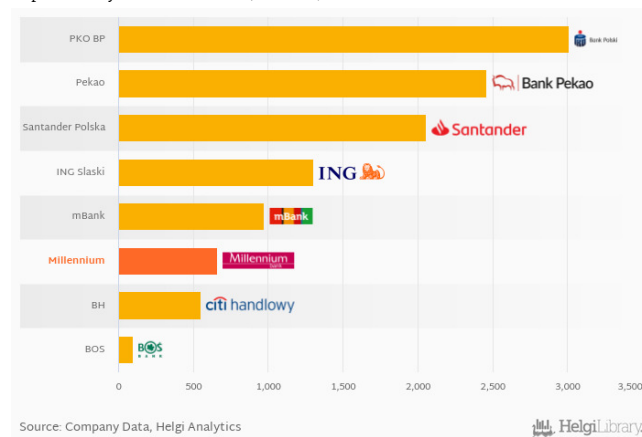
## What Banks in Poland Had the Most Branches in 2018?

Top Banks by Number of Branches



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

Top Banks by Net Fee Income (PLN mil)



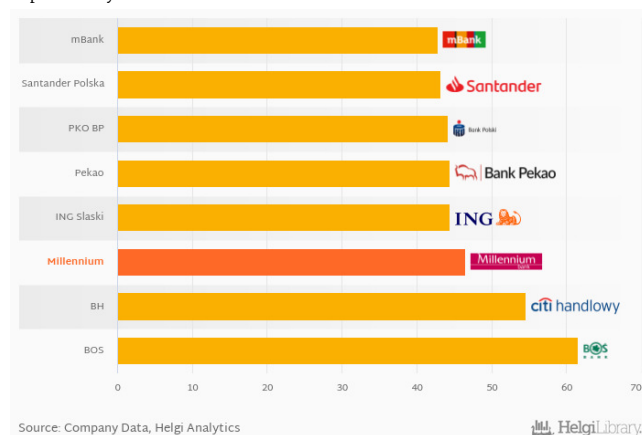


## 8 Relative Performance on the Polish Market

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

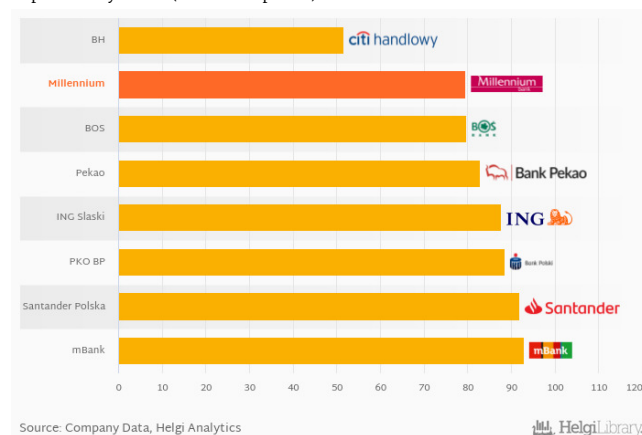
### What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



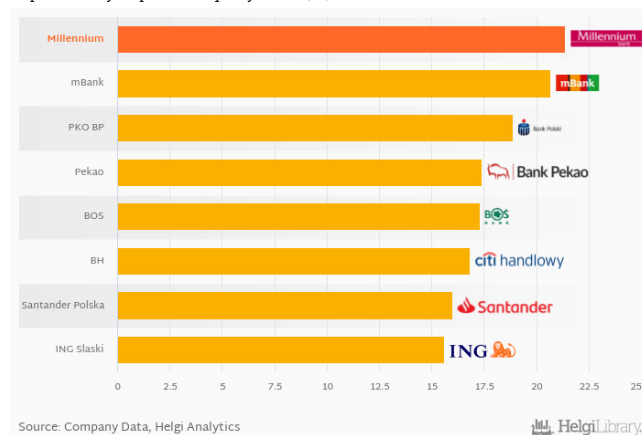
### What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



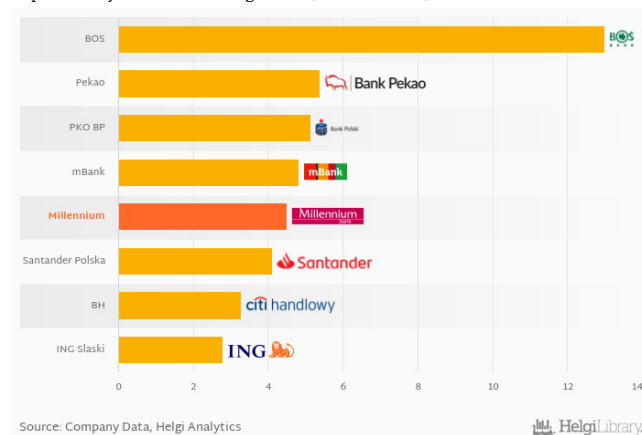
### What Banks in Poland Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



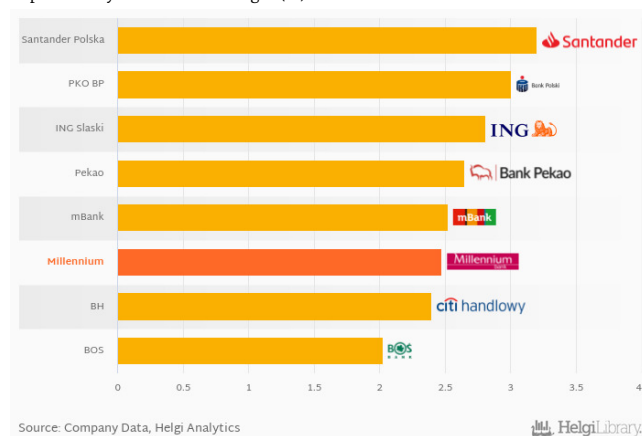
### What Banks in Poland Had the Most Bad Loans in 2018?

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



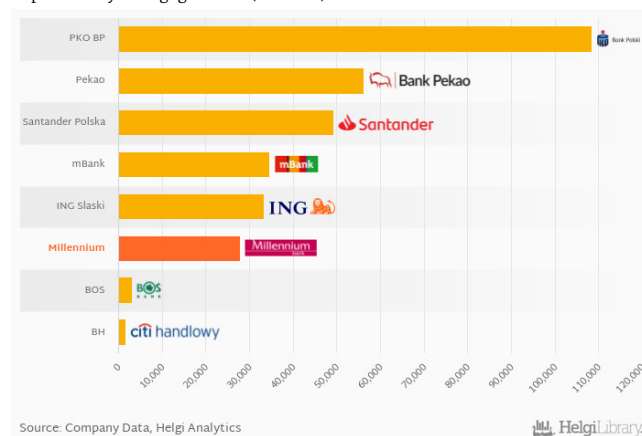
### What Banks in Poland Achieved the Highest Interest Margin in 2018?

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	622	621	618	640	666	699	711	805
Interest Cost	PLN mil	175	172	181	184	184	195	211	220
Net Interest Income	PLN mil	447	449	437	456	481	504	500	584
Net Fee Income	PLN mil	166	169	173	164	163	162	163	175
Other Income	PLN mil	45.5	37.6	47.2	48.5	45.6	47.3	77.3	63.2
Total Revenues	PLN mil	658	656	656	669	690	713	741	823
Staff Cost	PLN mil	149	153	158	159	161	161	173	200
Depreciation	PLN mil	13.0	13.1	13.4	13.2	13.3	14.4	33.4	39.6
Operating Cost	PLN mil	291	305	330	302	316	320	384	372
Operating Profit	PLN mil	367	352	326	367	374	393	356	451
Provisions	PLN mil	69.7	63.0	55.1	58.3	60.8	62.4	72.3	158
Extra and Other Cost	PLN mil	46.4	48.3	52.2	48.5	47.9	50.0	51.4	58.7
Pre-Tax Profit	PLN mil	251	240	219	260	265	281	233	235
Tax	PLN mil	63.6	60.8	63.6	67.5	64.7	68.1	72.7	60.9
Minorities	PLN mil	0	0	0	0	0	0	0	0
Net Profit	PLN mil	187	180	155	193	200	213	160	174

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	%	13.6	10.3	6.21	6.13	7.72	12.2	14.6	28.1
Net Fee Income Growth	%	10.2	8.09	3.84	0.963	-1.59	-4.61	-5.41	6.67
Total Revenue Growth	%	15.2	12.9	5.39	5.35	4.86	8.62	12.9	23.0
Operating Cost Growth	%	4.57	8.09	5.02	2.99	8.78	5.00	16.4	23.0
Operating Profit Growth	%	25.2	17.4	5.77	7.37	1.76	11.7	9.25	22.9
Pre-Tax Profit Growth	%	30.6	33.3	8.66	12.0	5.53	16.7	6.30	-9.86
Net Profit Growth	%	35.1	36.6	10.5	11.0	6.78	18.3	3.02	-9.87

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	2,329	3,113	2,907	2,569	3,053	2,945	2,994	2,932
Number Of Shares (Average)	mil	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213
Share Price (End Of Period)	PLN	7.01	8.94	8.18	7.93	9.25	9.15	9.39	9.14
Earnings Per Share (EPS)	PLN	0.522	0.562	0.574	0.589	0.600	0.627	0.631	0.615
Book Value Per Share	PLN	6.26	6.41	6.37	6.52	6.69	6.91	7.02	7.18
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		13.4	15.9	14.3	13.5	15.4	14.6	14.9	14.9
Price/Book Value (P/BV)		1.12	1.40	1.28	1.22	1.38	1.32	1.34	1.27
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	1.65	-2.86	-1.21	22.4	15.0	11.7	9.96	4.37
Book Value Per Share Growth	%	10.8	12.0	8.24	7.74	6.81	7.87	10.2	10.1

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	3,672	2,080	2,881	2,147	2,237	2,450	1,737	3,396
Interbank Loans	PLN mil	356	254	448	520	528	731	414	712
Customer Loans	PLN mil	47,593	47,411	48,000	50,256	50,915	52,712	53,940	67,855
Retail Loans	PLN mil	32,463	32,013	32,381	32,680	33,203	34,015	34,780	48,207
Mortgage Loans	PLN mil	26,298	25,753	25,904	26,996	27,275	27,807	28,236	34,838
Consumer Loans	PLN mil	6,165	6,260	6,478	5,684	5,928	6,209	6,544	13,369
Corporate Loans	PLN mil	15,130	15,398	15,618	16,422	16,520	17,446	17,919	18,307
Debt Securities	PLN mil	17,967	19,953	18,666	17,239	17,274	22,369	23,082	18,981
Fixed Assets	PLN mil	235	266	260	264	264	307	631	928
Total Assets	PLN mil	70,468	71,141	73,009	72,666	73,408	80,459	82,307	93,670
Shareholders' Equity	PLN mil	7,594	7,773	7,732	7,908	8,111	8,384	8,517	8,704
Of Which Minority Interest	PLN mil	0	0	0	0	0	0	0	0
Liabilities	PLN mil	62,874	63,369	65,277	64,758	65,297	72,075	73,790	84,966
Interbank Loans	PLN mil	356	254	448	520	528	731	414	712
Customer Deposits	PLN mil	56,679	57,273	59,474	59,832	60,223	66,244	66,673	76,828
Retail Deposits	PLN mil	40,082	40,344	43,146	43,303	44,187	47,730	47,827	57,638
Corporate Deposits	PLN mil	16,597	16,930	16,328	16,528	16,036	18,514	18,846	19,189
Issued Debt Securities	PLN mil	2,728	2,035	2,067	2,012	1,811	1,939	2,865	3,477
Other Liabilities	PLN mil	1,294	1,707	1,755	1,749	1,633	2,103	2,383	2,753

Source: Company Data, Helgi Analytics

## Asset Quality – Quarterly

ASSET QUALITY		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Non-Performing Loans	PLN mil	2,259	2,250	2,292	2,393	2,410	2,395	2,395	2,937
Gross Loans	PLN mil	49,099	48,908	49,834	50,907	51,503	53,220	54,430	68,311
Total Provisions	PLN mil	1,505	1,497	1,834	1,805	1,781	1,759	1,731	1,798

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	%	2.59	0.832	2.14	6.21	6.98	11.2	12.4	35.0
Retail Loan Growth	%	-1.12	-3.70	-0.438	0.582	2.28	6.26	7.41	47.5
Mortgage Loan Growth	%	-3.16	-6.33	-2.94	1.91	3.71	7.98	9.00	29.0
Consumer Loan Growth	%	8.65	8.88	11.0	-5.27	-3.84	-0.822	1.02	135
Corporate Loan Growth	%	11.6	11.8	7.95	10.8	9.18	13.3	14.7	11.5
Total Asset Growth	%	4.96	3.41	6.89	4.57	4.17	13.1	12.7	28.9
Shareholders' Equity Growth	%	10.8	12.0	8.24	7.74	6.81	7.87	10.2	10.1
Customer Deposit Growth	%	4.38	2.50	5.50	4.99	6.25	15.7	12.1	28.4
Retail Deposit Growth	%	4.85	1.67	5.21	7.15	10.2	18.3	10.8	33.1
Corporate Deposit Growth	%	3.28	4.54	6.26	-0.273	-3.38	9.36	15.4	16.1

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	%	3.64	4.50	3.87	3.96	4.13	3.92	4.11	4.03
Market Share in Net Profit	%	4.29	5.79	4.51	5.20	5.08	4.40	4.94	5.72
Market Share in Employees	%	3.43	3.46	3.45	3.46	3.48	3.52	3.54	3.55
Market Share in Branches	%	5.43	5.45	5.34	5.24	5.27	5.32	5.33	5.35
Market Share in Customer Loans	%	4.75	4.74	4.64	4.67	4.63	4.60	4.56	4.56
Market Share in Corporate Loans	%	4.01	3.99	3.91	4.00	4.10	4.13	4.12	4.21
Market Share in Retail Loans	%	5.20	5.18	5.07	5.06	4.96	4.90	4.85	4.80
Market Share in Consumer Loans	%	2.15	2.19	2.19	2.21	2.22	2.23	2.25	2.26
Market Share in Mortgage Loans	%	7.20	7.14	6.98	6.93	6.79	6.72	6.66	6.59
Market Share in Total Assets	%	3.82	3.82	3.83	3.84	3.77	3.81	3.85	3.83
Market Share in Customer Deposits	%	5.50	5.46	5.52	5.40	5.51	5.57	5.49	5.31
Market Share in Retail Deposits	%	5.81	5.90	6.00	5.98	6.13	6.07	6.02	5.90
Market Share in Corporate Deposits	%	6.46	6.12	6.19	5.68	5.86	6.31	6.18	5.73

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	%	10.0	9.35	8.01	9.86	10.00	10.3	7.57	8.07
ROA	%	1.07	1.01	0.862	1.06	1.10	1.10	0.786	0.789
Costs (As % Of Assets)	%	1.66	1.72	1.83	1.66	1.73	1.66	1.89	1.69
Costs (As % Of Income)	%	44.2	46.4	50.3	45.1	45.8	44.9	51.9	45.2
Capital Adequacy Ratio	%	20.5	22.0	24.1	23.0	22.6	21.4	25.4	20.1
Tier 1 Ratio	%	20.5	20.0	22.0	21.0	20.6	19.5	21.3	16.9
Net Interest Margin	%	2.55	2.54	2.42	2.51	2.63	2.62	2.46	2.66
Interest Spread	%	2.43	2.42	2.30	2.38	2.51	2.50	2.34	2.55
Asset Yield	%	3.55	3.51	3.43	3.52	3.64	3.63	3.49	3.66
Cost Of Liabilities	%	1.12	1.09	1.13	1.13	1.13	1.13	1.15	1.11
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	67.9	68.5	66.5	68.2	69.8	70.7	67.5	71.0
Fee Income (As % Of Revenues)	%	25.2	25.8	26.3	24.5	23.6	22.7	22.0	21.3
Other Income (As % Of Revenues)	%	6.91	5.74	7.20	7.26	6.61	6.64	10.4	7.69
Cost Per Employee	USD per month	2,305	2,445	2,606	2,526	2,431	2,326	2,425	2,085
Cost Per Employee (Local Currency)	PLN per month	8,488	8,723	8,989	9,039	9,018	8,747	9,303	7,784
Staff Cost (As % Of Total Cost)	%	51.3	50.1	47.8	52.5	50.9	50.3	44.9	53.7
Equity (As % Of Assets)	%	10.8	10.9	10.6	10.9	11.0	10.4	10.3	9.29
Loans (As % Of Deposits)	%	84.0	82.8	80.7	84.0	84.5	79.6	80.9	88.3
Loans (As % Assets)	%	67.5	66.6	65.7	69.2	69.4	65.5	65.5	72.4
NPLs (As % Of Loans)	%	4.60	4.60	4.60	4.70	4.68	4.50	4.40	4.30
Provisions (As % Of NPLs)	%	66.6	66.5	80.0	75.5	73.9	73.4	72.3	61.2
Provisions (As % Of Loans)	%	3.16	3.16	3.82	3.59	3.50	3.34	3.21	2.65
Cost of Provisions (As % Of Loans)	%	0.587	0.530	0.462	0.474	0.481	0.482	0.543	1.04

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	2,720	3,120	2,723	2,594	2,367	2,328	2,439	2,622
Interest Cost	PLN mil	1,578	1,959	1,452	1,129	948	772	702	744
Net Interest Income	PLN mil	1,142	1,161	1,271	1,465	1,419	1,556	1,737	1,878
Net Fee Income	PLN mil	562	546	589	612	596	581	664	661
Other Income	PLN mil	186	245	147	139	165	335	171	189
Total Revenues	PLN mil	1,889	1,953	2,006	2,216	2,180	2,472	2,572	2,728
Staff Cost	PLN mil	540	558	547	547	547	559	597	638
Depreciation	PLN mil	64.8	55.4	54.3	55.3	50.4	54.9	53.0	54.2
Operating Cost	PLN mil	1,124	1,121	1,090	1,111	1,250	1,112	1,203	1,268
Operating Profit	PLN mil	765	832	917	1,104	930	1,360	1,369	1,460
Provisions	PLN mil	174	238	234	265	241	231	255	237
Extra and Other Cost	PLN mil	0.232	-2.20	2.14	0.246	1.35	175	188	198
Pre-Tax Profit	PLN mil	591	596	681	838	688	953	925	1,025
Tax	PLN mil	125	124	145	188	141	252	244	264
Minorities	PLN mil	0	0	0	0	0	0	0	0
Net Profit	PLN mil	466	472	536	651	547	701	681	761
Dividends	PLN mil	0	0	267	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	%	23.1	1.69	9.44	15.3	-3.16	9.71	11.6	8.12
Net Fee Income Growth	%	-0.561	-2.80	7.82	3.90	-2.53	-2.54	14.2	-0.374
Total Revenue Growth	%	10.1	3.36	2.75	10.4	-1.62	13.4	4.02	6.07
Operating Cost Growth	%	3.93	-0.305	-2.77	2.00	12.4	-11.0	8.12	5.43
Operating Profit Growth	%	20.5	8.75	10.2	20.4	-15.8	46.2	0.663	6.63
Pre-Tax Profit Growth	%	44.9	0.829	14.2	23.2	-18.0	38.6	-2.94	10.7
Net Profit Growth	%	43.1	1.23	13.5	21.5	-16.0	28.3	-2.86	11.7

Source: Company Data, Helgi Analytics

### Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	1,339	1,733	2,898	2,844	1,729	1,506	3,113	2,945
Number Of Shares (Average)	mil	1,213	1,213	1,213	1,213	1,213	1,213	1,213	1,213
Share Price (End Of Period)	PLN	3.80	4.42	7.20	8.30	5.56	5.19	8.94	9.15
Earnings Per Share (EPS)	PLN	0.385	0.389	0.442	0.537	0.451	0.578	0.562	0.627
Book Value Per Share	PLN	3.78	3.98	4.42	4.75	5.31	5.72	6.41	6.91
Dividend Per Share	PLN	0	0	0.220	0	0	0	0	0
Price/Earnings (P/E)		9.88	11.4	16.3	15.5	12.3	8.98	15.9	14.6
Price/Book Value (P/BV)		1.01	1.11	1.63	1.75	1.05	0.907	1.40	1.32
Dividend Yield	%	0	0	3.06	0	0	0	0	0
Earnings Per Share Growth	%	43.1	1.23	13.5	21.5	-16.0	28.3	-2.86	11.7
Book Value Per Share Growth	%	12.1	5.19	11.2	7.50	11.8	7.73	12.0	7.87

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	2,018	2,466	3,412	2,612	1,946	1,779	2,080	2,450
Interbank Loans	PLN mil	2,660	1,392	1,520	2,385	2,349	1,268	254	731
Customer Loans	PLN mil	41,332	40,232	41,766	44,143	46,369	47,020	47,411	52,712
Retail Loans	PLN mil	31,068	30,226	30,512	31,435	32,906	33,242	32,013	34,015
Mortgage Loans	PLN mil	28,283	27,235	26,803	26,907	27,683	27,492	25,753	27,807
Consumer Loans	PLN mil	2,785	2,991	3,709	4,529	5,223	5,750	6,260	6,209
Corporate Loans	PLN mil	10,265	10,006	11,254	12,707	13,463	13,778	15,398	17,446
Debt Securities	PLN mil	3,994	7,691	9,307	10,689	14,714	17,808	19,953	22,369
Fixed Assets	PLN mil	245	228	204	213	218	226	266	307
Total Assets	PLN mil	50,838	52,743	57,017	60,741	66,235	68,793	71,141	80,459
Shareholders' Equity	PLN mil	4,586	4,824	5,363	5,765	6,443	6,941	7,773	8,384
Of Which Minority Interest	PLN mil	0	0	0	0	0	0	0	0
Liabilities	PLN mil	46,252	47,918	51,654	54,975	59,792	61,852	63,369	72,075
Interbank Loans	PLN mil	2,660	1,392	1,520	2,385	2,349	1,268	254	731
Customer Deposits	PLN mil	37,428	41,434	45,305	47,591	52,810	55,876	57,273	66,244
Retail Deposits	PLN mil	23,013	26,018	26,434	29,780	35,616	39,682	40,344	47,730
Corporate Deposits	PLN mil	14,415	15,416	18,872	17,811	17,194	16,194	16,930	18,514
Issued Debt Securities	PLN mil	6,213	3,271	2,944	4,459	4,251	3,467	2,035	1,939
Other Liabilities	PLN mil	779	721	1,056	888	1,287	1,239	1,707	2,103

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	2,104	2,111	1,903	1,923	2,204	2,177	2,250	2,395
Gross Loans	PLN mil	42,550	41,470	43,078	45,501	47,830	48,385	48,908	53,220
Total Provisions	PLN mil	1,217	1,238	1,312	1,358	1,461	1,365	1,497	1,759

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	12.5	-2.66	3.81	5.69	5.04	1.40	0.832	11.2
Retail Loan Growth	%	9.29	-2.71	0.944	3.03	4.68	1.02	-3.70	6.26
Mortgage Loan Growth	%	13.7	-3.70	-1.59	0.387	2.89	-0.691	-6.33	7.98
Consumer Loan Growth	%	-21.5	7.40	24.0	22.1	15.3	10.1	8.88	-0.822
Corporate Loan Growth	%	8.07	-2.52	12.5	12.9	5.95	2.34	11.8	13.3
Total Asset Growth	%	8.20	3.75	8.10	6.53	9.05	3.86	3.41	13.1
Shareholders' Equity Growth	%	12.1	5.19	11.2	7.50	11.8	7.73	12.0	7.87
Customer Deposit Growth	%	5.74	10.7	9.34	5.05	11.0	5.80	2.50	15.7
Retail Deposit Growth	%	9.96	13.1	1.60	12.7	19.6	11.4	1.67	18.3
Corporate Deposit Growth	%	16.0	6.95	22.4	-5.62	-3.47	-5.82	4.54	9.36

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	%	3.64	4.50	3.87	3.96	4.13	3.92	4.11	4.03
Market Share in Net Profit	%	4.29	5.79	4.51	5.20	5.08	4.40	4.94	5.72
Market Share in Employees	%	3.43	3.46	3.45	3.46	3.48	3.52	3.54	3.55
Market Share in Branches	%	5.43	5.45	5.34	5.24	5.27	5.32	5.33	5.35
Market Share in Customer Loans	%	4.75	4.74	4.64	4.67	4.63	4.60	4.56	4.56
Market Share in Corporate Loans	%	4.01	3.99	3.91	4.00	4.10	4.13	4.12	4.21
Market Share in Retail Loans	%	5.20	5.18	5.07	5.06	4.96	4.90	4.85	4.80
Market Share in Consumer Loans	%	2.15	2.19	2.19	2.21	2.22	2.23	2.25	2.26
Market Share in Mortgage Loans	%	7.20	7.14	6.98	6.93	6.79	6.72	6.66	6.59
Market Share in Total Assets	%	3.82	3.82	3.83	3.84	3.77	3.81	3.85	3.83
Market Share in Customer Deposits	%	5.50	5.46	5.52	5.40	5.51	5.57	5.49	5.31
Market Share in Retail Deposits	%	5.81	5.90	6.00	5.98	6.13	6.07	6.02	5.90
Market Share in Corporate Deposits	%	6.46	6.12	6.19	5.68	5.86	6.31	6.18	5.73

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	10.8	10.0	10.5	11.7	8.95	10.5	9.26	9.42
ROA	%	0.954	0.912	0.976	1.11	0.861	1.04	0.974	1.00
Costs (As % Of Assets)	%	2.30	2.16	1.99	1.89	1.97	1.65	1.72	1.67
Costs (As % Of Income)	%	59.5	57.4	54.3	50.2	57.3	45.0	46.8	46.5
Capital Adequacy Ratio	%	13.2	14.5	14.5	15.2	16.7	17.4	22.0	21.4
Tier 1 Ratio	%	11.4	11.6	13.4	14.5	16.4	17.3	20.0	19.5
Net Interest Margin	%	2.33	2.24	2.32	2.49	2.23	2.31	2.48	2.48
Interest Spread	%	2.02	1.86	2.04	2.29	2.08	2.18	2.36	2.36
Asset Yield	%	5.56	6.03	4.96	4.41	3.73	3.45	3.49	3.46
Cost Of Liabilities	%	3.54	4.16	2.92	2.12	1.65	1.27	1.12	1.10
Payout Ratio	%	0	0	49.8	0	0	0	0	0
Interest Income (As % Of Revenues)	%	60.4	59.5	63.3	66.1	65.1	63.0	67.5	68.8
Fee Income (As % Of Revenues)	%	29.7	28.0	29.3	27.6	27.4	23.5	25.8	24.2
Other Income (As % Of Revenues)	%	9.82	12.6	7.32	6.27	7.56	13.5	6.66	6.92
Cost Per Employee	USD per month	2,414	2,382	2,453	2,277	2,072	1,972	2,225	2,306
Cost Per Employee (Local Currency)	PLN per month	7,158	7,753	7,751	7,463	7,711	7,968	8,527	8,672
Staff Cost (As % Of Total Cost)	%	48.1	49.8	50.2	49.2	43.8	50.2	49.6	50.3
Equity (As % Of Assets)	%	9.02	9.15	9.41	9.49	9.73	10.1	10.9	10.4
Loans (As % Of Deposits)	%	110	97.1	92.2	92.8	87.8	84.2	82.8	79.6
Loans (As % Assets)	%	81.3	76.3	73.3	72.7	70.0	68.4	66.6	65.5
NPLs (As % Of Loans)	%	4.94	5.09	4.42	4.23	4.61	4.50	4.60	4.50
Provisions (As % Of NPLs)	%	57.8	58.6	69.0	70.6	66.3	62.7	66.5	73.4
Provisions (As % Of Loans)	%	2.94	3.08	3.14	3.08	3.15	2.90	3.16	3.34
Cost of Provisions (As % Of Loans)	%	0.445	0.584	0.571	0.618	0.533	0.495	0.541	0.473

Source: Company Data, Helgi Analytics



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