

# Bank Ochrony Srodowiska

## Quarterly Results - 2Q2019

Bank Ochrony Srodowiska made a net profit of PLN 27.0 mil in the second quarter of 2019, up 51.6% when compared to the previous year. Total revenues decreased 8.15% yoy to PLN 150 mil, ROE amounted to 5.01% and the NPL ratio stood at 12.5%. Bank Ochrony Srodowiska stock depreciated by 4.19% in the second quarter of 2019 to PLN 7.78 per share and the stock traded at a 12-month trailing PE of 9.82x and PBV of 0.333x based on the closing price at the end of the quarter.

- ✓ Revenues decreased 8.15% yoy to PLN 150 mil in the second quarter of 2019. Interest income formed 71.2% of total revenues with the net interest margin increasing 0.38 pp to 2.31% of total assets. Fees added a further 16.8% to total revenue generated in 2Q2019, down from an average of 17.5% as seen in the previous two years.
- ✓ Operating costs dropped by 3.19% yoy to PLN 84.2 mil, so cost to income ratio reached 56.1%, down by 6.57% compared to the previous two years. Staff accounted for 48.9% of total operating expenditures. At the end of second quarter of 2019, Bank Ochrony Srodowiska operated a network of 56.0 branches and 1,364 employees.
- ✓ Loans and deposits dropped by 1.09% and 0.185% qoq respectively, so loan to deposit ratio reached 78.4% at the end of 2Q2019. That's up from 73.7% the previous year. Equity reached 11.8% of assets and capital adequacy ratio amounted to 17.3% at the end of the second quarter of 2019.
- ✓ NPLs were 12.5% of total loans at the end of the quarter. Provisions covered 68.4% of non-performing loans
- ✓ Bank Ochrony Srodowiska stock traded at PLN 7.78 per share at the end of second quarter of 2019 implying a market capitalization of USD 194 mil. This put stock at a 12-month trailing price to earnings of 9.82x and price to book value of 0.333x as of the end of 2Q2019.

Sector:  
Banking

Country:  
Poland

Share Price:  
PLN 7.78

Market Capitalization:  
USD 194 mil

Shares Outstanding:  
92.9 mil

Employees:  
1,364

Clients:  
0.246 mil

Branches:  
56.0

Capital Adequacy Ratio:  
17.3%

NPL Ratio:  
12.5%

Provision Coverage:  
68.4%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil	PLN	%			%	PLN	%
2Q2019	150	27.0	0.793	35.0	9.82	0.333	5.01	0	0
2018	580	63.7	0.686	-6.41	10.7	0.320	3.19	0	0
2017	590	46.1	0.733	-152	11.3	0.279	2.53	0	0
2016	511	-60.1	-1.40	-37.2	...	0.402	-3.64	0	0
2015	488	-51.1	-2.23	-178	...	0.256	-3.33	0	0

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

Data tells a story



## 1 Company Overview

Bank Ochrony Środowisk (BOS) is a Poland's small-sized bank. The Bank specializes in supporting undertakings and activities contributing to environmental protection. The Bank divides its business activities into two divisions: Corporate and Public Finances division and Retail division. Its main products and services include deposit accounts, lending accounts, commercial loan facilities, investment banking services, trade finance services and foreign exchange and fiduciary services. As of December 31, 2011, the parent entity to BOS SA was Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej. Since 1997 its shares have been traded in the primary market of the Warsaw Stock Exchange.

Bank Ochrony Środowiska has been growing its revenues and asset by 1.24% and -1.09% a year on average in the last 5 years. Its loans and deposits have grown by -0.573% and 0.857% a year during that time and loans to deposits ratio reached 78.4% at the end of 2Q2019. The company achieved an average return on equity of 0.596% in the last five years with net profit growing 0.754% a year on average. In terms of operating efficiency, its cost to income ratio reached 56.1% in 2Q2019, compared to 71.3% average in the last five years.

Equity represented 11.8% of total assets or 18.6% of loans at the end of 2Q2019. Bank Ochrony Środowiska's non-performing loans were 12.5% of total loans while provisions covered some 68.4% of NPLs at the end of the second quarter of 2019.

Bank Ochrony Środowiska stock traded at PLN 7.78 per share at the end of 2Q2019 resulting in a market capitalization of USD 194 mil. Over the previous five years, stock price fell by 83.4% or 30.2% a year on average. That's compared to an average ROE of 0.596% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 9.82x and price to book value (PBV) of 0.333x 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	94.9	92.8	88.4	93.8	99.8	102	103	107
Total Revenues	PLN mil	141	146	134	163	145	138	147	150
Operating Profit	PLN mil	54.4	53.2	33.7	76.4	58.9	53.7	40.6	65.8
Net Profit	PLN mil	13.6	-10.9	16.3	17.8	24.5	5.06	17.1	27.0
Customer Loans	PLN mil	12,722	12,344	12,026	11,895	11,861	11,810	11,778	11,649
Total Assets	PLN mil	19,499	19,677	19,411	19,555	18,397	18,251	18,456	18,479
Shareholders' Equity	PLN mil	1,865	1,860	1,810	1,817	2,137	2,138	2,142	2,173
Interbank Borrowing	PLN mil	374	480	370	532	537	572	605	552
Customer Deposits	PLN mil	15,597	15,464	15,577	16,144	14,714	14,799	14,886	14,858
Issued Debt Securities	PLN mil	1,458	1,514	1,419	816	790	490	505	508

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	2.93	-2.33	3.56	3.93	4.95	0.948	3.19	5.01
Costs (As % Of Income)	%	61.4	63.7	74.8	53.2	59.4	61.0	72.4	56.1
Net Interest Margin	%	1.93	1.89	1.81	1.93	2.10	2.23	2.24	2.31
Equity (As % Of Assets)	%	9.56	9.46	9.32	9.29	11.6	11.7	11.6	11.8
Loans (As % Of Deposits)	%	81.6	79.8	77.2	73.7	80.6	79.8	79.1	78.4
Loans (As % Assets)	%	65.2	62.7	62.0	60.8	64.5	64.7	63.8	63.0
NPLs (As % Of Loans)	%	11.4	11.9	13.3	13.2	12.4	13.0	13.0	12.5
Provisions (As % Of NPLs)	%	37.6	40.6	54.8	57.8	62.5	63.0	64.1	68.4

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	175	146	164	142	158	183	197	194
Share Price (End Of Period)	PLN	10.2	8.27	8.93	8.44	7.45	7.35	8.12	7.78
Price/Earnings (P/E)		-155	11.3	13.2	14.4	12.1	10.7	11.7	9.82
Price/Book Value (P/BV)		0.343	0.279	0.310	0.292	0.324	0.320	0.352	0.333

Source: Company Data, Helgi Analytics

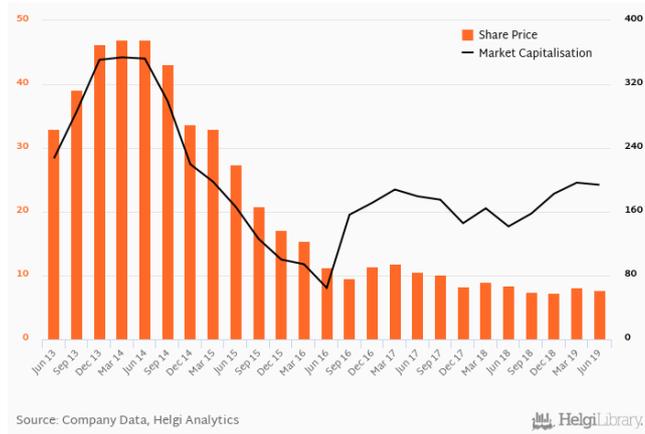


## 2 Valuation

Bank Ochrony Srodowiska stock traded at PLN 7.78 per share at the end of 2Q2019 resulting in a market capitalization of USD 194 mil. Over the previous quarter, stock depreciated by 4.19%. Over the previous three years, stock price declined by 30.8% or 11.6% a year on average. That's compared to an average ROE of 5.01% the bank generated for its shareholders:

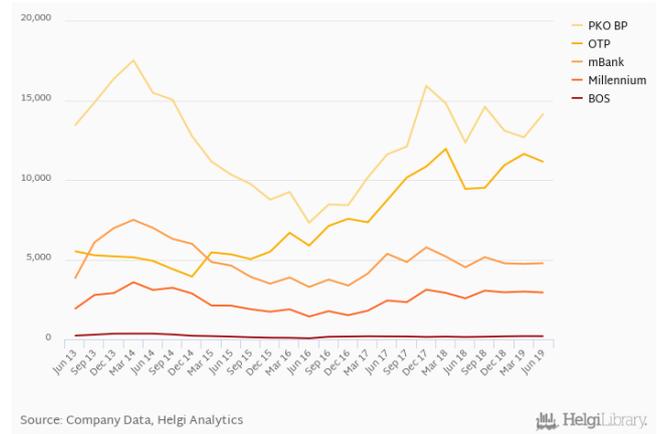
### Share Price & Market Capitalization

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



### Market Capitalization Peers Comparison

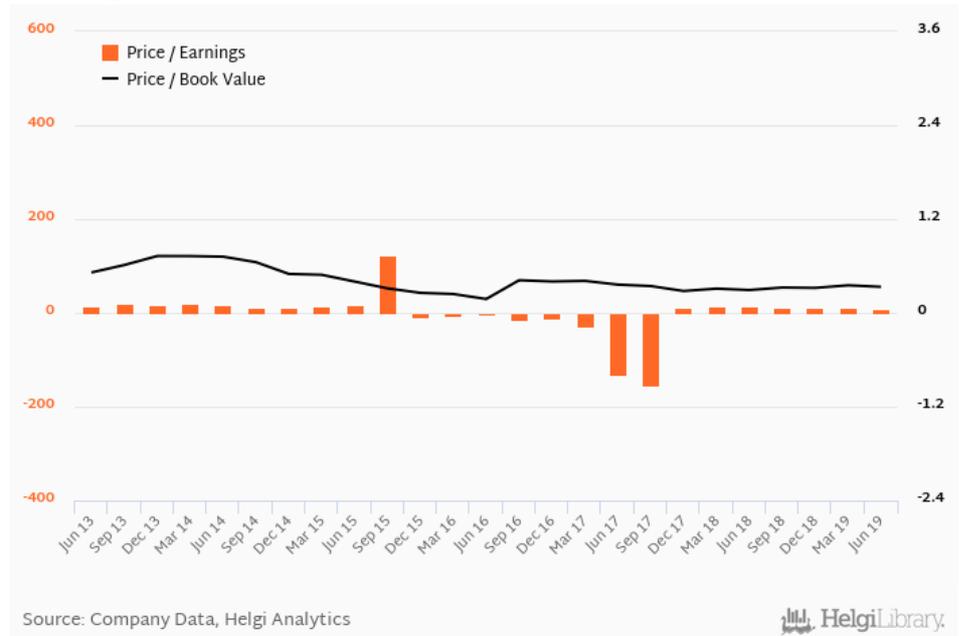
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 9.82x and price to book value (PBV) of 0.333x 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 123x in 3Q2015 and a low of -155x in 3Q2017 with an average of -4.74x.

When compared to selected peers, Bank Ochrony Srodowiska traded at a 14.7%



discount below average at the end of the second quarter of 2019.

Regarding price to book value, stock was trading at 0.333x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 0.648x in 3Q2014 and a low of 0.177x in 2Q2016 with an average of 0.358x.

In comparison to its peers, Bank Ochrony Srodowiska traded at -74.7% discount on a trailing basis at the end of the second quarter of 2019.

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

VALUATION MULTIPLES		MKT CAP		ROE			PE			PBV		
NAME	COUNTRY	(USD mil)	Dec 18	Mar 19	Jun 19	Dec 18	Mar 19	Jun 19	Dec 18	Mar 19	Jun 19	
Erste Group Bank	Austria	17,365	12.1	7.81	7.21	7.39	8.00	8.28	0.702	0.743	0.738	
Komerčni Banka	Czechia	7,572	15.3	12.1	15.6	10.8	11.9	11.1	1.56	1.67	1.68	
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 Slaski	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 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	
Bank Ochrony Srodowiska	Poland	194	0.948	3.19	5.01	10.7	11.7	9.82	0.320	0.352	0.333	
Weighted Average			12.7	9.03	12.0	11.7	12.5	11.5	1.28	1.32	1.32	
Median			11.3	7.69	8.91	13.4	13.7	12.0	1.30	1.29	1.31	

BANK OCHRONY SRODOWISKA'S PREMIUM/DISCOUNT TO:										
Weighted Average		-92.6%	-64.6%	-58.3%	-8.42%	-6.08%	-14.7%	-75.0%	-73.4%	-74.7%
Median		-91.6%	-58.5%	-43.7%	-20.1%	-14.6%	-18.3%	-75.4%	-72.7%	-74.6%

Source: Company Data, Helgi Analytics

## Bank Ochrony Srodowiska - 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	175	146	164	142	158	183	197	194
Number Of Shares (Average)	mil	62.8	62.8	62.8	62.8	77.9	92.9	92.9	92.9
Share Price (End Of Period)	PLN	10.2	8.27	8.93	8.44	7.45	7.35	8.12	7.78
Earnings Per Share (EPS)	PLN	-0.066	0.733	0.676	0.587	0.613	0.686	0.694	0.793
Book Value Per Share	PLN	29.7	29.6	28.8	28.9	23.0	23.0	23.0	23.4
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		-155	11.3	13.2	14.4	12.1	10.7	11.7	9.82
Price/Book Value (P/BV)		0.343	0.279	0.310	0.292	0.324	0.320	0.352	0.333
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-90.9	-177	-256	-831	-1,034	-6.47	2.65	35.0
Book Value Per Share Growth	%	29.2	4.41	-0.161	-1.42	-22.5	-22.3	-20.0	-19.2

Source: Company Data, Helgi Analytics



## 3 Revenues & Costs

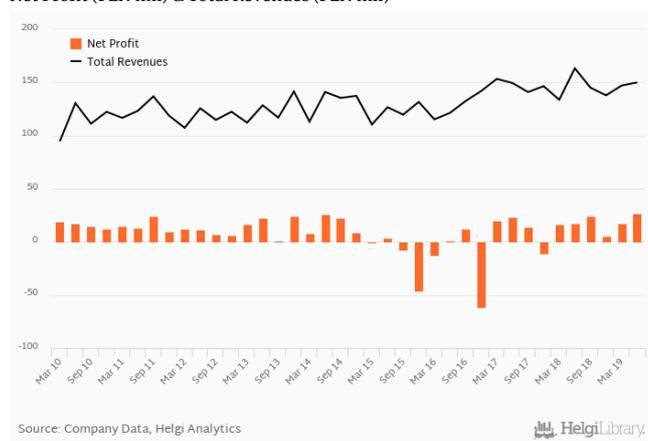
### 3.1 Revenues

Bank Ochrony Srodowiska generated total operating revenues of PLN 150 mil in the second quarter of 2019, down 8.15% compared to the same period of the previous year. Net interest income represented 71.2% of revenues, fee income contributed 16.8% and other non-interest income added further 12.0% to the overall revenue generated.

Over the previous three years, revenues rose by 7.33% a year on average.

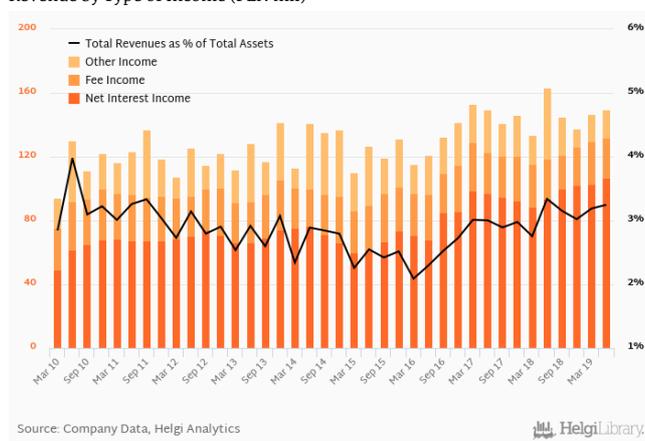
#### Revenue & Profitability

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



#### Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 2.31% in the second quarter of 2019, up from the 1.93% of the previous year. Historically, Bank Ochrony Srodowiska's net interest margin reached a high of 2.31% in 2Q2019 and a low of 1.22% in 1Q2015.

Average asset yield was 3.47% in the second quarter of 2019 (up from 3.30%) while cost of funding amounted to 1.31% in 2Q2019 (down from 1.51%).

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
Komerčni Banka	Czechia	7,572	2.10	2.07	2.00	2.06	2.20	2.15	2.02
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 Slaski	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 Millennium	Poland	2,932	2.54	2.42	2.51	2.63	2.62	2.46	2.66
Bank Handlowy	Poland	1,881	2.66	2.53	2.44	2.52	2.36	2.24	2.28
<b>Bank Ochrony Srodowiska</b>	<b>Poland</b>	<b>194</b>	<b>1.89</b>	<b>1.81</b>	<b>1.93</b>	<b>2.10</b>	<b>2.23</b>	<b>2.24</b>	<b>2.31</b>
Weighted Average			2.92	2.85	2.84	2.87	2.97	2.79	2.79
Median			2.60	2.50	2.50	2.58	2.57	2.48	2.64

Source: Company Data, Helgi Analytics



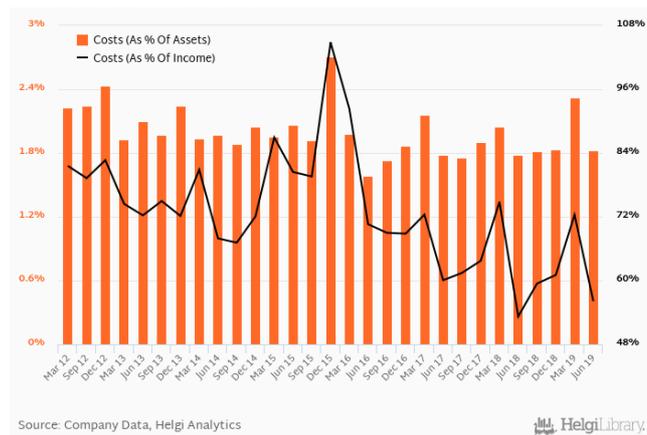
### 3.2 Costs

Operating costs decreased by 3.19% yoy to PLN 84.2 mil in the second quarter of 2019. Bank Ochrony Srodowiska’s cost to income ratio therefore reached 56.1%, up from 53.2% when compared to the previous year.

Historically, operating costs reached a high of 105% of income in 4Q2015 and a low of 53.2% in 2Q2018:

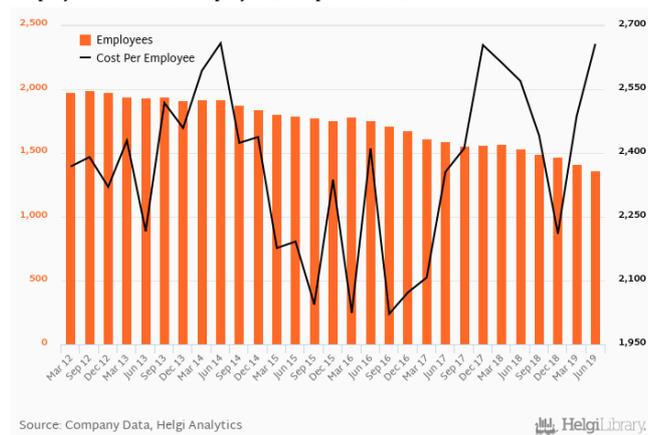
#### Cost Efficiency

Costs As % Of Assets & Income



#### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Bank Ochrony Srodowiska operated with a 9.05 pp higher 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
Komerčni Banka	Czechia	7,572	53.6	45.2	41.0	42.7	52.6	42.9
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 Slaski	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 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
Bank Ochrony Srodowiska	Poland	194	74.8	53.2	59.4	61.0	72.4	56.1
Weighted Average			55.2	48.9	49.1	48.8	56.5	47.1
Median			52.0	45.2	45.2	43.8	56.0	44.0

Source: Company Data, Helgi Analytics

When compared to total assets, operating costs amounted to 1.82% in 2Q2019 up from 1.78% the previous year.

Bank Ochrony Srodowiska had 1,364 employees in the second quarter of 2019, down by 11.2% when compared to the previous year. The company operated a network of 56.0 branches in 2Q2019.

The average cost per employee stood at USD 2,657 per month, 3.4% above the



previous year. This figure was USD 2,658 per month five years earlier.

Staff accounted for 48.9% 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
Komerčni Banka	Czechia	7,572	45.5	60.9	56.5	52.4	45.5	55.0
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 Slaski	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 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
Bank Ochrony Srodowiska	Poland	194	42.5	48.8	47.1	42.6	37.5	48.9
Weighted Average			46.6	52.4	51.6	50.8	45.3	52.2
Median			43.1	50.1	48.2	47.2	41.5	49.6

Source: Company Data, Helgi Analytics



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

### 4.1 Balance Sheet Growth

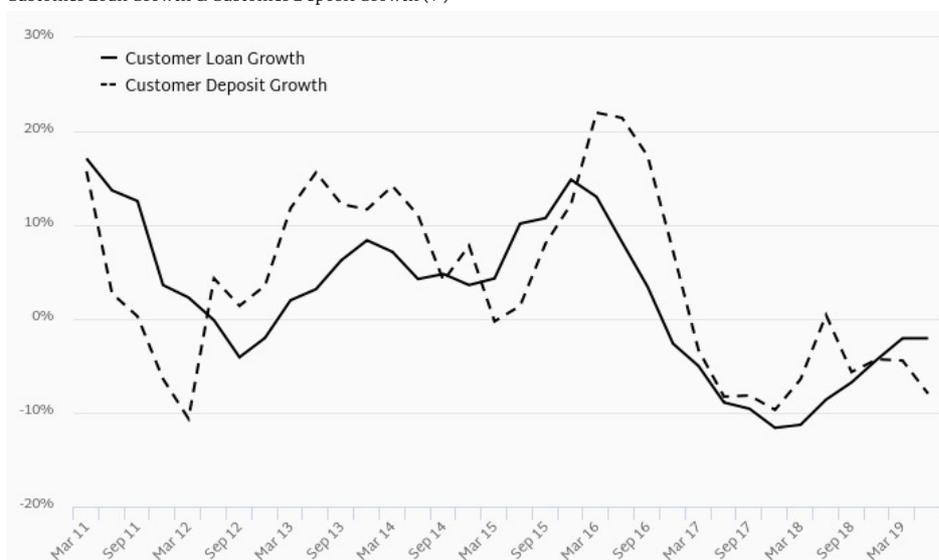
Bank Ochrony Srodowiska's customer loans decreased 1.09% qoq and 2.07% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to -0.185% qoq and -7.96% yoy. That's compared to average of -5.79% and -2.77% seen in the last three years.

In the previous five years, the average annual loan growth amounted to -6.58% while deposit growth reached -5.36% on average a year.

At the end of second quarter of 2019, Bank Ochrony Srodowiska's loans accounted for 78.4% of total deposits and 63.0% 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
Komerčni Banka	Czechia	7,572	73.7	73.6	72.6	76.7	73.0	71.1
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 Slaski	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 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
Bank Ochrony Srodowiska	Poland	194	77.2	73.7	80.6	79.8	79.1	78.4
Weighted Average			84.8	85.5	85.6	84.3	85.1	85.8
Median			83.5	85.4	86.9	83.7	84.7	88.4

Source: Company Data, Helgi Analytics

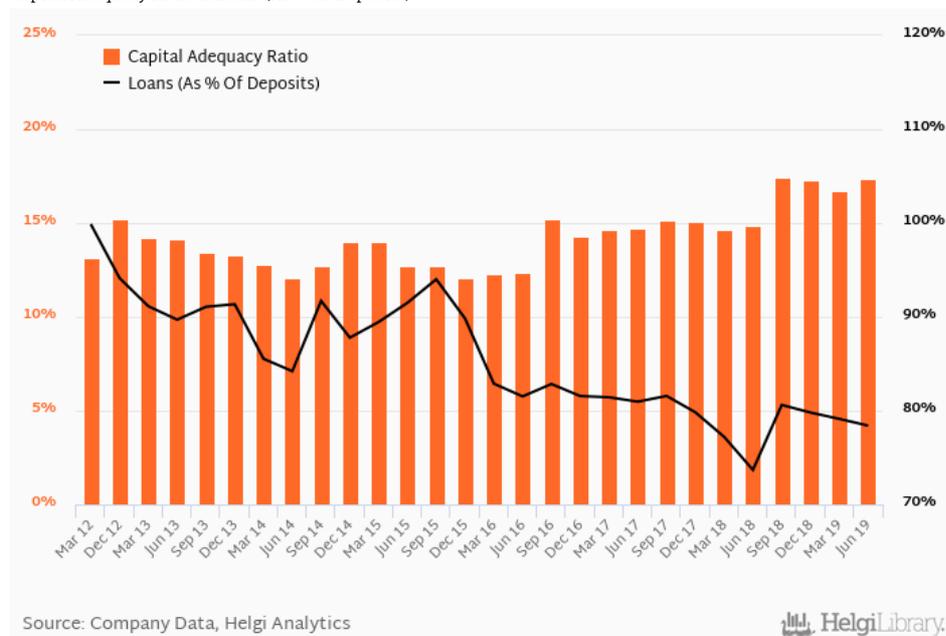


## 4.2 Capital & Liquidity

Bank Ochrony Srodowiska's capital adequacy ratio reached 17.3% in the second quarter of 2019, up from 14.9% for the previous year. The Tier 1 ratio amounted to 15.3% at the end of the second quarter of 2019:

### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



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

CAPITAL ADEQUACY RATIO								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	17.6	17.4	17.2	18.2	18.2	18.4
Komerčni Banka	Czechia	7,572	18.3	18.1	18.4	18.5	18.9	19.0
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 Slaski	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 Millennium	Poland	2,932	24.1	23.0	22.6	21.4	25.4	20.1
Bank Handlowy	Poland	1,881	17.3	17.1	16.9	16.8	16.2	16.6
<b>Bank Ochrony Srodowiska</b>	<b>Poland</b>	<b>194</b>	<b>14.6</b>	<b>14.9</b>	<b>17.4</b>	<b>17.3</b>	<b>16.7</b>	<b>17.3</b>
Weighted Average			17.8	17.6	17.7	18.1	18.0	17.9
Median			17.5	17.4	17.5	18.2	17.5	17.9

Source: Company Data, Helgi Analytics



### 4.3 Loan Breakdown

Bank Ochrony Srodowiska's loans reached PLN 11,649 mil in the second quarter of 2019, down 2.07% when compared to the same period of the previous year:

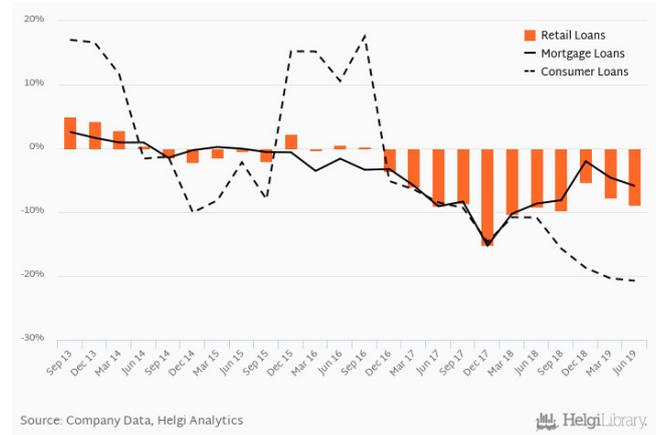
#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



#### Retail Loan Growth

Retail Loan Growth (%)

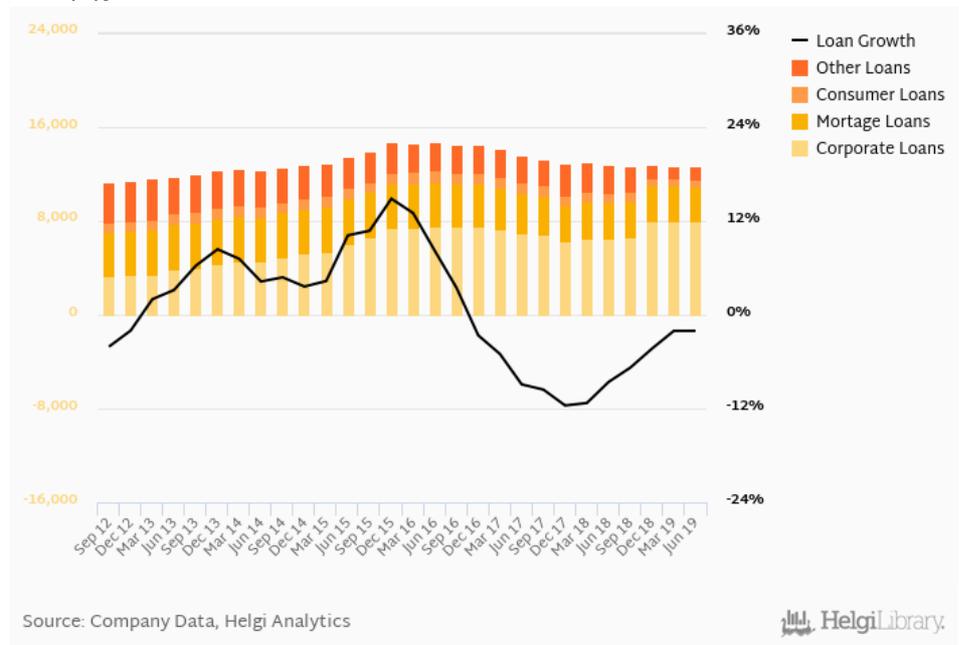


Retail loans grew -2.25% qoq and -8.85% yoy and accounted for 30.8% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio decreased 8.97% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 25.4% of the Bank Ochrony Srodowiska's loan book, consumer loans added a further 5.34% and corporate loans formed 68.4% of total loans.

#### Loan Breakdown

Loans by Type (PLN mil)





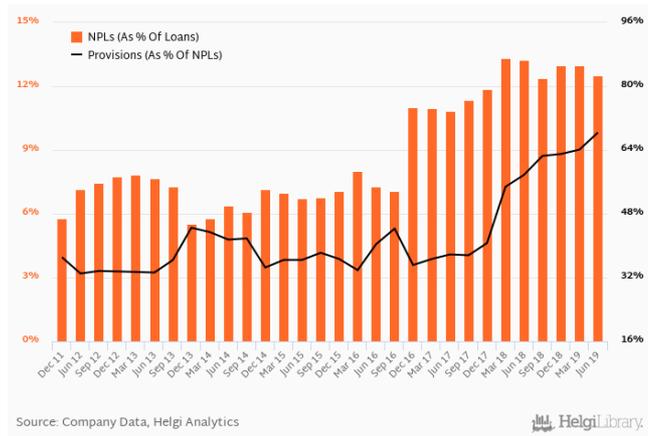
### 4.4 Asset Quality

Bank Ochrony Srodowiska's non-performing loans were 12.5% of total loans, down from 13.0% when compared to the previous quarter. Historically, the NPL ratio hit a high of 13.3% in 1Q2018 and a low 5.55% in 4Q2013.

Provisions covered some 68.4% of NPLs at the end of the second quarter of 2019, up from 64.1% for the previous three months:

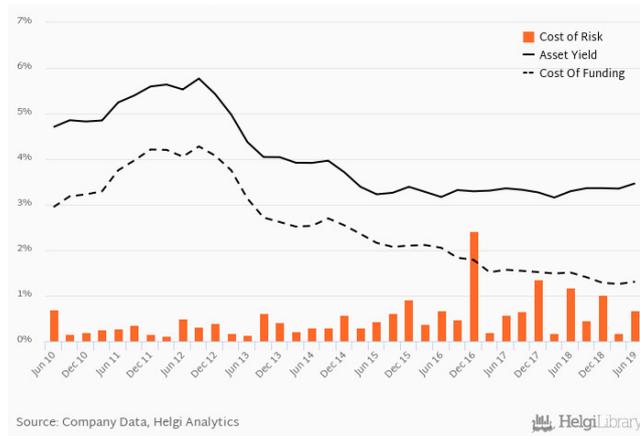
#### Asset Quality

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



#### Cost of Risk

Cost of Risk vs. Interest Spread (%)



Bank Ochrony Srodowiska operated with an NPL ratio 8.57 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
Komerčni Banka	Czechia	7,572	2.85	2.73	2.77	2.71	2.50	2.30
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 Slaski	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 Millennium	Poland	2,932	4.60	4.70	4.68	4.50	4.40	4.30
Bank Handlowy	Poland	1,881	3.57	3.58	3.48	3.28	3.44	4.53
<b>Bank Ochrony Srodowiska</b>	<b>Poland</b>	<b>194</b>	<b>13.3</b>	<b>13.2</b>	<b>12.4</b>	<b>13.0</b>	<b>13.0</b>	<b>12.5</b>
Weighted Average			5.22	4.82	4.57	4.21	4.09	3.94
Median			4.75	4.75	4.64	4.30	4.35	4.41

Source: Company Data, Helgi Analytics

Bank Ochrony Srodowiska's cost of risk reached 0.674% of average loans in the second quarter of 2019, up from 0.172% in the previous quarter and compared to 1.17% for the previous year on average.



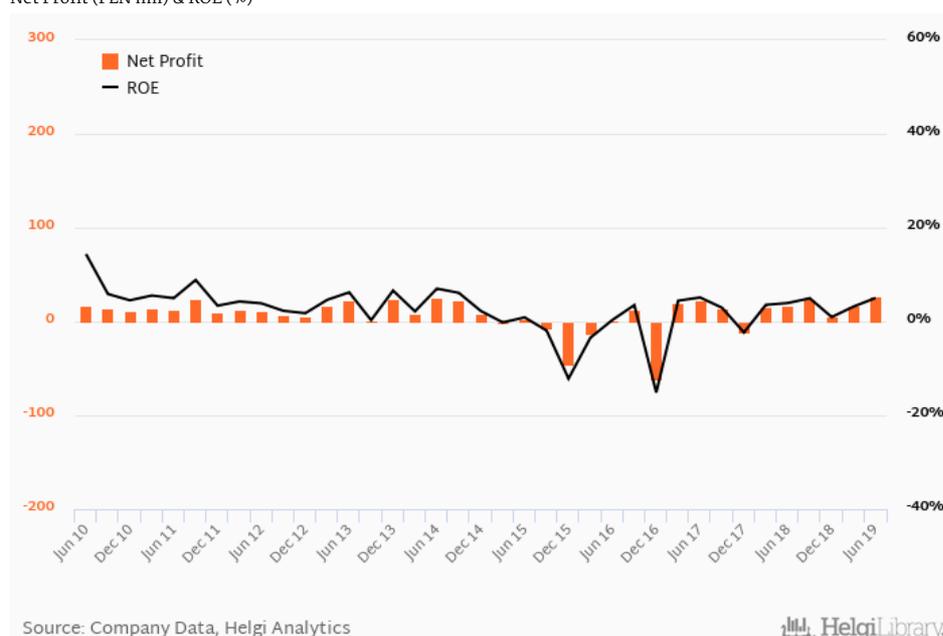
## 5 Profitability

Overall, Bank Ochrony Srodowiska made a net profit of PLN 27.0 mil in the second quarter of 2019. This was up 51.6% when compared to the previous year resulting in a return on equity of 5.01%.

Historically, net profit reached a high of PLN 27.0 mil in 2Q2019 and a low of PLN -61.1 mil in 4Q2016.

### Profitability

Net Profit (PLN mil) & ROE (%)



The company generated an average return on equity of 1.68% for its shareholders in the previous three years with maximum at 5.12% and minimum at -15.1%.

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
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 Slaski	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 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
Bank Ochrony Srodowiska	Poland	194	3.56	3.93	4.95	0.948	3.19	5.01
Weighted Average			9.87	12.4	12.2	12.7	9.03	12.0
Median			8.32	10.4	10.0	11.3	7.69	8.91

Source: Company Data, Helgi Analytics

When compared to total assets, Bank Ochrony Srodowiska generated a return of 0.586% in the second quarter of 2019 (ROA). That's 0.501 pp above average for the



previous five years.

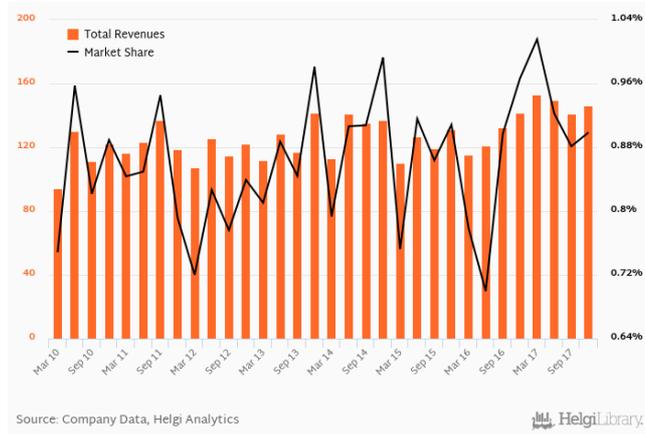


## 6 Market Share Development on the Polish Market

Based on latest available data, Bank Ochrony Srodowiska accounted for 1.06% 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)

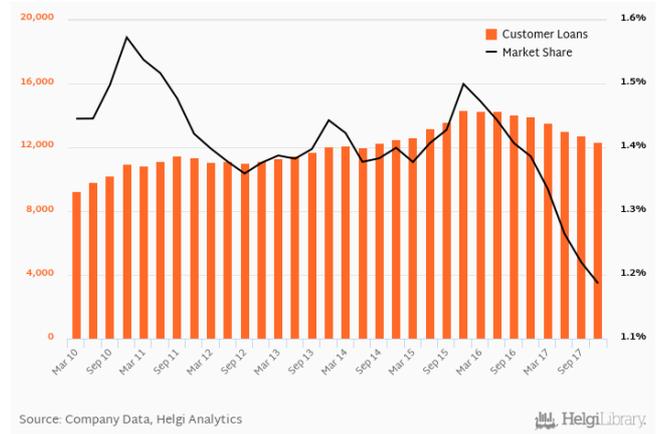


Source: Company Data, Helgi Analytics

HelgiLibrary

### Market Share in Bank Loans

Customer Loans (PLN mil)

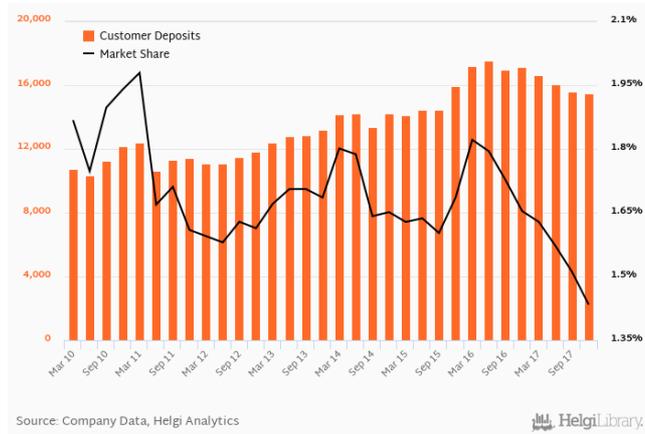


Source: Company Data, Helgi Analytics

HelgiLibrary

### Market Share in Bank Deposits

Customer Deposits (PLN mil)



Source: Company Data, Helgi Analytics

HelgiLibrary

### Market Share in Retail Loans

Retail Loans (PLN mil)

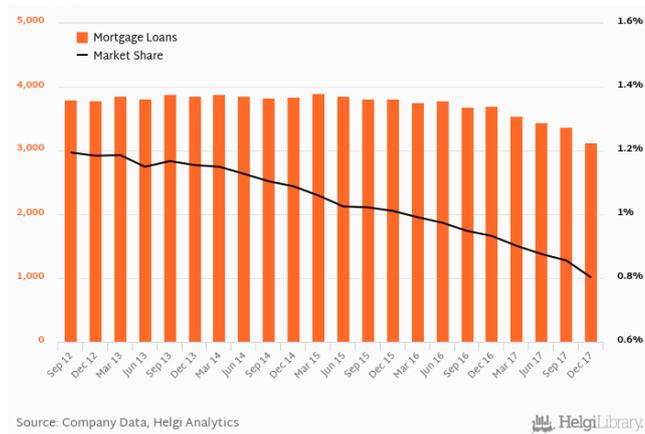


Source: Company Data, Helgi Analytics

HelgiLibrary

### Market Share in Mortgage Loans

Mortgage Loans (PLN mil)

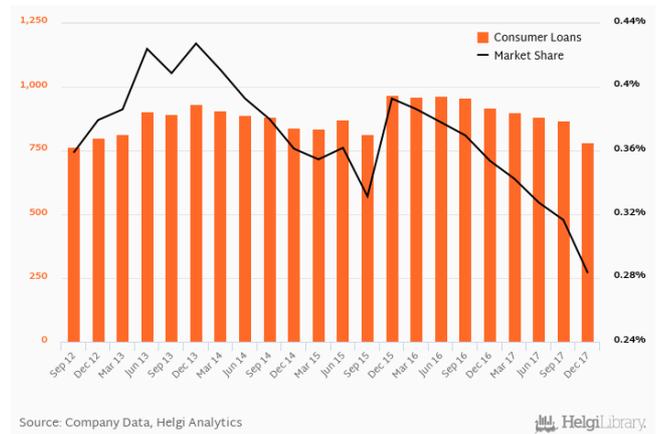


Source: Company Data, Helgi Analytics

HelgiLibrary

### Market Share in Consumer Loans

Consumer Loans (PLN mil)



Source: Company Data, Helgi Analytics

HelgiLibrary

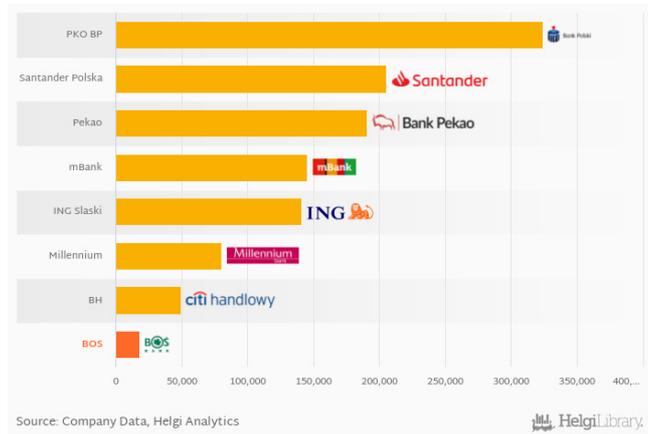


## 7 Market Share Position Within the Polish Market

Based on latest available data, the following charts demonstrate Bank Ochrony Srodowiska’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)



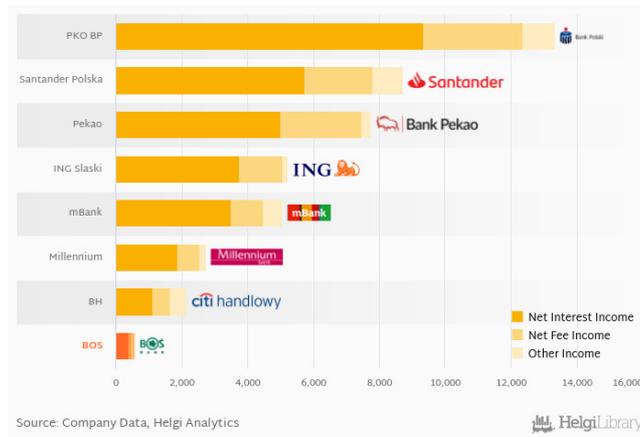
### What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



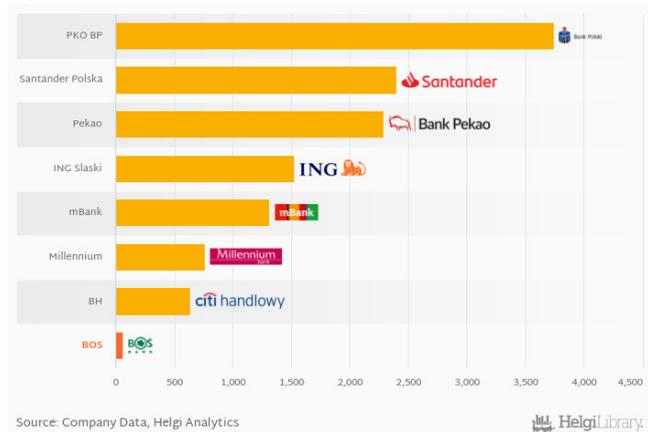
### What Banks in Poland Generated the Most Revenues in 2018?

Top Banks by Total Revenues (PLN mil)



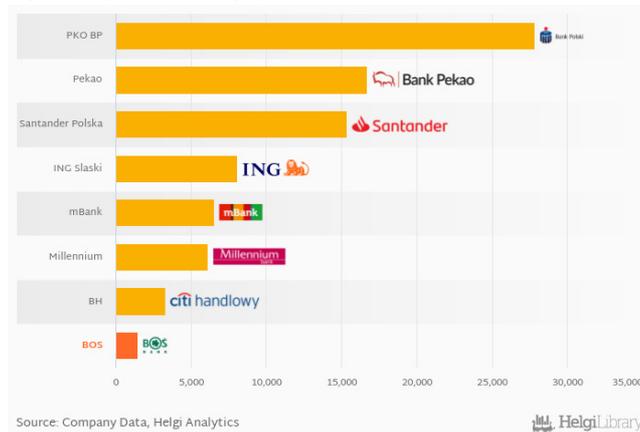
### What Banks in Poland Were the Most Profitable in 2018?

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



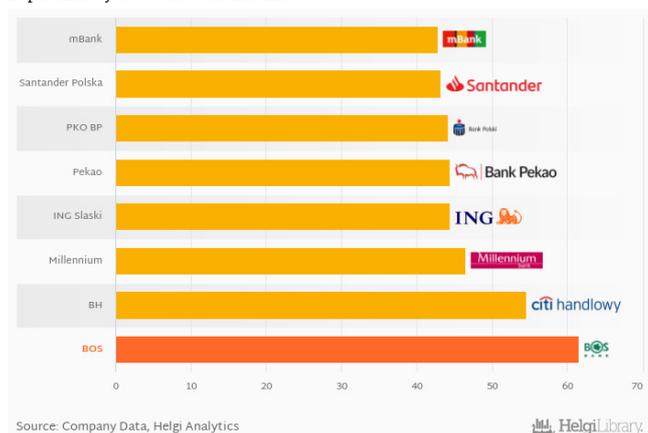


## 8 Relative Performance on the Polish Market

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

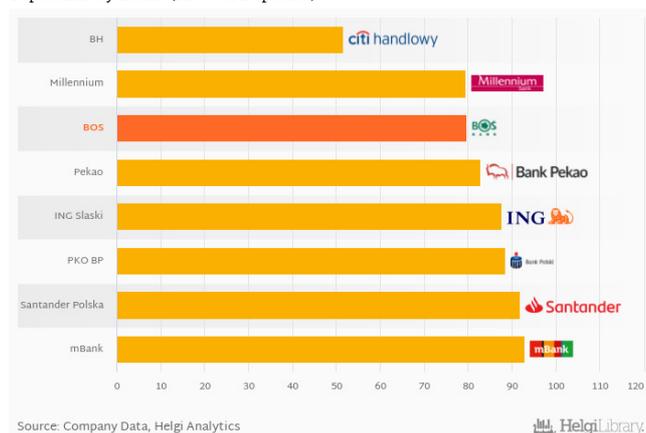
### What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



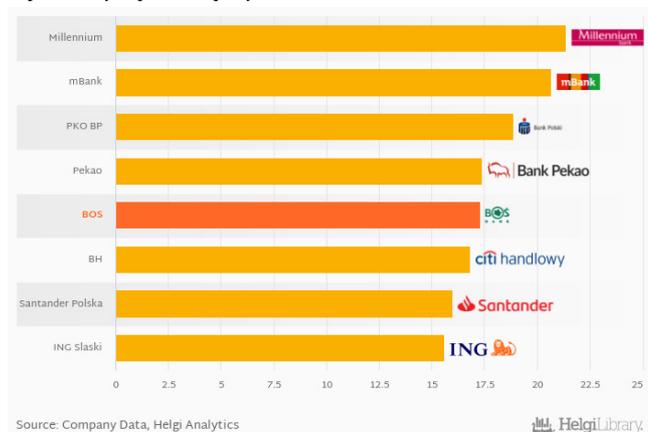
### What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



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

Top Banks by Capital Adequacy Ratio (%)



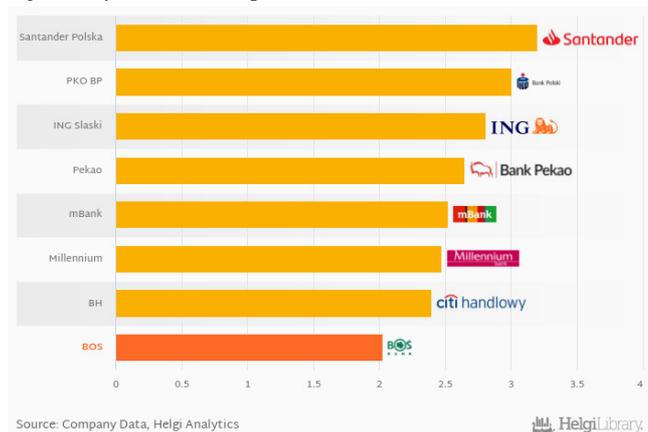
### What Banks in Poland Had the Most Bad Loans in 2018?

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



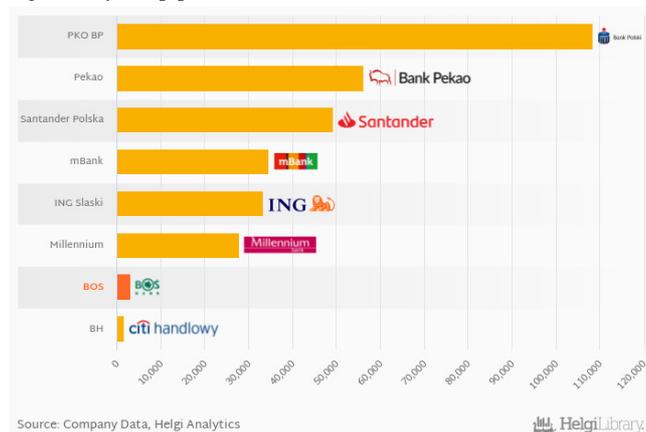
### What Banks in Poland Achieved the Highest Interest Margin in 2018?

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	164	160	154	160	160	154	154	160
Interest Cost	PLN mil	69.0	67.3	65.9	66.7	59.7	51.9	51.0	53.4
Net Interest Income	PLN mil	94.9	92.8	88.4	93.8	99.8	102	103	107
Net Fee Income	PLN mil	25.7	27.7	27.1	25.1	21.4	24.3	27.0	25.3
Other Income	PLN mil	20.3	26.0	18.2	44.3	23.9	11.4	17.3	18.0
Total Revenues	PLN mil	141	146	134	163	145	138	147	150
Staff Cost	PLN mil	41.5	44.5	42.4	42.4	40.6	35.8	39.9	41.2
Depreciation	PLN mil	10.5	10.1	9.97	9.77	10.0	10.0	9.66	18.5
Operating Cost	PLN mil	86.6	93.3	100.0	86.9	86.2	84.1	106	84.2
Operating Profit	PLN mil	54.4	53.2	33.7	76.4	58.9	53.7	40.6	65.8
Provisions	PLN mil	32.1	66.6	9.13	57.3	21.0	46.7	7.94	31.1
Extra and Other Cost	PLN mil	0	< -0.001	-0.476	0.140	-0.130	0.466	4.43	0
Pre-Tax Profit	PLN mil	22.2	-13.4	25.0	18.9	38.0	6.51	28.3	34.7
Tax	PLN mil	8.64	-2.53	8.70	1.10	13.5	1.45	11.2	7.67
Minorities	PLN mil	0	0	0	0	0	0	0	0
Net Profit	PLN mil	13.6	-10.9	16.3	17.8	24.5	5.06	17.1	27.0

Source: Company Data, Helgi Analytics

### Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income Growth	%	11.7	8.00	-10.8	-3.51	5.17	10.1	16.4	13.8
Net Fee Income Growth	%	2.95	-3.73	-9.35	-2.21	-17.0	-12.4	-0.571	0.465
Total Revenue Growth	%	6.38	3.24	-12.8	9.24	2.93	-5.90	10.0	-8.15
Operating Cost Growth	%	-5.26	-4.43	-9.97	-3.17	-0.434	-9.83	6.48	-3.19
Operating Profit Growth	%	32.3	20.2	-20.4	27.9	8.29	1.02	20.6	-13.8
Pre-Tax Profit Growth	%	40.9	-83.5	-21.2	-39.2	71.2	-149	12.9	83.3
Net Profit Growth	%	7.27	-82.2	-18.1	-23.8	80.4	-147	4.51	51.6

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	175	146	164	142	158	183	197	194
Number Of Shares (Average)	mil	62.8	62.8	62.8	62.8	77.9	92.9	92.9	92.9
Share Price (End Of Period)	PLN	10.2	8.27	8.93	8.44	7.45	7.35	8.12	7.78
Earnings Per Share (EPS)	PLN	-0.066	0.733	0.676	0.587	0.613	0.686	0.694	0.793
Book Value Per Share	PLN	29.7	29.6	28.8	28.9	23.0	23.0	23.0	23.4
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		-155	11.3	13.2	14.4	12.1	10.7	11.7	9.82
Price/Book Value (P/BV)		0.343	0.279	0.310	0.292	0.324	0.320	0.352	0.333
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-90.9	-177	-256	-831	-1,034	-6.47	2.65	35.0
Book Value Per Share Growth	%	29.2	4.41	-0.161	-1.42	-22.5	-22.3	-20.0	-19.2

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	659	633	449	444	284	187	192	213
Interbank Loans	PLN mil	277	376	304	150	171	196	175	150
Customer Loans	PLN mil	12,722	12,344	12,026	11,895	11,861	11,810	11,778	11,649
Retail Loans	PLN mil	4,244	3,917	3,978	3,936	3,834	3,707	3,670	3,587
Mortgage Loans	PLN mil	3,378	3,134	3,176	3,150	3,104	3,071	3,031	2,965
Consumer Loans	PLN mil	866	783	802	786	730	636	639	622
Corporate Loans	PLN mil	6,812	6,284	6,509	6,488	6,630	7,993	8,004	7,969
Debt Securities	PLN mil	5,376	5,743	6,150	6,546	5,621	5,564	5,758	5,920
Fixed Assets	PLN mil	189	194	188	189	190	188	185	180
Total Assets	PLN mil	19,499	19,677	19,411	19,555	18,397	18,251	18,456	18,479
Shareholders' Equity	PLN mil	1,865	1,860	1,810	1,817	2,137	2,138	2,142	2,173
Liabilities	PLN mil	17,634	17,816	17,602	17,738	16,260	16,114	16,314	16,306
Interbank Loans	PLN mil	277	376	304	150	171	196	175	150
Customer Deposits	PLN mil	15,597	15,464	15,577	16,144	14,714	14,799	14,886	14,858
Retail Deposits	PLN mil	9,996	9,843	9,610	9,937	9,257	8,826	8,760	9,085
Corporate Deposits	PLN mil	3,476	3,652	3,693	4,153	3,509	4,942	5,057	4,801
Issued Debt Securities	PLN mil	1,458	1,514	1,419	816	790	490	505	508
Other Liabilities	PLN mil	205	358	236	246	219	253	318	389

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	1,509	1,539	1,728	1,686	1,578	1,656	1,655	1,580
Gross Loans	PLN mil	13,289	12,970	12,973	12,751	12,728	12,744	12,734	12,637
Total Provisions	PLN mil	567	626	947	974	987	1,043	1,061	1,081

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	%	-9.58	-11.6	-11.3	-8.60	-6.77	-4.33	-2.07	-2.06
Retail Loan Growth	%	-8.54	-15.1	-10.3	-9.10	-9.67	-5.35	-7.76	-8.85
Mortgage Loan Growth	%	-8.34	-15.3	-10.2	-8.65	-8.12	-2.01	-4.57	-5.88
Consumer Loan Growth	%	-9.32	-14.7	-10.8	-10.8	-15.7	-18.7	-20.4	-20.8
Corporate Loan Growth	%	-9.14	-16.2	-11.2	-7.32	-2.67	27.2	23.0	22.8
Total Asset Growth	%	-7.16	-5.53	-4.73	-1.78	-5.65	-7.25	-4.92	-5.50
Shareholders' Equity Growth	%	29.2	4.41	-0.161	-1.42	14.6	14.9	18.3	19.6
Customer Deposit Growth	%	-8.16	-9.69	-6.44	0.421	-5.66	-4.30	-4.44	-7.96
Retail Deposit Growth	%	-5.86	-8.83	-9.15	-3.58	-7.40	-10.3	-8.85	-8.57
Corporate Deposit Growth	%	-13.4	-10.8	-0.047	13.7	0.959	35.3	36.9	15.6

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	%	0.779	0.700	0.897	0.966	1.02	0.923	0.881	0.899
Market Share in Net Profit	%	...	0.023	0.411	...	0.722	0.593	0.358	...
Market Share in Employees	%	1.04	1.03	1.01	0.993	0.962	0.954	0.942	0.952
Market Share in Branches	%	0.645	0.639	0.633	0.588	0.539	0.469	0.471	0.486
Market Share in Customer Loans	%	1.47	1.44	1.41	1.39	1.34	1.26	1.22	1.19
Market Share in Corporate Loans	%	2.23	2.22	2.16	2.17	2.07	1.95	1.85	1.72
Market Share in Retail Loans	%	0.751	0.738	0.717	0.703	0.677	0.653	0.635	0.587
Market Share in Consumer Loans	%	0.386	0.378	0.369	0.354	0.342	0.327	0.316	0.283
Market Share in Mortgage Loans	%	0.991	0.973	0.948	0.932	0.901	0.875	0.855	0.802
Market Share in Total Assets	%	1.29	1.21	1.20	1.16	1.12	1.09	1.07	1.06
Market Share in Customer Deposits	%	1.82	1.79	1.73	1.65	1.63	1.57	1.51	1.43
Market Share in Retail Deposits	%	1.63	1.70	1.67	1.63	1.58	1.55	1.50	1.44
Market Share in Corporate Deposits	%	1.81	1.68	1.55	1.44	1.41	1.39	1.29	1.24

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	%	2.93	-2.33	3.56	3.93	4.95	0.948	3.19	5.01
ROA	%	0.276	-0.222	0.335	0.366	0.516	0.111	0.372	0.586
Costs (As % Of Assets)	%	1.76	1.91	2.05	1.78	1.82	1.84	2.32	1.82
Costs (As % Of Income)	%	61.4	63.7	74.8	53.2	59.4	61.0	72.4	56.1
Capital Adequacy Ratio	%	15.1	15.1	14.6	14.9	17.4	17.3	16.7	17.3
Tier 1 Ratio	%	12.3	11.7	12.4	12.5	14.8	15.3	14.7	15.3
Net Interest Margin	%	1.93	1.89	1.81	1.93	2.10	2.23	2.24	2.31
Interest Spread	%	1.78	1.75	1.67	1.79	1.96	2.08	2.10	2.16
Asset Yield	%	3.33	3.27	3.16	3.30	3.36	3.36	3.35	3.47
Cost Of Liabilities	%	1.55	1.52	1.49	1.51	1.41	1.28	1.26	1.31
Payout Ratio	%	0	...	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	67.3	63.4	66.1	57.4	68.8	74.1	69.9	71.2
Fee Income (As % Of Revenues)	%	18.3	18.9	20.3	15.4	14.7	17.6	18.3	16.8
Other Income (As % Of Revenues)	%	14.4	17.7	13.6	27.2	16.5	8.30	11.7	12.0
Cost Per Employee	USD per month	2,411	2,654	2,613	2,570	2,441	2,211	2,486	2,657
Cost Per Employee (Local Currency)	PLN per month	8,877	9,470	9,011	9,197	9,056	8,125	9,422	10,057
Staff Cost (As % Of Total Cost)	%	48.0	47.6	42.5	48.8	47.1	42.6	37.5	48.9
Equity (As % Of Assets)	%	9.56	9.46	9.32	9.29	11.6	11.7	11.6	11.8
Loans (As % Of Deposits)	%	81.6	79.8	77.2	73.7	80.6	79.8	79.1	78.4
Loans (As % Assets)	%	65.2	62.7	62.0	60.8	64.5	64.7	63.8	63.0
NPLs (As % Of Loans)	%	11.4	11.9	13.3	13.2	12.4	13.0	13.0	12.5
Provisions (As % Of NPLs)	%	37.6	40.6	54.8	57.8	62.5	63.0	64.1	68.4
Provisions (As % Of Loans)	%	4.46	5.07	7.87	8.19	8.32	8.84	9.01	9.28
Cost of Provisions (As % Of Loans)	%	0.999	2.12	0.300	1.92	0.706	1.58	0.269	1.06

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	824	900	772	746	660	695	664	628
Interest Cost	PLN mil	554	616	496	457	399	385	280	244
Net Interest Income	PLN mil	270	284	276	289	261	309	384	384
Net Fee Income	PLN mil	113	106	110	103	113	109	109	97.9
Other Income	PLN mil	112	79.6	113	135	114	92.5	97.2	97.9
Total Revenues	PLN mil	495	470	499	527	488	511	590	580
Staff Cost	PLN mil	183	182	178	181	176	173	171	161
Depreciation	PLN mil	31.1	35.9	46.2	49.1	52.5	45.4	42.0	39.8
Operating Cost	PLN mil	376	374	366	377	431	381	381	357
Operating Profit	PLN mil	119	96.5	133	150	57.3	130	210	223
Provisions	PLN mil	42.6	54.0	60.2	68.2	114	209	138	134
Extra and Other Cost	PLN mil	< -0.001	< 0.001	< -0.001	< -0.001	< 0.001	< -0.001	< -0.001	< 0.001
Pre-Tax Profit	PLN mil	76.9	42.4	72.8	81.5	-56.9	-78.9	71.7	88.5
Tax	PLN mil	14.5	4.94	8.40	16.0	-5.73	-18.8	25.6	24.8
Minorities	PLN mil	0	0	0	0	0	0	0	0
Net Profit	PLN mil	62.4	37.5	64.4	65.6	-51.1	-60.1	46.1	63.7
Dividends	PLN mil	0	0	0	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	%	10.9	5.08	-2.82	4.82	-9.68	18.3	24.2	0.025
Net Fee Income Growth	%	-3.60	-6.05	3.26	-6.16	9.43	-3.16	-0.104	-10.2
Total Revenue Growth	%	8.04	-5.13	6.13	5.62	-7.32	4.61	15.5	-1.76
Operating Cost Growth	%	7.95	-0.633	-2.05	3.08	14.3	-11.6	-0.091	-6.16
Operating Profit Growth	%	8.34	-19.3	37.8	12.6	-61.7	127	61.4	6.24
Pre-Tax Profit Growth	%	4.80	-44.8	71.4	12.1	-170	38.8	-191	23.5
Net Profit Growth	%	-1.21	-39.9	71.7	1.88	-178	17.7	-177	38.4

Source: Company Data, Helgi Analytics

### Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	...	...	351	218	110	117	149	183
Number Of Shares (Average)	mil	16.4	19.6	22.9	22.9	22.9	42.9	62.9	92.9
Share Price (End Of Period)	PLN	...	...	46.3	33.7	17.1	11.4	8.27	7.35
Earnings Per Share (EPS)	PLN	3.81	1.91	2.81	2.87	-2.23	-1.40	0.733	0.686
Book Value Per Share	PLN	70.2	62.8	63.5	67.7	66.7	28.3	29.6	23.0
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		...	...	16.4	11.8	...	...	11.3	10.7
Price/Book Value (P/BV)		...	...	0.728	0.499	0.256	0.402	0.279	0.320
Dividend Yield	%	...	...	0	0	0	0	0	0
Earnings Per Share Growth	%	-5.19	-49.9	47.3	1.88	-178	-37.2	-152	-6.41
Book Value Per Share Growth	%	6.67	-10.5	1.03	6.55	-1.45	-57.5	4.41	-22.3

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	469	1,050	893	394	615	514	633	187
Interbank Loans	PLN mil	94.6	119	152	347	380	155	376	196
Customer Loans	PLN mil	11,353	11,123	12,055	12,489	14,344	13,965	12,344	11,810
Retail Loans	PLN mil	4,721	4,592	4,788	4,684	4,788	4,616	3,917	3,707
Mortgage Loans	PLN mil	4,000	3,791	3,855	3,844	3,821	3,698	3,134	3,071
Consumer Loans	PLN mil	721	800	933	839	967	918	783	636
Corporate Loans	PLN mil	3,197	3,459	4,334	5,221	7,377	7,497	6,284	7,993
Debt Securities	PLN mil	6.59	3,963	4,872	5,709	5,108	5,611	5,743	5,564
Fixed Assets	PLN mil	248	286	43.8	297	237	213	194	188
Total Assets	PLN mil	15,637	16,867	18,418	19,672	20,922	20,830	19,677	18,251
Shareholders' Equity	PLN mil	1,149	1,438	1,452	1,548	1,525	1,782	1,860	2,138
Of Which Minority Interest	PLN mil	0	0	0	0	0	0	0	...
Liabilities	PLN mil	14,488	15,429	16,965	18,124	19,397	19,048	17,816	16,114
Interbank Loans	PLN mil	94.6	119	152	347	380	155	376	196
Customer Deposits	PLN mil	11,412	11,816	13,196	14,228	15,968	17,124	15,464	14,799
Retail Deposits	PLN mil	4,584	4,617	5,215	7,022	8,397	10,797	9,843	8,826
Corporate Deposits	PLN mil	3,941	4,292	4,700	4,501	5,209	4,094	3,652	4,942
Issued Debt Securities	PLN mil	2,188	2,912	3,060	3,161	2,918	1,581	1,514	490
Other Liabilities	PLN mil	178	235	266	381	510	227	358	253

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	670	887	686	916	1,043	1,603	1,539	1,656
Gross Loans	PLN mil	11,601	11,420	12,360	12,806	14,726	14,528	12,970	12,744
Total Provisions	PLN mil	249	297	305	316	382	563	626	1,043

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	3.61	-2.03	8.38	3.61	14.8	-2.64	-11.6	-4.33
Retail Loan Growth	%	8.91	-2.74	4.27	-2.18	2.23	-3.61	-15.1	-5.35
Mortgage Loan Growth	%	10.9	-5.22	1.67	-0.267	-0.605	-3.23	-15.3	-2.01
Consumer Loan Growth	%	-0.811	11.0	16.6	-10.1	15.2	-5.12	-14.7	-18.7
Corporate Loan Growth	%	11.3	8.20	25.3	20.5	41.3	1.62	-16.2	27.2
Total Asset Growth	%	3.01	7.86	9.20	6.81	6.35	-0.441	-5.53	-7.25
Shareholders' Equity Growth	%	6.67	25.1	1.03	6.55	-1.45	16.8	4.41	14.9
Customer Deposit Growth	%	-6.39	3.54	11.7	7.82	12.2	7.24	-9.69	-4.30
Retail Deposit Growth	%	12.6	0.738	12.9	34.7	19.6	28.6	-8.83	-10.3
Corporate Deposit Growth	%	-27.9	8.90	9.50	-4.23	15.7	-21.4	-10.8	35.3

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	%	0.779	0.700	0.897	0.966	1.02	0.923	0.881	0.899
Market Share in Net Profit	%	...	0.023	0.411	...	0.722	0.593	0.358	...
Market Share in Employees	%	1.04	1.03	1.01	0.993	0.962	0.954	0.942	0.952
Market Share in Branches	%	0.645	0.639	0.633	0.588	0.539	0.469	0.471	0.486
Market Share in Customer Loans	%	1.47	1.44	1.41	1.39	1.34	1.26	1.22	1.19
Market Share in Corporate Loans	%	2.23	2.22	2.16	2.17	2.07	1.95	1.85	1.72
Market Share in Retail Loans	%	0.751	0.738	0.717	0.703	0.677	0.653	0.635	0.587
Market Share in Consumer Loans	%	0.386	0.378	0.369	0.354	0.342	0.327	0.316	0.283
Market Share in Mortgage Loans	%	0.991	0.973	0.948	0.932	0.901	0.875	0.855	0.802
Market Share in Total Assets	%	1.29	1.21	1.20	1.16	1.12	1.09	1.07	1.06
Market Share in Customer Deposits	%	1.82	1.79	1.73	1.65	1.63	1.57	1.51	1.43
Market Share in Retail Deposits	%	1.63	1.70	1.67	1.63	1.58	1.55	1.50	1.44
Market Share in Corporate Deposits	%	1.81	1.68	1.55	1.44	1.41	1.39	1.29	1.24

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	5.61	2.90	4.45	4.37	-3.33	-3.64	2.53	3.19
ROA	%	0.405	0.231	0.365	0.344	-0.252	-0.288	0.227	0.336
Costs (As % Of Assets)	%	2.44	2.30	2.07	1.98	2.12	1.83	1.88	1.88
Costs (As % Of Income)	%	75.9	79.5	73.4	71.6	88.3	74.6	64.5	61.6
Capital Adequacy Ratio	%	12.2	15.2	12.4	14.0	12.1	14.3	15.1	17.3
Tier 1 Ratio	%	...	11.6	10.0	10.5	9.13	11.4	11.7	15.3
Net Interest Margin	%	1.76	1.75	1.57	1.52	1.29	1.48	1.90	2.03
Interest Spread	%	1.48	1.42	1.31	1.31	1.13	1.32	1.76	1.87
Asset Yield	%	5.35	5.54	4.38	3.92	3.25	3.33	3.28	3.31
Cost Of Liabilities	%	3.87	4.12	3.06	2.60	2.12	2.01	1.52	1.44
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	54.6	60.4	55.4	54.9	53.5	60.5	65.1	66.2
Fee Income (As % Of Revenues)	%	22.8	22.6	22.0	19.5	23.1	21.4	18.5	16.9
Other Income (As % Of Revenues)	%	22.6	16.9	22.6	25.5	23.4	18.1	16.5	16.9
Cost Per Employee	USD per month	2,598	2,360	2,451	2,502	2,553	2,132	2,369	2,489
Cost Per Employee (Local Currency)	PLN per month	7,703	7,679	7,747	8,197	8,367	8,613	9,079	9,148
Staff Cost (As % Of Total Cost)	%	48.7	48.8	48.6	48.0	40.9	45.5	44.8	45.1
Equity (As % Of Assets)	%	7.35	8.52	7.89	7.87	7.29	8.55	9.46	11.7
Loans (As % Of Deposits)	%	99.5	94.1	91.3	87.8	89.8	81.6	79.8	79.8
Loans (As % Assets)	%	72.6	65.9	65.5	63.5	68.6	67.0	62.7	64.7
NPLs (As % Of Loans)	%	5.78	7.76	5.55	7.15	7.08	11.0	11.9	13.0
Provisions (As % Of NPLs)	%	37.1	33.5	44.5	34.5	36.7	35.1	40.6	63.0
Provisions (As % Of Loans)	%	2.19	2.67	2.53	2.53	2.66	4.03	5.07	8.84
Cost of Provisions (As % Of Loans)	%	0.382	0.481	0.519	0.556	0.851	1.47	1.05	1.11

Source: Company Data, Helgi Analytics



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

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