

Bank Handlowy

Quarterly Results - 2Q2019

Bank Handlowy made a net profit of PLN 133 mil in the second quarter of 2019, down 27% when compared to the previous year. Total revenues increased 3.13% yoy to PLN 579 mil, ROE amounted to 7.69% and the NPL ratio stood at 4.53%. Bank Handlowy stock depreciated by 20.4% in the second quarter of 2019 to PLN 53.7 per share and the stock traded at a 12-month trailing PE of 13.9x and PBV of 1.04x based on the closing price at the end of the quarter.

- ✓ Revenues increased 3.13% yoy to PLN 579 mil in the second quarter of 2019. Interest income formed 49.8% of total revenues with the net interest margin decreasing 0.16 pp to 2.28% of total assets. Fees added a further 26.5% to total revenue generated in 2Q2019, up from an average of 25.9% as seen in the previous two years.
- ✓ Operating costs dropped by 0.288% yoy to PLN 279 mil, so cost to income ratio reached 48.3%, down by 12.6% compared to the previous two years. Staff accounted for 45.7% of total operating expenditures.
- ✓ Loans and deposits dropped by 1.74% and 3.95% qoq respectively, so loan to deposit ratio reached 54.1% at the end of 2Q2019. That's down from 58.1% the previous year. Equity reached 13.2% of assets and capital adequacy ratio amounted to 16.6% at the end of the second quarter of 2019.
- ✓ NPLs were 4.53% of total loans at the end of the quarter. Provisions covered 84.4% of non-performing loans
- ✓ Bank Handlowy stock traded at PLN 53.7 per share at the end of second quarter of 2019 implying a market capitalization of USD 1,881 mil. This put stock at a 12-month trailing price to earnings of 13.9x and price to book value of 1.04x as of the end of 2Q2019.

Sector:
Banking

Country:
Poland

Share Price:
PLN 53.7

Market Capitalization:
USD 1,881 mil

Shares Outstanding:
131 mil

Employees:
3,142

Clients:
0.683 mil

Branches:
N/A

Capital Adequacy Ratio:
16.6%

NPL Ratio:
4.53%

Provision Coverage:
84.4%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil	PLN	%			%	PLN	%
2Q2019	579	133	3.85	-24.1	13.9	1.04	7.69	0	0
2018	2,160	639	4.89	19.3	14.1	1.28	9.13	4.89	7.08
2017	2,068	536	4.10	-11.0	20.0	1.54	7.80	4.10	5.01
2016	2,081	602	4.60	-3.97	16.6	1.47	8.82	4.53	5.93
2015	2,104	626	4.79	-33.9	15.0	1.37	8.71	4.68	6.51

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

Data tells a story



1 Company Overview

Bank Handlowy is a Poland-based commercial bank. It offers its products and services under Citibank Handlowy brand such as checking, or savings accounts, loans, insurance, and credit cards specifically targeted to individuals, small companies, and large companies. The bank was created by the 2001 merger of Bank Handlowy w Warszawie, Poland's oldest bank founded in 1870, and Citibank (Poland). The Bank's parent entity is Citibank Overseas Investment Corporation (COIC) holding 75% in the bank.

Bank Handlowy has been growing its revenues and asset by -0.793% and 2.14% a year on average in the last 10 years. Its loans and deposits have grown by 4.11% and 6.68% a year during that time and loans to deposits ratio reached 54.1% at the end of 2Q2019. The company achieved an average return on equity of 10.8% in the last decade with net profit growing 6.43% a year on average. In terms of operating efficiency, its cost to income ratio reached 48.3% in 2Q2019, compared to 56.0% average in the last decade.

Equity represented 13.2% of total assets or 33.8% of loans at the end of 2Q2019. Bank Handlowy's non-performing loans were 4.53% of total loans while provisions covered some 84.4% of NPLs at the end of the second quarter of 2019.

Bank Handlowy stock traded at PLN 53.7 per share at the end of 2Q2019 resulting in a market capitalization of USD 1,881 mil. Over the previous five years, stock price fell by 55.2% or 14.8% a year on average. That's compared to an average ROE of 8.76% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 13.9x and price to book value (PBV) of 1.04x 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	273	290	277	271	281	279	277	288
Total Revenues	PLN mil	530	546	567	561	519	513	537	579
Operating Profit	PLN mil	252	266	221	281	244	235	153	299
Net Profit	PLN mil	172	163	146	182	158	152	59.5	133
Customer Loans	PLN mil	18,073	17,854	18,248	18,893	19,233	19,802	20,383	20,027
Total Assets	PLN mil	44,228	43,038	44,483	44,101	45,163	49,305	49,544	51,477
Shareholders' Equity	PLN mil	6,706	6,939	7,096	6,693	6,843	7,057	7,065	6,776
Interbank Borrowing	PLN mil	2,581	1,568	3,221	2,068	2,365	1,402	3,799	4,338
Customer Deposits	PLN mil	32,324	32,137	31,324	32,500	33,372	38,334	35,607	37,014
Issued Debt Securities	PLN mil	1,349	1,403	1,673	1,619	1,266	1,609	1,535	1,744

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	10.4	9.58	8.31	10.6	9.37	8.76	3.37	7.69
Costs (As % Of Income)	%	52.6	51.2	61.0	50.0	53.1	54.2	71.5	48.3
Net Interest Margin	%	2.46	2.66	2.53	2.44	2.52	2.36	2.24	2.28
Equity (As % Of Assets)	%	15.2	16.1	16.0	15.2	15.2	14.3	14.3	13.2
Loans (As % Of Deposits)	%	55.9	55.6	58.3	58.1	57.6	51.7	57.2	54.1
Loans (As % Assets)	%	40.9	41.5	41.0	42.8	42.6	40.2	41.1	38.9
NPLs (As % Of Loans)	%	3.12	3.50	3.57	3.58	3.48	3.28	3.44	4.53
Provisions (As % Of NPLs)	%	102	91.4	94.9	95.7	96.6	99.5	96.0	84.4

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	2,472	2,999	2,893	2,471	2,741	2,414	2,297	1,881
Share Price (End Of Period)	PLN	69.1	81.9	75.6	70.8	77.2	69.1	67.5	53.7
Price/Earnings (P/E)		18.0	20.0	15.5	13.9	15.5	14.1	16.0	13.9
Price/Book Value (P/BV)		1.35	1.54	1.39	1.38	1.47	1.28	1.25	1.04

Source: Company Data, Helgi Analytics

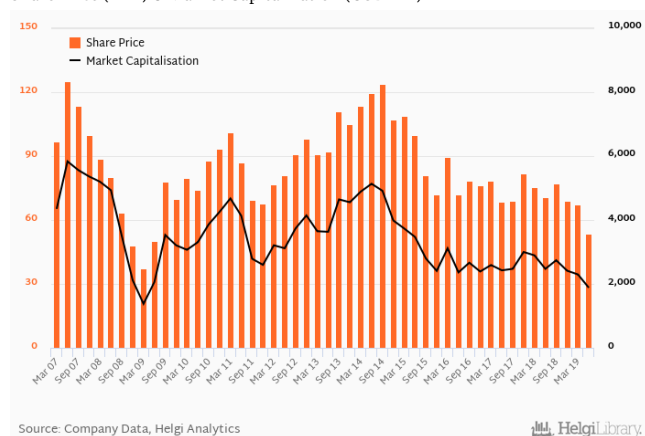


2 Valuation

Bank Handlowy stock traded at PLN 53.7 per share at the end of 2Q2019 resulting in a market capitalization of USD 1,881 mil. Over the previous quarter, stock depreciated by 20.4%. Over the previous three years, stock price declined by 25.4% or 9.29% a year on average. That's compared to an average ROE of 7.69% the bank generated for its shareholders:

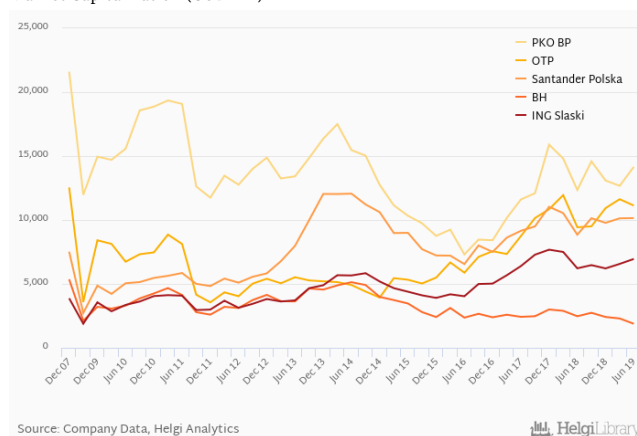
Share Price & Market Capitalization

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



Market Capitalization Peers Comparison

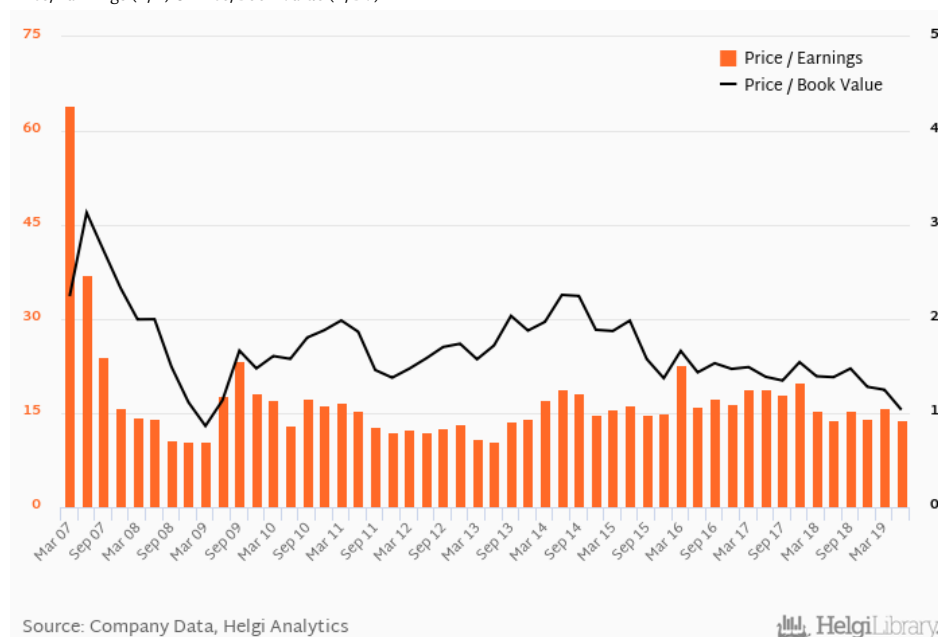
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 13.9x and price to book value (PBV) of 1.04x 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 22.8x in 1Q2016 and a low of 13.9x in 2Q2019 with an average of 16.6x.

When compared to selected peers, Bank Handlowy traded at a 21.5% premium above



average at the end of the second quarter of 2019.

Regarding price to book value, stock was trading at 1.04x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 2.25x in 3Q2014 and a low of 1.04x in 2Q2019 with an average of 1.53x.

In comparison to its peers, Bank Handlowy traded at -21.8% discount on a trailing basis at the end of the second quarter of 2019.

The detailed comparison of Bank Handlowy'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 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
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 HANDLOWY'S PREMIUM/DISCOUNT TO:										
Weighted Average		-31.4%	-63.3%	-36.7%	21.4%	28.6%	21.5%	-0.551%	-6.30%	-21.8%
Median		-28.8%	-59.3%	-28.5%	5.35%	16.4%	16.1%	-5.10%	-10.4%	-26.8%

Source: Company Data, Helgi Analytics

Bank Handlowy – 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	2,472	2,999	2,893	2,471	2,741	2,414	2,297	1,881
Number Of Shares (Average)	mil	131	131	131	131	131	131	131	131
Share Price (End Of Period)	PLN	69.1	81.9	75.6	70.8	77.2	69.1	67.5	53.7
Earnings Per Share (EPS)	PLN	3.85	4.10	4.89	5.08	4.98	4.89	4.23	3.85
Book Value Per Share	PLN	51.3	53.1	54.3	51.2	52.4	54.0	54.1	51.9
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		18.0	20.0	15.5	13.9	15.5	14.1	16.0	13.9
Price/Book Value (P/BV)		1.35	1.54	1.39	1.38	1.47	1.28	1.25	1.04
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-14.8	-11.0	18.3	39.4	29.4	19.3	-13.5	-24.1
Book Value Per Share Growth	%	-0.042	2.19	3.37	3.23	2.04	1.70	-0.443	1.25

Source: Company Data, Helgi Analytics



3 Revenues & Costs

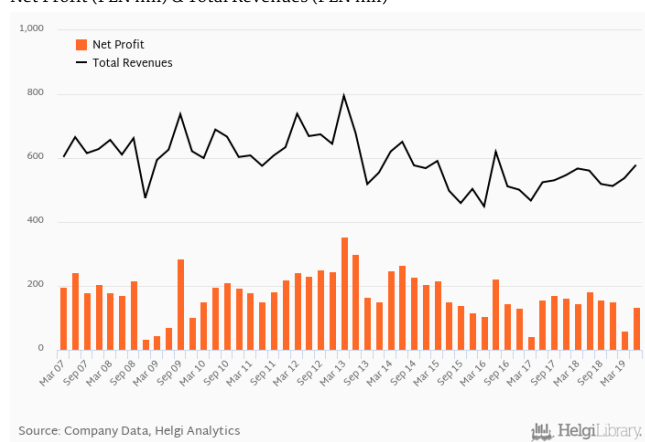
3.1 Revenues

Bank Handlowy generated total operating revenues of PLN 579 mil in the second quarter of 2019, up 3.13% compared to the same period of the previous year. Net interest income represented 49.8% of revenues, fee income contributed 26.5% and other non-interest income added further 23.7% to the overall revenue generated.

Over the previous three years, revenues fell by 2.26% a year on average.

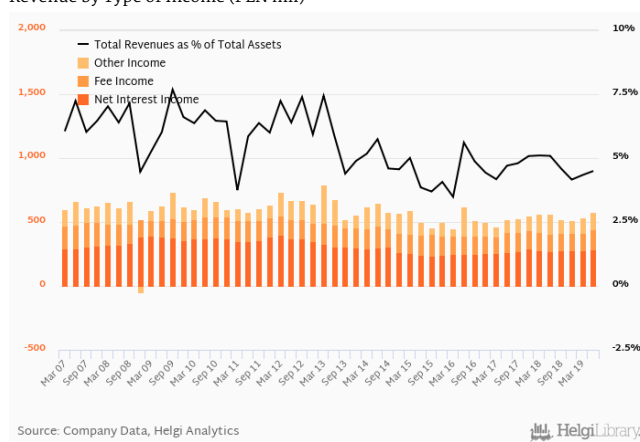
Revenue & Profitability

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



Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 2.28% in the second quarter of 2019, down from the 2.44% of the previous year. Historically, Bank Handlowy's net interest margin reached a high of 3.96% in 1Q2010 and a low of 1.87% in 3Q2015.

Average asset yield was 2.51% in the second quarter of 2019 (down from 3.17%) while cost of funding amounted to 0.263%% in 2Q2019 (down from 0.861%).

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 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
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



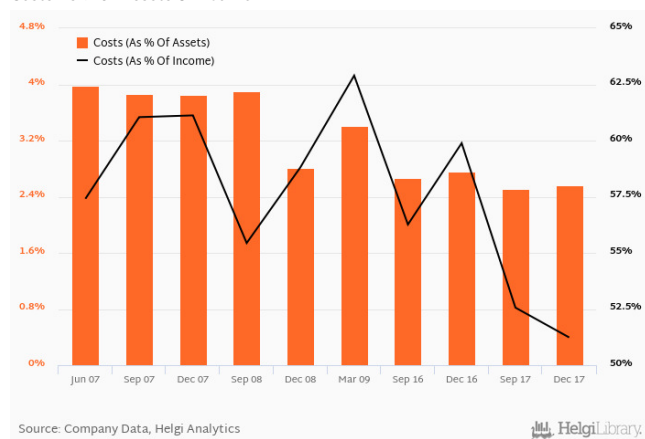
3.2 Costs

Operating costs decreased by 0.288% yoy to PLN 279 mil in the second quarter of 2019. Bank Handlowy's cost to income ratio therefore reached 48.3%, down from 50.0% when compared to the previous year.

Historically, operating costs reached a high of 73.4% of income in 1Q2017 and a low of 43.4% in 1Q2013:

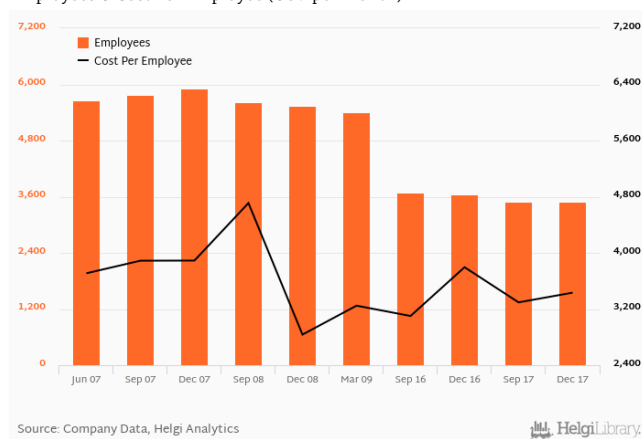
Cost Efficiency

Costs As % Of Assets & Income



Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Bank Handlowy operated with a 1.29 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
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 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
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 2.21% in 2Q2019 down from 2.53% the previous year.

Bank Handlowy had 3,142 employees in the second quarter of 2019, down by 8.32% when compared to the previous year. The company operated a network of branches in 2Q2019.

The average cost per employee stood at USD 3,577 per month, 0.95% above the



previous year. This figure was USD 3,903 per month five years earlier.

Staff accounted for 45.7% 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 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
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

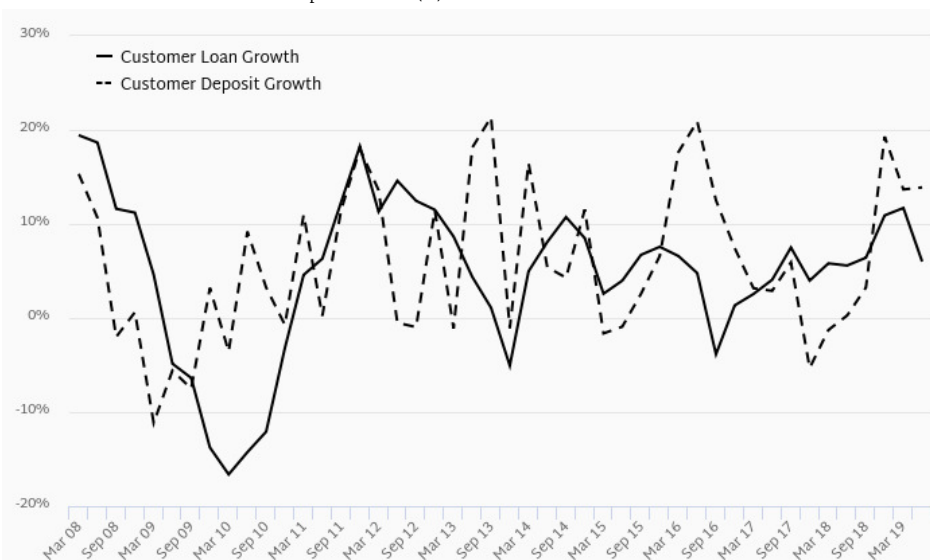
Bank Handlowy's customer loans decreased 1.74% qoq and grew 6.01% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 3.95% qoq and 13.9% yoy. That's compared to average of 5.17% and 6.31% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 5.22% while deposit growth reached 5.52% on average a year.

At the end of second quarter of 2019, Bank Handlowy's loans accounted for 54.1% of total deposits and 38.9% 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 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
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 Handlowy's capital adequacy ratio reached 16.6% in the second quarter of 2019, down from 17.1% for the previous year. The Tier 1 ratio amounted to at the end of the second quarter of 2019:

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

CAPITAL ADEQUACY RATIO								
NAME	COUNTRY	Mkt Cap (USD mil)	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Erste Group Bank	Austria	17,365	17.6	17.4	17.2	18.2	18.2	18.4
Komerční Banka	Czechia	7,572	18.3	18.1	18.4	18.5	18.9	19.0
MONETA Money Bank	Czechia	1,773	16.6	16.0	16.6	16.4	17.0	16.7
OTP Group	Hungary	11,131	16.9	16.5	16.2	18.3	16.5	17.4
PKO BP	Poland	14,156	17.8	17.4	18.4	18.9	18.4	18.6
Santander Bank Polska	Poland	10,149	16.7	17.8	17.6	16.0	16.5	16.3
ING Bank Śląski	Poland	6,950	16.1	15.2	15.2	15.6	15.8	15.1
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
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

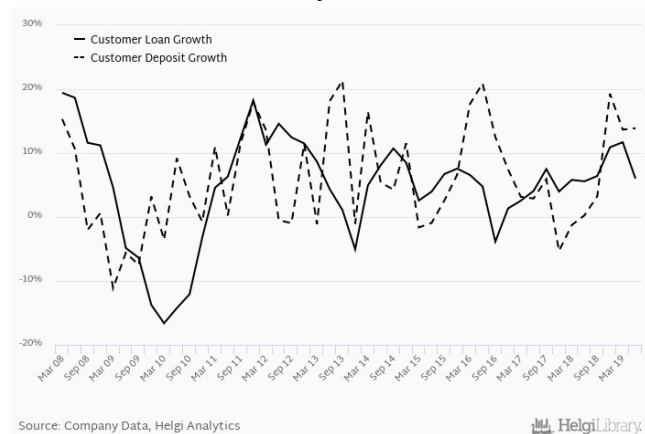


4.3 Loan Breakdown

Bank Handlowy's loans reached PLN 20,027 mil in the second quarter of 2019, up 6.01% when compared to the same period of the previous year:

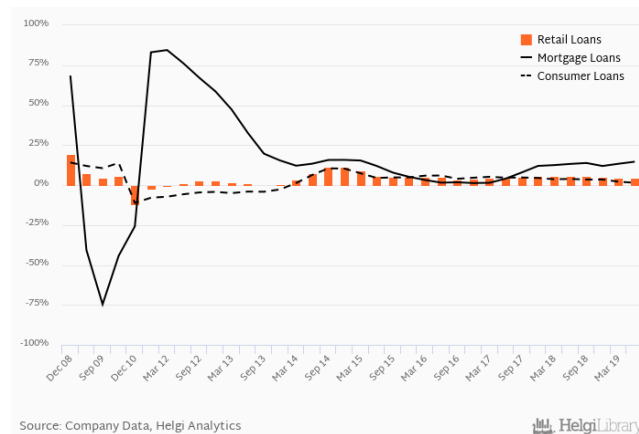
Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



Retail Loan Growth

Retail Loan Growth (%)

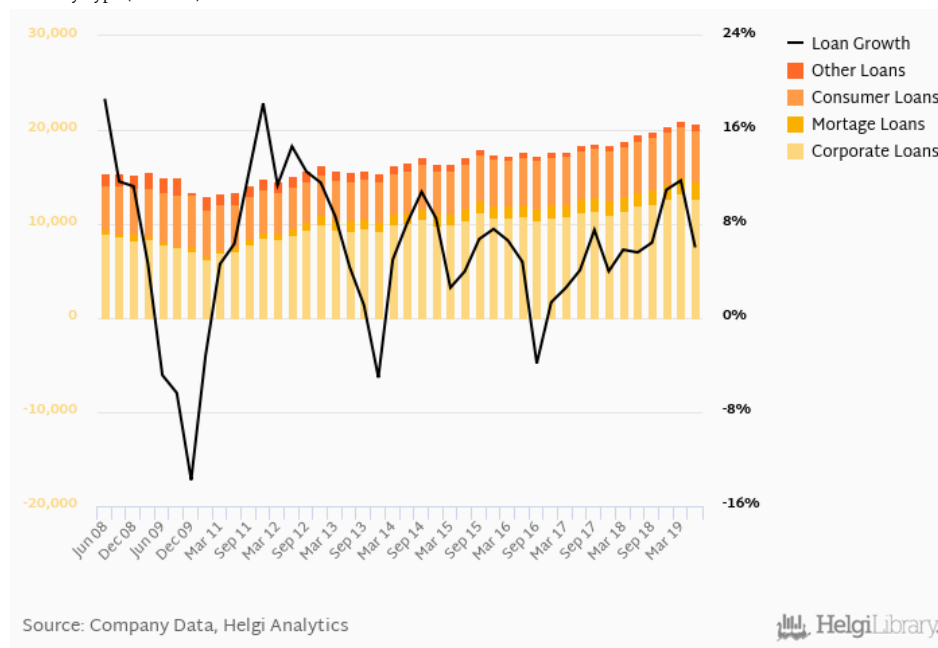


Retail loans grew 2.48% qoq and 4.32% yoy and accounted for 36.2% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 4.86% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 8.75% of the Bank Handlowy's loan book, consumer loans added a further 27.4% and corporate loans formed 63.8% of total loans.

Loan Breakdown

Loans by Type (PLN mil)





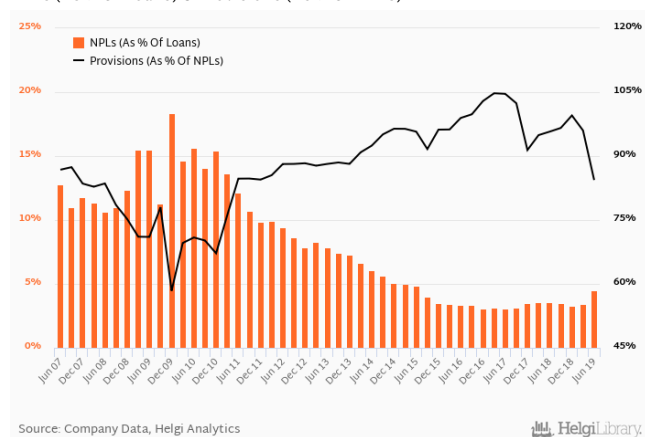
4.4 Asset Quality

Bank Handlowy's non-performing loans were 4.53% of total loans, up from 3.44% when compared to the previous quarter. Historically, the NPL ratio hit a high of 18.4% in 4Q2009 and a low 3.09% in 2Q2017.

Provisions covered some 84.4% of NPLs at the end of the second quarter of 2019, down from 96.0% for the previous three months:

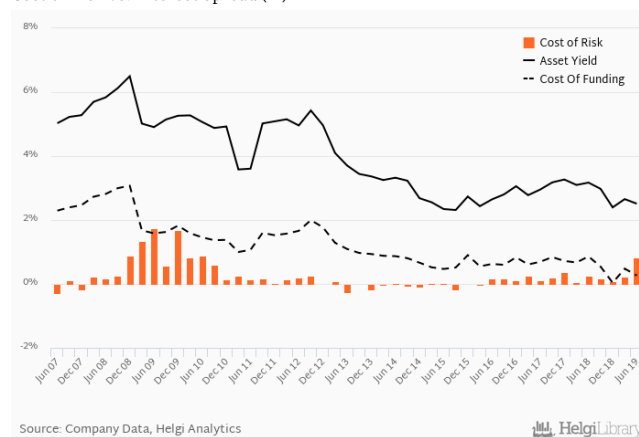
Asset Quality

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



Cost of Risk

Cost of Risk vs. Interest Spread (%)



Bank Handlowy operated with an NPL ratio 0.656 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 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
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 Handlowy's cost of risk reached 0.827% of average loans in the second quarter of 2019, up from 0.228% in the previous quarter and compared to 0.245% for the previous year on average.



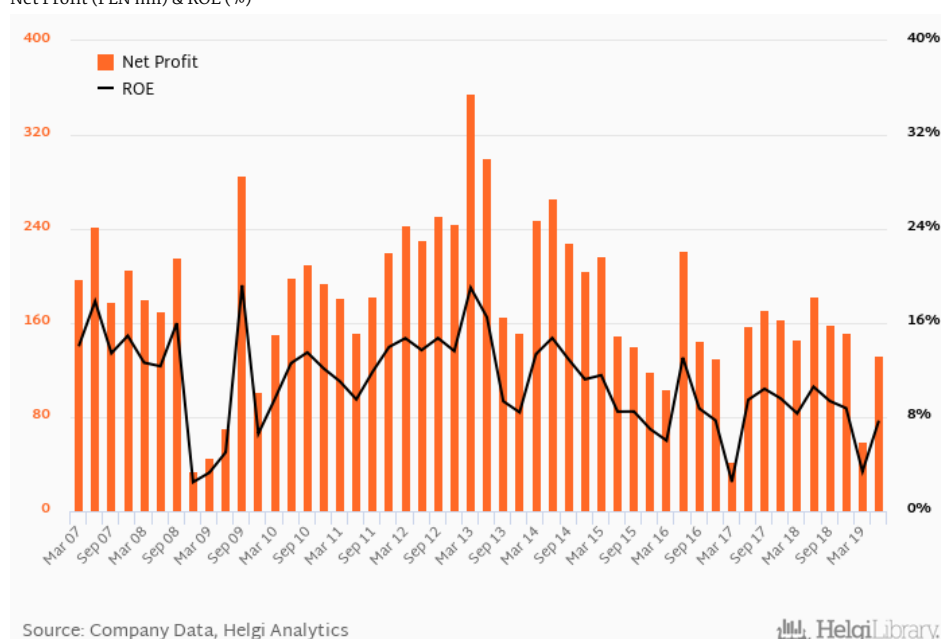
5 Profitability

Overall, Bank Handlowy made a net profit of PLN 133 mil in the second quarter of 2019. This was down 27% when compared to the previous year resulting in a return on equity of 7.69%.

Historically, net profit reached a high of PLN 355 mil in 1Q2013 and a low of PLN 34.5 mil in 4Q2008.

Profitability

Net Profit (PLN mil) & ROE (%)



The company generated an average return on equity of 8.04% for its shareholders in the previous three years with maximum at 10.6% and minimum at 2.50%.

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 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
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 Handlowy generated a return of 1.05% in the second quarter of 2019 (ROA). That's 0.246 pp below average for the previous five



years.

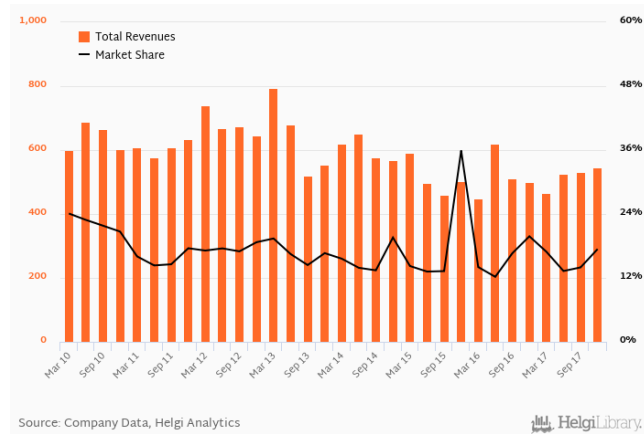


6 Market Share Development on the Polish Market

Based on latest available data, Bank Handlowy accounted for 2.32% of all bank assets managed in Poland at the end of the fourth quarter of 2017.

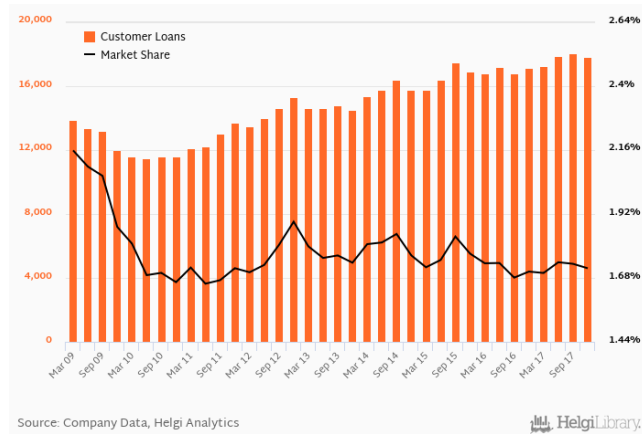
Market Share in Bank Revenues

Total Revenues (PLN mil)



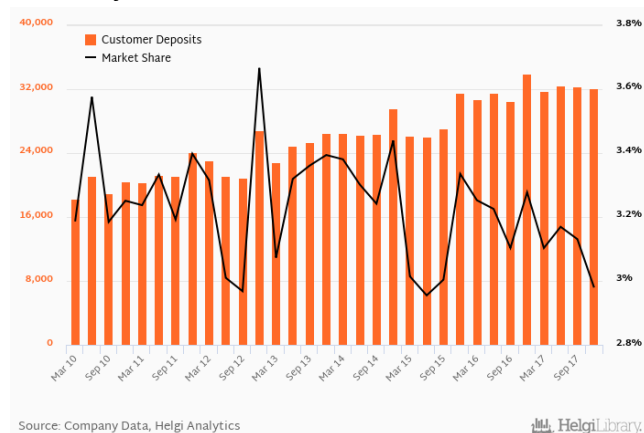
Market Share in Bank Loans

Customer Loans (PLN mil)



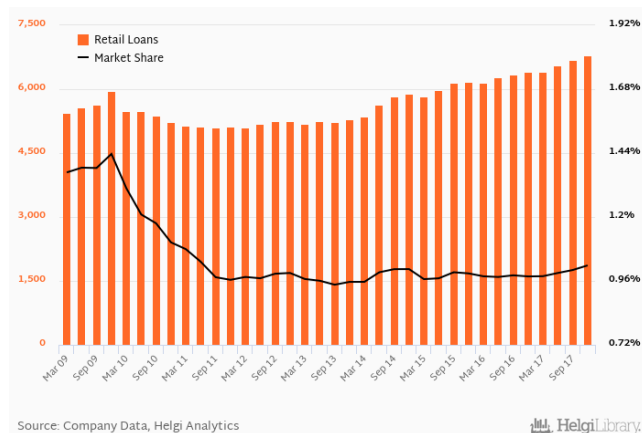
Market Share in Bank Deposits

Customer Deposits (PLN mil)



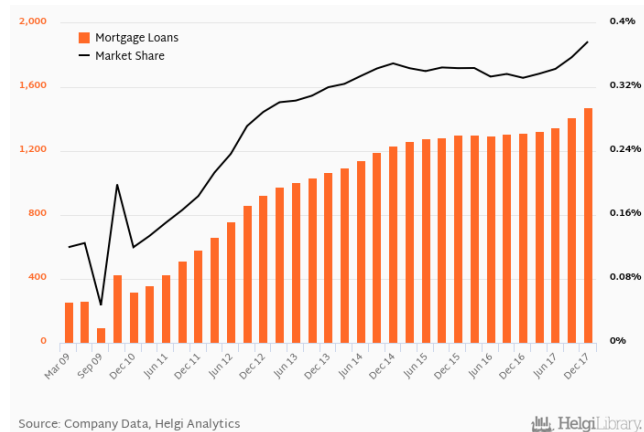
Market Share in Retail Loans

Retail Loans (PLN mil)



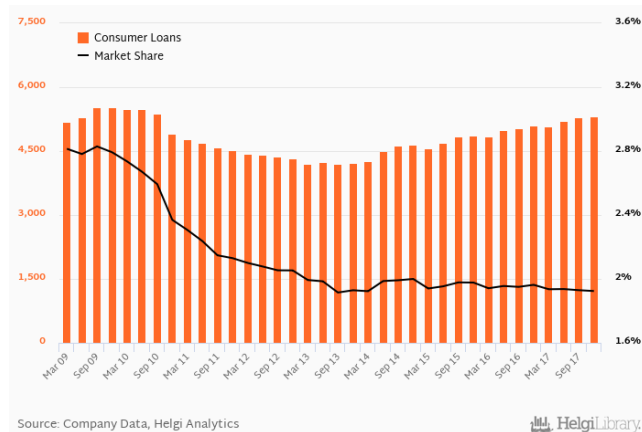
Market Share in Mortgage Loans

Mortgage Loans (PLN mil)



Market Share in Consumer Loans

Consumer Loans (PLN mil)



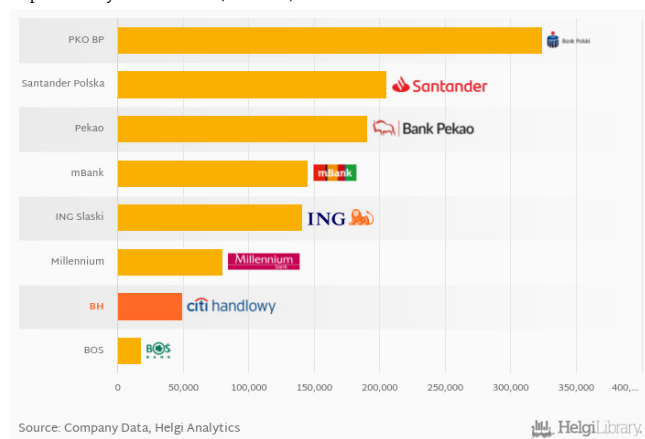


7 Market Share Position Within the Polish Market

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

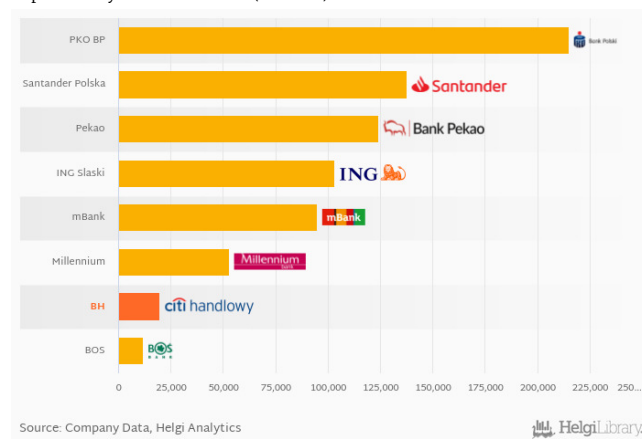
What Banks in Poland Were the Largest in 2018?

Top Banks by Total Assets (PLN mil)



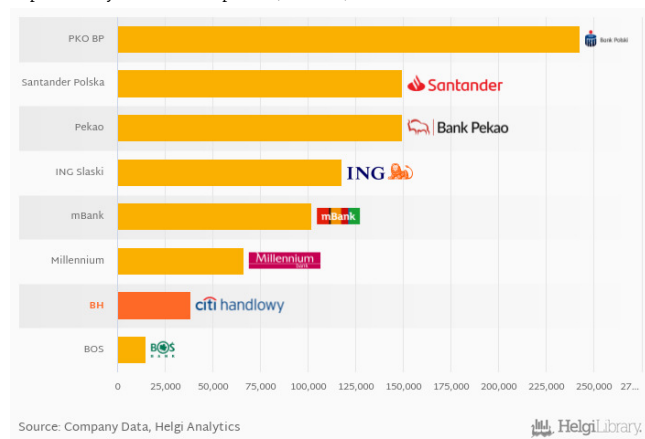
What Banks in Poland Were the Largest Lenders in 2018?

Top Banks by Customer Loans (PLN mil)



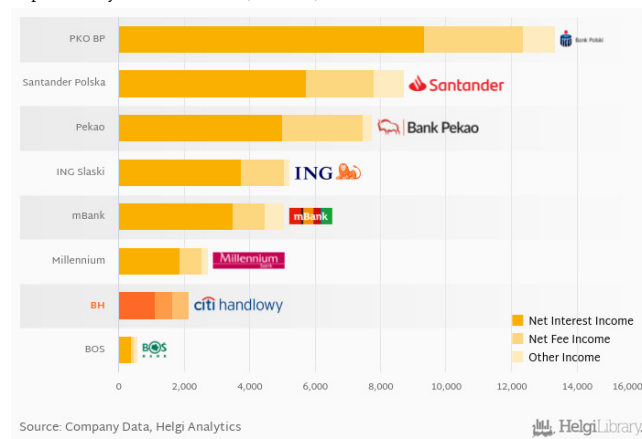
What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



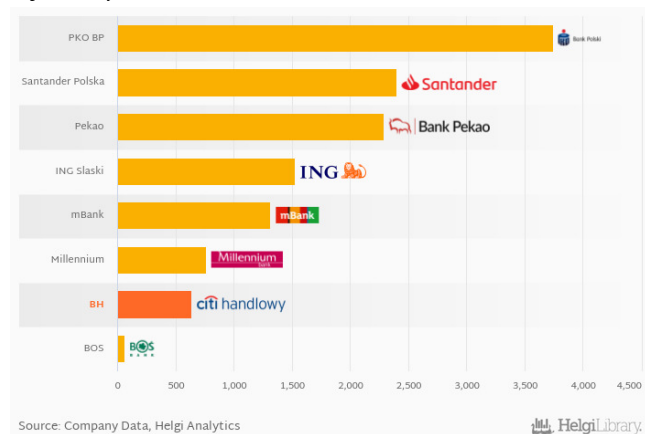
What Banks in Poland Generated the Most Revenues in 2018?

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?

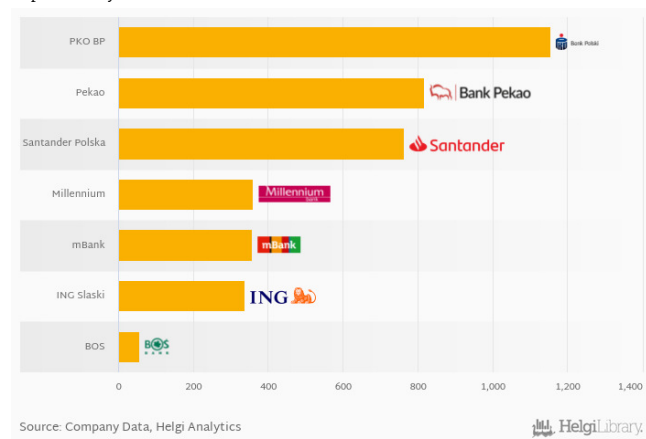
Top Banks by Number of Employees





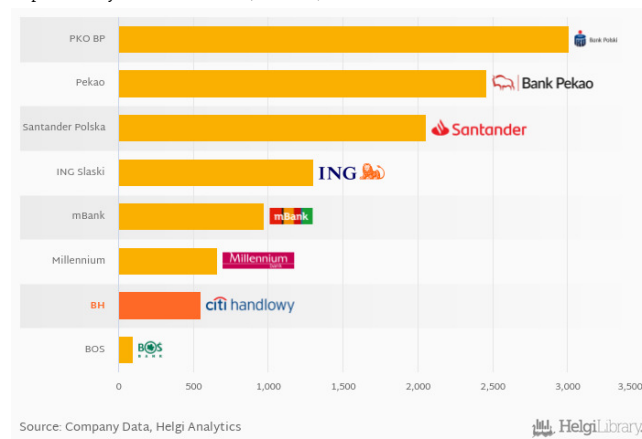
What Banks in Poland Had the Most Branches in 2018?

Top Banks by Number of Branches



What Banks in Poland Generated the Most Fees in 2018?

Top Banks by Net Fee Income (PLN mil)



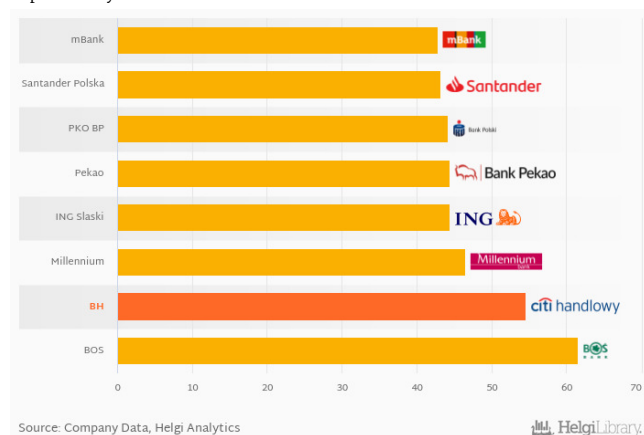


8 Relative Performance on the Polish Market

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

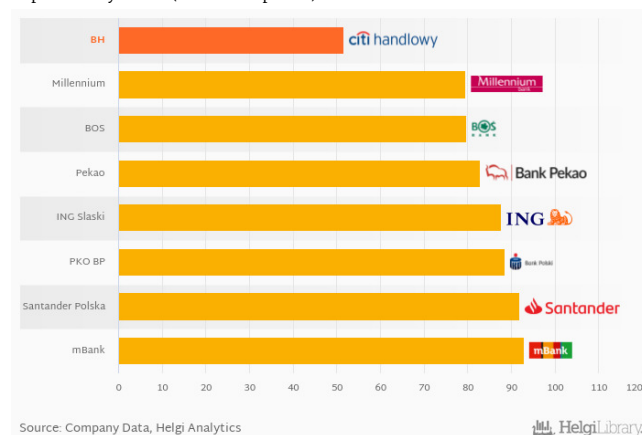
What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



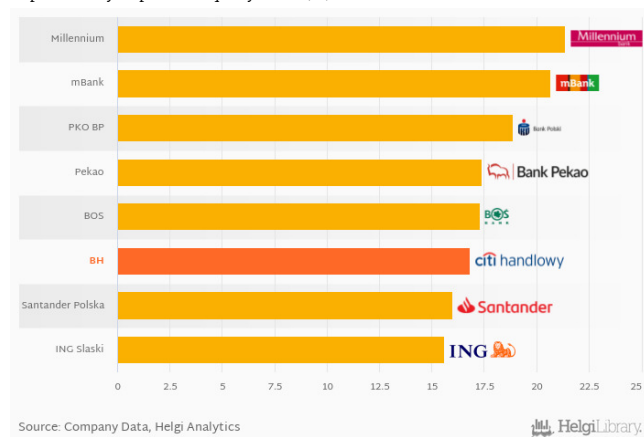
What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



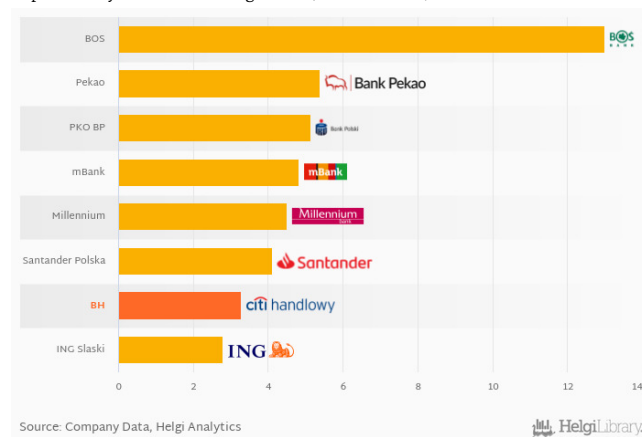
What Banks in Poland Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



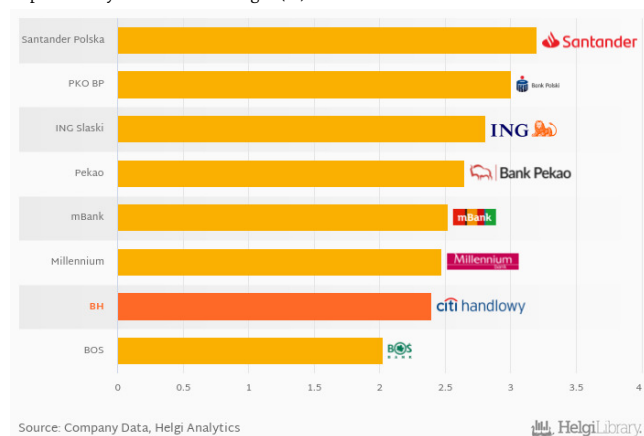
What Banks in Poland Had the Most Bad Loans in 2018?

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	353	356	339	351	332	283	328	317
Interest Cost	PLN mil	79.3	66.1	61.5	80.5	51.2	3.71	50.6	28.6
Net Interest Income	PLN mil	273	290	277	271	281	279	277	288
Net Fee Income	PLN mil	146	145	142	139	135	134	134	153
Other Income	PLN mil	111	111	149	152	103	99.0	126	137
Total Revenues	PLN mil	530	546	567	561	519	513	537	579
Staff Cost	PLN mil	127	130	143	130	126	131	148	128
Depreciation	PLN mil	18.6	19.0	18.7	18.7	16.8	17.2	21.0	21.6
Operating Cost	PLN mil	279	280	346	280	275	278	384	279
Operating Profit	PLN mil	252	266	221	281	244	235	153	299
Provisions	PLN mil	22.0	38.4	5.53	27.0	19.2	11.8	28.3	106
Extra and Other Cost	PLN mil	8.75	17.9	19.2	23.3	19.5	26.1	21.9	22.3
Pre-Tax Profit	PLN mil	221	210	197	230	205	197	103	170
Tax	PLN mil	49.3	46.8	50.8	48.0	46.3	44.7	43.5	37.1
Minorities	PLN mil	0	0	0	0	0	0	0	0
Net Profit	PLN mil	172	163	146	182	158	152	59.5	133
Dividends	PLN mil	...	...	...	...	...	...	...	...

Source: Company Data, Helgi Analytics

Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Net Interest Income Growth	%	10.6	13.2	9.00	2.47	2.66	-3.88	0.066	6.56
Net Fee Income Growth	%	1.17	7.28	5.44	-10.7	-7.59	-7.15	-5.46	10.4
Total Revenue Growth	%	3.69	9.06	21.5	6.97	-2.16	-6.21	-5.35	3.13
Operating Cost Growth	%	-3.13	-6.69	0.904	-3.34	-1.20	-0.783	11.0	-0.288
Operating Profit Growth	%	12.5	32.6	78.4	19.7	-3.23	-11.9	-30.8	6.54
Pre-Tax Profit Growth	%	18.2	24.5	162	14.7	-7.28	-6.34	-47.6	-26.1
Net Profit Growth	%	18.4	25.4	242	15.4	-7.63	-6.86	-59.2	-27.0

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	2,472	2,999	2,893	2,471	2,741	2,414	2,297	1,881
Number Of Shares (Average)	mil	131	131	131	131	131	131	131	131
Share Price (End Of Period)	PLN	69.1	81.9	75.6	70.8	77.2	69.1	67.5	53.7
Earnings Per Share (EPS)	PLN	3.85	4.10	4.89	5.08	4.98	4.89	4.23	3.85
Book Value Per Share	PLN	51.3	53.1	54.3	51.2	52.4	54.0	54.1	51.9
Dividend Per Share	PLN	0	0	0	0	0	0	0	0
Price/Earnings (P/E)		18.0	20.0	15.5	13.9	15.5	14.1	16.0	13.9
Price/Book Value (P/BV)		1.35	1.54	1.39	1.38	1.47	1.28	1.25	1.04
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	-14.8	-11.0	18.3	39.4	29.4	19.3	-13.5	-24.1
Book Value Per Share Growth	%	-0.042	2.19	3.37	3.23	2.04	1.70	-0.443	1.25

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	551	462	466	510	662	7,272	426	377
Interbank Loans	PLN mil	605	837	1,222	961	880	1,334	796	961
Customer Loans	PLN mil	18,073	17,854	18,248	18,893	19,233	19,802	20,383	20,027
Retail Loans	PLN mil	6,695	6,797	6,760	6,943	7,072	7,158	7,068	7,243
Mortgage Loans	PLN mil	1,412	1,474	1,488	1,530	1,607	1,650	1,687	1,753
Consumer Loans	PLN mil	5,283	5,323	5,271	5,414	5,465	5,508	5,382	5,490
Corporate Loans	PLN mil	11,379	11,057	11,488	11,950	12,161	12,644	13,315	12,784
Debt Securities	PLN mil	22,591	21,614	22,230	21,379	22,055	18,625	25,486	27,594
Fixed Assets	PLN mil	1,706	1,729	1,724	1,724	1,734	1,783	1,919	1,912
Total Assets	PLN mil	44,228	43,038	44,483	44,101	45,163	49,305	49,544	51,477
Shareholders' Equity	PLN mil	6,706	6,939	7,096	6,693	6,843	7,057	7,065	6,776
Of Which Minority Interest	PLN mil	0	0	0	0	0	0	0	0
Liabilities	PLN mil	37,522	36,099	37,387	37,409	38,320	42,248	42,480	44,701
Interbank Loans	PLN mil	605	837	1,222	961	880	1,334	796	961
Customer Deposits	PLN mil	32,324	32,137	31,324	32,500	33,372	38,334	35,607	37,014
Retail Deposits	PLN mil	10,417	10,349	10,652	11,001	11,287	11,903	12,244	12,431
Corporate Deposits	PLN mil	17,316	16,743	14,521	14,829	16,130	19,154	16,662	17,713
Issued Debt Securities	PLN mil	1,349	1,403	1,673	1,619	1,266	1,609	1,535	1,744
Other Liabilities	PLN mil	1,269	990	1,169	1,223	1,316	902	1,539	1,605

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	580	643	672	698	690	670	724	940
Gross Loans	PLN mil	18,585	18,362	18,826	19,502	19,841	20,411	21,020	20,762
Total Provisions	PLN mil	594	588	638	669	667	667	695	793

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	%	7.50	3.99	5.81	5.58	6.42	10.9	11.7	6.01
Retail Loan Growth	%	5.39	6.00	5.46	5.77	5.63	5.31	4.57	4.32
Mortgage Loan Growth	%	7.90	12.0	12.5	13.2	13.8	11.9	13.3	14.6
Consumer Loan Growth	%	4.74	4.45	3.64	3.84	3.45	3.47	2.09	1.42
Corporate Loan Growth	%	8.78	2.78	6.02	5.48	6.88	14.4	15.9	6.98
Total Asset Growth	%	5.36	-4.80	-0.623	-1.10	2.11	14.6	11.4	16.7
Shareholders' Equity Growth	%	-0.042	2.19	3.37	3.23	2.04	1.70	-0.443	1.25
Customer Deposit Growth	%	5.91	-5.30	-1.26	0.270	3.24	19.3	13.7	13.9
Retail Deposit Growth	%	9.44	4.02	3.59	5.45	8.35	15.0	14.9	13.0
Corporate Deposit Growth	%	7.81	-12.7	-14.3	-11.5	-6.85	14.4	14.7	19.4

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	%	14.0	12.2	16.6	19.8	16.9	13.3	14.0	17.4
Market Share in Net Profit	%	3.26	4.37	4.71	5.15	1.54	4.01	4.52	5.21
Market Share in Employees	%	2.26	2.22	2.17	2.16	2.14	2.13	2.12	2.12
Market Share in Branches	%	...	...	0.253	0.194	...	...	0.210	0.224
Market Share in Customer Loans	%	1.73	1.74	1.68	1.70	1.70	1.74	1.73	1.72
Market Share in Corporate Loans	%	3.19	3.21	3.02	3.12	3.07	3.15	3.10	3.02
Market Share in Retail Loans	%	0.977	0.975	0.981	0.977	0.978	0.990	1.00	1.02
Market Share in Consumer Loans	%	1.94	1.96	1.95	1.96	1.94	1.94	1.93	1.92
Market Share in Mortgage Loans	%	0.344	0.333	0.337	0.332	0.337	0.343	0.357	0.377
Market Share in Total Assets	%	3.01	2.53	2.40	2.53	2.47	2.45	2.42	2.32
Market Share in Customer Deposits	%	3.25	3.23	3.10	3.28	3.10	3.17	3.13	2.98
Market Share in Retail Deposits	%	1.46	1.49	1.49	1.50	1.54	1.57	1.56	1.51
Market Share in Corporate Deposits	%	7.06	6.72	6.18	6.73	6.46	6.39	6.45	5.66

Source: Company Data, Helgi Analytics

Ratios – Quarterly

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	10.4	9.58	8.31	10.6	9.37	8.76	3.37	7.69
ROA	%	1.55	1.50	1.33	1.65	1.42	1.29	0.482	1.05
Costs (As % Of Assets)	%	2.51	2.57	3.16	2.53	2.47	2.35	3.11	2.21
Costs (As % Of Income)	%	52.6	51.2	61.0	50.0	53.1	54.2	71.5	48.3
Capital Adequacy Ratio	%	17.3	17.9	17.3	17.1	16.9	16.8	16.2	16.6
Net Interest Margin	%	2.46	2.66	2.53	2.44	2.52	2.36	2.24	2.28
Interest Spread	%	2.34	2.55	2.43	2.31	2.43	2.36	2.18	2.25
Asset Yield	%	3.18	3.27	3.10	3.17	2.97	2.39	2.65	2.51
Cost Of Liabilities	%	0.839	0.718	0.670	0.861	0.541	0.037	0.478	0.263
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	51.5	53.1	48.8	48.2	54.1	54.5	51.6	49.8
Fee Income (As % Of Revenues)	%	27.6	26.5	25.0	24.7	26.0	26.2	24.9	26.5
Other Income (As % Of Revenues)	%	20.9	20.4	26.2	27.0	19.9	19.3	23.4	23.7
Cost Per Employee	USD per month	3,295	3,433	3,941	3,544	3,320	3,590	4,035	3,577
Cost Per Employee (Local Currency)	PLN per month	12,122	12,392	13,755	12,683	12,325	13,318	15,293	13,541
Staff Cost (As % Of Total Cost)	%	45.7	46.3	41.2	46.5	45.6	47.1	38.6	45.7
Equity (As % Of Assets)	%	15.2	16.1	16.0	15.2	15.2	14.3	14.3	13.2
Loans (As % Of Deposits)	%	55.9	55.6	58.3	58.1	57.6	51.7	57.2	54.1
Loans (As % Assets)	%	40.9	41.5	41.0	42.8	42.6	40.2	41.1	38.9
NPLs (As % Of Loans)	%	3.12	3.50	3.57	3.58	3.48	3.28	3.44	4.53
Provisions (As % Of NPLs)	%	102	91.4	94.9	95.7	96.6	99.5	96.0	84.4
Provisions (As % Of Loans)	%	3.29	3.29	3.50	3.54	3.47	3.37	3.41	3.96
Cost of Provisions (As % Of Loans)	%	0.490	0.856	0.123	0.581	0.403	0.241	0.563	2.11

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	1,927	2,076	1,646	1,489	1,232	1,259	1,351	1,305
Interest Cost	PLN mil	493	588	404	325	256	255	269	197
Net Interest Income	PLN mil	1,434	1,488	1,242	1,164	977	1,004	1,082	1,108
Net Fee Income	PLN mil	643	599	642	619	631	561	581	550
Other Income	PLN mil	349	640	662	641	496	517	406	502
Total Revenues	PLN mil	2,427	2,727	2,547	2,424	2,104	2,081	2,068	2,160
Staff Cost	PLN mil	681	720	690	580	566	553	531	530
Depreciation	PLN mil	60.0	64.7	62.6	71.4	70.4	69.9	73.1	71.4
Operating Cost	PLN mil	1,432	1,430	1,370	1,269	1,331	1,202	1,192	1,180
Operating Profit	PLN mil	995	1,297	1,177	1,154	774	879	877	980
Provisions	PLN mil	76.8	58.1	-36.2	-17.8	-17.2	45.8	103	63.5
Extra and Other Cost	PLN mil	-3.75	-0.624	-4.91	4.53	-0.061	69.1	66.5	88.2
Pre-Tax Profit	PLN mil	921	1,240	1,218	1,168	791	764	707	829
Tax	PLN mil	185	269	245	220	164	163	172	190
Minorities	PLN mil	0	0	0	0	0	0.085	0	0
Net Profit	PLN mil	736	970	973	947	626	602	536	639
Dividends	PLN mil	361	757	935	971	611	592	536	639

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	-4.21	3.76	-16.5	-6.30	-16.1	2.76	7.83	2.35
Net Fee Income Growth	%	-1.80	-6.89	7.25	-3.64	2.01	-11.1	3.46	-5.29
Total Revenue Growth	%	-5.17	12.4	-6.60	-4.82	-13.2	-1.08	-0.624	4.42
Operating Cost Growth	%	4.11	-0.167	-4.20	-7.32	4.83	-9.65	-0.872	-1.02
Operating Profit Growth	%	-16.0	30.4	-9.25	-1.92	-33.0	13.7	-0.285	11.8
Pre-Tax Profit Growth	%	-2.24	34.5	-1.73	-4.14	-32.3	-3.34	-7.49	17.2
Net Profit Growth	%	-2.44	31.7	0.266	-2.61	-33.9	-3.97	-11.0	19.3

Source: Company Data, Helgi Analytics

Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	2,577	4,151	4,552	4,189	2,654	2,388	2,999	2,414
Number Of Shares (Average)	mil	131	131	131	131	131	131	131	131
Share Price (End Of Period)	PLN	67.9	98.3	105	114	71.9	76.4	81.9	69.1
Earnings Per Share (EPS)	PLN	5.64	7.42	7.44	7.25	4.79	4.60	4.10	4.89
Book Value Per Share	PLN	49.3	56.6	55.9	57.6	52.4	52.0	53.1	54.0
Dividend Per Share	PLN	2.76	5.79	7.15	7.43	4.68	4.53	4.10	4.89
Price/Earnings (P/E)		12.0	13.2	14.1	15.7	15.0	16.6	20.0	14.1
Price/Book Value (P/BV)		1.38	1.74	1.88	1.97	1.37	1.47	1.54	1.28
Dividend Yield	%	4.06	5.89	6.81	6.55	6.51	5.93	5.01	7.08
Earnings Per Share Growth	%	-2.44	31.7	0.266	-2.61	-33.9	-3.97	-11.0	19.3
Book Value Per Share Growth	%	-0.746	14.7	-1.14	3.01	-8.99	-0.879	2.19	1.70

Source: Company Data, Helgi Analytics



Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	980	1,357	778	1,523	2,170	666	462	7,272
Interbank Loans	PLN mil	548	1,462	3,540	2,066	757	587	837	1,334
Customer Loans	PLN mil	14,720	16,221	15,231	16,771	18,976	17,170	17,854	19,802
Retail Loans	PLN mil	5,862	5,921	5,283	5,885	6,173	6,412	6,797	7,158
Mortgage Loans	PLN mil	584	926	1,068	1,236	1,300	1,316	1,474	1,650
Consumer Loans	PLN mil	5,279	4,995	4,215	4,648	4,872	5,096	5,323	5,508
Corporate Loans	PLN mil	10,641	12,893	9,233	9,864	10,769	10,757	11,057	12,644
Debt Securities	PLN mil	23,430	21,842	23,404	27,175	25,414	24,556	21,614	18,625
Fixed Assets	PLN mil	1,750	1,790	1,802	1,755	1,726	1,694	1,729	1,783
Total Assets	PLN mil	42,278	43,509	45,398	49,844	49,507	45,210	43,038	49,305
Shareholders' Equity	PLN mil	6,444	7,391	7,307	7,527	6,851	6,790	6,939	7,057
Of Which Minority Interest	PLN mil	0	0	0	0	0	0	0	0
Liabilities	PLN mil	35,834	36,117	38,091	42,317	42,656	38,420	36,099	42,248
Interbank Loans	PLN mil	548	1,462	3,540	2,066	757	587	837	1,334
Customer Deposits	PLN mil	24,096	26,852	26,569	29,633	31,586	33,937	32,137	38,334
Retail Deposits	PLN mil	5,982	5,887	6,907	7,662	8,742	9,949	10,349	11,903
Corporate Deposits	PLN mil	12,318	12,101	15,918	18,723	16,427	19,174	16,743	19,154
Issued Debt Securities	PLN mil	4,866	5,846	4,222	6,771	3,360	1,346	1,403	1,609
Other Liabilities	PLN mil	861	1,062	922	791	746	827	990	902

Source: Company Data, Helgi Analytics

Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	1,589	1,408	1,229	1,095	626	547	643	670
Gross Loans	PLN mil	14,927	16,400	16,215	18,967	19,561	17,647	18,362	20,411
Total Provisions	PLN mil	1,236	1,131	984	978	585	563	588	667

Source: Company Data, Helgi Analytics

Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	27.0	10.2	-6.10	10.1	13.1	-9.52	3.99	10.9
Retail Loan Growth	%	-4.20	1.00	-10.8	11.4	4.89	3.89	6.00	5.31
Mortgage Loan Growth	%	15.2	58.6	15.4	15.7	5.15	1.24	12.0	11.9
Consumer Loan Growth	%	-5.95	-5.37	-15.6	10.3	4.82	4.59	4.45	3.47
Corporate Loan Growth	%	59.0	21.2	-28.4	6.84	9.17	-0.110	2.78	14.4
Total Asset Growth	%	12.7	2.91	4.34	9.79	-0.676	-8.68	-4.80	14.6
Shareholders' Equity Growth	%	-0.746	14.7	-1.14	3.01	-8.99	-0.879	2.19	1.70
Customer Deposit Growth	%	18.0	11.4	-1.06	11.5	6.59	7.44	-5.30	19.3
Retail Deposit Growth	%	4.63	-1.60	17.3	10.9	14.1	13.8	4.02	15.0
Corporate Deposit Growth	%	2.26	-1.76	31.5	17.6	-12.3	16.7	-12.7	14.4

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	%	14.0	12.2	16.6	19.8	16.9	13.3	14.0	17.4
Market Share in Net Profit	%	3.26	4.37	4.71	5.15	1.54	4.01	4.52	5.21
Market Share in Employees	%	2.26	2.22	2.17	2.16	2.14	2.13	2.12	2.12
Market Share in Branches	%	...	...	0.253	0.194	...	...	0.210	0.224
Market Share in Customer Loans	%	1.73	1.74	1.68	1.70	1.70	1.74	1.73	1.72
Market Share in Corporate Loans	%	3.19	3.21	3.02	3.12	3.07	3.15	3.10	3.02
Market Share in Retail Loans	%	0.977	0.975	0.981	0.977	0.978	0.990	1.00	1.02
Market Share in Consumer Loans	%	1.94	1.96	1.95	1.96	1.94	1.94	1.93	1.92
Market Share in Mortgage Loans	%	0.344	0.333	0.337	0.332	0.337	0.343	0.357	0.377
Market Share in Total Assets	%	3.01	2.53	2.40	2.53	2.47	2.45	2.42	2.32
Market Share in Customer Deposits	%	3.25	3.23	3.10	3.28	3.10	3.17	3.13	2.98
Market Share in Retail Deposits	%	1.46	1.49	1.49	1.50	1.54	1.57	1.56	1.51
Market Share in Corporate Deposits	%	7.06	6.72	6.18	6.73	6.46	6.39	6.45	5.66

Source: Company Data, Helgi Analytics

Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	11.4	14.0	13.2	12.8	8.71	8.82	7.80	9.13
ROA	%	1.85	2.26	2.19	1.99	1.26	1.27	1.21	1.38
Costs (As % Of Assets)	%	3.59	3.33	3.08	2.67	2.68	2.54	2.70	2.55
Costs (As % Of Income)	%	59.0	52.4	53.8	52.4	63.2	57.8	57.6	54.6
Capital Adequacy Ratio	%	16.4	18.1	16.7	17.5	17.1	17.4	17.9	16.8
Net Interest Margin	%	3.60	3.47	2.79	2.44	1.97	2.12	2.45	2.40
Interest Spread	%	3.36	3.21	2.61	2.32	1.88	2.03	2.34	2.32
Asset Yield	%	4.83	4.84	3.70	3.13	2.48	2.66	3.06	2.83
Cost Of Liabilities	%	1.47	1.63	1.09	0.809	0.602	0.629	0.723	0.503
Payout Ratio	%	49.0	78.0	96.1	102	97.6	98.4	100	100
Interest Income (As % Of Revenues)	%	59.1	54.6	48.8	48.0	46.4	48.2	52.3	51.3
Fee Income (As % Of Revenues)	%	26.5	22.0	25.2	25.5	30.0	27.0	28.1	25.5
Other Income (As % Of Revenues)	%	14.4	23.5	26.0	26.4	23.6	24.8	19.6	23.3
Cost Per Employee	USD per month	3,296	3,504	3,898	3,387	3,470	3,150	3,518	3,631
Cost Per Employee (Local Currency)	PLN per month	9,772	11,401	12,319	11,098	11,372	12,654	12,698	13,469
Staff Cost (As % Of Total Cost)	%	47.6	50.4	50.4	45.7	42.5	46.0	44.6	44.9
Equity (As % Of Assets)	%	15.2	17.0	16.1	15.1	13.8	15.0	16.1	14.3
Loans (As % Of Deposits)	%	61.1	60.4	57.3	56.6	60.1	50.6	55.6	51.7
Loans (As % Assets)	%	34.8	37.3	33.6	33.6	38.3	38.0	41.5	40.2
NPLs (As % Of Loans)	%	10.6	8.59	7.58	5.77	3.20	3.10	3.50	3.28
Provisions (As % Of NPLs)	%	77.8	80.3	80.0	89.3	93.6	103	91.4	99.5
Provisions (As % Of Loans)	%	8.40	6.97	6.46	5.83	3.09	3.28	3.29	3.37
Cost of Provisions (As % Of Loans)	%	0.584	0.376	-0.230	-0.111	-0.096	0.253	0.589	0.337

Source: Company Data, Helgi Analytics



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