

# Santander Bank Polska

## Quarterly Results - 2Q2019

Santander Bank Polska made a net profit of PLN 607 mil in the second quarter of 2019, down 6.77% when compared to the previous year. Total revenues increased 9.56% yoy to PLN 2,396 mil, ROE amounted to 9.26% and the NPL ratio stood at 4.30%. Santander Bank Polska stock depreciated by 2.68% in the second quarter of 2019 to PLN 371 per share and the stock traded at a 12-month trailing PE of 16.7x and PBV of 1.48x based on the closing price at the end of the quarter.

- ✓ Revenues increased 9.56% yoy to PLN 2,396 mil in the second quarter of 2019. Interest income formed 67.8% of total revenues with the net interest margin decreasing 0.29 pp to 3.14% of total assets. Fees added a further 21.8% to total revenue generated in 2Q2019, down from an average of 24.1% as seen in the previous two years.
- ✓ Operating costs grew by 12.1% yoy to PLN 1,027 mil, so cost to income ratio reached 42.9%, up by 1% compared to the previous two years. Staff accounted for 44.6% of total operating expenditures. At the end of second quarter of 2019, Santander Bank Polska operated a network of 682 branches and 14,058 employees.
- ✓ Loans and deposits grew by 1.48% and 1.31% qoq respectively, so loan to deposit ratio reached 94.0% at the end of 2Q2019. That's up from 93.6% the previous year. Equity reached 12.4% of assets and capital adequacy ratio amounted to 16.3% at the end of the second quarter of 2019.
- ✓ NPLs were 4.30% of total loans at the end of the quarter. Provisions covered 77.0% of non-performing loans
- ✓ Santander Bank Polska stock traded at PLN 371 per share at the end of second quarter of 2019 implying a market capitalization of USD 10,149 mil. This put stock at a 12-month trailing price to earnings of 16.7x and price to book value of 1.48x as of the end of 2Q2019.

Sector:  
Banking

Country:  
Poland

Share Price:  
PLN 371

Market Capitalization:  
USD 10,149 mil

Shares Outstanding:  
102 mil

Employees:  
14,058

Clients:  
7.05 mil

Branches:  
682

Capital Adequacy Ratio:  
16.3%

NPL Ratio:  
4.30%

Provision Coverage:  
77.0%

KEY FIGURES									
	REVENUES	NET PROFIT	EPS	EPS GROWTH	PER	PBV	ROE	DPS	DIV. YIELD
	PLN mil	PLN mil		%			%		%
2Q2019	2,396	607	22.2	0.016	16.7	1.48	9.26	0	0
2018	8,715	2,397	23.5	5.38	15.3	1.37	9.59	0	0
2017	7,764	2,213	22.3	2.03	17.8	1.69	9.98	0	0
2016	7,451	2,167	21.8	-6.89	14.5	1.49	10.4	3.10	0.981
2015	7,540	2,327	23.5	21.5	12.1	1.37	12.1	5.40	1.90

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

Data tells a story



## 1 Company Overview

Santander Bank Polska is a Polish universal bank. It was formed in 2001 by the merger of Bank Zachodni and Wielkopolski Bank Kredytowy. In 2013, it further acquired KBC's Kredyt Bank to establish the third largest bank in Poland in terms of assets and the number of outlets. Santander Bank Polska has a network of over 600 branches and provides services to more than 3.8 mil customers. Apart from the traditional retail and corporate banking, it also offers such services as securities intermediation, leasing, factoring, asset and fund management, insurance, and shares trading. Since 2011, the Bank has been owned by the Spanish Santander Group.

Santander Bank Polska has been growing its revenues and asset by 10.9% and 13.8% a year on average in the last 10 years. Its loans and deposits have grown by 14.5% and 13.6% a year during that time and loans to deposits ratio reached 94.0% at the end of 2Q2019. The company achieved an average return on equity of 13.2% in the last decade with net profit growing 9.10% a year on average. In terms of operating efficiency, its cost to income ratio reached 42.9% in 2Q2019, compared to 46.6% average in the last decade.

Equity represented 12.4% of total assets or 18.2% of loans at the end of 2Q2019. Santander Bank Polska's non-performing loans were 4.30% of total loans while provisions covered some 77.0% of NPLs at the end of the second quarter of 2019.

Santander Bank Polska stock traded at PLN 371 per share at the end of 2Q2019 resulting in a market capitalization of USD 10,149 mil. Over the previous five years, stock price fell by 2.75% or 0.557% a year on average. That's compared to an average ROE of 10.3% the bank generated for its shareholders. This closing price put stock at a 12-month trailing price to earnings (PE) of 16.7x and price to book value (PBV) of 1.48x 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	1,341	1,379	1,390	1,396	1,422	1,534	1,609	1,624
Total Revenues	PLN mil	1,952	2,010	1,985	2,187	2,055	2,488	2,245	2,396
Operating Profit	PLN mil	1,144	1,140	1,014	1,271	1,138	1,523	1,006	1,369
Net Profit	PLN mil	560	549	441	651	506	799	351	607
Customer Loans	PLN mil	106,475	107,840	109,078	114,177	116,590	137,460	138,667	140,726
Total Assets	PLN mil	150,424	152,674	157,556	168,517	177,400	205,853	208,266	205,826
Shareholders' Equity	PLN mil	22,656	23,344	23,766	23,988	24,547	26,642	26,849	25,599
Interbank Borrowing	PLN mil	2,480	1,817	1,597	2,206	1,969	2,146	2,244	2,604
Customer Deposits	PLN mil	111,023	111,481	113,577	122,024	124,629	149,617	147,746	149,675
Issued Debt Securities	PLN mil	8,708	10,035	12,044	14,111	19,701	21,354	24,021	20,332

RATIOS		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
ROE	%	10.1	9.55	7.49	10.9	8.34	12.5	5.24	9.26
Costs (As % Of Income)	%	41.4	43.3	48.9	41.9	44.6	38.8	55.2	42.9
Net Interest Margin	%	3.57	3.64	3.58	3.43	3.29	3.20	3.11	3.14
Equity (As % Of Assets)	%	15.1	15.3	15.1	14.2	13.8	12.9	12.9	12.4
Loans (As % Of Deposits)	%	95.9	96.7	96.0	93.6	93.5	91.9	93.9	94.0
Loans (As % Assets)	%	70.8	70.6	69.2	67.8	65.7	66.8	66.6	68.4
NPLs (As % Of Loans)	%	6.00	5.80	4.90	4.80	4.60	4.10	4.30	4.30
Provisions (As % Of NPLs)	%	73.3	74.1	95.0	96.9	92.7	75.4	75.7	77.0

VALUATION		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Market Capitalisation (End Of Period)	USD mil	9,499	11,034	10,539	8,851	10,139	9,778	10,129	10,149
Share Price (End Of Period)	PLN	349	396	362	334	376	358	381	371
Price/Earnings (P/E)		16.3	17.8	16.3	15.1	17.4	15.3	16.9	16.7
Price/Book Value (P/BV)		1.53	1.69	1.51	1.38	1.52	1.37	1.45	1.48

Source: Company Data, Helgi Analytics

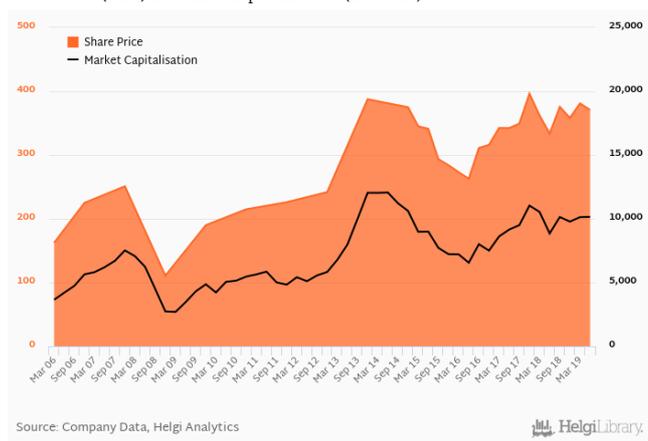


## 2 Valuation

Santander Bank Polska stock traded at PLN 371 per share at the end of 2Q2019 resulting in a market capitalization of USD 10,149 mil. Over the previous quarter, stock depreciated by 2.68%. Over the previous three years, stock price rose by 41.1% or 12.2% a year on average. That's compared to an average ROE of 9.26% the bank generated for its shareholders:

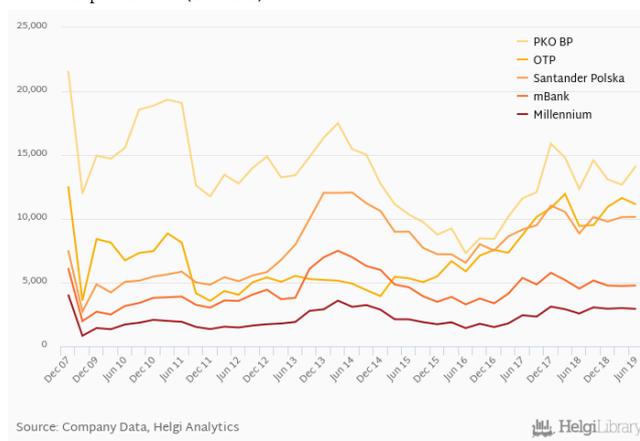
### Share Price & Market Capitalization

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



### Market Capitalization Peers Comparison

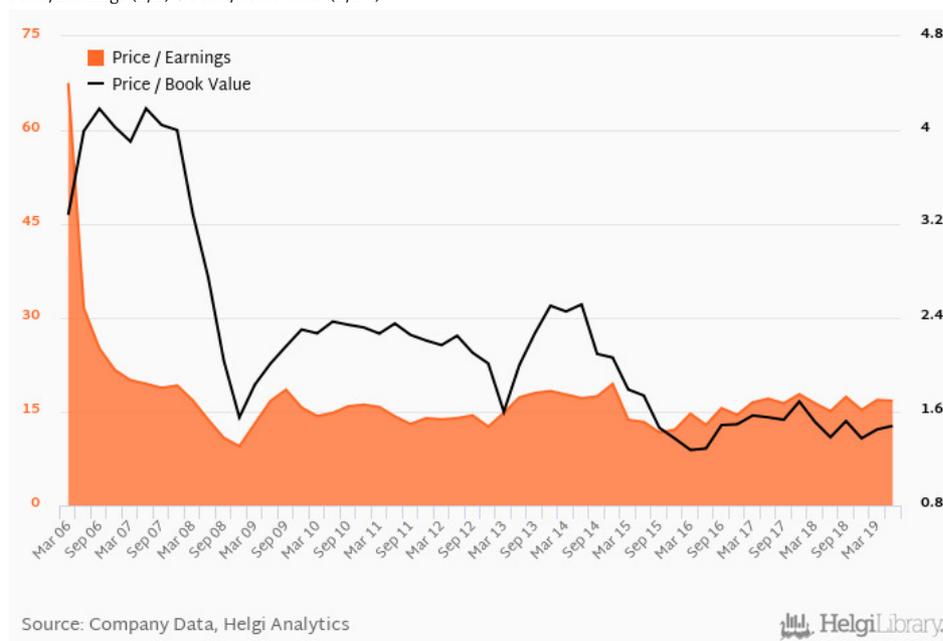
Market Capitalization (USD mil)



This closing price put stock at a 12-month trailing price to earnings (PE) of 16.7x and price to book value (PBV) of 1.48x as of the second quarter of 2019.

### Price to Earnings & Book Value

Price/Earnings (P/E) & Price/Book Value (P/BV)



Over the previous five years, the PE multiple reached a high of 19.4x in 4Q2014 and a low of 11.7x in 3Q2015 with an average of 15.5x.

When compared to selected peers, Santander Bank Polska traded at a 45.9% premium



above average at the end of the second quarter of 2019.

Regarding price to book value, stock was trading at 1.48x at the end of the 2Q2019. Over the previous five years, the PBV multiple reached a high of 2.09x in 3Q2014 and a low of 1.27x in 1Q2016 with an average of 1.56x.

In comparison to its peers, Santander Bank Polska traded at 11.6% premium on a trailing basis at the end of the second quarter of 2019.

The detailed comparison of Santander Bank Polska'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		
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		
Santander Bank Polska	Poland	10,149	12.5	5.24	9.26	15.3	16.9	16.7	1.37	1.45	1.48		
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		

SANTANDER BANK POLSKA'S PREMIUM/DISCOUNT TO:											
Weighted Average			-2.28%	-42.9%	-23.8%	31.0%	35.8%	45.9%	6.69%	8.73%	11.6%
Median			1.42%	-36.6%	-14.0%	13.7%	23.0%	39.3%	1.81%	3.99%	4.52%

Source: Company Data, Helgi Analytics

## Santander Bank Polska – 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	9,499	11,034	10,539	8,851	10,139	9,778	10,129	10,149
Number Of Shares (Average)	mil	99.3	99.3	99.3	99.3	99.3	102	102	102
Share Price (End Of Period)	PLN	349	396	362	334	376	358	381	371
Earnings Per Share (EPS)		21.4	22.3	22.2	22.2	21.6	23.5	22.6	22.2
Book Value Per Share		228	235	239	241	247	261	263	251
Dividend Per Share		0	0	0	0	0	0	0	0
Price/Earnings (P/E)		16.3	17.8	16.3	15.1	17.4	15.3	16.9	16.7
Price/Book Value (P/BV)		1.53	1.69	1.51	1.38	1.52	1.37	1.45	1.48
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	7.08	2.03	6.58	10.5	1.01	5.38	1.97	0.016
Book Value Per Share Growth	%	8.98	11.0	9.48	9.48	8.32	11.1	9.92	3.84

Source: Company Data, Helgi Analytics



## 3 Revenues & Costs

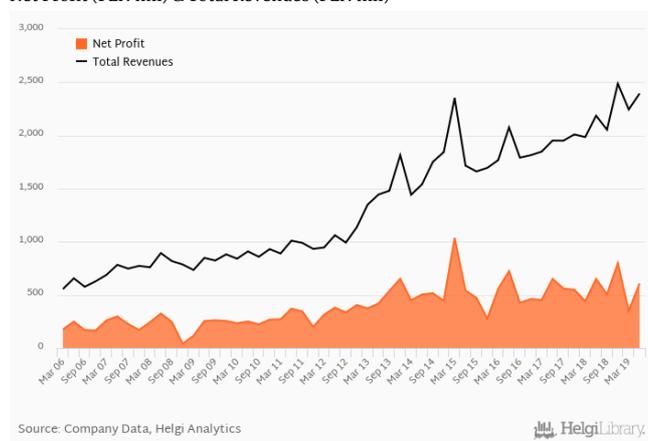
### 3.1 Revenues

Santander Bank Polska generated total operating revenues of PLN 2,396 mil in the second quarter of 2019, up 9.56% compared to the same period of the previous year. Net interest income represented 67.8% of revenues, fee income contributed 21.8% and other non-interest income added further 10.4% to the overall revenue generated.

Over the previous three years, revenues rose by 4.89% a year on average.

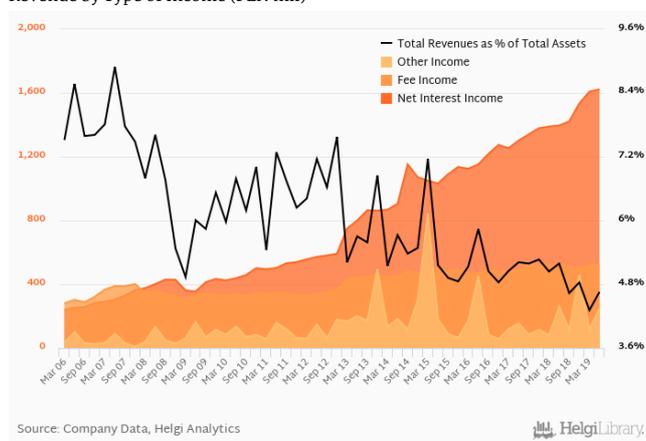
#### Revenue & Profitability

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



#### Revenue Breakdown

Revenue by Type of Income (PLN mil)



Net interest margin amounted to 3.14% in the second quarter of 2019, down from the 3.43% of the previous year. Historically, Santander Bank Polska's net interest margin reached a high of 3.95% in 4Q2012 and a low of 2.45% in 2Q2009.

Average asset yield was 4.09% in the second quarter of 2019 (down from 4.26%) while cost of funding amounted to 1.09%% in 2Q2019 (up from 0.979%).

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	
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	
Santander Bank Polska	Poland	10,149	3.64	3.58	3.43	3.29	3.20	3.11	3.14	
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



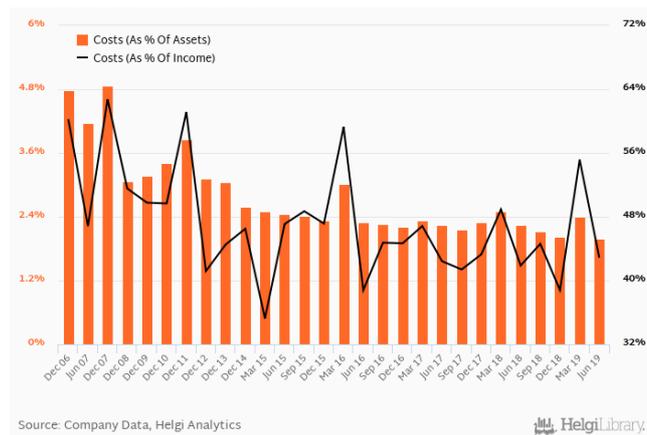
### 3.2 Costs

Operating costs increased by 12.1% yoy to PLN 1,027 mil in the second quarter of 2019. Santander Bank Polska’s cost to income ratio therefore reached 42.9%, up from 41.9% when compared to the previous year.

Historically, operating costs reached a high of 62.7% of income in 4Q2007 and a low of 35.2% in 1Q2015:

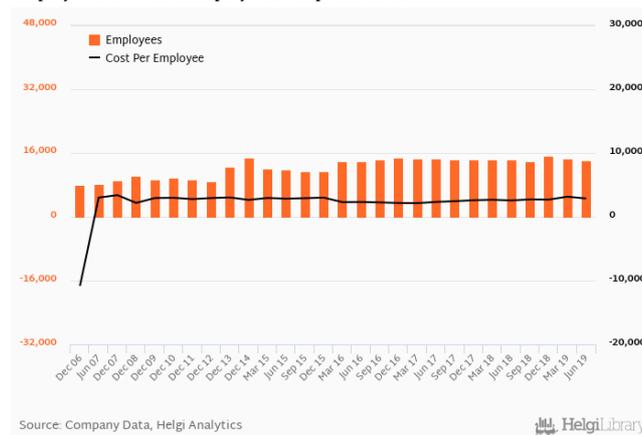
#### Cost Efficiency

Costs As % Of Assets & Income



#### Workforce

Employees & Cost Per Employee (USD per month)



When compared to its peer's weighted average, Santander Bank Polska operated with a 4.17 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
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
Santander Bank Polska	Poland	10,149	48.9	41.9	44.6	38.8	55.2	42.9
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 1.98% in 2Q2019 down from 2.25% the previous year.

Santander Bank Polska had 14,058 employees in the second quarter of 2019, down by 1.6% when compared to the previous year. The company operated a network of 682 branches in 2Q2019.

The average cost per employee stood at USD 2,870 per month, 12% above the previous



year. This figure was five years earlier.

Staff accounted for 44.6% 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
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
Santander Bank Polska	Poland	10,149	40.8	42.9	46.4	47.2	42.3	44.6
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

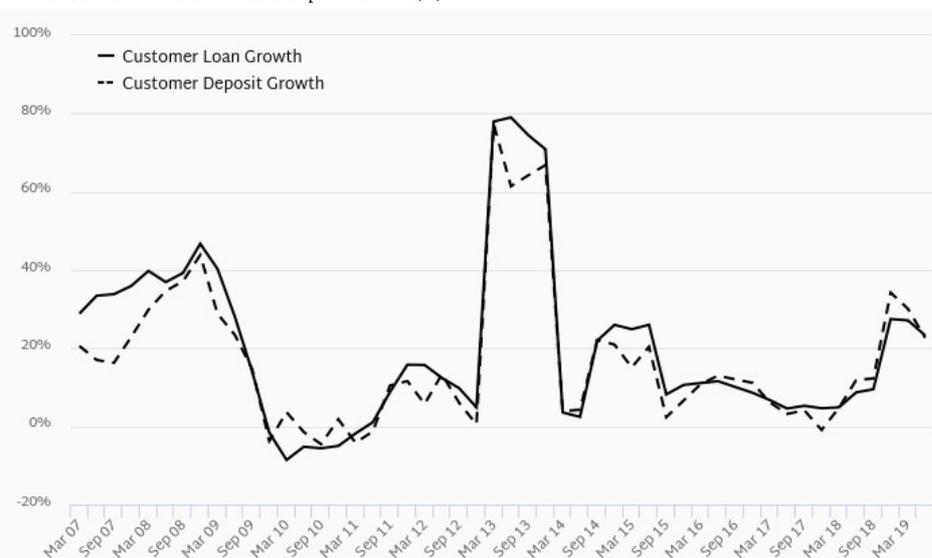
Santander Bank Polska's customer loans grew 1.48% qoq and 23.3% yoy in the second quarter of 2019. On the other side of the balance sheet, customer deposit growth amounted to 1.31% qoq and 22.7% yoy. That's compared to average of 11.7% and 12.6% seen in the last three years.

In the previous five years, the average annual loan growth amounted to 11.9% while deposit growth reached 12.3% on average a year.

At the end of second quarter of 2019, Santander Bank Polska's loans accounted for 94.0% of total deposits and 68.4% 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
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
Santander Bank Polska	Poland	10,149	96.0	93.6	93.5	91.9	93.9	94.0
Weighted Average			84.8	85.7	85.8	84.3	85.1	85.8
Median			86.6	87.9	89.3	85.3	86.6	88.4

Source: Company Data, Helgi Analytics

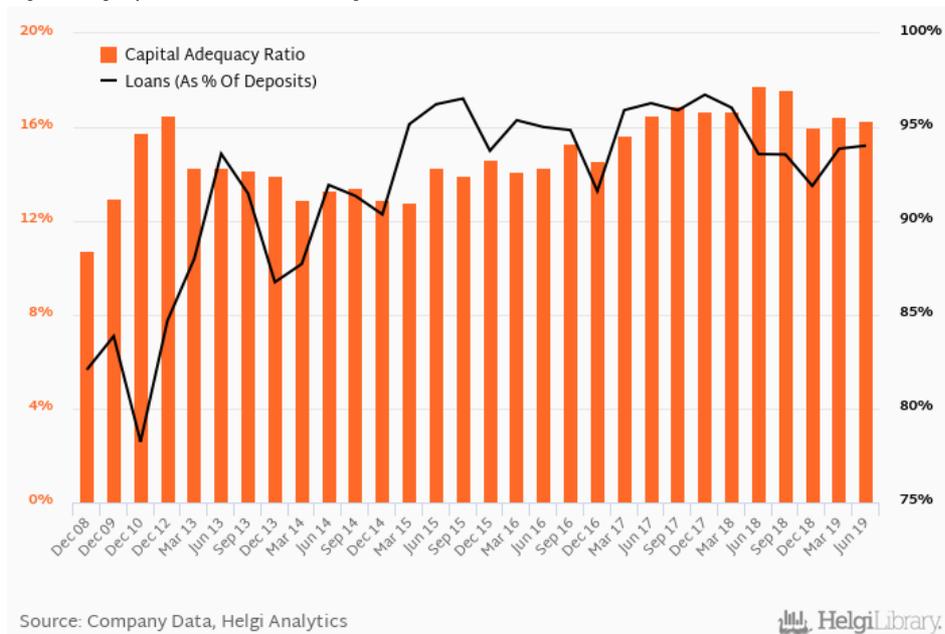


## 4.2 Capital & Liquidity

Santander Bank Polska's capital adequacy ratio reached 16.3% in the second quarter of 2019, down from 17.8% for the previous year. The Tier 1 ratio amounted to 14.5% at the end of the second quarter of 2019:

### Capital & Liquidity

Capital Adequacy Ratio & Loans (As % Of Deposits)



Santander Bank Polska'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
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
<b>Santander Bank Polska</b>	<b>Poland</b>	<b>10,149</b>	<b>16.7</b>	<b>17.8</b>	<b>17.6</b>	<b>16.0</b>	<b>16.5</b>	<b>16.3</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

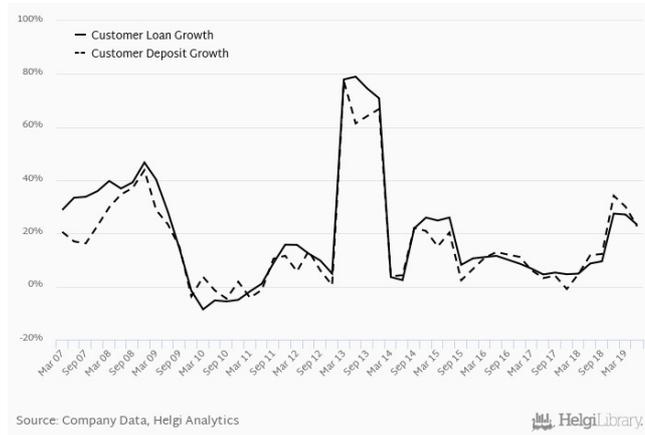


### 4.3 Loan Breakdown

Santander Bank Polska's loans reached PLN 140,726 mil in the second quarter of 2019, up 23.3% when compared to the same period of the previous year:

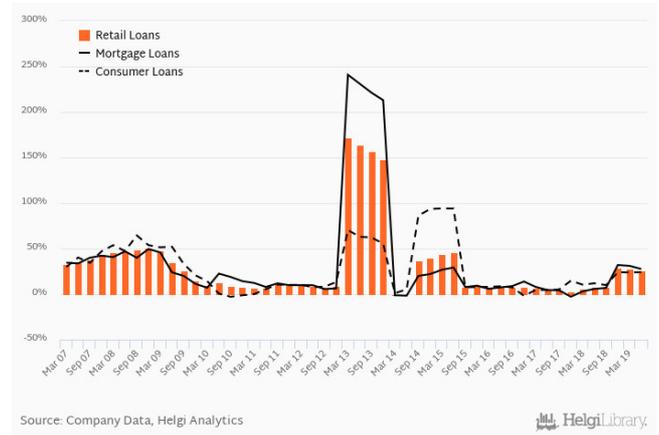
#### Loan & Deposit Growth

Customer Loan Growth & Customer Deposit Growth (%)



#### Retail Loan Growth

Retail Loan Growth (%)

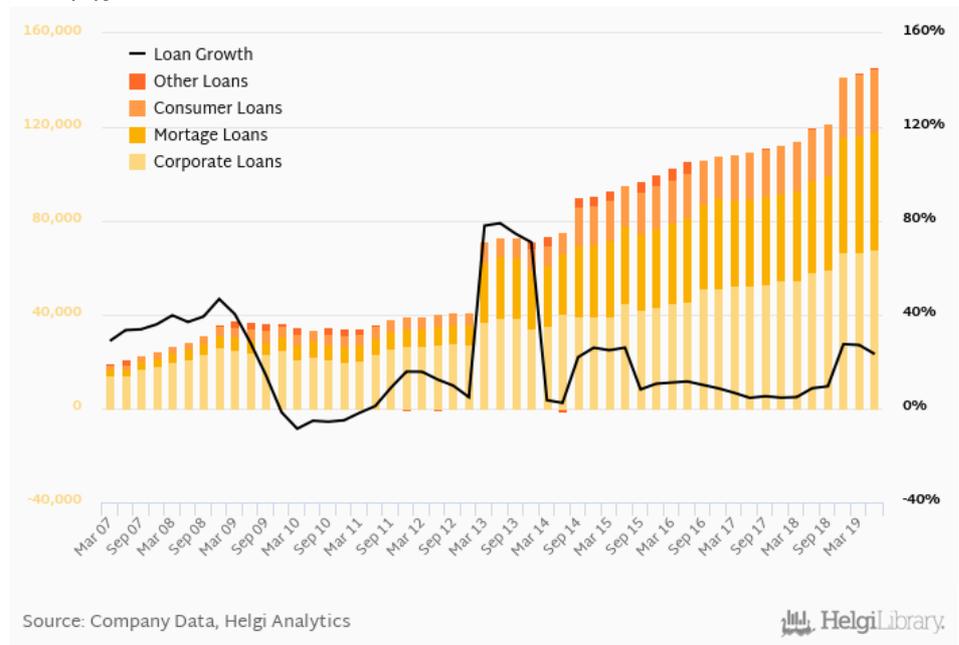


Retail loans grew 1.93% qoq and 26.4% yoy and accounted for 55.0% of the loan book at the end of the second quarter of 2019. In the previous three years, the retail loan portfolio increased 12.5% a year on average.

At the end of the second quarter of 2019, mortgage loans represented 35.7% of the Santander Bank Polska's loan book, consumer loans added a further 19.3% and corporate loans formed 48.2% of total loans.

#### Loan Breakdown

Loans by Type (PLN mil)





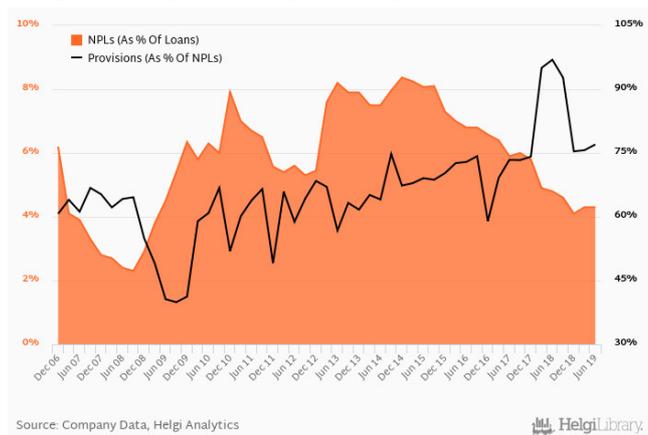
### 4.4 Asset Quality

Santander Bank Polska's non-performing loans were 4.30% of total loans, up from 4.30% when compared to the previous quarter. Historically, the NPL ratio hit a high of 8.37% in 4Q2014 and a low 2.30% in 3Q2008.

Provisions covered some 77.0% of NPLs at the end of the second quarter of 2019, up from 75.7% for the previous three months:

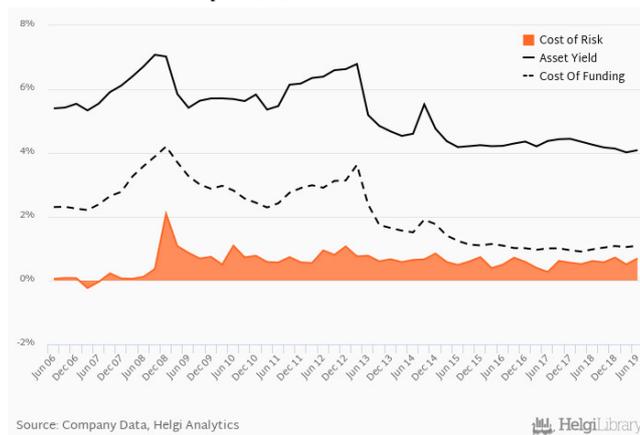
#### Asset Quality

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



#### Cost of Risk

Cost of Risk vs. Interest Spread (%)



Santander Bank Polska 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
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
Santander Bank Polska	Poland	10,149	4.90	4.80	4.60	4.10	4.30	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

Santander Bank Polska's cost of risk reached 0.693% of average loans in the second quarter of 2019, up from 0.505% in the previous quarter and compared to 0.612% for the previous year on average.



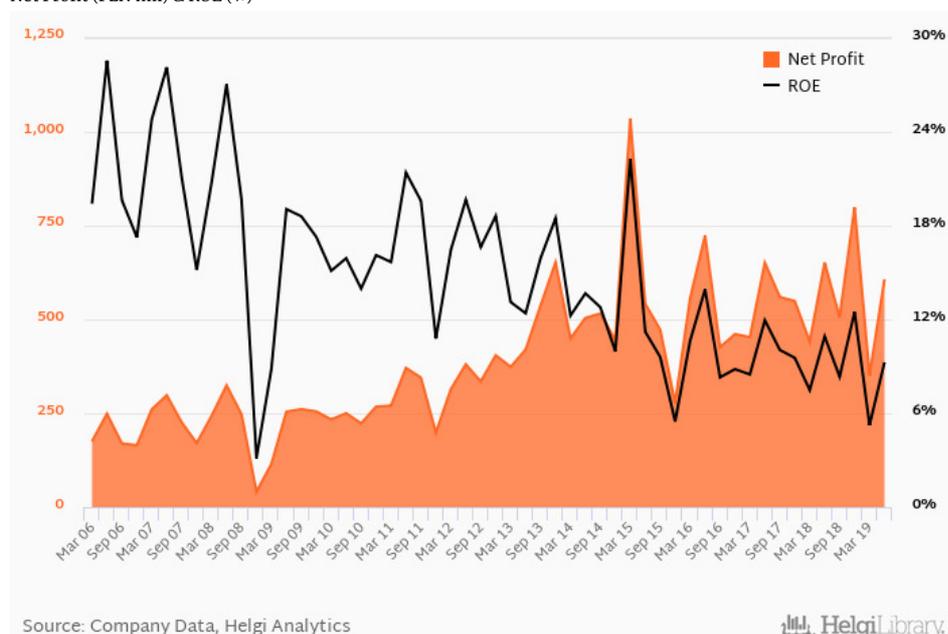
## 5 Profitability

Overall, Santander Bank Polska made a net profit of PLN 607 mil in the second quarter of 2019. This was down 6.77% when compared to the previous year resulting in a return on equity of 9.26%.

Historically, net profit reached a high of PLN 1,036 mil in 1Q2015 and a low of PLN 40.8 mil in 4Q2008.

### Profitability

Net Profit (PLN mil) & ROE (%)



The company generated an average return on equity of 9.24% for its shareholders in the previous three years with maximum at 12.5% and minimum at 5.24%.

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
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
Santander Bank Polska	Poland	10,149	7.49	10.9	8.34	12.5	5.24	9.26
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, Santander Bank Polska generated a return of 1.17% in the second quarter of 2019 (ROA). That's 0.307 pp below average for the previous five



years.

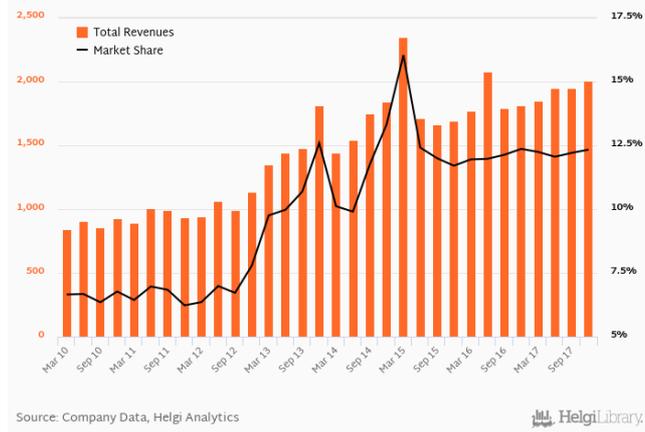


## 6 Market Share Development on the Polish Market

Based on latest available data, Santander Bank Polska accounted for 8.22% of all bank assets managed in Poland at the end of the fourth quarter of 2017.

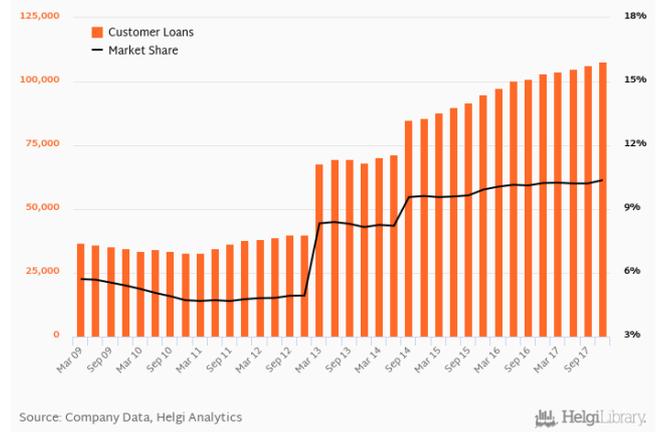
### Market Share in Bank Revenues

Total Revenues (PLN mil)



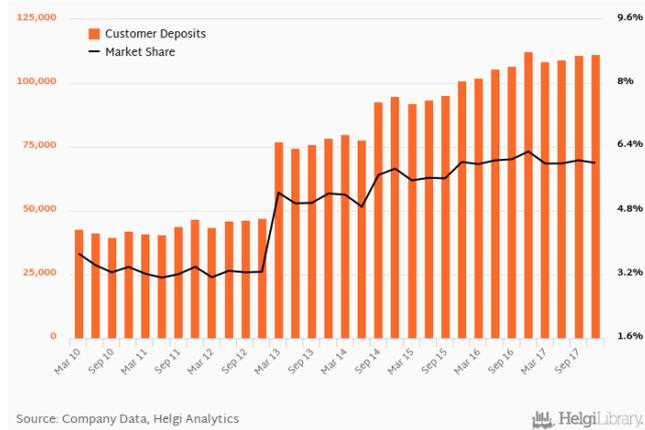
### Market Share in Bank Loans

Customer Loans (PLN mil)



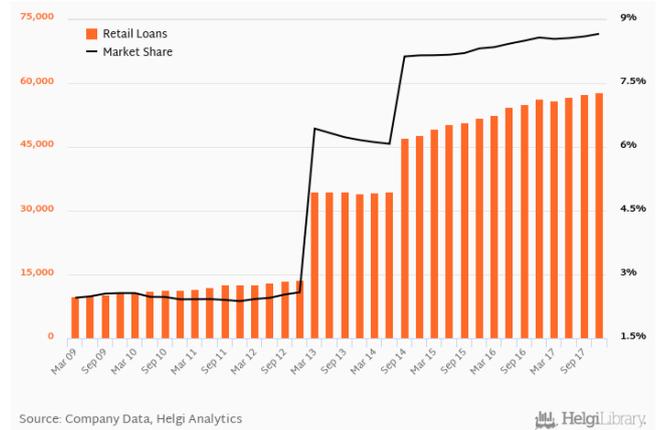
### Market Share in Bank Deposits

Customer Deposits (PLN mil)



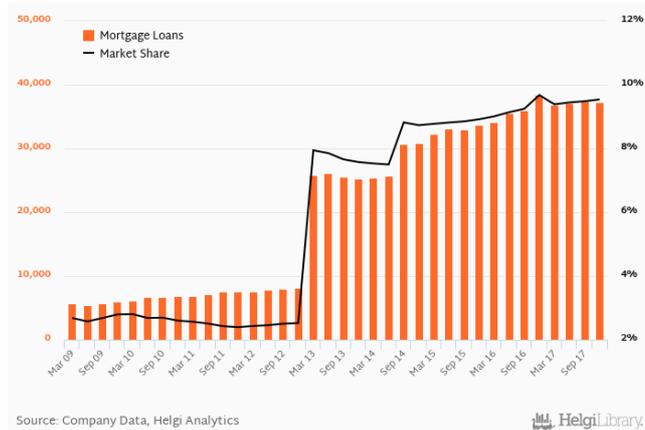
### Market Share in Retail Loans

Retail Loans (PLN mil)



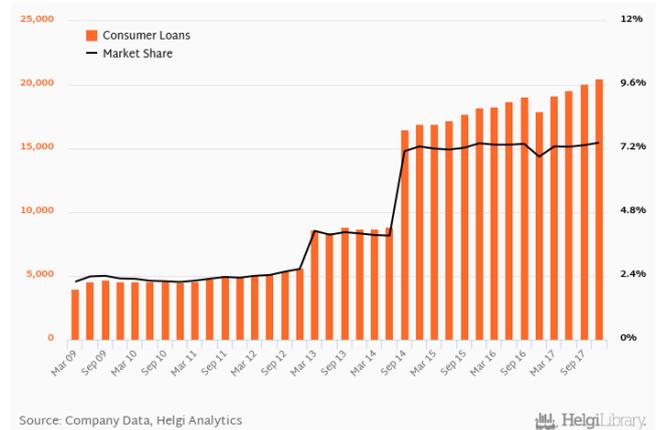
### Market Share in Mortgage Loans

Mortgage Loans (PLN mil)



### Market Share in Consumer Loans

Consumer Loans (PLN mil)



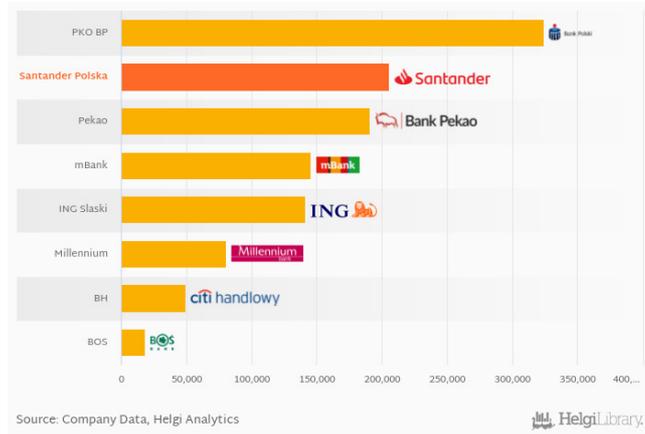


## 7 Market Share Position Within the Polish Market

Based on latest available data, the following charts demonstrate Santander Bank Polska’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)



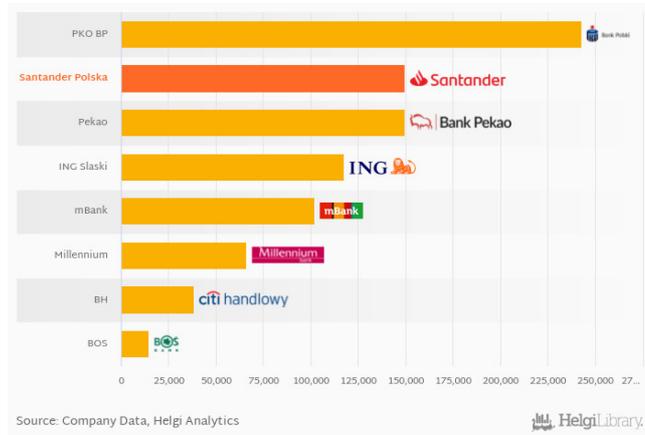
### What Banks in Poland Were the Largest Lenders in 2018?

Top Banks by Customer Loans (PLN mil)



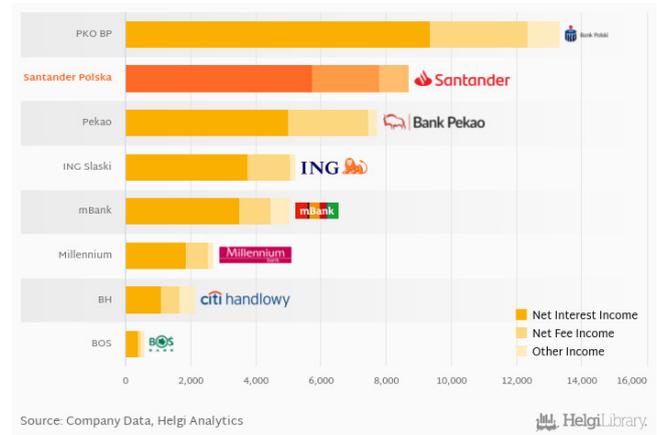
### What Banks in Poland Were the Largest Deposit Takers in 2018?

Top Banks by Customer Deposits (PLN mil)



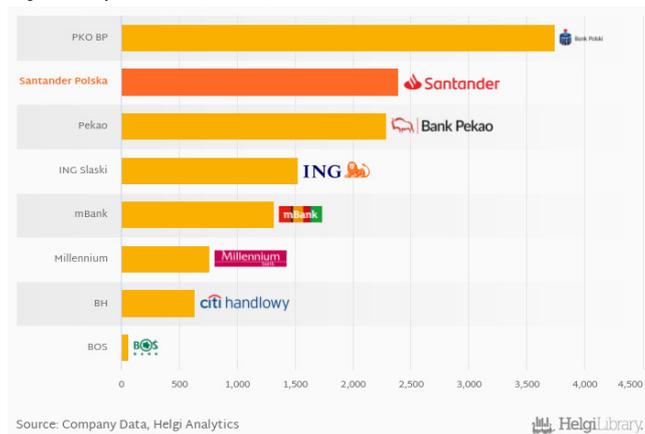
### What Banks in Poland Generated the Most Revenues in 2018?

Top Banks by Total Revenues (PLN mil)



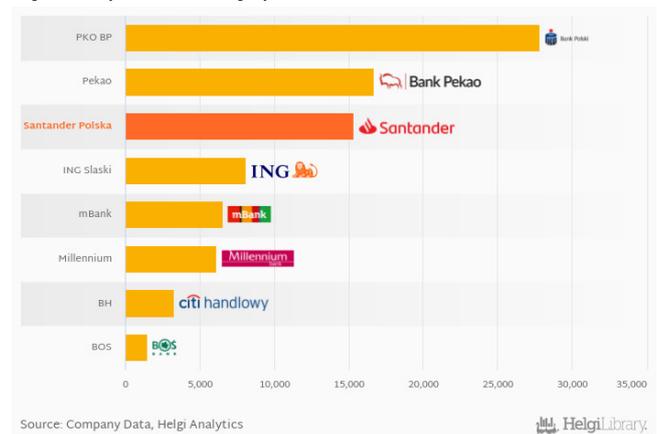
### What Banks in Poland Were the Most Profitable in 2018?

Top Banks by Net Profit (PLN mil)



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

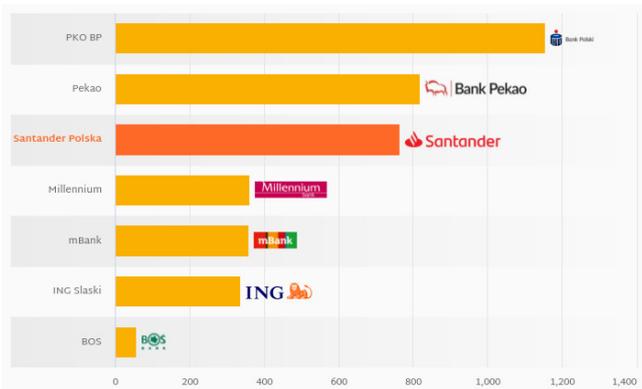
Top Banks by Number of Employees





### 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



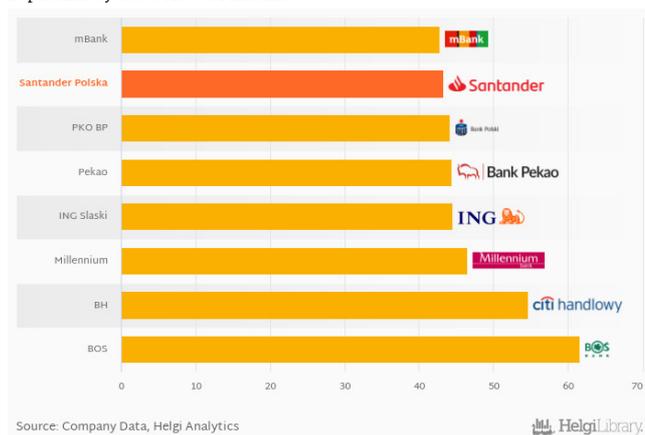


## 8 Relative Performance on the Polish Market

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

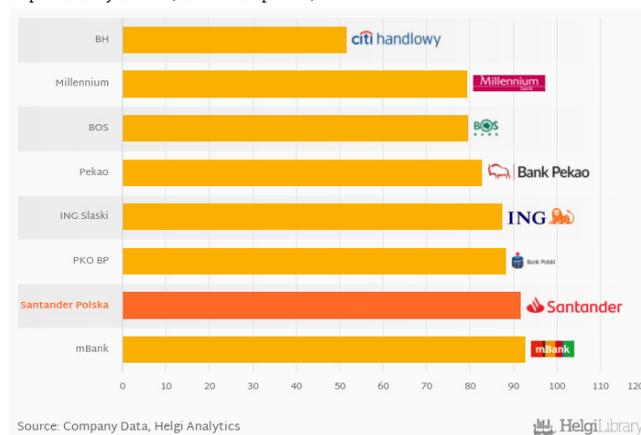
### What Banks in Poland Were the Most Cost Efficient in 2018?

Top Banks by Costs As % Of Income



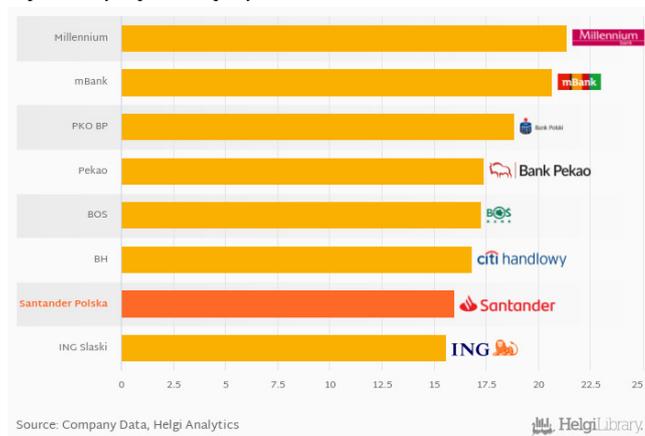
### What Banks in Poland Had the Lowest Loan to Deposit Ratio in 2018?

Top Banks by Loans (As % Of Deposits)



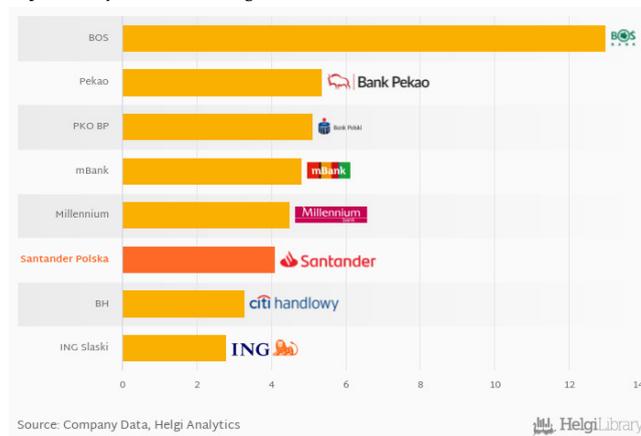
### What Banks in Poland Were the Best Capitalised in 2018?

Top Banks by Capital Adequacy Ratio (%)



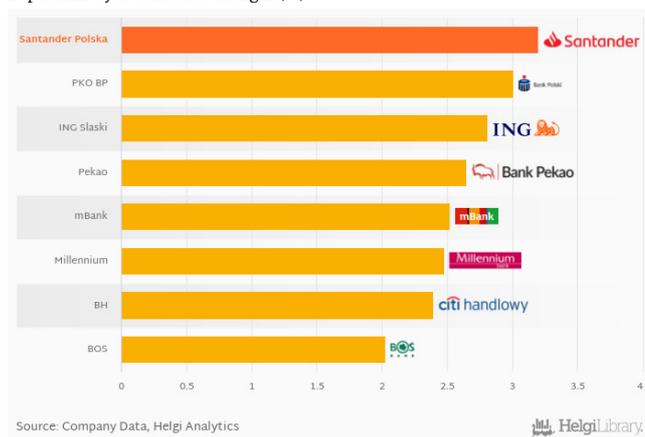
### What Banks in Poland Had the Most Bad Loans in 2018?

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



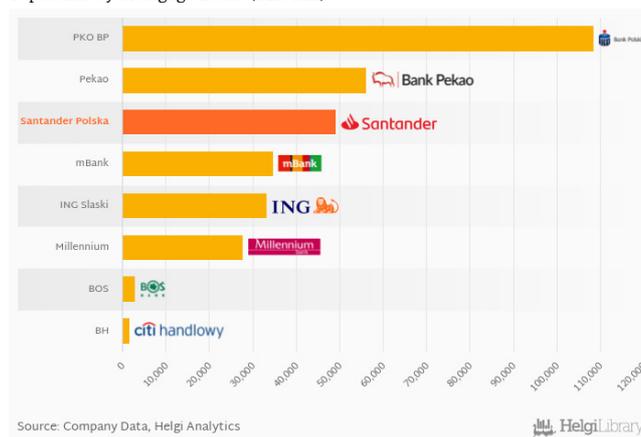
### What Banks in Poland Achieved the Highest Interest Margin in 2018?

Top Banks by Net Interest Margin (%)



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

Top Banks by Mortgage Loans (PLN mil)





## Financial Data – Quarterly

### Income Statement – Quarterly

INCOME STATEMENT		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Interest Income	PLN mil	1,664	1,685	1,689	1,737	1,806	1,983	2,082	2,116
Interest Cost	PLN mil	323	305	299	341	383	449	473	493
Net Interest Income	PLN mil	1,341	1,379	1,390	1,396	1,422	1,534	1,609	1,624
Net Fee Income	PLN mil	527	515	515	530	516	497	520	522
Other Income	PLN mil	83.9	115	80.4	261	117	457	116	250
Total Revenues	PLN mil	1,952	2,010	1,985	2,187	2,055	2,488	2,245	2,396
Staff Cost	PLN mil	391	400	396	393	426	456	525	458
Depreciation	PLN mil	82.2	84.7	82.5	79.9	82.1	89.0	153	157
Operating Cost	PLN mil	808	870	971	916	917	965	1,239	1,027
Operating Profit	PLN mil	1,144	1,140	1,014	1,271	1,138	1,523	1,006	1,369
Provisions	PLN mil	232	213	203	258	254	370	263	357
Extra and Other Cost	PLN mil	91.2	87.3	95.5	97.6	98.3	112	128	125
Pre-Tax Profit	PLN mil	821	840	715	916	786	1,040	616	888
Tax	PLN mil	189	216	181	177	201	168	192	199
Minorities	PLN mil	72.8	75.4	93.5	87.8	79.1	73.4	73.6	81.5
Net Profit	PLN mil	560	549	441	651	506	799	351	607
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	%	10.1	8.21	10.8	7.19	6.06	11.2	15.7	16.3
Net Fee Income Growth	%	8.15	6.50	8.40	6.88	-2.14	-3.51	0.961	-1.40
Total Revenue Growth	%	8.95	10.8	7.39	12.0	5.28	23.8	13.1	9.56
Operating Cost Growth	%	0.743	7.34	12.1	10.5	13.5	10.9	27.6	12.1
Operating Profit Growth	%	15.6	13.5	3.21	13.0	-0.507	33.6	-0.785	7.72
Pre-Tax Profit Growth	%	28.9	18.1	-3.33	-1.97	-4.25	23.9	-13.9	-3.05
Net Profit Growth	%	31.5	19.1	-2.68	0.028	-9.64	45.5	-20.5	-6.77

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	9,499	11,034	10,539	8,851	10,139	9,778	10,129	10,149
Number Of Shares (Average)	mil	99.3	99.3	99.3	99.3	99.3	102	102	102
Share Price (End Of Period)	PLN	349	396	362	334	376	358	381	371
Earnings Per Share (EPS)		21.4	22.3	22.2	22.2	21.6	23.5	22.6	22.2
Book Value Per Share		228	235	239	241	247	261	263	251
Dividend Per Share		0	0	0	0	0	0	0	0
Price/Earnings (P/E)		16.3	17.8	16.3	15.1	17.4	15.3	16.9	16.7
Price/Book Value (P/BV)		1.53	1.69	1.51	1.38	1.52	1.37	1.45	1.48
Dividend Yield	%	0	0	0	0	0	0	0	0
Earnings Per Share Growth	%	7.08	2.03	6.58	10.5	1.01	5.38	1.97	0.016
Book Value Per Share Growth	%	8.98	11.0	9.48	9.48	8.32	11.1	9.92	3.84

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	5,117	4,146	5,203	4,681	6,835	8,908	7,202	6,041
Interbank Loans	PLN mil	2,179	2,136	1,811	1,705	1,744	2,936	1,701	2,311
Customer Loans	PLN mil	106,475	107,840	109,078	114,177	116,590	137,460	138,667	140,726
Retail Loans	PLN mil	57,517	57,822	59,094	61,238	62,054	74,696	75,908	77,375
Mortgage Loans	PLN mil	37,463	37,293	37,974	39,337	40,008	49,211	49,758	50,193
Consumer Loans	PLN mil	20,054	20,529	21,120	21,901	22,046	25,485	26,150	27,182
Corporate Loans	PLN mil	53,425	54,626	55,074	58,201	59,461	66,807	67,079	67,889
Debt Securities	PLN mil	30,062	32,050	34,966	41,044	45,161	49,022	52,474	48,348
Fixed Assets	PLN mil	3,000	3,133	3,097	3,108	3,157	3,518	3,238	3,203
Total Assets	PLN mil	150,424	152,674	157,556	168,517	177,400	205,853	208,266	205,826
Shareholders' Equity	PLN mil	22,656	23,344	23,766	23,988	24,547	26,642	26,849	25,599
Of Which Minority Interest	PLN mil	1,362	1,436	1,531	1,411	1,490	1,564	1,410	1,397
Liabilities	PLN mil	127,768	129,331	133,791	144,529	152,853	179,211	181,418	180,227
Interbank Loans	PLN mil	2,179	2,136	1,811	1,705	1,744	2,936	1,701	2,311
Customer Deposits	PLN mil	111,023	111,481	113,577	122,024	124,629	149,617	147,746	149,675
Retail Deposits	PLN mil	64,468	64,988	66,074	70,022	72,690	88,211	89,183	90,497
Corporate Deposits	PLN mil	41,378	42,170	42,884	46,929	47,487	57,494	54,024	54,682
Issued Debt Securities	PLN mil	8,708	10,035	12,044	14,111	19,701	21,354	24,021	20,332
Other Liabilities	PLN mil	5,558	5,998	6,573	6,187	6,554	6,094	7,407	7,615

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	6,683	6,536	5,606	5,748	5,602	5,816	6,163	6,258
Gross Loans	PLN mil	111,376	112,686	114,406	119,750	121,785	141,845	143,332	145,546
Total Provisions	PLN mil	4,901	4,846	5,328	5,573	5,195	4,384	4,665	4,820

Source: Company Data, Helgi Analytics

## Growth Rates – Quarterly

GROWTH RATES		Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Customer Loan Growth	%	5.26	4.63	4.86	8.68	9.50	27.5	27.1	23.3
Retail Loan Growth	%	4.53	2.72	5.53	7.85	7.89	29.2	28.5	26.4
Mortgage Loan Growth	%	4.20	-2.88	3.01	5.70	6.79	32.0	31.0	27.6
Consumer Loan Growth	%	5.14	14.7	10.4	11.9	9.93	24.1	23.8	24.1
Corporate Loan Growth	%	3.72	5.75	5.05	10.5	11.3	22.3	21.8	16.6
Total Asset Growth	%	5.90	1.72	7.64	12.5	17.9	34.8	32.2	22.1
Shareholders' Equity Growth	%	9.06	11.1	9.56	9.53	8.35	14.1	13.0	6.72
Customer Deposit Growth	%	4.10	-0.925	4.72	11.8	12.3	34.2	30.1	22.7
Retail Deposit Growth	%	-4.65	2.27	2.77	8.22	12.8	35.7	35.0	29.2
Corporate Deposit Growth	%	5.99	-13.9	7.05	18.4	14.8	36.3	26.0	16.5

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	%	11.9	12.0	12.1	12.4	12.2	12.1	12.2	12.3
Market Share in Net Profit	%	17.4	14.2	13.8	18.2	16.4	16.5	14.7	17.5
Market Share in Employees	%	8.18	8.18	8.48	8.75	8.75	8.73	8.75	8.75
Market Share in Branches	%	4.91	4.73	5.48	5.68	5.62	5.48	5.45	5.50
Market Share in Customer Loans	%	10.1	10.1	10.1	10.2	10.2	10.2	10.2	10.4
Market Share in Corporate Loans	%	13.5	13.5	14.9	15.0	14.8	14.7	14.5	14.9
Market Share in Retail Loans	%	8.35	8.43	8.50	8.58	8.54	8.56	8.60	8.66
Market Share in Consumer Loans	%	7.35	7.34	7.38	6.89	7.28	7.27	7.32	7.42
Market Share in Mortgage Loans	%	9.01	9.14	9.25	9.68	9.39	9.45	9.48	9.54
Market Share in Total Assets	%	8.05	8.16	8.11	8.39	8.08	8.22	8.22	8.22
Market Share in Customer Deposits	%	5.97	6.06	6.09	6.29	5.98	5.99	6.07	6.00
Market Share in Retail Deposits	%	...	...	3.86	3.55	3.55	3.55	3.52	3.50
Market Share in Corporate Deposits	%	...	...	2.23	2.74	2.21	2.17	2.26	2.27

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	%	10.1	9.55	7.49	10.9	8.34	12.5	5.24	9.26
ROA	%	1.49	1.45	1.14	1.60	1.17	1.67	0.677	1.17
Costs (As % Of Assets)	%	2.15	2.30	2.50	2.25	2.12	2.02	2.39	1.98
Costs (As % Of Income)	%	41.4	43.3	48.9	41.9	44.6	38.8	55.2	42.9
Capital Adequacy Ratio	%	16.9	16.7	16.7	17.8	17.6	16.0	16.5	16.3
Tier 1 Ratio	%	15.9	15.3	15.3	15.6	15.5	14.1	14.6	14.5
Net Interest Margin	%	3.57	3.64	3.58	3.43	3.29	3.20	3.11	3.14
Interest Spread	%	3.42	3.50	3.45	3.28	3.14	3.06	2.97	3.00
Asset Yield	%	4.43	4.45	4.35	4.26	4.18	4.14	4.02	4.09
Cost Of Liabilities	%	1.01	0.950	0.908	0.979	1.03	1.08	1.05	1.09
Payout Ratio	%	0	0	0	0	0	0	0	0
Interest Income (As % Of Revenues)	%	68.7	68.6	70.0	63.8	69.2	61.7	71.7	67.8
Fee Income (As % Of Revenues)	%	27.0	25.6	25.9	24.2	25.1	20.0	23.2	21.8
Other Income (As % Of Revenues)	%	4.30	5.74	4.05	11.9	5.70	18.4	5.19	10.4
Cost Per Employee	USD per month	2,446	2,596	2,671	2,562	2,727	2,693	3,151	2,870
Cost Per Employee (Local Currency)	PLN per month	9,006	9,263	9,211	9,170	10,116	9,897	11,943	10,863
Staff Cost (As % Of Total Cost)	%	48.4	45.9	40.8	42.9	46.4	47.2	42.3	44.6
Equity (As % Of Assets)	%	15.1	15.3	15.1	14.2	13.8	12.9	12.9	12.4
Loans (As % Of Deposits)	%	95.9	96.7	96.0	93.6	93.5	91.9	93.9	94.0
Loans (As % Assets)	%	70.8	70.6	69.2	67.8	65.7	66.8	66.6	68.4
NPLs (As % Of Loans)	%	6.00	5.80	4.90	4.80	4.60	4.10	4.30	4.30
Provisions (As % Of NPLs)	%	73.3	74.1	95.0	96.9	92.7	75.4	75.7	77.0
Provisions (As % Of Loans)	%	4.60	4.49	4.88	4.88	4.46	3.19	3.36	3.43
Cost of Provisions (As % Of Loans)	%	0.876	0.795	0.750	0.924	0.879	1.17	0.761	1.02

Source: Company Data, Helgi Analytics



## Financial Data – Annual

### Income Statement – Annual

INCOME STATEMENT		2011	2012	2013	2014	2015	2016	2017	2018
Interest Income	PLN mil	3,414	3,867	5,215	5,723	5,709	6,061	6,529	7,214
Interest Cost	PLN mil	1,345	1,566	1,939	1,726	1,400	1,291	1,252	1,471
Net Interest Income	PLN mil	2,069	2,301	3,277	3,997	4,309	4,770	5,277	5,742
Net Fee Income	PLN mil	1,358	1,385	1,779	1,848	1,938	1,915	2,013	2,058
Other Income	PLN mil	397	450	1,035	734	1,293	766	474	915
Total Revenues	PLN mil	3,823	4,136	6,090	6,579	7,540	7,451	7,764	8,715
Staff Cost	PLN mil	977	953	1,376	1,450	1,544	1,510	1,563	1,670
Depreciation	PLN mil	216	138	219	308	257	277	319	333
Operating Cost	PLN mil	1,925	1,819	2,862	3,104	3,565	3,466	3,372	3,769
Operating Profit	PLN mil	1,898	2,318	3,228	3,475	3,975	3,985	4,391	4,946
Provisions	PLN mil	367	502	729	837	811	785	690	1,085
Extra and Other Cost	PLN mil	-11.1	-21.3	-16.3	-1.39	-13.8	78.5	366	404
Pre-Tax Profit	PLN mil	1,542	1,837	2,515	2,640	3,178	3,122	3,335	3,458
Tax	PLN mil	316	374	500	593	644	738	817	727
Minorities	PLN mil	42.5	28.8	32.3	133	207	217	305	334
Net Profit	PLN mil	1,184	1,434	1,982	1,915	2,327	2,167	2,213	2,397
Dividends	PLN mil	585	711	1,001	0	536	308	0	0

Source: Company Data, Helgi Analytics

### Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Net Interest Income Growth	%	13.5	11.2	42.4	22.0	7.81	10.7	10.6	8.82
Net Fee Income Growth	%	0.968	2.01	28.4	3.89	4.89	-1.21	5.14	2.22
Total Revenue Growth	%	8.00	8.20	47.2	8.03	14.6	-1.18	4.20	12.3
Operating Cost Growth	%	8.96	-5.50	57.4	8.45	14.9	-2.78	-2.69	11.8
Operating Profit Growth	%	7.04	22.1	39.3	7.67	14.4	0.250	10.2	12.6
Pre-Tax Profit Growth	%	13.6	19.1	36.9	4.98	20.4	-1.77	6.83	3.67
Net Profit Growth	%	21.6	21.1	38.3	-3.41	21.5	-6.89	2.13	8.30

Source: Company Data, Helgi Analytics

### Valuation – Annual

VALUATION		2011	2012	2013	2014	2015	2016	2017	2018
Market Capitalisation (End Of Period)	USD mil	4,797	5,836	12,032	10,511	7,224	7,503	11,297	9,778
Number Of Shares (Average)	mil	73.1	74.6	93.5	99.2	99.2	99.2	99.3	102
Share Price (End Of Period)	PLN	226	242	388	375	284	316	396	358
Earnings Per Share (EPS)		16.2	19.2	21.2	19.3	23.5	21.8	22.3	23.5
Book Value Per Share		102	120	155	182	207	212	235	261
Dividend Per Share		8.01	9.53	10.7	0	5.40	3.10	0	0
Price/Earnings (P/E)		13.9	12.6	18.3	19.4	12.1	14.5	17.8	15.3
Price/Book Value (P/BV)		2.21	2.01	2.50	2.06	1.37	1.49	1.69	1.37
Dividend Yield	%	3.54	3.94	2.76	0	1.90	0.981	0	0
Earnings Per Share Growth	%	21.6	18.5	10.3	-8.95	21.5	-6.89	2.03	5.38
Book Value Per Share Growth	%	10.5	17.5	28.7	17.5	13.9	2.19	11.0	11.1

Source: Company Data, Helgi Analytics



## Balance Sheet – Annual

BALANCE SHEET		2011	2012	2013	2014	2015	2016	2017	2018
Cash	PLN mil	1,426	4,157	5,150	6,807	6,230	4,776	4,146	8,908
Interbank Loans	PLN mil	1,204	1,458	2,213	2,523	3,581	3,513	2,136	2,936
Customer Loans	PLN mil	38,017	39,868	68,132	85,821	94,914	103,069	107,840	137,460
Retail Loans	PLN mil	12,553	13,697	34,041	47,784	51,950	56,291	57,822	74,696
Mortgage Loans	PLN mil	7,605	8,081	25,295	30,861	33,721	38,398	37,293	49,211
Consumer Loans	PLN mil	4,948	5,617	8,747	16,923	18,230	17,893	20,529	25,485
Corporate Loans	PLN mil	25,921	27,080	34,253	39,150	43,307	51,656	54,626	66,807
Debt Securities	PLN mil	17,630	12,801	24,825	32,579	29,242	32,557	32,050	49,022
Fixed Assets	PLN mil	651	607	3,682	3,805	2,985	3,054	3,133	3,518
Total Assets	PLN mil	59,797	60,019	105,965	134,502	139,709	150,100	152,674	205,853
Shareholders' Equity	PLN mil	7,483	8,978	14,483	18,052	20,568	21,019	23,344	26,642
Of Which Minority Interest	PLN mil	127	93.3	611	1,521	1,176	1,238	1,436	1,564
Liabilities	PLN mil	52,314	51,042	91,482	116,450	119,141	129,081	129,331	179,211
Interbank Loans	PLN mil	1,204	1,458	2,213	2,523	3,581	3,513	2,136	2,936
Customer Deposits	PLN mil	46,830	47,077	78,543	94,982	101,245	112,522	111,481	149,617
Retail Deposits	PLN mil	26,590	28,073	47,999	58,257	59,201	63,548	64,988	88,211
Corporate Deposits	PLN mil	18,565	17,187	27,045	33,150	39,307	48,975	42,170	57,494
Issued Debt Securities	PLN mil	1,897	1,460	3,530	8,953	9,463	9,802	10,035	21,354
Other Liabilities	PLN mil	1,082	1,153	3,130	4,155	7,366	4,195	5,998	6,094

Source: Company Data, Helgi Analytics

## Asset Quality – Annual

ASSET QUALITY		2011	2012	2013	2014	2015	2016	2017	2018
Non-Performing Loans	PLN mil	2,179	2,257	5,658	7,612	7,303	7,103	6,536	5,816
Gross Loans	PLN mil	39,087	41,412	71,622	90,947	100,045	107,947	112,686	141,845
Total Provisions	PLN mil	1,069	1,544	3,490	5,127	5,131	4,191	4,846	4,384

Source: Company Data, Helgi Analytics

## Growth Rates – Annual

GROWTH RATES		2011	2012	2013	2014	2015	2016	2017	2018
Customer Loan Growth	%	15.8	4.87	70.9	26.0	10.6	8.59	4.63	27.5
Retail Loan Growth	%	9.76	9.11	149	40.4	8.72	8.36	2.72	29.2
Mortgage Loan Growth	%	9.64	6.25	213	22.0	9.27	13.9	-2.88	32.0
Consumer Loan Growth	%	9.94	13.5	55.7	93.5	7.72	-1.85	14.7	24.1
Corporate Loan Growth	%	14.5	4.47	26.5	14.3	10.6	19.3	5.75	22.3
Total Asset Growth	%	12.5	0.372	76.6	26.9	3.87	7.44	1.72	34.8
Shareholders' Equity Growth	%	10.5	20.0	61.3	24.6	13.9	2.19	11.1	14.1
Customer Deposit Growth	%	11.6	0.529	66.8	20.9	6.59	11.1	-0.925	34.2
Retail Deposit Growth	%	5.39	5.58	71.0	21.4	1.62	7.34	2.27	35.7
Corporate Deposit Growth	%	27.1	-7.42	57.4	22.6	18.6	24.6	-13.9	36.3

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	%	11.9	12.0	12.1	12.4	12.2	12.1	12.2	12.3
Market Share in Net Profit	%	17.4	14.2	13.8	18.2	16.4	16.5	14.7	17.5
Market Share in Employees	%	8.18	8.18	8.48	8.75	8.75	8.73	8.75	8.75
Market Share in Branches	%	4.91	4.73	5.48	5.68	5.62	5.48	5.45	5.50
Market Share in Customer Loans	%	10.1	10.1	10.1	10.2	10.2	10.2	10.2	10.4
Market Share in Corporate Loans	%	13.5	13.5	14.9	15.0	14.8	14.7	14.5	14.9
Market Share in Retail Loans	%	8.35	8.43	8.50	8.58	8.54	8.56	8.60	8.66
Market Share in Consumer Loans	%	7.35	7.34	7.38	6.89	7.28	7.27	7.32	7.42
Market Share in Mortgage Loans	%	9.01	9.14	9.25	9.68	9.39	9.45	9.48	9.54
Market Share in Total Assets	%	8.05	8.16	8.11	8.39	8.08	8.22	8.22	8.22
Market Share in Customer Deposits	%	5.97	6.06	6.09	6.29	5.98	5.99	6.07	6.00
Market Share in Retail Deposits	%	...	...	3.86	3.55	3.55	3.55	3.52	3.50
Market Share in Corporate Deposits	%	...	...	2.23	2.74	2.21	2.17	2.26	2.27

Source: Company Data, Helgi Analytics

## Ratios – Annual

RATIOS		2011	2012	2013	2014	2015	2016	2017	2018
ROE	%	16.6	17.4	16.9	11.8	12.1	10.4	9.98	9.59
ROA	%	2.10	2.39	2.39	1.59	1.70	1.50	1.46	1.34
Costs (As % Of Assets)	%	3.41	3.04	3.45	2.58	2.60	2.39	2.23	2.10
Costs (As % Of Income)	%	50.3	44.0	47.0	47.2	47.3	46.5	43.4	43.2
Capital Adequacy Ratio	%	15.1	16.5	13.9	12.9	14.6	14.6	16.7	16.0
Tier 1 Ratio	%	14.0	14.3	11.4	12.5	14.1	15.1	15.3	14.1
Net Interest Margin	%	3.66	3.84	3.95	3.32	3.14	3.29	3.49	3.20
Interest Spread	%	3.32	3.42	3.56	3.10	2.98	3.14	3.34	3.07
Asset Yield	%	6.04	6.46	6.28	4.76	4.16	4.18	4.31	4.02
Cost Of Liabilities	%	2.73	3.03	2.72	1.66	1.19	1.04	0.969	0.954
Payout Ratio	%	49.4	49.6	50.5	0	23.0	14.2	0	0
Interest Income (As % Of Revenues)	%	54.1	55.6	53.8	60.8	57.1	64.0	68.0	65.9
Fee Income (As % Of Revenues)	%	35.5	33.5	29.2	28.1	25.7	25.7	25.9	23.6
Other Income (As % Of Revenues)	%	10.4	10.9	17.0	11.2	17.1	10.3	6.10	10.5
Cost Per Employee	USD per month	2,926	2,762	2,876	2,485	2,432	2,109	2,363	2,468
Cost Per Employee (Local Currency)	PLN per month	8,675	8,989	9,089	8,143	9,050	8,520	9,054	9,070
Staff Cost (As % Of Total Cost)	%	50.8	52.4	48.1	46.7	43.3	43.6	46.3	44.3
Equity (As % Of Assets)	%	12.5	15.0	13.7	13.4	14.7	14.0	15.3	12.9
Loans (As % Of Deposits)	%	81.2	84.7	86.7	90.4	93.7	91.6	96.7	91.9
Loans (As % Assets)	%	63.6	66.4	64.3	63.8	67.9	68.7	70.6	66.8
NPLs (As % Of Loans)	%	5.57	5.45	7.90	8.37	7.30	6.58	5.80	4.10
Provisions (As % Of NPLs)	%	49.1	68.4	61.7	67.3	70.3	59.0	74.1	75.4
Provisions (As % Of Loans)	%	2.81	3.87	5.12	5.97	5.41	4.07	4.49	3.19
Cost of Provisions (As % Of Loans)	%	1.04	1.29	1.35	1.09	0.897	0.793	0.655	0.885

Source: Company Data, Helgi Analytics



## ABOUT 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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