

# ING Bank Śląski

Banking

15 Nov 2013



Poland

## COMPANY DESCRIPTION

ING Bank Śląski is Poland's nationwide universal bank. Its product and service offer includes personal accounts, debit and credit cards, overdraft limits, cash and mortgage loans, saving accounts, term deposits, investment funds, brokerage services, structured products and insurance products and pension funds. The bank offers its services to companies, institutions, and more than 3.2 million individual clients through a network of 426 branches. The bank is especially strong at deposit collection and payment card business. At the end of 2012, the bank held nearly 8% of all Poland's bank deposits and issued nearly 7.4% of all bank cards. Since 1996, the bank's majority shareholder is the Dutch ING Group now holding a 75% stake in the bank.

Main Shareholders: ING (75%)  
Aviva OFE (5.03%)

## INCOME STATEMENT

PLN mil	2008	2009	2010	2011	2012
Interest Income	3,398	3,078	2,949	3,386	3,832
Interest Cost	2,246	1,675	1,321	1,534	1,783
<b>Net Interest Income</b>	<b>1,152</b>	<b>1,403</b>	<b>1,628</b>	<b>1,852</b>	<b>2,049</b>
Net Fee Income	890	964	987	1,021	1,004
Other Income	46	112	65	41	108
<b>Total Revenues</b>	<b>2,087</b>	<b>2,478</b>	<b>2,679</b>	<b>2,913</b>	<b>3,161</b>
Staff Cost	783	718	811	833	901
Depreciation	132	124	121	133	148
Other Cost	593	646	651	699	769
<b>Operating Cost</b>	<b>1,507</b>	<b>1,488</b>	<b>1,583</b>	<b>1,664</b>	<b>1,818</b>
<b>Operating Profit</b>	<b>580</b>	<b>991</b>	<b>1,097</b>	<b>1,249</b>	<b>1,343</b>
Provisions	66	304	204	172	363
Extra and Other Cost	-48	-52	-41	-41	-36
<b>Pre-Tax Profit</b>	<b>563</b>	<b>738</b>	<b>934</b>	<b>1,118</b>	<b>1,016</b>
Tax	118	143	181	238	184
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>445</b>	<b>595</b>	<b>753</b>	<b>880</b>	<b>832</b>
Dividends	152	0	0	195	0

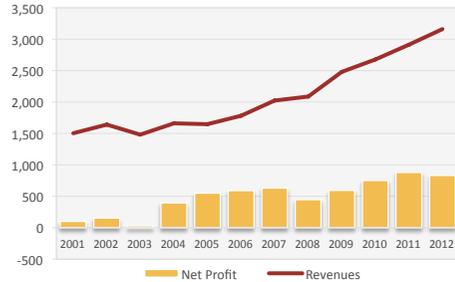
## Growth Rates

Revenues	3.1%	18.7%	8.1%	8.7%	8.5%
Operating Profit	-9.1%	70.7%	10.7%	13.9%	7.6%
Net Profit	-29.4%	33.6%	26.6%	16.9%	-5.4%

## RATIOS & OTHER

ROE	11.0%	13.1%	14.3%	14.6%	11.4%
ROA	0.7%	0.9%	1.2%	1.3%	1.1%
Net Interest Margin	1.9%	2.2%	2.6%	2.8%	2.8%
Costs (As % Of Assets)	2.5%	2.3%	2.5%	2.5%	2.5%
Costs (As % Of Income)	72.2%	60.0%	59.1%	57.1%	57.5%
NPLs (As % Of Loans)	2.1%	4.4%	4.2%	3.6%	3.8%
Provisions (As % Of NPLs)	75.2%	63.6%	71.5%	71.2%	71.6%
Equity (As % Of Assets)	6.2%	8.2%	8.8%	9.2%	10.4%
Loans (As % Of Deposits)	50.9%	64.3%	72.8%	80.1%	84.7%

## REVENUES & PROFIT, PLN mil



## BALANCE SHEET

PLN mil	2008	2009	2010	2011	2012
Cash	1,889	2,657	2,394	1,493	4,072
Interbank Loans	7,268	1,184	1,181	1,018	1,377
<b>Customer Loans</b>	<b>23,951</b>	<b>30,593</b>	<b>34,509</b>	<b>42,330</b>	<b>48,985</b>
Debt Securities	33,377	24,091	24,825	22,949	21,258
Fixed Assets	1,012	1,006	886	937	962
<b>Total Assets</b>	<b>67,819</b>	<b>59,883</b>	<b>64,518</b>	<b>69,723</b>	<b>78,267</b>
<b>Shareholders' Equity</b>	<b>4,222</b>	<b>4,887</b>	<b>5,653</b>	<b>6,416</b>	<b>8,136</b>
Of Which Minority Interest	2	2	2	2	2
<b>Liabilities</b>	<b>63,597</b>	<b>54,997</b>	<b>58,864</b>	<b>63,307</b>	<b>70,131</b>
Interbank Borrowing	11,993	3,975	4,039	4,962	4,555
<b>Customer Deposits</b>	<b>47,067</b>	<b>47,585</b>	<b>47,400</b>	<b>52,816</b>	<b>57,858</b>
Issued Debt Securities	5,569	2,675	6,575	4,526	6,713
Other Liabilities	-1,032	763	851	1,004	1,006
Employees	8,577	8,291	8,472	8,409	8,687
Non-Performing Loans	501	1,385	1,508	1,553	1,895
Loan Provisions	377	881	1,078	1,106	1,357

Loans	41.4%	27.7%	12.8%	22.7%	15.7%
Deposits	5.8%	1.1%	-0.4%	11.4%	9.5%
Assets	29.0%	-11.7%	7.7%	8.1%	12.3%

Capital Adequacy Ratio	10.4%	12.0%	13.2%	11.9%	14.6%
Payout Ratio	34.1%	0.0%	0.0%	22.2%	0.0%
Market Share in Loans	4.0%	4.8%	4.9%	5.3%	6.1%
Market Share in Deposits	9.4%	8.4%	7.6%	7.5%	8.0%
Shares Outstanding (Average)	130.1	130.1	130.1	130.1	130.1
Share Price, Year-End PLN	43.0	78.0	89.4	78.6	91.0
Market Capitalisation (USD mil)	454	863	994	666	937
P/E	12.6	17.1	15.4	11.6	14.2
P/BV	1.32	2.08	2.06	1.59	1.46

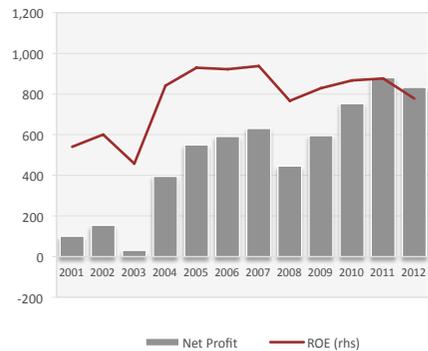
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price



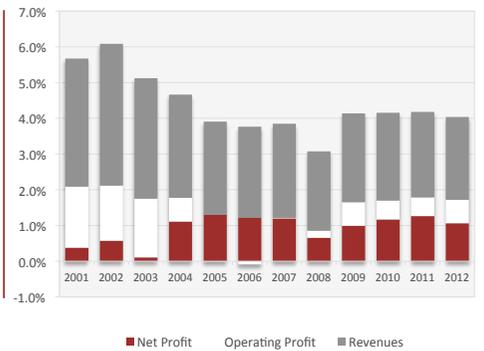
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## Financials

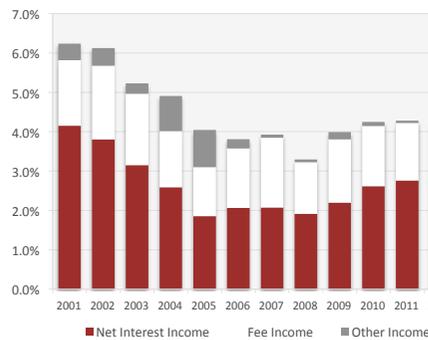
### PROFITABILITY (PLN mil)



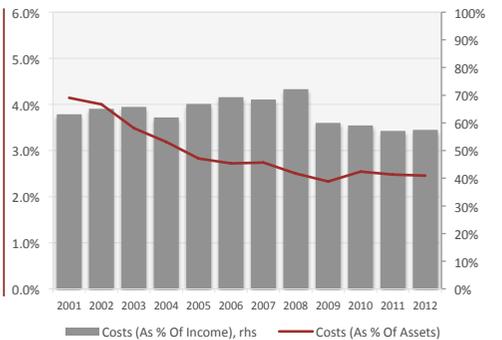
### RETURN ON ASSETS



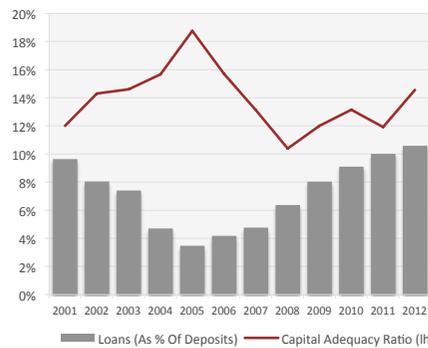
### REVENUE BREAKDOWN (AS OF ASSETS)



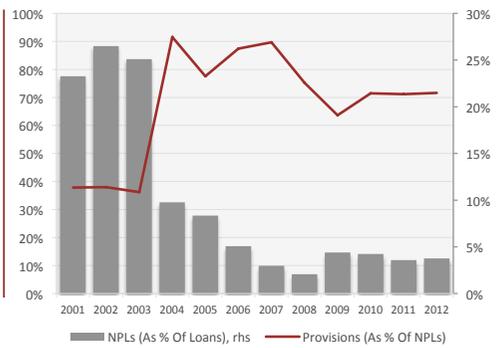
### COST EFFICIENCY



### LIQUIDITY & CAPITALIZATION



### ASSET QUALITY



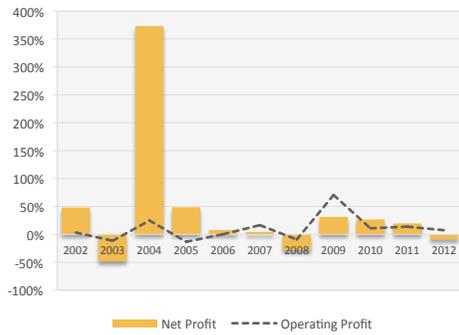
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price



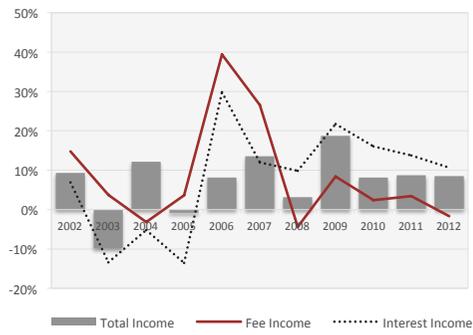
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## Momentum

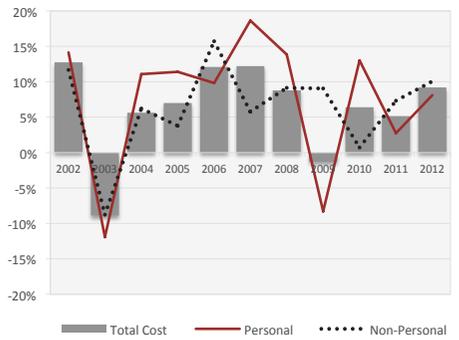
### PROFIT GROWTH



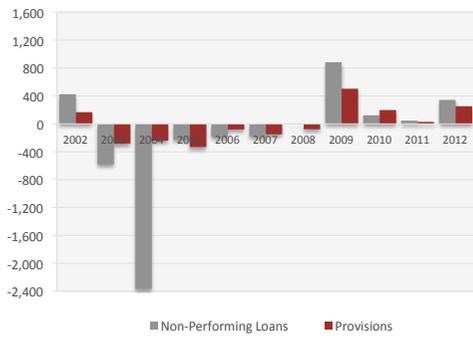
### SALES GROWTH



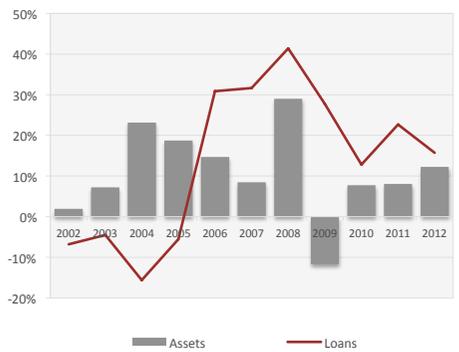
### COST GROWTH



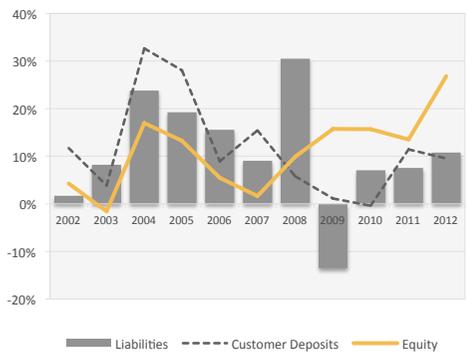
### INCREASE IN NON-PERFORMING LOANS (PLN mil)



### ASSET GROWTH



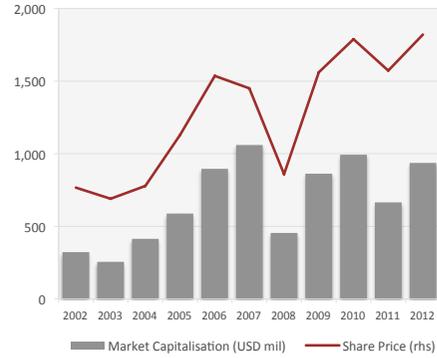
### LIABILITY GROWTH



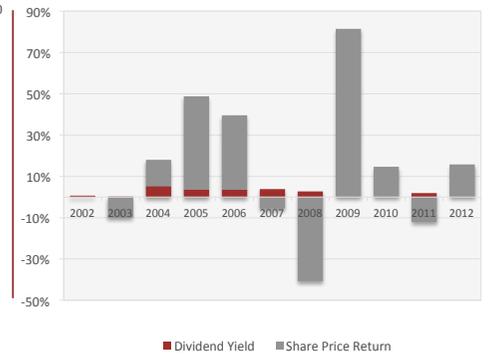
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

## Valuation

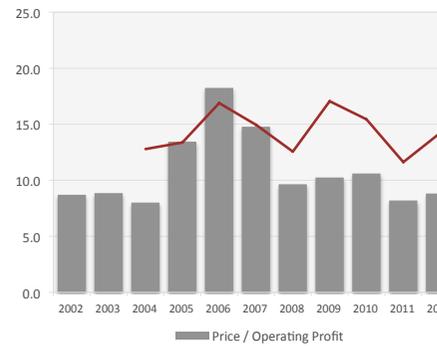
### MARKET CAPITALISATION & SHARE PRICE



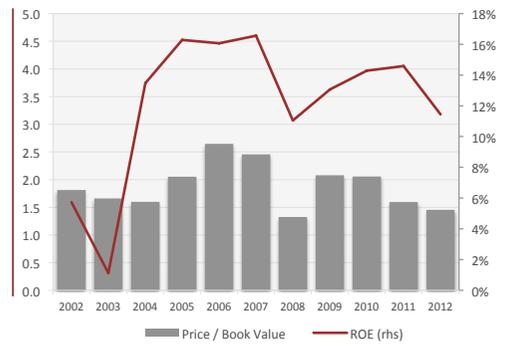
### TOTAL RETURN FROM HOLDING COMPANY SHARES



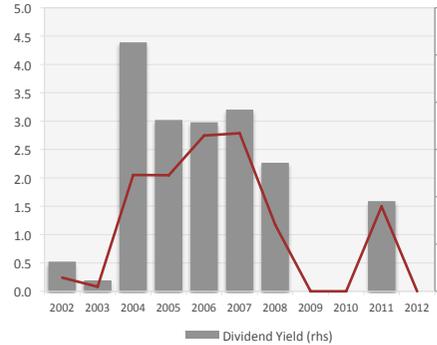
### PRICE TO EARNINGS & OPERATING PROFIT



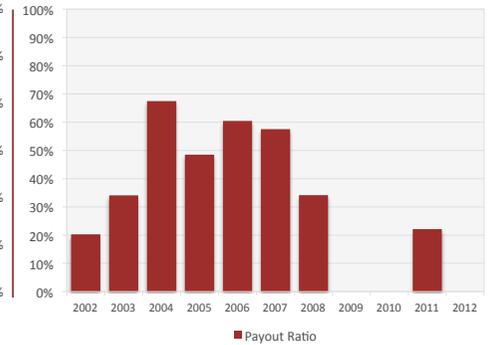
### PRICE TO BOOK VALUE



### DIVIDEND PER SHARE & DIVIDEND YIELD



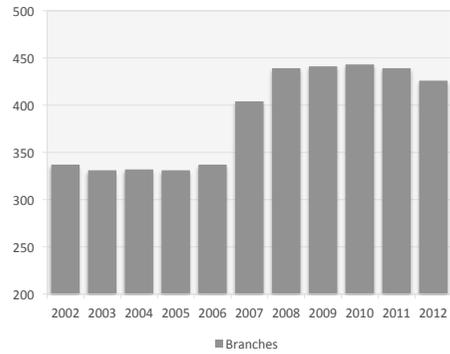
### DIVIDEND PAYOUT



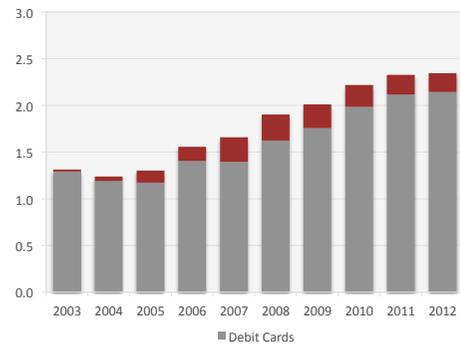
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

## Business Specifics

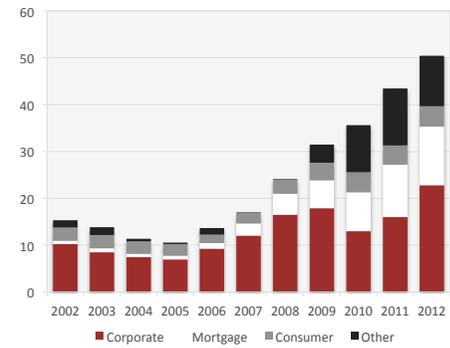
### BRANCH NETWORK



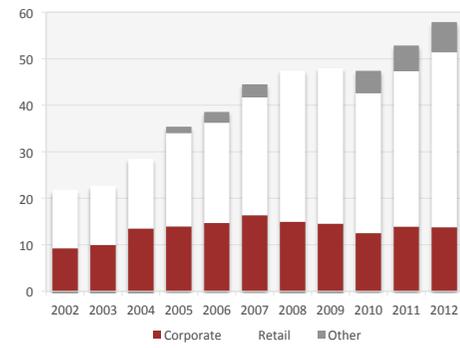
### PAYMENT CARDS (mil)



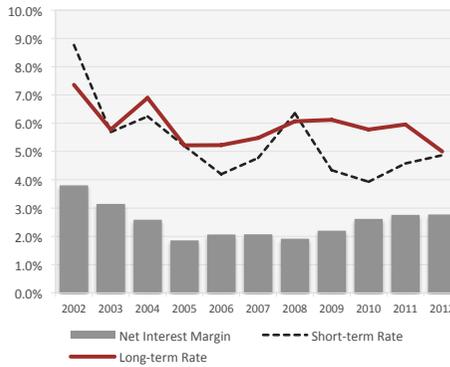
### LOAN BOOK (PLN bil)



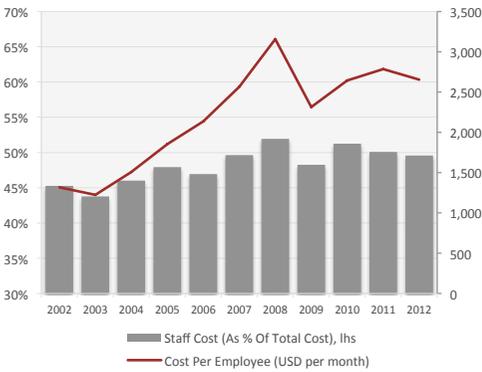
### DEPOSIT STRUCTURE (PLN bil)



### INTEREST RATES & NET INTEREST MARGIN



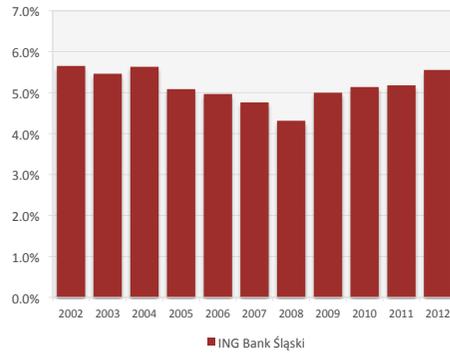
### STAFF COSTS



Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

## Market Share

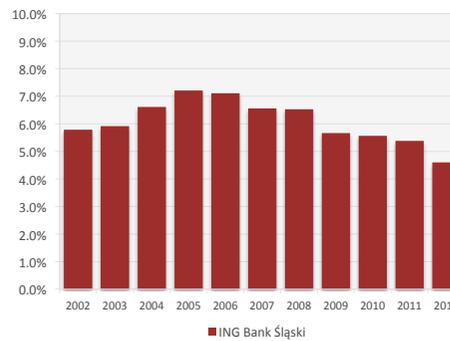
### TOTAL INCOME



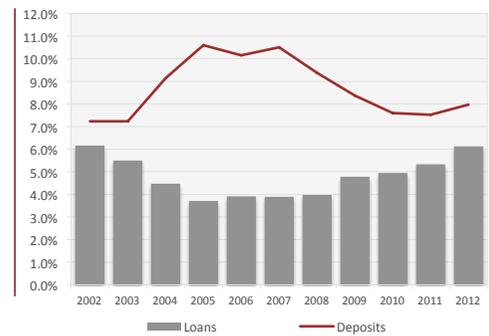
### PROFITABILITY



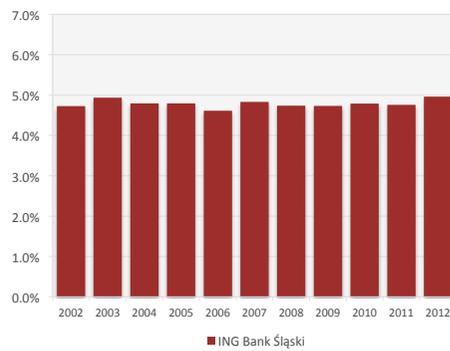
### ASSETS



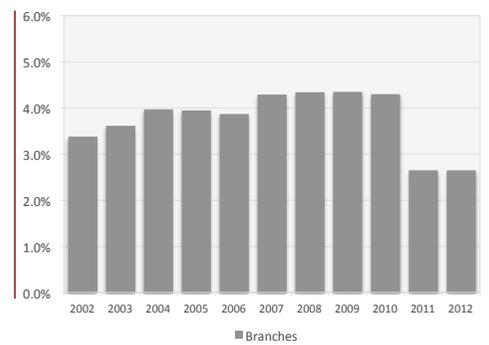
### LOANS & DEPOSITS



### EMPLOYEES



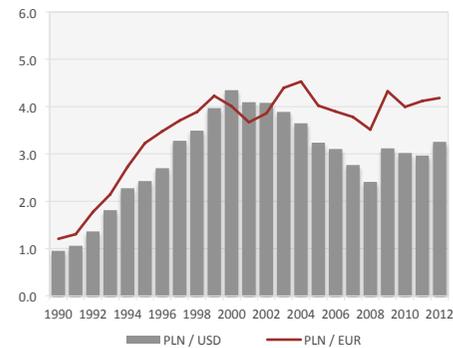
### BRANCHES & ATMS



Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

## Financials (USD)

### FX RATES (Annual Average)



### REVENUES & PROFIT (USD mil)



### INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Interest Income	1,411	988	977	1,142	1,177
Interest Cost	933	538	438	517	548
<b>Net Interest Income</b>	<b>478</b>	<b>450</b>	<b>539</b>	<b>625</b>	<b>630</b>
Net Fee Income	370	310	327	344	309
Other Income	19	36	21	14	33
<b>Total Revenues</b>	<b>867</b>	<b>795</b>	<b>888</b>	<b>983</b>	<b>971</b>
Staff Cost	325	230	269	281	277
Depreciation	55	40	40	45	46
Other Cost	246	207	216	236	236
<b>Operating Cost</b>	<b>626</b>	<b>477</b>	<b>525</b>	<b>561</b>	<b>559</b>
<b>Operating Profit</b>	<b>241</b>	<b>318</b>	<b>363</b>	<b>421</b>	<b>413</b>
Provisions	27	98	67	58	111
Extra and Other Cost	-20	-17	-14	-14	-11
<b>Pre-Tax Profit</b>	<b>234</b>	<b>237</b>	<b>310</b>	<b>377</b>	<b>312</b>
Tax	49	46	60	80	56
Minorities	0	0	0	0	0
<b>Net Profit</b>	<b>185</b>	<b>191</b>	<b>250</b>	<b>297</b>	<b>256</b>
Dividends	63	0	0	66	0

### BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Cash	636	927	809	434	1,316
Interbank Loans	2,449	413	399	296	445
<b>Customer Loans</b>	<b>8,070</b>	<b>10,681</b>	<b>11,662</b>	<b>12,294</b>	<b>15,833</b>
Debt Securities	11,245	8,411	8,389	6,665	6,871
Fixed Assets	341	351	300	272	311
<b>Total Assets</b>	<b>22,850</b>	<b>20,907</b>	<b>21,803</b>	<b>20,250</b>	<b>25,298</b>
<b>Shareholders' Equity</b>	<b>1,423</b>	<b>1,706</b>	<b>1,910</b>	<b>1,863</b>	<b>2,630</b>
Of Which Minority Interest	1	1	1	1	1
<b>Liabilities</b>	<b>21,427</b>	<b>19,201</b>	<b>19,893</b>	<b>18,387</b>	<b>22,668</b>
Interbank Borrowing	4,041	1,388	1,365	1,441	1,472
<b>Customer Deposits</b>	<b>15,858</b>	<b>16,613</b>	<b>16,018</b>	<b>15,340</b>	<b>18,701</b>
Issued Debt Securities	1,876	934	2,222	1,314	2,170
Other Liabilities	-348	266	287	292	325
Employees	8,577	8,291	8,472	8,409	8,687
Non-Performing Loans	169	483	509	451	613
Loan Provisions	127	308	364	321	439

### Growth Rates (USD-denominated)

Revenues	18.4%	-8.3%	11.6%	10.7%	-1.2%
Operating Profit	4.4%	31.9%	14.3%	15.9%	-2.0%
Net Profit	-18.9%	3.2%	30.7%	18.9%	-13.8%

Loans	17.7%	32.4%	9.2%	5.4%	28.8%
Deposits	-12.0%	4.8%	-3.6%	-4.2%	21.9%
Assets	7.3%	-8.5%	4.3%	-7.1%	24.9%

### RATIOS & OTHER

	2008	2009	2010	2011	2012
ROE	11.0%	13.1%	14.3%	14.6%	11.4%
ROA	0.7%	0.9%	1.2%	1.3%	1.1%
Net Interest Margin	1.9%	2.2%	2.6%	2.8%	2.8%
Costs (As % Of Assets)	2.5%	2.3%	2.5%	2.5%	2.5%
Costs (As % Of Income)	72.2%	60.0%	59.1%	57.1%	57.5%
NPLs (As % Of Loans)	2.1%	4.4%	4.2%	3.6%	3.8%
Provisions (As % Of NPLs)	75.2%	63.6%	71.5%	71.2%	71.6%
Equity (As % Of Assets)	6.2%	8.2%	8.8%	9.2%	10.4%
Loans (As % Of Deposits)	50.9%	64.3%	72.8%	80.1%	84.7%

	2008	2009	2010	2011	2012
Capital Adequacy Ratio	10.4%	12.0%	13.2%	11.9%	14.6%
Payout Ratio	34.1%	0.0%	0.0%	22.2%	0.0%
Market Share in Loans	4.0%	4.8%	4.9%	5.3%	6.1%
Market Share in Deposits	9.4%	8.4%	7.6%	7.5%	8.0%
Shares Outstanding (Average)	130.1	130.1	130.1	130.1	130.1
Share Price, Year-End PLN	43.0	78.0	89.4	78.6	91.0
Market Capitalisation (USD mil)	454	863	994	666	937
P/E	12.6	17.1	15.4	11.6	14.2
P/BV	1.3	2.1	2.1	1.6	1.5

Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price



www.HelgiAnalytics.com

## 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 95% 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@helgianalytics.com](mailto:info@helgianalytics.com).

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