

ING Bank Śląski

Banking

15 Nov 2013



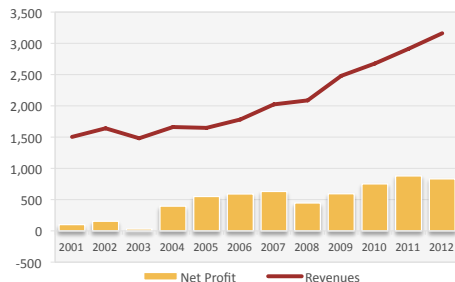
Poland

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%)

REVENUES & PROFIT, PLN mil



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

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
Customer Loans	23,951	30,593	34,509	42,330	48,985
Debt Securities	33,377	24,091	24,825	22,949	21,258
Fixed Assets	1,012	1,006	886	937	962
Total Assets	67,819	59,883	64,518	69,723	78,267
Shareholders' Equity	4,222	4,887	5,653	6,416	8,136
Of Which Minority Interest	2	2	2	2	2
Liabilities	63,597	54,997	58,864	63,307	70,131
Interbank Borrowing	11,993	3,975	4,039	4,962	4,555
Customer Deposits	47,067	47,585	47,400	52,816	57,858
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

Growth Rates

	2008	2009	2010	2011	2012
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%

	2008	2009	2010	2011	2012
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%

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%
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

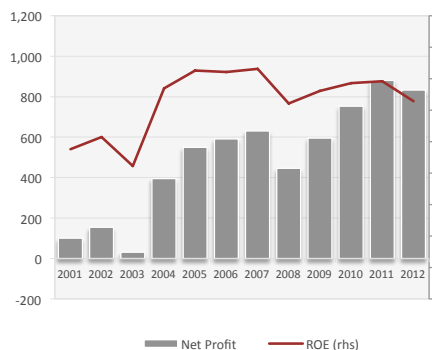


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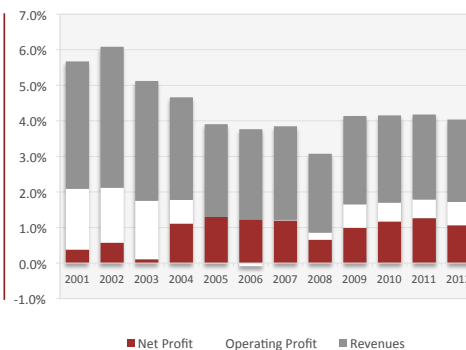
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Financials

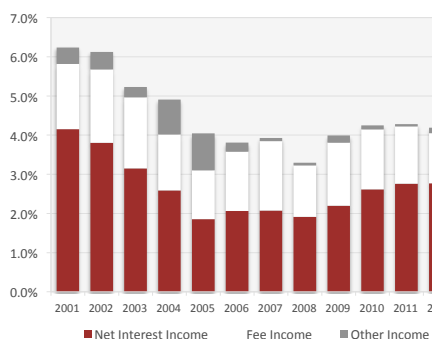
PROFITABILITY (PLN mil)



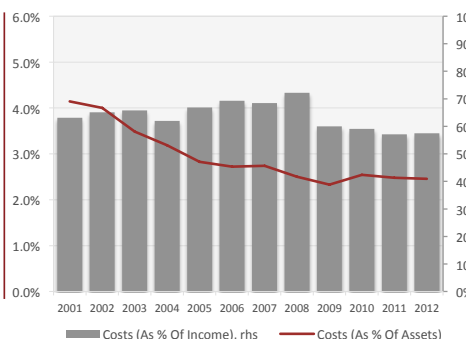
RETURN ON ASSETS



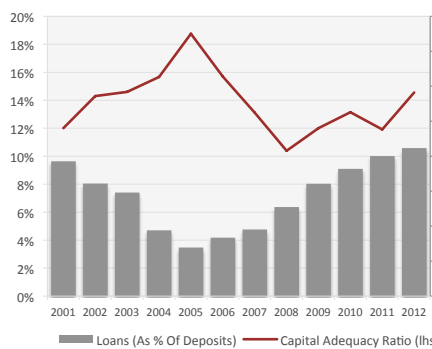
REVENUE BREAKDOWN (AS OF ASSETS)



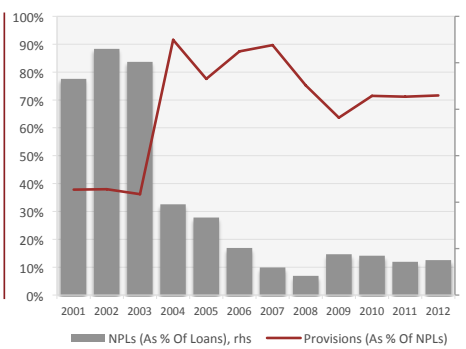
COST EFFICIENCY



LIQUIDITY & CAPITALIZATION



ASSET QUALITY



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

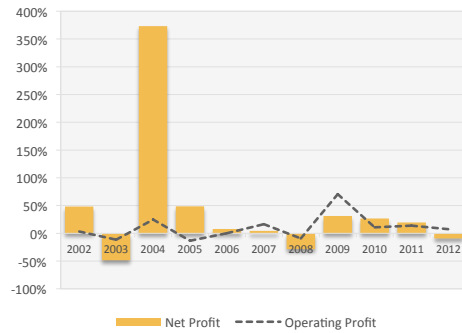


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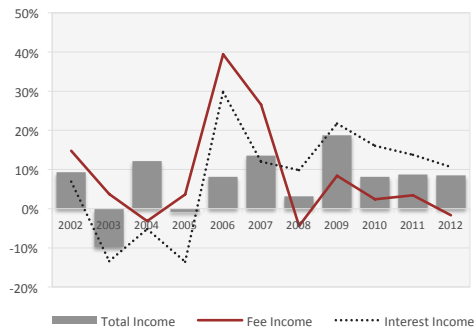
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Momentum

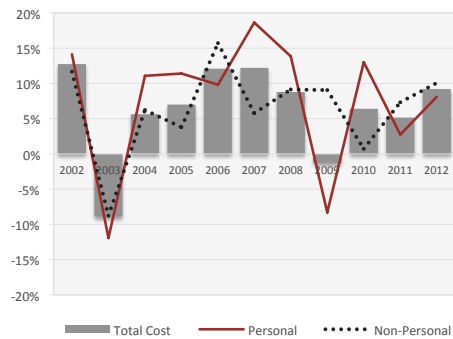
PROFIT GROWTH



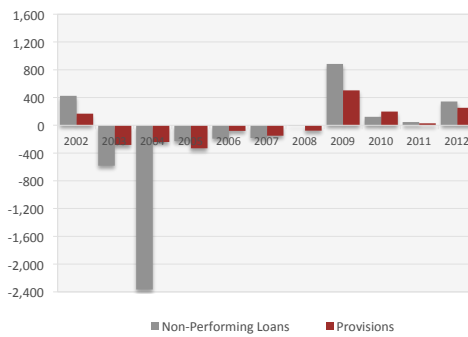
SALES GROWTH



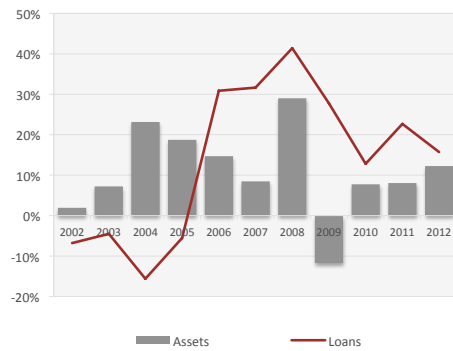
COST GROWTH



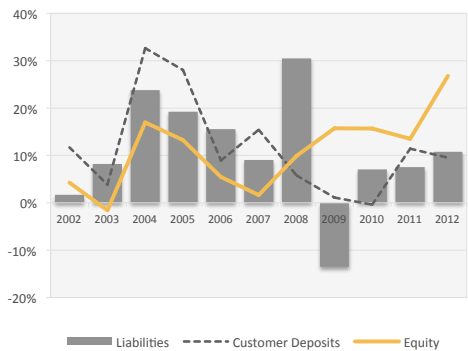
INCREASE IN NON-PERFORMING LOANS (PLN mil)



ASSET GROWTH



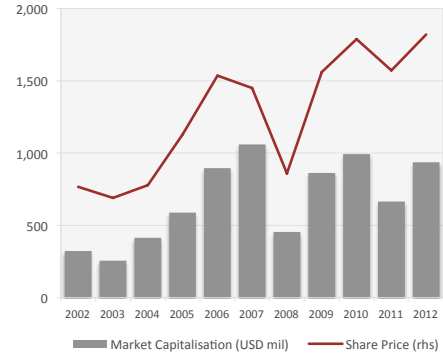
LIABILITY GROWTH



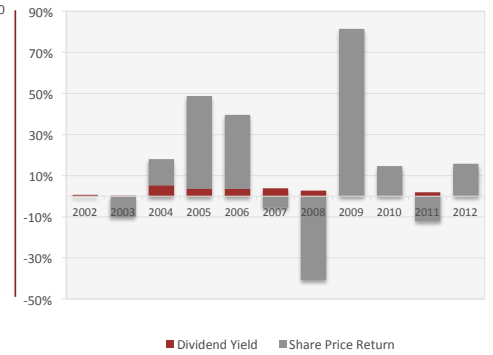
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

Valuation

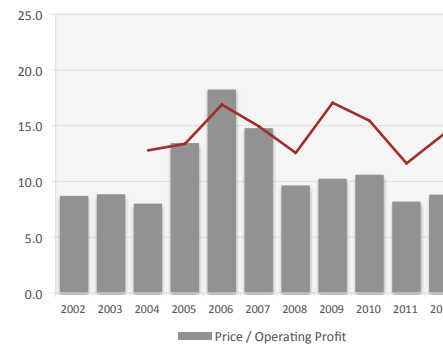
MARKET CAPITALISATION & SHARE PRICE



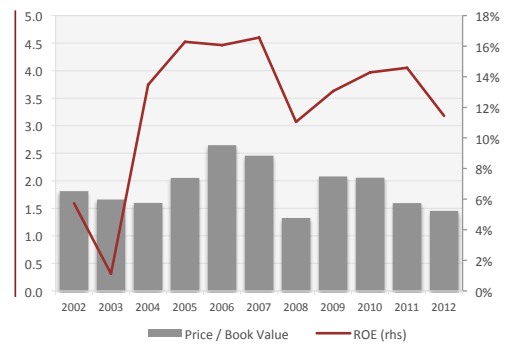
TOTAL RETURN FROM HOLDING COMPANY SHARES



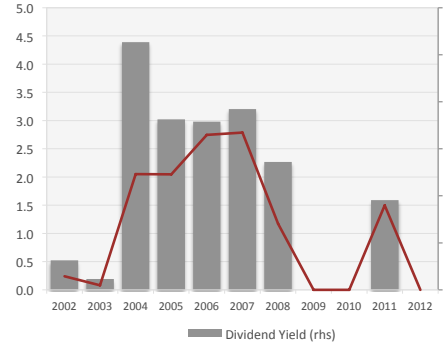
PRICE TO EARNINGS & OPERATING PROFIT



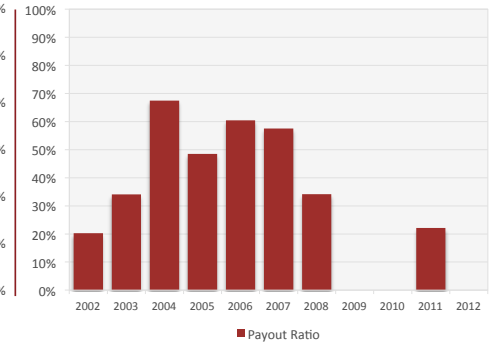
PRICE TO BOOK VALUE



DIVIDEND PER SHARE & DIVIDEND YIELD



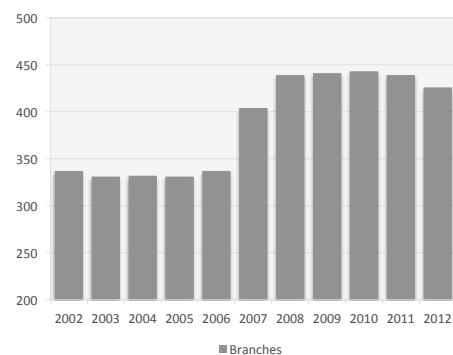
DIVIDEND PAYOUT



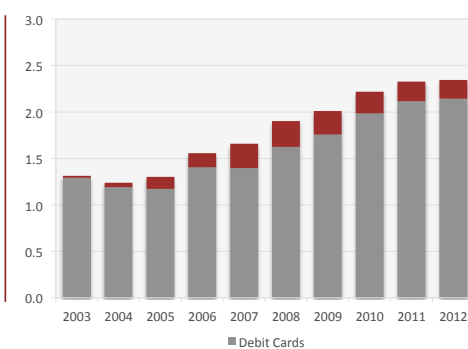
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

Business Specifics

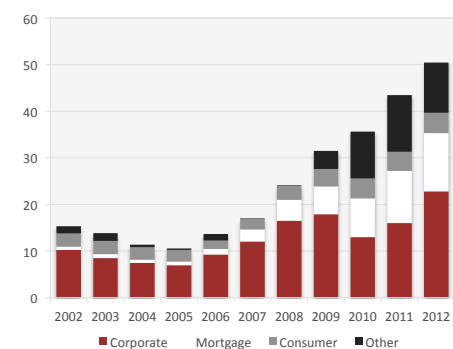
BRANCH NETWORK



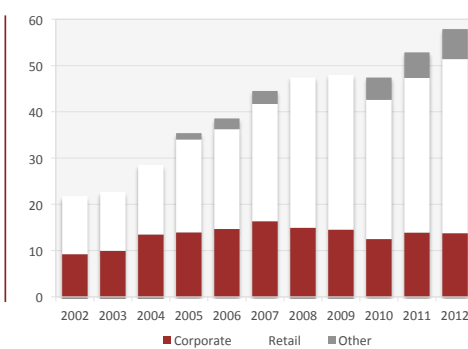
PAYMENT CARDS (mil)



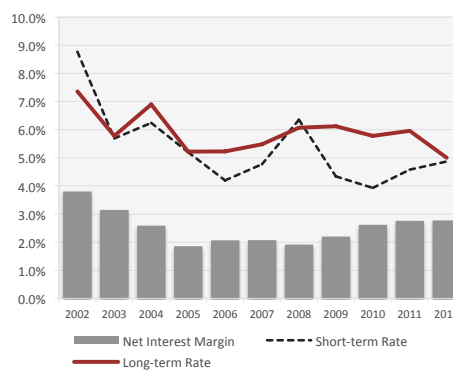
LOAN BOOK (PLN bil)



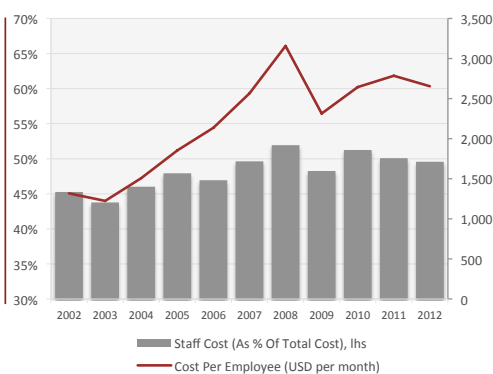
DEPOSIT STRUCTURE (PLN bil)



INTEREST RATES & NET INTEREST MARGIN



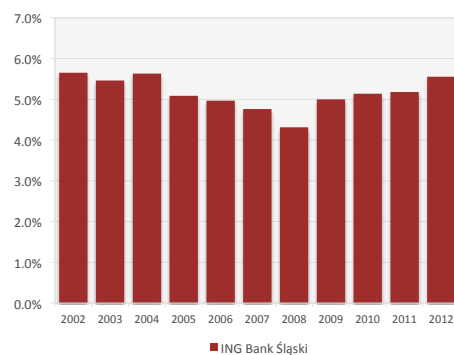
STAFF COSTS



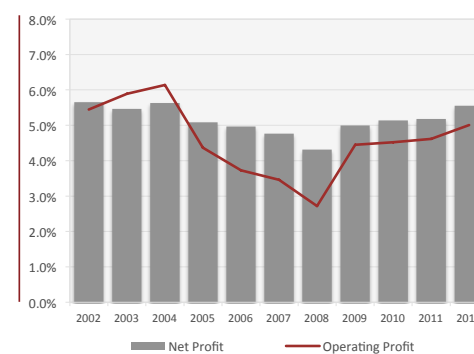
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

Market Share

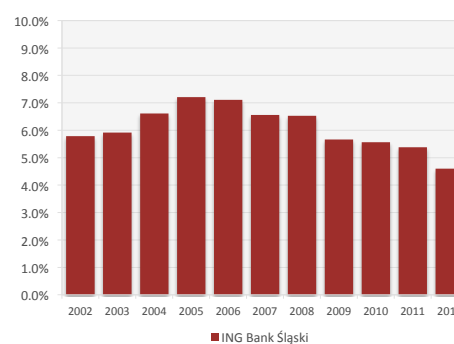
TOTAL INCOME



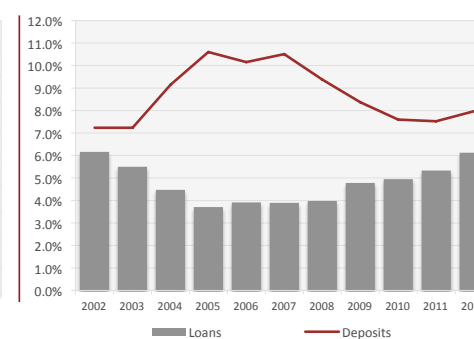
PROFITABILITY



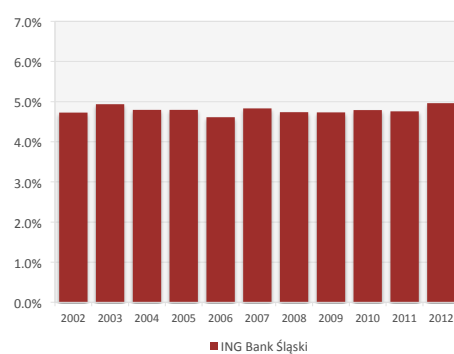
ASSETS



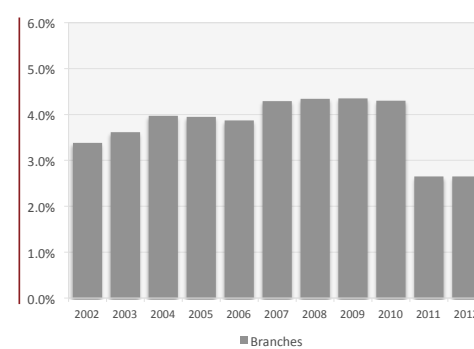
LOANS & DEPOSITS



EMPLOYEES



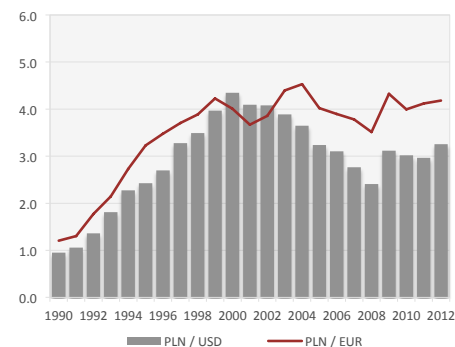
BRANCHES & ATMS



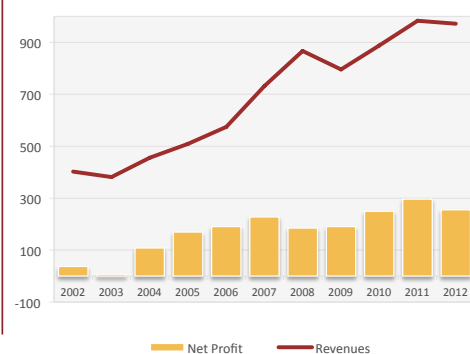
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on year-end share price

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
Net Interest Income	478	450	539	625	630
Net Fee Income	370	310	327	344	309
Other Income	19	36	21	14	33
Total Revenues	867	795	888	983	971
Staff Cost	325	230	269	281	277
Depreciation	55	40	40	45	46
Other Cost	246	207	216	236	236
Operating Cost	626	477	525	561	559
Operating Profit	241	318	363	421	413
Provisions	27	98	67	58	111
Extra and Other Cost	-20	-17	-14	-14	-11
Pre-Tax Profit	234	237	310	377	312
Tax	49	46	60	80	56
Minorities	0	0	0	0	0
Net Profit	185	191	250	297	256
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
Customer Loans	8,070	10,681	11,662	12,294	15,833
Debt Securities	11,245	8,411	8,389	6,665	6,871
Fixed Assets	341	351	300	272	311
Total Assets	22,850	20,907	21,803	20,250	25,298
Shareholders' Equity	1,423	1,706	1,910	1,863	2,630
Of Which Minority Interest	1	1	1	1	1
Liabilities	21,427	19,201	19,893	18,387	22,668
Interbank Borrowing	4,041	1,388	1,365	1,441	1,472
Customer Deposits	15,858	16,613	16,018	15,340	18,701
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



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ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

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 or contact us at info@helgianalytics.com.

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