



Financial results 2Q and 1H 2019

Record-breaking, recurrent quarter

Key achievements in 1H 2019



Bank Polski

- Record-breaking and recurrent quarterly net profit: PLN 1,217 million + 30.4% y/y
- High loan sales in all customer segments
- Profitability increase: ROE 10.7%, +1.2 pp y/y
- Strengthening our position on the prospective leasing market

Strong improvement of strategic financial ratios despite the fulfillment of the 2016-2020 strategic goals already in 2018



- Poland resistant to the slowdown: high GDP growth forecasts, regularly revised upwards
- Weakening wage pressure
- CPI inflation in an upward trend
- Public finances closer to balance



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Key achievements

1/4

KEY ACHIEVEMENTS

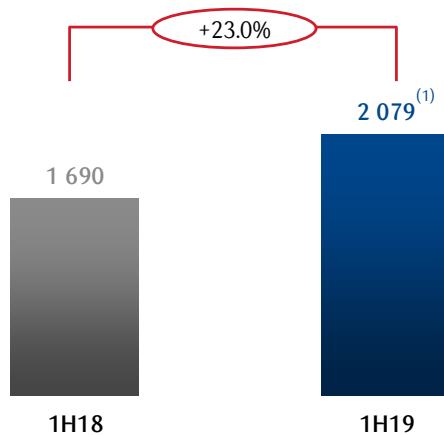
Quarterly profit at the record level of PLN 1 217 million



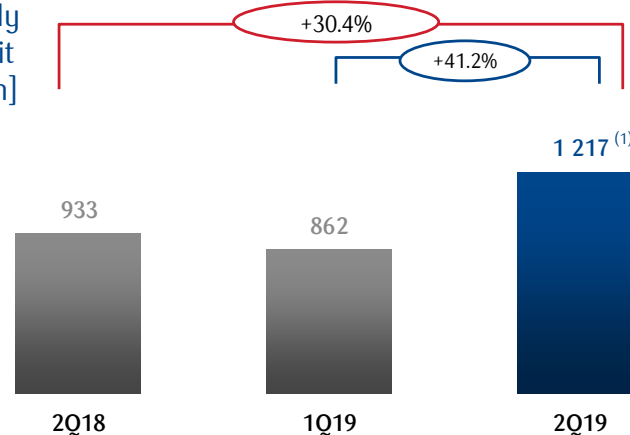
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Semi-annual
net profit
[PLN mn]



Quarterly
net profit
[PLN mn]



Record-breaking, recurrent quarter

⁽¹⁾ Neutral net effect of one-off events (badwill recognition from PCM acquisition, reversal of provisions for potential return of fees and commissions to clients, and creation of tax reserves).

KEY ACHIEVEMENTS

Strong improvement of strategic financial ratios



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	2016	2017	2018	1H19	...	2020	
ROE ⁽¹⁾	7.75% ⁽²⁾ /9.11%	9.0%	10.0%	10.7%		>10%	✓
C/I	49.7% ⁽²⁾ /47.4%	46.0%	44.2%	43.1% ⁽²⁾ /42.7%		<45%	✓
COST OF RISK	0.75%	0.71%	0.59%	0.55%		0.75%-0.85%	✓
EQUITY	TCR: 15.8%	TCR: 17.4%	TCR: 18.9%	TCR: 18.6%		Dividend capability	✓
	Tier1: 14.5%	Tier1: 16.5%	Tier1: 17.5%	Tier1: 17.3%			

The dynamically growing scale of business and profits, return to regular dividend payments, while maintaining safe liquidity and strong capital position

⁽¹⁾ Return on equity reduced by intangible assets (ROTE) 11.6% in 1H 19, +1.2 p.p. y/y.

⁽²⁾ After one-off and non-standard transaction adjustments.

KEY ACHIEVEMENTS

Digital Transformation: faster digital sale and onboarding



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LEVERS OF DIGITAL TRANSFORMATION

DIGITAL TRANSFORMATION



FOR CUSTOMER!

NOW!

Nowa Organizacja
i Współpraca!

New Business Models and income sources

- Digital Sales
- New digital services (VAS, Cloud) and products

Customer Satisfaction

- Customer Service Design
- Focus on Customer Value

Strategic Partnerships

- Let's Fintech with PKO Bank Polski
- Fund venture capital

New, Agile Organization

- Agile Teams
- Talent acquisition

Strong 6x increase in volume of cash loan sales in IKO



- Among young customers, sales of loans in digital channels > 50%
- Even customers under the age of 65 buy more deposits in digital channels than in branches

PKO is the undisputed leader in digitizing and onboarding customers



- 1.5 million Mobile-only customers - most of all CEE banks!
 - Most "transactional" customers (26% share in the card transaction market, 29% share in BLIK payments)
- On average, clients log in to IKO 8x a week

KEY ACHIEVEMENTS

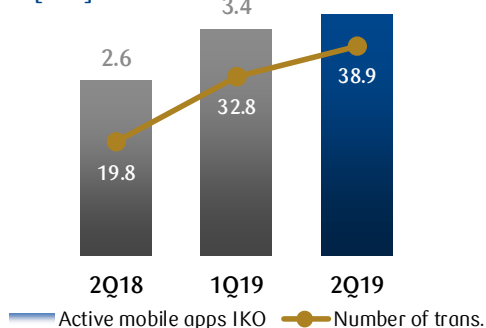
Leader of mobile banking



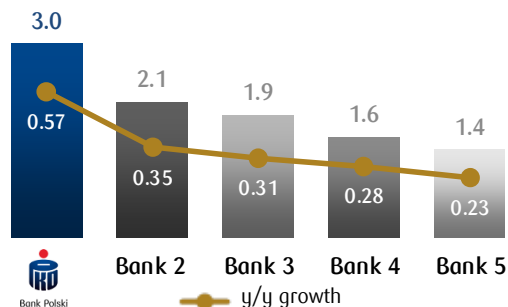
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Number of IKO applications and number of transactions [mn]



Number of active mobile banking users ⁽¹⁾ [mn]



NEW FUNCTIONALITIES



An application for revolving limit and credit card available for smartphones with iOS and Android



Public transport tickets. The ticket for checking can be shown on the phone without logging in to the application



The best banking app mobile in the world according to Retail Banker International!



4.8/5 average customer rating in app stores

⁽¹⁾ According to PRNews data for 2Q19, users logging in at least once a month from the mobile device (mobile application, lite version or full transactional service).



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Business activity

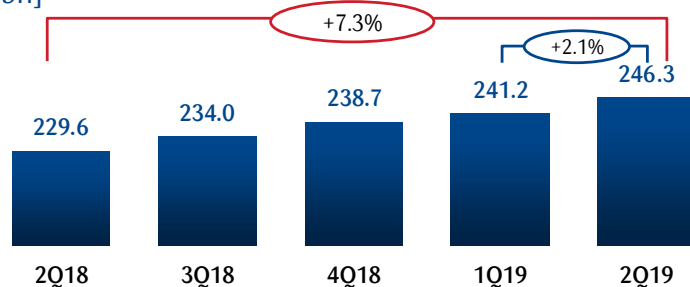
Dynamic growth of the business scale



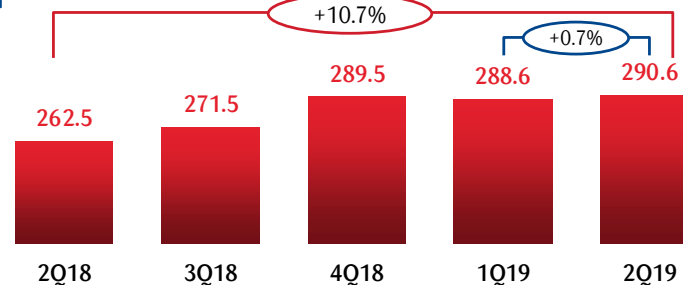
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 100
1919/2019

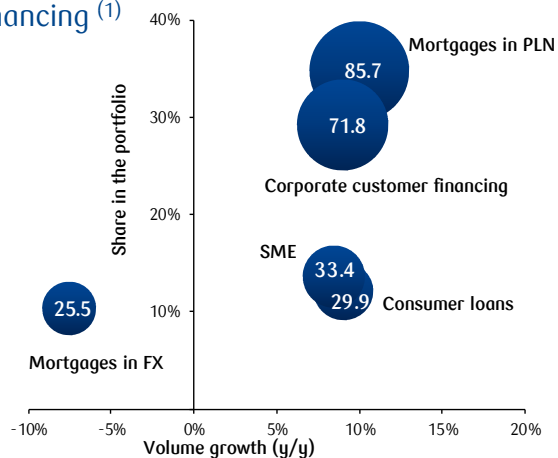
Gross customer financing ⁽¹⁾
[PLN bn]



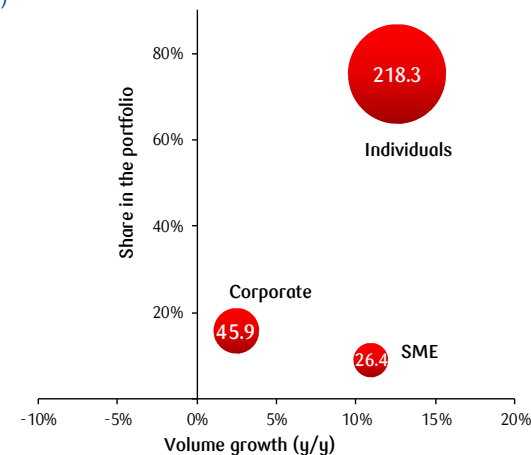
Customer savings ⁽²⁾
[PLN bn]



Gross customer financing ⁽¹⁾
[PLN bn]



Customer savings ⁽²⁾
[PLN bn]



(1) Includes loans, corporate and municipal bonds, leasing and factoring (excluding repo transactions).

(2) Includes deposits, TFI (mutual funds) assets and saving treasury bonds.

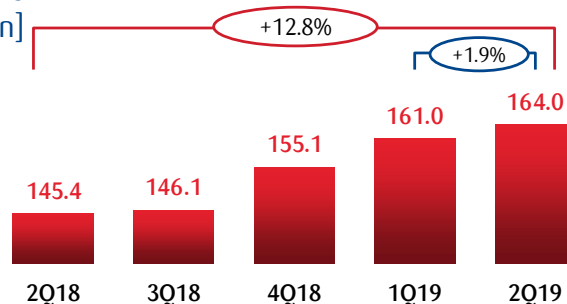
Households: PKO BP Group is leading the retail saving and investment market



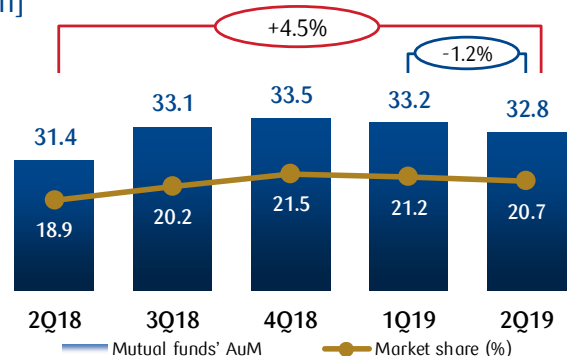
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Deposits
[PLN bn]



Mutual funds' AuM⁽¹⁾
[PLN bn]



New term deposit for new funds

By depositing new funds, the customer can gain up to 1.80% per annum. The contract period is 1, 3, 6 or 12 months.



200 Employee Pension Plans (PPK) management contracts signed by PKO TFI

That's over 96,000 employees who can join PPK with PKO TFI. PPK in PKO TFI are based on the umbrella fund PKO Emerytura - sfio - a life cycle fund that operates on the basis of investment subfunds of a defined date



Market leader with PLN 34.8 billion of total assets

At the end of June, PKO TFI managed 58 investment funds and sub-funds, including PLN 32.8 billion in non-dedicated funds.

⁽¹⁾ Non-dedicated assets.

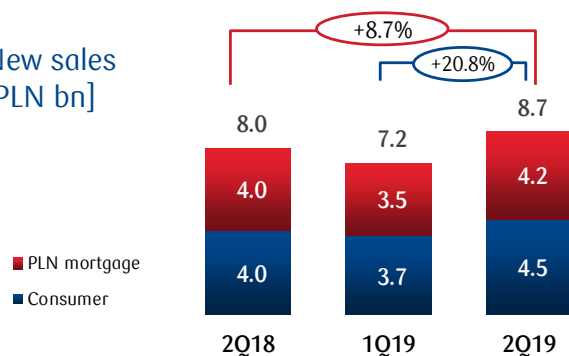
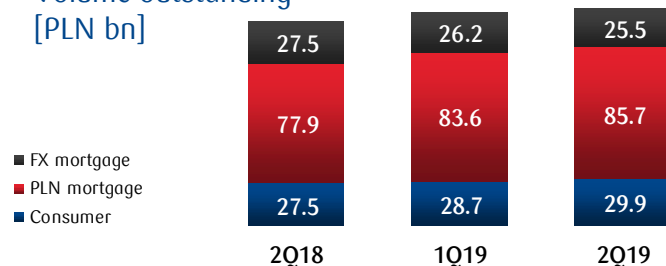
Household: very high sale of loans



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Consumer and mortgage loans

New sales
[PLN bn]Volume outstanding
[PLN bn]

An increase in the share of digital channels in the sale of cash loan

The bank recorded a 6x increase in the volume of cash loan sales in IKO app y/y.



Strong increase in profitability thanks to insurance

- Record sales of life insurance (sales increase 60% y/y) and property insurance (increase 30% y/y),
- MTPL / casco car insurance available in branches and online.



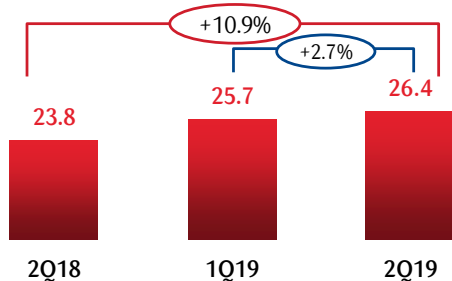
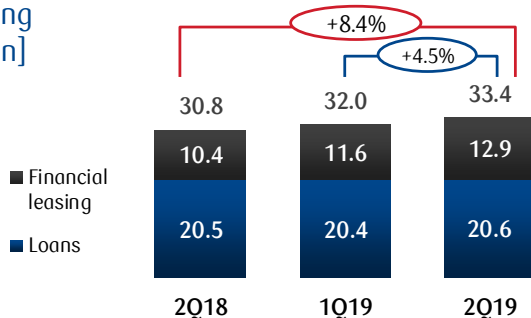
PKO Bank Polski and Quantum CX will count the customer smiles

Pilot of the solution, which counts the smiles of clients and advisors, is ongoing in selected branches. The task is to examine the impact of smiles on the quality of customer service and employee motivation as well as to support a common charity.

Small & medium enterprises: strengthening the leasing offer



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100
1919/2019Deposits
[PLN bn]Gross customer
financing
[PLN bn]

PKO Leasing took over Prime Car Management – the CFM market leader

PKO Leasing purchasing 94.4 percent Prime Car Management shares strengthened the position of the leasing market leader. The portfolio of operating leases at 1H19 amounted to PLN 1.4 billion, and financial leasing to PLN 18.1 billion.



e-Debt Collection for small and medium companies

The tool developed by the startup Vindicat allows companies to independently monitor payments and effectively collect amounts due from unpaid invoices. This is another solution after e-Lawyer, e-Accounting, e-Store and company assistant which reinforces a comprehensive ecosystem of additional services for companies.



BLIK payments in the online store

Blik payments can be attached to online store as a separate mean of payment or by one of the online payment integrators.

BUSINESS ACTIVITY

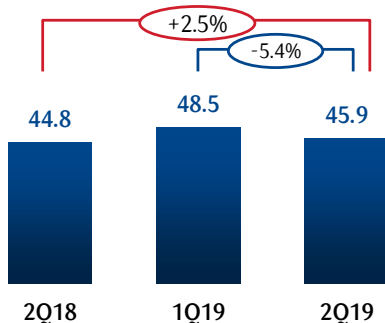
Corporate and investment banking: meaningful increase in customer financing



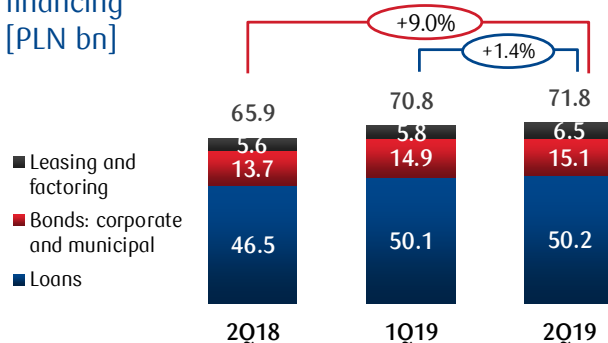
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Deposits
[PLN bn]

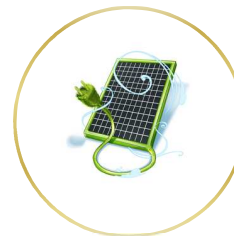


Gross customer
financing
[PLN bn]



Zloty in Singapore

PKO Bank Polski in cooperation with one of the largest banks from Singapore - OCBC, introduced the zloty to mutual settlements. Thus, the customers are able to pay directly in the Polish currency in bilateral transactions, bypassing intermediary banks and FX spreads.



PKO Mortgage Bank issued the first green mortgage bonds in Poland

The value of the issue was PLN 250 million with the maturity set for 30 September 2024. The capital raised from the issue is intended for financing energy-saving properties.



PKO Bank Polski develops competences in the field of tokenization and smart contracts

PKO together with the Warsaw University of Technology is implementing a research and development project aimed at gaining competences in the field of issuing and trading tokens as well as services using smart contracts and blockchain technology.



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Financial results

FINANCIAL RESULTS
Executive summary



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Quarterly recurrent net profit of PLN 1 217 million + 30.4% y/y

High cost efficiency (C/I decreased to 42.7%)

Profitability increase (ROE at 10.7%, ROTE at 11.6%)

Cost of risk (0.55%) significantly below strategically defined level

FINANCIAL RESULTS

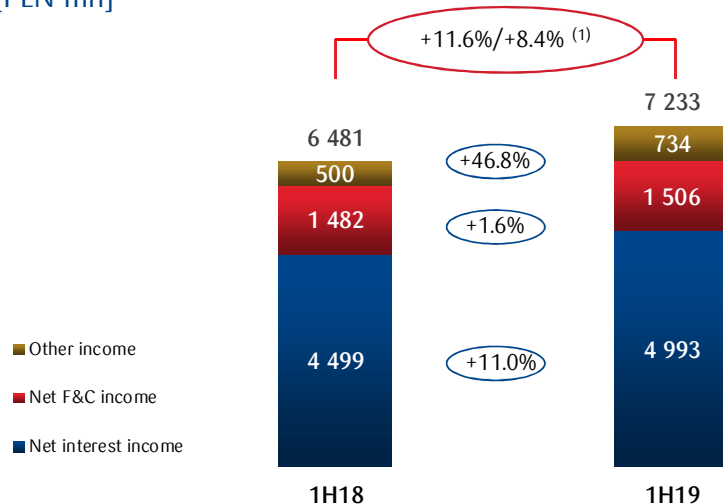
Significant revenue improvement mainly thanks to a solid increase in net interest and other income



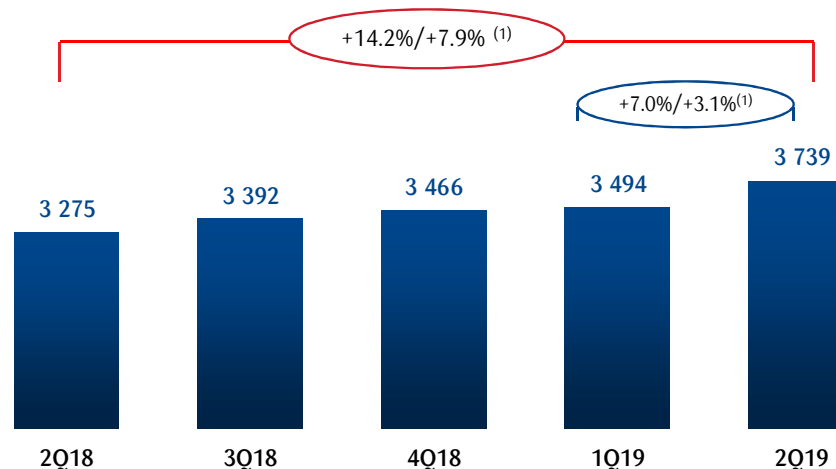
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Result on business activity
[PLN mn]



Quarterly result on business activity
[PLN mn]



⁽¹⁾ Increase in the result on banking operations corrected by:

- Badwill recognition on the purchase of PCM leasing company + PLN 80 mn in 2Q19,
- impact of the provision on the potential return of client fees and commissions; created in 2Q18 (PLN -62mn), released in 2Q19 (+ PLN 58mn).

FINANCIAL RESULTS

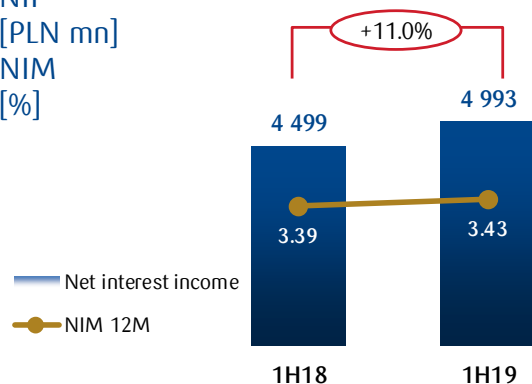
Strong growth in NII



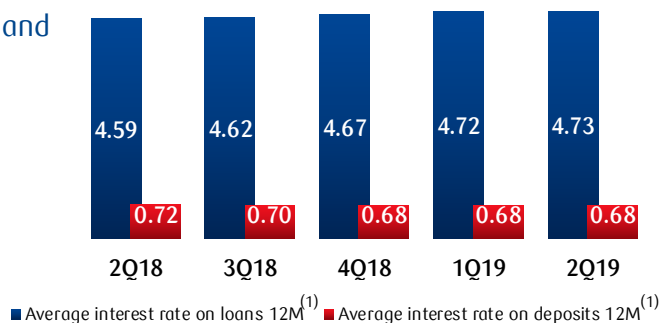
Bank Polski

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1919/2019

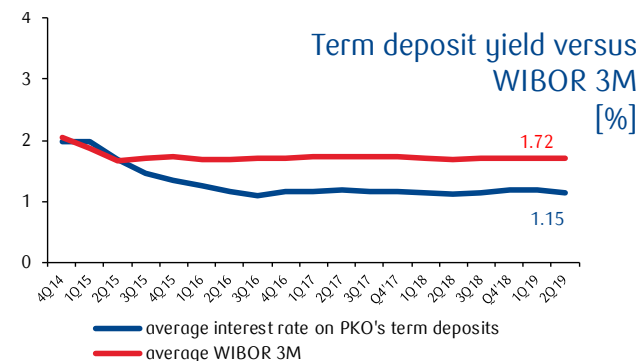
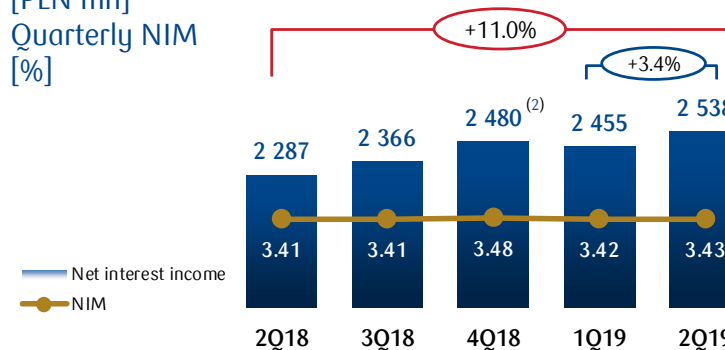
NII
[PLN mn]
NIM
[%]



Average loan and
deposit yield
[%]



Quarterly NII
[PLN mn]
Quarterly NIM
[%]



Double-digit growth in stable, lowest-ever interest rates of NBP

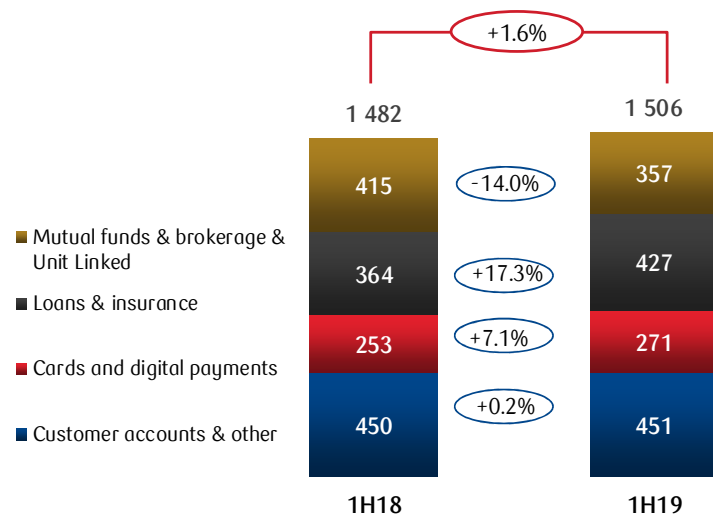
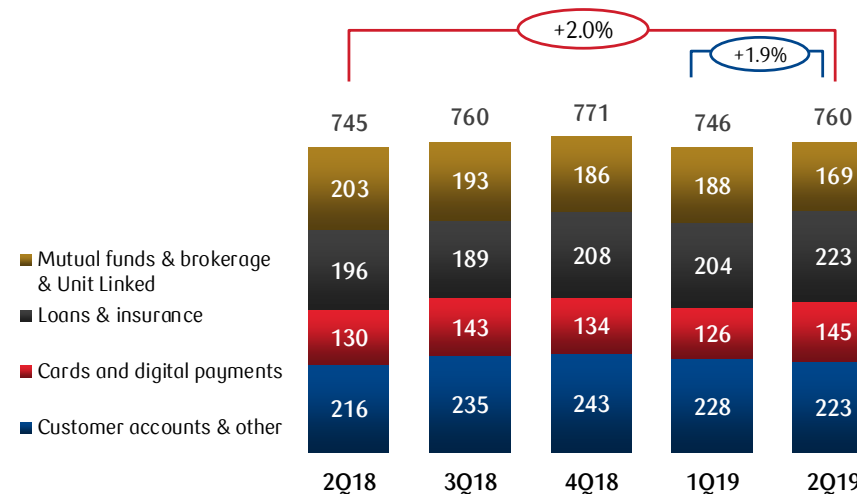
(1) Interest income (expense) for last 4 quarters / average net loans (deposits) of last 4 quarters.

(2) After non-standard transaction adjustments quarterly NII would amount to PLN 2 450 million and quarterly NIM 3.44%.

Improvement in net fee and commission result



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Net F&C
[PLN mn]Quarterly net F&C
[PLN mn]

- Dynamic growth of loans and insurance
- Increase in card fees due to growth in number of active cards and higher transactionality
- A drop in commissions related to the capital market, including the impact of regulatory changes

FINANCIAL RESULTS

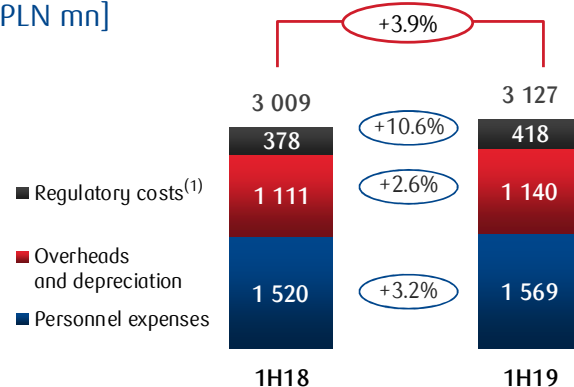
High cost efficiency



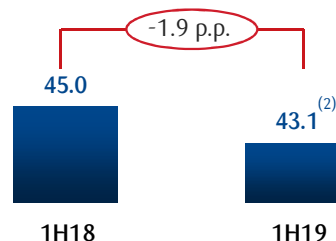
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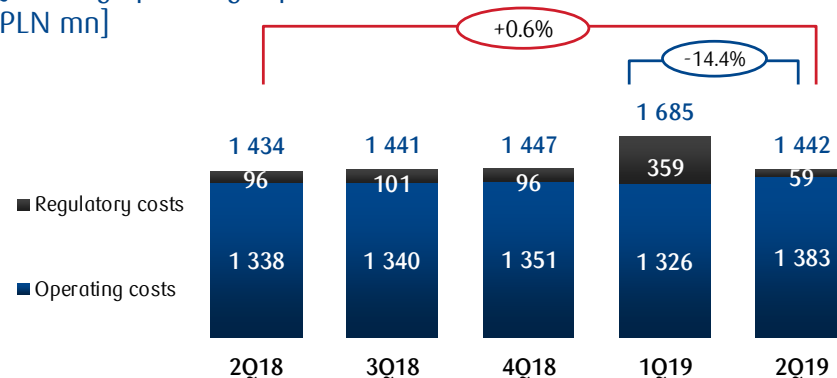
Operating expenses
[PLN mn]



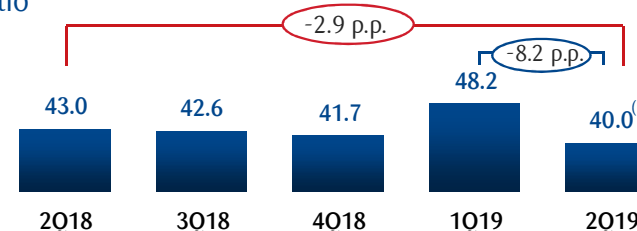
Cost / Income
12M
[%]



Quarterly operating expenses
[PLN mn]



Quarterly C/I ratio
[%]



Costs influenced by higher costs of BFG and lower withholding tax

⁽¹⁾ Regulatory costs include: Banking Guarantee Fund, FSA, levies and administrative charges. Increase in BFG contributions by PLN 130 mn y/y (increase in the payment for the restructuring fund by PLN 181 mn partly offset with a drop in the payment for the guarantee fund by PLN 51 mn). Decrease in the costs of withholding tax by PLN 104 mn. Growth in the PFSA fee by PLN 17 mn.

⁽²⁾ Before excluding one-off events, C/I would amount to 42.7% in 1H19 (-2.5 p.p. y/y), and in 2Q19 38.6% (-5.2 p.p. y/y and -9.6 p.p. q/q).

FINANCIAL RESULTS

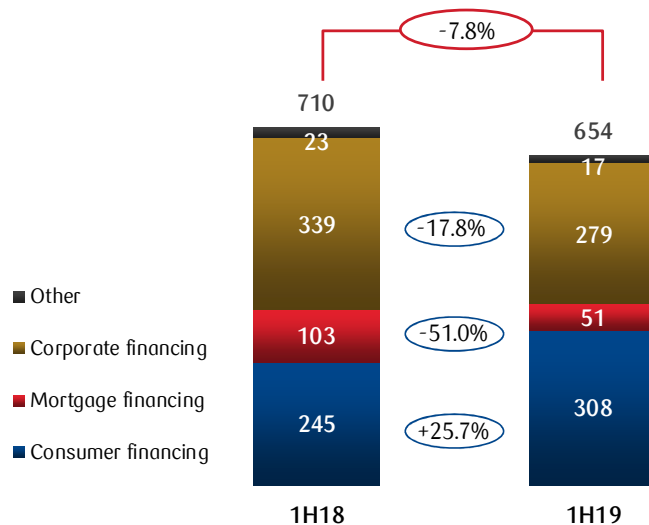
Cost of risk (0.55%) below strategically defined level



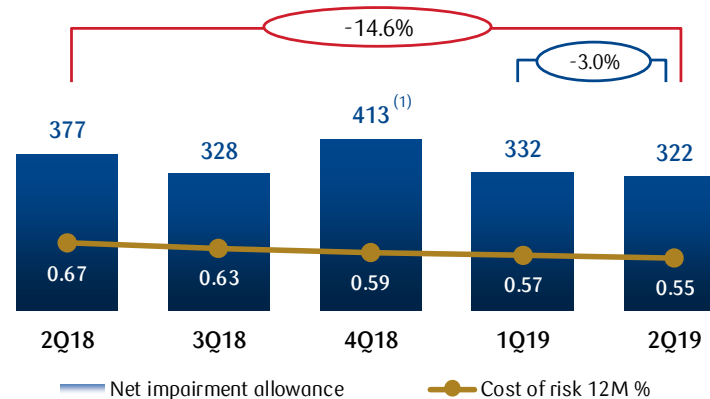
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Net impairment allowance
[PLN mn]



Quarterly net impairment allowance
[PLN mn]

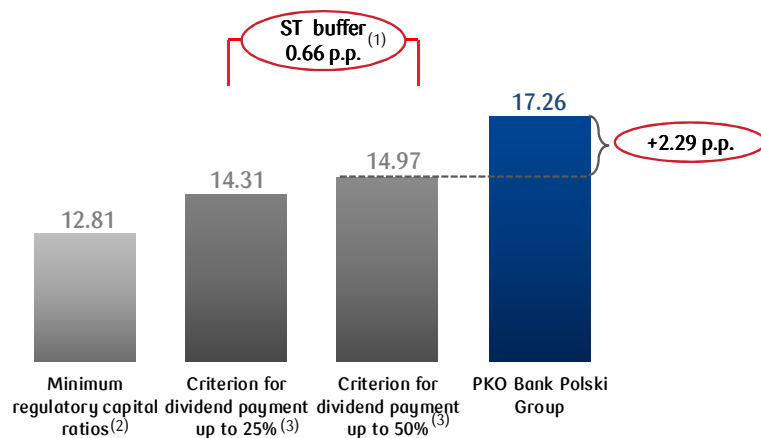
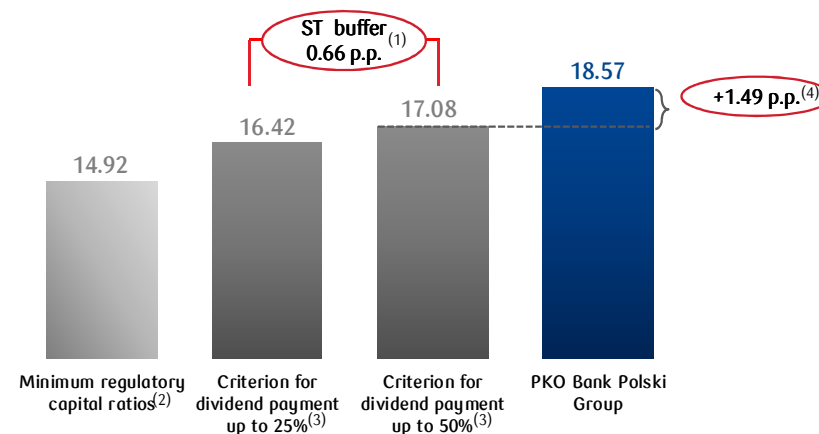


⁽¹⁾ The result on impairment allowance in 4Q18 was affected by the write-downs of equity holdings (in the amount of aprox. PLN 40-50 million).

Return to regular dividend payment



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Capital requirements (CET 1)
[%]Total capital ratio (TCR)
[%]

Retaining PLN 1.67 billion of undistributed profit and meeting 50% payout criteria from 2019 profit offers the dividend flexibility

(1) Polish FSA's additional buffer for the Bank's sensitivity to the adverse macroeconomic scenario.

(2) CET1: CRR 6% + systemic risk buffer 3% + conservation buffer 2.5% + OSII buffer 1% + FX buffer for the Group 0.31%

TCR: CRR 8% + systemic risk buffer 3% + conservation buffer 2.5% + OSII buffer 1% + FX buffer for the Group 0.42%

(3) Having considered dividend payment adjustments for the following criteria:

K1 - share of the foreign currency mortgages for households in total receivables from non-financial sector (2Q19: 14.03 %; -0.57 p.p. q/q; -1.63 p.p. y/y) - adjustment by -20 p.p. (for >10% share)

K2 - share of the foreign currency mortgage granted in 2007/08 in total portfolio of foreign currency mortgages in PKO Bank Polski (2Q19: 45.73 %; +0.16 p.p. q/q; +0.32 p.p. y/y) - adjustment by -30 p.p. (for >20% share if K1>5%).

(4) Own funds above the dividend criteria (surplus capital stands at PLN 3.1 bn).



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**Record-breaking,
recurrent quarter
by PKO Bank
Polski**

Significant improvement in operational efficiency
and profitability



Net profit of PLN 1 217 million + 30.4% y/y



More dividend flexibility in the following years thanks
to PLN 1.67bn of undistributed profit from 2018 and
meeting the criteria for paying half of the profit from
2019



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Supplementary information, including macroeconomic backdrop

MACROECONOMIC BACKDROP

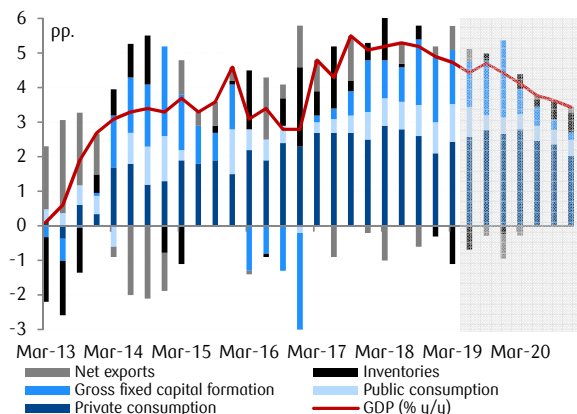
Poland resistant to slowdown abroad



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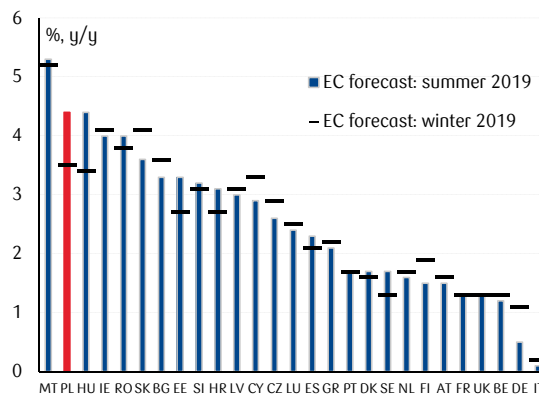


GDP growth breakdown



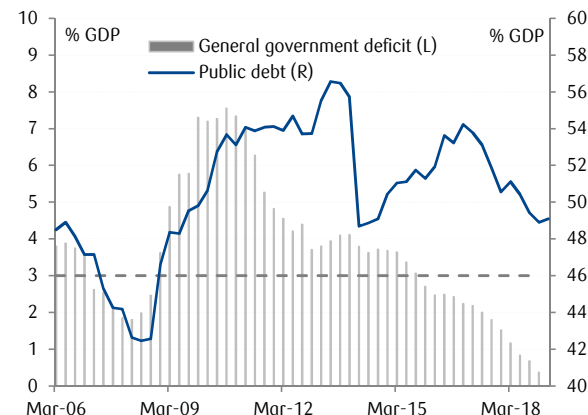
Source: GUS, PKO Bank Polski

Upbeat growth prospects with upward revisions



Source: GUS, Min.Fin., PKO Bank Polski

All-time low fiscal deficit (ESA 2010)



Source: Eurostat, PKO Bank Polski

- **Strong domestic demand and resilience of exports to global headwinds keep GDP growth stable** and result in regular upward updates of forecasts for the Polish economy. High frequency data suggests that private consumption strengthened in 2q19. New social transfers will keep this trend intact in 2h19. Domestic demand is also supported by rising investment activity – accelerating private investment and still strong (although moderating) public investment spending.
- **The visible resilience of the Polish economy to global slowdown results from several factors:** (1) a relatively high share of consumer goods in Polish exports; (2) an ongoing geographical diversification of exports; (3) a relatively small rise in labour costs (compared to the region), which helps to maintain price competitiveness; (4) broadening of products offered by Polish companies by new technology products (next-generation engines; components for electric and hybrid vehicles).
- **The general government deficit is almost balanced** – after 1q19 the general government deficit declined to 0.1% of GDP. It means that the fiscal stimulus introduced in 2q19 does not trigger a risk of breaking the fiscal rules. Favourable fiscal results point at a space for some forecast revisions by rating agencies in autumn.

MACROECONOMIC BACKDROP

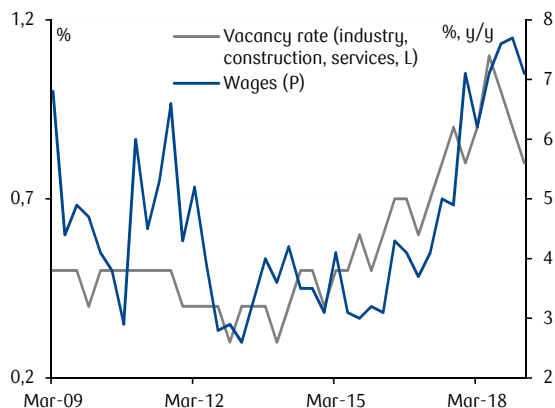
Inflation rises, but not for long



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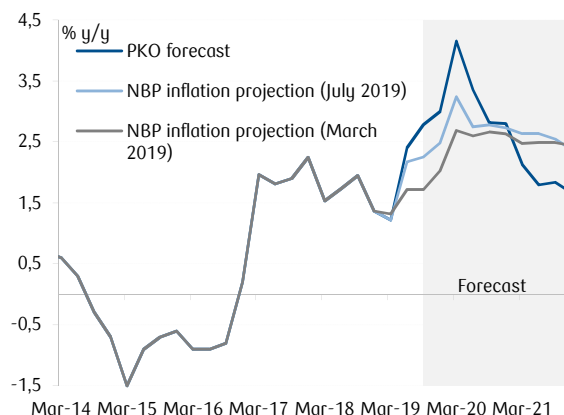


Wage pressure decelerates



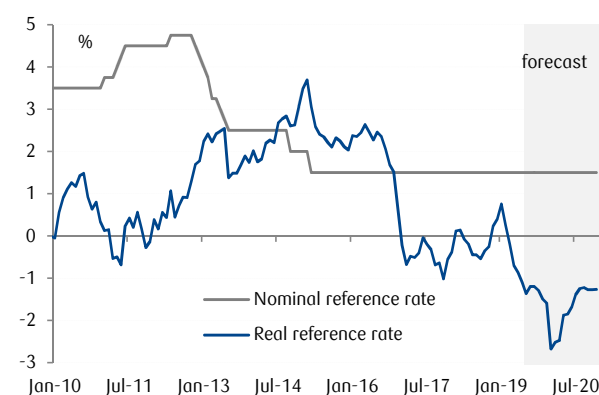
Source: Eurostat, GUS, PKO Bank Polski

Exogenous factors are key drivers of CPI inflation



Source: GUS, NBP, PKO Bank Polski

Negative real interest rates



Source: NBP, Reuters Datastream, PKO Bank Polski

- **The measures of imbalances on the labour market suggest that wage pressure should not intensify.** The transfer of employees to more productive sectors continues, together with the influx of migrant workers. Meanwhile, some companies reduce their employment growth plans. Supply constraints inhibit the decline of the unemployment rate.
- **CPI inflation has increased significantly, mainly due to exogenous factors.** Likely hikes in regulated prices in 1q20 might push the CPI inflation above 3.5% y/y (the upper threshold of CPI target band). Nevertheless, due to gradual GDP growth moderation and low inflation in the external environment, the headline inflation rate should return to the target before 2021.
- **Despite higher CPI inflation, the probability of interest rate hikes remains low.** Four out of ten MPC members allow for a possibility of interest rate hikes in the future. The recent Inflation report by NBP shows that CPI target is not at risk and that inflation would be driven up mostly by exogenous factors. Additionally, the probability of monetary tightening in Poland is reduced by the recent shift in the monetary policy of Fed and the ECB.

MACROECONOMIC BACKDROP

Macroeconomic forecasts



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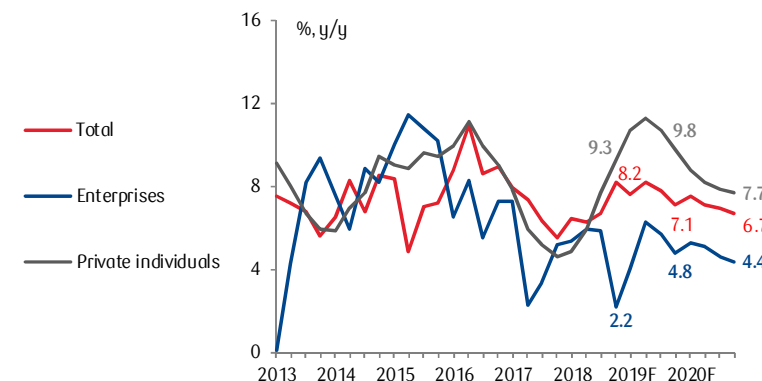


		2015	2016	2017	2018	2019F	2020F
GDP	% y/y	3.8	3.1	4.9	5.1	4.6	3.7
Consumption	% y/y	3.0	3.9	4.5	4.5	4.6	4.2
Investments	% y/y	6.1	-8.2	4.0	8.7	9.3	2.3
Fiscal deficit ¹⁾	% GDP	-2.7	-2.2	-1.5	-0.4	-1.1	-1.0
Public debt ¹⁾	% GDP	51.3	54.2	50.6	48.9	47.6	45.8
CPI inflation	%	-0.9	-0.6	2.0	1.6	2.3	3.3
LFS unemployment rate	%	7.5	6.2	4.9	3.8	3.6	3.8
NBP reference rate	% eop	1.50	1.50	1.50	1.50	1.50	1.50
WIBOR 3M	% eop	1.73	1.73	1.72	1.72	1.70	1.70
EUR/PLN	PLN eop	4.26	4.42	4.17	4.30	4.31	4.40
USD/PLN	PLN eop	3.90	4.18	3.48	3.76	3.92	4.11

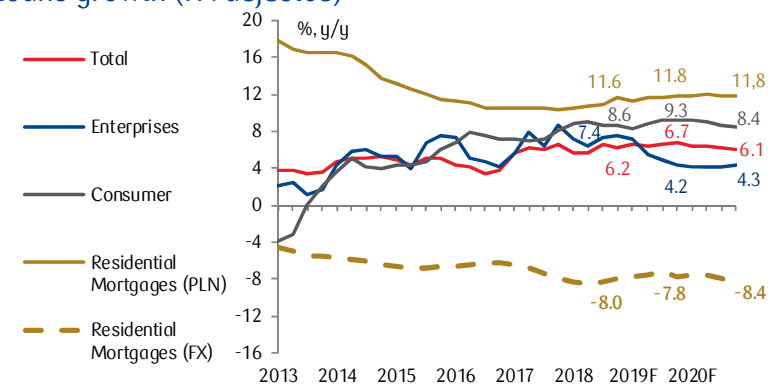
Source: Statistics Poland, Ministry of Finance, National Bank of Poland, PKO Bank Polski forecasts

1) In ESA2010 terms

Deposits growth (FX adjusted)



Loans growth (FX adjusted)



SUPPLEMENTARY INFORMATION

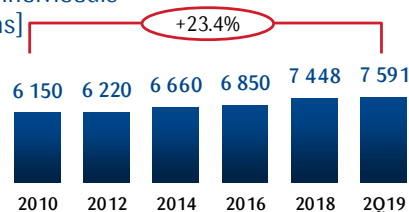
PKO Bank Polski - undisputed leader of the Polish banking sector



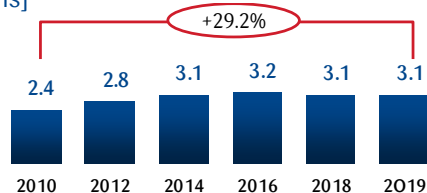
Bank Polski



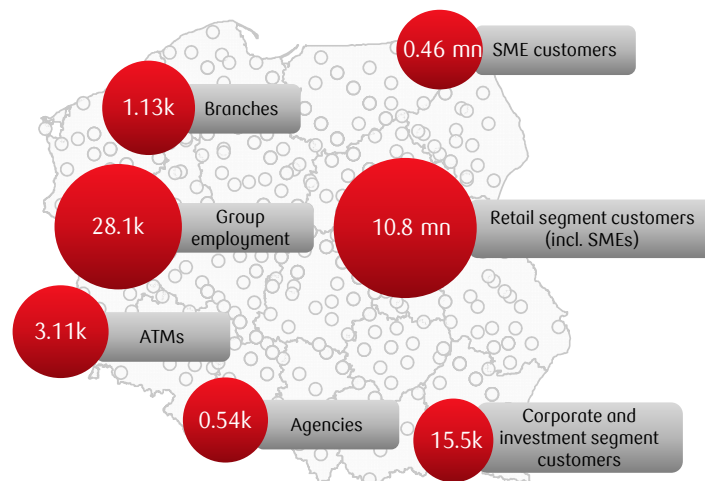
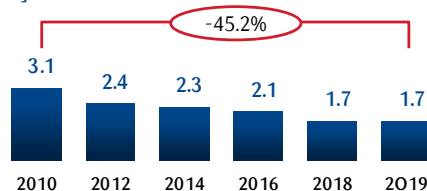
Number of current accounts of individuals [ths]



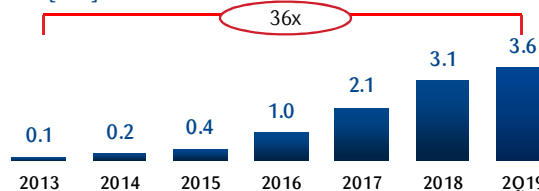
Number of ATMs [ths]



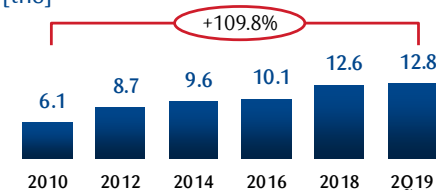
Number of retail agencies and branches [ths]



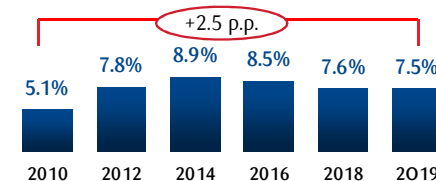
Mobile apps [mn]



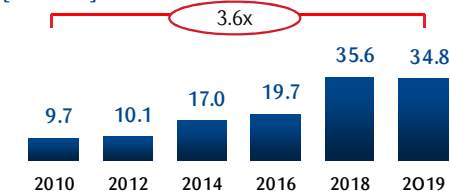
Number of corporate customers with access to e-banking [ths]



The share of PKO Securities in trading on the secondary stock market



Investment Funds – AuM [PLN bn]



SUPPLEMENTARY INFORMATION

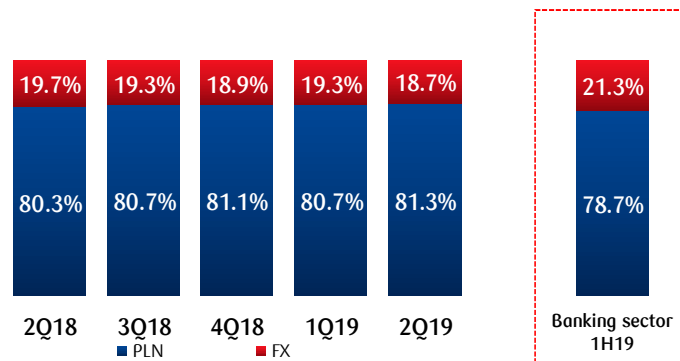
Improvement of the structure of loans and deposits while maintaining high liquidity



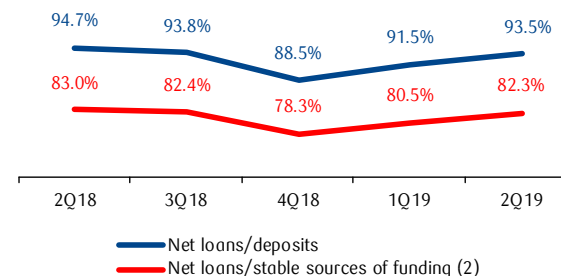
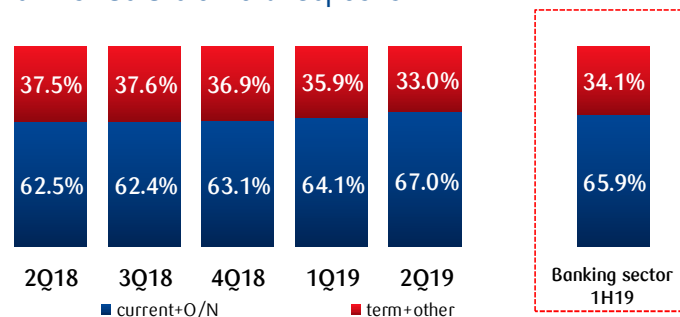
Bank Polski



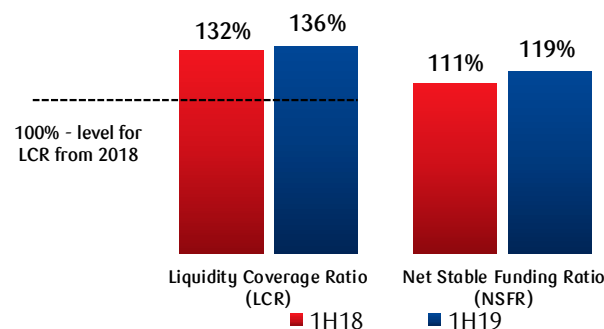
Currency structure of gross loans portfolio



Term structure of total deposits ⁽¹⁾



LCR and NSFR ratio



(1) Amounts due to customers.

(2) Amounts due to customers and long-term external funding in the form of: covered bonds, securitization, senior unsecured bonds, subordinated debt; and amounts due to financial institutions.

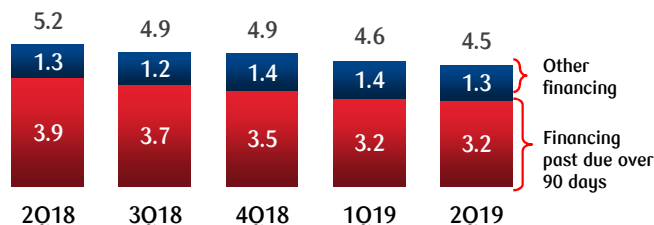
Customer financing portfolio quality – segments



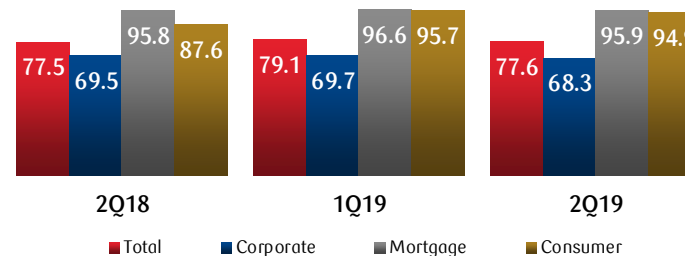
Bank Polski



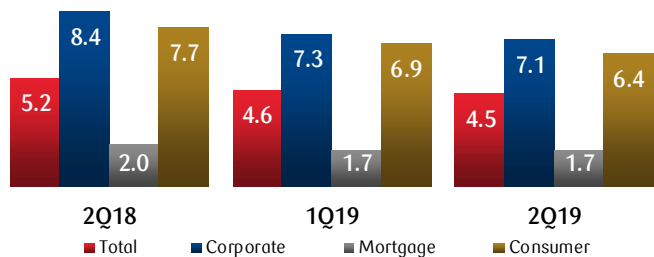
Share of customer financing with recognized impairment [%]



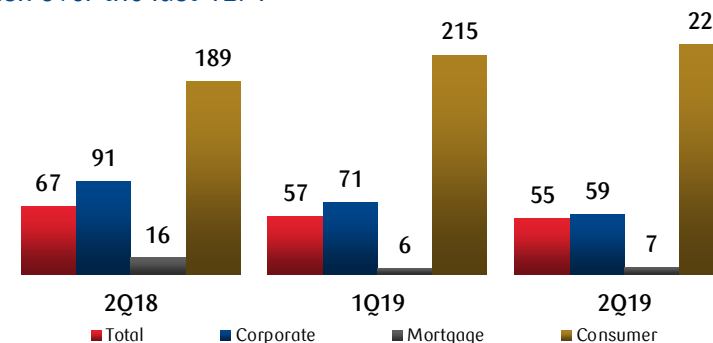
Coverage of customer financing with recognised impairment by impairment allowances [%]



Share of customer financing with recognized impairment [%]



Cost of risk over the last 12M [bps]



SUPPLEMENTARY INFORMATION

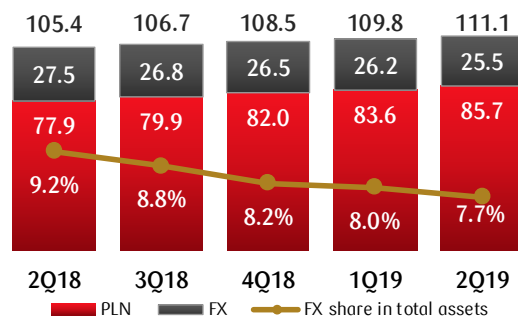
Gross mortgage loans



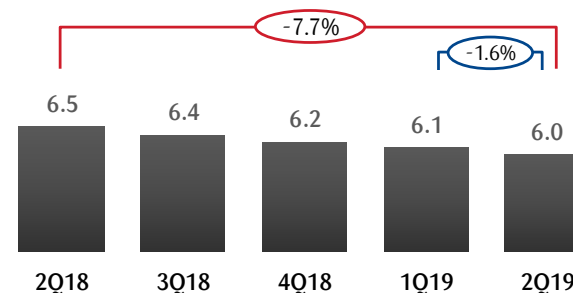
Bank Polski



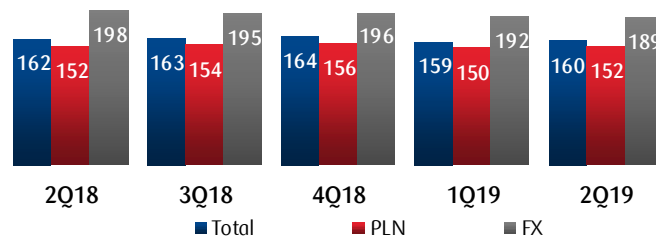
Volume of FX mortgage loans
[PLN bn] ⁽¹⁾



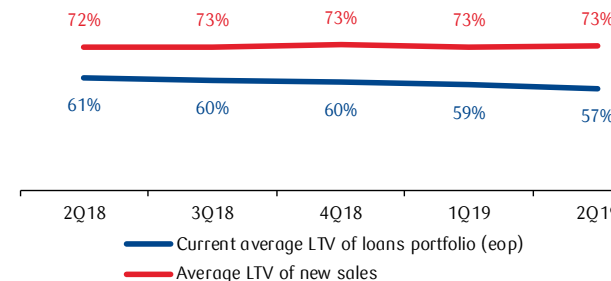
Volume of CHF mortgage loans
[CHF bn] ⁽²⁾



Average carrying value of mortgage loan
[PLN ths] ⁽¹⁾



Average LTV



⁽¹⁾ Includes data of PKO Bank Polski and PKO Mortgage Bank.

⁽²⁾ The volume of housing loans in EUR: 1Q18 786.1 mn; 2Q18 769.6 mn; 3Q18 752.2 mn; 4Q18 736.1 mn, 1Q19 719,3 mn, 2Q19 701.6 mn.

Net mortgage loans which are indexed or denominated in foreign currencies



Bank Polski



(PLN billion) as of 30.06.2019		
	until 2009	after 2009
Indexed	-	3.4
Denominated	18.0	3.2
Total	18.0	6.6

SUPPLEMENTARY INFORMATION

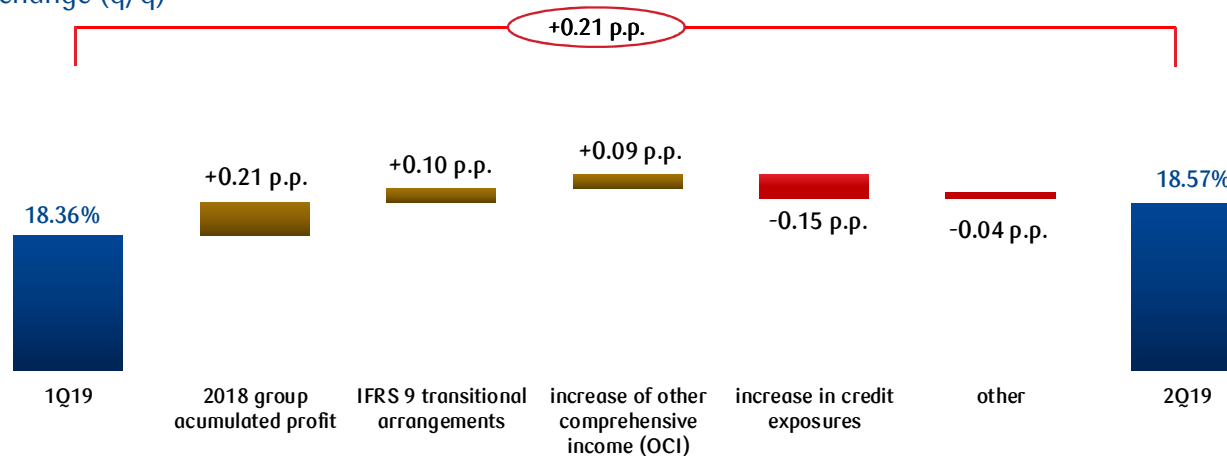
Capital adequacy



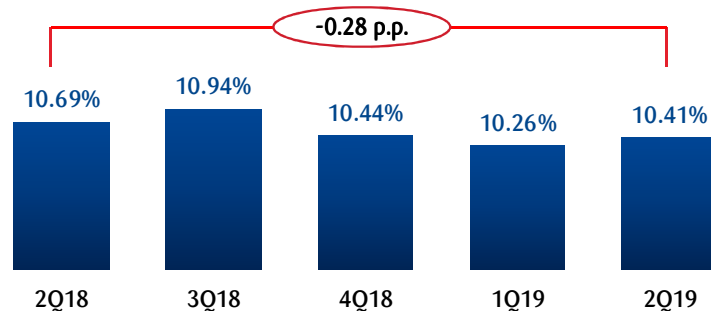
Bank Polski



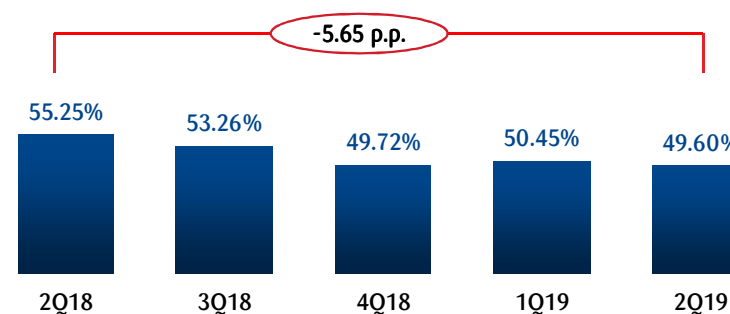
Consolidated TCR change (q/q)



Leverage ratio



Effective risk weight ⁽¹⁾



⁽¹⁾ Relation of risk-weighted assets to credit and counterparty credit risk net exposure.

SUPPLEMENTARY INFORMATION

Key financial data



Bank Polski



		1H19	1H18	y/y	2Q19	1Q19	q/q
Profit and loss [PLN mn]	Net interest income	4 993	4 499	+11.0%	2 538	2 455	+3.4%
	Net F&C income	1 506	1 482	+1.6%	760	746	+1.9%
	Result on business activity	7 233	6 481	+11.6%	3 739	3 494	+7.0%
	Administrative expenses	-3 127	-3 009	+3.9%	-1 442	-1 685	-14.4%
	Net impairment allowance	-654	-710	-7.9%	-322	-332	-3.0%
	Bank tax	-503	-461	+9.1%	-255	-248	+2.8%
	Profit before income tax	2 963	2 315	+28.0%	1 729	1 234	+40.1%
	Income tax	-884	-626	+41.2%	-511	-373	+37.0%
Net profit		2 079	1 690	+23.0%	1 217	862	+41.2%
Balance sheet [PLN bn]	Assets	329.0	298.7	+10.2%	329.0	325.8	+1.0%
	Gross customer financing	246.3	229.6	+7.3%	246.3	241.2	+2.1%
	Amounts due to customers	240.4	219.2	+9.7%	240.4	239.6	+0.4%
	Stable financial resources	273.1	250.1	+9.2%	273.1	272.3	+0.3%
	Total equity	39.6	36.8	+7.7%	39.6	39.7	-0.3%

SUPPLEMENTARY INFORMATION

Key ratios



Bank Polski



		2Q19	2Q18	y/y	1Q19	q/q
Key financial Ratios [%]	ROE net	10.7	9.5	+1.2 p.p.	10.1	+0.6 p.p.
	ROTE net	11.6	10.5	+1.1 p.p.	11.0	+0.6 p.p.
	ROA net	1.3	1.2	+0.1 p.p.	1.2	+0.1 p.p.
	C/I	42.7	45.3	-2.6 p.p.	44.1	-1.4 p.p.
	NIM ⁽¹⁾	3.43	3.39	+0.04 p.p.	3.43	0.00 p.p.
Loan portfolio Quality [%]	NPL ratio	4.5	5.2	-0.7 p.p.	4.6	-0.1 p.p.
	Coverage ratio	77.6	77.5	+0.1 p.p.	78.9	-1.3 p.p.
	Cost of risk	0.55	0.67	-12 bps	0.57	-2 bps
Capital position [%]	TCR	18.6	17.4	+1.2 p.p.	18.4	+0.2 p.p.
	Tier 1 capital ratio	17.3	16.1	+1.2 p.p.	17.0	+0.3 p.p.

⁽¹⁾ Net interest margin = net interest income of last 4 quarters / average interest bearing assets of last 4 quarters (formula consistent with that applied in the PKO Bank Polski Group Directors' Report).

SUPPLEMENTARY INFORMATION

Key operational data



Bank Polski



PKO Bank Polski operating data (eop)

	2Q18	3Q18	4Q18	1Q19	2Q19	y/y	q/q
Current accounts ('000)	7 267	7 362	7 448	7 520	7 591	+4.5%	+0.9%
Banking cards ('000)	8 651	8 771	8 893	8 994	9 084	+5.0%	+1.0%
of which: credit cards	902	919	932	942	954	+5.7%	+1.3%
Active mobile banking applications IKO ('000)	2 592	2 875	3 120	3 364	3 601	+38.9%	+7.1%
Branches:	1 187	1 174	1 155	1 145	1 132	-4.6%	-1.1%
- retail	1 146	1 132	1 113	1 103	1 090	-4.9%	-1.2%
- corporate	41	42	42	42	42	+2.4%	0.0%
Agencies	600	590	577	557	535	-10.8%	-3.9%
ATMs	3 185	3 146	3 133	3 104	3 106	-2.5%	+0.1%
Employment eop (FTEs '000) Group	28.5	28.2	27.9	27.9	28.1	-1.6%	+0.6%

- The number of active IKO applications has increased by over 1 million y/y
- Employment decreased by over 500 full-time employees y/y, adjusting for 219 FTEs at acquired PCM SA

SUPPLEMENTARY INFORMATION

Profit and loss account of the PKO Bank Polski Group



Bank Polski



Profit and loss account (PLN million)	2Q18	3Q18	4Q18	1Q19	2Q19	y/y	q/q
Net interest income	2 287	2 366	2 480	2 455	2 538	+11.0%	+3.4%
Net fee and commission income	745	760	771	746	760	+2.0%	+1.9%
Other income	243	266	215	293	441	+81.5%	+50.5%
Dividend income	11	1	-	-	12	+9.1%	x
Trading income	55	69	(15)	77	66	+20.0%	-14.3%
Net foreign exchange gains	143	98	144	140	105	-26.6%	-25.0%
Net other operating income and expense	34	98	86	76	258	+658.8%	+239.5%
Total income items	3 275	3 392	3 466	3 494	3 739	+14.2%	+7.0%
Net impairment allowance and write-offs	(377)	(328)	(413)	(332)	(322)	-14.6%	-3.0%
Total operating expenses	(1 434)	(1 441)	(1 447)	(1 685)	(1 442)	+0.6%	-14.4%
result on regulatory charges	(96)	(101)	(96)	(359)	(59)	-38.5%	-83.6%
Tax on certain financial institutions	(233)	(238)	(251)	(248)	(255)	+9.4%	+2.8%
Share in net profit (losses) of associates and jointly controlled entities	8	8	15	5	9	+12.5%	+80.0%
Profit before income tax	1 239	1 393	1 370	1 234	1 729	+39.5%	+40.1%
Income tax expense	(306)	(348)	(362)	(373)	(511) ⁽¹⁾	+67.0%	+37.0%
Net profit attributable to non-controlling shareholders	-	3	(1)	(1)	1	x	x
Net profit attributable to the parent company	933	1 042	1 009	862	1 217	+30.4%	+41.2%

⁽¹⁾ The increase in tax results from the creation of a provision for potential tax liabilities in the amount of PLN 119 million.

SUPPLEMENTARY INFORMATION

Balance sheet of the PKO Bank Polski Group



Bank Polski

Assets (PLN billion)	2Q18	3Q18	4Q18	1Q19	2Q19	y/y	q/q
Cash and balances with the Central Bank	10.0	13.4	22.9	15.4	12.9	+29.4%	-16.3%
Amounts due from other banks	5.0	8.2	7.7	6.2	3.3	-34.3%	-47.4%
Derivative instruments	2.7	1.9	2.6	2.9	3.2	+18.4%	+10.6%
Securities	47.5	44.5	48.5	54.5	56.1	+18.2%	+2.9%
Net customer financing	220.7	225.6	230.4	232.7	238.0	+7.9%	+2.3%
Tangible fixed assets	2.8	2.8	2.9	3.7	4.5	+58.8%	+21.2%
Other assets	10.1	9.7	9.2	10.4	11.0	+9.8%	+6.1%
TOTAL ASSETS	298.7	306.1	324.3	325.8	329.0	+10.2%	+1.0%
Liabilities and equity (PLN billion)	2Q18	3Q18	4Q18	1Q19	2Q19	y/y	q/q
Total equity	36.8	37.7	39.1	39.7	39.6	+7.7%	-0.3%
Amounts due to the central bank and due to banks	2.1	1.9	2.0	2.8	3.1	+46.3%	+9.9%
Derivative financial instruments	2.6	2.9	3.1	3.4	3.7	+43.8%	+10.5%
Amounts due to customers	219.5	225.5	242.8	239.6	240.4	+9.5%	+0.4%
Liabilities of insurance activities	1.1	1.2	1.3	1.4	1.5	+34.5%	+6.9%
Subordinated liabilities and debt securities in issue	30.8	30.9	31.4	32.5	32.4	+5.1%	-0.3%
Other liabilities	5.8	6.0	4.6	6.5	8.3	+43.0%	+27.7%
TOTAL EQUITY AND LIABILITIES	298.7	306.1	324.3	325.8	329.0	+10.2%	+1.0%

SUPPLEMENTARY INFORMATION

Customer financing



Bank Polski



PLN billion	2Q18	3Q18	4Q18	1Q19	2Q19	y/y	q/q
Financing	215.9	219.8	223.1	226.2	231.2	+7.1%	+2.2%
mortgages	105.4	106.7	108.5	109.8	111.1	+5.4%	+1.3%
PLN mortgages	77.9	79.9	82.0	83.6	85.7	+10.0%	+2.5%
FX mortgages	27.5	26.8	26.5	26.2	25.5	-7.6%	-2.8%
corporate	52.1	54.0	55.2	55.8	56.7	+8.8%	+1.5%
consumer loans	27.5	28.1	28.2	28.7	29.9	+9.0%	+4.4%
SME	30.8	31.0	31.1	32.0	33.4	+8.4%	+4.6%
Debt securities	13.7	14.2	15.6	15.0	15.1	+10.0%	+1.0%
municipal bonds	7.5	7.9	9.4	9.4	10.0	+33.9%	+7.1%
corporate bonds	6.3	6.3	6.3	5.6	5.1	-18.5%	-9.1%
Gross customer financing	229.6	234.0	238.7	241.2	246.3	+7.3%	+2.1%
Net allowances for expected losses	-8.9	-8.4	-8.2	-8.5	-8.3	-5.9%	-2.2%
Net customer financing	220.7	225.6	230.4	232.7	238.0	+7.8%	+2.3%

SUPPLEMENTARY INFORMATION

Customer savings



Bank Polski



PLN billion	2Q18	3Q18	4Q18	1Q19	2Q19	y/y	q/q
Retail and private banking	193.9	197.4	207.7	214.4	218.3	+12.6%	+1.8%
deposits	145.4	146.1	155.1	161.0	164.0	+12.8%	+1.8%
retail mutual funds	31.4	33.1	33.5	33.2	32.8	+4.5%	-1.4%
saving treasury bonds	17.2	18.2	19.1	20.1	21.5	+25.2%	+7.2%
Corporate	44.8	49.0	55.1	48.5	45.9	+2.5%	-5.5%
SME	23.8	25.1	26.8	25.7	26.4	+10.9%	+2.8%
Customer savings	262.5	271.5	289.5	288.6	290.6	+10.7%	+0.7%

SUPPLEMENTARY INFORMATION

Shares and rating



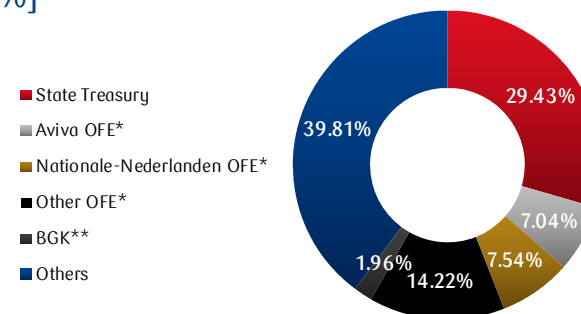
Bank Polski



Basic information on shares

Listed:	Warsaw Stock Exchange since 10.11.2004.
Indices:	WIG, WIG20, WIG30, WIG Banki FTSE Russell, Stoxx 600
ISIN:	PLPKO0000016
Bloomberg:	PKO PW
Reuters:	PKOB WA

Shareholders structure (number of shares: 1 250 mn) [%]



* Aviva, Nationale Nederlanden and other pension funds: data as of the end of 2018
 ** Bank Gospodarstwa Krajowego (Polish special purpose government bank)

Rating

Agency:	Rating:	Long-term		
		Deposits	Liabilities	Counterparty risk
Moody's		A2 with stable outlook	A3 with stable outlook	A2
	Short-term			
		Deposits	Liabilities	Counterparty risk
		P-1	(P)P-2	P-1

ESG Rating

Agency:	Rating:	ESG Rating (environmental, social, governance)
FTSE Russell		3.3

Disclaimer



Bank Polski



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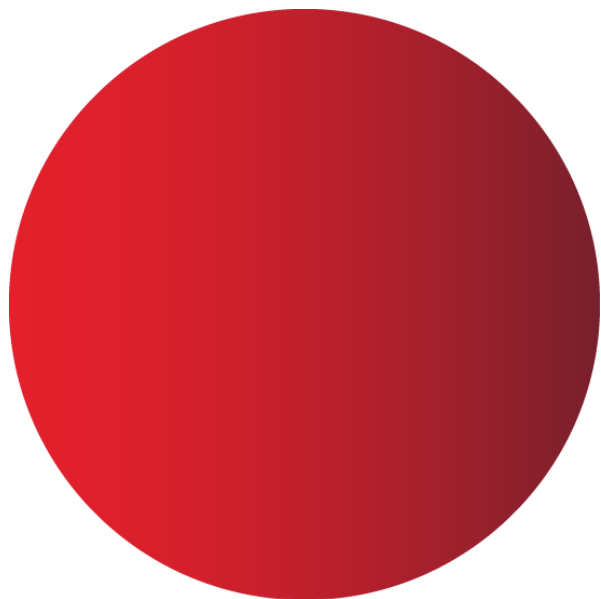
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Any differences in total balances, percentages and growth rates result from rounding the amounts to PLN million and rounding percentages to one decimal place.



Bank Polski



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www.pkobp.pl/investors

Investor calendar

7 November 2019 | Publication of the Quarterly 3Q 2019 Report