



Bank Polski

# Financial Results 1H 2018

Table leader after the first half

# Key achievements in 2Q and 1H 2018



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- Strong, double-digit net profit growth: +22.3% y/y to PLN 1.69 bn in 1H18
- Highest ever quarterly result on business activity PLN 3.28 bn
- Consistent growth of NII and F&C income
- Dynamic business growth: IKO mobile apps, consumer and PLN mortgage loans

*On track to achieve the financial goals of the 2016-2020 strategy:  
"We support the development of Poland and the Poles"*



- Stable 5% GDP growth with rising contribution from investments
- Stable, lowest-ever interest rates of NBP
- Record-high household / consumer confidence
- The economy free of imbalances in the face of EM instability



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## Key achievements

1/4

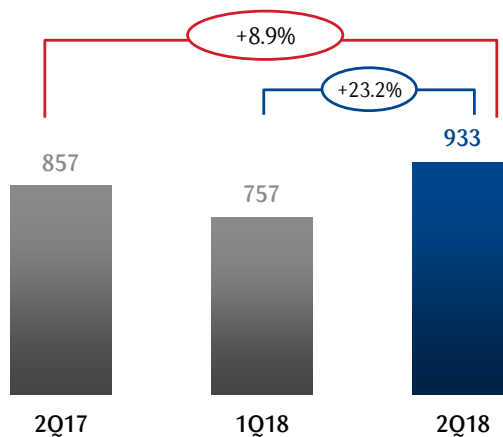
## KEY ACHIEVEMENTS

# Net profit in 2Q 2018: PLN 933 mn

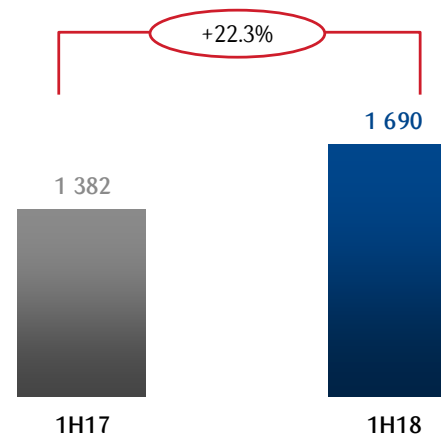


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Net profit  
[PLN mn]



Semi-annual  
Net profit  
[PLN mn]



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Strong, double-digit net profit growth in 1H18 thanks to material NII improvement and despite stable, lowest-ever interest rates of NBP










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## KEY ACHIEVEMENTS

# On track to achieve strategic financial goals



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	2016	2017	2Q18	...	2020
ROE	7.7% <sup>(1)</sup> /9.1%	9.0%	9.5%  		>10%
C/I	49.7% <sup>(1)</sup> /47.4%	46.0%	45.3%  		<45%
COST OF RISK	0.75%	0.71%	0.67%  		0.75%-0.85%
EQUITY	TCR: 15.8%  Tier1: 14.5%	TCR: 17.4%  Tier1: 16.5%	TCR: 17.4%    Tier1: 16.1%	Dividend capability 	

<sup>(1)</sup> After one-off and non-standard transaction adjustments

## KEY ACHIEVEMENTS

# 24% market share in mobile banking



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## An undisputed leader in mobile banking in Poland and in the world

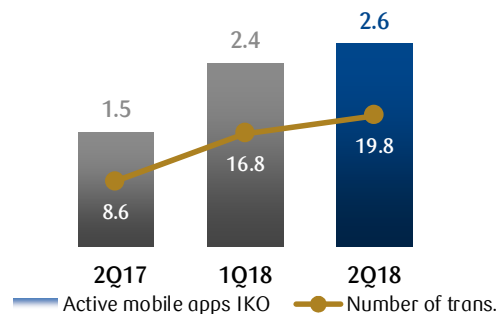
Since IKO start in 2013, customers have paid over 100 million times!



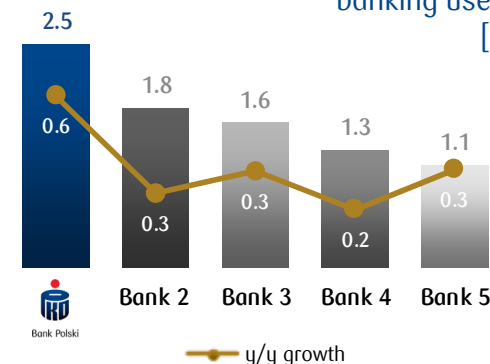
IKO available in 4 languages: Polish, English, Ukrainian and Russian



Number of IKO applications and number of transactions [mn]



Number of active mobile banking users<sup>(1)</sup> [mn]



## Leader in e-government services



289 ths.

Trusted Profiles



370 ths.

Applicants of 500+ child support



390 ths.

Applicants of "Back to School"

<sup>(1)</sup> According to PRNews data for 2Q18, logging in at least once a month from the level of a mobile device (mobile application, lite version or full transactional service)



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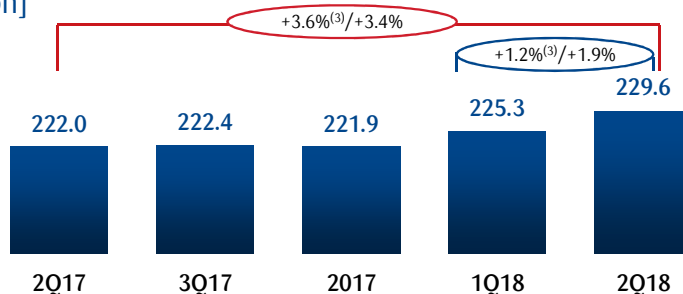
# Business activity

# Customer saving growth outpaces the advance in financing

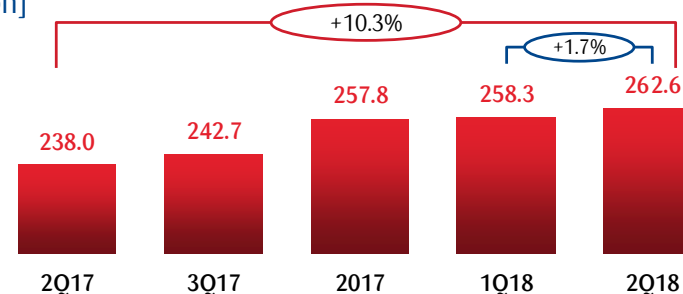


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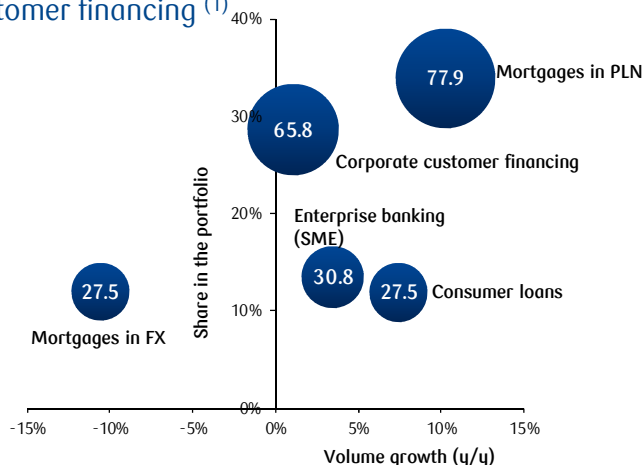
Gross customer financing <sup>(1)</sup>  
[PLN bn]



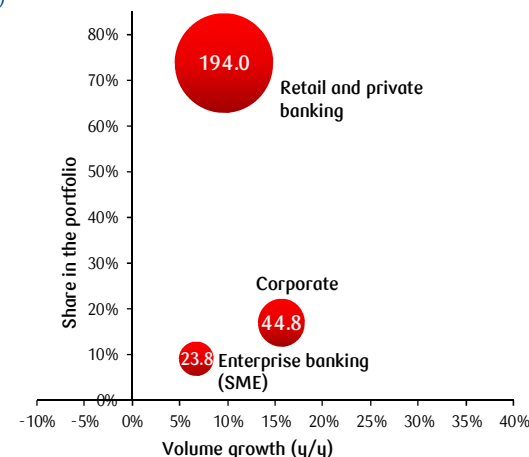
Customer savings <sup>(2)</sup>  
[PLN bn]



Gross customer financing <sup>(1)</sup>  
[PLN bn]



Customer savings <sup>(2)</sup>  
[PLN bn]



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

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

(3) Impact of PLN appreciation: ca. PLN -0.3 bn y/y; impact of PLN depreciation: ca. PLN 1.6 bn q/q



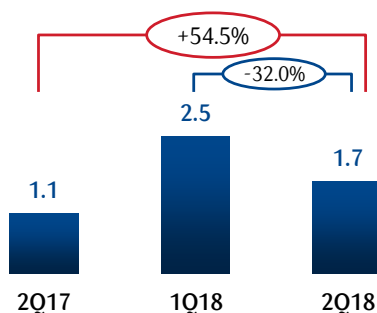
## BUSINESS ACTIVITY

# Retail segment: PKO BP Group - leader in the retail mutual fund market

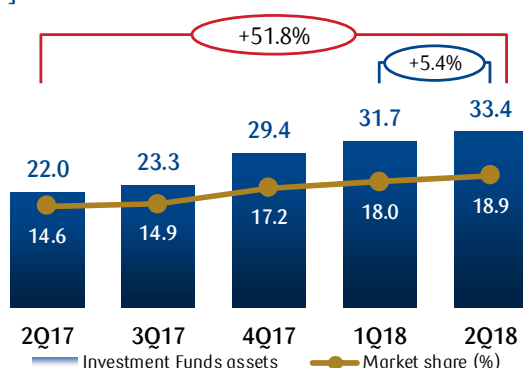


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Net sales  
[PLN bn]



AuM<sup>(1)</sup>  
[PLN bn]



## Market leader with PLN 33.4 billion of assets

Increase of assets under management by 5.4% compared to the previous quarter, versus a drop of the fund market in Poland by 2.8%.



## The merger between PKO TFI and GAMMA TFI

On June 4, 2018, the court registered the merger of PKO TFI and Gamma TFI. The merger of both firms under the name PKO TFI closes the first TFI acquisition in the PKO Bank Polski Group.



## High sales of saving treasury bonds

- Nominal value of saving bonds held by PKO Bank Polski customers – PLN 17.2 billion.
- Sales in 1H18 PLN 6 billion (2x y/y).

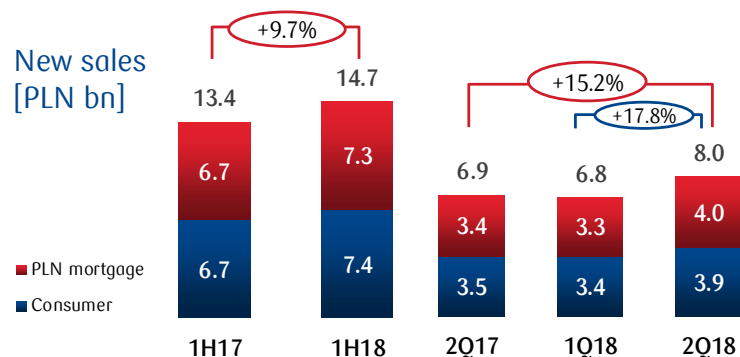
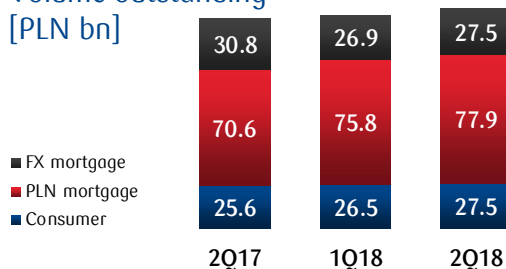
<sup>(1)</sup> Data for 4Q17 and 1Q18 include Gamma TFI assets (PLN 3.9 billion and PLN 4.3 billion, respectively). Market share in non-dedicated assets.

## Retail segment: record sale of loans



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## Consumer and mortgage loans

Volume outstanding<sup>(1)</sup> [PLN bn]

## Garmin Pay in PKO Bank Polski

Holders of PKO BP payment cards can use the Garmin Pay service. Payments by watch can be made at any point equipped with a contactless card terminal. During 3Q18, the Bank will also launch Apple Pay payments.



## Nearly 7 million debit cards with multi-currency functionality

PKO Bank Polski has launched a multi-currency function for debit cards. The account can be linked to one of seven currencies for each card: Euro, British Pound, US Dollar, Swiss Franc, Danish, Norwegian and Swedish Krone. After connecting to the foreign currency account, the card automatically recognizes the currency in which the Bank settles transactions.



## Currency exchange available 24/7 in iPKO i IKO app

82,000 clients logged in to the PKO Bank Polski online currency exchange and made more than 220,000 transactions (20% using IKO app.) for a total of over PLN 1 bn (to mid-August).

<sup>(1)</sup> Data adjusted for the effect of IFRS 9 implementation

## BUSINESS ACTIVITY

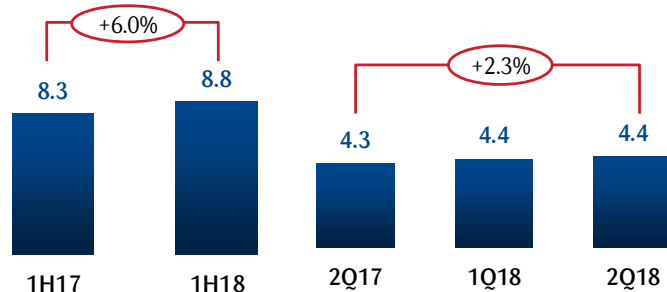
Retail segment: sales growth in enterprise banking (SME) driven also by leading position on the leasing market



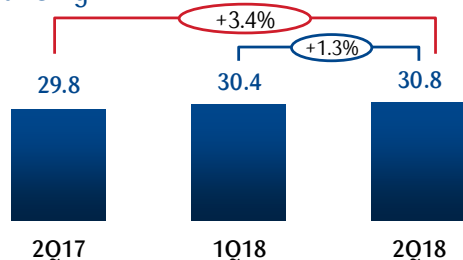
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### Enterprise banking (SME) loans and leasing

New sales  
[PLN bn]



Volume outstanding<sup>(1)</sup>  
[PLN bn]



<sup>(1)</sup> Data adjusted for the effect of IFRS9 implementation



### A wide offer of leasing for entrepreneurs

- Market leader with 11.3% share in the market
- Increase in sales by 12.7% y/y to PLN 4.4 billion in 1H18



### The runner-up in "Best Bank for Farmers"

In the third edition of the "Bank Best for Farmer" ranking, PKO Bank Polski was awarded second place in the category Bank Offer. The farmers appreciated the deposit, transaction and loan offer prepared by the Bank.



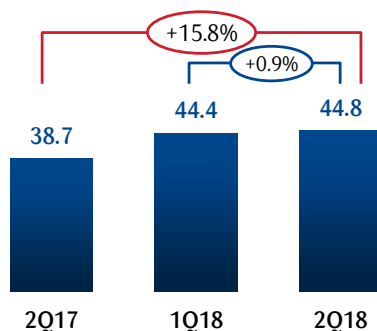
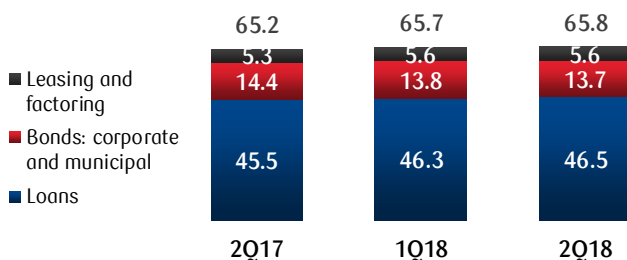
### Market leader in lending with BGK *de minimis* guarantees

PKO Bank Polski grants loans to entrepreneurs with a BGK *de minimis* guarantee. In 2018, the Bank achieved a 20.1% market share, keeping the sales leader position each year. In total, the Bank granted loans with guarantees for approx. PLN 10.1 billion.

# Corporate segment: deposit growth, stable client financing



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Deposits  
[PLN bn]Gross client  
financing<sup>(1)</sup>  
[PLN bn]

## PKO Bank Polski leads a consortium of banks financing Azoty Group

A consortium of banks signed a contract with Azoty Group, increasing the loan amount from PLN 1.5 billion to PLN 3 billion. The share of PKO Bank Polski is PLN 1.05 billion. The loan will enable Azoty Group to implement the strategy and investment program.



## Malopolska voivodship is a new client of PKO BP

PKO Bank Polski has signed a contract for service in the years 2018-2023 of the budget of the Malopolska voivodship. The Bank strengthened its position as the undisputed leader in services for local government units; it services already 9 out of 16 voivodships and most voivodship capital cities.



## Another good quarter for PKO Securities

PKO Securities carried out transactions worth over PLN 7 billion on the primary and secondary stock market and in the corporate bond issues (BGŻ BNP Paribas, PKN ORLEN, and Echo Investment).

<sup>(1)</sup> Data adjusted for the effect of IFRS9 implementation



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# Financial results

3/4



The revenue improvement mainly thanks to  
a solid increase in net interest income

High cost efficiency (C/I at 45.3%)

Cost of risk (0.67%) below strategically defined level

Capital ratios above dividend requirements  
for 25% net profit payout

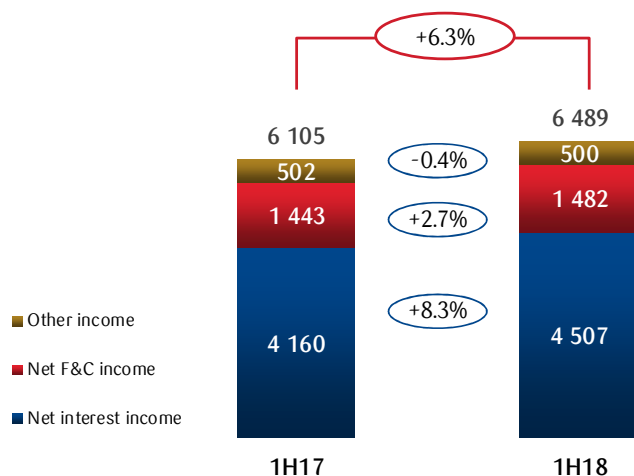
## FINANCIAL RESULTS

The revenue improvement mainly thanks to a solid increase in net interest income

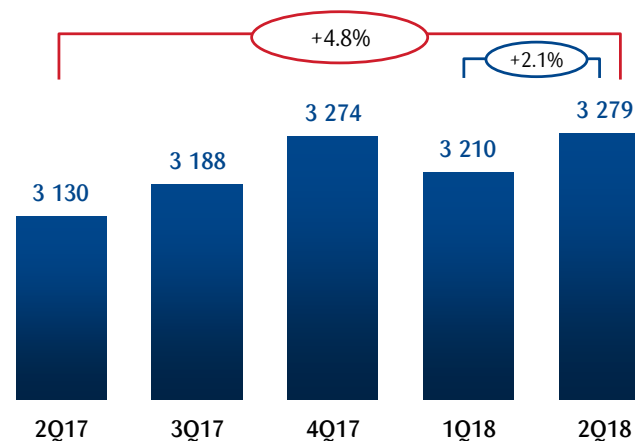


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Result on business activity  
[PLN mn]



Quarterly result on business activity  
[PLN mn]



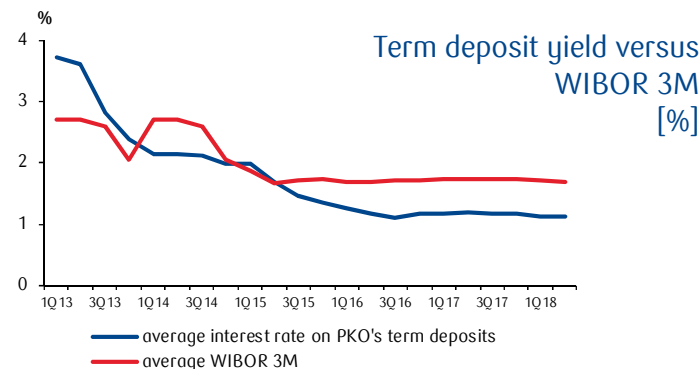
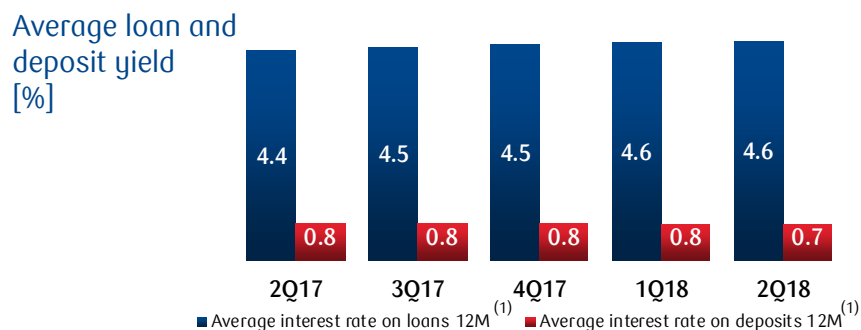
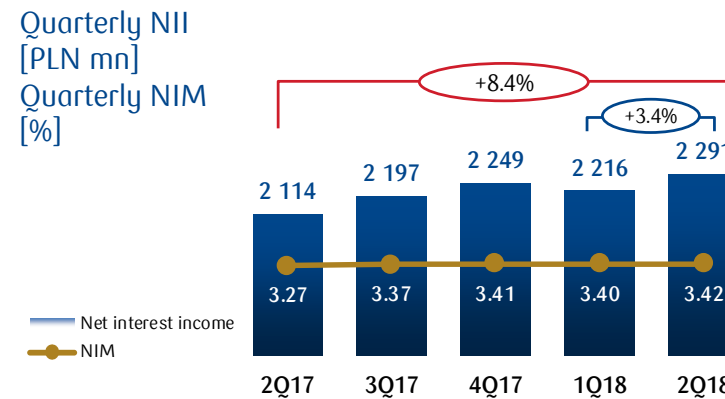
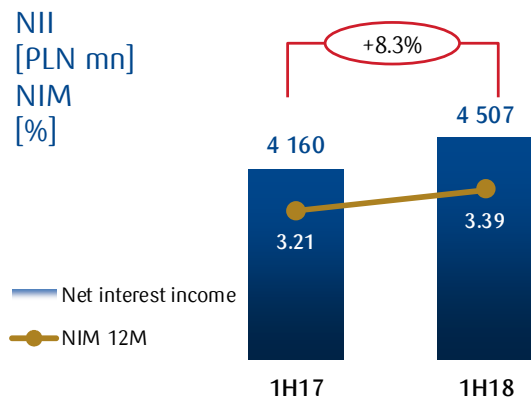
The highest ever quarterly result on business activity.  
Increase in revenues despite stable, record low NBP interest rates.

## FINANCIAL RESULTS

# Strong growth in NII



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



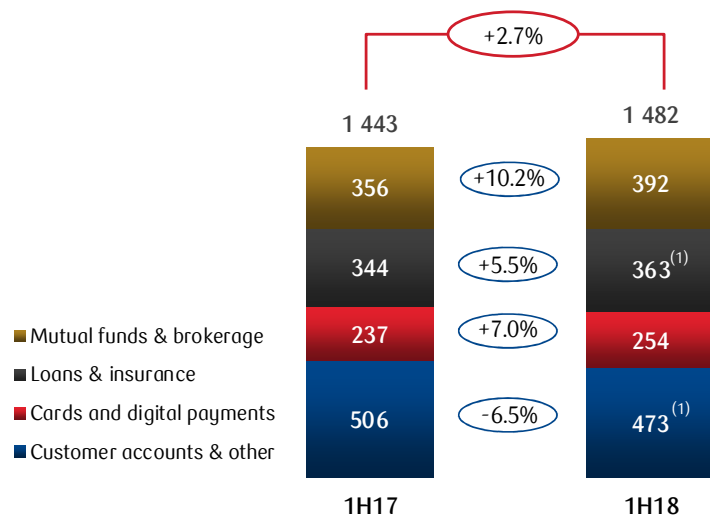
## FINANCIAL RESULTS

# Higher net fee and commission result

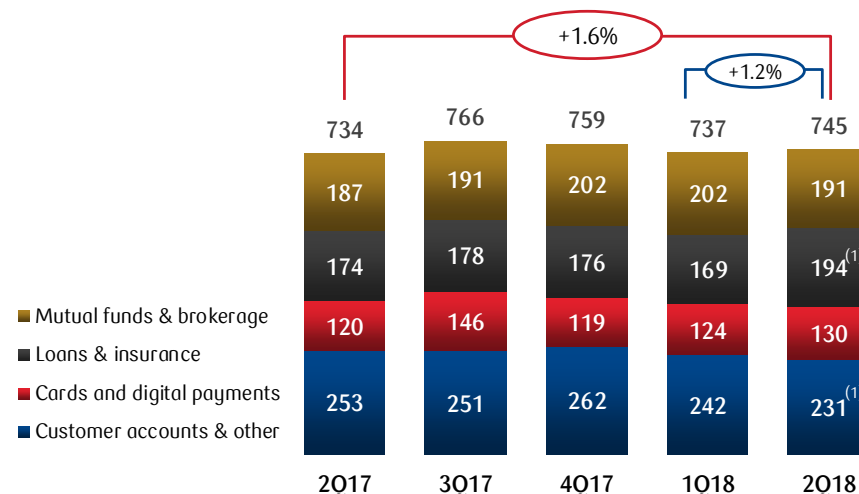


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Net F&C  
[PLN mn]



Quarterly net F&C  
[PLN mn]



- Dynamic growth of card and digital payments revenues, mutual fund and brokerage fees, loans and insurance
- Stabilization of F&C from customer accounts & other in 2Q18 q/q<sup>(1)</sup>

<sup>(1)</sup> Reclassification of factoring fees (PLN (-)10 million in 2Q18 q/q and in 1H18 y/y) from accounts & other to loans

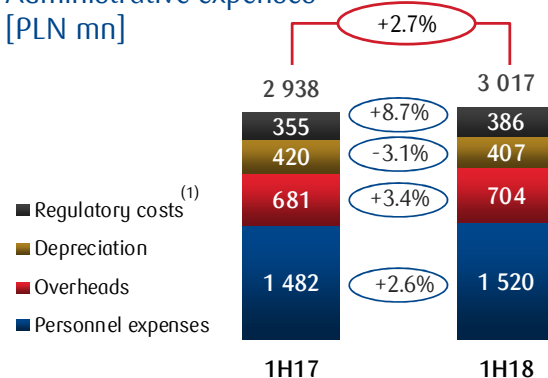
## FINANCIAL RESULTS

# High cost efficiency (C/I at 45.3%)

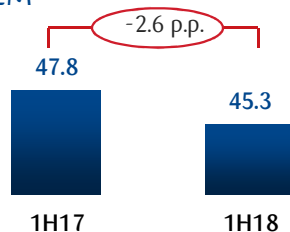


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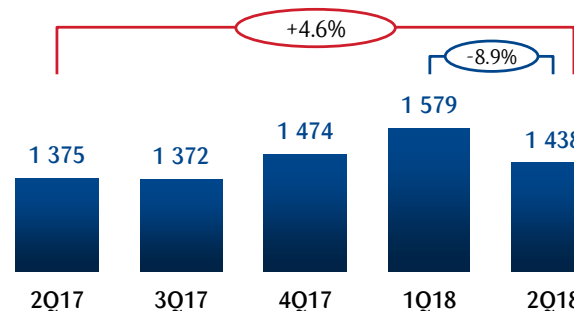
Administrative expenses  
[PLN mn]



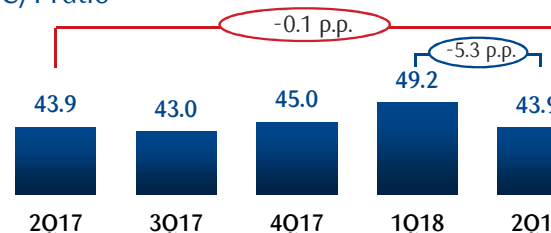
Cost / Income 12M  
[%]



Quarterly administrative expenses  
[PLN mn]



Quarterly C/I ratio  
[%]



- Overheads influenced by higher marketing costs (+ PLN 30 mn y / y) and postal services (PLN 16 mn)
- Regulatory costs under the influence of higher costs of interest tax on foreign bonds
- Significant C/I improvement on an annual basis thanks to a higher result on business activity.

<sup>(1)</sup> Banking Guarantee Fund, FSA, levies and administrative charges

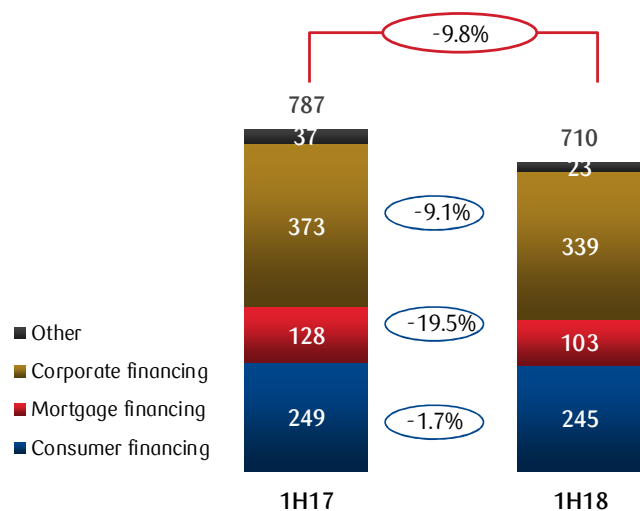
## FINANCIAL RESULTS

# Cost of risk (0.67%) below strategically defined level

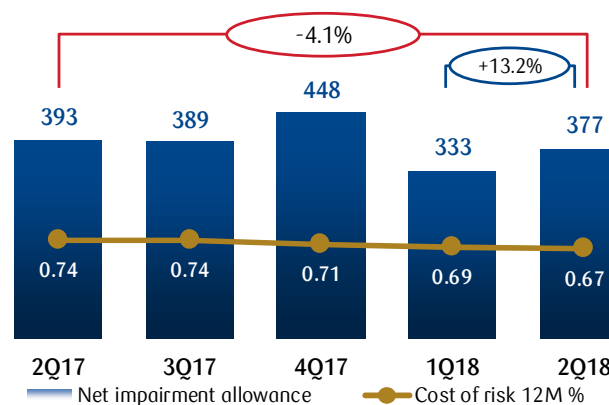


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Net impairment allowance  
[PLN mn]



Quarterly net impairment allowance  
[PLN mn]



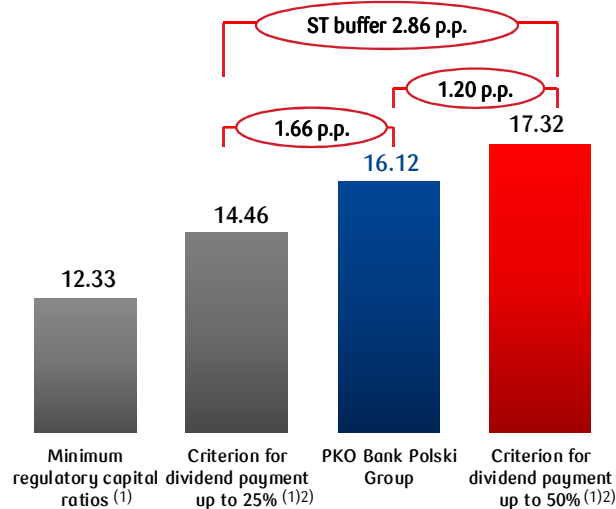
## FINANCIAL RESULTS

# Capital ratios above dividend requirements for 25% net profit payout

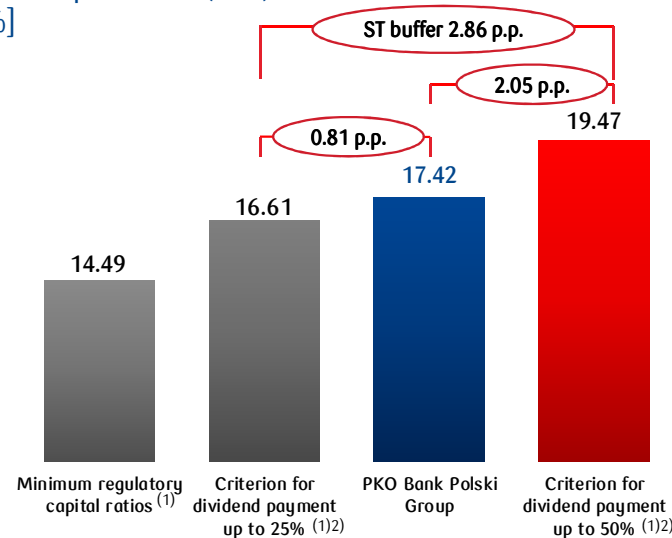


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Capital requirements (Tier 1)  
[%]



Total capital ratio (TCR)  
[%]



The application of the preferential risk weight for PLN mortgage loans will increase the consolidated capital ratios by around 1.0 p.p.

<sup>(1)</sup> Regulatory minima / criteria for dividend payment include the O-SII buffer increased from 0.75% to 1.00% from July 31, 2018.

<sup>(2)</sup> 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 (15.66% - 2Q18; +0.26 p.p. q/q; -1.87 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 (45.41% - 2Q18; -0.08 p.p. q/q; +2.66 p.p. y/y) - adjustment by -30 p.p. (for >20% share if K1>5%).



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Table leader  
after 1<sup>st</sup> half



Net profit: PLN 1.69 bn (+22% y/y) in 1H18



PKO Bank Polski - the official partner of the Ekstraklasa football league



EKSTRAKLASA





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## Supplementary information, including macroeconomic backdrop

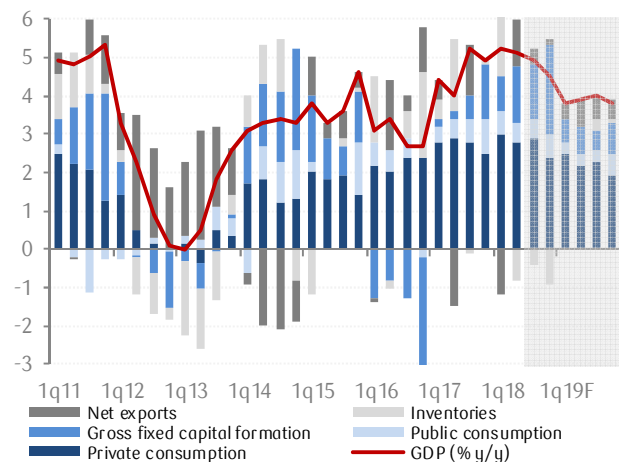
# MACROECONOMIC BACKDROP

## Sustainable economic boom

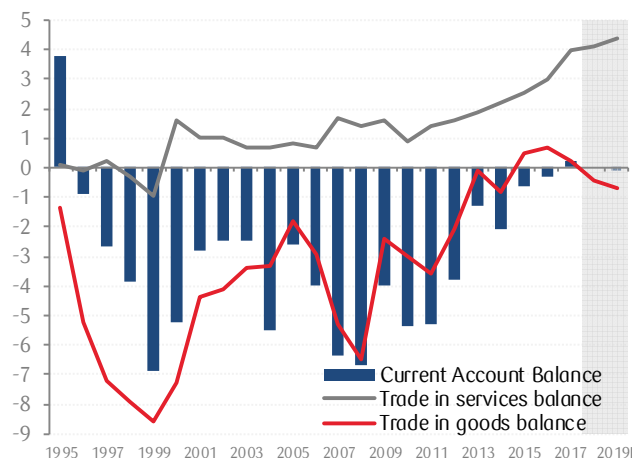


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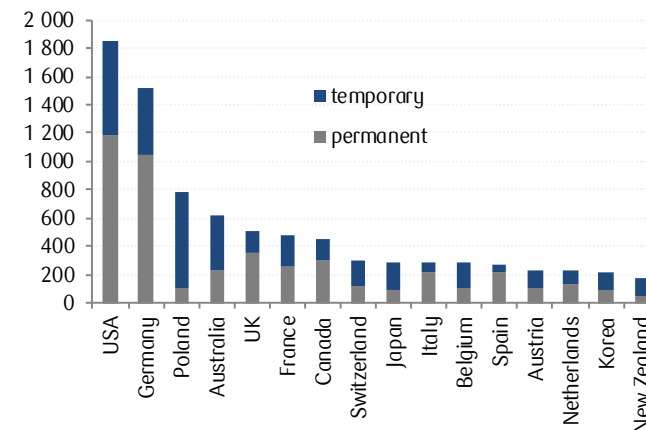
GDP growth breakdown\* [pp]



Current account and its main components^ [% of GDP]



Inflow of foreign workers in 2016 [thousands]



\* Based on flash GDP estimate for 2q18 (data not available for all EU countries) with GDP breakdown according to PKO Bank Polski forecasts

- Poland's GDP growth in 2q18 was 5.1% y/y, the highest in the European Union. This was driven mostly by domestic demand with stable private consumption growth (nearly 5% y/y) and strengthening fixed investment growth (to nearly 10% y/y).
- The above-potential GDP growth does not lead to build-up of macroeconomic imbalances. Due to large inflow of foreign workers, unit labour costs growth remains moderate, which enables to keep low inflation and balanced current account of the balance of payments.
- Improving balance of payments position is conducive to reduction in external debt in relation to GDP (the lowest level in 8 years).
- Fiscal deficit after 1q18 was at all-time low of 1.2% of GDP, translating into continued downward trend in public debt to GDP ratio.

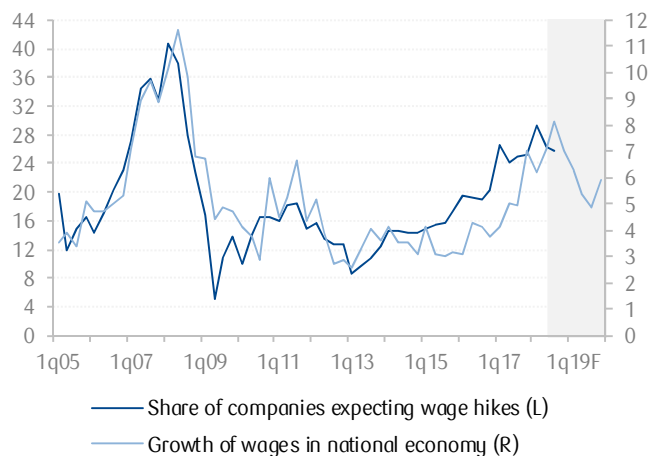
# MACROECONOMIC BACKDROP

## Stable interest rates

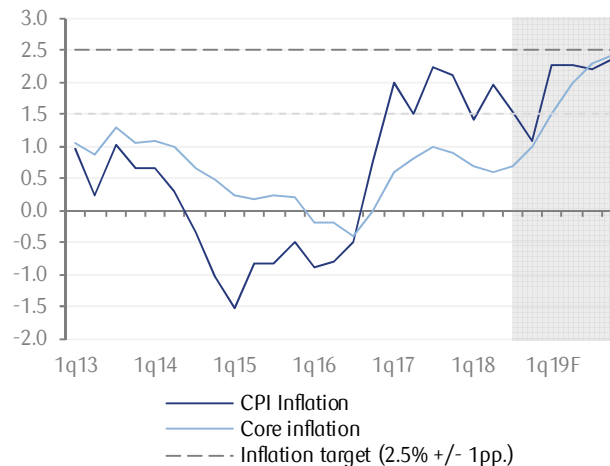


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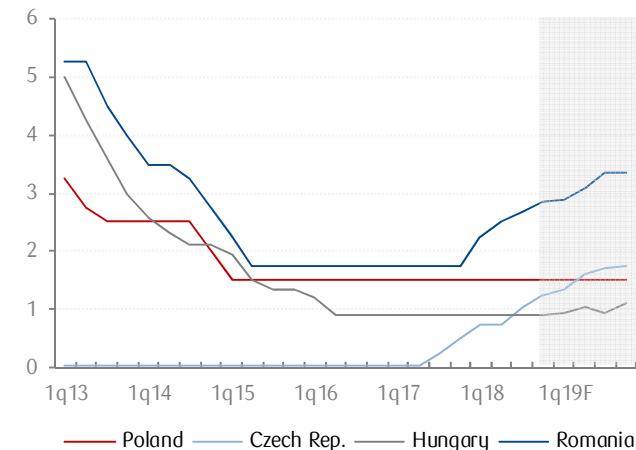
Wage pressure measures [% of firms, % y/y]



Inflation measures [% y/y]



Key policy rates in CEE region\* [%]



\* For Poland – PKO Bank Polski forecasts; for other countries – Bloomberg consensus

- Survey data indicate that importance of labour force constraints as a development barrier for enterprises has waned and wage pressure has eased somewhat. This suggests that actual wage growth should not accelerate further in the coming quarters.
- Rise in labour costs, strong domestic demand growth (larger positive output gap) and PLN depreciation should lead to acceleration in core inflation in the coming quarters. However, in the remainder of 2018 it will be offset by high base effects for food and fuel prices. Thus, with the next 12-18 months CPI inflation will remain below the central bank's target, but with considerably changed breakdown.
- Limited risk of further strengthening of labour market tensions, benign inflation outlook, balanced current account and improvement in fiscal stance are arguments for stabilization of NBP interest rates, against the background of upward trend in key policy rates in CEE region (rate hikes in Czech Republic and Romania in reaction to macroeconomic imbalances).

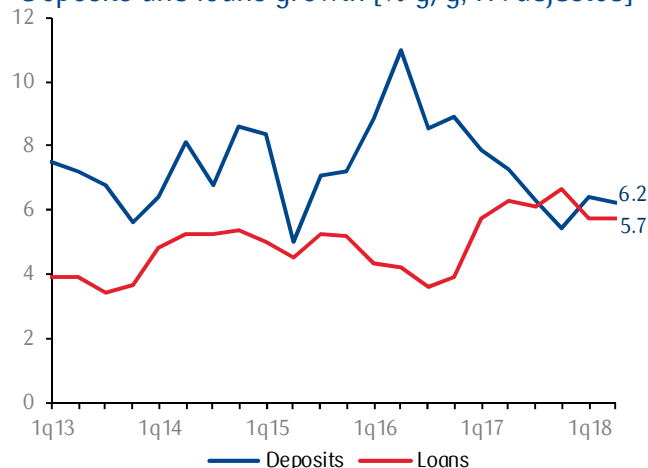


## Deposits, loans and mutual funds: moderate volumes growth

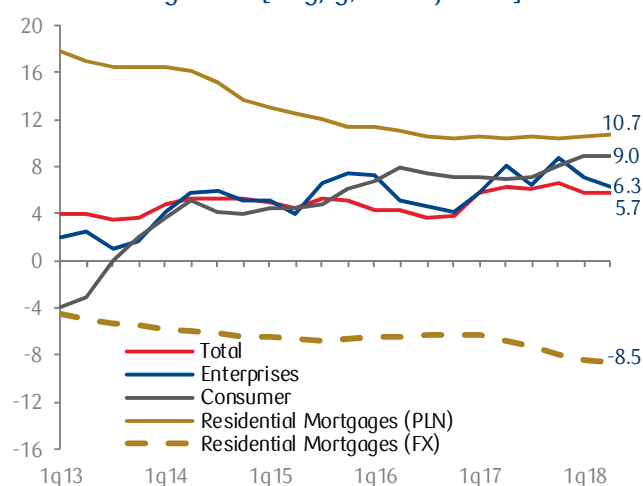


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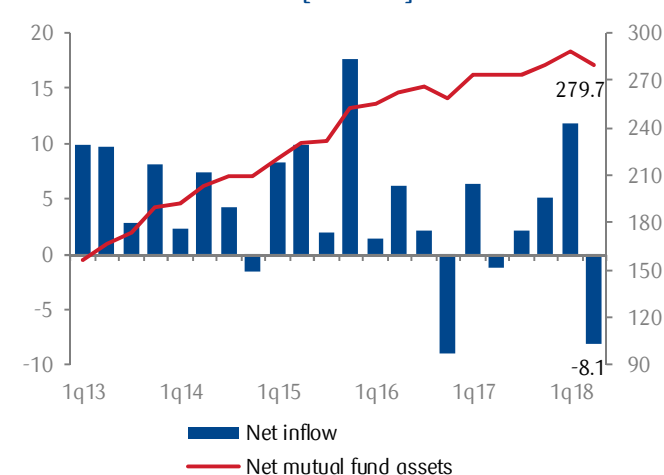
Deposits and loans growth [% y/y, FX adjusted]



Loans growth [% y/y, FX adjusted]



Mutual funds assets [PLN bn]



- Robust economic growth translated into acceleration in corporate deposits growth and higher risk aversion positively affected households deposits growth, but overall deposits growth was constrained by weaker growth in public sector deposits amid stronger investment activity in the public sector.
- Low interest rates and improving financial situation of households support demand for consumer and mortgage loans.
- Stronger investment activity is potentially positive for corporates demand for loans, but own funds remain the key source of funding corporate investments in Poland.
- 2q18 was the first quarter in a year that saw a drop in assets inflow to mutual funds, as global trade tensions increased risk aversion.

# MACROECONOMIC BACKDROP

## Macroeconomic forecasts



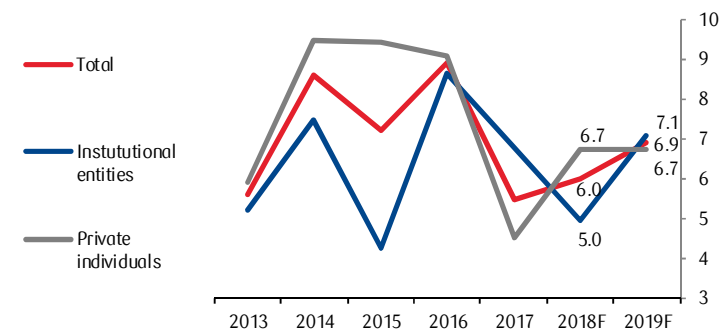
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		2014	2015	2016	2017	2018F	2019F
GDP	% y/y	3.3	3.8	3.0	4.6	5.0	3.9
Consumption	% y/y	2.6	3.0	3.9	4.8	4.8	3.8
Investments	% y/y	10.0	6.1	-8.2	3.4	8.9	3.6
Fiscal deficit <sup>1)</sup>	% GDP	-3.6	-2.6	-2.3	-1.7	-1.5	-2.0
Public debt <sup>1)</sup>	% GDP	50.3	51.1	54.2	50.6	50.7	49.8
CPI inflation	%	0.0	-0.9	-0.6	2.0	1.6	2.2
LFS unemployment rate	%	8.1	6.9	5.5	4.5	3.9	3.8
NBP reference rate	% eop	2.00	1.50	1.50	1.50	1.50	1.50
WIBOR 3M	% eop	2.06	1.73	1.73	1.72	1.70	1.70
EURPLN	PLN eop	4.26	4.26	4.42	4.17	4.40	4.40
USDPLN	PLN eop	3.51	3.90	4.18	3.48	3.86	3.89

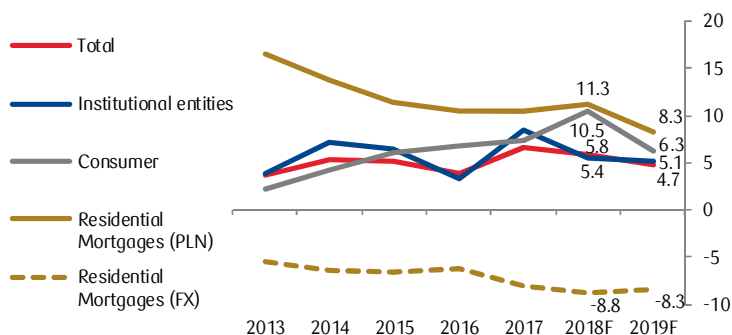
Source: Statistics Poland, Ministry of Finance, National Bank of Poland, PKO Bank Polski forecasts

1) In ESA2010 terms

### Deposits growth [%, FX adjusted]



### Loans growth [%, FX adjusted]



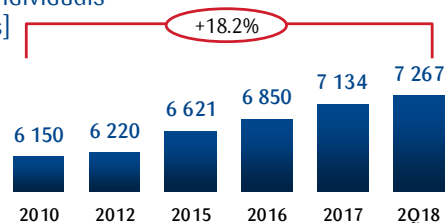
## SUPPLEMENTARY INFORMATION

# PKO Bank Polski - undisputed leader of the Polish banking sector

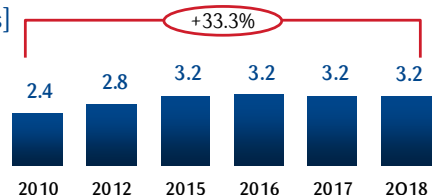


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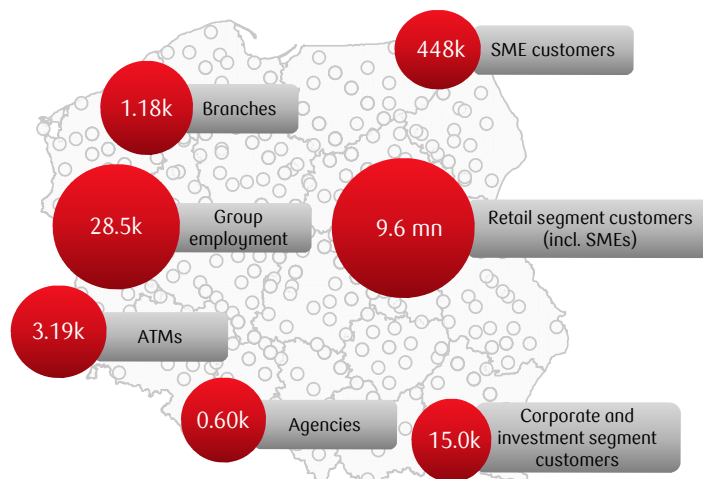
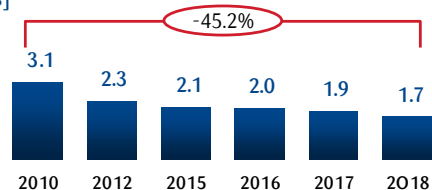
Number of current accounts of individuals [ths]



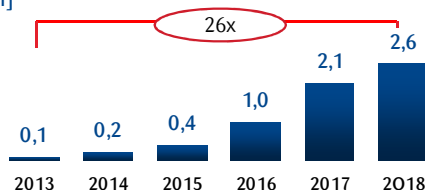
Number of ATMs [ths]



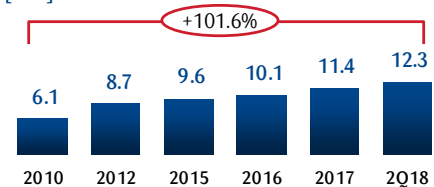
Number of retail agencies and branches [ths]



Mobile apps [mn]



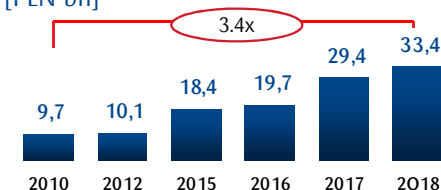
Number of corporate customers with access to e-banking [ths]



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



Investment Funds – AuM [PLN bn]



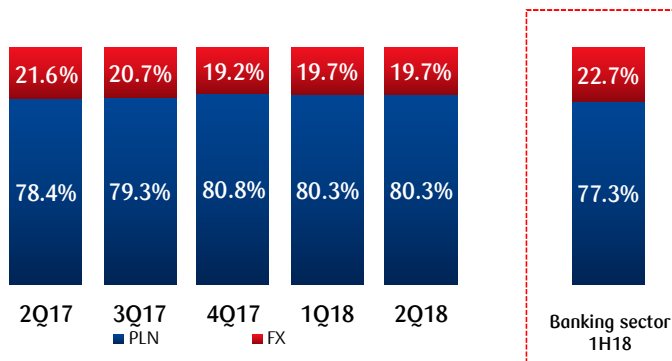
## SUPPLEMENTARY INFORMATION

# Improving structure of loans and deposits while maintaining high liquidity

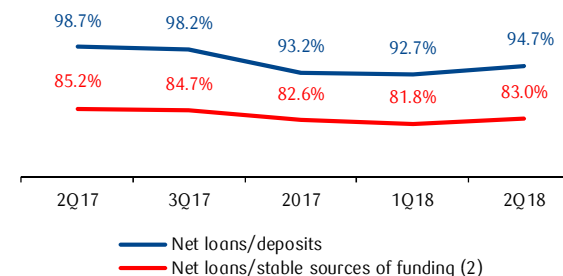
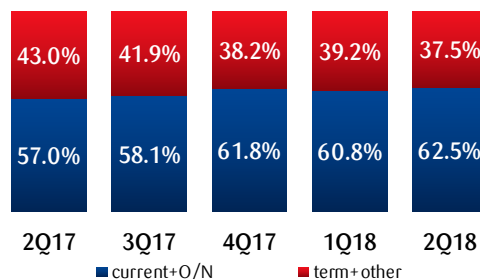


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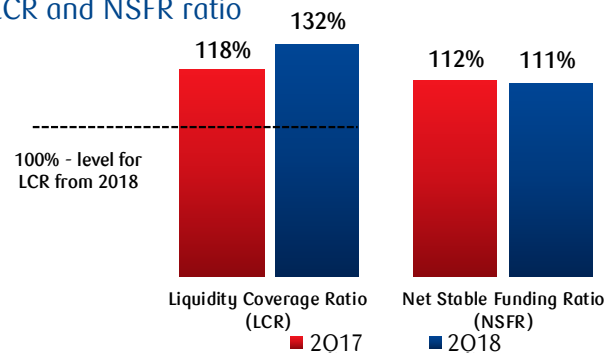
### Currency structure of gross loans portfolio



### Term structure of total deposits <sup>(1)</sup>



### LCR and NSFR ratio



(1) Amounts due to customers

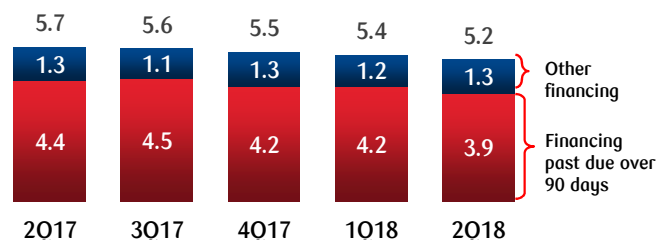
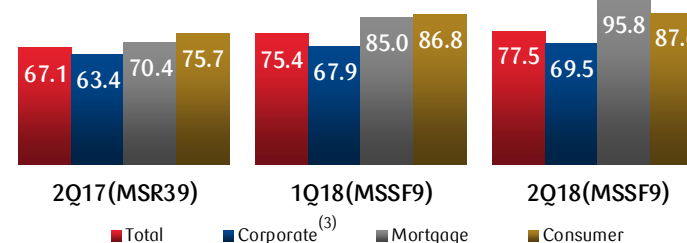
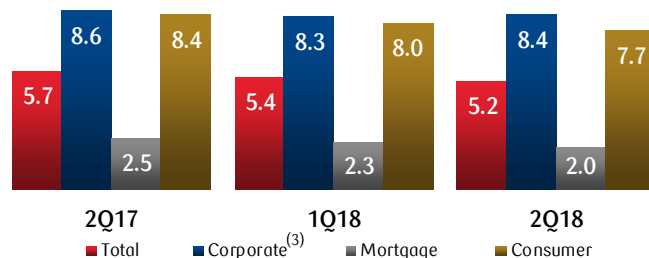
(2) Amounts due to customers and long-term external funding in the form of: covered bonds, securitization, senior unsecured bonds, subordinated debt; and amounts due to financial institutions.

## Customer financing portfolio quality – segments

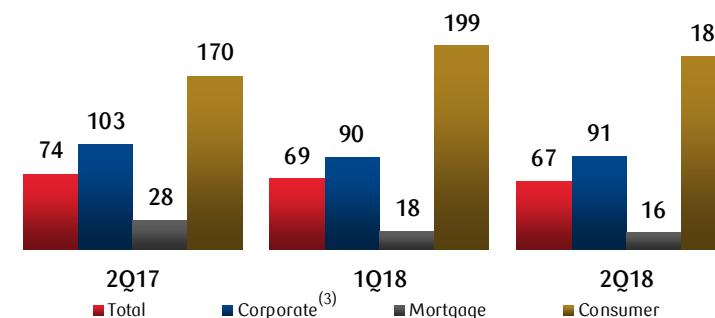


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Share of customer financing with recognized impairment [%]

Coverage of customer financing with recognised impairment by impairment allowances<sup>(2)</sup> [%]Ratio of customer financing with recognised impairment<sup>(1)</sup> [%]

Cost of risk over the last 12M [bps]



(1) Defined for the portfolio covered by exposures measured at amortized cost and loans measured at fair value through other comprehensive income less restricted interest (fully covered by impairments).

(2) Calculated by dividing the total impairments (both for exposures with and without recognized impairment) less restricted interest (fully covered by impairments) and gross exposures with a recognized impairment less restricted interest (fully covered by impairments).

(3) SME data included

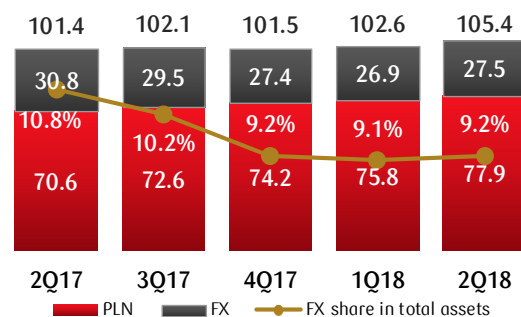
# SUPPLEMENTARY INFORMATION

## Mortgage loans

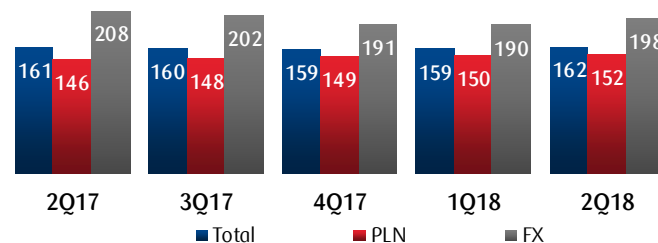


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Volume of FX mortgage loans  
[PLN bn]

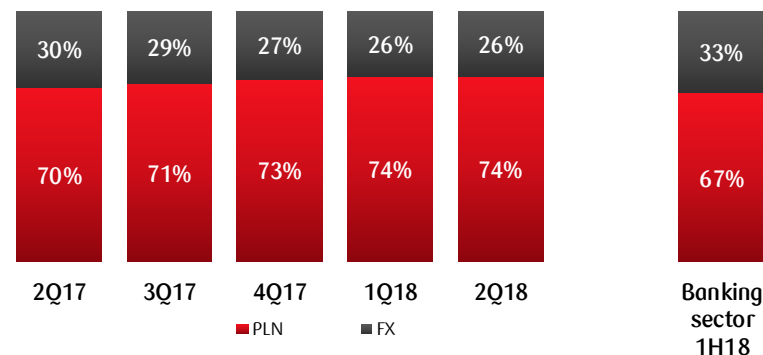


Average carrying value of mortgage loan  
[PLN ths]

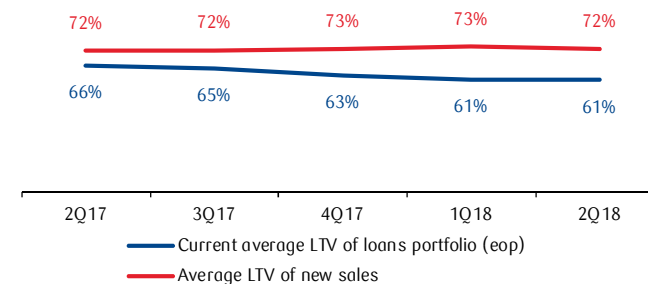


Includes data of PKO Bank Polski and PKO Mortgage Bank

Structure of mortgage loans by currency



Average LTV



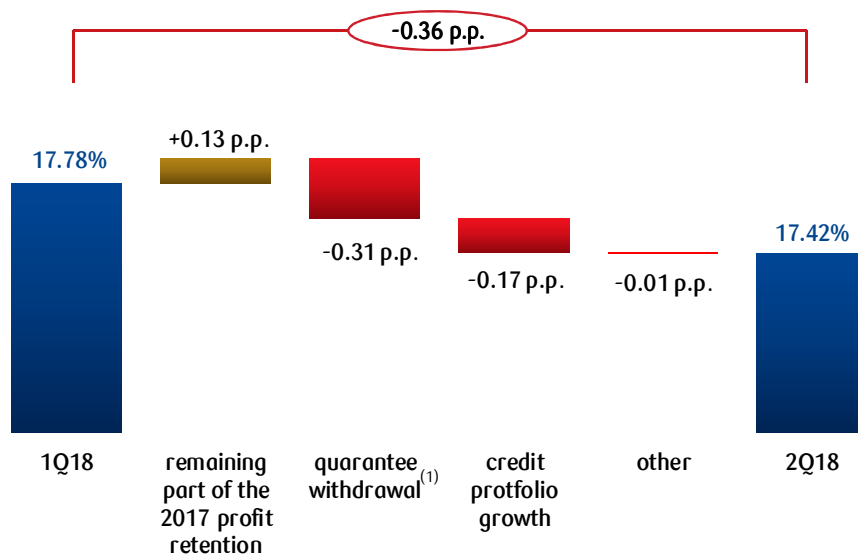
# SUPPLEMENTARY INFORMATION

## Capital adequacy

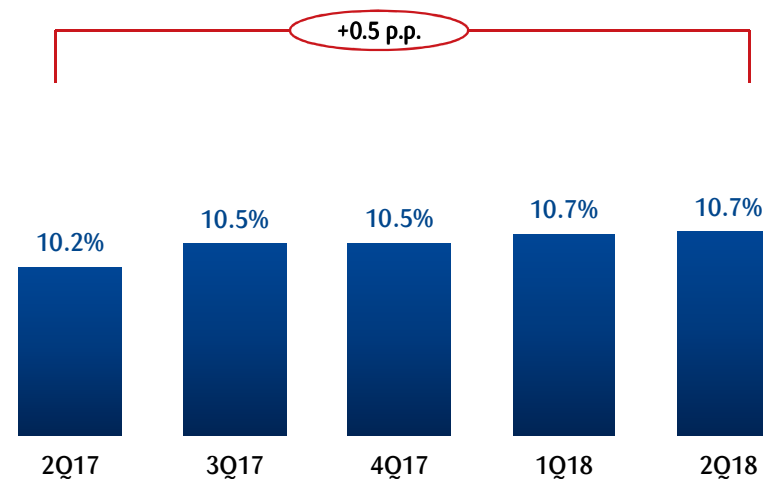


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Consolidated TCR change (q/q)



Leverage ratio



<sup>(1)</sup> Guarantee for unfunded credit protection with respect of a portfolio of selected corporate exposures of the Bank

## SUPPLEMENTARY INFORMATION

# Key financial data



Bank Polski

### Profit and loss [PLN mn]

	1H18	1H17	y/y	2Q18	1Q18	q/q
Net interest income	4 507	4 160	+8.3%	2 291	2 216	+3.4%
Net F&C income	1 482	1 443	+2.7%	745	737	+1.1%
Result on business activity	6 489	6 105	+6.3%	3 279	3 210	+2.1%
Administrative expenses	-3 017	-2 938	+2.7%	-1 438	-1 579	-8.9%
Net impairment allowance	-710	-787	-9.8%	-377	-333	+13.2%
Bank tax	-461	-464	-0.6%	-233	-228	+2.2%
Net profit	1 690	1 382	+22.3%	933	757	+23.2%

### Balance sheet [PLN bn]

Assets	298.7	286.4	+4.3%	298.7	295.1	+1.2%
Net loans	221.3	214.0	+3.4%	221.3	216.6	+2.2%
Deposits	219.2	209.2	+4.8%	219.2	218.7	+0.2%
Stable financial resources	250.1	240.1	+4.2%	250.1	247.8	+0.9%
Total equity	36.8	34.3	+7.1%	36.8	36.6	+0.6%



## SUPPLEMENTARY INFORMATION

# Key ratios



Bank Polski

		2Q18	2Q17	y/y	1Q18	q/q
Key financial ratios	ROE net	9.5	8.4	+1.1 p.p.	9.5	0.0 p.p.
	ROE net excl. banking tax	12.1	11.2	+0.9 p.p.	12.1	0.0 p.p.
	ROA net	1.2	1.0	+0.2 p.p.	1.1	+0.1 p.p.
	ROA net excl. banking tax	1.5	1.3	+0.2 p.p.	1.5	0.0 p.p.
	C/I	45.3	47.8	-2.5 p.p.	45.3	0.0 p.p.
	NIM <sup>1)</sup>	3.39	3.21	+0.18 p.p.	3.36	+0.04 p.p.
Loan portfolio quality	NPL ratio <sup>2)</sup>	5.2	5.7	-0.5 p.p.	5.4	-0.2 p.p.
	Coverage ratio <sup>3)</sup>	77.5	67.1	+10.4 p.p.	75.4	+2.1 p.p.
	Cost of risk	0.67	0.74	-6.9 bps	0.69	-1.3 bps
Capital position	TCR	17.4	16.9	+0.5 p.p.	17.8	-0.4 p.p.
	Tier 1 capital ratio	16.1	16.0	+0.1 p.p.	16.4	-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)

(2) Share of loans with recognised impairment in total gross loans

(3) Coverage of loans with recognised impairment with impairment allowances

## SUPPLEMENTARY INFORMATION

# Key operational data



Bank Polski

PKO Bank Polski operating data (eop)	2Q17	3Q17	4Q17	1Q18	2Q18	y/y	q/q
Current accounts ('000)	6 978	7 063	7 134	7 189	7 267	+4.1%	+1.1%
Banking cards ('000)	8 089	8 233	8 340	8 462	8 651	+7.0%	+2.2%
of which: credit cards	859	866	875	885	902	+5.0%	+2.0%
Active mobile banking applications IKO ('000)	1 459	1 708	2 120	2 356	2 592	+77.6%	+10.0%
Branches:	1 221	1 208	1 192	1 184	1 176	-3.7%	-0.7%
- retail	1 180	1 167	1 151	1 143	1 135	-3.8%	-0.7%
- corporate	41	41	41	41	41	0.0%	0.0%
Agencies	790	769	745	712	600	-24.1%	-15.7%
ATMs	3 213	3 208	3 190	3 179	3 185	-0.9%	+0.2%
Employment eop (FTEs '000) Group	28.6	28.4	28.4	28.6	28.5	-0.1%	-0.2%

- Bank increased the number of current accounts by 289 thousand y/y
- The number of active IKO applications has almost doubled

# SUPPLEMENTARY INFORMATION

## Profit and loss account of the PKO Bank Polski Group



Bank Polski

Profit and loss account (PLN million)	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18/2Q17	2Q18/1Q18
<b>Net interest income</b>	<b>2 114</b>	<b>2 197</b>	<b>2 249</b>	<b>2 216</b>	<b>2 291</b>	<b>+8.4%</b>	<b>+3.4%</b>
<b>Net fee and commission income</b>	<b>733</b>	<b>766</b>	<b>760</b>	<b>737</b>	<b>745</b>	<b>+1.6%</b>	<b>+1.1%</b>
<b>Other income</b>	<b>283</b>	<b>225</b>	<b>265</b>	<b>257</b>	<b>243</b>	<b>-14.1%</b>	<b>-5.4%</b>
Dividend income	11	1	-	-	11	0.0%	x
Net income from financial instruments designated at fair value	(6)	(2)	(3)	17	(2)	-66.7%	x
Gains less losses from investment securities	(4)	16	29	-	-	x	x
Net foreign exchange gains	107	101	128	104	143	+33.6%	+37.5%
Gains/(losses) on derecognition on financial assets and liabilities	-	-	-	37	57	x	+54.1%
Net other operating income and expense	175	109	111	99	34	-80.6%	-65.7%
<b>Total income items</b>	<b>3 130</b>	<b>3 188</b>	<b>3 274</b>	<b>3 210</b>	<b>3 279</b>	<b>+4.8%</b>	<b>+2.1%</b>
Net impairment allowance and write-offs	(393)	(389)	(448)	(333)	(377)	-4.1%	+13.2%
Administrative expenses	(1 375)	(1 372)	(1 474)	(1 579)	(1 438)	+4.6%	-8.9%
Tax on certain financial institutions	(231)	(234)	(234)	(228)	(233)	+0.9%	+2.2%
Share in net profit (losses) of associates and jointly controlled entities	6	9	2	6	8	+33.3%	+33.3%
<b>Profit before income tax</b>	<b>1 137</b>	<b>1 202</b>	<b>1 120</b>	<b>1 076</b>	<b>1 239</b>	<b>+9.0%</b>	<b>+15.1%</b>
Income tax expense	(279)	(300)	(299)	(320)	(306)	+9.7%	-4.4%
Net profit attributable to non-controlling shareholders	1	-	1	(1)	-	x	x
<b>Net profit attributable to the parent company</b>	<b>857</b>	<b>902</b>	<b>820</b>	<b>757</b>	<b>933</b>	<b>+8.9%</b>	<b>+23.2%</b>

# SUPPLEMENTARY INFORMATION

## Balance sheet of the PKO Bank Polski Group



Bank Polski

Assets (PLN billion)	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18/2Q17	2Q18/1Q18
Cash and balances with the Central Bank	13.6	16.9	17.8	16.3	10.0	-26.9%	-38.7%
Amounts due from other banks	3.3	3.7	5.2	3.8	5.0	+48.9%	+32.1%
Derivative instruments	2.1	2.6	2.6	2.3	2.7	+27.4%	+17.7%
Securities	41.4	40.7	44.4	44.0	47.5	+14.6%	+7.9%
Loans and advances to customers	214.0	214.6	215.3	216.6	221.3	+3.4%	+2.2%
Tangible fixed assets	3.0	3.0	2.9	2.9	2.8	-6.5%	-2.2%
Other assets	8.8	8.6	8.7	9.3	9.4	+6.9%	+1.8%
<b>TOTAL ASSETS</b>	<b>286.4</b>	<b>290.0</b>	<b>296.9</b>	<b>295.1</b>	<b>298.7</b>	<b>+4.3%</b>	<b>+1.2%</b>
Liabilities and equity (PLN billion)	2Q17	3Q17	4Q17	1Q18	2Q18	2Q18/2Q17	2Q18/1Q18
Amounts due to the central bank and due to banks	16.7	11.1	4.6	1.9	2.1	-87.5%	+12.0%
Derivative financial instruments	3.0	2.6	2.7	2.2	2.6	-14.6%	+15.6%
Amounts due to customers	209.2	211.6	220.6	218.7	219.2	+4.8%	+0.2%
Liabilities of insurance activities	1.0	1.1	1.2	1.3	1.4	+32.5%	+10.0%
Subordinated liabilities and debt securities in issue	17.9	23.7	25.7	29.0	30.8	+72.4%	+6.3%
Other liabilities	4.2	4.5	5.9	5.5	5.8	+39.5%	+6.0%
Total equity	34.3	35.3	36.3	36.6	36.8	+7.1%	+0.6%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>286.4</b>	<b>290.0</b>	<b>296.9</b>	<b>295.1</b>	<b>298.7</b>	<b>+4.3%</b>	<b>+1.2%</b>

# SUPPLEMENTARY INFORMATION

## Shares and rating

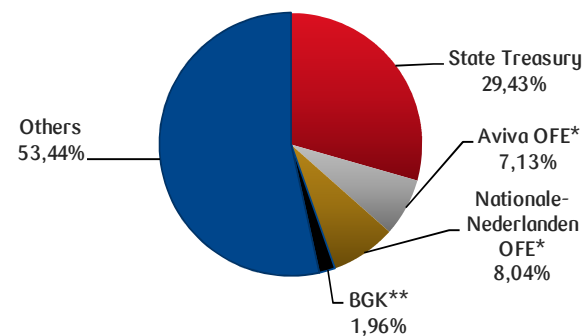


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### Basic information on shares

<b>Listed:</b>	Warsaw Stock Exchange since 10.11.2004.
<b>Indices:</b>	WIG, WIG20, WIG30, WIG Banki
<b>ISIN:</b>	PLPKO0000016
<b>Bloomberg:</b>	PKO PW
<b>Reuters:</b>	PKOB WA

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



\* As published in the semiannual information on the assets structure of the Aviva and Nationale Nederlanden funds  
 \*\* From 26 August 2015 Bank Gospodarstwa Krajowego holds 24,487,297 shares constituting 1.96% of the share capital

### Rating

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

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Bank Polski

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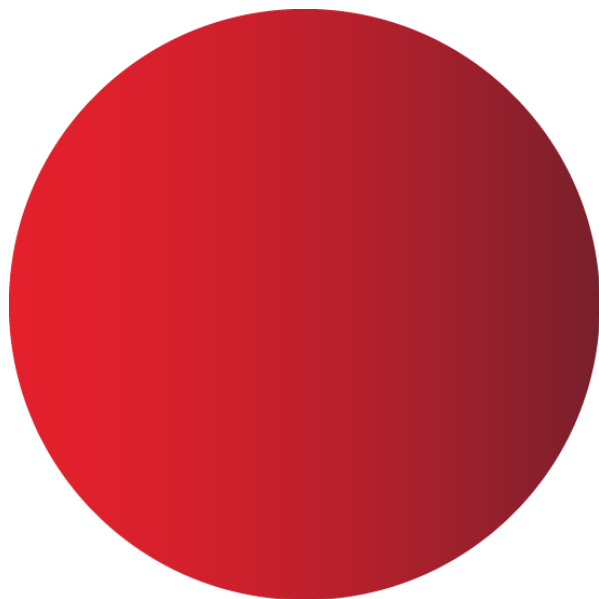
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Any differences in total balances, percentages and growth rates result from rounding the amounts to PLN million and rounding percentages to one decimal place.



Bank Polski



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[www.pkobp.pl/investors](http://www.pkobp.pl/investors)

## Investor calendar

12 November 2018	Publication of the 3Q 2018 report
11 March 2019	Publication of the 2018 annual report