



## Financial results 1Q 2019

Double-digit net profit growth despite high regulatory burden



# Key achievements in 1Q 2019



Bank Polski

- Quarterly net profit of PLN 862 mn +13.9% y/y
- Further strong increase in the scale of operations: assets of PLN 326 bn
- Dividend payment: 49.8% of the stand-alone profit from 2018
- Continuation of comprehensive Digital Transformation program

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



- A gentle path of the economic growth normalization
- 2% fiscal impulse balanced by budget inflows (record-high consumer sentiment)
- CPI inflation in an upward trend
- Increased charges to the Banking Guarantee Fund



# Key achievements



## KEY ACHIEVEMENTS

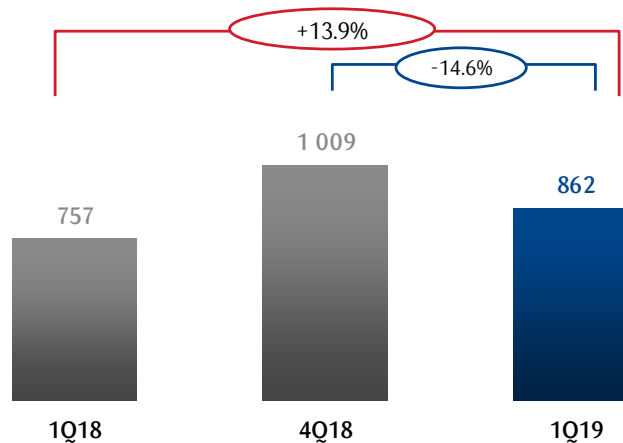
# Quarterly profit at the level of PLN 862 million



Bank Polski



Quarterly  
net profit  
[PLN mn]



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Double-digit net profit growth despite significantly higher regulatory costs

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## KEY ACHIEVEMENTS

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



	2017	2018	1Q19	...	2020
ROE <sup>(1)</sup>	9.0%	10.0%	10.1%		>10% ✓
C/I	46.0%	44.2%	44.1%		<45% ✓
COST OF RISK	0.71%	0.59%	0.57%		0.75%-0.85% ✓
EQUITY	TCR: 17.4%	TCR: 18.9%	TCR: 18.4%		Dividend capability ✓
	Tier1: 16.5%	Tier1: 17.5%	Tier1: 17.0%		

The update of the strategic financial goals will be announced in the second half of the year

<sup>(1)</sup> Return on equity reduced by intangible assets (ROTE) 11.0% in 1Q 19, +0.6 p.p y/ y



## LEVERS OF DIGITAL TRANSFORMATION



## KEY ACHIEVEMENTS



Digital lending increase (share 25%)



National Cloud - PKO BP is already using cloud services to speed up software production and testing



New VAS for SME  
E-Lawyer  
E-Accountant



Service Design Team  
(4 CJ have been already launched)



Emplobot supporting recruitment process



„Corporate Innovation Awards The Heart” – for the best digital Transformation Team

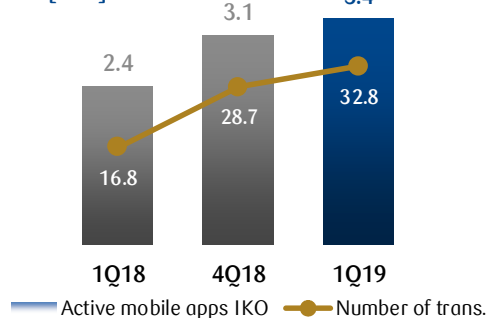


## KEY ACHIEVEMENTS

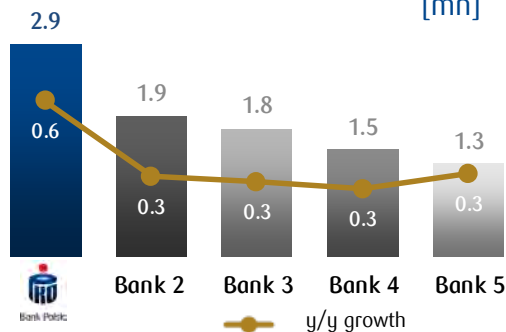
# Leader of mobile banking



Number of IKO applications and number of transactions [mn]



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



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



4.8/5 average customer rating in app stores

## NEW FUNCTIONALITIES



Mobile authorization



Credit cards sales in the IKO app



Gift card



Finishing touches on the "Talk to IKO," project (enabling the app use by voice)



„Help with us" (convenient payment on charity)

<sup>(1)</sup> Includes data of PKO Bank Polski for 1Q19, others banks according to PRNews data for 4Q18, logging in at least once a month from the level of a mobile device (mobile application, lite version or full transactional service)





Bank Polski



# Business activity



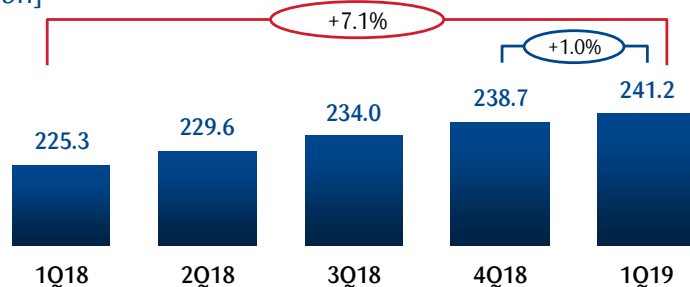
# Dynamic growth of the business scale



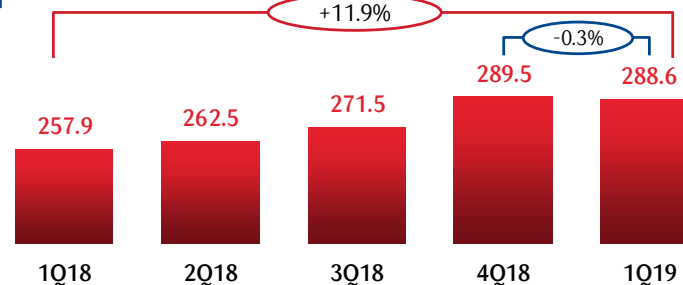
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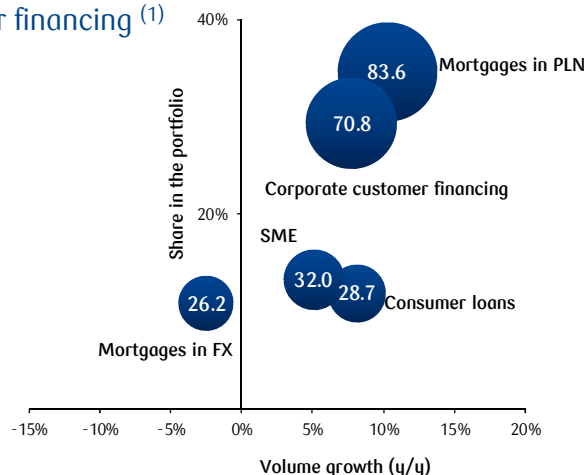
Gross customer financing <sup>(1)</sup>  
[PLN bn]



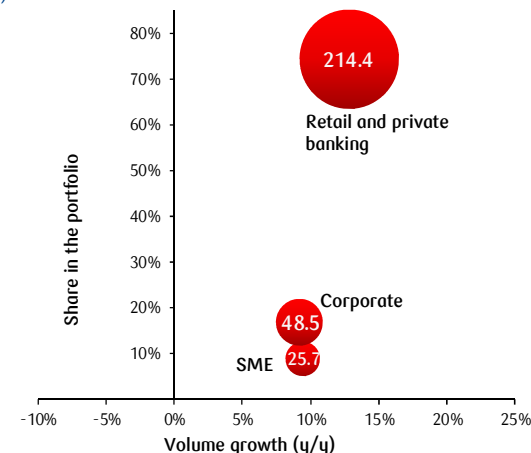
Customer savings <sup>(2)</sup>  
[PLN bn]



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 treasury bonds

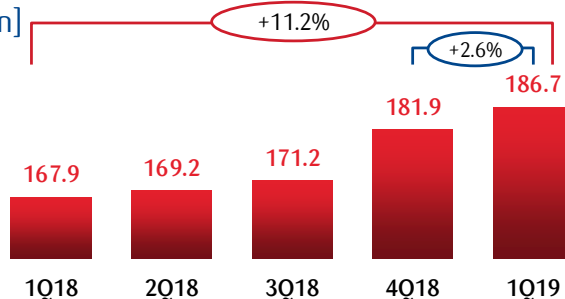


## BUSINESS ACTIVITY

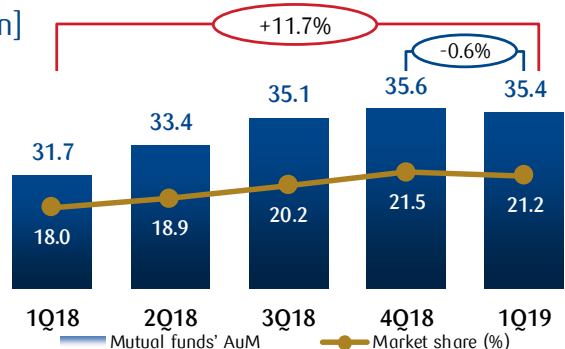
# Retail segment: PKO BP Group - leader in the retail savings market with



Deposits  
[PLN bn]



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



## Special term deposit of 100 year anniversary

The value of promotional sales of anniversary deposit with an interest rate of 1.919% per annum amounted to almost PLN 4 billion.



## Employee Pension Plans (PPK)

- In the first quarter of 2019, the PFSA registered 21 Employee Pension Programs managed by PKO TFI.
- Initially 2.67 thousand companies, employing over 1.43 million people, were interested in the PPK offer.



## Market leader with PLN 35.4 billion of assets

At the end of March, PKO TFI managed 59 investment funds and sub-funds.

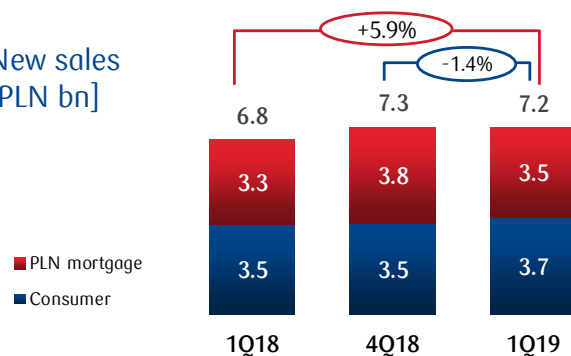
<sup>(1)</sup> Market share in non-dedicated assets.



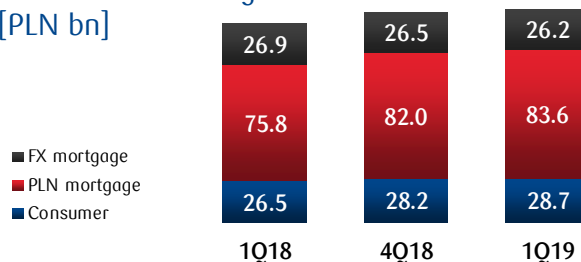
# Retail segment: high sale of loans

## Consumer and mortgage loans

New sales  
[PLN bn]



Volume outstanding  
[PLN bn]



### Attractive offer of cash loans

The new loan offer without commission with the APR is 5.11% for new cash loan clients of PKO Bank Polski.



### Energy-saving mortgage and solar panel loans

Green initiatives in 1Q19:

- Energy-efficient mortgage loans (EEM project),
- Preferential loans for the purchase of solar devices (up to 10 years, commission 0.99%, interest rate 4.99%).

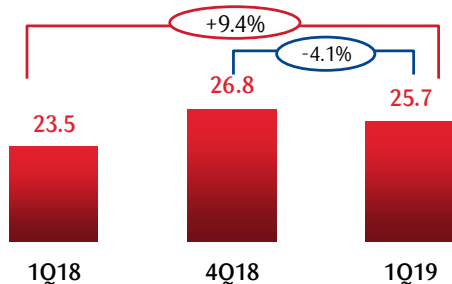


### Facilities for servicing of hearing-impaired clients in all branches and agencies of the bank

„Migam” - sign language interpreter can facilitate online conversation between a customer and a bank employee.



## Retail segment: ecosystem of additional services for SMEs

Deposits  
[PLN bn]Gross customer  
financing  
[PLN bn]

## e-Lawyer for SME customers of PKO Bank Polski

PKO e-Lawyer allows for a completely remote and comprehensive solution to the legal problem. This is another solution after e-Accounting, corporate assistant and e-Store, which will create a comprehensive ecosystem of additional services for SMEs.



## Virtual car for rent salon

New website [www.autowynajem.pkoleasing.pl](http://www.autowynajem.pkoleasing.pl) - virtual car for rent service from PKO Leasing.



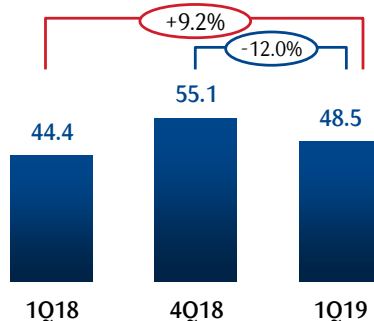
## Motor insurance

Following the PFSA consent, motor insurance products will expand the leasing offer of the PKO Bank Polski Group.

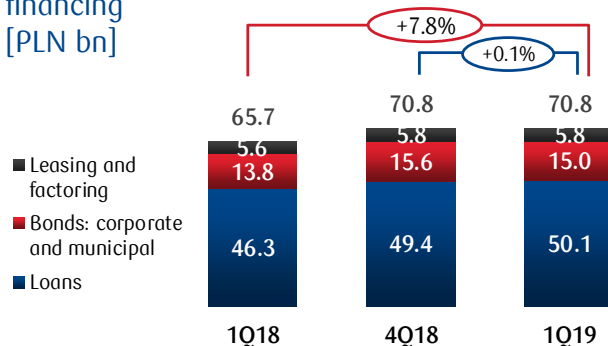


# Corporate segment: the largest corporate bank

Deposits  
[PLN bn]



Gross customer  
financing  
[PLN bn]



## The largest corporate bank

The value of financing all types of business entities exceeded PLN 100 billion, thus PKO became the largest corporate bank in the country. The advantage over the second in the bank statement is over PLN 20 billion. The offer is supplemented by the services of the PKO Securities.



## New policy for the high-carbon energy sector

Gradual change in the loan portfolio structure through gradual reduction of involvement in entities and transactions of the high-carbon segment. The new policy is in line with the Paris Agreement.



## PKO Bank Polski once again placed green government bonds on the Eurozone market

PKO together with a consortium of foreign banks, organized and placed the issue of green bonds on the Eurozone market, with a total value of EUR 2 billion.



# Financial results



FINANCIAL RESULTS  
Executive summary



Net profit PLN 862 million + 13.9% y/y

High cost efficiency (C/I decreased to 44.1%)

Cost of risk (0.57%) significantly below strategically defined level

Dividend payment 49.8% of the standalone 2018 profit

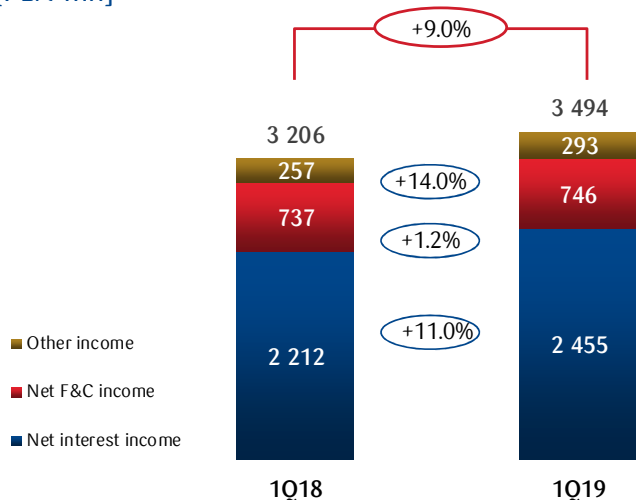


## FINANCIAL RESULTS

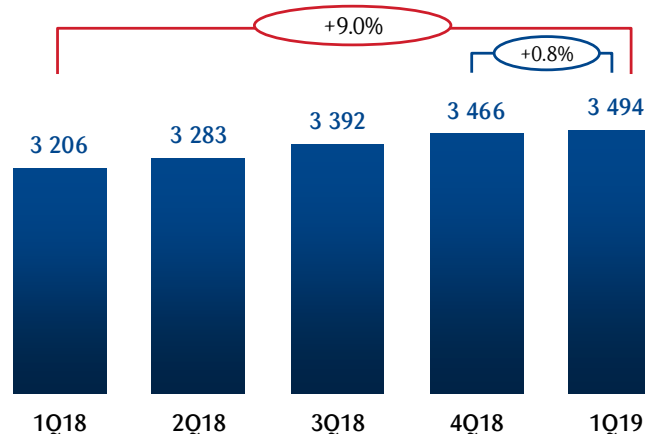
# Significant revenue improvement mainly thanks to a solid increase in net interest income



Result on business activity  
[PLN mn]



Quarterly result on business activity  
[PLN mn]



The increase in the result on banking activity mainly due to the increase in revenue from client financing



# FINANCIAL RESULTS

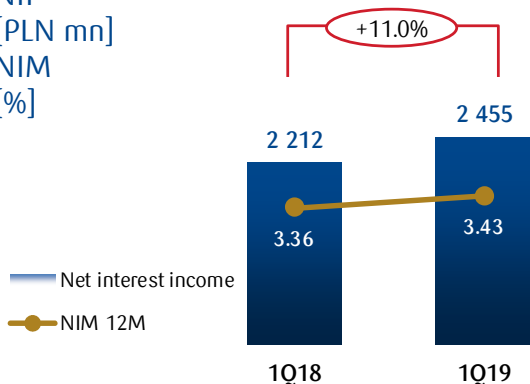
## Strong growth in NII



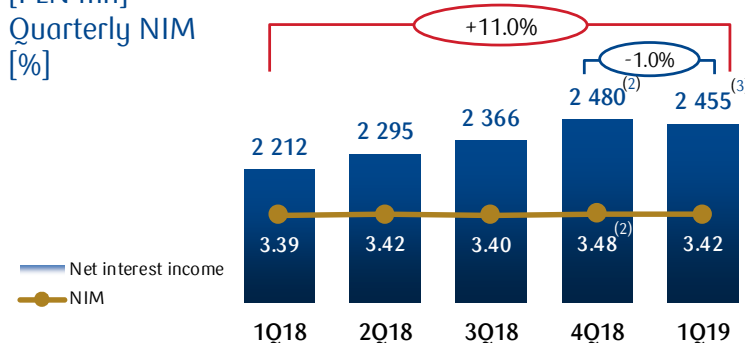
Bank Polski

100  
1919/2019

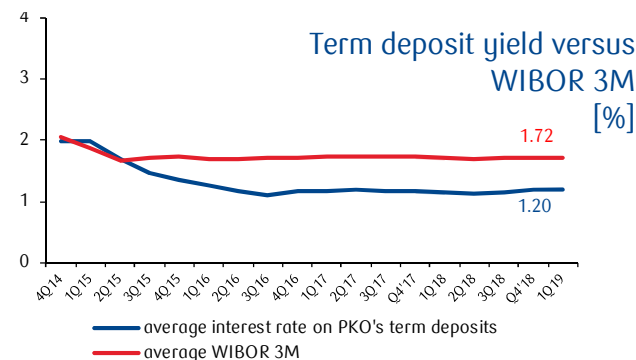
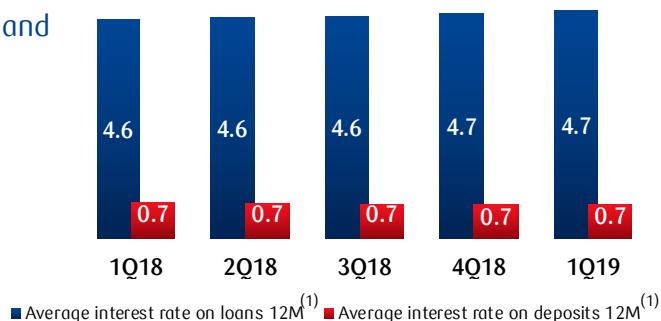
NII  
[PLN mn]  
NIM  
[%]



Quarterly NII  
[PLN mn]  
Quarterly NIM  
[%]



Average loan and  
deposit yield  
[%]



(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%

(3) The impact of the implementation of IFRS 16 in 1Q19 translated into a drop in the net interest income by PLN 5 million



## FINANCIAL RESULTS

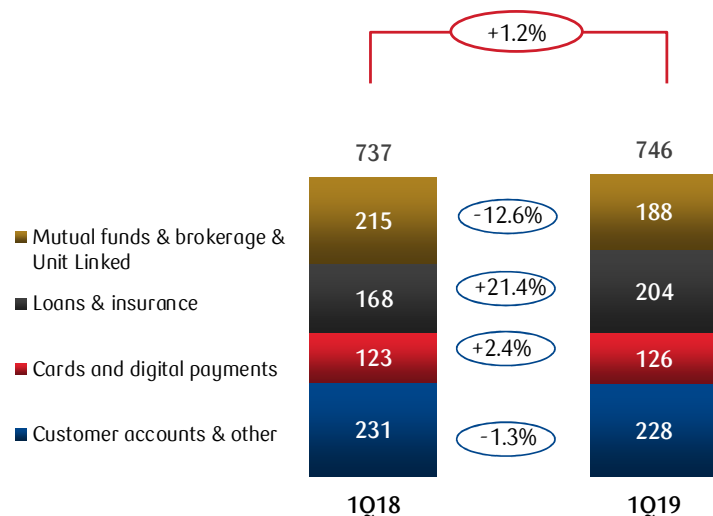
# Stable net fee and commission result



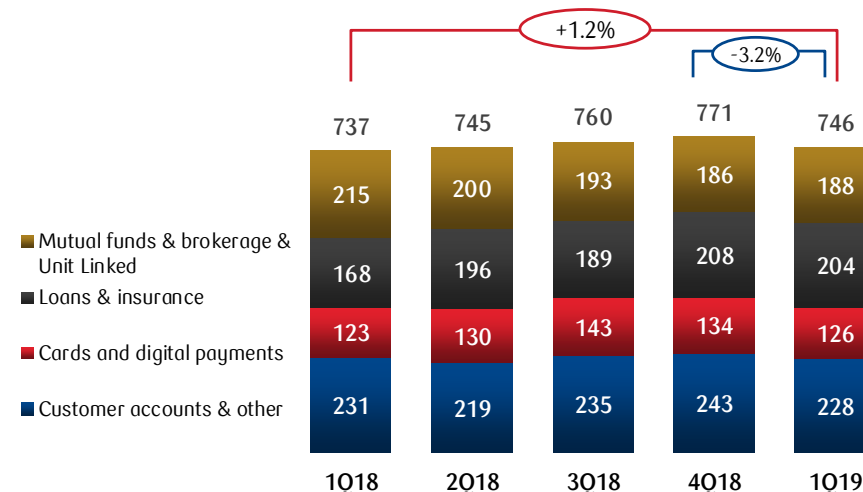
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Net F&C  
[PLN mn]



Quarterly net F&C  
[PLN mn]



- Dynamic growth of loans and insurance, including the effect of an increase in commissions on corporate loans
- Decrease in F&C from customer accounts due to the migration of customers to a cheaper offer
- A drop in commissions related to the capital market following a change asset mix and regulatory changes



## FINANCIAL RESULTS

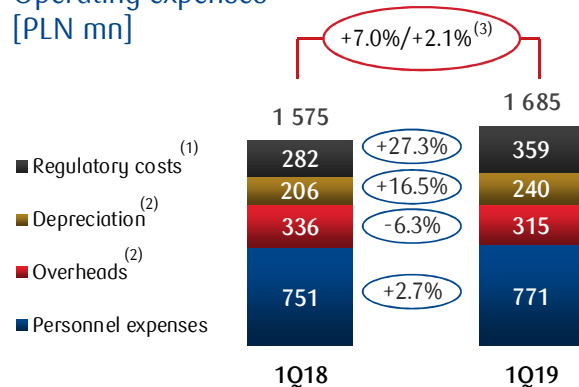
# High cost efficiency (C/I at 44.1%)



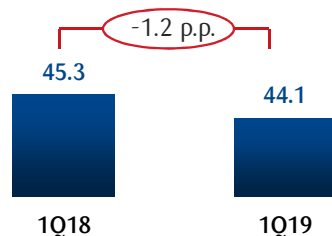
Bank Polski



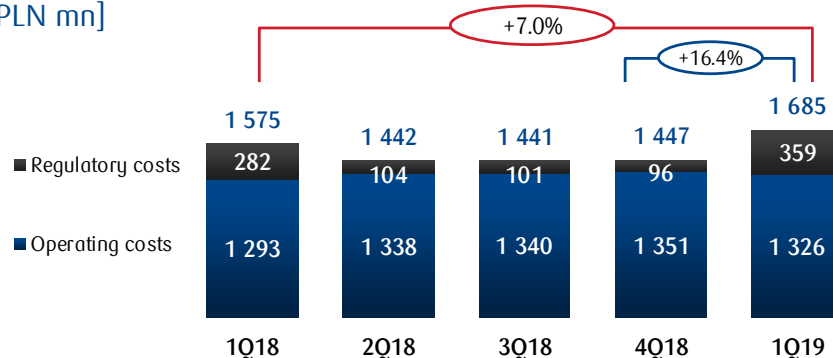
### Operating expenses [PLN mn]



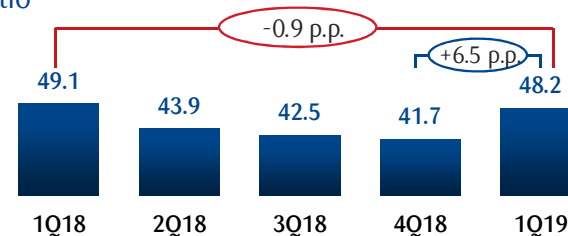
### Cost / Income 12M [%]



### Quarterly operating expenses [PLN mn]



### Quarterly C/I ratio [%]



Costs influenced by higher costs of BFG, lower withholding tax and IFRS 16 implementation

(1) Regulatory costs includes: Banking Guarantee Fund, FSA, levies and administrative charges. Increase in BFG contributions and payments by PLN 155 million y/y (increase in the payment for the restructuring fund by PLN 181 million partly offset with a drop in the payment for the guarantee fund by PLN 26 million). Decrease in the costs of withholding tax by PLN 95 million. Growth in the fee for the PFSA by PLN 17 million.

(2) Increase in depreciation of assets under the right of use by PLN 49 million offset with a decrease in lease costs in connection with IFRS 16 by PLN 46 million.

(3) Assuming no changes in regulatory costs, operating costs would increase by 2.1%.



## FINANCIAL RESULTS

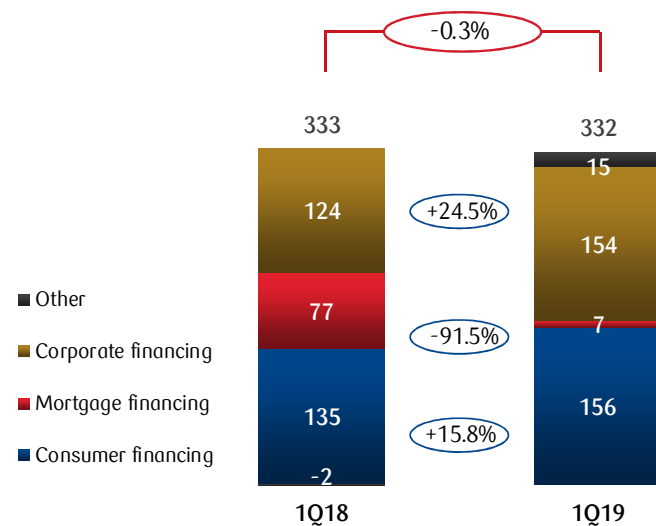
# Cost of risk (0.57%) below strategically defined level



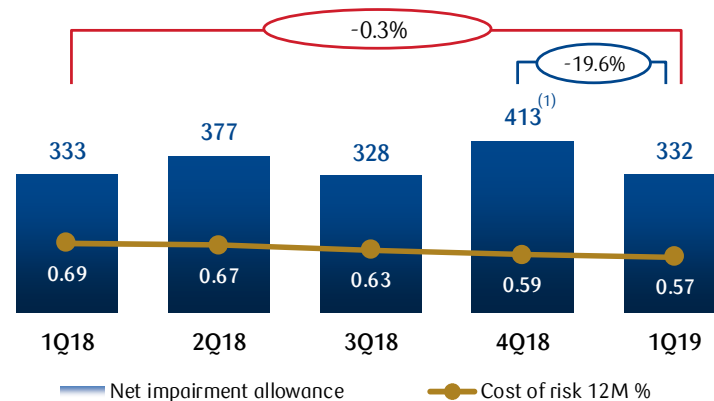
Bank Polski



Net impairment allowance  
[PLN mn]



Quarterly net impairment allowance  
[PLN mn]



<sup>(1)</sup> 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).

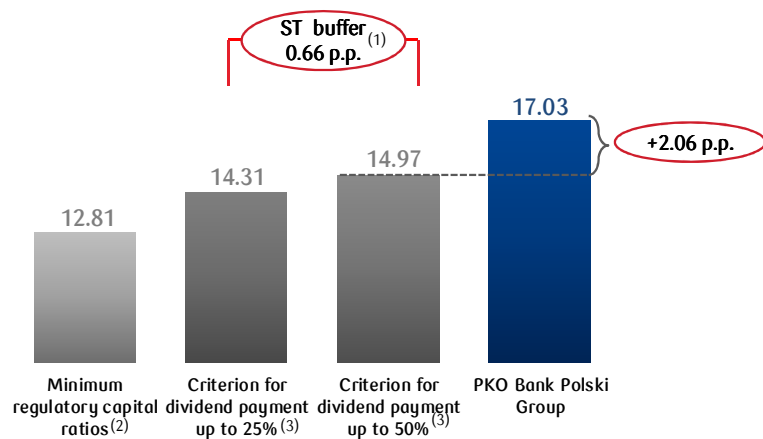


## FINANCIAL RESULTS

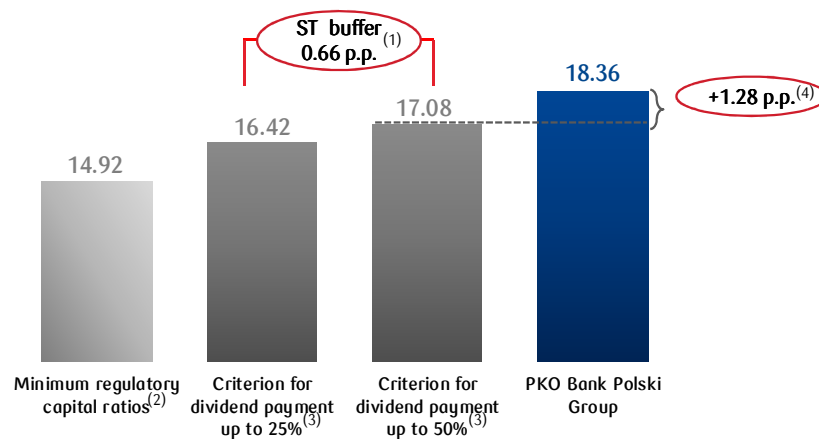
Dividend payment: 49.8% of the stand-alone profit from 2018 (PLN 1.33 per share)



Capital requirements (Tier 1)  
[%]



Total capital ratio (TCR)  
[%]



Retaining PLN 1.67 billion of undistributed profit offers the dividend flexibility in the following years

(1) Polish FSA's additional buffer for the Bank's sensitivity to the adverse macroeconomic scenario amounted to 0.66 p.p. in comparison to 2.86 p.p. previously.

(2) Tier 1: 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 (1Q19: 14.60 %; -0.25 p.p. q/q; -0.80 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 (1Q19: 45.56 %; +0,18 p.p. q/q; +0.28 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 2.6 bn).



Double-digit net  
profit growth  
despite high  
regulatory  
burden

Further improvement of strategic financial ratios



Net profit of PLN 862 million + 13.9% y/y



More dividend flexibility in the following years thanks  
to PLN 1.67 bn of undistributed profit from 2018





Bank Polski



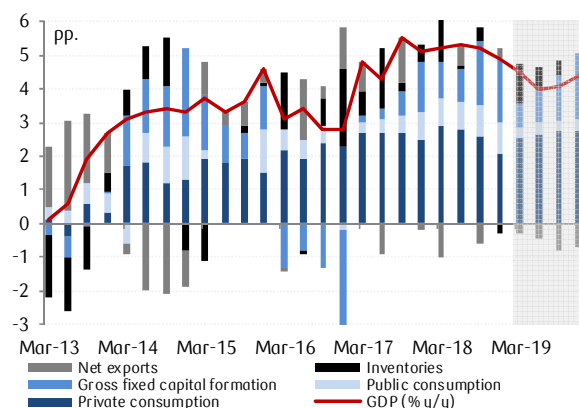
## Supplementary information, including macroeconomic backdrop



# MACROECONOMIC BACKDROP

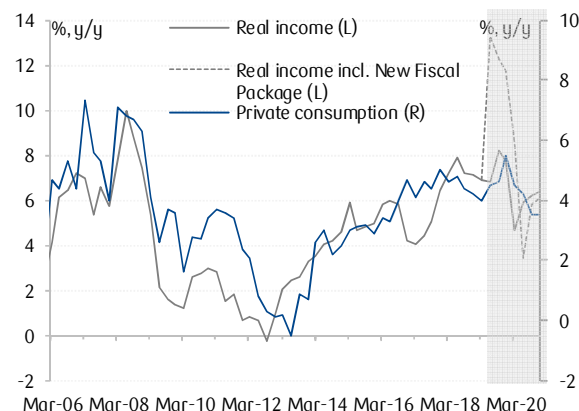
## Poland resistant to slowdown abroad

### GDP growth breakdown



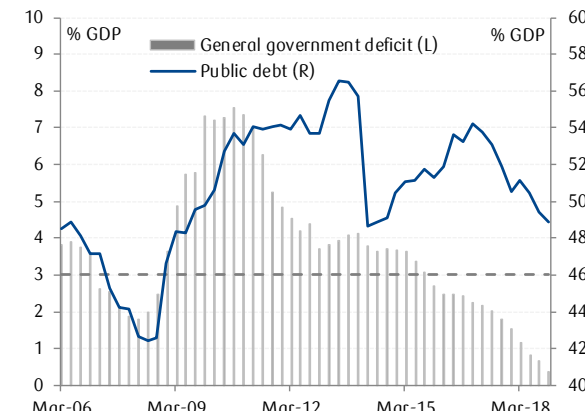
Source: GUS, PKO Bank Polski

### Households incomes and consumption



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

### Key fiscal indicators (ESA 2010)



Source: Eurostat, PKO Bank Polski

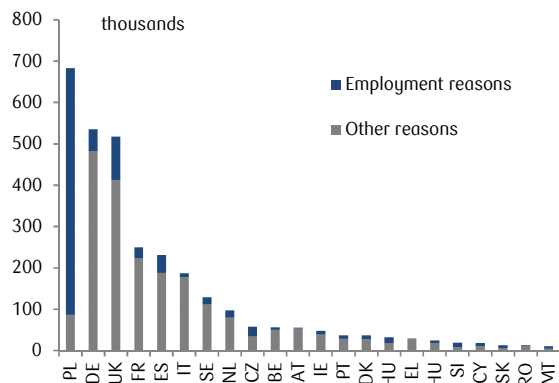
- **Poland has been resistant to global economic slowdown.** Industrial output growth accelerated in 1q19 and relatively strong performance of export-oriented sectors shows that domestic producers are able to gain market share in foreign markets. In addition to export resistance to weakening global growth, Poland's GDP growth is stabilized by robust private consumption, which is driven by continued labour market boom, strong consumer sentiment and the prospect of new social transfers.
- **Booming labour market and the new fiscal package will boost households disposable income.** Accelerating incomes should maintain private consumption growth above 4.0% y/y until at least early 2020.
- **Significant improvement in Poland's fiscal position (all-time low general government deficit in 2018)** created room to stabilize economic growth with fiscal stimulus. Given the planned sources of funding the new fiscal package (measures aimed at further improvement in tax and social security contributions collection), the stimulus does not carry the risk of breaking fiscal rules. Rating agencies share such a view, as indicated by recent credit rating updates by Moody's, Fitch and S&P.



# MACROECONOMIC BACKDROP

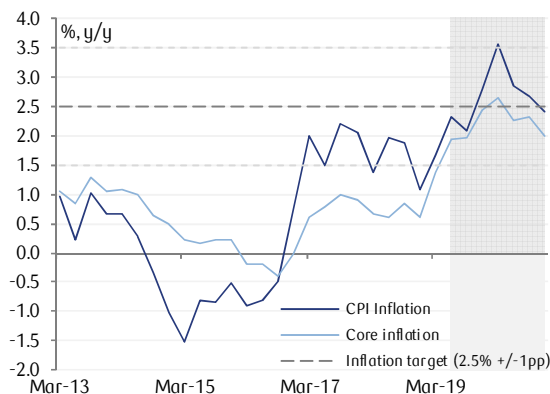
## Inflation up, interest rates stable

Inflow non-EU migrants in 2017



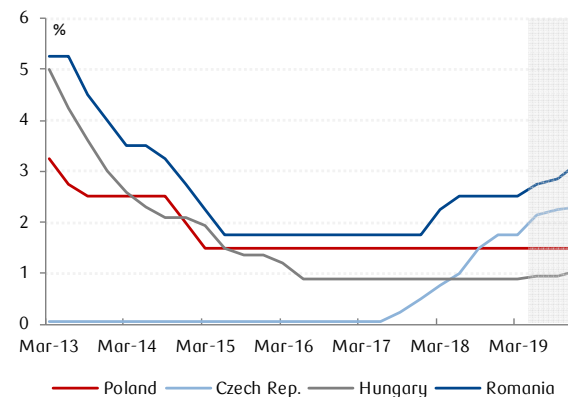
Source: Eurostat, PKO Bank Polski

Inflation measures



Source: GUS, NBP, PKO Bank Polski

Key interest rates in the CEE region



Source: NBP, Reuters Datastream, PKO Bank Polski

- A significant inflow of foreign workers alleviates tensions on the domestic labour market and positively affects public finances. As wage growth in Poland is weaker than in other countries in the region, external competitiveness of Polish companies improves.
- CPI inflation has entered an upward trend, both due to exogenous factors (food prices higher than the seasonal pattern, rising oil prices) and rising core inflation. Widening of the positive output gap and cost pressure point to a rise in the CPI inflation above the target by the end of 2019.
- The MPC has altered rhetoric regarding interest rate prospects. Although NBP governor still stresses that stabilization of interest rates by the end of 2020 is the most likely scenario, there are already six members of the Council who do not exclude an interest rate hike. This shows that the balance of risk for the most probable path of rates (no change) is skewed towards a hike.



# MACROECONOMIC BACKDROP

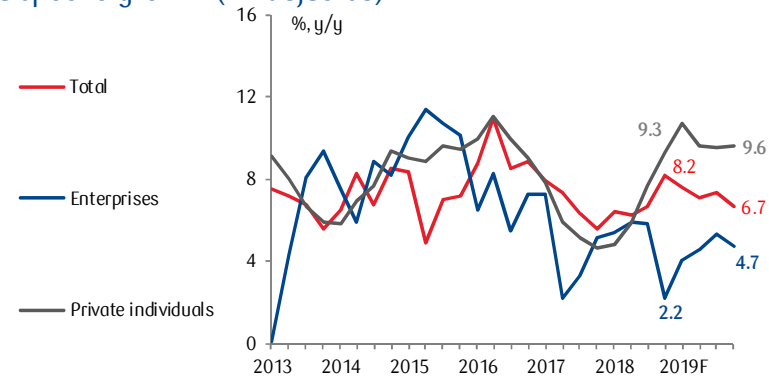
## Macroeconomic forecasts

		2014	2015	2016	2017	2018F	2019F	2020F
GDP	% y/y	3.3	3.8	3.1	4.9	5.1	4.2	3.6
Consumption	% y/y	2.6	3.0	3.9	4.5	4.5	4.6	3.9
Investments	% y/y	10.0	6.1	-8.2	4.0	8.7	7.1	2.3
Fiscal deficit <sup>1)</sup>	% GDP	-3.7	-2.7	-2.2	-1.5	-0.4	-1.5	-1.4
Public debt <sup>1)</sup>	% GDP	50.4	51.3	54.2	50.6	48.9	47.7	46.5
CPI inflation	%	0.0	-0.9	-0.6	2.0	1.6	2.0	2.9
LFS unemployment rate	%	9.0	7.5	6.2	4.9	3.8	3.6	3.7
NBP reference rate	% eop	2.00	1.50	1.50	1.50	1.50	1.50	1.50
WIBOR 3M	% eop	2.06	1.73	1.73	1.72	1.72	1.70	1.70
EUR/PLN	PLN eop	4.26	4.26	4.42	4.17	4.30	4.35	4.45
USD/PLN	PLN eop	3.51	3.90	4.18	3.48	3.76	3.92	4.16

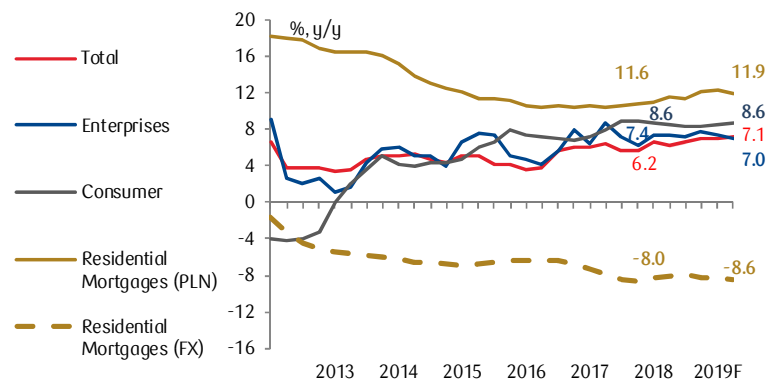
Source: Statistics Poland, Ministry of Finance, National Bank of Poland, PKO Bank Polski forecasts

1) In ESA2010 terms

### Deposits growth (FX adjusted)



### Loans growth (FX adjusted)





## SUPPLEMENTARY INFORMATION

# Key activities in 2017-2018



Bank Polski



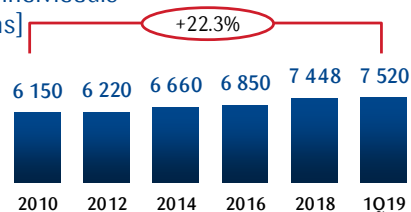


## SUPPLEMENTARY INFORMATION

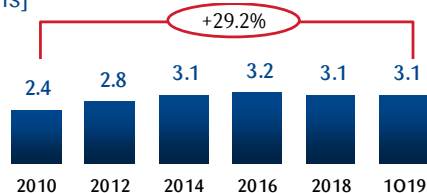
# PKO Bank Polski - undisputed leader of the Polish banking sector



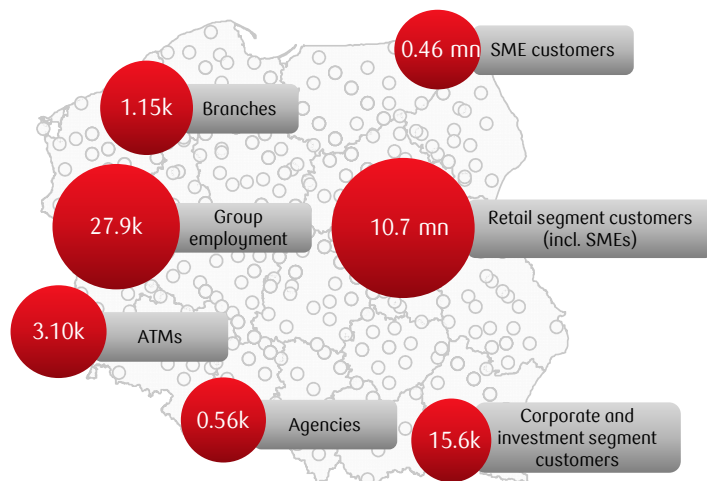
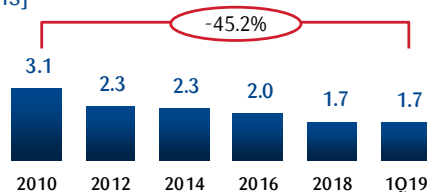
Number of current accounts of individuals [ths]



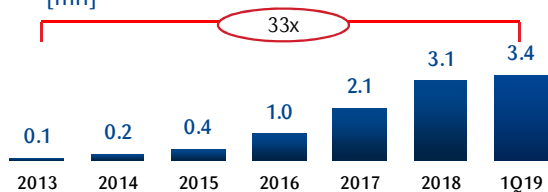
Number of ATMs [ths]



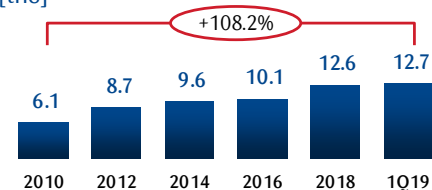
Number of retail agencies and branches [ths]



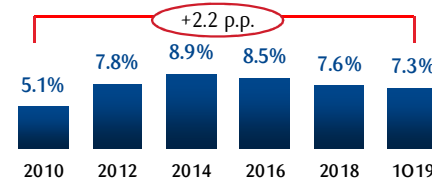
Mobile apps [mn]



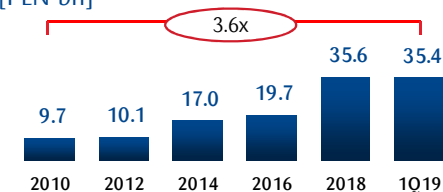
Number of corporate customers with access to e-banking [ths]



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



Investment Funds - AuM [PLN bn]





## SUPPLEMENTARY INFORMATION

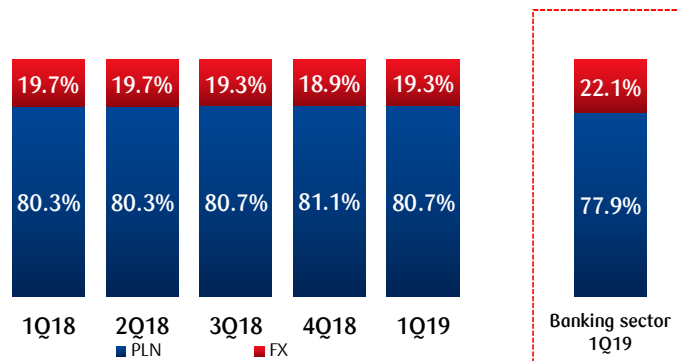
# Improvement of the structure of loans and deposits while maintaining high liquidity



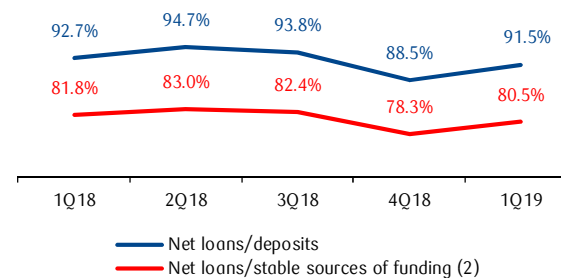
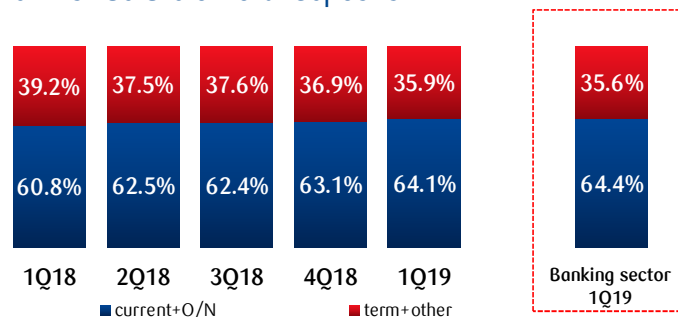
Bank Polski



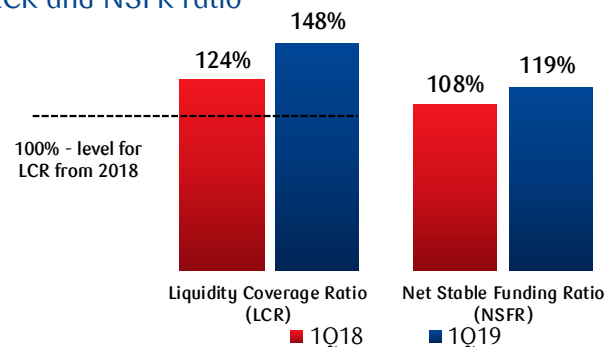
### Currency structure of gross loans portfolio



### Term structure of total deposits <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.



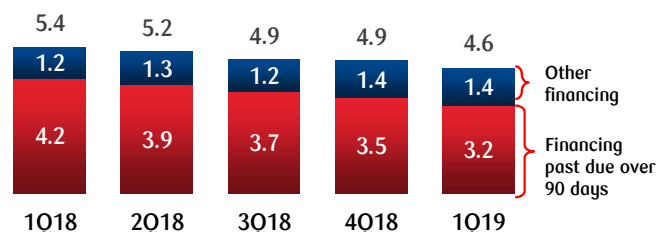
## Customer financing portfolio quality – segments



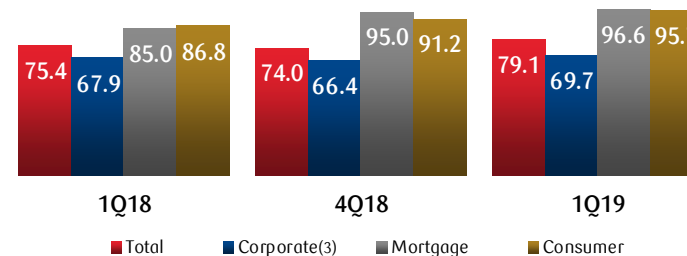
Bank Polski

100  
1919/2019

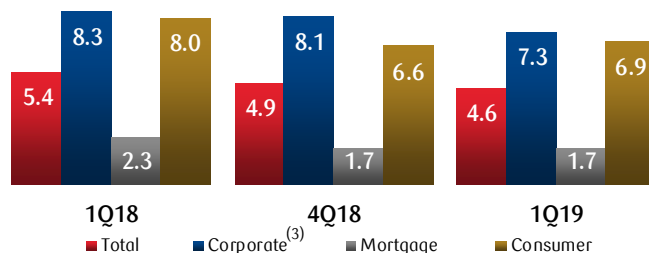
Share of customer financing with recognized impairment<sup>(1)</sup>  
[%]



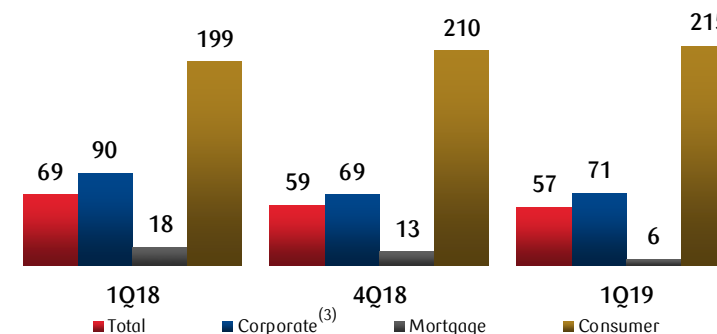
Coverage of customer financing with recognised impairment by impairment allowances<sup>(2)</sup>  
[%]



Share of customer financing with recognized 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).

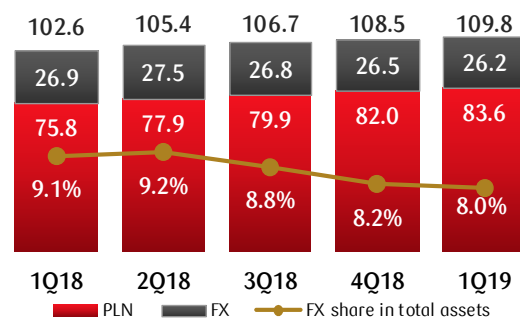
(3) SME data included



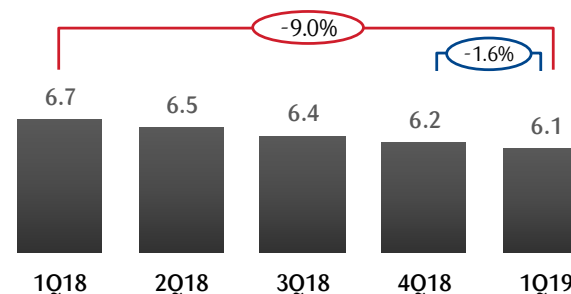
# SUPPLEMENTARY INFORMATION

## Mortgage loans

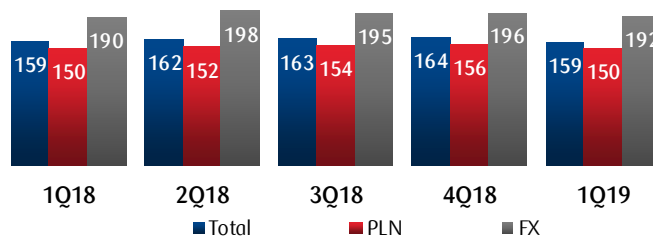
Volume of FX mortgage loans  
[PLN bn] <sup>(1)</sup>



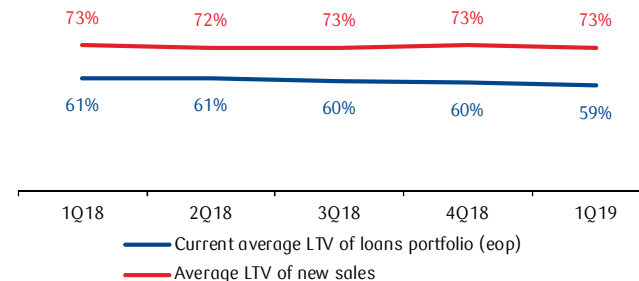
Volume of CHF mortgage loans  
[CHF bn] <sup>(2)</sup>



Average carrying value of mortgage loan  
[PLN ths] <sup>(1)</sup>



Average LTV



<sup>(1)</sup> Includes data of PKO Bank Polski and PKO Mortgage Bank

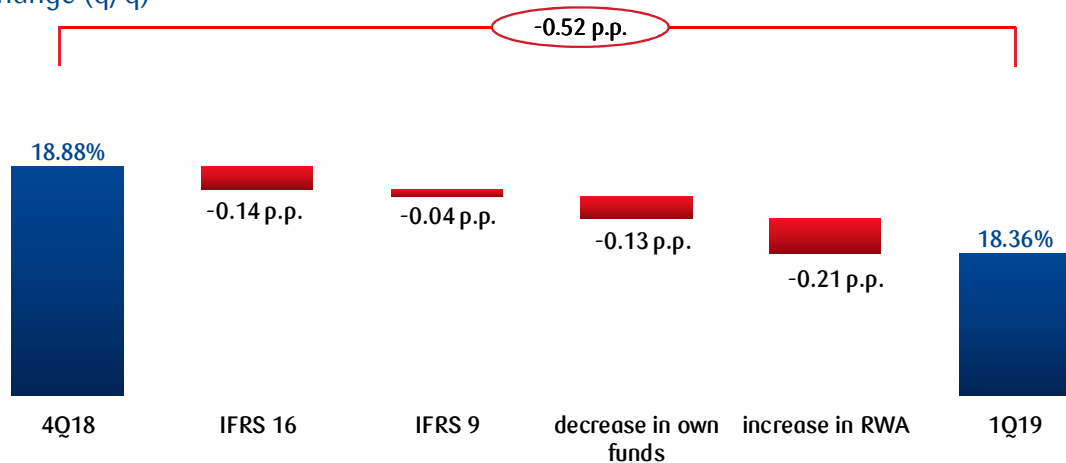
<sup>(2)</sup> The volume of housing loans in EUR was: 1Q18 786.1 mn; 2Q18 769.6 mn; 3Q18 752.2 mn; 4Q18 736.1 mn, 1Q19 719,3 mn



# SUPPLEMENTARY INFORMATION

## Capital adequacy

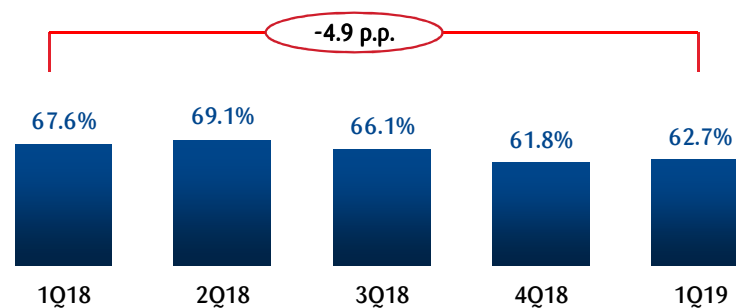
### Consolidated TCR change (q/q)



### Leverage ratio



### RWA/Total assets





# SUPPLEMENTARY INFORMATION

## Key financial data



Bank Polski



### Profit and loss [PLN mn]

	1Q19	1Q18	y/y	4Q18	q/q
Net interest income	2 455	2 212	+11.0%	2 480	-1.0%
Net F&C income	746	737	+1.2%	771	-3.2%
Result on business activity	3 494	3 206	+9.0%	3 466	+0.8%
Administrative expenses	-1 685	-1 575	+7.0%	-1 447	+16.4%
Net impairment allowance	-332	-333	-0.3%	-413	-19.6%
Bank tax	-248	-228	+8.8%	-251	-1.2%
Net profit	862	757	+13.9%	1 009	-14.6%
Assets	325.8	295.1	+10.4%	324.3	+0.5%
Gross customer financing	241.2	225.3	+7.1%	238.7	+1.1%
Amounts due to customers	239.6	217.8	+10.0%	242.8	-1.3%
Stable financial resources	272.3	247.8	+9.9%	274.4	-0.8%
Total equity	39.7	36.6	+8.7%	39.1	+1.6%

### Balance sheet [PLN bn]



## SUPPLEMENTARY INFORMATION

# Key ratios



Bank Polski



		1Q19	1Q18	y/y	4Q18	q/q
Key financial Ratios [%]	ROE net <sup>(1)</sup>	10.1	9.5	+0.6 p.p.	10.0	+0.1 p.p.
	ROTE net	11.0	10.4	+0.6 p.p.	11.0	0.0 p.p.
	ROA net	1.2	1.1	+0.1 p.p.	1.2	0.0 p.p.
	C/I <sup>(2)</sup>	44.1	45.3	-1.2 p.p.	44.1	0.0 p.p.
	NIM	3.43	3.36	+0.07 p.p.	3.42	+0.01 p.p.
Loan portfolio Quality [%]	NPL ratio <sup>(3)</sup>	4.6	5.4	-0.8 p.p.	4.9	-0.3 p.p.
	Coverage ratio <sup>(4)</sup>	79.1	75.4	+3.7 p.p.	74.0	+5.1 p.p.
	Cost of risk	0.57	0.69	-11.3 bps	0.59	-1.7 bps
Capital position [%]	TCR	18.4	17.8	+0.6 p.p.	18.9	-0.5 p.p.
	Tier 1 capital ratio	17.0	16.4	+0.6 p.p.	17.5	-0.5 p.p.

(1) Return on equity reduced by intangible assets

(2) 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)

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

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



## SUPPLEMENTARY INFORMATION

# Key operational data



Bank Polski



### PKO Bank Polski operating data (eop)

	1Q18	2Q18	3Q18	4Q18	1Q19	y/y	q/q
Current accounts ('000)	7 189	7 267	7 362	7 448	7 520	+4.6%	+1.0%
Banking cards ('000)	8 462	8 651	8 771	8 893	8 994	+6.3%	+1.1%
of which: credit cards	885	902	919	932	942	+6.5%	+1.1%
Active mobile banking applications IKO ('000)	2 356	2 592	2 875	3 120	3 364	+42.8%	+7.8%
Branches:	1 186	1 187	1 174	1 155	1 145	-3.5%	-0.9%
- retail	1 145	1 146	1 132	1 113	1 103	-3.7%	-0.9%
- corporate	41	41	42	42	42	+2.4%	0.0%
Agencies	712	600	590	577	557	-21.8%	-3.5%
ATMs	3 179	3 185	3 146	3 133	3 104	-2.4%	-0.9%
Employment eop (FTEs '000) Group	28.6	28.5	28.2	27.9	27.9	-2.4%	+0.1%

- The number of active IKO applications has increased by over 1 million y/y
- Employment decreased by over 700 full-time employees y/y



# SUPPLEMENTARY INFORMATION

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



Bank Polski



Profit and loss account (PLN million)	1Q18	2Q18	3Q18	4Q18	1Q19	y/y	q/q
<b>Net interest income</b>	2 212	2 295	2 366	2 480	2 455	+11.0%	-1.0%
<b>Net fee and commission income</b>	737	745	760	771	746	+1.2%	-3.2%
<b>Other income</b>	257	243	266	215	293	+14.0%	+36.3%
Dividend income	-	11	1	-	-	x	x
Net income from financial instruments designated at fair value	17	(2)	34	(21)	24	+41.2%	x
Net foreign exchange gains	104	143	98	144	140	+34.6%	-2.8%
Gains/(losses) on derecognition on financial assets and liabilities	37	57	35	6	53	+43.2%	+783.3%
Net other operating income and expense	99	34	98	86	76	-23.2%	-11.6%
<b>Total income items</b>	<b>3 206</b>	<b>3 283</b>	<b>3 392</b>	<b>3 466</b>	<b>3 494</b>	<b>+9.0%</b>	<b>+0.8%</b>
Net impairment allowance and write-offs	(333)	(377)	(328)	(413)	(332)	-0.3%	-19.6%
Total operating expenses	(1 575)	(1 442)	(1 441)	(1 447)	(1 685)	+7.0%	+16.4%
result on regulatory charges	(282)	(104)	(101)	(96)	(359)	+27.3%	+274.0%
Tax on certain financial institutions	(228)	(233)	(238)	(251)	(248)	+8.8%	-1.2%
Share in net profit (losses) of associates and jointly controlled entities	6	8	8	15	5	-16.7%	-66.7%
<b>Profit before income tax</b>	<b>1 076</b>	<b>1 239</b>	<b>1 393</b>	<b>1 370</b>	<b>1 234</b>	<b>+14.7%</b>	<b>-9.9%</b>
Income tax expense	(320)	(306)	(348)	(362)	(373)	+16.6%	+3.0%
Net profit attributable to non-controlling shareholders	(1)	-	3	(1)	(1)	0.0%	0.0%
<b>Net profit attributable to the parent company</b>	<b>757</b>	<b>933</b>	<b>1 042</b>	<b>1 009</b>	<b>862</b>	<b>+13.9%</b>	<b>-14.6%</b>



# SUPPLEMENTARY INFORMATION

## Balance sheet of the PKO Bank Polski Group



Bank Polski



Assets (PLN billion)	1Q18	2Q18	3Q18	4Q18	1Q19	y/y	q/q
Cash and balances with the Central Bank	16.3	10.0	13.4	22.9	15.4	-5.2%	-32.7%
Amounts due from other banks	3.8	5.0	8.2	7.7	6.2	+64.9%	-19.0%
Derivative instruments	2.3	2.7	1.9	2.6	2.9	+26.0%	+13.8%
Securities	44.0	47.5	44.5	48.5	54.5	+23.9%	+12.4%
Net customer financing	216.6	220.7	225.6	230.4	232.7	+7.4%	+1.0%
Tangible fixed assets	2.9	2.8	2.8	2.9	3.7	+28.1%	+25.6%
Other assets	9.3	10.1	9.7	9.2	10.4	+12.0%	+13.1%
<b>TOTAL ASSETS</b>	<b>295.1</b>	<b>298.7</b>	<b>306.1</b>	<b>324.3</b>	<b>325.8</b>	<b>+10.4%</b>	<b>+0.5%</b>

Liabilities and equity (PLN billion)	1Q18	2Q18	3Q18	4Q18	1Q19	y/y	q/q
Amounts due to the central bank and due to banks	1.9	2.1	1.9	2.0	2.8	+49.1%	+38.9%
Derivative financial instruments	2.2	2.6	2.9	3.1	3.4	+50.4%	+7.4%
Amounts due to customers	217.8	219.5	225.5	242.8	239.6	+10.0%	-1.3%
Liabilities of insurance activities	1.0	1.1	1.2	1.3	1.4	+42.6%	+6.5%
Subordinated liabilities and debt securities in issue	29.0	30.8	30.9	31.4	32.5	+12.2%	+3.6%
Other liabilities	6.7	5.8	6.0	4.6	6.5	-3.3%	+43.0%
Total equity	36.6	36.8	37.7	39.1	39.7	+8.7%	+1.6%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>295.1</b>	<b>298.7</b>	<b>306.1</b>	<b>324.3</b>	<b>325.8</b>	<b>+10.4%</b>	<b>+0.5%</b>



## SUPPLEMENTARY INFORMATION

# Customer financing



Bank Polski



PLN billion	1Q18	2Q18	3Q18	4Q18	1Q19	y/y	q/q
<b>Financing</b>	<b>211.5</b>	<b>215.9</b>	<b>219.8</b>	<b>223.1</b>	<b>226.2</b>	<b>+7.0%</b>	<b>+1.4%</b>
mortgages	102.6	105.4	106.7	108.5	109.8	+6.9%	+1.1%
PLN mortgages	75.8	77.9	79.9	82.0	83.6	+10.3%	+1.9%
FX mortgages	26.9	27.5	26.8	26.5	26.2	-2.5%	-1.3%
corporate	51.9	52.1	54.0	55.2	55.8	+7.6%	+1.1%
consumer loans	26.5	27.5	28.1	28.2	28.7	+8.1%	+1.5%
SME	30.4	30.8	31.0	31.1	32.0	+5.1%	+2.7%
<b>Debt securities</b>	<b>13.8</b>	<b>13.7</b>	<b>14.2</b>	<b>15.6</b>	<b>15.0</b>	<b>+8.4%</b>	<b>-4.1%</b>
municipal bonds	7.4	7.5	7.9	9.4	9.4	+25.9%	+0.0%
corporate bonds	6.4	6.3	6.3	6.3	5.6	-12.0%	-10.3%
<b>Gross customer financing</b>	<b>225.3</b>	<b>229.6</b>	<b>234.0</b>	<b>238.7</b>	<b>241.2</b>	<b>+7.1%</b>	<b>+1.1%</b>
<b>Net allowances for expected credit losses</b>	<b>-7.8</b>	<b>-8.9</b>	<b>-8.4</b>	<b>-8.2</b>	<b>-8.5</b>	<b>+8.5%</b>	<b>+3.5%</b>
<b>Net allowances for expected bond losses</b>	<b>-0.2</b>	<b>0.03</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-86.3%</b>	<b>+3.0%</b>
<b>Net customer financing</b>	<b>217.2</b>	<b>220.7</b>	<b>225.6</b>	<b>230.4</b>	<b>232.7</b>	<b>+7.1%</b>	<b>+1.0%</b>



# SUPPLEMENTARY INFORMATION

## Customer savings



	1Q18	2Q18	3Q18	4Q18	1Q19	y/y	q/q
<b>PLN billion</b>							
<b>Retail and private banking</b>	<b>190.0</b>	<b>193.9</b>	<b>197.4</b>	<b>207.7</b>	<b>214.4</b>	<b>+12.8%</b>	<b>+3.2%</b>
deposits	144.4	145.4	146.1	155.1	161.0	+11.5%	+3.8%
retail mutual funds	29.7	31.4	33.1	33.5	33.2	+12.0%	-0.6%
saving treasury bonds	15.9	17.2	18.2	19.1	20.1	+25.9%	+4.9%
<b>Corporate</b>	<b>44.4</b>	<b>44.8</b>	<b>49.0</b>	<b>55.1</b>	<b>48.5</b>	<b>+9.2%</b>	<b>-11.9%</b>
<b>SME</b>	<b>23.5</b>	<b>23.8</b>	<b>25.1</b>	<b>26.8</b>	<b>25.7</b>	<b>+9.5%</b>	<b>-4.2%</b>
<b>Customer savings</b>	<b>257.9</b>	<b>262.5</b>	<b>271.5</b>	<b>289.5</b>	<b>288.6</b>	<b>+11.9%</b>	<b>-0.3%</b>



# SUPPLEMENTARY INFORMATION

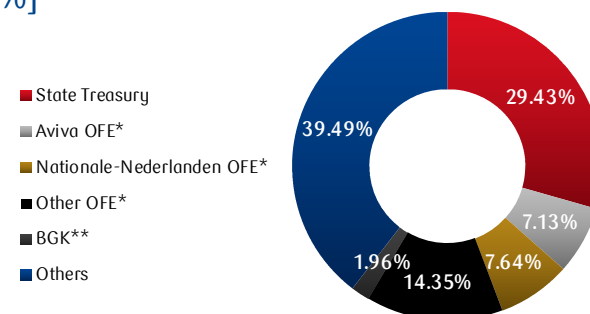
## Shares and rating



### Basic information on shares

<b>Listed:</b>	Warsaw Stock Exchange since 10.11.2004.
<b>Indices:</b>	WIG, WIG20, WIG30, WIG Banki FTSE Russell, Stoxx 600
<b>ISIN:</b>	PLPKO0000016
<b>Bloomberg:</b>	PKO PW
<b>Reuters:</b>	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			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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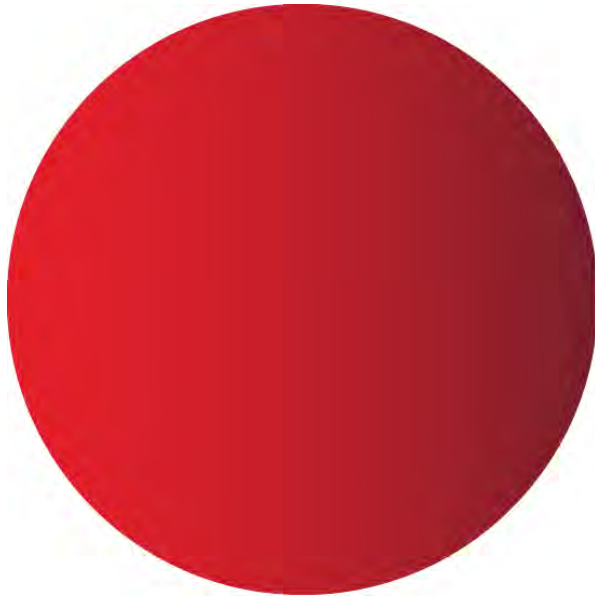
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Unless attributed exclusively to another source, such market information has been calculated based on data provided by third party sources identified herein and includes estimates, assessments, adjustments and judgments that are based on PKO Bank Polski SA's experience and familiarity with the sector in which PKO Bank Polski SA operates. Because such market information has been prepared in part based upon estimates, assessments, adjustments and judgments and not verified by an independent third party, such market information is, unless otherwise attributed to a third party source, to a certain degree subjective. While it is believed that such estimates, assessments, adjustments and judgments are reasonable and that the market information prepared is appropriately reflective of the sector and the markets in which PKO Bank Polski SA operates, there is no assurance that such estimates, assessments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

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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.





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PKO Bank Polski IR website:  
[www.pkobp.pl/investors](http://www.pkobp.pl/investors)

## Investor calendar

13 August 2019	Publication of the 1H 2019 Report
7 November 2019	Publication of the Quarterly 3Q 2019 Report