

Pekao Bank Hipoteczny SA

Update

Ratings

Foreign Currency	
Long-Term IDR	A-
Short-Term IDR	F2
Support Rating	1
National	
Long-Term Rating	AA(pol)
Short-Term Rating	F1+(pol)
Sovereign Risk	
Foreign-Currency Long-Term IDR	A-
Local-Currency Long-Term IDR	A
Country Ceiling	AA-

Outlooks

Foreign-Currency Long-Term IDR	Stable
National Long-Term Rating	Stable
Sovereign Foreign-Currency	Stable
Sovereign Local-Currency	Stable

Financial Data

	30 Sep 12a	31 Dec 11
Total assets (USDm)	555	581
Total assets (PLNm)	1,762	1,987
Total equity (PLNm)	289	280
Operating profit (PLNm)	12.4	21.4
Published net income (PLNm)	10.0	17.3
Impairment charges/pre-impairment operating profit (%)	16.8	23.3
Operating ROAA (%)	0.88	1.10
Operating ROAE (%)	5.82	7.73
Impaired loans/gross loans (%)	12.4	10.7
Fitch core capital/	19.39	19.09

^a End-Q312 financials have not been audited

Key Rating Drivers

Support Driven Ratings: The ratings of Pekao Bank Hipoteczny SA (Pekao BH) reflect Fitch Rating's opinion that there is an extremely high probability that Pekao BH would be supported by its 100% owner, Bank Pekao SA (Pekao, 'A-/Stable). Fitch views Pekao BH as a core subsidiary of Pekao due to the full ownership, and the tight operational and funding dependence on the parent. No Viability Rating has been assigned to Pekao BH due to its limited franchise.

Strong Integration and Supervision: Pekao BH's business strategy, including growth and funding plans, and risk management framework, are closely integrated with and supervised by the parent bank. Pekao BH and its parent are increasingly exploiting synergies in sourcing commercial real estate transactions.

Reliance on Pekao's Franchise: The bank's suppressed margins and low lending volumes reflect its own weak franchise, small size and relatively high funding costs given the undeveloped local covered bond market. In Fitch's view, potential implementation of an originate-and-transfer model could help to create a critical mass and improve the bank's profitability in the long term. Fitch expects the bank's financial results to remain under pressure in 2013 from subdued growth in the Polish economy and continuing pressures on margins.

Strategic Importance May Rise: Pekao BH is one of only two specialised mortgage lenders in Poland, able to raise long-term funding by issuing mortgage backed covered bonds. This competitive advantage has only been exploited by the parent bank to a limited extent so far due to Pekao BH's small origination capacity. However, Pekao BH is working in cooperation with the parent on introducing the originate-and-transfer model (from Pekao) which would significantly increase the collateral pool available for new covered bond issues.

Funding Dependence: The UniCredit group (including Pekao) accounted for 50.6% of Pekao BH's on-balance-sheet non-equity funding at end-Q312. Although the share has been decreasing since 2010, the parent continued to provide the virtually whole (on- and off-balance-sheet) financing for Pekao BH's foreign-currency loan book. Covered bonds accounted for 55% of total funding (48% excluding bonds held by Pekao) at end-Q312.

Liquidity Secured by Parent: The bank has access to a revolving credit line from Pekao which covers around 60% of outstanding covered bonds. Short-term refinancing risk is negligible as almost all non-equity funding had a residual maturity of over five years at end-Q312. The bank's new funding needs are modest due to expected subdued loan growth.

What Could Trigger a Rating Action

Changes in Parent Support: Any change in Pekao's propensity and ability to provide support, the latter being reflected in its IDR, would affect Pekao BH's ratings. This is however unlikely in Fitch's view. Pekao's IDR is driven by the bank's intrinsic strength and is on Stable Outlook. A potential downgrade of the UniCredit group, unless multi-notch, is unlikely to trigger a similar action on Pekao and, ultimately, on Pekao BH.

Changes in Sovereign Rating: Any negative action on Poland's sovereign ratings could put downward pressure on Pekao's ratings and, ultimately, on Pekao BH.

Related Research

[Fitch Affirms Bank Pekao SA and Pekao Bank Hipoteczny \(January 2013\)](#)
[Bank Pekao SA \(February 2012\)](#)
[UniCredit S.p.A. \(March 2012\)](#)

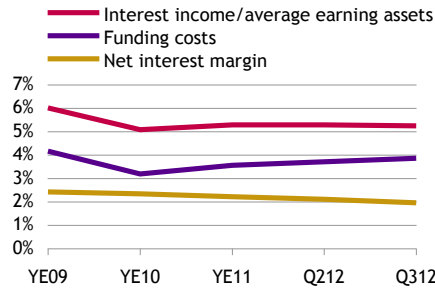
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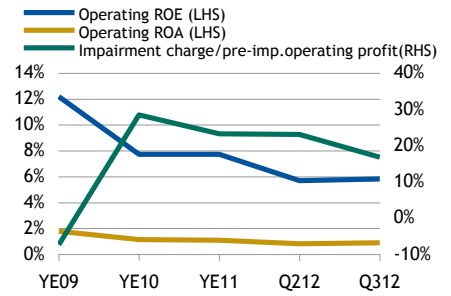
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Source: Pekao Bank Hipoteczny SA; Fitch.

Margins



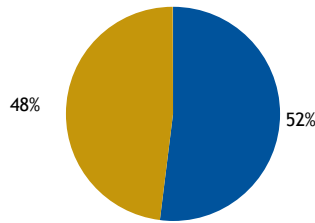
Performance Metrics



Loan Book

End-Q312

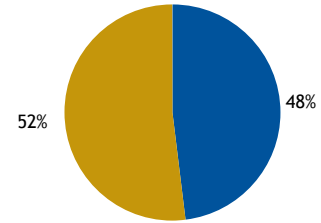
■ Residential mortgages ■ Commercial real estate



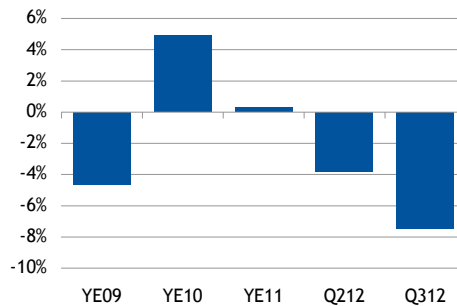
Loan Book

End-Q312

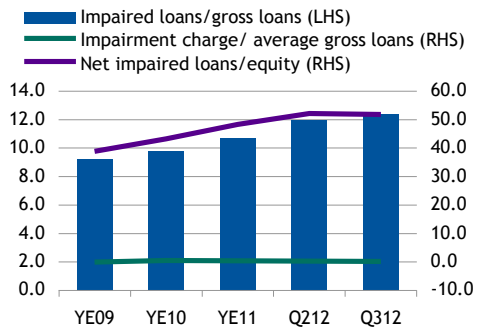
■ PLN ■ Foreign Currency



Loan Book Growth (% ytd)

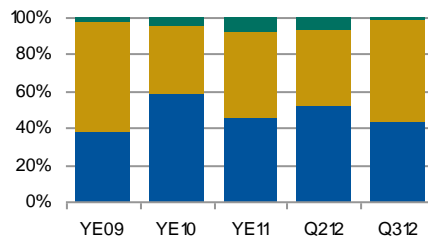


Credit Quality (%)

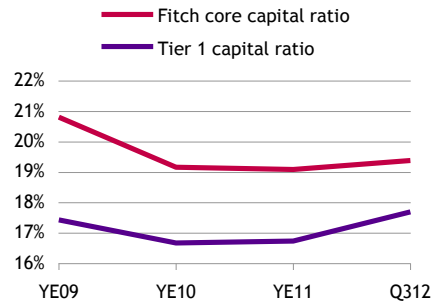


Non-Equity Funding Sources

■ Interbank funding (parent) ■ Covered bonds ■ Other



Capitalisation (%)



Related Criteria

[Global Financial Institutions Rating Criteria \(August 2012\)](#)

[Evaluating Corporate Governance \(December 2012\)](#)

[Rating FI Subsidiaries and Holding Companies \(August 2012\)](#)

[National Ratings Criteria \(January 2011\)](#)

Pekao Bank Hipoteczny SA
Income Statement

	30 Sep 2012		30 Jun 2012	31 Dec 2011	31 Dec 2010	31 Dec 2009
	9 Months - 3rd Quarter USDm Unaudited	9 Months - 3rd Quarter PLNm Unaudited	6 Months - Interim PLNm Unaudited	Year End PLNm Unqualified	Year End PLNm Unqualified	Year End PLNm Unqualified
1. Interest Income on Loans	n.a.	n.a.	43.4	88.2	83.9	98.3
2. Other Interest Income	23.1	73.4	7.3	13.9	11.7	13.3
3. Dividend Income	n.a.	n.a.	n.a.	n.a.	0.0	n.a.
4. Gross Interest and Dividend Income	23.1	73.4	50.7	102.1	95.6	111.6
5. Interest Expense on Customer Deposits	n.a.	n.a.	0.2	0.5	0.3	0.2
6. Other Interest Expense	14.5	46.0	30.3	58.7	51.2	66.3
7. Total Interest Expense	14.5	46.0	30.5	59.2	51.5	66.5
8. Net Interest Income	8.6	27.4	20.2	42.9	44.1	45.1
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	0.0	0.0	0.0	n.a.
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	0.0	0.0	0.0	n.a.
11. Net Gains (Losses) on Assets at FV through Income Statement	0.7	2.1	(0.1)	0.3	1.8	2.4
12. Net Insurance Income	n.a.	n.a.	0.0	0.0	0.0	n.a.
13. Net Fees and Commissions	0.1	0.2	0.2	1.0	0.7	1.2
14. Other Operating Income	0.4	1.2	0.9	4.8	4.1	5.4
15. Total Non-Interest Operating Income	1.1	3.5	1.0	6.1	6.6	9.0
16. Personnel Expenses	n.a.	n.a.	6.6	12.9	12.6	12.4
17. Other Operating Expenses	5.0	16.0	4.2	8.2	7.9	10.5
18. Total Non-Interest Expenses	5.0	16.0	10.8	21.1	20.5	22.9
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	n.a.	0.0	n.a.	n.a.
20. Pre-impairment Operating Profit	4.7	14.9	10.4	27.9	30.2	31.2
21. Loan Impairment Charge	0.8	2.5	2.4	6.5	8.6	(2.3)
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23. Operating Profit	3.9	12.4	8.0	21.4	21.6	33.5
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	n.a.	0.0	n.a.	n.a.
25. Non-recurring Income	n.a.	n.a.	n.a.	0.0	n.a.	n.a.
26. Non-recurring Expense	n.a.	n.a.	n.a.	0.0	n.a.	n.a.
27. Change in Fair Value of Own Debt	n.a.	n.a.	n.a.	0.0	n.a.	n.a.
28. Other Non-operating Income and Expenses	n.a.	n.a.	n.a.	0.0	n.a.	n.a.
29. Pre-tax Profit	3.9	12.4	8.0	21.4	21.6	33.5
30. Tax expense	0.8	2.4	1.5	4.1	4.1	6.6
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
32. Net Income	3.1	10.0	6.5	17.3	17.5	26.9
33. Change in Value of AFS Investments	n.a.	n.a.	0.3	(0.2)	0.2	0.9
34. Revaluation of Fixed Assets	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
35. Currency Translation Differences	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
36. Remaining OCI Gains/(losses)	n.a.	n.a.	(1.1)	(1.5)	0.2	(2.3)
37. Fitch Comprehensive Income	3.1	10.0	5.7	15.6	17.9	25.5
38. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
39. Memo: Net Income after Allocation to Non-controlling Interests	3.1	10.0	6.5	17.3	17.5	26.9
40. Memo: Common Dividends Related to the Period	0.0	0.0	0.0	0.0	16.1	24.8
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Exchange rate

USD1 = PLN3.17800

USD1 = PLN3.38850

USD1 = PLN3.41740

USD1 = PLN2.96410

USD1 = PLN2.85030

**Pekao Bank Hipoteczny SA
Balance Sheet**

	30 Sep 2012			30 Jun 2012		31 Dec 2011		31 Dec 2010		31 Dec 2009	
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter PLNm	As % of Assets	6 Months - Interim PLNm	As % of Assets	Year End PLNm	As % of Assets	Year End PLNm	As % of Assets	Year End PLNm	As % of Assets
Assets											
A. Loans											
1. Residential Mortgage Loans	282.7	898.3	50.97	929.6	48.97	962.7	48.46	935.7	48.19	868.6	47.31
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	259.3	824.2	46.77	861.3	45.37	898.6	45.23	918.9	47.33	896.8	48.85
5. Other Loans	2.9	9.3	0.53	9.8	0.52	10.6	0.53	12.3	0.63	14.0	0.76
6. Less: Reserves for Impaired Loans/ NPLs	20.5	65.2	3.70	66.7	3.51	64.9	3.27	61.5	3.17	53.0	2.89
7. Net Loans	524.4	1,666.6	94.56	1,734.0	91.34	1,807.0	90.95	1,805.4	92.99	1,726.4	94.03
8. Gross Loans	544.9	1,731.8	98.26	1,800.7	94.85	1,871.9	94.22	1,866.9	96.16	1,779.4	96.92
9. Memo: Impaired Loans included above	67.7	215.0	12.20	215.5	11.35	200.0	10.07	182.8	9.42	164.6	8.97
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets											
1. Loans and Advances to Banks	2.4	7.5	0.43	23.5	1.24	29.3	1.47	29.1	1.50	3.8	0.21
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Trading Securities and at FV through Income	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
4. Derivatives	2.2	7.1	0.40	n.a.	-	0.0	0.00	0.5	0.03	3.2	0.17
5. Available for Sale Securities	21.3	67.7	3.84	126.3	6.65	136.7	6.88	92.5	4.76	82.2	4.48
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. At-equity Investments in Associates	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	23.5	74.8	4.24	126.3	6.65	136.7	6.88	93.0	4.79	85.4	4.65
10. Memo: Government Securities included Above	n.a.	n.a.	-	126.3	6.65	136.7	6.88	92.5	4.76	82.2	4.48
11. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	550.3	1,748.9	99.23	1,883.8	99.23	1,973.0	99.31	1,927.5	99.28	1,815.6	98.89
C. Non-Earning Assets											
1. Cash and Due From Banks	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.4	0.02	7.1	0.39
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	0.3	1.0	0.06	1.0	0.05	1.4	0.07	1.5	0.08	1.5	0.08
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Intangibles	0.1	0.2	0.01	0.3	0.02	0.4	0.02	0.2	0.01	0.4	0.02
7. Current Tax Assets	n.a.	n.a.	-	1.7	0.09	0.7	0.04	1.1	0.06	0.8	0.04
8. Deferred Tax Assets	2.8	9.0	0.51	9.6	0.51	9.7	0.49	9.5	0.49	9.7	0.53
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	1.0	3.3	0.19	2.0	0.11	1.5	0.08	1.3	0.07	0.9	0.05
11. Total Assets	554.6	1,762.4	100.00	1,898.4	100.00	1,986.7	100.00	1,941.5	100.00	1,836.0	100.00
Liabilities and Equity											
D. Interest-Bearing Liabilities											
1. Customer Deposits - Current	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Customer Deposits - Savings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Customer Deposits - Term	6.1	19.4	1.10	17.7	0.93	24.3	1.22	19.3	0.99	12.0	0.65
4. Total Customer Deposits	6.1	19.4	1.10	17.7	0.93	24.3	1.22	19.3	0.99	12.0	0.65
5. Deposits from Banks	201.6	640.7	36.35	841.3	44.32	772.8	38.90	975.5	50.24	586.5	31.94
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Deposits and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Deposits, Money Market and Short-term Funding	207.7	660.1	37.45	859.0	45.25	797.1	40.12	994.8	51.24	598.5	32.60
9. Senior Debt Maturing after 1 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Other Funding	253.7	806.4	45.76	657.8	34.65	807.8	40.66	604.6	31.14	922.2	50.23
12. Total Long Term Funding	253.7	806.4	45.76	657.8	34.65	807.8	40.66	604.6	31.14	922.2	50.23
13. Derivatives	0.3	0.9	0.05	91.6	4.83	96.5	4.86	56.3	2.90	24.0	1.31
14. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Funding	461.7	1,467.4	83.26	1,608.4	84.72	1,701.4	85.64	1,655.7	85.28	1,544.7	84.13
E. Non-Interest Bearing Liabilities											
1. Fair Value Portion of Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	0.3	0.8	0.05	0.8	0.04	0.8	0.04	3.6	0.19	2.5	0.14
4. Current Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Deferred Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	1.6	5.1	0.29	3.7	0.19	4.7	0.24	1.8	0.09	1.5	0.08
10. Total Liabilities	463.6	1,473.3	83.60	1,612.9	84.96	1,706.9	85.92	1,661.1	85.56	1,548.7	84.35
F. Hybrid Capital											
1. Pref. Shares and Hybrid Capital accounted for as Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
G. Equity											
1. Common Equity	90.9	288.9	16.39	285.4	15.03	278.9	14.04	277.8	14.31	285.0	15.52
2. Non-controlling Interest	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Securities Revaluation Reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	(0.1)	(0.01)
4. Foreign Exchange Revaluation Reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	0.1	0.2	0.01	0.1	0.01	0.9	0.05	2.6	0.13	2.4	0.13
6. Total Equity	91.0	289.1	16.40	285.5	15.04	279.8	14.08	280.4	14.44	287.3	15.65
7. Total Liabilities and Equity	554.6	1,762.4	100.00	1,898.4	100.00	1,986.7	100.00	1,941.5	100.00	1,836.0	100.00
8. Memo: Fitch Core Capital	90.9	288.9	16.39	285.2	15.02	279.4	14.06	280.2	14.43	286.9	15.63

Exchange rate

USD1 = PLN3.17800

USD1 = PLN3.38850 USD1 = PLN3.41740 USD1 = PLN2.96410 USD1 = PLN2.85030

Pekao Bank Hipoteczny SA
Summary Analytics

	30 Sep 2012 9 Months - 3rd Quarter	30 Jun 2012 6 Months - Interim	31 Dec 2011 Year End	31 Dec 2010 Year End	31 Dec 2009 Year End
A. Interest Ratios					
1. Interest Income on Loans/ Average Gross Loans	n.a.	4.73	4.75	4.57	5.39
2. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	1.92	2.27	1.99	1.63
3. Interest Income/ Average Earning Assets	5.25	5.29	5.29	5.08	6.01
4. Interest Expense/ Average Interest-bearing Liabilities	3.86	3.71	3.56	3.19	4.17
5. Net Interest Income/ Average Earning Assets	1.96	2.11	2.22	2.34	2.43
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.78	1.86	1.88	1.89	2.55
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.96	2.11	2.22	2.34	2.43
B. Other Operating Profitability Ratios					
1. Non-Interest Income/ Gross Revenues	11.33	4.72	12.45	13.02	16.64
2. Non-Interest Expense/ Gross Revenues	51.78	50.94	43.06	40.43	42.33
3. Non-Interest Expense/ Average Assets	1.14	1.12	1.08	1.08	1.22
4. Pre-impairment Op. Profit/ Average Equity	6.99	7.40	10.08	10.81	11.37
5. Pre-impairment Op. Profit/ Average Total Assets	1.06	1.08	1.43	1.59	1.66
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	16.78	23.08	23.30	28.48	(7.37)
7. Operating Profit/ Average Equity	5.82	5.69	7.73	7.73	12.20
8. Operating Profit/ Average Total Assets	0.88	0.83	1.10	1.14	1.79
9. Taxes/ Pre-tax Profit	19.35	18.75	19.16	18.98	19.70
10. Pre-Impairment Operating Profit / Risk Weighted Assets	1.34	n.a.	1.91	2.07	2.26
11. Operating Profit / Risk Weighted Assets	1.11	n.a.	1.46	1.48	2.43
C. Other Profitability Ratios					
1. Net Income/ Average Total Equity	4.69	4.62	6.25	6.26	9.80
2. Net Income/ Average Total Assets	0.71	0.67	0.89	0.92	1.43
3. Fitch Comprehensive Income/ Average Total Equity	4.69	4.05	5.64	6.41	9.29
4. Fitch Comprehensive Income/ Average Total Assets	0.71	0.59	0.80	0.94	1.36
5. Net Income/ Av. Total Assets plus Av. Managed Securitized Assets	n.a.	0.67	0.89	0.92	n.a.
6. Net Income/ Risk Weighted Assets	0.90	n.a.	1.18	1.20	1.95
7. Fitch Comprehensive Income/ Risk Weighted Assets	0.90	n.a.	1.07	1.22	1.85
D. Capitalization					
1. Fitch Core Capital/Weighted Risks	19.39	n.a.	19.09	19.16	20.81
3. Tangible Common Equity/ Tangible Assets	16.39	15.03	14.07	14.43	15.63
4. Tier 1 Regulatory Capital Ratio	17.70	17.00	16.74	16.68	17.43
5. Total Regulatory Capital Ratio	17.70	17.00	16.74	16.68	17.43
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	16.40	15.04	14.08	14.44	15.65
8. Cash Dividends Paid & Declared/ Net Income	0.00	0.00	0.00	92.00	92.19
9. Cash Dividend Paid & Declared/ Fitch Comprehensive Income	0.00	0.00	0.00	89.94	97.25
10. Cash Dividends & Share Repurchase/Net Income	0.00	0.00	0.00	n.a.	n.a.
11. Net Income - Cash Dividends/ Total Equity	4.62	4.58	6.18	0.50	0.73
E. Loan Quality					
1. Growth of Total Assets	(11.29)	(4.44)	2.33	5.75	(4.15)
2. Growth of Gross Loans	(7.48)	(3.80)	0.27	4.92	(4.66)
3. Impaired Loans(NPLs)/ Gross Loans	12.41	11.97	10.68	9.79	9.25
4. Reserves for Impaired Loans/ Gross loans	3.76	3.70	3.47	3.29	2.98
5. Reserves for Impaired Loans/ Impaired Loans	30.33	30.95	32.45	33.64	32.20
6. Impaired Loans less Reserves for Imp Loans/ Equity	51.82	52.12	48.28	43.26	38.84
7. Loan Impairment Charges/ Average Gross Loans	0.19	0.26	0.35	0.47	(0.13)
8. Net Charge-offs/ Average Gross Loans	n.a.	0.03	0.16	0.01	0.04
9. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	12.41	11.97	10.68	9.79	9.25
F. Funding					
1. Loans/ Customer Deposits	8,926.80	10,173.45	7,703.29	9,673.06	14,828.33
2. Interbank Assets/ Interbank Liabilities	1.17	2.79	3.79	2.98	0.65
3. Customer Deposits/ Total Funding excl Derivatives	1.32	1.17	1.51	1.21	0.79

Pekao Bank Hipoteczny SA
Reference Data

	30 Sep 2012			30 Jun 2012		31 Dec 2011		31 Dec 2010		31 Dec 2009	
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter PLNm	As % of Assets	6 Months - Interim PLNm	As % of Assets	Year End PLNm	As % of Assets	Year End PLNm	As % of Assets	Year End PLNm	As % of Assets
A. Off-Balance Sheet Items											
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Guarantees	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
5. Committed Credit Lines	n.a.	n.a.	-	25.4	1.35	40.5	2.05	0.0	0.00	n.a.	-
6. Other Contingent Liabilities	n.a.	n.a.	-	995.0	52.82	1,003.4	50.86	853.0	44.25	626.5	34.51
7. Total Business Volume	554.6	1,762.4	100.77	2,918.8	154.94	3,030.6	153.60	2,794.5	144.98	2,462.5	135.63
8. Memo: Total Weighted Risks	468.9	1,490.3	85.21	n.a.	-	1,463.5	74.18	1,462.2	75.86	1,378.8	75.94
9. Fitch Adjustments to Weighted Risks.	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Adjusted Weighted Risks	468.9	1,490.3	85.21	0.0	0.00	1,463.5	74.18	1,462.2	75.86	1,378.8	75.94
B. Average Balance Sheet											
Average Loans	566.9	1,801.5	103.01	1,836.3	97.48	1,855.9	94.06	1,835.7	95.24	1,822.9	100.40
Average Earning Assets	588.0	1,868.6	106.84	1,928.4	102.37	1,931.6	97.90	1,882.0	97.64	1,855.4	102.19
Average Assets	592.4	1,882.5	107.64	1,942.6	103.12	1,945.8	98.62	1,898.5	98.50	1,875.7	103.31
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
Average Interest-Bearing Liabilities	501.1	1,592.4	91.05	1,654.9	87.85	1,663.8	84.33	1,614.3	83.75	1,596.5	87.93
Average Common equity	89.5	284.4	16.26	282.2	14.98	275.1	13.94	276.6	14.35	271.6	14.96
Average Equity	89.6	284.8	16.28	282.7	15.01	276.8	14.03	279.4	14.50	274.5	15.12
Average Customer Deposits	6.5	20.5	1.17	21.0	1.11	22.0	1.12	15.1	0.78	12.3	0.68
C. Maturities											
Asset Maturities:											
Loans & Advances < 3 months	n.a.	n.a.	-	163.9	8.70	149.3	7.57	137.9	7.15	101.9	5.61
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	74.5	3.95	72.2	3.66	80.7	4.19	61.0	3.36
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	351.4	18.65	361.0	18.30	352.6	18.29	336.1	18.51
Loans & Advances > 5 years	n.a.	n.a.	-	1,196.6	63.52	1,277.6	64.75	1,286.3	66.73	1,275.2	70.24
Debt Securities < 3 Months	n.a.	n.a.	-	28.9	1.53	40.7	2.06	30.8	1.60	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	29.2	1.55	28.3	1.43	61.7	3.20	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	68.2	3.62	67.6	3.43	n.a.	-	n.a.	-
Interbank < 3 Months	n.a.	n.a.	-	23.5	1.25	29.3	1.49	29.1	1.51	3.8	0.21
Interbank 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Interbank > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:											
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	0.0	0.1	0.01	1.1	0.06	2.6	0.13	0.8	0.04	n.a.	-
Other Deposits 3 - 12 Months	0.0	0.1	0.01	0.2	0.01	0.9	0.05	0.9	0.05	n.a.	-
Other Deposits 1 - 5 Years	2.2	7.0	0.40	4.5	0.24	9.0	0.46	6.5	0.34	n.a.	-
Other Deposits > 5 Years	3.8	12.2	0.70	11.9	0.63	11.8	0.60	11.0	0.57	n.a.	-
Interbank < 3 Months	3.8	12.0	0.69	185.5	9.85	101.0	5.12	389.6	20.21	585.8	32.26
Interbank 3 - 12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-
Interbank 1 - 5 Years	27.3	86.8	4.96	90.6	4.81	92.7	4.70	n.a.	-	n.a.	-
Interbank > 5 Years	170.5	541.9	30.99	564.3	29.96	578.3	29.31	585.0	30.35	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Covered Bonds	253.7	806.4	46.11	657.8	34.92	807.8	40.94	604.6	31.37	922.2	50.79
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1 - 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation											
1. Equity	91.0	289.1	16.53	285.5	15.16	279.8	14.18	280.4	14.55	287.3	15.82
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
4. Published Equity	n.a.	n.a.	-	285.5	15.16	279.8	14.18	280.4	14.55	287.3	15.82
E. Fitch Eligible Capital Reconciliation											
1. Total Equity as reported (including non-controlling interests)	91.0	289.1	16.53	285.5	15.16	279.8	14.18	280.4	14.55	287.3	15.82
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	0.1	0.2	0.01	0.3	0.02	0.4	0.02	0.2	0.01	0.4	0.02
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	90.9	288.9	16.52	285.2	15.14	279.4	14.16	280.2	14.54	286.9	15.80

Exchange Rate

USD1 = PLN3.17800

USD1 = PLN3.38850 USD1 = PLN3.41740 USD1 = PLN2.96410 USD1 = PLN2.85030

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