

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program. 3.0.

392/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Votum	Buy	53.60	Overweight	Michał Sobolewski, CFA, FRM

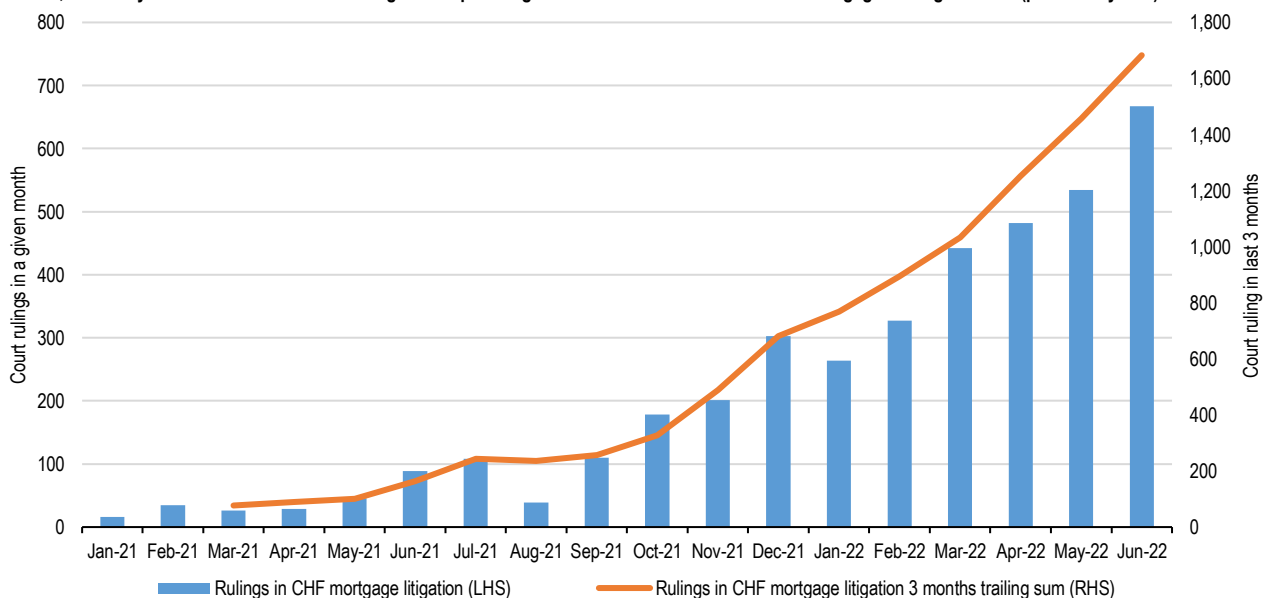
Event: Key indicators for the banking segment in June and July; preliminary 2Q22 revenues.

On Friday, July 15 Votum revealed ([link](#)) their monthly reports with key indicators for the segment of pursuing claims from abusive clauses in FX mortgage loan agreements for June (a number of court sentences and acquired agreements) and July (planned number of court hearings).

The court sentences in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements. In June the courts of both instances handed down 667 sentences, including 592 in the courts of the first instance (94% of these sentences stated the invalidity of agreements with merely 2% that dismissed claims in their entirety) and 75 in the courts of the second instance (84% stating the invalidity of agreements with none that dismissed claims). The two months show a material increase in a number of court decisions (in June this number reached the historically highest level).

At the same time, Votum informed that the Group expected 3Q22 to see a slower dynamic of a number of court sentences issued as it is a vacation season. The number of court hearings in July corroborates this as it is lower than in June. On the other hand, based on a slowly filling up autumn schedule of court meetings, the management expects even 1,000 sentences to be issued in a single month towards the end of a year.

Votum; a monthly number of sentences in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements (preliminary data)



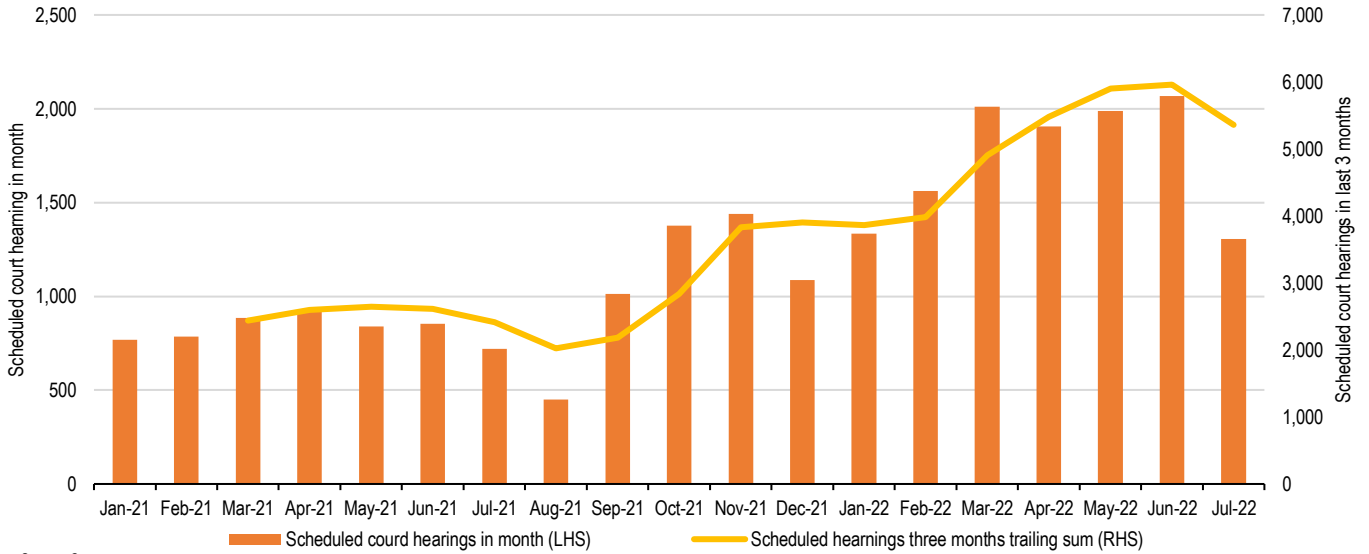
Source: Company

The number of court hearings related to pursuing claims from abusive clauses in FX mortgage loan agreements. In July, Votum will attend 1,305 court hearings related to pursuing claims from abusive clauses in FX mortgage loan agreements. This is materially lower than over 2,000 court hearings planned for the previous month, albeit it is a typical decline in summer months and starting holidays.

Votum informed that a number of court hearings in August should exceed 1,000 and the autumn looks, according to the management, quite good with over 2,000 and 2,500-3,000 court hearings, respectively, expected in September and October.

We believe summer months will be less intensive, but this will be offset in the subsequent period.

Votum; a monthly number of court hearings in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements (preliminary data)

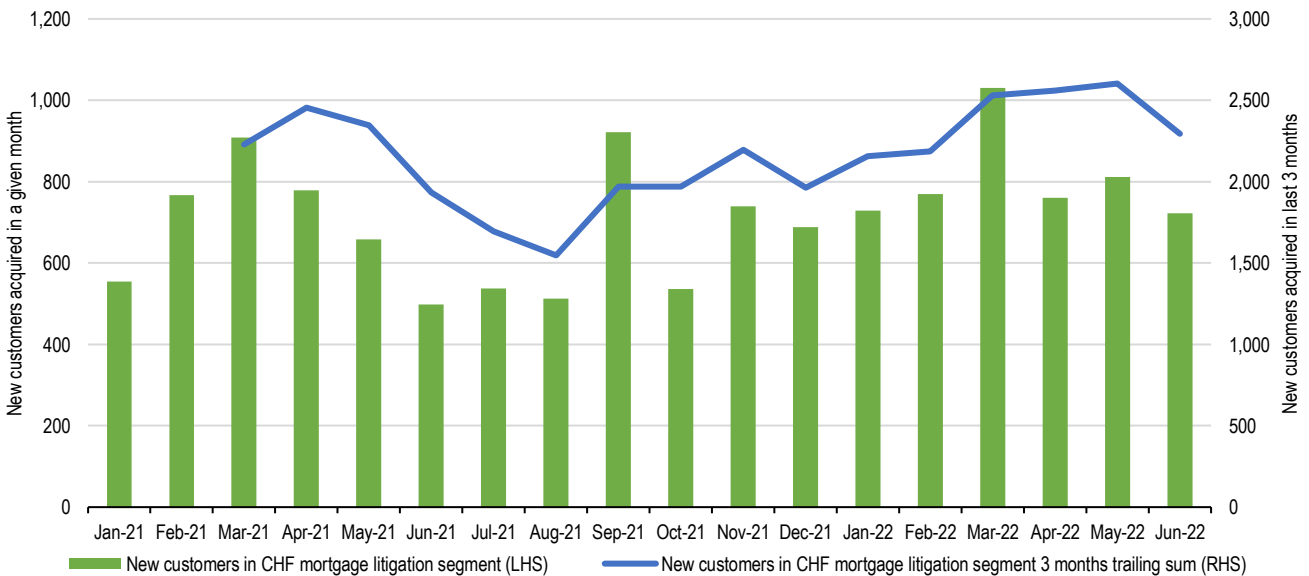


Source: Company

New clients acquired in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements In June, a number of new contracts stood at 722 which implies a slight decrease as compared to a monthly average in 2Q22 (764). In 1H22 a number of new agreements acquired reached 4,821 and, assuming this pace of clients acquisition will be maintained in 2H22, a yearly number of new clients in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements will near 10,000. It remains to be seen how interest rate hikes and weakening of CH/PLN rate will affect the clients' willingness to pursue claims and this impact may trigger an inflow of new clients in 2H22.

According to the management, since the beginning of July, Votum has observed a growing interest of clients in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements. A high CH/PLN rate translating directly into a rise of loan installments levels is a clear motivation for action.

Votum; contracts acquired monthly in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements (preliminary data)



Source: Company



The second current report ([link](#)) covers 2Q22 preliminary results with success fee revenues in the banking segment; the success fee is settled in accordance with IFRS 15. Given a steady rise of a number of the first instance sentences, a success fee contribution to revenues will be growing which is a factor with primary importance both, for the banking segment and the Group itself.

The Company informed that in 2Q22 the segment of pursuing claims from abusive clauses in FX mortgage loan agreements generated PLN 43.7 million in revenues on the remuneration for the first instance favorable sentences, and the net result stands at PLN 27,5 million. These data are partial and do not include the remaining revenues from other titles, in particular initial remuneration and final judgements. This means that in 2Q22 only the Company generated revenues twice as much as in 1Q22 which indicates an extremely high dynamic of revenues to be recognized in 2Q22 in this segment. Our FY forecasts for the Group look conservative when confronted with the reported results for 2Q22 in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements.

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.