

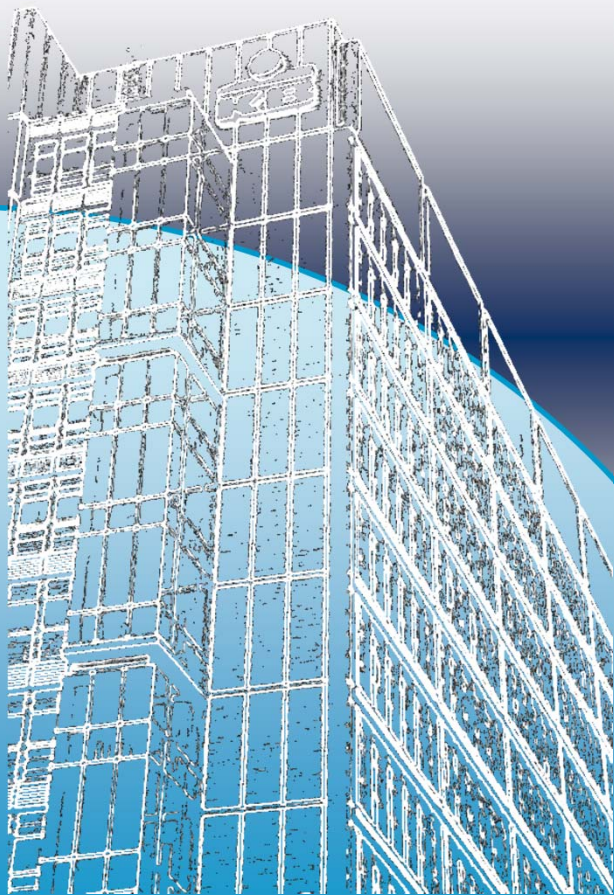


# Kredyt Bank S.A. Group

## Financial results after 3Q 2012



Warszawa, November 8, 2012



Highlights

Analysis of  
results,  
Group

Bousiness  
lines,  
Bank

Appendix



## Headlines

### NET PROFIT

Net profit amounted to PLN 110.3 mln in 3Q 2012 vs PLN 62.5 mln in 2Q 2012 (increase by 76.4%). Net profit amounted to PLN 228.9 mln after 3Q 2012 comparing to PLN 282.7 mln after 3Q 2011.

### GOI

GOI amounted to PLN 424.6 mln in 3Q 2012 vs PLN 371.1 mln in 2Q 2012. NII increased by 16% in 3Q 2012 vs 2Q 2012. (as a result of deposit margin improvement as well as positive influence of restructuring and vindication activities). Net trading and net gains from investment activities grew by 49% in 3Q 2012 vs 2Q 2012 (inter alia due to the execution of result on the sale of bonds from the available for sale portfolio) GOI was equal to PLN 1,167.7 mln in 3Q 2012 in comparison with PLN 1,203.1 mln in 3Q 2011.

### COSTS

Decrease of general administrative expenses by 12.2% in 3Q 2012 comparing to 2Q 2012 as a result of decrease of HR costs as well as inter alia: promotion and marketing costs, advisory costs and costs of IT.



## Headlines

### **LOANS / DEPOSITS**

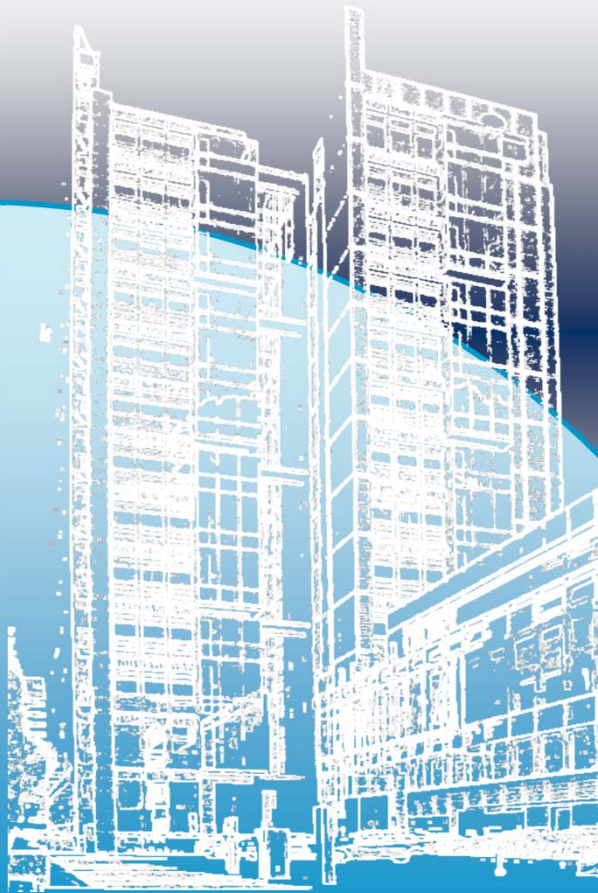
Net Loans/Deposits ratio at the level of 97.3% as of the end of 3Q 2012 vs 98.8% as of the end of 2Q 2012 (improvement by 1.5 p.p.) and 110.7% as of the end of 3Q 2011 (improvement by 12.7 p.p.). Volume of customers' deposits grew by PLN 3,503.8 mln (i.e. by 13.3%) comparing to the end of 3Q 2011. The said growth mainly resulted from the increase of retail customers' deposits.

### **CAR**

CAR at the level of 13.1% as of the end of 3Q 2012 (Tier I - 9,4%) vs 12.9% as of the end of 2Q 2012 (Tier I - 9.2%) and 12.1% (8.5%) as of the end of 3Q 2011

### **COSTS OF RISK**

Stabilization of the credit risk costs on the level observed in previous quarters of 2012 (excluding the influence of new portfolio impairment models implementation in 2Q 2012 ).



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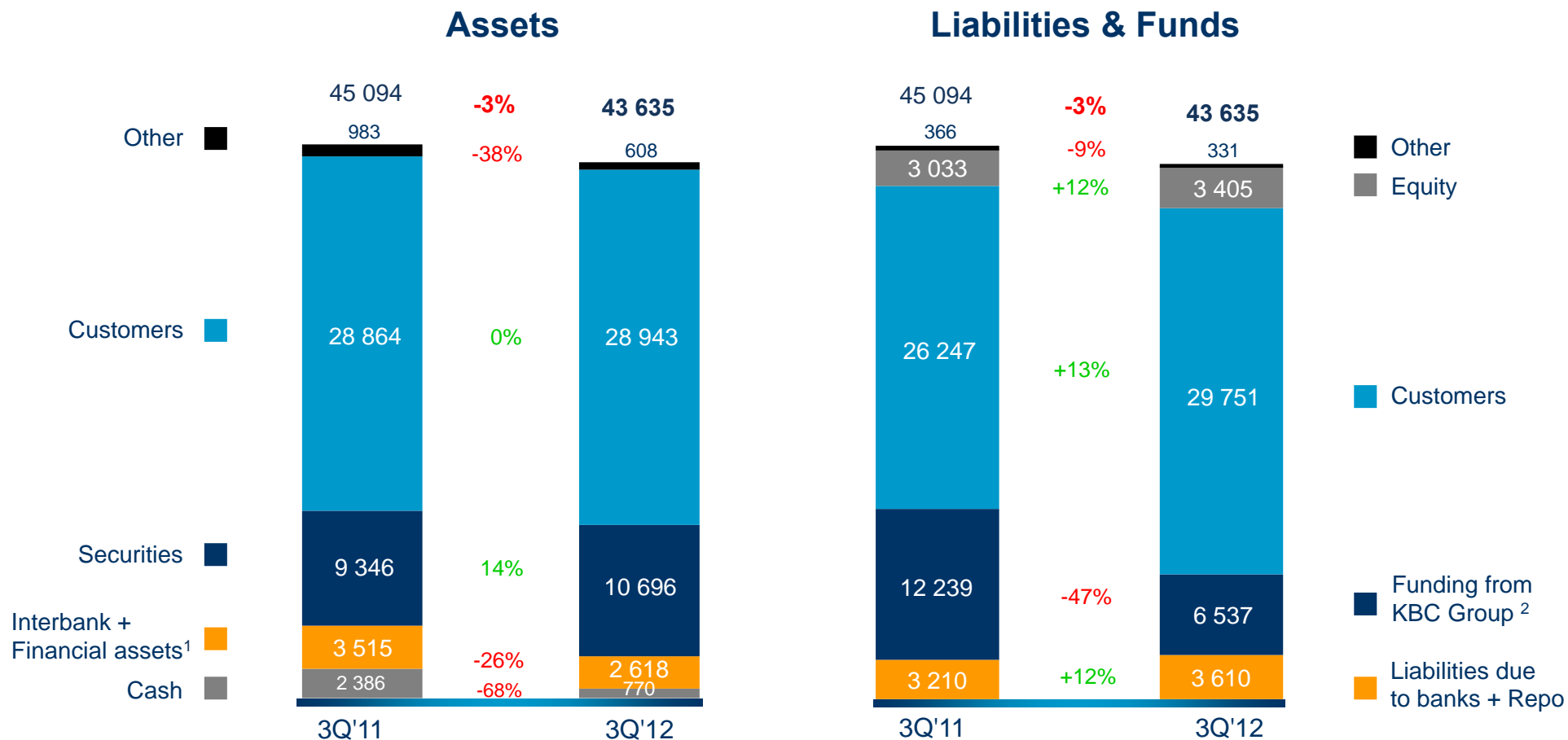
## Financial highlights - ratios

	3Q 2012	2Q 2012	3Q 2011	2012-2011 pp / %
Cost/Income (quarterly)	53,6%	69,9%	67,2%	-13,6
ROE (cumulatively)	8,5%	7,2%	11,6%	-3,1
Loans/Deposits	97,3%	98,8%	110,0%	-12,7
CAR	13,1%	12,9%	12,1%	+1,0
FTEs (ths.)	4708	4892	4902	-4,0%
Number of outlets - KB	369	373	374	-1,3%



# Balance sheet breakdown

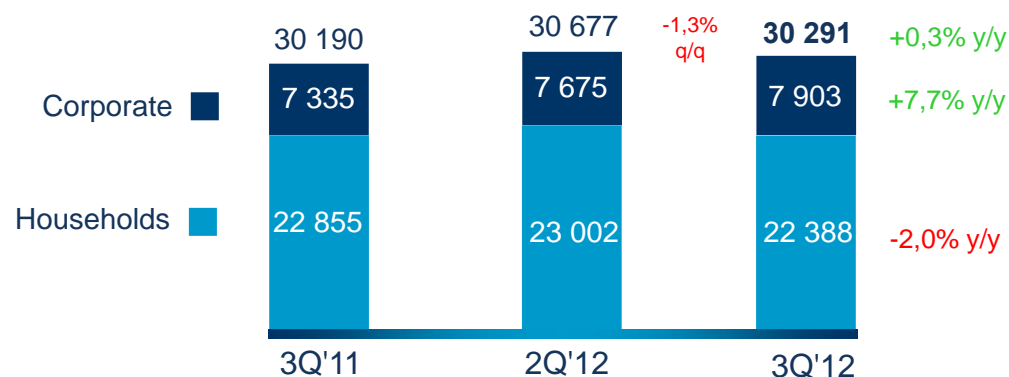
in PLN mln



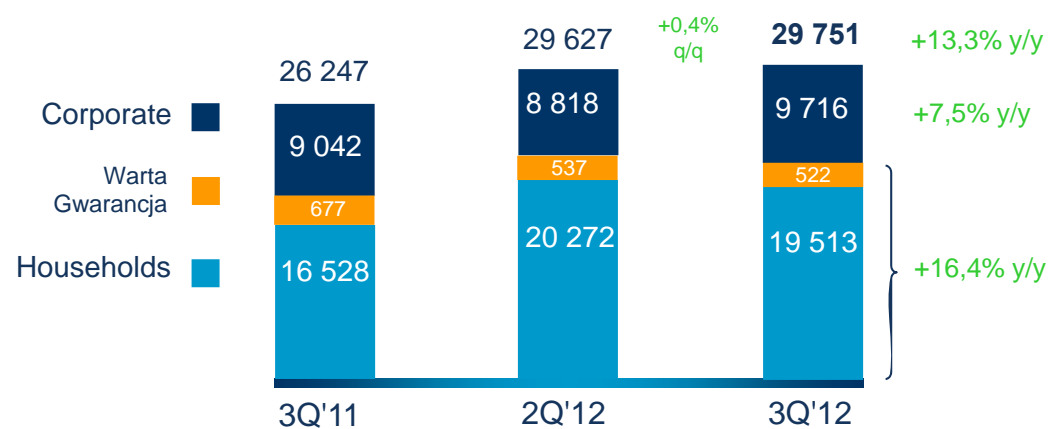
<sup>1</sup> Financial assets at fair value through profit or loss as well as receivables arising from repurchase transactions

<sup>2</sup> Funding from KBC Group = loans and interbank deposits from KBC Group entities (FX and PLN) including short term funding

## Customer loans<sup>1</sup>



## Customer deposits<sup>1</sup>



## KB market share - loans<sup>2</sup>

	3Q'11	2Q'12	3Q'12
Total loans	3,4%	3,3%	3,3%
Household loans	4,3%	4,3%	4,2%
Corporate loans	2,1%	2,0%	2,0%

## KB market share - deposits<sup>2</sup>

	3Q'11	2Q'12	3Q'12
Total deposits	3,3%	3,6%	3,5%
Household deposits <sup>3</sup>	3,6%	4,0%	3,8%
Corporate deposits	2,9%	2,8%	3,0%

<sup>1</sup>Loans, liabilities gross, end of period, consolidated

<sup>2</sup> NBP segmentation – residents only, bank statutory

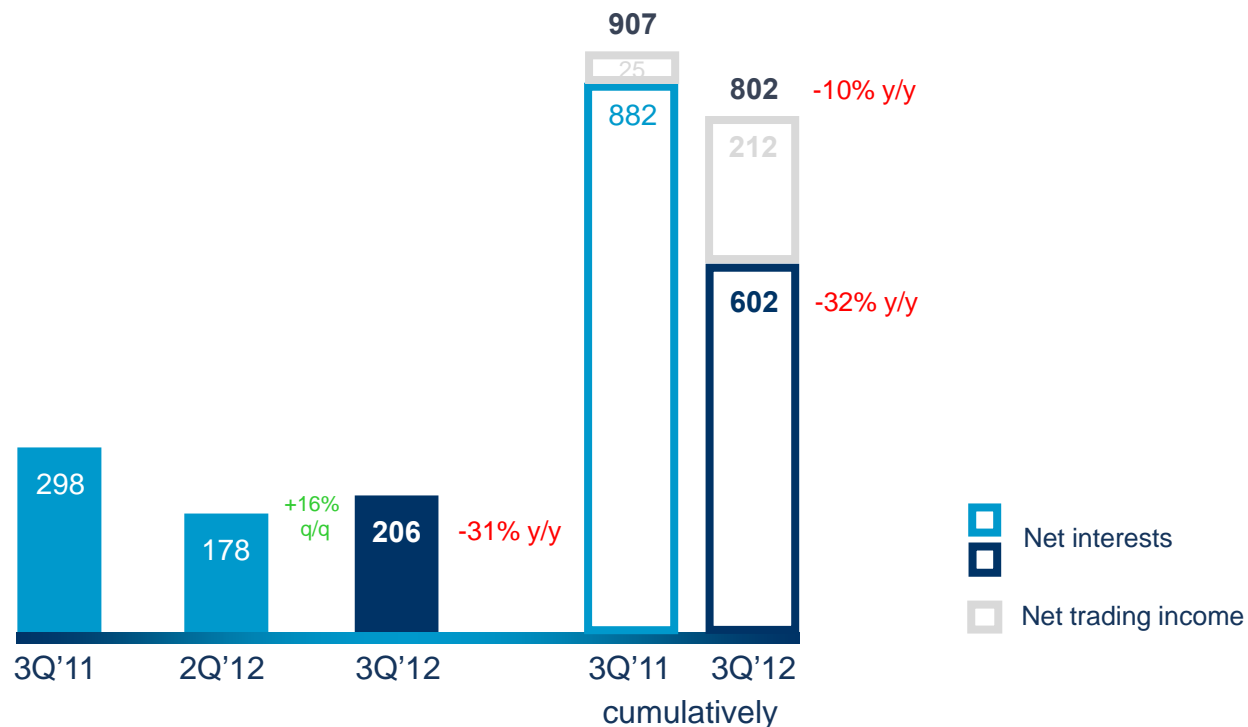
<sup>3</sup> combined with insurance linked deposit Warta Gwarancja





## Financial highlights – P&L

in PLN mln	3Q'12	2Q'12	3Q'11	Δ Q/Q mln	Δ Q/Q %
NII + NFC	288,6	266,8	377,3	21,8	8,2%
Gross operating income	424,6	371,1	390,2	53,5	14,4%
Administrative expenses	-227,7	-259,4	-262,1	31,7	-12,2%
Operating profit	196,9	111,7	128,1	85,2	76,2%
Impairment	-54,2	-6,0	-50,1	-48,2	-796,5%
<b>Net profit</b>	110,3	62,5	60,8	47,8	76,4%



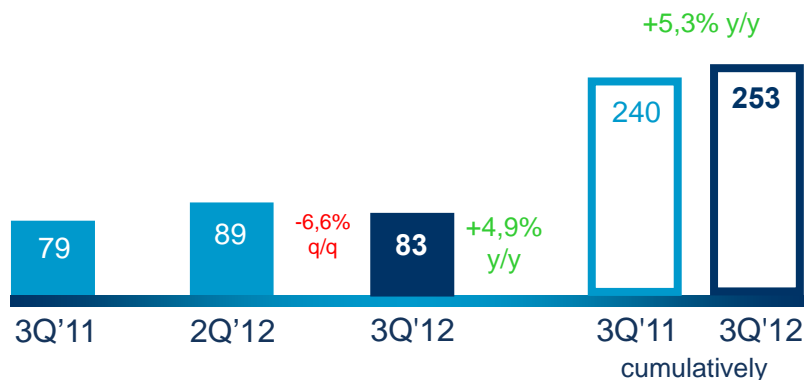
- **Increase of deposits costs (y/y)** connected with the competitive pricing policy aiming at deposit base increase (growth of the portfolio by 13,3% vs 3Q 2011) and the change of the Bank's funding structure.
- **Improvement of the NII (q/q)** resulting from the change of pricing policy in the area of deposits as well as positive influence of restructuring and vindication activities.
- **The shift between NII and net gains from financial instruments** relating to non application of the hedge accounting while increasing the scale of SWAP operations.



# Net fees and commissions

in PLN mln

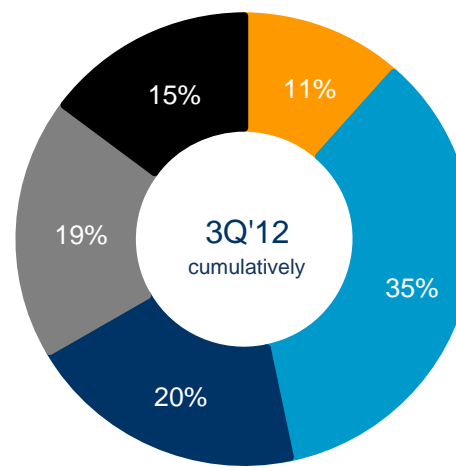
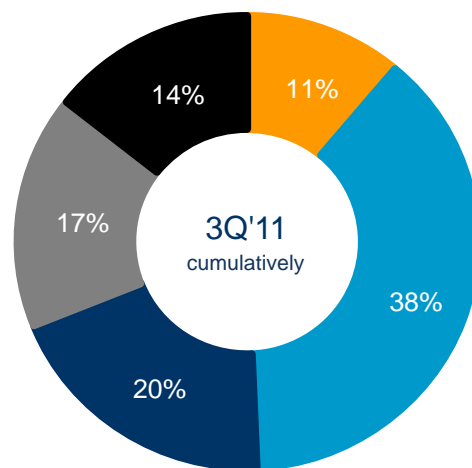
## NFC



Drop of net fees and commissions on a quarterly basis in 3Q'2012 as a result of lower revenues from distribution of savings and investment products as well as credit cards.

On a cumulative basis the increase is connected with higher revenues from insurance intermediation, distribution of savings and investment products, net result gained on debit cards and ATMs as well as foreign clearing operations.

## F&C (income structure)

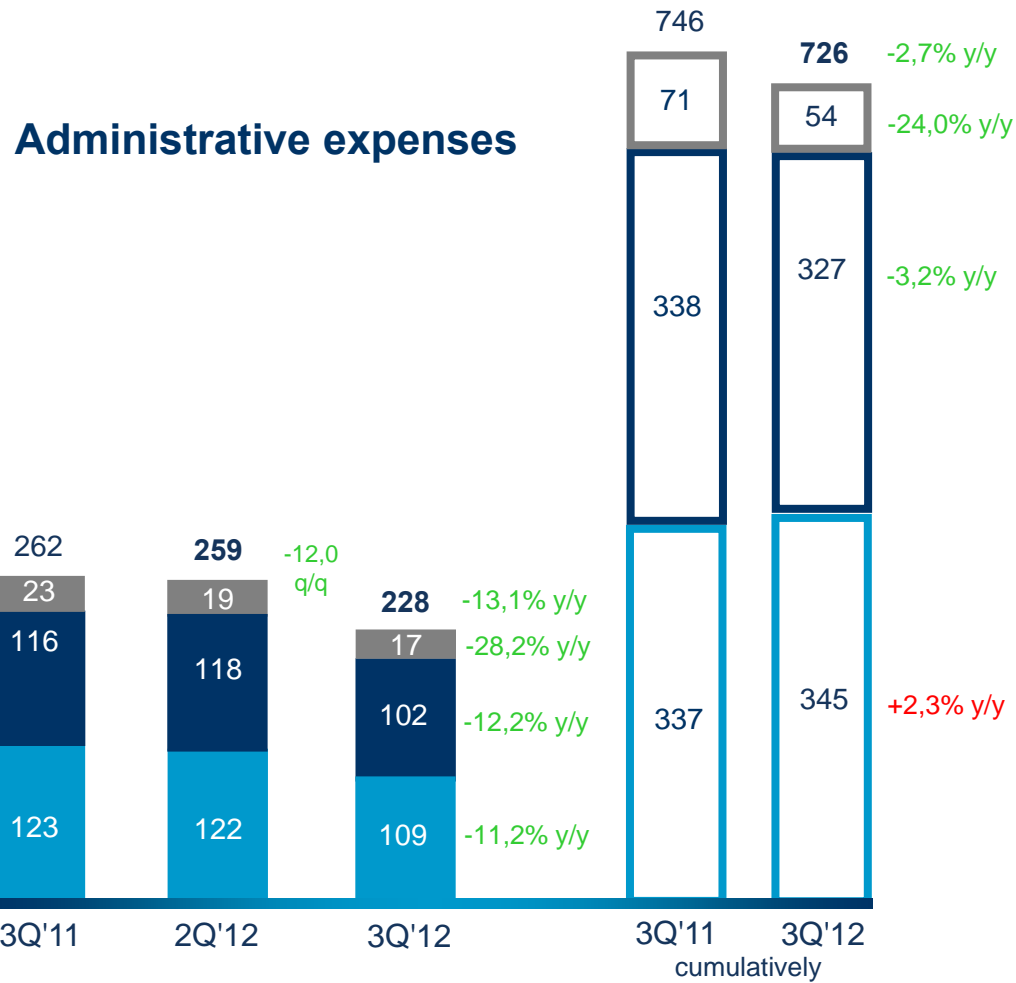


- Payment and handling transactions for customers
- Distribution of mutuals and insurances
- Payment cards and ATMs (net)
- Loans
- Other

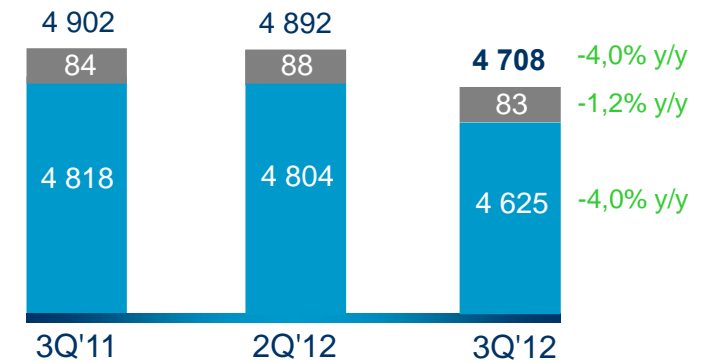


# Administrative expenses

in PLN mln



### FTEs



■ HR    ■ NHR    ■ Depreciation

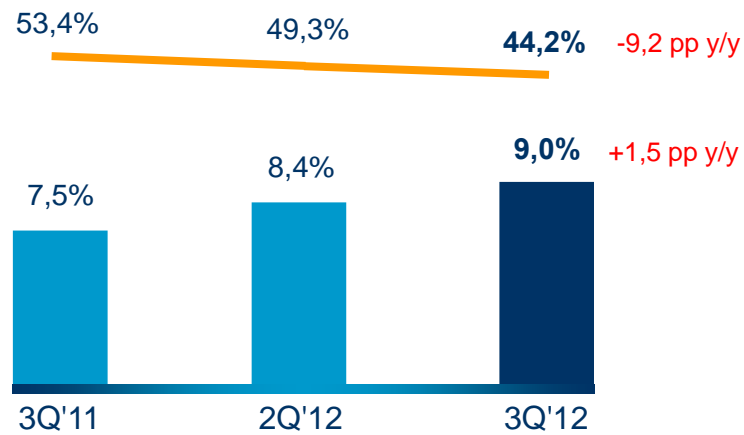
■ Kredyt Bank    ■ subsidiaries



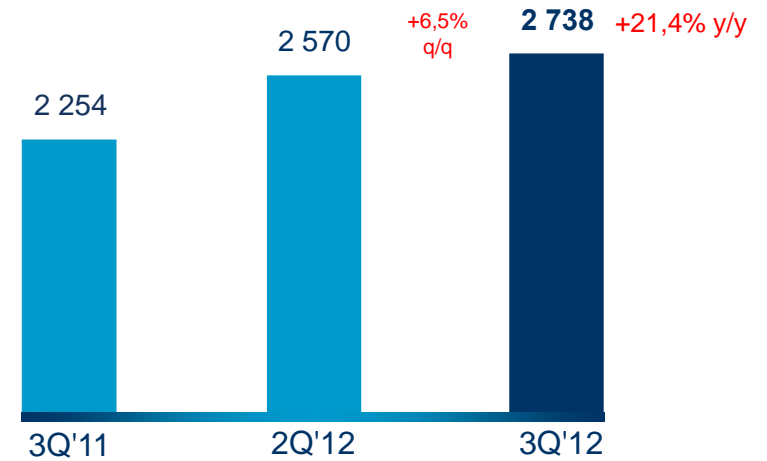
# Loans quality

in PLN mln

## Impaired loans/ gross loans<sup>1</sup> coverage ratio



## Impaired loans - volume



<sup>1</sup> On customers' portfolio basis, banks excluded

# Net impairment – breakdown by segments

in PLN mln



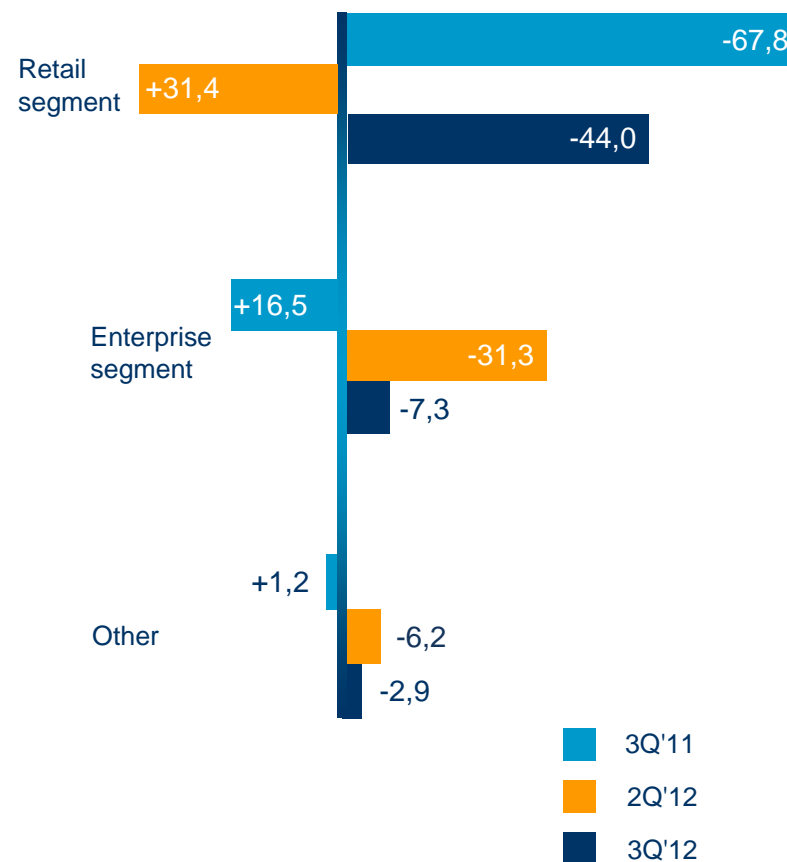
Implementation of the new portfolio impairment models in 2Q 2012.

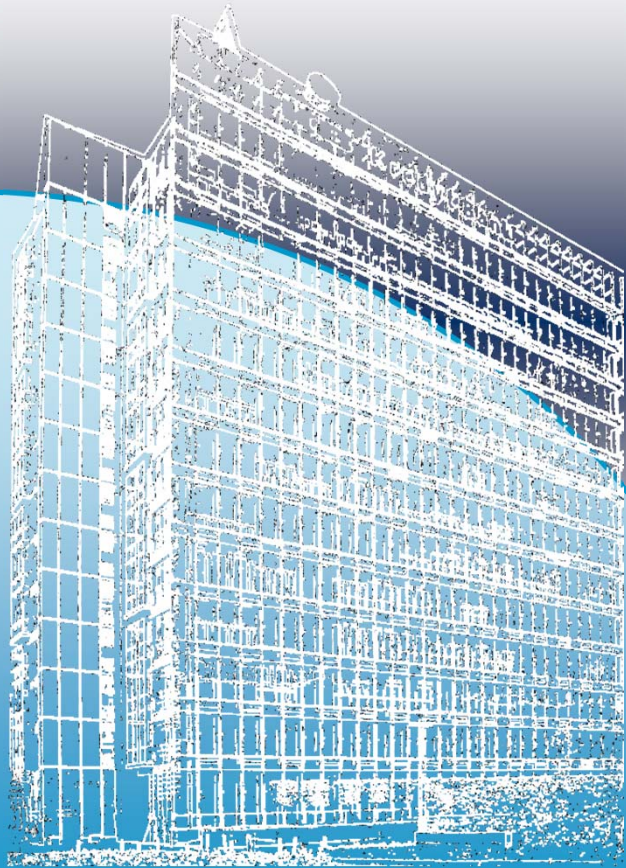
The total impact on the level of net impairment amounted to PLN 64.4 mln.  
Excluding the said impact, net impairment in 2Q 2012 would amount to PLN -70.4 mln.

The methodology changes were applied to:

- corporate segment (change of product approach to customer based approach – the most conservative risk parameters are being assigned to the total customers' exposure),
- retail segment excluding Zagiel loans (replacement of segmentation based on delays measured in days with the system based on internal ratings),
- Loans granted via Zagiel (split of the portfolio for three additional homogenous categories).

**In case of retail segment , the estimated impact of the changes amounted to PLN +72.8 mln, in case of enterprise segment PLN -8,4 mln.**





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## Current Accounts:

- ✓ In 3Q Kredyt Bank opened almost 30 ths. of current accounts, including almost 6ths. for affluent clients.
- ✓ In total Kredyt Bank carried 714 ths. of current accounts at the end of 2012.

## Deposit Products:

- ✓ At the end of 3Q 2012 deposits of retail clients (according to internal Bank's segmentation) were higher by around PLN 3 bln (18.8%) vs. 3Q 2011. Term deposits were higher by 90%.
- ✓ This is the effect of inter alia new rentier deposit and efficient TV marketing campaign.
- ✓ At the beginning of 3Q 2012 efficient retention of deposits with daily capitalization was carried, keeping 80% of balance.

## Investment Products:

- ✓ Gross sales of investment and structured products in 3Q 2012 was equal to more than PLN 0.6 bln.
- ✓ In 3Q 2012 6 structured deposits, 6 structured investment insurance and funds in subscriptions.

## Cash loans:

- ✓ In 3Q 2012 the Bank sold cash loans in the amount of 136mln PLN (the level close to the sale in 2Q 2011).
- ✓ Bank successfully developed cash loans sale via pre-approved offer dedicated to the own customer base.

## Small companies with yearly turnover up to PLN 1 mln (SOHO):

- ✓ In 3Q 2012 Kredyt Bank opened almost 3,3 ths. of current accounts for small companies.
- ✓ In total, the Bank carried 40,6 ths. of current accounts as of the end of 3Q 2012.
- ✓ The Bank observed a growth in fast overdrafts volume by 270% (3Q 2012 vs. 2Q 2012).





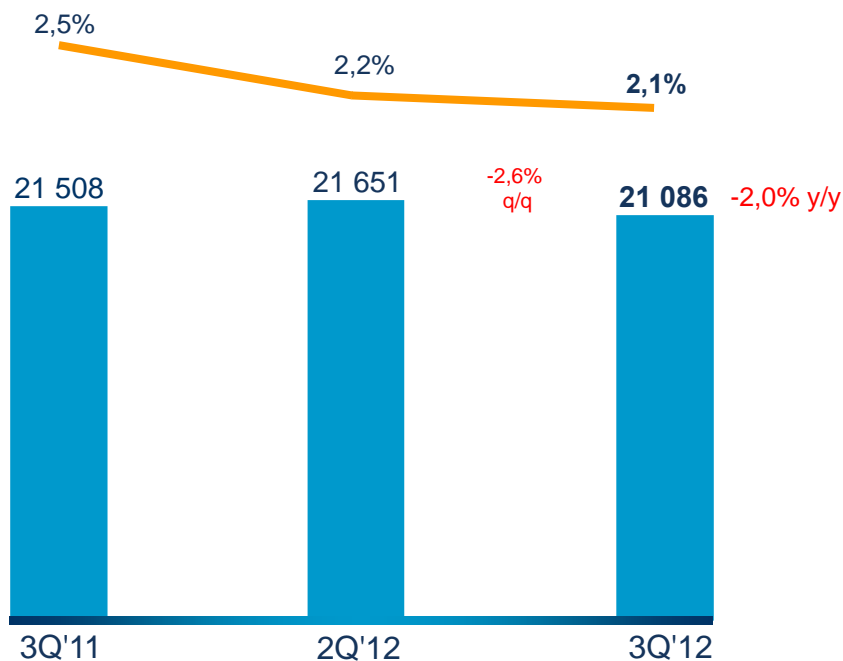


# Retail banking performance

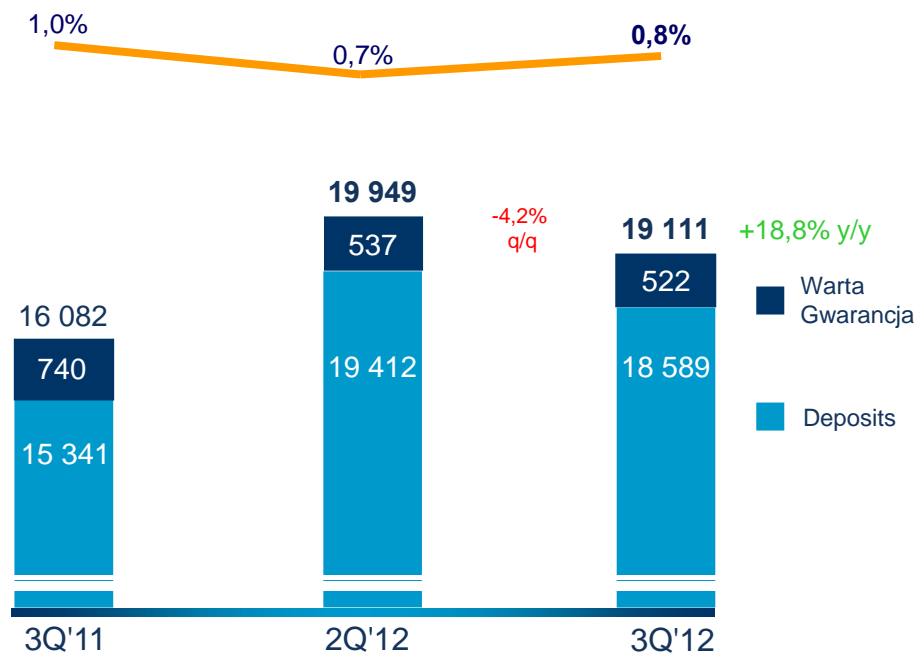
In ths. / in PLN mln

	3Q'11	2Q'12	3Q'12
Number of customers <sup>1</sup>	1 130	1 184	1 196

## Retail loans<sup>1</sup>, margin



## Retail deposits<sup>1</sup>, margin

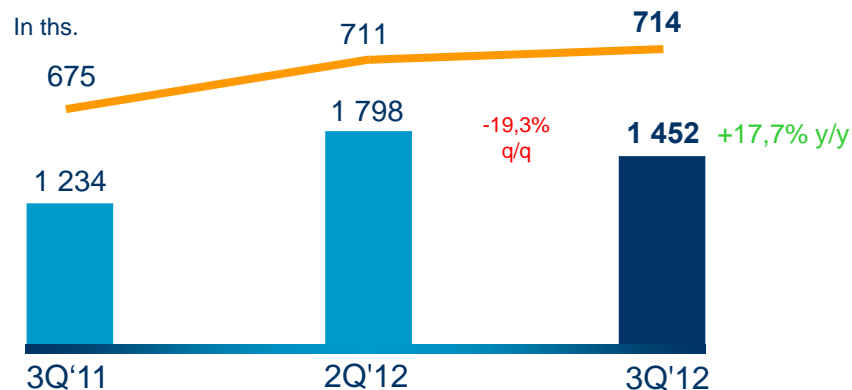




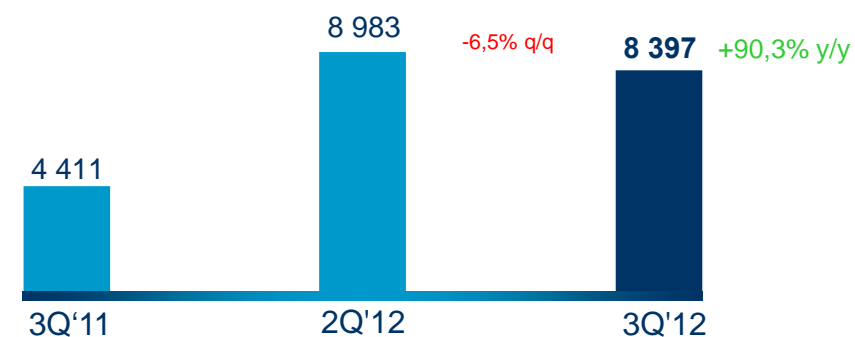
# Retail banking - products

in ths. / in PLN mln

## Current accounts – volume and quantity

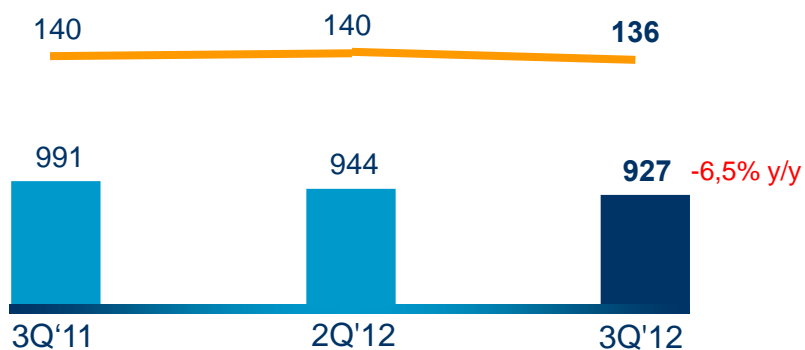


## Term deposits\* - volume



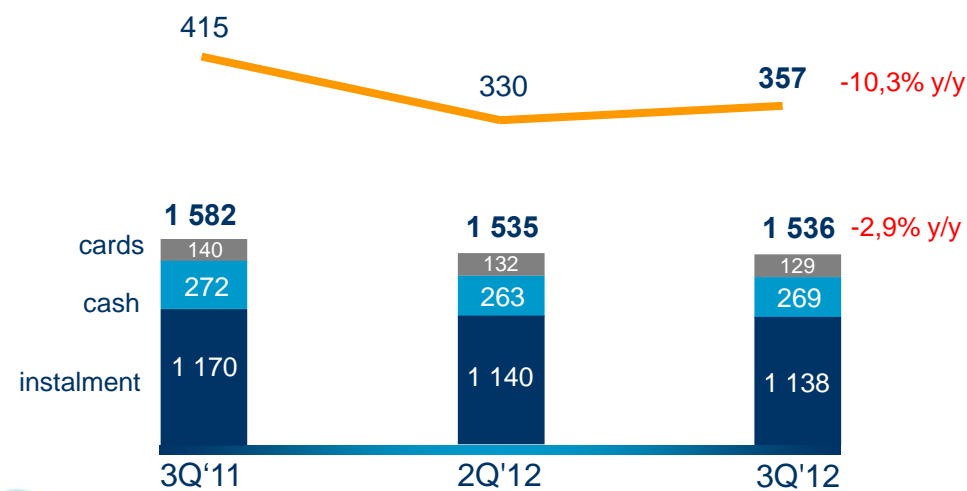
## Cash loans - bank's network

Quarterly sale of cash loans

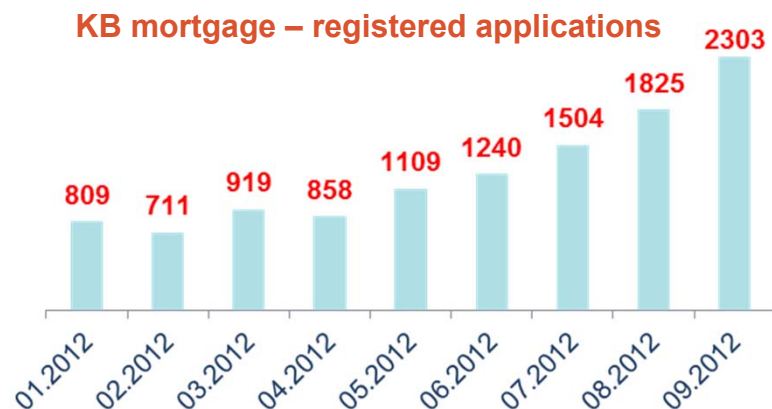


## Consumer loans of Żagiel\*

Quarterly sale



\* Individuals, source KB S.A. Group financial statements



New sales volume in 3Q 2012:  
 ■ **commitments – PLN 208 mln**  
 + 50% vs. 2Q 2012

Mortgage sales in 1Q - 3Q 2012:  
 ■ **commitments – PLN 924 m**  
 + 20% vs. 1Q – 3Q 2011

## Higher sales dynamics in 3Q:

- Promotional mortgage offer with life insurance (0% commission fee + lower margin)
- Higher demand for ‚Family at Home’ loans due to program expiry in end-2012

## ✓ SALES VOLUMES ADEQUATE TO CURRENT BANK’S EXPECTATIONS:

- PLN 88 m disbursements in 09.2012 + increasing dynamics in loan applications, which will result in further increase in disbursements in Q4 2012

## ✓ FOCUS ON PROFITABILITY:

- **New sales:** cross-sell & bancassurance development (higher insurance penetration)
- **Portfolio:** actions dedicated to existing Customers:
  - Sales of life insurance and LTI (real estate) insurance



**KB** Kredyt Bank  
Finanse z zasadami

Przyjazny kredyt mieszkaniowy  
**RODZINA NA SWOIM**

**8 LAT NISKICH RAT**  
TYLKO DO 31.12.2012

- **0%** wkładu własnego
- **0%** prowizji z ubezpieczeniem na życie
- marża niższa o **0,5 p.p.\***

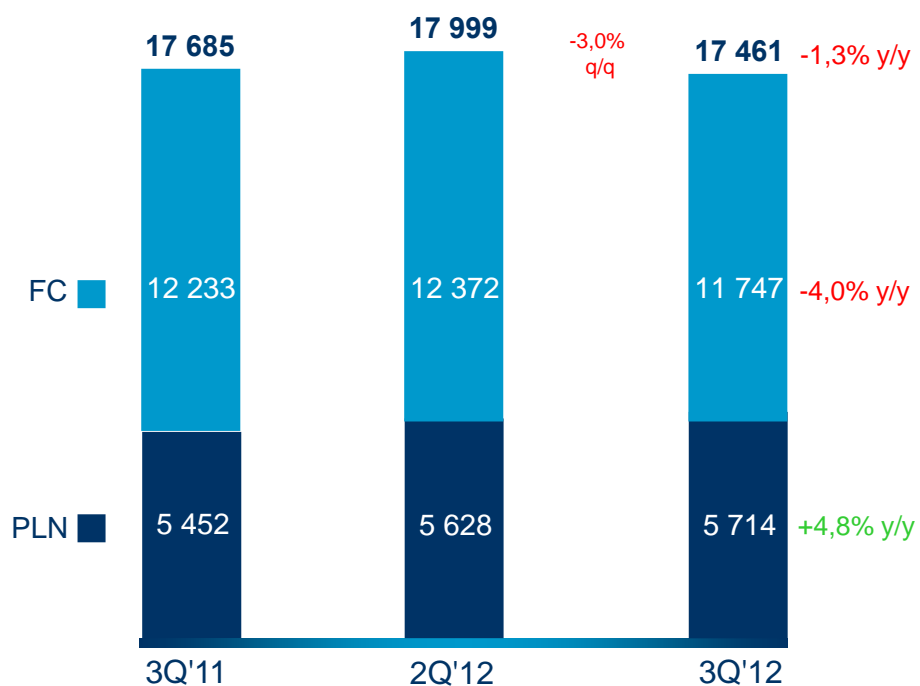
**SPRAWDŹ**



# Retail banking – mortgage loans

in PLN mln

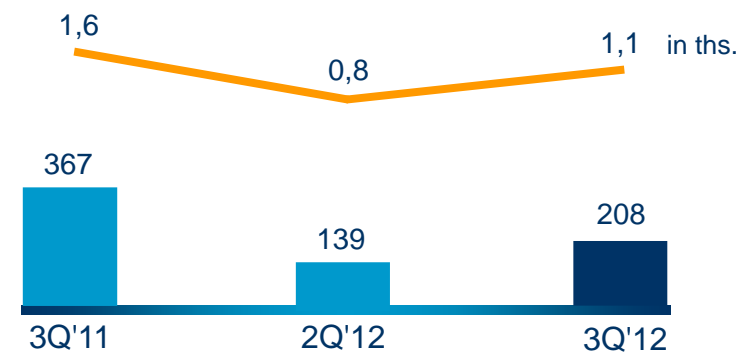
## Mortgage loans – portfolio, margin



## KB market share

	3Q'11	2Q'12	3Q'12
Total loans	5,6%	5,5%	5,4%
PLN	4,5%	4,1%	3,9%
FC	6,4%	6,6%	6,6%

## Mortgage loans – quarterly sale





# Strong, local business presence...

## Akademia Przedsiębiorcy



**4 editions**  
of Entrepreneurship  
Academy

**Strategic  
Partnership**  
of Gazele Biznesu



**58 cities**  
that meetings and  
conferences took place

**180**  
conferences organized  
within the course of  
Academy.

**13 thousands**  
participants of Academy  
meetings / conferences

## 5th edition of Akademia Przedsiębiorcy



Conference with  
leading role of  
Brian Tracy  
Warsaw,  
EXPO XXI Center,



„Delays in receiving your receivables” – how to prevent?  
November 2012 – Warsaw, Wrocław, Poznań, Katowice, Gdańsk

In partnership with:

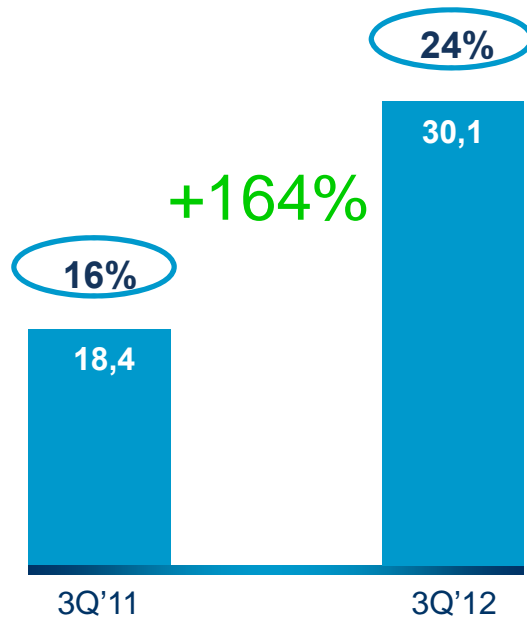




# Enterprises Segment – acquisition as a growth engine, 20% of total segment revenue generated by newly acquired customers

## SME Segment

yearly revenue (PLN 1 mln ; PLN 25 mln)



○ % share in total segment revenue generated by newly acquired customers

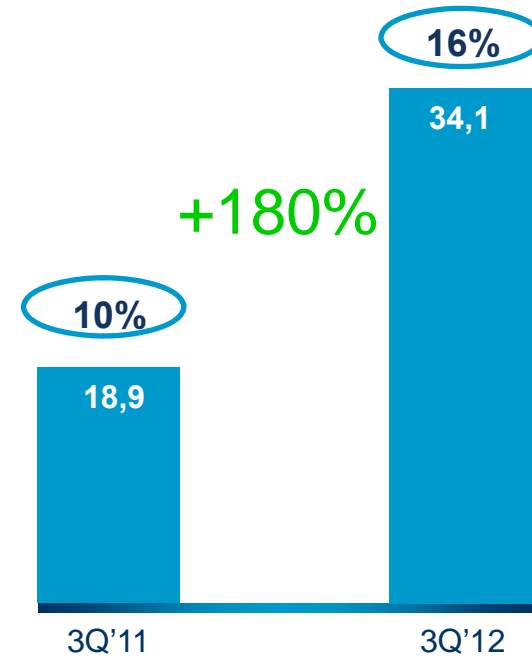
■ Revenue (in PLNmln) gained on newly acquired customers (2010 / 2011 / 2012) cumulatively

**1.546**

Number of newly acquired customers in current year.

## Mid-Cap Segment

Yearly revenue over PLN 25 mln



**317**

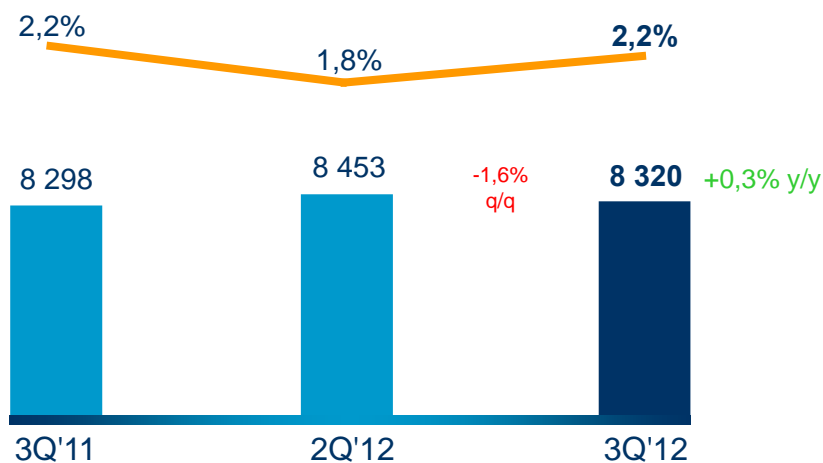


# Enterprise banking performance

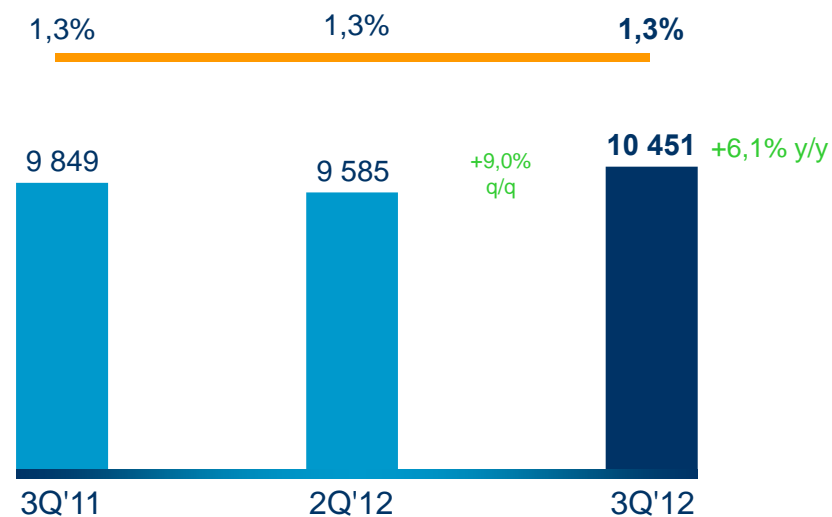
in PLN mln

	3Q'11	2Q'12	3Q'12
Number of customers <sup>1</sup>	20 355	21 345	21 309

## Loans<sup>1</sup>, margin



## Deposits<sup>1</sup>, margin



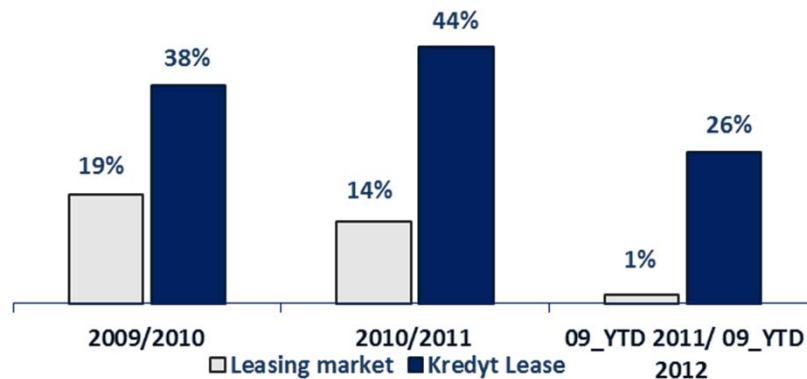
<sup>1</sup> Data according to the Bank's current internal segmentation, includes the financial means originated from EBI



# Enterprises banking products cross-sell as a main focus...

## Leasing business – few times higher then market.

### Kredyt Lease grow dynamic vs. leasing market in Poland



## Treasury products – record results and record dynamics

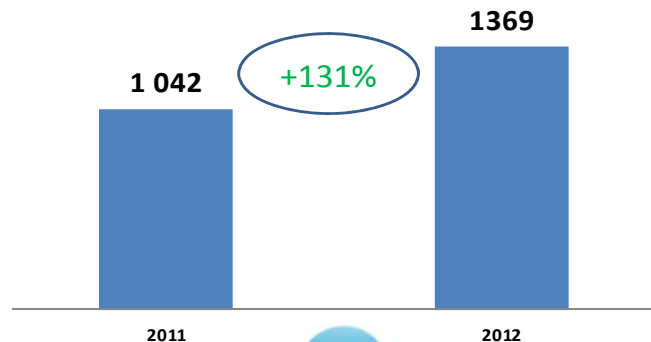
Market Year on Year	EUR	PLN
EXP	3,6%	9,7%
IMP	0,1%	6,1%

Kredyt Bank turnover Year on Year dynamic	SPOT	FORWARD	SUMA
SME Segment	39,1%	5,6%	35,8%
Corporate Segment	22,3%	39,0%	26,1%
<b>TOTAL</b>	<b>28,4%</b>	<b>33,2%</b>	<b>29,3%</b>

KB Autodealing revenues (M PLN):	XII 10	XII 11	VI 12	IX 12
	0.1	4.2	8.4	<b>11.2</b>

## Factoring – double digit increases

Dynamika obrotu faktoringowego [w mln PLN]







# Enterprises banking

fees & commissions as a main driving force of revenue dynamics...

## Strong business momentum for both segments

### SME Segment

In M PLN (cumulatively)	3Q '11	3Q'12	% y/y
<b>Fees &amp; Commissions revenues: including:</b>	<b>42,8</b>	<b>47,2</b>	<b>+10%</b>
Transactional & periodical fees:	20,1	21,2	+6%
Foreign payments fees:	3,2	3,5	+10%
Trade finance fees:	1,1	1,2	+12%
Treasury products fees:	14,7	17,7	+20%
<b>Leasing Revenues:</b>	<b>4,8</b>	<b>5,4</b>	<b>+12%</b>

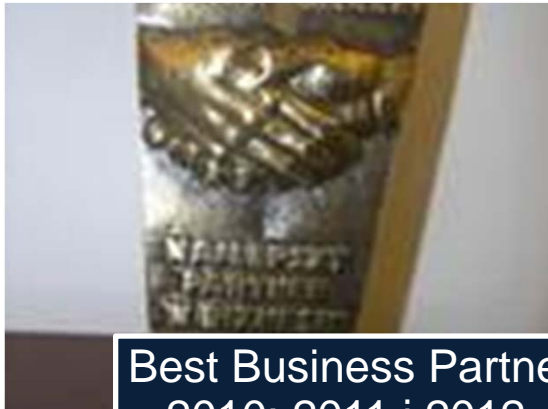
### Mid-Cap Segment<sup>1</sup>

In M PLN (cumulatively)	3Q'11	3Q'12	% y/y
<b>Fees &amp; Commissions revenues: including:</b>	<b>58,5</b>	<b>64,3</b>	<b>+10%</b>
Transactional & periodical fees:	17,7	16,4	-8%
Foreign payments fees:	3,7	4,3	+15%
Trade finance fees:	11,3	12,0	+6%
Treasury products fees:	23,6	29,6	+25%
<b>Leasing revenues:</b>	<b>5,6</b>	<b>9,6</b>	<b>+71%</b>

<sup>1</sup> customers of Corporate segment without EXIT portfolio.



## Efforts recognized by market and media...



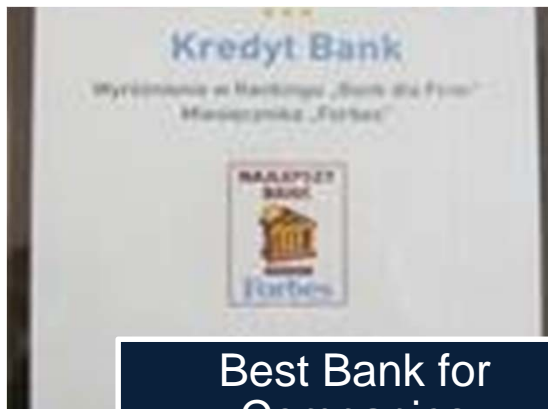
Best Business Partner  
2010; 2011 i 2012.



IT leader  
KB Autodealing



Financial Brand  
of the Year 2012



Best Bank for  
Companies



Best product for SME



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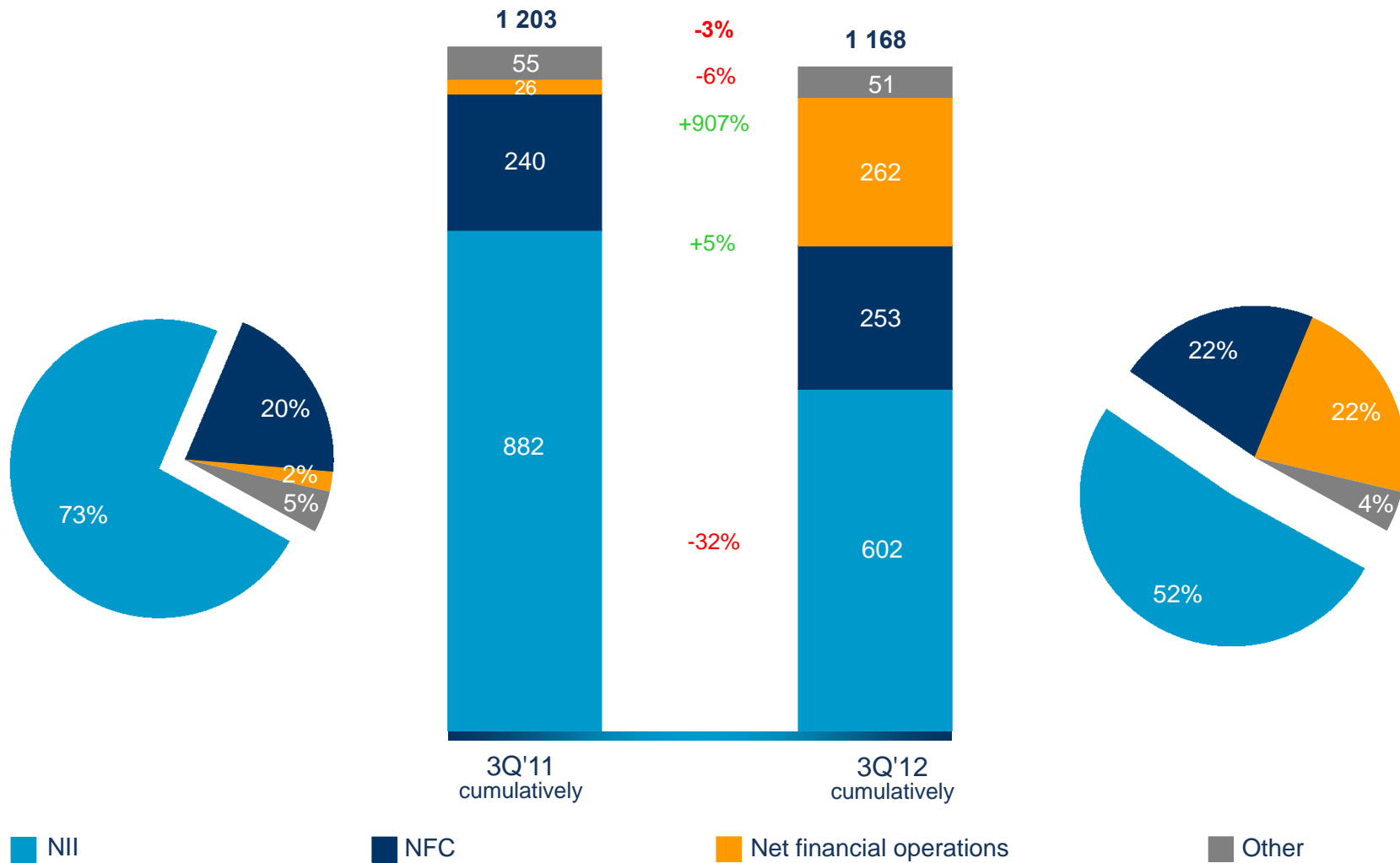
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NII + NFC	288,6	266,8	299,5	342,6	377,3
Gross operating income	424,6	371,1	372,0	413,2	390,2
Administrative expenses	-227,7	-259,4	-238,6	-244,8	-262,1
Operating profit	196,9	111,7	133,4	168,4	128,1
Impairment	-54,2	-6,0	-57,9	-114,5	-50,1
<b>Net profit</b>	<b>110,3</b>	<b>62,5</b>	<b>56,1</b>	<b>44,5</b>	<b>60,8</b>



# Gross operating income breakdown

in PLN mln





## Administrative expenses

in PLN mln	3Q'12	2Q'12	3Q'11	Δ y/y mln	Δ y/y
<b>HR costs</b>	<b>109,6</b>	<b>122,2</b>	<b>123,5</b>	<b>-13,9</b>	<b>-11,2%</b>
<b>Operating expenses, including:</b> (inter alia)	<b>101,6</b>	<b>118,3</b>	<b>115,7</b>	<b>-14,1</b>	<b>-12,2%</b>
rental of buildings costs	27,6	27,9	25,9	+1,7	+6,3%
IT and telecommunication fees	18,8	20,4	24,5	-5,7	-23,5%
tax and fees	10,9	11,0	9,9	+1,0	-9,9%
advisory and specialist services costs	8,0	11,4	8,4	-0,4	-3,9%
maintenance costs	6,2	6,0	6,4	-0,2	-2,4%
<b>Depreciation</b>	<b>16,5</b>	<b>18,9</b>	<b>22,9</b>	<b>-6,4</b>	<b>-28,2%</b>



## Balance sheet

<b>Assets</b> in PLN mln	<b>3Q'12</b>	<b>3Q'11</b>	<b>Δ mln</b>	<b>Δ %</b>
Cash and balances with Central Bank	770	2 386	-1 616	-68%
Amounts due from banks and financial assets at fair value through P&L as well as receivables arising from repurchase transactions	2 618	3 515	-896	-26%
Loans to customers	28 943	28 864	79	0%
Investments in securities	10 696	9 346	1 350	14%
Tangible and intangible fixed assets as well as investment properties	329	515	-186	-36%
Other assets	279	468	-189	-40%
<b>Total assets</b>	<b>43 635</b>	<b>45 094</b>	<b>-1 459</b>	<b>-3%</b>

<b>Liabilities and equity</b> in PLN mln	<b>3Q'12</b>	<b>3Q'11</b>	<b>Δ mln</b>	<b>Δ %</b>
Amounts due to banks	6 040	11 740	-5 700	-49%
Amounts due to customers	29 751	26 247	3 504	13%
Repo transactions	3 132	2 677	455	17%
Total equity including current net profit	3 405	3 033	372	12%
Subordinated liabilities	975	1 032	-57	-6%
Other liabilities	331	366	-34	-9%
<b>Total liabilities and equity</b>	<b>43 635</b>	<b>45 094</b>	<b>-1 459</b>	<b>-3%</b>



## Income statement

in PLN mln	3Q'12	3Q'11	Δ mln	Δ %
Net interest income	206	298	-93	-31%
Net fee and commission income	83	79	4	5%
Dividend, net trading income, profit (loss) from investment activities	122	-7	129	
Other operating income and expenses	14	20	-6	-30%
Gross operating income	425	390	34	9%
Total costs	-228	-262	34	-13%
Operating profit	197	128	69	54%
Net impairment charges for financial assets, other assets and provisions	-54	-50	-4	8%
Share of profits of associates	0	1	-1	
Profit before tax	143	79	64	80%
Income tax	-32	-18	-14	77%
<b>Net profit</b>	<b>110</b>	<b>61</b>	<b>49</b>	<b>81%</b>





## Contact information

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