

# Kredyt Bank Group

## Financial Results For 1Q 2009

Warsaw, May 14, 2009



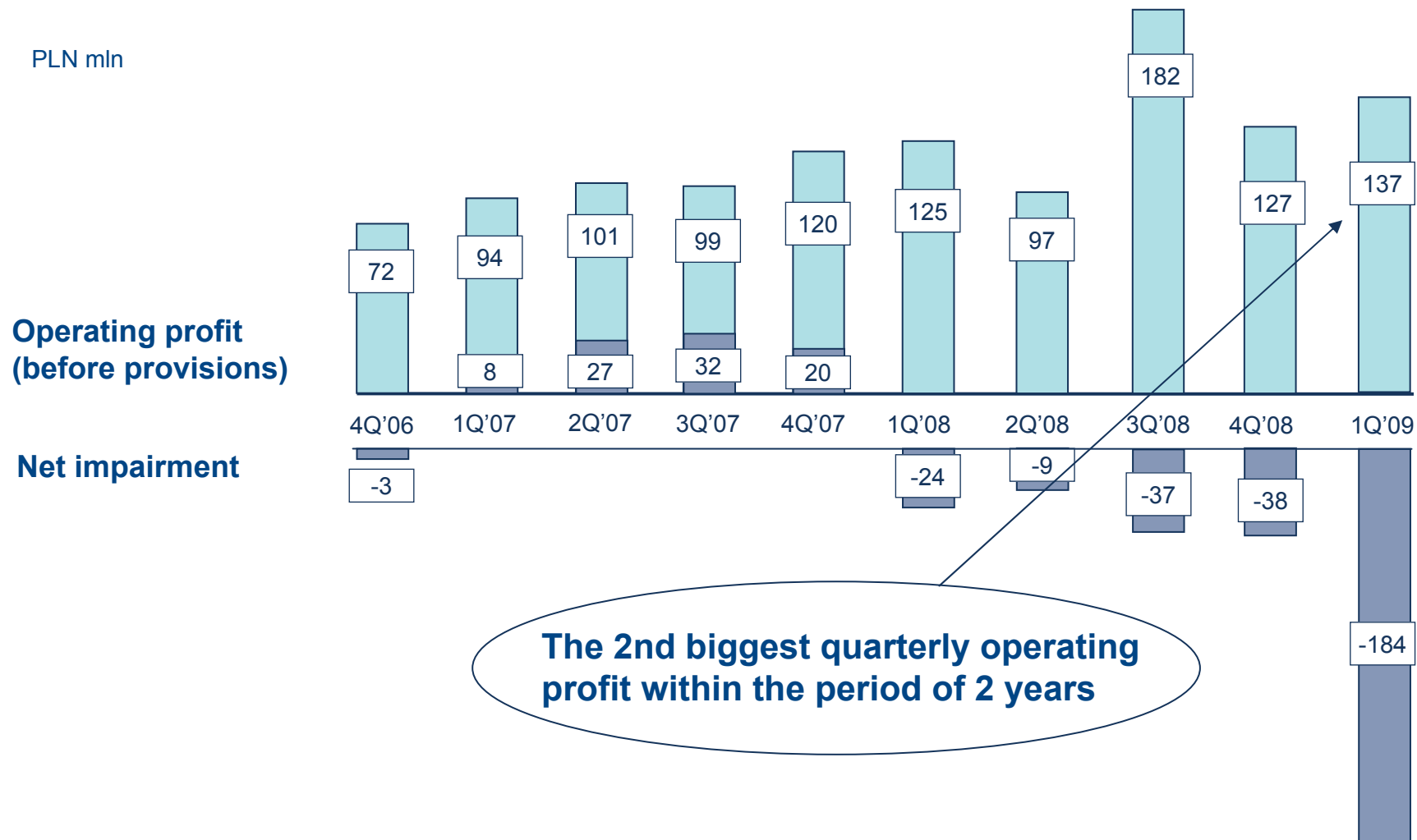


- Highlights
- Analysis of results, Group
- Business lines, Bank
- Appendix



# Performance highlights

PLN mln





## Key features for IQ 2009

- ▲ Operating profit (before provisions) **+10%** vs IQ 2008, **+8%** vs IVQ 2008.
- ▲ Customer deposits **+19%** vs IQ 2008 (**+9%** vs IVQ 2008). PLN 2 bln deposits acquired in IQ 2009.
- ▲ Customer loans (gross) **+56,7%** vs IQ 2008 (**+7,8%** vs IVQ 2008). PLN denominated loans increased by **4,0%** vs IVQ 2008.
- ▲ Renewable short and long term funding from KBC Group as of the end of IQ 2009 at the level of PLN 11,4 bln
- ▲ L/D ratio adjusted for loans and interbank deposits from KBC Group entities as of the end of IQ 2009 at the level of 83,6%.
- ▲ First results of the cost optimisation program. Staff decreased by 196 FTE vs IVQ 2008.
- ▼ Negative influence of net impairment, higher by PLN **-160** m vs 1Q 2008.
- ▼ Interest income down due to interest rate decrease, costs of funding up due to increased competition on the deposit market.



# Financial highlights IQ 2009

	IQ 09	IVQ 08	IQ 08	IQ09- IQ08	Δ 09/08 %	
<b>Loans</b> (gross, PLN bln)	29,8	27,7	19,0	+10,8	+56,7%	↑
<b>Deposits</b> (PLN bln)	22,2	20,3	18,6	+3,6	+19,4%	↑
<b>FTE</b> (ths)	6,8	7,0	6,8	0	-	↔
<b>Branch network - KB</b>	401	401	386	+15	+3,9%	↑
<b>Branch network – Żagiel</b> <sup>1</sup>	349	351	262	+87	+33,2%	↑

<sup>1</sup> Kredyt Punkty



## Financial highlights IQ 2009 – P&L

	IQ 09	IVQ 08	IQ 08	IQ09- IQ08	Δ 09/08 %	
<b>NII + NFC</b> (PLN mln)	319,5	365,7	314,0	+5,5	+1,7%	▲
<b>Gross operating income</b> (PLN mln)	407,4	427,1	372,7	+34,7	+9,3%	▲
<b>General administrative expenses</b> (PLN mln)	-270,2	-299,8	-248,1	+22,1	+8,9%	▲
<b>Operating profit</b> (PLN mln)	137,2	127,3	124,6	+12,6	+10,1%	▲
<b>Net impairment and provisions</b> (PLN mln)	-184,3	-38,1	-24,1	-160,2	+664,7%	▼
<b>Net profit</b> (PLN mln)	-36,5	64,6	75,0	-111,5	-	▼



# Financial highlights IQ 2009 - indicators

	IQ 09	IVQ 08	IQ 08	IQ09-IQ08 pp	
Cost/Income	66,3%	70,2%	66,6%	-0,3pp	↓
ROE (YTD)	8,8%	13,2%	17,2%	-8,4pp	↓
Loans/Deposits	129,6%	131,9%	97,8%	+31,8pp	↑
Loans/Deposits (adjusted) <sup>1</sup>	83,6%	91,1%	85,4%	-1,8pp	↓
CAR	8,5%	8,8%	9,5%	-1,0pp	↓

<sup>1</sup> Net customer loans excluding FX customer loans financed by KBC Group / customer deposits



## Capital adequacy

- Capital adequacy above regulatory requirements (IQ 2009 - 8,46%). Negative influence of FX rates changes in IQ - approx. 0,2%.
- Support from strategic shareholder KBC Group. New subordinated debt from KBC Bank NV launched in May 2009 (CHF 165 m) = CAR c.a. **10%** (estimation based on March data).
- Dividend policy – final recommendations on the dividend resignation will be submitted to the General Assembly Meeting. Taking into account Bank's financial situation in the area of capital adequacy and development plans of banking activity in consecutive years, **the Supervisory Board recommended resignation from the dividend payment for the year 2008.**

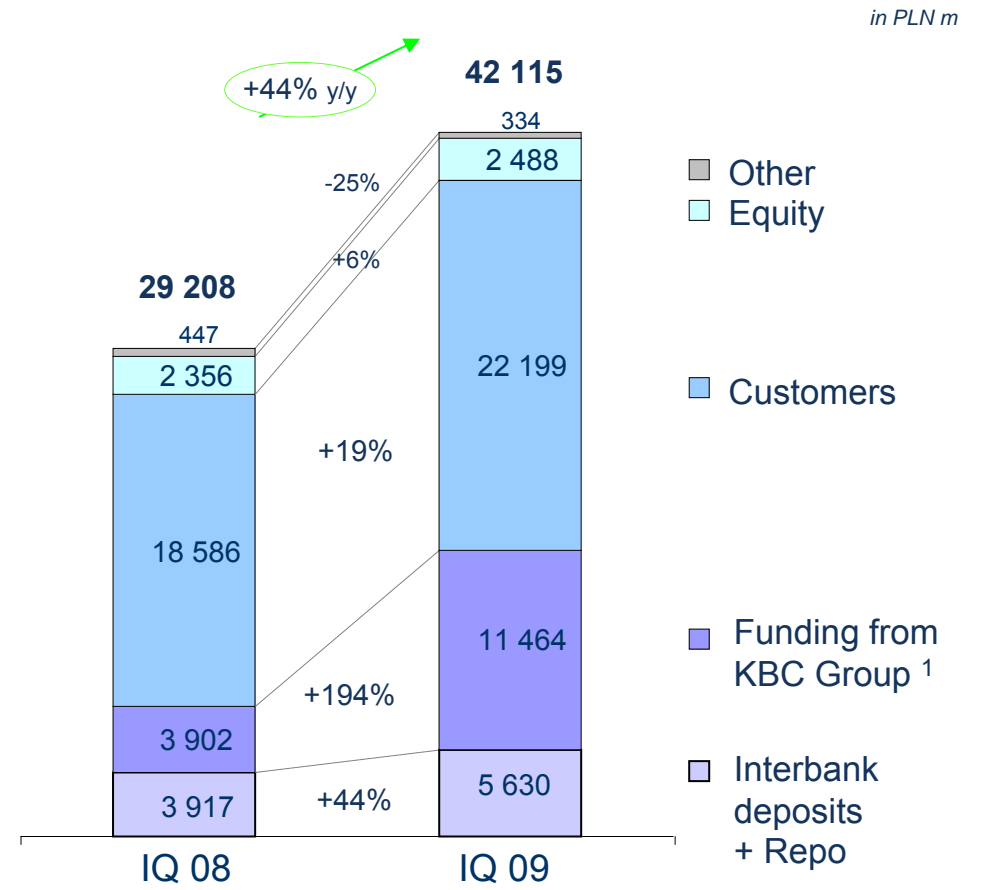
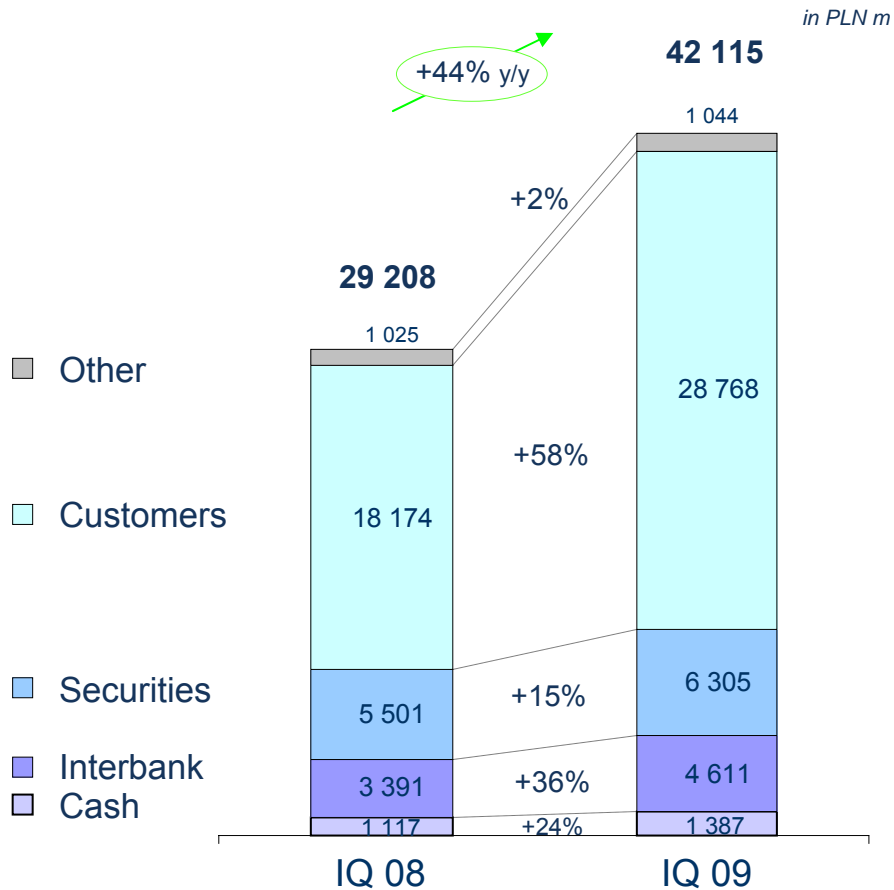




# Balance sheet breakdown

## ASSETS

## LIABILITIES & FUNDS



<sup>1</sup> Funding from KBC Group = loans and interbank deposits from KBC Group entities (FX and PLN)

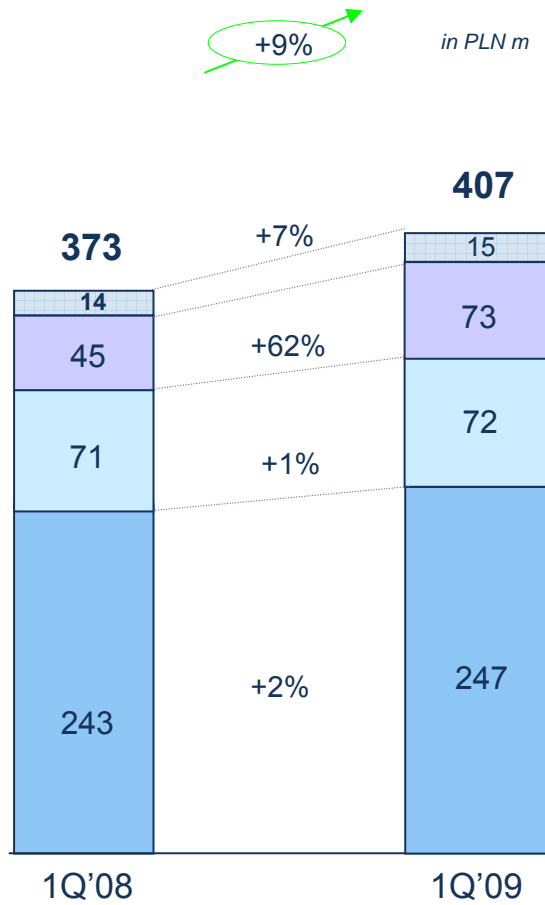


# Liquidity

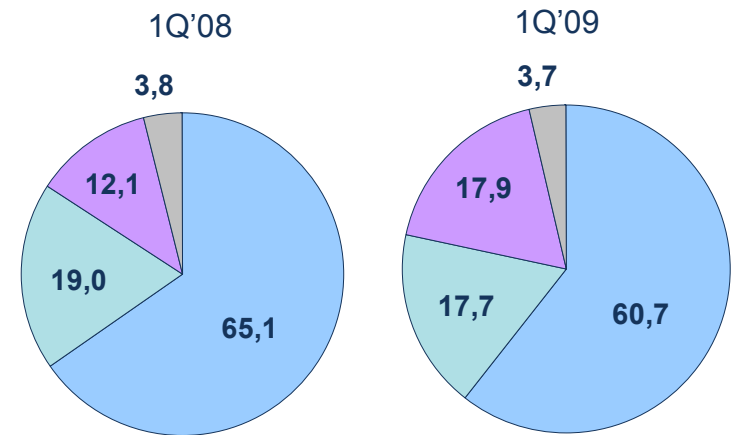
- Stable position in terms of liquidity. Diversified deposit base and support from strategic shareholder KBC Group (renewable short and long term funding).
- Focus on deposit products. **PLN 2 bln** deposits acquired in IQ 2009. L/D ratio as of the end of IQ 2009 at the level of 129,6%. L/D ratio adjusted for loans and interbank deposits from KBC Group entities deposits was equal to **83,6%**. FX loans are financed in almost 100% with FX customer deposits and FX funding from KBC Group.
- As of the end of IQ 2009 long term funding in the form of loans and subordinated debt from KBC Group entities amounted to equivalent of **PLN 7,8 bln**.
- As of the end of IQ 2009 short term funding in the form of interbank deposits from KBC Group entities amounted to equivalent of **PLN 3,6 bln**.

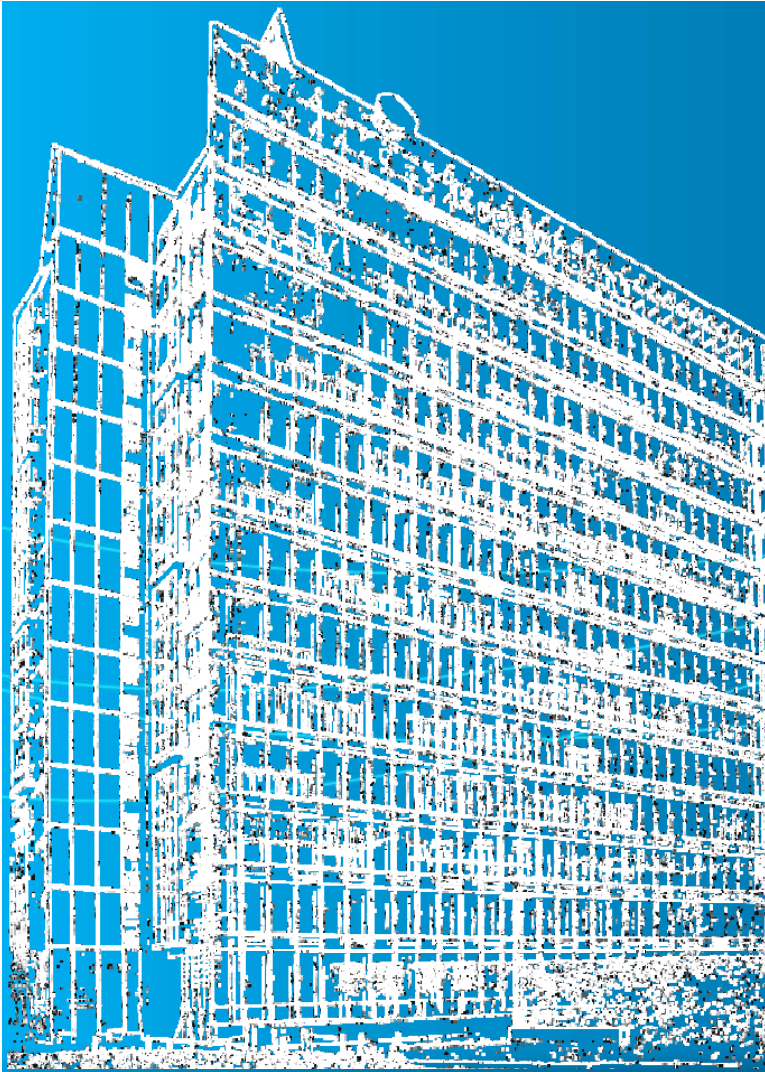


# Gross operating income breakdown YTD



- Other
- Treasury
- NFC
- NII





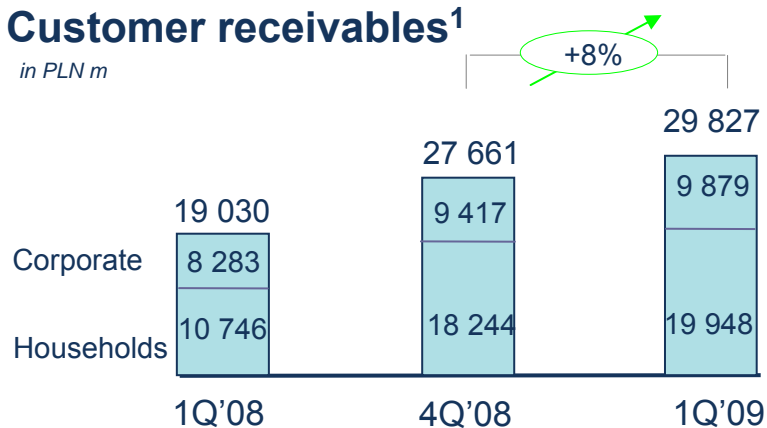
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# Volumes

## Customer receivables<sup>1</sup>

in PLN m



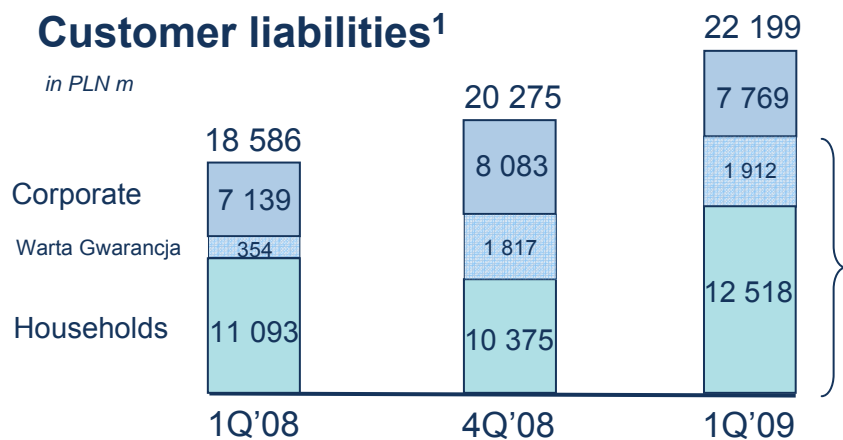
+57% y/y

+19% y/y

+86% y/y

## Customer liabilities<sup>1</sup>

in PLN m



+19% y/y

+9% y/y

+26% y/y

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

	1Q'08	4Q'08	1Q'09
Total loans	3,9%	4,4%	4,5%
Households loans	3,9%	5,0%	5,1%
Corporate loans	3,8%	3,5%	3,6%

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

	1Q'08	4Q'08	1Q'09
Total deposits	3,6%	3,4%	3,5%
Households deposits <sup>3</sup>	3,7%	3,5%	3,9%
Corporate deposits	3,6%	3,2%	2,9%

<sup>1</sup>Receivables gross, end of period, consolidated

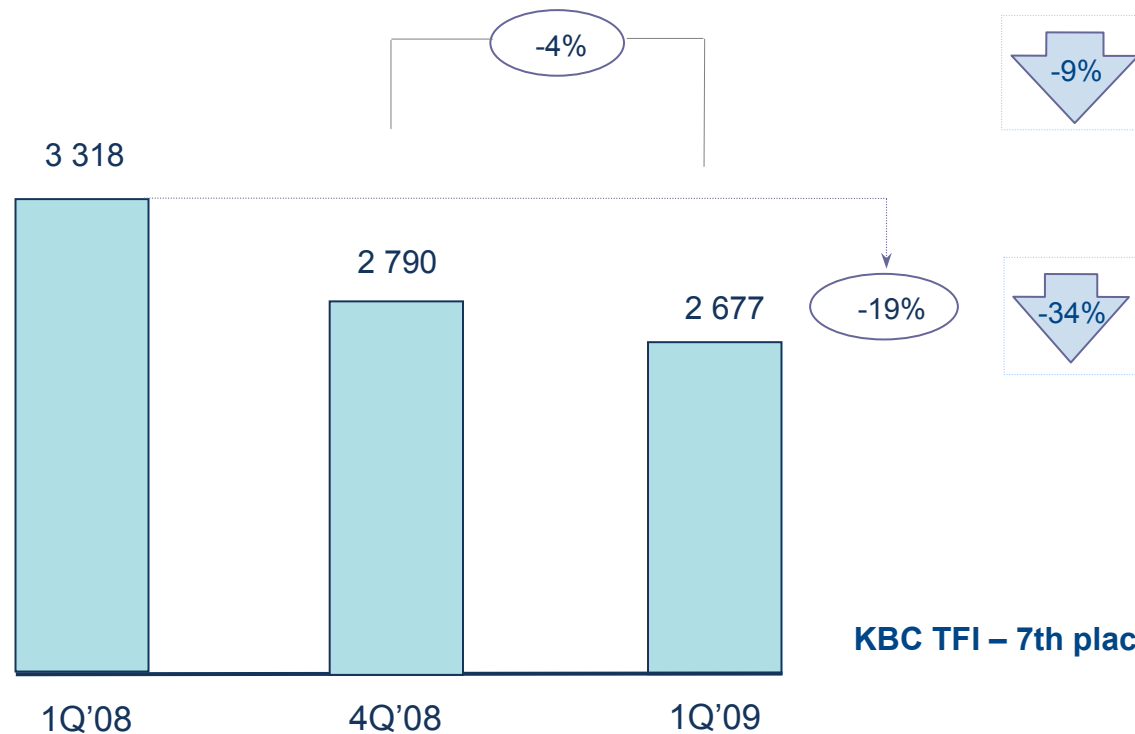
<sup>2</sup> NBP segmentation – residents only, bank statutory

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



# Volumes – assets under management

Mutual funds volume change<sup>1</sup> (PLN m)

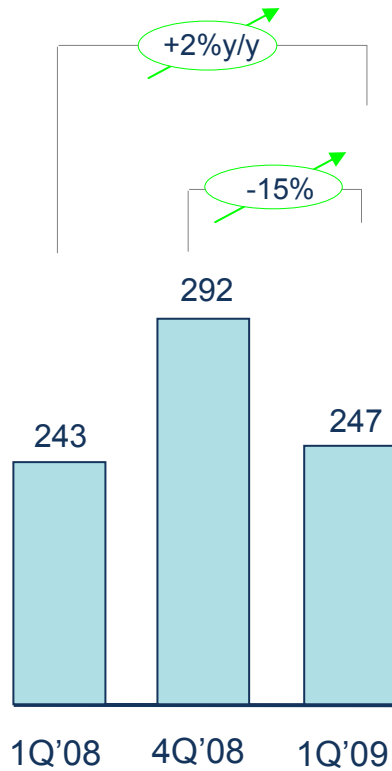


<sup>1</sup>Volume of investment funds and insurance capital funds collected through KB network

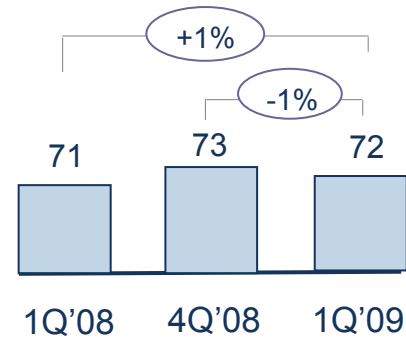


# Net interest, net fees and commissions

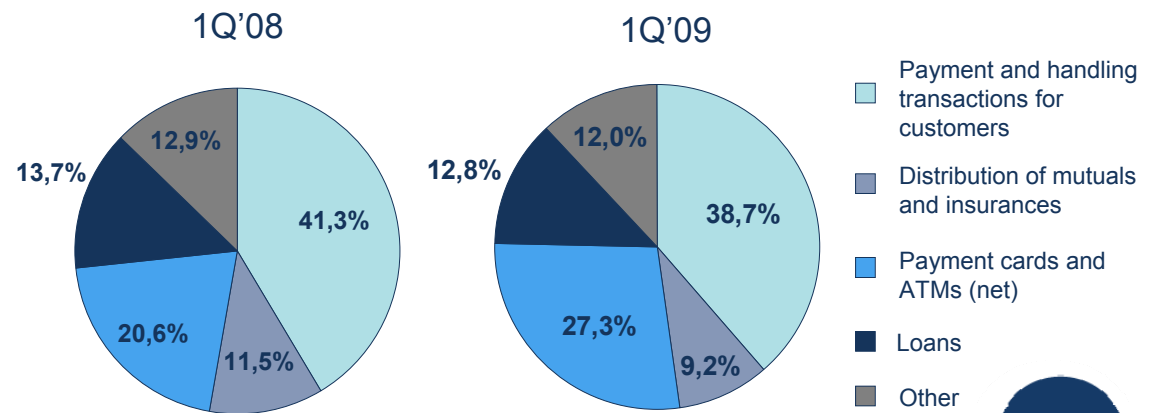
**NII** in PLN m



**NFC** in PLN m



**F&C (income structure)**





# General administrative expenses

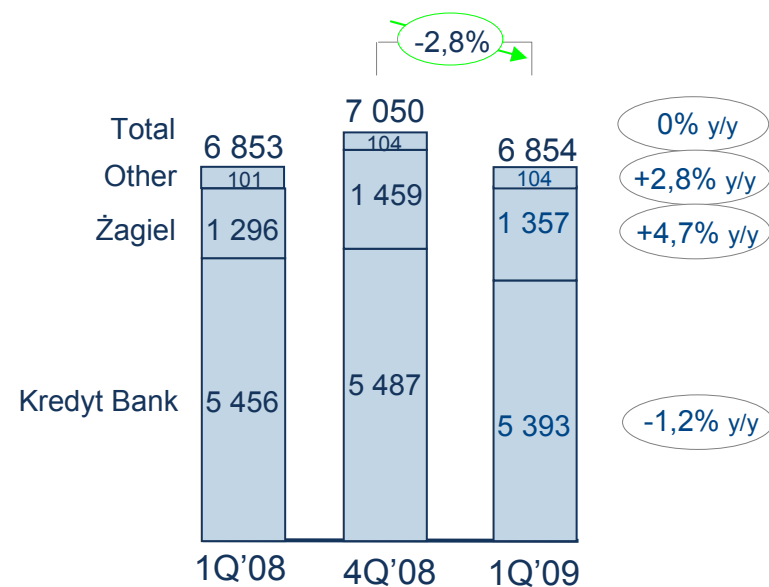
## General administrative expenses

Quarterly

in PLN m



## FTEs







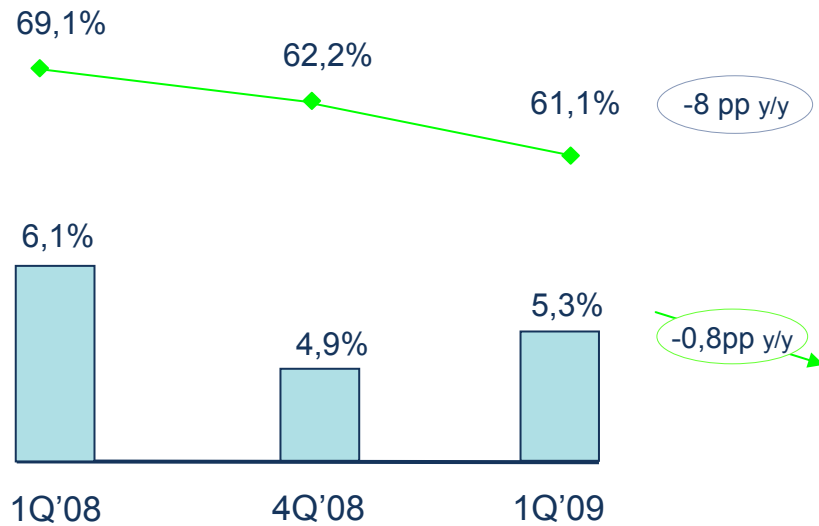
## Operating expenses - details

PLN mln	IQ 09	IVQ 08	IQ 08	IQ09- IVQ08	IQ09 / IVQ08	
<b>HR costs:</b>	125	140,3	130,5	-15,3	-10,9%	↓
<b>Operating expenses including <i>inter alia</i>:</b>	116,5	132,5	93,8	-16,0	-12,1%	↓
Marketing	3,7	13,0	4,1	-9,3	-71,8%	↓
Other banking services (credit intermediation)	3,9	9,2	1,9	-5,3	-57,9%	↓
Materials purchase	2,3	5,2	3,5	-3,0	-56,7%	↓
Business trips costs	0,8	1,9	1,3	-1,1	-60,5%	↓
Costs of buildings maintenance and lease	38,5	36,3	29,4	+2,0	+5,9%	↑
IT costs	10,7	8,7	8,3	+2,0	+22,9%	↑
KNF, BFG fees	5,4	2,8	2,5	+2,6	+93,1%	↑



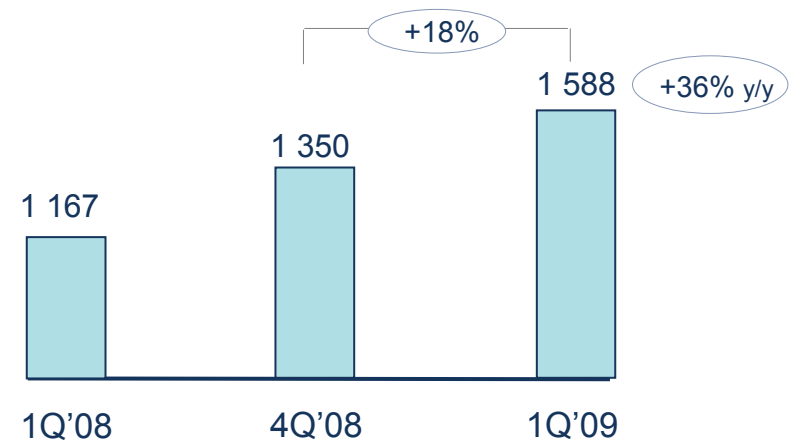
# Loans quality

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



## Impaired loans - volume

in PLN m



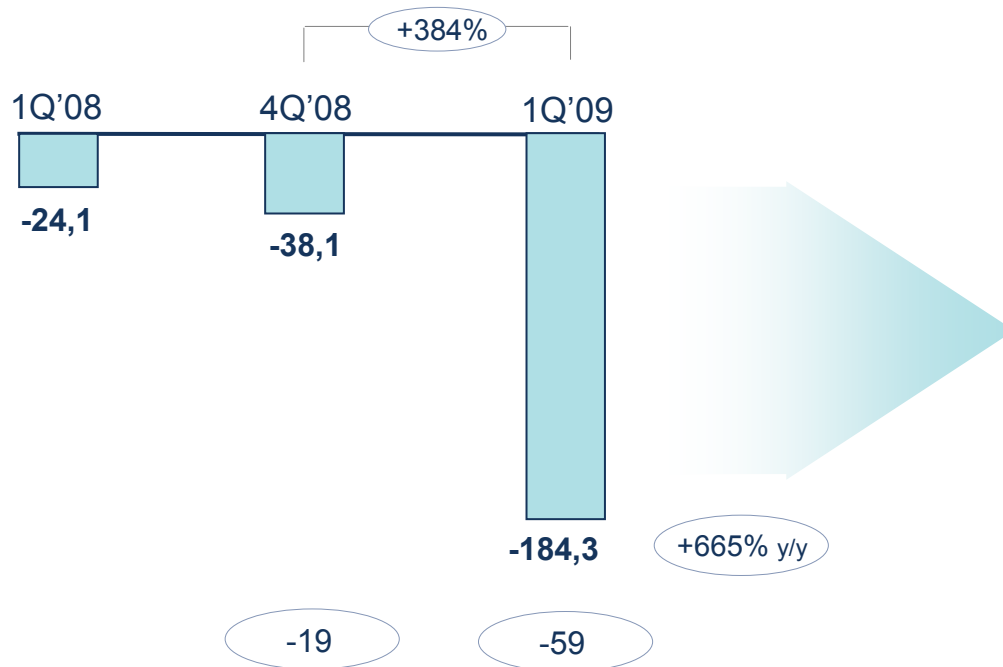
<sup>1</sup> On customer's portfolio basis, banks excluded



# Net Impairment

## Net impairment

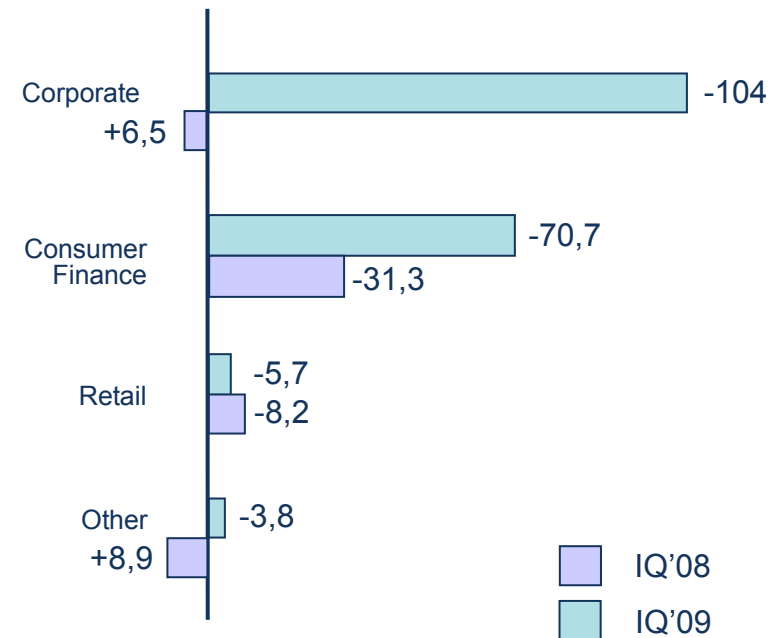
in PLN m



Total effect of FX options amounted to PLN 66 m (additional PLN -6,6 m valuation included in trading result)

## Net impairment – breakdown by segments

in PLN m



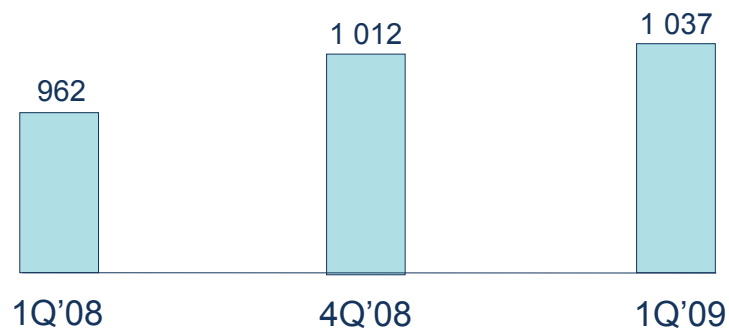


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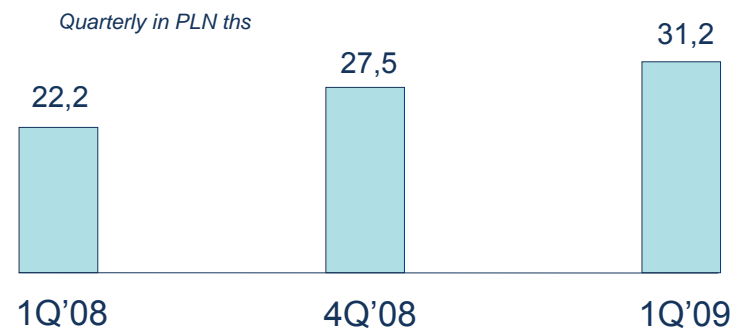


# Retail banking performance

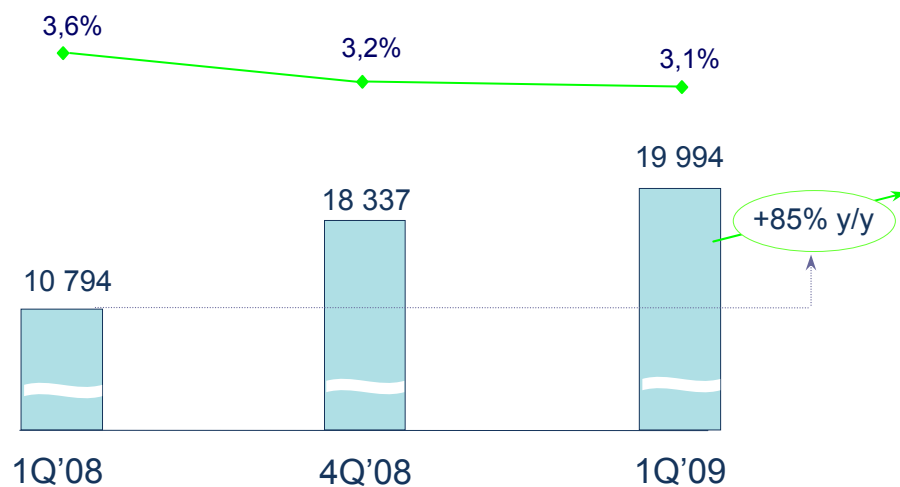
Number of clients *in ths*



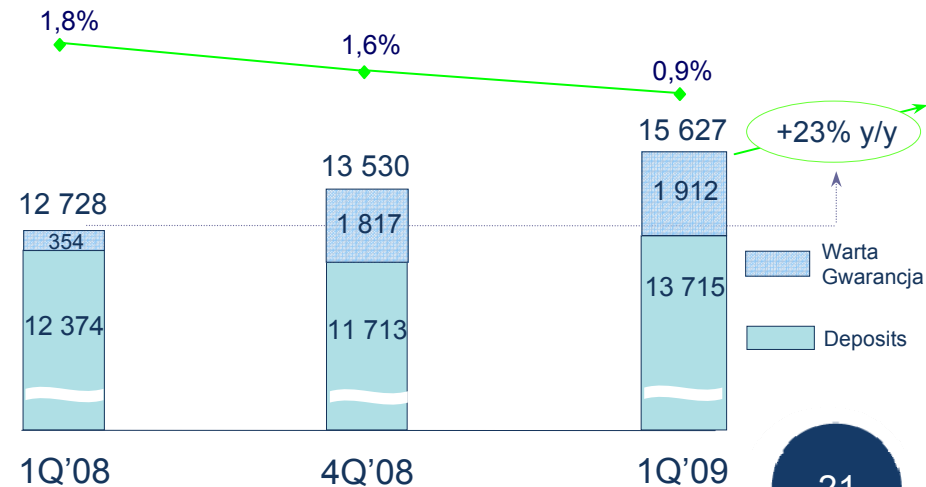
Customer business per client



Retail loans<sup>1</sup> *in PLN m* , Margin



Retail deposits<sup>1</sup> *in PLN m* , Margin



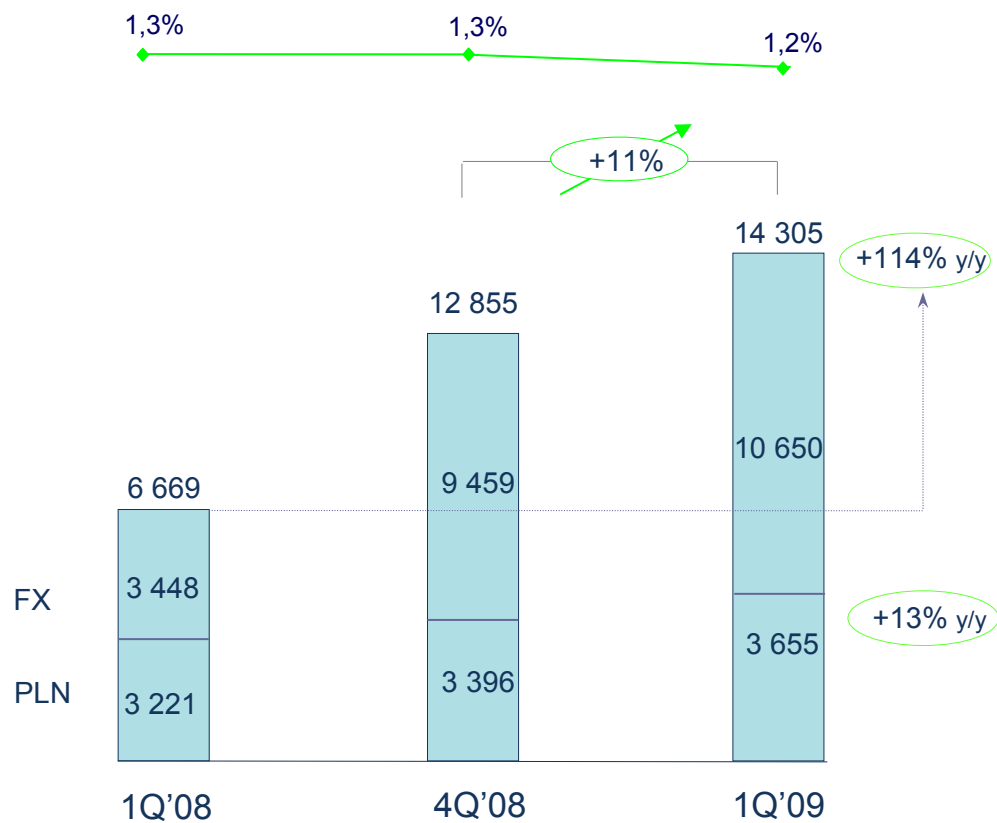
<sup>1</sup> Data according to the Bank's current internal segmentation.



# Retail banking – mortgage loans

## Mortgage loans – portfolio, margin

in PLN m

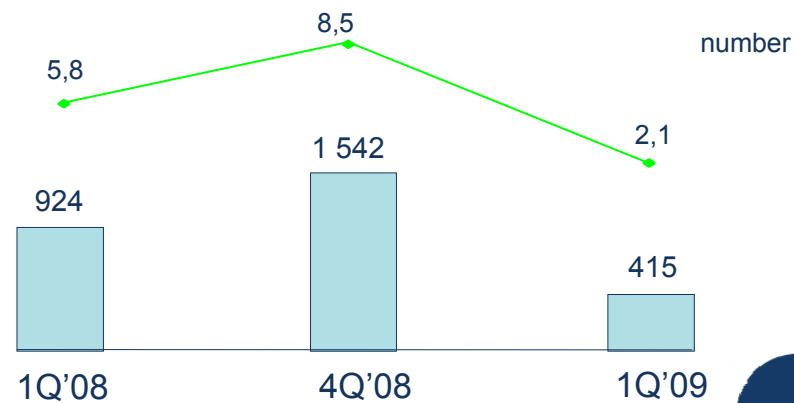


## KB market share

	1Q'08	4Q'08	1Q'09
Total mortgage loans	5,2%	6,7%	6,8%
PLN	5,8%	5,6%	5,9%
FX	4,7%	7,1%	7,1%

## Mortgage loans – quarterly sale

in PLN m

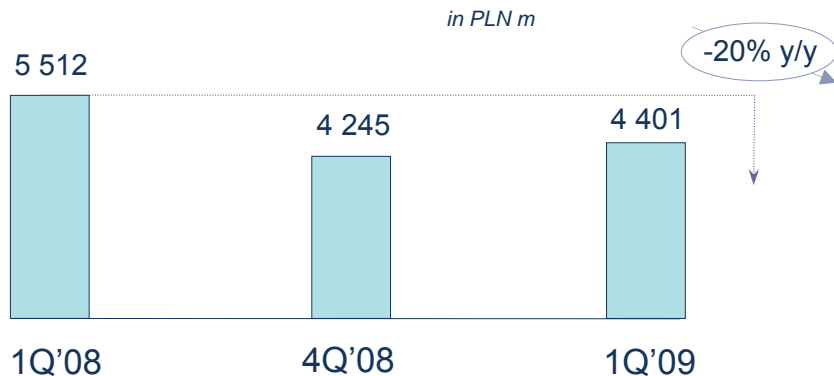




# Retail banking - products

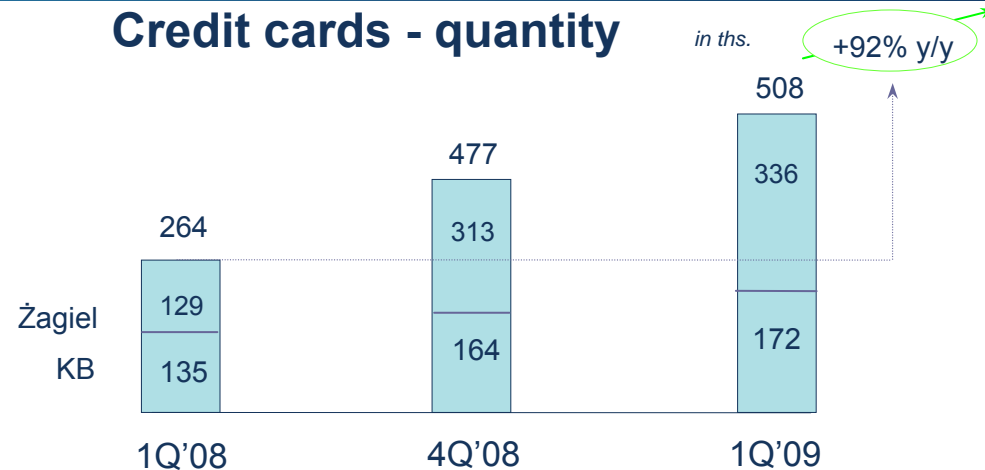
## Saving accounts - volume

in PLN m



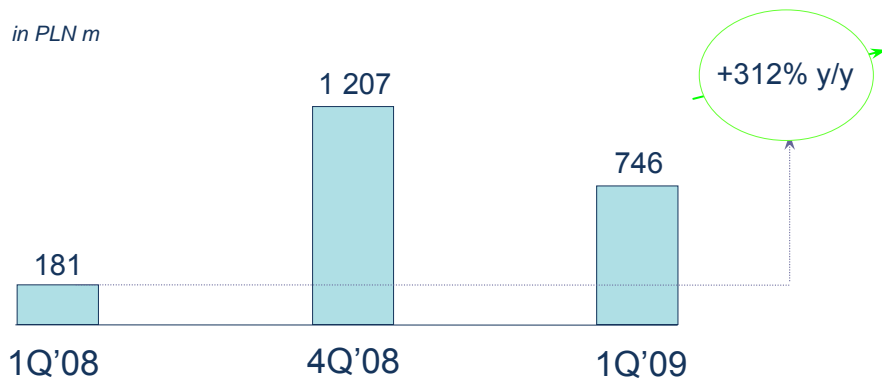
## Credit cards - quantity

in ths.



## Bancassurance – gross premium written (quarterly)

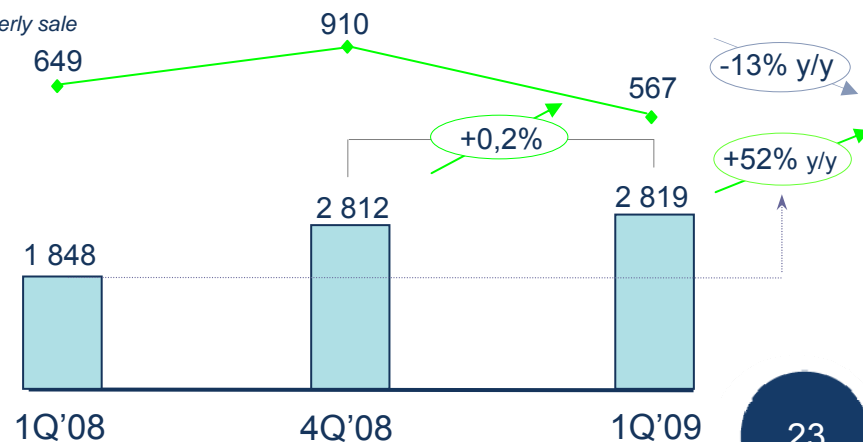
in PLN m



## Loans granted by Żagiel – portfolio<sup>1</sup>

in PLN m

Quarterly sale

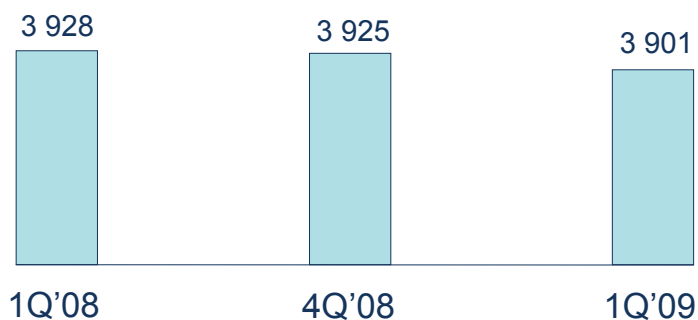


<sup>1</sup> consolidated figures



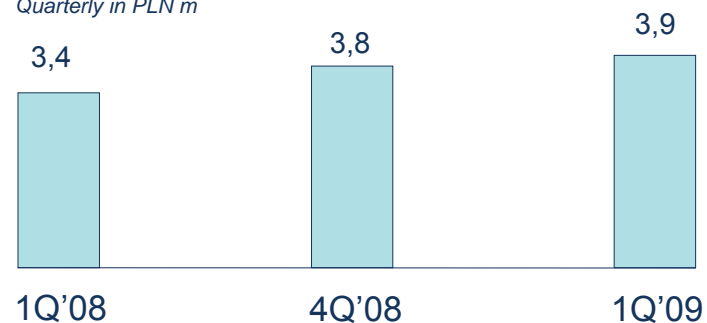
# Corporate banking performance

## Number of clients<sup>1</sup>



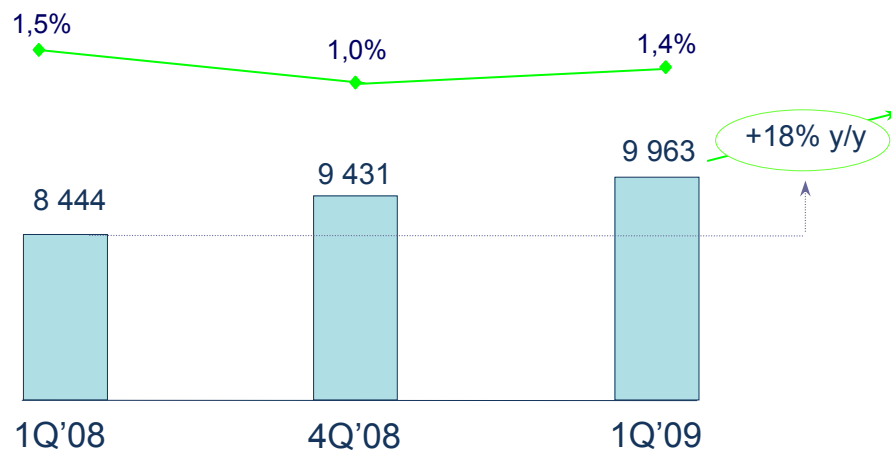
## Customer business per client<sup>1</sup>

Quarterly in PLN m



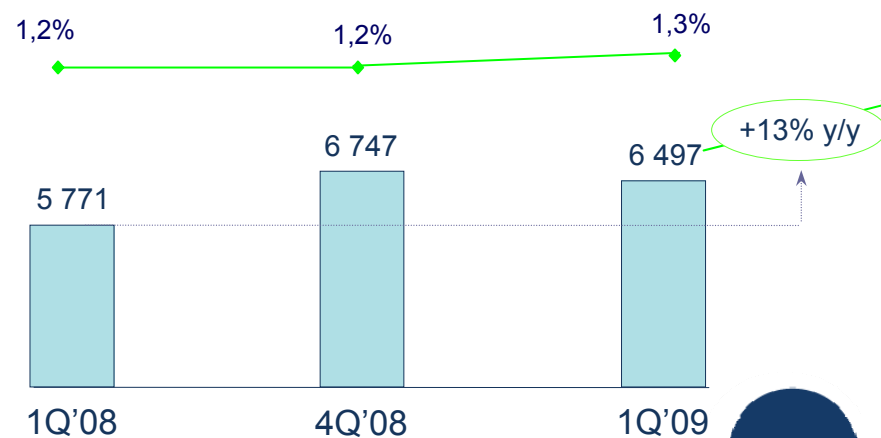
## Corporate loans<sup>1</sup>

In PLN m



## Corporate deposits<sup>1</sup>

in PLN m



<sup>1</sup> Data according to the Bank's current internal segmentation, after resegmentation.





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# Balance sheet

## ASSETS

<i>(PLN mio)</i>	1Q'09	1Q'08	Δ mln	Δ %
Cash and balances with Central Bank	1 387	1 117	270	+24%
Amounts due from banks and financial assets at fair value	4 611	3 391	1 220	+36%
Loans to customers	28 768	18 174	10 594	+58%
Investments in securities	6 305	5 501	804	+15%
Tangible and intangible fixed assets	678	681	-3	0%
Other assets	366	344	22	+6%
<b>Total Assets</b>	<b>42 115</b>	<b>29 208</b>	<b>12 907</b>	<b>+44%</b>

## LIABILITIES

<i>(PLN mio)</i>	1Q'09	1Q'08	Δ mln	Δ %
Amounts due to banks	13 691	6 245	7 446	+119%
Amounts due to customers	22 199	18 586	3 613	+19%
Repo transactions	3 018	1 186	1 832	+154%
Total equity including current net profit	2 488	2 356	132	+6%
Subordinated liabilities	384	388	-4	-1%
Other liabilities	335	447	-112	-25%
<b>Total Equity and Liabilities</b>	<b>42 115</b>	<b>29 208</b>	<b>12 907</b>	<b>+44%</b>



# Income statement

Quarterly (PLN m)

	1Q'09	1Q'08	Δ mln	Δ %
Net interest income	247	243	4	+2%
Net fee and commission income	72	71	1	+2%
Dividend, net trading income, profit (loss) from investment activities	73	45	28	+61%
Other operating income and expenses	15	14	1	+10%
Gross operating income	407	373	34	+9%
Total costs	270	248	22	+9%
Operating profit	137	125	12	+10%
Net impairment charges for financial assets, other assets and provisions	-184	-24	-160	+665%
Share of profits of associates	0	-1	-1	-
Profit before tax	-47	100	-146	-
Income tax	10	-25	35	-
Net profit	-37	75	-112	-



# Contact information

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Surf the net: [www.kredytbank.pl](http://www.kredytbank.pl) for the latest update.

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