

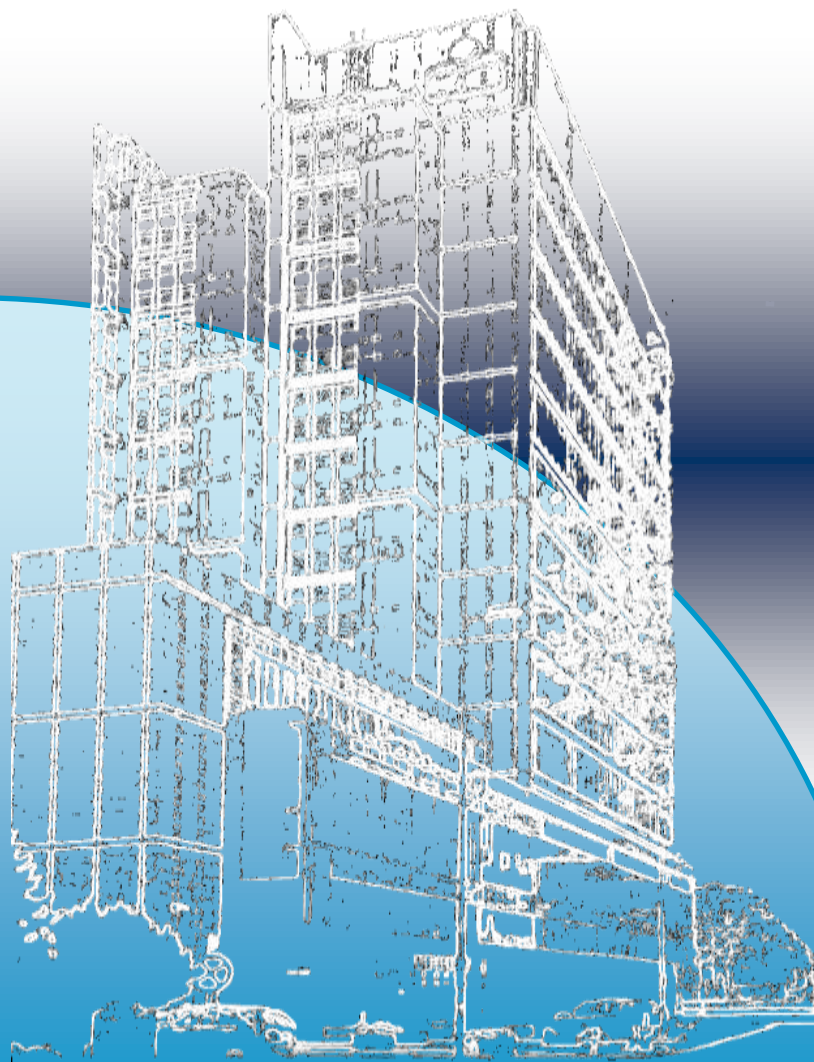


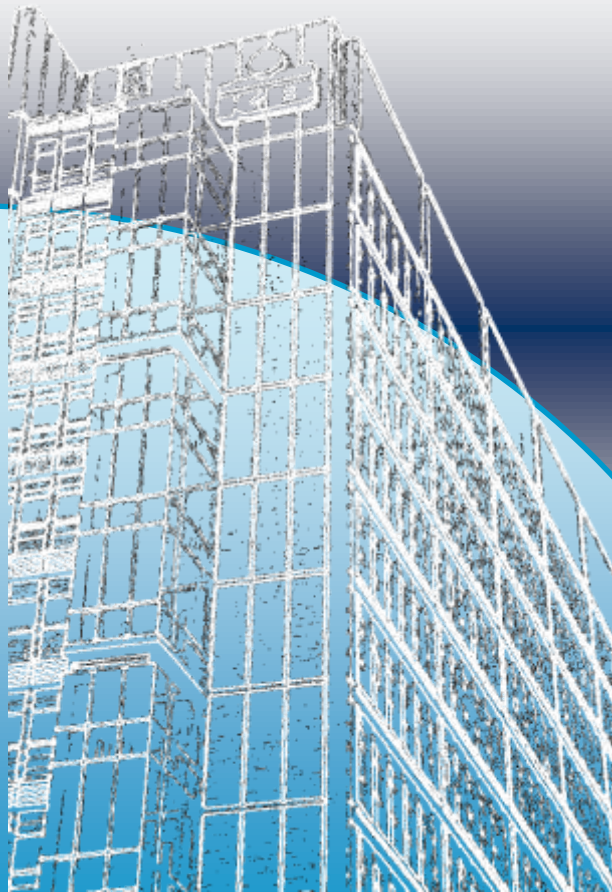
Kredyt Bank S.A. Group

Financial results after 2Q 2012



Warszawa, **August 7, 2012**





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SOURCES OF FUNDING CHANGE

Considerable scale of repayments of deposits/loans in foreign currencies from KBC Group in 2012. High cost of long-term funding renewal. Improvement in the area of operating liquidity and the Banks' funding sources diversification – deposit campaign supported by the limited growth of the loan portfolio. The use of surplus liquidity in PLN to replace maturing foreign currency financing with FX swap and CCIRS transactions.

BALANCE SHEET STRUCTURE CHANGE

Reduction of the Kredyt Bank S.A. Group total assets by PLN 0.8 bln vs 2Q 2011. Drop of funding from KBC Group by PLN 6.2 bln, i.e. by 49.7% and increase of other liabilities to banks by PLN 1.6 bln, i.e. by 66,2% vs 2Q 2011. Increase of customers deposits by PLN 3.5 bln, i.e. by 13.3% vs 2Q 2011.

LOANS / DEPOSITS

Net Loans/Deposits as of the end of 2Q 2012 at the level of 98.8% vs 100.8% as of the end of 1Q 2012 (improvement by 2.0 p.p.) and 104.7% as of the end of 2Q 2011 (improvement by 5.9 p.p.). Within 2Q 2012 volume of customers deposits grew by PLN 1,122.2 mln (i.e. by 3.9%) and comparing to the end of 2Q 2011 by PLN 3,472.2 mln (i.e. by 13.3%). The said growth mainly concerned retail customers deposits.

CAR

CAR at the level of 12.9% as of the end of 2Q 2012 (Tier I – 9,2%) vs 13.8% as of the end of 1Q 2012 (Tier I 10.0%) and 12.7% (9.1%) as of the end of 2Q 2011 with the simultaneous growth of customers net receivables by 6.9% y/y.

NET PROFIT

Net profit amounted to PLN 62.5 mln in 2Q 2012 vs PLN 56.1 mln in 1Q 2012 (increase by 11.3%). Net profit amounted to PLN 118.7 mln in 1H 2012 comparing to PLN 221.9 mln in 1H 2011 (PLN 158.4 excluding the influence of the receivables sale transaction).

GOI

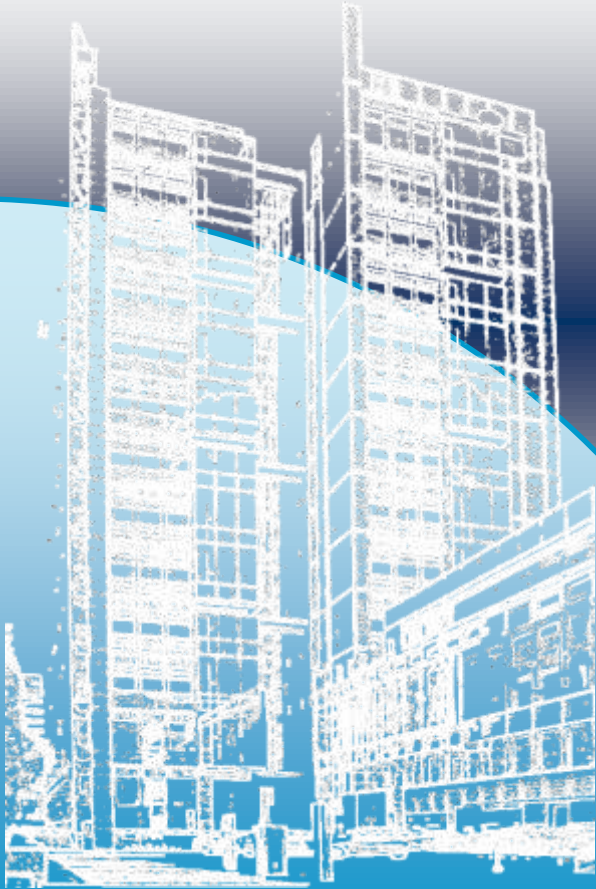
GOI amounted to PLN 371.1 mln in 2Q 2012 vs PLN 372.0 mln in 1Q 2012. The drop of NII was offset by the increase in the area of the net trading and net gains from investment activities (including PLN 17.1 mln gross from the sale of KBC TFI S.A. shares). GOI amounted to PLN 743.1 mln in 1H 2012 in comparison with PLN 812.9 mln in 1H 2011, as a result of decrease of NII.

COSTS

Increase of general administrative expenses by 8.7% in 2Q 2012 comparing to 1Q 2012 as a result of increase of HR costs, as well as advisory costs and promotion and marketing costs. Comparing to the 1H 2011 the increase was equal to 3,0%.

COSTS OF RISK

Implementation in 2Q 2012 of new portfolio impairment models. Positive influence of the said implementation on the level of net impairment amounted to PLN 64.4 mln within 2Q 2012.



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	2Q 2012	1Q 2012	2Q 2011	2012-2011 pp / %
Cost/Income	69,9%	64,1%	60,7%	9,2
ROE (cumulatively)	7,2%	8,2%	11,8%	-4,6
Loans/Deposits	98,8%	100,8%	104,7%	-5,9
CAR	12,9%	13,8%	12,7%	+0,2
FTEs (ths.)	4892	4937	4897	-0,1%
Number of outlets - KB	373	375	374	-0,3%

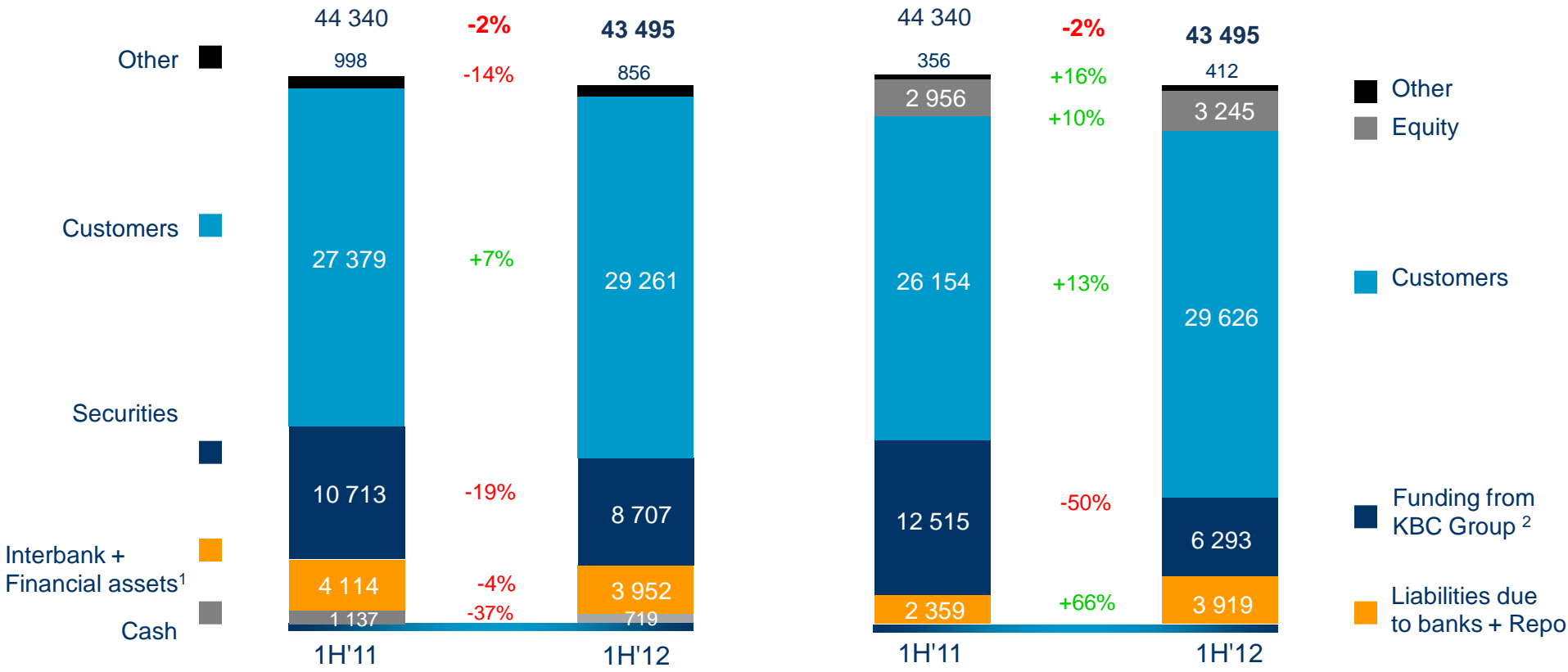


Balance sheet breakdown

in PLN mln

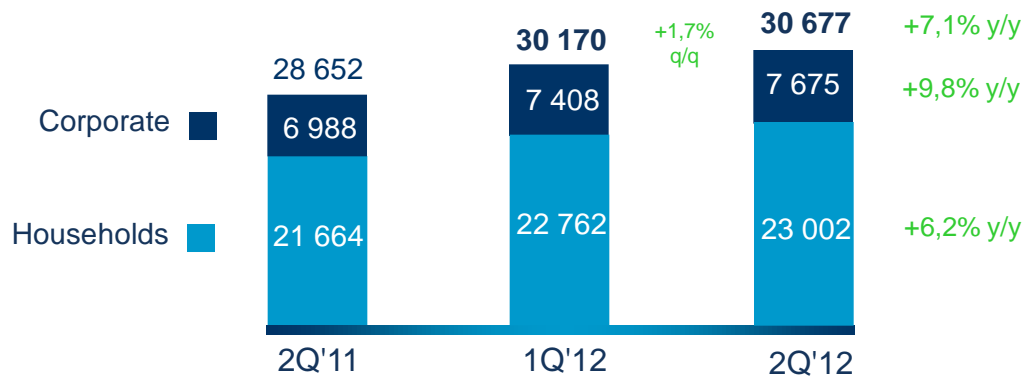
Assets

Liabilities & Funds



¹ Financial assets at fair value through profit or loss as well as receivables arising from repurchase transactions
² Funding from KBC Group = loans and interbank deposits from KBC Group entities (FX and PLN) including short term funding

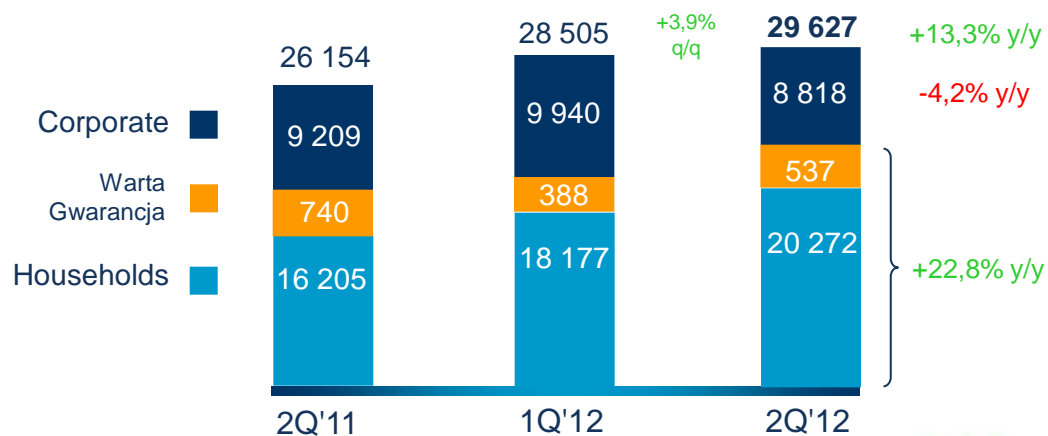
Customer loans¹



KB market share - loans²

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

Customer deposits¹



KB market share - deposits²

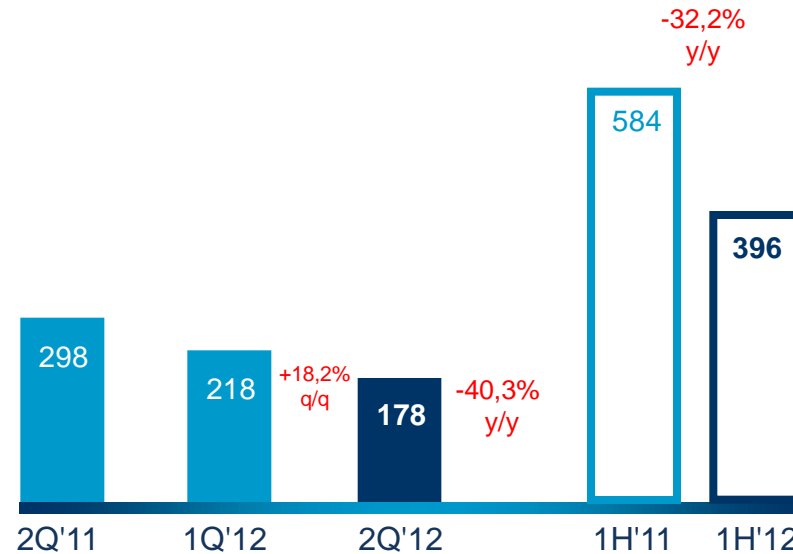
	2Q'11	1Q'12	2Q'12
Total deposits	3,4%	3,4%	3,6%
Household deposits ³	3,7%	3,6%	4,0%
Corporate deposits	3,0%	3,1%	2,8%

¹Loans, liabilities gross, end of period, consolidated

² NBP segmentation – residents only, bank statutory

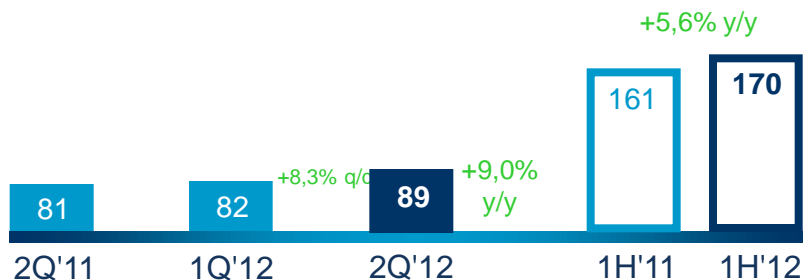
³ combined with insurance linked deposit Warta Gwarancja

in PLN mln	2Q 2012	1Q 2012	Δ y/y mln	Δ y/y %
NII + NFC	266,8	299,5	-32,7	-10,9%
Gross operating income*	371,1	372,0	-0,9	-0,24%
Administrative expenses	-259,4	-238,6	-20,8	8,7%
Operating profit*	111,7	133,4	-21,7	-16,3%
Impairment	-6,0	-57,9	51,9	-89,6%
Net profit	62,5	56,1	6,4	11,3%



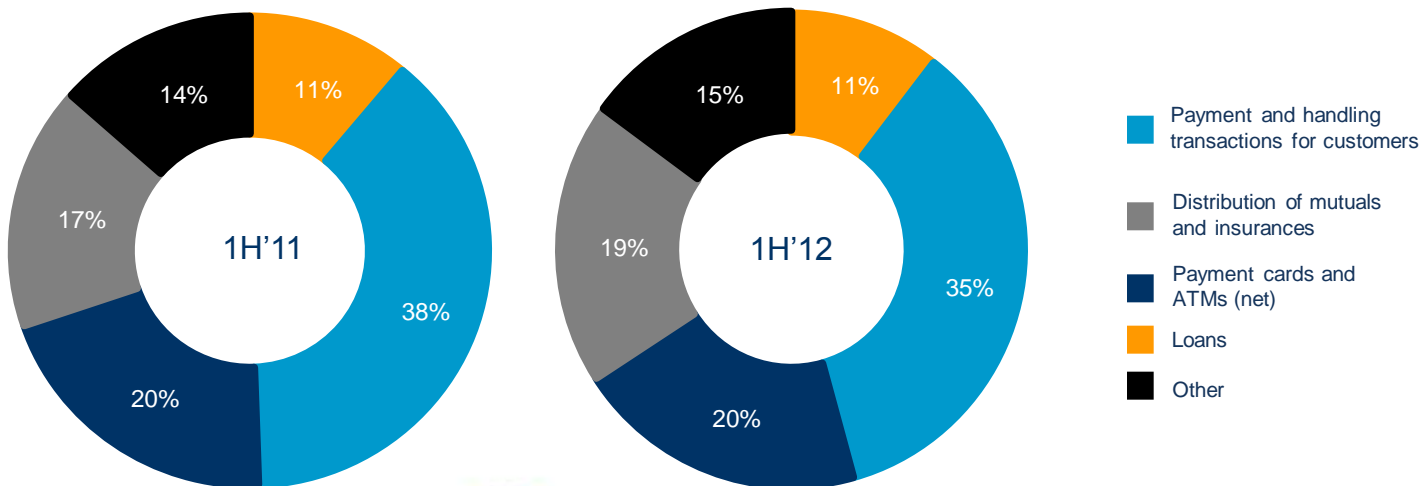
- **Increase of deposits interest expense** connected with competitive pricing policy aiming at deposit base increase (growth of the portfolio by 13,3% vs 1H 2011) and the change of the Bank's funding structure,
- **The shift between Nil and net gains from financial instruments**, relating to non application of the hedge accounting while increasing the scale of SWAP operations.

NFC



The increase of net fees and commissions on a quarterly basis in 2012 as a result of improvement in the area of savings – investment products distribution, insurance intermediation as well as cards and ATMs. On a cumulative basis, in addition improvement in the area of foreign transactions settlement and guarantees.

F&C (income structure)

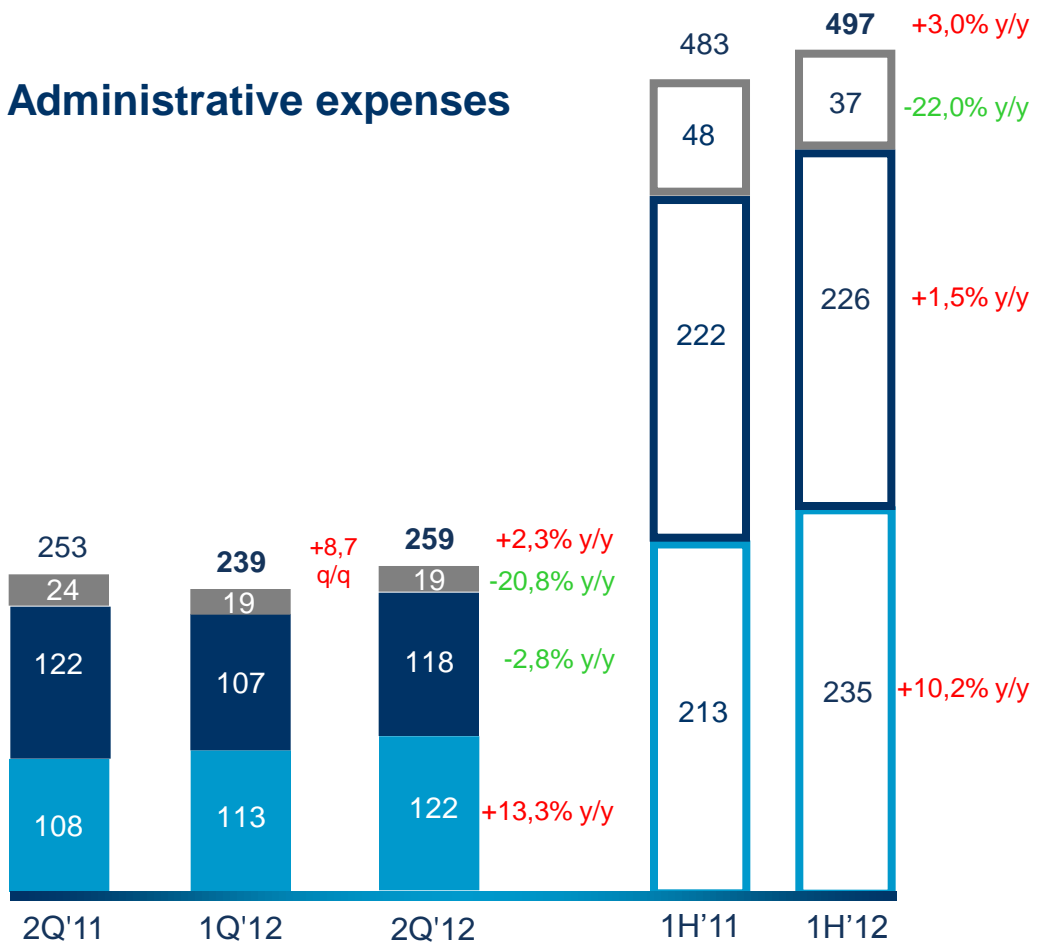




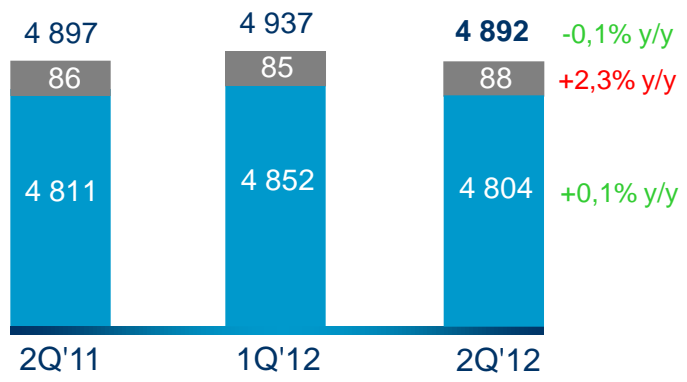
Administrative expenses

in PLN mln

Administrative expenses



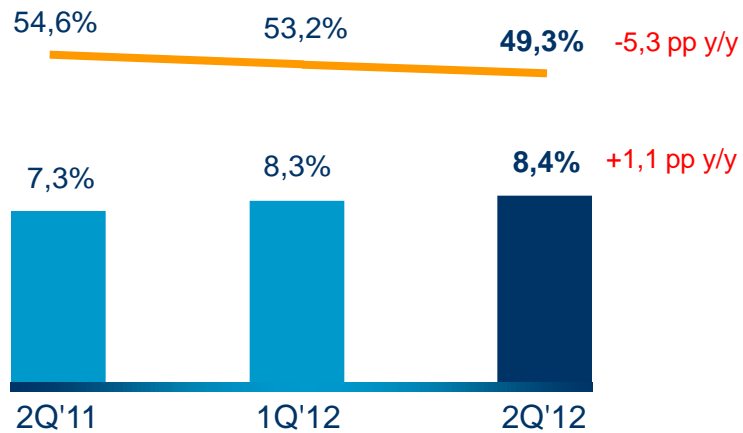
FTEs



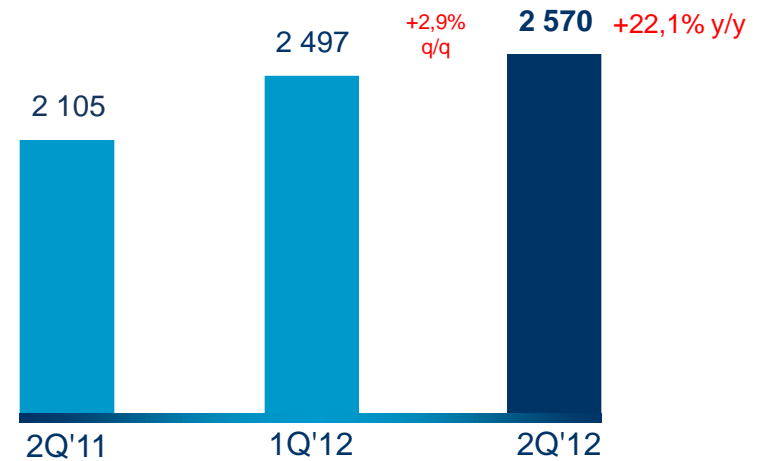
■ HR
 ■ NHR
 ■ Depreciation

■ Kredyt Bank
 ■ subsidiaries

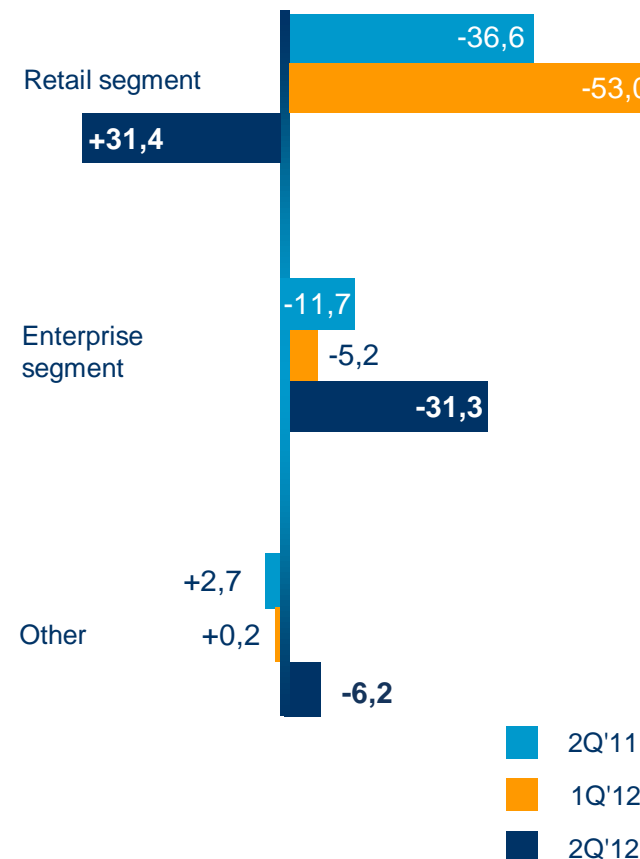
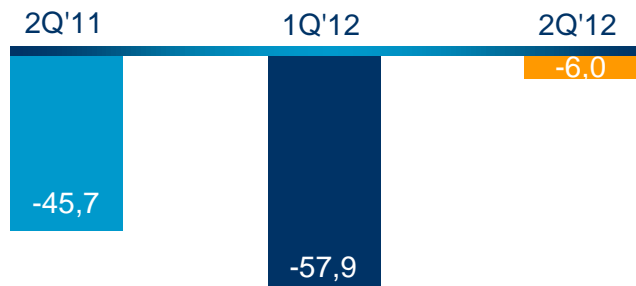
Impaired loans/ gross loans¹ coverage ratio



Impaired loans - volume



¹ On customers' portfolio basis, banks excluded



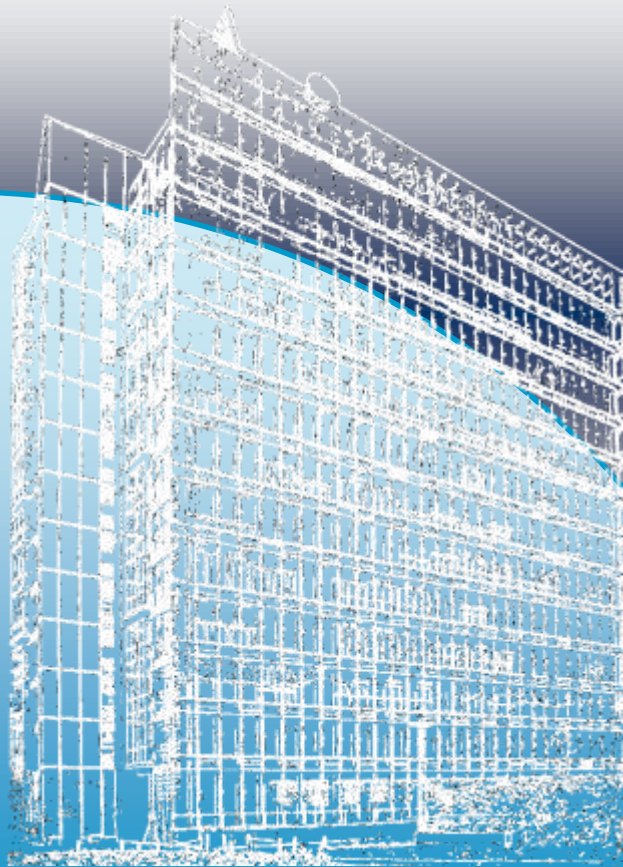
Implementation in 2Q 2012 of new portfolio impairment models.

Total influence on the level of net impairment amounted to PLN 64.4 mln.
 Excluding the said influence 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 the 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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Further dynamic acquisition of C/A as well as of C/A holders:

- 36 thousand of new current accounts were opened in the 2Q,
- Average monthly sales rose by 20% in comparison to 1Q (from 10 ths. to 12 ths.),
- The 20% increase of volumes on current accounts were observed in 1H comparing to the end of 2011.

In 2Q the deposit offer was extended by:

- Term Deposit with premium – 6M term deposit with 6,5% for new money used in ATL acquisition campaign, with a premium for the salary inflow on Current Account
- Rentier Term Deposit – long term (12M, 24M, 36M) deposits dedicated to extend tenors and increase the stability of the deposit base
- Term Deposit with bonus – cross-sell product with a premium for the salary inflow on Current Account

Acquisition was supported by:

- marketing campaign in the ATL and BTL
- new distribution channel KB-direct.pl for Bank's clients

The marketing campaign allowed to increase deposits volume by more than PLN 2 bln. More than 20,000 new deposits customers were acquired.

The investment product activities in 2Q was as follows:

- 6 editions of structured deposits on FX rates,
- 2 Polish and 1 foreign closed-end mutual funds in subscriptions,
- 2 insurance investment products in subscription.

EKSTRAKONTO PLUS

7%

na koncie osobistym
do 3 tysięcy złotych



In 2Q 2012 RECONSTRUCTION AND OPTIMISATION OF LOAN PRODUCTS AND PROCESSES FOR MICROCOMPANIES:

- **Fully centralized loan granting process**
- Activities aimed at **centralization of post sales services, restructuring and vindication**
- **Sales support initiatives:**
 - SOHO-dedicated coordinators
 - new cooperation formula with local brokers
 - user-friendly sales support tools
 - training program based on Mortgage Academy
- **Offer improvement:**
 - 06.2012 – upgraded loan offer for housing cooperatives
 - 06.2012 – **promotion of fast overdrafts and fast overdrafts for professionals** (0% loan granting commission fee, spread lower by 1 p.p. if monthly inflows to bank account exceed PLN 10 thds.)
 - 06.2012 – **pre-approval for KB Customers** (simplified procedure for fast overdraft, no financial documents required)

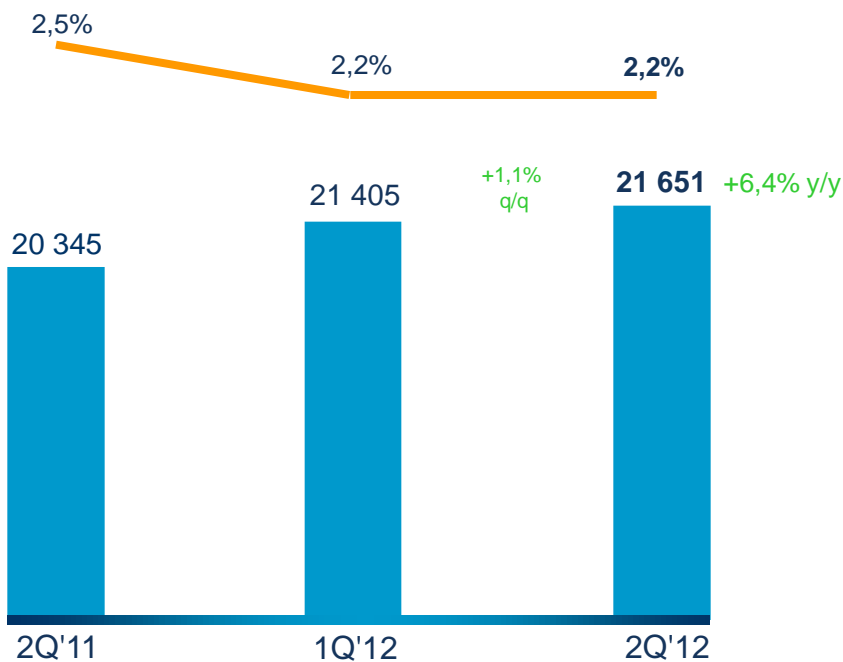
- **Marketing support:** BTL activities, promotion in the Internet (since 25.06.2012), direct marketing



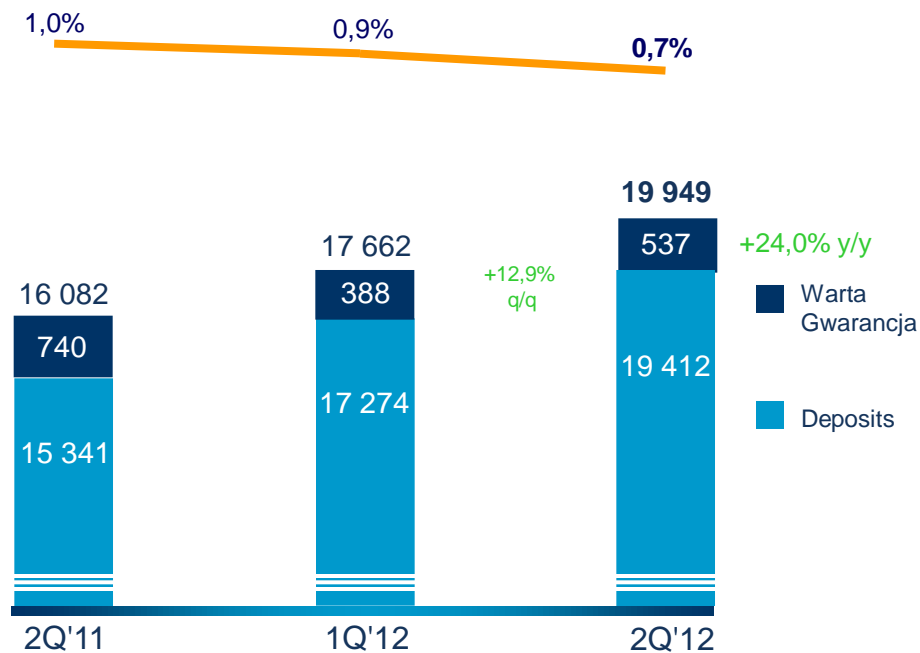
**NEARLY 3-FOLD GROWTH IN THE NUMBER OF APPLICATIONS & VOLUME OF SIGNED AGREEMENTS
IN FAST OVERDRAFTS IN 06.2012 vs. 05.2012**

	2Q'11	1Q'12	2Q'12
Number of customers ¹	1 112	1 149	1 184

Retail loans¹, margin

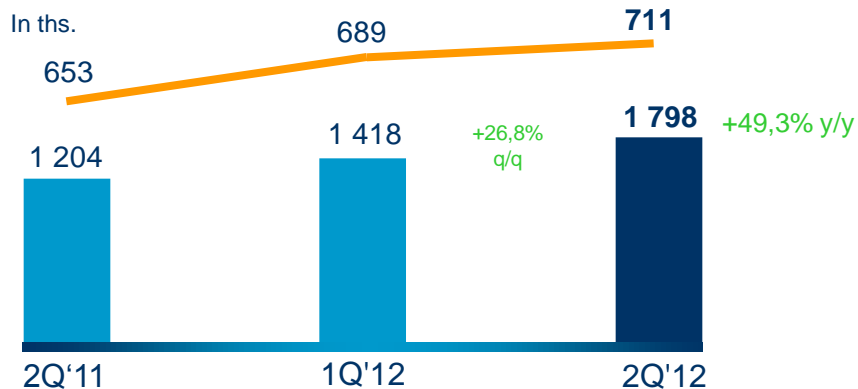


Retail deposits¹, margin

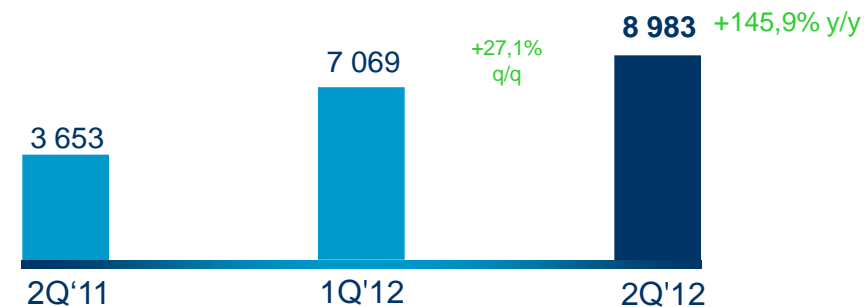


¹ retail segment customers, data according to internal segmentation,

Current accounts – volume and quantity

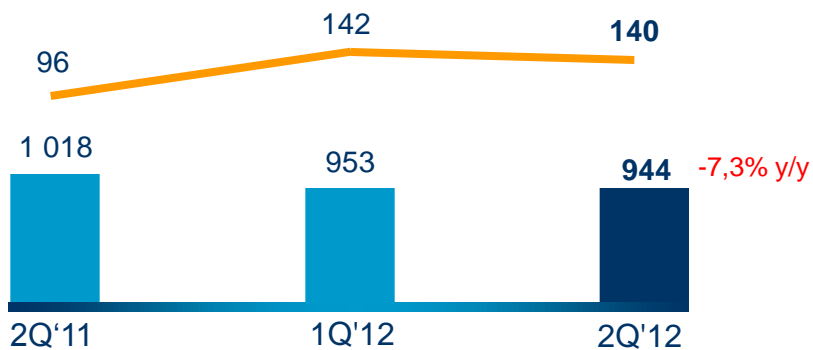


Term deposits* - volume



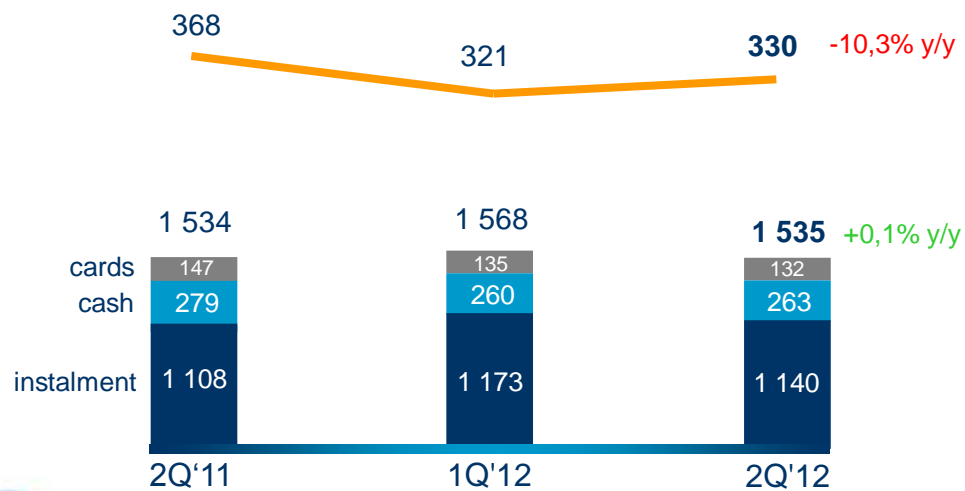
Cash loans - bank's network

Quarterly sale of cash loans



Consumer loans of Żagiel*

Quarterly sale



High volume of new mortgage loans in 1H 2012:

- commitments – PLN 737 mln

A drop in sales dynamics in 2Q 2012:

- commitments – PLN 139 mln

- Less prosperous housing market
- No EUR loans in KB
- More restrictive mortgage loans granting policy (Recommendation S2)
- **Focus on spreads and profitability**

Currently the Bank focuses on growth in the following areas: profitability, cross-sell and life insurance penetration, it is not oriented to production growth and low spreads

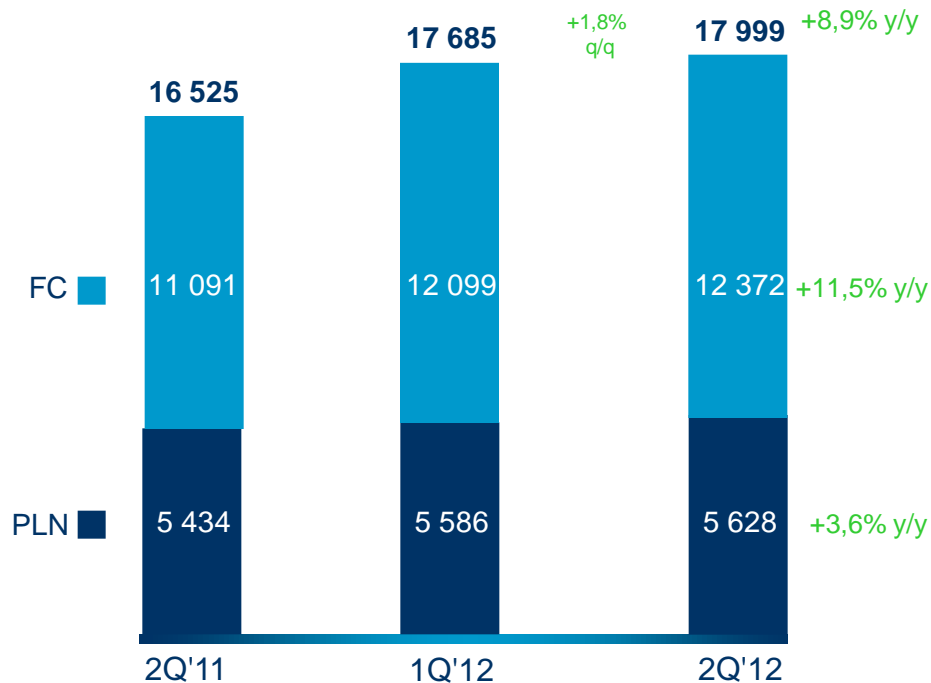
- 12.03.2012 – mortgage promotion (objective – growth in bancassurance revenue):
For Customers taking out group life insurance policy:
- 0% commission fee
 - spread lower by 0.2 p.p.



Marketing activities in the Internet
(since 16.04.2012)

Growth in life insurance penetration
from 20% in January to
83% in June

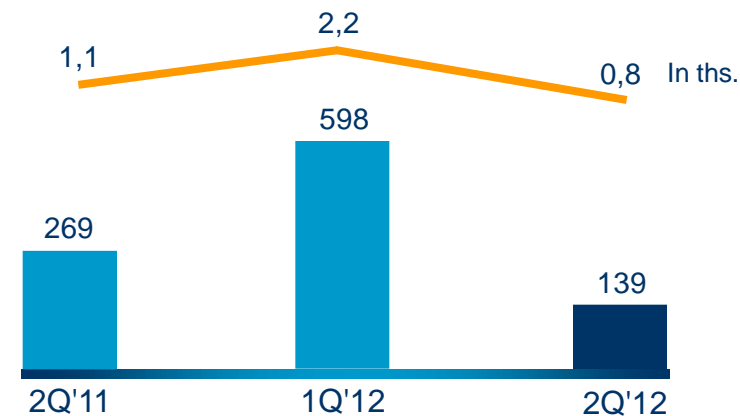
Mortgage loans – portfolio, margin



KB market share

	2Q'11	1Q'12	2Q'12
Total loans	5,8%	5,6%	5,5%
PLN	5,0%	4,3%	4,1%
FC	6,4%	6,6%	6,6%

Mortgage loans – quarterly sale





Enterprise banking – business activity

Active Bank supporting development



Academy for Entrepreneurs - first such large-scale program for entrepreneurs – 52 cities in Poland

IV Edycja Akademii
11 kwiecień - 19 czerwiec 2012

Number of conferences **37**
Number of participants **3 350**

Partners of the 4th edition:

Microsoft
DZIENNIK GAZETA PRAWNA
BRIAN TRACY INTERNATIONAL
KRAJOWY REJESTR DŁUGÓW
Kuce
 Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna
Patroni
PARP
KRAJOWE FORUM PRZEDSIĘBIORCZOŚCI
KRAJOWA IZBA GOSPODARCZA



Inauguration of IVth edition of Academy
10.04.2012 Hotel Hilton Warsaw
Second conference conducted by Brian Tracy
Participated by 1500 Polish entrepreneurs



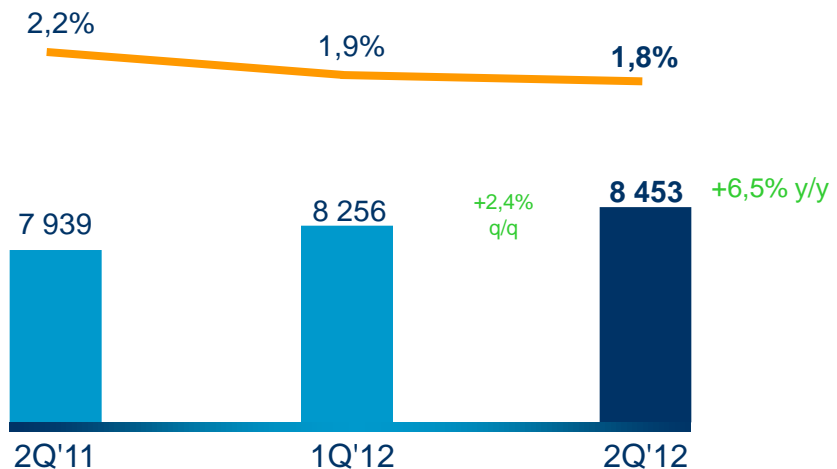


Enterprise banking performance

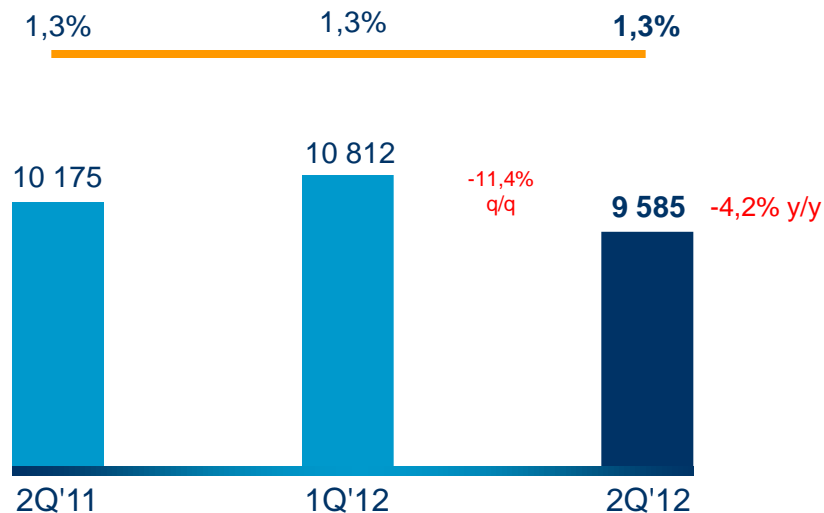
in PLN mln

	2Q'11	1Q'12	2Q'12
Number of customers ¹	19 510	21 180	21 345

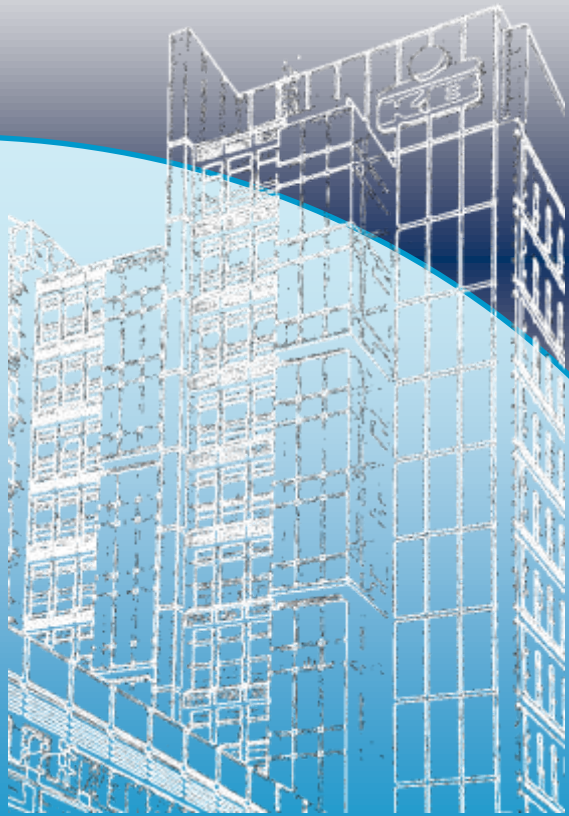
Loans¹, margin



Deposits¹, margin



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



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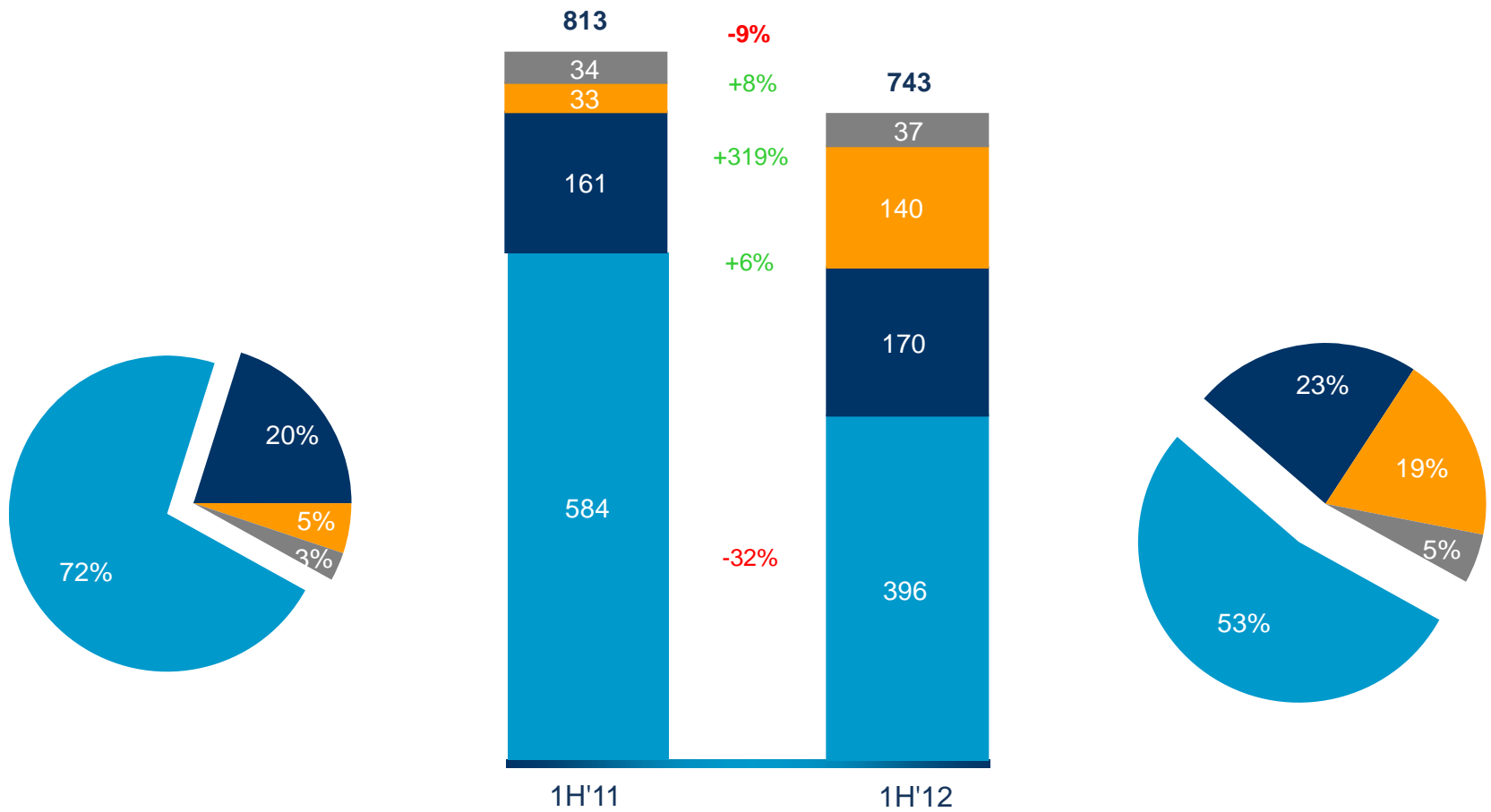
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in PLN mln	2Q'12	1Q'12	4Q'11	3Q'11	2Q'11
NII + NFC	266,8	299,5	342,6	377,3	379,7
Gross operating income	371,1	372,0	413,2	390,2	417,8
Administrative expenses	-259,4	-238,6	-244,8	-262,1	-253,4
Operating profit	111,7	133,4	168,4	128,1	164,4
Impairment	-6,0	-57,9	-114,5	-50,1	-45,7
Net profit	62,5	56,1	44,5	60,8	87,9



Gross operating income breakdown

in PLN mln



■ NII

■ NFC

■ Net financial operations

■ Other

Administrative expenses

in PLN mln	2Q'12	1Q'12	2Q'11	Δ y/y mln	Δ y/y
HR costs	122,2	112,7	107,8	+14,4	+13,3%
Operating expenses, including: <small>(inter alia)</small>	118,3	107,4	121,7	-3,4	-2,8%
rental of buildings costs	27,9	27,4	25,7	+2,2	+8,4%
IT and telecommunication fees	20,4	22,5	26,1	-5,7	-21,7%
promotion and marketing	11,7	6,6	19,3	-7,6	-39,4%
advisory and specialist services costs	11,4	5,7	5,6	+5,8	+103,6%
tax and fees	11,0	11,2	11,1	-0,1	-0,9%
Depreciation	18,9	18,4	23,9	-5,0	-20,9%

w mln PLN	I H 2012	I H 2011	Δ mln	Δ %
NII + NFC	566,2	745,1	-178,9	-24,0%
Gross operating income	743,1	812,9	-69,8	-8,6%
Administrative expenses	-497,9	-483,5	-14,4	3,0%
Operating profit	245,2	329,4	-84,3	-25,6%
Impairment	-64,0	-34,2	-29,8	87,2%
Net profit	118,7	221,9	-103,3	-46,5%

Assets in PLN mln	2Q'12	2Q'11	Δ mln	Δ %
Cash and balances with Central Bank	719	1 137	-418	-37%
Amounts due from banks and financial assets at fair value through P&L as well as receivables arising from repurchase transactions	3 952	4 114	-161	-4%
Loans to customers	29 261	27 379	1 882	7%
Investments in securities	8 707	10 713	-2 006	-19%
Tangible and intangible fixed assets as well as investment properties	514	529	-15	-3%
Other assets	342	469	-127	-27%
Total assets	43 495	44 340	-845	-2%

Liabilities and equity in PLN mln	2Q'12	2Q'11	Δ mln	Δ %
Amounts due to banks	6 138	11 868	-5 730	-48%
Amounts due to customers	29 626	26 154	3 472	13%
Repo transactions	3 061	2 059	1 002	49%
Total equity including current net profit	3 245	2 956	289	10%
Subordinated liabilities	1 014	947	67	7%
Other liabilities	412	356	56	16%
Total liabilities and equity	43 495	44 340	-845	-2%

in PLN mln	2Q'12	2Q'11	Δ mln	Δ %
Net interest income	178	298	-120	-40%
Net fee and commission income	89	81	7	9%
Dividend, net trading income, profit (loss) from investment activities	82	13	69	532%
Other operating income and expenses	22	25	-3	-11%
Gross operating income	371	418	-47	-11%
Total costs	-259	-253	-6	2%
Operating profit	112	164	-53	-32%
Net impairment charges for financial assets, other assets and provisions	-6	-46	40	-87%
Share of profits of associates	0	1	-1	-81%
Profit before tax	106	120	-14	-12%
Income tax	-43	-32	-12	36%
Net profit	63	88	-25	-29%

Investor Relations Office

E-mail: ir@kredybank.pl

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