

# Kredyt Bank S.A. Group

## Results 2012

January 31<sup>st</sup>, 2013



## Income and Expenditure

- Net profit: PLN 336m.; + 2.7% y-o-y
- Total income - 4.5% y-o-y influenced by lower NII
- Total expenses - 5.3% y-o-y
- 61.3% Cost to income ratio

## Funding

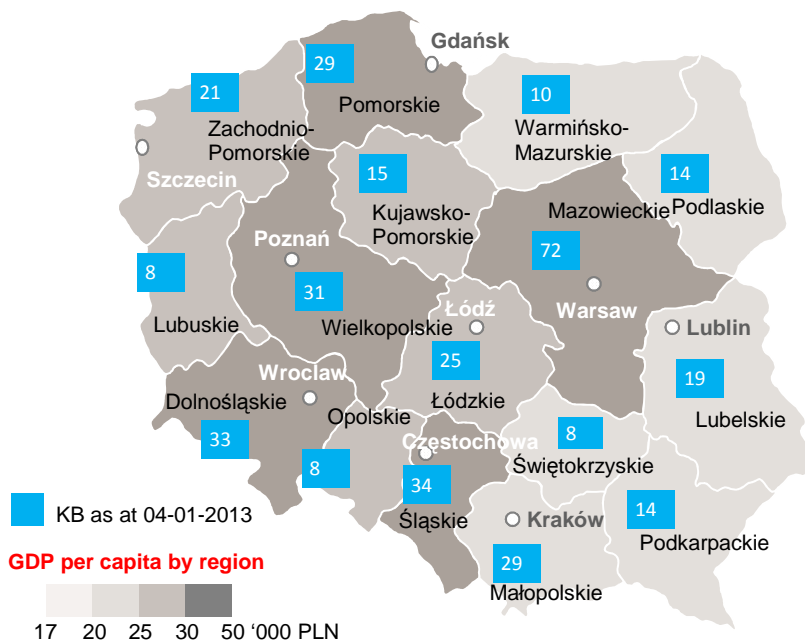
- Loan to deposit ratio at 93.9%

## Business Development

- Replacement of KBC Funding with Customer Deposits
- Stable deposit base in Qtr 4

## Net Interest Income / Fees

- Recurrent NII improved in Qtr 4 due to lower funding costs
- Fees up 8.4% y-o-y



## KB features

▪ Branches	370
▪ Business & SME centres *	23
▪ ATMs	393
▪ Employees ( FTE's)	4,615

\* 10 SME centres, 13 Business centres (+ 12 representative outlets).

## Balance Sheet 31.12.2012

▪ Assets	40,959 m
▪ Loans	28,533 m
▪ Deposits	30,393 m
▪ Total assets*	+0.04 % Y-o-Y

*\*excluding currency movement*

## P&L 2012

▪ Income	1,604 m
▪ Costs	998 m
▪ PBT	441 m
▪ ROE	10.2 %

31.12.2012

- Business
- Results

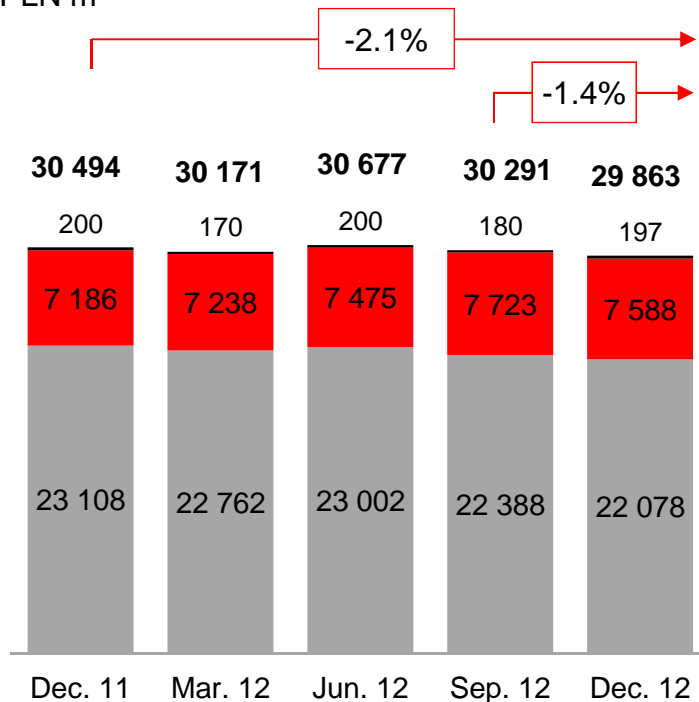
- 31.12.2012

- Business

- Results

**Loans -2.1% (due to fx effect)**

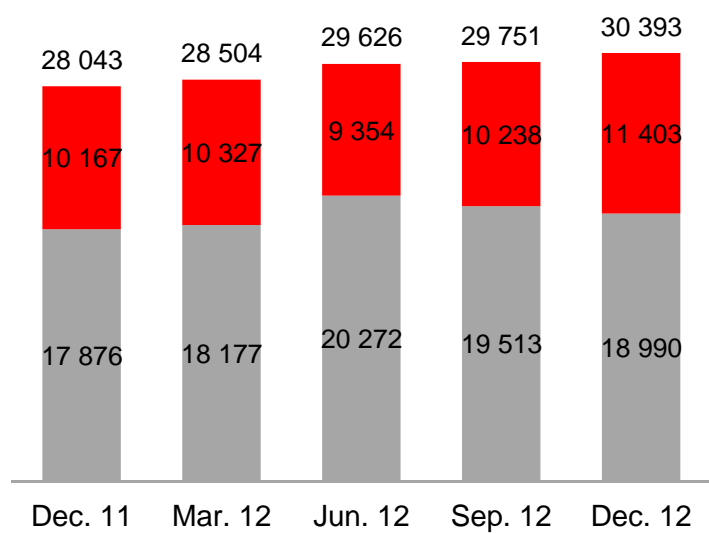
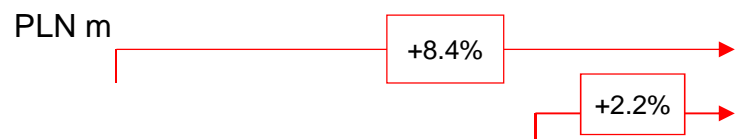
PLN m



- Public sector
- Business
- Personal

	31.12.12	31.12.11	Y-o-Y Variation	Q-o-Q Variation
Personal	22,078	23,108	-4.5%	-1.4%
Business	7,588	7,186	5.6%	-1.8%
Public sector	197	200	-1.4%	9.8%
<b>Total Gross loans</b>	<b>29,863</b>	<b>30,494</b>	<b>-2.1%</b>	<b>-1.4%</b>

## Deposits + 8.4% Y-o-Y



■ Business  
■ Retail

	31.12.12	31.12.11	Y-o-Y Variation	Q-o-Q Variation
Demand	8,271	7,964	+3.9%	+18.1%
Savings	7,932	8,722	-9.1%	-3.0%
Term and Other	14,190	11,358	+24.9%	-2.6%
<b>Customer Deposits</b>	<b>30,393</b>	<b>28,043</b>	<b>+8.4%</b>	<b>+2.2%</b>

31.12.2012

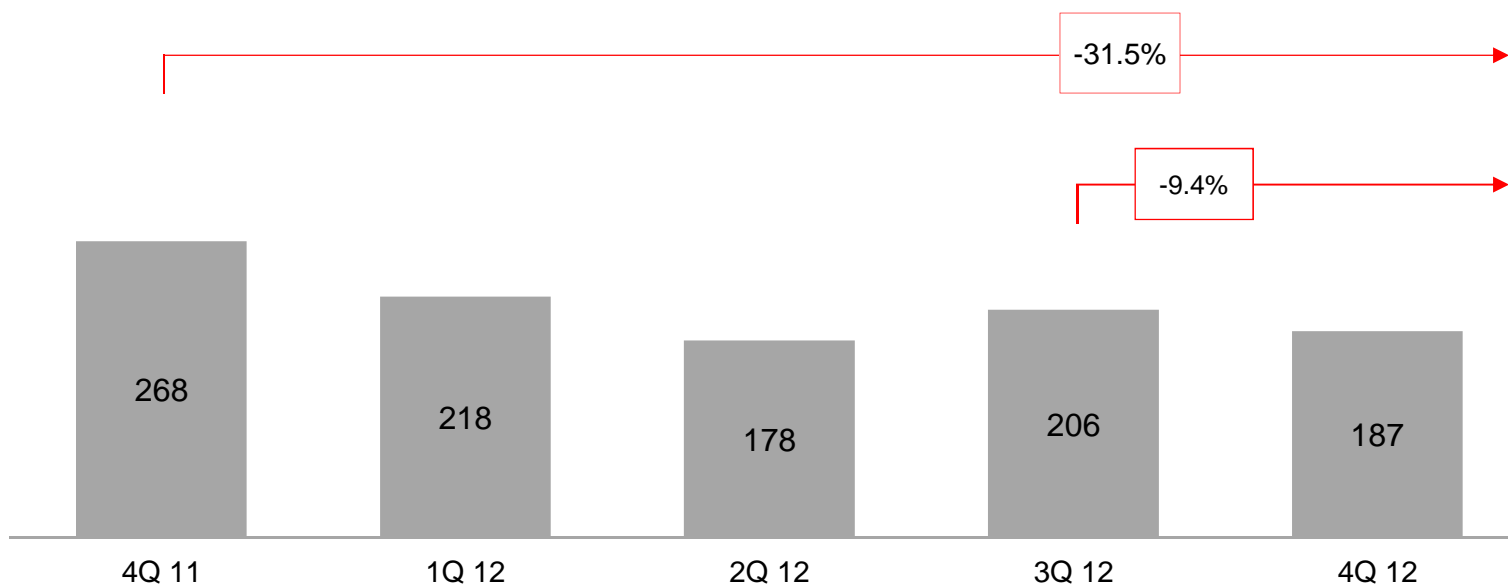
- Business

- Results



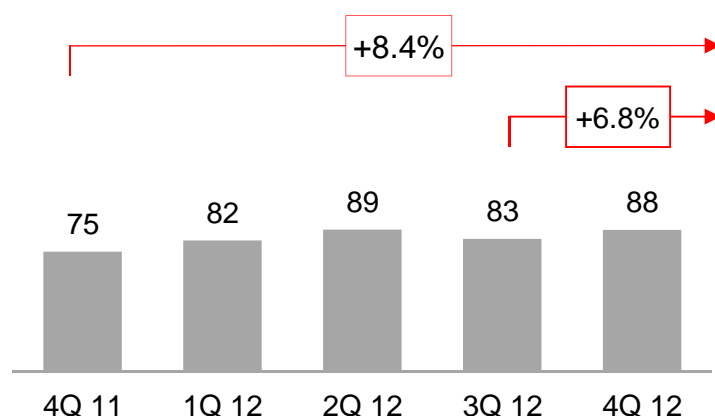
## Net Interest Income

PLN m



## Fees & Commissions + 8.4% Y-o-Y

PLN m



### Comments

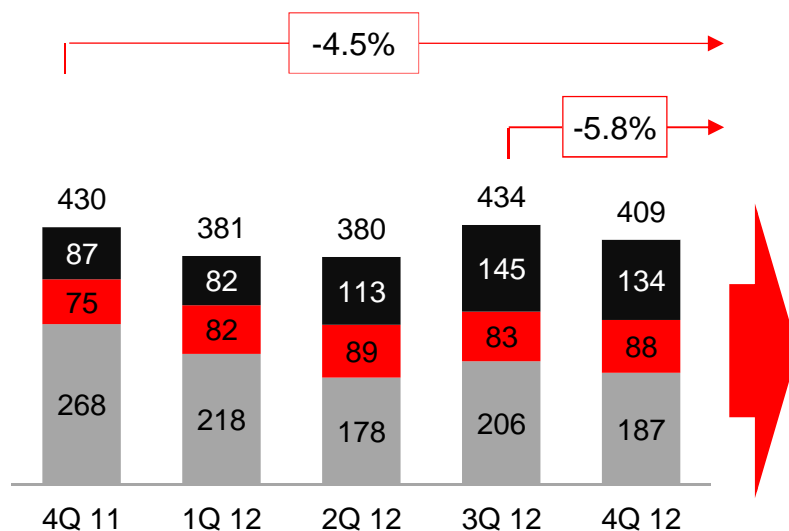
- Strong Y-o-Y increase on distribution of saving & investment products.
- Loan fee growth driven by overdrafts.
- Larger scale of guaranties and foreign clearing operations.

	31.12.2012	31.12.2011	Y-o-Y Variation	Q-o-Q Variation
Account maintenance and transactions	130.7	135.8	-3.8%	+3.3%
Distribution of insurance & funds	69.1	59.3	+16.4%	+7.5%
Payment cards and ATM's	72.5	69.5	+4.3%	-2.8%
Loans	46.6	40.2	+15.8%	+13.1%
Guarantee commitments	25.5	22.7	+12.2%	+29.0%
Foreign clearing operations	18.5	16.1	+14.4%	+2.5%
Other custodian services	2.2	3.5	-37.3%	+23.3%
Other	10.2	7.8	+31.3%	+25.5%
Costs	(33.7)	(40.0)	-15.7%	+2.0%
<b>Total Net Fees</b>	<b>341.4</b>	<b>314.9</b>	<b>+8.4%</b>	<b>+6.8%</b>

# Kredyt Bank: Results: Total Income

## Total Income

PLN m



- Gain/Loss on financial transactions + Others
- Fees
- Net Interest Income

	31.12.12	31.12.11	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income	788.3	1,150.1	-31.5%	-9.4%
Fees	341.4	314.9	+8.4%	+6.8%
<b>Subtotal</b>	<b>1,129.7</b>	<b>1,465.0</b>	<b>-22.9%</b>	<b>-4.8%</b>
Gain/Loss on financial transactions + Others	474.1	214.5	+121.0%	-7.7%
<b>Total Income</b>	<b>1,603.8</b>	<b>1,679.5</b>	<b>-4.5%</b>	<b>-5.8%</b>

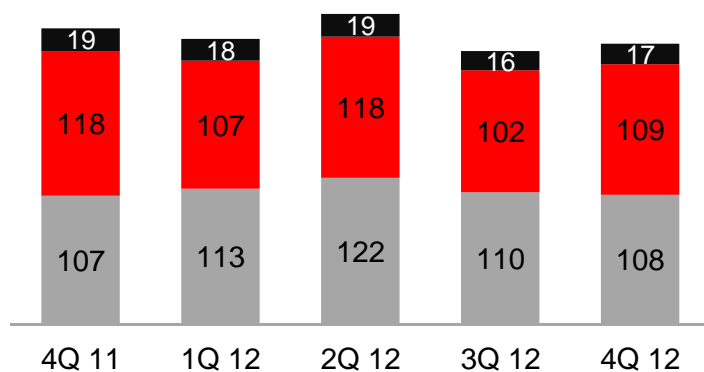
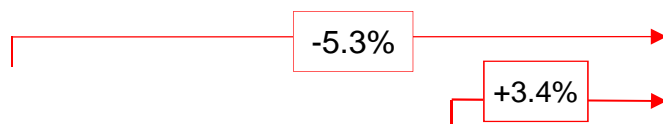
## Comments

- Sale of KBC TFI shares in 2Q PLN +17.0 m.

# Kredyt Bank: Results: Administrative Expenses and Amortization

## Total Expenses – 3.1% Y-o-Y

PLN m

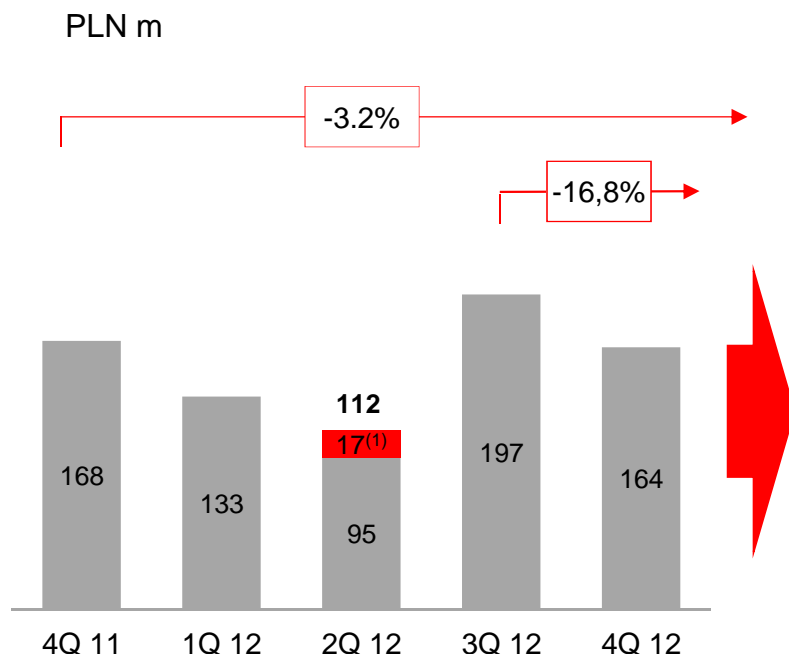


	31.12.12	31.12.11	Y-o-Y Variation	Q-o-Q Variation
Staff costs	452.7	444.4	+1.9%	-1.3%
Administrative Expenses	435.8	456.2	-4.5%	+6.8%
Amortization	70.8	89.8	-21.1%	+3.3%
<b>Total</b>	<b>959.4</b>	<b>990.4</b>	<b>-3.1%</b>	<b>+3.1%</b>

- Amortisation
- Administrative Expenses
- Staff costs

# Kredyt Bank: Results: Net Operating Income

Net Operating Income – 3.2% Y-oY

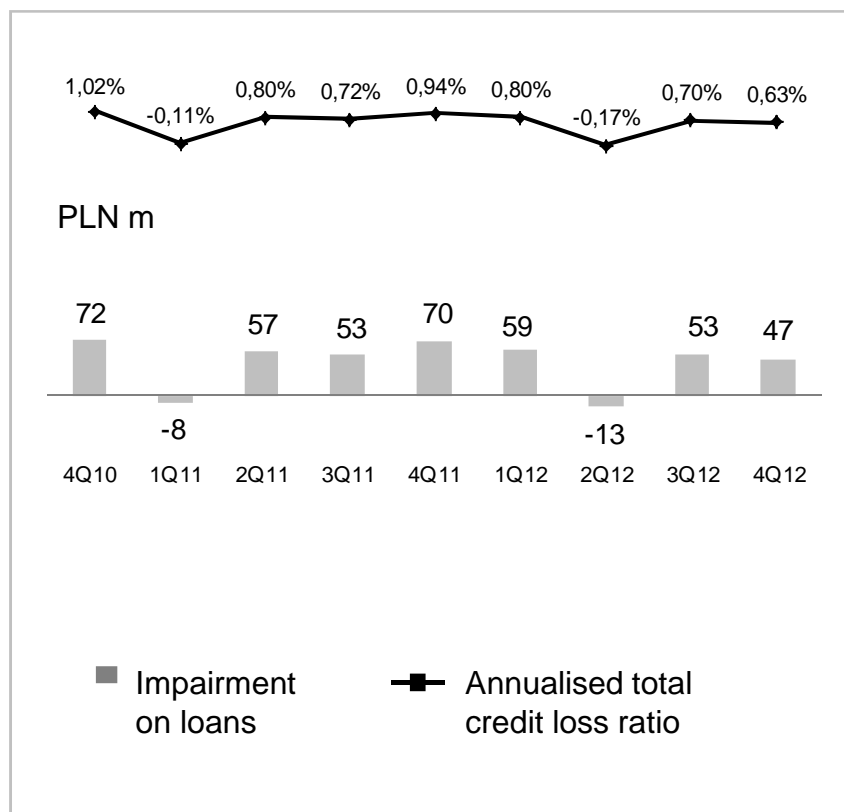


	31.12.12	31.12.11	Y-o-Y Variation	Q-o-Q Variation
Net Interest Income + Fees	1,129.7	1,465.0	-22.9%	-4.8%
Gain on financial transactions + Others	474.1	214.5	+121.0%	-7.7%
Adm. Expenses + Amortization + Other costs	997.8	1,053.5	-5.3%	+3.4%
<b>Net operating income</b>	<b>605.9</b>	<b>626.0</b>	<b>-3.2%</b>	<b>-16.8%</b>

(1) The sale of KBC TFI shares

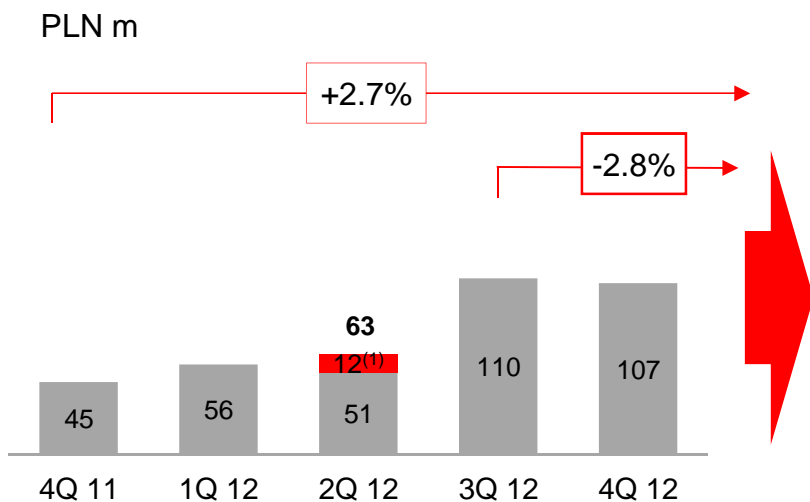
## Provision Charge

### Provisions and Annualised total credit loss ratio



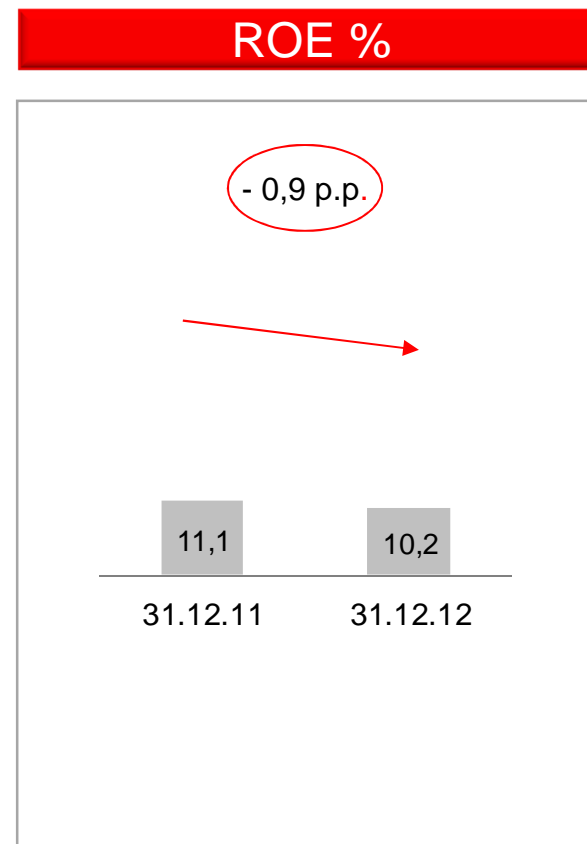
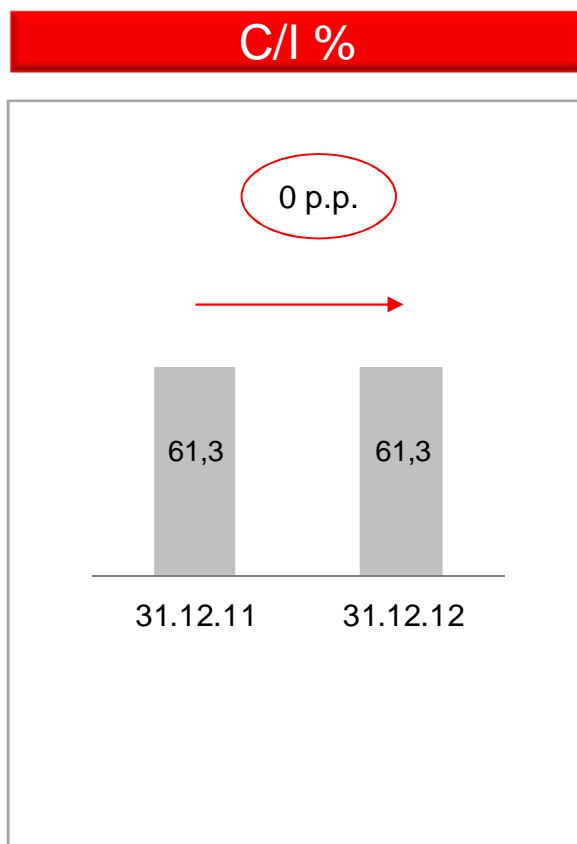
# Kredyt Bank: Results: Net Profit

**Net Profit of PLN 336 m + 2.7% Y-o-Y**



	31.12.12	31.12.11	Y-o-Y Variation	Q-o-Q Variation
Profit before Taxes	440,999	431,141	+2.3%	-18.6%
Taxes	104,955	103,897	+1.0%	-72.3%
<b>Net Profit</b>	<b>336,044</b>	<b>327,244</b>	<b>+2.7%</b>	<b>-2.8%</b>

(1) The sale of KBC TFI shares





## Deposits

Clients deposits + 8.4% Y-o-Y.  
Replacement of considerable part of funding from KBC Group.

## Loans

Gross loans -2.1% Y-o-Y.  
Business portfolio increased by 5.6% Y-o-Y.

## Income/Costs

Total income - 4.5% Y-o-Y due to drop in NII related increased cost of deposit funding.

## Operating profit

Operating profit - 3.2% Y-o-Y.

## Efficiency

Cost to income Ratio at 61.3%.

# ANNEXES

P&L Account  
Balance Sheet

# Kredyt Bank: P&L Account

for the period ( in PLN k):	4Q 2012	3Q 2012	2Q 2012	1Q 2012	4Q 2011
Interest income	552 802	604 528	591 331	579 372	601 876
Interest expense	-366 292	-398 667	-413 132	-361 638	-334 025
Net interest income	186 510	205 861	178 199	217 734	267 851
Fee and commission income	108 426	101 909	108 631	100 940	98 007
Fee and commission expense	-20 066	-19 176	-20 068	-19 201	-23 287
Net fee and commission income	88 360	82 733	88 563	81 739	74 720
Dividend income	152	37	1 593	9	56
Net trading income	93 572	91 564	61 588	58 626	55 005
Net result on derivatives used as hedging instruments and hedged items	-4 505	-377	1 846	-1 079	-544
Net gains from investment activities	29 674	30 751	17 046	0	776
Other operating income	15 206	23 389	30 708	24 287	32 113
<b>Total operating income</b>	<b>408 969</b>	<b>433 958</b>	<b>379 543</b>	<b>381 316</b>	<b>429 977</b>
General and administrative expenses	-233 768	-227 686	-259 378	-238 568	-244 798
Other operating expenses	-11 331	-9 364	-8 425	-9 320	-16 758
Total operating expenses	-245 099	-237 050	-267 803	-247 888	-261 556
Net impairment losses on financial assets, other assets and provisions	-47 766	-54 211	-6 047	-57 942	-114 491
<b>Net operating income</b>	<b>116 104</b>	<b>142 697</b>	<b>105 693</b>	<b>75 486</b>	<b>53 930</b>
Share in profit (loss) of associates	0	0	188	831	1 087
<b>Profit before tax</b>	<b>116 104</b>	<b>142 697</b>	<b>105 881</b>	<b>76 317</b>	<b>55 017</b>
Income tax expense	-8 979	-32 433	-43 368	-20 175	-10 473
<b>Net profit</b>	<b>107 125</b>	<b>110 264</b>	<b>62 513</b>	<b>56 142</b>	<b>44 544</b>
including:					
Attributable to the Shareholders of the Bank	107 125	110 264	62 513	56 142	44 544
Attributable to non-controlling interests	0	0	0	0	0

# Kredyt Bank: Balance Sheet - Assets

	31.12.2012	30.09.2012	30.06.2012	31.03.2012	31.12.2011
Cash and balances with Central Bank	963 375	769 819	719 023	1 109 536	784 668
Gross loans and advances to banks	1 179 730	1 220 882	1 650 288	1 100 980	1 188 012
Impairment losses on loans and advances to banks	0	0	0	0	0
Receivables arising from repurchase transactions	117 700	400 403	1 211 557	264 468	0
Financial assets designated upon initial recognition as at fair value through profit or loss	60 413	64 294	63 283	101 787	100 684
Financial assets held for trading (excluding derivatives)	325 080	114 386	332 834	759 354	60 493
Derivatives, including:	1 155 201	818 245	694 412	659 911	1 071 089
derivatives used as hedging instruments	118 610	100 145	105 362	89 138	95 592
Gross loans and advances to customers	29 863 031	30 291 316	30 676 784	30 170 642	30 493 915
Impairment losses on loans and advances to customers	-1 329 571	-1 348 368	-1 415 677	-1 442 258	-1 408 161
Investment securities	7 976 365	10 695 800	8 707 049	9 410 907	8 678 712
available for sale	5 427 775	7 541 818	5 410 148	6 034 955	5 262 038
held to maturity	2 548 590	3 153 982	3 296 901	3 375 952	3 416 674
Investments in associates valued using the equity method	0	0	0	19 983	19 152
Property, plant and equipment	223 338	226 615	236 963	244 820	259 797
Intangible assets	94 816	84 264	75 384	71 133	59 711
Deferred tax asset	222 999	170 135	214 030	240 499	263 257
Current tax receivable	0	14 760	16 379	125 157	116 870
Investment properties	16 137	18 286	201 190	206 278	209 065
Non-current assets held for sale	5 709	5 709	5 709	2 819	12 128
Other assets	84 477	88 407	105 943	99 788	93 692
<b>Total assets</b>	<b>40 958 800</b>	<b>43 634 953</b>	<b>43 495 151</b>	<b>43 145 804</b>	<b>42 003 084</b>

# Kredyt Bank: Balance Sheet – Liabilities & Equity

	31.12.2012	30.09.2012	30.06.2012	31.03.2012	31.12.2011
Amounts due to Central Bank	0	12	15	32	32
Amounts due to banks	4 283 078	5 839 678	6 043 971	8 677 143	8 486 491
Liabilities arising from repurchase transactions	94 937	2 208 434	2 302 676	620 784	0
Financial liabilities held for trading (excluding derivatives)	115 424	200 289	93 658	86 702	0
Derivatives, including	1 227 462	923 521	758 081	690 538	982 916
derivatives used as hedging instruments	62 366	0	124	2 433	1 669
Amounts due to customers	30 392 630	29 751 248	29 626 447	28 504 216	28 043 157
Current tax liability	7 238	67	6 308	1 898	182
Provisions	63 832	64 131	131 729	112 868	116 402
Deferred tax liability	1 380	571	629	530	725
Other liabilities	257 411	266 660	272 904	306 239	271 044
Subordinated liabilities	971 533	975 161	1 013 882	989 238	1 036 510
<b>Total liabilities</b>	<b>37 414 925</b>	<b>40 229 772</b>	<b>40 250 300</b>	<b>39 990 188</b>	<b>38 937 459</b>
Share capital	1 358 294	1 358 294	1 358 294	1 358 294	1 358 294
Supplementary capital	1 130 174	1 130 174	1 130 174	900 065	900 065
Revaluation reserve	212 298	180 729	130 663	103 941	70 092
Other reserves	481 151	481 151	481 151	400 942	400 942
Retained earnings	25 914	25 914	25 914	336 232	8 988
Current net profit (loss) attributable to the Shareholders of the Bank	336 044	228 919	118 655	56 142	327 244
<b>Total equity attributable to the Shareholders of the Bank</b>	<b>3 543 875</b>	<b>3 405 181</b>	<b>3 244 851</b>	<b>3 155 616</b>	<b>3 065 625</b>
Attributable to non-controlling interests	0	0	0	0	0
<b>Total equity</b>	<b>3 543 875</b>	<b>3 405 181</b>	<b>3 244 851</b>	<b>3 155 616</b>	<b>3 065 625</b>
<b>Total equity and liabilities</b>	<b>40 958 800</b>	<b>43 634 953</b>	<b>43 495 151</b>	<b>43 145 804</b>	<b>42 003 084</b>