

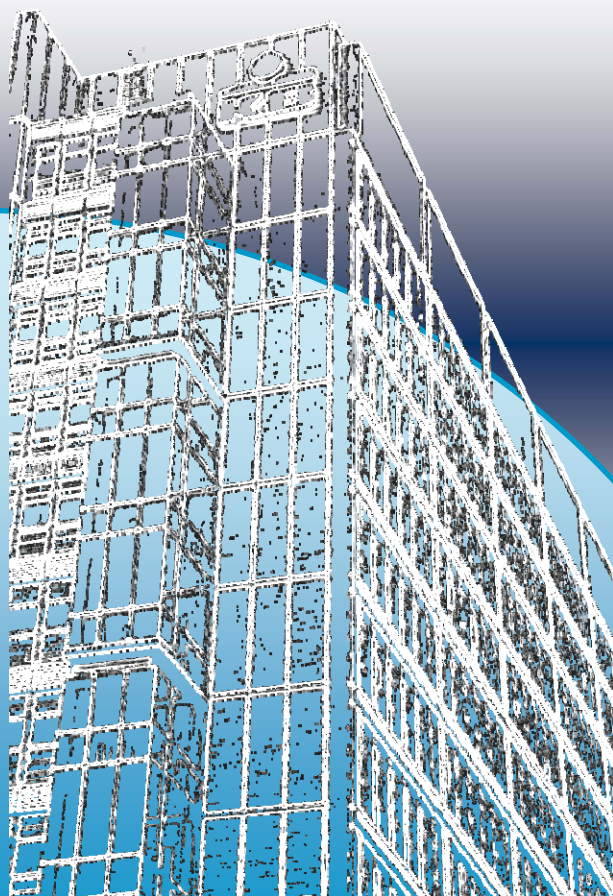
Kredyt Bank S.A. Group

Financial Results for 4 Q 2010

Investor Relations Office



Warsaw, **February 10, 2011**



Highlights

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of results,
Group

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lines,
Bank

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Key messages in 2010 – increase of top line revenues, effectiveness as well as deposit base

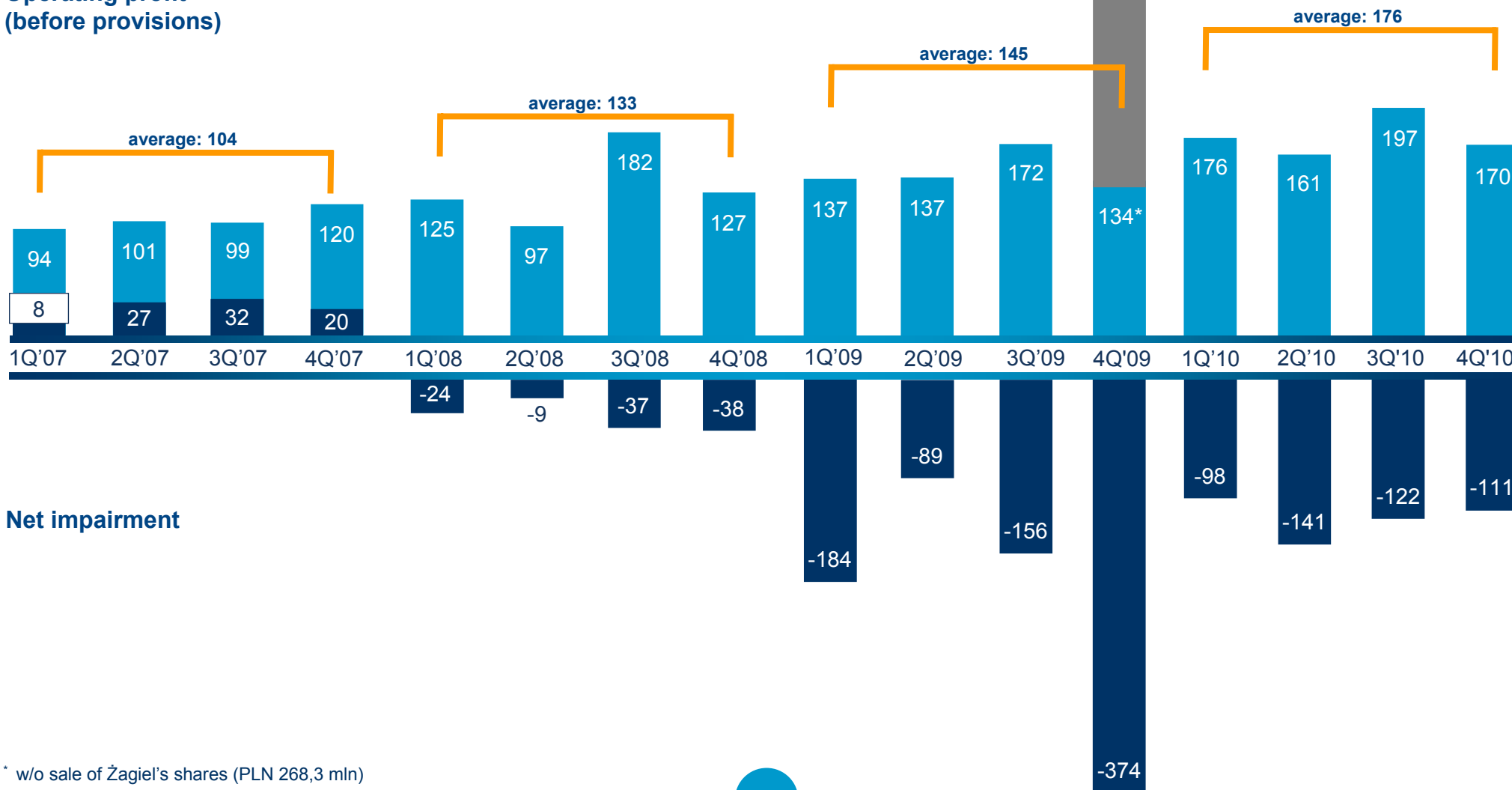
- Net profit for the year 2010 amounted to PLN 185,9 mln vs PLN 34,6 mln as of the end of 2009. Net profit in 4Q 2010 was equal to PLN 57,1 mln vs PLN 20,1 mln in 4Q 2009.
- Operating profit (before provisions) in 2010 equal to PLN 703,5 mln (the highest in history) vs PLN 579,8 mln in 2009 (excluding Żagiel) - improvement by 21,3%. Operating profit (before provisions) in 4Q 2010 equal to PLN 170,4 mln vs PLN 133,6 mln in 4Q 2009 (excluding Żagiel) - improvement by 27,5%.
- Cost/Income ratio at the level of 56,9% in 2010 vs 63,8% as of the end 2009 (excluding Żagiel) - improvement by 6,9 pp. C/I in 4Q 2010 was equal to 58,6% in comparison with 66,1% in 4Q 2009 (improvement by 7,5 pp.).
- CAR equal to 12,5% as of the end 2010 vs 11,8% at the end of 2009. The improvement was related among others to the decrease of enterprise division assets by 10,3%. Simultaneously segment performance in the area of gross revenues was at the level of 2009 (PLN 442 mln vs PLN 454 mln zł).
- Increase of customer liabilities in 2010 by PLN 3,2 bln (increase by 14,2%). Loans/Deposits ratio amounted to 106,0% as of the end of 2010 vs 114,5% as at the end of 2009 (improvement by 8,5%).



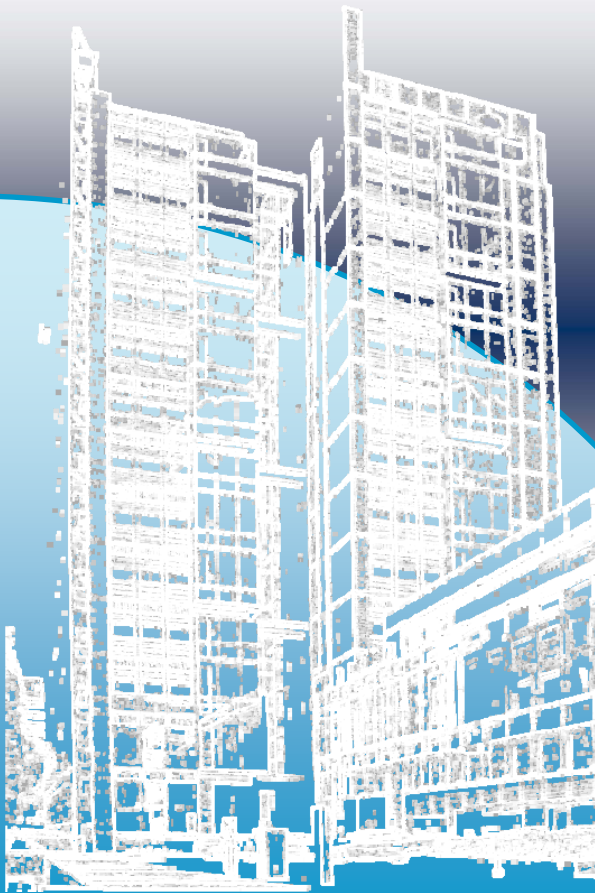
Operating profit (before provisions)

in PLN mln

Operating profit
(before provisions)



* w/o sale of Żagiel's shares (PLN 268,3 mln)



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Financial highlights - ratios

| in PLN mln | 2010 | 2009 | 2010-2009 |
|--|--------|--------|-----------|
| Cost/Income | 56,9% | 54,7% | 2,2 |
| Cost/Income (sale of Żagiel excluded) | 56,9% | 63,8% | -6,9 |
| ROE | 6,87% | 1,32% | 5,5 |
| Loans / Deposits | 106,0% | 114,5% | -8,5 |
| Loans / Deposits (adjusted) ¹ | 70,5% | 75,7% | -5,2 |
| CAR | 12,5% | 11,8% | 0,7 |
| FTE (in ths.) | 4 834 | 4 896 | -1,3% |
| Branch Network - KB | 381 | 402 | -5,2% |

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

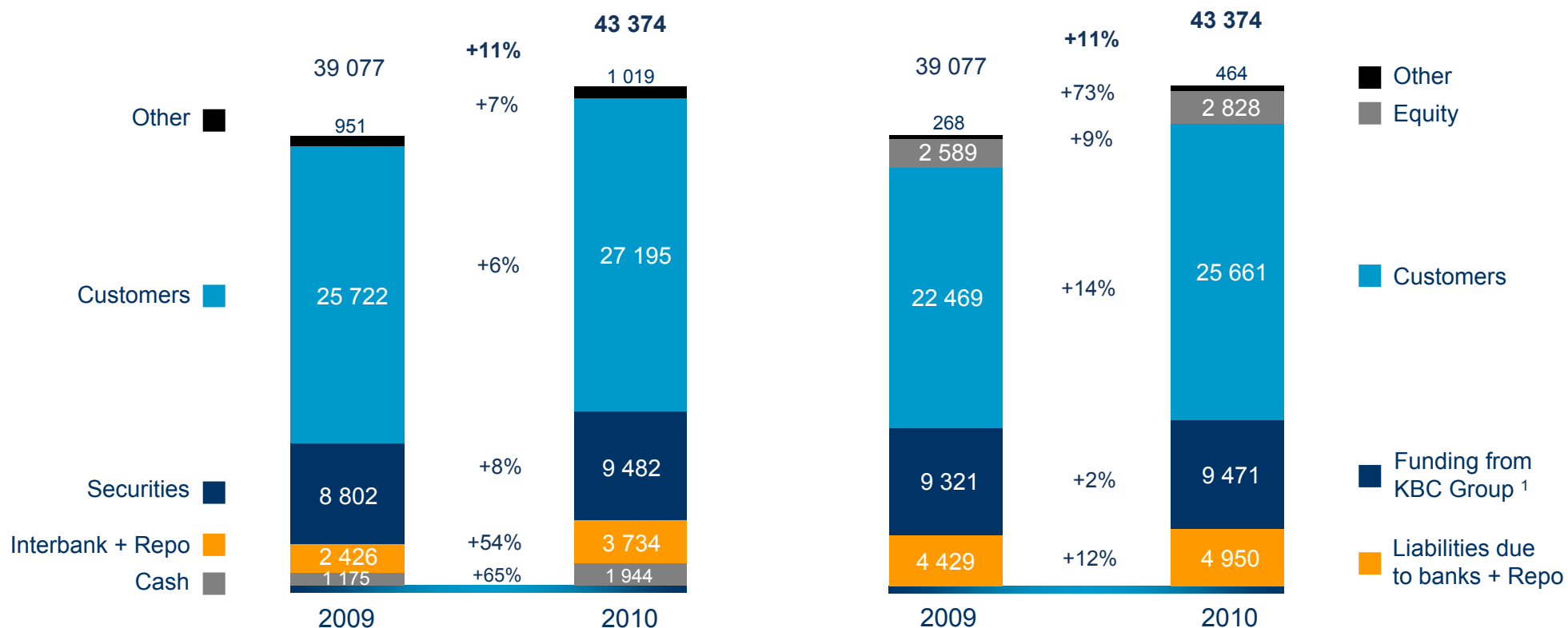


Balance sheet breakdown

in PLN mln

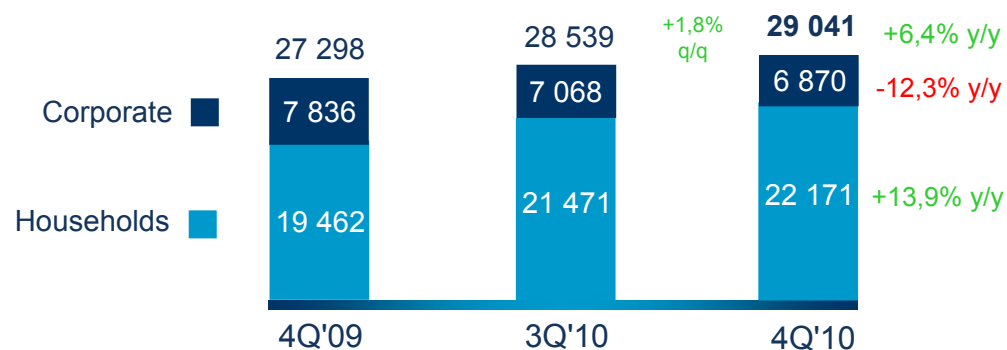
Assets

Liabilities & Funds

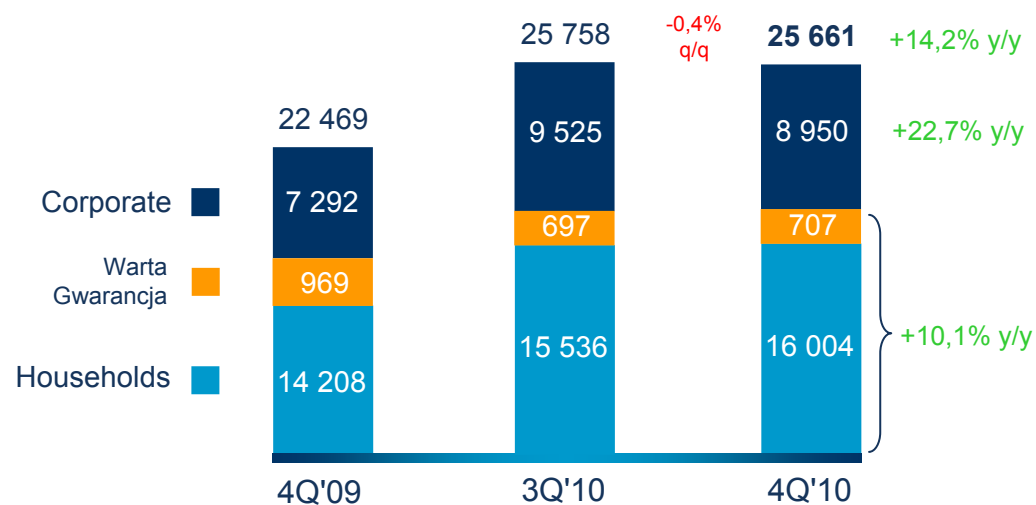


¹ Funding from KBC Group = loans and interbank deposits from KBC Group entities (FX and PLN)

Customer loans¹



Customer liabilities¹



KB market share - loans²

| | 4Q'09 | 3Q'10 | 4Q'10 |
|-----------------|-------|-------|-------|
| Total loans | 4,0% | 3,8% | 3,7% |
| Household loans | 4,7% | 4,6% | 4,6% |
| Corporate loans | 2,8% | 2,4% | 2,2% |

KB market share - deposits²

| | 4Q'09 | 3Q'10 | 4Q'10 |
|---------------------------------|-------|-------|-------|
| Total deposits | 3,4% | 3,6% | 3,5% |
| Household deposits ³ | 3,8% | 3,8% | 3,7% |
| Corporate deposits | 2,9% | 3,4% | 3,1% |

¹Loans, liabilities gross, end of period, consolidated

² NBP segmentation – residents only, bank statutory

³ combined with insurance linked deposit Warta Gwarancja



Financial highlights - P&L

| in PLN mln | 2010 | 2009 | Δ y/y mln | Δ y/y |
|---|---------------|---------------|--------------|---------------|
| NII + NFC | 1457,6 | 1365,3 | 92,3 | 6,8% |
| Gross operating income | 1631,6 | 1871,4 | -239,8 | -12,8% |
| Gross operating income (sale of Żagiel excluded) | 1631,6 | 1603,1 | 28,5 | 1,8% |
| General administrative expenses | -928,1 | -1023,3 | -95,2 | -9,3% |
| Operating profit | 703,5 | 848,1 | -144,6 | -17,1% |
| Operating profit (sale of Żagiel excluded) | 703,5 | 579,8 | 123,7 | 21,3% |
| Net impairment and provisions | -472,0 | -803,2 | 331,2 | -41,2% |
| Net profit | 185,9 | 34,6 | 151,3 | 438,0% |



Financial highlights – P&L (quarterly)

| in PLN mln | 4Q'10 | 3Q'10 | 2Q'10 | 1Q'10 | 4Q'09 |
|---------------------------------|--------|--------|--------|--------|--------|
| NII + NFC | 386,2 | 367,7 | 346,8 | 357,0 | 350,5 |
| Gross operating income* | 411,8 | 431,5 | 387,8 | 400,4 | 662,0 |
| General administrative expenses | -241,4 | -234,8 | -227,0 | -224,9 | -260,1 |
| Operating profit* | 170,4 | 196,8 | 160,8 | 175,6 | 401,9 |
| Net impairment and provisions | -111,4 | -121,6 | -141,4 | -97,6 | -373,5 |
| Net profit | 57,1 | 55,5 | 13,8 | 59,6 | 20,1 |

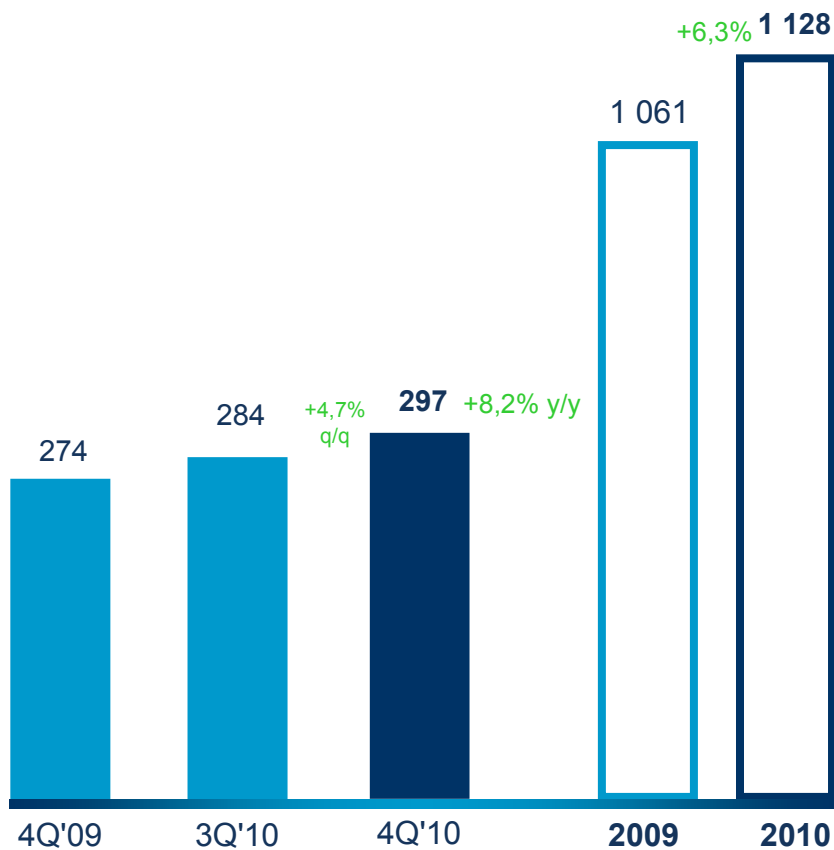
*Gross operating income excluding the revenues from the sale of Żagiel amounted to PLN 393,7 mln in the 4Q'09 while operating profit amounted to PLN 133,6 mln.



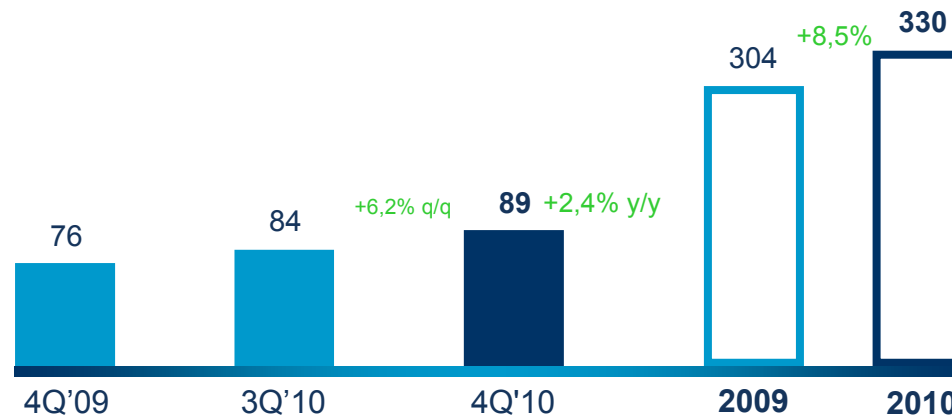
Net interest, net fees and commissions

in PLN mln

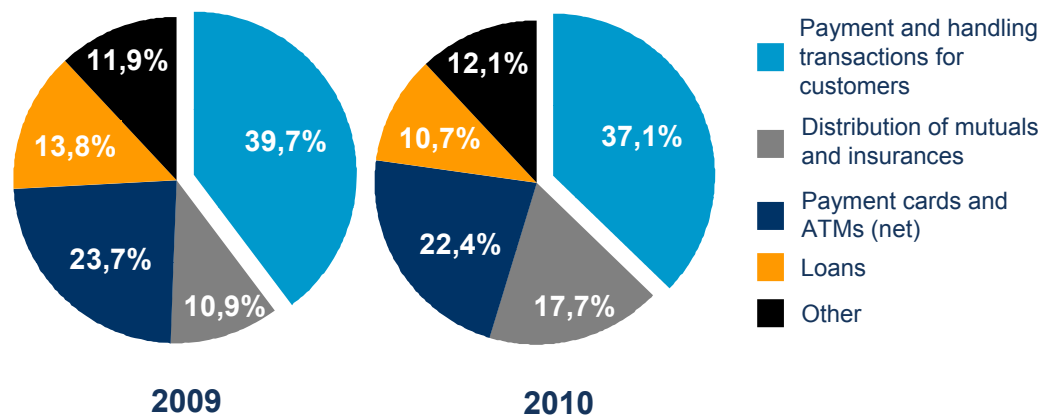
NII



NFC



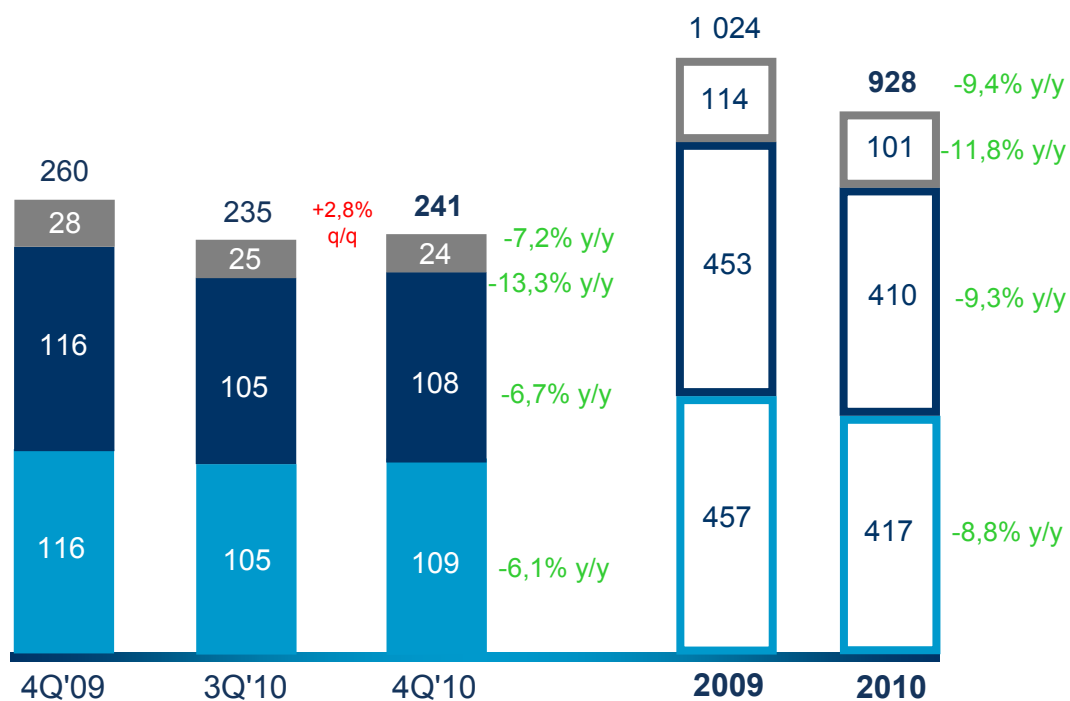
F&C (income structure)



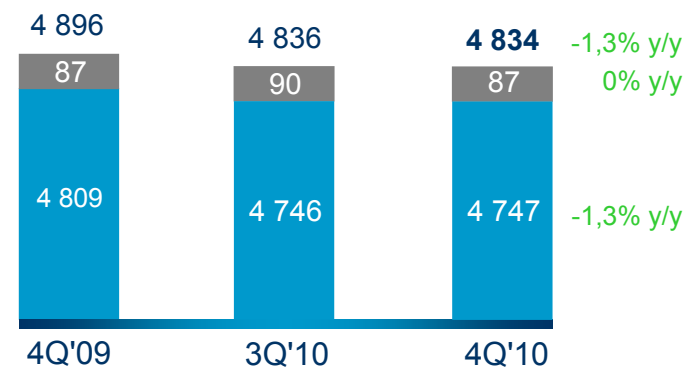
KB General administrative expenses

in PLN mln

General administrative expenses



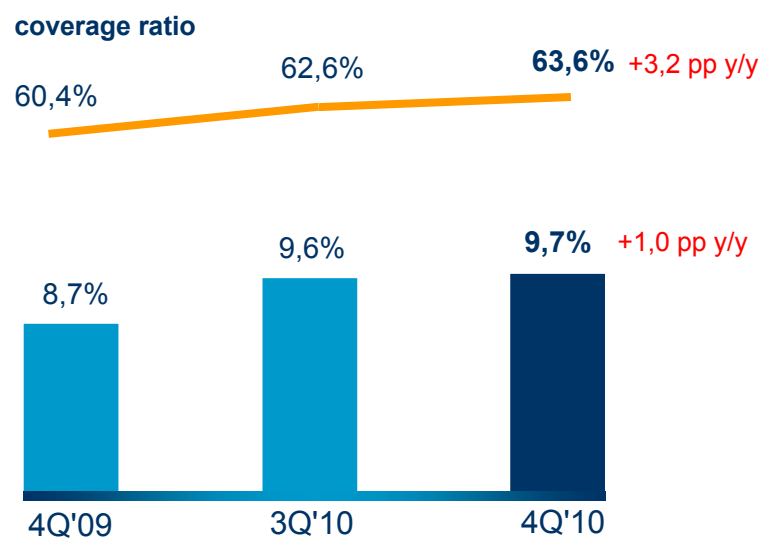
FTEs



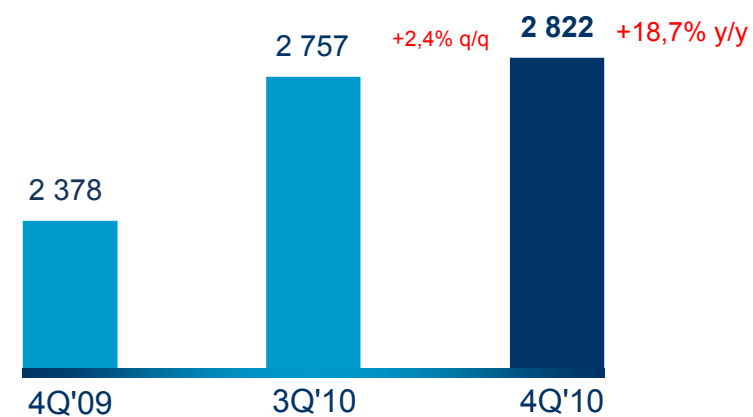
■ HR ■ NHR ■ Depreciation

■ Kredyt Bank ■ other

Impaired loans/ gross loans¹



Impaired loans - volume



¹ On customers' portfolio basis, banks excluded

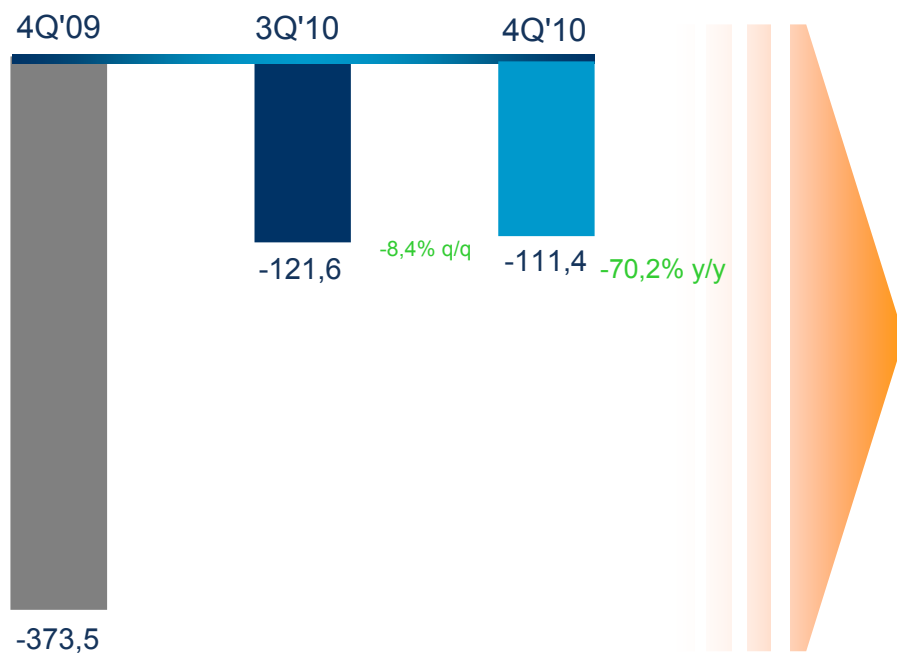


Net Impairment – breakdown by segments

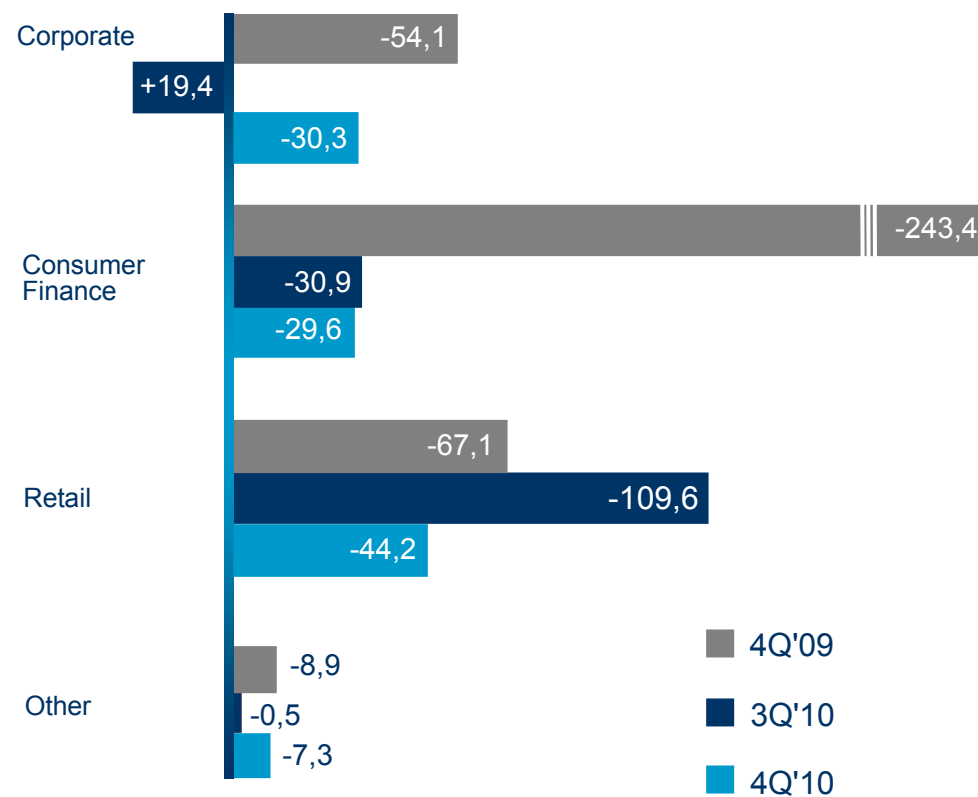
in PLN mln

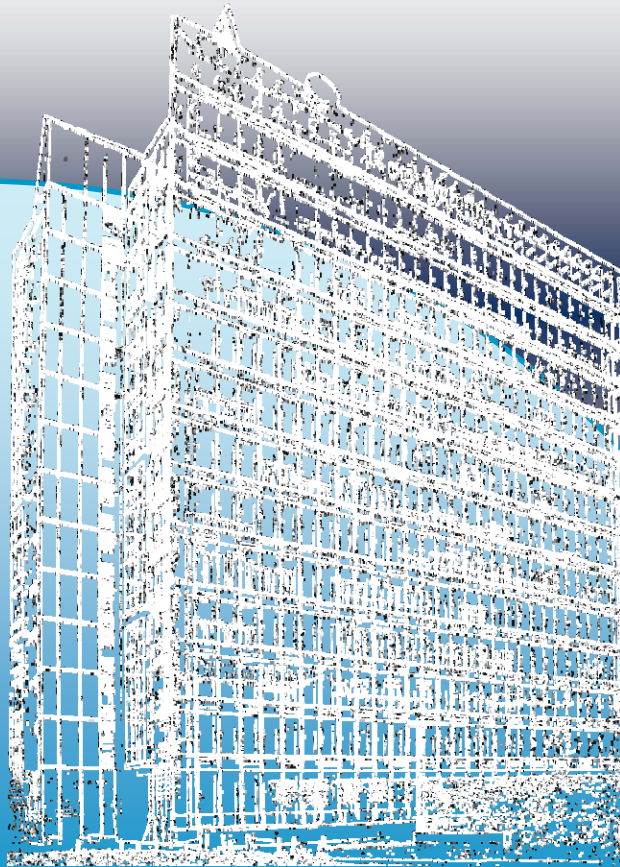
Net impairment

quarterly



Net impairment – breakdown by segments





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Retail banking – sale activity – deposit, investment, insurance products

- Continuation of deposits collection strategy and its conversion to investment funds. **Only in 4Q the amount equal to PLN 624 mln was collected.** The promotional campaign of saving account called Lokata Oszczednościowa (product with daily interests capitalisation dedicated to the owners of current account) was running in October and November with the use of TV and Internet.
- **The saving account Maximus** designed for the affluent and private banking customers was introduced to the offer in December. Account rewards customers for maintaining the balance on declared level with additional interests. The product is designed to increase the loyalty of customers who own the highest liquidity financial means. **Within the period of 3 weeks the amount of PLN 420 mln was collected.**
- **The market share of KBC TFI S.A.** in the market of capital protected investment funds (assets under management) as at the end of 4Q 2010 amounted to **57,6%**. Within the 4Q, inter alia:
 - two subscriptions of Closed Investment Funds KBC TFI were closed: **KBC Poland Jumper 3 FIZ i KBC Optymalnego Wzrostu FIZ**, within the framework of them the amount more than PLN 110 mln was gained,
 - two Global Partners closed funds were offered: **PL KBC Kuponowy 1 oraz KBC Kupon 5**, the amount of **PLN 80 mln** was collected,
 - the sales of Open Investment Funds was continued. It amounted to almost **PLN 270 mln** (mainly the funds based on debt and money markets).
- High sales of **Investment Insurance Profit Plan** - totally since the beginning of the year the sales **exceeded PLN 530 mln**, with **over PLN 100 mln** was reached in the 4Q 2010.
- Within 4Q 3 **subscriptions of structured deposits** based on EUR/PLN exchange rate for the affluent and Private Banking customers were launched. The amount of more than PLN 80 mln was collected. Since the beginning of the year within the framework of 11 subscriptions, the amount equal to more than PLN 510 mln was gained. Of the 7 structured deposits completed in 2010, 5 ended with a profit of more than 8%.





Retail banking – sale activity - loans

- Mortgage loans
 - the pricing promotion 0% for granting the loan in October and November provided the customer purchases the insurance. The promotion was supported by the communication in the Internet as well as direct marketing,
 - sales in the 4Q 2010: PLN 400 mln; 122% of sales growth vs 4Q 2009.
- Cash loans
 - more than 7.500 of loans, with a total value equal to PLN 92,3 m granted to the existing clients within the framework of promotional campaign which took place at the turn of November and December under the slogan: „Wypieczone święta”,
 - the level of insurance penetration is systematically increasing – 50% in the 4Q 2010, (vs 40% in 3Q 2010), 250% growth rate of premium income in comparison with 4Q 2009.
- Overdrafts
 - Increase of the sale of the overdraft in the 2010 by 41% comparing to 2009 (in case of the volumes sold, the increase is equal to 49%).

KREDYT MIESZKANIOWY

KREDYT GOTÓWKOWY

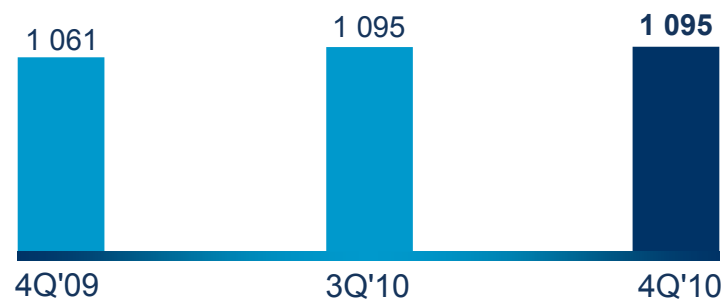
Wypieczone święta!
Z kredytem z ubezpieczeniem 0% prowizji
zdążysz na czas.



Retail banking performance

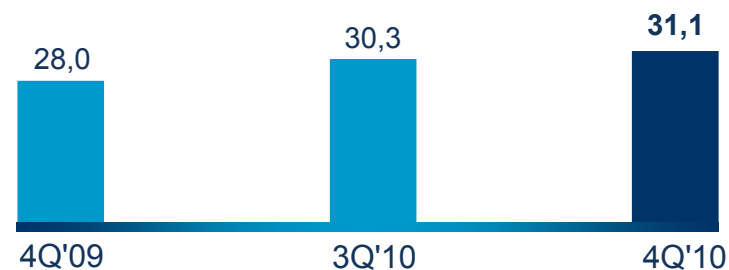
in ths. / in PLN mln

Number of clients¹

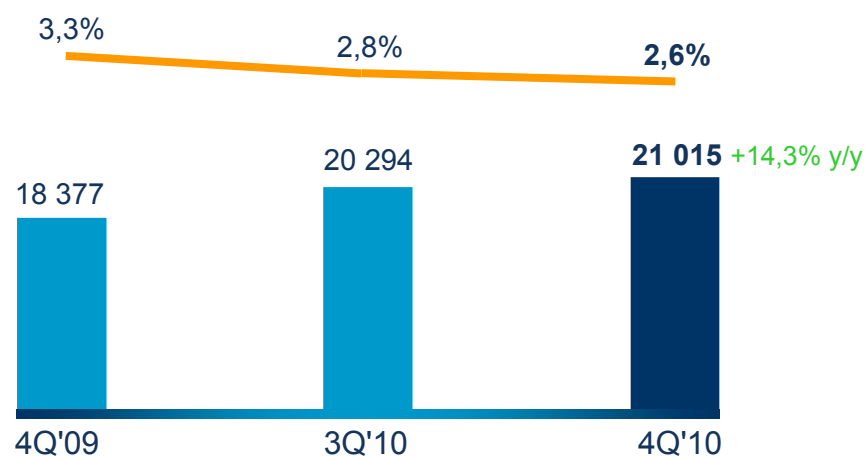


Customer business per client¹

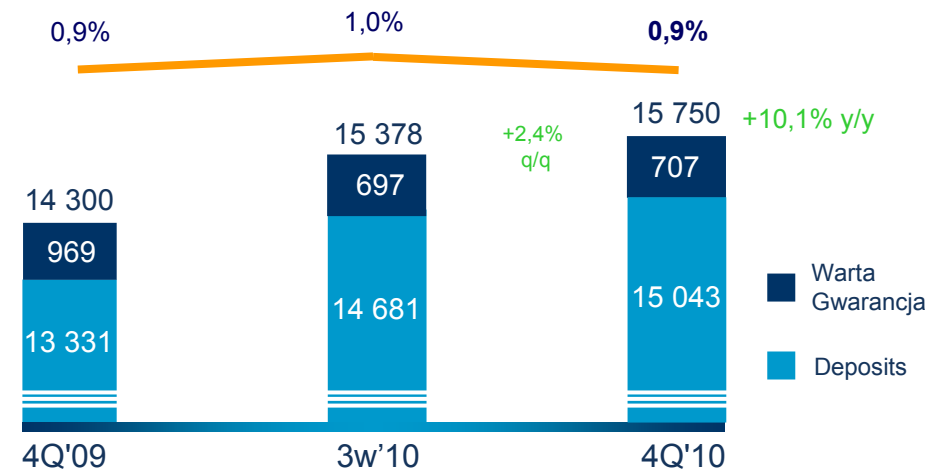
quarterly in PLN ths.



Retail loans¹, margin

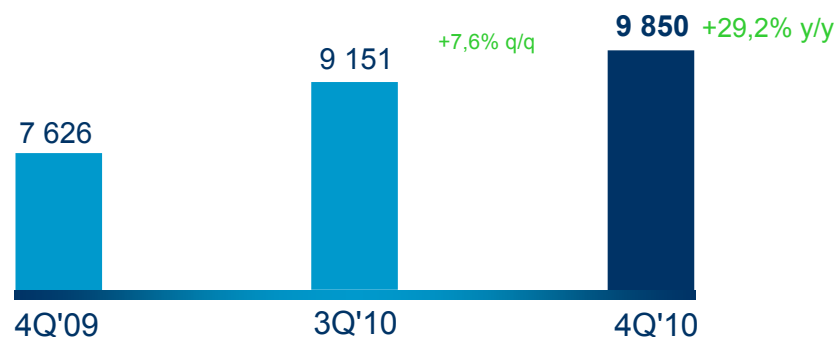


Retail deposits¹, margin

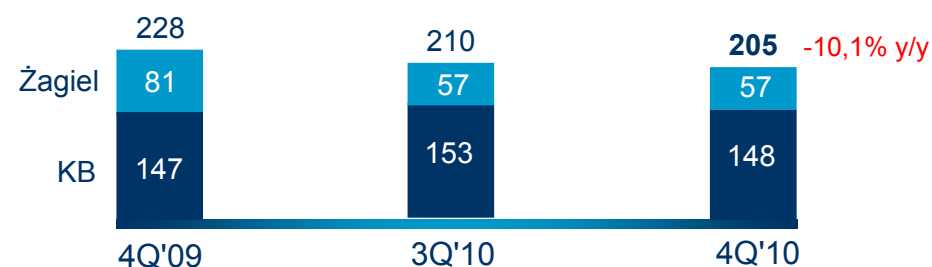


¹ retail segment customers, data according to internal segmentation, after resegmentation performed in the 1Q'10, loan portfolio includes Zagiel brokerage channel

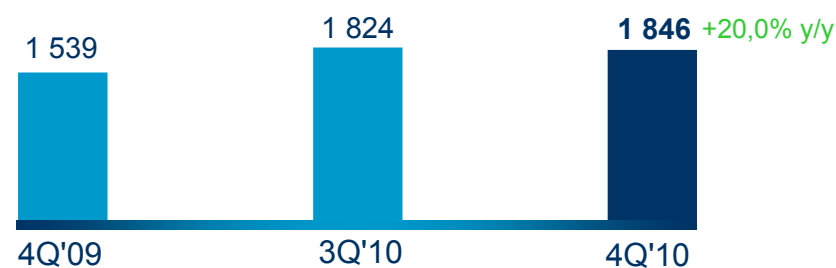
Saving accounts - volume



Credit cards in use - quantity

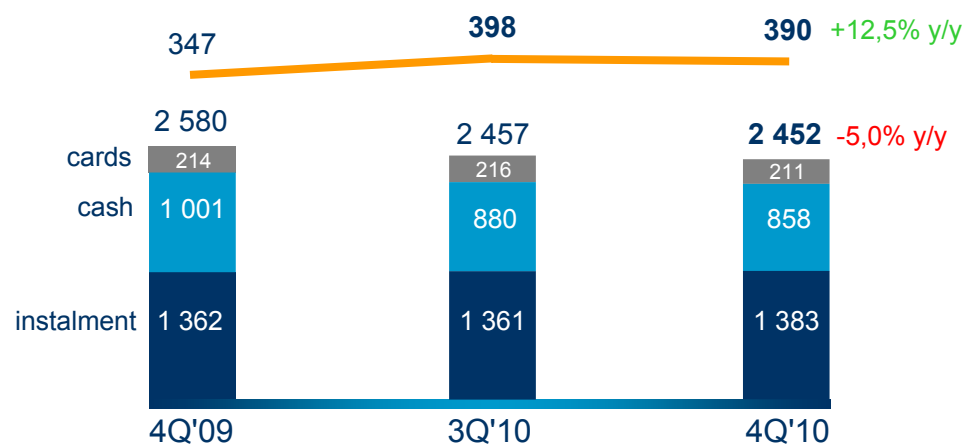


Cash loans & credit cards – bank's network



Loans granted by Żagiel¹ - portfolio

Quarterly sale

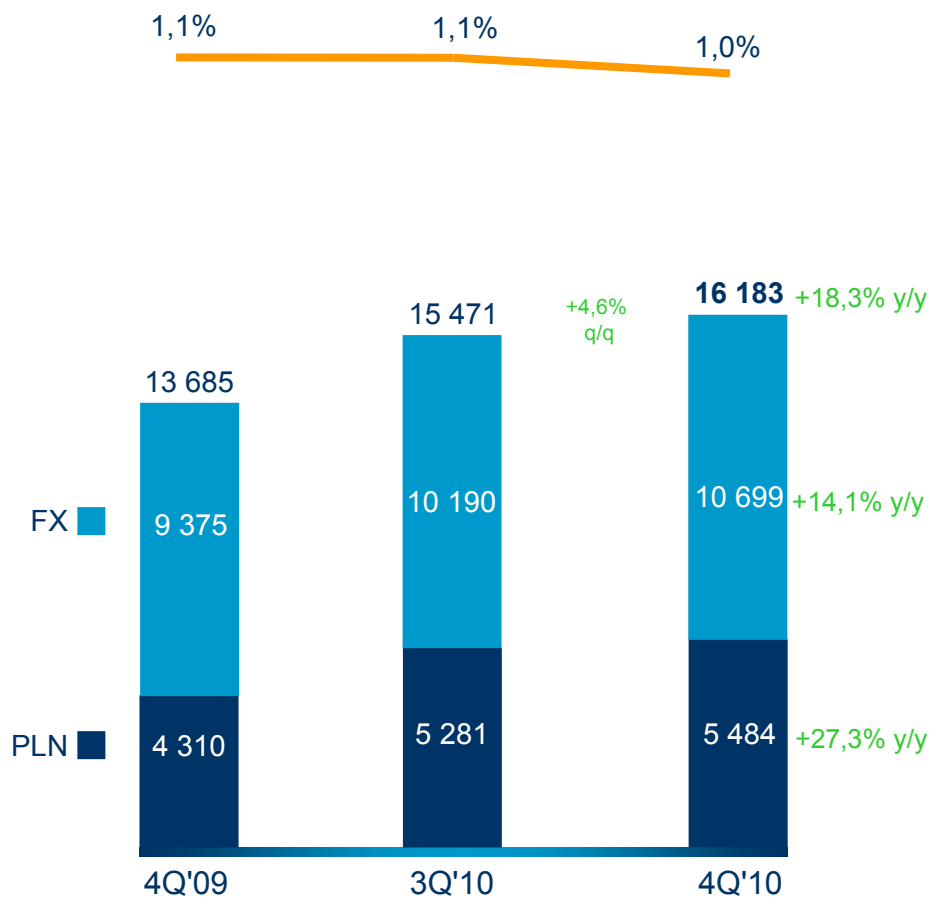


¹ portfolio by products split – estimation based on MIS

KB Retail banking - mortgage loans

in PLN mln

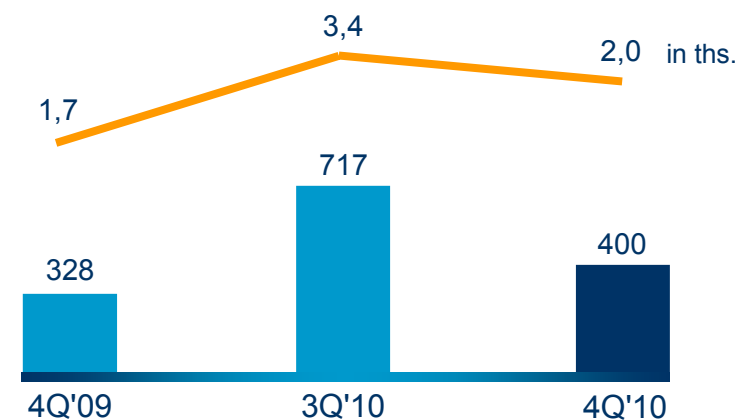
Mortgage loans – portfolio, margin



KB market share

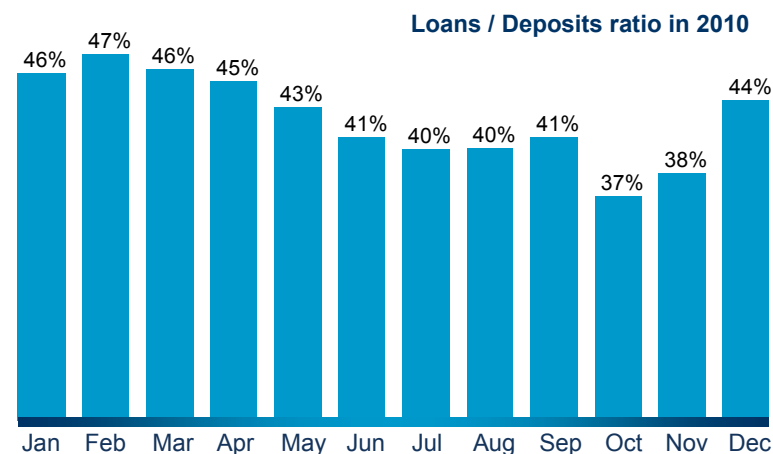
| | 4Q'09 | 3Q'10 | 4Q'10 |
|----------------------|-------|-------|-------|
| Total mortgage loans | 6,3% | 6,1% | 6,0% |
| PLN | 5,6% | 5,5% | 5,3% |
| FX | 6,8% | 6,5% | 6,5% |

Mortgage loans – quarterly sale



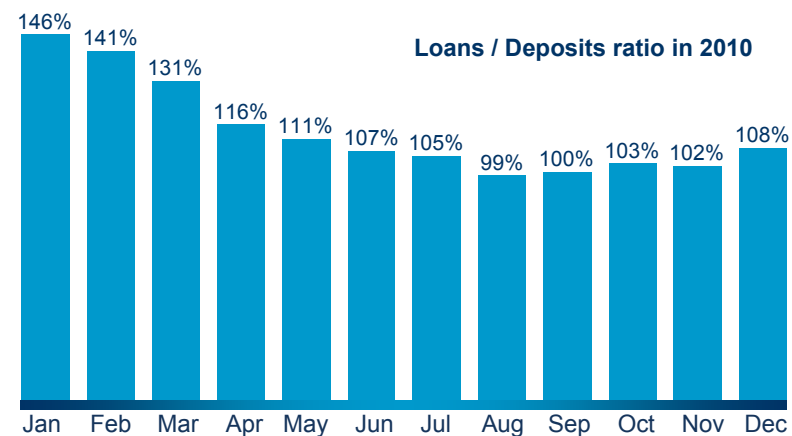
• SME sub-segment

- big success in the area of attracting new customers, acquisition as a one of the main business drivers:
 - we gained more than 2.000 new customers in 2010, it was the best result in SME segment in the Bank's history,
 - revenues gained from the customers recruited in 2010 constituted in December more than 11% of the income of the whole SME line.
- growth of revenues 2010/2009 +7% y/y and +21% 4Q'10/4Q'09,
- growth of fees and commissions +10% y/y, +21% 4Q'10/4Q'09,
- stable, in line with the expectations, level of credit risk costs,
- growth in the area of loans and deposits balance as well as leasing transactions significantly higher than growth of the market,
- trade finance products – increase by +13% y/y.

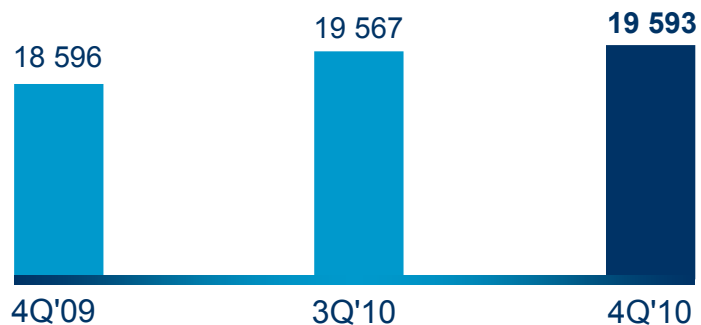


- **Corporate sub-segment**

- capital usage efficiency improvement:
 - reduction of large, unprofitable credit exposures,
 - improvement of loans/deposits ratio - ca. 100% as of the end 2010 (in comparison with 170% in 1Q 2009),
 - maintaining of total revenues in 2010 at the 2009 level despite the reduction of assets,
- acquisition of more than 450 of new customers, revenues from customers gained in 2010 constituted more than 3,5% of the Corporate sub-segment business line revenues,
- growth of fees and commissions +10% y/y, +13% 4Q'10/4Q'09,
- the level of impairment in 2010 significantly lower than budgeted,
- growth in the area of deposits balance as well as leasing transactions significantly higher than growth of the market,
- trade finance products - increase by +12% y/y.

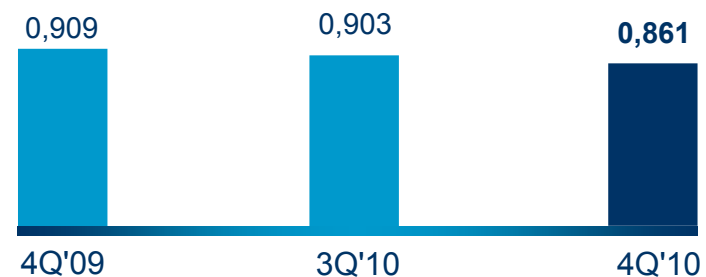


Number of clients

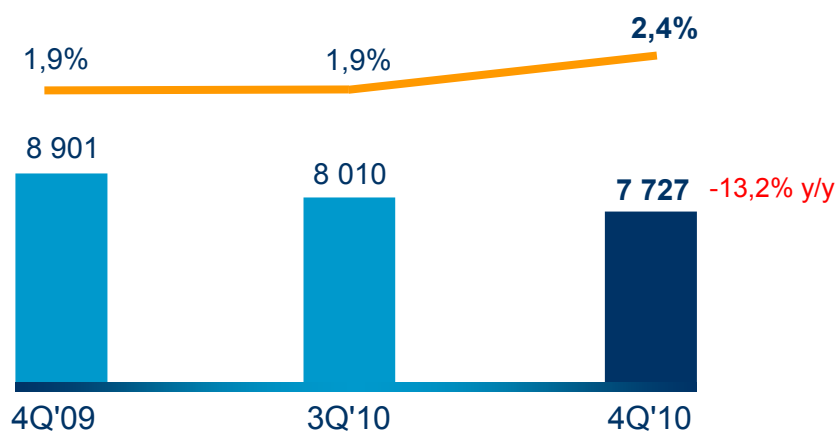


Customer business per client

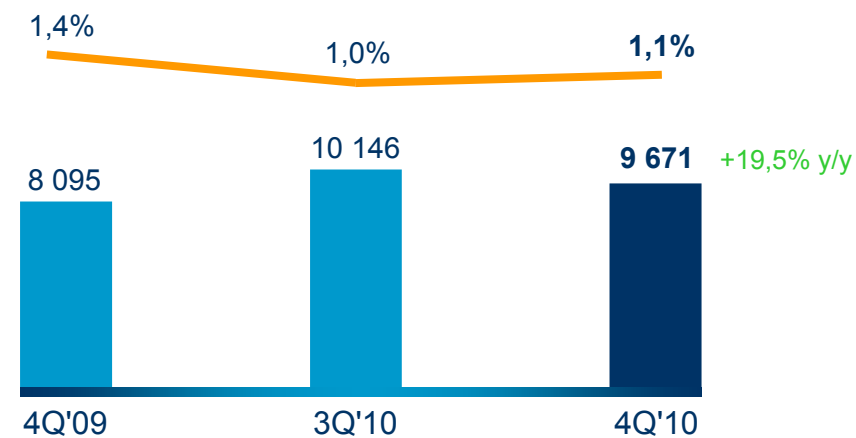
quarterly



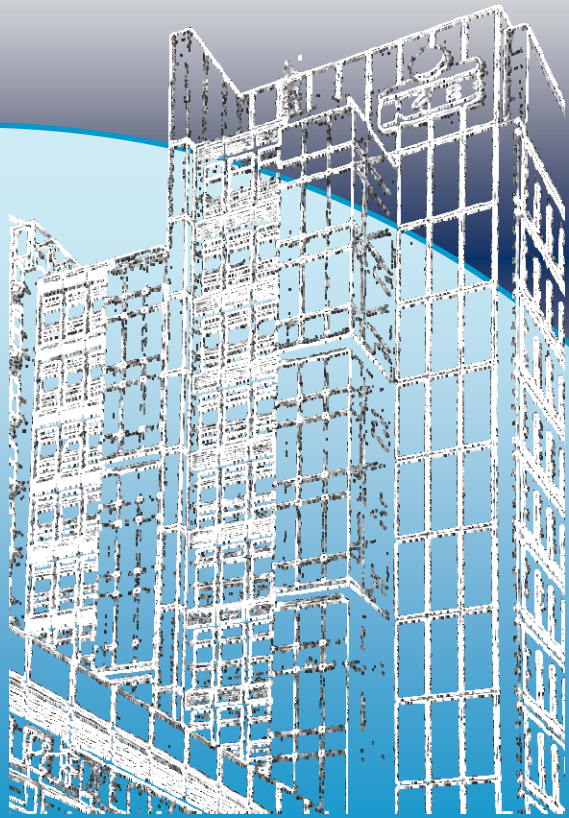
Corporate loans¹, margin



Corporate deposits¹, margin



¹ Data according to the Bank's current internal segmentation, after resegmentation performed in the 1Q'10.



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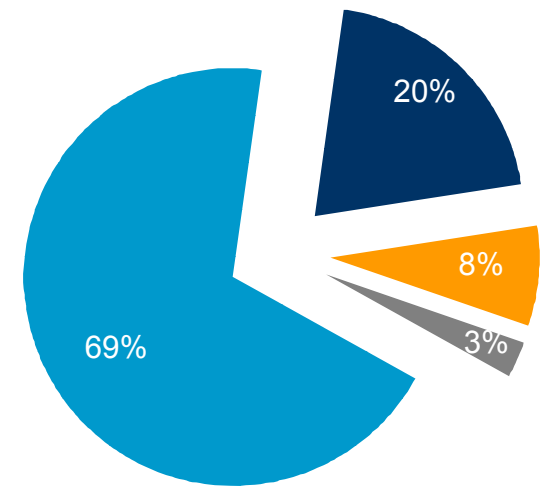
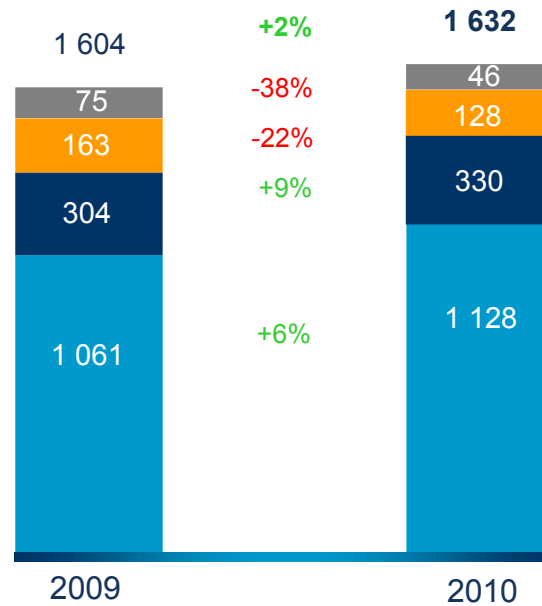
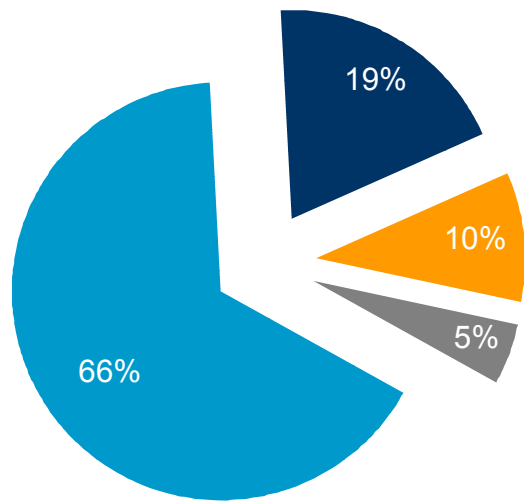
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Gross operating income breakdown

in PLN mln



■ NII

■ NFC

■ Net financial operations

■ Other



General administrative expenses - details

| in PLN mln | 4Q'10 | 3Q'10 | 4Q'09 | Δ y/y mln | Δ y/y |
|--|--------------|--------------|--------------|-------------|---------------|
| HR costs: | 108,6 | 105,2 | 115,6 | -7,0 | -6,1% |
| Operating expenses, including: (inter alia) | 108,4 | 104,8 | 116,2 | -7,8 | -6,7% |
| Costs of buildings' rental | 21,7 | 21,6 | 25,9 | -4,2 | -17,8% |
| Taxes and fees | 21,3 | 23,1 | 24,5 | -3,2 | -11,2% |
| IT and telecommunication costs | 20,5 | 20,5 | 21,4 | -0,9 | -4,0% |
| Promotion and advertising services | 8,2 | 2,2 | 5,3 | +2,9 | 54,6% |
| Postal charges | 7,4 | 7,2 | 6,5 | +0,9 | 14,6% |
| Depreciation | 24,5 | 24,7 | 28,3 | -3,8 | -13,3% |



Balance sheet

| Assets in PLN mln | 4Q'10 | 4Q'09 | Δ mln | Δ % |
|---|---------------|---------------|--------------|------------|
| Cash and balances with Central Bank | 1 944 | 1 175 | 768 | 65% |
| Amounts due from banks and financial assets at fair value | 3 734 | 2 426 | 1 308 | 54% |
| Loans to customers | 27 195 | 25 722 | 1 473 | 6% |
| Investments in securities | 9 482 | 8 802 | 681 | 8% |
| Tangible and intangible fixed assets | 566 | 627 | -61 | -10% |
| Other assets | 453 | 324 | 129 | 40% |
| Total assets | 43 374 | 39 077 | 4 298 | 11% |

| Liabilities in PLN mln | 4Q'10 | 4Q'09 | Δ mln | Δ % |
|---|---------------|---------------|--------------|------------|
| Amounts due to banks | 12 151 | 12 403 | -253 | -2% |
| Amounts due to customers | 25 661 | 22 469 | 3 192 | 14% |
| Repo transactions | 1 360 | 541 | 819 | 151% |
| Total equity including current net profit | 2 828 | 2 589 | 240 | 9% |
| Subordinated liabilities | 911 | 806 | 105 | 13% |
| Other liabilities | 464 | 268 | 195 | 73% |
| Total liabilities and equity | 43 374 | 39 077 | 4 298 | 11% |



Income statement

| in PLN mln | 4Q'10 | 4Q'09 | Δ mln | Δ % |
|--|-----------|-----------|-----------|-------------|
| Net interest income | 297 | 274 | 23 | 8% |
| Net fee and commission income | 89 | 76 | 13 | 17% |
| Dividend, net trading income, profit (loss) from investment activities | 22 | 31 | -10 | -32% |
| Other operating income and expenses | 4 | 12 | -7 | -64% |
| Gross operating income | 412 | 662 | -250 | -38% |
| Total costs | -241 | -260 | 19 | -7% |
| Operating profit | 170 | 402 | -231 | -58% |
| Net impairment charges for financial assets, other assets and provisions | -111 | -374 | 262 | -70% |
| Share of profits of associates | 1 | 0 | 1 | 239% |
| Profit before tax | 60 | 29 | 31 | 110% |
| Income tax | -3 | -9 | 6 | -66% |
| Net profit | 57 | 20 | 37 | 184% |

Investor Relations Office

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