



Kredyt Bank Group

Financial Results for 2Q 2009

Warsaw, August 6, 2009





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



The increase of efficiency while maintaining security on the stable level

- Improvement of financial results. **Net profit of the IIQ 2009 equal to PLN 40 559 ths.**
- Coverage of the loss generated in the IQ 2009. Net profit equal to PLN 4 053 ths. as of 1H 2009.
- C/I ratio at the level of 64,3% in the IIQ 2009 in comparison with 74,8% in the IIQ 2008, **improvement by 10,5 pp.**
- L/D ratio adjusted for FX founding from KBC Group entities at the level of **77,3%** as of the end of IIQ 2009, in comparison with 86,5% as of the end of IIQ 2008, i.e. **9,2 p.p. improvement.**
- CAR at the level of 10.78% as of the end of June 2008.

- Promotion campaigns supporting the sale of cash loans using KB's network in the 1Q and 2Q quarter of 2009. The number of sold loans – 18.611, volume – PLN 236.590 ths.. The new clients constituted 22% of the customers who bought the loans.
- Deposit products – promotion of saving accounts.
- Investment products:
 - ✓ KBC Roczna Premia FIZ (capital guarantee fund, investment in the 30 selected international companies)
 - ✓ EKO ENERGIA (life insurance, based on the capital guarantee fund, investment in the companies acting in the alternative energy sector).
 - ✓ KBC Roczna Premia II FIZ (capital guarantee fund).
 - ✓ Złoty Procent (in the form of life insurance)
 - ✓ KBC Poland Jumper 1 FIZ – the amount of PLN 102 mln was collected – the biggest volume collected from individuals on the market since June 2008).

KONTO OSZCZĘDNOŚCIOWE Z PREMIA

super oprocentowanie
specjalnie dla Ciebie!

6,5%
w skali roku

WYJĄTKOWA OFERTA DLA WYJĄTKOWYCH KLIENTÓW

Kredyt Bank przygotował specjalnie dla Ciebie wyjątkową promocję, dzięki której nowe środki, wpłacone na Twoje indywidualne Konto Oszczędnościowe od 15 czerwca do 16 października, będą premiovane dodatkowym zyskiem*. Przez 4 miesiące każde nowe wpłacone złotaśka do Kredyt Banku zarobi dla Ciebie więcej – aż 6,5% w skali roku.



KOSZYK ZYSKÓW

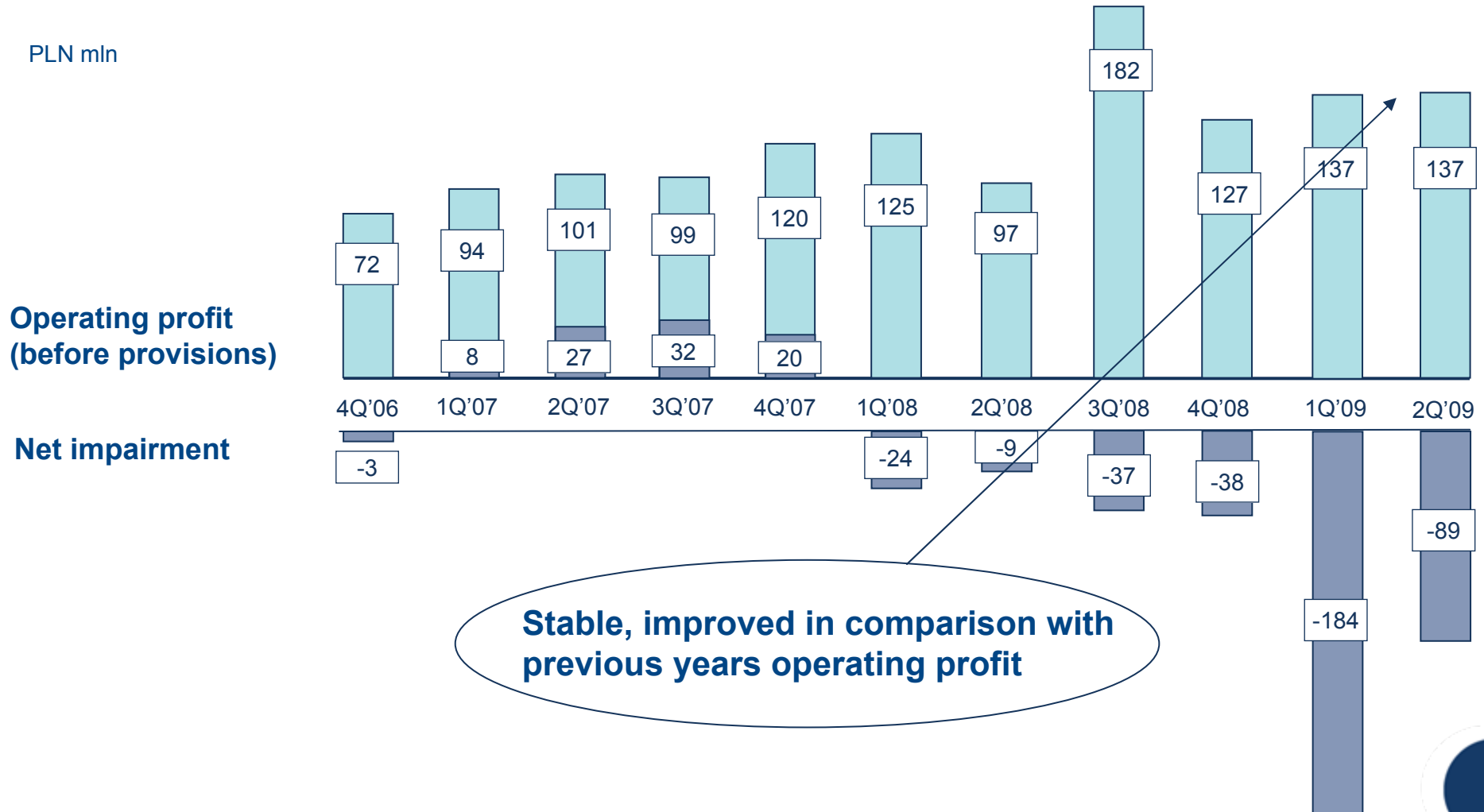


ZŁOTY PROCENT



Performance highlights

PLN mln





Key features for IIQ 2009

- ▲ Operating profit (before provisions) **+42%** vs IIQ 2008.
- ▲ Positive results of the cost reengineering program. Quarterly general administrative expenses lower by 14% vs IIQ 2008 and by 8% vs IQ 2009. Staff decreased by 513 FTE vs IVQ 2008. C/I ratio 65,4% (IH 2009) **-5,3pp.** vs IH 2008.
- ▲ Net interest income up due to increased retail deposit margin.
- ▲ Customer deposits **+16%** vs IIQ 2008 (**+1%** vs IQ 2009). PLN 2,1 bln increase of deposits in IH 2009.
- ▲ L/D ratio as of the end of IIQ 2009 at the level of 124,7% (-4,9 p.p. vs IQ 2009). L/D ratio adjusted for loans and interbank deposits from KBC Group entities as of the end of IIQ 2009 at the level of **77,3% (down by 9,2 pp. vs IIQ 2008)**.
- ▼ Customer loans (gross) **+44%** vs IIQ 2008 (**-3%** vs IQ 2009).
- ▼ Negative influence of net impairment, higher by PLN **-80 m** vs IIQ 2008.

Financial highlights IIQ 2009

	IIQ 09	IQ 09	IIQ 08	IIQ09- IIQ08	Δ 09/08 %	
Loans (gross, PLN bln)	29,0	29,8	20,1	+8,9	+44,0%	↑
Deposits (PLN bln)	22,4	22,2	19,3	+3,1	+15,7%	↑
FTE (ths)	6,5	6,8	7,0	-0,5	-6,8%	↓
Branch network - KB	402	401	392	+10	+2,6%	↑
Branch network – Żagiel ¹	261	349	312	-51	-16,3%	↓

¹ Kredyt Punkty

Financial highlights IQ 2009 – P&L

	IIQ 09	IQ 09	IIQ 08	IIQ09- IIQ08	Δ 09/08 %	
NII + NFC (PLN mln)	342,5	319,5	322,9	+19,6	+6,1%	↑
Gross operating income (PLN mln)	385,3	407,4	384,6	+0,7	+0,2%	↑
General administrative expenses (PLN mln)	-247,9	-270,2	-287,7	-39,8	-13,8%	↓
Operating profit (PLN mln)	137,4	137,2	96,9	+40,5	+41,7%	↑
Net impairment and provisions (PLN mln)	-89,0	-184,3	-9,0	-80,0	+894,6%	↓
Net profit (PLN mln)	40,6	-36,5	69,8	-29,2	-41,9%	↓



Financial highlights IIQ 2009 - indicators

	IIQ 09	IQ 09	IIQ 08	IIQ09- IIQ08 pp	
Cost/Income (quarterly)	64,3%	66,3%	74,8%	-10,5pp	↓
ROE (YTD)	7,8%	8,8%	16,4%	-8,6pp	↓
Loans/Deposits	124,7%	129,6%	99,7%	+25,0pp	↑
Loans/Deposits (adjusted) ¹	77,3%	83,6%	86,5%	-9,2pp	↓
CAR	10,8%	8,5%	9,8%	+1,0pp	↑

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



Capital adequacy

- Capital adequacy far above regulatory requirements (IIQ 2009 – 10,78%).
- Support from strategic shareholder - KBC Group. New subordinated debt from KBC Bank NV launched in May 2009 (CHF 165 m)
- Dividend policy – General Assembly Meeting (May 27, 2009) accepted **resignation from the dividend payment for the year 2008.**



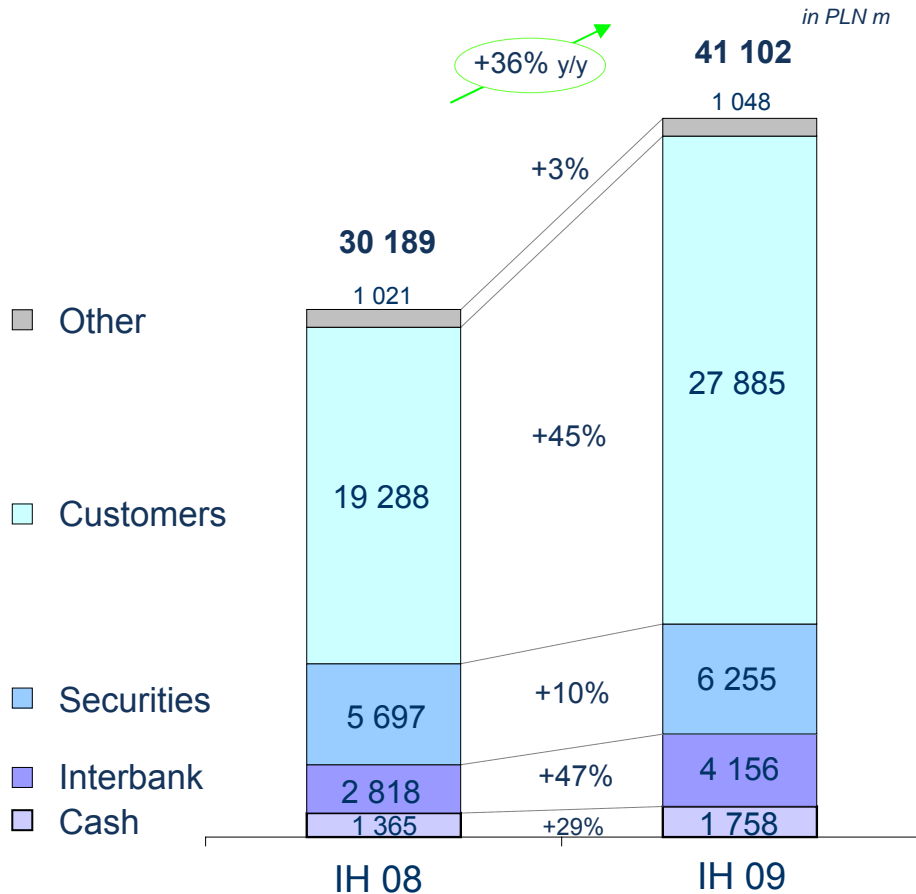
Liquidity

- 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 2,1 bln** increase of deposits in IH 2009. L/D ratio as of the end of IIQ 2009 at the level of 124,7% (L/D ratio adjusted for loans and interbank deposits from KBC Group entities **77,3%**).
- FX loans are financed in 100% with FX customer deposits and FX funding from KBC Group. FX net loans were equal to PLN 13,0 bln and sum of FX customer deposits and FX funding from banks was equal to PLN 14,2 bln.
- As of the end of IIQ 2009 long term funding (loans and subordinated debts) from KBC Group entities amounted to equivalent of **PLN 8,1 bln**.
- As of the end of IIQ 2009 short term funding in the form of interbank deposits from KBC Group entities amounted to equivalent of **PLN 3,1 bln**.

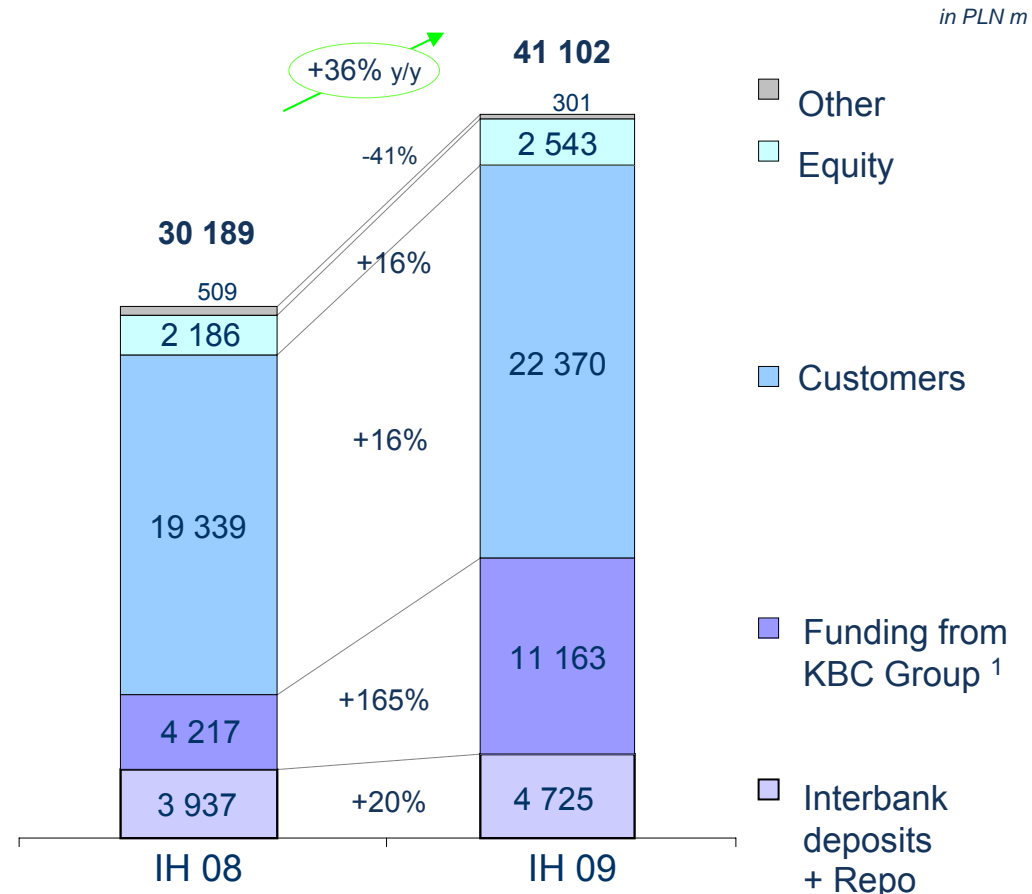


Balance sheet breakdown

ASSETS



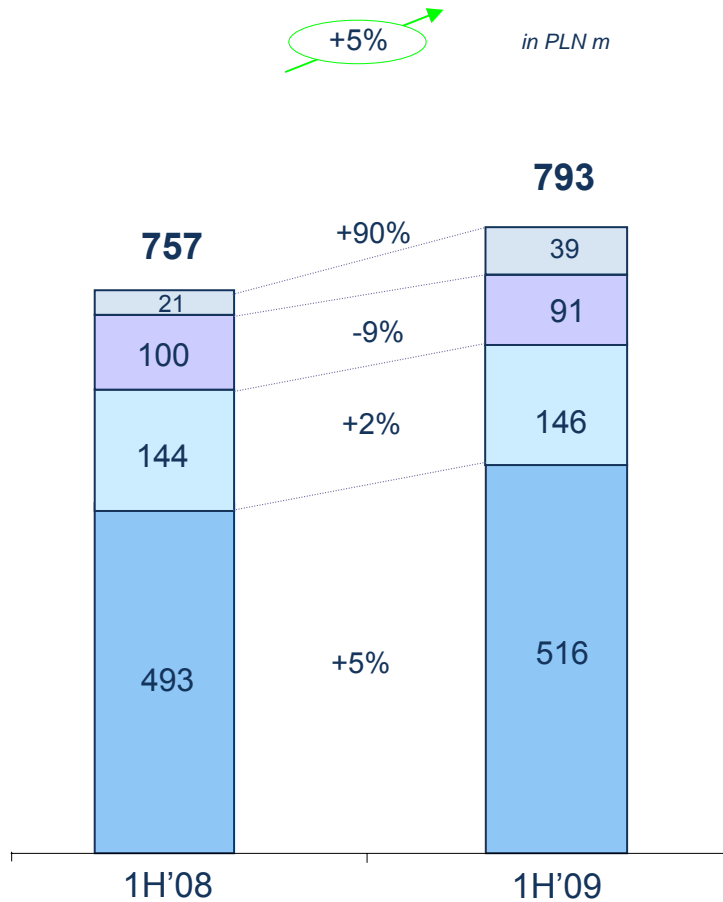
LIABILITIES & FUNDS



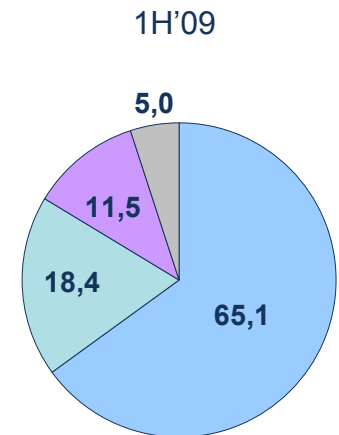
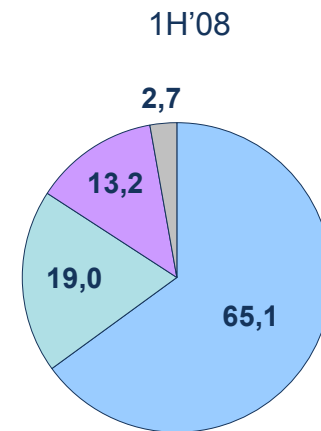
¹ Funding from KBC Group = loans and interbank deposits from KBC Group entities (FX and PLN)



Gross operating income breakdown YTD



- Other
- Net financial operations
- NFC
- NII

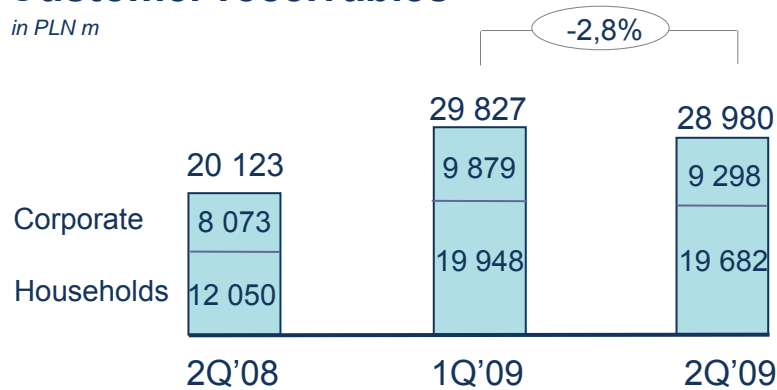




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- Business lines, Bank
- Appendix

Customer receivables¹

in PLN m



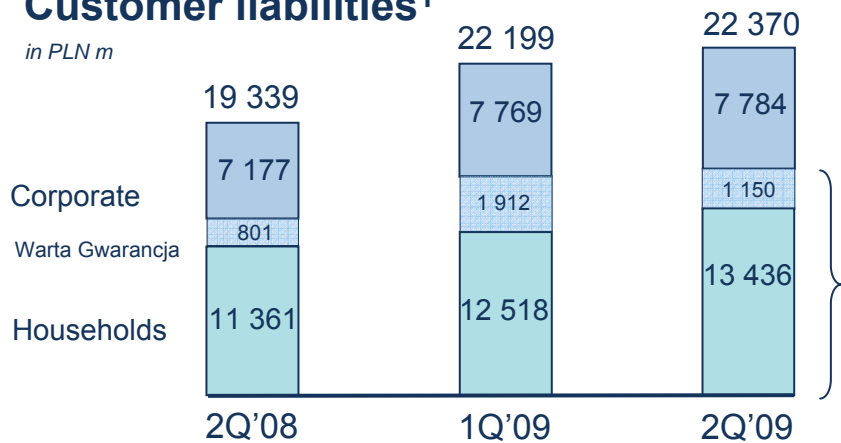
+44% y/y

+15% y/y

+63% y/y

Customer liabilities¹

in PLN m



+16% y/y

+8% y/y

+20% y/y

KB market share - loans²

	2Q'08	1Q'09	2Q'09
Total loans	3,9%	4,5%	4,3%
Households loans	4,1%	5,1%	4,9%
Corporate loans	3,5%	3,6%	3,5%

KB market share - deposits²

	2Q'08	1Q'09	2Q'09
Total deposits	3,7%	3,5%	3,5%
Households deposits ³	3,9%	3,9%	3,8%
Corporate deposits	3,3%	2,9%	2,9%

¹Receivables, liabilities gross, end of period, consolidated

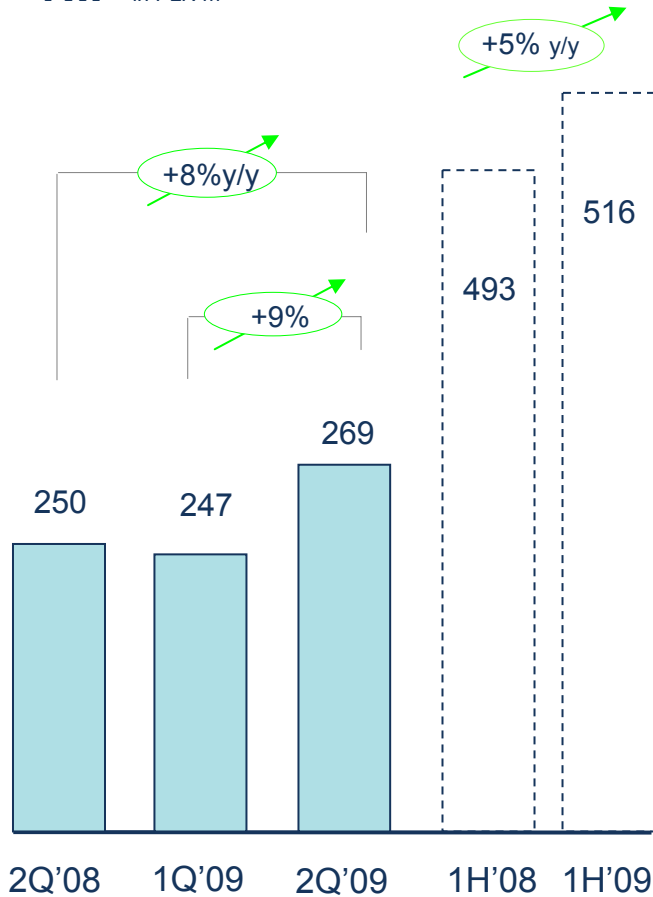
² NBP segmentation – residents only, bank statutory

³ combined with insurance linked deposit Warta Gwarancja

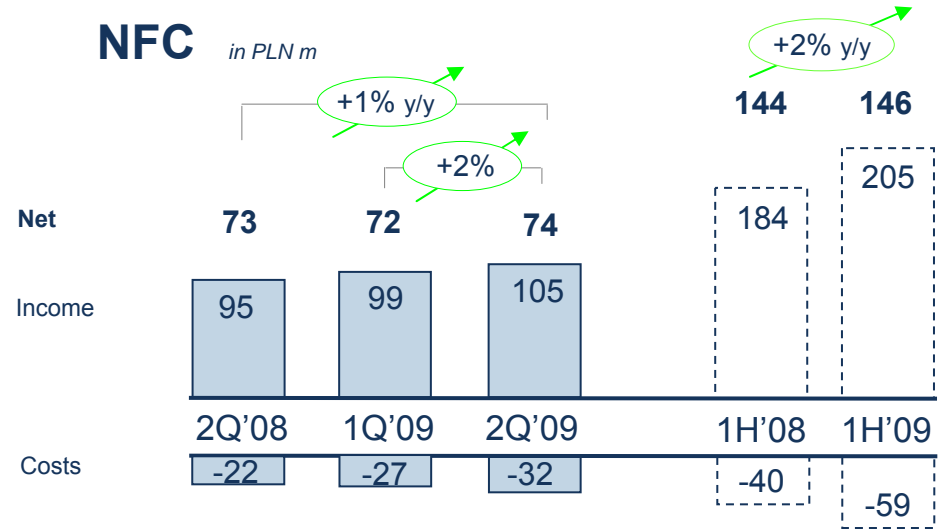


Net interest, net fees and commissions

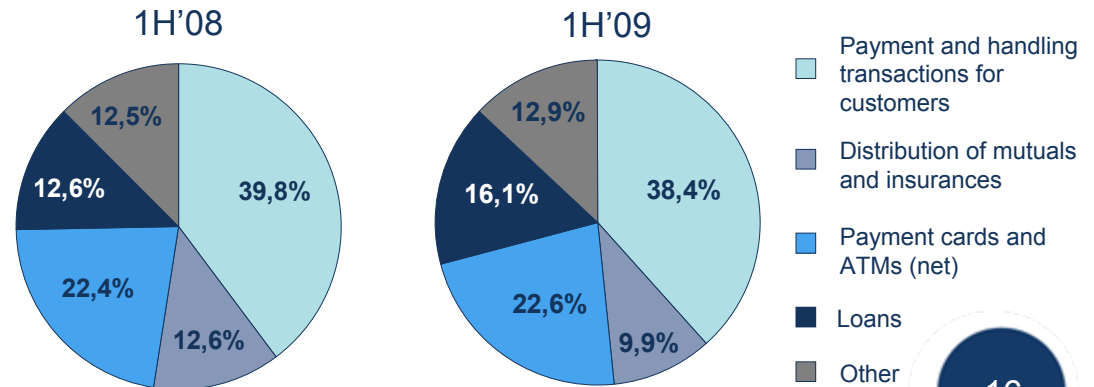
NII in PLN m



NFC in PLN m



F&C (income structure)





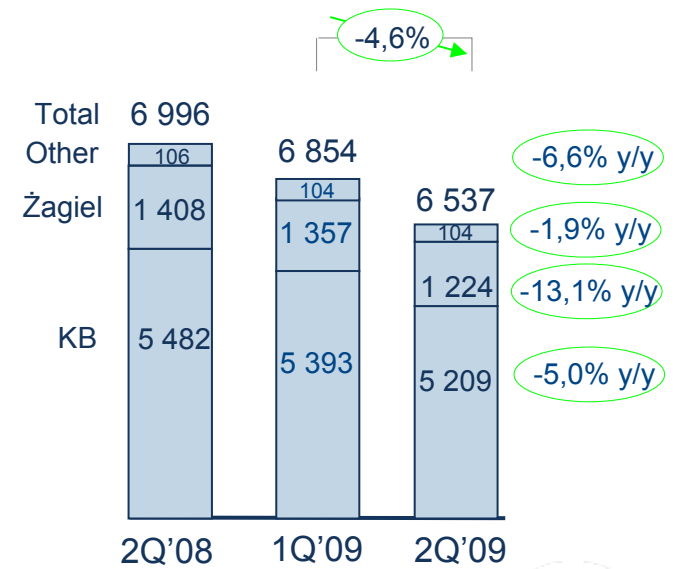
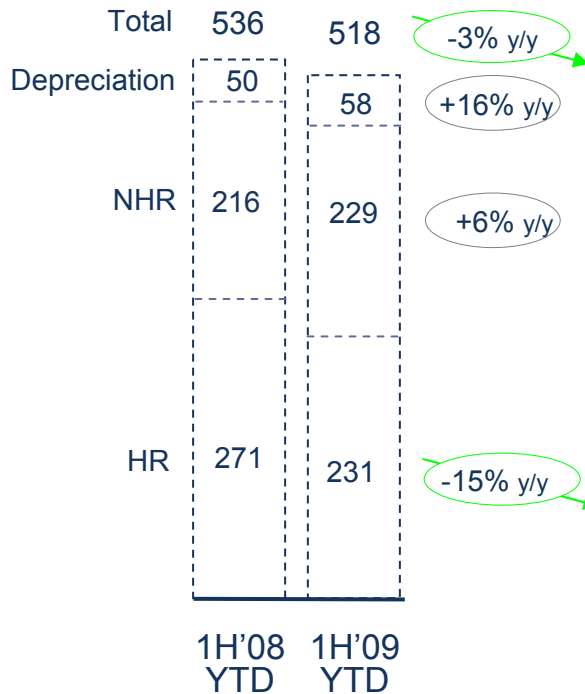
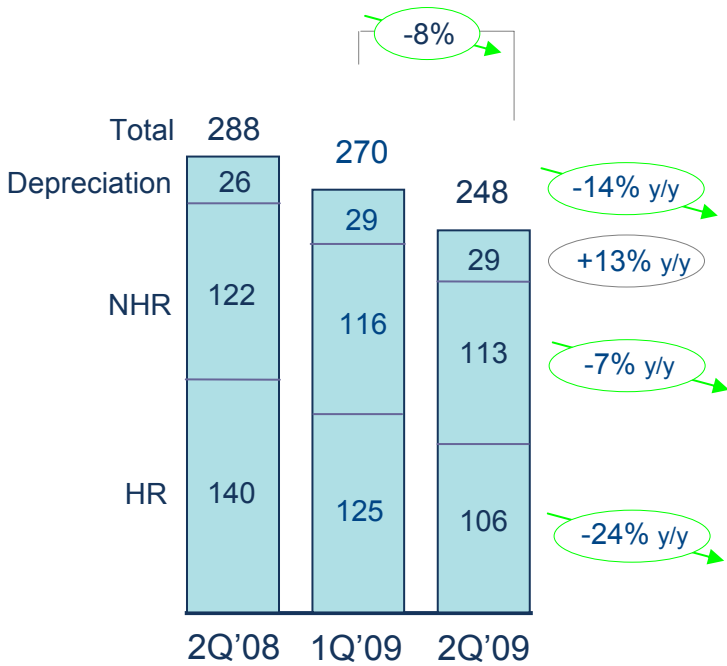
General administrative expenses

General administrative expenses in PLN m

FTEs

Quarterly

Cumulatively



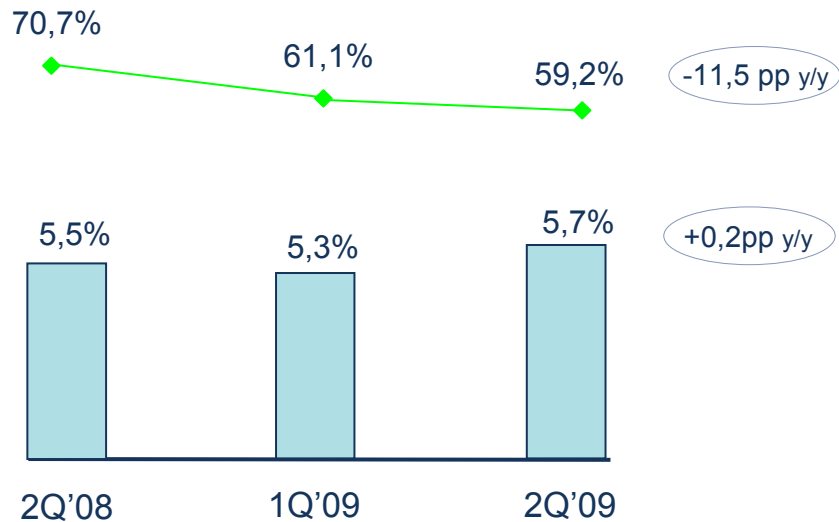


General administrative expenses - details

PLN mln	IIQ 09	IQ 09	IIQ 08	IIQ09- IQ09	IIQ09 / IQ09	
HR costs:	105,9	125,0	140,1	-19,1	-15,3%	↓
Operating expenses including <small>inter alia:</small>	112,9	116,5	121,8	-3,6	-3,1%	↓
Postal and telecommunication costs	14,7	16,9	16,3	-2,2	-13,0%	↓
Advisory costs	3,8	5,2	5,5	-1,4	-26,4%	↓
Costs of buildings maintenance	8,0	8,9	6,4	-0,9	-57,9%	↓
Materials purchase	1,7	2,3	3,9	-0,6	-26,1%	↓
Other	6,5	9,0	13,1	-2,5	-27,8%	↓
IT costs	13,6	10,7	8,5	+2,9	+27,4%	↑
Rental costs	26,3	25,2	20,9	+1,1	+4,1%	↑

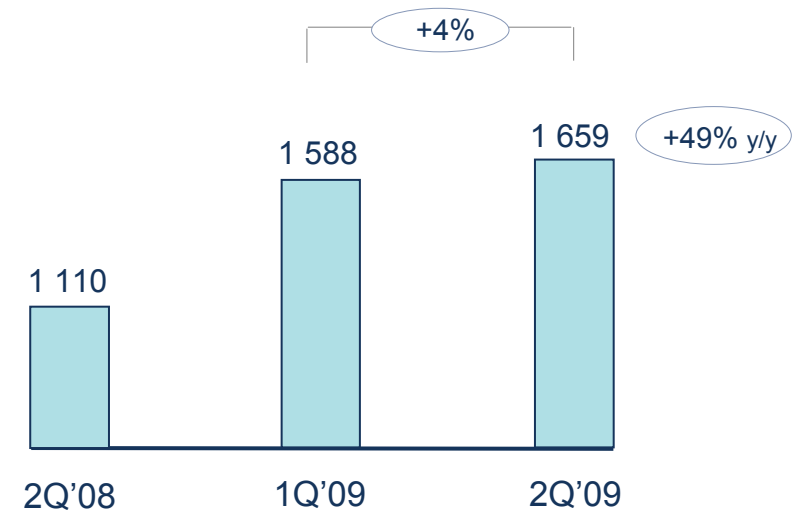
Loans quality

Impaired loans/gross loans¹, coverage ratio



Impaired loans - volume

in PLN m



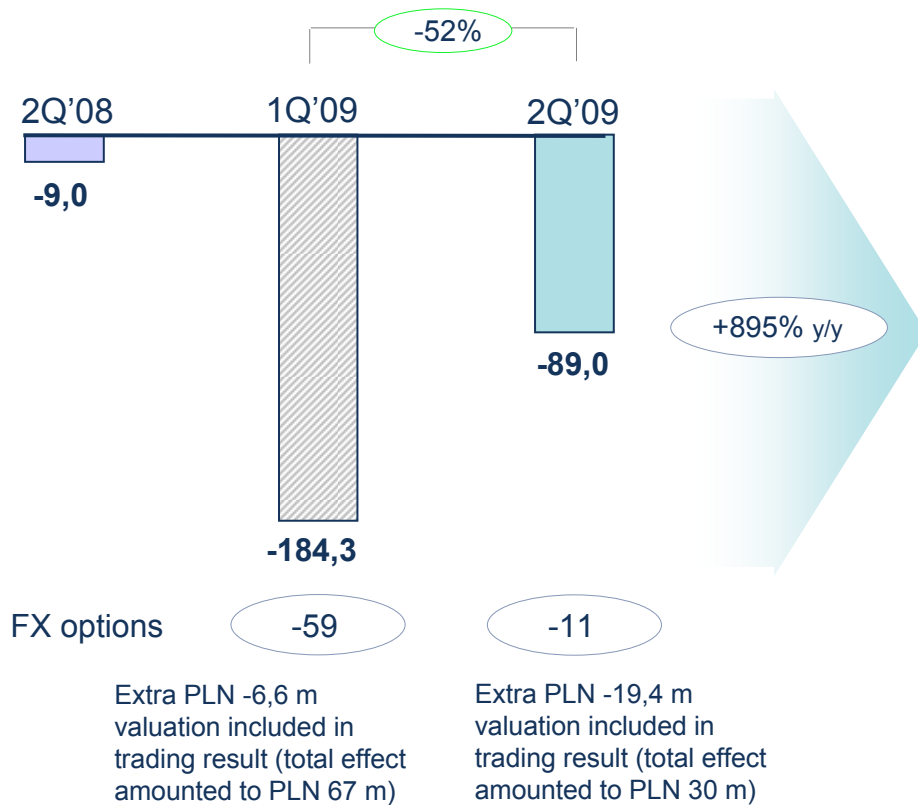
¹ On customer's portfolio basis, banks excluded



Net Impairment

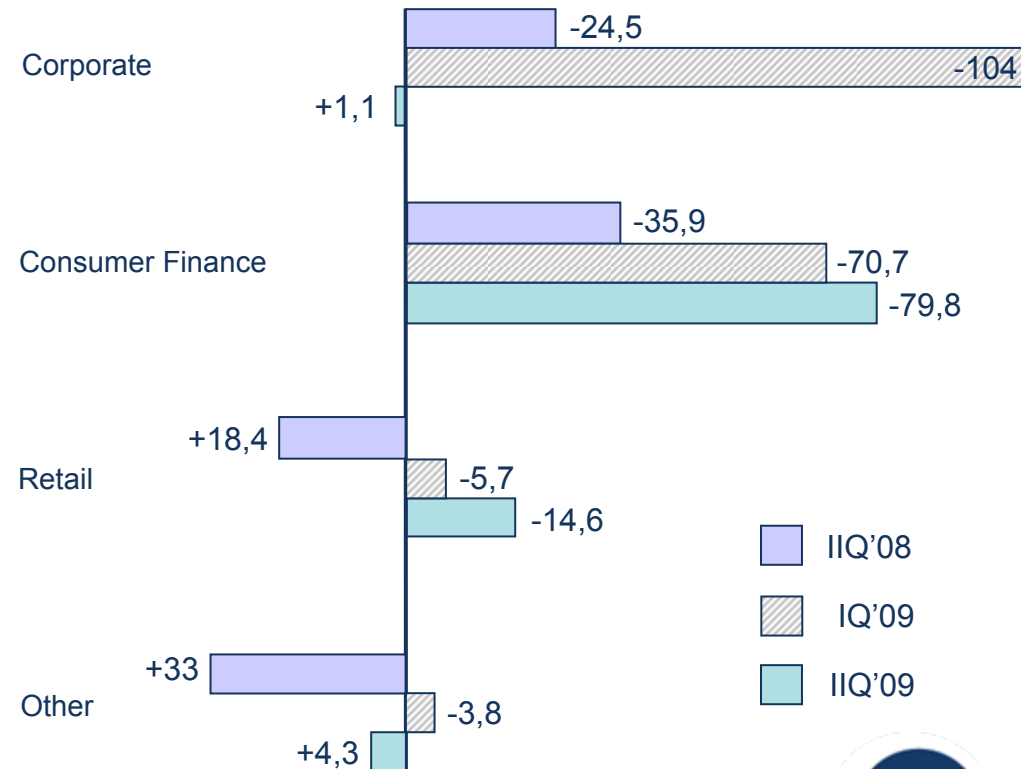
Net impairment *quarterly*

in PLN m



Net impairment – breakdown by segments

in PLN m



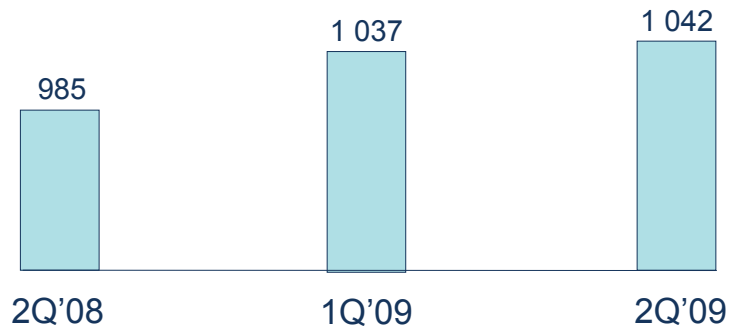


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- Business lines, Bank
- Appendix

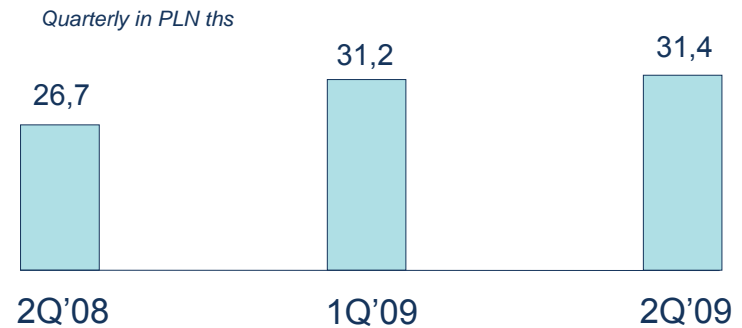


Retail banking and consumer finance performance

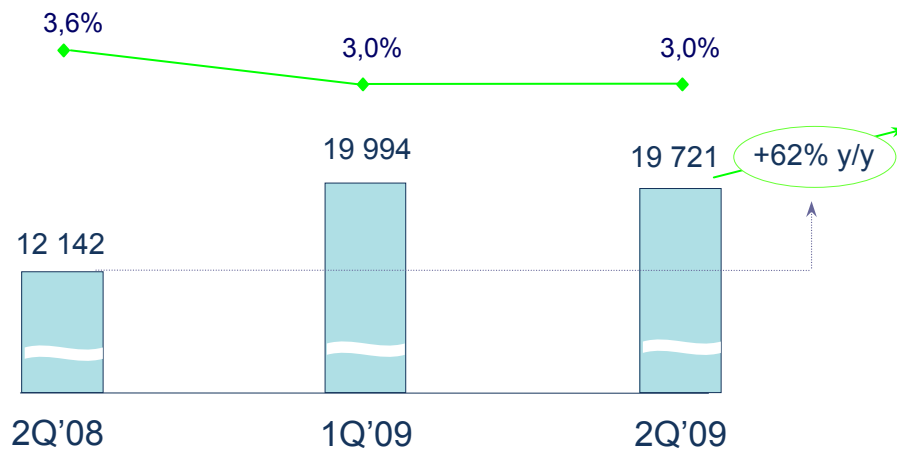
Number of clients *in ths*



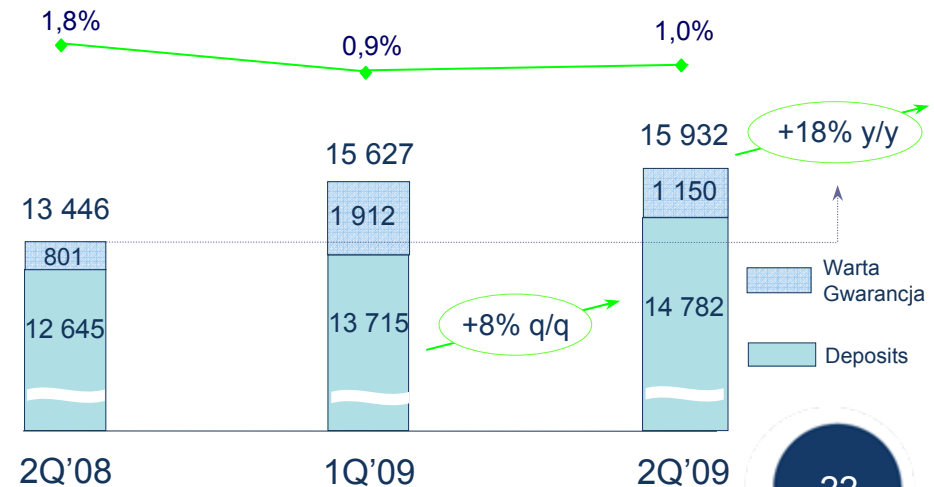
Customer business per client



Retail loans¹ *in PLN m*, Margin



Retail deposits¹ *in PLN m*, Margin

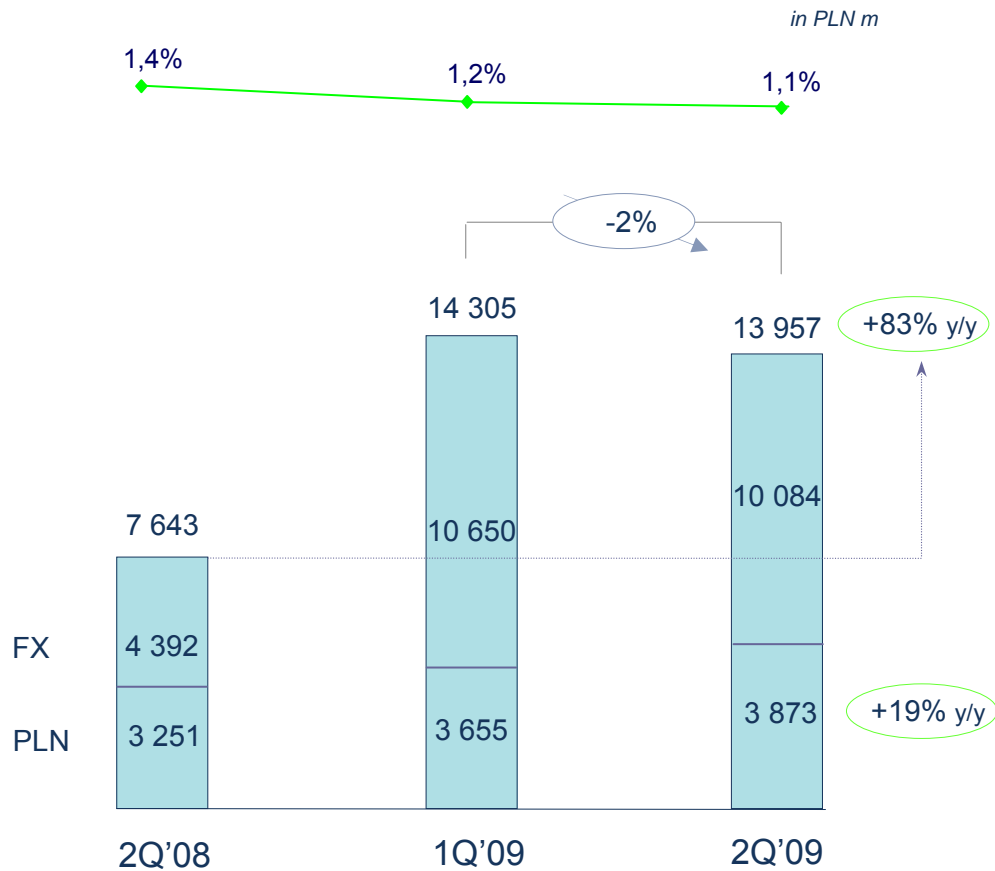


¹ Data according to the Bank's current internal segmentation.



Retail banking and consumer finance – mortgage loans

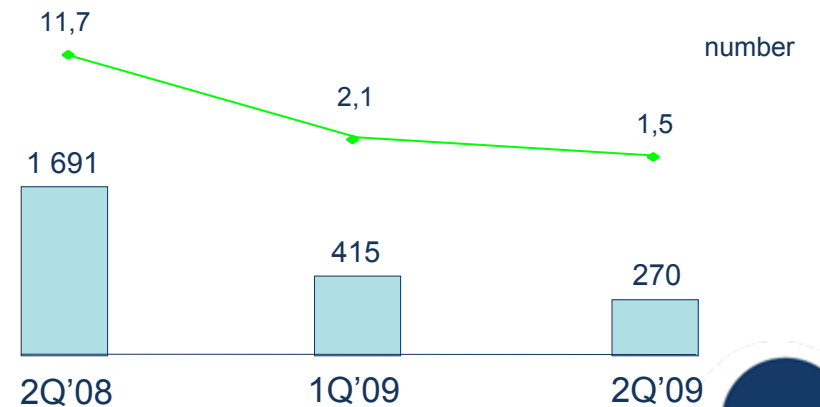
Mortgage loans – portfolio, margin



KB market share

	2Q'08	1Q'09	2Q'09
Total mortgage loans	5,6%	6,8%	6,7%
PLN	5,6%	5,9%	5,9%
FX	5,5%	7,1%	7,0%

Mortgage loans – quarterly sale

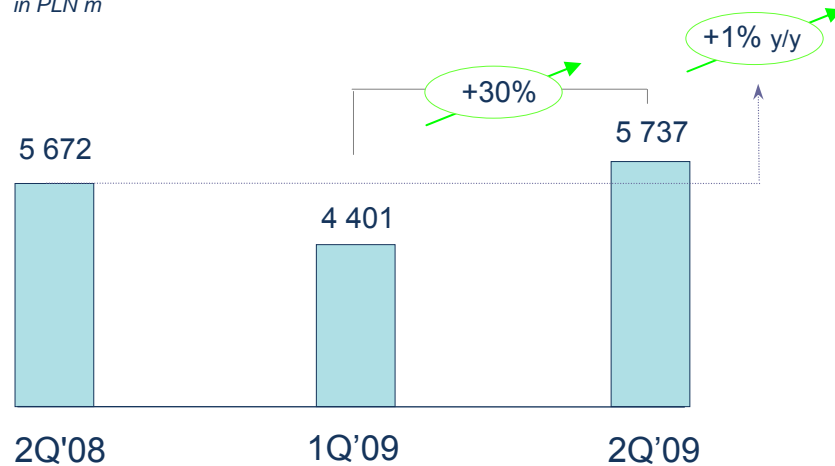




Retail banking and consumer finance – products

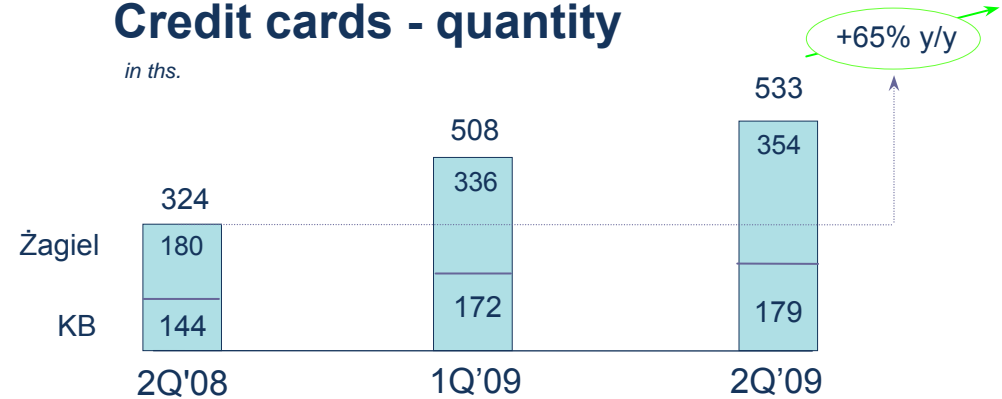
Saving accounts - volume

in PLN m



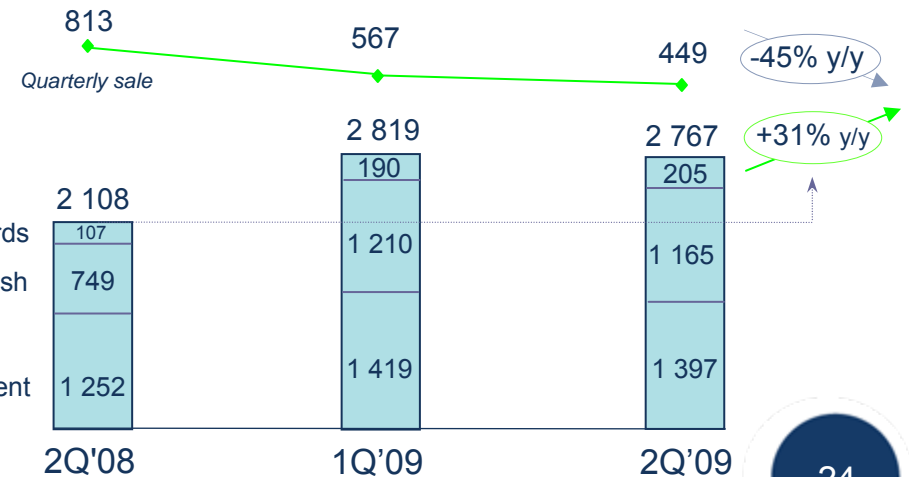
Credit cards - quantity

in ths.



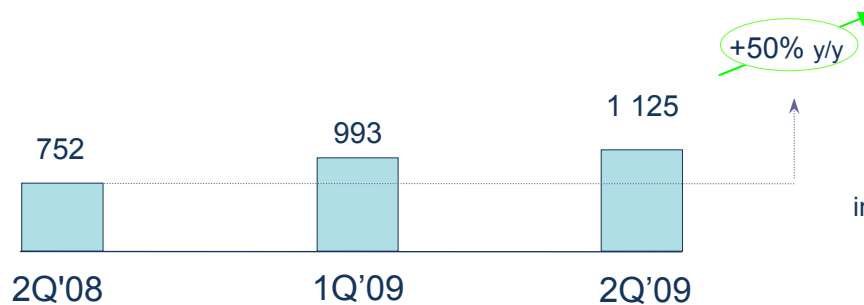
Loans granted by Żagiel – portfolio

in PLN m



Cash loans – bank's network

in PLN m

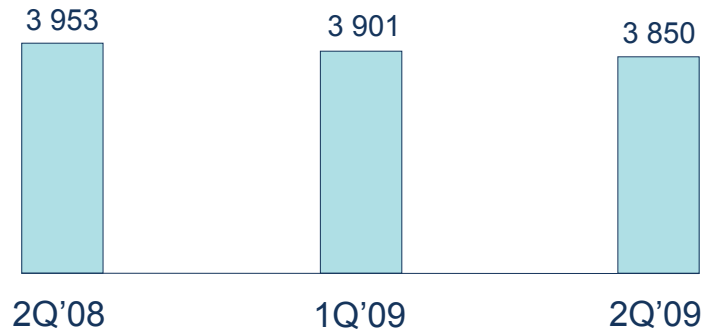


¹ portfolio by products split – estimation based on MIS

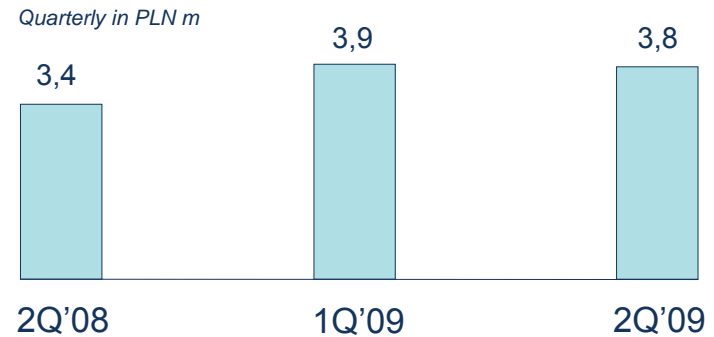


Corporate banking performance

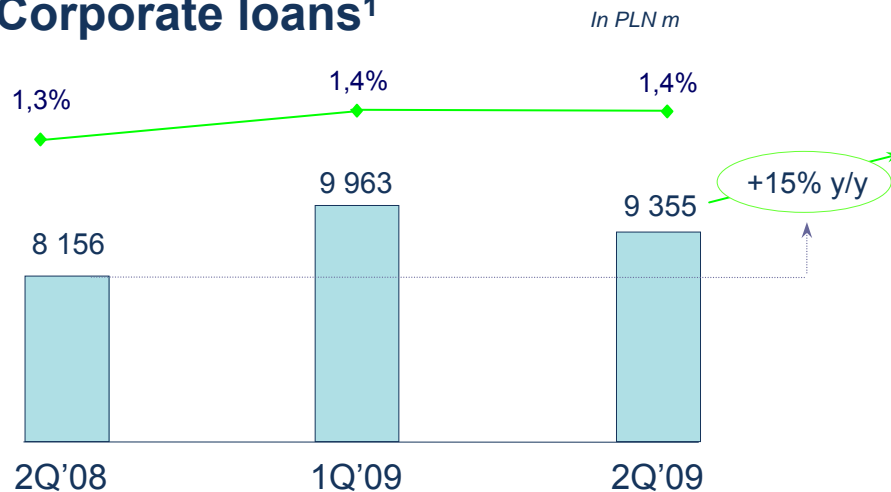
Number of clients¹



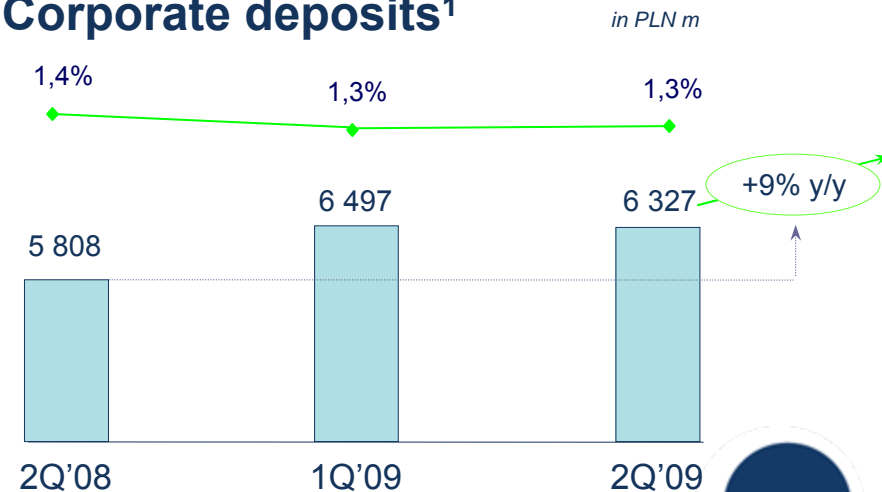
Customer business per client¹



Corporate loans¹



Corporate deposits¹



¹ Data according to the Bank's current internal segmentation, after resegmentation.



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Balance sheet

ASSETS

<i>(PLN mio)</i>	2Q'09	2Q'08	Δ mln	Δ %
Cash and balances with Central Bank	1 758	1 365	392	+29%
Amounts due from banks and financial assets at fair value	4 156	2 818	1 338	+47%
Loans to customers	27 885	19 288	8 598	+45%
Investments in securities	6 255	5 697	558	+10%
Tangible and intangible fixed assets	699	667	32	5%
Other assets	349	354	-5	-1%
Total Assets	41 102	30 189	10 913	+36%

LIABILITIES

<i>(PLN mio)</i>	2Q'09	2Q'08	Δ mln	Δ %
Amounts due to banks	14 001	7 159	6 842	+96%
Amounts due to customers	22 370	19 339	3 031	+16%
Repo transactions	1 037	787	250	+32%
Total equity including current net profit	2 543	2 186	357	+16%
Subordinated liabilities	850	209	641	+307%
Other liabilities	301	509	-208	-41%
Total Equity and Liabilities	41 102	30 189	10 913	+36%



Income statement

Quarterly (PLN m)

	2Q'09	2Q'08	Δ mln	Δ %
Net interest income	269	250	19	+8%
Net fee and commission income	74	73	1	+1%
Dividend, net trading income, profit (loss) from investment activities	18	55	-37	-67%
Other operating income and expenses	25	7	18	+241%
Gross operating income	385	385	0	+0%
Total costs	248	288	-40	-14%
Operating profit	137	97	40	+42%
Net impairment charges for financial assets, other assets and provisions	-89	-9	-80	+895%
Share of profits of associates	0	0	0	-
Profit before tax	49	88	-39	-45%
Income tax	-8	-18	-10	-55%
Net profit	41	70	-29	-42%



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