



KREDYT BANK

Press conference

Summary of IV quarter 2004 results

Kredyt Bank S.A. Group

unaudited, consolidated results

Warsaw - February 28th, 2005

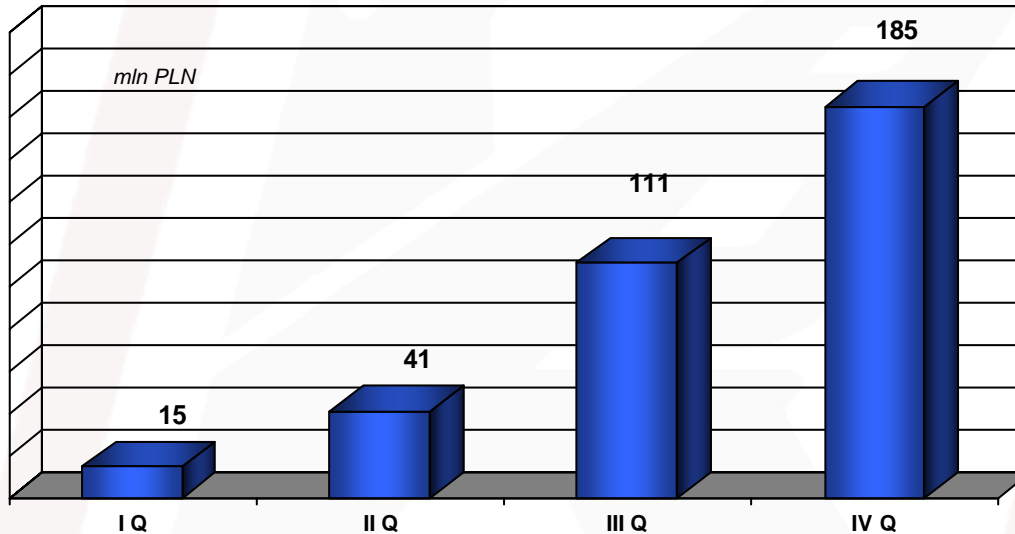
Agenda

- The most important events in Kredyt Bank S.A. Group in 4th quarter of 2004
- Financial results of the Group
- Effectiveness ratios
- Costs of functioning
- Selected areas of the Group's activity
- Loan portfolio quality

The most important events in Kredyt Bank S.A. Group in 4th quarter of 2004

- ✓ PLN 185 million net profit generated in 4 quarters of 2004
- ✓ Improvement of ratios:
 - ROE 18 %
 - CIR 77 %
 - CAD 14,2 %
- ✓ Realisation of next stage of Group restructuring – optimisation of assets
- ✓ Adjustment to new accounting standards concerning booking of income and expenditure of the whole portfolio of Żagiel promotional loans
- ✓ Continuing dynamic development of clients' funds management (TFI)

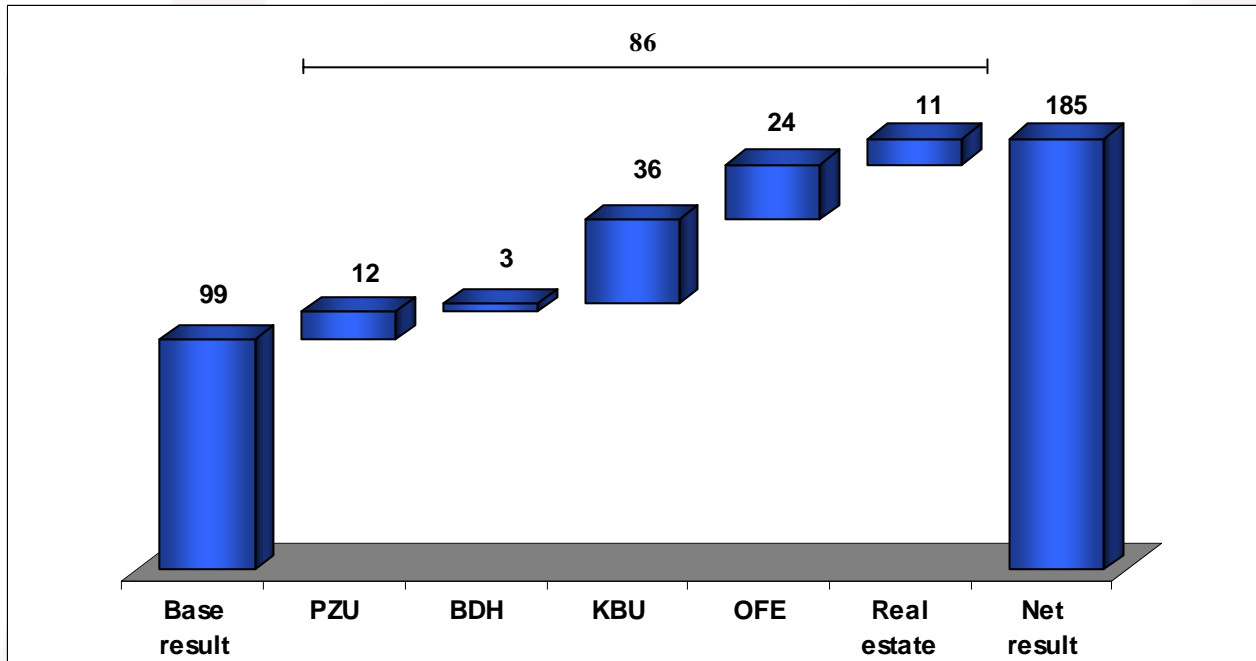
Net profit in 2004 quarters (accumulated) ⁽¹⁾



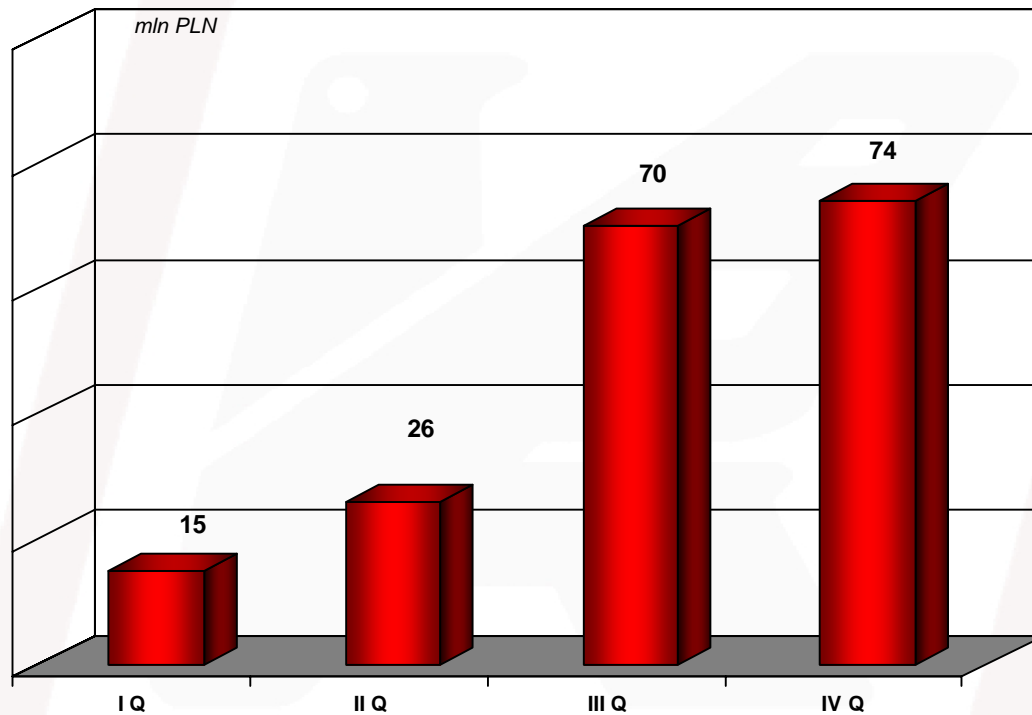
✓ High and stable net profit in 2004

(1) For the purpose of this presentation, the correction of income and costs concerning promotional loans has been divided between all quarters of 2004. However, in Bank's financial statement this correction is showed in IV quarter.

Influence of one-off transactions on KB S.A. Group result

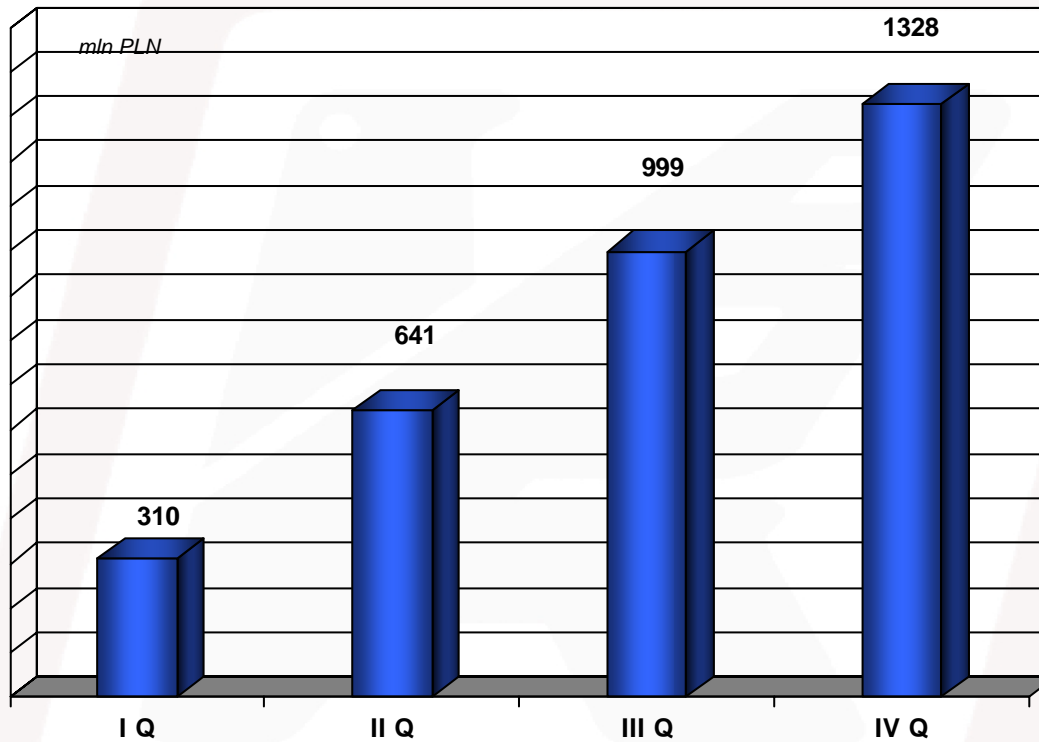


Net profit in 2004 quarters



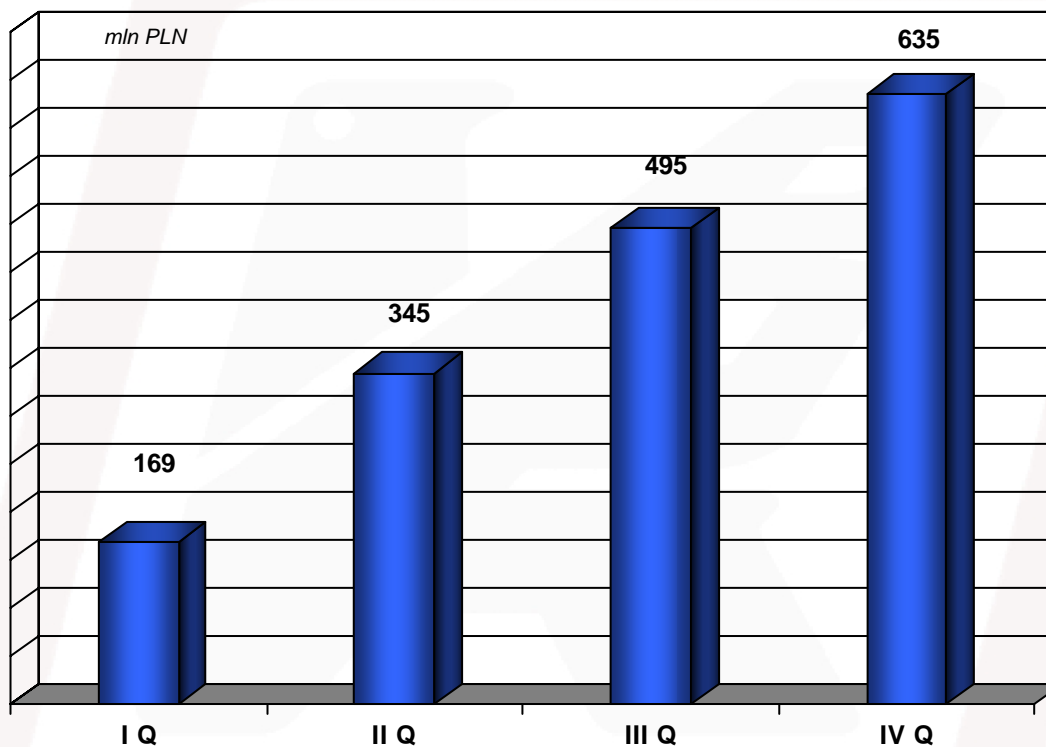
- ✓ Stable improvement of results in the following quarters - 4th Q net profit increase by 6 % in relation to 3rd Q

Result on banking activity in 2004 (accumulated)

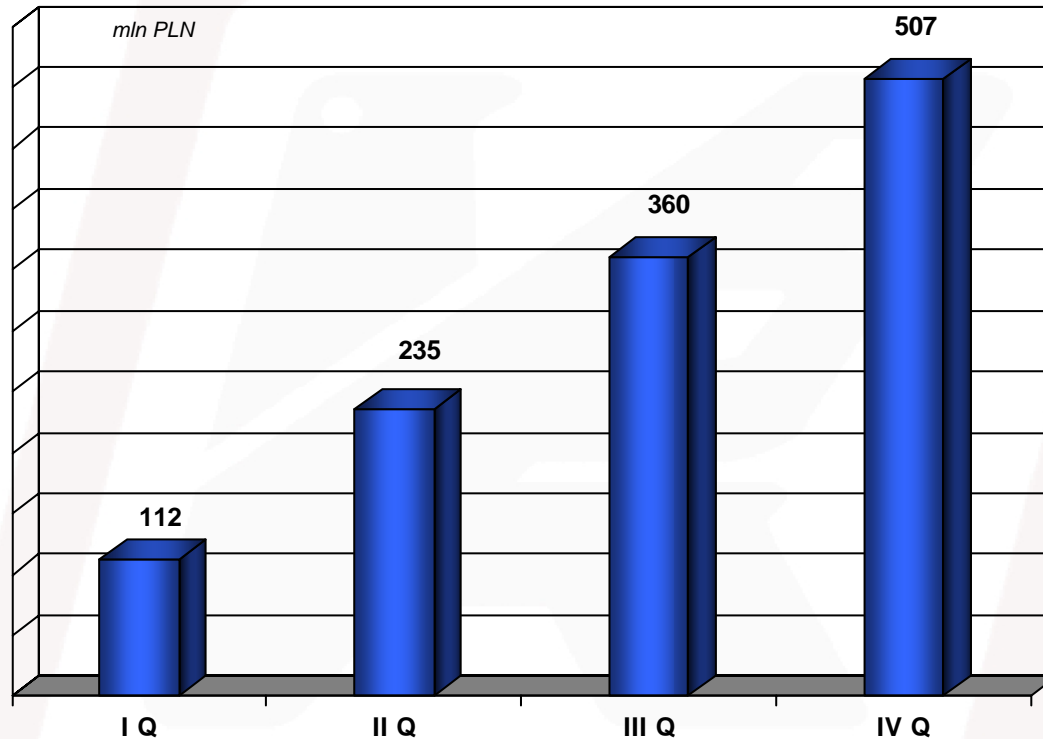


✓ Stable and high level of result on banking activity

Net interest income in 2004 (accumulated)

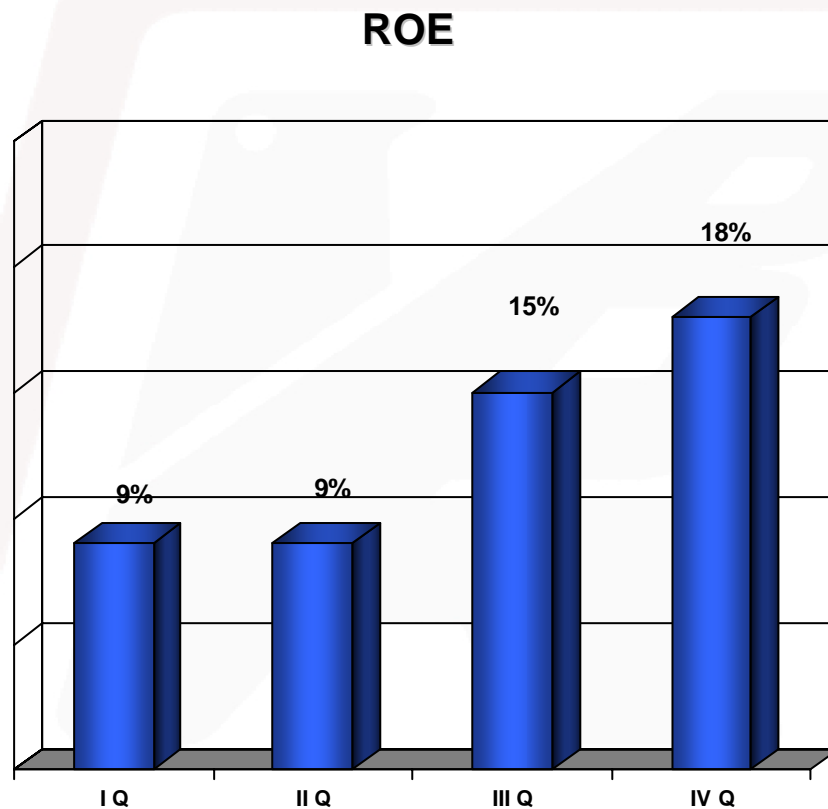


Net commissions in 2004 (accumulated)



- ✓ Net commissions income stable increase in subsequent quarters of 2004 – growth by 18 % compared to 3rd quarter

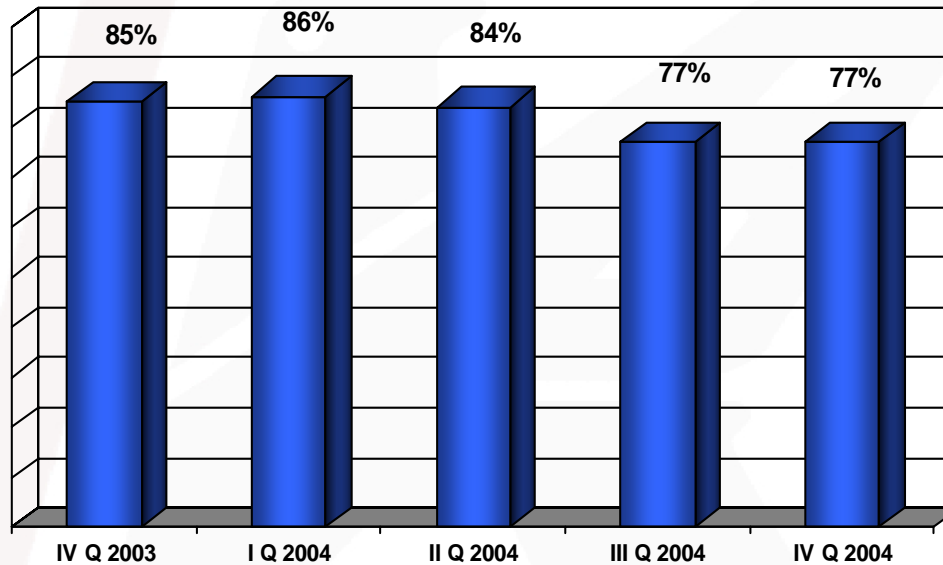
Effectiveness ratios (accumulated)



- ✓ Profitability at a very high level

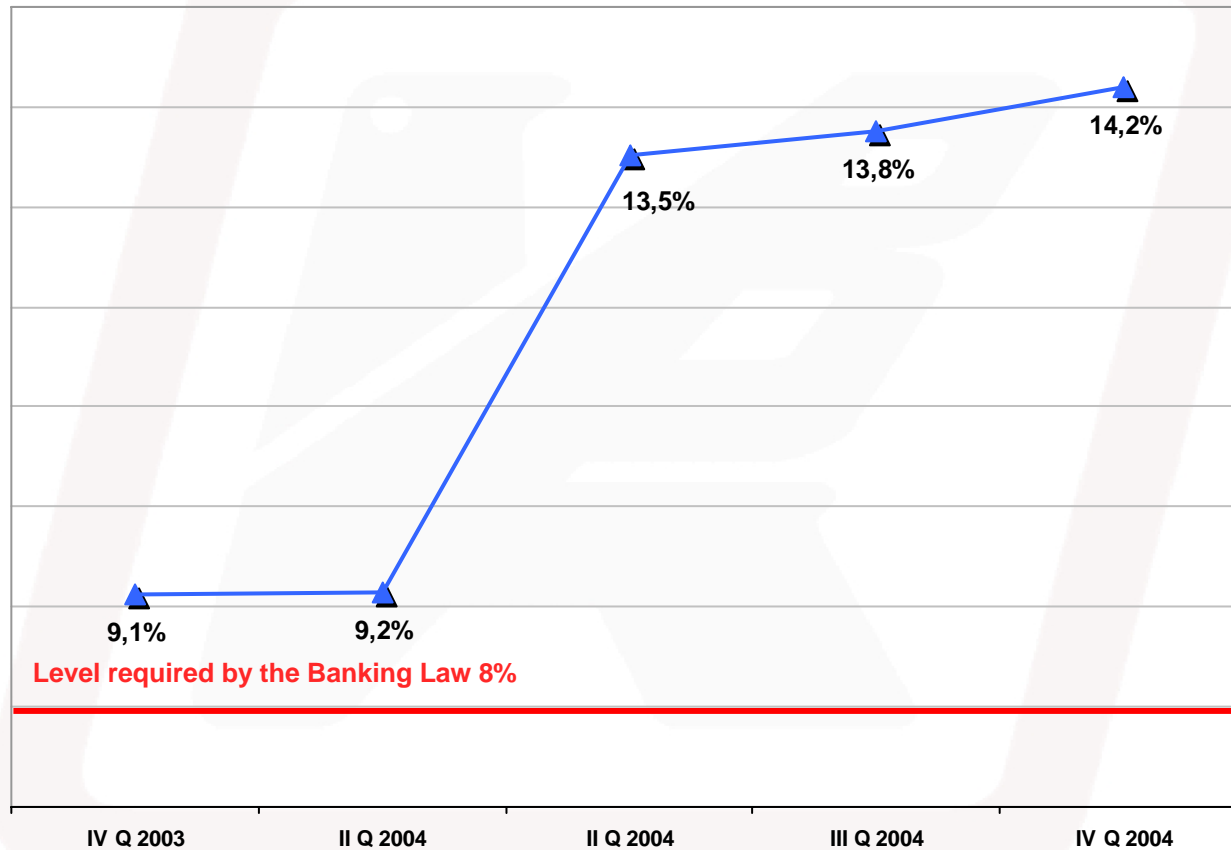
Effectiveness ratios (accumulated)

Cost / Income Ratio



- ✓ Stable improvement of CIR ratio (fall down by 8 pp in comparison with 4th quarter of 2003)

CAD – Ratio



- ✓ High CAD Ratio assuring security of the clients deposits and creating base for banking activity expansion

Costs of functioning in KB Group

1st Q 2004	2nd Q 2004	3rd Q 2004	4th Q 2004	12M 2004 (accum.)	Change 12M'04/12M'03
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PLN million

Costs of activity	223	227	214	224	888	-12%
Depreciation	44	45	40	38	167	-1%
TOTAL	267	272	254	262	1055	-10%

FTE in KB S.A. ¹⁾	6339	5963	5603	5625	-14%
FTE in KB S.A. Group	9473	8330	6414	6417	-34%

1) as at balance-sheet day

- ✓ Reduction of employees and personnel costs in the Group due to cost restructuring programme
- ✓ Limitation of employment due to sale of some subsidiaries
- ✓ Limitation of tangible costs owing to high discipline of current costs of functioning and optimization of tangible assets structure

Selected group of products

- ✓ Increase of number of transactions executed through **KB24**. 7.4 mln transactions worth of over PLN 11.4 bln were executed within the 12 month period; increase of 105% and 115% y/y respectively
- ✓ **EKSTRALOKUM** loan portfolio worth of PLN 1.6 mln as at December 31, 2004. Increase of PLN 243 mln in 2004⁽¹⁾.
- ✓ Increasing number of **credit cards** issued by the Bank – 38 ths as for December 31, 2004. Increase of 60% in the 4th quarter 2004
- ✓ Value of **mutual funds** assets reached PLN 514.5 mln at the end of December. It is an increase of 145% in relation to the end of 2003.

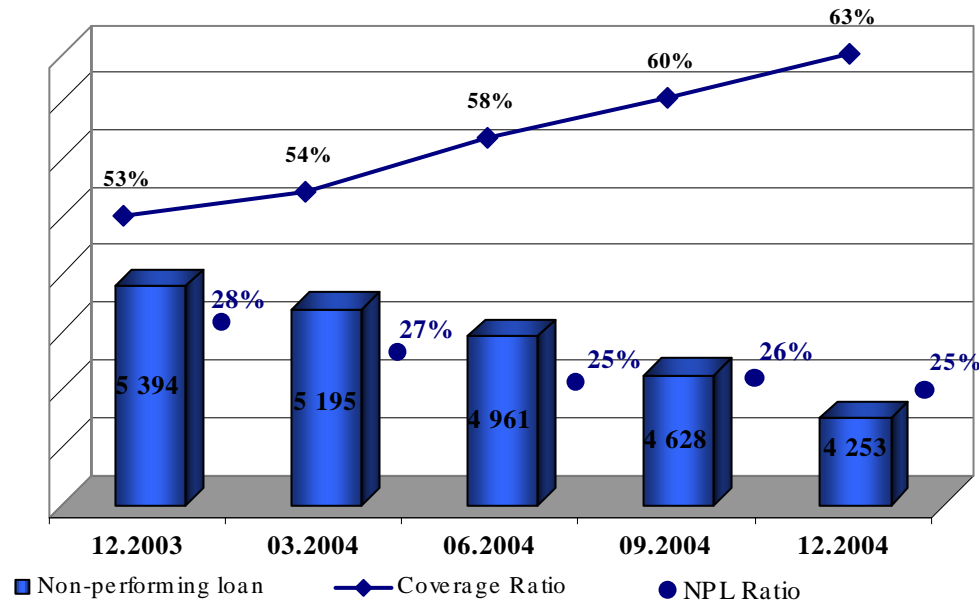
(1) Calculation of growth excluding influence of exchange rates changes.

Number of clients accounts

	31.03.2004	30.06.2004	30.09.2004	31.12.2004	Change
ROR accounts	451	450	455	460	↗
Saving accounts	34	54	72	93	↗
EKSTRABIZNES accounts	63	64	65	67	↗

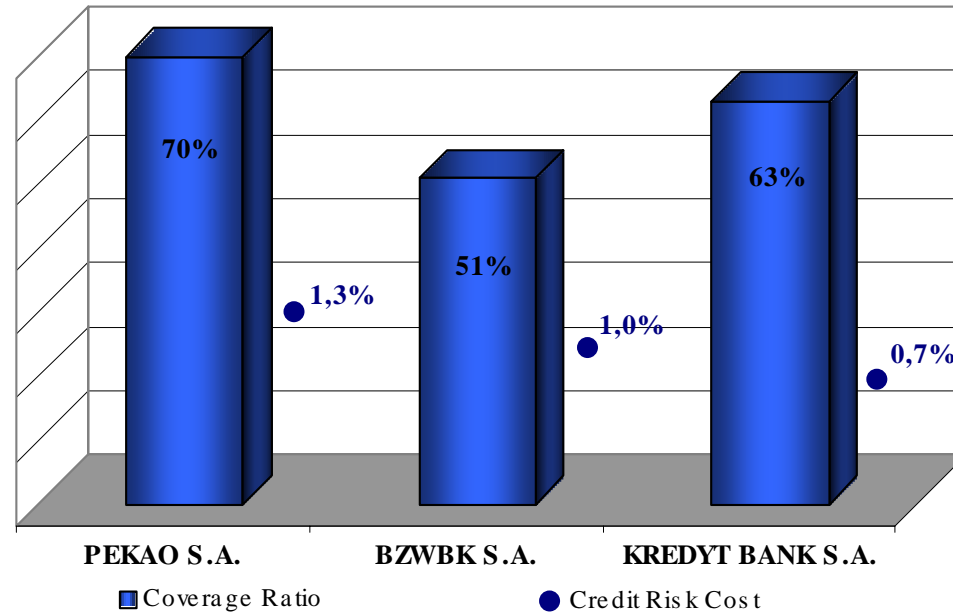
- ✓ Within IV quarter of 2004 there was increase in accounts number in comparison to III quarter of 2004:
 - Saving Accs. by 21 ths
 - EKSTRABIZNES Accs. by 2 ths

Loan portfolio quality



- ✓ Progressive improvement of loan portfolio quality (decrease by 3 pp in comparison with Dec 2003)
- ✓ Decrease of non-performing loan by 21% compared to December 2003
- ✓ Increase of non-performing loan receivables coverage by specific provisions by 10 pp in comparison with Dec 2003

Credit risk indicators



- ✓ The safe level of credit risk indicators was the result of introducing the strict rules for evaluating the loan applications and valuating of collaterals



KREDYT BANK

Thank you for your attention.

The main items of Profit and loss account and Balance sheet – KB S.A. Group:

	IV Q 2004 accumulated	IV Q 2004	III Q 2004	II Q 2004	I Q 2004
<i>PLN mln</i>					
Net interest income	635	140	150	176	169
Net commissions	507	147	125	123	112
Result on Banking activity	1328	329	358	332	310
Costs of the Bank's functioning	1055	262	254	272	267
Net provisions	-108	-3	-63	-23	-19
Result from operating activities	214	79	76	35	24
Gross profit	194	75	72	29	18
Net profit	185	74	70	26	15

	31.12.2004	30.09.2004	30.06.2004	31.03.2004
<i>PLN mln</i>				
Own funds (supplementary funds incl.)	2122	2 112	2 039	1 265
TOTAL ASSETS	21 738	23 305	24 047	23 618