















# **GETIN NOBLE BANK GROUP'S FINANCIAL RESULTS FOR THE FIRST HALF OF 2011**

PRESENTATION OF AUDITED FINANCIAL RESULTS  
FOR INVESTORS AND ANALYSTS

Warsaw, August 26<sup>th</sup>, 2011

-  **Sales of loans in H1 2011 were up by a half compared to the same period of last year. The Bank's loan portfolio balance increased by 25.6% during the last 12 months. In this period, the market has grown by 9.4%.**
-  **The Bank's balance sheet total and equity in H1 2011 rose by 14.5% and 23.8% respectively.**
-  **Stress tests for CAR=8%T at CHF/PLN=6.30  
PLN 250 m of subordinated debt issued in Q2 2011 included into complementary capital after received KNF approval.**
-  **Interest margin increased by 21 basis points (to 3.0%) from Q2 2011 to Q1 2011.**
-  **Revenue from products other than loans grew steadily as a result of developing the Bank's relationship banking approach.**
-  **The Bank's costs of operations are under control despite the Group's fast growth pace, which confirms the high efficiency of the Bank's operations and its cost discipline.**
-  **Th new retail deposit margin dropped by 75 basis points, while the cost of obtaining new deposits was down by 20 basis points (Q2 2011 versus Q2 2010) with growing market rates over the last 12 months.**
-  **In the last 12 months, retail customers have deposited over PLN 7 billion with the Bank.**
-  **The Bank maintained its sales profitability in Q2 2011 despite a reverse trend on the market.**
-  **In 2011, the Bank renewed and collateralised CIRS's of CHF 1.9 billion at prices approx. 50% lower than the current market margins.**
-  **The Bank places great emphasis on the quality of its loan portfolio:**

  - The quality of new loans improved considerably despite higher write-offs in Q2 2011.
  - Q2 2011 write-offs were down by PLN 27 million compared to the same period of last year.
  - The increase in H1 2011 write-offs was in part attributable to a high CHF/PLN exchange rate and the contagion effect.
-  **Getin Noble Bank Group companies reported good results.**

  - Lease activity grew at a fast pace – Getin Leasing is ranked as the 7th largest lease provider on the market.
  - The number of investment accounts (Noble Securities) rose by 66% compared to the 2010 year-end figure.
  - In H1 2011, Noble Securities raised more than PLN 815 million for 14 entities through private and public share and bond issues.
  - Fund assets (Noble Funds) grew at a fast pace – 52.0% on a year-to-year basis, more than three times faster than the entire market <sup>1)</sup> (16.7%).

1) Figures provided by the Chamber of Fund and Asset Management

**30.06.2011 / 31.12.2010**

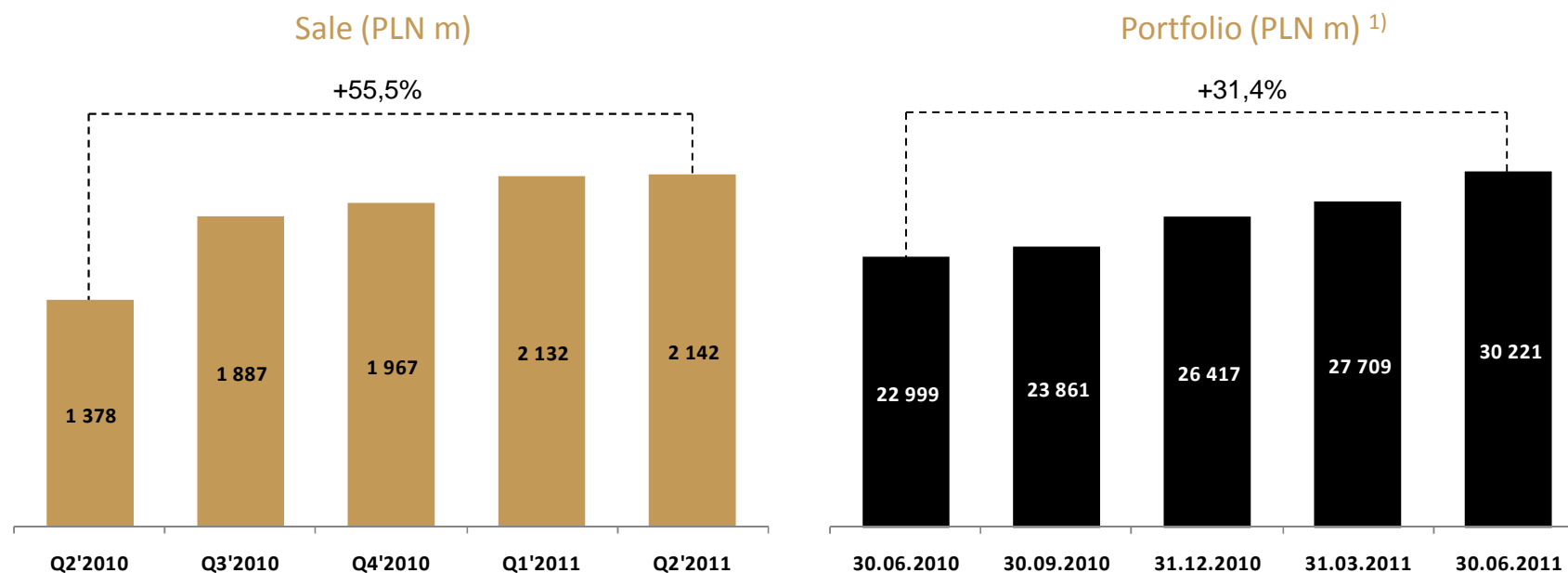
37 620,3 mln PLN	+12,5%	Loans balance (2Q'11 vs 1Q'2011 increase by 7,9%)
41 322,6 mln PLN	+11,6%	Deposits balance
4 078,5 mln PLN	+23,8%	Equity (attributable to equity holders of the parent company)
48 994,7 mln PLN	+14,5%	Balance sheet total


**2Q 2011 / 2Q 2010**

339,6 mln PLN	+28,5%	Net interest income
212,3 mln PLN	-13,7%	Net fee and commission income
200,8 mln PLN	+9,9%	Overhead costs (Q2'11 vs Q1'11 decrease by 2,0%)
318,6 mln PLN	+9,2%	Result on provisions for NIL and other accounts receivable
770,9 mln PLN	+615,5%	Gross profit
691,2 mln PLN	+577,2%	Net income (attributable to equity holders of the parent company)
21,83%	-10,54 p.p.	C / I <sup>1)</sup>
9,82%	+0,76 p.p.	CAR <sup>1) 2)</sup>
49,28%	+34,56 p.p.	ROE <sup>1)</sup>

1) YTD data

2) stand-alone GNB

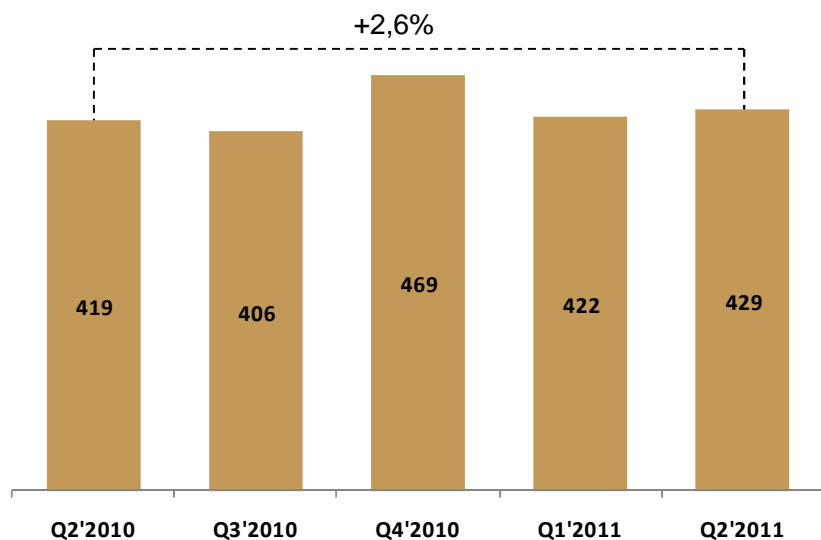


 The loans sold by the Bank were predominantly loans in PLN. As a result, the share of foreign-currency loans in relation to the Bank's total loan portfolio is steadily lower, with a drop to 42.8% <sup>2)</sup> as at the end of Q2 2011, meaning it was lower by 3.3 percentage points than as at the end of 2010 (with the CHF/PLN exchange rate effect excluded, to 41.9% (lower by 4.2 percentage points))

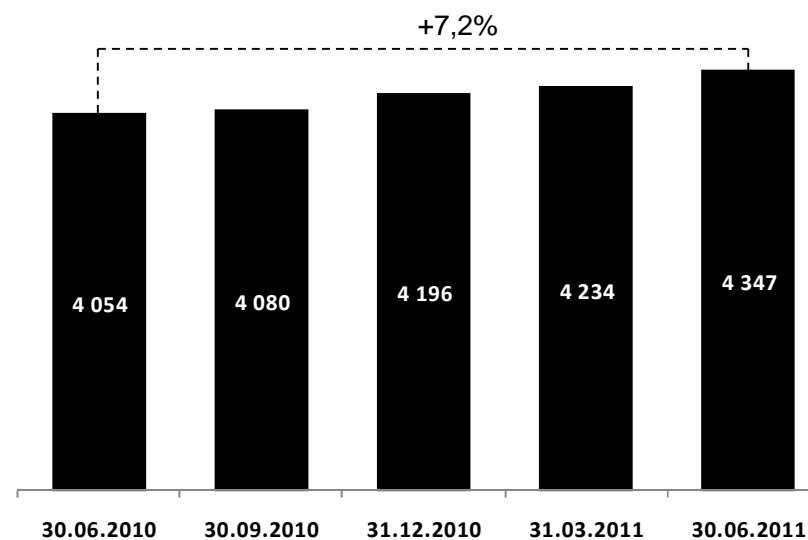
1) Gross portfolio

2) Stand-alone GNB


Sale (PLN m)



Portfolio (PLN m) <sup>1)</sup>

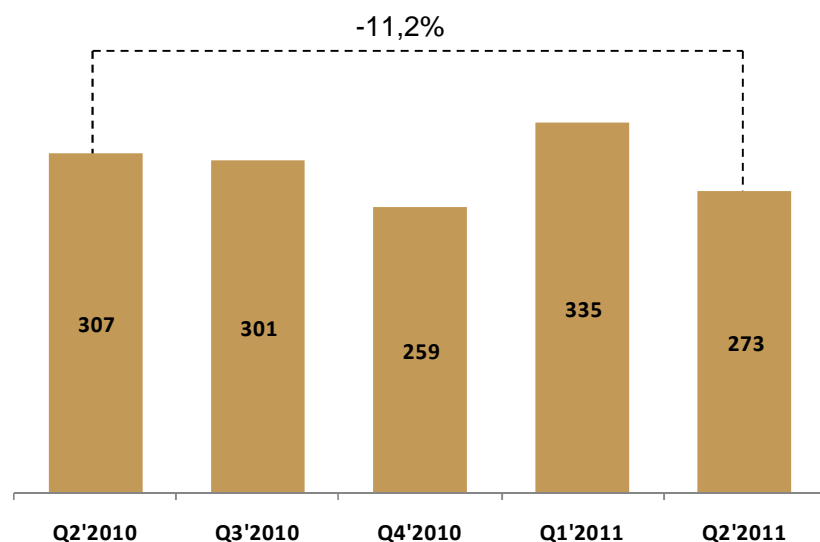
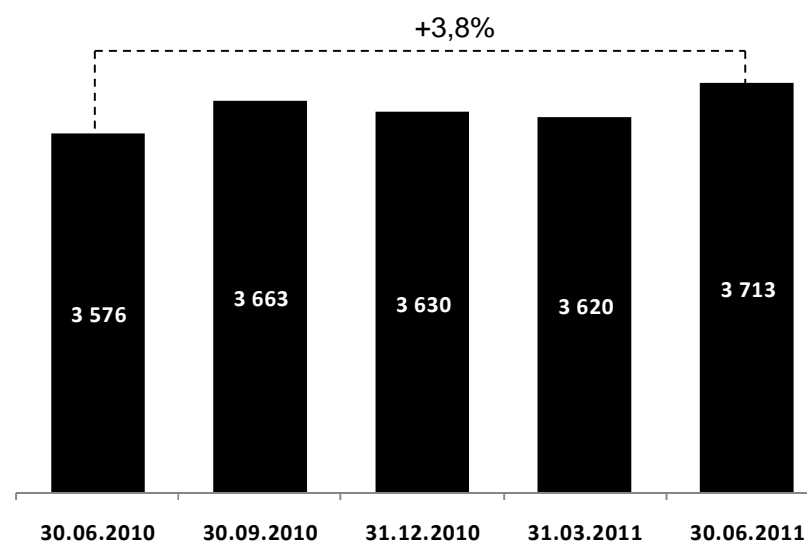



 Sales grew despite a reverse trend on the market

 Sales of new cars on the market dropped by 4.4% on a year-to-year basis and imports of used cars by 7.9% on a year-to-year basis


1) Gross portfolio

Sale (PLN m)

Portfolio (PLN m) <sup>1)</sup>

 The growth potential is based on the following:

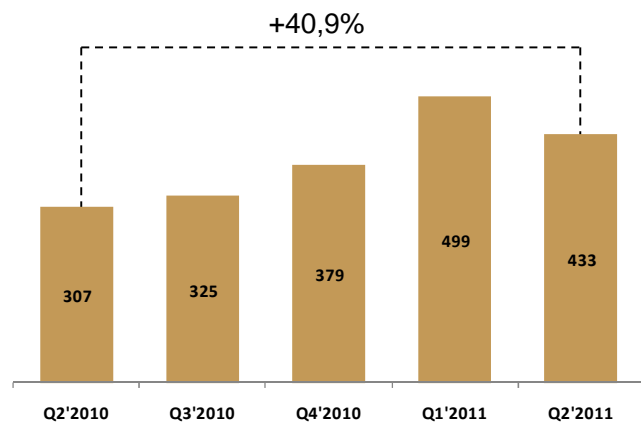
- targeting the Bank's lending products to safe customer groups (the Bank's existing customers, customers with a credit history),
- easier access to retail loans by customers documenting the source and amount of their income by providing alternative documents such as PIT-11, PIT-40, PIT4-40A tax returns or bank statements showing their income,
- providing special-purpose loans (launching of installment loans in Q2, loans for purchasing shares in selected offerings)

 In the Q1'2011 consumer loan balance in the banking system decline by PLN 0.7 million, i.e. by 0.5%

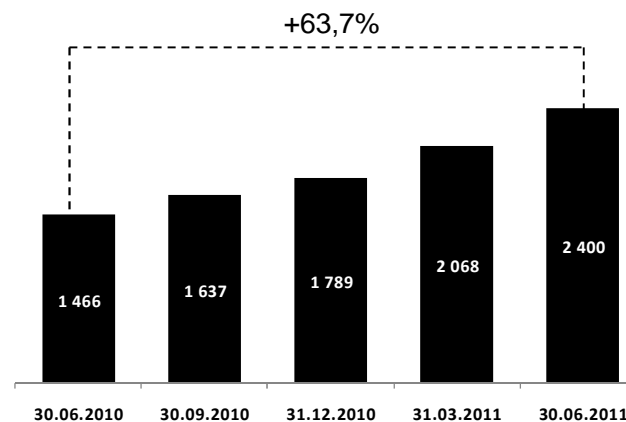
1) Gross portfolio

*Lease activity growing rapidly*

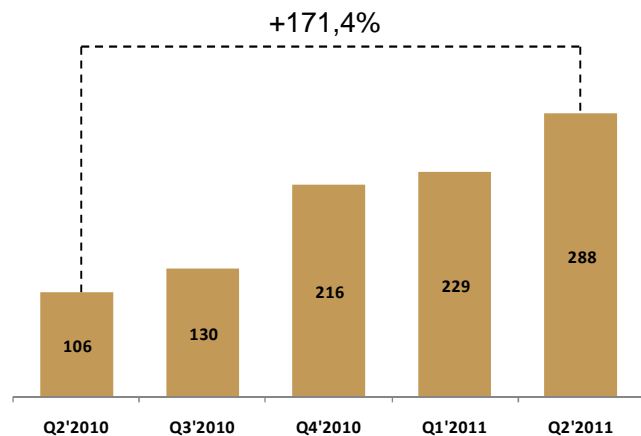
Sale of loans (PLN m)





Portfolio (PLN m) <sup>1)</sup>



Leasing (PLN m)



-  Getin Leasing moves from 15th to 7th place in Poland
-  The highest increase in sales of leases on the Polish market in 1H 2011 (+212%) <sup>2)</sup>

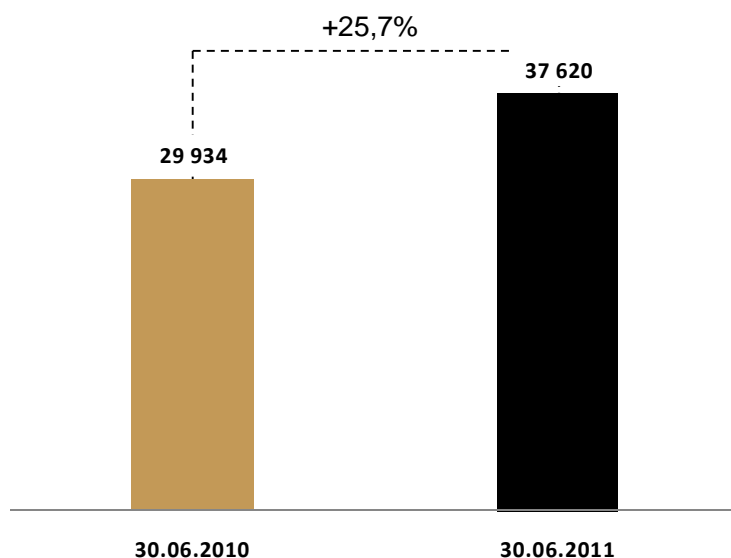
1) Balance of gross SME loans and leasing portfolio

2) According to ZPL ranking

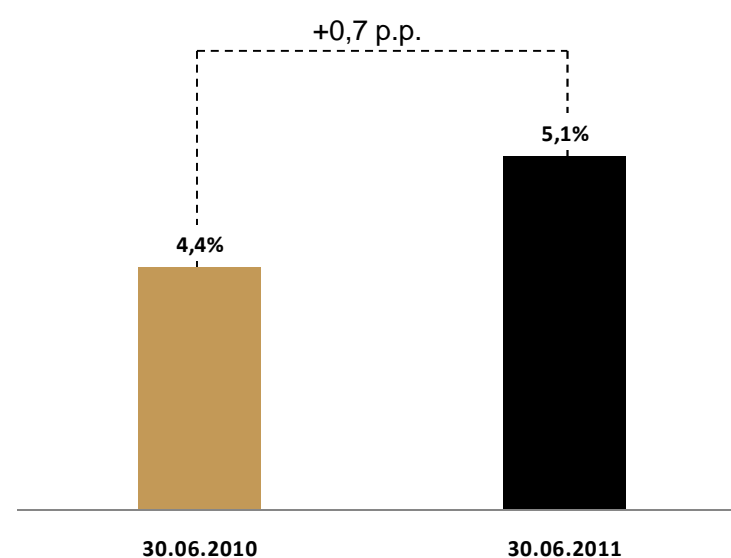
## LOANS: BALANCE AND MARKET SHARE

*The Bank is growing at double the pace of the entire market growth.*

Portfolio (PLN m)



Market share (%) <sup>1)</sup>



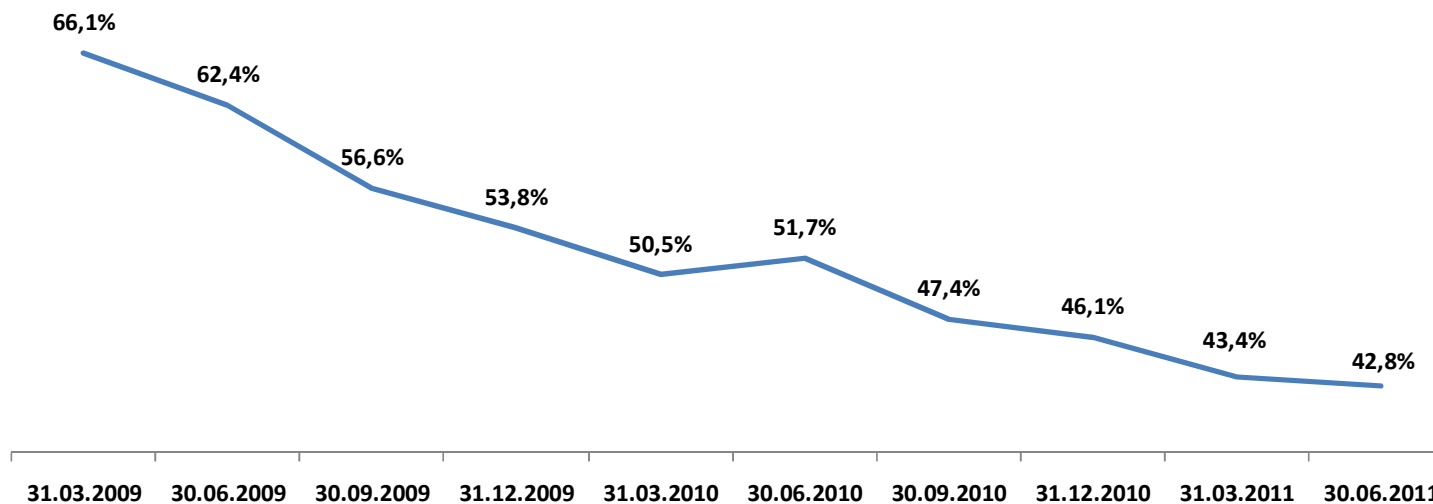
- 🌳 In Q2 2011, the Bank's loan balance once again grew at a pace much faster than the entire market (8.0% versus 4.1%)
- 🌳 H1 2011 sales amounted to PLN 7.2 billion, which was an increase of over 52% compared to the same period of last year
- 🌳 The Bank continued to see the fastest growth in sales to SME and sales of mortgage loans

1) Market shares calculated on the basis of NBP data (market = banks operating in Poland + Polish branches of credit institutions and branches of foreign banks + SKOKs)

## SHARE OF FOREIGN CURRENCY LOANS IN THE PORTFOLIO

*New loans being predominantly loans in the Polish currency*

Share of foreign currency loans in total portfolio (%)

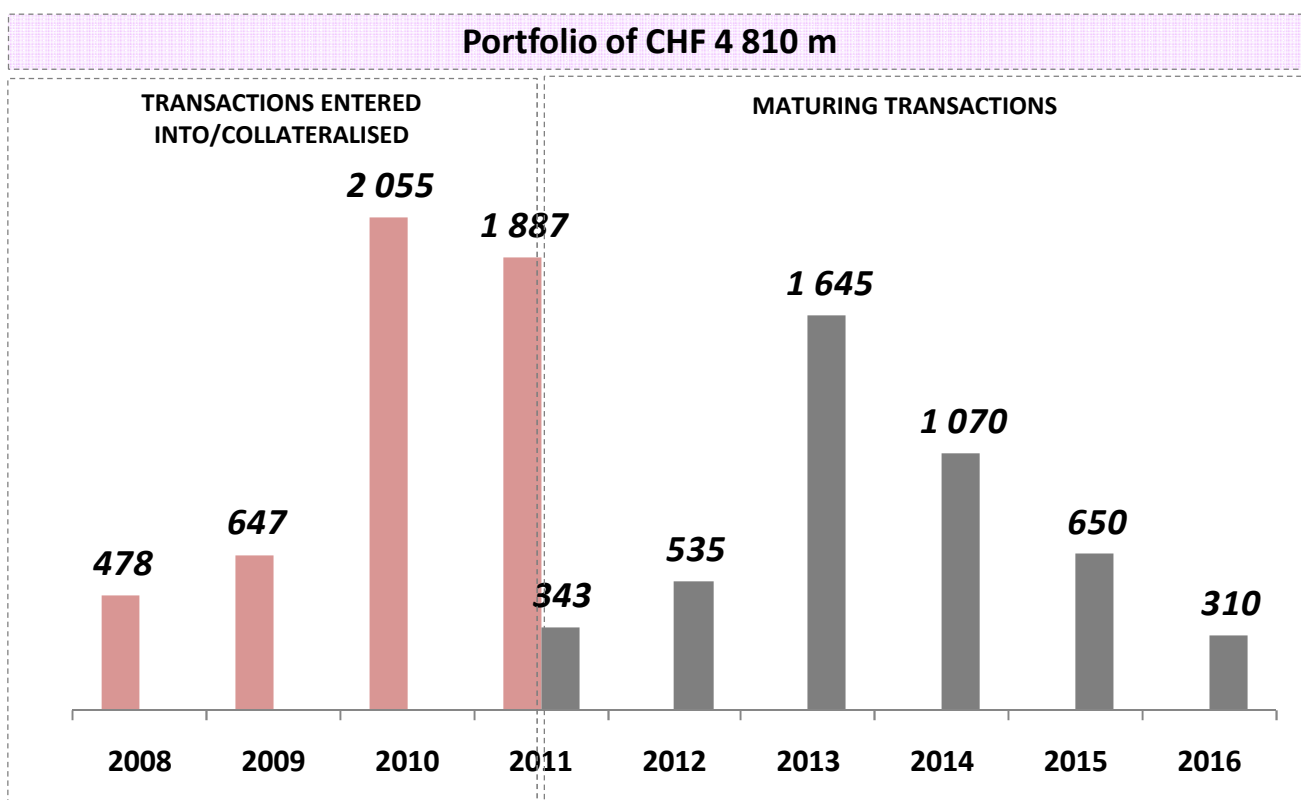



- 🌳 The percentage of foreign currency loans in relation to the entire loan portfolio decreased by a total of 19,6 pp over two years
- 🌳 Nearly 93% of new loans in PLN

# CHF CIRS TRANSACTIONS

*In 2011, the Bank collateralised its CHF transactions at prices lower by approx. 50% than the current market margins.*

CHF CIRS transactions – entered into and maturing (CHF m)

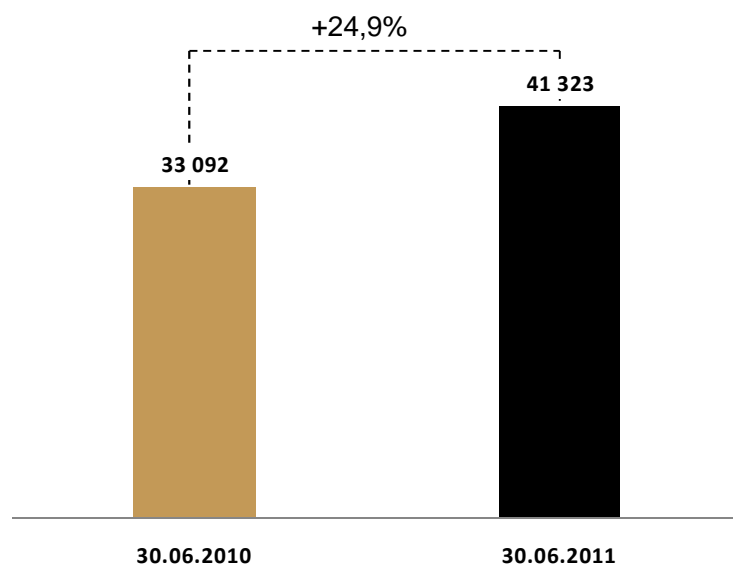
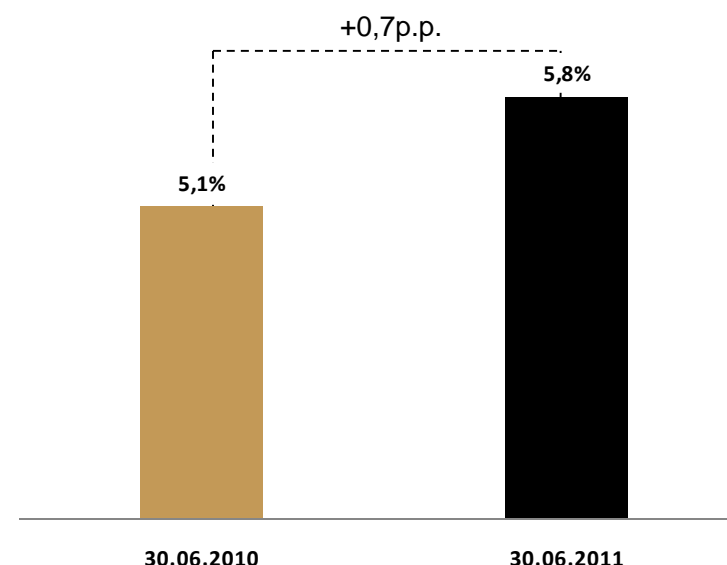






 The Bank has no significant CIRS transactions to be renewed by the end of 2012

## DEPOSITS: BALANCE AND MARKET SHARE

*In Q2 2011, the deposit balance for the entire market decreased, while GNB's balance grew by almost 5%.*

Balance (PLN m)

Market share (%) <sup>1)</sup>

-  In Q2 2011, the Bank's deposit balance grew by PLN 1.8 billion (4.7%), despite a reverse trend in the banking sector, where the deposit balance for the entire market decreased by over PLN 7.5 billion (-1.1%)
-  The Bank took 84% of the increase in the household savings balance on the market in Q2 2011
-  Nearly 90% of the Bank's deposits carry a fixed interest rate
-  In the last 12 months, the Bank's deposit portfolio has grown by a quarter, i.e. by PLN 8.2 billion, including 95% in retail customers' funds <sup>2)</sup>

1) Market shares calculated on the basis of NBP data (market = banks operating in Poland + Polish branches of credit institutions and branches of foreign banks + SKOKs)

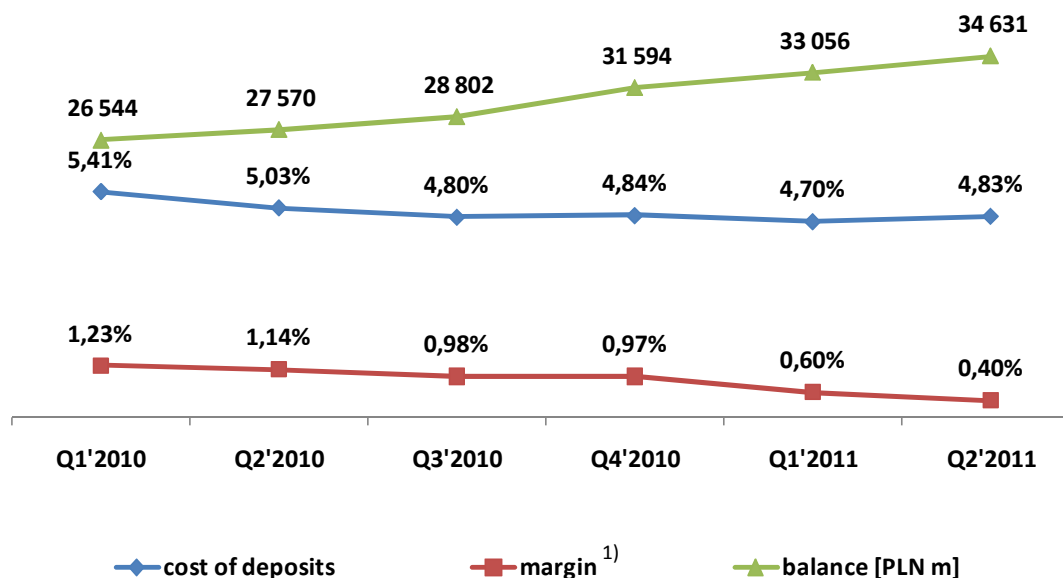
2) Liabilities to private individuals

# COST OF FINANCING

*The margin on new retail deposits dropped by 74 basis points in the last 12 months.*



Cost of new PLN retail term deposits



🌳 The margin on all retail deposits <sup>1)</sup> in H1 2011 was 0.69%, down by 88 basis points compared to the same period of last year

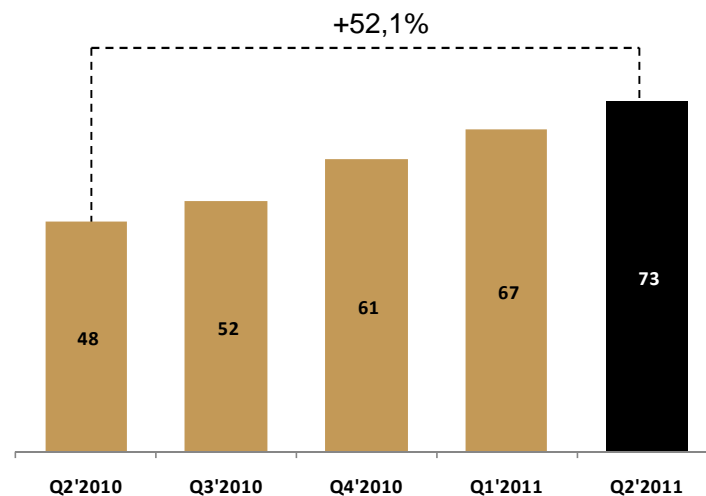
🌳 The cost of obtaining deposits <sup>2)</sup> dropped to 4.67% by 54 basis points compared to H1 2010, with market rates <sup>3)</sup> rising by 23 basis points

1) Above the WIBOR

2) All deposits

3) WIBOR 3M

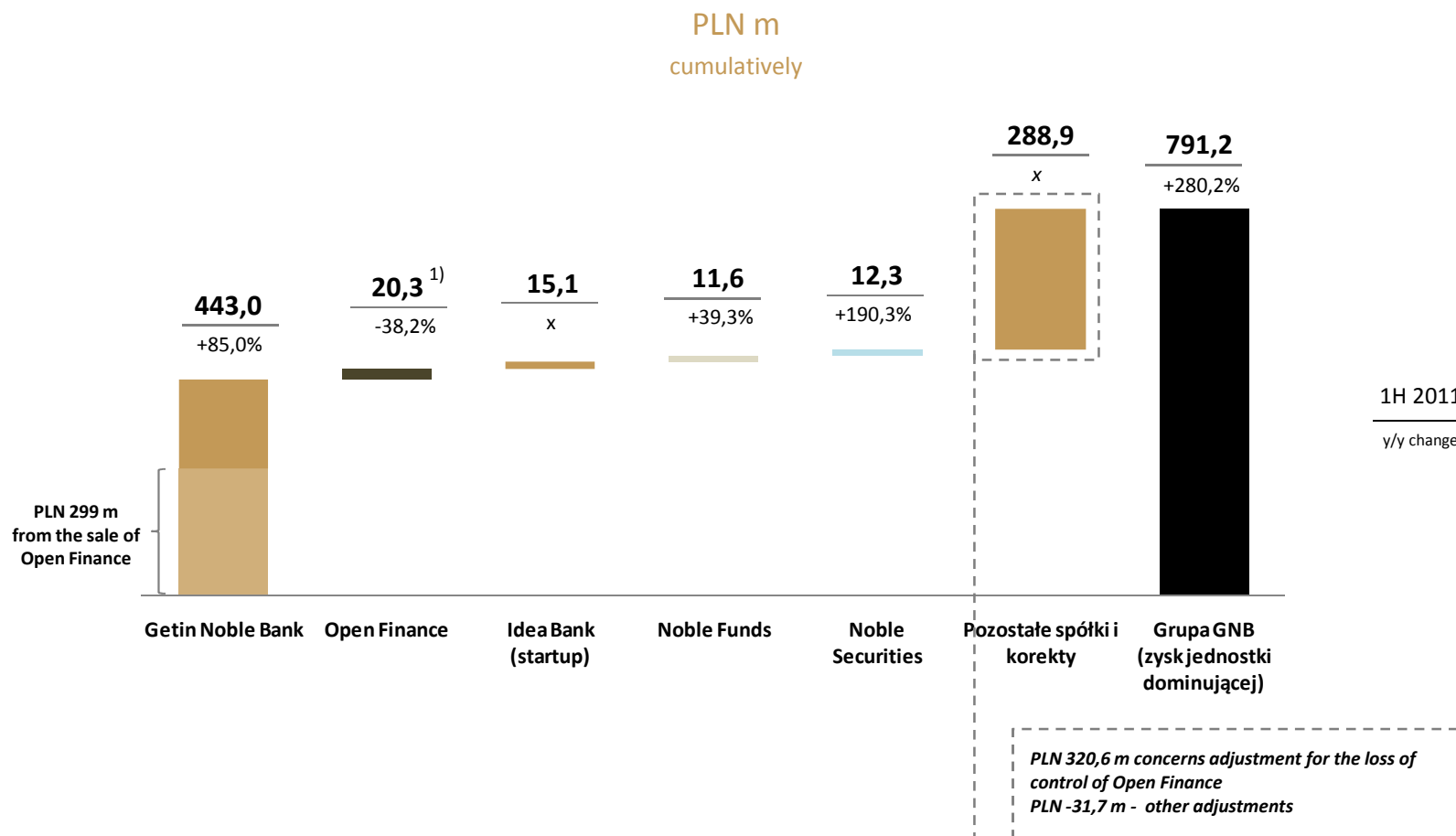
Fee result (PLN m)



- 🌳 Deposit terms continued to be grow in length in Q2; 55% of deposits for a term longer than 4 years
- 🌳 76.7% of the funds from the investment products sold in H1 2011 (PLN 715.9 million) came back to Getin Noble Bank as deposits

# CONTRIBUTION OF COMPANIES TO GROUP PROFIT FOR 1H'2011

*The Group's banking activity was the main source of its net income, with income contributed by the other Group companies being on the increase.*



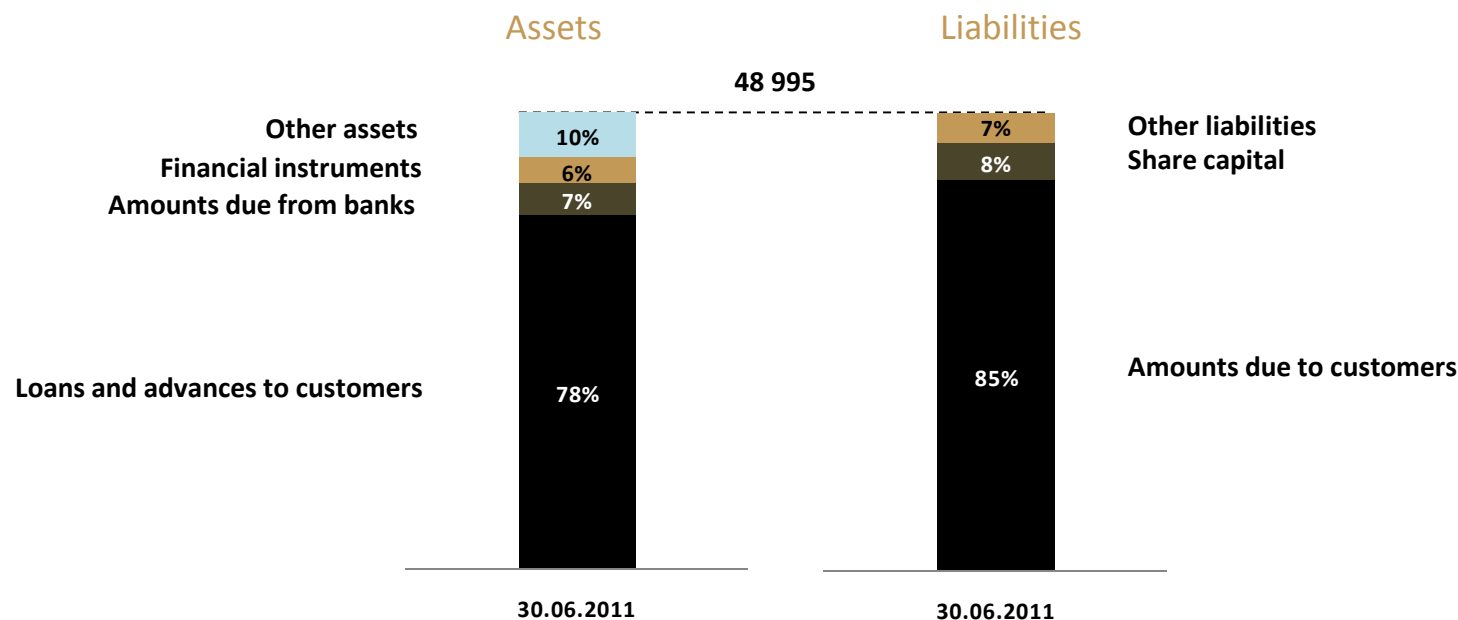
1) OF result for Q1 2011, until loss of control of Open Finance

# BALANCE SHEET STRUCTURE

*Maintaining a secure balance sheet structure*



Balance sheet structure of the Bank (PLN m)



- Getin Noble Bank's balance sheet total increased in 1H 2011 by PLN 6 197 million (+14.5% vs 31 Dec. 2010). This increase was the result of, above all, an increase in amounts due to customers by 11.6% and in the loans balance by 12.5% in 1H 2011.
- In the same period, equity (attributable to shareholders in the parent company) increased by 23.8% and in last 12 months by almost 1/3.

### Cost of credit risk (%) <sup>1)</sup>

	30.06.2011	31.12.2010	change
corporate loans	4,3%	3,2%	1,11 p.p.
car loans <sup>2)</sup>	4,7%	6,0%	-1,25 p.p.
mortgage loans	2,3%	2,0%	0,30 p.p.
retail loans	4,9%	9,9%	-4,96 p.p.
<b>Loans total</b>	<b>2,9%</b>	<b>3,5%</b>	<b>-0,53 p.p.</b>



Continuing measures aimed at reducing the costs of risk :

- continuously changing the product range to reduce the costs of risk, particularly in respect of corporate loans and mortgage loans
- updating statistical tools for customer risk assessment (scoring)
- effectively carrying out debt recovery and pre-debt recovery activities



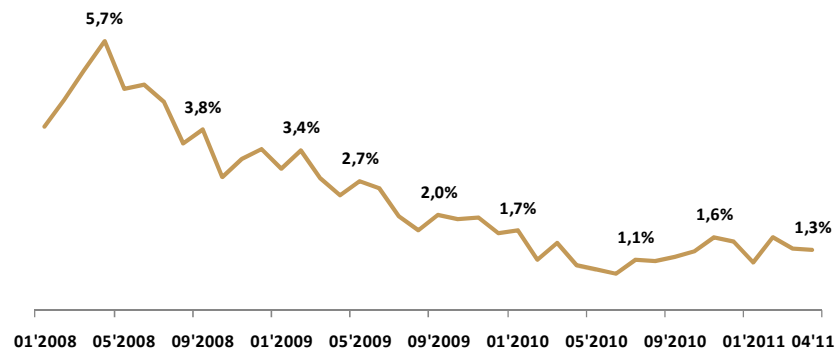
The rate of growth of impairment charges in 1H 2011 in the Bank was by nearly 6% lower than in 1H 2010



Late payment ratios in respect of the first instalment of cash and auto loans continuing stable, at the lowest levels since 2008

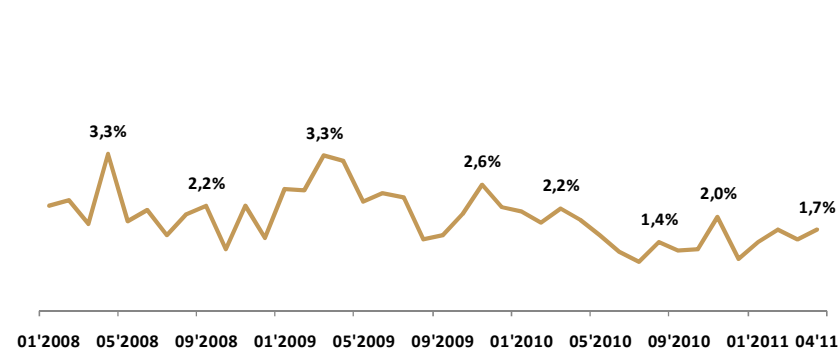
### Retail loans

interest on 30 DPD in repayment of the first instalment (%)



### Car loans

interest on 30 DPD in repayment of the first instalment (%)

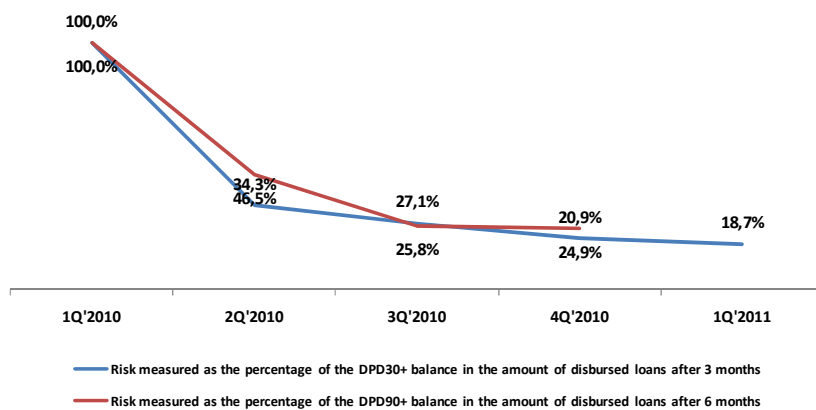


1) Result on provision for NIL and other accounts receivable to average loans volume; annualized factor

2) Including leasing

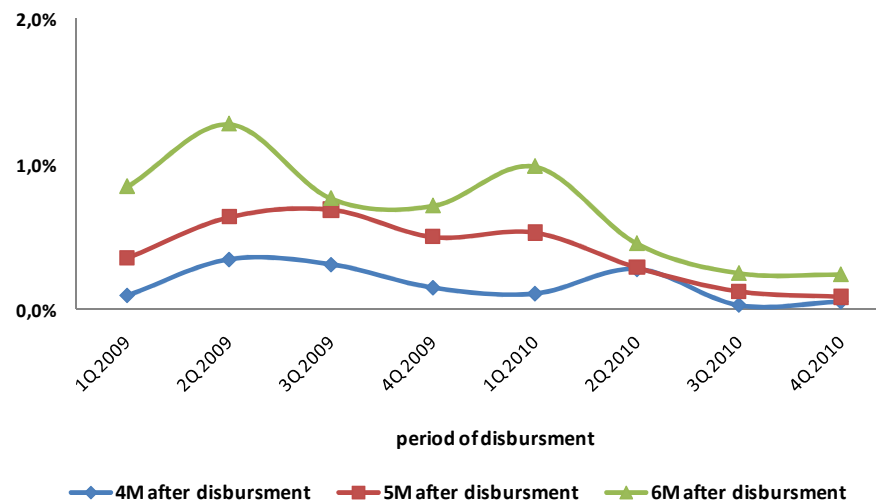
### Mortgage loans

Relative change in credit risk compared to Q1'2010 (%)



### Mortgage loans

percentage of the DPD90+ balance in the amount of disbursed loans



	PLN m	30.06.2011	31.12.2010	30.06.2010	30.06.2011/ 31.12.2010	30.06.2011/ 30.06.2010
Equity (attributable to equity holders of the parent company)		4 078,5	3 293,7	3 048,5	+23,8%	+33,8%
Balance sheet total		48 994,7	42 797,8	38 791,9	+14,5%	+26,3%
Loans balance		37 620,3	33 454,0	29 933,5	+12,5%	+25,7%
Deposits balance		41 322,6	37 025,7	33 091,6	+11,6%	+24,9%
	PLN m	2Q 2011	1Q 2011	2Q 2010	2Q'11/ 1Q'11	2Q'11/ 2Q'10
Income		1 290,3	568,0	582,2	+127,2%	+121,6%
Overhead costs		-200,8	-204,9	-182,7	-2,0%	+9,9%
Net profit (attributable to equity holders of the parent company)		691,2	100,0	102,1	+591,1%	+577,2%
C / I - consolidated (%) <sup>1)</sup>		21,83%	36,07%	32,37%	-14,24 p.p.	-10,54 p.p.
ROE <sup>1)</sup>		49,28%	12,61%	14,72%	+36,66 p.p.	+34,56 p.p.
NIM <sup>2)</sup>		3,0%	2,8%	3,0%	+0,21 p.p.	+0,02 p.p.
CAR <sup>1) 3)</sup>		9,82%	9,40%	9,06%	+0,40 p.p.	+0,76 p.p.

1) YTD data

2) QTD data

3) stand-alone GNB

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