



# **GETIN NOBLE BANK GROUP**

## **FINANCIAL RESULTS FOR THE THE FIRST QUARTER OF 2013**

Presentation of financial results  
for investors and analysts

Warsaw, May 10<sup>th</sup>, 2013

### **Silna baza kapitałowa i płynnościowa. Bezpieczna struktura bilansu.**

- Consolidated balance sheet amount of PLN 59,8 billions, over PLN 3,5 billions higher than in the previous year
- CAR of 12,5% as at the end of 2012, i.e. 1,3 percentage points of increase during 12 months
- Sub-debt total issue as at the end of IV'2013 of over PLN 1,4 billions. Remaining PLN 45 millions of issued sub-debt in progress of inclusion to equity (impact on CAR of +0,1 p.p.)
- Loans to deposits ratio of 87,5% one of the lowest in the banking sector

### **High activity in capital investment operations**

- Two started acquisitions in 2012 (purchase of Dexia Kommunalkredit Bank Polska and purchase of retail part of DnB NORD Bank Polska)
- Purchase of 100% shares of Dexia Kommunalkredit Bank Polska for the price of PLN 57,08 mio finalized on March 28<sup>th</sup>

## How do we pursue the strategy...

- 19% ... increase of average monthly high yield loans sale in 2013 in connection with strategic change in *sales mix* comparing to the previous year
- 26% ... decrease of average monthly sale of mortgage loans in 2012 comparing to the previous year
- 20-25 ths. ... monthly increase of current accounts
- decreasing cost of financing ... spread offered to the Clients for 3 months period in relation to Wibor 3M decreased in period of Oct'13-Mar'13 from ca. 120 bps to ca. 40 bps as at the end of 1Q 2013
- 88% ... income from current accounts (ROR) increase in 1Q 2013 on a year-to-year basis
- PLN 50 mio ... lower credit risk provisions in 1Q 2013 on a year-to-year basis
- 1,5% ... lower administration costs in 2012 (y/y) at ca. 1,5% inflation rate
- 87% ... loan-to-deposit ratio; one of the lowest in the banking sector

# GETIN UP

## Successful start of the New Bank's Strategy – Getin UP

- 🌳 Getin UP is a long term project performed under Getin Bank brand. The main goal of the project is to place the Bank in line of category leaders.
- 🌳 Implementation of a modern internet banking and introduction of a new banking account Getin UP in December 2012. Already 5 brand new Getin UP branches opened since the beginning of 2013. Total 30 Getin UP branches to be opened until the end of July.
- 🌳 Very good results after just two months from the beginning of the project (over 15 ths clients in new Getin UP banking)

### Four months since the beginning of the Project...

- 🌳 116 tyś ...clients using Getin UP banking
- 🌳 ponad 1/3 ...are new Clients
- 🌳 9 tyś ...Clients using new mobile banking
- 🌳 700 mln PLN ...placed deposits
- 🌳 35 tyś ...new saving accounts
- 🌳 12 tyś ...display cards issued
- 🌳 clients using new features (money transfer with Facebook, via SMS, via-mail, NFC payments)
- 🌳 five brand new Getin UP branches operating already
  - new outlook
  - high comfort, the highest service standards, specially prepared staff, new products
  - jump in technology – biometry, touch screens, intelligent system of queue management, targeted adverts on the screens, video boutique, tablets instead of flyers
- 🌳 a series of analogical changes implemented within Noble Bank private banking as well



Ranking of banks after four quarters of 2012 <sup>1)</sup>

Assets		Equity		Loans		Deposits	
1 PKO BP	193 480	1 PKO BP	20 491	1 PKO BP	143 876	1 PKO BP	146 194
2 Bank Pekao	150 950	2 Bank Pekao	19 694	2 Bank Pekao	97 800	2 Bank Pekao	107 993
3 BRE Bank	102 236	3 BRE Bank	11 565	3 BRE Bank	67 059	3 BRE Bank	57 984
4 ING Bank	78 267	4 BZ WBK	8 326	4 ING Bank	50 415	4 ING Bank	57 858
5 BZ WBK	60 019	5 ING Bank	6 928	5 Getin Noble Bank	44 228	5 Getin Noble Bank	50 185
6 Getin Noble Bank	58 794	6 Reiffeisen Polbank*	5 708	6 Bank Millennium	39 948	6 BZ WBK	47 077
7 Reiffeisen Polbank	54 685	7 Getin Noble Bank	5 397	7 BZ WBK	39 868	7 Bank Millennium	41 129
8 Bank Millennium	52 743	8 Bank Millennium	5 033	8 Reiffeisen Polbank	39 528	8 BGK	32 189
9 BGK	48 683	9 Bank Handlowy	5 011	9 Kredyt Bank	29 834	9 Kredyt Bank	30 393
10 Bank Handlowy	43 509	10 Bank BPH	4 175	10 Nordea Bank	26 463	10 Bank BGŻ	26 942
<i>no change</i>		<i>up from 10<sup>th</sup> position <sup>2)</sup></i>		<i>no change</i>		<i>up from 6<sup>th</sup> position <sup>2)</sup></i>	
Interest income		Fee and commission income		Result from banking activities		Net result	
1 PKO BP	12 992	1 PKO BP	3 837	1 PKO BP	11 570	1 PKO BP	3 749
2 Bank Pekao	8 316	2 Bank Pekao	2 798	2 Bank Pekao	7 825	2 Bank Pekao	2 956
3 BRE Bank	4 477	3 BZ WBK	1 596	3 BZ WBK	4 087	3 BZ WBK	1 434
4 Getin Noble Bank	4 291	4 BRE Bank	1 274	4 BRE Bank	3 765	4 BRE Bank	1 203
5 BZ WBK	3 868	5 ING Bank	1 143	5 ING Bank	3 165	5 Bank Handlowy	970
6 ING Bank	3 832	6 Getin Noble Bank	1 018	6 Bank Handlowy	2 745	6 ING Bank	832
7 Bank Millennium	3 120	7 Bank BPH	710	7 Getin Noble Bank	2 230	7 Santander Consumer	530
8 Reiffeisen Polbank	2 519	8 Bank Handlowy	707	8 Bank Millennium	2 008	8 BGK	479
9 Kredyt Bank	2 299	9 Alior Bank	667	9 Reiffeisen Polbank	1 853	9 Bank Millennium	472
10 BGŻ	2 157	10 Bank Millennium	656	10 Bank BPH	1 802	10 Getin Noble Bank	371
<i>no change</i>		<i>down from 5<sup>th</sup> position <sup>2)</sup></i>		<i>down from 5<sup>th</sup> position <sup>2)</sup></i>		<i>down from 5<sup>th</sup> position <sup>2)</sup></i>	

On the operating costs side, the Bank is in the 14<sup>th</sup> place (vs. the 12<sup>th</sup> 12 months earlier).

1) Initial results of banks for 4Q 2012, as reported by the daily Rzeczpospolita

2) A move up in the same ranking for 4Q 2011

## KEY FINANCIAL RATIOS

*Development with maintained stability and secure situation*

1Q 2013; change vs 1Q 2012 <sup>1)</sup>

PLN m			
Loan balance	43 436,1	↑	+6,6%
Deposit balance	49 882,6	↑	+2,6%
Balance sheet total	59 810,0	↑	+6,2%
Equity <small>(attributable to equity holders of the parent company)</small>	4 766,2	↑	+12,2%

ROE	5,4%
C/I	42,5%
CAR <sup>3)</sup>	12,5%

PLN m			
Net interest income	288,5	↓	-9,3%
Net fee and commission income	138,6	↓	-38,7%
Result on risk provisions	-197,6	↓	-20,2%

Non-loans related income share <sup>3)</sup>	46,6%	↓	+4,2 p.p.
Loans/deposits	87,1%	↑	+3,2 p.p.
Cost of risk <sup>3,4)</sup>	1,6%	↓	-0,5 p.p.

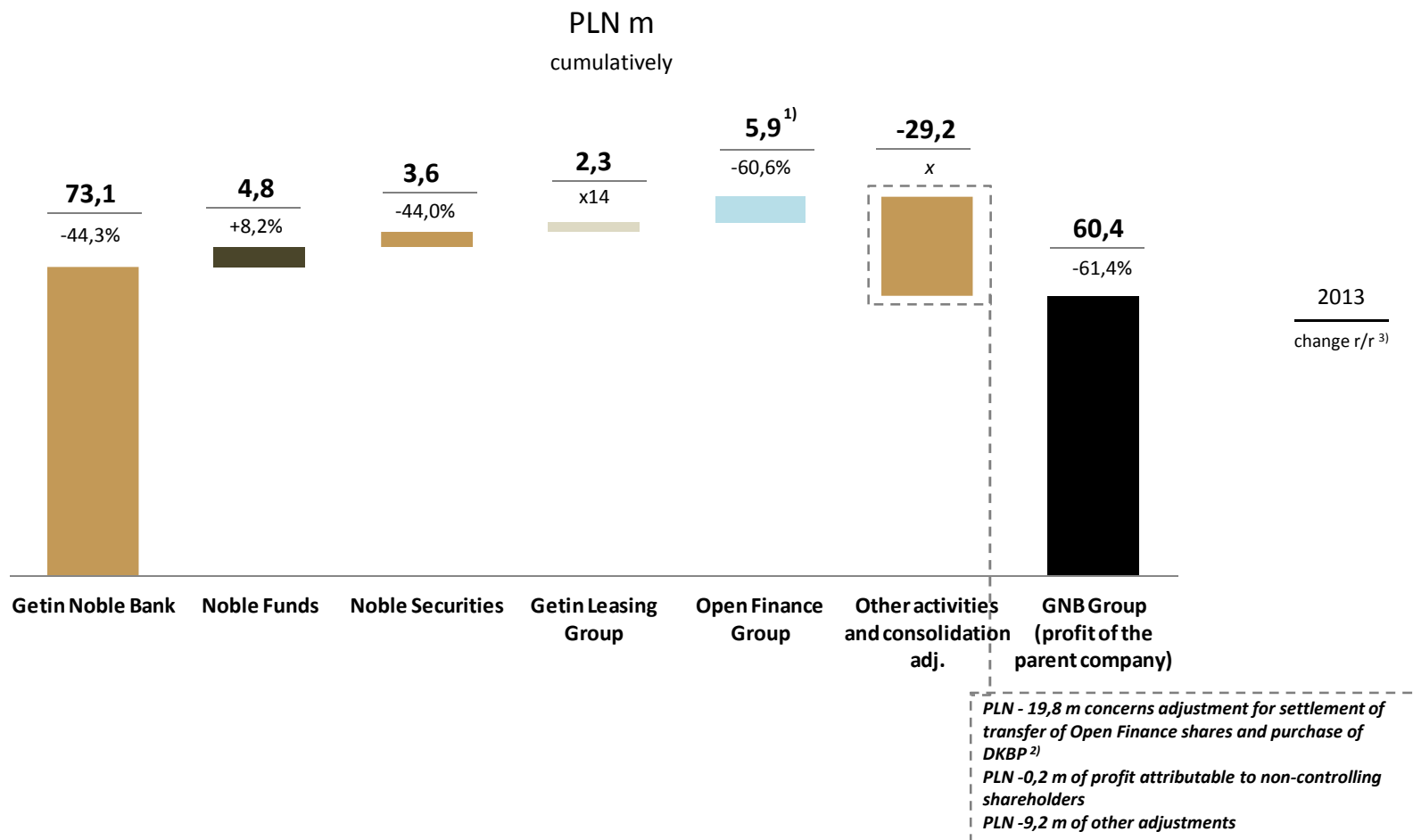
PLN m			
Profit before tax	81,1	↓	-61,2%
Net profit <sup>2)</sup> <small>(attributable to equity holders of the parent company)</small>	60,4	↓	-61,4%

# clients [mio]	2,2	↑	+19,2%
# branches	558	↑	+16

- 1) 2012 figures for the merged banks - Getin Noble Bank and Get Bank
- 2) In 2012 PLN 84 million in gain from the sale of Idea Bank
- 3) Stand-alone GNB
- 4) Result on provision for NIL and other accounts receivable to average loans volume

# PROFIT OF THE BANK AND GROUP COMPANIES FOR 1Q 2013

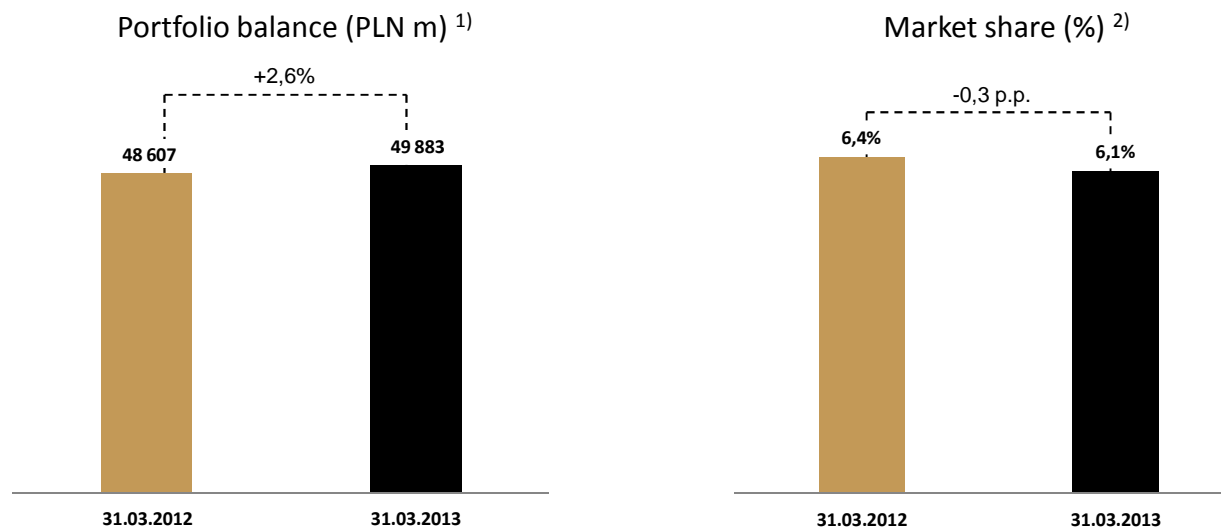
*The Group's banking activity was the main source of its net income.*



1) According to 48,85% GNB's share in profit of associated company PLN 5,9 mio included into GNB consolidated profit  
 2) Dexia Kommunalkredit Bank Polska  
 3) 2012 figures for the merged banks Getin Noble Bank and Get Bank

## DEPOSITS: BALANCE AND MARKET SHARE

*Deposits of Bank's business clients increased within the last 12 months by nearly 14%, sector recorded increase of only 0,6% at the same time*



- 🌳 Declining demand for financing and decrease of Bank's most expensive deposits in 1Q 2013 of PLN 300 mio, whereas it was nearly PLN 1,4 billions deposit increase in the same time last year.
- 🌳 In the period between Oct'12 and Mar'13 Bank was lowering rates on retail Clients' deposits faster than: official NBP rates and WIBOR3M. 3M and 6M deposit rates offered in branches generate the highest volumes and therefore the mostly impact all the deposit base. In the period mentioned above spread of the rate offered to Clients for 3M in relation to WIBOR3M decreased from ca. 120 bps to ca. 40 bps as at the end of 1Q 2013.

1) For 2012 figures for merged banks Getin Noble Bank and Get Bank

2) 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)

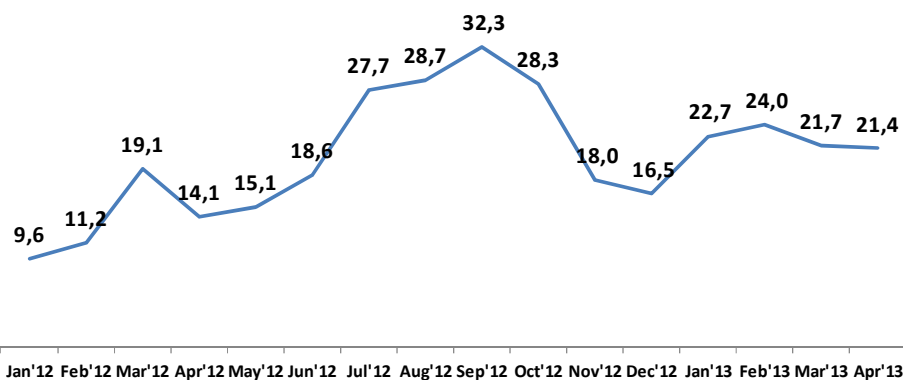


# ROR (CURRENT ACCOUNTS)

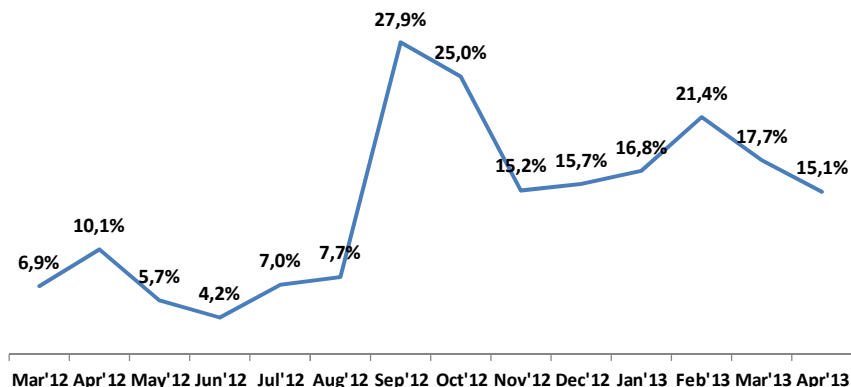
*Success of the launched in the mid year project of active current accounts base increase, as one of indicatives aiming to decrease the cost of financing*



New ROR and IKE accounts <sup>1)</sup>  
[monthly; '000 ]



Migration of the accounts from other banks <sup>2)</sup>  
[GNB's marketshare]



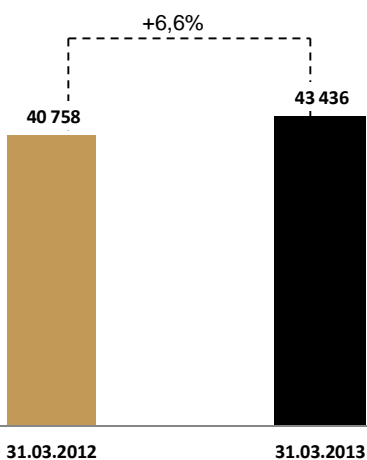
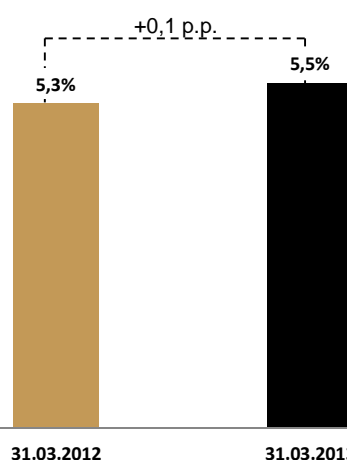
- 🌳 Bank increases current accounts portfolio at a pace of ca. 20-25 ths accounts per month.
- 🌳 Efficient acquisition of accounts from other banks – nearly 1/5 of accounts migrated between banks in 1Q 2013 came to GNB

1) Incl. sales of interest-bearing current accounts at Get Bank in January-May 2012

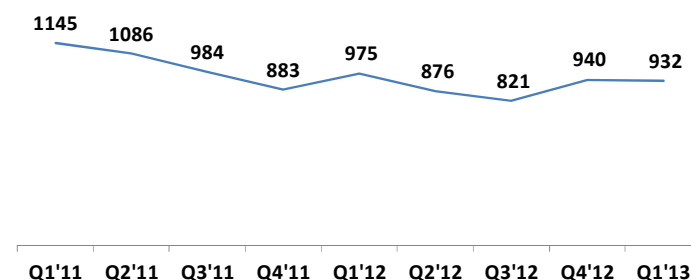
2) Based on data from Związek Banków Polskich from OGNIVO platform


## LOANS: BALANCE AND MARKET SHARE


*Effective change of the Bank's strategy – lower sales of mortgage loans offset by higher sales of high-margin products*


Portfolio balance (PLN m) <sup>1)</sup>Market share (%) <sup>2)</sup>Sale of loans (PLN m) <sup>3)</sup>

(monthly average)



 Focus on the sale of products with shorter amortisation periods and with higher spreads, such as cash loans, car loans, loans for SMEs and leases. Sales of these products in 1Q 2013 were further up against the average level for the previous year by 19%, with a decrease in sales of mortgage loans by nearly a 1/4.

 Sales in 1Q 2013 amounted to PLN 2,8 bln, what implies maintaining level from the previous quarter.<sup>4)</sup>

 Share of foreign-currency loans in relation to the Bank's total portfolio is steadily lower, with a drop to 33.7%<sup>4)</sup> as at the end of March 2013, meaning it was lower by 6.1 p.p. than one year before.

1) 2011 figures for merged banks Getin Noble Bank and Get Bank

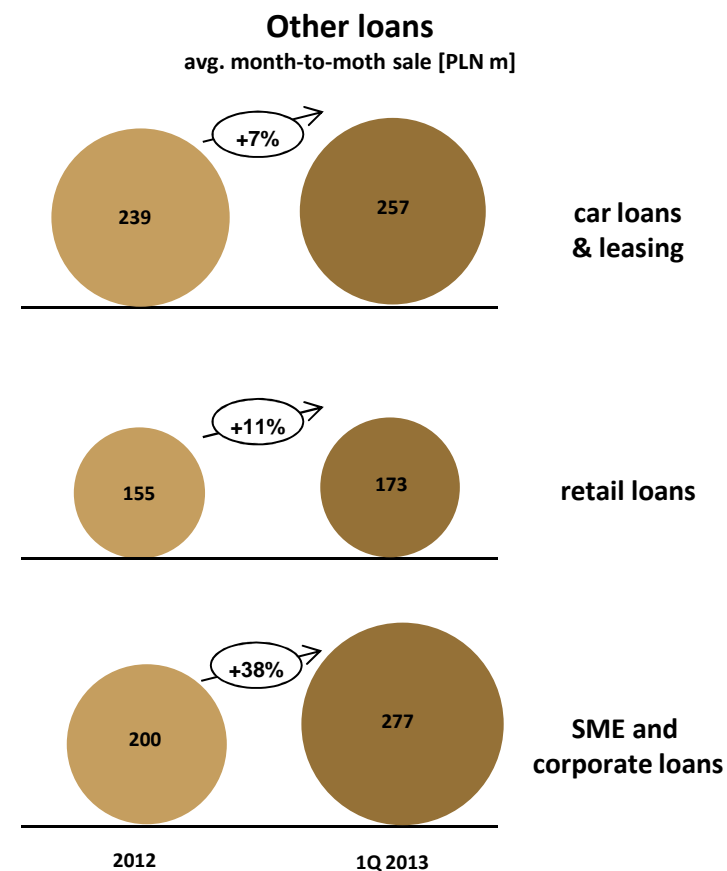
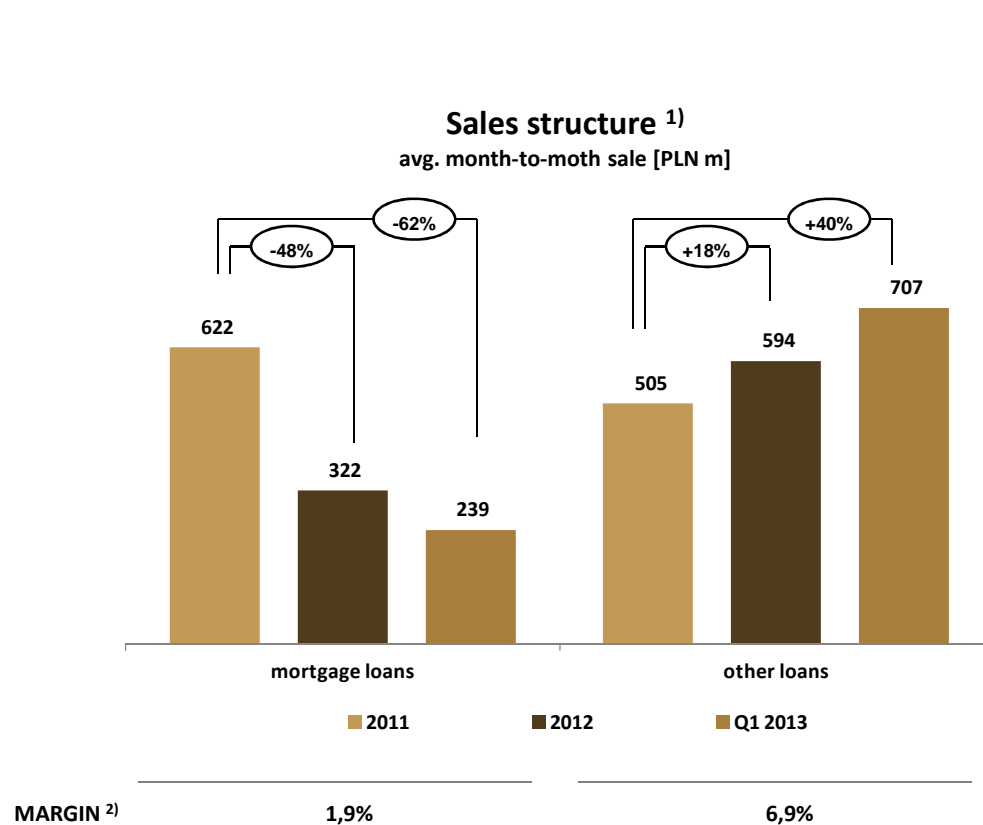
2) Market shares calculated on the basis of NBP data (market = banks operating in Poland + Polish branches of credit institutions and branches of foreign banks + SKOKS)

3) Stand-alone GNB; 2012 figures for the merged banks of Getin Noble Bank and Get Bank

4) Stand-alone GNB

# LOANS SALES MIX

*Sale structure change; shorter-term, faster-amortising loans, higher lending margins*



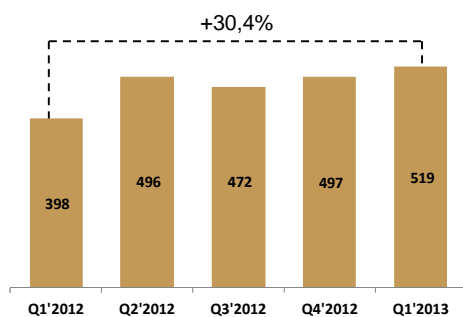
1) Consolidated figures  
 2) A lending margin over WIBOR 3M for loans sold in 2012; the target margin level in the case of mortgage loans

# RETAIL AND SME/CORPORATE LOANS

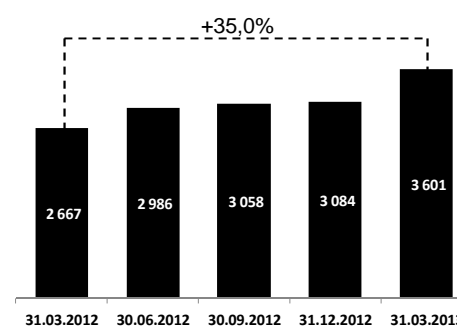
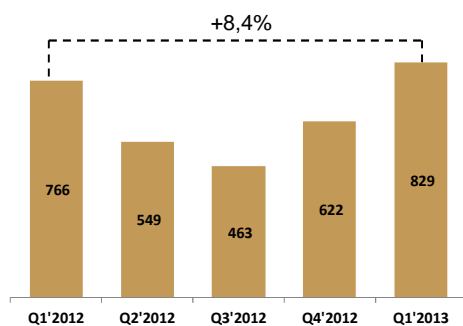
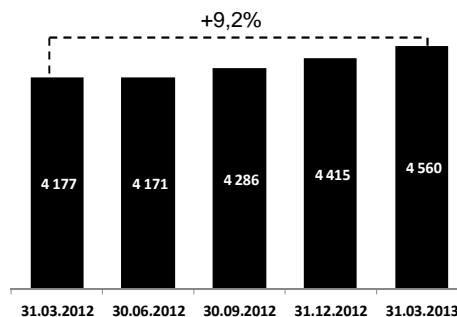
*Dynamically growing sales of high-margin loans*

*Corporate loans portfolio grew over 4 times faster than the market*

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



Portfolio (PLN m) <sup>1,2)</sup>



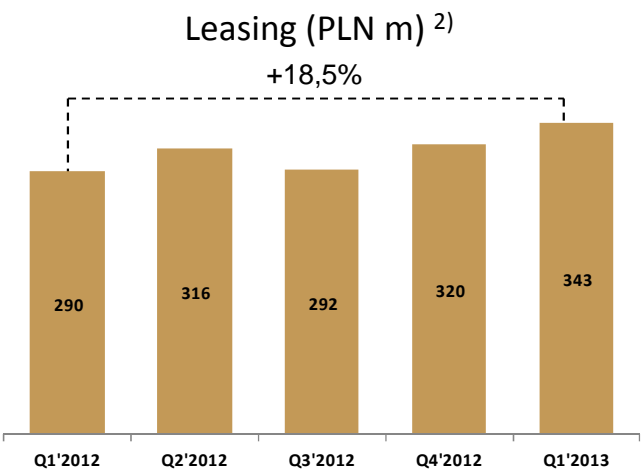
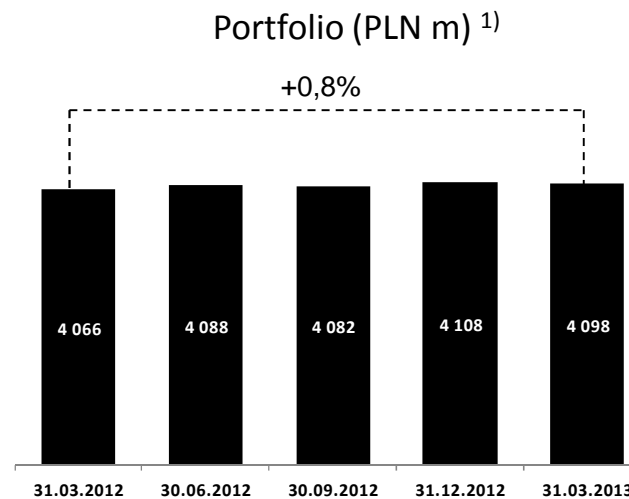
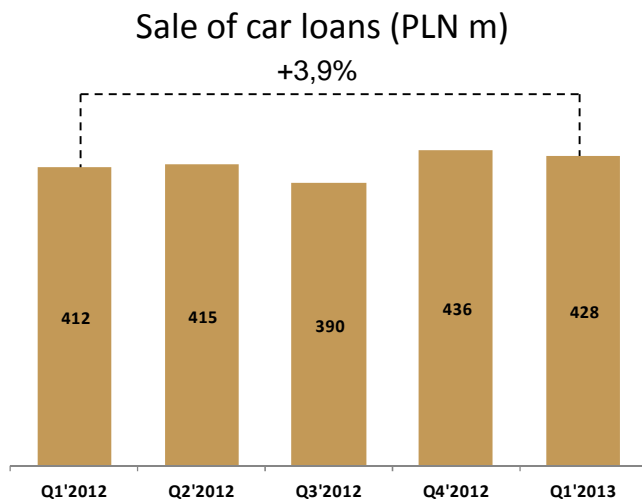
## RETAIL LOANS




- High sales dynamic on the difficult market. Over the last 12 months the Bank's consumer credit balance grew by 9.2%, whereas the entire banking sector reported decrease by 3.5%.
- Total Q1 2013 sales increase of nearly 1/3 on a year-to-year basis.

## SME AND CORPORATE LOANS

- Nearly 120 ths of corporate customers already in the Bank, i.e. increase of over 60% in the last 24 months.
- A record sales of PLN 830 mio loans in the first three months of 2013, i.e. dynamic of +8,4% y/y and over +33% q/q.
- Intensive development of operations within public sector. These clients' loans portfolio in 1Q 2013 was nearly 35% higher than in the previous year. Market dynamic at the same time of less than 1%.

1) 2012 figures for merged banks Getin Noble Bank and Get Bank  
 2) Gross portfolio



-  4<sup>th</sup> place in the market for leases on vehicles after the first quarter of 2013. <sup>7)</sup>
-  7<sup>th</sup> place in the Polish movables lease market at the end of 1Q 2013. <sup>3)</sup>
-  Nearly 19% increase in sales of loans at Opel and Chevrolet dealerships.


1) Balance of gross car loans portfolio


2) Net value of the leased assets


3) Figures according to ZPL


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

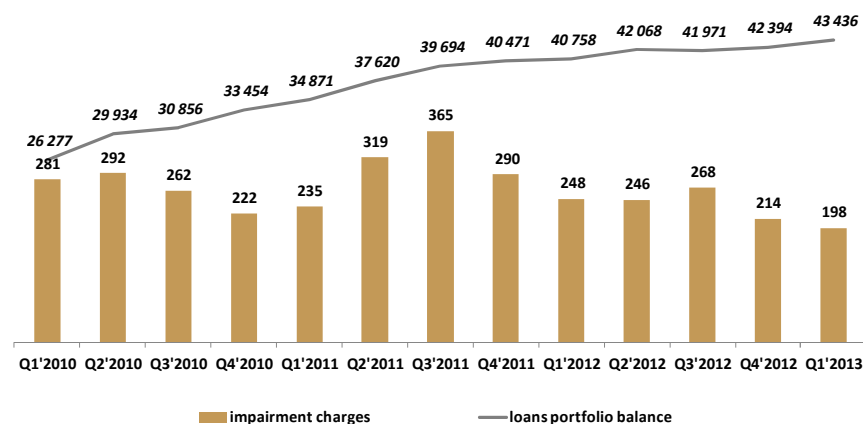
	31.03.2013	31.12.2012	change
corporate loans <sup>2)</sup>	1,4%	1,0%	0,38 p.p.
car loans	3,9%	2,3%	1,66 p.p.
mortgage loans	0,9%	2,0%	-1,12 p.p.
retail loans	5,6%	3,2%	2,34 p.p.
<b>loans total</b>	<b>1,6%</b>	<b>2,1%</b>	<b>-0,44 p.p.</b>

 A noticeable decrease in credit risk charges in 1Q 2013, i.e. by over PLN 50 mio (20% on a year-to-year basis). Estimated amount of ca. PLN 200 m of reduction in credit risk provisions in the whole year.

 Decrease path in risk provisions level maintained – 1Q 2013 provisions 8% lower q/q

 In the last 12 months cost of risk decreased by nearly 1/4.

 Lower costs of risk, with a growing loan balance, confirm the continuously improving quality of the Bank's loan portfolio.

Impairment charges and loans balance (PLN m) <sup>4)</sup>Avg monthly impairment charges (PLN '000) <sup>3) 4)</sup>

	2011				2012				2013
	1Q'2011	2Q'2011	3Q'2011	4Q'2011	1Q'2012	2Q'2012	3Q'2012	4Q'2012	1Q'2013
<b>TOTAL LOANS</b>	<b>76 328</b>	<b>103 860</b>	<b>115 725</b>	<b>95 087</b>	<b>80 406</b>	<b>79 767</b>	<b>87 574</b>	<b>69 364</b>	<b>63 535</b>
<b>car loans</b>	20 752	18 413	12 448	8 092	5 578	5 927	9 669	9 907	13 229
<b>mortgage loans</b>	34 922	66 823	86 413	77 230	72 407	67 079	52 708	38 261	26 128
<b>retail loans</b>	15 388	12 698	10 305	6 949	- 2 396	3 587	22 827	17 602	18 883
<b>corporate loans</b>	5 267	5 926	6 559	2 816	4 818	3 174	2 370	3 593	5 296

1) Result on provision for NIL and other accounts receivable to average loans volume; stand-alone GNB

2) Including leasing

3) Stand-alone GNB

4) Q1 2012 and Q2 2012 figures for the merged banks of Getin Noble Bank and Get Bank

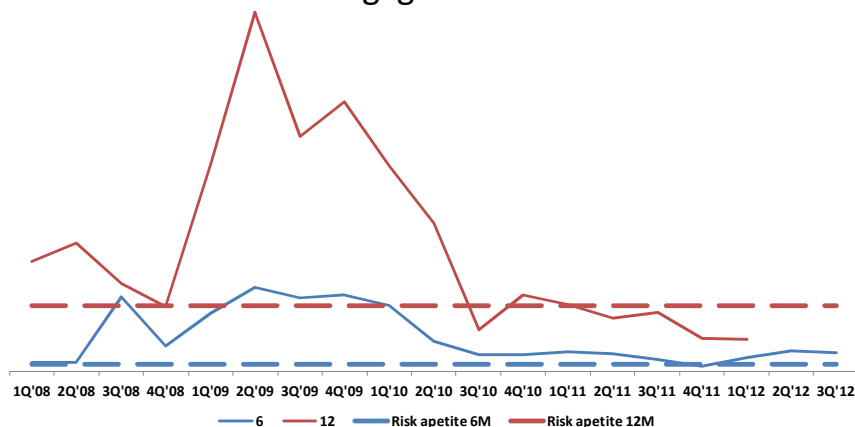
# CREDIT RISK

*The quality of the Bank's new loan portfolio was maintained within the limits of its „risk appetite” policy*

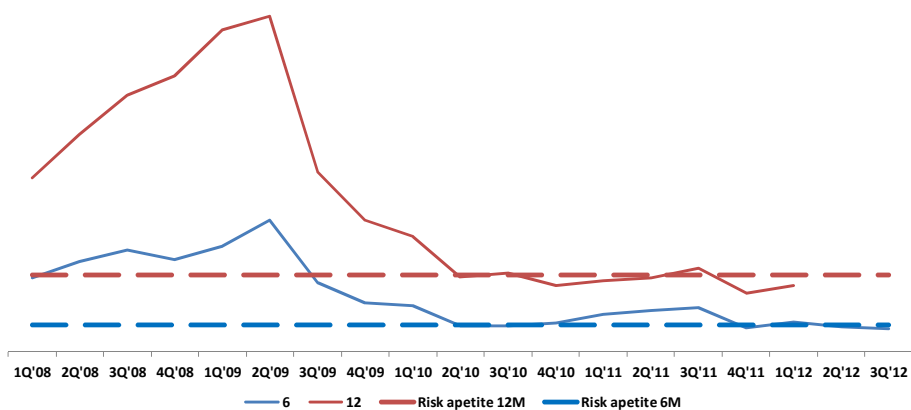


**Loan default rates: 90+ after 6 and 12 months from loan disbursement for loans disbursed in the different quarters starting from 2008**

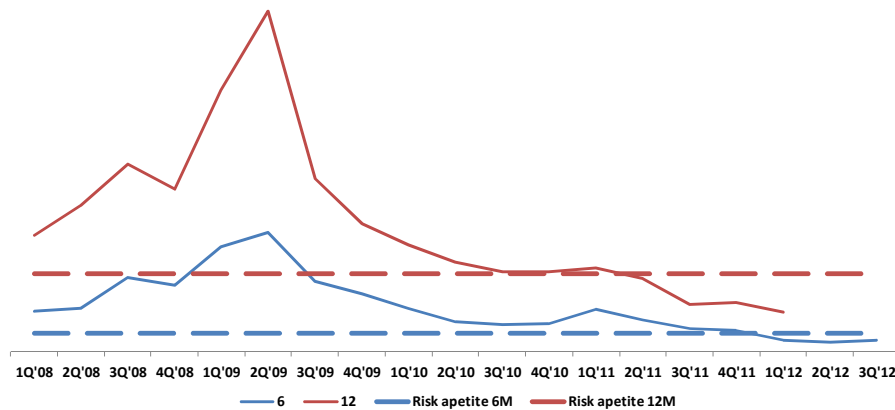
Mortgage loans



Retail loans



Car loans



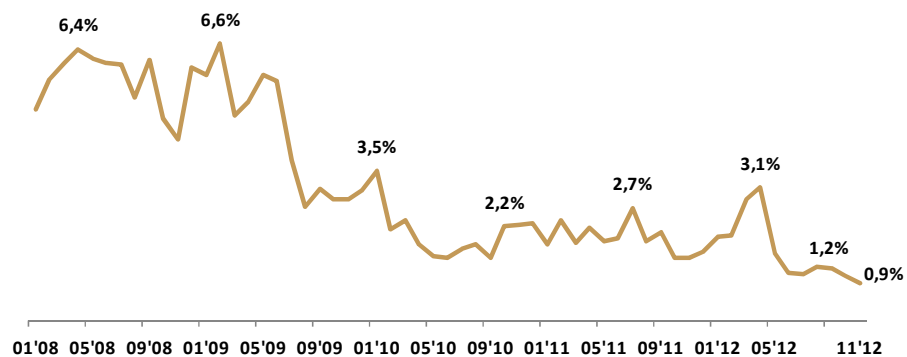
# CREDIT RISK

*Bank efficiently adjusts procedures of evaluation and acceptance to market conditions and clients' situation*



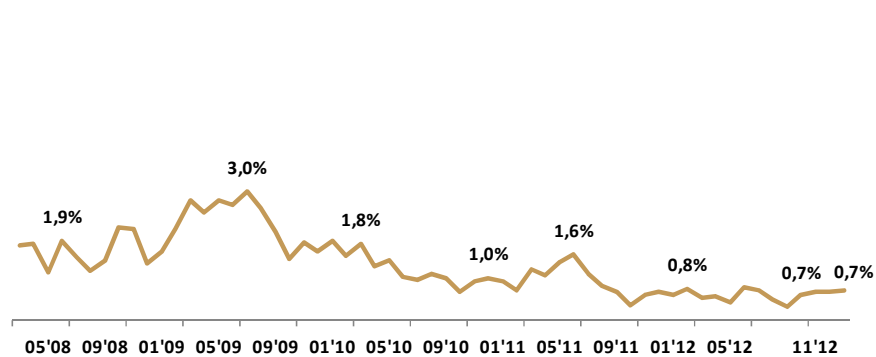
## Retail loans

Interest on 30 DPD in repayment of the third instalment (%)



## Car loans

Interest on 30 DPD in repayment of the third instalment (%)





	PLN m	31.03.2013	31.12.2012	31.03.2012 <sup>1)</sup>	31.03.2013/ 31.12.2012	31.03.2013/ 31.03.2012
Equity (attributable to equity holders of the parent company)		4 766,2	4 718,7	4 248,7	+1,0%	+12,2%
Sub debt		1 373,9	1 229,6	400,0	+11,7%	+243,5%
Balance sheet total		59 810,0	58 794,4	56 307,4	+1,7%	+6,2%
Loans balance		43 436,1	42 393,5	40 758,1	+2,5%	+6,6%
Deposits balance		49 882,6	50 185,4	48 606,6	-0,6%	+2,6%
	PLN m	1Q 2013	4Q 2012	1Q 2012	1Q'13/ 4Q'12	1Q'13/ 1Q'12
Net interes income		288,5	301,1	318,2	-4,2%	-9,3%
Net fee and commission income		138,6	142,5	226,1	-2,8%	-38,7%
Overhead costs		-208,3	-211,3	-206,6	-1,5%	+0,8%
Net profit (attributable to equity holders of the parent company)		60,4	70,9	156,5 <sup>4)</sup>	-14,7%	-61,4%
C/I – consolidated (%) <sup>2)</sup>		42,5%	37,3%	31,3%	+5,2 p.p.	+11,2 p.p.
ROE <sup>2)</sup>		5,4%	9,7%	18,3%	-4,3 p.p.	-12,9 p.p.
NIM <sup>2)</sup>		2,0%	2,3%	2,5%	-0,3 p.p.	-0,5 p.p.
CAR <sup>2) 3)</sup>		12,5%	12,5%	10,5%	+2,0 p.p.	+2,0 p.p.

1) For the year 2012 merged date of Getin Noble Bank and Get Bank

2) YTD data

3) stand-alone GNB

4) In 2012 PLN 84 million in gain from the sale of Idea Bank

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