

3Q 2011 Earnings

New brand positioning &
improved efficiency

4 November 2011

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Agenda

- 1 Overview
- 2 Macroeconomic Situation
- 3 Financial Performance
- 4 Summary
- 5 Appendix

Overview

Overview

Performance

- Successful navigation through volatile economy ... 3.2% higher NII q/q and total net revenue plateaued q/q

Profitability

- NI of PLN 54 MM in Q3 ... with PLN 158 MM YTD (vs. PLN 188 MM net loss in previous year)... interest margin of 3.6% maintained

Loans

- Robust new sales ... PLN 503 MM of corporate loans ... PLN 451 MM of new cash loans

Costs

- Base costs down on prior quarter and year

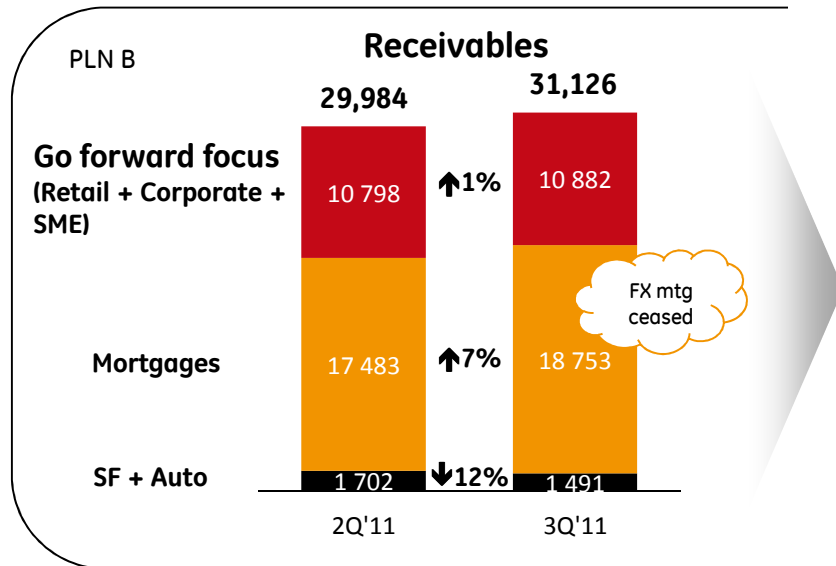
Losses

- Non-mortgage losses flat; recent FX volatility impacted mortgage losses and drove uptick in total losses by PLN 11 MM q/q ... properly secured loan book ... NPL down to 10.4% from 10.7% in Q2

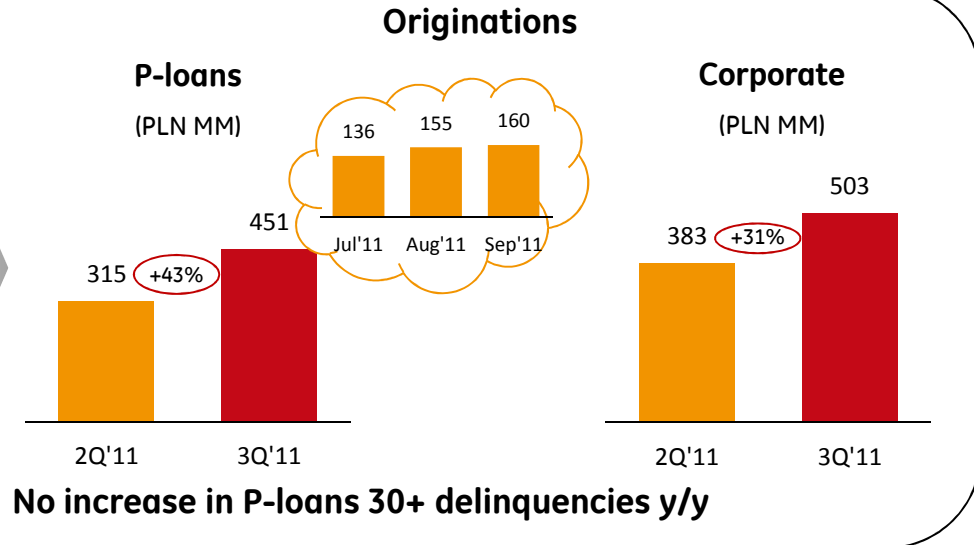
Safety & Soundness

- CAR of 13.6% ... adequate level of capital ... ceased FX mortgage lending ... no sovereign exposure outside Poland

Strategic execution



Loans



Innovations

- New products: current account *Konto Maksymalne* and cards: Visa payWave and MasterCard® Debit Gold & Visa Prepaid Launch; factoring services at pre-launch stage
- Pilot of videoexpert extended for investment products
- Distribution channels: 5 new branches in IDEO format, 8 branches modernized, 134 ATMs replaced
- New contact management systems



Investing in growth platforms

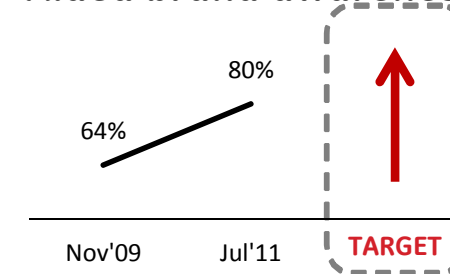
New brand positioning ...



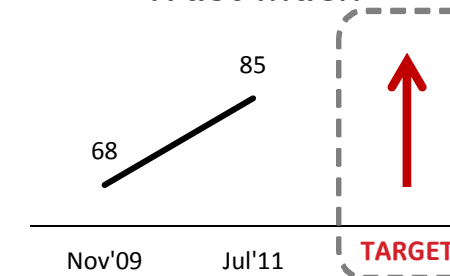
Reasons To Believe

- **Customers:** One page summary added to loan contracts highlighting its key elements (payment schedules, benefits, cancellation)
- **Employees:** HealthAhead initiative promoting healthy life style for employees and their families
- **Stakeholders:** Webcasting conferences for investors, analysts and media
- **Communities:** GE Volunteers 700 employees engaged with their families in 40 cities this year

Aided brand awareness

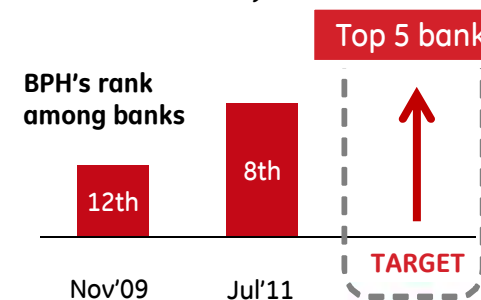


Trust Index



Brand consideration

„If you were to choose a bank now, which banks would you consider?”



New brand positioning...



Partnering with media: TVN and Onet.pl

ACTION GOAL -> to be recognized as #1 on trust & Fair Play

Action results (Sep 30 – Oct 30)

~900 stories fulfilling regulations submitted
(total submissions ~2.6 K)

12 programming entries in TVN (*Dzień Dobry TVN, Uwaga, Co za Tydzień, O tym się mówi*)

Over 152 K unique users on
www.zwyklybohater.pl

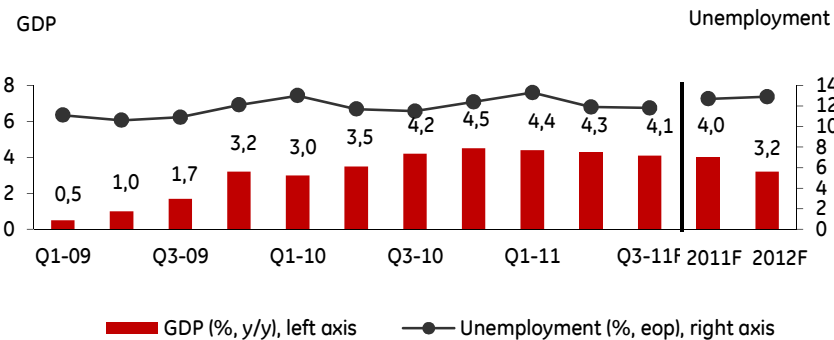
1,500 Facebook fans

Over 400 bank spots / over 500 promo trailers

Macroeconomic Situation

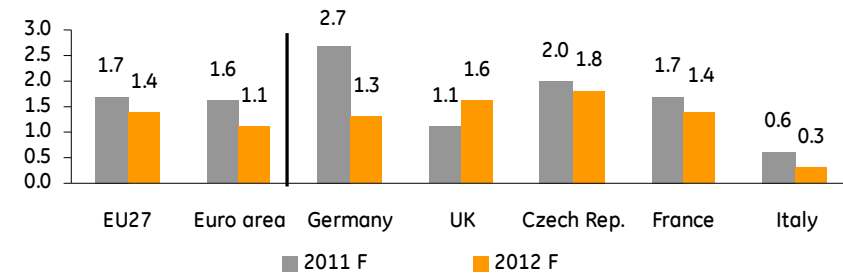
Solid GDP in 3Q, but external-driven slowdown looms

Still robust GDP figure expected in 3Q11



Worsening outlook for upcoming quarters

Real GDP growth (% y/y) - IMF October forecasts



- Only moderate consumption slowdown in 3Q11 as retail sales growth still double-digit in Sep
- Unemployment at relatively high level, despite favorable seasonal factors
- Investments dynamics expected to increase again fuelled by public investments
- Elevated inflation supported by weak zloty

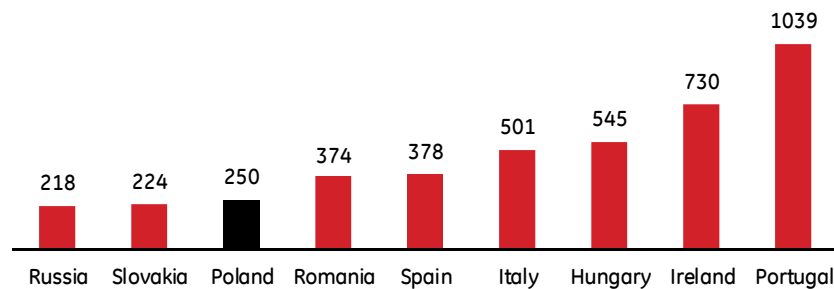
- Consumption to be affected by worsening labor market situation
- Companies reluctant to invest as economic uncertainty remains high
- 2012 budget revenues might be at risk...fiscal consolidation might be a drag on growth
- Inflation concerns might prevent interest rate cuts

Less supportive external environment and tight fiscal policy will take its toll on Polish economy

Financial turmoil might impact economy, but risks to banking sector contained

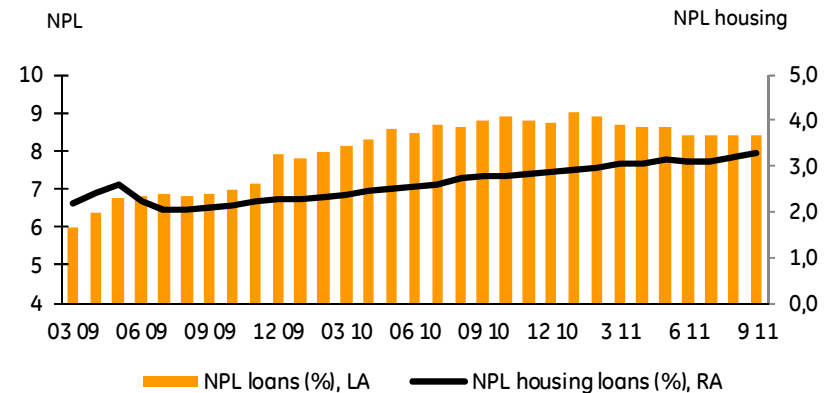
Investors' confidence towards selected countries

CDS 5Y USD (bp, November 2nd, 2011)



- Polish CDS rates higher due to sovereign debt concerns in euro zone...still indicate relative investors' confidence
- Polish bond market still solid - 10Y yield currently ~30 bp below Y/E level
- Limited sovereign exposure among Polish banks... but parent companies might have broader issues

Credit portfolio quality of banks in 3Q



- SNB set minimum exchange rate at 1.20/EUR, helping stabilize PLN vs. CHF
- Increased tensions in interbank market and more difficult bank funding led to restrictions in FX mortgage lending... but overall lending conditions have so far remained favourable

Tensions in financial markets pose downside risks for real economy

Financial Performance

Key financial performance

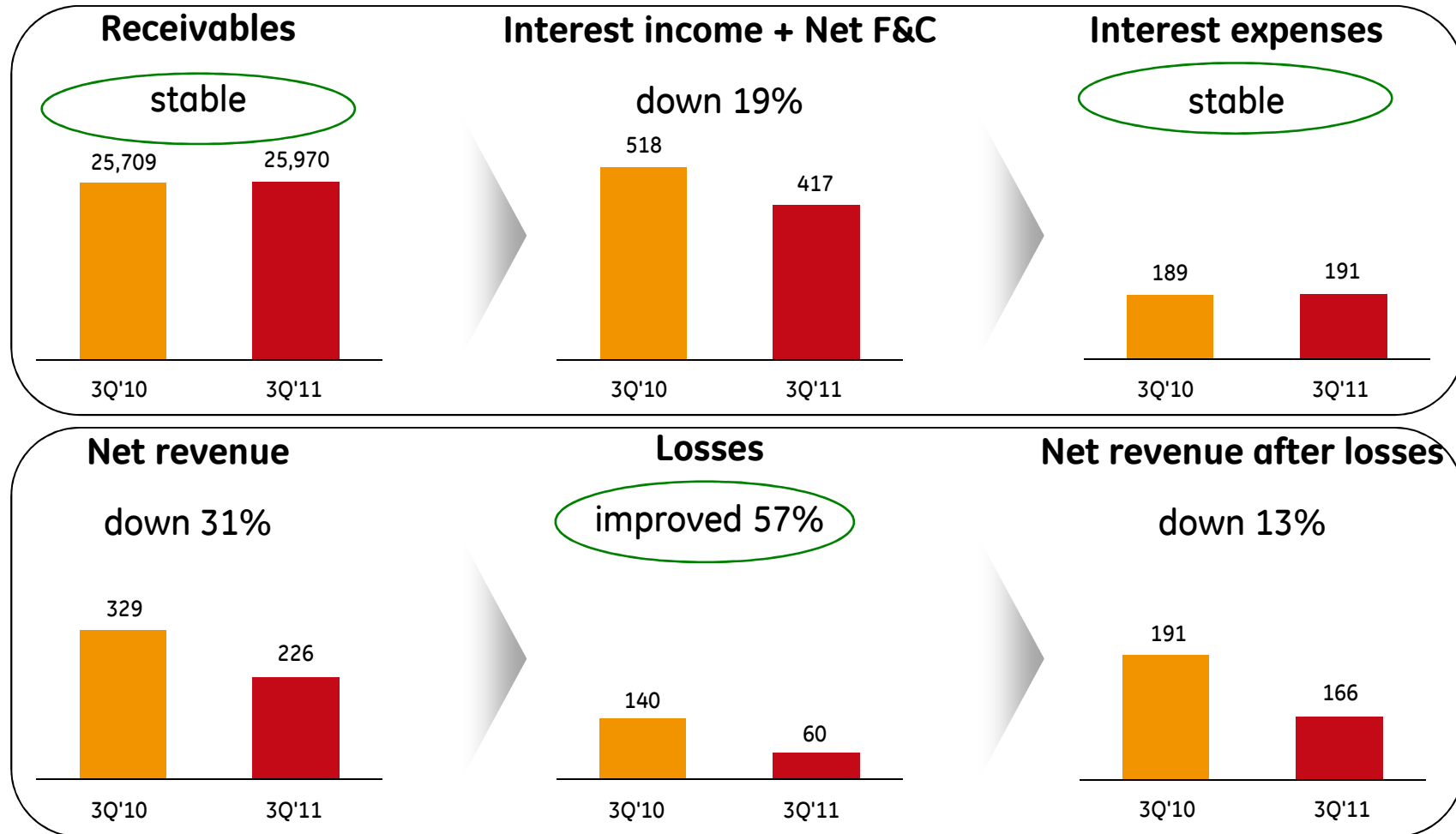
PLN MM	Q3'11	VPQ (%)	YTD	VPY (%)
Net interest income	342	+3.2%	1,007	-1.8%
Net F&C	151	-3.1%	471	-17.5%
Total net revenue*	499	+0.5%	1,499	-9.6%
Net revenue after losses**	403	-2.1%	1,201	+25.6%
Costs	-338	+0.7%	992	-14.5%
<i>Ex-restructuring & one-offs</i>	-338	-2.6%	1,020	-2.7%
Impairment charges	-96	+13.1%	-297	-57.6%
Pre-tax profit	74	-2.2%	215	+200.6%
Net income	54	-3.9%	158	+184.4%

- Profitability maintained ... 3Q'11 net income of PLN 54 MM
- Net interest income up 3% q/q ... F&C down 3%
- 3% reduction of base costs ... restructuring effects included

Declining total net revenue arrested ... working on growth

Retail business development

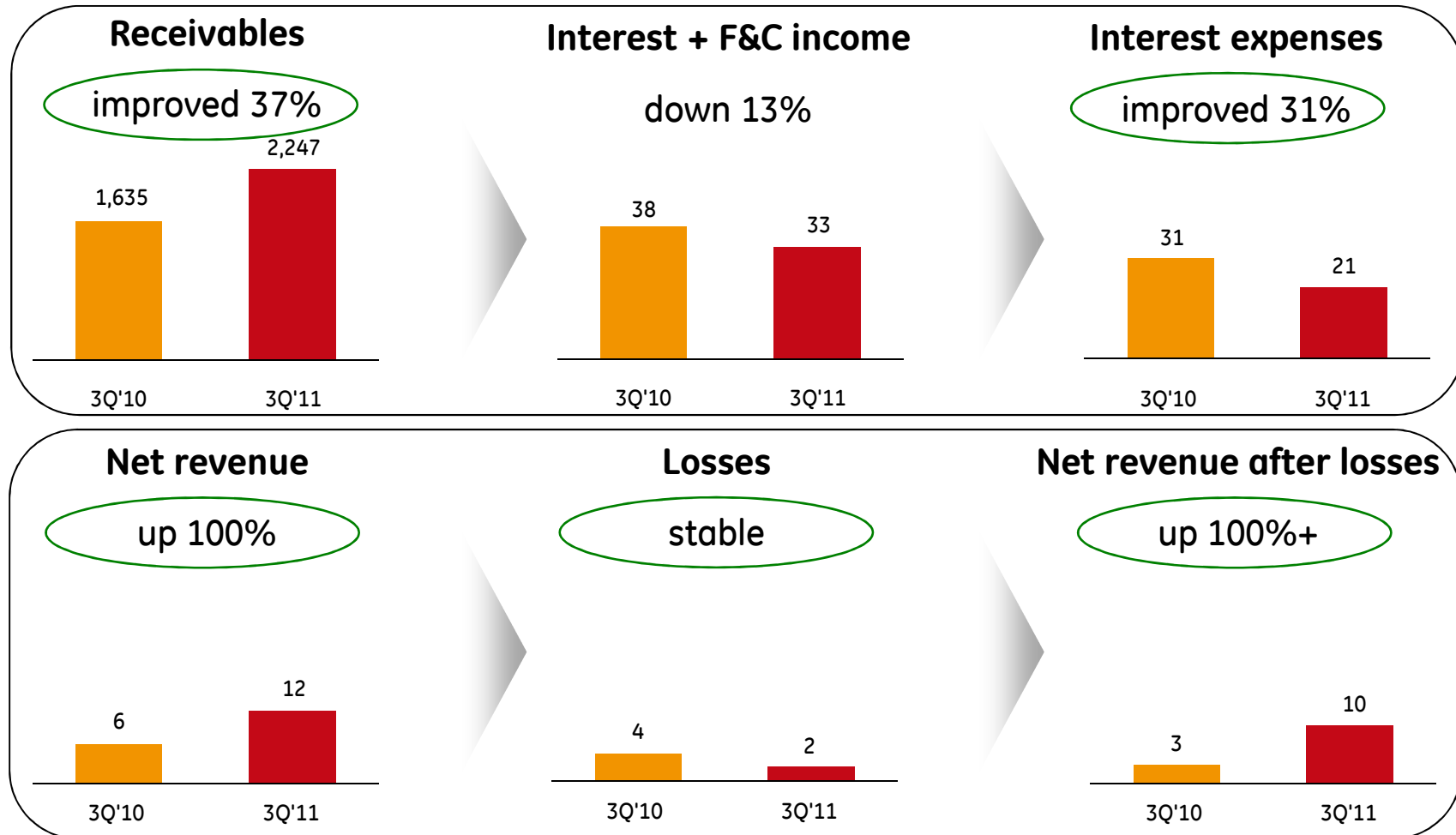
PLN MM



High quality originations

Corporate business development

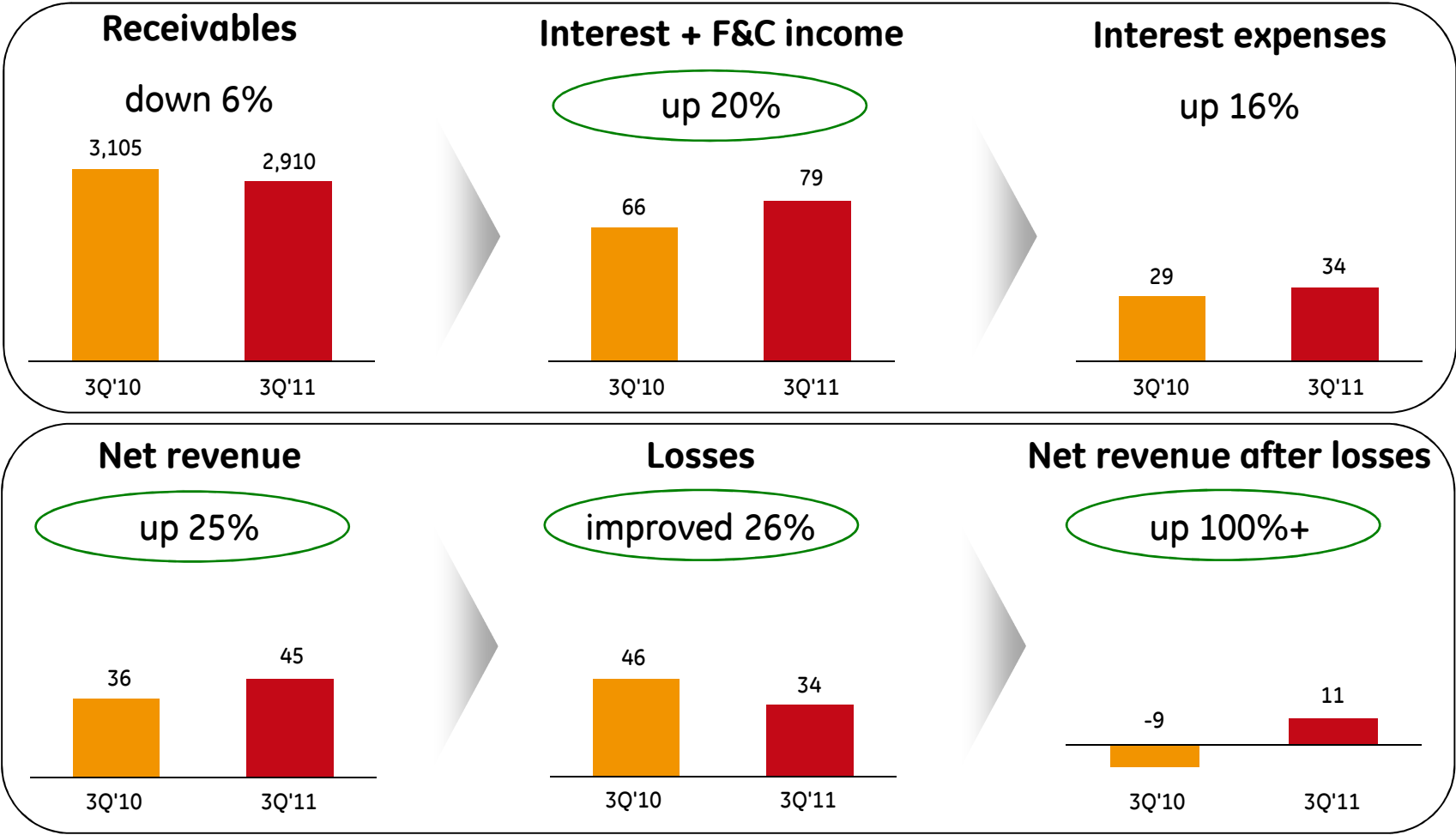
PLN MM



Y/Y lending growth driving overall improvement

SME business development

PLN MM

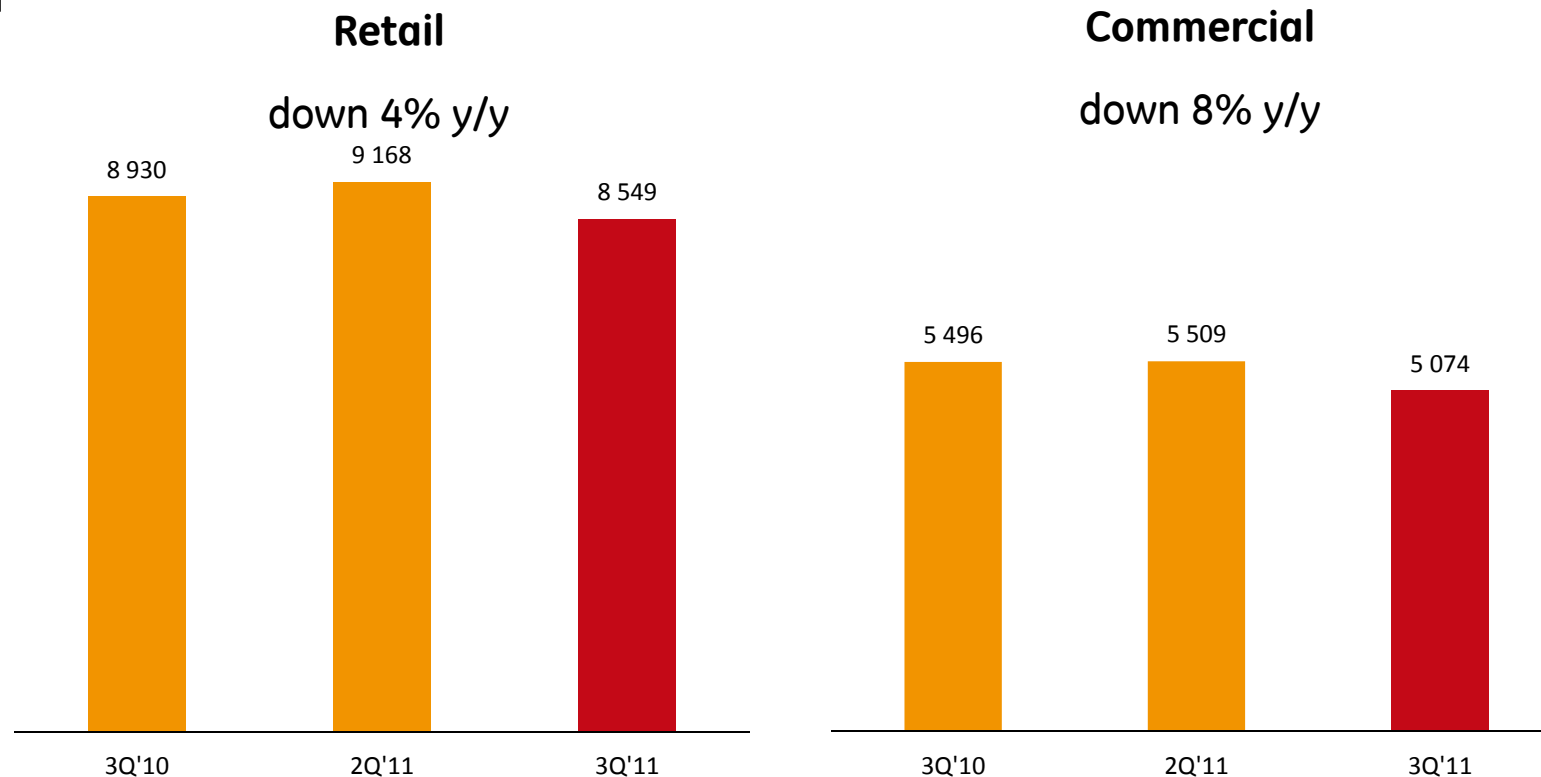


Positive early signs of turnaround



Deposits

PLN MM

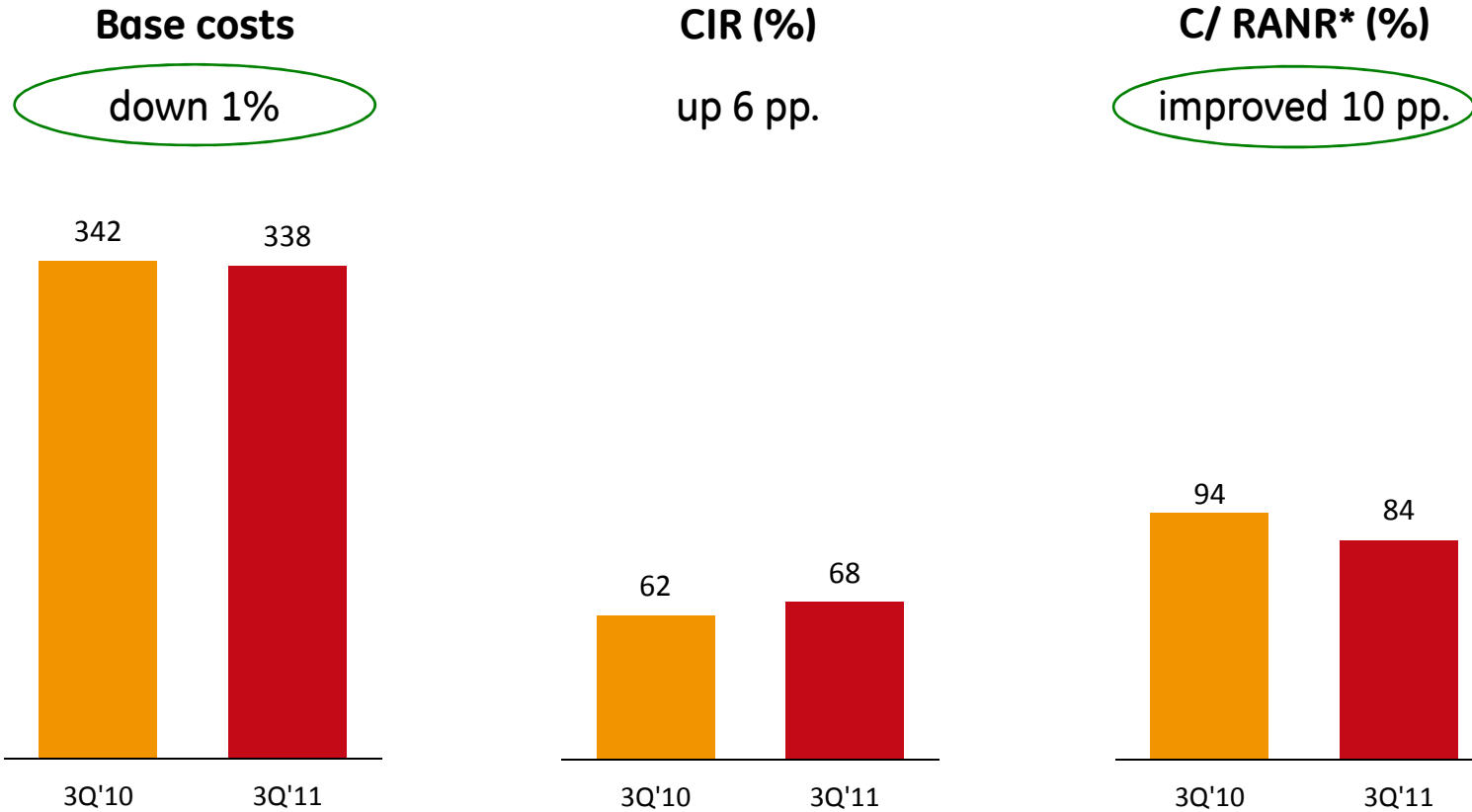


	3Q'10	2Q'11	3Q'11
Cost of deposits (%)	3.13	3.27	3.22
Average 3M WIBOR	3.82	4.43	4.72

Managing deposit base to lending book ... surplus liquidity of PLN 2B

Cost of business

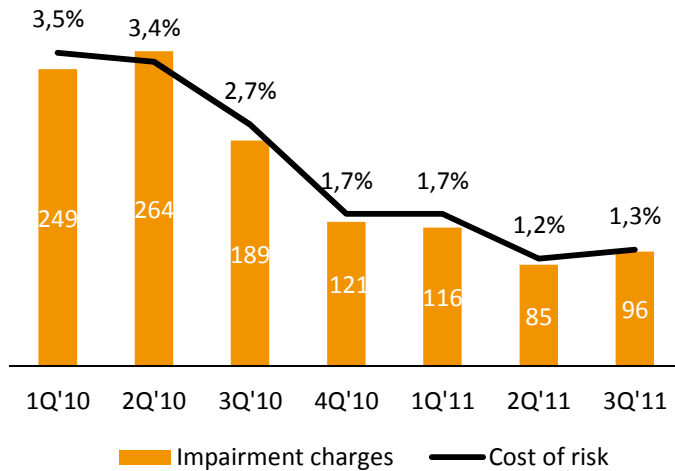
PLN MM



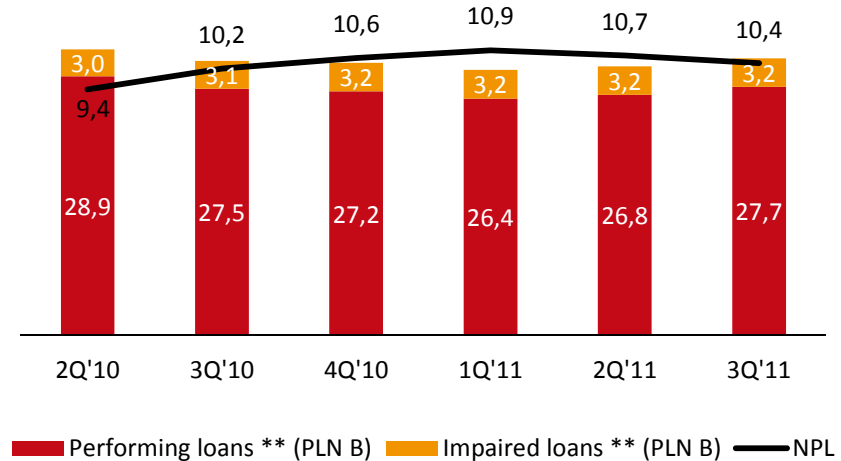
Better base costs in spite of increased marketing spending

Improved asset quality

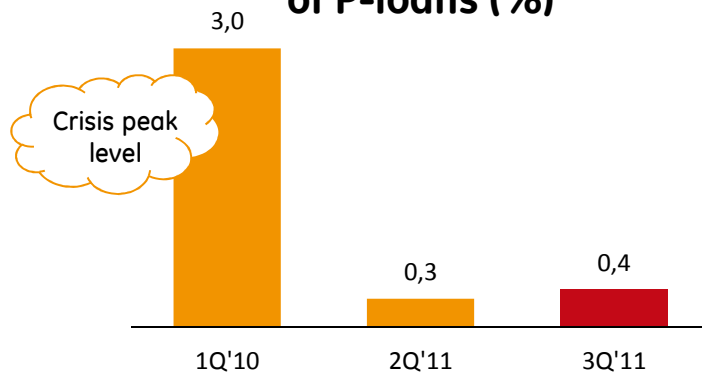
Impairment charges & cost of risk*



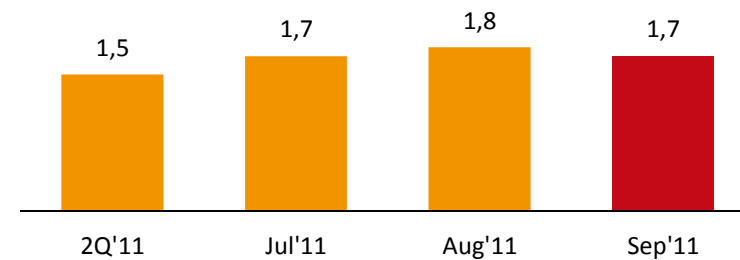
NPL ratio



30+ delinquency 3 MOB of P-loans (%)



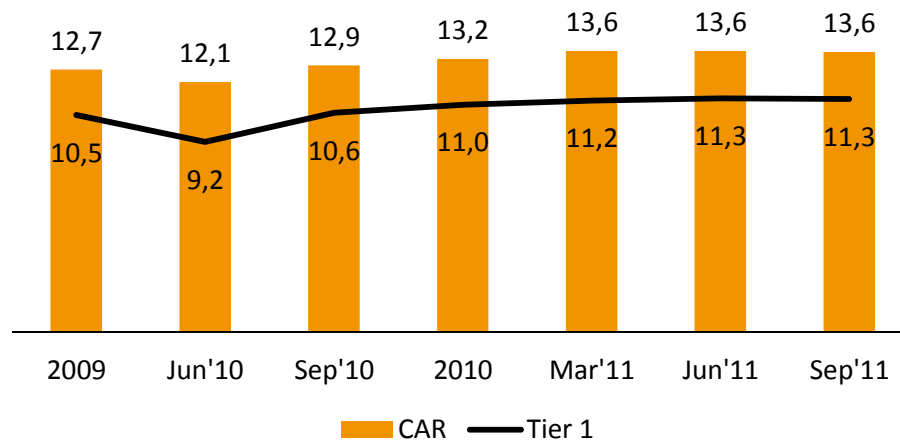
30+ delinquency of CHF mortgages (%)



Robust portfolio quality

Capital ratios well above requirements

Capital ratios (%)



- CAR at 13.6% vs. 8% regulatory minimum
- No capital action necessary to meet proposed Basel 3 requirements
- Established back-up liquidity lines with parent
- FX assets largely funded by parent

Capital (PLN B)

	2009	2Q'10	3Q'10	2010	1Q'11	2Q'11	3Q'11
Tier 1	3.2	3.1	3.1	3.2	3.2	3.2	3.3
Tier 2	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Total	3.9	3.8	3.8	3.9	3.9	3.9	4.0

Strong capital and liquidity positions

Summary

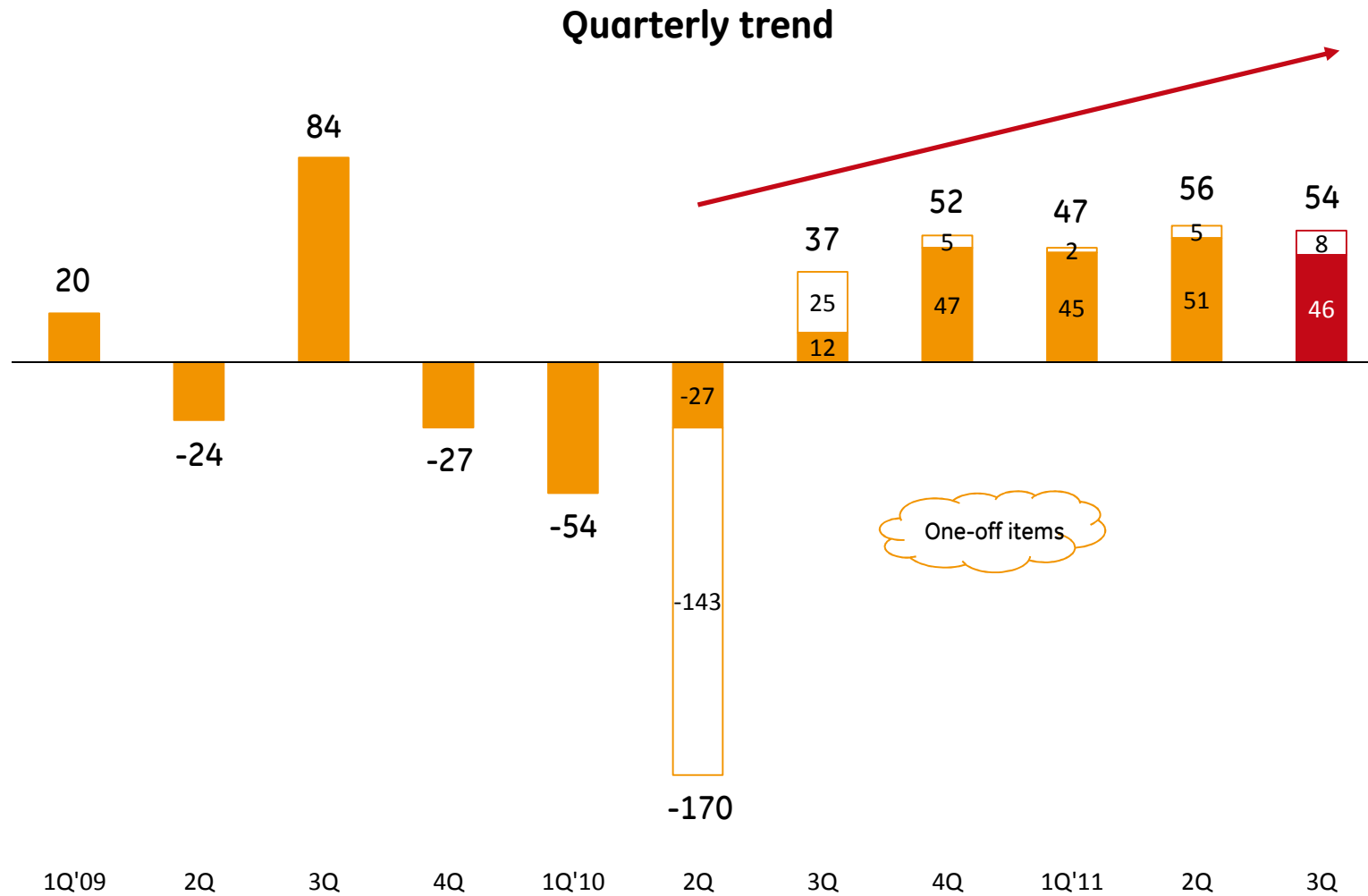
Summary

- 1 Robust growth in lending
- 2 High quality originations
- 3 Loan portfolio resistant in volatile environment
- 4 Strengthened services and distribution
- 5 Full year profitability on plan

Appendix

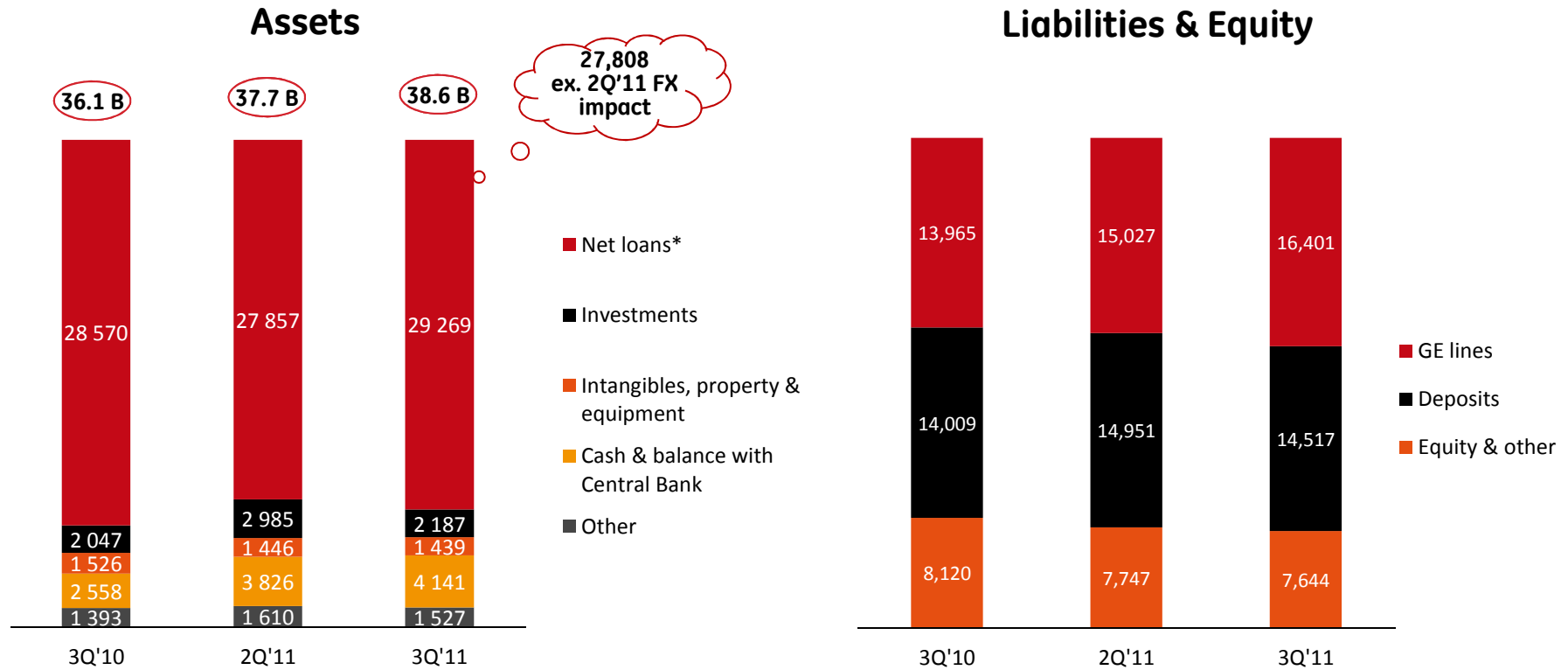
Net income development

PLN MM



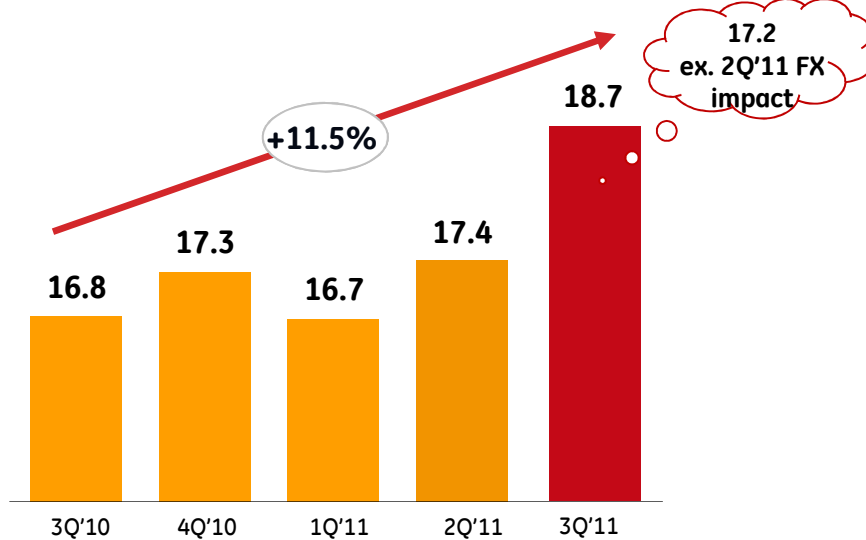
Balance sheet structure improved

PLN MM



Mortgages

Volume (PLN B)

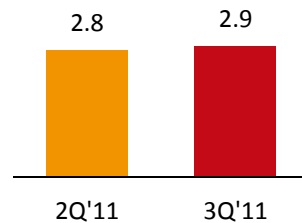


Data as of 30.09.11	Total	PLN	FX
Av. maturity* (years)	22.6	19.7	23.5
Av. Amount** (in PLN '000)	232	66	282
Av. LTV***	80%	54%	83%
Portfolio growth dynamics (Sep'11/Sep'10)	11.5%	-8.9%	14.6%

* / Contractual maturity; **/ Loans granted in 2011; ***/ Current LTV adjusted to mortgage collaterals revaluation

Impaired loans

Ratio (%)



Volume (PLN MM)

	30.09.11	v*	V* ex. FX impact
Total	540	+58	+28
PLN	207	+20	+20
FX	333	+38	+8

* / Q3'11 vs. Q2'11