

# OPEN FINANCE GROUP RESULTS AFTER THREE QUARTERS OF 2012

Presentation of financial results for  
investors and analysts

Warsaw, November 13, 2012

# BASIC FINANCIAL INFORMATION – OPEN FINANCE GROUP

## CHANGE DATA AT THE END OF THIRD QUARTER 2012

+ 26%	*	Branches (211)
+ 23%	*	Equity (317,6 mln zł)
+ 16%	**	Net profit (76,0 mln zł)
+ 27%	**	Revenue (367,2 mln zł)
+ 29%	**	EBITDA (108,5 mln zł) ***
- 6 %	**	ROE (42%) ****

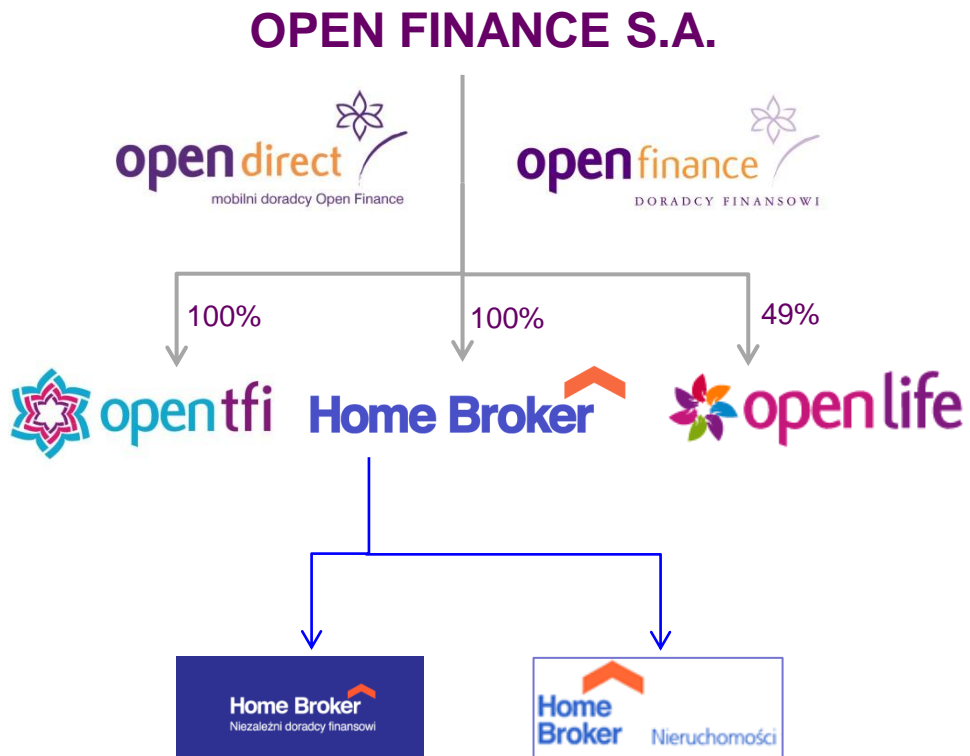
\* compared to data as at 31 December 2011

\*\* compared to data for the period of 3Q 2011

\*\*\* EBITDA - earnings before interest, tax, depreciation and amortisation

\*\*\*\* ROE - return on equity calculated as relation of annualised net profit for the period to equity as at the beginning of the period

# CURRENT STRUCTURE OF OPEN FINANCE GROUP



## Open Finance before IPO

- two distribution channels: regular branches and mobile branches;
- two operating segments: mortgage products and investment products.

## Open Finance currently

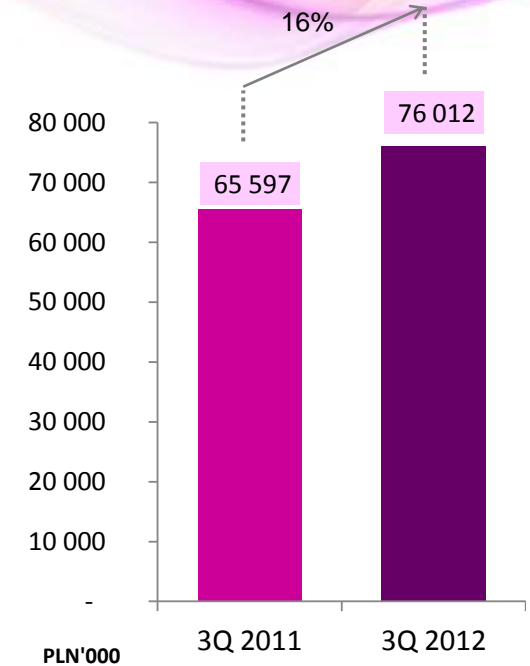
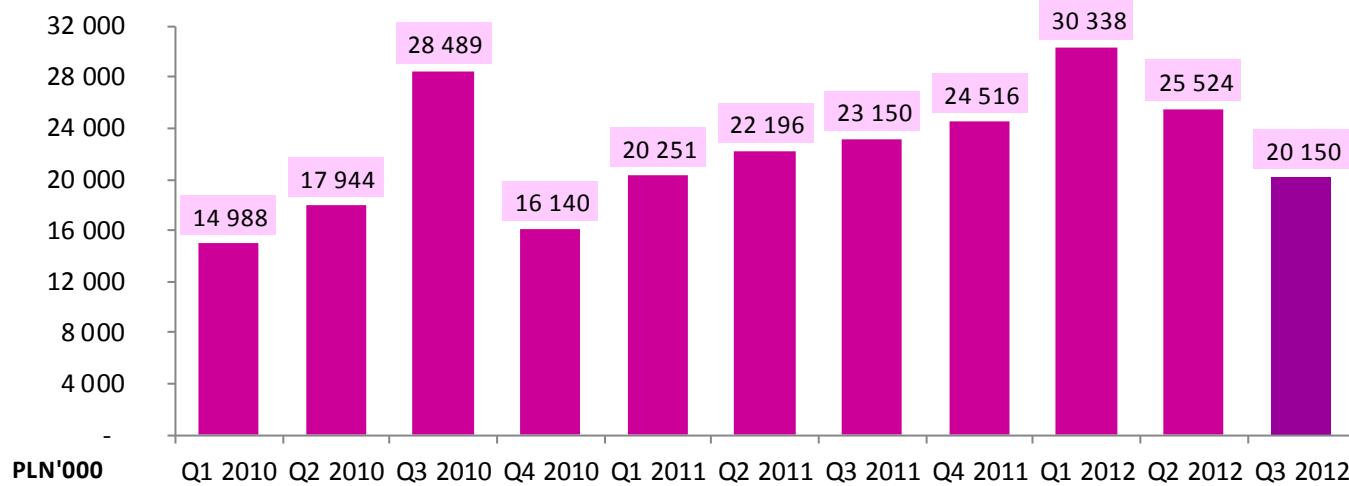
- new operating segments: real estate intermediary, „life” insurance and investment funds;
- diversification of sources of revenue;
- better client conversion ratio;
- longer period of direct contact with the client;
- more cross-sell points.

# MISSION STATEMENT

## OUR MISSION

- We are building the Financial Group – an unquestioned leader in its category in Central and Eastern Europe
- Households are our only target Clients
- We aim to deliver dedicated and tailored product offer:
  - a) intermediation in respect of mortgages (financing of real estate) – Open Finance and Home Broker
  - b) advisory and intermediation in respect of investment products – Open Finance and Home Broker:
    - I. regular, long-term savings;
    - II. deposits and structured products with capital guarantee
  - c) life insurance products – Open Life
  - d) advisory and intermediation in respect of sale of real estate – Home Broker
  - e) portfolio asset-management „for everyone" – Open Finance and Home Broker
  - f) own, dedicated investment funds – Open Finance TFI
- Our ambition is to deliver our services to as many households as possible
- We target to deliver Investors both dividend and growth investment profile.

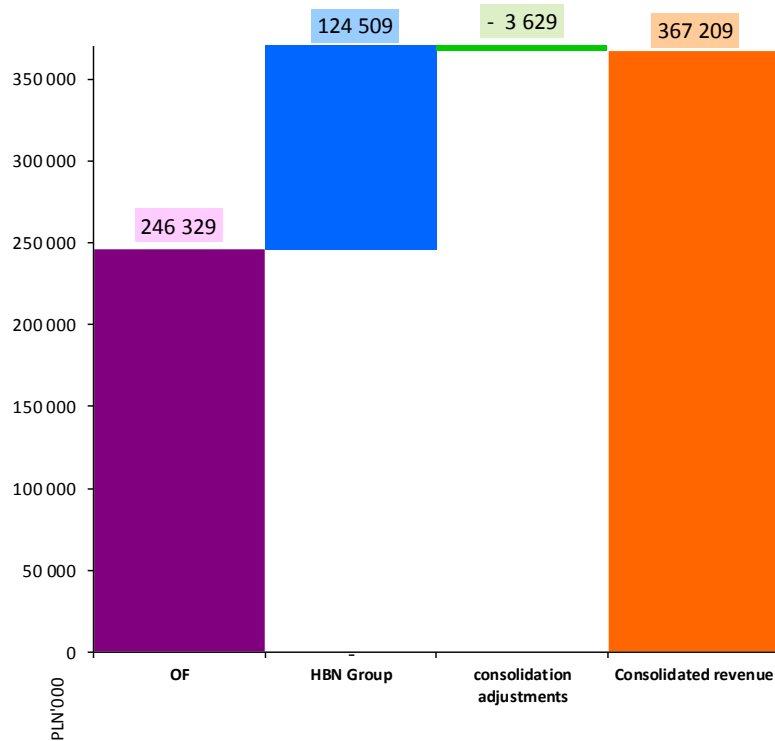
# CONSOLIDATED NET PROFIT OF OPEN FINANCE GROUP



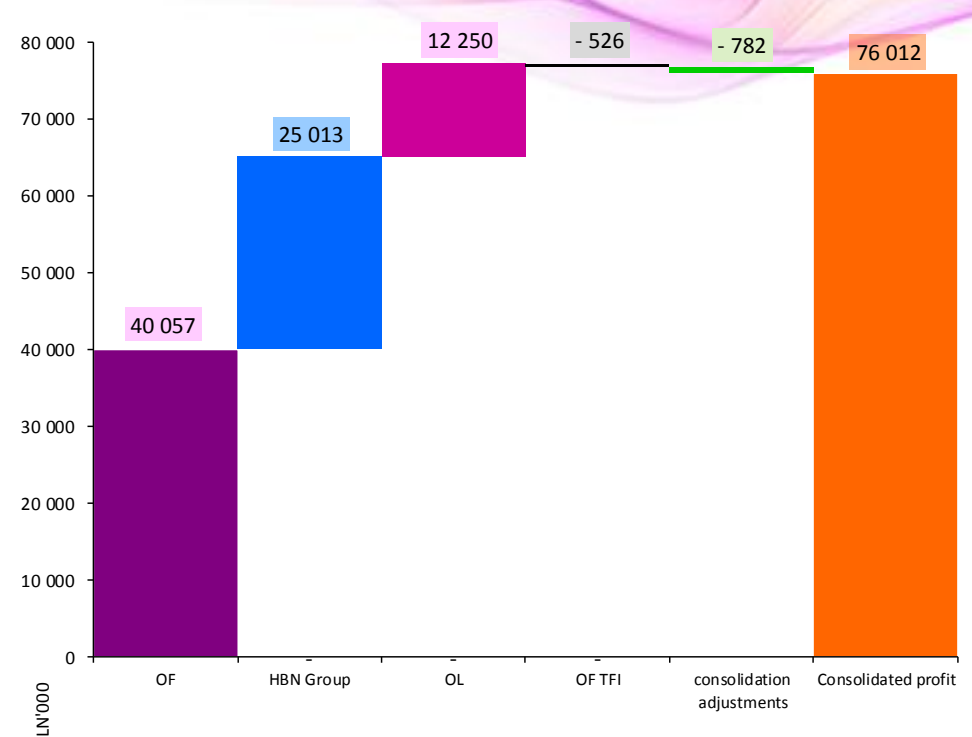
- The net profit earned by the Group in 3Q 2012 amounted to PLN 76 012 thousand and is 16% higher than Open Finance (standalone) net profit earned in 3Q 2011.

# CONTRIBUTION OF EACH COMPANY TO CONSOLIDATED RESULTS OF OPEN FINANCE GROUP

COMPANIES' CONTRIBUTION TO THE CONSOLIDATED REVENUE IN 3Q 2012



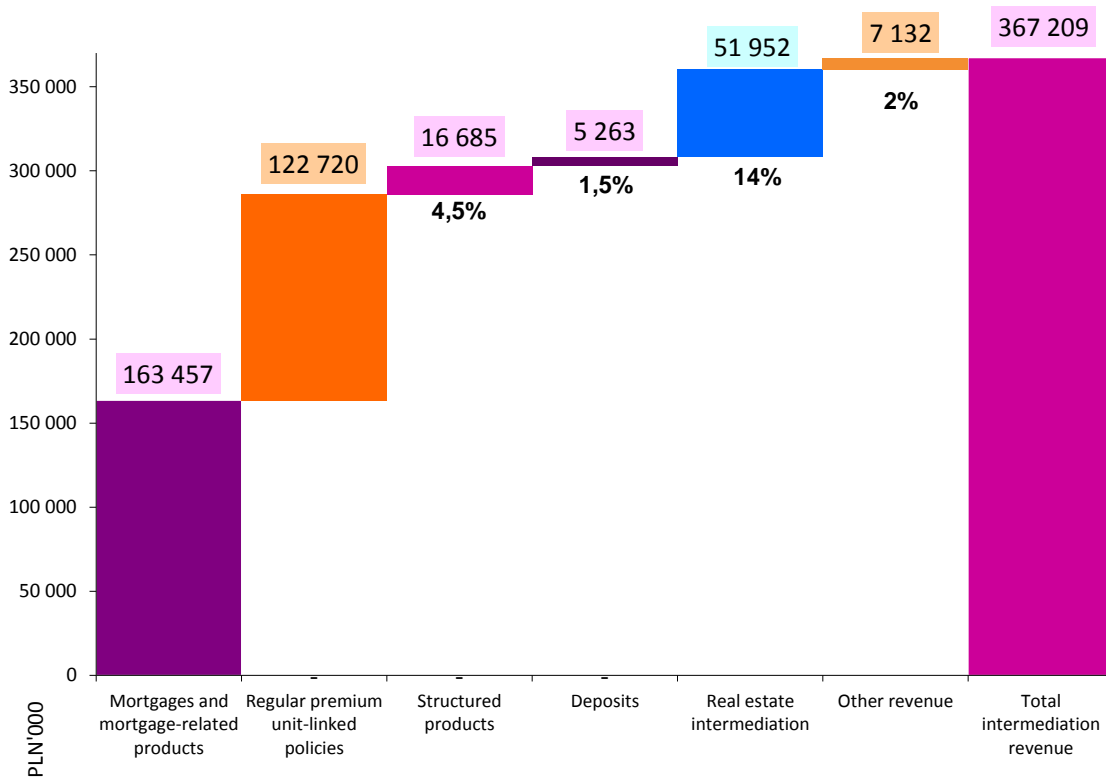
COMPANIES' CONTRIBUTION TO THE CONSOLIDATED PROFIT IN 3Q 2012



- In 3Q 2011 Open Finance did not form a capital group. In that period the standalone results of the Company are equal to the consolidated figures.
- Results of Open Life TUnŻ S.A. (OL) are accounted for in the consolidated net result of Open Finance Group using equity method; Open Life is not subject to full consolidation, thus Group's revenue does not include that of Open Life TUnŻ S.A. The net profit assigned to Open Life TUnŻ S.A. of PLN 12 250 thousand represents 49% of the net result of that Company earned in 3Q 2012.
- OF TFI Company obtained approval from the FSA on 9 October 2012 for the management of funds and began operations.

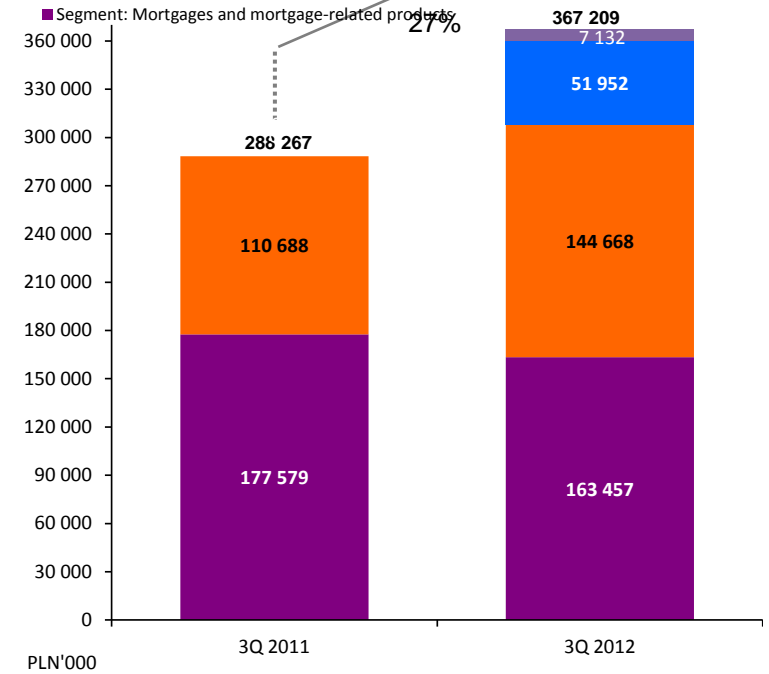
# REVENUE STRUCTURE - OPEN FINANCE GROUP

**BREAKDOWN OF INTERMEDIATION REVENUE IN 3Q 2012**

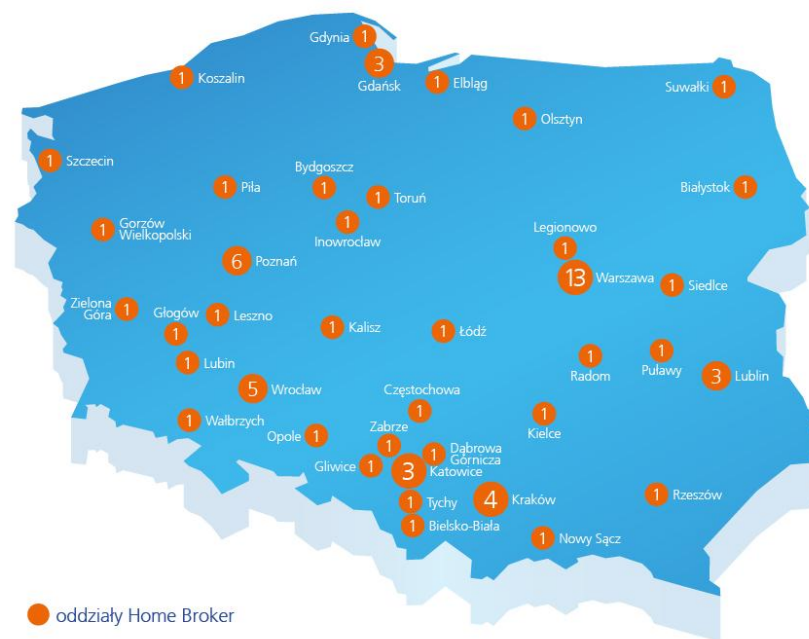


## INTERMEDIATION REVENUE

- Other revenue
- Segment: Real estate intermediation
- Segment: Investment products
- Segment: Mortgages and mortgage-related products



# CHAIN OF SALES IN OPEN FINANCE GROUP



Number of branches	31 December 2011 (*)	30 September 2012 (*)
OF financial advisors	947	1108
HB financial advisors	390	390
HB real estate agents	500	595
<b>Total</b>	<b>1 837</b>	<b>2 093</b>

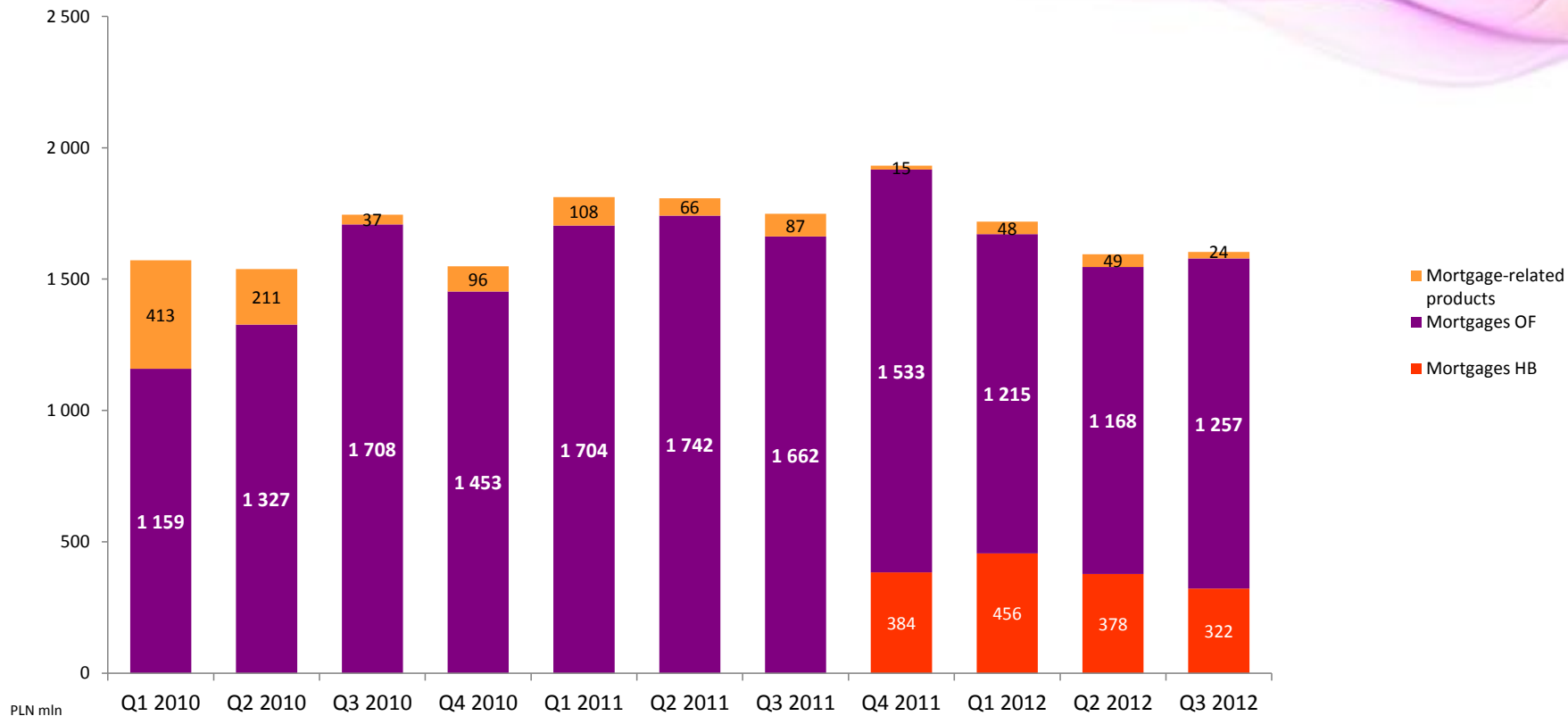
(\*) employment as at exact date

Number of branches	31 December 2011	30 September 2012
Open Finance	114	140
Home Broker	53	71
<b>Total</b>	<b>167</b>	<b>211</b>



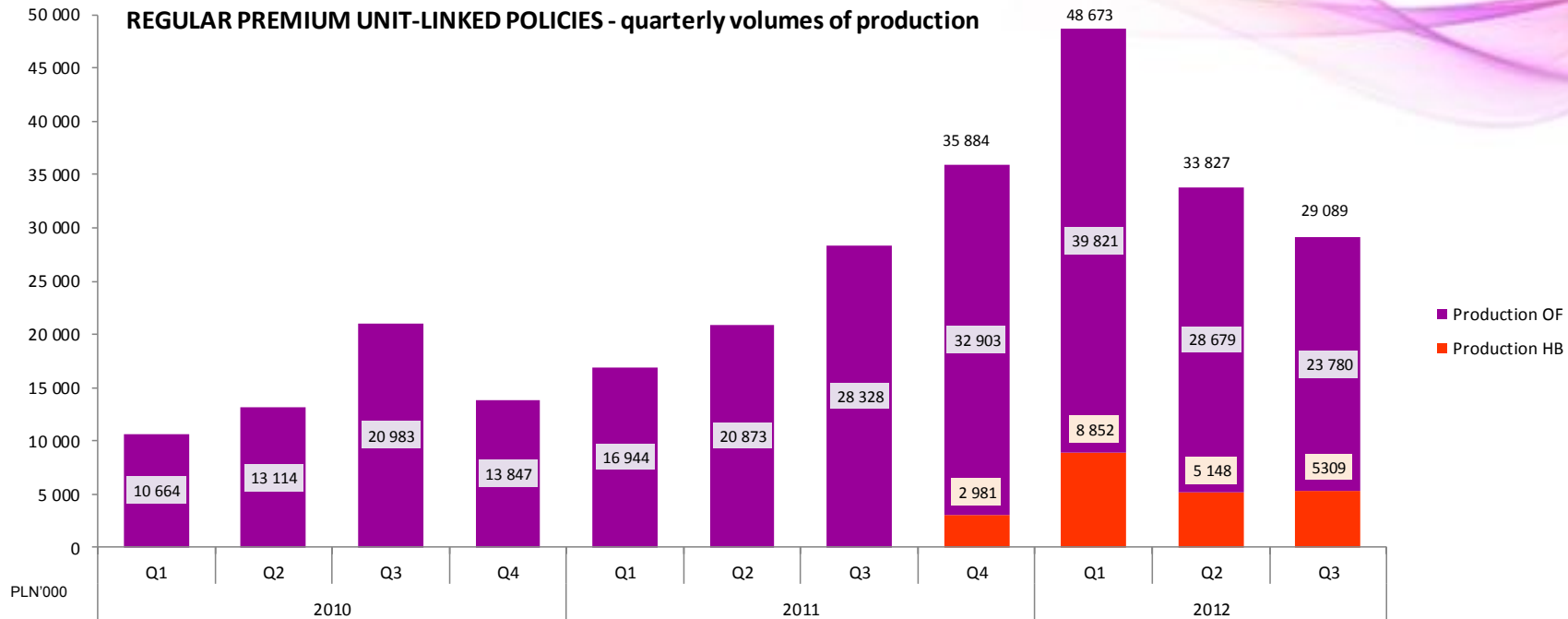
# SALES OF MORTGAGE AND MORTGAGE-RELATED PRODUCTS - OPEN FINANCE GROUP

## QUARTERLY VOLUMES OF MORTGAGES AND MORTGAGE-RELATED PRODUCTS SOLD

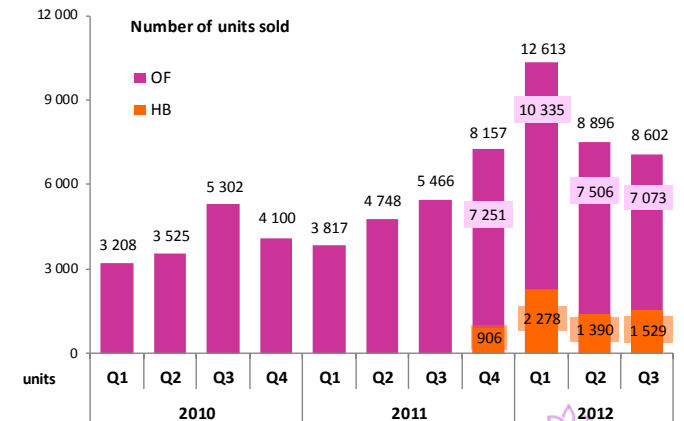


- The noted decrease in mortgage volumes was caused by:
  - changes in the conditions of the „Rodzina na Swoim” program;
  - further exacerbation of regulations issued by Financial Supervision Commission for banks;
  - concerns about the macroeconomic situation.

# SALES OF REGULAR PREMIUM UNIT-LINKED POLICIES – OPEN FINANCE GROUP

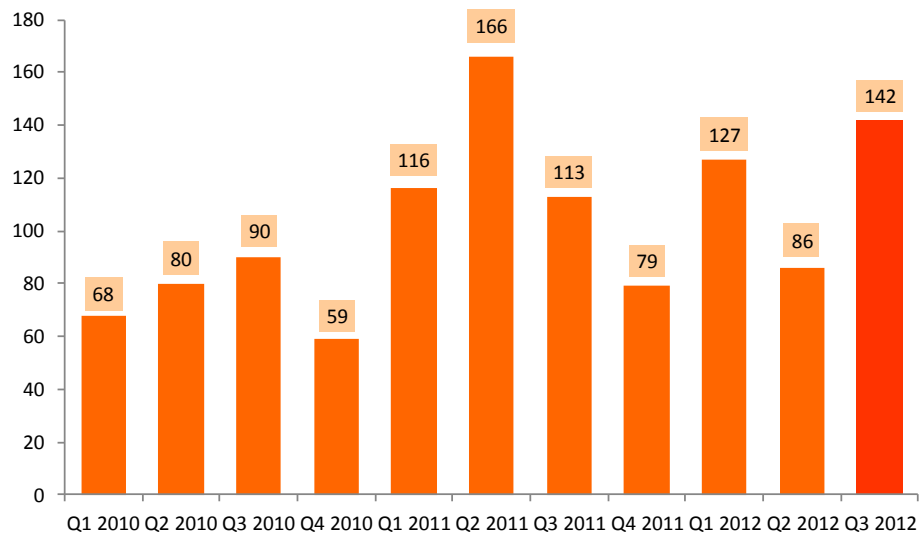


- „Volumes of production” means „first year declared premiums” adjusted by historical closing ratio.
- Sales of regular premium unit-linked policies rose in 3Q 2012 (compared to 3Q 2011) by 69% in terms of value of policies sold by the Group and by 115% in terms of number of policies sold.
- Currently the most popular among customers are products that allow them to save for retirement.



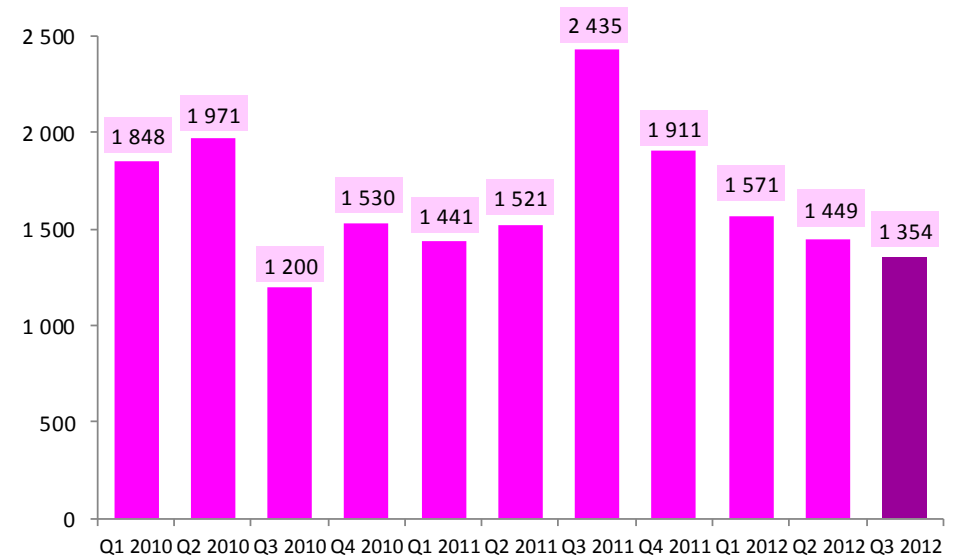
# SALES OF OTHER INVESTMENT PRODUCTS – OPEN FINANCE GROUP

VOLUMES OF STRUCTURED PRODUCTS SOLD



PLN mln

VOLUMES OF DEPOSITS SOLD

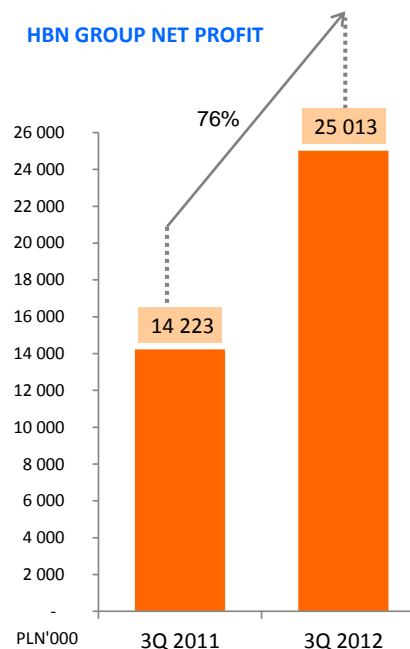
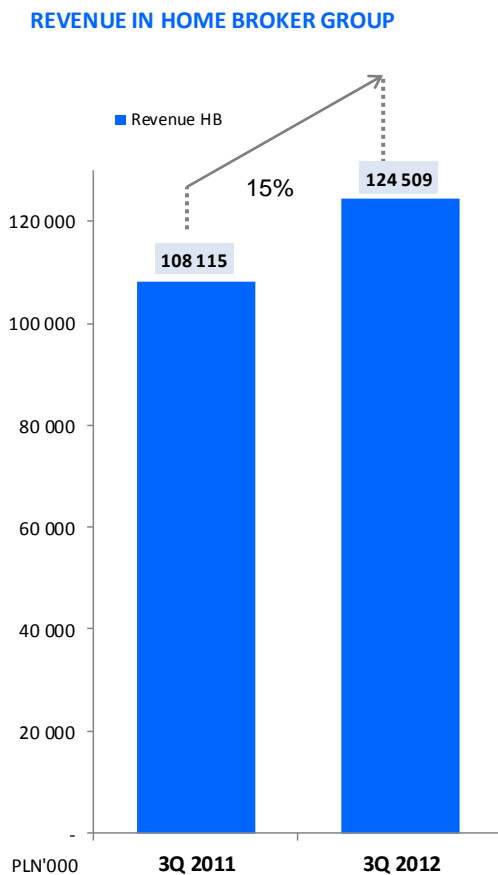


PLN mln

- Collected deposits constitute an excellent base for cross-sell of regular premium unit-linked policies and structured products.
- The sales of PLN 142 mln regarding single-premium investment products comprise both high-margin structured investments as well as bonds.

# HOME BROKER

# REVENUE STRUCTURE IN HOME BROKER GROUP

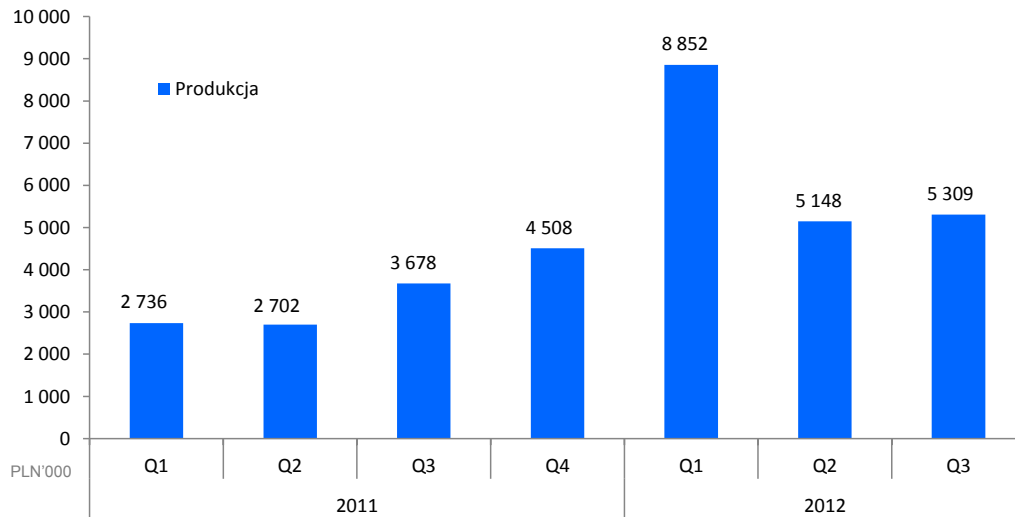


- In 3Q 2012 Home Broker Group's net profit increased by 76% from PLN 14 223 thousand in 3Q 2011 to PLN 25 013 thousand in 3Q 2012.
- After 3 quarters of 2012 the Home Broker Group's revenue increased by 15% compared to the same period of 2011.

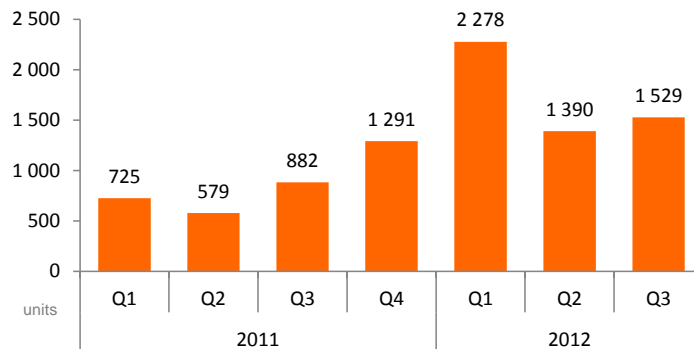
# SALES VOLUMES IN HOME BROKER GROUP

## - FINANCIAL PRODUCTS

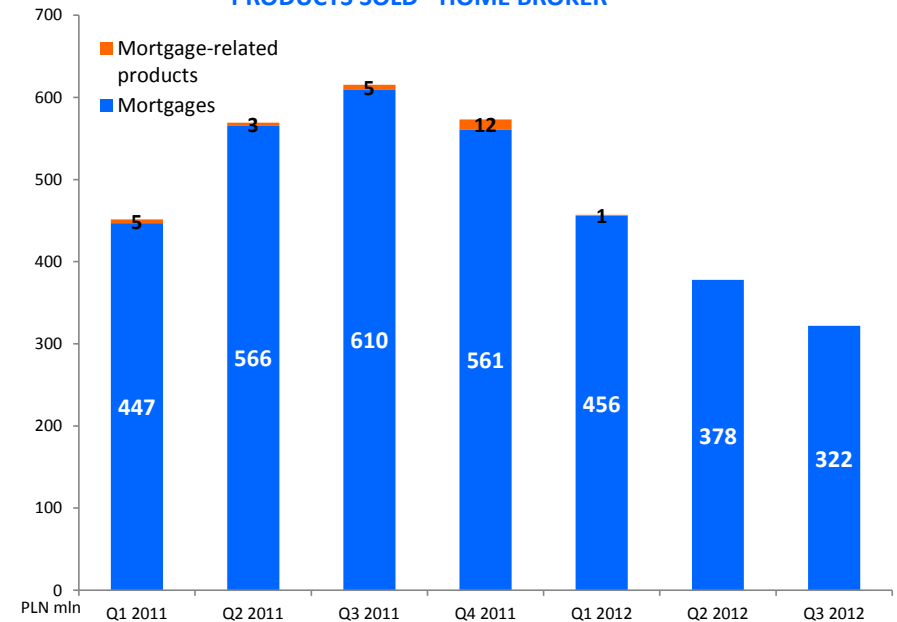
### REGULAR PREMIUM UNIT-LINKED POLICIES - quarterly volumes - Home Broker



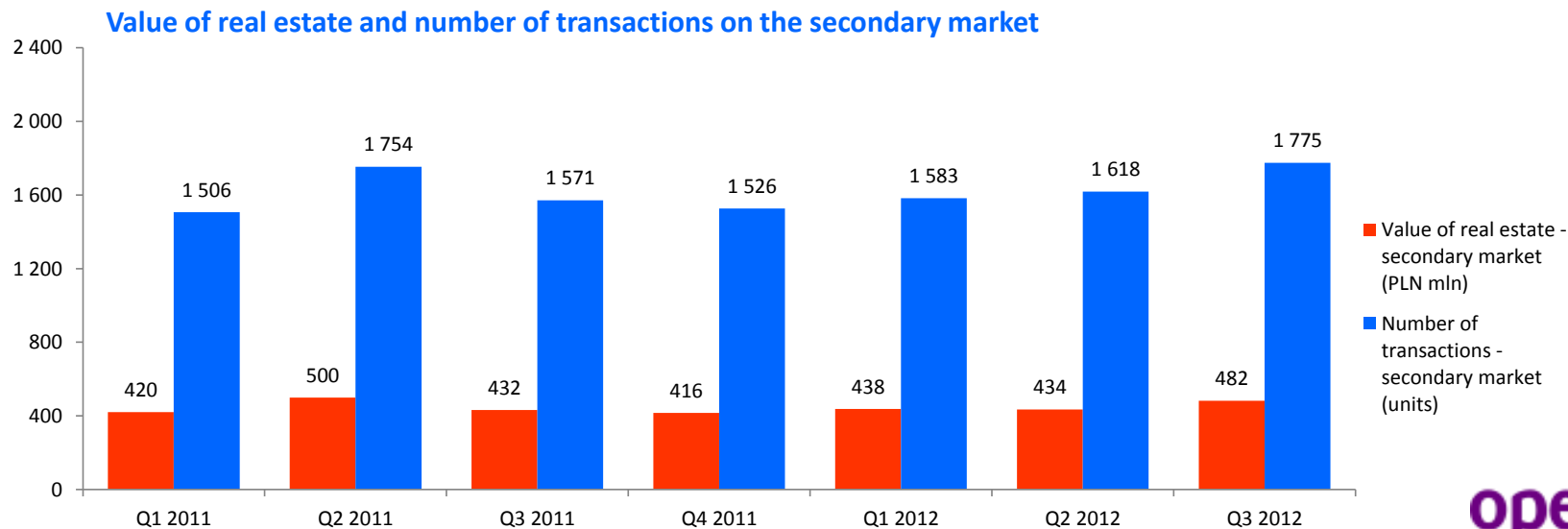
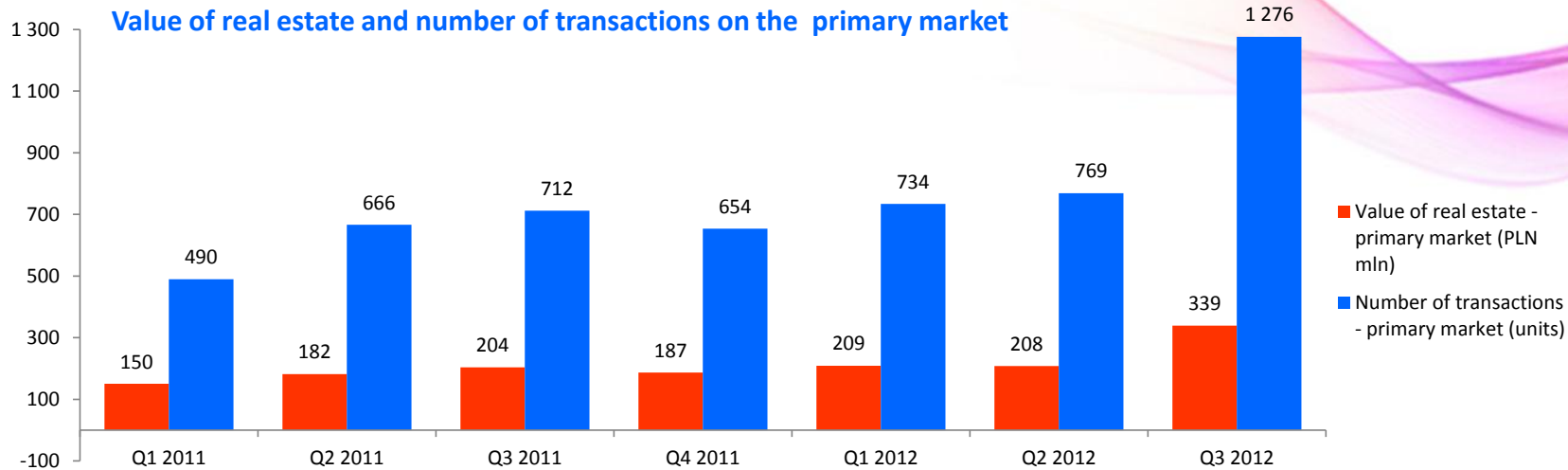
### Number of regular premium unit-linked policies sold in each quarter



### QUARTERLY VOLUMES OF MORTGAGES AND MORTGAGE-RELATED PRODUCTS SOLD - HOME BROKER



# SALES VOLUMES IN HOME BROKER GROUP - REAL ESTATE





# OPEN FINANCE TFI







# OPEN FINANCE TFI

## COMPANY STATUS:

- Completion of the licensing process – FSA permission to start Open Finance TFI SA and create Investment Fund with separate subfunds;
- Completed operational preparation;
- Prepared innovative product offer with market launch strategy;
- Start of accepting purchase and redemption orders for participation units in Open – End Investment Fund with separate subfunds.

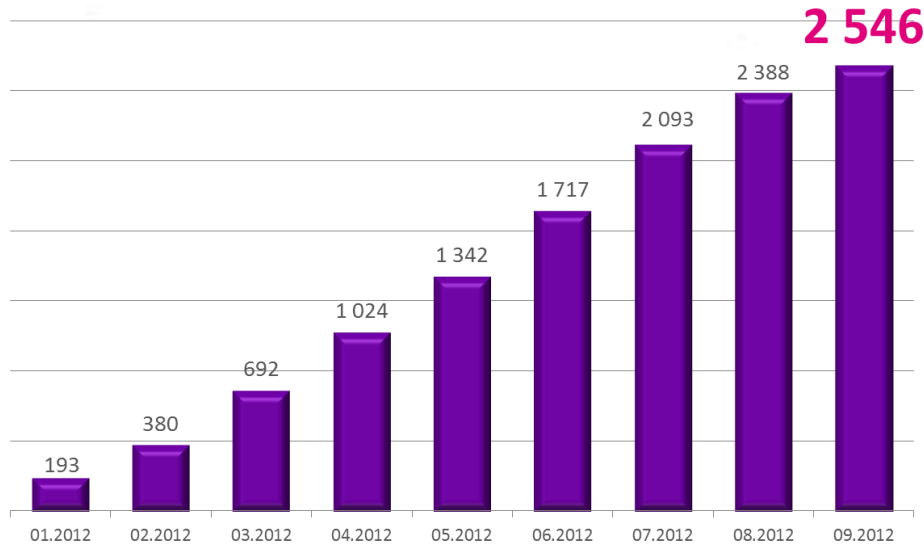
# OPEN LIFE



# OPEN LIFE IN THE STRUCTURES OF OPEN FINANCE GROUP



Gross written premium cumulatively [PLN mln]



## Targets for 2012:

1. Increase the number of cooperating Partners
2. Start construction of the multiagent channel
3. Start a Agent Project
4. Category Killers - 2

## Financial data:

- |   |                     |
|---|---------------------|
| 1. Net profit (in accordance with IAS/IFRS) | <b>25,4 mln PLN</b> |
| 2. Number of Clients                        | <b>113 thousand</b> |
| 3. Share capital                            | <b>80,5 m PLN</b>   |
| 4. „Assets to technical provisions” ratio   | <b>120%</b>         |
| 5. „Own funds to solvency margin” ratio     | <b>170%</b>         |

## Cooperating Partners:

- |                        |                                      |
|------------------------|--------------------------------------|
| PKO Bank Polski        | Noble Securities                     |
| Bank Pocztowy          | BZ WBK TFI                           |
| Deutsche Bank          | Union Investment TFI                 |
| Getin Noble Bank       | Noble Funds TFI                      |
| Idea Bank              | Legg Mason TFI                       |
| Expander               | Schroder ISF                         |
| Infinity 8             | Opera TFI                            |
| HB Doradcy Finansowi   | AXA TFI                              |
| Idea Expert            | TFI Investors                        |
| Atlantic Fund Services | KBC TFI                              |
| ProService AT          | Allianz Global Investors Europe GmbH |
| PKO BP Finat           | Idea TFI                             |
| Open Finance S.A.      | PKO TFI                              |
| SUPERFUND TFI          | TC Doradcy Finansowi                 |





OPEN FINANCE GROUP  
FINANCIAL RESULTS AFTER 3Q 2012

# CONSOLIDATED ASSETS, PROFIT AND LOSS OF OPEN FINANCE GROUP

PLN'000	30.09.2012	31.12.2011	Change	
			value	%
<b>ASSETS</b>				
<b>Fixed assets</b>	<b>472 878</b>	<b>420 930</b>	<b>51 948</b>	<b>12%</b>
Tangible and intangible fixed assets	409 557	395 454	14 103	3,6%
Investment in associate - Open Life	38 466	11 516	26 950	234%
Investment property	19 443	9 418	10 025	106%
Deferred tax asset	558	1 879	(1 321)	-70%
Other long term receivables	4 394	2 459	1 935	79%
Other non-financial long term assets	460	204	256	125%
<b>Current assets</b>	<b>210 729</b>	<b>178 264</b>	<b>32 465</b>	<b>18%</b>
Trade receivables	64 447	36 033	28 414	79%
Interperiod settlements	97 948	85 631	12 317	14%
Cash and cash equivalents	40 518	47 769	(7 251)	-15%
Other	7 816	8 831	(1 015)	-11%
<b>TOTAL ASSETS</b>	<b>683 607</b>	<b>599 194</b>	<b>84 413</b>	<b>14,1%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Equity</b>	<b>317 603</b>	<b>257 792</b>	<b>59 811</b>	<b>23%</b>
Share capital	542	542	-	0%
Other reserve capital	231 514	161 947	69 567	43%
Retained earnings	85 547	95 303	(9 756)	-10%
<b>Liabilities</b>	<b>366 004</b>	<b>341 402</b>	<b>24 602</b>	<b>7%</b>
Deferred tax provision	16 842	9 607	7 235	75%
Provisions	218	218	-	-
Financial lease liabilities	2 451	2 112	339	16%
Issued bonds	77 402	30 657	46 745	152%
Financial liabilities at fair value through profit or loss	167 294	164 230	3 064	0
Trade liabilities	14 797	9 358	5 439	58%
Interperiod settlements	48 511	59 158	(10 647)	-18%
Corporate income tax payable	1 081	1 731	(650)	-38%
Other non-financial liabilities	37 408	64 331	(26 923)	-42%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>683 607</b>	<b>599 194</b>	<b>84 413</b>	<b>14,1%</b>

PLN'000	1.01.2012- 30.09.2012	1.01.2011- 30.09.2011	Change	
			value	%
Revenue	367 209	288 267	78 942	27%
Costs of commissions paid	(109 448)	(92 483)	(16 965)	18%
<b>Gross result</b>	<b>257 761</b>	<b>195 784</b>	<b>61 977</b>	<b>32%</b>
Administrative costs	(165 717)	(115 340)	(50 377)	44%
Result on other operating activity	4 181	4 358	(177)	-4%
Share in associate's profit - Open Life	12 250	(879)	13 129	n/a
<b>EBITDA</b>	<b>108 475</b>	<b>83 923</b>	<b>24 552</b>	<b>29%</b>
Depreciation and amortisation	(11 257)	(6 094)	(5 163)	85%
Result on financial activity	(5 570)	3 752	(9 322)	-248%
<b>Gross profit</b>	<b>91 648</b>	<b>81 581</b>	<b>10 067</b>	<b>12%</b>
Income tax	(15 636)	(15 984)	348	-2%
<b>Net profit</b>	<b>76 012</b>	<b>65 597</b>	<b>10 415</b>	<b>16%</b>

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