

OPEN FINANCE GROUP RESULTS AFTER FIRST QUARTER OF 2014

Presentation of financial results for investors and analysts

Warsaw, May 14, 2014

BASIC FINANCIAL INFORMATION - OPEN FINANCE GROUP

CHANGE		DATA AT THE END OF FIRST QUARTER OF 2014
- 7,2%	*	Branches (206)
+ 1,5 %	*	Equity (423,9 mln zł)*****
- 48,6 %	**	Net profit (6,2 mln zł)*****
- 8,3 %	**	Revenue (96 mln zł)
- 21,7 %	**	EBITDA (18,7 mln zł) ***
- 7,4 p.p.	**	ROE (6%) ****

* compared to data as at 31 December 2013

** compared to data for the period of 1Q 2013

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

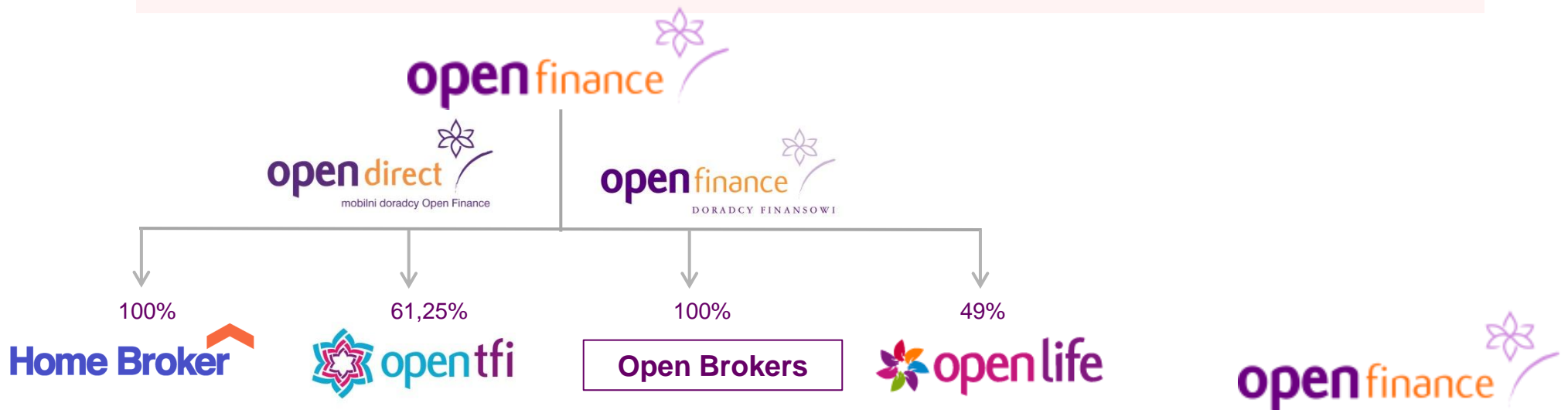
**** ROE - return on equity calculated as relation of annualised net profit for the period to equity as at the beginning of the period

***** attributable to shareholders of the parent company

MISSION STATEMENT AND ORGANIZATION STRUCTURE OF THE GROUP

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, our ambition is to deliver our services to as many households as possible
- 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
- We target to deliver Investors both dividend and growth investment profile



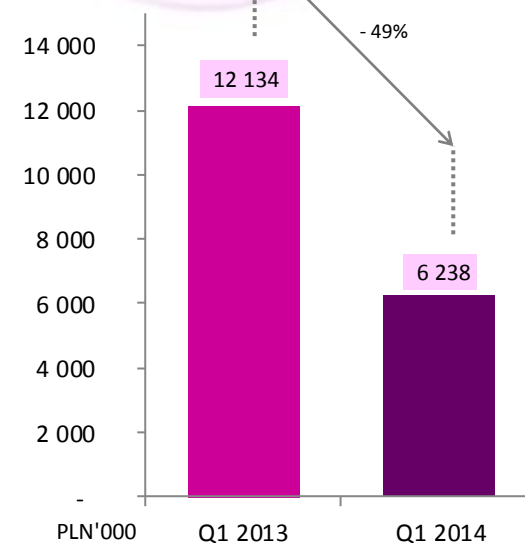
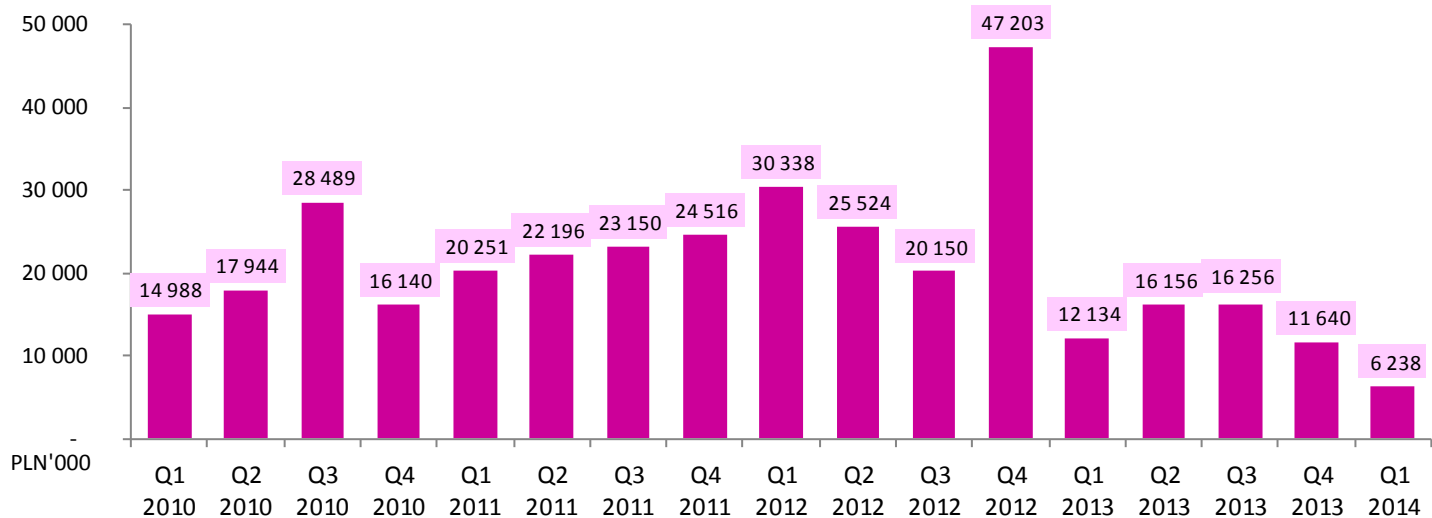
CHANGES

KEY CHANGES WITHIN THE GROUP IN 2014

- Development of multiagency insurance in the structure of the Group; attracting current and new clients by wide insurance offer
- Further development of the cash loans segment
- Implementing an adviser certification system and other processes designed to verify our advisers' knowledge
- Taking disciplinary action against any financial adviser who fails to comply with the principle of providing customers with detailed and reliable information and complete documentation regarding the products offered to customers
- Development of a group of employees: regional trainers responsible for, among other things:
 - controlling our advisers' work quality
 - implementing changes to our induction training provided to all new employees, with special emphasis on ethics, good market practices and high customer service standards
- Strengthening the role of internal audit function
- Increasing the transparency of the documents provided to customers (key data sheets, highlighted speech balloons containing the most important information, examples of product performance scenarios depending on market conditions)
- Revising our investment insurance plan distribution model to reflect the expectations of the Polish Financial Supervision Authority communicated to the market; in particular, launching the distribution of such products through agents

CONSOLIDATED NET PROFIT – OPEN FINANCE GROUP

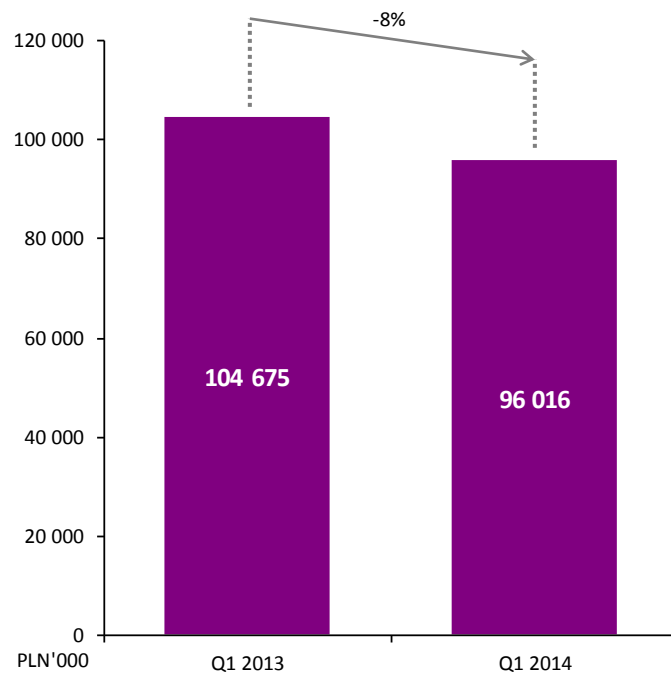
(attributable to shareholders of the parent)



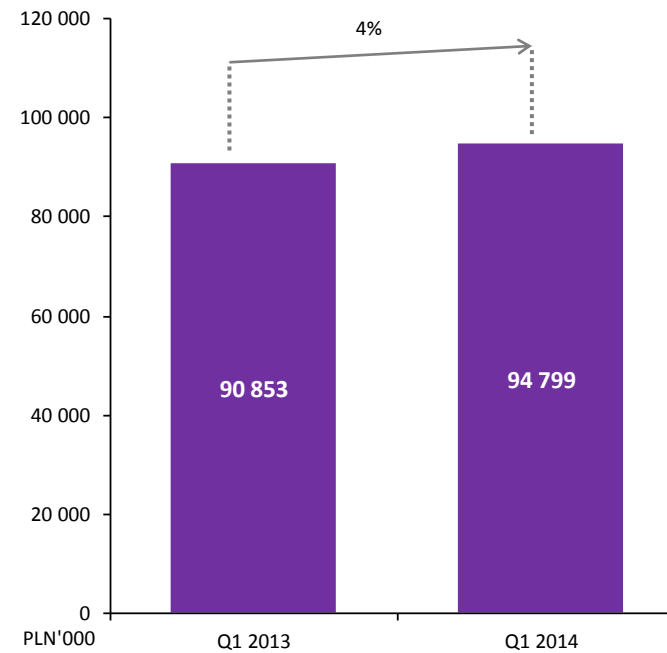
The net profit earned by the Group in Q1 2014 is lower than the net profit earned in Q1 2013. This is due to lower sales bonuses on mortgage loans and lower volumes of regular premium unit-linked policies sold than in Q1 2013.

GNB BONUSES EFFECT ON THE CONSOLIDATED REVENUE

NOMINAL COMMISSION REVENUE IN Q1 2014 AND Q1 2013

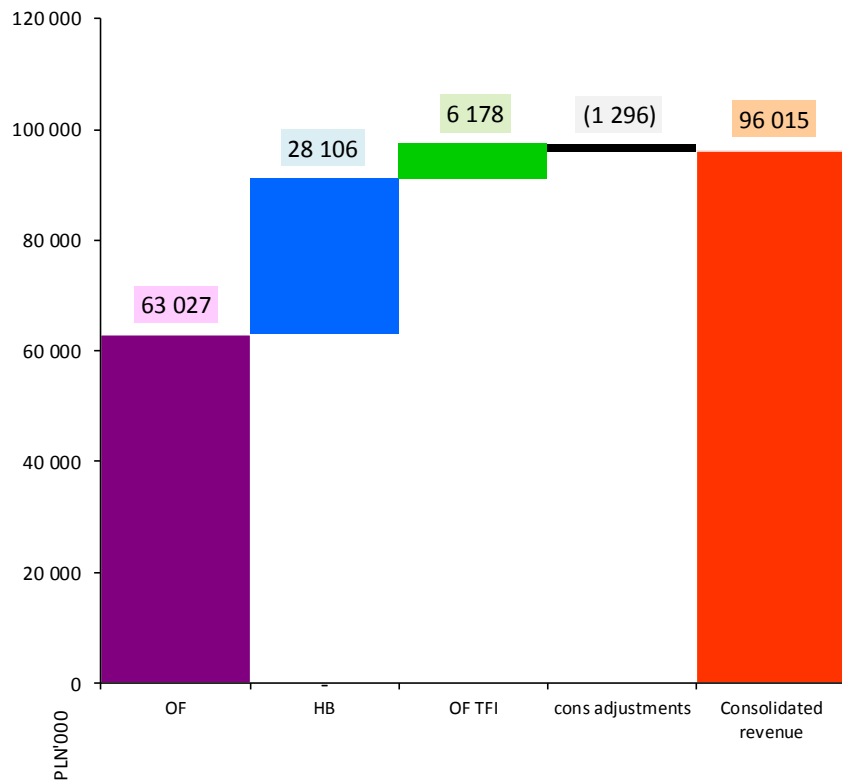


COMMISSION REVENUE (WITHOUT BONUSES FROM GNB) IN Q1 2014 AND Q1 2013

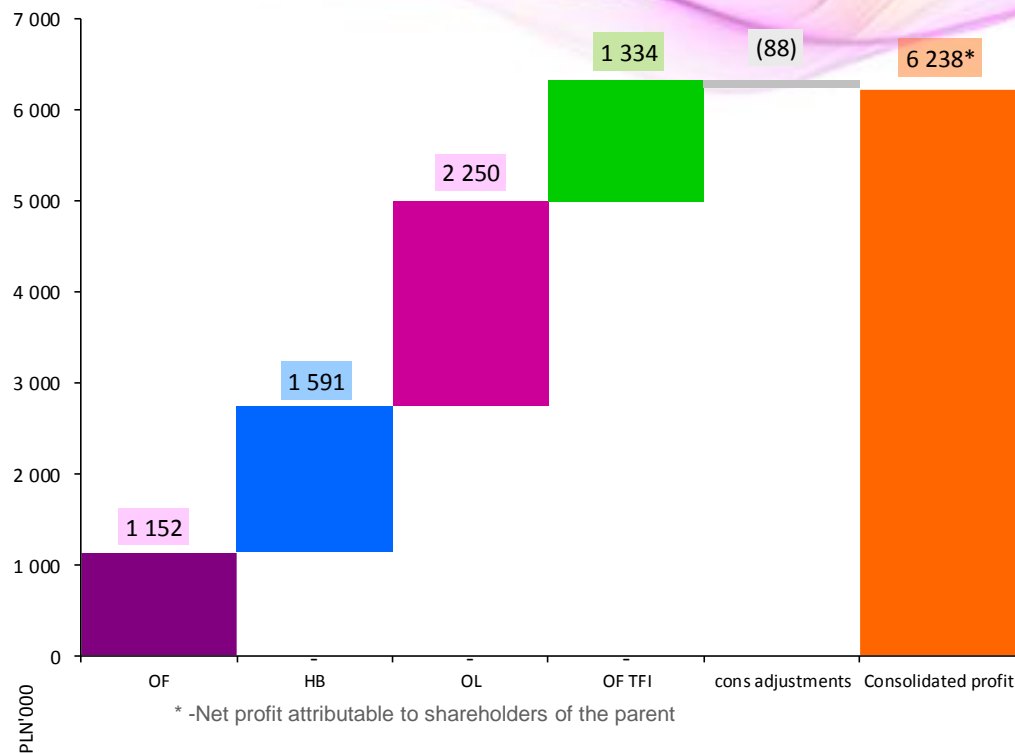


CONTRIBUTION OF EACH COMPANY TO CONSOLIDATED RESULTS OF OPEN FINANCE GROUP

COMPANIES' CONTRIBUTION TO THE CONSOLIDATED REVENUE IN Q1 2014



COMPANIES' CONTRIBUTION TO THE CONSOLIDATED NET PROFIT IN Q1 2014

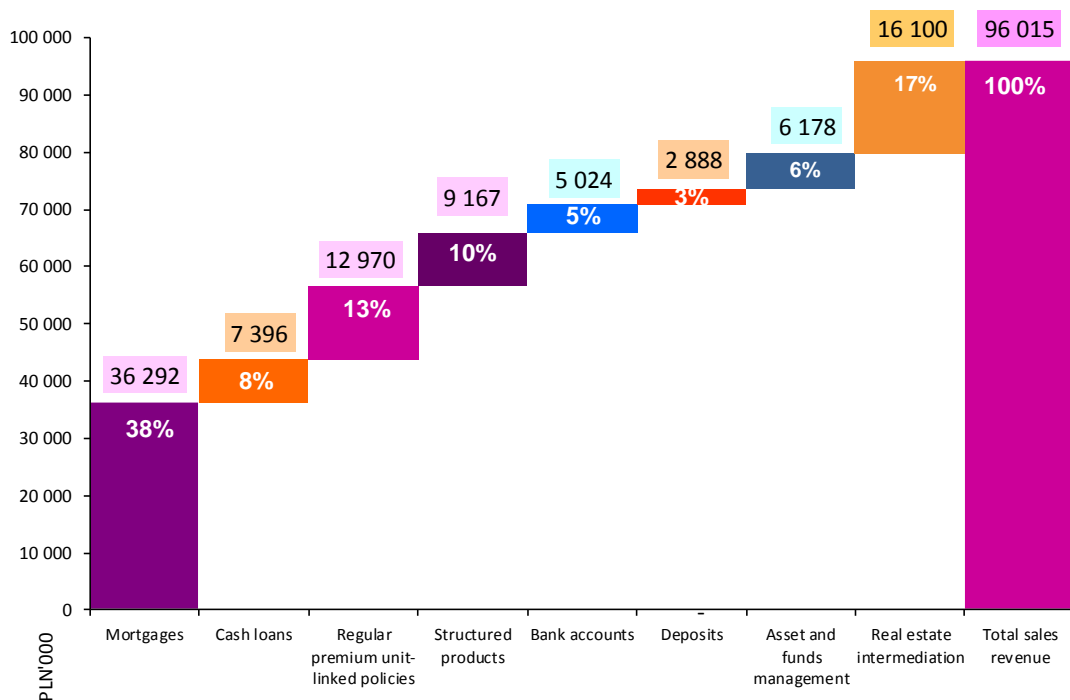


- Consolidation adjustments to the net profit in Q1 2014 concern the transactions eliminations within the Group;
- Results of Open Life TUŻ S.A. (OL) are accounted for in the consolidated net result of Open Finance Group using the equity method; Open Life is not subject to full consolidation, thus Group's revenue does not include that of Open Life TUŻ S.A. The above net profit assigned to Open Life TUŻ S.A. of PLN 2.250 thousand represents 49% of net result of that company earned in Q1 2014.

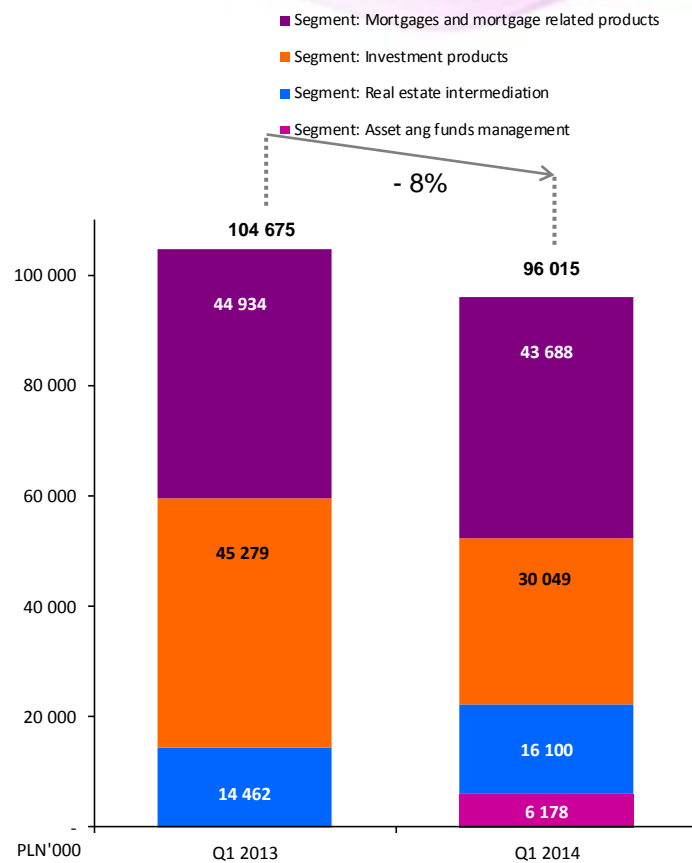
REVENUE STRUCTURE – OPEN FINANCE GROUP

Increase in share of revenue from real estate intermediation in total revenue in Q1 2014 compared to the same period in 2013 (17% vs. 14%) is observed.

BREAKDOWN OF SALES REVENUE IN Q1 2014



SALES REVENUE



INITIATIVES CONCERNING COSTS AND EXPENSES REDUCTION IN OPEN FINANCE AND HOME BROKER

In Q1 2014 Open Finance and Home Broker undertook a number of actions aimed at reducing operating costs. Major initiatives in this area and their estimated impact on gross profit of the Group are presented in the table below:

Action	Results in Q1 2014 (PLN thousand)	Expected results in Q2-Q4 2014 (PLN thousand)	Total expected results in 2014 (PLN thousand)
TOTAL SAVINGS	2 156	14 831	16 987
INCLUDING:			
SALES NETWORK	1 948	10 404	12 352
Liquidation of unprofitable branches, combining OF and HB branches in localisations where both OF and HB branches exist:			
- number of closed/combined branches (units)	10	13	23
- savings from the closure/combining of branches	370	3 870	4 240
Change of form of employment of financial advisors - from the model based on individual job contract to the model based on a cooperation agreement:			
- number of advisors who have changed/will change the type of contract	146	240	386
- savings from the change in the form of employment	1 578	6 534	8 112
MARKETING EXPENSES, CALL CENTER	208	4 427	4 635
Reduction of spending on customer databases and Call Center; Customer acquisition by recommendation and intermediaries method			
- savings in expenditure in respect to change in the method of customer acquisition	825	9 747	10 572
- effect of these savings in expenditure on costs recognized in the profit and loss account	208	4 427	4 635

CHAIN OF SALES IN OPEN FINANCE GROUP



Number of advisors	31 Dec 2013 (*)	31 March 2014 (**)
OF financial advisors	1 550	1 704 (**)
HB financial advisors	356	295
HB real estate agents	636	571
Total	2 542	2 570

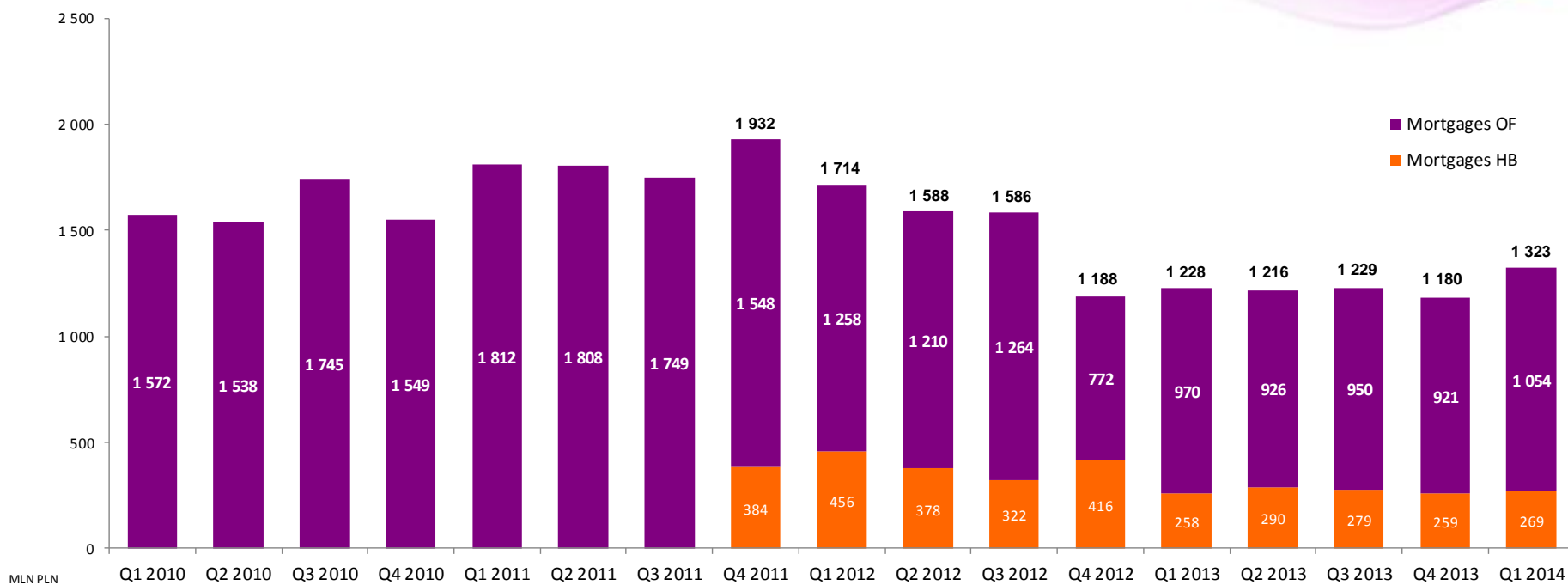
(*) employment as at exact date

(**) including advisors cooperating in the Open Partners project

Number of branches	31 Dec 2013	31 March 2014
Open Finance	152	146
Home Broker	58	55
Connected branches	6	5
Total	216	206

MORTGAGES SALES VOLUMES – OPEN FINANCE GROUP

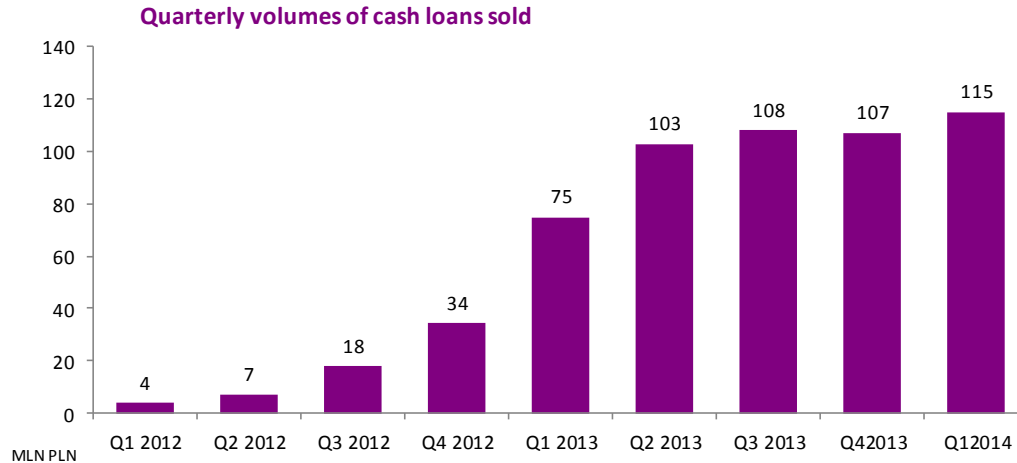
QUARTERLY VOLUMES OF MORTGAGES SOLD



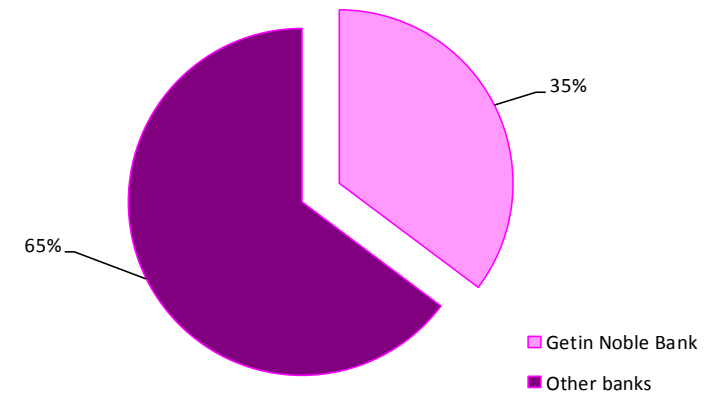
- Increase by 12% in the volume of mortgages sold in comparison with Q4 2013 and increase by 8% as compared to the same period of 2013.

CASH LOANS SALES VOLUMES - OPEN FINANCE GROUP

A dynamic growth in sales of cash loans has been noted since second half of 2012.



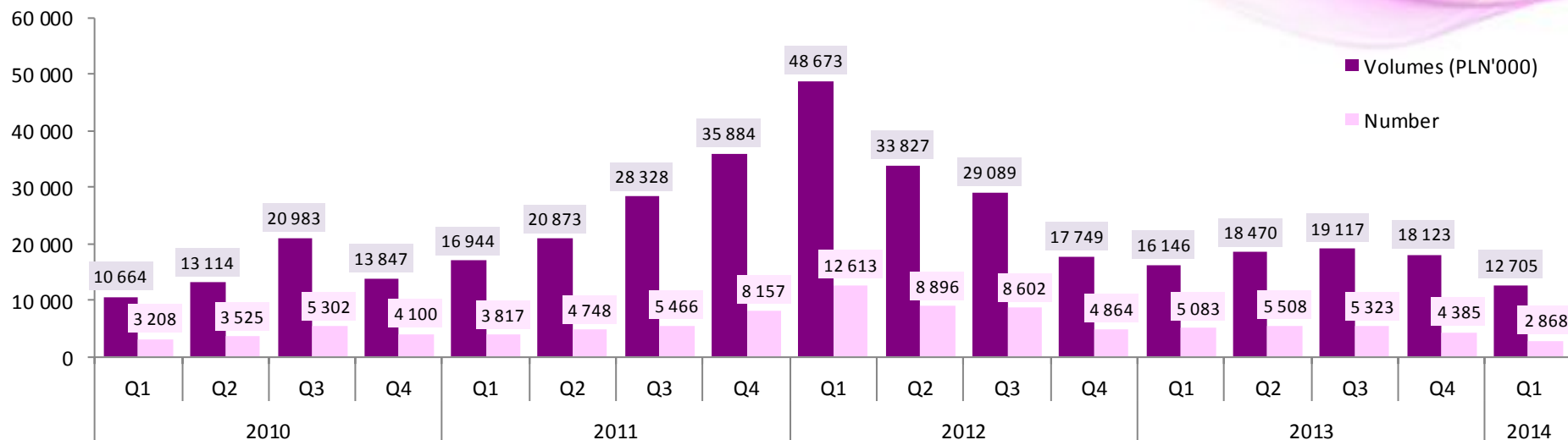
Structure of sales of cash loans by banks in Q1 2014



- Sale of 10 mln PLN of cash loans generates the same revenue as the sale of 20 mln PLN of mortgages;
- Increase in the volume of cash loans sold in Q1 2014 by 7% as compared to Q4 2013.

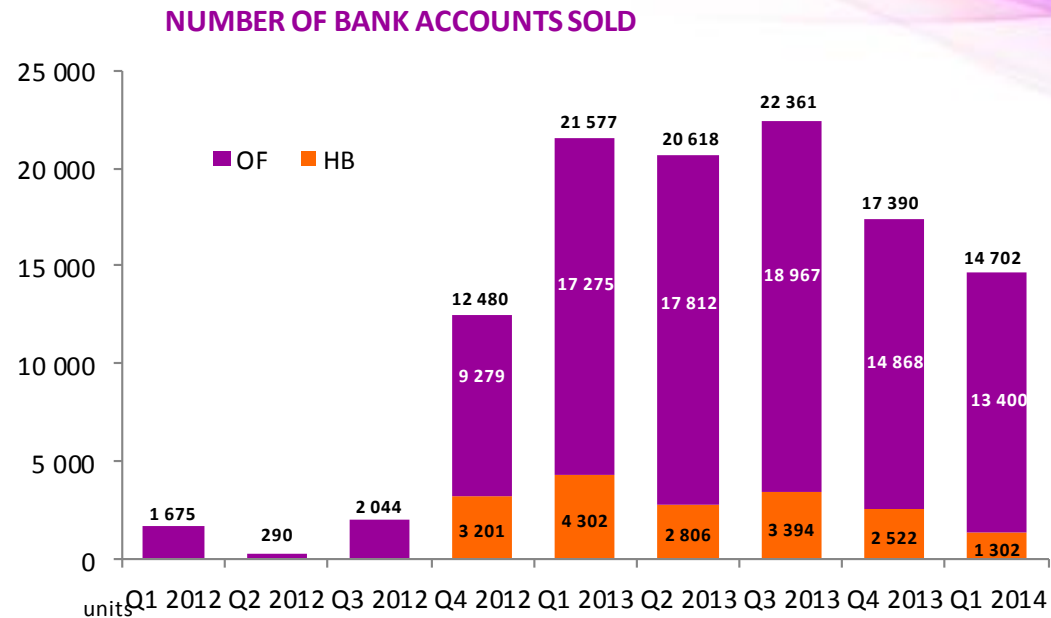
SALES OF REGULAR PREMIUM UNIT-LINKED POLICIES – OPEN FINANCE GROUP

REGULAR PREMIUM UNIT - LINKED POLICIES - quarterly volumes of sales and number of units sold



- „Volumes of production” means „first year declared premiums” adjusted by historical closing ratio;
- Decrease in the volume of regular premium unit-linked policies sold results from negative PR in the media for this type of product, as well as the Group's cautious approach to the sale of these products;
- The average premium is steadily growing and has increased by 7% as compared to Q4 2013 and by 38% as compared to Q1 2013.

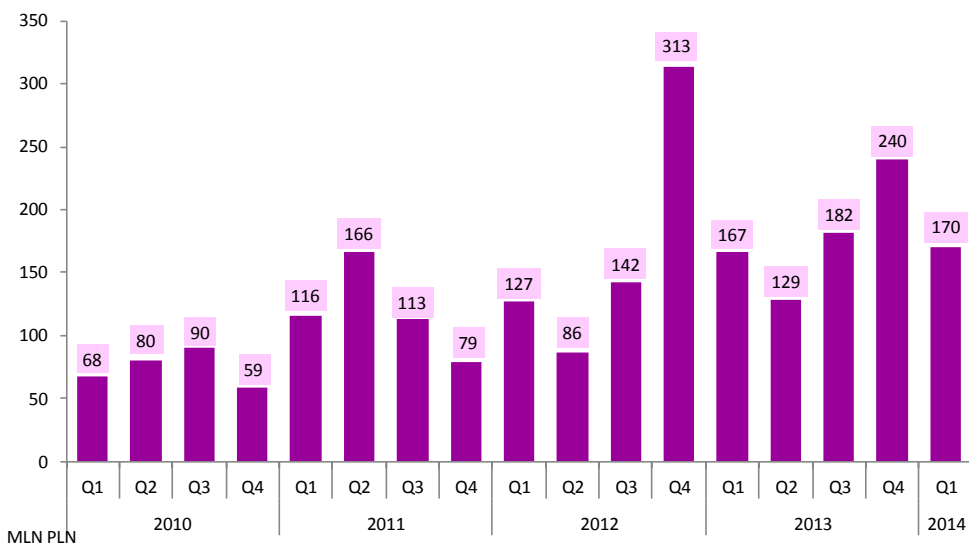
SALES VOLUMES OF OTHER INVESTMENT PRODUCTS – OPEN FINANCE GROUP



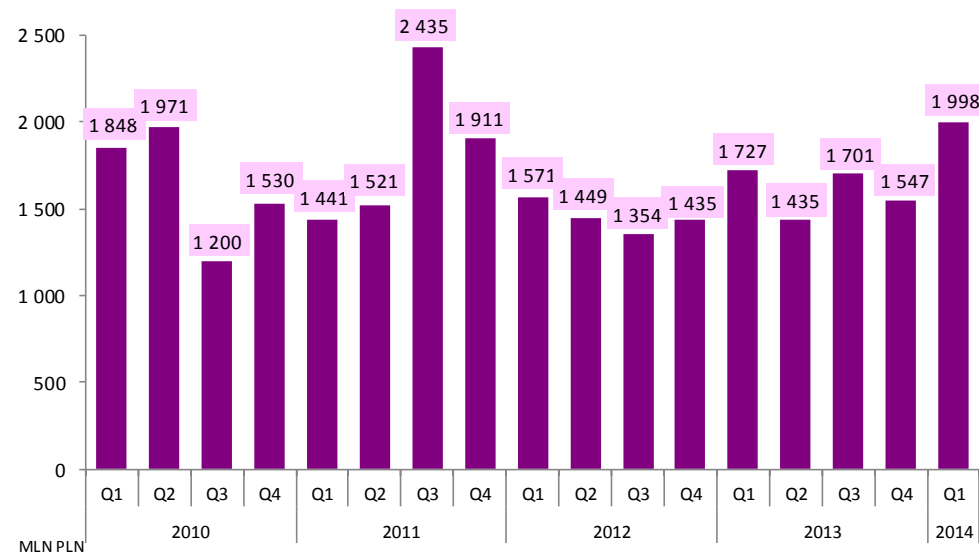
- Open Finance Group sells only Getin Noble Bank S.A. bank accounts;
- Sales of bank accounts, in addition to generating sales for the Group, is next to the deposits, a tool used in cross-sell.

SALES VOLUMES OF OTHER INVESTMENT PRODUCTS – OPEN FINANCE GROUP

VOLUMES OF STRUCTURED PRODUCTS SOLD



VOLUMES OF DEPOSITS SOLD



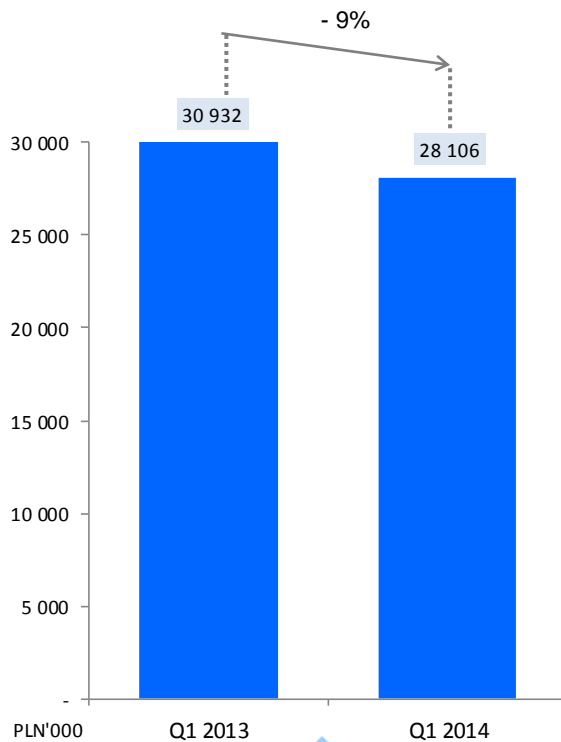
- Collected deposits constitute an excellent base for cross-sell of structured products;
- The sales of PLN 170 mln regarding single-premium investment products comprise both high-margin structured investments, TFI, low-margin investment policies, as well as bonds.



Home Broker

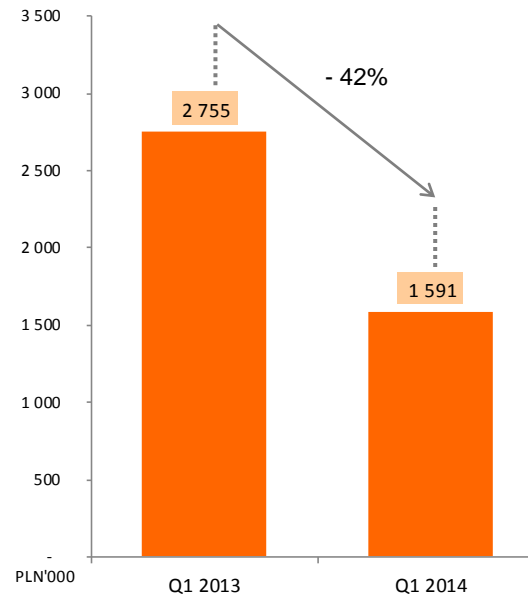
REVENUE AND NET PROFIT - HOME BROKER

COMMISSION REVENUE OF HOME BROKER



Revenue reported in Q1 2013 include 1.7 mln PLN of bonuses from GNB, while revenues achieved in Q1 2014 include GNB bonuses of 0.4 mln PLN.

HOME BROKER'S NET PROFIT

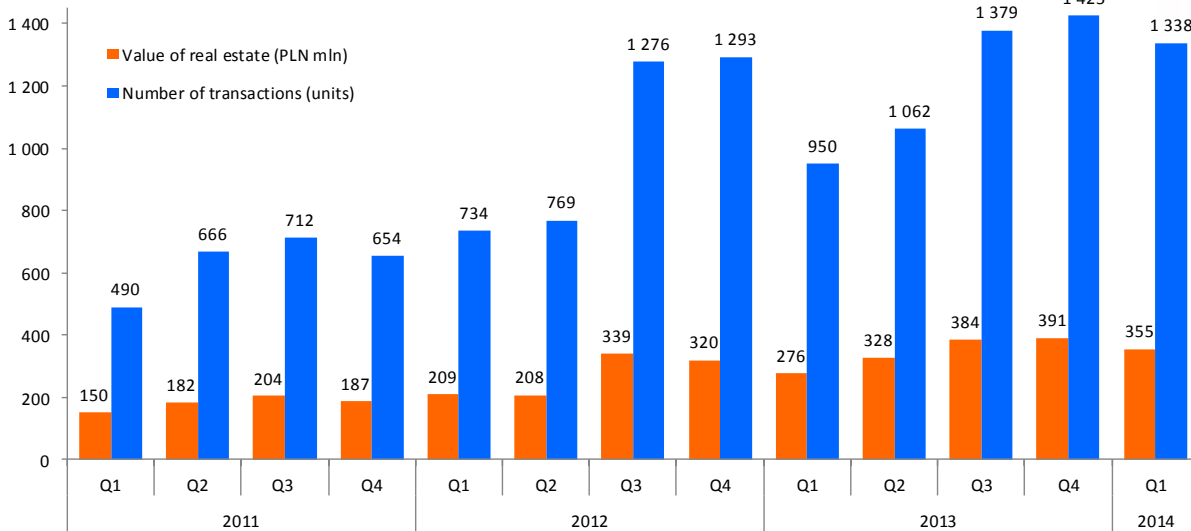


Financial results of the Home Broker in Q1 2014, decreased as compared to the same period of 2013 which is in line with management expectations. This is mainly due to:

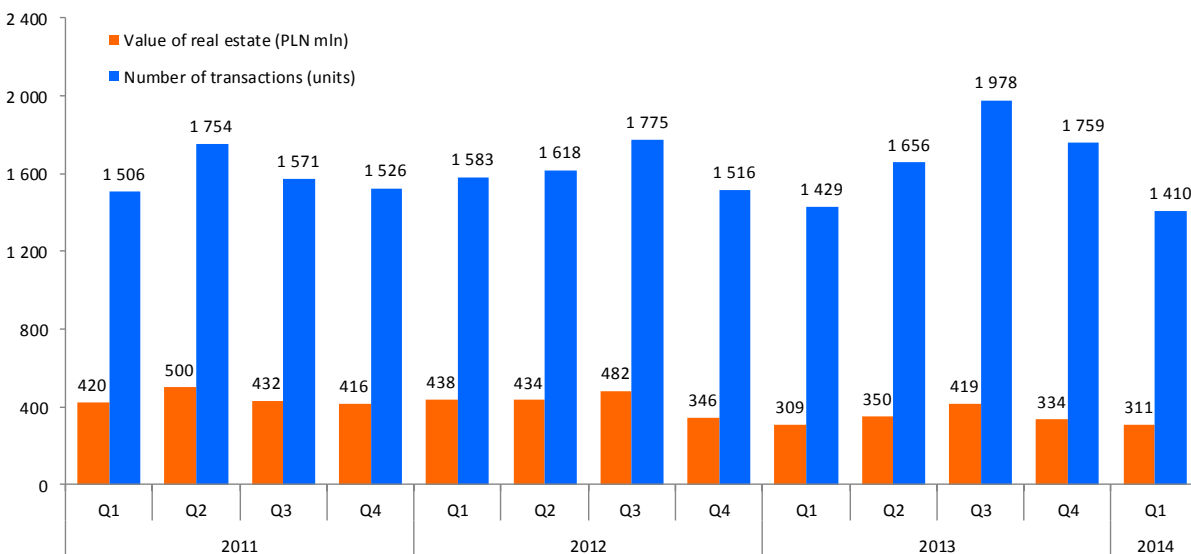
- lack of one-off bonuses that the Company received from contractors in Q1 2013;
- the lower average value of real estate on the primary market, while increasing number of transactions in that market;
- increase in cash transactions which caused reduction in the number of sold mortgages by Home Broker.

SALES VOLUMES IN HOME BROKER - REAL ESTATE

Value of real estate and number of transactions on the primary market



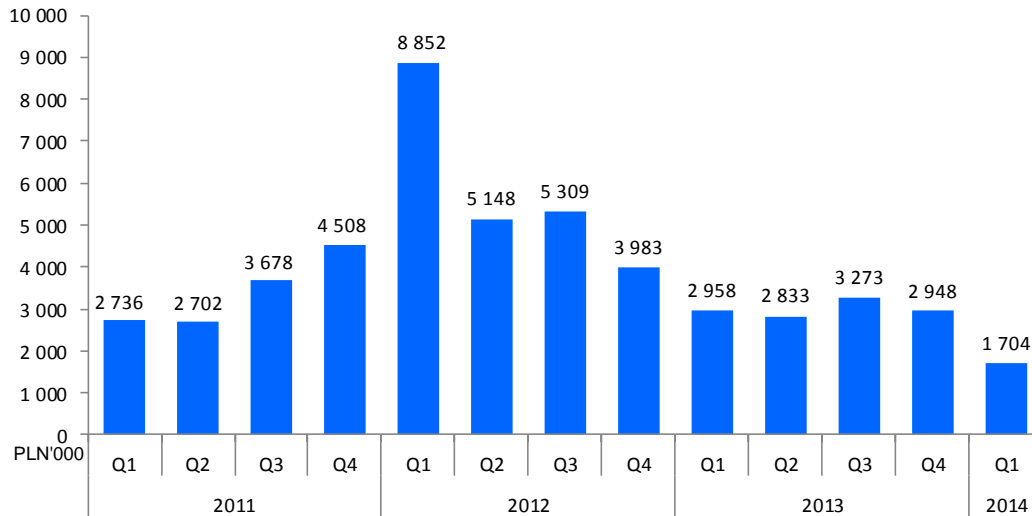
Value of real estate and number of transactions on the secondary market



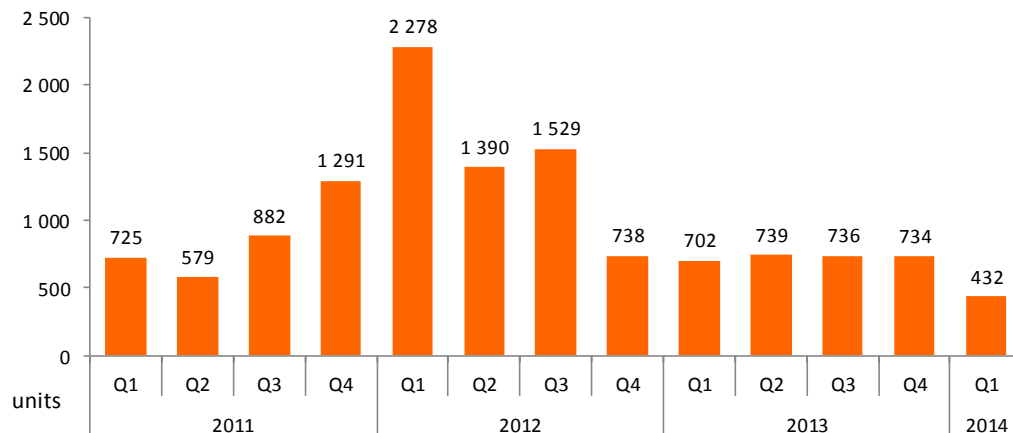
- Primary market – in Q1 2014 compared to Q1 2013 the number of transactions increased by 41% while Home Broker noted a decrease in the average value of the property following the introduction of the MDM program;
- Secondary market - Q1 2014 compared to Q1 2013 was comparable in terms of number of transactions and the average value of the real estate.

SALES VOLUMES IN HOME BROKER - FINANCIAL PRODUCTS

REGULAR PREMIUM UNIT-LINKED POLICIES - quarterly production



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

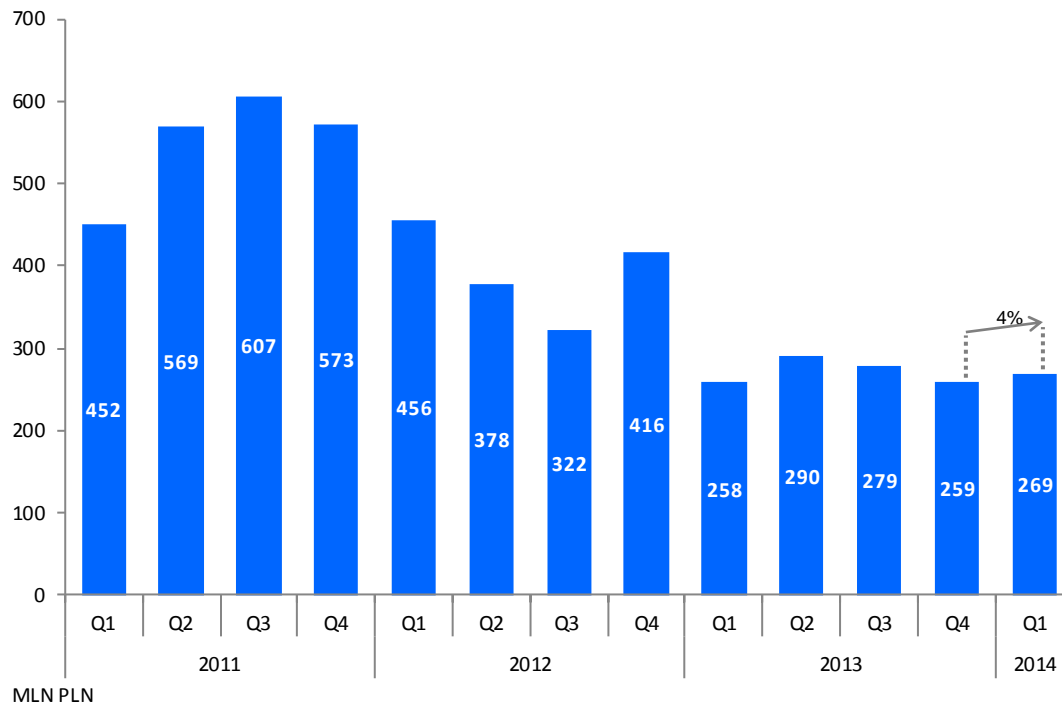


- „Volumes of production” means „first year declared premiums” adjusted by historical closing ratio;
- The decrease in volume of regular premium unit-linked policies sold results from the negative PR in the media for this type of product, as well as the Company’s cautious approach to the sale of these products.

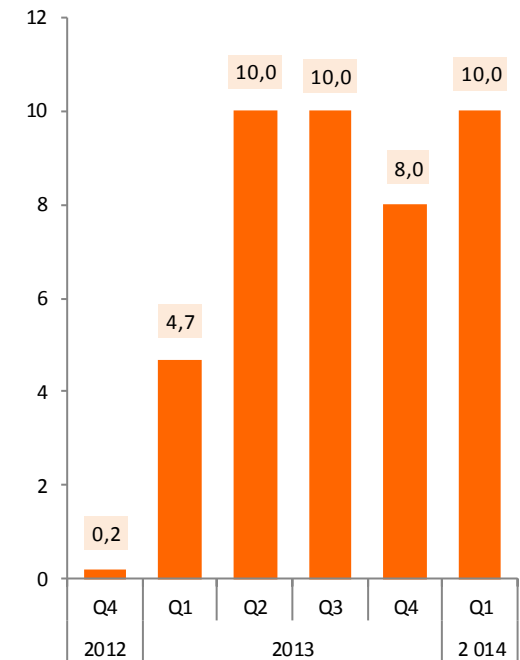
SALES VOLUMES IN HOME BROKER - FINANCIAL PRODUCTS

A dynamic growth in sales of cash loans has been noted in Home Broker since Q4 2012.

QUARTERLY SALES OF MORTGAGES



QUARTERLY SALES OF CASH LOANS





OPEN FINANCE TFI



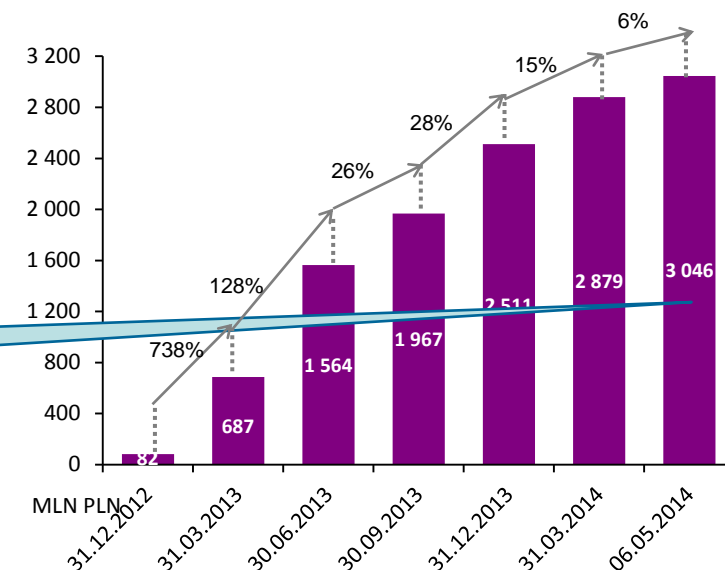
Open Finance TFI SA obtained the FSA approval for management of funds on 9 October 2012 and began operations.

Investment Funds under management:

- ✓ **Open Finance Open-End Investment Fund** with 6 subfunds;
- ✓ 5 Closed Investment Funds with absolute return strategy;
- ✓ 2 Closed Investment Fund – corporate bonds;
- ✓ 2 securitization fund;
- ✓ 3 private equity investment fund.

Include over PLN 2.128 mln in capital market funds

ASSETS UNDER MANAGEMENT



Partners:

- ✓ Open Finance, Home Broker, Getin Noble Bank (main distributors);
- ✓ **OF Open-End Investment Fund** available under insurance capital funds of leading insurance companies (AXA, ING, Aegon, Open Life).

Financial results for Q1 2014 – PLN 1,3 mln.

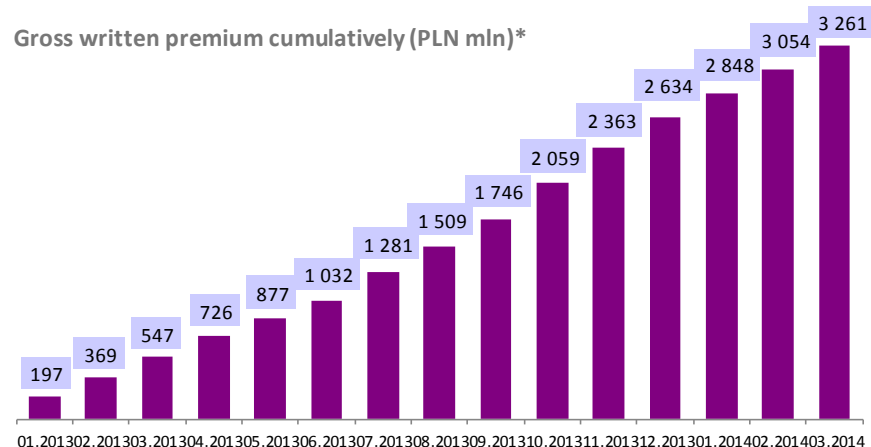




OPEN LIFE IN THE STRUCTURE OF OPEN FINANCE GROUP



Gross written premium cumulatively (PLN mln)*



*- according to the Polish accounting act

Cooperating Partners:

Alior Bank	Arionn Investment	Investors TFI
Bank Pocztowy	Doradcy 24	KBC TFI
BNP Paribas Bank Polska	Horyzont-in, Sławomir Wojtas	TFI Allianz
Deutsche Bank PBC	Horyzont, Roman Bodziak	PKO TFI
Getin Noble Bank	AFORTI Finance	Open Finance TFI
Idea Bank	Infinity8	Superfund TFI
PKO BP	ProService Transfer Agency	Skarbiec TFI
Expander Advisors	Atlantic Fund Services	PROFIT Doradcy Finansowi
Open Finance	PKO BP Finat	Szkoła Inwestowania
Wealth Solutions	Arka BZ WBK TFI	Partnerzy Inwestycyjni
HB Finance	Union Investment TFI	Gerda Broker
TC Finance	Noble Funds TFI	Eques Securities
Noble Securities	Legg Mason GAM	Allfinanz
Idea Expert	Schroder ISF	Fabryka Ofert
ING Bank Śląski	OPERA TFI	WDF
Meritum Bank	AXA TFI	Chandryko, Dąbrowski, Matczuk kancelaria Finansowa


Targets for 2014:

1. ROE at least 15%
2. Development of external distribution channels
3. Development of insurance product offer

DATA AT THE END OF FIRST QUARTER OF 2014

Net profit in accordance with IAS/IFRS for Q1 2014	PLN 4,6 mln
Number of Clients	271 thousand
Share capital	PLN 95,5 mln
„Assets to technical provisions” ratio	135%
„Own funds to solvency margin” ratio	181%





OPEN FINANCE
GROUP RESULTS AFTER
FIRST QUARTER 2014

CONSOLIDATED ASSETS, PROFIT AND LOSS OF OPEN FINANCE GROUP

PLN'000	31.03.2014	31.12.2013	Change	
			value	%
ASSETS				
Fixed assets	464 010	459 873	4 137	1%
Tangible and intangible fixed assets	367 737	360 538	7 199	2%
Investment in associate - Open Life	62 663	60 413	2 250	4%
Investment property	7 182	7 182	-	0%
Deferred tax asset	21 666	27 162	(5 496)	-20%
Other long term receivables	4 255	4 052	203	5%
Other non-financial long term assets	507	526	(19)	-4%
Current assets	176 593	179 786	(3 193)	-2%
Trade receivables	54 917	61 884	(6 967)	-11%
Interperiod settlements	103 227	95 626	7 601	8%
Cash and cash equivalents	10 539	14 756	(4 217)	-29%
Other	7 910	7 520	390	5%
TOTAL ASSETS	640 603	639 659	944	<1%
LIABILITIES AND EQUITY				
Equity attributable to shareholders of the parent	423 886	417 648	6 238	1%
Share capital	543	543	-	0%
Other reserve capital	272 545	272 545	-	0%
Retained earnings	150 798	144 560	6 238	4%
Equity non-controlling shareholders	2 954	2 437	517	21%
Total equity	426 840	420 085	6 755	2%
Liabilities	213 763	219 574	(5 811)	-3%
Deferred tax provision	23 905	27 988	(4 083)	-15%
Provisions	66	66	-	0%
Financial lease liabilities	1 626	1 671	(45)	-3%
Issued bonds	119 023	122 105	(3 082)	-3%
Liabilities for the purchase of shares in Home Broker S.A.	3 833	3 833	-	0%
Trade liabilities	22 696	15 412	7 284	47%
Interperiod settlements	24 525	31 595	(7 070)	-22%
Corporate income tax payable	-	2 337	(2 337)	-100%
Other non-financial liabilities	18 089	14 567	3 522	24%
TOTAL LIABILITIES AND EQUITY	640 603	639 659	944	<1%

PLN'000	1.01.2014- 31.03.2014	1.01.2013- 31.03.2013	Change	
			value	%
Sales revenue	96 015	104 675	(8 660)	-8%
Costs of sales	(36 371)	(29 279)	(7 092)	24%
Profit on sales	59 644	75 396	(15 752)	-21%
Administrative costs	(41 645)	(53 697)	12 052	-22%
Result on other operating activity	(1 586)	678	(2 264)	-334%
Share in associate's profit - Open Life	2 250	1 461	789	54%
EBITDA	18 663	23 838	(5 175)	-22%
Depreciation and amortisation	(8 378)	(7 381)	(997)	14%
Result on financial activity	(1 883)	(1 627)	(256)	16%
Gross profit	8 402	14 830	(6 428)	-43%
Income tax	1 647	2 696	(1 049)	-39%
Net profit	6 755	12 134	(5 379)	-44%
including:				
- attributable to shareholders of the parent	6 238	12 134	(5 896)	-49%
- attributable non-controlling shareholders	517	-	517	n/d

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