

OPEN FINANCE GROUP RESULTS AFTER THREE QUARTERS OF 2014

Presentation of financial results for investors and analysts

Warsaw, November 7, 2014

BASIC FINANCIAL INFORMATION - OPEN FINANCE GROUP

CHANGE		DATA AT THE END OF THIRD QUARTER OF 2014
- 12%	*	Branches (190)
+ 5,2 %	*	Equity (439,2 mln zł)*****
- 51,6 %	**	Net profit (21,5 mln zł)*****
- 16,5 %	**	Revenue (278,6 mln zł)
+ 16%	**	Volumes of mortgages sold (4 585 mln zł)
- 26,8 %	**	EBITDA (60 mln zł) ***
- 9,5 p.p.	**	ROE (6,9%) *****

* compared to data as at 31 December 2013

** compared to data for the period of 3Q 2013

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

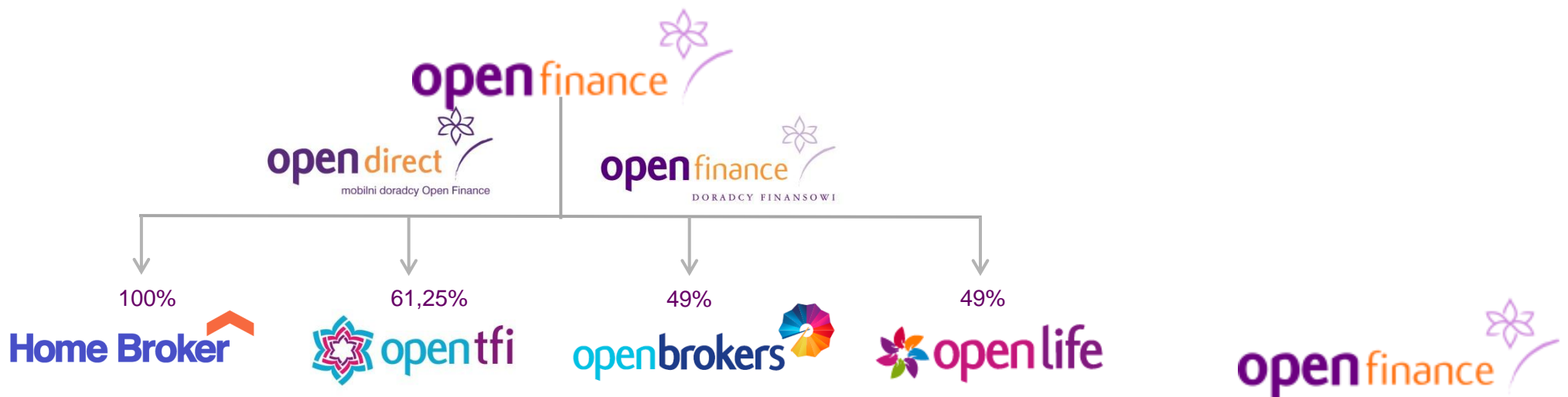
**** ROE - return on equity calculated as relation of annualised net profit for the period to equity as at the beginning of the period

***** 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
 - III. life and property insurance including also car insurance
 - 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



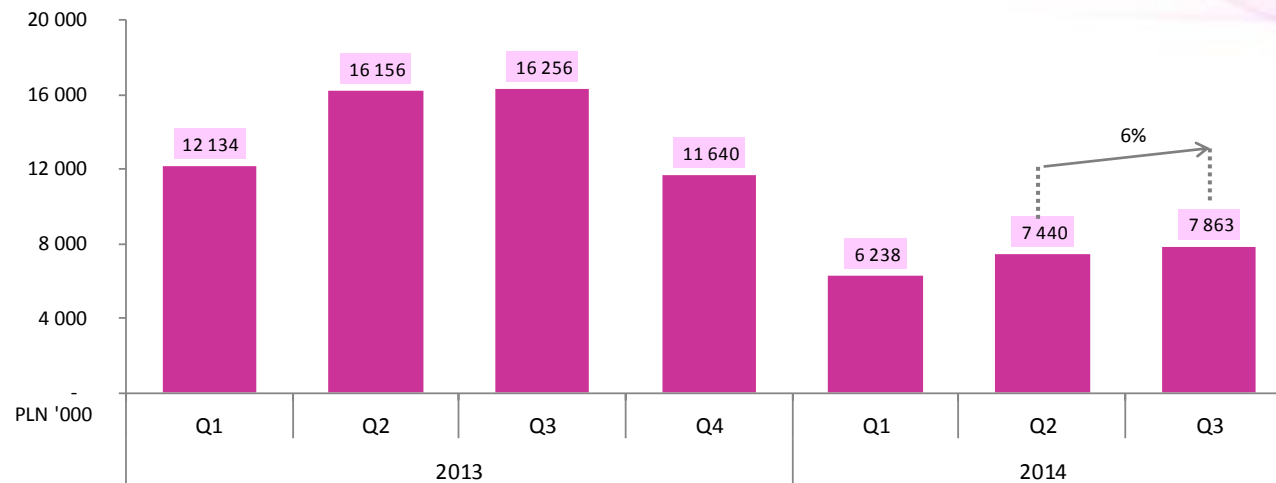
CHANGES

KEY CHANGES WITHIN THE GROUP IN 2014

- Change in business model – moving away from store-front branches to office hubs (large sales/office spaces with both real estate and financial advisers)
- Refocusing marketing expenses to acquire customers outside of the Internet
- Shifting the emphasis of the Group income to companies in the Group portfolio (Open Finance TFI and Open Life)
- Development of insurance multiagency in the structure of the Group; attracting current and new clients by wide insurance offer
- Further development of the cash loans segment
- 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
- 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

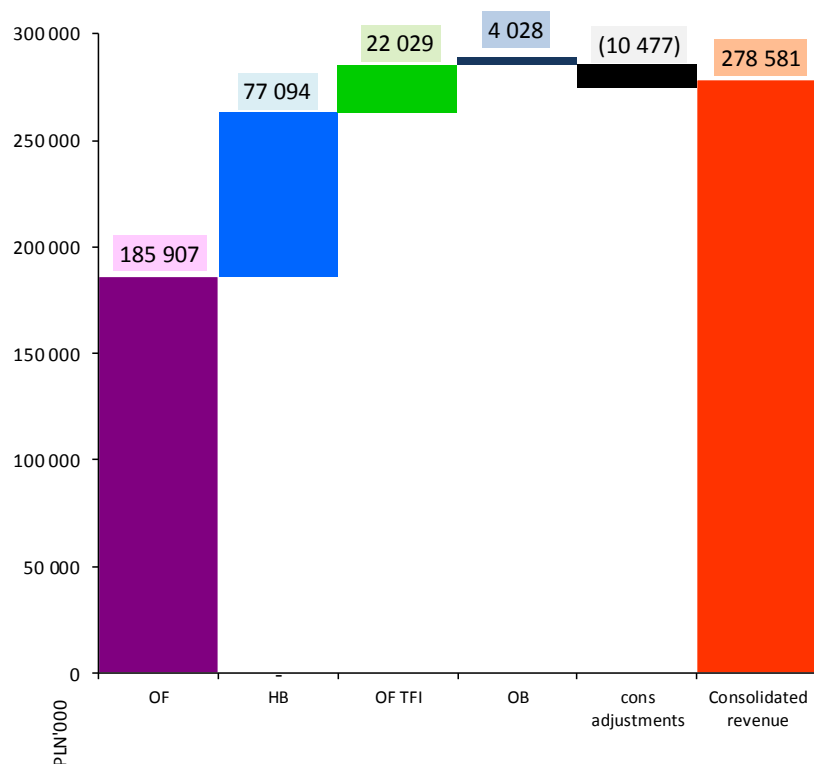
(attributable to shareholders of the parent)



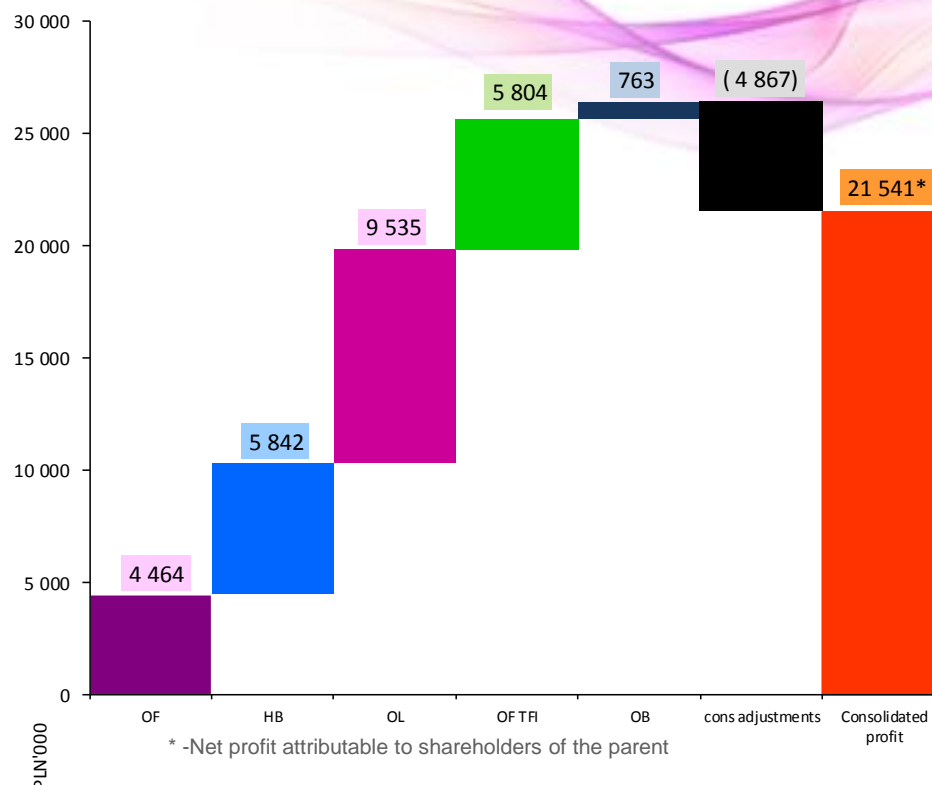
- The net profit earned by the Group in 3Q 2014 is lower than the net profit earned in 3Q 2013. This is due to lower sales bonuses on mortgage loans and lower volumes of regular premium unit-linked policies sold.
- It should be noted that net profit in Q3 2014 increased by 6% as compared to the net profit generated by the OF Group in Q2 2014.

CONTRIBUTION OF EACH COMPANY TO CONSOLIDATED RESULTS OF OPEN FINANCE GROUP

COMPANIES' CONTRIBUTION TO THE CONSOLIDATED REVENUE IN 3Q 2014



COMPANIES' CONTRIBUTION TO THE CONSOLIDATED NET PROFIT IN 3Q 2014

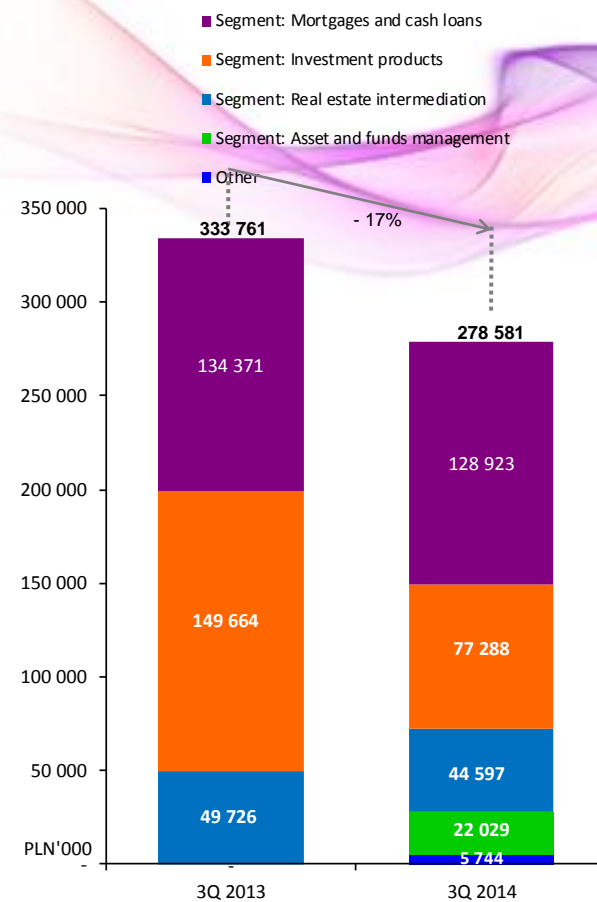
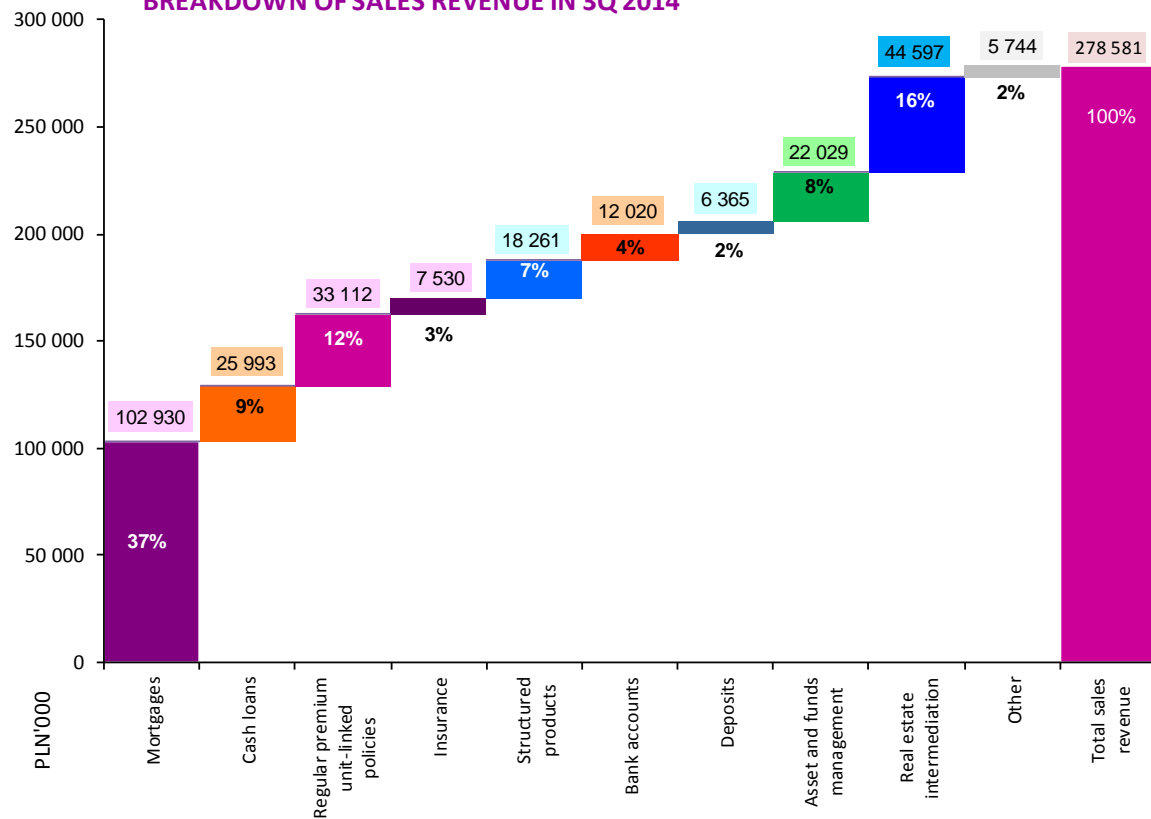


- Consolidation adjustments to revenue in 3Q 2014 concern the transactions elimination of transactions within the Group;
- Results of Open Life TUŻ S.A. (OL) are accounted for in the consolidated net result of Open Finance Group using the equity method; Open Life is not subject to full consolidation, 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 9.535 thousand represents 49% of net result of that company earned in 3Q 2014.
- Significant increase in contribution to consolidated profit of Open Finance TFI and Open Life – companies acting as suppliers of products.

REVENUE STRUCTURE – OPEN FINANCE GROUP

SALES REVENUE

BREAKDOWN OF SALES REVENUE IN 3Q 2014



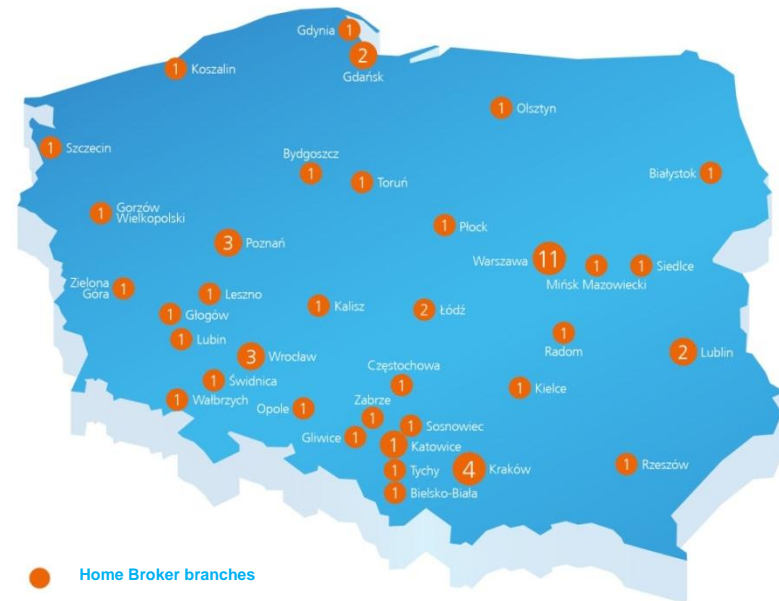
In 3Q 2014 increase in share of revenue from real estate intermediation and revenue from sale of mortgages and cash loans in total revenue is observed (respectively 16% vs. 15% and 46% vs. 40%).

INITIATIVES CONCERNING COSTS AND EXPENSES REDUCTION IN OPEN FINANCE GROUP

- In 3Q 2014 Open Finance and Home Broker undertook a number of actions aimed at reducing operating costs.
- Results of actions taken are presented in the table below (consolidated data):

Operating costs	3Q 2014 PLN '000	3Q 2013 PLN '000	change	change %
REMUNERATION AND SOCIAL BENEFITS				
Salaries	96 103	125 554	(29 451)	-23%
Comissions for external financial advisors	67 673	50 971	16 702	33%
Other employee benefits	2 281	2 398	(117)	-5%
	166 057	178 923	(12 866)	-7%
Amortisation and depreciation	26 537	21 019	5 518	26%
Costs of fund management (in OF TFI)	6 539	2 716	3 823	141%
OTHER OPERATING COSTS				
Lease and rental	32 387	36 241	(3 854)	-11%
Marketing, representation and adverstising	6 343	11 658	(5 315)	-46%
Telecommunications and postal services	3 139	5 422	(2 283)	-42%
Materials and energy	7 098	8 955	(1 857)	-21%
Repair and maintainance services, IT services and security	4 557	4 206	351	8%
Insurance, advisory and legal services	1 439	1 343	96	7%
Taxes and charges	1 040	1 212	(172)	-14%
Other costs	4 284	5 672	(1 388)	-24%
	60 287	74 709	(14 422)	-19%

CHAIN OF SALES IN OPEN FINANCE GROUP

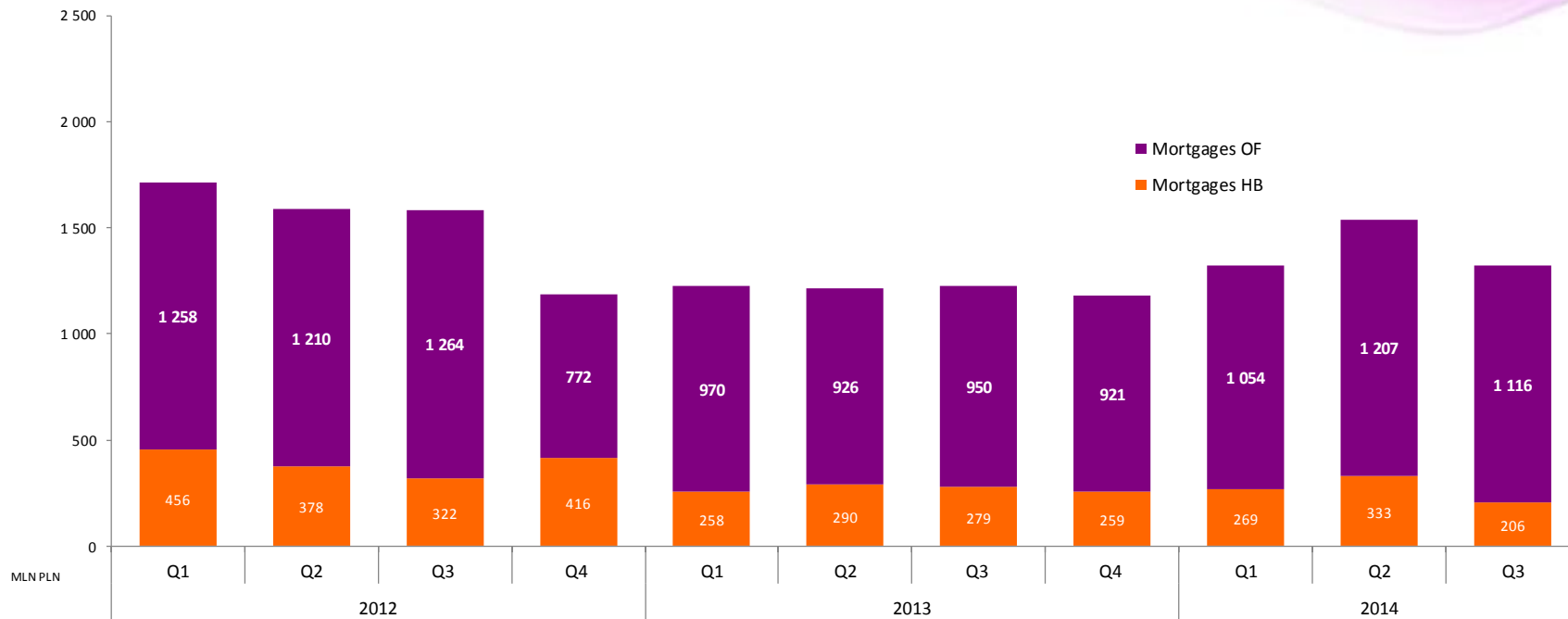


Number of advisors	31 Dec 2013	30 September 2014	change%
OF financial advisors	1 282	1 130	-12%
Open Partners advisors	268	753	181%
HB financial advisors	356	267	-25%
HB real estate agents	636	576	-9%
Total	2 542	2 726	7%

Number of branches	31 Dec 2013	30 September 2014	change%
Open Finance	152	134	-12%
Home Broker	58	47	-19%
Merged branches	6	9	50%
Total	216	190	-12%

MORTGAGES SALES VOLUMES – OPEN FINANCE GROUP

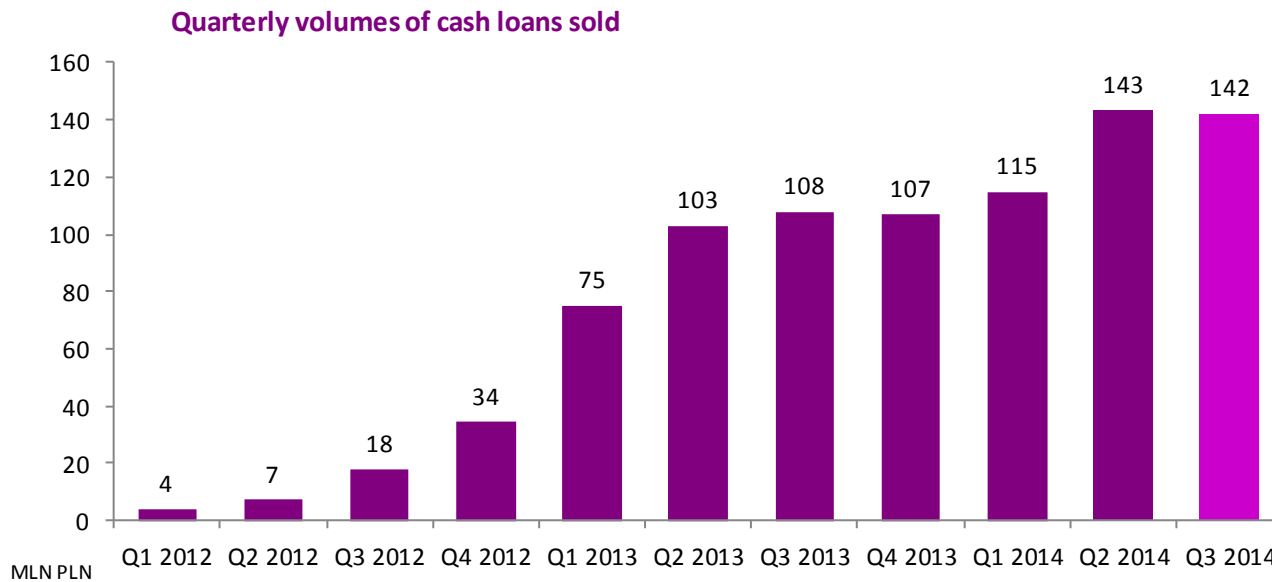
QUARTERLY VOLUMES OF MORTGAGES SOLD



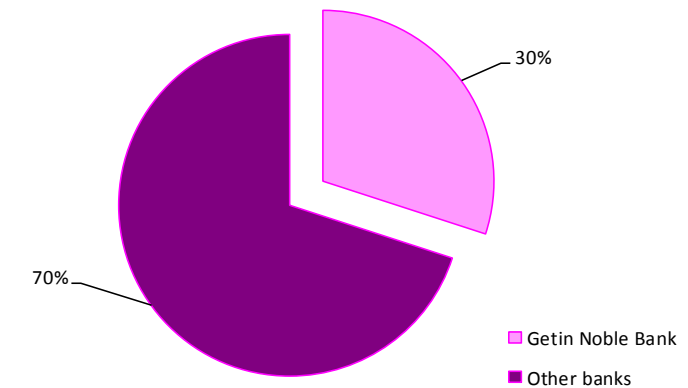
- 14% increase in the volume of mortgages sold in 3Q 2014 in comparison with the same period of 2013.

CASH LOANS SALES VOLUMES - OPEN FINANCE GROUP

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

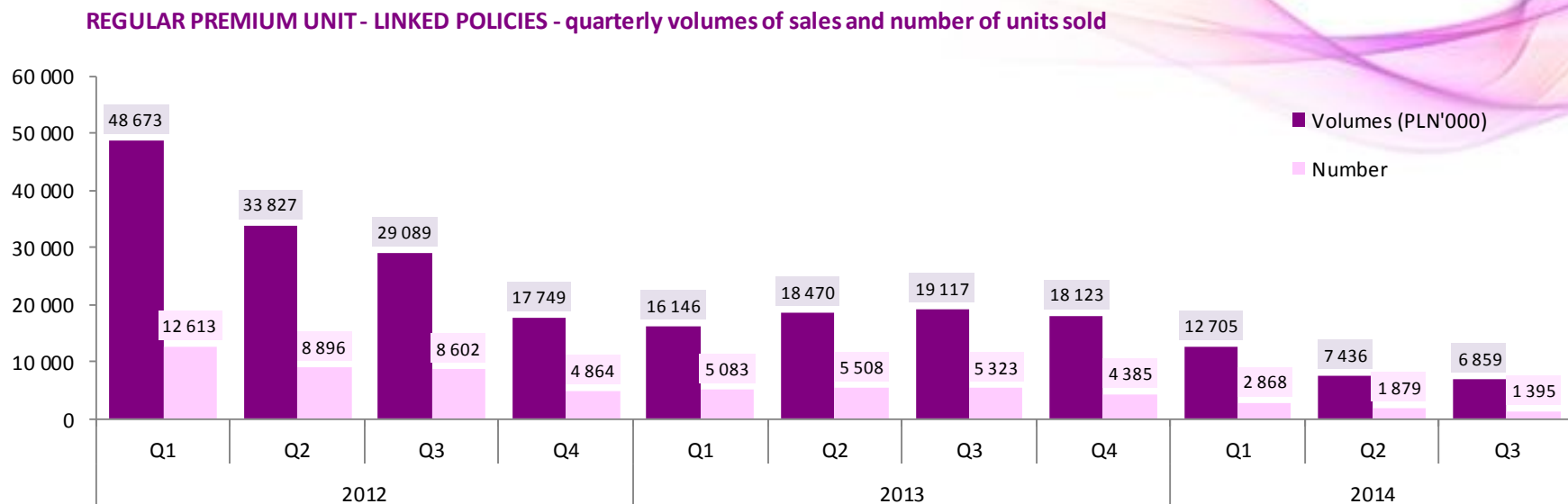


Structure of sales of cash loans by banks in 3Q 2014



- Sale of 10 mln PLN of cash loans generates equal revenue as the sale of 25 mln PLN of mortgages;
- Maintaining the volume of cash loans sold in Q3 2014 as compared to Q2 2014 is observed.

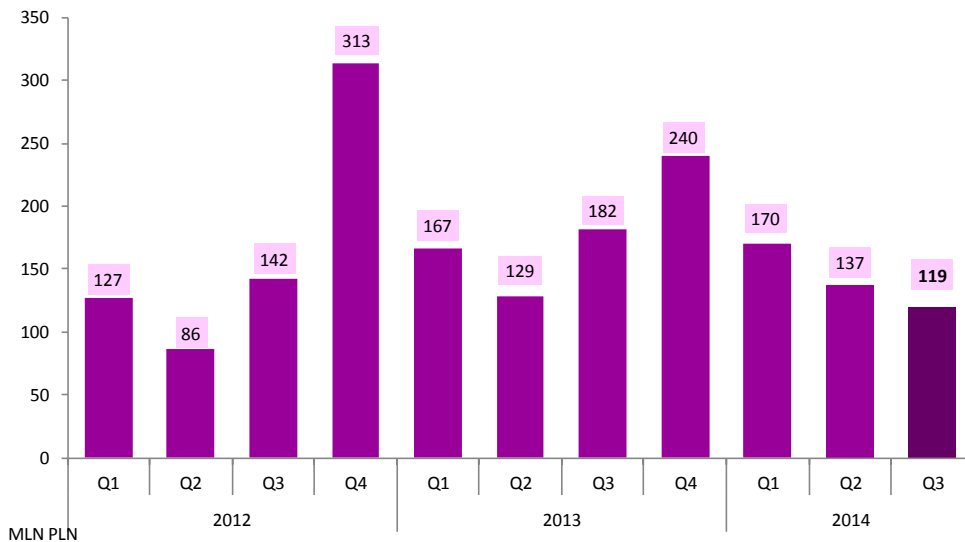
SALES OF REGULAR PREMIUM UNIT-LINKED POLICIES – OPEN FINANCE GROUP



- „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 in 3Q 2014 increased by 30% as compared to 3Q 2013;
- Regular premium unit-linked policies are replaced progressively by insurance products, life insurance of about 85% margins for Open Finance.

SALES VOLUMES OF OTHER INVESTMENT PRODUCTS – OPEN FINANCE GROUP

VOLUMES OF STRUCTURED AND INSURANCE PRODUCTS SOLD



VOLUMES OF DEPOSITS SOLD



3Q 2014 better than 3Q 2013 in terms of deposits sold.

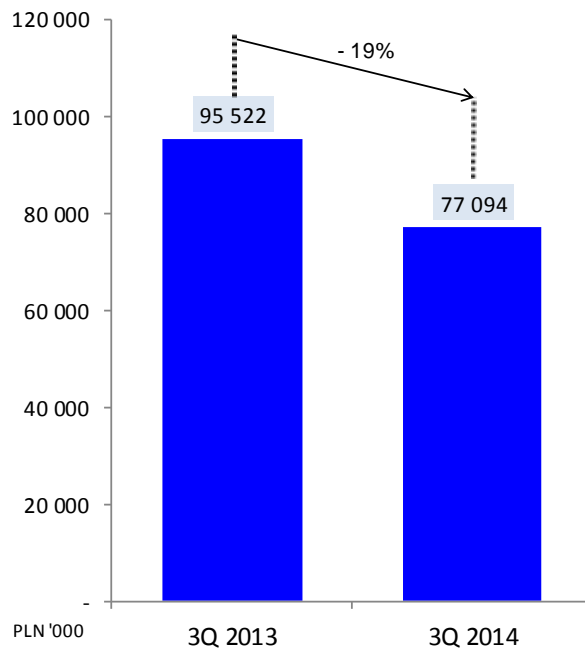
- 11% increase in production of deposit products in 3Q 2014 as compared to 3Q 2013. Collected deposits constitute an excellent base for cross-sell of structured products;
- The volume of sales of PLN 119 mln of structured products comprise high-margin structured investments, units in investment funds (TFI), low-margin investment policies, as well as UFK based on corporate bonds.



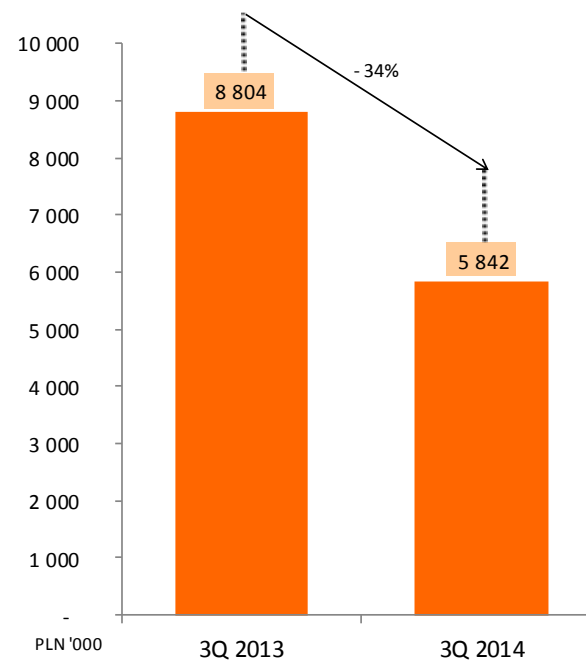
Home Broker

REVENUE AND NET PROFIT - HOME BROKER

COMMISSION REVENUE OF HOME BROKER



HOME BROKER'S NET PROFIT

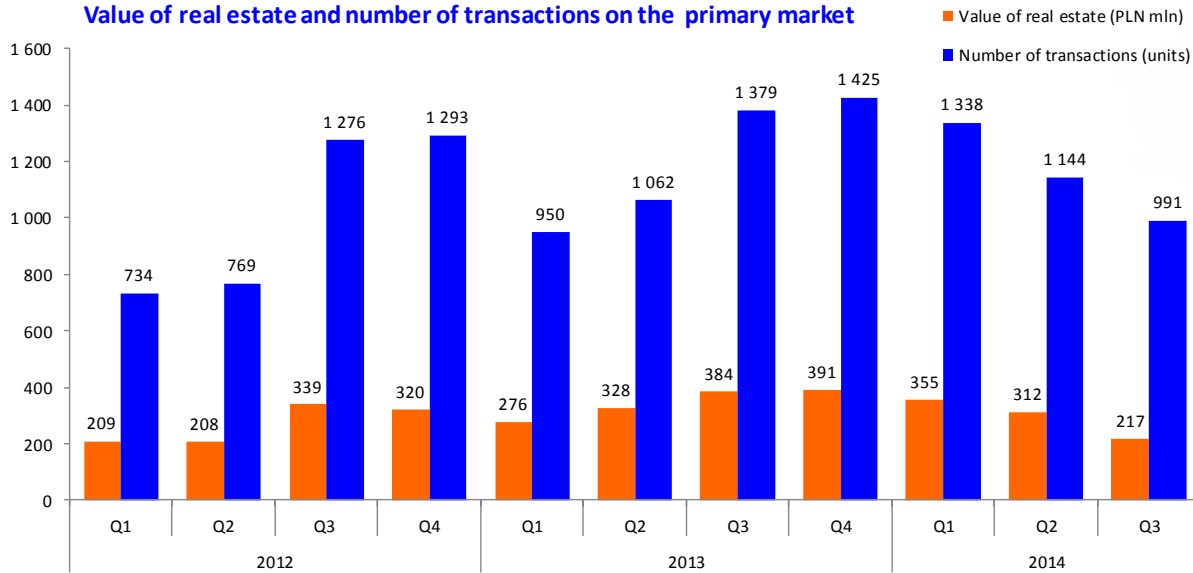


Financial results of Home Broker in 3Q 2014 are lower than financial results noted in the same period of 2013 which is in line with management expectations. This is mainly due to:

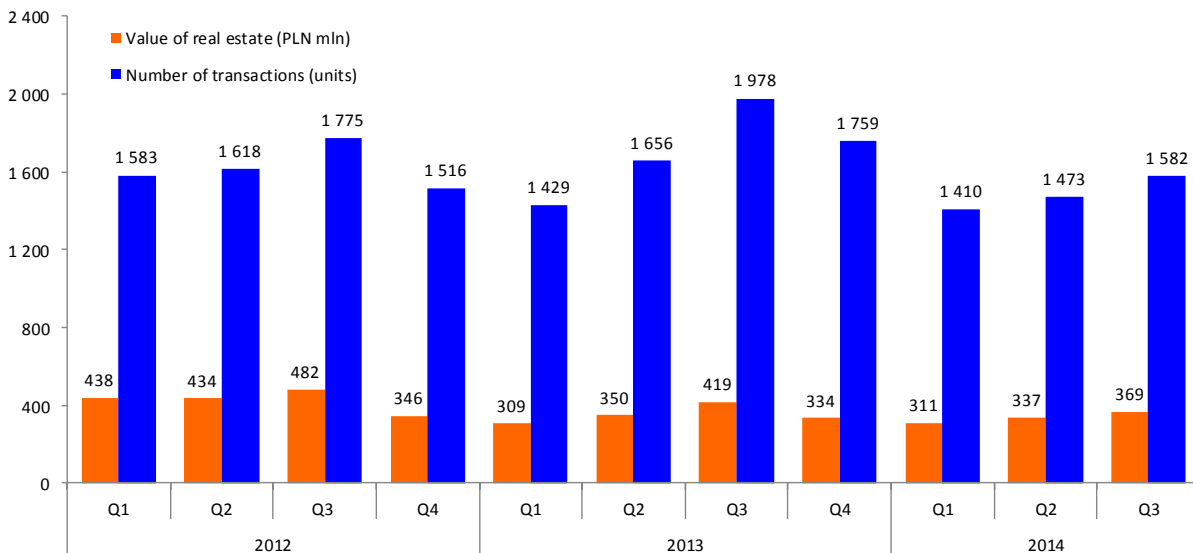
- decrease in the number of transactions and a decrease in the average commission on secondary and primary market - sales volume and margin negatively affected by leaving the condo segment (risk);
- lower sales volumes of mortgage loans in connection with an increase in the number of cash transactions with customers who acquire property through the Company.

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 Q3 2014 as compared to Q2 2014 there was a decrease in the number of transactions by 13%, which was caused by a decline in customers interested in government subsidies MDM and the growing market power of developers.
- **Secondary market** – in Q3 2014 as compared to Q2 2014 the number of transactions increased by 7% as a result of actions designed to maintain the attractiveness of the services in this segment of the market (promotion of "notary in price") and attractive rates to customers financing the real estate purchase through Home Broker. This is also due to the consistent policy of increasing the supply of exclusive offers.

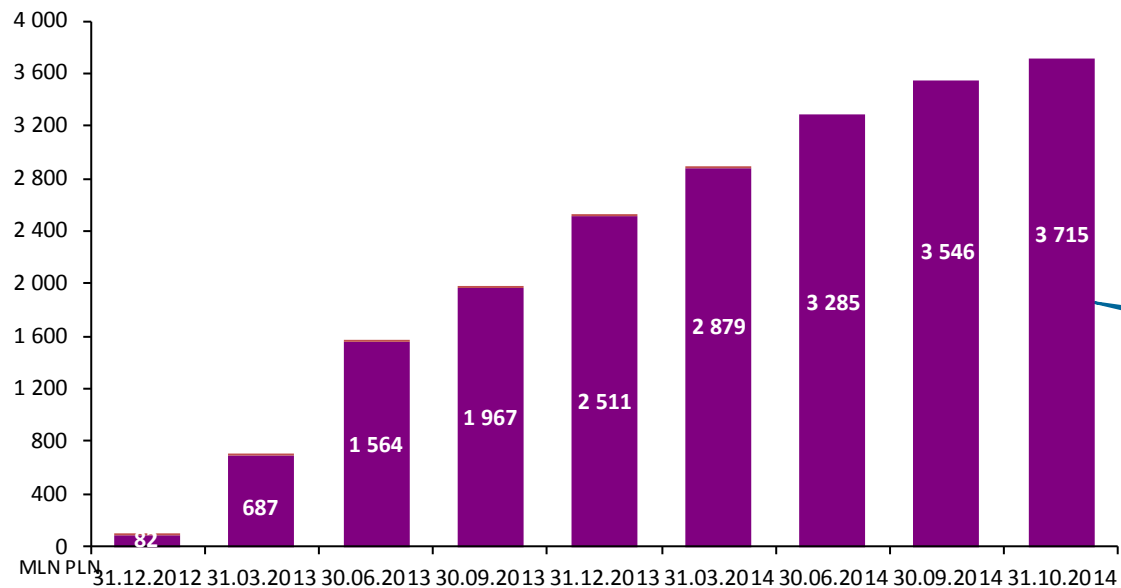


Open Finance TFI SA obtained the FSA approval for management of funds on 9 October 2012 and began operations.

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.

ASSETS UNDER MANAGEMENT



Include over PLN 2.543 mln in capital market funds.

Financial results for 3Q 2014 – PLN 5,8 mln.

OF Open-End Investment Fund available under insurance capital funds (UFK) of leading insurance companies (AXA, ING, Aegon, Open Life).

<i>(data in PLN thousand)</i>	Assets as at 30.09.2014	% share
Open Finance Open-End Investment Fund with 6 sub-funds	424 209 151	12%
Absolute return closed-end fund	124 968 083	4%
Corporate bonds closed-end fund	1 929 634 682	54%
Capital market funds - total	2 478 811 916	70%
Securitization fund	479 427 758	14%
Private equity investment fund	587 709 884	17%
Total assets	3 545 949 559	100%



openbrokers



openfinance 

OPEN BROKERS IN STRUCTURE OF OPEN FINANCE GROUP



Achievements and objectives for 2014:

1. Start of life insurance distribution – II quarter of 2014;
2. Own distribution platform available for use of advisors;
3. Company website launch – III quarter 2014 - www.odkrywamyubezpieczenia.pl;
4. Building own external agency network - October 2014;
5. Commencement of sale of property insurance.

In plans:

1. Start of sales through call center – IV quarter of 2014;
2. Launch of external comparison website – I quarter 2015.

Cooperating partners:

Towarzystwo Ubezpieczeń i Reasekuracji Allianz Polska S.A.
AXA Życie Towarzystwo Ubezpieczeń S.A.
ING Towarzystwo Ubezpieczeń na Życie S.A.
Metlife Towarzystwo Ubezpieczeń na Życie S.A.
Link 4 Towarzystwo Ubezpieczeń S.A.
Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A.
Allianz Towarzystwo Ubezpieczeń S.A.
Ceska Poistovna A.S. Oddział w Polsce
Benefia Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group
Generali Towarzystwo Ubezpieczeń S.A.
Liberty Seguros Compania de Seguros y Reaseguros S.A. Oddział w Polsce

DATA AT THE END OF THIRD QUARTER OF 2014

Revenue for 3Q 2014	PLN 4 028 thousand
Net profit for 3Q 2014	PLN 763 thousand
Share capital	PLN 100 thousand
Net margin	19%

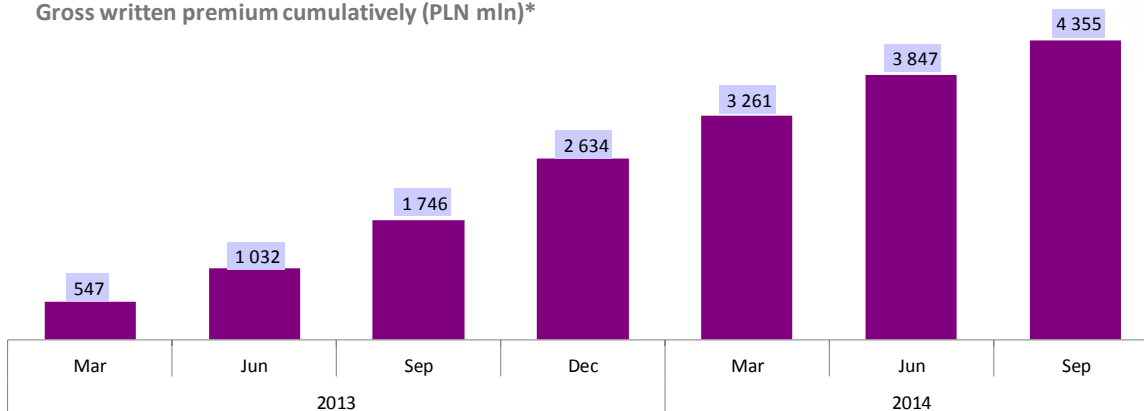




OPEN LIFE IN THE STRUCTURE OF OPEN FINANCE GROUP



Gross written premium cumulatively (PLN mln)*



*- according to the Polish accounting act

Cooperating Partners:

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

Targets for 2014:

1. ROE at the level not lower than 15%
2. Development of external distribution channels
3. Development of insurance product offer

DATA AS AT THE END OF THIRD QUARTER OF 2014

Net profit in accordance with IAS/IFRS for 3Q 2014	PLN 19,5 mln
Number of Clients	294 thousand
Share capital	PLN 95,5 mln
„Assets to technical provisions” ratio	117%
„Own funds to solvency margin” ratio	190%





OPEN FINANCE
GROUP RESULTS AFTER
THIRD QUARTER OF 2014

CONSOLIDATED ASSETS, PROFIT AND LOSS OF OPEN FINANCE GROUP

PLN '000	30.09.2014	31.12.2013	Change	
			value	%
ASSETS				
Fixed assets	478 092	459 873	18 219	4%
Tangible and intangible fixed assets	374 832	360 538	14 294	4%
Investment in associate - Open Life	69 948	60 413	9 535	16%
Investment property	8 381	7 182	1 199	17%
Deferred tax asset	20 200	27 162	(6 962)	-26%
Other long term receivables	4 304	4 052	252	6%
Other non-financial long term assets	427	526	(99)	-19%
Current assets	192 193	179 786	12 407	7%
Trade receivables	47 482	61 884	(14 402)	-23%
Interperiod settlements	122 289	95 626	26 663	28%
Cash and cash equivalents	14 021	14 756	(735)	-5%
Other	8 401	7 520	881	12%
TOTAL ASSETS	670 285	639 659	30 626	5%
LIABILITIES AND EQUITY				
Equity attributable to shareholders of the parent	439 189	417 648	21 541	5%
Share capital	543	543	-	0%
Other reserve capital	324 562	272 545	52 017	19%
Retained earnings	114 084	144 560	(30 476)	-21%
Equity of non-controlling shareholders	4 686	2 437	2 249	92%
Total equity	443 875	420 085	23 790	6%
Liabilities	226 410	219 574	6 836	3%
Deferred tax provision	23 600	27 988	(4 388)	-16%
Provisions	66	66	-	0%
Loans and Financial lease liabilities	5 411	1 671	3 740	224%
Issued bonds	120 972	122 105	(1 133)	-1%
Liabilities for the purchase of shares in Home Broker S.A.	833	3 833	(3 000)	-78%
Trade liabilities	33 838	15 412	18 426	120%
Interperiod settlements	26 368	31 595	(5 227)	-17%
Corporate income tax payable	350	2 337	(1 987)	-85%
Other non-financial liabilities	14 972	14 567	405	3%
TOTAL LIABILITIES AND EQUITY	670 285	639 659	30 626	5%

PLN '000	1.01.2014 - 30.09.2014	1.01.2013- 30.09.2013	Change	
			value	%
Sales revenue	278 581	333 761	(55 180)	-17%
Costs of sales	(112 964)	(94 715)	(18 249)	19%
Profit on sales	165 617	239 046	(73 429)	-31%
Administrative costs	(119 919)	(161 633)	41 714	-26%
Result on other operating activity	4 281	61	4 220	70x
Share in associate's profit - Open Life	9 535	3 780	5 755	152%
EBITDA	59 514	81 254	(21 740)	-27%
Depreciation and amortisation	(26 537)	(21 019)	(5 518)	26%
Result on financial activity	(5 500)	(5 543)	43	-1%
Gross profit	27 477	54 692	(27 215)	-50%
Income tax	3 687	9 974	(6 287)	-63%
Net profit	23 790	44 718	(20 928)	-47%
including:				
- attributable to shareholders of the parent	21 541	44 546	(23 005)	-52%
- attributable to non-controlling shareholders	2 249	172	2 077	13x

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