

**KRUK
Group**



REJESTR DŁUŻNIKÓW
ERIF
BIG S.A.



Presentation of 2013 results KRUK Group

March 2014

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KRUK Group's net profit for 2013 up 20%, to PLN 98m



Record-high recoveries and sound investments in new portfolios

- Recoveries in Q4 amounted to PLN 155m (up 30% yoy), and for 2013 were PLN 538m (up 19% yoy).
- In 2013, the KRUK Group invested PLN 367m in new debt portfolios (up 19% yoy); over the last three years the total invested was PLN 1.2bn.

Record-high net profit

- Net profit for 2013 was PLN 97.8m, having grown by 20% yoy despite negative revaluations following lower-than-expected recoveries at the court and enforcement stage in Poland and the Czech Republic.

Significant share of unsecured debt market

- In 2013, KRUK achieved a 22% share in the debt portfolio purchase market in Poland, Romania, the Czech Republic and Slovakia.
- The total volume of the debt purchase markets in which KRUK is present amounted to PLN 1.7bn in 2013.

Solid foundations for future profits

- At the end of the year, the fair value of the acquired debt portfolios was PLN 1,054m, up 21% yoy.
- Since its inception, the KRUK Group has acquired debt portfolios with a total nominal value of PLN 17.9bn.

Strong financing sources

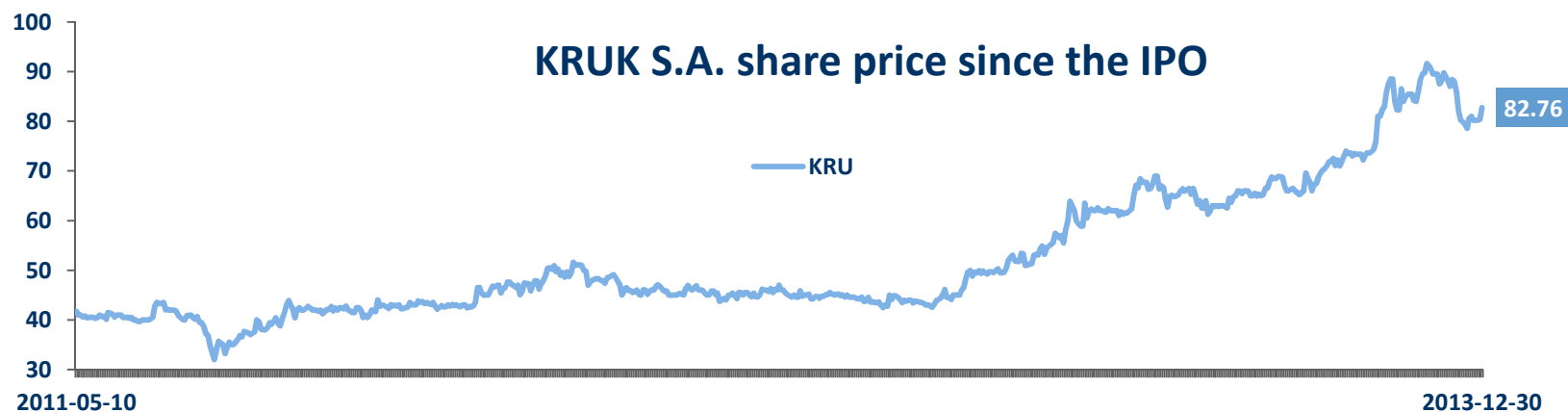
- In 2013, KRUK issued bonds with a total nominal value of PLN 250m.
- KRUK was the first debt collection market player to have issued public bonds (in 2013).
- At the end of 2013, KRUK had access to PLN 215m in credit lines.

Source: KRUK S.A.



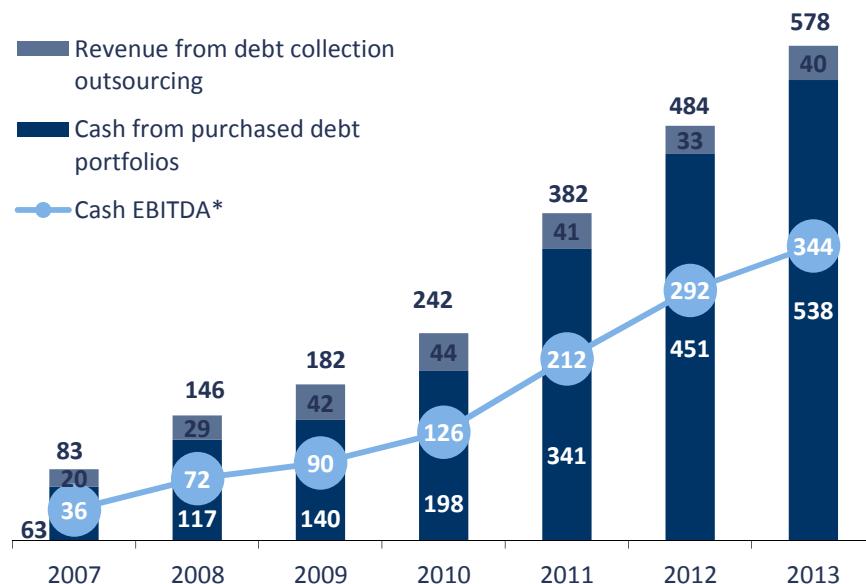
During its first three years as a listed company, KRUK increased its net profit by 171%, and its share price has gained 108% since the IPO

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	CAGR
<u>Net profit</u> <u>(PLNm)</u>	36.1	66.4	81.2	97.8	39.4%
<u>EPS</u> <u>(PLN)</u>	2.34	4.03	4.80	5.77	35.1%
<u>ROE</u>	27.4%	27.9%	25.6%	23.5%	-



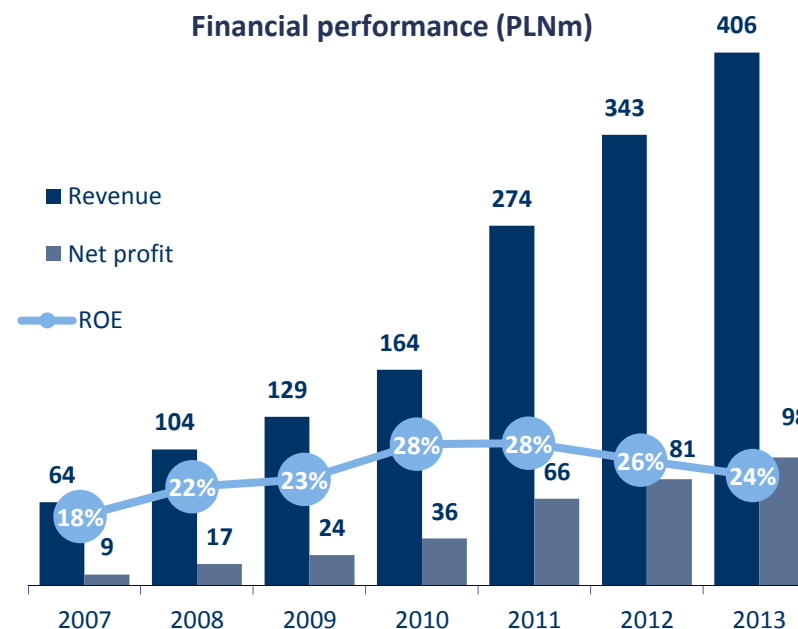
2013 was another year of dynamic growth: net profit up by 20%, cash EBITDA up by 18%, with ROE at 24%

Cash from debt collection activities (PLNm)



PLNm	2007	2012	2013	'13/'12	CAGR '07-'13
Revenue	63.6	343.0	405.6	18%	36%
EBIT	11.5	136.7	152.9	12%	54%
Cash EBITDA*	34.2	292.3	344.3	18%	47%
Net profit	8.7	81.2	97.8	20%	50%

Financial performance (PLNm)



	2007	2013	change
Retail debt as at the end of the year, millions of cases (debt collection outsourcing and purchased portfolios)	1.1	2.8	155%
Nominal value of debt as at the end of the year, PLNbn (debt collection outsourcing and purchased portfolios)	4.7	22.8	385%
Accumulated recoveries from purchased debt portfolios (PLNm)	157	1,943	1,138%
number of employees*	751	2,335	211%

Source: KRUK S.A. *Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt portfolios
 * including personnel under employment contracts and civil law contracts

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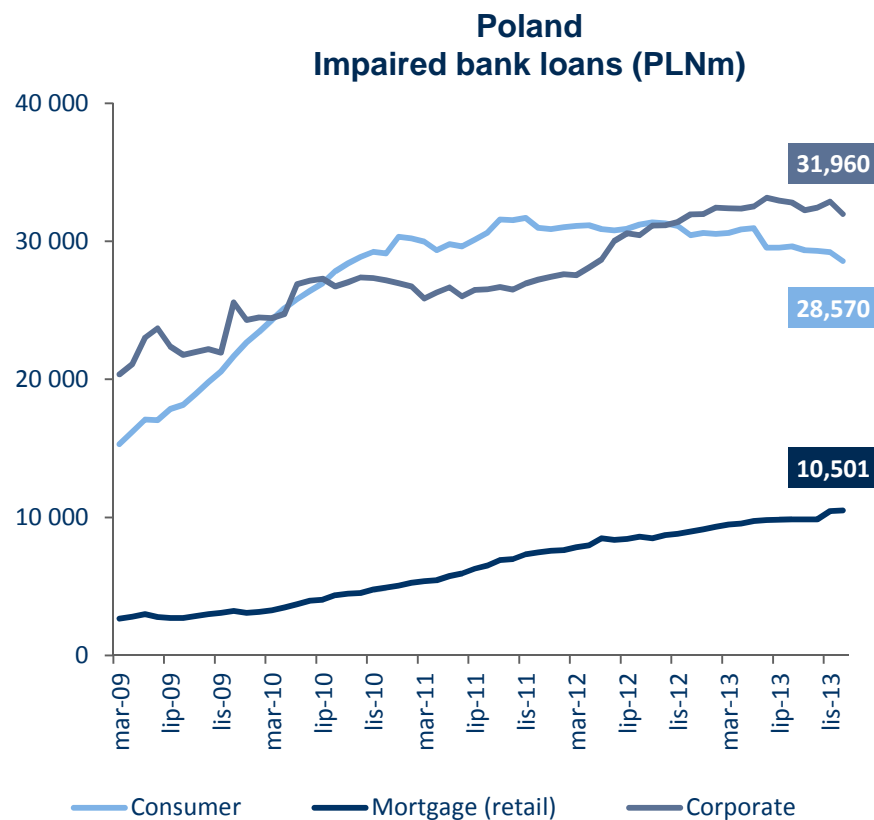
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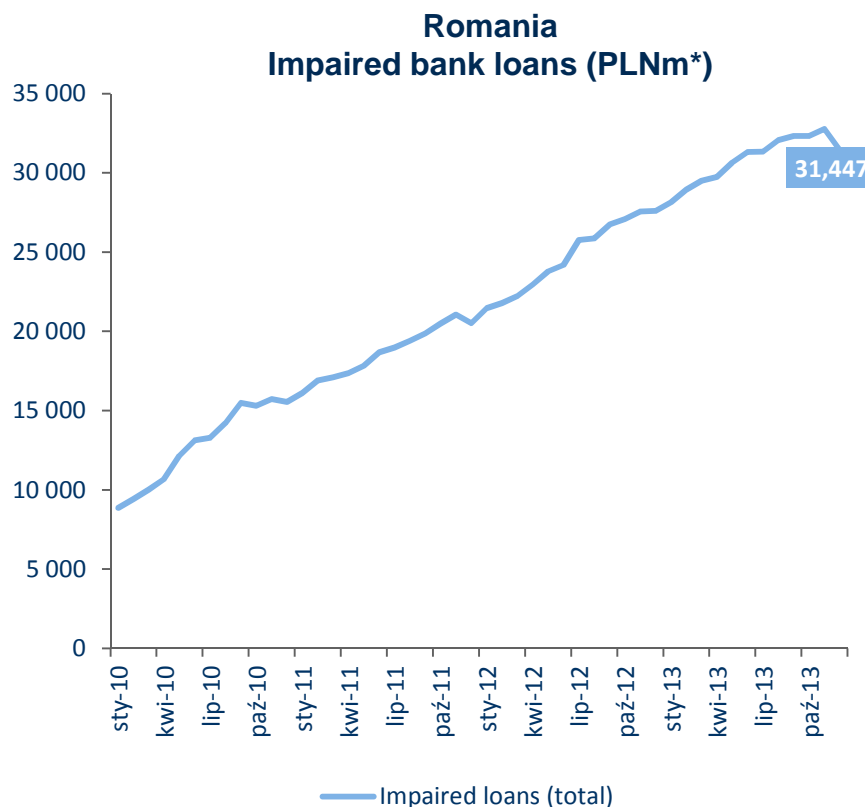
Financial performance

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The total value of non-performing bank debt in Poland and Romania exceeds PLN 100bn as at the end of 2013



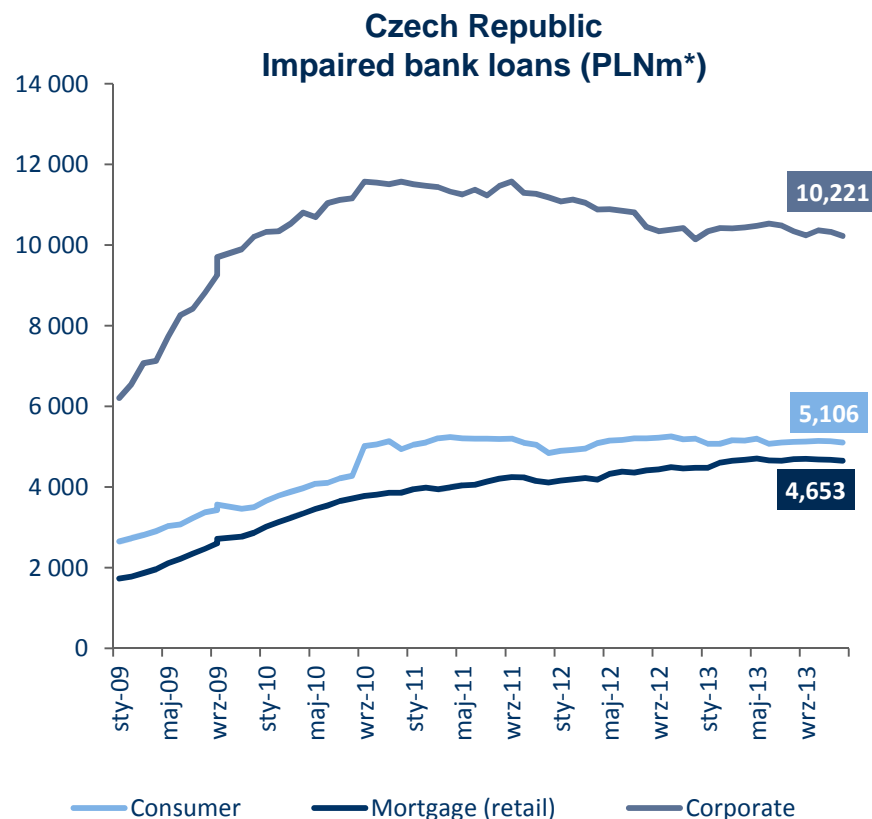
Non-performing consumer and corporate debt values remained at approximately PLN 30bn. The value of mortgage-backed debt is growing rapidly (more than PLN 10bn in December 2013, relative to PLN 3.2bn in December 2009).



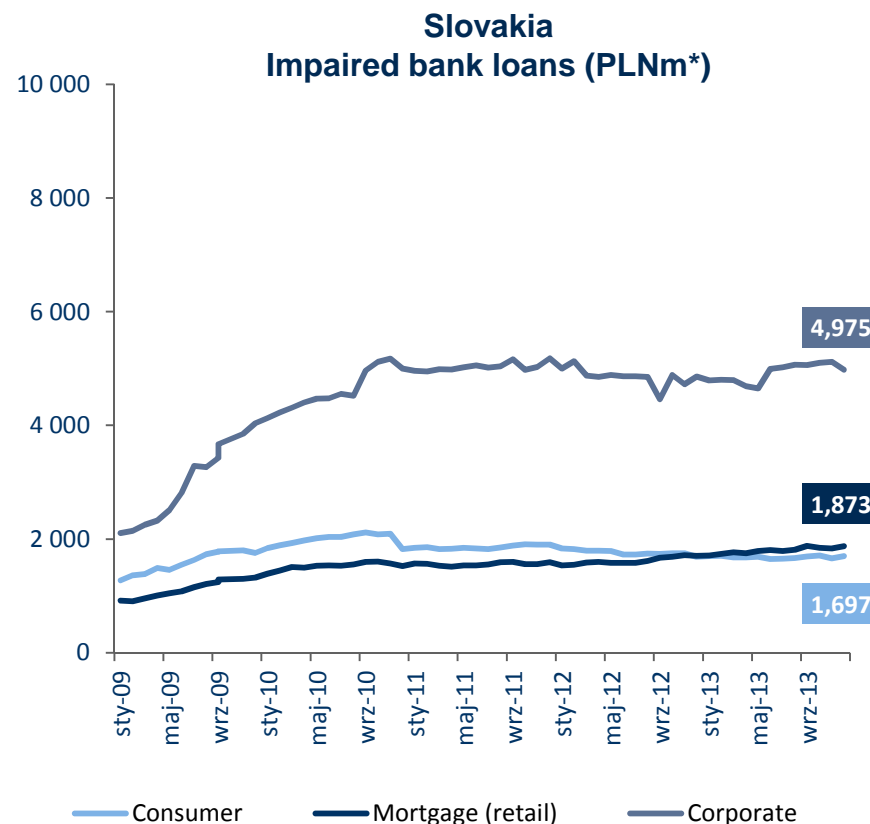
At the end of 2013, impaired loans in Romania stood at PLN 31bn (up 14% on 2012, a fourfold increase from December 2009).

*Translated at the RON/PLN exchange rate for February 7th 2014
Source: National Bank of Poland, National Bank of Romania

The value of non-performing mortgage-backed debt in the Czech Republic and Slovakia is comparable to the value of non-performing consumer debt



Non-performing consumer debt in the Czech Republic has remained at ca. PLN 5bn for the last two years.



The value of impaired bank loans in Slovakia has remained stable. The value of non-performing consumer debt was PLN 1.7bn at the end of 2013.

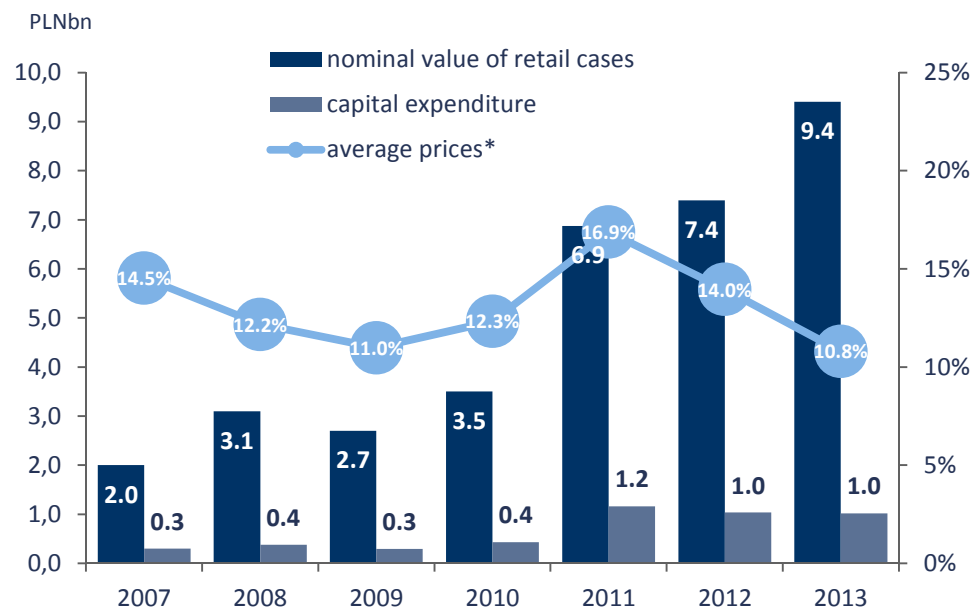
*Translated at the CZK/PLN exchange rate for February 7th 2014

**Translated at the EUR/PLN exchange rate for February 7th 2014

* Source: National Bank of Czech Republic, National Bank of Slovakia

In 2013, KRUK's investments in Poland stabilised and increased in Romania

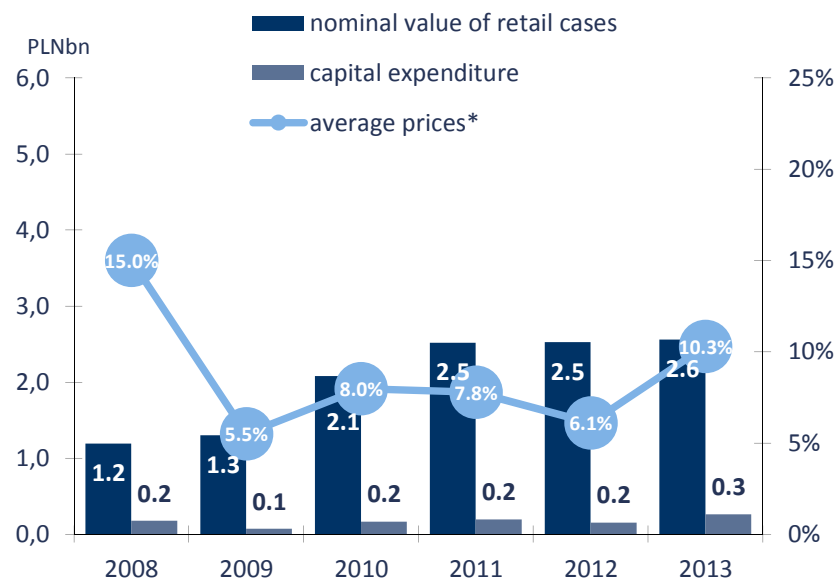
POLAND



For the last three years, expenditure on consumer debt portfolios in Poland has remained relatively stable, at PLN 1bn. The price drop was driven by several factors, including lower effectiveness of debt collection at the court and enforcement stage.

The material increase in nominal value of consumer debt sold in 2013 followed from a single transaction executed by a non-bank lending institution.

ROMANIA



In 2013, the value of expenditure on the Romanian market rose to a record level of PLN 0.3bn, with the nominal value of offered portfolios staying flat.

Debt prices increased on the back of the higher quality of cases offered and stronger competition.

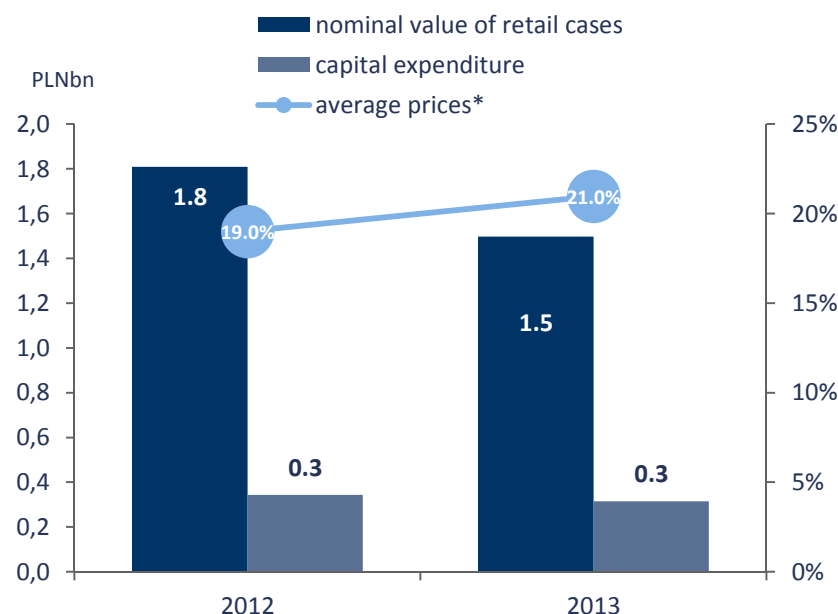
Source: KRUK S.A.

*Average price as % of nominal value.

Consumer portfolios = unsecured retail debt + non-mortgage-backed SME debt

Investments in Slovakia and the Czech Republic are stable at PLN 0.3bn; corporate debt market in Poland is still relatively limited

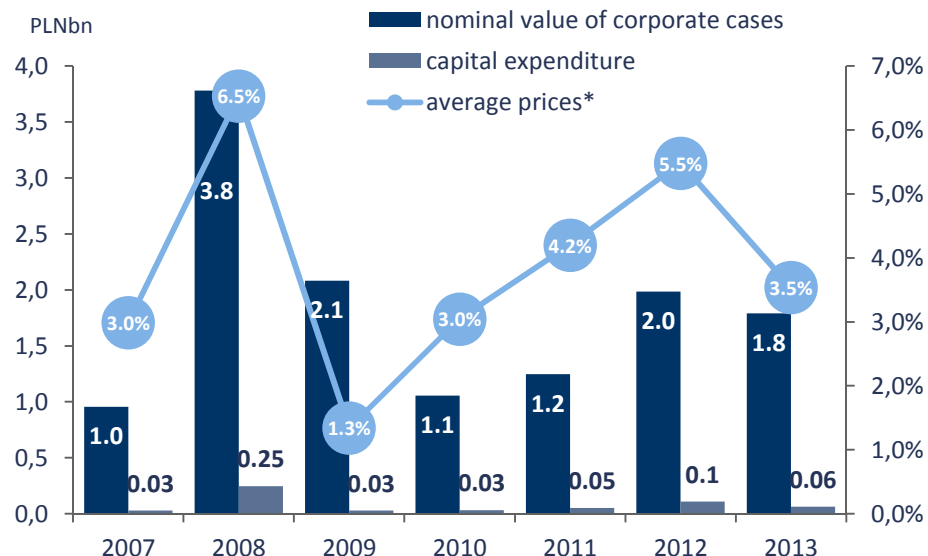
THE CZECH REPUBLIC AND SLOVAKIA



In 2013, the value of investments in debt portfolios was relatively flat on 2012, totalling PLN 0.3bn, with a modest increase in prices.

In H2 2013, the effectiveness of court collection in the Czech Republic declined.

POLAND – CORPORATE DEBT PORTFOLIOS



The nominal value of corporate debt portfolios offered in 2013 stayed within the PLN 1.0bn-2.0bn range, amounting to PLN 1.8bn.

The value of portfolio investments and prices fluctuates with the quality of corporate debts offered for sale.

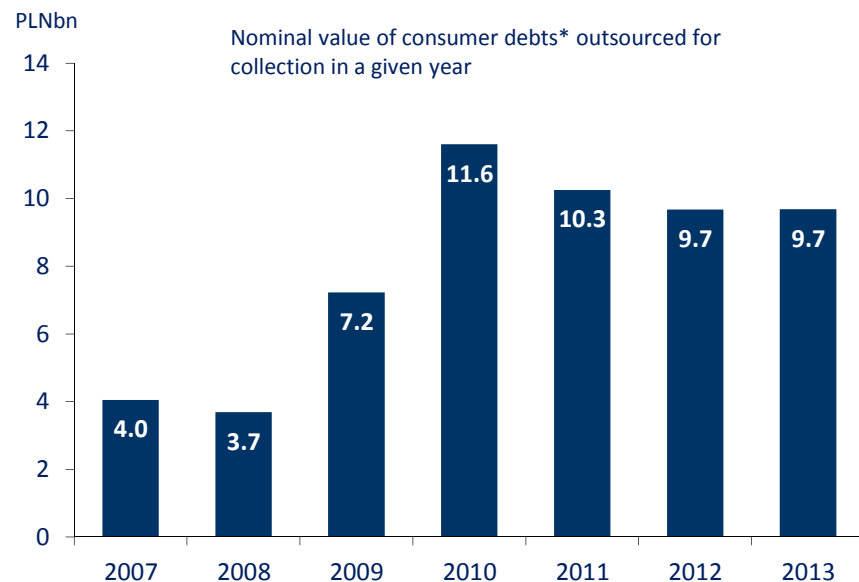
Source: KRUK S.A.

* Average price as % of nominal value.

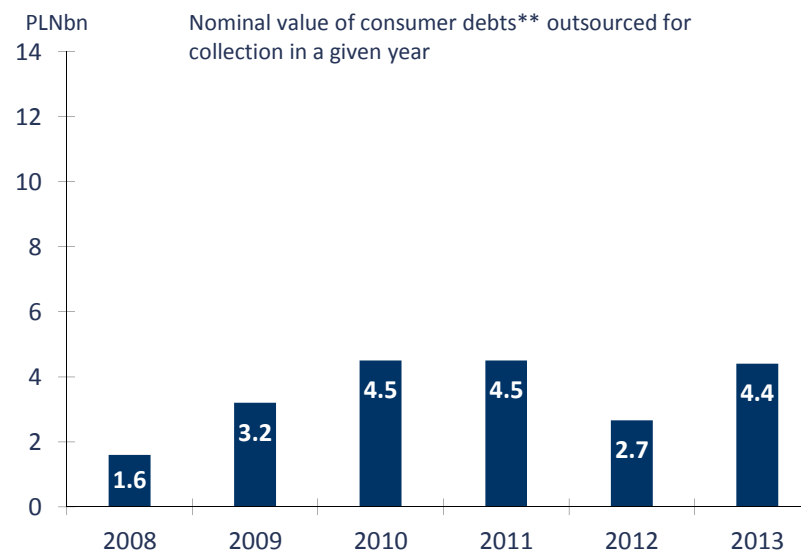
Consumer portfolios = unsecured retail debt + non-mortgage-backed SME debt

Stable supply on the Polish debt collection outsourcing market in 2013, with supply in Romania back to 2010-2011 levels

POLAND



ROMANIA



As in 2012, in 2013 Polish entities outsourced the collection of debt with a total nominal value of PLN 9.7bn. In KRUK's opinion, debt collection outsourcing markets in Poland and Romania are highly competitive.

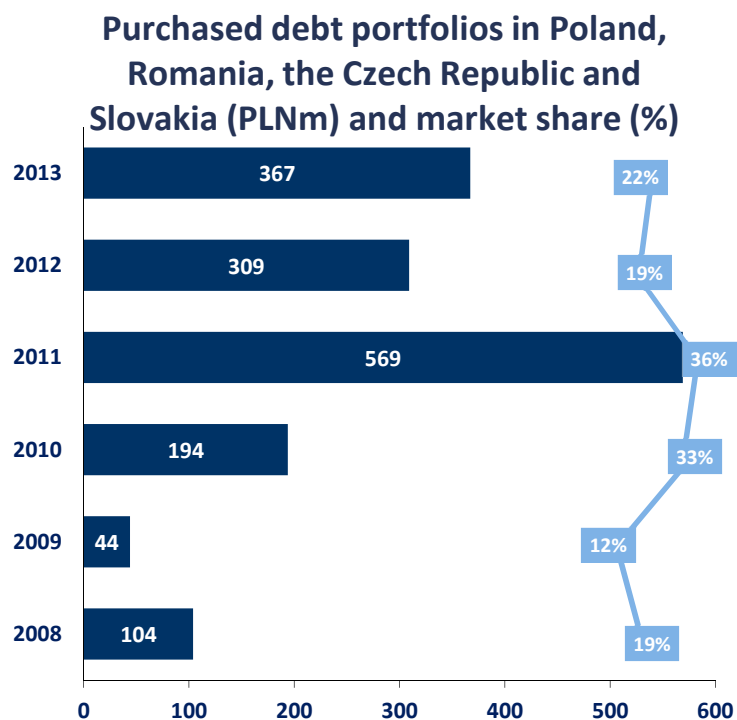
In 2013, the share of sold cases in the total value of cases outsourced to debt collection agencies increased in line with the prevalent trend for selling debt rather than managing it.

Source: KRUK S.A.

* Consumer cases in Poland = unsecured and mortgage-backed retail debt

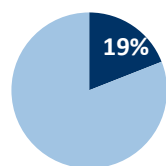
* Consumer cases in Romania = unsecured retail debt

In 2013, KRUK's share in the regional debt purchase and debt collection outsourcing market was over 20%

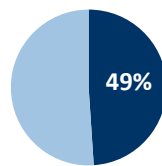


KRUK is the **leader** of the debt purchase markets in Poland and Romania.

Group's share in debt purchase market in individual countries in terms of expenditure



Poland

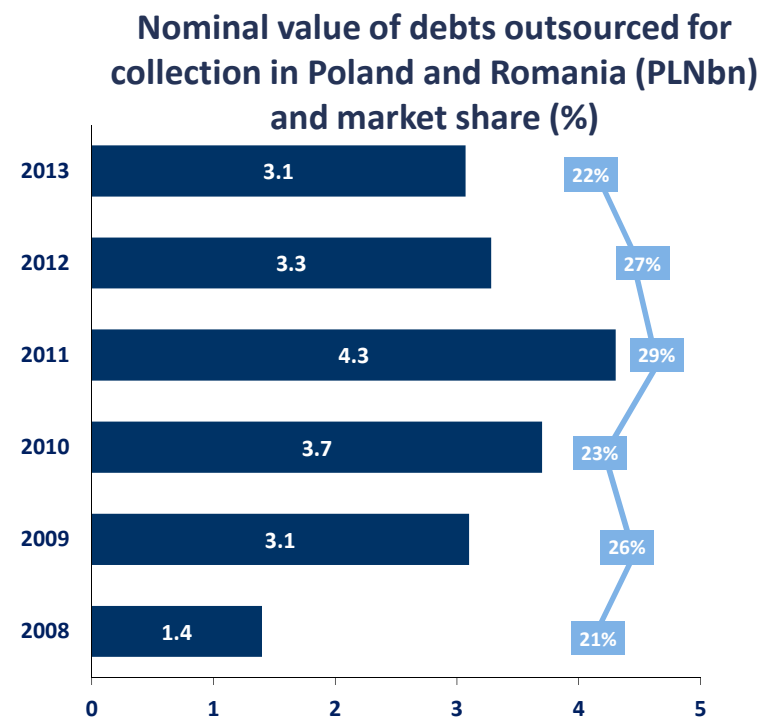


Romania



Czech Republic/Slovakia

Source: KRUK S.A.



KRUK maintained a strong market share of over 20% in the highly competitive debt collection market segment.

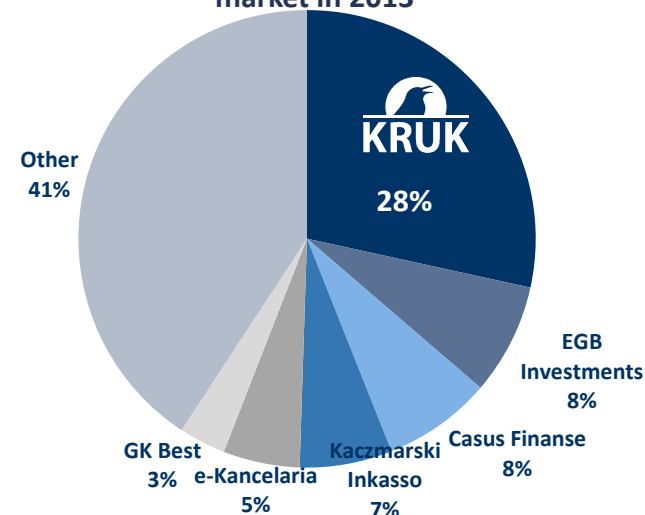
KRUK is the leading Polish debt collection company

In Poland, in 2013 the KRUK Group acquired debts with a total nominal value of PLN 5.1bn, more than the aggregate value of debts managed by its three largest competitors, according to a Gazeta Giełdy Parkiet daily ranking*.

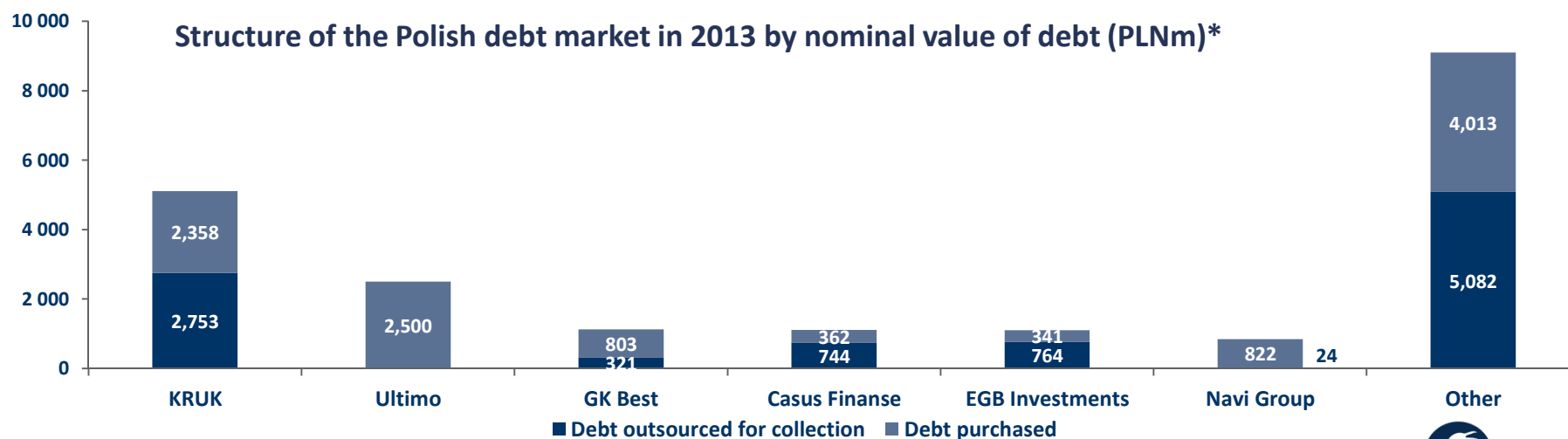
In 2013, the KRUK Group purchased debt with a nominal value of PLN 2.4bn, representing 21% of the total nominal value of debt portfolios put up for sale in Poland.

In 2013, the nominal value of debts outsourced to the Group for collection was more than PLN 2.7bn. The second largest player in Gazeta Giełdy Parkiet's ranking achieved less than 40% of that figure.

Structure of the Polish debt collection outsourcing market in 2013



Structure of the Polish debt market in 2013 by nominal value of debt (PLNm)*



*The ranking covers entities which provided Gazeta Giełdy Parkiet with data on the nominal value of debt outsourced for collection, and debt purchased; the 'other' item is KRUK's estimate of the balance of the market share.

Source: own research, based on the 'The great challenge facing the debt collection market' article (Wielki test przed branżą windykacyjną), published in Gazeta Giełdy Parkiet on February 8th 2014, and KRUK S.A.'s own estimates.

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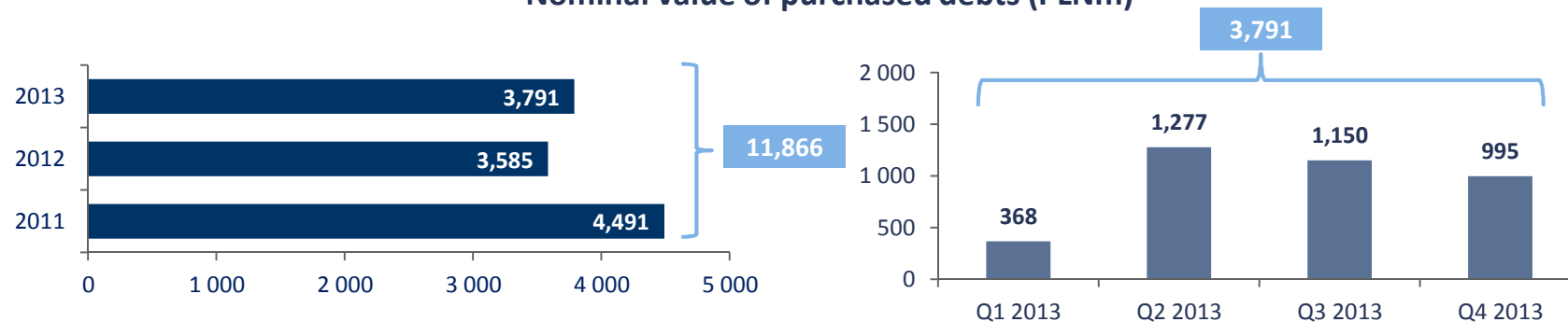
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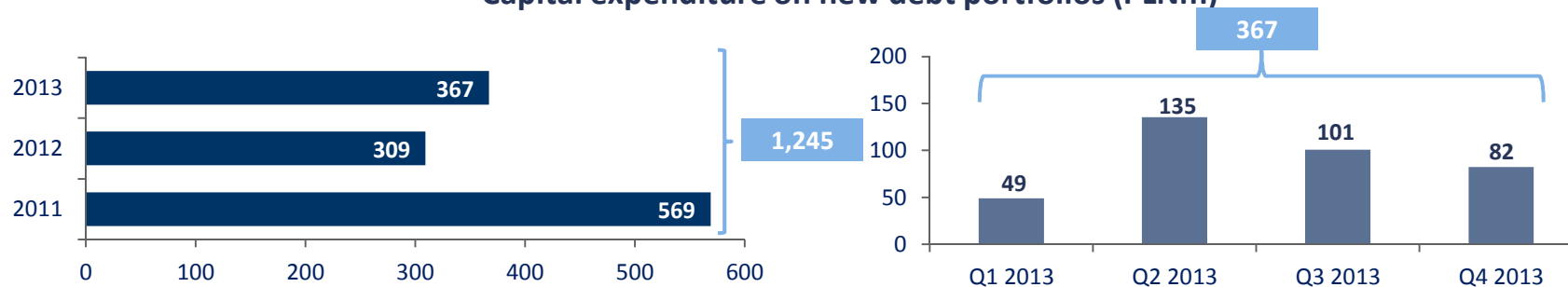
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In the last three years, KRUK invested over PLN 1.2bn in debt portfolios with a total nominal value of nearly PLN 12bn

Nominal value of purchased debts (PLNm)



Capital expenditure on new debt portfolios (PLNm)

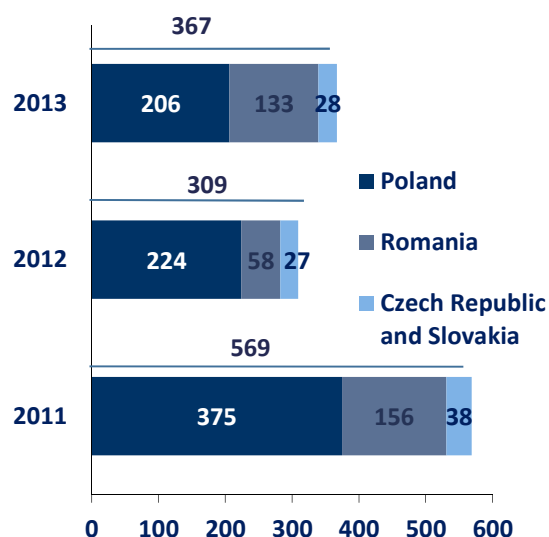


In 2013, the KRUK Group purchased debts with a nominal value of PLN 3.8bn by investing PLN 367m, with approximately the same amount spent in H1 2013 (PLN 184m) and H2 2013 (PLN 183m). The acquired portfolios included mortgage and corporate debt, representing just over 10% of the invested amount.

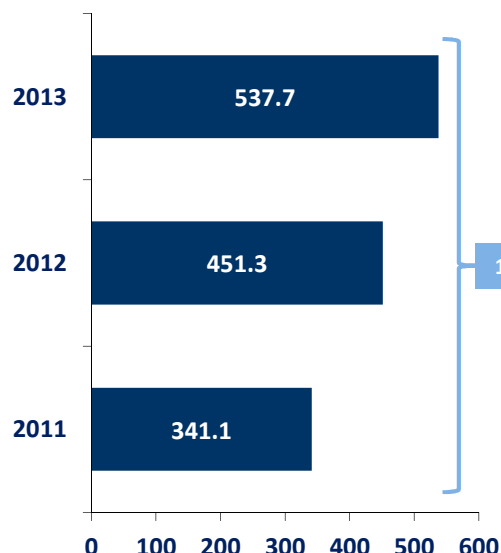
On average, KRUK paid 9.7% of the nominal value, compared with 8.6% in 2012 and 12.7% in 2011. The higher average price was attributable to acquisition of better quality portfolios.

Thanks to its amicable settlement strategy, in 2013 the Group boasted record recoveries of over PLN 0.5bn

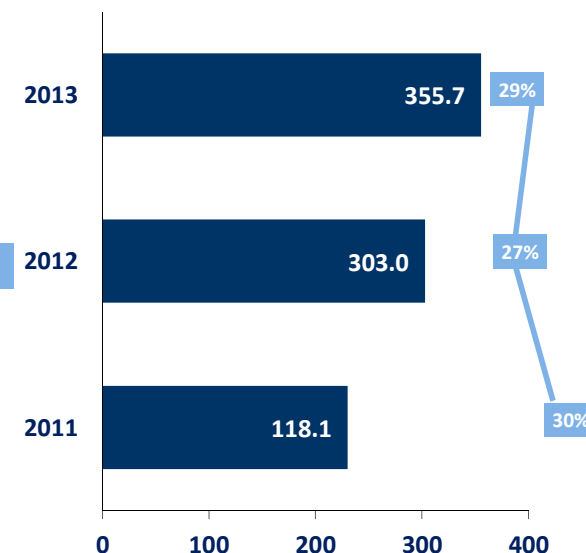
KRUK's expenditure on debt portfolios (PLNm)



Recoveries (PLNm)



Revenue (PLNm) and costs (as % of recoveries)



Of the Group's PLN 367m expenditure, 56% was incurred in Poland, and 36% in Romania.

The Group recorded a nearly 130% increase in investments in Romania.

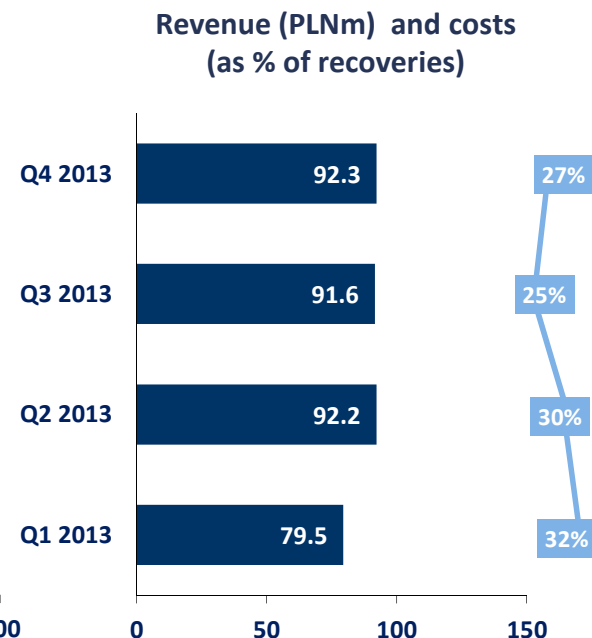
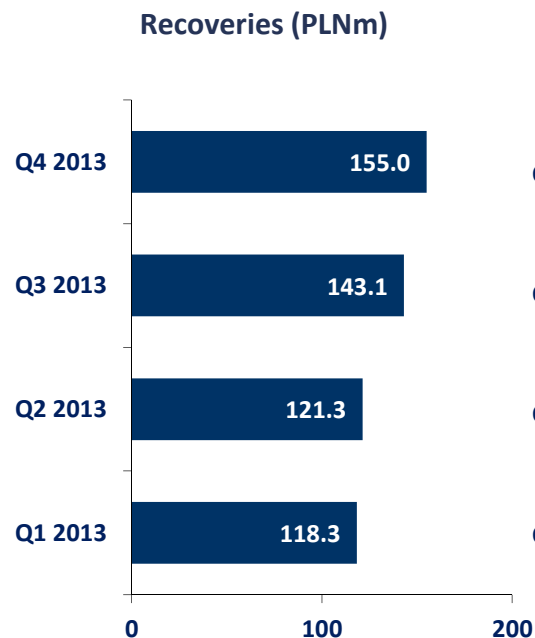
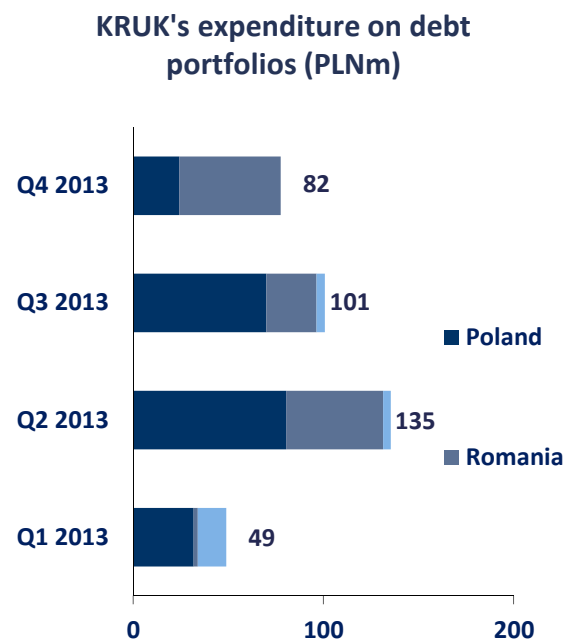
In 2013, the Group posted a record-high PLN 538m in recoveries from purchased debt portfolios.

KRUK recorded satisfactory recoveries from settlements in Poland, and recoveries in Romania were above expectations.

Revenue from purchased portfolios was PLN 366m, up 17% on 2012.

In 2013, the share of costs in recoveries from purchased portfolios remained below 30%.

Record-high recoveries and sound investments in Q4 2013



Throughout 2013, KRUK invested PLN 367m equally between H1 and H2.

The majority of investments in Q4 2013 were made on the Romanian market.

In Q4 2013, KRUK posted record-high recoveries from purchased debt portfolios.

In H2 2013, recoveries reached nearly PLN 300m.

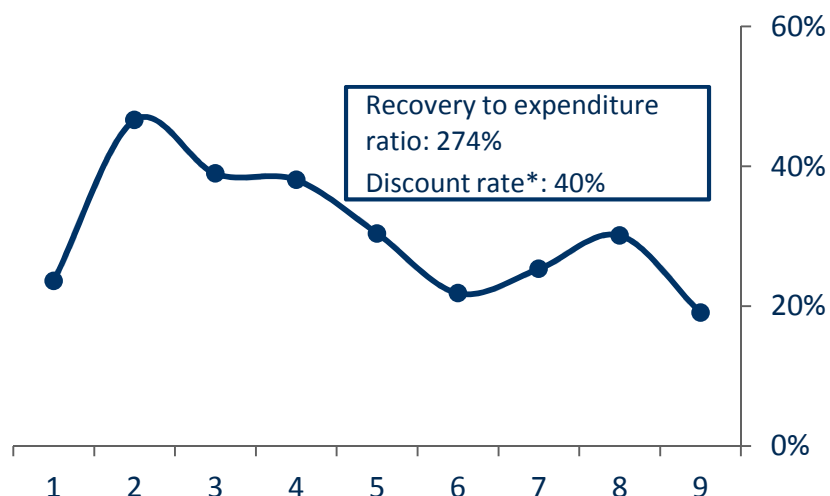
The share of costs in recoveries was substantially lower in H2 2013.

The low share of costs in recoveries in H2 2013 followed from improved recoveries accompanied by proper cost discipline.

KRUK - Historical recovery to expenditure curve for 2005-2013 and Expected Remaining Collections (ERC**)

Weighted average recovery rate for portfolios acquired in calendar years	Total	1Y	2Y	3Y	4Y	5Y	6Y	7Y	8Y	9Y	9Y+
Investments made in 2005-2013	274%	24%	47%	39%	38%	30%	22%	25%	30%	19%	+

Weighted average recovery rate for portfolios purchased in 2005-2013



Factors having a bearing on the recovery curve:

- Effectiveness of the collection tools used
 - Effectiveness of conciliation activities, including telephone calls, doorstep collection, and media communication
 - Effectiveness of court collection
 - Effectiveness of the credit reference agency Rejestr Dłużników ERIF BIG
- Debtor behaviour
- Macroeconomic situation
- Legal environment

Recoveries from purchased debt portfolios (as at the end of 2013)

PLNm	Historical (to the end of 2013)	Expected (ERC**) as at Dec 31 2013
Recoveries	1,943	2,105

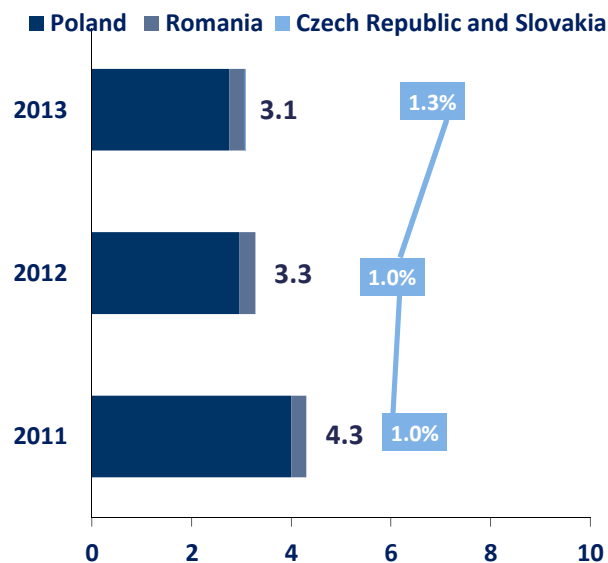
*Discount rate = annualised IRR based on half-yearly cash flow, assuming investment in portfolios in the middle of a calendar year

** ERC - estimated remaining 10-year undiscounted collections from purchased portfolios

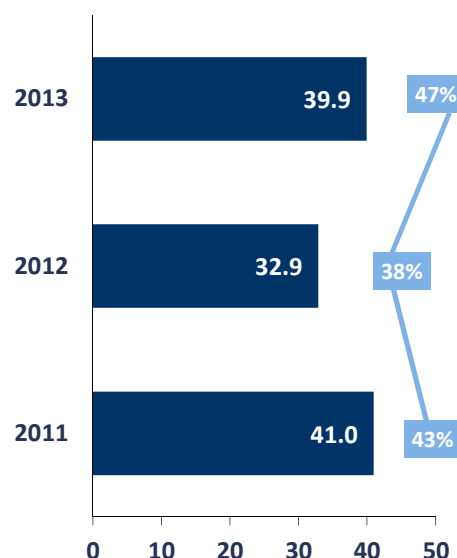
Source: KRUK S.A.

KRUK is highly successful on the competitive debt collection outsourcing market

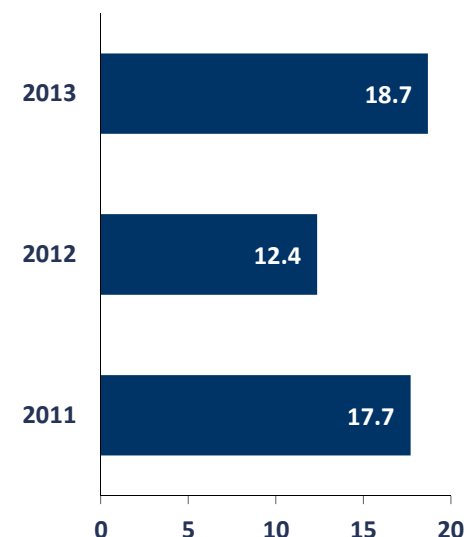
Nominal value of debt outsourced for collection (PLNbn), and commission fees (% of nominal value)



Revenue (PLNm) and gross margin on debt collection outsourcing (% of revenue)



Gross profit on debt collection outsourcing market (PLNm)

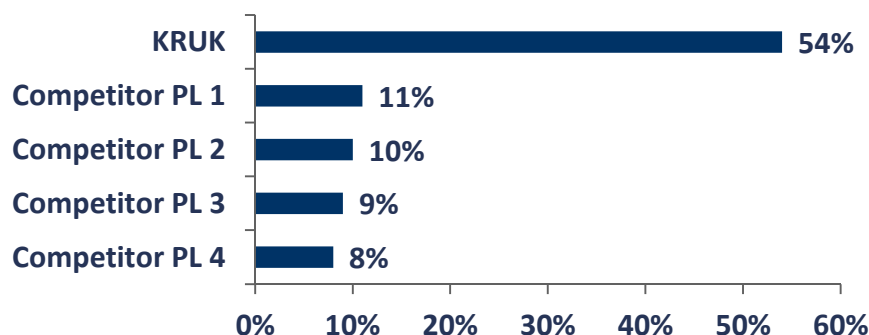


Higher commission fees and gross margin were driven chiefly by good performance in corporate debt collection outsourcing in Q1 2013.

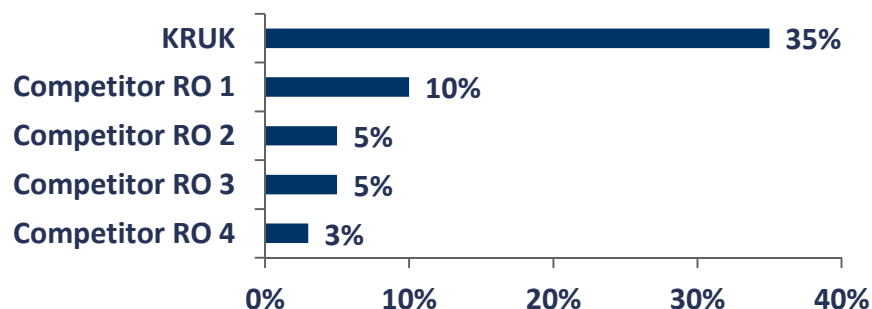
The debt collection outsourcing market is highly competitive, but KRUK performs well by leveraging its economies of scale and high operating efficiency.

Marketing secures competitive edge for KRUK in management of purchased debt portfolios

Overall brand recognition in Poland*



Overall brand recognition in Romania*



KRUK'S BUSINESS PHILOSOPHY

- ☐ KRUK treats an indebted person as a customer and not just a debtor.
- ☐ It is KRUK employees' task to assist customers with their debt repayment – consultants negotiate a customised repayment schedule with the debtor.
- ☐ KRUK is the only player on the debt collection market which reaches out to debtors with television advertising spots and promotes an amicable approach.
- ☐ The effectiveness of the amicable strategy has been confirmed by higher recoveries as well as the stability and predictability of the cash generated.
- ☐ Growing recognition for and use of Rejestr Dłużników ERIF BIG S.A. translates into improved efficiency for KRUK.

Its Europe-unique approach to debtors enables the KRUK Group to maintain its market leader positions in Poland and Romania and to expand into other countries.

* Source: Report on TNS's research on awareness of debt collection companies among Poles.

Report on TNS CSOP Romania's research on awareness of debt collection companies among Romanians (2013)

The research, commissioned by KRUK S.A. and conducted in December 2013, covered representative samples of 1,000 adult Poles and 1,000 adult Romanians.

In 2013, the KRUK Group launched its largest ever advertising and promotional campaign addressed to debtors



POLAND

- TV (TVP, Polsat, TVN)
- Radio (Zet, Złote Przeboje)
- Press (weeklies, magazines, TV listings)
- Internet (Google, YouTube, facebook)

The campaign run in Poland and Romania presents the story of three persons, who resolved their problems with excess debt and now encourage others to contact KRUK.

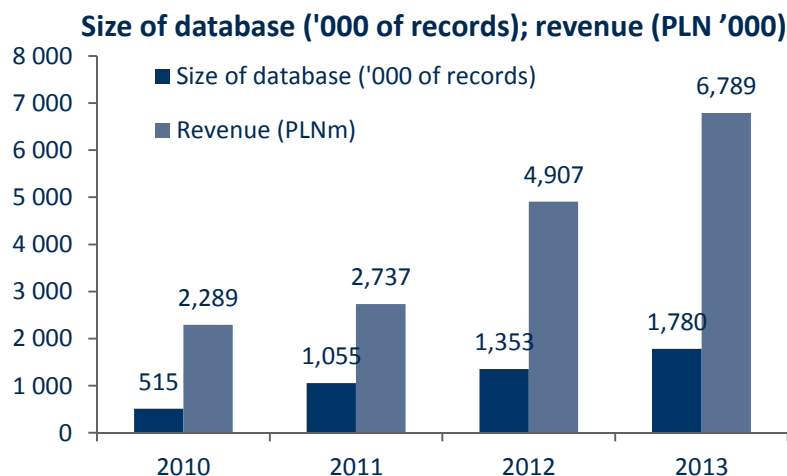


ROMANIA

- TV (Antena1, Kanal D, National TV, TVR)
- Radio (Radio Romania, Kiss FM)
- Press (weeklies, magazines, TV listings)
- Internet (Google, YouTube)

KRUK develops the operations of RD ERIF BIG, a credit information agency, and NOVUM consumer loans

RD ERIF (credit reference agency)

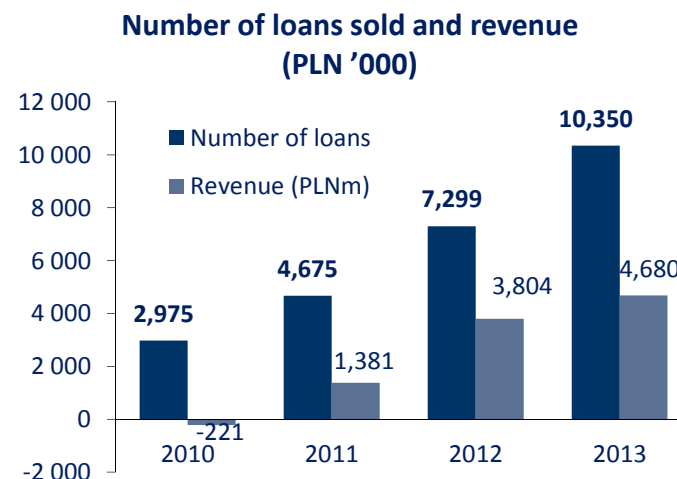


The dynamic increase in ERIF's database continued in 2013 – the number of cases reached PLN 1.78m, a value of over PLN 9.8bn.

The only agency in Poland whose database is subject to regular review by an independent auditor, following which a quarterly report on the status and structure of the database is produced and published.

The growing scale of RD ERIF's business improves the effectiveness of KRUK's operations by increasing discipline among indebted persons.

NOVUM LOANS



In 2013, revenue from the NOVUM project was up 23% on 2012. The number of Novum loans advanced rose by 42% yoy.

The Group intends to offer loans to persons who have repaid their debt to KRUK and regularly repay any other debt they may have.

The Company's competitive advantage consists in its knowledge of the borrower's characteristics and behaviour patterns, and the effectiveness of its collection measures.

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KRUK's development strategy: maintain the leading position on existing markets, further enhance operational efficiency, expand on foreign markets and launch new products

<p>Higher recoveries from existing portfolio</p>	<ul style="list-style-type: none"> • KRUK manages a debt portfolio whose total nominal value at the time of purchase was PLN 17.9bn. KRUK's objective is to become more effective in getting through to the debtors from this portfolio and thus improve its cash recovery rates, which will provide the potential for higher profits from assets already held. • KRUK estimates the value of future undiscounted cash flows from purchased debt portfolios at approximately PLN 2.1bn (as at the end of 2013).
<p>New investments on existing markets</p>	<p>KRUK plans to:</p> <ul style="list-style-type: none"> • consolidate its position on the unsecured retail debt purchase market • increase purchase and collection of non-performing mortgage-backed debts • increase purchase and collection of non-performing corporate debts • develop its debt collection outsourcing business
<p>New foreign markets</p>	<ul style="list-style-type: none"> • KRUK seeks to expand its presence on new markets by developing debt portfolio purchase and debt collection outsourcing businesses through organic growth or acquisitions of local firms. • KRUK plans to enter a new foreign market in 2014, and further markets in the future.
<p>Growth of credit information and lending businesses</p>	<ul style="list-style-type: none"> • KRUK plans to develop RD ERIF BIG SA as an independent credit reference agency, and also as an increasingly more effective debt collection tool. • KRUK plans to develop the lending business based on its debtor database.

International listed companies in KRUK's peer group

		2008	2009	2010	2011	2012	2013	CAGR ('08-'13)	LTM
	Net profit (PLNm)	16.7	23.5	36.1	66.4	81.2	97.8	42%	97.8
	growth		41%	54%	84%	22%	20%		
	EPS (PLN)	1.10	1.48	2.34	4.03	4.80	5.77	39%	5.77
	growth		35%	58%	72%	19%	20%		
	Equity (PLNm)	76.5	98.3	130.3	238.4	317.6	415.6	40%	377.8
	ROE	22%	24%	28%	28%	26%	24%		
Intrum Justitia***								Market capitalisation (PLNm)*	1,309.2
								P/E**	13.4
	Net profit (PLNm)	208.8	208.3	213.7	261.3	276.1	387.2	13%	387.2
	growth		0%	3%	22%	6%	40%		
	EPS (PLN)	2.63	2.61	2.68	3.27	3.46	4.87	13%	4.87
	Growth		-1%	3%	22%	6%	41%		
Portfolio Recovery***	Equity (PLNm)	1,132.5	1,205.1	1,218.2	1,330.1	1,411.8	1,567.8	7%	1,567.8
	ROE	18%	17%	18%	20%	20%	25%		
								Market capitalisation (PLNm)*	6,666.1
								P/E**	17.4
	Net profit (PLNm)	138.2	135.0	225.1	308.3	384.3	539.2	31%	539.2
	growth		-2%	67%	37%	25%	40%		
Arrow Global***	EPS (PLN)	3.02	2.92	4.42	5.94	7.51	10.61	29%	10.61
	growth		-3%	52%	34%	26%	41%		
	Equity (PLNm)	865.1	1,022.4	1,494.9	1,814.9	2,159.1	2,649.9	25%	2,649.9
	ROE	16%	13%	15%	17%	18%	20%		
								Market capitalisation (PLNm)*	8,649.8
								P/E**	16.2
	Net profit (PLNm)				21.4	47.9	76.8		76.8
	growth					124%	61%		
	EPS (PLN)				0.2	0.4	0.5		0.51
	growth					133%	43%		
	Equity (PLNm)				15.3	63.8	534.8		534.8
	ROE					75%	14%		
								Market capitalisation (PLNm)*	1,920.0
								P/E**	24.5

* Market capitalisation as at March 14th 2014

** P/E ratio calculated on the basis of the last four reported quarters

*** Data translated at the USD/PLN, SEK/PLN and GBP/PLN exchange rates quoted by the National Bank of Poland for March 14th 2014

Source: KRUK S.A., financial reports of Intrum Justitia, Portfolio Recovery and Arrow Global

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KRUK 2009-2013 – fast-growing and highly profitable with strong cash flows

PLNm	2009	2010	2011	2012	2013	'13/'12	CAGR '09-'13
DEBT PORTFOLIOS PURCHASED							
expenditure on debt portfolios	-54	-194	-569	-309	-367	19%	61%
recoveries	140	198	341	451	538	19%	40%
PROFIT AND LOSS STATEMENT							
Operating income	129	164	274	343	406	18%	33%
Own debt portfolios	85	118	230	303	356	17%	43%
including revaluation	6	10	20	5	-13	-382%	
Debt collection outsourcing	42	44	41	33	40	21%	-1%
Other products and services	2	2	3	7	10	40%	49%
Gross profit	57	75	144	194	223	15%	41%
<i>Gross margin</i>	44%	45%	52%	57%	55%		
Own debt portfolios	39	57	127	181	202	12%	51%
Debt collection outsourcing	18	18	18	12	19	51%	1%
Other products and services	1	-1	-1	1	2	96%	16%
EBITDA	35	47	101	144	162	13%	47%
<i>EBITDA margin</i>	27%	28%	37%	42%	40%		
NET PROFIT	24	36	66	81	98	20%	42%
<i>net profit margin</i>	18%	22%	24%	24%	24%		
ROE	23%	28%	28%	26%	24%		
EPS (PLN)	1.5	2.3	4.0	4.8	5.8	20%	40%
CASH EBITDA*	90	127	212	292	344	18%	40%
Revenue/fair value of purchased debt portfolios	56%	45%	32%	35%	34%		
Revaluation/fair value of purchased debt portfolios	4.2%	4.0%	2.7%	0.5%	-1.3%		

*Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt

KRUK – quarterly results in 2013

PLNm	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
DEBT PORTFOLIOS PURCHASED					
Expenditure on debt portfolios	120.3	48.9	135.4	100.8	82.1
Recoveries	119.4	118.3	121.3	143.1	155.0
PROFIT AND LOSS STATEMENT					
Operating income	97.9	95.9	103.0	103.3	103.4
Debt portfolios purchased	86.2	79.5	92.2	91.6	92.3
including revaluation	7.2	1.0	6.8	-5.9	-15.1
Debt collection outsourcing	9.3	14.3	8.4	9.3	7.9
Other products and services	2.4	2.1	2.3	2.4	3.2
Gross profit	55.2	50.6	59.2	59.8	53.3
<i>Gross margin</i>	56%	53%	57%	58%	52%
Debt portfolios purchased	50.3	41.2	55.6	55.4	50.2
Debt collection outsourcing	4.3	9.2	3.0	3.9	2.6
Other products and services	0.6	0.2	0.6	0.5	0.5
EBITDA	42.5	36.1	44.4	44.5	37.3
<i>EBITDA margin</i>	43%	38%	43%	43%	36%
NET PROFIT	27.1	19.7	30.9	29.5	17.6
<i>net profit margin</i>	28%	21%	30%	29%	17%
CASH EBITDA*	75.7	74.8	73.5	96.0	100.0

*Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt

KRUK – P&L by geographical segments (presentation format)

PLNm	2012	2013	13/'12
PROFIT AND LOSS STATEMENT			
Operating income	343.0	405.6	18.3%
Poland	240.1	223.5	-6.9%
Foreign markets	102.9	182.1	77.0%
Gross profit	194.1	222.9	14.8%
<i>Gross margin</i>	57%	55%	
Administrative expenses	50.3	60.4	20.3%
EBITDA	144.0	162.3	12.7%
<i>EBITDA margin</i>	42%	40%	
Finance costs	51.6	54.5	5.6%
NET PROFIT	81.2	97.8	20.4%
<i>Net margin</i>	24%	24%	

KRUK – selected balance-sheet items (presentation format)

PLNm	2012	2013	13/'12
ASSETS			
Non-current assets	27.5	33.9	23%
Current assets	943.9	1,128.9	20%
including: Investments in debt portfolio purchases	873.4	1,053.9	21%
Cash	42.7	35.3	-17%
Total assets	971.4	1,162.8	20%
EQUITY AND LIABILITIES			
Equity	317.6	415.6	31%
including: Retained earnings	213.5	311.2	46%
Liabilities	653.8	747.3	14%
including: Borrowings and leases	169.0	112.9	-33%
Bonds	427.4	574.5	34%
Total equity and liabilities	971.4	1,162.8	20%
Interest-bearing debt	596.4	687.5	15%
Net interest-bearing debt	553.7	652.2	18%
Net interest-bearing debt to equity	1.7	1.6	
Interest-bearing debt to 12-month cash EBITDA*	1.9	1.9	

*Cash EBITDA = EBITDA + recoveries from purchased debt portfolios – revenue from collection of purchased debt

KRUK – key cash flow data (presentation format)

PLNm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	2012	2013
Cash flows from operating activities:	63.8	59.9	80.7	86.3	239.8	290.8
Recoveries from debtors - purchased debt portfolios	118.3	121.3	143.1	155.0	451.3	537.7
Operating costs - purchased debt portfolios	-38.4	-36.6	-36.2	-42.1	-122.3	-153.4
Operating margin - debt collection outsourcing	9.2	3.0	3.9	2.6	12.4	18.7
Administrative expenses	-13.9	-14.4	-15.5	-16.6	-50.2	-60.4
Other operating cash flow	-11.3	-13.4	-14.7	-12.5	-51.4	-51.8
Cash flows from investing activities:	-51.7	-138.3	-103.8	-88.1	-323.3	-381.9
Expenditure on debt portfolio purchases	-48.9	-135.4	-100.8	-82.1	-309.3	-367.2
Other investing cash flow	-2.8	-2.9	-3.0	-6.0	-14.1	-14.7
Cash flows from financing activities:	14.3	38.6	35.5	-4.8	90.0	83.6
Increase in borrowings and lease liabilities	89.8	132.4	95.7	299.6	373.7	617.4
Issue of bonds	60.0	75.0	50.0	65.0	190.0	250.0
Decrease in borrowings and lease liabilities	-134.8	-123.0	-144.0	-273.4	-322.5	-675.2
Redemption of bonds	0.0	-43.0	-36.0	-22.5	-120.5	-101.5
Other financing cash flow	-0.7	-2.8	69.9	-73.5	-30.7	-7.1
Net cash flows:	26.4	-39.8	12.4	-6.6	6.5	-7.5

KRUK – debt structure and bond redemption schedule

BONDS (PLNm)*	2012	2013	2014	2015	2016	2017	2018
Issued	190	250	-	-	-	-	-
Redeemed	120	102	130	41	154	135	115
Bonds outstanding at end of period	427	575	445	404	250	115	-

* Data based on nominal amounts

BANK BORROWINGS (PLNm)	Credit facilities made available by banks	Amount outstanding as at Dec 31 2013
Total bank borrowings	215	102
Investment credit facilities	5	1
Revolving credit facilities	210	101

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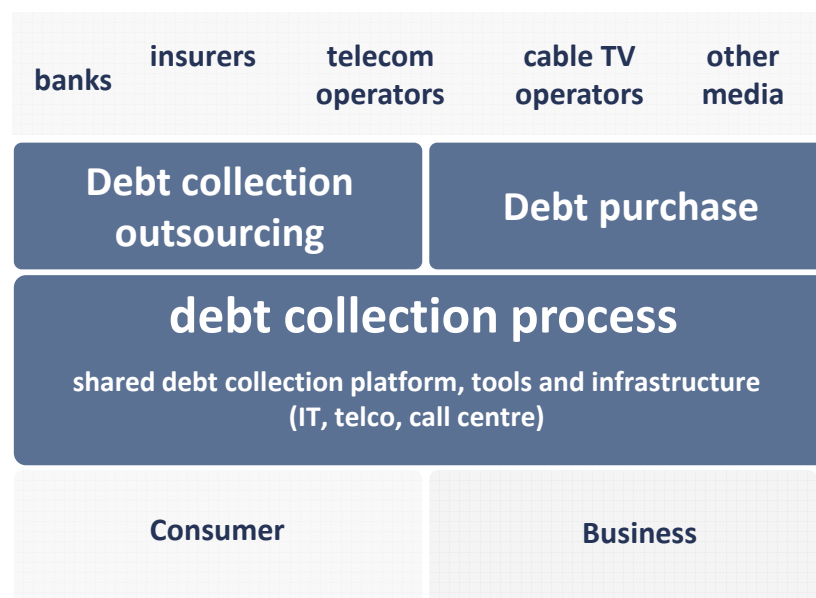
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KRUK – business model and milestones

KRUK Group's business model



We help people pay their debts

as **76%** of all debtors are willing to pay their overdue liabilities*

KRUK Group's milestones – innovation leader

2000	Launch of the debt collection business
2001	Introduction of the 'success only fee' in CMS
Debt portfolio market emerges – decision to raise new equity	
Enterprise Investors invests USD 21m (PEF IV) Purchase of first debt portfolio	
2005	First securitisation process in Poland Branch opened in Wałbrzych
Decision to replicate business model outside of Poland	
2007	Entry into the Romanian market Acquisition of Rejestr Dłużników ERIF BIG S.A.
Innovative approach to debtors	
2008	Amicable settlement solutions (voluntary settlement or litigation) introduced on a mass scale
2010	Legislative change – operation of Rejestr Dłużników ERIF
Prospects of a large supply of NPL	
2011	IPO on the WSE Entry into the Czech market
2012	Development of the KRUK Group's business in Slovakia

Source: KRUK S.A. *Długi jako wstydlivy problem (Debt as a shameful problem), CBnZE, 03/2010, ** Of total debt in collection in 2009, according to IBnGR, *** In terms of the nominal value of debt



KRUK - awards and distinctions received in 2013



Second place in the European Small and Mid-Cap Awards 2013 competition, in the Most Internationally Minded Newcomer category.

This award is held on the initiative of the European Commission, leading European stock exchanges and European Issuers to encourage small and medium-sized companies to enter capital markets through IPOs.

BIAŁA LISTA®

The White List - Gold Certificate

A certificate awarded in recognition of the Company's 8-year presence on the Wrocław Commercial Chamber's White List.



Dynamic Company

A distinction awarded by Bisnode Polska to the most dynamic business on the Polish market.



Business Sharks 2013

A distinction awarded by the 'Rynek Kapitałowy' economic magazine for leading the market and setting a course in the ocean of business.



MAGAZYN EKONOMICZNY Home&Market

Mr Piotr Krupa, KRUK S.A.'s CEO, was ranked among the 25 best managers in finance.

A distinction in the ranking put together by the 'Home & Market' economic magazine, awarded in recognition of continuous efforts to observe ethical norms, values and standards in the debt collection sector.



At the end of 2013, KRUK held 311 debt portfolios with a nominal value of PLN 17.9bn and fair value of over PLN 1bn

Potential of the KRUK Group's operational assets

Debt portfolios [PLNm]	2009	2010	2011	2012	2013
Nominal value of purchased debt portfolios	1,712	2,164	4,469	3,585	3,791
Accumulated nominal value of purchased debt portfolios	3,909	6,072	10,542	14,126	17,917
Cash recoveries	140	198	341	451	538
Accumulated cash recoveries	415	612	954	1,405	1,943
Fair value	150	263	719	873	1,054
Fair value remeasurement	6	10	20	5	-13
Share of the amount of remeasurement in fair value	4.2%	4.0%	2.7%	0.5%	-1.3%

Operational initiatives undertaken by the KRUK Group with a view to enhancing its effectiveness in debt recovery

Development of the field adviser network in Poland, Romania and the Czech Republic

Development of court collection in Romania

Enhancement of the effectiveness of marketing measures providing access to indebted persons

Increase of the operating scale and awareness of RD ERIF BIG S.A.

The KRUK Management Board is the most experienced team on the market



Piotr Krupa, President and CEO
Founding shareholder and President of the Management Board since 1998.



Michał Zasepa, Management Board Member, Finance and Risk
Member of the KRUK Supervisory Board since 2005. Joined the Management Board in 2010, responsible for finance, risk, investor relations, infrastructure and logistics.



Agnieszka Kulon, Management Board Member, Purchased Portfolio Operations
Joined KRUK in 2002, initially as debt trading and debt collection specialist; in 2003-2006 served as Debt Collection Director. Member of the Management Board since 2006.



Urszula Okarma, Management Board Member, Portfolio Purchases and Debt Collection Outsourcing
With KRUK since 2002, as Director of the Telephone Collection Department, and Director of the Financial Institutions Division. Member of the Management Board since 2006.



Iwona Słomska, Management Board Member, Human Resources, Marketing and Public Relations
With KRUK since 2004, initially as Marketing and PR Director; since 2009 also responsible for HR as Member of the Management Board.

Performance-driven managers

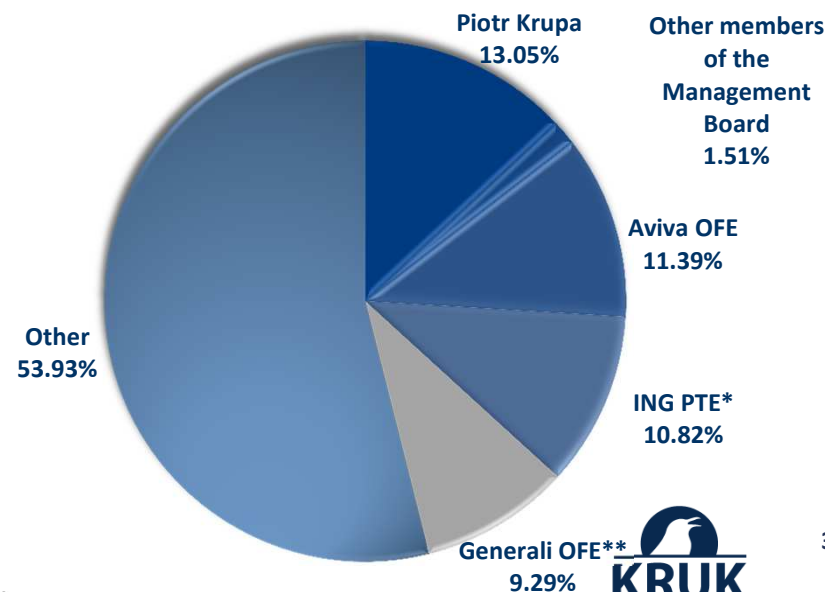
Effective incentive schemes

Management Board Members' average time with the Company: 11 years

Large group of managers who are also Company shareholders

Strong focus on staff training and development

15% of shares held by Members of the KRUK Management Board



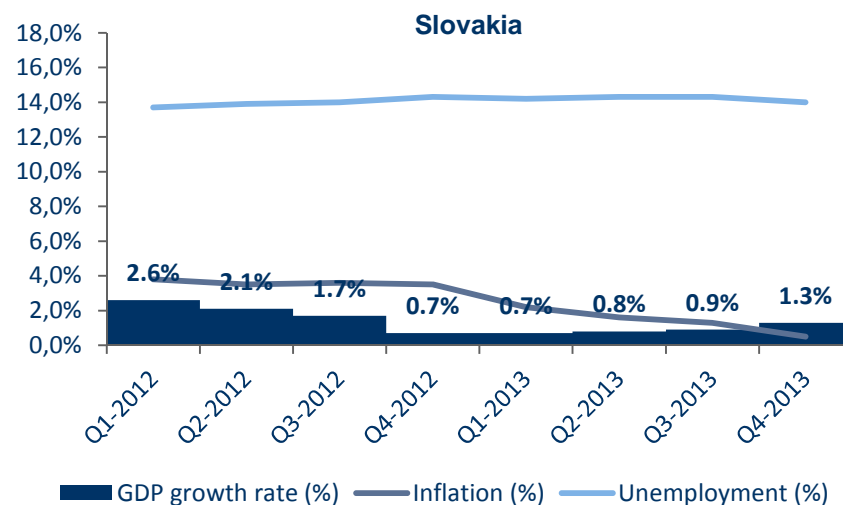
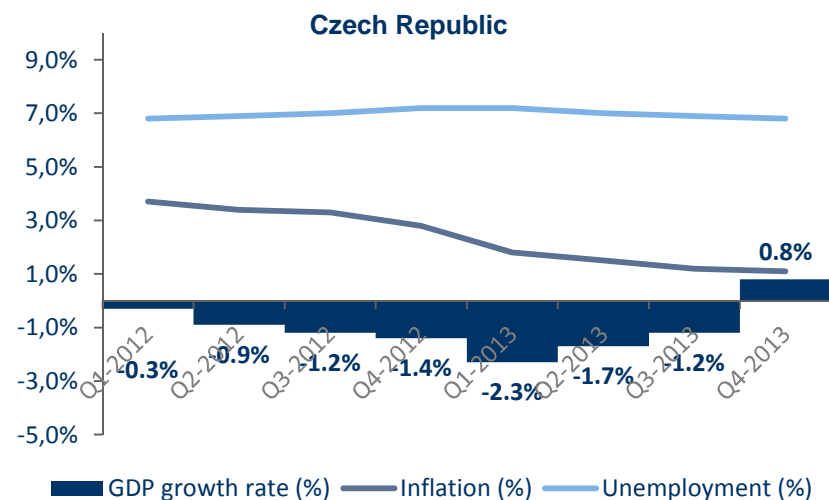
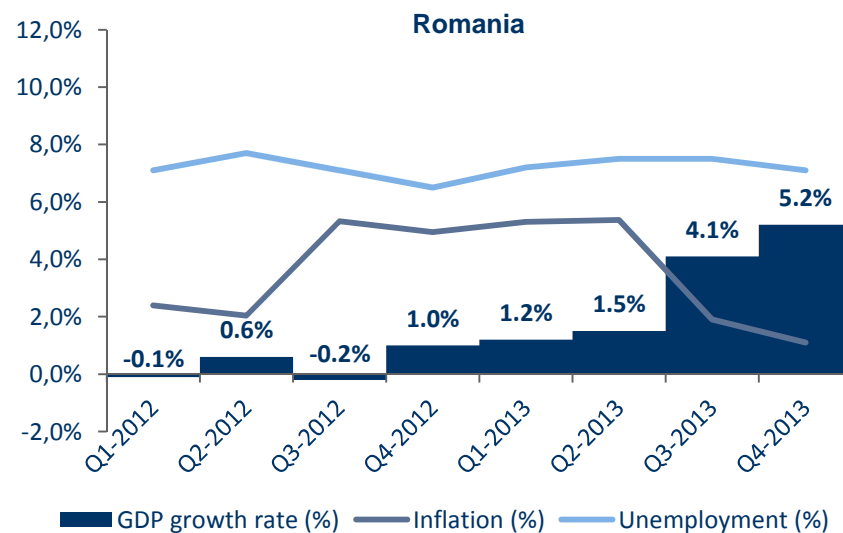
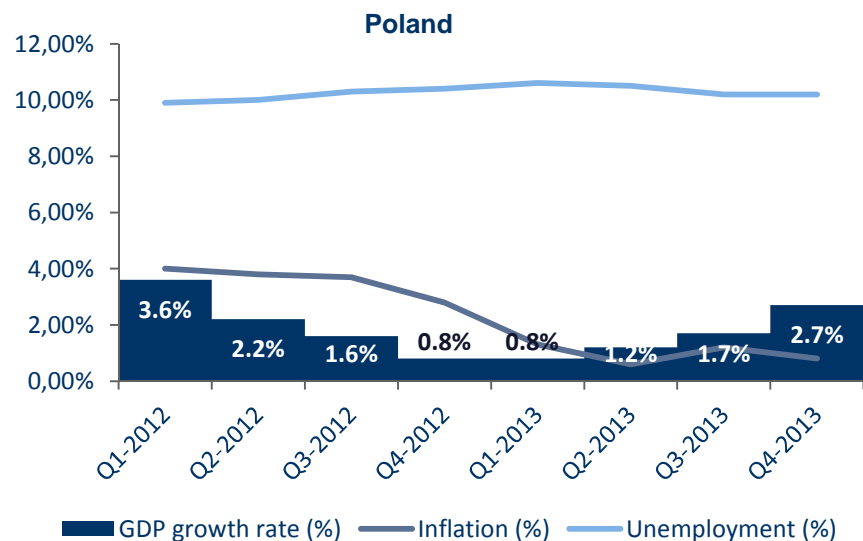
Source: KRUK S.A.

* Jointly ING OFE and ING DFE, managed by ING PTE S.A. ** as at June 27th 2013 - the date of the General Meeting

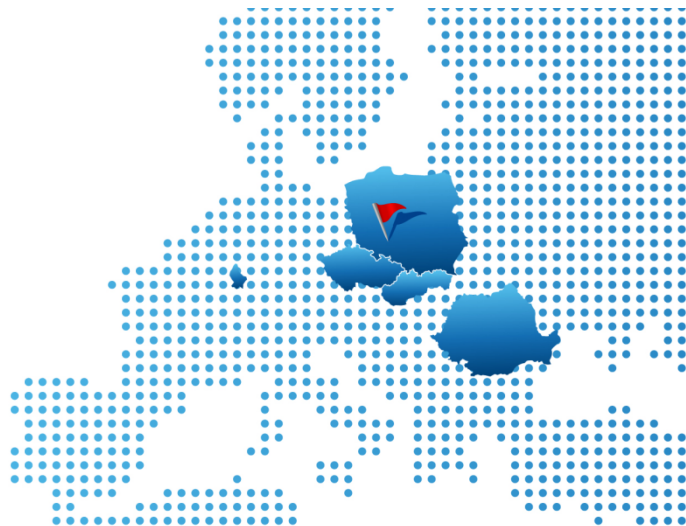
*** Jointly Amplico OFE and MetLife Amplico DFE, managed by Amplico PTE S.A.



Key macroeconomic data for the last eight quarters



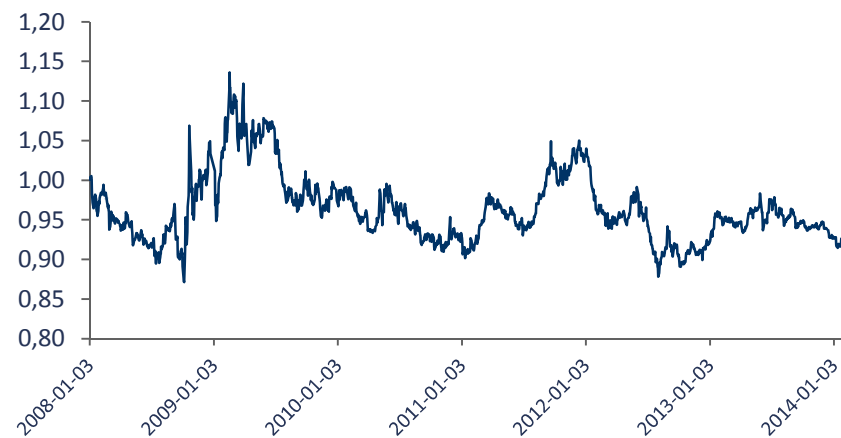
Exchange rates



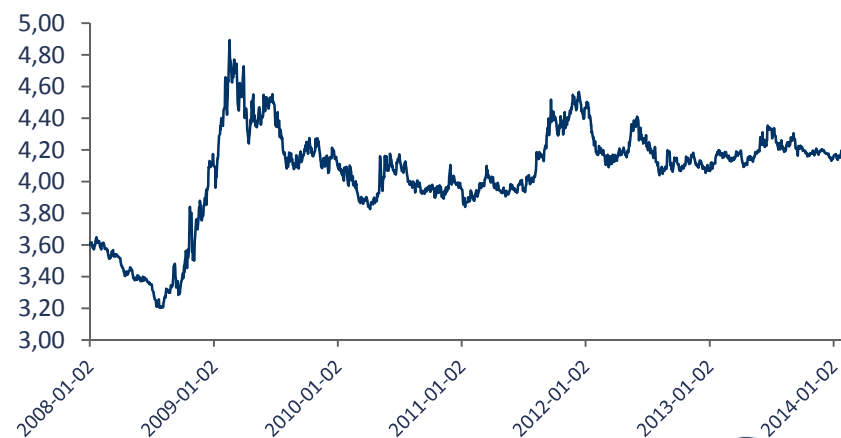
Average CZK/PLN exchange rate since 2008



Average RON/PLN exchange rate since 2008



Average EUR/PLN exchange rate since 2008



Source: KRUK S.A.; NBP.

How does KRUK recognise revenue from purchased debt portfolios?

Purchased debt – division into interest and principal

- For each purchased debt portfolio, the discount rate (IRR for recovery) is calculated based on projected recoveries.
- The product of the discount rate for a given debt portfolio and the portfolio's fair value is recognised as revenue in a period.
- The difference between recoveries and revenue reduces the portfolio's fair value in the balance sheet (debt portfolio amortisation).
- Each debt portfolio is reviewed quarterly. Changes, if any, in actual or projected recoveries or costs prompt fair value remeasurement at the original discount rate, and the difference is recognised in P&L as revaluation.

Example calculation of recoveries and revenue from a purchased debt portfolio

	PERIOD				
	0	1	2	3	Σ
purchase value	100				
planned recoveries	-100	70	70	70	110
discount rate	49%				
valuation at beginning of period		100	79	47	-
recoveries:		70	70	70	210
- revenue /interest/		49	38	23	110
- amortisation		21	32	47	100
valuation at end of period		79	47	0	-

outcome of planned recoveries and purchase price

product of value and discount rate

difference between recoveries and revenue

initial value reduced by amortisation

KRUK Group



REJESTR DŁUŻNIKÓW
ERIF
BIG S.A.



KRUK S.A.
POLAND

ul. Legnicka 56, 54-204 Wrocław
ir@kruksa.pl, www.kruk.eu

FOR INVESTORS: en.kruk.eu/for-investors