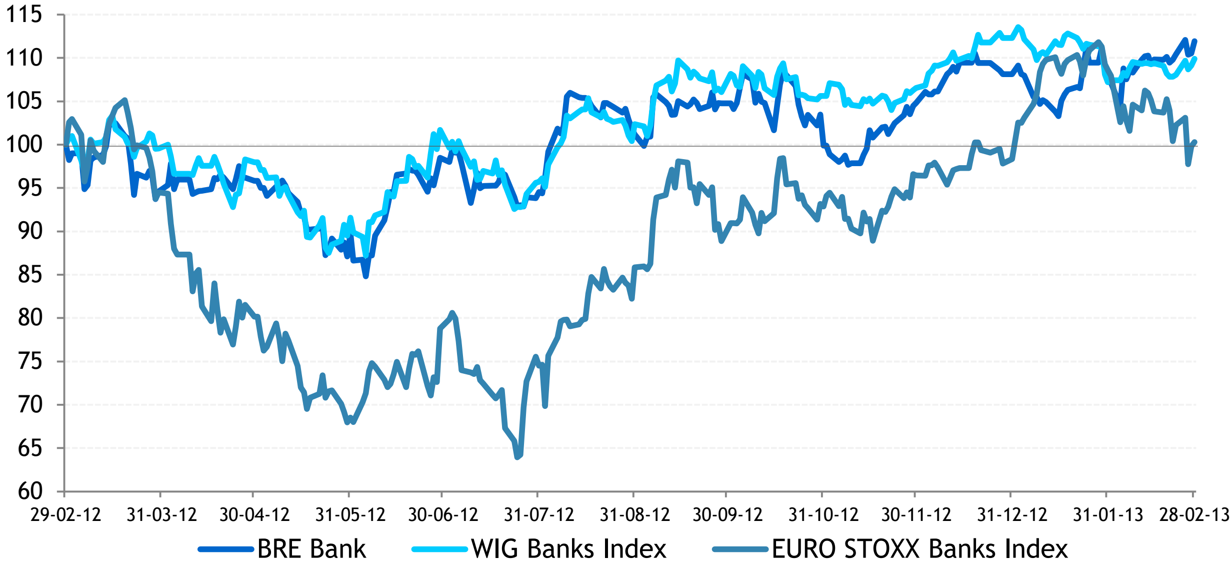
BRE BANK SA

In February BRE Bank's share price increased by 2.27%, while the WIG Banks index decreased by 1.32%. The EURO STOXX Banks Index decreased by 10.31% in the same period.

Share price performance summary - last 12 months

Source: Bloomberg; as of February 28, 2013



change in the period	Q1'12	Q2'12	Q3'12	Q4'12	2012	YtD
BRE Bank	15.93%	4.10%	6.37%	3.23%	32.52%	3.53%
WIG Banks Index	8.73%	2.15%	4.29%	5.87%	22.64%	-2.15%
EURO STOXX Banks Index	7.58%	-16.63%	12.84%	10.63%	11.98%	1.98%

Consensus estimates for BRE Bank Group's results

P&L item (*in PLN M*)	2011FY	2012FY	2013E		2014E	
			estimate	Δ vs. 2012A	estimate	Δ vs. 2013E
Net interest income	**2 167**	**2 234**	2 191	-1.9%	2 305	+5.2%
F&C income	**840**	**840**	848	+0.9%	897	+5.8%
Total income	**3 521**	**3 578**	**3 600**	**+0.6%**	**3 782**	**+5.1%**
Costs	**-1 680**	**-1 661**	**-1 729**	**+4.1%**	**-1 781**	**+3.0%**
LLPs	**-373**	**-445**	-588	+32.3%	-550	-6.5%
Profit before tax	**1 467**	**1 472**	**1 281**	**-13.0%**	**1 447**	**+13.0%**
Net Income	**1 135**	**1 203**	**1 010**	**-16.0%**	**1 148**	**+13.6%**
Loans	67 852	67 059	71 909	+7.2%	75 700	+5.3%
Assets	98 876	102 266	104 332	+2.0%	108 764	+4.2%
Deposits	54 244	57 984	62 049	+7.0%	66 344	+6.9%

Contributing research (released after October 1, 2012) by: Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, Millennium DM, BoA Merrill Lynch, Raiffeisen, UniCredit, ING, KBC, DM BZ WBK, Concorde, Ipopema, IDM SA, Wood & Company, KBW, Morgan Stanley, PKO DM, Espirito Santo.

Special topic: Q4 2012 BRE Bank Group's results compared to analysts' consensus

Item *(in PLN M)*	Minimum	Average	Median	Maximum	Actual results	Difference to consensus
Net interest income	550.0	563.8	566.0	581.0	555.5	-1.48%
Net commission income	195.0	200.8	200.0	211.7	195.3	-2.74%
Total operating income	**830.0**	**864.4**	**860.0**	**909.2**	**822.9**	**-4.80%**
Total operating expense	**(460.0)**	**(439.3)**	**(436.0)**	**(422.0)**	**(434.0)**	**-1.20%**
Result before provisions	**394.0**	**428.1**	**425.0**	**467.3**	**388.9**	**-9.16%**
Loan Loss Provisions	**(137.2)**	**(122.7)**	(120.0)	(104.0)	(89.0)	-27.49%
Pre-tax profit	**278.6**	**305.1**	**306.0**	**330.1**	**299.9**	**-1.71%**
Net profit	**224.0**	**244.8**	**248.5**	**260.0**	**272.6**	**+11,34%**

Based on estimates of 16 analysts: ING Securities, Citi, Morgan Stanley, Ipopema, Espirito Santo, UniCredit, DM BZ WBK, Deutsche Bank, KBC Securities, IDM SA, DM PKO, Millennium, Wood & Co., KBW, BoA Merrill Lynch, Concorde Research.

Key news regarding BRE Bank Group

Major developments of BRE Bank Group in Q4 2012

BRE Bank Group reported a profit before income tax of PLN 299.9 million in Q4 2012, representing a decrease of 15.4% QoQ. Net profit attributable to the shareholders of BRE Bank stood at PLN 272.6 million in Q4 2012 and was down by 2.7% QoQ.

The results of the Group in Q4 2012 were predominantly driven by:

- **Lower revenues:** total income reached PLN 822.9 million and was down by 10.3% compared to Q3 2012. The decrease was observed in net interest income (PLN 555.5 million, down by 3.1% QoQ), net fee and commission income (PLN 195.3 million, down by 4.3%) and net trading income (PLN 76.1 million, down by 23.5%) reflecting slowing sales of credit products and lower client activity, while net other operating income was adversely impacted by provisions set up against legal risk, unused holiday leave and office properties rental.
- **Increase of operating costs** by 1.3% QoQ to PLN 434.0 million (including amortisation and depreciation) mainly driven by higher marketing spending. As a result, the effectiveness of BRE Bank Group as measured by the cost/income ratio stood at 46.4% after Q4 2012.
- **Lower cost of risk** at 52 bps. Loan loss provisions decreased by 34.0% QoQ driven by lower cost of risk registered in the corporate segment.
- **Continued organic growth and business expansion** as demonstrated by: **growing retail customer base,** which reached 4,134 thou. (an increase of 54 thou. customers QoQ and 209 thou. customers in 2012) and **growing number of corporate customers,** which reached 15,095 (an increase of 213 QoQ and 1,118 in 2012).

The changes in the Group's results translate into Gross ROE of 17.9% and Net ROE of 14.6%.

The Group's capital ratios remained adequate. The capital adequacy ratio stood at 18.73% at the end of Q4 2012 and Core Tier I ratio amounted to 13.00%. As of December 2012, BRE Bank Group reports its capital adequacy ratios using the Advanced Internal Ratings-Based Approach (AIRB).

New mBank presented and appreciated during FinovateEurope conference in London

On February 13, the team of New mBank took part in the prestigious FinovateEurope conference, where it presented the New mBank concept for which the team was awarded the "Best of Show" prize.

FinovateEurope is an annual conference dedicated to the innovation in the area of finance, which is held every year in the world's largest financial centres. In February, over 700 attendees joined two-day FinovateEurope at Old Billingsgate Market Hall in London to watch as 64 companies unveiled their latest and greatest financial technology.

The formula of the presentation within the conference is simple: in just seven minutes the company's team has to present its idea. At the end, the eight best and most captivating presentations are chosen. The jury includes market participants, experts, bloggers and journalists.

BRE Bank with "Best Private Banking in Poland" according to Euromoney Magazine

For the sixth time, the private banking services offered by BRE Bank were awarded the title of "Best Private Banking in Poland" by the prestigious Euromoney Magazine. BRE Private Banking & Wealth Management won this title also in 2007, 2009, 2010, 2011 and 2012 and consequently has been recognized as an undisputed market leader.

Euromoney conducts the survey of financial institutions around the world, offering services to the most affluent clients. The experts choose the best banks in each country, taking into account the range of services on offer, customer relations, product mix, average growth in client volumes, changes in the number of clients, assets under management and profit.

In particular, BRE Private Banking & Wealth Management has been appreciated for the quality and range of the offer, the integrated approach to wealth management as well as the professional investment advisory services.

BRE Bank's analysts discuss the new EU budget: the devil is in the details

The results of the last EU summit were welcomed as a great success of the Prime Minister Tusk and the Polish government. On the surface, they are indeed impressive. Despite significant pressure to reduce EU expenditures resulting in a smaller overall budget, Poland managed to increase its share in EU expenses, securing a sizeable EUR 106 billion for years 2014-2020 (v. 102 billion in years 2007-2013).

A closer investigation reveals several drawbacks of the deal. First, Poland's economy has grown significantly since the beginning of the previous EU programming period and growth is set to continue in the coming years. As such, EU funds granted to Poland in the coming years are bound to be smaller in relation to the size of the economy. This effect will be enhanced by the nominal appreciation of the Zloty, as the exchange rate is obviously the key parameter that determines how large EU expenditures in Poland will actually be. Assuming a modest appreciation path for EUR/PLN (3.80 in 2020), BRE Bank's analysts estimate that funds-to-GDP ratio will decrease from 4.1 to 3.2%. A more dynamic appreciation, such as the one projected by the Ministry of Finance itself (ca. 3.50 in 2015 already), would bring this ratio even lower.

Second, the EUR 106 billion figure is the gross amount. Poland also contributes to the EU budget and net EU expenditures are those that matter the most. If Poland's contribution is to remain at 1% of GDP and a modest scenario for GDP growth is adopted, Poland will face a 40% increase in total contribution - from 23 to 33 billion over the entire period.

Finally, there is also the question of macroeconomic impact of the new package. As the shape of new operational programmes is yet unknown, BRE Bank's analysts can only make educated guesses regarding the structure of new EU funds. Certain shifts from demand-boosting infrastructural investments toward innovation and R&D support, and from non-reimbursable grants to loans and guarantees, have already been signalled. Thus, the immediate impact might be even smaller in magnitude than simple comparison of funds-to-GDP ratios would suggest. Trivial arithmetic suggests that impact on GDP growth rate (but not on GDP level) might turn negative as soon as in 2016. Long-term effects depend on how well the government manages the aforementioned transition.

Forthcoming corporate access events

- March 18th, 2013 - London roadshow
- March 19th, 2013 – Morgan Stanley Financials Conference
- March 20th, 2013 – Copenhagen roadshow

Please contact the IR Team if you are interested in meeting the Bank representatives at the above dates.

Forthcoming reporting events

- March 7th, 2013: BRE Bank's Consolidated Annual Report for 2012
- May 7th, 2013: BRE Bank's Group Financial Report for Q1 2013

BRE Bank's share code:

ISIN: PLBRE0000012
Reuters: BREP.WA
Bloomberg: BRE PW

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