

# 《Results of BRE Bank Group》 Q1-4 2010

Highest income in history

Management Board of BRE Bank S.A.

Presentation for Investors and Analysts  
9 February 2011



**BRE BANK SA**

Our people make the difference.

# 《Agenda》

## » Summary of Q1-4/10

Analysis of Q4/10 Results

BRE Bank Group in 2010

Outlook 2011

Appendix

Detailed Results of Business Lines








Additional Information: Selected Financial Data

## ⟨ Highlights of Q1-4/2010 in BRE Bank Group ⟩

- 1 2010 net profit 5 times higher YoY**
- 2 Highest income in history**
  - in 2010 at PLN 3.1 bn, up 10% YoY;
  - in Q4 at PLN 844 m, up 2% QoQ
- 3 Cost of risk decreased**
  - 114 bps YtD;
  - 88 bps in Q4
- 4 Efficiency further improved**
  - C/I ratio down to 51.8% YtD;
  - seasonal cost effect in Q4
- 5 Customer base enlarged**
  - 394 K new clients in 2010, up by 12% YoY
  - 84 k in Q4 2010
- 6 Capital position strengthened**
  - Capital Adequacy Ratio at 15.90%
  - Core Tier 1 Ratio at 10.40%

# Summary of Q1-4/2010 in BRE Bank Group

## Key Financials

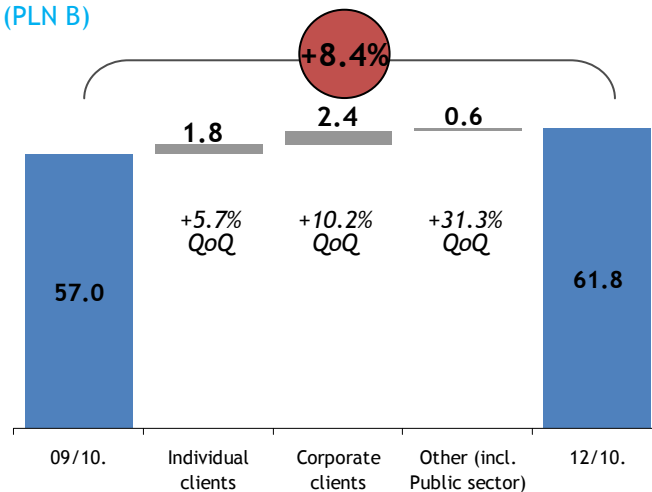
	2010	2009	Change	
Profit before tax Q1-4	<b>872.5M</b>	209.4M	x 4.2	
Profit before tax Q4	<b>263.8M</b>	81.9M	x 3.2	
Net Profit Q1-4 *	<b>641.6M</b>	128.9M	x 5	
ROE before tax Q1-4	<b>15.6%</b>	5.1%	+10.5pp	
Cost/Income (C/I) Q1-4	<b>51.8%</b>	54.2%	-2.4pp	
Capital adequacy ratio	<b>15.90%</b>	11.50%	+4.40pp	
Core Tier 1 ratio	<b>10.40%</b>	6.62%	+3.78pp	

\*/ Net profit attributable to owners of BRE Bank SA

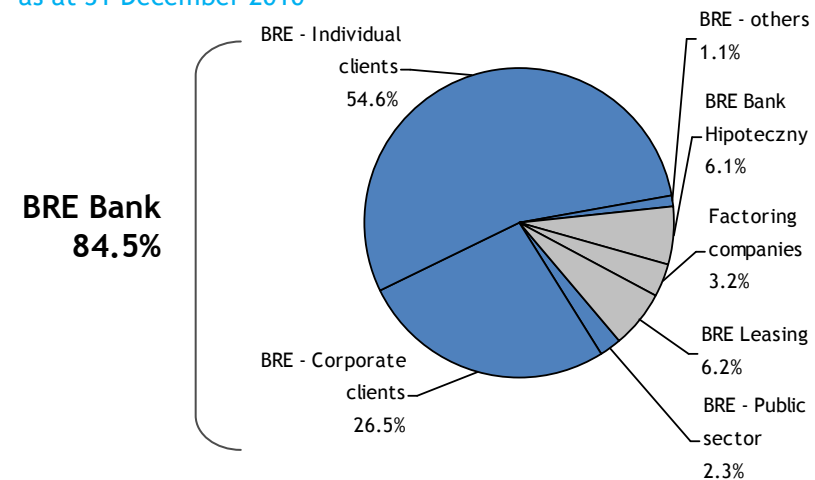
# Summary of Q1-4/2010 in BRE Bank Group

## Development of Loans to Clients in Q4

Development of Gross Loans (PLN B)



Structure of Gross Loans Portfolio as at 31 December 2010



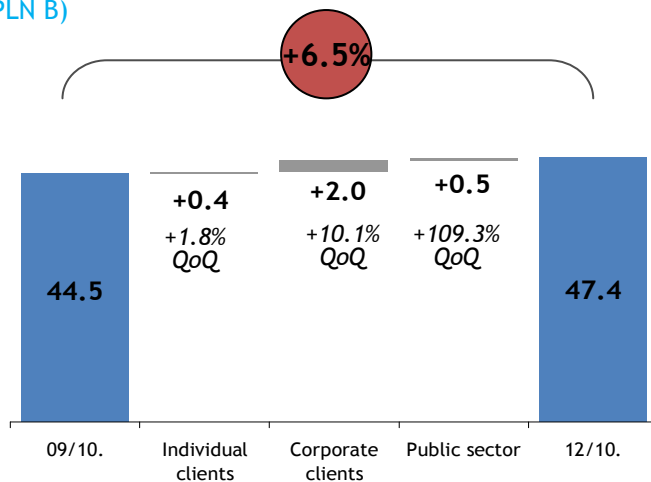
**Average loan portfolio up by 6.6% in Q4**

- Total gross loans up 8.4% QoQ (market: +2.1%); excluding FX effects: up 1.9% QoQ (market +0.8%)
- Corporate loans up 10.2% QoQ (market: -1.1%); excluding year-end transactions in line with the market
- Retail loans up 5.7% QoQ (market: +3.5%) mainly as a result of PLN depreciation; excluding FX effects: +0.7% QoQ (market: +1.6%)

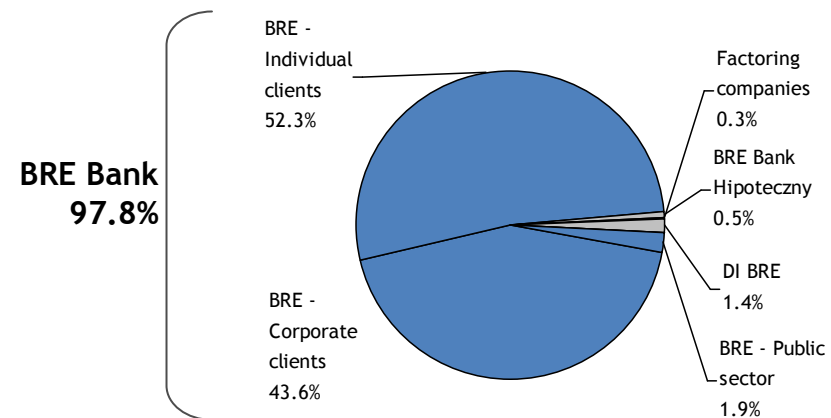
# Summary of Q1-4/2010 in BRE Bank Group

## Development of Deposit Base in Q4

Development of Deposits  
(PLN B)



Structure of Amounts Due to Clients  
as at 31 December 2010



### Growing deposit base

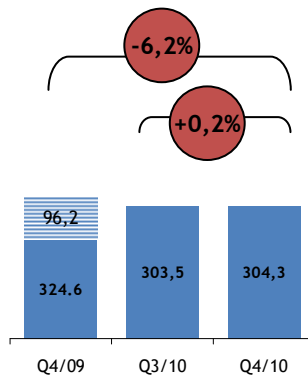
### Sound liquidity situation with 'real' loan to deposit ratio of 81.9%

- Total deposits up 6.5% QoQ (market: +5.7% QoQ)
- Strong increase of corporate deposits driven by year-end transactions
- Stable individual clients' deposits despite more aggressive pricing policy
- Corporate and retail market shares at 8.6% and 4.8% respectively
- Continued proactive management of liquidity portfolio

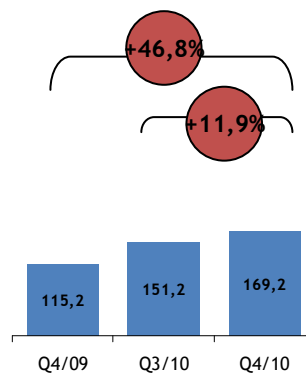
# Summary of Q1-4/2010 in BRE Bank Group

## Business Development: Corporates & Institutions in Q4

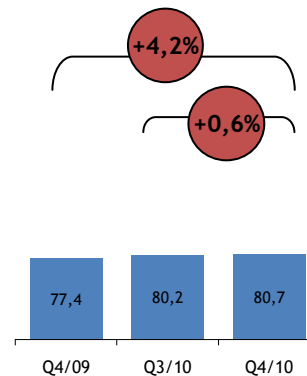
Revenue  
(revenue before costs  
excl. LLP, PLN M)



Net Interest Income  
(PLN M)



Net Commission Income  
(PLN M)



- Revenue up by 0.2% QoQ and up by 33.2% YoY\*
- Net interest income increased by 11.9% QoQ and by 46.8% YoY due to the growth of deposit base
- Net commission income stable QoQ and up 4.2% YoY mainly on Cash Management products (up 6.2% QoQ)
- Further growth of corporate client base: up by 145 companies in Q4/10 and by 435 YtD - highest corporate customer base ever
- Development of business with Public Sector: market share in financing of local governments increased to 4.1%

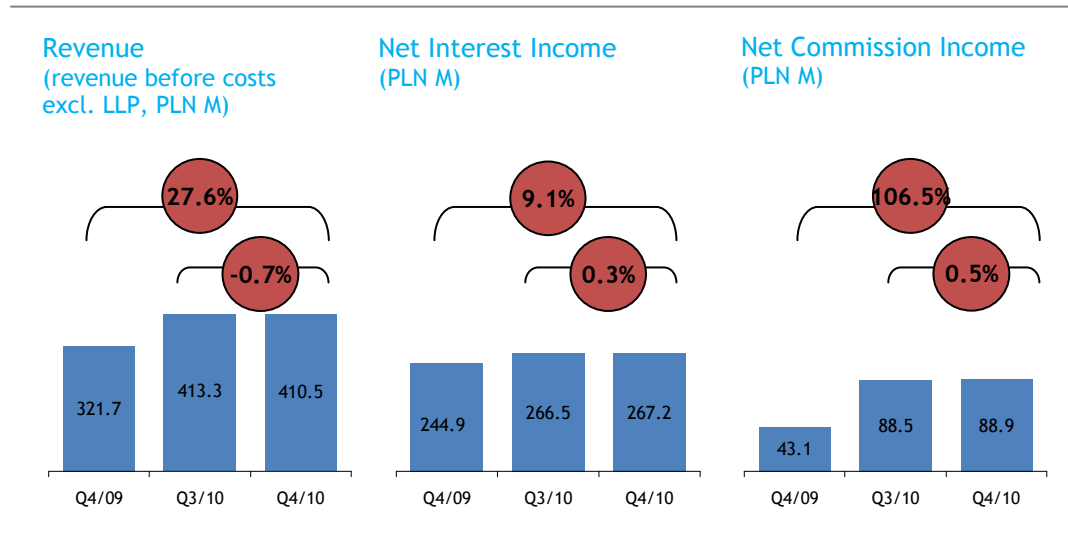
### Strategy initiatives on track:

- continued client growth: +145 in Q4
- positive cross-sell effects on cash management
- PLN 1.2 B growth in loan volume for local governments in 2010

\* / excluding PZU dividend of PLN 96.2 in Q4/09

# Summary of Q1-4/2010 in BRE Bank Group

## Business Development: Retail Banking in Q4



### Strategy initiatives on track:

- NML market share up to 3.6%
- 84 K new retail clients in Q4
- cross-selling ratio up to 2.81

- Revenue at high level in Q4 driven by strong net interest income and increased net fee income
- Non-mortgage loan volume up 2.1% QoQ to PLN 4.59 B; sale in Poland at the level of PLN 466 M in Q4 and PLN 1.96 B in 2010; strong increase of car loan sales (+47% QoQ)
- Sale of new mortgage loans at the level of PLN 346 M in Q4 and 2.20 B in 2010
- BRE retail deposits in Poland up by 2.3% QoQ\* and up by 8.2% (+1.5 B) YoY

\*/ mBank PL and MultiBank



# ⟨ Agenda ⟩

Summary of Q1-4/10

» Analysis of Q4/10 Results

BRE Bank Group in 2010

Outlook 2011









Appendix

Detailed Results of Business Lines

Additional Information: Selected Financial Data

# Analysis of Results, Q4/2010

## Key Financials

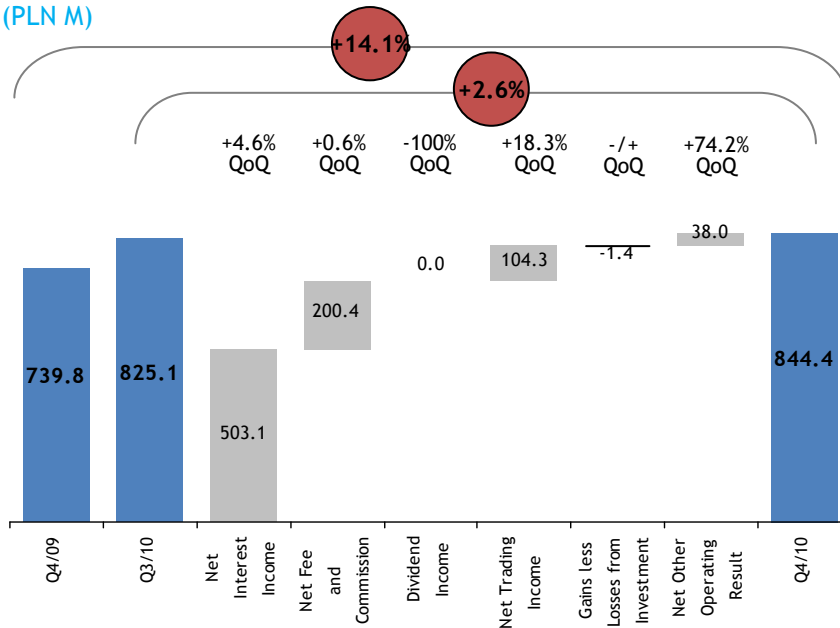
	Q4/2009	Q4/2010	Q3/2010	Change Q4/Q3	
Total income <sup>1)</sup>	739.8	<b>844.4</b>	825.1	+2.4%	
Total cost	(458.4)	<b>(454.6)</b>	(416.9)	+9.0%	
Operating profit <sup>2)</sup>	281.4	<b>389.8</b>	408.2	-4.5%	
Net provisions	(199.5)	<b>(126.0)</b>	(128.2)	-1.7%	
Profit before tax	81.9	<b>263.8</b>	279.9	-5.8%	
Net profit <sup>3)</sup>	40.8	<b>195.5</b>	206.5	-5.3%	
Total assets	81,020.0	<b>90,051.5</b>	84,421.8	+6.7%	
Equity	4,271.2	<b>7,077.3</b>	6,935.4	+2.0%	

1) Including net other operating income and cost; 2) Before provisions; 3) Profit after tax and minorities

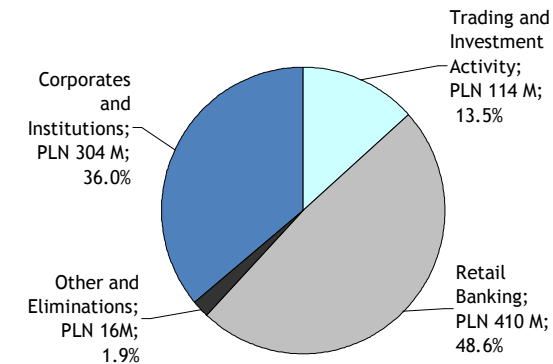
# Analysis of Results, Q4/2010

## Income of BRE Bank Group

BRE Bank Group Income QoQ & YoY (PLN M)



Income structure by Business Line in Q4/10



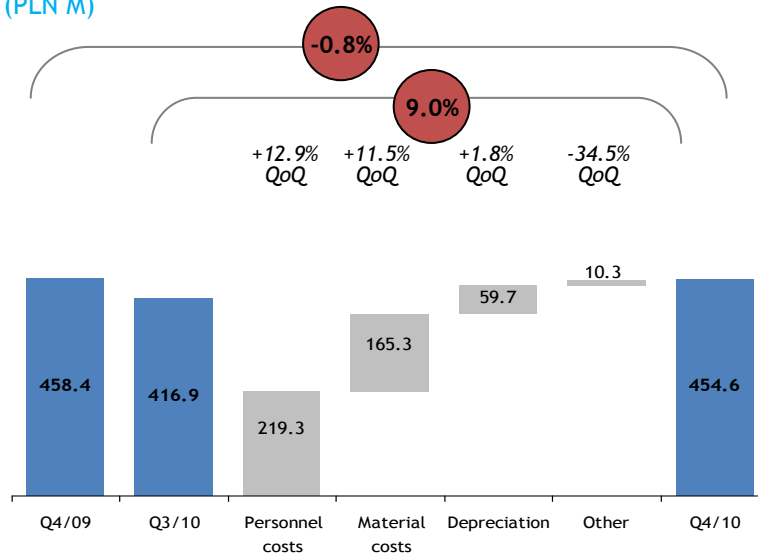
## Record high recurrent income

- Increase of net interest income QoQ driven by lower expenses on deposits and increased loan volumes ; NIM up to 2.2% YtD from 2.1% after Q3; NII to average RWA ratio up to 3.5% in Q4/10 (3.3% YtD)
- High level of net fee and commission income thanks to growth across main NCI sources
- Increased net trading income QoQ due to higher FX result and strong other trading income
- Net other operating result positively influenced by the release of cost and tax provisions

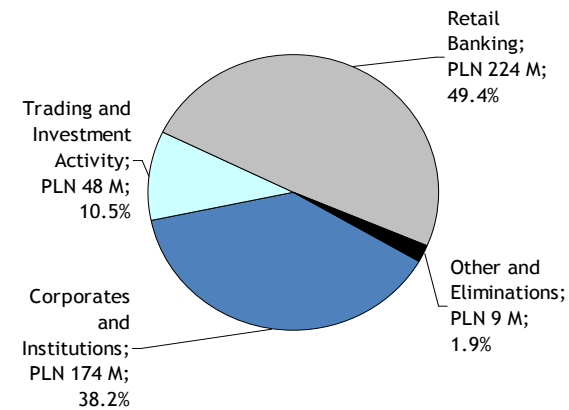
# Analysis of Results, Q4/2010

## Costs of BRE Bank Group

Overhead Costs + Depreciation of BRE Bank Group QoQ & YoY (PLN M)



Cost Structure by Business Line in Q4/10



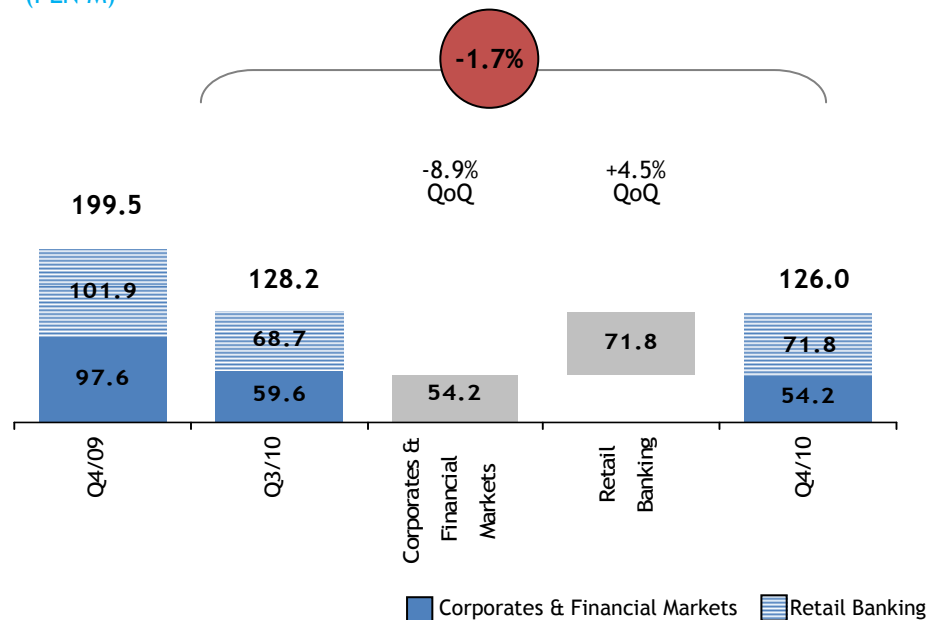
**Higher costs QoQ related to business growth and seasonal effect characteristic for Q4**

- Increase of overhead costs and depreciation by 9.0% QoQ due to business development; stable YoY
- Overhead costs up by 10.2% QoQ:
  - Personnel costs up by 12.9% mainly as a result of increased accruals for yearly bonuses and higher level of employment
  - Material costs up by 11.5% mainly due to intensified marketing activities (year-end Retail campaigns)
- Depreciation at a stable level QoQ

# Analysis of Results, Q4/2010

## Structure of Loan Loss Provisions

BRE Bank Group's  
Impairment Losses on Loans and Advances  
(PLN M)



**Cost of risk  
down to 88 bps in Q4**

- **Trends in Q4 2010:**
  - Further improvement of financial situation of corporate clients
  - Insignificant provisioning related to old cash loan portfolio to non-clients
  - Low default rate of the mortgage portfolio: total mortgage NPL ratio at 0.84% (FX: 0.52%)
- **Lower default ratio QoQ of BRE Bank Group's loan portfolio - 5.3% as at 12/10 vs. 6.0% in 09/10**
- **BRE Bank's NPL ratio (old NBP rules) at 7.1% in 12/10 down from 7.4 in 09/10**
- **Coverage ratio at the level of 67.8% in 12/10**

# ⟨ Agenda ⟩

Summary of Q4/10

Analysis of Q4/10 Results

» **BRE Bank Group in 2010**

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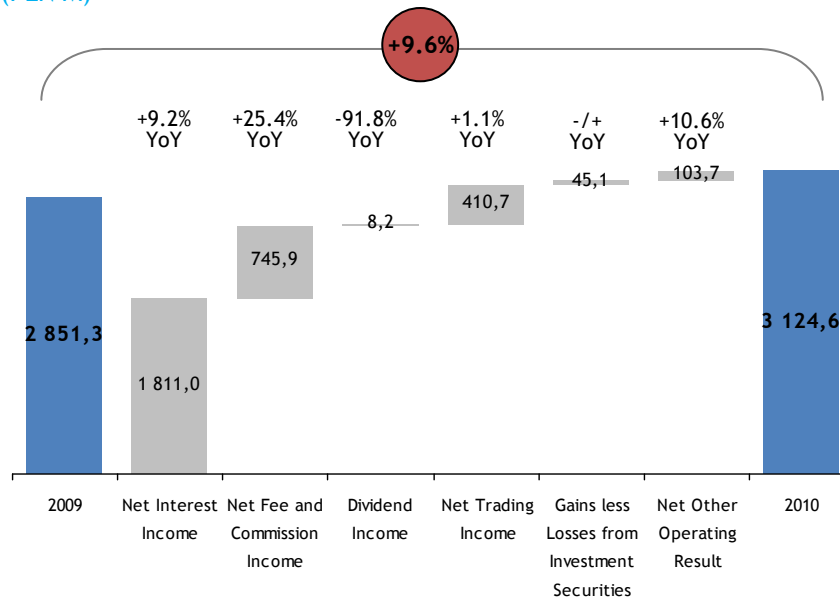
Detailed Results of Business Lines

Additional Information: Selected Financial Data

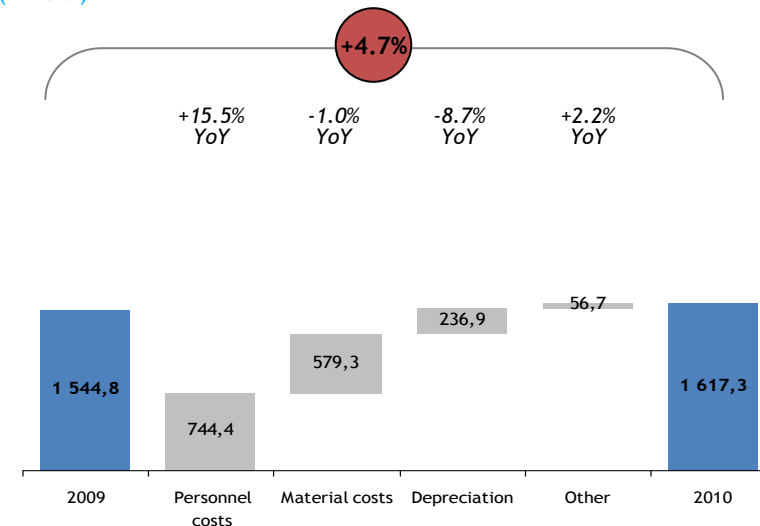
# BRE Bank Group in 2010

## Income & Costs of BRE Bank Group

BRE Bank Group Income 2010 vs. 2009  
(PLN M)



Overhead Costs + Depreciation of BRE Bank Group 2010 vs. 2009  
(PLN M)



**Highest income in history**

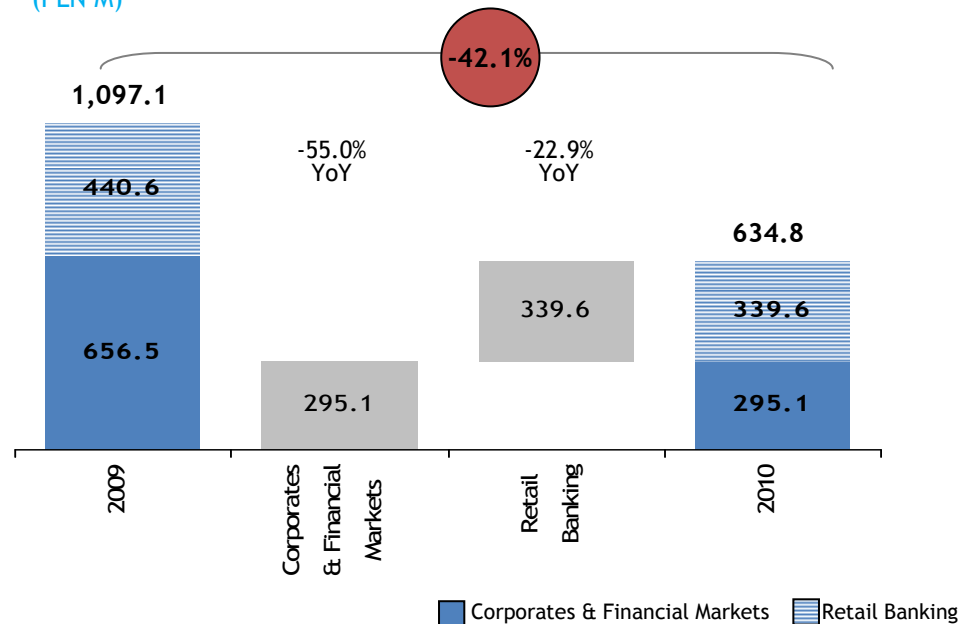
**Cost increase related to business growth - C/I ratio down to 51.8%**

- Income at the highest level ever (+9.6% YoY) mainly thanks to:
  - Significantly higher net interest income as a result of volume increases, focus on higher margin products as well as capital increase
  - Jump in net fee & commission income thanks to improved cross-selling results, in combination with growing customer base
- Increase of costs mainly related to variable items in personnel costs; material costs declined due to efficiency measures
- C/I ratio at 51.8%, down from 54.2% in 2009

# BRE Bank Group in 2010

## Structure of Loan Loss Provisions

BRE Bank Group's  
Impairment Losses on Loans and Advances 2010 vs. 2009  
(PLN M)



**Strong decrease of LLP thanks to prudent risk management and improvement of the overall macroeconomic situation**

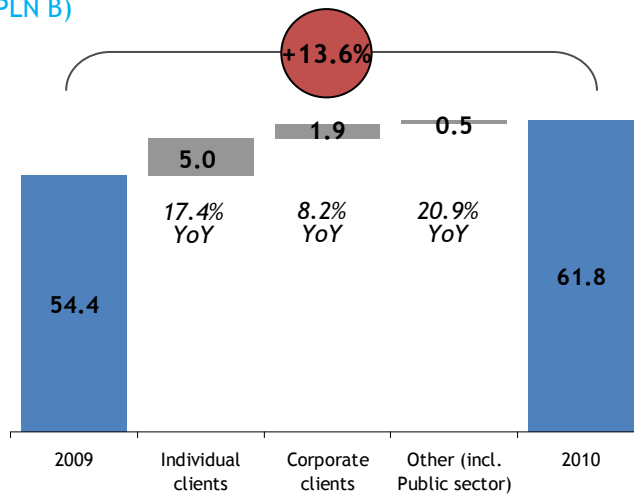
- Cost of risk down to 114bps from 210 bps in 2009
- Decisive factors for 2010 LLP:
  - Improvement of the overall financial situation of clients, especially corporates
  - Net release of provisions on customers with derivative exposures (PLN 23.3 M) vs. creation of PLN 275.1 M in 2009
  - Significantly lower provisioning related to mBank's old cash loan portfolio to non-clients
- Default ratio of BRE Bank Group's loan portfolio at 5.3% as at 12/10 vs. 4.7% in 2009
- BRE Bank's NPL ratio (old NBP rules) at 7.1% in 12/10 up from 5.9% as at 12/09



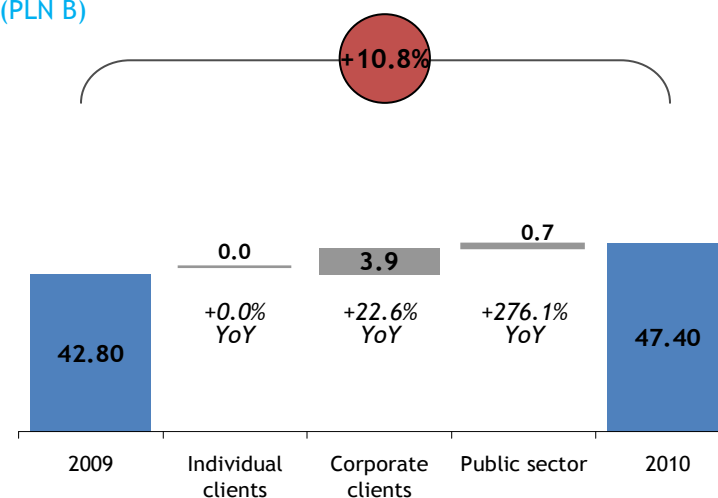
# BRE Bank Group in 2010

## Development of Loans & Deposits

Development of Gross Loans  
(PLN B)



Development of Deposits  
(PLN B)



**Loan growth focused  
on profitability**

**Proactive management  
of deposit base**

- **13.6% increase in gross loan volume** (market: 8.6%); excluding FX effects loan growth at 8.3%:
  - Retail - focus on higher margin non-mortgage loans & not aggressive pricing in mortgage loans
  - Corporate - overall still sluggish client demand; December positively impacted by year-end transactions
- **Total deposits up by 10.8%** (market: 9.9%);
  - Retail - stable level despite reductions of interest rates
  - Corporate - significant increase reflecting over-liquidity in this market segment

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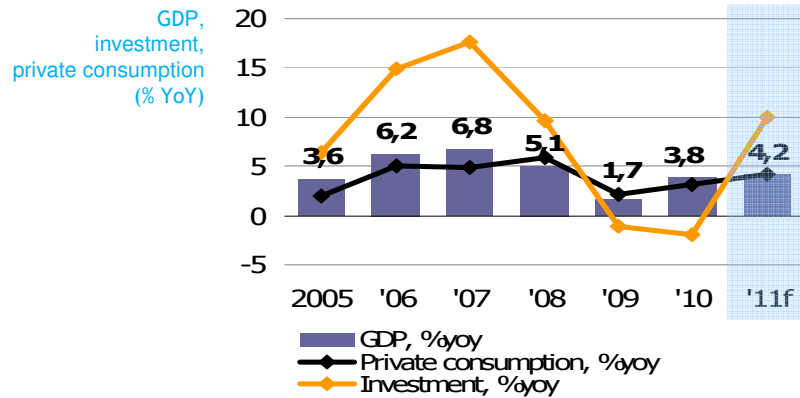
Detailed Results of Business Lines

Additional Information: Selected Financial Data

# Beyond Q4/10: Business Environment

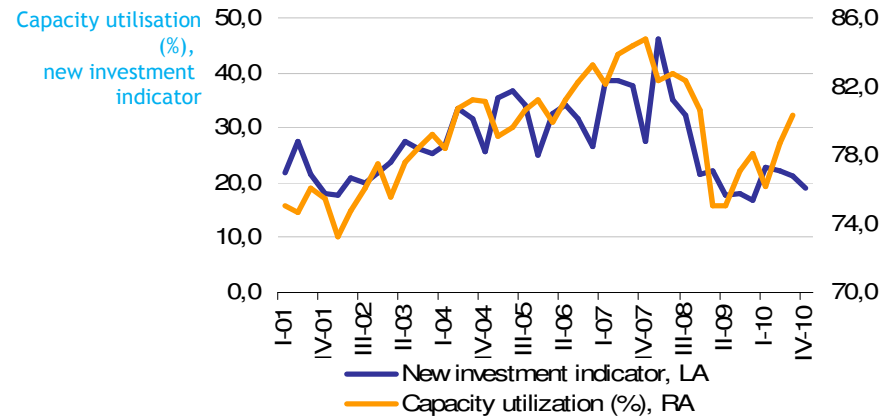
## Economic recovery gains momentum

We expect GDP in 2011 to grow by 4.2% with the strong support of rebounding investment



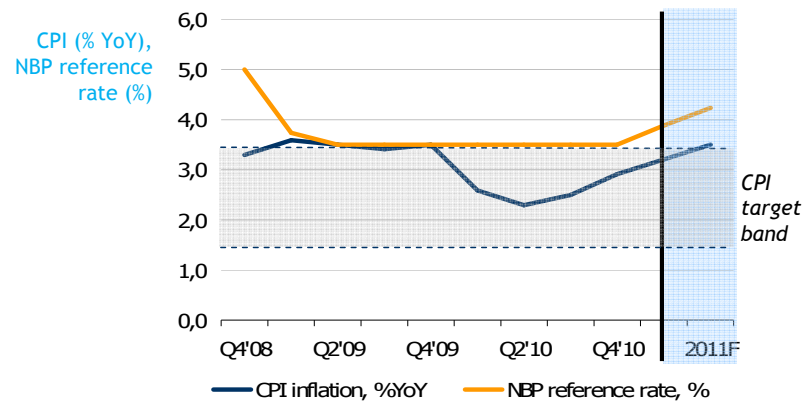
Source: StatOffice

Rising capacity utilization implies rebound in investment activity



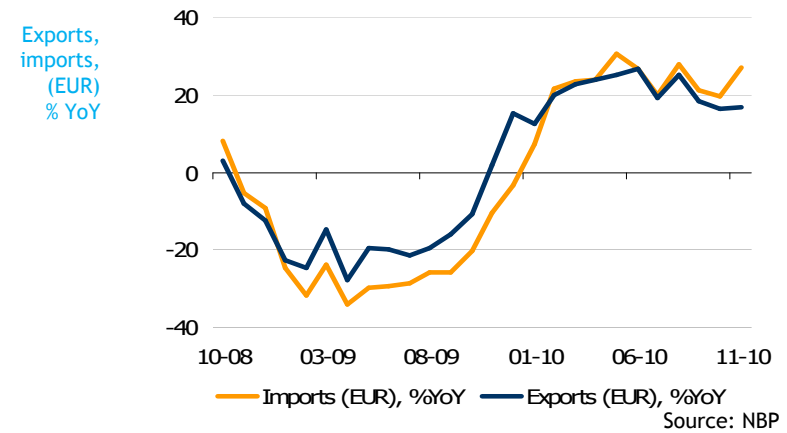
Source: NBP

Considerable rise of inflation in Q4/10 triggered the start of interest rate hike cycle in January (+25bps)



Source: NBP, StatOffice

Exports dynamics stabilizes at relatively high levels

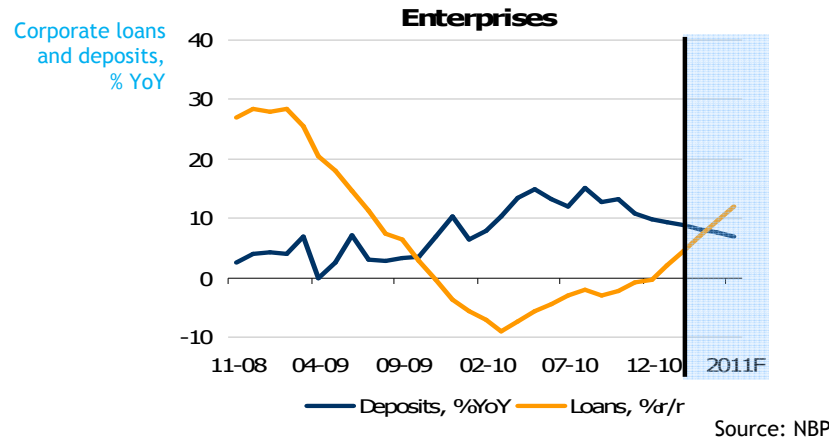


Source: NBP

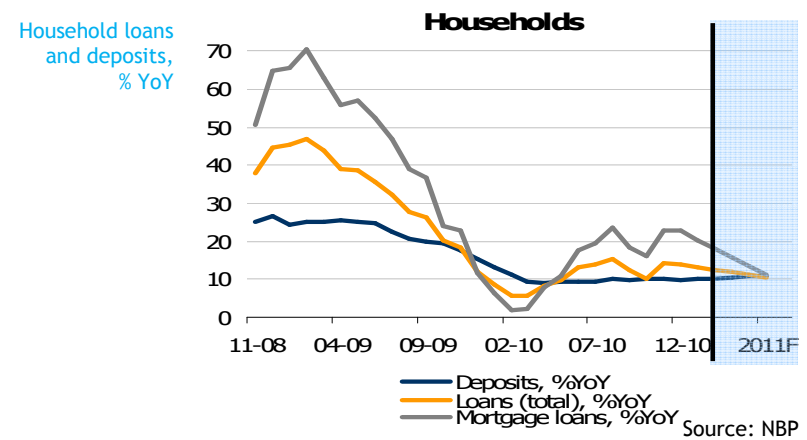
# Beyond Q4/10: Business Environment

## Stabilization in the banking sector

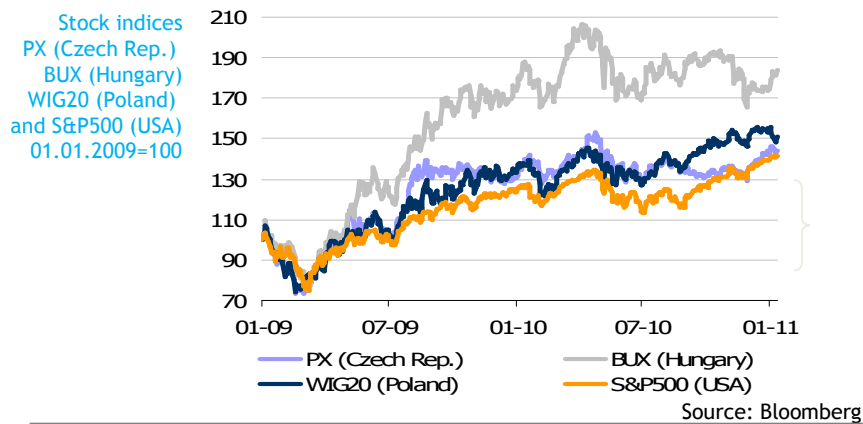
Rising investment will translate into further drainage of corporate deposits as well as rebound of demand for corporate loans



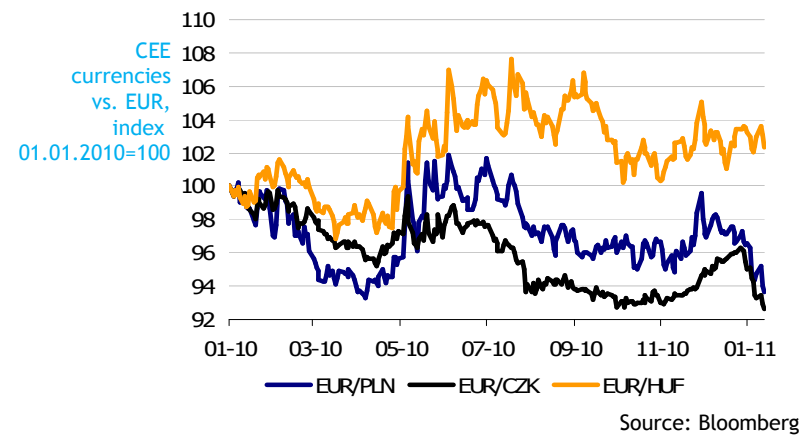
Stable growth of household deposits, slowdown of mortgage loans expansion



Continued surge of emerging stock markets along with core markets



Temporary correction of CEE currencies in Q4/10 within sustained appreciation trend



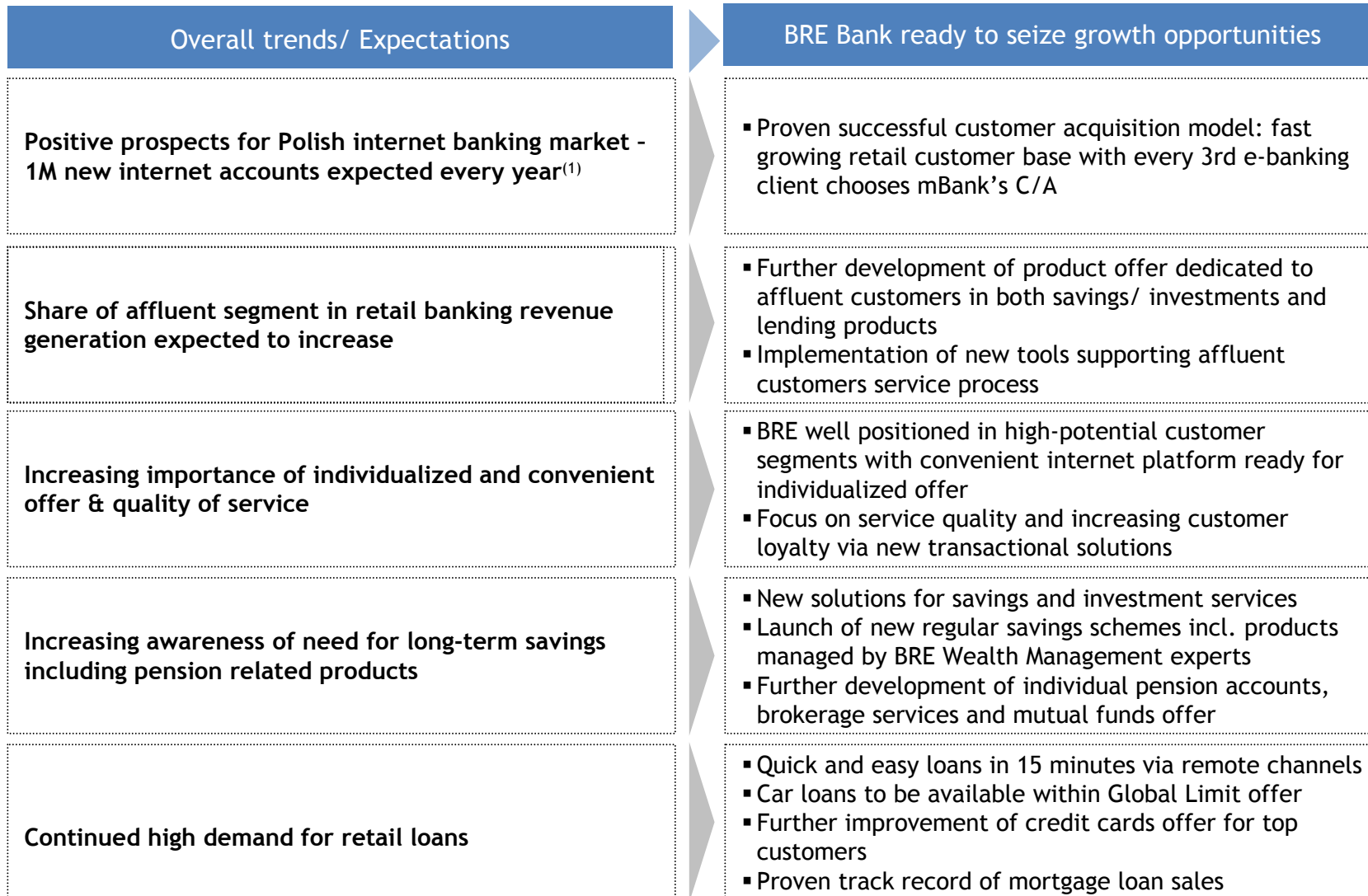
# ⟨ BRE well positioned to capture market potential ⟩

## Corporates and Markets



# BRE well positioned to capture market potential

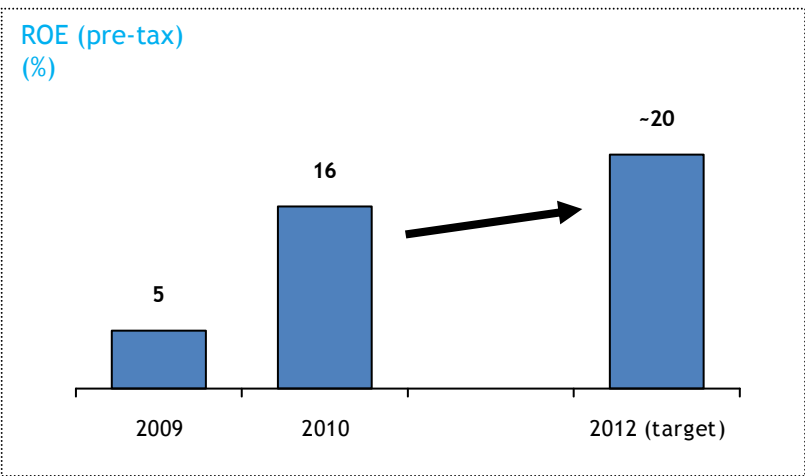
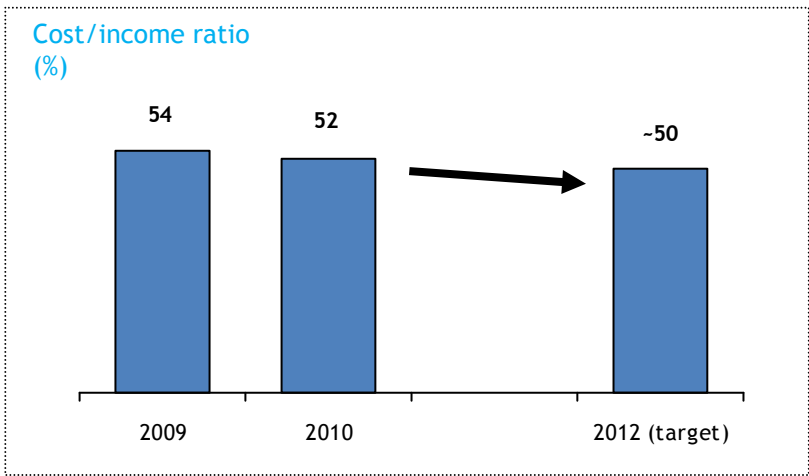
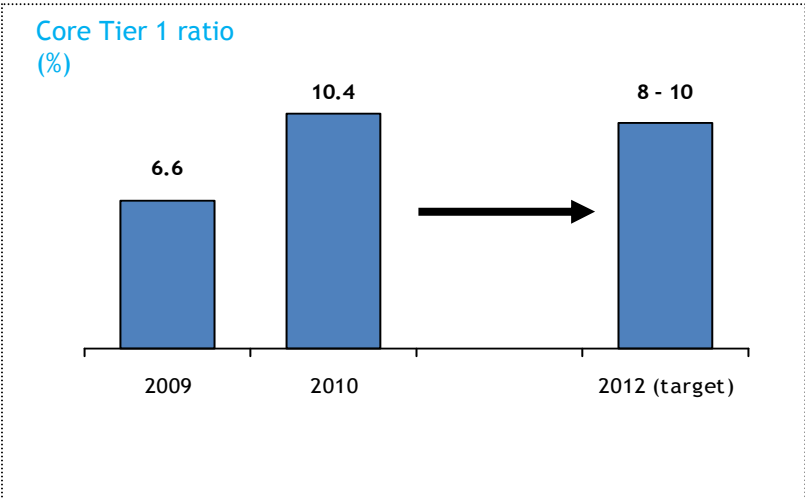
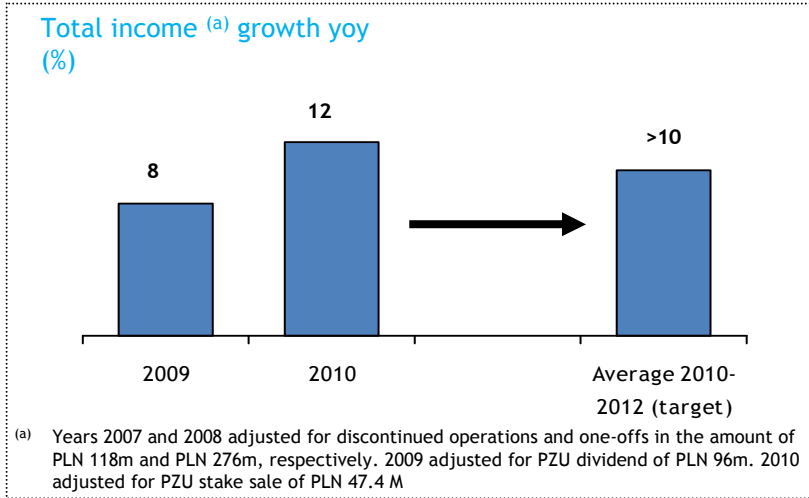
## Retail Banking



1) according to ZBP

# Strategic financial targets for 2012

Implementation of 2010-2012 strategy well on track



## 《 Outlook 2011 》

- 1 Consistent implementation of 2010-2012 strategy
- 2 Strong focus on revenue generation and profitable growth
- 3 Lower cost of risk as economy improves
- 4 Further deployment of liquidity and capital resources in line with positive macroeconomic outlook



# < Agenda >

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# Appendix

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### Detailed Results of the Business Lines Q4/10

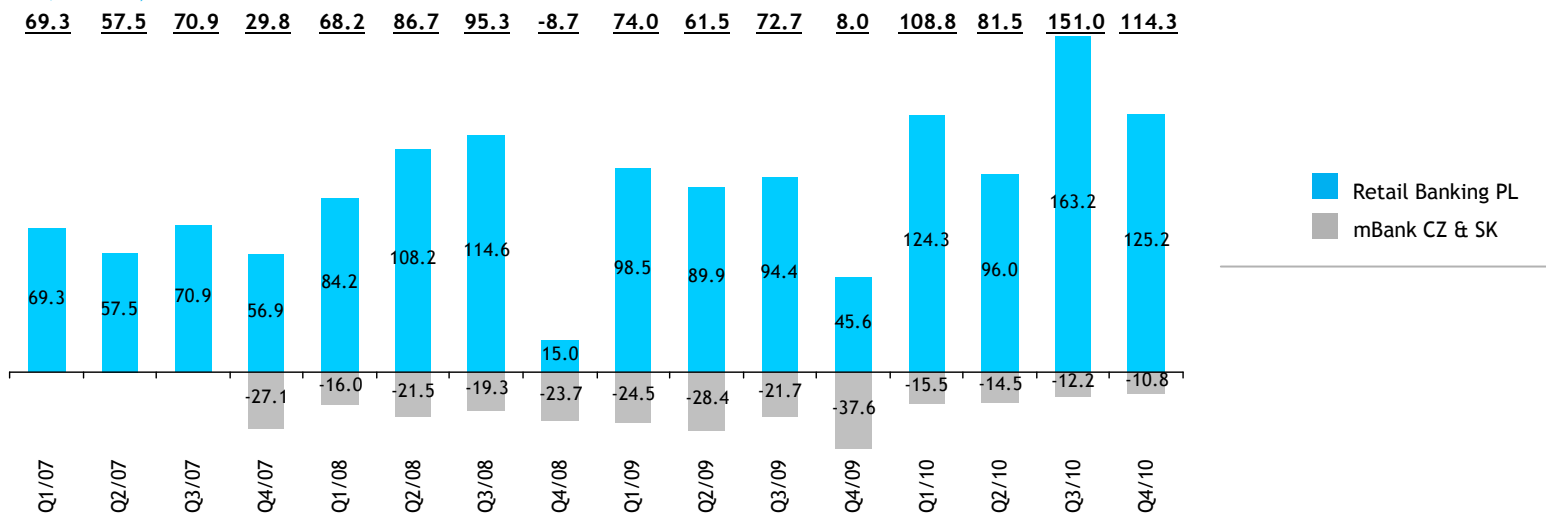
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Retail Banking

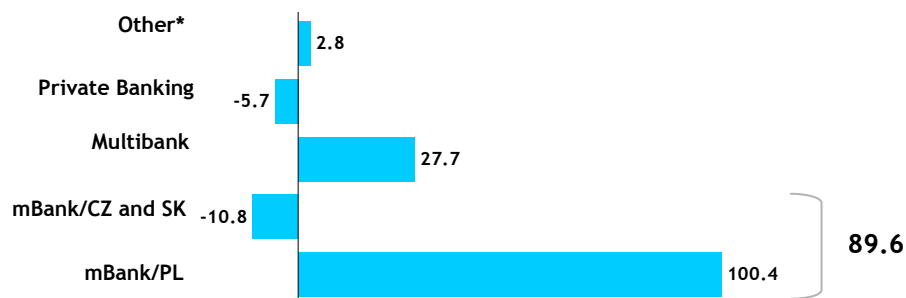
# Appendix

## BRE Bank Retail Banking Summary of Q4/10: Financial Results

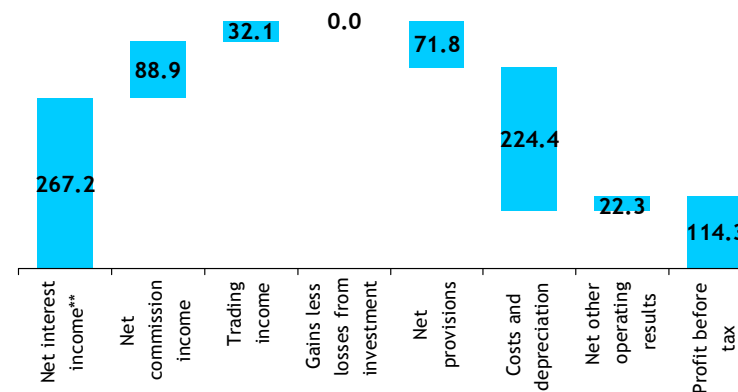
Profit before Tax of the Segment  
(by quarter, PLN M)



Contributors to the Profit before Tax of Retail Banking in Q4/10 (PLN M)



Structure of the Profit before Tax of Retail Banking in Q4/10 (PLN M)



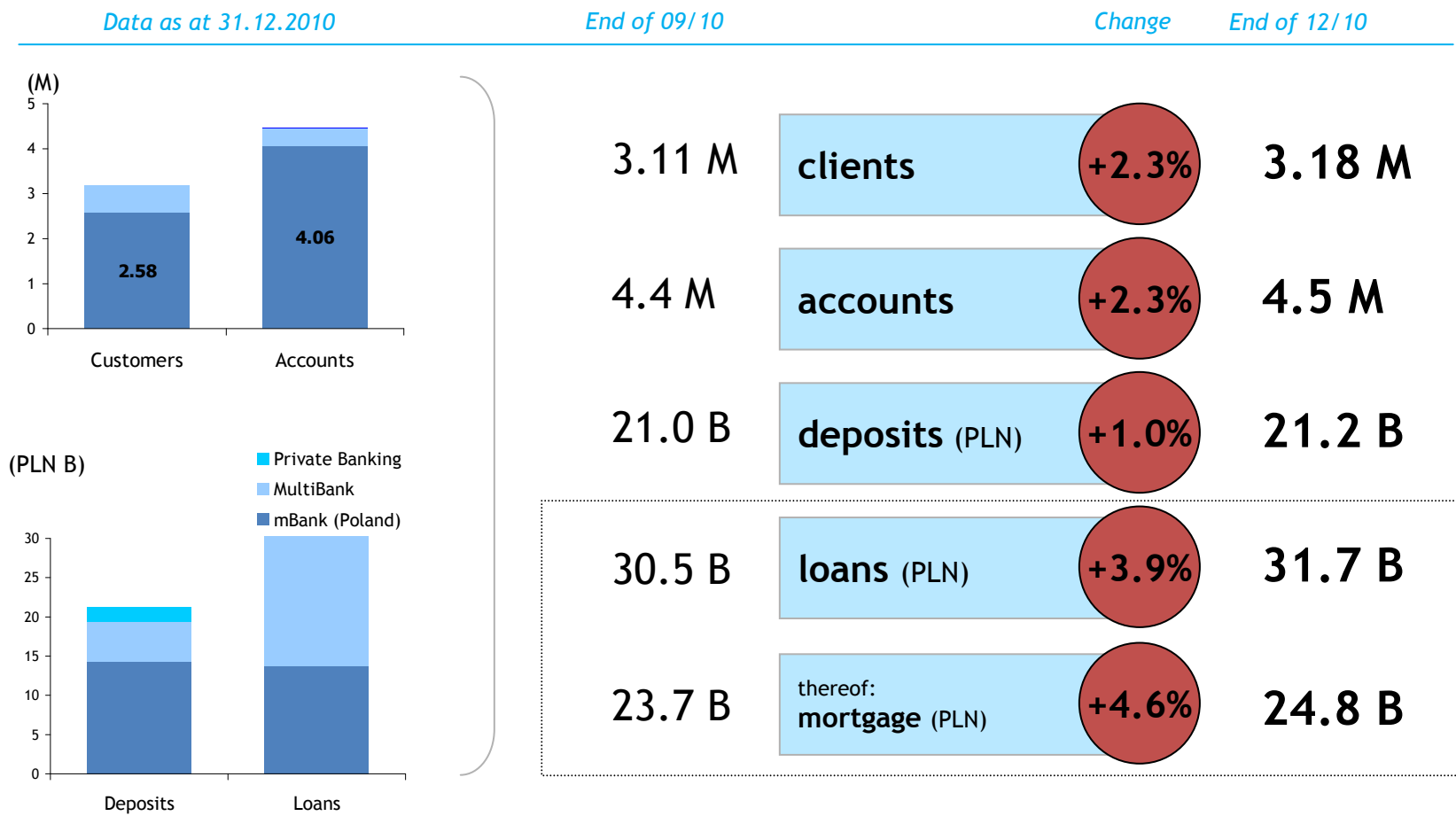
\* incl. BRE Ubezpieczenia, BRE Wealth Mgt., Aspiro and consolidation adjustments

\*\* incl. internal settlements

# Appendix

## BRE Bank Retail Banking (Poland)

### Customer Acquisition and Volume Trends

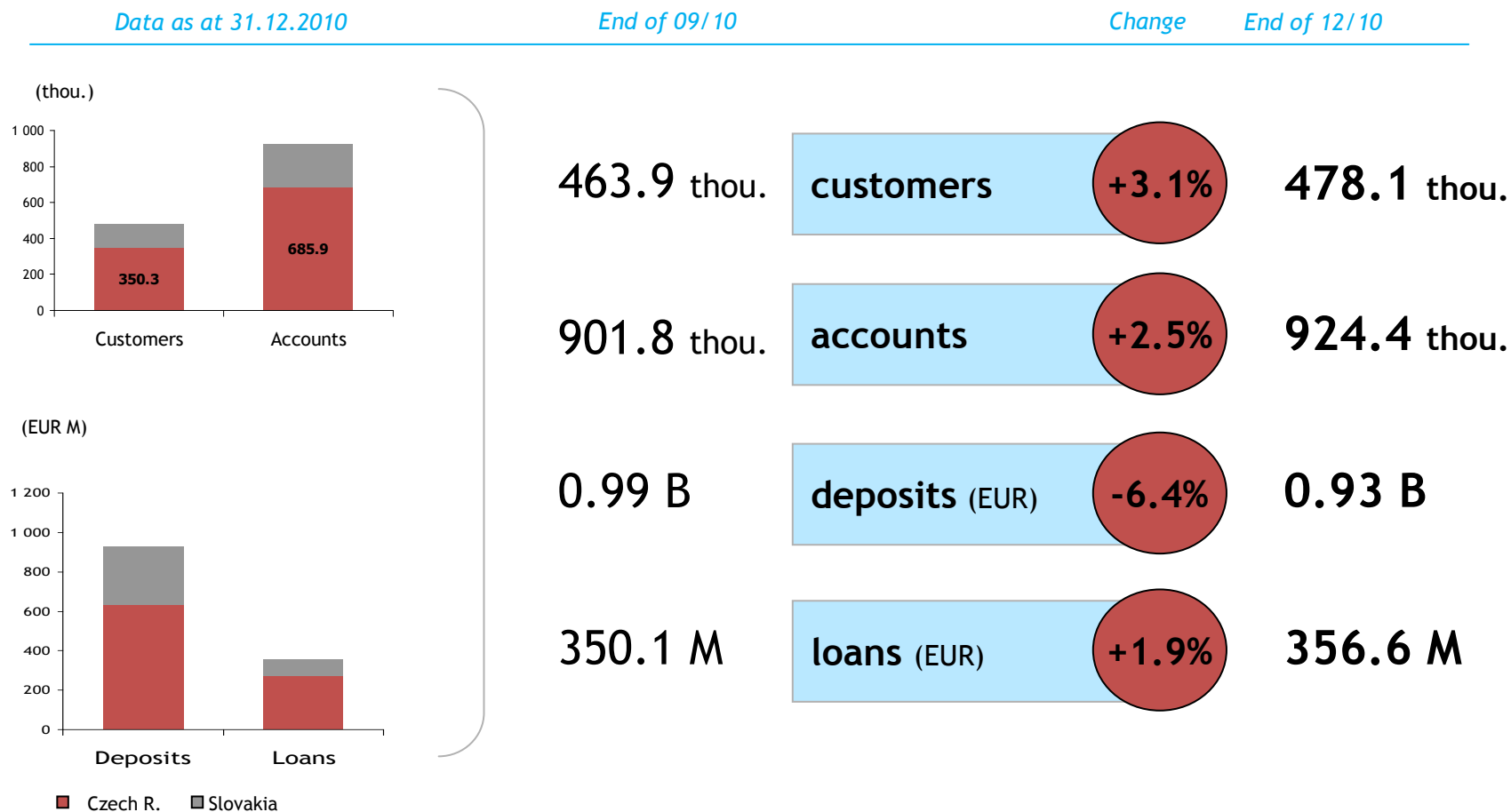


Above data are for mBank/PL, MultiBank and PB

# Appendix

## BRE Bank Retail Banking (CZ/SK)

### Customer Acquisition and Volume Trends



Above data are for mBank/Czech Republic and mBank/Slovakia

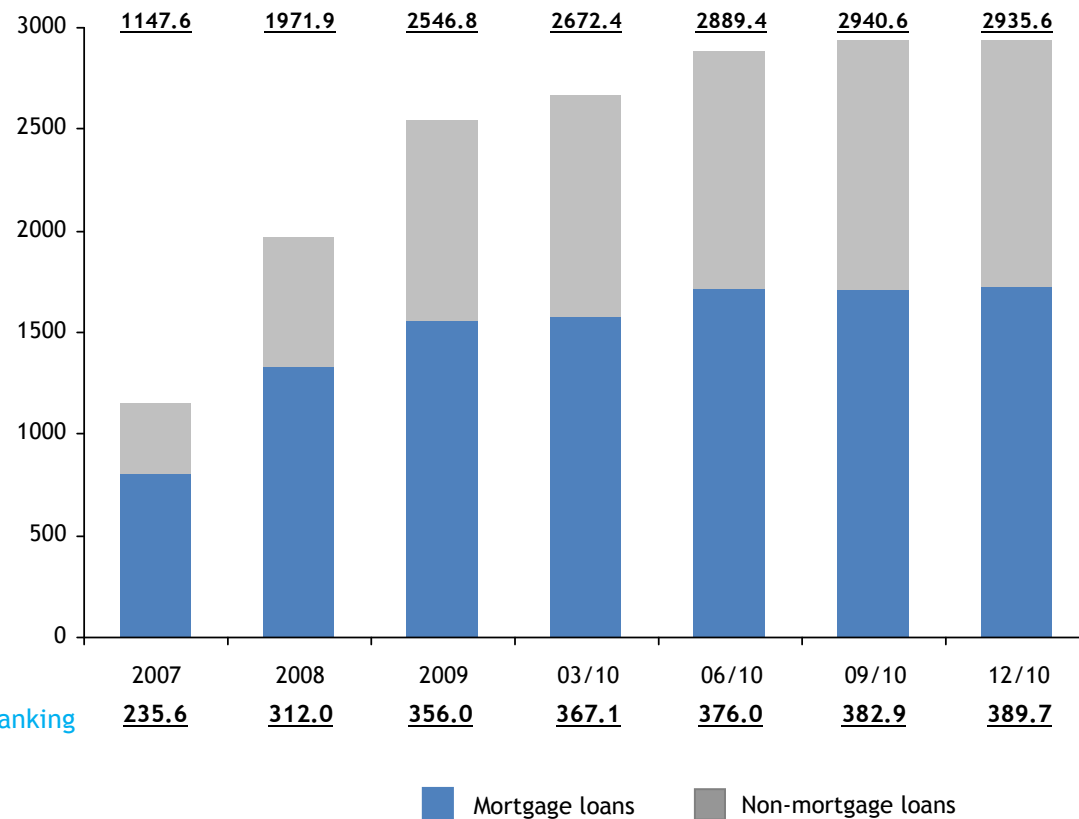
# Appendix

## BRE Bank Retail Banking Acquisition of Microenterprises\*

### 390 thousand microenterprises serviced by BRE Bank Retail Banking

- Number of serviced microenterprises up by 6.7 thousand in Q4/10
- PLN 2 935.6 M of loans granted to microenterprises out of which mortgage loans : 1 727.0 M at the end of 12/10

Volume of loans granted to microenterprises (PLN M)



Number of microenterprises at BRE Bank Retail Banking (thou.)

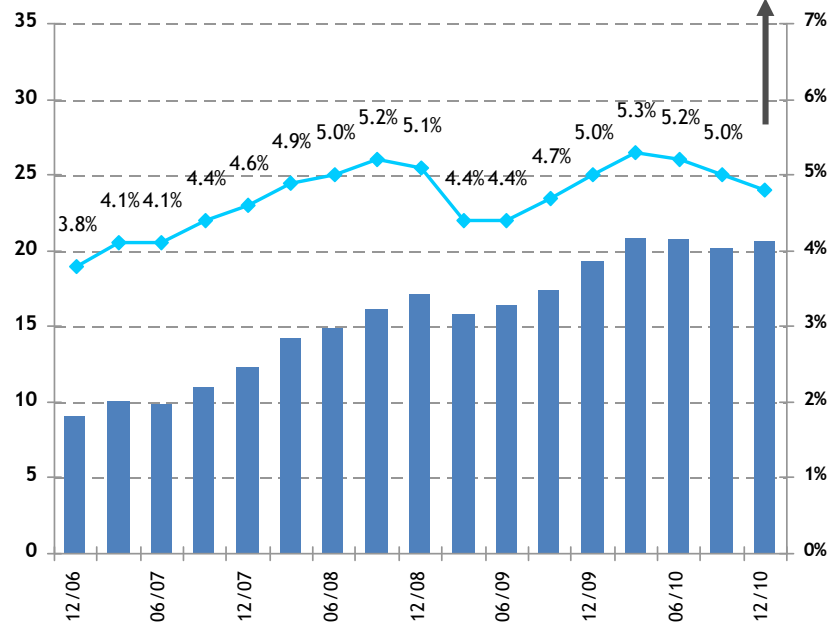
\*Microenterprises imply self-employed individual customers

# Appendix

## BRE Bank Retail Banking Deposits & Loans: Market Share

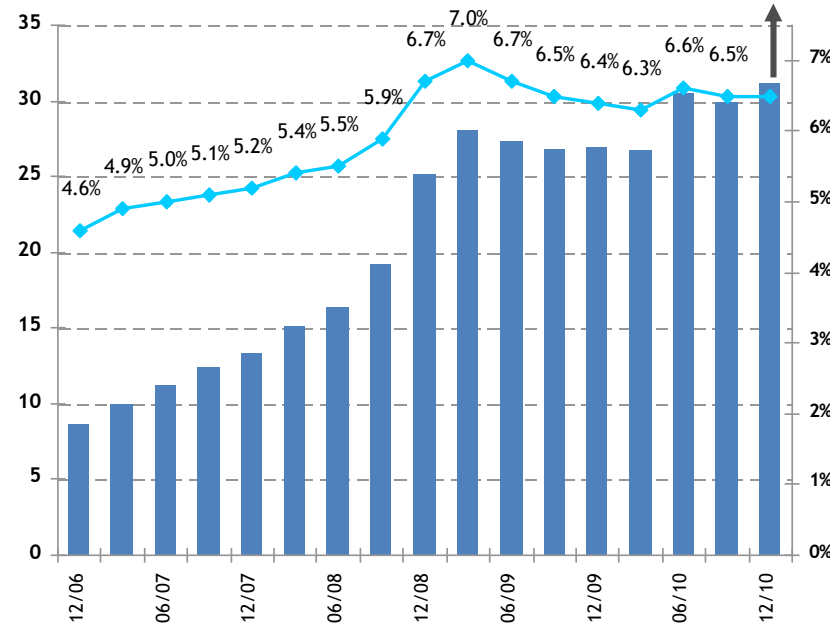
Household Deposits\*  
(PLN B)

12/10:  
**4.8%**



Household Loans\*  
(PLN B)

12/10:  
**6.5%**



■ BRE Bank (LHS)    ◆ Market share (RHS)

\*Residents only. Household deposits and loan volumes do not include micro and small enterprises (classified as Retail customers in BRE Bank)  
Since 03/10 NBP changed data presentation, market shares recalculated in accordance with NBP methodology



# Appendix

## BRE Bank Retail Banking Mortgage Loans: Portfolio Structure and Quality

BRE Bank's Mortgage Loan Portfolio  
(Retail Banking\* loans to individuals)

	Total	PLN	FX
Balance-sheet value (PLN B)	24.76	2.29	22.47
Average maturity (years)	22.75	20.00	23.14
Average value per loan (PLN thou.)	278.32	206.28	288.59
Average LTV (%)	82	56	86
NPL (%)	0.84	4.00	0.52

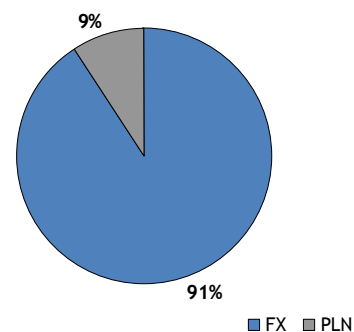
As at 31.12.2010

\* mBank-PL and MultiBank

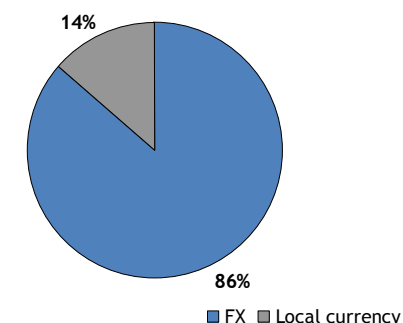
\*\* 'Other' include mainly car loans, loans for goods, services and stocks

Currency Structure of Retail Banking Mortgage Loan Portfolio  
(Household Loans) at 31.12.2010

in Poland

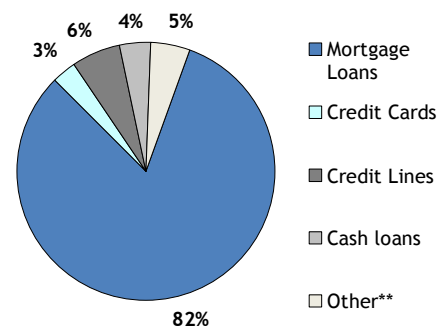


in Poland, Czech Republic & Slovakia

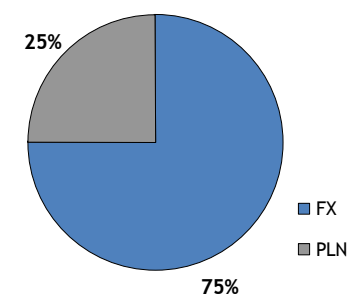


Structure of the Retail Banking\* Loan Portfolio  
(Household Loans) at 31.12.2010

By loan type



By currency

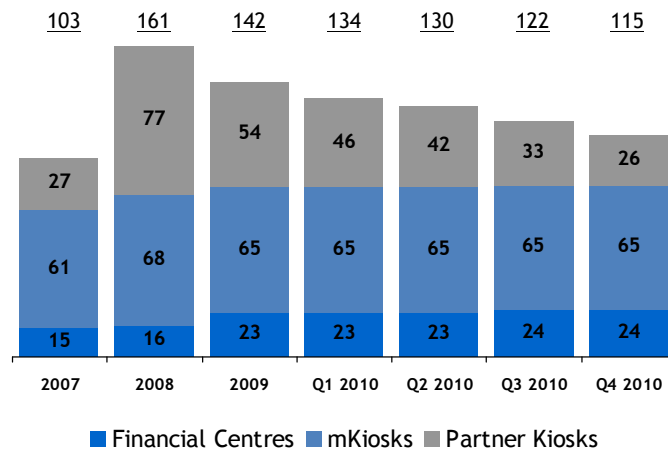


# Appendix

## BRE Bank Retail Banking Distribution Network

### Aspiro Distribution Network (in Poland)

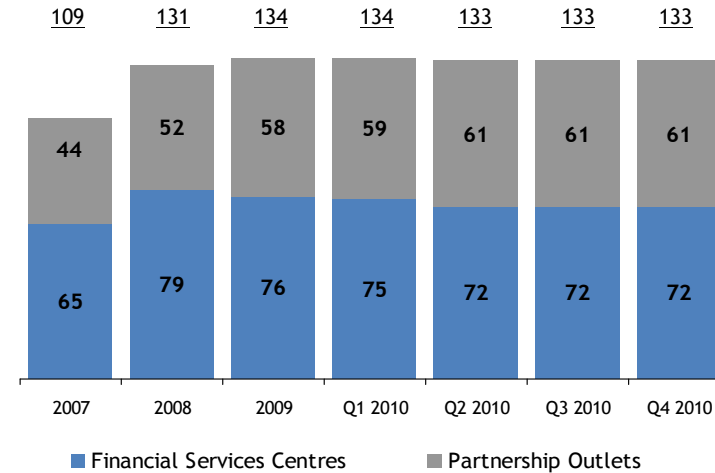
Total (at the end of period):



- Aspiro is a financial intermediary company
- Aspiro enters into distribution agreements with the Bank and other banks operating in the Polish market in order to sell retail banking products via its distribution network. Significant part of the products sold by Aspiro are sourced from BRE Bank
- Since July 2009, Aspiro operates a distribution network comprising 115 locations across Poland as well as 32 Agent Service Points (at 31 December 2010)

### MultiBank Branches (in Poland)

Total (at the end of period):

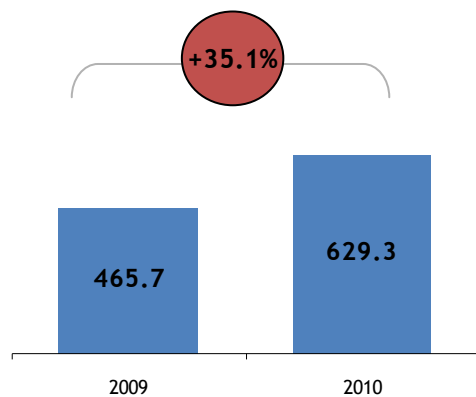


- MultiBank had a network of 133 branches at the end of Q4/10

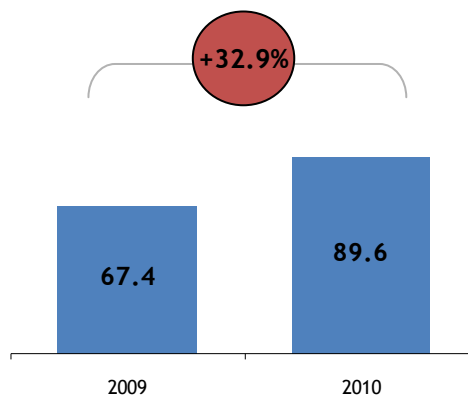
# Appendix

## BRE Bank Retail Banking BRE Ubezpieczenia (BRE Insurance)

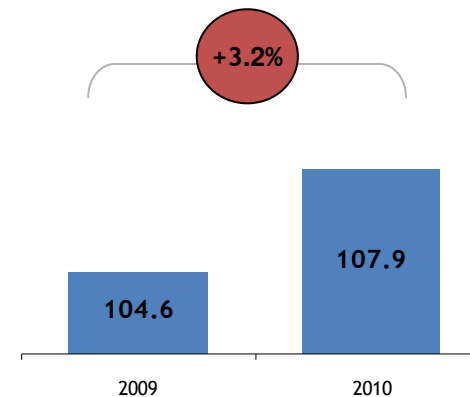
Bancassurance Retail  
Gross Written Premium (PLN M)



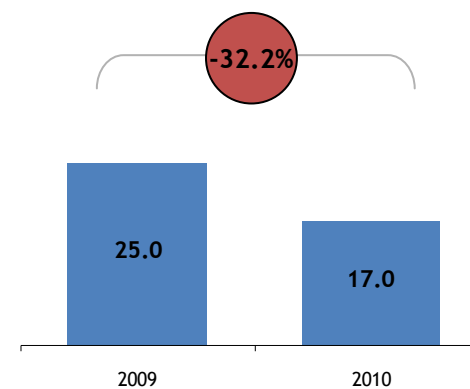
Direct Insurance (Internet platform)  
Gross Written Premium (PLN M)



Co-operation with BRE Leasing  
Gross Written Premium (PLN M)



Profit before Tax\* (PLN M)



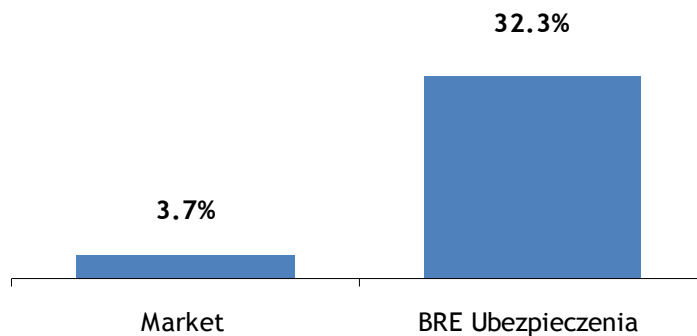
- Profit before tax of BRE Ubezpieczenia in 2010 was PLN 17.0 M, down by 32.2% YoY
- Decrease of profit mainly due to reduced margins on bridge insurance for mortgage products

\* incl. gross profit of BRE Ubezpieczenia according to its statutory financial statements (including deferred acquisition costs)

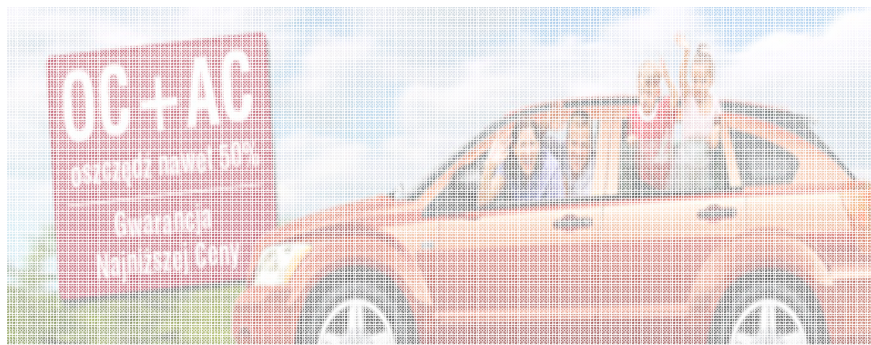
# Appendix

## BRE Bank Retail Banking BRE Ubezpieczenia (BRE Insurance)

Car premium increase in 2010: Market v. BRE Ubezpieczenia



The growth of portfolio 10x higher than the market growth



BRE Bank Retail Banking Internet Platform - SUS and Insurance Centre key figures

**256.7 thou.**  
**car insurance contracts**  
(in Q4/10)

**37 thou.**  
**travel insurance contracts**  
(in Q4/10)

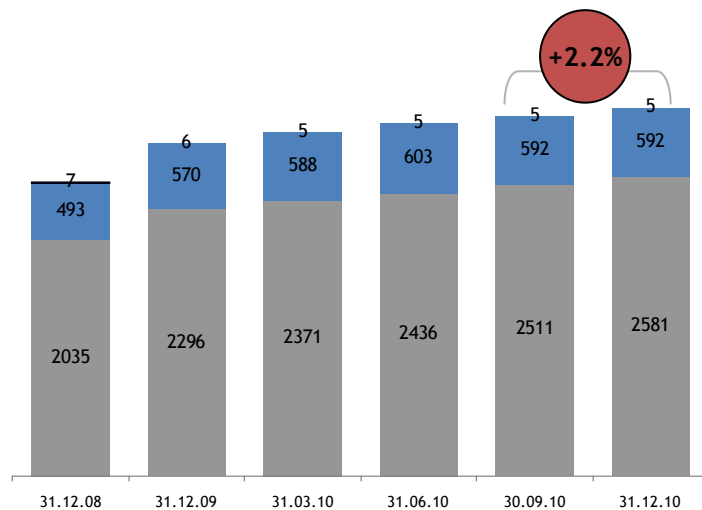
**PLN 89.6 M**  
**of premiums written**  
(total value of all insurances sold during quarter)



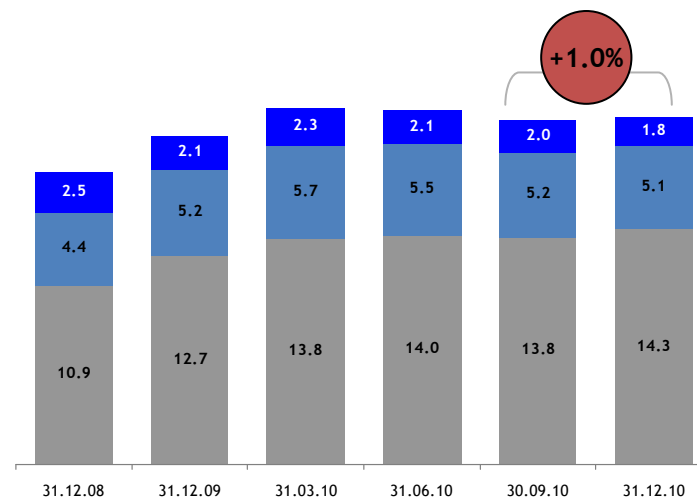
# Appendix

## BRE Bank Retail Banking (Poland) Clients & volumes

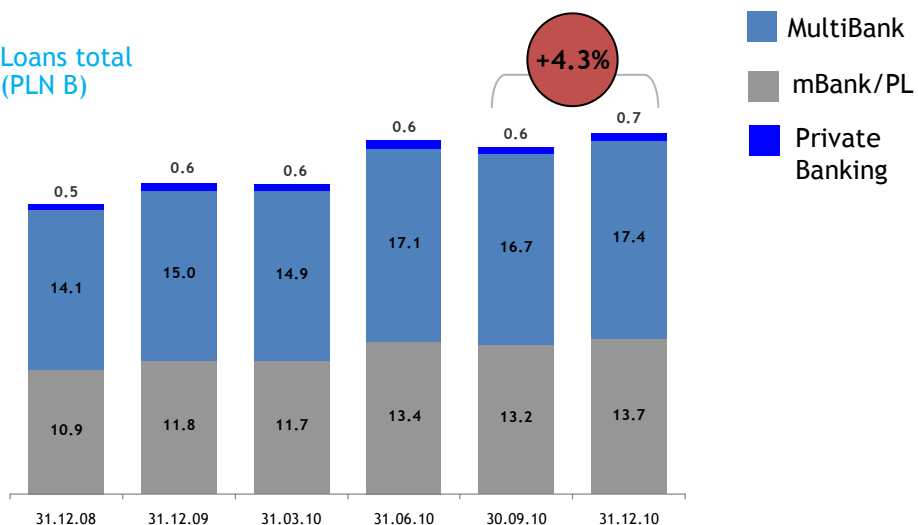
Clients  
(thou.)



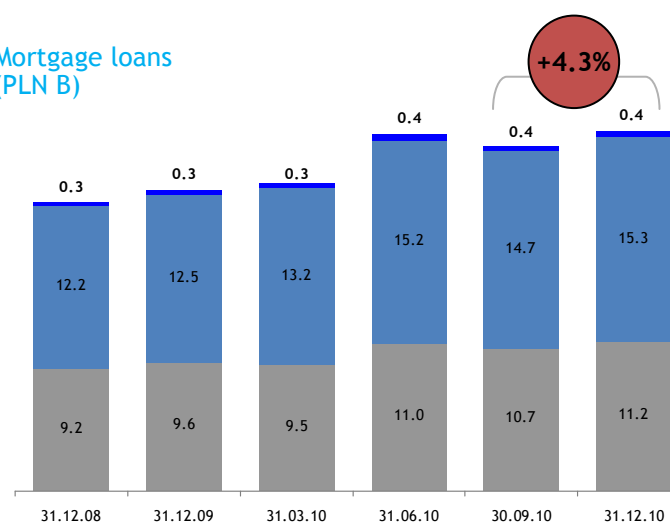
Deposits  
(PLN B)



Loans total  
(PLN B)



Mortgage loans  
(PLN B)



## <Appendix>

### Detailed Results of the Business Lines Q4/10

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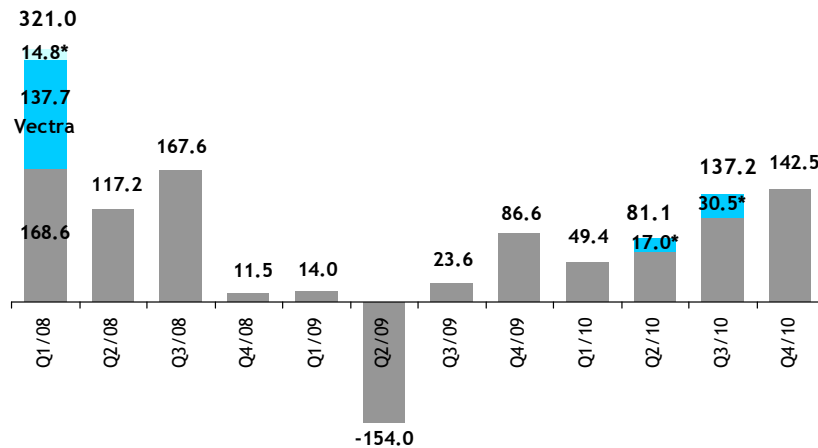
### Corporates & Financial Markets

# Appendix

## Corporates and Financial Markets

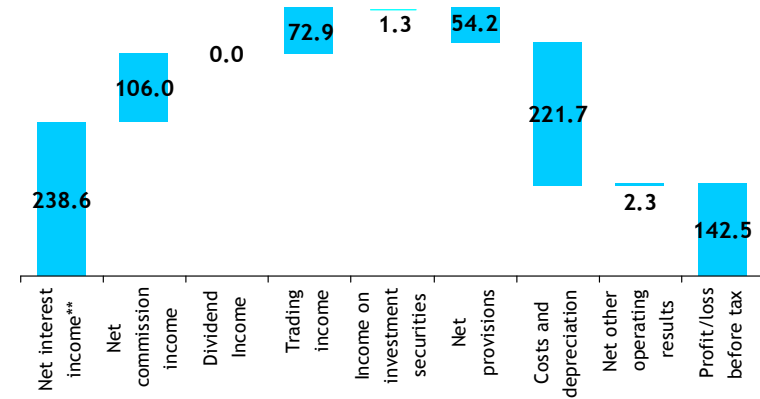
### Summary of Q4/10: Financial Results

Result before Tax of the Segment  
(by quarter, PLN M)



\* Q1/08: Repayment of default loan  
Q2/10 and Q3/10 - sale of part of PZU shares  
\*\* Incl. internal settlements

Structure of the Result before Tax of the Segment in Q4/10  
(PLN M)



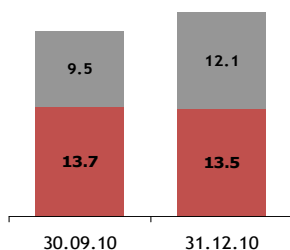
# Appendix

## Corporates and Institutions

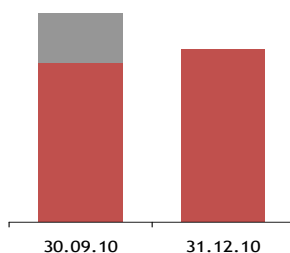
### Customer Acquisition and Volume Trends

■ Enterprises acc. to NBP definition

Corporate Loans (PLN B)



Corporate Deposits (PLN B)



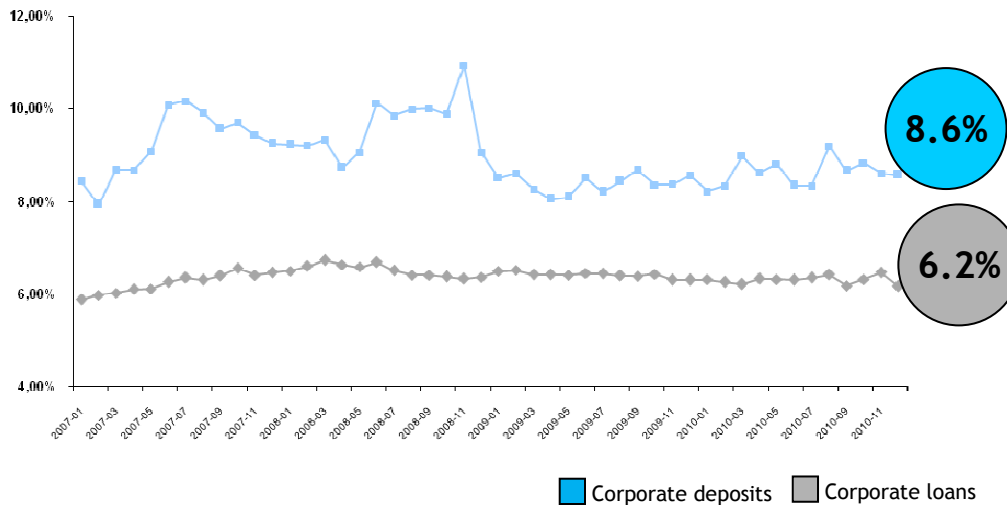
End of 09/10		Change	End of 12/10
13 126	corporate clients	+145	13 271
23.2 B	corporate loans (PLN)	+10.2%	25.6 B
13.7 B	thereof loans for enterprises (PLN)	-1.1%	13.5 B
19.5 B	corporate deposits (PLN)	+9.7%	21.3 B
14.9 B	thereof deposits of enterprises (PLN)	+8.2%	16.1 B



# Appendix

## Corporates and Institutions Loans & Deposits: Market Share\*

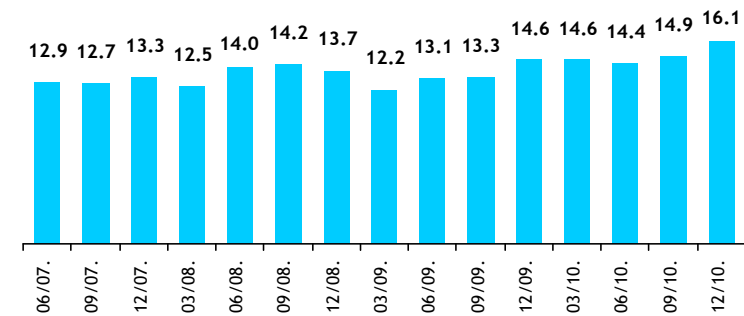
BRE Bank's Market Share in Corporate Loans and Deposits  
01/06 - 12/10



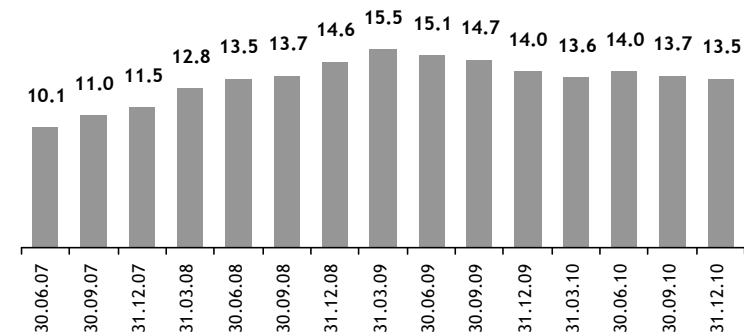
Source: NBP reports

- **PLN 16.1 B of corporate deposits** in BRE Bank at the end of Q4/10 (up by 8.2% QoQ)
- **PLN 13.5 B of corporate loans** in BRE Bank at the end of Q4/10 (down by 1.1% QoQ)

Corporate\* Deposit Volume  
(BRE Bank only, PLN B)



Corporate\* Loan Volume  
(BRE Bank only, PLN B)

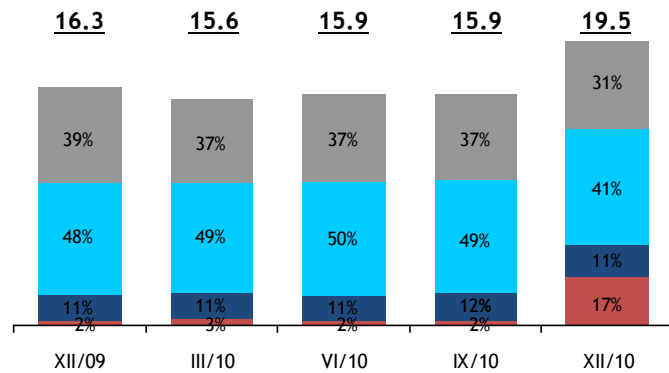


\* i.e. enterprises according to NBP (include only state, private and co-operative companies)

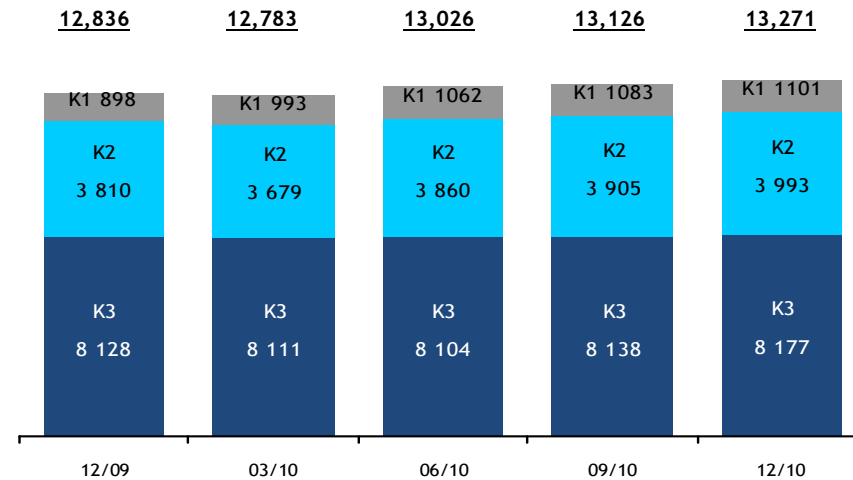
# Appendix

## Corporates and Institutions Client Base and development of Loans and Deposits

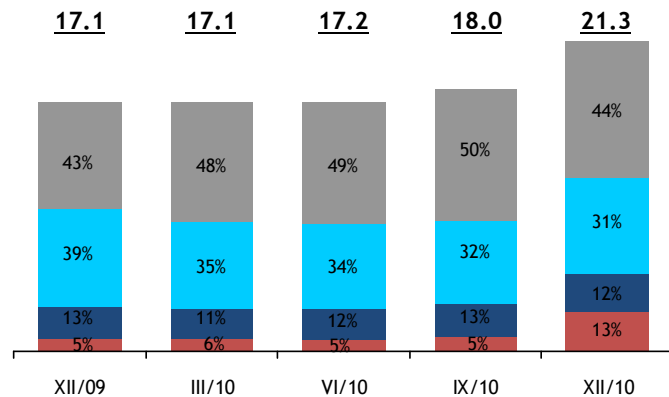
Corporate Clients' Loan Volume  
(BRE Bank, PLN B)



Corporate Clients: Number and Structure



Corporate Clients' Deposit Volume  
(BRE Bank, PLN B)



Segments of corporate clients:

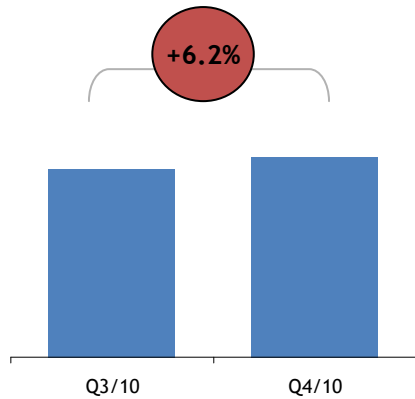
- K1 - is the segment of the largest corporations with annual sales over PLN 500 M
- K2 - is the segment of medium-sized corporations with annual sales between PLN 30 M and PLN 500 M
- K3 - is the segment of SMEs with annual sales between PLN 3 M and 30 M
- Repo

Customer segments K1, K2 and K3 include, besides enterprises, also public and non-bank financial institutions (leasing and insurance companies, pension funds etc.)

# Appendix

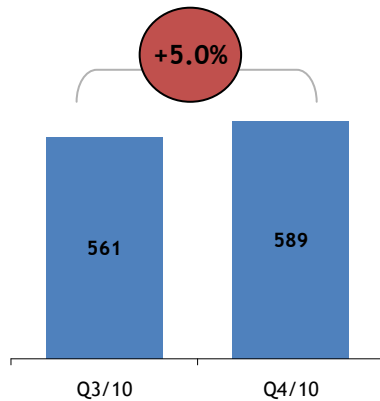
## Corporates and Institutions Cash Management

Net Income on Cash Management products

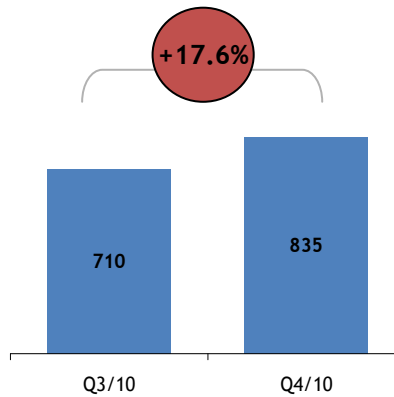


Cash Management -  
Strategic Product Line Supporting  
Long-term Customer Relations

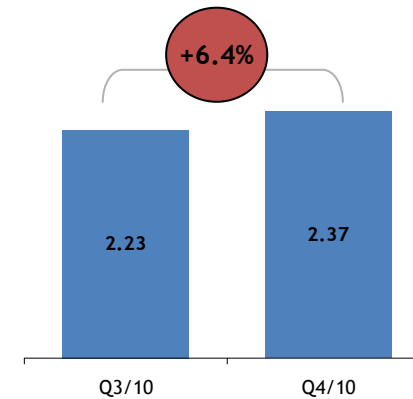
Number of Clients Using Cash Consolidation Services



Direct Debit (thou. of transactions)



Identification of Trade Payments (M of transactions)



# Appendix

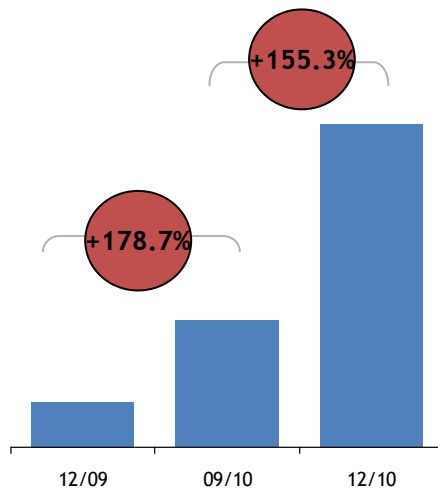
## Corporates and Institutions

### Products for local governments and Products with EU Financing

#### Volume of transactions with local governments

- The volume of transactions with local governments increased by **155.3% QoQ**
- The market share of loans to public sector reached **4.1%** at the end of December 2010 v. 2.0% in Q3/10 and 0.8% in Q4/09

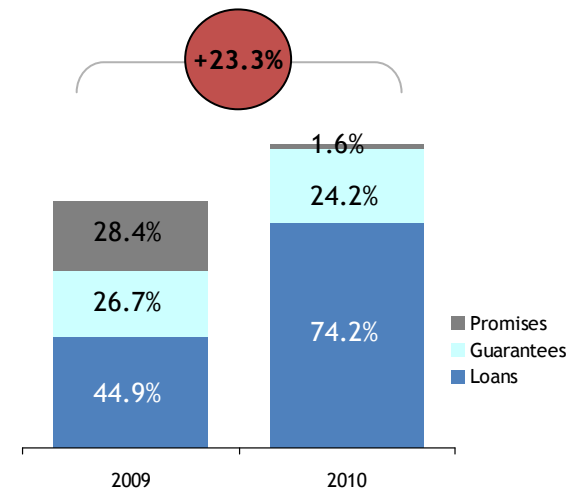
Volume of transactions with local governments



#### Sales of Banking Products with EU Financing

- In Q4/10 the income on products sponsored by EU funds decreased by **24% QoQ** due to no new application rounds and 13.2% v. quarterly average of 2009
- In 2010, income on products sponsored by EU funds increased by **23.3% YoY**

Income of Banking Products with EU Financing



# Appendix

## Corporates and Institutions Leasing and Factoring

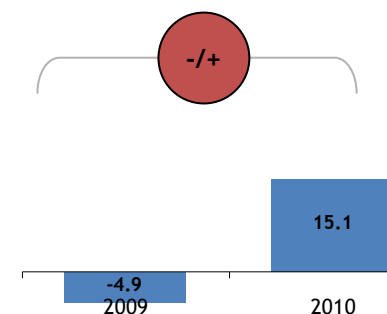
### Intermarket Group Companies\*

- **PLN 0.5 M pre-tax profit in Q4/10 (- 52.1% QoQ);** decrease of result due to impairment provisions (PLN 34.6 M)
- **Sales at EUR 1.6 B in Q4/10 (+6.6% QoQ); EUR 5.7 B YtD (+13.2% YoY).**  
Increase of sales visible in all Group companies (ranging from 8 to 29%)

#### Polfactor

- **Pre-tax profit of PLN 3.7 M in Q4/10 (+19.6% QoQ); PLN 12.0 M YtD (+85.7% YoY)** driven by increased sales and reduced loan loss provisions
- **Sales at PLN 1.3 B in Q4/10 and PLN 4.5 B YtD (+8.0% YoY);**
- **Ranked 5<sup>th</sup> in the Polish market with a market share of 8.0% in 2010**

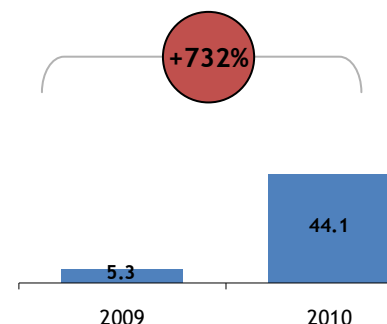
Profit before Tax (PLN M)



### BRE Leasing

- **PLN 0.5 M pre-tax profit in Q4/10 (-96.9% QoQ) vs. PLN 1.75 M in Q4/09.**
- In Q4/10 decrease of gross profit due to a one-off payment of PLN 17.5 M of additional VAT for the period 2006-2010 resulting from a change of interpretation of tax rules (verdict from November 2010 of SAC\*\* affecting the leasing sector). The Company applied to the Tax office for return of overpaid amount of VAT
- **Concluded leasing contracts :**
  - Total of PLN 590 M in Q4/10, -2.3% QoQ in total and +18.8% QoQ on movables
  - Increase of sales by 15.7% YoY due to improvement in movables leasing
  - After Q3/10, BRE Leasing was ranked 3<sup>rd</sup> in the Polish market with 7.4% market share

Profit before Tax (PLN M)



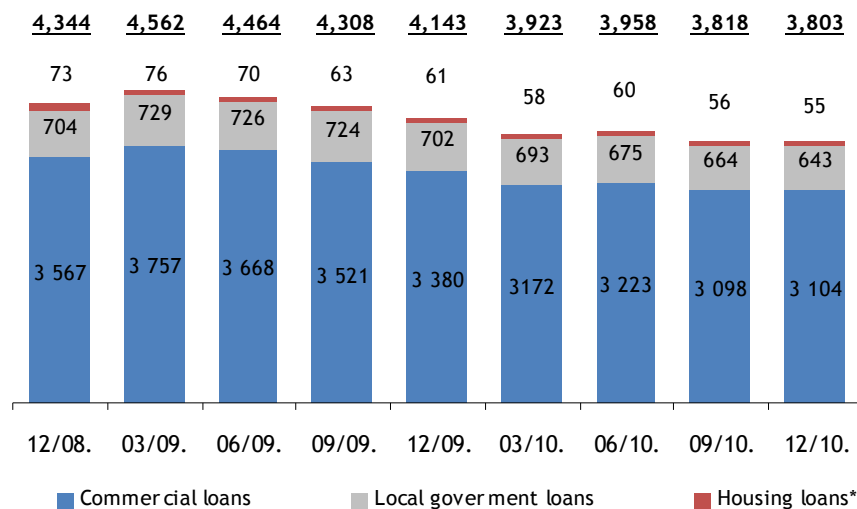
\* Companies consolidated by BRE Bank: Intermarket Bank AG, Transfinance a.s., Polfactor S.A. and Magyar Factor zRt.

\*\* SAC: Supreme Administrative Court

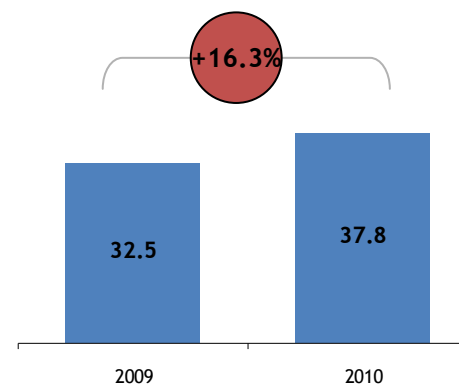
# Appendix

## Corporates and Institutions BRE Bank Hipoteczny (BBH)

Loan Portfolio (PLN M)  
Balance-sheet Exposure



Profit before Tax (PLN M)



- BBH's total balance-sheet and off-balance-sheet loan portfolio at the end of 2010 stood at **PLN 4.46 B**, down by 2.1% YoY
- Housing developers loan portfolio at the end of 2010 at PLN 762.2 M (total balance-sheet)

- **PLN 37.8 M profit before tax** at the end of 2010, up 16.3% YoY (PLN 32.5 M in 2009) and down by 47% QoQ
- **C/I ratio decreased from 48.3% in 2009 to 45.3% in 2010**

\* As of July 2004 BRE Bank Hipoteczny stopped granting loans to retail customers. The volume of housing loans represents the existing portfolio still managed by the Bank.

# Appendix

## Corporates and Institutions Dom Inwestycyjny BRE Banku (DI BRE)

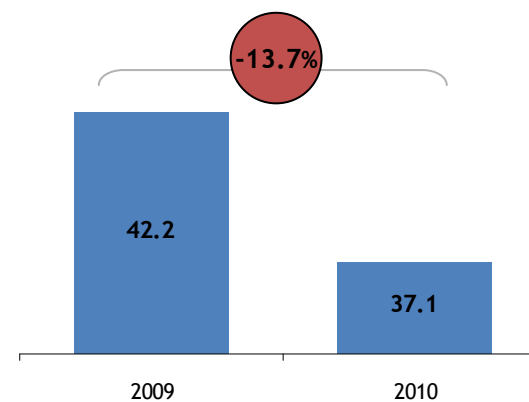
### Number of Accounts with DI BRE 04/10 (thousand)

DI BRE accounts	55.7
eBroker* (mBank)	193.1
Brokerage Service* (MultiBank)	34.4
<b>TOTAL</b>	<b>283.2</b>

### DI BRE Market Share in Q4/10, by volume\*\*

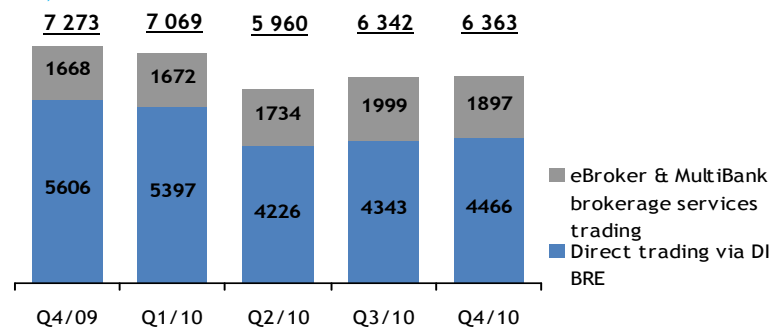
Equities	4.56 %	#9
Bonds	3.78 %	#7
Futures	15.79 %	#1
Options	7.37 %	#6

### Profit before Tax (PLN M)

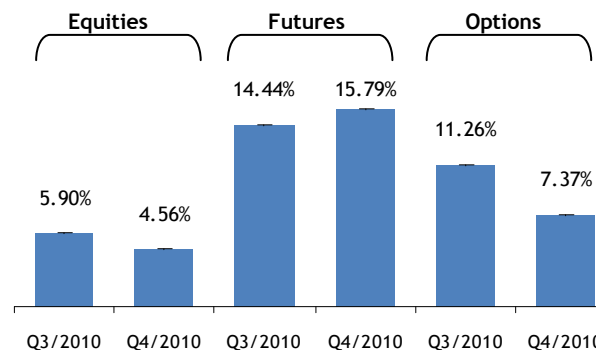


\*\*Calculations based on WSE, DI data

### DI BRE Equities Trading (PLN M)



### DI BRE Market Share in WSE Trading

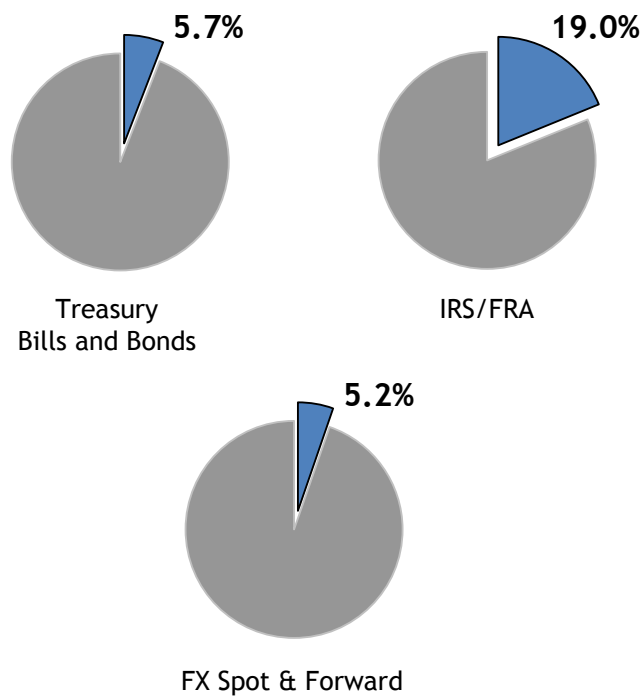


\*A discrepancy between the number of accounts reported by Retail Banking of BRE Bank and DI results from lasting procedures of closing accounts.

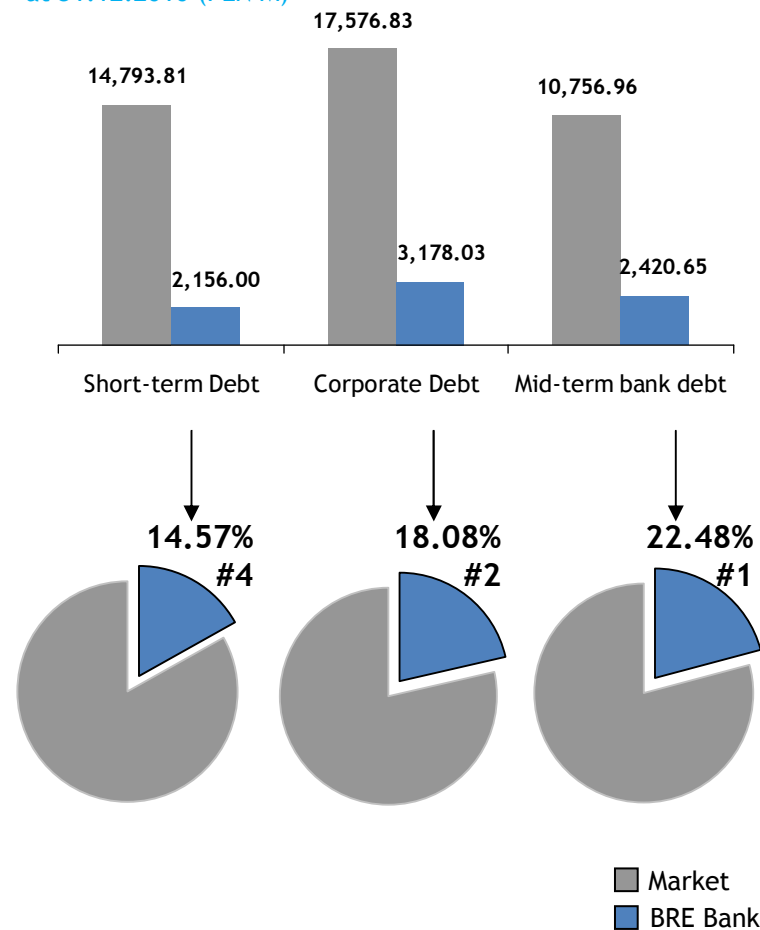
# Appendix

## Trading and Investment Activity Market Share

BRE Bank's Market Share\*  
in Investment Banking Services



BRE Bank in the Market of Non-Treasury Debt\*\*  
at 31.12.2010 (PLN M)



\* As at 30.11.2010; calculations based on own and NBP data.

\*\* After Fitch Polska S.A., Rating & Rynek, 31.12.2010 and own calculations (without BGK road bonds).



## < Appendix >

### **Additional Information: Selected Financial Data**

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# Appendix

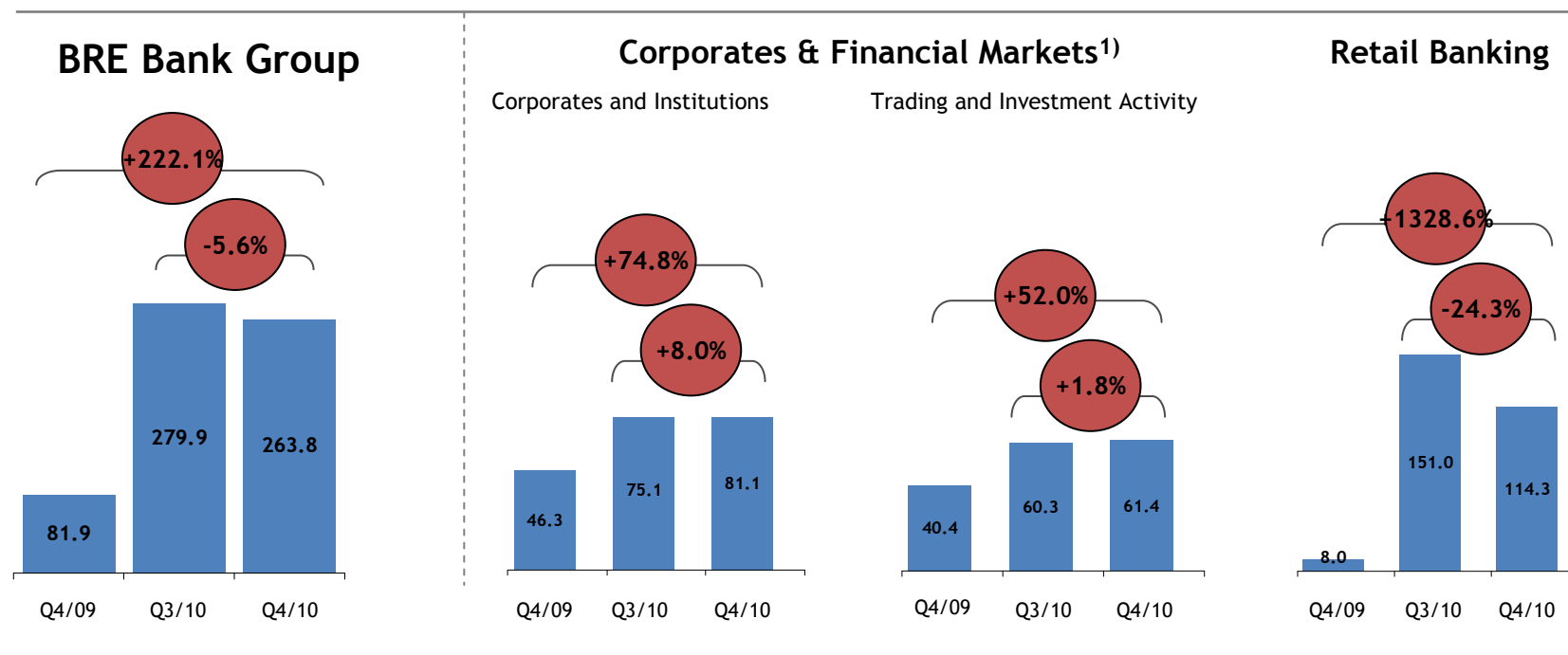
## Additional Information: Selected Financial Data Consolidated Profit and Loss Account under IFRS

PLN thou. By quarter	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10
Net interest income	417 535	390 537	436 254	481 048	503 125
Net commission income	152 001	173 893	172 449	199 211	200 366
Dividend income	96 227	330	2 611	5 222	10
Net trading income	82 861	96 171	122 058	88 169	104 274
Gains less losses from investment securities	(3 968)	-	16 896	29 604	(1 352)
Other operating income	59 651	52 131	93 268	63 796	102 076
Net credit and loans impairment provisions	(190 378)	(177 061)	(203 500)	(128 230)	(125 988)
Overhead costs	(376 105)	(294 937)	(332 220)	(358 253)	(394 941)
Depreciation/Amortisation	(82 324)	(59 201)	(59 334)	(58 672)	(59 711)
Other operating cost	(73 597)	(24 089)	(77 477)	(41 969)	(64 053)
Operating profit	81 903	157 774	171 005	279 926	263 806
Profit before tax	81 903	157 774	171 005	279 926	263 806
<b>Net profit attributable to owners of BRE Bank</b>	<b>40 778</b>	<b>115 416</b>	<b>124 251</b>	<b>206 453</b>	<b>195 482</b>

# Appendix

## Profitability of the Business Lines

Quarterly Result before Tax by Business Line  
(PLN M)



1) In order to better reflect organizational responsibilities, since Q3 2010 certain activities presented in the segment Corporates and Financial Markets were reassigned among its two sub-segments. The reassignment comprises a shift of the following activities from Corporates and Institutions to Trading and Investments: (a) Financial Institutions, (b) Subsidiaries: DI BRE Bank SA, BRE Bank Hipoteczny SA and BRE Corporate Finance SA.

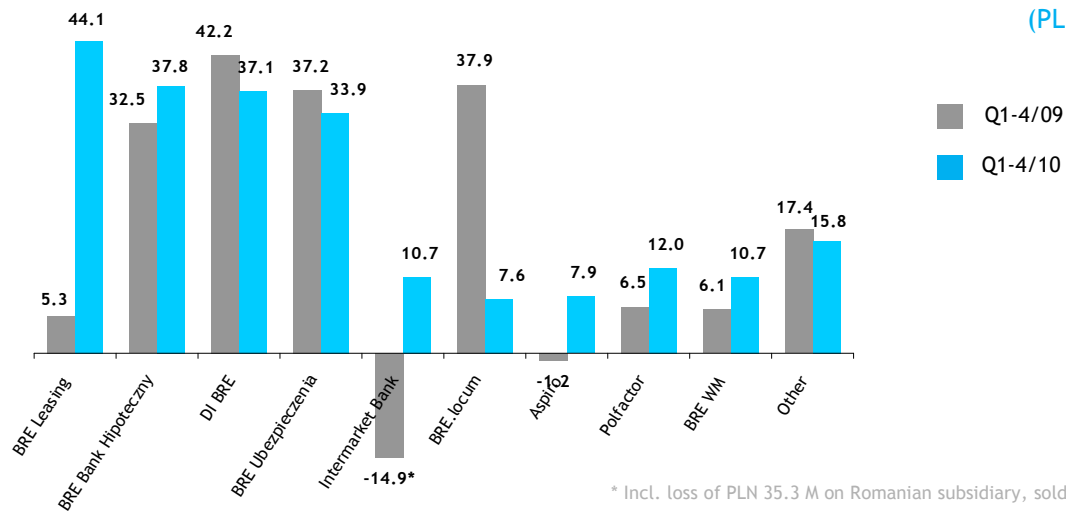
# Appendix

## Additional Information: Selected Financial Data Results of Subsidiaries

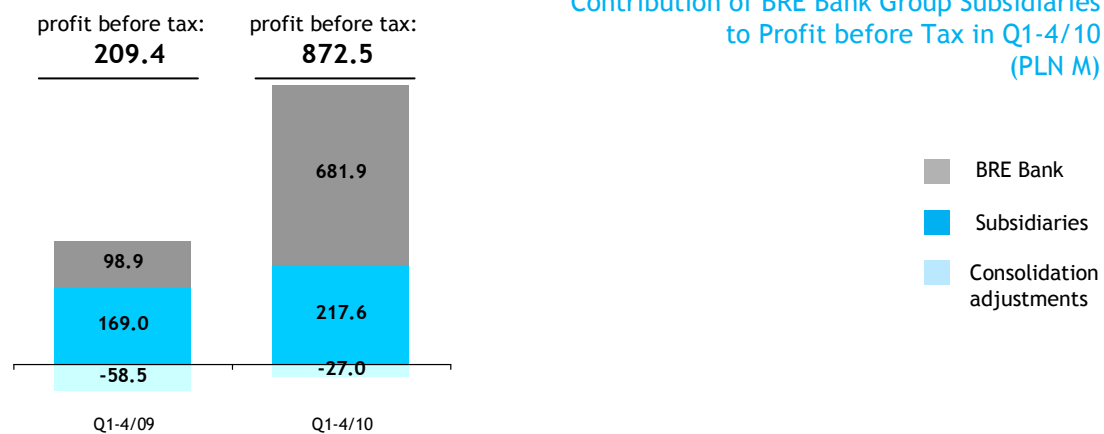
**Q1-4/10 profit before tax of consolidated subsidiaries at PLN 217.6 M**

**v. PLN 169 M in Q1-4/09 (+48.5% YoY)**

Profit before Tax of Consolidated Subsidiaries (PLN M)



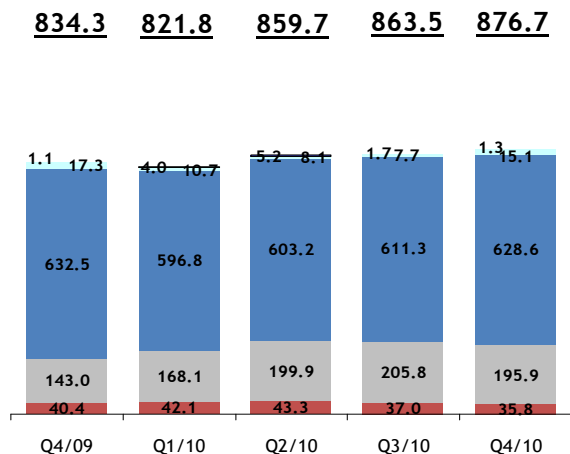
Contribution of BRE Bank Group Subsidiaries to Profit before Tax in Q1-4/10 (PLN M)



# Appendix

## Additional Information: Selected Financial Data Net Interest Income & Margin

Interest Income Structure  
(PLN M)

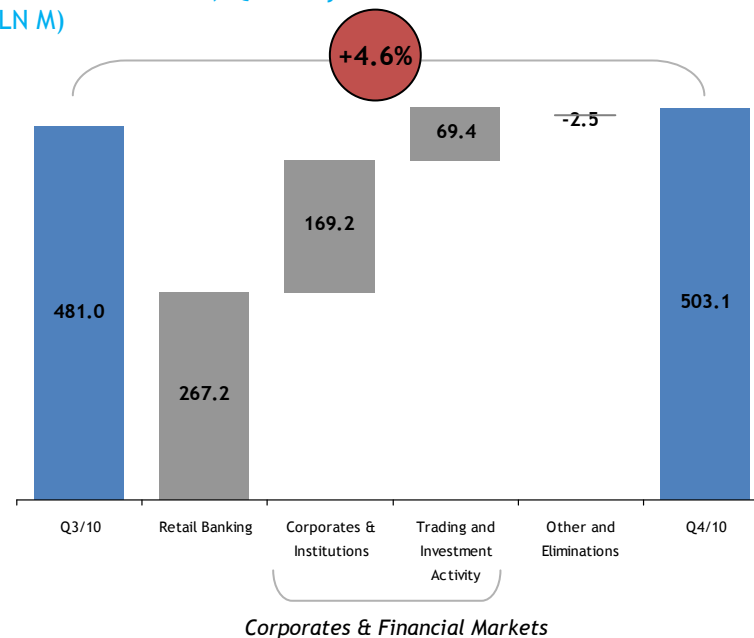


Interest Income Structure  
(%)

	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10
Cash and short-term deposits	3%	5%	5%	4%	4%
Investment securities	17%	21%	23%	24%	22%
Loans and advances	78%	73%	70%	71%	72%
Debt securities held for trading	2%	1%	1%	1%	2%
Other	0%	0%	1%	0%	0%

\*Margin calculated as net interest income to average income-earning assets

Net Interest Income, Q4/10 by Business Line  
(PLN M)



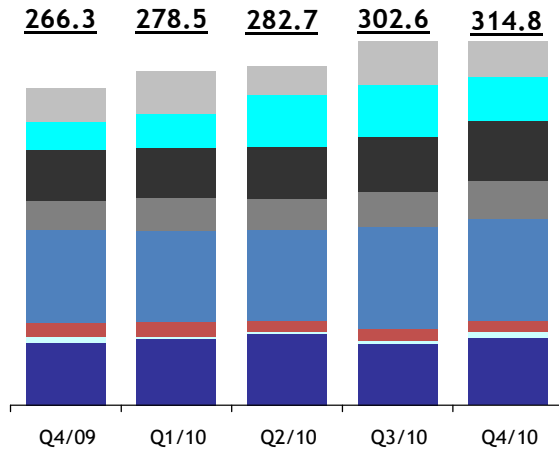
Net Interest Margin (NIM at the end of period, %)\*  
and NII/RWA ratio

	3 m	6 m	9 m	12 m	3 m	6 m	9 m	12 m
	2009				2010			
NIM	2.2	2.3	2.3	2.3	2.0	2.1	2.1	2.2
NII/RWA	2.6	3.0	3.0	3.0	2.9	3.1	3.4	3.5

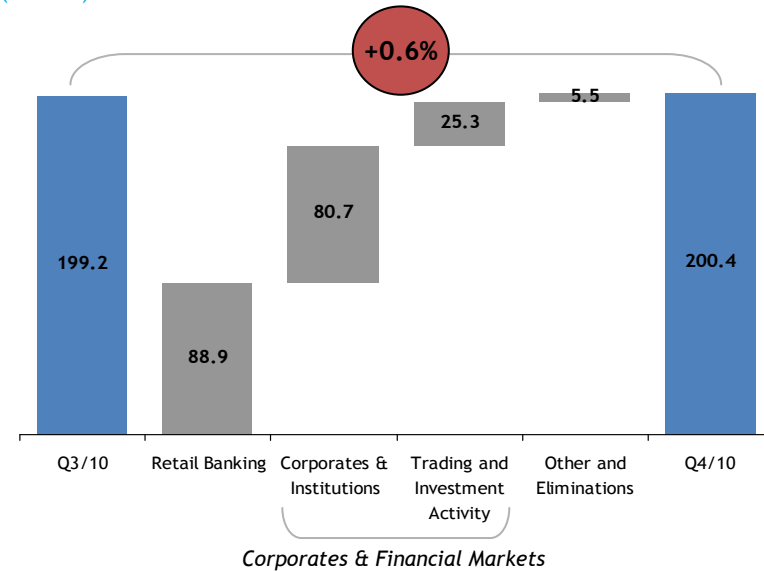
# Appendix

## Additional Information: Selected Financial Data Commission Income

Commission Income Structure  
(PLN M)



Net Commission Income, Q4/10 by Business Line  
(PLN M)



Commission Income Structure  
(%)

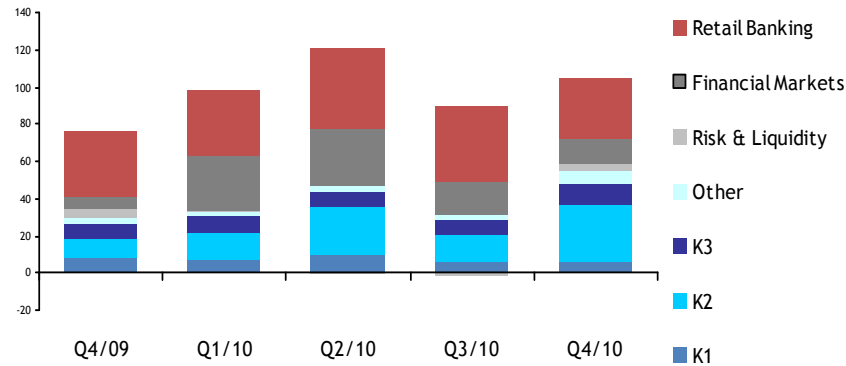
	Q4/09	Q1/10	Q2/10	Q3/10	Q4/10
■ Credit related	20%	20%	21%	17%	18%
■ Portfolio management	2%	1%	1%	1%	1%
■ Guarantees and documentary transactions	4%	4%	3%	3%	3%
■ Payment cards	29%	27%	27%	28%	27%
■ Brokerage fees	10%	10%	9%	10%	10%
■ Accounts & money transfers	16%	15%	16%	15%	16%
■ Insurance activity	9%	10%	15%	14%	12%
■ Other (incl. custody)	10%	13%	8%	12%	13%

# Appendix

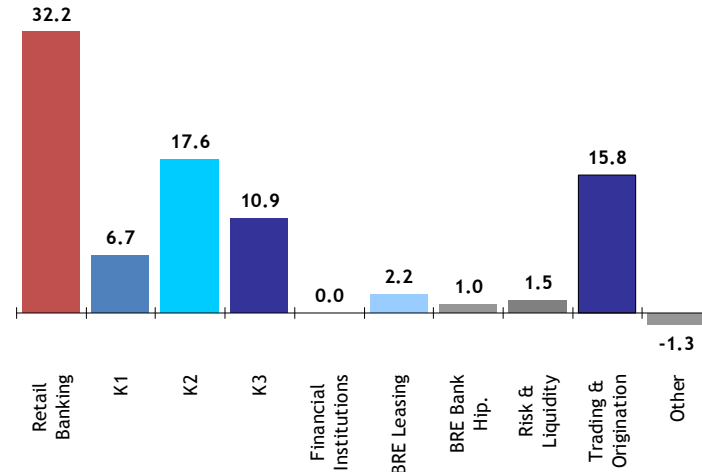
## Additional Information: Selected Financial Data

### Trading Income

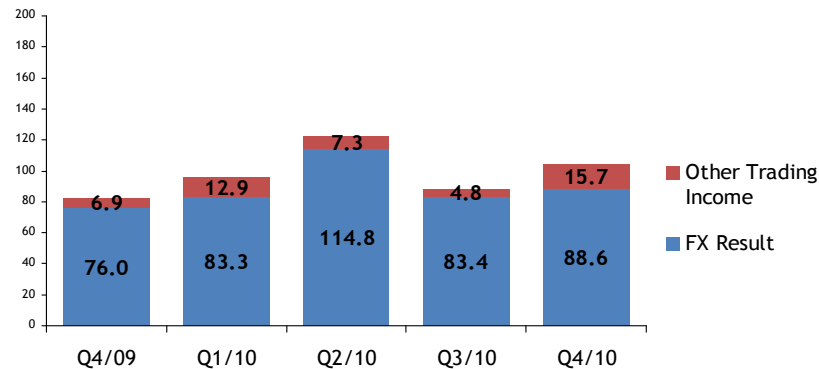
Contributors of Net Trading Income (PLN M)



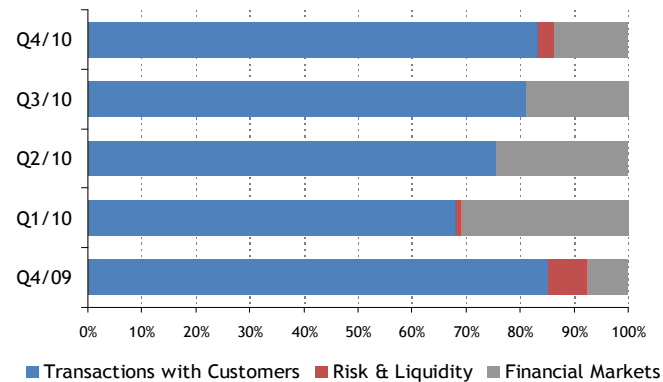
FX Result Contributors in Q4/10 (PLN M)



Net Trading Income Structure (PLN M)



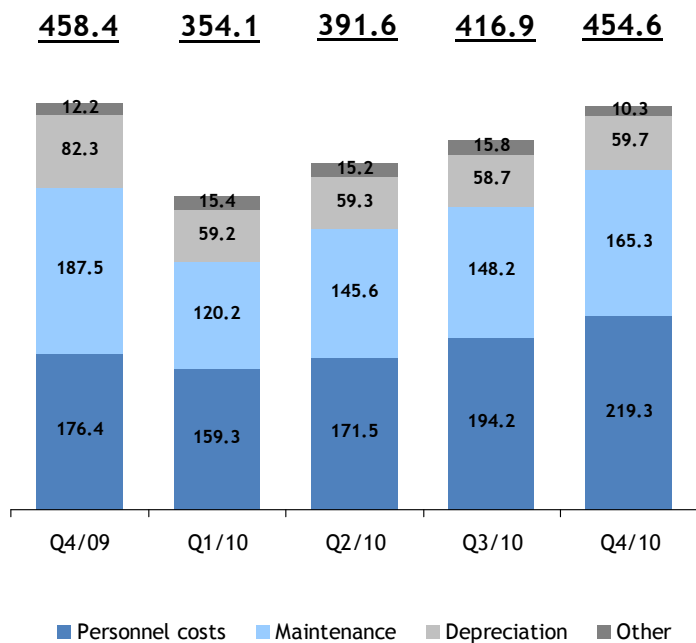
Share of Client Driven Transactions in Net Trading Income (%)



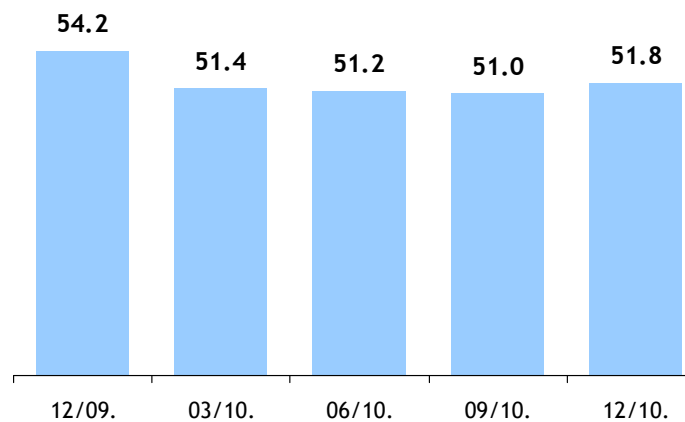
# Appendix

## Additional Information: Selected Financial Data Administrative Expenses Structure

Structure of Administrative Expenses incl. Depreciation (PLN M)



C/I Ratio of BRE Bank Group (% , as at the end of period)

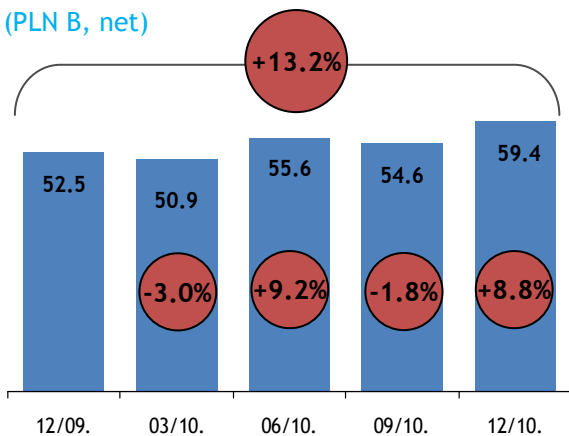




# Appendix

## Additional Information: Selected Financial Data Loans and Deposits

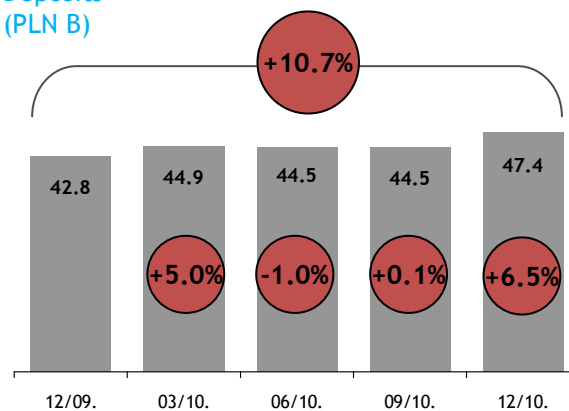
Loans  
(PLN B, net)



	BRE Bank*	Market*
QoQ	+8.4%	2.1%
YoY	+13.6%	+8.6%

\* Data related to gross loans

Deposits  
(PLN B)



	BRE Bank	Market
QoQ	+6.5%	+5.7%
YoY	+10.8%	+9.9%

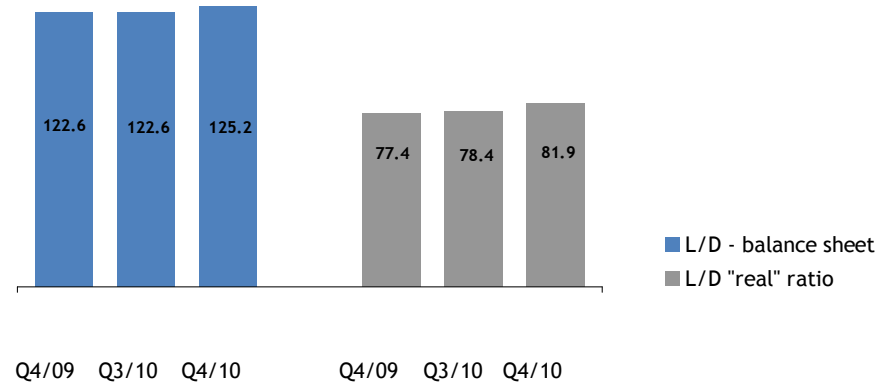
# Appendix

## Additional Information: Selected Financial Data Loan to Deposit Ratio

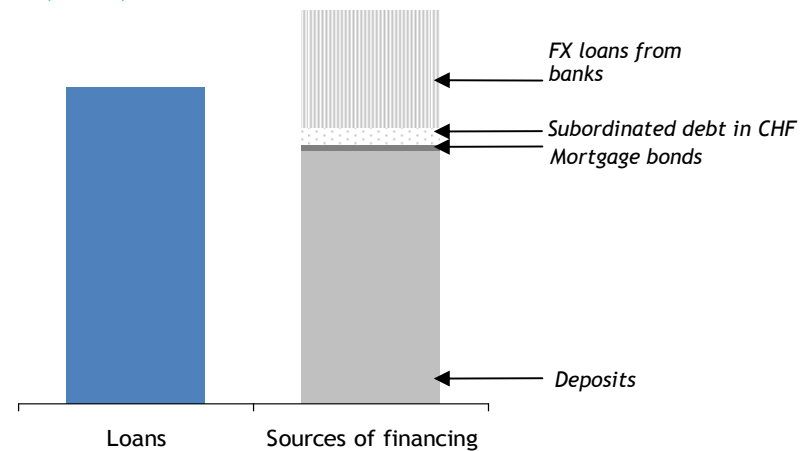
- The ratio of loans to deposits stood at 125.2% in Q4/10
- However, funding policy for FX risk mitigation is implemented
- BRE mid-term loans in CHF fund CHF-denominated mortgages, therefore...

...the 'real' loans to deposits ratio is **81.9%**

LtD Ratio in BRE Bank Group



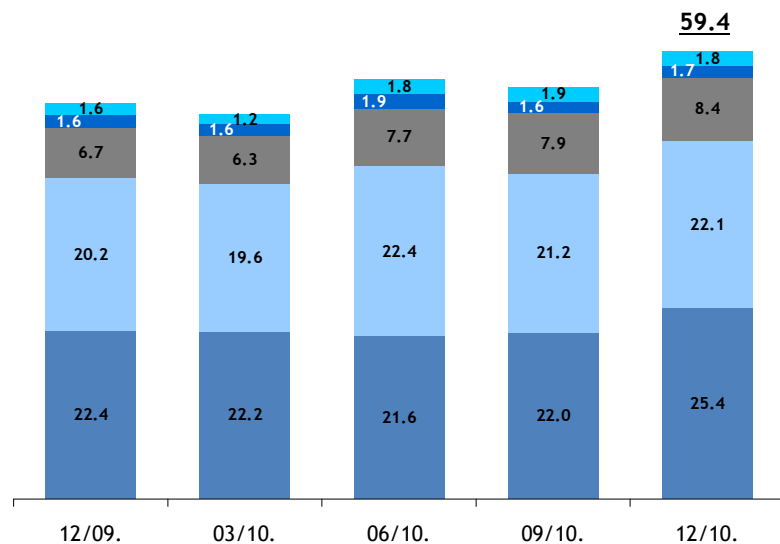
Structure of Financing Loans of BRE Bank Group at 31.12.2010 (PLN B)



# Appendix

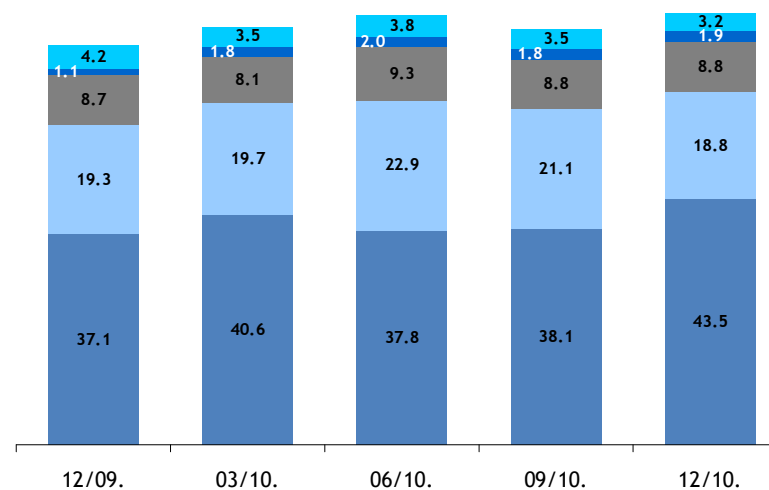
## Additional Information: Selected Financial Data Balance Sheet Analysis - Currency Structure

Currency Structure of Loans  
(PLN B)



	12/09	03/10	06/10	09/10	12/10
PLN	43%	44%	39%	40%	43%
CHF	38%	39%	40%	39%	37%
EUR	13%	12%	14%	15%	14%
USD	3%	3%	4%	3%	3%
Other	3%	2%	3%	3%	3%

Currency Structure of Amounts due to banks and customers <sup>1)</sup>  
(PLN B)



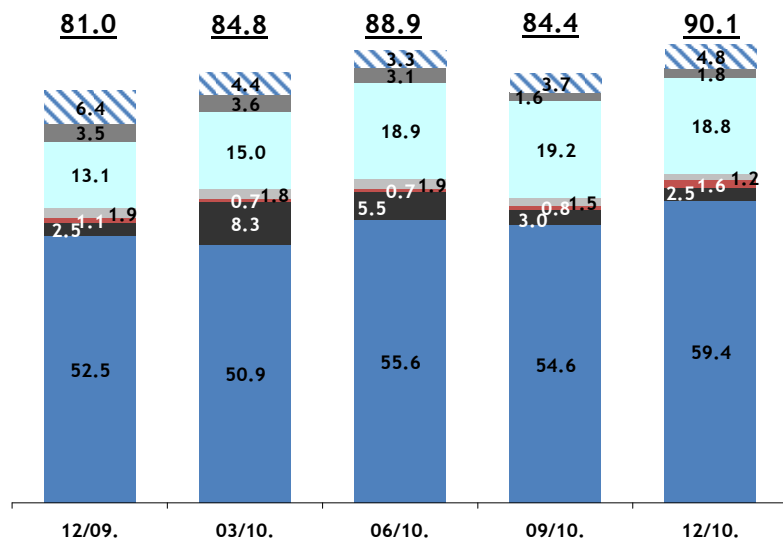
	12/09	03/10	06/10	09/10	12/10
PLN	53%	55%	50%	52%	55%
CHF	27%	27%	30%	29%	28%
EUR	12%	11%	12%	12%	11%
USD	2%	2%	3%	2%	2%
Other	6%	5%	5%	5%	4%

<sup>1)</sup> incl. amounts due to other banks and customers and subordinated liabilities

# Appendix

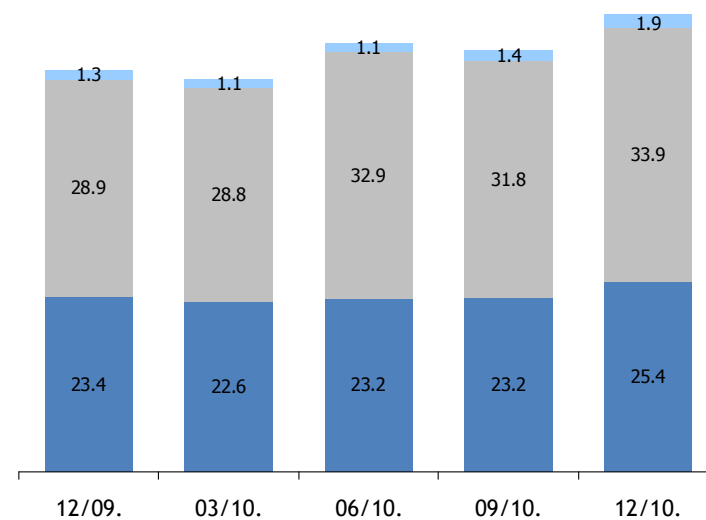
## Additional Information: Selected Financial Data Balance Sheet Analysis - Assets

Structure of Assets  
(PLN B)



	12/09	03/10	06/10	09/10	12/10
Loans and advances to customers	65%	60%	63%	65%	66%
Loans and advances to banks	3%	10%	6%	3%	3%
Trading securities	1%	1%	1%	1%	2%
Derivative financial instruments	2%	2%	2%	2%	1%
Investment securities	16%	18%	21%	23%	21%
Assets under pledge	4%	4%	3%	2%	2%
Other	9%	5%	4%	4%	5%

Loans and Advances to Customers\*  
Portfolio by Customer Category  
(PLN B)



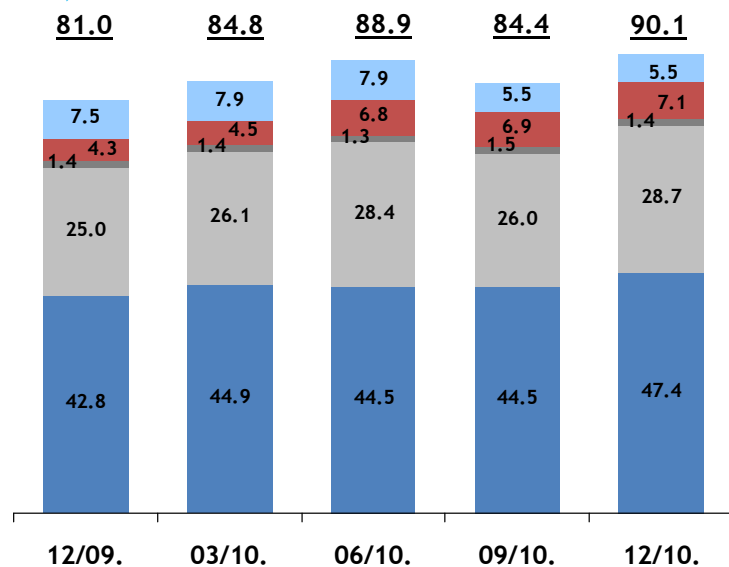
	12/09	03/10	06/10	09/10	12/10
Corporate customers	44%	43%	41%	41%	42%
Retail customers	54%	55%	57%	56%	55%
Public sector	2%	2%	2%	3%	3%

\*Gross loans and advances to customers (excl. 'other advances')

# Appendix

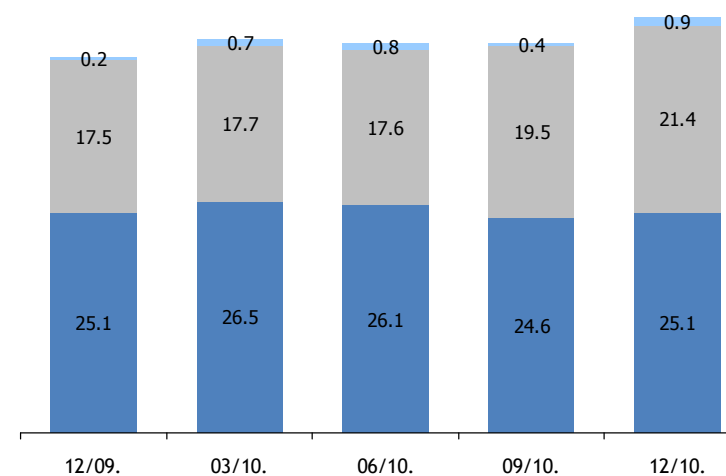
## Additional Information: Selected Financial Data Balance Sheet Analysis - Liabilities

Structure of Liabilities  
(PLN B)



	12/09	03/10	06/10	09/10	12/10
Liabilities to customers	53%	53%	50%	53%	52%
Liabilities to other banks	31%	31%	32%	31%	32%
Debt securities in issue	2%	2%	1%	2%	2%
Equity (total)	5%	5%	8%	8%	8%
Other	9%	9%	9%	6%	6%

Structure of Deposits  
(PLN B)



	12/09	03/10	06/10	09/10	12/10
Retail customers	59%	59%	59%	55%	53%
Corporate customers	41%	39%	39%	44%	45%
Public sector	0%	2%	2%	1%	2%

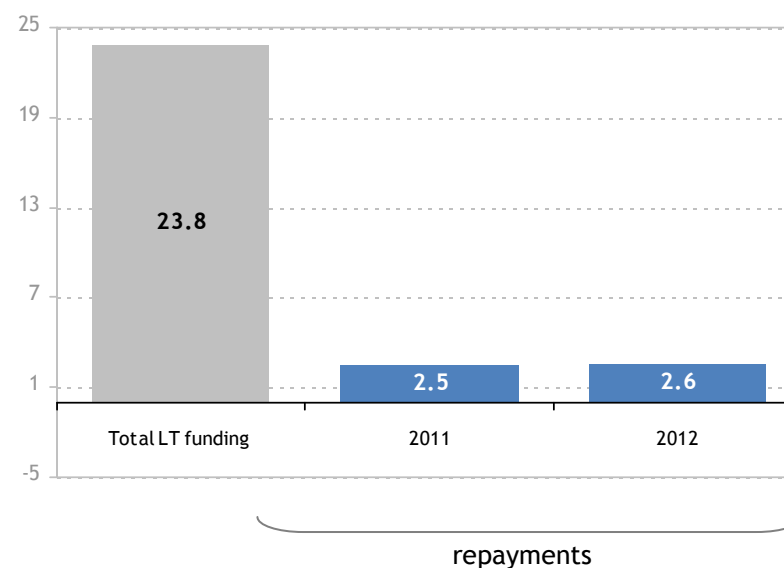
## Appendix

### Additional Information: Selected Financial Data Funding - Maturity of Long- and Midterm FX Loans

#### Significant improvement of funding profile achieved

- Since 2010 mid-term loans in the amount of CHF 3.0 B primarily maturing in 2010 and 2011 were extended to longer tenors (up to 2013 - 2018)
- This results in significantly improved asset liability profile in foreign currencies
- Moreover, in H1/10 BRE was granted 3 additional FX loans (including USD 100 M, USD 100 M, CHF 350 M)
- **By the end of 2011 BRE Bank will need to refinance PLN 2.5 B or 10.5% of long- and mid-term loans drawn in the past to fund FX lending (PLN 5.1 B or 21.4% by the end of 2012)**

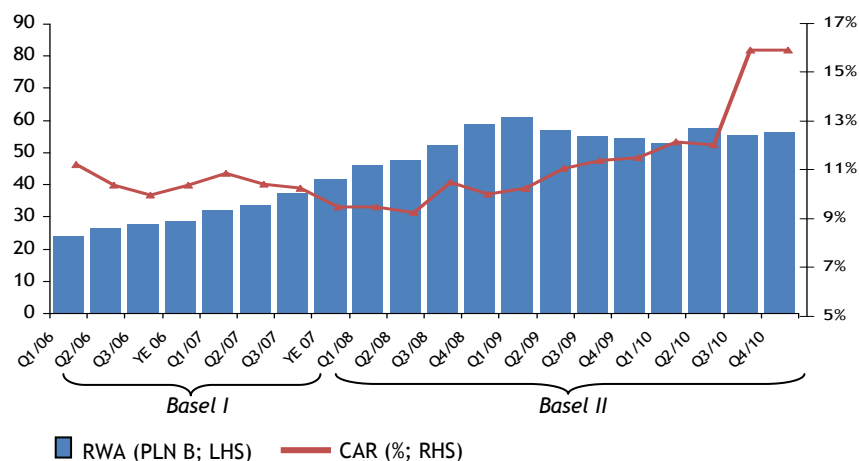
Maturity of Long- and Mid-term FX Loans by the end of 2012  
(PLN B)



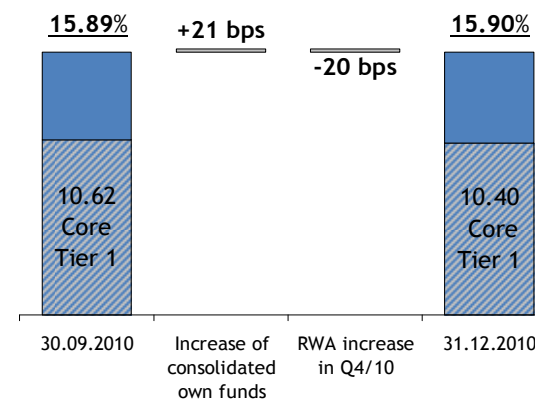
# Appendix

## Additional Information: Selected Financial Data BRE Bank Group's Capital Adequacy Ratio (CAR) in Q4/10

Relation between Capital Adequacy Ratio (CAR) and Risk Weighted Assets (RWA)



Change of CAR under Basel II



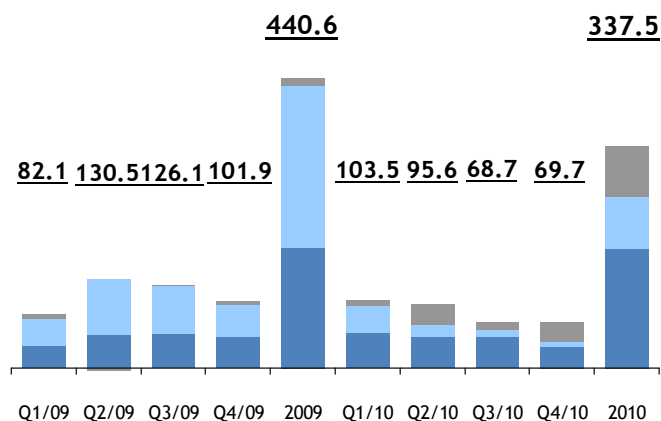
**CAR at solid level of 15.90%;  
Core Tier 1 Ratio at 10.40%  
in 12/10**

- CAR at 15.90% in 12/10 vs. 15.89% in 09/10 and 11.50% in 12/09
- Core Tier 1 ratio at 10.40% compared to 10.62% in 09/10 and 6.62% in 12/09

# Appendix

## Additional Information: Selected Financial Data Loan Loss Provisions

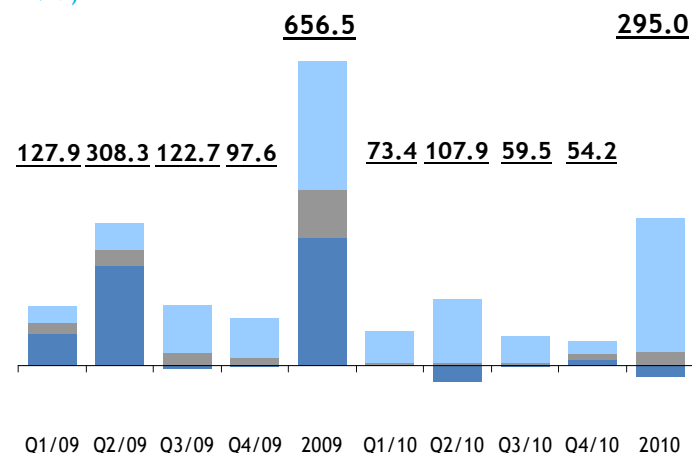
Retail Banking provisions by quarters  
(PLN M)



- Mortgage
- mBank cash loans
- Non-mortgage loans

	Total 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Total 2010
Non-mortgage loans	182.2	54.2	46.1	48.4	31.4	180.2
mBank cash loans	247.8	41.1	19.7	10.4	7.5	78.7
Mortgage	10.6	8.1	29.8	9.9	30.8	78.6

Corporates & Markets provisions by quarters  
(PLN M)



- Standard provisioning
- Leasing clients
- Provisions arising from derivative exposures

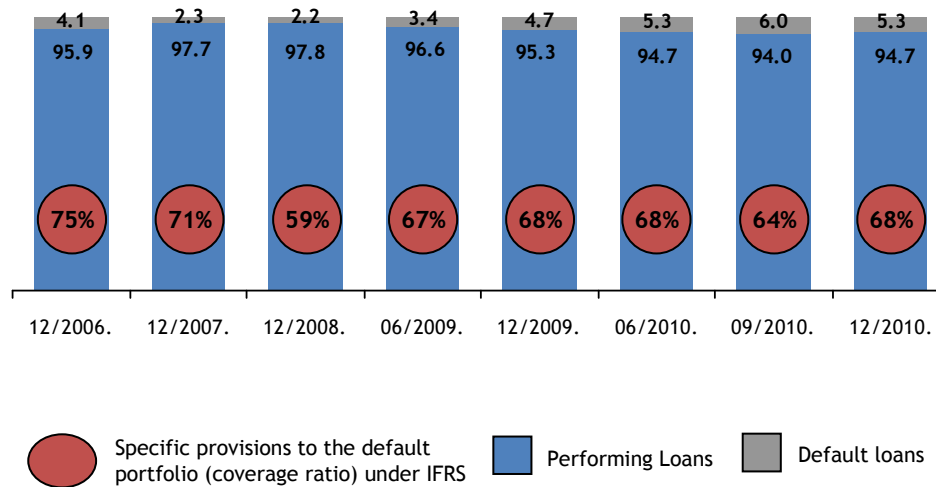
	Total 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Total 2010
Standard provisioning	276.8	66.5	137.1	55.6	27.2	286.4
Leasing clients	104.6	4.5	6.5	7.2	13.7	31.9
Provisions arising from derivative exposures	275.1	2.4	-35.7	-3.3	13.3	-23.3



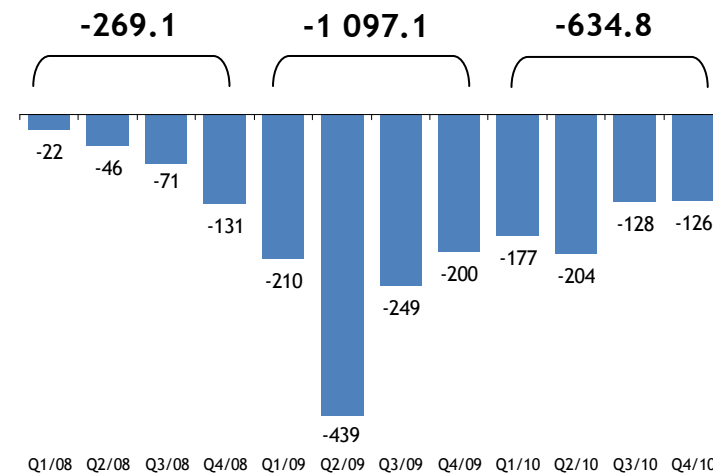
# Appendix

## Additional Information: Selected Financial Data Quality of BRE Bank Group's Loan Portfolio

Quality of the Loan Portfolio of BRE Bank Group



Net Credit and Loans Impairment Provisions  
(consolidated data, PLN M)



NPL in Corporate and Retail Loan Portfolios (under NBP rules\*)  
(%)

	12/2008	03/2009	06/2009	09/2009	12/2009	03/2010	06/2010	09/2010	12/2010
Corporate	5.9	7.5	10.9	13.4	12.4	12.8	13.9	16.0	15.1
Retail	0.9	1.1	1.4	1.8	2.3	2.8	3.0	3.4	3.4
Total	2.8	3.4	4.8	5.9	5.9	6.3	6.4	7.4	7.1

\* NPLs under NBP rules (balance-sheet NPLs to total loans)

# Appendix

## Additional Information: Selected Financial Data NPLs: Portfolio Structure\*

	12/10			09/10			12/09		
	Expo- sure PLN B	%	Provisions % coverage	Expo- sure PLN B	%	Provision s % coverage	Expo- sure PLN B	%	Provisions % coverage
Regular	47.6	92.9	0.6	45.6	92.6	0.7	43.1	94.1	0.9
Standard	46.6	90.8	0.4	44.5	90.4	0.4	42.0	91.7	0.4
Watch	1.0	2.0	11.7	1.1	2.2	11.9	1.1	2.4	21.0
Irregular	3.7	7.1	51.9	3.6	7.4	51.0	2.7	5.9	48.7
Sub-Standard	1.1	2.2	21.9	1.4	2.9	19.2	0.9	2.1	19.3
Doubtful	0.7	1.3	29.2	0.4	0.8	34.6	0.6	1.3	42.7
Loss	1.9	3.7	77.9	1.8	3.7	80.6	1.2	2.5	75.9
<b>TOTAL</b>	<b>51.3</b>	<b>100</b>	<b>4.3</b>	<b>49.2</b>	<b>100</b>	<b>4.4</b>	<b>45.8</b>	<b>100</b>	<b>3.7</b>

**7.1% of NPLs  
in the portfolio  
(balance-sheet)  
at the end  
of Q4 2010**

\* BRE Bank's balance-sheet loans portfolio - balance-sheet credit debt (excluding credits not drawn)

- As BRE Bank applies the IFRS provisions and methodologies, the structure of the credit risk portfolio under PAS (Finance Ministry Regulation) can be used to compare BRE with banks which do not apply IFRS

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