

# 《Results of BRE Bank Group》 Q2 2011

Franchise strength supporting robust performance

Management Board of BRE Bank S.A.

Presentation for Investors and Analysts  
3 August 2011



**BRE BANK SA**

Our people make the difference.

# Agenda

## » Summary of Q2/11

Analysis of Q2/11 Results

2011 Outlook

Appendix

Macroeconomic update

Detailed Results of Business Lines

Additional Information: Selected Financial Data

# Highlights of Q2/11 in BRE Bank Group

1

## Strength in core income continues

- NII and NFC at PLN 751 M, up 23.3% YoY and 5.2% QoQ;
- 5<sup>th</sup> consecutive quarter of core income growth

2

## Adding new clients and increasing penetration

- Number of retail clients up by 60K in Q2 and 305K YoY, corporate client base up by 213 in Q2 and 610 YoY
- Cross-selling ratio in retail banking at 2.99 v. 2.90 as of Q1/11

3

## Solid efficiency improved further

- YoY income growth of 16.7% v. YoY cost growth of 9.5%;
- H1/11 C/I ratio at 48.5% v. 49.1% in Q1/11 and 51.2% in H1/10

4











## Prudent approach to risk management

- Recurrent cost of risk in Q2/11 at 93 bps and 84 bps in H1/11, NPL coverage ratio at 65%
- Retail portfolio optimization reducing cost of risk to 57 bps in H1/11



# Analysis of Results, Q2/11

## Key Financials

	Q2/11	Q1/11	Change Q2/Q1		Q2/10
Core income <sup>1)</sup>	750.7	713.9	+5.2%		608.7
Total income <sup>2)</sup>	894.3	831.5	+7.6%		766.1
Total cost	(428.6)	(408.4)	+5.0%		(391.6)
Operating profit <sup>3)</sup>	465.7	423.1	+10.1%		374.5
Net provisions	(58.6)	(114.1)	-48.6%		(203.5)
Profit before tax	407.0	309.0	+31.7%		171.0
Net profit <sup>4)</sup>	313.2	229.7	+36.3%		131.4
ROE before tax	20.6%	18.0%	+2.6 p.p.		14.0%
Total assets	88,706.9	89,049.8	-0.4%		88,911.4
CAR	16.08%	16.20%	-12 bps		12.03%

<sup>1)</sup> Sum of Net interest income and Net fee & commission income <sup>2)</sup> Including Net other operating income and cost;

<sup>3)</sup> Before provisions; <sup>4)</sup> Profit after tax and minorities

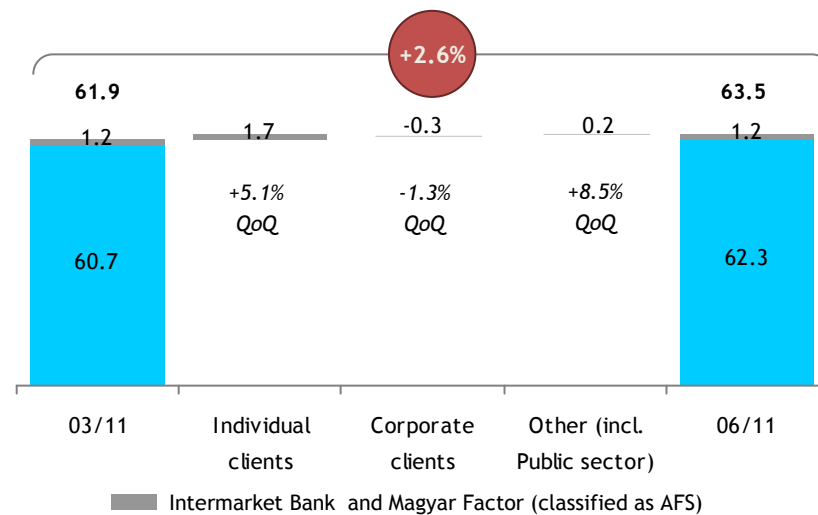
Note: Financial results presented include the impacts of the sale of NPL portfolio (for detailed impact of the transaction refer to page 10)

# Summary of Q2/11 in BRE Bank Group

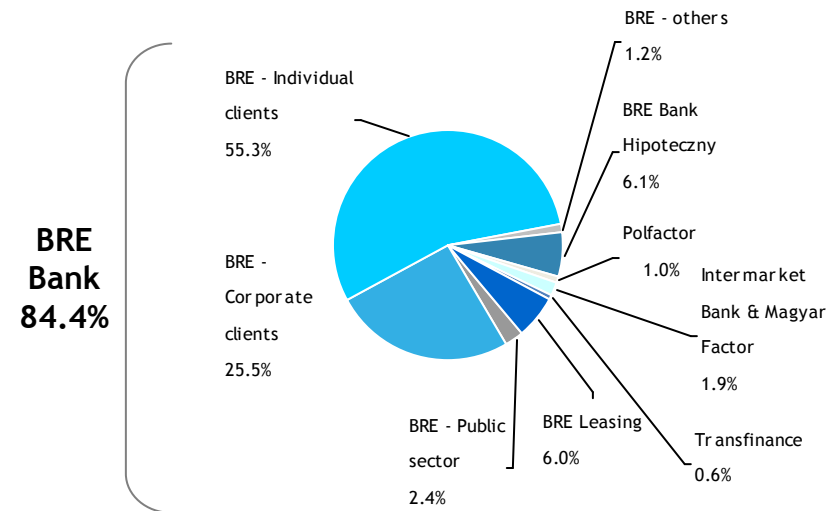
## Development of Loans to Clients

### ➔ Accelerating retail loan growth

Development of Gross Loans (PLN B)



Structure of Gross Loans Portfolio as of 30 June 2011



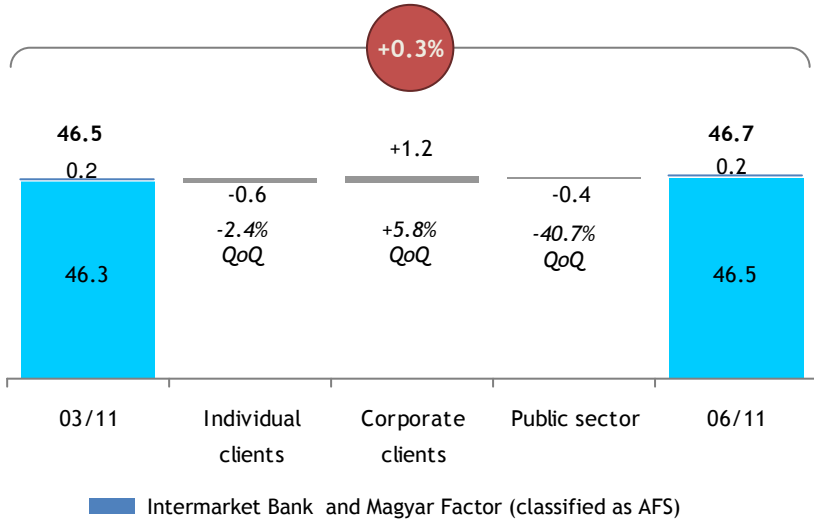
- Total gross loans up 2.6% QoQ (market: +4.5%); excluding FX effects: up 0.4% QoQ (market +2.9%)
- Corporate loans down 1.3% QoQ (market: +4.8%); excluding reverse repo transactions up 1.5% QoQ; loans to enterprises up 7.8% YTD (market +8.0%)
- Retail loans up 5.1% QoQ (market: +4.3%) excluding FX effects and the effect of the sale of NPL portfolio: up 2.3% QoQ (market: +1.9%)

# Summary of Q2/11 in BRE Bank Group

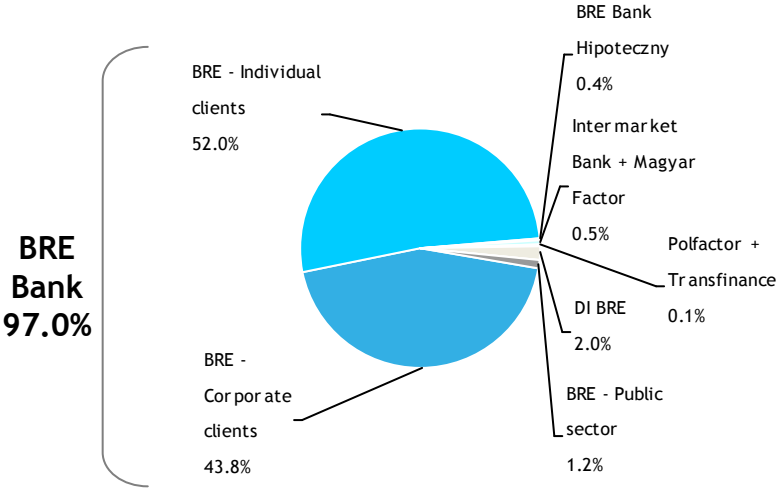
## Development of Deposit Base

### ➔ Stable deposit base and sound liquidity

Development of Deposits (PLN B)



Structure of Amounts Due to Clients as of 30 June 2011



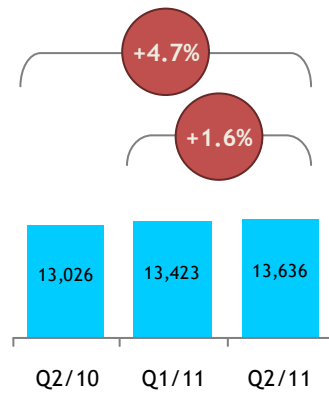
- Growing balances of corporate and retail current accounts
- Solid pick-up in corporate deposit growth
- Retail deposit balances reflecting focus on margins
- 'Real' loan to deposit ratio at 86%

# Summary of Q2/2011 in BRE Bank Group

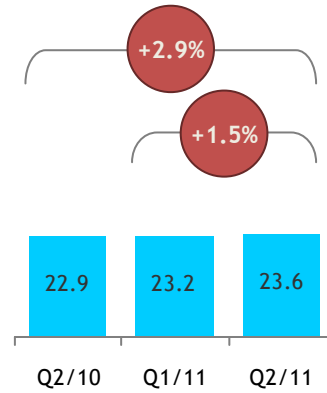
## Business Development: Corporates & Markets

### ➔ Expanding client base and innovation driving sound business growth

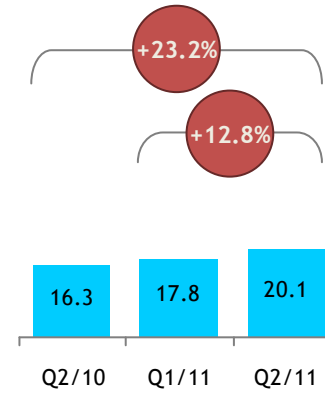
#### Clients



#### Loans <sup>1)</sup> (PLN B)



#### Deposits <sup>1)</sup> (PLN B)

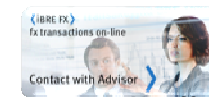


#### Product innovations



##### Payment cards for corporates

- 30,000 Prepaid Cards for Korona Kielce football club
- 14,000 eMoney Cards for the Open'er Festival
- Joint product development by corporate and retail banking arms



##### IB offer enhancement

- Increasing revenues and cross-sell of Treasury and FX products
- Leveraging on automatic product platforms
- Full alignment of sales approach across IB, corporate banking and risk

- **Further growth of corporate client base:** up by 213 companies in Q2/11 and 610 YoY
- **Project finance** as main growth driver in corporate loans
- Strong performance in **Transactional Banking and Structured Finance**

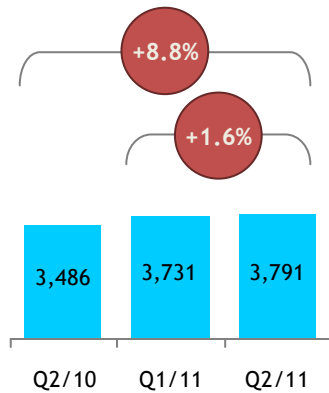
<sup>1)</sup> Excluding reverse repo and repo transactions; in Q1 and Q2 2011 including Intermarket Bank and Magyar Factor (classified as AFS)

# Summary of Q2/2011 in BRE Bank Group

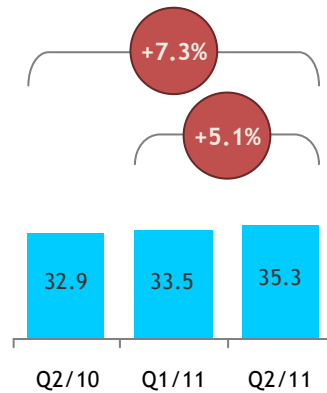
## Business Development: Retail Banking

### ➔ Accelerating dynamics in new loan sales

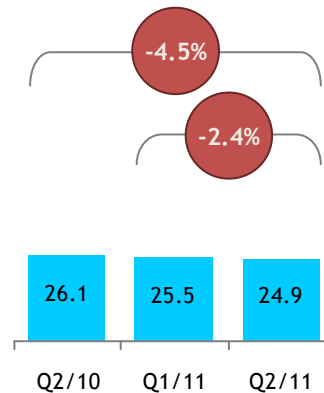
Clients (thou.)



Loans (PLN B)



Deposits (PLN B)



Product innovations



#### Mobile banking

- mBank's mobile transactional system launched in June
- **Broadest service functionality available to customers from day one**
- mBank iPhone, iPad and Android applications to be released in H2/11
- Multibank mobile platform to be released in H2/11

- **60 K new retail clients added in Q2/11**
- **New non-mortgage loan sales up 25% QoQ, mortgages up 56% QoQ**
- **Cross-selling ratio at 2.99 up from 2.90 in Q1/11**
- **Balances on current accounts up 5.6% QoQ**



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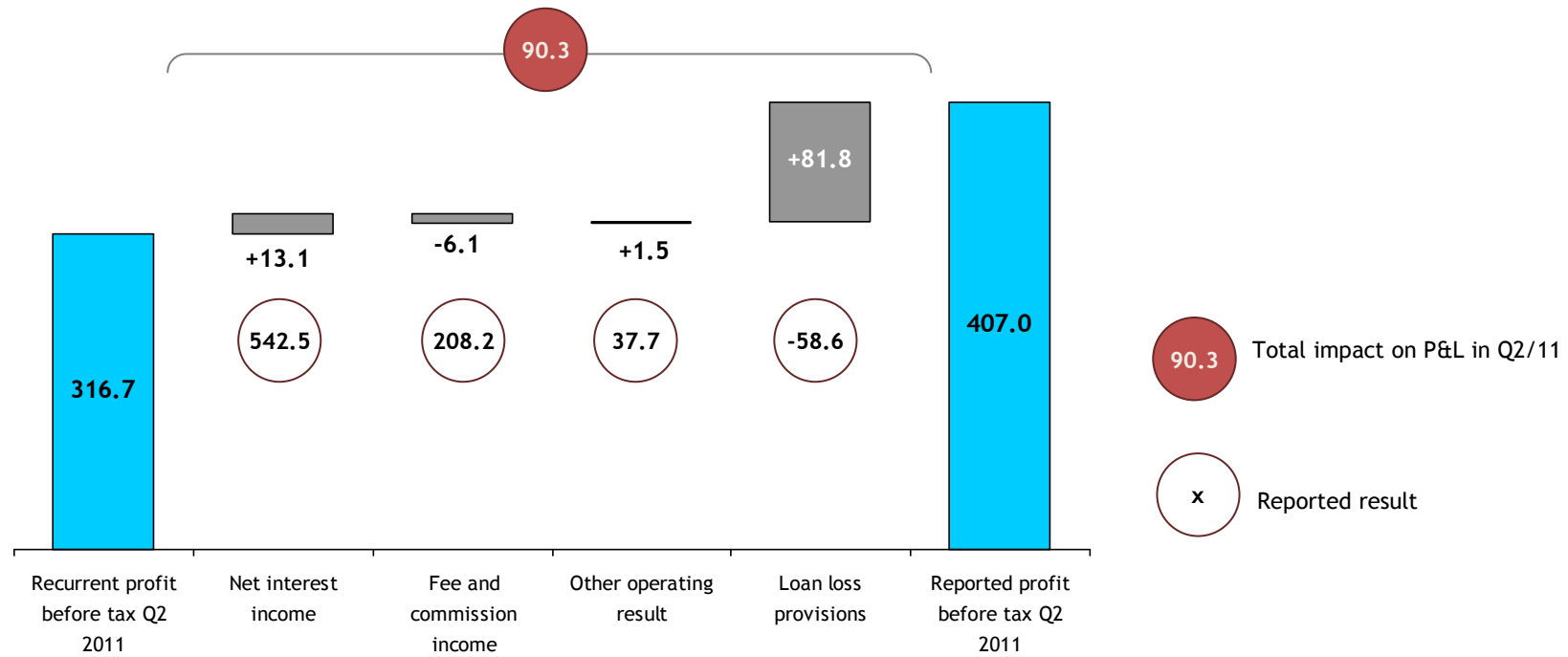
Additional Information: Selected Financial Data

# Analysis of Results, Q2/11

## Sale of non-performing loan portfolio

### ➔ Taking advantage of attractive market prices offered

Calculation of recurrent profit before tax in Q2/11  
(PLN M)



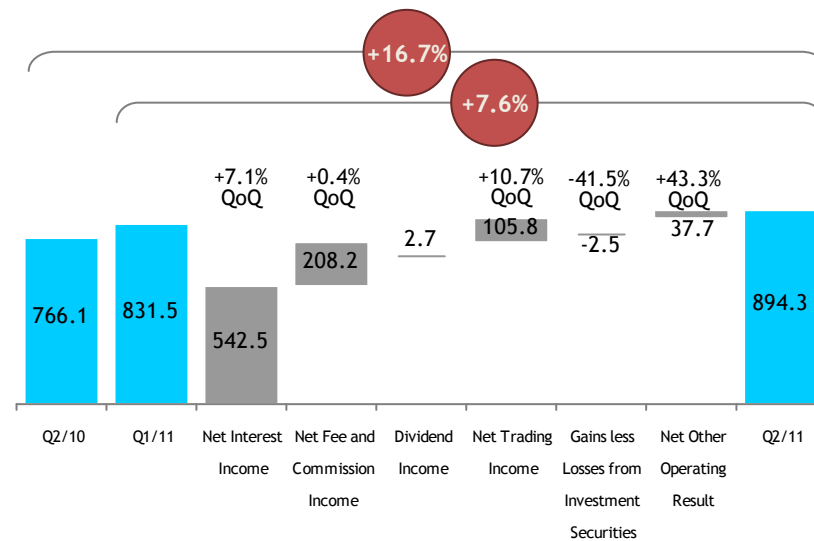
- Benefiting from **earlier prudent provisioning** of the retail portfolio
- Nominal value of portfolio sold amounted to PLN 621.5M
- Gross value of **retail loans decreasing by PLN 449.6M**
- NPL portfolio sale added PLN 90.3 M to Q2/11 pre-tax profit

# Analysis of Results, Q2/11

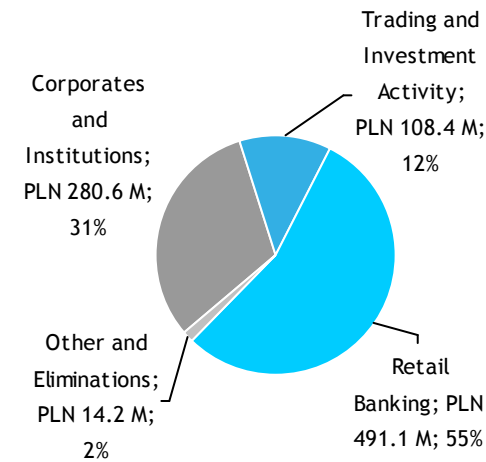
## Income of BRE Bank Group

### ➔ Group income growth driven by all major revenue lines

BRE Bank Group Income QoQ & YoY (PLN M)



Income structure by Business Line in Q2/11



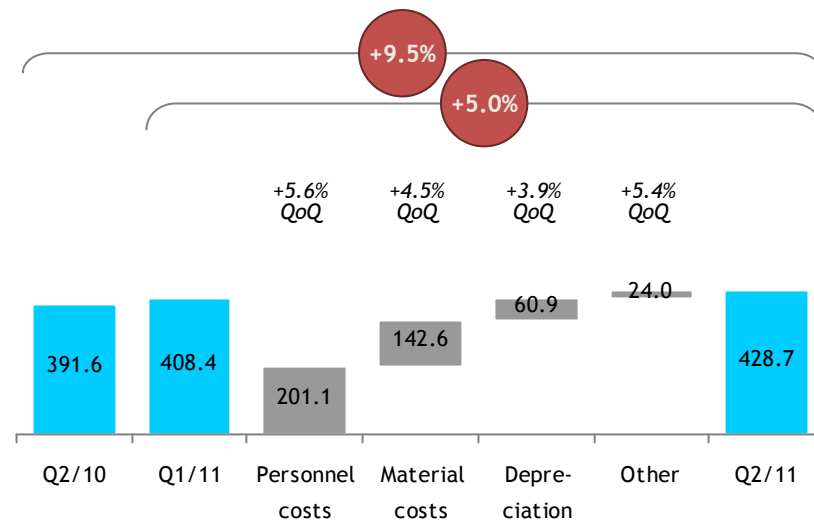
- **Recurrent income generation at the highest level ever**
- **NIM increasing to 2.5%** supported by deposit margin increase and stable loan pricing
- **Recurrent commission income continues to improve** driven by credit growth, brokerage, credit cards, insurance products as well as transactional banking
- Growth of **net trading income** helped by increased FX volatility, higher sales of FX mortgage loans, interest rate hedging and corporate FX solutions

# Analysis of Results, Q2/11

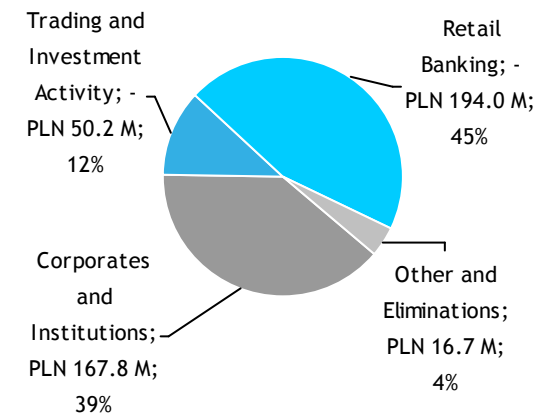
## Costs of BRE Bank Group

### ➔ Business growth supporting efficiency improvement

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



Cost Structure by Business Line in Q2/11



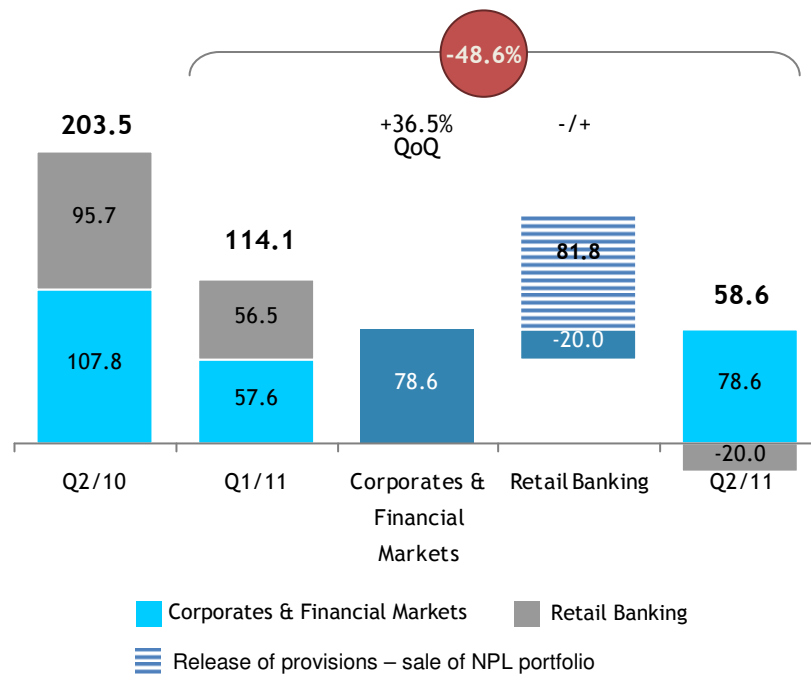
- C/I ratio at 48.5% compared to 49.1% in Q1/11 and 51.2% in H1/10
- Overhead costs and depreciation up by 5.0% QoQ as a result of higher personnel and material costs; increase of 9.5% YoY on higher accruals for performance related compensation
- Expenses supporting investment in current and future growth such as corporate network enhancement and marketing spendings for new client acquisitions

# Analysis of Results, Q2/11

## Structure of Loan Loss Provisions

### ➔ Prudent provisioning amid improving risk parameters

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



- Trends in Q2/11:
  - Further improvement of financial standing of corporate and retail clients
  - Recurrent cost of risk up to 93 bps in Q2/11
  - LLP level in corporate segment driven by individual cases
  - Very solid performance in the retail segment even when excluding the sale of NPL portfolio
  - Mortgage portfolio continues to perform strongly
- BRE Bank's NPL ratio (old NBP rules) down to 5.0% from 6.1% as of 03/11
- Impaired loans ratio of BRE Bank Group down to 5.0% as of 06/11 from 5.6% as of 03/11

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# 2011 Outlook - BRE Bank Group beyond Q2/11

A resilient business model reflecting tightening regulatory environment

Strong capital adequacy and improving earnings

- Capital adequacy ratio and Tier 1 ratio at 16.08% and 10.7% respectively
- Retained earnings creating significant new capital; 114 bps for 2010
- Solid capital base to absorb new RWA requirements and support business growth

A liquid Basel 3 ready balance sheet

- LCR and NSFR > 100%
- Stable and broad deposit franchise
- Funding in place for FX loan portfolio

Client focused business model meeting regulatory requirements

- FX spreads charged to mortgage clients among lowest on the market
- Low client fee for direct repayment of instalments in FX

## 2011 Outlook - BRE Bank Group beyond Q2/11

- 1** Continued implementation of 2010-2012 strategy
- 2** Core revenue growth as key driver of profitability improvement
- 3** Sound growth momentum;  
pace may be impacted if market turbulence persists
- 4** Strong capital and ample liquidity to address growth opportunities  
and any potential regulatory tightening



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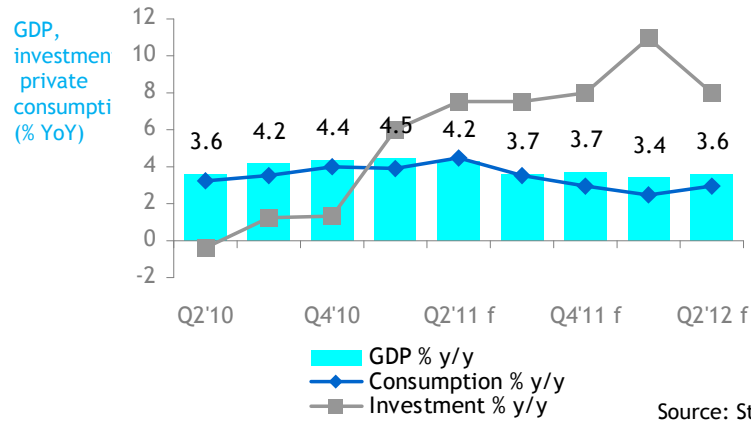
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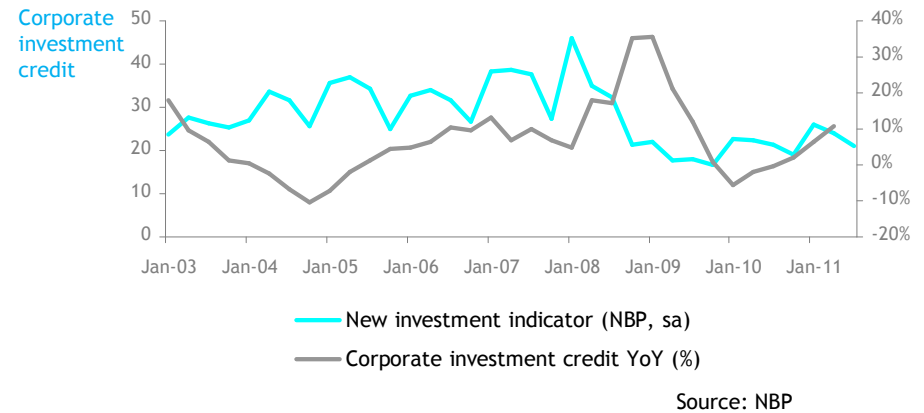
## Macroeconomic update

### ➔ Economic growth to moderate

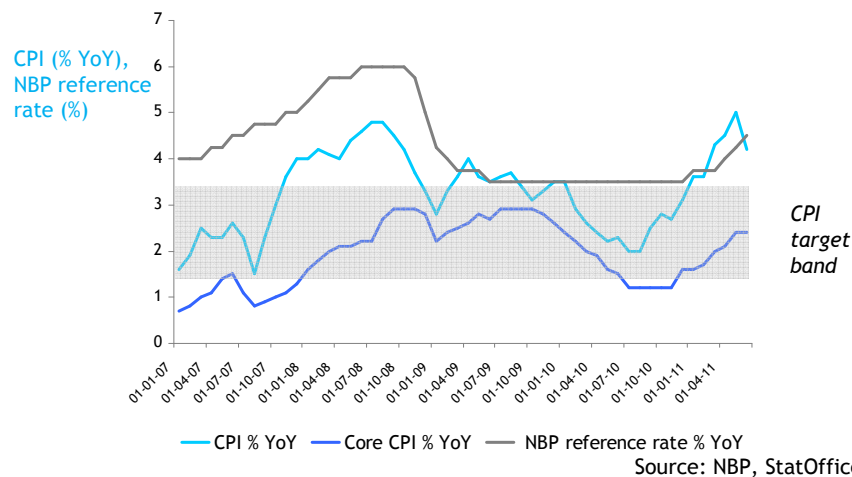
Slower economic activity. Higher CHF/PLN and CPI may affect consumers (estimated effect 0.4-1.2 pp. on consumption)



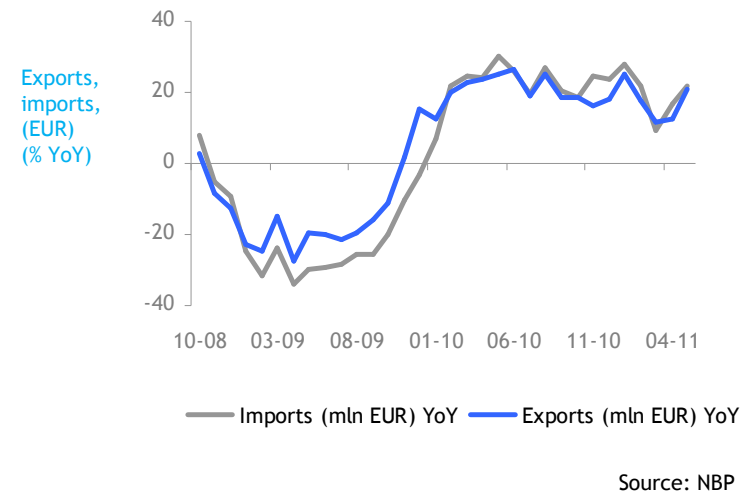
Investment activity has been picking up, but perspectives moderated somewhat



Inflation peaked already but will remain on elevated levels. Monetary tightening pushed back



Imports growing faster than exports

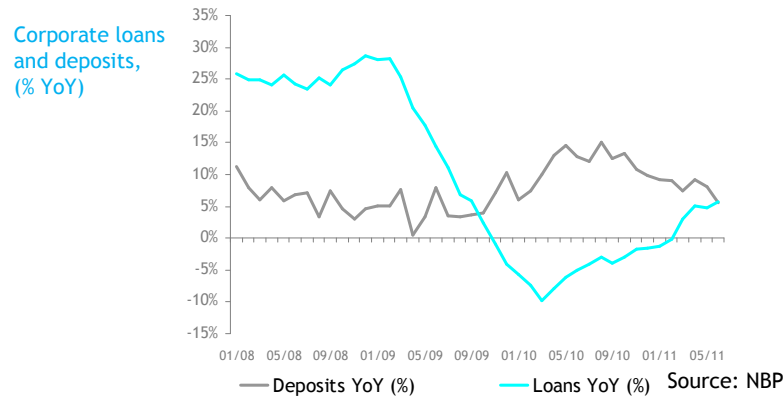


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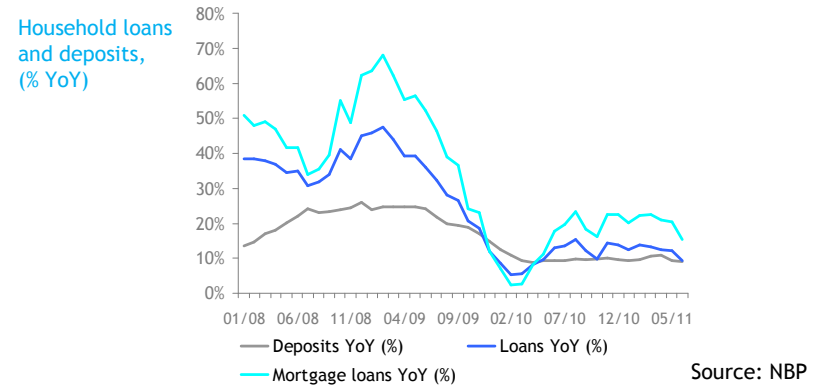
## Macroeconomic update

### ➔ Stabilization in the banking sector

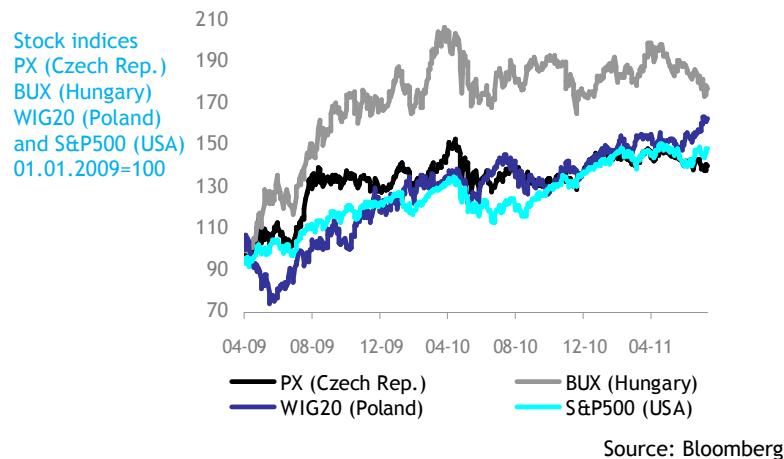
Strong rebound of corporate loans along with lower growth of corporate deposits



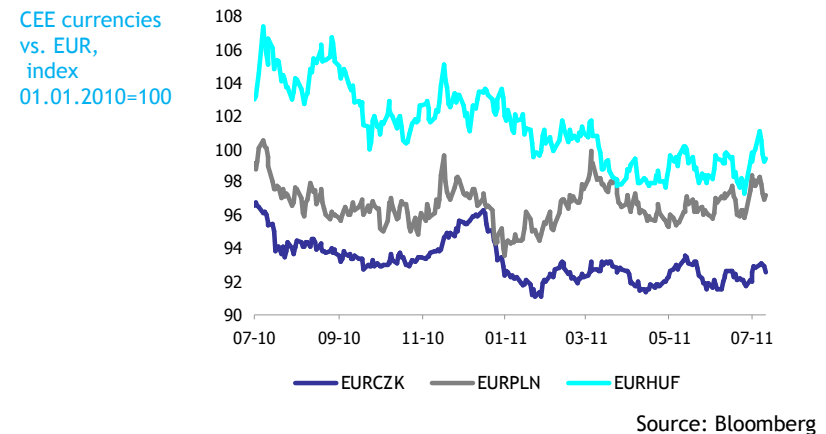
High CPI inflation and negative real rates seen as risks for upbeat households deposits growth forecasts. Loans still grow fast (decrease due to statistical base effect)



Foreign investors keep exposure in CEE region. Stock exchanges corrected lower but on low volumes



Zloty stable due to MinFin activity, close to its current equilibrium levels



# Appendix

## Detailed Results of the Business Lines Q2/11

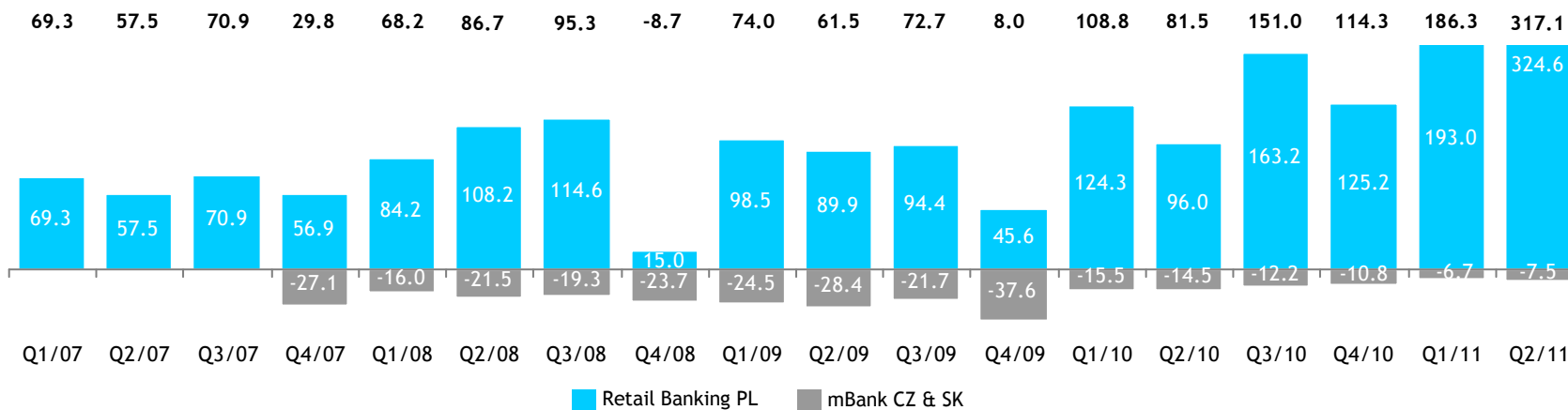
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Retail Banking

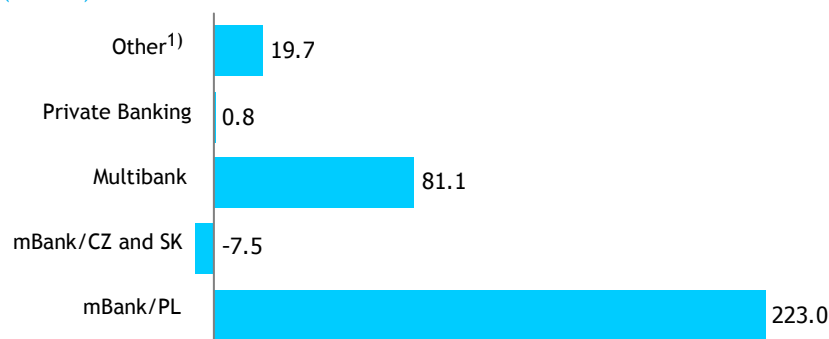
# Appendix

## BRE Bank Retail Banking Summary of Q2/11: Financial Results

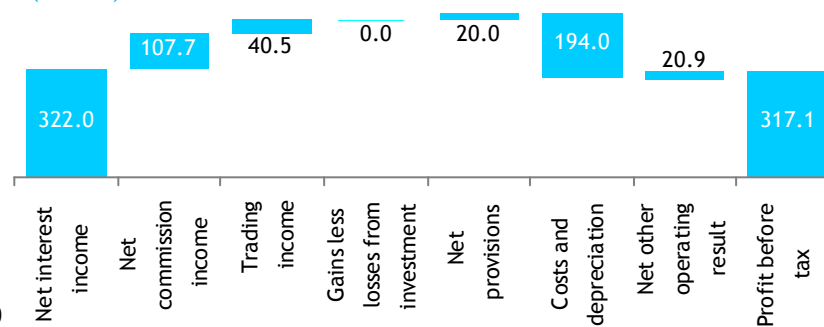
Profit before Tax of the Segment  
(by quarter, PLN M)



Contributors to the Profit before Tax of Retail Banking in Q2/11 (PLN M)



Structure of the Profit before Tax of Retail Banking<sup>1)</sup> in Q2/11 (PLN M)



<sup>1)</sup> Incl. BRE Ubezpieczenia, BRE Wealth Mgt., Aspiro and consolidation adjustments

# Appendix

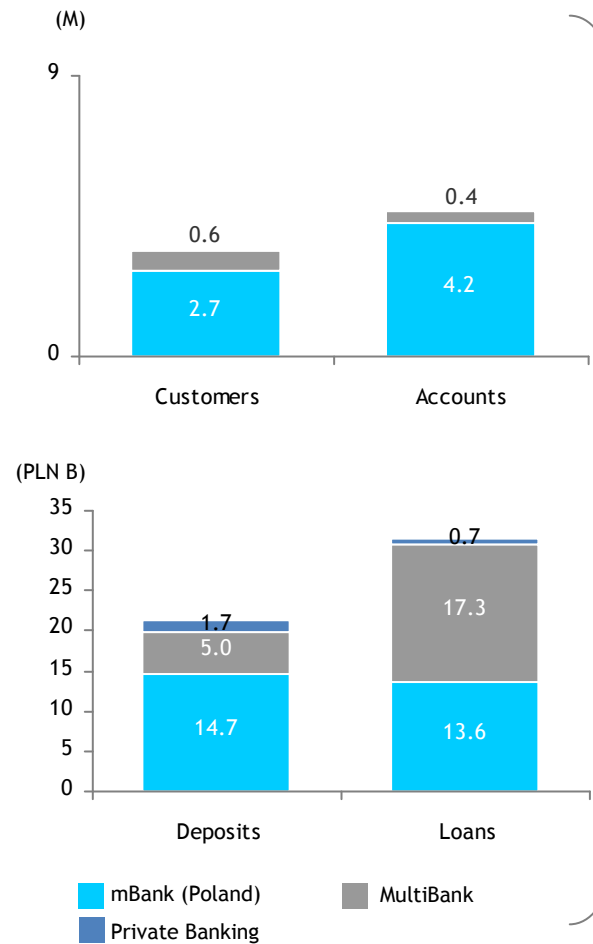
## BRE Bank Retail Banking (Poland) Customer Acquisition and Volume Trends

Data as at 30.06.2011

End of 03/11

Change

End of 06/11

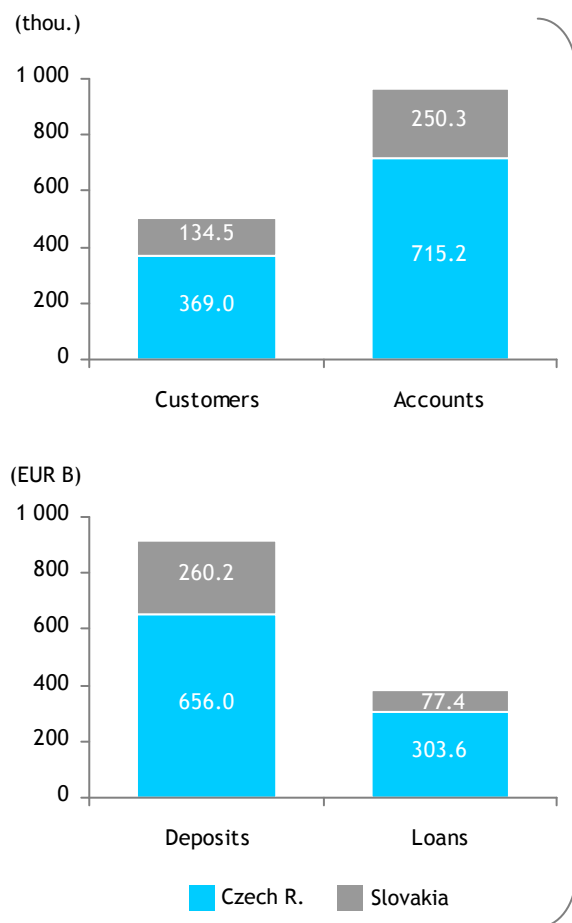


3.24 M	clients	+1.5%	3.29 M
4.6 M	accounts	+ 1.0%	4.6 M
21.4 B	deposits (PLN)	-9.8%	19.3 B
31.5 B	loans (PLN)	+3.2%	32.5 B
24.4 B	thereof: mortgages (PLN)	+7.0%	26.1 B

# Appendix

## BRE Bank Retail Banking foreign operations (CZ/SK) Customer Acquisition and Volume Trends

Data as at 30.06.2011



End of 03/11

Change

End of 06/11

492.1 thou.

customers

+2.3%

503.5 thou.

947.4 thou.

accounts

+1.9%

965.5 thou.

0.91 B

deposits (EUR)

+1.1%

0.92 B

368.6 M

loans (EUR)

+3.4%

381.0 M



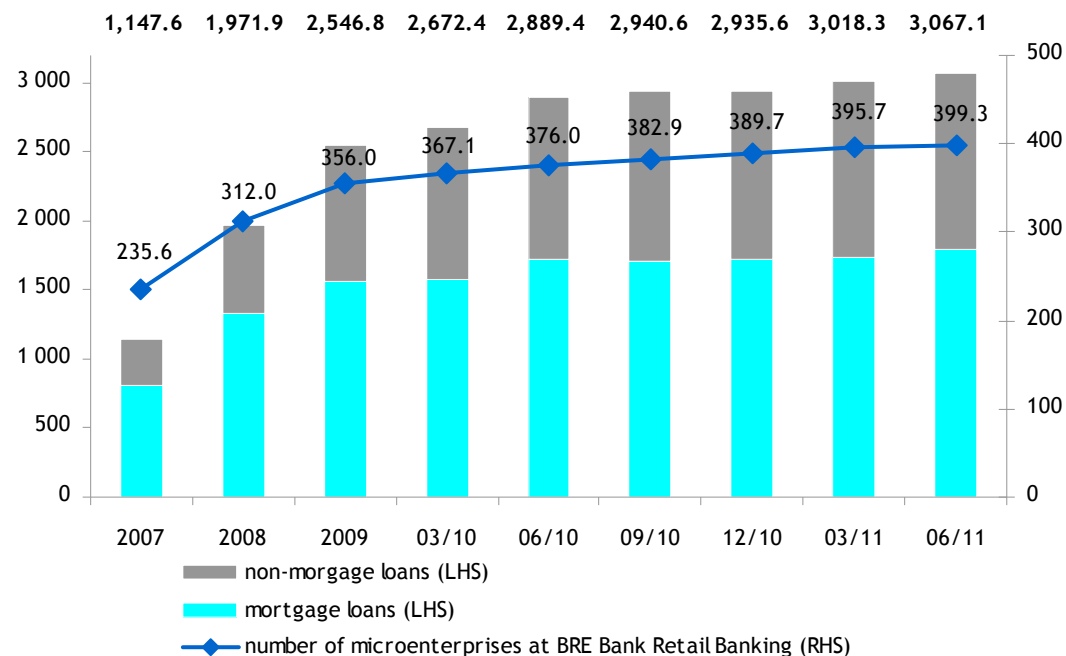
# Appendix

## BRE Bank Retail Banking Acquisition of Microenterprises<sup>1)</sup>

### ➔ 399 thousand microenterprises serviced by BRE Bank Retail Banking

- Number of serviced microenterprises up by 3.6 thousand in Q2/11
- PLN 3,067.1 M of loans granted to microenterprises at the end of 06/11 out of which 1,797.6 M mortgage loans

Volume of loans granted to microenterprises (PLN M) and number of microenterprises (thou.)

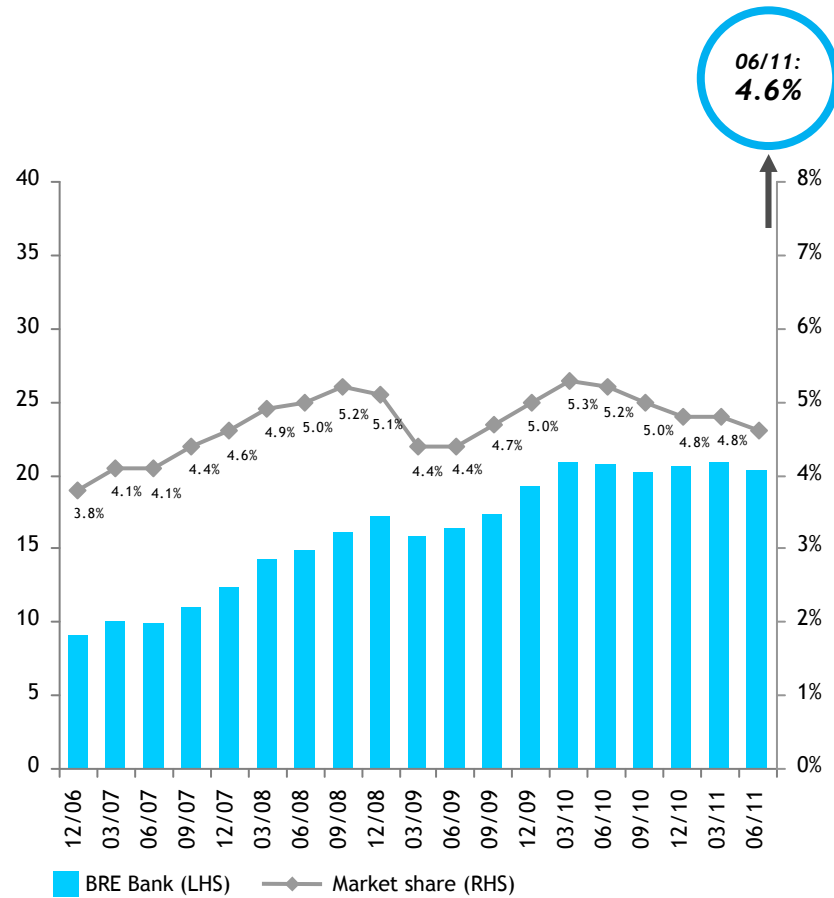


<sup>1)</sup> Microenterprises imply self-employed individual customers

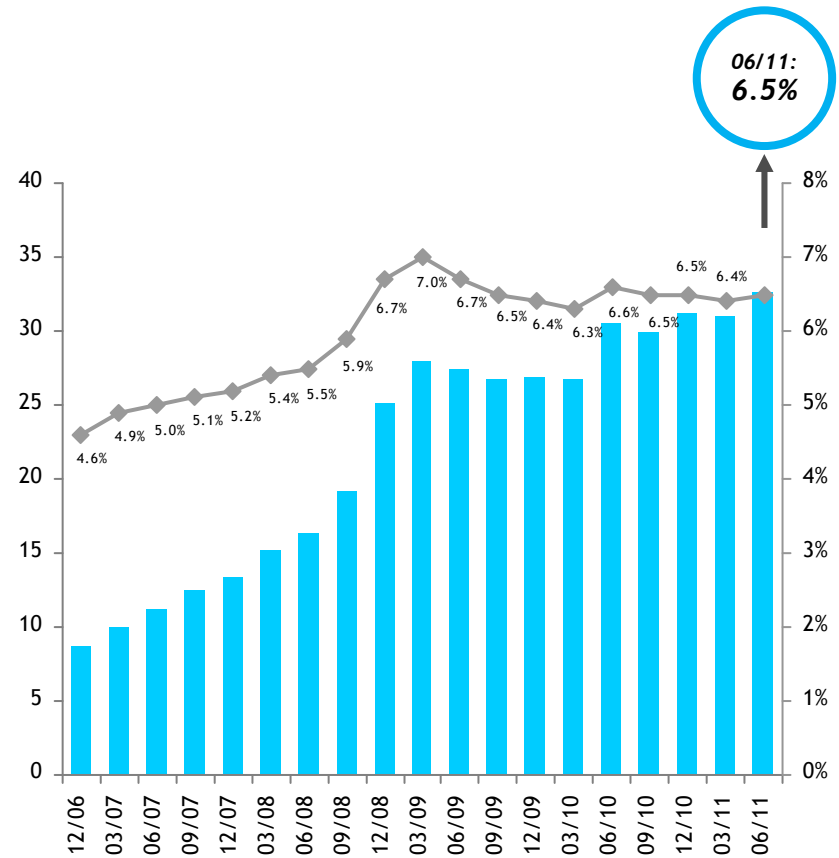
# Appendix

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

Household Deposits<sup>1)</sup>  
(PLN B)



Household Loans<sup>1)</sup>  
(PLN B)



<sup>1)</sup> 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

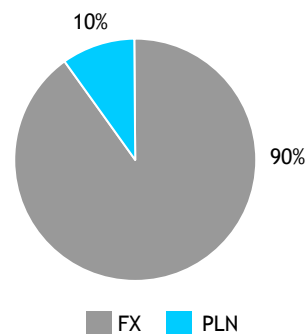
BRE Bank's Mortgage Loan Portfolio  
(Retail Banking<sup>1)</sup> loans to individuals)

Balance-sheet value (PLN B)	26.14
Average maturity (years)	22.59
Average value per loan (PLN thou.)	284.69
Average LTV (%)	82.06
NPL (%)	1.13

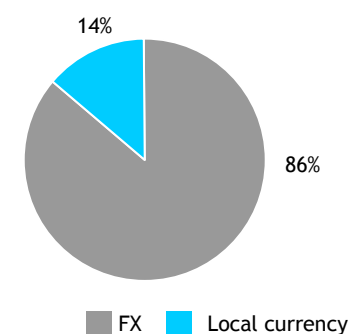
As of 30.06.2011

Currency Structure of Retail Banking Mortgage Loan Portfolio  
(Household Loans) at 30.06.2011

in Poland

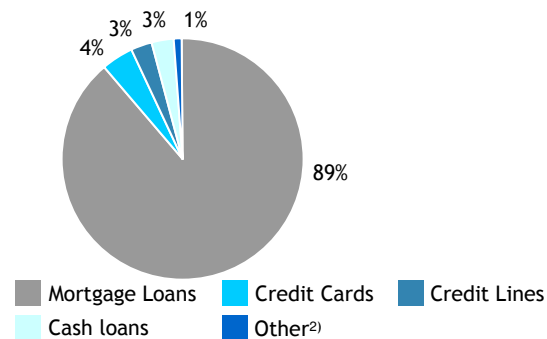


in Poland, Czech Republic & Slovakia

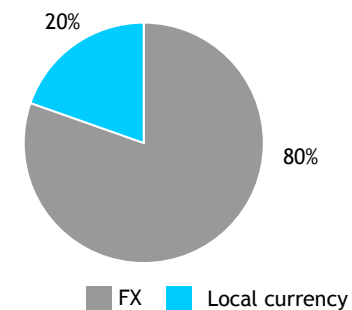


Structure of the Retail Banking<sup>1)</sup> Loan Portfolio  
(Household Loans) at 30.06.2011

By loan type



By currency



<sup>1)</sup> mBank-PL and MultiBank

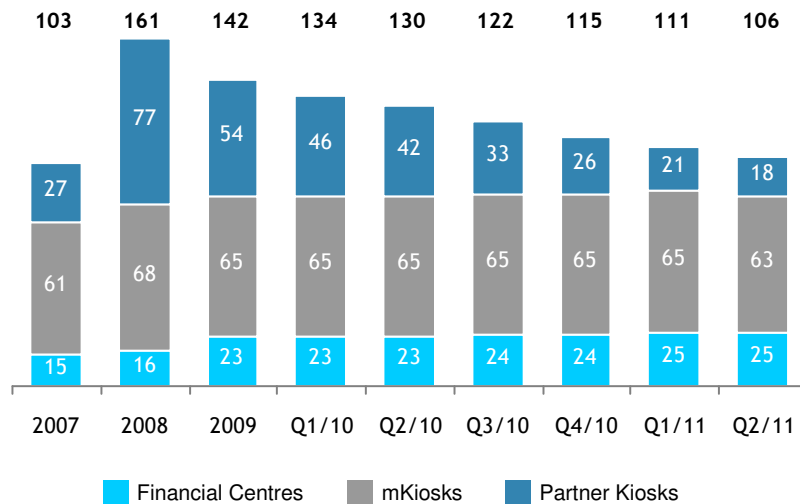
<sup>2)</sup> 'Other' includes mainly car loans, loans for goods, services and stocks

# Appendix

## BRE Bank Retail Banking Distribution Network

### Aspiro Distribution Network (in Poland)

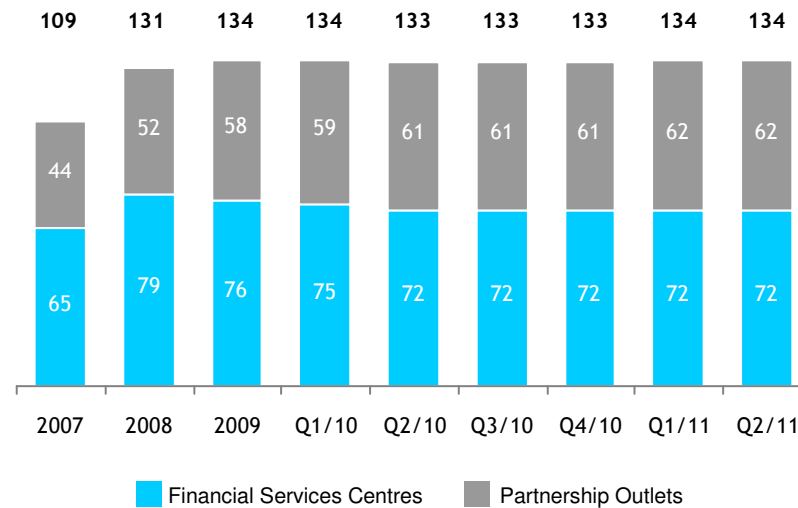
Total (at the end of period):



- 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. As of 30 June 2011 the network comprises 106 locations across Poland as well as 32 Agent Service Points.

### MultiBank Branches (in Poland)

Total (at the end of period):

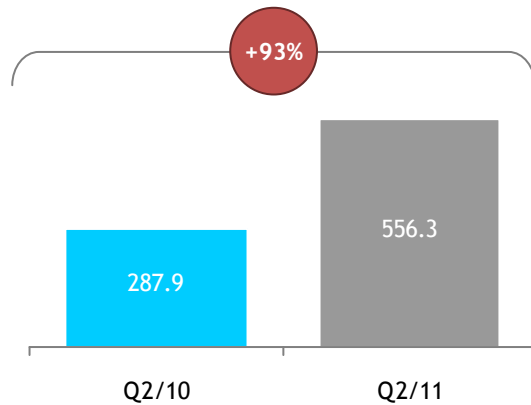


- MultiBank had a network of 134 branches at the end of Q2/11.

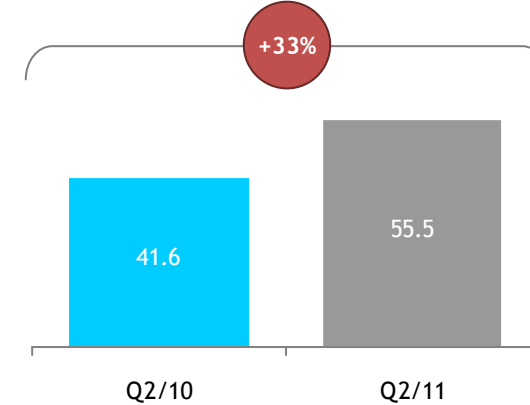
# Appendix

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

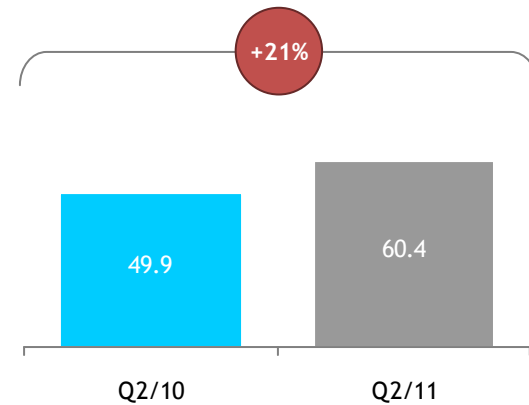
Bancassurance Retail  
Gross Written Premium (PLN M)



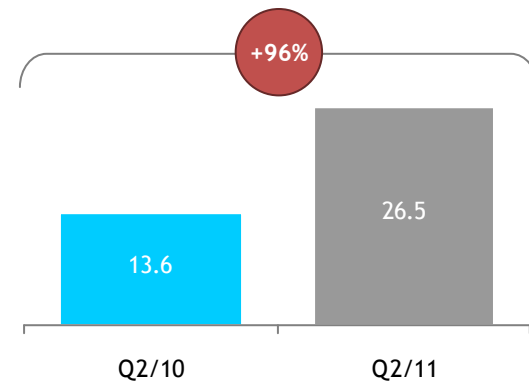
Direct Insurance (Internet platform)  
Gross Written Premium (PLN M)



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



Profit before Tax<sup>1)</sup> (PLN M)



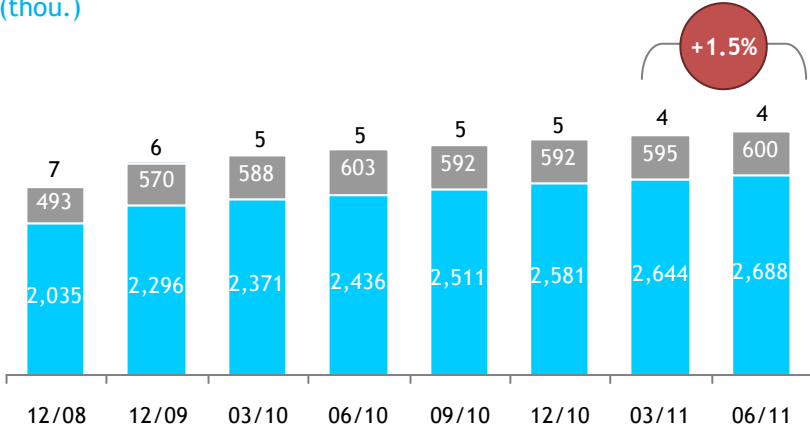
- **Results in all lines of business improved; good record of claims in insurance history and growth of written premiums**
- BRE Bank Retail Banking Internet Platform - SUS and Insurance Centre key figures in Q2/11:
  - 154.3 thou. car insurance contracts
  - 21.6 thou. travel insurance contracts
  - PLN 55.5 M of premium written (*total value of all insurances sold during period*)

<sup>1)</sup> Gross profit of BRE Ubezpieczenia according to its statutory financial statements (including deferred acquisition costs)

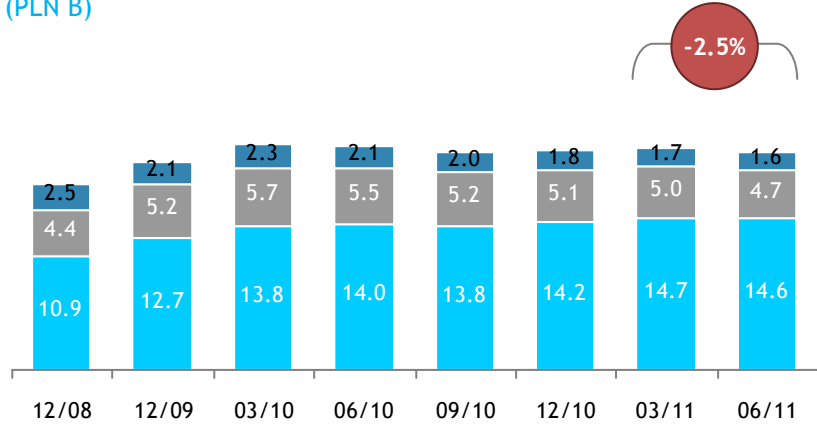
# Appendix

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

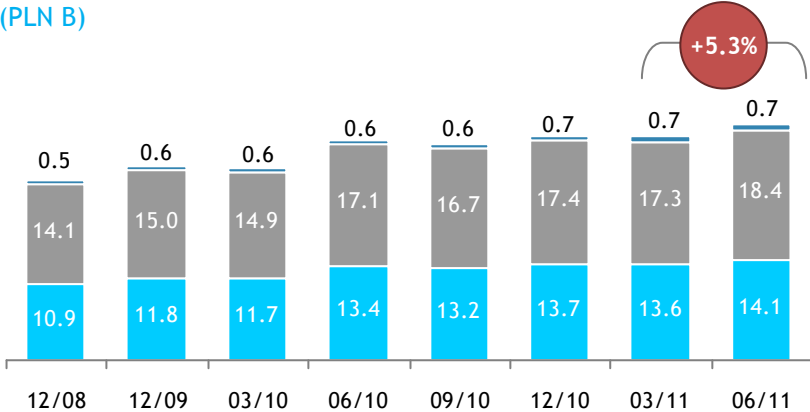
Clients  
(thou.)



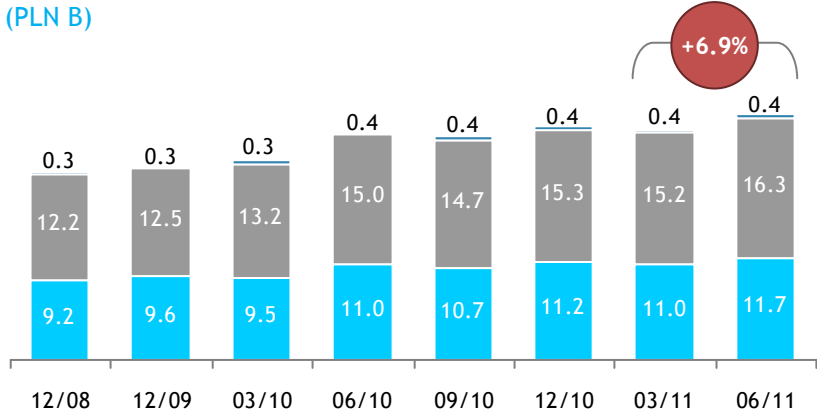
Deposits  
(PLN B)



Loans total  
(PLN B)



Mortgage loans  
(PLN B)



■ mBank/PL ■ MultiBank ■ Private Banking

# Appendix

## Detailed Results of the Business Lines Q2/11

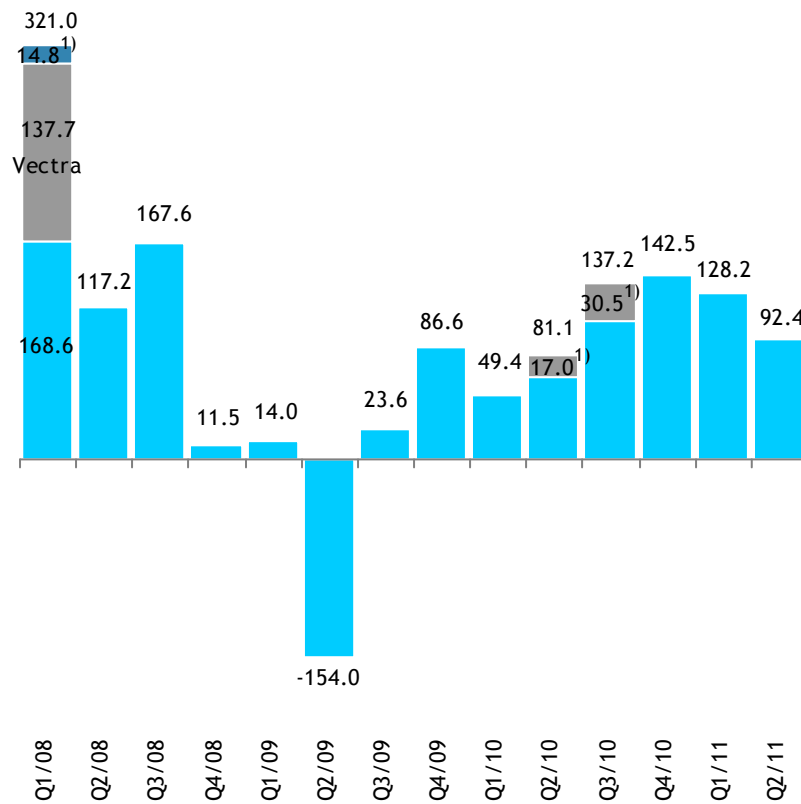
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### Corporates & Financial Markets

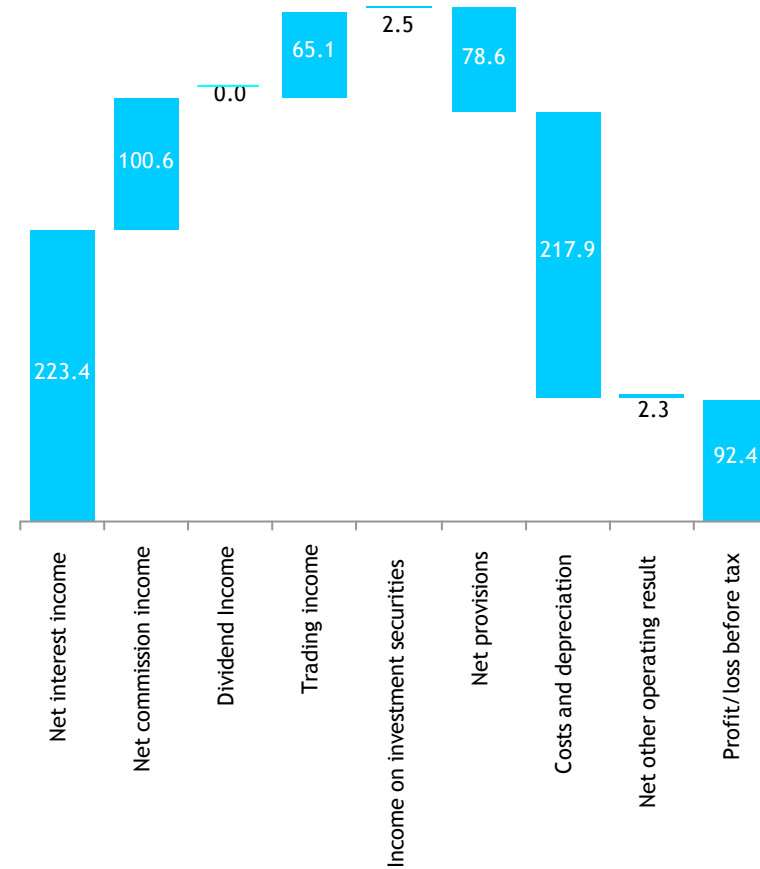
# Appendix

## Corporates and Financial Markets Summary of Q2/11: Financial Results

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



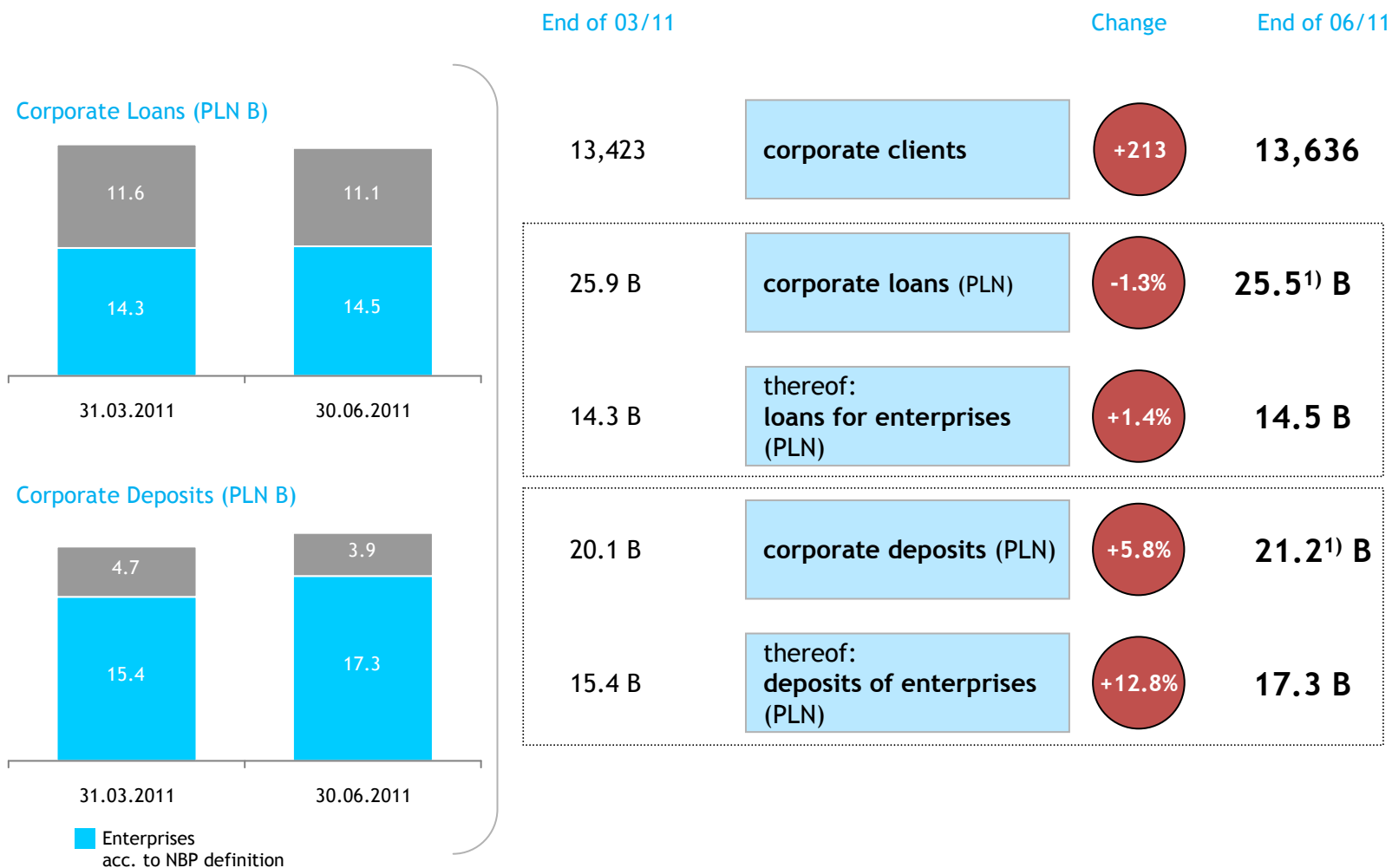
Structure of the Result before Tax of the Segment in Q2/11  
(PLN M)





# Appendix

## Corporates and Institutions Customer Acquisition and Volume Trends

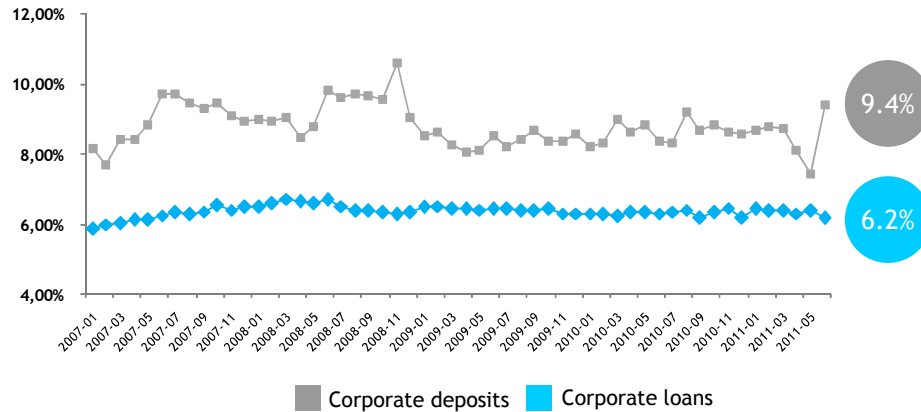


<sup>1)</sup> Incl. Intermarket Bank and Magyar Factor

# Appendix

## Corporates and Institutions Loans & Deposits: Market Share<sup>1)</sup>

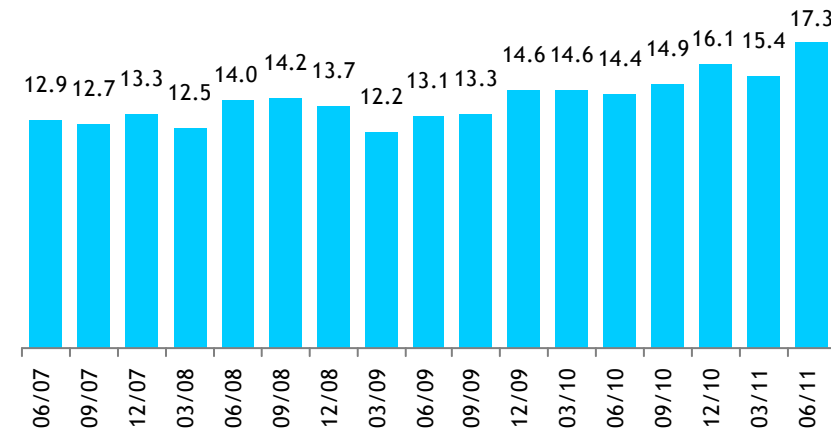
BRE Bank's Market Share in Corporate Loans and Deposits 01/07 - 06/11



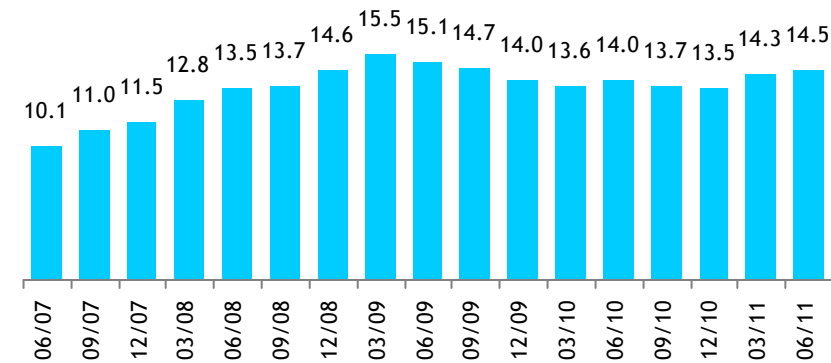
Source: NBP reports

- **PLN 17.3 B of corporate deposits** in BRE Bank at the end of Q2/11 (up by 12.8% QoQ)
- **PLN 14.5 B of corporate loans** in BRE Bank at the end of Q2/11 (up by 1.4% QoQ)

Corporate<sup>1)</sup> Deposit Volume  
(BRE Bank only, PLN B)



Corporate<sup>1)</sup> Loan Volume  
(BRE Bank only, PLN B)

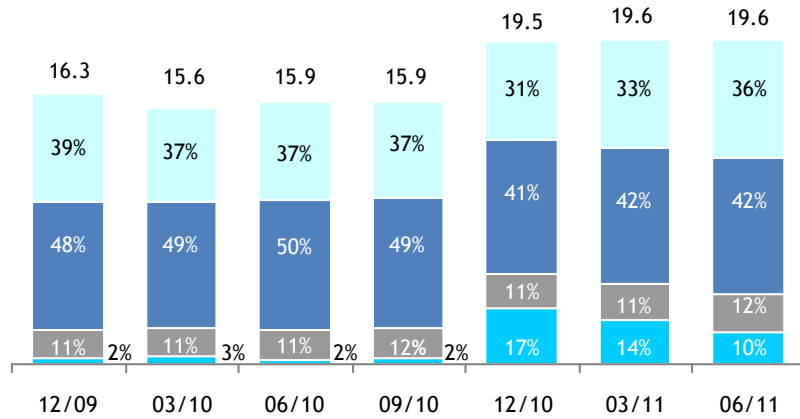


<sup>1)</sup> I.e. enterprises according to NBP (include only state, private and co-operative companies)

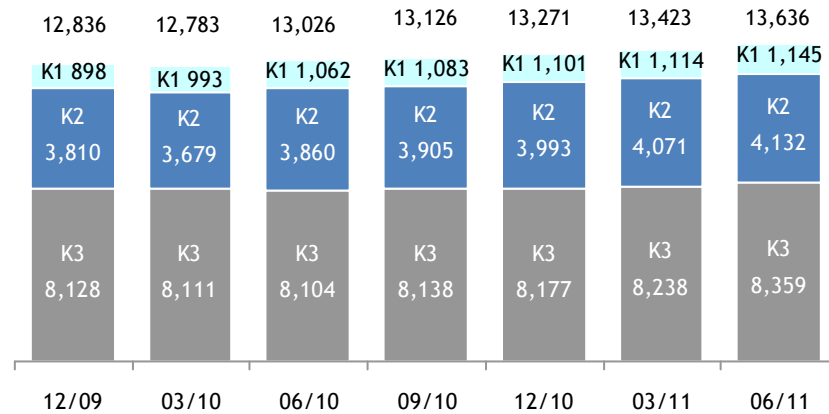
# Appendix

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

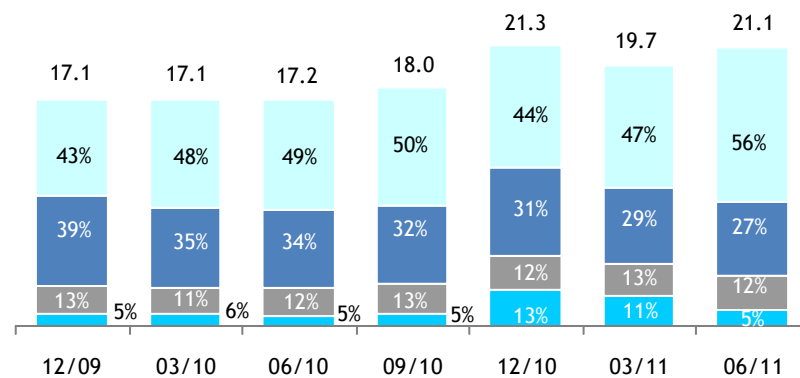
Corporate Clients' Loan Volume  
(BRE Bank, PLN B)



Corporate Clients:  
Number and Structure



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



Segments of corporate clients:

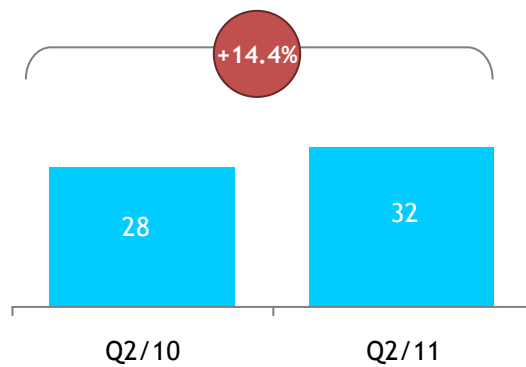
- K1 - is the segment of the largest corporations with annual sales over PLN 500 M
- K2 - is the segment of medium-sized corporations with annual sales between PLN 30 M and PLN 500 M
- K3 - is the segment of SMEs with annual sales between PLN 3 M and 30 M
- Reverse Repos & Repos

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

# Appendix

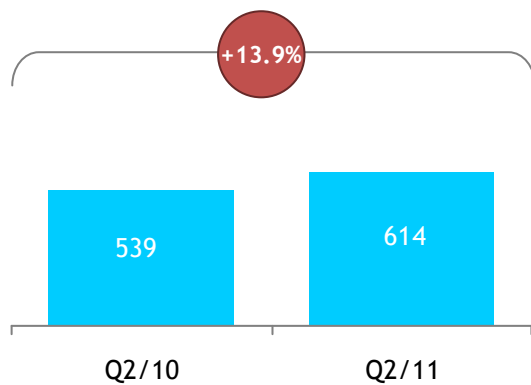
## Corporates and Institutions Cash Management

Net Income on Cash Management products

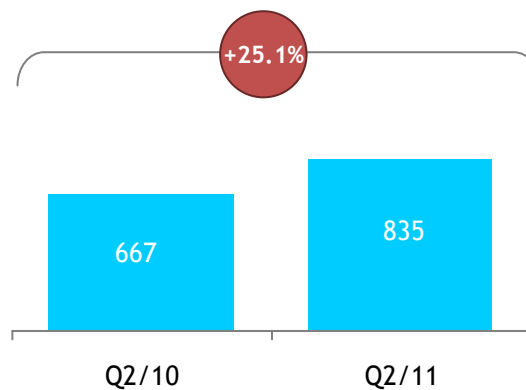


Cash Management -  
Strategic Product Line Supporting  
Long-Term Customer Relations

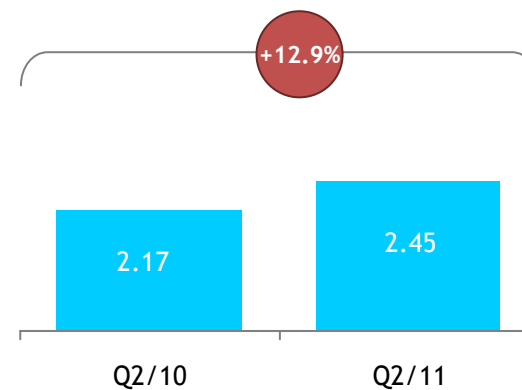
Number of Clients Using Cash Consolidation Services



Direct Debit (thou. of transactions)



Identification of Trade Payments (M of transactions)



# Appendix

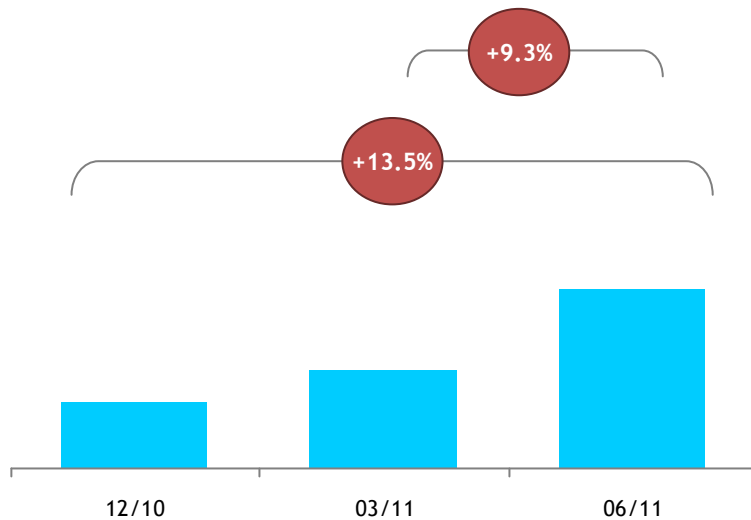
## Corporates and Institutions

### Products for local governments and Structured and Mezzanine Finance products

#### Volume of transactions with local governments

- Volume of transactions with local governments increased by **9.3% QoQ**
- Market share of loans to public sector reached **4.6%** at the end of June 2011 v. 4.3% in Q1/11 and 1.2% in Q2/10.

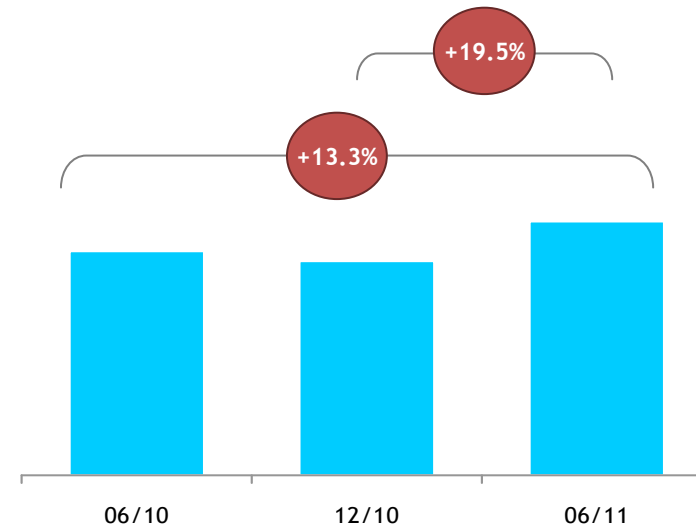
#### Volume of transactions with local governments



#### Volume of Structured and Mezzanine Finance

- Volume of Structured and Mezzanine Finance increased by **13.3% YoY and 19.5% YTD**
- In 2011, BRE Bank participated in 11 syndicated loans, 1 guarantee (PLN 2,104 M) and 3 bilateral loans (PLN 111.9 M).

#### Volume of Structured and Mezzanine Finance



# Appendix

## Corporates and Institutions Leasing and Factoring

### Intermarket Group Companies<sup>1)</sup>

- **PLN 12.5 M pre-tax profit in Q2/11 (+47.0% QoQ);** supported by improving economic environment
- **PLN 6.2 B of new sales in Q2/11 (+14.0% QoQ)**  
Increase of sales visible across all Group companies

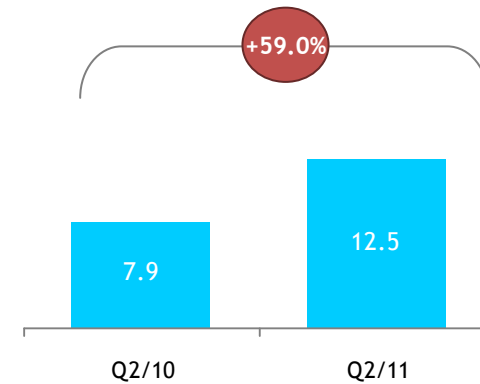
#### Polfactor

- **PLN 4.3 M pre-tax profit in Q2/11 (+13.9% QoQ)** driven by increased sales and reduced loan loss provisions
- Sales at PLN 1.3 B in Q2/11 (+18.1% QoQ);
- **Ranked 5<sup>th</sup>** in the Polish Factoring Association with a **market share of 8.1%** in H1 2011

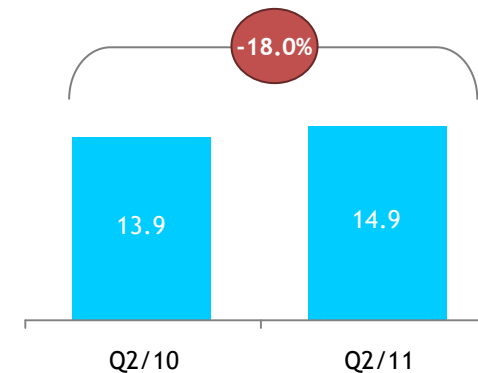
### BRE Leasing

- **PLN 11.1 M pre-tax profit in Q2/11 vs. PLN 14.9 M in Q1/11**
- Concluded leasing contracts:
  - Total of PLN 623 M in Q2/11, +13.2% QoQ in total and +24.9% QoQ on movables
- Decrease of gross profit in Q2/11 due to lower margins on new sales compared to expired agreements
- After Q2/11, BRE Leasing **ranked 3<sup>rd</sup>** in the Polish market with **8.7% market share**

Profit before Tax (PLN M)



Profit before Tax (PLN M)

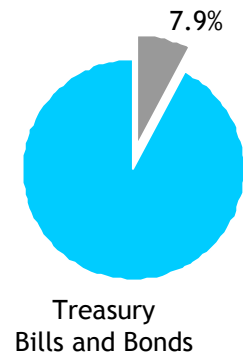


<sup>1)</sup> Companies consolidated by BRE Bank: Intermarket Bank AG, Transfinance a.s., Polfactor S.A. and Magyar Factor zRt.

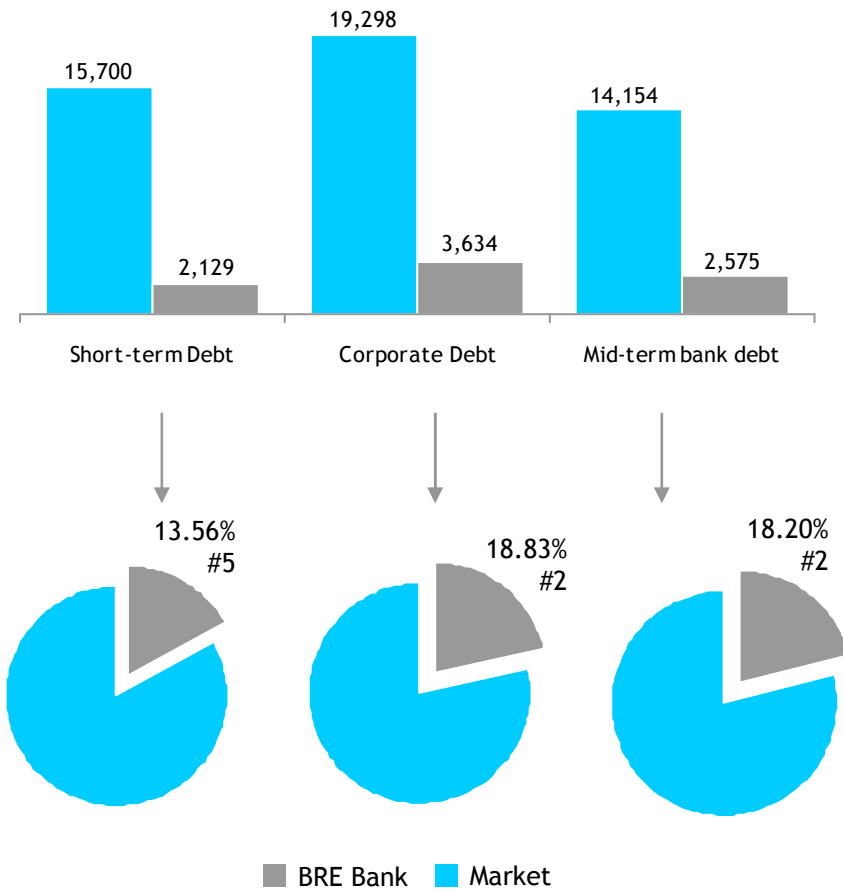
# Appendix

## Trading and Investments Market Shares

BRE Bank's Market Share<sup>1)</sup>  
in Investment Banking Services



BRE Bank in the Market of Non-Treasury Debt<sup>2)</sup>  
at 30.06.2011 (PLN M)



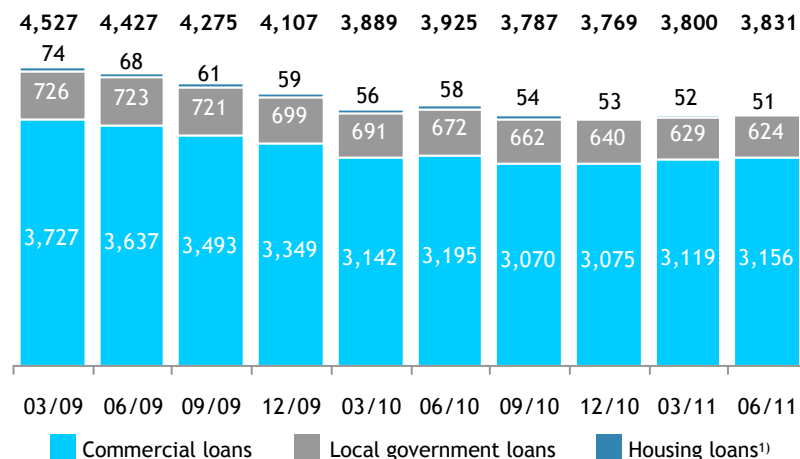
<sup>1)</sup> As at 31.05.2011; calculations based on own and NBP data.

<sup>2)</sup> After Fitch Polska S.A., Rating & Rynek, 30.06.2011 and own calculations (without BGK road bonds).

# Appendix

## Trading and Investments BRE Bank Hipoteczny (BBH)

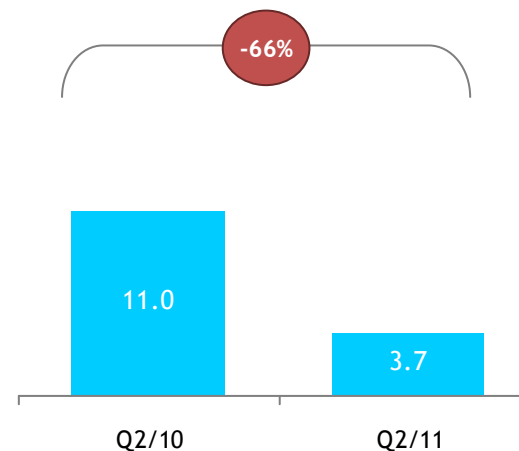
Loan Portfolio (PLN M)  
Balance-sheet Exposure (net value)



- **BBH's total balance-sheet (net value) and off-balance-sheet loan portfolio at the end of Q2/11 stood at PLN 4.44 B, up by 3.2% YoY.**
- **Housing developing loan portfolio at the end of Q2/11 at PLN 766.4 M (total net balance-sheet value and off-balance-sheet).**

<sup>1)</sup> In 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.

Profit before tax  
(PLN M)



- **PLN 3.7 M profit before tax in Q2/11, down by 66% YoY (PLN 11.0 M in Q2/10) and down by 59% QoQ (PLN 9.1 M in Q1/11).**
- **C/I ratio increased from 45.3% at the end of 2010 to 49.4% in Q2/11.**



# Appendix

## Trading and Investments Dom Inwestycyjny BRE Banku (DI BRE)

Number of Accounts with DI BRE  
Q2/11 (thou.)

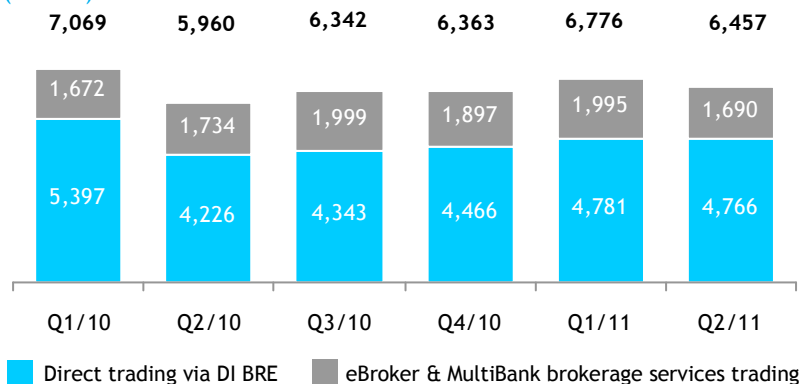
DI BRE accounts	55.1
eBroker (mBank)	201.7
Brokerage Service (MultiBank)	35.6
<b>TOTAL</b>	<b>292.4</b>

DI BRE Market Share  
in Q2/11, by volume<sup>1)</sup>

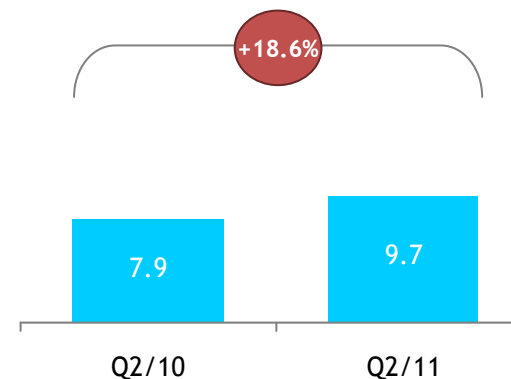
Equities	4.93 %	#9
Bonds	4.44 %	#6
Futures	13.58 %	#2
Options	5.30 %	#7

<sup>1)</sup>Calculations based on WSE, DI data

DI BRE Equities Trading  
(PLN M)

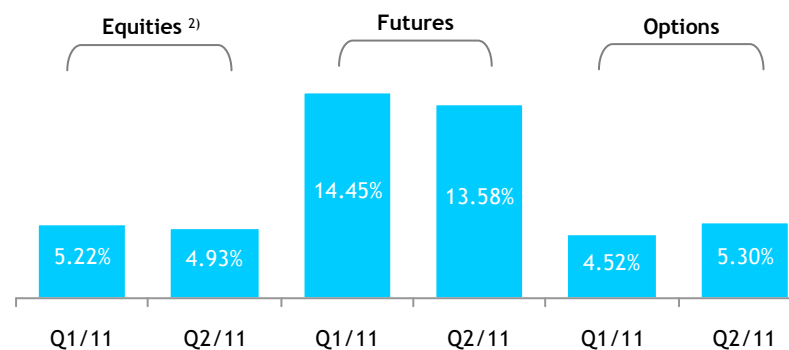


Profit before tax  
(PLN M)



- Profit before tax up by 18.6% YoY achieved mainly due to accomplishment of KRUK SA IPO.

DI BRE Market Share in WSE Trading



<sup>2)</sup> Session transactions

# Appendix

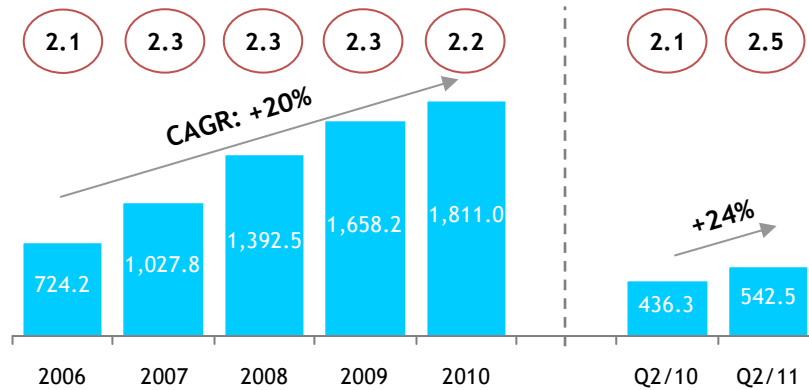
## Additional Information: Selected Financial Data

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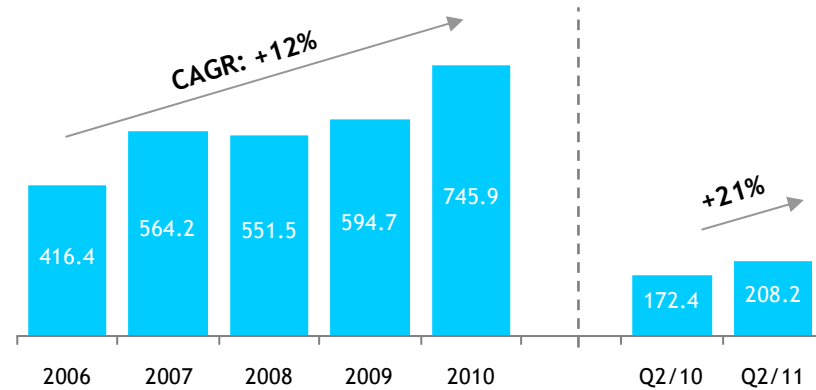
# Appendix

## BRE Group's historical performance (1/3)

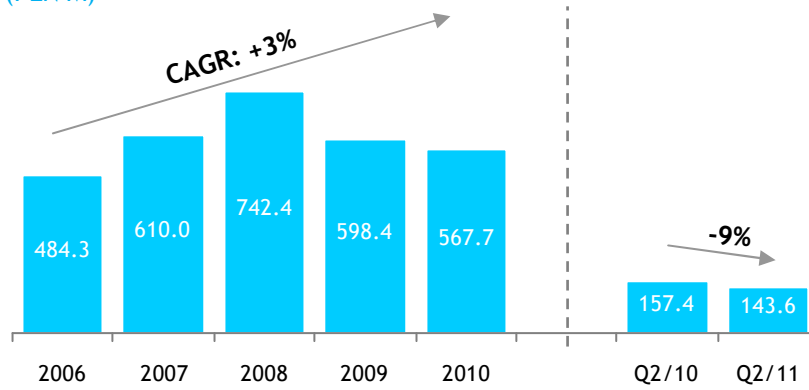
Net interest income (PLN M)



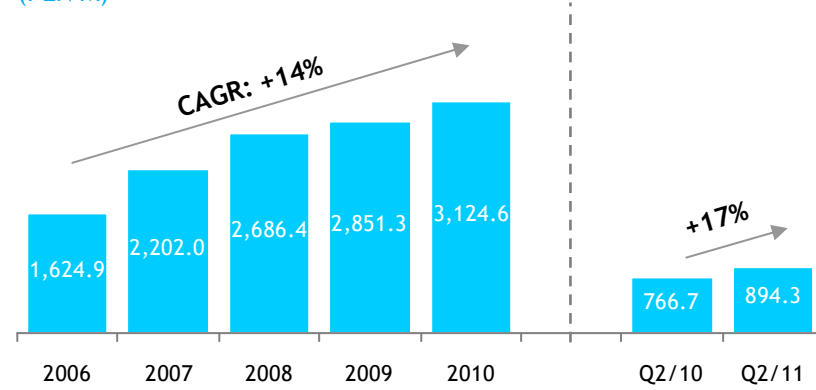
Fee and commission income (PLN M)



Trading and other income (PLN M)



Total income (PLN M)

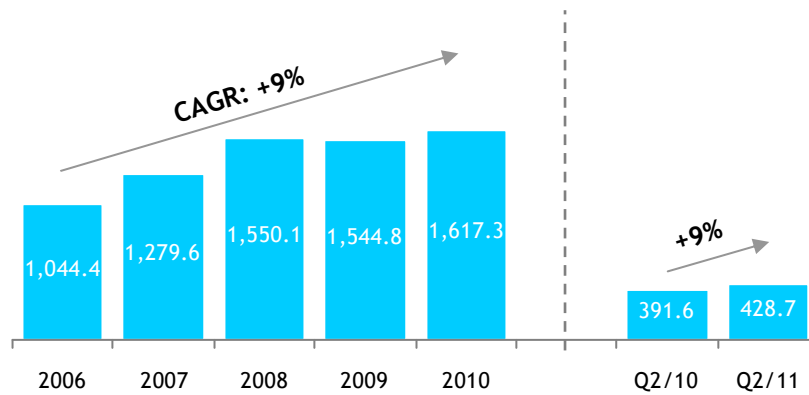


NIM

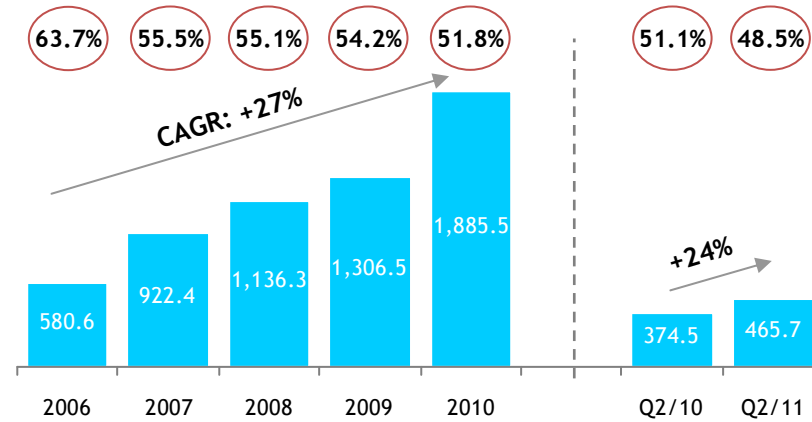
# Appendix

## BRE Group's historical performance (2/3)

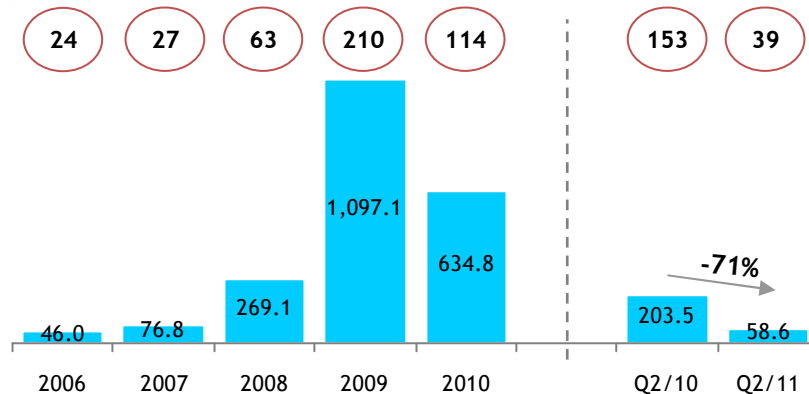
Operating costs  
(PLN M)



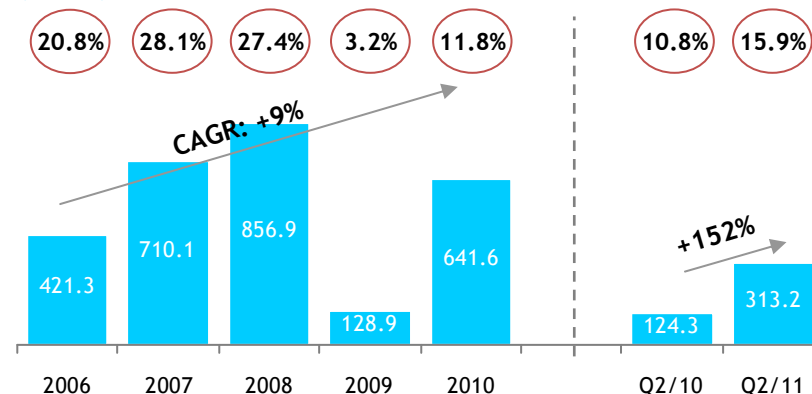
Pre-provision income  
(PLN M)



Loan Loss Provisions  
(PLN M)



Net profit  
(PLN M)



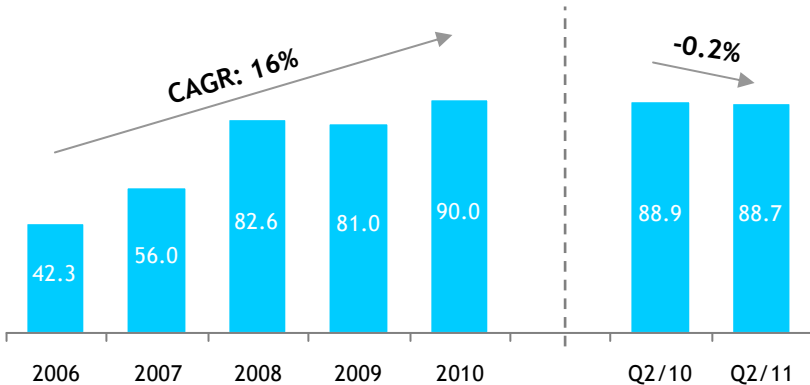
○ Cost of risk (bps)

○ ROE net

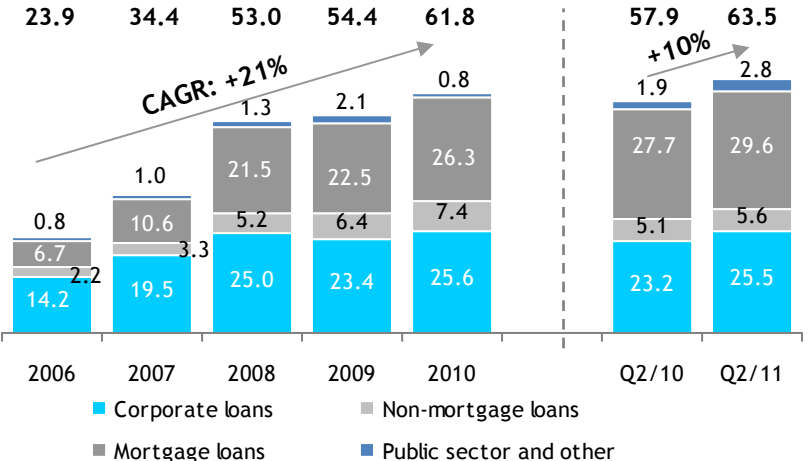
# Appendix

## BRE Group's historical performance(3/3)

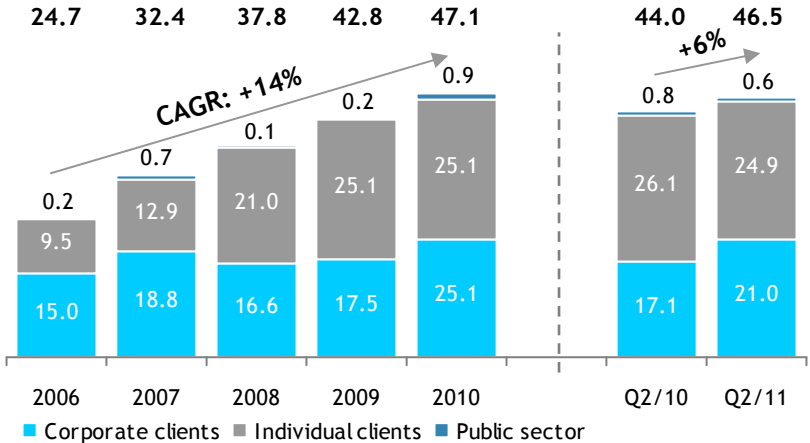
Total assets  
(PLN B)



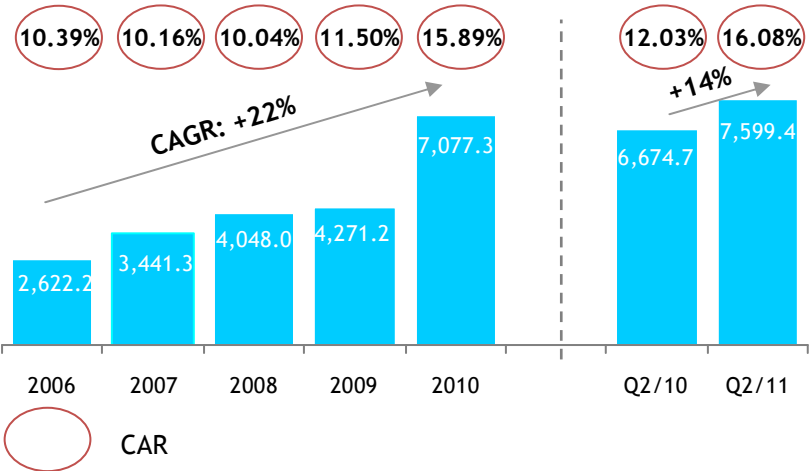
Total gross loans<sup>1)</sup>  
(PLN B)



Total deposits  
(PLN B)



Equity and CAR  
(PLN M)



<sup>1)</sup> Mortgage loans on quarterly basis acc. to management data

# Appendix

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

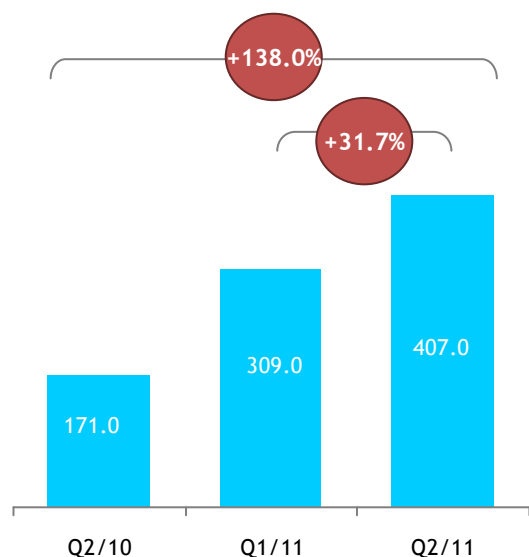
PLN thou. By quarter	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Net interest income	436,254	481,048	503,125	506,524	542,486
Net commission income	172,449	199,211	200,366	207,388	208,208
Dividend income	2,611	5,222	10	9	2,652
Net trading income	122,058	88,169	104,274	95,579	105,808
Gains less losses from investment securities	16,896	29,604	(1,352)	(4,294)	(2,511)
Other operating income	93,268	63,796	102,076	58,917	72,001
Net credit and loans impairment provisions	(203,500)	(128,230)	(125,988)	(114,110)	(58,620)
Overhead costs	(332,220)	(358,253)	(394,941)	(349,783)	(367,770)
Depreciation/Amortisation	(59,334)	(58,672)	(59,711)	(58,611)	(60,881)
Other operating cost	(77,477)	(41,969)	(64,053)	(32,638)	(34,338)
Operating profit	171,005	279,926	263,806	308,981	407,035
Profit before tax	171,005	279,926	263,806	308,981	407,035
Net profit attributable to owners of BRE Bank	124,251	206,453	195,482	229,708	313,171

# Appendix

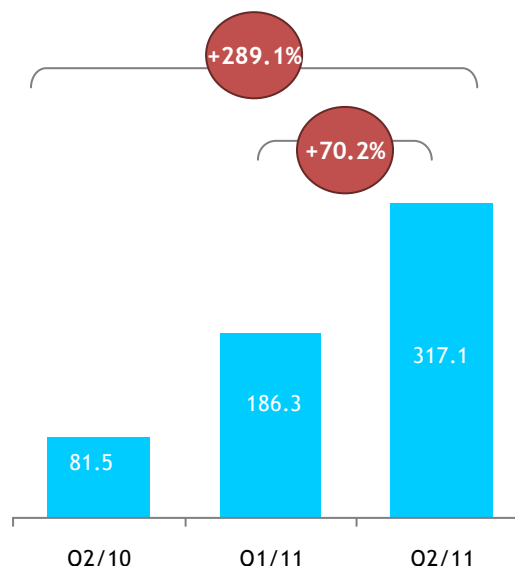
## Summary of Q2/2011 in BRE Bank Group - Profitability of the Business Segments

Quarterly Result before Tax by Business Segment  
(PLN M)

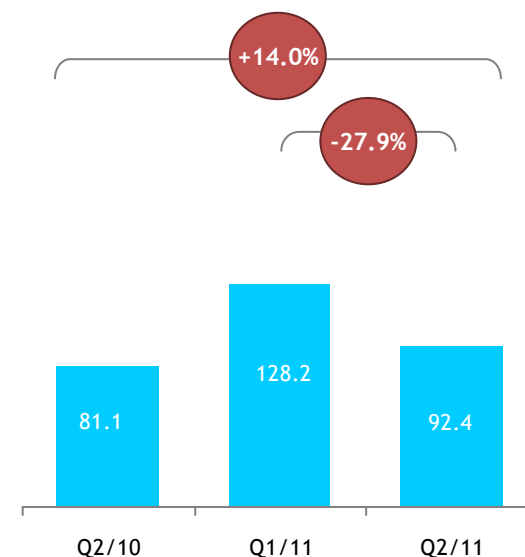
BRE Bank Group



Retail Banking



Corporates & Financial Markets



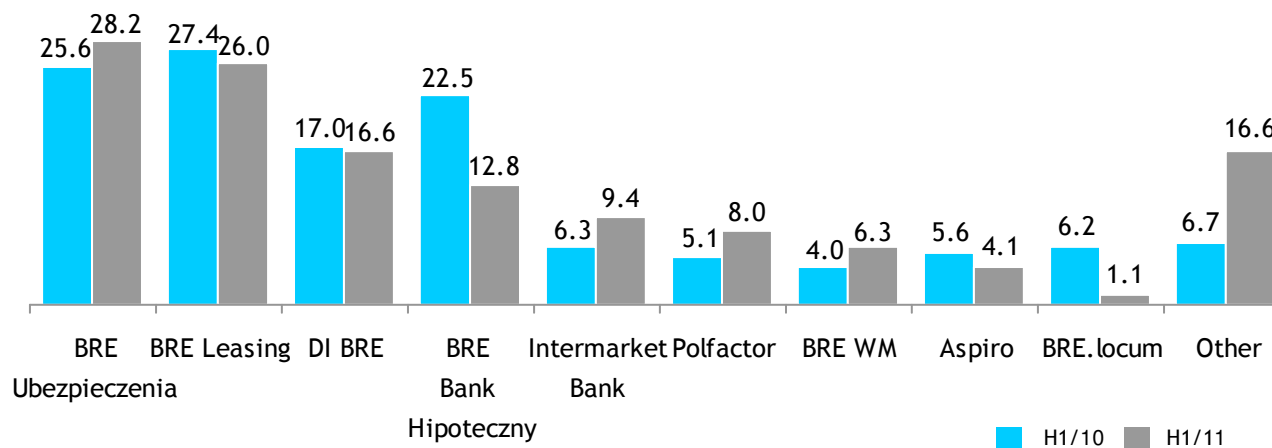
- **Retail Banking** with record high pre-tax profit supported by **strong product sales, increasing clients' activity and the disposal of non-performing loans**
- **Corporates and Financial Markets:** solid recurrent performance impacted by prudent provisioning of individual cases

# Appendix

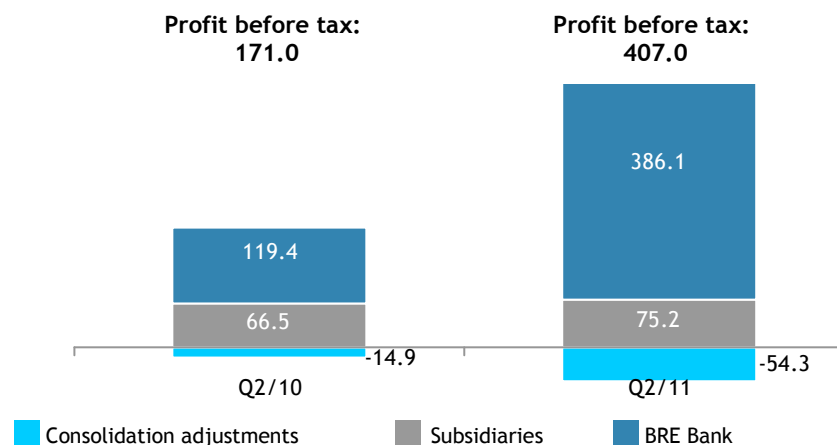
## Additional Information: Selected Financial Data Results of Subsidiaries

- H1/2011 profit before tax of consolidated subsidiaries at PLN 129.1 M v. PLN 126.4 M in H1/10 (+2.2% YoY)

Profit before Tax of Consolidated Subsidiaries (PLN M)



Contribution of BRE Bank Group Subsidiaries to Profit before Tax in Q2/11 (PLN M)



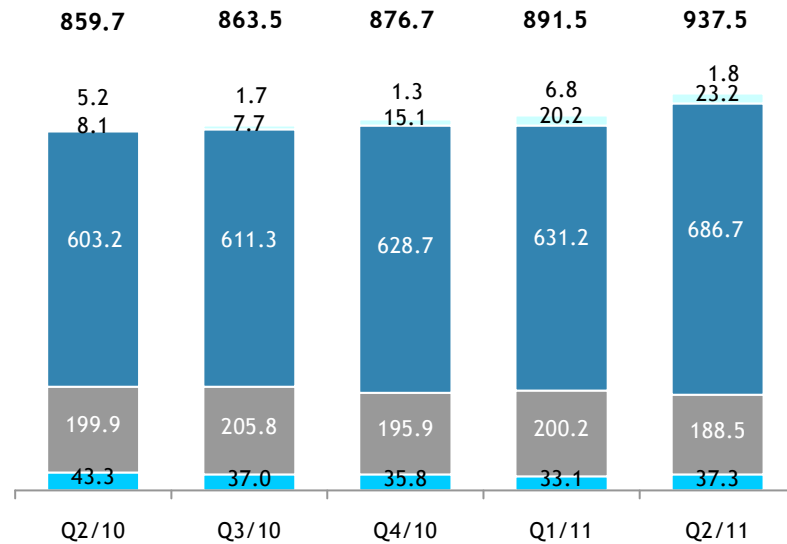
1) Excluding companies not consolidated in 2011: Tele-Tech Investments and BCF (PLN 1.7M)



# Appendix

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

Interest Income Structure  
(PLN M)

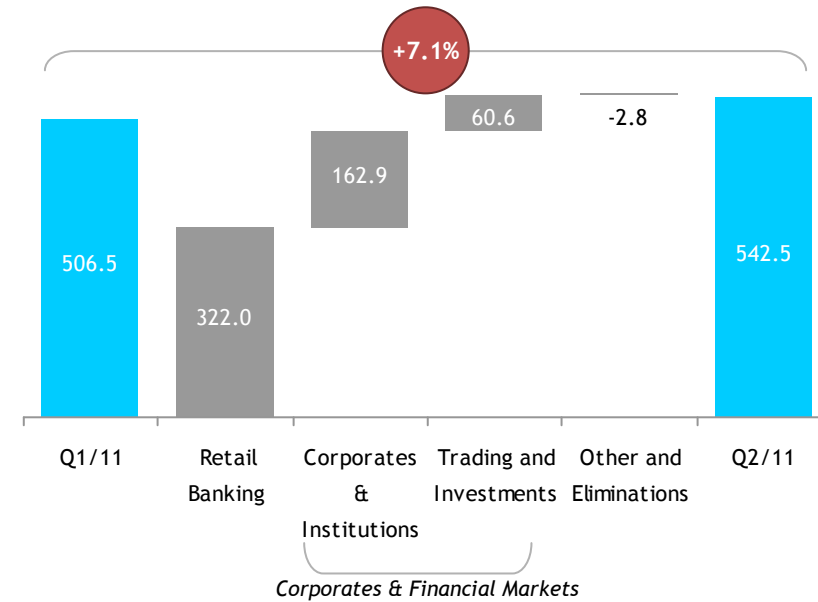


Interest Income Structure  
(%)

	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Cash and short-term deposits	5%	4%	4%	4%	4%
Investment securities	23%	24%	22%	22%	20%
Loans and advances	70%	71%	72%	71%	73%
Debt securities held for trading	1%	1%	2%	2%	3%
Other	1%	0%	0%	1%	0%

<sup>1)</sup> Margin calculated as net interest income to average income-earning assets

Net Interest Income, Q2/11 by Business Lines  
(PLN M)



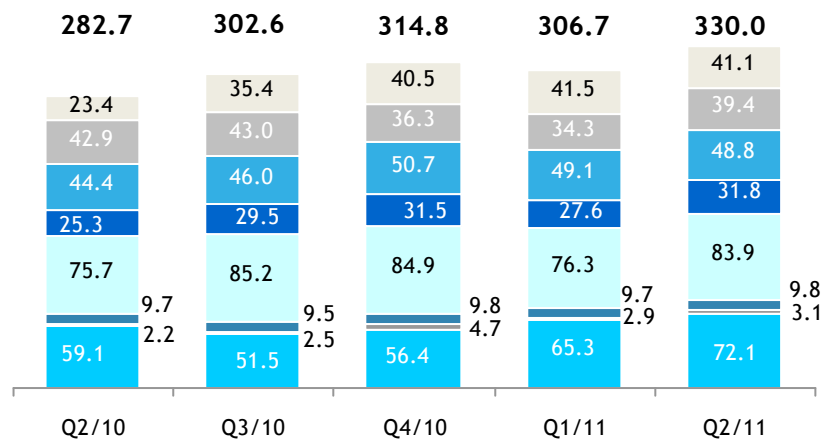
Net Interest Margin (NIM at the end of period,%)<sup>1)</sup>  
and NII/RWA ratio

	3m	6m	9m	12m	3m	6m	9m	12m	3m	6m
NIM	2.2	2.3	2.3	2.3	2.0	2.1	2.1	2.2	2.4	2.5
	2009			2010			2011			
NII/RWA	2.6	3.0	3.0	3.0	2.9	3.1	3.4	3.5	3.6	3.6

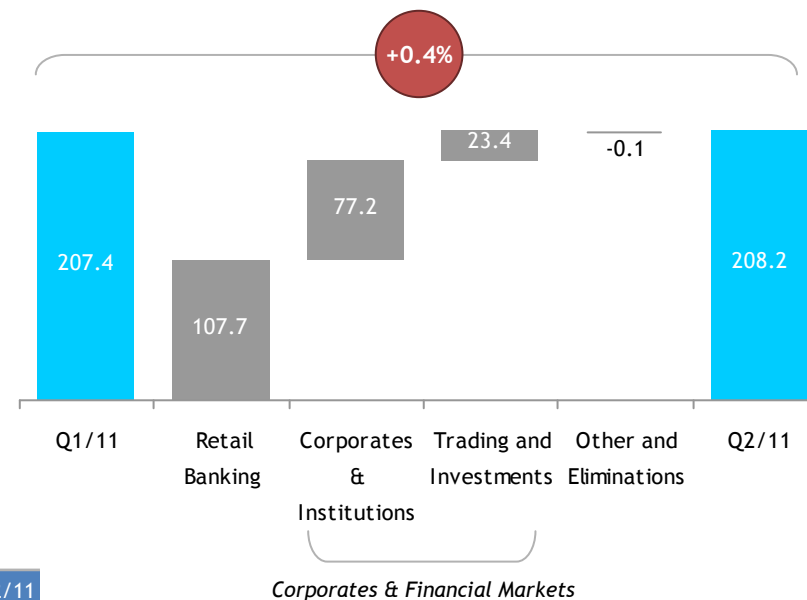
# Appendix

## Additional Information: Selected Financial Data Commission Income

Commission Income Structure  
(PLN M)



Net Commission Income, Q2/11 by Business Lines  
(PLN M)



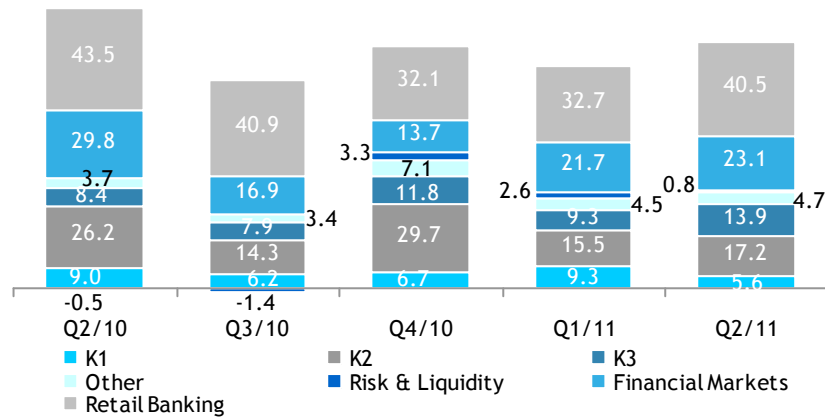
Commission Income Structure  
(%)

	Q2/10	Q3/10	Q4/10	Q1/11	Q2/11
Credit related	21%	17%	18%	21%	22%
Portfolio management	1%	1%	1%	1%	1%
Guarantees and documentary transactions	3%	3%	3%	3%	3%
Payment cards	27%	28%	27%	25%	25%
Brokerage fees	9%	10%	10%	9%	10%
Accounts & money transfers	16%	15%	16%	16%	15%
Insurance activity	15%	14%	12%	11%	12%
Other (incl. custody)	8%	12%	13%	14%	12%

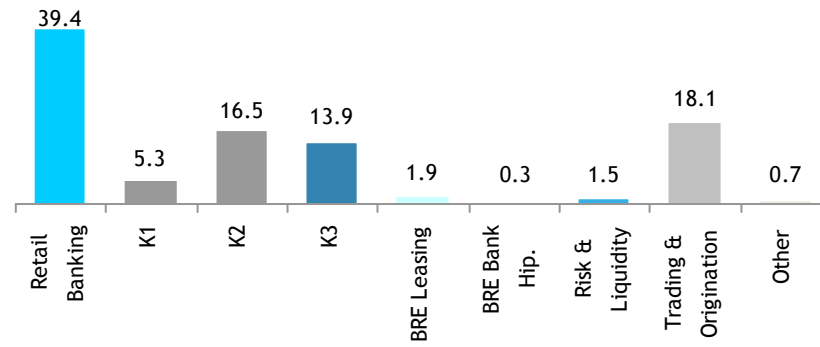
# Appendix

## Additional Information: Selected Financial Data Trading Income

Contributors of Net Trading Income (PLN M)



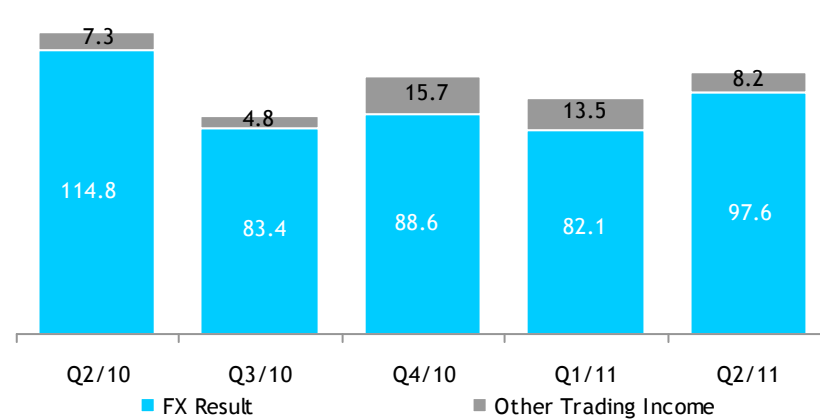
FX Result Contributors in Q2/11 (PLN M)



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



Net Trading Income Structure (%)

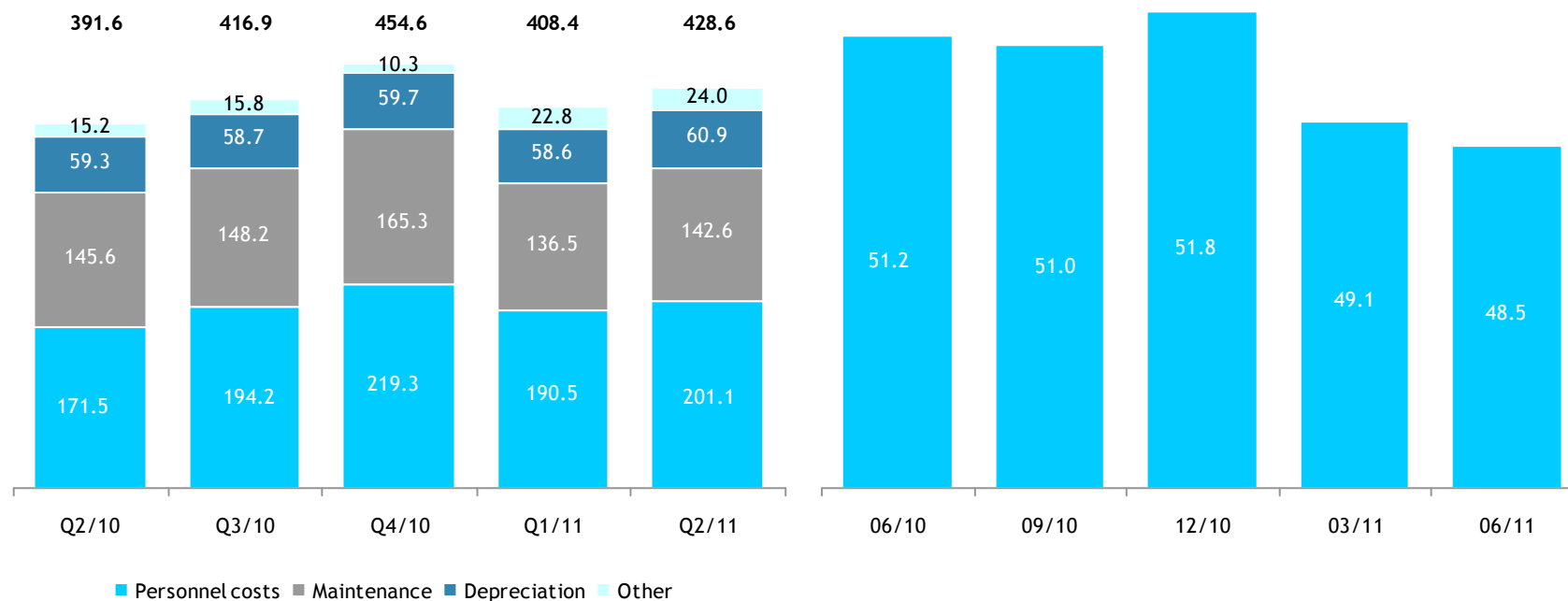


# Appendix

## Additional Information: Selected Financial Data Administrative Expenses Structure

Structure of Administrative Expenses incl. Depreciation (PLN M)

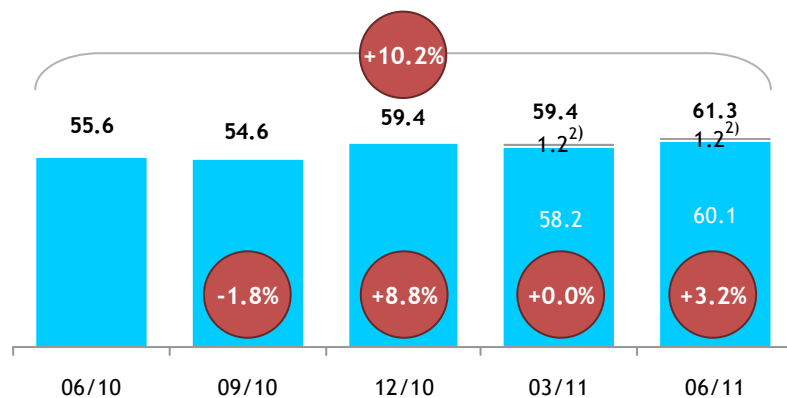
C/I Ratio of BRE Bank Group (% , as at the end of period)



# Appendix

## Additional Information: Selected Financial Data Loans and Deposits

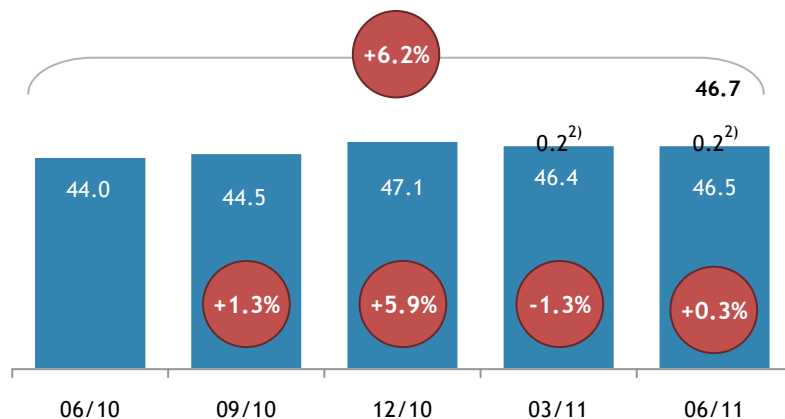
Loans  
(PLN B, net)



	BRE Bank <sup>1)</sup>		Market <sup>1)</sup>	
QoQ	+2.6%	↑	+4.5%	↑
YoY	+9.7%	↑	+8.3%	↑

<sup>1)</sup> Data related to gross loans

Deposits  
(PLN B)



	BRE Bank		Market	
QoQ	+0.3%	↑	+1.6%	↑
YoY	+6.2%	↑	+8.0%	↑

<sup>2)</sup> Intermarket Bank and Magyar Factor

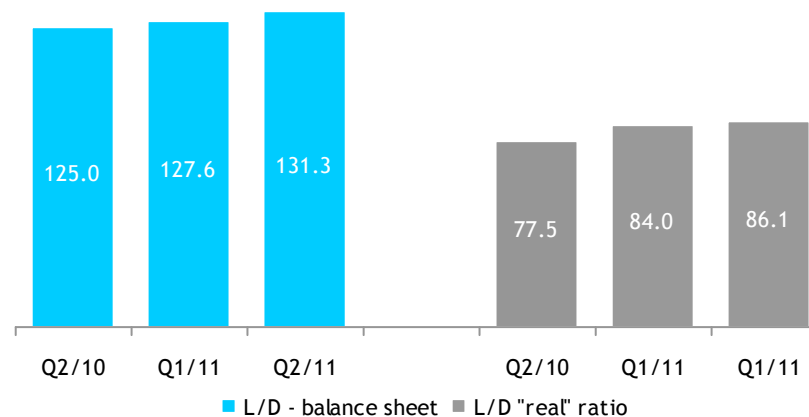
# Appendix

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

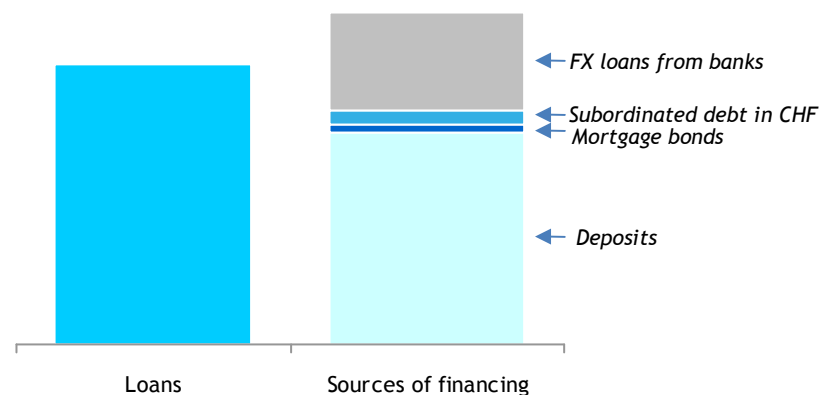
- The ratio of loans to deposits stood at 131.3% in Q2/11
- However, funding policy for FX risk mitigation is implemented
- BRE mid-term loans in CHF fund CHF-denominated mortgages, therefore...

...the 'real' loan to deposit ratio is **86.1%**

LtD Ratio in BRE Bank Group



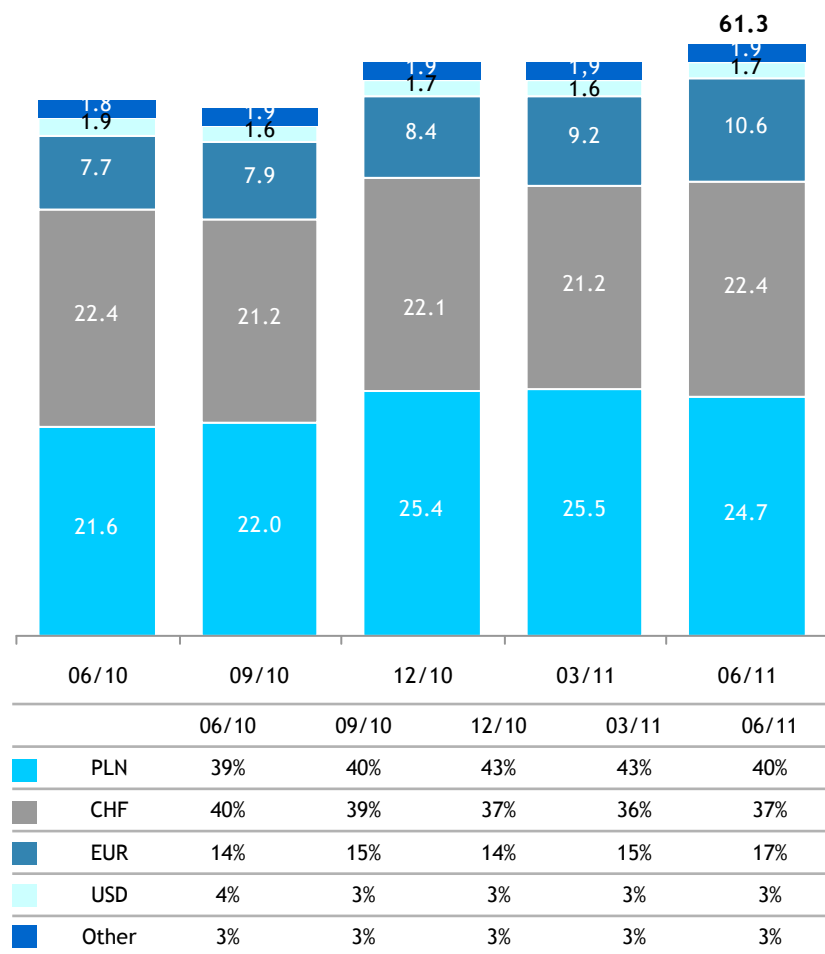
Structure of Financing Loans of BRE Bank Group at 30.06.2011 (PLN B)



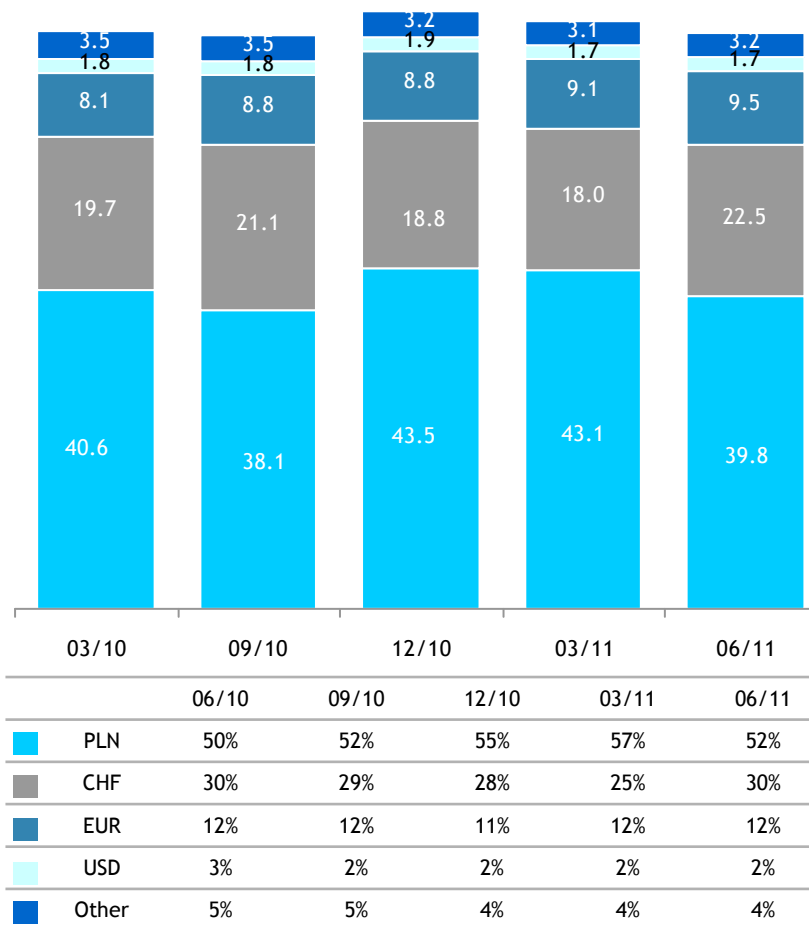
# Appendix

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

Currency Structure of Loans  
(PLN B)



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

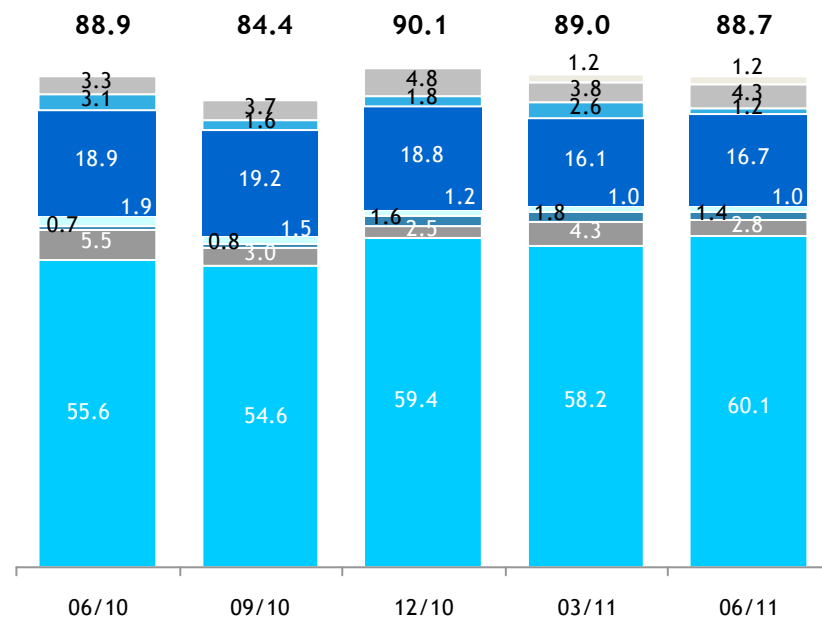


<sup>1)</sup> incl. amounts due to other banks and customers and subordinated liabilities

# Appendix

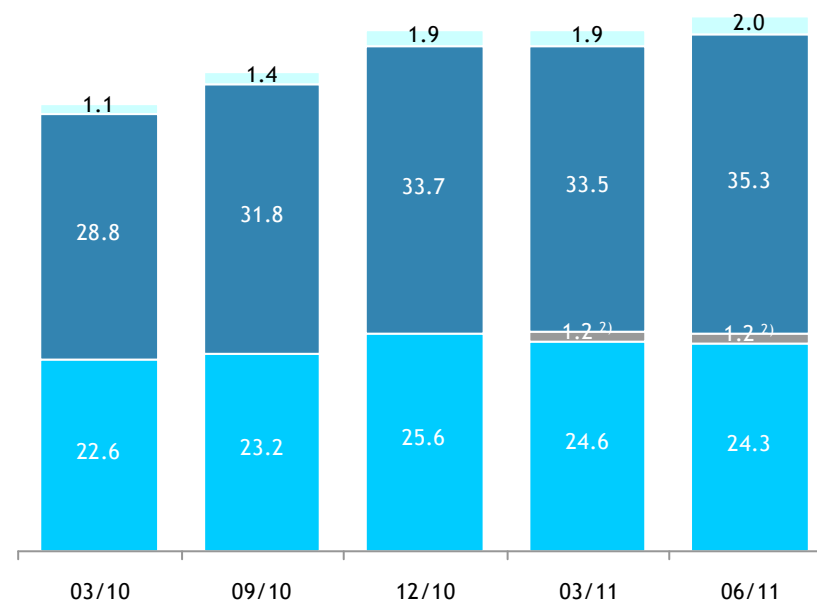
## Additional Information: Selected Financial Data Balance Sheet Analysis - Assets

Structure of Assets  
(PLN B)



	06/10	09/10	12/10	03/11	06/11
Loans and advances to customers	63%	65%	66%	66%	68%
Loans and advances to banks	6%	3%	3%	5%	3%
Trading securities	1%	1%	2%	2%	2%
Derivative financial instruments	2%	2%	1%	1%	1%
Investment securities	21%	23%	21%	18%	19%
Pledged assets	3%	2%	2%	3%	1%
Other	4%	4%	5%	4%	5%
Non-current assets held for sale	0%	0%	0%	1%	1%

Loans and Advances to Customers<sup>1)</sup>  
Portfolio by Customer Category (PLN B)



	06/10	09/10	12/10	03/11	06/11
Corporate customers	41%	41%	42%	42%	40%
Retail customers	57%	56%	55%	54%	57%
Public sector	2%	3%	3%	3%	3%

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

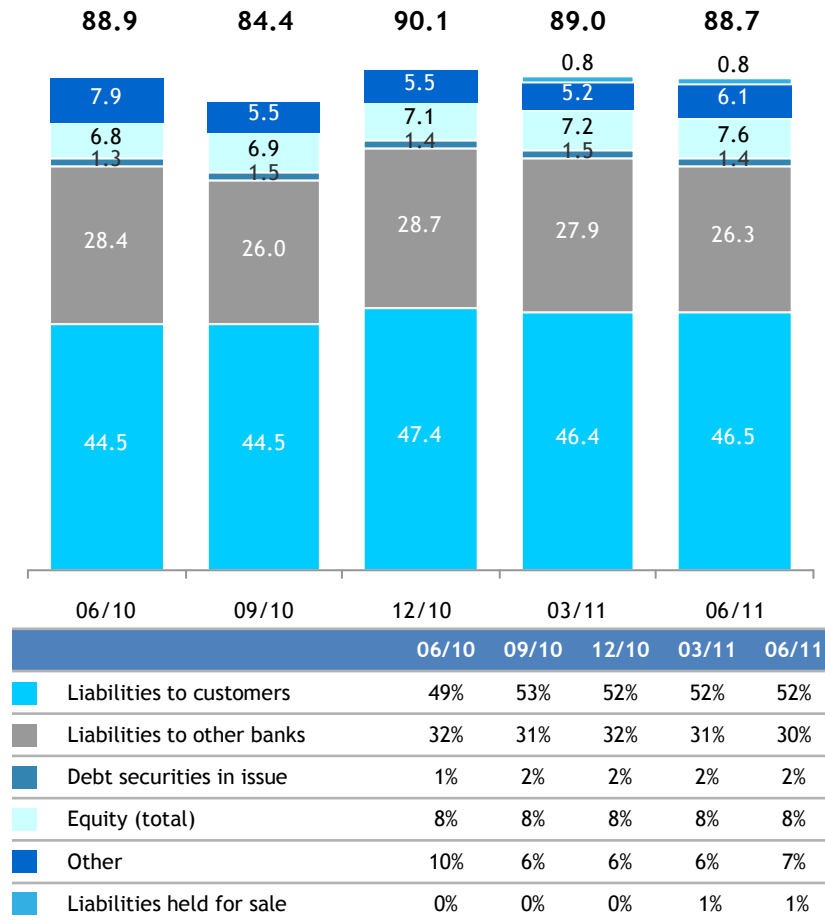
2) Intermarket Bank and Magyar Factor (AFS)



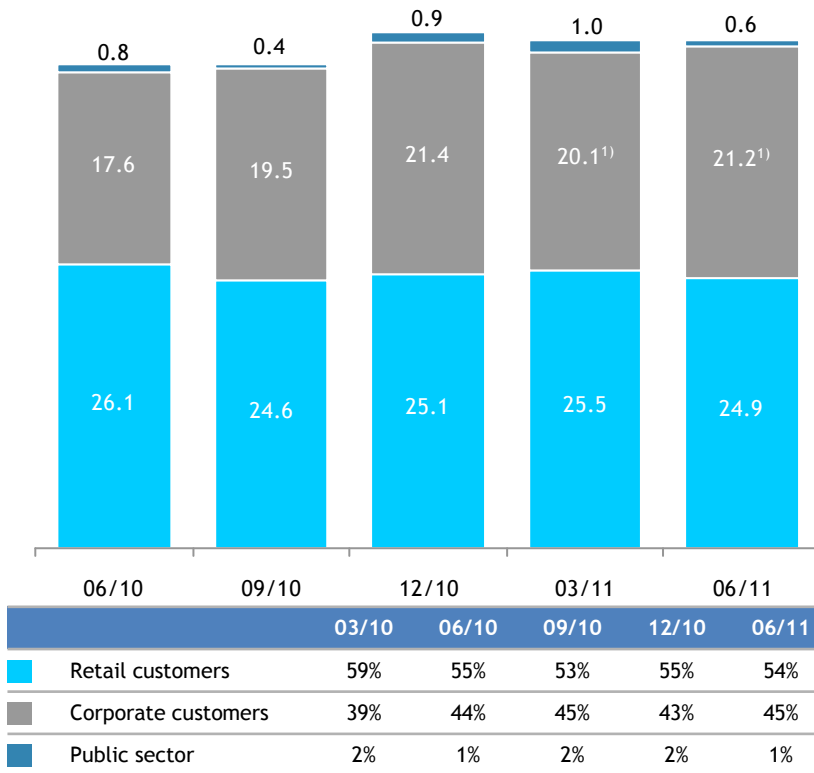
# Appendix

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

Structure of Liabilities  
(PLN B)



Structure of Deposits  
(PLN B)



<sup>1)</sup> Incl. Intermarket Bank and Magyar Factor (LFS)

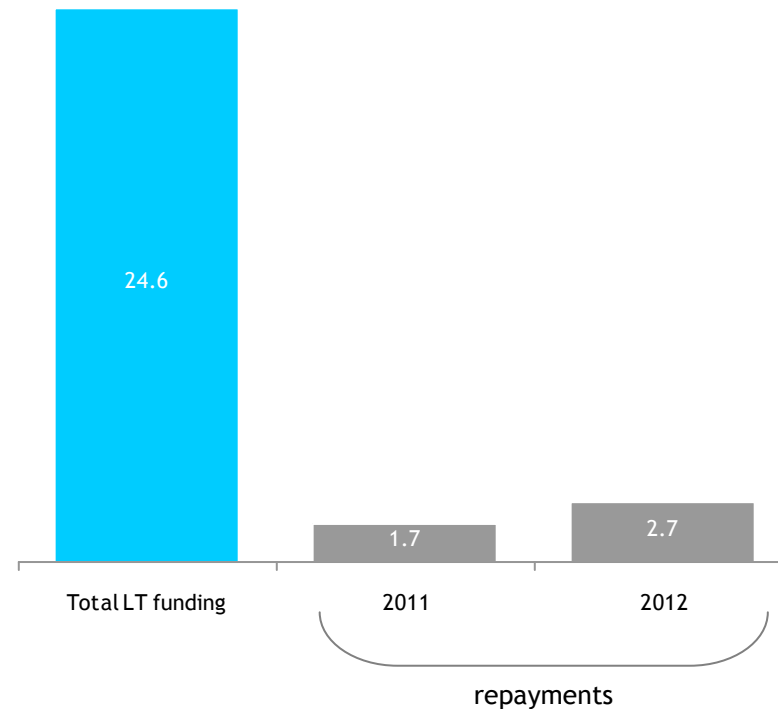
# Appendix

## 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)
- Asset liability profile in foreign currencies significantly improved
- In H1/11 BRE Bank was granted 3 additional FX loans: EUR 22.5 M, EUR 30 M and CHF 10 M
- BRE Bank repaid EUR 150 M and CHF 100 M in H1/11
- **By the end of 2011 BRE Bank will need to refinance PLN 1.7 B or 7.0% of long- and mid-term loans drawn in the past to fund FX lending (PLN 4.4 B or 17.9% by the end of 2012)**

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

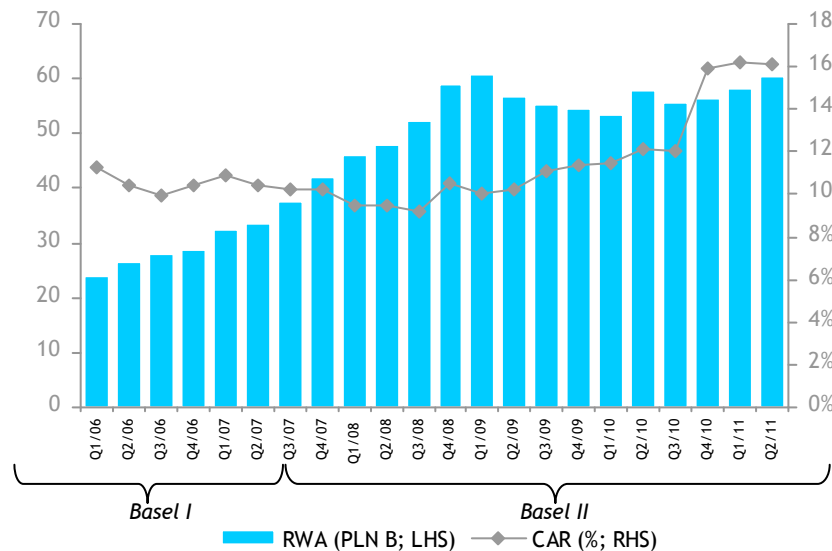


# Appendix

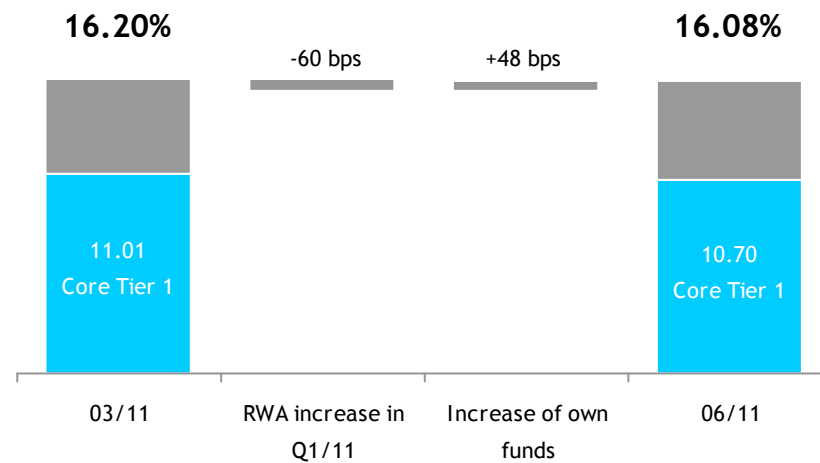
## Additional Information: Selected Financial Data BRE Bank Group's Capital Adequacy Ratio (CAR) in Q2/11

➔ CAR at solid level of 16.08%; Core Tier 1 Ratio at 10.70% in 06/11

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



Change of CAR under Basel II

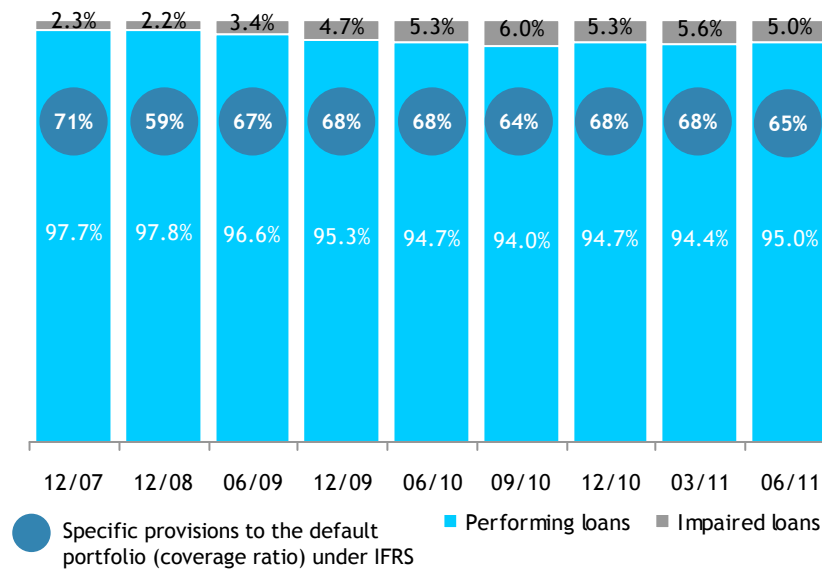


- CAR at 16.08% in 06/11 compared to 16.20% in 03/11 and 12.03% in 06/10
- Core Tier 1 ratio at 10.70% compared to 11.01% in 03/11 and 6.68% in 06/10
- RWA at PLN 60.5B in 06/11 compared to PLN 58.4B in 03/11 (+3.7%)

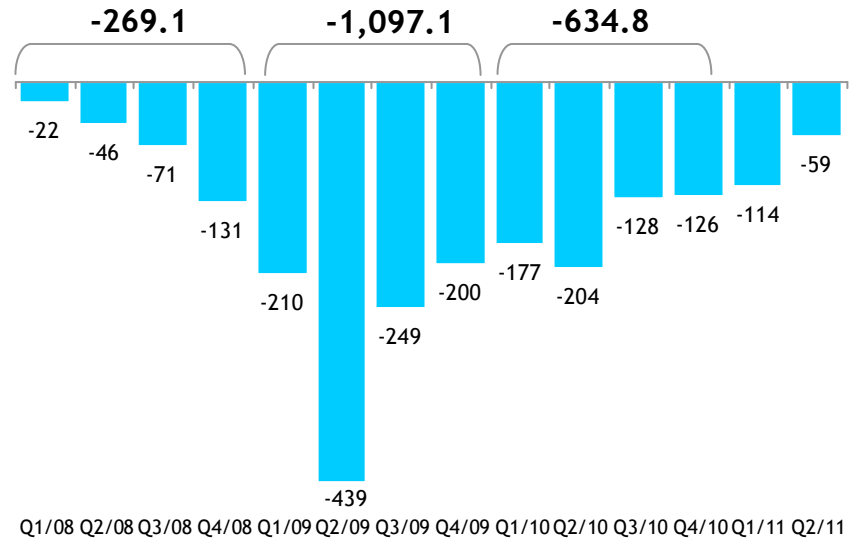
# Appendix

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

Quality of the Loan Portfolio of BRE Bank Group



Impairment losses on loans and advances  
(consolidated data, PLN M)



NPL in Corporate and Retail Loan Portfolios (under NBP rules<sup>1)</sup>) (%)

	03/09	06/09	09/09	12/09	03/10	06/10	09/10	12/10	03/11	06/11
Corporate	3.3	5.5	7.9	8.7	9.8	11.2	11.9	11.8	11.4	10.8
Retail	1.3	1.7	2.0	2.4	2.8	2.9	3.2	3.3	3.6	2.3
<b>Total</b>	<b>2.0</b>	<b>3.0</b>	<b>4.1</b>	<b>4.6</b>	<b>5.2</b>	<b>5.5</b>	<b>5.9</b>	<b>5.9</b>	<b>6.1</b>	<b>5.0</b>

<sup>1)</sup> NPLs under NBP rules (balance-sheet NPLs to total loans)

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