



**Replies to the questions asked during the
26th Annual General Meeting of BRE Bank S.A. on 11 April 2013**

1. Question

According to the consolidated financial statements, the value of provisions for disputes was PLN 47,204 thousand at the end of 2012. Among the disputes referred to in the statements there is the case filed by Leumi, which was finalized by reaching an out-of-court settlement in January 2013. Under what conditions was the settlement reached?

Reply

The proceedings for compensation instituted against BRE Bank by Bank Leumi and Migdal Insurance Company started in 1991 and concerned claims related to "ART B" case. The total amount of claims is a dozen or so million dollars. The Bank concluded an agreement with the plaintiff for approx. 2 million dollars. The amount of provisions for disputes of PLN 47.2 million covers all provisions for disputes. Some part of this amount is related to the Leumi case.

2. Question

What part of the total provision for disputes amounting to PLN 47.2 million was earmarked for the case filed by Bank BPH against Garbary Sp. z o.o.?

Reply

The case concerns claims made in connection with the bankruptcy of Pozmeat in Poznań. The Bank did not set up a provision in connection with this case. The court judgments issued so far show that the decision was justified.

3. Question

What is the amount of provision set up by BRE Bank for the case filed by BPH for payment of compensation amounting to PLN 34,880 thousand? What is covered by the provision for disputes amounting to PLN 47.2 million?

Reply

The amount of PLN 47.2 million covers the total provisions for disputes arising from the Bank's assessment of the likelihood of materialisation of claims against the Bank. We do not want to discuss about the level of provisions for particular cases at the AGM. These are confidential issues, reflecting the assessment of the likelihood of positive or negative resolution of particular cases in the opinion of the Bank's Management Board. Therefore we provide the total amount of provisions for disputes.

4. Question



In the case of claims made by the clients of Interbrok, BRE Bank did not set up provisions. The description of the case mentioned that the plaintiffs accused the Bank of aiding and abetting in illegal operation of Interbrok. Meanwhile the claim against the Bank was filed in the form of motion to set conciliatory hearing not only based on Article 422 of the Civil Code concerning aiding and abetting, but also Article 415 of the Civil Code. What is the stance of the Bank in this respect? The Supreme Court ruled in its judgment that the establishment by the Bank of a contractual relationship with the entity that has no permit to pursue brokerage activity may constitute an illicit act of the Bank.

Reply

The Bank is transparent in the cases concerning claims of the clients of Interbrok. Therefore we have been consistent in rejecting the legitimacy of petitions filed by parties aggrieved by Interbrok. The judgment of the Supreme Court concerning the aiding and abetting is favourable to BRE Bank. The Bank applies for dismissal of the action in whole by rejecting the charges brought in the petitions. The Bank maintained only the account of Interbrok and did not have influence on what was going on in the company. Thus it does not bear civil and legal liability for Interbrok's misconduct.

5. Question

What is the amount in dispute in the case of the class action against BRE Bank concerning the liability of the Bank for improper execution of mortgage loan agreements?

In the class action the court rejected the motions of BRE Bank.

Reply

The total amount given by the plaintiff, to some extent questioned by the Bank, is PLN 5.2 million. The motions and complaints of BRE Bank were procedural in nature. It is the first class action and the procedural issues play an important role here.

6. Question

Why the Bank did not provide current information on the pending court proceedings?

Reply

Disclosures in material cases were made in the past. The cases mentioned in the Financial Statements have been pending for years, and the information about their status has been updated in annual and semi-annual reports. There were no premises necessary to provide information in the current report.

7. Question

Why does the Bank's Management Board recommend earmarking PLN 738 million for supplementary capital and a "laughable" PLN 10 per share for dividend payment?

Reply



We do not share this opinion that PLN 10 per share is a "laughable" amount. When defining the proportion of the profit distribution, the Bank takes into account the long-term capital needs in various scenarios. We have to maintain the level of capital arising not only from regulations. Over the next 2-3 years the level of capital base should allow for operation under the conditions of "bad scenarios" - rapid economic slowdown and unfavourable market conditions.

BRE Bank decided to pay dividends for the first time since 2001. In the future, we would like to earmark for the dividend from 30% to 50% of profit, and maybe even more if the external conditions are favourable enough to allow for maintaining the capital requirements at the expected level.

8. Question

Do the proceedings against the Bank instituted on 7 January 2013 by the Tax Inspection Authority on the reliability of the tax base declared and the correctness of calculating and paying corporate income tax for 2007 result from the suspicion of any irregularities at the Bank?

Reply

To the best of our knowledge, the above mentioned proceedings instituted against the Bank on 7 January 2013 by the Tax Inspection Authority constitute a regular tax audit at the Bank which was not caused by suspicions of any specific irregularities.

9. Question

What amount will be allocated for the incentive programmes run at the Bank (the programme for the Management Board of the Bank and for the top managers), i.e. how much does the Bank estimate to spend until the completion of these programmes?

Reply

As we understand, the aim of the question was to obtain information on the total, maximum number of shares which could be issued by the Bank under each of the programmes and the number of shares which have been issued so far. In accordance with the assumptions of the incentive programme for the Management Board of the Bank, from 2008 to 2018 up to 550,000 common bearer shares of the Bank may be issued, whereas from 2009 to 2019 under the programme for top managers at the Bank and the Bank Group 700,000 common bearer shares of the Bank may be issued.

Replies to questions 1-7 were given during the AGM, and to questions 8-9 - under Article 428 § 5 of the Code of Commercial Partnerships and Companies dated 15 September 2000 (Journal of Laws of 2000, No. 94, item 1037, as amended).