



**BRE BANK SA**

# Results of BRE Bank Group Q1 2010

**Returning to profitable growth**

*Management Board of BRE Bank*

*Presentation for Investors and Analysts  
28 April 2010*

[ THE BEST FINANCIAL INSTITUTION  
FOR DEMANDING CUSTOMERS ]



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*Summary of Q1/10*

*Update on Rights Issue*

*Business Environment*

*Analysis of Q1/10 results*

*Beyond Q1/10*

*Appendix*

Detailed Results of Business Lines Q1/10

Additional Information: Selected Financial Data

# Highlights of Q1/2010 in BRE Bank Group



- 1** *Profitable growth: pre-tax profit +93% QoQ and +53% YoY*
- 2** *Customer growth: continued success in client acquisition*
- 3** *Loan loss provisions: decrease continued*
- 4** *Cost discipline: maintained as planned*
- 5** *Rights issue: process well on track*

# Summary of Q1/2010 in BRE Bank Group

## Key Financials



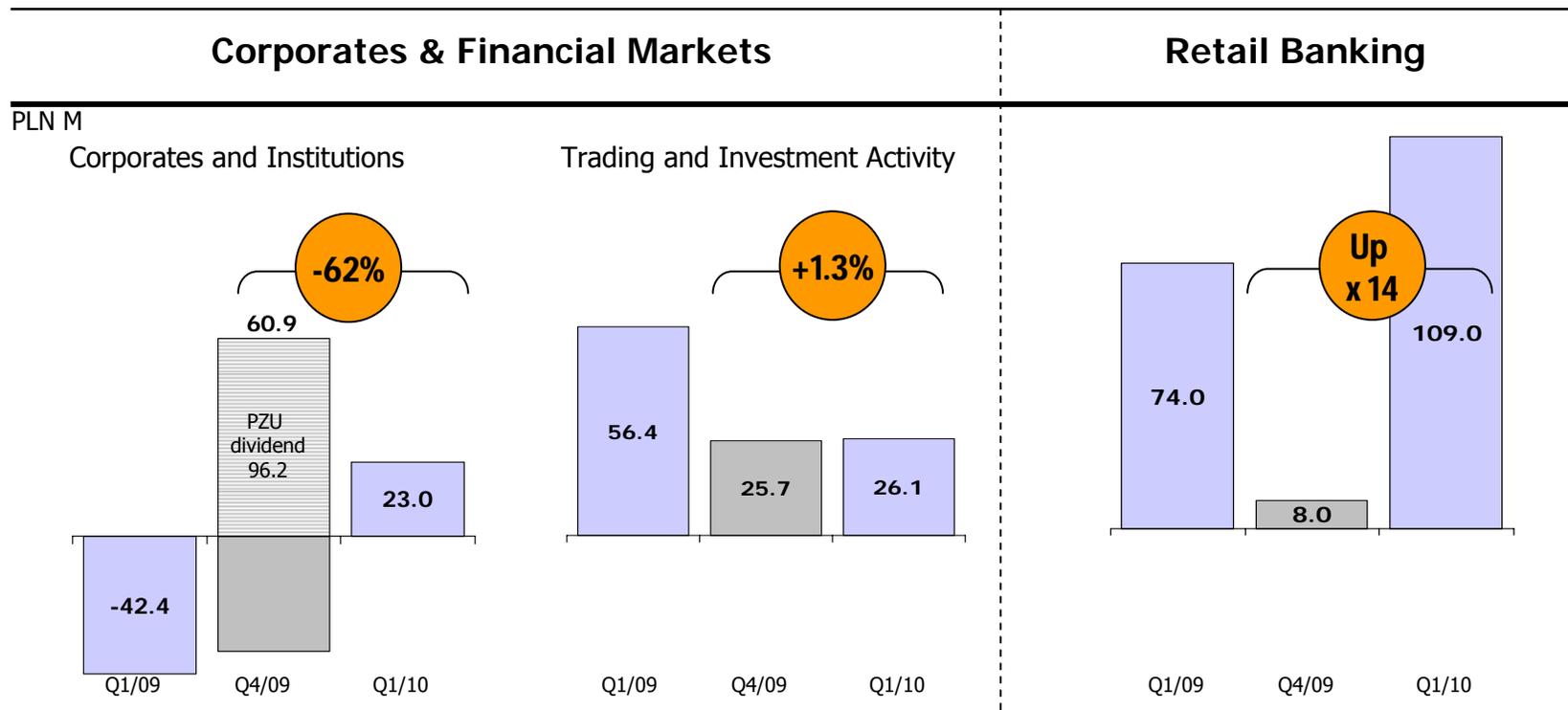
<b>Profit before tax Q1/10</b>		<b>PLN 157.8 M</b>
<b>ROE before tax Q1/10</b>		<b>14.7%</b>
<b>Cost/Income (C/I) Q1/10</b>		<b>51.4%</b>
<b>Capital adequacy ratio Q1/10</b>		<b>12.17%</b>

# Summary of Q1/2010 in BRE Bank Group

## Profitability of the Business Lines



### Quarterly Result before Tax by Business Line



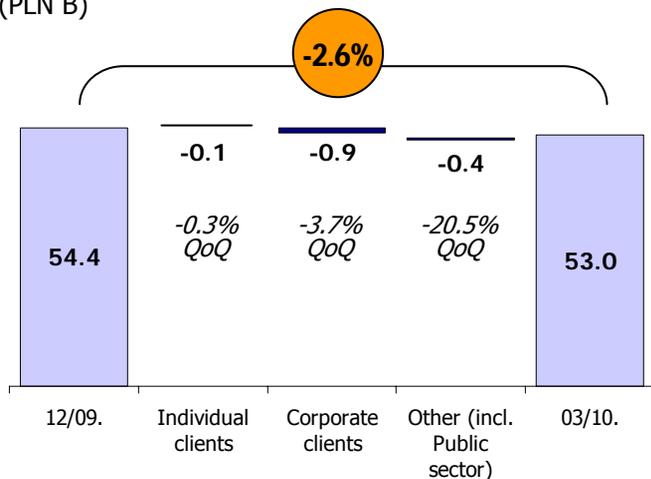
- **Corporates and Institutions:** return to operating profitability and positive pre-tax result (lower QoQ result by 62% as Q4/09 included dividend from PZU)
- **Trading and Investment** result at stable level QoQ but significantly improved revenue mix
- **Strong result of Retail Banking** mainly due to higher net fee and commission income (growth across major sources) as well as lower costs QoQ

# Summary of Q1/2010 in BRE Bank Group



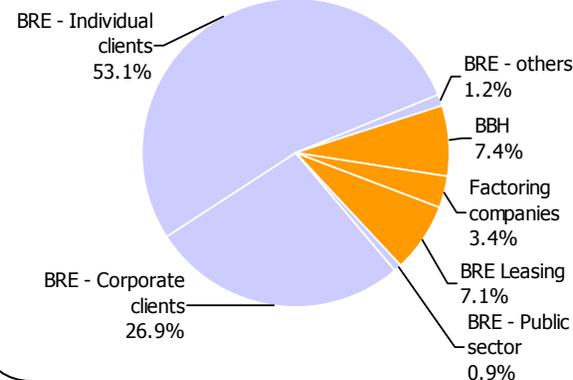
## Development of Loans to Clients

Development of Gross Loans  
(PLN B)



Structure of Gross Loans Portfolio  
as at 31 March 2010

**BRE Bank**  
**82.1%**



***Transition period  
from RWA optimisation  
towards our goal of  
accelerating  
lending growth***

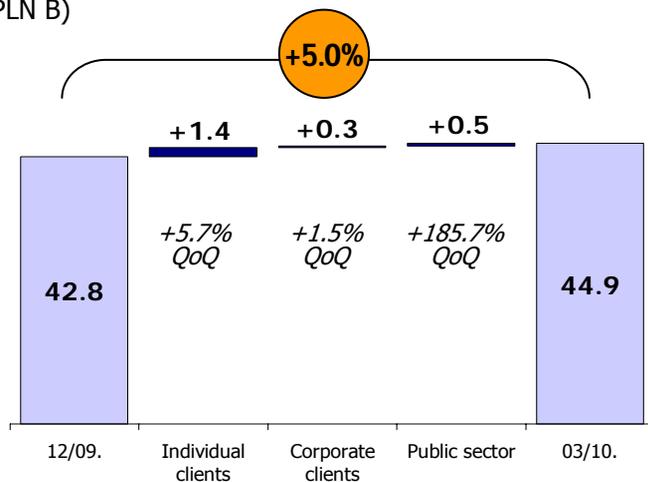
- *Total gross loans down by 2.6% QoQ (market: +0.2%) excluding FX effect: down by 0.9% QoQ (market +1.2%)*
- *Corporate loans down by 3.7% QoQ (market: -1.5%) due to lower clients' demand (partially as a result of harsh winter)*
  - *BRE loan portfolio was subject to accumulation of large maturities in Q1/10*
- *Retail loans nearly unchanged QoQ (-0.3% QoQ vs. market: +1.1%)*
  - *Excluding PLN appreciation: +1.4% QoQ (market: +1.8%)*
- *Q1/10 was a transitional period from RWA optimisation towards our goal of accelerating lending growth with new business picking up during March 2010*

# Summary of Q1/2010 in BRE Bank Group

## Development of Deposit Base

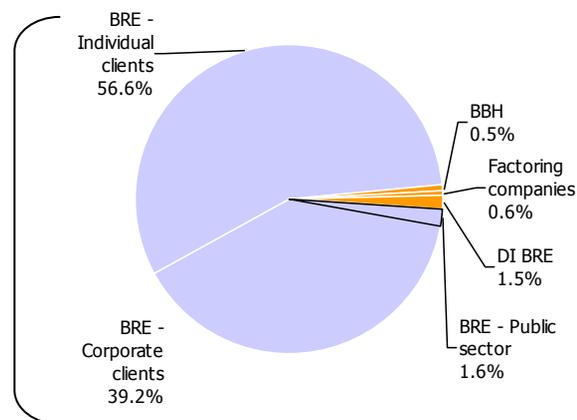


Development of Deposits  
(PLN B)



Structure of Amounts Due to Clients  
as at 31 March 2010

**BRE Bank**  
**97.4%**



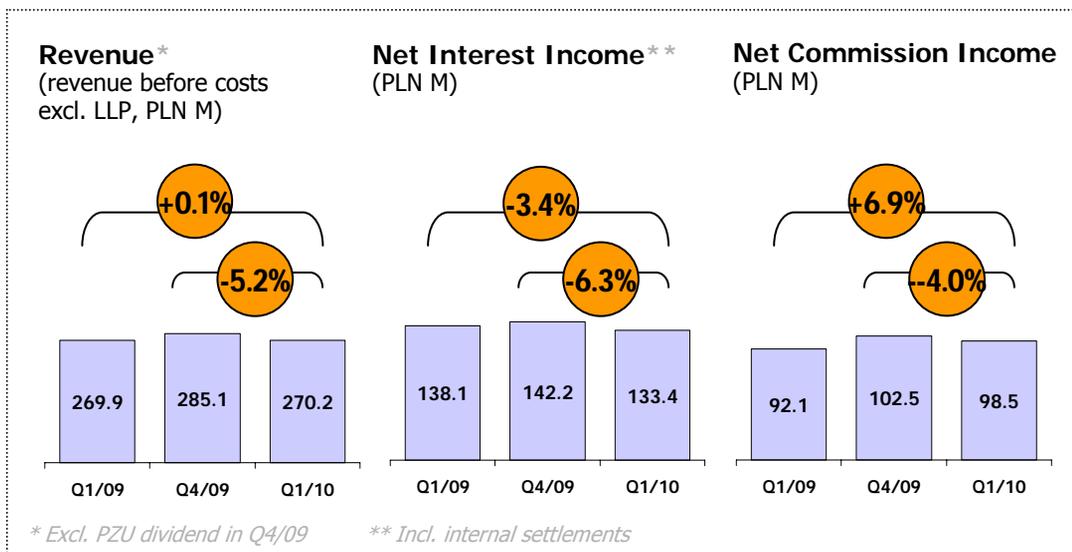
***New clients continue to grow  
our franchise and deposit volumes***

- *Deposit volumes increased mainly as a result of successful client acquisition*
- *Total deposits grew faster than the market both QoQ (+5.0% vs. 0.0%) and YoY (+27.3% vs. +9.7%)*
- *With new strategy deployment of liquidity into loans already visible in March 2010*

# Summary of Q1/2010 in BRE Bank Group



## Business Development: Corporates & Institutions



**Low activity of Corporate Clients on solvency products in Q1/10**

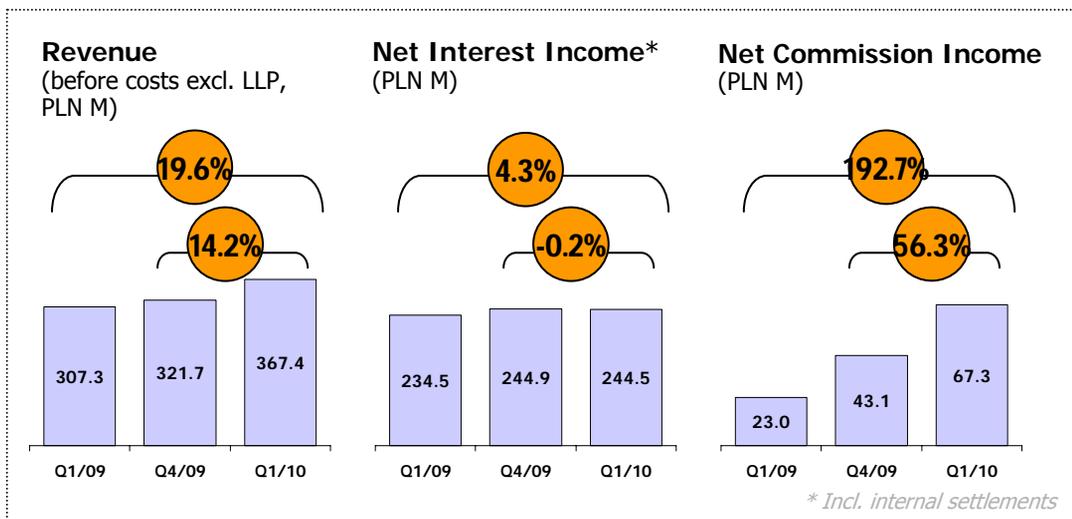
**Tangible positive cross-sell effects - cash management development**

- **Revenue declined by 5.2% QoQ mainly due to seasonal and temporary factors**
- **Net interest income impacted by i.a. lower market rates and shorter month (February)**
  - **Credit margin stable QoQ (up by over 40% YoY)**
- **Net commission income up 6.9% YoY mainly on Cash Management products (up by 9.7% YoY); QoQ 4.0% decrease due to lower contribution of subsidiaries**  
**In Bank only:**  
**net commission up by 8.1% QoQ and 11.5% YoY**
- **Growth of deposits market share YoY and QoQ**
- **Successful entering of Public Sector meeting return expectations**

# Summary of Q1/2010 in BRE Bank Group



## Business Development: Retail Banking



- **Revenue up by 14.2% QoQ**  
*mainly thanks to higher net commission income*
- **Net interest income stable QoQ**  
*negatively affected by appreciation of PLN*
- **56.3% QoQ increase of net fee & commission income**
  - *growth across major NCI sources: loans, investment funds, insurance products*
- **Growth in new sales of retail loans up by 13% QoQ**
  - *mainly non-mortgage loans (+30% QoQ; total new business volume in Poland of PLN 333 M)*
  - *sales of EUR mortgage loans accelerated in March 2010*
- **Continued growth in deposits**  
*(+6% QoQ or PLN 1.4 B)*

**+ 126 K new clients in Q1 2010**

**+ 13% increase in loan sales**

**+ 6% growth in retail deposits**



*Summary of Q1/10*



*Update on Rights Issue*

*Business Environment*

*Analysis of Q1/10 results*

*Beyond Q1/10*

*Appendix*

Detailed Results of Business Lines Q1/10

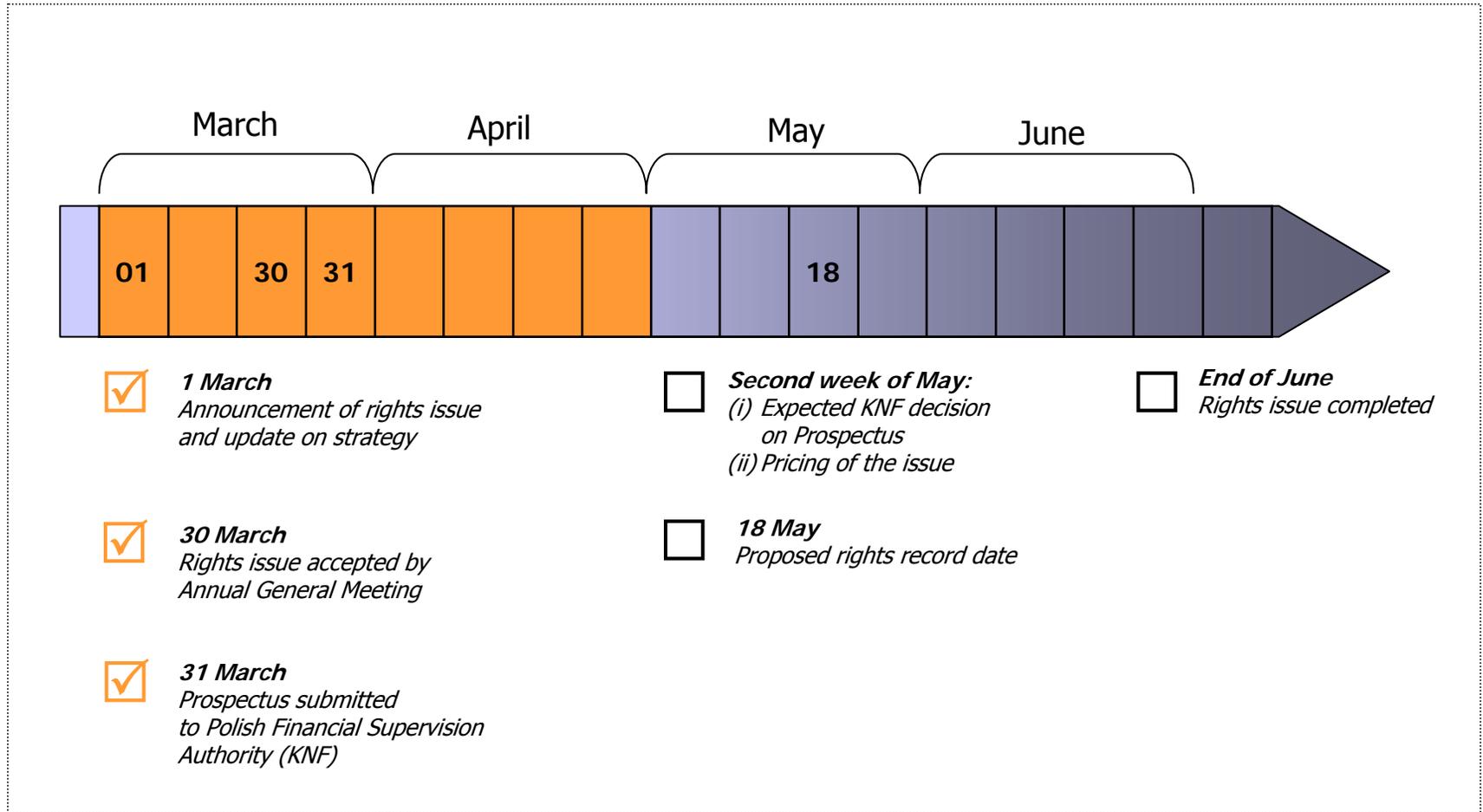
Additional Information: Selected Financial Data

# Update on Rights Issue

## Process Well on Track



Planned timetable of rights issue





*Summary of Q1/10*

*Update on Rights Issue*



***Business Environment***

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*Beyond Q1/10*

*Appendix*

Detailed Results of Business Lines Q1/10

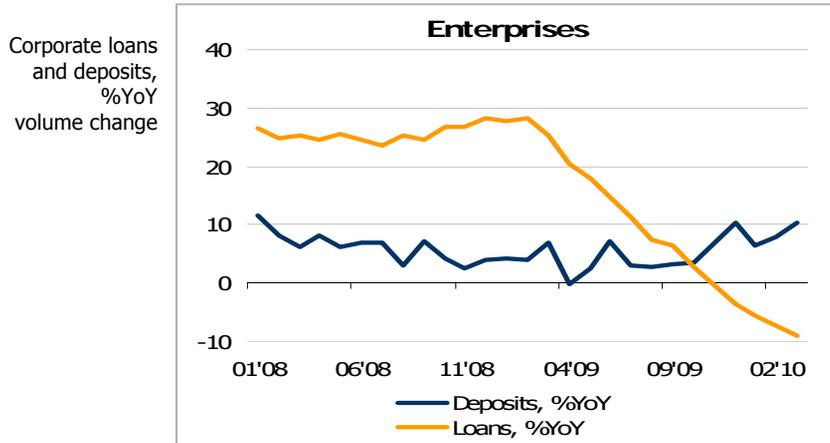
Additional Information: Selected Financial Data

# Q1/10: Business Environment

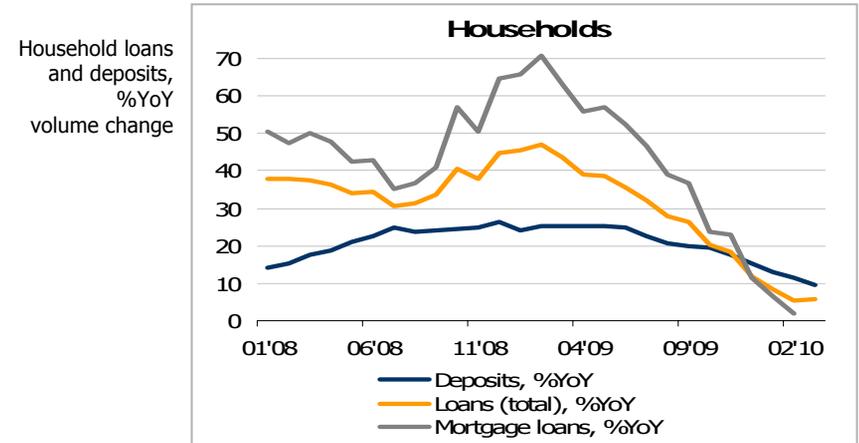
## Banking Sector Expected to Rebound in H2/10



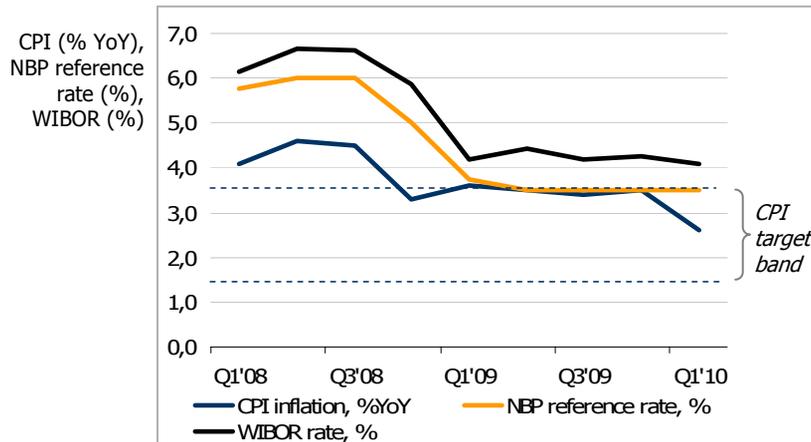
*Corporate loans' dynamics continues to fall, whereas corporate deposits stabilize*



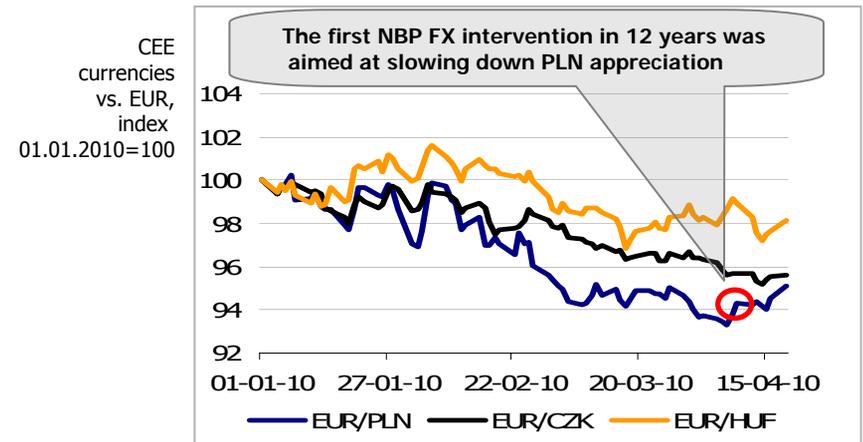
*Household loans' dynamics shows stabilization, household deposits growth rate is still in decreasing trend*



*Real interest rates rise along with falling inflation*



*PLN continues to appreciate*

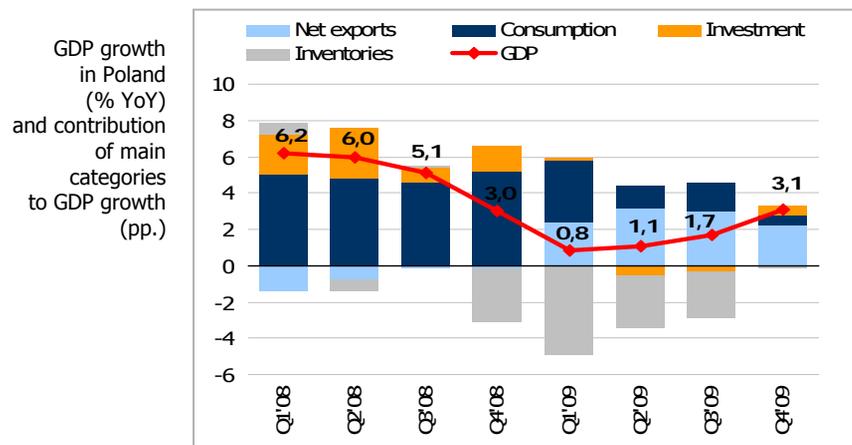


# Q1/10: Business Environment

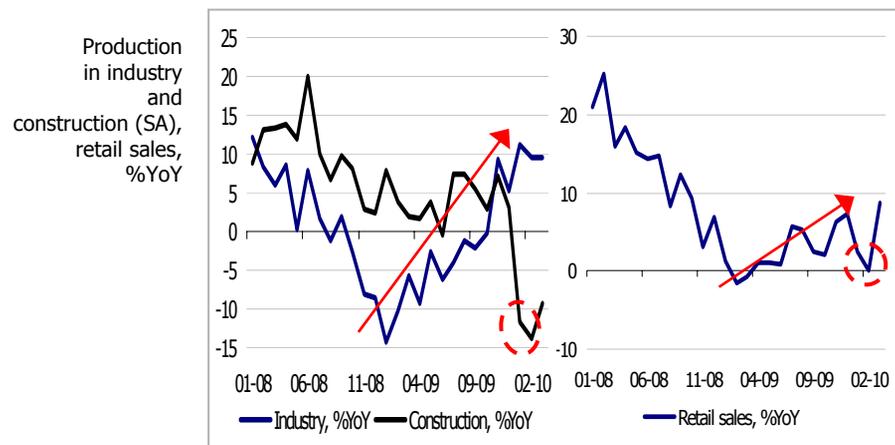
## Recovery Gradually Gains Momentum



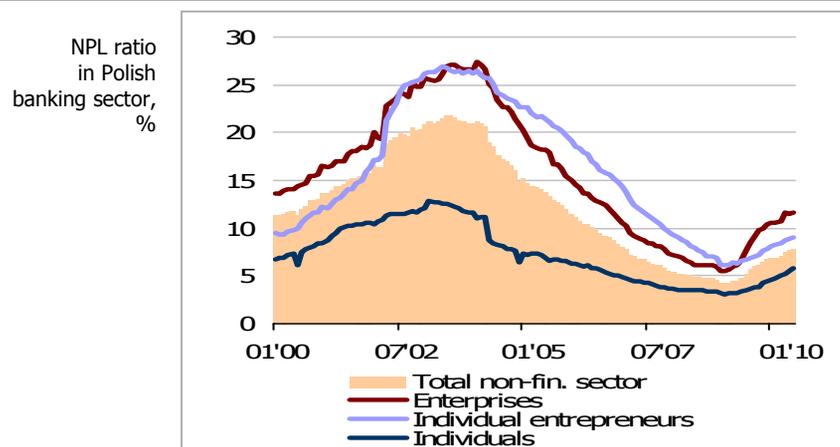
**GDP grew by 3.1% YoY in Q4/09**



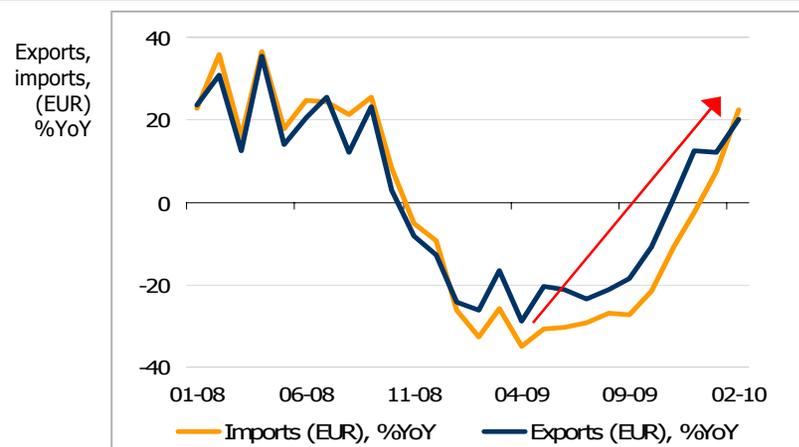
**Economic recovery continued, excluding one-off effects of harsh winter on construction and retail sales**



**NPL ratio still rises – lagging effect of economic slowdown**



**Q1/10 brought further rebound in exports**





*Summary of Q1/10*

*Update on Rights Issue*

*Business Environment*



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***Analysis of Q1/10 results***

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*Beyond Q1/10*

*Appendix*

Detailed Results of Business Lines Q1/10

Additional Information: Selected Financial Data

# Analysis of the Results, Q1/2010

## Key Financials

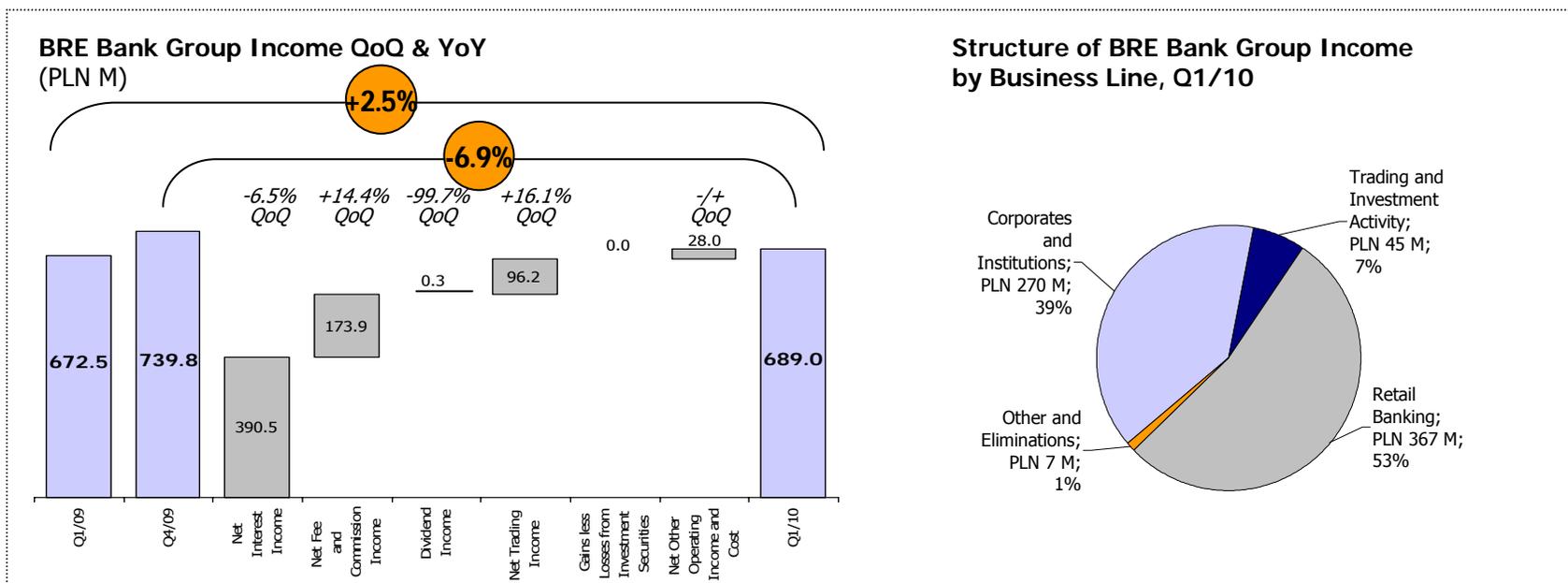


(PLN M)	Q1/2010	Q4/2009	Change QoQ	
Total income <sup>1/</sup>	689.0	739.8	-6.9%	↓
Total cost	(354.1)	(458.4)	-22.7%	↓
Operating profit <sup>2/</sup>	334.8	281.4	+19.0%	↑
Net provisions	(177.1)	(199.5)	-11.3%	↓
Profit before tax	157.8	81.9	+92.6%	↑
Net profit <sup>3/</sup>	115.4	40.8	+183.0%	↑
Total assets	84 751.4	81 023.9	+4.6%	↑
Equity	4 525.4	4 271.2	+6.0%	↑

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

# Analysis of the Results, Q1/2010

## Income of BRE Bank Group

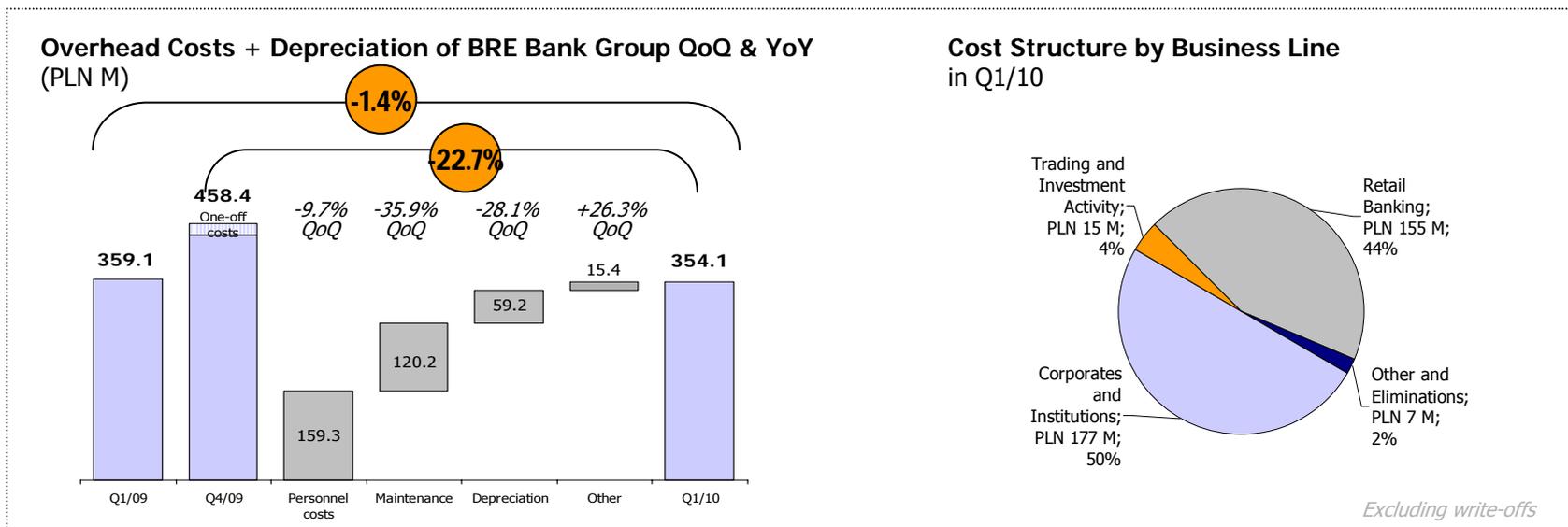


- **Income down 6.9% QoQ but up 1.3% QoQ adjusting for non-recurring effects in Q4/09 accumulating to PLN 59 M (PZU dividend, write-offs, provision for future liabilities)**
- **Net interest income down QoQ primarily due to lower market interest rates; NII to average RWA ratio at 2.9% in Q1/10**
- **Sound increase of net fee and commission income QoQ mainly thanks to high commission from insurance activity, investment funds sales as well as credit related fees (new sales of NML products)**
- **Growth of trading income QoQ due to higher FX result and income on interest rates instruments**
- **Positive recurring net other operating income and expenses (Q4 result impacted by one-off costs)**

**Recurrent income at high level**

# Analysis of the Results, Q1/2010

## Costs of BRE Bank Group



**C/I ratio decreased to 51.4%**

**Strict cost management: maintained**

- **Decrease of overhead costs and depreciation by 22.7% (-PLN 104.3 M) QoQ** as a result of strict cost management, no Q4 seasonal effects as well as absence of non-recurring costs (PLN 20 M in Q4/09)
- **Overhead costs down by PLN 81.2 M QoQ:**
  - Personnel costs down by 9.7% (-PLN 17.1 M)
  - Maintenance costs down by 36% (-PLN 67.2 M) due to lower marketing expenditures (by PLN 30 M) and other costs [advisory etc] (by PLN 14 M)
- **Reduced level of depreciation in Q1/10 (-PLN 23.1 M)** thanks to positive structural effects mainly related to Q4/09 extraordinary write-offs in IT (PLN 20 M)

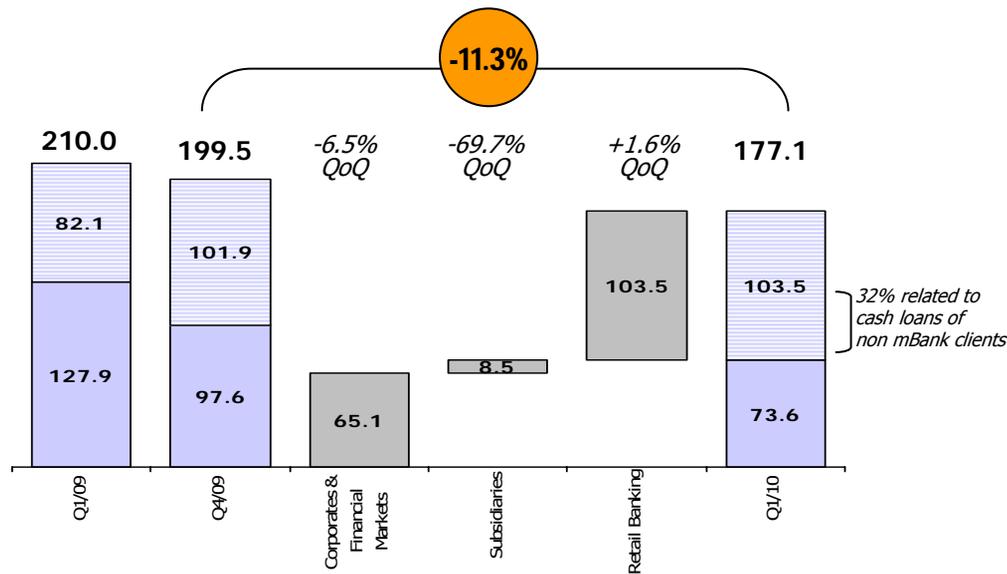
# Analysis of the Results, Q1/2010

## Structure of Loan Loss Provisions



### Continued decrease of LLP in Q1/2010

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



- *Level of LLP in Q1/10 influenced by:*
  - *Provisions on corporate portfolio significantly down due to adequate provisioning in previous quarters and in line with expectations*
  - *FX mortgage NPL ratio remained very low at 0.46%*
  - *Decreasing, but still high provisions for mBank cash loans to non-clients (PLN 33.5 M)*
- *Default ratio of BRE Bank's risk portfolio 4.8% as at 03/10 vs. 4.7% as at 12/09*
- *BRE Bank's NPL ratio (old NBP rules) at 6.3% in 03/10*
- *Further increase of provision coverage ratio from 57% in Q4/09 to 61% in Q1/10*

■ Corporates & Financial Markets   ■ Retail Banking

# Analysis of the Results, Q1/2010

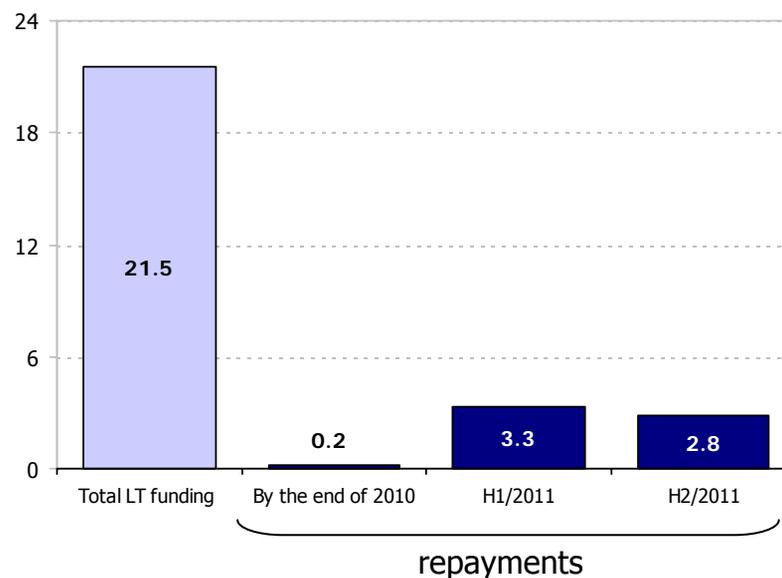
## Funding - Maturity of Long- and Midterm FX Loans



### *Further significant improvement of funding profile achieved*

- *Since 2010 mid-term loans in the amount of CHF 1.5 B primarily maturing in 2010 and 2011 were extended to longer tenors (from 3Y to 6-9Y)*
- *This results in significantly improved asset liability profile in foreign currencies*
- *Moreover in Q1/10 BRE was granted 3 additional new FX loans (including CHF 350 M for 8Y) of ca. PLN 1.55 B*
- *By the end of 2010 BRE Bank will need to refinance PLN 230 M or 0.9% of long- and mid-term loans drawn in the past to fund FX lending*

Maturity of Long- and Mid-term FX Loans by the end of 2011  
(PLN B, as at 19.04.2010)





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***Beyond Q1/10***

*Appendix*

Detailed Results of Business Lines Q1/10

Additional Information: Selected Financial Data



**1**

*Close rights issue in Q2/2010*

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**2**

*Focus on continuous implementation of new strategy*

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**3**

*Deploy attractive deposit base and leverage cross-sell*

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**4**

*Exploit further opportunities as credit demand revives*

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*Beyond Q1/10*



***Appendix***

Detailed Results of Business Lines Q1/10

Additional Information: Selected Financial Data



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## Detailed Results of the Business Lines Q1/10

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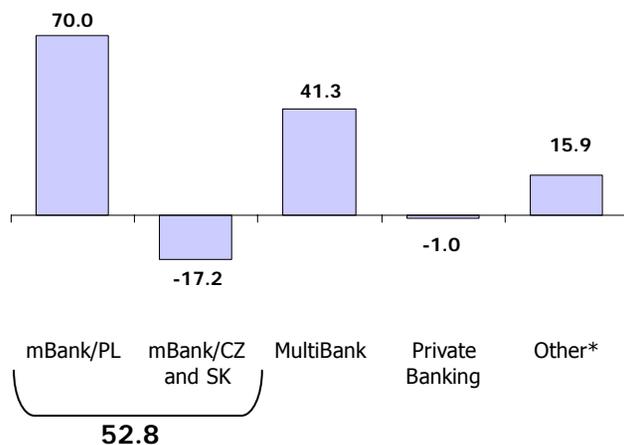
*Retail Banking*

# Appendix

## BRE Bank Retail Banking Summary of Q1/10: Financial Results



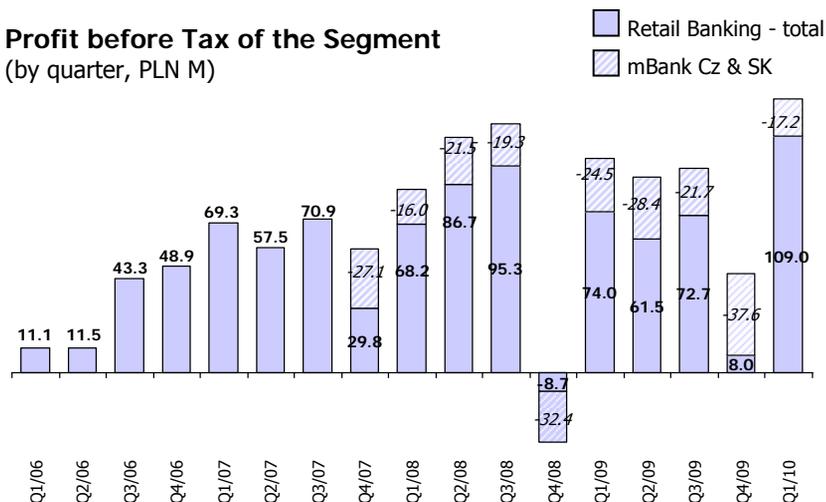
**Contributors to the Profit before Tax of Retail Banking in Q1/10**  
(PLN M)



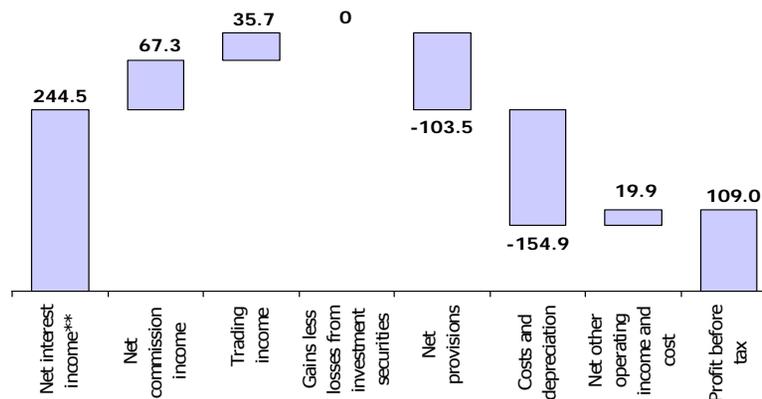
\* incl. BRE Ubezpieczenia, BRE Wealth Mgt., Aspiro and consolidation adjustments

\*\* incl. internal settlements

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



**Structure of the Profit before Tax of Retail Banking in Q1/10**  
(PLN M)

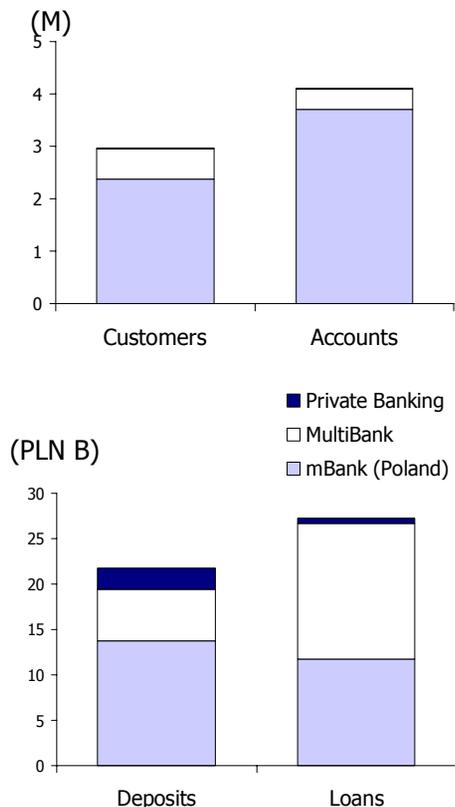


# Appendix

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



Data as at 31.03.2010



End of Q4/09

Change

End of Q1/10

2.9 M

clients

+3.4%

3.0 M

3.9 M

accounts

+5.1%

4.1 M

20.0 B

deposits (PLN)

+8.5%

21.7 B

27.4 B

loans (PLN)

-0.7%

27.2 B

21.4 B

thereof:  
mortgage (PLN)

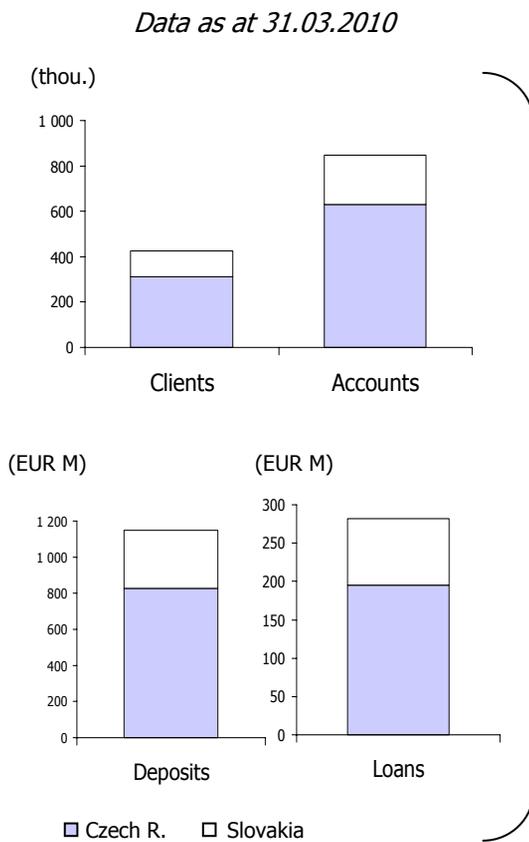
-1.4%

21.1 B

Above data are for mBank/PL, MultiBank and PB

# Appendix

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



	<i>End of Q4/09</i>	<i>Change</i>	<i>End of Q1/10</i>
<b>clients</b>	389.8 thou.	+8.8%	424.0 thou.
<b>accounts</b>	775.1 thou.	+9.2%	846.4 thou.
<b>deposits (EUR)</b>	1.14 B	+8.8%	1.15 B
<b>loans (EUR)</b>	258.8 M	+8.9%	281.8 M

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

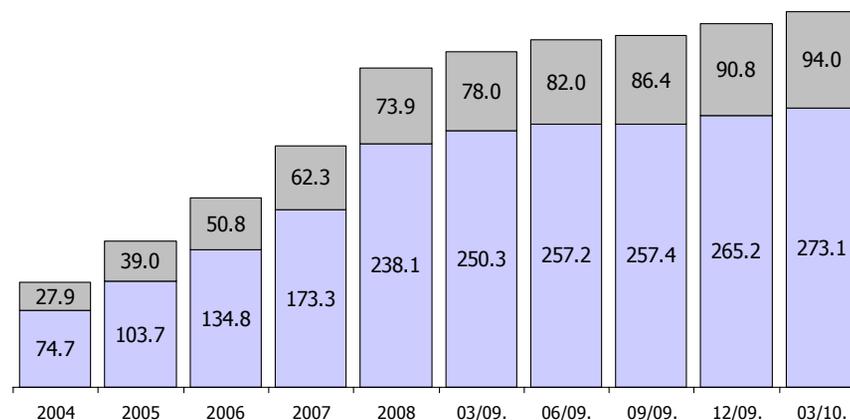
# Appendix

## BRE Bank Retail Banking Acquisition of Microenterprises\*



### *367 thousand microenterprises serviced by BRE Bank Retail Banking*

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



- *Number of serviced microenterprises up by 11.1 thousand in Q1/10*
- *PLN 2,672.5 M of loans granted to microenterprises at the end of 03/10*

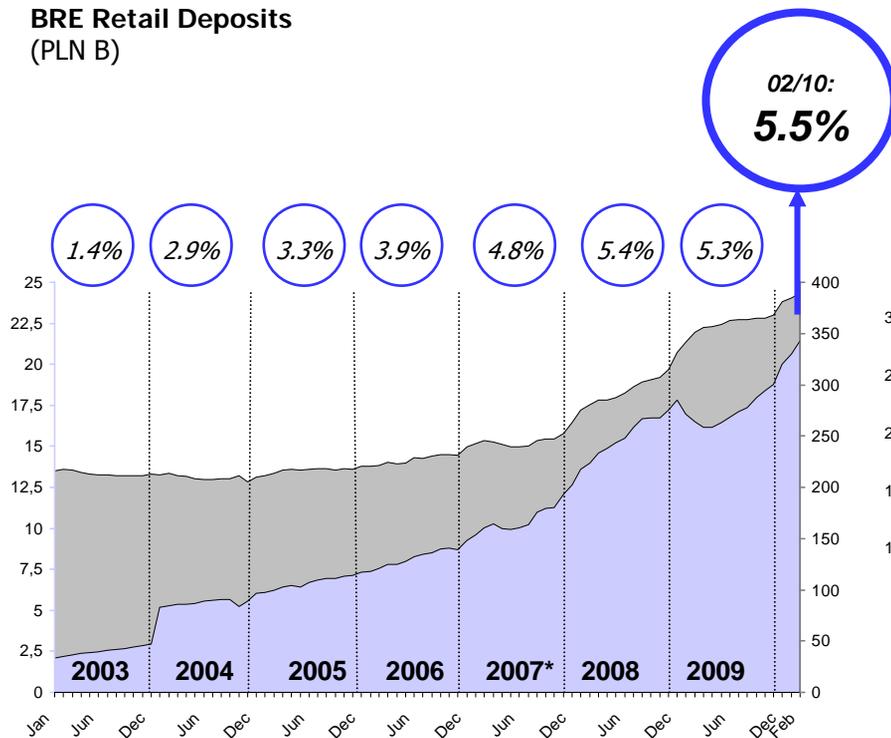
■ mBank ■ MultiBank

*\*Microenterprises imply self-employed individual customers*

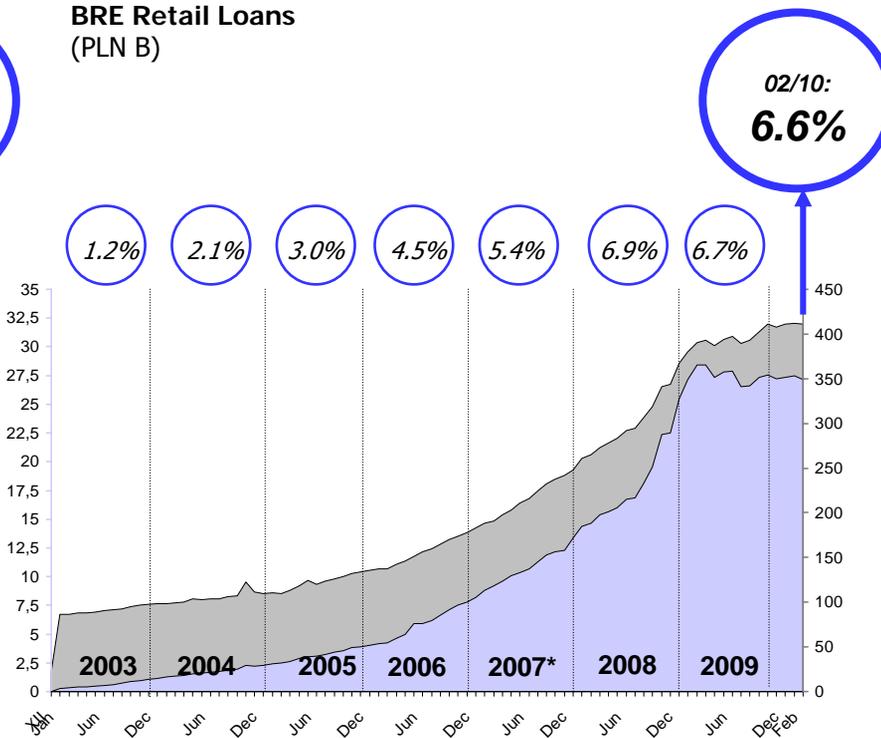
# Appendix

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

**BRE Retail Deposits**  
(PLN B)



**BRE Retail Loans**  
(PLN B)



BRE Bank (LHS)
  Market (RHS)
  Market share (as at the end of period)

\* since 12/07 BRE Bank's Retail incl. Private Banking deposits/loans

# Appendix

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



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

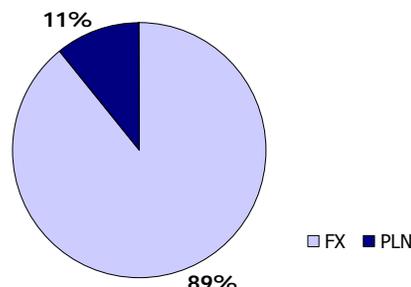
	<b>Total</b>	<b>PLN</b>	<b>FX</b>
<i>Balance-sheet value (PLN B)</i>	21.06	2.27	18.79
<i>Average maturity (years)</i>	23.00	20.01	23.44
<i>Average value per loan (PLN thou.)</i>	245.49	207.31	251.07
<i>Average LTV (%)</i>	79.16	54.79	81.60
<i>NPL (%)</i>	0.66	2.32	0.46

As at 31.03.2010

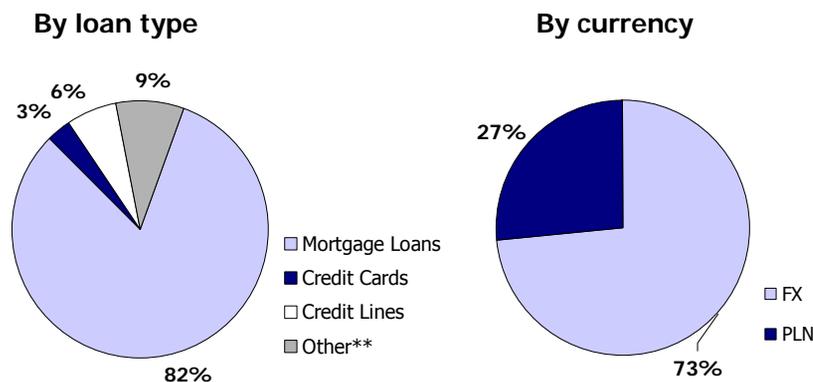
\* mBank-PL and MultiBank

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

### Currency Structure of the Retail Banking Mortgage Loans Portfolio (Household Loans) at 31.03.2010



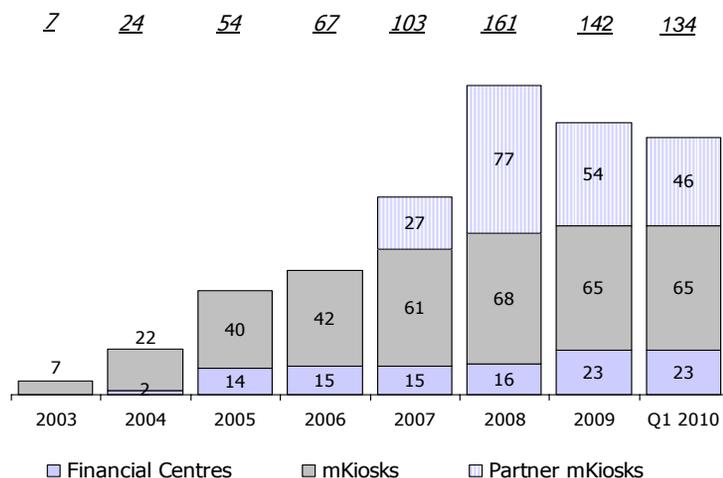
### Structure of the Retail Banking Loans Portfolio (Household Loans) at 31.03.2010



## BRE Bank Retail Banking Distribution Network

### Aspiro Distribution Network (in Poland)

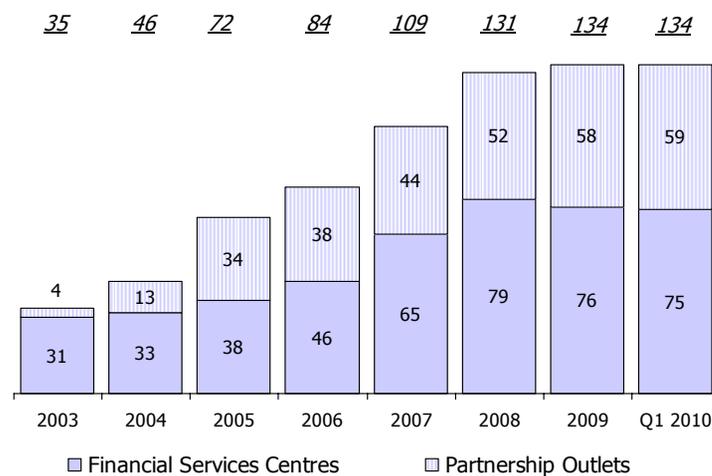
Total:



- *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 in its distribution network. Most of the products sold by Aspiro are sourced from BRE Bank*
- *Since July 2009, Aspiro operates a distribution network comprising 134 locations across Poland as well as 270 mobile agents (at 31 March 2010)*

### MultiBank Branches (in Poland)

Total:



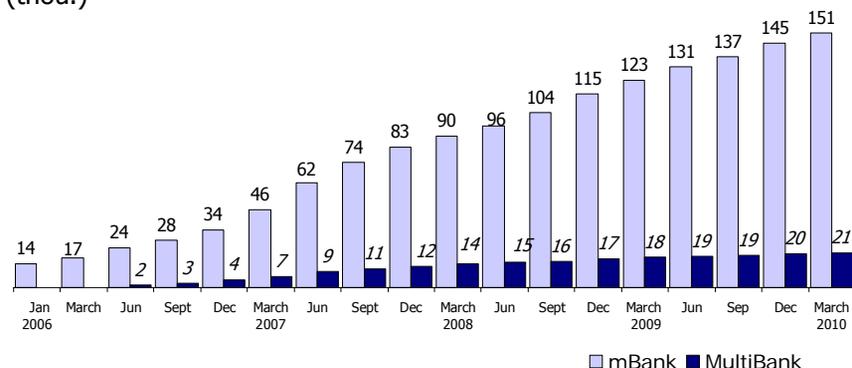
- *MultiBank had a network of 134 branches at the end of Q1/10*



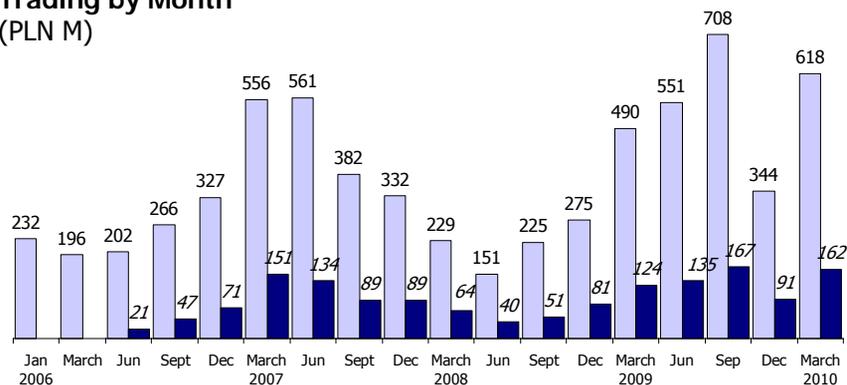
### *Dynamic growth of brokerage services for Retail Banking customers*

- *eMakler trading reached PLN 617.9 M and Brokerage Service trading PLN 161.8 M in March 2010*
- *The total number of investment accounts in mBank and MultiBank was 172 thousand at the end of Q1/10*
- *In Q1/10 mBank and MultiBank customers opened 6.6 thousand investment accounts*
- *Trading reached PLN 20.2 B in eMakler and PLN 4.7 B in Brokerage Service since launch of these services*

**Investment Accounts**  
(thou.)



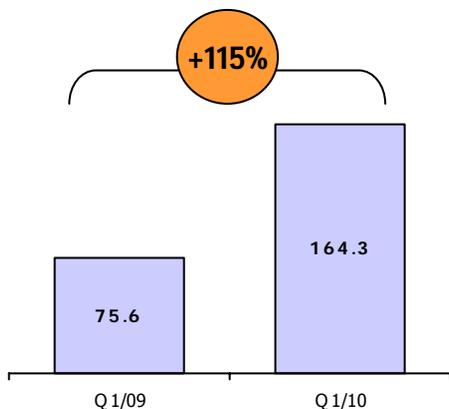
**eBroker and Brokerage Service Trading by Month**  
(PLN M)



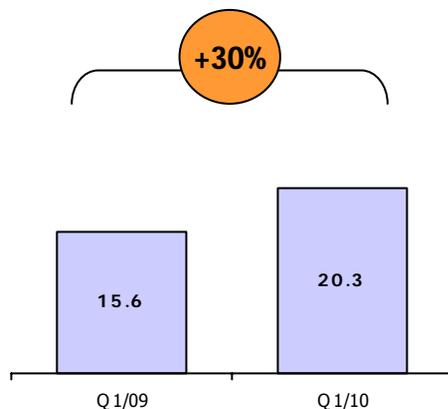
## BRE Ubezpieczenia (BRE Insurance)



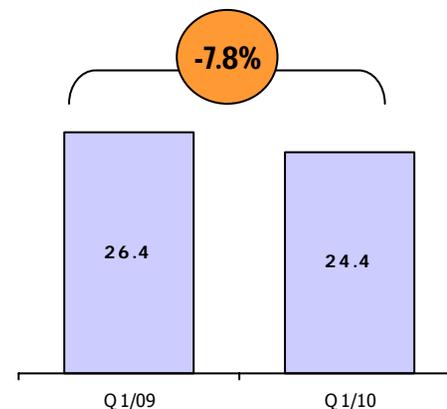
**Bancassurance Retail**  
Gross Written Premium (PLN M)



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



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



- PLN 10 M of profit before tax of BRE Ubezpieczenia in Q1/10 due to:

  - very good claim performance of bancassurance products
  - high revenues from investment products
- BRE Ubezpieczenia was the 5<sup>th</sup> largest direct car insurance company in Poland with 9% market share

**Sales structure**  
(PLN M)

	Q1/09	Q1/10	Change
<b>Bancassurance</b>			
Multibank+mBank	31.55	34.5	9%
Investment products	44.05	129.9	195%
<b>Direct Insurance (Internet platform)</b>			
MultiBank + mBank	20.3	15.6	30%

## BRE Bank Retail Banking Internet Platform – SUS and Insurance Centre



*'It's hard to top the Car Insurance Supermarket'  
Newsweek*

*'mBank's offer is the most attractive'  
Pentor Research International*

**58.4 thou.**  
**car insurance contracts**  
*(in Q1/10)*

**9.6 thou.**  
**travel insurance contracts**  
*(in Q1/10)*

**PLN 20.3 M**  
**of premiums written**  
*(total value of all insurances sold during quarter)*

- *The Car Insurance Supermarket (mBank) was launched on 13 February 2007 and the Insurance Centre (MultiBank) on 3 September 2007*
- *Comparison and choice of 7 offers of liability and accident insurance, each offer in 3 variants*
- *Purchase and service integrated with the eKONTO and MultiKonto account*
- *24/7 access to insurance policy information*
- *Electronic applications and policies – minimum paper*
- *Liability insurance policy available in 6 languages (Polish, English, German, French, Italian, Spanish)*
- *Low monthly payments charged by mBank and MultiBank*
- *Sale of car insurance by Call Center*

# Appendix

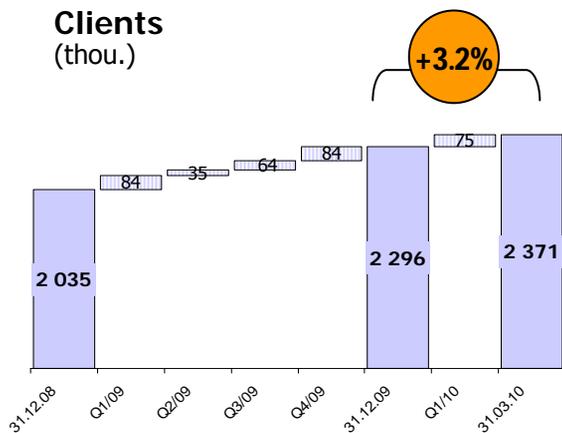
## BRE Bank Retail Banking (Poland) Net Sales by Quarters



### mBank/PL

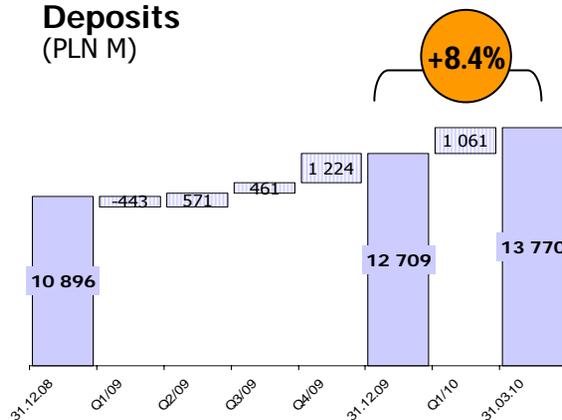
**Clients**  
(thou.)

+3.2%



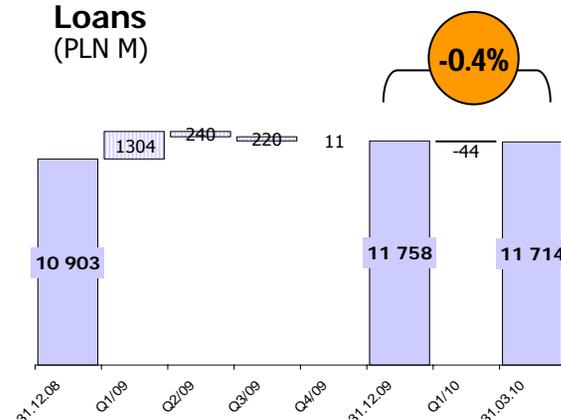
**Deposits**  
(PLN M)

+8.4%



**Loans**  
(PLN M)

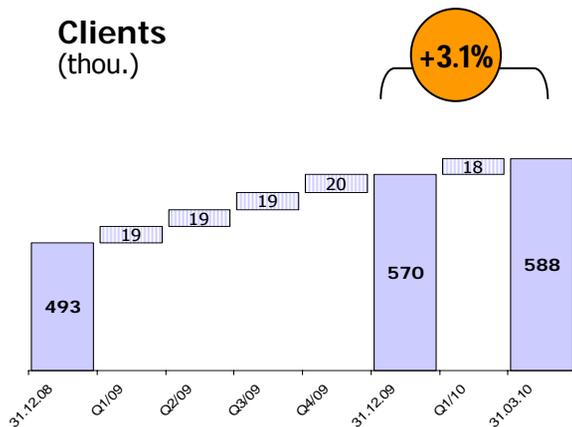
-0.4%



### MultiBank

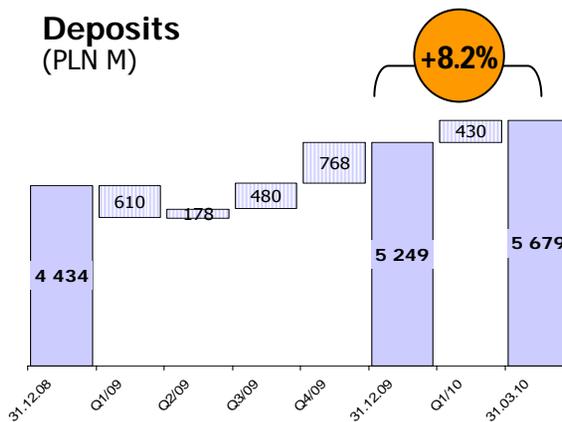
**Clients**  
(thou.)

+3.1%



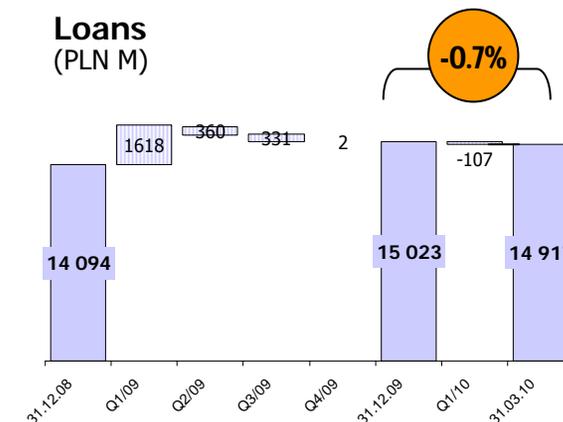
**Deposits**  
(PLN M)

+8.2%



**Loans**  
(PLN M)

-0.7%



Balance Change



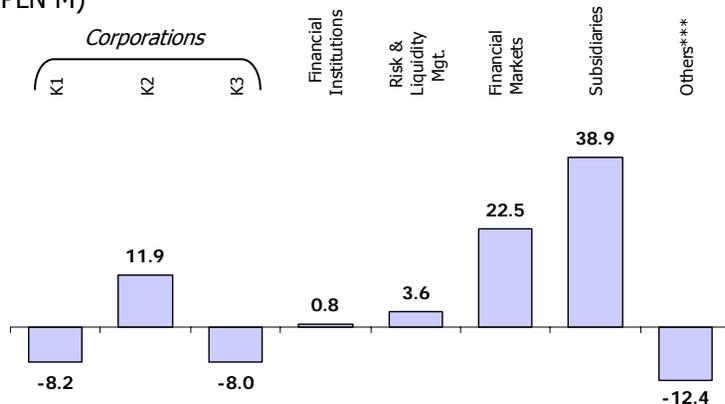
## **Detailed Results of the Business Lines Q1/10**

---

*Corporates & Financial Markets*

## Corporates and Financial Markets Summary of Q1/10: Financial Results

**Contributors to the Result before Tax of Corporates & Financial Markets in Q1/10 (PLN M)**

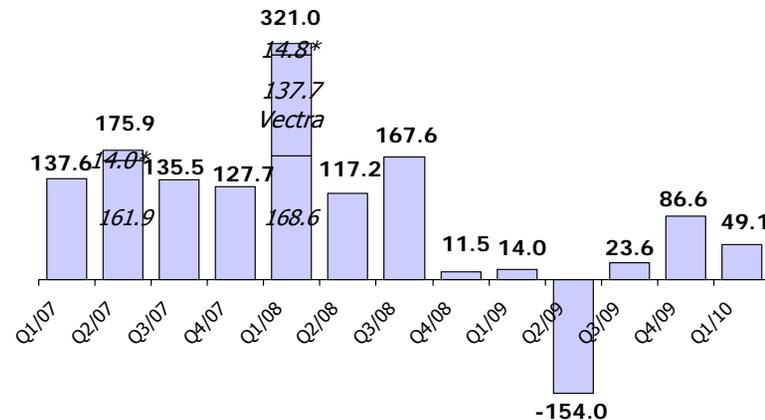


\* Q2/07: sale of shares of Mostostal Zabrze;  
Q1/08: Repayment of default loan

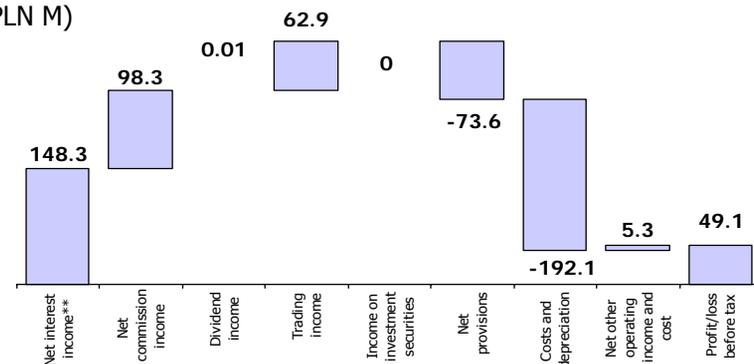
\*\* Incl. internal settlements

\*\*\* 'Others' include mainly consolidation adjustments

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



**Structure of the Result before Tax of Corporates & Financial Markets in Q1/10 (PLN M)**

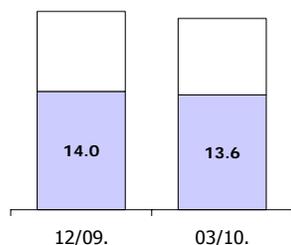


# Appendix

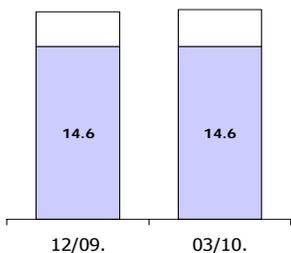
## Corporates and Institutions Customer Acquisition and Volume Trends



**Corporate Loans**  
(PLN B)



**Corporate Deposits**  
(PLN B)



□ Enterprises  
acc. to NBP definition

End of 12/09

Change

End of 03/10

12 836

corporate  
clients

-0.4%

12 783

23.4 B

corporate  
loans (PLN)

-3.7%

22.6 B

14.0 B

thereof loans for  
enterprises (PLN)

-3.4%

13.6 B

17.5 B

corporate  
deposits (PLN)

+1.5%

17.7 B

14.6 B

thereof deposits of  
enterprises (PLN)

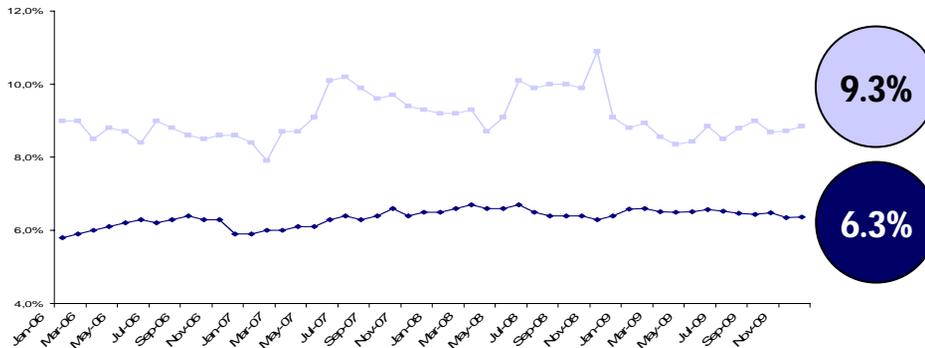
+0.1%

14.6 B

# Appendix

## Corporates and Institutions Loans and Deposits – Market Share

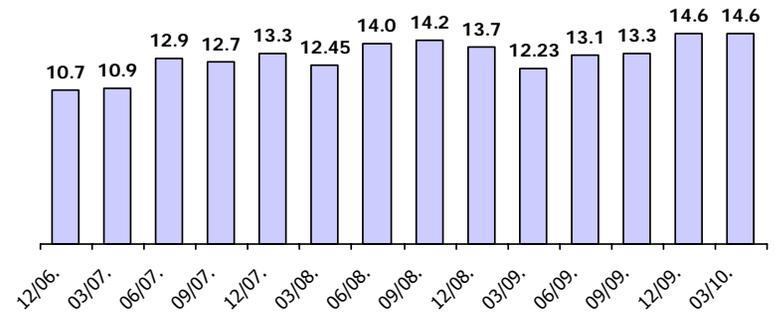
**BRE Bank's Market Share in Corporate\* Loans and Deposits**  
01/06 – 03/10



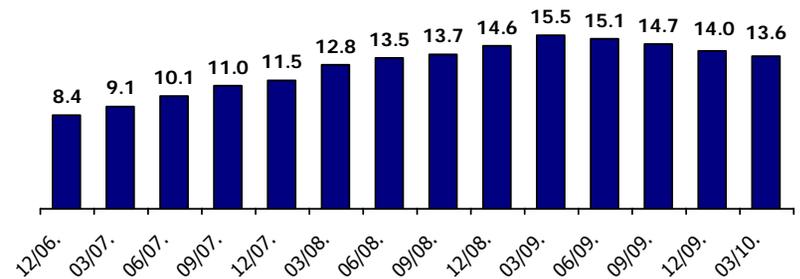
Source: NBP reports

■ Corporate deposits ■ Corporate loans

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



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



- **PLN 14.6 B of corporate deposits in BRE Bank at the end of Q1/10**
- **PLN 13.6 B of corporate loans in BRE Bank at the end of Q1/10 (down by 3.4% QoQ)**

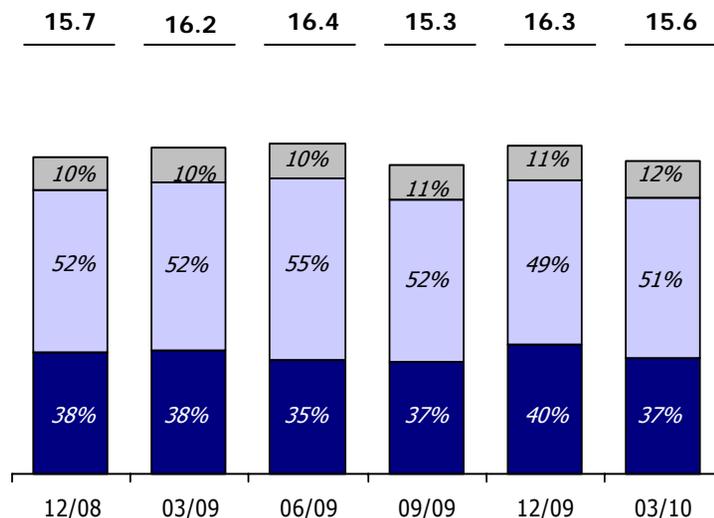
\* i.e. enterprises according to NBP (include only state, private and co-operative companies)

# Appendix

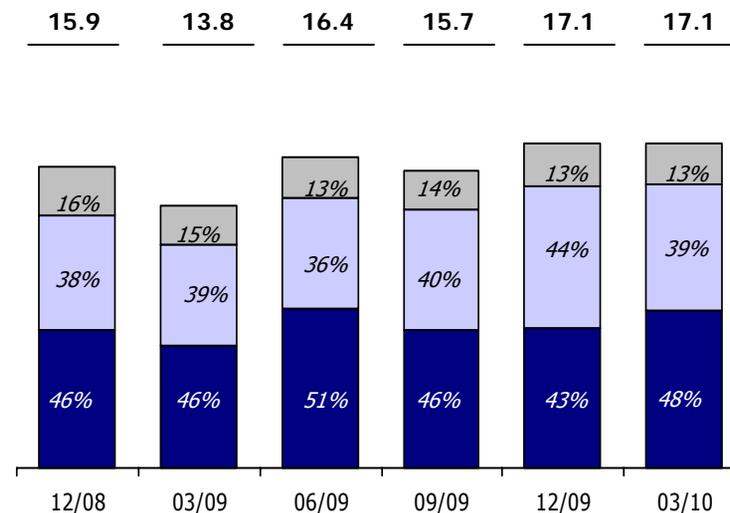
## Corporates and Institutions Development of Loans and Deposits



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



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



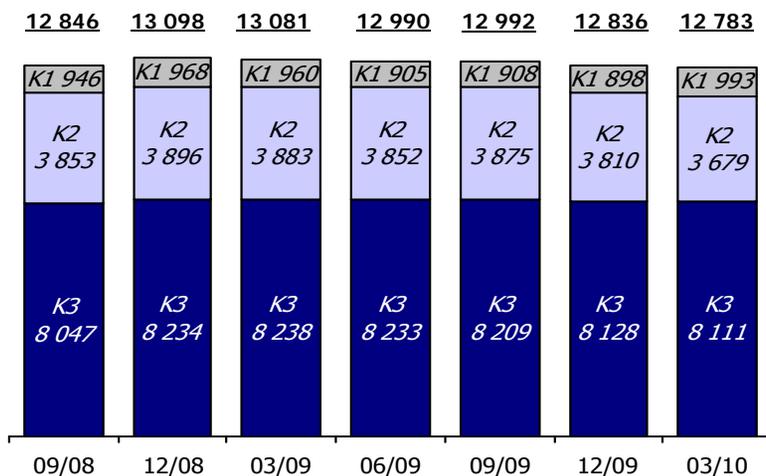
Segments of corporate clients:

- 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

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



### Corporate Clients: Number and Structure



- *The total number of corporate clients at the end of Q1/10 was 12 783 companies; of which 63.5% were K3 clients and 28.8% were K2 clients*
- *Decline is mainly due to focus on collaboration with customers, for which BRE Bank is an important business partner*

#### 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*

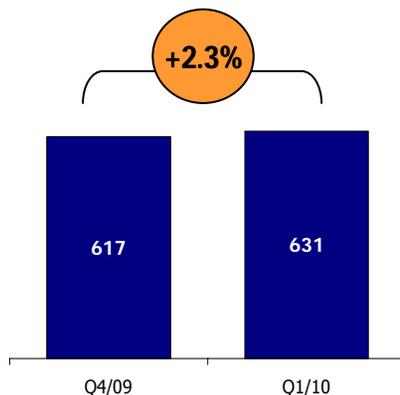
*K3 – is the segment of SMEs with annual sales between PLN 3 M and 30 M*

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

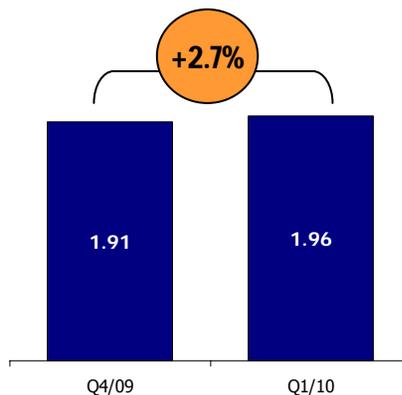


### *Cash Management – Strategic Product Line Supporting Long-term Customer Relations*

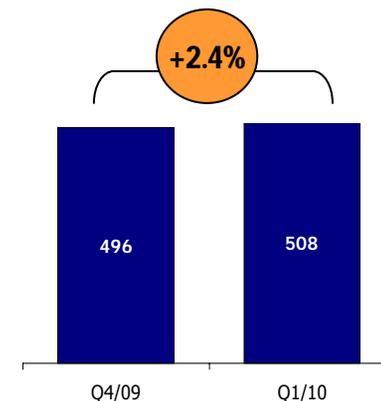
Direct Debit  
(thou. of transactions)



Identification of Trade Payments  
(M of transactions)



Number of Clients Using Cash  
Consolidation Services



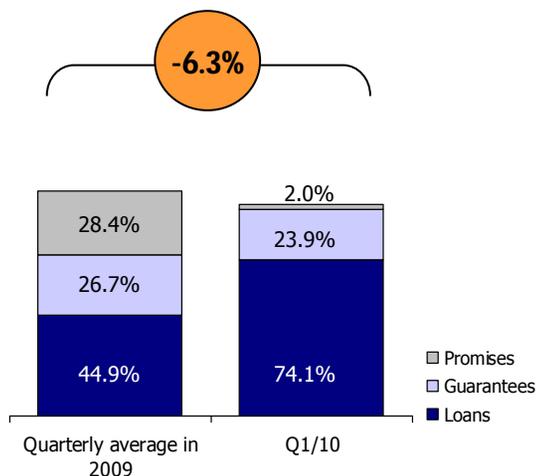
- *The number of direct debits processed in Q1/10 was nearly 631 thousand, up by 2.3% QoQ*
- *The number of identifications of trade payments in Q1/10 was nearly 2.0 M transactions, up by 2.7% QoQ*
- *The number of customers using bank account consolidation facilities grew QoQ by 2.4% in Q1/10; 508 customers were using Cash Pooling and Shared Balances services at the end of 03/10*



### Sales of Banking Products with EU Financing

- In Q1/10, the sales of products related with EU funds accounted for 23.4% of the 2009 figure
- In Q1/10 income on loans connected with using EU funds increased by 46.8% (comparing to Q4/09)

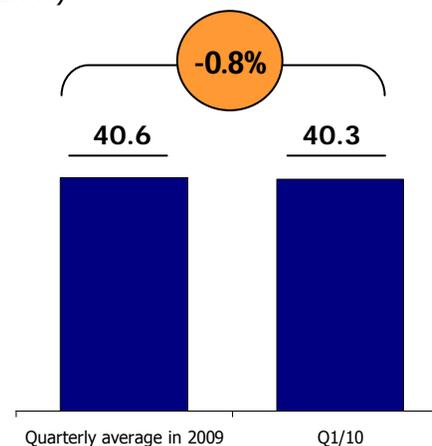
Sales of Banking Products with EU Financing



### Product Pillar of Financial Instruments\*

- The revenue on the Product Pillar of Financial Instruments to corporate customers reached PLN 40.3 M in Q1/10
- The revenue was down by 0.8% comparing to quarterly average in 2009 and down by 8.9% YoY

Revenue of Pillar of Financial Instruments (PLN M)



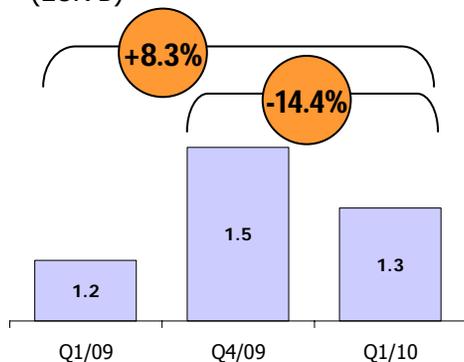
\* Comprises: FX Forward, FX Swap, derivatives, T-bills, T-bonds etc.



## Corporates and Institutions Leasing and Factoring

### Intermarket Group

Sales of Intermarket Group Companies  
(EUR B)



#### Intermarket Group companies\*

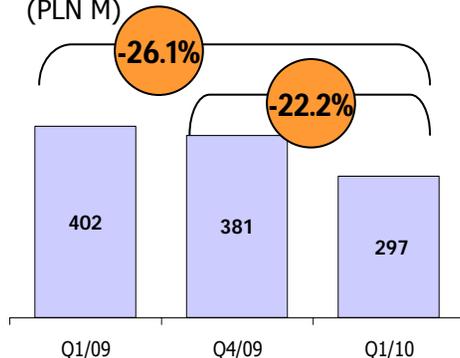
- **PLN 5.7 M of pre-tax profit in Q1/10 (- 6.5% QoQ);** significant improvement vs. Q1/09 when an extraordinary write-off (impairment in the former Romanian subsidiary sold in Q4/09) brought a loss of PLN 13.1 M
- **Sales at EUR 1.3 B in Q1/10, up by 8.3% YoY**
  - increase in Q1/10 recorded primarily on the markets which suffered less in the previous year's turmoil (i.e. Poland and Austria)
  - Czech and Hungarian markets show also signs of recovery (up by 3% and 9% YoY respectively)

#### Polfactor

- **Pre-tax profit of PLN 2.1 M in Q1/10 vs. loss of PLN 1.4 M in Q4/09** (impairment losses); - 17.0% YoY due to increase of refinancing cost
- **Sales at PLN 985 M in Q1/10 (+26%YoY);** growth trend from 2009 continues, in particular in recourse factoring

### BRE Leasing

Value of BRE Leasing Contracts  
(PLN M)



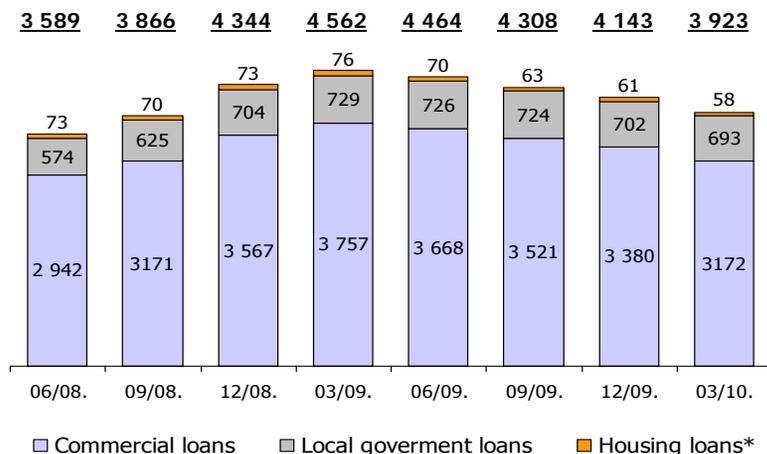
- **PLN 13.9 M of pre-tax profit in Q1/10 and PLN 5.3 M for full year 2009**
- Q1/10 increase of gross profit is a consequence of lower impairment provisions comparing to 2009
- **Concluded leasing contracts :**
  - total of PLN 297 M in Q1/10 (-22.2% QoQ)
  - 26.1% YoY decrease of sales results from lower demand for leasing services (total market\*\* decrease by 30% YoY)

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

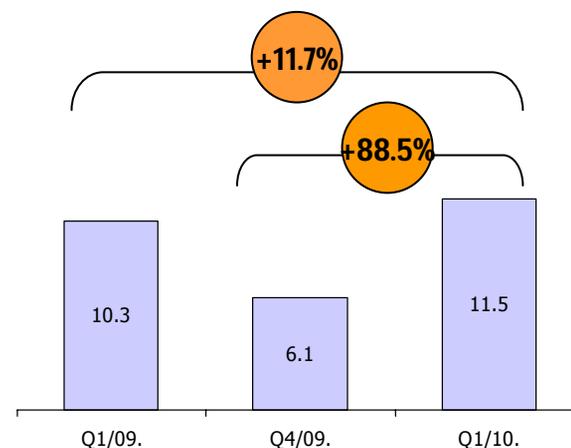
\*\* Based on Q4/09 market data of Polish Leasing Association

## Corporates and Institutions BRE Bank Hipoteczny (BBH)

**Loans Portfolio (PLN M)**  
Balance-sheet Exposure



**Profit before Tax (PLN M)**



- *BBH's total balance-sheet and off-balance-sheet loans portfolio at the end of Q1/10 stood at **PLN 4.3 B**, down by 17.6% YoY*
- *Housing developers loans portfolio in Q1/10 at **PLN 659.5 M** (total balance-sheet)*

- ***PLN 11.5 M profit before tax** at the end of Q1/10 (PLN 10.3 M in Q1/09)*
- ***C/I ratio** decreased from 44.1% in Q1/09 to **41.7% in Q1/10***

\* 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)



- **Profit before tax at PLN 8.993 M at the end of Q1/10 compared to PLN 5.145 M at the end of Q1/09**
- **Sustained strong market position in main segments of capital market**
- **Continuous growth of the number of clients:**  
201.6 thou. accounts at the end of Q1/10 compared to 194.2 thou. at the end of 2009
- **Significant secondary market transactions executed in Q1/10:**  
  - Lotos S.A. Transaction type: accelerated book-building  
DI BRE role: joint bookrunner  
Transaction value: PLN 406 000 000
  - Bogdanka S.A. Transaction type: accelerated book-building  
DI BRE role: joint bookrunner  
Transaction value: PLN 1 119 681 000

### Number of Accounts with DI BRE End of 03/10 (thousand)

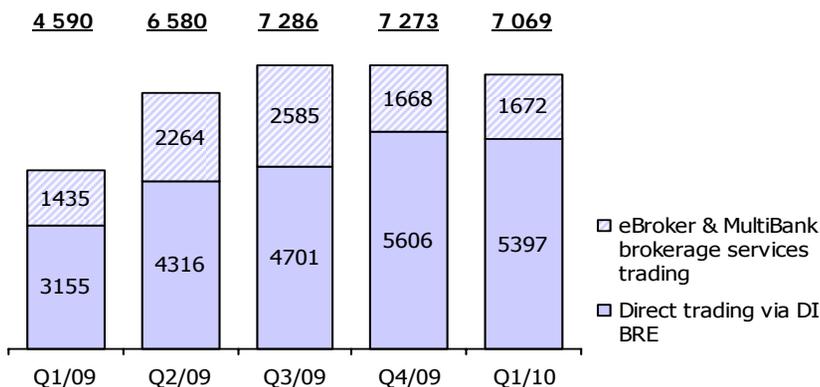
DI BRE accounts	25.1
eBroker* (mBank)	154.5
Brokerage Service* (MultiBank)	22.0
<b>TOTAL</b>	<b>201.6</b>

### DI BRE Market Share in Q1/10, by volume\*\*

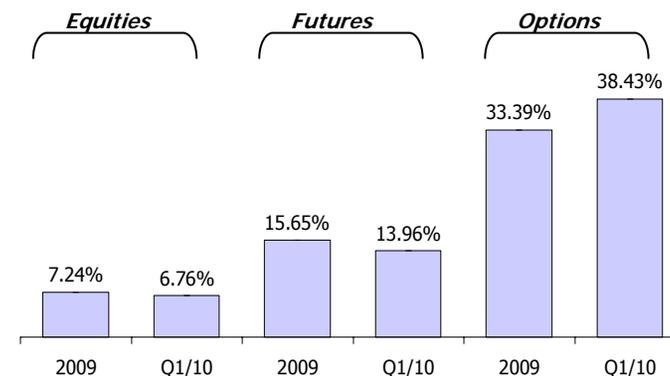
Equities	6.76 %	#4
Bonds	5.88 %	#3
Futures	13.96 %	#2
Options	38.43 %	#1

\*\*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

## Corporates and Institutions Proprietary Investments Portfolio



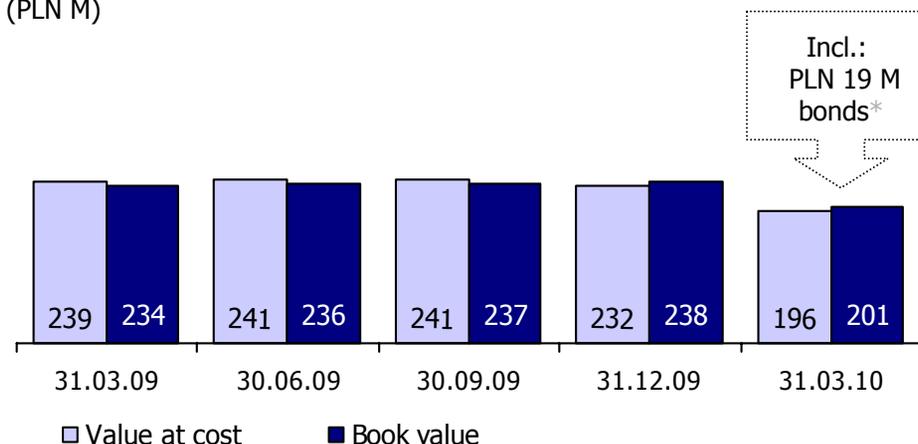
- At the end of Q1/2010, value at cost of proprietary investments and mezzanine portfolio reached **PLN 195.9 M**
- Compared to year-end 2009 the portfolio value decreased by **PLN 36.2 M**. The change is connected with the redemption of bond certificate by one of the clients

### Major Equity Investments at 31.12.2009

### Equity Stake

<i>BRE Gold FIZAN</i>	100.00%
<i>Garbary Sp. z o.o.</i>	100.00%

### Portfolio Value (PLN M)



\* Bonds issued due to mezzanine finance transactions

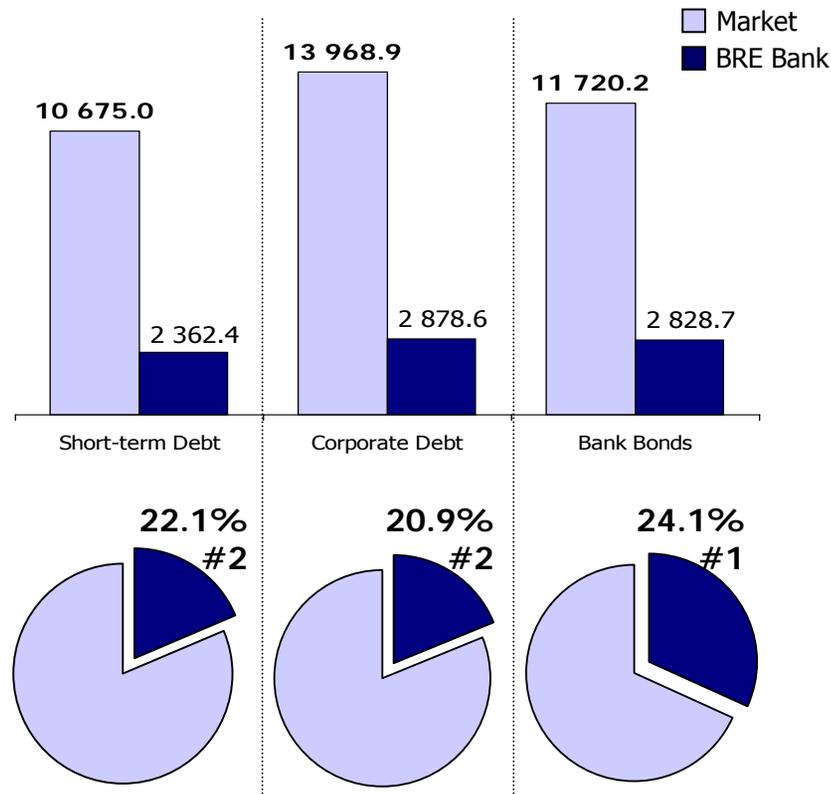
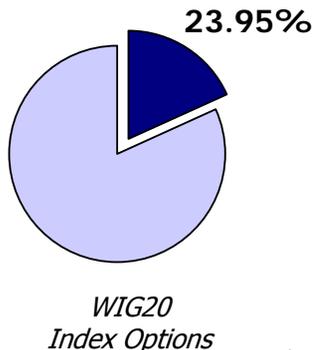
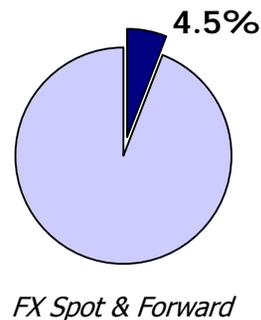
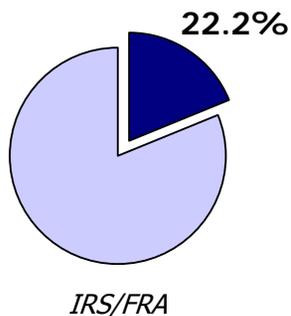
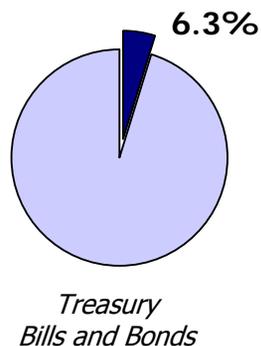
# Appendix

## 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 31.03.2010 (PLN M)**

Market  
BRE Bank



\* As at 28.02.2010; except WIG20 - as at 31.03.2010, own calculations based on NBP and WSE figures

\*\* After Fitch Polska S.A., Rating & Rynek, 31.03.2010 and own calculations (without BGK road bonds)



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

---

# Appendix

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



<i>PLN thou. By quarter</i>	<i>Q1/09</i>	<i>Q2/09</i>	<i>Q3/09</i>	<i>Q4/09</i>	<i>Q1/10</i>
<i>Net interest income</i>	397 103	431 487	412 052	417 535	390 537
<i>Net commission income</i>	121 842	158 122	162 758	152 001	173 893
<i>Dividend income</i>	-	2 822	18	96 227	330
<i>Net trading income</i>	122 991	100 971	99 551	82 861	96 171
<i>Gains less losses from investment securities</i>	(16 606)	(544)	20 346	(3 968)	-
<i>Other operating income</i>	90 158	66 575	47 138	59 651	52 131
<i>Net credit and loans impairment provisions</i>	(210 028)	(438 824)	(248 770)	(190 378)	(177 061)
<i>Overhead costs</i>	(300 610)	(303 890)	(304 820)	(376 105)	(294 937)
<i>Depreciation/Amortisation</i>	(58 526)	(59 264)	(59 248)	(82 324)	(59 201)
<i>Other operating cost</i>	(43 003)	(44 588)	(17 727)	(73 597)	(24 089)
<i>Operating profit</i>	103 321	(87 133)	111 298	81 903	157 774
<i>Share in profits (losses) of associated companies</i>	-	-	-	-	-
<i>Profit before tax</i>	103 321	(87 133)	111 298	81 903	157 774
<b><i>Net profit attributable to owners of BRE Bank</i></b>	<b>77 221</b>	<b>(61 557)</b>	<b>72 486</b>	<b>40 778</b>	<b>115 416</b>

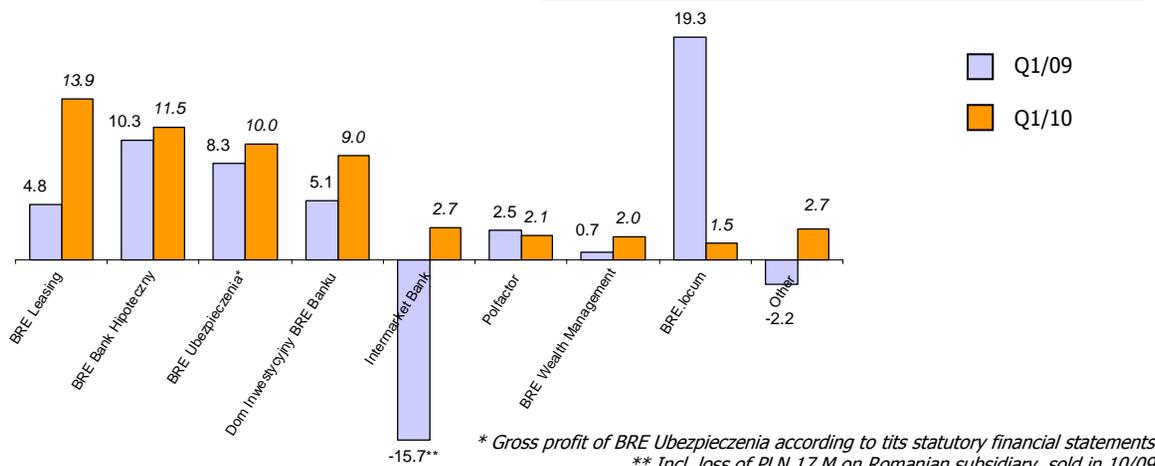
# Appendix

## Additional Information: Selected Financial Data Results of Subsidiaries

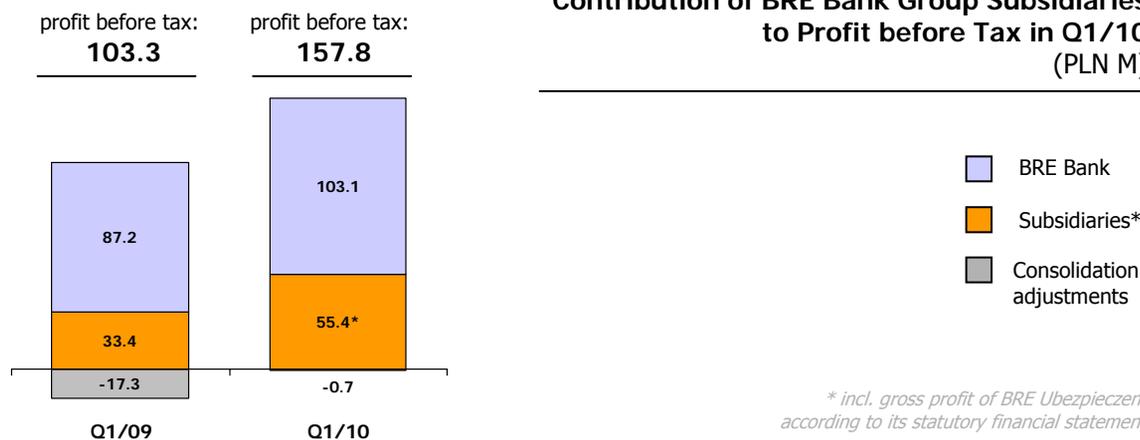
**Q1/10 profit  
before tax  
of consolidated  
subsidiaries  
at PLN 55.4 M**

v. PLN 33.3 M in Q1/09  
(+66.4% QoQ)  
and  
v. PLN 29.2 M in Q4/09  
(+89.7% QoQ)

**Profit before Tax of Consolidated Subsidiaries  
(PLN M)**



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

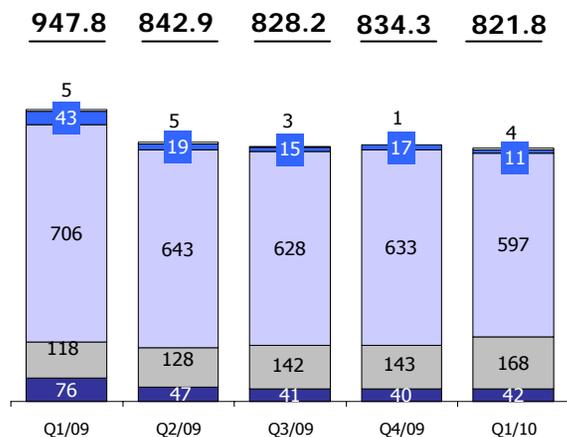


# Appendix

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



**Interest Income Structure**  
(PLN M)

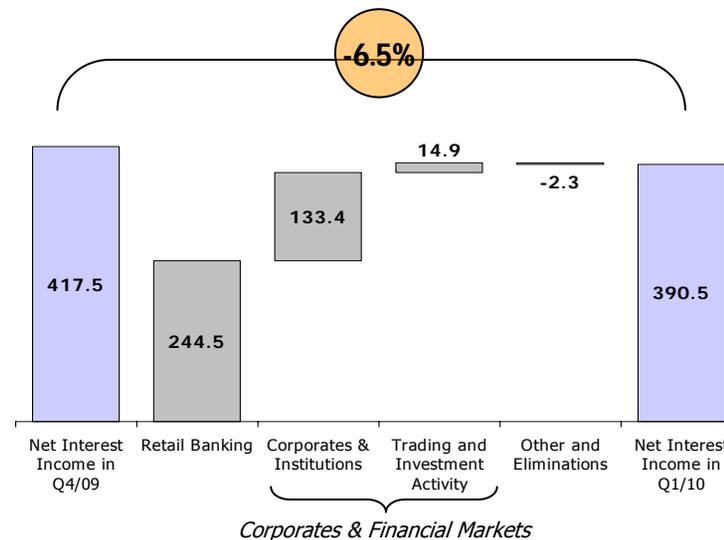


**Interest Income Structure**  
(%)

	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10
■ Cash and short-term deposits	8%	6%	5%	5%	5%
■ Investment securities	12%	15%	17%	17%	21%
■ Loans and advances	75%	76%	76%	76%	73%
■ Debt securities held for trading	4%	2%	2%	2%	1%
□ Other	1%	1%	0%	0%	0%

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

**Net Interest Income, Q1/10 by Business Line**  
(PLN M)



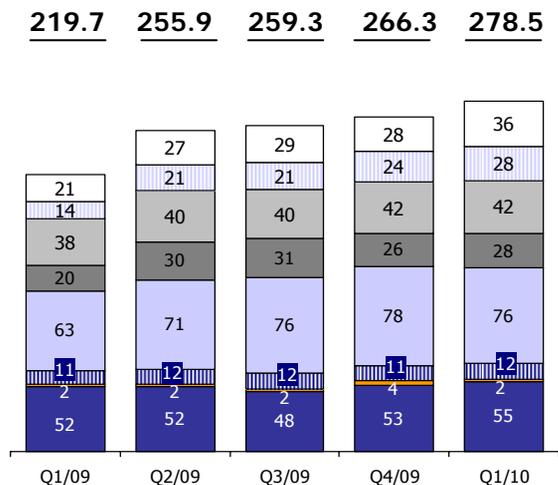
**Net Interest Margin (NIM at the end of period, %)\***

3 m	6 m	9 m	12 m	3 m	6 m	9 m	12 m	3 m
<b>2008</b>				<b>2009</b>				<b>2010</b>
2.4	2.3	2.4	2.3	2.2	2.3	2.3	2.3	<b>2.0</b>



## Additional Information: Selected Financial Data Commission Income

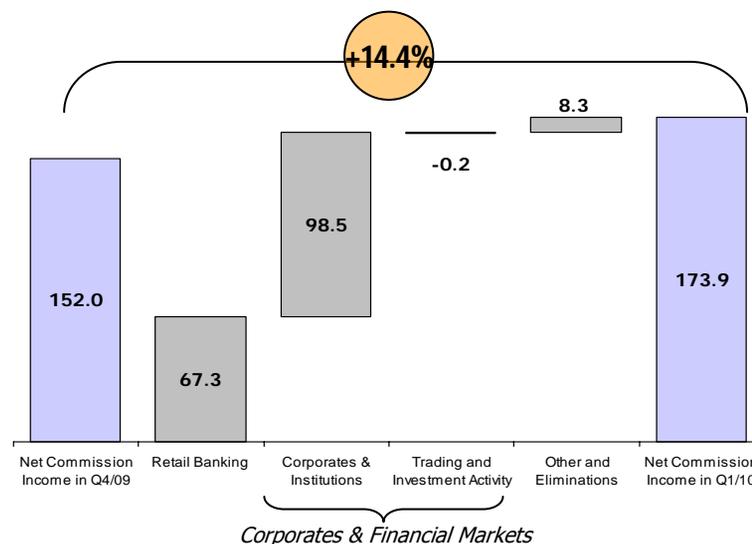
**Commission Income Structure**  
(PLN M)



**Commission Income Structure**  
(%)

	Q1/09	Q2/09	Q3/09	Q4/09	Q1/10
Credit related	24%	20%	18%	20%	20%
Portfolio management	1%	1%	1%	2%	1%
Guarantees and documentary transactions	5%	5%	5%	4%	4%
Payment cards	29%	28%	30%	29%	27%
Brokerage fees	9%	12%	12%	10%	10%
Accounts & money transfers	17%	16%	15%	16%	15%
Insurance activity	6%	8%	8%	9%	10%
Other (incl. custody)	9%	10%	11%	10%	13%

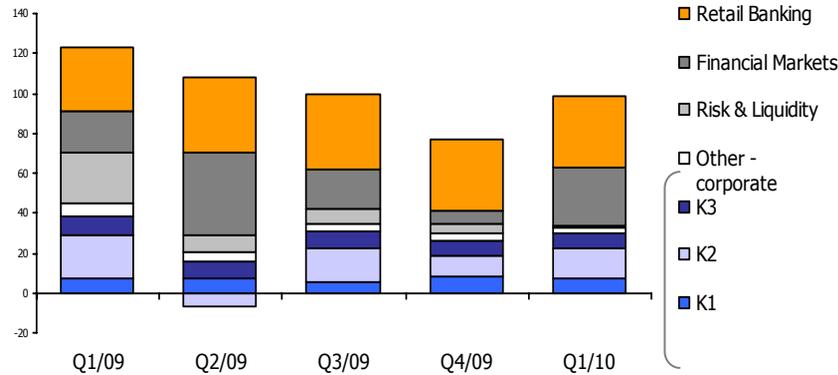
**Net Commission Income, Q1/10 by Business Line**  
(PLN M)



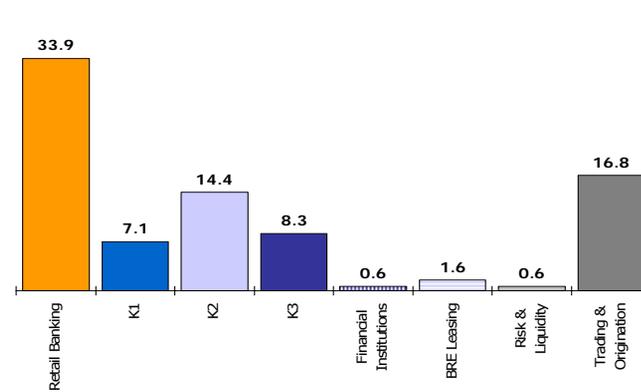
## Additional Information: Selected Financial Data Trading Income



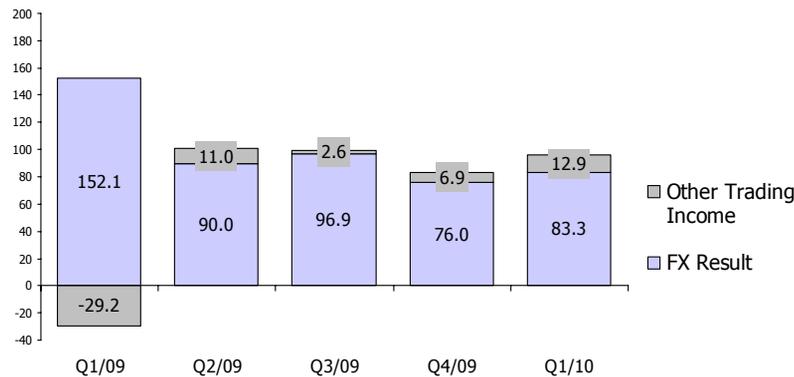
**Contributors of Net Trading Income (PLN M)**



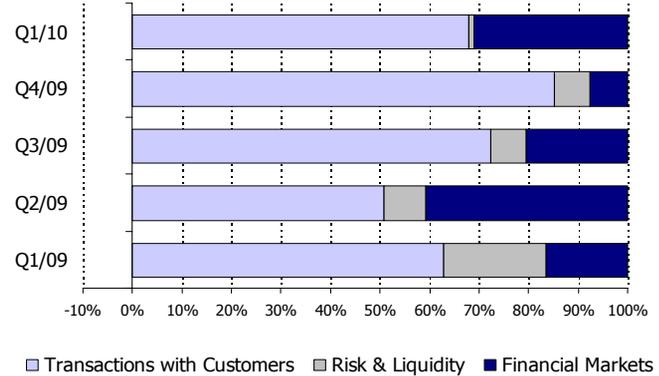
**FX Result Contributors in Q1/10 (PLN M)**



**Net Trading Income Structure (PLN M)**



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

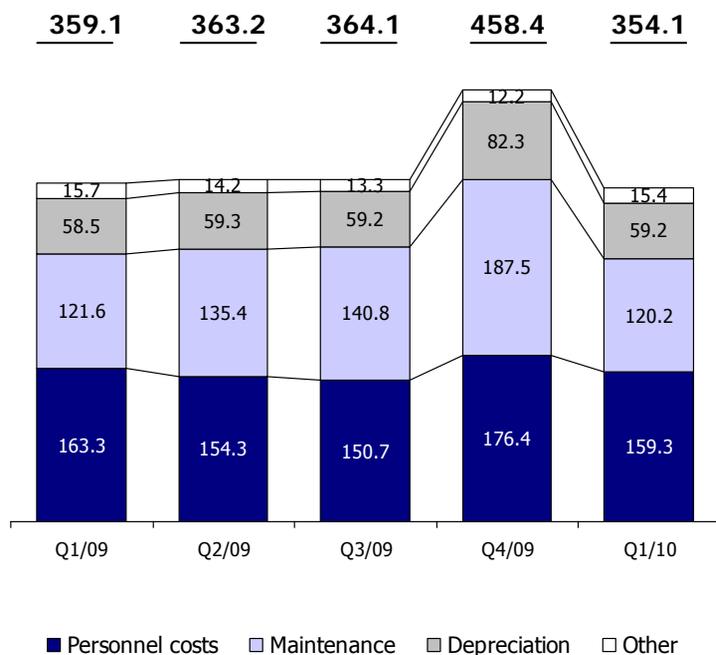


# Appendix

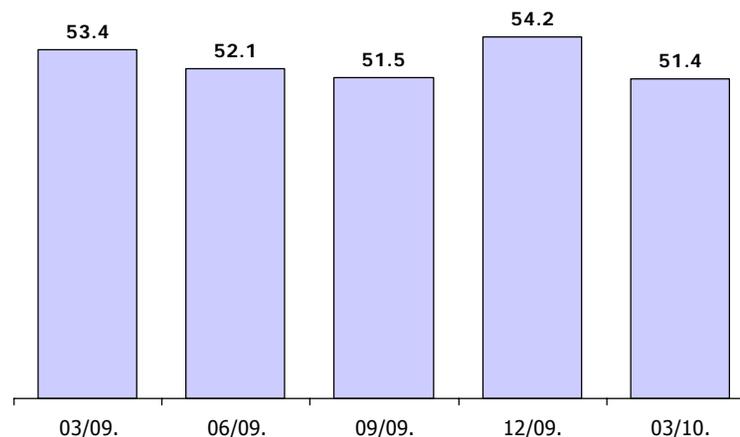
## Additional Information: Selected Financial Data Administrative Expenses Structure



**Structure of Administrative Expenses incl. Depreciation**  
(PLN M)

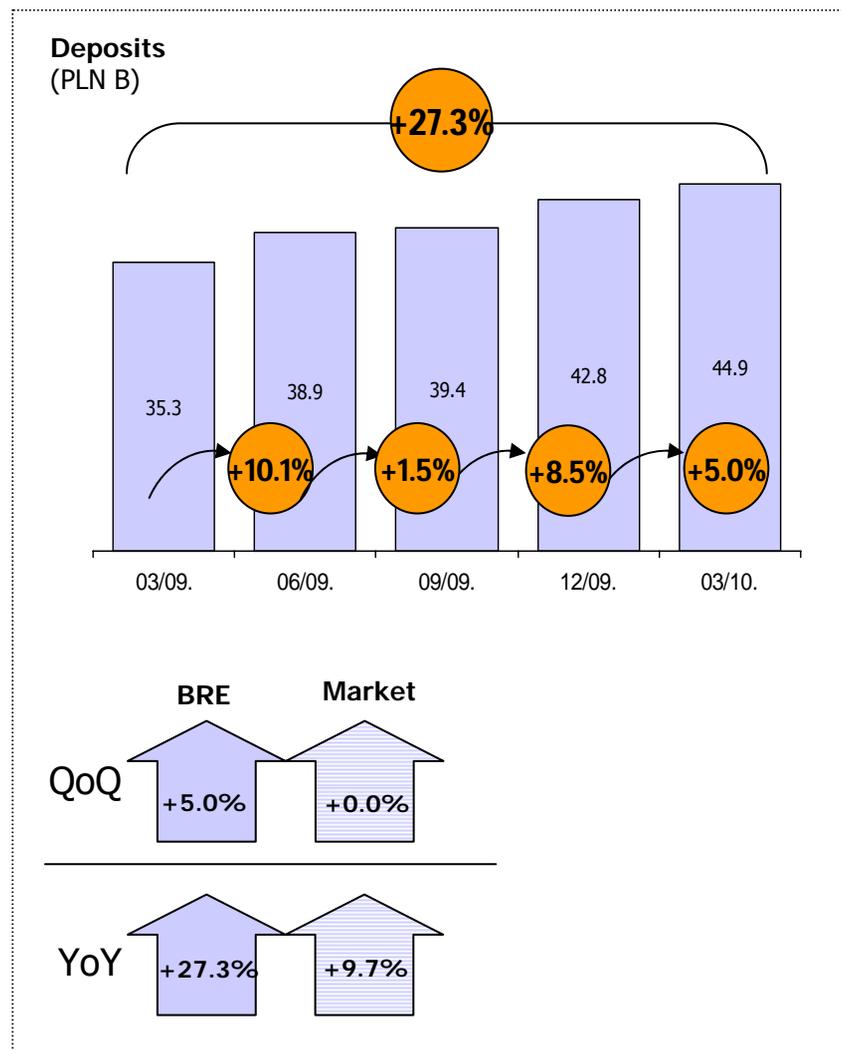
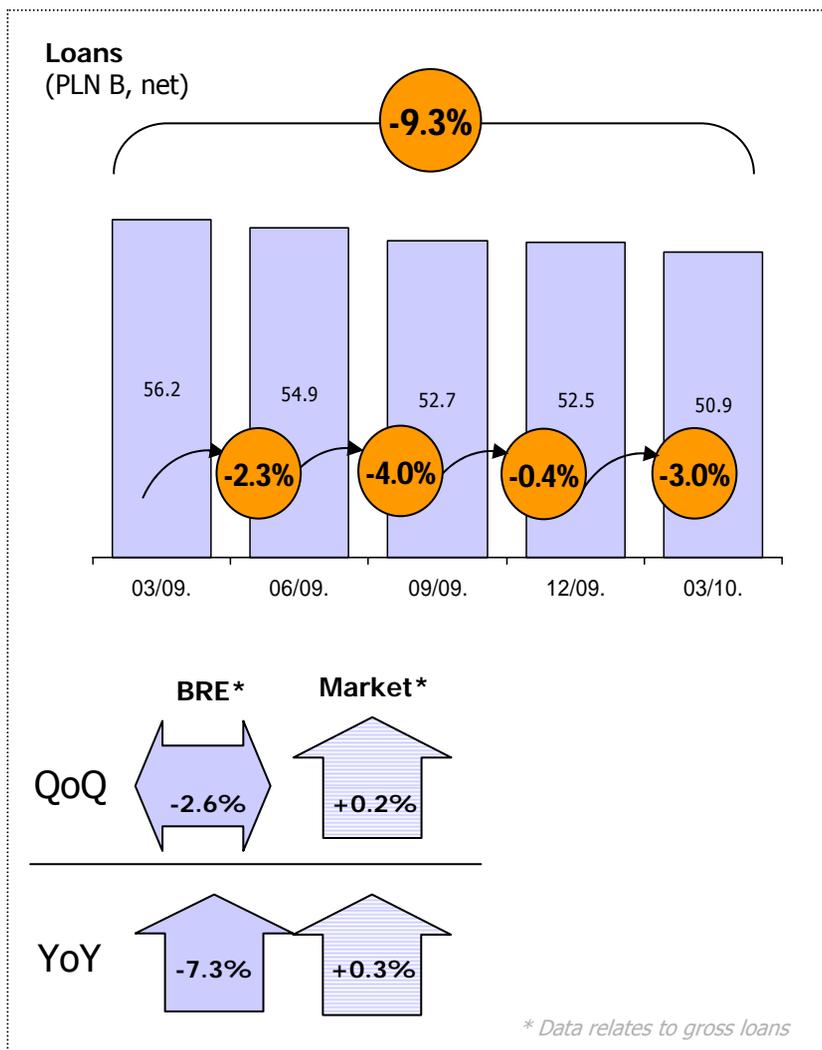


**C/I Ratio of BRE Bank Group\***  
(%, as at the end of period)



\* Calculated for continued operations net of one-offs.  
No one-offs and discontinued operations in 2009 and 2010

## Additional Information: Selected Financial Data Loans and Deposits



# Appendix

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

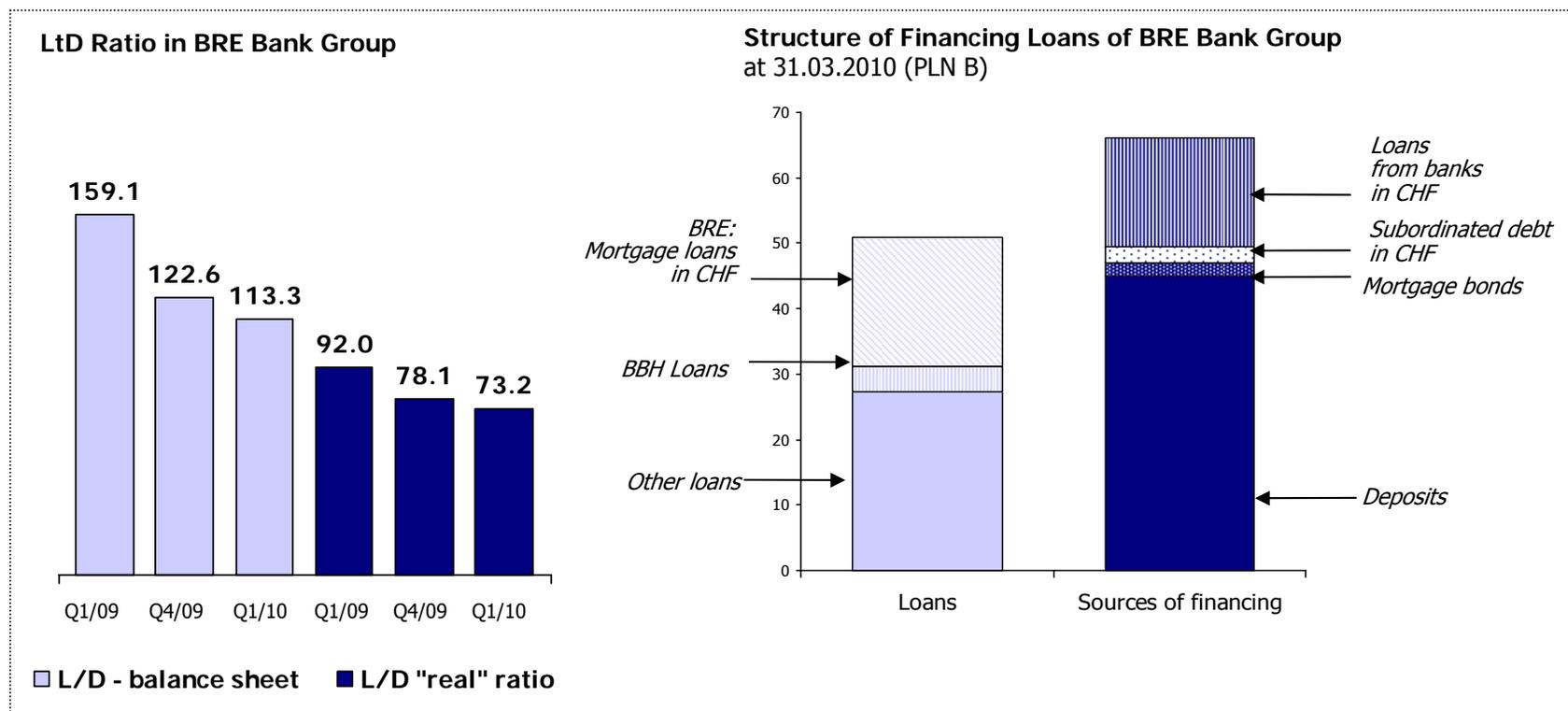


The ratio of loans to deposits stood at 113.3% in Q1/10.

However, funding policy for FX risk mitigation is implemented.

BRE mid-term loans in CHF fund CHF-denominated mortgages, therefore...

**...the „real“ ratio of loans funded from deposits is 73.2%**

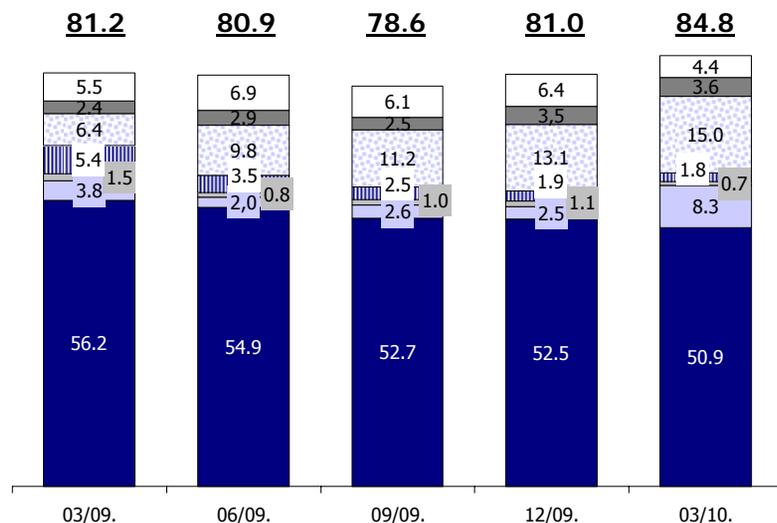




## Additional Information: Selected Financial Data Balance Sheet Analysis - Assets

### Structure of Assets

(PLN B)

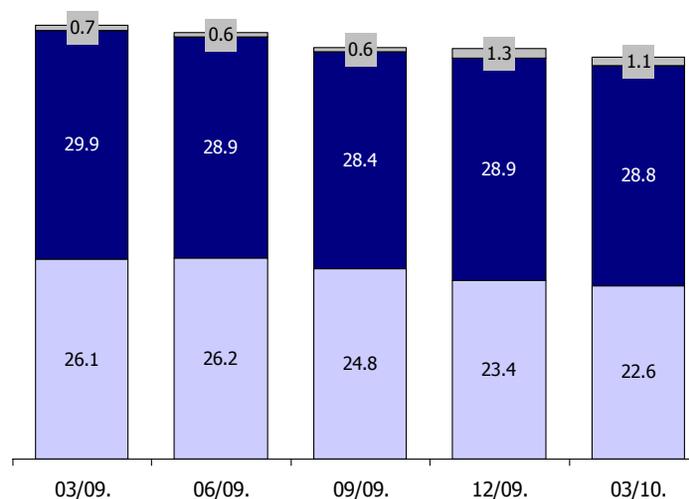


	03/09	06/09	09/09	12/09	03/10
Loans and advances to customers	69%	68%	67%	65%	60%
Amounts due from banks	5%	2%	3%	3%	8%
Trading securities	2%	1%	1%	1%	1%
Derivative financial instruments	6%	4%	3%	2%	2%
Investment securities	8%	12%	14%	16%	18%
Assets under pledge	3%	4%	3%	4%	4%
Other	7%	9%	9%	9%	7%

### Loans and Advances to Customers\*

- Portfolio by Customer Category

(PLN B)



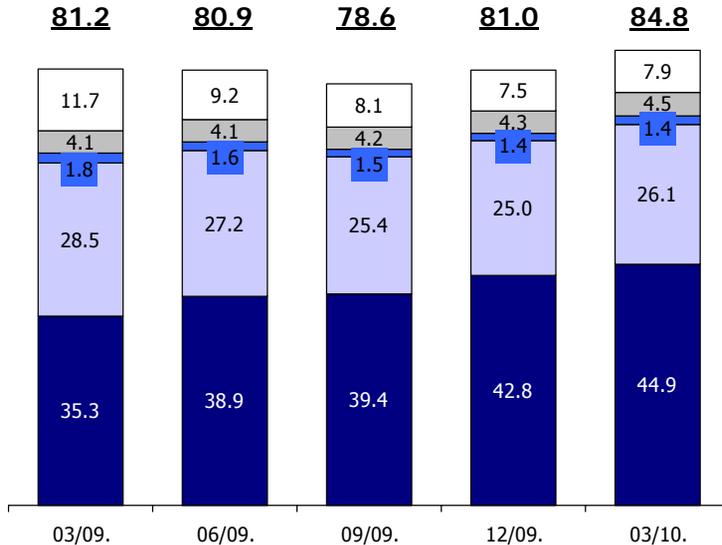
	03/09	06/09	09/09	12/09	03/10
Corporate customers	46%	47%	47%	44%	43%
Retail customers	53%	52%	52%	54%	55%
Public sector	1%	1%	1%	2%	2%

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

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

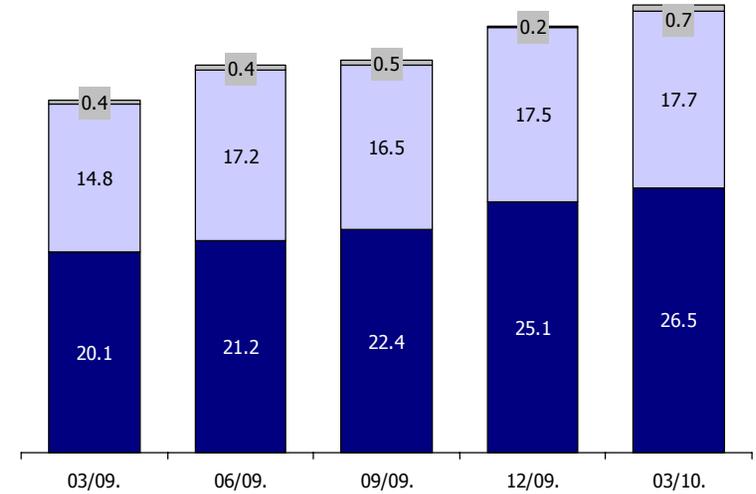


**Structure of Liabilities**  
(PLN B)



	03/09	06/09	09/09	12/09	03/10
Liabilities to customers	43%	48%	50%	53%	53%
Liabilities to other banks	35%	34%	32%	31%	31%
Debt securities in issue	2%	2%	2%	2%	2%
Equity (total)	5%	5%	5%	5%	5%
Other	14%	11%	11%	9%	9%

**Structure of Deposits**  
(PLN B)

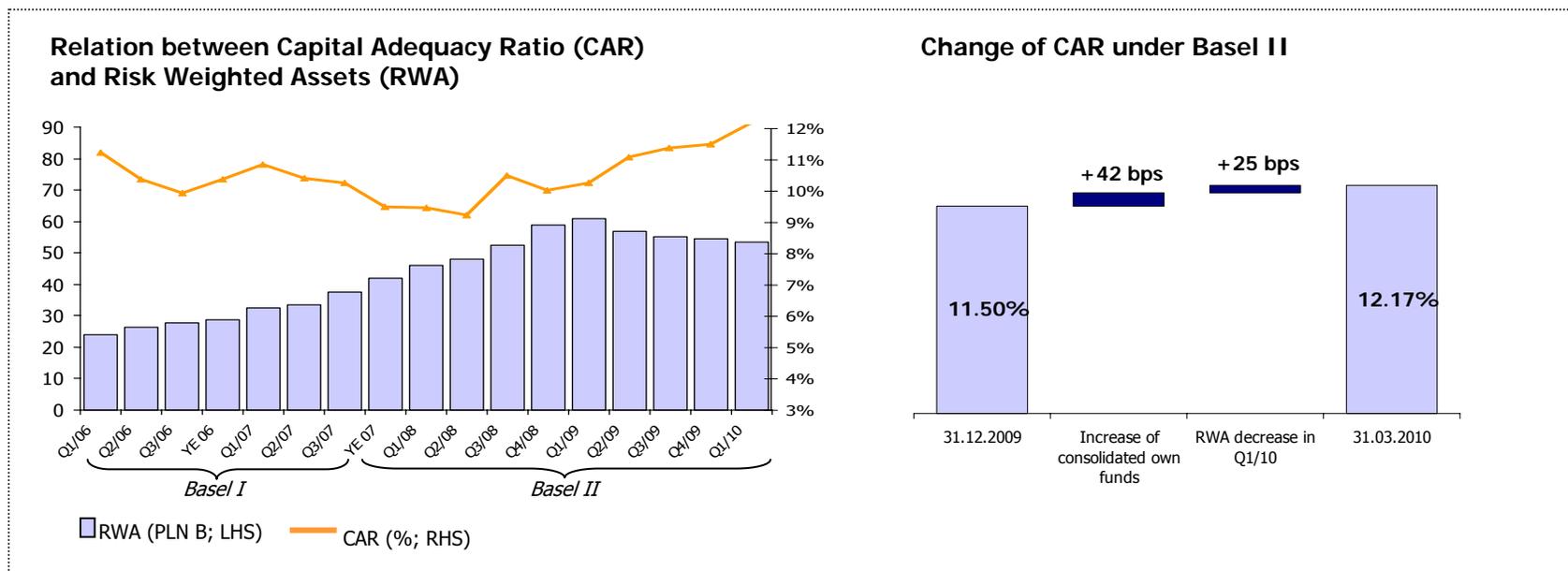


	03/09	06/09	09/09	12/09	03/10
Retail customers	57%	55%	57%	59%	59%
Corporate customers	42%	44%	42%	41%	39%
Public sector	1%	1%	1%	0%	2%

# Appendix

## Additional Information: Selected Financial Data

### BRE Bank Group's Capital Adequacy Ratio (CAR) in Q1/10



***CAR at a safe level  
of 12.17% in 03/10***

- ***CAR at 12.17% in 03/10 vs. 11.50% in 12/09 10.26% in 03/09***
- ***Tier 1 ratio at 7.25% compared to 6.62% in 12/09 and 5.67% in 03/09***

## Additional Information: Selected Financial Data Capital Adequacy Ratio under NCA



### *Capital Adequacy Ratio under NCA*

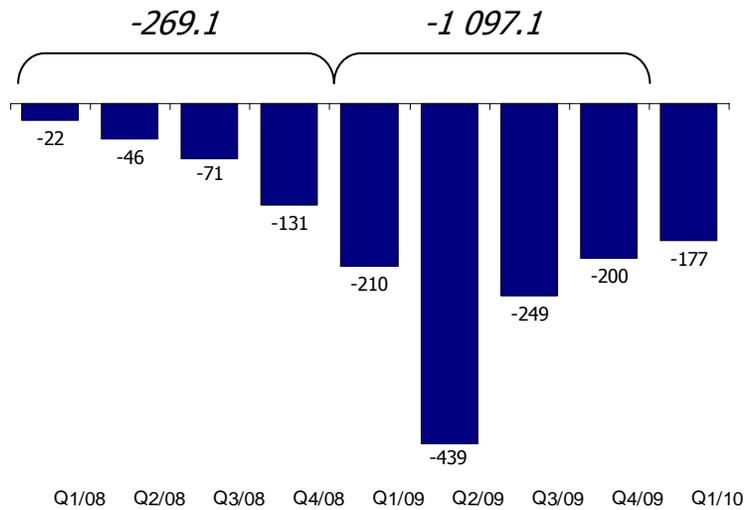
<i>Capital Requirement (PLN M)</i>	<i>Q4/07 Basel I</i>	<i>Q4/08 Basel II</i>	<i>Q4/09 Basel II</i>	<i>Q1/10 Basel II</i>
<i>Credit risk</i>	<i>2 998</i>	<i>4 177</i>	<i>3 886</i>	<i>3 815</i>
<i>Market risk</i>	<i>93</i>	<i>89</i>	<i>46</i>	<i>40</i>
<i>Operational risk</i>	<i>-</i>	<i>326</i>	<i>375</i>	<i>375</i>
<i>Other risks</i>	<i>24</i>	<i>120</i>	<i>50</i>	<i>37</i>
<i>Total capital requirement</i>	<i>3 114</i>	<i>4 712</i>	<i>4 357</i>	<i>4 267</i>
<i>CAR (%)</i>	<i>10.16</i>	<i>10.04</i>	<i>11.50</i>	<i>12.17</i>

# Appendix

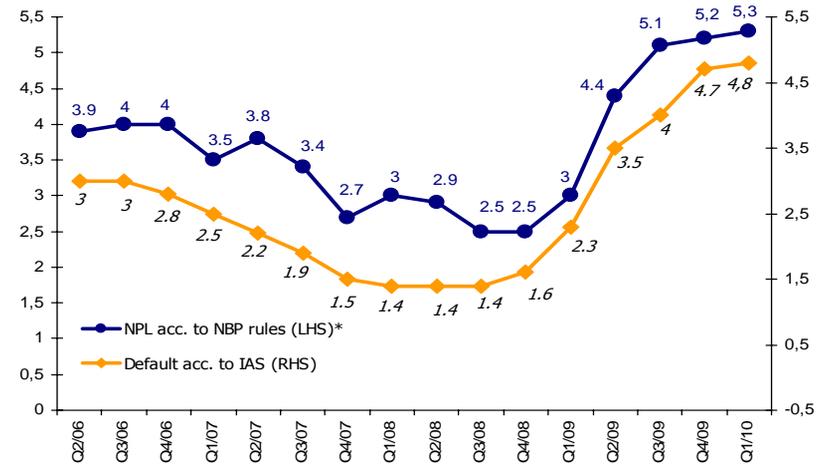
## Additional Information: Selected Financial Data Loan Loss Provisions 1/2



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



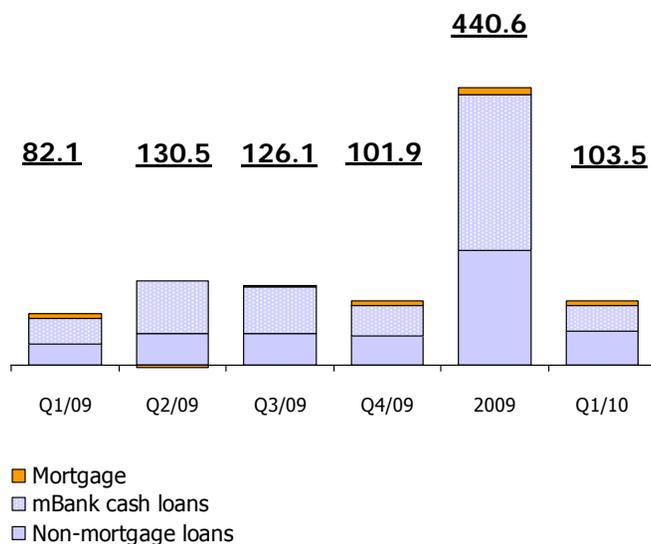
**BRE Bank Portfolio Quality**  
(%)



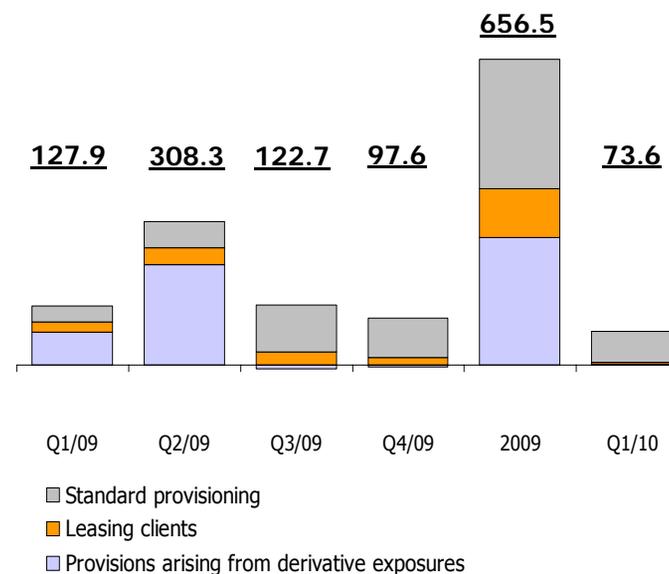
*\*For comparability – calculated on the balance-sheet and off-balance sheet portfolio*

## Additional Information: Selected Financial Data Loan Loss Provisions 2/2

**Retail customers provisions by quarters**  
(PLN M)



**Corporate portfolio provisions by quarters**  
(PLN M)

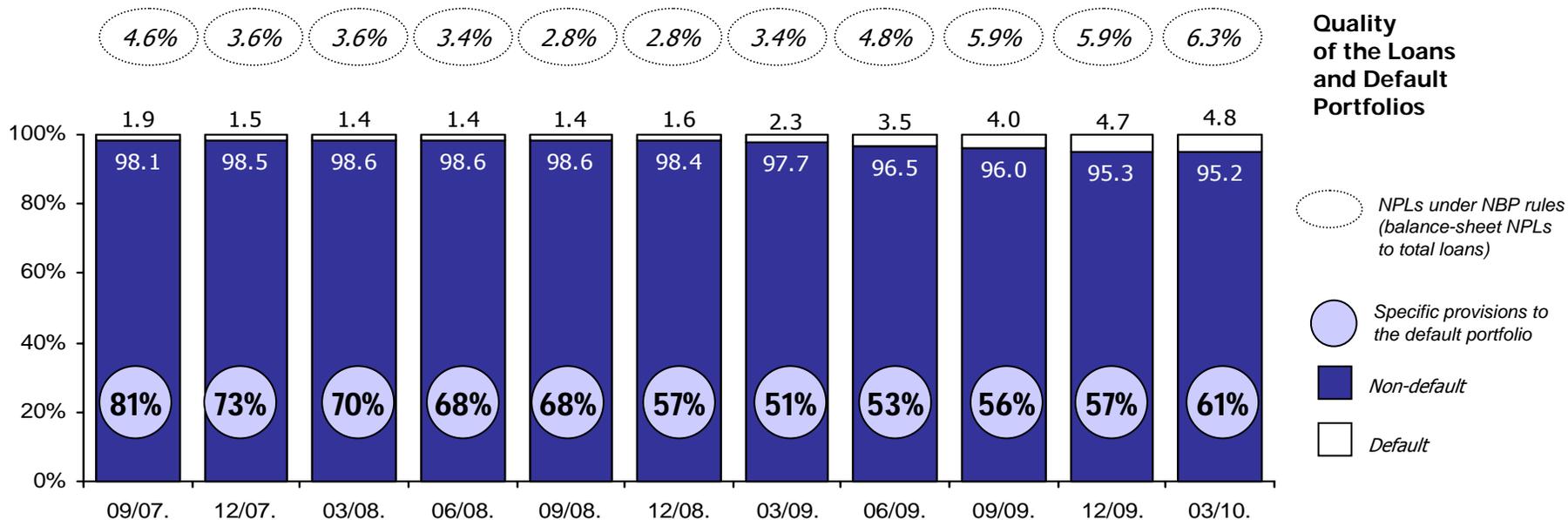


	Q1/09	Q2/09	Q3/09	Q4/09	Total 2009	Q1/10
Non-mortgage loans	33.0	50.2	51.2	47.6	182.2	54.2
mBank cash loans	42.5	83.9	73.3	48.1	247.8	41.1
Mortgage	6.6	-3.6	1.59	6.0	10.6	8.1

	Q1/09	Q2/09	Q3/09	Q4/09	Total 2009	Q1/10
Standard provisioning	34.6	56.4	100.7	85.1	276.8	66.5
Leasing clients	23.1	36.6	28.8	16.1	104.6	4.5
Provisions arising from derivative exposures	70.2	215.3*	-6.9	-3.6	275.1	2.4

\*Additional 24.0 M related to options was booked in Q2 2009 trading income

## Additional Information: Selected Financial Data Structure of BRE Bank's Risk Portfolio



PLN M	03/10	% share	12/09	% share	03/09	% share
Default	2 815	4.8	2 717	4.7	1 449	2.3
Non-default	55 299	95.2	55 184	95.3	62 787	97.7
TOTAL	58 114	100.0	57 901	100.0	64 236	100.0

**Structure of the Default & Non-Default Portfolio**

# Appendix

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

### 6.3% of NPLs in the portfolio (balance-sheet) at the end of Q1 2010

	03/10			12/09			03/09		
	Expo- sure PLN B	%	Provi- sions % coverage	Expo- sure PLN B	%	Provi- sions % coverage	Expo- sure PLN B	%	Provi- sions % coverage
<b>Regular</b>	<b>42.2</b>	<b>93.7</b>	<b>0.9</b>	<b>43.1</b>	<b>94.1</b>	<b>0.9</b>	<b>45.5</b>	<b>96.6</b>	<b>0.7</b>
<i>Standard</i>	41.2	91.5	0.4	42.0	91.7	0.4	44.5	94.4	0.3
<i>Watch</i>	1.0	2.2	21.7	1.1	2.4	21.0	1.0	2.2	18.8
<b>Irregular</b>	<b>2.8</b>	<b>6.3</b>	<b>53.6</b>	<b>2.7</b>	<b>5.9</b>	<b>48.7</b>	<b>1.6</b>	<b>3.4</b>	<b>36.2</b>
<i>Sub- Standard</i>	1.0	2.3	19.6	0.9	2.1	19.3	0.6	1.3	13.8
<i>Doubtful</i>	0.4	1.0	49.8	0.6	1.3	42.7	0.5	1.0	11.9
<i>Loss</i>	1.4	3.0	80.4	1.2	2.5	75.9	0.5	1.1	82.8
<b>TOTAL</b>	<b>45.0</b>	<b>100</b>	<b>4.2</b>	<b>45.8</b>	<b>100</b>	<b>3.7</b>	<b>47.1</b>	<b>100</b>	<b>1.9</b>

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

*Provisions shown under IFRS – the portfolio provision shown under 'watch'*

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



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