

# ⟨Results of BRE Bank Group⟩ Q1-2 2010

Sound income generation

Management Board of BRE Bank

Presentation for Investors and Analysts  
04 August 2010

# < Agenda >

## >> Summary of Q1-2/10

Rights Issue

Business Environment

Analysis of Q1-2/10 Results

Beyond Q1-2/10

Appendix

Detailed Results of Business Lines

Additional Information: Selected Financial Data

## ⟨ Highlights of Q1-2/2010 in BRE Bank Group ⟩

- 1 Strong income growth:  
+11% QoQ and +7% YoY
- 2 Customer base crossed 3.5 M mark:  
~104 K of new clients in Q2
- 3 Level of loan loss provisions reflecting  
lagging effect of 2009 slowdown
- 4 C/I ratio down to 51.2%
- 5 Successful capital increase

# Summary of Q1-2/2010 in BRE Bank Group

## Key Financials

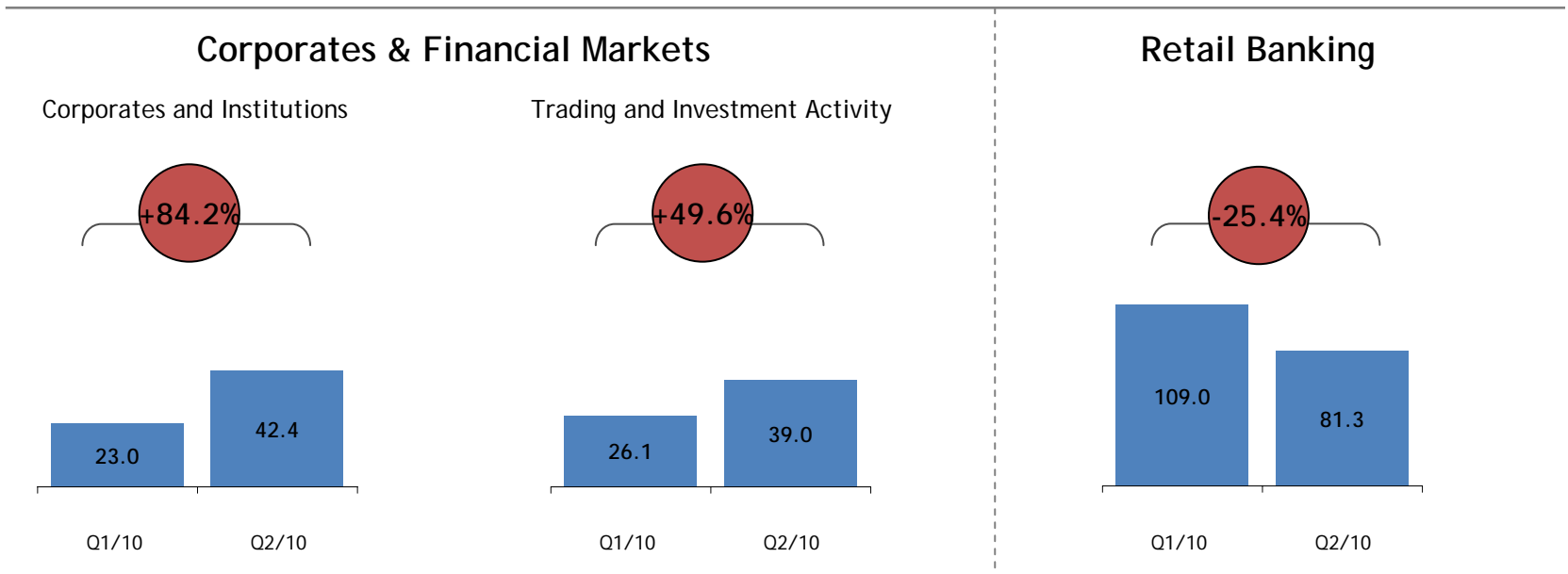
Profit before tax H1/10	➔	PLN 328.8 M
Profit before tax Q2/10	➔	PLN 171.0 M
ROE before tax H1/10	➔	14.0%
Cost/Income (C/I) H1/10	➔	51.2%
Capital adequacy ratio H1/10*	➔	15.45%
Core Tier 1 ratio H1/10*	➔	10.11%

\* / Pro forma after PLN 1.979 billion capital increase; excluding capital increase CAR and Core Tier 1 at the level of 12.03% & 6.68% respectively

# Summary of Q1-2/2010 in BRE Bank Group

## Profitability of the Business Lines

Quarterly Result before Tax by Business Line  
(PLN M)

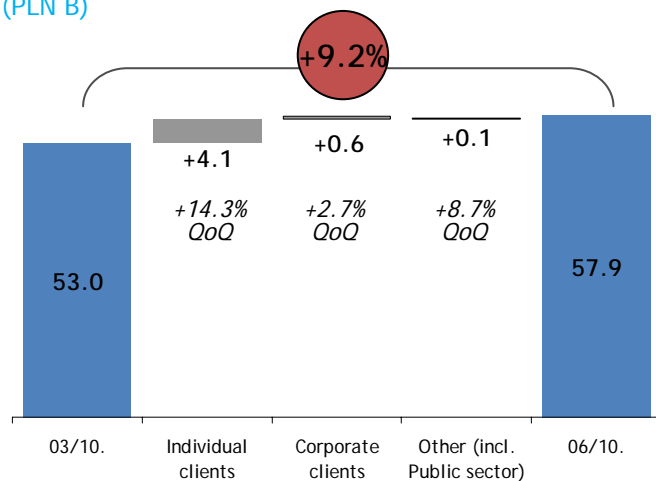


- **Corporates and Institutions:** strong pre-tax result thanks to solid growth of main revenue items
- **Trading and Investment** result significantly higher mainly thanks to high volatility on financial markets
- **Result of Retail Banking** lower than in record high Q1/10 due to reduced liquidity premium and higher costs

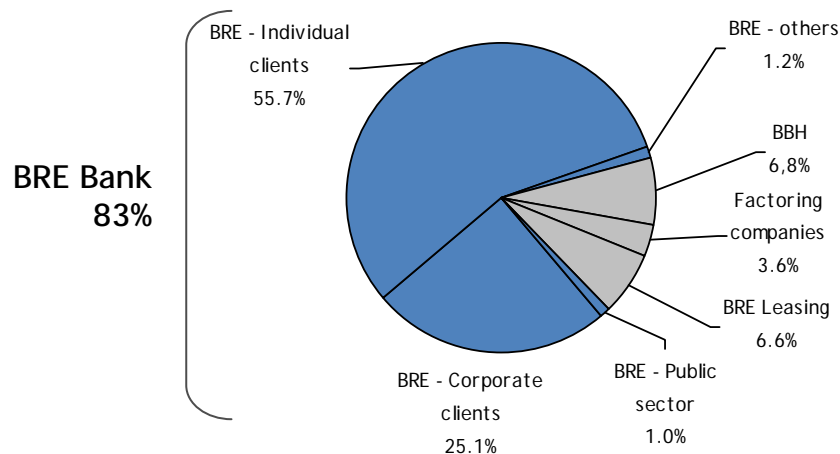
# Summary of Q1-2/2010 in BRE Bank Group

## Development of Loans to Clients

Development of Gross Loans  
(PLN B)



Structure of Gross Loans Portfolio  
as at 30 June 2010



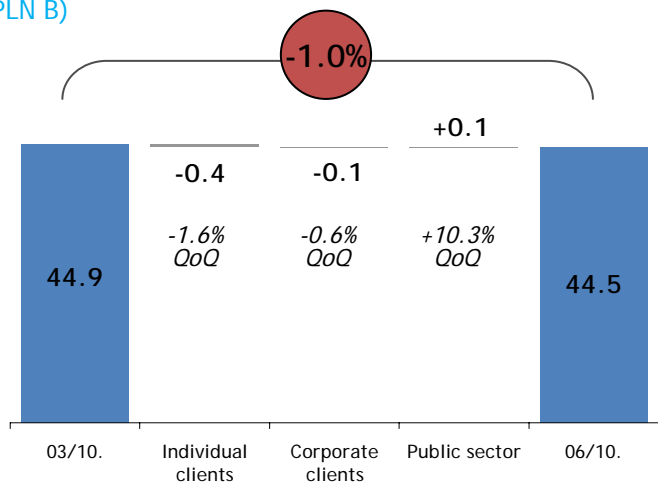
Signs of lending growth  
acceleration  
already visible

- Total gross loans up by 9.2% QoQ (market: +6.0%) excluding FX effect: up by 1.4% QoQ (market +1.8%)
- Corporate loans up by 2.7% QoQ (market: +2.1%) thanks to first signs of recovery in clients demand
- Retail loans up by 14.3% QoQ (market: +8.0%) as a result of PLN depreciation (excluding PLN depreciation: +2.8% QoQ, market: +2.5%) and enhanced sales

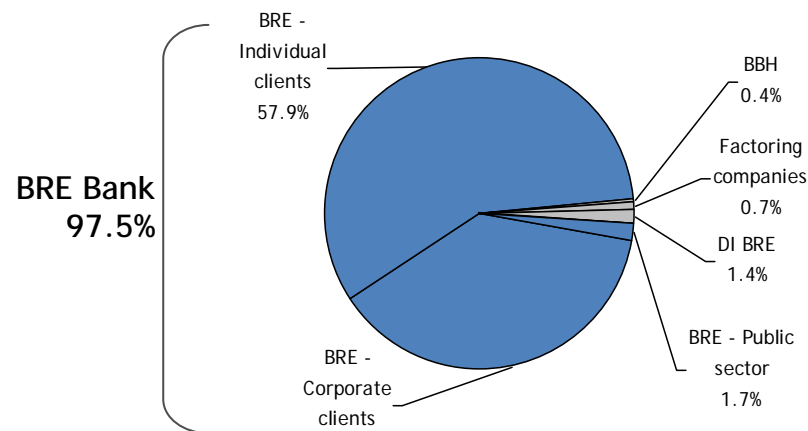
# Summary of Q1-2/2010 in BRE Bank Group

## Development of Deposit Base

Development of Deposits  
(PLN B)



Structure of Amounts Due to Clients  
as at 30 June 2010



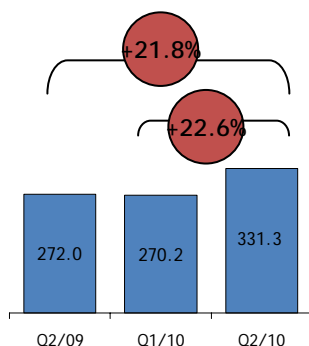
## Proactive management of deposit base

- Total deposits declined only insignificantly despite strategic decision to decrease interest rates; market up 3.3% QoQ
- Average deposit volume higher by 6.6% QoQ while interest expenses slightly lower
- Stable market share in retail deposits (5.5%); slight decrease of corporate market share (to 8.3%)

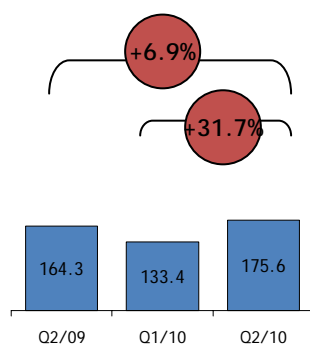
# Summary of Q1-2/2010 in BRE Bank Group

## Business Development: Corporates & Institutions

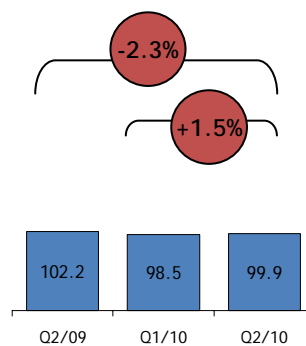
Revenue  
(revenue before costs  
excl. LLP, PLN M)



Net Interest Income\*\*  
(PLN M)



Net Commission Income  
(PLN M)



\*\* Incl. internal settlements

- Revenue up by 22.6% QoQ and by 21.8% YoY (excluding one - offs\* revenue up by 13.3% QoQ)
- Net interest income increased by 31.7% QoQ
- Net commission income up by 1.5% QoQ mainly on Cash Management products (up by 17.9% QoQ);
- Growth of total number of corporate clients - up by ~250 companies in Q2
- Successful entering of Public Sector meeting return expectations, BRE Bank took part in 82 tenders and won 30 of them

### Strategy implementation on track:

- successful client acquisition
- positive cross-sell effects on cash management
- profitable new business with public sector

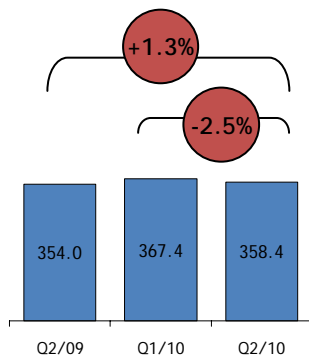
\* One-offs include: sale of PZU shares at PLN 16.9M and positive revaluation of derivatives at PLN 8.2M; in Q2/09 negative revaluation of derivatives at PLN -24.5



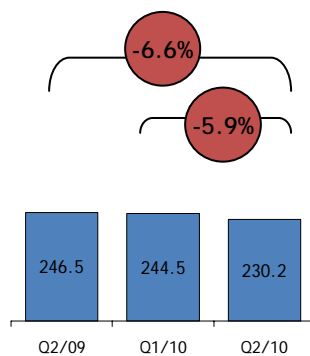
# Summary of Q1-2/2010 in BRE Bank Group

## Business Development: Retail Banking

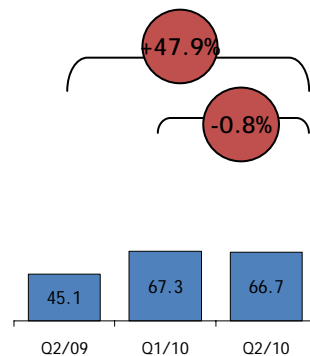
Revenue  
(revenue before costs  
excl. LLP, PLN M)



Net Interest Income\*  
(PLN M)



Net Commission Income  
(PLN M)



\* Incl. internal settlements

- Revenue slightly decreased by 2.5% QoQ
- Net interest income decreased by 5.9% QoQ due to reduced liquidity premium on deposits
- Net fee and commission income at high level
  - high level across major sources: loans, insurance products, investment funds
- Growth in sales of retail loans in Poland up by 67% QoQ
  - non-mortgage loans (+46% QoQ; total new business volume of PLN 542 M)
  - mortgage loans (+84% QoQ; total new business volume of PLN 809 M); sales of EUR mortgage loans further accelerated in Q2
- Total retail deposits only by 1.6% lower QoQ, despite interest rate adjustments

Strategy implementation on track;  
in Q2 2010:

103.5 K new retail clients  
67% increase in new loan sales in Poland

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» Rights Issue

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Beyond Q1-2/10

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Detailed Results of Business Lines

Additional Information: Selected Financial Data

# < Rights Issue >

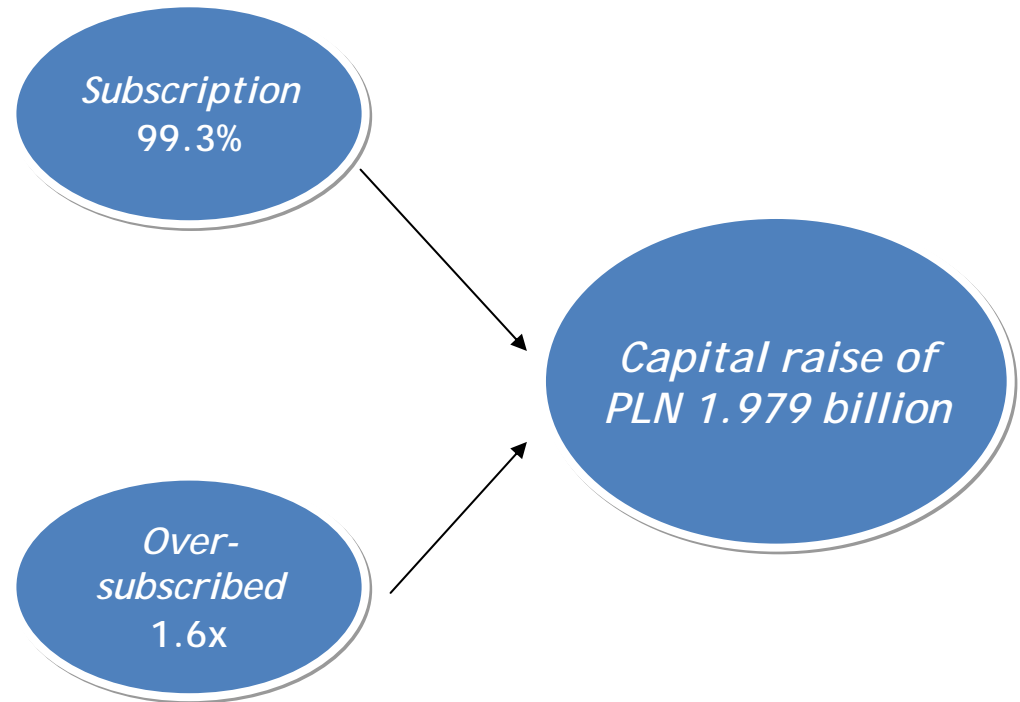
Successfully Completed

## Subscription period

- 3,693 subscriptions
- 12.287.554 new shares
- PLN 1.966m of demand
- PLN 0.5m avg. demand per subscriber

## Additional subscription

- 578 instructions
- 7.050.232 new shares
- PLN 1.128m of demand
- PLN 2.0m avg. demand per oversubscriber
- 83.646 shares allocated



New capital increases BRE Bank Group's strategic flexibility

Adjustment of Core Tier 1 capital ratio to potential new capital requirements, regulatory or of the marketplace

Support the implementation of 2010-2012 growth strategy

Medium-term financial targets

- Core Tier 1 ratio: 8-10% in 2012
- Average total income growth: >10% in 2010-2012
- Cost-income ratio: ~50% in 2012
- Pre-tax ROE: ~20% in 2012

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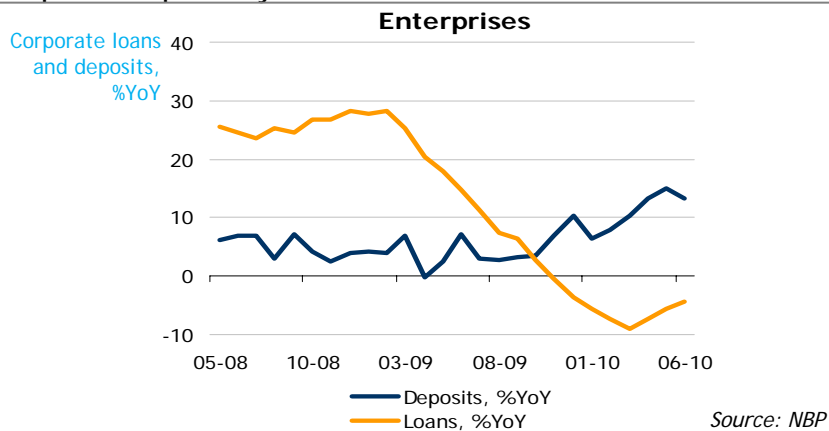
Detailed Results of Business Lines

Additional Information: Selected Financial Data

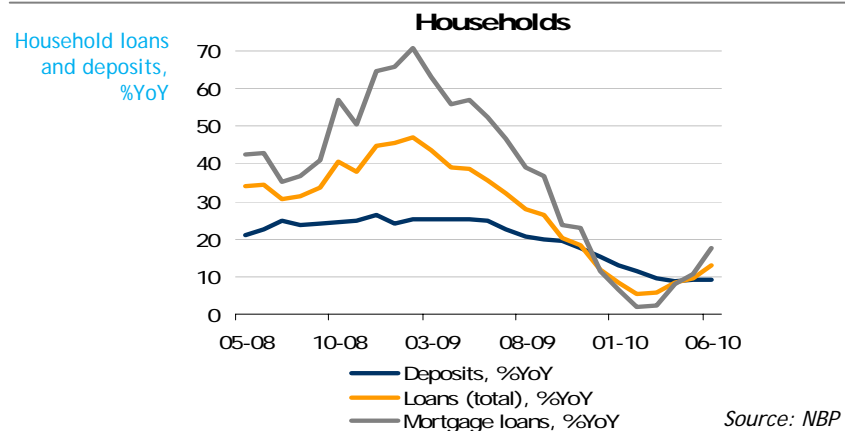
# Q1-Q2/10: Business Environment

## Banking Sector Expected to Rebound in H2/10

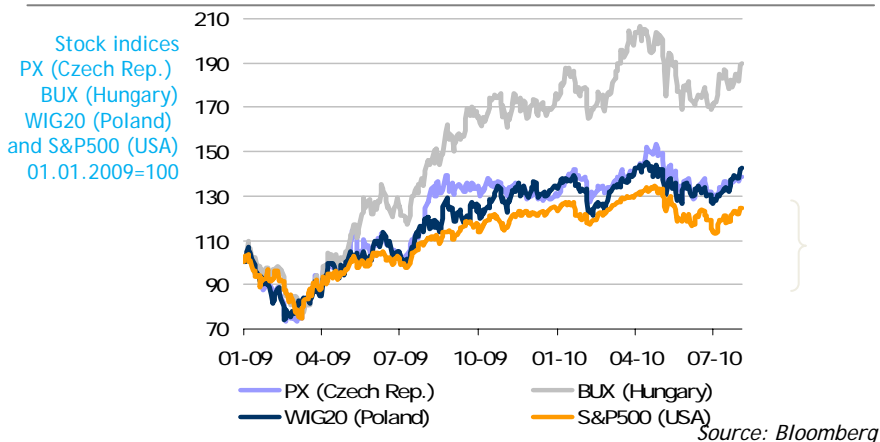
Corporate loans growth rate still negative, but drops moderated in comparison with Q1/10, whereas corporate deposits dynamics stabilizes



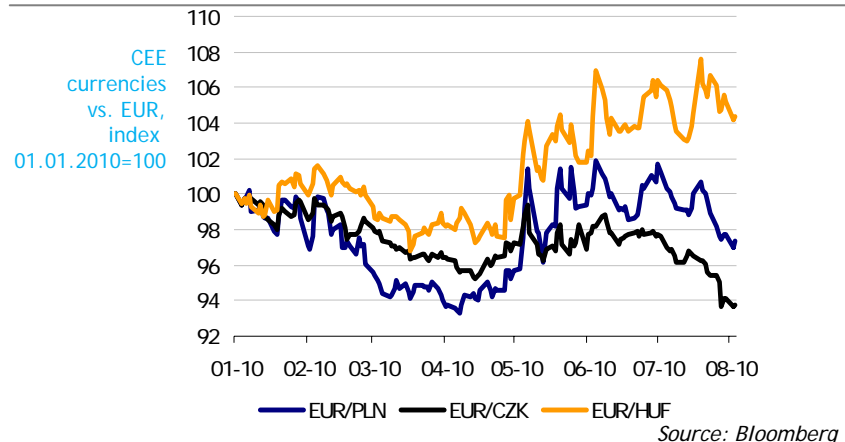
Household loans growth rate rebounds, household deposits growth rate stabilises



Correction of upward trend on CEE stock exchanges



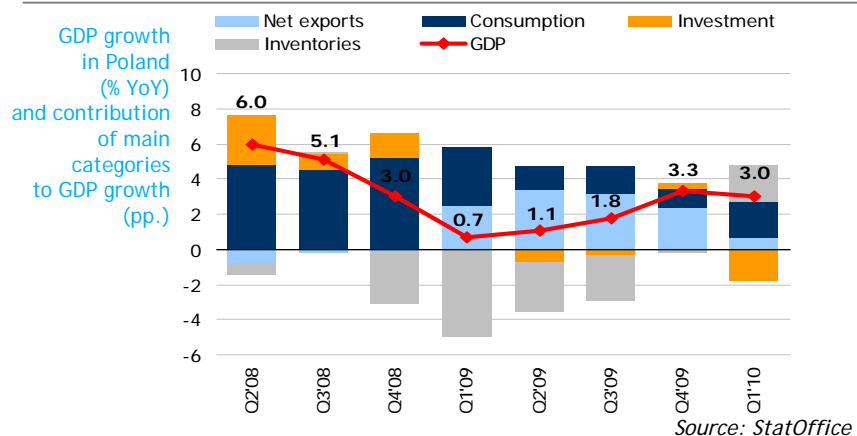
High volatility of CEE currencies



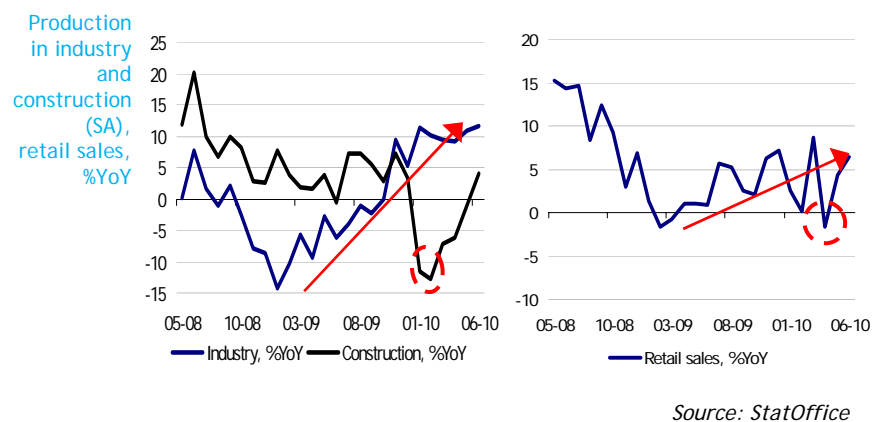
# Q1-Q2/10: Business Environment

## Recovery Gradually Gains Momentum

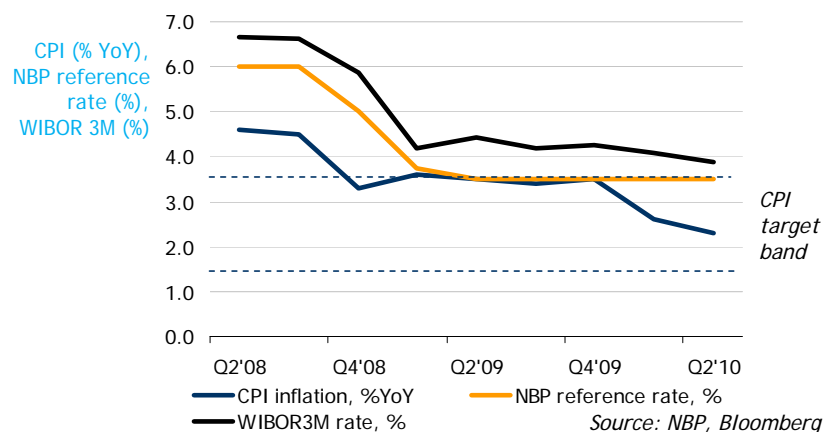
GDP growth was at 3.0% YoY in Q1/10 and is expected to remain around this level in Q2/10



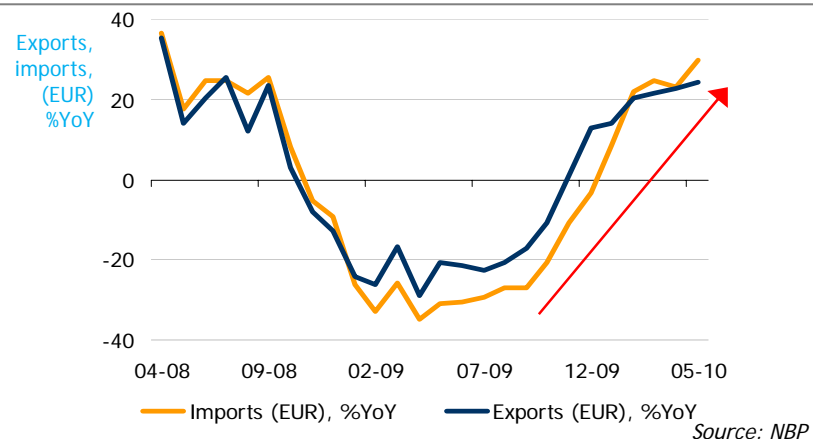
Economic recovery was continued, excluding one-off effects of harsh winter on construction and retail sales



Falling inflation results in real interest rates rise



Q2/10 brought further rebound in foreign trade



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# Analysis of Results, Q2/2010

## Key Financials

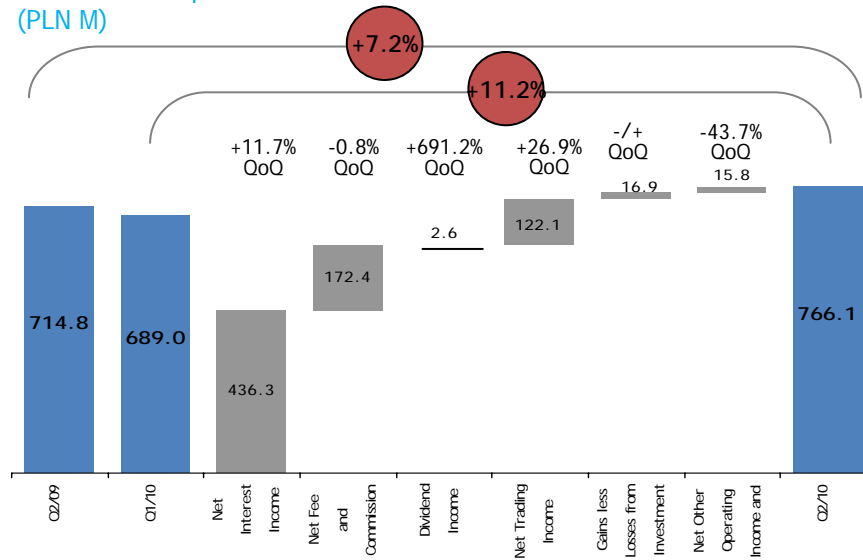
(PLN M)	Q2/2010	Q1/2010	Change QoQ	
Total income <sup>1/</sup>	766.1	689.0	+11.2%	
Total cost	(391.6)	(354.1)	+10.6%	
Operating profit <sup>2/</sup>	374.5	334.8	+11.8%	
Net provisions	(203.5)	(177.1)	+14.9%	
Profit before tax	171.0	157.8	+8.4%	
Net profit <sup>3/</sup>	124.3	115.4	+7.7%	
Total assets	88 911.4	84 751.4	+4.9%	
Equity	6 674.7	4 525.4	+47.5%	

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

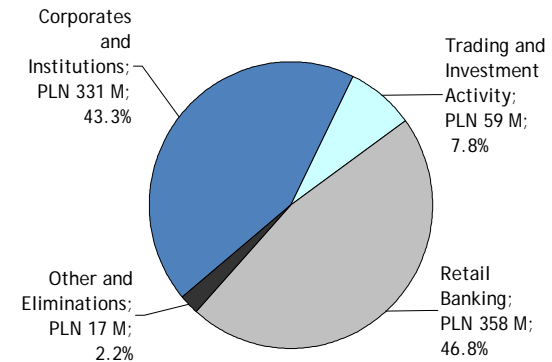
# Analysis of Results, Q2/2010

## Income of BRE Bank Group

BRE Bank Group Income QoQ & YoY (PLN M)



Structure of BRE Bank Group Income by Business Line, Q2/10



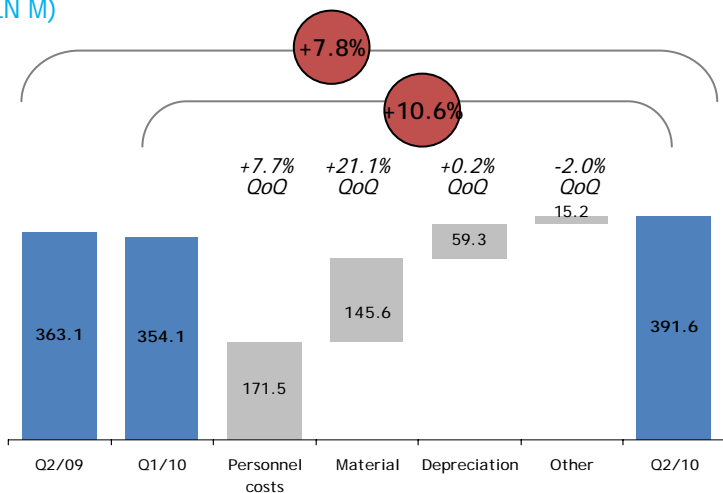
## Sound income generation

- Sound increase of net interest income QoQ primarily thanks to higher interest revenue from investment securities as well as lower interest costs (as a result of decreased interest rates on deposits); NIM up to 2.1%; NII to average RWA ratio up to 3.1% after Q2/10
- Net fee and commission income maintained at the high level mainly thanks to growing insurance fees and credit related fees
- Growth of trading income QoQ due to increase in FX result thanks to higher foreign exchange market volatility and positive revaluation of derivatives at PLN 8.2M
- Gains less losses from investment securities driven by the sale of a small part of PZU shares (at PLN 16.9M)
- Net other operating income and expenses impacted by one-off costs (PLN 13.8 M) related to legal risk

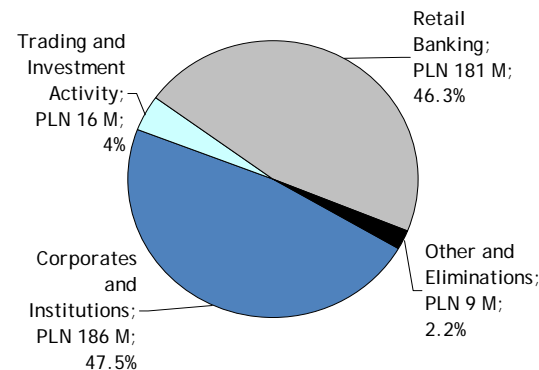
# Analysis of Results, Q2/2010

## Costs of BRE Bank Group

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



Cost Structure by Business Line in Q2/10



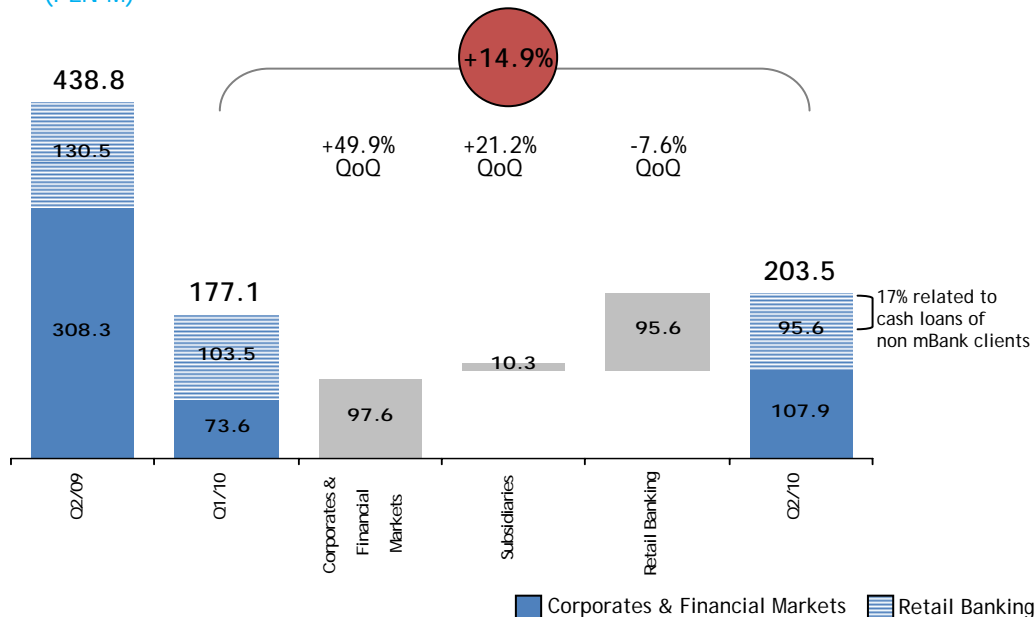
C/I ratio decreased to 51.2%

- Increase of overhead costs and depreciation by 10.6% QoQ driven by business growth
- Overhead costs up by 12.6% QoQ:
  - Personnel costs up by 7.7% due to sales-driven quarterly bonuses paid in Retail Banking
  - Material costs up by 21.1% due to higher marketing expenditures (by PLN 14 M) and other costs [IT, subsidiaries] (by PLN 11 M)
- Stable level of depreciation QoQ

# Analysis of Results, Q2/2010

## Structure of Loan Loss Provisions

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



LLP in Q2/2010 affected by a few defaults of corporate clients

- Q2/10 LLP influenced by:
  - Provisions on corporate portfolio negatively impacted by a few defaults
  - Net release of provisions on customers with derivative exposures at PLN 35.7 M
  - FX mortgage NPL ratio at very low level of 0.53%
  - Diminishing provisions for mBank cash loans to non-clients (PLN 15.9 M)
- Default ratio of BRE Bank's risk portfolio 5.1% as at 06/10 vs. 4.8% as at 03/10
- BRE Bank's NPL ratio (old NBP rules) at 6.4% in 06/10
- Coverage ratio at the level of 59% in Q2/10

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» **Beyond Q1-2/10**

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## 《Beyond Q2/2010 in BRE Bank Group》

- 1 Consistent implementation of new strategy
- 2 Focus on profitable growth opportunities and leverage cross-sell
- 3 Continued prudent provisioning
- 4 Further deployment of liquidity & capital resources in line with growing credit demand

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## Detailed Results of the Business Lines Q2/10

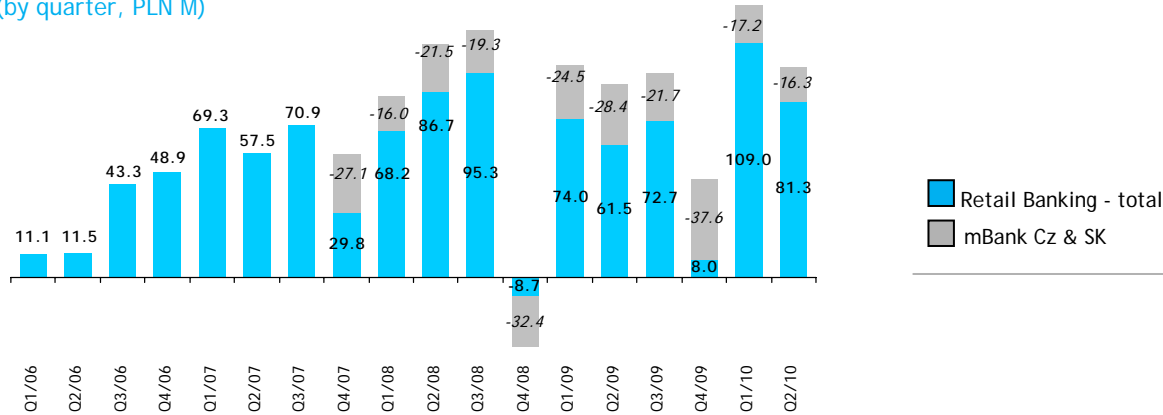
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Retail Banking

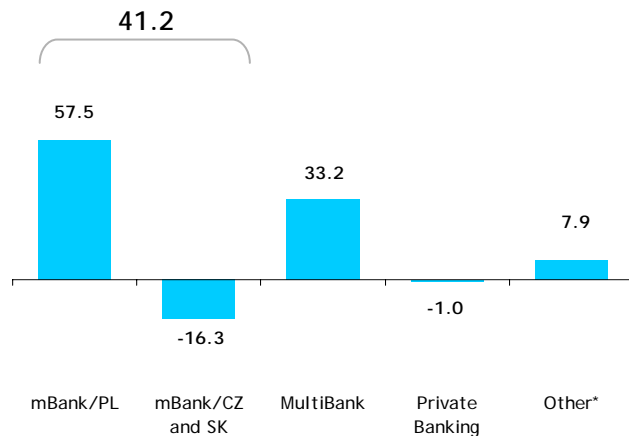
# Appendix

## BRE Bank Retail Banking Summary of Q2/10: Financial Results

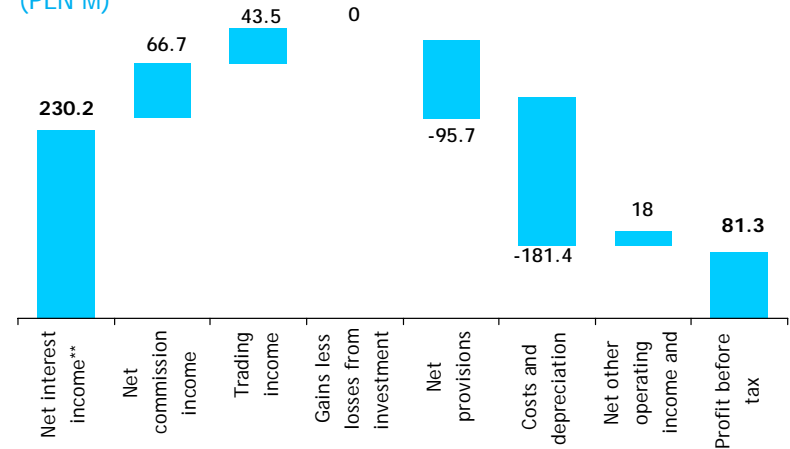
Profit before Tax of the Segment  
(by quarter, PLN M)



Contributors to the Profit before Tax of Retail Banking in Q2/10  
(PLN M)



Structure of the Profit before Tax of Retail Banking in Q2/10  
(PLN M)



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

\*\* incl. internal settlements

# Appendix

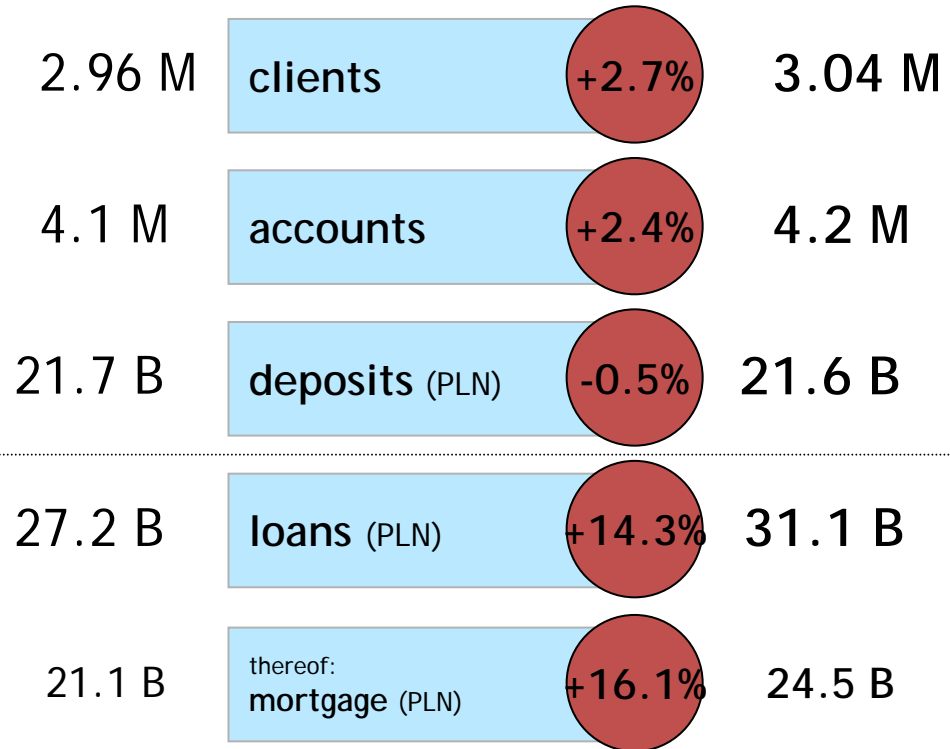
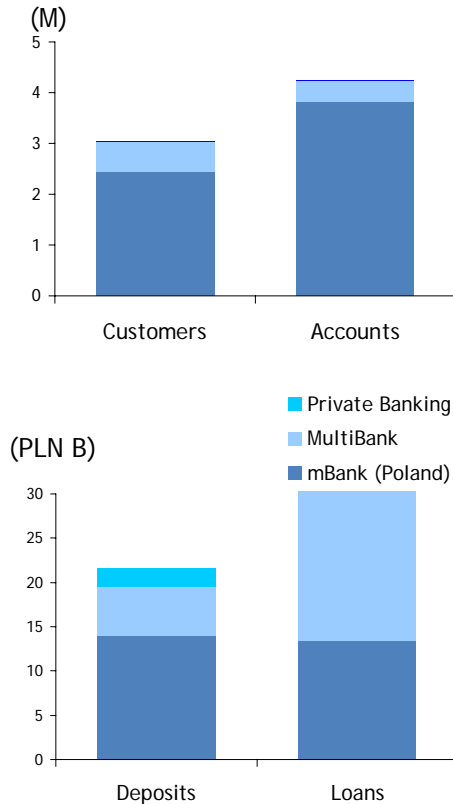
## BRE Bank Retail Banking (Poland) Customer Acquisition and Volume Trends

Data as at 30.06.2010

End of 03/10

Change

End of 06/10



Above data are for mBank/PL, MultiBank and PB

# Appendix

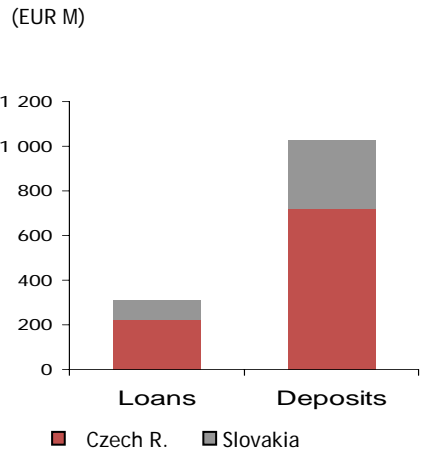
## BRE Bank Retail Banking (CZ/SK) Customer Acquisition and Volume Trends

Data as at 30.06.2010

End of 03/10

Change

End of 06/10



424.0 thou.

customers

+5.4%

447.0 thou.

846.4 thou.

accounts

+3.9%

879.4 thou.

1.15 B

deposits (EUR)

-11.3%

1.02 B

281.8 M

loans (EUR)

+10.3%

310.8 M

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

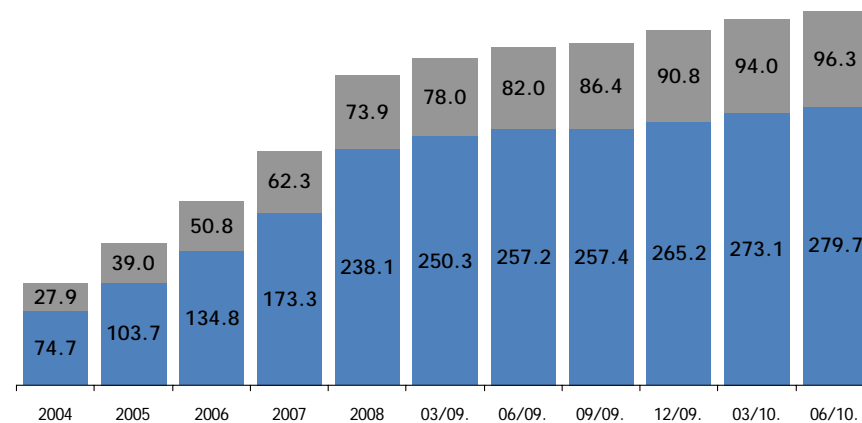
# Appendix

## BRE Bank Retail Banking Acquisition of Microenterprises\*

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

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

- Number of serviced microenterprises up by 8.9 thousand in Q2/10
- PLN 2.889.4 M of loans granted to microenterprises at the end of 06/10



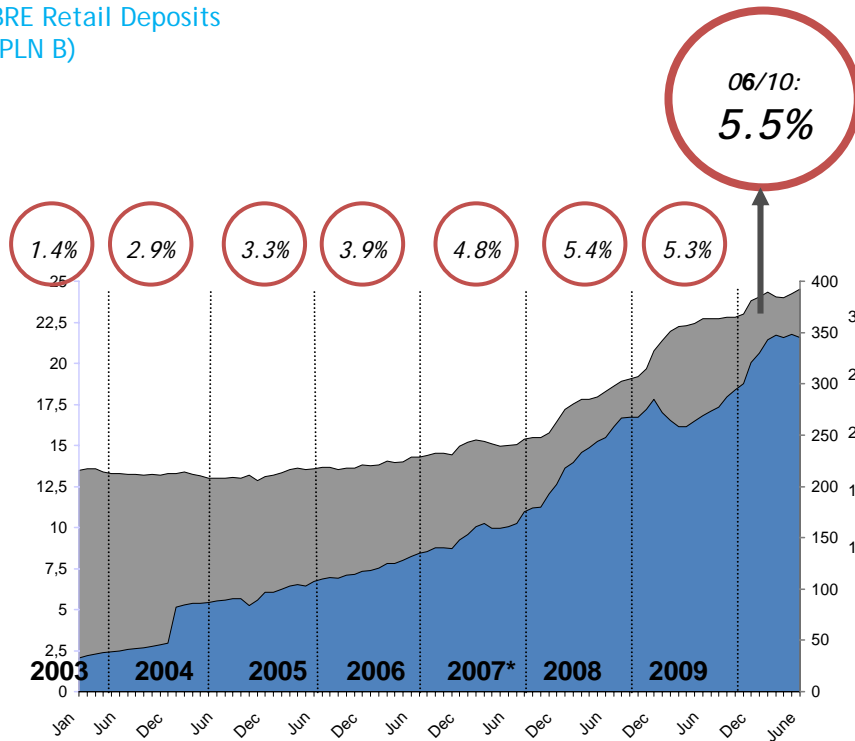
MultiBank mBank

\*Microenterprises imply self-employed individual customers

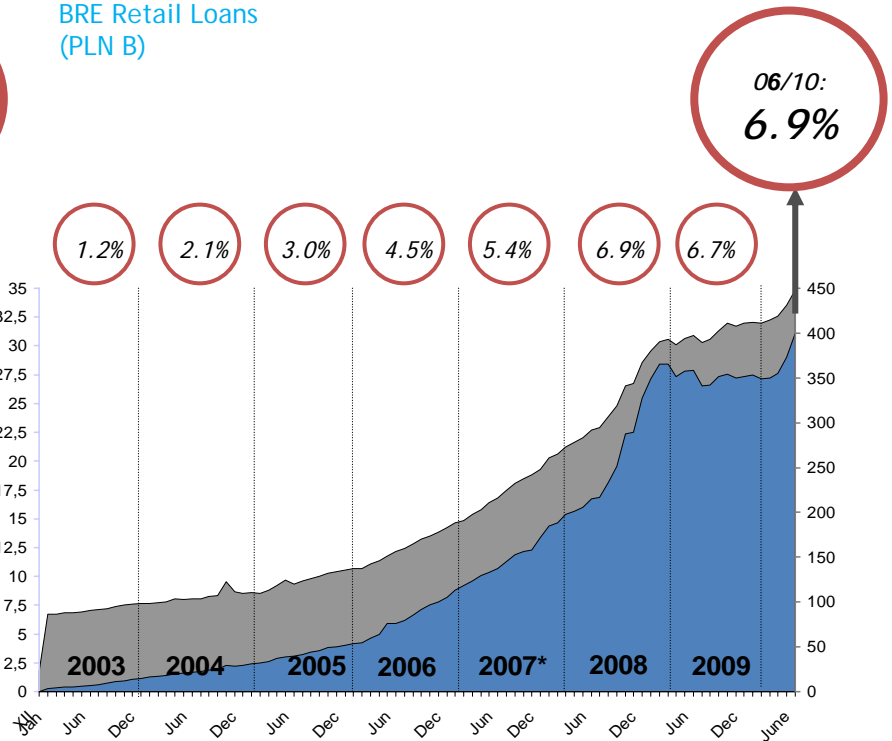
# <Appendix>

## 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  
Since 03/10 NBP has changed the way of counting Bank's liabilities

# Appendix

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

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

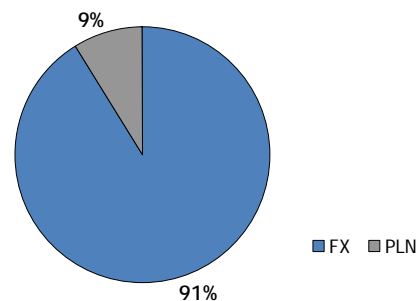
	Total	PLN	FX
Balance-sheet value (PLN B)	24.5	2.25	22.25
Average maturity (years)	22.97	19.94	23.40
Average value per loan (PLN thou.)	279.49	206.46	289.86
Average LTV (%)	82.39	55.81	86.59
NPL (%)	0.74	2.87	0.53

As at 30.06.2010

\* mBank-PL and MultiBank

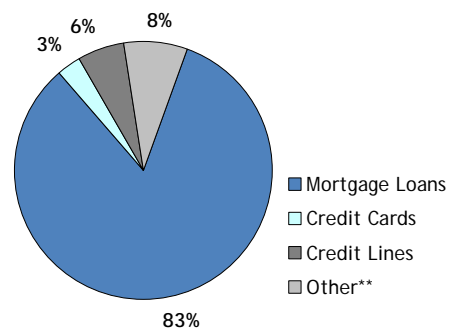
\*\* 'Other' include mainly cash loans, car loans,  
loans for goods, services and stocks

Currency Structure of the Retail Banking Mortgage  
Loans Portfolio (Household Loans) at 30.06.2010

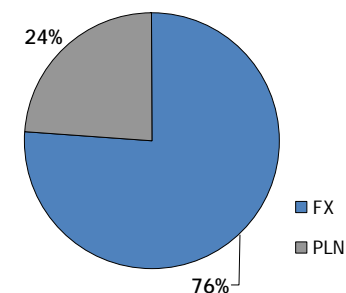


Structure of the Retail Banking Loans Portfolio  
(Household Loans) at 30.06.2010

By loan type



By currency

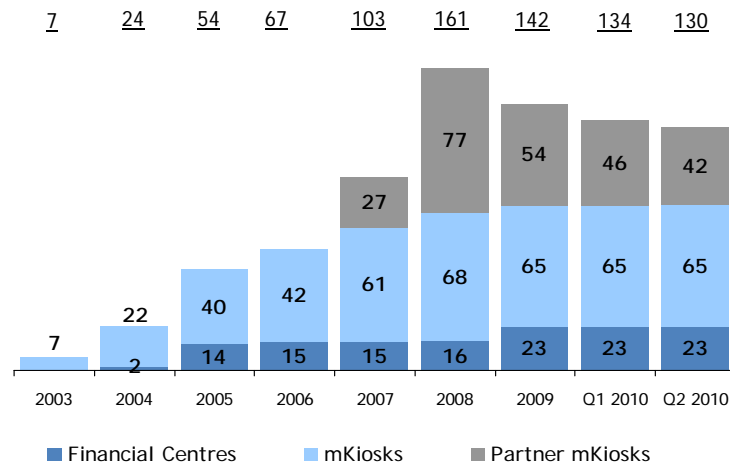


# Appendix

## BRE Bank Retail Banking Distribution Network

### Aspiro Distribution Network (in Poland)

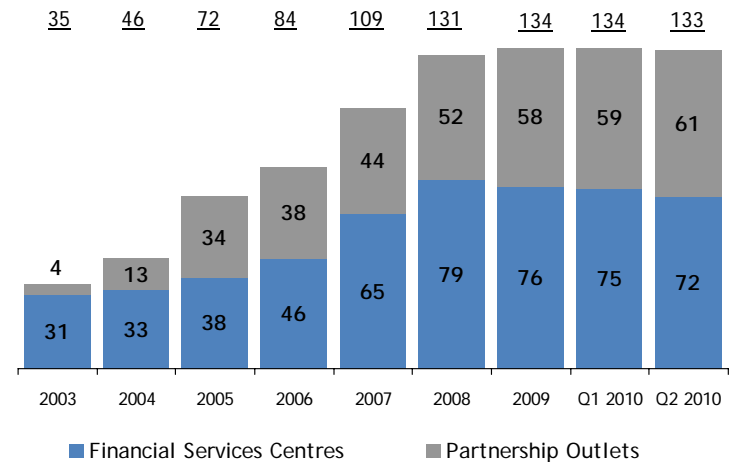
Total (at the end of period):



- Aspiro is a financial intermediary company
- Aspiro enters into distribution agreements with the Bank and other banks operating in the Polish market in order to sell retail banking products 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 130 locations across Poland (at 30 June 2010)

### MultiBank Branches (in Poland)

Total (at the end of period):



- MultiBank had a network of 133 branches at the end of Q2/10



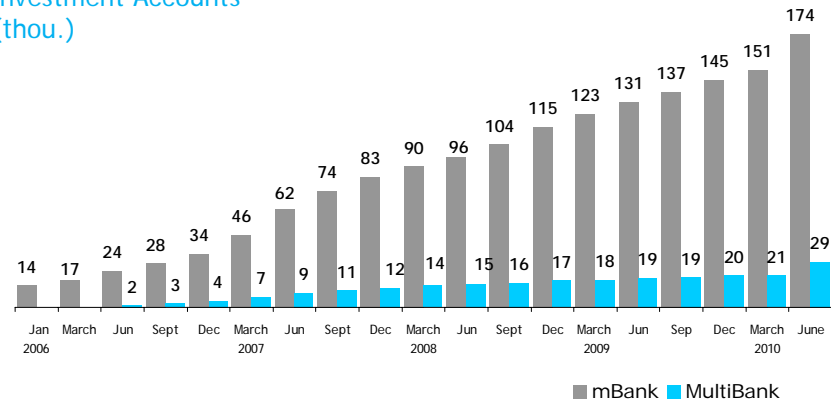
# Appendix

## BRE Bank Retail Banking mBank – eBroker, MultiBank – Brokerage Service

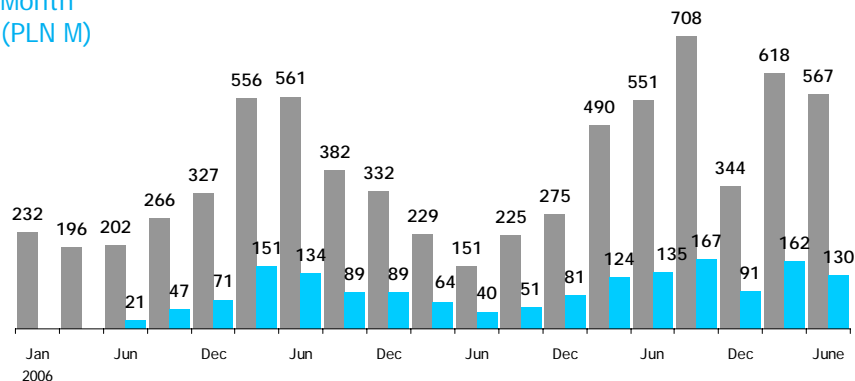
### Dynamic growth of brokerage services for Retail Banking customers

- eMakler trading reached PLN 566.8 M and Brokerage Service trading PLN 129.9 M in June 2010
- The total number of investment accounts in mBank and MultiBank was 203 thousand at the end of Q2/10
- In Q2/10 mBank and MultiBank customers opened 31.9 thousand investment accounts
- Trading reached PLN 22 B in eMakler and PLN 5.1 B in Brokerage Service since launch of these services

Investment Accounts  
(thou.)



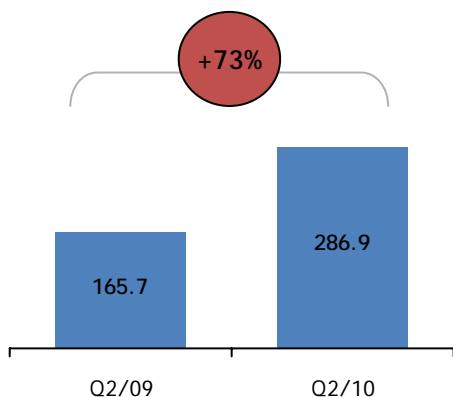
eBroker and Brokerage Service Trading by  
Month  
(PLN M)



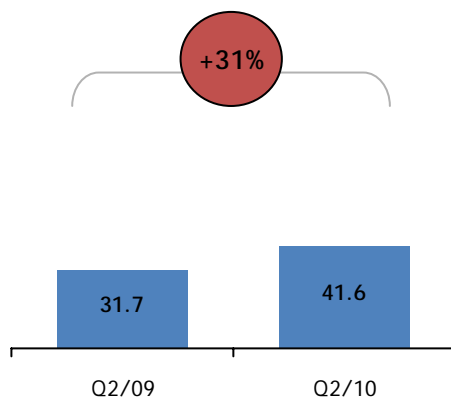
# <Appendix>

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

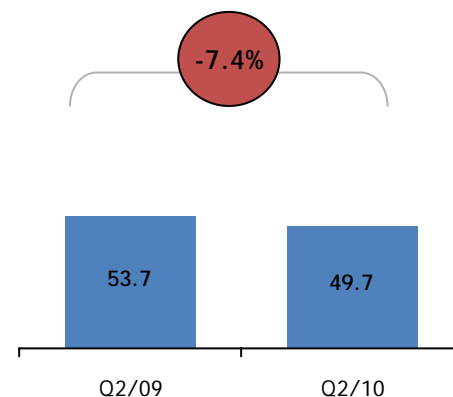
Bancassurance Retail  
Gross Written Premium (PLN M)



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



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



- PLN 13.6 M of profit before tax of BRE Ubezpieczenia in Q2/10 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)

	Q2/09	Q2/10	Change
<b>Bancassurance</b>			
Multibank+mBank	61.58	85.32	39%
Investment products	104.15	201.58	94%
<b>Direct Insurance (Internet platform)</b>			
MultiBank + mBank	31.66	41.61	31%

# Appendix

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



**122.5 thou.**  
**car insurance contracts**  
(in Q2/10)

**17.5 thou.**  
**travel insurance contracts**  
(in Q2/10)

**PLN 41.6 M**  
**of premiums written**  
(total value of all insurances sold during quarter)

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

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

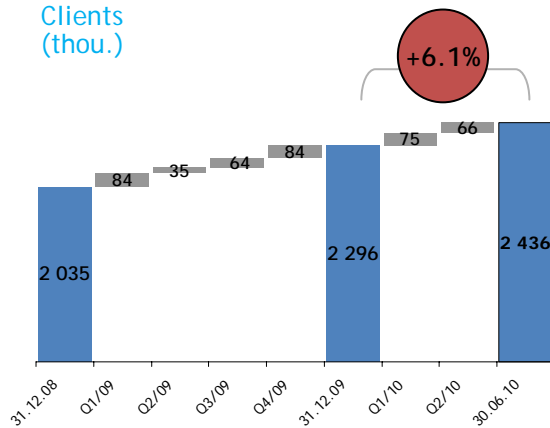
- The Car Insurance Supermarket (mBank) was launched on 13 February 2007 and the Insurance Centre (MultiBank) on 3 September 2007
- Comparison and choice of 7 offers of liability and accident insurance, each offer in 3 variants
- Purchase and service integrated with the eKONTO and MultiKonto account
- 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

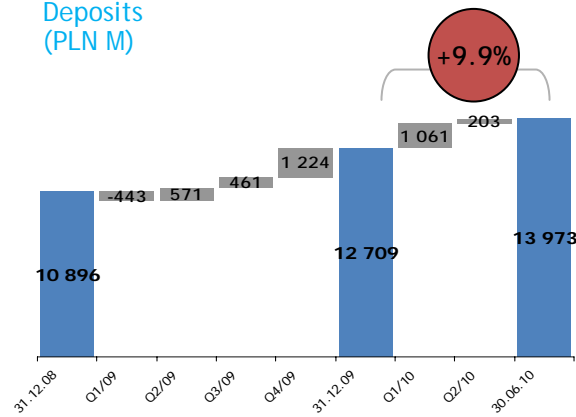
## BRE Bank Retail Banking (Poland) Net Sales by Quarters

### mBank/PL

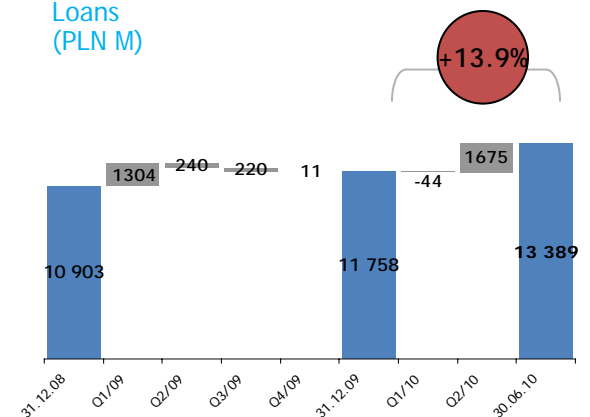
Clients  
(thou.)



Deposits  
(PLN M)

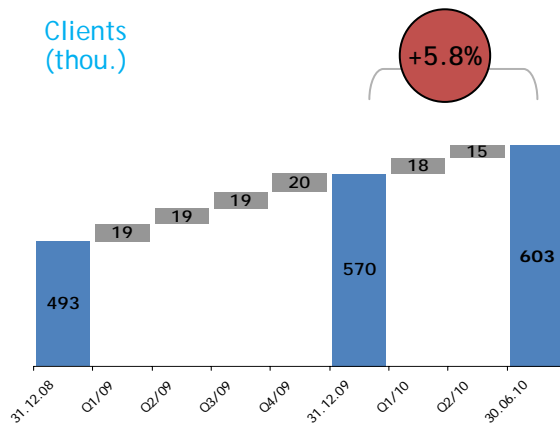


Loans  
(PLN M)

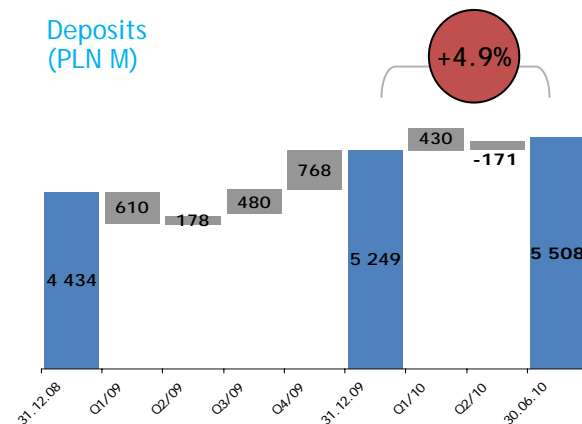


### MultiBank

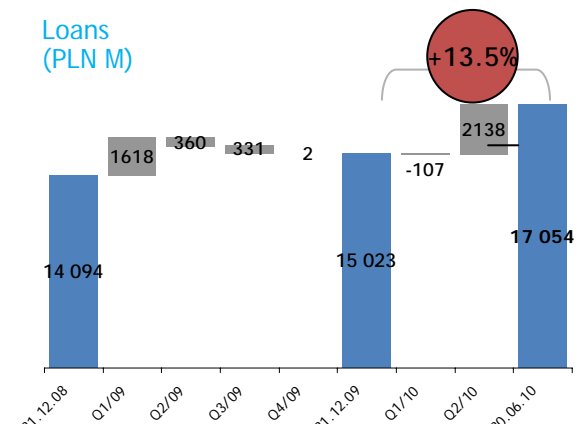
Clients  
(thou.)



Deposits  
(PLN M)



Loans  
(PLN M)



Balance Change

Detailed Results  
of the Business Lines Q2/10

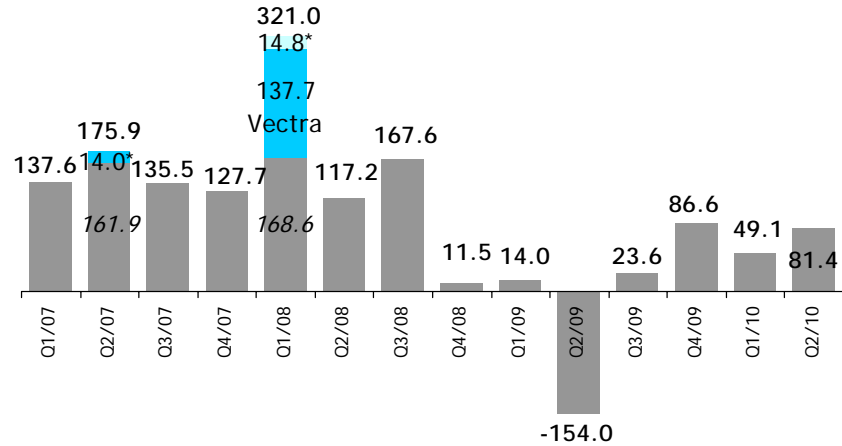
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Corporates & Financial Markets

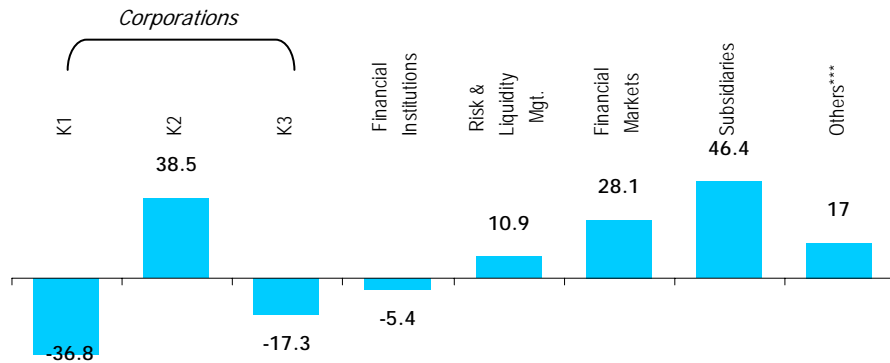
# Appendix

## Corporates and Financial Markets Summary of Q2/10: Financial Results

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

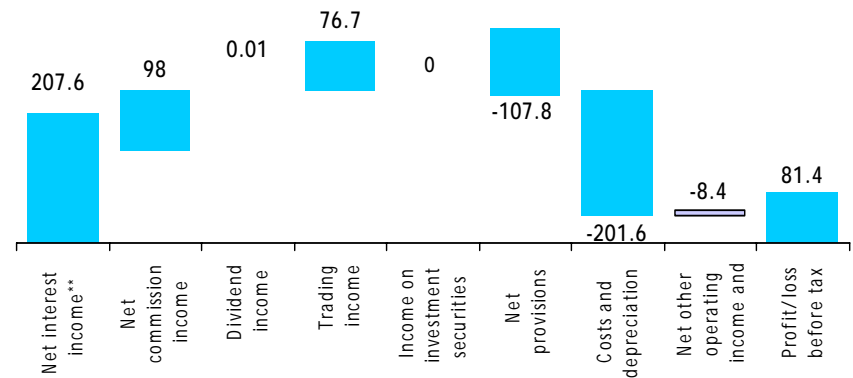


Contributors to the Result before Tax of the Segment in Q2/10  
(PLN M)



- \* Q2/07: sale of shares of Mostostal Zabrze;  
Q1/08: Repayment of default loan
- \*\* Incl. internal settlements
- \*\*\* 'Others' include mainly consolidation adjustments

Structure of the Result before Tax of the Segment in Q2/10  
(PLN M)

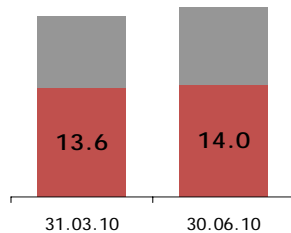


# Appendix

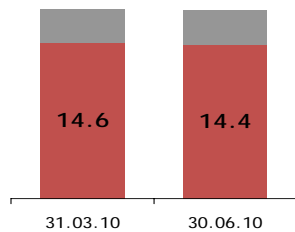
## Corporates and Institutions Customer Acquisition and Volume Trends

■ Enterprises  
acc. to NBP definition

Corporate Loans  
(PLN B)



Corporate Deposits  
(PLN B)



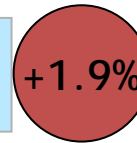
End of 03/10

Change

End of 06/10

12 783

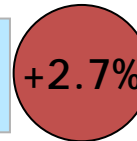
corporate  
clients



13 026

22.6 B

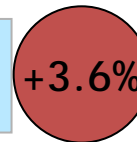
corporate  
loans (PLN)



23.7 B

13.6 B

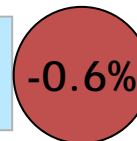
thereof loans for  
enterprises (PLN)



14.0 B

17.7 B

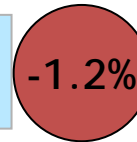
corporate  
deposits (PLN)



17.6 B

14.6 B

thereof deposits of  
enterprises (PLN)

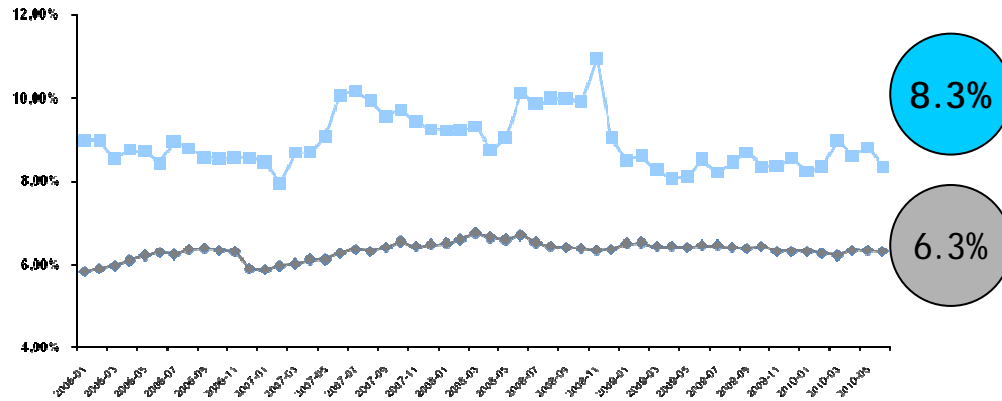


14.4 B

# Appendix

## Corporates and Institutions Loans and Deposits - Market Share\*

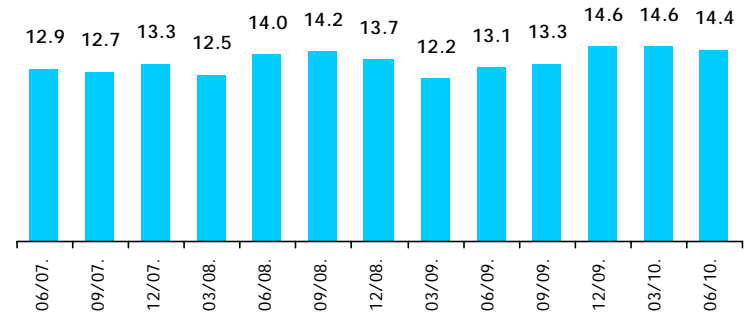
BRE Bank's Market Share in Corporate\* Loans and Deposits  
01/05 - 06/10



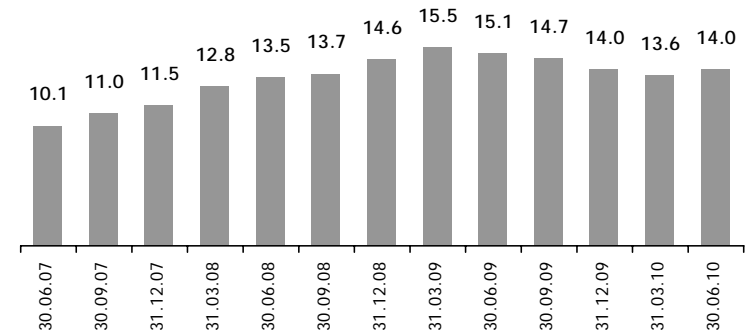
Source: NBP reports;  
\*Change the methodology of market shares calculation

- PLN 14.4 B of corporate deposits in BRE Bank at the end of Q2/10 (down by 1.2% QoQ)
- PLN 14.0 B of corporate loans in BRE Bank at the end of Q2/10 (up by 3.6% QoQ)

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



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



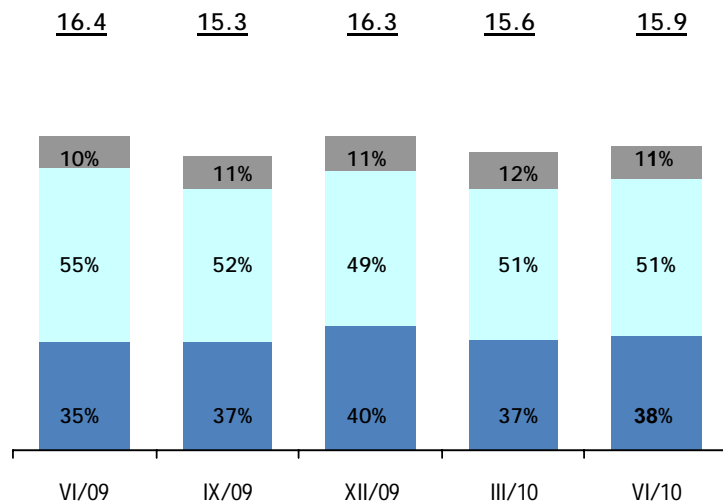
\* i.e. enterprises according to NBP (include only state, private and co-operative companies)



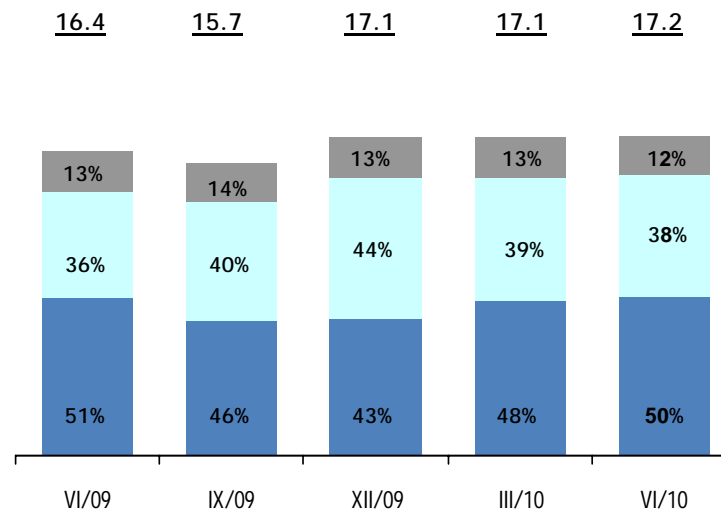
# Appendix

## 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:

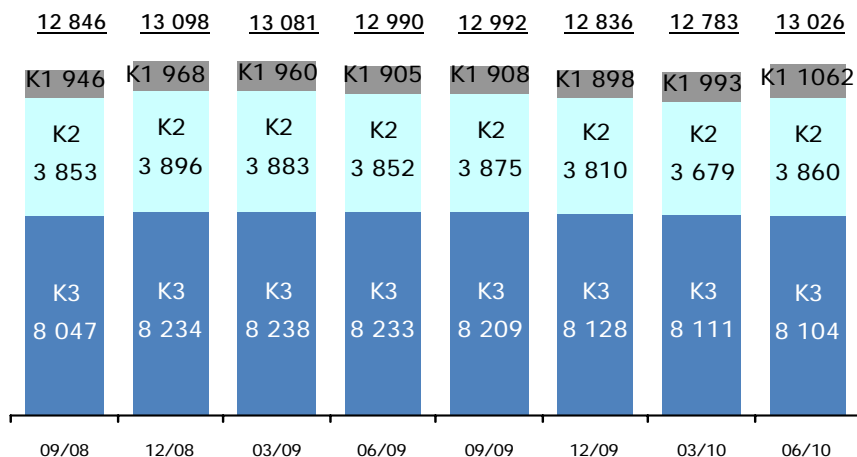
- K1 - is the segment of the largest corporations with annual sales over PLN 500 M
- K2 - is the segment of medium-sized corporations with annual sales between PLN 30 M and PLN 500 M
- K3 - is the segment of SMEs with annual sales between PLN 3 M and 30 M

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

# Appendix

## Corporates and Institutions Client Base

### Corporate Clients: Number and Structure



- The total number of corporate clients at the end of Q2/10 was 13 026 companies; of which 62,2% were K3 clients and 29,6% were K2 clients
- In 2010, 1 057 new corporate Clients were acquired, of which 56,7% were K3 Clients and 34,4% were K2 Clients

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

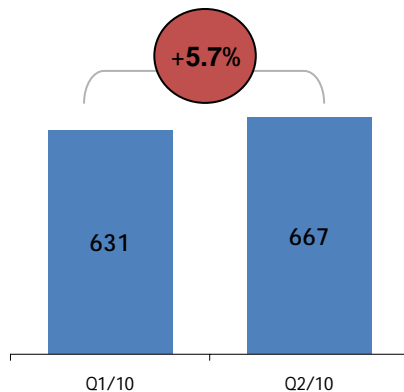
Customer segments K1, K2 and K3 include, besides enterprises, also public and non-bank financial institutions (leasing and insurance companies, pension funds etc.)

# Appendix

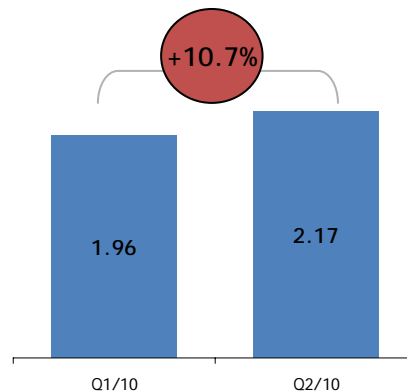
## Corporates and Institutions Cash Management

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

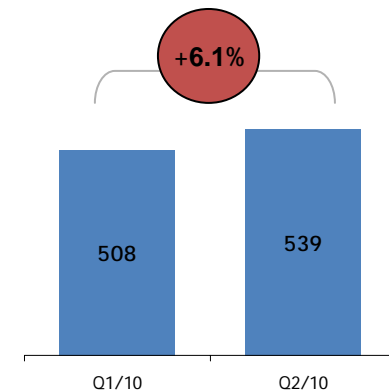
Direct Debit  
(thou. of transactions)



Identification of Trade Payments  
(M of transactions)



Number of Clients Using Cash  
Consolidation Services



- The number of direct debits processed in Q2/10 was over 667 thousand, up by 5.7% QoQ
- The number of identifications of trade payments in Q2/10 was nearly 2.2 M transactions, up by 10.7% QoQ
- The number of customers using bank account consolidation facilities grew QoQ by 6.1% in Q2/10; 539 customers were using Cash Pooling and Shared Balances services at the end of 06/10

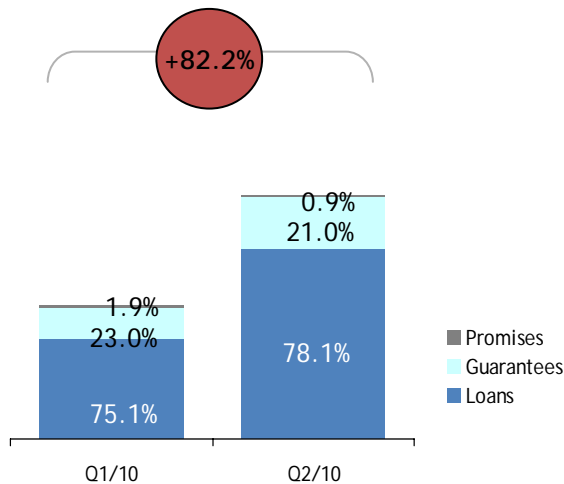
# Appendix

## Corporates and Institutions Products with EU Financing and Financial Instruments

### Sales of Banking Products with EU Financing

- In Q2/10 income on loans connected with using EU funds increased by 82.2% vs. Q1/09
- In Q2/10, the volume of loans related with EU funds constituted 187.4% of the value of analogous products sold in Q1 2010

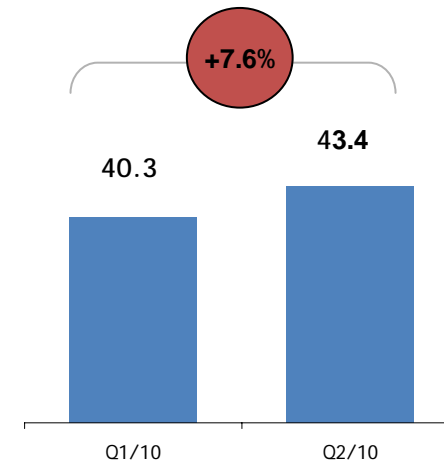
Sales of Banking Products with EU Financing



### Product Pillar of Financial Instruments\*

- The revenue on the Product Pillar of Financial Instruments to corporate customers reached PLN 43.4 M in Q2/10
- The revenue increased by 6.8% comparing to quarterly average in 2009 and increased by 7.6% vs. Q1/10

Revenue of Pillar of Financial Instruments (PLN M)



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

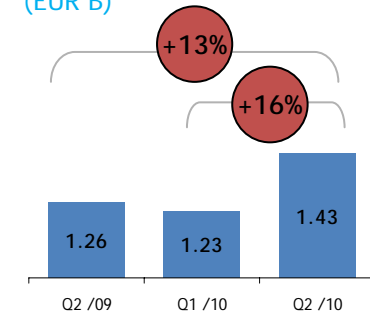
# Appendix

## Corporates and Institutions Leasing and Factoring

### Intermarket Group Companies\*

- **PLN 7.9 M pre-tax profit in Q2/10 (+ 38.2% QoQ);** significant improvement vs. Q2/09 when an extraordinary write-off (impairment in the former Romanian subsidiary brought a loss of PLN 7.5 M; this subsidiary was sold in Q4/09).
- **Sales at EUR 1.4 B in Q2/10 (+16.1 QoQ); EUR 2.7 B in 1H 2010**
  - increase in Q2/10 recorded primarily on markets which suffered less in the previous year's turmoil (i.e. Poland +19% and Austria +13% YoY)
  - market recovery also visible in Czech and Hungarian subsidiary (up by 10% and 5% YoY respectively)

Sales of Intermarket Group Companies (EUR B)



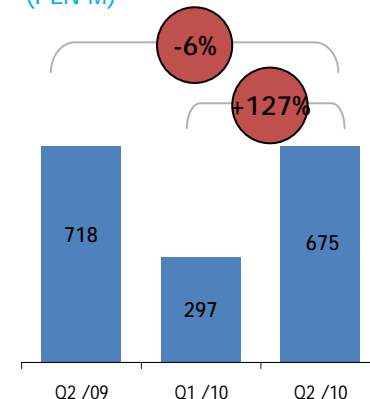
### Polfactor

- **Pre-tax profit of PLN 3.0 M in Q2/10 (+45.8% QoQ)** vs. pre-tax profit of PLN 2.4 M in Q2/09 driven by decreased impairment provisions
- **Sales at PLN 1.1 B in Q2/10 (+14.9% QoQ);** growth trend from 2009 continues, in particular in recourse factoring; leading market position defended with a market share of 11.1% in 1H 2010\*\*

### BRE Leasing

- **PLN 13.5 M pre-tax profit in Q2/10 (-3.0% QoQ)** vs pre-tax loss of PLN 32 ths in Q2/09 resulting from lower impairment provisions
- **Concluded leasing contracts :**
  - total of PLN 675 M in Q2/10 (+127% QoQ) resulting from concluding real estate contracts of PLN 262 and increase in movables of 39% QoQ
  - drop of sales by 6% YoY due to slowdown in real estate leasing (drop of 33%), however, BRE Leasing regained its leading position in this segment of leasing market

Value of BRE Leasing Contracts (PLN M)



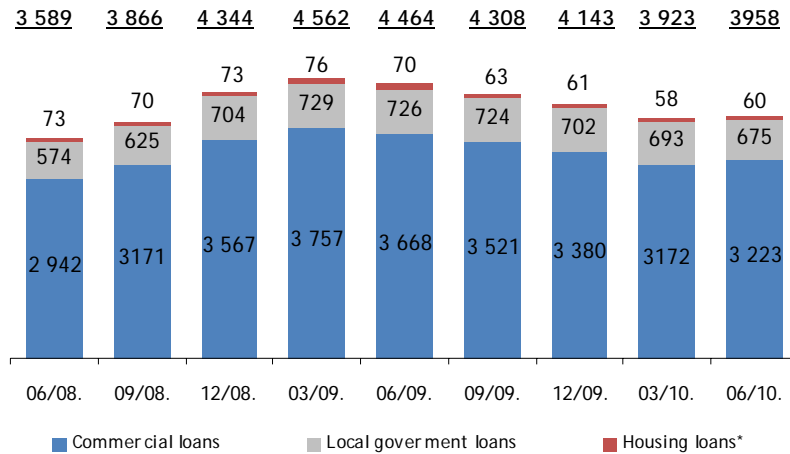
\* Companies consolidated by BRE Bank: Intermarket Bank AG, Transfinance a.s., Polfactor S.A. and Magyar Factor zRt.

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

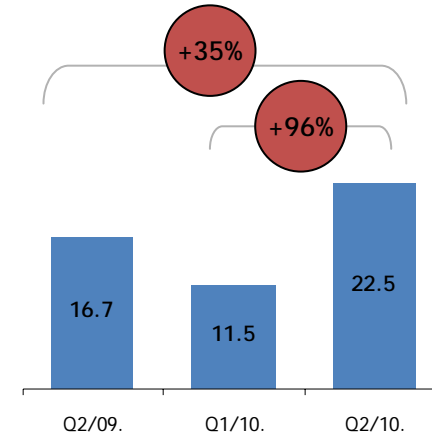
# Appendix

## 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 Q2/10 stood at PLN 4.3 B, down by 13.9% YoY
- Housing developers loans portfolio in Q2/10 at PLN 548.9 M (total balance-sheet)
- In H1/10 BBH resumed new lending after 'frozen period' during financial crisis

- PLN 22.5 M profit before tax at the end of Q2/10 (PLN 16.7 M in Q2/09)
- C/I ratio decreased from 50.1% in Q2/09 to 43.3% in Q2/10

\* 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)

### Number of Accounts with DI BRE End of 02/10 (thousand)

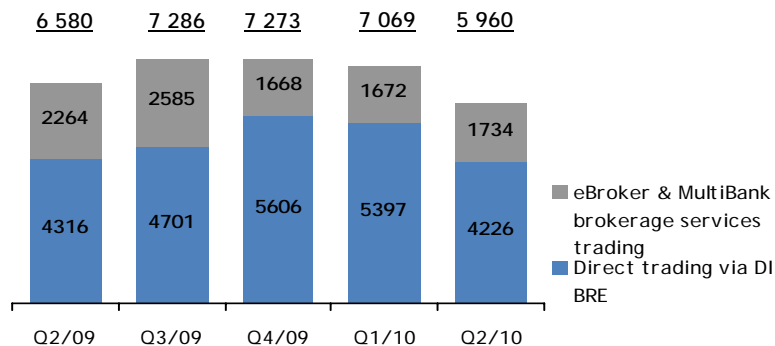
DI BRE accounts	30.3
eBroker* (mBank)	177.7
Brokerage Service* (MultiBank)	30.8
<b>TOTAL</b>	<b>238.8</b>

### DI BRE Market Share in Q2/10, by volume\*\*

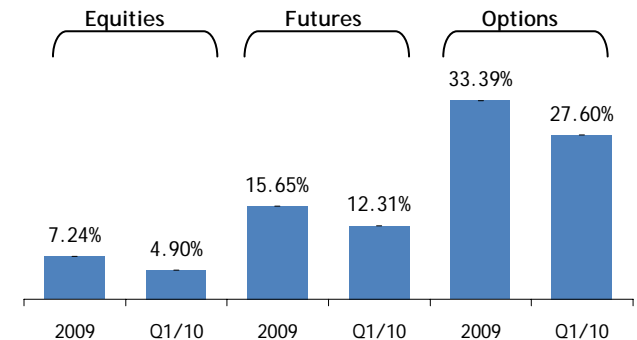
Equities	4.90 %	#9
Bonds	11.71 %	#3
Futures	12.31 %	#3
Options	27.60 %	#1

\*\*Calculations based on WSE, DI data

### DI BRE Equities Trading (PLN M)



### DI BRE Market Share in WSE Trading



- Profit before tax at PLN 16.980 M at the end of Q2/10 compared to PLN 16.812 M at the end of Q2/09
- Sustained strong market position in main segments of capital market
- Continuous growth of the number of clients: 238.8 thou. accounts at the end of Q2/10 compared to 201.6 thou. at the end of Q1/10
- Significant secondary market transactions executed in Q2/10:
  - BRE Bank SA  
Transaction type: secondary public offering  
DI BRE role: offering agent  
Transaction value: PLN 1.979.4 M
  - Tauron Polska Energia S.A.  
Transaction type: initial public offering  
DI BRE role: joint bookrunner  
Transaction value: PLN 4.211.9 M

\*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 Q2/2010, value at cost of **proprietary investments and mezzanine portfolio** reached **PLN 199.1 M**
- Compared to end of Q1/ 2010 the portfolio value increased by PLN 3.2 M. The change of portfolio book value, is associated with moving investments inside the Bank.

### Major Equity Investments at 30.06.2010

### Equity Stake

BRE Gold FIZAN	100.00%
Garbary Sp. z o.o.	100.00%

### Portfolio Value (PLN M)



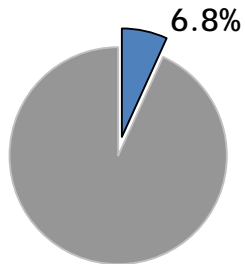
\* Bonds issued due to mezzanine finance transactions



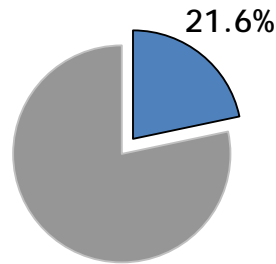
# Appendix

## Trading and Investment Activity Market Share

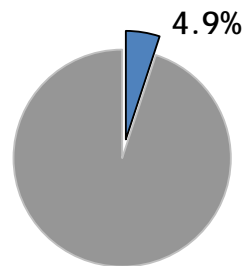
BRE Bank's Market Share\*  
in Investment Banking Services



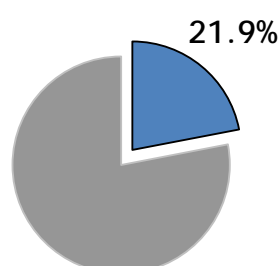
Treasury  
Bills and Bonds



IRS/FRA

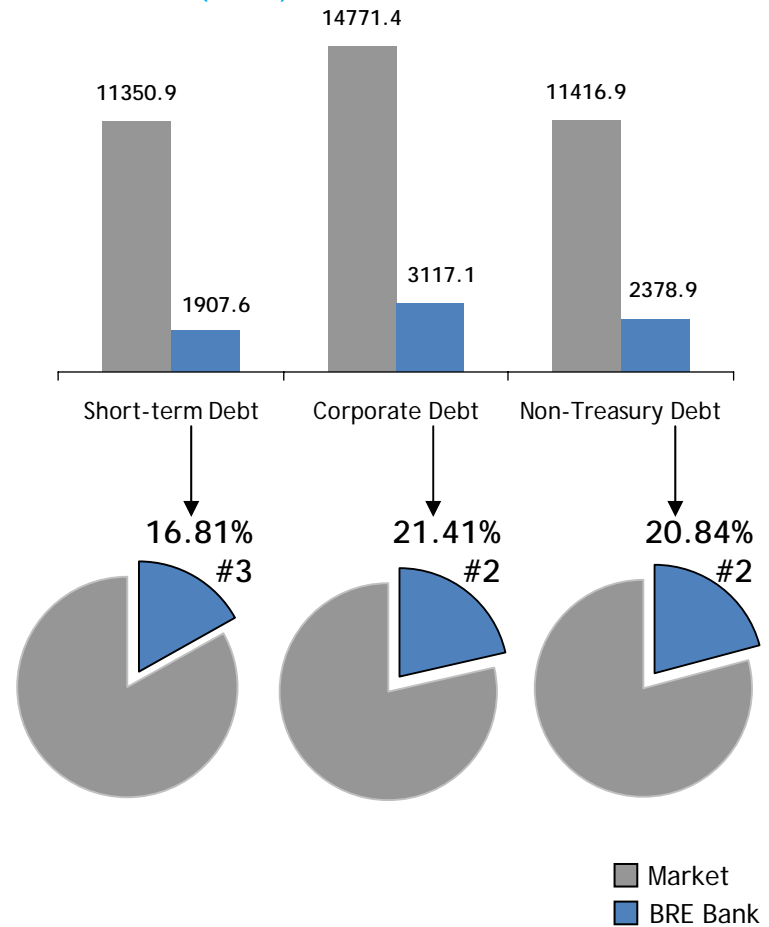


FX Spot & Forward



WIG20  
Index Options

BRE Bank in the Market of Non-Treasury Debt\*\*  
at 30.06.2010 (PLN M)



\* As at 31.05.2010; own calculations based on NBP and WSE figures

\*\* After Fitch Polska S.A., Rating & Rynek, 30.06.2010 and own calculations (without BGK road bonds)

## Additional Information: Selected Financial Data

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# Appendix

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

PLN thou. By quarter	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
Net interest income	431 487	412 052	417 535	390 537	436 254
Net commission income	158 122	162 758	152 001	173 893	172 449
Dividend income	2 822	18	96 227	330	2 611
Net trading income	100 971	99 551	82 861	96 171	122 058
Gains less losses from investment securities	(544)	20 346	(3 968)	-	16 896
Other operating income	66 575	47 138	59 651	52 131	93 268
Net credit and loans impairment provisions	(438 824)	(248 770)	(190 378)	(177 061)	(203 500)
Overhead costs	(303 890)	(304 820)	(376 105)	(294 937)	(332 220)
Depreciation/Amortisation	(59 264)	(59 248)	(82 324)	(59 201)	(59 334)
Other operating cost	(44 588)	(17 727)	(73 597)	(24 089)	(77 477)
Operating profit	(87 133)	111 298	81 903	157 774	171 005
Share in profits (losses) of associated companies	-	-	-	-	-
Profit before tax	(87 133)	111 298	81 903	157 774	171 005
<b>Net profit attributable to owners of BRE Bank</b>	<b>(61 557)</b>	<b>72 486</b>	<b>40 778</b>	<b>115 416</b>	<b>124 251</b>

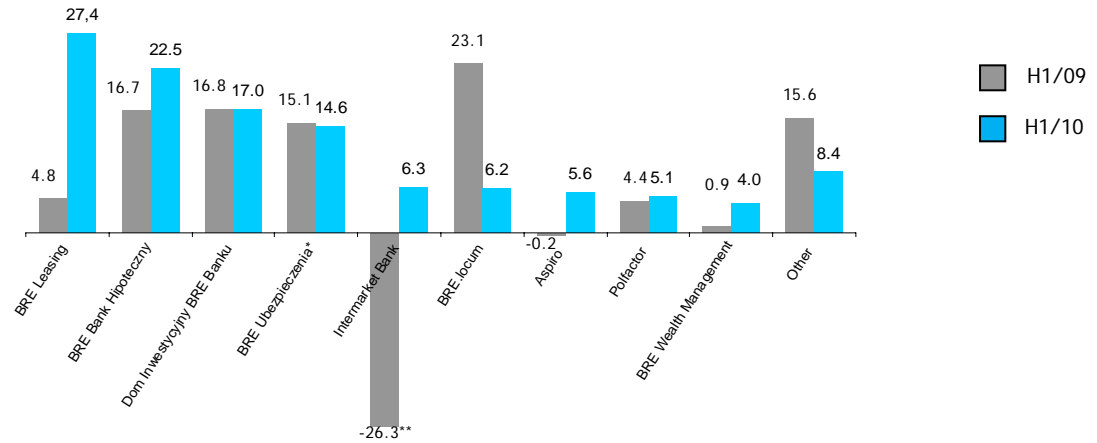
# Appendix

## Additional Information: Selected Financial Data Results of Subsidiaries

H1/10 profit before tax of consolidated subsidiaries at PLN 117.2 M

v. PLN 70.9 M in H1/09 (+65.3% QoQ)

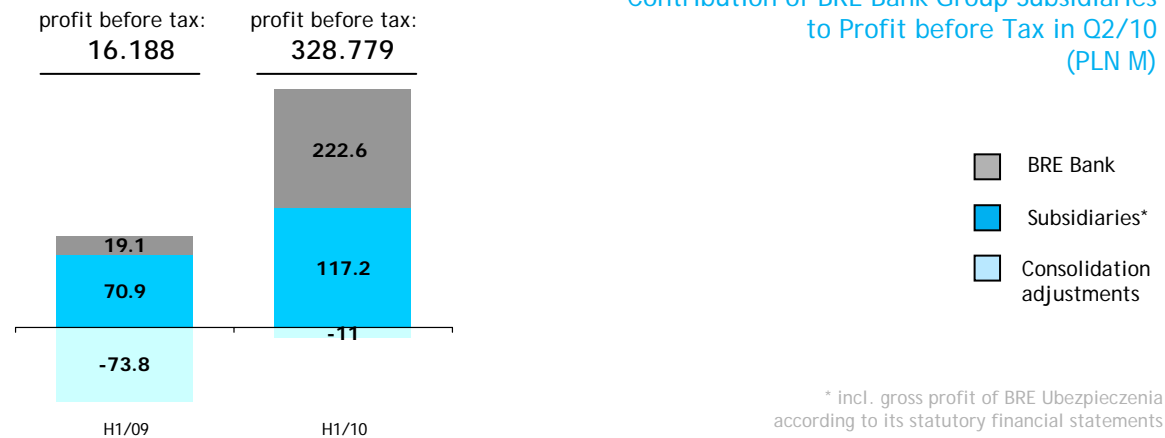
Profit before Tax of Consolidated Subsidiaries (PLN M)



\* Gross profit of BRE Ubezpieczenia according to its statutory financial statements

\*\* Incl. loss of PLN 17 M on Romanian subsidiary, sold in 10/09

Contribution of BRE Bank Group Subsidiaries to Profit before Tax in Q2/10 (PLN M)

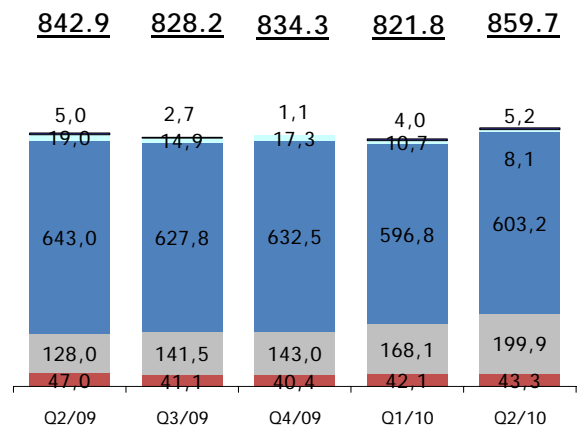


\* incl. gross profit of BRE Ubezpieczenia according to its statutory financial statements

# Appendix

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

Interest Income Structure  
(PLN M)

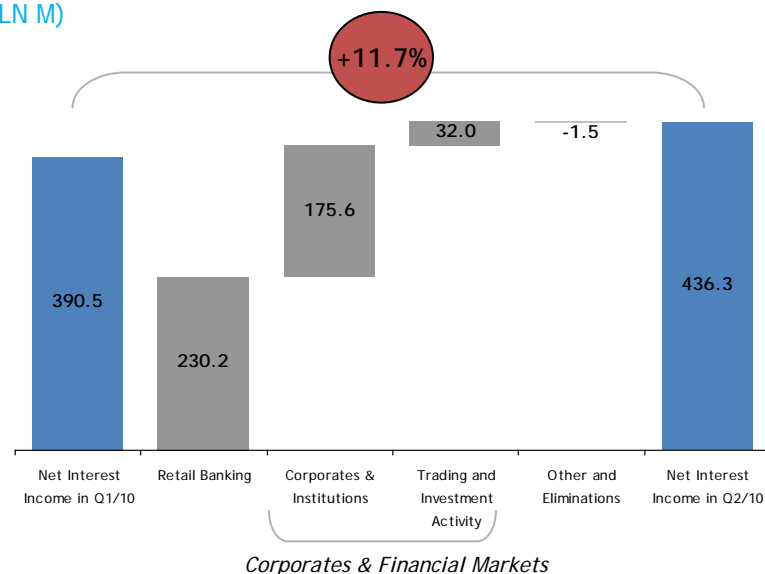


Interest Income Structure  
(%)

	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
Cash and short-term deposits	6%	5%	5%	5%	5%
Investment securities	15%	17%	17%	21%	23%
Loans and advances	76%	76%	76%	73%	70%
Debt securities held for trading	2%	2%	2%	1%	1%
Other	1%	0%	0%	0%	1%

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

Net Interest Income, Q2/10 by Business Line  
(PLN M)



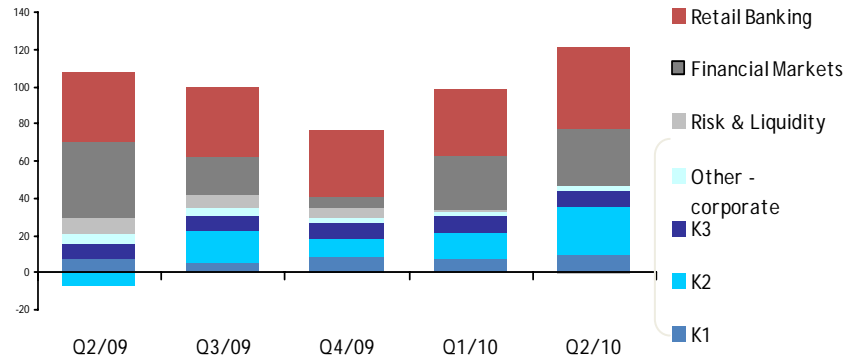
Net Interest Margin (NIM at the end of period, %)\*

2008		2009				2010			
3 m	6 m	9 m	12 m	3 m	6 m	9 m	12 m	3 m	6 m
2.4	2.3	2.4	2.3	2.2	2.3	2.3	2.3	2.0	2.1

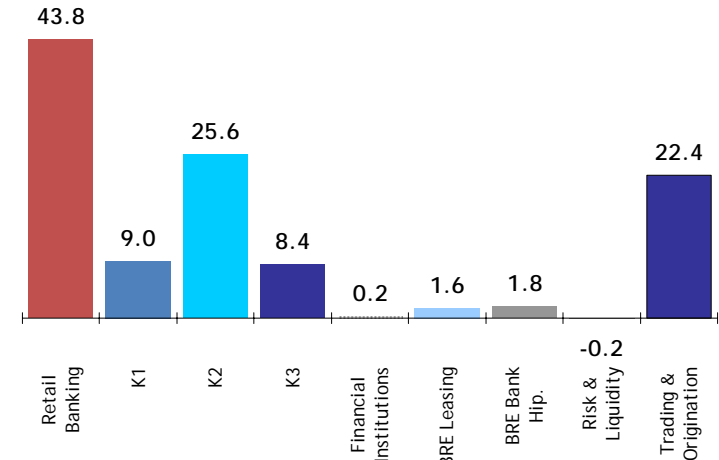
# Appendix

## Additional Information: Selected Financial Data Trading Income

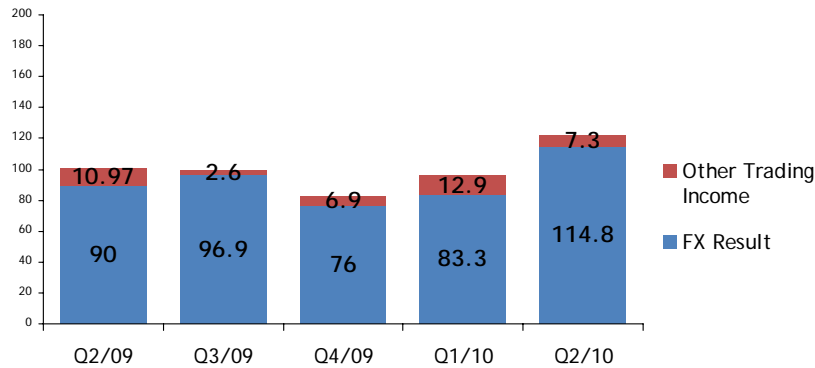
Contributors of Net Trading Income  
(PLN M)



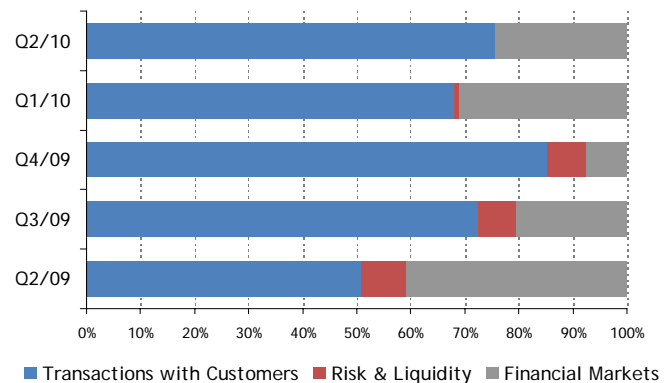
FX Result Contributors in Q2/10  
(PLN M)



Net Trading Income Structure  
(PLN M)



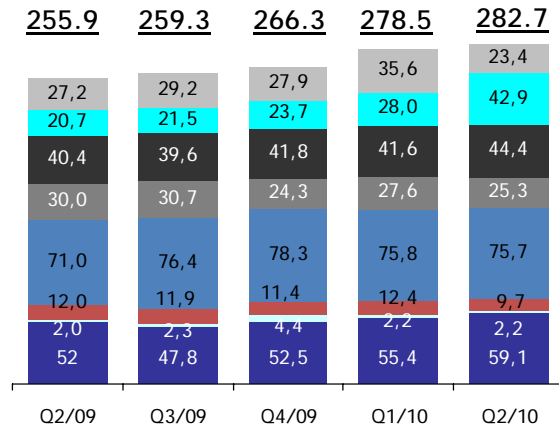
Share of Client Driven Transactions  
in Net Trading Income  
(%)



# Appendix

## Additional Information: Selected Financial Data Commission Income

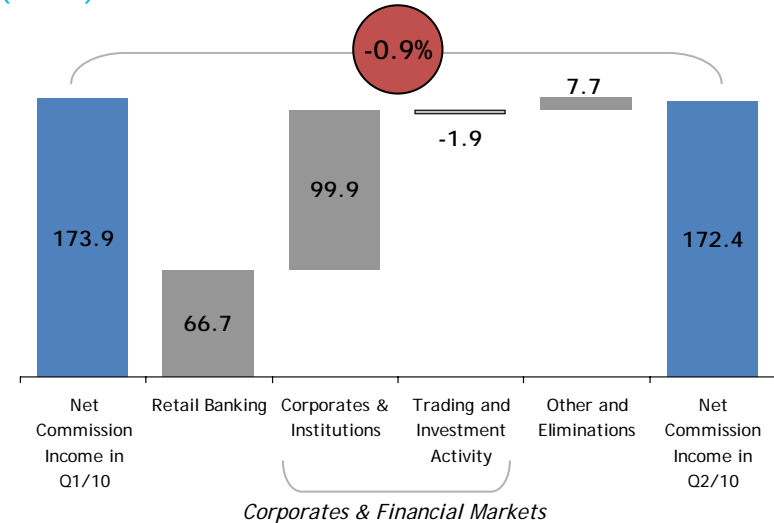
Commission Income Structure  
(PLN M)



Commission Income Structure  
(%)

	Q2/09	Q3/09	Q4/09	Q1/10	Q2/10
Credit related	20%	18%	20%	20%	21%
Portfolio management	1%	1%	2%	1%	1%
Guarantees and documentary transactions	5%	5%	4%	4%	3%
Payment cards	28%	30%	29%	27%	27%
Brokerage fees	12%	12%	10%	10%	9%
Accounts & money transfers	16%	15%	16%	15%	16%
Insurance activity	8%	8%	9%	10%	15%
Other (incl. custody)	10%	11%	10%	13%	8%

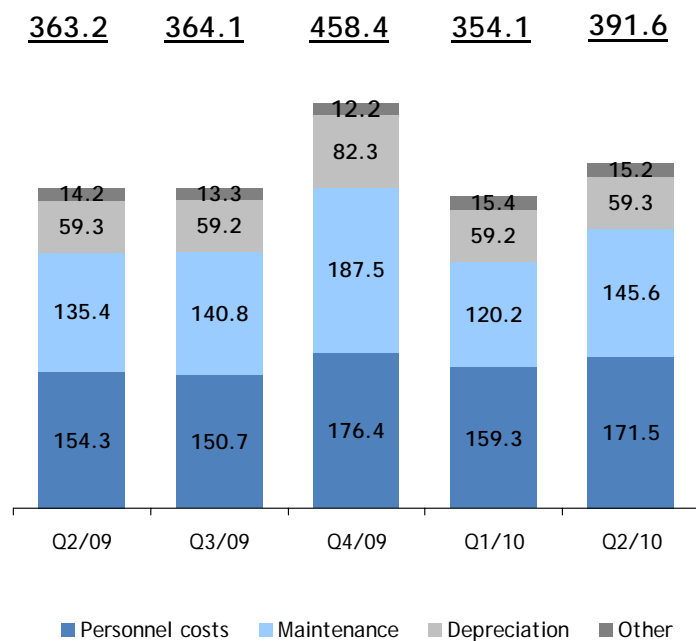
Net Commission Income, Q2/10 by Business Line  
(PLN M)



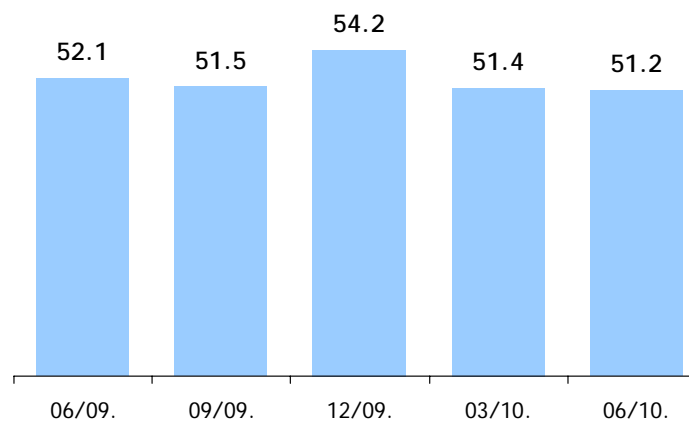
# Appendix

## Additional Information: Selected Financial Data Administrative Expenses Structure

Structure of Administrative Expenses incl. Depreciation  
(PLN M)



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

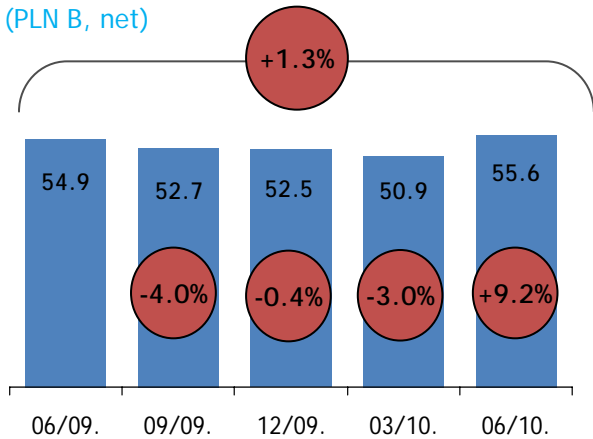




# Appendix

## Additional Information: Selected Financial Data Loans and Deposits

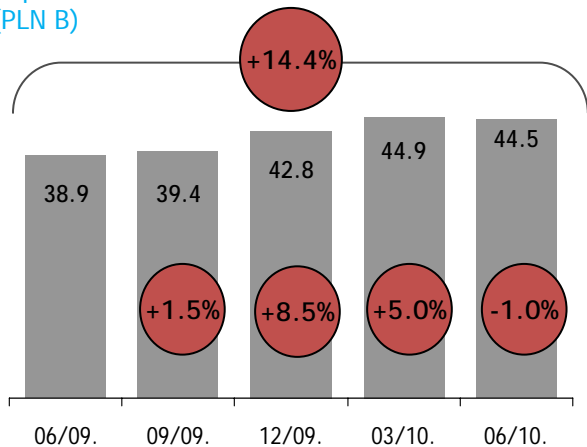
Loans  
(PLN B, net)



	BRE Bank*	Market*
QoQ	+9.2% ↑	+6.0% ↑
YoY	+1.3% ↑	+6.5% ↑

\* Data relate to gross loans

Deposits  
(PLN B)



	BRE Bank	Market
QoQ	-1.0% ↓	+3.3% ↑
YoY	+14.4% ↑	+10.0% ↑

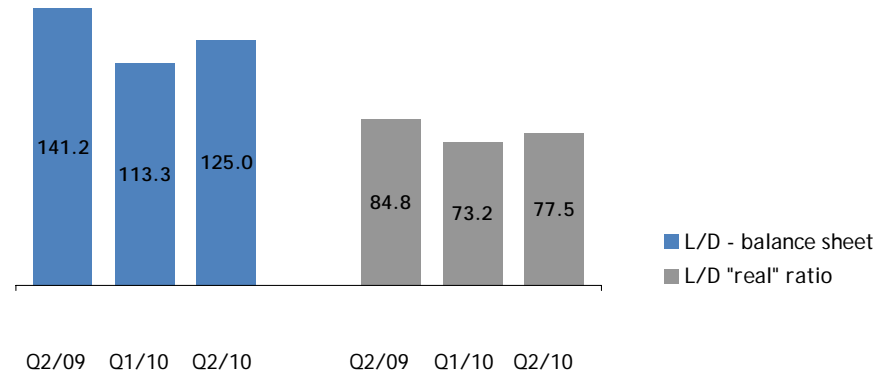
# Appendix

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

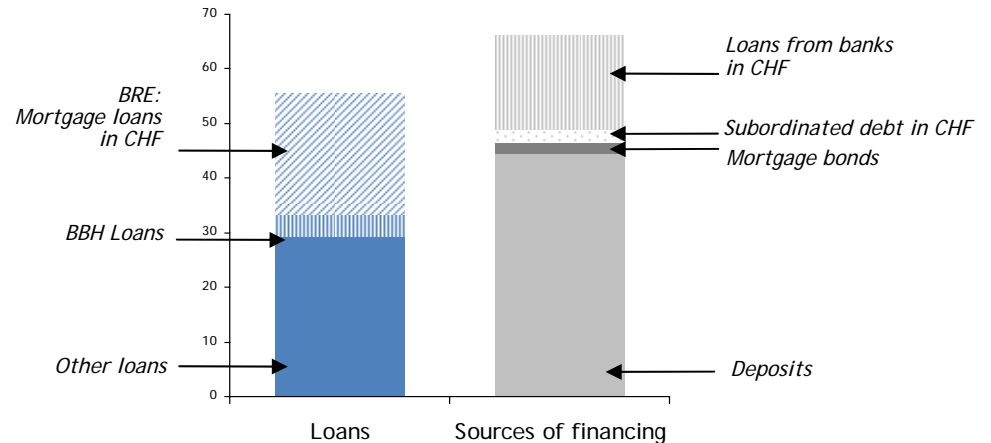
- The ratio of loans to deposits stood at 125.0% in Q2/10
- However, funding policy for FX risk mitigation is implemented
- BRE mid-term loans in CHF fund CHF-denominated mortgages, therefore...

...the 'real' ratio of loans funded from deposits is **77.5%**

LtD Ratio in BRE Bank Group



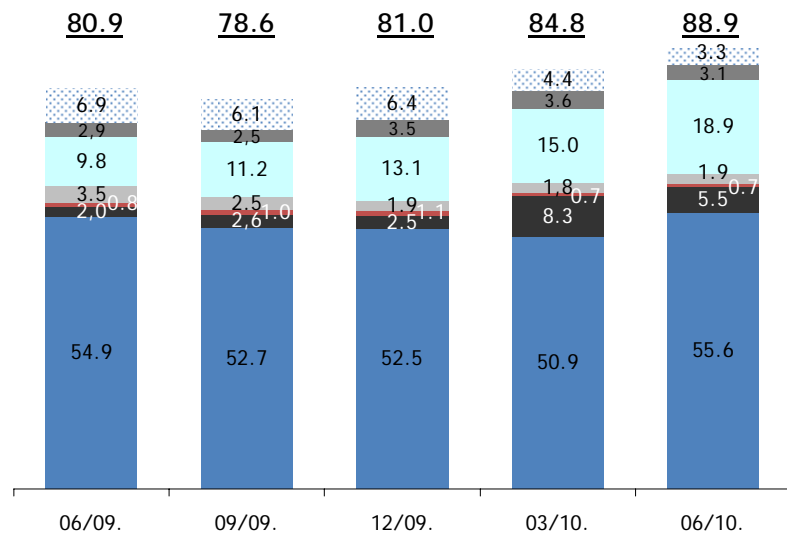
Structure of Financing Loans of BRE Bank Group at 31.03.2010 (PLN B)



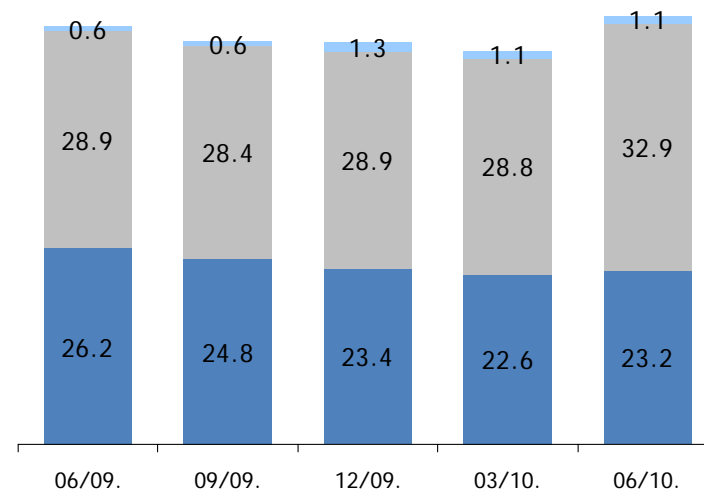
# Appendix

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

Structure of Assets  
(PLN B)



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



	06/09	09/09	12/09	03/10	06/10
Loans and advances to customers	68%	67%	65%	60%	63%
Amounts due from banks	2%	3%	3%	10%	6%
Trading securities	1%	1%	1%	1%	1%
Derivative financial instruments	4%	3%	2%	2%	2%
Investment securities	12%	14%	16%	18%	21%
Assets under pledge	4%	3%	4%	4%	3%
Other	9%	9%	9%	5%	4%

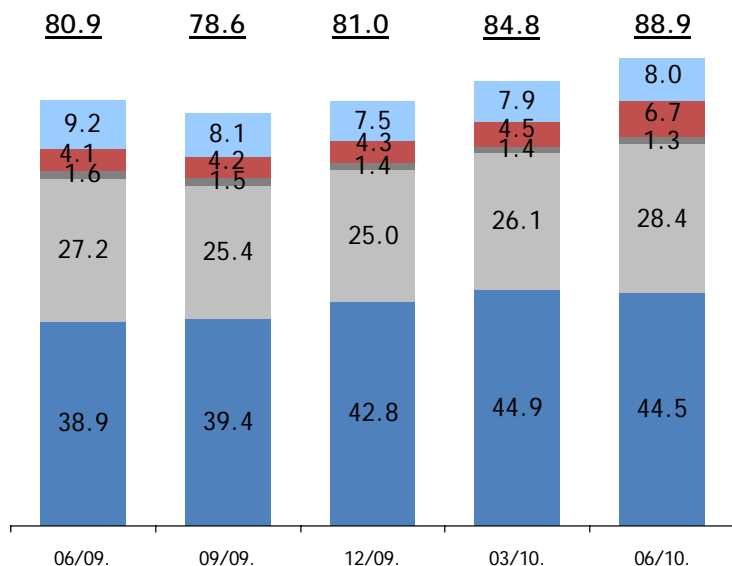
	06/09	09/09	12/09	03/10	06/10
Corporate customers	47%	47%	44%	43%	41%
Retail customers	52%	52%	54%	55%	57%
Public sector	1%	1%	2%	2%	2%

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

# Appendix

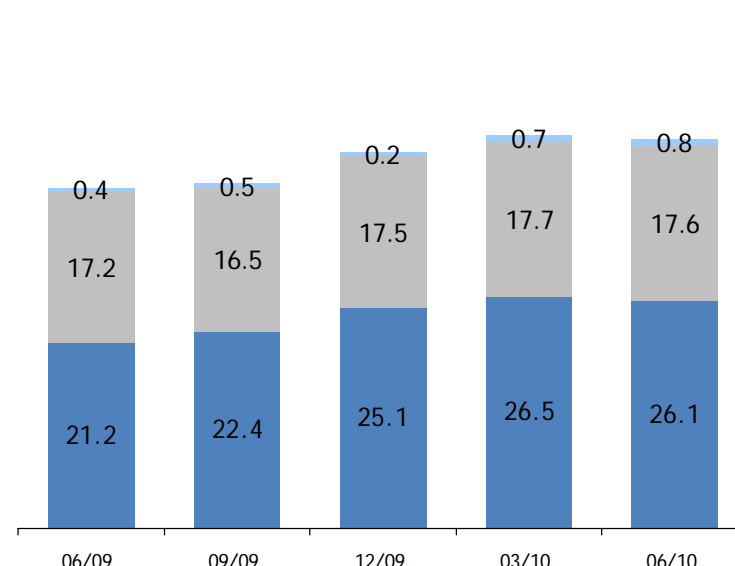
## Additional Information: Selected Financial Data Balance Sheet Analysis - Liabilities

Structure of Liabilities  
(PLN B)



	06/09	09/09	12/09	03/10	06/10
Liabilities to customers	48%	50%	53%	53%	50%
Liabilities to other banks	34%	32%	31%	31%	32%
Debt securities in issue	2%	2%	2%	2%	1%
Equity (total)	5%	5%	5%	5%	8%
Other	11%	11%	9%	9%	9%

Structure of Deposits  
(PLN B)



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

# Appendix

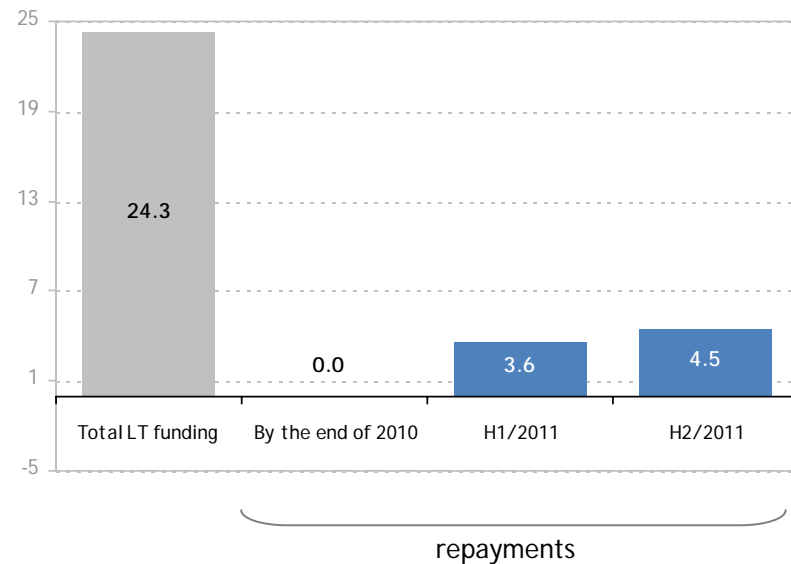
## Additional Information: Selected Financial Data

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

#### Significant improvement of funding profile achieved

- Since 2010 mid-term loans in the amount of CHF 3.0 B primarily maturing in 2010 and 2011 were extended to longer tenors (up to 2014 - 2017)
- This results in significantly improved asset liability profile in foreign currencies
- Moreover in H1/10 BRE was granted 3 additional FX loans (including USD 100 M, USD 100 M, CHF 350 M)
- By the end of H1 2011 BRE Bank will need to refinance PLN 3.6 B or 14.8% of long- and mid-term loans drawn in the past to fund FX lending

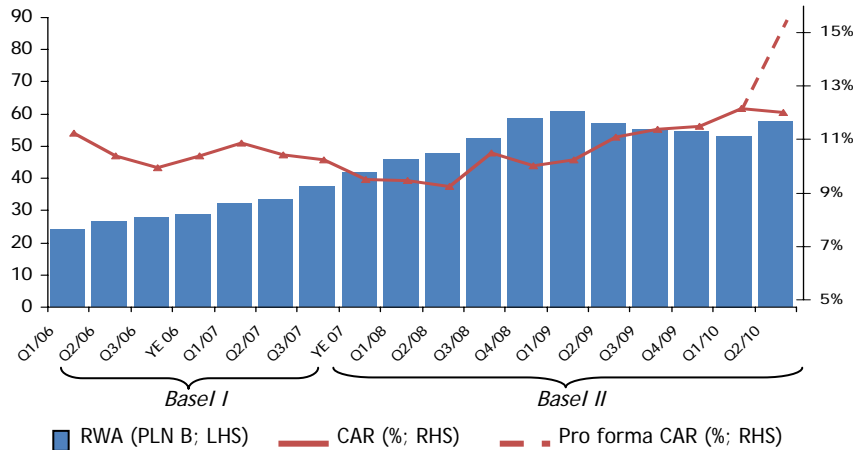
Maturity of Long- and Mid-term FX Loans by the end of 2011 (PLN B)



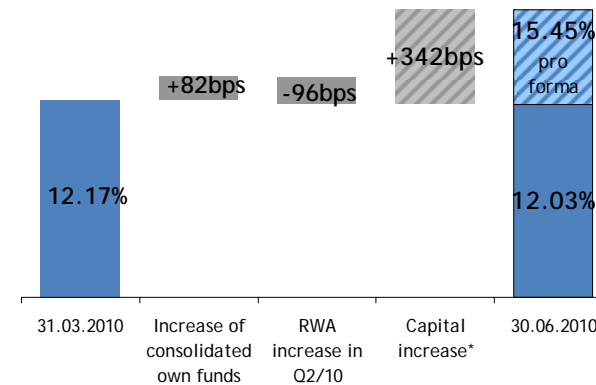
# Appendix

## Additional Information: Selected Financial Data BRE Bank Group's Capital Adequacy Ratio (CAR) in Q2/10

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



Change of CAR under Basel II



**CAR at 12.03% in 06/10**  
**Pro forma CAR after capital increase at 15.45%**

- CAR at 12.03% in 06/10 vs. 12.17% in 03/09  
11.50% in 12/09
- Core Tier 1 ratio at 6.68% compared to 7.25% in 03/10 and 6.62% in 12/09
- Pro forma CAR after capital increase at 15.45%; pro forma core Tier 1 at 10.11%

\*Capital registered on 16 July 2010

# Appendix

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

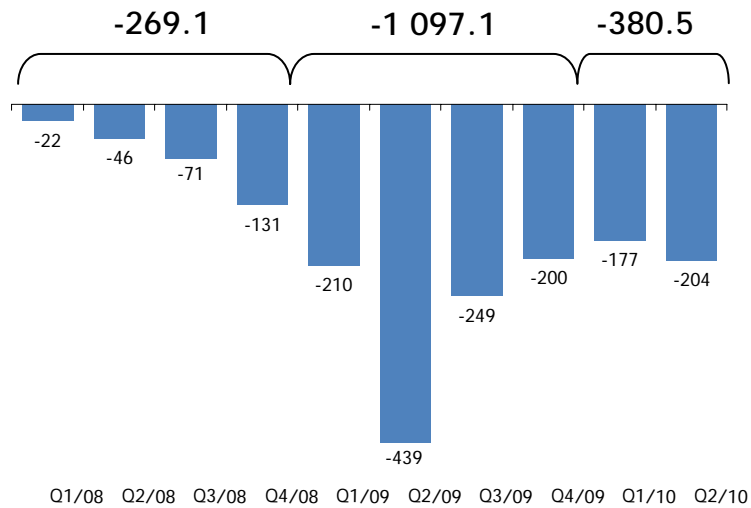
### Capital Adequacy Ratio under NCA

Capital Requirement (PLN M)	Q4/07 Basel I	Q4/08 Basel II	Q4/09 Basel II	Q2/10 Basel II
Credit risk	2 998	4 177	3 886	4 135
Market risk	93	89	46	51
Operational risk	-	326	375	375
Other risks	24	120	50	58
Total capital requirement	3 114	4 712	4 357	4 619
CAR (%)	10.16	10.04	11.50	12.03

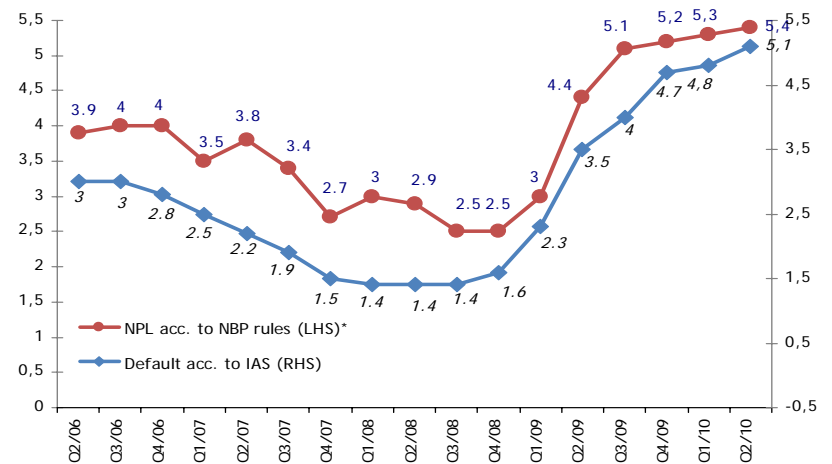
# Appendix

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

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



BRE Bank Portfolio Quality  
(%)



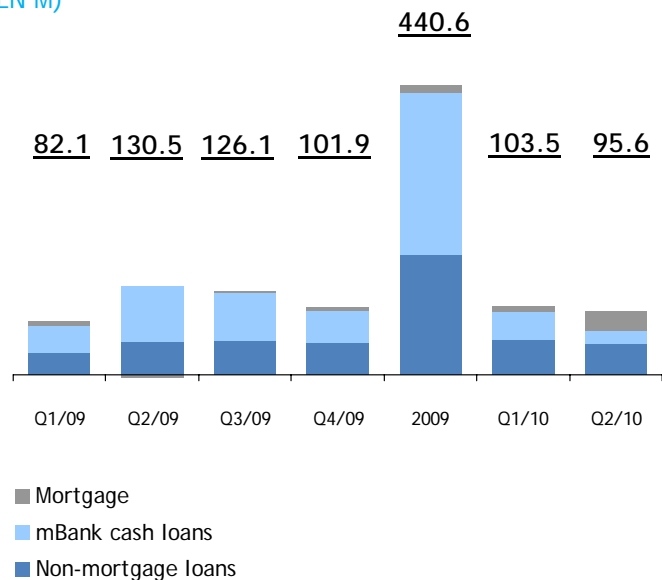
\*For comparability - calculated on the balance-sheet and off-balance sheet portfolio



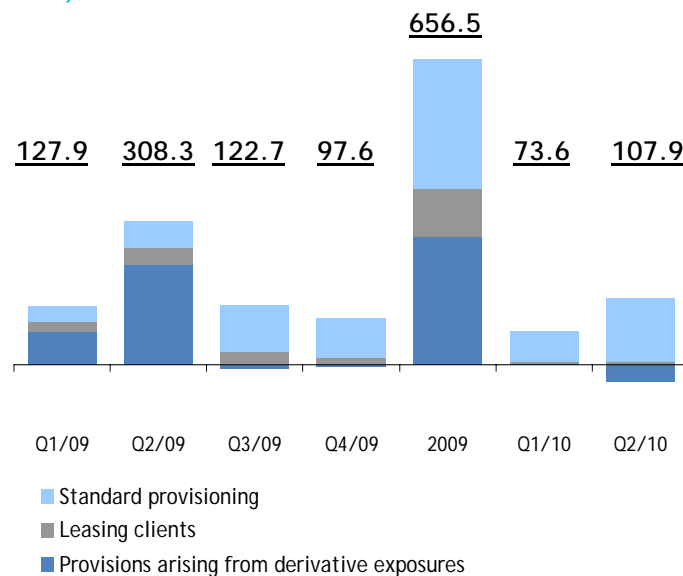
# Appendix

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

Retail Banking provisions by quarters  
(PLN M)



Corporates & Markets provisions by quarters  
(PLN M)

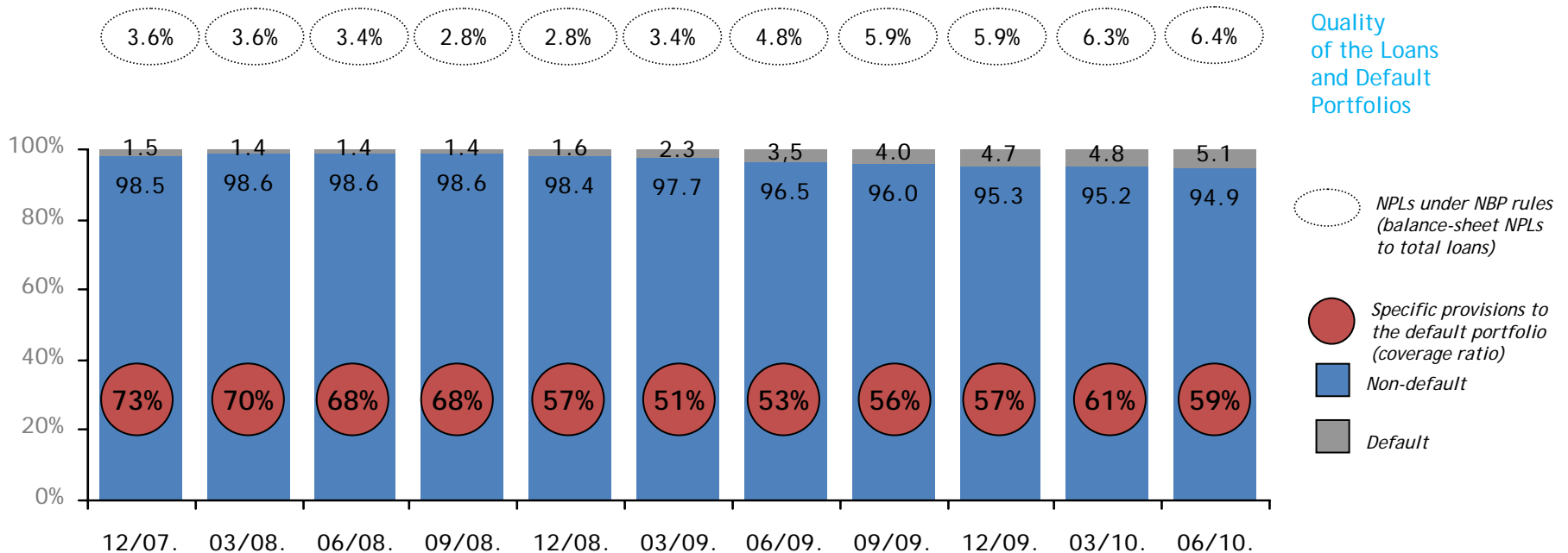


	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Total 2009	Q1 2010	Q2 2010
Non-mortgage loans	33.0	50.2	51.2	47.6	182.2	54.2	46.1
mBank cash loans	42.5	83.9	73.3	48.1	247.8	41.1	19.7
Mortgage	6.6	-3.6	1.59	6.0	10.6	8.1	29.8

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Total 2009	Q1 2010	Q2 2010
Standard provisioning	34.6	56.4	100.7	85.1	276.8	66.5	137.1
Leasing clients	23.1	36.6	28.8	16.1	104.6	4.5	6.5
Provisions arising from derivative exposures	70.2	215.3	-6.9	-3.6	275.1	2.4	-35.7

# Appendix

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



PLN M	06/10	% share	03/10	% share	06/09	% share
Default	3 191	5.1	2 815	4.8	2 144	3.5
Non-default	59 568	94.9	55 299	95.2	58 458	96.5
TOTAL	62 759	100.0	58 114	100.0	60 602	100.0

Structure of the Default & Non-Default Portfolio

# Appendix

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

	06/10			03/10			06/09		
	Expo- sure		Provisions	Expo- sure		Provision s	Expo- sure		Provisions
	PLN B	%	% coverage	PLN B	%	% coverage	PLN B	%	% coverage
Regular	46.8	93.6	0.8	42.2	93.7	0.9	43.8	95.2	1.1
Standard	45.3	90.6	0.4	41.2	91.5	0.4	42.7	92.8	0.5
Watch	1.5	2.9	10.5	1.0	2.2	21.7	1.1	2.4	26.9
Irregular	3.2	6.4	53.8	2.8	6.3	53.6	2.2	4.8	35.9
Sub-Standard	1.1	2.2	22.9	1.0	2.3	19.6	1.0	2.3	17.4
Doubtful	0.5	1.1	37.2	0.4	1.0	49.8	0.5	1.1	17.7
Loss	1.6	3.1	81.4	1.4	3.0	80.4	0.7	1.4	79.1
<b>TOTAL</b>	<b>50.0</b>	<b>100</b>	<b>4.2</b>	<b>45.0</b>	<b>100</b>	<b>4.2</b>	<b>46.0</b>	<b>100</b>	<b>2.8</b>

**6.4% of NPLs  
in the portfolio  
(balance-sheet)  
at the end  
of Q2 2010**

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

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

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