

# Results of BRE Bank Group Q1-3 2011

Superior client franchise delivering growth and profits



Management Board of BRE Bank S.A.

Presentation for Investors and Analysts  
November 4, 2011

# Agenda

## » Summary of Q3/11

Analysis of Q3/11 Results

Macroeconomic Update

2011 Outlook

Appendix

Detailed Results of Business Lines

Additional Information: Selected Financial Data

# Highlights of Q3/11 in BRE Bank Group

1

## Strength in core income maintained

- NII and NFC at PLN 767 M, up 12.8% YoY and 2.2% QoQ;
- 6<sup>th</sup> consecutive quarter of core income growth;

2

## Award-winning client franchise

- Retail clients up by 46K in Q3 and 270K YoY to 3.8M, corporate clients up by 242 in Q3 and 752 YoY to 13,878
- Cross-selling ratio in retail banking at 3.10 v. 2.99 in Q2/11 and 2.75 in Q3/10

3

## Solid efficiency improved further

- 9M/11 C/I ratio at 47.9% v. 48.5% in Q2/11 and 51.0% for 9M/10

4

## Resilient loan portfolio

- Recurrent cost of risk in Q3/11 at 71 bps and 79 bps in 9M/11, NPL coverage ratio at 61%
- Stable NPL ratio of mortgage portfolio at 1.1% v. 1.1 in Q2/11

5

## Highly liquid and well-capitalised balance sheet

- CAR at 15.76% and Core Tier 1 ratio at 10.15%
- Sound liquidity supporting business growth and tighter regulatory environment



# Summary of Results, Q3/11

## Key Financials

	Q3/11	Q2/11	Change Q3/Q2		Q3/10
Core income <sup>1)</sup>	767.5	750.7	+2.2%		680.3
Total income <sup>2)</sup>	934.5	894.3	+4.5%		825.1
Total cost	(438.4)	(428.6)	+2.3%		(416.9)
Operating profit	496.1	465.7	+6.5%		408.2
Net provisions	(111.2)	(58.6) <sup>3)</sup>	+89.7%		(128.2)
Profit before tax	384.9	407.0	-5.4%		279.9
Net profit	307.3	313.2	-1.9%		206.5
Net profit excl. the sale of NPL portfolio	307.3	248.2	+23.8%		206.5
ROE before tax	21.1%	20.6%	+0.5 p.p.		15.3%
CAR	15.76%	16.08%	-32 bps		15.89%

Note: Q2/11 financial results presented include the impacts of the sale of NPL portfolio (total impact on pre-tax profit at PLN 90.3M)

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

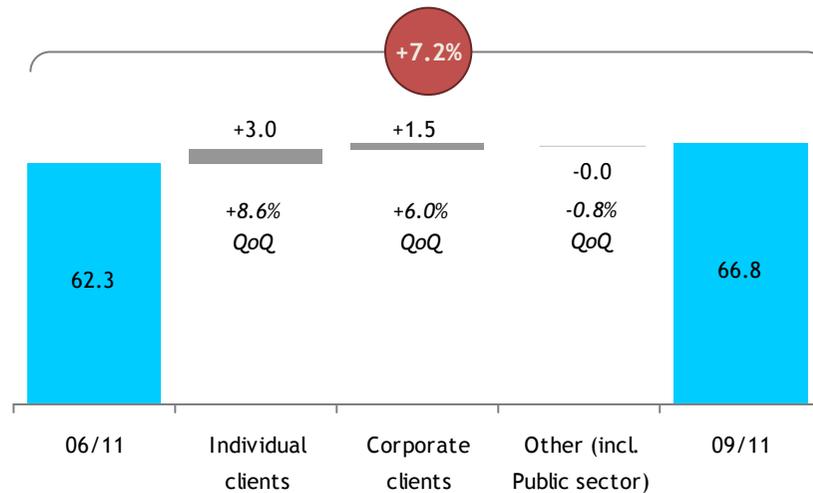
3) PLN 140.4M excluding the sale of NPL portfolio;

# Summary of Q3/11 in BRE Bank Group

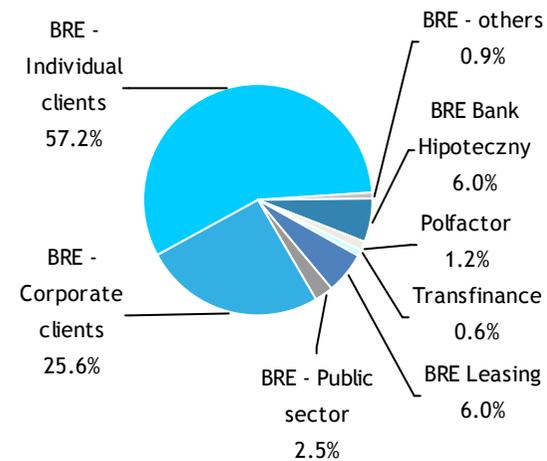
## Development of Loans to Clients

### ➔ Sound and well-balanced loan growth

Development of Gross Loans  
(PLN B)



Structure of Gross Loan Portfolio  
as of 30 September 2011



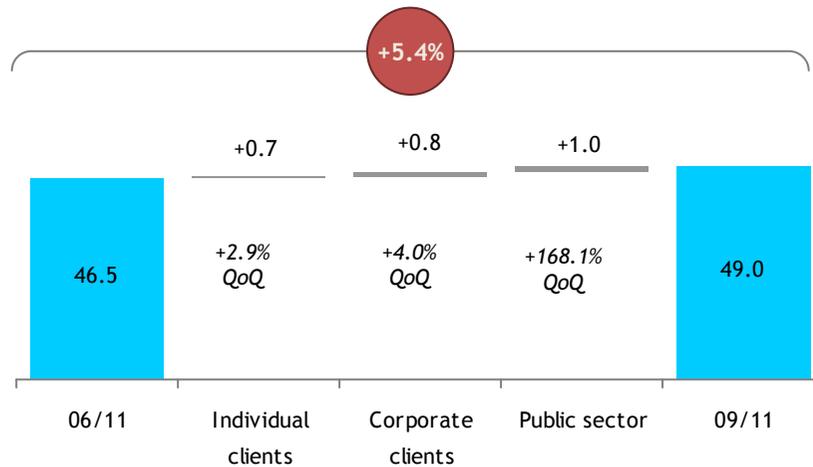
- Total gross loans up 7.2% QoQ (market: +5.6%); excluding FX effects: up 1.5% QoQ (market: +2.2%)
- Corporate loans up 6.0% QoQ (market: +5.5%); excluding FX effects up 2.0% QoQ (market: +2.8%); loans to enterprises up 15.7% YtD (market: +13.9%)
- Retail loans up 8.6% QoQ (market: +5.6%) excluding FX effects: up 1.3% QoQ (market: +1.9%)

# Summary of Q3/11 in BRE Bank Group

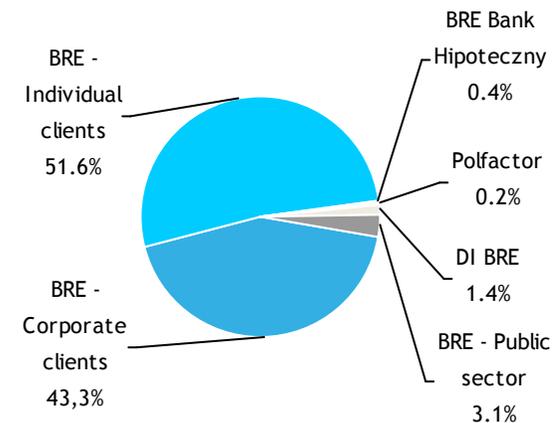
## Development of Deposit Base

➔ Ample and stable liquidity - 'real' LtD ratio at 86%

Development of Deposits (PLN B)



Structure of Deposits as of 30 September 2011



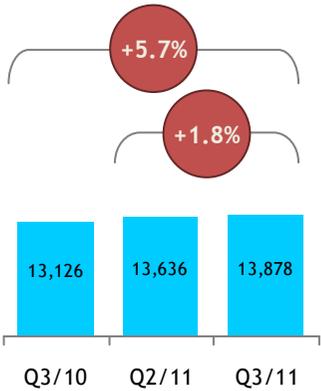
- Highly liquid balance sheet allowing selective deposit additions that support margins
- Sound and balanced growth across all business lines
- Capitalising on strong relationships with the public sector

# Summary of Q3/2011 in BRE Bank Group

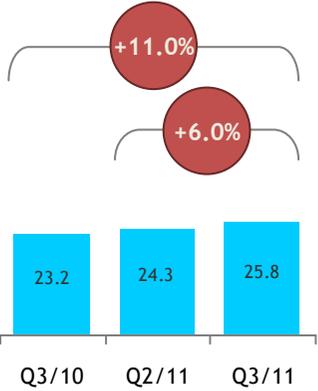
## Business Development: Corporates & Markets

### ➔ Relationship-driven banking delivering further growth

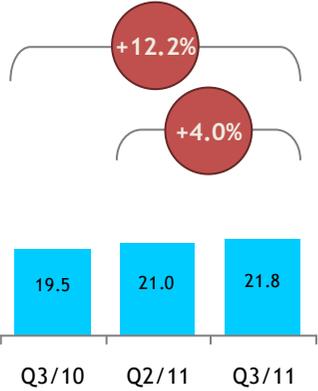
Clients



Loans (PLN B)



Deposits (PLN B)



Product innovations



**iBRE offer enhancement**

- iBRE - internet platform for corporate banking, one access channel to all key products: iBRE FX, iBRE Cards, iBRE Cash, iBRE Invoice.NET, etc.
- Addition of new modules:
  - iBRE Custody
  - iBRE Liquidity management
- Focus on further strengthening of transactional relationships with clients



**BReBrokers**

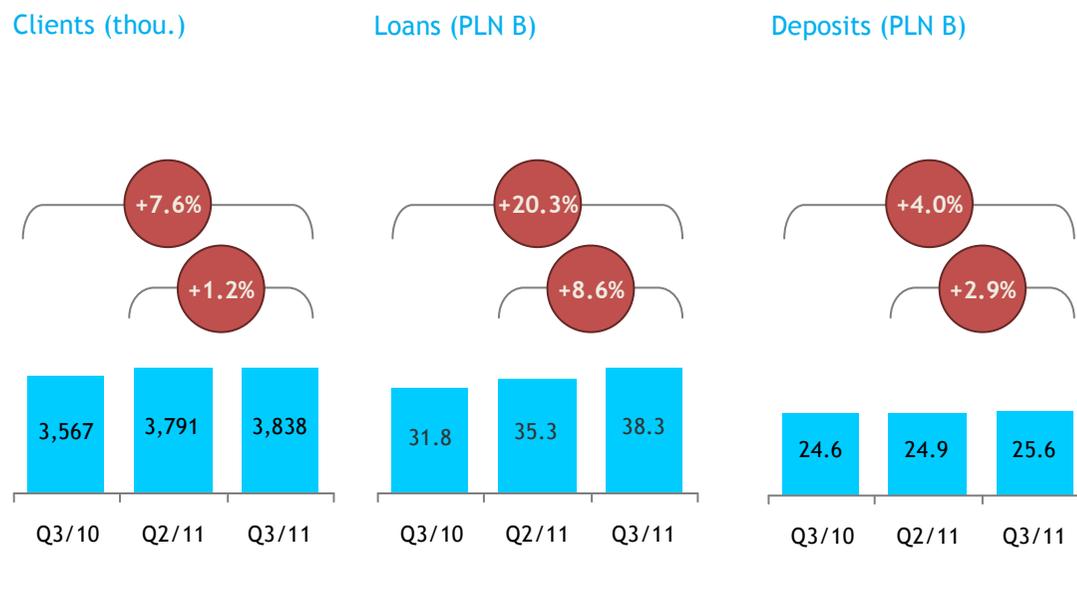
- New internet platform for DI BRE clients
- State of the art, tailor-made investment decision support tools

- Further growth of corporate client base: up by 242 companies in Q3/11 and 752 YoY
- Strong performance in Transactional Banking and Structured Finance
- Project finance lending growth remains robust

# Summary of Q3/2011 in BRE Bank Group

## Business Development: Retail Banking

### ➔ Expanding client base and cross-selling



- **46K new retail clients** added in Q3/11
- Cross-selling ratio up to **3.10** from 2.99 in Q2/11 and 2.75 in Q3/10
- Balances on current accounts up **5.6% QoQ** amid increasing client transaction activity

Service quality and innovations



#### Newsweek's Friendly Bank Award Winners

- Named best internet and best traditional retail bank respectively
- Top score for the quality of communication with clients and overall best quality of customer service



#### Mobile Banking

- The first transactional application in Poland designed exclusively for iPad platform (mBank)

# Agenda

Summary of Q3/11

» **Analysis of Q3/11 Results**

Macroeconomic Update

2011 Outlook

Appendix

Detailed Results of Business Lines

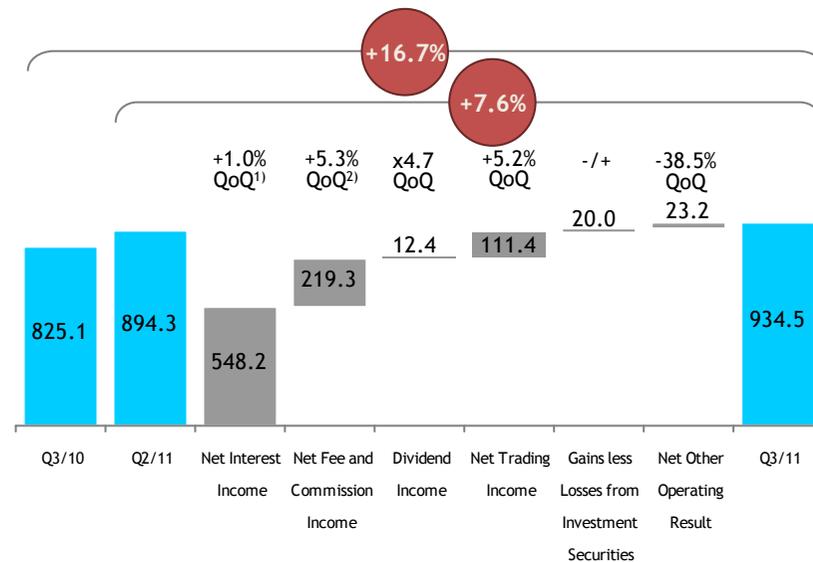
Additional Information: Selected Financial Data

# Analysis of Results, Q3/11

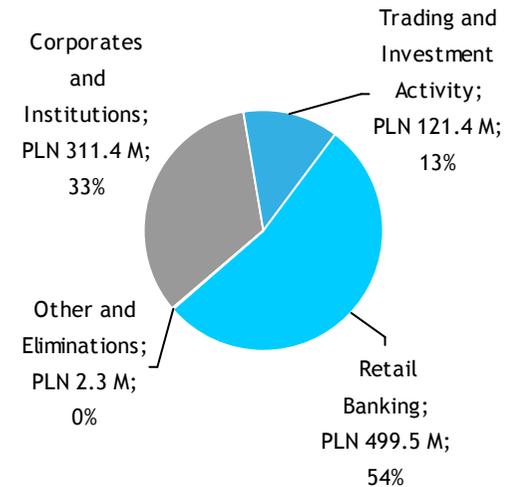
## Income of BRE Bank Group

### ➔ High-quality income generation

BRE Bank Group Income QoQ & YoY (PLN M)



Income structure by Business Line in Q3/11



- Recurrent income expanded further
- Balanced contribution from business lines
- Stable NIM at 2.5% despite intensified deposit competition; NII to average RWA at 3.6%
- Commission income continues to improve with notable strength in credit cards and growing income on money transfers
- Growth of net trading income again supported by FX volatility, interest rate hedging and corporate FX solutions

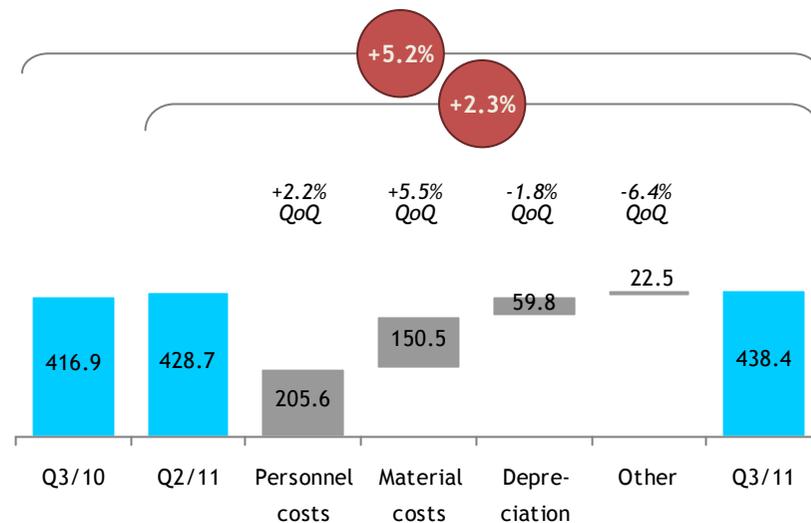
1) QoQ growth of recurrent NII at 3.6%; 2) QoQ growth of recurrent NFC at 2.3%

# Analysis of Results, Q3/11

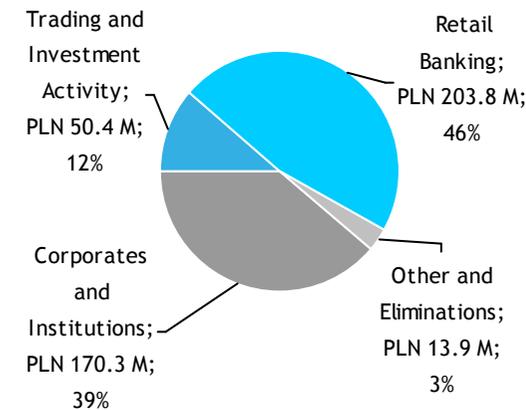
## Costs of BRE Bank Group

### ➔ Strict cost management maintained

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



Cost Structure by Business Line in Q3/11



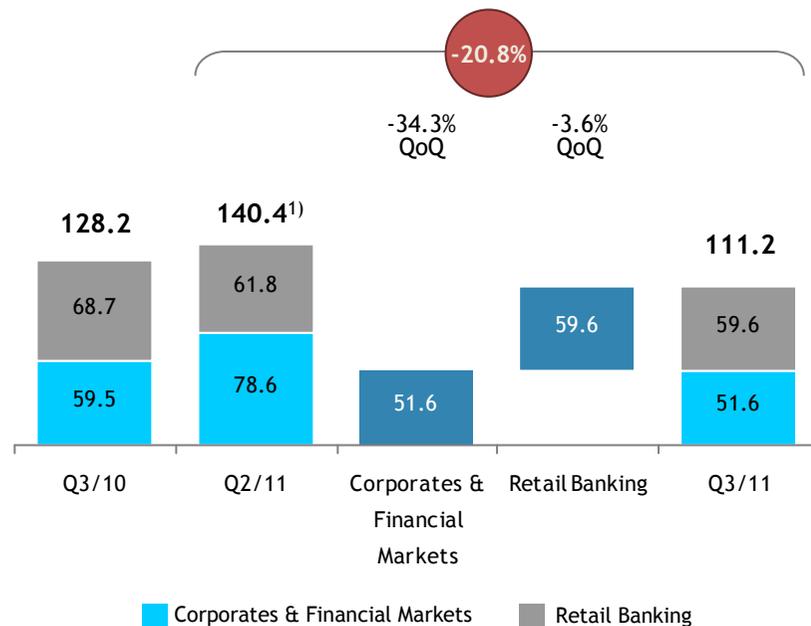
- Overhead costs and depreciation up by 2.3% QoQ reflecting disciplined investment in business growth
- C/I ratio at 47.9% compared to 48.5% in H1/11 and 51.0% in 9M/10
- Efficiency improvement helped by earlier efforts to flexibilise the cost base

# Analysis of Results, Q3/11

## Structure of Loan Loss Provisions

### ➔ Stable risk parameters in both corporate and retail banking

BRE Bank Group's Loan Loss Provisions  
(PLN M)



#### ■ Trends in Q3/11:

- Stable financial standing of corporate and retail clients
- Provisioning in Q2/11 impacted by the release of LLP after the sale of NPL portfolio
- Cost of risk at 71 bps in Q3/11
- Mortgage portfolio continues to perform strongly; stable NPL ratio at 1.1%
- BRE Bank's NPL ratio down to 4.9% from 5.0% as of 06/11 (NBP rules)
- Impaired loans ratio of BRE Bank Group slightly up to 5.3% as of 09/11 from 5.0% as of 06/11

1) Excl. PLN 81.8M release of LLP related to the sale of NPL portfolio; incl. the impact LLP in Retail Banking in Q2/11 at positive PLN 20.0M, total LLP at PLN -58.6M

# Agenda

Summary of Q3/11

Analysis of Q3/11 Results

» **Macroeconomic Update**

2011 Outlook

Appendix

Detailed Results of Business Lines

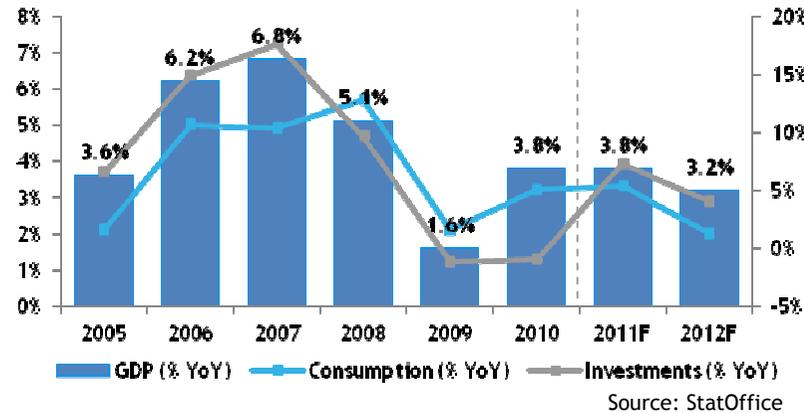
Additional Information: Selected Financial Data

# Macroeconomic Update (1/2)

## ➔ Lower growth on the horizon (but still faster than in 2008-2009)

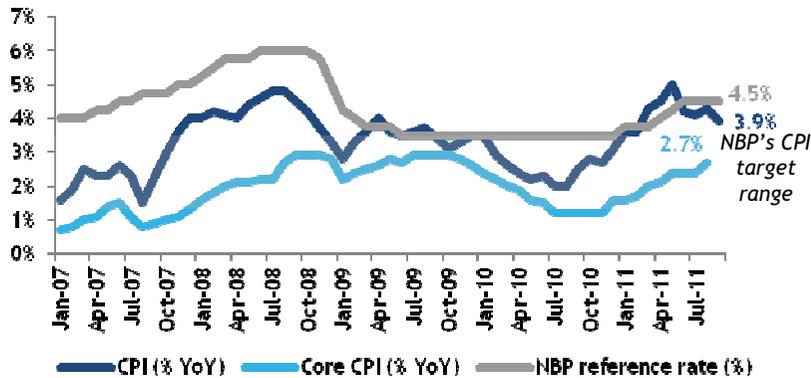
Sources of lower growth: slowdown in the euro zone, reduced private consumption, lower growth of public investments.

GDP, investment and private consumption growth (% YoY)



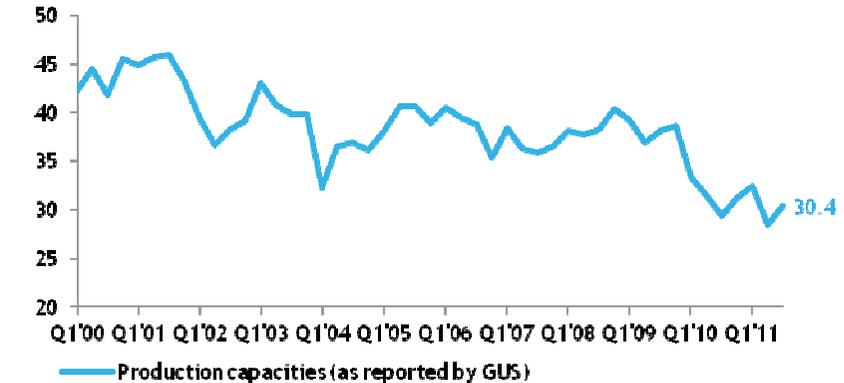
Inflation expectations falling although limited by PLN weakness. 50 bps in rate cuts postponed until H1 2012 on PLN instability.

CPI (% YoY), NBP reference rate (%)



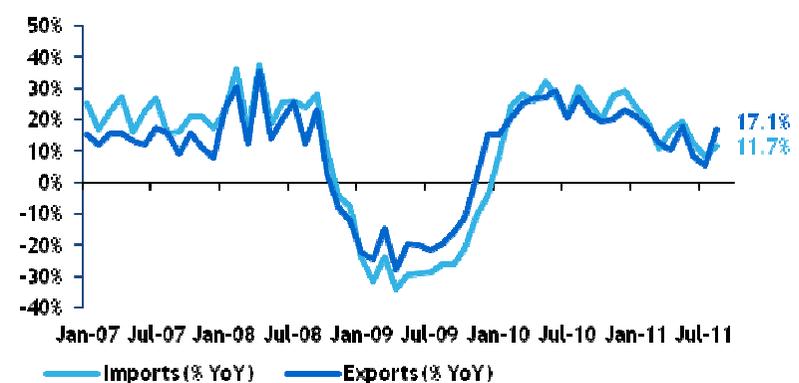
At least moderate growth of private investments possible owing to substantial obsolescence of fixed capital.

Production capacities



A route towards a more balanced foreign trade in 2012.

Exports, imports, (EUR) (% YoY)

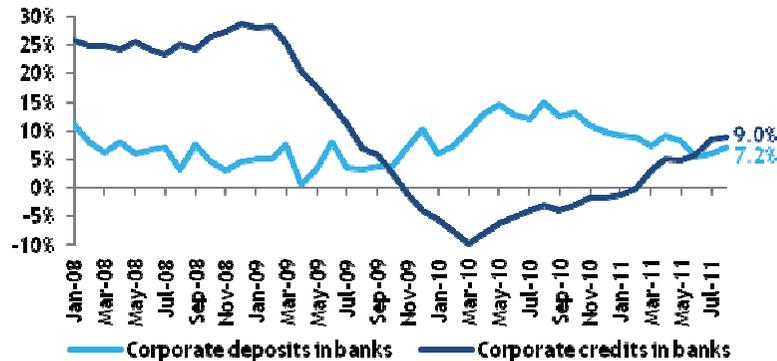


# Macroeconomic Update (2/2)

## ➔ Monetary aggregates extending positive trends

Strong rebound of corporate loans along with renewed growth of corporate deposits.

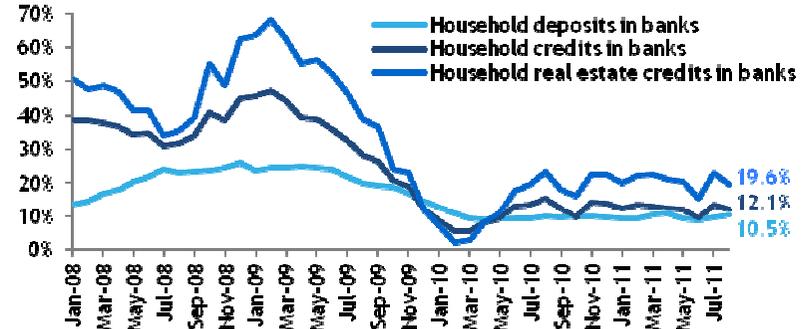
Corporate loans and deposits (% YoY)



Source: NBP

Decelerating household credit growth. Strong rise of deposits reflects a rise in savings rate and outflow from riskier investments.

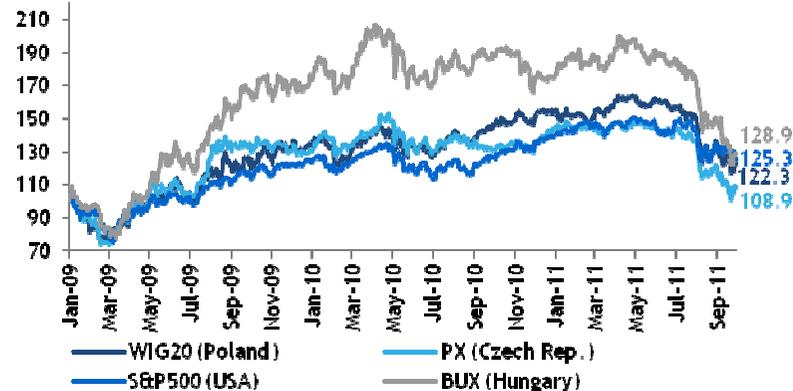
Household loans and deposits (% YoY)



Source: NBP

Exchange rates under violent changes of global sentiment: fears of another recession and euro-zone turbulences are the key.

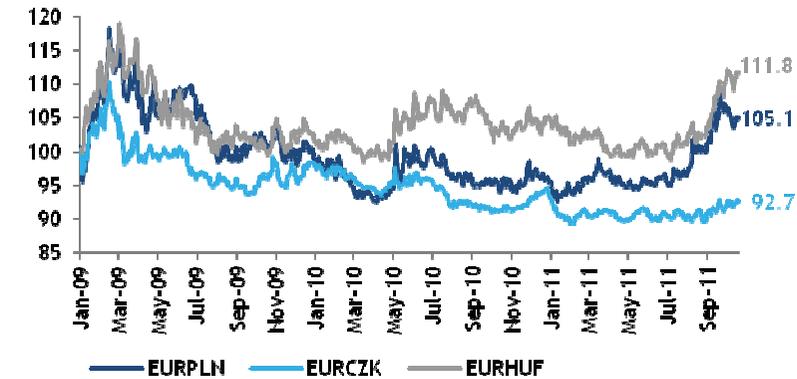
Stock indices, index 01.01.2009=100



Source: Bloomberg

PLN weaker. NBP and MoF activity limits downward pressures. Escalation of EMU tensions, Hungary's downgrade and foreign funding of Polish Public Debt remain key risk factors.

CEE currencies vs. EUR, index 01.01.2009=100



Source: Bloomberg

# Agenda

Summary of Q3/11

Analysis of Q3/11 Results

Macroeconomic Update

» 2011 Outlook

Appendix

Detailed Results of Business Lines

Additional Information: Selected Financial Data

# BRE Bank Group beyond Q3/11

## Resilient business model

Strong capital adequacy and earnings

- Capital adequacy ratio and Core Tier 1 ratio at 15.76% and 10.15% respectively
- Retained earnings creating significant new capital; 114 bps for 2010
- Solid capital base to support business growth and absorb additional RWA requirements

A liquid Basel 3 ready balance sheet

- LCR and NSFR > 100%
- A safe mix of broad local liquidity and parent funding

Client focused business model meeting regulatory requirements

- Unaffected by FX spread regulation changes
- Award-winning client service
- Continuously expanding client base while extracting further value from established relationships

## 2011 Outlook - BRE Bank Group beyond Q3/11

- 1** Continued implementation of 2010-2012 strategy
- 2** Core revenue growth as key driver of profitability improvement
- 3** Resilient performance despite uncertain market environment;  
long-term performance dependant on broader European policy actions
- 4** Strong capital and ample liquidity to address growth opportunities  
and any potential regulatory tightening

# Agenda

Summary of Q3/11

Analysis of Q3/11 Results

Macroeconomic Update

2011 Outlook

» Appendix

Detailed Results of Business Lines

Additional Information: Selected Financial Data

# Appendix

Detailed Results of the Business Lines	Page No.
<b>BRE Bank Retail Banking</b>	<b>21-30</b>
Summary of Q3/11	22
Customer Acquisition & Volume Trends	23-24
Microenterprises	25
Retail Deposits and Loans: Market Share	26
Mortgage Loans: Portfolio Structure & Quality	27
Distribution Network	28
BRE Ubezpieczenia (BRE Insurance)	29
Clients & Volumes	30
<b>Corporates &amp; Financial Markets</b>	<b>31-41</b>
Summary of Q3/11	32
Corporates & Institutions: Clients, Loans and Deposits	33
Loans and Deposits: Market Share	34
Client Base & development of Loans and Deposits	35
Cash Management	36
Products for local governments and Structured and Mezzanine Finance products	37
Leasing and Factoring	38
Trading and Investment Activity: Market Shares	49
BRE Bank Hipoteczny (Mortgage Bank)	40
Dom Inwestycyjny BRE Banku (DI BRE)	41

Additional Information: Selected Financial Data & Business Environment	Page No.
BRE Bank Group's historical performance	43-45
P&L acc. to IFRS	46
Profitability of the Business Lines	47
Results of subsidiaries	48
Interest Income	49
Commission Income	50
Trading Income	51
Overhead Costs structure	52
Loans and Deposits	53
LtD ratio	54
Balance Sheet Analysis - Currency structure	55
Balance Sheet Analysis - Assets	56
Balance Sheet Analysis - Liabilities	57
Maturity of Long- and Midterm FX Loans	58
Capital Adequacy	59
Loan Loss Provisions & Portfolio quality	60
Contact details	61

# Appendix

## Detailed Results of the Business Lines Q3/11

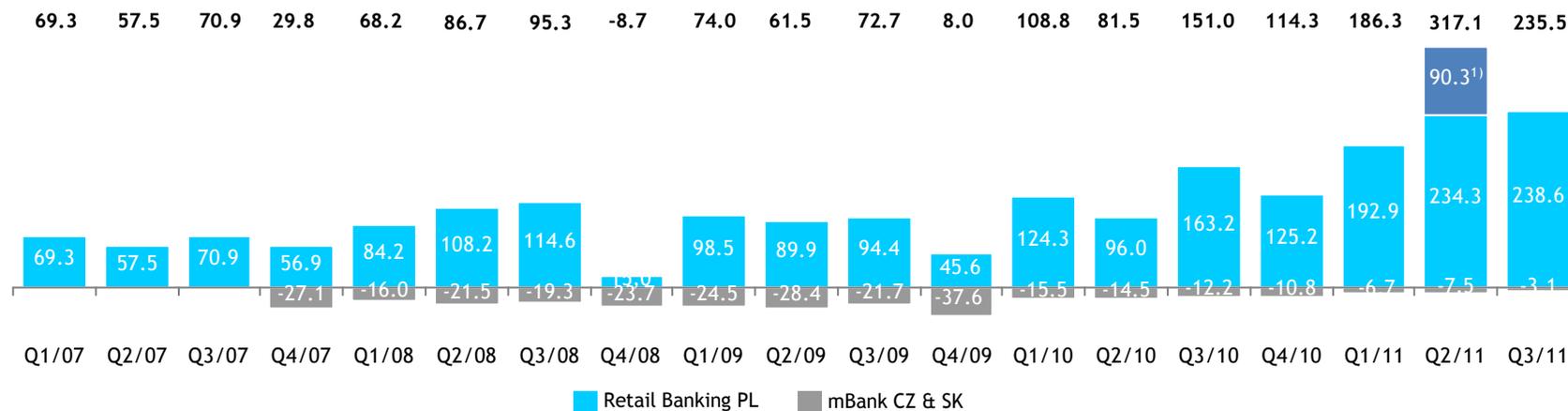
---

Retail Banking

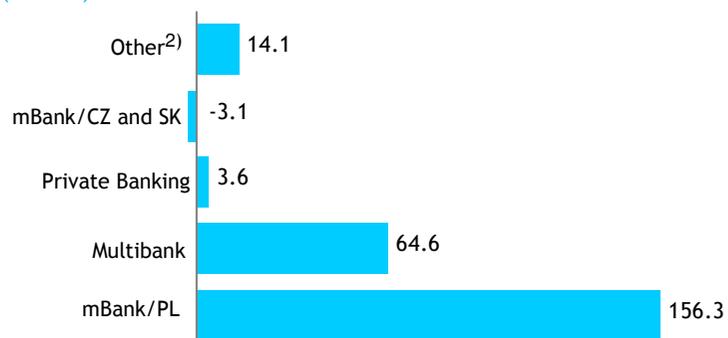
# Appendix

## BRE Bank Retail Banking Summary of Q3/11: Financial Results

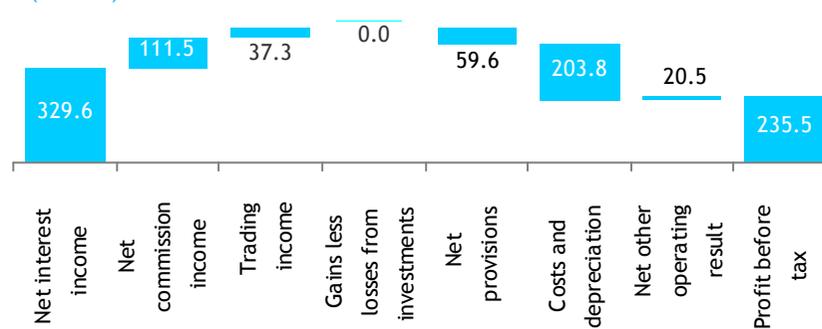
Profit before Tax of the Segment  
(by quarter, PLN M)



Contributors to the Profit before Tax of Retail Banking in Q3/11 (PLN M)



Structure of the Profit before Tax of Retail Banking<sup>2)</sup> in Q3/11 (PLN M)



<sup>1)</sup> Impact of the sale of the non-performing retail loan portfolio

<sup>2)</sup> Incl. BRE Ubezpieczenia, BRE Wealth Mgt., Aspiro and consolidation adjustments

# Appendix

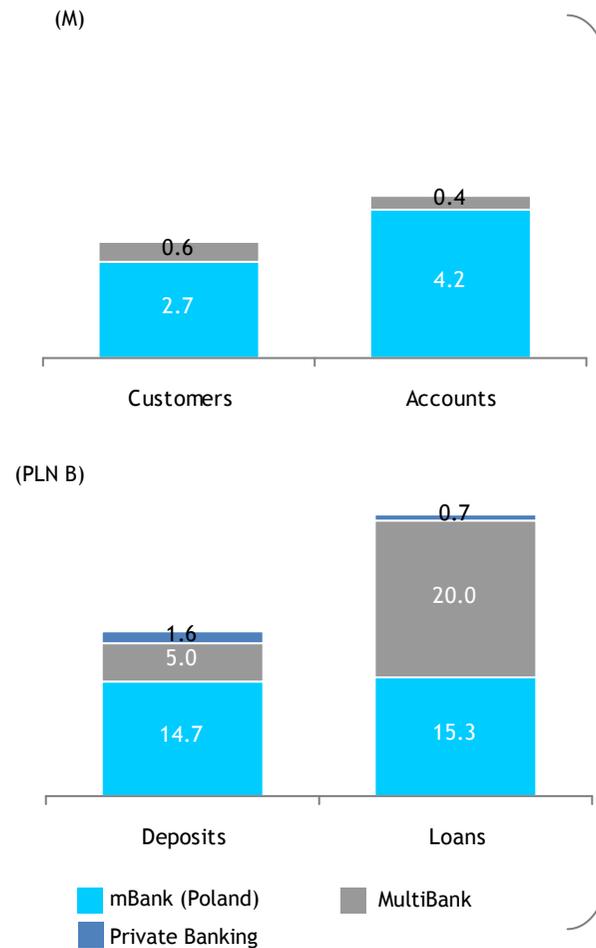
## BRE Bank Retail Banking (Poland) Customer Acquisition and Volume Trends

Data as of 30.09.2011

End of 06/11

Change

End of 09/11



3.29 M

clients

+0.9%

3.32 M

4.6 M

accounts

+0.7%

4.6 M

19.3 B

deposits (PLN)

+2.1%

19.7 B

32.5 B

loans (PLN)

+8.6%

35.3 B

26.1 B

thereof:  
mortgages (PLN)

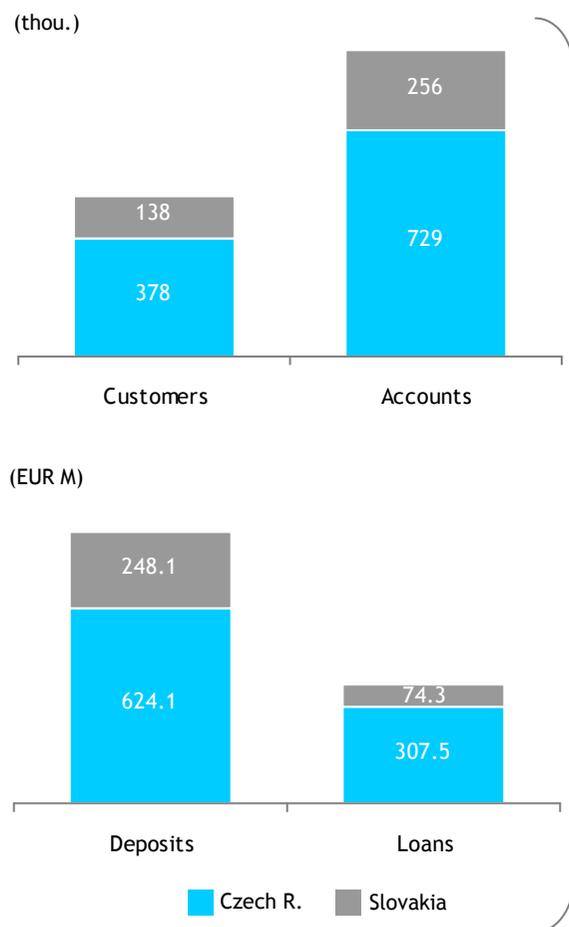
+10.0%

28.7 B

# Appendix

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

Data as of 30.09.2011



End of 06/11

Change

End of 09/11

503.5 thou.

customers

+2.4%

515.4 thou.

965.5 thou.

accounts

+2.0%

984.7 thou.

916.2 M

deposits (EUR)

-5.4%

872.2 M

381.0 M

loans (EUR)

+0.2%

381.8 M

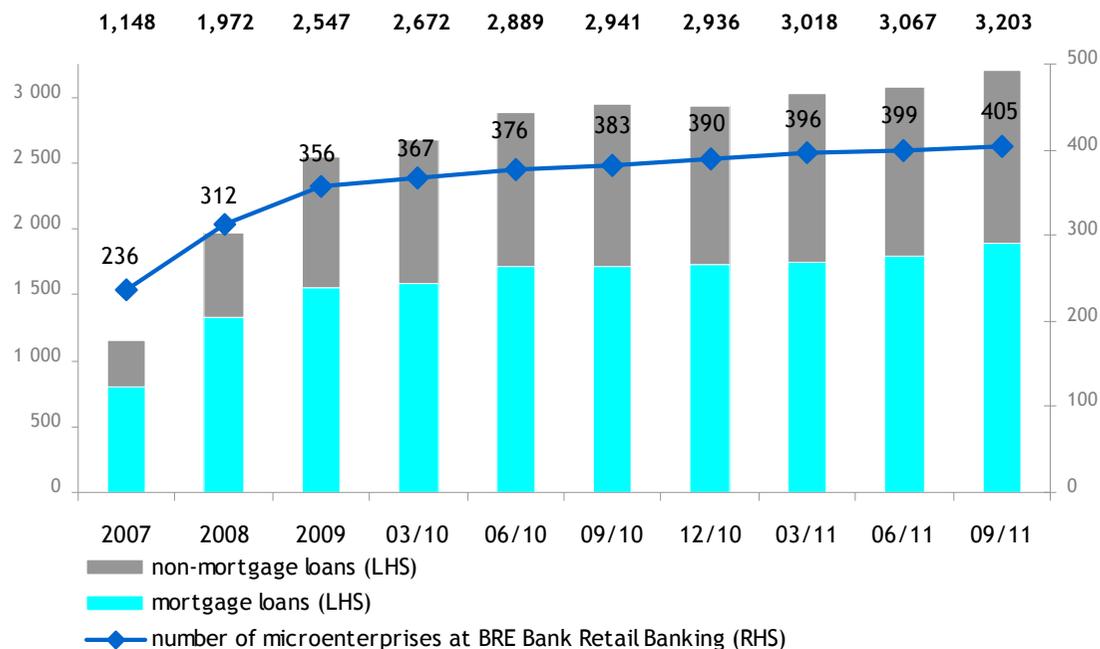
# Appendix

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

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

- Number of serviced microenterprises up by 5.2 thousand in Q3/11
- PLN 3,202.6 M of loans granted to microenterprises at the end of 09/11 out of which 1,885.9 M mortgage loans

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

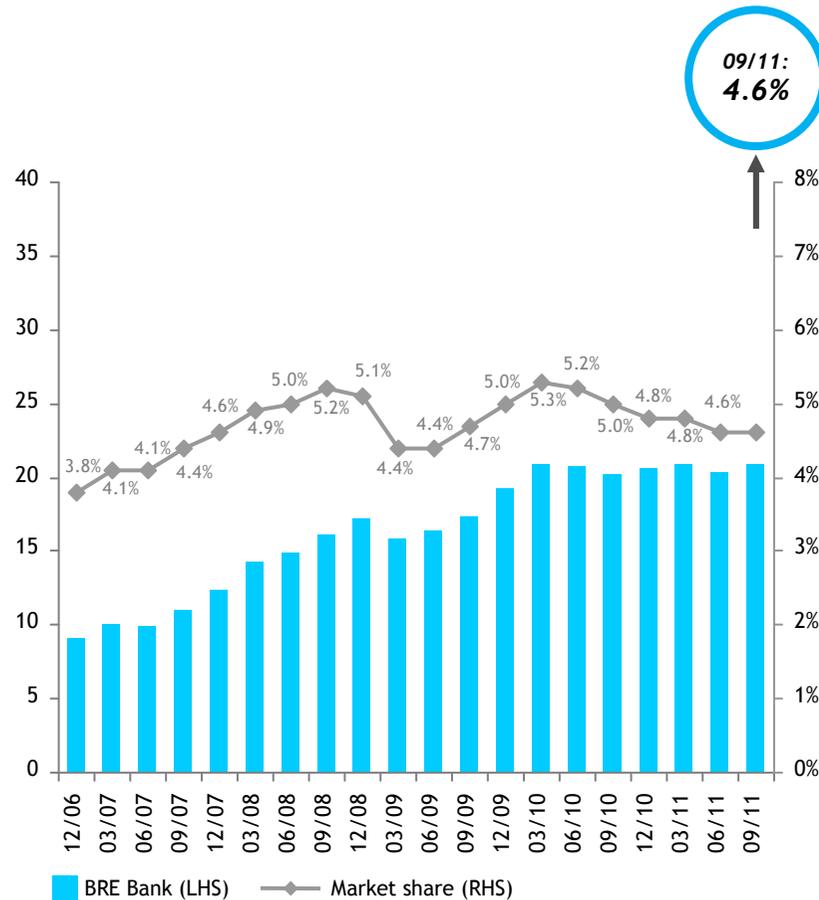


<sup>1)</sup> Microenterprises cover self-employed individual customers

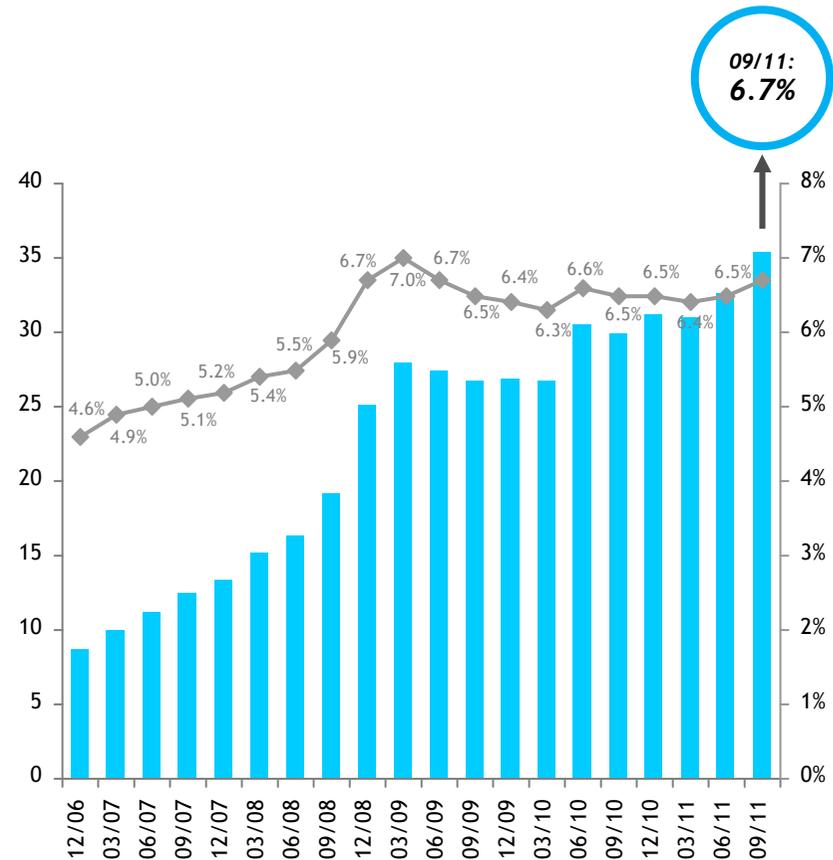
# Appendix

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

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



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



<sup>1)</sup> Residents only. Household deposits and loan volumes do not include micro and small enterprises (classified as Retail customers in BRE Bank)  
Since 03/10 NBP changed data presentation, market shares recalculated in accordance with NBP methodology

# Appendix

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

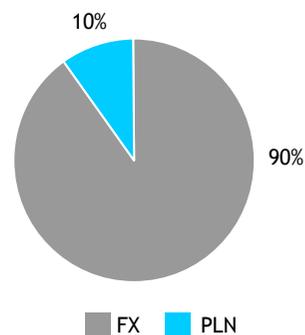
BRE Bank's Mortgage Loan Portfolio  
(Retail Banking<sup>1)</sup> loans to individuals)

Balance-sheet value (PLN B)	28.7
Average maturity (years)	22.4
Average value per loan (PLN thou.)	308.0
Average LTV (%)	90.6
NPL (%)	1.1

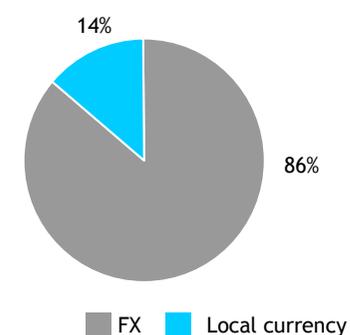
As of 30.09.2011

Currency Structure of Retail Banking Mortgage Loan Portfolio  
(Household Loans) at 30.09.2011

in Poland

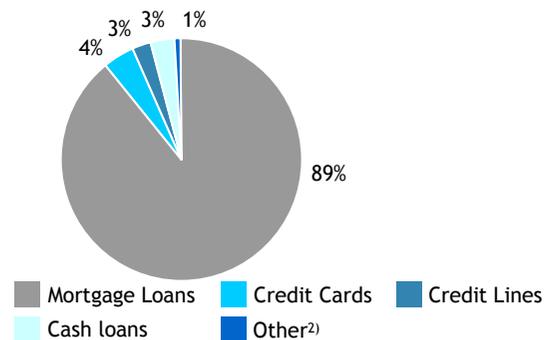


in Poland, Czech Republic & Slovakia

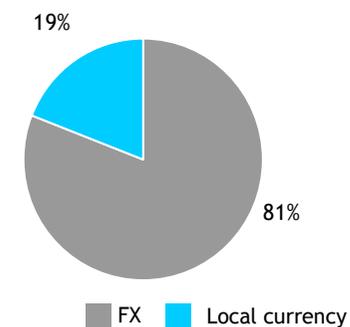


Structure of the Retail Banking<sup>1)</sup> Loan Portfolio  
(Household Loans) at 30.09.2011

By loan type



By currency



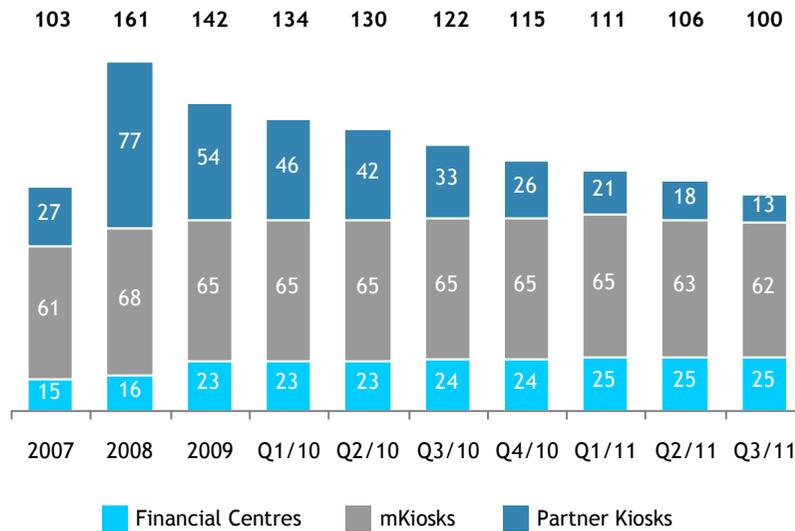
<sup>1)</sup> mBank-PL and MultiBank

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

# Appendix

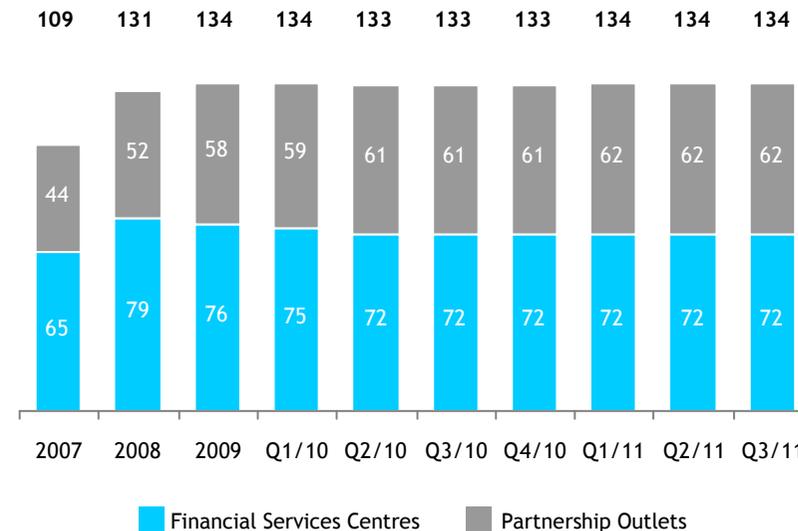
## BRE Bank Retail Banking Distribution Network

Aspiro Distribution Network (in Poland)



- Aspiro is a dedicated subsidiary managing mBank's distribution network
- Aspiro offers a wide range of financial products of BRE Bank Group and third parties
- As of 30 September 2011 the network comprises 100 locations across Poland as well as 29 Agent Service Points.

MultiBank Branches (in Poland)

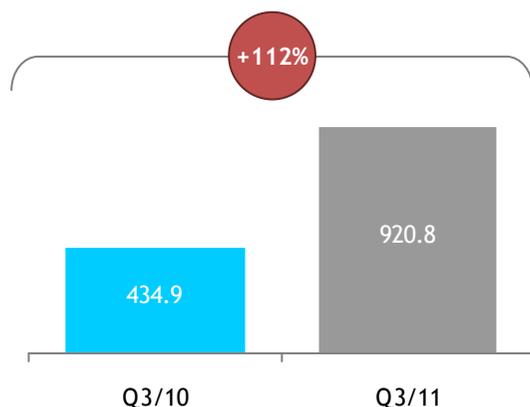


- MultiBank operated a network of 134 branches at the end of Q3/11

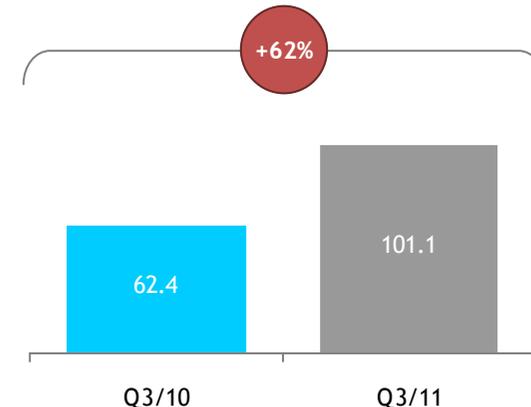
# Appendix

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

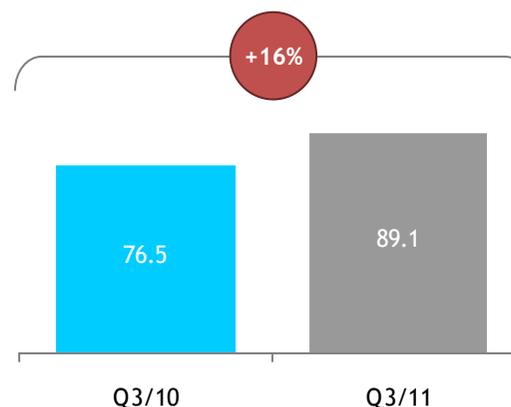
Bancassurance Retail  
Gross Written Premiums (PLN M)



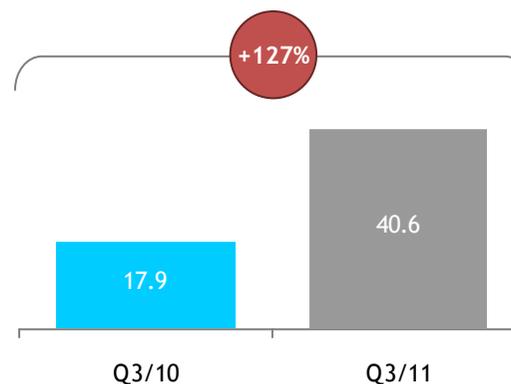
Direct Insurance (Internet platform)  
Gross Written Premiums (PLN M)



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



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



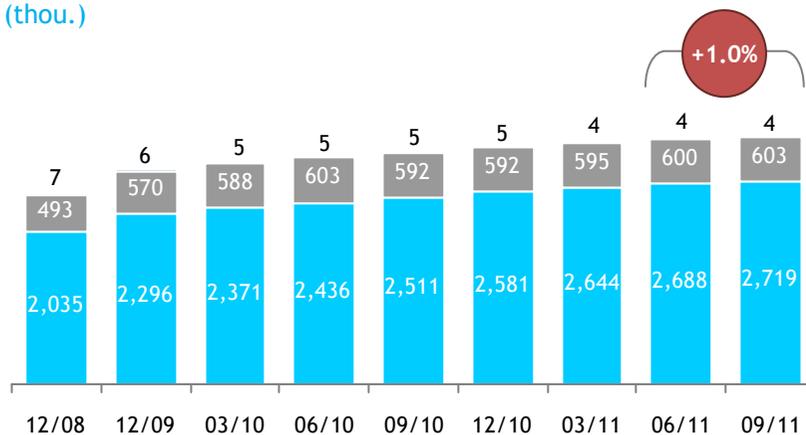
- **Results in all lines of business improved; good track record of low claims and growth of written premiums**
- **BRE Bank Retail Banking Internet Platform - key figures in Q3/11:**
  - 232.3 thou. car insurance contracts
  - 37.2 thou. travel insurance contracts
  - PLN 101.3 M of gross premium written

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

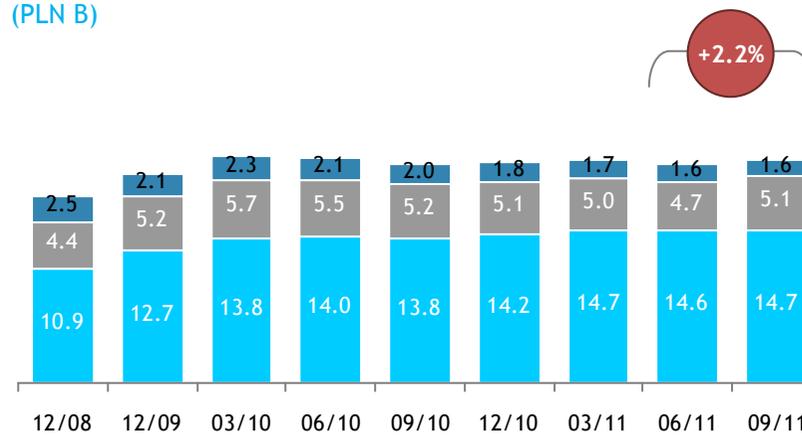
# Appendix

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

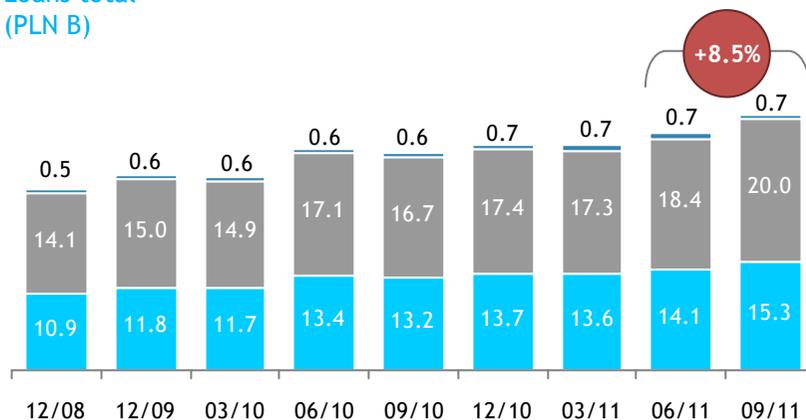
Clients  
(thou.)



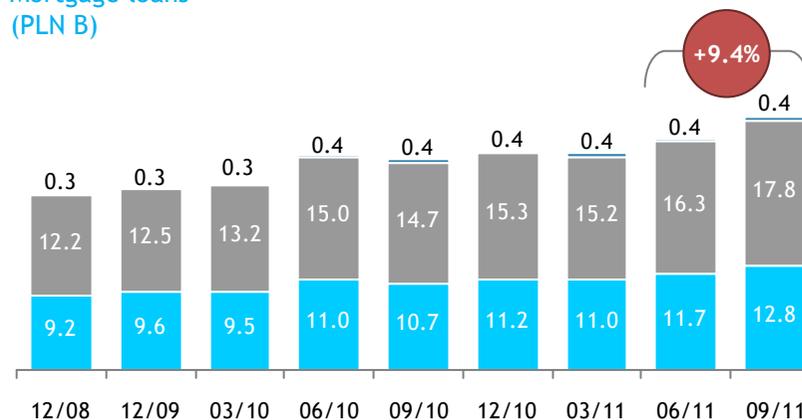
Deposits  
(PLN B)



Loans total  
(PLN B)



Mortgage loans  
(PLN B)



■ mBank/PL ■ MultiBank ■ Private Banking

# Appendix

## Detailed Results of the Business Lines Q3/11

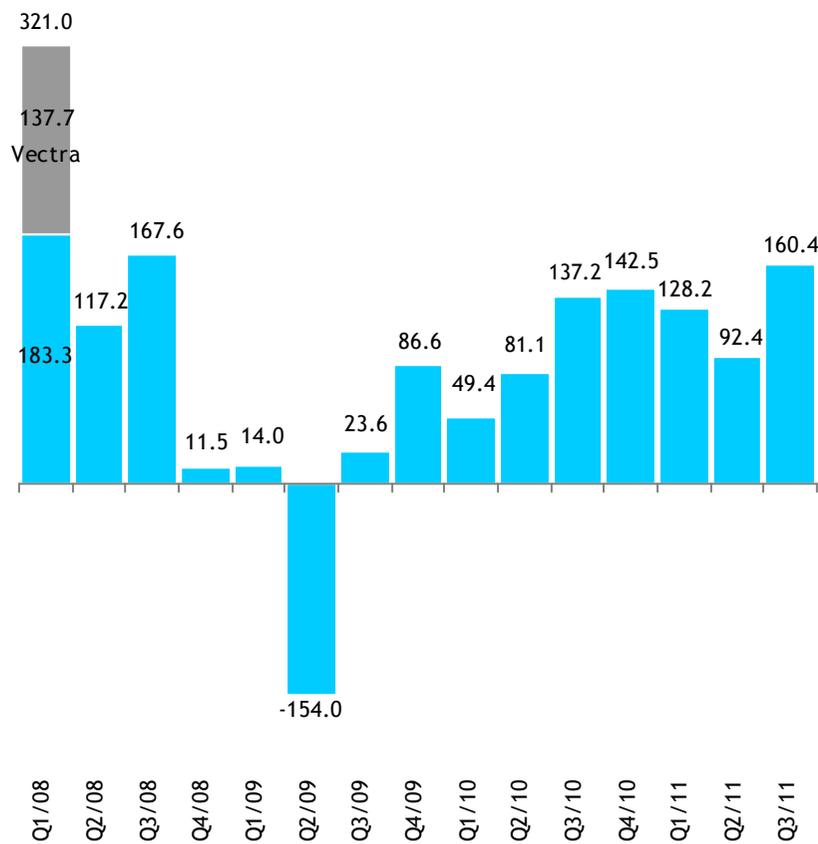
---

### Corporates & Financial Markets

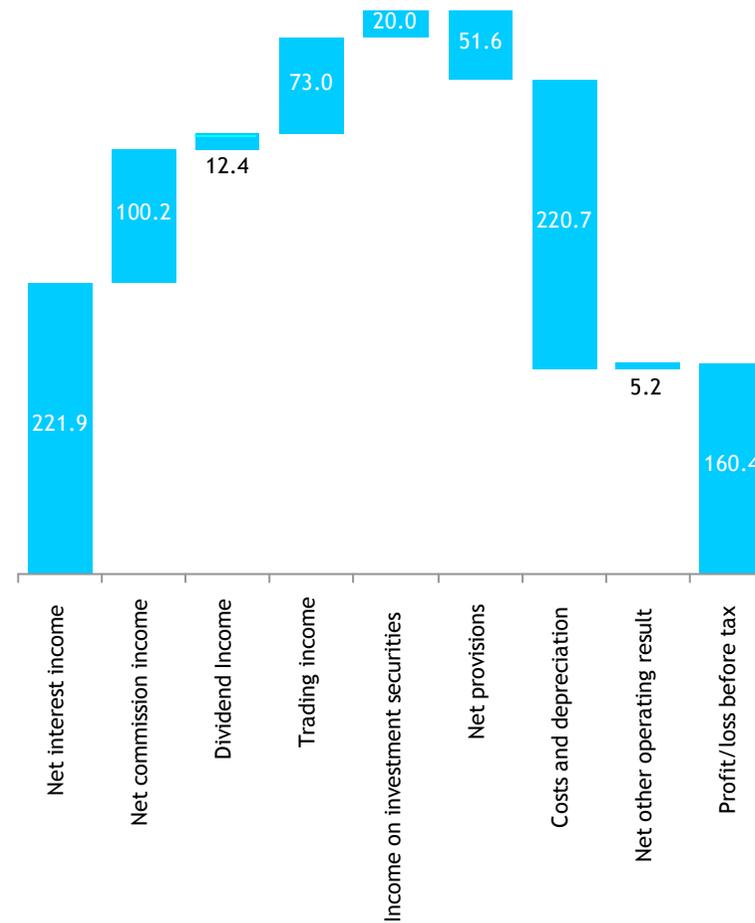
# Appendix

## Corporates and Financial Markets Summary of Q3/11: Financial Results

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

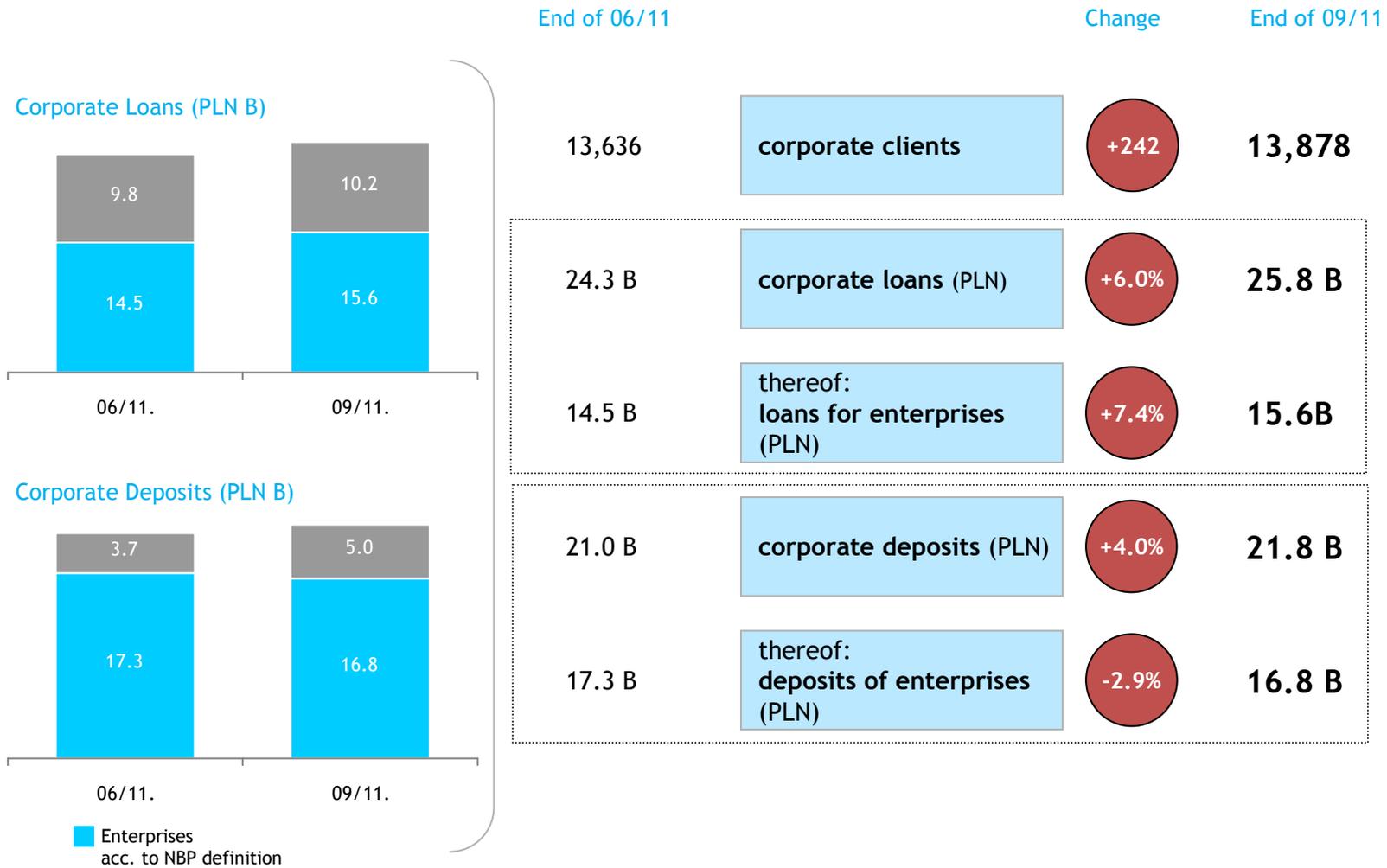


Structure of the Result before Tax of the Segment in Q3/11  
(PLN M)



# Appendix

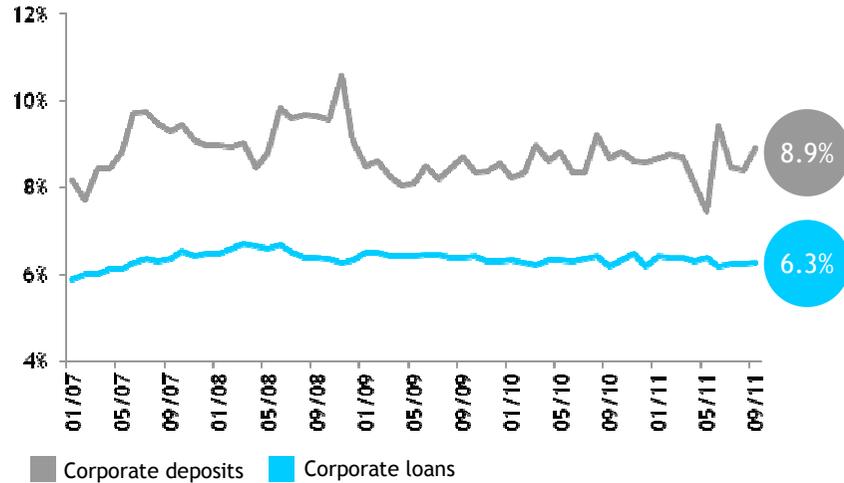
## Corporates and Institutions Customer Acquisition and Volume Trends



# Appendix

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

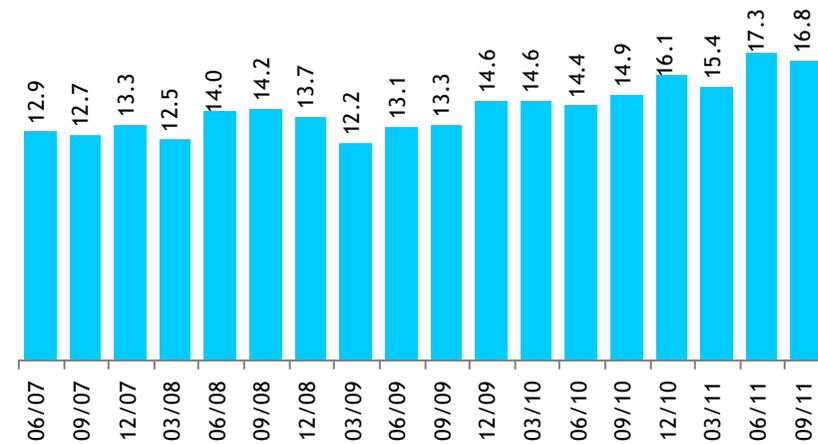
BRE Bank's Market Share in Corporate Loans and Deposits 01/07 - 09/11



Note: market share based on the NBP reports

- **PLN 16.8 B of corporate deposits** in BRE Bank at the end of Q3/11 (down by 2.9% QoQ and up by 4.3% YtD)
- **PLN 15.6 B of corporate loans** in BRE Bank at the end of Q3/11 (up by 7.4% QoQ and 15.7% YtD)

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



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

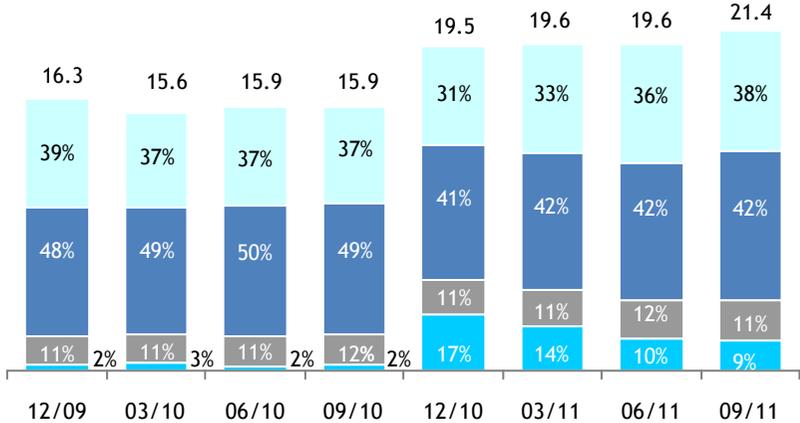


<sup>1)</sup> i.e. enterprises according to NBP (include only state, private and co-operative companies)

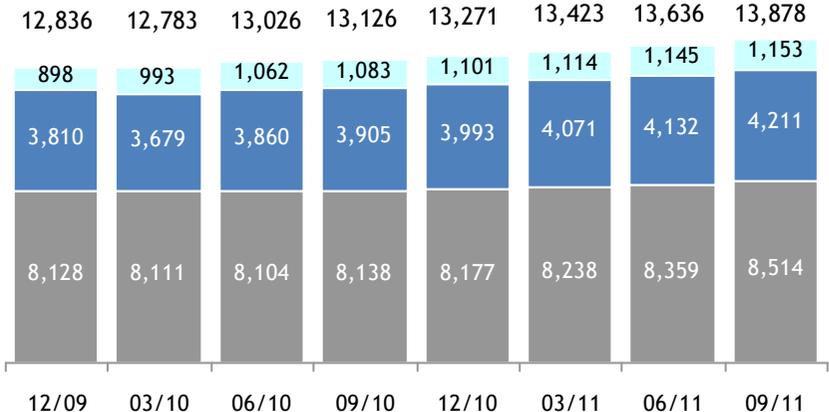
# Appendix

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

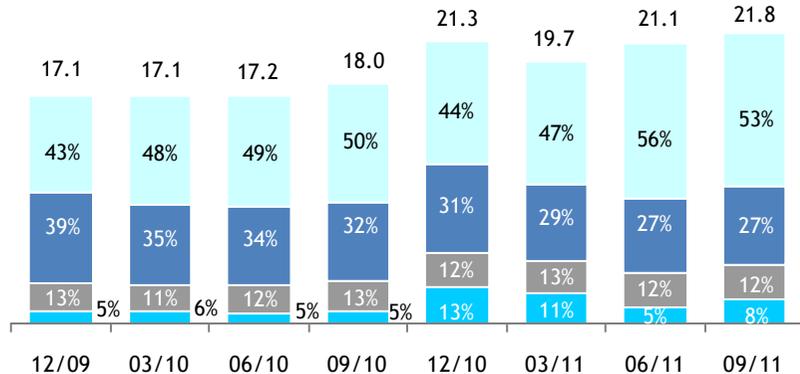
Corporate Clients' Loan Volume  
(BRE Bank, PLN B)



Corporate Clients:  
Number and Structure



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



Segments of corporate clients:

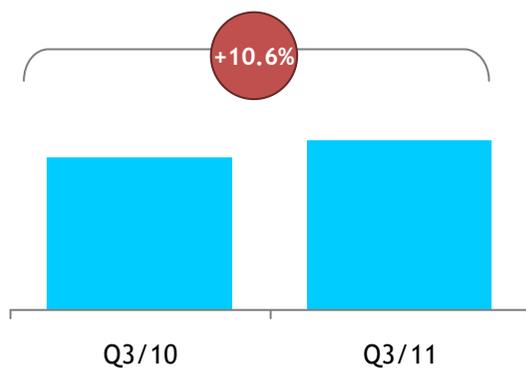
- K1 - is the segment of the largest corporations with annual sales over PLN 500 M
- K2 - is the segment of medium-sized corporations with annual sales between PLN 30 M and PLN 500 M
- K3 - is the segment of SMEs with annual sales between PLN 3 M and 30 M
- Reverse Repos & Repos

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

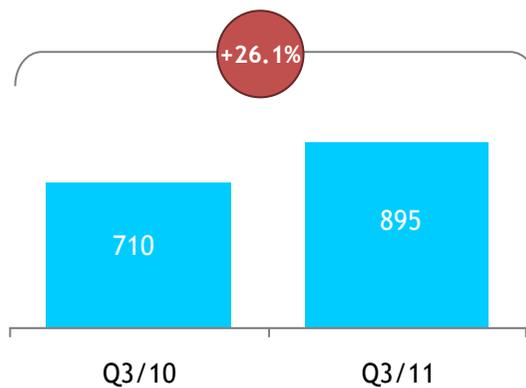
# Appendix

## Corporates and Institutions Cash Management

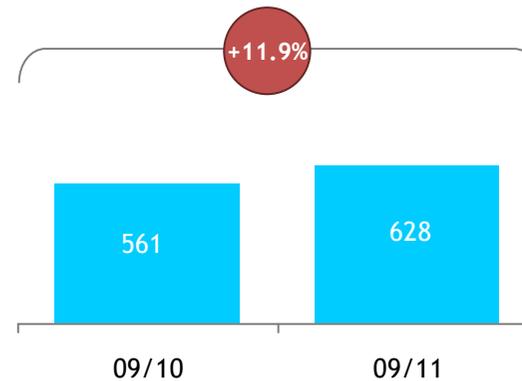
Net Income on Cash Management products



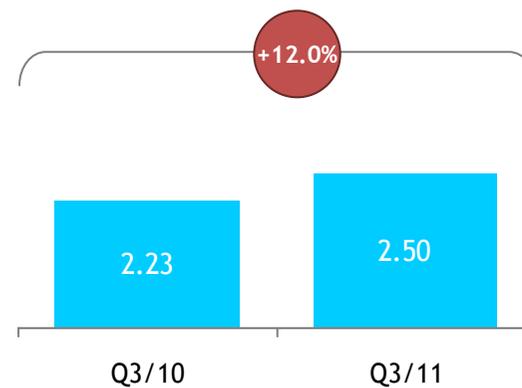
Direct Debit  
(thou. of transactions)



Number of Clients Using Cash Consolidation Services



Identification of Trade Payments  
(M of transactions)



# Appendix

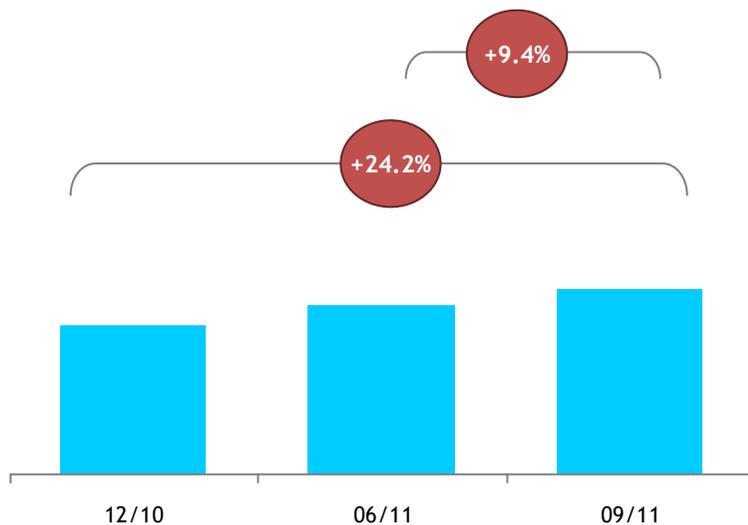
## Corporates and Institutions

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

#### Volume of transactions with local governments

- Volume of transactions with local governments increased by **9.4% QoQ** and **24.2% YtD**
- Market share of loans to public sector reached 4.8% in Q3/11 v. 4.6% in Q2/11 and 2.0% in Q3/10

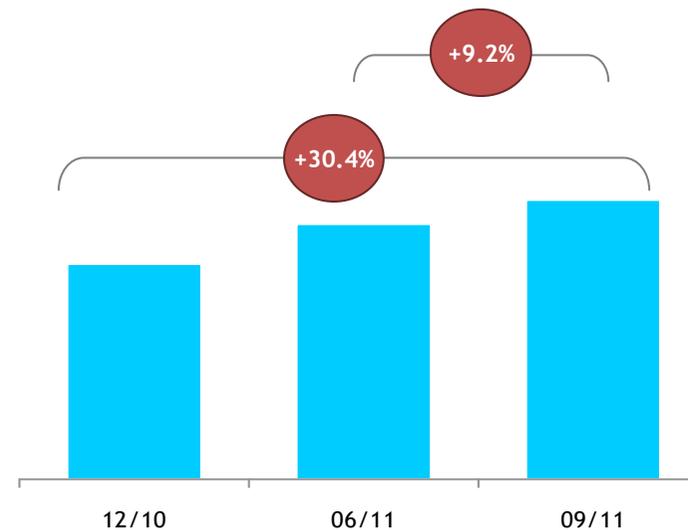
#### Volume of transactions with local governments



#### Volume of Structured and Mezzanine Finance

- Volume of Structured and Mezzanine Finance increased by **9.2% QoQ** and **30.4% YtD**
- In 2011, BRE Bank granted PLN 3,512 M of syndicated loans, 1 guarantee for total amount of PLN 131 M and PLN 591 M bilateral loans

#### Volume of Structured and Mezzanine Finance



# Appendix

## Corporates and Institutions Leasing and Factoring

### Factoring Companies

#### Polfactor (Poland)

- **PLN 4.3 M pre-tax profit in Q3/11 (+0.7% QoQ)** driven by increased sales and reduced operating costs
- Sales at PLN 1.6 B in Q3/11 (+21.4% QoQ);
- **Ranked 5<sup>th</sup>** in the Polish Factoring Association with a **market share of 8.5%** in Q3/11

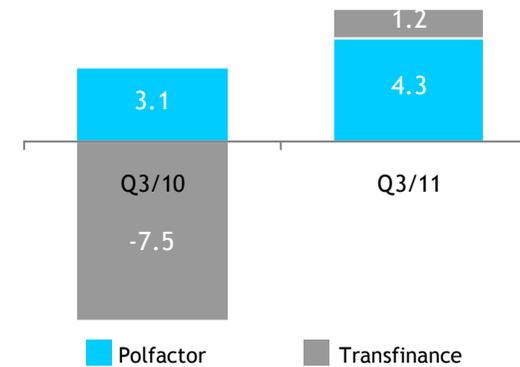
#### Transfinace (Czech Republic)

- **PLN 1.2 M pre-tax profit in Q3/11 (-10.6% QoQ)** but PLN 3.4 M in 9M/11 v. PLN -7.0 M in 9M/10
- Sales at PLN 0.8 B in Q3/11 (-5.1% QoQ);
- **Ranked 3<sup>rd</sup>** in the Czech Association of Factoring Companies with a **market share of 14.4%** in Q3/11

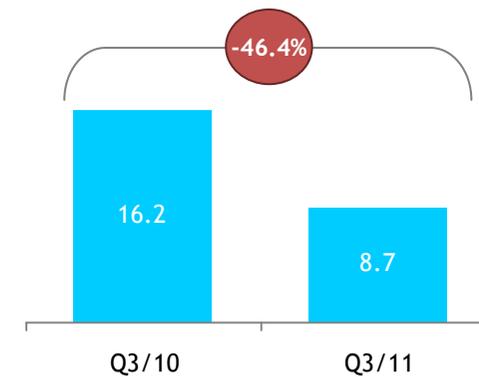
### BRE Leasing

- **PLN 8.7 M pre-tax profit in Q3/11 vs. PLN 11.1 M in Q2/11**
- **Concluded leasing contracts:**
  - Total of PLN 537 M in Q3/11, -20.3% QoQ in total and -22.1% QoQ on movables
- **Decrease of gross profit in Q3/11 due to lower margins on new sales compared to expired agreements and lower new sales**
- **After Q3/11, BRE Leasing ranked 3<sup>rd</sup> in the Polish market with 8.1% market share**

Profit before Tax (PLN M)



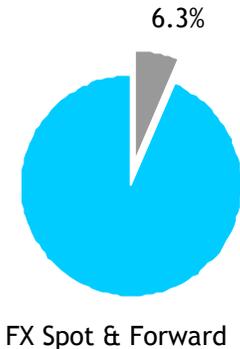
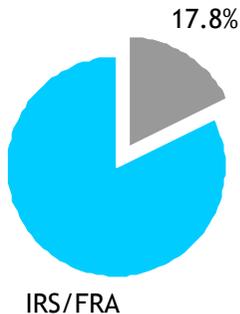
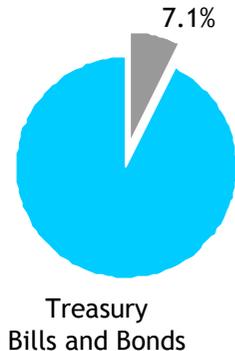
Profit before Tax (PLN M)



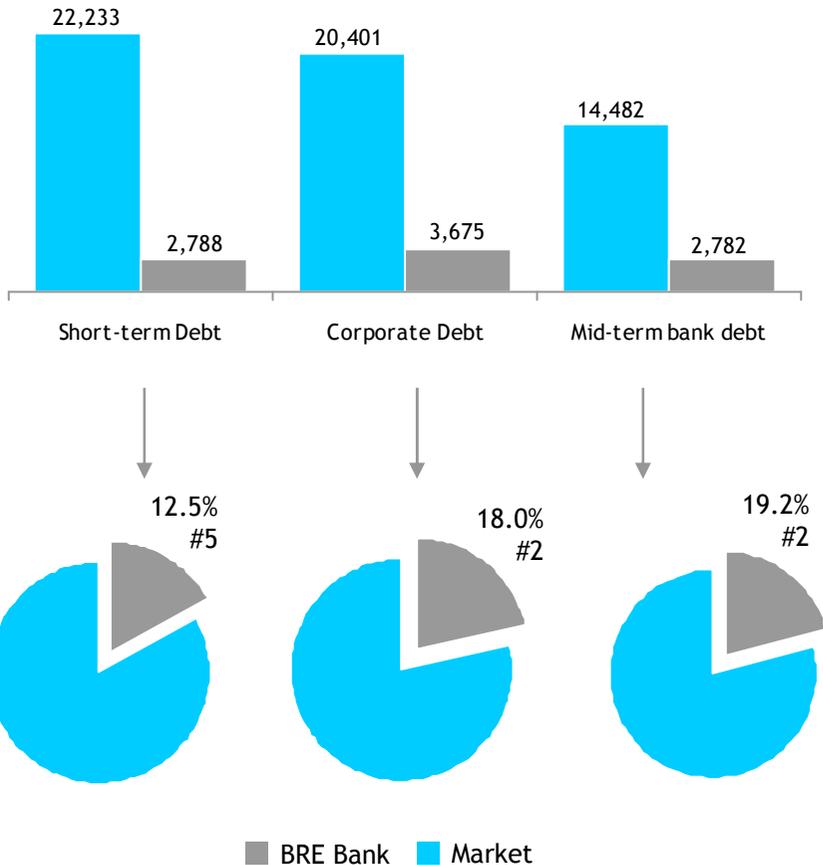
# Appendix

## Trading and Investment Activity Market Shares

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



BRE Bank in the Market for Non-Treasury Debt<sup>2)</sup>  
for 9m/11 (PLN M)



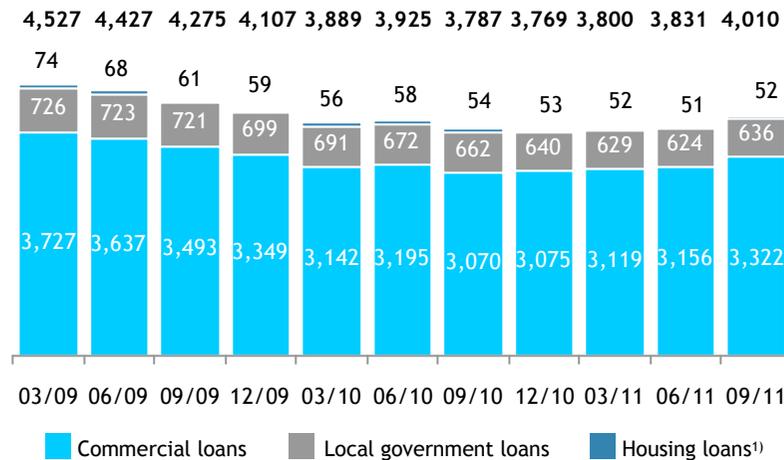
<sup>1)</sup> As of 31.08.2011; calculations based on own and NBP data.

<sup>2)</sup> After Fitch Polska S.A., Rating & Rynek, 30.09.2011 and own calculations (without BGK road bonds).

# Appendix

## Trading and Investment Activity BRE Bank Hipoteczny (BBH)

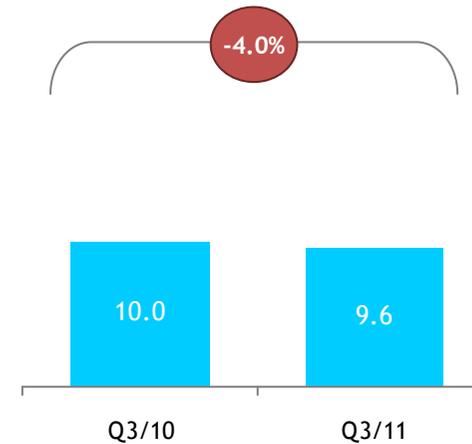
Loan Portfolio (PLN M)  
Balance-sheet Exposure (net value)



- **BBH's total balance-sheet (net value) and off-balance-sheet loan portfolio at the end of Q3/11 stood at PLN 4.91 B, up by 17.1% YoY.**
- **Housing developer loan portfolio at the end of Q3/11 at PLN 777.5 M (total net balance-sheet value and off-balance-sheet).**

<sup>1)</sup> In July 2004 BRE Bank Hipoteczny stopped granting loans to retail customers. The volume of housing loans represents the existing portfolio still managed by the Bank.

Profit before Tax  
(PLN M)



- **PLN 9.6 M profit before tax in Q3/11, down by 4% YoY (PLN 10.0 M in Q3/10) and up by 155% QoQ (PLN 3.7 M in Q2/11).**
- **C/I ratio increased from 45.3% at the end of 2010 to 48.7% in Q3/11.**

# Appendix

## Trading and Investment Activity Dom Inwestycyjny BRE Banku (DI BRE)

Number of Accounts with DI BRE  
Q3/11 (thou.)

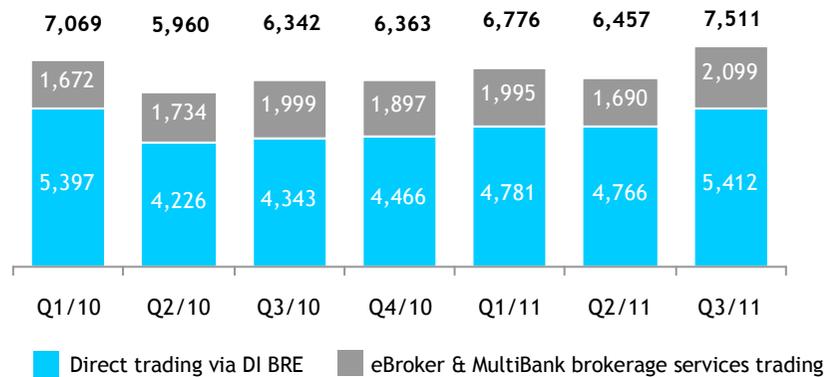
DI BRE accounts	55.7
eBroker (mBank)	203.8
Brokerage Service (MultiBank)	35.8
<b>TOTAL</b>	<b>295.3</b>

DI BRE Market Share  
in Q3/11, by volume<sup>1)</sup>

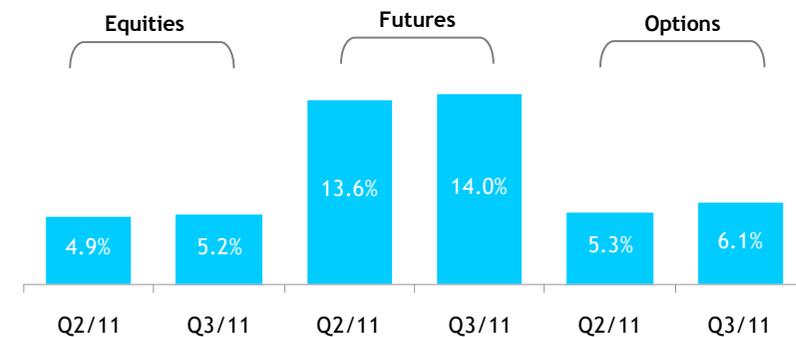
Equities	5.2 %	#7
Bonds	4.6 %	#4
Futures	14.0 %	#1
Options	6.1 %	#8

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

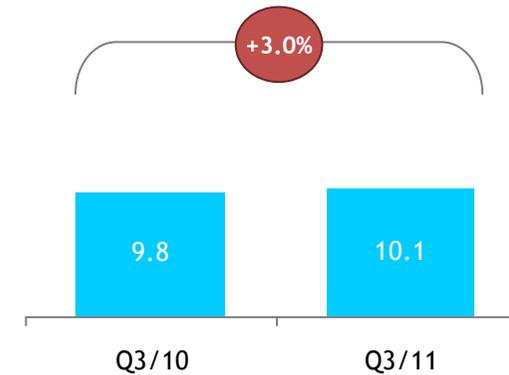
DI BRE Equities Trading  
(PLN M)



DI BRE Market Share in WSE Trading



Profit before Tax  
(PLN M)



# Appendix

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

---

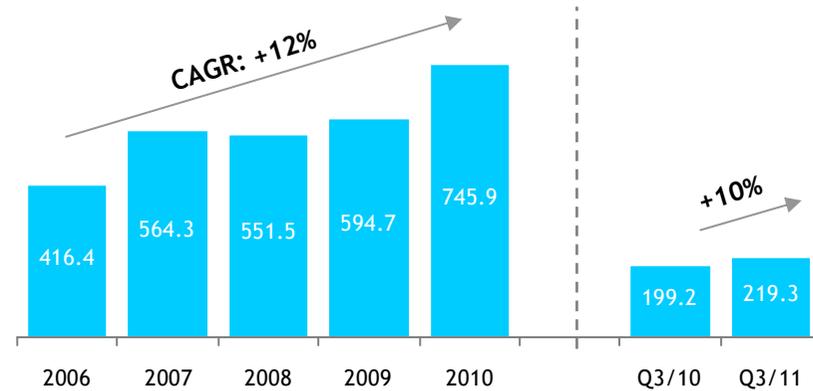
# Appendix

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

Net interest income (PLN M)

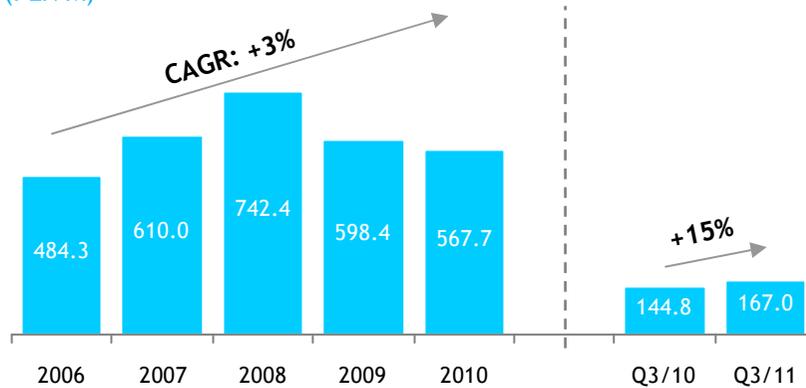


Fee and commission income (PLN M)

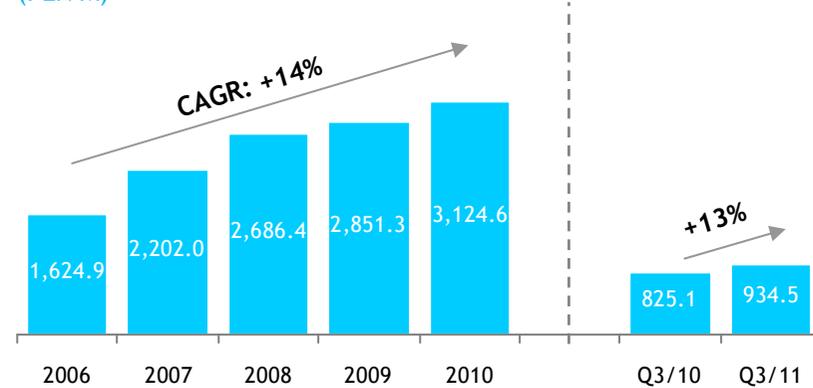


NIM

Trading and other income (PLN M)



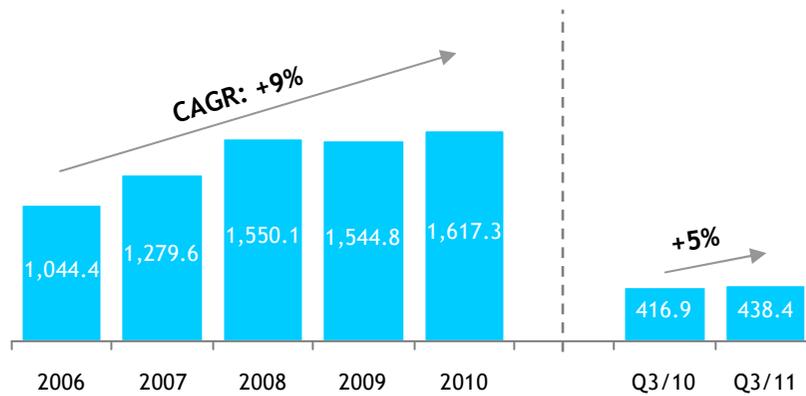
Total income (PLN M)



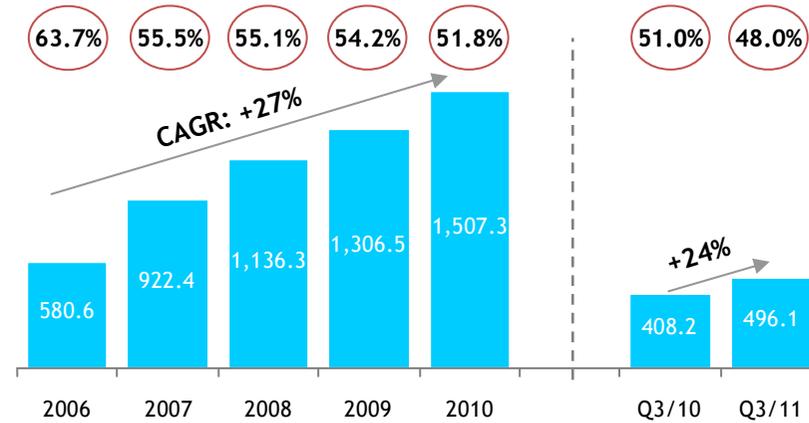
# Appendix

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

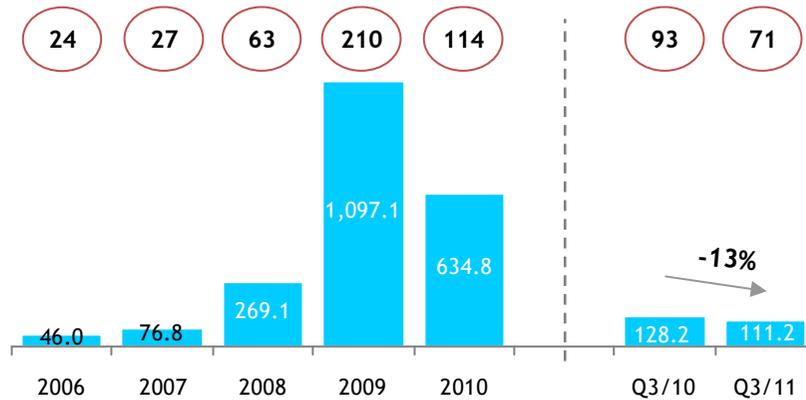
Operating costs  
(PLN M)



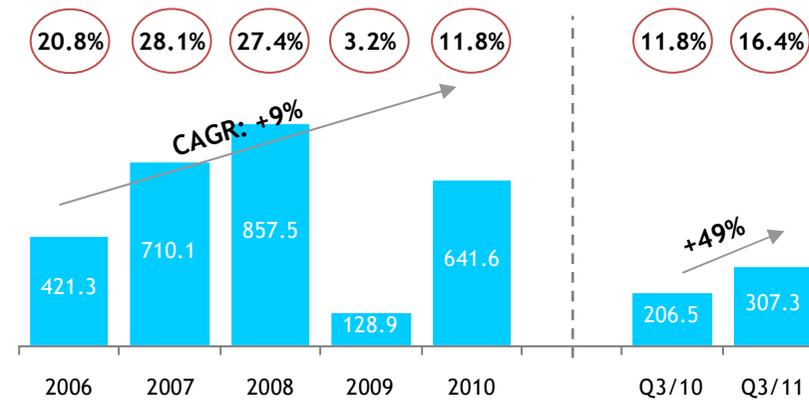
Pre-provision income  
(PLN M)



Loan Loss Provisions  
(PLN M)



Net profit  
(PLN M)



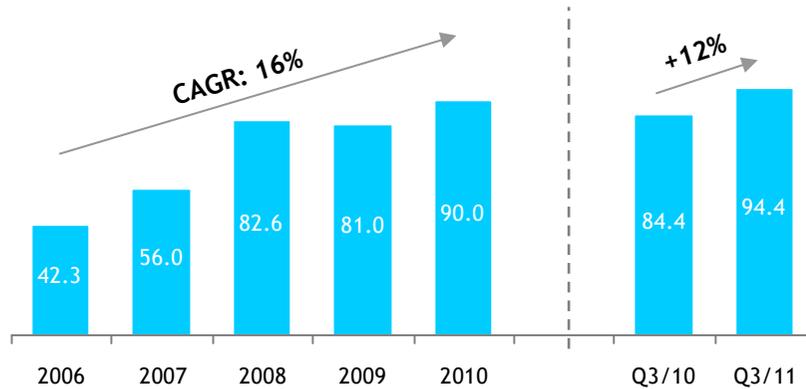
Cost of risk (bps)

ROE net

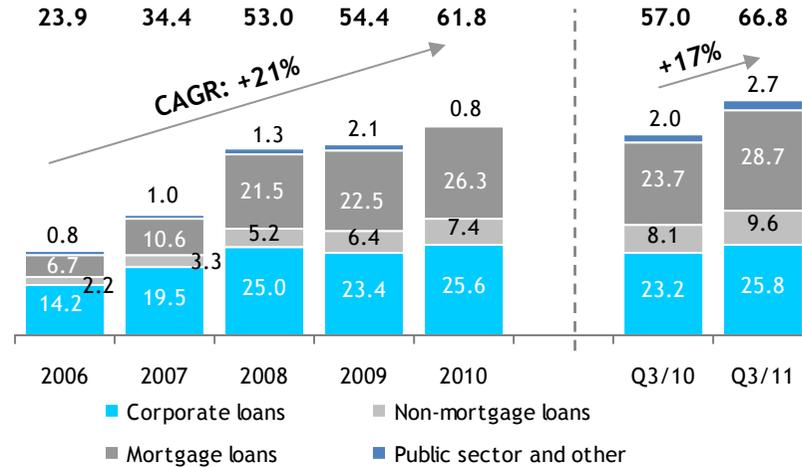
# Appendix

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

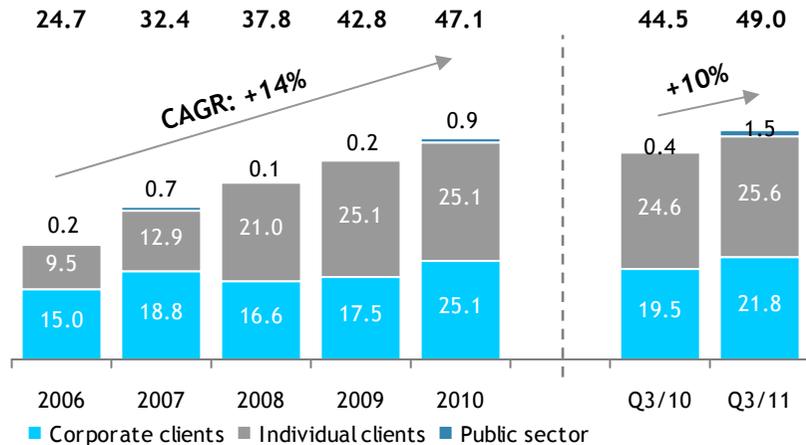
Total assets  
(PLN B)



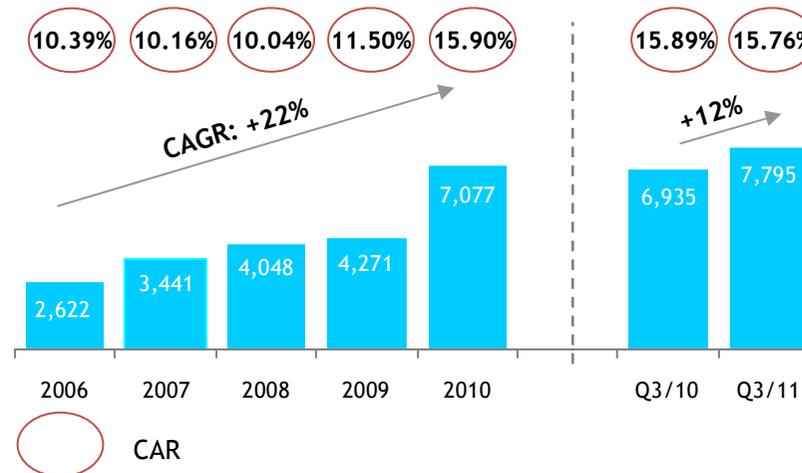
Total gross loans<sup>1)</sup>  
(PLN B)



Total deposits  
(PLN B)



Equity and CAR  
(PLN M)



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

# Appendix

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

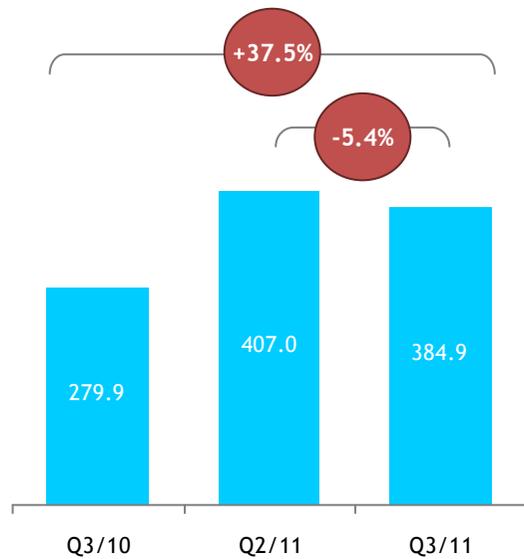
PLN thou. By quarter	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Net interest income	481,048	503,125	506,524	542,486	548,179
Net commission income	199,211	200,366	207,388	208,208	219,297
Dividend income	5,222	10	9	2,652	12,424
Net trading income	88,169	104,274	95,579	105,808	111,361
Gains less losses from investment securities	29,604	(1,352)	(4,294)	(2,511)	20,040
Other operating income	63,796	102,076	58,917	72,001	62,529
Net credit and loans impairment provisions	(128,230)	(125,988)	(114,110)	(58,620)	(111,191)
Overhead costs	(358,253)	(394,941)	(349,783)	(367,770)	(378,621)
Depreciation/Amortisation	(58,672)	(59,711)	(58,611)	(60,881)	(59,803)
Other operating cost	(41,969)	(64,053)	(32,638)	(34,338)	(39,349)
Profit before tax	279,926	263,806	308,981	407,035	384,866
Net profit attributable to owners of BRE Bank	206,453	195,482	229,708	313,171	307,260

# Appendix

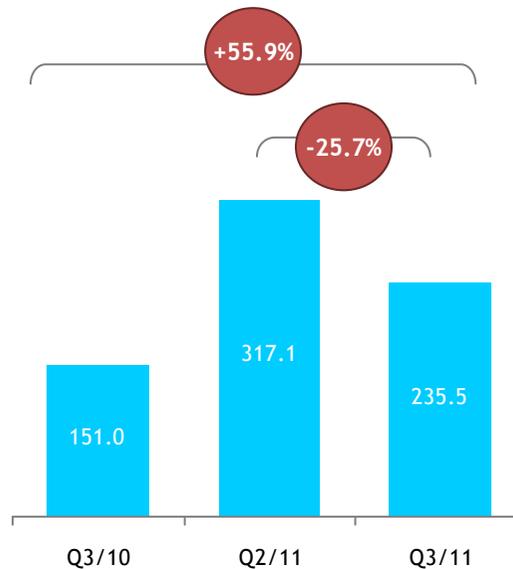
## Summary of Q3/2011 in BRE Bank Group - Profitability of the Business Segments

Quarterly Result before Tax by Business Segment  
(PLN M)

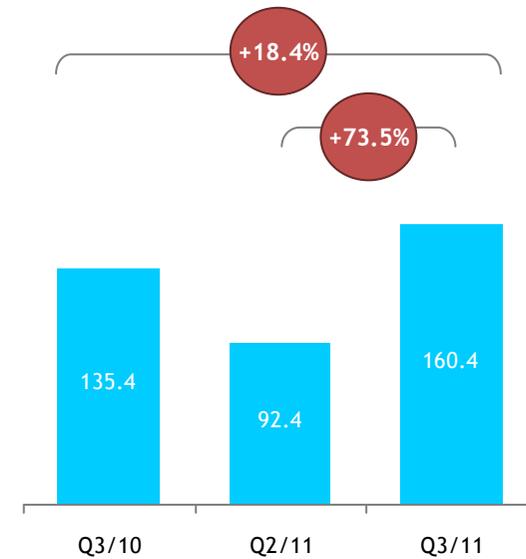
BRE Bank Group



Retail Banking



Corporates & Financial Markets



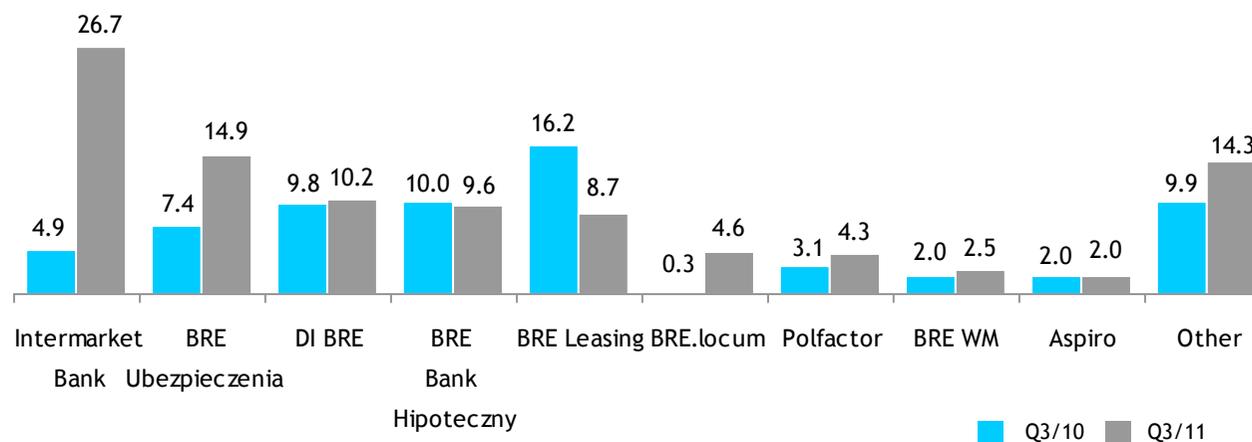
- **Retail Banking:** QoQ decrease of pre-tax profit driven by the disposal of NPL portfolio in Q2/11 (impact of PLN 90.3M); recurrent pre-tax profit up by 3.9% QoQ, supported by strong product sales and increasing client activity
- Significant growth of pre-tax profit of **Corporates and Financial Markets** driven by higher trading activity with corporate clients and reduced loan impairments as well as the closing of the factoring business reorganisation

# Appendix

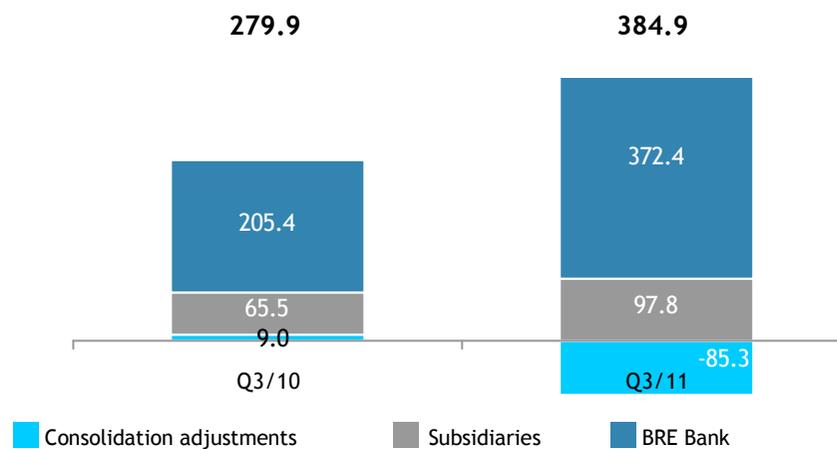
## Additional Information: Selected Financial Data Results of Subsidiaries

- Q3/2011 profit before tax of consolidated subsidiaries at PLN 97.8 M v. PLN 65.5 M in Q3/10 (+49% YoY)

Profit before Tax of Consolidated Subsidiaries (PLN M)



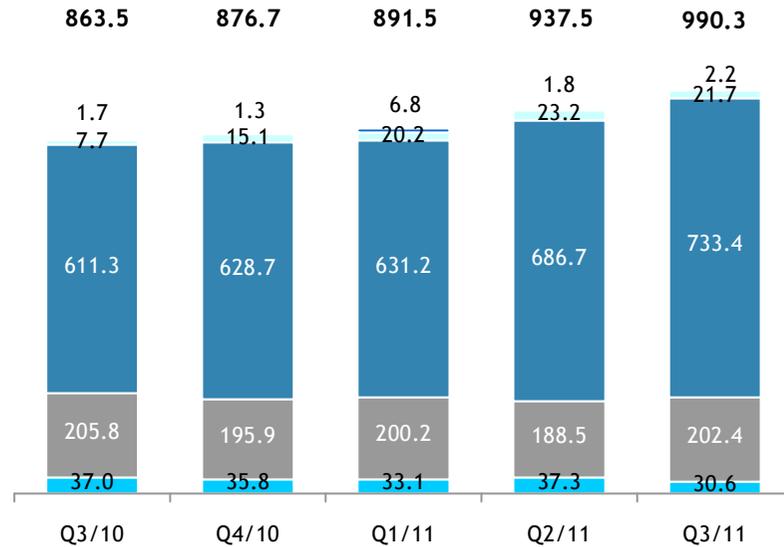
Contribution of BRE Bank Group Subsidiaries to Profit before Tax in Q3/11 (PLN M)



# Appendix

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

Interest Income Structure  
(PLN M)

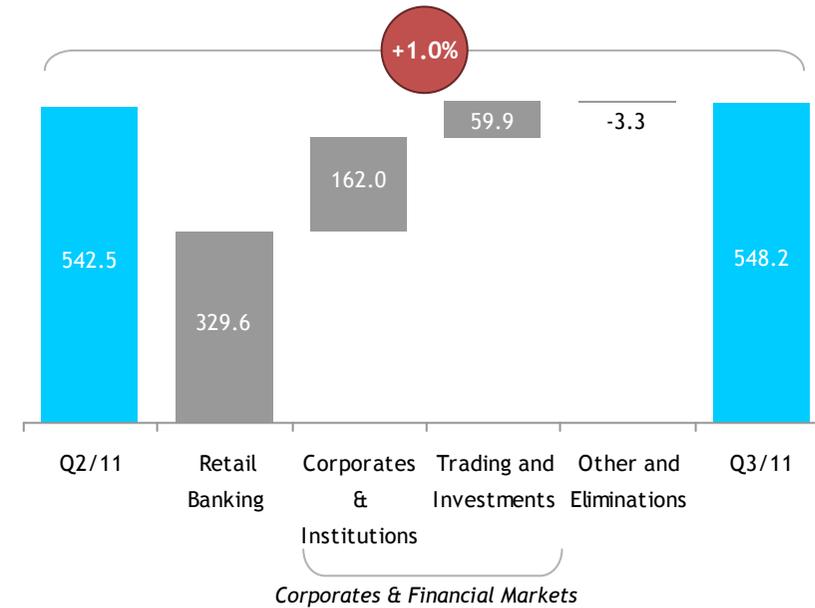


Interest Income Structure  
(%)

	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Cash and short-term deposits	4%	4%	4%	4%	3%
Investment securities	24%	22%	22%	20%	21%
Loans and advances	71%	72%	71%	73%	74%
Debt securities held for trading	1%	2%	2%	3%	2%
Other	0%	0%	1%	0%	0%

1) Margin calculated as net interest income to average income-earning assets

Net Interest Income, Q3/11 by Business Lines  
(PLN M)



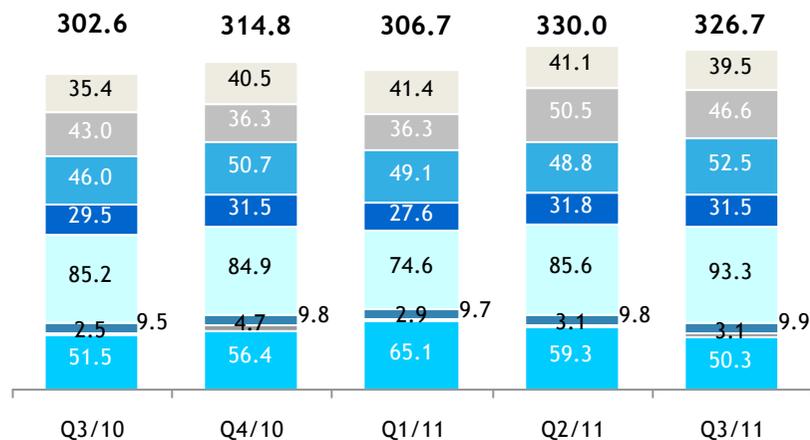
Net Interest Margin (NIM at the end of period,%)<sup>1)</sup>  
and NII/RWA ratio

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

# Appendix

## Additional Information: Selected Financial Data Commission Income

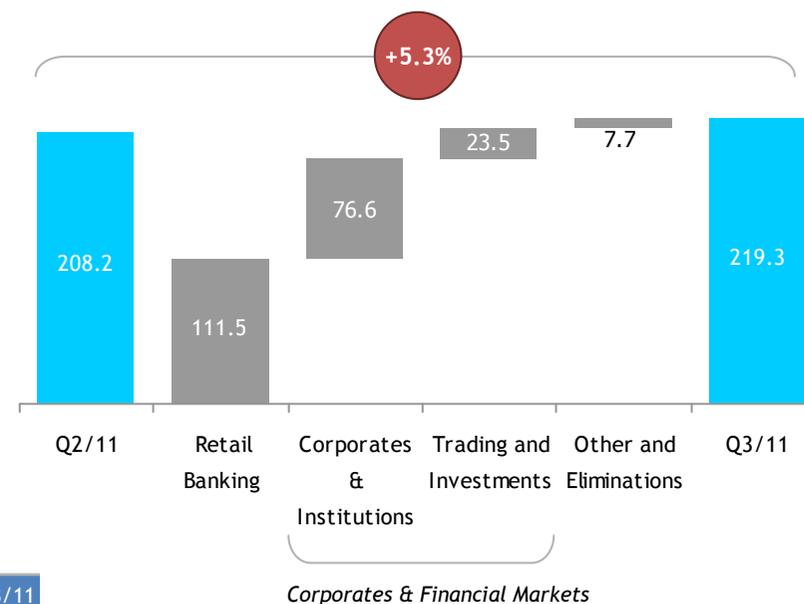
Commission Income Structure  
(PLN M)



Commission Income Structure  
(%)

	Q3/10	Q4/10	Q1/11	Q2/11	Q3/11
Credit related	17%	18%	21%	18%	16%
Portfolio management	1%	1%	1%	1%	1%
Guarantees and documentary transactions	3%	3%	3%	3%	3%
Payment cards	28%	27%	24%	26%	28%
Brokerage fees	10%	10%	9%	10%	10%
Accounts & money transfers	15%	16%	16%	15%	16%
Insurance activity	14%	12%	12%	15%	14%
Other (incl. custody)	12%	13%	14%	12%	12%

Net Commission Income, Q3/11 by Business Lines  
(PLN M)

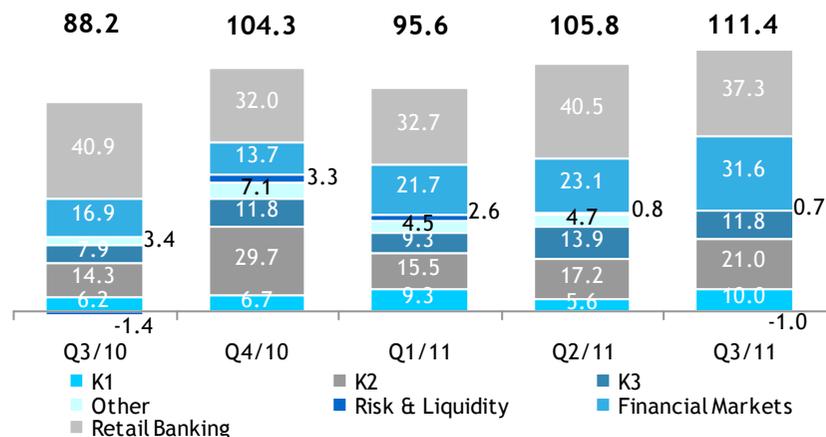


Corporates & Financial Markets

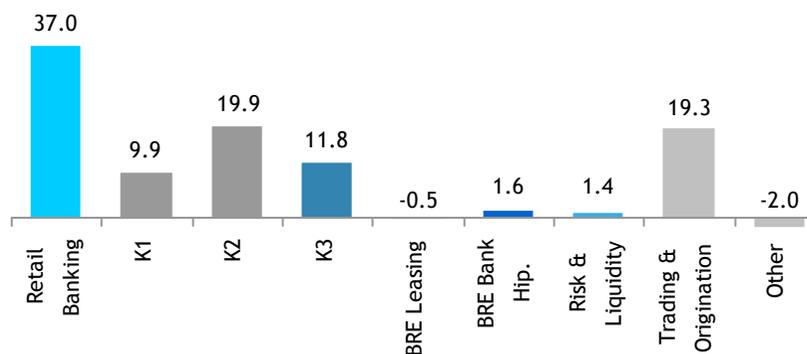
# Appendix

## Additional Information: Selected Financial Data Trading Income

Contributors of Net Trading Income (PLN M)



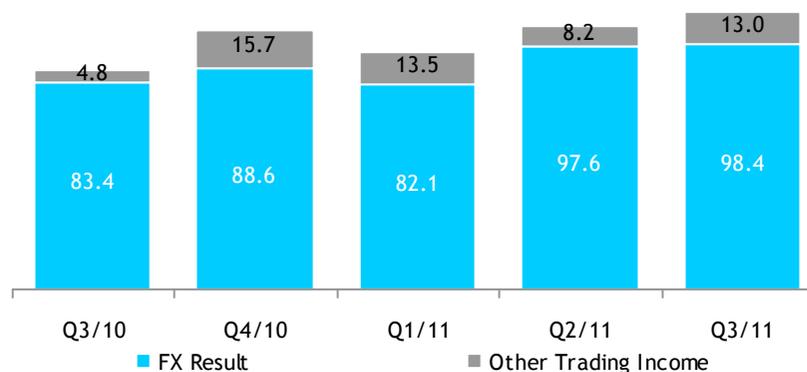
FX Result Contributors in Q3/11 (PLN M)



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



Net Trading Income Structure (%)

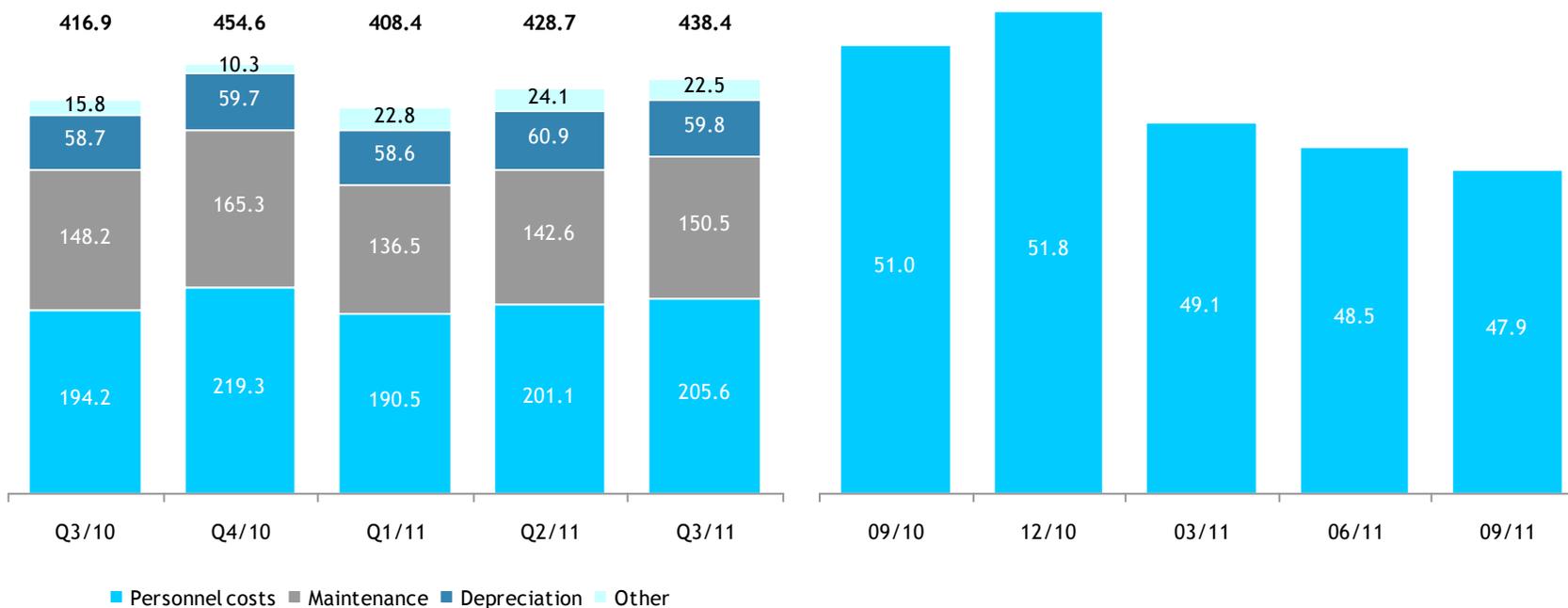


# Appendix

## Additional Information: Selected Financial Data Administrative Expenses Structure

Structure of Administrative Expenses incl. Depreciation (PLN M)

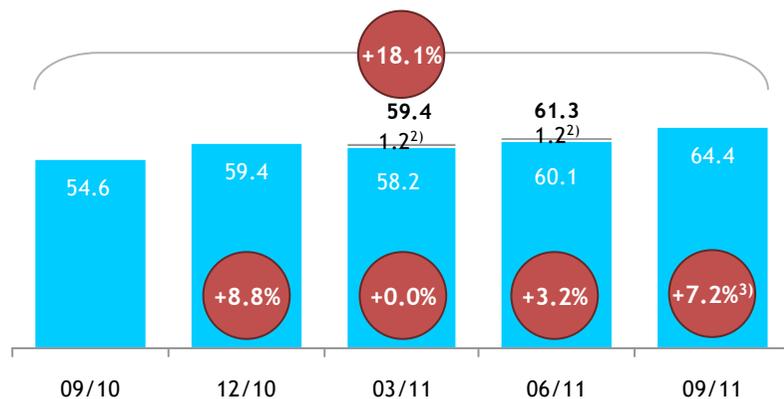
C/I Ratio of BRE Bank Group (% , as at the end of period)



# Appendix

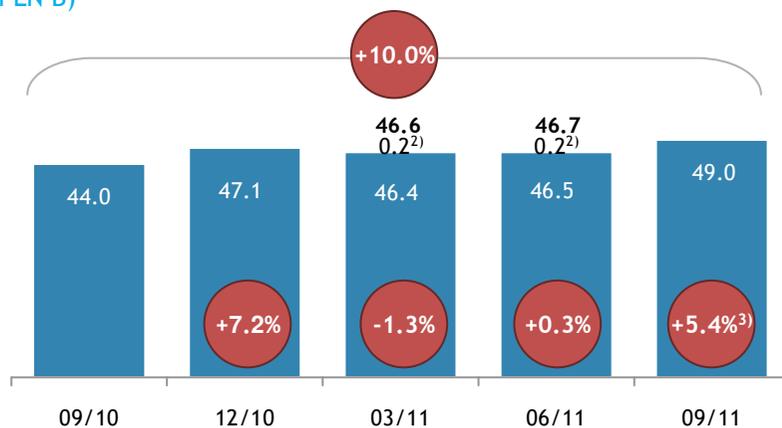
## Additional Information: Selected Financial Data Loans and Deposits

Loans  
(PLN B, net)



	BRE Bank <sup>1)</sup>	Market <sup>1)</sup>
QoQ	+7.2% ↑	+5.6% ↑
YoY	+17.2% ↑	+14.0% ↑

Deposits  
(PLN B)



	BRE Bank	Market
QoQ	+5.4% ↑	+3.6% ↑
YoY	+10.0% ↑	+11.2% ↑

1) Data related to gross loans  
 2) Intermarket Bank and Magyar Factor  
 3) QoQ growth excluding loans and deposits of Intermarket Bank and Magyar Factor in Q2/11

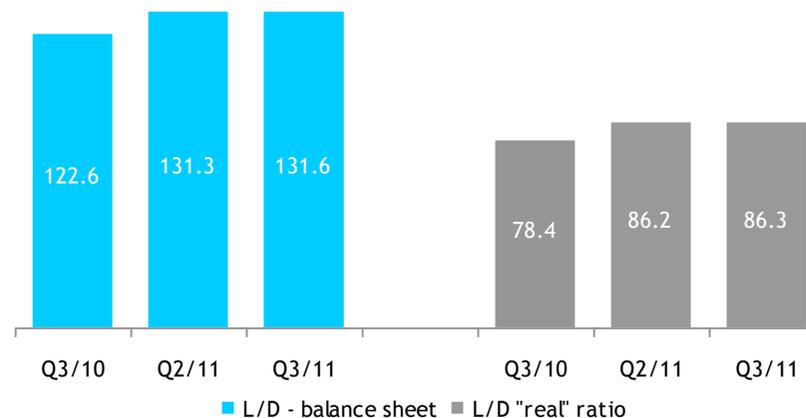
# Appendix

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

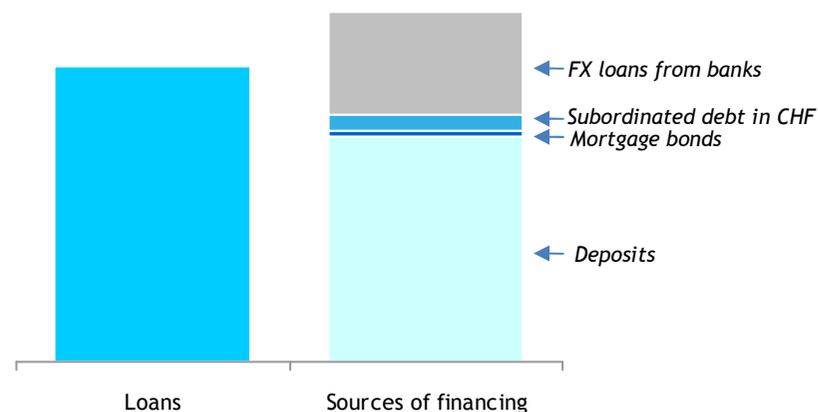
- The ratio of loans to deposits stood at 131.6% in Q3/11
- However, funding policy for FX risk mitigation is implemented
- BRE mid-term loans in CHF fund CHF-denominated mortgages, therefore...

...the 'real' loan to deposit ratio is **86.3%**

LtD Ratio in BRE Bank Group



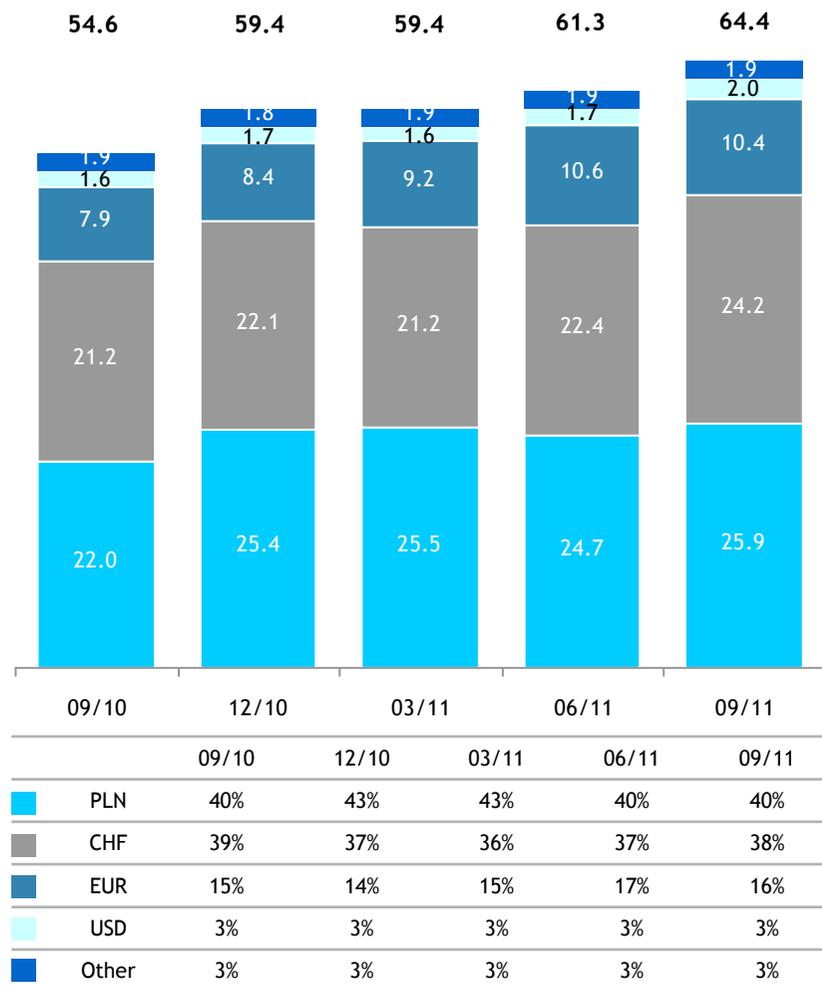
Structure of Financing Loans of BRE Bank Group as of Q3/11 (PLN B)



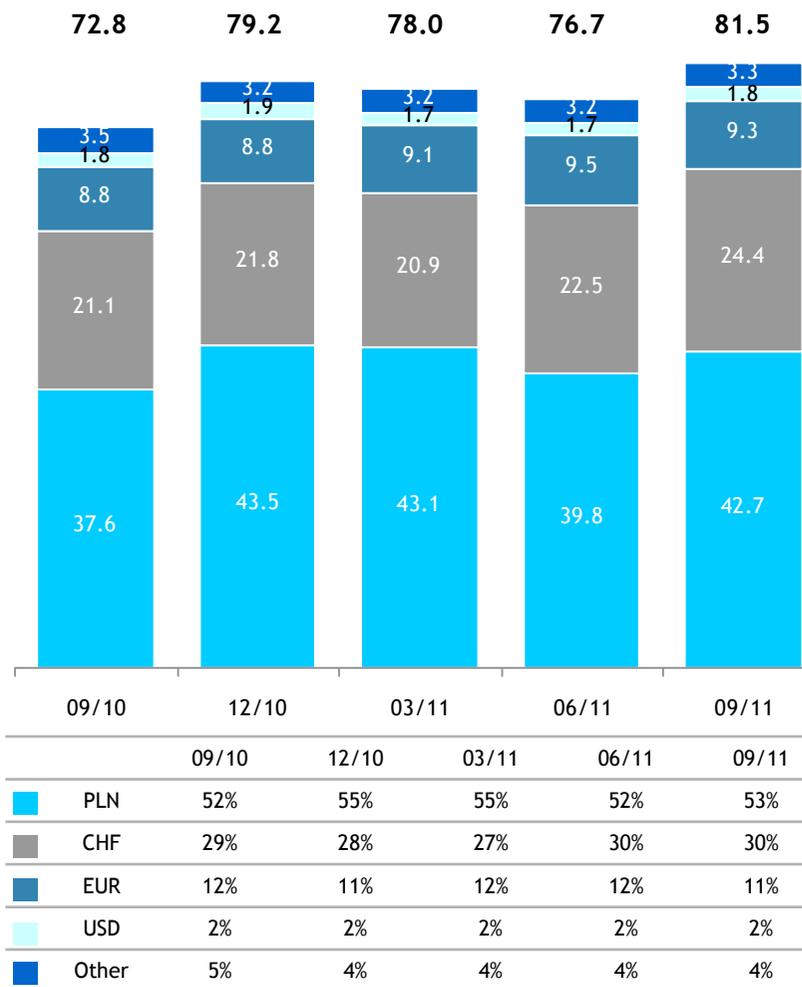
# Appendix

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

Currency Structure of Loans  
(PLN B)



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

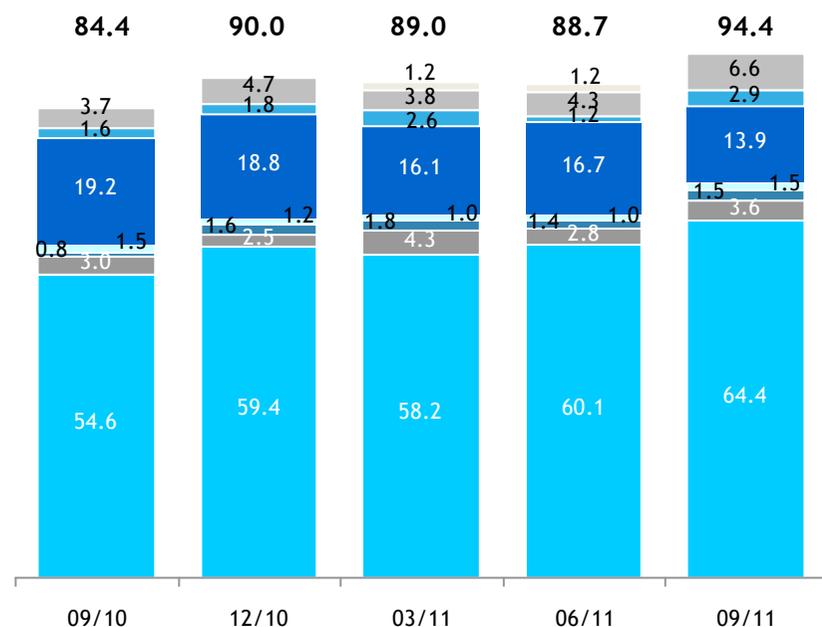


<sup>1)</sup> incl. amounts due to other banks and customers and subordinated liabilities

# Appendix

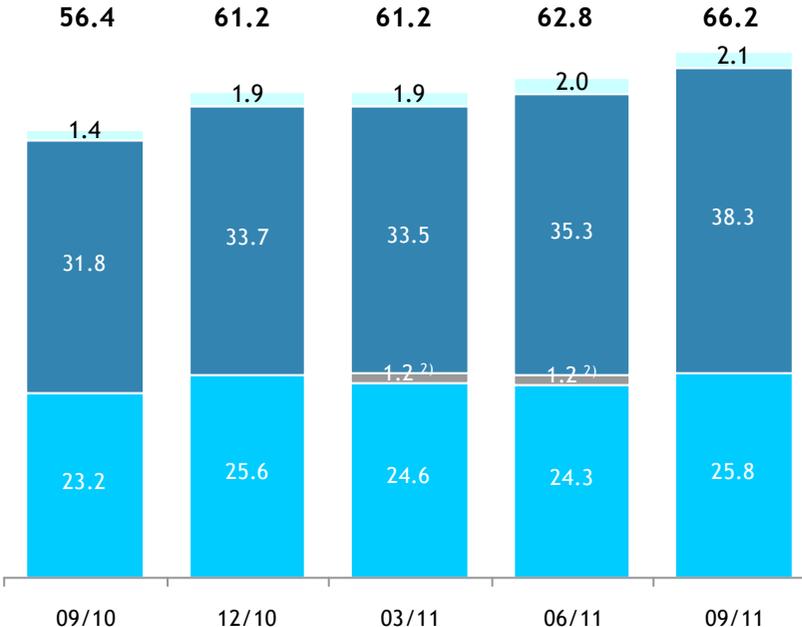
## Additional Information: Selected Financial Data Balance Sheet Analysis - Assets

Structure of Assets  
(PLN B)



	09/10	12/10	03/11	06/11	09/11
Loans and advances to customers	65%	66%	66%	68%	69%
Loans and advances to banks	3%	3%	5%	3%	4%
Trading securities	1%	2%	2%	2%	1%
Derivative financial instruments	2%	1%	1%	1%	1%
Investment securities	23%	21%	18%	19%	15%
Pledged assets	2%	2%	3%	1%	3%
Other	4%	5%	4%	5%	7%
Non-current assets held for sale	0%	0%	1%	1%	0%

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



	09/10	12/10	03/11	06/11	09/11
Corporate customers	41%	42%	42%	41%	39%
Retail customers	56%	55%	55%	56%	58%
Public sector	3%	3%	3%	3%	3%

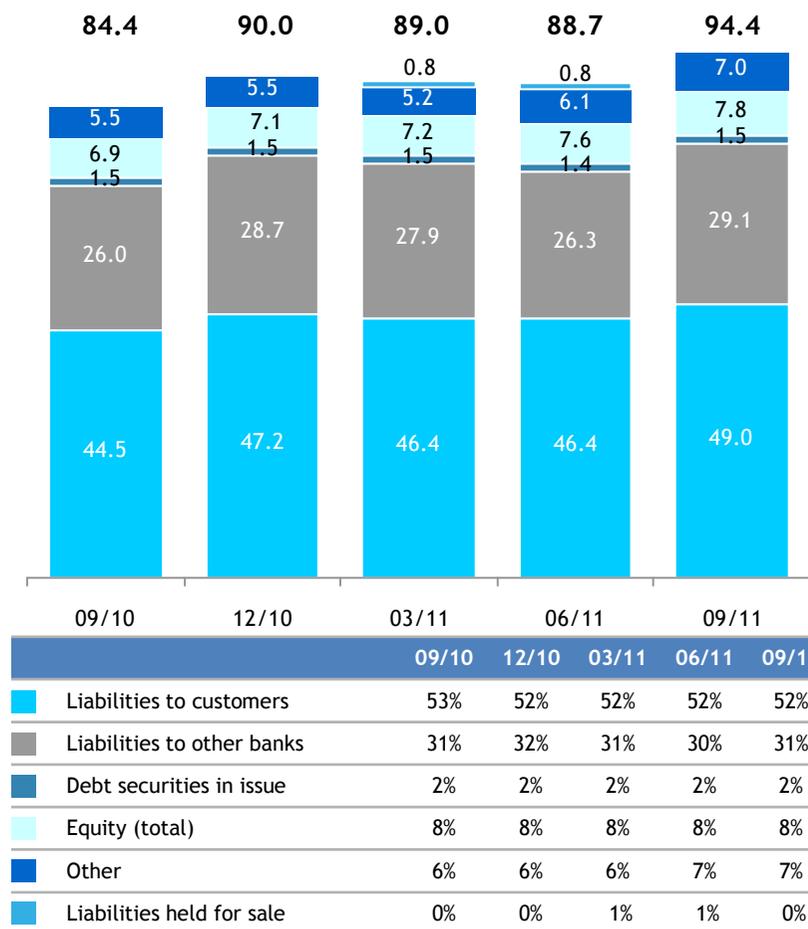
<sup>1)</sup> Gross loans and advances to customers (excl. 'other advances')

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

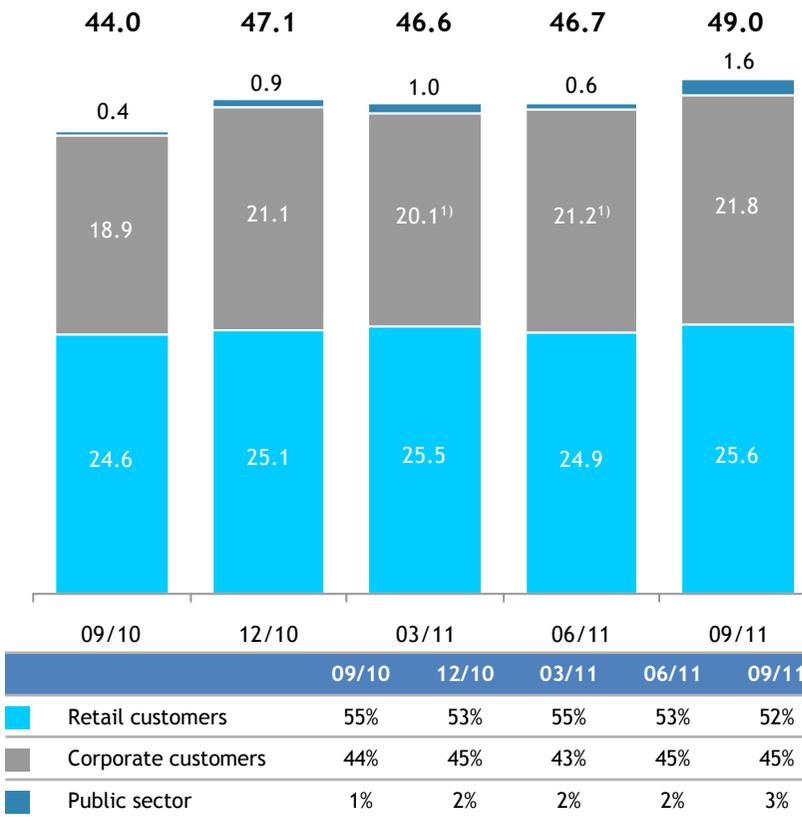
# Appendix

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

Structure of Liabilities  
(PLN B)



Structure of Deposits  
(PLN B)



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

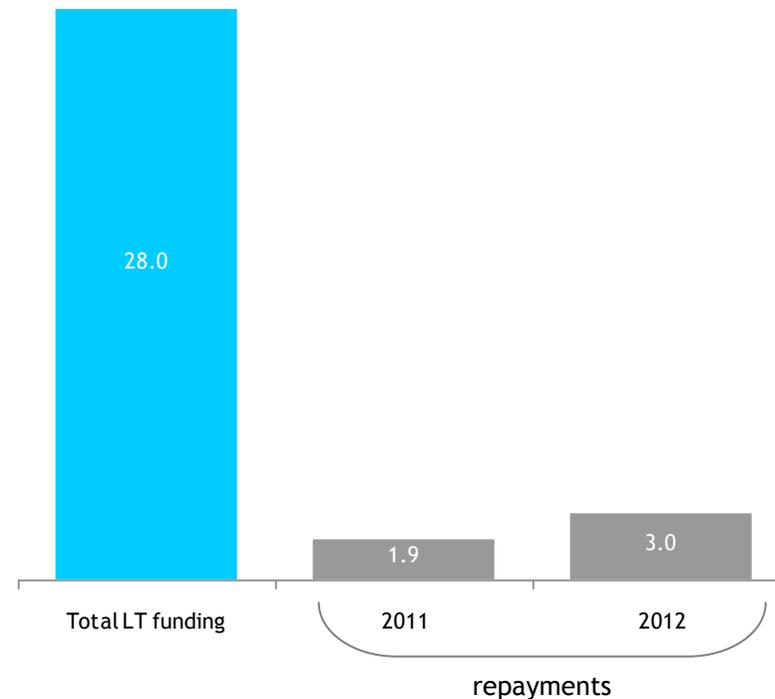
# Appendix

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

### ➔ Significant improvement of funding profile achieved

- Since 2010 mid-term loans in the amount of CHF 3.0 B primarily maturing in 2010 and 2011 were extended to longer tenors (up to 2013 - 2018)
- In Q3/11 BRE Bank was granted 2 additional FX loans from the European Investment Bank totalling EUR 200 M
- **By the end of 2011 BRE Bank will need to refinance PLN 1.9 B or 7.0% of long- and mid-term loans drawn in the past to fund FX lending (PLN 3.0 B or 10.7% by the end of 2012)**

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

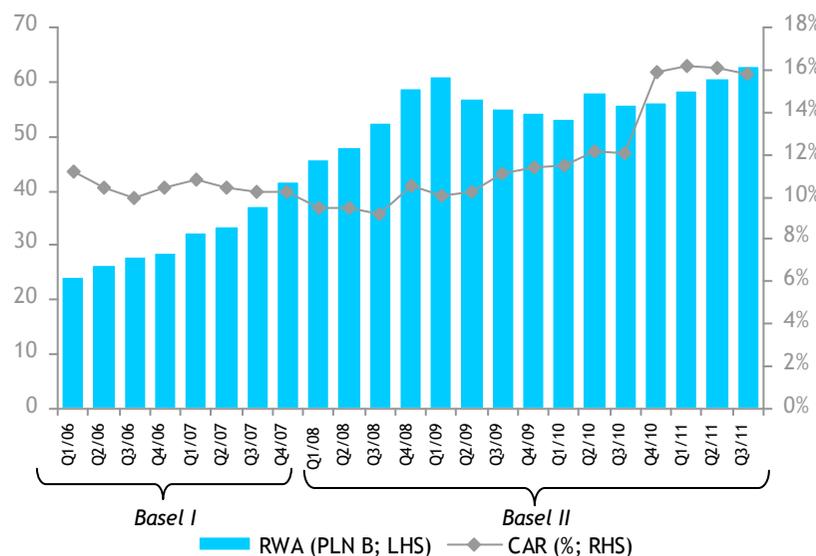


# Appendix

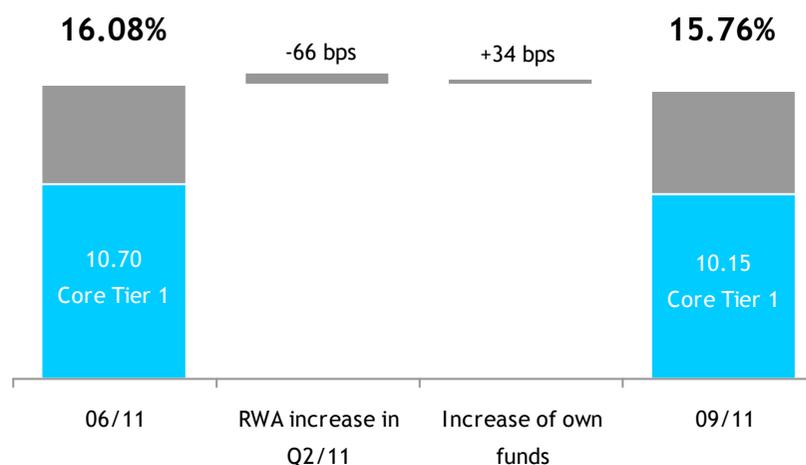
## Additional Information: Selected Financial Data BRE Bank Group's Capital Adequacy Ratio (CAR) in Q3/11

➔ CAR at solid level of 15.76%; Core Tier 1 Ratio at 10.15% in 09/11

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



Change of CAR under Basel II

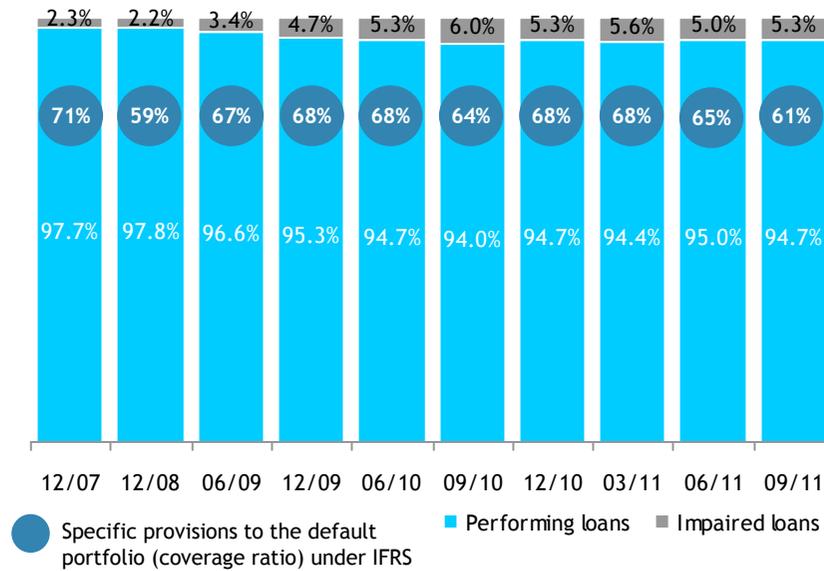


- CAR at 15.76% in 09/11 compared to 16.08% in 06/11 and 15.89% in 09/10
- Core Tier 1 ratio at 10.15% compared to 10.70% in 06/11 and 10.62% in 09/10
- RWA at PLN 63.1 B in 09/11 compared to PLN 60.5 B in 06/11 (+4.2%)

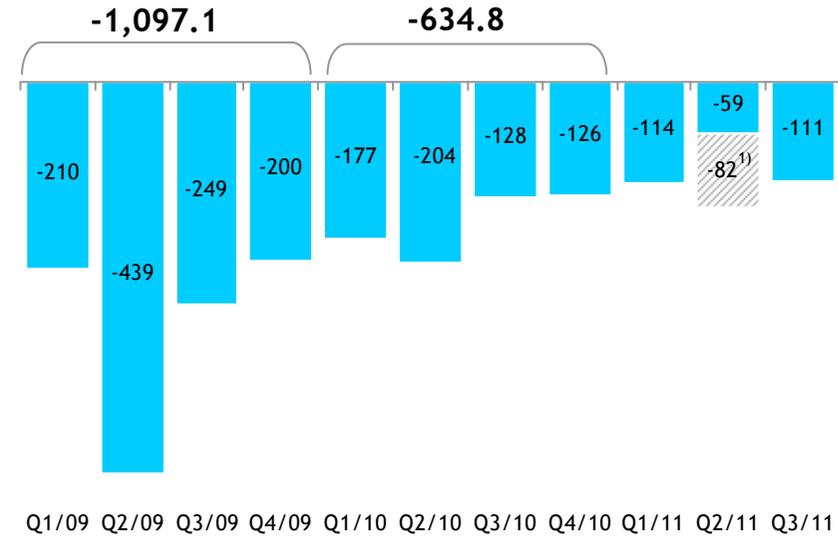
# Appendix

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

Quality of the Loan Portfolio of BRE Bank Group



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



NPL in Corporate and Retail Loan Portfolios (under NBP rules<sup>2)</sup>) (%)

	06/09	09/09	12/09	03/10	06/10	09/10	12/10	03/11	06/11	09/11
Corporate	5.5	7.9	8.7	9.8	11.2	11.9	11.8	11.4	10.8	10.9
Retail	1.7	2.0	2.4	2.8	2.9	3.2	3.3	3.6	2.3	2.3
<b>Total</b>	<b>3.0</b>	<b>4.1</b>	<b>4.6</b>	<b>5.2</b>	<b>5.5</b>	<b>5.9</b>	<b>5.9</b>	<b>6.1</b>	<b>5.0</b>	<b>4.9</b>

<sup>1)</sup> one-off effect of Retail NPL portfolio sale

<sup>2)</sup> NPLs under NBP rules (balance-sheet NPLs to total loans)

# Contact

## BRE Bank's Investor Relations Officers at your service:

**Wojciech Chmielewski**  
Head of Investor Relations

Direct dial: +48 22 829 14 34  
Fax: +48 22 829 15 19  
E-mail: [wojciech.chmielewski@brebank.pl](mailto:wojciech.chmielewski@brebank.pl)

**Joanna Filipkowska**  
Deputy Head of Investor Relations

Direct dial: +48 22 829 04 53  
Fax: +48 22 829 15 19  
E-mail: [joanna.filipkowska@brebank.pl](mailto:joanna.filipkowska@brebank.pl)

Visit our Investor Relations website:

[www.brebank.pl](http://www.brebank.pl)